



# Special Report

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## **The Recovery Act: Creating Jobs and Making a Difference in South Dakota**

Earlier this year, the Democratic Congress worked with President Obama to enact the *American Recovery and Reinvestment Act* (the *Recovery Act*) in an effort to rescue, rebuild, and strengthen our struggling national economy. Eight years of failed fiscal policies and misguided economic priorities had left our national economy on the brink of disaster, and now – only nine months later – our economy is on the brink of recovery. The *Recovery Act* and the efforts of American businesses and workers, like those in South Dakota, made this progress possible.

Despite this encouraging news, Democrats know that many South Dakotans are still struggling, and unemployment – a lagging economic indicator – remains far too high. In response, Democrats are working to create and save millions of jobs with *Recovery Act* dollars and tax relief. Already, with more than half of the dollars yet to be spent, the recovery package has provided for more than one million jobs and the rate of job loss has slowed significantly. As we look toward the future, Democrats believe that the *Recovery Act*, combined with the American work ethic and ingenuity, will continue to make a difference for families in South Dakota and will deliver on its promise to rebuild our economy and get South Dakotans back to work.

### ***The Recovery Act is Creating Jobs and Making a Difference***

Last week, the White House announced that certain recipients of *Recovery Act* funds have reported the creation of 640,329 direct jobs. About 325,000 of these jobs are in education and over 80,000 are in construction. These numbers, however, represent only about 16 percent of expenditures through September 30 and do not reflect the majority of *Recovery Act* funding to date, which has gone directly to individuals and states, including:

- Tax relief for businesses and working families;
- Small business loans, which are exempt from reporting;
- The first-time homebuyer tax credit;
- Direct federal aid, including \$250 direct stimulus checks, enhanced unemployment benefits, increased food stamp benefits for vulnerable families; and
- State fiscal relief, which prevented job cuts at the state and local government level.

Moreover, the reported data does not capture indirect or induced jobs created when prime contractors hire suppliers or other companies to complete projects or when newly employed workers spend their pay checks. It is estimated that, if included, indirect jobs would add

another 50 percent or more to the direct jobs numbers and induced jobs would add an additional 36 percent. [Office of the Vice President, [10/30/09](#); CBPP, [10/28/09](#)]

Taken as a whole, the reported data confirms earlier estimates that the *Recovery Act* would create or save over one million jobs by now, even though less than half of the *Recovery Act* funds have been put to work. [Office of the Vice President, [10/30/09](#)] According to Congressional Budget Office (CBO) projections, that number may be as high as 1.6 million jobs. [CBO, [11/09](#)]

Moreover, without the *Recovery Act*, economists believe that the economy and the unemployment rate would be much worse.

- According to CBO projections, “an additional 600,000 to 1.6 million people were employed in the United States, and real (inflation-adjusted) gross domestic product (GDP) was 1.2 percent to 3.2 percent higher, than would have been the case in the absence of ARRA.” [CBO, [11/09](#)]
- The Commerce Department reported that the nation’s gross domestic product grew by 2.2 percent in the third quarter of 2009, the first expansion in more than a year. Economists are projecting 4 percent growth in the fourth quarter. [Commerce Department, [12/22/09](#); testimony of Dr. Martin Baily before the Senate Democratic Policy Committee, [12/16/09](#)]
- According to economist Mark Zandi, “The research of Moody’s Economy.com suggests that a million fewer jobs would exist today, while the unemployment rate would already have risen well into double digits.” [Testimony before the Joint Economic Committee, [10/29/09](#)]

## ***The Recovery Act is Creating Jobs and Making a Difference in South Dakota***

In South Dakota, this partial reporting indicates that 2,198 jobs have been created or saved by funding 354 awards worth \$703,218,503, of which \$253,132,551 has already been received. [Recovery, Accountability, and Transparency Board, accessed [11/2/09](#)]

Similar to the national number, this validates the White House’s earlier estimates that the *Recovery Act* is responsible for saving or creating 2,800 jobs so far for South Dakotans (accounting for indirect and induced jobs). [Council of Economic Advisors, [9/2009](#)] **South Dakota is on track to benefit from a total of 10,000 *Recovery Act* jobs.** [The White House, [2/2009](#)]

These numbers alone cannot adequately convey the human impact of the jobs that are supported by the *Recovery Act* – the real-life stories of local companies that can hire new employees, workers who are no longer faced with uncertainty, and families that no longer need to struggle to pay their bills. The following is a sampling of some of the local *Recovery Act* success stories in South Dakota:

**SDN Communications will use a *Recovery Act* grant to bring broadband to 305 rural hospitals, schools, libraries, and public safety agencies.** “A South Dakota company has been awarded \$20 million in stimulus money to help expand broadband Internet service to rural areas of South Dakota. SDN Communications will use the money to bring broadband to 305 hospitals, schools, libraries and public safety agencies in rural areas of the state. SDN says it will take three years to complete the 359 miles of fiber optic network. The company is also putting in \$5 million of its own money to build the Internet connections.” [Associated Press, [12/18/09](#)]

**Recovery Act funding provides a special opportunity for hospitals to improve the quality of health care they can provide in South Dakota.** “Avera Health officials estimate there's about \$25 million in federal economic stimulus money available for the health system to use. Sanford Health officials estimate the amount of money available for that organization is between \$20 million and \$50 million. Though these organizations are major operations, the millions in federal funding available is nothing to sneeze at. For an industry that's continually squeezed by the federal government, the stimulus money represents opportunities to pay for various projects when the health systems otherwise might not have been able to do so. Beyond that, the health systems' potential use of stimulus money helps spread those dollars beyond state and city governments. That was part of the purpose of the stimulus money in the first place - to get money rapidly to places that create jobs and boost the economy. As Sioux Falls' two largest employers, Avera and Sanford are well-positioned to help do just that.” [*Argus Leader*, Editorial, 9/27/06]

**The Recovery Act funded 803 summer jobs and paid internships for South Dakota youth.** “South Dakota Labor Secretary Pam Roberts says her agency's summer youth work experience program, which ends on September 30, was a ‘huge success with significant results.’ In a release, she says the department created 803 work experiences and internships with help from \$3.3 million in economic stimulus funds. She says Labor Department workers matched participants to employers who could provide them real-world work experience. The jobs were for people ages 14 through 24.” [*Associated Press*, 9/18/09]

**The Rosebud Sioux Tribe will use Recovery Act funds to renovate a women's shelter and expand its services.** “The U.S. Department of Justice awarded more than \$780,000 in Recovery Act funds to the Rosebud Sioux Tribe Wednesday. These funds are in addition to the more than \$544,000 in Recovery Act funds awarded to two South Dakota tribal coalitions on Aug. 24. In a release, the Office on Violence Against Women said it is awarding \$787,633 to the tribe to provide advocacy and supportive services to victims. The tribe will use the funds to renovate the White Buffalo Calf Woman Society shelter to create a safe environment, to enhance the handicap accessibility of the shelter and drop-in services, provide a new roof and purchase a shelter vehicle. The tribe will also create an education and prevention campaign addressing domestic violence, sexual assault, dating violence and stalking, implement a Domestic Violence Court and enhance the tribal court's ability to hold hearings on domestic violence cases and to provide security measures to ensure the safety of victims and the public.” [*Rapid City Journal*, 9/3/09]

**Forest Service seeking to hire engineers to Work on Recovery Act-funded projects.** The Forest Service Northern Region is offering career intern opportunities for civil engineers and civil engineering technicians. The positions are designed to provide a combination of professional development, agency familiarity, and productive assignments. The interns selected will help implement identified projects as part of the American Recovery and Reinvestment Act (ARRA)... The work locations are potentially at any of the Supervisor's Offices across the region. The Northern Region encompasses 25 million acres and is spread over five states and twelve national forests located within northeastern Washington, northern Idaho, and Montana; and the national grasslands in North Dakota and northwestern South Dakota.” [*Clark Fork Chronicle*, 8/24/09]

**Yankton Company won Recovery Act-funded contract to provide imaging and data.** “Eisenbraun & Associates Inc., Yankton, S.D., won a \$614,523.56 federal contract from the U.S. Army Corps of Engineers, Omaha, Neb., to acquire, process and deliver digital color imagery and LiDAR data under the American Recovery and Reinvestment Act. Places of

performance will be at Pipestem Lake and Bowman-Haley Lake, N.D.” [[Targeted News Sources](#), 8/18/09]

**South Dakota highway project goes from shovel ready to done; thirteen *Recovery Act*-funded projects underway across state.** “The first South Dakota highway project that used federal economic stimulus money has gone from shovel ready to done. The nearly \$6 million project involved asphalt resurfacing on 35 miles of state Highway 20 from the junction of Highway 45 to Brentford, which is northeast of Redfield. It was completed this week when paint striping was added. The state Department of Transportation has received \$178 million of funds for highway projects. About \$82 million has been awarded to contractors, and more than \$30 million of that amount has been spent so far. Thirteen stimulus-funded projects are under way.” [[KTIV.com](#), 8/18/09]

**Minnehaha County will use *Recovery Act* grant to improve energy efficiency, create green jobs.** “U.S. Senator Tim Johnson (D-SD) announced today that Minnehaha County will receive \$129,300 in funding from the Department of Energy’s Energy Efficiency and Conservation Block Grant Program (EECBG). The funding, from the American Recovery and Reinvestment Act of 2009, will be used to help the county improve energy efficiency, reduce energy use and fossil fuel emissions and create green jobs. ‘This funding will not only help to improve energy efficiency and install renewable energy technologies on buildings, but will also stimulate the economy and create new jobs,’ said Johnson... The EECBG is a program funded for the first time from the American Recovery and Reinvestment Act of 2009 and focuses on finding energy savings, reducing harmful emissions and creating jobs across the country. The funding for Minnehaha County is part of a total of \$55.8 million for more than 72 cities, counties and tribes across the country. Resources from the Recovery Act are continuing to help local communities across South Dakota.” [[US Fed News](#), 8/17/09]

**Wagner Indian Health Services facility, in conjunction with 37 other IHS locations in South Dakota, will receive *Recovery Act* funds.** “In recent years, the Yankton Sioux have fought to maintain the Indian Health Service (IHS) facility in Wagner. ‘Health care remains one of our priorities,’ said tribal chairman Robert ‘Bobby’ Cournoyer. Recent battles have focused on reinstating 24-hour service at the Wagner facility. But maintaining the building’s condition also remains a priority. That effort has received a boost with the announcement that the Wagner IHS clinic has qualified for federal stimulus funds. ‘If we get some stimulus dollars, we could use the money for health care at IHS,’ Cournoyer said. ‘We could certainly use a big shot in the arm. We could use improvements to the facility.’” [[Yankton Press & Dakotan](#), 6/14/2009]

**South Dakota will spend *Recovery Act* funds to build bus storage facility.** “Mitchell’s Palace Transit expects to receive about \$550,000 in federal stimulus funding for a bus-barn addition and upgrade and some new buses. Senator Johnson: ‘Improving our transportation infrastructure contributes significantly to the success and quality of our rural communities. This funding will allow people to travel more easily to receive medical services, visit family, and commute to jobs.’” [[The Mitchell Daily Republic](#), 6/11/09]

***Recovery Act* will pay for contractors to rebuild roof, install handicap ramp at Heritage Museum.** “When Gary Jerke looks at the former St. John’s Lutheran Church building in Kaylor, he sees more than just a building, he sees a future for the Southeast South Dakota Germans from Russia Historical Society (Sodak Stamm). The historical society, with members from across southeastern South Dakota, was recently notified that they will be receiving federal stimulus dollars to help with repairs needed on the group’s more than 100-year old building.” [[Yankton Press & Dakotan](#), 6/11/09]

**South Dakota received *Recovery Act* funding for water and sewer projects.** “The funds will help create jobs and boost local economies as the funds are forwarded to local government entities and rural water systems.” [[KSFY News](#), 5/22/09]

**The Eagle Butte Health Center will receive *Recovery Act* funding to improve health care facilities and services.** “The facility will replace the existing Eagle Butte IHS Hospital which, at approximately one-third the size of the new facility, is stressed to meet the needs of the entire service population. The new center will serve approximately 9,300 American Indians residing on the Cheyenne River Reservation.” [[Indian Country Today](#), 5/18/09]

**South Dakota is receiving \$5.4 million for temporary child care assistance for recently unemployed South Dakotans while they search for work.** [[Associated Press](#), 5/12/09]