



Special Report

BYRON L. DORGAN
CHAIRMAN

DPC Staff Contact: Joi Chaney, Erika Moritsugu (202) 224-3232

DPC Press Contact: Barry Piatt (202) 224-0577

November 23, 2009

Available Online: dpc.senate.gov

The *Recovery Act*: Creating Jobs and Making a Difference in Utah

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 Utah, made this progress possible.

Despite this encouraging news, Democrats know that many Utahns 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 Utah and will deliver on its promise to rebuild our economy and get Utahns 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](#)]

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

- According to Congressional Budget Office (CBO) projections, “The effect of the stimulus legislation on the level of economic activity will probably build during the second half of 2009 [and] have its maximum impact in the first half of 2010... CBO estimates that real GDP will be 1.4 percent to 3.8 percent higher in the fourth quarter of 2009 than it would have been without the stimulus, 1.1 percent to 3.4 percent higher in the fourth quarter of 2010, 0.4 percent to 1.2 percent higher in the fourth quarter of 2011, and zero to 0.3 percent higher by the fourth quarter of 2013.” [CBO, [8/09](#)]
- These estimates were bolstered by third quarter growth when, for the first time in more than a year, the economy expanded, and, at 3.5 percent, it expanded faster than expected. [*Wall Street Journal*, [10/29/09](#)]
- 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 Utah

In Utah, this partial reporting indicates that 6,598 jobs have been created or saved by funding 582 awards worth \$1,502,981,542, of which \$626,260,300 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 9,500 jobs so far for Utahns (accounting for indirect and induced jobs). [Council of Economic Advisors, [9/2009](#)] **Utah is on track to benefit from a total of 32,000 *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 Utah:

The *Recovery Act* will pump \$17 billion into the nation's largest need-based financial aid program and provide up to \$150 million to Utah students for higher education. “Ligaya Peterson is listening for the sounds that distinguish a heart murmur from an arrhythmia with the help of formerly stray dogs Xango and Trixie. Peterson and 179 others are learning the veterinary-technician trade in the state's only two-year program, operated by Utah Career College in a former pizza parlor in West Jordan. A 22-year-old married mother from Sandy, Peterson is among more than 11,000 Utah students using federal aid to attend a

for-profit college... These high-tuition programs, whose enrollment has exploded in recent years, are tailored to working adults... Over two fiscal years, the American Recovery and Reinvestment Act (ARRA) will pump \$17 billion into the nation's largest need-based financial aid program. As part of this stimulus program, the maximum Pell awards were bumped up by \$500 to \$5,350. When the stimulus finishes running through Pell, up to \$150 million will have gone to Utah students.” [[Salt Lake Tribune](#), 11/7/09]

Utah will use *Recovery Act*-funded grant to make street lights and other city equipment energy efficient, creating nearly 100 jobs. “Under DOE’s Energy Efficiency and Conservation Block Grant (EECBG) program, these states... will implement programs that lower energy use, reduce carbon pollution, and create green jobs locally... UTAH - \$9,593,500 awarded. Utah will use its Recovery Act EECBG funds to improve energy efficiency and reduce total energy use and fossil fuel emissions in communities throughout the state...The Utah State Energy Office will administer this program, awarding funds in two general areas. First, grants to local cities and counties to develop community and building energy efficiency strategies, monitoring and reporting mechanisms, and innovative policies that will promote energy efficiency and conservation. Second, funding will support the implementation of a range of efficiency initiatives, including energy efficiency retrofits, installing on-site renewable energy technologies for existing buildings, replacing traffic signals and street lights with energy efficient lighting, and other energy efficiency improvements. Utah’s Recovery Act-funded projects will lead to substantial energy and cost savings and will create nearly 100 jobs statewide.” [[Department of Energy Release](#), 11/3/09]

The SBA reported that since the *Recovery Act* passed in February, the Utah office has guaranteed 1,432 loans. “Murray’s Teraflex Inc. has been in business for 40 years, first selling surplus military parts and evolving into a company that manufactured and marketed specialized parts for off-road Jeep enthusiasts. With more than 35 employees, the company grossed upward of \$9 million a year before the economy sank and the path to business success became as much a slog as traversing a muddy bog on a rainy day. The second-generation company’s revolving \$75,000 line of credit disappeared... Teraflex officials were able to grab a \$150,000 loan through the Small Business Administration because of the American Recovery and Reinvestment Act, enough cash to help them pay off vendors and keep afloat financially. Teraflex was one of hundreds of companies in Utah that benefited from stimulus funds during the past nine months as the credit crunch tightened for businesses that needed to borrow to make ends meet.” [[Salt Lake Tribune](#), 10/28/09]

Salt Lake City’s two oldest affordable senior housing complexes will use *Recovery Act* funds for improvements. “Utah’s two oldest affordable living centers for seniors are getting federal stimulus funding for retrofits that will help save energy. The Senior Citizens High Rise and the City Plaza, both in Salt Lake City, have been awarded more than \$2.5 million for the improvements. The housing authorities for Salt Lake City and Salt Lake County say the complexes are recipients of competitive capital funds administered by the U.S. Department of Housing and Urban Development. The two complexes were built in 1975 to provide safe and affordable senior housing.” [[Associated Press](#), 10/28/09]

***Recovery Act* has saved or created more than 4,200 jobs in Utah, by funding environmental cleanup projects and education programs.** “Environmental cleanup projects in two small Utah cities are the state’s biggest winners so far of federal contracts awarded under President Barack Obama’s stimulus program. New figures show that 535 jobs have been created or saved with federal contracts in Utah since stimulus spending started earlier this year. That includes 121 jobs involved with removing 16 million tons of uranium tailings near Moab. Another 102 jobs are associated with the Eureka Mills Superfund site in Eureka,

which includes 160 properties contaminated with waste from historic mining operations. The initial numbers released by the Recovery Accountability and Transparency Board represent just a sliver of the \$787 billion stimulus program. The figures are based on jobs linked to less than \$16 billion in federal contracts and represent just a sliver of the total package. The overall effect in Utah — driven especially by money funneled through state agencies — is larger than those federal figures. State officials estimate that more than 4,200 jobs have been saved or created by the stimulus, including about 2,600 teachers and about 350 people working on road projects. Utah is expected to get about \$1.5 billion from the stimulus program. So far, about \$500 million has been paid out.” [\[Associated Press, 10/22/09\]](#)

Researchers at the University of Utah will use *Recovery Act* grant for a carbon capture and sequestration project, critical in assessing the practicality, safety, and efficiency of projects for the nation’s energy future. “University of Utah researcher Brian McPherson is competing for part of \$1.4 billion in federal stimulus money to create one of the nation’s first commercial-scale carbon capture and sequestration projects. The U.S. Department of Energy has initially awarded him \$2.7 million to submit a proposal, which he has seven months to complete... McPherson is a USTAR researcher at the U’s Energy and Geoscience Institute. He’s been working for the past seven years to test the viability of carbon capture technology... McPherson says this is just one of the technologies that could play an important role in the nation’s energy future. But if it works, he says it could be implemented almost immediately... McPherson says, “The new project would capture more than a million tons of carbon dioxide from industrial sources in Kansas, compress it and pipe it to a location where it would be injected underground for long-term storage, and to enhance oil drilling.” [\[KCPW News, 10/5/09\]](#)

***Recovery Act* grant designated for hybrid and alternative fuel vehicles for mass transit, construction of refueling stations, which should save or create 365 jobs.** “Utahns may soon notice an influx of alternative fuel vehicles on the roads – 678 to be exact. The vehicles are just one part of a \$14.9 million grant awarded to the Utah Clean Cities Coalition by the U.S. Department of Energy. The money is part of a 25-part Clean Cities program funded by \$300 million from the American Recovery and Reinvestment Act. The grant will be split between 23 local partners, said Utah Clean Cities Director Robin Erickson. Included are government agencies such as the Utah Transit Authority, Salt Lake City and the state Department of Administrative Services. UTA received \$63,000 per bus to purchase 10 hybrid electric buses, said spokesman Gerry Carpenter. Each bus costs about \$200,000 more than a regular diesel bus, about \$600,000, Carpenter said. The grant is great news for UTA, which recently saw a large decrease in sales tax revenue... The grant will also pay for new compressed natural gas refueling stations... Erickson estimates 365 jobs will be created or saved by the grant. Since the grant comes from stimulus funds, she said transparency is a high priority for the Coalition, and eventually plans to post updates on its Web site.” [\[Salt Lake Tribune, 9/15/09\]](#)

Ogden-Based consulting group won *Recovery Act*-funded contract to install lighting, repair windows and heating and cooling systems on AZ Air Force Base. “ICON Consulting Group Inc., Ogden, Utah, won a \$276,675.34 federal contract from the U.S. Air Combat Command, Davis Monthan Air Force Base, Ariz., for the repair of heating, ventilation and air-conditioning (HVAC) controls under the American Recovery and Reinvestment Act... ICON Consulting Group... won a \$167,939.97 federal contract from the U.S. Air Combat Command, Davis Monthan Air Force Base, Ariz., for the repair of parking lot lighting under the American Recovery and Reinvestment Act... ICON Consulting Group... won an \$89,930.22 federal contract from the U.S. Air Combat Command, Davis Monthan Air Force Base, Ariz., for the repair of windows under the American Recovery and Reinvestment Act” [\[Targeted News Service, 9/3/09\]](#)

ICON will also use *Recovery Act* funds to construct chiller loop at the Air Force Base. “ICON Consulting Group Inc., Ogden, Utah, won a \$115,176.49 federal contract from the U.S. Air Combat Comumand, Davis Monthan Air Force Base, Ariz., for the construction of an extended central chiller loop under the American Recovery and Reinvestment Act.” [*Targeted News Service*, 9/2/09]

The Cedar City Regional Airport has reopened following the completion of a ‘much needed’ runway resurfacing project paid for by the *Recovery Act*. “The Cedar City Regional Airport reopened after a three-week resurfacing maintenance project on its runway. Rick Holman, Cedar City Public Works director, said about a half-inch of asphalt was removed from the runway and replaced with a new three-inch layer as part of a project that has been on the city’s capital facilities plan for a few years. ‘This was much needed,’ he said. The project cost about \$3 million, but was paid for through funds from the Federal Stimulus Plan, Holman said. ‘This was a project we had on our capital facilities plan for awhile now, and when the stimulus money became available we were able to move forward quickly to get it done,’ he said. Holman said the two construction crews working on the project did so efficiently and worked almost 24 hours a day during the past three weeks.” [*USA TODAY*, 8/31/09]

***Recovery Act* funds will be used to expand its network of natural-gas fueling stations; money estimated to offset 1.1 million gallons of gasoline.** “Nearly \$15 million in federal stimulus funding will allow Utah to ramp up its already-expanding network of natural-gas fueling stations. The compressed natural gas [CNG] outlets operated by Questar and the state will swell from 25 to 41, giving motorists broader coverage of the state and faster refills. The Department of Energy grant to Utah Clean Cities also will buy three new liquid natural gas stations, three new biodiesel stations and 678 alternative-fueled vehicles for state and local government fleets. The money will pay for an upgrade in compression at Utah’s existing public-access CNG stations -- 19 operated by Questar Gas and six by the state -- enabling people to pump quickly regardless of demand at the stations... DOE estimates that Utah’s grant – from the American Recovery and Reinvestment Act – will offset 1.1 million gallons of gasoline.” [*The Salt Lake Tribune*, 8/28/09]

The *Recovery Act* will fund several projects on Utah military sites, including renovating the chapel at Hill Air Force base and repairing sprinkler systems at Tooele Army Depot. “Hill Air Force Base Chaplain Carl Wright can hardly contain his excitement. For five years the base has been seeking money to expand its chapel, which seats about 350 people, but the project hasn’t been an Air Force priority. But Hill is going ahead with the project this year after receiving \$269,000 in federal stimulus dollars for renovations that will nearly double the chapel’s capacity... Other Hill projects include \$809,000 for runway improvements and \$575,000 for a barracks heating and air conditioning system. About 60 miles to the southwest, the Tooele Army Depot is the recipient of the state’s largest single military-related stimulus check – a \$2.1 million infusion to repair fire sprinkler systems in six ammunition warehouses that hold concrete-filled bombs and dummy rounds used by soldiers for training... Other Utah projects include \$500,000 for blast-resistant windows for a large building at the Army’s Dugway Proving Ground.” [*The Salt Lake Tribune*, 8/27/09]

Utah counties will spend *Recovery Act* funds on salinity control at irrigation companies. “Interior Secretary Ken Salazar announced today that the Bureau of Reclamation will award grants totaling more than \$11.1 million to irrigation companies in Colorado, Utah and Wyoming to fund salinity control projects within the Upper Colorado River Basin under the American Recovery and Reinvestment Act of 2009 (ARRA). These Recovery Act grants will leverage an additional \$4.8 million cost-share from the Upper and Lower Colorado River Basin

Funds (funds from area water district's revenues from sale of water and power), to help control nearly 12,000 tons of salt loading from occurring that would otherwise enter the Colorado River system. The Eden Valley Irrigation and Drainage District in Farson/Eden is the only grant to Wyoming at \$381,584. Other grants were awarded to Huntington Cleveland Irrigation Co., Emery County, Utah, \$2,068,718; Red Cap Lake Fork Irrigation Co., Duchesne, Utah, \$1,780,980; Peoples Canal Co., Manila, Utah, \$5,012,364; and Montezuma Valley Irrigation Co., Cortez, Colo. , \$1,521,288." [[Wyoming Business Journal](#), 8/19/09]

\$49.8 million Recovery Act funds sourced to Utah Transit Authority and SunTran.

"The federal government has disbursed another round of stimulus funding — \$49.4 million for the Utah Transit Authority and St. George's public transit service, SunTran. UTA received the bulk of the money, \$48.3 million, which comes from the American Recovery and Reinvestment Act of 2009. About \$24.8 million will be used to remodel a former ZCMI warehouse at 2100 S. 900 West for a TRAX car maintenance center. It will be called the Jordan River Service Center, UTA spokesman Gerry Carpenter said... 'We'll be adding another 77 light-rail vehicles over the next few years with the introduction of the new lines, so the existing service center would not have been large enough to handle all of the necessary service requirements of the increased fleet,' Carpenter said." [[Deseret News](#), 6/25/09]

Recovery Act funding is being used to support 120 workers doing maintenance projects on U.S. Forest Service roads in Northern Utah. "Federal stimulus funding is being used this summer to support 120 workers doing maintenance projects on U.S. Forest Service roads in northern Utah. With \$11.6 million provided through the Uinta-Wasatch-Cache National Forest, county and private sector crews in Wasatch, Utah, Cache, Juab and Box Elder counties are making needed repairs to 165 miles of roads on Forest Service lands. [[Salt Lake Tribune](#), 6/9/09]

Disadvantaged Utah schools will receive \$49 million in Recovery Act funds. The new program is intended to help low-income Utah families get back in the job market more quickly. [[Salt Lake Tribune](#), 5/26/09]

Recovery Act funds will go to cleaning up nuclear reactor sites. About 6,000 cubic yards of waste – including contaminated soil, concrete and debris – will come to Utah by rail. [[The Salt Lake Tribune](#), 5/16/09]