



# Special Report

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updated December 22, 2009

Available Online: [dpc.senate.gov](http://dpc.senate.gov)

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

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 Delaware, made this progress possible.

Despite this encouraging news, Democrats know that many Delawareans 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 Delaware and will deliver on its promise to rebuild our economy and get Delawareans 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 Delaware***

In Delaware, this partial reporting indicates that 1,170 jobs have been created or saved by funding 226 awards worth \$514,358,218, of which \$88,354,134 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 3,000 jobs so far for Delawareans (accounting for indirect and induced jobs). [Council of Economic Advisors, [9/2009](#)] **Delaware is on track to benefit from a total of 11,000 *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 Delaware:

**New Castle County will use *Recovery Act* funds to purchase vacant and foreclosed homes in struggling communities to resell, rehabilitate or redevelop at affordable rates.** “New Castle County has received \$7 million from the U.S. Department of Housing and Urban Development to purchase and rehab homes in struggling communities and then make them available at affordable rates to potential buyers or renters. Called the Neighborhood Stabilization Program, the county will purchase homes for immediate resale or place them in a land bank for a short period of time for transition to non-profit partners. Those agencies will then resell, rehabilitate or redevelop the residential properties. In total, 31 homes will be

purchased in the first phase of the program, with an additional 38 homes to be acquired over the next 5 years. As of December, 22 foreclosed and vacant homes have been purchased in New Castle County with non-profit housing agencies planning to begin their rehab within the next 45 days. In the last year, New Castle County has experienced a significant increase in the number of foreclosed and abandoned properties... ‘When a home is foreclosed and abandoned, it affects not only the family that lost its home but the community as a whole,’ said U.S. Sen. Ted Kaufman, who attended Tuesday’s announcement along with Sen. Thomas Carper and Gov. Jack Markell. ‘This program raises the value of many residential homes and in doing so strengthens neighborhoods in Delaware that have been hit hard in these tough economic times.’ [[Dover Post](#), 12/15/09]

**University of Delaware has received a boost from the *Recovery Act* to bolster its research efforts, including one to develop the science around converting trees and grass into fuels, electricity or specialty chemicals.** “Four-year-old Carlita Kaliher isn’t just stacking blocks and tugging a toy train around a playroom on the University of Delaware campus. She’s helping UD researchers understand how preschoolers learn about shapes and numbers. In turn, the researchers, led by Roberta Michnick Golinkoff, are helping UD raise its profile as a research school. And the whole effort is getting a lot of help from the federal economic stimulus plan. The university has received nearly \$53 million in stimulus-funded federal research grants this year, including almost \$905,000 for Golinkoff’s two-year study... ‘We’ve always been a research university,’ said Golinkoff, an education professor and author of several books about teaching. ‘This is an opportunity for the university to really gain in the research field’... The biggest [grant] is a \$17.5 million, five-year grant for an Energy Frontier Research Center. The center’s mission is to develop the science around converting trees and grass into fuels, electricity or specialty chemicals.” [[Delaware Online](#), 11/30/09]

**Delaware is among the states that will use *Recovery Act* grants to train workers and connect them to green career opportunities; green capacity building grants will also assist underserved communities.** “Pennsylvania, Delaware and New Jersey will receive nearly \$3.6 million combined of the \$55 million in green jobs grants awarded through the American Recovery and Reinvestment Act Wednesday. The grants were awarded in two categories — State Labor Market Information Improvement Grants, which will be used by state labor departments to train workers and connect them to green career opportunities, and Green Capacity Building Grants, which will be used by organizations to target underserved communities. A total of \$48.8 million was awarded in the first category, including \$1,250,000 to the Pennsylvania Department of Labor and Industry, \$1,249,995 to the New Jersey Department of Labor and Workforce Development and \$889,404 to the Delaware Department of Labor. A total of \$5.8 million in Green Capacity Building Grants were awarded, including \$100,000 to Connection Training Services in Philadelphia and \$99,524 to Goodwill Industries of the Conemaugh Valley Inc., both in Pennsylvania.” [[Philadelphia Business Journal](#), 11/19/09]

**The Wilmington Veterans Administration Medical Center is set to use *Recovery Act* funds for an Outpatient Clinic Addition for its Women’s Health Program and its Operation Iraqi Freedom/Operation Enduring Freedom (OIF/OEF) Program.** “The Wilmington Veterans Administration Medical Center [has] received \$5.8 million in stimulus funds for upgrades and construction and an additional \$7.1 million for two other significant construction projects. The nearly \$6 million dollars will provide funding to replace a service elevator, upgrade the secondary electrical distribution system, upgrade the heating ventilation and air conditioning (HVAC) system and upgrade and replace the Boiler Plant equipment... The Medical Center, off Kirkwood Highway in Elsmere, is starting two other large construction in FY 2010 worth \$7.1 million. First, \$2.9 million is being invested to add a third floor to its Outpatient Clinic Addition for the facility’s Women’s Health Program and its

Operation Iraqi Freedom/Operation Enduring Freedom (OIF/OEF) program. Second, \$4.2 million is being invested to renovate and expand the Medical Center's Emergency Department." [*Sussex Countian*, 11/16/09]

**The Recovery Act has created or saved 1,055 jobs in Delaware.** "Federal stimulus spending is directly responsible for creating more than 1,000 jobs in Delaware so far... The news comes from a state report released Oct. 29 by Lt. Gov. Matt Denn, designated as Delaware's 'stimulus czar' by Gov. Jack Markell. Estimates from the federal government indicate that the stimulus should have created or saved roughly 3,000 jobs in Delaware, but Denn said those numbers are very fluid upon closer analysis. In his report, Denn accounted for 1,055 jobs created as an immediate result of stimulus-funded projects and estimated that as many as 2,550 additional jobs have been indirectly created or saved by federal funds used to prop up the state budget. Combined, those estimates align with federal projections." [*Dover Post*, 11/3/09]

**Recovery Act is responsible for creating or retaining between 1,055 and 3,605 jobs in Delaware.** "The federal stimulus program has created or retained between 1,055 and 3,605 jobs in Delaware, according to a report being released today by Lt. Gov. Matt Denn. As many as 50 percent more jobs have been created through tax breaks and income subsidies included in the stimulus, known as the American Recovery and Reinvestment Act... On Monday, Denn joined Gov. Jack Markell and Sens. Tom Carper and Ted Kaufman to announce that more than \$1 billion in stimulus money had come to Delaware or was on its way." [*News Journal*, 10/29/09]

**1,000 jobs have been created in Delaware thanks to Recovery Act funding.** "The state of Delaware has reached the \$1 billion mark for American Recovery and Reinvestment Act funds committed to the Diamond State and nearly 1,000 jobs have been created over the last eight months thanks to the stimulus funds. Senators Tom Carper and Ted Kaufman (both D-Del.) and Gov. Jack Markell announced the milestone at a press conference held Monday, Oct. 26 at the Newark Day Nursery and Children's Center. 'When I voted for the bill I hoped it would improve lives, create jobs, and help rebuild our economy,' Carper said. 'Stimulus funding has done all of those things and made a big difference in Delaware and I am excited about all of the opportunities.' 'As more money is received and spent in Delaware more jobs will be saved and created,' Sen. Kaufman said. 'There is a light at the end of the tunnel. We are not out of the woods yet – but we're a heck of a lot closer than we would have been.'... The Newark Day Nursery and Children's Center, for one, has received \$7,520 in ARRA funds to date to pay for childcare costs for out-of-work parents looking for employment." [*Sussex Countian*, 10/26/09]

**Recovery Act funding has retained at least 21 jobs and created 6 new jobs in Delaware; the Children's Advocacy Center retained 7 positions.** "Nearly \$2 million in federal stimulus money will be devoted to programs in Delaware that help victims of domestic violence. Sen. Ted Kaufman, D-Del., heralded the funding Monday in a speech to the Delaware Coalition Against Domestic Violence's conference. 'Recovery Act funding has retained at least 21 jobs and created, at minimum, six new full-time and part-time jobs in Delaware to aid victims of domestic abuse,' Kaufman told the advocates. The largest chunk -- \$573,000 -- goes to the Delaware Criminal Justice Council. Much of that will be to provide financial support for housing, utilities and transportation to people fleeing abusive relationships. CHILD Inc. gets the second-largest chunk, \$268,000, to retain seven shelter staff and allow the agency to continue operating Sarah's House, an emergency domestic-violence shelter in lower New Castle County. The money also will pay to retain a therapist and provide services to children who witness domestic violence. The Children's Advocacy Center gets \$234,500..., which will retain seven staff positions... [and] allow the agency to continue operating three centers statewide for forensic interviews and a comprehensive response to victims of child abuse. People's Place II

will get \$243,000, which will help the agency provide services to victims in the Sussex County emergency shelter and provide advocacy services. The state Department of Justice will get nearly \$215,000 to designate one deputy attorney general to strengthen the response and prosecution of violent crimes against women in Kent County.” [*News-Journal*, 10/20/09]

**Delaware Tech receives \$800,000 in Recovery Act funding for a green building technology and alternative energy systems training center.** “U.S. Commerce Secretary Gary Locke on Tuesday announced an \$800,000 Economic Development Administration (EDA) grant to the Delaware Technical and Community College of Georgetown, to help build the Green Building Technology and Alternative Energy Systems Training Center. The project, made possible because of the American Recovery and Reinvestment Act of 2009 (ARRA), is expected to create additional jobs and private investment in the region. Locke said, “This grant will help create new jobs and boost private investment in Delaware by building a ‘green’ jobs training center that will train workers to compete for jobs in the installation, management, and maintenance of alternative energy components...” [*Sussex Countian*, 9/23/09]

**Delaware housing project gets Recovery Act boost.** “The news comes from Hollybrook Farms, a 124-unit affordable apartment community in Laurel, Delaware. Last week, Delaware Governor Jack Markell and US Senator Tom Carper gathered with dozens of others to celebrate the rescued apartment project. Hollybrook Farms received a combination of public and private funding last year to renovate the aging community, but in May 2009, renovations were only 58% complete when the investor defaulted on contractual obligations and forged a \$4.8m funding gap. The Delaware State Housing Authority worked with the community to request \$4.3m of the federal stimulus funds, which was approved last month.” Senator Carper: “This is stimulus funding doing exactly what it was intended to do — help the economy, create and sustain jobs and support the completion of ‘shovel-ready’ projects. The stimulus funding is being put to good use here in Delaware.” [*The Housing Wire*, 09/08/09]

**O.C. Jones & Sons avoided layoffs after securing Recovery Act-funded contract to remediate contaminated San Leandro site.** “This week it will be 200 days since President Barack Obama signed the American Recovery and Reinvestment Act, a massive federal program to create jobs by infusing cash into local communities. Some of that stimulus money is being used to clean up an environmental hazard in the Bay Area. “I’m glad to be out here, glad to be working,” construction worker Robert Short said. The \$120,000 contract went to O.C. Jones and Sons out of Berkeley. The company did not hire any new employees for the job but is managing to avoid layoffs in a recession. ‘We’re bidding on every job we can get our hands on right now, trying to stay busy, and we’re doing a pretty good job getting our share,’ project manager Darren Hiatt said. For more than a decade, a former oil storage facility sat vacant, too contaminated for redevelopment... ‘They wouldn’t be on the job today if it wasn’t for the stimulus money,’ EPA spokesperson Steven Linder said...The San Leandro site is the first of its kind in the state to benefit from the recovery act... The short term economic stimulus is just the beginning. The lot will become a park and youth center, creating construction jobs and even more employment down the line.” [*KGO-TV (San Francisco, CA)*, 9/4/09]

**Recovery Act funds saved Hollybrook Farms affordable housing property from foreclosure, will create 189 jobs associated with renovation of the 30-year old apartments.** “Governor Jack Markell, Senator Tom Carper and Delaware State Housing Authority (DSHA) Director Anas Ben Addi today announced that Hollybrook Farms, LP has received just over \$4.3 million in funding through American Recovery and Reinvestment Act of 2009, better known as ARRA, to renovate units at the housing community located in Laurel... This funding will save the property from foreclosure and preserve 124 units of affordable housing, in addition to the federal annual subsidy of \$649,000... “The only way we are going to

get our economy going again is by creating jobs and getting Delawareans back to work,' said Governor Jack Markell. "There will be 189 jobs associated with this project and businesses want to be in areas where their employees can find affordable housing..." [Delaware State Housing Authority Release, via [RealEstateRama](#), 9/1/09]

**Amtrak announced the creation of over 350 jobs due to Recovery Act funds; 60 cars will be rehabilitated.** "Today, Amtrak unveiled the first of 81 passenger rail cars to be removed from storage, restored to good condition, and returned to service as part of a program to add seating capacity to trains across its national system using funds provided by the American Recovery and Reinvestment Act (ARRA), said Amtrak President and CEO Joseph Boardman... The first car completed under this program is one of 60 Amfleet passenger rail cars to be rehabilitated at the Amtrak maintenance facility in Bear, Del., using \$58.5 million in ARRA funds. Funding from ARRA also is supporting similar work at the Amtrak maintenance facility in Beech Grove, Ind., including \$19.3 million to restore and return to service 20 Superliner cars and one Viewliner car, plus \$13 million for 15 P-40 locomotives. To perform all of this work, Amtrak has hired 55 employees at the Delaware facility and 108 at the Indiana location. In addition, Amtrak has added more than 200 other jobs to work on numerous other ARRA funded projects across its system." [[Press Release – Amtrak](#), 7/23/09]

**A Recovery Act-funded Amtrak rail car refurbishment project led to the hiring of 50 new employees.** "State and federal officials from Delaware will celebrate the first project completed with federal stimulus funds. An Amtrak train car, refurbished using stimulus money at the Amtrak shop in Bear will be unveiled on Monday. Governor Jack Markell will be joined by Senator Tom Carper and Congressman Mike Castle in putting the rail car into service. As a result of nearly 60 million dollars in federal stimulus funds, Amtrak's Bear facility has added more than 50 new employees to rehab 60 passenger rail cars between now and February 2011." [[WDEL](#), 7/12/09]

**\$3 million in Recovery Act funds assigned to aid DuPont photovoltaic power research.** "DuPont, joined by U.S. Senators Tom Carper and Ted Kaufman, both D-Del., announced Wednesday \$9 million will be spent to research and develop the new film, which will decrease the weight of a typical solar panel from around 40 pounds to only 'several pounds,' according to Steve Freilich, chief technology officer for DuPont Electronic and Communication Technologies. The film would replace the usual glass casing on panels. DuPont will pick up \$6 million of the cost, while the remaining \$3 million comes from the Department of Energy as part of the American Recovery and Reinvestment Act. [Senator] Kaufman said developing this film will make producing solar panels easier and more readily able to be installed, in turn creating jobs in companies that make the panels to the workers who install them." [[Wilmington News Journal](#), 7/2/09]

**Recovery Act funds will pay for Dover to upgrade street lights with energy-efficient LEDs along Division Street.** Senator Carper: "When we come out of it, we'll have a new segment to our economy, and that's green jobs." [[The News Journal](#), 6/6/09]