



# Special Report

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

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 New Jersey, made this progress possible.

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

In New Jersey, this partial reporting indicates that 24,109 jobs have been created or saved by funding 922 awards worth \$3,860,931,338, of which \$945,159,777 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 31,200 jobs so far for New Jerseyans (accounting for indirect and induced jobs). [Council of Economic Advisors, [9/2009](#)] **New Jersey is on track to benefit from a total of 100,000 *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 New Jersey:

***Recovery Act will allow a community health clinic, now running out of an old police precinct, to move to a state-of-the-art facility with new exam rooms for internal medicine, obstetric, gynecological and pediatric care.*** “President Obama gave an early Christmas present to New Jersey’s health care community this week in the form of more than \$20 million in federal stimulus money to bolster community health care centers in Morris, Ocean and Essex counties. A clinic in Dover, another in Lakewood and two in Newark were told early Wednesday morning they had been awarded competitive capital improvement grants from the Obama administration’s American Recovery and Reinvestment Act. The clinics, which

provide medical care to under- and uninsured residents, were among 85 nationwide that were chosen from a pool of 600 applicants. In all, the administration will provide \$600 million for construction work at health clinics, to study ways to improve care for Medicare patients and to make medical records easier to find. ‘Together, these three initiatives – funding for construction, technology and a medical home demonstration project – won’t just save more money, and create more jobs,’ Obama said... “They’ll give more people the peace of mind of knowing that health care will be there for them and their families when they need it”... Velez’s group will receive about \$6 million, which will go to revamping its North Ward facility at 741 Broad St. ‘We’re currently providing services out of an old police precinct and once this project is completed we’re hoping to have a state-of-the-art facility,’ Velez said, adding the money will be used as part of a \$10-million project to build new exam rooms for internal medicine, obstetric, gynecological and pediatric care.” [[Star Ledger](#), 12/10/09]

**Montclair State University was awarded *Recovery Act* funds to train public school teachers as reading specialists.** “Government stimulus dollars will be used to train 20 city public school teachers as reading specialists. Montclair State University has been granted more than \$383,500 from the American Recovery and Reinvestment Act of 2009 to train the teachers to meet the district’s literacy education demands. The Paterson school board will administer the grant, said Rep. Bill Pascrell Jr., D-Paterson, who announced the funding. The reading specialist training, taught by Montclair State, is a 33-credit master’s degree program that blends field experience with graduate-level coursework.” [[The Record](#), 11/24/09]

**Meadowlands’ *Recovery Act*-funded solar power facility could generate enough electricity for 600 homes.** “The Northwest Bergen Utilities Authority in Waldwick recently unveiled two football field-sized solar arrays sitting on a platform 11 feet above tanks holding raw sewage. Seventeen miles to the south, the Meadowlands Commission announced plans this week to build a ‘solar canopy’ over its parking lot in Lyndhurst in addition to a previous project to install panels on some of its closed landfills... The \$2.3 million project took two months to complete, with workers dangling over tanks as they set up a large metal canopy to hold 1,547 solar panels. On an overcast morning this week, the panels were providing about 27 percent of the plant’s energy. It can get as high as 40 percent... [T]he plant will save \$80,000 a year by generating its own electricity and selling solar credits on the open market. The Meadowlands Commission received \$8.5 million in federal stimulus funds to build what’s being billed as the state’s largest solar power facility on the 1-A landfill in Kearny, which has been dormant for 30 years. The 5-megawatt array could generate enough electricity to power 600 homes.” [[The Record](#), 11/13/09]

***Recovery Act* funding will go toward housing, road, and energy projects in Morris County.** “Morris County governments, schools and nonprofits are getting \$79 million in federal stimulus funds so far, to cover costs ranging from teacher salaries to road construction... The county already has received about \$6 million to rebuild six miles of the Chester branch rail line from Wharton to Randolph, and \$3 million for intersection improvements and road-paving projects in Morris Plains, Parsippany, East Hanover, Lincoln Park, Montville, Harding and Morris Township... Housing authorities are in line to receive funds for repairs and energy-efficiency projects... Glenn Schweizer, executive director of the county’s municipal utilities authority, said the stimulus money would fund some lighting retrofits and new software that would help the authority more efficiently route its recycling trucks... The redesigned routes would reduce fuel costs and help provide more efficient service, he said. The energy projects covered by the federal stimulus funds are separate from solar energy projects being planned by the county’s improvement authority, a contract for which is being discussed. That pilot project will install solar panels at several schools, municipal and county buildings.” [[The Daily Record](#), 11/10/09]

**New Jersey will use \$14.4 million in *Recovery Act* funding for energy efficiency and conservation programs in order to reduce fossil fuel emissions and generate green jobs.** “New Jersey will use a \$14.4 million federal stimulus grant to help fund several energy efficiency and conservation programs. Gov. Jon Corzine announced the grant from the Department of Energy today, saying the money will be used to implement programs and projects that reduce fossil fuel emissions and expand renewable energy generation. It will also help fund programs that decrease energy use and improve energy efficiency at state and local facilities... ‘Energy infrastructure projects such as these will enhance our economy, generate ‘green’ jobs and create a more secure energy future for our state and our citizens,’ Corzine said.” [Associated Press, 10/4/09]

**Route 52’s second phase *Recovery Act*-funded project will bring 500 jobs to southern New Jersey.** “The state celebrated the groundbreaking Wednesday for the Route 52 causeway with one thought in mind - jobs. State Department of Transportation Commissioner Stephen Dilts said the \$251 million project will bring 500 high-paying jobs to Cape May County over the next three years. ‘This \$251 million phase is an investment in southern New Jersey,’ Dilts said. George Harms Construction completed the first stage of construction six months early for \$141 million. The second half of construction was awarded to a partnership of R.E. Pierson Construction in Pilesgrove Township, Salem County, and G.A. & F.C. Wagman Inc., based in York, Pa. The new companies have already taken over the job site from Harms and were busy Wednesday driving piling and moving structural steel around with an immense network of cranes scattered along the 2-mile-long causeway. Dilts said 500 construction workers will be employed in some aspect of the project, which replaces two drawbridges with twin, two-lane fixed spans complete with a separate bicycle path. The state also will build a new \$2 million Welcome Center, eliminate the Somers Point traffic circle and add parking lots, boat ramps and fishing piers...” [Press of Atlantic City, 9/30/09]

***Recovery Act* funds have already created 124 jobs will be created across five other NJ municipalities.** “[Commercial Township] is set to receive more than \$316,000 in federal stimulus funds to install new sidewalks, curbing, drainage and street-side lighting, announced the New Jersey Department of Community Affairs Wednesday. The projects, which also include making portions of Battle Lane handicap-accessible, will create 16 jobs, according to the NJDCA... Commercial Township's cut of \$316,537 comes out of a total of more than \$1.75 million in federal funding from the American Recovery and Reinvestment Act of 2009 toward projects in five South Jersey municipalities. They include Burlington, Cape May City, Egg Harbor City and Lower Township. The funds created a total of 124 jobs across the five municipalities, said the NJDCA... ‘All of these projects are poised to put people to work immediately and will lead to lasting improvements for the residents of these communities,’ said Acting NJDCA Commissioner Charles Richman in a released statement.” [The Star-Ledger, 9/18/09]

**The North Hudson Community Action Corporation received *Recovery Act* funds to improve dental services at its West New York Branch; will create ten new jobs.** “A health care and social services center in town is \$4.6 million richer. Yesterday morning, U.S. Rep. Albio Sires, D-West New York, presented officials of the North Hudson Community Action Corporation a symbolic check representing \$4,645,856 in federal stimulus funds earmarked for the nine facilities run by the corporation... According to NHCAC president and CEO Christopher Irizarry, the funds will be used to improve dental services at the West New York branch. Close to \$2.4 million will be used for capital improvements, including increasing the dental chairs available from two to four, and purchasing a mobile dental van, he said. The rest of the funds will go toward creating 10 new jobs, continuing evening and weekend hours at the

West New York branch and expanding classrooms and facilities for the branch's Early Head Start Program.” [[The Jersey Journal](#), 9/1/09]

**Recovery Act will fund solar farm in Meadowlands; should create 80 jobs.** Gov. Jon S. Corzine announced \$8.5 million in federal stimulus funding for a 5-megawatt solar farm to be built on a Kearny landfill site. Early in September, the New Jersey Meadowlands Commission expects to get responses to its invitation in May for requests for proposals for the project, said Brian Aberdack, the agency’s public information officer. The agency had sought \$10 million in stimulus funds, he said. The state Board of Public Utilities on Aug. 19 awarded a grant of \$8.5 million for the project, carving it out of \$20.6 million of American Recovery and Reinvestment Act funds it has received. At its board meeting that day, it also approved a \$4.3 million federal stimulus grant for an NJ Transit solar installation of 1.1 megawatts in Kearny.” [[NJ Biz](#), 8/31/09]

**Recovery Act-generated Mill Creek urban farm now creating jobs to double output.** “County officials are christening a new urban farming project to not only provide local caterers and schools with inexpensive food, but also to educate adults and children alike on how to grow and prepare their own produce. Located on a 5-acre tract that used to be home of a public housing project, on Mill Street, in Bridgeton, the Mill Creek Urban Farm maintains 300 earth boxes - think over-sized window boxes - used to house zucchini, peppers, basil, tomatoes and other plants. The farm was founded in June with the help of federal American Reinvestment and Recovery Act (President Barack Obama's federal stimulus) and enlists the help of several volunteers. However, the farm, administered by Tri-County Community Action Partnership, is currently looking to hire employees to double their production to 600 earth boxes.” [[Bridgeton News](#), 7/13/09]

**Recovery Act funds were allotted to 14 arts groups for job creation and preservation.** “Fourteen New Jersey arts organizations will share \$600,000 in federal stimulus funds, part of almost \$30 million in special grants made by the National Endowment for the Arts from money included in the American Recovery and Reinvestment Act. Signed into law in February, the massive federal stimulus bill included \$50 million for emergency aid for arts institutions... On Tuesday, the NEA awarded \$29,775,000 in 631 grants to arts groups around the country. The grants, in amounts of either \$25,000 or \$50,000, are to be used to preserve jobs threatened by the decreases in private donations during the recession. [[New Jersey Star-Ledger](#), 7/9/09]

**Over \$1 million from Recovery Act cumulatively received by Henry J. Austin Health Center in Trenton; executive discusses projects undertaken with unprecedented federal help.** “The Henry J. Austin Health Center learned last week that it will receive an \$886,335 federal grant for capital improvements, in addition to a \$341,611 grant awarded earlier this year to hire call center employees. The new grant is a one-time award funded by the federal stimulus package, so it will not be used to hire staff, chief operating officer Susanne Johnson said. But it will create jobs for contractors who will refurbish lobbies at the organization's North Warren Street headquarters and renovate part of a building at 218 N. Broad St. that the center plans to lease from the city. The money will also be used to buy computers, servers and wiring to create an electronic medical records system, she said. ‘Health centers have never received any federal money for capital improvements. This is geared specifically for that,’ Johnson said. ‘We're going to spruce up and enlarge -- all the things we haven't been able to do before.’” [[Times of Trenton](#), 7/7/09]