



# Special Report

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

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 Oregon, made this progress possible.

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

In Oregon, this partial reporting indicates that 9,653 jobs have been created or saved by funding 1,030 awards worth \$1,832,055,076, of which \$437,409,025 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 13,600 jobs so far for Oregonians (accounting for indirect and induced jobs). [Council of Economic Advisors, [9/2009](#)] **Oregon is on track to benefit from a total of 44,000 *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 Oregon:

***Recovery Act* funding will help create jobs, decrease the incidence of forest fires and improve overall forest health in Oregon.** “The Oregon Department of Forestry will use \$113,000 from the American Recovery and Reinvestment Act for forest health projects on 308 acres of private and state timberlands in East Linn County. The grant is part of some \$17 million in stimulus funds to help decrease the incidence of forest fires and improve overall forest health, according to Rod Nichols of the Department of Forestry in Salem. According to a grant summary, Jim Cota and Mike Melcher of Sweet Home will prune young reproduction stands of

timber that are approximately 16 to 18 years old. The project will involve five jobs. They will also manually slash underbrush vegetation to reduce the risk of uncontrolled wildfire on nearby properties as well as rural dwellings... The project will also create a fuel break should a fire occur on nearby property. Nearly one-third of the stimulus package funds will be used in Deschutes County. Some \$3.6 million will be dedicated to forest health support projects and \$1.9 million will be used for a pine beetle risk reduction project.” [[Albany Democrat Herald](#), 10/17/09]

**Of the 8,200 Recovery Act-funded jobs in Oregon, about 4,000 are teaching jobs or other public school employees and another 1,200 work in the state's seven public universities.** “As The Oregonian's Harry Esteve reported today, nearly two of every three jobs in Oregon paid for with federal stimulus money is in education. Of the 8,200 stimulus-funded jobs in Oregon, about 4,000 are teachers or other public school employees and another 1,200 are professors and other faculty members at the state's seven public universities... The AP's enterprising reporters found that ‘Public school teachers are expected to be the big winners when states around the U.S. reveal for the first time how many jobs were created or saved during the first months of President Barack Obama's \$787 billion stimulus plan... In California, the stimulus was credited with saving or creating 62,000 jobs in public schools and state universities. Utah reported saving about 2,600 teaching jobs. In both states, education jobs represented about two-thirds of the total job number’... The end result: Thousands of Oregon teachers and professors on the job thanks to the biggest injection of federal money ever, more than double the private-sector jobs created.” [[The Oregonian](#), 10/13/09]

**According to a new federal report, Recovery Act funding has created more than 8,000 jobs in Oregon.** “A new federal report indicates that the U.S. government's massive stimulus package has created more than 8,000 jobs in Oregon. About \$1 billion of the American Recovery and Reinvestment Act, signed into law in February, has been spent in Oregon. The state expects to collect a total of \$3.9 billion. ‘With this report, I can say with full confidence that the Recovery Act provided Oregon a much needed parachute for what was a free falling economy,’ Gov. Ted Kulongoski said at a morning press conference. Kulongoski said the package has helped thousands of residents who’ve collected food stamps, unemployment benefits and education funding during the package’s first round of funding... The report provides detailed information about state-collected Recovery Act dollars relating to human services, public safety, housing, transportation, employment and education. Along with creating jobs, the stimulus money will help preserve the equivalent of 20 school days between the 2008 and 2010 school years, as well as fund more than 200 transportation projects statewide.” [[Portland Business Journal](#), 10/12/09]

**Christensen Shipyards Subsidiary will use Recovery Act funds to develop and build wind turbines and wave energy test buoys; 200 new jobs will be created.** “A new subsidiary of yacht-maker Christensen Shipyards has received \$1 million in federal stimulus money to develop and build wind turbines and wave energy test buoys. The new company, Vancouver, Wash.-based *Renewable Energy Composite Solutions*, will work with engineers at Oregon State University’s tsunami center and McLean, Va.-based Science Applications International Corp. (NYSE: SAI) to develop and build wave energy test buoys. The company will also work with Portland-based energy products company Skyron Systems to make vertical axis wind turbines. In a news release, U.S. Rep. Brian Baird, a Vancouver Democrat, said the stimulus funds will help put 200 people back to work in Clark County. Before the announcement, Christensen laid off 60 percent of its work force due to declining business.” [[Portland Business Journal](#), 10/8/09]

**Thanks to Recovery Act funding, the Lincoln County Sheriff's Office will hire three corrections deputies.** “The Lincoln County Sheriff's Office (LCSO) has received a

grant from the American Recoveries Act to fund salaries and benefits for three corrections deputies for a period of two years... The purpose of the funding from the Federal Act is to put people back to work. The sheriff's office lost six deputy positions effective July 1, 2009 because of county revenue shortfalls. Five of those positions were corrections deputy positions. Three of those positions will be filled with the grant. Once the positions are filled, the LCSO will reintroduce programming for inmates that was discontinued nearly five years ago. The sheriff also plans to enhance the inmate worker crew program that has been in place for approximately 18 months. Inmates have participated in cleaning Lincoln County beaches and bays, planting vegetation for the Solid Waste District, and working in the animal shelter assisting with kennel cleaning and the socializing of dogs and cats." [[South Lincoln County News](#), 9/29/09]

**The Recovery Act continues to fund road and energy projects, bringing Oregon closer to the goal of saving or creating 44,000 jobs.** "Spending on the part of federal agencies is still taking shape, but the contracts are a significant part of the stimulus program, whose variety is remarkable to some who have gotten more familiar with it as they bid for contracts. 'There's money coming out all over the place,' said Margaret Brooks, executive vice president of a Portland temp agency, which was awarded a small contract worth up to \$62,000. She said the company would pay engineers working on the reconstruction of the Steens Mountain loop road in southeast Oregon. That project is among 56 planned by the U.S. Bureau of Land Management in Oregon, most resulting in contracts, worth \$32 million. Many federal agencies have projects in the works: \$3.4 million in stimulus money for dredging at five river mouths along the Oregon Coast, a U.S. Army Corps of Engineers project, or several smaller forest thinning operations... Transportation Secretary Ray LaHood, an active announcer for such enterprises as the Portland region's mass transit system, said late last week, for example, that the Klamath Falls Airport in Southern Oregon would get about \$667,000 to rehabilitate a taxiway, which soon should result in contracts and jobs. When the stimulus package was approved in the spring, the Obama administration estimated it would save or create 44,000 jobs in Oregon." [[Associated Press](#), 9/29/09]

**Iberdrola Renewables received additional \$251 million in Recovery Act funding to develop its windfarms investment in Missouri, Iowa, and Texas.** "Iberdrola Renewables Inc. on Tuesday said it has received another \$251 million in grants from the U.S. Treasury Department for the renewable energy developer's investment in three wind farms. The grants give Iberdrola a total of nearly \$550 million in stimulus grants received this month for eight wind farms, representing a \$1.8 billion investment by the Portland-based company. The latest round of grants represent the company's investment in three wind farms: the 146 megawatt Farmers City project in Missouri, the 160 megawatt Barton project in Iowa, and the 120 megawatt Barton Chapel project in Texas. In total, the company received grants for 980 megawatts of wind energy generation, which it said supports between 11,800 and 14,000 jobs in a single year, both directly and indirectly. Iberdrola said the federal grant money will be immediately reinvested in new renewable energy projects. It is now developing five wind projects, in Arizona, Illinois, North Dakota, Texas and two in Oregon: Hay Canyon in Sherman County and Pebble Springs in Gilliam County." [[Portland Business Journal](#), 9/22/09]

**Oregon expects to have 450 new people employed at social service programs by February thanks to Recovery Act funds.** "More than \$1 billion in Recovery Act funds will flow through the Department of Human Services over the next 15 months. The bulk of Oregon's stimulus money -- about \$900 million -- will ensure that the poor have access to health care. The rest will be spent on vaccinations for children, cash assistance for needy families, meals for seniors and other programs. Erinn Kelley-Siel, who heads Oregon's Children, Adults and Families Division, says the new employees will be assigned to offices throughout the state, especially areas where demand for services is growing the most. These are permanent positions,



Kelley-Siel says. Today, one in six Oregonians receives food stamps, creating the need for more state workers to process the applications and manage the benefits. The state began hiring in August and expects to have about 350 new workers trained and on the job by the end of October, with 100 more by February.” [[The Oregonian](#), 9/22/09]

**Recovery Act funding will spark 80-90 local jobs to promote energy efficiency in Eugene.** “The city of Eugene will receive \$1.485 million in federal stimulus funds that are expected to create about 90 jobs, help Eugene decrease carbon emissions and increase energy efficiency, city officials announced last week. The funds, awarded by the U.S. Department of Energy in response to a city grant application submitted in May, will be used to create a replenishing loan fund for downtown businesses to become more energy efficient, and grants to affordable housing projects so they can reduce energy consumption. The funds also will be used to upgrade or convert 113 small heating, ventilation and air conditioning units in city buildings with ‘smart’ controls, convert city buildings from steam heat to high efficiency gas systems, launch a program to encourage walking and bicycling by residents, and provide building permit rebates for homes that meet green building standards. City officials estimate that the funds will generate from 80 to 90 jobs.” [[The Register-Guard](#), 9/15/09]

**Recovery Act funds will create dozens of jobs for Oregonians to stem the spread of Sudden Oak Death.** “Curry County will receive \$2,692,000 in federal stimulus funds to help stem the spread of Sudden Oak Death. That is part of more than \$17 million Oregon will receive from the American Recovery and Reinvestment Act to protect forests on the South Coast and in Southern, Central and Eastern Oregon from wild fires, invasive species and disease outbreaks.” Sen. Wyden: “We have an enormous backlog of forests that need to be restored and this funding will employ hardworking Oregonians to do it. By funding projects that reduce wildfire risk, stop diseases from spreading and reduce populations of harmful insects, we will bring jobs back to the forest and protect our natural treasures at the same time.” Sen. Merkley: “These funds will create jobs for local residents at a time when they need them most, helping keep our forests healthy from disease and pests and protecting surrounding communities from the threat of wildfire. Creating jobs through sustainable forest practices is exactly the kind of win-win for the short-term and long-term that will make a real difference in the lives of Oregonians.” [[Curry Coastal Pilot](#), 9/12/09]

**Portland set to use Recovery Act money to hire more police officers and help the homeless.** “The City of Portland said it’s ready to bring in federal stimulus funding to the tune of about \$58 million... The funds will be used for projects like road repairs and help for the homeless, along with hiring more police officers, Griffin-Valade said.” [[KGW, News Channel 8](#), 09/10/09]

**Recovery Act dollars to create jobs, decrease community-wide carbon emissions, and support ongoing energy efficiency and conservation initiatives.** “The U.S. Department of Energy announced Wednesday that the city of Eugene will receive \$1,485,800 from the Energy Efficiency and Conservation Block Grant Program as part of the American Recovery and Reinvestment Act of 2009. The money will be used to decrease communitywide carbon emissions, create jobs, reduce long-term energy use, and leverage funds for on-going energy efficiency and conservation initiatives.’ These funds will advance the city of Eugene’s long-standing commitment to sustainability in our community and in city operations,” noted Mayor Kitty Piercy in a statement. ‘It will help us meet our greenhouse gas emission reduction goals and provides timely support for the community-wide Eugene Climate and Energy Action Plan that is just getting under way.’ ‘These federal stimulus funds will put people to work in our community and help us develop our green jobs sector, which is extremely important as we position our area to move successfully into the next economy,’ added City Manager Jon Ruiz.” [[Register-Guard](#), 09/10/09]

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**Oregon schools are using *Recovery Act* funds to create and save teaching jobs as well as expand programs.** “More than half a million Oregon students head back to class this week, beginning a recession-tinged school year that will be marked by teacher furloughs and layoffs, fewer electives and extracurriculars, and swollen class sizes. What's gotten less attention is federal stimulus money that is enabling many schools to add teachers and beef up programs that educators say will pack an instructional punch. Oregon schools received roughly \$150 million from the stimulus to spend this school year on special education and in schools with concentrations of low-income students . Portland-area districts report they have used the money largely to hire instructional coaches and teachers, hundreds of new jobs in all. School district leaders say they've assigned those educators to specialized roles that intervene with struggling students to avert the need for costly special education later and that help teachers be more effective. Although the stimulus money adds only about 3 percent to the \$5 billion Oregon schools will spend this year, it represents a 25 percent spike in federal funding for public schools, and educators say it comes at a crucial time.” [[The Oregonian](#), 9/5/09]

***Recovery Act* funds allowed WorkSystems to launch the first summer jobs program for low-income youth in Multnomah and Washington Counties in a decade; the program employed 1,300 young people.** “Andrew McGough, of WorkSystems Inc., which contracts with the City of Portland and Multnomah and Washington counties, says Youth SummerWorks is the first local summer jobs program for low-income kids in a decade, injecting more than \$3.3 million into the local economy. About 92 cents of every dollar of the provided stimulus money is going directly to wages and support services. More than 1,300 new jobs were created, with earnings of about \$1,500 over the summer per enrollee... There has been no problem in attracting enough Oregon teenagers, who have the second-highest unemployment rate in their age group in the nation, McGough said... The Youth SummerWorks Program exposes young people to the workplace, enhances academic skills and increases marketable skills to help make informed career choices.” [[The Hillsboro Argus](#), 8/25/09]

**The *Recovery Act* has created or saved 300 jobs in central Oregon.** “Six months after the \$789 billion federal stimulus bill, advertised as a critical way to rescue the U.S. economy, became law, it has created or saved more than 300 jobs in Central Oregon, according to an analysis of stimulus spending by *The Bulletin*. Nearly \$82 million of the American Recovery and Reinvestment Act has been awarded to build roads, build a small-scale hydroelectric plant and keep police officers employed in Crook, Deschutes and Jefferson counties... The majority of stimulus jobs created or saved so far fall into one of three categories: education, where school districts have saved about 49 jobs thanks to direct federal stimulus grants; road construction and maintenance, which has created 90 jobs that should last for about 12 months; and forest health and fire prevention work, which has created or saved 145 seasonal jobs. PatRick Corp. in Redmond has had about 40 people working on two stimulus-funded wildfire fuels-reduction projects. It also hired five new employees, said Jeremy Dice, operations manager for the company.” [[The Bulletin](#), 8/23/09]

**Deschutes National Forest will receive *Recovery Act* funds to improve facilities and create jobs.** “Deschutes National Forest will receive \$6.82 million in funding from the American Recovery and Reinvestment Act to improve access to facilities the public needs at the Deschutes National Forest and create much-needed construction jobs. The funding will combine with \$8 million in existing available Forest Service funds to build a new joint administrative office facility for the Deschutes National Forest Headquarters and the Bend Fort Rock Ranger District in Bend, Oregon and create jobs in the local building trades over an estimated 16-month period.” Senator Wyden: “These Recovery funds will bring good, family-wage construction jobs to a part of Oregon that's been having a hard time. Folks in Deschutes County will have more of

the government services they need under one roof -- and the building will run on state-of-the-art energy solutions that will save money down the line, too.” Senator Merkley: “Month after month, the Recovery Act continues to support working families and move our economy to solid ground. This new facility in Deschutes County will save money, improve services and, most importantly, create jobs in Central Oregon.” [[KOHD News](#), 8/18/09]

**Across Oregon, Recovery Act COPS program will fund 21 jobs.** “The COPS Hiring and Recovery Program awarded nearly \$1 billion to save or create about 4,700 policing positions around the country. In Oregon, over \$5 million went to nine agencies, funding 21 jobs. According to the U.S. Department of Justice, the grant will provide 100 percent of the salary and benefits for three years, then local police departments are expected to continue funding the position for the fourth year.” [[The Daily Astorian](#), 8/14/09]

**Lane Workforce Partnerships provided over 300 young people with summer jobs via Recovery Act allocation.** “Earlier this year Lane Workforce Partnership received \$1,464,309 in funds to help offer summer jobs and career programs for local youth, who must meet certain requirements to qualify for the program. More than 300 workers are participating in the eight programs across Lane County this summer. In the Oakridge School District, teens are doing work with the city, the fish hatchery and with the local summer lunch program. In the McKenzie School District, students are helping run a summer literacy program and working on U.S. Forest Service projects. And in Pleasant Hill, students just like [Troy] Stewart are working hard to get the district’s property into shape.” [[Eugene Register-Guard](#), 7/10/09]

**\$22 million in Recovery Act funds dedicated to prevention of hazardous combustible use in Rogue River-Siskiyou National Forest; “amazing opportunity to employ a large number of people.”** “The Rogue River-Siskiyou National Forest has received \$22 million in federal stimulus funds to cut hazardous fuels near rural communities. The funds are part of \$224 million earmarked for fire-reduction projects nationwide by the American Recovery and Reinvestment Act... ‘I see this as an amazing opportunity to employ a large number of people in addition to getting a substantial amount of much needed on-the-ground work done on the forest,’ said forest supervisor Scott Conroy in a prepared statement. ‘This work reduces fire hazards and assists fire managers in making every effort to minimize the impacts of large-scale, intense wildfires to our communities in southwestern Oregon and the forest,’ he added.” [[Medford Mail Tribune](#), 7/7/09]

**Mosaic Medical of Bend allocated \$504,905 in Recovery Act resources for expansion of Greenwood Avenue Clinic.** “A federal stimulus grant will help a community health center provide medical treatment for thousands of low-income and uninsured Central Oregonians. The \$504,905 grant for Mosaic Medical of Bend comes from the American Recovery and Reinvestment Act Capital Improvement Program, part of the economic stimulus package approved by Congress earlier this year... Mosaic Medical will use its funding to expand its clinic on Greenwood Avenue in Bend, adding nine new medical exam rooms, space to provide mental health services and offices for administrative staff, according to Executive Director Charla DeHate. The expansion will allow the clinic to hire an additional 18 to 20 employees, she said, and double patient capacity to 8,000 people. The clinic primarily serves uninsured or underinsured patients, or Medicare or Medicaid recipients, DeHate said, and has been limited to serving about 4,000 patients for a few years despite significantly larger demand. New patients are accepted as others leave, she said, but at current staffing levels, a new patient can expect to spend four to six weeks on the waiting list before seeing a doctor.” [[Bend Bulletin](#), 6/30/09]

**\$35 million from Recovery Act committed to Oregon for job creation by means of improving transportation and environmental quality; will put people to work in**

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Oregon maintaining forest roads, and restoring vital watersheds and floodplains. [[Press Release – Sen. Jeff Merkley](#), 6/3/09]

**A *Recovery Act*-funded repaving project in Southern Oregon is putting 28 people to work.** [[KDRV.com \(with video\)](#), 5/18/09]