



Special Report

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The Recovery Act: Creating Jobs and Making a Difference in Vermont

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 Vermont, made this progress possible.

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

In Vermont, this partial reporting indicates that 2,030 jobs have been created or saved by funding 318 awards worth \$471,106,759, of which \$126,537,555 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 2,300 jobs so far for Vermonters (accounting for indirect and induced jobs). [Council of Economic Advisors, [9/2009](#)] **Vermont is on track to benefit from a total of 8,000 *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 Vermont:

State’s ‘eEnergy Vermont’ plan will use *Recovery Act*-funded smart grid technology to create jobs and boost efficiency and energy conservation. “A Vermont plan to install electricity smart meters and other technologies to improve energy efficiency and reduce energy costs will receive nearly \$70 million in stimulus money... The grant money is aimed at modernizing the power grid. Many of the projects will allow for the installation of ‘smart’ electric meters in homes, automatic utility substations and thousands of new digital transformers and grid sensors... Vermont’s ‘eEnergy Vermont’ plan, which will receive \$69

million, aims to use Smart Grid technology to create jobs and boost efficiency and energy conservation. It is also expected to facilitate the expansion of broadband Internet access throughout the state.” [Bennington Banner, 10/27/09]

Recovery Act funds will be used to promote energy efficiency in four southern Vermont counties. “Four southern Vermont counties will receive nearly \$700,000 in economic stimulus money to promote energy efficiency. Independent Sen. Bernard Sanders, who heads the Senate Environment Committee's Green Jobs and New Economy Subcommittee, authored legislation that established the Energy Efficiency and Conservation Block Grant program. “The block grant program recognizes the importance of local efforts to create good-paying jobs in developing sustainable energy and promoting energy efficiency,” Sanders said. “What I particularly like about this approach is that it relies on local initiatives and grassroots participation.” [Rutland Herald, 10/14/09]

Recovery Act allocation helps protect Vermont state forests and helps parks create jobs. “At Gov. Jim Douglas' direction, the Department of Forests, Parks and Recreation is doing everything it can to generate economic activity and create jobs. Vermont's state parks are also a significant economic tool -- contributing nearly \$60 million annually to the economy and hiring 280 seasonal employees -- and we are hard at work converting state capital dollars into immediate economic stimulus. All told, we've more than 120 projects under way. Our state forests and parks are valuable economic assets. With your continued support, we will continue to be successful stewards of these resources and ensure a valuable return on your investment in them.” [Burlington Free Press, Editorial, 9/25/09]

Recovery Act spurs gallbladder research and other scientific research projects at the University of Vermont. “The stimulus, called The American Recovery and Reinvestment Act of 2009 (ARRA), is currently sponsoring 23 research projects at UVM with \$7,328,781 in grants as of Sept. 11, according to The Office of Sponsored Programs. ‘We are all very dependent on this federal funding because that’s what keeps this research going,’ said UVM professor Jeanne Harris, who currently is funded through the National Science Foundation (NSF) to research the root architecture of bean and pea plants, Professor Gary Mawe has a grant from the National Institute of Health (NIH) for \$376,250 to study the neural control of the gallbladder... This gallbladder research is one of three projects Mawe currently has going, two of which are sponsored by NIH grants.” [The Vermont Cynic, 9/21/09]

Recovery Act funds will pay for Rutland to replace blighted housing project with new mixed-income apartments. “Vermont's Congressional delegation announced Thursday that federal stimulus money will help tear down Forest Park. A \$2.34 million grant will go into the pot being assembled by the Rutland Housing Authority to pay for phase one of the Forest Park redevelopment initiative. The RHA intends to tear down the existing housing project and replace it with new apartments and single-family houses. ‘We're one of just a handful of communities that were awarded these public housing transformation dollars and I think that really speaks to the work the community has done,’ RHA executive director Kevin Loso said. Loso said the project has a total price tag of about \$21 million, with \$9 million needed for the first phase, which would knock down half of Forest Park and put up seven buildings with a total of 33 units along with infrastructure — roads, parking, water and sewer — for the entire project... ‘It's a big project,’ he said. ‘We're transforming a neighborhood. We're transforming, really, the Rutland community. Something of this magnitude takes time.’” [Rutland Herald, 9/4/09]

Recovery Act grant will fund establishment of Hardwick-area kitchen incubator to help entrepreneurs start new food-related small businesses. “During a Friday morning visit to Vermont Soy, a business that graduated from the Vermont Food Venture

Center, Sen. Patrick Leahy announced he had secured a \$350,000 federal grant to help construct, equip and operate a new Vermont Food Venture Center in Hardwick's industrial park. Leahy said the new kitchen incubator was needed to expand the food-based and agricultural-based economy of rural Vermont. The Vermont Food Venture Center, founded in Fairfax, Vt. in 1996 by the Economic Development Council of Northern Vermont (EDCNV), is a kitchen incubator that offers affordable rental food production and packaging space to entrepreneurs interested in starting their own food-based business. The center also offers technical assistance to clients in the areas of food production, development, packaging and marketing. According to EDCNV." [[Vermont Business Magazine](#), 8/28/09]

Recovery Act-funded project at Knapp Airport expected to create dozens of jobs.

"Governor Jim Douglas on September 1 will join Agency of Transportation Secretary David Dill, Federal Aviation Administration Regional Administrator Amy Corbett, Pike Industry President Christian Zimmermann, and Central Vermont Chamber of Commerce Executive Director George Malek to break ground at Knapp Airport in Berlin on a \$6 million federal stimulus project that will create dozens of jobs. It is not a project Vermont would be undertaking at this time if it were not for the American Recovery and Reinvestment Act. Although VTrans has been planning this project for years, the Agency never was able to identify a funding source as the price tag is extremely high. The project will employ workers for more than two years." [[Vermont Business Magazine](#), 8/31/09]

Federal Recovery Act money used to expand Vermont's Community Health Centers, creating 100 new construction jobs and 100 new health care jobs. "Federal stimulus money has already boosted the health centers. Program and facility expansions this year at Vermont's health centers has resulted in 100 new construction jobs and about 100 more workers hired or retained at the centers. Wakefield said these expansions have encountered a 'pent-up demand' for services. Since expanding this year, the health center in Rutland, for example, saw almost 2,000 new patients over the last several months, she explained. Dr. John Matthew, director of the Plainfield center, said about 20 percent of the money comes from the federal government." [[Rutland Herald](#), 8/18/09]

SBE Electronics will use Recovery Act-matched grant to hire 40 workers to construct new plant which will employ 130 workers. "The state's utilities... hope their applications have as much success as Barre manufacturer SBE Electronics did, landing a \$9 million matching grant from the stimulus program. Company President Ed Sawyer said the money, which will help him build a new manufacturing plant and put 130 people to work, should be a boost to the economy. 'How can that not help?' he said. SBE, which manufactures capacitors for electric cars, will use the \$9 million in stimulus money to help build a new plant, planned for the Wilson Industrial Park in the town of Barre. Within the next three years, that plant should employ 130 workers, Sawyer said. Most of those jobs nearly went to China, Sawyer said. SBE was preparing to open a plant there when the stimulus money surfaced. 'What it requires people to do is look closely at spending money in the U.S. where they might not have been able to afford to,' said Sawyer, whose company plans to match the \$9 million through a variety of sources. Construction of the plant — which he hopes will start this year if the permits come through — should provide 40 short-term jobs, he said. This fall, the company will start hiring workers for the new plant. SBE has lost some workers through layoffs and attrition during the recession, Sawyer said, but 'this changes the curve.'" [[Burlington Free Press](#), 8/16/09]

Recovery Act will pay for 350 workers to be hired over the next decade to build Burlington airport taxiways. "The Burlington International Airport has been awarded \$2.4 million in economic stimulus funding for work on its taxiways. Vermont's congressional delegation says the funding will be used to rehabilitate and repave the intersection of 2 taxiways

and to extend another one. The work is part of a development project at the airport that officials estimate could create as many as 350 new jobs in the next decade.” [Fox 44 News, 8/16/09]

Pike Industries, anticipating more Recovery Act contracts, has hired 53 new workers. “If there is any question about whether new jobs are needed, consider this: Pike Industries, the construction company that hired Richardson, had 200 applicants for one administrative position this year and thousands of applications overall, said Jay Perkins, regional manager in the company’s Vermont offices... Because the stimulus money has increased the number of highway projects, Pike has hired 53 more employees in Vermont this year compared to last, Perkins said. Perkins said Pike expects to hire more next year. The state is bidding out five years’ worth of paving projects in three years because of the stimulus money, Agency of Transportation spokesman John Zicconi said.” [Burlington Free Press, 8/16/09]

Veteran Nick Richardson got a job thanks to Recovery Act-funded Vermont roadwork project. “Nick Richardson figures he applied for 120 construction jobs across the country as he prepared to leave the U.S. Air Force earlier this year. It was discouraging, he said, until he finally got a bite and landed a job back home in Vermont. Richardson is a project manager in training for Pike Industries. He is working in Fair Haven on a \$4.4 million paving job funded by stimulus money. Would he have found this job if not for the federal stimulus moneydollars? ‘Absolutely not,’ Richardson said. The job has allowed the 25-year-old, who grew up in Northfield, to rent a home in Richmond with his wife and two children and to think about buying a house. ‘The money’s helping us out a lot,’ Richardson said. ‘When I heard about the stimulus money coming through I thought I’ll keep plugging away.’” [Burlington Free Press, 8/16/09]

Vermont utilities seeking Recovery Act funds to install smart grid five years ahead of schedule, helping consumers save. “Companies receiving stimulus money are not required to report the number of jobs created or saved until October, said Tom Evslin, the state stimulus coordinator, so it’s too early to gauge how the state is doing. Vermont’s utilities banded together this month to pursue \$66 million in stimulus dollars, which is half of the money needed to create a ‘smart grid.’ With the federal money, the utilities can do in three years what they had planned to do in seven or eight years, Evslin said. ‘It’s a really big deal,’ said Mary Powell, president of Green Mountain Power Corp. The plan would put ‘smart’ meters in customers’ homes, providing information that allows customers and utilities to save money. Customers would know when it’s cheapest to operate appliances, for example, and utilities would be able to buy power when it’s least expensive.” [Burlington Free Press, 8/16/09]

Bridge renovation, overdue by several years, will soon be underway, thanks to Recovery Act. “The Town Board approved a bid for \$1,071,000 to replace the closed Caretaker’s Bridge which spans the Walloomsac River near the Barnett Homestead. The bid was made by William J. Keller and Sons Construction Corporation, based in Castleton-on-Hudson, N.Y. The project will be fully funded with money from the American Recovery and Reinvestment Act (ARRA). The current bridge was built in the early 1900s and was closed to vehicle traffic 20 years ago. Two years ago it was closed to all traffic. The new bridge will be a steel truss bridge, the same style that is there now.” [Bennington Banner, 8/13/09]

Recovery Act-funded grant will enable SBE Inc. to hire up to 100 new employees to work on hybrid development. “SBE Inc. in Barre has won a matching grant of \$9.1 million under the U.S. Department of Energy’s Electrical Drive Vehicle Battery and Component Manufacturing Initiative. The funding could create more than 100 jobs over the next five years... The grant is part of the American Recovery and Reinvestment Act to expand its electric car technology manufacturing. ‘We are thrilled, very excited about this growth opportunity. And it’s doubly exciting because it’s green sector growth,’ said Sam Matthews, executive vice

president of the Central Vermont Economic Development Corp. in Montpelier. Matthews expects the funding to help create 100 to 130 jobs at SBE over five years.” [[Burlington Free Press](#), 8/10/09]

Bennington County arts organizations received *Recovery Act* funding to support jobs. “Thanks to the stimulus bill, three Bennington County arts organizations are among 42 recipients of state and federal grants. The arts groups have been awarded a total of \$606,000 through the American Recovery and Reinvestment Act, or stimulus bill, Gov. James Douglas said. The money will help preserve jobs in the non-profit arts sector that are threatened by declines in philanthropic and other funding sources because of the struggling economy, he said.” Governor Douglas: “The American Recovery and Reinvestment Act is designed to jump-start the economy, create and protect jobs, and invest in key priorities. Like other jobs, arts jobs help individuals and families pay household expenses, put children through college and achieve financial stability.” [[Bennington Banner](#), 8/7/09]

St. Johnsbury received *Recovery Act* cash to upgrade water system, achieving new storm water lines and sewer lines. “St. Johnsbury is on the receiving end of a big chunk of federal change: \$15 million for water delivery and wastewater system improvements. The package consists of a \$10.5 million grant and a \$4.5 million loan. The money is part of more than \$150 million in American Recovery and Reinvestment Act funding awarded Monday by the U.S. Department of Agriculture Rural Development. Water and sewer lines will be replaced and storm water lines installed. The current system, including 100-year-old infrastructure, threatens sewage discharges into the Passumpsic, Moose and Sleepers rivers.” [[Burlington Free Press](#), 8/5/09]

***Recovery Act* funds approved for sewer improvements in Montpelier; will allow the projects to go forward without raising property tax rates.** “A relatively small number of Montpelier voters turned out Tuesday to authorize the use of federal stimulus funds to help offset local spending for sewer improvements and two other projects for the capital city... Hooper noted that the city had planned to move forward with the projects using local funds. The federal stimulus funds will provide 50 percent funding from Washington... According to the mayor, the projects will considerably benefit the city, and approval will not increase property tax rates.” [[Times Argus](#), 7/15/09]

***Recovery Act* money for “shovel-ready” bridge repair projects in Newfane and Wardsboro.** “Two Windham County towns have received federal economic stimulus funding to mend a pair of bridges... Not only will these funds create jobs in towns across Vermont, it will also repair a dozen structurally deficient bridges, build sidewalks and pave miles of town roads that otherwise would not receive attention,” said the governor.” [[Brattleboro Reformer](#), 7/14/09]

Vermont has received \$75.7 million in *Recovery Act* grants so far, supplying funds for low-income health care assistance. “In the most recent accounting, Vermont had received \$75.7 million in real money, not just promises, as a result of the federal economic-stimulus legislation. That's about 10.4 percent of the \$720 million the state expects to receive over two years from grants allocated by formulas, explained Tom Evslin, chief of the state's special office of economic stimulus and recovery. Evslin said the \$75.7 million only included money that passed through state government. It didn't count extra dollars for Pell grants for college students, small-business grants or income-tax cuts and tax credits. Money under the federal American Recovery and Reinvestment Act has two purposes: help states avoid drastic cuts in services because they've experienced steep drops in revenues, and help invest in projects that spur economic activity and create jobs. [[Burlington Free Press](#), 7/5/09]

Vermont congressional delegation announced \$6 million community development *Recovery Act* allocation to 3 nonprofits. “Sen. Patrick Leahy, Sen. Bernie Sanders and Rep. Peter Welch Tuesday announced that three Vermont nonprofit organizations together will receive \$6 million – a hefty share of the national funding total – to spur community development and ease consumer credit as further steps on the path to economic recovery... The Vermont Community Loan Fund of Montpelier, NeighborWorks of Western Vermont of West Rutland and Opportunities Credit Union of Burlington each are receiving \$2 million federal grants to fund a small business loan program, expand mortgage products to first-time homebuyers and offer consumers additional credit resources.” [[Press Release – Senator Patrick Leahy](#), 7/1/09]

\$5,295,000 granted to Green Mountain National Forest for projects ranging from roads to waterway improvement. Five projects on and around the Green Mountain National Forest will create jobs while contributing improvements to public health and safety and access to the Forest. Two road rehabilitation projects will improve water quality by reducing sediments in Vermont streams and help restore aquatic habitat for fish in areas affected by road erosion. Other projects will improve fish passage by replacing stream crossings, bridges and culverts, while opening two miles of fish spawning and rearing habitat. [[Press Release – Senator Patrick Leahy](#), 6/8/09]

Vermont Rural Ventures Inc. receives \$30 million for tax credits related to low-income housing development. The money will help invigorate the state's languishing construction industry. [[Burlington Free Press](#), /528/09]

Vermont has applied for a \$22 million clean energy grant from the *Recovery Act* to add to the state clean energy development fund. Funding would encourage \$150 million of total expenditure on energy projects. [[All American Patriots](#), 5/14/09]