



# Special Report

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

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 Alaska, made this progress possible.

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

In Alaska, this partial reporting indicates that 2,315 jobs have been created or saved by funding 658 awards worth \$1,240,659,446, of which \$199,728,902 has already been received. [Recovery, Accountability, and Transparency Board, accessed [11/2/09](#)] **Alaska 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 Alaska:

**Alaska will use Recovery Act-funded grant to retrofit buildings with energy efficient technology, reduce heating costs, and improve productivity at power plants.** “Under DOE’s Energy Efficiency and Conservation Block Grant (EECBG) program, these states... will implement programs that lower energy use, reduce carbon pollution, and create green jobs locally... ALASKA - \$9,593,500 awarded. Alaska will use its Recovery Act EECBG funding to implement energy efficiency and renewable energy projects in local communities across the state, including energy audits and building retrofits, transportation efficiency programs, and installations of renewable energy technologies on government buildings. ... Promoting efficiency in local communities is particularly important in Alaska, which faces very high electricity and heating costs, and has more than 180 villages that are only accessible by water or air and have to operate independent, stand alone electric grids. Overall,

these Recovery Act-funded projects will lead to substantial energy and cost savings, and create or save more than 75 green jobs statewide.” [Department of Energy Release, 11/3/09]

**Recovery Act will help create jobs and fund over 30 projects in the Fairbanks county school system.** “The Fairbanks North Star Borough School Board plans to formally accept \$10 million in federal stimulus money Tuesday, a move that will add more than a dozen new jobs while helping the district start programs aimed at helping students prepare for college and careers... Many of the projects, district officials said, are designated for short-term expenditures that will have long-term benefits, such as buying materials, improving technology and teacher training. ‘The programs are far reaching in a lot of different areas in our district,’ said Leslie Hajdukovic, the board president. ‘It’s allowing us to make purchases the district has needed that we’ve never had the money for and also allows to keep programs we otherwise wouldn’t be able to afford.’ In the next three years, the district will work with \$15 million in stimulus grants to fund more than 30 projects, such as \$2 million for district-wide technology and a \$1.3 million program to pay for mentors to improve graduation rates.” [Associated Press, 10/20/09]

**Emmonak to use Recovery Act funding for new landfill, one of several projects expected to create or sustain jobs.** “The village of Emmonak will receive a \$3.2 million loan and a \$1.4 million grant from the American Recovery and Reinvestment Act... to construct a new landfill... ‘Hopefully, it will be a bigger place and we’ll have equipment to keep the trash in the area,’ said longtime resident Nick Tucker Sr. ‘Also, a nice road. ‘It would make the village a healthier one environmentally.’ Emmonak’s funds are part of \$172.5 million in funding for water and environmental projects that the United States Department of Agriculture allocated. In total, the American Recovery and Reinvestment Act is expected to bring more than \$1 billion to Alaska over the next two years, creating or sustaining some 8,000 jobs.” Senator Begich: “After being signed 200 days ago, the Recovery Act is continuing to help improve communities across Alaska. These funds are welcome as they will help improve safety and sanitation in the community and create needed jobs.” [The Tundra Drums, 9/10/09]

**Thanks to Recovery Act grant, Alutiiq Heritage Foundation can retain part-time educator that might have been eliminated.** “The Alutiiq Heritage Foundation has received a \$16,000 grant from the Alaska State Council on the Arts (ASCA). The Alaska council received from the funds through the National Endowment for the Arts, which has awarded some \$250,000 in grants statewide under the American Recovery and Reinvestment Act of 2009 federal economic stimulus package. The funds will be used for a part-time education coordinator position. The person occupying the position works with educational programs between the Alutiiq Museum and Kodiak Island Borough School District, and will provide other boroughwide educational activities such as workshops. The coordinator also makes occasional visits to various Kodiak Archipelago villages. The grant required the money to be used to fund a position that would potentially be.” [Kodiak Daily Mirror, 9/1/09]

**Recovery Act will pay for loggers to thin secondary growth from Tongass National Forest, Which will improve health of the forest, provide deer with nutrition.** “A very expensive tree-thinning project in the Tongass National Forest is receiving more than a half-million dollars in federal stimulus money... The thinning will ‘increase the space, sunlight, water and nutrients available for the remaining trees, allowing them to thrive and grow, providing habitat for deer,’ the entry says. Cole said the project’s primary objectives of forest rehabilitation and improved deer habitat are important, but the project has a secondary benefit of helping forest managers learn more about what to do with 450,000 acres of second-growth trees in the Tongass... Dustin Solberg, spokesman for The Nature Conservancy in Alaska, said investing now in such projects will pay dividends later on in the form of jobs as it helps the

Forest Service make the transition from old-growth logging to second-growth, he said. “That is our future,” Goularte said of second-growth timber.” [[Juneau Empire](#), 8/30/09]

**NOAA hired contractors with *Recovery Act* funds to update nautical charts, improve safety for ships, prevent accidents.** “The National Oceanic and Atmospheric Administration is using \$5.3 million of new federal stimulus funds to survey and chart Unimak Pass and other Alaskan waters. Unimak Pass has not been surveyed since the early 1900s. The new information will be used to update nautical charts in the high-traffic area. About 3,000 ships go through the pass each year, many while traveling on the Great Circle Route. Ben Evans of the NOAA Office of Coast Survey says the mapping project improves the safety of the region. ‘If we have up-to-date surveys, that means we have up-to-date nautical charts which means that these container ships and other commercial vessels, as well as fishing vessels and even recreational users, can navigate with greater confidence,’ Evans said. ‘It certainly prevents environmental accidents and also allows for more efficient and faster transportation of goods and services between the United States and our trading partners all over the world.’ NOAA crews and hired contractors began surveying Unimak Pass and other critical areas around Alaska earlier this summer... According to the Department of Commerce, ocean transportation contributes \$742 billion to the national economy per year countrywide. The Recovery Act money will fund surveys for 674 square nautical miles off the coast of Alaska and nearly 2,000 total nation-wide.” [[KUCB Public Broadcasting](#), 8/24/09]

**Alaska will use *Recovery Act* funds to pay workers to clear marine debris and restore salmon habitats in Cordova and Moose Pass.** Commerce Secretary Gary Locke: “These Recovery Act projects will put Americans to work while restoring our coasts and combating climate change. They reflect our investment in sound science and commitment to help strengthen local economies.” “Coastal areas generate more than 28 million jobs in the United States. Commercial and recreational fishing employs 1.5 million people and contributes \$111 billion to the nation's economy... The projects will employ Americans with a range of skills including laborers, nursery workers, design engineers, restoration ecologists, landscape architects, hydrologists, and specialized botanists. In addition to direct jobs, the projects are estimated to create indirect jobs in industries that supply materials and administrative, clerical, and managerial services.” [[NOAA](#), 6/30/09]

**Merrill Field received \$1.86 million in *Recovery Act* funding for airport improvement projects.** Projects include reconstruction of aprons to accommodate 100 aircraft; the construction contract is expected to employ approximately twenty engineering and construction professionals. [[KTVA CBS 11](#), 6/10/09]

**Preventive measures against forest fires in Alaska to be enacted with \$1.4 million in *Recovery Act* funds given to Alaska Division of Forestry.** Two crews will be hired to manually and mechanically cut and burn about 250 acres of mostly black spruce near Washington Creek along the Elliott Highway, about 30 miles north of Fairbanks, in the next two weeks. [[Fairbanks News Miner](#), 6/8/09]

***Recovery Act* health facility construction funds will be used to complete the construction of the new Norton Sound Regional Hospital in Nome, Alaska.** The new facility will replace a 61-year-old hospital that is stretched to serve an estimated 10,000 users, create a substantial number of new jobs in construction, transportation and other professions, and help fight unemployment in Nome. [[Indian Country Today](#), 5/18/09]