



# Special Report

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

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 Arkansas, made this progress possible.

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

In Arkansas, this partial reporting indicates that 3,742 jobs have been created or saved by funding 609 awards worth \$1,360,158,483, of which \$352,752,164 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 8,600 jobs so far for Arkansans (accounting for indirect and induced jobs). [Council of Economic Advisors, [9/2009](#)] **Arkansas is on track to benefit from a total of 31,000 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 Arkansas:

**Arkansas will use Recovery Act funds to map broadband access and to help expand broadband coverage.** “The Department of Commerce’s National Telecommunications and Information Administration (NTIA)... awarded Connect Arkansas roughly \$1.6 million for broadband data collection and mapping activities over a two-year period, and almost \$500,000 for broadband planning activities over a 5-year period for the state... C. Sam Walls III, with the Arkansas Capital Corp., said the federal funds will help complete what has been an almost 2-year program to create a broadband map of Arkansas... Walls said an added benefit will be to

provide Arkansans an independent map of which telecom providers cover what areas and with what speeds. ‘You create, ultimately, a map to help consumers to get online,’ Walls explained... The State Broadband Data and Development Grant Program is a matching grant program that implements the joint purposes of the American Recovery and Reinvestment Act and the Broadband Data Improvement Act (BDIA).” [The City Wire, 10/26/09]

**Arkadelphia School Board will use *Recovery Act* allocation on improving the Gifted and Talented program, purchasing fine arts equipment, and creating jobs for Peake High School renovation.** “Superintendent Donnie Whitten gave the annual report to the public, unveiling a proposal on how the district should spend funds received from federal stimulus money... a ‘historic, one-time investment’ which funneled \$100 billion to public school districts across the nation... Those proposals for receiving the funds include the school’s Gifted and Talented program rewarding professional development incentives to certified staff replacing/upgrading the security system at AHS and funding phases 3 and 4 of renovating historic Peake High School. The district received \$433,405 for Title I funding proposals. Those proposals include supporting homeless students throughout the district and math/science lab at Peake.” [Daily Siftings Herald, 9/24/09]

**Arkansas will receive *Recovery Act* funds aimed at increasing the number of children adopted from foster care by Hiring 153 new case workers and other staff.** “Arkansas will receive \$822,078 for increasing the number of children adopted from foster care, the U.S. Department of Health and Human Services announced today... Arkansas received the funding for increasing its adoption rate of foster care children every year since 2002, according to DHHS. The incentive program was created as part of the federal Adoption and Safe Families Act of 1997. The federal funding, plus \$4.5 million in federal stimulus funds and \$4 million from savings incurred by a lower federal matching funds rate, are to be used to speed up implementation of measures taken to improve the state’s child welfare system. The improvements include the hiring of 153 new case workers and other staff to handle foster care cases and staff training, among other things.” [Arkansas News, 9/14/09]

**A *Recovery Act*-funded grant will enable researchers at the University of Arkansas and other colleges in the state to build and support cyberinfrastructure and to train students and workers.** “Arkansas scientists, students and information-technology workers will benefit from a new \$3.3 million grant from the National Science Foundation. The award, made possible by the American Recovery and Reinvestment Act of 2009, will enable researchers at the University of Arkansas and other colleges and universities in the state to build and support cyberinfrastructure and to train students and workers in information-technology systems, tools and services. The grant, titled CI-TRAIN, or Cyberinfrastructure for Transformational Scientific Discovery in Arkansas and West Virginia, is part of a broader award to create a research consortium between the two states, which have researchers specializing in high-performance computing, visualization and modeling. At the University of Arkansas specifically, the federal funding will enhance supercomputing resources at the Arkansas High Performance Computing Center, which supports research in computational science, nano- and ferroelectric materials, multiscale visualization and many other research projects that require massive data storage.” [Arkansas Business, 9/3/09]

***Recovery Act* revenue will help replace or significantly modify 13 Arkansas Bridges, creating contracting jobs and improving public safety.** “At least 13 bridges on Arkansas roads will be replaced or significantly modified with the use of federal stimulus money, according to state highway data. Of those, seven are considered structurally deficient or functionally obsolete. A 14th bridge that will be built with money from the American Recovery

and Reinvestment Act will replace a low-water crossing that, technically, doesn't qualify as a bridge and, therefore, isn't subject to inspection by the Arkansas Highway and Transportation Department. Still, 'I would call it deficient because it's a low-water crossing and not able to be used all of the time,' said Randy Ort, an agency spokesman." [[Arkansas Democrat Gazette](#), 8/5/09]

**Thirteen Arkansas cities and counties won *Recovery Act* grants for local infrastructure projects expected to create a combined 169 jobs.** "Thirteen small Arkansas cities and counties have won economic-recovery grants to fix or expand local infrastructure, the state's recovery office announced Thursday. Project monitors estimate that the stimulus-funded work, from making energy-saving changes to the Searcy County Civic Center to repairing a street in Lake Village, will create 169 jobs. 'Those are projected jobs,' said Dianne Norman with the East Arkansas Planning and Development District." [[Arkansas Democrat-Gazette](#), 7/24/09]

**80 young people in Mountain Home now employed by Arkansas Workforce Center due to *Recovery Act*; center official lauded increase in participants.** "As part of the Arkansas Summer Youth Workforce program, Ethan Barnes, Megan Cain, Dalton Davis and Anthony King, all 17, Wade Staton and Chase Loosey, 16, and Lindsay Teegarden, 15, are each putting in 200 hours this summer helping to move library books, furniture and school supplies, and helping custodians clean every surface... The program, previously part of the Jobs Training Partnership Act and the Comprehensive Employment and Training Act, received a boost in funding this year from the American Recovery and Reinvestment Act, according to Tina Hopkins, employment and training adviser at the Arkansas Workforce Center in Mountain Home. 'In previous years, we've had 30 to 40 participants in Baxter and Marion counties,' Hopkins said. 'This year, because of stimulus dollars, we increased the eligibility age to 24, and we have 80 participants.' Hopkins, 29, asks each applicant what job they would like if they could have any job at all. Two girls expressed interest in hair. Hopkins found one of the girls a job at a beauty school. The other is working in a salon." [[Baxter Bulletin](#), 7/22/09]

**Department of Energy awarded *Recovery Act* money to fund two green-collar job-training centers in Arkansas.** "Arkansas has been awarded nearly \$3 million by the U.S. Department of Energy to establish two Building Training Centers of Excellence... 'We probably won't hear anything official until mid-August,' said Karen Minkel, director of strategic planning and internal consulting for the Fayetteville Planning Division. 'But everything looks very positive.'" [[Fayetteville Morning News](#), 7/8/09]

**More than 200 Arkansas youths will work at summer jobs funded by *Recovery Act*.** "This is an excellent opportunity because it will put our young people to work which will give them some experience in the work place, but it is also an opportunity for the older ones, the seniors headed to college and those already in college, to make a decent wage and have some money set aside when they go back or have money for clothes and in some cases allow them to put much needed food on the table for their families." [[Forrest City Times-Herald](#), 6/9/09]

**Arkansas is slated to receive \$28 million in *Recovery Act* money for job retraining programs.** "Jose Hernandez was laid off from his job at Technical Machining Services in Rogers in February – he quickly determined he wanted to leave behind the physical labor, long hours and relatively low wages of the manufacturing field. But clerical work, education and even food service jobs require basic computer skills that he hadn't acquired. So Hernandez started computer classes at Elizabeth Schaeffler's Rogers home." [[Arkansas Democrat-Gazette](#), 6/1/09]

***Recovery Act* funds will allow the Arkansas youth jobs program to raise the age limit from 18 to 24, allowing an expansion from 100 to 300 in the school-age**

**program.** “It's a real big boost in helping our youth find employment.” [[Arkansas Democrat Gazette](#), 5/24/09]