



Special Report

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

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 Kentucky, made this progress possible.

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

In Kentucky, this partial reporting indicates that 4,202 jobs have been created or saved by funding 902 awards worth \$2,236,628,655, of which \$407,888,690 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 13,100 jobs so far for Kentuckians (accounting for indirect and induced jobs). [Council of Economic Advisors, [9/2009](#)] **Kentucky is on track to benefit from a total of 48,000 *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 Kentucky:

***Recovery Act* funds will simplify and encourage enrollment in the Kentucky Children’s Health Insurance Program, which covers 2,600 children per month.** “A \$250,000 stimulus grant will help more Kentucky children enroll in the Kentucky Children’s Health Insurance Program, commonly called KCHIP. The KCHIP program provides health insurance to children with a family income of less than 200 percent of the federal poverty level, or about \$44,100 annually for a family of four. The ‘Through Any Door’ program, which is being supported by the American Recovery and Reinvestment Act of 2009, is intended to simplify the

KCHIP enrollment process. When families apply for assistance programs such as food stamps or low-income home energy assistance, applications will automatically be screened for eligibility in the state's KCHIP and Medicaid programs. A year ago, Kentucky Gov. Steve Beshear announced plans for the state to enroll 35,000 KCHIP-eligible children in the program by summer 2010. On Tuesday, the state said it now expects to meet that goal by the end of 2009... 'By streamlining our enrollment process and ramping up our outreach efforts, we have reached thousands of families who could benefit from this program,' Beshear said in a news release." [[Business First Louisville](#), 11/10/09]

From 50 child-care jobs to 1,200 in jobs in employment and training services, up to 1,900 jobs have been saved or created in Franklin County, Kentucky thanks to Recovery Act funds. "About 50 jobs in Frankfort have been saved or created because of the stimulus plan... Information on [recovery.gov](#) indicates Franklin County has received between \$964 million and \$1.1 billion with 1,400 to 1,900 jobs saved... About 1,200 jobs in the state will be saved through an \$18.7 million grant to provide employment and training services, according to [recovery.gov](#). The Kentucky Department of Employment and Training, which will offer career-planning services, training and support such as transportation and daycare assistance, will administer the grant... The Cabinet for Health and Family Services has received millions of dollars for a variety of programs, including Meals on Wheels and Americorps. A grant for \$35 million will save 50 child-care jobs in Kentucky, said spokesperson Vikki Franklin." [[State-Journal](#), 11/09/09]

Recovery Act funds will save or create 48 jobs related to education in Frankfort, including new special education teachers and aides, literacy coaches, and a certified mental health consultant. "Most of the jobs created or saved in Frankfort are related to education, including several special education positions at Frankfort Independent and Franklin County schools. The Kentucky Department of Education received \$157.6 million to education services for children with disabilities. The money would create or save 48 jobs. However, only five positions at Frankfort and 12 at Franklin County will be retained. Frankfort Independent will hire: Special education teacher at \$53,000 for two years; Part-time for two years at \$15,000; Special education aide for one year at \$9,500; Part-time library aide for two years at an average of \$12,000; Literacy coach for one year at \$48,000; Superintendent Rich Crowe said the stimulus funds allowed the schools to keep several positions that would have been eliminated. Franklin County will get: Certified school psychologist; Certified mental health consultant." [[State-Journal](#), 11/09/09]

Construction job layoffs were avoided across Kentucky; 146 Recovery Act-funded transportation jobs will be created to enhance public transportation. "Several shovel-ready projects in Franklin County received funding through the stimulus plan, including the U.S. 421 widening and a sewer extension at Jones Lane. About 10 sub-contractors are also at the site, she said, and the project reportedly saved 13.2 jobs... The Transportation Cabinet also received \$19.2 million to enhance public transportation in the state. About 146 jobs will be created. Betty Burriss, Frankfort's transit superintendent, said she'll hire a driver for the trolley the city will buy with stimulus funds." [[State-Journal](#), 11/09/09]

Kentucky will receive Recovery Act funds to pay for training and other resources for child-care providers. "Gov. Steve Beshear announced Thursday that Kentucky will receive \$4 million in federal stimulus funds to pay for training and other resources for child-care providers. He said in a statement that \$2 million will be used to fund training that emphasizes education and development for infants and toddlers... The money also will be used to pay for distance-learning opportunities, which makes training more accessible to child care providers throughout the state. In addition, it will support a partnership with Prevent Child Abuse

Kentucky on the 'Never Shake a Baby;' initiative; purchase child booster seats to be distributed by the Department for Public Health; and promote STARS for KIDS Now, a voluntary quality-rating system for child care centers." [[The Courier-Journal](#), 11/5/09]

Recovery Act funding created or saved 2,300 jobs in Kentucky; most of the funding has gone to Medicaid. "Gov. Steve Beshear says the \$2.9 billion in federal stimulus funds awarded to Kentucky has created or preserved nearly 2,300 jobs in the state. Beshear said in a written statement Friday that the money also allowed Kentucky to avoid deeper cuts to government services, including education. The largest chunk of Kentucky's funding, \$994 million, is going to Medicaid. Another \$651 million will be used to balance the state budget. And \$543 million is being spent on construction projects, primarily road construction." [[Associated Press](#), 10/31/09]

The Kentucky Department of Corrections will purchase new surveillance cameras, thanks to Recovery Act funding. "State officials Wednesday announced that Kentucky has received \$12.8 million through the American Recovery and Reinvestment Act of 2009 to support public safety and justice programs across the state. The largest award, \$2 million, went to the Kentucky Department of Corrections for surveillance cameras that will be installed in state prisons. The state also received \$850,000 in federal funds to give to farmers to encourage energy efficiency. The program will provide 25 percent reimbursement of the cost of a federally qualified energy saving item, up to \$10,000. Qualifying items include energy audits, energy-efficient farm building components, on-farm energy upgrades, and energy efficiency training." [[Business First of Louisville](#), 10/29/09]

The Kentucky Department for Public Health will use Recovery Act funds to expand its vaccination programs to prevent the spread of diseases, such as seasonal flu, the H1N1 virus, pneumonia, and the whooping cough. "State officials announced Wednesday that the Kentucky Department for Public Health will receive more than \$3 million in stimulus funds to expand its vaccination programs. Efforts will be increased to prevent the spread of diseases, such as seasonal flu the H1N1 virus, pneumonia, shingles, tetanus, diphtheria, and pertussis — also known as whooping cough, according to a news release. About \$2.7 million of the funds will be used to buy childhood and adult vaccines for local health departments. The remaining funds will be used to promote and enhance immunization efforts." [[Business First of Louisville](#), 10/29/09]

\$71.7 million in Recovery Act funded guaranteed loans will help rural businesses and strengthen rural communities throughout America. "Agriculture Secretary Tom Vilsack today announced \$71.7 million in loan guarantees to assist 20 rural businesses in funding made available by the American Recovery and Reinvestment Act. The funding announced today is being made available through USDA Rural Development's Business and Industry Guaranteed Loan Program. 'The Recovery Act funds announced today will help businesses get access to the capital they need to launch and expand their businesses and help bring additional jobs to America's small cities and towns,' Vilsack said. For example, in Georgetown, S.C., USDA Rural Development is guaranteeing a \$3 million loan to enable a local gate and mounting-system company to restructure debt and purchase new machinery and equipment. In Franklin County, Ohio, a farmer owned cooperative with local headquarters was selected to receive a \$7.5 million loan guarantee. The loan will help provide business services to more than 50,000 livestock farmers in Ohio, Kentucky, Michigan, Indiana, Illinois, and Missouri. The Business and Industry loan will help the cooperative continue to maintain health insurance to its nearly 500 employees, many of whom live in counties with unemployment rates 125 percent greater than the national average and counties that have been affected recently by natural disasters." [[USDA.gov](#), 10/21/09]

Louisville Metro Government to improve its energy efficiency with *Recovery Act* funds. “The U.S. Department of Energy has awarded nearly \$7 million in federal stimulus funding to the Louisville Metro Government for energy efficiency improvements across Jefferson County. The money will be used, among other things, to install energy-efficient street lights, synchronize stop lights along several major suburban roads and to retrofit government buildings so they use less energy. Yarmuth said the American Recovery and Reinvestment Act has ‘already helped create jobs at Louisville’s Appliance Park, boosted home sales with the first-time homebuyer credit, and funded the construction of an environmentally friendly new TARC facility’...Now, Recovery Act funding will help our community save money by investing in energy efficiency measures that will cut costs well into the future.” [[The Courier-Journal](#), 09/09/09]

Using *Recovery Act* grants, Lincoln Trail Innovation Center and Hardin County schools jointly created a curriculum to teach young people job skills and environmental sustainability. “The work of 30 teams coalesced into one final competition Friday afternoon at Pritchard Community Center, where eight teams representing the eight counties in the Lincoln Trail Area Development District presented ‘green’ entrepreneurial proposals as part of Green Summer Forever, a six-week program created through the Green Entrepreneurial Leadership Institute(GEL-IN). Grayson County’s The Water Boyz took home the grand prize for best proposal. The group outlined a water conservation project that received backing support from city officials in Leitchfield. The team — Chad Gilbert, Cody Clemons, Jared Clemons and Jordan Decker — designed a rain barrel system that was placed at the solid waste transfer station in Grayson County... The program itself is new, funded through the American Recovery and Reinvestment Act. The Lincoln Trail Innovation Center partnered with Hardin County Schools and Kentucky Student Ventures to bid on the project, Williams said, and youth were chosen between the ages of 16 and 24. Income levels was one of the criteria looked at, and participants were paid \$7.25 an hour for their work, which varied between the classroom and site work.” [[Elizabethtown News-Enterprise](#), 8/1/09]

The Eastern Kentucky Concentrated Employment Program, using *Recovery Act* Award, is scheduled to benefit 3,000 young people with jobs and training. “Summer is the busy season at Cater Caves State Resort Park... The difference, this year, is that the park had help from more than 20 additional employees in the form of participants through Eastern Kentucky Concentrated Employment Program’s (EKCEP) Let’s Go 2 Work. Because Let’s Go 2 Work pays the salaries of the 16 to 24-year-old it has been placing with businesses and agencies in 23 eastern Kentucky counties, places like Carter Caves have been able to do extra projects and supplement their services this summer. In all EKCEP expects to employ 3,000 young workers this summer and pay their salaries using American Recovery and Reinvestment Act funds, which will have a total economic impact of \$6 million. In Carter, Elliot and Lawrence Counties, EKCEP has partnered with Northeast Kentucky Community Action Agency (NKCAA) to provide Let’s Go 2 Work services, and expects to employ 305 people in the tri-county area by the end of the summer.” [[Morehead News](#), 7/21/09]

Summer youth employment program underwritten by *Recovery Act* has employed and educated over 5,000 young people in Kentucky; projected to help a total of 6,000. “More than 5,000 Kentuckians between 14–24 years of age are gaining valuable work experience and earning a paycheck through the Kentucky’s Summer Youth Employment Program (SYEP). The \$15 million federal program is funded through the American Recovery and Reinvestment Act (ARRA) and administered through the Office of Employment and Training (OET) in Kentucky’s Education and Workforce Development Cabinet. Public, private and non-profit employers are partnering with 10 local workforce investment areas across the state to provide work and training opportunities for low-income youth and young adults in their

communities. Youth are paid through the federal program while employers receive a short-term employee at no cost to them.” [*Kentucky Post*, 7/14/09]

\$699,000 in *Recovery Act* funds awarded to YouthBuild Louisville to create employment opportunity for 16-24 year-olds. “YouthBuild Louisville will receive \$699,000 in federal economic-stimulus funding under the American Recovery and Reinvestment Act to help provide vocational instruction to unemployed and undereducated Louisville youth... In the YouthBuild program participants learn the craft of constructing and rehabilitating affordable housing for low-income families in their own neighborhoods.” [*Louisville Courier-Journal*, 7/1/09]

\$699,600 from *Recovery Act* disbursed to YouthBuild of Louisville for job creation. “Participants in the program typically have been in the juvenile justice system, are too old to be in the foster care system, or have dropped out of high school. Many YouthBuild Louisville participants are taught to renovate homes using green building practices. The Department of Labor last month set aside \$114 million for 183 community groups to provide education and training programs to young adults. About \$47 million of the funding, which was approved under the American Recovery and Reinvestment Act of 2009, was earmarked for YouthBuild programs.” [*Business First of Louisville*, 7/1/09]

“Intelligent Energy Choices Program” financed by \$52.5 million from *Recovery Act*; projected to create 600 jobs. “Since the beginning of the year, despite the global economic downturn, the pace of activity actually seems to be increasing. Perhaps the most significant developments have centered on Kentucky's emergence as a national hub for the development of advanced transportation batteries... [Governor] Beshear's blueprint will create nearly 600 jobs by increasing efficiency and renewable energy efforts in schools, farms, homes, government buildings and private sector initiatives throughout the Commonwealth. These projects will be funded by a \$52.5-million allocation Kentucky is receiving in federal stimulus funds under the American Recovery and Reinvestment Act (ARRA). The funds will be utilized over the next three years, pending approval by the U.S. Department of Energy in the next several months.” [*Business Facilities*, 6/25/09]

***Recovery Act* funds are allowing construction companies to rehire furloughed workers and avoid layoffs.** “A band of earth-moving machines began rolling onto a rugged Marion County farm field earlier this month. A day later, a ribbon of dirt outlined the path of a new two-mile road. The federal stimulus bill is paying for the \$3.7 million bypass from U.S. 68 to Industrial Drive – one of the first three ‘shovel ready’ projects Kentucky has awarded with the federal money approved in February... ‘Being able to get this job has kept a lot of people working.’” [*The Courier-Journal*, 5/31/09]