



Special Report

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

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 Maryland, made this progress possible.

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

In Maryland, this partial reporting indicates that 6,748 jobs have been created or saved by funding 1,424 awards worth \$3,178,478,188, of which \$685,827,388 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 17,400 jobs so far for Marylanders (accounting for indirect and induced jobs). [Council of Economic Advisors, [9/2009](#)] **Maryland is on track to benefit from a total of 66,000 *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 Maryland:

In Baltimore, 270 housing units will be renovated using *Recovery Act* funds, creating 92 jobs. “About 270 dilapidated public housing units will be renovated and equipped with energy-efficient fixtures with \$66 million in federal stimulus funds, city officials announced Friday. The money will be used to renovate about 240 individual vacant public housing homes scattered throughout the city and 30 traditional public housing units, officials said... The renovation program, which will create 92 jobs, will be managed by the city housing authority. The homes will be renovated according to historic preservation guidelines and will be

equipped with energy-efficient light bulbs and plumbing fixtures that limit water consumption, among other green features. Of the city's 1,000 individual public housing homes, about 300 are vacant and in need of renovations, said Ashley F. Lommers-Johnson, associate deputy director of the housing authority.” [*Baltimore Sun*, 11/7/09]

Recovery Act funding will allow Baltimore to renovate and bring online 30 units at traditional public housing complexes and another 240 public housing units across the city. “Baltimore lands \$66M in stimulus funding for public housing: Baltimore City has received \$66 million to add 270 public housing units to its inventory of about 10,000. The units have been sitting vacant for years, but the money will go to renovating them so they can be used again, city housing authority spokeswoman Cheron Porter said. ‘Without this money, they would sit there vacant because we didn’t have the funds to renovate them,’ Porter said. The money will be used to bring online 30 units at traditional public housing complexes and 240 other public housing units that are scattered across the city, Porter said. Part of it will go toward energy conservation in the units.” [*Baltimore Business Journal*, 11/5/09]

Recovery Act-funded COPS program grants will fund police training and help hire 112 officers across the state. “The city will save a few dollars during the current economic pinch after receiving a state grant that will fund training for Salisbury Police Department officers. The \$35,000 grant, which uses funds from the American Reinvestment and Recovery Act, will be used for training and equipment, according to the Salisbury Police Chief Allan Webster. ‘It’s what’s good for the entire city,’ Webster said. ‘With tight economic times, this is great news for the city of Salisbury.’ Salisbury is one of three cities to receive the grant earmarked for police officer equipment, uniforms and other needs not covered by the federal COPS program grants, according to the governor’s office. Baltimore received \$448,000 and \$15,000 was awarded to Cambridge. The Governor’s Office of Crime Control and Prevention expects to award more grants after it receives more applications. In July, Gov. Martin O’Malley and Vice President Joe Biden announced that \$23 million in COPS funds would be used to hire 112 police officers across the state. Salisbury received \$795,000, more than 60 percent of the state’s portion for the Lower Shore, and was able to hire four new police officers, according to Salisbury Mayor Jim Ireton. Princess Anne received \$187,000 and hired one officer.” [*The Daily Times*, 11/3/09]

The Recovery Act has created or saved 4,464 jobs in Maryland. “The federal report is a first attempt to quantify the employment that has resulted from the \$787 billion American Recovery and Reinvestment Act, from its passage in February through Sept. 30... A total of 4,464 jobs were directly created or saved by stimulus dollars, according to the state. Education, transportation and the government workforce were the sectors that benefited the most.” [*Maryland Gazette*, 11/4/09]

Recovery Act has created or saved nearly 14,100 jobs in Maryland. “Maryland’s report showed 4,462 of those positions were direct jobs — jobs supported fully by funds awarded for a stimulus-related project. That figure does not include the 965 jobs reported created in Maryland from federal contracts. In addition, 1,451 jobs were indirect, meaning those positions were supported by stimulus-funded work but not directly paid for with stimulus money — a subcontractor on a project, for example. Meanwhile, the bulk of the jobs — 8,167 — came from what the state calls induced jobs, determined by a model used by the Maryland Department of Business and Economic Development. An example of an induced job would be a job created at a restaurant as a result of a construction job created or saved by stimulus money. The subsequent uptick in business as a result of that construction worker eating out more at that restaurant created that induced job. More than half of the induced jobs were health-care related.

Maryland has received federal money for Medicaid, for example, and that has led to more jobs being created for billing roles... Stimulus money did help save 700 state government jobs that were set to be cut.” [[Baltimore Business Journal](#), 10/29/09]

Recovery Act funding has retained or created 550 jobs and will help purchase new public safety equipment in Prince George’s County. “Preliminary data shows \$400 million in federal stimulus money going to local governments and businesses in Prince George’s County. The funds will let officials hire more than 50 police officers and purchase [new] public safety equipment. County Executive Jack Johnson says the federal dollars helped him avoid laying off at least 500 people.” [[Associated Press](#), 10/20/09]

Recovery Act has created jobs throughout Delmarva, including 8 AmeriCorps jobs that were saved at Salisbury University. “Money from the federal economic stimulus program is making things happen on Delmarva, although it may not be immediately obvious. That’s because stimulus-funded projects are not necessarily advertised as such --no big signs declaring ‘Your federal stimulus dollars at work here!’ Berlin’s big-wig-laden wastewater plant groundbreaking Friday was the exception, not the rule. Some create jobs in a direct way. For example, the Americorps program at Salisbury University received \$72,041 and as a result protected eight jobs.” [[Delmarva Daily Times](#), 10/6/09]

The Recovery Act will fund a number of environmental projects in Maryland, including a Seaside Bays Restoration project for Chincoteague National Wildlife Refuge that will create 55 jobs. “Refuge Manager Lou Kinds said a \$550,000 contract will fund a new, larger waterline from Chincoteague to the refuge, providing a more consistent source of fresh water for operations and visitor services. ‘In addition to creating local jobs, this project supports the tourism industry that is so important to the economic vitality of this community,’ Hinds said. It is one of five projects funded by the stimulus bill on the Eastern Shore of Virginia... The National Oceanic and Atmospheric Administration announced the Virginia Seaside Bays Restoration project will support 55 jobs that will restore oyster reefs, scallops and seagrass beds on the Eastern Shore, a \$2 million project... Also funded is the dredging of Chincoteague Channel and improvements to the visitor center at the Eastern Shore of Virginia National Wildlife Refuge.” [[Delmarva Daily Times](#), 10/4/09]

Johns Hopkins University used Recovery Act allocation to hire 30 new employees and is set to hire more. “Johns Hopkins University, Baltimore’s largest employer, just got the green light to hire more people after receiving \$114 million in federal stimulus money... the 250 federal grants awarded to Hopkins will mean more jobs coming to the university. The money will be used mostly for research but will also account for a significant increase in jobs. So far, Hopkins has hired 30 people, mostly within the research field, and 15 positions are still open with more to come...’ If the research money wasn’t there from the stimulus package, that might have to stop and we might have had to lay people off,’ JHU spokesman Dennis O’Shea said...” [[WBAL11](#), 9/24/09]

Recovery Act set to create hundreds of jobs, protect public health and improve water quality through \$119 million in grants. “The Maryland Board of Public Works voted Thursday to award more than \$119 million in federal stimulus money for clean-water grants and loans... The board, led by Gov. Martin O’Malley, spread the federal funds across all of Maryland’s 24 jurisdictions, selecting projects it believes will help create hundreds of jobs, protect public health and improve water quality and drinking water. Baltimore was tapped to receive \$15.4 million in stimulus-backed grants and loans for various projects. ” [[Baltimore Business Journal](#), 9/17/09]

Anne Arundel County school will use *Recovery Act* funds to create 60 new positions, purchase new technology. “Creating about 60 new positions, purchasing high-tech gadgets and hosting a regional conference on teaching techniques are among the ways county school officials plan to spend their portion of the federal stimulus package passed earlier this year. Of the \$33.7 million infusion, which has to be used over the next two years, about \$8.7 million is being used to make up for a shortfall in regular state aid. The rest will go toward special education and students considered to be living in poverty, under specific directives issued by the federal government, school officials said... The biggest chunk of Anne Arundel County's portion - \$18.9 million - will be spent on special education. It will be used to buy programs and technology like interactive Smart boards and laptop computers, and to hire about 41 special-education teachers and support staff, said Mary Tillar, director of special education for county schools.” [[The Capital Gazette](#), 8/27/09]

Maryland will receive *Recovery Act* money to increase energy efficiency; projected to create 560 new green jobs and save Marylanders \$370 million. “Maryland is receiving almost \$21 million in federal stimulus funds for expanding clean energy use and increasing energy efficiency. Among other uses, the money will go toward low-interest loans for energy ‘makeovers’ and for grants so that homeowners can install solar, wind or geothermal systems. The award is part of roughly \$51 million Maryland expects to receive from the U.S. Department of Energy as part of the American Recovery and Reinvestment Act... The investments are projected to create about 560 new green — that is, environmentally friendly — jobs, said Maryland Energy Administration spokeswoman Christina Twomey Light, based on a formula used by DOE that assumes a job will be created for each \$92,000 invested. State officials estimate that the programs will save Marylanders more than \$370 million in energy costs and reduce carbon dioxide emissions by 2 million tons, the equivalent of taking 360,000 cars off the road.” [[Gazette.net \(Maryland Community Newspapers Online\)](#), 8/17/09]

Anne Arundel Youth Works, funded by *Recovery Act*, employed 70 young people, plus three program staffers. “Bill Hope loves motorcycles. The 17-year-old got to work on them all summer at Harley-Davidson in Annapolis thanks to a federal stimulus program. Hope was one of 70 young people recruited for a county summer employment program supported by stimulus dollars. ‘Youth Works’ is the first county program of its kind in eight years. ‘The whole point of this is to give kids work-readiness skills and we’re very happy with the outcome of this program so far,’ said Kirkland Murray, president and chief executive officer of Anne Arundel Workforce Development Corp., which funded and organized the roughly six-week program. Workforce development officials spent \$170,618 of stimulus money to support the recruitment and salaries of 70 people ages 14 to 23...He said another \$77,000 went to support the salaries of a program director, as well as two staff members who recruited students and 32 job sites, including Anne Arundel Medical Center, Maryland Therapeutic Riding, the city and county Police Departments, and the Joy in Learning Child Care Centers.” [[The Capital \(Annapolis, MD\)](#), 8/16/09]

***Recovery Act* funds allowed the Howard County Office of Workforce Development to hire 28 young people in the area.** “Recently moved from Northern Virginia to his dad's home in Columbia, 16-year-old Xavier T. Bates found a summer job despite the recession, thanks to some help from the federal government. Like 27 other Howard County youths, Bates is working 25 hours a week for six weeks, making \$8 an hour in federal stimulus money in what officials say is the first summer jobs program of its kind in the county in years. He plans to contribute some of his earnings to his family while also saving for college, he said.” [[The Baltimore Sun](#), 7/12/09]

Fortune's "Meet the stimulus hires"- Bryan White of Baltimore. "I'd been at American Infrastructure for 10 years when I was laid off at the beginning of the year. Then I got a phone call and they called me back in March to work on New Hampshire Avenue, which was the state's first shovel-ready project. It was the first stimulus project that got started in the country, and I was one of the first hired back." [[Fortune](#), 6/1/09]

Recovery Act funds enable Montgomery County to pay young adults \$7.25 per hour wages this summer. Project will offer teenagers and young adults, ages 14-24, meaningful paid work experiences. [[Washington Post](#), 5/28/09]

Recovery Act-funded repaving project in Silver Spring gave stimulus critic Donavin Petre a job. [[Washington Post](#), 5/24/09]