



Special Report

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

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 Nevada, made this progress possible.

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

Numbers alone, however, 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 Nevada:

Nevada researcher gets *Recovery Act* grant to study ice cores and climate change in the Arctic and Antarctic. “A scientist at the Desert Research Institute in Reno has been awarded more than \$3.2 million in grant funding to study ice cores and climate change in the Arctic and Antarctic... The bulk of the money from the National Science Foundation is grants from the American Recovery and Restoration Act. Officials say it will fund five projects. One study will focus on how short-lived aerosols, including those generated by wildfires, affect the Earth’s climate. Another project, in collaboration with the University of Utah, will study the accumulation variability of ice sheet snow in Greenland.” [*Associated Press*, [11/13/09](#)]

Great Basin College is using *Recovery Act* funding to save jobs on campus; part of the 2,100 higher education jobs created or saved around Nevada. “Great Basin College will use about \$7 million in federal stimulus funds over a two-year period to fill budget gaps and operate several programs through the Pahrump branch campus. The college received \$3.45 million in funds through the American Recovery and Reinvestment Act as part of the 2009-10 budget. An additional \$3.5 million in stimulus funding is projected for the 2010-11

school year... Rice said ARRA funds have helped maintain staffing levels at the college, while student enrollment has increased by 25 percent since 2007. Great Basin College is also using ARRA funds for several programs serviced by the Pahrump branch campus in Nye County ... The Nevada System of Higher Education has received more than \$200 million in federal funding over the past six months, with \$184.4 million coming from ARRA ... ARRA funds reportedly created or saved 2,100 jobs within Nevada's higher education system this year." [[Elko Daily Free Press](#), 11/3/09]

Recovery Act funds have created or saved roughly 1,400 jobs in Clark County schools alone. "The Clark County School District has saved or created 1,400 teaching and support staff jobs with federal stimulus funds, officials said Monday. The district is the state's single largest recipient of American Recovery and Reinvestment Act funding. It was awarded \$165.1 million as of last month and has 35 percent of Nevada's 4,000 education jobs that reportedly were saved through the stimulus." [[Review-Journal](#), 11/3/09]

Energy Secretary announces \$93 million in Recovery Act grants that will fund 20 Northern Nevada geothermal projects and create an estimated 1,100 jobs. "Nevada energy companies will receive nearly \$93 million in federal grants to develop geothermal power, Energy Secretary Steven Chu announced Thursday... 'The opportunities to grow geothermal energy are huge,' Chu said during a telephone press conference. 'In Nevada, the geothermal capacity is almost 500 megawatts today; it should triple in the next three years with this investment.' Among the Reno-based geothermal developers that will receive the grants are: Ram Power, ORMAT Nevada, Nevada Geothermal Power Co., OSKI Energy, Magma Energy Corp., Geothermal Technical Partners Inc., Terra-Gen Sierra Holdings, Beowawe Power and TGP Development Co. Also, the University of Nevada, Reno will receive more than \$2 million for two separate research projects to aid the development of geothermal power. The Pyramid Lake Paiute Tribe in Nixon, Nev., will receive nearly \$5 million for an innovative exploration and drilling project at Pyramid Lake." [[RGJ.com](#), 11/3/09]

Recovery Act grants to upgrade Nevada's homes with Smartgrid technology are creating 200 jobs. "Labor Secretary Hilda Solis came to Las Vegas to announce more stimulus money that should turn into more jobs. The money will go toward making homes more energy efficient... She announced the Department of Energy awarded \$138 million to the power company to upgrade all homes in the valley to smart grid technology. These smart meters will tell homeowners what room the largest power drain comes from. CEO Michael Yackira says this stimulus money will bring new jobs in February. 'Having to convert 1.4 million meters by 2012. That is about 200 jobs. That is just the surface,' he said. He says about another 200 jobs will be created in the development of the program, but what about other sectors? Nevada received \$209 million for transportation projects... Secretary Solis says all the money will translate to jobs... Solis says those investments will give businesses confidence to stop shrinking the work force." [[CBS8 Las Vegas](#), 10/29/09]

The Yerington Paiute Tribe in Nevada will use economic Recovery Act funding for seven housing projects and to create jobs. "The Yerington Paiute Tribe will receive \$2 million in economic recovery funding for housing projects. The money will create jobs designing and building seven new units in the Willows Court Subdivision. U.S. Senate Majority Leader Harry Reid made the announcement about the funds on Tuesday. This summer it was announced that the tribe will receive \$156,300 in federal stimulus funds to upgrade its drinking water system, which serves 71 homes." [[Associated Press](#), 10/27/09]

Casino executive credits *Recovery Act* with protecting 31,000 jobs, helping state government operations, and local industry. “Despite Nevada’s tough economic climate and growing jobless rate, casino executives today said they are seeing the benefits of federal stimulus dollars flowing to Las Vegas... ‘State government in Nevada would not be operating if it weren’t for the money that came into the state budget from the stimulus,’ [Harrah’s Entertainment Senior Vice President Jan] Jones said. ‘The number of jobs that have been protected because the government can still operate, that is a direct result of the stimulus.’ Aside from the money Nevada received from the stimulus, the cancellation of indebtedness provision and Travel Promotion Act were important additions that helped the gaming industry, Jones said. She credited Senate Majority Leader Harry Reid with both. The cancellation of indebtedness provision allows companies to restructure their debt and delays tax payments tied to capital gains. ‘For Harrah’s Entertainment, that allowed us to protect 31,000 jobs in Nevada alone. This piece of legislation allowed Harrah’s to work to restructure to make sure we kept our employees employed,’ said Jones, a former Las Vegas mayor and current member of the governor’s Spending and Government Efficiency Commission... Chris Najbicz, vice president of West Coast operations for Hilton Hotels, said he stands by Harrah’s... on the stimulus. ‘We really do endorse the importance of the American Recovery and Reinvestment Act in saving a multitude of jobs throughout the state of Nevada and believe it’s been very helpful to the Las Vegas business community in general,’ Najbicz said.” [[Las Vegas Sun](#), 10/22/09]

***Recovery Act* has created or protected thousands of jobs in Nevada; debt-cancellation provision that Sen. Harry Reid inserted into the bill averted tens of thousands of layoffs on the Las Vegas Strip.** “A new report shows the American Recovery and Reinvestment Act... reflect[s] only jobs through direct contract through the act, which represents just 6 percent of the total funding. Of that 6 percent, only 11 percent has been reported. That means just 0.7 percent of stimulus money is represented in the national numbers. In Nevada, that figure is 0.9 percent. It doesn’t reflect about 6,000 Nevada Jobs Sen. Harry Reid, D-Nev., attributes to the stimulus. The stimulus also included a debt-cancellation provision that is said to have saved tens of thousands of jobs on the Strip at debt-saddled resorts. [[Las Vegas Review-Journal](#), Blog, 10/16/09]

Churchill County firm receives \$61.5 million *Recovery Act* grant for further development of geothermal energy. “Enel Green Power, operator of the Stillwater and Salt Wells geothermal plants in Churchill County, received \$61.5 million from the federal government for further geothermal development. The money was awarded under a American Recovery and Reinvestment Act program that targets development of renewable domestic energy sources. Enel Salt Wells LLC of Fallon received \$21.1 million, and Enel Stillwater LLC of Fallon received \$40.3 million... The stimulus act program provides cash assistance to energy producers in place of tax credits. Under this program, the federal government provides a cash payment in lieu of a tax credit totaling 30 percent of the qualifying cost of the project. For each federal dollar spent in payments, more than \$2 is spent in private sector investments... ‘The creation of jobs and permanent jobs has a great impact on Churchill County,’ says Ken Pierson, director of business development for the Nevada Commission on Economic Development. ‘The investment in such a project provided construction jobs and permanent jobs, and the technology and research and development with this kind of project drives new technology and R&D into our area. It is a great thing.’” [[Northern Nevada Business Weekly](#), 10/12/09]

***Recovery Act* funding has created hundreds of state transportation jobs in Nevada in September alone.** “The Nevada Department of Transportation today reported it created 366 jobs in September using some of the \$208.7 million in federal stimulus funds it is receiving through the American Recovery and Reinvestment Act. Ninety of the people put to work are rebuilding a depot and doing other projects on the old Virginia & Truckee Railroad line between

Carson City and Virginia City. The railroad went out of business in 1950, but reopened in August as a \$48 Saturday tourist excursion train. Most of the others are working on projects laying pavement and filling potholes throughout the state. 'We could have spent all of our money on one or two projects, like in other states, but we decided to spend it preserving our existing system,' said Scott Magruder, a Transportation Department spokesman. 'We weren't in a race to get the money spent.' Magruder said most of the projects are only beginning now so employment numbers will increase in coming months." [[Las Vegas Review-Journal](#), 10/6/09]

Mesquite will use Recovery Act money to repave roads. "Using \$1 million in Federal Stimulus money for public works projects, the City of Mesquite will repave Hillside Drive... and Hafen Lane... In addition to repaving streets, the City will improve handicap ramps and residential driveways on Hillside Drive and Hafen Lane to bring them into ADA compliance. The ARRA was enacted to create and save jobs through projects funded at the state and local level. According to Recovery.gov website, it is estimated that approximately 34,000 jobs will be created or saved in the next two years in Nevada through this program. While funding from the ARRA is being provided to numerous different agencies, the Act is providing approximately \$201 million in Nevada highway transportation funding." [[Mesquite Local News](#), 9/18/09]

Boulder City receives Recovery Act grant to hire 50 high school students for summer jobs and receive job skills training. "Boulder City won a federal grant of \$148,000 through the Workforce Investment Board to hire up to 50 high school students for the summer. In addition to \$8 or \$8.50 an hour, depending on the job, the students received one day a week of training on job skills, CPR and goal-setting. The seven-week program has had the Boulder City High School students working in various city departments four days a week, then spending a day in the City Council chambers in class. 'The feedback I've received has been overwhelmingly positive,' said Acting City Clerk Lorene Krumm, who coordinated the program. 'They have been a big help, eager to learn. They're great kids'... Especially given the city's recent budget cuts, the students have been a big help, Krumm said. 'These kids have been able to help bridge that gap,' she said. 'We've received the benefit.'" [[Las Vegas Sun](#), 8/18/09]

Recovery Act funds will create between 130 and 180 jobs at the Reno-Tahoe International Airport. According to the Gazette-Journal, "The federal government is giving the Reno/Tahoe International Airport \$2.2 million in stimulus money so the airport can improve the surface near the terminals where jets and equipment move ... As far as stimulating the economy, Berthold said about 80 to 100 people working for contractors, vendors and suppliers will get employment because of the contract." According to the Associated Press, "U.S. Transportation Secretary Ray LaHood announced \$3.8 million in funding Thursday to be used to help reconstruct the airport's terminal apron. That's in addition to \$2.2 million announced in March for the same project. Airport spokesman Brian Kulpin said 50 to 60 full-time jobs will be created by the latest dose of stimulus money." [[Gazette-Journal](#), 3/29/09; [Associated Press](#), 8/14/09]

39 arts organizations spanning Nevada obtained Recovery Act financing to sustain jobs. "The Nevada Arts Council has distributed \$250,500 in federal stimulus funding to 39 arts organizations throughout the state. One-time grants of up to \$10,000 were awarded to organizations in six different counties. 'We are extremely pleased that Congress and the Obama administration considered the arts as an essential national industry when creating the American Recovery and Reinvestment Act,' said Susan Boskoff, Nevada Arts Council executive director. To get the money out the door, Nevada Arts Council created a program called Sustaining Nevada's Arts Programs. They reviewed 61 applications during a day-long public hearing. In addition, four other Nevada arts organizations received stimulus funding from the National Endowment for the Arts and the Western States Arts Federation in the form of direct grants." [[Nevada Appeal](#), 8/14/09]

Nevada to hire three people to begin managing and monitoring the use of Recovery Act energy awards. “The Governor's Energy Office originally requested permission to accept \$3.4 million in energy-related stimulus money and to hire a staff of 10 to begin managing the grants and monitoring program. After review by the budget office and Legislative fiscal staff, the staffing request was cut to just three positions for now. But Energy Office Director Hatice Gecol had good news for the Interim Finance Committee Monday, announcing that federal officials have certified Nevada to receive an additional \$13.8 million. That brings Nevada's energy funding from the American Recovery and Reinvestment Act to just over \$17.2 million. Nevada was authorized to receive the money after presenting plans for seven programs to use the cash. The state seeks \$7.9 million to retrofit state buildings with better lighting, windows and other energy-saving systems. Schools will get \$8.5 million to reduce their energy consumption; \$1.7 million will go to LED traffic signals and \$9.8 million for loans to businesses and utilities for renewable energy and efficiency projects. Modernizing building codes will get \$1.35 million and energy engineering, feasibility and environmental studies will be eligible for \$5.67 million.” [[Nevada Appeal](#), 8/5/09]

Recovery Act COPS grants will add 18 new officers to northern Nevada police forces. “The Sparks Police Department will be putting six new officers on Sparks streets with a little help from the federal government. A \$1.9 million grant, approved Tuesday and coming from American Recovery and Reinvestment Act (ARRA) stimulus funds, will pay for the officers ... Four Nevada law enforcement agencies were awarded grants on Tuesday, including the Reno-Sparks Indian Colony and Reno Police Department. The total of all grants was about \$5 million funding 18 new officers. Larry Cooley, police chief of the Reno-Sparks Indian Colony, was tickled to learn his small agency will be getting one extra officer ... The largest amount, nearly \$2.7 million, was awarded to the Reno Police Department to pay salary and benefits for 10 officers over three years ... Elsewhere in Nevada, The Nye County sheriff's office was awarded about \$216,000 for one officer.” [[Daily Sparks Tribune](#), 7/28/09]

Recovery Act successes in Nevada ‘Beginning To Add Up: park-and-ride project is expected to create 1,100 jobs, three road projects are projected to generate 100 jobs, and Clark County is planning to hire 130 teachers. “Putting Nevadans back to work under the economic recovery plan is happening, if slowly. Forty-five workers are on the job building a park-and-ride lot in Southern Nevada, the first of several transportation projects that one Las Vegas economist estimates will bring 1,100 full-time jobs to the area, generating \$74 million in direct wages. The Nevada Transportation Department began its first of \$152 million in state road projects last week, repaving a highway stretch near Winnemucca, with three more projects to start by month's end, generating about 100 jobs. Clark County is hiring 130 teachers and 155 staff support positions, thanks to \$114 million from the recovery act. Dozens more school personnel are being hired in districts statewide.” [[Las Vegas Sun](#), 7/24/09]

Washoe County will expend \$3,883,000 procured from Recovery Act on repair of land damaged by wildfires, creating a minimum of 121 jobs. “To help restore more than 10,000 acres ravaged by wildfires in the last decade, Washoe County commissioners Tuesday are scheduled to accept \$3,883,000 in federal economic stimulus grants to pay for projects in the hills surrounding the Truckee Meadows. Work is expected to begin this summer and could continue into next year, creating a minimum of 121 jobs. [[Reno Gazette-Journal](#), 6/5/09]

Washoe area gets Recovery Act money for 570 summer jobs. 85 youth will work in parks and other areas; 32 will learn entrepreneurial skills at the University of Nevada, Reno; 60 will be overseen by the Children's Cabinet; Finishing Touch Landscaping will teach six young

landscapers with \$22,500. In Carson City, the Community Council on Youth will support 30 youth; Job Opportunity In Nevada got funding for 15 youth in Elko, \$64,400 for 16 to work in Ely parks and \$28,600 for 10 in Fallon and Fernley. Community Chest got \$331,200 for 100 youth in Lyon, Storey and Mineral counties, \$48,200 for 10 Walker Paiute Tribe youth to work at the community and senior centers and \$76,700 for the Churchill County Juvenile Probation Office to have 40 youth recycling and cleaning up deserts. [[Reno Gazette Journal](#), 5/22/09]

\$12 million in *Recovery Act* funding for geothermal projects at Hawthorne Army Depot and Fallon Naval Air Station will create more than 200 jobs. “The \$12 million from the stimulus package will allow two additional test holes to be drilled at the Hawthorne depot, and for additional exploration of geothermal sources at the Naval station in Fallon. Capt. Michael Glaser, commander of the Fallon base, said the funds will be used to explore the southwest corner of its Bravo 16 area and Dixie Valley to find more geothermal sources to build its planned 30 megawatt power plant by 2011. [Hawthorne Depot Commander Lt. Col. Kimberly] Gilbert-Mason and Glaser said each of the 30 megawatt plants are expected to provide jobs for about 100 people during the construction phase and ongoing jobs for 10 to 15 more once the plants open.” [[Gazette-Journal](#), 4/16/09]

***Recovery Act* funding (\$44 million) will create jobs to clean up the Nevada Test Site.** Senator Reid: “This is exactly the type of project the economic recovery package was intended to fund. This money will keep southern Nevadans safe and healthy while also helping maintain the Nevada Test Site as the nation's premier security research and testing site.” [[The Lincoln County Record](#), 3/31/09]

STOP Violence Against Women Grants under the *Recovery Act* will create or save 17.5 jobs around Nevada. “Attorney General Catherine Cortez Masto has announced the award of over \$1.2 million dollars in grant money under the Recovery Act STOP Violence Against Women Grant program ... The grant money will create and/or retain the equivalent of 17.5 full time positions within 28 agencies throughout the state.” [[Nevada Attorney General Press Release](#)]