



Special Report

BYRON L. DORGAN
CHAIRMAN

DPC Staff Contact: Erika Moritsugu (202) 224-3232
DPC Press Contact: Barry Piatt (202) 224-0577

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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](#)] According to Congressional Budget Office (CBO) projections, that number may be as high as 1.6 million jobs. [CBO, [11/09](#)]

Moreover, without the *Recovery Act*, economists believe that the economy and the unemployment rate would be much worse.

- According to CBO projections, “an additional 600,000 to 1.6 million people were employed in the United States, and real (inflation-adjusted) gross domestic product (GDP) was 1.2 percent to 3.2 percent higher, than would have been the case in the absence of ARRA.” [CBO, [11/09](#)]
- The Commerce Department reported that the nation’s gross domestic product grew by 2.2 percent in the third quarter of 2009, the first expansion in more than a year. Economists are projecting 4 percent growth in the fourth quarter. [Commerce Department, [12/22/09](#); testimony of Dr. Martin Baily before the Senate Democratic Policy Committee, [12/16/09](#)].
- 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:

A 90,000 square mile area in western Alaska will have 4g high-speed broadband internet service availability thanks to Recovery Act funding. “An Alaska Village Corporation will a \$25.3 million grant from the American Recovery and Reinvestment Act (ARRA) broadband grant and loan programs, according to a written statement from Sen. Mark Begich. Rivada Sea Lion, LLC, a village corporation of Hooper Bay, will leverage the money with \$6.4 million of its own funds for its Southwestern Alaska Broadband Rural Expansion (SABRE) project. The corporation will use the money, earned through a competitive grant process, for 4G high-speed broadband internet service availability to cover a 90,000 square mile area in Western Alaska. They will serve an estimated 29,000 rural residents in 53 villages. ‘Expanding and improving broadband in rural areas of Alaska is key to economic success and job creation,’ Sen. Begich said. ‘I was pleased to support the SABRE project during the grant process, and this

is another example of ways we are stabilizing the economy, improving technology, and advancing business through the Recovery Act in Alaska.' Nationwide, Vice President Joe Biden today announced a total of \$7.2 billion in Recovery Act broadband grant and loan programs... The awards are designed to help underserved and often hard-hit communities overcome the distance and technology barrier by expanding connectivity between educational institutions, enable remote medical consultations and attracting new businesses." [[Tundra Drums](#), 12/17/09]

In Alaska, the *Recovery Act* will be used to link schools, communities, Native American tribes and local government entities with better internet connectivity.

"There are times and places where due to conditions such as in Alaska require the Government to step up and fund infrastructure projects. Due to its small population and large area it would be hard for a private company to do some projects and do it at a profit. The Federal and state governments are able to provide the necessary funding to aid in completing projects. One piece of the American Recovery and Reinvestment Act (ARRA) was money set aside to improve rural and distant parts of the United States internet connectivity... In Alaska Kodiak Kenai Cable Company (KKCC) put together a group to extend a fiber optic cable along the West Coast of the State to reach Northern communities. This Northern Fiber Optic Link project's goal is to link schools, communities, Native American tribes and local government entities with better levels of internet. It is relying on private financing and then a loan from the government as well as some grants. Because of the limited population, the cost involved in building a cable system that can stand the conditions and the cost of installing an undersea cable one hundred percent private financing was not available." [[BNET](#), Press Release, 12/11/09]

***Recovery Act* funds have been used by Alaska schools to hire ten middle school career guides and to install wireless in instructional buildings.** "The Bering Strait School District encompasses 80,000 square miles, and its 15 schools stretch from Shishmaref in the north to St. Michael in the south. When the district's superintendent, Jim Heckerson, found out that his district and its 1,800 students would be receiving over \$5 million in federal stimulus money, the first priority for him and his school board was early childhood education... Last year only two schools in Heckerson's district had early childhood education teachers, but this year 10 out of the 15 schools in the district will have teachers who will focus on preparing 3- and 4-year-olds for kindergarten. Some of those new teachers were hired with federal stimulus funds provided through the American Recovery and Reinvestment Act. All told, Alaska's 54 school districts received \$158 million in ARRA funds, a one-time payment that must be spent within 27 months.... ASD is also spending a large portion of the ARRA money, about \$12.5 million, on improving its network. The money will be used to increase Internet bandwidth and install wireless in instructional buildings." [[Alaska Dispatch](#), 12/10/09]

Cook Inlet Tribal Council will use a \$67,268 *Recovery Act* grant to provide 48 youths with green jobs skills. The Green Capacity Building grant program is intended to build the green training capacity of current Department of Labor grantees. Through these grants, the Employment and Training Administration (ETA) will help individuals acquire the skills needed to enter and advance in green industries and occupations by building the capacity of active DOLfunded training programs... Grantee: Cook Inlet Tribal Council, Inc.... Amount: \$67,268. Key Partnerships: Cook Inlet Housing Authority and Alaska Works Partnership Project. Description: The applicant will enhance its YouthBuild program by providing 48 primarily Alaska Native or American Indian youth (16 to 24 years old) who have not graduated high school or obtained a GED with additional energy efficient building, construction, and retrofit industry training with a focus on home weatherization. The program will provide participants with 40 hours of weatherization specific training and 40 hours of hands on home weatherization skill development, in addition to the existing YouthBuild program. Proposed

Outcomes: Proposed outcomes for the project include 48 participants completing enhanced weatherization training curriculum. Expected performance outcomes include 75% of participants completing high school or obtaining a GED while in the program, 65% retaining employment for up to 3 months, 75% being placed in jobs or training opportunities, and 100% participating and completing workforce preparation.” [Department of Labor ETA Fact Sheet, 11/23/09]

Alaska’s State Employment Agency will use Recovery Act funds to help people find green jobs. “Pacific Northwest states are getting more than \$1.1 million from the U.S. Department of Labor to encourage green jobs. The stimulus grants are to improve training for jobs that reduce energy use, benefit the environment and help state employment departments improve information gathering. In job training money, Alaska’s Cook Inlet Tribal Council will receive more than \$67,000. Alaska’s state employment agency will get \$800,000, while Oregon will receive \$1.25 million and Washington \$1.06 million.” [Associated Press, 11/20/09]

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. [\[Indian Country Today, 5/18/09\]](#)