



Special Report

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

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 Montana, made this progress possible.

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

In Montana, this partial reporting indicates that 6,427 jobs have been created or saved by funding 559 awards worth \$877,010,517, of which \$135,535,988 has already been received. [Recovery, Accountability, and Transparency Board, accessed [11/2/09](#)] **Montana is on track to benefit from a total of 11,000 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 Montana:

Utah-based Ames Construction won Recovery Act-funded contract to construct alternate truck route on U.S. 93 in Montana, drawing more tourists and more business to Kalispell Area. “The U.S. 93 bypass is on its way to becoming a concrete reality now that the contract for the first section of the project has been awarded to Utah-based Ames Construction. The Montana Transportation Commission awarded construction to Ames because provisions in the federal stimulus, which will fund the project, require the state agency take the lowest bid, Montana Department of Transportation Director Jim Lynch said... Lynch also expects that Ames will use local services, such as hotel rooms and construction supplies, which he said would give a boost the valley economy. He also said it is not uncommon for out-of-state companies to subcontract some of the work to local companies. Along with the contract came a new name... the ‘alternate truck route,’ Kalispell Chamber of Commerce President Joe Unterreiner said. The new name will help promote Kalispell as a tourist destination,

Unterreiner said, and businesses in downtown need to keep the area interesting and exciting.”
[Flathead Beacon, 11/22/09]

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[Flathead Beacon, 11/22/09]

Thanks to the Recovery Act, Glacier National Park in Montana will double up its reconstruction projects on the Going-To-The-Sun Road next summer. “Federal stimulus funding will allow Glacier National Park to double up its reconstruction projects on the Going-to-the-Sun Road next summer. The Federal Highway Administration already planned to work on the alpine section from Logan Pass west to Big Bend, but an additional \$27.6 million in federal stimulus funding will permit other crews to work from Logan Pass east to Siyeh Bend. ‘This is truly a win-win scenario,’ Glacier Park Superintendent Chas Cartwright said. ‘This short-term infusion of stimulus funding creates additional jobs and an investment in the area economy, while allowing us to better plan for the long-term road work schedule,’ he said.” [Great Falls Tribune, 11/16/09]

Recovery Act funds will help pay for tree contractors to prune and remove trees afflicted by Dutch elm disease. “Kalispell’s urban forestry battle against Dutch elm disease is getting a boost from federal stimulus money... With an inventory of 369 American elm trees on the public right-of-way - 38 that already have been cut down and 40 more identified as dead and hazardous because they are infected with Dutch elm disease - there’s a real risk of losing a substantial portion of that canopy. The disease is a fungus that can spread quickly if unchecked. So when the Montana Department of Natural Resources and Conservation offered \$325,000 to cities to conduct innovative community tree projects, the city of Kalispell applied for and won a big chunk of it: \$93,500. The grant comes through the Department of Natural Resources and Conservation and the U.S. Forest Service. It will be matched up to \$30,330 by city monitoring, materials, pruning and wood hauling... It will allow the city to remove about 90 diseased trees and replace 66 of them by the time the grant expires at the end of December 2010... Baker told the council that his department will hire private tree contractors in Kalispell to do the work.”
[Daily Inter Lake, 11/4/09]

In Montana, officials reported that the majority of the 4,000 jobs created by Recovery Act have been in government and education, ranging from administrators to research assistants. “Montana officials report federal stimulus spending has saved or created more than 4,000 jobs... Officials said state data comes in slowly and Montana is a hard state to categorize because it’s so rural and has many different economic drivers. Partick Barkey, Director and economic forecaster for the Bureau of Business and Economic Research, said it’s just too early to say... ‘It’s going to be well into next year before we can finally see the full effect,’ said Barkey. Barkey said construction has been one industry that

suffers in Montana. The American Recovery and Reinvestment Act funds projects like the Shiloh Road reconstruction, which has helped local contractors. Only a small portion of the \$800-million dollar stimulus plan has been spent in Montana. Officials reported that the majority of jobs created have been in government and education ranging from administrators to research assistants.” [8kulr8, 11/2/09]

With the state unemployment rate 3 percentage points below the national average, Montana has benefited from more than 6,400 Recovery Act-funded jobs; 2,000 were in education and 1,300 in state government. “Montana is reporting that federal stimulus money funneled through the state has so far resulted in more than 4,100 jobs created or saved by the cash infusion, and that most of them came in education and government... They dealt only with jobs created by money allocated through the state government. Not included were those created with money steered through federal agencies such as the Forest Service and the Department of Homeland Security. A White House report released Friday said that when all other sources were included, the stimulus package has created more than 6,400 jobs in Montana. Schools — from K-12 to the college system — filed dozens and dozens of separate reports on everything from small grants to large cash infusions to their budgets. ..The money resulted in more than 2,000 education jobs, everything from teachers to administration posts to graduate research assistants at the universities. The next biggest winner came at the state government agencies, who so far report the spending created saved or retained roughly 1,300 government jobs.” [The Flathead Beacon, 11/1/09]

69 newly approved Recovery Act-funded transportation projects will help provide jobs for Montana residents. “According to Jim Lynch, director of the Montana Department of Transportation, 61 of the 69 ARRA highway projects approved by the Legislature earlier this year have been put out to bid, with 56 projects awarded to Montana contractors. Lynch said MDT had 97 projects scheduled for this year as part of the agency's normal highway program. With the addition of the 69 stimulus-funded projects, the total number of highway projects for this year is 166. Lynch said, ‘If we didn't have recovery dollars, we'd have 97 or 98 projects going out this year.’ [Great Falls Tribune, 9/27/09]

With the help of Recovery Act funding, Libby police department is almost back to a full staff. “The Lincoln County Sheriff’s Office and Libby Police Department are working their way up to a full force, good news in a county that has experienced law-enforcement shortages... The sheriff’s office employs roughly 20 officers, according to Bowe, and had two vacancies up until recently. One deputy will finish field training in a month, Bowe said, and a second officer has been tentatively hired to become the Troy deputy... The Libby Police Department was hard-hit last month when two officers and the chief of police resigned in practically the same week. However, two new officers have been hired since then, and interviews for a third officer – paid for through stimulus funding – are expected to occur this week or next week.” [The Western News, 09/10/09]

Recovery Act grants for the arts in Montana Will put 193 contractors back to work and enable 19 part time employees to keep their jobs. “The ARRA grant program at the Montana Arts Council totals \$241,000. The one-year grants put Montanans to work in the arts. Most will be used for positions that are critical to the missions of arts organization, which are in jeopardy or have been reduced or eliminated as a result of the current economic climate. Funding may also be used to pay fees for previously engaged artists and/or other independent contractors. The total work force impact of the ARRA funding for Montana will help restore 193 contracted personnel and partially restore 19 positions equaling 8.6 full-time equivalent (FTE) employees.” [Great Falls Tribune, 9/1/09]

Forest Service sought to hire engineers to work on *Recovery Act*-funded projects.

The Forest Service Northern Region is offering career intern opportunities for civil engineers and civil engineering technicians. The positions are designed to provide a combination of professional development, agency familiarity, and productive assignments. The interns selected will help implement identified projects as part of the American Recovery and Reinvestment Act (ARRA)... The work locations are potentially at any of the Supervisor's Offices across the region. The Northern Region encompasses 25 million acres and is spread over five states and twelve national forests located within northeastern Washington, northern Idaho, and Montana; and the national grasslands in North Dakota and northwestern South Dakota." [[Clark Fork Chronicle](#), 8/24/09]

The Montana State Department of Transportation reported that *Recovery Act*-funded projects created 140 construction jobs.

"Contracts for \$81 million in highway and bridge construction projects funded by federal stimulus money have been awarded in Montana so far, with another \$130 million coming down the road. In a national press conference on stimulus spending last week, Gov. Brian Schweitzer guaranteed reporters that if they visit Montana, they would be hard-pressed not to come across the yellow heavy equipment and orange-clad construction workers on highway projects throughout the state... As of July 31, the stimulus spending had created 140 construction jobs in Montana, the state Transportation Department reported... Not calculated yet are the number of indirect jobs for businesses that supply fuel, materials, restaurants and motels to contractors and their employees. These job counts will rise significantly as the current projects proceed and new ones are added, state Transportation Director Jim Lynch said." [[Billings Gazette](#), 8/24/09]

Thanks to *Recovery Act* grant, Havre-based transit group has hired three bus drivers, bought buses.

"With two buses and two drivers in hand and another driver on the way, North Central Montana Transit is set to celebrate its beginning Monday with a launch celebration at the Montana State University-Northern campus... The program has been funded through the Montana Department of Transportation with a \$75,000 startup grant and \$227,000 through the federal American Reinvestment and Recovery Act to purchase three buses, expected to arrive the first quarter of 2010. Opportunity Link wrote the grant applications for the money, and its executive director, Barb Stiffarm, said at a recent meeting that other grant applications are still pending... The system has hired two drivers — Bob Waldron and Bruce James — and Lyons said this morning the hiring of a third driver is nearly finalized." [[Havre Daily News](#), 8/18/09]

Billings Housing Authority gained *Recovery Act* allocation for renovation of affordable housing areas, retaining 60 jobs.

"The Billings Housing Authority has received more than \$600,000 in stimulus funds that it is using to renovate some of its affordable housing with new siding, roofs and energy-efficient water heaters and furnaces. The money is a small piece of the \$1.2 billion in stimulus funding that Montana is expected to receive through the American Recovery and Reinvestment Act. 'We have the personnel and the infrastructure in place to get this out right away,' said Lucy Brown, director of the Housing Authority. Brown said the Housing Authority estimates the money will sustain about 60 jobs in Billings during the duration it takes to complete the work. In particular, \$327,000 is being spent on new maintenance-free siding for 40 affordable housing units." [[Billings Gazette](#), 8/5/09]

Montana will spend *Recovery Act* funds improving bridges, roads, "put people to work."

"Cities and counties throughout Montana will reap a federal stimulus bonanza. The tens of millions of federal dollars the Legislature appropriated for local government stimulus projects will pay for projects the local governments already had plans to do. Now they will have the money to actually do the work." Executive Director of Montana League of Cities and Towns: "This is probably the largest investment in local government infrastructure in the history of

Montana in one legislative session. We're trying to follow the spirit of the Act. We can put people to work, bring people back who might have been laid off.” [[Billings Gazette](#), 6/11/09]

Recovery Act funding is driving construction projects in Montana, expected to create 1,300 jobs across the state. “A federal stimulus windfall — coupled with a drop in material and fuel costs — has ramped up plans for improvements on northcentral Montana roadways this year. What a difference a year makes... Not only are fuel prices down by about half this year, but Montana has millions of dollars for roadwork from the stimulus bill. More than \$47 million in regional projects were identified in March as candidates for federal transportation stimulus dollars, creating an estimated 1,300 more jobs in the state. [[Great Falls Tribune](#), 5/18/09]