



American Recovery and Reinvestment Act

Impact on Maryland and the Nation

One year in, the evidence is clear that the Recovery Act is working to cushion the greatest economic crisis since the Great Depression and lay a new foundation for sustained economic growth.

When President Obama took office, the country was facing the greatest economic crisis since the Great Depression: the job market was losing 750,000 jobs a month and unemployment was climbing fast; the economy was contracting at a rate of over 6 percent – the worst in decades; foreclosures were at record levels and home prices had plummeted by thirty percent; the decline in home prices, stock values, and retirement plans cost American households over \$10 trillion dollars in lost wealth.

These problems were years in the making and won't be fixed overnight – but the Recovery Act has helped pull the economy back from the brink. In less than one year, the Recovery Act has created or saved approximately two million jobs, provided much need relief to strapped families and state budgets, and planted the seeds of transformational investments in clean energy and other new growth sectors.

MARYLAND SNAPSHOT

The Recovery Act has made a difference in Maryland – more than a billion dollars of the \$4.6 billion awarded has come to public and private entities throughout the state, thus far and creating or saving thousands of new jobs. Overall, these dollars are working to help offset the pain of recession through tax cuts to 2.1 million Maryland families, Unemployment Insurance to more than 250,000 Maryland workers, and help with health care; saving and creating jobs teaching our children, policing our streets, and rebuilding and repairing our infrastructure; and investing in key sectors like clean energy that will drive future job growth. Maryland's unemployment rate of 7.2% continues to be substantially below the national rate of 9.7%.

Additional specific project data and recipient reports are available on Recovery.gov and USASpending.gov.

NATIONAL SNAPSHOT

Now, an economy that was declining by 6 percent a year ago is expanding by about that rate – 5.7% in the last quarter – and the jobs picture has seen a significant turnaround. According to the nonpartisan Congressional Budget Office, the Recovery Act is already responsible for as many as 2.4 million jobs through the end of 2009. Job losses are a fraction of what they were a year ago before the Recovery Act began - the quarterly average down by 95% from an average loss of 726,000 in last three months of 2008 to 35,000 in the last three months of last year.

Furthermore, thanks to the Recovery Act, the conditions are being created to build a sustained economic recovery and a better future for American families in the years to come. Over 99 billion in tax cuts to working families have been delivered directly to workers' paychecks and to first-time homebuyers; more than 55,000 projects have been approved, including over 7,000 transportation projects already underway; and investments in broadband, smart grid, wind power, electric cars and batteries, and high speed rail have begun to flow – helping to lay a foundation for growth and job creation in the future.

WHAT THE EXPERTS ARE SAYING

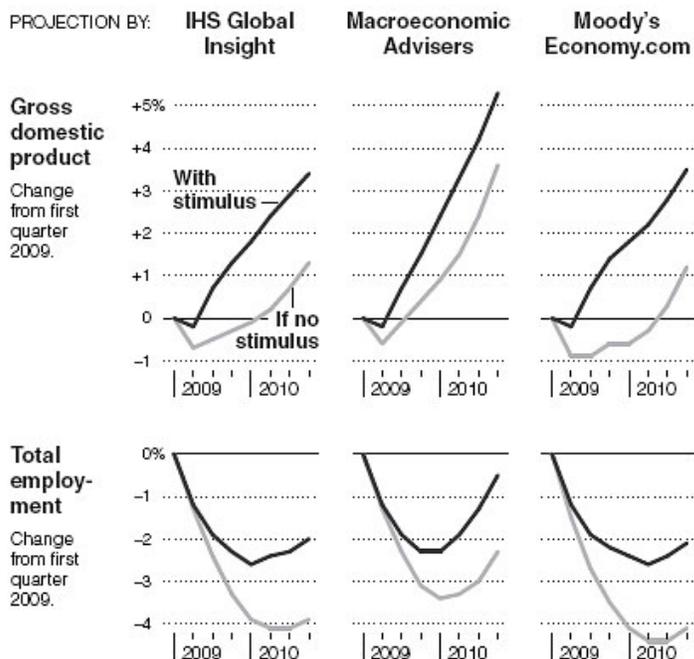
CBO, Congress's nonpartisan research body, said that as many as 2.4 million jobs could be attributed to the Recovery Act. “[Romer] also pointed to private-sector economic analyses estimating that stimulus added between 1 million and 1.6 million jobs and between 1.5 and 3.1 percentage points of GDP growth in the fourth quarter. The Congressional Budget Office attributes between 800,000 to 2.4 million jobs and 1.2 to 3.1 percentage points of economic growth to stimulus.” [CNNMoney.com, 1/13/10]

Economic columnist David Leonhardt wrote that “a big part” of recent improvements in employment is “the stimulus bill passed last year” and said that “all the well-known private economic research firms estimate it’s had a huge impact.” Over the last three months, the economy has lost an average of 35,000 jobs. That’s the best number since early 2008. And it’s down from a peak of more than 700,000 early last year.... Why? Some of it is the natural rhythms of the economy, but a big part of it is the stimulus bill passed last year. All the well-known private economic research firms estimate that it’s had a huge impact. IHS Global Insight, for instance, says the economy has about 1.7 million more jobs today than it would have had without the stimulus. [New York Times, 2/5/10]

Mark Zandi, chief economist of Moody’s Economy.com says the Recovery Act is “contributing to ending the recession” and “impacting unemployment.” “The stimulus is doing what it was supposed to do — it is contributing to ending the recession . . . In my view, without the stimulus, G.D.P. would still be negative and unemployment would be firmly over 11 percent. And there are a little over 1.1 million more jobs out there as of October than would have been out there without the stimulus.” [New York Times 11/20/09]

Projections Show It Could Have Been Worse

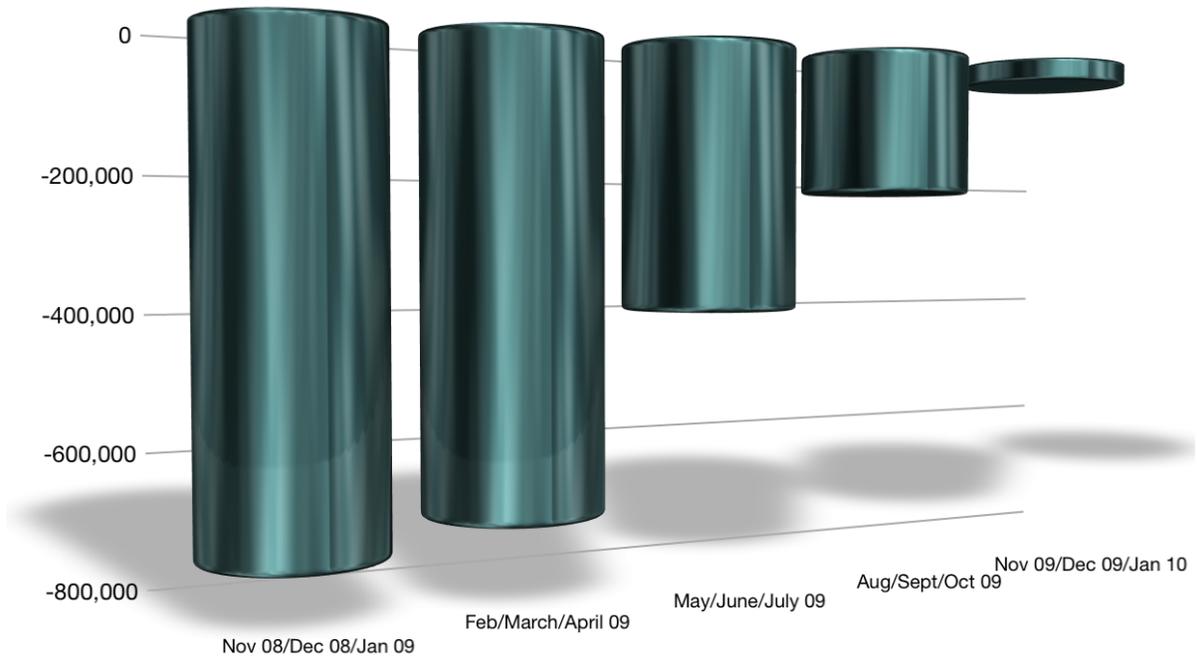
Projections of economic indicators by three companies that specialize in macroeconomic forecasting show similar trends when comparing how each indicator would do with and without the federal stimulus package.



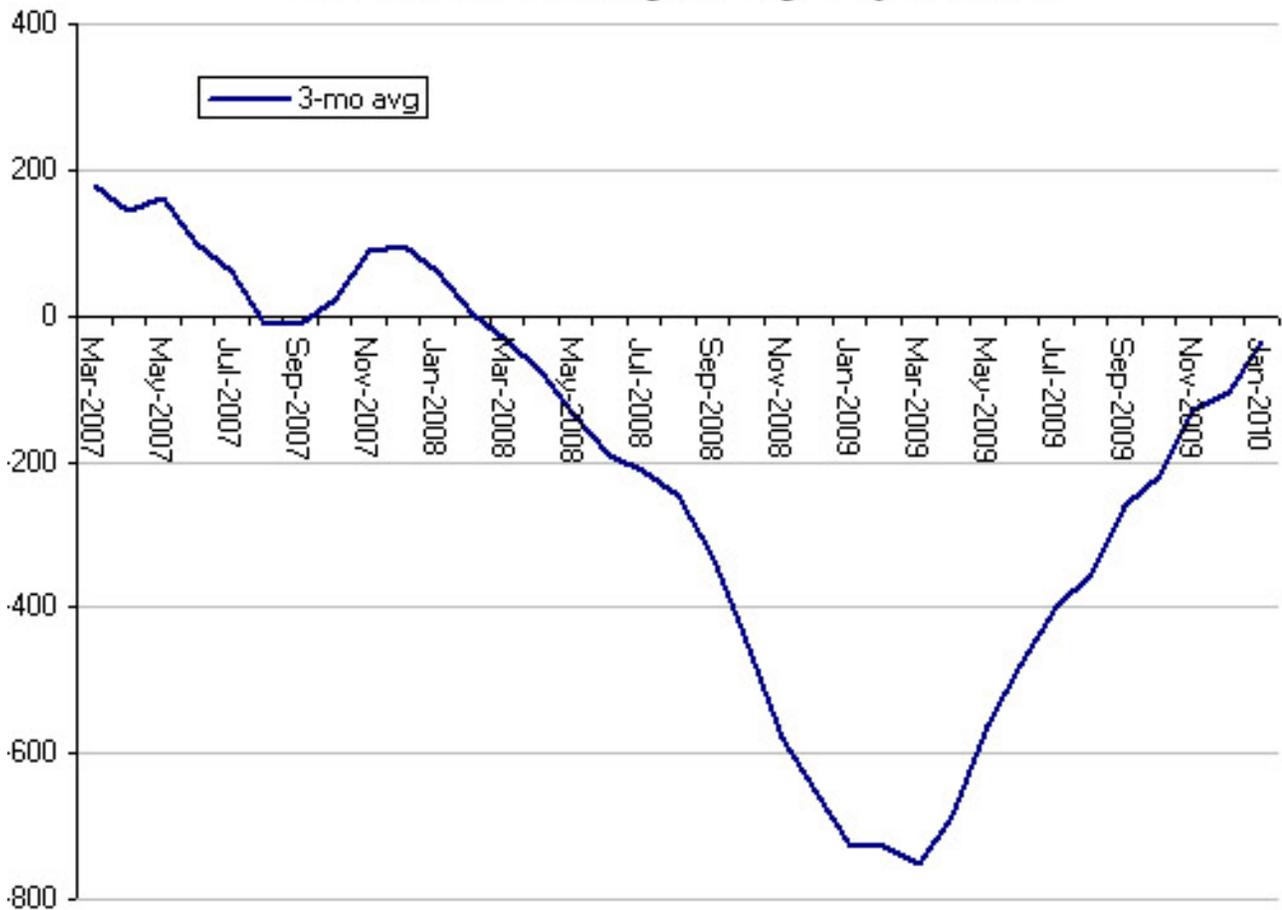
Source: The companies

THE NEW YORK TIMES

Sharp Reduction in Job Losses



Three-month moving average of job losses



Provided below is a sampling of recent news stories of how the Recovery is working in Maryland.

The Washington Post

Stimulus funds helped public colleges avert disaster

By Daniel de Vise
Washington Post Staff Writer
Friday, February 12, 2010; B01

Public colleges and universities had one of their leanest years on record in 2008-09 and only a \$2.4 billion infusion of federal stimulus money staved off fiscal disaster, according to a report on higher education finance.

Maryland fared better than most states in the [State Higher Education Finance](#) report, released Thursday. State and local funding, including stimulus money, rose a modest 4 percent to \$8,100 per student in inflation-adjusted dollars in fiscal 2008-09, ascending despite a statewide tuition freeze. Virginia's experience was closer to average: a 4 percent decline in state and local funding, to \$5,702 per student, a figure projected to sink further in the current fiscal year.

Total state funding for public higher education fell from \$80.7 billion to \$77.9 billion in 2009, according to the report from the nonprofit industry group State Higher Education Executive Officers. Federal stimulus funds nearly closed the gap. But with a record enrollment of 10.8 million students, colleges had to disburse the dollars among more students.

State and local governments contributed \$6,928 per student to public higher education institutions nationwide in 2009. That's comparable to funding levels in recessions of the three previous decades, but not worse. Without onetime help from the [American Recovery and Reinvestment Act](#), funding might have dropped off a cliff, finance officials said.

"The bad news is, it's gone at the end of fiscal 2011," said Dan Hix, finance policy director at the [State Council of Higher Education for Virginia](#). The report projects that state support to Virginia schools will decline from \$1.9 billion in fiscal 2009 to \$1.58 billion in fiscal 2010, a drop only partly offset by \$127 million in stimulus money.

In his annual State of the University speech Tuesday, [University of Virginia](#) President John T. Casteen III noted that his school had sustained three budget cuts totaling \$32 million, or one-fifth of its state appropriation, by the start of the academic year. Former governor Timothy M. Kaine's budget plan for fiscal 2010 and 2011 would cut an additional \$4.6 million. The year after that, 2012, is "when the real budget reckoning will occur," he said.

Colleges across the nation have responded to the downturn by cutting positions, hiring less-expensive adjunct professors and holding fewer, larger classes. They have also raised tuition, pushing enrollment from higher-priced land-grant universities to lower-cost four-year schools and community colleges.

"Everything that an institution can do under fiscal stress has been done," said Paul Lingenfelter, president of the industry group.

At U-Va., for first time in history, resident students pay more toward their education than the state. The university has trimmed more than 160 positions, so far without layoffs. The staff has gone two years without raises. The College of Arts and Sciences, heavily dependent on state dollars, will eliminate 7 percent of its 2,900 course offerings. Schools of nursing and education have limited or cut enrollment. The Alderman Library will buy 2,700 fewer books and has canceled 300 journal subscriptions.

State funding to the [College of William and Mary](#) has slipped \$17 million, or 32 percent, since spring 2008. The school has balanced its budget with \$7 million in cuts, \$7 million in stimulus funds and \$3 million in new tuition dollars.

The school's governing board approved midyear cuts that eliminate 18 positions, partly through 12 layoffs. The school also enacted an unusual \$300 midyear tuition increase. In Maryland, Gov. Martin O'Malley (D) has responded to the funding crisis by [ending a four-year tuition freeze](#) in the state university system. His budget plan calls for tuition to rise 3 percent for state residents in the next academic year.

JHU Gazette:108 jobs created by ARRA funding; all will be filled soon

February 8, 2010

By [Gazette Contributor](#)

One year ago this month, Congress passed the American Recovery and Reinvestment Act of 2009, a legislative initiative designed to stimulate domestic spending and create jobs by pouring hundreds of billions of dollars into the economy. Millions of those dollars have landed at Johns Hopkins and are being put to use on groundbreaking research projects.

Since ARRA was enacted, the university has received more than 340 stimulus-funded research grants and supplements totaling more than \$160.3 million from the National Institutes of Health and the National Science Foundation. The grants were selected from among about 1,300 Johns Hopkins proposals for investigations ranging from efforts to find more cost-effective ways to treat heart failure patients to looking into ways to better treat patients with such debilitating conditions as Alzheimer's disease, progeria and schizophrenia.

To date, the stimulus-related investigations by university scientists have resulted in the creation of 108 staff jobs, 81 of which have been filled and 27 of which are in the process of being filled. These positions do not include jobs that were saved when other grants ran out, and do not include faculty and graduate student positions supported by ARRA grants.



Unemployed Finding Hope Through Federal Stimulus Package

Reported by: *Jamie Burke*

Tuesday, Feb 2, 2010 @06:45pm

HAGERSTOWN, MD - With many people in the four-state region unemployed, the American Recovery and Reinvestment Act has been used to help many of them find jobs.

Two weeks ago, Eric McDonald was unemployed. Now he has a job working at Food Resources Inc., all thanks to the federal stimulus package.

McDonald says, "I was thrilled just being granted the experience to come in and try something different. It was wonderful, and to hear the news that it was extended I could not have been happier."

It's also good news for people in the area struggling to pay for groceries. Food Resources Inc. is getting \$17,000 to pay McDonald, and it's also getting a lot more food: 50 percent more.

McDonald will handle the food that comes in on pallets. He'll help give it out to low-income families. He believes the stimulus act is working.

He adds, "I heard a lot of moans and groans about it, but let me be the first one to tell you that it is working. Because without it, understanding how a non-profit organization works without the stimulus funds, I'd be another person in the unemployment line."

McDonald is using his new job to support his family, including his seven children.

"It's good to know that I can provide for them and they see Dad going to work every day. They know that life doesn't just end with school. There is something bigger to go for."

McDonald's position is guaranteed through the end of the federal fiscal year, which ends on September 30th, 2010.



Thursday, January 28, 2010

Maryland wins a fifth of requested stimulus funding for rail projects

Baltimore Business Journal - by [Daniel J. Sernovitz](#) Staff

The federal transportation department has awarded Maryland nearly \$70 million in stimulus money to upgrade the state's rail system, the White House announced Thursday.

The Maryland Department of Transportation had requested a much larger share of those funds when it applied for the high-speed rail program in August. The department submitted a list of seven projects costing a total of \$360 million.

But Maryland had to compete with other states across the country.

The money is part of a larger \$8 billion pot of funds President Barack Obama set aside for high-speed rail funding in the American Recovery and Reinvestment Act.

The [U.S. Department of Transportation](#) awarded funds to 31 states, including \$485 million to northeast regional states including Maryland.

“Through the Recovery Act, we are making the largest investment in infrastructure since the Interstate Highway System was created, putting Americans to work rebuilding our roads, bridges, and waterways for the future,” Obama said in a statement.

Congressman C.A. “Dutch” Ruppberger, a member of Maryland’s congressional delegation, praised the announcement as a vital step in improving the region’s high-speed rail system. Ruppberger said the upgrades will help to increase ridership by making services like Amtrak more convenient and dependable.

“Baltimore is an integral part of the northeast corridor,” Ruppberger said in a statement. “This investment will give Maryland residents and commuters more options for train service and will help make that service more reliable.”

Maryland will get \$60 million to complete the engineering and environmental work for a new tunnel to replace the Baltimore and Potomac Tunnel west of Penn Station along Amtrak’s Penn Line.

The state will get another \$9.4 million for studies to make improvements at Baltimore/[Washington International Thurgood Marshall Airport](#).

Those improvements include a new Amtrak station building, platforms and pedestrian-access improvements to allow boarding on up to four tracks at the station, and advance plans to add a fourth track. The construction phase of that project is slated to cost between \$80 million and \$100 million but is not funded as part of Thursday’s stimulus announcement.

“The replacement of the Baltimore and Potomac Tunnel in Baltimore and the upgrade of the BWI MARC/Amtrak Station are critical components of our MARC Growth and Investment Plan,” Gov. Martin O’Malley said in a statement. “Both will increase our ability to move people more efficiently by rail and reduce our dependence on the automobile.”

State Transportation Secretary Beverley K. Swaim-Staley said in a telephone interview Thursday that the projects are an important part of the state’s MARC Growth and Investment Plan, which seeks to encourage more Marylanders to commute by train rather than by car.

Swaim-Staley said the Baltimore and BWI projects will each help increase capacity along the Penn Line, one of the busiest lines serviced by Amtrak.

The BWI station sees 600,000 riders a year. But despite the importance of those upgrades, Swaim-Staley said the state has tried for more than a decade to set aside money to study them.

The stimulus money accomplishes that without any matching requirement for Maryland’s cash-strapped budget and will prime the pump for potential federal funding to construct the projects once the studies are completed. Swaim-Staley said she is pleased the federal transportation department awarded full funding for the study of those projects.

The state did not receive money for five other rail improvement projects. They included:

- \$200 million to study the replacement of the two-track Bush, Susquehanna and Gunpowder bridges with wider three-track bridges. Amtrak, MARC and freight trains must slow down to cross the narrower bridges;
- \$36 million for the final design and construction of a six-track yard at the Washington Terminal to reduce congestion and overcrowding of commuter trains stored at Union Station;
- \$25 million to study a Chesapeake Connector creating a separation and third track from Perryville to Elkton;
- \$10 million for a Positive Train Control system, providing MARC trains with GPS-based train locating technology;
- and \$18.3 million to update railway signaling between Silver Spring and Brunswick to expand capacity and reliability on the CSXT Metropolitan Subdivision.

baltimoresun.com

A 'greener' Baltimore

U.S. stimulus to fund 22 jobs to reduce trash, bay pollution

By Timothy B. Wheeler, Baltimore Sun reporter

January 13, 2010

Hundreds of people lined up in the cold Tuesday outside the Salvation Army center in West Baltimore to apply for 22 jobs - and a chance to make Baltimore a cleaner and greener city.

As job seekers filed inside to fill out applications and interview, Sen. Benjamin L. Cardin and Rep. Elijah E. Cummings arrived to hoist an oversize check for \$1.1 million in federal stimulus funds that the two Maryland Democrats had helped secure.

The jobs, provided through the Parks and People Foundation, a local nonprofit, will focus on reducing urban trash and pollution fouling Baltimore's harbor and the Chesapeake Bay.

"This is a day of real opportunities for the people of Baltimore, and a day of opportunity for the Chesapeake Bay," said Jacqueline Carrera, president and CEO of the foundation. The jobs pay \$8 to \$13 an hour to start, with benefits, she said, and most of the workers will be assigned to four teams working on planting trees, maintaining park trails, picking up trash and retrofitting storm drains to reduce the amount of pollution getting into them and ultimately into local waters.

Outside the Salvation Army center in the 1600 block of W. Baltimore St. stood an example of the kinds of projects the teams could work on. What had been a wide brick walkway has been hollowed out to create a "rain garden," with trees, grasses and flowers. An opening has been cut in the curb to divert rain from the gutter into the area, officially known as a "bioretention facility."

Bill Stack, acting chief of surface water management for the city's Department of Public Works, welcomed the help of the "Green Up, Clean Up" teams. Their work will have the dual benefit of reducing

the storm water pollution that fouls city waters, he said, while enhancing the quality of life in Baltimore neighborhoods.

The \$1 million federal grant is enough to serve a handful of neighborhoods over the next 18 months. But officials said it is a model for tackling the urban pollution in this part of the bay.

"If this was done in every neighborhood, we'd be making tremendous progress," Cardin said.

Cummings said those who land jobs will help spread an environmental ethic in the city.

"A lot of times in neighborhoods like this they do not even think about the environment," he said. "It will cause people to have greater appreciation. Hopefully, we'll have generation after generation be more environmentally sensitive and savvy."

Those filling the sidewalk outside the Salvation Army center had more immediate reasons for welcoming the funding.

Wanda Allen, 40, said she'd been waiting more than an hour for a chance to fill out an application and interview. She's been out of work more than a year since losing her nursing job.

"I'm willing to take anything," she said. "I'm not picky at all."

Gregory McNeill, 53, heard about the jobs through his parole officer. After serving 27 years on a bank robbery charge, he's been looking for work for a month.

"I'm trying to do the right thing and get employment," he said.

City Councilwoman Agnes Welch was so moved to see such an outpouring of seekers for so few jobs that she arranged to have applications for census work handed out while the crowd waited.

The event was one of two announcements Tuesday of more federal funding to help clean up the bay. Rep. C.A. Dutch Ruppersberger and other officials gathered at a dairy farm near Havre de Grace to celebrate nearly \$4 million from the Department of Agriculture that will go to help farmers in the six-state bay watershed plan how to reduce runoff. Maryland farmers are to receive \$1.2 million.



Monday, January 11, 2010

University of Maryland wins stimulus funds for quantum science lab

Baltimore Business Journal - by [Ryan Sharrow](#) Staff

The [University of Maryland](#) has won \$10.3 million in stimulus funds for an advanced quantum science lab.

The 21,000-square-foot Laboratory for Advanced Quantum Science will be built underground, boasting environmental controls to eliminate vibrations or changes in temperature.

The Joint Quantum Institute, a partnership between the University of Maryland and the U.S. Commerce Department's [National Institute of Standards and Technology](#) (NIST), will be the lab's primary user.

The grant for the project was made through NIST.

Construction is expected to begin this year at the university's flagship College Park campus and be complete by spring 2013.

Quantum science tackles research in three areas: atomic, molecular and optical physics; condensed matter physics; and quantum information science.

"This remarkable laboratory will allow researchers to greatly improve our fundamental understandings of quantum science, with important implications for an array of technologies," University of Maryland President C.D. Mote Jr. said in a statement.