

Stimulus role in saving, keeping jobs is inflated

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Washington » Hatch Point Road in San Juan County is in the midst of a makeover courtesy of the federal economic stimulus program.

A crew from Henderson Builders is about a week away from finishing the \$850,000 resurfacing project, which the Moab company reported has saved or created 25 jobs.

But the actual count is fewer than eight.

A number of Utah companies and local governments misstated the number of jobs owed to Recovery Act money, according to a Salt Lake Tribune review of federal reports that were made available Friday. The result is a significantly inflated picture of the program's employment impact.

The White House on Friday claimed that nationwide, the American Recovery and Reinvestment Act created or saved more than a million jobs, more than 640,000 of those directly reported by recipients of the stimulus funds.

In Utah, the administration said 6,598 jobs had been retained or added because of the extraordinary federal help. But discrepancies were easy to find.

Some entities seemed to create their own criteria, while others double counted employees over multiple contracts. The most common error appeared to be counting temporary or part-time work as a full-time job. Under federal guidelines one job must be the equivalent of full-time work for the entire reporting period, which in this case is three months.

That's the error that Henderson Builders made. They do have 25 people working on Hatch Point Road, but only for one month. Under federal rules that means they saved 7.7 jobs.

A regular Hill Air Force Base contractor MIC/CCS received three separate contracts under the Recovery Act to install a new heating system in one building, demolish a ceiling and floor in another and completely revamp a third.

In all, the company reported that the \$1 million in federal money on those projects saved 33 jobs.

But even the company's vice president, Jerry Mudd, says those numbers are probably too high. All of the jobs saved came from his subcontractors and he's sure they double or even triple counted the same workers over the three separate government grants.

"We are pretty certain they misunderstood the regulation," he said.

Mudd gave the Recovery Act forms to each subcontractor, but said he didn't have time to verify the information and still make Friday's deadline.

"This is all new this year," he said.

The White House noted that discrepancies were bound to happen with such a vast number of entities reporting job counts for the first time.

"We know this is not 100 percent accurate. This has never been attempted before and further updates and corrections are going to be needed," Vice President Joe Biden, the administration's point person on the recovery funds, said Friday. "We are pleased to make this information available publicly and so promptly as part of the unprecedented commitment the president made to accountability and transparency."

This is the first quarterly report, and Biden said he expects the filings to get more accurate in the months to come. But he also said the underlying job-creation goals of the administration are the same today as they were when President Barack Obama signed the bill.

"My message today is -- we are on track," Biden said. "We believe by the end of next year the Recovery Act will have created or saved 3.5 million jobs nationwide."

The state of Utah noted earlier this month in a federal report that stimulus money had saved some 4,164 jobs, most of those in retaining educators. Friday's data release indicates that stimulus contracts netted 541 jobs, grants another 6,047 and loans added 10 jobs.

Plenty of companies appeared to follow the federal job creation guidelines closely. Wilber Smith Associates provided some technical advice to the Federal Highway Administration office in Utah, creating 0.74 jobs. And Redd Roofing has a \$5 million contract at Hill Air Force Base that employs an additional 15 people for at least a year.

But The Tribune review found several instances of inflated job numbers:

» Consolidated Paving and Concrete received \$40,000 to make 14 sidewalk ramps more accessible to the disabled. The company reported the project saved five jobs, but it also said the job took only two weeks.

» The Clearfield Community Council plans to use \$62,000 in Recovery Act money to help pay for resurfacing a road. The report released Friday says: "At this time a contract has not been awarded, therefore, no jobs have been created/retained." It then goes on to claim 10 jobs were created or saved.

» Wasatch County accepted more than \$3 million in Recovery Act funds to resurface more than 40 miles of Forest Service roads.

All told, the county reported 76 jobs were saved. But, once again, the job only took a few months and the county didn't average the hours over the course of a full quarter.

Some county and contractor workers may have been facing a layoff without the stimulus money, but not all of them.

"This project saved their jobs through the summer," said Valorie Cummings, who works for Wasatch County. "It was a good temporary thing. I don't know if it helps anybody long-term."

» Cache County also performed road work for the Forest Service, reporting 33 jobs created. It came up with that number by dividing the total federal grant by \$90,000 per job, a method never mentioned in federal regulations.

» West Valley City plans to construct new sidewalks on Lester Street with \$250,000 in stimulus cash. The city says this will create or save 21 jobs, an unusually high number for such a small dollar amount. This project is also listed twice on the administration's Recovery.gov.

» The Emery Water Conservancy District reportedly got \$1.5 million and said it created or saved six jobs, but the creation of sediment basins to improve the quality of water has yet to begin.

Jay Humphrey, the district manager, said the contract is out for bid right now but the only work done so far on the contract is engineering by a local firm.

"There aren't any other jobs right now" as a result of the funds, Humphrey said.

» AMT Construction got \$90,251 in stimulus money to paint eight dormitories at Hill Air Force Base. The company reported 10 jobs, though co-owner Ronnell Patene says the jobs lasted only two months.

She says the company, which has 10 employees including herself and her husband, would have had to lay off workers if not for the stimulus.

Still, the more accurate number to report would have been six jobs saved, according to federal guidelines.

Rep. Rob Bishop, a Utah Republican who voted against the stimulus act and has been a staunch critic since, says he was skeptical at the start of how the money would be spent and jobs counted.

"Even if the report is accurate, we've still lost almost 3 million jobs since this bill was announced," Bishop said, referring to national unemployment numbers.

And he charges that it's nearly impossible to figure out how to count these so-called jobs.

"Even if everything was actually added properly, I don't know how one determines how a job is saved," Bishop says. "I'm drinking my Dr. Pepper here. I think I saved 42 jobs down in Dublin, Tex.," where the soda was first bottled.