



John Spratt,  
Chairman

U.S. HOUSE OF REPRESENTATIVES

## COMMITTEE ON THE BUDGET

207 Cannon House Office Building, Washington, DC 20515 (202) 226-7200 ★ [www.budget.house.gov](http://www.budget.house.gov)

July 29, 2009

# House Budget Committee Hearing on The Recovery Act: Strengthening Our Economy

At a July 24 hearing convened by House Budget Committee Chairman John Spratt (D-SC), three cabinet secretaries testified about the positive impact that the American Recovery and Reinvestment Act is beginning to have in putting people back to work and boosting the economy. Secretary of the Interior Ken Salazar, Secretary of Agriculture Tom Vilsack, and Secretary of Transportation Ray LaHood outlined ongoing initiatives to create and save jobs, protect vulnerable Americans, and help cash-strapped states maintain needed public services. Following are highlights from the hearing; their complete testimony is available at <http://budget.house.gov/>.

### **The Need for the Recovery Act**

Secretary Vilsack: “When President Obama took office, we were...facing the worst economic crisis in modern time. The economy was, in fact, losing 700,000 job per month and shrinking at a rate of 6.3 percent. Foreclosures were at record level and housing investment had fallen by more than 40 percent. Major financial institutions were failing and credit was indeed frozen. Clearly doing nothing in this economic crisis was not an option.”

### **New Transportation Projects as a Result of the Recovery Act**

Secretary LaHood: “To date, the Department has made nearly half of its funds – \$22 billion – available to States so they can green light priorities projects to rebuild and modernize roads, bridges, transit systems, airports, and seaports. We have approved over 6,600 projects for highways and other transportation projects nationwide. Of those, more than 3,200 roads, transit, and airport improvement projects are underway right now.”

### **Transportation Jobs Created by the Recovery Act**

Secretary LaHood: “...I have found there is widespread agreement that without the [Recovery Act’s] well-timed federal investments in infrastructure and state services, our economy would probably be in much worse shape. While the Recovery Act cannot make up for all the jobs our economy has shed, every single job these investments helped to protect or create count as a victory. Over 5,000 jobs have already been supported through spending on transportation projects. And we estimate that over 500,000 jobs will eventually be supported once the full effect of the Recovery Act is felt in the Transportation industry.”

### **Nutrition and Farm Assistance as a Result of the Recovery Act**

Secretary Vilsack: “The USDA has provided additional resources through nutrition assistance programs. Over 33 million Americans received a 13.6 percent increase in benefits under the Supplemental Nutrition Assistance Program or SNAP. For most families of four, this is an extra \$80 per month at the grocery store. It, in fact, creates \$800 million a month in direct stimulus to the economy... Some of the other accomplishments to date at USDA include 43,000 housing loans, 2,636 direct operating loans to farmers, with 1,081 of those going to beginning farmers and 600 of those going to socially disadvantaged farmers; 323 water and waste projects, 600 community facility projects, more than 100 water shed projects, 288 floodplain easement projects, 169 wildfire management and wild land and fire management projects, and 343 capital improvement projects in our forest service.”

### **Recovery Act Initiatives Helping Americans**

Secretary Vilsack: “In less than 150 days, the USDA has announced the availability of \$27.4 billion of the \$28 billion of funds provided through the Recovery Act. We have provided more than 45,636 loans to Americans who are deeply impacted by the economic crisis and begun implementation of more than a thousand Recovery Act projects.”

### **Recovery Act Successes at the Department of the Interior**

Secretary Salazar: “The Recovery Act is working. We see it working through the investments that the Department of the Interior is making through the Recovery Act. Congress entrusted the Department of the Interior with the responsibility of investing \$3 billion to create jobs, restoring America's national parks and treasured landscaped, building clean drinking water infrastructure for rural communities, fixing and upgrading aging schools in Indian country, and taking on other critically important projects for the nation.”

### **Responsible Investment of Recovery Act Funds**

Secretary Salazar: “We are making these investments swiftly on the 18-month time line established by Congress. We are also making these investments responsibly. We want to make sure that we get it right as you would want us to do. We want to ensure the taxpayer dollars are not going to waste. Every project must be worthy of the public's expenditures. Every contract must be competed in a fair and open manner. And everything we do must be transparent and open to public scrutiny. We are meeting these goals and I am proud of the results that we have seen so far.”