

STIMULUS WATCH: Early road aid leaves out neediest

By MATT APUZZO and BRETT J. BLACKLEDGE – May 11, 2009

WASHINGTON (AP) — Counties suffering the most from job losses stand to receive the least help from President Barack Obama's plan to spend billions of stimulus dollars on roads and bridges, an Associated Press analysis has found.

Although the intent of the money is to put people back to work, AP's review of more than 5,500 planned transportation projects nationwide reveals that states are planning to spend the stimulus in communities where jobless rates are already lower.

One result among many: Elk County, Pa., isn't receiving any road money despite its 13.8 percent unemployment rate. Yet the military and college community of Riley County, Kan., with its 3.4 percent unemployment, will benefit from about \$56 million to build a highway, improve an intersection and restore a historic farmhouse.

Altogether, the government is set to spend 50 percent more per person in areas with the lowest unemployment than it will in communities with the highest.

The AP reviewed \$18.9 billion in projects, the most complete picture available of where states plan to spend the first wave of highway money. The projects account for about half of the \$38 billion set aside for states and local governments to spend on roads, bridges and infrastructure in the stimulus plan.

The very promise that Obama made, to spend money quickly and create jobs, is locking out many struggling communities needing those jobs.

The money goes to projects ready to start. But many struggling communities don't have projects waiting on a shelf. They couldn't afford the millions of dollars for preparation and plans that often is required.

"It's not fair," said Martin Schuller, the borough manager in the Elk County seat of Ridgway, who commiserates about the inequity in highway aid with colleagues in nearby towns. "It's a joke because we're not going to get it, because we don't have any projects ready to go."

The early trend seen in the AP analysis runs counter to expectations raised by Obama, that road and infrastructure money from the historic \$787 billion stimulus plan would create jobs in areas most devastated by layoffs and plant closings. Transportation money, he said, would mean paychecks for "folks looking for work" and "folks who want to work."

"That's the core of my plan, putting people to work doing the work that America needs done," Obama said in a Feb. 11 speech promoting transportation spending as a way to expand employment.

Also, Congress required states to use some of the highway money for projects in economically distressed areas, but didn't impose sanctions if they didn't. States can lose money, however, if they don't spend fast enough.

The AP examined the earliest projects announced nationwide, the ones most likely to break ground and create jobs first. More projects are continually being announced, and some areas that received little or no help so far may benefit later. The Obama administration could also encourage states to change their plans.

To determine whether there was a disparity in where the money would go, the AP divided the nation's counties into four groups by unemployment levels. The analysis found that, no matter how the early money is measured, communities suffering most fare the worst:

_High-unemployment counties, those in the top quarter of jobless rates, are allotted about 16 percent of the money, compared with about 20 percent for areas least affected by joblessness.

_In low-unemployment counties nationwide, those in the bottom quarter of jobless rates, the federal government is spending about \$89 a person compared with \$59 a person in the worst-hit areas.



Photo 1 of 1



Ridgway, the se Pa., is seen nes green of the Alle Mountains, Wec 2009. Officials a the struggling m community are l will receive no ir from the econor despite the 13.8 unemployment i suffering the mc losses are recei help so far from Barack Obama's billions of stimul roads and bridg Associated Pres found. (AP Phot Applewhite)

_In counties with the largest populations, the government is spending about \$69 a person in areas with the lowest unemployment and \$40 a person in places with the greatest job need.

The analysis also found that counties with the highest unemployment are most likely to have been passed over completely in the early spending.

Among them: Wheeler County, Ore.; Steuben County, Ind.; Macon County, Ga.; and Crowley County, Colo.

Many others are getting minimal help in this round: Vermillion County, Ind.; Lapeer County, Mich.; Presidio County, Texas; Tallahatchi County, Miss.

Those counties still will benefit from job creation elsewhere in their states, said Lana Hurdle, a Transportation official overseeing the agency's stimulus money.

"Even if you have to drive to it, it's better than no job," Hurdle said.

Joel Szabat, who also oversees the stimulus for the Transportation Department, said the agency presses states to build projects in struggling areas but does not normally consider how much money is going to each county.

Presented with AP's findings, he said: "I will be going back to ask our folks to do this kind of analysis, the overall amount for the projects."

"Our goal, and I think it is a goal that will be achieved, is that you will see that a fair share of this money will go to these areas," Szabat said.

Obama's plan sends \$38 billion to states and local governments for roads, bridges, transit and other infrastructure, about 5 percent of the overall program that also includes money for, among other things, schools, community development, technology, worker training and tax breaks.

All counties will receive some stimulus relief eventually. But the haste voiced by the White House is not reflected in the flow of highway money so far.

"We cannot wait," Vice President Joe Biden said last week when announcing a \$30 million transit project in his hometown of Wilmington, Del., where the 7.7 percent unemployment rate remains below the national average. "We're spending a lot of time and money. Why? It's about ... jobs, jobs, jobs, jobs. That's why we cannot wait."

Yet residents of Perry County, Tenn., will have to wait. County Mayor John Carroll said he's disappointed his community, which suffers from 25.4 percent unemployment, won't receive a dime any time soon for its road needs.

"It's pretty easy to draw a connection between the high unemployment rate and the lack of any four-lane highways," he said.

Federal auditors acknowledge they can't yet track the transportation money that is leaving Washington and there is no single list of the thousands of projects planned in each state. For its analysis, the AP used lists of projects approved through March by the Transportation Department and collected lists of stimulus projects that have been announced in 49 states, Puerto Rico and the Virgin Islands.

Federal officials have approved 2,800 projects. The remaining projects on the AP list represent the states' official plans for the money. Only Virginia, which has not announced its plan, is not included.

As the number of projects grows, places like Elk County, Pa., could still be left out because they could not afford the upfront costs needed to put proposals in the pipeline.

"It's all based on this 'shovel readiness,'" said Elk County Commissioner Daniel Freeburg. "That's been our stumbling block."

Elk County surely could use jobs. The once thriving north central Pennsylvania county is home to metal factories that equip the nation's auto industry. Layoffs are mounting.

Freeburg is pinning hopes on getting future stimulus money, such as for energy conservation programs, that will create jobs and rekindle the local metal and lumber industries.

In promoting his plan, Obama went to hard-hit communities such as Elkhart, Ind., and Peoria, Ill., and promised the jobs would come.

"Now, I know that some of you might be thinking, 'Well that all sounds good, but when are we going to see any of that here in Elkhart?'" Obama said. "What does all that mean for our families and our community?' Those are exactly the kind of questions you should be asking of your president and your government."

Obama kept his promise to Elkhart, which so far is expected to receive \$13.7 million, and Peoria, which should receive at least \$10.6 million. But other, similar counties have not been so lucky.

For now, laid-off workers in Elk County, Pa., question why they've missed out, while money flows to more prosperous places.

"Why are they helping them?" asked Wendy Cameron, 50, of Saint Marys, Pa., who lost her job in a metal factory last year. She doesn't have health insurance and would gladly take road work. "They're not in need. We are."

"What are these people going to do? Is everybody going to go on welfare? I've never been on welfare. I don't want to be on welfare."

Associated Press writer Cal Woodward contributed to this report.

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