

News for Immediate Release

Feb. 18, 2010

Governor Rendell: First Year of Federal Recovery Program Helping Pennsylvanians to Save Money, Find Work by Weatherizing Homes

Carnegie – One year after President Obama and Congress enacted the American Recovery and Reinvestment Act, Governor Edward G. Rendell today said the federal Recovery program has helped the nation's economy to stabilize and begin recovering through smart investments like helping families make their homes more energy efficient.

During a visit to the Allegheny County home of Jim and Bernice Culligan, the Governor demonstrated how the Recovery Act's support for weatherization projects is helping to lower home energy bills by hundreds of dollars apiece while creating jobs for the unemployed.

"When Jim and Bernice moved into this home 20 years ago, they were paying 23 percent less to heat and light their home," said Governor Rendell. "Today, higher energy costs mean more people need help to stretch their budgets. With the help of the federal Recovery Act that President Obama signed one year ago this week, we're able to help more families do that because of the substantial commitment the stimulus act made to weatherization programs."

Under the federal program, Pennsylvania will receive \$253 million over three years through the state Weatherization Assistance Program that will allow the commonwealth to weatherize about 30,000 units, which will create at least 1,000 jobs. Pennsylvania's share was the fourth-largest state allocation, behind only New York, Texas, and Ohio.

"We hear so much about the billions of federal Recovery dollars that states are investing to help people and create jobs, prompting some naysayers to question whether such investments are justifiable. Well, I say they are," said Governor Rendell. "These funds are helping families to save money on their utility bills while creating demand for the services of weatherization contractors and suppliers, which translates into even more jobs."

The Governor added that the Culligans are a prime example of this strategy at work. Under the direction of Action Housing, Allegheny City Home Insulation and Cima Integrated are working to install door sweeps on external doors; insulate the basement, the water heater and floors; and repair the gas furnace. When the work is completed, the Culligans can expect to save more than \$400 a year on their energy bills.

Action Housing—one of 43 agencies statewide under contract with the Department of Community and Economic Development to weatherize homes—has completed 136 units in Allegheny, Greene and Washington counties using federal stimulus funds and it has another 360 homes underway. Because of the Recovery Act, Action Housing will be able to complete 2,200 homes in total.

That increased demand has led the organization and its partners to bring on additional workers. Action Housing has hired seven new employees and now has a staff of 29. Allegheny City Home Insulation also has hired two new employees who were trained in programs operated by PA Career Links, the Pittsburgh Housing Authority, and the United Steelworkers.

Cima Integrated, meanwhile, is proving that the stimulus is also creating opportunities for minority-owned businesses as was intended.

"If it weren't for the stimulus package, states and millions of Americans would be far worse off," said Governor Rendell. "At a time when our nation was grappling with the greatest economic collapse since the Great Depression, these funds were literally providing a lifeline and saving jobs.

"Our state lost 4,300 jobs in the final quarter of 2009, but if not for the stimulus, we estimate that as many as 12,000 jobs would have been lost. Without Recovery funds, we would have faced some very tough choices: close prisons and let thousands of offenders go free; cut funding to public schools by 50 percent and, as a result, lay off more than 100,000 school employees; or if we didn't have the \$2 billion state fiscal relief that stimulus provided, we would have had to lay off 37,000 state employees—half our workforce—to balance the budget.

"It's clear that the Recovery program is working, despite what the doubters say. The nation lost only 20,000 jobs in January 2010—down from the three quarters of a million jobs in the same month one year earlier. And let's not forget that the national Gross Domestic Product grew in the fourth quarter of 2009 at its fast pace in six years—5.7 percent."

For more information about the Recovery Act and the state's weatherization assistance program, visit www.recovery.pa.gov.

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