

Franklin County area tallies \$51M in federal stimulus money

By [MARCUS RAUHUT](#) Staff writer



Real growth: Work continues Tuesday on the expansion at Keystone... (Public Opinion/Ryan Blackwell)

FRANKLIN COUNTY -- Since the signing of the federal stimulus package two years ago, more than \$51 million has flowed into Franklin County.

Thursday marks two years since passage of the \$787 billion American Recovery and Reinvestment Act.

Where did the money go locally?

Businesses in Franklin County and Shippensburg have received about \$25.5 million directly through grants or government contracts as a result of the stimulus, based on an analysis of data from [Recovery.gov](#), the federal government's stimulus tracking website.

Local companies were either prime contractors or subcontractors for projects ranging from paving and construction at a NASA facility, to renovations at Fort McHenry, to a library at Harper's Ferry.

The largest recipient of the local stimulus money was Keystone Health, which received \$13.6 million in grants. Two renovation and expansion projects have been completed, and a new building expected to be complete later this year will house an urgent care facility, three practices and a pharmacy.

President and CEO Joanne Cochran said the grants enabled Keystone to hire a doctor in pediatrics, another dentist and additional dental support staff, as well as a child-adolescent psychiatrist who will start in July.

"The wonderful news is that close to \$14 million has come into our community to help us expand services for all those people who need it," Cochran said. "It's a win-win for all of us, and the community wins most of all."

The largest single contract in Franklin County -- at roughly \$3 million -- was awarded to York International Corp., Waynesboro, a subcontractor to a \$17 million construction project at a NASA research center in Cleveland.

Crane manufacturer Grove U.S. LLC received a \$1.7 million contract to build equipment for the Army Corps of Engineers.

Another \$3.5 million went to out-of-town contractors doing work in Franklin County, including work at Letterkenny Army Depot and road paving work.

About \$19 million has gone to public school districts, colleges, and Head Start programs, which will leave public schools looking to bridge budget gaps once stimulus money expires.

Another \$2.2 million in stimulus money went to county and municipal governments. The largest single award was a \$788,515 grant for outside storage units and exterior doors at Franklin County Housing Authority homes.

In addition to the \$51.8 million in grants and contracts, Franklin County businesses also borrowed another \$11 million in loans through different provisions in the stimulus, according to ProPublica.org's Recovery Tracker. The largest single loan was a \$4 million loan to Edge Rubber in Chambersburg.

Many projects are reported at Recovery.gov, though the website does not include some other provisions in the stimulus that have affected Franklin County.

A Tax Credit Exchange Program through the Treasury Department helped finance the senior apartment complex at Southgate Shopping Center and 40 nearby townhomes.

Nor does it include the Making Work Pay tax credit or the federal homebuyer tax credits that were part of the stimulus. County level data is not available for the homebuyer tax credit, but statewide about 41,000 people claimed the credit for a total of \$274 million.

"A big chunk of the recovery act was actually tax cuts. Actual spending was less than 15 percent of the total package," said Mark Price, labor economist with the Keystone Research Center. "Tax cuts and transfers made the bulk of the beneficial impact, but those impacts won't show up when you're tracking those dollars."

Are we better off?

By February 2009, Franklin County's unemployment rate had climbed to about 7.6 percent, a large increase beyond typical pre-recession rates.

By December 2009, the local rate had further increased to 8.5 percent. But a year later, in December 2010, the rate had fallen back to about 7.4 percent, according to the U.S. Bureau of Labor Statistics.

The national unemployment rate fell to 9 percent last month after reaching more than 10 percent in October 2009, according to the labor statistics bureau.

Posted job openings are returning, but slowly. Construction and manufacturing sectors have yet to see full recovery.

A spokesperson for JLG Industries, which makes access equipment for the construction industry, said Tuesday the company cannot say definitively if the stimulus had any direct impact on business.

L. Michael Ross, president of Franklin County Area Development Corp., said that aside from Keystone Health's expansion and road and bridge work, the stimulus has not had a significant impact on the county's employment rate.

Jeff Urbanchuck, a spokesman for U.S. Rep. Bill Shuster, R-Hollidaysburg, said two years after the passage of the stimulus a quarter of the money has not been spent, unemployment rates remain around 8 or 9 percent, and the actual cost of the bill will reach \$1 trillion including the amount spent servicing the debt.

"When this started, a major focus was going to be on transportation improvements -- what the president called 'shovel-ready projects' -- and it took a life of its own and it grew to include a number of provisions that weren't going to stimulate the economy," Urbanchuck said. "It missed the mark."

Keystone Research Center said things would have been much worse had the federal government not taken any action. The group estimates the unemployment rate in Franklin County would be just under 13 percent instead of the 8.2 percent average in the fourth quarter of 2010, Price said.

"Our view remains that the recovery act was helpful. It prevented a much deeper recession, but it wasn't big enough," Price said. "We continue to press federal policy makers to do more to boost demand. The private sector economy has not recovered. It's going to take years to take back the ground we lost."

Ross added there is at least one big project that "has potential to being stimulus-driven" but it is not ready to be announced.

Marcus Rauhut can be reached at mrauhut@publicopinionnews.com and 262-4752.

Where did the money go?

According to Recovery.gov, about \$51.8 million has gone to local projects, or to local businesses, school districts, and governments.

Local companies: \$25.5 million

County/municipalities: \$2.2 million

Local road/infrastructure projects (non-local contractors): \$3.5 million

Schools/Head Start:\$19 million

Cash for Clunkers

Though not part of the stimulus bill, the CARS Act, better known as the Cash for Clunkers program, helped stimulate car sales by offering \$3,500 or \$4,500 for trading in an eligible vehicle for a more fuel-efficient vehicle.

Customers at Franklin County car dealers cashed in \$1.9 million in rebates through the program. According to Cars.gov, here are the rebate totals for area dealers:

Antrim Way Honda \$293,500

Bob Hoffman Chevrolet, Buick, Oldsmobile \$21,500

Buchanan Auto Park \$173,000

Buchanan Automotive \$149,500

Fitzgerald Nissan \$233,000

Fitzgerald Toyota \$307,500

Forresters Lincoln, Mercury \$37,500

H&H Chevrolet, Oldsmobile, Cadillac \$95,000

Hamilton Hyundai \$171,500

Jennings Chevrolet, Oldsmobile, Cadillac \$166,000

Jennings Pontiac, Buick, GMC \$66,000

Keystone Ford \$138,000

Parsons Interstate Ford \$25,000

Shively Motors Chambersburg \$47,500

Shively Motors Shippensburg \$16,000