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U.S. House of Representatives

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January 14, 2010

Mr. Peter Orszag
Director
The Office of Management and Budget
725 17th Street, NW
Washington, DC 20503

Dear Director Orszag:

Yesterday, the Council of Economic Advisors (CEA) released the second quarterly report on the 2009 stimulus law (P.L. 111-5). CEA acknowledged that "identifying the impact of policy action is inherently difficult, and the estimates must be understood to be subject to large margins of error." Given that difficulty and the Administration's December 18, 2009 changes involving how stimulus jobs are counted, we remain very concerned about the Administration's collection and interpretation of data on stimulus jobs.

All Americans, and especially the record 15 million unemployed workers, have an interest in knowing how government is using their tax dollars to promote economic and job growth. So how the results of the trillion-dollar stimulus law are recorded, especially when it comes to jobs, is an important concern. That is especially the case when the actual outcomes of that law have to date fallen so far short of the outcomes predicted by the Administration, including:

- 3 million jobs eliminated to date, instead of a promised 3.5 million created;
- An unemployment rate of 10%, instead of under 8%; and
- Disproportionate job elimination, instead of job creation, in the private sector and especially among construction and manufacturing jobs.

In order to better understand the latest methodology the Administration will be using for counting stimulus jobs, we would appreciate your response to the following questions:

1. Using this methodology, how many jobs does the Administration believe have already been saved or created? Please provide a breakdown of whether these jobs are in the public (including public education) sector or private sector, and whether they are permanent or temporary jobs.

Committee on Ways and Means Republicans

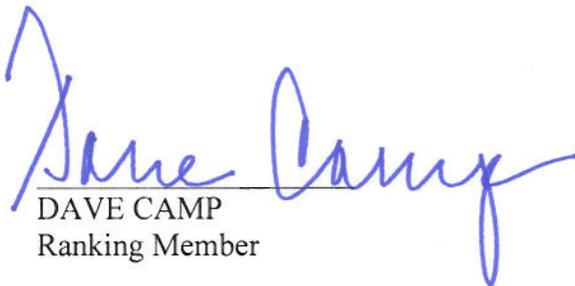
January 14, 2010

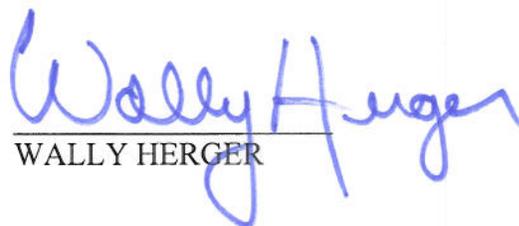
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2. Using the new methodology, does the Administration now project it will be able to achieve its repeated pledges that stimulus will "save or create 3.5 million jobs" by the end of 2010?
3. If that is the case, what does the Administration project the level of payroll employment will be in December 2010, and how does that compare with the projection in the Romer/Bernstein report of 137.55 million jobs by the end of this year? Similarly, what does the Administration project the unemployment rate will be in December 2010, and how does that compare with the Administration's pre-stimulus projection of 6.9% in that month if the stimulus law was enacted?
4. In terms of counting individual jobs using the new methodology, if the same person worked in several jobs funded by the stimulus law in the same year (for example, in the summer youth jobs program, a child care center in which bonuses were paid using stimulus funds, and finally as a temporary worker in a Federal agency responsible for dispensing stimulus funds) would that person be counted as having one, two or three "stimulus jobs" in that year?
5. When he signed the stimulus law, President Obama said he expected "the American people to hold us accountable for results" including "where those jobs are being created." In light of your direction to agency heads to measure the effect of the stimulus law based on whether "the wages or salaries are either paid for or will be reimbursed with Recovery Act funding" regardless of whether the job was created as a result of the funds or would be eliminated in their absence, how do you plan to provide an accountable measurement of jobs "saved or created" as the President repeatedly promised in promoting this law?

We appreciate your response to these questions. We look forward to the release of the President's FY 2011 budget proposal and your testimony before the Committee on Ways and Means on those proposals. We would greatly appreciate your response to these questions at your earliest convenience, but no later than prior to your budget testimony before the Committee.

Sincerely,


DAVE CAMP
Ranking Member

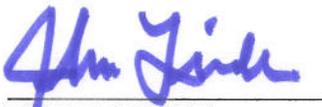

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