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Stimulus funds key issue in 5th

By: Bertrand M. Gutierrez

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Upgrades highlighted recently at W. Kerr Scott Dam and Reservoir — financed by federal stimulus money — drew contrasts last week between Republican U.S. Rep. Virginia Foxx and Elisabeth Motsinger, the Democratic challenger vying for Foxx's 5th Congressional District seat.

On the dam's 50th anniversary, reservoir officials touted a list of projects, including amphitheatres, playgrounds and a bathhouse — improvements that help attract more tourism to the popular destination in Wilkes County for biking, camping and hiking, among other activities.

About \$3.5 million — money drawn from the American Recovery and Reinvestment Act of 2009, also referred to as the stimulus bill — helped pay for 22 improvements, according to the Army Corps of Engineers.

"We'd never have done this without it," said Kevin Heape, the operations project manager. "We barely get enough money to patch things up."

Richard Burr and Kay Hagan, North Carolina's U.S. senators, as well as Foxx, were invited to the dam's anniversary celebration on Sept. 15, officials said.

Foxx was able to attend.

On her campaign website, as of late Saturday, is a newspaper article describing the event and a photo of reservoir supporters and officials, including Foxx, standing smiling and posed behind a giant anniversary cake.

Days after the celebration, as Motsinger applauded the improvements at the reservoir, she pointed to Foxx's "no" vote on the recovery act.

"The necessary improvements that this anniversary was celebrating were part of ARRA, which Mrs. Foxx voted against. This is a good use of federal spending for the people of North Carolina," said Motsinger, a Winston-Salem/Forsyth County Schools board member.

Foxx's campaign spokesman, Aaron Groen, pointed to the nation's \$16 trillion debt.

"One of main reasons she voted against it is that we don't have that money," Groen said. "It's all new spending that adds to the debt, and we're putting it on the credit card that your grandkids are going to pay for."

Foxx attended the anniversary celebration because she was invited, Groen said.

The American Recovery and Reinvestment Act, with its estimated cost of more than \$800 billion, has triggered fiery debate nationwide about the federal government's effort in 2009 to stimulate an economy that had been rocked by the October 2008 collapse of the financial and real estate markets — and the effect that such spending will have on the national debt.

In the U.S. House of Representatives, the vote on the recovery act went along party lines.

Paul Ryan, the GOP vice presidential candidate who is also running for re-election in Wisconsin's 1st Congressional District, voted against it, too. Now, the campaign of Ryan's congressional opponent, Democrat Rob Zerban, criticizes Ryan's stance on stimulus money.

"If we were to follow Paul Ryan's advice, we'd have to give back a lot of money from the stimulus," said Karthik Ganapathy, Zerban's communications director.

North Carolina's 5th Congressional District, which includes a large northwestern section of the state, including such cities as Boone, West Jefferson, Yadkinville, Statesville and most of Winston-Salem, has received more than \$175.8 million from the recovery act, including the money for the dam projects, according to Recovery.gov, the ARRA money-tracking website.

Among the uses in the district, the money supported tax incentives and capital projects. Some of the largest shares of money went to projects related to transportation (\$66 million), education (\$5.4 million), health (\$40.7 million), agriculture (\$53.2 million) and housing (\$2.5 million).

The legislation's policies had several economic effects in the second quarter of the year, compared with what would have occurred otherwise, the nonpartisan Congressional Budget Office said in its latest report on the recovery act.

Among the effects: the inflation-adjusted gross domestic product increased by between 0.1 percent and 0.8 percent; the unemployment rate decreased by between 0.1 and 0.6 percentage point; the number of people employed increased by between 200,000 and 1.2 million; and the number of full-time equivalent jobs increased by between 200,000 and 1.3 million.

The money, of course, comes with a price.

The CBO said the recovery act will increase budget deficits by about \$833 billion over the 10-year period ending in 2019.

Chris Edwards, an economist at the conservative Cato Institute, said local boosters should find private financing for projects at the Kerr Scott reservoir if they are worth doing.

"If it cost \$3.5 million, it means taxpayers across the country are paying for that," Edwards said. "They are no further ahead if they send their money to Washington and some of its sprinkles back to them than if they just keep the money for themselves."

Local boosters have been raising money for projects around the Kerr Scott dam for years.

Mike Kennedy, the president of the nonprofit Friends of Kerr Scott Lake, said the organization has raised about \$1 million in the seven years that the organization has been around.

Partnering with a local bicycle shop, the organization has improved trails. Other projects include an environmental education center, an amphitheater with a stage sound system and a much-needed bathhouse that replaced portable toilets.

Still, he was glad that money was transferred from the federal government to the Army Corps of Engineers for Kerr Scott improvements, he said.

"The stimulus money here at the lake — what money was made available to the corps — they used it quite well. They didn't waste it. They sure didn't throw it away," Kennedy said, acknowledging that it must be paid for. "It is the horns of the dilemma. You find people that are very happy that they got the funds but are very sad about what it's doing to the country."