

STATEMENT OF THE HONORABLE ELEANOR HOLMES NORTON
May 5, 2009
Hearing of the Subcommittee on Economic Development, Public Buildings
and Emergency Management
“TRACKING HEARING #2: GSA STIMULUS FUNDS – UP, OUT, AND
CREATING JOBS”
Status of implementation of the recovery act (P.L.111-5)

The American Recovery and Reinvestment Act of 2009 (P.L. 111-5) (“Recovery Act”), signed into law on February 17, 2009, provided \$5.55 billion for the General Services Administration (GSA). I am especially pleased to be chairing the Subcommittee on Economic Development, Public Buildings and Emergency Management at a time when Congress has provided unprecedented funds for repair and rehabilitation funds to the GSA—\$4.5 billion to convert federally owned GSA buildings into high performance green buildings, another \$300 million for border stations and land ports of entry, and an additional \$750 million for repair, alteration and construction of other federal buildings and courthouses, of which \$450 million is allocated to the new DHS headquarters project located on the St. Elizabeths West campus in the District of Columbia.

This second tracking hearing on GSA’s progress on creation of jobs and repair and rehabilitation of federal buildings, follows the full committee hearing last week featuring all the subcommittees and titled “Recovery Act: 10-Week Progress Report for Transportation and Infrastructure Programs.” The Transportation and Infrastructure Committee is requiring that all funds be obligated by September 30, 2010, with the remainder available until September 30, 2011.

However, GSA stands out among federal agencies because this agency does not distribute its funds through states or localities, but is fully accountable itself as a federal agency for the necessary job creation, work and timelines. Moreover, because the GSA funds will be spent on federal buildings taxpayers will get an additional bang for the buck with energy savings that are central to the GSA projects. So important is GSA’s dual role as a federal agency for which the administration and the Congress are also accountable, that the White House announced the GSA’s projects and locations. Thus, this subcommittee has a particularly important oversight role to ensure the GSA and the federal government lead by example and quickly create jobs.

Consequently, I intend to frequently convene hearings to track progress in obligating funds and creating jobs to help GSA spot issues early. The GSA project list, now listed online, covers 50 states, the District of Columbia and the territories. I urge members of the Subcommittee and other members of Congress to personally monitor job creation in your district and state. Today I am releasing the 22 projects in my district, which include six “high performance green building full & partial building modernizations” and sixteen other “high performance green building projects” Because D.C. is the seat of government with most of its prime land off the federal tax rolls to be used for federal office space, the District ranks number one in government projects in

need of work, with Texas ranked number two. However, GSA prepared its list of potential projects based entirely on its backlog of repairs needed to maintain its large inventory throughout the nation. The Committee insisted that all projects contain a significant energy-saving component, and that GSA refined the list to incorporate energy efficiencies and new technologies along with contract timelines. As a result of GSA's projects, we expect to move federal government procurement to a leadership position for energy efficient buildings, allowing taxpayers to receive the rewards of lower energy costs. The congressional focus on the repair of existing federal buildings will also help preserve the valuable federally owned inventory for occupancy and other vital needs. Importantly, providing jobs that stimulate the economy is the primary purpose of the bill. Our subcommittee staff has worked closely with GSA to assure that its Recovery Act projects can be implemented quickly while providing many jobs at a variety of skill levels.

Because of its proven twin effects of stimulating the economy and putting people to work quickly, infrastructure is at the heart of the Recovery Act itself. It was therefore impossible to avoid the reality that the training deficit in construction jobs among some Americans could produce disputes when federally funded go to the already trained, mostly white male construction workforce. However, these workers have faced a long period of unemployment and have one of the highest unemployment rates in the country. Considering the steep rise in unemployment for minorities, women and whites alike, however, the last thing the country needed is racial, ethnic or other group tension.

We have taken steps to avoid this division among workers and allied minorities and women. Consistent training has been the major barrier for minorities and women in construction since the federal government ceased funding a large management-labor training program in 1980's, resulting in too few journeymen, apprentices and other trained workers for many of the trades. However, today's unprecedented amount of federal funds committed to infrastructure and job creation is a call to action to avoid missing the opportunity by mounting well-designed pre-apprenticeship and apprenticeship training that can lead to high-paying journeymen jobs. If we are vigilant, the economic crisis, which has created the worst of times, can create new opportunities. We have gotten off to a good start in this Recovery Act with \$3 million for on-the-job pre-apprentice and apprenticeship training in the GSA section of the bill and \$20 million for training in the Highways section. The training money in the GSA section raises several issues, because the amount is so small, about where and how such money can be efficiently spent to produce the intended results.

Both sections of the bill are woefully insufficient for this training, and I intend to introduce a bill for mandatory training in the upcoming Highways and Transit reauthorization bill. A good amount of the money has been available for a decade with one-half of one-percent of states highway dollars available for training programs. However, only 17 states have chosen to spend their funds for training, leaving minorities and women untrained and abdicating the responsibility of state and federal governments to prevent discrimination when federal dollars are used. In the interim, when Acting Administrator Paul Prouty testified at last week's hearing, I suggested that GSA consider working with the Department of Transportation to devise the most effective way to allocate these funds on a nationwide basis. Both agencies have too little funds for the

training necessary, but together they may be able to avoid duplication of efforts and perhaps achieve some economies of scale.

At today's hearing we will hear, in greater detail, from GSA about how it expects to obligate funds to create jobs, to ensure quality construction and to create and adhere to timetables. GSA Inspector General, Brian Miller, has already acknowledged that rapid spending of government funds creates considerable risks. We have learned that lesson in the post-Katrina period as well as with spending associated with the Iraqi war. We will also hear from a GSA customer, the Social Security Administration, which will benefit from these funds.

I thank today's witnesses and look forward to your testimony.