

STIMULUS WATCH: White House changes job-count rule



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WASHINGTON – The White House has abandoned its controversial method of counting jobs under President Barack Obama's economic stimulus, making it impossible to track the number of jobs saved or created with the \$787 billion in recovery money.

Despite mounting a vigorous defense of its earlier count of more than 640,000 jobs credited to the stimulus, even after numerous errors were identified, the Obama administration now is making it easier to give the stimulus credit for hiring. It's no longer about counting a job as saved or created; now it's a matter of counting jobs funded by the stimulus.

That means that any stimulus money used to cover payroll will be included in the jobs credited to the program, including pay raises for existing employees and pay for people who never were in jeopardy of losing their positions.

The new rules, quietly published last month in a memorandum to federal agencies, mark the White House's latest response to criticism about the way it counts jobs credited to the stimulus. When The Associated Press first reported flaws in the job counts in October, the White House said errors were being corrected and future counts would provide a full and correct accounting of just how many stimulus jobs were saved or created.

Numbers published last month identified more than 640,000 jobs linked to stimulus projects around the country. The White House said the public could have confidence in those new numbers, which officials argued proved the administration was on track to keep Obama's promise that the stimulus would save or create 3.5 million jobs by the end of this year.

But more errors were found, with tens of thousands of problems documented in corrected counts, from the substantive to the clerical. Republicans have used those flaws to attack what so far is the signature domestic policy approved during Obama's presidency.

The new rules are intended to streamline the process, said Tom Gavin, spokesman for the White House's Office of Management and Budget. They came in response to grant recipients who complained the reporting was too complicated, from lawmakers who complained the job counts were inconsistent and from watchdog groups who complained the information was unreliable, Gavin said.

"We're trying to make this as consistent and as uniform as we possibly can," he said.

The new stimulus job reports will continue to offer details about jobs and projects. But they were never expected to be the public accounting of Obama's goal to save or create 3.5 million jobs, Gavin said.

The quarterly job reports posted on the Web site for the Recovery Accountability and Transparency Board reflect only a fraction of the jobs created under the program and can't account for job creation stemming from other stimulus programs such as tax rebates and other federal aid, the spokesman said.

But the result of the new rules will be that future claims of job creation from the stimulus will be even more misleading, said Rep. Darrell Issa, the ranking Republican on the House Oversight and Government Reform Committee.

"It is troubling that the administration is changing the rules and further inflating the Recovery Act's impact and masking the failure of the stimulus to produce sustainable economic growth or real job creation," Issa said in a letter sent last week to the government board monitoring stimulus spending.

Recipients of recovery money no longer have to show that a job would have been lost without the stimulus help, and they no longer are required to keep an ongoing tally of jobs saved or created. The new rules allow stimulus recipients to limit the job tally to quarterly reports, making it impossible to avoid double-counting a job that was created in one quarter and continued into the next.

Issa wants the Recovery Board, the government's independent oversight panel, to change how it identifies the count of stimulus jobs and to add a note on its Recovery.gov Web site explaining that there is now a different definition for what constitutes a job under the stimulus.