American Recovery and Reinvestment Act

Calculating Jobs

Objective

- Review OMB job calculation guidance
- Review examples of job calculations

Background

- Jobs reporting requirement of Recovery Act
- Oversight entities are reviewing reported Jobs data
- Recent GAO Audit of Recovery Act spending
- Finding that LEA's under reported jobs
  - Probable causes
    - Unaware of requirement
    - Not sure how to calculate jobs
    - Unaware that job calculations should include vendors

Definition *

- Job Created – a new position created or filled, or an existing unfilled position that is filled, that is funded by the Recovery Act

- Job Retained – existing position that is now funded by the Recovery Act

* – OMB Memorandum M-10-08

Additional Requirements

- Jobs are reported per quarter, not cumulatively
- Based on a Full Time Equivalent (FTE) calculation
  - Avoids overstating part-time jobs
- Job data should be collected from all sub-recipients, vendors and sub-grantees
  - To the maximum extent practicable
- Direct Jobs Only

FTE Calculations

- General Method
  - Actual hours worked and funded by the Recovery Act divided by number of hours in a full time schedule

- Definite Term Method
  - Same calculation formula
  - Based on start and end of a defined term of employment, but not dependent on timing of Recovery Act funding

General Method

- Step 1 – Determine number of hours worked and funded by Recovery Act for the quarter

Certificated Employee 1	300 hours worked
Certificated Employee 2	260 hours worked
Certificated Employee 3	520 hours worked
Certificated Employee 4	520 hours worked
Total	1600 hours worked

  - Assumption that 100% of hours worked are funded with Recovery Act Funds

General Method

- Step 2 – Determine number of hours in a full time schedule
  - Example: Full time schedule is 40 hours per week
    40 x 13 weeks = 520 hours
  - Example: Full time schedule is 6 hours per day
    6 x 5 days x 13 weeks = 390 hours

General Method

- Step 3 – Calculate FTE

- $$\text{FTE} = \frac{\text{Total Number of Hours Worked and Funded}}{\text{Quarterly Hours in a Full Time Schedule}}$$

Example $\frac{1600}{520} = 3.08$ FTE

Example $\frac{1600}{390} = 4.10$ FTE

Partially Funded Hours

- Used when an employee's wage or salary is funded through multiple sources of revenue

Partially Funded Hours

Step 1 – Determine number of hours worked and funded by Recovery Act for the quarter

Employee	Total Hours Worked	Hours funded by ARRA
Certificated Employee 1	300	150
Certificated Employee 2	260	130
Certificated Employee 3	520	260
Certificated Employee 4	520	520
Total	1600	1060

Partially Funded Hours

- Step 2 – Determine number of hours in a full time schedule
  - Example: Full time schedule is 40 hours per week
    40 x 13 weeks = 520 hours
  - Example: Full time schedule is 6 hours per day
    6 x 5 days x 13 weeks = 390 hours

Partially Funded Hours

- Step 3 – Calculate FTE

- $$\text{FTE} = \frac{\text{Total Number of Hours Worked and Funded}}{\text{Quarterly Hours in a Full Time Schedule}}$$

Example $\frac{1060}{520} = 2.04$ FTE

Example $\frac{1060}{390} = 2.72$ FTE

Definite Term

- Used when the recipient of the funds uses the funds to pay for employees for a definitive amount of time
  - Example: Funds are used to hire 100 teachers for 1 school year beginning Aug 1 – June 15
  - Example: Funds are used to pay 50% of the salaries of 10 school psychologists for 10 months beginning Sept. 1 – June 30.
- Not dependent on when ARRA funds received
- Decision to use this method should be made at beginning of the term

Definite Term

- Step 1 – Determine number of hours worked and funded by Recovery Act for the quarter
  - Example – 100 Teacher salaries paid beginning Aug 1 – June 15th.
    - Current reporting quarter is April 1 – June 30
    - 22 days worked in April
    - 21 days worked in May
    - 11 days worked in June
    - 54 total days worked

Definite Term

- 54 days x 8 hours = 432 hours worked per teacher
- Total hours: 432 x 100 teachers = 43,200 total hours worked and funded by ARRA

Definite Term

- Step 2 – Determine number of hours in a full time schedule
  - Same as General method

- Step 3 – Calculate FTE
- FTE = $\dfrac{\text{Total Number of Hours Worked and Funded}}{\text{Quarterly Hours in a Full Time Schedule}}$

Example $\dfrac{43{,}200}{520} = 83.08$ FTE

Vendors

- Recipients and sub-recipients need to collect and report job impact data from their vendors
  - To the maximum extent practicable
- Includes sub-grantees
- Not dependent on amount of vendor contract

Vendors

- Focus on service contracts
  - Avoid contracts used to purchase equipment/ materials/ supplies
    - Unless job impact is significant

Example – Focus on vendors providing professional development to teachers

– Avoid estimating job impact for contracts used to purchase textbooks

Vendors

- Use same methodology for calculating FTE
  - Collect hours worked and funded by vendor employees if possible
  - Procurement documents such as contracts and invoices are useful sources
  - Alternative methodologies for calculating job impact for vendors should be reviewed by prime recipient
    - Reasonable
    - Supportable

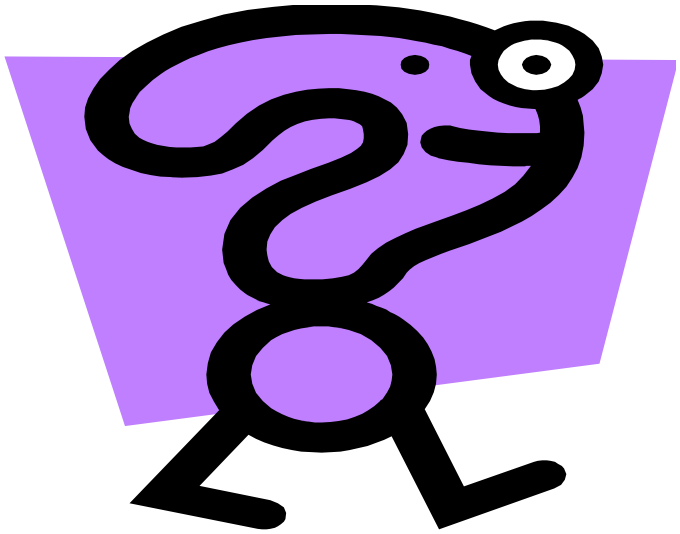
Documentation

- Not required, but strongly recommended
  - Sample Vendor Tracking Form
    - http://www.cde.ca.gov/ar/rr/datafldshelp.asp
- Be prepared to justify job numbers

Resources

- Office of Management and Budget
  - http://www.whitehouse.gov/omb/assets/memoranda_2010/m10-08.pdf
- US Dept of Education
  - http://www2.ed.gov/policy/gen/leg/recovery/section-1512.html
- California Dept of Education
  - http://www.cde.ca.gov/ar/rr/

Contacts

- For LEA's, contact CA Dept of Ed at:
  - ARRA@cde.ca.gov
- For all entities
  - Lisa.Negri@Recovery.ca.gov
- California Recovery Website
  - www.recovery.ca.gov

Questions?