

GUIDANCE

**Texas Education Agency (TEA) Clarifying Guidance
on Grant Recipient
Section 1512 Quarterly Reporting Requirements
Under the American Recovery and Reinvestment Act of 2009**

December 2009
Texas Education Agency

Texas Education Agency (TEA) Clarifying Guidance on Grant Recipient Section 1512 Quarterly Reporting Requirements Under the American Recovery and Reinvestment Act of 2009 (ARRA or Recovery Act)

Important Update: Based on feedback from the recipient community and the Federal agencies, the Office of Management and Budget (OMB) updated section of M-09-21, Implementing Guidance for the Reports on the Use of Funds Pursuant to the American Recovery and Reinvestment Act of 2009, **as of December 18, 2009**. This update incorporates best practices and lessons learned from the first Recovery Act recipient reporting period, which ended September 30, 2009, by **simplifying the formula used to calculate job estimates** and providing additional examples of how to apply this formula so recipients can accurately and easily report estimates of jobs created or jobs retained as a result of Recovery Act funding. The OMB updates have been incorporated into the following guidance and **OMB encourages all LEAs to implement this new guidance as much as possible** when reporting for the period ending December 31, 2009. For those not able to implement the updates, they will have the ability to correct data from February 2, 2010 through March 31, 2010.

Please note that the updates are highlighted in yellow.

Contents

- Section 1: General Requirements
- Section 2: Jobs Created/Retained
- Section 3: Infrastructure Investments
- Section 4: Contact Information
- Attachment A: ARRA Jobs Worksheet

Section 1: General Requirements

1.1 Who is subject to ARRA Quarterly Reporting?

ARRA Section 1512 requires **recipients of ARRA funds** to report quarterly on the use of those funds. These reports will be cumulative and made available for public access at Recovery.gov within 30 days of submission. For ARRA funds distributed by TEA through the various grant programs listed below, TEA will submit the required reports and coordinate with recipient Local Education Agencies (LEA) and fiscal agents of the Shared Services Arrangements (SSA) to obtain the necessary information:

- ARRA Title I, Part A
- ARRA Title I, Part D, Subpart 2
- ARRA Title I, School Improvement Grant
- ARRA Title I, SIP Academy
- ARRA Title II, Part D Education Technology
- ARRA IDEA-B Formula
- ARRA IDEA-B Preschool
- ARRA State Fiscal Stabilization Fund

- ARRA McKinney Vento Homeless

1.2 What data do LEAs and fiscal agents of SSAs need to report?

Much of the required data will be captured through normal grant expenditure reporting activity in TEA's Expenditure Reporting (ER) system. The required data elements that are not captured for an LEA and must be separately reported are:

- ***number of jobs created/retained***
- ***description of jobs created/retained***
- ***amount of ARRA funds expended on infrastructure investments***
- ***description of infrastructure investment*** and
- ***vendors receiving payments of \$25,000 or more.***

In the case of an SSA, the required data elements that are not captured for the fiscal agent and member LEAs and must be separately reported by the fiscal agent are:

- ***sub-grant award amount***
- ***sub-grant award amount disbursed***
- ***number of jobs created/retained***
- ***description of jobs created/retained***
- ***amount of ARRA funds expended on infrastructure investments***
- ***description of infrastructure investment*** and
- ***vendors receiving payments of \$25,000 or more.***

Please Note:

- In cases where member LEAs receive allocated funds directly from the fiscal agent and self-manage the funds, fiscal agents must collect these data elements from the LEAs as necessary.
- In cases where the fiscal agent retains the total SSA award amount and manages the funds on behalf of all member LEAs, the fiscal agent must attribute and report expenditures of the funds to each LEA in proportion to the LEA's sub-award amount compared to the total SSA award amount. For example, if a fiscal agent spends \$1000 on activities benefitting all member LEAs, the fiscal agent would attribute and report a percentage of the \$1000 to each member LEA. If one member LEA was awarded a sub-grant amount of \$40,000 and the total SSA award amount was \$100,000, the percentage for that LEA would be 40% and the amount attributed and reported on behalf of that LEA for this expenditure would be \$400.
- In cases where the fiscal agent retains part of the total SSA award amount and distributes the remainder directly to the member LEAs, the fiscal agent must aggregate data elements determined according to the two examples above and report aggregated amounts on behalf of itself and the member LEAs.

1.3 How do LEAs and fiscal agents of SSAs report the required data?

TEA has modified the ER system to allow LEAs and fiscal agents of SSAs to enter the

additional required data not automatically captured through normal grant expenditure reporting. Recorded webinars explaining this process may be found at www.tea.state.tx.us/arrastimulus and written instructions may be accessed from within the ER system or at www.tea.state.tx.us/arrastimulus.

1.4 When do LEAs and fiscal agents of SSAs report the required data?

At the state level, TEA must submit quarterly reports to the federal government within 10 days of the end of each quarter. To meet this deadline, TEA is requiring LEAs and SSA fiscal agents to enter the required data identified above (including 0 or “none” if applicable) **by 5:00PM CST on the fifth day following the end of each quarter**. To enable TEA to meet the federal required deadline, LEAs or SSA fiscal agents who fail to enter the required data within the five day period **will be unable to draw down funds pursuant to their NOGA until the data is entered**. Continued failure to enter the required data in a timely fashion will result in additional penalties.

The following chart summarizes the reporting timelines:

<u>Final Day of Quarter</u>	<u>LEA and SSA fiscal agent Quarterly Reporting Due Date</u>	<u>TEA Quarterly Reporting Due Date</u>
September 30, 2009	October 5, 2009	October 10, 2009
December 31, 2009	January 5, 2010	January 10, 2010
March 31, 2010	April 5, 2010	April 10, 2010
June 30, 2010	July 5, 2010	July 10, 2010
September 30, 2010	October 5, 2010	October 10, 2010
December 31, 2010	January 5, 2011	January 10, 2011
March 31, 2011	April 5, 2011	April 10, 2011
June 30, 2011	July 5, 2011	July 10, 2011
September 30, 2011	October 5, 2011	October 10, 2011

Section 2: Jobs Created/Retained

2.1 What quarterly reporting is required by the Recovery Act for estimates of jobs created or retained?

LEAs and SSA fiscal agents must estimate and report on the number of jobs created and retained for each ARRA grant award received, as required by Section 1512(c)(3)(D) of the Recovery Act.

2.2 What is a job created or retained?

- A job created is a new position created and filled, or an existing unfilled position that is filled, that is funded by the Recovery Act;
- A job retained is an existing position that is now funded by the Recovery Act.

Using the definitions above, recipients must estimate the total number of jobs that were funded in the quarter by the Recovery Act. A funded job is defined as one in which the wages or salaries are either paid for or will be reimbursed with Recovery Act funding.

The updated guidance eliminates the subjective assessment of whether a given job would have existed were it not for the Recovery Act and defines jobs created or retained as those funded in the quarter by the Recovery Act. Jobs funded with non-Recovery Act funds will not be counted unless they will be reimbursed. Jobs funded partially with Recovery Act funds will only be counted based on the proportion funded by the Recovery Act.

This guidance does not establish specific requirements for documentation or other written proof to support reported estimates on jobs created or retained; however, recipients should be prepared to justify their estimates. Recipients must use reasonable judgment in determining how best to estimate the job impact of Recovery dollars, including the appropriate sources of information used to generate such estimate. Where such written evidence exists, it can be an important resource for validating the job estimates reported.

Also, only compensated employment in the United States or outlying areas should be counted. (See [74 FR 14824](#) for definitions.)

For purposes of jobs reporting, there is no distinction between a created and a retained job.

2.3 How should recipients express the estimates of jobs created or retained?

The estimate of the number of jobs created or retained by the Recovery Act should be expressed as “full-time equivalents” (FTE). In calculating an FTE, the number of actual hours worked in funded jobs are divided by the number of hours representing a full work schedule for the kind of job being estimated. These FTEs are then adjusted to count only the portion corresponding to the share of the job funded by Recovery Act funds. Alternatively, in cases where accounting systems track the billing of workers’ hours to Recovery Act and non-Recovery Act accounts, recipients may simply count the number of hours funded by the Recovery Act and divide by the number of hours in a full-time schedule.

2.4 What are “direct” and “indirect” jobs? Should recipients report “indirect” jobs? When should recipients include estimates for the job impact on vendors?

There are no strict definitions of direct and indirect jobs for the purposes of this reporting. However, an individual generally would be considered directly employed if the individual is paid directly using Recovery Act funds or if the individual’s hours are being charged to a Recovery Act project or activity or if the individual’s employment or additional hours worked are attributable to Recovery Act funds. The intent of this reporting on job impact is to capture the major direct employment effect of Recovery Act funds—those individuals employed and those hours worked that would not have occurred in the absence of Recovery Act funds.

Recipients must consider the job impact on vendors funded with Recovery Act funds.

Typically, individuals who are employed by vendors in order to provide services would be counted. This could include, for example, vendors providing professional development for special education teachers under the IDEA Grants to States program, and vendors providing early intervention services to infants and toddlers with disabilities under the IDEA Grants for Infants and Families program. In the case of construction projects (if allowed), grantees would report the job impact on the vendors that are carrying out the construction projects. Note that the recipient would be responsible for identifying those hours worked by personnel employed by vendors that are funded by Recovery dollars. ~~attributable to Recovery Act funding.~~

Recipients should not attempt to report on the employment impact on vendors from whom recipients are purchasing materials, equipment, or other supplies (so-called “indirect” jobs), except in those instances where the value or the quantity of the purchases is so significant as to have an identifiable employment impact on the vendor. In addition, employees who are not directly charged to Recovery Act supported projects or activities who, nonetheless, provide critical indirect support, e.g., clerical and administrative staff preparing reports, institutional review board staff members, and departmental administrators, are NOT counted as jobs created or retained. Recipients are required to report only direct jobs because they may not have sufficient insight or consistent methodologies for reporting indirect or induced jobs.

2.5 Must recipients that receive Recovery Act funds through multiple grants estimate job creation and retention independently for each grant?

Yes. If it is too difficult for a recipient to reasonably calculate the job impact from each independent grant, recipients that receive multiple Recovery Act awards may estimate the impact of Recovery funding overall on jobs created or retained (e.g., total hours **funded by Recovery Act** ~~in the reporting period attributable to Recovery Act funding~~) and then allocate the total hours worked, for example, among the various grant awards they have received.

2.6 What should the job creation description contain?

TEA has provided a number of relevant job titles in the ER system for recipients to use in identifying the types of jobs being reported as created or retained (such as Teacher, Administrator, Counselor, etc). Recipients should check any of the job titles describing jobs reported as created or retained. Recipients may also enter job titles in a text box in cases where none of the provided titles adequately describe a job being reported.

2.7 Do the reporting requirements change if a project is only partly funded through the Recovery Act?

Recipients of Recovery Act funds must report on the jobs impact for all projects and activities **funded in whole or in part** supported under the Recovery Act, ~~whether they are funded in whole or in part by Recovery Act funds, but should report only on the jobs impact that is attributable to Recovery Act funding. For example, a recipient must report on the jobs created as a result of expanding an existing contract (e.g., to provide teacher training to teachers in the district) with Recovery Act funding.~~

2.8 How do recipients estimate the number of created or retained jobs?

In general, recipients must calculate a baseline number of hours worked, consisting of the number of hours that would have been worked in the absence of Recovery Act funds, and deduct that number from the actual hours worked by all individuals who are currently directly employed as part of a Recovery Act supported project/activity or whose employment is attributable to Recovery Act funding.

Step 1 Calculate Baseline: Identify the hours that would have been worked in absence of the Recovery Act funds in the baseline quarter. For purposes of these calculations, the baseline quarter is the initial reporting period, which will cover a period that is longer than one quarter for most programs for which reporting is required on October 10, 2009.

If Recovery Act funds are the sole source of funds for the project/activity, or the project would not exist without Recovery Act funds, then the baseline will be zero hours and all hours worked in the project will be counted in the jobs creation estimate.

If the Recovery Act funds are not the sole source of funds for the project/activity or the individuals would have been employed in the absence of Recovery Act funds, the hours that would have been worked in the absence of Recovery Act funds constitute the baseline.

Step 2 Deduct Baseline From Actual Hours Worked: Subtract the baseline identified in step 1 from the total actual hours worked in the reporting quarter. Divide the resulting number by the number of FTE hours in the quarter or reporting period. The default value for hours worked in a quarter is 520.

Example:

The following table lists the hypothetical hours worked in absence of Recovery Act funding (baseline) and the actual hours worked in the reporting quarter.

	Hypothetical: No Recovery Act Funding (Baseline)	Actual: Current Quarter Employees
Direct Employees	Hours Employed (Estimates)	Hours Employed (Actual)
Employee 1	520	520
Employee 2	300	520
Employee 3	0	520
Employee 4	300	300
Employee 5	200	300
Employee 6	0	300
-	1320	2460

Hours Created/Retained: 1140

Employees 3 and 6 went from being unemployed (0 hours of employment) in the hypothetical situation where no Recovery Act funds are available to full-time (520 hrs) and part-time (300 hrs) employment, respectively.

Employee 2 went from part-time (300 hrs) to full-time (520 hrs).

Employee 5 remained a part-time employee, but works an additional 100 hrs in the reporting quarter.

Taking the sum of actual hours worked in the reporting quarter (2460) and subtracting the hours worked in the hypothetical baseline quarter (1320), we are left with 1140 created or retained hours. Notice that there is no distinction between created and retained hours.

These steps must be followed for each reporting quarter to generate the created or retained hours in each quarter. The result can then be converted into the “cumulative jobs created or retained” following the methodology outlined in **2.10** below.

For the first reporting quarter (Q1) divide the result by the number of FTE hours in that quarter (520), assuming 520 is what the recipient regards as a full-time schedule.

Total FTE created or retained in Q1: _____ 2.19

Results should be reported cumulatively, so in the second reporting quarter (Q2), the total hours worked in Q2 will be added to the hours worked in Q1 and divided by the hours in a full-time schedule for two quarters (1040 hours).

For example, if in quarter 2, all employees reported in quarter 1 are retained and the baseline remains unchanged, we would again have 1140 hours created or retained. To get the final cumulative FTE created or retained, we would sum 1140 for quarter 1 with 1140 for quarter 2 to get 2280 total hours created or retained. Recipients should divide this by the sum of the hours in a full-time schedule for those two quarters (1040). The result is again 2.19 FTE created or retained in quarter 2.

Please note that recipients are only required to submit the number of FTE created or retained. The specific methodology used in determining baseline and actual hours worked may vary depending on how employee records are kept or other factors, and may not conform to the example above.

2.9 — Is it necessary to recalculate the baseline in each reporting quarter?

Recipients must ensure that the baseline calculation accurately reflects the hours worked in absence of Recovery Act funding in each reporting quarter. However, in situations where recipients do not experience significant quarterly changes in employment, it may be appropriate to use the same baseline calculation for each reporting quarter. Recipients must adjust their baseline calculation to reflect any changes in quarterly employment that would have occurred in the absence of the Recovery Act. For example, if temporary workers would have been hired to assist during a busy period in a year, the recipient must adjust the baseline calculation accordingly to avoid over-reporting.

2.10 What methodology should recipients use when estimating Once recipients have identified those jobs that have been created or retained, what methodology should be used when calculating the number of jobs created or retained?

The requirement for reporting estimates of the “Number of Jobs” is based on a simple calculation used to avoid overstating the number of other than full-time permanent jobs. This calculation converts part-time or temporary jobs into fractional “full-time equivalent” (FTE) jobs. *Full-time equivalent (FTE) employment* is a standard concept used by the Office of Personnel Management. In order to perform the calculation, a recipient will need the total number of hours worked by employees in the most recent quarter (the quarter being reported) in jobs that meet the definition of a job created or a job retained as defined above. The recipient will also need the number of hours in a full-time schedule for the quarter. For instance, if a full-time schedule is 2,080 hours/year, the number of hours in a full-time schedule for a quarter is 520 (2,080 hours/4 quarters = 520). The formula for reporting can be represented as:

$$\frac{\text{Total Number of Hours Worked and Funded by Recovery Act within Reporting Quarter}}{\text{Quarterly Hours in a Full-Time Schedule}} = \text{FTE}$$

Please note that the reporting period quarters are defined as:

1. Quarter 1: January 1 – March 31
2. Quarter 2: April 1 – June 30
3. Quarter 3: July 1 – September 30
4. Quarter 4: October 1 – December 31

The FTE formula is intended to prevent over-counting of short-term or part-time jobs. For example, if a job is funded by the Recovery Act, but the individual’s employment only lasts for one week, then a full job will not be reported. In this case, the FTE formula will discount the job total to reflect the temporary nature of the job. Only jobs that are funded directly by the Recovery Act are counted as created or retained. Example: Assume that a recipient’s Recovery Act funds paid for two full-time employees and one part-time employee working half days for the quarter. Also assume that the recipient’s full-time schedule for the quarter is 520 hours (2,080 hours in a work-year divided by 4). To convert hours worked to number of FTE for the quarterly report, aggregate all hours worked and divide by the number of hours in a full-time schedule for the quarter.

In this example, two full-time employees each worked 520 hours (1,040 hours combined) + one employee worked half-time or 260 hours for a total of 1,300 hours worked. Divide total number of hours worked by the number of hours in a full-time schedule for the quarter:

$$1,300 \div 520 = 2.5 \text{ FTE reported for jobs.}$$

Please note that this formula has been revised based on feedback to make it easier to apply than the formula provided in OMB Guidance M-09-21, June 22, 2009. Under the revised guidance, recipients should not cumulate hours worked across several quarters.

Period	3rd qtr	4th qtr	1st qtr	2nd qtr	3rd qtr	4th qtr
Full-Time Schedule (Denominator)	520	520	520	520	520	520
Full Time Employee 1	520	520	520	260	130	130
Full Time Employee 2	520	520	260	260	130	130
Part Time Employee (half time)	260	260	260	260	130	130
Temporary Employee (390 hrs)	0	0	130	130	130	0
Total Hours Worked (Numerator)	1,300	1,300	1,170	910	520	390
Quarterly FTE Reported	2.50	2.50	2.25	1.75	1.0	0.75

Note Relating to OMB Circular A-21: For recipients of assistance agreements that must comply with OMB Circular A-21, Cost Principles for Educational Institutions, an alternative calculation based upon the allocable and allowable portion of activities expressed as a percentage is acceptable to estimate jobs created and retained. OMB Circular A-21 recognizes that practices vary among educational institutions as to the activity constituting a full workload. Compensation charged to sponsored projects must conform to the institution's established policies and reasonably reflect the activity for which the employee is compensated. Charges to sponsored projects may be expressed as a percentage of their total activities. Therefore, for purposes of ARRA reporting of jobs created or retained, colleges and universities may count, proportionately, the percentage of effort directly charged to ARRA awards as an FTE equivalent.

Under this alternative calculation and consistent with this Guidance, job estimates will be reported:

1. Based on the total available time in the reporting period, regardless of when the grant period or employment period begins.

For example, if a lab technician charges 100% effort on a project for only one month in the quarter being reported (but zero effort the other two months because no work was performed or the grant was not yet awarded), then the recipient report should reflect 0.33 FTE for that individual.

2. For all reporting periods that the grant is active.

For example, if a researcher provides 100% effort in the grant's first quarter and 50% effort in the grant's second quarter, the recipient report for the first quarter will reflect 1 FTE and the second will reflect 0.5 FTE.

2.11 What are the step-by-step instructions for recipients to calculate their estimates of jobs created and retained using the formula above?

Successful use of the formula is dependent upon correctly inputting the appropriate number of hours in the numerator (or "top" of the formula) and the denominator (or "bottom" of the formula). This section will walk through the steps recipients must take to use the formula to calculate jobs estimates for projects and activities fully funded by Recovery Act funds. The following outlines how to calculate estimates for projects and activities with multiple funding streams (i.e. partially funded by the Recovery Act).

Elaborating upon the example provided earlier, assume the recipient is City Library with a standard full-time work week of 40 hours. The library receives a Recovery grant and is able to hire two full-time librarians and one part-time bookkeeper. These three new hires are in addition to the two full-time librarians already employed by City Library who are paid out of a non-Recovery Act funding source.

First, City Library assesses which hours worked should be included into the calculation by looking at its payroll. It will only include the hours worked for Washington, Madison and Jefferson whose jobs were funded by the Recovery Act.

Employee Name	Job Title	Funded by the Recovery Act?	ARRA Hours Worked in Qtr
J. Adams	Librarian	No	0
A. Jackson	Librarian	No	0
M. Washington	Librarian	Yes	520
D. Madison	Librarian	Yes	520
T. Jefferson	Bookkeeper	Yes	260
TOTAL HOURS FUNDED IN QUARTER			1,300

The library will not include the hours worked by Adams or Jackson whose jobs were funded from sources other than the Recovery Act.

City Library maintains a 40 hour per week full-time schedule. It must represent its full-time schedule in reporting quarters, not work weeks. To do this City Library must:

- (a) Calculate how many full-time work hours are in a quarter:
 - 40 hours in a full-time work week schedule
 - x 13 weeks in a quarter
 - 520 total work hours in a quarter

(b) City Library enters its calculations into the numerator and denominator of the formula to convert its hours worked into FTEs for the estimate of jobs created and retained by its Recovery grant.

$$\frac{1300 \text{ Recovery Act Funded Hours Worked \& Funded by Recovery Act}}{520 \text{ Hours in a Full-Time Schedule}} = 2.5 \text{ FTE}$$

City Library will report **2.5 FTEs** into the “**Number of Jobs**” data field in FederalReporting.gov.

Assume now that in a subsequent quarter, City Library begins paying Adams and Jackson with Recovery Act funds along with other employees. Then Adams and Jackson should count toward the numerator in that quarter. The new numerator is now 2,340.

Employee Name	Job Title	Funded by the Recovery Act?	ARRA Hours Worked in Qtr
J. Adams	Librarian	Yes	520
A. Jackson	Librarian	Yes	520
M. Washington	Librarian	Yes	520
D. Madison	Librarian	Yes	520
T. Jefferson	Bookkeeper	Yes	260
TOTAL HOURS FUNDED IN QUARTER			2,340

The denominator remains the same, as a full-time schedule for City Library is still 520 work hours per quarter. Entering the new numerator, City Library obtains a new estimate of the number of FTE jobs created and retained by its Recovery Grant:

$$\frac{2,340 \text{ Recovery Act Funded Hours Worked \& Funded by Recovery Act}}{520 \text{ Hours in a Full-Time Schedule}} = 4.5 \text{ FTE}$$

In the subsequent quarter, City Library will report **4.5 FTEs** into the “**Number of Jobs**” data field in FederalReporting.gov.

2.12 How do recipients include estimates for jobs partially funded by the Recovery Act?

In calculating an FTE for situations in which hours worked are partly funded by the Recovery Act, recipients should use the steps outlined above, and in doing so, assess what portion of hours worked are funded by the Recovery Act. For example, County Corrections assesses which hours worked should be included into the calculation by looking at its payroll. It will only include the hours worked for Carter, Coolidge, and Taylor whose jobs were funded by the Recovery Act.

Name	Job Title	Funded by the Recovery Act?	Hours Worked Total	Hours Funded by ARRA
H. Hoover	Guard	No	n/a	
W. Harding	Custodian	No	n/a	
J. Carter	Technician	Yes	520	520
C. Coolidge	Guard	Yes	520	130
Z. Taylor	Guard	Yes	520	130
TOTAL HOURS WORKED IN QUARTER			1,560	780

County Corrections will not include the hours worked by Hoover or Harding who were already employed prior to receiving the Recovery grant and whose jobs were funded from sources other than the Recovery Act.

County Corrections determines that part of Coolidge and Taylor's time was funded from the Recovery Act and part was funded from other sources. Specifically, 25% of the hours for Coolidge and Taylor were paid for with Recovery Act funds. County Corrections thus adjusts the hours of Coolidge and Taylor downward from 520 to 130. County Corrections determines that Carter's job is fully funded by the Recovery Act, so it counts all of his hours. Now County Corrections applies the same remaining steps as explained above:

(a) Calculate how many full-time work hours are in a quarter:

40 hours in a full-time work week schedule
x 13 weeks in a quarter
520 total work hours in a quarter

(b) County Corrections enters its calculations into the numerator and denominator of the formula to convert its hours worked into FTEs for the estimate of jobs created and retained by its Recovery grant.

$$\frac{780 \text{ Recovery Act Funded Hours Worked \& Funded by Recovery Act}}{520 \text{ Hours in a Full-Time Schedule}} = \frac{1.5}{\text{FTE}}$$

County Corrections will report 1.5 FTEs into the "Number of Jobs" data field in FederalReporting.gov.

Alternatively, County Corrections may know the overall portion of Recovery Act funds used to pay the salary of its employees, but it may not have that information for each individual employee. In that case, County Corrections should use an alternative calculation in which an adjustment is made to the FTE number to match the appropriate percentage of Recovery funding. For example, suppose the work hours for Carter, Coolidge and Taylor are funded partly by the Recovery Act and partly with local funds, with half of the funding coming from the Recovery Act. Then County Corrections will first count the total number of FTEs associated with these three jobs, and second adjust these FTEs based on the proportion of funding associated with the Recovery Act.

Employee Name	Job Title	Funded by the Recovery Act?	Hours Worked Total
H. Hoover	Guard	No	n/a
W. Harding	Custodian	No	n/a
J. Carter	Technician	Yes	520
C. Coolidge	Guard	Yes	520
Z. Taylor	Guard	Yes	520
TOTAL HOURS WORKED IN QUARTER			1,560

(a) Calculate how many full-time work hours are in a quarter:

40 hours in a full-time work week schedule
x 13 weeks in a quarter
520 total work hours in a quarter

(b) County Corrections enters the total hours worked for its employees into the numerator and the total quarterly hours into the denominator to convert its hours worked into FTEs for the estimate of jobs created and retained by its Recovery-funded project.

$$\frac{1,560 \text{ Recovery Act Funded Hours Worked \& Funded by Recovery Act}}{520 \text{ Hours in a Full-Time Schedule}} = 3.0 \text{ FTE}$$

Now, given that County Corrections determined that employees were funded 50% by the Recovery Act, it multiplies the number of FTEs by 50% to obtain the number of Recovery Act FTEs:

$$3 \text{ Total FTEs} \times 50\% = 1.5 \text{ FTE}$$

County Corrections will report 1.5 FTE into the “Number of Jobs” data field in FederalReporting.gov.

2.13 Will recipients be able to calculate their jobs estimates by using a tool such as a “jobs calculator?”

While there is not currently an online Recovery Act “jobs calculator,” this Guidance provides a straightforward summary document of the calculation methodology. The summary outlines the necessary calculations to estimate the jobs created and retained for Recovery funded projects or activities by Recovery award. See ARRA Jobs Worksheet, Attachment A.

2.14 How should recipients estimate the job impact of funding provided to sub-recipients?

Recipients must include an estimate of jobs created and retained on projects and activities managed by their funding recipients (i.e. sub-recipients) in the “Number of Jobs” field and their narrative description. This information will be provided for each project and activity funded by the Recovery Act. The clarification that recipients must report jobs estimates for all sub-awarded funds was an update from guidance prior to June 2009.

For example, City Library receives a \$10 million Recovery Act-funded grant to develop a youth summer reading program. Assume the library uses \$1 million to administer the program, including the hiring of five FTE, and distributes nine \$1 million grants to area nonprofits focused on reading and education. In this case, City Library will report the direct job creation of the 5 FTE, and it would also provide an estimate of the total employment impact of the nine \$1 million grants.

Prime recipients are required to generate estimates of job impact by directly collecting specific data from sub-recipients and vendors on the total FTE resulting from a sub-award. To the maximum extent practicable, information should be collected from all sub-recipients and vendors in order to generate the most comprehensive and complete job impact numbers available.

2.15 In what circumstances are jobs reported in a prior quarter included or removed from a recipient's reports in a subsequent quarter?

Once a job is reported by a recipient as created or retained by the Recovery Act, the recipient shall continue to report this job as created or retained in subsequent quarters as long as the job continues to be funded by the Recovery Act. The example below demonstrates this principle:

City Public Transportation reported 5 jobs in Quarter 1, consistent with the below table and calculation.

Employee Name	Job Title	Funded by the Recovery Act?	Hours Worked Total	Hours Funded by ARRA
J. Q. Adams	Driver	Yes	520	520
A. Johnson	Mechanic	Yes	520	520
C. A. Arthur	Mechanic	Yes	520	520
G. Cleveland	Driver	Yes	520	520
R. Nixon	Mechanic	Yes	520	520
TOTAL HOURS WORKED IN QUARTER			2,600	2,600

(a) Calculate how many full-time work hours are in a quarter:

40 hours in a full-time work week schedule
 x 13 weeks in a quarter
 520 total work hours in a quarter

(b) City Public Transportation enters its calculations into the numerator and denominator of the formula to convert its hours worked into FTEs for the estimate of jobs created and retained by its Recovery grant.

$$\frac{2,600 \text{ Recovery Act Funded Hours Worked \& Funded by Recovery Act}}{520 \text{ Hours in a Full-Time Schedule}} = 5 \text{ FTE}$$

City Public Transportation will report 5 FTEs into the “Number of Jobs” data field in FederalReporting.gov for Quarter 1.

Employee Name	Job Title	Funded by the Recovery Act?	Hours Worked Total	Hours Funded by ARRA
J. Q. Adams	Driver	Yes	520	520
A. Johnson	Mechanic	Yes	520	520
C. A. Arthur	Mechanic	Yes	520	520
G. Cleveland	Driver	Yes	520	0
R. Nixon	Mechanic	Yes	520	0
TOTAL HOURS WORKED IN QUARTER			2,600	1,560

In Quarter 2, City Public Transportation no longer funds Cleveland and Nixon with Recovery Act dollars. However, City Public Transportation continues to fund Adams, Johnson and Arthur with Recovery Act dollars. City Public Transportation will do the following calculation for Quarter 2:

(a) Calculate how many full-time work hours are in a quarter:
 40 hours in a full-time work week schedule
 x 13 weeks in a quarter
 520 total work hours in a quarter

(b) City Public Transportation enters its calculations into the numerator and denominator of the formula to convert its hours worked into FTEs for the estimate of jobs created and retained by its Recovery grant.

$$\frac{1,560 \text{ Recovery Act Funded Hours Worked \& Funded by Recovery Act}}{520 \text{ Hours in a Full-Time Schedule}} = 3 \text{ FTE}$$

City Public Transportation will report 3 FTEs into the “Number of Jobs” data field in FederalReporting.gov for Quarter 2.

A different situation arises if the workers are hired for a definite term, with a plan to pay a portion of their wages and salaries over that term with Recovery Act funds and the remaining portion with non-Recovery Act funds. In this case, the recipient should compute the total number of FTEs involved in the project in the relevant quarter, then multiply this by the share of the project’s costs

that are paid with Recovery Act funds. The resulting number of Recovery Act FTEs should be reported in the “Number of Jobs” data field. This is true even if the Recovery Act and non-Recovery Act funds are charged at different times during the course of the project. For example, suppose that a recipient school district plans to use a combination of Recovery Act funds and non-Recovery Act funds to hire 100 new, full time teachers for the school year, with half of the funds coming from the Recovery Act. Then the recipient should: 1) count all the hours worked by the teachers in the current reporting quarter (5,200); 2) divide that number into the number of hours in a full time schedule for a quarter (520), yielding a total of 100 FTEs; and 3) multiply this number by the

percentage of the project funded by the Recovery Act (50%). Thus, the district reports 50 FTEs in each quarter. The reporting is the same if the Recovery Act funds are drawn down evenly across the four quarters of the year or if Recovery Act funds are used exclusively for the first half of the year and non-Recovery Act funds are used for the second half; the key factor is the share of the overall project funded by the Recovery Act.

This example should be distinguished from the example of City Public Transportation above. In that example, it was assumed that the recipient hired its employees for an indefinite term. Thus, each quarter, the recipient must re-determine the percentage of work hours (if any) funded by the Recovery Act. When the recipient stops paying Cleveland and Nixon with Recovery Act funds, it no longer counts their work hours when calculating the job total. By contrast, in the school district example, the employees were hired for a defined period of one year with a plan to use both Recovery Act and non-Recovery Act funds to pay their salaries. Thus, as long as the 100 FTEs continue to work in each quarter of that year, the 50 jobs (discounted to reflect partial funding) should be reported in each quarter. Even if the recipient expended only the Recovery Act portion of funds in the first two quarters of the school year to pay the salaries for the 100 teachers and then expended only the non-Recovery Act portion of the funds in the second two quarters of the school year to pay the salaries of these same 100 teachers, then the recipient should still report 50 jobs in each of the four reporting quarters.

2.16 Can a job be reported as created or retained before Recovery Act dollars are expended?

As described above, a funded job is defined as one in which the wages or salaries are either paid for or will be reimbursed with Recovery Act funding. Thus, a job that is paid initially with non-Recovery Act dollars may be reported as created or retained as long as such dollars eventually will be reimbursed with Recovery Act funds for the jobs being reported. For example, a recipient may decide to begin hiring new employees as soon they are notified of the amount of their Recovery Act award, but before Recovery Act dollars are received or expended. If, in this situation, the non-Recovery Act dollars that are paying the wages of the new employees were used as an advance on the Recovery Act dollars awarded, the recipient can appropriately report these jobs as created or retained. However, if the recipient does not intend to use its Recovery Act award to reimburse for the previous expenditure of non-Recovery Act funds on wages and salaries, then the hours for such jobs should not be reported in the calculation of jobs created or retained. If the reimbursement occurs after the job is terminated, the recipient only reports the jobs as created or retained during quarters in which the employment actually occurred.

2.17 When should recipients make corrections to incorrect job estimates and any other incorrect data from prior reporting quarters?

Effective February 2, 2010, the FederalReporting.gov solution will be open for continuous corrections of data. However, such corrections can only be made for the reporting quarter (i.e., the most recent quarter). Corrections for prior quarters will be handled as follows:

- Federal agencies subject to this guidance shall instruct recipients to maintain within their administrative records comprehensive information on any and all necessary corrections to prior quarter data.
- Recipients will be required, at a time and process to be specified in the future, to submit this information to the Federal government, after which the Recovery and Accountability Transparency Board will determine the best approach for making this information available on Recovery.gov.

Consistent with requirements of Section 1512 (c) of the Recovery Act, recipients are required to make corrections to erroneous or missing data submitted in prior quarters. As noted above, this information will not be submitted through FederalReporting.gov at this time. Instead, recipients wishing to make corrections or non-reporters wishing to submit reports for prior quarters shall maintain this information in their administrative records for submission in a manner to be specified at a later date. Also, the clarifications to the definition of a job created or retained included in this guidance are not intended to be retroactive to the quarter ending September 30, 2009. Thus, recipients are not required to re-calculate and/or correct job estimate totals for the quarter ending September 30, 2009 based on the definitional clarifications in this guidance. Any corrections to job estimate totals reported for the quarter ending September 30, 2009 should rely on the definition of a created or retained job included in the prior guidance, OMB Memorandum 09-21, issued June 22, 2009.

2.18 How should a recipient calculate the FTE for a teacher on a contract that is less than 12 months?

Recipients should consider the total hours worked during the school year as equivalent to 1 FTE even if the period is less than 12 months if the teacher is working pursuant to a contract that the recipient regards as full-time. A teacher working in excess of a full-time contract would be counted as more than 1 FTE (e.g., a teacher who is working 12 months of the year and receiving additional compensation for working during the summer months). That teacher's FTE should be determined by how many hours the teacher worked in relation to the number of hours in the normal full-time contract. For example, if the normal contract was to work for 1733 hours (10 months), and the teacher worked 2080 hours, that teacher would be counted as 1.2 FTEs (2080 divided by 1733 = 1.2).

Consider this example. The hypothetical full-time schedule for a teacher is to work 520 hours in quarters 1-3 then to work only 1 month in quarter 4 (173 hours).

Cumulative Hours Worked	Q1	Q2	Q3	Q4
Teacher with full time schedule + summer teaching	520	1040	1560	2080
Full-Time-Schedule	520	1040	1560	1733
FTE:	1.00	1.00	1.00	1.20

Notice that the hours worked are rising faster than the full-time schedule in the 4th quarter and that the teacher represents more than 1 FTE in the 4th quarter.

The FTE for a teacher working on a full-time schedule and NOT working during the summer (Q4) would be calculated as follows:

Cumulative Hours Worked	Q1	Q2	Q3	Q4
Teacher with full time schedule	520	1040	1560	1733
	-			
Full Time Schedule	520	1040	1560	1733
	-			
FTE:	1.00	1.00	1.00	1.00

2.19 How should a recipient report the job impact on vendors?

Vendor jobs supported with Recovery Act funds must also be reported. The recipient in this example also uses Recovery Act funds to: a) initiate a new contract to purchase computers from Vendor A; b) augment an existing contract for the provision of vocational evaluation services from Vendor B, and; c) initiate a new contract to purchase and implement a case management system with Vendor C.

Vendor A

The purpose of the contract with Vendor A is solely to purchase goods (e.g. computers). Because the new contract with Vendor A is solely for the purpose of purchasing goods and is unlikely to have resulted in any “direct” employment (as defined above), the recipient will not need to include the contract with Vendor A in its calculations under the reporting requirements related to jobs creation, and no jobs should be reported in connection with this contract. In general, grantees will not be required to report on the job creation from material purchases.

Vendor B

The purpose of the contract augmentation with Vendor B is to purchase additional specialized services. Because this contract augmentation includes the purchase of services rather than goods, the recipient will need to include the contract with Vendor B in its jobs impact calculations. Consistent with the steps provided in this guidance document, Vendor B must determine the total additional hours worked as a direct result of the additional funds available through the Recovery Act.

For this example, assume that in order to provide the additional services required as a result of this contract augmentation with the recipient, Vendor B hires 1 new full-time staff member and adjusts the hours worked by 1 current staff member from part-time to full-time. Because Vendor B has an existing contract with the recipient and will be using Recovery Act funds to increase the number of hours worked by 1 employee from part-time to full-time, Vendor B must also take the additional step of subtracting any hours that will not be supported with, or be a direct result of, Recovery Act funds from the total hours worked by the employees.

Further assume that Vendor B's full-time schedule equals 38 hours per week. The table below shows the created or retained hours for Vendor B, and is the result of following the procedure outlined above. The hours worked in the table are the actual hours

worked less the hours that would have been worked in absence of Recovery Act funds. In this example, Employee 1 would not have been hired in absence of the Recovery Act funds (the baseline is zero) so the reported hours are 494 per quarter (494 actual hours worked – 0 baseline hours worked = 494 created or retained hours). Employee 2 would have been employed in absence of Recovery Act funds, but only as a part-time employee (baseline is 247 per quarter). Even though Employee 2 works as a full-time employee, only 247 is reported in each quarter, because the 247 baseline is subtracted in each quarter (494 total hours worked – 247 baseline hours worked = 247 created or retained hours).

Vendor B Calculation – (Full-Time Schedule = 38 hours per week)

Period	1 st qtr	2 nd qtr	3 rd qtr	4 th qtr	Cumulative FTE-value in 4th quarter
Employee 1	494	988	1482	1976	1
Employee 2	247	494	741	988	0.5
-	-	-	-	-	-
Total Hours Worked	741	1482	2223	2964	
-	-	-	-	-	-
Full-Time Schedule	494	988	1482	1976	
-	-	-	-	-	-
FTE	1.5	1.5	1.5	1.5	

Notice that Employee 2 contributes only .5 to the FTE calculation in the fourth reporting quarter, because that employee would have worked as a part-time employee in absence of the Recovery Act funding.

Vendor C

The purposes of the new contract with Vendor C include both the purchase of goods (e.g., a case management system), as well as the provision of a service (e.g. technical support). Vendor C’s full-time schedule equals 40 hours per week. Because this contract includes the purchase of services and results in “direct” employment of individuals at Vendor C, the recipient will also need to include the contract with Vendor C in its jobs impact calculations. Like Vendor B, Vendor C must report any additional hours that are supported directly as a result of Recovery Act funds (e.g., for the provision of technical support services). However, since Recovery Act funds are the sole source of funds for the project/activity to be conducted by Vendor C, and the project would not exist without Recovery Act funds, all hours worked by “direct” employees in the project will be counted in the jobs creation estimate. Vendor C should simply use the total hours worked as a basis for calculating its quarterly FTE.

As a result of this contract, Vendor C employed 1 additional full-time employee. In addition to servicing the contract with the recipient, the additional employee has other unrelated responsibilities. The created or retained hours must be adjusted to reflect “direct” hours only. Although the employee would not have been employed in absence of the Recovery Act funds, only 75% of the employee’s time is spent in “direct” support of the contract with the recipient. The contract start date is the first day of the second reporting quarter. Therefore, the first quarter should not show any hours worked.

The table below shows FTE calculations for a single fiscal year for Vendor C.

Vendor C Calculation (Full-Time Schedule = 40 hours per week)

Period	1 st -qtr	2 nd -qtr	3 rd -qtr	4 th -qtr	Cumulative FTE value in 4th quarter
Employee 1	0	390	780	1170	0.75
-				-	
Total Hours Worked	0	390	780	1170	
-				-	
Full Time Schedule	520	1040	1560	2080	
-				-	
FTE	0	0.375	0.5	0.56	

Notice that the reported quarterly FTE will approach (but never reach) .75 as the lack of reported hours in quarter 1 becomes less significant in the cumulative hours worked in each passing quarter.

Section 3: Infrastructure Investments

2.1 What is an infrastructure investment?

An infrastructure investment is financial support for a physical asset or structure needed for the operation of a larger enterprise. Therefore, infrastructure investments include support for tangible assets or structures such as roads, public buildings (including schools), mass transit systems, water and sewage systems, communication and utility systems and other assets or structures that provide a reliable flow of products and services essential to the defense and economic security of the United States, the smooth functioning of government at all levels, and society as a whole.

Regarding school buildings, an infrastructure investment may include work on the building related to electrical systems, plumbing systems, heating, ventilation or air conditioning systems, the installation of energy-efficient windows, the repair or replacement of roofs, asbestos abatement or removal, bringing facilities into compliance with fire and safety codes, making facilities accessible, or upgrading facilities to support new programs or services. Work related to the building’s water and sewage systems and communication and utility systems (as mentioned in the previous paragraph) would also be included.

In addition, in order to be considered an infrastructure investment, an activity must be a capital outlay and have an effect on over 50% of the building (or the relevant resource if not a building) to which the activity applies.

2.2 What data do LEAs and fiscal agents of SSAs need to report regarding infrastructure investments?

LEAs and SSA fiscal agents must report the cumulative amount of ARRA funds expended and reimbursed by TEA for infrastructure investments, as well as a description of infrastructure investments pursued. Infrastructure investments reported are those allowable under the particular grant program guidelines and approved in the recipient's grant application.

2.3 What should the infrastructure investment description contain?

TEA has provided a number of relevant infrastructure investment descriptions in the ER system for recipients to use in identifying the types of infrastructure investments being reported. Recipients should check any of the infrastructure investment descriptions relating to infrastructure investments being reported. Recipients may also enter infrastructure investment descriptions in a text box in cases where none of the provided descriptions adequately describe an infrastructure investments being reported.

Section 4: Contact Information

- NCLB ARRA (including Title II Part D ARRA Formula funding) reporting questions at (512) 463-9374 or nclb@tea.state.tx.us
- Title II Part D ARRA Competitive funding reporting questions at (512) 463-9400 or T3@tea.state.tx.us
- IDEA ARRA reporting questions at (512) 463-9414 or sped@tea.state.tx.us
- SFSF for reporting questions at (512) 936-3647 or arrastimulus@tea.state.tx.us.

Attachment A. ARRA Jobs Worksheet for Quarterly Reporting

PREFERRED

STEP 1: Calculate Quarterly Hours in a Full-Time Schedule.

- A. Start by determining the standard hours in a full-time work week schedule as illustrated below. This example uses **40** hours, but other standards are possible.
- B. Multiply this amount by 13 weeks to determine the quarterly number of hours for full-time work:

$$\mathbf{40 \text{ Hours in full-time work week} \times 13 \text{ weeks per year} = \mathbf{520 \text{ Total Quarterly Hours}}$$

STEP 2: Calculate the Full Time Equivalent (FTE) for this Quarter.

- A. Determine the number of hours worked in positions funded by the Recovery Act within the current quarter. For example, a full-time employee working 40 hours per week during the entire quarter will work 520 hours in the quarterly reporting period.
- B. Divide this number by the “Quarterly Hours in a Full-Time Schedule” number calculated in STEP 1. This calculation should be performed for each employee working under Recovery Act funding within the reporting quarter (add each together to calculate an FTE total):

$$\frac{\mathbf{520 \text{ Hours Worked and Funded by Recovery Act}}}{\mathbf{520 \text{ Quarterly Hours in a Full-Time Schedule}}} = \mathbf{1.0 \text{ FTE}}$$

For this example, the FTE figure “1.0” should be reported within the “Number of Jobs” data field in FederalReporting.gov.

(If Needed) Reflect Partial ARRA Funding.

- A. Count all hours worked on the project. In this example, a total of 520 hours were worked on the project and the total number of quarter hours in a full time schedule is 520 hours. The recipient determines the amount of hours, by employee, funded by the Recovery Act (in this case, 50%) and totals only those hours.
- B. Calculate FTE:

$$\frac{\mathbf{260 \text{ Hours Worked}}}{\mathbf{520 \text{ Quarterly Hours in a Full-Time Schedule}}} = \mathbf{0.5 \text{ FTE}}$$

For this example, the FTE figure “0.5” should be reported within the “Number of Jobs” data field in FederalReporting.gov.

OR the recipient does not have the information by employee, but knows the overall percentage of the work hours funded by the Recovery Act (in this case, 50%).

Calculate FTE:

$$\frac{520 \text{ Hours Worked}}{520 \text{ Quarterly Hours in a Full-Time Schedule}} = 1 \text{ FTE}$$

$$1 \text{ FTE} \times 50\% = 0.5 \text{ FTE}$$

For this example, the FTE figure “0.5” should be reported within the “Number of Jobs” data field in FederalReporting.gov.