



Education Jobs Fund FAQs

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Please direct all questions on implementation of the Education Jobs Fund to CampaignHub@nea.org

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Where can I find information on the U.S. Department of Education’s application and program guidance?

The program application and initial guidance can be found here:
<http://www2.ed.gov/programs/educationjobsfund/applicant.html>.

As of August 25, 2010, 17 States and American Samoa have applied (see <http://www2.ed.gov/programs/educationjobsfund/applications/index.html>).

How will Ed Jobs fund be allocated to States?

The \$10 billion Education Jobs Fund will be administered by the U.S. Department of Education under the terms and conditions of the State Fiscal Stabilization Fund (SFSF), Title XIV of Division A of the American Recovery and Reinvestment Act of 2009 with exceptions as noted here.

The U.S. Secretary of Education is required to allocate the funds as follows:

- (1) one-half of one percent, or \$50 million, to the outlying areas;
- (2) \$1 million for administration;
- (3) one-half of one percent, or \$50 million, to the U.S. Secretary of the Interior for schools operated or funded by the Bureau of Indian Affairs; and
- (4) the remaining amount, \$9.899 billion, to the States (defined as the Governor) as was done under the SFSF – 61 percent on the basis of their relative population of individuals aged 5 through 24; and 39 percent on the basis of their relative total population.

Each State may reserve up to two percent of its allocation for administrative costs.

Any funds that a Governor does not award as subgrants or otherwise commit within one year of receiving the funds shall be returned to the U.S. Secretary of Education to be reallocated to other States.

Allocations by state are available in Appendix A of the State application. Also, at <http://www2.ed.gov/about/overview/budget/statetables/10edjobsfund.pdf>.

How soon will the money be available?

The U.S. Secretary of Education must award funds to States no later than 45 days after the date of enactment to States that have submitted applications meeting the requirements set in the law. The Education Jobs Fund was signed into law on August 10, 2010, which gives the Department until September 24, 2010.

The U.S. Secretary of Education cannot “require information in applications beyond what is necessary to determine compliance with applicable provisions of law.”

The Department anticipates enabling a State to draw down its funds within about two weeks of receiving an approvable application.

What happens if the Governor does not apply for Ed Jobs funds?

If, within 30 days after the date of enactment, or by no later than September 9, 2010, a Governor has not submitted an approvable application, the U.S. Secretary of Education shall provide for funds allocated to that State to be distributed to another entity or other entities in the State under terms and conditions set by the Secretary. Regardless of the entity or entities selected, no distribution shall be made to the State unless the Secretary determines that the State meets the law’s maintenance-of-effort requirements.

How will Ed Jobs funds be distributed locally?

After setting aside up to two percent for administrative costs, a State must allocate the remaining funds to local educational agencies for the support of elementary and secondary education in order to retain, recall, rehire, or hire educators and other school employees for the 2010-11 school year (or for funds received through state reallocations, for the 2010-11 or the 2011-12 school year).

Funds shall be distributed through either the State’s primary elementary and secondary funding formulae or based on local educational agencies’ relative

shares of funds under Title I, Part A of the Elementary and Secondary Education Act (ESEA) for the most recent fiscal year for which data are available.

Which local distribution formula should my State choose?

As soon as possible, you should request allocations by school district under both formulas – the State’s primary elementary and secondary funding formulae and the ESEA Title I, Part A federal formula – from your State education agency to determine which formula is most favorable to retaining and creating the most education jobs.

As an interim step, you can calculate a “rough” estimate by school district for each formula as follows. For the State’s primary education funding formulae, you will need to obtain the allocations by school district made under SFSF – Education Grants, preferably in a spreadsheet format, from the State education agency. For each individual school district, calculate the district’s share of funding as a percentage of the total under the SFSF – Education Grants; and apply that percentage to the State’s allocation under the Education Jobs Fund (a link to preliminary state estimates is available above), less two percent withheld by the State for administrative costs. This will give you a rough estimate only.

Similarly, calculate each district’s share of funding as a percentage of the total under the federal Title I, Part A formula (available from the U.S. Department of Education in an Excel spreadsheet for each state at <http://www2.ed.gov/about/overview/budget/titlei/fy10/index.html>); and apply the percentage to the State’s allocation under the Education Jobs Fund. Again, this will provide you with an approximation only. (Note that the amounts by school district provided by the U.S. Department of Education are “gross” amounts and do not reflect subsequent adjustments made by the State.)

The Governor will indicate which funding formula the State will use on the application to be submitted to the Department.

When must a Governor make Ed Jobs funds available to LEAs?

A Governor must make awards to LEAs on a timely basis so that funds are available for use during the 2010-2011 school year. An LEA must be able to use all of its allocation, if it so chooses, during the 2010-2011 school year.

May a Governor direct how an LEA may use its Ed Jobs funds?

No. A Governor may not direct how an LEA may use its Ed Jobs funds. LEAs have the discretion to decide how to use program funds, consistent with the provisions in section 101(5) of the Act and all other applicable requirements.

If a State has not reduced funding for education, are LEAs in the State still eligible to receive Ed Jobs funds?

Yes. Any State that meets the Ed Jobs MOE requirements, including those that have not made cuts to education, is eligible to receive program funds. If a State's LEAs do not need funds to recall or rehire former employees, they may use the funds for activities such as paying the salaries and benefits for teachers who provide instructional services in after-school and extended learning programs.

May a State retain, for any purpose, additional Ed Jobs Funds beyond those authorized to be reserved for State administration?

No. All funds not reserved for State administration must flow to LEAs. Thus, a State may not, for example, retain a portion of LEA allocations to make payments into a teacher retirement system on behalf of its LEAs.

What other State uses of Ed Jobs funds are prohibited?

A State may not use program funds, directly or indirectly, to establish, restore, or supplement a rainy day fund, or to supplant State funds in a manner that has this effect. Furthermore, a State may not use program funds, directly or indirectly, to reduce or retire debt obligations incurred by the State or to supplant State funds in a manner that has this effect.

For what purposes may an LEA use its Ed Jobs funds?

Funds awarded to local educational agencies may be used only for compensation and benefits and other expenses, such as support services, necessary to retain existing employees, to recall or rehire former employees, and to hire new employees, in order to provide early childhood, elementary, or secondary educational and related services.

The Governor or any other State official cannot add any additional requirements on how districts can use the funds beyond what is contained in the law.

What categories of expenses may an LEA support with Ed Jobs funds?

For purposes of this program, the phrase “compensation and benefits and other expenses, such as support services” includes, among other things, salaries, performance bonuses, health insurance, retirement benefits, incentives for early retirement, pension fund contributions, tuition reimbursement, student loan repayment assistance, transportation subsidies, and reimbursement for childcare expenses.

Which employees may an LEA support with Ed Jobs funds?

An LEA may use the funds to pay the salaries of teachers and other employees who provide school-level educational and related services. In addition to teachers, employees supported with program funds may include, among others, principals, assistant principals, academic coaches, in-service teacher trainers, classroom aides, counselors, librarians, secretaries, social workers, psychologists, interpreters, physical therapists, speech therapists, occupational therapists, information technology personnel, nurses, athletic coaches, security officers, custodians, maintenance workers, bus drivers, and cafeteria workers.

May an LEA use Ed Jobs funds to change previously established employee salary schedules or to reduce the number of furlough days?

Yes. An LEA may use Ed Jobs funds, for example, to restore reductions in salaries and benefits and to implement salary increases for the 2010-2011 school year. In addition, an LEA may use the funds for any additional salary and benefits costs associated with the elimination of furlough days that had been scheduled for the 2010-2011 school year.

An LEA may not use Ed Jobs funds to compensate employees for any period prior to August 10, 2010, the date of enactment of the Act.

Are there any prohibitions on an LEA’s use of Ed Jobs funds?

Yes. The statute prohibits LEAs from using Ed Jobs funds for general administrative expenses as that term is defined by the National Center for Education Statistics (NCES) in its Common Core of Data. These prohibited expenses are administrative expenditures related to the operation of the superintendent’s office or the LEA’s board of education, including the salaries and benefits of LEA-level administrative employees.

The statute also prohibits LEAs from using Ed Jobs funds for other LEA-level support services expenditures as that term is defined in the Common Core of Data. These prohibited activities include the payment of expenditures for fiscal services, LEA program planners and researchers, and human resource services.

May an LEA use Ed Jobs funds to meet previously unmet pension fund liabilities?

No. An LEA may not use Ed Jobs funds to meet pension obligations incurred in prior school years. However, an LEA may use its funds for pension obligations accruing on the basis of services that an employee performs during the 2010-2011 school year.

What are the maintenance-of-effort (MOE) requirements?

In order to receive an Education Jobs Fund grant, each State must provide assurance that State support for both elementary and secondary education and for public institutions of higher education (not including support for capital projects or for research and development or tuition and fees paid by students), measured separately, in fiscal year 2011 will be at or above either:

(1) the fiscal year 2009 level (in the aggregate or on the basis of expenditures per pupil); or

(2) the percentage share of total revenues available to the State as in fiscal year 2010; or

in the case of a State in which State tax collections for calendar year 2009 were less than State tax collections for calendar year 2006,

(3) the fiscal year 2006 level; or

(4) the percentage share of total revenues available to the State as in fiscal year 2006.

A State must use the same method to demonstrate compliance with both the elementary and secondary education and public institutions of higher education requirements. There are no waiver provisions included in the law.

What is the period of availability of Ed Jobs funds?

The Ed Jobs program supports educational and related services during the 2010-11 school year. The funds are available for obligations that occur as of August 10, 2010 (the date of enactment of the Act). An LEA that has funds remaining after the 2010-2011 school year may use those remaining funds through September 30, 2012. This period includes the additional year of fund availability authorized under the Tydings Amendment (Section 421(b)(1) of the General Education Provisions Act (GEPA), 20 U.S.C. 1225(b)(1)).

What other assurances are required?

Any state that has an approved application under phase II of the SFSF is deemed in compliance with the “education reform” assurances (achieving equity in teacher distribution, improving collection and use of data, improving standards and enhancing assessments, and supporting struggling schools) contained in the American Recovery and Reinvestment Act.

Section 442 of the General Education Provisions Act shall not apply to a local educational agency that has previously submitted an application to the State for funding under the SFSF. The assurances provided under that application shall continue to apply to funds awarded under the Education Jobs Fund.

Are there special requirements for the State of Texas only?

Yes. Funds used to support elementary and secondary education shall be distributed based on local educational agencies’ relative shares of funds under ESEA Title I, Part A for the most recent fiscal year which data is available; and must be used to supplement and not supplant State formula funding that is distributed on a similar basis to ESEA Title I, Part A.

The Governor of Texas must provide an assurance that the State will for fiscal years 2011, 2012, and 2013 maintain State support for elementary and secondary education at a percentage of the total revenues available to the State that is equal to or greater than the percentage provided for fiscal year 2011 prior to enactment of the Education Jobs Fund.

The U.S. Secretary of Education shall not distribute funds to another State entity in the absence of an application from the Governor of Texas unless the Governor assures that the State will meet the two requirements above.

How must the State and LEAs track Ed Jobs funds?

The State and its LEAs must maintain records that separately track and account for Ed Jobs funds. In accordance with the requirements of section 443(a) of GEPA (20 U.S.C. 1232f (a)), the State and its LEAs must maintain records that will facilitate an effective audit and demonstrate that the funds were used in compliance with applicable requirements.

Do the reporting requirements under section 1512 of ARRA apply to Ed Jobs funds?

Yes. Under section 101 of the Act, a State and its LEAs must fulfill the reporting requirements under section 1512 of ARRA. Specifically, the State will submit quarterly reports on its own behalf and on behalf of its LEAs that describe, among other things, how those funds were used.

Where do I report the misuse of funds?

Here are a few options. Anyone may reach out to the Department's Office of Inspector General (OIG).

- (1) Send an email message to oig.hotline@ed.gov
- (2) Call the OIG Hotline's toll free number 1-800-MIS-USED. The Hotline's operating hours are Monday, Wednesday and Friday 9:00 AM until 11:00 AM, Eastern Time; Tuesday and Thursday, 1:00 PM until 3:00 PM, Eastern Time except for holidays.
- (3) Complete and submit a Complaint Form (English, Español)
- (4) To ensure complete anonymity, download a hardcopy of the special complaint form, complete, and mail to:

Inspector General's Hotline
Office of Inspector General
U.S. Department of Education
400 Maryland Avenue, SW
Washington, DC 20202-1500

Your report may be made anonymously or in confidence.