



Illinois State Board of Education

Jesse Ruiz, Board Chair

Dr. Christopher Koch, State Superintendent

American Recovery & Reinvestment Act (ARRA)

Education Jobs Fund Program

September 9, 2010

10:00 a.m.

<http://www.isbe.net/arra/default.htm>



Illinois State Board of Education

Jesse Ruiz, Board Chair

Dr. Christopher Koch, State Superintendent

Tim Imler, Division Administrator
Funding and Disbursement Services
(217-782-5256)

Deb Vespa, Division Administrator
School Business and Support Services
(217-785-8779)



Illinois State Board of Education

Jesse Ruiz, Board Chair
Dr. Christopher Koch, State Superintendent

ISBE ARRA Info - <http://www.isbe.net/arra/default.htm>

The screenshot shows the Illinois State Board of Education website in a Windows Internet Explorer browser. The page title is "American Recovery and Reinvestment Act of 2009 and Illinois". The URL in the address bar is "http://www.isbe.net/arra/default.htm". The website header includes the ISBE logo and the names of the Board Chair (Jesse Ruiz) and State Superintendent (Dr. Christopher Koch). A navigation menu contains links for ISBE Home, Site Map, Funding Opps, IWAS, ECS, FRIS Inquiry, and Programs. A search bar is labeled "Search ISBE:". On the left, a sidebar menu lists various site sections like Administrator Info, Board, Calendar, and more. The main content area features a large heading "American Recovery and Reinvestment Act of 2009" and "Illinois Education Pre-K—12". Below this, a "What's New?" section is highlighted with a green oval, containing several links: "Education Jobs Fund Applicant Information", "FY11 Education Jobs Fund Program Webinar - September 9, 2010", "Renewal of D-U-N-S Numbers With Central Contractor Registration", "FY 2011 NCLB Consolidated and ARRA Applications Presentation", and "USDE Releases Information on i3 Grants". There are also two "Special Messages" from Superintendent Koch dated April 3, 2009, and February 19, 2009. A paragraph of text explains that the federal stimulus package (ARRA) will provide up to \$3 billion in education funding for Illinois. Below this text is a table with columns for "Revenue", "ARRA", "June 30,", and "Percent". On the right side, there is a "Resources" section with a link to "RECOVERY.Illinois.gov" and a "BLOW THE WHISTLE" logo. Below that is an "ISBE ARRA Site Links" section with a list of links including "ARRA Funding Allocations and Disbursements", "ARRA Funding Opportunities", "ARRA Guidance for Securing DUNS Number and CCR Registration", "ARRA IDEA Part B Grants", "ARRA Resources", "ARRA Webinars Archive", "Education Jobs Fund", and "Illinois Federal ARRA Information".

American Recovery and Reinvestment Act of 2009

Illinois Education Pre-K—12

What's New?

- [Education Jobs Fund Applicant Information](#)
- [FY11 Education Jobs Fund Program Webinar - September 9, 2010](#)
- [Renewal of D-U-N-S Numbers With Central Contractor Registration](#)
- [FY 2011 NCLB Consolidated and ARRA Applications Presentation](#)
- [USDE Releases Information on i3 Grants](#)

Special Message From Superintendent Koch April 3, 2009
Special Message From Superintendent Koch February 19, 2009

The federal stimulus package, known as the American Recovery and Reinvestment Act of 2009 (ARRA), will provide up to \$3 billion in education funding for Illinois.

Known funding levels from ARRA are as follows for Illinois.

Revenue	ARRA	June 30,	Percent

Resources

[RECOVERY.Illinois.gov](#)

BLOW THE WHISTLE

ISBE ARRA Site Links

- ▶ ARRA Funding Allocations and Disbursements
- ▶ ARRA Funding Opportunities
- ▶ ARRA Guidance for Securing DUNS Number and CCR Registration
- ▶ ARRA IDEA Part B Grants
- ▶ ARRA Resources
- ▶ ARRA Webinars Archive
- ▶ Education Jobs Fund
- ▶ **NEW!** Illinois Federal ARRA Information



Illinois State Board of Education

Jesse Ruiz, Board Chair

Dr. Christopher Koch, State Superintendent

Summary Information

- **Program Name:** Education Jobs Fund Program
- **Authorizing Statute:** Public Law No. 111-226
- **Award Amount:** \$415,397,841
- **Effective Date:** August 10, 2010
- **Availability of Funds:** August 10, 2010 through September 30, 2012
- **Federal Award Number:** S410A100014
- **CFDA Number:** 84.410
- **Revenue Account Code:** 4880
- **Reporting:** Subject to Section 1512 ARRA reporting requirements



Illinois State Board of Education

Jesse Ruiz, Board Chair

Dr. Christopher Koch, State Superintendent

ISBE ARRA Programs

<u>Program</u>	<u>Revenue Code</u>	<u>CFDA</u>
State Fiscal Stabilization – Education	4850	84.394
State Fiscal Stabilization – Other Govt Services	4870	84.397
Title I Low Income	4851	84.389
Title I Neglected – Private	4852	84.389
Title I Delinquent – Private	4853	84.389
Title I School Improvement (Part A)	4854	84.389
Title I School Improvement (1003g)	4855	84.388
IDEA Part B Preschool	4856	84.392
IDEA Part B Flow Through	4857	84.391
Title II D Technology Competitive	4861	84.386
McKinney Vento Homeless Education	4862	84.387
Child Nutrition Equipment Assistance	4863	10.579
Education Jobs Program	4880	84.410



Accounting Requirements for Ed Jobs Revenues and Expenditures

All ARRA revenues must be segregated by revenue source code. Education Jobs funds have been assigned a revenue account/source code of 4880 and may be deposited into any fund from which respective salaries and benefits will be paid.

All ARRA expenditures must reflect Fund, Function, Object, and ARRA revenue account code

<u>Fund</u>	<u>Function</u>	<u>Object</u>	<u>Revenue Source Code</u>
XX	XXXX	XXX	XXXX
10	1100	100	4880



ISBE Emergency Rules

Emergency rules have been initiated to designate the new revenue code LEAs must use to document receipts and expenditures paid with the Education Jobs Fund program revenue.

The State Board of Education will consider the emergency rules at its September meeting. The Emergency Rules and Regulations will be posted for accounting requirements at:
http://www.isbe.net/rules/archive/pdfs/23IAC100EmergAmnd_Code.pdf



Purpose & Funds Availability

- ✦ Provides assistance to States to save or create education jobs for the 2010-2011 school year.
- ✦ Additional funds. Not GSA replacement funds.
- ✦ 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.



Distribution Methods

A State must distribute the funds to LEAs *either* –

- 1. Through the State's primary elementary and secondary education funding formula(e) as identified in its application for funding under the State Fiscal Stabilization Funds program; *or***
- 2. On the basis of the LEAs' relative shares of funds under Part A of Title I of the ESEA for the most recent fiscal year for which data are available.**

Illinois chose option #1 - General State Aid



Distribution Methods

General State Aid

- **Funds distributed on statewide proportionate share calculation of gross GSA funds due to each district in FY 2011.**
- **LEA proportionate percentage of their FY 2011 gross GSA was multiplied by the \$415 million Education Jobs grant award.**



Permissible Use

A local education agency must use its funds 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.



Permissible Use

“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.



Who is eligible?

- **Teachers and other employees who provide school-level educational and related services.**
- **In addition, 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,**
 - **Inform. technology pers., nurses, athletic coaches,**
 - **security officers, custodians, maintenance workers,**
 - **bus drivers, and cafeteria workers.**



Prohibited Costs

General Administrative Expenses

- **Operation of the superintendent's office or the LEA's board of education, including the salaries and benefits of LEA-level administrative employees.**

Note: Administrative level employees who also work at the school level may have the portion of their salary and benefits paid that is attributable to school level activities. Appropriate time and effort documentation must be maintained for audit purposes.

- **Payment of expenditures for fiscal services, LEA program planners and researchers, and human resource services.**



Prohibited Costs

External Contractual Expenses

- An LEA may not use the funds to pay for contractual school-level services by individuals who are not employees of an LEA (e.g., janitors employed by an outside firm).
- However, an LEA that contracts with another LEA to provide educational and related services may use Ed Jobs funds to pay that portion of the contract associated with the salaries and benefits of the employees of the LEA providing the services.
- September 1 clarifying guidance from the Dept of Ed allows the LEA to pay the salaries and benefits of individuals who provide school-level services and are employees of a charter school, even if those employees are not considered to be employees of the LEA for other purposes.



Prohibited Costs

Prior Year Expenses

- 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.**



Requesting Funds

- **The State may not draw down (i.e. request) any Ed Jobs funds on its own behalf or on behalf of an LEA, unless the State or the LEA intends to spend the funds to meet immediate expenditure needs (i.e., needs within 3-5 days).**
- **Reimbursement of eligible compensation costs.**
- **ARRA Stabilization Fund assurance statement is being used as the application for the Ed Jobs program.**



Draw of Funds

- Expenditure reports submitted through the Electronic Expenditure Report System in IWAS.
- LEAs will submit cumulative (i.e. year to date) expenditure reports that reflect eligible compensation and benefit costs on a cash basis.
- Monthly expenditure reports (e.g. Aug 31, Sept 30, Oct 31, Nov 30 etc.) will be available for submission as each month ends.



Draw of Funds

- **Amounts reflected on submitted expenditure reports will be vouchered by ISBE twice a month (approx 10th and 25th).**
- **Monthly expenditure reports are not required.**
- **Cumulative reports can be submitted by the LEA as reimbursement is needed until the Education Jobs fund allocation is exhausted.**



Reporting

- ★ **Identical to current ARRA reporting requirements.**
- ★ **All LEAs must submit ARRA data (i.e. full-time equivalent ARRA funded positions and vendor payments \geq \$25,000).**
- ★ **ARRA reporting must occur if Ed Jobs funds are drawn in a quarter.**



Calculating FTE

- **Successful full-time equivalency (FTE) calculations are dependent on correctly inputting the appropriate number of hours in the numerator (top of the formula) and the denominator (bottom of the formula).**
- **Step 1 - Determine the number of hours in a full-time work week schedule.**
- **Step 2 - Determine the number of hours worked in positions that are ARRA funded.**
- **Step 3 - Divide the number calculated in Step 2 by the quarterly hours in a full-time schedule calculated in Step 1.**



Calculating FTE (Cont.)

The formula would look as follows:

$$\frac{\text{Total Hours Worked \& Funded with Ed Job dollars in the quarter}}{\text{Quarterly Hours in Employee's Full-Time Schedule}} = \text{FTE}$$



Calculating FTE (cont.)

For example:

Step 1 – If an employee works 40 hours a week for 13 weeks, the quarterly number of hours for full-time work is 520 hours. (This may change by type of employee)

Step 2 - Determine the number of hours worked in positions that are funded and paid with Ed Jobs dollars. For example, a full-time employee working 40 hours per week during the entire quarter will work 520 hours in the quarterly reporting period.



Calculating FTE (cont.)

Step 3 - Divide the number calculated in Step 2 by the quarterly hours in a full-time schedule calculated in Step 1. This calculation should be performed for each employee working and funded with Ed Jobs dollars. The formula for reporting can be represented as:

**520 hrs funded and paid for the employee in the quarter (divided by)
520 hrs in the employee's full-time schedule in the quarter (equals)**

= an FTE of 1.00



Reporting

- ✦ All LEAs must submit ARRA data to ISBE **5 calendar days** from the end of each quarter reporting quarter.
- ✦ D-U-N-S registration with the Central Contractor Registration site (CCR) <http://www.ccr.gov> must be kept active and current to avoid suspension of ARRA funds.



Requesting Funds and ARRA Reporting - Example

LEA #1 Education Jobs Allocation = \$100,000

- August 31 – \$60,000 in compensation costs from Aug 10 through Aug 31 submitted by the LEA to ISBE on Sept 15.
- September 25 - Payment for \$60,000 vouchered to the LEA.
- September 30 - ARRA FTE jobs report required for Ed Jobs Program. Due Oct 5.
- September 30 – No Monthly Expenditure Report Submitted by the LEA.



Requesting Funds and ARRA Reporting – Example

(cont.)

LEA #1 Education Jobs Allocation = \$100,000

- October 31 – No Monthly Expenditure Report Submitted by the LEA.
- November 30 – \$100,000 in cumulative compensation costs through Nov 30 submitted by the LEA to ISBE on Dec 6. LEA expenditure reporting complete.
- December 10 - Payment for \$40,000 balance vouchered.
- December 31 - ARRA FTE jobs report required for Ed Jobs Program. Due Jan 5. LEA Ed Jobs ARRA reporting complete.



Illinois State Board of Education

Jesse Ruiz, Board Chair

Dr. Christopher Koch, State Superintendent

AUGUST

31

\$60,000 in compensation costs from Aug. 10 through Aug. 31 submitted by the LEA to ISBE on Sept. 15.

SEPTEMBER

25

Payment for \$60,000 vouchered to the LEA.

SEPTEMBER

30

ARRA FTE jobs report required for Ed Jobs Program. Due Oct. 5.

SEPTEMBER

30

No Monthly Expenditure Report submitted by the LEA.

OCTOBER

31

No Monthly Expenditure Report submitted by the LEA.

NOVEMBER

30

\$100,000 in cumulative compensation costs through Nov. 30 submitted by the LEA on Dec. 6. LEA expenditure reporting complete.

DECEMBER

10

Payment for \$40,000 balance vouchered to the LEA.

DECEMBER

31

ARRA FTE jobs report required for Ed Jobs Program. Due Jan. 5. LEA Ed Jobs ARRA reporting complete.



Monitoring

- LEAs will be monitored.
- LEAs must ensure that all reported data is properly documented and supported.

Supporting documentation should provide an adequate audit trail between reported data and source documents such as:

Timesheets, payroll records, invoices, executed contracts, financial system reports and other information stored in grant files.



Other Issues

- **No decision has been reached at this time if the Ed Jobs dollars are subject to the higher Teacher's Retirement System percentage.**
- **Education Jobs funds are considered federal and must be reported on the Schedule of Expenditures of Federal Awards for A-133 Single Audit.**
- **A-133 Single Audit must be conducted if LEA federal expenditures from all sources exceed \$500,000 in the fiscal year.**



Guidance Information

- **USDE ARRA Programs Overview and Guidance**
<http://www.ed.gov/policy/gen/leg/recovery/programs.html>
- **Education Jobs Fund Guidance**
<http://www2.ed.gov/programs/educationjobsfund/applicant.html>
- **ARRA OMB Frequently Asked Questions**
http://www.whitehouse.gov/omb/recovery_faqs/
- **December 18, 2009 OMB Jobs Guidance**
http://www.whitehouse.gov/omb/assets/memoranda_2010/m10-08.pdf
- **ISBE Revised ARRA Reporting Procedures (March 2010)**
http://www.isbe.net/arra/pdf/arra_reporting_inst.pdf



Illinois State Board of Education

Jesse Ruiz, Board Chair

Dr. Christopher Koch, State Superintendent

Questions

