



# SFSF / ED JOBS 101

March 31, 2011

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- Overview of Programs
- Key Differences
- Monitoring
- Reporting
- Closing Out
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# State Fiscal Stabilization Fund

# State Fiscal Stabilization Fund (SFSF) – The Basics

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- What: A one-time appropriation of \$48.6 Billion divided into two components: the Education Stabilization Fund (ESF), 81.8% and the Government Services Fund (GSF), 18.2%
- Why: To help stabilize State and local budgets to avoid or minimize reductions in education and other essential services, in exchange for a State's commitment to advance essential education reforms
- How: The Department made awards to States in two phases between 2009 and the middle of 2010

# SFSF – LEA Allowable Uses

- Subject to limited statutory prohibitions, an LEA may use Education Stabilization funds for any activity that is authorized under the following Federal education acts:
  - ▣ The Elementary and Secondary Education Act (ESEA)
  - ▣ The Individuals with Disabilities Education Act (IDEA)
  - ▣ The Adult Education and Family Literacy Act (AEFLA)
  - ▣ The Carl D. Perkins Career and Technical Education Act (Perkins Act)
  
- Note: LEAs may use SFSF funds for new construction. They also have fewer restrictions than IHEs in terms of facility use.

# SFSF – IHE Allowable Uses

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- A public IHE may use Education Stabilization funds for –
  - ▣ Education and general expenditures
  - ▣ Modernization, renovation, or repair of facilities that are primarily used for instruction, research, or student housing, including those that are consistent with a recognized green-building rating system
- Note: New construction is considered a “capital expenditure,” not a “general expenditure,” and therefore not an allowable use of funds.

# SFSF – GSF Allowable Uses

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- A State may use its Government Services funds for “public safety and other government services,” such as assistance for elementary and secondary education and public IHEs
- In addition, the State may use these funds for modernization, renovation, or repair of public school facilities and IHEs, including those that are consistent with a recognized green-building rating system, subject to the requirements in the ARRA
- Note: A state may use funds for new construction or infrastructure support.

# SFSF – Performance Period

- LEAs, public IHEs, and other entities may use SFSF funds to support authorized activities for school years 2008-09 through 2010-11 (for school year 2008-09, funds may only be used for obligations made on or after February 17, 2009 [date of enactment of the law])
- All SFSF funds remain available for obligation through September 30, 2011. This obligation deadline applies regardless of when the Governor was awarded the funding
- A chart indicating when obligation occurs for various types of activities is provided in the Education Department's General Administrative Regulations (EDGAR) at 34 C.F.R. 76.707

# When Obligations are Made

<b>If the obligation is for...</b>	<b>The obligation is made...</b>
Acquisition of real or personal property	On the date on which the State or subgrantee makes a binding written commitment to acquire the property
Personal services by an employee of the State or subgrantee	When the services are performed
Personal services by a contractor	On the date on which the State or subgrantee makes a binding written commitment to acquire the services
Performance of work other than personal services	On the date on which the State or subgrantee makes a binding written commitment to obtain the work
Public utility services	When the state or subgrantee receives services
Travel	When the travel is taken
Rental of real or personal property	When the State or subgrantee uses property

# SFSF – Maintenance of Effort

- State support of elementary and secondary education and higher education during FY 2009, 2010 and 2011 must be at least at the same level as FY 2006 state support. If not, states must meet the waiver criterion
  - ▣ WAIVER CRITERION: The percentage of the total State revenues used to support elementary, secondary, and public higher education for the fiscal year under consideration is at least as great as the percentage of the total State revenues used to support elementary, secondary, and public higher education for the preceding fiscal year.
- The Department is currently considering waivers for FY 2010, which were submitted once data was finalized
- The Department will not consider waivers for FY 2011 until after the conclusion of the fiscal year for which the waiver is sought

# SFSF –1511 certification tips

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- Required - Title XV

1511 certifications for subrecipients using SFSF for infrastructure should be:

- Posted on State website
- Provided to the Department during monitoring

Note: Infrastructure is defined as a physical asset or structure needed for the operation of a larger enterprise.

- No standard form

- See examples at:

<http://www2.ed.gov/programs/statestabilization/resources.html>

- Allowable uses: Sec. 14002, 14003 and 14004 of Title XIV

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# Education Jobs Fund

# Education Jobs Fund (Ed Jobs) – The Basics

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- What: a one-time appropriation of \$10 Billion
- Why: to help local educational agencies (LEAs) save or create school-level education jobs during the 2010-2011 school year
- How: The Department made awards to States promptly after submission of an approvable application

# Ed Jobs – State Use of Funds

- Each State may reserve up to 2% of its allocation for the cost of administering the program
- Each State must award the remaining portion of its allocation (at least 98%) to LEAs, so that all funds are available for use during the 2010-11 school year
- If an LEA submitted an SFSF application to the State, it did not have to submit an additional application to receive Ed Jobs funds

# Ed Jobs – LEA Use of Funds

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- Funds may be used only for school-level employee compensation and benefits and other expenses, such as support services, necessary to:
  - retain existing employees
  - recall or rehire former employees
  - hire new employees
- Funds may not be used for general administrative expenses, fiscal services, and human resource services.
- LEAs decide how to use Ed Jobs funds

# Ed Jobs – Categories of Expenses

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Compensation and/or benefits and other expenses include, 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
- Reimbursement for childcare expenses

# Ed Jobs – Eligible Employees

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Teachers and other school-level employees include:

- Principals
- Assistant principals
- Academic coaches
- In-service teacher trainers
- Classroom aides
- Counselors
- Librarians
- Social workers
- Interpreters
- Physical, speech and occupational therapists
- Security officers
- Maintenance workers
- Nurses
- Bus drivers
- Cafeteria workers

# Ed Jobs – Performance Period

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- Funds must be made available to LEAs during the 2010-11 school year (funds not used in school year 2010-11 remain available for school year 2011-12)
- Funds may only be used for obligations made on or after August 10, 2010 (date of enactment of the law)
- All Ed Jobs funds remain available for obligation through September 30, 2012 (Tydings Amendment)

# Ed Jobs – Maintenance of Effort (MOE)

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- States must maintain fiscal effort for education for FY 2011
- Four methods are available for calculating MOE
- States must meet the MOE requirement using the same method for both elementary and secondary education and for public IHEs

# Ed Jobs – MOE continued

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## □ Method 1:

- Comparing FY2011 dollar levels of support with FY2009 levels

## □ Method 2:

- Comparing FY2011 percentages of support with FY2010 percentages

## □ Method 3\*:

- Comparing FY2011 dollar levels of support with FY2006 levels

## □ Method 4\*:

- Comparing FY2011 percentages of support with FY2006 levels

\* Methods 3 and 4 are only available to States with State tax collections for calendar year 2009 less than calendar year 2006.

# Key Differences

	<b>SFSF</b>	<b>Ed Jobs</b>
Benefiting Entities	LEAs, IHEs, and other government services	LEAs (specifically schools)
State Admin.	No set-aside but may use GSFs	2%
Allowable Uses (LEAs)	Activities under ESEA, IDEA, Adult Education, Perkins Act	Compensation, benefits, and support expenses for school level-employees
Allowable Uses (IHEs)	Education and other general expenses	None
Allowable Uses (other)	Public safety and other government expenses	None

# Key Differences (cont.)

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	<b>SFSF</b>	<b>Ed Jobs</b>
Performance Period	2009-2011	2010-12
Liquidation	December 2011	December 2012
MOE	1 method to calculate	4 methods to calculate
MOE Waivers?	Yes	No

# Monitoring/Fiscal Oversight: Best practices in State administration

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- We have seen three key practices in States that have managed the use of SFSF funds well:
  - Transparency
  - Standardization
  - Communication and coordination

# Monitoring/Fiscal Oversight:

## Cash management/collecting interest

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- Grantees may use reimbursement or cash advance method for disbursing funds
- Grantees and sub-recipients must return any interest earned on advances of grant funds in excess of \$100 (LEAs/State agencies) or \$250 (IHEs) each year to the Department (Parts 74 and 80 of EDGAR)
- Recipients must have an interest policy in place and must remit interest promptly (at least quarterly) to:

U.S. Department of Education  
P.O. Box 979053  
St. Louis, MO 63197-9000

# Monitoring/Fiscal Oversight: Separate Tracking of Funds – the “Gold Standard”

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- States that were able to invest in a centralized accounting structure were generally able to establish a unique fund code for SFSF revenues and SFSF expenditures that were utilized by all LEAs.
- States that did not have a centralized accounting structure were also successful when they were able to communicate and monitor a uniform methodology.

## **Leading Practice**

1. *Created unique SFSF fund code*
2. *Recorded SFSF receipts into revenue account code within SFSF fund code*
3. *For the first SFSF payment receipt, recoded prior allowable costs into expenditure account codes within SFSF fund code*
4. *In order to track specific SFSF expenditures for reimbursement with SFSF revenues, recorded future allowable costs into expenditure account codes within SFSF fund code*

# State Reporting to ED

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- For SFSF and Ed Jobs, MOE compliance data, quarterly 1512 reports, and Annual Performance Reports (APR)
- For SFSF only, amended SFSF applications and 1511 certifications

# 1512 Quarterly Reporting

- Tip Sheet/Guidance Highlights:
  - Specific guidance posted for jobs – call/email if you have questions
  - All fields except jobs are cumulative
  - “Quarterly activities” should include outcomes and specific activities for a given quarter
  - “Jobs created or saved” field should (to the extent possible) indicate the % spent on salaries vs. benefits
  - For SFSF or Ed Jobs, LEAs and IHEs that receive funds are to report as subrecipients, even if they are state agencies

# Closing Out

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- Grantees have up to 90 days from the end of the Tyding period to liquidate obligations
- Grantees can submit a request for late liquidation 30 days before the end of the obligation period. If approved, ED can allow up to 15 months for liquidation (18 months total)

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Questions?

# Resources

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- SFSF:
  - ▣ <http://www2.ed.gov/programs/statestabilization/applicant.html>
  
- Ed Jobs:
  - ▣ <http://www2.ed.gov/programs/educationjobsfund/applicant.html>
  
- 1512 Quarterly Reporting:
  - ▣ <https://www.federalreporting.gov/federalreporting/login.do> (includes April timeline with 4-day extended reporting period)
  - ▣ <http://www2.ed.gov/policy/gen/leg/recovery/section-1512.html> (includes both ED clarifying and OMB guidance, as well as tip sheets for each program)