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ARRA Jobs Estimates: Is Your Report Accurate?

The second reporting period has ended, and reports from Recipients of Stimulus Funds under the American Recovery and Reinvestment Act (ARRA) should already have been submitted. Recipient reported data became available on January 30, 2010, at www.recovery.gov. Beginning on February 2, 2010, federal agencies may comment on Recipients' reports, and both Prime and Sub-Recipients may revise their reports.

Many will be interested to see whether compliance with the reporting requirements improved compared with the previous reporting period, when more than 4,300 Prime Recipients failed to submit reports by the deadline.

Of greater interest will be data related to jobs created or retained as a result of Stimulus Funds.

Revised Jobs Reporting

On December 18, 2009, the Office of Management and Budget (OMB) provided new, simplified guidance regarding reporting on job creation estimates (M-10-08) http://www.whitehouse.gov/omb/assets/memoranda_2010/m10-08.pdf. This Guidance replaces the corresponding portion of OMB's prior guidance, Section 5 of OMB M-09-21, issued June 22, 2009. The Recipient Reporting Data Model has been updated to reflect the changes included in OMB's December Guidance: http://www.whitehouse.gov/omb/assets/memoranda_fy2009/m09-21-supp2.pdf

The new Guidance provides that job estimates are reported on a quarterly, rather than cumulative, basis. Recipients are to calculate job estimate totals by dividing the hours worked in the reporting quarter by the hours in a full-time schedule in that quarter. The estimate of the number of jobs created or retained is to be expressed as "full-time equivalents" (FTEs). To calculate an FTE, the number of actual hours worked in jobs funded by the Recovery Act is divided by the number of hours representing a full work schedule for the kind of job being estimated. If a job is only partially funded by Recovery Act funds, the number of FTEs should be adjusted to count only the portion corresponding to the share of Recovery Act funding.

The new OMB guidance also revised the definition of a "job created or retained" to include those funded in the quarter by the Recovery Act. 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. A "funded job" is one in which the wages or salaries are either paid for or will be reimbursed with Recovery Act funding.

Double counting is prohibited. A job may be counted as either a job created or a job retained, but not both.

The OMB Guidance includes several examples of how to calculate jobs created and retained.

Sub-Recipients

The new Guidance continues to require Prime Recipients to include an estimate of jobs created and retained on projects and activities managed by their Sub-Recipients. Prime Recipients are still expected to collect job-related information directly from Sub-Recipients and vendors, to the maximum extent practicable. Prime Recipients are not to report on “indirect” jobs (the employment impact on suppliers) or “induced” jobs (such as the general impact on the local community).

Documentation?

Although the OMB guidance does not impose requirements for maintaining documentation to support jobs reporting, it states that Recipients “should be prepared to justify their estimates.” Recipients, therefore, would be well-served to maintain written evidence to support the jobs estimates provided in their ARRA reports.

Effective Date

This revised Guidance for calculating jobs information applies beginning for the quarter ending December 31, 2009. It is not retroactive to the quarter ending September 30, 2009; Recipients are not required to re-calculate or correct job estimate totals for the third quarter of 2009.

Corrections Needed?

Recipients may correct any data already submitted until the start of the next reporting period. So, from

February 2 through March 31, 2010, Recipients may correct data included in their reports covering the quarter ending December 31, 2009.

OMB has not yet determined the method for Recipients to submit corrections for prior quarters. If a Recipient knows that corrections are necessary for prior quarters, it is to maintain this information for submission at a later date.

FAQs

Detailed information about specific reporting issues continues to be provided through the FAQs posted at <http://www.FederalReporting.gov/federalreporting/faq.doc>

Conclusion

The federal government has attempted to respond to concerns about the complexity of ARRA reporting requirements related to jobs information by streamlining the calculations that must be performed by Recipients of Stimulus Funds. The new method of determining the number of jobs created or retained must be used for reporting for the fourth quarter of 2009. Recipients may modify these reports between February 2 and March 31, 2010. Recipients should retain as much documentation as possible to verify the jobs-related information provided to the government.

For more information, contact Faith M. Williams, fwilliams@bricker.com.

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