



## Federal Education Jobs Fund

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### An Update on: Estimating the Impact of the EduJobs Proposal on States

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H.R. 1586 has recently passed the United States Senate and is awaiting a vote in the House of Representatives. This bill would establish a program, commonly referred to as EduJobs, which would provide \$10 billion to states to create or save education positions in K-12 public schools. Here are some of the details of the legislation:

- \$50,000,000 would be reserved for schools run by the Bureau of Indian Affairs.
- The remaining funding (\$9,950,000,000) would be distributed to states as follows: 61% based on each state's relative student-age population and 39% on their relative total population.
- States would be required to distribute funding to Local Education Agencies either using the state's primary K-12 school funding formula or based on the previous year's Title I distributions.
- States would be required to expend their funding from this program during the 2010-11 school year.
- Up to 2% of funding could be retained by states for administrative costs or to create or retain state-level education positions.
- Funds would need to be used by districts for "compensation and benefits and other expenses, such as support services, necessary to retain existing employees".
- Funds could not be used by districts for general administrative expenses or for other support services expenditures.
- States cannot use these funds to replenish rainy day funds or to reduce or retire debt.

#### Maintenance of Effort

Provisions were added to this bill to help to ensure that these funds are used to supplement and not supplant current education funding in states. States must meet one of the following maintenance of effort (MOE) provisions:

- For the 2010-11 school year, states must maintain their K-12 and higher education spending at FY 2008-09 levels.
- States must maintain both K-12 and higher education spending as the same percentage of the overall state budget as they did in FY 2009-10.
- States where tax revenue was lower in 2009 than it was in 2006 must either maintain K-12 and higher education spending at 2006 levels or maintain K-12 and higher education spending at the same percentage of the overall 2005-06 state budget.

## Additional Requirements for the State of Texas

A special section was included in the final draft of the bill that places additional requirements and restrictions on the state of Texas:

- The state is required to distribute these funds to districts based each local education agency's relative share of Title I, part A funding. The state is not allowed to distribute these funds through its primary funding formula.
- The governor must provide an assurance to the Secretary of Education that the state will maintain support of K-12 education for FY 2011, 2012 & 2013 at the same level of funding that existed for FY 2011 prior to the passage of this bill.

## Determining Job Creation

ECS estimates that just under **137,000** K-12 teaching positions would be saved or created by this legislation ([please see Appendix I for a state-by-state breakdown](#)). Estimates are based on the following:

- *U.S. Census Bureau information from 2008 (to determine funding distributions to states)*
- *An assumption that each state would retain 2% of the total funding amount, the maximum allowed, prior to making distributions to school districts*
- *An assumption that all K-12 positions created or saved would be teaching positions. Teaching salaries tend to be higher than other salaries within K-12 school districts; thus, if districts opted to use these funds to hire or retain non-teaching positions, larger job growth could be generated.*
- *The most current state-by-state average teacher salary data from the National Education Association to determine teacher salaries<sup>1</sup>*
- *State-by-state benefit expenditures from the National Center for Educational Statistics were used to determine the cost of teacher benefits.<sup>2</sup>*

### Notes:

- Set asides for "Outlying Areas" and for the cost of federal administration of this act that were contained in the bill are not captured in this ECS review.
- ECS was unable to include estimates for Puerto Rico due to a lack of data. When we are able to retrieve additional data about Puerto Rico, this paper will be updated.

**Please see attached pages for a state-by-state breakdown**

*Stephanie Rose, ECS Clearinghouse Intern, provided research support on this policy brief.*

*ECS members can access the full data set used to make this estimate by contacting Michael Griffith at ECS ([mgriffith@ecs.org](mailto:mgriffith@ecs.org))*

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<sup>1</sup> *Rankings & Estimates: Ranking of States 2009 & Estimates of Statistics 2010*, National Education Association, page19, 2009.

<sup>2</sup> *Revenues and Expenditures for Public Elementary and Secondary Education: School Year 2007–08*, National Center for Education Statistics, United States Department of Education, 2010.

## **Appendix I**

### **Funding Estimates for The Education Jobs Fund**

	Projected Funding Distributed to States	Estimated Number of Teaching Positions Created/Saved
Alabama	\$150,116,714	2,250
Alaska	\$23,274,867	267
Arizona	\$211,725,729	3,621
Arkansas	\$91,329,260	1,496
California	\$1,224,277,325	13,318
Colorado	\$157,440,467	2,393
Connecticut	\$111,131,021	1,251
Delaware	\$27,751,335	332
District of Columbia	\$18,405,612	251
Florida	\$554,617,721	8,959
Georgia	\$319,549,711	4,397
Hawaii	\$39,605,438	517
Idaho	\$50,945,595	836
Illinois	\$422,920,859	5,118
Indiana	\$206,855,335	3,032
Iowa	\$97,029,183	1,503
Kansas	\$92,576,871	1,572
Kentucky	\$133,778,719	2,100
Louisiana	\$147,412,284	2,222
Maine	\$39,470,566	614
Maryland	\$180,464,292	2,060
Massachusetts	\$205,622,677	2,083
Michigan	\$324,345,191	3,803
Minnesota	\$167,381,034	2,411
Mississippi	\$98,698,415	1,668

	Projected Funding Distributed to States	Estimated Number of Teaching Positions Created/Saved
Missouri	\$189,050,477	3,336
Montana	\$30,612,584	527
Nebraska	\$58,781,967	966
Nevada	\$82,063,577	1,184
New Hampshire	\$40,988,991	581
New Jersey	\$272,977,026	2,845
New Mexico	\$65,343,432	1,077
New York	\$621,934,792	6,263
North Carolina	\$295,326,583	4,794
North Dakota	\$21,387,610	392
Ohio	\$366,857,335	4,920
Oklahoma	\$118,970,048	2,090
Oregon	\$117,417,119	1,448
Pennsylvania	\$390,574,921	4,899
Rhode Island	\$33,663,226	396
South Carolina	\$143,417,582	2,298
South Dakota	\$26,248,948	574
Tennessee	\$195,071,644	3,279
Texas	\$824,380,503	14,846
Utah	\$100,381,691	1,645
Vermont	\$19,264,529	290
Virginia	\$247,676,618	3,704
Washington	\$206,926,562	2,963
West Virginia	\$54,622,712	810
Wisconsin	\$179,943,245	2,329
Wyoming	\$17,149,869	231
Puerto Rico	\$132,240,185	NA
<b>Total</b>	<b>\$9,950,000,000</b>	<b>136,758</b>