

Education Jobs Fund Act
Breakdown

HR 1586 EAS2 Amendment	Description	Comments?
SEC. 101 Education Jobs Fund	Establishes \$10 billion for state aid under most of the conditions established for SFSF under ARRA	
Allocation of Funds	Same as SFSF except Federal admin limited to \$1.0 million, grants are for a one year period and there are no reservations for additional programs. Dept. of Interior receives .5% for schools operated or funded by BIA.	MT allocation \$30,737,469
Reservations	No more than two percent can be used for administrative costs by the state.	\$614,750
Awards to Local Ed Agencies	<p>Funds are for the 2010-2011 school year and are to be distributed either through the state formula or through Title 1 allocation. Reallocations can be used for either 2010-2011 or 2011-2012 school year.</p> <p><i>(Note: In the press call, the Secretary of Ed stated that there is an existing law that would allow districts to carry funds until Sept 2012. However, they are discouraging this and wish to see states spend it now.)</i></p> <p>Also cannot use for anything other than primary and secondary education.</p>	<p>The application made by the Governor includes indicating which method the state will use. States must put the funds through the formula; the state cannot just prorate the amount based on previous funding.</p> <p>If Title 1 allocation is used, lower income schools will be targeted.</p>
Compliance with Educational Reform	Requires states to comply with reform. If state has an approved Phase II SFSF application, a state is considered in compliance.	MT has a Phase II SFSF approved application.
Requirement to use funds to create or retain education jobs.	<p>May only be used for compensation, benefits and other expenses such as support services to retain, rehire or hire employees for early childhood, elementary and secondary education.</p> <p>Cannot be used for other support services as defined¹ by:</p> <p>An expenditure function divided into seven sub functions: student support services, instructional staff support, general administration, school administration, operations and maintenance, student transportation, and other support services.</p> <p>Cannot be used for general administrative expenses as defined by: Expenditures for the board of education and superintendent's office for the administration of LEAs.</p>	<p>The state is the pass through entity. The decision on how to use these funds has been reserved for the local districts. Funds may not be used for district level administration or for capital projects. Must be used for salary and benefits of school level personnel and can include such items as performance bonuses, health insurance, retirement benefits, and incentives for early retirement, pension contributions, tuition reimbursement, student loan repayments, etc. State cannot mandate how the funds are to be used.</p>

¹ As defined by the National Center of Educational Statistics – Common Core of Data

Prohibition on use of funds for rainy-day or debt retirement	May not use funds, directly or indirectly, to create, supplement or restore a rainy-day fund or retire state debt.	
Deadline for award	Secretary of Ed shall distribute funds within 45 days of enactment) to states that have an approved application.	Applications due by September 9 th , funding to be released by September 23 rd .
Alternate Distribution of funds	If a state does not apply within 30 days of enactment, those funds are released for reallocation. Reallocated funds can be used for either 2010/2011 or 2011/2012 school year.	September 10th
Local Educational Agency Application	A state cannot require a LEA to submit an ED Funds Job application if the LEA has an approved SFSF application on file with the state.	
Maintenance Of Effort	<p>Three options for MOE, with the third option having a secondary choice.</p> <ol style="list-style-type: none"> 1. State spending for K12 and Higher Ed in SFY 2011 is equal to or exceeds SFY 2009 levels 2. State spending for K12 and Higher Ed in SFY 2011 is the same percentage or greater of total expenditures for SFY 2009 3. If tax collections for Calendar year 2009 are less than tax collections for Calendar year 2006 then <ol style="list-style-type: none"> a. state spending for K12 and Higher Ed in SFY 2011 is equal to or exceeds SFY 2006 or b. state spending for K12 and Higher Ed in SFY 2011 is the same percentage or greater of total expenditures for SFY 2006. 	<p>In the application process, the Governor is to certify that the state meets one of the MOE requirements.</p> <p>After the application is approved, the Governor's office has 60 days to provide documentation of MOE to US Dept. of Ed.</p> <p>This is significantly different than the SFSF MOE.</p>