Federal Railroad Administration Guidance on Reporting Jobs Created and Retained



Overview

In accordance with Section 1512 of the American Recovery and Reinvestment Act (ARRA or Recovery Act), the Office of Management and Budget (OMB) requires recipients of Recovery Act funds to report quarterly on the number of **direct jobs** created or retained through Recovery Act funds **within the reporting quarter** (not cumulative). Prime recipients must include any jobs created or retained on project activities managed by sub-recipients and vendors within their total number of jobs estimate.

The guidance document aims to assist recipients in completing the number of jobs estimate for the quarterly submission. This document provides the following information:

- Guidance for calculating the number of jobs created and retained
 - 1. Formula for calculating the number of jobs
 - 2. Formula for calculating the number of hours in a full-time schedule
- Example scenarios for calculating the number of jobs:
 - 1. Jobs fully funded by Recovery Act funds
 - 2. Jobs partially funded by Recovery Act funds
 - 3. Percentage of jobs funded by Recovery Act funds
- Appendix A: Definitions of Key Terms
- Appendix B: Additional Reference Materials

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Guidance for Calculating the Number of Jobs Created and Retained

Formula for Calculating the Number of Jobs

The formula for calculating the quarterly number of jobs created and retained in terms of "full-time equivalent" (FTE) is below:

Total Number of Hours Worked and Funded by
Recovery Act During the Reporting Period
Hours in a Full-Time Schedule

FTE

This total FTE value should be entered in the "number of jobs" data field in <u>FederalReporting.gov</u>.

Formula for Calculating the Number of Hours in a Full-Time Schedule

In order to calculate the number of jobs, as shown in the above formula, the number of hours in a full-time schedule must be determined. The formula for calculating the number of hours representing a full work schedule is below:

Number of Hours Worked by a Full-Time Employee per Week x = Full-Time Schedule

As a reminder, the number of hours in a full-time schedule should be based on what is standard for the type of job being estimated. The examples provided in this document use 40 hours as the standard number of full-time hours per week, resulting in 520 quarterly hours in a full-time schedule, but there may be other standards for a given industry or type of job.

Example Scenarios for Calculating the Number of Jobs

1. Example Calculation for Jobs Fully Funded by the Recovery Act

Scenario: A project that is entirely funded by the Recovery Act employs two full-time employees (100 percent time) and one part-time employee (50 percent time) during the reporting quarter.

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Calculate the Quarterly FTE: Full-time hours worked (520 hrs x 2 employees) plus part-time hours worked (260 hours), divided by number of hours in a full-time quarterly schedule (520 hrs): (1040 + 260) / 520 = (1300 / 520) total hours = **2.5 FTE**

FTE Calculation Based on Quarterly Hours Worked	
	Hours Funded by Recovery Act
Employee 1 – full-time hours worked	520
Employee 2 – full-time hours worked	520
Employee 3 – part-time hours worked	260
A. Total Hours Worked by Quarter	1300
B. Quarterly Hours for One Full-Time FTE	520
Total FTE: Number of Jobs Created/Retained (A divided by B)	2.50

2. Example Calculation for Jobs Partially Funded by the Recovery Act

The following example shows how to calculate the number of jobs created and retained under a scenario where some jobs are partially funded by Recovery Act funds.

Scenario: A project that is partially funded by the Recovery Act employs two full-time employees and one part-time employee (50 percent time). Employee 1 works full-time and his hours are 100 percent funded by Recovery Act funds. Employee 2 works full-time and 50 percent of her hours are funded by Recovery Act funds. Employee 3 is part-time and his job is not funded by Recovery Act.

Calculate the Quarterly FTE: Employee 1 (520 hrs worked x 100 percent Recovery Act funds= 520 Recovery Act funded hrs) + Employee 2 (520 hrs worked x 50 percent Recovery Act funds= 260 Recovery Act funded hrs) = 780 total hours, divided by number of hours in a full-time quarterly schedule (520 hrs) = 1.5 FTE. Note that no hours for Employee 3 are included in the calculation as his job is not funded by the Recovery Act.

FTE Calculation Based on Quarterly Hours Worked	
	Hours Funded by Recovery Act
Employee 1 – full-time hours worked, fully funded by Recovery Act funds	520

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Employee 2 – full-time hours worked, partially funded by Recovery Act funds	260
Employee 3 – part-time hours worked, not funded by Recovery Act funds	N/A
A. Total Hours Worked by Quarter	780
B. Quarterly Hours for One Full-Time FTE	520
Total FTE: Number of Jobs Created/Retained (A divided by B)	1.5

3. Example Calculation for Percentage of Jobs Funded by Recovery Act Funds

The following example shows how to calculate the number of jobs created and retained under a scenario where the percentage of total employee wages paid for by Recovery Act funds is known for the project as a whole.

Scenario: A project that is partially funded by the Recovery Act employs two full-time employees (100 percent time) and one part-time employee (50 percent time). The project uses Recovery Act funds to pay 50 percent of the total wages for the three employees.

- **A. Determine number of total FTE:** The project employs two full-time employees and one part-time employee working at 50 percent time, therefore the project employs 2.5 total FTE.
- **B.** Adjust FTE to Reflect Portion of Wages Paid by Recovery Act Funds: Multiply the number of FTE (2.5) by the portion of wages paid by Recovery Act funds (50 percent): (2.5 x 50 percent = 1.25). Therefore, the project should report **1.25 FTE** as the number of jobs funded by the Recovery Act.

FTE Calculation Based on Quarterly Hours Worked	
	Hours Funded by Recovery Act
Employee 1 – full-time hours worked, 50% funded by Recovery Act funds	260
Employee 2 – full-time hours worked, 50% funded by Recovery Act funds	260
Employee 3 – part-time hours worked, 50% funded by Recovery Act funds	130
A. Total Hours Worked by Quarter	650
B. Quarterly Hours for One Full-Time FTE	520
Total FTE: Number of Jobs Created/Retained (A divided by B)	1.25

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Appendix A: Definitions of Key Terms

<u>Direct Job</u>: A job that is directly charged to Recovery Act supported projects/activities and for which the wages or salaries are either paid for or will be reimbursed with Recovery Act funding.

<u>Full-Time Equivalent (FTE)</u>: A metric used by OMB to convert full-time, temporary, and part-time jobs into comparable metrics. FTE is calculated as total hours worked for jobs created or retained that were funded by the Recovery Act, divided by the number of hours in a full-time work schedule, as defined by the recipient.

Indirect Job (*not reported*): A job created or retained at a material supplier or central service provider.

Induced Job (not reported): Employment impact on the local community.

Number of Jobs Created and Retained: An estimate of the combined number of jobs created and jobs retained that were either directly paid for by the Recovery Act or will be reimbursed with Recovery Act funds during the current reporting quarter. This combined number should include any new positions created and filled, previously existing unfilled positions that are filled, and existing filled positions in the United States. The term does not include indirect jobs or induced jobs. This definition applies to prime contractor positions and first-tier subcontractor positions where the subcontract is \$25,000 or more. This number shall be expressed in terms of "full-time equivalent" (FTE).

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Appendix B: Additional Reference Materials

For more information, please refer to the following OMB guidance related to ARRA 1512 recipient reporting:

M-10-08 - Updated Guidance on the American Recovery and Reinvestment Act - Data Quality, Non-Reporting Recipients, and Reporting of Job Estimates (Dec 18 2009): http://www.whitehouse.gov/omb/assets/memoranda_2010/m10-08.pdf
*Note that guidance contained in M-10-08 supersedes M-09-21 guidance

M-09-21 - Implementing Guidance for the Reports on Use of Funds Pursuant to the American Recovery and Reinvestment Act of 2009 (June 22 2009): http://www.whitehouse.gov/omb/assets/memoranda_fy2009/m09-21.pdf

Recovery FAQs for Federal Contractors on Reporting: http://www.whitehouse.gov/omb/recovery_faqs_contractors

Recipient Reporting Data Model:

http://www.whitehouse.gov/omb/assets/memoranda fy2009/m09-21-supp2.pdf