EDUCATION JOBS CREATED OR SAVED BY ECONOMIC STIMULUS FUNDS NUMBER OVER 250,000

Initial reports from states that received fiscal relief funds through the $787 billion economic stimulus package show that at least 250,000 jobs in public school and higher education were either created or saved, according to President Obama’s Domestic Policy Council. The preliminary estimate is based on the first quarterly reports required for recipients of the state fiscal stabilization funds.

The American Recovery and Reinvestment Act (ARRA), which was enacted February 17, provided a total of $48.6 billion in state fiscal stabilization funds over two years. Of the total, $35.4 billion has been obligated, while another $13.2 billion remains to be distributed. Amounts reported by states show the funds helped restore education budget shortfalls totaling $13.1 billion in 31 states in school year 2008-2009 and another $20.3 billion in 48 states in school year 2009-2010.

The federal funding restored “nearly 100 percent of the 2008-09 budget gaps and a significant portion of the 2009-10 shortfalls,” the council states. “Based on an analysis of states’ initial and preliminary submission of the first ARRA [quarterly report] we foresee that over 250,000 education jobs have been retained or created through the Recovery Act.”

The jobs include those of teachers, principals, and support staff in elementary and secondary schools as well as educational, administrative, and support personnel in institutions of higher education. Separate estimates for job categories and states were not provided. The council cites news reports and anecdotal accounts stating that over the past nine months, 4,000 teaching jobs were saved in New York City and 6,326 teaching jobs in Los Angeles.

Randi Weingarten, president of the American Federation of Teachers (AFT), calls the ARRA funds “a lifeline for states, schools, students and their educators.” The federal assistance saved “thousands of teacher and school staff jobs that were threatened due to a significant drop in state revenue,” enabling schools to open this fall with minimal disruption. Local AFT leaders have provided the union with figures for some areas, such as Alabama, where about 3,700 jobs were retained statewide “thanks to ARRA funds.”

As the states are still finalizing their reports, the initial estimate is subject to revision in the coming weeks, the council says. The Recovery, Accountability, and Transparency Board is scheduled to release the first quarterly public accounting of all ARRA funds on October 30.

The education funding reports show that 24 states and the District of Columbia received nearly $11 billion in school year 2008-2009 for kindergarten through 12th grade education, while 44 states received about $17.1 billion in school year 2009-2010. For higher education, almost $2.2 billion went to 22 states and the District of Columbia in school year 2008-2009, while nearly $3.2 billion went to 38 states and the District of Columbia in school year 2009-2010.

In addition to direct state relief, ARRA provided $22.2 billion in additional Title I and special education formula funding through the Department of Education. “These dollars helped support the personnel necessary to sustain and expand essential programs for low-income students and students with disabilities,” the council says.


(Source: BNA, Daily Labor Report, No. 200, October 20, 2009, p. A7.)