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Legislative Fiscal Analyst
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DATE: September 15, 2009

TO: Members of the ARRA subcommittee

FROM: Barbara Smith., Fiscal Analyst II

RE: Reconciliation of Job Data

As you are aware, the American Recovery and Reinvestment Act includes reporting requirements for states and other recipients as a means to provide increased oversight of stimulus spending. These requirements include the reporting of jobs associated with ARRA funds. Recently I was asked to compare recent statements by the executive to the reporting system regarding the number of jobs created. The issue here is simply: "What constitutes a job?"

In the attached August 19th article in the Billings Gazette, the Governor stated that the federal stimulus money has created about 1000 jobs. This comment was clarified later in the article stating that through June, 418 jobs have been created from stimulus money through the Department of Labor and Industry, 267 jobs through the Department of Commerce, and 140 jobs through the Department of Transportation. The remaining 175 jobs came through other departments.

In reviewing the June data submitted from agencies to the Governor's office, the following FTE counts were reported: 465 from the Department of Labor and Industry, 191.86 from the Department of Commerce and 139.9 from the Department of Transportation. The total number of FTE reported for all agencies was 836.52; indicating 39.76 were from other departments. The two sources were based upon the same methodology but do not match.

What is a "job"?

For most purposes, the creation of a job indicates there is an availability of work that was not previously available. But in terms of ARRA, a proxy for job count has been implemented. This proxy is the number of hours paid for with stimulus funds converted to FTE for comparability purposes. In other words, the federal government is looking at how much labor was purchased rather than how many jobs were created or saved. The proxy does not represent specific jobs created.