

Colleges confused over which jobs have been saved by the extra cash

Employment

Doubts have arisen over imminent official data on the \$787bn package's effectiveness, writes Sarah O'Connor

Marcia Smith scratched her head when she got the e-mail. It offered her some surprising advice on how to calculate the effects of the US government stimulus money flowing to her university.

Across the US this month the universities, state governments, federal contractors and others that won a slice of the \$787bn stimulus package have been trying to calculate how many jobs they created or saved with the funds. The government promised it would create and save 3.5m jobs over two years; now it wants on-the-ground data to check on the progress.

The figures will provide the first direct estimate of the stimulus's effects on the labour market, and – with the unemployment rate edging towards 10 per cent – will be pored over by both the package's champions and its detractors.

But calculating those numbers has proved difficult. Many universities, for example, are including tenured academics in their "jobs created and saved" numbers even though their jobs were already guaranteed for life.

Ms Smith, who is associate vice-chancellor for research administration at the University of California, Los Angeles and leads a team handling its stimulus awards, received guidance

from the UC Office of the President saying she should include everyone paid by stimulus dollars, including tenured faculty members.

She was surprised, given that this appeared to clash with the government's definition of a "retained" job as "an existing position that would not have been continued were it not for [stimulus] funding".

But it did avoid a very sticky problem: how can you know for sure whether a job would have disappeared were it not for stimulus money?

She said: "I have 250 stimulus-funded researchers out there and I have to say to them, 'OK, these people were paid on your grants. Were their jobs created or retained?' And they look at me like, 'What do you mean? I don't know!'"

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stimulus money has been a godsend for the university, she says, but accounting for it has been a nightmare.

In a bid to be transparent yet not over-complicate things, the White House Office of Management and Budget asked recipients to calculate one single number for "jobs created and retained". To avoid overstating the effects of the money, it offered a simple formula to use: add up the number of hours of work the stimulus money paid for and divide by the number of hours in a typical full-time job. The problem,

though, is that this formula gives no guidance on how to distinguish or strip out jobs that would have continued to exist anyway.

As a result, many universities including UCLA decided simply to count up everyone who is paid through a stimulus grant, in accordance with the formula. Others have excluded tenured academics from their data, after taking legal advice, amid what they say was a lack of clarity from the government on how to deal with the issue.

"We've asked [the administration] several times. They never really gave us a direct answer," said Tony DeCrappeo, president of the Council on Governmental Relations, an association of research universities.

The OMB said tenured faculty members should not be included in the jobs count.

"The concerns expressed by a few universities are certainly addressable during the reporting review period under way right now," said Tom Gavin, a spokesman.

"We will continue to bend over backwards to ensure that the data published at the end of the month provides a thorough, accurate picture of the direct impact of the Recovery Act."

Ms Smith thinks that the data will still be very valuable and the guidelines on how to calculate jobs will soon be amended. "I would argue [the stimulus] is keeping people working. There would have been lots of people lost if these grants hadn't come in," Ms Smith said. "It's just hard to know which ones they are."

