

New Mexico Office of Recovery and Reinvestment  
Dec. 18, 2009 Office of Management and Budget Revised Guidance For FTE Calculation  
1.7.10

The federal Office of Management and Budget issued revised guidance in December that changes the job calculation formulas for full-time equivalent jobs reporting and instructions for reporting Recovery Act jobs for the quarter ending Dec. 31, 2009. While the exact impact of the changes will not be known until the final federal reporting is complete for the quarter ending December 31, 2009, these changes mandated by OMB may reduce the number of Recovery Act full-time equivalent jobs reported as created and saved for New Mexico, compared to the prior quarter. Here is a summary of the changes:

- 1) Jobs created/retained will be counted only if the employees are paid with Recovery Act funds.
  - Last quarter, the states were directed that if a school used education fiscal stabilization Recovery Act dollars to pay for expenses other than salaries, the school had to identify full-time equivalent jobs(FTEs) that they would have paid with Recovery Act dollars had they not elected to use this Recovery Act money to pay for other expenses, such as utilities. New Mexico called these “conversion FTE”. In compliance with these instructions, the hours associated with these conversion FTEs were then reported as jobs created. OMB has reversed this decision and now mandates that recipients report only FTEs paid for with Recovery Act funds. Recipients are not to report conversion FTE.
  
- 2) Jobs created/retained will be reported on a quarterly, rather than cumulative, basis.
  - Jobs created are not to be cumulative from one quarter to the next over the life of the Recovery Act. Jobs created are to be reported separately for each quarter. Federal guidance has not been issued as to whether or not the first quarter FTEs reported will need to be recalculated at some point to match the new OMB instructions.
  - New OMB guidelines mandate that FTEs are to be calculated as follows:

Total hours worked for the reporting quarter  
Divided by 520 (total hours of work in a full-time schedule, per quarter)
  - In the prior quarter, the June 22, 2009 OMB guidelines were followed for FTE calculation. New Mexico took the start date when each ARRA program could have started and used that start date to calculate the denominator, which was not necessarily a standard 520 hours for all calculations. For example, if a Recovery Act program began toward the end of the quarter, instead of showing it as creating X number of jobs in that quarter, per these new OMB changes, states must now take the number of hours worked for such a new program and divide it by 520 hours, even if less than 520 hours could realistically have been worked on a newly awarded Recovery Act project.

The December 18, 2009 OMB guidance on job reporting can be found here [OMB Guidelines M-10-08 \(12/18/2009\)](#)