

Employer Information Circular



Volume: 17 Issue: 9
Date: November 13, 2001

Membership Division • P.O. Box 15275 • Sacramento, CA 95851-0275

Full-time Equivalent (FTE)

The California State Teachers' Retirement System (CalSTRS) has received several inquiries from community college districts regarding how to determine the appropriate full-time equivalent (FTE) for a part-time instructor assignment with a community college district. In addition, recent reviews of community college district practices by CalSTRS auditors revealed that some districts use a base of 1,050 hours per year when determining the FTE for part-time employees without being able to substantiate the basis for using 1,050 hours. If the credited service of a member is miscalculated, it can result in a member receiving lower retirement benefits from CalSTRS than the member has earned, or, in some cases, being denied CalSTRS benefits entirely.

Section 22138.5 of the Education Code defines full-time as the “days or hours of creditable service the employer *requires to be performed by a class of employees* in a school year in order to earn the compensation earnable as defined in Section 22115 and *specified under the terms of a collective bargaining agreement or employment agreement*” (emphasis added). For purposes of crediting service, Section 22138.5 also specifies a minimum number of hours or days that can be the basis for determining full time. The basis upon which full-time is determined can exceed the minimum standard specified in Section 22138.5, but the basis must be consistent with the terms of a collective bargaining agreement or employment agreement. For community college instructors employed on a part-time basis, Section 22138.5(c)(5) specifies that the minimum standard is 525 instructional hours. In some cases, a class of employees is required to conduct office hours in addition to their teaching assignment. If conducting such office hours is required, and the instructors are compensated for conducting such office hours, then the calculation of the FTE for part-time community college instructors must include those office hours. A different minimum standard is specified for other community college employees, including counselors, librarians and administrators. (Previously, from July 1, 1996 through December 31, 1998, the minimum full-time standard for community college instructors was 30 teaching units per year of not less than 35 weeks in duration. Administrative Directive 96-02 provided direction on implementing that standard.)

In determining the FTE for part-time instructors, the district must determine the maximum number of hours that a part-time instructor could be required to work. One method that a district may use to establish an appropriate FTE is to apply the same standard used by the district in determining if a person hired to teach a community college class is classified as a temporary employee or a contract employee. Section 87482.5 of the Education Code states that “any person who is employed to teach adult or community college classes for not more than 60 percent of the

Continued . . .

hours per week considered a full-time assignment for regular employees having comparable duties shall be classified as a temporary employee, and shall not become a contract employee under Section 87604.” If the district has determined the number of hours that establish the basis for designating an employee as a temporary employee, the same standard can be used to calculate the CalSTRS FTE for part-time employees (525 hours or greater). Specifically, under this method, the employer would divide the maximum number of hours that a temporary employee can teach by 60 percent.

Example: If the employer limits the maximum number of hours an employee can teach in order to be classified as a temporary employee under Section 87482.5 to 360 hours per year, the FTE for that position is 600 hours, as follows:

$$360 \text{ hours} \div 0.60 \text{ limitation under Section 87482.5} = 600 \text{ hours}$$

Because 600 hours exceeds the 525 hour minimum standard, the district would calculate the FTE using 600 hours. (The FTE must be 525 hours or greater.)

If the employer’s required hours for part-time employees include mandatory paid office hours and that requirement is reflected in the bargaining or employment agreement, the number of required office hours must be added to other required hours to determine the FTE.

Example: If the district in the earlier example required each part-time instructor to conduct 30 hours per semester of paid office hours, the 60 hours of office hours per school year would be added to the 600 hours determined earlier, and the FTE for part-time instructors in that district would be 660 hours.

In all cases, if the additional required duties have a quantifiable value in hours and the duties are mandatory for all members of the class of employees, then the FTE must include those additional hours. The FTE would not reflect additional hours that were not required of the entire class of employees.

The current standard for part-time community college employees became effective January 1, 1999. The previous minimum standard, based on 30 teaching units per year, applied to service from July 1, 1996 through December 31, 1998. Employers must submit adjustments to reports if reports submitted for creditable service performed in the past did not reflect the appropriate determination of full time for part-time community college instructors. Questions concerning the establishment of appropriate FTEs for part-time community college assignments should be addressed to your CalSTRS Reporting Technician.