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To: Deans, Department Heads, Directors of Graduate Studies, Graduate Program Coordinators and Department Business Managers

From: Lisa Rulney, Interim Senior Vice President, Business Affairs/Chief Financial Officer *Lisa Rulney*

CC: Robert C. Robbins, President
President's Cabinet

Date: December 14, 2018

Re: Proposed ERE Rates for FY2020

The University of Arizona is committed to providing employees with important benefits such as health insurance, retirement plans, worker's compensation, liability insurance, and more. These benefits enable us to maintain a competitive position in the workforce and among higher education institutions, as evidenced by 2018 COACHE survey results, faculty rank UA benefits in the top 30% of 5 peer universities and a cohort 109 universities. As you will appreciate, maintaining stable rates for these employee-related expenses (ERE) is challenging, given increasing costs and employment changes.

Below are the proposed ERE rates for FY2019-20. These rates have been submitted to the University's Federal cognizant agency, Department of Health and Human Services (DHHS) for approval. While we await approval, the rates may be used in budgeting for FY2019-20. In addition, these rates may be used for internal planning purposes but **may not be used for sponsored proposal submissions until they are approved**. Please remember that rates will fluctuate from year to year, and any potential savings in one year should not be expected in future years.

ERE Group	2018-2019 FINAL Rates	2019-2020 PROPOSED Rates	Percentage Point Change
Employee Full-Benefit	31.2%	31.4%	0.2%
Faculty Ancillary	21.0%	20.0%	-1.0%
Classified Temporary	15.1%	15.9%	0.8%
Student Employees	2.0%	2.0%	0.0%
Graduate Assistants	14.1%	11.0%	-3.1%

We will continue to evaluate the ERE Rates pool structure, as well as other variables for future rate development, to ensure the method utilized is efficient and effective.

Please contact Nicole Salazar, Acting Vice President/Comptroller, Financial Services at 621-3220 or hinzen@email.arizona.edu for any questions regarding the proposed FY2020 rates.

