

## 2005-06 Budget Planning Parameters

### 2005-06 BUDGET PLANNING PARAMETERS

#### Employee Compensation

Detailed information about the 2005-06 salary programs including effective dates will be provided at a later date. The following assumptions about funding are provided for budget planning purposes.

- ♦ *Employee compensation programs are implemented without regard to fund source.* The campus will allocate funds (base and current) for all academic and staff employees that are permanently budgeted on general funds (19900, 19903, 19906, 19924), campus indirect cost recovery funds (19980, 07427, 69750) and registration fee funds (20000). These positions are budgeted in the following object consolidations: SB01, SB02, SB03, SB04, SB05, SB06, SB07 and SUBS.

Campus units will be expected to cover costs for all salary increases for employees paid from other funding sources including contracts and grants.

Campus units will be expected to cover costs for all salary increases for positions budgeted as general assistance (object consolidation of SUBG).

- ♦ *New contract and grant proposals and renewals should be amended immediately to incorporate the planning parameters provided above.* This information provided above is for planning purposes only because the terms of the salary programs have not yet been determined. However, we advise that you include the planning parameters to ensure that you will have sufficient funds available to address any additional salary cost increases.
- ♦ *Self-supporting units are allowed to increase rates as necessary to recover additional salary costs.* Additional information will be provided in the annual rate call letter that will be issued in March.
- ♦ *The Agriculture and Natural Resources (ANR) Division has a separate budget planning process.* In general, the University implements compensation programs without regard to fund source for all campuses and divisions, but each campus and division sets its own guidelines regarding the funding for those increases. For ANR, the funding policies are set by Vice President Gomes and his staff.

### EMPLOYEE BENEFITS AND UNIVERSITY INSURANCE PROGRAMS

*Benefits Expenditures.* For planning purposes, you may assume an average staff benefit rate of 23 percent. Actual benefit rates vary, and you should use actual information, if available, to establish your base budgets for benefits activities.

**Workers' Compensation Assessment.** The 2005-06 Workers Compensation payroll assessment rate is \$0.88 per \$100 of payroll (a \$.04 decrease from the 2004-05 rate). The 2005-06 rate reflects anticipated savings from recent legislation and from a better than expected circumstance for systemwide program losses anticipated in the current year. Information specific to the UCD campus will be provided at a later date.

**Employee Support Program Assessment.** The 2005-06 Employee Support Programs assessment rates will not change. 2005-06 rates are \$0.18 per \$100 of payroll for general campus units, including ANR, and \$0.03 for the School of Medicine.

**General, Employment and Automotive Liability (GAEL) Assessment.** For planning purposes, please use your unit's 2004-05 GAEL rate. However, if there were significant changes in the unit's organizational configuration, payroll expense, or claims experience in 2004-05, the 2005-06 GAEL rate will likely be impacted. The magnitude of the impact will not be known until the systemwide and campus actuarial studies are complete. We will provide additional information as soon as it is available (late March or April).

**General, Employment and Automotive Liability (GAEL) General Fund Offset.** Consistent with past years, the Provost and Executive Vice Chancellor will allocate \$1.7 million one-time funds on a pro-rata basis (actual prior-year general fund GAEL assessments) to offset the GAEL assessment for general funds. In general, this allocation is sufficient to cover in excess of 100% of general fund GAEL payroll assessments.

#### **OTHER PLANNING INFORMATION**

**Non-Salary Inflation.** For planning purposes, you may assume an average non-salary inflation rate of 2.25 percent. Actual inflation rates vary by activity and you should use actual data to the extent possible. Units are expected to cover the actual increases with existing resources.

**Short-Term Investment Pool Income (STIP).** For planning purposes, you may estimate an average annual STIP rate of 3.2%. The average annual STIP rate in 2003-04 was 3% and the rates for the first two quarters of 2004-05 were 3.1% and 3.2% respectively.