

Proposed ERE Rates for FY2014

To::

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

Names and titles:

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Date::

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The UA has experienced significant unanticipated ERE rate fluctuations over the past several years which has made financial planning for programs supported on grants, contracts, local and auxiliary funding particularly difficult.

Looking ahead, in an effort to address these fluctuations and to mitigate or reduce such large adjustments (up or down), we formed a small team across our respective offices to review and formulate possible options as we move forward. This year we have developed our ERE rate proposal based on this critical review to ensure that the assumptions utilized in the development of these rates were thoroughly examined. Our goal through this process was to work diligently in developing a rate schedule that, while accounting for increased costs in some areas, will reduce rate swings from year to year in an effort to maintain a greater level of predictability.

ERE rates have to be submitted to and approved by the Federal government before we can use them on grants and contracts. While the proposed FY2014 rates have not yet been accepted and cannot be used in grant submissions at this time, they should be used in future planning for both external funding and locally funded activities.

Two specific groups require further comment.

Everyone will note a very significant rate change in ancillary faculty from 4.3% to 21% for the next year, an increase of 16.7%. This group primarily includes post docs and medical residents. In reviewing past rates previously applied to this group of employees, it was determined that a problem existed with the system's classification of an employee group which caused rates to fluctuate over the past two years. The rate adjustment proposed for FY14 will bring us back in line with historic levels.

The effective graduate ERE rate for eligible sponsored grants and contracts will remain at 50% in FY14. Please note that the overall base graduate assistant ERE rate, which includes tuition remission, will be reduced from 65% in FY13 to 59.5% in FY14, a reduction of 6.5%. The University will subsidize graduate ERE at a rate of 9.5% on eligible sponsored grants and contracts, which enables the 50% effective rate for FY14. The University allocated additional funds to pay-off the accumulated deficit in the graduate assistant ERE pool in order to lower the overall rate in FY14 and to maintain the ERE rate of 50% on eligible sponsored grants and contracts. All active sponsored grants and contracts and proposals submitted prior to June 15, 2012, are eligible for this subsidy.

We anticipate changes in the methodology for recovering graduate tuition remission with plans to initiate RCM and from recommendations provided by the Graduate ERE Committee. However, changes will not be implemented until FY15 at the earliest.

Please contact Mark McGurk at 621-3220 or mcgurkm@email.arizona.edu ^[1] for any questions regarding the proposed FY14 rates. Questions regarding the sponsored grant and contract subsidy program should be directed to Caroline Garcia at 621-3900 or cmgarcia@email.arizona.edu ^[2].

https://uaatwork.arizona.edu/sites/default/files/proposed_ere_rates_for_fy2014.pdf

https://uaatwork.arizona.edu/sites/default/files/ere_rate_chart_fy14_0.pdf

Source URL: <https://uaatwork.arizona.edu/uannounce/proposed-ere-rates-fy2014>

Links

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