

To: Sponsored Program Services, Pre-Award  
Fr: Ken Sandel, Associate Vice President, Sponsored Program Services  
Re: Inflation Rates for Sponsored Programs Proposal Budgeting  
Date: October 7, 2024



The new electronic research administration system, PERA will be used beginning October 7, 2024 by Sponsored Program Services for creating proposal budgets. PERA automatically applies inflation to all staff categories at the beginning of each project period. Historically, inflation has been applied at the beginning of the fiscal year. With the PERA implementation inflation will be applied based on the table below beginning with the first project period to ensure funding is requested that will cover the anticipated salary increase that will be applied at the start of the new fiscal year. Additionally, graduate fee remissions are inflated in future years to account for expected future increases based on historical estimates.

Categories	Current Annual* Inflation Rate
All Personnel Salary Costs/Categories	4.0%
Graduate Fee Remissions (FY2024 Grad Fee Rates through FY2027)	0.0%
Graduate Fee Remissions (FY2028 and beyond)	2.0%**

\* Rates apply to a 12-month project period. The PERA system prorates the inflation based on the length of the project period.

\*\* Manual adjustment required due to system functionality limitations.

These inflation factors have historically been estimated based on the salary increase policy at the University from the previous 10 years. Based on more recent salary increase policies, effective immediately, we will budget using the inflationary rates listed above in sponsored project proposals. Graduate fee remissions have been estimated to remain stable through FY27 as a result of the freeze on student tuition rates. Inflation rates are applied consistently for all proposal submissions based on the estimate for each category.

cc: Managerial Accounting Services