

December 19, 2012

Dean Sharon Duffy
University Extension

Dear Sharon:

Under the terms of the Office of the President's policy on the Establishment and Review of Auxiliary Enterprises (UC Business and Finance Bulletin - 72), the Chancellor is responsible for the financial review of campus auxiliary and self-supporting enterprises. As a result of campus policy number 300 – 66B, the budget and rates of these enterprises are subject to a central campus review by Resource Planning & Budget (RPB) and approval by the Executive Vice Chancellor.

Based upon the criteria set forth above, the following activities within your organization have been selected to undergo RPB review. These units will be provided the latest Annual Business Report (ABR) template on which to submit their financial performance and rate request. If needed or requested, supplemental materials can be provided to further expand on specific areas or other business developments.

1. University Extension

Please provide an Annual Business Report.

In order to complete the review process and to obtain authorization by the Executive Vice Chancellor and Provost in time for a July 1, 2013 implementation date, the ABR must be submitted to RPB no later than March 1, 2013. RPB will conduct its reviews during the months of March through April. After completion, they will present findings and recommendations to the Executive Vice Chancellor and Provost for review and decision.

The following information is presented for planning purposes:

- Build in a 3% increase in wages for non-represented staff.
- Three-quarter average student enrollment (headcount) is projected to be 19,950 in FY 2012-13 and is projected to increase by 1% to 20,129 during FY 2013-14.
- With regards to the employer contribution increases, please budget next year a 17% increase in retirement cost (for a total contribution of 12.65%) and a 3.5% increase for health benefits.
- With regards to projected salary cost increases by category, please refer to the "Collective Bargaining Contracts Table" prepared by the Human Resources Department and located at <http://hr.ucr.edu/policies/bargain.html>.