Date: May 5, 2016

To: Office of Research Administration

From: Kirsten M. Volpi
Executive Vice President and Chief Operating Officer

Subject: Budget Escalations

Salary Escalation:
All faculty and staff at the Colorado School of Mines (CSM) have an approved salary which the Office of Research Administration (ORA) utilizes when building budgets for sponsored proposals.

It is CSM’s policy that compensation included in a sponsored project budget receives a 3% escalation for each project year; in addition, salaries are reviewed annually and adjusted accordingly. This annual increase is relevant to all individuals including classified, administrative, academic, and research personnel along with Graduate Research Assistants and Postdocs. Hourly Undergraduate students do not typically receive a 3% increase, but can occur in certain circumstances and is left to the project’s Principal Investigator.

Fringe Escalation:
Fringe rates are calculated annually based on the employment classification of an individual. It is CSM policy that fringe rates for all personnel are escalated based on the average fringe rate which is reviewed annually and adjusted accordingly. Our projection table listed below highlights fringe rates for FY 2016 – FY 2021:

<table>
<thead>
<tr>
<th></th>
<th>Academic &amp; Research Rate</th>
<th>Administrative Faculty Rate</th>
<th>Classified Rate</th>
<th>PERA Only-Rate</th>
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</thead>
<tbody>
<tr>
<td>FY 2016 – FY 2021</td>
<td>0.63%</td>
<td>0.70%</td>
<td>0.62%</td>
<td>0.0%</td>
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Graduate Tuition, Fees, and Insurance Escalation:
ORA works closely with the Office of Graduate Studies to track and monitor annual increases on tuition, fees, and insurance. The current escalation rate applied to tuition, fees and insurance involving a Graduate Research Assistant is 6% which is based on established trends.

The Office of Research Administration includes these escalations in federal and non-federal (foreign and domestic) proposals. Questions regarding these policies can be directed to Ralph L. Brown, Director of Research Administration at 303.273.3538 or by email at rabrown@mines.edu