



**UNIVERSITY of VIRGINIA**  
 Vice President and Chief Human Resources Officer

February 8, 2008

Mr. Darryl W. Mayes  
 Director, Mid-Atlantic Field Office, Division of Cost Allocation  
 Department of Health and Human Services  
 Program Support Center/Financial Management Service, Cohen Building-Room 1067  
 330 Independence Avenue, SW  
 Washington, DC 20201

Dear Mr. Mayes:

Enclosed are the University of Virginia's fringe benefit proposal, completed questionnaire to support our actual fringe benefits for FY 2006-2007, and our proposed rates for FY 2008-2009. As you know, we had previously negotiated rates for FY 2007-2008.


As a result of the State Budget shortfall in fiscal year 2007, along with the projected shortfall in the current fiscal years budget, we spent the past month reviewing and working on this proposal to arrive at a better estimate of the contribution rate for the Virginia state's retirement system and salary increase based on the Governor's budget proposal and the impact these rates will have on our proposed fringe rates as we move forward. In addition, we were able to review various additional items pertaining to the University's Restructuring efforts and the financial impact it will have on our benefits and fringe rates. With this submission, we are seeking to level our fringe rate increases and decreases, to stop the large swings in these rates, and to make them more budget friendly from year to year.

Listed below are the proposed fixed fringe benefits rates that we would like to negotiate for next year.

	<u>2008-2009 Proposed Negotiated Rates</u>	<u>2007-2008 Negotiated Rates</u>
Faculty	26.90%	25.70%
Staff	38.60%	36.80%
Part-Time	23.00%	18.00%
Wage (Hourly)	6.30%	7.00%

Attached is a summary listing of the various worksheets and other documents enclosed to support the fringe benefit schedules.

We would like to request your favorable consideration and approval of this proposal. Should you have any questions concerning our proposal, please feel free to contact Darrell Kozuch, Director, Office of Administrative Operations and Support. Darrell's direct telephone number is 434-924-4348, and his email is [djk8q@virginia.edu](mailto:djk8q@virginia.edu).

Sincerely,  
  
 Susan Carkeek  
 Vice President and Chief Human Resources Officer

- C: Yoke San Reynolds, Vice President and Chief Financial Officer  
 Stephen A. Kimata, Assistant Vice President for Finance and University Comptroller  
 Michael G. Glasgow Jr., Assistant Vice President for Research Administration  
 Darrell J. Kozuch, Director Office of HR Administrations & Support