

June 3, 2024

To: Renee Bahl, Associate Vice Chancellor
Design, Facilities & Safety Services

From: Chuck Haines, Vice Chancellor – Chief Financial Officer
Finance and Resource Management

DocuSigned by:
Chuck Haines
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Re: Provisional Approval of 2024-25 D&CS Income & Recharge Rates (Fund 66992)

Upon reviewing the Design & Construction Services (D&CS) Income & Recharge rates and financial statements, it is evident that the existing rates are insufficient to break even and the program continues to operate with a structural deficit. Therefore, in anticipation of general salary increases effective in 2024-25, I am approving a 4.2% increase to the current D&CS Income & Recharge rates, effective July 1, 2024. The revised rates are detailed in the table below:

Service Line Description	Existing Internal Rate	New Internal Rate
Project Managers	166.00	173.00
Inspectors	121.00	126.00
Administrative Assistants/Analysts	81.00	84.40

Furthermore, Design & Construction Services is required to submit a 2025-26 Income & Recharge proposal, along with a multi-year deficit reduction plan for review to the Office of Budget & Planning by February 28, 2025.

Cc: Kerry Bierman
Julie Hendricks
Melissa Jarnagin
Garry Mac Pherson
Michael McGrogan
Jennifer Moss
Erica Vizcaino