

**MEMORANDUM**

**TO:** Joan Eaton  
Office of Contracts and Grants

**FROM:** Mandy Cole, Office of Budget & Fiscal Planning

**DATE:** April 10, 2025

**SUBJECT: FY2026 Inflation Factors**

**UPCOMING FISCAL YEAR 2026**

**Salary escalation:** All faculty and staff at the University of Colorado Boulder have an approved salary to be used when building budgets for sponsored proposals.

Compensation included in a sponsored project budget should receive the escalations below for each project year, based on the employee type. In addition, salaries are reviewed annually and adjusted accordingly. This increase is relevant to all individuals including classified, administrative, academic, and research personnel along with graduate research assistants, postdoctoral researchers, and hourly student workers.

	<u>5-Yr. Average Annual Change (FY2026-FY2030)</u>
Salaries and wages for investigators, postdoctoral researchers, and graduate research assistants	3.2%
Classified salaries	3.0%
Hourly wages	3.0%

**Fringe escalation:** Fringe rates for various employment classifications are calculated annually by the University of Colorado Boulder and approved by the US Department of Health and Human Services (DHHS). Fringe benefit estimates in a sponsored project budget include the calculated rate based on the employment classification of an individual and are escalated based on a 5-year rolling average which is reviewed annually and adjusted accordingly. This escalation accounts for increases in fringe

benefit components that occur each year. Our projection for FY26 and beyond will include a 2.6% annual escalation for all fringe categories.

**Graduate Tuition and Fees escalation:** The Office of Budget & Fiscal Planning works closely with stakeholders at CU Boulder and CU System to track and monitor annual increases to tuition and mandatory fees. The escalation rates below are based on established trends and other economic and institutional factors.

<u>Tuition + Mandatory Student Fees (Remission)</u>	<u>5-Yr. Average Annual Change (FY2026-FY2030)</u>
Graduate Resident	3.0%
Graduate Nonresident	3.0%

**Operating Expense escalation:** The operating expense escalation for FY26 is based on the percentage change in the United States Bureau of Labor Statistics Consumer Price Index (CPI) for Denver-Aurora-Lakewood, by comparing the annual 2024 CPI index measurement against the annual 2023 CPI index measurement.

For future years (FY27-31), the annual escalation is based on a 5-year average of CPI projections from the annual Budget Outlook report by the US Congressional Budget Office (CBO).

<b>Fiscal Year</b>	<b>Calendar Year</b>	<b>Inflation Rate</b>
FY 2026	2024	2.3%
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5-yr avg.		
FY 2027-31	2025-2029	2.3%