All,

The finish line is in sight for this year’s budget process! Thank you to everyone for all of your hard work, cooperation, and collaboration this year! It is greatly appreciated.

The following is budget guidance and process direction to finish up and finalize budgets:

**Fixed Strategic Support**
- If FY19, incremental support for benefits is NOT covered for start-up, transitional support, strategic support, variable strategic support and Fellow ASC.
- If FY19 strategic support is intended to support physician salaries related to providing clinical care, impacted departments should add a record to the HSS (Health System Support) application to request the related department clinical benefits support by **noon on Monday, April 30**. Do not gross up the existing strategic support amount. For example, if the existing strategic support of $100,000 is used for physician’s salary then the associated benefits, if rate is 30% then $30,000, should be submitted as a new support request via the HSS Application. Please direct any questions related to this to Jay Covell ([jaycovell@ucsd.edu](mailto:jaycovell@ucsd.edu) or x31941) or Atosa Ghassemi ([a1ghassemi@ucsd.edu](mailto:a1ghassemi@ucsd.edu) or x34657).

**Benefit Return vs Benefit Transfer**
- Currently, the amount populating the department clinical benefits line item in the landing page reflects FY18 methodology. A committee will be reviewing an approach to do an across the board update based on FY19 principles of capping salaries eligible for reimbursement (please email Lydia Ikeda at [likeda@ucsd.edu](mailto:likeda@ucsd.edu) if you would like to serve on the committee to propose/develop the methodology). Pending new methodology from the committee, the FY19 Department Clinical Benefits model will be calculated monthly (FYTD) based on salaries and benefits up to the net support from the Health System. This will be done at the fund level so it is very important that departments have expenses aligned correctly. Benefits associated with salaries above the net support amount will be the department’s responsibility.

**Care Payment Rate Change Offsets**
- Initial funding report care payment rate change offsets/transitional support amounts will remain.
- Care payment offsets entered this past week that were unfavorable will be deleted.
- Care payment offsets entered this past week that were favorable will be kept in the application.
- This will be effective on a department level, not a division level (e.g. – if offset dollars moved from one division to another, but the department is no worse off overall, we will not correct for that change).

**Next steps/actions for finalizing FY19 budgets**
- Budgets are due Friday April 27 (SalPro, Staffing module and Landing Page)
  - Salpro was locked on March 29.
  - The staffing module and the landing page will be locked down open of business Monday April 30.
  - Add notes/comments related to changes/actions taken that are reflected in your budget from the pre-budget meeting.
Once you’re done with budget updates, select the “submit” button on the Landing Page. This signifies that your budget is complete. If this was done in advance of updating notes/comments, contact Meri Bozinovski (mebozinovski@ucsd.edu or x32036) to give you access to add notes or provide via an alternative method.

- Budget/Project Management Offices will be validating budgets over the next couple weeks which will include a 20 to 30 minute telephone follow up. The overall budget will be reviewed with emphasis on (but not limited to):
  - Pre-budget meeting action items (e.g. volume alignment with hospital, startup realization rates, etc.)
  - HS Support
  - VCO Support
  - Shared services (including IT refresh)
    - For IT refresh budget assumptions, please refer to the emails that were sent to each department related to your refresh requirements (sent earlier this week by Curtis Hendrick). Otherwise, use the table below as a guide to budget against 15% of your total computer census.

<table>
<thead>
<tr>
<th>Type</th>
<th>Avg Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>HP Desktop</td>
<td>786</td>
</tr>
<tr>
<td>HP Laptop</td>
<td>1,446</td>
</tr>
<tr>
<td>Mac Desktop</td>
<td>2,541</td>
</tr>
<tr>
<td>Mac Laptop</td>
<td>2,086</td>
</tr>
</tbody>
</table>

Please note if there are any post deadline changes, the update process requires Budget Office approval. These changes will be coordinated by the Budget Office.

Once all reviews are completed and budgets have been finalized, the last step will be to select the “Department Final” button within the Landing Page signifying the department’s budget is complete/final/DONE.

As always, please feel free to reach out with any questions/comments.