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Date: March 29, 2013

To: Bill Spindle, Pat Pitney, Michael Ciri

From: Tanya Hollis 

Re: FY14 Fringe Benefit Forward Pricing Proposal

Attached is the FY14 Fringe Benefit Forward Pricing Proposal Report submitted to UA's cognizant agency, Office of Naval Research (ONR). Although these rates have been submitted, they have not been negotiated with ONR. Therefore, these rates should only be used for internal purposes. We have requested that the proposal audit be completed early enough to allow UA to have negotiated rates in place by July 1, 2013. You will be notified when we have a fully executed negotiation agreement in place for external usage of the FY14 rates.

The following table summarizes the fringe benefit rates proposed for FY14 for the University of Alaska System. Also listed are the FY13 negotiated rates for comparison purposes.

E-Class	<u>Leave Benefit Rates (1)</u>		<u>Staff Benefit Rates (2)</u>	
	FY13	FY14	FY13	FY14
	Negotiated Benefit Rates	Proposed Benefit Rates	Negotiated Benefit Rates	Proposed Benefit Rates
NR	22.20%	22.40%	52.00%	50.40%
CR	22.90%	21.10%	51.80%	53.40%
XR	21.70%	20.60%	42.80%	41.90%
EX, FR	20.80%	17.00%	29.40%	29.00%
FN	0.70%	0.10%	29.40%	29.00%
F9	1.70%	1.50%	34.10%	31.20%
AR, A9	1.10%	1.50%	32.50%	34.70%
FT, FW	0.00%	0.00%	10.00%	10.10%
CT, GT, NT, ST, XT	0.00%	0.00%	8.10%	8.20%
NX, XX	15.20%	13.40%	42.30%	33.40%
GN, SN	0.00%	0.00%	0.00%	0.00%

(1) Distribution base: Leave rates are applied to base salaries excluding overtime, miscellaneous pay, and paid leave.

(2) Distribution base: Staff benefit rates are applied to base salaries plus overtime, miscellaneous pay, and leave accrual provisions.

cc: Myron Dosch, Nichole Pittman, Michelle Rizk, Donald Smith, Erika Van Flein, Margie Karl, Raaj Kurapati, Sandra Culver, Phillip Harrington, Kelly Thorngren, Barbara Hyde, Debbie Carlson

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UNIVERSITY  
of ALASKA  
*Many Traditions One Alaska*

March 29, 2013

David Godfrey  
Office of Naval Research  
Indirect Cost Branch  
Code BD0242, Room 373  
875 N. Randolph Street  
Arlington, VA 22203

RE: University of Alaska FY14 Fringe Benefit Forward Pricing Proposal

Dear Mr. Godfrey:

This memorandum and enclosed attachments represent the University of Alaska's proposal to establish fixed with carry-forward fringe benefit rates for the period of July 1, 2013 through June 30, 2014 (FY14).

The cost methodology used is consistent with methodologies utilized in past fringe benefit forward pricing proposals. This proposal fully liquidates the FY12 staff benefit over recovery carry-forward of \$7,024,700 and leave benefit under recovery of \$142,200.

The following table summarizes the fringe benefit rates proposed for FY14 for the University of Alaska System. Also listed are the FY13 negotiated rates for comparison purposes.

	<u>Leave Benefit Rates (1)</u>		<u>Staff Benefit Rates (2)</u>	
	FY13	FY14	FY13	FY14
	Negotiated	Proposed	Negotiated	Proposed
<u>E-Class</u>	<u>Benefit Rates</u>	<u>Benefit Rates</u>	<u>Benefit Rates</u>	<u>Benefit Rates</u>
NR	22.20%	22.40%	52.00%	50.40%
CR	22.90%	21.10%	51.80%	53.40%
XR	21.70%	20.60%	42.80%	41.90%
EX, FR	20.80%	17.00%	29.40%	29.00%
FN	0.70%	0.10%	29.40%	29.00%
F9	1.70%	1.50%	34.10%	31.20%
AR, A9	1.10%	1.50%	32.50%	34.70%
FT, FW	0.00%	0.00%	10.00%	10.10%
CT, GT, NT, ST, XT	0.00%	0.00%	8.10%	8.20%
NX, XX	15.20%	13.40%	42.30%	33.40%

(1) Distribution base: Leave rates are applied to base salaries excluding overtime, miscellaneous pay, and paid leave.

(2) Distribution base: Staff benefit rates are applied to base salaries plus overtime, miscellaneous pay, and leave accrual provisions.

We are seeking to have new rates in effect for our first payroll in July 2013. We appreciate any assistance you can provide to help complete negotiations prior to that time. In the event that a final agreement will not be likely by July 1, 2013, we request that these proposed rates be provisional rates. This would help avoid potential billing adjustments on activity between July 1 and the date of the final agreement. Please let me know if there is anything we can do to facilitate the audit and negotiation process.

Please contact me if you have any questions or if you need additional information. Thanks for your consideration of this proposal.

Sincerely,

A handwritten signature in black ink, appearing to read "Myron J. Dosch".

Myron J. Dosch

dcw

Attachments

cc: Debbie Rafi, ONR (one copy)  
Nancy Machida, DCAA, Alaska Sub-Office (one copy)

UNIVERSITY OF ALASKA

FY14 FRINGE BENEFIT FORWARD PRICING PROPOSAL



The University of Alaska  
Fringe Benefit Forward Pricing Proposal

July 1, 2013 – June 30, 2014

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Attachment A: Certifications

Certificate of Fringe Benefit Costs

Certificate of Final Fringe Benefit Costs

1. Final allocated benefit costs for combined e-classes are rounded to hundreds for projection purposes.
2. Wages for FY14 are based on updated estimates of projected FY13 wages and incremented for salary and grid increases and are rounded to the nearest ten thousand for projection purposes.

Annual salary and/or grid increases are projected for eligible e-classes as follows:

- Classified, exempt and non-exempt staff (e-classes NR, XR, NX, XX) – 3.25%
- Temporary exempt and non-exempt staff (e-classes NT, XT) – 2.0%
- Executive employees (e-class EX) - 2.0%
- Non-union faculty (e-classes FR, FN) – 2.5%
- UNAC faculty (e-class F9) – 2.5%
- UAFT faculty (e-classes AR, A9) – 2.5%
- Adjunct faculty (e-classes FT, FW) – 1.7%
- Local 6070 Union employees (e-classes CR, CT) – 1.65% (CBA expired 12/31/12, for projection purposes only)

Step or other increases are projected for eligible e-classes as follows:

- UNAC faculty (e-class F9) – market increase of 0.4% of 9 month base wage
- UAFT faculty (e-classes AR, A9) – market increase of 0.4% of 9 month base wage
- Local 6070 Union employees (e-classes CR, CT) – step increase, calculated at 1.04% average (CBA expired 12/31/12, for projection purposes only)

3. Leave usage is projected using average rates calculated by e-class. Use of average rates is intended to smooth individual year usage fluctuations. A three year average was used for all e-classes using FY11 and FY12 actual leave usage combined with FY13 estimated leave usage. In anticipation of increased annual leave usage due to campus soft closures, an additional percentage based on an average increase per year over a four year period was included in the projections. Leave benefit recovery carryforwards are reflected as calculated in the FY12 Fringe Benefit Incurred Cost Report.
4. Beginning July 01, 2006, UA has two public employee retirement system (PERS) plans. The public employee retirement system defined benefit (PERS-DB) plan is restricted to eligible employees with an original hire date prior to July 1, 2006. Eligible employees with an original hire date of July 1, 2006 or later may enroll in the public employee retirement system defined contribution (PERS-DC) plan or the optional retirement plan, ORP–Tier 3. Effective July 01, 2007, the PERS-DC employer contribution amount per employee, must calculate to at least the PERS-DB rate. The calculated contribution beyond the PERS-DC rate is applied to the State of Alaska PERS-DB unfunded liability. The PERS-DB and PERS-DC rates are 22.00% and 5.68% respectively, rates are established or projected by the State of Alaska, Division of Retirement. The percentage of FY12 earnings subject to this benefit is multiplied by the staff benefit wage base to estimate potential covered wages by e-class for the public retirement system plans.

Effective July 01, 2007, in addition to the minimum employer contribution for the PERS-DC plan, the statute also established a minimum PERS base salary for the UA System. It requires the total PERS covered wages reported to the State of Alaska, Division of Retirement and Benefits for the fiscal year to meet the reported FY08 Base Salary. If a lower annual salary is reported an additional contribution is calculated at the PERS-DB contribution rate. As the majority of new employees are opting the ORP Tier 3 plan instead of the PERS-DC plan, it is necessary to estimate the shortfall for subsequent fiscal years. Based on the actual reported wages for July 2012 through January

2013 and calculating average payruns for the balance of the FY13, we are estimating a significant shortfall cost in PERS FY13 of \$1.65 million. We anticipate this amount to increase by approximately 1/3 resulting in a projected liability for FY14 of \$2.2 million.

5. Beginning in July 01, 2006, UA has two teacher's retirement system (TRS) plans. The teacher's retirement system defined benefit (TRS-DB) plan is restricted to eligible employees with an original hire date prior to July 1, 2006. Eligible employees with an original hire date of July 1, 2006 or later may enroll in the teacher's retirement system defined contribution (TRS-DC) plan or the optional retirement plan, ORP-Tier 3. Effective July 01, 2007, the TRS-DC employer contribution amount per employee, must calculate to at least the TRS-DB rate. The calculated contribution beyond the TRS-DC rate is applied to the State of Alaska TRS-DB unfunded liability. The TRS-DB and TRS-DC rates are 12.56% and 7.47% respectively, rates are established or projected by the State of Alaska, Division of Retirement. The percentage of FY12 earnings subject to this benefit is multiplied by the staff benefit wage base to estimate potential covered wages by e-class for the teacher's retirement system plans.
6. Effective July 01, 2006, UA has three separate optional retirement plans, ORP-Tier 1, ORP-Tier 2, and ORP-Tier 3. The ORP-Tier 1 plan is for eligible employees with an original hire date prior to July 1, 2005. The University Board of Regents established ORP-Tier 2, for eligible employees with an original hire date during FY06. The University Board of Regents also established a third optional retirement plan with an expanded employee eligibility criteria, ORP-Tier 3. It is available to all retirement eligible employees with an original hire date of July 1, 2006 or later. The ORP-Tier 1 rate is projected at 14.00% per Class Action Settlement effective FY13. The ORP-Tier 2 and ORP-Tier 3 rate is established by the Board of Regents at 12.00%. The percentage of FY12 earnings eligible for all the optional retirement plan benefits is multiplied by the staff benefit wage base to estimate total optional retirement plan covered wages by e-class.
7. Pension costs are estimated at 7.65% of covered wages below \$42,000 for regular employees and \$113,700 for eligible adjunct faculty. E-class covered wages for the fiscal year are calculated by multiplying the percentage of FY12 wages subject to pension benefits by the FY14 projected staff benefit wage base. New eligible employees expected to enroll in ORP-Tier 3 are eligible for pension benefits. Employees enrolled in the PERS-DC and TRS-DC retirement plans are not eligible for pension benefits. Projected pension administration costs are allocated to e-classes prorata based on the covered wage base.
8. The percentage of FY12 earnings subject to medicare benefits or social security benefits is multiplied times the staff benefit wage base to calculate covered wages for each respective benefit type by e-class. Medicare costs are projected at 1.45% of covered wages for all employees hired after April 1986. Social security is estimated at 6.2% of covered wages below \$113,700 for adjunct faculty and temporary e-classes. All new adjunct faculty will contribute to social security, not pension.
9. Health care costs are estimated at projected usage levels less projected recoveries. All benefit eligible e-classes pay for spouse/dependent health coverage if elected. The current plan offers employees some flexible benefit options and matches the employee contributions with current year costs. Projected health care costs net of cobra recoveries, except wellness, are allocated to health care eligible e-classes, NR, CR, XR, EX/FR/FN, F9, AR/A9 and NX/XX, based on projected plan participants. Wellness costs, employee and spouse/dependent recoveries are allocated to all projected health care eligible employees, excluding opt-outs.
10. Life insurance administrative costs are estimated at \$0.065/\$1,000 of the insured amount. Allocation to individual e-classes is based on the number of employee participants in each eligible e-class.
11. Long term disability insurance (LTD) costs are \$0.14 per \$100 of covered payroll. Benefits begin after a 90 day waiting period. LTD costs are allocated to e-classes prorata based on the staff benefit wage base.
12. Unemployment is projected using a five year average. Allocated to e-classes prorata based on the staff benefit wage base.

13. The Workers' Compensation claims cost are estimated at the actuarial consultant's projected self insured FY14 claims level. Workers' Compensation claims costs are allocated to e-class pools based on a combination of claims experience and exposure. Additional costs for insurance premiums, professional fees, office operations, and loss prevention are allocated to non-student e-classes prorata based on the staff benefit wage base.
14. Tuition waiver costs are projected at the FY13 estimated usage level and adjusted for increases or decreases in tuition rates for FY14. Employee (excluding adjunct) projected tuition waiver costs are allocated to applicable e-class pools based on the number of eligible employees. Adjunct projected tuition waiver costs are allocated to that specific e-class. Effective CY02, adjuncts may accrue three credits per semester, up to twelve credits. These credits may be used for the employee, spouse or dependent. Effective FY00, dependent and spouse tuition waiver costs are unallowable.
15. Local 6070 Legal Trust costs, consulting, and other costs are projected at the level forecasted by the respective program director. Local 6070 legal trust costs are allocated entirely to the benefiting e-class, CR. Employee Assistance Program (EAP) costs are allocated to health care eligible employees. Consulting and other projected costs are allocated to all e-classes (except GN, SN) prorata based on the staff benefit wage base.
16. Labor relations costs are projected at the level forecasted by the Statewide Office of Labor and Employee Relations director and approved by the UA controller. They are allocated to the union e-classes prorata based on their staff benefit wage base.
17. Staff benefit recovery carryforwards are reflected as calculated in the FY12 Fringe Benefit Incurred Cost Report.



University of Alaska  
FY14 Staff Benefits Rate Projection

Schedule 2

E-Class	NR	CR Local 6070 Union	XR	EX, FN, FR Executives & Nonunion Faculty	F9 UNAC Union Faculty	AR, A9 UAFT Union Faculty	FT, FW Adjunct Faculty	CT, GT, NT, ST, XT Temporary & SS Student	NX,XX Extended Temporary	GN,SN Non-SS Student	TOTAL
	<u>Classified</u>	<u>Classified</u>	<u>APT Exempt</u>								
FY14 Staff Benefits Wage Base	72,380,000	12,540,000	86,630,000	32,220,000	90,420,000	28,160,000	19,330,000	19,890,000	1,560,000	15,090,000	378,220,000
Staff Benefits:											
PERS	11,314,700	2,142,900	15,317,800	1,541,600	-	-	-	-	-	-	30,317,000
TRS	-	-	-	788,700	3,444,500	1,468,900	-	-	-	-	5,702,100
ORP-Tier 1	-	-	127,300	1,143,900	4,736,900	976,100	-	-	-	-	6,984,200
ORP-Tier 2 and Tier 3	2,358,500	376,900	2,085,400	1,065,700	3,237,000	1,065,100	-	-	-	-	10,188,600
UA Pension Plan	3,815,800	657,200	3,691,000	824,800	3,091,100	1,180,700	121,700	-	-	-	13,382,300
Medicare & Social Security	973,500	162,300	1,143,800	411,400	1,168,200	361,800	1,300,400	1,426,400	114,000	-	7,061,800
Health Care	18,734,000	2,975,400	14,642,800	3,393,400	11,836,100	4,213,800	-	-	454,000	-	56,249,500
Life Insurance	58,100	9,100	45,400	10,500	36,700	14,200	-	-	-	-	174,000
Long Term Disability	78,000	13,500	93,300	34,700	97,400	30,400	-	-	-	-	347,300
Unemployment	156,000	27,000	186,700	69,500	194,900	60,700	41,700	42,900	3,400	-	782,800
Workers' Compensation	903,800	814,000	546,800	203,200	439,200	136,900	94,000	174,800	13,800	-	3,326,500
Tuition Waivers	540,100	84,500	422,600	97,900	340,900	132,000	192,000	-	-	-	1,810,000
Consulting/Other	134,400	51,300	143,900	49,000	142,600	46,400	25,000	25,700	3,000	-	621,300
Labor Relations	-	71,000	-	-	512,000	159,500	109,500	-	-	-	852,000
Carryforward (Over) Under from FY12	(2,624,000)	(691,500)	(2,175,900)	(289,800)	(1,132,300)	(77,200)	69,100	(36,200)	(66,900)	-	(7,024,700)
	36,442,900	6,693,600	36,270,900	9,344,500	28,145,200	9,769,300	1,953,400	1,633,600	521,300	-	130,774,700
Benefit Rates:											
PERS	15.63%	17.09%	17.68%	4.78%							30,317,000
TRS				2.45%	3.81%	5.22%					5,702,100
ORP-Tier 1			0.15%	3.55%	5.24%	3.47%					6,984,200
ORP-Tier 2 and Tier 3	3.26%	3.01%	2.41%	3.31%	3.58%	3.78%					10,188,600
UA Pension Plan	5.27%	5.24%	4.26%	2.56%	3.42%	4.19%	0.63%				13,382,300
Medicare & Social Security	1.34%	1.29%	1.32%	1.28%	1.29%	1.28%	6.73%	7.17%	7.31%		7,061,800
Health Care	25.88%	23.73%	16.90%	10.53%	13.09%	14.96%			29.10%		56,249,500
Life Insurance	0.08%	0.07%	0.05%	0.03%	0.04%	0.05%					174,000
Long Term Disability	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%					347,300
Unemployment	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%		782,800
Workers' Compensation	1.25%	6.49%	0.63%	0.63%	0.49%	0.49%	0.49%	0.88%	0.88%		3,326,500
Tuition Waivers	0.75%	0.67%	0.49%	0.30%	0.38%	0.47%	0.99%				1,810,000
Consulting/Other	0.19%	0.41%	0.17%	0.15%	0.16%	0.16%	0.13%	0.13%	0.19%		621,300
Labor Relations		0.57%			0.57%	0.57%	0.57%				852,000
Carryforward (Over) Under from FY12	(3.63%)	(5.51%)	(2.51%)	(0.90%)	(1.25%)	(0.27%)	0.36%	(0.18%)	(4.29%)		(7,024,700)
	50.35%	53.39%	41.88%	29.00%	31.15%	34.70%	10.12%	8.22%	33.41%		130,774,700
FY14 Proposed Staff Benefit Rates	50.40%	53.40%	41.90%	29.00%	31.20%	34.70%	10.10%	8.20%	33.40%		
FY13 Negotiated Staff Benefit Rates	52.00%	51.80%	42.80%	29.40%	34.10%	32.50%	10.00%	8.10%	42.30%		
Increase/(Decrease)	(1.60%)	1.60%	(0.90%)	(0.40%)	(2.90%)	2.20%	0.10%	0.10%	(8.90%)		
Percentage Increase/(Decrease)	(3.08%)	3.09%	(2.10%)	(1.36%)	(8.50%)	6.77%	1.00%	1.23%	(21.04%)		
Federal Participation											
FY14 Federal Wages & Leave Accrual	8,344,100	231,900	15,133,000	3,943,500	13,310,200	1,507,200	900,500	6,049,000	725,200	4,284,700	54,429,300
FY14 Staff Benefit Costs	4,205,400	123,800	6,340,700	1,143,600	4,152,800	523,000	91,000	496,000	242,200	-	17,318,500
FY14 Projected Federal Participation	12,549,500	355,700	21,473,700	5,087,100	17,463,000	2,030,200	991,500	6,545,000	967,400	4,284,700	71,747,800

Immaterial variances due to rounding are ignored

E-Class	NR	CR Local 6070 Union	XR	EX, FR Executives & Nonunion Faculty (a)	FN Nonunion Faculty (a)	F9 UNAC Union Faculty	AR, A9 UAFT Union Faculty	FT, FW Adjunct Faculty	CT, GT, NT, ST, XT Temporary & SS Student	NX,XX Extended Temporary	GN,SN Non-SS Student	TOTAL
	<u>Classified</u>	<u>Classified</u>	<u>APT Exempt</u>	<u>Faculty (a)</u>	<u>Faculty (a)</u>	<u>Faculty</u>	<u>Faculty</u>	<u>Faculty</u>	<u>SS Student</u>	<u>Temporary</u>	<u>Student</u>	
Projected FY14 Leave Wage Base	57,870,000	9,920,000	71,540,000	22,960,000	4,970,000	87,540,000	27,600,000	19,160,000	19,450,000	1,350,000	15,050,000	337,410,000
FY12 Actual Leave Usage Rates:												
Annual Leave	9.35%	9.40%	9.96%	9.37%			0.02%			6.73%		
Sick Leave	5.77%	6.26%	4.69%	2.59%	1.20%	1.61%	1.53%			2.42%		
Holiday/Other Leave	6.52%	5.99%	5.49%	5.30%						5.21%		
Total Actual Leave Usage Rate	21.64%	21.65%	20.14%	17.26%	1.20%	1.61%	1.55%	n/a	n/a	14.36%	n/a	
Average Leave Usage Rates:												
Annual Leave	9.54%	9.36%	9.95%	9.46%	n/a	n/a	n/a	n/a	n/a	6.24%	n/a	
Sick Leave	5.97%	6.21%	4.84%	3.03%	0.83%	1.41%	1.36%	n/a	n/a	2.78%	n/a	
Holiday/Other Leave	6.52%	6.17%	5.56%	5.34%	n/a	n/a	n/a	n/a	n/a	5.34%	n/a	
Total Average Leave Rate	22.03%	21.74%	20.35%	17.83%	0.83%	1.41%	1.36%	n/a	n/a	14.36%	n/a	
FY14 Leave Benefit Projection												
Annual Leave Usage	5,520,800	928,500	7,118,200	2,172,000	-	-	-	-	-	84,200	-	15,823,700
FY12 Carryforward Under (Over)	130,500	2,000	272,000	18,900	-	-	-	-	-	(100)	-	423,300
Reclassifications	-	-	-	-	-	-	-	-	-	-	-	-
Annual Leave Projection	5,651,300	930,500	7,390,200	2,190,900	-	-	-	-	-	84,100	-	16,247,000
Sick Leave Usage	3,454,800	616,000	3,462,500	695,700	41,300	1,234,300	375,400	-	-	37,500	-	9,917,500
FY12 Carryforward Under (Over)	15,000	(39,200)	(80,300)	(178,200)	(38,200)	70,200	47,800	-	-	(8,200)	-	(211,100)
Reclassifications	-	-	-	-	-	-	-	-	-	-	-	-
Sick Leave Projection	3,469,800	576,800	3,382,200	517,500	3,100	1,304,500	423,200	-	-	29,300	-	9,706,400
Holiday/Other Leave Usage	3,773,100	612,100	3,977,600	1,226,100	-	-	-	-	-	72,100	-	9,661,000
FY12 Carryforward Under (Over)	32,000	(24,500)	(48,200)	(24,900)	-	-	-	-	-	(4,400)	-	(70,000)
Reclassifications	-	-	-	-	-	-	-	-	-	-	-	-
Holiday/Other Leave Projection	3,805,100	587,600	3,929,400	1,201,200	-	-	-	-	-	67,700	-	9,591,000
Calculated Leave Benefit Rates												
Annual	9.77%	9.38%	10.33%	9.54%						6.23%		16,247,000
Sick	6.00%	5.81%	4.73%	2.25%	0.06%	1.49%	1.53%			2.17%		9,706,400
Holiday/Other	6.58%	5.92%	5.49%	5.23%						5.01%		9,591,000
	22.35%	21.11%	20.55%	17.02%	0.06%	1.49%	1.53%			13.41%		35,544,400
FY14 Proposed Leave Benefit Rates	22.40%	21.10%	20.60%	17.00%	0.10%	1.50%	1.50%			13.40%		
FY13 Negotiated Rates	22.20%	22.90%	21.70%	20.80%	0.70%	1.70%	1.10%			15.20%		
Increase/(Decrease)	0.20%	(1.80%)	(1.10%)	(3.80%)	(0.60%)	(0.20%)	0.40%			(1.80%)		
Percentage Increase/(Decrease)	0.90%	(7.86%)	(5.07%)	(18.27%)	(85.71%)	(11.76%)	36.36%			(11.84%)		
Federal Participation												
FY12 Actual Federal Participation	11.78%	1.93%	17.54%	7.02%	41.36%	14.98%	5.38%	4.70%	31.10%	47.37%	28.47%	
Projected FY14 Federal Wages	6,817,100	191,500	12,548,100	1,611,800	2,055,600	13,113,500	1,484,900	900,500	6,049,000	639,500	4,284,700	49,696,200
Projected FY14 Leave Benefit Costs	1,527,000	40,400	2,584,900	274,000	2,100	196,700	22,300	-	-	85,700	-	4,733,100
FY14 Proj Federal Wages plus Leave Accrual	8,344,100	231,900	15,133,000	1,885,800	2,057,700	13,310,200	1,507,200	900,500	6,049,000	725,200	4,284,700	54,429,300

Immaterial variances due to rounding are ignored

3,943,500 (a)

(a) E-classes EX and FR are eligible for all leave benefits. E-class FN is only eligible for sick leave. E-classes are pooled for staff benefit calculation.

University of Alaska  
FY14 Staff Benefit Cost Distribution Projection

Schedule 4

E-Class	NR	CR Local 6070 Union	XR	EX, FR, FN Executives & Nonunion Faculty	F9 UNAC Union Faculty	AR, A9 UAFT Union Faculty	FT, FW Adjunct Faculty	CT, GT, NT, ST, XT Temporary & SS Student	NX, XX Extended Temporary	GN, SN Non-SS Student	TOTAL
	<u>Classified</u> 72,380,000	<u>Classified</u> 12,540,000	<u>APT Exempt</u> 86,630,000	<u>32,220,000</u>	<u>90,420,000</u>	<u>28,160,000</u>	<u>19,330,000</u>	<u>19,890,000</u>	<u>1,560,000</u>	<u>15,090,000</u>	<u>378,220,000</u>
FY14 Projected Staff Benefits Wage Base											
Number of Eligible Employees	1,489	233	1,165	270	940	364	999		37		5,497
PERS:											
FY14 PERS-DB Projected Contribution Rate	22.00%	22.00%	22.00%	22.00%							
FY14 PERS-DC Projected Contribution Rate	5.68%	5.68%	5.68%	5.68%							
Percentage of FY12 PERS-DB Wages Covered (a)	58.11%	65.99%	72.33%	19.77%							
Percentage of FY12 PERS-DC Wages Covered (a)	7.79%	6.05%	2.21%	0.40%							
PERS-DB Covered Wage Base	42,060,018	8,275,146	62,659,479	6,369,894							119,364,537
PERS-DC Covered Wage Base	5,638,402	758,670	1,914,523	128,880							8,440,475
Total PERS Covered Wage Base	47,698,420	9,033,816	64,574,002	6,498,774							127,805,012
PERS-DB Cost	9,253,204	1,820,532	13,785,085	1,401,377							26,260,198
PERS-DC Cost	320,261	43,092	108,745	7,320							479,418
PERS-DC Cost DB-Unfunded Liability (b)	920,187	123,815	312,450	21,034							1,377,486
PERS FY14 Shortfall Cost (b)	821,067	155,506	1,111,559	111,868							2,200,000
Total PERS Cost	11,314,719	2,142,945	15,317,839	1,541,599							30,317,102
Use	11,314,700	2,142,900	15,317,800	1,541,600							30,317,000
PERS Rate	15.63%	17.09%	17.68%	4.78%							
TRS:											
FY14 TRS-DB Projected Contribution Rate				12.56%	12.56%	12.56%					
FY14 TRS-DC Projected Contribution Rate				7.47%	7.47%	7.47%					
Percentage of FY12 TRS-DB Wages Covered (a)				16.63%	27.70%	36.83%					
Percentage of FY12 TRS-DC Wages Covered (a)				2.86%	2.63%	4.70%					
TRS-DB Covered Wage Base				5,358,186	25,046,340	10,371,328					40,775,854
TRS-DC Covered Wage Base				921,492	2,378,046	1,323,520					4,623,058
TRS-DB Cost				672,988	3,145,820	1,302,639					5,121,447
TRS-DC Cost				68,835	177,640	98,867					345,342
TRS-DC Cost: DB Unfunded Liability (b)				46,904	121,043	67,367					235,314
Total TRS Cost				788,727	3,444,503	1,468,873					5,702,103
Use				788,700	3,444,500	1,468,900					5,702,100
TRS Rate				2.45%	3.81%	5.22%					
ORP-Tier 1:											
FY14 ORP Tier 1 Projected Contribution Rate			14.00%	14.00%	14.00%	14.00%					
Percentage of ORP Tier 1 Wages Covered (a)			1.05%	25.36%	37.42%	24.76%					
ORP Tier 1 Covered Wage Base (c)			909,615	8,170,992	33,835,164	6,972,416					49,888,187
ORP-Tier 1 Cost			127,346	1,143,939	4,736,923	976,138					6,984,346
Use			127,300	1,143,900	4,736,900	976,100					6,984,200
ORP-Tier 1 Rate			0.15%	3.55%	5.24%	3.47%					
ORP-Tier 2 and Tier 3:											
FY14 ORP Tier 2 Projected Contribution Rate			12.00%	12.00%	12.00%	12.00%					
FY14 ORP Tier 3 Projected Contribution Rate	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%					
Percentage of ORP-Tier 2 Wages Covered (a)			0.08%	2.30%	2.65%	1.19%					
Percentage of ORP-Tier 3 Wages Covered (a)	32.79%	25.56%	27.79%	29.68%	32.76%						
ORP-Tier 2 Covered Wage Base (c)			69,304	741,060	2,396,130	335,104					3,541,598
ORP-Tier 3 Covered Wage Base	23,733,402	3,205,224	18,954,644	8,953,938	26,836,656	9,225,216					90,909,080
ORP-Tier 2 Cost			8,316	88,927	287,536	40,212					424,991
ORP-Tier 3 Cost	2,848,008	384,627	2,274,557	1,074,473	3,220,399	1,107,026					10,909,090
ORP Forfeiture Projection	(489,500)	(7,700)	(197,500)	(97,700)	(270,900)	(82,100)					(1,145,400)
Total ORP-Tier 2 and Tier 3 Cost	2,358,508	376,927	2,085,373	1,065,700	3,237,035	1,065,138					10,188,681
Use	2,358,500	376,900	2,085,400	1,065,700	3,237,000	1,065,100					10,188,600
ORP-Tier 2 and Tier 3 Rate	3.26%	3.01%	2.41%	3.31%	3.58%	3.78%					

University of Alaska  
FY14 Staff Benefit Cost Distribution Projection

Schedule 4

E-Class	NR	CR Local 6070 Union	XR	EX, FR, FN Executives & Nonunion Faculty	F9 UNAC Union Faculty	AR, A9 UAFT Union Faculty	FT, FW Adjunct Faculty	CT, GT, NT, ST, XT Temporary & SS Student	NX, XX Extended Temporary	GN, SN Non-SS Student	TOTAL
FY14 Projected Staff Benefits Wage Base	72,380,000	12,540,000	86,630,000	32,220,000	90,420,000	28,160,000	19,330,000	19,890,000	1,560,000	15,090,000	378,220,000
Number of Eligible Employees	1,489	233	1,165	270	940	364	999		37		5,497
UA Pension Plan:											
2013 Contribution Rate	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%				
Percentage of Wages Covered (a)	74.37%	68.94%	57.12%	35.49%	46.48%	56.72%	8.22%				
Pension Covered Wage Base	53,829,006	8,645,076	49,483,056	11,434,878	42,027,216	15,972,352	1,588,926				182,980,510
Pension Plan Administration Costs (d)	4,414	709	4,056	937	3,445	1,309	130				15,000
Pension Contribution	4,117,919	661,348	3,785,454	874,768	3,215,082	1,221,885	121,553				13,998,009
Pension Forfeitures	(306,500)	(4,900)	(98,500)	(50,900)	(127,300)	(42,500)					(630,600)
Pension Cost	3,815,833	657,157	3,691,010	824,805	3,091,227	1,180,694	121,683				13,382,409
Use	3,815,800	657,200	3,691,000	824,800	3,091,100	1,180,700	121,700				13,382,300
Pension Rate	5.27%	5.24%	4.26%	2.56%	3.42%	4.19%	0.63%				
Medicare/Social Security:											
2013 Contribution Rate - Medicare	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%		
2013 Contribution Rate - Social Security							6.20%	6.20%	6.20%		
Total Contribution Rate	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	7.65%	7.65%	7.65%		
Percentage of Wages Covered by Medicare (a)	92.76%	89.26%	91.06%	88.06%	89.09%	88.60%	99.40%	95.68%	95.57%		
Percentage of Wages Covered by Social Security (a)							85.26%	93.29%	95.55%		
Medicare Covered Wage Base	67,139,688	11,193,204	78,885,278	28,372,932	80,555,178	24,949,760	19,214,020	19,030,752	1,490,892		330,831,704
Social Security Covered Wage Base							16,480,758	18,555,381	1,490,580		36,526,719
Medicare/Social Security Cost	973,525	162,301	1,143,837	411,408	1,168,050	361,772	1,300,410	1,426,380	114,034		7,061,717
Use	973,500	162,300	1,143,800	411,400	1,168,200	361,800	1,300,400	1,426,400	114,000		7,061,800
Medicare/Social Security Rate	1.34%	1.29%	1.32%	1.28%	1.29%	1.28%	6.73%	7.17%	7.31%		
Health Care:											
Health Care Participating Employees (e)	1,311	205	1,025	238	826	297			32		3,934
Health Cost Net of Cobra Health Recovery (e)	22,753,009	3,603,823	17,785,089	4,123,038	14,368,367	5,124,277			552,111		68,309,714
Employee and Dependent Recovery (e)	(4,019,059)	(628,457)	(3,142,285)	(729,623)	(2,532,221)	(910,496)			(98,100)		(12,060,241)
Health Cost Net of Cobra and Employee Recovery	18,733,950	2,975,366	14,642,804	3,393,415	11,836,146	4,213,781			454,011		56,249,473
Use	18,734,000	2,975,400	14,642,800	3,393,400	11,836,100	4,213,800			454,000		56,249,500
Health Care Rate	25.88%	23.73%	16.90%	10.53%	13.09%	14.96%			29.10%		
Life Insurance:											
Eligible Employees Base	1,489	233	1,165	270	940	364					4,461
Life Insurance Cost (f)	58,078	9,088	45,441	10,531	36,664	14,198					174,000
Use	58,100	9,100	45,400	10,500	36,700	14,200					174,000
Life Insurance Rate	0.08%	0.07%	0.05%	0.03%	0.04%	0.05%					
LTD Insurance											
LTD Wage Base	72,380,000	12,540,000	86,630,000	32,220,000	90,420,000	28,160,000					322,350,000
LTD Premium and Administrative Costs (g)	77,982	13,511	93,335	34,714	97,418	30,340					347,300
Use	78,000	13,500	93,300	34,700	97,400	30,400					347,300
LTD Rate	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%					
Unemployment:											
Unemployment Wage Base	72,380,000	12,540,000	86,630,000	32,220,000	90,420,000	28,160,000	19,330,000	19,890,000	1,560,000		363,130,000
Unemployment Cost (g)	156,030	27,033	186,748	69,457	194,917	60,705	41,670	42,877	3,363		782,800
Use	156,000	27,000	186,700	69,500	194,900	60,700	41,700	42,900	3,400		782,800
Unemployment Rate	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%	0.22%		

E-Class	NR	CR Local 6070 Union	XR	EX, FR, FN Executives & Nonunion Faculty	F9 UNAC Union Faculty	AR, A9 UAFT Union Faculty	FT, FW Adjunct Faculty	CT, GT, NT, ST, XT Temporary & SS Student	NX, XX Extended Temporary	GN, SN Non-SS Student	TOTAL
	<u>Classified</u> 72,380,000	<u>Classified</u> 12,540,000	<u>APT Exempt</u> 86,630,000	<u>32,220,000</u>	<u>90,420,000</u>	<u>28,160,000</u>	<u>19,330,000</u>	<u>19,890,000</u>	<u>1,560,000</u>	<u>15,090,000</u>	<u>378,220,000</u>
FY14 Projected Staff Benefits Wage Base											
Number of Eligible Employees	1,489	233	1,165	270	940	364	999		37		5,497
Workers' Compensation:											
Average Claims Percentage Base	30.26%	33.44%	13.27%	4.93%	8.21%	2.56%	1.76%	5.16%	0.41%		100.00%
Workers' Compensation Wage Base	72,380,000	12,540,000	86,630,000	32,220,000	90,420,000	28,160,000	19,330,000	19,890,000	1,560,000		363,130,000
Forecast Claims Cost	705,451	779,587	309,364	114,933	191,400	59,681	41,031	120,295	9,558		2,331,300
Other Costs (g)	198,366	34,367	237,420	88,303	247,806	77,176	52,976	54,511	4,275		995,200
Total Workers' Comp Costs	903,817	813,954	546,784	203,236	439,206	136,857	94,007	174,806	13,833		3,326,500
Use	903,800	814,000	546,800	203,200	439,200	136,900	94,000	174,800	13,800		3,326,500
Workers' Compensation Rate	1.25%	6.49%	0.63%	0.63%	0.49%	0.49%	0.49%	0.88%	0.88%		
Tuition Waivers:											
Eligible Employees Base	1,489	233	1,165	270	940	364	999				5,460
Employee Tuition Waiver Cost (h)	540,059	84,509	422,544	97,929	340,937	132,022	192,000				1,810,000
Use	540,100	84,500	422,600	97,900	340,900	132,000	192,000				1,810,000
Tuition Waiver Rate	0.75%	0.67%	0.49%	0.30%	0.38%	0.47%	0.99%				
Consulting/Other:											
Consulting/Other Wage Base	72,380,000	12,540,000	86,630,000	32,220,000	90,420,000	28,160,000	19,330,000	19,890,000	1,560,000		363,130,000
EAP Eligible Employee Base	1,489	233	1,165	270	940	364			37		4,498
Local 6070 Legal Trust (i)		28,700									28,700
Employee Assistance Program Costs (f)	40,916	6,403	32,013	7,419	25,830	10,002			1,017		123,600
Consulting Cost (g)	93,482	16,196	111,887	41,614	116,781	36,370	24,966	25,689	2,015		469,000
Total Consulting/Other cos	134,398	51,299	143,900	49,033	142,611	46,372	24,966	25,689	3,032		621,300
Use	134,400	51,300	143,900	49,000	142,600	46,400	25,000	25,700	3,000		621,300
Consulting/Other Rate	0.19%	0.41%	0.17%	0.15%	0.16%	0.16%	0.13%	0.13%	0.19%		
Labor Relations:											
Labor Relations Wage Base		12,540,000			90,420,000	28,160,000	19,330,000				150,450,000
Labor Relations Cost (g)		71,014			512,050	159,470	109,466				852,000
Use		71,000			512,000	159,500	109,500				852,000
Labor Relations Rate		0.57%			0.57%	0.57%	0.57%				
Staff Benefit Carryforward:											
FY12 Carryforward (Over) Under to Liquidate in FY14	(2,624,000)	(691,500)	(2,175,900)	(289,800)	(1,132,300)	(77,200)	69,100	(36,200)	(66,900)		(7,024,700)
Carryforward (Over) Under Rate	(3.63%)	(5.51%)	(2.51%)	(0.90%)	(1.25%)	(0.27%)	0.36%	(0.18%)	(4.29%)		

Immaterial variances due to rounding are ignored

- Projected benefit covered wages for PERS-DB, PERS-DC, TRS-DB, TRS-DC, ORP Tiers 1, 2 and 3, Pension, Medicare, and Social Security wages by applying the FY12 ratio of benefit eligible wages to FY12 staff benefit wages to the FY14 projected staff benefit wage base.
- Effective FY08, employer PERS & TRS defined contribution (DC) per employee, must calculate to at least the employer defined benefit (DB) rate. The calculated contribution beyond the DC rates is applied to the State of Alaska DB unfunded liability. Additionally, if the current PERS wage base does not meet the FY08 wage base, UA must pay the difference in PERS costs. The FY13 estimated shortfall cost is \$1.65 million, which is projected to increase by 1/3 for FY14.
- Historically e-classes NR, CR & XR are ineligible for ORP Tier 1 and Tier 2. An ORP Tier 1 and Tier 2 covered wage base will be projected for e-class XR for employees with grandfathered eligibility into these plans, a covered wage base will not be projected for e-classes NR or CR.
- Allocated prorata based on pension wage base.
- Projected health care costs, except Wellness, are allocated net of Cobra recoveries, based on projected health care participants. Wellness costs and employee and dependent recoveries are allocated based on projected health care eligible employees, "excluding opt-outs".
- Allocated prorata based on eligible e-class headcount.
- Allocated prorata based on eligible e-class staff benefit wage base.
- Pooled e-classes FT/FW allocation based on projected tuition cost. Allocated remaining projected tuition costs for benefit eligible e-classes prorata based on headcount.
- Allocated to benefitting e-class, CR.

E-Class	NR	CR Local 6070 Union	XR	EX, FR Executives & Nonunion Faculty (a)	FN Nonunion Faculty (a)	F9 UNAC Union Faculty	AR, A9 UAFT Union Faculty	FT, FW Adjunct Faculty	CT, GT, NT, ST, XT Temporary & SS Student	NX,XX Extended Temporary	GN,SN Non-SS Student	TOTAL
SWOHR Average Projected Headcount for FY13	1,489	233	1,165	270		940	364	999		37		5,497
Total FY13 Headcount	1,489	233	1,165	270	-	940	364	999		37		5,497
Budget Request to Legislature - New Positions (d)	-	-	-	-	-	-	-	-		-		-
SWOHR FY14 Projected Average Headcount	1,489	233	1,165	270 (a)	(a)	940	364	999		37		5,497
FY14 Leave Benefits Wage Base Projection:												
FY12 Leave Benefit Wage Base (Actuals)	57,490,500	9,835,000	65,707,900	21,194,300	5,169,900	83,536,300	26,795,500	18,781,900	18,216,800	1,156,000	15,210,300	323,094,400
Estimated FY13 Leave Wage Base	56,048,500	9,661,700	69,290,100	22,465,600	4,851,600	85,110,800	26,830,500	18,838,000	19,209,900	1,303,500	15,046,100	328,656,300
Projected Salary and/or Grid Increase (b)	1,821,600	159,400	2,251,900	491,700	121,300	2,127,800	670,800	320,200	237,800	42,300	-	8,244,800
Est FY14 Grid/Salary Adjusted Leave Wage Base	57,870,100	9,821,100	71,542,000	22,957,300	4,972,900	87,238,600	27,501,300	19,158,200	19,447,700	1,345,800	15,046,100	336,901,100
Estimate FY14 Step or Other Leave Wage Base Increase	-	102,100	-	-	-	297,500	96,300	-	4,700	-	-	500,600
Projection for FY14 New Position Estimates (d)	-	-	-	-	-	-	-	-	-	-	-	-
Projected FY14 Leave Wage Base	57,870,100	9,923,200	71,542,000	22,957,300	4,972,900	87,536,100	27,597,600	19,158,200	19,452,400	1,345,800	15,046,100	337,401,700
Use	57,870,000	9,920,000	71,540,000	22,960,000	4,970,000	87,540,000	27,600,000	19,160,000	19,450,000	1,350,000	15,050,000	337,410,000
FY14 Staff Benefits Wage Base Projection:												
Projected FY14 Leave Wage Base	57,870,000	9,920,000	71,540,000	22,960,000	4,970,000	87,540,000	27,600,000	19,160,000	19,450,000	1,350,000	15,050,000	337,410,000
FY12 Leave Benefit Wage Base (Actuals)	57,490,500	9,835,000	65,707,900	21,194,300	5,169,900	83,536,300	26,795,500	18,781,900	18,216,800	1,156,000	15,210,300	323,094,400
FY10-FY11 Retro Compensation paid in FY12 (f)								(217,000) (f)				(217,000)
Projected Dollar Change	379,500	85,000	5,832,100	1,765,700	(199,900)	4,003,700	804,500	595,100	1,233,200	194,000	(160,300)	14,532,600
Projected Percentage Change	0.66%	0.86%	8.88%	8.33%	(3.87%) (g)	4.79%	3.00%	3.21%	6.77%	16.78%	(1.05%) (g)	
Proposed Leave Rates	22.40%	21.10%	20.60%	17.00%	0.10%	1.50%	1.50%	0.00%	0.00%	13.40%	0.00%	
Leave Accrual	12,962,900	2,093,100	14,737,200	3,903,200	5,000	1,313,100	414,000	-	-	180,900	-	35,609,400
Overtime Pay (FY12 Actual)	1,341,300	484,700	-	-	-	-	-	145,600	359,800	22,500	8,700	2,362,600
Miscellaneous Pay (FY12 Actual)	200,000	33,100	323,300	348,000	300	1,495,500	142,900	21,600	47,800	1,600	35,500	2,649,600
FY14 Overtime Pay Projection (e)	1,350,200	488,900	-	-	-	-	-	150,300	384,200	26,300	8,600	2,408,500
FY14 Miscellaneous Pay Projection (e)	201,300	33,400	352,000	377,000	300	1,567,200	147,200	22,300	51,000	1,900	35,100	2,788,700
Projected FY14 Staff Benefits Wage Base	72,384,400	12,535,400	86,629,200	27,240,200	4,975,300	90,420,300	28,161,200	19,332,600	19,885,200	1,559,100	15,093,700	378,216,600
Use	72,380,000	12,540,000	86,630,000	27,240,000	4,980,000	90,420,000	28,160,000	19,330,000	19,890,000	1,560,000	15,090,000	378,220,000
					32,220,000 (a)							

Immaterial variances due to rounding are ignored.

- (a) E-classes EX and FR are eligible for all leave benefits. E-class FN is only eligible for sick leave. E-classes are pooled for staff benefit calculation. Headcount numbers are used only during the staff benefit calculations where they are combined into pooled e-class EX/FR/FN.
- (b) A 3.25% increase to the exempt and nonexempt staff (NR, XR, NX, XX) pay grids is expected; a 2.0% increase to the temporary exempt and nonexempt staff (NT, XT) pay grids is projected; annual salary increases of 2.0% for eclass EX; 2.5% for e-classes FR, FN and F9; 2.5% for e-class group AR/A9 and 1.7% for e-class group FT/FW are expected; projecting a 1.65% grid increase for e-classes CR, CT represented by Local 6070 Collective Bargaining Agreement (CBA), (CBA expired 12/31/12, increase for projection purposes only).
- (c) Estimated market increase of 0.4% of 9 month wage base calculated by Labor Relations for e-classes F9 & AR/A9 is expected; projecting one step increase, calculated at an average of 1.04% for e-classes CR & CT, (CBA expired 12/31/12, increase for projection purposes only).
- (d) There is no expectation of funding or authorization in the FY14 budget for new positions.
- (e) Applied projected % change between FY12 and FY14 leave benefit wage bases to the FY12 Overtime and Miscellaneous Pay actuals.
- (f) Excluding compensation earned in FY10 & FY11 by Adjuncts (FW) whose primary e-class was non-exempt classified (NR) which had been retroactively paid to them in December 2011. Compensation for possible overtime hours in prior fiscal years based on primary ECLS.
- (g) Projecting immaterial decrease for e-class FN - Nonunion Faculty and pooled e-classes GN,SN - Non-SS Student employee wages.

**The University of Alaska  
Certificate of Fringe Benefit Costs  
(OMB Circular A21, Section K.2.b)**

This is to certify that to the best of my knowledge and belief:

1. I have reviewed the forward pricing fringe benefit cost proposal submitted herewith;
2. All costs included in the proposal dated March 29, 2013 to establish fixed with carry-forward fringe benefit cost rates for the period beginning July 1, 2013 through June 30, 2014 are allowable in accordance with the requirements of the Federal agreement(s) to which they apply and with the cost principles applicable to those agreements.
3. This proposal does not include any costs which are unallowable under applicable cost principles such as (without limitation): advertising and public relations costs, contributions and donations, entertainment costs, fines and penalties, lobbying costs, and defense of fraud proceedings; and,
4. All costs included in this proposal are properly allocable to federal agreements on the basis of a beneficial or casual relationship between the expenses incurred and the agreements to which they are allocated in accordance with applicable requirements.
5. The rate proposal is prepared using the same cost accounting practices that are disclosed in the DS-2 including its amendments and revisions, filed with and approved by the cognizant agency.

I declare under penalty of perjury that the foregoing is true and correct.

The University of Alaska

Institution



Ashok K. Roy, Ph.D., CIA, CBA

Vice-President for Finance & Administration/Chief Financial Officer

Title

3/28/13

Date of Execution

**The University of Alaska**  
**Certificate of Final Fringe Benefit Costs**  
(FAR 52.242-4)  
(62 FR 239)

This is to certify that I have reviewed this proposal to establish final fringe benefit cost rates and to the best of my knowledge and belief:

1. All costs included in this proposal dated March 29, 2013 to establish final fringe benefit cost rates for July 1, 2013 through June 30, 2014 are allowable in accordance with the cost principles of the Federal Acquisition Regulation (FAR) and its supplements applicable to the contracts to which the final fringe benefit cost rates will apply, and
2. This proposal does not include any costs, which are unallowable under applicable cost principles of the FAR or its supplements.

I declare under penalty of perjury that the foregoing is true and correct.

The University of Alaska

Institution



Ashok K. Roy, Ph.D., CIA, CBA.

Vice-President for Finance & Administration/Chief Financial Officer

Title

3/28/13

Date of Execution