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Date: April 15, 2014

To: Bill Spindle, Pat Pitney, Michael Ciri

From: Tanya Hollis 

Re: FY15 Fringe Benefit Forward Pricing Proposal

Attached is the FY15 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, 2014. You will be notified when we have a fully executed negotiation agreement in place for external usage of the FY15 rates.

The following table summarizes the fringe benefit rates proposed for FY15 for the University of Alaska System. Also listed are the FY14 negotiated rates for comparison purposes.

E-Class	<u>Leave Benefit Rates (1)</u>		<u>Staff Benefit Rates (2)</u>	
	FY14	FY15	FY14	FY15
	Negotiated Benefit Rates	Proposed Benefit Rates	Negotiated Benefit Rates	Proposed Benefit Rates
NR	22.40%	22.50%	50.40%	43.00%
CR	21.10%	21.80%	53.40%	47.60%
XR	20.60%	20.70%	41.90%	38.80%
EX, FR	17.00%	15.60%	29.00%	27.60%
FN	0.10%	0.80%	29.00%	27.60%
F9	1.50%	1.40%	31.20%	27.50%
AR, A9	1.50%	1.20%	34.70%	29.10%
FT, FW	0.00%	0.00%	10.10%	9.60%
CT, GT, NT, ST, XT	0.00%	0.00%	8.20%	8.60%
NX, XX	13.40%	19.90%	33.40%	22.80%
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: Ashok Roy, Myron Dosch, Nichole Pittman, Michelle Rizk, Erik Seastedt, Donald Smith, Erika Van Flein, Karin Baldwin, Raaj Kurapati, Sandra Culver, Jason Theis, Kelly Thorngren, Barbara Hyde, Debbie Carlson, Alesia Kruckenberg

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UNIVERSITY
of ALASKA
Many Traditions One Alaska

April 15, 2014

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

RE: University of Alaska FY15 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, 2014 through June 30, 2015 (FY15).

The cost methodology used is consistent with methodologies utilized in past fringe benefit forward pricing proposals. This proposal fully liquidates the FY13 staff benefit over recovery carry-forward of \$13,374,600 and leave benefit over recovery of \$890,200.

The following table summarizes the fringe benefit rates proposed for FY15 for the University of Alaska System. Also listed are the FY14 negotiated rates for comparison purposes.

	<u>Leave Benefit Rates (1)</u>		<u>Staff Benefit Rates (2)</u>	
	FY14	FY15	FY14	FY15
	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	22.40%	22.50%	50.40%	43.00%
CR	21.10%	21.80%	53.40%	47.60%
XR	20.60%	20.70%	41.90%	38.80%
EX, FR	17.00%	15.60%	29.00%	27.60%
FN	0.10%	0.80%	29.00%	27.60%
F9	1.50%	1.40%	31.20%	27.50%
AR, A9	1.50%	1.20%	34.70%	29.10%
FT, FW	0.00%	0.00%	10.10%	9.60%
CT, GT, NT, ST, XT	0.00%	0.00%	8.20%	8.60%
NX, XX	13.40%	19.90%	33.40%	22.80%

(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 2014. 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, 2014, 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,



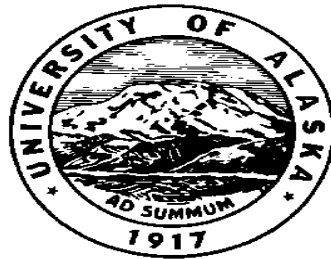
Myron J. Dosch

sab

Attachments

cc: Linda Shipp, ONR (one copy)
Nancy Machida, DCAA, Alaska Sub-Office (one copy)

UNIVERSITY OF ALASKA
FY15 FRINGE BENEFIT FORWARD PRICING PROPOSAL



The University of Alaska
Fringe Benefit Forward Pricing Proposal

July 1, 2014 – June 30, 2015

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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 FY15 are based on updated estimates of projected FY14 wages and incremented for salary and grid increases and are rounded to the nearest hundred for projection purposes. The Sikuliaq R/V FY15 wages included in the fringe benefit forward pricing proposal are based on being at sea for 195 days (27.86 weeks).

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) – 2.0%
- Temporary exempt and non-exempt staff (e-classes NT, XT) – 2.0%
- Executive employees (e-class EX) - 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) – 2.0%
- Local 6070 Union employees (e-classes CR, CT) – 1.65%

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

- The F9, FN, and FR e-classes will receive a \$750 increase to their base salary. Local 6070 Union employees (e-classes CR, CT) – step increase, calculated at 2.0% average

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 FY12 and FY13 actual leave usage combined with FY14 estimated leave usage. Leave benefit recovery carryforwards are reflected as calculated in the FY13 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 6.88% respectively, rates are established or projected by the State of Alaska, Division of Retirement. The FY15 projected employer contribution was calculated using a three year average for the applicable benefit eligible e-classes.

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. The FY15 shortfall estimate was calculated by taking the difference between the projected FY15 PERS employer contribution and the FY08 PERS employer contribution, which is approximately \$3.3 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 9.04% respectively, rates are established or projected by the State of Alaska, Division of Retirement. The FY15 projected employer contribution was calculated using a three year average for the applicable benefit eligible e-classes. 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 14.0% per Class Action Settlement effective FY13. The ORP-Tier 2 and ORP-Tier 3 rate is established by the Board of Regents at 12.0%. The FY15 projected employer contribution was calculated using a three year average for the applicable benefit eligible e-classes.
6. Pension costs are estimated at 7.65% of covered wages below \$42,000 for regular employees and \$117,000 for eligible adjunct faculty. E-class covered wages for the fiscal year are calculated by multiplying the percentage of FY13 wages subject to pension benefits by the FY15 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.
7. The percentage of FY13 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 \$117,000 for adjunct faculty and temporary e-classes. All new adjunct faculty will contribute to social security, not pension.
8. 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, including Cobra. Wellness costs, employee and spouse/dependent recoveries are allocated to all projected health care eligible employees, including Cobra, and excluding opt-outs. Cobra recipients may use online wellness services; however, they are not eligible to receive the Wellness rebate.
9. 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.
10. Long term disability insurance (LTD) costs are \$0.154 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.
11. Unemployment is projected using a five year average. Allocated to e-classes prorata based on the staff benefit wage base.
12. Beginning in FY15, Worker's Compensation net costs will be projected using a five year average of actual claims costs as the basis for the claims estimate. Other costs will be projected based on projected salary increments and based on trend percentages. 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.

13. Tuition waiver costs are projected at the FY14 estimated usage level and adjusted for increases or decreases in tuition rates for FY15. 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.
14. Consulting and other costs are projected at the level forecasted by the respective program director. The Local 6070 legal trust will not be included in the new collective bargaining agreement, and will therefore not be projected for FY15. 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.
15. 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.
16. Staff benefit recovery carryforwards are reflected as calculated in the FY13 Fringe Benefit Incurred Cost Report.

	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>	<u>Faculty</u>	<u>Faculty</u>	<u>Faculty</u>	<u>Faculty</u>	<u>SS Student</u>	<u>Temporary</u>	<u>Student</u>	
FY15 Staff Benefits Wage Base		73,579,900	12,831,000	92,297,600	31,644,600	95,555,500	29,229,700	19,110,500	20,671,200	1,136,200	14,532,300	390,588,500
Staff Benefits:												
PERS		9,672,200	1,915,800	14,998,100	1,485,200	-	-	-	-	-	-	28,071,300
TRS		-	-	-	796,000	2,745,600	1,329,700	-	-	-	-	4,871,300
ORP-Tier 1		2,000	-	155,600	1,217,400	4,518,200	895,700	-	-	-	-	6,788,900
ORP-Tier 2 and Tier 3		3,324,700	559,700	3,118,500	1,530,800	4,598,300	1,376,000	-	-	-	-	14,508,000
UA Pension Plan		3,868,700	636,400	3,727,700	776,600	3,224,100	1,140,400	96,400	-	-	-	13,470,300
Medicare & Social Security		963,600	164,500	1,208,100	390,300	1,236,600	377,900	1,326,700	1,499,700	81,700	-	7,249,100
Health Care		16,917,000	2,669,000	14,155,000	2,934,600	11,233,800	3,877,400	-	-	305,400	-	52,092,200
Life Insurance		57,600	8,900	47,900	9,900	37,600	14,100	-	-	-	-	176,000
Long Term Disability		83,200	14,500	104,400	35,800	108,100	33,000	-	-	-	-	379,000
Unemployment		138,600	24,200	173,900	59,600	180,000	55,100	36,000	38,900	2,200	-	708,500
Workers' Compensation		651,400	582,000	466,000	159,800	424,100	129,800	84,800	164,600	9,100	-	2,671,600
Tuition Waivers		538,100	83,600	447,900	92,300	350,900	132,200	208,000	-	-	-	1,853,000
Consulting/Other		135,800	23,000	153,500	48,100	150,600	48,000	24,800	26,800	2,200	-	612,800
Labor Relations		-	61,800	-	-	460,400	140,900	92,100	-	-	-	755,200
Carryforward (Over) Under from FY13		(4,745,900)	(639,400)	(2,969,000)	(804,600)	(3,017,400)	(1,054,300)	(40,000)	37,200	(141,200)	-	(13,374,600)
		<u>31,607,000</u>	<u>6,104,000</u>	<u>35,787,600</u>	<u>8,731,800</u>	<u>26,250,900</u>	<u>8,495,900</u>	<u>1,828,800</u>	<u>1,767,200</u>	<u>259,400</u>	<u>-</u>	<u>120,832,600</u>
Benefit Rates:												
PERS		13.15%	14.93%	16.25%	4.69%							28,071,300
TRS					2.52%	2.87%	4.55%					4,871,300
ORP-Tier 1				0.17%	3.85%	4.73%	3.06%					6,788,900
ORP-Tier 2 and Tier 3		4.52%	4.36%	3.38%	4.84%	4.81%	4.71%					14,508,000
UA Pension Plan		5.26%	4.96%	4.04%	2.45%	3.37%	3.90%	0.50%				13,470,300
Medicare & Social Security		1.31%	1.28%	1.31%	1.23%	1.29%	1.29%	6.94%	7.26%	7.19%		7,249,100
Health Care		22.99%	20.80%	15.34%	9.27%	11.76%	13.27%			26.88%		52,092,200
Life Insurance		0.08%	0.07%	0.05%	0.03%	0.04%	0.05%					176,000
Long Term Disability		0.11%	0.11%	0.11%	0.11%	0.11%	0.11%					379,000
Unemployment		0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%		708,500
Workers' Compensation		0.89%	4.54%	0.50%	0.50%	0.44%	0.44%	0.44%	0.80%	0.80%		2,671,600
Tuition Waivers		0.73%	0.65%	0.49%	0.29%	0.37%	0.45%	1.09%				1,853,000
Consulting/Other		0.18%	0.18%	0.17%	0.15%	0.16%	0.16%	0.13%	0.13%	0.19%		612,800
Labor Relations			0.48%			0.48%	0.48%	0.48%				755,200
Carryforward (Over) Under from FY13		(6.45%)	(4.98%)	(3.22%)	(2.54%)	(3.16%)	(3.61%)	(0.21%)	0.18%	(12.43%)		(13,374,600)
		<u>42.96%</u>	<u>47.57%</u>	<u>38.78%</u>	<u>27.58%</u>	<u>27.46%</u>	<u>29.05%</u>	<u>9.56%</u>	<u>8.56%</u>	<u>22.82%</u>		<u>120,832,600</u>
FY15 Proposed Staff Benefit Rates		<u>43.00%</u>	<u>47.60%</u>	<u>38.80%</u>	<u>27.60%</u>	<u>27.50%</u>	<u>29.10%</u>	<u>9.60%</u>	<u>8.60%</u>	<u>22.80%</u>		
FY14 Negotiated Staff Benefit Rates		<u>50.40%</u>	<u>53.40%</u>	<u>41.90%</u>	<u>29.00%</u>	<u>31.20%</u>	<u>34.70%</u>	<u>10.10%</u>	<u>8.20%</u>	<u>33.40%</u>		
Increase/(Decrease)		<u>(7.40%)</u>	<u>(5.80%)</u>	<u>(3.10%)</u>	<u>(1.40%)</u>	<u>(3.70%)</u>	<u>(5.60%)</u>	<u>(0.50%)</u>	<u>0.40%</u>	<u>(10.60%)</u>		
Federal Participation												
FY15 Federal Wages & Leave Accrual		7,876,400	249,600	14,607,800	4,289,500	13,576,800	1,370,300	863,500	6,080,200	345,400	3,946,000	53,205,500
FY15 Staff Benefit Costs		3,386,900	118,800	5,667,800	1,183,900	3,733,600	398,800	82,900	522,900	78,800	-	15,174,400
FY15 Projected Federal Participation		<u>11,263,300</u>	<u>368,400</u>	<u>20,275,600</u>	<u>5,473,400</u>	<u>17,310,400</u>	<u>1,769,100</u>	<u>946,400</u>	<u>6,603,100</u>	<u>424,200</u>	<u>3,946,000</u>	<u>68,379,900</u>

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>									
Projected FY15 Leave Wage Base	58,879,700	10,043,500	76,117,000	23,641,800	4,081,000	92,086,000	28,448,500	18,895,500	20,040,100	926,000	14,443,600	347,602,700
FY13 Actual Leave Usage Rates:												
Annual Leave	9.42%	9.45%	9.81%	9.19%			0.02%			6.29%		
Sick Leave	5.78%	6.17%	4.98%	2.83%	1.05%	1.35%	1.27%			2.96%		
Holiday/Other Leave	6.50%	6.24%	5.58%	5.33%						5.47%		
Total Actual Leave Usage Rate	21.70%	21.86%	20.37%	17.35%	1.05%	1.35%	1.29%	n/a	n/a	14.72%	n/a	
Average Leave Usage Rates:												
Annual Leave	9.38%	9.62%	9.91%	9.36%	n/a	n/a	n/a	n/a	n/a	6.60%	n/a	
Sick Leave	5.72%	6.33%	4.84%	2.55%	1.36%	1.50%	1.18%	n/a	n/a	2.41%	n/a	
Holiday/Other Leave	6.53%	6.23%	5.54%	5.34%	n/a	n/a	n/a	n/a	n/a	5.43%	n/a	
Total Average Leave Rate	21.63%	22.18%	20.29%	17.25%	1.36%	1.50%	1.18%	n/a	n/a	14.44%	n/a	
FY15 Leave Benefit Projection												
Annual Leave Usage	5,522,900	966,200	7,543,200	2,212,900	-	-	-	-	-	61,100	-	16,306,300
FY15 Est. Annual Leave Usage Sikuliaq R/V	25,400		16,900									42,300
FY13 Carryforward Under (Over)	(153,800)	8,000	(230,700)	(241,400)	-	-	-	-	-	48,800		(569,100)
Reclassifications	-	-	-	-	-	-	-	-	-	-	-	-
Annual Leave Projection	5,394,500	974,200	7,329,400	1,971,500	-	-	-	-	-	109,900	-	15,779,500
Sick Leave Usage	3,367,900	635,800	3,684,100	602,900	55,500	1,381,300	335,700	-	-	22,300	-	10,085,500
FY15 Est. Sick Leave Usage Sikuliaq R/V	21,300		14,000									35,300
FY13 Carryforward Under (Over)	(6,600)	(52,100)	82,100	(138,000)	(22,200)	(136,100)	(3,800)	-	-	2,100		(274,600)
Reclassifications	-	-	-	-	-	-	-	-	-	-	-	-
Sick Leave Projection	3,382,600	583,700	3,780,200	464,900	33,300	1,245,200	331,900	-	-	24,400	-	9,846,200
Holiday/Other Leave Usage	3,844,800	625,700	4,216,900	1,262,500	-	-	-	-	-	50,300	-	10,000,200
FY15 Add'l Personal Holiday	266,200		347,600									613,800
FY15 Est. Holiday/Other Leave Usage Sikuliaq R/V	366,700		109,500									476,200
FY13 Carryforward Under (Over)	(10,000)	8,800	(20,200)	(24,600)	-	-	-	-	-	(500)		(46,500)
Reclassifications	-	-	-	-	-	-	-	-	-	-	-	-
Holiday/Other Leave Projection	4,467,700	634,500	4,653,800	1,237,900	-	-	-	-	-	49,800	-	11,043,700
Calculated Leave Benefit Rates												
Annual	9.16%	9.70%	9.63%	8.34%						11.87% (b)		15,779,500
Sick	5.74%	5.81%	4.97%	1.97%	0.82%	1.35%	1.17%			2.63%		9,846,200
Holiday/Other	7.59%	6.32%	6.11%	5.24%						5.38%		11,043,700
	22.49%	21.83%	20.71%	15.55%	0.82%	1.35%	1.17%			19.88%		36,669,400
FY15 Proposed Leave Benefit Rates	22.50%	21.80%	20.70%	15.60%	0.80%	1.40%	1.20%			19.90%		
FY14 Negotiated Rates	22.40%	21.10%	20.60%	17.00%	0.10%	1.50%	1.50%			13.40%		
Increase/(Decrease)	0.10%	0.70%	0.10%	(1.40%)	0.70%	(0.10%)	(0.30%)			6.50%		
Federal Participation												
FY13 Actual Federal Participation	10.92%	2.04%	15.90%	8.04%	50.86%	14.54%	4.76%	4.57%	30.34%	31.11%	27.32%	
Projected FY15 Federal Wages	6,429,700	204,900	12,102,600	1,900,800	2,075,600	13,389,300	1,354,100	863,500	6,080,200	288,100	3,946,000	48,634,800
Projected FY15 Leave Benefit Costs	1,446,700	44,700	2,505,200	296,500	16,600	187,500	16,200	-	-	57,300	-	4,570,700
FY15 Proj Federal Wages plus Leave Accrual	7,876,400	249,600	14,607,800	2,197,300	2,092,200	13,576,800	1,370,300	863,500	6,080,200	345,400	3,946,000	53,205,500

Immaterial variances due to rounding are ignored

4,289,500 (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.

(b) NX, XX Annual Leave rate increase is due to the decrease in leave wage base and headcount, and a slight increase in the FY15 Annual Leave projection due to FY13 carryforward.

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>	<u>Classified</u>	<u>APT Exempt</u>								
FY15 Projected Staff Benefits Wage Base	73,579,900	12,831,000	92,297,600	31,644,600	95,555,500	29,229,700	19,110,500	20,671,200	1,136,200	14,532,300	390,588,500
Number of Eligible Employees	1,481	230	1,233	254	966	364	982		27		5,537
PERS:											
PERS-DB Cost (a)	6,860,233	1,482,967	12,500,200	1,300,833							22,144,233
PERS-DC Cost (a)	1,678,100	208,200	739,700	10,233							2,636,233
Subtotal PERS DB & DC Cost	8,538,333	1,691,167	13,239,900	1,311,066							24,780,466
PERS FY15 Shortfall Cost (b)	1,133,875	224,584	1,758,234	174,107							3,290,800
Total PERS Cost	9,672,208	1,915,751	14,998,134	1,485,173							28,071,266
Use	9,672,200	1,915,800	14,998,100	1,485,200							28,071,300
PERS Rate	13.15%	14.93%	16.25%	4.69%							
TRS:											
TRS-DB Cost (a)				659,967	2,260,000	1,025,767					3,945,734
TRS-DC Cost (a)				136,067	485,633	303,900					925,600
Total TRS Cost				796,034	2,745,633	1,329,667					4,871,334
Use				796,000	2,745,600	1,329,700					4,871,300
TRS Rate				2.52%	2.87%	4.55%					
ORP-Tier 1:											
ORP-Tier 1 Cost (a)(c)	2,000		155,567	1,217,400	4,518,200	895,700					6,788,867
Use	2,000		155,600	1,217,400	4,518,200	895,700					6,788,900
ORP-Tier 1 Rate	0.00%		0.17%	3.85%	4.73%	3.06%					
ORP-Tier 2 and Tier 3:											
ORP-Tier 2 Cost (a)(c)	7,500		7,900	33,800	313,767	5,533					368,500
ORP-Tier 3 Cost (a)	3,671,833	586,233	3,400,100	1,616,633	4,561,667	1,489,200					15,325,666
ORP Forfeiture Projection	(354,700)	(26,500)	(289,500)	(119,600)	(277,200)	(118,700)					(1,186,200)
Total ORP-Tier 2 and Tier 3 Cost	3,324,633	559,733	3,118,500	1,530,833	4,598,234	1,376,033					14,507,966
Use	3,324,700	559,700	3,118,500	1,530,800	4,598,300	1,376,000					14,508,000
ORP-Tier 2 and Tier 3 Rate	4.52%	4.36%	3.38%	4.84%	4.81%	4.71%					
UA Pension Plan:											
2014 Contribution Rate	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%				
Percentage of Wages Covered (d)	72.74%	66.44%	55.13%	34.81%	45.89%	53.81%	6.59%				
Pension Covered Wage Base	53,522,019	8,524,916	50,883,667	11,015,485	43,850,419	15,728,502	1,259,382				184,784,390
Pension Plan Administration Costs (e)	4,345	692	4,130	894	3,560	1,277	102				15,000
Pension Contribution	4,094,434	652,156	3,892,601	842,685	3,354,557	1,203,230	96,343				14,136,006
Pension Forfeitures	(230,100)	(16,500)	(169,000)	(67,000)	(134,000)	(64,100)					(680,700)
Pension Cost	3,868,679	636,348	3,727,731	776,579	3,224,117	1,140,407	96,445				13,470,306
Use	3,868,700	636,400	3,727,700	776,600	3,224,100	1,140,400	96,400				13,470,300
Pension Rate	5.26%	4.96%	4.04%	2.45%	3.37%	3.90%	0.50%				

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>	<u>Classified</u>	<u>APT Exempt</u>								
FY15 Projected Staff Benefits Wage Base	73,579,900	12,831,000	92,297,600	31,644,600	95,555,500	29,229,700	19,110,500	20,671,200	1,136,200	14,532,300	390,588,500
Number of Eligible Employees	1,481	230	1,233	254	966	364	982		27		5,537
Medicare/Social Security:											
2014 Contribution Rate - Medicare	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%		
2014 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 (d)	90.32%	88.43%	90.27%	85.06%	89.25%	89.17%	99.26%	96.77%	94.69%		
Percentage of Wages Covered by Social Security (d)							88.76%	94.38%	93.74%		
Medicare Covered Wage Base	66,457,366	11,346,453	83,317,044	26,916,897	85,283,284	26,064,123	18,969,082	20,003,520	1,075,868		339,433,637
Social Security Covered Wage Base							16,962,480	19,509,479	1,065,074		37,537,033
Medicare/Social Security Cost	963,632	164,524	1,208,097	390,295	1,236,608	377,930	1,326,726	1,499,639	81,635		7,249,086
Use	963,600	164,500	1,208,100	390,300	1,236,600	377,900	1,326,700	1,499,700	81,700		7,249,100
Medicare/Social Security Rate	1.31%	1.28%	1.31%	1.23%	1.29%	1.29%	6.94%	7.26%	7.19%		
Health Care:											
Health Care Participating Employees (f)	1,274	201	1,066	221	846	292			23		3,923
Health Cost Net of Cobra Health Recovery (f)	20,186,336	3,184,815	16,890,609	3,501,712	13,404,743	4,626,696			364,432		62,159,343
Employee and Dependent Recovery (f)	(3,269,304)	(515,801)	(2,735,542)	(567,125)	(2,170,984)	(749,322)			(59,022)		(10,067,099)
Health Cost Net of Cobra and Employee Recovery	16,917,032	2,669,014	14,155,067	2,934,587	11,233,759	3,877,374			305,410		52,092,244
Use	16,917,000	2,669,000	14,155,000	2,934,600	11,233,800	3,877,400			305,400		52,092,200
Health Care Rate	22.99%	20.80%	15.34%	9.27%	11.76%	13.27%			26.88%		
Life Insurance:											
Eligible Employees Base	1,481	230	1,233	254	966	364					4,528
Life Insurance Cost (g)	57,565	8,940	47,926	9,873	37,548	14,148					176,000
Use	57,600	8,900	47,900	9,900	37,600	14,100					176,000
Life Insurance Rate	0.08%	0.07%	0.05%	0.03%	0.04%	0.05%					
LTD Insurance											
LTD Wage Base	73,579,900	12,831,000	92,297,600	31,644,600	95,555,500	29,229,700					335,138,300
LTD Premium and Administrative Costs (h)	83,210	14,510	104,377	35,787	108,061	33,055					379,000
Use	83,200	14,500	104,400	35,800	108,100	33,000					379,000
LTD Rate	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%					
Unemployment:											
Unemployment Wage Base	73,579,900	12,831,000	92,297,600	31,644,600	95,555,500	29,229,700	19,110,500	20,671,200	1,136,200		376,056,200
Unemployment Cost (h)	138,627	24,174	173,891	59,619	180,029	55,070	36,004	38,945	2,141		708,500
Use	138,600	24,200	173,900	59,600	180,000	55,100	36,000	38,900	2,200		708,500
Unemployment Rate	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%		
Workers' Compensation:											
Average Claims Percentage Base	27.93%	35.32%	12.21%	4.19%	8.85%	2.71%	1.77%	6.65%	0.37%		100.00%
Workers' Compensation Wage Base	73,579,900	12,831,000	92,297,600	31,644,600	95,555,500	29,229,700	19,110,500	20,671,200	1,136,200		376,056,200
Forecast Claims Cost	429,675	543,363	187,839	64,459	136,148	41,691	27,230	102,303	5,692		1,538,400
Other Costs (h)	221,724	38,665	278,128	95,357	287,945	88,080	57,587	62,290	3,424		1,133,200
Total Workers' Comp Costs	651,399	582,028	465,967	159,816	424,093	129,771	84,817	164,593	9,116		2,671,600
Use	651,400	582,000	466,000	159,800	424,100	129,800	84,800	164,600	9,100		2,671,600
Workers' Compensation Rate	0.89%	4.54%	0.50%	0.50%	0.44%	0.44%	0.44%	0.80%	0.80%		

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>	<u>Classified</u>	<u>APT Exempt</u>								
FY15 Projected Staff Benefits Wage Base	73,579,900	12,831,000	92,297,600	31,644,600	95,555,500	29,229,700	19,110,500	20,671,200	1,136,200	14,532,300	390,588,500
Number of Eligible Employees	1,481	230	1,233	254	966	364	982		27		5,537
Tuition Waivers:											
Eligible Employees Base	1,481	230	1,233	254	966	364	982				5,510
Employee Tuition Waiver Cost (i)	538,040	83,558	447,943	92,277	350,943	132,239	208,000				1,853,000
Use	538,100	83,600	447,900	92,300	350,900	132,200	208,000				1,853,000
Tuition Waiver Rate	0.73%	0.65%	0.49%	0.29%	0.37%	0.45%	1.09%				
Consulting/Other:											
Consulting/Other Wage Base	73,579,900	12,831,000	92,297,600	31,644,600	95,555,500	29,229,700	19,110,500	20,671,200	1,136,200		376,056,200
EAP Eligible Employee Base	1,465	230	1,225	254	966	364			27		4,531
Employee Assistance Program Costs (g)	40,254	6,320	33,660	6,979	26,543	10,002			742		124,500
Consulting Cost (h)	95,541	16,661	119,846	41,090	124,077	37,954	24,815	26,841	1,475		488,300
Total Consulting/Other cost	135,795	22,981	153,506	48,069	150,620	47,956	24,815	26,841	2,217		612,800
Use	135,800	23,000	153,500	48,100	150,600	48,000	24,800	26,800	2,200		612,800
Consulting/Other Rate	0.18%	0.18% (j)	0.17%	0.15%	0.16%	0.16%	0.13%	0.13%	0.19%		
Labor Relations:											
Labor Relations Wage Base		12,831,000			95,555,500	29,229,700	19,110,500				156,726,700
Labor Relations Cost (h)		61,827			460,442	140,846	92,085				755,200
Use		61,800			460,400	140,900	92,100				755,200
Labor Relations Rate		0.48%			0.48%	0.48%	0.48%				
Staff Benefit Carryforward:											
FY13 Carryforward (Over) Under to Liquidate in FY15	(4,745,900)	(639,400)	(2,969,000)	(804,600)	(3,017,400)	(1,054,300)	(40,000)	37,200	(141,200)		(13,374,600)
Carryforward (Over) Under Rate	(6.45%)	(4.98%)	(3.22%)	(2.54%)	(3.16%)	(3.61%)	(0.21%)	0.18%	(12.43%)		

Immaterial variances due to rounding are ignored

- (a) PERS-DB, PERS-DC, TRS-DB, TRS-DC, ORP Tiers 1, 2 and 3 were projected using a three year average based on actual costs for each of the plans. 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. The PERS-DC and TRS-DC FY15 costs include the DB unfunded liability.
- (b) Effective FY08, if the current PERS wage base does not meet the FY08 wage base, UA must pay the difference in PERS costs. SWOCA has estimated the FY15 shortfall cost to be \$3.3 million. The PERS shortfall cost is allocated based on total PERS cost.
- (c) Historically e-classes NR, CR & XR are ineligible for ORP Tier 1 and Tier 2. An ORP Tier 1 rate will be projected for e-class XR for employees with grandfathered eligibility into the plan. An ORP Tier 2 rate will be projected for e-classes NR and XR for employees with grandfathered eligibility into the plan. An ORP Tier 1 and 2 rate will not be projected for the e-class CR.
- (d) Projected benefit covered wages for Pension, Medicare, and Social Security wages by applying the FY13 ratio of benefit eligible wages to FY13 staff benefit wages to the FY15 projected staff benefit wage base.
- (e) Allocated prorata based on pension wage base.
- (f) Projected health care costs are allocated net of Cobra recoveries based on projected health care participants, including Cobra, and excluding opt-outs. Wellness costs and employee and dependent recoveries are allocated based on projected health care eligible employees, including Cobra, and excluding opt-outs.
- (g) Allocated prorata based on eligible e-class headcount.
- (h) Allocated prorata based on eligible e-class staff benefit wage base.
- (i) 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.
- (j) The decrease in the FY15 Consulting/Other Rate for the CR e-class is directly attributable to the removal of the Legal Trust from the new Local 6070 collective bargaining agreement.

	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 FY14		1,465	230	1,225	254		966	364	982		27		5,513
Total FY14 Headcount		1,465	230	1,225	254	-	966	364	982		27		5,513
Budget Request to Legislature - New Positions (d)		-	-	-	-	-	-	-	-		-		-
Sikuliaq R/V Positions		16	-	8	-	-	-	-	-		-		24
FY15 Projected Average Headcount		1,481	230	1,233	254 (a)	(a)	966	364	982		27		5,537
FY15 Leave Benefits Wage Base Projection:													
FY13 Leave Benefit Wage Base (Actuals)		57,031,500	9,817,600	69,715,400	22,743,100	4,707,800	85,327,000	27,065,500	19,201,800	19,416,100	1,166,600	15,103,900	331,296,300
Estimated FY14 Leave Wage Base		57,063,000	9,686,800	74,185,800	23,401,300	3,941,200	89,109,000	27,754,700	18,525,000	19,656,000	907,800	14,443,600	338,674,200
Projected Salary and/or Grid Increase (b)		1,141,300	159,800	1,483,700	188,000	98,500	2,227,700	693,800	370,500	252,600	18,200	-	6,634,100
Est FY15 Grid/Salary Adjusted Leave Wage Base		58,204,300	9,846,600	75,669,500	23,589,300	4,039,700	91,336,700	28,448,500	18,895,500	19,908,600	926,000	14,443,600	345,308,300
Estimate FY15 Step or Other Leave Wage Base Increase (c)		-	196,900	-	52,500	41,300	749,300	-	-	12,100	-	-	1,052,100
Projection for FY15 New Position Estimates (d)		-	-	-	-	-	-	-	-	-	-	-	-
Projection for FY15 Sikuliaq R/V Positions		675,400	-	447,500	-	-	-	-	-	119,400	-	-	1,242,300
Projected FY15 Leave Wage Base		58,879,700	10,043,500	76,117,000	23,641,800	4,081,000	92,086,000	28,448,500	18,895,500	20,040,100	926,000	14,443,600	347,602,700
FY15 Staff Benefits Wage Base Projection:													
Projected FY15 Leave Wage Base		58,879,700	10,043,500	76,117,000	23,641,800	4,081,000	92,086,000	28,448,500	18,895,500	20,040,100	926,000	14,443,600	347,602,700
FY13 Leave Benefit Wage Base (Actuals)		57,031,500	9,817,600	69,715,400	22,743,100	4,707,800	85,327,000	27,065,500	19,201,800	19,416,100	1,166,600	15,103,900	331,296,300
Projected Dollar Change		1,848,200	225,900	6,401,600	898,700	(626,800)	6,759,000	1,383,000	(306,300)	624,000	(240,600)	(660,300)	16,306,400
Projected Percentage Change		3.24%	2.30%	9.18%	3.95%	(13.31%) (g)	7.92%	5.11%	(1.60%) (g)	3.21%	(20.62%) (g)	(4.37%) (g)	
Proposed Leave Rates		22.50%	21.80%	20.70%	15.60%	0.80%	1.40%	1.20%	0.00%	0.00%	19.90%	0.00%	
Leave Accrual		13,247,900	2,189,500	15,756,200	3,688,100	32,600	1,289,200	341,400	-	-	184,300	-	36,729,200
FY15 Add'l Personal Holiday Reclassification		(266,200)	-	(347,600)	-	-	-	-	-	-	-	-	(613,800)
Adjusted Leave Accrual		12,981,700	2,189,500	15,408,600	3,688,100	32,600	1,289,200	341,400	-	-	184,300	-	36,115,400
Overtime Pay (FY13 Actual)		1,319,800	559,400	-	-	-	-	-	207,800	390,100	30,100	7,400	2,514,600
Overtime Pay Projection (e)		1,362,600	572,300	-	-	-	-	-	204,500	402,600	23,900	7,100	2,573,000
Estimated Overtime Pay Sikuliaq R/V		191,500	-	-	-	-	-	-	-	70,800	-	-	262,300
FY15 Estimated Overtime Pay Projection		1,554,100	572,300	-	-	-	-	-	204,500	473,400	23,900	7,100	2,835,300
Miscellaneous Pay (FY13 Actual)		159,200	25,100	349,500	193,200	300	2,020,300	418,400	10,700	49,100	2,500	85,300	3,313,600
Miscellaneous Pay Projection (e) (h)		164,400	25,700	381,600	200,800	300	2,180,300	439,800	10,500	50,700	2,000	81,600	3,537,700
Estimated Miscellaneous Pay Sikuliaq R/V		-	-	390,400	-	-	-	-	-	107,000	-	-	497,400
FY15 Estimated Miscellaneous Pay Projection		164,400	25,700	772,000	200,800	300	2,180,300	439,800	10,500	157,700	2,000	81,600	4,035,100
Projected FY15 Staff Benefits Wage Base		73,579,900	12,831,000	92,297,600	27,530,700	4,113,900	95,555,500	29,229,700	19,110,500	20,671,200	1,136,200	14,532,300	390,588,500

Immaterial variances due to rounding are ignored.

31,644,600 (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. Headcount numbers are used only during the staff benefit calculations where they are combined into pooled e-class EX/FR/FN.
- (b) A 2.0% 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; Per SW Classification & Compensation no annual salary increase for eclass EX is expected; 2.5% for e-classes FR, FN and F9; 2.5% for e-class group AR/A9 and 2.0% 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)
- (c) There will be no market increases for e-classes F9 (UNAC) & AR/A9 (UAFT) for FY15. E-classes F9, FN, and FR will receive a lump sum distribution of \$750 to their base salary. Per Labor & Employee Relations and SW Budget a step increase of 2% for e-classes CR & CT will be built into the wage base increase calculations for FY15.
- (d) There is no expectation of funding or authorization in the FY15 budget for new positions.
- (e) Applied projected % change between FY13 and FY15 leave benefit wage bases to the FY13 Overtime and Miscellaneous Pay actuals.
- (f) The Sikuliaq R/V is currently operating in FY14 in dry dock. The UAF School of Fisheries and Ocean Sciences (SFOS) expects to take delivery of the R/V in April 2014, and begin sailing in FY15. Therefore, SWOCA estimated FY15 wages based on being at sea for 195 days (27.86 weeks).
- (g) Projecting immaterial decreases in FY15 for pooled e-classes FT/FW - Adjunct Faculty, and e-classes GN,SN - Non-SS Student employee wages. Projecting moderate decreases in FY15 for e-class FN - Nonunion Faculty, and pooled e-classes NX, XX - Extended Temporary wages, which can be attributable to a moderate decrease in headcount for these ECLSs.
- (h) The F9, FR, and FN ECLSs may receive a merit pay/bonus increase. The merit pay/bonus is funded by the Legislature, and if not awarded, must be returned. It will be processed in BHR with an earnings code, which falls within the Miscellaneous (Misc.) Pay category (subject to staff, but not leave benefits. This category is projected based on a % of increase of the FY15 Projected Leave Wages over the FY13 Actual Leave Wages. The FY14 Projected Misc Pay is calculated by applying the % of increase to the FY13 Actual Misc Pay, then rounded to the nearest hundred. No further calculation will be done to accommodate the FY15 merit pay/bonus amount.

**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 April 15, 2014 to establish fixed with carry-forward fringe benefit cost rates for the period beginning July 1, 2014 through June 30, 2015 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 causal 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

4/15/14

Date of Execution

mvd
4/15/14

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 April 15, 2014 to establish final fringe benefit cost rates for July 1, 2014 through June 30, 2015 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

*mu's
4/15/14*

Vice-President for Finance & Administration/Chief Financial Officer

Title

Date of Execution

4/15/14