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Date: June 24, 2016

To: Bill Spindle, Kari Burrell, Michael Ciri, Myron Dosch

From: Tanya Hollis *TH*

Re: FY17 Fringe Benefit Forward Pricing Proposal

Attached is the FY17 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 audited, therefore ONR has provided a provisional negotiated agreement, see attached, which adjusts three fringe benefit rates (NR, XR and F9) and two leave benefit rates (NR and XR) until the audit can be completed.

The following table summarizes the provisional fringe benefit rates for FY17 for the University of Alaska System. Also listed are the FY16 negotiated rates for comparison purposes.

E-Class	<u>Leave Benefit Rates (1)</u>		<u>Staff Benefit Rates (2)</u>	
	FY16	FY17	FY16	FY17
	Negotiated Benefit Rates	Provisional Benefit Rates	Negotiated Benefit Rates	Provisional Benefit Rates
NR	21.00%	22.40%	45.70%	54.40%
CR	23.00%	23.30%	40.50%	54.30%
XR	20.90%	21.90%	41.00%	46.40%
EX, FR	17.30%	20.00%	28.50%	28.80%
FN	9.60%	6.20%	28.50%	28.80%
F9	13.70%	12.70%	28.70%	30.50%
AR, A9	12.70%	11.90%	29.10%	33.50%
FT, FW	0.00%	0.00%	10.70%	9.70%
CT, GT, NT, ST, XT	0.00%	0.00%	9.20%	9.50%
NX, XX	7.00%	0.70%	30.40%	39.30%
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: Nichole Pittman, Michelle Rizk, Keli McGee, Erika Van Flein, Raaj Kurapati, Sandra Culver, Jason Theis, Kelly Thorngren, Roxy Felkl, Debbie Carlson, Alesia Kruckenberg, Tara Ferguson, Carolyn Weaver, Lisa Molinar

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June 8, 2016

Ms. Beth Snyder
Office of Naval Research
Code BD0242, Rm. 368
875 N. Randolph Street
Arlington, VA 22203

RE: University of Alaska FY17 Fringe Benefit Forward Pricing Proposal

Dear Ms. Snyder:

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, 2016 through June 30, 2017 (FY17).

The fringe benefits granted to employees are the same as those provided in recent past fringe benefit forward pricing proposals. The State of Alaska is experiencing a budget crisis due to the loss of oil revenue to fund state government operations. As a result, the university's budget has been significantly reduced, resulting in a projected FY17 wage base reduction of approximately \$26 million, with over 500 positions affected due to layoffs, contract reductions and attrition.

This proposal fully liquidates the FY15 staff benefit over recovery carry-forward of \$782,300 and leave benefit under recovery of \$1,518,900. Additionally, this proposal liquidates the remaining FY14 annual leave carryforward balance of \$11,600 for the Extended Temporary (NX, XX) job group.

The following table summarizes the fringe benefit rates proposed for FY17 for the University of Alaska System. Also listed are the FY16 negotiated rates for comparison purposes.

	<u>Leave Benefit Rates (1)</u>		<u>Staff Benefit Rates (2)</u>	
	FY16	FY17	FY16	FY17
	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	21.00%	22.90%	45.70%	56.00%
CR	23.00%	23.30%	40.50%	54.30%
XR	20.90%	22.60%	41.00%	47.30%
EX, FR	17.30%	20.00%	28.50%	28.80%
FN	9.60%	6.20%	28.50%	28.80%
F9	13.70%	12.70%	28.70%	30.80%
AR, A9	12.70%	11.90%	29.10%	33.50%
FT, FW	0.00%	0.00%	10.70%	9.70%
CT, GT, NT, ST, XT	0.00%	0.00%	9.20%	9.50%
NX, XX	7.00%	0.70%	30.40%	39.30%

(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.

Ms. Beth Snyder
June 8, 2016
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We are seeking to have new rates in effect for our first payroll in July 2016. 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, 2016, 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

MJD/TLH/sab

Attachments

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

UNIVERSITY OF ALASKA

FY17 FRINGE BENEFIT FORWARD PRICING PROPOSAL



The University of Alaska
Fringe Benefit Forward Pricing Proposal

July 1, 2016 – June 30, 2017

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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 FY17 are based on updated estimates of projected FY16 wages and incremented for salary and grid increases and are rounded to the nearest hundred 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) – 2.5%
- Temporary exempt and non-exempt staff (e-classes NT, XT, NX, XX) – 0%
- Executive employees (e-classes EX) – 0%
- Non-union faculty (e-classes FR, FN) – 2.0%
- UNAC faculty (e-class F9) – 2.0%
- UAFT faculty (e-classes AR, A9) – 2.0%
- Adjunct faculty (e-classes FT, FW) – 2.0%
- Local 6070 Union employees (e-classes CR, CT) – 1.9%

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

- The F9 e-class will receive a \$750 increase to their base salary. E-classes F9, FR, FN will receive a market increase of 0.3% of 9 month base salary. The AR, A9 e-classes will receive a \$900 distribution, which does not increase base salary. E-classes AR, A9 will receive a market increase of 0.5% of 9 month base salary. Local 6070 Union employees (e-classes CR, CT) will receive a step increase, calculated at 2.0% on 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 FY14 and FY15 actual leave usage combined with FY16 estimated leave usage. The leave usage projections were adjusted for the discontinuation of annual leave and holiday/other leave for extended temporary employees (NX, XX e-classes). A projection for the Sikuliaq R/V cruise leave cash-in is included in the fringe benefit forward pricing proposal. FY17 cruise leave cash-in is being projected at FY16 estimated cruise leave cash-in, of \$48,500. Additional annual leave payoff of \$381,200 has been included in the fringe benefit forward pricing proposal as UA anticipates increased payoffs due to anticipated layoffs, non-renewal of contracts and attrition. FY17 benefit recovery carryforwards are reflected as calculated in the FY15 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 hired on July 1, 2006 or later may enroll in the public employee retirement system defined contribution (PERS-DC) plan.

Effective July 01, 2015, the non-exempt and exempt staff (e-classes NR, XR) employees and Local 6070 Union employees (e-class CR) are no longer eligible to participate in ORP Tier 3 retirement plan unless they were grandfathered in from previous employment. New employees will be eligible for PERS-DC with Pension.

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 6.35% respectively; rates are established or projected by the State of Alaska, Division of Retirement.

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 requiring the total fiscal year PERS covered wages to meet the FY08 Base Salary. The FY17 PERS covered wages were lower than the FY08 Base Salary, therefore, an additional contribution is calculated at the PERS-DB contribution rate.

The FY17 estimated covered wages were calculated by multiplying the percentage of FY16 estimated earnings subject to this benefit by the FY17 projected staff benefit wage base. The FY17 projected contribution rates were applied to the FY17 estimated covered wages to project the FY17 employer contribution by e-class.

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 8.05% respectively; rates are established or projected by the State of Alaska, Division of Retirement. The FY17 estimated covered wages were calculated by multiplying the percentage of FY16 estimated earnings subject to this benefit by the FY17 projected staff benefit wage base. The FY17 projected contribution rates were applied to the FY17 estimated covered wages to project the FY17 employer contribution by e-class.
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 between July 1, 2006 and June 30, 2015. Effective July 01, 2015, non-exempt and exempt staff (e-classes NR, XR) employees and Local 6070 Union employees (e-class CR) can no longer elect to participate in ORP Tier 3 retirement plan unless they were grandfathered in from previous employment. The ORP-Tier 1 rate is 14.0%. The ORP-Tier 2 and ORP-Tier 3 rates are 12.0%. The FY17 estimated covered wages were calculated by multiplying the percentage of FY16 estimated earnings subject to this benefit by the FY17 projected staff benefit wage base. The FY17 projected contribution rates were applied to the FY17 estimated covered wages to project the FY17 employer contribution by e-class.
7. Pension costs are estimated at 7.65% of covered wages below \$42,000 for regular employees and \$118,500 for eligible adjunct faculty. Effective July 01, 2015, new employees electing PERS-DC and TRS-DC plans will be eligible for Pension. The FY17 estimated covered wages were calculated by multiplying the percentage of FY16 estimated earnings subject to this benefit by the FY17 projected staff benefit wage base. The FY17 projected contribution rates were applied to the FY17 estimated covered wages to project the FY17 employer contribution by e-class.
8. 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 \$118,500 for adjunct faculty and temporary e-classes. All new adjunct faculty will contribute to social security, not pension. The FY17 estimated covered wages were calculated by multiplying the percentage of FY16 estimated earnings subject to this benefit by the FY17 projected staff benefit wage base. The FY16 contribution rates were applied to the FY17 estimated covered wages to project the FY17 employer contribution by e-class.

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 are allocated to health care eligible e-classes based on projected plan participants, including Cobra, and excluding opt-outs. 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.
10. Life insurance administrative costs are estimated at \$0.030/\$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 \$0.248 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 four year average, excluding high year. Allocated to e-classes prorata based on the staff benefit wage base.
13. The FY17 Worker's Compensation claim costs were projected using a ten year average of actual claims costs. The premiums are projected based on FY16 actual premiums. Additional operational costs and professional fees are projected based on salary increments and trend percentages. Workers' Compensation is allocated based on employee headcount.
14. Employee tuition remission costs are projected at the FY16 estimated usage level and adjusted for increases or decreases in tuition rates for FY17. Employee (excluding adjunct) projected tuition remission costs are allocated to applicable e-class pools based on the number of eligible employees. Adjunct projected tuition remission costs are allocated to that specific e-class.
15. Consulting and other costs are projected at the level forecasted by the respective program director. 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. FY17 staff benefit recovery carryforwards are reflected as calculated in the FY15 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>								
FY17 Staff benefits wage base		60,520,600	11,296,600	84,696,200	28,788,300	85,959,000	24,303,400	16,115,700	18,220,200	1,220,700	12,521,900	343,642,600
FY17 Projected average head count		1,210	194	1,118	231	869	307	761	917	33	1,066	6,706
Staff benefits:												
PERS		9,570,500	1,884,900	15,186,400	1,429,500	-	-	-	-	-	-	28,071,300
TRS		-	-	-	547,400	2,598,700	1,048,900	-	-	-	-	4,195,000
ORP-Tier 1		17,000	-	97,200	1,095,900	3,628,300	706,700	-	-	-	-	5,545,100
ORP-Tier 2 and Tier 3		2,760,800	500,100	3,430,500	1,225,800	4,503,900	1,247,700	-	-	-	-	13,668,800
UA pension plan		2,889,800	493,800	3,212,100	702,300	2,494,200	868,800	49,400	-	-	-	10,710,400
Medicare & Social Security		831,700	150,400	1,160,800	377,100	1,162,500	334,800	1,027,800	1,303,900	81,500	-	6,430,500
Health care		16,238,500	2,885,800	15,021,800	2,963,800	11,480,900	3,821,800	-	46,800	421,200	-	52,880,600
Life insurance		22,100	3,500	20,400	4,200	15,800	5,600	-	-	-	-	71,600
Long term disability		108,800	20,300	152,200	51,700	154,500	43,700	-	-	-	-	531,200
Unemployment		113,900	21,300	159,400	54,200	161,800	45,700	30,300	34,300	2,300	-	623,200
Workers' compensation		419,500	67,300	387,600	80,100	301,300	106,500	263,900	317,900	11,400	-	1,955,500
Tuition remission		484,700	77,700	447,900	92,600	348,100	123,000	214,000	-	-	-	1,788,000
Consulting/Other		117,400	21,500	150,400	47,200	145,300	42,500	23,500	26,500	2,500	-	576,800
Labor relations		-	37,600	-	-	286,300	81,000	53,700	-	-	-	458,600
Carryforward (over) under from FY15		309,200	(35,200)	636,000	(391,400)	(806,700)	(347,800)	(99,600)	(7,200)	(39,600)	-	(782,300)
		<u>33,883,900</u>	<u>6,129,000</u>	<u>40,062,700</u>	<u>8,280,400</u>	<u>26,474,900</u>	<u>8,128,900</u>	<u>1,563,000</u>	<u>1,722,200</u>	<u>479,300</u>	<u>-</u>	<u>126,724,300</u>
Benefit rates:												
PERS		15.81%	16.69%	17.93%	4.97%							28,071,300
TRS					1.90%	3.02%	4.32%					4,195,000
ORP-Tier 1		0.03%		0.11%	3.81%	4.22%	2.91%					5,545,100
ORP-Tier 2 and Tier 3		4.56%	4.43%	4.05%	4.26%	5.24%	5.13%					13,668,800
UA pension plan		4.77%	4.37%	3.79%	2.44%	2.90%	3.57%	0.31%				10,710,400
Medicare & Social Security		1.37%	1.33%	1.37%	1.31%	1.35%	1.38%	6.38%	7.16%	6.68%		6,430,500
Health care		26.83%	25.55%	17.74%	10.30%	13.36%	15.73%		0.26%	34.50%		52,880,600
Life insurance		0.04%	0.03%	0.02%	0.01%	0.02%	0.02%					71,600
Long term disability		0.18%	0.18%	0.18%	0.18%	0.18%	0.18%					531,200
Unemployment		0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%		623,200
Workers' compensation		0.69%	0.60%	0.46%	0.28%	0.35%	0.44%	1.64%	1.74%	0.93%		1,955,500
Tuition remission		0.80%	0.69%	0.53%	0.32%	0.40%	0.51%	1.33%				1,788,000
Consulting/Other		0.19%	0.19%	0.18%	0.16%	0.17%	0.17%	0.15%	0.15%	0.20%		576,800
Labor relations			0.33%			0.33%	0.33%	0.33%				458,600
Carryforward (over) under from FY15		0.51%	(0.31%)	0.75%	(1.36%)	(0.94%)	(1.43%)	(0.62%)	(0.04%)	(3.24%)		(782,300)
		<u>55.97%</u>	<u>54.27%</u>	<u>47.30%</u>	<u>28.77%</u>	<u>30.79%</u>	<u>33.45%</u>	<u>9.71%</u>	<u>9.46%</u>	<u>39.26%</u>		<u>126,724,300</u>
FY17 Proposed staff benefit rates		<u>56.00%</u>	<u>54.30%</u>	<u>47.30%</u>	<u>28.80%</u>	<u>30.80%</u>	<u>33.50%</u>	<u>9.70%</u>	<u>9.50%</u>	<u>39.30%</u>		
FY16 Negotiated staff benefit rates		<u>45.70%</u>	<u>40.50%</u>	<u>41.00%</u>	<u>28.50%</u>	<u>28.70%</u>	<u>29.10%</u>	<u>10.70%</u>	<u>9.20%</u>	<u>30.40%</u>		
Increase/(decrease)		<u>10.30%</u>	<u>13.80%</u>	<u>6.30%</u>	<u>0.30%</u>	<u>2.10%</u>	<u>4.40%</u>	<u>(1.00%)</u>	<u>0.30%</u>	<u>8.90%</u>		
Federal participation												
FY17 Federal wages & leave accrual		6,941,500	413,300	11,543,900	3,192,600	11,085,200	1,448,900	933,000	5,421,900	416,300	3,125,800	44,522,400
FY17 Staff benefit costs		<u>3,887,200</u>	<u>224,400</u>	<u>5,460,300</u>	<u>919,500</u>	<u>3,414,200</u>	<u>485,400</u>	<u>90,500</u>	<u>515,100</u>	<u>163,600</u>	<u>-</u>	<u>15,160,200</u>
FY17 Projected Federal participation		<u>10,828,700</u>	<u>637,700</u>	<u>17,004,200</u>	<u>4,112,100</u>	<u>14,499,400</u>	<u>1,934,300</u>	<u>1,023,500</u>	<u>5,937,000</u>	<u>579,900</u>	<u>3,125,800</u>	<u>59,682,600</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
	Classified	Classified	APT Exempt	Faculty (a)	Faculty (a)	Faculty	Faculty	Faculty	Faculty	Faculty	Faculty	Faculty
FY17 Projected leave wage base	48,150,800	8,799,000	68,529,400	21,061,200	3,227,200	73,623,100	21,401,800	15,894,100	17,228,700	1,196,600	12,438,400	291,550,300
FY17 Projected average head count	1,210	194	1,118	176	55	869	307	761	917	33	1,066	6,706
FY15 Actual leave usage rates:												
Annual leave	9.56%	9.64%	10.24%	11.00%						5.06%		
Sick leave	6.04%	6.89%	5.30%	3.44%	0.98%	2.01%	1.60%			3.02%		
Holiday/Other leave	7.59%	6.00%	6.18%	5.48%						4.90%		
Total actual leave usage rate	23.19%	22.53%	21.72%	19.92%	0.98%	2.01%	1.60%	n/a	n/a	12.98%	n/a	
Average leave usage rates:												
Annual leave	9.62%	9.75%	10.13%	9.59%	n/a	n/a	n/a	n/a	n/a	5.63%	n/a	
Sick leave	5.69%	6.69%	5.28%	2.88%	1.40%	2.03%	1.79%	n/a	n/a	2.46%	n/a	
Holiday/Other leave	7.15%	6.22%	5.98%	5.54%	1.44%	5.09%	6.66%	n/a	n/a	5.07%	n/a	
Total average leave rate	22.46%	22.66%	21.39%	18.01%	2.84%	7.12%	8.45%	n/a	n/a	13.16%	n/a	
FY17 Leave benefit projection												
Annual leave usage	4,632,100	857,900	6,942,000	2,019,800	-	-	-	-	-	- (c)	-	14,451,800
Annual leave payoff	104,700	38,800	196,900	40,800	-	-	-	-	-	-	-	381,200
FY15 Carryforward under (over)	49,100	(5,200)	311,400	179,000	-	-	-	-	-	(8,900)	-	525,400
Annual leave usage prior to adjustments	4,785,900	891,500	7,450,300	2,239,600	-	-	-	-	-	(8,900)	-	15,358,400
Reclassify FY15 annual leave carryforward for NX, XX (d)	-	-	-	-	-	-	-	-	-	8,900 (d)	-	8,900
Annual leave projection after adjustments	4,785,900	891,500	7,450,300	2,239,600	-	-	-	-	-	-	-	15,367,300
Sick leave usage	2,739,800	588,700	3,618,400	606,600	45,200	1,494,500	383,100	-	-	29,400	-	9,505,700
FY15 Carryforward under (over)	151,500	56,900	321,200	195,000	(14,900)	401,100	103,300	-	-	5,300	-	1,219,400
Sick leave usage prior to adjustments	2,891,300	645,600	3,939,600	801,600	30,300	1,895,600	486,400	-	-	34,700	-	10,725,100
Reclassify FY14 annual leave carryforward for NX, XX (b)	-	-	-	-	-	-	-	-	-	(11,600) (b)	-	(11,600)
Reclassify FY15 annual leave carryforward for NX, XX (d)	-	-	-	-	-	-	-	-	-	(8,900) (d)	-	(8,900)
Reclassify FY15 holiday leave carryforward for NX, XX (d)	-	-	-	-	-	-	-	-	-	(6,000) (d)	-	(6,000)
Sick leave projection after adjustments	2,891,300	645,600	3,939,600	801,600	30,300	1,895,600	486,400	-	-	8,200	-	10,698,600
Holiday/Other leave usage	3,442,800	547,300	4,098,100	1,166,800	170,700 (f)	7,434,600 (f)	2,058,300 (f)	-	-	- (c)	-	18,918,600
FY15 Carryforward under (over)	(110,300)	(38,300)	(70,300)	(1,000)	-	-	-	-	-	(6,000)	-	(225,900)
Holiday/Other leave usage prior to adjustments	3,332,500	509,000	4,027,800	1,165,800	170,700	7,434,600	2,058,300	-	-	(6,000)	-	18,692,700
Reclassify FY15 holiday leave carryforward for NX, XX (d)	-	-	-	-	-	-	-	-	-	6,000 (d)	-	6,000
FY17 Cruise leave cash-in	5,700	-	42,800	-	-	-	-	-	-	-	-	48,500
Holiday/Other leave projection	3,338,200	509,000	4,070,600	1,165,800	170,700	7,434,600	2,058,300	-	-	-	-	18,747,200
Calculated leave benefit rates												
Annual	9.94%	10.13%	10.87%	10.63%								15,367,300
Sick	6.00%	7.34%	5.75%	3.81%	0.94%	2.57%	2.27%			0.69%		10,698,600
Holiday/Other	6.93%	5.78%	5.94%	5.54%	5.29%	10.10%	9.62%					18,747,200
	22.87%	23.25%	22.56%	19.98%	6.23%	12.67%	11.89%			0.69%		44,813,100
FY17 Proposed leave benefit rates	22.90%	23.30%	22.60%	20.00%	6.20%	12.70%	11.90%			0.70%		
FY16 Negotiated rates	21.00%	23.00%	20.90%	17.30%	9.60%	13.70%	12.70%			7.00%		
Increase/(decrease)	1.90%	0.30%	1.70%	2.70%	(3.40%)	(1.00%)	(0.80%)			(6.30%)		
Federal participation												
FY15 Actual Federal participation	11.73%	3.81%	13.74%	6.53%	45.00%	13.36%	6.05%	5.87%	31.47%	34.55%	25.13%	
Projected FY17 Federal wages	5,648,100	335,200	9,415,900	1,375,300	1,452,200	9,836,000	1,294,800	933,000	5,421,900	413,400	3,125,800	39,251,600
Projected FY17 leave benefit costs	1,293,400	78,100	2,128,000	275,100	90,000	1,249,200	154,100	-	-	2,900	-	5,270,800
FY17 Proj Federal wages plus leave accrual	6,941,500	413,300	11,543,900	1,650,400	1,542,200	11,085,200	1,448,900	933,000	5,421,900	416,300	3,125,800	44,522,400

Immaterial variances due to rounding are ignored

3,192,600 (a)

- (a) E-classes EX and FR are eligible for annual leave, sick leave, & holiday leave. E-class FN is eligible for sick leave & holiday leave. The EX/FR and FN e-classes are separate for leave benefit rates, but are combined into pooled e-class EX/FR/FN for staff benefit.
- (b) The FY14 annual leave carryforward amount of \$(11,600) is being recognized in the FY17 sick leave rate, as part of the closeout of the annual leave rate for e-classes NX and XX.
- (c) E-classes NX and XX are no longer eligible for annual or holiday leave, therefore the FY17 annual and holiday leave usage is not being projected for these e-classes.
- (d) Since e-classes NX and XX are no longer eligible for annual or holiday leave, the FY15 annual and holiday leave carryforward is being reclassified to the sick leave rate as part of the closeout of the annual and holiday leave rates for e-classes NX and XX.
- (e) FY17 cruise leave cash-in is being projected at FY16 estimated cruise leave cash-in.
- (f) FY17 Holiday/Other leave for e-classes FN, F9, and AR, A9 projected by applying the projected percentage change in employee head count (FY17 over FY16) to FY16 actual Holiday/Other leave usage as of June 6, 2016.

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
	Classified	Classified	APT Exempt								
FY17 Projected staff benefits wage base	60,520,600	11,296,600	84,696,200	28,788,300	85,959,000	24,303,400	16,115,700	18,220,200	1,220,700	12,521,900	343,642,600
FY17 Projected average headcount	1,210	194	1,118	231	869	307	761	917	33	1,066	6,706
PERS:											
FY17 PERS-DB projected contribution rate	22.00%	22.00%	22.00%	22.00%							
FY17 PERS-DC projected contribution rate	6.35%	6.35%	6.35%	6.35%							
Percentage of FY16 PERS-DB covered wages (a)	43.49%	46.05%	55.88%	16.67%							
Percentage of FY16 PERS-DC covered wages (a)	13.31%	13.85%	7.16%	0.54%							
PERS-DB covered wage base	26,320,409	5,202,084	47,328,237	4,799,010							83,649,740
PERS-DC covered wage base	8,055,292	1,564,579	6,064,248	155,457							15,839,576
Total PERS covered wage base	34,375,701	6,766,663	53,392,485	4,954,467							99,489,316
PERS-DB cost	5,790,490	1,144,458	10,412,212	1,055,782							18,402,942
PERS-DC cost	511,511	99,351	385,080	9,872							1,005,814
Subtotal PERS DB & DC cost	6,302,001	1,243,809	10,797,292	1,065,654							19,408,756
PERS-DC cost DB-unfunded liability (b)	1,260,653	244,856	949,055	24,329							2,478,893
PERS FY17 shortfall cost (c)	2,007,824	396,279	3,440,029	339,519							6,183,651
Total PERS cost	9,570,478	1,884,944	15,186,376	1,429,502							28,071,300
Use	9,570,500	1,884,900	15,186,400	1,429,500							28,071,300
PERS rate	15.81%	16.69%	17.93%	4.97%							
TRS:											
FY17 TRS-DB projected contribution rate				12.56%	12.56%	12.56%					
FY17 TRS-DC projected contribution rate				8.05%	8.05%	8.05%					
Percentage of FY16 TRS-DB covered wages (a)				12.90%	19.60%	24.79%					
Percentage of FY16 TRS-DC covered wages (a)				2.24%	4.47%	9.57%					
TRS-DB covered wage base				3,713,691	16,847,964	6,024,813					26,586,468
TRS-DC covered wage base				644,858	3,842,367	2,325,835					6,813,060
TRS-DB cost				466,440	2,116,104	756,717					3,339,261
TRS-DC cost				51,911	309,311	187,230					548,452
TRS-DC cost DB-unfunded liability (b)				29,083	173,290	104,895					307,268
Total TRS cost				547,434	2,598,705	1,048,842					4,194,981
Use				547,400	2,598,700	1,048,900					4,195,000
TRS rate				1.90%	3.02%	4.32%					
ORP-Tier 1:											
FY17 ORP Tier 1 projected contribution rate	14.00%		14.00%	14.00%	14.00%	14.00%					
Percentage of FY16 ORP Tier 1 covered wages	0.20%		0.82%	27.19%	30.15%	20.77%					
ORP Tier 1 covered wage base (a)(d)	121,041		694,509	7,827,539	25,916,639	5,047,816					39,607,544
ORP-Tier 1 cost	16,946		97,231	1,095,855	3,628,329	706,694					5,545,055
Use	17,000		97,200	1,095,900	3,628,300	706,700					5,545,100
ORP-Tier 1 rate	0.03%		0.11%	3.81%	4.22%	2.91%					
ORP-Tier 2 and Tier 3:											
FY17 ORP Tier 2 projected contribution rate			12.00%	12.00%	12.00%	12.00%					
FY17 ORP Tier 3 projected contribution rate	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%					
Percentage of FY16 ORP Tier 2 covered wages			0.08%	0.94%	2.55%	0.85%					
Percentage of FY16 ORP Tier 3 covered wages	44.24%	38.81%	36.03%	37.49%	44.60%	47.15%					
ORP Tier 2 covered wage base (a)(d)			67,757	270,610	2,191,955	206,579					2,736,901
ORP Tier 3 covered wage base (a)	26,774,313	4,384,210	30,516,041	10,792,734	38,337,714	11,459,053					122,264,065
ORP-Tier 2 cost			8,131	32,473	263,035	24,789					328,428
ORP-Tier 3 cost	3,212,918	526,105	3,661,925	1,295,128	4,600,526	1,375,086					14,671,688
ORP forfeiture projection	(452,100)	(26,000)	(239,500)	(101,800)	(359,700)	(152,200)					(1,331,300)
Total ORP-Tier 2 and Tier 3 cost	2,760,818	500,105	3,430,556	1,225,801	4,503,861	1,247,675					13,668,816
Use	2,760,800	500,100	3,430,500	1,225,800	4,503,900	1,247,700					13,668,800
ORP-Tier 2 and Tier 3 rate	4.56%	4.43%	4.05%	4.26%	5.24%	5.13%					

E-Class	NR	CR Local 6070 Union	XR APT Exempt	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
FY17 Projected staff benefits wage base	60,520,600	11,296,600	84,696,200	28,788,300	85,959,000	24,303,400	16,115,700	18,220,200	1,220,700	12,521,900	343,642,600
FY17 Projected average headcount	1,210	194	1,118	231	869	307	761	917	33	1,066	6,706
UA pension plan:											
FY17 Pension projected contribution rate	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%				
Percentage of FY16 Pension covered wages	68.48%	58.54%	51.67%	34.34%	40.61%	51.21%	4.00%				
Pension covered wage base (a)	41,444,507	6,613,030	43,762,527	9,885,902	34,907,950	12,445,771	644,628				149,704,315
Pension contribution	3,170,505	505,897	3,347,833	756,272	2,670,458	952,101	49,314				11,452,380
Pension forfeitures	(282,100)	(12,300)	(137,200)	(54,300)	(177,400)	(83,700)					(747,000)
Pension plan administration costs (e)	1,379	220	1,456	329	1,162	414	22				4,982
Pension cost	2,889,784	493,817	3,212,089	702,301	2,494,220	868,815	49,336				10,710,362
Use	2,889,800	493,800	3,212,100	702,300	2,494,200	868,800	49,400				10,710,400
Pension rate	4.77%	4.37%	3.79%	2.44%	2.90%	3.57%	0.31%				
Medicare/Social Security:											
2016 Contribution rate - Medicare	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%		
2016 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 FY16 Medicare covered wages	94.78%	91.79%	94.52%	90.34%	93.27%	95.01%	98.54%	99.47%	99.19%		
Percentage of FY16 Social Security covered wages							79.82%	92.16%	84.50%		
Medicare covered wage base (a)	57,361,425	10,369,149	80,054,848	26,007,350	80,173,959	23,090,660	15,880,411	18,123,633	1,210,812		312,272,247
Social Security covered wage base (a)							12,863,552	16,791,736	1,031,492		30,686,780
Medicare/Social Security cost	831,741	150,353	1,160,795	377,107	1,162,522	334,815	1,027,806	1,303,880	81,509		6,430,528
Use	831,700	150,400	1,160,800	377,100	1,162,500	334,800	1,027,800	1,303,900	81,500		6,430,500
Medicare/Social Security rate	1.37%	1.33%	1.37%	1.31%	1.35%	1.38%	6.38%	7.16%	6.68%		
Health care:											
Health care participating employees (f)	1,041	185	963	190	736	245	0	3	27		3,390
Health cost net of cobra health recovery (f)	19,406,970	3,448,885	17,952,847	3,542,099	13,720,970	4,567,443	0	55,925	503,350		63,198,489
Employee and dependent recovery (f)	(3,168,425)	(563,072)	(2,931,021)	(578,291)	(2,240,116)	(745,691)	0	(9,130)	(82,178)		(10,317,924)
Health cost net of Cobra and employee recovery	16,238,545	2,885,813	15,021,826	2,963,808	11,480,854	3,821,752	0	46,795	421,172		52,880,565
Use	16,238,500	2,885,800	15,021,800	2,963,800	11,480,900	3,821,800	0	46,800	421,200		52,880,600
Health care rate	26.83%	25.55%	17.74%	10.30%	13.36%	15.73%	0.00%	0.26%	34.50%		
Life insurance:											
Eligible employees base	1,210	194	1,118	231	869	307					3,929
Life insurance cost (g)	22,050	3,535	20,374	4,210	15,836	5,595					71,600
Use	22,100	3,500	20,400	4,200	15,800	5,600					71,600
Life insurance rate	0.04%	0.03%	0.02%	0.01%	0.02%	0.02%					
Long term disability											
Long term disability wage base	60,520,600	11,296,600	84,696,200	28,788,300	85,959,000	24,303,400					295,564,100
Long term disability (h)	108,770	20,303	152,220	51,740	154,489	43,678					531,200
Use	108,800	20,300	152,200	51,700	154,500	43,700					531,200
Long term disability rate	0.18%	0.18%	0.18%	0.18%	0.18%	0.18%					
Unemployment:											
Unemployment wage base	60,520,600	11,296,600	84,696,200	28,788,300	85,959,000	24,303,400	16,115,700	18,220,200	1,220,700		331,120,700
Unemployment cost (h)	113,905	21,261	159,406	54,182	161,783	45,741	30,331	34,292	2,299		623,200
Use	113,900	21,300	159,400	54,200	161,800	45,700	30,300	34,300	2,300		623,200
Unemployment rate	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%		
Workers' compensation:											
Workers' compensation head count	1,210	194	1,118	231	869	307	761	917	33		5,640
Workers' comp costs (g)	419,531	67,264	387,633	80,092	301,300	106,443	263,854	317,942	11,442		1,955,500
Use	419,500	67,300	387,600	80,100	301,300	106,500	263,900	317,900	11,400		1,955,500
Workers' compensation rate	0.69%	0.60%	0.46%	0.28%	0.35%	0.44%	1.64%	1.74%	0.93%		

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
	Classified	Classified	APT Exempt								
FY17 Projected staff benefits wage base	60,520,600	11,296,600	84,696,200	28,788,300	85,959,000	24,303,400	16,115,700	18,220,200	1,220,700	12,521,900	343,642,600
FY17 Projected average headcount	1,210	194	1,118	231	869	307	761	917	33	1,066	6,706
Tuition remission:											
Eligible employees base	1,210	194	1,118	231	869	307	761				4,690
Employee tuition remission cost (i)	484,739	77,719	447,883	92,541	348,130	122,988	214,000				1,788,000
Use	484,700	77,700	447,900	92,600	348,100	123,000	214,000				1,788,000
Tuition remission rate	0.80%	0.69%	0.53%	0.32%	0.40%	0.51%	1.33%				
Consulting/Other:											
Consulting/Other wage base	60,520,600	11,296,600	84,696,200	28,788,300	85,959,000	24,303,400	16,115,700	18,220,200	1,220,700		331,120,700
EAP eligible employee base	1,237	214	1,144	226	855	300			32		4,008
Employee Assistance Program costs (g)	29,351	5,078	27,144	5,362	20,287	7,118			760		95,100
Consulting cost (h)	88,047	16,435	123,218	41,882	125,055	35,357	23,445	26,506	1,776		481,721
Total Consulting/Other cost	117,398	21,513	150,362	47,244	145,342	42,475	23,445	26,506	2,536		576,821
Use	117,400	21,500	150,400	47,200	145,300	42,500	23,500	26,500	2,500		576,800
Consulting/Other rate	0.19%	0.19%	0.18%	0.16%	0.17%	0.17%	0.15%	0.15%	0.20%		
Labor relations:											
Labor relations wage base		11,296,600			85,959,000	24,303,400	16,115,700				137,674,700
Labor relations cost (h)		37,629			286,333	80,956	53,682				458,600
Use		37,600			286,300	81,000	53,700				458,600
Labor relations rate		0.33%			0.33%	0.33%	0.33%				
Staff benefit carryforward:											
FY15 Carryforward (over) under to liquidate in FY17	309,200	(35,200)	636,000	(391,400)	(806,700)	(347,800)	(99,600)	(7,200)	(39,600)		(782,300)
Carryforward (over) under rate	0.51%	(0.31%)	0.75%	(1.36%)	(0.94%)	(1.43%)	(0.62%)	(0.04%)	(3.24%)		

Immaterial variances due to rounding are ignored

- (a) Projected benefit covered wages for PERS-DB, PERS-DC, TRS-DB, TRS-DC, ORP Tiers 1, 2 and 3, Pension, Medicare, and Social Security by applying the ratio of FY16 estimated benefit eligible wages to FY16 revised staff benefit wage base projection to the FY17 projected staff benefit wage base.
- (b) 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.
- (c) 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 FY17 shortfall cost to be \$6.2 million. The PERS shortfall cost is allocated based on total PERS cost.
- (d) 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-classes NR and XR for employees with grandfathered eligibility into the plan. An ORP Tier 2 rate will be projected for e-class 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.
- (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. 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.

	E-Class	NR	CR Local 6070 Union	XR	EX, FR Executives & Nonunion Faculty (a)	FN	F9 UNAC Union Faculty	AR, A9 UAFT Union Faculty	FT, FW	CT, GT, NT, ST, XT	NX,XX	GN,SN	
		<u>Classified</u>	<u>Classified</u>	<u>APT Exempt</u>		<u>Nonunion Faculty (a)</u>			<u>Adjunct Faculty</u>	<u>Temporary & SS Student</u>	<u>Extended Temporary</u>	<u>Non-SS Student</u>	<u>TOTAL</u>
SWOHR average projected headcount for FY16		1,326	229	1,226	184	58	922	325	892	961	34	1,128	7,285
													-
Total FY16 headcount		1,326	229	1,226	184	58	922	325	892	961	34	1,128	7,285
UA position reduction estimate		(116)	(35)	(108)	(8)	(3)	(53)	(18)	(131)	(44)	(1)	(62)	(579)
FY17 projected average headcount		1,210	194	1,118	176	55	869	307	761	917	33	1,066	6,706
						231							
FY17 leave benefits wage base projection:													
FY15 leave benefit wage base (actuals)		55,088,000	10,179,200	75,172,700	22,981,100	4,045,100	87,936,500	26,960,600	18,306,300	19,127,300	885,500	13,957,200	334,639,500
Estimated FY16 leave wage base		51,480,600	9,991,100	73,316,900	21,829,100	3,326,600	76,351,600	22,101,600	18,266,700	18,035,000	1,232,900	13,163,800	309,095,900
Projected salary and/or grid increase (b)		1,287,000	189,800	1,832,900	164,500	66,500	1,527,000	442,100	365,300	10,100	-	-	5,885,200
Est FY17 grid/salary adjusted leave wage base		52,767,600	10,180,900	75,149,800	21,993,600	3,393,100	77,878,600	22,543,700	18,632,000	18,045,100	1,232,900	13,163,800	314,981,100
Estimate FY17 step or other leave wage base increase (c)		-	203,600	-	25,200	10,200	233,600	112,700	-	10,800	-	-	596,100
Subtotal FY17 leave wage base		52,767,600	10,384,500	75,149,800	22,018,800	3,403,300	78,112,200	22,656,400	18,632,000	18,055,900	1,232,900	13,163,800	315,577,200
Average leave wage of one employee (d)		39,800	45,300	61,300	119,700	58,700	84,700	69,700	20,900	18,800	36,300	11,700	
Projected FY17 position reduction (d)		(4,616,800)	(1,585,500)	(6,620,400)	(957,600)	(176,100)	(4,489,100)	(1,254,600)	(2,737,900)	(827,200)	(36,300)	(725,400)	(24,026,900)
Projected FY17 leave wage base		48,150,800	8,799,000	68,529,400	21,061,200	3,227,200	73,623,100	21,401,800	15,894,100	17,228,700	1,196,600	12,438,400	291,550,300
FY17 staff benefits wage base projection:													
Projected FY17 leave wage base		48,150,800	8,799,000	68,529,400	21,061,200	3,227,200	73,623,100	21,401,800	15,894,100	17,228,700	1,196,600	12,438,400	291,550,300
FY15 leave benefit wage base (actuals)		55,088,000	10,179,200	75,172,700	22,981,100	4,045,100	87,936,500	26,960,600	18,306,300	19,127,300	885,500	13,957,200	334,639,500
Projected dollar change		(6,937,200)	(1,380,200)	(6,643,300)	(1,919,900)	(817,900)	(14,313,400)	(5,558,800)	(2,412,200)	(1,898,600)	311,100	(1,518,800)	(43,089,200)
Projected percentage change		(12.59%)	(13.56%)	(8.84%)	(8.35%)	(20.22%)	(16.28%)	(20.62%)	(13.18%)	(9.93%)	35.13%	(10.88%)	
Proposed leave rates		22.90%	23.30%	22.60%	20.00%	6.20%	12.70%	11.90%	0.00%	0.00%	0.70%	0.00%	
Leave accrual		11,026,500	2,050,200	15,487,600	4,212,200	200,100	9,350,100	2,546,800	-	-	8,400	-	44,881,900
Overtime pay (FY15 actual)		1,379,200	478,700	-	-	-	-	-	232,300	893,500	11,300	8,200	3,003,200
Overtime pay projection (e)		1,205,500	413,800	-	-	-	-	-	201,700	804,800	15,300	7,300	2,648,400
Miscellaneous pay (FY15 actual)		157,600	38,900	745,000	86,800	10,100	2,787,800	98,900	22,900	207,300	300	85,500	4,241,100
Miscellaneous pay projection (f)		137,800	33,600	679,200	79,500	8,100	2,334,000	78,500	19,900	186,700	400	76,200	3,633,900
Estimated miscellaneous pay F9s, AR/A9s (f)		-	-	-	-	-	651,800	276,300	-	-	-	-	928,100
FY17 est. miscellaneous pay projection		137,800	33,600	679,200	79,500	8,100	2,985,800	354,800	19,900	186,700	400	76,200	4,562,000
Projected FY17 staff benefits wage base		60,520,600	11,296,600	84,696,200	25,352,900	3,435,400	85,959,000	24,303,400	16,115,700	18,220,200	1,220,700	12,521,900	343,642,600
Immaterial variances due to rounding are ignored.													
All projections are rounded to the nearest hundred.													
						28,788,300 (a)							

- (a) E-classes EX and FR are eligible for annual leave, sick leave, & holiday leave. E-class FN is eligible for sick leave & holiday leave. The EX, FR, and FN e-classes are separate for leave benefit rates, but are combined into pooled e-class EX/FR/FN for staff benefit rates.
- (b) Salary/grid increases are as follows: 2.5% for NR, XR; 0% for NX, XX; 0% for NT, XT; 0% for EX; 2.0% for FR, FN and F9; 2.0% for AR, A9; 2.0% for FT, FW; 1.9% for CR, CT; 0% for SN, ST; 0% for GN, GT.
- (c) A 2% step increase is being projected for e-classes CR, CT. Market adjustment of .5% for AR/A9, and .3% for F9/FR/FN.
- (d) The "Average leave wage of one employee" is multiplied by the UA position reduction estimate to calculate an amount by which to reduce the FY17 leave wage base.
- (e) Applied projected % change between FY15 and FY17 leave benefit wage bases to the FY15 Overtime and Miscellaneous Pay actuals.
- (f) E-class F9 will receive a distribution of \$750. E-classes AR/A9 will receive a distribution of \$900.

**The University of Alaska
Certificate of Fringe Benefit Costs**

**(2 CFR § 200, Uniform Administrative Requirements, Cost Principles,
and Audit Requirements for Federal Awards (Uniform Guidance))**

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 June 8, 2016 to establish fixed with carry-forward fringe benefit cost rates for the period beginning July 1, 2016 through June 30, 2017 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): 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.

I declare that the foregoing is true and correct.

The University of Alaska

Institution

Myron J. Dosch

Myron J. Dosch

Interim Chief Financial Officer

Title

June 8, 2016

Date of Execution

The University of Alaska
Certificate of Final Fringe Benefit Costs
(FAR 52.242-4)

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 June 8, 2016 to establish final fringe benefit cost rates for July 1, 2016 through June 30, 2017 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.

The University of Alaska
Institution

My J. Dosch
Myron J. Dosch

Interim Chief Financial Officer
Title

June 8, 2016
Date of Execution