



UNIVERSITY
of ALASKA
 Many Traditions One Alaska

April 12, 2007

Scott Bukovec
 Office of Naval Research
 Indirect Cost Branch
 Code BD0242, Room 368
 875 N. Randolph Street
 Arlington, VA 22203

RE: University of Alaska FY08 Fringe Benefit Forward Pricing Proposal

Dear Mr. Bukovec:

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, 2007 through June 30, 2008 (FY08).

The cost methodology used is consistent with methodologies utilized for the FY07 fringe benefit forward pricing proposal. This proposal fully liquidates the FY06 fringe benefit over recovery carry-forward of \$5,177,045 and leave benefit under recovery of \$630,726.

The following is a table summarizing the leave and fringe benefit rates proposed for FY08 for the University of Alaska System. Also listed are the FY07 negotiated and FY08 provisional rates for comparison purposes.

<u>ECLS</u>	<u>Leave Benefit Rates (1)</u>			<u>Fringe Benefit Rates (2)</u>		
	<u>FY07</u>	<u>FY08</u>	<u>FY08</u>	<u>FY07</u>	<u>FY08</u>	<u>FY08</u>
	<u>Negotiated</u>	<u>Provisional</u>	<u>Proposed</u>	<u>Negotiated</u>	<u>Provisional</u>	<u>Proposed</u>
	<u>Benefit</u>	<u>Benefit</u>	<u>Benefit</u>	<u>Benefit</u>	<u>Benefit</u>	<u>Benefit</u>
	<u>Rates</u>	<u>Rates</u>	<u>Rates</u>	<u>Rates</u>	<u>Rates</u>	<u>Rates</u>
NR	21.40%	21.00%	21.40%	57.00%	65.30%	60.70%
CR	23.40%	22.40%	21.80%	63.80%	72.00%	58.20%
XR	19.70%	20.20%	20.70%	44.90%	55.60%	48.70%
EX	17.00%	18.10%	17.50%	35.40%	47.50%	33.10%
FR	17.00%	18.10%	17.50%	35.40%	47.50%	33.10%
FN	1.00%	1.10%	1.20%	35.40%	47.50%	33.10%
F9	1.50%	1.40%	1.40%	46.30%	65.20%	36.50%
AR, A9	1.50%	1.60%	1.80%	55.00%	69.50%	39.50%
FT, FW	0.00%	0.00%	0.00%	9.80%	9.50%	9.80%
CT, GT, NT, ST, XT	0.00%	0.00%	0.00%	8.70%	8.50%	8.50%
NX, XX	14.50%	14.30%	15.40%	45.80%	50.00%	47.60%
GN, SN	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

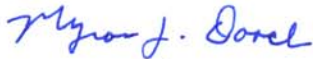
(1) Distribution base: Leave rates are applied to base salaries excluding overtime, miscellaneous pay, and paid leave.
 (2) Distribution base: Fringe benefit rates are applied to base salaries plus overtime, miscellaneous pay, and leave accrual provisions.

Scott Bukovec
April 12, 2007
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We are seeking to have new rates in effect for our first payroll in July 2007. We appreciate any assistance you can provide to help complete negotiations prior to that time. 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

DCW

Attachments

cc: Ms. Sandra Thomson, ONR, Seattle (one copy)
Mr. Robert Kratochvil, DCAA, Pacific Branch Office (one copy)
Mr. Christopher Mahan, DCAA, Alaska Sub-Office (one copy)

UNIVERSITY OF ALASKA

FY08 FORWARD PRICING FRINGE BENEFIT PROPOSAL



The University of Alaska
Fringe Benefit Forward Pricing Proposal

July 1, 2007 – June 30, 2008

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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 job groups are rounded to hundreds for projection purposes.
2. Wages for FY08 are based on updated estimates of projected FY06 wages and incremented for salary and grid increases.
Annual salary increases are projected for eligible job groups as follows:
 - Classified, exempt and non-exempt staff, executive employees and nonunion faculty (job groups NR, XR) - 2.6%.
 - Executives and nonunion faculty (job groups EX, FR, FN) – 2.7%
 - AHECTE union employees (job group CR) – 2.3%
 - UNAC faculty (job group F9) – 4.7%
 - ACCFT faculty (job group A9, AR) - 4.6%
 - Adjunct faculty (job group FT, FW) – 4.7%Salary grid increases are projected for eligible job groups as follows:
 - AHECTE Union employees (CR, CT) – 1.5%
 - Classified, exempt and non-exempt staff (NR, XR, NT, XT, NX, XX) – 2.0%
3. Leave usage is projected using average rates calculated by job group. Use of average rates is intended to smooth individual year usage fluctuations. A three year average was used for all job groups for the period FY04 to FY06.
4. Beginning in FY07, 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. The PERS-DB and PERS-DC rates are 22.00% and 7.33% respectively, rates are established or projected by the State of Alaska, Division of Retirement. The percentage of FY06 earnings subject to this benefit is multiplied by the staff benefit wage base to estimate potential covered wages by job group for the public retirement system plans. This amount is reduced for covered wage estimates for individuals expected to participate in either ORP-Tier 2 or ORP–Tier 3.
5. Beginning in FY07, 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 plans, ORP–Tier 3. The TRS-DB and TRS-DC rates are 12.56% and 8.75% respectively, rates are established or projected by the State of Alaska, Division of Retirement. The percentage of FY06 earnings subject to this benefit is multiplied by the staff benefit wage base to estimate potential covered wages by job group for the teacher’s retirement system plans. This amount is reduced for covered wage estimates for individuals expected to participate in either ORP-Tier 2 or ORP–Tier 3.
6. Effective FY07, UA will have 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 19.85% using the 3 year average TRS-DB rate. The ORP–Tier 2 and ORP–Tier 3 rate is established by the Board of Regents at 12.00%. The percentage of FY06 earnings eligible for the optional retirement plan benefit is multiplied by the staff benefit wage base to estimate total optional retirement plan covered wages by job group. The projected covered wage base for FY07 and FY08 new hires is allocated to the multiple retirement options based on the percentages of the actual FY07 newly hired eligible employees in each Eclass from July '06 through February '07 enrolled retirement program incremented for applicable grid and salary increases. The ORP–Tier 2 and ORP–Tier 3 projected covered wage base is subtracted from the estimated total optional retirement plan wages by job group resulting in the ORP Tier 1 covered wage base.

7. Pension costs are estimated at 7.65% of covered wages below \$42,000 for regular employees and \$94,200 for adjunct faculty. Job group covered wages for the fiscal year are calculated by multiplying the percentage of FY06 wages subject to pension benefits by the staff benefit wage base. New eligible employees expected to enroll optional retirement plan, 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 so the amount of projected covered wages for PERS-DC and TRS-DC subtracted from the percentage of FY06 earnings subject to this benefit. Projected pension administration costs are allocated to job groups prorata based on the covered wage base.
8. The percentage of FY06 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 job group. 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 \$97,500 for adjunct faculty and temporary job groups. All new adjuncts faculty will contribute to social security, not pension.
9. Health care costs are estimated at projected usage levels plus estimated retention per employee, less projected recoveries. All benefit eligible job groups 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. The largest single cost element of the health care group is claims costs. These costs were allocated to individual union job groups and to the nonunion pooled job group in total based on FY06 claims costs. Other costs were allocated to union job groups and the nonunion pool job group based on estimated usage or prorata based on headcount. Estimated spouse/dependent and employee recoveries were allocated between nonunion and union job groups based on FY08 projected recoveries. Allocation to individual union job groups (CR, F9, and AR/A9) is based on the projected recoveries for each job group. The nonunion costs and recoveries were further allocated to individual nonunion job groups (NR, XR, EX/FR/FN and NX/XX) is based on the number of employee participants in each eligible job group.
10. Life insurance costs are estimated based on 12 months at the estimated rate of \$0.098 per \$1,000 of coverage. Allocation to individual job groups is based on the number of employee participants in each eligible job group.
11. LTD costs are for self-insurance with a limit of three months coverage plus premium costs for remaining LTD coverage. This is estimated based on 12 months at the estimated rate of \$0.24 per \$100 of salary. The annual administrative fee is calculated at the estimated rate of \$0.007 per \$100 of salary plus \$240 for the annual wire transfer fees. The annual self insurance cost is based on a three year rolling average. LTD costs are allocated to job groups prorata based on the staff benefit wage base.

12. Unemployment costs are projected based on the average of 4 years actual experience plus estimated current year usage, then adjusted consistent with current trends. Allocated to job groups prorata based on the staff benefit wage base.
13. The Workers' Compensation claims cost are estimated at the actuarial consultant's projected self insured FY07 claims level incremented 4.98%. Workers' Compensation costs are allocated to job group pools based on a combination of claims experience and exposure. An additional \$282,800 for insurance premiums, professional fees, office operations, and loss prevention is allocated to non-student job groups prorata based on the staff benefit wage base.
14. Tuition waiver costs are projected at the FY07 estimated usage level and adjusted for increases or decreases in tuition rates for FY08. Employee (excluding adjunct) projected tuition waiver costs are allocated to applicable job group pools based on the number of employees. Adjunct projected tuition waiver costs are allocated to that specific job group. 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. AHECTE Legal Trust costs, consulting, and other costs are projected at the level forecasted by the program director. AHECTE legal trust costs are allocated entirely to the benefiting job group, CR. Consulting and other costs are allocated to job groups prorata based on the staff benefit wage base.
16. Labor relations costs are projected at the level forecasted by the program director and Statewide Office of Faculty and Staff Relations (formerly Human Resources) and are allocated to the union job groups prorata based on their staff benefit wage base.
17. Prior year staff benefit recovery carryforwards are as calculated in the FY06 Fringe Benefit Incurred Cost Report.

Job Group	NR	CR	XR	EX, FN, FR Executives & Nonunion Faculty	F9 UNAC Faculty	A9,AR ACCFT Faculty	FT, FW Adjunct Faculty	CT, GT, NT, ST, XT Temporary Student SS	NX,XX Extended Temporary	GN,SN Student	TOTAL
	<u>Classified</u>	<u>AHECTE</u>	<u>APT Exempt</u>								
FY08 Staff Benefits Wage Base	68,700,000	10,390,000	59,660,000	24,950,000	69,990,000	21,600,000	15,170,000	13,750,000	1,040,000	12,090,000	297,340,000
Staff Benefits:											
PERS	13,779,600	2,099,300	12,204,800	827,700	-	-	-	-	-	-	28,911,400
TRS	-	-	25,400	699,400	3,366,800	1,394,800	-	-	-	-	5,486,400
ORP-Tier 1	-	-	51,400	2,225,000	6,863,800	1,626,300	-	-	-	-	10,766,500
ORP-Tier 2 and Tier 3	572,200	53,700	409,500	474,400	1,119,500	270,000	-	-	-	-	2,899,300
UA Pension Plan	4,892,200	670,700	3,416,800	811,300	3,253,800	1,162,900	178,000	-	-	-	14,385,700
Medicare & Social Security	854,700	119,800	714,900	282,700	804,300	233,800	976,200	1,008,700	75,600	-	5,070,700
Health Care	21,066,000	3,179,500	12,106,300	2,856,000	9,440,400	4,463,800	-	-	404,400	-	53,516,400
Life Insurance	103,500	13,100	59,600	14,100	53,400	19,800	-	-	-	-	263,500
Long Term Disability	141,800	21,400	123,200	51,500	144,500	44,600	-	-	-	-	527,000
Unemployment	81,900	12,400	71,100	29,700	83,400	25,800	18,100	16,400	1,200	-	340,000
Workers' Compensation	755,300	701,900	347,900	145,400	248,300	76,600	53,700	140,600	10,700	-	2,480,400
Tuition Waivers	477,800	60,500	274,800	64,900	246,600	91,400	142,000	-	-	-	1,358,000
Consulting/Other	143,800	49,700	124,900	52,200	146,500	45,200	31,700	28,800	2,200	-	625,000
Labor Relations	-	69,900	-	-	470,800	145,300	102,000	-	-	-	788,000
Carryforward from FY06	(1,202,747)	(1,005,598)	(862,275)	(289,210)	(700,084)	(1,076,946)	(9,534)	(31,670)	1,019	-	(5,177,045)
	<u>41,666,053</u>	<u>6,046,302</u>	<u>29,068,325</u>	<u>8,245,090</u>	<u>25,542,016</u>	<u>8,523,354</u>	<u>1,492,166</u>	<u>1,162,830</u>	<u>495,119</u>	<u>-</u>	<u>122,241,255</u>
Benefit Rates:											
PERS	20.06%	20.21%	20.46%	3.32%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	28,911,400
TRS	0.00%	0.00%	0.04%	2.80%	4.81%	6.46%	0.00%	0.00%	0.00%	0.00%	5,486,400
ORP-Tier 1	0.00%	0.00%	0.09%	8.92%	9.81%	7.53%	0.00%	0.00%	0.00%	0.00%	10,766,500
ORP-Tier 2 and Tier 3	0.83%	0.52%	0.69%	1.90%	1.60%	1.25%	0.00%	0.00%	0.00%	0.00%	2,899,300
UA Pension Plan	7.12%	6.46%	5.73%	3.25%	4.65%	5.38%	1.17%	0.00%	0.00%	0.00%	14,385,700
Medicare & Social Security	1.24%	1.15%	1.20%	1.13%	1.15%	1.08%	6.44%	7.34%	7.27%	0.00%	5,070,700
Health Care	30.66%	30.60%	20.29%	11.45%	13.49%	20.67%	0.00%	0.00%	38.88%	0.00%	53,516,400
Life Insurance	0.15%	0.13%	0.10%	0.06%	0.08%	0.09%	0.00%	0.00%	0.00%	0.00%	263,500
Long Term Disability	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.00%	0.00%	0.00%	0.00%	527,000
Unemployment	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.00%	340,000
Workers' Compensation	1.10%	6.76%	0.58%	0.58%	0.35%	0.35%	0.35%	1.02%	1.03%	0.00%	2,480,400
Tuition Waivers	0.70%	0.58%	0.46%	0.26%	0.35%	0.42%	0.94%	0.00%	0.00%	0.00%	1,358,000
Consulting/Other	0.21%	0.48%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.00%	625,000
Labor Relations	0.00%	0.67%	0.00%	0.00%	0.67%	0.67%	0.67%	0.00%	0.00%	0.00%	788,000
Carryforward from FY06	(1.75%)	(9.68%)	(1.45%)	(1.16%)	(1.00%)	(4.99%)	(0.06%)	(0.23%)	0.10%	0.00%	(5,177,045)
	<u>60.65%</u>	<u>58.21%</u>	<u>48.73%</u>	<u>33.05%</u>	<u>36.50%</u>	<u>39.45%</u>	<u>9.84%</u>	<u>8.46%</u>	<u>47.61%</u>	<u>0.00%</u>	<u>122,241,255</u>
FY08 Proposed Staff Benefit Rates	60.70%	58.20%	48.70%	33.10%	36.50%	39.50%	9.80%	8.50%	47.60%	0.00%	
FY07 Negotiated Staff Benefit Rates	57.00%	63.80%	44.90%	35.40%	46.30%	55.00%	9.80%	8.70%	45.80%	0.00%	
Increase/(Decrease)	3.70%	(5.60%)	3.80%	(2.30%)	(9.80%)	(15.50%)	0.00%	(0.20%)	1.80%	0.00%	
Percentage Increase/(Decrease)	6.49%	(8.78%)	8.46%	(6.50%)	(21.17%)	(28.18%)	0.00%	(2.30%)	3.93%	0.00%	
FY08 Provisional Staff Benefit Rates	65.30%	72.00%	55.60%	47.50%	65.20%	69.50%	9.50%	8.50%	50.00%	0.00%	
Increase/(Decrease)	(4.60%)	(13.80%)	(6.90%)	(14.40%)	(28.70%)	(30.00%)	0.30%	0.00%	(2.40%)	0.00%	
Percentage Increase/(Decrease)	(7.04%)	(19.17%)	(12.41%)	(30.32%)	(44.02%)	(43.17%)	3.16%	0.00%	(4.80%)	0.00%	
Federal Participation											
FY08 Federal Wages & Leave Accrual	10,332,708	289,287	14,234,590	4,562,044	12,682,153	1,550,107	1,342,031	5,218,898	326,297	3,889,350	54,427,465
FY08 Staff Benefit Costs	6,271,954	168,365	6,932,245	1,510,037	4,628,986	612,292	131,519	443,606	155,317	-	20,854,321
FY08 Projected Federal Participation	16,604,662	457,652	21,166,835	6,072,081	17,311,139	2,162,399	1,473,550	5,662,504	481,614	3,889,350	75,281,786

Job Group	NR	CR	XR	EX, FR Executives & Nonunion Faculty (1)	FN	F9	AR, A9	FT, FW	CT, GT, NT, ST, XT	NX,XX	GN,SN	TOTAL
	<u>Classified</u>	<u>AHECTE</u>	<u>APT Exempt</u>	<u>Faculty (1)</u>	<u>Faculty (1)</u>	<u>UNAC Faculty</u>	<u>ACCFY Faculty</u>	<u>Adjunct Faculty</u>	<u>Temporary Student SS</u>	<u>Extended Temporary</u>	<u>Student</u>	
Projected FY08 Leave Wage Base	55,340,000	8,190,000	49,180,000	17,270,000	4,320,000	67,170,000	21,090,000	15,130,000	13,430,000	890,000	12,060,000	264,070,000
FY06 Actual Leave Usage Rates:												
Annual Leave	9.01%	8.82%	9.98%	9.15%	0.00%	0.00%	(0.03%)	0.00%	0.00%	6.67%	0.00%	
Sick Leave	5.69%	6.01%	4.86%	2.84%	1.22%	1.33%	1.72%	0.00%	0.00%	3.45%	0.00%	
Holiday/Other Leave	6.42%	6.09%	5.52%	5.35%	0.00%	0.00%	0.00%	0.00%	0.00%	5.43%	0.00%	
	<u>21.12%</u>	<u>20.92%</u>	<u>20.36%</u>	<u>17.34%</u>	<u>1.22%</u>	<u>1.33%</u>	<u>1.69%</u>	<u>n/a</u>	<u>n/a</u>	<u>15.55%</u>	<u>n/a</u>	
Average leave usage rates:												
Annual Leave	9.09%	9.61%	9.66%	9.27%	n/a	n/a	n/a	n/a	n/a	6.81%	n/a	
Sick Leave	5.62%	6.27%	4.69%	2.82%	1.07%	1.32%	1.51%	n/a	n/a	3.26%	n/a	
Holiday/Other Leave	6.38%	6.44%	5.54%	5.34%	n/a	n/a	n/a	n/a	n/a	5.27%	n/a	
Total Average Leave Rate	<u>21.09%</u>	<u>22.32%</u>	<u>19.89%</u>	<u>17.43%</u>	<u>1.07%</u>	<u>1.32%</u>	<u>1.51%</u>	<u>n/a</u>	<u>n/a</u>	<u>15.34%</u>	<u>n/a</u>	
FY08 Leave Benefit Projection												
Annual Leave Usage	5,030,406	787,059	4,750,788	1,600,929	-	-	-	-	-	60,609	-	12,229,791
FY06 Carryforward Under (Over)	35,835	(1,203)	251,063	(19,950)	-	-	-	-	-	(1,334)	-	264,411
Reclassifications	-	-	-	-	-	-	-	-	-	-	-	-
Annual Leave Projection	<u>5,066,241</u>	<u>785,856</u>	<u>5,001,851</u>	<u>1,580,979</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,275</u>	<u>-</u>	<u>12,494,202</u>
Sick Leave Usage	3,110,108	513,513	2,306,542	487,014	46,224	886,644	318,459	-	-	29,014	-	7,697,518
FY06 Carryforward Under (Over)	118,802	(14,855)	150,423	29,862	6,501	81,575	49,809	-	-	(457)	-	421,660
Reclassifications	-	-	-	-	-	-	-	-	-	-	-	-
Sick Leave Projection	<u>3,228,910</u>	<u>498,658</u>	<u>2,456,965</u>	<u>516,876</u>	<u>52,725</u>	<u>968,219</u>	<u>368,268</u>	<u>-</u>	<u>-</u>	<u>28,557</u>	<u>-</u>	<u>8,119,178</u>
Holiday/Other Leave Usage	3,530,692	527,436	2,724,572	922,218	-	-	-	-	-	46,903	-	7,751,821
FY06 Carryforward Under (Over)	(3,993)	(28,821)	(23,239)	(1,829)	-	-	-	-	-	2,537	-	(55,345)
Reclassifications	-	-	-	-	-	-	-	-	-	-	-	-
Holiday/Other Leave Projection	<u>3,526,699</u>	<u>498,615</u>	<u>2,701,333</u>	<u>920,389</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,440</u>	<u>-</u>	<u>7,696,476</u>
Calculated Leave Benefit Rates												
Annual	9.15%	9.60%	10.17%	9.15%	0.00%	0.00%	0.00%	0.00%	0.00%	6.66%	0.00%	12,494,202
Sick	5.83%	6.09%	5.00%	2.99%	1.22%	1.44%	1.75%	0.00%	0.00%	3.21%	0.00%	8,119,178
Holiday/Other	6.37%	6.09%	5.49%	5.33%	0.00%	0.00%	0.00%	0.00%	0.00%	5.56%	0.00%	7,696,476
	<u>21.35%</u>	<u>21.78%</u>	<u>20.66%</u>	<u>17.47%</u>	<u>1.22%</u>	<u>1.44%</u>	<u>1.75%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>15.43%</u>	<u>0.00%</u>	<u>28,309,856</u>
FY08 Proposed Leave Benefit Rates	<u>21.40%</u>	<u>21.80%</u>	<u>20.70%</u>	<u>17.50%</u>	<u>1.20%</u>	<u>1.40%</u>	<u>1.80%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>15.40%</u>	<u>0.00%</u>	
FY07 Negotiated Rates	21.40%	23.40%	19.70%	17.00%	1.00%	1.50%	1.50%	0.00%	0.00%	14.50%	0.00%	
Increase/(Decrease)	0.00%	(1.60%)	1.00%	0.50%	0.20%	(0.10%)	0.30%	0.00%	0.00%	0.90%	0.00%	
Percentage Increase/(Decrease)	0.00%	(6.84%)	5.08%	2.94%	20.00%	(6.67%)	20.00%	0.00%	0.00%	6.21%	0.00%	
FY08 Provisional Leave Benefit Rates	21.00%	22.40%	20.20%	18.10%	1.10%	1.40%	1.60%	0.00%	0.00%	14.30%	0.00%	
Increase/(Decrease)	0.40%	(0.60%)	0.50%	(0.60%)	0.10%	0.00%	0.20%	0.00%	0.00%	1.10%	0.00%	
Percentage Increase/(Decrease)	1.90%	(2.68%)	2.48%	(3.31%)	9.09%	0.00%	12.50%	0.00%	0.00%	7.69%	0.00%	
Federal Participation												
FY06 Actual Federal Participation	15.38%	2.90%	23.98%	11.80%	49.58%	18.62%	7.22%	8.87%	38.86%	31.77%	32.25%	
Projected FY08 Federal Wages	8,511,292	237,510	11,793,364	2,037,860	2,141,856	12,507,054	1,522,698	1,342,031	5,218,898	282,753	3,889,350	49,484,666
Projected FY08 Leave Benefit Costs	1,821,416	51,777	2,441,226	356,626	25,702	175,099	27,409	-	-	43,544	-	4,942,799
	<u>10,332,708</u>	<u>289,287</u>	<u>14,234,590</u>	<u>2,394,486</u>	<u>2,167,558</u>	<u>12,682,153</u>	<u>1,550,107</u>	<u>1,342,031</u>	<u>5,218,898</u>	<u>326,297</u>	<u>3,889,350</u>	<u>54,427,465</u>
												<u>4,562,044 (1)</u>

(1) Job groups EX and FR are eligible for all leave benefits. Job group FN is eligible for only sick leave. Job groups are recombined for staff benefit calculation.

Job Group	NR	CR	XR	EX, FR, FN Executives & Nonunion	F9	A9, AR	FT, FW	CT, GT, NT, ST, XT	NX, XX	GN, SN	TOTAL
	Classified	AHECTE	APT Exempt	Faculty	UNAC Faculty	ACCFT Faculty	Adjunct Faculty	Temporary Student SS	Extended Temporary	Student	
FY08 Projected Staff Benefits Wage Base	68,700,000	10,390,000	59,660,000	24,950,000	69,990,000	21,600,000	15,170,000	13,750,000	1,040,000	12,090,000	297,340,000
Number of Eligible Employees	1,761	223	1,013	239	909	337	890		34		5,406
PERS:											
FY08 PERS-DB Projected Contribution Rate	22.00%	22.00%	22.00%	22.00%							
FY08 PERS-DC Projected Contribution Rate	7.33%	7.33%	7.33%	7.33%							
Percentage of PERS Wages Covered	99.17%	98.24%	99.03%	16.95%							
PERS Benefit Covered Wage Base (1)	68,129,790	10,207,136	59,081,298	4,229,025							141,647,249
PERS-DB Covered Wage Base Opting for ORP-Tier 2	-	-	-	-							-
PERS-DC Covered Wage Base Opting for ORP-Tier 3 (2)	(4,768,230)	(447,278)	(3,385,080)	(466,642)							(9,067,230)
PERS Covered Wage Base Opt Outs	(4,768,230)	(447,278)	(3,385,080)	(466,642)							(9,067,230)
PERS-DB Covered Wage Base	62,270,799	9,433,728	55,366,501	3,762,383							130,833,411
PERS-DC Covered Wage Base	1,090,761	326,130	329,717	-							1,746,608
PERS-DB Cost	13,699,576	2,075,420	12,180,630	827,724							28,783,350
PERS-DC Cost	79,953	23,905	24,168	-							128,026
Total PERS Cost	13,779,529	2,099,325	12,204,798	827,724							28,911,376
Use	13,779,600	2,099,300	12,204,800	827,700							28,911,400
PERS Rate	20.06%	20.21%	20.46%	3.32%							
TRS:											
FY08 TRS-DB Projected Contribution Rate			12.56%	12.56%	12.56%	12.56%					
FY08 TRS-DC Projected Contribution Rate			8.75%	8.75%	8.75%	8.75%					
Percentage of TRS Wages Covered			0.36%	25.83%	42.32%	56.66%					
TRS Benefit Covered Wage Base (1)			214,776	6,444,585	29,619,768	12,238,560					48,517,689
TRS-DB Covered Wage Base Opting for ORP-Tier 2			-	-	-	(70,126)					(70,126)
TRS-DC Covered Wage Base Opting for ORP-Tier 3 (2)			(12,287)	(711,254)	(2,704,222)	(998,451)					(4,426,214)
TRS Covered Wage Base Opt Outs			(12,287)	(711,254)	(2,704,222)	(1,068,577)					(4,496,340)
TRS-DB Covered Wage Base			202,489	5,188,661	26,553,890	10,956,734					42,901,775
TRS-DC Covered Wage Base			-	544,670	361,656	213,249					1,119,574
TRS-DB Cost			25,433	651,696	3,335,169	1,376,166					5,388,464
TRS-DC Cost			-	47,659	31,645	18,659					97,963
Total TRS Cost			25,433	699,355	3,366,814	1,394,825					5,486,427
Use			25,400	699,400	3,366,800	1,394,800					5,486,400
TRS Rate			0.04%	2.80%	4.81%	6.46%					
ORP-Tier 1:											
FY08 ORP Tier 1 Projected Contribution Rate			19.85%	19.85%	19.85%	19.85%					
Percentage of ORP Wages Covered			0.46%	56.05%	58.87%	43.40%					
ORP Benefit Covered Wage Base (1)			274,436	13,984,475	41,203,113	9,374,400					64,836,424
ORP-Tier 2 Covered Wage Base			-	(1,232,530)	(2,862,591)	(416,586)					(4,511,707)
ORP-Tier 3 Covered Wage Base (2)			(15,700)	(1,543,046)	(3,762,115)	(764,662)					(6,085,523)
ORP-Tier 1 Benefit Covered Wage Base			258,736	11,208,899	34,578,407	8,193,152					54,239,194
ORP-Tier 1 Cost			51,359	2,224,966	6,863,814	1,626,341					10,766,480
Use			51,400	2,225,000	6,863,800	1,626,300					10,766,500
ORP-Tier 1 Rate			0.09%	8.92%	9.81%	7.53%					
ORP-Tier 2 and Tier 3:											
FY08 ORP Tier 2 Projected Contribution Rate				12.00%	12.00%	12.00%					
FY08 ORP Tier 3 Projected Contribution Rate	12.00%	12.00%	12.00%		12.00%	12.00%					
Percentage of ORP-Tier 2 Wages Covered				4.94%	4.09%	2.25%					
Percentage of ORP-Tier 3 Wages Covered	6.94%	4.30%	5.72%	10.91%	9.24%	8.16%					
ORP-Tier 2 Covered Wage Base				1,232,530	2,862,591	486,712					4,581,833
ORP-Tier 3 Covered Wage Base (2)	4,768,230	447,278	3,413,067	2,720,942	6,466,337	1,763,113					19,578,967
ORP-Tier 2 Cost				147,904	343,511	58,405					549,820
ORP-Tier 3 Cost	572,188	53,673	409,568	326,513	775,960	211,574					2,349,476
Net ORP-Tier 2 and Tier 3 Cost	572,188	53,673	409,568	474,417	1,119,471	269,979					2,899,296
Use	572,200	53,700	409,500	474,400	1,119,500	270,000					2,899,300
ORP-Tier 2 and Tier 3 Rate	0.83%	0.52%	0.69%	1.90%	1.60%	1.25%					

Job Group	NR	CR	XR	EX, FR, FN Executives & Nonunion	F9	A9, AR	FT, FW	CT, GT, NT, ST, XT	NX, XX	GN, SN	TOTAL
	<u>Classified</u>	<u>AHECTE</u>	<u>APT Exempt</u>	<u>Faculty</u>	<u>UNAC Faculty</u>	<u>ACCFT Faculty</u>	<u>Adjunct Faculty</u>	<u>Temporary Student SS</u>	<u>Extended Temporary</u>	<u>Student</u>	
FY08 Projected Staff Benefits Wage Base	68,700,000	10,390,000	59,660,000	24,950,000	69,990,000	21,600,000	15,170,000	13,750,000	1,040,000	12,090,000	297,340,000
Number of Eligible Employees	1,761	223	1,013	239	909	337	890		34		5,406
UA Pension Plan:											
2006 Contribution Rate	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%				
Percentage of Wages Covered	94.48%	87.34%	75.26%	44.60%	61.16%	71.22%	15.31%				
Gross Pension Covered Wage Base (1)	64,907,760	9,074,626	44,900,116	11,127,700	42,805,884	15,383,520	2,322,527				190,522,133
PERS-DC Covered Wage Base	(1,090,761)	(326,130)	(329,717)	-	-	-	-				(1,746,608)
TRS-DC Covered Wage Base	-	-	-	(544,670)	(361,656)	(213,249)	-				(1,119,574)
Net Pension Covered Wage Base	63,816,999	8,748,496	44,570,399	10,583,030	42,444,228	15,170,271	2,322,527				187,655,951
Pension Plan Administration Costs (3)	10,203	1,399	7,125	1,692	6,785	2,425	371				30,000
Pension Contribution	4,882,000	669,260	3,409,640	809,600	3,246,980	1,160,530	177,670				14,355,680
Pension Cost	4,892,203	670,659	3,416,765	811,292	3,253,765	1,162,955	178,041				14,385,680
Use	4,892,200	670,700	3,416,800	811,300	3,253,800	1,162,900	178,000				14,385,700
Pension Rate	7.12%	6.46%	5.73%	3.25%	4.65%	5.38%	1.17%				
Medicare/Social Security:											
2007 Contribution Rate - Medicare	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	
2007 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%	7.65%	
Percentage of Wages Covered by Medicare	85.80%	79.50%	82.64%	78.15%	79.25%	74.66%	97.65%	96.50%	95.65%	95.65%	
Percentage of Wages Covered by Social Security							80.96%	95.75%	94.91%	94.91%	
Medicare Covered Wage Base (1)	58,944,600	8,260,050	49,303,024	19,498,425	55,467,075	16,126,560	14,813,505	13,268,750	994,760	994,760	236,676,749
Social Security Covered Wage Base (1)							12,281,632	13,165,625	987,064	987,064	26,434,321
Medicare/Social Security Cost	854,697	119,771	714,894	282,727	804,273	233,835	976,257	1,008,666	75,622	75,622	5,070,742
Use	854,700	119,800	714,900	282,700	804,300	233,800	976,200	1,008,700	75,600	75,600	5,070,700
Medicare/Social Security Rate	1.24%	1.15%	1.20%	1.13%	1.15%	1.08%	6.44%	7.34%	7.27%	7.27%	
Health Care:											
Health Care Employees Base (4)	1,667	211	958	226	860	319			32		4,273
Health Cost Net of Cobra Health Recovery (4)	22,484,301	3,385,912	12,921,392	3,048,262	10,266,750	4,751,368			431,612		57,289,596
Employee and Dependent Recovery (4)	(1,418,333)	(206,393)	(815,095)	(192,288)	(826,326)	(287,516)			(27,227)		(3,773,177)
Health Cost Net of Cobra and Employee Recovery	21,065,967	3,179,520	12,106,297	2,855,974	9,440,424	4,463,852			404,386		53,516,419
Use	21,066,000	3,179,500	12,106,300	2,856,000	9,440,400	4,463,800			404,400		53,516,400
Health Care Rate	30.66%	30.60%	20.29%	11.45%	13.49%	20.67%			38.88%		
Life Insurance:											
Eligible Employees Base	1,761	223	1,013	239	909	337					4,482
Life Insurance Cost (5)	103,530	13,110	59,555	14,051	53,441	19,812					263,500
Use	103,500	13,100	59,600	14,100	53,400	19,800					263,500
Life Insurance Rate	0.15%	0.13%	0.10%	0.06%	0.08%	0.09%					
LTD Insurance											
LTD Wage Base	68,700,000	10,390,000	59,660,000	24,950,000	69,990,000	21,600,000					255,290,000
LTD Premium and Administrative Costs (6)	141,819	21,448	123,157	51,505	144,482	44,589					527,000
Use	141,800	21,400	123,200	51,500	144,500	44,600					527,000
LTD Rate	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%					
Unemployment:											
Unemployment Wage Base	68,700,000	10,390,000	59,660,000	24,950,000	69,990,000	21,600,000	15,170,000	13,750,000	1,040,000		285,250,000
Unemployment Cost (6)	81,886	12,384	71,111	29,739	83,424	25,746	18,082	16,389	1,240		340,000
Use	81,900	12,400	71,100	29,700	83,400	25,800	18,100	16,400	1,200		340,000
Unemployment Rate	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%	0.12%		

Job Group	NR	CR	XR	EX, FR, FN Executives & Nonunion	F9	A9, AR	FT, FW	CT, GT, NT, ST, XT	NX, XX	GN, SN	TOTAL
	<u>Classified</u>	<u>AHECTE</u>	<u>APT Exempt</u>	<u>Faculty</u>	<u>UNAC Faculty</u>	<u>ACCFT Faculty</u>	<u>Adjunct Faculty</u>	<u>Temporary Student SS</u>	<u>Extended Temporary</u>	<u>Student</u>	
FY08 Projected Staff Benefits Wage Base	68,700,000	10,390,000	59,660,000	24,950,000	69,990,000	21,600,000	15,170,000	13,750,000	1,040,000	12,090,000	297,340,000
Number of Eligible Employees	1,761	223	1,013	239	909	337	890		34		5,406
Workers' Compensation:											
Average Claims Percentage Base	31.27%	31.47%	13.14%	5.49%	8.14%	2.51%	1.76%	5.78%	0.44%		100.00%
Forecast Claims Cost	687,190	691,585	288,765	120,648	178,885	55,160	38,678	127,021	9,669		2,197,600
Other Costs (6)	68,110	10,301	59,148	24,736	69,389	21,414	15,040	13,632	1,031		282,800
Total Workers' Comp Costs	755,300	701,886	347,913	145,384	248,274	76,574	53,718	140,653	10,700		2,480,402
Use	755,300	701,900	347,900	145,400	248,300	76,600	53,700	140,600	10,700		2,480,400
Workers' Compensation Rate	1.10%	6.76%	0.58%	0.58%	0.35%	0.35%	0.35%	1.02%	1.03%		
Tuition Waivers:											
Eligible Employees Base	1,761	223	1,013	239	909	337	890				5,372
Employee Tuition Waiver Cost (7)	477,772	60,502	274,834	64,842	246,618	91,431	142,000				1,358,000
Use	477,800	60,500	274,800	64,900	246,600	91,400	142,000				1,358,000
Tuition Waiver Rate	0.70%	0.58%	0.46%	0.26%	0.35%	0.42%	0.94%				
Consulting/Other:											
Consulting/Other Wage Base	68,700,000	10,390,000	59,660,000	24,950,000	69,990,000	21,600,000	15,170,000	13,750,000	1,040,000		285,250,000
AHECTE Legal Trust (8)		28,000									28,000
Consulting Cost	143,782	21,745	124,862	52,218	146,482	45,207	31,749	28,777	2,177		597,000
Total Consulting/Other cost	143,782	49,745	124,862	52,218	146,482	45,207	31,749	28,777	2,177		625,000
Use	143,800	49,700	124,900	52,200	146,500	45,200	31,700	28,800	2,200		625,000
Consulting/Other Rate	0.21%	0.48%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%	0.21%		
Labor Relations:											
Labor Relations Wage Base		10,390,000			69,990,000	21,600,000	15,170,000				117,150,000
Labor Relations Cost		69,887			470,782	145,291	102,040				788,000
Use		69,900			470,800	145,300	102,000				788,000
Labor Relations Rate		0.67%			0.67%	0.67%	0.67%				
Staff Benefit Carryforward:											
Carryforward from FY06	(1,202,747)	(1,005,598)	(862,275)	(289,210)	(700,084)	(1,076,946)	(9,534)	(31,670)	1,019		(5,177,045)
Remaining Carryforward from FY06 to be Liquidated in FY08	(1,202,747)	(1,005,598)	(862,275)	(289,210)	(700,084)	(1,076,946)	(9,534)	(31,670)	1,019		(5,177,045)
Carryforward Rate	(1.75%)	(9.68%)	(1.45%)	(1.16%)	(1.00%)	(4.99%)	(0.06%)	(0.23%)	0.10%		

- (1) Projected benefit covered wage base using the ratio of FY06 PERS, TRS, ORP, Pension, Medicare, and Social Security wages to FY06 staff benefit wage base.
- (2) Due to the addition of ORP Tier 3 and the changes in PERS and TRS the expected shift in covered wages will be to allocated using the percentages of covered wages eligible for retirement benefits in FY06.
- (3) Allocated prorata based on pension wage base.
- (4) Projected health care employee participants is provided by SWOHR broken out by Non-union and the three Union job groups (CR, F9, AR/A9). Non-union job group is allocated by SWOCA to the individual Eclass groups (NR, XR, EX/FN/FR, NX/XR) based on projected average non-union employee headcounts. Projected health care claims costs are allocated to union job groups and nonunion job groups using prior FY actual claims costs. Other health care costs are allocated to the union and nonunion job groups based on usage or participants. Projected costs for the nonunion job groups are further allocated prorata to each group based on projected non-union employee participants. Projected recoveries are allocated to each individual union group and to the nonunion groups in total based on the current FY projection recoveries. The nonunion recovery is further allocated to each Non-union job group based on projected non-union employee participants.
- (5) Allocated prorata based on headcount.
- (6) Allocated prorata based on staff benefit wage base.
- (7) Job group FT/FW allocation based on projected tuition cost. Remaining projected tuition costs for benefit eligible job groups are allocated prorata based on headcount.
- (8) Allocated to benefiting job group, CR.

Job Group	NR	CR	XR	EX, FR Executives & Nonunion Faculty (1)	FN Nonunion Faculty (1)	F9 UNAC Faculty	AR, A9 ACCF Faculty	FT, FW Adjunct Faculty	CT, GT, NT, ST, XT Temporary Student SS	NX,XX Extended Temporary	GN,SN Student	TOTAL
SWOHR Average Projected Headcount for FY07	1,734	232	998	235	-	897	327	890	-	33	-	5,346
Reclassification Project Changes	-	-	-	-	-	-	-	-	-	-	-	-
Total FY07 Headcount	1,734	232	998	235	-	897	327	890	-	33	-	5,346
Budget Request to Legislature - new positions	-	-	-	-	-	-	-	-	-	-	-	-
SWOHR FY08 Projected Average Headcount	1,761	223	1,013	239 (1)	(1)	909	337	890	-	34	-	5,406
FY08 Leave Benefits Wage Base Projection:												
FY06 Leave Benefit Wage Base	49,849,424	8,137,555	45,636,450	16,297,205	3,481,690	61,053,696	18,549,937	14,372,950	12,644,954	888,961	12,336,913	243,249,735
Estimated FY07 Leave Wage Base	52,875,358	7,888,954	46,995,151	16,814,418	4,205,056	64,150,591	20,163,654	14,452,402	13,281,169	875,211	12,061,936	253,763,900
Pay Grid Adjustments (2)	1,057,507	118,334	939,903	-	-	-	-	-	152,878	17,504	-	2,286,126
Estimated FY08 Grid Adjusted Leave Wage Base	53,932,865	8,007,288	47,935,054	16,814,418	4,205,056	64,150,591	20,163,654	14,452,402	13,434,047	892,715	12,061,936	256,050,026
Estimate FY08 Increase (3)	1,402,254	184,168	1,246,311	453,989	113,537	3,015,078	927,528	679,263	-	-	-	8,022,128
Projection for FY08 New Position Estimates (4)	-	-	-	-	-	-	-	-	-	-	-	-
Projected FY08 Leave Wage Base	55,335,119	8,191,456	49,181,365	17,268,407	4,318,593	67,165,669	21,091,182	15,131,665	13,434,047	892,715	12,061,936	264,072,154
Use	55,340,000	8,190,000	49,180,000	17,270,000	4,320,000	67,170,000	21,090,000	15,130,000	13,430,000	890,000	12,060,000	264,070,000
FY08 Staff Benefits Wage Base Projection:												
Projected FY08 Leave Wage Base	55,340,000	8,190,000	49,180,000	17,270,000	4,320,000	67,170,000	21,090,000	15,130,000	13,430,000	890,000	12,060,000	264,070,000
FY06 Leave Benefit Wage Base	49,849,424	8,137,555	45,636,450	16,297,205	3,481,690	61,053,696	18,549,937	14,372,950	12,644,954	888,961	12,336,913	243,249,735
Projected Dollar Change	5,490,576	52,445	3,543,550	972,795	838,310	6,116,304	2,540,063	757,050	785,046	1,039	(276,913)	20,820,265
Projected Percentage Change	11.01%	0.64%	7.76%	5.97%	24.08%	10.02%	13.69%	5.27%	6.21%	0.12%	(2.24%) (a)	-
Proposed Leave Rates	21.40%	21.80%	20.70%	17.50%	1.20%	1.40%	1.80%	0.00%	0.00%	15.40%	0.00%	-
Leave Accrual	11,842,760	1,785,420	10,180,260	3,022,250	51,840	940,380	379,620	-	-	137,060	-	28,339,590
Overtime Pay (FY06 Actual)	1,262,690	339,101	-	-	-	-	-	-	224,125	7,073	18,589	1,851,578
Miscellaneous Pay (FY06 Actual)	102,974	71,773	278,924	268,803	200	1,704,897	118,119	36,941	81,870	4,203	14,836	2,683,540
FY08 Overtime Pay Projection (5)	1,401,767	341,286	-	-	-	-	-	-	238,040	7,081	18,172	2,006,346
FY08 Miscellaneous Pay Projection (5)	114,316	72,236	300,581	284,848	248	1,875,692	134,293	38,887	86,953	4,208	14,503	2,926,765
Projected FY08 Staff Benefits Wage Base	68,698,843	10,388,942	59,660,841	20,577,098	4,372,088	69,986,072	21,603,913	15,168,887	13,754,993	1,038,349	12,092,675	297,342,701
Use	68,700,000	10,390,000	59,660,000	20,580,000	4,370,000	69,990,000	21,600,000	15,170,000	13,750,000	1,040,000	12,090,000	297,340,000
<div style="border: 1px solid black; display: inline-block; padding: 2px;">24,950,000 (1)</div>												

(a) Projecting an immaterial decrease in Student employee wages (job groups GN, SN) of less than 3%.

- (1) Job group EX/FN/FR has been split into two job groups EX/FR and FN for leave benefit calculations. EX/FR job group includes job classes eligible for all leave types. The FN job group is eligible for sick leave only. Job groups are recombined for staff benefit calculation. Headcount numbers are used only during the staff benefit calculations where they are re-combined into job group EX/FR/FN. No benefit would be realized requesting SWOHR to provide them separately.
- (2) A 2% increase to the exempt and nonexempt staff pay grids is expected. Job groups represented by the AHECTE Local 6070 Collective Bargaining Agreement (CR, CT) will receive a 1.5% grid increase.
- (3) Annual salary increases of 2.6% for job groups NR, XR; 2.7% for job groups EX/FR and FN; 2.3% for CR; 4.7% for F9; 4.6% for AR/A9; 4.7% for FT/FW are expected.
- (4) No funding was included in the FY08 budget to the legislature for new positions.
- (5) Applied projected percentage change between FY06 and FY08 leave benefit wage bases to the FY06 Overtime and Miscellaneous Pay actuals.

**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 12, 2007 to establish fixed fringe benefit cost rates for the period beginning July 1, 2007 through June 30, 2008 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


James Lynch

Associate Vice President for Finance

Title

4/12/07
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 April 12, 2007 to establish final fringe benefit cost rates for July 1, 2007 through June 30, 2008 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 indirect 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


James Lynch

Associate Vice President for Finance
Title

4/12/07
Date of Execution