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Date: April 9, 2008

To: Bill Spindle, Roseanne Bailey, Carol Griffin, Joe Trubacz, Jim Lynch, Jim Johnsen, Myron Dosch, Nicole Pittman, Pat Pitney, Beth Behner, Mike Humphrey, Vickie Gilligan, Kris Racina, Michelle Rizk, Michelle Pope, Dawn Wall, Briana Walters

From: Tanya Hollis, SW Cost Analysis *TH*

Re: FY09 Fringe Benefit Forward Pricing Proposal

Attached is the letter and FY09 Fringe Benefit Forward Pricing Proposal Report submitted to UA's cognizant agency, Office of Naval Research.

These rates have been submitted to ONR and DCAA but are not yet negotiated rates. We have requested that the proposal audit be completed early enough to allow us to have negotiated rates in place by July 1, 2008. Therefore they should only be used for internal purposes. You will be informed when we have a fully executed negotiation agreement in place for external usage of the FY09 rates

The following tables summarize the FY08 negotiated leave and fringe benefit rates, the FY09 proposed leave and fringe benefit rates, and the percent increase or decrease in rates by e-class over the FY08 negotiated rates.

Employee Class Title	E-Class	Leave Benefit Rates (1)		Increase/ (Decrease)
		FY08 Negotiated Benefit Rates	FY09 Proposed Benefit Rates	FY08 Neg. to FY09 Proposed %
Classified	NR	21.40%	21.40%	0.00%
Classified, AHECTE	CR	21.80%	21.90%	0.46%
APT Exempt	XR	20.70%	20.00%	(3.38%)
Executive and Faculty, Non-union, 12 mos	EX, FR	17.50%	17.50%	0.00%
Faculty, Non-union, < 12 mos	FN	1.20%	1.80%	50.00%
Faculty, UNAC	F9	1.40%	1.50%	7.14%
Faculty, ACCFT	AR, A9	1.80%	1.50%	(16.67%)
Faculty, Adjunct	FT, FW	0.00%	0.00%	0.00%
Temporary	CT, GT, NT, ST, XT	0.00%	0.00%	0.00%
Extended Temporary	NX, XX	15.40%	16.00%	3.90%
Student	GN, SN	0.00%	0.00%	0.00%

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

Employee Class Title	E-Class	Fringe Benefits (2)		Increase/ (Decrease) FY08 Neg. to FY09 Proposed %
		FY08 Negotiated Benefit Rates	FY09 Proposed Benefit Rates	
Classified	NR	60.70%	62.80%	3.46%
Classified, AHECTE	CR	58.20%	63.60%	9.28%
APT Exempt	XR	48.70%	48.70%	0.00%
Executive and Faculty, Non-union, 12 mos	EX, FR	33.10%	32.60%	(1.51%)
Faculty, Non-union, < 12 mos	FN	33.10%	32.60%	(1.51%)
Faculty, UNAC	F9	36.50%	32.10%	(12.05%)
Faculty, ACCFT	AR, A9	39.50%	40.50%	2.53%
Faculty, Adjunct	FT, FW	9.80%	9.60%	(2.04%)
Temporary	CT, GT, NT, ST, XT	8.50%	7.90%	(7.06%)
Extended Temporary	NX, XX	47.60%	41.40%	(13.03%)
Student	GN, SN	0.00%	0.00%	0.00%

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

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April 9, 2008

Brian Kehoe
 Office of Naval Research
 Indirect Cost Branch
 Code BD0242, Rm. 371
 875 N. Randolph Street
 Arlington, VA 22203

RE: University of Alaska FY09 Fringe Benefit Forward Pricing Proposal

Dear Mr. Kehoe:

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, 2008 through June 30, 2009 (FY09).

The cost methodology used is consistent with methodologies utilized for the FY08 fringe benefit forward pricing proposal. This proposal fully liquidates the FY07 fringe benefit over recovery carry-forward of \$3,087,516 and leave benefit under recovery of \$477,408.

The following is a table summarizing the leave and fringe benefit rates proposed for FY09 for the University of Alaska System. Also listed are the FY08 negotiated rates for comparison purposes.

E-Class	<u>Leave Benefit Rates (1)</u>		<u>Fringe Benefit Rates (2)</u>	
	FY08 Negotiated Benefit Rates	FY09 Proposed Benefit Rates	FY08 Negotiated Benefit Rates	FY09 Proposed Benefit Rates
NR	21.40%	21.40%	60.70%	62.80%
CR	21.80%	21.90%	58.20%	63.60%
XR	20.70%	20.00%	48.70%	48.70%
EX, FR	17.50%	17.50%	33.10%	32.60%
FN	1.20%	1.80%	33.10%	32.60%
F9	1.40%	1.50%	36.50%	32.10%
AR, A9	1.80%	1.50%	39.50%	40.50%
FT, FW	0.00%	0.00%	9.80%	9.60%
CT, GT, NT, ST, XT	0.00%	0.00%	8.50%	7.90%
NX, XX	15.40%	16.00%	47.60%	41.40%
GN, SN	0.00%	0.00%	0.00%	0.00%

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

Brian Kehoe
April 9, 2008
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We are seeking to have new rates in effect for our first payroll in July 2008. 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, 2008, 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

DCW

Attachments

cc: Sandra Thomson, ONR, Seattle (one copy)
Glade Scott, DCAA, Pacific Branch Office (one copy)
Christopher Mahan, DCAA, Alaska Sub-Office (one copy)

UNIVERSITY OF ALASKA

FY09 FORWARD PRICING FRINGE BENEFIT PROPOSAL



The University of Alaska
Fringe Benefit Forward Pricing Proposal

July 1, 2008 – June 30, 2009

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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 FY09 are based on updated estimates of projected FY08 wages and incremented for salary and grid increases.

Annual salary increases are projected for eligible e-classes as follows:

- AHECTE union (aka Local 6070) employees (e-class CR) – 4.05% which will go into effect Dec. 01, 2008
- Executive employees and non-union faculty (e-classes EX, FR) - 2.6%
- Non-union faculty less than 12 months (e-class FN) – 3.4%
- UNAC faculty (e-class F9) – 6.28%
- ACCFT faculty (e-classes AR, A9) – 3.4%
- Adjunct faculty (e-classes FT, FW) – 3.96%

Salary grid increases are projected for eligible e-classes as follows:

- Classified, exempt and non-exempt staff (e-classes NR, XR, NT, XT, NX, XX) – 4.5%
- AHECTE Union employees (e-classes CR, CT) – 2.1%
- Students (e-classes GT, ST, GN, SN) – 2.5%

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 four year average was used for all e-classes for the period FY04 to FY07. Leave benefit recovery carryforwards are reflected as calculated in the FY07 Fringe Benefit Incurred Cost Report.
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. Effective FY08, employer PERS-DC 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 8.08% respectively, rates are established or projected by the State of Alaska, Division of Retirement. The percentage of FY07 earnings subject to this benefit is multiplied by the staff benefit wage base to estimate potential covered wages by e-class for the public retirement system plans. This amount is reduced for covered wage estimates for individuals expected to participate in the ORP–Tier 3 Plan.
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. Effective FY08, employer TRS-DC 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 8.75% respectively, rates are established or projected by the State of Alaska, Division of Retirement. The percentage of FY07 earnings subject to this benefit is multiplied by the staff benefit wage base to estimate potential covered wages by e-class for the teacher's retirement system plans. This amount is reduced for covered wage estimates for individuals expected to participate in the ORP–Tier 3 Plan.

6. Effective FY07, 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 17.04% 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 FY07 earnings eligible for all the optional retirement plan benefits is multiplied by the staff benefit wage base to estimate total optional retirement plan covered wages by e-class. The projected covered wage base for employees newly hired between FY07 and FY09 is allocated to the multiple retirement options based on the percentages of the actual FY08 newly hired eligible employees in each e-class from July '07 through February '08, adjusted 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 e-class 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 \$102,000 for eligible adjunct faculty. E-class covered wages for the fiscal year are calculated by multiplying the percentage of FY07 wages subject to pension benefits by the FY09 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 so the amount of projected covered wages for PERS-DC and TRS-DC is subtracted from the calculated gross pension covered wage base. Projected pension administration costs are allocated to e-classes prorata based on the covered wage base.
8. The percentage of FY07 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 \$102,000 for adjunct faculty and temporary e-classes. All new adjunct faculty will contribute to social security, not pension.
9. Health care costs are estimated at projected usage levels less projected recoveries. All benefit eligible e-classes pay for spouse/dependent health coverage if elected. The current plan offers employees some flexible benefit options and matches the employee contributions with current year costs. Projected health care claims costs are allocated to union (e-classes CR, F9, and AR/A9) and non-union (e-classes NR, XR, EX/FR/FN and NX/XX) plan groups based on prior year actual claims costs. Other health care costs, except wellness, are allocated based on plan usage or projected plan participants. Projected spouse/dependent and employee recoveries are allocated based on projected plan participants. Non-union costs and recoveries are further allocated to e-classes by projected non-union participants. Wellness costs are allocated to all projected health care eligible employees, including opt-outs.
10. Life insurance costs are estimated at \$244,000. 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 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 e-classes 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 e-classes prorata based on the staff benefit wage base.

13. The Workers' Compensation claims cost are estimated at the actuarial consultant's projected self insured FY09 claims level. Workers' Compensation costs are allocated to e-class pools based on a combination of claims experience and exposure. An additional \$401,600 for insurance premiums, professional fees, office operations, and loss prevention is allocated to non-student e-classes prorata based on the staff benefit wage base.
14. Tuition waiver costs are projected at the FY08 estimated usage level and adjusted for increases or decreases in tuition rates for FY09. Employee (excluding adjunct) projected tuition waiver costs are allocated to applicable e-class pools based on the number of eligible employees. Adjunct projected tuition waiver costs are allocated to that specific e-class. Effective CY02, adjuncts may accrue three credits per semester, up to twelve credits. These credits may be used for the employee, spouse or dependent. Effective FY00, dependent and spouse tuition waiver costs are unallowable.
15. AHECTE Legal Trust costs, consulting, and other costs are projected at the level forecasted by the respective program director. AHECTE legal trust costs are allocated entirely to the benefiting e-class, CR. Employee Assistance Program (EAP) costs are allocated to health care eligible employees. Consulting and other projected costs are allocated to non-student e-classes prorata based on the staff benefit wage base.
16. Labor relations costs are projected at the level forecasted by the respective program director and Statewide Office of Labor and Employee Relations and are allocated to the union e-classes prorata based on their staff benefit wage base.
17. Staff benefit recovery carryforwards are reflected as calculated in the FY07 Fringe Benefit Incurred Cost Report.

	E-Class	NR	CR	XR	EX, FN, FR Executives & Nonunion	F9	AR, A9	FT, FW	CT, GT, NT, ST, XT	NX,XX	GN,SN	
	<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>	<u>TOTAL</u>	
FY09 Staff Benefits Wage Base	70,840,000	11,500,000	65,720,000	25,130,000	76,420,000	21,040,000	15,620,000	14,310,000	1,080,000	12,900,000	314,560,000	
Staff Benefits:												
PERS	13,648,600	2,306,400	12,974,300	884,000	-	-	-	-	-	-	29,813,300	
TRS	-	-	32,000	699,700	3,487,200	1,373,900	-	-	-	-	5,592,800	
ORP-Tier 1	9,700	-	45,900	1,686,000	5,788,900	1,243,700	-	-	-	-	8,774,200	
ORP-Tier 2 and Tier 3	949,000	115,300	624,200	614,100	1,733,900	318,100	-	-	-	-	4,354,600	
UA Pension Plan	4,737,300	696,200	3,532,400	735,900	3,340,100	1,079,100	175,300	-	-	-	14,296,300	
Medicare & Social Security	925,900	139,700	819,300	297,700	910,400	238,400	1,011,600	1,016,700	81,500	-	5,441,200	
Health Care	21,827,400	3,376,800	13,033,100	2,900,700	10,518,900	4,638,200	-	-	410,800	-	56,705,900	
Life Insurance	93,400	14,500	55,800	12,400	50,400	17,500	-	-	-	-	244,000	
Long Term Disability	143,700	23,300	133,300	51,000	155,000	42,700	-	-	-	-	549,000	
Unemployment	76,300	12,400	70,800	27,100	82,300	22,700	16,800	15,400	1,200	-	325,000	
Workers' Compensation	698,400	617,800	353,300	135,100	252,500	69,500	51,600	124,900	9,500	-	2,312,600	
Tuition Waivers	505,400	78,300	302,000	67,000	272,800	94,500	153,000	-	-	-	1,473,000	
Consulting/Other	135,400	54,900	109,800	37,400	120,200	34,900	19,300	17,600	2,300	-	531,800	
Labor Relations	-	71,500	-	-	475,100	130,800	97,100	-	-	-	774,500	
Carryforward from FY07	698,730	(193,759)	(86,900)	44,024	(2,638,236)	(788,393)	(26,928)	(37,285)	(58,769)	-	(3,087,516)	
	44,449,230	7,313,341	31,999,300	8,192,124	24,549,464	8,515,607	1,497,772	1,137,315	446,531	-	128,100,684	
Benefit Rates:												
PERS	19.27%	20.06%	19.74%	3.52%							29,813,300	
TRS			0.05%	2.78%	4.56%	6.53%					5,592,800	
ORP-Tier 1	0.01%		0.07%	6.71%	7.58%	5.91%					8,774,200	
ORP-Tier 2 and Tier 3	1.34%	1.00%	0.95%	2.44%	2.27%	1.51%					4,354,600	
UA Pension Plan	6.69%	6.05%	5.37%	2.93%	4.37%	5.13%	1.12%				14,296,300	
Medicare & Social Security	1.31%	1.21%	1.25%	1.18%	1.19%	1.13%	6.48%	7.10%	7.55%		5,441,200	
Health Care	30.81%	29.36%	19.83%	11.54%	13.76%	22.04%			38.04%		56,705,900	
Life Insurance	0.13%	0.13%	0.08%	0.05%	0.07%	0.08%					244,000	
Long Term Disability	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%					549,000	
Unemployment	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%		325,000	
Workers' Compensation	0.99%	5.37%	0.54%	0.54%	0.33%	0.33%	0.33%	0.87%	0.88%		2,312,600	
Tuition Waivers	0.71%	0.68%	0.46%	0.27%	0.36%	0.45%	0.98%				1,473,000	
Consulting/Other	0.19%	0.48%	0.17%	0.15%	0.16%	0.17%	0.12%	0.12%	0.21%		531,800	
Labor Relations		0.62%			0.62%	0.62%					774,500	
Carryforward from FY07	0.99%	(1.68%)	(0.13%)	0.18%	(3.45%)	(3.75%)	(0.17%)	(0.26%)	(5.44%)		(3,087,516)	
	62.75%	63.59%	48.69%	32.60%	32.13%	40.46%	9.59%	7.94%	41.35%		128,100,684	
FY09 Proposed Staff Benefit Rates	62.80%	63.60%	48.70%	32.60%	32.10%	40.50%	9.60%	7.90%	41.40%			
FY08 Negotiated Staff Benefit Rates	60.70%	58.20%	48.70%	33.10%	36.50%	39.50%	9.80%	8.50%	47.60%			
Increase/(Decrease)	2.10%	5.40%	0.00%	(0.50%)	(4.40%)	1.00%	(0.20%)	(0.60%)	(6.20%)			
Percentage Increase/(Decrease)	3.46%	9.28%	0.00%	(1.51%)	(12.05%)	2.53%	(2.04%)	(7.06%)	(13.03%)			
Federal Participation												
FY09 Federal Wages & Leave Accrual	10,446,815	274,580	13,769,666	4,358,111	12,255,415	1,758,350	1,249,560	5,090,662	293,155	3,942,081	53,438,395	
FY09 Staff Benefit Costs	6,560,600	174,633	6,705,827	1,420,744	3,933,988	712,132	119,958	402,162	121,366	-	20,151,410	
FY09 Projected Federal Participation	17,007,415	449,213	20,475,493	5,778,855	16,189,403	2,470,482	1,369,518	5,492,824	414,521	3,942,081	73,589,805	

E-Class	NR	CR	XR	EX, FR Executives & Nonunion Faculty (a)	FN Nonunion Faculty (a)	F9 UNAC Faculty	AR, A9 ACCFT Faculty	FT, FW Adjunct Faculty	CT, GT, NT, ST, XT Temporary Student SS	NX,XX Extended Temporary	GN,SN Student	TOTAL
Projected FY09 Leave Wage Base	57,140,000	9,010,000	54,460,000	17,960,000	3,680,000	73,400,000	20,550,000	15,600,000	14,020,000	900,000	12,870,000	279,590,000
FY07 Actual Leave Usage Rates:												
Annual Leave	9.04%	8.95%	9.52%	9.39%			(0.03%)			6.64%		
Sick Leave	5.65%	6.72%	4.67%	2.66%	1.60%	1.40%	1.45%			3.62%		
Holiday/Other Leave	6.44%	6.18%	5.50%	5.38%						5.42%		
	21.13%	21.85%	19.69%	17.43%	1.60%	1.40%	1.42%	n/a	n/a	15.68%	n/a	
Average leave usage rates:												
Annual Leave	9.02%	9.21%	9.58%	9.21%	n/a	n/a	n/a	n/a	n/a	6.66%	n/a	
Sick Leave	5.64%	6.30%	4.70%	2.78%	1.27%	1.34%	1.51%	n/a	n/a	3.33%	n/a	
Holiday/Other Leave	6.38%	6.27%	5.52%	5.36%	n/a	n/a	n/a	n/a	n/a	5.26%	n/a	
Total Average Leave Rate	21.04%	21.78%	19.80%	17.35%	1.27%	1.34%	1.51%	n/a	n/a	15.25%	n/a	
FY09 Leave Benefit Projection												
Annual Leave Usage	5,154,028	829,821	5,217,268	1,654,116	-	-	-	-	-	59,940	-	12,915,173
FY07 Carryforward Under (Over)	97,601	(21,407)	150,470	57,999	-	-	-	-	-	(1,951)	-	282,712
Reclassifications	-	-	-	-	-	-	-	-	-	-	-	-
Annual Leave Projection	5,251,629	808,414	5,367,738	1,712,115	-	-	-	-	-	57,989	-	13,197,885
Sick Leave Usage	3,222,696	567,630	2,559,620	499,288	46,736	983,560	310,305	-	-	29,970	-	8,219,805
FY07 Carryforward Under (Over)	71,567	49,103	29,249	(28,686)	19,713	94,775	(9,088)	-	-	5,550	-	232,183
Reclassifications	-	-	-	-	-	-	-	-	-	-	-	-
Sick Leave Projection	3,294,263	616,733	2,588,869	470,602	66,449	1,078,335	301,217	-	-	35,520	-	8,451,988
Holiday/Other Leave Usage	3,645,532	564,927	3,006,192	962,656	-	-	-	-	-	47,340	-	8,226,647
FY07 Carryforward Under (Over)	25,149	(19,749)	(46,726)	636	-	-	-	-	-	3,203	-	(37,487)
Reclassifications	-	-	-	-	-	-	-	-	-	-	-	-
Holiday/Other Leave Projection	3,670,681	545,178	2,959,466	963,292	-	-	-	-	-	50,543	-	8,189,160
Calculated Leave Benefit Rates												
Annual	9.19%	8.97%	9.86%	9.53%						6.44%		13,197,885
Sick	5.77%	6.84%	4.75%	2.62%	1.81%	1.47%	1.47%			3.95%		8,451,988
Holiday/Other	6.42%	6.05%	5.43%	5.36%						5.62%		8,189,160
	21.38%	21.86%	20.04%	17.51%	1.81%	1.47%	1.47%			16.01%		29,839,033
FY09 Proposed Leave Benefit Rates	21.40%	21.90%	20.00%	17.50%	1.80%	1.50%	1.50%			16.00%		
FY08 Negotiated Rates	21.40%	21.80%	20.70%	17.50%	1.20%	1.40%	1.80%			15.40%		
Increase/(Decrease)	0.00%	0.10%	(0.70%)	0.00%	0.60%	0.10%	(0.30%)			0.60%		
Percentage Increase/(Decrease)	0.00%	0.46%	(3.38%)	0.00%	50.00%	7.14%	(16.67%)			3.90%		
Federal Participation												
FY07 Actual Federal Participation	15.06%	2.50%	21.07%	18.69%	11.05%	16.45%	8.43%	8.01%	36.31%	28.08%	30.63%	
Projected FY09 Federal Wages	8,605,284	225,250	11,474,722	3,356,724	406,640	12,074,300	1,732,365	1,249,560	5,090,662	252,720	3,942,081	48,410,308
Projected FY09 Leave Benefit Costs	1,841,531	49,330	2,294,944	587,427	7,320	181,115	25,985	-	-	40,435	-	5,028,087
	10,446,815	274,580	13,769,666	3,944,151	413,960	12,255,415	1,758,350	1,249,560	5,090,662	293,155	3,942,081	53,438,395
				4,358,111 (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 recombined for staff benefit calculation.

E-Class	NR	CR	XR	EX, FR, FN Executives & Nonunion	F9	AR, A9	FT, FW	CT, GT, NT, ST, XT Temporary Student SS	NX, XX Extended Temporary	GN, SN Student	TOTAL
	Classified	AHECTE	APT Exempt	Faculty	UNAC Faculty	ACCFT Faculty	Adjunct Faculty				
FY09 Projected Staff Benefits Wage Base	70,840,000	11,500,000	65,720,000	25,130,000	76,420,000	21,040,000	15,620,000	14,310,000	1,080,000	12,900,000	314,560,000
Number of Eligible Employees	1,749	271	1,045	232	944	327	892		33		5,493
PERS:											
FY09 PERS-DB Projected Contribution Rate	22.00%	22.00%	22.00%	22.00%							
FY09 PERS-DC Projected Contribution Rate	8.08%	8.08%	8.08%	8.08%							
Percentage of PERS Wages Covered	94.16%	96.14%	94.80%	17.50%							
PERS Benefit Covered Wage Base (a)	66,702,944	11,056,100	62,302,560	4,397,750							144,459,354
PERS-DC Covered Wage Opting ORP-Tier 3 (b)	(4,663,683)	(572,476)	(3,328,678)	(379,370)							(8,944,207)
Revised Percentage of PERS Wages Covered	87.58%	91.16%	89.74%	15.99%							
PERS-DB Covered Wage Base	59,405,505	9,967,971	58,022,572	4,018,380							131,414,428
PERS-DC Covered Wage Base	2,633,756	515,653	951,310	-							4,100,719
PERS-DB Cost	13,069,211	2,192,954	12,764,966	884,044							28,911,175
PERS-DC Cost	212,807	41,665	76,866	-							331,338
PERS-DB Unfunded Liability (c)	366,619	71,779	132,422	-							570,820
Total PERS Cost	13,648,637	2,306,398	12,974,254	884,044							29,813,333
Use	13,648,600	2,306,400	12,974,300	884,000							29,813,300
PERS Rate	19.27%	20.06%	19.74%	3.52%							
TRS:											
FY09 TRS-DB Projected Contribution Rate			12.56%	12.56%	12.56%	12.56%					
FY09 TRS-DC Projected Contribution Rate			8.75%	8.75%	8.75%	8.75%					
Percentage of TRS Wages Covered			0.41%	24.26%	39.83%	54.65%					
TRS Benefit Covered Wage Base (a)			269,452	6,096,538	30,438,086	11,498,360					48,302,436
TRS-DC Covered Wage Opting ORP-Tier 3 (b)			(14,396)	(525,915)	(2,673,961)	(559,742)					(3,774,014)
Revised Percentage of TRS Wages Covered			0.39%	22.17%	36.33%	51.99%					
TRS-DB Covered Wage Base			255,056	4,534,382	26,841,824	10,778,714					42,409,976
TRS-DC Covered Wage Base			-	1,036,241	922,301	159,904					2,118,446
TRS-DB Cost			32,035	569,518	3,371,333	1,353,806					5,326,692
TRS-DC Cost			-	90,671	80,701	13,992					185,364
TRS-DB Unfunded Liability (c)			-	39,481	35,140	6,092					80,713
Total TRS Cost			32,035	699,670	3,487,174	1,373,890					5,592,769
Use			32,000	699,700	3,487,200	1,373,900					5,592,800
TRS Rate			0.05%	2.78%	4.56%	6.53%					
ORP-Tier 1:											
FY09 ORP Tier 1 Projected Contribution Rate	17.04%		17.04%	17.04%	17.04%	17.04%					
Percentage of ORP Wages Covered	0.08%		0.41%	57.58%	60.50%	44.59%					
ORP Benefit Covered Wage Base (a)	56,672		269,452	14,469,854	46,234,100	9,381,736					70,411,814
ORP-Tier 2 Covered Wage Base				(1,897,315)	(3,759,864)	(584,912)					(6,242,091)
ORP-Tier 3 Covered Wage Base (b)				(2,678,132)	(8,501,630)	(1,498,185)					(12,677,947)
ORP-Tier 1 Benefit Covered Wage Base	56,672		269,452	9,894,407	33,972,606	7,298,639					51,491,776
ORP Tier 1 Percentage of Wages Covered	0.08%		0.41%	39.37%	44.46%	34.69%					
ORP-Tier 1 Cost	9,657		45,915	1,686,007	5,788,932	1,243,688					8,774,199
Use	9,700		45,900	1,686,000	5,788,900	1,243,700					8,774,200
ORP-Tier 1 Rate	0.01%		0.07%	6.71%	7.58%	5.91%					
ORP-Tier 2 and Tier 3:											
FY09 ORP Tier 2 & Tier 3 Projected Contribution Rate	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%					
Percentage of ORP-Tier 2 Wages Covered				7.55%	4.92%	2.78%					
Percentage of ORP-Tier 3 Wages Covered	11.16%	8.35%	7.92%	12.81%	13.99%	9.82%					
ORP-Tier 2 Covered Wage Base				1,897,315	3,759,864	584,912					6,242,091
ORP-Tier 3 Covered Wage Base (b)	7,908,454	960,708	5,201,898	3,219,890	10,689,655	2,065,711					30,046,316
ORP-Tier 2 Cost				227,678	451,184	70,189					749,051
ORP-Tier 3 Cost	949,014	115,285	624,228	386,387	1,282,759	247,885					3,605,558
Total ORP-Tier 2 and Tier 3 Cost	949,014	115,285	624,228	614,065	1,733,943	318,074					4,354,609
Use	949,000	115,300	624,200	614,100	1,733,900	318,100					4,354,600
ORP-Tier 2 and Tier 3 Rate	1.34%	1.00%	0.95%	2.44%	2.27%	1.51%					

E-Class	NR	CR	XR	EX, FR, FN Executives & Nonunion	F9	AR, A9	FT, FW	CT, GT, NT, ST, XT Temporary Student SS	NX, XX Extended Temporary	GN, SN Student	TOTAL
	Classified	AHECTE	APT Exempt	Faculty	UNAC Faculty	ACCFE Faculty	Adjunct Faculty				
FY09 Projected Staff Benefits Wage Base	70,840,000	11,500,000	65,720,000	25,130,000	76,420,000	21,040,000	15,620,000	14,310,000	1,080,000	12,900,000	314,560,000
Number of Eligible Employees	1,749	271	1,045	232	944	327	892		33		5,493
UA Pension Plan:											
2007 Contribution Rate	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%				
Percentage of Wages Covered	90.95%	83.45%	71.56%	42.32%	58.22%	67.67%	14.64%				
Gross Pension Covered Wage Base (a)	64,428,980	9,596,750	47,029,232	10,635,016	44,491,724	14,237,768	2,286,768				192,706,238
PERS-DC Covered Wage Base	(2,633,756)	(515,653)	(951,310)	-	-	-	-				(4,100,719)
TRS-DC Covered Wage Base	-	-	-	(1,036,241)	(922,301)	(159,904)	-				(2,118,446)
Net Pension Covered Wage Base	61,795,224	9,081,097	46,077,922	9,598,775	43,569,423	14,077,864	2,286,768				186,487,073
Pension Plan Administration Costs (d)	9,941	1,461	7,413	1,544	7,009	2,265	367				30,000
Pension Contribution	4,727,335	694,704	3,524,961	734,306	3,333,061	1,076,957	174,938				14,266,262
Pension Cost	4,737,276	696,165	3,532,374	735,850	3,340,070	1,079,222	175,305				14,296,262
Use	4,737,300	696,200	3,532,400	735,900	3,340,100	1,079,100	175,300				14,296,300
Pension Rate	6.69%	6.05%	5.37%	2.93%	4.37%	5.13%	1.12%				
Medicare/Social Security:											
2008 Contribution Rate - Medicare	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%		
2008 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	90.14%	83.75%	85.98%	81.69%	82.16%	78.14%	98.71%	93.78%	98.68%		
Percentage of Wages Covered by Social Security							81.38%	92.66%	98.58%		
Medicare Covered Wage Base (a)	63,855,176	9,631,250	56,506,056	20,528,697	62,786,672	16,440,656	15,418,502	13,419,918	1,065,744		259,652,671
Social Security Covered Wage Base (a)							12,711,556	13,259,646	1,064,664		27,035,866
Medicare/Social Security Cost	925,900	139,653	819,338	297,666	910,407	238,390	1,011,685	1,016,687	81,462		5,441,188
Use	925,900	139,700	819,300	297,700	910,400	238,400	1,011,600	1,016,700	81,500		5,441,200
Medicare/Social Security Rate	1.31%	1.21%	1.25%	1.18%	1.19%	1.13%	6.48%	7.10%	7.55%		
Health Care:											
Health Care Participants (e)	1,648	245	984	219	861	294			31		4,282
Health Cost Net of Cobra Health Recovery (e)	23,393,699	3,606,516	13,968,367	3,108,806	11,485,588	4,982,318			440,257		60,985,551
Employee and Dependent Recovery (e)	(1,566,338)	(229,677)	(935,240)	(208,148)	(966,713)	(344,090)			(29,464)		(4,279,670)
Health Cost Net of Cobra and Employee Recovery	21,827,361	3,376,839	13,033,127	2,900,658	10,518,875	4,638,228			410,793		56,705,881
Use	21,827,400	3,376,800	13,033,100	2,900,700	10,518,900	4,638,200			410,800		56,705,900
Health Care Rate	30.81%	29.36%	19.83%	11.54%	13.76%	22.04%			38.04%		
Life Insurance:											
Eligible Employees Base	1,749	271	1,045	232	944	327					4,568
Life Insurance Cost (f)	93,423	14,475	55,819	12,392	50,424	17,467					244,000
Use	93,400	14,500	55,800	12,400	50,400	17,500					244,000
Life Insurance Rate	0.13%	0.13%	0.08%	0.05%	0.07%	0.08%					
LTD Insurance											
LTD Wage Base	70,840,000	11,500,000	65,720,000	25,130,000	76,420,000	21,040,000					270,650,000
LTD Premium and Administrative Costs (g)	143,695	23,327	133,310	50,975	155,014	42,679					549,000
Use	143,700	23,300	133,300	51,000	155,000	42,700					549,000
LTD Rate	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%					
Unemployment:											
Unemployment Wage Base	70,840,000	11,500,000	65,720,000	25,130,000	76,420,000	21,040,000	15,620,000	14,310,000	1,080,000		301,660,000
Unemployment Cost (g)	76,321	12,390	70,805	27,074	82,333	22,668	16,829	15,417	1,163		325,000
Use	76,300	12,400	70,800	27,100	82,300	22,700	16,800	15,400	1,200		325,000
Unemployment Rate	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%	0.11%		

E-Class	NR	CR	XR	EX, FR, FN Executives & Nonunion	F9	AR, A9	FT, FW	CT, GT, NT, ST, XT Temporary Student SS	NX, XX Extended Temporary	GN, SN Student	TOTAL
	Classified	AHECTE	APT Exempt	Faculty	UNAC Faculty	ACCFT Faculty	Adjunct Faculty				
FY09 Projected Staff Benefits Wage Base	70,840,000	11,500,000	65,720,000	25,130,000	76,420,000	21,040,000	15,620,000	14,310,000	1,080,000	12,900,000	314,560,000
Number of Eligible Employees	1,749	271	1,045	232	944	327	892		33		5,493
Workers' Compensation:											
Average Claims Percentage Base	31.61%	31.53%	13.91%	5.32%	7.89%	2.17%	1.61%	5.54%	0.42%		100.00%
Workers' Compensation Wage Base	70,840,000	11,500,000	65,720,000	25,130,000	76,420,000	21,040,000	15,620,000	14,310,000	1,080,000		301,660,000
Forecast Claims Cost	604,067	602,538	265,820	101,665	150,778	41,469	30,767	105,869	8,027		1,911,000
Other Costs (g)	94,309	15,310	87,493	33,456	101,738	28,011	20,795	19,051	1,437		401,600
Total Workers' Comp Costs	698,376	617,848	353,313	135,121	252,516	69,480	51,562	124,920	9,464		2,312,600
Use	698,400	617,800	353,300	135,100	252,500	69,500	51,600	124,900	9,500		2,312,600
Workers' Compensation Rate	0.99%	5.37%	0.54%	0.54%	0.33%	0.33%	0.33%	0.87%	0.88%		
Tuition Waivers:											
Eligible Employees Base	1,749	271	1,045	232	944	327	892				5,460
Employee Tuition Waiver Cost (h)	505,403	78,310	301,970	67,040	272,785	94,492	153,000				1,473,000
Use	505,400	78,300	302,000	67,000	272,800	94,500	153,000				1,473,000
Tuition Waiver Rate	0.71%	0.68%	0.46%	0.27%	0.36%	0.45%	0.98%				
Consulting/Other:											
Consulting/Other Wage Base	70,840,000	11,500,000	65,720,000	25,130,000	76,420,000	21,040,000	15,620,000	14,310,000	1,080,000		301,660,000
AHECTE Legal Trust (i)		33,300									33,300
Employee Assistance Program Costs (f)	48,071	7,400	28,720	6,392	26,000	9,000			917		126,500
Consulting Cost (g)	87,358	14,182	81,044	30,990	94,239	25,946	19,262	17,647	1,332		372,000
Total Consulting/Other cost	135,429	54,882	109,764	37,382	120,239	34,946	19,262	17,647	2,249		531,800
Use	135,400	54,900	109,800	37,400	120,200	34,900	19,300	17,600	2,300		531,800
Consulting/Other Rate	0.19%	0.48%	0.17%	0.15%	0.16%	0.17%	0.12%	0.12%	0.21%		
Labor Relations:											
Labor Relations Wage Base		11,500,000			76,420,000	21,040,000	15,620,000				124,580,000
Labor Relations Cost		71,494			475,095	130,803	97,108				774,500
Use		71,500			475,100	130,800	97,100				774,500
Labor Relations Rate		0.62%			0.62%	0.62%	0.62%				
Staff Benefit Carryforward:											
Carryforward from FY07 to be Liquidated in FY09	698,730	(193,759)	(86,900)	44,024	(2,638,236)	(788,393)	(26,928)	(37,285)	(58,769)		(3,087,516)
Carryforward Rate	0.99%	(1.68%)	(0.13%)	0.18%	(3.45%)	(3.75%)	(0.17%)	(0.26%)	(5.44%)		

Immaterial variances due to rounding are ignored

- (a) Projected benefit covered wage base using the ratio of FY07 PERS, TRS, ORP, Pension, Medicare, and Social Security wages to FY07 staff benefit wage base.
- (b) Due to the addition of ORP Tier 3 and the changes in PERS and TRS the expected shift in covered wages will be allocated using the percentages of covered wages eligible for retirement benefits in FY07. Historically e-classes NR, CR & XR have been ineligible for ORP Tier 1 or Tier 2, so a covered wage base for Tier 1 & 2 will not be projected for these e-classes.
- (c) 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.
- (d) Allocated prorata based on pension wage base.
- (e) Projected health care claims costs are allocated to the union and non-union plan groups based on prior year actual claims costs. Other health care costs, except wellness, are allocated based on plan usage or plan participants. Projected recoveries are allocated based on projected plan participants. Non-union costs and recoveries are further allocated to e-classes by non-union participants. Wellness costs are allocated to all health care eligible employees, including opt-outs.
- (f) Allocated prorata based on eligible e-class headcount.
- (g) Allocated prorata based on eligible e-class staff benefit wage base.
- (h) 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.
- (i) Allocated to benefiting e-class, CR.

E-Class	NR	CR	XR	EX, FR Executives & Nonunion Faculty (A)	FN Nonunion Faculty (A)	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 FY08	1,719	263	1,028	229		926	319	892		33		5,409
Budget Request to Legislature - New Positions (D)	-	-	-	-	-	-	-	-	-	-	-	-
SWOHR FY09 Projected Average Headcount	1,749	271	1,045	232 (A)	(A)	944	327	892		33		5,493
FY09 Leave Benefits Wage Base Projection:												
FY07 Leave Benefit Wage Base	52,499,145	8,133,366	48,666,244	16,961,436	3,767,562	64,684,439	20,220,438	14,346,410	13,101,214	967,783	12,081,193	255,429,230
Estimated FY08 Leave Wage Base	54,682,408	8,619,265	52,112,684	17,500,140	3,561,587	69,063,196	19,873,889	15,008,366	13,537,947	862,943	12,553,256	267,375,681
Pay Grid Adjustments (B)	2,460,708	181,005	2,345,071	-	-	-	-	-	483,264	38,832	313,832	5,822,712
Estimated FY09 Grid Adjusted Leave Wage Base	57,143,116	8,800,270	54,457,755	17,500,140	3,561,587	69,063,196	19,873,889	15,008,366	14,021,211	901,775	12,867,088	273,198,393
Estimate FY09 Increase (C)	-	207,906	-	455,004	121,094	4,337,169	675,712	594,331	-	-	-	6,391,216
Projection for FY09 New Position Estimates (D)	-	-	-	-	-	-	-	-	-	-	-	-
Projected FY09 Leave Wage Base	57,143,116	9,008,176	54,457,755	17,955,144	3,682,681	73,400,365	20,549,601	15,602,697	14,021,211	901,775	12,867,088	279,589,609
Use	57,140,000	9,010,000	54,460,000	17,960,000	3,680,000	73,400,000	20,550,000	15,600,000	14,020,000	900,000	12,870,000	279,590,000
FY09 Staff Benefits Wage Base Projection:												
Projected FY09 Leave Wage Base	57,140,000	9,010,000	54,460,000	17,960,000	3,680,000	73,400,000	20,550,000	15,600,000	14,020,000	900,000	12,870,000	279,590,000
FY07 Leave Benefit Wage Base	52,499,145	8,133,366	48,666,244	16,961,436	3,767,562	64,684,439	20,220,438	14,346,410	13,101,214	967,783	12,081,193	255,429,230
Projected Dollar Change	4,640,855	876,634	5,793,756	998,564	(87,562)	8,715,561	329,562	1,253,590	918,786	(67,783)	788,807	24,160,770
Projected Percentage Change	8.84%	10.78%	11.91%	5.89%	(2.32%) (a)	13.47%	1.63%	8.74%	7.01%	(7.00%) (a)	6.53%	
Proposed Leave Rates	21.40%	21.90%	20.00%	17.50%	1.80%	1.50%	1.50%	0.00%	0.00%	16.00%	0.00%	
Leave Accrual	12,227,960	1,973,190	10,892,000	3,143,000	66,240	1,101,000	308,250	-	-	144,000	-	29,855,640
Overtime Pay (FY07 Actual)	1,212,498	391,660	-	-	-	-	-	-	217,530	34,713	12,645	1,869,046
Miscellaneous Pay (FY07 Actual)	141,434	74,399	332,775	247,678	12,446	1,692,523	175,102	14,280	49,073	-	13,517	2,753,227
FY09 Overtime Pay Projection (E)	1,319,681	433,874	-	-	-	-	-	-	232,785	32,282	13,471	2,032,093
FY09 Miscellaneous Pay Projection (E)	153,937	82,418	372,392	262,259	12,157	1,920,573	177,956	15,528	52,514	-	14,400	3,064,134
Projected FY09 Staff Benefits Wage Base	70,841,578	11,499,482	65,724,392	21,365,259	3,758,397	76,421,573	21,036,206	15,615,528	14,305,299	1,076,282	12,897,871	314,541,867
Use	70,840,000	11,500,000	65,720,000	21,370,000	3,760,000	76,420,000	21,040,000	15,620,000	14,310,000	1,080,000	12,900,000	314,560,000
<div style="border: 1px solid black; padding: 2px; display: inline-block; margin: 5px auto;">25,130,000 (A)</div>												

Immaterial variances due to rounding are ignored

(a) Projecting immaterial decreases for e-class FN - Nonunion < 12 mo Faculty wages and pooled e-classes NX, XX - Extended Temporary employee wages.

(A) E-class group EX/FN/FR has been split into two E-class groups EX/FR and FN for leave benefit calculations. EX/FR E-class group includes positions eligible for all leave types. The FN E-class group is eligible for sick leave only. E-classes are recombined for staff benefit calculation. Headcount numbers are used only during the staff benefit calculations where they are re-combined into E-class group EX/FR/FN. No benefit would be realized requesting SWOHR to provide them separately.

(B) A 4.5% increase to the exempt and nonexempt staff (NR, XR, NX, XX, NT, XT) pay grids is expected. E-classes represented by the AHECTE Local 6070 Collective Bargaining Agreement (CR, CT) will receive a 2.1% grid increase.

An increase to the student grid (GT, ST, GN, SN) of 2.5% is planned to reflect the changes in the Federal and State of Alaska minimum wages.

(C) Annual salary increases of 2.6% for E-classes EX, FR; 3.4% for E-class FN; 6.28% averaged increase for E-class F9 for Across the Board and Market increases; 3.4% for E-class group AR/A9; 3.96% for E-class group FT/FW are expected; 4.05% average increase for E-class CR will go into effect 01-Dec-08 and is projected as 7/12 of the fiscal year.

(D) No funding was included in the FY09 budget to the legislature for new positions.

(E) Applied projected percentage change between FY07 and FY09 leave benefit wage bases to the FY07 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 9, 2008 to establish fixed fringe benefit cost rates for the period beginning July 1, 2008 through June 30, 2009 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



Joseph Trubacz

Chief Financial Officer

Title

4/9/08

Date of Execution

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

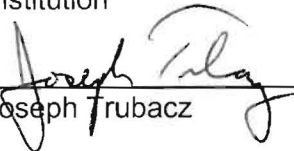
This is to certify that I have reviewed this proposal to establish final fringe benefit cost rates and to the best of my knowledge and belief:

1. All costs included in this proposal dated April 9, 2008 to establish final fringe benefit cost rates for July 1, 2008 through June 30, 2009 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


Joseph Trubacz

Chief Financial Officer

Title

4/9/08
Date of Execution