


Statewide Office of
 Cost Analysis
 (907) 450-8069
 (907) 450-8071 (fax)



UNIVERSITY
of **ALASKA**
Many Traditions One Alaska

211B Butrovich Building
 PO Box 756540
 Fairbanks, Alaska 99775-6540
www.alaska.edu/cost-analysis/

Date: March 31, 2011
 To: Bill Spindle, Pat Pitney, Carol Griffin, Joe Trubacz
 From: Tanya Hollis 
 Re: FY12 Fringe Benefit Forward Pricing Proposal

Attached is the FY12 Fringe Benefit Forward Pricing Proposal Report submitted to UA's cognizant agency, Office of Naval Research (ONR). Although these rates have been submitted, they have not been negotiated with ONR. Therefore, these rates should only be used for internal purposes. We have requested that the proposal audit be completed early enough to allow UA to have negotiated rates in place by July 1, 2011. You will be notified when we have a fully executed negotiation agreement in place for external usage of the FY12 rates.

The following table summarizes the fringe benefit rates proposed for FY12 for the University of Alaska System. Also listed are the FY11 negotiated rates for comparison purposes.

E-Class	<u>Leave Benefit Rates (1)</u>		<u>Staff Benefit Rates (2)</u>	
	FY11	FY12	FY11	FY12
	Negotiated Benefit Rates	Proposed Benefit Rates	Negotiated Benefit Rates	Proposed Benefit Rates
NR	21.40%	22.00%	58.90%	56.90%
CR	22.30%	23.10%	70.90%	64.00%
XR	20.10%	21.20%	46.20%	45.70%
EX, FR	18.80%	20.50%	30.40%	31.10%
FN	3.40%	2.20%	30.40%	31.10%
F9	1.20%	1.70%	30.60%	31.60%
AR, A9	1.40%	1.40%	39.50%	38.10%
FT, FW	0.00%	0.00%	9.60%	9.70%
CT, GT, NT, ST, XT	0.00%	0.00%	8.40%	8.70%
NX, XX	16.10%	15.90%	46.80%	48.40%
GN, SN	0.00%	0.00%	0.00%	0.00%

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

cc: Myron Dosch, Nichole Pittman, Beth Behner, Mike Humphrey, Vickie Gilligan, Michelle Rizk, Michelle Pope, Phillip Harrington, Joan Gunnarsen, Barbara Hyde, Joan Fiorenzi

Myron J. Dosch, CPA
 Controller
 Phone: (907) 450-8079
 Fax: (907) 450-8071
 mjdosch@alaska.edu



209D Butrovich Building
 910 Yukon Drive, Suite 209
 PO Box 755120
 Fairbanks, AK 99775-5120

UNIVERSITY
of **ALASKA**
Many Traditions One Alaska

March 31, 2011

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

RE: University of Alaska FY12 Fringe Benefit Forward Pricing Proposal

Dear Mr. Godfrey:

This memorandum and enclosed attachments represent the University of Alaska's proposal to establish fixed with carry-forward fringe benefit rates for the period of July 1, 2011 through June 30, 2012 (FY12).

The cost methodology used is consistent with methodologies utilized in past fringe benefit forward pricing proposals. This proposal fully liquidates the FY10 staff benefit over recovery carry-forward of \$59,500 and leave benefit under recovery of \$1,592,900.

The following table summarizes the fringe benefit rates proposed for FY12 for the University of Alaska System. Also listed are the FY11 negotiated rates for comparison purposes.

E-Class	<u>Leave Benefit Rates (1)</u>		<u>Staff Benefit Rates (2)</u>	
	FY11 Negotiated Benefit Rates	FY12 Proposed Benefit Rates	FY11 Negotiated Benefit Rates	FY12 Proposed Benefit Rates
NR	21.40%	22.00%	58.90%	56.90%
CR	22.30%	23.10%	70.90%	64.00%
XR	20.10%	21.20%	46.20%	45.70%
EX, FR	18.80%	20.50%	30.40%	31.10%
FN	3.40%	2.20%	30.40%	31.10%
F9	1.20%	1.70%	30.60%	31.60%
AR, A9	1.40%	1.40%	39.50%	38.10%
FT, FW	0.00%	0.00%	9.60%	9.70%
CT, GT, NT, ST, XT	0.00%	0.00%	8.40%	8.70%
NX, XX	16.10%	15.90%	46.80%	48.40%
GN, SN	0.00%	0.00%	0.00%	0.00%

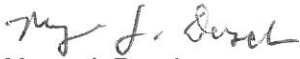
(1) Distribution base: Leave rates are applied to base salaries excluding overtime, miscellaneous pay, and paid leave.
 (2) Distribution base: Staff benefit rates are applied to base salaries plus overtime, miscellaneous pay, and leave accrual provisions.

David Godfrey
March 31, 2011
Page 2

We are seeking to have new rates in effect for our first payroll in July 2011. 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, 2011, 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: Debbie Rafi, ONR (one copy)
Sandra Thomson, ONR, Seattle (one copy)
Ray Kim, DCAA, Pacific Branch Office (one copy)
Christopher Mahan, DCAA, Alaska Sub-Office (one copy)

UNIVERSITY OF ALASKA

FY12 FRINGE BENEFIT FORWARD PRICING PROPOSAL



The University of Alaska
Fringe Benefit Forward Pricing Proposal

July 1, 2011 – June 30, 2012

Table of Contents

Schedule		Page
1	Significant Assumptions	1-3
2	Staff Benefit Rate Projections	4
3	Leave Benefit Projections	5
4	Staff Benefit Cost Distribution	6-8
5	Wage Base Projection	9

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 FY12 are based on updated estimates of projected FY11 wages and incremented for salary and grid increases.

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

- Classified, exempt and non-exempt staff (e-classes NR, XR, NT, XT, NX, XX) – 1.0% effective January 01, 2012
- Executive employees (e-class EX) - 2.0%
- Non-union faculty (e-classes FR, FN) – 2.5%
- UNAC faculty (e-class F9) – 2.5%
- UAFT faculty (e-classes AR, A9) – 2.5%
- Adjunct faculty (e-classes FT, FW) – 1.5%

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) – 2.0%
- AHECTE Union employees (e-classes CR, CT) – 2.5%
- Students (e-classes ST, SN) – 4.73% average increase

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 FY09 and FY10 actual leave usage combined with FY11 estimated leave usage. Leave benefit recovery carryforwards are reflected as calculated in the FY10 Fringe Benefit Incurred Cost Report.
4. Beginning July 01, 2006, UA has two public employee retirement system (PERS) plans. The public employee retirement system defined benefit (PERS-DB) plan is restricted to eligible employees with an original hire date prior to July 1, 2006. Eligible employees with an original hire date of July 1, 2006 or later may enroll in the public employee retirement system defined contribution (PERS-DC) plan or the optional retirement plan, ORP–Tier 3. Effective July 01, 2007, the PERS-DC employer contribution amount per employee, must calculate to at least the PERS-DB rate. The calculated contribution beyond the PERS-DC rate is applied to the State of Alaska PERS-DB unfunded liability. The PERS-DB and PERS-DC rates are 22.00% and 5.71% respectively, rates are established or projected by the State of Alaska, Division of Retirement. The percentage of FY10 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 July 01, 2006, UA has two teacher's retirement system (TRS) plans. The teacher's retirement system defined benefit (TRS-DB) plan is restricted to eligible employees with an original hire date prior to July 1, 2006. Eligible employees with an original hire date of July 1, 2006 or later may enroll in the teacher's retirement system defined contribution (TRS-DC) plan or the optional retirement plan, ORP–Tier 3. Effective July 01, 2007, the TRS-DC employer contribution amount per employee, must calculate to at least the TRS-DB rate. The calculated contribution beyond the TRS-DC rate is applied to the State of Alaska TRS-DB unfunded liability. The TRS-DB and TRS-DC rates are 12.56% and 7.58% respectively, rates are established or projected by the State of Alaska, Division of Retirement. The percentage of FY10 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 July 01, 2006, UA has three separate optional retirement plans, ORP–Tier 1, ORP–Tier 2, and ORP–Tier 3. The ORP–Tier 1 plan is for eligible employees with an original hire date prior to July 1, 2005. The University Board of Regents established ORP–Tier 2, for eligible employees with an original hire date during FY06. The University Board of Regents also established a third optional retirement plan with an expanded employee eligibility criteria, ORP–Tier 3. It is available to all retirement eligible employees with an original hire date of July 1, 2006 or later. The ORP–Tier 1 rate is projected at 12.56% 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 FY10 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 FY10 and FY12 is allocated to the multiple retirement options based on the percentages of the actual FY11 newly hired eligible employees in each e-class from July 2010 through February 2011, 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 \$106,800 for eligible adjunct faculty. E-class covered wages for the fiscal year are calculated by multiplying the percentage of FY10 wages subject to pension benefits by the FY12 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 FY10 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 \$106,800 for adjunct faculty and temporary e-classes. All new adjunct faculty will contribute to social security, not pension.
9. Health care costs are estimated at projected usage levels less projected recoveries. All benefit eligible e-classes pay for spouse/dependent health coverage if elected. The current plan offers employees some flexible benefit options and matches the employee contributions with current year costs. Projected health care costs and recoveries, except wellness, are allocated to health care eligible e-classes, NR, CR, XR, EX/FR/FN , F9, AR/A9 and NX/XX, based on projected plan participants. Wellness costs are allocated to all projected health care eligible employees, including opt-outs.
10. Life insurance administrative costs are estimated at \$0.18/\$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 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 \$0.22 per \$100 of salary. The annual administrative fee is calculated at the estimated rate of \$0.007 per \$100 of salary. 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 is projected by combining actual FY11 year-to-date costs with the projected costs for the remainder of the fiscal year. 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 FY12 claims level. Workers' Compensation costs are allocated to e-class pools based on a combination of claims experience and exposure. Additional costs for insurance premiums, professional fees, office operations, and loss prevention are allocated to non-student e-classes prorata based on the staff benefit wage base.
14. Tuition waiver costs are projected at the FY11 estimated usage level and adjusted for increases or decreases in tuition rates for FY12. 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 Local 6070 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 FY10 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 (a)</u>	<u>APT Exempt</u>								
FY12 Staff Benefits Wage Base	73,470,000	12,700,000	78,380,000	29,130,000	84,430,000	27,770,000	17,550,000	17,990,000	1,320,000	14,550,000	357,290,000
Staff Benefits:											
PERS	10,942,500	2,217,300	13,470,100	1,369,700	-	-	-	-	-	-	27,999,600
TRS	-	-	-	774,700	3,412,600	1,438,500	-	-	-	-	5,625,800
ORP-Tier 1	900	-	98,500	1,098,400	3,862,100	841,600	-	-	-	-	5,901,500
ORP-Tier 2 and Tier 3	2,521,300	277,700	1,749,100	774,200	2,760,200	1,064,200	-	-	-	-	9,146,700
UA Pension Plan	3,763,600	613,800	3,347,400	696,600	2,834,400	1,096,900	133,100	-	-	-	12,485,800
Medicare & Social Security	980,400	165,200	1,016,300	360,400	1,048,600	348,700	1,180,400	1,297,000	99,200	-	6,496,200
Health Care	21,716,800	3,461,400	14,716,000	3,149,900	12,358,600	4,323,300	-	-	504,000	-	60,230,000
Life Insurance	178,000	29,100	120,600	25,700	103,300	37,900	-	-	-	-	494,600
Long Term Disability	131,300	22,700	140,100	52,000	150,900	49,600	-	-	-	-	546,600
Unemployment	200,400	34,600	213,800	79,400	230,300	75,700	47,900	49,100	3,600	-	934,800
Workers' Compensation	903,500	756,200	555,300	206,500	469,500	154,300	97,500	180,700	13,200	-	3,336,700
Tuition Waivers	410,600	67,000	278,300	59,300	238,400	87,400	111,000	-	-	-	1,252,000
Consulting/Other	124,800	54,100	114,700	37,500	116,500	39,400	18,500	19,000	2,500	-	527,000
Labor Relations	-	87,200	-	-	580,000	190,800	120,600	-	-	-	978,600
Carryforward (Over) Under from FY10	(86,800)	340,700	(35,100)	362,000	(1,501,900)	838,200	(8,200)	14,800	16,800	-	(59,500)
	<u>41,787,300</u>	<u>8,127,000</u>	<u>35,785,100</u>	<u>9,046,300</u>	<u>26,663,500</u>	<u>10,586,500</u>	<u>1,700,800</u>	<u>1,560,600</u>	<u>639,300</u>	<u>-</u>	<u>135,896,400</u>
Benefit Rates:											
PERS	14.89%	17.46%	17.19%	4.70%							27,999,600
TRS				2.66%	4.04%	5.18%					5,625,800
ORP-Tier 1			0.13%	3.77%	4.57%	3.03%					5,901,500
ORP-Tier 2 and Tier 3	3.43%	2.19%	2.23%	2.66%	3.27%	3.83%					9,146,700
UA Pension Plan	5.12%	4.83%	4.27%	2.39%	3.36%	3.95%	0.76%				12,485,800
Medicare & Social Security	1.33%	1.30%	1.30%	1.24%	1.24%	1.26%	6.73%	7.21%	7.52%		6,496,200
Health Care	29.56%	27.26%	18.78%	10.81%	14.64%	15.57%			38.18%		60,230,000
Life Insurance	0.24%	0.23%	0.15%	0.09%	0.12%	0.14%					494,600
Long Term Disability	0.18%	0.18%	0.18%	0.18%	0.18%	0.18%					546,600
Unemployment	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%		934,800
Workers' Compensation	1.23%	5.95%	0.71%	0.71%	0.56%	0.56%	0.56%	1.00%	1.00%		3,336,700
Tuition Waivers	0.56%	0.53%	0.36%	0.20%	0.28%	0.31%	0.63%				1,252,000
Consulting/Other	0.17%	0.43%	0.15%	0.13%	0.14%	0.14%	0.11%	0.11%	0.19%		527,000
Labor Relations		0.69%			0.69%	0.69%	0.69%				978,600
Carryforward (Over) Under from FY10	(0.12%)	2.68%	(0.04%)	1.24%	(1.78%)	3.02%	(0.05%)	0.08%	1.27%		(59,500)
	<u>56.86%</u>	<u>64.00%</u>	<u>45.68%</u>	<u>31.05%</u>	<u>31.58%</u>	<u>38.13%</u>	<u>9.70%</u>	<u>8.67%</u>	<u>48.43%</u>	<u>-</u>	<u>135,896,400</u>
FY12 Proposed Staff Benefit Rates	56.90%	64.00%	45.70%	31.10%	31.60%	38.10%	9.70%	8.70%	48.40%		
FY11 Negotiated Staff Benefit Rates	58.90%	70.90%	46.20%	30.40%	30.60%	39.50%	9.60%	8.40%	46.80%		
Increase/(Decrease)	(2.00%)	(6.90%)	(0.50%)	0.70%	1.00%	(1.40%)	0.10%	0.30%	1.60%		
Percentage Increase/(Decrease)	(3.40%)	(9.73%)	(1.08%)	2.30%	3.27%	(3.54%)	1.04%	3.57%	3.42%		
Federal Participation											
FY12 Federal Wages & Leave Accrual	9,788,200	180,000	15,365,100	3,729,700	13,906,800	1,595,300	1,323,500	6,240,900	435,800	4,279,000	56,844,300
FY12 Staff Benefit Costs	5,569,500	115,200	7,021,900	1,159,900	4,394,500	607,800	128,400	543,000	210,900	-	19,751,100
FY12 Projected Federal Participation	<u>15,357,700</u>	<u>295,200</u>	<u>22,387,000</u>	<u>4,889,600</u>	<u>18,301,300</u>	<u>2,203,100</u>	<u>1,451,900</u>	<u>6,783,900</u>	<u>646,700</u>	<u>4,279,000</u>	<u>76,595,400</u>

(a) In FY10, the bargaining unit name for e-class CR, Local 6070 - Alaska Higher Education Crafts & Trade Employees (AHECTE), has been updated to Local 6070

E-Class	NR	CR Local 6070 Union	XR	EX, FR Executives & Nonunion Faculty (b)	FN Nonunion Faculty (b)	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 (a)	APT Exempt	Faculty (b)	Faculty (b)	Faculty	Faculty	Faculty	Faculty	Faculty	Faculty	Faculty
Projected FY12 Leave Wage Base	59,080,000	9,810,000	64,320,000	20,850,000	3,690,000	81,540,000	27,220,000	17,530,000	17,570,000	1,120,000	14,520,000	317,250,000
FY10 Actual Leave Usage Rates:												
Annual Leave	9.19%	9.35%	9.90%	10.07%			(0.02%)			6.68%		
Sick Leave	5.75%	6.94%	5.06%	4.29%	1.87%	1.60%	1.51%			2.96%		
Holiday/Other Leave	6.38%	6.12%	5.52%	5.47%						5.26%		
Total Actual Leave Usage Rate	21.32%	22.41%	20.48%	19.83%	1.87%	1.60%	1.49%	n/a	n/a	14.90%	n/a	
Average Leave Usage Rates:												
Annual Leave	9.30%	9.48%	9.83%	9.55%	n/a	n/a	n/a	n/a	n/a	6.77%	n/a	
Sick Leave	5.75%	6.67%	4.80%	3.42%	1.84%	1.54%	1.38%	n/a	n/a	3.15%	n/a	
Holiday/Other Leave	6.44%	6.23%	5.55%	5.41%	n/a	n/a	n/a	n/a	n/a	5.59%	n/a	
Total Average Leave Rate	21.49%	22.38%	20.18%	18.38%	1.84%	1.54%	1.38%	n/a	n/a	15.51%	n/a	
FY12 Leave Benefit Projection												
Annual Leave Usage	5,494,400	930,000	6,322,700	1,991,200	-	-	-	-	-	75,800	-	14,814,100
FY10 Carryforward (Over) Under Reclassifications	260,700	25,100	397,700	155,700	-	-	-	-	-	8,800	-	848,000
Annual Leave Projection	5,755,100	955,100	6,720,400	2,146,900	-	-	-	-	-	84,600	-	15,662,100
Sick Leave Usage	3,397,100	654,300	3,087,400	713,100	67,900	1,255,700	375,600	-	-	35,300	-	9,586,400
FY10 Carryforward (Over) Under Reclassifications	56,100	56,600	238,500	267,400	13,400	139,900	12,600	-	-	(2,800)	-	781,700
Sick Leave Projection	3,453,200	710,900	3,325,900	980,500	81,300	1,395,600	388,200	-	-	32,500	-	10,368,100
Holiday/Other Leave Usage	3,804,800	611,200	3,569,800	1,128,000	-	-	-	-	-	62,600	-	9,176,400
FY10 Carryforward (Over) Under Reclassifications	(34,000)	(11,600)	(7,400)	17,400	-	-	-	-	-	(1,200)	-	(36,800)
Holiday/Other Leave Projection	3,770,800	599,600	3,562,400	1,145,400	-	-	-	-	-	61,400	-	9,139,600
Calculated Leave Benefit Rates												
Annual	9.74%	9.74%	10.45%	10.30%						7.55%		15,662,100
Sick	5.84%	7.25%	5.17%	4.70%	2.20%	1.71%	1.43%			2.90%		10,368,100
Holiday/Other	6.38%	6.11%	5.54%	5.49%						5.48%		9,139,600
	21.96%	23.10%	21.16%	20.49%	2.20%	1.71%	1.43%			15.93%		35,169,800
FY12 Proposed Leave Benefit Rates	22.00%	23.10%	21.20%	20.50%	2.20%	1.70%	1.40%			15.90%		
FY11 Negotiated Rates												
Increase/(Decrease)	0.60%	0.80%	1.10%	1.70%	(1.20%)	0.50%				(0.20%)		
Percentage Increase/(Decrease)	2.80%	3.59%	5.47%	9.04%	(35.29%)	41.67%				(1.24%)		
Federal Participation												
FY10 Actual Federal Participation	13.58%	1.49%	19.71%	8.61%	41.54%	16.77%	5.78%	7.55%	35.52%	33.57%	29.47%	
Projected FY12 Federal Wages	8,023,100	146,200	12,677,500	1,795,200	1,532,800	13,674,300	1,573,300	1,323,500	6,240,900	376,000	4,279,000	51,641,800
Projected FY12 Leave Benefit Costs	1,765,100	33,800	2,687,600	368,000	33,700	232,500	22,000	-	-	59,800	-	5,202,500
FY12 Proj Federal Wages plus Leave Accrual	9,788,200	180,000	15,365,100	2,163,200	1,566,500	13,906,800	1,595,300	1,323,500	6,240,900	435,800	4,279,000	56,844,300
												3,729,700 (a)

(a) In FY10, the bargaining unit name for e-class CR, Local 6070 - Alaska Higher Education Crafts & Trade Employees (AHECTE), has been updated to Local 6070

(b) 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 Local 6070 Union	XR	EX, FR, FN Executives & Nonunion Faculty	F9 UNAC Union Faculty	AR, A9 UAFT Union Faculty	FT, FW Adjunct Faculty	CT, GT, NT, ST, XT Temporary & SS Student	NX, XX Extended Temporary	GN, SN Non-SS Student	TOTAL
	<u>Classified</u>	<u>Classified (a)</u>	<u>APT Exempt</u>								
FY12 Projected Staff Benefits Wage Base	73,470,000	12,700,000	78,380,000	29,130,000	84,430,000	27,770,000	17,550,000	17,990,000	1,320,000	14,550,000	357,290,000
Number of Eligible Employees	1,648	269	1,117	238	957	351	889		38		5,507
PERS:											
FY12 PERS-DB Projected Contribution Rate	22.00%	22.00%	22.00%	22.00%							
FY12 PERS-DC Projected Contribution Rate	5.71%	5.71%	5.71%	5.71%							
Percentage of PERS Wages Covered	73.15%	81.66%	81.25%	22.63%							
PERS Benefit Covered Wage Base (b)	53,743,305	10,370,820	63,683,750	6,592,119							134,389,994
PERS-DC Covered Wage Opting ORP-Tier 3 (c)	(4,004,584)	(292,243)	(2,455,978)	(366,131)							(7,118,936)
Revised Percentage of PERS Wages Covered	67.70%	79.36%	78.12%	21.37%							
PERS-DB Covered Wage Base	44,225,688	9,254,347	59,892,170	6,129,859							119,502,064
PERS-DC Covered Wage Base	5,513,033	824,230	1,335,602	96,129							7,768,994
PERS-DB Cost	9,729,651	2,035,956	13,176,277	1,348,569							26,290,453
PERS-DC Cost	314,794	47,064	76,263	5,489							443,610
PERS-DC Cost: DB Unfunded Liability (d)	898,073	134,267	217,569	15,659							1,265,568
Total PERS Cost	10,942,518	2,217,287	13,470,109	1,369,717							27,999,631
Use	10,942,500	2,217,300	13,470,100	1,369,700							27,999,600
PERS Rate	14.89%	17.46%	17.19%	4.70%							
TRS:											
FY12 TRS-DB Projected Contribution Rate				12.56%	12.56%	12.56%					
FY12 TRS-DC Projected Contribution Rate				7.58%	7.58%	7.58%					
Percentage of TRS Wages Covered				22.42%	34.51%	45.27%					
TRS Benefit Covered Wage Base (b)				6,530,946	29,136,793	12,571,479					48,239,218
TRS-DC Covered Wage Opting ORP-Tier 3 (c)				(362,734)	(1,966,462)	(1,118,868)					(3,448,064)
Revised Percentage of TRS Wages Covered				21.17%	32.18%	41.24%					
TRS-DB Covered Wage Base				5,583,851	24,977,290	10,182,333					40,743,474
TRS-DC Covered Wage Base				584,361	2,193,041	1,270,278					4,047,680
TRS-DB Cost				701,332	3,137,148	1,278,901					5,117,381
TRS-DC Cost				44,295	166,233	96,287					306,815
TRS-DC Cost: DB Unfunded Liability (d)				29,101	109,213	63,260					201,574
Total TRS Cost				774,728	3,412,594	1,438,448					5,625,770
Use				774,700	3,412,600	1,438,500					5,625,800
TRS Rate				2.66%	4.04%	5.18%					
ORP-Tier 1:											
FY12 ORP Tier 1 Projected Contribution Rate	12.56%		12.56%	12.56%	12.56%	12.56%					
Percentage of ORP Wages Covered	0.01%		1.00%	52.91%	65.49%	54.94%					
ORP Benefit Covered Wage Base (b)	7,347		783,800	15,412,683	55,293,207	15,256,838					86,753,875
ORP-Tier 2 Covered Wage Base	n/a		n/a	(1,051,593)	(2,338,711)	(427,658)					(3,817,962)
ORP-Tier 3 Covered Wage Base (c)	n/a		n/a	(5,615,874)	(22,205,061)	(8,128,192)					(35,949,127)
ORP-Tier 1 Benefit Covered Wage Base	7,347		783,800	8,745,216	30,749,435	6,700,988					46,986,786
ORP Tier 1 Percentage of Wages Covered	0.01%		1.00%	30.02%	36.42%	24.13%					
ORP-Tier 1 Cost	923		98,445	1,098,399	3,862,129	841,644					5,901,540
Use	900		98,500	1,098,400	3,862,100	841,600					5,901,500
ORP-Tier 1 Rate	0.00%		0.13%	3.77%	4.57%	3.03%					
ORP-Tier 2 and Tier 3:											
FY12 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			0.08%	3.61%	2.77%	1.54%					
Percentage of ORP-Tier 3 Wages Covered	31.99%	20.39%	19.87%	21.62%	27.99%	31.36%					
ORP-Tier 2 Covered Wage Base				1,051,593	2,338,711	427,658					3,817,962
ORP-Tier 3 Covered Wage Base (c)	23,501,238	2,589,268	15,576,076	6,297,333	23,633,310	8,707,496					80,304,721
ORP-Tier 2 Cost				126,191	280,645	51,319					458,155
ORP-Tier 3 Cost	2,820,149	310,712	1,869,129	755,680	2,835,997	1,044,900					9,636,567
ORP Forfeitures	(298,866)	(33,028)	(120,019)	(107,648)	(356,412)	(32,082)					(948,055)
Total ORP-Tier 2 and Tier 3 Cost	2,521,283	277,684	1,749,110	774,223	2,760,230	1,064,137					9,146,667
Use	2,521,300	277,700	1,749,100	774,200	2,760,200	1,064,200					9,146,700
ORP-Tier 2 and Tier 3 Rate	3.43%	2.19%	2.23%	2.66%	3.27%	3.83%					

E-Class	NR	CR Local 6070 Union	XR	EX, FR, FN Executives & Nonunion Faculty	F9 UNAC Union Faculty	AR, A9 UAFT Union Faculty	FT, FW Adjunct Faculty	CT, GT, NT, ST, XT Temporary & SS Student	NX, XX Extended Temporary	GN, SN Non-SS Student	TOTAL
	<u>Classified</u>	<u>Classified (a)</u>	<u>APT Exempt</u>								
FY12 Projected Staff Benefits Wage Base	73,470,000	12,700,000	78,380,000	29,130,000	84,430,000	27,770,000	17,550,000	17,990,000	1,320,000	14,550,000	357,290,000
Number of Eligible Employees	1,648	269	1,117	238	957	351	889		38		5,507
UA Pension Plan:											
2010 Contribution Rate	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%				
Percentage of Wages Covered	77.85%	71.81%	58.59%	35.80%	49.00%	57.12%	9.90%				
Gross Pension Covered Wage Base (b)	57,196,395	9,119,870	45,922,842	10,428,540	41,370,700	15,862,224	1,737,450				181,638,021
PERS-DC Covered Wage Base	(5,513,033)	(824,230)	(1,335,602)	(96,129)	-	-	-				(7,768,994)
TRS-DC Covered Wage Base	-	-	-	(584,361)	(2,193,041)	(1,270,278)	-				(4,047,680)
Net Pension Covered Wage Base	51,683,362	8,295,640	44,587,240	9,748,050	39,177,659	14,591,946	1,737,450				169,821,347
Pension Plan Administration Costs (e)	4,566	733	3,938	861	3,460	1,289	153				15,000
Pension Contribution	3,953,777	634,616	3,410,924	745,726	2,997,091	1,116,284	132,915				12,991,333
Pension Forfeitures	(194,770)	(21,504)	(67,461)	(49,978)	(166,130)	(20,663)	-				(520,506)
Pension Cost	3,763,573	613,845	3,347,401	696,609	2,834,421	1,096,910	133,068				12,485,827
Use	3,763,600	613,800	3,347,400	696,600	2,834,400	1,096,900	133,100				12,485,800
Pension Rate	5.12%	4.83%	4.27%	2.39%	3.36%	3.95%	0.76%				
Medicare/Social Security:											
2010 Contribution Rate - Medicare	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%		
2010 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	92.03%	89.72%	89.42%	85.32%	85.65%	86.61%	98.37%	94.85%	97.97%		
Percentage of Wages Covered by Social Security							85.48%	94.10%	98.24%		
Medicare Covered Wage Base (b)	67,614,441	11,394,440	70,087,396	24,853,716	72,314,295	24,051,597	17,263,935	17,063,515	1,293,204		305,936,539
Social Security Covered Wage Base (b)							15,001,740	16,928,590	1,296,768		33,227,098
Medicare/Social Security Cost	980,409	165,219	1,016,267	360,379	1,048,557	348,748	1,180,435	1,296,994	99,151		6,496,159
Use	980,400	165,200	1,016,300	360,400	1,048,600	348,700	1,180,400	1,297,000	99,200		6,496,200
Medicare/Social Security Rate	1.33%	1.30%	1.30%	1.24%	1.24%	1.26%	6.73%	7.21%	7.52%		
Health Care:											
Health Care Participants (f)	1,551	247	1,051	225	882	308			36		4,300
Health Cost Net of Cobra Health Recovery (f)	25,421,359	4,051,386	17,226,331	3,687,331	14,465,272	5,059,010			589,937		70,500,626
Employee and Dependent Recovery (f)	(3,704,585)	(589,964)	(2,510,330)	(537,416)	(2,106,671)	(735,663)			(85,987)		(10,270,616)
Health Cost Net of Cobra and Employee Recovery	21,716,774	3,461,422	14,716,001	3,149,915	12,358,601	4,323,347			503,950		60,230,010
Use	21,716,800	3,461,400	14,716,000	3,149,900	12,358,600	4,323,300			504,000		60,230,000
Health Care Rate	29.56%	27.26%	18.78%	10.81%	14.64%	15.57%			38.18%		
Life Insurance:											
Eligible Employees Base	1,648	269	1,117	238	957	351					4,580
Life Insurance Cost (g)	177,969	29,050	120,626	25,702	103,348	37,905					494,600
Use	178,000	29,100	120,600	25,700	103,300	37,900					494,600
Life Insurance Rate	0.24%	0.23%	0.15%	0.09%	0.12%	0.14%					
LTD Insurance											
LTD Wage Base	73,470,000	12,700,000	78,380,000	29,130,000	84,430,000	27,770,000					305,880,000
LTD Premium and Administrative Costs (h)	131,289	22,695	140,063	52,055	150,874	49,624					546,600
Use	131,300	22,700	140,100	52,000	150,900	49,600					546,600
LTD Rate	0.18%	0.18%	0.18%	0.18%	0.18%	0.18%					
Unemployment:											
Unemployment Wage Base	73,470,000	12,700,000	78,380,000	29,130,000	84,430,000	27,770,000	17,550,000	17,990,000	1,320,000		342,740,000
Unemployment Cost (h)	200,384	34,638	213,777	79,450	230,278	75,741	47,866	49,066	3,600		934,800
Use	200,400	34,600	213,800	79,400	230,300	75,700	47,900	49,100	3,600		934,800
Unemployment Rate	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%		

E-Class	NR	CR Local 6070 Union	XR	EX, FR, FN Executives & Nonunion Faculty	F9 UNAC Union Faculty	AR, A9 UAFT Union Faculty	FT, FW Adjunct Faculty	CT, GT, NT, ST, XT Temporary & SS Student	NX, XX Extended Temporary	GN, SN Non-SS Student	TOTAL
	<u>Classified</u>	<u>Classified (a)</u>	<u>APT Exempt</u>								
FY12 Projected Staff Benefits Wage Base	73,470,000	12,700,000	78,380,000	29,130,000	84,430,000	27,770,000	17,550,000	17,990,000	1,320,000	14,550,000	357,290,000
Number of Eligible Employees	1,648	269	1,117	238	957	351	889		38		5,507
Workers' Compensation:											
Average Claims Percentage Base (h)	29.86%	32.01%	13.57%	5.05%	8.86%	2.91%	1.84%	5.50%	0.40%		100.00%
Workers' Compensation Wage Base	73,470,000	12,700,000	78,380,000	29,130,000	84,430,000	27,770,000	17,550,000	17,990,000	1,320,000		342,740,000
Forecast Claims Cost	667,281	715,328	303,249	112,852	197,994	65,030	41,118	122,909	8,939		2,234,700
Other Costs (h)	236,226	40,834	252,012	93,661	271,464	89,288	56,428	57,843	4,244		1,102,000
Total Workers' Comp Costs	903,507	756,162	555,261	206,513	469,458	154,318	97,546	180,752	13,183		3,336,700
Use	903,500	756,200	555,300	206,500	469,500	154,300	97,500	180,700	13,200		3,336,700
Workers' Compensation Rate	1.23%	5.95%	0.71%	0.71%	0.56%	0.56%	0.56%	1.00%	1.00%		
Tuition Waivers:											
Eligible Employees Base	1,648	269	1,117	238	957	351	889				5,469
Employee Tuition Waiver Cost (i)	410,562	67,015	278,274	59,292	238,414	87,443	111,000				1,252,000
Use	410,600	67,000	278,300	59,300	238,400	87,400	111,000				1,252,000
Tuition Waiver Rate	0.56%	0.53%	0.36%	0.20%	0.28%	0.31%	0.63%				
Consulting/Other:											
Consulting/Other Wage Base	73,470,000	12,700,000	78,380,000	29,130,000	84,430,000	27,770,000	17,550,000	17,990,000	1,320,000		342,740,000
AHECTE Local 6070 Legal Trust (j)		33,000									33,000
Employee Assistance Program Costs (g)	47,462	7,747	32,170	6,854	27,562	10,109			1,094		132,998
Consulting Cost (h)	77,385	13,377	82,556	30,682	88,928	29,249	18,485	18,948	1,390		361,000
Total Consulting/Other cost	124,847	54,124	114,726	37,536	116,490	39,358	18,485	18,948	2,484		526,998
Use	124,800	54,100	114,700	37,500	116,500	39,400	18,500	19,000	2,500		527,000
Consulting/Other Rate	0.17%	0.43%	0.15%	0.13%	0.14%	0.14%	0.11%	0.11%	0.19%		
Labor Relations:											
Labor Relations Wage Base		12,700,000			84,430,000	27,770,000	17,550,000				142,450,000
Labor Relations Cost		87,246			580,015	190,774	120,565				978,600
Use		87,200			580,000	190,800	120,600				978,600
Labor Relations Rate		0.69%			0.69%	0.69%	0.69%				
Staff Benefit Carryforward:											
Carryforward (Over) Under from FY10 to be Liquidated in FY12	(86,800)	340,700	(35,100)	362,000	(1,501,900)	838,200	(8,200)	14,800	16,800		(59,500)
Carryforward (Over) Under Rate	(0.12%)	2.68%	(0.04%)	1.24%	(1.78%)	3.02%	(0.05%)	0.08%	1.27%		

Immaterial variances due to rounding are ignored

- (a) In FY10, the bargaining unit name for e-class CR, Local 6070 - Alaska Higher Education Crafts & Trade Employees (AHECTE), has been updated to Local 6070
- (b) Projected benefit covered wage base using the ratio of FY10 PERS, TRS, ORP, Pension, Medicare, and Social Security wages to FY10 staff benefit wage base.
- (c) 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 FY10. 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.
- (d) 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
- (e) Allocated prorata based on pension wage base.
- (f) Projected health care costs and recoveries, except Wellness, are allocated to e-classes based on projected health care participants. Wellness program projected costs are allocated to all health care eligible employees including opt-outs as these benefits are available to all health care eligible employees.
- (g) Allocated prorata based on eligible e-class headcount.
- (h) Allocated prorata based on eligible e-class staff benefit wage base.
- (i) Pooled e-classes FT/FW allocation based on projected tuition cost. Allocated remaining projected tuition costs for benefit eligible e-classes prorata based on headcount.
- (j) Allocated to benefiting e-class, CR.

E-Class	NR	CR Local 6070 Union	XR	EX, FR Executives & Nonunion Faculty (b)	FN Nonunion Faculty (b)	F9 UNAC Union Faculty	AR, A9 UAFT Union Faculty	FT, FW Adjunct Faculty	CT, GT, NT, ST, XT Temporary & SS Student	NX,XX Extended Temporary	GN,SN Non-SS Student	TOTAL
SWOHR Average Projected Headcount for FY11	1,648	269	1,117	238		957	351	889		38		5,507
Total FY11 Headcount	1,648	269	1,117	238	-	957	351	889		38		5,507
Budget Request to Legislature - New Positions (e)	-	-	-	-	-	-	-	-	-	-	-	-
SWOHR FY12 Projected Average Headcount	1,648	269	1,117	238 (b)	(b)	957	351	889		38		5,507
FY12 Leave Benefits Wage Base Projection:												
FY10 Leave Benefit Wage Base (Actuals)	58,366,300	9,490,100	61,394,200	19,619,400	3,518,200	79,951,400	24,821,800	17,058,400	15,652,900	889,000	13,664,400	304,426,100
Estimated FY11 Leave Wage Base	57,634,400	9,569,400	62,749,600	20,414,200	3,599,100	79,551,300	26,555,800	17,270,500	17,145,700	1,092,100	14,212,900	309,795,000
Pay Grid Adjustments (c)	1,152,700	239,200	1,255,000						375,700	21,900	310,800	3,355,300
Estimated FY12 Grid Adjusted Leave Wage Base	58,787,100	9,808,600	64,004,600	20,414,200	3,599,100	79,551,300	26,555,800	17,270,500	17,521,400	1,114,000	14,523,700	313,150,300
Estimate FY12 Increase (d)	293,900	-	320,000	437,600	90,000	1,988,800	663,900	259,100	45,800	5,600	-	4,104,700
Projection for FY12 New Position Estimates (e)	-	-	-	-	-	-	-	-	-	-	-	-
Projected FY12 Leave Wage Base	59,081,000	9,808,600	64,324,600	20,851,800	3,689,100	81,540,100	27,219,700	17,529,600	17,567,200	1,119,600	14,523,700	317,255,000
Use	59,080,000	9,810,000	64,320,000	20,850,000	3,690,000	81,540,000	27,220,000	17,530,000	17,570,000	1,120,000	14,520,000	317,250,000
FY12 Staff Benefits Wage Base Projection:												
Projected FY12 Leave Wage Base	59,080,000	9,810,000	64,320,000	20,850,000	3,690,000	81,540,000	27,220,000	17,530,000	17,570,000	1,120,000	14,520,000	317,250,000
FY10 Leave Benefit Wage Base (Actuals)	58,366,300	9,490,100	61,394,200	19,619,400	3,518,200	79,951,400	24,821,800	17,058,400	15,652,900	889,000	13,664,400	304,426,100
Projected Dollar Change	713,700	319,900	2,925,800	1,230,600	171,800	1,588,600	2,398,200	471,600	1,917,100	231,000	855,600	12,823,900
Projected Percentage Change	1.22%	3.37%	4.77%	6.27%	4.88%	1.99%	9.66%	2.76%	12.25%	25.98%	6.26%	
Proposed Leave Rates	22.00%	23.10%	21.20%	20.50%	2.20%	1.70%	1.40%	0.00%	0.00%	15.90%	0.00%	
Leave Accrual	12,997,600	2,266,100	13,635,800	4,274,300	81,200	1,386,200	381,100	-	-	178,100	-	35,200,400
Overtime Pay (FY10 Actual)	1,265,700	396,600							322,500	12,000	6,000	2,002,800
Miscellaneous Pay (FY10 Actual)	108,600	204,000	406,700	170,400	48,800	1,476,500	154,500	19,800	49,100	2,300	25,000	2,665,700
FY12 Overtime Pay Projection (f)	1,281,200	410,000	-	-	-	-	-	-	362,000	15,100	6,400	2,074,700
FY12 Miscellaneous Pay Projection (f)	109,900	210,900	426,100	181,100	51,200	1,505,800	169,400	20,300	55,100	2,900	26,600	2,759,300
Projected FY12 Staff Benefits Wage Base	73,468,700	12,697,000	78,381,900	25,305,400	3,822,400	84,432,000	27,770,500	17,550,300	17,987,100	1,316,100	14,553,000	357,284,400
Use	73,470,000	12,700,000	78,380,000	25,310,000	3,820,000	84,430,000	27,770,000	17,550,000	17,990,000	1,320,000	14,550,000	357,290,000
				29,130,000 (b)								

Immaterial variances due to rounding are ignored

- (a) In FY10, the bargaining unit name for e-class CR, Local 6070 - Alaska Higher Education Crafts & Trade Employees (AHECTE), has been updated to Local 6070
- (b) Pooled e-class EX/FN/FR has been split into two separate pooled e-classes, EX/FR and FN, for leave benefit calculations. Pooled e-class EX/FR include positions eligible for all leave types. The FN e-class is eligible for sick leave only. The e-classes are recombined for staff benefit calculation. Headcount numbers are used only during the staff benefit calculations where they are re-combined into pooled e-class EX/FR/FN. No benefit would be realized requesting SWOHR to provide them separately
- (c) A 2.0% 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 2.5% grid increase. An increase to the student grid (ST, SN) of 4.73% is planned to reflect the changes in the State of Alaska minimum wages. E-classes GT and GN are not impacted by minimum wage.
- (d) Annual salary increases of 2.0% for e-class EX; 2.5% for e-classes FR, FN and F9; 2.5% for e-class group AR/A9; 1.5% for e-class group FT/FW are expected; 1.0% step increase for e-classes XR, NR, NX, XX, XT, NT will go into effect 01-Jan-12 is projected for 6/12 of the fiscal year.
- (e) No funding was included in the FY12 budget to the legislature for new positions.
- (f) Applied projected percentage change between FY10 and FY12 leave benefit wage bases to the FY10 Overtime and Miscellaneous Pay actuals.

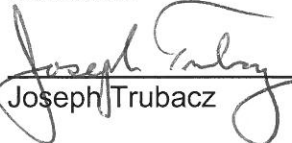
**The University of Alaska
Certificate of Fringe Benefit Costs
(OMB Circular A21, Section K.2.b)**

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 March 31, 2011 to establish fixed with carry-forward fringe benefit cost rates for the period beginning July 1, 2011 through June 30, 2012 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

3/31/11
Date of Execution

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

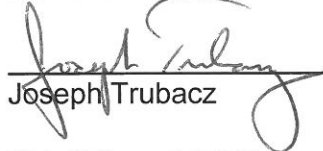
This is to certify that I have reviewed this proposal to establish final fringe benefit cost rates and to the best of my knowledge and belief:

1. All costs included in this proposal dated March 31, 2011 to establish final fringe benefit cost rates for July 1, 2011 through June 30, 2012 are allowable in accordance with the cost principles of the Federal Acquisition Regulation (FAR) and its supplements applicable to the contracts to which the final fringe benefit cost rates will apply, and
2. This proposal does not include any costs, which are unallowable under applicable cost principles of the FAR or its supplements.

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

The University of Alaska _____

Institution

 _____

Joseph Trubacz

Chief Financial Officer _____

Title

3/31/11 _____
Date of Execution