



Sources and Uses of Funds Related to UNAC Bargaining Unit Members

Presented by UA Negotiating Team
February 21, 2022



UNAC's Midterm Report (Slide 20)

Comparison of Current Investment, Peers, & UNAC Proposal



Recreation of UNAC Analysis of Average 2017-2021 Sources and Uses of Funds Related to UNAC Bargaining Unit Members

Sources of Funds (\$M)

Tuition	
Restricted Funding: Total Grants/Contracts	
UA indirect cost recovery	
Sources Total	

5 Year Average

\$89.42
\$101.00
\$26.00
\$216.42

Uses of Funds (\$M)

Salaries	
Benefits (at 57.2%)	
Uses Total	

\$86.77
\$49.60
\$136.37

Excess/(Deficit) Funds (\$M)

\$80.05

% of expenses covered directly by UNAC Sources of Funds

159%



Sources and Uses of Funds Related to UNAC Bargaining Unit Members

Sources of Funds

- Tuition (Unrestricted)
- Research Grants/Contracts (Restricted)

Uses of Funds

- Salaries
- Benefits
- Research Grants/Contracts expenses other than Salaries and Benefits



We uncovered inconsistencies in UNAC's depiction of Sources and Uses

Sources of Funds (\$M)

		<u>5 Year Average</u>
Tuition		\$89.42
Restricted Funding: Total Grants/Contracts	Double Counting	\$101.00
UA indirect cost recovery		\$26.00
Sources Total	Double Counting	\$216.42

Uses of Funds (\$M)

Salaries		\$86.77
Benefits (at 57.2%)		\$49.60
Uses Total	UNAC did not include most Grant Expenses	\$136.37

Excess/(Deficit) Funds (\$M) Erroneous **\$80.05**

% of expenses covered directly by UNAC Sources of Funds **159%**



Illustration of Double Counting of Sources...

Item 2 - external grants F9 with term flag .XLSX ☆ 🗄️ 🔄

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			2017	2018	2019	2020	2021	F9's Only
	Pidm	Term Posn	Tot New Grant \$	Total Grant \$				
4	7589	N	\$ 112,138		\$ 377,049			\$ 489,187
5	9532				\$ 2,773	\$ 251,020	\$ 251,020	\$ 504,813
6	21686	N	\$ 147,000	\$ 170,000		\$ 5,000	\$ 5,000	\$ 327,000
7	24501				\$ 31,520	\$ 88,119	\$ 88,119	\$ 207,758
8	34299	N	\$ 51,904	\$ 255,178				\$ 307,082
9	47368				\$ 40,148	\$ 99,321	\$ 99,321	\$ 238,790
10	50711	N	\$ -					\$ -
11	55847	N	\$ 21,343					\$ 21,343
12	57073	N	\$ 349,928					\$ 349,928
13	62095					\$ 110,000	\$ 110,000	\$ 220,000
14	...	...	...	...	...	...	...	...
401	822276				\$ 62,429			\$ 62,429
402	929162	N	\$ 73,729	\$ 318,734				\$ 392,463
403	1012167	N	\$ 479,116		\$ 23,662	\$ 75,647	\$ 75,647	\$ 654,072
404	1108775				\$ 575,000			\$ 575,000
405	1159417			\$ 28,500				\$ 28,500
406			\$ 40,945,293	\$ 45,166,135	\$ 57,657,291	\$ 56,035,779	\$ 51,440,332	\$ 252,337,517
407								\$ 50,467,503
408								\$ 5 yr average

Notes: The Award Type for the Grants is Award New (AN) and the Current Grant Funding Amount was use for the Grant Totals.

Item 1 - external grants F9 A9 with term flag .XLSX ☆ 🗄️ 🔄

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			2017	2018	2019	2020	2021	Total Grant \$
	Pidm	Term Posn	Tot New Grant \$	Total Grant \$				
4	7589	N	\$ 112,138		\$ 377,049			\$ 489,187
5	9532				\$ 2,773	\$ 251,020	\$ 251,020	\$ 504,813
6	21686	N	\$ 147,000	\$ 170,000		\$ 5,000	\$ 5,000	\$ 327,000
7	24501				\$ 31,520	\$ 88,119	\$ 88,119	\$ 207,758
8	34299	N	\$ 51,904	\$ 255,178				\$ 307,082
9	47368				\$ 40,148	\$ 99,321	\$ 99,321	\$ 238,790
10	48121		\$ 10,000					\$ 10,000
11	50711	N	\$ -					\$ -
12	55847	N	\$ 21,343					\$ 21,343
13	57073	N	\$ 349,928					\$ 349,928
14	62095					\$ 110,000	\$ 110,000	\$ 220,000
15	...	...	...	...	...	...	...	...
406	822276				\$ 62,429			\$ 62,429
407	929162	N	\$ 73,729	\$ 318,734				\$ 392,463
408	1012167	N	\$ 479,116		\$ 23,662	\$ 75,647	\$ 75,647	\$ 654,072
409	1108775				\$ 575,000			\$ 575,000
410	1159417			\$ 28,500				\$ 28,500
411			\$ 41,182,394	\$ 45,951,834	\$ 58,232,291	\$ 56,035,779	\$ 51,440,332	\$ 252,842,630
412								\$ 50,568,526
413								\$ 5 yr average

Notes: The Award Type for the Grants is Award New (AN) and the Current Grant Funding Amount was use for the Grant Totals. Sou

- \$50M double counting of grant totals
- \$26M of ICR is built into grant totals so ICR should not be counted as a separate number

UA Analysis of Average 2017-2021 Sources and Uses of Funds Related to UNAC Bargaining Unit Members

Sources of Funds (\$M)

	<u>5 Year Average</u>
Tuition	\$89.42
Restricted Funding: Total	\$51.00
Restricted Funding: Salaries	\$13.65
Restricted Funding: Benefits+Leave	\$6.21
Restricted Funding: Other grant expenses	\$31.14
Sources Total	<u>\$140.42</u>

Uses of Funds (\$M)

Salaries	\$95.13
Salaries related to Tuition	\$81.48
Salaries related Restricted Funding	\$13.65
Benefits+Leave	\$43.30
From Restricted Funding	\$6.21
From Unrestricted Funding	\$37.09
Restricted Funding: Other grant expenses	\$31.14
Uses Total	<u>\$169.57</u>

Excess/(Deficit) Funds (\$M)

	<u><u>(\$29.15)</u></u>
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% of expenses covered directly by UNAC Sources of Funds

83%

Corrects the double counting of (a) Total Grants and (b) ICR

Recognizes Restricted Funds for Grants; not available for "Surplus"

Reconciliation of UA Analysis to UNAC Analysis

	<u>UNAC</u>	<u>UA</u>	<u>Delta</u>
Sources of Funds (\$M)	\$216.42	\$140.42	\$76.00
Uses of Funds (\$M)	\$136.37	\$169.57	(\$33.20)
Excess/(Deficit) Funds (\$M)	\$80.05	(\$29.15)	\$109.20
Sources Total (\$M)			
UNAC	\$216.42		
Restricted Funding: Total Grants/Contracts	(\$50.00)		
UA indirect cost recovery	(\$26.00)		
UA	\$140.42		
Uses Total (\$M)			
UNAC	\$136.37		
Salaries Related to Tuition	(\$5.29)		
Salaries Related to Restricted Funding	\$13.65		
Benefits + Leave	(\$6.30)		
Restricted Funding: Other grant expenses	\$31.14		
UA	\$169.57		
Excess/(Deficit) Funds (\$M)	(\$29.15)		



Summary

- UNAC claimed “**\$80M Surplus**”
- Three big drivers erase this claim
 - **\$50M** in double-counting of grants totals
 - \$80M “Surplus” becomes \$30M “Surplus”
 - **\$26M** in double-counting of ICR
 - \$30M “Surplus” becomes \$4M “Surplus”
 - **\$31M** in restricted grant funds that cannot be redistributed to non-grant functions; grant funds are restricted and can only be used for grant.
 - \$4M “Surplus” becomes **-\$27M deficit**



Appendix – Data Sourcing



UNAC's 9/23/2021 Explanation

9/23/2021

To: University of Alaska management negotiation
From: UNAC negotiation team
Re: UA management team request for info from UNAC on 9/3/2021

Excepts below:

5a. The UA Operating Budget for FY21 (approved by the Board of Regents as per public documents on the UA statewide website) was about \$831.7 million; the **total amount of salaries** for full-time faculty in the UA system (from data provided by UA to AAUP) was **\$86.77 million**; the **benefits rate** used by UA for UNAC faculty (according to the UA website) is about **57.2%, or \$49.6 million (i.e., 57.2% of \$86.77M)**. This means that UNAC members have an estimated **total cost of salaries + benefits of \$86.77M + \$49.6M = \$136.4M**, which is 16.4% of the \$831.7M UA FY21 operating budget.

5b. According to data provided by the UA management team (in response to the request for information from the UNAC team) **UA external grants/contracts**, where a UNAC member is a principal investigator or co-principal investigator, have averaged **\$101 million for the past five years (i.e., FY17-FY21)**; indirect cost recovery has averaged about \$36 million over the past five years (FY17-FY21), with UNAC members generating "a substantial portion" of that (which we assume to be about 75% of total ICR), **or about \$26 million**; total tuition/fees for the UA system, according to the UA FY21 operating budget were \$131.5 million and according to the UA data provided in the RFI, **UNAC members generate 68% of the FTE student credit hours** (UA appears to convert the number of credit hours into "full time equivalent" student credit hours to allow for direct comparisons between UAA, UAF, and UAS which have large differences in enrollments; 1 FTE is equal to 30 undergrad credit hours or 24 grad credit hours, according to UA), and **68% of \$131.5M is about \$89.42M**. Adding all of these together to determine the **total revenue generated by UNAC members from external grants/contracts + ICR + tuition/fees is \$101M + \$26M + \$89.42M = \$216.4M** which is about 26% of the \$831.7M UA FY21 Operating Budget.

Recreation of UNAC Analysis of Average 2017-2021 Sources and Uses of Funds Related to UNAC Bargaining Unit Members

<u>Sources of Funds (\$M)</u>	<u>5 Year Average</u>	<u>Source</u>
Tuition	\$89.42	UNAC 9/23 response to UA RFI, 5b
Restricted Funding: Total Grants/Contracts	\$101.00	UNAC 9/23 response to UA RFI, 5b, likely based on spreadsheets UA labeled "Item 1" (F9 & A9) and Item 2 (F9 only)
UA indirect cost recovery	\$26.00	UNAC 9/23 response to UA RFI 5b, based on spreadsheet labeled "Item 12 (ICR)"; UNAC double counts ICR since ICS is already a component of the Total Grants/Contracts
Sources Total	\$216.42	
<u>Uses of Funds (\$M)</u>		
Salaries	\$86.77	UNAC 9/23 response to UA RFI, 5b, based on UNAC data from AAUP, not from data provided by UA in "Item 17" in response to UNAC's RFI
Benefits (at 57.2%)	\$49.60	UNAC 9/23 response to UA RFI, 5b, possibly not based on any RFI from UA.
Uses Total	\$136.37	UNAC fails to include \$31M in direct grant/contract expenses
Excess/(Deficit) Funds (\$M)	\$80.05	Based on UNAC's double count of grant funds and ICR, and exclusion of direct grant/contract expenses
% of expenses covered directly by UNAC Sources of Funds	159%	Based on UNAC's double count of grant funds and ICR, and exclusion of direct grant/contract expenses

UA Analysis of Average 2017-2021 Sources and Uses of Funds Related to UNAC Bargaining Unit Members

<u>Sources of Funds (\$M)</u>	<u>5 Year Average</u>	<u>Source</u>
Tuition	\$89.42	UNAC 9/23 response to UA RFI, 5b; derived by UNAC based on a spreadsheet labeled "Item 13" provided by UA
Restricted Funding: Total	\$51.00	UA Response to UNAC RFI in a spreadsheet labeled "Item 1" (F9s + A9s)
Restricted Funding: Salaries	\$13.65	UA Response to UNAC RFI in a spreadsheet labeled "Item 14"
Restricted Funding: Benefits+Leave	\$6.21	Benefits and Leave related to UA spreadsheet labeled "Item 14" (UNAC did not request Total Research Dollars (including ICR) less attribution to salaries and benefits and leave
Restricted Funding: Other grant expenses	\$31.14	
Sources Total	\$140.42	
<u>Uses of Funds (\$M)</u>		
Salaries	\$95.13	
Salaries related to Tuition	\$81.48	UA Response to UNAC RFI in a spreadsheet labeled "Item 14" (5 year average)
Salaries related Restricted Funding	\$13.65	UA Response to UNAC RFI, spreadsheet "Item 14" (5 year average)
Benefits+Leave	\$43.30	Based on 5 year average of UA's official UNAC faculty benefits+leave
From Restricted Funding	\$6.21	Benefits and Leave related to UA Response to UNAC RFI spreadsheet "Item 14" (UNAC did not request benefits but UA included them for this reconciliation)
From Unrestricted Funding	\$37.09	Benefits and Leave related to UA Response to UNAC RFI spreadsheet "Item 14" (UNAC did not request benefits but UA included them for this reconciliation)
Restricted Funding: Other grant expenses	\$31.14	Includes direct expenses to carry out the project and ICR for behind-the-scenes support
Uses Total	\$169.57	
Excess/(Deficit) Funds (\$M)	(\$29.15)	Requires use of UA Unrestricted Funds
% of expenses covered directly by UNAC Sources of Funds	83%	