

Statewide Office of
Cost Analysis
(907) 450-8069
(907) 450-8023 (fax)



UNIVERSITY
of ALASKA
Many Traditions One Alaska

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

Date: June 6, 2017

To: Pat Shier, Kari Burrell, Michael Ciri, Myron Dosch

From: Tanya Hollis *TH*

Re: FY18 Fringe Benefit Forward Pricing Proposal

Attached is the FY18 Fringe Benefit Forward Pricing Proposal Report submitted to UA's cognizant agency, Office of Naval Research (ONR). Although these rates have been submitted, they have not been audited. We anticipate receiving a provisional negotiated agreement from ONR in the near future, which may include adjustments to these rates. We will let you know of any such adjustments.

The following table summarizes the proposed fringe benefit rates for FY18 for the University of Alaska System. Also listed are the FY17 negotiated rates for comparison purposes.

E-Class	<u>Leave Benefit Rates (1)</u>		<u>Staff Benefit Rates (2)</u>	
	FY17	FY18	FY17	FY18
	Negotiated Benefit Rates	Proposed Benefit Rates	Negotiated Benefit Rates	Proposed Benefit Rates
NR	22.40%	24.00%	54.40%	51.90%
CR	23.30%	24.30%	54.30%	52.30%
XR	21.90%	23.80%	46.40%	42.30%
EX, FR	20.00%	19.90%	28.80%	28.00%
FN	6.20%	3.10%	28.80%	28.00%
F9	12.70%	10.30%	30.50%	31.10%
A9	11.90%	10.80%	33.50%	34.30%
FT, FW	0.00%	0.00%	9.70%	8.70%
CT, GT, NT, ST, XT	0.00%	0.00%	9.50%	8.60%
NX, XX	0.70%	0.00%	39.30%	31.60%
GN, SN	0.00%	0.00%	0.00%	0.00%

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

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

cc: Nichole Pittman, Michelle Rizk, Keli McGee, Erika Van Flein, Julie Queen, Sandra Culver, Jason Theis, Kelly Thorngren, Julie Vigil, Debbie Carlson, Alesia Kruckenberg, Tara Ferguson, Michelle Pope

Myron J. Dosch, CPA
Chief Finance Officer
Phone: (907) 450-8079
Fax: (907) 450-8023
mjdosch@alaska.edu



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

June 5, 2017

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

RE: University of Alaska FY18 Fringe Benefit Forward Pricing Proposal

Dear Ms. Snyder:

This memorandum and enclosed attachments represent the University of Alaska's proposal to establish fixed with carry-forward fringe benefit rates for the period of July 1, 2017 through June 30, 2018 (FY18).

The FY18 proposal includes the same fringe benefits as those included in recent fringe benefit forward pricing proposals. This proposal fully liquidates the FY16 staff benefit over recovery carry-forward of \$2,973,800 and liquidates \$719,200 of the FY16 leave benefit under recovery. The remaining leave benefit carryforward of \$37,600 for the Extended Temporary (NX, XX) job group will be liquidated in the FY19 Fringe Benefit Forward Pricing Proposal.

The following table summarizes the fringe benefit rates proposed for FY18 for the University of Alaska System. Also listed are the FY17 negotiated rates for comparison purposes.

	<u>Leave Benefit Rates (1)</u>		<u>Staff Benefit Rates (2)</u>	
	FY17	FY18	FY17	FY18
	Negotiated Benefit Rates	Proposed Benefit Rates	Negotiated Benefit Rates	Proposed Benefit Rates
<u>E-Class</u>				
NR	22.40%	24.00%	54.40%	51.90%
CR	23.30%	24.30%	54.30%	52.30%
XR	21.90%	23.80%	46.40%	42.30%
EX, FR	20.00%	19.90%	28.80%	28.00%
FN	6.20%	3.10%	28.80%	28.00%
F9	12.70%	10.30%	30.50%	31.10%
A9	11.90%	10.80%	33.50%	34.30%
FT, FW	0.00%	0.00%	9.70%	8.70%
CT, GT, NT, ST, XT	0.00%	0.00%	9.50%	8.60%
NX, XX	0.70%	0.00%	39.30%	31.60%

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

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

Ms. Beth Snyder
June 5, 2017
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We are seeking to have new rates in effect for our first payroll in July 2017. 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, 2017, we request that these proposed rates be provisional rates. This would help avoid potential billing adjustments on activity between July 1 and the date of the final agreement. Please let me know if there is anything we can do to facilitate the audit and negotiation process.

Please contact me if you have any questions or if you need additional information. Thanks for your consideration of this proposal.

Sincerely,



Myron J. Dosch

MJD/TLH/sab

Attachments

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

UNIVERSITY OF ALASKA

FY18 FRINGE BENEFIT FORWARD PRICING PROPOSAL



The University of Alaska
Fringe Benefit Forward Pricing Proposal

July 1, 2017 – June 30, 2018

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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 FY18 are based on updated estimates of projected FY17 wages and incremented for salary and grid increases and are rounded to the nearest hundred for projection purposes.

Annual salary and/or grid increases are projected for eligible e-classes as follows:

- Classified, exempt and non-exempt staff (e-classes NR, XR) – 0%
- Temporary exempt and non-exempt staff (e-classes NT, XT, NX, XX) – 0%
- Executive employees (e-classes EX) – 0%
- Non-union faculty (e-classes FR, FN) – 0%
- UNAC faculty (e-class F9) – 0%
- UAFT faculty (e-class A9) – 2.0%
- Adjunct faculty (e-classes FT, FW) – 0%
- Local 6070 Union employees (e-classes CR, CT) – 0%

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

- The A9 e-class will receive a \$900 distribution, which does not increase base salary.

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 FY15 and FY16 actual leave usage combined with FY17 estimated leave usage. The leave usage projections were adjusted for inclusion of personal holiday leave (CR, XR, and EX e-classes), and additional annual leave payoff (NR, CR, XR, and EX,FR e-classes). Additionally, in FY17 annual leave and holiday/other leave was discontinued for extended temporary employees (NX, XX e-classes), therefore any remaining carryforward is reclassified to offset sick leave costs.

An over recovery of \$37,600 for extended temporary employees (NX, XX e-classes), due to the discontinuation of annual leave and holiday/other leave, will be liquidated in the FY19 Fringe Benefit Forward Pricing Proposal. Effective July 1, 2017 the CR, XR and EX e-classes are eligible for one personal holiday leave day, projected at \$540,800 for FY18. Additional annual leave payoff of \$163,900 has been included in the fringe benefit forward pricing proposal as UA anticipates increased payoffs due to anticipated layoffs, non-renewal of contracts and attrition. FY18 benefit recovery carryforwards are reflected as calculated in the FY16 Fringe Benefit Incurred Cost Report.

4. Beginning July 01, 2006, UA has two public employee retirement system (PERS) plans. The public employee retirement system defined benefit (PERS-DB) plan is restricted to eligible employees with an original hire date prior to July 1, 2006. Eligible employees hired on July 1, 2006 or later may enroll in the public employee retirement system defined contribution (PERS-DC) plan.

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

Effective July 01, 2007, the PERS-DC employer contribution amount per employee, must calculate to at least the PERS-DB rate. The calculated contribution beyond the PERS-DC rate is applied to the State of Alaska PERS-DB unfunded liability. The PERS-DB and PERS-DC rates are 22.00% and 6.19% respectively; rates are established or projected by the State of Alaska, Division of Retirement.

Effective July 01, 2007, in addition to the minimum employer contribution for the PERS-DC plan, the statute also established a minimum PERS base salary for the UA System requiring the total fiscal year PERS covered wages to meet the FY08 Base Salary. The FY18 PERS covered wages were lower than the FY08 Base Salary, therefore, an additional contribution is calculated at the PERS-DB contribution rate.

The FY18 estimated covered wages were calculated by multiplying the percentage of FY17 estimated earnings subject to this benefit by the FY18 projected staff benefit wage base. The FY18 projected contribution rates were applied to the FY18 estimated covered wages to project the FY18 employer contribution by e-class.

5. Beginning in July 01, 2006, UA has two teacher's retirement system (TRS) plans. The teacher's retirement system defined benefit (TRS-DB) plan is restricted to eligible employees with an original hire date prior to July 1, 2006. Eligible employees with an original hire date of July 1, 2006 or later may enroll in the teacher's retirement system defined contribution (TRS-DC) plan or the optional retirement plan, ORP-Tier 3. Effective July 01, 2007, the TRS-DC employer contribution amount per employee, must calculate to at least the TRS-DB rate. The calculated contribution beyond the TRS-DC rate is applied to the State of Alaska TRS-DB unfunded liability. The TRS-DB and TRS-DC rates are 12.56% and 7.91% respectively; rates are established or projected by the State of Alaska, Division of Retirement. The FY18 estimated covered wages were calculated by multiplying the percentage of FY17 estimated earnings subject to this benefit by the FY18 projected staff benefit wage base. The FY18 projected contribution rates were applied to the FY18 estimated covered wages to project the FY18 employer contribution by e-class.
6. Effective July 01, 2006, UA has three separate optional retirement plans, ORP-Tier 1, ORP-Tier 2, and ORP-Tier 3. The ORP-Tier 1 plan is for eligible employees with an original hire date prior to July 1, 2005. The University Board of Regents established ORP-Tier 2, for eligible employees with an original hire date during FY06. The University Board of Regents also established a third optional retirement plan with an expanded employee eligibility criteria, ORP-Tier 3. It is available to all retirement eligible employees with an original hire date between July 1, 2006 and June 30, 2015. Effective July 01, 2015, non-exempt and exempt staff (e-classes NR, XR) employees and Local 6070 Union employees (e-class CR) can no longer elect to participate in ORP Tier 3 retirement plan unless they were grandfathered in from previous employment. The ORP-Tier 1 rate is 14.0%. The ORP-Tier 2 and ORP-Tier 3 rates are 12.0%. The FY18 estimated covered wages were calculated by multiplying the percentage of FY17 estimated earnings subject to this benefit by the FY18 projected staff benefit wage base. The FY18 projected contribution rates were applied to the FY18 estimated covered wages to project the FY18 employer contribution by e-class.
7. Pension costs are estimated at 7.65% of covered wages below \$42,000 for regular employees and \$127,200 for eligible adjunct faculty. Effective July 01, 2015, new employees electing PERS-DC and TRS-DC plans will be eligible for Pension. The FY18 estimated covered wages were calculated by multiplying the percentage of FY17 estimated earnings subject to this benefit by the FY18 projected staff benefit wage base. The FY18 projected contribution rates were applied to the FY18 estimated covered wages to project the FY18 employer contribution by e-class.
8. Medicare costs are projected at 1.45% of covered wages for all employees hired after April 1986. Social security is estimated at 6.2% of covered wages below \$127,200 for adjunct faculty and temporary e-classes. All new adjunct faculty will contribute to social security, not pension. The FY18 estimated covered wages were calculated by multiplying the percentage of FY17 estimated earnings subject to this benefit by the FY18 projected staff benefit wage base. The FY17 contribution rates were applied to the FY18 estimated covered wages to project the FY18 employer contribution by e-class.

9. Health care costs are estimated at projected usage levels less projected recoveries. All benefit eligible e-classes pay for spouse/dependent health coverage if elected. The current plan offers employees flexible benefit options and matches the employee contributions with current year costs. Projected health care costs net of cobra recoveries are allocated to health care eligible e-classes based on projected plan participants, including Cobra, and excluding opt-outs. Employee and spouse/dependent recoveries are allocated to all projected health care eligible employees, including Cobra, and excluding opt-outs. Cobra recipients may use online wellness services; however, they are not eligible to receive the Wellness rebate.
10. Life insurance administrative costs are estimated at \$0.030/\$1,000 of the insured amount. Allocation to individual e-classes is based on the number of employee participants in each eligible e-class.
11. Long term disability insurance (LTD) costs are \$0.248 per \$100 of covered payroll. Benefits begin after a 90 day waiting period. LTD costs are allocated to e-classes prorata based on the staff benefit wage base.
12. Unemployment is projected using a four year average, excluding low year. Allocated to e-classes prorata based on the staff benefit wage base.
13. The FY18 Worker's Compensation claim costs were projected using a ten year average of actual claims costs. The premiums are projected based on FY17 actual premiums. Additional operational costs and professional fees are projected based on salary increments and trend percentages. Workers' Compensation is allocated based on employee headcount.
14. Employee tuition remission costs are projected at the FY17 estimated usage level and adjusted for increases or decreases in tuition rates for FY18. Employee (excluding adjunct) projected tuition remission costs are allocated to applicable e-class pools based on the number of eligible employees. Adjunct projected tuition remission costs are allocated to that specific e-class.
15. Consulting and other costs are projected at the level forecasted by the respective program director. Employee Assistance Program (EAP) costs are allocated to health care eligible employees. Consulting and other projected costs are allocated to all e-classes (except GN, SN) prorata based on the staff benefit wage base.
16. Labor relations costs are projected at the level forecasted by the Statewide Office of Human Resources director and approved by the UA controller. They are allocated to the union e-classes prorata based on their staff benefit wage base.
17. FY18 staff benefit recovery carryforwards are reflected as calculated in the FY16 Fringe Benefit Incurred Cost Report.

	E-Class	NR	CR Local 6070 Union	XR	EX, FN, FR Executives & Nonunion Faculty	F9 UNAC Union Faculty	A9 UAFT Union Faculty	FT, FW Adjunct Faculty	CT, GT, NT, ST, XT Temporary & SS Student	NX,XX Extended Temporary	GN,SN Non-SS Student	TOTAL
		<u>Classified</u>	<u>Classified</u>	<u>APT Exempt</u>								
FY18 Staff benefits wage base		58,226,900	11,522,700	89,030,600	26,468,600	81,672,900	23,900,700	16,513,400	13,294,800	6,406,900	12,027,300	339,064,800
FY18 Projected average head count		1,168	202	1,182	219	884	308	806	788	120	984	6,661
Staff benefits:												
PERS		9,257,100	1,844,500	15,469,500	1,500,200	-	-	-	-	-	-	28,071,300
TRS		-	-	-	534,200	2,375,800	1,006,600	-	-	-	-	3,916,600
ORP-Tier 1		9,800	-	74,800	947,900	3,357,100	642,100	-	-	-	-	5,031,700
ORP-Tier 2 and Tier 3		2,193,600	485,600	3,252,200	1,015,800	4,519,100	1,280,900	-	-	-	-	12,747,200
UA pension plan		2,776,000	491,500	3,235,100	626,600	2,391,200	818,300	45,100	-	-	-	10,383,800
Medicare & Social Security		787,600	154,900	1,217,000	353,600	1,120,000	329,600	899,400	847,800	449,500	-	6,159,400
Health care		14,288,700	2,664,800	14,365,200	2,726,000	11,256,200	3,736,800	107,200	61,300	1,424,300	-	50,630,500
Life insurance		21,200	3,700	21,500	4,000	16,000	5,600	-	-	-	-	72,000
Long term disability		107,500	21,300	164,400	48,900	150,800	44,100	-	-	-	-	537,000
Unemployment		110,300	21,800	168,700	50,200	154,800	45,300	31,300	25,200	12,100	-	619,700
Workers' compensation		412,800	71,400	417,700	77,400	312,400	108,900	284,900	278,500	42,400	-	2,006,400
Tuition remission		415,300	71,800	420,200	77,900	314,300	109,500	198,000	-	-	-	1,607,000
Consulting/Other		82,600	15,900	115,500	32,000	102,200	30,800	17,600	14,200	8,900	-	419,700
Labor relations		-	31,600	-	-	223,700	65,400	45,200	-	-	-	365,900
FY18 Staff benefit without carryforward		30,462,500	5,878,800	38,921,800	7,994,700	26,293,600	8,223,900	1,628,700	1,227,000	1,937,200	-	122,568,200
Carryforward (over) under from FY16		(219,600)	151,700	(1,248,500)	(589,000)	(854,700)	(33,000)	(190,300)	(79,100)	88,700	-	(2,973,800)
FY18 Staff benefit with FY16 carryforward		30,242,900	6,030,500	37,673,300	7,405,700	25,438,900	8,190,900	1,438,400	1,147,900	2,025,900	-	119,594,400
Benefit rates:												
PERS		15.90%	16.01%	17.38%	5.67%							28,071,300
TRS					2.02%	2.91%	4.21%					3,916,600
ORP-Tier 1		0.02%		0.08%	3.58%	4.11%	2.69%					5,031,700
ORP-Tier 2 and Tier 3		3.77%	4.21%	3.65%	3.84%	5.53%	5.36%					12,747,200
UA pension plan		4.77%	4.27%	3.63%	2.37%	2.93%	3.42%					10,383,800
Medicare & Social Security		1.35%	1.34%	1.37%	1.34%	1.37%	1.38%	5.45%	6.38%	7.02%		6,159,400
Health care		24.54%	23.13%	16.14%	10.30%	13.78%	15.63%	0.65%	0.46%	22.23%		50,630,500
Life insurance		0.04%	0.03%	0.02%	0.02%	0.02%	0.02%					72,000
Long term disability		0.18%	0.18%	0.18%	0.18%	0.18%	0.18%					537,000
Unemployment		0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%		619,700
Workers' compensation		0.71%	0.62%	0.47%	0.29%	0.38%	0.46%	1.73%	2.09%	0.66%		2,006,400
Tuition remission		0.71%	0.62%	0.47%	0.29%	0.38%	0.46%	1.20%				1,607,000
Consulting/Other		0.14%	0.14%	0.13%	0.12%	0.13%	0.13%	0.11%	0.11%	0.14%		419,700
Labor relations			0.27%			0.27%	0.27%	0.27%				365,900
FY18 Staff benefit without carryforward		52.32%	51.01%	43.71%	30.21%	32.18%	34.40%	9.87%	9.23%	30.24%		122,568,200
Carryforward (over) under from FY16		(0.38%)	1.32%	(1.40%)	(2.23%)	(1.05%)	(0.14%)	(1.15%)	(0.59%)	1.38%		(2,973,800)
FY18 Staff benefit with FY16 carryforward		51.94%	52.33%	42.31%	27.98%	31.13%	34.26%	8.72%	8.64%	31.62%		119,594,400
FY18 Proposed staff benefit rates		51.90%	52.30%	42.30%	28.00%	31.10%	34.30%	8.70%	8.60%	31.60%		
FY17 Negotiated staff benefit rates		54.40%	54.30%	46.40%	28.80%	30.50%	33.50%	9.70%	9.50%	39.30%		
Increase/(decrease)		(2.50%)	(2.00%)	(4.10%)	(0.80%)	0.60%	0.80%	(1.00%)	(0.90%)	(7.70%)		
Federal participation												
FY18 Federal wages & leave accrual		6,296,300	424,400	13,709,500	3,158,900	10,776,800	1,336,000	1,167,300	4,034,700	1,902,400	2,811,400	45,617,700
FY18 Staff benefit costs		3,267,800	222,000	5,799,100	884,500	3,351,600	458,200	101,600	347,000	601,200	-	15,033,000
FY18 Projected Federal participation		9,564,100	646,400	19,508,600	4,043,400	14,128,400	1,794,200	1,268,900	4,381,700	2,503,600	2,811,400	60,650,700

Immaterial variances due to rounding are ignored

E-Class	NR	CR Local 6070 Union	XR APT Exempt	EX, FR Executives & Nonunion Faculty (a)	FN Nonunion Faculty (a)	F9 UNAC Union Faculty	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
FY18 Projected leave wage base	45,952,400	8,938,300	71,352,600	19,451,500	2,904,900	71,577,700	20,970,600	16,326,300	12,659,800	5,736,900	11,968,700	287,839,700
FY18 Projected average head count	1,168	202	1,182	166	53	884	308	806	788	120	984	6,661
Average leave usage rates:												
Annual leave	9.70%	9.81%	10.31%	10.23%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Sick leave	5.98%	6.87%	5.46%	3.49%	1.73%	2.28%	2.09%	n/a	n/a	1.52%	n/a	
Holiday/Other leave	7.33%	6.33%	6.11%	5.62%	3.43%	8.37%	9.64%	n/a	n/a	n/a	n/a	
Total average leave rate	23.01%	23.01%	21.88%	19.34%	5.16%	10.65%	11.73%	n/a	n/a	1.52%	n/a	
FY18 Leave benefit projection												
Annual leave usage	4,457,400	876,800	7,356,500	1,989,900	-	-	-	-	-	-	-	14,680,600
Annual leave payoff (b)	40,000	13,200	50,100	60,600	-	-	-	-	-	-	-	163,900
Subtotal annual leave usage	4,497,400	890,000	7,406,600	2,050,500	-	-	-	-	-	-	-	14,844,500
FY16 Carryforward under (over)	16,400	6,000	216,400	(104,200)	-	-	-	-	-	(19,200)	-	115,400
Annual leave usage prior to adjustments	4,513,800	896,000	7,623,000	1,946,300	-	-	-	-	-	(19,200)	-	14,959,900
Reclassify FY16 annual leave carryforward for NX, XX (c)	-	-	-	-	-	-	-	-	-	19,200 (c)	-	19,200
Annual leave projection after adjustments	4,513,800	896,000	7,623,000	1,946,300	-	-	-	-	-	-	-	14,979,100
Sick leave usage	2,748,000	614,100	3,895,900	678,900	50,300	1,632,000	438,300	-	-	87,200	-	10,144,700
FY16 Carryforward under (over)	67,500	52,300	270,600	72,200	37,400	432,600	345,200	-	-	(11,600)	-	1,266,200
Sick leave usage prior to adjustments	2,815,500	666,400	4,166,500	751,100	87,700	2,064,600	783,500	-	-	75,600	-	11,410,900
Reclassify FY16 annual leave carryforward for NX, XX (c)	-	-	-	-	-	-	-	-	-	(19,200) (c)	-	(19,200)
Reclassify FY16 holiday leave carryforward for NX, XX (c)	-	-	-	-	-	-	-	-	-	(94,000) (c)	-	(94,000)
Sick leave projection after adjustments	2,815,500	666,400	4,166,500	751,100	87,700	2,064,600	783,500	-	-	(37,600) (d)	-	11,297,700
Holiday/Other leave usage	3,368,300	565,800	4,359,600	1,093,200	99,600	5,991,100	2,021,600	-	-	-	-	17,499,200
FY18 Personal holiday leave (e)	-	52,300	415,200	73,300	-	-	-	-	-	-	-	540,800
Subtotal holiday/other leave usage	3,368,300	618,100	4,774,800	1,166,500	99,600	5,991,100	2,021,600	-	-	-	-	18,040,000
FY16 Carryforward under (over)	310,600	(6,500)	421,200	2,800	(98,200)	(543,600)	(543,600)	-	-	(94,000)	-	(662,400)
Holiday/Other leave usage prior to adjustments	3,678,900	611,600	5,196,000	1,169,300	1,400	5,336,400	1,478,000	-	-	(94,000)	-	17,377,600
Reclassify FY16 holiday leave carryforward for NX, XX (c)	-	-	-	-	-	-	-	-	-	94,000 (c)	-	94,000
Holiday/Other leave projection	3,678,900	611,600	5,196,000	1,169,300	1,400	5,336,400	1,478,000	-	-	-	-	17,471,600
FY18 Total leave costs												
Annual leave prior to carryforward	4,497,400	890,000	7,406,600	2,050,500	-	-	-	-	-	-	-	14,844,500
Sick leave prior to carryforward	2,748,000	614,100	3,895,900	678,900	50,300	1,632,000	438,300	-	-	87,200	-	10,144,700
Holiday/Other leave prior to carryforward	3,368,300	618,100	4,774,800	1,166,500	99,600	5,991,100	2,021,600	-	-	-	-	18,040,000
Total leave costs prior to carryforward	10,613,700	2,122,200	16,077,300	3,895,900	149,900	7,623,100	2,459,900	-	-	87,200	-	43,029,200
FY16 Annual leave carryforward	16,400	6,000	216,400	(104,200)	-	-	-	-	-	(19,200)	-	115,400
FY16 Sick leave carryforward	67,500	52,300	270,600	72,200	37,400	432,600	345,200	-	-	(11,600)	-	1,266,200
FY16 Holiday/Other leave carryforward	310,600	(6,500)	421,200	2,800	(98,200)	(543,600)	(543,600)	-	-	(94,000)	-	(662,400)
Total carryforward	394,500	51,800	908,200	(29,200)	(60,800)	(222,100)	(198,400)	-	-	(124,800)	-	719,200
Total leave costs with carryforward	11,008,200	2,174,000	16,985,500	3,866,700	89,100	7,401,000	2,261,500	-	-	(37,600) (d)	-	43,748,400
Calculated leave benefit rates												
Annual leave prior to carryforward	9.79%	9.96%	10.38%	10.54%								14,844,500
Sick leave prior to carryforward	5.98%	6.87%	5.46%	3.49%	1.73%	2.28%	2.09%			(d)		10,057,500
Holiday/Other leave prior to carryforward	7.33%	6.92%	6.69%	6.00%	3.43%	8.37%	9.64%					18,040,000
Leave rates without FY16 carryforward	23.10%	23.75%	22.53%	20.03%	5.16%	10.65%	11.73%					42,942,000
FY16 Carryforward	0.86%	0.58%	1.27%	(0.15%)	(2.09%)	(0.31%)	(0.95%)					844,000
Leave rates with FY16 carryforward	23.96%	24.33%	23.80%	19.88%	3.07%	10.34%	10.78%					43,786,000
FY18 Proposed leave benefit rates	24.00%	24.30%	23.80%	19.90%	3.10%	10.30%	10.80%			(d)		
FY17 Negotiated rates	22.40%	23.30%	21.90%	20.00%	6.20%	12.70%	11.90%			0.70%		
Increase/(decrease)	1.60%	1.00%	1.90%	(0.10%)	(3.10%)	(2.40%)	(1.10%)			(0.70%)		
Federal participation												
FY16 Actual Federal participation	11.05%	3.82%	15.52%	7.41%	47.77%	13.65%	5.75%	7.15%	31.87%	33.16%	23.49%	
Projected FY18 Federal wages	5,077,700	341,400	11,073,900	1,441,400	1,387,700	9,770,400	1,205,800	1,167,300	4,034,700	1,902,400	2,811,400	40,214,100
Projected FY18 leave benefit costs	1,218,600	83,000	2,635,600	286,800	43,000	1,006,400	130,200	-	-	-	-	5,403,600
FY18 Proj Federal wages plus leave accrual	6,296,300	424,400	13,709,500	1,728,200	1,430,700	10,776,800	1,336,000	1,167,300	4,034,700	1,902,400	2,811,400	45,617,700
Immaterial variances due to rounding are ignored					3,158,900 (a)							

(a) E-classes EX and FR are eligible for annual leave, sick leave, & holiday leave. E-class FN is eligible for sick leave & holiday leave. The EX/FR and FN e-classes are separate for leave benefit rates, but are combined into pooled e-class EX/FR/FN for staff benefit rates.

(b) Annual leave usage includes annual leave payoff (earnings code 510), however, UA anticipates additional annual leave payoff in FY18 due to additional head count reduction in FY18 over FY17.

(c) Since e-classes NX and XX are no longer eligible for annual or holiday leave, the FY16 annual and holiday/other leave carryforward is being reclassified to the sick leave rate.

(d) NX, XX sick leave rate was projected to be (.66%) in FY18 due to the reclassification of FY16 annual and holiday/other leave carryforward to the sick leave rate. Since it is not reasonable to project a negative sick leave rate, 0% will be projected. The remaining leave benefit carryforward of (\$37,600) will be liquidated in the FY19 Fringe Benefit Forward Pricing Proposal.

(e) Beginning in FY18, the CR, XR, and EX e-classes are eligible for Personal Holiday Leave.

E-Class	NR	CR Local 6070 Union	XR	EX, FR, FN Executives & Nonunion Faculty	F9 UNAC Union Faculty	A9 UAFT Union Faculty	FT, FW Adjunct Faculty	CT, GT, NT, ST, XT Temporary & SS Student	NX, XX Extended Temporary	GN, SN Non-SS Student	TOTAL
	Classified	Classified	APT Exempt								
FY18 Projected staff benefits wage base	58,226,900	11,522,700	89,030,600	26,468,600	81,672,900	23,900,700	16,513,400	13,294,800	6,406,900	12,027,300	339,064,800
FY18 Projected average headcount	1,168	202	1,182	219	884	308	806	788	120	984	6,661
PERS:											
FY18 PERS-DB projected contribution rate	22.00%	22.00%	22.00%	22.00%							
FY18 PERS-DC projected contribution rate	6.19%	6.19%	6.19%	6.19%							
Percentage of FY17 PERS-DB covered wages (a)	41.01%	45.91%	52.93%	19.45%							
Percentage of FY17 PERS-DC covered wages (a)	21.40%	15.82%	13.33%	1.64%							
PERS-DB covered wage base	23,878,852	5,290,072	47,123,897	5,148,143							81,440,964
PERS-DC covered wage base	12,460,557	1,822,891	11,867,779	434,085							26,585,312
Total PERS covered wage base	36,339,409	7,112,963	58,991,676	5,582,228							108,026,276
PERS-DB cost	5,253,347	1,163,816	10,367,257	1,132,591							17,917,011
PERS-DC cost	771,308	112,837	734,616	26,870							1,645,631
Subtotal PERS DB & DC cost	6,024,655	1,276,653	11,101,873	1,159,461							19,562,642
PERS-DC cost DB-unfunded liability (b)	1,970,015	288,199	1,876,295	68,629							4,203,138
PERS FY18 shortfall cost (c)	1,262,398	279,669	2,491,288	272,165							4,305,520
Total PERS cost	9,257,068	1,844,521	15,469,456	1,500,255							28,071,300
Use	9,257,100	1,844,500	15,469,500	1,500,200							28,071,300
PERS rate	15.90%	16.01%	17.38%	5.67%							
TRS:											
FY18 TRS-DB projected contribution rate				12.56%	12.56%	12.56%					
FY18 TRS-DC projected contribution rate				7.91%	7.91%	7.91%					
Percentage of FY17 TRS-DB covered wages (a)				13.57%	18.13%	23.23%					
Percentage of FY17 TRS-DC covered wages (a)				2.50%	5.03%	10.30%					
TRS-DB covered wage base				3,591,789	14,807,297	5,552,133					23,951,219
TRS-DC covered wage base				661,715	4,108,147	2,461,772					7,231,634
TRS-DB cost				451,129	1,859,797	697,348					3,008,274
TRS-DC cost				52,342	324,954	194,726					572,022
TRS-DC cost DB-unfunded liability (b)				30,769	191,029	114,473					336,271
Total TRS cost				534,240	2,375,780	1,006,547					3,916,567
Use				534,200	2,375,800	1,006,600					3,916,600
TRS rate				2.02%	2.91%	4.21%					
ORP-Tier 1:											
FY18 ORP Tier 1 projected contribution rate	14.00%		14.00%	14.00%	14.00%	14.00%					
Percentage of FY17 ORP Tier 1 covered wages	0.12%		0.60%	25.58%	29.36%	19.19%					
ORP Tier 1 covered wage base (a)(d)	69,872		534,184	6,770,668	23,979,163	4,586,544					35,940,431
ORP-Tier 1 cost	9,782		74,786	947,894	3,357,083	642,116					5,031,661
Use	9,800		74,800	947,900	3,357,100	642,100					5,031,700
ORP-Tier 1 rate	0.02%		0.08%	3.58%	4.11%	2.69%					
ORP-Tier 2 and Tier 3:											
FY18 ORP Tier 2 projected contribution rate			12.00%	12.00%	12.00%	12.00%					
FY18 ORP Tier 3 projected contribution rate	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%					
Percentage of FY17 ORP Tier 2 covered wages				0.95%	2.73%	0.83%					
Percentage of FY17 ORP Tier 3 covered wages	37.74%	37.80%	33.05%	35.34%	47.06%	50.21%					
ORP Tier 2 covered wage base (a)(d)				251,452	2,229,670	198,376					2,679,498
ORP Tier 3 covered wage base (a)	21,974,832	4,355,581	29,424,613	9,354,003	38,435,267	12,000,541					115,544,837
ORP-Tier 2 cost				30,174	267,560	23,805					321,539
ORP-Tier 3 cost	2,636,980	522,670	3,530,954	1,122,480	4,612,232	1,440,065					13,865,381
ORP forfeiture projection	(443,400)	(37,100)	(278,700)	(136,800)	(360,700)	(183,000)					(1,439,700)
Total ORP-Tier 2 and Tier 3 cost	2,193,580	485,570	3,252,254	1,015,854	4,519,092	1,280,870					12,747,220
Use	2,193,600	485,600	3,252,200	1,015,800	4,519,100	1,280,900					12,747,200
ORP-Tier 2 and Tier 3 rate	3.77%	4.21%	3.65%	3.84%	5.53%	5.36%					

University of Alaska
FY18 Staff Benefit Cost Distribution Projection

Schedule 4

E-Class	NR	CR Local 6070 Union	XR	EX, FR, FN Executives & Nonunion Faculty	F9 UNAC Union Faculty	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
FY18 Projected staff benefits wage base	58,226,900	11,522,700	89,030,600	26,468,600	81,672,900	23,900,700	16,513,400	13,294,800	6,406,900	12,027,300	339,064,800
FY18 Projected average headcount	1,168	202	1,182	219	884	308	806	788	120	984	6,661
UA pension plan:											
FY18 Pension projected contribution rate	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%				
Percentage of FY17 Pension covered wages	68.49%	57.86%	49.78%	34.52%	41.03%	50.05%	3.57%				
Pension covered wage base (a)	39,879,604	6,667,034	44,319,433	9,136,961	33,510,391	11,962,300	589,528				146,065,251
Pension contribution	3,050,790	510,028	3,390,437	698,978	2,563,545	915,116	45,099				11,173,993
Pension forfeitures	(275,900)	(18,700)	(156,600)	(72,600)	(173,300)	(97,200)					(794,300)
Pension plan administration costs (e)	1,119	187	1,244	256	941	336	17				4,100
Pension cost	2,776,009	491,515	3,235,081	626,634	2,391,186	818,252	45,116				10,383,793
Use	2,776,000	491,500	3,235,100	626,600	2,391,200	818,300	45,100				10,383,800
Pension rate	4.77%	4.27%	3.63%	2.37%	2.93%	3.42%	0.27%				
Medicare/Social Security:											
2017 Contribution rate - Medicare	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%		
2017 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 FY17 Medicare covered wages	93.28%	92.69%	94.27%	92.14%	94.57%	95.12%	98.86%	92.03%	96.08%		
Percentage of FY17 Social Security covered wages							64.73%	81.33%	90.69%		
Medicare covered wage base (a)	54,314,052	10,680,391	83,929,147	24,388,168	77,238,062	22,734,346	16,325,147	12,235,204	6,155,750		308,000,267
Social Security covered wage base (a)							10,689,124	10,812,661	5,810,418		27,312,203
Medicare/Social Security cost	787,554	154,866	1,216,973	353,628	1,119,952	329,648	899,440	847,795	449,504		6,159,360
Use	787,600	154,900	1,217,000	353,600	1,120,000	329,600	899,400	847,800	449,500		6,159,400
Medicare/Social Security rate	1.35%	1.34%	1.37%	1.34%	1.37%	1.38%	5.45%	6.38%	7.02%		
Health care:											
Health care participating employees (f)	933	174	938	178	735	244	7	4	93		3,306
Health cost net of cobra health recovery (f)	17,529,255	3,269,122	17,623,198	3,344,274	13,809,220	4,584,286	131,517	75,153	1,747,289		62,113,314
Employee and dependent recovery (f)	(3,240,604)	(604,358)	(3,257,969)	(618,251)	(2,552,887)	(847,489)	(24,313)	(13,893)	(323,017)		(11,482,781)
Health cost net of Cobra and employee recovery	14,288,651	2,664,764	14,365,229	2,726,023	11,256,333	3,736,797	107,204	61,260	1,424,272		50,630,533
Use	14,288,700	2,664,800	14,365,200	2,726,000	11,256,200	3,736,800	107,200	61,300	1,424,300		50,630,500
Health care rate	24.54%	23.13%	16.14%	10.30%	13.78%	15.63%	0.65%	0.46%	22.23%		
Life insurance:											
Eligible employees base	1,168	202	1,182	219	884	308					3,963
Life insurance cost (g)	21,220	3,670	21,475	3,979	16,060	5,596					72,000
Use	21,200	3,700	21,500	4,000	16,000	5,600					72,000
Life insurance rate	0.04%	0.03%	0.02%	0.02%	0.02%	0.02%					
Long term disability											
Long term disability wage base	58,226,900	11,522,700	89,030,600	26,468,600	81,672,900	23,900,700					290,822,400
Long term disability (h)	107,515	21,277	164,394	48,874	150,808	44,132					537,000
Use	107,500	21,300	164,400	48,900	150,800	44,100					537,000
Long term disability rate	0.18%	0.18%	0.18%	0.18%	0.18%	0.18%					
Unemployment:											
Unemployment wage base	58,226,900	11,522,700	89,030,600	26,468,600	81,672,900	23,900,700	16,513,400	13,294,800	6,406,900		327,037,500
Unemployment cost (h)	110,334	21,834	168,703	50,155	154,761	45,289	31,291	25,193	12,140		619,700
Use	110,300	21,800	168,700	50,200	154,800	45,300	31,300	25,200	12,100		619,700
Unemployment rate	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%		
Workers' compensation:											
Workers' compensation head count	1,168	202	1,182	219	884	308	806	788	120		5,677
Workers' comp costs (g)	412,802	71,392	417,750	77,400	312,429	108,855	284,861	278,500	42,411		2,006,400
Use	412,800	71,400	417,700	77,400	312,400	108,900	284,900	278,500	42,400		2,006,400
Workers' compensation rate	0.71%	0.62%	0.47%	0.29%	0.38%	0.46%	1.73%	2.09%	0.66%		

E-Class	NR	CR Local 6070 Union	XR	EX, FR, FN Executives & Nonunion Faculty	F9 UNAC Union Faculty	A9 UAFT Union Faculty	FT, FW Adjunct Faculty	CT, GT, NT, ST, XT Temporary & SS Student	NX, XX Extended Temporary	GN, SN Non-SS Student	TOTAL
	<u>Classified</u>	<u>Classified</u>	<u>APT Exempt</u>								
FY18 Projected staff benefits wage base	58,226,900	11,522,700	89,030,600	26,468,600	81,672,900	23,900,700	16,513,400	13,294,800	6,406,900	12,027,300	339,064,800
FY18 Projected average headcount	1,168	202	1,182	219	884	308	806	788	120	984	6,661
Tuition remission:											
Eligible employees base	1,168	202	1,182	219	884	308	806				4,769
Employee tuition remission cost (i)	415,269	71,819	420,247	77,863	314,296	109,506	198,000				1,607,000
Use	415,300	71,800	420,200	77,900	314,300	109,500	198,000				1,607,000
Tuition remission rate	0.71%	0.62%	0.47%	0.29%	0.38%	0.46%	1.20%				
Consulting/Other:											
Consulting/Other wage base	58,226,900	11,522,700	89,030,600	26,468,600	81,672,900	23,900,700	16,513,400	13,294,800	6,406,900		327,037,500
EAP eligible employee base	1,153	202	1,158	219	851	301			116		4,000
Employee Assistance Program costs (g)	20,523	3,596	20,612	3,898	15,148	5,358			2,065		71,200
Consulting cost (h)	62,049	12,279	94,875	28,206	87,034	25,470	17,597	14,168	6,827		348,505
Total Consulting/Other cost	82,572	15,875	115,487	32,104	102,182	30,828	17,597	14,168	8,892		419,705
Use	82,600	15,900	115,500	32,000	102,200	30,800	17,600	14,200	8,900		419,700
Consulting/Other rate	0.14%	0.14%	0.13%	0.12%	0.13%	0.13%	0.11%	0.11%	0.14%		
Labor relations:											
Labor relations wage base		11,522,700			81,672,900	23,900,700	16,513,400				133,609,700
Labor relations cost (h)		31,556			223,667	65,454	45,223				365,900
Use		31,600			223,700	65,400	45,200				365,900
Labor relations rate		0.27%			0.27%	0.27%	0.27%				
Staff benefit carryforward:											
FY16 Carryforward (over) under to liquidate in FY18	(219,600)	151,700	(1,248,500)	(589,000)	(854,700)	(33,000)	(190,300)	(79,100)	88,700		(2,973,800)
Carryforward (over) under rate	(0.38%)	1.32%	(1.40%)	(2.23%)	(1.05%)	(0.14%)	(1.15%)	(0.59%)	1.38%		

Immaterial variances due to rounding are ignored

- (a) Projected benefit covered wages for PERS-DB, PERS-DC, TRS-DB, TRS-DC, ORP Tiers 1, 2 and 3, Pension, Medicare, and Social Security by applying the ratio of FY17 estimated benefit eligible wages to FY17 revised staff benefit wage base projection to the FY18 projected staff benefit wage base.
- (b) Effective FY08, employer PERS & TRS defined contribution (DC) per employee, must calculate to at least the employer defined benefit (DB) rate. The calculated contribution beyond the DC rates is applied to the State of Alaska DB unfunded liability.
- (c) Effective FY08, if the current PERS wage base does not meet the FY08 wage base, UA must pay the difference in PERS costs. SWOCA has estimated the FY18 shortfall cost to be \$4.3 million. The PERS shortfall cost is allocated based on PERS-DB cost by e class.
- (d) Historically e-classes NR, CR & XR are ineligible for ORP Tier 1 and Tier 2. An ORP Tier 1 rate will be projected for e-classes NR and XR for employees with grandfathered eligibility into the plan.
- (e) Allocated prorata based on pension wage base.
- (f) Projected health care costs are allocated net of Cobra recoveries based on projected health care participants, including Cobra and excluding opt-outs. Employee and dependent recoveries are allocated based on projected health care eligible employees, including Cobra and excluding opt-outs.
- (g) Allocated prorata based on eligible e-class headcount.
- (h) Allocated prorata based on eligible e-class staff benefit wage base.
- (i) Pooled e-classes FT/FW allocation based on projected tuition cost. Allocated remaining projected tuition costs for benefit eligible e-classes prorata based on headcount.

	E-Class	NR	CR Local 6070 Union	XR	EX, FR Executives & Nonunion Faculty (a)	FN	F9 UNAC Union Faculty	A9 UAFT Union Faculty	FT, FW	CT, GT, NT, ST, XT	NX,XX	GN,SN	TOTAL
		<u>Classified</u>	<u>Classified</u>	<u>APT Exempt</u>		<u>Nonunion Faculty (a)</u>			<u>Adjunct Faculty</u>	<u>Temporary & SS Student</u>	<u>Extended Temporary (g)</u>	<u>Non-SS Student</u>	
SWOHR average projected headcount for FY17		1,190	208	1,196	172	54	894	315	839	820	120	1,063	6,871
Total FY17 headcount		1,190	208	1,196	172	54	894	315	839	820	120	1,063	6,871
UA position reduction estimate		(22)	(6)	(14)	(6)	(1)	(10)	(7)	(33)	(32)	-	(79)	(210)
FY18 projected average headcount		1,168	202	1,182	166	53	884	308	806	788	120	984	6,661
						219							
FY18 leave benefits wage base projection:													
FY16 leave benefit wage base (actuals)		51,885,000	9,976,400	75,181,100	22,139,800	3,474,900	77,823,700	22,993,100	18,127,100	16,695,800	2,579,900	13,270,100	314,146,900
Estimated FY17 leave wage base		46,817,000	9,203,500	72,198,200	20,146,600	2,959,700	72,387,700	21,026,800	16,959,700	13,144,700	5,736,900	12,696,000	293,276,800
Projected salary and/or grid increase (b)		-	-	-	-	-	-	420,500	-	-	-	-	420,500
Est FY18 grid/salary adjusted leave wage base		46,817,000	9,203,500	72,198,200	20,146,600	2,959,700	72,387,700	21,447,300	16,959,700	13,144,700	5,736,900	12,696,000	293,697,300
Estimate FY18 step or other leave wage base increase (c)		-	-	-	-	-	-	-	-	-	-	-	-
Subtotal FY18 leave wage base		46,817,000	9,203,500	72,198,200	20,146,600	2,959,700	72,387,700	21,447,300	16,959,700	13,144,700	5,736,900	12,696,000	293,697,300
Average leave wage of one employee (d)		39,300	44,200	60,400		54,800	81,000	68,100					
Projected FY18 position reduction (d)		(864,600)	(265,200)	(845,600)	(695,100)	(54,800)	(810,000)	(476,700)	(633,400)	(484,900)	-	(727,300)	(5,857,600)
Projected FY18 leave wage base		45,952,400	8,938,300	71,352,600	19,451,500	2,904,900	71,577,700	20,970,600	16,326,300	12,659,800	5,736,900	11,968,700	287,839,700
FY18 staff benefits wage base projection:													
Projected FY18 leave wage base		45,952,400	8,938,300	71,352,600	19,451,500	2,904,900	71,577,700	20,970,600	16,326,300	12,659,800	5,736,900	11,968,700	287,839,700
FY16 leave benefit wage base (actuals)		51,885,000	9,976,400	75,181,100	22,139,800	3,474,900	77,823,700	22,993,100	18,127,100	16,695,800	2,579,900	13,270,100	314,146,900
Projected dollar change		(5,932,600)	(1,038,100)	(3,828,500)	(2,688,300)	(570,000)	(6,246,000)	(2,022,500)	(1,800,800)	(4,036,000)	3,157,000	(1,301,400)	(26,307,200)
Projected percentage change		(11.43%)	(10.41%)	(5.09%)	(12.14%)	(16.40%)	(8.03%)	(8.80%)	(9.93%)	(24.17%)	122.37%	(9.81%)	
Proposed leave rates		24.00%	24.30%	23.80%	19.90%	3.10%	10.30%	10.80%	0.00%	0.00%	0.00%	0.00%	
Leave accrual		11,028,600	2,172,000	16,981,900	3,870,800	90,100	7,372,500	2,264,800	-	-	-	-	43,780,700
Overtime pay (FY16 actual)		1,242,300	456,900	-	-	-	-	-	194,200	706,700	236,000	3,600	2,839,700
Overtime pay projection (e)		1,100,300	409,400	-	-	-	-	-	174,900	535,900	524,800	3,200	2,748,500
Miscellaneous pay (FY16 actual)		164,400	3,400	733,500	171,900	300	2,960,300	425,500	13,500	130,700	65,300	61,400	4,730,200
Miscellaneous pay projection (f)		145,600	3,000	696,100	151,000	300	2,722,700	388,100	12,200	99,100	145,200	55,400	4,418,700
Estimated miscellaneous pay F9s, AR/A9s (f)		-	-	-	-	-	-	277,200	-	-	-	-	277,200
FY18 est. miscellaneous pay projection		145,600	3,000	696,100	151,000	300	2,722,700	665,300	12,200	99,100	145,200	55,400	4,695,900
Projected FY18 staff benefits wage base		58,226,900	11,522,700	89,030,600	23,473,300	2,995,300	81,672,900	23,900,700	16,513,400	13,294,800	6,406,900	12,027,300	339,064,800
						26,468,600 (a)							

Immaterial variances due to rounding are ignored
All projections are rounded to the nearest hundred.

- (a) E-classes EX and FR are eligible for annual leave, sick leave, & holiday leave. E-class FN is eligible for sick leave & holiday leave. The EX, FR, and FN e-classes are separate for leave benefit rates, but are combined into pooled e-class EX/FR/FN for staff benefit rates.
- (b) Salary/grid increases are as follows: 0% for NR, XR; 0% for NX, XX; 0% for NT, XT; 0% for EX; 0% for FR, FN and F9; 2.0% for A9; 0% for FT, FW; 0% for CR, CT; 0% for SN, ST; 0% for GN, GT.
- (c) No step increases are being projected for FY18
- (d) The "Average leave wage of one employee" is multiplied by the UA position reduction estimate to calculate an amount by which to reduce the FY18 leave wage base.
- (e) Applied projected % change between FY16 and FY18 leave benefit wage bases to the FY16 Overtime and Miscellaneous Pay actuals.
- (f) E-class A9 will receive a distribution of \$900.
- (g) As position reduction occurs in the regular e-classes, such as NR and XR, due to UA budget reduction, UA anticipates the use of temporary employees to perform the work. Therefore, projecting no position reduction for the NX and XX e-classes is reasonable for FY18.

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

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

This is to certify that to the best of my knowledge and belief:

1. I have reviewed the forward pricing fringe benefit cost proposal submitted herewith;
2. All costs included in the proposal dated June 5, 2017 to establish fixed with carry-forward fringe benefit cost rates for the period beginning July 1, 2017 through June 30, 2018 are allowable in accordance with the requirements of the Federal agreement(s) to which they apply and with the cost principles applicable to those agreements.
3. This proposal does not include any costs which are unallowable under applicable cost principles such as (without limitation): public relations costs, contributions and donations, entertainment costs, fines and penalties, lobbying costs, and defense of fraud proceedings; and
4. All costs included in this proposal are properly allocable to Federal agreements on the basis of a beneficial or causal relationship between the expenses incurred and the agreements to which they are allocated in accordance with applicable requirements.

I declare that the foregoing is true and correct.

The University of Alaska
Institution

Myron J. Dosch
Myron J. Dosch

Chief Financial Officer
Title

6/5/17
Date of Execution

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


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

1. All costs included in this proposal dated June 5, 2017 to establish final fringe benefit cost rates for July 1, 2017 through June 30, 2018 are allowable in accordance with the cost principles of the Federal Acquisition Regulation (FAR) and its supplements applicable to the contracts to which the final fringe benefit cost rates will apply, and
2. This proposal does not include any costs, which are unallowable under applicable cost principles of the FAR or its supplements.

The University of Alaska
Institution


Myron J. Dosch

Chief Financial Officer
Title


Date of Execution