# Facilities, Planning & Construction Funding

UNIVERSITY OF ALASKA SOUTHEAST
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## Background:

The Facilities, Planning and Construction (FP&C) function of the UA has been organized and funded in many different ways over the years. Originally, FP&C was managed and funded as a part of statewide administration. The staff located in Southeast were statewide employees with no direct affiliation with the Facilities (physical plant) department. Over time, these functions were transferred to the Universities. At all universities, the FP&C function was fit into the existing institutional facilities departments and funded primarily through GF.

During the tenure of Vice President Joe Beedle, the decision was made to remove the GF funding and organize FP&C as recharge (or quasi-recharge) centers. A recharge center operates similar to an auxiliary, charging customers for services and maintaining a fund-balance to provide stable funding across fiscal years. Given our size, UAS set up a quasi-recharge center with a dedicated allocation of carry-forward acting in the same fashion as a traditional fund balance.

## Current FP&C funding across UA

FP&C funding is project-based. Direct project work is tracked by the hour and charged to the respective project. All other FP&C costs are considered “indirect” and funded covered by an indirect cost recovery (ICR) fee charged against the total expenditures of each project.

As with all ICR fees, the fee is recalculated to ensure the Universities are not over or under-recovering. The consistent application of ICR rates is subject to review, and UA has an obligation to demonstrate that rates are applied without preference. The ICR rate is applied consistently to all projects managed through FP&C offices, regardless of the funding source. In cases where projects are funded by grants which preclude ICR, the rate is still applied and paid either by the department or though some other institutional reallocation. This is the practice at the other Universities as well as UAS as well, including Title III construction projects on the Sitka campus.

In the case of UAS, a large number of projects combined with efficient operating costs have caused the rate to drop. While the rate started at 6% (the maximum), this rate dropped to 5% and was recently further reduced to 3.5%.

## Direct versus Indirect Costs

Direct costs are expenses directly tied to a currently-funded project. As described above, FP&C employees track project time by the hour and allocate labor and other direct costs accordingly. Indirect costs include everything else. A portion of ICR is dedicated to a statewide assessment based on prior year capital expenditure to pay for statewide facilities staff. Further examples include:

- all planning work prior to project funding including the development of capital proposals;
- general campus planning activities, including campus master planning;
- participation on external planning groups (e.g. CBJ Auke Bay Planning);
- participation in campus-wide or departmental meetings;
- FP&C employee leave;
- file and document management; maintenance of campus documentation, maps, archives, etc.;
- costs of supplies and materials and printing;
- administrative support provided through Facilities.