

# **State of Alaska FY2019 Governor's Operating Budget**

## **University of Alaska Education Trust of Alaska Component Budget Summary**

**Component: Education Trust of Alaska****Contribution to Department's Mission**

The Education Trust of Alaska was established in 2001, pursuant to the Alaska College Savings Act, to help inspire a college going culture in Alaska, to encourage attendance at the University of Alaska, and to help participants provide for the increasing cost of higher education through tax-advantaged savings and investments. The Trust offers three separately marketed Section 529 college savings plans to generate the critical mass needed to bring a high quality college savings program to Alaskans: The University of Alaska College Savings Plan, marketed to investors within Alaska; the T. Rowe Price College Savings Plan, nationally marketed directly to investors; and the John Hancock Freedom 529, marketed nationally through financial advisors.

**Major Component Accomplishments in 2017**

- As of June 30, 2017, the Trust held \$7.8 billion in assets for approximately 300,000 beneficiaries across the country, including approximately 26,000 Alaskans and held 252 scholarship accounts totaling approximately \$650,000.
- In 2017 13,421 Alaskans checked the box to contribute half of their PFD to the UA College Savings Plan for their designated beneficiary. PFD contributions totaled \$7.35 million.
- The Trust enhanced several features of the UA College Savings Plan payroll deduction portal, which allows employees of participating Alaskan businesses to contribute directly to their UA College Savings Plan accounts through payroll deduction. At June 30, 2017, 12 employers offered the UA College Savings Plan as a benefit to employees.

**Key Component Challenges**

- The potential for legislative changes that may impact the Permanent Fund Dividend, which is the single largest source of contributions to the UA College Savings Plan.
- The potential for federal tax legislation that might negatively affect the tax-advantaged status of Section 529 college savings plans or the incentives for making contributions to them.
- The potential for adverse investment market or economic conditions that might affect our participants' inclination or ability to save for their future education needs.

**Significant Changes in Results to be Delivered in FY2019**

- Increased participation through the Permanent Fund Dividend contributions.
- Increased savings contributions through gifting portals, which will allow families and friends to contribute a gift directly to a loved one's college savings plan account.
- Increased number of Alaska businesses offering the UA College Savings Plan Payroll Deduction Option.
- Increased outreach and promotion of the University of Alaska to program participants (The Trust is currently investing in a college planning platform, which will help support campus recruitment efforts and assist families through the college planning, selection, and financing processes).
- Increased attendance at the University of Alaska by participants in the Trust's college savings plans.

**Statutory and Regulatory Authority**

No statutes and regulations.

**Contact Information**

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Education Trust of Alaska Personal Services Information				
Authorized Positions			Personal Services Costs	
	<u>FY2018</u> <u>Management</u> <u>Plan</u>	<u>FY2019</u> <u>Governor</u>		
Full-time	0	7	Annual Salaries	535,258
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	186,052
			Labor Pool(s)	0
			<i>Less 0.00% Vacancy Factor</i>	(0)
<b>Totals</b>	<b>0</b>	<b>7</b>	<b>Total Personal Services</b>	<b>721,310</b>

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Admin Specialist 1	0	1	0	0	1
Admin Specialist 2	0	1	0	0	1
Associate Vice President	0	1	0	0	1
Communications Manager 2	0	1	0	0	1
Senior Administrative Officer	0	1	0	0	1
Senior Administrator Director	0	1	0	0	1
Sr. Program Specialist	0	1	0	0	1
<b>Totals</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>7</b>

**Component Detail All Funds**  
**University of Alaska**

**Component:** Education Trust of Alaska (3198)  
**RDU:** Enterprise Entities (678)

Non-Formula Component

	FY2017 Actuals	FY2018 Conference Committee	FY2018 Authorized	FY2018 Management Plan	FY2019 Governor	FY2018 Management Plan vs FY2019 Governor	
71000 Personal Services	0.0	0.0	0.0	0.0	721.3	721.3	100.0%
72000 Travel	0.0	0.0	0.0	0.0	67.0	67.0	100.0%
73000 Services	0.0	0.0	0.0	0.0	504.2	504.2	100.0%
74000 Commodities	0.0	0.0	0.0	0.0	26.0	26.0	100.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	0.0	0.0	0.0	0.0	160.0	160.0	100.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
<b>Totals</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1,478.5</b>	<b>1,478.5</b>	<b>100.0%</b>
<b>Fund Sources:</b>							
1048Univ Rcpt (DGF)	0.0	0.0	0.0	0.0	1,478.5	1,478.5	100.0%
<b>Unrestricted General (UGF)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Designated General (DGF)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1,478.5</b>	<b>1,478.5</b>	<b>100.0%</b>
<b>Other Funds</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Federal Funds</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Positions:</b>							
Permanent Full Time	0	0	0	0	7	7	100.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

**Change Record Detail - Multiple Scenarios with Descriptions**  
**University of Alaska**

**Component:** Education Trust of Alaska (3198)  
**RDU:** Enterprise Entities (678)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
<b>Subtotal</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>
***** Changes From FY2018 Management Plan To FY2019 Governor *****												
<b>Transfer Funding from Statewide Services to Education Trust of Alaska</b>												
Trin		1,478.5	721.3	67.0	504.2	26.0	0.0	160.0	0.0	7	0	0
1048 Univ Rcpt		1,478.5										
<b>Totals</b>		<b>1,478.5</b>	<b>721.3</b>	<b>67.0</b>	<b>504.2</b>	<b>26.0</b>	<b>0.0</b>	<b>160.0</b>	<b>0.0</b>	<b>7</b>	<b>0</b>	<b>0</b>

In FY2019, the Education Trust of Alaska was transferred out of Statewide Services. The Education Trust of Alaska is a separate legal entity and therefore this distinction will help with transparency in reporting. This change record transfers the funding and positions associated with the Education Trust of Alaska.

**Personal Services Expenditure Detail**  
University of Alaska

**Scenario:** FY2019 Governor (14641)  
**Component:** Education Trust of Alaska (3198)  
**RDU:** Enterprise Entities (678)

PCN	Job Class Title	Time Status	Benefit Code	Barg Unit	Location	Component	Split / Count	Salary Increase	Annual Salaries	COLA	Premium Pay	Annual Benefits	Total Costs	UGF Amount
10-0032	Communications Manager 2	FT	X	XX	Fairbanks	12.0		Y	67,617	0	0	28,602	96,219	
10-0400	Associate Vice President	FT	S	XX	Fairbanks	12.0		Y	92,151	0	0	25,802	117,953	
10-0507	Senior Administrator Director	FT	S	XX	Fairbanks	12.0		Y	98,700	0	0	27,636	126,336	
10-0607	Sr. Program Specialist	FT	X	XX	Fairbanks	12.0		Y	76,835	0	0	32,501	109,336	
10-0625	Admin Specialist 2	FT	C	XX	Fairbanks	12.0		Y	64,855	0	0	33,660	98,515	
10-0634	Admin Specialist 1	FT	C	XX	Fairbanks	12.0		Y	100	0	0	51	151	
10-0654	Senior Administrative Officer	FT	S	XX	Fairbanks	11.0	**	Y	135,000	0	0	37,800	172,800	

<b>Total Positions</b>		<b>New</b>	<b>Deleted</b>	<b>Total Salary Costs:</b>	535,258
<b>Full Time Positions:</b>	7	0	0	<b>Total COLA:</b>	0
<b>Part Time Positions:</b>	0	0	0	<b>Total Premium Pay:</b>	0
<b>Non Permanent Positions:</b>	0	0	0	<b>Total Benefits:</b>	186,052
<b>Positions in Component:</b>	7	0	0	<b>Total Position Costs:</b>	721,310
<b>Total Component Months:</b>	83.0			<b>Plus Labor Pool Amounts:</b>	0
				<b>Total Pre-Vacancy:</b>	721,310
				<b>Minus Vacancy Adjustment of 0.00%:</b>	0
				<b>Personal Services Line 100 (Post-Vacancy):</b>	721,310

Funding Sources:	PCN Funding	Labor Pool Funding	Pre-Vacancy Totals	Post-Vacancy Totals
1048 University Restricted Receipts	721,310	0	721,310	721,310
<b>Total UA Funding:</b>	<b>721,310</b>	<b>0</b>	<b>721,310</b>	<b>721,310</b>

Note: If a position is split, an asterisk (\*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (\*\*) will appear in this column. [No valid job title] appearing in the Job Class Title indicates that the PCN has an invalid class code or invalid range for the class code effective date of this scenario.