

State of Alaska FY2022 Governor's Operating Budget

University of Alaska Enterprise Entities Results Delivery Unit Budget Summary

Enterprise Entities Results Delivery Unit

Contribution to Department's Mission

The University of Alaska inspires learning, and advances and disseminates knowledge through teaching, research, and public service, emphasizing the North and its diverse peoples.

University of Alaska Mission Statement
 Board of Regents' Policy 01.01.010
 Adopted 10-06-00

Results

(Additional performance information is available on the web at <https://omb.alaska.gov/results>.)

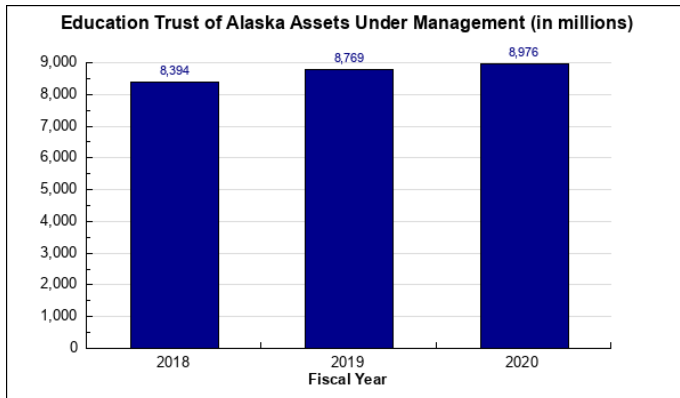
Core Services

- Provide resources for families to fund education, qualifying for better jobs and more opportunities.
- Manage and invest donations for the exclusive benefit of the University of Alaska.
- Secure and steward philanthropic support.

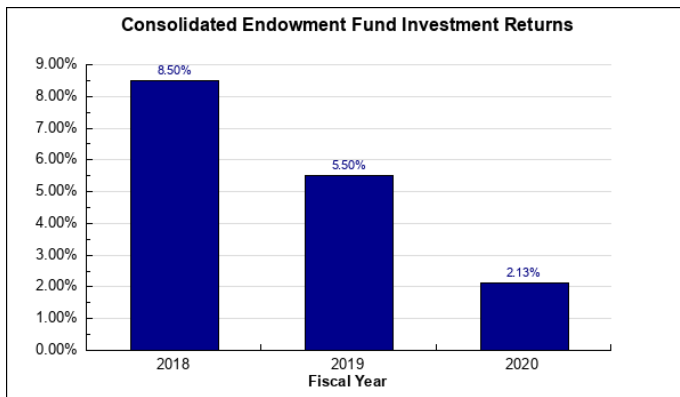
Measures by Core Service

(Additional performance information is available on the web at <https://omb.alaska.gov/results>.)

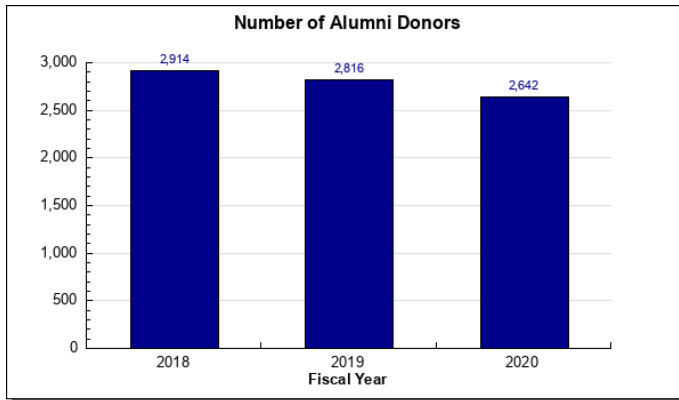
1. Provide resources for families to fund education, qualifying for better jobs and more opportunities.



2. Manage and invest donations for the exclusive benefit of the University of Alaska.



3. Secure and steward philanthropic support.



Major RDU Accomplishments in 2020

The UA Foundation distributed \$12.6 million for the benefit of UA, including \$3.7 million in distributions for student aid and \$8.9 million in support for academic programs, research, and general operations, as directed by donors. The ability to provide support to the UA System in 2020 was augmented by an increase of \$7.7 million in total net assets over 2019, and a 2.13% net return on the UA Foundation pooled endowment fund, outperforming over 70% of peers in the Cambridge Associates' Survey of College & University Endowments under \$1 billion.

As of June 30, 2020, the Education Trust of Alaska held \$9.0 billion in assets for approximately 307,000 beneficiaries across the country, including approximately 29,000 Alaskans. Over 3,800 plan beneficiaries enrolled at UA in FY2020, earning 533 credentials, and paying \$18.7 million in tuition and fees. Nineteen Alaska employers offered Alaska 529 as a benefit to their employees through payroll deduction.

The University of Alaska College Savings Plan was renamed and rebranded Alaska 529 as late 2019. This name change was made to reflect the versatility as an education savings plan that can be used for qualified expenses at nearly all colleges, universities and technical schools nationwide, as well as for K-12 tuition. The University of Alaska Portfolio features a unique tuition-value guarantee that ensures the value of the investment keeps up with tuition inflation when used for tuition at the University of Alaska.

Key RDU Challenges

A continuing challenge affecting private giving at UA is the state budget cuts and program eliminations across the University. Many donors, particularly those considering larger gifts as well as corporate partners, have indicated that they intend to delay giving until there is more certainty about the future of UA. COVID also created a decline in total giving and number of donors in the second half of FY2020 with the number of alumni donors affected when the student phone solicitation program had to be halted due to students leaving campus.

Changes to the Permanent Fund Dividend could have a significant impact on giving, and it is the single largest source of contributions to Alaska 529.

The uncertainty of program cuts at the University of Alaska could dissuade students from using their 529 plans to attend UA.

Tax reform may affect the tax-advantaged status of Section 529 plans or significantly change their purpose beyond paying for post-secondary education and K-12 tuition.

Adverse investment market or economic conditions could affect families' inclination or ability to save for future education needs.

Significant Changes in Results to be Delivered in FY2022

Continued investments in the comprehensive fundraising campaign, including increased staffing and support for fundraising, are expected to return between \$6 and \$12 for every dollar invested over the coming 3-5 years. The campaign is scheduled to launch publicly in FY2021. As a revenue generating function, fundraising is one of the smartest investments for the future of education in Alaska. In order to achieve these results, the campaign effort must continue to be adequately resourced.

Increased number of Alaska businesses offering the Alaska 529 direct deposit to their employees.

Increased attendance at the University of Alaska by participants in the Trust's 529 plans.

Contact Information
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**Enterprise Entities
RDU Financial Summary by Component**

All dollars shown in thousands

	FY2020 Actuals				FY2021 Management Plan				FY2022 Governor			
	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds
Formula Expenditures None.												
Non-Formula Expenditures												
UA Foundation	4,313.5	0.0	0.0	4,313.5	4,785.5	0.0	0.0	4,785.5	0.0	0.0	0.0	0.0
Education Trust of Alaska	2,551.2	0.0	0.0	2,551.2	2,998.4	0.0	0.0	2,998.4	2,998.4	0.0	0.0	2,998.4
Totals	6,864.7	0.0	0.0	6,864.7	7,783.9	0.0	0.0	7,783.9	2,998.4	0.0	0.0	2,998.4

**Enterprise Entities
Summary of RDU Budget Changes by Component
From FY2021 Management Plan to FY2022 Governor**

All dollars shown in thousands

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
FY2021 Management Plan	0.0	7,783.9	0.0	0.0	7,783.9
Proposed budget decreases:					
-UA Foundation	0.0	-4,785.5	0.0	0.0	-4,785.5
FY2022 Governor	0.0	2,998.4	0.0	0.0	2,998.4