

**Annual Report
of the
Alabama Prepaid Affordable
College Tuition (PACT),
CollegeCounts 529 and ABLE
(Achieving a Better Life
Experience) Programs**



January 26, 2023

***Submitted by the Office of the State Treasurer in
accordance with Act 2010-725 & Section 16-33C-12
of the Code of Alabama***

**Annual Report of the
Alabama Prepaid Affordable College Tuition (PACT),
CollegeCounts 529 and ABLE (Achieving a Better Life
Experience) Programs**

January 26, 2023

This report includes:

- Cover letter summary of three programs
- Two actuarial reports on PACT
- PACT board member demographic information



STATE OF ALABAMA
OFFICE OF STATE TREASURER

State Capitol, 600 Dexter Avenue, S-106
Montgomery, Alabama 36104

YOUNG BOOZER
TREASURER

January 26, 2023

TO: Governor Kay Ivey
Lieutenant Governor Will Ainsworth
Speaker Nathaniel Ledbetter

RE: **FY22 Annual Report of PACT, CollegeCounts & ABLE Programs**

In accordance with *Act No. 2010-725* and Section 16-33C-12, Code of Alabama, regarding Alabama's Prepaid College Tuition Program (PACT), the CollegeCounts 529 Fund and the Achieving a Better Life Experience Program (ABLE) programs, I am pleased to provide an annual accounting of the programs for FY22.

PACT Program Highlights:

- Actuarial funded ratio of 179.8%
- Active accounts of 7,949
- The Program received a prepayment \$177.3 million from the ETF to fully fund the future obligations of the ETF.

PACT pays the lessor of the 2010 adjusted rates and the actual tuition and mandatory fees. The Board voted a 24% increase for 2022 with the purpose of having all schools able to receive full tuition and mandatory fees, marking the eighth consecutive increase in tuition and fees.

PACT remains actuarially sound, and operations continue to run efficiently and cost effectively.

CollegeCounts 529 Fund Highlights:

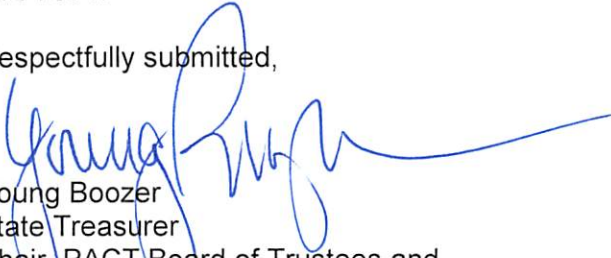
- Total assets of \$2.037 billion representing 112,287 accounts
- Alabama assets of \$1.350 billion representing 71,819 accounts

ABLE Program Highlights:

- Assets of \$2.055 million in 518 active accounts

The FY 2022 Actuarial Report and annual audit of the PACT Program, as well as end of year reports for the Savings Board (CollegeCounts and ABLE Programs) are available on the State Treasury website at www.treasury.alabama.gov. Please contact me with any questions at (334) 242-7501.

Respectfully submitted,



Young Boozer
State Treasurer
Chair, PACT Board of Trustees and
Savings Board of Trustees

CC: Rep. Rex Reynolds
Rep. Danny Garrett
Senate Pres. Pro Tem Greg Reed
Sen. Arthur Orr
PACT Board members

Funded Status

Appendix A

a. Market Value of Assets	\$238,576,509
b. Actuarial present value of future payments expected to be made to the fund by contract purchasers	767,057
c. Actuarial present value of future expenses	(3,304,327)
d. Actuarial present value of future Education Trust Fund payments expected to be made to the fund by the State	<u>0</u>
e. Subtotal (a + b + c + d)	\$236,039,239
f. Actuarial present value of future payments expected to be made from the trust fund to universities for tuition and mandatory fees, and to purchasers upon contract cancellation	<u>129,782,258</u>
g. Reserve as of September 30, 2022 (e - f)	<u><u>\$106,256,981</u></u>

Cash Flow, Asset and Liability Projection

Appendix C

(amounts are shown in \$1,000s)

<u>Fiscal Year End</u>	<u>Contract Payments</u>	<u>Education Trust Fund</u>	<u>Payments Out of Trust Fund</u>	<u>Administrative Expenses</u>	<u>Assets</u>	<u>Liabilities End of Year</u>
9/30/2022					\$ 238,600	\$ 129,782
9/30/2023	\$ 500	\$ 0	\$ -38,900	\$ - 525	205,800	91,240
9/30/2024	200	0	-30,500	- 525	180,700	62,070
9/30/2025	100	0	-24,100	- 525	160,900	39,810
9/30/2026	0	0	-18,300	- 525	145,500	23,422
9/30/2027	0	0	-12,700	- 525	134,800	12,448
9/30/2028	0	0	- 6,900	- 400	129,800	6,695
9/30/2029	0	0	- 4,100	- 300	127,600	3,361
9/30/2030	0	0	- 2,500	- 200	127,100	1,371
9/30/2031	0	0	- 1,300	- 100	127,900	347
9/30/2032	0	0	- 500	- 100	129,600	0

**PACT Board Member Demographic Information
(As of December 2022)**

Race:	14 Caucasian	1 African American	
Gender:	14 males	1 female	
Urban or rural resident:	9 urban	6 rural	
Employed:	14 yes	1 no	
Highest education level completed:	High School/Continuing Education:		
	Bachelor's Degree:		5
	Master's Degree:		7
	Juris Doctorate:		2
	Ph.D.:		1
	Other		
2021 combined household income:	0-\$999:		
	\$1,000-\$9,999:		
	\$10,000-\$49,999:		
	\$50,000-\$149,999:		3
	\$150,000-\$249,999:		4
	\$250,000 or more:		8