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P. O. Box 3677
Baton Rouge, LA 70821-3677
Phone (225) 342-4253, FAX (225)
342-9318
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AGENDA
LOUISIANA TUITION TRUST AUTHORITY
Wednesday, August 24, 2022
10:30 a.m.

Claiborne Building
Thomas Jefferson Rooms A&B 1-136
1201 North Third Street
Baton Rouge, Louisiana

I. Call to Order

II. Roll Call

III. Public Comments

IV. Approval of the Minutes

V. Consent Agenda

- A. Approval of Final Rulemaking – To add the START Saving Plan interest rates for the Principal Protection Plan and the Earnings Enhancement Fund for the 2021 calendar year.
- B. Approval of Rulemaking – To allow for the transfer from a START Saving Program account to a START K12 account without penalty.

VI. Adjournment

LATTA Members: Dr. Kim Hunter Reed, Chair, Blake R. David, Sen. Cleo Fields, Randy L. Ewing, Stephanie A. Finley, Rachel Kincaid, Robert W. Levy, Phillip R. May, Jr., Charles R. McDonald, Rep. Buddy Mincey, Darren G. Mire, Sonia A. Pérez, Wilbert D. Pryor, T. Jay Seale III, Gary N. Solomon, Jr., Terrie P. Sterling, Collis B. Temple III, Felix R. Weill, Judy A. Williams-Brown, John Williams, Catarena M. Lobré, (*student member*)



*Student Tuition Assistance and Revenue Trust Program
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**Louisiana Tuition
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Minutes

**Louisiana Tuition Trust Authority (LATTA)
April 27, 2022**

The Louisiana Tuition Trust Authority (LATTA) met on Wednesday, April 27, 2022, at 10:15 a.m. in the Claiborne Building, Louisiana Purchase Room, 1201 North Third Street, First Floor, Baton Rouge, Louisiana. Commissioner Reed called the meeting to order at 10:18 a.m., and the roll was called.

LATTA Members Present

Dr. Kim Hunter-Reed, Chair
Regent Blake David
Regent Randy Ewing
Regent Stephanie Finley
Regent Cameron Jackson
Ms. Rachel Kincaid
Regent Robert Levy
Regent Phillip May
Regent Darren Mire
Regent Wilbert Pryor
Regent T. Jay Seale
Regent Gary Solomon
Regent Terrie Sterling
Regent Collis Temple
Regent Judy Williams-Brown

LATTA Members Absent

Senator Cleo Fields
Regent Charles McDonald
Rep. Buddy Mincey
Regent Sonia Pérez
Regent Felix Weill
Mr. John Williams

Staff Members Present

Dr. Sujuan Boutté
Rhonda Bridevaux

Fifteen members were present, which represented a quorum, and there was no public comment.

On motion of Regent Finley, seconded by Regent Ewing, the LATTA approved the minutes from the September 22, 2021 meeting.

Under the Consent Agenda, it was proposed that the LATTA approve the rulemaking to amend Section 315 of the START Saving Program rules to add the applicable interest rates for the START Saving Program for the 2021 calendar year.

On motion of Regent Temple, seconded by Regent David, the LATTA approved the Consent Agenda item.

There being no further business, on motion of Regent May with a second by Regent Seale, the meeting adjourned at 10:23 a.m.

Agenda Item V.A.

Consent Agenda: Approval of Final Rulemaking

Final rulemaking to amend Section 315 of the START Saving Program rules to add the applicable interest rates for the START Saving Program for the 2021 calendar year.

Background:

This rulemaking adds the interest rates to be applied to deposits in the START Saving Plan's principal protection option and to be applied for eligible Earnings Enhancements for the tax year ending December 31, 2021.

LSA-R.S. 17:3095E(2) requires the State Treasurer to determine and report to the Louisiana Tuition Trust Authority the total earnings and the rate of return achieved on deposits in the Louisiana Education Tuition and Savings Fund (the "Fund"). **The interest rates for the previous calendar year are reported by the State Treasurer in February of the current year.**

Based upon the report, the Authority, with the approval of the State Treasurer, shall establish the rate of interest to be applied to the accumulated funds in the START accounts of record and to credit the appropriate amount of interest earnings to each such account. LSA R.S. 17:3093D(1)(f) requires the Authority to adopt rules that include the interest rates approved by the state treasurer to be paid on START Accounts of record at the close of each calendar year.

At its April 27, 2022, meeting, the Louisiana Tuition Trust Authority authorized publication of a Notice of Intent to effect the below described rule changes. The Notice of Intent was published in the Louisiana Register on June 20, 2022.

This rulemaking:

- Amends Section 315 to add the interest rates to be applied to deposits in the START Saving Program's principal protection option and to be applied for eligible Earnings Enhancements for the tax year ending December 31, 2021.

LOSFA Advisory Board Recommendation

The LOSFA Advisory Board recommends that the Louisiana Tuition Trust Authority authorize publication of the final rule.

Agenda Item V.B.

Consent Agenda: Approval of Rulemaking

Rulemaking to amend Section 311 of the Scholarship and Grant Program Rules to implement Act 742 of the 2022 Regular Session of the Louisiana Legislature.

Background:

Act 742 of the 2022 Regular Session of the Louisiana Legislature amends LSA R.S. 17:3100.7 to allow for the transfer from a START Saving Program account to a START K12 account without penalty. Prior law did not allow this type of transfer unless an account owner withdrew all funds from a START account, closing the account and resulting in a state tax penalty.

State law provides that if funds are withdrawn from a START Saving Program account and are not used to pay the qualified higher education expenses of the beneficiary, the account owner is not entitled to any of the state tax credits that were previously taken for funds deposited into the account. Act 742 negates this state tax penalty if the account owner transfers all or a portion of the funds in the START Savings Program account to a START K12 account.

State law does not provide for earnings enhancements for a START K12 account. As a result, the earnings enhancements earned on funds previously deposited into a START Saving Program account will remain in that account for use by the beneficiary for qualified higher education expenses.

LOSFA Advisory Board Recommendation

The LOSFA Advisory Board recommends that the Louisiana Tuition Trust Authority approve the rulemaking to amend Section 311 to implement Act 742 of the 2022 Regular Session of the Louisiana Legislature.