

Marty J. Chabert
Chair

Collis B. Temple III
Vice Chair

Blake R. David
Secretary

Kim Hunter Reed, Ph.D.
Commissioner of
Higher Education



Claudia H. Adley
Randy L. Ewing
Robert W. Levy
Phillip R. May, Jr.
Charles R. McDonald
Darren G. Mire
Sonia A. Pérez
Wilbert D. Pryor
T. Jay Seale III
Gary N. Solomon, Jr.
Gerald J. Theunissen
Felix R. Weill
Chandler C. Vidrine, Student

BOARD OF REGENTS
P. O. Box 3677
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Phone (225) 342-4253, FAX (225)
342-9318
www.regents.la.gov

AGENDA
Louisiana Tuition Trust Authority
Thursday, August 13, 2020
10:15 a.m.

Meeting will be held via Video Conference
Meeting can be viewed at: <https://regents.la.gov/live/>

- I. Call to Order
- II. Oaths of Office
- III. Roll Call
- IV. Certification of Virtual Meeting
- V. Public Comments
- VI. Approval of the Minutes
- VII. Overview of the Louisiana Tuition Trust Authority (LATTA)
- VIII. Consent Agenda
 - A. Approval of Final Rulemaking – 2019 Interest Rates and SECURE Act Implementation
 - B. Approval of Rulemaking – Act 56 of 2020 Regular Session
- IX. Adjournment

LATTA Members: Dr. Kim Hunter Reed, Chair, Claudia H. Adley, Marty J. Chabert, Blake R. David, Sen. Cleo Fields, Randy L. Ewing, 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., Collis B. Temple III, Gerald J. Theunissen, Felix R. Weill, John Williams, Chandler Vidrine, Student

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Boutté, Dr. Sujuan W (225) 219-7294 FAX (225) 208-1206	P. O. Box 91202 Baton Rouge, LA 70821-9202	Executive Director Louisiana Office of Student Financial Assistance

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CERTIFICATION OF INABILITY TO OPERATE DUE TO LACK OF IN-PERSON QUORUM

I certify, in accordance with Proclamation Nos. 74 JBE 2020 and 75 JBE 2020, issued by Governor John Bel Edwards on June 4, 2020, that the Louisiana Tuition Trust Authority (LATTA) will be unable to operate—in particular it will be unable to meet its bylaw and quorum requirements—and will be unable to comply with its Open Meetings Law requirements, because of the orders in Proclamation No. 75 JBE 2020, Section 2 C, which states, “All state agencies, boards and commissions, and local political subdivisions of the state shall continue to provide for attendance at essential governmental meetings via teleconference or video conference and such attendance shall be allowed during the pendency of this emergency. All efforts shall be made to provide for observation and input by members of the public. Before any meeting conducted pursuant to this section, the state agency, boards and commissions, or local political subdivision of the state shall first provide a written certification that it will otherwise be unable to operate due to quorum requirements. Such certification shall be posted at the same time and in the same manner as the agenda for the meeting. Nothing in this order shall be interpreted to waive any notice requirements.”

The Authority’s August 13, 2020, meeting is essential for the LATTA to fulfill its duties and responsibilities under Louisiana Revised Statutes 17:3091 et seq, including consideration of those matters relating to the Section 529 College Savings Plan of the state and to provide technical advice and recommendations to the Board of Regents through LOSFA staff on such matters.

Pursuant to Section 2 of Proclamation No. 75 JBE 2020, the LATTA will provide for attendance by the public at its essential meeting on August 13, 2020, via video or teleconference.

Considering the foregoing, and in accordance with Proclamation Nos. 74 JBE 2020 and 75 JBE 2020, the LATTA meeting on Thursday, August 13, 2020, at 10:30 a.m. will be held via video conference and in a manner that allows for observation and input by members of the public, as set forth in the notice, posted on Friday, August 7, 2020.

A handwritten signature in black ink, appearing to read "Kim Hunter-Reed", is written over a horizontal line.

Dr. Kim Hunter-Reed, Ph.D.
Commissioner of Higher Education
Chairman of LATTA



*Student Tuition Assistance and Revenue Trust Program
Louisiana's 529 College Savings Program
A Program of the Board of Regents
602 North Fifth Street
Baton Rouge, LA 70802
(800) 259-5626 (225) 219-1012
www.startsaving.la.gov*

LOSFA

*Sujuan Boutte, Ed.D.
Executive Director*

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Shanco "Shawn" Williams*

**Louisiana Tuition
Trust Authority**

*Dr. Kim Hunter-Reed,
Commissioner of Higher
Education, Chair*

*Claudia H. Adley
Marty J. Chabert
Blake R. David
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Felix Weill
John Williams
William Jewell, Student*

Minutes

**Louisiana Tuition Trust Authority (LATTA)
April 22, 2020**

The Louisiana Tuition Trust Authority (LATTA) met on Wednesday, April 22, 2020 at 10:06 a.m. via Zoom Webinar and Conference Call due to social distancing mandate by the Louisiana Governor for the COVID-19 pandemic. The notice of the virtual meeting and certificate of the virtual meeting was placed on the agency's Website that administers the START Saving Program. Commissioner Reed called the meeting to order and the roll was called.

LATTA Members Present

Dr. Kim Hunter-Reed, Chair
Regent Claudia Adley
Regent Marty Chabert
Regent Blake David
Regent Randy Ewing
Regent William Jewell
Ms. Rachel Kincaid
Regent Robert Levy
Regent Phillip May
Regent Charles McDonald
Regent Darren Mire
Regent Sonia Pérez
Regent Wilbert Pryor
Regent T. Jay Seale
Regent Gary Solomon
Regent Collis Temple
Regent Gerald Theunissen
Regent Felix Weill
Mr. John Williams

Staff Members Present

Dr. Sujuan Boutté
Rhonda Bridevaux
Robyn Lively
Terri Underwood

LATTA Members Absent

None

Nineteen members were present, which represented a quorum.

On motion of Regent Chabert, seconded by Regent Seale, the LATTA approved the minutes from the August 28, 2019 meeting.¹

Under the Consent Agenda, it was proposed that the LATTA consider rulemaking to amend Section 107 of the START Saving Program Rules to update the definition of Qualified Higher Education Expenses to align the START Saving Program Rules with Internal Revenue Code Section 529, as amended by the Setting Every Community Up for Retirement Enhancement (SECURE) Act and to amend Section 315 to add the applicable interest rates for the START Saving Program for the 2019 calendar year and to authorize the Executive Director of LOSFA to publish a notice of emergency rules and a notice of intent to make these rules permanent.

On a motion of Regent Chabert, seconded by Regent Temple, the LATTA approved rulemaking to amend Section 107 of the START Saving Program Rules to update the definition of Qualified Higher Education Expenses to align the START Saving Program Rules with Internal Revenue Code Section 529, as amended by the Setting Every Community Up for Retirement Enhancement (SECURE) Act and to amend Section 315 to add the applicable interest rates for the START Saving Program for the 2019 calendar year and to authorize the Executive Director of LOSFA to publish a notice of emergency rules and a notice of intent to make these rules permanent.¹

There being no further business, Commissioner Reed called for the meeting to adjourn. On a motion of Regent Chabert and seconded by Regent Temple, the meeting adjourned at 10:17 am.

¹ The approval of minutes and rulemaking were done by roll call voting due to virtual meeting environment.

Agenda Item VII.

Overview of the Louisiana Tuition Trust Authority (LATTA)

LATTA

The Louisiana Tuition Trust Authority (LATTA) administers the state's 529 college savings plan (START) and ABLE.

Act 314 of the 2016 Regular Session of the Louisiana Legislature altered the membership of LATTA. The Act provides that the Chairman of LATTA is the Commissioner of Higher Education. In addition to the members of the Board of Regents, members include:

- One member appointed by the Speaker of the House of Representatives
- One member appointed by the President of the Senate,
- One member of the LA. Bankers' Association,
- The State Treasurer as an ex officio voting member.

LATTA is required by law to meet at least once per year, at the call of the Chairman, and in the past, it met 3 or 4 times each year, and in conjunction with meetings of the Louisiana Student Financial Assistance Commission.

START

START is the state's IRS Section 529 college savings plan. It provides for both fixed investments (the Principal Protection Option) and equity investments. Either the account owner or the beneficiary, or both, must be a Louisiana resident at the time a START account is opened. Deposits into the Principal Protection Option are guaranteed by the state. The Treasurer determines what investments are available, and he determines the interest which is earned on fixed investments and on the account that holds Earnings Enhancements (EEs). The START statutes provide that LATTA must promulgate rules setting forth these interest rates.

EEs are the state match to amounts deposited into a START Saving Plan Account, and range in amount from 2 to 14 percent, depending upon the income of the account owner. When the state had a Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) grant, scholarships to students were awarded and placed into START accounts opened on behalf of the scholarship recipients. The accounts were opened by GEAR UP, but the EEs earned on the accounts were determined by the income of the family of the scholarship recipients. This type of arrangement is available to any charitable organization or business who would like to set up something similar.

ABLE

In addition to START, LATTA is responsible for administration of ABLE by virtue of ACT 604 of 2016. The Achieving a Better Life Experience (ABLE) program allows persons with disabilities or their families to save for disability related expenses, including education expenses. This program is very similar to START, but it is significantly more involved in that it allows for the distribution of funding in the account at any time, it requires monthly reporting to the Social Security Administration, and verification of the disability of the account owner.

Act 604 also creates the ABLE Account Advisory Council which is to advise and consult with LATTA in the promulgation of rules and in the administration of the ABLE program. Its membership is set forth in the Act as follows:

- The chairperson of the Louisiana Developmental Disabilities Council or his designee.
- The executive director of the Governor's Office of Disability Affairs or his designee.

- The executive director of The Arc of Louisiana or his designee.
- The executive director of People First of Louisiana or his designee.
- A person with a disability selected by the executive director of People First of Louisiana.
- A parent or family member of a person with a disability selected by the chairperson of the Louisiana Developmental Disabilities Council.
- One member who is affiliated with Louisiana Rehabilitation Services or the Disability Program Navigator Initiative, or any successors of these, appointed by the executive director of the Louisiana Workforce Commission.
- An officer of a bank in Louisiana who is a member of the Louisiana Banker's Association and who is nominated by the association.
- One member of the House of Representatives appointed by the speaker.
- One member of the Senate appointed by the president.

START K12

Act 687 of the 2018 Regular Session of the Louisiana Legislature created the START K12 program to be administered by LATTA. This program was enacted to implement provisions of the Tax Cuts and Jobs Act of 2017, which amended Section 529 of the Internal Revenue Code to allow the use of up to \$10,000 from a Section 529 Savings Plan annually to be used for tuition expenses related to attendance in kindergarten through twelfth grade. Because START K12 does not provide earnings enhancements or a state tax credit as the START Saving Program does, and because the state Treasurer determined that the investments for STARTK12 must be different than those for START due to the shorter-term investments necessary, START K12 was enacted as a separate program.

Agenda Item VIII.A.

Consent Agenda: Approval of Final Rulemaking

Authorize publication of final rule to amend the START Saving Program administrative rules to add interest rates to be applied to deposits and Earnings Enhancements in eligible START Saving Program accounts for the year ending December 31, 2019 and to amend the administrative rules to implement the applicable provisions of the Setting Every Community Up for Retirement Enhancement (SECURE) Act.

Background:

At its April 22, 2020, 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 May 20, 2020. The text of the rule changes is reflected on the attached excerpts from the *Louisiana Register*.

No comments have been received.

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, 2019.
- Amends the definition of qualified higher education expenses (QHEEs) to add that fees, books, supplies, and equipment required for the participation of the designated beneficiary in an apprenticeship program which is registered and certified with the United State Secretary of Labor under section 1 of the National Apprenticeship Act are a QHEE.
- Amends the definition of qualified higher education expenses to provide that up to \$10,000 per individual for the payment of qualified student loans for the beneficiary or a sibling of the beneficiary is a QHEE.

LOSFA Advisory Board Recommendation:

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

Agenda Item VIII.B.

Consent Agenda: Approval of Rulemaking

Rulemaking to amend Section 311 to implement the provisions of Act 56 of the 2020 Regular Session of the Louisiana Legislature and authorize the Executive Director to publish notice of intent to make these rules permanent.

Background:

In 2018, the Legislature enacted Act 687 to implement the START K-12 Program, which allows individuals to open accounts for the purpose of saving for a beneficiary's tuition expenses related to attendance at a school providing kindergarten through twelfth grade education. This Act included a transition provision wherein account owners would be permitted to withdraw funds from a START Saving Program account during the 2018 calendar year only to provide account owners with an opportunity to take advantage of the Tax Cuts and Jobs Act of 2017 while programming was developed for the START K-12 Program.

Act 56 of the 2020 Regular Session of the Louisiana Legislature provides account owners an additional opportunity to withdraw funds from a START Saving Program account to pay the K-12 expenses of a beneficiary. The bill provides that an account owner may withdraw up to \$10,000 from a START Saving Program account during the 2020 calendar year to pay the tuition expenses for a beneficiary's attendance in kindergarten through twelfth grade.

LOSFA Advisory Board Recommendation:

LOSFA Advisory Board recommends that the Louisiana Tuition Trust Authority approve the rulemaking to amend Section 311 to implement the provisions of Act 56 of the 2020 Regular Session of the Louisiana Legislature and authorize the Executive Director to publish notice of intent to make these rules permanent.