MEETING OF THE

**LOUISIANA TUITION TRUST AUTHORITY**

**MINUTES OF MEETING**

**DATE:** March 15, 2016

**TIME** 10:30 a.m.

**PLACE:** Louisiana Retirement Systems Building

 Mr. F. Travis Lavigne, Jr., Authority Chairman, called a meeting of the Louisiana Tuition Trust Authority to order at 10:41 a.m.

 The following members of the Authority were present:

 Mr. F. Travis Lavigne, Jr.

Mr. Ken Bradford

Ms. Melanie Burke

Mr. Walter Guidry, Jr.

Mr. Benson Kinney

Mr. Jimmy Long

Ms. Aisha Mirza

Mr. Michael Murphy

Mr. Winfred Sibille

Ms. Ann A. Smith

Dr. Larry Tremblay

 The following members were absent:

Mr. Scott Ballard

Dr. Toya Barnes-Teamer

Sen. Dan Claitor

Mr. James Garvey

Ms. Amy Marix

Mr. Myron Lawson

Mr. Collis Temple, III

Mr. Stephen Toups

Mr. John Williams

 Eleven members were present which did not represent a quorum, therefore, in accordance with the Meeting Notice, the Chairman called the Executive Committee of the Louisiana Tuition Trust Authority to order.

The following members of the Authority’s Executive Committee were present:

Mr. F. Travis Lavigne, Jr.

Mr. Jimmy Long, Sr

Two members were present, which did not represent a quorum.

The following members were absent:

Mr. John Williams

Mr. Lavigne temporarily appointed Mr. Bradford, Ms. Burke, Mr. Guidry, Mr. Kinney, Ms. Mirza, Mr. Murphy, Mr. Sibille, Ms. Smith and Dr. Tremblay.

The following guests were present:

Ms. Shan Davis

 Ms. MaryAnn Coleman

Ms. Cheryl Serrett

The following staff members were present:

 Dr. Sujuan Boutté

 Ms. Rhonda Bridevaux

Ms. Alice Brown

Dr. Tireka Cobb

Ms. Gayle Daigle

Mr. Kelvin Deloch

Ms. Bonnie Ghassemi

Ms. Carol Fulco

 Mr. Jack Hart

Ms. Robyn Lively

Mr. Richard Omdal

Ms. Deborah Paul

Ms. Linda Roquemore

Mr. Gus Wales

 The minutes of the January 4, 2016 meeting of the Louisiana Tuition Trust Authority were presented for review and approval. Mr. Long made a motion for approval. Mr. Kinney seconded the motion and it passed unanimously.

 Mr. Lavigne offered a public comment period. There were no comments.

Under Program Updates, Ms. Fulco, Director of the START Saving Program, gave a START Program update. Ms. Fulco reported on the START Activity Comparison for February 2016, stating that 388 new accounts were opened. Ms. Fulco commented on the START Investment Fund options and stated that the Louisiana Principal Protection Fund remains the most popular option. Ms. Fulco gave a breakdown of earnings on deposits and on the earnings enhancement rate. Ms. Fulco reported that the START Statements will be going out by mail before March 31, 2016 as required by law. Ms. Fulco reported on a comparison in START activity for 2014 versus 2015 and stated that growth was experienced in deposits but interest rates went down. Ms. Fulco reported on an e-mail from Savingsforcollege.com ranking the START Program number two in the nation in top 10 performer among direct-sold 529 plans for the 10-year time period in Savingforcollege.com's latest quarterly performance rankings.

Ms. Lively, Senior Attorney, gave a Legislative Update. Ms. Lively reported on SB 307, stating that this is one of several bills that abolishes the Louisiana Student Financial Assistance Commission (LASFAC), but this bill also abolishes the Authority and places the Authority under the Board of Regents. Mr. Lavigne asked for further clarification for members who have not received or read the entire bill. Ms. Lively stated that this bill abolishes both the LASFAC and LATTA and places both under the Board of Regents. Ms. Lively further explained that it eliminates the statute that creates the membership of the LASFAC and LATTA. Mr. Lavigne asked if the bill just transfers administration to the Board of Regents. Ms. Lively replied that yes, the bill transfers the administration to the Board of Regents. Mr. Long asked what the effective date of the bill would be. Ms. Lively stated that the bill is effective upon the Governor’s signature. Mr. Kinney asked if there is a bill that abolishes the Board of Regents. Ms. Lively answered yes, there are at least two bills that abolish the Board of Regents and create a new board. Mr. Kinney asked what happens if both bills pass during the legislative session. Ms. Lively explained that if both bills pass, most likely the LASFAC and LATTA would then report to the new board that would be created.

Dr. Boutté, Executive Director, gave the Executive Director’s Update. Dr. Boutté reported on an engagement letter from the Louisiana Legislative Auditor’s office about the START Audit. Dr. Boutté stated that the letter gives Authority members an idea of what types of things they will be auditing and what responsibility the Louisiana Office of Student Financial Assistance (LOSFA) will have to provide those documents. Mr. Lavigne asked when the audit is expected to be completed. Mr. Hart responded that it would most likely be completed in the early part of July.

Mr. Temple arrived during Program Updates and a quorum was established. Dr. Boutté reported on the progress of the ABLE act. Dr. Boutté reported that ABLE stands for Achieving a Better Life Experience and that these types of 529 accounts help families who have members with disabilities. Dr. Boutté reported that the accounts can be used to cover expenses associated with the disability in addition to qualified higher education expenses. Dr. Boutté stated that LOSFA is working with Representative Foil to see if funds can be appropriated to establish ABLE accounts in Louisiana.

Mr. Temple asked what the primary differences in an ABLE account and a regular 529 account are. Ms. Lively replied that the ABLE accounts include any expenses that are directly related to the disability and some examples are modifications to the family member’s home and vocational rehabilitation. Ms. Lively reported that there are a number of regulations for ABLE accounts that require additional reporting that are not required for regular 529 accounts, such as reporting on a monthly basis to the Social Security Administration the balances on these accounts, including disbursements and deposits. Ms. Lively also reported that the funds in the ABLE accounts can be withdrawn on a daily basis. Mr. Temple asked what happens if the funds are not used for the disability. Ms. Lively responded that there is a tax penalty if not used for the disability.

Dr. Boutté reported on the potential implications of current legislation that impacts the Commission and Authority as well as the fiscal impact on the State General Fund. Dr. Boutté reported that the fiscal impact does not affect the state budget because the Commission and Authority are funded with federal dollars.

 It was proposed that the Authority receive the Treasurer’s report on the rate of return achieved on funds in the START Saving Program; consider rulemaking to amend Section 305 to provide that account owners may change their investment option twice each calendar year; and to consider rulemaking to amend Section 315 to add interest rates to be applied to deposits and Earnings Enhancements in eligible accounts for the year ending December 31, 2015. Mr. Temple made a motion to approve. Mr. Sibille seconded the motion and it passed unanimously.

There being no further business, Mr. Kinney made a motion to adjourn at 11:03 a.m. Mr. Sibille seconded the motion and it carried unanimously.

APPROVED:

 F. Travis Lavigne, Jr.

 Chairman