MEETING OF THE

**LOUISIANA TUITION TRUST AUTHORITY**

**MINUTES OF MEETING**

**DATE:** July 14, 2015

**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 10:40 a.m.

The following members of the Authority were present:

Mr. F. Travis Lavigne, Jr.

Dr. Toya Barnes-Teamer

Sen. Dan Claitor

Mr. James Garvey

Mr. Walter Guidry, Jr.

Mr. Benson Kinney

Ms. Aisha Mirza

Ms. Wendy Simoneaux

Dr. Larry Tremblay

Mr. John Williams

The following members were absent:

Mr. Scott Ballard

Mr. Ken Bradford

Mr. Raymond Brandt

Ms. Melanie Burke

Mr. Myron Lawson

Mr. Jimmy Long

Mr. Michael Murphy

Mr. Winfred Sibille

Ms. Ann A. Smith

Mr. Stephen Toups

Ten 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. John Williams

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

The following member was absent:

Mr. Jimmy Long

Mr. Lavigne temporarily appointed Dr. Barnes-Teamer, Sen. Dan Claitor, Mr. Garvey, Mr. Guidry, Mr. Kinney, Ms. Mirza, Ms. Simoneaux and Dr. Tremblay.

The following guest was present:

Ms. Nancy Beben

The following staff members were present:

Dr. Sujuan Boutté

Ms. Rhonda Bridevaux

Ms. Alice Brown

Ms. Gayle Daigle

Mr. Kelvin Deloch

Ms. Shanna Estay

Ms. Carol Fulco

Mr. Jack Hart

Ms. Robyn Lively

Mr. Richard Omdal

Ms. Stacy Oubre

Ms. Deborah Paul

Mr. Gus Wales

Under Introductions and Announcements, Dr. Boutté, Executive Director, announced that Ms. Robyn Lively, Senior Attorney, is fulfilling George Eldredge’s duties with assistance from Ms. Shanna Estay. Mr. Jack Hart announced that Ms. Gayle Daigle has joined the agency as Director of Finance and Accounting.

The minutes of the May 4, 2015, meeting of the Executive Committee of the Authority were presented for review and approval. Mr. Williams made a motion for approval. Ms. Simoneaux seconded the motion and it passed unanimously.

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

Under Program Updates, Ms. Fulco, START Division Director, presented the START Update. Ms. Fulco reported on the START Activity Comparison Report for the month of June 2015 to the average from June in the five prior years. Ms. Fulco also reported on the START Activity Report for June 2015. Ms. Fulco reported on the Average Annual Returns by the funds managed by The Vanguard Group. Ms. Fulco stated that as of March 2015, the START Saving Program was the number one 529 plan in the nation for 10 year performance. Ms. Fulco presented the quarterly report on Active Accounts by Parish.

Sen. Claitor asked why the Active Accounts by Parish Report has a category for out-of-state residents if the START Saving Program is not offered to out of state residents. Ms. Fulco responded that either the Account Owner or the Beneficiary must be a Louisiana resident. She explained that the out of state account owners could be a grandparent that lives out of state but the grandchild lives in Louisiana, or, if a resident opens an account then moves out of state, they can keep the account.

Sen. Claitor asked if other states allow non-residents to participate in the state 529 programs. Ms. Fulco responded that other states allow non-residents to participate but charge fees, and Louisiana charges no fees. Mr. Hart responded other states also do not offer Earnings Enhancements. Sen. Claitor asked if there was a tax benefit for an out of state resident to participate in the START Saving Program. Ms. Fulco responded that there is no state tax benefit for out of state participants. Dr. Boutté responded that the benefit for an out of state resident is that there are no administrative fees and lower investment fees for START. Sen. Claitor asked if there would be a disadvantage to opening up the START Saving Program to out of state residents. Dr. Boutté responded that a change in the law would have to occur to address whether Earnings Enhancements would be available for out of state residents who participate in the START Saving Program.

Dr. Boutté reported on Rewards for Success Accounts. Rewards for Success Accounts are for students who participated in the Louisiana GEAR UP program from sixth grade through high school. Each year, the participant had the opportunity to earn anywhere from $250 to $1,000 to deposit into their account based upon academic and participation achievements, community service, and the lack of disciplinary infractions. Dr. Boutté reported that the national GEAR UP program coordinators began to look at how other GEAR UP states can use the Rewards for Success model in their states.

Mr. Hart, Assistant Executive Director of Fiscal and Administrative Affairs, presented the START Audit from the Legislative Auditor’s Office. The Legislative Auditor expressed an unmodified opinion. Mr. Lavigne asked what an unmodified opinion was. Mr. Hart explained that it was a clean opinion.

Mr. Wales, Director of Public Information and Communications, gave a START Outreach update. Mr. Wales reported on the START Field Services Outreach Report which detailed pictures from the Woman’s Hospital Baby Grand Event. Mr. Wales reported that there were 22 total START Events for 2014-2015 academic year with 5,732 attendees. Mr. Wales also reported on the Lunch and Learn Facebook chat on 529 day in May 2015 which was followed by 94 people.

Dr. Barnes-Teamer asked if there was a specific goal for the number of START accounts each year and if there are specific goals for each parish and if START is aligning programs within those parishes. Mr. Wales responded that in the past, low participation parishes have been targeted and plans are underway to target lower participating parishes again this year. Dr. Boutté replied that in the Strategic Plan goals for the amount of deposits are set in the performance indicators that are associated with the budget.

Mr. Lavigne asked if the parish participation of the accounts is based on population of the parish or strictly by number of participants in each parish. Mr. Lavigne would like to see if there is a greater concentration based on population in certain areas and not in other areas. Ms. Fulco responded that the report is by parish participation, not populations, and that, historically, bigger participation is in larger parishes or economically advantaged parishes. Mr. Lavigne asked if an analysis has ever been done by population. Ms. Fulco responded that as part of the START outreach this year, START is targeting the six lowest participating parishes by developing a START handout to go in first day packets at the schools. Dr. Boutté also responded that other plans charge fees that fund outreach and marketing and that Louisiana does not charge fees.

Dr. Barnes-Teamer commented that there is an opportunity to educate the Louisiana population early on to get them to make an earlier investment in their children’s future education. Dr. Barnes-Teamer asked if there was anyone we could partner with to help us market the START Saving Program. Dr. Boutté commented that as LOSFA establishes relationships on general college access, those partnerships would give us a way to introduce START to those organizations.

Mr. Kinney asked what parishes had more healthy concentrations of participates. Ms. Fulco answered that St. Tammany, Orleans, Jefferson and East Baton Rouge are among the parishes with the highest participation rates. Mr. Kinney asked if there were any efforts being made in Caddo and Bossier Parishes because they tend to have a higher median income. Mr. Wales responded that Caddo is also one of the higher participation parishes and that representatives are out on a weekly basis to that area of the state.

Dr. Boutté gave an Executive Director update. Dr. Boutté reported on an article from Reuter’s on the limitations of ABLE accounts for the disabled. Dr. Boutté reported that Louisiana was one of the first states to pass legislation on ABLE. In the last legislative session, LOSFA was mentioned as the potential administrator of the program. The administration of the accounts would come from an interagency agreement, transfer, or contract between the ABLE Authority and the LATTA. Dr. Boutté commented that the ABLE Authority would have discretion as to whether they wanted to enter into an agreement with LATTA. Dr. Boutté stated that members of the LATTA would continue to get updates on the ABLE accounts and that ABLE has been implemented into the strategic plan if an agreement goes into place. Dr. Boutté stated that nationally, the ABLE Authority accounts will be administered by 529 plans. Dr. Boutté commented on another article from Reuter’s that shows the START program as one of the top in the nation in 10 year performance; however the downside is that the program is not offered to out of state residents.

The first item under Old Business was a proposal that the Authority consider publication of final rule to amend Section 315 to add interest rates to be applied to deposits and to Earnings Enhancements in eligible accounts for the year ending December 31, 2014. Dr. Barnes-Teamer made a motion to approve. Mr. Guidry seconded the motion and it passed unanimously.

The second item under New Business was a proposal that the Authority consider the new agency Strategic Plan for Fiscal Years 2016-2017 through 2020-2021. Mr. Williams made a motion to approve. Dr. Tremblay seconded the motion and it passed unanimously.

There being no further business, Dr. Barnes-Teamer made a motion to adjourn at 11:17a.m. Ms. Mirza seconded the motion and it carried unanimously.

APPROVED:

F. Travis Lavigne, Jr.

Chairman