LOUISIANA OFFICE OF STUDENT FINANCIAL ASSISTANCE

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MEETING OF THE
LOUISIANA OFFICE OF STUDENT FINANCIAL ASSISTANCE
ABLE ACCOUNT ADVISORY COUNCIL

THURSDAY, MARCH 2, 2023

10 am
Galvez Building
1st Floor Conference Center
Oliver Pollock Room
602 North 5th Street
Baton Rouge, LA 70802

AGENDA

Call to Order

Roll Call

Introductions and Announcements

Minutes

Public Comment

Program Update

Discussion Items

1. Discussion – Ability to Offer Debit Cards

New Business

1. That the ABLE Advisory Council consider rulemaking to amend the ABLE Program rules to implement the SECURE 2.0 Act of 2022.

Adjournment



LA ABLE

Roll Call

March 2, 2023

Achieving a Better Life Experience (ABLE) Account Advisory Council

Ms. Melissa Bayham (225) 219-2294 mbayham@lwc.la.gov	Louisiana Rehabilitation Services 950 North 22nd Street, Suite A Baton Rouge, LA 70802
Mr. Rashad Bristo (225) 342-6804 bristorashad@gmail.com	Louisiana Developmental Disabilities Council P.O Box 3455 Baton Rouge, LA 70821
Mr. John J. Broussard 225-342-0013 jbroussard@treasury.state.la.us	State Treasurer's Office P.O. Box 44154 Baton Rouge, LA 70804
Ms Brenda Cosse (225) 342-6804	Parent Advocate P.O Box 3455 Baton Rouge, LA 70821
Senator Franklin Foil (225) 342-6777 foilf@legis.la.gov	Louisiana State Senate 412 N. 4th St. Suite 230 Baton Rouge, LA 70802
Ms. Sharon Hennessey (225) 383-1033 sharon@peoplefirstla.org	People First Louisiana 606 Colonial Drive Suite G Baton Rouge, LA 70806
Wallace Johnson (337) 436-2570 wljohnson@fhfswla.org	Self Advocate People First Louisiana 606 Colonial Drive Suite G Baton Rouge, LA 70806
Ms. Kelly Monroe (225) 383-1033 Kmonroe@thearcla.org	The Arc of Louisiana 606 Colonial Drive Suite G Baton Rouge, LA 70806
Ms. Bambi Polotzola (225) 219-7550 bambi.polotzola@la.gov	Governor's Office of Disability Affairs P.O. Box 94004 Baton Rouge, LA 70804
Vacant	Banker
Vacant	Louisiana House of Representatives



LA ABLE

Introductions and Announcements

March 2, 2023



LA ABLE

Minutes

March 2, 2023

Minutes of the December 6, 2022 Meeting of the
Louisiana ABLE Account Advisory Council

Minutes
Louisiana ABLE Account Advisory Council
December 6, 2022

The Louisiana ABLE Account Advisory Council met on Tuesday, December 6, 2022, at 10:11 a.m. in the Oliver Pollock Conference Room of the Galvez Building in Baton Rouge, Louisiana. Chair Sharon Hennessey called the meeting to order and the roll was called.

ABLE Account Advisory Council Members Present
Melissa Bayham
John Broussard
Sharon Hennessey
Kelly Monroe
Bambi Polotzola

Staff Members Present
Dr. Sujuan Boutté
Anna Breaux
Rhonda Bridevaux
Alice T. Brown
Shayne Creppel
Ebony Holmes
Robyn Lively
Terri Underwood
Azi Yazdi

Virtual Attendees

LOSFA Advisory Board Members Absent
Brooks Lewis

Guests Present

Five members were present, which did represent a quorum.[1]

On motion of Ms. Polotzola, seconded by Mr. Broussard the LA ABLE Account Advisory Council approved the minutes with corrections from the March 11, 2021, meeting of the LA ABLE Account Advisory Council.

[1] At the time of this meeting, there were five vacancies on the Council.

Staff provided the LA ABLE Account Advisory Council members with a program update on the Louisiana ABLE Account Program and new branding for the Louisiana ABLE Account Program. Discussion followed regarding the possibility of offering debit cards for ABLE Account Owners as well as filling the current vacancies on the Council.

There being no further business, Mr. Broussard made a motion to adjourn at 10:56 a.m., which was seconded by Ms. Monroe.



LA ABLE

Public Comment

March 2, 2023



LA ABLE

Program Update

March 2, 2023

PROGRAM **UPDATE**

Number of accounts: 1,162

Funds on deposit: $5,733,168

*Data as of 01.31.2023

ABLE Monthly Investment Report
Month Ending January 31, 2023

Fund	Value	# of Accounts	% of Total
Short Term Bond Index Fund (VBIRX)	152,909.52	374	3
Intermediate Term Bond Index Fund (VBILX)	160,007.80	382	3
Federal Money Market (VMFXX)	1,886,139.21	819	33
LS Moderate Growth Fund (VSNGX)	1,697,451.52	505	30
LS Moderate Growth Fund (VSMGX)	621,213.32	465	11
LS Conservative Growth Fund (VSCGX)	870,993.86	476	15
LS Income Growth Fund (VASIX)	344,453.22	431	5
Total	**$5,733,168.45**		**100**

ABLE ACTIVITY REPORT FOR CALENDAR YEAR 2023

	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Year to Date
Active Accounts Opened	10												**10**
Active Accounts Closed	2												**2**
Deposits	160,415												**160,415**
Disbursements - Qualified*	44,334												**44,334**
Refunds - Unqualified**	-												**-**
Closed Account Breakdown													
Final Distribution - Qualified	2	0	0	0	0	0	0	0	0	0	0	0	**2**
Refunds - Unqualified (Other)	0	0	0	0	0	0	0	0	0	0	0	0	**-**
Internal Transfers	0	0	0	0	0	0	0	0	0	0	0	0	**-**
Rollover to Another State Plan	0	0	0	0	0	0	0	0	0	0	0	0	**-**
Death of Beneficiary	0	0	0	0	0	0	0	0	0	0	0	0	**-**
													-
Total Active Accounts Closed	**2**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**2**
No Reason Given	0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**-**
Inactive Accounts Closed (Account Not Funded)	0	0	0	0	0	0	0	0	0	0	0	0	**-**
Total Accounts Closed	**2**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**2**

***Disbursement used to pay qualified disability expenses.**

****Disbursement used to pay unqualified expenses not disability related.**



LA ABLE

Discussion Item

March 2, 2023

DISCUSSION **ITEMS**



1. Ability to Offer Debit Cards



LA ABLE

New Business

March 2, 2023

PROPOSAL:

That the ABLE Advisory Council consider rulemaking to amend the ABLE Program rules to implement the SECURE 2.0 Act of 2022.

BACKGROUND:

The Setting Every Community Up for Retirement Enhancement 2.0 Act of 2022 (SECURE 2.0) was signed into law on December 29, 2022, as part of the Consolidation Appropriations Act of 2023. It made several changes to federal income tax laws, including one change to Internal Revenue Code (IRC) Section 529A (the Achieving A Better Life Experience Act (ABLE)).

When first passed, the ABLE Act required that an individual must have been diagnosed with a qualifying disability prior to attaining the age of 26. SECURE 2.0 amended this age requirement by increasing it to age 46 beginning with tax years beginning on or after December 31, 2025. Section 507 of the attached rulemaking implements this amendment.

The proposed rule changes are attached. New language is underlined and deleted language is struck through.

COST:

There is no cost associated with this proposal other than those nominal fees associated with the rulemaking process.

RECOMMENDATION:

That the ABLE Advisory Council recommend that the Louisiana Tuition Trust Authority approve the rulemaking to amend the ABLE Program Rules to implement the Secure 2.0 ACT of 2022.

NOTICE OF INTENT

Louisiana Tuition Trust Authority

Office of Student Financial Assistance

START Saving Program

(LAC 28:VI.311)

The Louisiana Tuition Trust Authority announces its intention to amend its START Saving Program rules (LSA-R.S. 17:3091 *et seq.*).

This rulemaking implements the SECURE 2.0 Act of 2022 and codifies the interest rates to be applied to the Principal Protection investment option and Earnings Enhancements. (ST23209NI)

Title 28
EDUCATION
Part VI. Student Financial Assistance — Higher Education Savings
Chapter 3. Education Savings Account

§311. Termination, Refund, and Rollovers of an Education Savings Account

A. – G. …

H. Rollovers

1. Rollovers among ESAs of the Same Account Owner

a. Beginning October 1, 2009, an account owner may rollover any part or all of the value of an ESA to another ESA if the beneficiary of the account receiving the funds is a member of the family of the beneficiary of the original account.

b. If the current value of an ESA is transferred, all EEs and earnings thereon shall be included in the transfer.

2. Rollover to another Qualified Tuition Program

a. An account owner may request a rollover of the current value of the account less EEs and earnings thereon to another qualified tuition program.

b. EEs and the earnings thereon allocated to an ESA that is rolled over to another qualified tuition program are forfeited.

3. Rollover to a Qualified ABLE Program Account

a. Beginning May 1, 2018, an account owner may rollover any part or all of the value of an ESA to a qualified ABLE program account if the beneficiary of the account receiving the funds is a member of the family of the beneficiary of the ESA.

b. EEs and the earnings thereon allocated to an ESA that is transferred to a qualified ABLE program are forfeited.

c. A rollover by a Louisiana resident to any Qualified Able Program Account will be subject to Louisiana Tax Table Income in accordance with state law.

4. An account owner may not rollover any part or all of the value of an ESA to a START K12 account.

5. Beginning August 1, 2022, an account owner may rollover any or all of the value of an ESA to a START K12 account. Earnings enhancements may not be transferred to a START K12 account and will remain in the ESA for use by the beneficiary for qualified higher education expenses.

6. Beginning with distributions made on or after January 1, 2024, an account owner may rollover any or all of the value of an ESA to a Roth Individual Retirement Account (IRA), subject to the following restrictions.

a. The account must have been maintained for at least fifteen (15) years prior to the date of the requested rollover; and

b. The rollover must be comprised of funds that were deposited at least five (5) years prior to the date of the requested rollover; and

c. The rollover must be made directly to the administrator of the Roth IRA; and

d. The total amount of the rollover, together with all other contributions during the year of the rollover, may not exceed the annual contribution limit

for a Roth IRA as published annually by the Internal Revenue Service (IRS); and

e. The account owner may not rollover any amounts that exceed $35,000.

AUTHORITY NOTE: Promulgated in accordance with 17:3091-3099.2.

HISTORICAL NOTE: Promulgated by the Tuition Trust Authority, Office of Student Financial Assistance, LR 23:717 (June 1997), amended LR 24:1273 (July 1998), repromulgated LR 26:2265 (October 2000), amended LR 27:38 (January 2001), LR 27:1882 (November 2001), LR 28:779 (April 2002), LR 30:790 (April 2004), LR 31:639 (March 2005), LR 32:1434 (August 2006), LR 32:2240 (December 2006), LR 33:444 (March 2007), LR 35:236 (February 2009), LR 36:492 (March 2010), LR 36:2551 (November 2010), LR 39:2238 (August 2013), LR 42:1080 (July 2016), LR 44:1877, 1887 (October 2018), LR 47:42 (January 2021), LR 49:58 (January 2023).

§315. Miscellaneous Provisions

A. – B.46. …

47. For the year ending December 31, 2022, the Louisiana Education Tuition and Savings Fund earned an interest rate of 0.97 percent.

48. For the year ending December 31, 2022, the Savings Enhancement Fund earned an interest rate of 1.32 percent.

C. – S.2.

AUTHORITY NOTE: Promulgated in accordance with 17:3091-3099.2.

HISTORICAL NOTE: Promulgated by the Tuition Trust Authority, Office of Student Financial Assistance, LR 23:718 (June 1997), amended LR 24:1274 (July 1998), LR 26:1263 (June 2000), repromulgated LR 26:2267 (October 2000), amended LR 27:1221 (August 2001), LR 27:1884 (November 2001), LR 28:1761 (August 2002), LR 28:2335 (November 2002), LR 29:2038 (October 2003), repromulgated LR 29:2374 (November 2003), amended LR 30:791 (April 2004), LR 30:1472 (July 2004), LR 31:2216 (September 2005), LR 32:1434 (August 2006), LR 32:2240 (December 2006), LR 33:2359 (November 2007), LR 34:1886 (September 2008), LR 35:1492 (August 2009), LR 36:492 (March 2010), LR 36:2030 (September 2010), LR 38:1954 (August 2012), LR 39:2238 (August 2013), LR 40:1926 (October 2014), LR 41:1487 (August 2015), LR 42:1082 (July 2016), LR 42:1658 (October 2016), LR 43:1731 (September 2017), LR 44:1888 (October 2018), LR 45:1177 (September 2019), LR 46:1223 (September 2020), LR 47:1495 (October 2021), LR 48:2561 (October 2022).

Chapter 5. Achieving a Better Life Experience (ABLE)

§507. Applicable Definitions

A. Words and terms not otherwise defined in these rules shall have the meanings ascribed to such words and terms in this Section. Where the masculine is used in these rules, it includes the feminine, and vice versa; where the singular is used, it includes the plural, and vice versa.

***

Eligible Individual—an individual is an eligible individual for a given tax year if one of the following is met:

a.(i). through December 31, 2025, the individual is entitled to benefits based on blindness or disability under title II or XVI of the Social Security Act, and such blindness or disability occurred before the date on which the individual attained age 26; or

~~b.~~(ii). a disability certification with respect to such individual is filed with the secretary for such taxable year.

b.(i). beginning January 1, 2026, the individual is entitled to benefits based on blindness or disability under title II or XVI of the Social Security Act, and such blindness or disability occurred before the date on which the individual attained age 46; or

(ii). a disability certification with respect to such individual is filed with the secretary for such taxable year.

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AUTHORITY NOTE: Promulgated in accordance with R.S. 17:3081-3089.

HISTORICAL NOTE: Promulgated by the Tuition Trust Authority, Office of Student Financial Assistance, LR 43:639 (April 2017), amended LR 44:1888 (October 2018), LR 47:575 (May 2021).

Family Impact Statement: The proposed rule has no known impact on family formation, stability, or autonomy, as described in LSA-R.S. 49:972.

Poverty Impact Statement: The proposed rulemaking will have no impact on poverty as described in LSA-R.S. 49:973.

Small Business Analysis: The proposed rule will have no adverse impact on small businesses as described in LSA-R.S. 49:965.2 *et seq*.

Provider Impact Statement: The proposed rule will have no adverse impact on providers of services for individuals with developmental disabilities as described in HCR 170 of 2014.

Interested persons may submit written comments on the proposed changes (SG23206NI) until 4:30 p.m., June 9, 2023, by email to LOSFA.Comments@la.gov or to Sujuan Williams Boutté, Ed. D., Executive Director, Office of Student Financial Assistance, P. O. Box 91202, Baton Rouge, LA 70821-9202.

Robyn Rhea Lively
Senior Attorney



LA ABLE

Adjournment

March 2, 2023