



STARTING LINE

News from START, Louisiana's tax-advantaged 529 college savings program

1,089 START accounts established by LaSIP for GEAR UP students

Since April 2003, the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP), which is administered by the Louisiana Systemic Initiatives Program (LaSIP), has deposited \$512,500 in the START Saving Program, opening 1,089 accounts for academically challenged students participating in the Rewards for Success portion of the GEAR UP grant.

The \$12.5 million, five-year federal GEAR UP grant was awarded to Louisiana in support of low-income, low-achieving students in 25 middle schools, located in 11 school districts. The grant seeks to accelerate the academic achievement of at-risk students by working to improve the quality of mathematics, science, English, language arts and technology instruction and learning.

The project is composed of several initiatives administered under the GEAR UP umbrella: Rewards for Success; Enhanced Learning and Counseling; Strengthen Student and Parent Support; and Promote Coordination with Partners.

The Rewards for Success portion of the GEAR UP grant allows the state of Louisiana to validate academic and behavioral achievements by offering cash scholarships of \$250, \$500 and \$1,000 to outstanding GEAR UP students each year.

Recipient students are selected by a committee comprised of the executive director of the Louisiana Office of Student Financial Assistance (LOSFA) and the GEAR UP project directors at both Southeastern Louisiana University and Louisiana State University.

The committee evaluates applicants on various criteria, including grades, test scores citizenship, school attendance, parental interest and support, participation in school activities and income.

During the first year of the project, the scholarships were awarded to seventh graders only, during the second year, the scholarships included seventh and eighth graders, during the third year the scholarships will include seventh, eighth and ninth graders, the fourth year scholarships will be awarded to seventh, eighth, ninth and tenth graders, and in the final, fifth year of the grant program, the scholarships will be distributed among seventh, eighth, ninth, tenth and eleventh graders.

The grand total of \$512,500 represents 255 accounts opened in 2003 totaling \$107,750, 821 accounts opened in 2004 totaling \$400,000 and an additional 13 accounts opened thus far in 2005, totaling \$4,750.

Of the total 1,089 accounts opened, 925 were earmarked for low-income, Category VI beneficiaries. The Category VI classification was created by the Louisiana Legislature in

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Year-end figures show steady growth of program in 2004



As of Dec. 31, 2004, the START Saving Program closed out the calendar year with a record number of accounts opened and contributions made, and with total assets of more than \$63 million.

1,413, with August showing the least number of new accounts at 239.

Total contributions in 2004 were more than \$25.7 million, up from more than \$18.1 million in 2003. The month of December recorded the highest amount of contributions at more than \$6.4 million, with February showing the least amount of contributions at more than \$1.2 million.

Of the total START assets, more than \$44.3 million is in depositor contributions and earned interest, more than \$17.2 million in Vanguard investments and more than \$1.6 million in earnings enhancements and interest on the enhancements (see chart below).

Disbursements from START accounts to beneficiaries attending college accounted for more than \$1.9 million in 2004, a figure which included \$89,204.57 of state-matching funds (EEs) and the interest earned by the state-matching funds. In 2003, beneficiary disbursements numbered almost \$1.2 million, a figure that included \$52,679.32 in EEs and EE interest.

A total of 4,946 new accounts were opened in 2004, up from 4,652 in 2003. The month of December recorded the most new accounts at

Month	Accounts Opened*		Accounts Closed**		Net Accounts		Contributions		Disbursements to Institutions Deposits, Earnings & Ees		Refunded Amounts Deposits & Earnings	
	2004	2003	2004	2003	2004	2003	2004	2003	2004***	2003****	2004	2003
January	335	380	64	42	271	338	\$ 1,922,359.68	\$ 1,846,387.40	\$ 201,922.90	\$ 50,887.97	\$ 14,927.06	\$ 2,380.38
February	283	341	15	18	268	323	\$ 1,229,548.21	\$ 913,413.20	\$ 40,708.50	\$ 40,112.75	\$ 2,666.97	\$ 6,470.63
March	436	403	18	58	418	345	\$ 1,688,105.70	\$ 1,270,295.56	\$ 29,843.35	\$ 10,629.61	\$ 43,295.97	\$ 250.00
April	354	333	103	76	251	257	\$ 1,810,850.53	\$ 1,380,210.95	\$ 50,115.37	\$ 11,292.10	\$ 36,766.47	\$ 21,824.73
May	277	269	47	55	230	214	\$ 2,263,773.46	\$ 1,141,883.05	\$ 64,097.38	\$ 29,246.97	\$ 48,365.30	\$ 30,589.30
June	337	267	1	45	336	222	\$ 1,881,714.59	\$ 1,333,953.48	\$ 70,983.84	\$ 18,850.44	\$ 27,329.34	\$ 24,191.36
July	262	348	70	46	192	302	\$ 1,298,819.58	\$ 1,165,637.93	\$ 412,011.52	\$ 324,790.47	\$ 68,417.66	\$ 12,952.01
August	239	374	77	41	162	333	\$ 1,928,902.37	\$ 1,127,026.79	\$ 485,036.73	\$ 218,677.47	\$ 24,767.64	\$ 12,092.58
September	260	398	52	45	208	353	\$ 1,297,656.77	\$ 1,254,264.08	\$ 35,146.12	\$ 98,671.53	\$ 31,814.91	\$ 3,418.18
October	280	389	251	47	29	342	\$ 1,820,931.46	\$ 1,414,075.33	\$ 25,139.98	\$ 46,626.73	\$ 138,663.07	\$ 34,787.24
November	470	299	41	44	429	255	\$ 2,106,006.73	\$ 1,335,680.87	\$ 182,206.74	\$ 31,755.85	\$ 40,007.79	\$ 18,493.47
December	1,413	851	31	61	1,382	790	\$ 6,483,264.22	\$ 3,927,051.37	\$ 327,415.63	\$ 316,521.59	\$ 18,277.73	\$ 25,169.44
Yr to Date	4,946	4,652	770	578	4,176	4,074	\$ 25,731,933.30	\$ 18,109,880.01	\$ 1,924,628.06	\$ 1,198,063.48	\$ 495,299.91	\$ 192,619.32
Cumulative	18,411	13,465	2,690	1,920	15,721	11,545	\$ 63,049,287.33	\$ 37,317,354.03	\$ 4,115,466.67	\$ 2,190,838.61	\$ 1,126,752.40	\$ 631,452.49

*An account is defined as the number of Depositor Agreements submitted and approved.

**Closed Accounts include voluntary and involuntary closures, including those depleted of funds due to disbursements for eligible education expenses.

*** Of the total disbursements as of 2004 of \$1,924,628.06, EEs and EE Interest total \$89,204.57

****Of the total disbursements in 2003 of \$1,198,063.48, EEs and EE Interest total \$52,679.32.

Total Assets as of 12/31/04	
Contributions & Interest-State Fixed	\$ 44,356,464.12
Vanguard Investments	17,256,640.78
Earning Enhancements & Interest	1,650,297.22
Total	\$ 63,263,402.12

Note: Of the total 851 accounts opened in December 2003, 255 represented Category VI Accounts opened by LaSip
Of the total 1,413 accounts opened in December 2004, 600 represented Category VI Accounts opened by LASip

START Seminars include TOPS

For the first time ever, the Louisiana Office of Student Financial Assistance (LOSFA) combined two annual public presentations – the Tuition Opportunity Program for Students (TOPS) and Student Tuition Assistance and Revenue Trust (START) Saving Program seminars – into a series of “How To Pay For College” seminars which were held on weekends during the months of January and February at a variety of statewide locations.

The TOPS portion of the How To Pay For College Seminars informed the parents of Louisiana high school students about the program requirements and student responsibilities necessary for successful participation in the state’s premier scholarship program.

The START portion of the seminars raised awareness among parents, family members and others interested in establishing a higher education savings account for their college-bound student. Topics included: How to open a START account, a discussion of the new equities options available to account owners, an overview of START Web site features and an explanation of the Louisiana College Payment Plan, of which START is a major component.

The seminars were free and open to the public. The popular START mascot, Earl E. START, was present at many of the venues, providing participants with a variety of informative brochures on financial aid available for higher education.



Popular START mascot, Earl E. START (above), makes an appearance at the Jefferson Parish Library in Harvey while on tour with the “How To Pay For College” seminars.

From the desk of Carol Fulco

START Director Carol Fulco provides account owners with the latest information on the START Saving Program



- Annual statements for calendar year 2004 will be mailed to account owners on March 31, 2005.

- The chart on page 2 details account activity during 2004, showing the large volume of contributions made during December. To help expedite processing, please try to open accounts and make contributions early in the year.

- The 2004 interest rates are 5.12 percent for Earning Enhancements and 4.72 percent for deposits.

GEAR UP accounts

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2003 to allow governmental entities to establish START accounts for beneficiaries with a federal adjusted family income of less than \$30,000 and/or beneficiaries who are eligible for a free lunch under the Richard B. Russell National School Act.

The beneficiary cannot be a member of the account owner’s family or a family

member of any member or employee of the Louisiana Tuition Trust Authority (LATTA) or LOSFA.

In partnership with the LaSIP, LOSFA supports GEAR UP students by providing financial aid information and counseling to parents and students during the College Connections Workshops, as well as the Pathfinders portion of the GEAR UP Summer Camps.

NOTICE TO ACCOUNT OWNERS:

In the interest of online security, Social Security Numbers are no longer used for START accounts. When a new application is received, the START programming system randomly generates an account number and assigns it to the owner. This account number — not the beneficiary’s or owner’s Social Security Number — must be recorded on all payments and correspondence concerning the account.

This public document was published at a total cost of \$2,400.24 Six thousand copies of this document were published in this first printing at a cost of \$2,400.24. The total cost of all printing of this document, including reprints, is \$2,400.24. This document was published by the Louisiana Tuition Trust Authority, P.O. Box 91271, Baton Rouge La., 70821-9271, and printed by LSU Graphic Services, 3555 River Road, Baton Rouge, La., 70803-8201, to provide public information on the Louisiana Student Tuition Assistance and Revenue Trust Program, under special exemption by the Division of Administration. This material was printed in accordance with the standards of printing by state agencies pursuant to R.S. 43:31.

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