



STARTing LINE

First Quarter 2009 Edition

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FROM THE DESK OF: Carol A. Fulco, START Director



In these challenging economic times, some of us are losing faith in the banks and the stock market as we watch our investments diminish in value. It is during

times like these that I am especially proud to be the director of a program that continues to serve as a bastion of hope.

The START Saving program fulfills this role for two reasons: 1) With START's most popular investment option, the Louisiana Principal Protection, the state of Louisiana guarantees the return of your principal so you cannot lose money regardless of the state of the economy and 2) Education is the door to a productive and satisfying life for the citizens of Louisiana and is an essential ingredient for a healthy economy and a capable and motivated workforce.

Saving for our children and grandchildren's education is the first step in opening that door. So despite any economic challenges that we may face even as we look to eliminate certain expenses, we must continue to save for our children and grandchildren's college education. We highly recommend the START Saving Program as a means to this end since you can open an account with a deposit as little as \$10 and can make additional deposits in accordance with your own budget.

The program continues to be what we believe is the best 529 plan in the country, one of which we are very proud. We may be somewhat biased in our rousing

endorsement of the START Saving program, so if you need additional endorsements look no further than Money Magazine, savingforcollege.com and a host of other sources who rank 529 plans throughout the country.

We congratulate the staff at the State Treasurer's Office for the interest rates earned in 2008 on the fixed rate fund, the rate earned on the state match, and our high national ranking of our investment performance. These rates, together with the state match on new deposits and the reduction of income reported on your Louisiana tax return makes the program an excellent means to save for college for your loved ones, especially since the earnings are tax exempt by both the state and federal governments when used to pay Qualified Higher Education Expenses.

The Administrators of the program are continually striving for new ways to improve the program for the citizens of Louisiana. Marketing of the program is necessary to inform the people of Louisiana about this program, and the Office of Student Financial Assistance has a highly knowledgeable and experienced staff trained to give presentations on the benefits of the START Saving Program. We encourage business owners to offer the program as a payroll deduction, and are happy to have our staff visit your site for one or more presentations.

Businesses and organizations interested in participating in the Payroll Deduction Program and/or in a presentation, may call the START Saving Program office at 1-800-259-5626, ext. 1012 to make arrangements at your convenience.

-- Carol

Updates and Changes

The Louisiana Tuition Trust Authority Executive Committee met earlier this month and implemented several changes relevant to START account owners and beneficiaries.

INVESTMENT OPTION CHANGES

The committee approved an emergency rule that implemented a change in federal policy for 529 plans, allowing account owners to change their investment options two times during the 2009 calendar year.

All START investment options can be accessed online at: <http://www.startsaving.la.gov/savings/options.jsp>

This change applies only to the 2009 calendar year.

INTEREST RATES ANNOUNCED

Interest rates for START deposits and for Earnings Enhancements were approved at the March meeting.

For the calendar year ending December 31, 2008, the interest rate for Louisiana Principal Protection fixed-rate fund deposits was 4.65% and the interest rate for Earnings Enhancements was 4.39%.

The compilation of quarterly reports received from the State Treasurer for the year indicate that on an average daily balance of deposits of \$88,079,152.51, the fund earned \$4,095,983.12. The Savings Enhancement Fund, which contains the Earnings Enhancements annually appropriated by the state legislature, earned \$396,643.06 on an average daily balance of \$9,043,066.03.

CHANGES TO QUALIFIED HIGHER ED EXPENSES

Due to changes in the stimulus bill signed by President Obama in February, students may use START funds to purchase computers, computer equipment and computer software as a qualified higher education expense this year.

The change only applies to the calendar years 2009 and 2010.

START funds can also be used to pay for Internet access and related services, if the technology, equipment or services are to be used by the student and

the student's family during the time the student is enrolled at an eligible education institution.

START funds cannot be used, however, for computer software or equipment designed for sports, games or hobbies unless the software is predominately educational in nature.



Knowledge is Power

Frustrated in your search for help planning for college? We're here to help! The recently launched College Knowledge section of the LOSFA Web site can provide you with the tools you need to take the worry and frustration out of paying for college.

Just go to <http://www.osfa.la.gov/colleg-eknowledge> and you'll find a college cost calculator that allows you to see the cost reductions that result from using state programs and other sources of aid, a progress tracking sheet that helps you plan and keep track of important test scores, profiles of current Louisiana college students and Trailblazers outlining their planning strategies and motivations, and a College Knowledge Tool Kit with links to valuable sites and resources, all designed with helping students plan for and succeed in college.

START Saving Plan ranks high in national survey

Louisiana's Student Tuition Assistance and Revenue Trust (START) saving program has been ranked one of the nation's top performing 529 college savings plans in a recently released nationwide analysis.

While dipping slightly from last year, when the plan was ranked number one in both the one and three year performance categories, Louisiana's 529 plan remains among the top performers.

In the three-year category, START ranks second in the nation, following only Florida's College Investment Plan. In the one-year performance category, it dips to 14.

However, START ranks number one in the five-year performance category -- a category it was not ranked in last year.

The study, conducted by savingforcollege.com, analyzed the performance figures for all 529 plans across the country. Every state has at least one 529 plan available.

To make the comparison, the Web site selected specific portfolios from each plan that could be directly compared to one another, based on their allocation among stocks, bonds and short-term investments.

These were then placed into categories based on their asset-allocation -- from 100 percent equity to 100 percent short-term investments. Within each category, historical performance was compared and assigned a ranking.

There were separate rankings for one-year, three-year and five-year performance.

An average was taken of each plan's category rankings to produce a composite ranking and the plans were rated based on those composite rankings. Only those plans which can be enrolled in directly or which are sold through brokers were included in the study.

Savingforcollege.com was established as a private company in 1999 to help individuals and professional advisors better understand how to meet the challenge of paying for higher education



For more information, contact the
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For submissions, opinions or comments for STARTing Line, please
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