



# LOSFA LOOP

October 2010 Edition

Volume 3-10

## From the Desk of the Executive Director

For the past couple of years in the October issue of the LOSFA LOOP I've begun my message by expressing excitement and anticipation regarding the upcoming Fall LASFAA Conference. I always look forward to seeing my colleagues and providing an update on state programs. The update on state programs will still be provided by LOSFA staff, but unfortunately, I won't be able to attend the conference. As previously mentioned in the LOOP and detailed on page 2 of this issue, LOSFA will be relocating beginning October 29th and I need to be present in order to supervise the move. Fortunately, there will still be a strong LOSFA presence at the conference. LOSFA's Financial Literacy and Development Section will serve as exhibitors. LOSFA's Audit Section will conduct a roundtable discussion and there will also be a presentation on the new Louisiana Awards System by our Scholarship & Grant and IT Divisions. I regret that I, personally, won't be in attendance, but I know it will be a successful conference and I will look forward to seeing many of you at the Spring LASFAA Conference.

I previously mentioned how our Trailblazers had urged us to communicate with them via Facebook and responded by adding over 200 people who "like" our Facebook page. Once again they've proven their assertion regarding the effectiveness of social media when we conducted a Trailblazer video contest on our Facebook page (Page 2). Eight teams of students created videos regarding college access. We posted their videos on our YouTube page <http://www.youtube.com/LOSFA1000> and the team whose video received the most views in a two week period was declared the winner. The team who won received 168 views. To put this into perspective, these Trailblazers were able to generate more views

in a two week period than our most popular video, TOPS, was able to generate in a year. It's obvious that the potential to positively impact students through social media is endless. I look forward to what we can accomplish when we reach our goal of 15,000 who "like" our Facebook page. If you're already on Facebook please become a part of the LOSFA community at <http://www.Facebook.com/LOSFA> and encourage your students to do so as well.

Of course, social media serves as a supplement to and not a substitute for program bulletins, the LOSFA Web site and this newsletter. So despite the fact that members of our Facebook community have already been informed about major changes in TOPS and the START Saving Program, we outline those changes in this issue of the LOOP (Pages 3 and 6). Finally, I would be remiss if I didn't extend congratulations to LOSFA's Default Recovery (Collections) Section for having the number one recovery rate in the entire country! It's these types of accomplishments that keep us Louisiana's First Choice for College Access.

-- Melanie

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# LOSFA Updates

## And the Winner is. . .

The Nicholls Krewe of Vulcan won the 2010 Trailblazer video contest!

In honor of the krewe's triumph, Raising Cane's has agreed to donate two gift baskets. LOSFA will raffle off those two baskets and the proceeds will be divided evenly among the Nicholls Vulcan Krewe and will be distributed in the form of scholarships redeemable upon enrollment in college in the Fall of 2011!



## We're Moving!

Moving day is getting closer. Next month's LOSFA LOOP will be coming to you from our new home in the Galvez Building in downtown Baton Rouge.

The office will not be open for business Friday, October 29th as the agency moves from its Wooddale location to its new location downtown at the Galvez Building, 602 North Fifth Street, Baton Rouge, LA 70802. During this time all server operations are also being moved, so the LOSFA Web sites [www.osfa.la.gov](http://www.osfa.la.gov) and [www.startsaving.la.gov](http://www.startsaving.la.gov) will be down as well. However, [www.facebook.com/losfa](http://www.facebook.com/losfa) will still be available during this time so you can check there for updates. LOSFA and its Web sites will re-open as soon as possible.

The START mailing address -- P.O. Box 91271, Baton Rouge, LA 70821-9271 -- and LOSFA's mailing address -- P.O. Box 91202, Baton Rouge, LA, 70821-9202 -- will remain the same.

LOSFA is working hard to make certain the transition is a smooth one, with minimal down time.



## Changes to TOPS filing deadline will benefit future graduates

The Louisiana Student Financial Assistance Commission voted at its September meeting to remove the penalty for filing a FAFSA after the July 1 immediately following high school graduation. Prior to this action, students whose FAFSA was received after July 1 of their graduation year, but before July 1 of the following year, had their TOPS payments postponed an academic year.

Now the deadline to file the initial TOPS application without a reduction in the TOPS award is July 1st following the one year anniversary of high school graduation. This change is effective for high school students graduating in 2010 and later.



The fact that the FAFSA is generally filed online now makes the former July 1 deadline unnecessary, LOSFA Executive Director Melanie Amrhein said. Previously, the earlier July 1 deadline helped ensure that students' financial aid packages were complete prior to fall registration and fee payment. However, electronic FAFSA filing allows for processing in days instead of weeks and most late filings are received shortly after the July 1 deadline, while there is still time to process financial aid packages prior to fee payment deadlines. Commission member Jimmy Long voted for the change, saying it was "tremendously important" and that it "makes a lot of sense to go ahead and do this."

## LOSFA Default Recoveries #1 in recovery rate

Out of 35 ranked guarantee agencies, LOSFA's Default Recoveries section has ranked No.1 this federal fiscal year in recovery rate for AWG recoveries and the recovery rate for AWG/borrower payments combined, administrator Byron Henderson said. AWG recoveries include payments from employers for borrowers under a garnishment. LOSFA has historically ranked high in this category. Recovery rates have been published through July 2010 where the department remained in the top slot.

Voluntary payments made by borrowers can qualify them for rehabilitation, professional license release, additional Title IV funding and will remove or keep the borrower from being included in the Federal or State Offset program or having their wages garnished. Although LOSFA is not number one in this category alone, when combined with AWG recoveries it is, Henderson said.

## LA Grad Act tuition update

Effective June 29, 2010, the LA GRAD Act allows colleges to increase tuition up to an additional 5% for both 2010-11 and 2011-12, and up to 10% per year for the next four years if they contract with the Board of Regents to put in place and meet certain performance standards. An increase of up to 5% was already approved under prior legislation for both 2010-11 and 2011-12.

TOPS Award Amounts have been increased by the percentage increase approved for each school.

The TOPS 2010-11 Academic Year Award Amount for each school has been adjusted to reflect the percentage increase authorized by each institution's management board (LSU, Southern, University of Louisiana and Community and Technical System) and subsequently approved by the Louisiana Board of Regents. The TOPS 2010-11 Academic Year Award Amount Tables for TOPS and TOPS Tech have been updated and are available at [www.osfa.la.gov](http://www.osfa.la.gov).

## 2010 LOSFA Professional School Counselor Workshops

There is still time to register to attend one of LOSFA's Professional School Counselor Workshops, but only three remain.

LOSFA is hosting its annual Professional School Counselor Workshops this month, bringing updates and information to school counselors from across the state.

Gus Wales, LOSFA's Public Information and Communications Director, said before the workshops began that plans call for updating counselors about recent program updates and legislative changes.

Registration is now open on the LOSFA Web site. Middle School Counselors may register at:

<http://osfantweb.osfa.state.la.us/SpecialProjects.nsf/Main-GCWMS?OpenFrameset>

High School Counselors may register at:

<http://osfantweb.osfa.state.la.us/SpecialProjects.nsf/Main-GCW?OpenFrameset>

Check-in begins at 8 a.m., with the workshop beginning at 8:30 a.m. All workshops conclude at noon.

### Dates and Locations:

**Tuesday, October 5**

Baton Rouge, Southern University, Student Union Ballroom

**Friday, October 8**

Delgado Community College. LAC Pontchartrain Room, on the 2nd floor of the Student Life Center

**Thursday, October 14**

Nicholls State University, Student Union Plantation Suite



*Professional School Counselors and other school personnel attend a workshop provided by LOSFA. There are four workshops left on this year's program.*

## 2010 Youth Financial Educators' Summit

The 2010 Youth Financial Educators's Summit was held this month in Baton Rouge and LOSFA's Financial Literacy and Development Supervisor Sigmund Morel was in attendance.

"The contacts we made at the summit in the education and business communities will be extremely valuable in helping LOSFA continue to meet the financial literacy needs of Louisiana students," he said.

The 2-day summit, sponsored by the Louisiana Jump\$tart Coalition, addressed the instructional needs of Civics, Free Enterprise, Business, Math, AP Economics, Junior ROTC and Family and Consumer Science teachers at the high school level. All participants received a toolkit of curricula and educational resources valued at over \$200.

Research has shown that Americans lack sufficient knowledge of personal finance issues to manage money effectively. In response to that, the summit offered education on Financial Responsibility and Decision Making, Risk Management and Insurance, Saving and Investing, Curriculum and Pedagogy and Educators' Personal Financial Concerns.

Keynote speakers included Pam Krueger and Jack Gallagher from PBS' MoneyTrack series and Steve Bucci, author of *Credit Repair Kit for Dummies* and *Money Management All in One for Dummies*.



Become a part of Louisiana's Jump\$tart Coalition listserv and receive periodic emails with "News You Can Use" with helpful financial literacy information. Go to LOSFA's FLY (Financial Literacy for You) Page and click the listserv link: <http://www.osfa.state.la.us/FLY/FLYhome.htm>



Members of LOSFA's Executive Staff and Commission members attended Strategic Planning sessions in September.

"Strategic planning has always been a priority, but now it is a critical step in aligning the agency's mission to serve all students in providing access channels to higher education," LOSFA Executive Director Melanie Amrhein said.

## Woman's Hospital to Distribute START Information to Families of Newborns

The Louisiana Office of Student Financial Assistance (LOSFA) announced today that Woman's Hospital in Baton Rouge will immediately begin enclosing information on the START Saving Program with other materials provided to the parents of newborns.

START is Louisiana's 529 college saving plan.

The innovative college savings program was created by the Louisiana Legislature in 1995 and was first implemented in 1997, and qualifies under Section 529 of the Internal Revenue Code as a qualified college savings plan for both federal and state tax incentives.

"We are extremely pleased to have Woman's Hospital assist us in getting the word out about Louisiana's START Saving program," said LOSFA Executive Director Melanie Amrhein. "The earlier parents begin to save for their child's college education, the easier it will be for them to accumulate the funds that will be necessary when the time comes," she added.

Woman's is the 16th largest delivery service hospital in the United States and the largest in Louisiana with over 8,000 annual births.

Most START accounts are eligible to receive Earnings Enhancements (EE's), a contribution from the state that matches a percentage of annual deposits made by the account owner. The state match ranges from 2 to 14 percent, as determined by the account owner's prior year federal adjusted gross income.

Savings may be used to pay qualified expenses at any accredited college or university, in or out of state; at the Louisiana Technical College, all campuses; and at state-approved proprietary schools eligible for federal financial aid programs.

Designed to help make education affordable for all Louisiana students, START allows account owners to save in a conservative, interest-bearing account managed by the Louisiana Treasurer (the Louisiana Principal Protection Option) or in several equity investment options managed by the Vanguard Group, Inc. Owners may also choose a combination of both investment options.

START account owners who are Louisiana residents may deduct their annual START deposits from the income reported on their Louisiana income tax forms, up to \$2,400 per beneficiary per year, or \$4,800 per beneficiary for married account owners who file jointly.

For more information, contact LOSFA at 1-800-259-5626, ext. 1012, or visit us online at [www.startsaving.la.gov](http://www.startsaving.la.gov).



## Upcoming changes to START investment options

START account owners can expect to see positive changes in the program next year. Beginning in January 2011, the program will have additional investment choices and account owners will be able to exercise more flexibility in selecting their funds and determining the percentages of the deposit placed into each fund. Funds in the existing investment options will remain in the individual funds in which they are currently invested. For instance, funds currently invested in the Balanced Option will remain 50% in the Principal Protection Fund and 50% in the Total Stock Market Index Fund (Institutional Shares). If an account owner does not specify different funds and/or percentages, new deposits will be allocated according to the last deposit distribution instructions.

The existing Age-Based Option will be renamed the Moderate Track Age-Based Fund and two more aggressive fund tracks for age-based investments will be added. In addition, four new funds will be offered — a small cap equity fund (invested in medium capitalized companies), a mid cap equity fund (invested in medium capitalized companies), a large cap fund of predominately U.S. large-cap stocks diversified across growth and value styles (invested in companies with capitalization of at least \$5 billion), and the Total World Stock Fund, which has a broad exposure across developed and emerging equity markets around the world, including the U.S. The current Total Stock Market Index Fund (Institutional Shares) and the Total International Stock Index Fund will be retained.

Account owners will continue to have a choice over investment of new deposits. Account owners can invest new deposits in one, several or all of the funds, provided the percentages are in whole digits and the total of all percentages equal 100 percent. Congress has limited changes of investments for existing deposits to one time per calendar year; therefore, account owners may only re-allocate existing investments once during the same calendar year.

## LOSFA to administer John R. Justice Loan Forgiveness Program

LOSFA has been selected to administer the John R. Justice Loan Forgiveness Program, which provides for the payment of eligible educational loans, both Federal Family Education Loan Program [FFELP] and Federal Direct Loans, for state and federal public defenders and state prosecutors who agree to remain employed as public defenders and prosecutors for at least three years.

Qualified defenders and prosecutors may be eligible for up to \$10,000 per year, but not more than \$60,000 total, to repay student loan debt. If a recipient does not fulfill his or her employment commitment, any money received must be repaid.

Funding for loan repayment is allocated equally between prosecutors and public defenders. Priority will be given to those eligible beneficiaries who have the least ability to repay their loans.

For general information about the John R. Justice Loan Forgiveness Program, go to <http://www.equaljusticeworks.org/resources/student-debt-relief/John-R-Justice-Student-Loan-Repayment-Program>

For Louisiana specific information, please contact us at 800-259-5626, ext. 1012.



## LOSFA's Social Media



<http://www.facebook.com/LOSFA>



<http://www.twitter.com/LOSFA>



<http://www.youtube.com/LOSFA1000>



[www.Flickr.com/LOSFA](http://www.Flickr.com/LOSFA)



<http://www.louisianatopsprogram.com/>



For more information, contact the  
Louisiana Office of Student Financial Assistance:

By Phone: 800-259-5626, Ext. 1012

By E-mail: [custserv@osfa.la.gov](mailto:custserv@osfa.la.gov)

By Mail: P.O. Box 91202, Baton Rouge, LA 70821-9202

Web Address: [www.osfa.la.gov](http://www.osfa.la.gov)

For submissions, opinions or comments for LOSFA LOOP, please  
contact David Roberts at [droberts@osfa.la.gov](mailto:droberts@osfa.la.gov).