



Ohio Sunset Review Committee

Agency Questionnaire

Agency Name: Ohio Tuition Trust Authority

Point of Contact: Trisha Good, Executive Director

Agency's primary purpose and its various goals and objectives:

Established in 1989, the Ohio Tuition Trust Authority is a state agency within the Ohio Department of Higher Education. The Ohio Tuition Trust Authority sponsors and administers Ohio's 529 Plan.

Ohio's 529 Plan is available to families both in Ohio and nationwide offering a tax-advantaged way to save for their children and grandchildren's future education and career training.

We offer two mutual fund-based plans:

[CollegeAdvantage Direct 529 Savings Plan](#)

[BlackRock CollegeAdvantage Advisor 529 Plan](#)

The 11-member [Ohio Tuition Trust Authority Investment Board](#) provides investment oversight.

Mission:

Ohio's CollegeAdvantage program provides families across the nation flexible options and educational resources to invest in our trusted tax-advantaged 529 plans for education expenses after high school.

Vision:

A nation where families are better able to afford college

Values:

Valuable products and services: Everlasting, assistance when needed

Quality: Degree of excellence, consistent commitment to standards to satisfy client requirement

Excellence in Leadership: Vision, communication, people skills, character, competence, boldness, serving heart, inspire team

Customer-Focused: Serving the clients' needs and ensuring that all aspects of the organization keep the customer's satisfaction as their primary goal.

Agency's past and anticipated workload, number of staff required to complete workload, and total number of staff:

OTTA manages all record keeping, marketing and administration for the direct plan and provides fiduciary oversight and governance of the advisor plan. In addition, OTTA is also responsible for administration and recordkeeping of the Guaranteed Savings Plan. The agency receives no General Revenue Fund dollars. The minimal administrative fees assessed against plan assets fund all agency operations and program administration.

The services OTTA offers, through our website, customer service hotline and other communications, have expanded over the years. Our services have been structured to offer a level of service that is comparable to what account owners receive from private sector financial services providers. Currently, over 70% of account maintenance and transactions are managed online. This allows us to efficiently and securely serve the needs of account owners and increase the number of Ohio families who are saving for college with CollegeAdvantage.

Ohio is one of the few states to provide an in-house call center and in-house processing center for its direct plan. Providing these services in-house keeps administrative costs low and jobs in Ohio.

Program administration is accomplished with a small staff of approximately 30 and an annual budget for FY24 of nearly \$9.5 million.

Agency's past and anticipated budgets and its sources of funding:

OTTA has two funds. Fund 6450 provides for the administration and operations of the Guaranteed Savings Fund. Fund 5P30 provides for the administration and operations of the Variable Savings Fund (collectively the Direct and Advisor Plans).

The Guaranteed Savings Plan (GSP) closed to new investments December 31, 2003. When the GSP was open, a small portion of every unit or credit sold was set aside in a reserve account to provide for administrative expenses including servicing the customer through the life of the account.

Effective June 2015, all Direct Plan customers pay 2 basis points (0.02%) on assets under management invested in options offered through The Vanguard Group and Dimensional Fund Advisors. The amount is calculated daily and payment is received by OTTA monthly. OTTA receives 15 basis points (0.15%) on all Fifth Third Bank assets under management. This amount, paid by Fifth Third as a revenue share, is calculated daily and payment is received by OTTA monthly.

Effective October 2018, all Advisor Plan customers pay seven basis points (0.07%) on assets under management invested in options offered by the Plan through BlackRock. Effective June 1, 2021 OTTA is waiving 0.5 bps that can be discontinued without any advance notice to investors. The amount collected from the customer is calculated daily and payment is received by OTTA monthly.

The OTTA budget for 6450 and 5P30 over the past five years:

| Fiscal Year | Fund 6450 (GSP) | Fund 5P30 (VSP: Direct & Advisor Plans) | OTTA Total |
|-------------|-----------------|---|-------------|
| FY24 | \$1,099,122 | \$8,363,600 | \$9,462,721 |
| FY23 | \$1,047,209 | \$8,159,165 | \$9,206,374 |
| FY22 | \$1,035,116 | \$8,049,501 | \$9,084,617 |
| FY21 | \$1,001,626 | \$7,915,343 | \$8,916,969 |
| FY20 | \$956,973 | \$7,743,050 | \$8,700,023 |

As of March 31, 2024, OTTA is servicing the remaining 5,511 accounts in the GSP.

The budget for 5P30 is relatively constant and reflects the guidance received by OBM and the Administration for each of the fiscal years provided above. These budget amounts allow OTTA to market and service an increasing number of customers. Since the fees paid by customers in the Ohio 529 Plans are based on Assets under Management (AUM), as the AUM and number of accounts increase, it allows OTTA to consider reductions to fees paid by customers. This helps Ohio's 529 Plan remain competitively priced in the 529 industry all while helping customers achieve their goals of saving for college expenses in advance and hopefully reducing student loan debt.

Number of members of its governing board or other governing entity and their compensation, if any:

An 11-member Investment Board oversees the investments of the Ohio Tuition Trust Authority. The Governor of the State of Ohio appoints six members, with the advice and consent of the senate, who have significant experience in finance, accounting, or investment management.

The Speaker of the House of Representatives of the State of Ohio and the President of the Senate of the State of Ohio each appoint one member of the respective legislative body from each political party.

The Chancellor of the Ohio Department of Higher Education also serves as an ex-officio, voting member of the board.

OTTA Investment Board members do not receive compensation beyond reimbursement for expenses related to their Board duties.

Additional notes:

Ohio Tuition Trust Authority History

2024

Rollovers of 529 Plan to Roth IRA added as an allowable rollover option

June 2023 - FY23:

Direct Contribution \$876.1M, decrease by 10.3% | Advisor Contribution \$468.8M, decrease by 18.6%

Direct Accounts 388,174 increase by 2.6% | Advisor Accounts 278,035 decrease by 6.2%

June 2022 - FY22:

Direct Contribution \$976.7M, increase by 7.7% | Advisor Contribution \$576.2M, increase by 4.2% Direct Accounts 378,192 increase by 5.2% | Advisor Accounts 296,361 decrease by 1.1%

June 2021 - FY21:

Direct Contribution \$907.0M, increase by 14.4% | Advisor Contribution \$553.1M, increase by 10.8%
Direct Accounts 359,592 increase by 6.7% | Advisor Accounts 299,717 decrease by 1.5%
Advisor plan fee waiver 0.5 bps

June 2020 - FY20:

Direct Contribution \$792.7M, increase by 12.1% | Advisor Contribution \$499.1M, increase by 9.6% Direct Accounts 336,896 increase by 6.5% | Advisor Accounts 304,149 decrease by 1.3%

March 2020

Work from home began due to COVID-19

October 2019

30th Anniversary

June 2019

FY19: Direct Contribution \$706.9M, increase by 13.9%
Advisor Contribution \$455.3M, increase by 5.8%
Direct Accounts 316,268
Advisor Accounts 308,066
Guaranteed Savings Plan Accounts 17,895

October 2018

Advisor Plan fee reduction of 7 bps

May 2018

Changes to the investment glide path for the Advantage Age-Based Portfolio and Vanguard Age-Based Portfolios in the Direct Plan

January 2018

State of Ohio tax deduction for contributions to CollegeAdvantage increases from \$2,000 to \$4,000 per year, per beneficiary

December 2017

- Changes to the investment target allocation for the Target Date Investment Options in the Advisor Plan
- Tax Cuts And Job Act amended federal law to include up to \$10,000 in K-12 tuition as a qualified expense

August 2017

OTTA Investment Board approves Age-Based Glidepath changes to Direct Plan (Vanguard Age-Based Portfolios and the Advantage Age-Based Portfolio)

June 2017

Biennial budget, signed 06.30.17, increases Ohio taxpayers Ohio income tax deduction from \$2,000 to \$4,000 beginning January 1, 2018, with unlimited carryforward

May 2017

OTTA Investment Board approves Age-Based Glidepath changes to Advisor Plan

January 2017

Assets under Management surpass \$10 billion program wide

December 2016

Tuition Trust Board becomes "OTTA Investment Board" with governor appointed board members required to have experience in investments, accounting, finance, or banking

November 2016

- Direct Plan recordkeeping fee decreased from 13 bps to 12 bps
- Updated Gifting/Giving section of Website

September 2016

- Direct Plan enhancements to the customer interfacing web portal
- Added Internal Rate of Return for account holders

2015

Direct Plan investment option changes and enhancements implemented (June 19, 2015), OTTA administrative fee reduced from 0.04% to 0.02% – Direct Plan (June 19, 2015) and Advisor Plan (July 1, 2015), Reduced Direct Plan Vanguard AUM-based fee for portfolio accounting and administration from 0.025% to 0.02% (August 1, 2015), Celebrated program's 25th Anniversary

2014

BlackRock (Advisor Plan) contract renewed for seven years. BlackRock also added two new fixed income options: BlackRock Multi-Asset Income Option and BlackRock Strategic Income Opportunities Option

2013

Direct Plan recordkeeping and portfolio fund accounting functions transferred from OTTA to Ascensus College Savings. Oppenheimer investment option eliminated

2010

Eliminated Putnam Advisor Plan – assets transferred to BlackRock Advisor Plan

2009

Significant Direct Plan structure changes were made: Putnam eliminated from the Direct Plan; manager diversification created by adding custom Advantage Age-Based Portfolio, PIMCO, GE Asset Management, Oppenheimer, and additional Vanguard options; and a second Advisor Plan with BlackRock was added. During the same year, OTTA was moved under the Office of the Chancellor, Ohio Department of Higher Education (formerly known as Ohio Board of Regents) (Ohio H.B. 1)

2005

Savings and CD options from Fifth Third Bank were added to provide FDIC-insured options

2004

Passive investment options from Vanguard were added for the first time

2003

The Guaranteed Savings Plan was closed to contributions and new enrollments in response to rapidly rising tuition costs and investment pressures due to the market environment

2001

Federal Economic Growth & Tax Relief Act authorized qualified withdrawals from 529 plans to be exempt from federal income tax effective January 2002 (was to sunset in 2010). Exemption made permanent in 2006

2000

Authorized by Ohio S.B. 161, State of Ohio tax deduction for contributions to CollegeAdvantage took effect. Also authorized variable savings plans; launched with Putnam Investments offering both the Direct and Advisor Plans

1997

Additional changes were made via the 1997 Taxpayer Relief Act (room & board added as qualified expenses, special gift & estate tax treatments)

1996

Qualified Tuition Programs became part of the Small Business Protection Act of 1996. Section 529, created in the Internal Revenue Code, included tax exemption for states & tax deferral to participants

1994

Voters approved State Issue 3, Constitutional amendment to provide full faith and credit backing by the State of Ohio for the Ohio Prepaid Tuition Program

1990

The first college savings accounts were opened in the Ohio Prepaid Tuition Program (now known as

the CollegeAdvantage Guaranteed 529 Savings Plan). College Savings Bonds offered in conjunction with Ohio Treasurer

1989

Ohio Tuition Trust Authority (OTTA) was established by the Ohio H.B. 61