



NATIONAL ASSOCIATION OF STATE TREASURERS



The Leading Voice For Excellence In Public Finance

The National Association of State Treasurers (NAST) serves as the nation's foremost authority for responsible state treasury programs and related financial practices, policies, and education.



NAST members lead in the following areas:

- | 529 College Savings Programs
- | Achieving a Better Life Experience (ABLE) Plans
- | Financial Education and Empowerment
- | Tax Exempt Municipal Bonds and State Debt Management
- | Local Government Investment Pools (LGIPs)
- | Pension and Trust Administration
- | State Banking, Investment, and Cash Management
- | Unclaimed Property Programs

BUILDING AND FINANCING OUR CRITICAL INFRASTRUCTURE

Support tax-exempt municipal bonds and infrastructure investment

For more than 100 years, tax-exempt bonds have been the primary financing tool for critical state and local infrastructure projects like the roads, bridges, rails and pipes we use every day. In fact, the savings generated by the tax exemption help state and local governments finance the majority of the nation's infrastructure network that they build and maintain.

State and local governments continue to provide the largest share of capital investment with an annual average issuance of \$391 billion over the last decade.¹ Proposals to eliminate or reduce the tax exemption on municipal bonds would pass even more of the nation's infrastructure costs on to state governments and our shared constituencies.

Prior to 2018, state governments were able to issue tax-exempt advance refunding bonds that allowed them to refinance outstanding debt, achieve lower interest rates, and use cost savings to finance additional infrastructure improvements. Restoring the tax-exemption on advance refunding bonds remains a top priority for the nation's State Treasurers.



NAST CALLS ON CONGRESS TO

Reject proposals to eliminate or reduce the tax-exemption on municipal bonds.

Permit states to refinance bonds and achieve critical cost savings by restoring tax-exempt advance refunding bonds.

HELPING TO REUNITE OWNERS WITH THEIR UNCLAIMED PROPERTY

Support state unclaimed property programs

Each year, State Treasuries and Unclaimed Property administrators help reunite residents with over \$4 billion worth of their missing property. For many, this property can be anything from uncashed paychecks and missing physical property, to lost refunds and account balances. The purpose of unclaimed property laws is to protect the public by ensuring money and property owed to them is returned to them, rather than remaining permanently with financial institutions, businesses, and other entities. NAST advocates for legislation that continues to help citizens find and claim their unclaimed property easily and securely. Currently, NAST is advocating for the Unclaimed Savings Bond Act, which could help reunite over \$32 billion in unclaimed savings bond proceeds with their rightful owners.



NAST CALLS ON CONGRESS TO

Help state unclaimed property administrators access title and records to unredeemed U.S. savings bonds, so they can use their proven track record to help reunite these bond proceeds with their rightful owners.

¹ MSRB, Municipal Securities: Financing the Nation's Infrastructure.

EXPANDING ACCESS AND AFFORDABILITY OF COLLEGE AND EDUCATION SAVINGS

Support 529 College Savings Plans

State Treasurers and 529 college savings plan administrators play a major role in helping families save for college and other education opportunities. With more than 15.91 million open accounts, over \$387 billion saved, and an average account over \$24,000, 529 plans are the most important education savings tool for families.² Research shows that children with a college savings account in their name are six to seven times more likely to attend a four-year college, compared with similar children with no dedicated account.³

Congressional support of 529 plans and efforts to enhance the 529 program has greatly benefited account holders saving for and paying for post-secondary education. However, the program would benefit from additional changes to address the current treatment of 529 savings accounts in the federal financial aid methodology, which the overwhelming majority of plan administrators cite as the top obstacle to American families opening accounts and utilizing 529 plans.



NAST CALLS ON CONGRESS TO

Exempt assets in 529 accounts held for the benefit of a student from being treated as parental assets in determining a family's expected contribution.

Include contributions to Section 529 qualified tuition programs to the list of deferrals or contributions that qualify for the Saver's Credit.

Encourage Saving for College at the Workplace – The workplace is often where Americans make decisions about saving. Tax code incentives that promote employer contributions into the retirement plans of employees have proven to be an effective method to increase retirement savings. Tax code incentives that similarly promote employer contributions to Section 529 Qualified Tuition Programs will be an effective method of encouraging continued education among employees.

Expand the use of a 529 account to recognized postsecondary credential programs under the Workforce Innovation and Opportunity Act. The programs included in this initiative provide the basis for developing competencies in many of the technical skills and jobs that employers find increasingly difficult to fill.

Exempt the value of all 529 plan distributions, including any from accounts held by grandparents or noncustodial parents, from being treated as income to the student on the following year's FAFSA when the distributions are used towards eligible expenses.

PROVIDING OPPORTUNITIES FOR INDIVIDUALS WITH DISABILITIES

Support Achieving a Better Life Experience (ABLE) Accounts

Achieving a Better Life Experience (ABLE) accounts allow individuals with disabilities and their families to establish tax-advantaged savings and investments. ABLE accounts ease financial strains by making withdrawals tax-free when used to cover qualified expenses, such as medical and dental care, education, housing, and transportation. Since the passage of the ABLE Act in December 2014, 46 states and DC have launched ABLE programs, more than 131,000 accounts have been opened and over \$1.13 billion has been saved in ABLE accounts.⁴

While Congress has already made several improvements to the ABLE Act, it would further benefit from additional enhancements. These additional changes would have minimal or insignificant cost to the federal government but would greatly benefit those with ABLE accounts.

NAST CALLS ON CONGRESS TO

Eliminate the Medicaid payback provision from § 529A.

Increase or eliminate the annual contribution limit.

Allow lump sum contributions (up to the maximum contribution amount) in certain circumstances.

Allow multiple accounts for the benefit of the same beneficiary.

Allow greater flexibility in ABLE accounts for beneficiaries with a spouse.

Make permanent the ABLE Financial Planning Act provision and the ABLE to Work Act provision of the Tax Cuts and Jobs Act.

Clarify that use of a checking account option in an ABLE account is not considered investment direction within the meaning of § 529A.

² According to CSPN data as of September 30, 2022

³ The Role of Savings and Wealth in Reducing 'Wilt' between Expectations and College Attendance. Subsequently published as: Elliott, W. and Beverly, S. (2011). The role of savings and wealth in reducing 'wilt' between expectations and college attendance. *Journal of Children & Poverty*, 17(2), 165-185. William Elliott III University of Pittsburgh, School of Social Work Sondra Beverly, Center for Social Development. 2010

⁴ According to ASPN data as of September 30, 2022

2023 NAST EXECUTIVE COMMITTEE

President

Josh Haeder
South Dakota State Treasurer

Senior Vice President

Michael Frerichs
Illinois State Treasurer

Secretary-Treasurer

Thomas Beadle
North Dakota State Treasurer

Past President

Deborah Goldberg
Massachusetts State Treasurer

Eastern Regional Vice President

Colleen Davis
Delaware State Treasurer

Midwestern Regional Vice President

Rachael Eubanks
Michigan State Treasurer

Southern Regional Vice President

David McRae
Mississippi State Treasurer

Western Regional Vice President

Fiona Ma
California State Treasurer

ASPN Representative

Stacy Garrity
Pennsylvania State Treasurer

CSPN Representative

Rachel Biar
Nebraska Assistant State Treasurer

NAUPA Representative

John Murante
Nebraska State Treasurer

SDMN Representative

Jason Richter
Deputy Treasurer, Washington

Legislative Committee Chair

Zach Conine
Nevada State Treasurer

Corporate Affiliate Advisory Board Chair

David Pollak
Reverence Capital Partners



ABLE Savings Plans Network (ASPN)

The ABL Savings Plans Network (ASPN) provide strategic leadership on advancing ABL accounts by monitoring federal legislative and regulatory actions that impact state ABL plans, developing strategies to improve ABL plans at the federal level, and analyzing program administration and best practices for those with an eligible disability who want to save and invest for a better life, achieve financial empowerment, and prepare for a more independent future.

ABLEtoday.org



College Savings Plans Network (CSPN)

Founded in 1991, the College Savings Plans Network (CSPN) is a leading objective source of information about Section 529 college savings plans and prepaid tuition plans—popular, convenient, and tax-advantaged ways to save for college. CSPN brings together state officials who administer 529 savings and prepaid plans from across the country, as well as their private-sector partners, to offer convenient tools and objective, unbiased information to help families make informed decisions about saving for higher education.

CollegeSavings.org



National Association of Unclaimed Property Administrators (NAUPA)

NAUPA is the foremost authority on unclaimed property and the affirmed leader of the coalition of states, administrators, and holders working together to reunite rightful owners with their property. The purpose of the association is to promote and strengthen unclaimed property administration and interstate cooperation in order to enhance states' return of unclaimed property to rightful owners and provide a forum for the open exchange of information and ideas.

Unclaimed.org



State Debt Management Network (SDMN)

The State Debt Management Network represents state officials involved in the issuance, management, and oversight of public debt. SDMN provides assistance, shares information, promotes professional relationships, and provides educational development opportunities to its members.

SDMN.org

Shaun Snyder

Executive Director, NAST
Shaun@StateTreasurers.org
202-744-6663

Dillon Gibbons

Director of Policy, NAST
Dillon@StateTreasurers.org
916-290-3741