

## **Review of PrePaid529 Surplus Funds**

Authorized by the Commission on July 6, 2021

In light of the Virginia529 Prepaid529 program's actuarially funded ratio of 157 percent and its surplus of \$1.1 billion, which is projected to be \$3.8 billion by the end of FY44, JLARC staff are directed to review the extent to which Prepaid529 surplus funds can be used to support higher education access and affordability in Virginia. The review shall include, but not be limited to:

- (1) whether the Prepaid529 program and the new Tuition Track Portfolio program should be combined for actuarial purposes;
- (2) the actuarial implications of using a portion of Prepaid529 surplus funds to support access and affordability, including an appropriate funded ratio to provide reasonable assurance that the Prepaid529 program and Tuition Track Portfolio will remain actuarially sound;
- (3) legal or statutory restrictions on the use of Prepaid529 surplus funds;
- (4) the amounts of net operating fee revenue historically allocated to the Prepaid529 program, and their subsequent investment earnings;
- (5) options for using additional Prepaid529 surplus funds to support higher education access and affordability in Virginia; and
- (6) other relevant topics identified during the course of the review.