

Testimony Regarding AB654  
Senate Education Committee  
February 9, 2000

Good morning Chairman Grobschmidt and members of the committee. My name is Marty Olle and I'm the program manager for the EDVEST WISCONSIN College Savings Program. Today, families of future college students should take great comfort, because AB654 will authorize a wider range of opportunities than ever before to meet future college costs.

The EDVEST program has just reached a financial milestone. Participants have now invested \$5 million that will result in future payments of \$9 million toward the costs of tuition and fees for over 1300 college students. But while this is a good start, the program needs to make significant changes to keep up with developments at the national level.

EDVEST began operations in July 1997. We were one of the early states to offer a college savings program and our legislation authorized a conservative, low risk investment consistent with the regulatory environment at that time. Shortly thereafter, key federal legislation and IRS rules clarified the tax benefits and operating parameters for "Qualified State Tuition Programs". States quickly responded by initiating flexible, full-range college savings programs covering tuition, room and board, books and other qualified educational expenses. They also ventured into the stock market to maximize potential yields for investors. Most of the newer programs have no residency

requirement and vendors have begun aggressively marketing other state programs in Wisconsin. Literally every day we lose potential participants to other states because of our program's restrictions and conservative approach. It's time for us to level the playing field and take advantage of all of the benefits and flexibility allowed under federal law.

AB654 will do just that for Wisconsin's program. It contains a number of provisions that will greatly improve the program. I support the bill as amended and encourage the committee to endorse it.

I'd like to share our concept of how the EDVEST program will incorporate the bill's changes. This as an expansion of the EDVEST WISCONSIN College Savings Program, not the creation of a new, separate program. From an operational standpoint, the program would offer additional investment options to participants through services provided by a vendor under contract with and coordinated with the program. For example, there would be a single toll-free number to call and one set of program materials available describing all services offered through the EDVEST program. These items would be jointly developed between EDVEST and the vendor. Marketing will be a joint venture between EDVEST and the vendor. A single program will be marketed, offering both fixed and variable investment options. Both the Treasurer's office and the vendor will market the program, but it will be coordinated, with a similar theme and message.

On the tax front, I'd like to point out that through a technicality, EDVEST participant families are NOT eligible for the recently created tax deduction for college expenses.

This bill makes up for it by allowing limited contributions to an EDVEST account to be deducted at the time of investment. It's a fair tradeoff in my opinion.

Thank you for this opportunity to comment on the bill. I sincerely appreciate all of the work completed to date in preparing it and I believe the EDVEST program will be significantly enhanced through this effort. The families of Wisconsin thank you too. I can try to answer any questions you may have at this time.

# Vote Record

## Senate Committee on Education

Date: 2-9-00  
 Moved by: Roessler      Seconded by: Darling  
 AB: 654      Clearinghouse Rule: \_\_\_\_\_  
 AB: \_\_\_\_\_      Appointment: \_\_\_\_\_  
 AJR: \_\_\_\_\_      Other: \_\_\_\_\_  
 A: \_\_\_\_\_      SR: \_\_\_\_\_

A/S Amdt: \_\_\_\_\_  
 A/S Amdt: \_\_\_\_\_ to A/S Amdt: \_\_\_\_\_  
 A/S Sub Amdt: \_\_\_\_\_  
 A/S Amdt: \_\_\_\_\_ to A/S Sub Amdt: \_\_\_\_\_  
 A/S Amdt: \_\_\_\_\_ to A/S Amdt: \_\_\_\_\_ to A/S Sub Amdt: \_\_\_\_\_

Be recommended for:

- Passage
- Introduction
- Adoption
- Rejection

- Indefinite Postponement
- Tabling
- Concurrence *as amend.*
- Nonconcurrency
- Confirmation

<u>Committee Member</u>	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
Sen. Richard Grobschmidt, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Robert Jauch	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Kevin Shibilski	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Jim Baumgart	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Judy Robson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Jon Erpenbach	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Alberta Darling	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Carol Roessler	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Joanne Huelsman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Mary Lazich	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Margaret Farrow	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Totals: \_\_\_\_\_