

WISCONSIN STATE
LEGISLATURE
COMMITTEE HEARING
RECORDS

2003-04

(session year)

Assembly

(Assembly, Senate or Joint)

Committee on
Colleges and
Universities
(AC-CU)

(Form Updated: 11/20/2008)

COMMITTEE NOTICES ...

➤ Committee Reports ... CR
**

➤ Executive Sessions ... ES
**

➤ Public Hearings ... PH
**

➤ Record of Comm. Proceedings ... RCP
**

**INFORMATION COLLECTED BY COMMITTEE
FOR AND AGAINST PROPOSAL ...**

➤ Appointments ... Appt
**

Name:

➤ Clearinghouse Rules ... CRule
**

➤ Hearing Records ... HR (bills and resolutions)
** **03hr_ab0667_AC-CU_pt01**

➤ Miscellaneous ... Misc
**



EDVEST
COLLEGE SAVINGS PROGRAM

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State Treasurer of Wisconsin

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FOR IMMEDIATE RELEASE

EdVest College Savings Program Growth Surges in December

MADISON, January 9, 2004—State Treasurer Jack Voight reported today that the EdVest College Savings Program experienced robust growth in December. “The \$69.2 million increase in assets under management is the second-largest monthly increase in the history of the program” Voight said, “and it’s largely due to several new investment options launched December 15 as well as the traditional year-end activity from participants locking in their EdVest state tax deduction.” The deduction deadline for 2003 was December 31.

After struggling through a few difficult months with the national investigations into mutual fund trading practices, the program closed the year with \$1.1 billion in assets and over 175,000 accounts nationwide. New investment options from The Vanguard Group, Robert W. Baird & Co. and Legg Mason generated over \$46 million of the \$69 million total growth in December and represented most of the new accounts in December. Voight says he is pleased that program participants have been careful about making changes to their accounts during this time. “While the portion of the program representing investments in Strong saw a net decrease of nearly 600 accounts over the last quarter, that is less than 1% of account owners, and there was a net increase of over \$15 million in assets with Strong over the same period.”

Voight praises the joint efforts of Governor Doyle, the Department of Administration Secretary’s Office, Strong Capital Management, the College Savings Program Board, independent financial advisors and the EdVest staff in achieving such success last month. “It was an extraordinary effort to launch these program improvements in such a short period of time. I’m really proud of this group for the accomplishment, and I’m glad we can offer a better program to the public.”

About EdVest

EdVest is a state-sponsored Section 529 college savings program administered by the Wisconsin Office of the State Treasurer. The program features state and federal tax-free qualified withdrawals,¹ a state tax deduction of up to \$3,000 per dependent or grandchild per year on contributions; and no impact on state financial aid eligibility. EdVest is managed by Strong Capital Management, Inc.

Investing in EdVest is an easy process that begins with either a visit to the EdVest web site at www.EdVest.com or a toll-free phone call to the program’s college planning specialists at 1-888-EdVest-WI (1-888-338-3789). Representatives are available 24 hours a day, 7 days a week. Families can also contact their financial advisors for more information about the program.



TUESDAY

JANUARY 13, 2004 ★

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www.postcrescent.com

THE POST-CRESCENT

Region & State

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Options revive EdVest investment

Fund grows by \$69 million despite Strong scandal

By Ben Jones
P-C Madison bureau chief

MADISON — Despite allegations of improper trading at Strong Capital Management Inc. of Menomonee Falls, investments in the EdVest College Savings Program grew rapidly in December, ac-

cording to state Treasurer Jack Voight.

"I'm thrilled," Voight said Monday. "Additional options and consumer confidence in the program made the difference."

Voight said assets in the fund grew by \$69.2 million in December, the second-largest increase in the

fund's history. The fund, started in 1997, is managed by Strong. Allegations about improper trading practices at the management firm surfaced last year.

EdVest closed the year with \$1.1 billion in assets. Voight said several new investment options launched

AT A GLANCE

Edvest College Savings Program

- Started: 1997
- Assets: \$1.1 billion
- Accounts: 175,000 nationwide

Dec. 15 helped boost investments and many participants wanted to lock in a tax deduction before the end of the year.

"We had a number of safeguards in place for the investors, in addition to providing more investment options," Voight said.

Investments from new options, including The Vanguard Group, Robert W. Baird & Co. and Legg Mason generated more than \$46 million of the \$69 million total growth in December, Voight said, and represented most of the new monthly accounts.

He said the number of

investments with Strong funds decreased by nearly 600 accounts in the last quarter, but there was a net increase of more than \$15 million in Strong investments in the same period.

Strong spokesman Drew Wineland said that per Strong policy, he can't comment on the fund flows or monthly investment figures.

Ben Jones can be reached at 608-255-9256 or by e-mail at bjones@postcrescent.com.



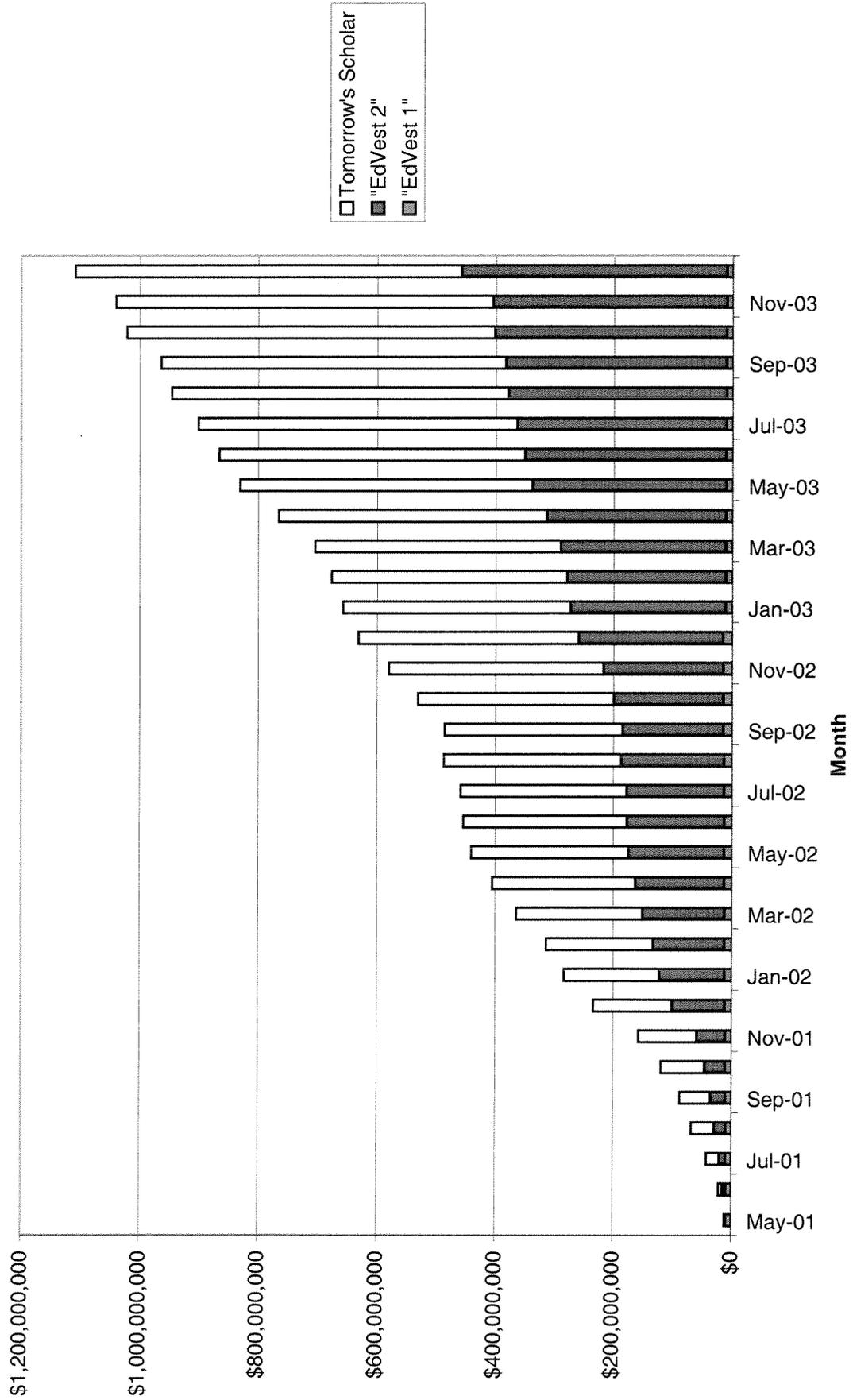
EdVest Accounts and Assets for September - December, 2003

	<u>September 2003</u>		<u>October 2003</u>		<u>November 2003</u>		<u>December 2003</u>		<u>Net Change</u>	
	<u>Accounts</u>	<u>Assets</u>	<u>Accounts</u>	<u>Assets</u>	<u>Accounts</u>	<u>Assets</u>	<u>Accounts</u>	<u>Assets</u>	<u>Accounts</u>	<u>Assets</u>
EdVest by Portfolio										
Aggressive	10,483	50,675,101	10,571	51,595,825	10,601	52,589,813	10,574	54,486,313	91	3,811,212
Moderate	9,835	60,354,346	9,935	61,107,671	9,857	61,002,805	9,562	60,001,272	-273	-353,074
Balanced	7,689	47,256,809	7,761	47,971,649	7,653	47,128,148	7,332	45,925,381	-357	-1,331,428
Bond	4,113	22,417,664	4,022	21,969,766	3,950	21,787,697	3,589	20,667,678	-524	-1,749,986
Stable Value	4,181	21,797,621	4,206	22,030,203	4,283	22,651,339	4,840	26,422,082	659	4,624,461
Age-Based	35,325	156,440,555	35,689	159,082,235	35,674	160,953,028	35,157	165,468,631	-168	9,028,076
Vanguard Index (1)	4,573	27,209,568	4,625	28,093,557	4,646	28,789,636	8,223	46,627,866	3,650	19,418,298
Legg Mason Aggressive							2,208	7,440,504	2,208	7,440,504
Vanguard Balanced							3,921	20,047,222	3,921	20,047,222
Baird Bond							331	1,319,190	331	1,319,190
Total EdVest	76,199	386,151,664	76,809	391,850,906	76,664	394,902,466	85,737	448,406,139	9,538	62,254,475

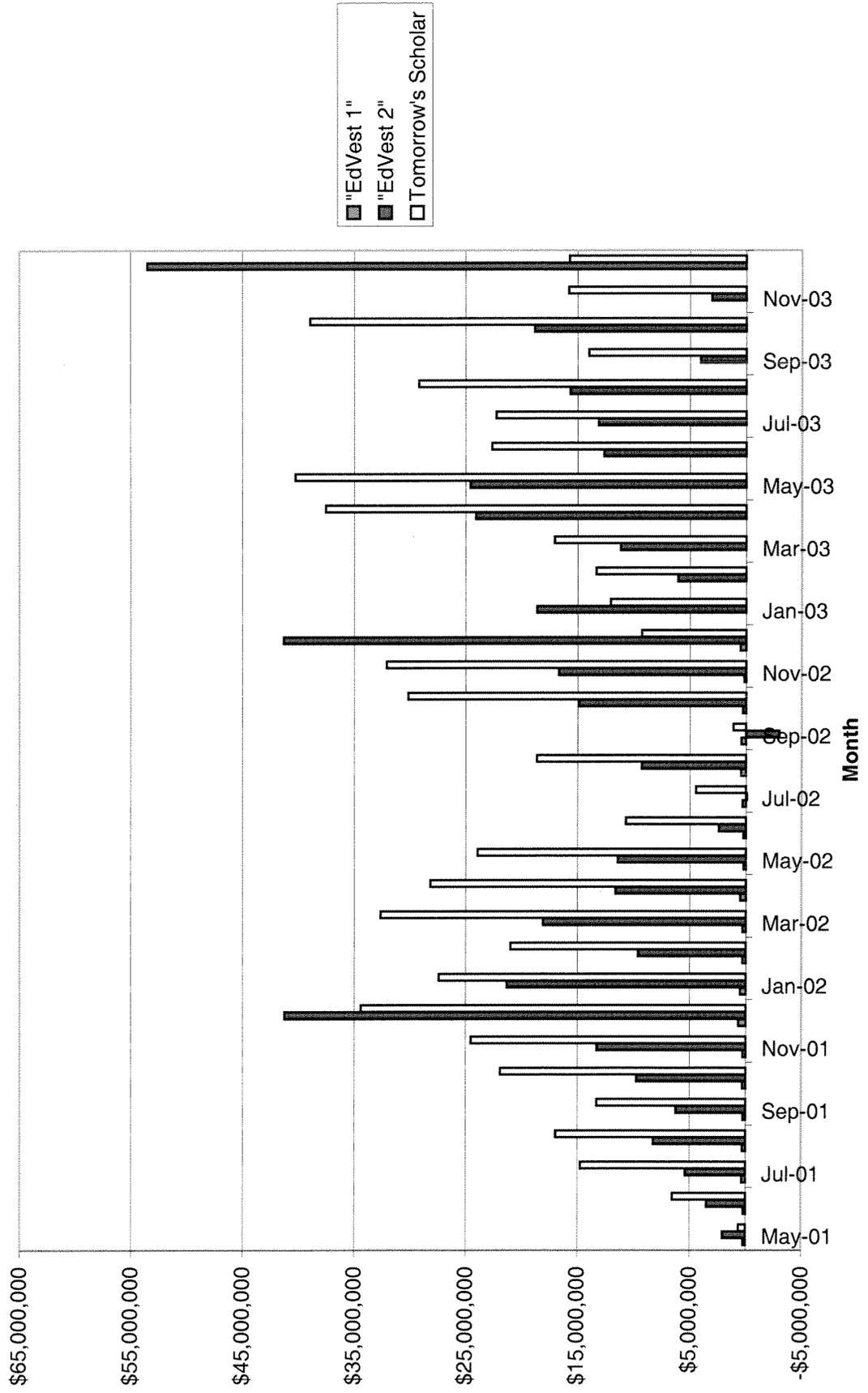
	<u>September 2003</u>		<u>October 2003</u>		<u>November 2003</u>		<u>December 2003</u>		<u>Net Change</u>	
	<u>Accounts</u>	<u>Assets</u>	<u>Accounts</u>	<u>Assets</u>	<u>Accounts</u>	<u>Assets</u>	<u>Accounts</u>	<u>Assets</u>	<u>Accounts</u>	<u>Assets</u>
Tomorrow's Scholar by Portfolio										
Aggressive	11,925	91,274,280	12,124	91,375,238	12,265	94,120,917	12,268	96,525,811	343	5,251,531
Balanced	5,682	49,053,252	5,788	49,007,365	5,838	50,081,872	5,871	51,103,065	189	2,049,813
Conservative	2,303	27,767,017	2,297	27,274,528	2,291	27,226,978	2,247	26,872,530	-56	-894,487
Age-Based	67,640	451,495,122	68,711	452,037,297	69,272	464,034,368	69,224	476,662,935	1,584	25,167,813
Total Tomorrow's Scholar	87,550	619,589,671	88,920	619,694,428	89,666	635,464,135	89,610	651,164,341	2,060	31,574,670
Total Program	163,749	1,005,741,335	165,729	1,011,545,334	166,330	1,030,366,601	175,347	1,099,570,480	11,598	93,829,145

(1) Strong Index Portfolio converted to Vanguard Index Fund 12/15/03

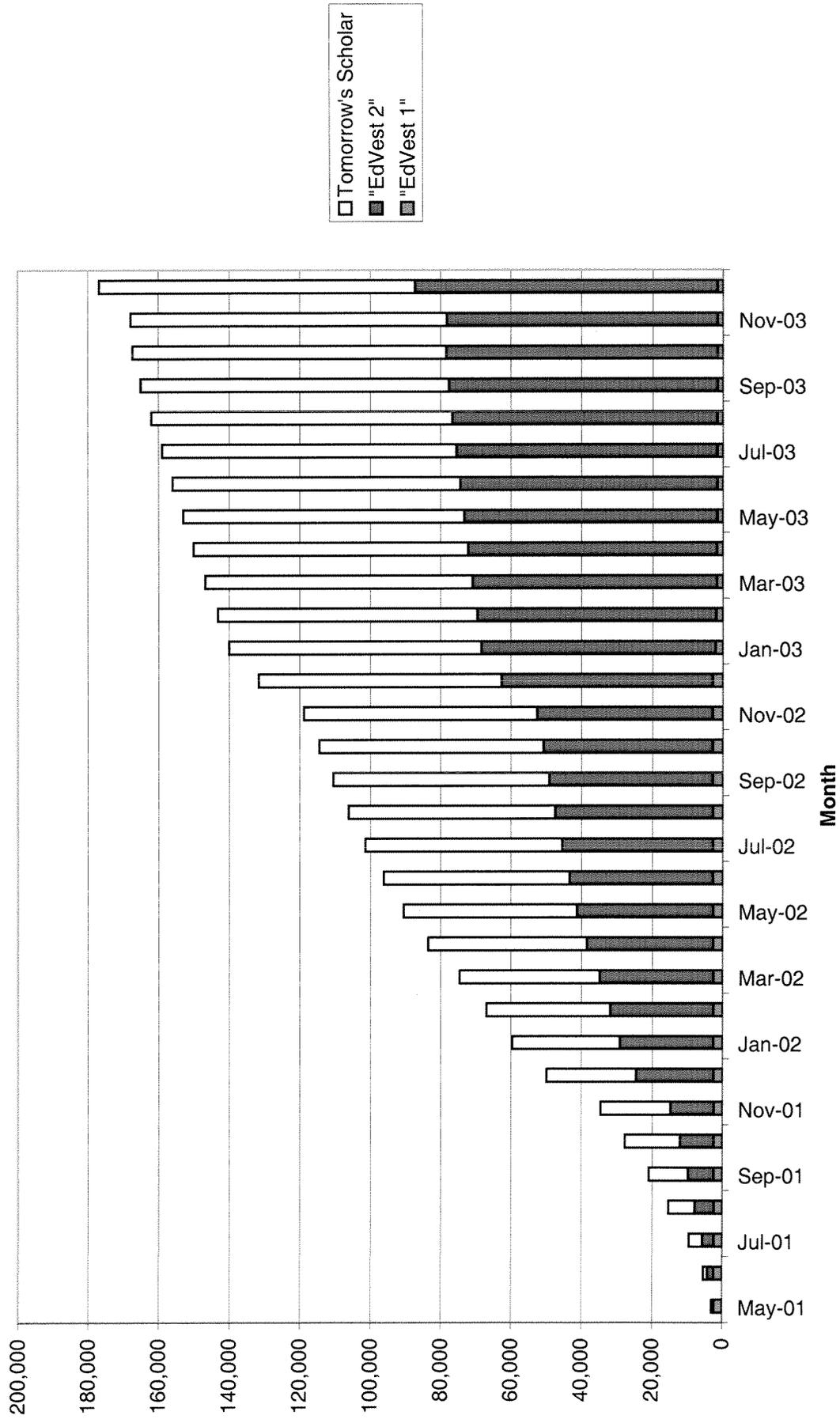
EdVest College Savings Program -- Cumulative Total Assets



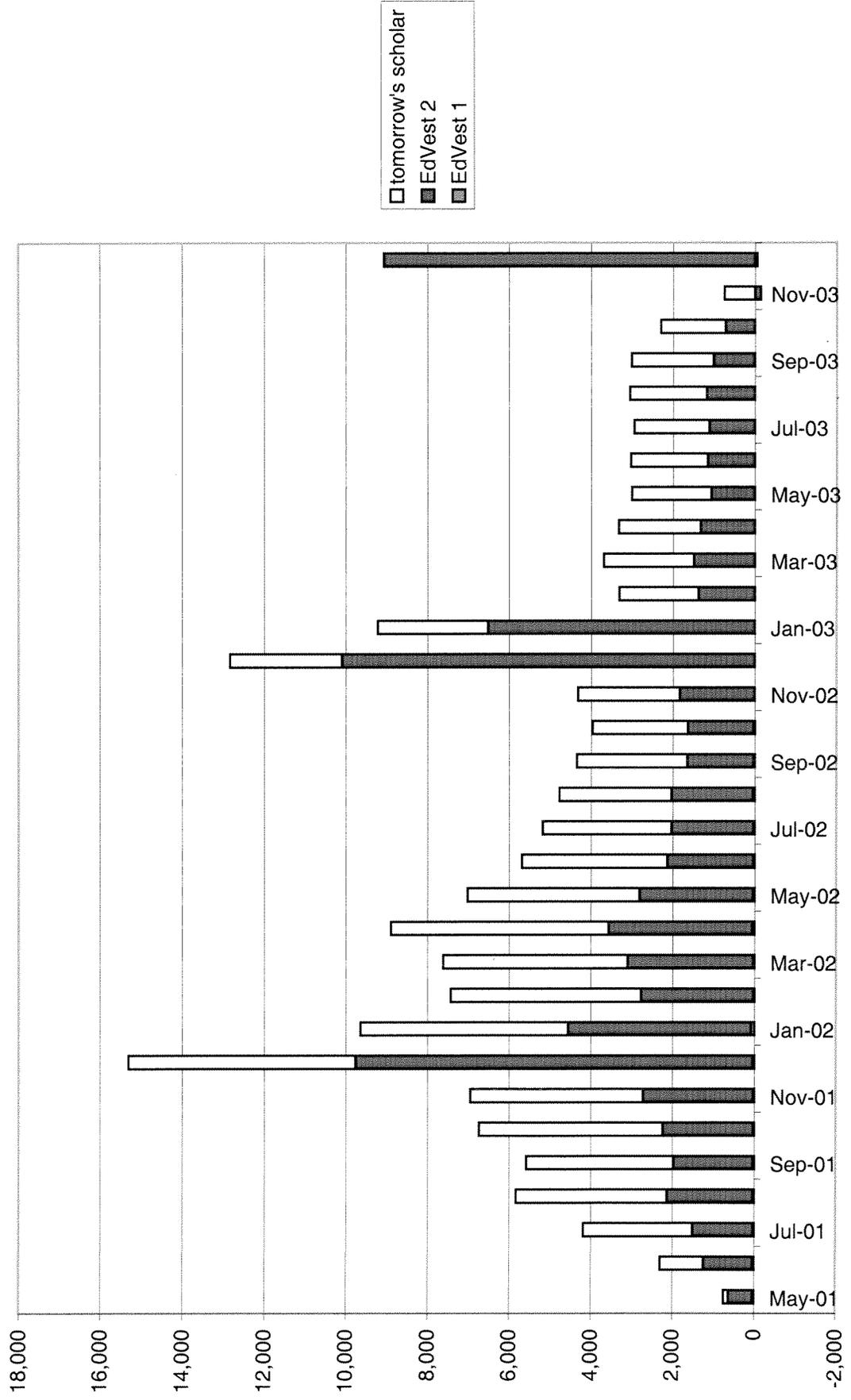
EdVest College Savings Program -- Monthly Increase in Program Assets

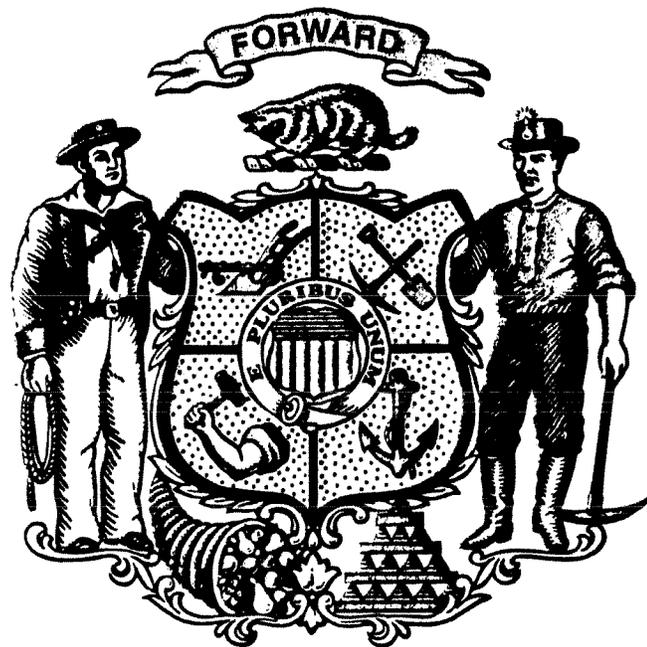


EdVest College Savings Program -- Cumulative Number of Accounts



EdVest College Savings Program -- Total Monthly New Accounts





JANUARY 12, 2004

COLLEGE PLANNING CALCULATIONS

PREPARED FOR: WHAT'S IT GONNA COST?

CHILD INFORMATION

Child's Name: I'M COLL BND Age Now: 0 Age at Enrollment: 18 Years Until Enrollment: 18

CHOICE OF COLLEGE

UNIVERSITY OF WISCONSIN - MADISON

Calculations based on today's annual cost of \$11,886.

PROJECTED COST AND INVESTMENT REQUIRED TODAY

Years in College	Projected College Cost Assuming 5.00% Annual Inflation	----- Investment Required Today -----	
		at 4.000% Compounded Annually	at 9.000% Compounded Annually
2022	28,605	14,120	6,064
2023	30,035	14,256	5,841
2024	31,536	14,393	5,627
2025	33,113	14,531	5,421
	<u>\$123,289</u>	<u>\$57,300</u>	<u>\$22,953</u>
Current College Savings:		<u>\$0</u>	<u>\$0</u>
Lump Sum less Current Savings:		\$57,300	\$22,953
Yearly Savings Required:		\$4,526	\$2,622
Monthly Savings Required:		\$377	\$219

Except for the Zero-Coupon Treasuries that may be shown, this illustration IS NOT representative of the results from any investment made today. It is being supplied in response to your specific request and is for your use only. Years until enrollment, today's cost, inflation, rate(s) of return, and current savings were selected by you for your own purpose. The illustration has not been adjusted for any commissions, fees or expenses which may be associated with investing.

JANUARY 12, 2004

COLLEGE PLANNING CALCULATIONS

PREPARED FOR: WHAT'S IT GONNA COST?

CHILD INFORMATION

Child's Name: I'M COLL BND Age Now: 0 Age at Enrollment: 18 Years Until Enrollment: 18

CHOICE OF COLLEGE

LAWRENCE UNIVERSITY
APPLETON, WI

Type	College Year	Tuition & Fees	Room & Board	Total College Cost
4-Year	2002	\$22,728	\$4,983	\$27,711

Calculations based on most recent updated annual cost of \$27,711.

Data Source: Peterson's Undergraduate Database, copyright 2002. Peterson's, a division of Thomson Learning, Inc. All rights reserved.

PROJECTED COST AND INVESTMENT REQUIRED TODAY

Years in College	Projected College Cost Assuming 5.00% Annual Inflation	----- Investment Required Today -----	
		at 4.000% Compounded Annually	at 9.000% Compounded Annually
2022	70,022	34,565	14,844
2023	73,523	34,897	14,299
2024	77,198	35,232	13,775
2025	81,059	35,571	13,269
	<u>\$301,802</u>	<u>\$140,265</u>	<u>\$56,187</u>
Current College Savings:		<u>\$0</u>	<u>\$0</u>
Lump Sum less Current Savings:		\$140,265	\$56,187
Yearly Savings Required:		\$11,080	\$6,417
Monthly Savings Required:		\$923	\$535

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JANUARY 12, 2004

COLLEGE PLANNING CALCULATIONS

PREPARED FOR: WHAT'S IT GONNA COST?

CHILD INFORMATION

Child's Name: I'M COLL BND Age Now: 1 Age at Enrollment: 18 Years Until Enrollment: 17

CHOICE OF COLLEGE

UNIVERSITY OF WISCONSIN - MADISON

Calculations based on today's annual cost of \$11,886.

PROJECTED COST AND INVESTMENT REQUIRED TODAY

Years in College	Projected College Cost Assuming 5.00% Annual Inflation	----- Investment Required Today -----	
		at 4.000% Compounded Annually	at 9.000% Compounded Annually
2021	27,243	13,986	6,295
2022	28,605	14,120	6,064
2023	30,035	14,256	5,841
2024	31,536	14,393	5,627
	<u>\$117,419</u>	<u>\$56,755</u>	<u>\$23,827</u>
Current College Savings:		<u>\$0</u>	<u>\$0</u>
Lump Sum less Current Savings:		\$56,755	\$23,827
Yearly Savings Required:		\$4,665	\$2,789
Monthly Savings Required:		\$389	\$232

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JANUARY 12, 2004

COLLEGE PLANNING CALCULATIONS

PREPARED FOR: WHAT'S IT GONNA COST?

CHILD INFORMATION

Child's Name: I'M COLL BND Age Now: 1 Age at Enrollment: 18 Years Until Enrollment: 17

CHOICE OF COLLEGE

LAWRENCE UNIVERSITY
APPLETON, WI

Type	College Year	Tuition & Fees	Room & Board	Total College Cost
4-Year	2002	\$22,728	\$4,983	\$27,711

Calculations based on most recent updated annual cost of \$27,711.

Data Source: Peterson's Undergraduate Database, copyright 2002. Peterson's, a division of Thomson Learning, Inc. All rights reserved.

PROJECTED COST AND INVESTMENT REQUIRED TODAY

Years in College	Projected College Cost Assuming 5.00% Annual Inflation	----- Investment Required Today -----	
		at 4.000% Compounded Annually	at 9.000% Compounded Annually
2021	66,688	34,236	15,410
2022	70,022	34,565	14,844
2023	73,523	34,897	14,299
2024	77,198	35,232	13,775
	<u>\$287,431</u>	<u>\$138,930</u>	<u>\$58,328</u>
Current College Savings:		<u>\$0</u>	<u>\$0</u>
Lump Sum less Current Savings:		\$138,930	\$58,328
Yearly Savings Required:		\$11,420	\$6,827
Monthly Savings Required:		\$952	\$569

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JANUARY 12, 2004

COLLEGE PLANNING CALCULATIONS

PREPARED FOR: WHAT'S IT GONNA COST?

CHILD INFORMATION

Child's Name: I'M COLL BND Age Now: 2 Age at Enrollment: 18 Years Until Enrollment: 16

CHOICE OF COLLEGE

UNIVERSITY OF WISCONSIN - MADISON

Calculations based on today's annual cost of \$11,886.

PROJECTED COST AND INVESTMENT REQUIRED TODAY

Years in College	Projected College Cost Assuming 5.00% Annual Inflation	----- Investment Required Today -----	
		at 4.000% Compounded Annually	at 9.000% Compounded Annually
2020	25,945	13,852	6,535
2021	27,243	13,986	6,295
2022	28,605	14,120	6,064
2023	30,035	14,256	5,841
	<u>\$111,828</u>	<u>\$56,214</u>	<u>\$24,735</u>
Current College Savings:		<u>\$0</u>	<u>\$0</u>
Lump Sum less Current Savings:		\$56,214	\$24,735
Yearly Savings Required:		\$4,824	\$2,976
Monthly Savings Required:		\$402	\$248

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JANUARY 12, 2004

COLLEGE PLANNING CALCULATIONS

PREPARED FOR: WHAT'S IT GONNA COST?

CHILD INFORMATION

Child's Name: I'M COLL BND Age Now: 2 Age at Enrollment: 18 Years Until Enrollment: 16

CHOICE OF COLLEGE

LAWRENCE UNIVERSITY
APPLETON, WI

Type	College Year	Tuition & Fees	Room & Board	Total College Cost
4-Year	2002	\$22,728	\$4,983	\$27,711

Calculations based on most recent updated annual cost of \$27,711.

Data Source: Peterson's Undergraduate Database, copyright 2002. Peterson's, a division of Thomson Learning, Inc. All rights reserved.

PROJECTED COST AND INVESTMENT REQUIRED TODAY

Years in College	Projected College Cost Assuming 5.00% Annual Inflation	----- Investment Required Today -----	
		at 4.000% Compounded Annually	at 9.000% Compounded Annually
2020	63,511	33,909	15,997
2021	66,688	34,236	15,410
2022	70,022	34,565	14,844
2023	73,523	34,897	14,299
	<u>\$273,744</u>	<u>\$137,607</u>	<u>\$60,550</u>
Current College Savings:		<u>\$0</u>	<u>\$0</u>
Lump Sum less Current Savings:		\$137,607	\$60,550
Yearly Savings Required:		\$11,809	\$7,284
Monthly Savings Required:		\$984	\$607

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JANUARY 12, 2004

COLLEGE PLANNING CALCULATIONS

PREPARED FOR: WHAT'S IT GONNA COST?

CHILD INFORMATION

Child's Name: I'M COLL BND Age Now: 3 Age at Enrollment: 18 Years Until Enrollment: 15

CHOICE OF COLLEGE

UNIVERSITY OF WISCONSIN - MADISON

Calculations based on today's annual cost of \$11,886.

PROJECTED COST AND INVESTMENT REQUIRED TODAY

Years in College	Projected College Cost Assuming 5.00% Annual Inflation	----- Investment Required Today -----	
		at 4.000% Compounded Annually	at 9.000% Compounded Annually
2019	24,710	13,721	6,784
2020	25,945	13,852	6,535
2021	27,243	13,986	6,295
2022	28,605	14,120	6,064
	<u>\$106,503</u>	<u>\$55,679</u>	<u>\$25,678</u>
Current College Savings:		<u>\$0</u>	<u>\$0</u>
Lump Sum less Current Savings:		\$55,679	\$25,678
Yearly Savings Required:		\$5,008	\$3,186
Monthly Savings Required:		\$417	\$266

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JANUARY 12, 2004

COLLEGE PLANNING CALCULATIONS

PREPARED FOR: WHAT'S IT GONNA COST?

CHILD INFORMATION

Child's Name: I'M COLL BND Age Now: 3 Age at Enrollment: 18 Years Until Enrollment: 15

CHOICE OF COLLEGE

LAWRENCE UNIVERSITY
APPLETON, WI

Type	College Year	Tuition & Fees	Room & Board	Total College Cost
4-Year	2002	\$22,728	\$4,983	\$27,711

Calculations based on most recent updated annual cost of \$27,711.

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PROJECTED COST AND INVESTMENT REQUIRED TODAY

Years in College	Projected College Cost Assuming 5.00% Annual Inflation	----- Investment Required Today -----	
		at 4.000% Compounded Annually	at 9.000% Compounded Annually
2019	60,488	33,587	16,606
2020	63,511	33,909	15,997
2021	66,688	34,236	15,410
2022	70,022	34,565	14,844
	\$260,709	\$136,297	\$62,857
Current College Savings:		\$0	\$0
Lump Sum less Current Savings:		\$136,297	\$62,857
Yearly Savings Required:		\$12,259	\$7,798
Monthly Savings Required:		\$1,022	\$650

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JANUARY 12, 2004

COLLEGE PLANNING CALCULATIONS

PREPARED FOR: WHAT'S IT GONNA COST?

CHILD INFORMATION

Child's Name: I'M COLL BND Age Now: 4 Age at Enrollment: 18 Years Until Enrollment: 14

CHOICE OF COLLEGE

UNIVERSITY OF WISCONSIN - MADISON

Calculations based on today's annual cost of \$11,886.

PROJECTED COST AND INVESTMENT REQUIRED TODAY

Years in College	Projected College Cost Assuming 5.00% Annual Inflation	----- Investment Required Today -----	
		at 4.000% Compounded Annually	at 9.000% Compounded Annually
2018	23,533	13,590	7,042
2019	24,710	13,721	6,784
2020	25,945	13,852	6,535
2021	27,243	13,986	6,295
	<u>\$101,431</u>	<u>\$55,149</u>	<u>\$26,656</u>
Current College Savings:		<u>\$0</u>	<u>\$0</u>
Lump Sum less Current Savings:		\$55,149	\$26,656
Yearly Savings Required:		\$5,221	\$3,424
Monthly Savings Required:		\$435	\$285

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JANUARY 12, 2004

COLLEGE PLANNING CALCULATIONS

PREPARED FOR: WHAT'S IT GONNA COST?

CHILD INFORMATION

Child's Name: I'M COLL BND Age Now: 4 Age at Enrollment: 18 Years Until Enrollment: 14

CHOICE OF COLLEGE

LAWRENCE UNIVERSITY
APPLETON, WI

Type	College Year	Tuition & Fees	Room & Board	Total College Cost
4-Year	2002	\$22,728	\$4,983	\$27,711

Calculations based on most recent updated annual cost of \$27,711.

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PROJECTED COST AND INVESTMENT REQUIRED TODAY

Years in College	Projected College Cost Assuming 5.00% Annual Inflation	----- Investment Required Today -----	
		at 4.000% Compounded Annually	at 9.000% Compounded Annually
2018	57,607	33,267	17,239
2019	60,488	33,587	16,606
2020	63,511	33,909	15,997
2021	66,688	34,236	15,410
	<u>\$248,294</u>	<u>\$134,999</u>	<u>\$65,252</u>
Current College Savings:		<u>\$0</u>	<u>\$0</u>
Lump Sum less Current Savings:		\$134,999	\$65,252
Yearly Savings Required:		\$12,780	\$8,381
Monthly Savings Required:		\$1,065	\$698

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JANUARY 12, 2004

COLLEGE PLANNING CALCULATIONS

PREPARED FOR: WHAT'S IT GONNA COST?

CHILD INFORMATION

Child's Name: I'M COLL BND Age Now: 5 Age at Enrollment: 18 Years Until Enrollment: 13

CHOICE OF COLLEGE

UNIVERSITY OF WISCONSIN - MADISON

Calculations based on today's annual cost of \$11,886.

PROJECTED COST AND INVESTMENT REQUIRED TODAY

Years in College	Projected College Cost Assuming 5.00% Annual Inflation	----- Investment Required Today -----	
		at 4.000% Compounded Annually	at 9.000% Compounded Annually
2017	22,412	13,460	7,310
2018	23,533	13,590	7,042
2019	24,710	13,721	6,784
2020	25,945	13,852	6,535
	<u>\$96,600</u>	<u>\$54,623</u>	<u>\$27,671</u>
Current College Savings:		<u>\$0</u>	<u>\$0</u>
Lump Sum less Current Savings:		\$54,623	\$27,671
Yearly Savings Required:		\$5,470	\$3,696
Monthly Savings Required:		\$456	\$308

Except for the Zero-Coupon Treasuries that may be shown, this illustration IS NOT representative of the results from any investment made today. It is being supplied in response to your specific request and is for your use only. Years until enrollment, today's cost, inflation, rate(s) of return, and current savings were selected by you for your own purpose. The illustration has not been adjusted for any commissions, fees or expenses which may be associated with investing.

JANUARY 12, 2004

COLLEGE PLANNING CALCULATIONS

PREPARED FOR: WHAT'S IT GONNA COST?

CHILD INFORMATION

Child's Name: I'M COLL BND Age Now: 5 Age at Enrollment: 18 Years Until Enrollment: 13

CHOICE OF COLLEGE

LAWRENCE UNIVERSITY
APPLETON, WI

Type	College Year	Tuition & Fees	Room & Board	Total College Cost
4-Year	2002	\$22,728	\$4,983	\$27,711

Calculations based on most recent updated annual cost of \$27,711.

Data Source: Peterson's Undergraduate Database, copyright 2002. Peterson's, a division of Thomson Learning, Inc. All rights reserved.

PROJECTED COST AND INVESTMENT REQUIRED TODAY

Years in College	Projected College Cost Assuming 5.00% Annual Inflation	----- Investment Required Today -----	
		at 4.000% Compounded Annually	at 9.000% Compounded Annually
2017	54,863	32,949	17,895
2018	57,607	33,267	17,239
2019	60,488	33,587	16,606
2020	63,511	33,909	15,997
	<u>\$236,469</u>	<u>\$133,712</u>	<u>\$67,737</u>
Current College Savings:		<u>\$0</u>	<u>\$0</u>
Lump Sum less Current Savings:		\$133,712	\$67,737
Yearly Savings Required:		\$13,390	\$9,047
Monthly Savings Required:		\$1,116	\$754

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JANUARY 12, 2004

COLLEGE PLANNING CALCULATIONS

PREPARED FOR: WHAT'S IT GONNA COST?

CHILD INFORMATION

Child's Name: I'M COLL BND Age Now: 6 Age at Enrollment: 18 Years Until Enrollment: 12

CHOICE OF COLLEGE

UNIVERSITY OF WISCONSIN - MADISON

Calculations based on today's annual cost of \$11,886.

PROJECTED COST AND INVESTMENT REQUIRED TODAY

Years in College	Projected College Cost Assuming 5.00% Annual Inflation	----- Investment Required Today -----	
		at 4.000% Compounded Annually	at 9.000% Compounded Annually
2016	21,345	13,332	7,589
2017	22,412	13,460	7,310
2018	23,533	13,590	7,042
2019	24,710	13,721	6,784
	<u>\$92,000</u>	<u>\$54,103</u>	<u>\$28,725</u>
Current College Savings:		<u>\$0</u>	<u>\$0</u>
Lump Sum less Current Savings:		\$54,103	\$28,725
Yearly Savings Required:		\$5,765	\$4,011
Monthly Savings Required:		\$480	\$334

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JANUARY 12, 2004

COLLEGE PLANNING CALCULATIONS

PREPARED FOR: WHAT'S IT GONNA COST?

CHILD INFORMATION

Child's Name: I'M COLL BND Age Now: 6 Age at Enrollment: 18 Years Until Enrollment: 12

CHOICE OF COLLEGE

LAWRENCE UNIVERSITY
APPLETON, WI

Type	College Year	Tuition & Fees	Room & Board	Total College Cost
4-Year	2002	\$22,728	\$4,983	\$27,711

Calculations based on most recent updated annual cost of \$27,711.

Data Source: Peterson's Undergraduate Database, copyright 2002. Peterson's, a division of Thomson Learning, Inc. All rights reserved.

PROJECTED COST AND INVESTMENT REQUIRED TODAY

Years in College	Projected College Cost Assuming 5.00% Annual Inflation	Investment Required Today	
		at 4.000% Compounded Annually	at 9.000% Compounded Annually
2016	52,251	32,636	18,577
2017	54,863	32,949	17,895
2018	57,607	33,267	17,239
2019	60,488	33,587	16,606
	<u>\$225,209</u>	<u>\$132,439</u>	<u>\$70,317</u>
Current College Savings:		<u>\$0</u>	<u>\$0</u>
Lump Sum less Current Savings:		\$132,439	\$70,317
Yearly Savings Required:		\$14,112	\$9,820
Monthly Savings Required:		\$1,176	\$818

Except for the Zero-Coupon Treasuries that may be shown, this illustration IS NOT representative of the results from any investment made today. It is being supplied in response to your specific request and is for your use only. Years until enrollment, today's cost, inflation, rate(s) of return, and current savings were selected by you for your own purpose. The illustration has not been adjusted for any commissions, fees or expenses which may be associated with investing.

JANUARY 12, 2004

COLLEGE PLANNING CALCULATIONS

PREPARED FOR: WHAT'S IT GONNA COST?

CHILD INFORMATION

Child's Name: I'M COLL BND Age Now: 7 Age at Enrollment: 18 Years Until Enrollment: 11

CHOICE OF COLLEGE

UNIVERSITY OF WISCONSIN - MADISON

Calculations based on today's annual cost of \$11,886.

PROJECTED COST AND INVESTMENT REQUIRED TODAY

Years in College	Projected College Cost Assuming 5.00% Annual Inflation	----- Investment Required Today -----	
		at 4.000% Compounded Annually	at 9.000% Compounded Annually
2015	20,329	13,205	7,878
2016	21,345	13,332	7,589
2017	22,412	13,460	7,310
2018	23,533	13,590	7,042
	<u>\$87,619</u>	<u>\$53,587</u>	<u>\$29,819</u>
Current College Savings:		<u>\$0</u>	<u>\$0</u>
Lump Sum less Current Savings:		\$53,587	\$29,819
Yearly Savings Required:		\$6,117	\$4,382
Monthly Savings Required:		\$510	\$365

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JANUARY 12, 2004

COLLEGE PLANNING CALCULATIONS

PREPARED FOR: WHAT'S IT GONNA COST?

CHILD INFORMATION

Child's Name: I'M COLL BND Age Now: 7 Age at Enrollment: 18 Years Until Enrollment: 11

CHOICE OF COLLEGE

LAWRENCE UNIVERSITY
APPLETON, WI

Type	College Year	Tuition & Fees	Room & Board	Total College Cost
4-Year	2002	\$22,728	\$4,983	\$27,711

Calculations based on most recent updated annual cost of \$27,711.

Data Source: Peterson's Undergraduate Database, copyright 2002. Peterson's, a division of Thomson Learning, Inc. All rights reserved.

PROJECTED COST AND INVESTMENT REQUIRED TODAY

Years in College	Projected College Cost Assuming 5.00% Annual Inflation	----- Investment Required Today -----	
		at 4.000% Compounded Annually	at 9.000% Compounded Annually
2015	49,763	32,325	19,285
2016	52,251	32,636	18,577
2017	54,863	32,949	17,895
2018	57,607	33,267	17,239
	<u>\$214,484</u>	<u>\$131,177</u>	<u>\$72,996</u>
Current College Savings:		<u>\$0</u>	<u>\$0</u>
Lump Sum less Current Savings:		\$131,177	\$72,996
Yearly Savings Required:		\$14,974	\$10,727
Monthly Savings Required:		\$1,248	\$894

Except for the Zero-Coupon Treasuries that may be shown, this illustration IS NOT representative of the results from any investment made today. It is being supplied in response to your specific request and is for your use only. Years until enrollment, today's cost, inflation, rate(s) of return, and current savings were selected by you for your own purpose. The illustration has not been adjusted for any commissions, fees or expenses which may be associated with investing.

JANUARY 12, 2004

COLLEGE PLANNING CALCULATIONS

PREPARED FOR: WHAT'S IT GONNA COST?

CHILD INFORMATION

Child's Name: I'M COLL BND Age Now: 8 Age at Enrollment: 18 Years Until Enrollment: 10

CHOICE OF COLLEGE

UNIVERSITY OF WISCONSIN - MADISON

Calculations based on today's annual cost of \$11,886.

PROJECTED COST AND INVESTMENT REQUIRED TODAY

Years in College	Projected College Cost Assuming 5.00% Annual Inflation	----- Investment Required Today -----	
		at 4.000% Compounded Annually	at 9.000% Compounded Annually
2014	19,360	13,079	8,178
2015	20,329	13,205	7,878
2016	21,345	13,332	7,589
2017	22,412	13,460	7,310
	<u>\$83,446</u>	<u>\$53,076</u>	<u>\$30,955</u>
Current College Savings:		<u>\$0</u>	<u>\$0</u>
Lump Sum less Current Savings:		\$53,076	\$30,955
Yearly Savings Required:		\$6,544	\$4,823
Monthly Savings Required:		\$545	\$402

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JANUARY 12, 2004

COLLEGE PLANNING CALCULATIONS

PREPARED FOR: WHAT'S IT GONNA COST?

CHILD INFORMATION

Child's Name: I'M COLL BND Age Now: 8 Age at Enrollment: 18 Years Until Enrollment: 10

CHOICE OF COLLEGE

LAWRENCE UNIVERSITY
APPLETON, WI

Type	College Year	Tuition & Fees	Room & Board	Total College Cost
4-Year	2002	\$22,728	\$4,983	\$27,711

Calculations based on most recent updated annual cost of \$27,711.

Data Source: Peterson's Undergraduate Database, copyright 2002. Peterson's, a division of Thomson Learning, Inc. All rights reserved.

PROJECTED COST AND INVESTMENT REQUIRED TODAY

Years in College	Projected College Cost Assuming 5.00% Annual Inflation	----- Investment Required Today -----	
		at 4.000% Compounded Annually	at 9.000% Compounded Annually
2014	47,392	32,016	20,019
2015	49,763	32,325	19,285
2016	52,251	32,636	18,577
2017	54,863	32,949	17,895
	<u>\$204,269</u>	<u>\$129,926</u>	<u>\$75,776</u>
Current College Savings:		<u>\$0</u>	<u>\$0</u>
Lump Sum less Current Savings:		\$129,926	\$75,776
Yearly Savings Required:		\$16,019	\$11,807
Monthly Savings Required:		\$1,335	\$984

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JANUARY 12, 2004

COLLEGE PLANNING CALCULATIONS

PREPARED FOR: WHAT'S IT GONNA COST?

CHILD INFORMATION

Child's Name: I'M COLL BND Age Now: 9 Age at Enrollment: 18 Years Until Enrollment: 9

CHOICE OF COLLEGE

UNIVERSITY OF WISCONSIN - MADISON

Calculations based on today's annual cost of \$11,886.

PROJECTED COST AND INVESTMENT REQUIRED TODAY

Years in College	Projected College Cost Assuming 5.00% Annual Inflation	----- Investment Required Today -----	
		at 4.000% Compounded Annually	at 9.000% Compounded Annually
2013	18,439	12,955	8,490
2014	19,360	13,079	8,178
2015	20,329	13,205	7,878
2016	21,345	13,332	7,589
	<u>\$79,473</u>	<u>\$52,571</u>	<u>\$32,135</u>
Current College Savings:		<u>\$0</u>	<u>\$0</u>
Lump Sum less Current Savings:		\$52,571	\$32,135
Yearly Savings Required:		\$7,070	\$5,360
Monthly Savings Required:		\$589	\$447

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JANUARY 12, 2004

COLLEGE PLANNING CALCULATIONS

PREPARED FOR: WHAT'S IT GONNA COST?

CHILD INFORMATION

Child's Name: I'M COLL BND Age Now: 9 Age at Enrollment: 18 Years Until Enrollment: 9

CHOICE OF COLLEGE

LAWRENCE UNIVERSITY
APPLETON, WI

Type	College Year	Tuition & Fees	Room & Board	Total College Cost
4-Year	2002	\$22,728	\$4,983	\$27,711

Calculations based on most recent updated annual cost of \$27,711.

Data Source: Peterson's Undergraduate Database, copyright 2002. Peterson's, a division of Thomson Learning, Inc. All rights reserved.

PROJECTED COST AND INVESTMENT REQUIRED TODAY

Years in College	Projected College Cost Assuming 5.00% Annual Inflation	----- Investment Required Today -----	
		at 4.000% Compounded Annually	at 9.000% Compounded Annually
2013	45,137	31,713	20,782
2014	47,392	32,016	20,019
2015	49,763	32,325	19,285
2016	52,251	32,636	18,577
	<u>\$194,543</u>	<u>\$128,690</u>	<u>\$78,663</u>
Current College Savings:		<u>\$0</u>	<u>\$0</u>
Lump Sum less Current Savings:		\$128,690	\$78,663
Yearly Savings Required:		\$17,308	\$13,121
Monthly Savings Required:		\$1,442	\$1,093

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JANUARY 12, 2004

COLLEGE PLANNING CALCULATIONS

PREPARED FOR: WHAT'S IT GONNA COST?

CHILD INFORMATION

Child's Name: I'M COLL BND Age Now: 10 Age at Enrollment: 18 Years Until Enrollment: 8

CHOICE OF COLLEGE

UNIVERSITY OF WISCONSIN - MADISON

Calculations based on today's annual cost of \$11,886.

PROJECTED COST AND INVESTMENT REQUIRED TODAY

Years in College	Projected College Cost Assuming 5.00% Annual Inflation	----- Investment Required Today -----	
		at 4.000% Compounded Annually	at 9.000% Compounded Annually
2012	17,560	12,831	8,813
2013	18,439	12,955	8,490
2014	19,360	13,079	8,178
2015	20,329	13,205	7,878
	<u>\$75,688</u>	<u>\$52,070</u>	<u>\$33,359</u>
Current College Savings:		<u>\$0</u>	<u>\$0</u>
Lump Sum less Current Savings:		\$52,070	\$33,359
Yearly Savings Required:		\$7,734	\$6,027
Monthly Savings Required:		\$645	\$502

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JANUARY 12, 2004

COLLEGE PLANNING CALCULATIONS

PREPARED FOR: WHAT'S IT GONNA COST?

CHILD INFORMATION

Child's Name: I'M COLL BND Age Now: 10 Age at Enrollment: 18 Years Until Enrollment: 8

CHOICE OF COLLEGE

LAWRENCE UNIVERSITY
APPLETON, WI

Type	College Year	Tuition & Fees	Room & Board	Total College Cost
4-Year	2002	\$22,728	\$4,983	\$27,711

Calculations based on most recent updated annual cost of \$27,711.

Data Source: Peterson's Undergraduate Database, copyright 2002. Peterson's, a division of Thomson Learning, Inc. All rights reserved.

PROJECTED COST AND INVESTMENT REQUIRED TODAY

Years in College	Projected College Cost Assuming 5.00% Annual Inflation	----- Investment Required Today -----	
		at 4.000% Compounded Annually	at 9.000% Compounded Annually
2012	42,986	31,409	21,573
2013	45,137	31,713	20,782
2014	47,392	32,016	20,019
2015	49,763	32,325	19,285
	<u>\$185,278</u>	<u>\$127,463</u>	<u>\$81,659</u>
Current College Savings:		<u>\$0</u>	<u>\$0</u>
Lump Sum less Current Savings:		\$127,463	\$81,659
Yearly Savings Required:		\$18,932	\$14,754
Monthly Savings Required:		\$1,578	\$1,230

Except for the Zero-Coupon Treasuries that may be shown, this illustration IS NOT representative of the results from any investment made today. It is being supplied in response to your specific request and is for your use only. Years until enrollment, today's cost, inflation, rate(s) of return, and current savings were selected by you for your own purpose. The illustration has not been adjusted for any commissions, fees or expenses which may be associated with investing.

JANUARY 12, 2004

COLLEGE PLANNING CALCULATIONS

PREPARED FOR: WHAT'S IT GONNA COST?

CHILD INFORMATION

Child's Name: I'M COLL BND Age Now: 11 Age at Enrollment: 18 Years Until Enrollment: 7

CHOICE OF COLLEGE

UNIVERSITY OF WISCONSIN - MADISON

Calculations based on today's annual cost of \$11,886.

PROJECTED COST AND INVESTMENT REQUIRED TODAY

Years in College	Projected College Cost Assuming 5.00% Annual Inflation	----- Investment Required Today -----	
		at 4.000% Compounded Annually	at 9.000% Compounded Annually
2011	16,725	12,710	9,149
2012	17,560	12,831	8,813
2013	18,439	12,955	8,490
2014	19,360	13,079	8,178
	<u>\$72,084</u>	<u>\$51,575</u>	<u>\$34,630</u>
Current College Savings:		<u>\$0</u>	<u>\$0</u>
Lump Sum less Current Savings:		\$51,575	\$34,630
Yearly Savings Required:		\$8,593	\$6,881
Monthly Savings Required:		\$716	\$573

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JANUARY 12, 2004

COLLEGE PLANNING CALCULATIONS

PREPARED FOR: WHAT'S IT GONNA COST?

CHILD INFORMATION

Child's Name: I'M COLL BND Age Now: 11 Age at Enrollment: 18 Years Until Enrollment: 7

CHOICE OF COLLEGE

LAWRENCE UNIVERSITY
APPLETON, WI

Type	College Year	Tuition & Fees	Room & Board	Total College Cost
4-Year	2002	\$22,728	\$4,983	\$27,711

Calculations based on most recent updated annual cost of \$27,711.

Data Source: Peterson's Undergraduate Database, copyright 2002. Peterson's, a division of Thomson Learning, Inc. All rights reserved.

PROJECTED COST AND INVESTMENT REQUIRED TODAY

Years in College	Projected College Cost Assuming 5.00% Annual Inflation	Investment Required Today	
		at 4.000% Compounded Annually	at 9.000% Compounded Annually
2011	40,941	31,112	22,396
2012	42,986	31,409	21,573
2013	45,137	31,713	20,782
2014	47,392	32,016	20,019
	<u>\$176,456</u>	<u>\$126,250</u>	<u>\$84,770</u>
Current College Savings:		<u>\$0</u>	<u>\$0</u>
Lump Sum less Current Savings:		\$126,250	\$84,770
Yearly Savings Required:		\$21,034	\$16,843
Monthly Savings Required:		\$1,753	\$1,404

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JANUARY 12, 2004

COLLEGE PLANNING CALCULATIONS

PREPARED FOR: WHAT'S IT GONNA COST?

CHILD INFORMATION

Child's Name: I'M COLL BND Age Now: 12 Age at Enrollment: 18 Years Until Enrollment: 6

CHOICE OF COLLEGE

UNIVERSITY OF WISCONSIN - MADISON

Calculations based on today's annual cost of \$11,886.

PROJECTED COST AND INVESTMENT REQUIRED TODAY

Years in College	Projected College Cost Assuming 5.00% Annual Inflation	----- Investment Required Today -----	
		at 4.000% Compounded Annually	at 9.000% Compounded Annually
2010	15,927	12,587	9,497
2011	16,725	12,710	9,149
2012	17,560	12,831	8,813
2013	18,439	12,955	8,490
	<u>\$68,651</u>	<u>\$51,083</u>	<u>\$35,949</u>
Current College Savings:		<u>\$0</u>	<u>\$0</u>
Lump Sum less Current Savings:		\$51,083	\$35,949
Yearly Savings Required:		\$9,745	\$8,014
Monthly Savings Required:		\$812	\$668

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JANUARY 12, 2004

COLLEGE PLANNING CALCULATIONS

PREPARED FOR: WHAT'S IT GONNA COST?

CHILD INFORMATION

Child's Name: I'M COLL BND Age Now: 12 Age at Enrollment: 18 Years Until Enrollment: 6

CHOICE OF COLLEGE

LAWRENCE UNIVERSITY
APPLETON, WI

Type	College Year	Tuition & Fees	Room & Board	Total College Cost
4-Year	2002	\$22,728	\$4,983	\$27,711

Calculations based on most recent updated annual cost of \$27,711.

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PROJECTED COST AND INVESTMENT REQUIRED TODAY

Years in College	Projected College Cost Assuming 5.00% Annual Inflation	----- Investment Required Today -----	
		at 4.000% Compounded Annually	at 9.000% Compounded Annually
2010	38,989	30,814	23,248
2011	40,941	31,112	22,396
2012	42,986	31,409	21,573
2013	45,137	31,713	20,782
	<u>\$168,053</u>	<u>\$125,048</u>	<u>\$87,999</u>
Current College Savings:		<u>\$0</u>	<u>\$0</u>
Lump Sum less Current Savings:		\$125,048	\$87,999
Yearly Savings Required:		\$23,854	\$19,617
Monthly Savings Required:		\$1,988	\$1,635

Except for the Zero-Coupon Treasuries that may be shown, this illustration IS NOT representative of the results from any investment made today. It is being supplied in response to your specific request and is for your use only. Years until enrollment, today's cost, inflation, rate(s) of return, and current savings were selected by you for your own purpose. The illustration has not been adjusted for any commissions, fees or expenses which may be associated with investing.

JANUARY 12, 2004

COLLEGE PLANNING CALCULATIONS

PREPARED FOR: WHAT'S IT GONNA COST?

CHILD INFORMATION

Child's Name: I'M COLL BND Age Now: 13 Age at Enrollment: 18 Years Until Enrollment: 5

CHOICE OF COLLEGE

UNIVERSITY OF WISCONSIN - MADISON

Calculations based on today's annual cost of \$11,886.

PROJECTED COST AND INVESTMENT REQUIRED TODAY

Years in College	Projected College Cost Assuming 5.00% Annual Inflation	----- Investment Required Today -----	
		at 4.000% Compounded Annually	at 9.000% Compounded Annually
2009	15.169	12.468	9.859
2010	15.927	12.587	9.497
2011	16.725	12.710	9.149
2012	17.560	12.831	8.813
	<u>\$65.381</u>	<u>\$50.596</u>	<u>\$37.318</u>
Current College Savings:		<u>\$0</u>	<u>\$0</u>
Lump Sum less Current Savings:		\$50.596	\$37.318
Yearly Savings Required:		\$11,365	\$9,594
Monthly Savings Required:		\$947	\$800

Except for the Zero-Coupon Treasuries that may be shown, this illustration IS NOT representative of the results from any investment made today. It is being supplied in response to your specific request and is for your use only. Years until enrollment, today's cost, inflation, rate(s) of return, and current savings were selected by you for your own purpose. The illustration has not been adjusted for any commissions, fees or expenses which may be associated with investing.

JANUARY 12, 2004

COLLEGE PLANNING CALCULATIONS

PREPARED FOR: WHAT'S IT GONNA COST?

CHILD INFORMATION

Child's Name: I'M COLL BND Age Now: 13 Age at Enrollment: 18 Years Until Enrollment: 5

CHOICE OF COLLEGE

LAWRENCE UNIVERSITY
APPLETON, WI

Type	College Year	Tuition & Fees	Room & Board	Total College Cost
4-Year	2002	\$22,728	\$4,983	\$27,711

Calculations based on most recent updated annual cost of \$27,711.

Data Source: Peterson's Undergraduate Database, copyright 2002. Peterson's, a division of Thomson Learning, Inc. All rights reserved.

PROJECTED COST AND INVESTMENT REQUIRED TODAY

Years in College	Projected College Cost Assuming 5.00% Annual Inflation	----- Investment Required Today -----	
		at 4.000% Compounded Annually	at 9.000% Compounded Annually
2009	37,132	30,520	24,133
2010	38,989	30,814	23,248
2011	40,941	31,112	22,396
2012	42,986	31,409	21,573
	<u>\$160,048</u>	<u>\$123,855</u>	<u>\$91,350</u>
Current College Savings:		<u>\$0</u>	<u>\$0</u>
Lump Sum less Current Savings:		\$123,855	\$91,350
Yearly Savings Required:		\$27,821	\$23,485
Monthly Savings Required:		\$2,318	\$1,957

Except for the Zero-Coupon Treasuries that may be shown, this illustration IS NOT representative of the results from any investment made today. It is being supplied in response to your specific request and is for your use only. Years until enrollment, today's cost, inflation, rate(s) of return, and current savings were selected by you for your own purpose. The illustration has not been adjusted for any commissions, fees or expenses which may be associated with investing.

JANUARY 12, 2004

COLLEGE PLANNING CALCULATIONS

PREPARED FOR: WHAT'S IT GONNA COST?

CHILD INFORMATION

Child's Name: I'M COLL BND Age Now: 14 Age at Enrollment: 18 Years Until Enrollment: 4

CHOICE OF COLLEGE

UNIVERSITY OF WISCONSIN - MADISON

Calculations based on today's annual cost of \$11,886.

PROJECTED COST AND INVESTMENT REQUIRED TODAY

Years in College	Projected College Cost Assuming 5.00% Annual Inflation	----- Investment Required Today -----	
		at 4.000% Compounded Annually	at 9.000% Compounded Annually
2008	14.447	12,349	10,235
2009	15.169	12,468	9,859
2010	15.927	12,587	9,497
2011	16.725	12,710	9,149
	<u>\$62,268</u>	<u>\$50,114</u>	<u>\$38,740</u>
Current College Savings:		<u>\$0</u>	<u>\$0</u>
Lump Sum less Current Savings:		\$50,114	\$38,740
Yearly Savings Required:		\$13,806	\$11,958
Monthly Savings Required:		\$1,151	\$997

Except for the Zero-Coupon Treasuries that may be shown, this illustration IS NOT representative of the results from any investment made today. It is being supplied in response to your specific request and is for your use only. Years until enrollment, today's cost, inflation, rate(s) of return, and current savings were selected by you for your own purpose. The illustration has not been adjusted for any commissions, fees or expenses which may be associated with investing.

JANUARY 12, 2004

COLLEGE PLANNING CALCULATIONS

PREPARED FOR: WHAT'S IT GONNA COST?

CHILD INFORMATION

Child's Name: I'M COLL BND Age Now: 14 Age at Enrollment: 18 Years Until Enrollment: 4

CHOICE OF COLLEGE

LAWRENCE UNIVERSITY
APPLETON, WI

Type	College Year	Tuition & Fees	Room & Board	Total College Cost
4-Year	2002	\$22,728	\$4,983	\$27,711

Calculations based on most recent updated annual cost of \$27,711.

Data Source: Peterson's Undergraduate Database, copyright 2002. Peterson's, a division of Thomson Learning, Inc. All rights reserved.

PROJECTED COST AND INVESTMENT REQUIRED TODAY

Years in College	Projected College Cost Assuming 5.00% Annual Inflation	----- Investment Required Today -----	
		at 4.000% Compounded Annually	at 9.000% Compounded Annually
2008	35,366	30,231	25,054
2009	37,132	30,520	24,133
2010	38,989	30,814	23,248
2011	40,941	31,112	22,396
	<u>\$152,428</u>	<u>\$122,677</u>	<u>\$94,831</u>
Current College Savings:		<u>\$0</u>	<u>\$0</u>
Lump Sum less Current Savings:		\$122,677	\$94,831
Yearly Savings Required:		\$33,796	\$29,271
Monthly Savings Required:		\$2,816	\$2,439

Except for the Zero-Coupon Treasuries that may be shown, this illustration IS NOT representative of the results from any investment made today. It is being supplied in response to your specific request and is for your use only. Years until enrollment, today's cost, inflation, rate(s) of return, and current savings were selected by you for your own purpose. The illustration has not been adjusted for any commissions, fees or expenses which may be associated with investing.

JANUARY 12, 2004

COLLEGE PLANNING CALCULATIONS

PREPARED FOR: WHAT'S IT GONNA COST?

CHILD INFORMATION

Child's Name: I'M COLL BND Age Now: 15 Age at Enrollment: 18 Years Until Enrollment: 3

CHOICE OF COLLEGE

UNIVERSITY OF WISCONSIN - MADISON

Calculations based on today's annual cost of \$11,886.

PROJECTED COST AND INVESTMENT REQUIRED TODAY

Years in College	Projected College Cost Assuming 5.00% Annual Inflation	----- Investment Required Today -----	
		at 4.000% Compounded Annually	at 9.000% Compounded Annually
2007	13.759	12.232	10.624
2008	14.447	12.349	10.235
2009	15.169	12.468	9.859
2010	15.927	12.587	9.497
	<u>\$59,302</u>	<u>\$49,636</u>	<u>\$40,215</u>
Current College Savings:		<u>\$0</u>	<u>\$0</u>
Lump Sum less Current Savings:		\$49,636	\$40,215
Yearly Savings Required:		\$17,886	\$15,887
Monthly Savings Required:		\$1,491	\$1,324

Except for the Zero-Coupon Treasuries that may be shown, this illustration IS NOT representative of the results from any investment made today. It is being supplied in response to your specific request and is for your use only. Years until enrollment, today's cost, inflation, rate(s) of return, and current savings were selected by you for your own purpose. The illustration has not been adjusted for any commissions, fees or expenses which may be associated with investing.

JANUARY 12, 2004

COLLEGE PLANNING CALCULATIONS

PREPARED FOR: WHAT'S IT GONNA COST?

CHILD INFORMATION

Child's Name: I'M COLL BND Age Now: 15 Age at Enrollment: 18 Years Until Enrollment: 3

CHOICE OF COLLEGE

LAWRENCE UNIVERSITY
APPLETON, WI

Type	College Year	Tuition & Fees	Room & Board	Total College Cost
4-Year	2002	\$22,728	\$4,983	\$27,711

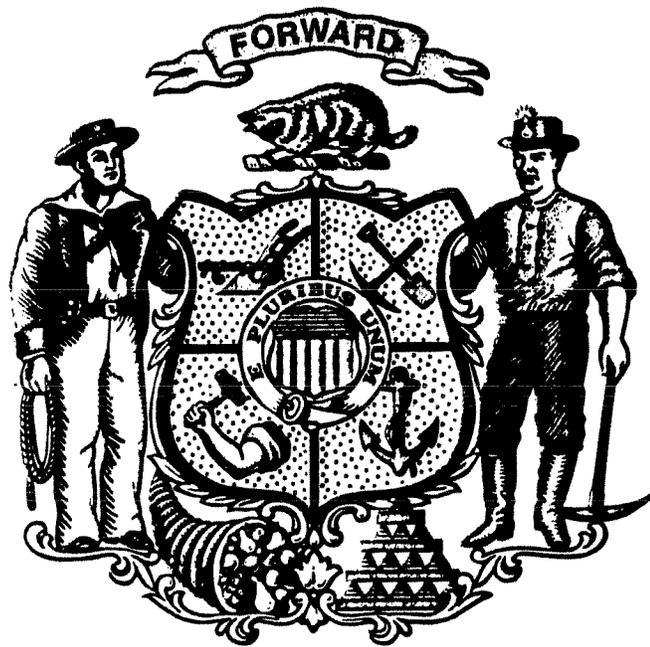
Calculations based on most recent updated annual cost of \$27,711.

Data Source: Peterson's Undergraduate Database, copyright 2002. Peterson's, a division of Thomson Learning, Inc. All rights reserved.

PROJECTED COST AND INVESTMENT REQUIRED TODAY

Years in College	Projected College Cost Assuming 5.00% Annual Inflation	----- Investment Required Today -----	
		at 4.000% Compounded Annually	at 9.000% Compounded Annually
2007	33,682	29,943	26,009
2008	35,366	30,231	25,054
2009	37,132	30,520	24,133
2010	38,989	30,814	23,248
	<u>\$145,169</u>	<u>\$121,508</u>	<u>\$98,444</u>
Current College Savings:		<u>\$0</u>	<u>\$0</u>
Lump Sum less Current Savings:		\$121,508	\$98,444
Yearly Savings Required:		\$43,785	\$38,891
Monthly Savings Required:		\$3,649	\$3,241

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STRONG FINANCIAL CORPORATION
One Hundred Heritage Reserve | Menomonee Falls, Wisconsin 53051

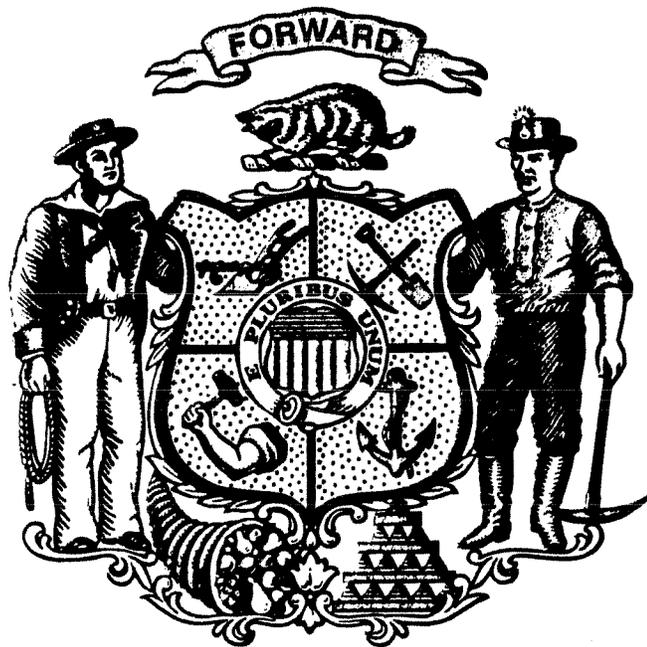
January 13, 2004

College and Universities Committee Members:

Strong is unable to be present for the Colleges and Universities Committee hearing on Assembly Bill 667 on Tuesday, January 13, at 10:00 a.m., but want to express our support of the proposed legislation.

We support initiatives that meet the best interests of Wisconsin families saving for college, including the expansion of the state tax deduction to make it available for any 529 plan or other variations that may give investors the ability to choose the plan that best meets their needs.

Sarah Henriksen
Director of College Planning





State Senator

Neal J. Kedzie

11th Senate District

**Assembly Committee on Colleges and Universities
Kedzie Testimony on Assembly Bill 667
January 13, 2004 – 10:00 AM**

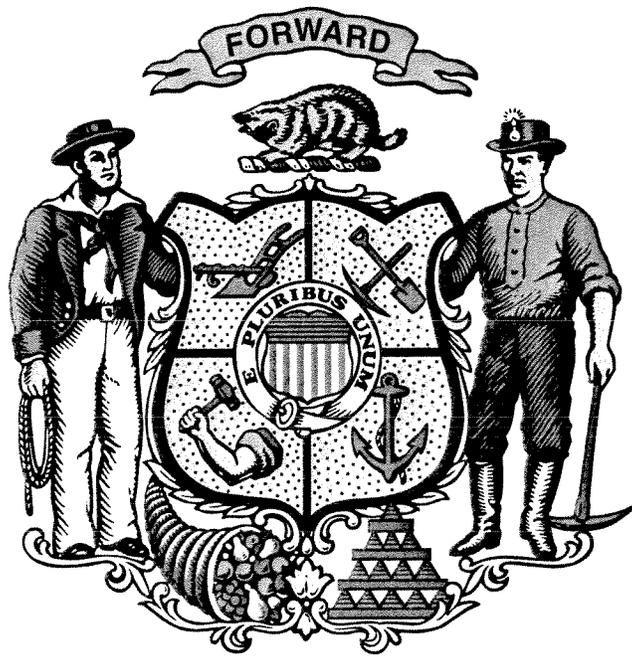
Mr. Chairman and members of the Committee. Thank you for holding a hearing today on Assembly Bill 667. Assembly Bill 667 is an important bill that will benefit citizens throughout the state who are saving money for future college expenses.

Under current law, individuals who open an EdVest account for themselves, their children or their grandchildren are able to receive an income tax deduction for contributions made to that account, up to a maximum of \$3,000 per year. Assembly Bill 667 expands current law to allow for individuals to claim this \$3,000 deduction for contributions made to any qualified “section 529 plan” from any state, not just to Wisconsin’s EdVest program.

This bill increases investment options for parents and grandparents who are saving money to pay for their child or grandchild’s college education. It should not be looked at as a detriment to Wisconsin’s EdVest program, but rather as a compliment, allowing individuals to make the most appropriate choices for their individual circumstances.

Thank you again for your consideration of this bill.

Office: 313 South, State Capitol • Post Office Box 7882 • Madison, Wisconsin 53707-7882
(608) 266-2635 • Fax: (608) 267-5172 • Toll-Free: 1 (800) 578-1457 • Sen.Kedzie@legis.state.wi.us
District: N7661 Highway 12 • Elkhorn, Wisconsin 53121 • (262) 742-2025





**Testimony on 2003 Assembly Bill 667
State Income Tax Deduction for Contributions to Any 529 College Savings Program
January 13, 2004**

Thank you Chairman Kreibich and committee members for this opportunity to testify on Assembly Bill 667 (Senate Companion is 2003 SB 346). This is a simple bill relating to tax fairness and encouraging Wisconsin citizens to save for their children's college education.

Current law allows a Wisconsin resident to deduct up to \$3,000 in contributions, for each beneficiary, to the EdVest II program. The EdVest II program is the Wisconsin version of the federally authorized tuition savings programs commonly referred to as "section 529 plans."

Further, Wisconsin law currently defines beneficiary for the EdVest II program to be any of the following:

- the claimant;
- the claimant's child or a dependent defined under the Internal Revenue Code; or
- the claimant's grandchild.

AB 667 removes the requirement that only contributions to the Wisconsin 529 plan are eligible for the state income tax deduction. This change in law will greatly expand the college savings options available to Wisconsin families and still allow them to be eligible for the state income tax deduction. **The bill makes no changes to the Wisconsin 529 plan, commonly known as EdVest.**

While it may have been good public policy when the state income tax deduction was created, the time has now come to recognize that Wisconsin families are investing in 529 programs throughout the country. The fiscal estimate prepared by the Department of Revenue estimates that approximately \$94.8 million in contributions annually are being made to 529 programs in states other than Wisconsin. **If the provisions of AB 667 were already law, these families would be saving \$5.2 million annually in Wisconsin income taxes.**

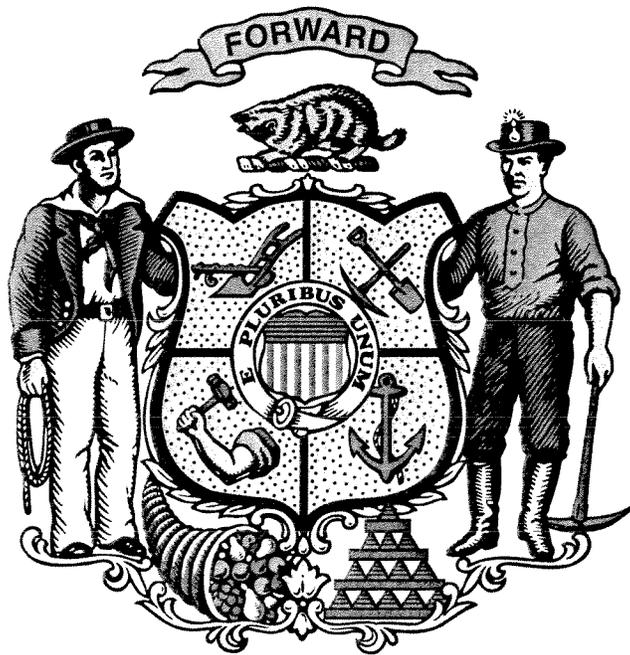
These families have many reasons for making the choice to invest in a 529 plan other than Wisconsin's EdVest program. State tax law shouldn't penalize these families for

determining which 529 plan is in their best interest. Shortly, you will hear from professional investment advisers that can better explain why a family may select a program in another state. In my mind, AB 667 is primarily about tax fairness.

In the Legislature, we often hear how Wisconsin should be first in enacting some public policy because it will have a national impact. AB 667 is just one of those bills. Wisconsin would be the first state in the nation to provide citizens a state tax deduction of this type.

Many supporters of this bill from the investment advising community believe that Wisconsin would be a national leader and provide the impetus for other states to follow in our footsteps. Imagine for a moment with all of Wisconsin's negative ratings on state/local taxation, we now have a chance to lead on such a positive taxation issue.

I encourage the members of this committee to support 2003 AB 667 and advance it to the full Assembly for passage.





Securities Industry Association, 120 Broadway, 35th Floor, New York, NY 10271

Good morning. My name is Kim Chamberlain, and I am Vice President and Counsel, State Government Affairs, for the Securities Industry Association.¹ It is a pleasure to be here today to express SIA's strong support for AB 667, legislation that extends favorable state tax treatment to all qualified 529 plans.

Saving for your children's or grandchildren's college education can be a daunting task. I know this first hand. I have two daughters, ages 11 and 9. When my older daughter Courtney is ready to go to college, it will cost my husband and I a projected \$66,000 to send her to a four- year public university, \$165,000 to send her to a private university, and a whopping \$222,000 to get her an Ivy League education. My younger daughter Taylor will cost us anywhere between \$73,000 and \$245,000 depending on her college selection.

How does the average family even begin trying to save for such an important expense? Kiplinger, Savingforcollege.com, and a host of other entities currently consider 529 plans to be the best place to invest college savings.

What makes 529 plans so attractive? Earnings on most college investment options, such as stocks, CDs, or mutual funds, are taxed at the investor's rate. If I put money away for college in one of these vehicles, I will have to give roughly 30% of my earnings back to the federal government in taxes. If I instead put my college savings money into a 529 plan, any earnings I accrue are free from federal tax so long as those earnings are used for qualified education expenses.² This is a huge benefit, which effectively and dramatically increases the rate of return on my investment for my children. This benefit was further improved upon when most states conformed their tax laws to ensure that 529 earnings were likewise not taxed at the state level.

SIA strongly supports AB 667 because it makes 529 plans an even more attractive savings option for Wisconsin residents. Currently, approximately 22 states give their residents a state tax deduction for contributions made to a specific, state sponsored 529

¹ The Securities Industry Association, established in 1972 through the merger of the Association of Stock Exchange Firms and the Investment Banker's Association, brings together the shared interests of more than 600 securities firms to accomplish common goals. SIA member-firms (including investment banks, broker-dealers, and mutual fund companies) are active in all U.S. and foreign markets and in all phases of corporate and public finance. According to the Bureau of Labor Statistics, the U.S. securities industry employs nearly 800,000 individuals. Industry personnel manage the accounts of nearly 93-million investors directly and indirectly through corporate, thrift, and pension plans. In 2002, the industry generated \$222 billion in domestic revenue and \$356 billion in global revenues. (More information about SIA is available on its home page: www.sia.com)

²As initially conceived, 529 plan earnings were taxed not at the parent/investor's rate but rather at the presumably lower tax rate of the child/beneficiary. The federal Economic Growth and Tax Relief Reconciliation Act (EGTRRA) of 2001 made earnings on 529 plans free from federal tax.

plan. Wisconsin is one of these states, as it grants residents a state tax deduction of up to \$3,000 per dependent beneficiary or per grandchild per year for contributions made to the state sponsored EdVest Program. Recognizing that encouraging college savings is good public policy, AB 667 extends this tax benefit to Wisconsin residents who contribute to any qualified 529 plan.

There are several reasons why it is important to extend the current up front tax incentive beyond the EdVest Program to all qualified 529 plans.

First, limiting a state tax deduction to a single state sponsored plan effectively limits consumer choice. We want people to pick the 529 plan that is best suited for them. We want them to look at factors such as investment options, risk, manager reputation, expense ratio, and sales load. We do not want preferential tax status to be the sole or primary reason people select a particular 529 plan. Yet that is what people, including myself, do. I am a New York resident. I participate in New York Saves, a program managed by Upromise Investments and The Vanguard Group. I picked the plan not because it best suited my investment objectives but rather because it was the only one that gave me up to a \$10,000 state tax deduction per year. AB 667 gives Wisconsin consumers real choice by extending favorable tax treatment to all 529 plans.

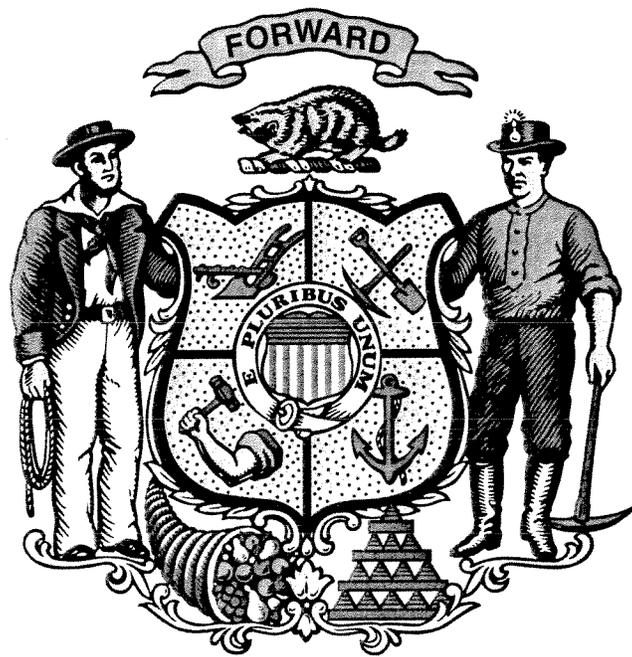
Second, AB 667 encourages competition among plans. When the tax playing field is level, 529 plans will compete for business based on factors such as plan performance, customer service, and fees. Increased competition among the plans provides a greatly improved product for consumers. It also provides an incentive to ensure that the Wisconsin-sponsored 529 plan evolves over time to remain an attractive option for your residents.

Third, many Wisconsin residents rely upon investment professionals to help meet their college savings needs. Because these investment professionals are familiar with the family's entire investment portfolio, they are in a unique position to help Wisconsin residents select the 529 plan that fits best with their needs and goals. Extending equal tax treatment to all 529 plans allows Wisconsin residents to continue working with trusted advisers, and allows those advisers to explore a variety of options before making investment recommendations.

Finally, AB 667 is consistent with the original objectives of 529 plans. Qualified tuition plans are designed to be a flexible and portable investment option as:

(1) they can be used equally at any accredited public or private undergraduate, graduate or professional program in the country; (2) they are open to any investor, regardless of state residency; and (3) they can be opened by any investor (whether a parent, grandparent or non-relative) for the benefit of any future student. Proprietary state tax advantages are inconsistent with plan portability. AB 667 leads the way for other states to likewise eliminate preferential treatment for specific plans.

Once again, thank you for the opportunity to appear before this committee. Please let me know if you have any questions.



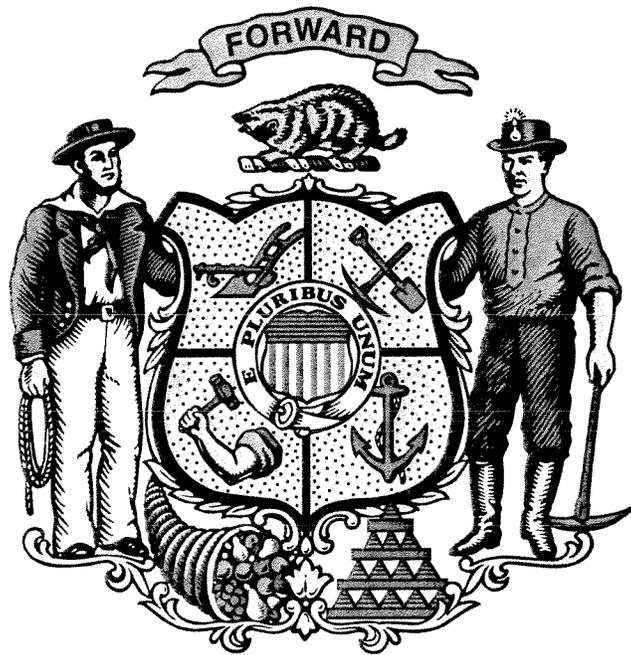
Good morning. I am Susie Bauer, Assistant Vice President and the 529 Plan Specialist, for Robert W. Baird & Co. Incorporated. It is a pleasure to be here today to express support for A.B. 667, legislation that extends favorable state tax treatment to all qualified tuition programs.

Knowing that saving for college is a daunting task, the Wisconsin legislature has had the foresight to extend the state tax deduction on contributions to the EdVest college savings plan to not only parents but also the grandparents of the beneficiary. In addition Wisconsin federalized the tax treatment of withdrawals so that our Wisconsin residents are not penalized for investing in an out-of-state 529 savings plan that better meets their investment needs.

Now Wisconsin is considering A.B. 667, which would give EdVest front-end parity, so that contributors can get the state tax deduction for investing in any 529 plan.

In this respect, parity would allow Wisconsin citizens along with their financial advisors to evaluate this very important investment from a level playing field. I believe that passing A.B. 667 will ultimately strengthen the EdVest program by making it more attractive to investors.

Thank you for the opportunity to appear before this committee.



529 ASSETS AS OF Q3

<u>Rank</u>	<u>State</u>	<u>Assets</u>	<u>Market Share</u>	<u>Distributor</u>
1	VA	\$ 4.0B	13.7%	American Funds
2	RI	3.6B	12.6%	Alliance Capital
3	OH	2.6B	9.0%	Putnam
4	NY	1.9B	6.6%	TIAA/CREF
5	ME	1.8B	6.2%	Merrill Lynch
6	NH	1.8B	6.2%	Fidelity
7	CO	1.0B	3.7%	Smith Barney
8	MA	983M	3.4%	Fidelity
9	CA	850M	2.9%	TIAA/CREF
10	IL	704M	2.4%	Smith Barney
11	WI	613M	2.1%	American Express
12	AK	563M	1.9%	T. Rowe Price
13	IA	562M	1.9%	Vanguard
14	KS	500M	1.7%	American Century
15	UT	477M	1.6%	State
16	MI	452M	1.6%	TIAA/CREF
17	NH	428M	1.5%	Fidelity
18	WI	393M	1.3%	Strong

Source: Financial Research Corporation
a division of BISYS