Wisconsin Department of Administration
Division of Executive Budget and Finance

Fiscal Estimate - 2025 Session

☒ Original ☐ Updated ☐ Corrected ☐ Supplemental

LRB Number **25-5193/1**	Introduction Number **SB-0752**

Description
creating a WisKids savings account program within the college savings program

Fiscal Effect

State:

☐ No State Fiscal Effect
☐ Indeterminate
- ☐ Increase Existing Appropriations
- ☐ Decrease Existing Appropriations
- ☐ Create New Appropriations
- ☐ Increase Existing Revenues
- ☐ Decrease Existing Revenues
- ☒ Increase Costs - May be possible to absorb within agency's budget
  - ☐ Yes ☒ No
- ☐ Decrease Costs

Local:

☐ No Local Government Costs
☐ Indeterminate

1. ☐ Increase Costs ☐ Permissive ☐ Mandatory
2. ☐ Decrease Costs ☐ Permissive ☐ Mandatory
3. ☐ Increase Revenue ☐ Permissive ☐ Mandatory
4. ☐ Decrease Revenue ☐ Permissive ☐ Mandatory
5. Types of Local Government Units Affected
   - ☐ Towns ☐ Village ☐ Cities
   - ☐ Counties ☐ Others
   - ☐ School Districts ☐ WTCS Districts

Fund Sources Affected

☐ GPR ☐ FED ☐ PRO ☐ PRS ☒ SEG ☐ SEGS

Affected Ch. 20 Appropriations

20.144(3)(th)

Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

DFI 12/18/2025

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Description creating a WisKids savings account program within the college savings program		

Assumptions Used in Arriving at Fiscal Estimate

The proposed legislation would create a new program ("WisKids") requiring the Department of Financial Institutions, which administers the state's college savings program, to establish one or more holding accounts for the purpose of making deposits of at least $25 to each eligible beneficiary of college savings program account who was born or adopted in the state. The Department may accept additional contributions on behalf of WisKids participants, as well. The Department (or a vendor retained for recordkeeping) must track the principal and earnings attributable to each participating child, which can later be used by the participant to help pay for qualified higher education expenses. To be eligible to receive deposits under the program, the participant's college savings program account must have been opened before the participant turns 10 years old, and the participant must make at least one distribution of the funds to pay qualified higher education expenses by age 21.

The accompanying funding bill for this legislation proposes to finance WisKids by utilizing the existing college savings program trust fund, which is funded by administrative fees established by the college savings program board and imposed on college savings program accounts. To ensure that the costs of the WisKids program do not affect the operations or financial stability of the college savings program, this legislation requires the college savings program board to utilize experts to determine (and review every five years) the minimum balance of the trust fund that must be maintained to meet the reasonably anticipated needs of the college savings program. If the trust fund balance falls below that amount, the Department must suspend making WisKids deposits until the trust fund balance is sufficiently restored.

By utilizing this funding structure, the legislation would not impose any new obligations upon the state's general fund. Implementation would require one new position and certain additional expenditures from the college savings program trust fund, however, as follows:

Account deposits. Based on available data, the Department estimates that approximately 65,000 children per year are born or adopted in Wisconsin. Therefore, assuming the Department makes the minimum required deposit of $25 for each eligible child, the WisKids program would require roughly $1,625,000 per year for children's deposits. The Department notes that state and national birth rates have been trending downward in recent years, so this financial obligation may be reduced over time if those trends persist. The bill imposes a $2 million cap on the Department's expenditures for this purpose.

Administrative expenses. Implementation of the bill would require the Department to undertake several administrative tasks, including:

--Providing parents of eligible participants with information about the program and the opportunity to opt out.
--Engaging an expert to assist the college savings program board in determining the minimum balance of the trust fund that must be maintained to meet the reasonably anticipated needs of the college savings program.
--Contracting with a vendor to maintain recordkeeping for the program.
--Developing a logo, website, branded informational materials, and other marketing materials to engage and educate participants and potential donors to the program.

The proposed program would require human oversight and administration, as well, including outreach to participants and their parents and potential donors to the program, oversight of vendors and systems, coordination with eligible educational institutions and apprenticeship programs, and coordination with the college savings program, which may see its participation rates increase as WisKids increases parents' awareness of educational savings vehicles more broadly. The Department anticipates that these and other administrative tasks relating to the WisKids program would require one additional college savings program finance officer position.

The Department estimates that these administrative expenses would impose total costs of $446,900 during the first year of implementation, with ongoing costs of $317,900 annually.

Long-Range Fiscal Implications