



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2003 Assembly Bill 683

Assembly Amendment 1

Memo published: January 30, 2004

Contact: Nicholas Zavos, Staff Attorney (266-1308)

Under **current law**, the College Savings Program Board (board) administers a college savings program commonly known as “EdVest.” The Department of Administration (DOA) is required to select a vendor EdVest.

2003 Assembly Bill 683 makes a number of changes to the EdVest program. The bill permits DOA to select more than one vendor for the EdVest program. The bill also permits the board to approve more than one kind of investment instrument to be offered through EdVest. Under the bill, any decision on the use of multiple vendors or multiple investment instruments shall take into account, among other things, the differing needs of account owners, and the administrative costs of the decision.

The bill also requires DOA to consider additional factors in selecting a vendor for the program. Those additional factors are: (1) the financial stability and integrity of the vendor; (2) the safety of the investment instruments being offered by the vendor, taking into account any insurance provided with respect to those investment instruments; (3) the ability of the investment instruments being offered by the vendor to track future higher education costs as estimated by the board; and (4) any other benefits to account owners, beneficiaries, and this state offered by the vendor.

Finally, the bill defines the term “vendor.” Among other things, a vendor must provide or propose to provide administrative, investment management, and sales, marketing, and distribution services.

Assembly Amendment 1 modifies the definition of vendor contained in the bill. The amendment changes the “and” in the list of services that a vendor must provide to an “or.” Thus, a person can qualify as a vendor by only providing some of the listed services. In addition, the amendment adds some clean-up language to clarify the type of services a vendor provides.

On January 21, 2004, the Assembly Committee on Financial Institutions adopted Assembly Amendment 1 by a vote of Ayes 15; Noes, 0. On the same day, the committee recommended the bill as amended by a vote of Ayes 15; Noes, 0.

NZ:jal