



**State of Wisconsin**  
*Department of Financial Institutions*

Tony Evers, **Governor**

Cheryll Olson-Collins, **Secretary**

**COLLEGE SAVINGS PROGRAM**

**REGULAR COLLEGE SAVINGS PROGRAM BOARD MEETING**  
**TUESDAY, JUNE 18, 2024**

**MINUTES**

A meeting of the Wisconsin College Savings Program Board of Directors was held in-person (with the option to attend virtually via Microsoft Teams) on Tuesday, June 18, 2024 at 9:00 a.m. at the Wisconsin Department of Financial Institutions Hill Farms headquarters (4822 Madison Yards Way, North Tower, Madison, WI 53705).

**1. Call to Order and Roll Call**

Board Chair Bill Oemichen called the regular meeting of the College Savings Program Board to order at 9:02 a.m. with a quorum present.

Board Members Present In-Person & via Microsoft Teams

DFI Secretary Cheryll Olson-Collins, Bill Oemichen (Board Chair), Kim Shaul (Vice Chair), Jason Rector (SWIB), James Zylstra (WTCS), Eric Fulcomer (WAICU), Sean Nelson (Universities of Wisconsin), Sen. LaTonya Johnson, Susie Bauer, and Mayra Alaniz.

Others Present In-Person & via Microsoft Teams

Wilshire: Steve DiGirolamo.

Voya: Paula Smith and James Harper.

TIAA: Vivian Tsai, Regina Carmon, Jackie James.

DFI: Jessica Wetzel, Cheryl Rapp, Chelsea Wunnicke, Matt Lynch, Catherine Haberland, Kerri Hanger, Patti Epstein.

General Public Attendees: Justin Slaughter, Lacy Fox (Sen. Johnson's office).

**2. Agenda Approval and Public Posting Report**

The agenda was received and staff reported that the meeting notice and agenda have been properly posted. Eric Fulcomer motioned to approve the agenda. Susie Bauer seconded the motion. The motion carried.

**3. Approval of Minutes from March 21, 2024 Board Meeting**

Susie Bauer motioned to approve the March 21, 2024, College Savings Program Board meeting minutes. Eric Fulcomer seconded the motion. The motion carried.

**4. Administrative Reports**

- a. Board Chair Comments** – Board Chair Bill Oemichen began by welcoming Mayra Alaniz to the College Savings Program Board. Mayra was appointed to the Board by Governor Tony Evers and will be filling the public seat recently vacated by Ashleigh Heard, whose term ended on May 1, 2024. Mayra is a graduate of Georgetown University and received her master's degree in business administration from Marquette University. She has held positions with the City of Milwaukee,

ManpowerGroup, All-In Milwaukee, Northwestern Mutual, and Aldi as a district manager. Mayra is passionate about helping students achieve higher education and is committed to enhancing Wisconsin's college to career pipeline, which is exemplified through her service on the boards of College Possible Wisconsin and Marquette University's Institute for Women Leadership. Mayra thanked Bill for his introduction and shared her excitement to serve on the Board and looked forward to working with the CSP staff on outreach and education.

Oemichen moved on to provide a brief overview of Edvest and Tomorrow's Scholar plan data through May 2024, sharing that Edvest has \$5.3B in assets under management (AUM) (up 16.5% YOY) across 232,406 accounts (up 4.5% YOY) with an average account size of \$22,912 (up 11.5% YOY). Bill added that Tomorrow's Scholar has \$2.3B in AUM (up 10% YOY) and 163,421 accounts (up slightly YOY), with gross new accounts up 4% as of April 2024, with an average account size of \$20,817, up 11% YOY.

- b. DFI Secretary-designee Comments** – Secretary Olson-Collins shared that on Thursday, April 4, Governor Evers signed legislation that directs the DFI to establish an ABLÉ (Achieving a Better Life Experience) savings program for Wisconsin residents. ABLÉ plans are administered by states under section 529A of the Internal Revenue Code just as college savings plans are administered by states under section 529B. These savings plans are specifically designed to help people with disabilities save and invest for their future without jeopardizing critical public benefits. Prior to passing this legislation, Wisconsin was one of only four states not administering an ABLÉ plan for its residents. The DFI's Office of Financial Capability worked on research in 2022 that supported this legislation. Olson-Collins closed by sharing that the DFI is currently researching implementation options.
  
- c. Program Director Comments** – Financial Capability Director, Jessica Wetzel, thanked Secretary Olson-Collins and provided several updates. First, Wetzel shared that the program recently participated in two due diligence meetings; one with Ascensus, record keeper for the Edvest 529 plan where client services and custodial operations were discussed, and one with Voya's investment team to discuss philosophy and processes around their investment platforms. Both meetings went very well with all questions answered sufficiently. Second, Wetzel informed Board members that the program received a Request for Information (RFI) from Morningstar with a request to submit a response by August 30. She noted that the RFI was substantially changed from previous years and that methodology will also be updated. While submitting a response to the RFI is optional, the program will submit and participate in interviews with analysts as has been done in the past. Wetzel moved on to share that she and CSP team member, Cheryl Rapp, attended the NAST Treasury Management Training Symposium in Pittsburgh, Pennsylvania where they connected with other state 529 administrators and industry experts. Rapp presented on a panel that focused on how 529 plans interact with FAFSA, and Wetzel briefly presented on Edvest's new "College Savings Connections" video series. Wetzel then announced that throughout the month of May, the CSP team and the Wisconsin Coalition on Student Debt attended senior award nights across the state to present winners of the 2024 Money Smart Wisconsin Scholarship Contest with a scholarship and a recognition from Governor Evers. 160 essays were submitted to the contest this year, and 15 high school seniors were awarded a \$1,000 Edvest account contribution for their winning essay. Finally, Wetzel shared copies of the CSP's first-ever designed Annual Summary Report for board members to reference and utilize.

## 5. Program Manager Comments (TIAA)

**a. First Quarter 2024 Plan Activity**

Regina Carmon reviewed Edvest Q1 2024 plan activity. Carmon began by sharing that equity markets got off to a good start in January. Stocks continued their upswing in February and March, driven by solid corporate earnings, healthy economic data and optimism that the Fed would navigate a soft landing.

Carmon moved on to share that the Edvest plan held \$5.27B in AUM at the end of Q1 2024, which was an increase of 5% quarter over quarter (QOQ) and a 16% increase year over year (YOY), just outpacing average industry growth YOY. Average account size increased by 4% QOQ to \$22,887, up 12% YOY. Q1 contributions of \$143.1 million was up 6% QOQ and 13% YOY. 5,526 new accounts were opened in Q1, down 11% QOQ, yet they increased by 20% YOY, including 2,373 net new accounts added year to date, an increase of 57% YOY. Total number of accounts at quarter-end was 230,094, up 4% year over year (YOY). Carmon noted that qualified redemptions continue to be the leading trend in distributions for the plan, with qualified withdrawals for the quarter at \$126.8M, representing 92.9% of all withdrawals taken. Industry-wide, 42 direct-sold plans reported an average of 6.7% accounts taking distributions; averaging \$6,882 per redemption. Edvest 529 total redeeming accounts were 8%, averaging \$7,223.

**First Quarter 2024 Marketing & Outreach Report**

Jackie James began by providing a Q1 2024 marketing overview and highlights, which included launching tax-time campaign and several local marketing initiatives, including an email to Account Owners encouraging them to name a Successor on their account, publishing a Roth Rollover News Article, launching three different YouTube videos, and publishing a Tax Advantages in Detail News article. The Edvest tax-time campaign resulted in 4,597 new accounts and \$115.3 million in new contributions. The campaign saw a 34% YoY increase in new accounts with only a 16% increase in spending, resulting in a 14% increase in efficiency. YoY increase in total first contribution dollars was similar to new account growth, indicating similar average first-time contribution dollars YoY. James finished by sharing that Q2 marketing efforts will include a summer savings bonus deposit incentive campaign that will align with 529 Day. She shared goals for this campaign and will provide the Board with actuals at the next meeting.

**6. Program Manager Comments (Voya Investment)**

**a. First Quarter 2024 Activity and Metrics**

Paula Smith reviewed Tomorrow's Scholar Q1 2024 plan activity. Smith began by sharing that the plan experienced a strong start to the year, with YTD contributions outpacing 2023 by 15%. Sales of \$73 million through April 2024 were up 13% YOY. Sales were spread across 174 broker/dealers nationally, with nearly all major broker/dealer partners showing YOY growth, particularly Ameriprise, Edward Jones, LPL, RW Baird, and Northwestern Mutual. More than 1,400 new direct-held accounts have been opened YTD, up 6% from 2023, and average account size is up 7% YOY to just over \$20,000, aided by a 6% YoY growth in program AUM. Smith moved on to share plan highlights for the quarter, starting by sharing that the strategic asset allocation changes approved by the board in March 2024 were implemented on 4/24/24. Smith also noted that both the Active Advisor and Investor portals now have historical statements and tax forms for Tomorrow's Scholar dating back to 2005, and enhanced security features for the app on target for Q3 implementation.

Marketing highlights for the quarter included a tax advantages email campaign that targeted 529 advisors in Wisconsin and in top focus states as well as advisors at Ameriprise and Edward Jones.

Additionally, the plan again hosted their March Madness email and social media campaigns which continued to show successful engagement. Efforts for the coming quarter include a 529 Day email, social media, and webinar campaign. The webinar will offer continuing education credits.

**b. Proposed Removal of Class AR Shares from Tomorrow's Scholar Plan**

In an effort to reduce overall plan fees and simplify advisor selection options, Smith presented a recommendation to remove Class AR shares from the Tomorrow's Scholar plan. Smith provided background on the use of Class AR shares, which were originally designed to provide a 1.00% commission to advisors when rolling over assets into the Tomorrow's Scholar 529 Plan. Over the years, most of Voya's omnibus partners, and many of the larger broker/dealers have restricted the use of AR shares and instead prefer rollovers at full sales charge or with no sales charge. Smith shared that AR shares make up less than 1% of total plan AUM (\$2.6 million) and have seen a steady decline in sales since 2018. Voya proposed to eliminate Class AR shares and move client assets into lower cost Class A shares at the time of conversion at no cost. Implementation is targeted for mid-August 2024 and information on the conversion will be included in a supplement with a date of 6/30/24 to the Tomorrow's Scholar Plan Description document.

**7. Investment Analysis & Discussion (Wilshire Associates) – CLOSED SESSION** *(A motion to go into closed session at this meeting is authorized pursuant to sections 19.85(1)(e) and 19.36(5) of the Wisconsin Statutes to consider confidential strategies for the investment of public funds, including the review of risk profiles of portfolio investments.)*

**Investment Consultant Contract Discussion – CLOSED SESSION** *(The Board may recess into closed session pursuant to Wis. Stat. s. 19.85(1)(e) concerning matters of public business where competitive or bargaining reasons require a closed session.)*

- a.** Board Chair, Bill Oemichen, welcomed a motion to move into closed session. Jim Zylstra motioned to move into closed session. Jason Rector seconded the motion. A rollcall vote was taken and passed unanimously. The motion carried. The Board entered closed session at 9:46am.

The Board returned to full session at 11:10am after a motion to move to open session was initiated by Eric Fulcomer, seconded by Susie Bauer, and a full rollcall vote passed unanimously.

**8. Old Business**

- a. None**

**9. New Business**

- a. Removal of AR Shares from Tomorrow's Scholar Plan – VOTE**

Board Chair, Bill Oemichen, welcomed a motion to accept Voya's recommendation to remove Class AR shares from the Tomorrow's Scholar plan. Susie Bauer motioned to accept the proposal. Jason Rector seconded the motion. The motion carried.

- b. Potential Vote on Administrative Rule Approval**

DFI's Chief Legal Counsel, Matt Lynch, presented the Board with the "Proposed Order of the Department of Financial Institutions, College Savings Program, Office of Financial Capability Creating Rules." The order proposes correcting cross-references, eliminating rules that are redundant with statutes, correcting errors, and modifying the structure of existing rules in non-

substantive ways. The scope statement for this order was approved by the Governor on January 4, 2024, published in Administrative Register No. 817A3 on January 16, 2024, and approved by the College Savings Program Board on March 21, 2024.

Board Chair, Bill Oemichen, welcomed a motion to accept updated administrative rules for the program as presented. Jim Zylstra motioned to accept the proposal. Eric Fulcomer seconded the motion. The motion carried.

**c. 2025 Board Meeting Dates – Review & Discussion**

The board reviewed proposed meeting dates for 2025 and agreed to continue meeting virtually for three of the four meetings in the coming year. Proposed 2025 CSP Board meeting dates:

- Wednesday, March 19, 2025 – Virtual (9:00am - 12:00pm)
- Wednesday, June 18, 2025 – In-Person (9:00am - 12:00pm)
- Wednesday, September 17, 2025 – Virtual (9:00am - 12:00pm)
- Wednesday, December 10, 2025 – Virtual (9:00am - 12:00pm)

**10. Announcements & Action Items**

**a.** The next meeting of the Wisconsin CSP Board will be held virtually on Wednesday, September 18, 2024, at 9:00 a.m. CT.

**b. Action Items**

Jessica Wetzel will send board members a link to Paula Smith’s recent College Savings Plans Network blog post “Life Lessons from a Higher Education” as part of her interim meeting update.

**c. Remaining 2023 Board Meeting Schedule**

- Wednesday, September 18, 2024 – Virtual (9:00am - 12:00pm)
- Thursday, December 5, 2024 – Virtual (9:00am - 12:00pm)

**11. Adjournment**

Bill Oemichen welcomed a motion to adjourn the meeting at 11:28am. Jason Rector motioned to adjourn the meeting. Susie Bauer seconded the motion. The motion carried.