

## **RECAP OF 6/28/05 COLLEGE SAVINGS FOUNDATION LOBBY MEETINGS ON 529 PERMANENCE LEGISLATION**

On Tuesday, June 28, 2005, representatives of the College Savings Foundation made a number of lobby visits to Senate offices urging co-sponsorship of 529 permanence legislation (S. 1112). Below is a brief recap of those visits.

### Sumner Slichter, Policy Director to Senator Russell Feingold (D-WI)

Sumner indicated that he expected Senator Feingold to be supportive of S. 1112 and that the Senator would likely see the 529 provisions of the 2001 tax act as a higher priority than most other elements of that act. Sumner did indicate, however, that Senator Feingold would not co-sponsor S. 1112 as he has a policy of not sponsoring bills with a revenue cost that do not also contain specific revenue offsets. Sumner was quite interested in how 529 programs and other education savings vehicles (Coverdell ESAs) worked for low- and moderate-income families. On a personal note, Sumner shared that he had opened 529 accounts for his children.

### Molly Harris, Legislative Assistant to Senator Herb Kohl (D-WI)

Molly indicated that her background on 529 plans was limited and that she appreciated the chance to learn more about the plans. She stated that she believed Senator Kohl would be supportive of S. 1112 and would raise with him the issue of co-sponsoring the legislation. In this regard, she said that it would be very helpful if she heard directly from Wisconsin companies or citizens about the importance of S. 1112. While we provided her with data on the number of accounts and level of assets in the Wisconsin 529 plan, she was curious how many of these accounts were opened by Wisconsin residents.

### Mark LeDuc, Legislative Assistant to Senator Susan Collins (R-ME)

Mark was receptive to our request and said he would raise the issue of co-sponsorship of S. 1112 with Senator Collins. He was pleased with the information on the Maine 529 plan provided by CSF's Merrill Lynch members and said he would welcome whatever additional data could be provided on the Maine plan. For example, he asked about the number of distributions that have already been taken by Maine residents to finance higher education, the types of higher education institutions being attended by those using 529 distributions (e.g., public vs. private), how many beneficiaries were non-traditional students, and what share of higher education expenses 529 distributions were covering. We indicated that because of the short number of years that 529 savings plans have been in existence, data on these sorts of distributional questions was very thin but that we would gather whatever we could in this regard. Mark also suggested that any survey or other data on the relative importance of the permanence of tax-free distributions to potential 529 contributors would be very helpful.

### Bob Greenawalt, Senior Tax Advisor to Senate Minority Leader Harry Reid (D-NV)

Bob indicated that he thought there was widespread support for S. 1112 among Senate Democrats but that the issue of permanence was not currently high on the radar screen of most Senators. He encouraged us to continue making visits to Senate offices to raise the permanence issue and communicate its importance. Bob relayed that he thought that Senate Democratic offices would be interested not only in how 529 plans help families afford college but also in whether 529 plans help increase access to college by those who might not otherwise have

attended. Bob also recommended that we gather information about what the various states are doing within their 529 programs (or as an outgrowth thereof) in terms of specialized programs to assist low-income students and families finance higher education. Bob also recalled prior press coverage of the “best and worst” 529 plans and suggested we be ready with responses for other staffers who might remember this coverage of plans with high fees and poor performance. We also discussed possible legislative vehicles for S. 1112 with Bob. He indicated that the prospects for various tax bill vehicles was not yet clear and that Higher Education Act reauthorization might be a suitable vehicle.

Sid Iyer, Legislative Correspondent to Senator Pete Domenici (R-NM)

Tara Shaw, the lead staffer on tax issues for Senator Domenici, was called in to an unscheduled meeting and so we met with Sid Iyer in her place. Sid listened to our presentation regarding the importance of 529 permanence and the request to co-sponsor S. 1112 and indicated that he would relay the request to Tara and the Senator. He was interested in any information we might have about the number of accounts in the New Mexico 529 plan that had been opened by New Mexico residents.

Allen Huffman, Deputy Legislative Director/Tax Counsel to Senator Byron Dorgan (D-ND)

We had a very positive meeting with Allen and he indicated that he would raise the issue of co-sponsorship of S. 1112 with Senator Dorgan. On a personal note, Allen shared that he had opened 529 accounts for his two kids, ages 6 and 12.