

May 25, 2021

To: Senator Kooyenga, Chair
Members, Senate Committee on Financial Institutions and Revenue

From: Lisa Pugh, State Director

Re: SB 158 - requiring the Department of Financial Institutions to study and report on establishing a section 529A ABLE savings account program.

ABLE is a transformative program that provides individuals with disabilities and their families the opportunity to achieve greater financial independence and self-reliance. Like EdVest college savings accounts, an ABLE account allows me as a parent to save for my child's future.

What typically happens for a parent like me after a son or daughter is born and diagnosed with a life-long disability is that you are told not to save more than \$2,000 in their name. Ever. Don't have Grandma and Grandpa give them large amounts money on their birthday. Don't put them in your will.

As an adult with a disability you are told you have to keep assets under \$2,000 or you will lose access to Medicaid, an important benefit that not only often covers essential and expensive healthcare not available or affordable on the private market, but that also ensures supports for personal care, transportation, disability equipment and sometimes a place to live with supports when you have a significant disability.

That \$2,000 asset limit for both individuals with disabilities and families of young children is a burden that keeps people in poverty with few choices or options to get out. (But that's a federal problem.)

When Congress passed the ABLE law in 2014, in some ways it was a workaround. It allowed people to save money or save for their children tax-free, without fearing loss of program eligibility. It includes incentives for people to work - and they can then draw funds out for disability related expenses related to education, housing, transportation, employment training and support, assistive technology and personal support services, health, prevention and wellness, financial management and administrative services.

43 States and D.C. have launched ABLE programs and there are 82,415 ABLE accounts open nationwide. Wisconsin is not one of those states. Although Wisconsin residents can open an ABLE account in another state, we are estimated to have far fewer accounts open. Many

Wisconsinites with disabilities do not have ABLE accounts, either because they do not know about them or because they are skeptical about opening accounts in other states. Sometimes they are given poor information by other professionals in their lives and get little to no information through their bank or other places they save funds.

The extent of the information available about ABLE through our state agencies amounts to one or two fact sheets on a website directing them to research other state programs.

I operate a small non-profit advocacy organization that supports people with disabilities and families. I have a limited budget and capacity to take calls and help people with their individual issues. I am a staff of one. I get no less than 2 ABLE calls a week and the questions are often complex and specific to our state. The answers are not located on any FAQ.

I think Wisconsin can do better.

Other states offer 800 numbers and customer call centers, they do cross-agency trainings and develop customized marketing materials so the programs that support people with disabilities in their states - whether that be school special education teachers, disability benefits specialists with counties or Division of Vocational Rehabilitation counselors know how to help people save to purchase the things they need without relying on government funding, or how they can work and save more money while using an ABLE account as a tool.

SB 158 does not direct the state to establish an independent ABLE program. It does not add state staff. It simply says we need more information to know what the right thing is to do for Wisconsin residents. Under this bill we would get more exact information about the advantages and disadvantages of Wisconsin operating its own ABLE program - we would learn about potential hidden costs as well as the impact on people's choices, tax benefits and what we might improve upon.

My preference would be that this bill start a Wisconsin ABLE program today. I think it is needed. But this is a good first step.

Wisconsin has said no to ABLE for too long. We must do better.