

GET: The First 20 Years



1998-2018





GREETINGS!

We are excited to share this report with you that provides an overview of key milestones over the first 20 years of Washington’s prepaid college tuition plan – the Guaranteed Education Tuition (GET) Program. GET has served Washington state residents since 1998, and in that time, families have opened more than 160,000 GET accounts to plan ahead for future college expenses. More than 54,000 students have used their accounts to attend schools throughout Washington, the U.S. and at least 15 countries worldwide. In total, we have distributed over \$1.15 billion for students who are paying for college expenses, including tuition and fees, room and board, books, and supplies.

Throughout its young life, GET has seen its share of exciting milestones and achievements, as well as significant challenges. Through the ups and downs, we remain committed to GET customers and stakeholders. We pride ourselves on providing exceptional customer service, ensuring the safety and security of customer accounts, and continuing to innovate and create value for Washington families who trust us to help them reach their financial and educational goals. We strive to make it as easy as possible for families to make regular contributions to their accounts. We are focused on providing incentives, tools and resources to help them maintain their financial wellness and support their children in reaching their full potential.

We hope you enjoy this look back at GET’s first 20 years and invite you to join us as we reflect on our first 20 years.



Our Mission

WA529 helps Washington families save for educational expenses.

Our Vision

To foster a well educated community by helping students and families overcome financial barriers to education and avoid future debt.

Our Values

Improvement

We are committed to pursuing continued process improvement that results in efficiency and cost savings.

Respect

We foster a positive and inclusive environment through open and honest communication.

Responsibility

We responsibly manage resources and participant funds.

Service

We provide excellent customer service that supports family financial wellness and student success.

Teamwork

We work collaboratively to ensure a joyful workplace built on integrity, fairness and diversity.

Well-being

We promote employee health and well-being in a supportive environment that nurtures personal and professional growth.



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GET Overview

The Guaranteed Education Tuition Program (GET) is Washington's 529 prepaid college tuition plan that helps families across the state save for their students' future college education. Since GET launched in 1998, Washington families have opened 160,000 accounts and 54,000 students have used \$1.15 billion in funds to attend colleges nationwide and in other countries. The State of Washington offers GET alongside a new 529 plan, the DreamAhead College Investment Plan (DreamAhead), under the Washington College Savings Plans (WA529) brand.

GET is a self-sustaining, non-appropriated program of the Washington Student Achievement Council (WSAC) – a state agency that advances educational opportunities and attainment in Washington. The Committee on Advanced Tuition Payment and College Savings (GET Committee) governs the program and provides direction to WSAC to ensure GET operates transparently and efficiently. The Committee meets at least quarterly to review policies, pricing, and investments. The Washington State Investment Board (WSIB) manages the \$1.17 billion (as of December 31, 2018) GET fund that is invested in a balanced portfolio to support the GET guarantee.

GET provides a variety of unique benefits to Washington families and their students:

State Guarantee

The State guarantees that GET account values will keep pace with future in-state tuition no matter how much it changes. Specifically, 100 GET units purchased today are guaranteed to equal one year of resident undergraduate tuition and state-mandated fees at Washington's highest-priced public university at the time of use, no matter how much these costs change in the future.

Choice of Colleges Nationwide

GET is priced and valued based on Washington tuition rates, but students can use their funds at nearly any higher education institution in the U.S. and even at some schools in other countries. A GET account has the same monetary value whether a student attends a public university, a local community college or technical school, a private university, or a college in another state.

Tax-Free Growth and Withdrawals

Because GET is a state-sponsored 529 plan, contributions to a GET account are post-tax dollars, but the money grows free from federal income tax. When a student goes to college, withdrawals remain tax-free, as long as the money is used for qualified higher education expenses.

Flexibility and Control

While GET is tied to tuition, participants can also use funds for room and board, books, and other qualified expenses. If a student gets a scholarship or chooses not to go to college, participants can transfer accounts to other family members, wait to see if plans change, save funds for graduate school, or even get a refund. Account owners always maintain complete account control.

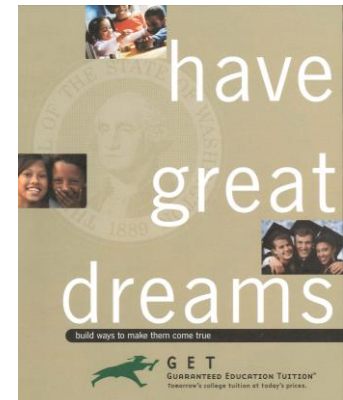
Easy Ways to Save

Participants can set up monthly payment plans, add funds whenever they have extra money to contribute, or choose a combination of the two. Anyone can open an account – a student's parent, grandparent, other family member, or friend. The only requirement is that the account owner and student must have a valid Social Security or Taxpayer Identification Number, and either the account owner or student must be a Washington resident at the time of enrollment.



A Timeline of Key GET Program Events and Milestones

GET officially opened its doors to Washington residents in the fall of 1998, though the program's history began two years earlier when the Legislature directed the Higher Education Coordinating Board (HECB) to begin researching and developing a "college tuition prepayment program." These early efforts led to the creation of what we now know today as the Guaranteed Education Tuition (GET) prepaid tuition program. Below is a brief history of the still young, but maturing program.



1996

March 30

As part of the [1995-1997 Supplemental Operating Budget \(Senate Bill 6251\)](#), the Legislature provides a \$140,000 appropriation to the HECB to design and develop a 529 prepaid tuition program. The Legislature directs HECB to submit a recommended program design and draft legislation for consideration in the 1997 Legislative Session. The supplemental budget bill's effective date is March 30, 1996.

1997

May 7

The Governor signs [House Bill 1372](#), which takes effect on July 27, 1997, and officially creates the Advanced College Tuition Payment Program. The legislation's intent is to promote education and financial security among Washington citizens. It states that the program is established to: "Encourage savings and enhance the ability of Washington citizens to obtain financial access to institutions of higher education."

The HECB is to administer and staff the Program with oversight and governance from the Committee on Advanced Tuition Payment (GET Committee). The GET Committee is to consist of three members: the State Treasurer, the Director of the Office of Financial Management (OFM), and the Chair of the HECB.

The HECB is to allow families to contract with the program and purchase tuition units. These units will later be redeemable for future tuition and certain fees at institutions of higher education. The Program is designed to be self-sustaining so that the unit purchase price includes an amount to cover the program's administrative costs. Money invested in the Program is to be managed by the Washington State Investment Board (WSIB).

The legislation identifies the purchase price for tuition units to be equal to 1% of the weighted average of one year's tuition and services and activities fees at the state's four-year institutions of higher education, adjusted for the costs of program administration and to ensure actuarial soundness of the program. The legislation does not specify the exact calculation for determining the unit payout value for when beneficiaries use their benefits. It does specify that the number of tuition units necessary to pay for a full year's, full-time tuition and fee charges at a state institution of higher education shall be set by the GET Committee, and that units purchased today can be redeemed in the future for an equal number of tuition units, regardless of tuition increases.



May 20

As part of the [1997-1999 Supplemental Operating Budget \(House Bill 2259\)](#), the Legislature provides a \$350,000 appropriation to HECB for operating expenses to create and administer a 529 prepaid tuition program.

1998

January 14

Prior to the sale of tuition units, HECB and the GET Committee submit agency request legislation to change statutory provisions relating to the Advanced College Tuition Payment Program.

March 20

The Governor signs [House Bill 2430](#), which takes immediate effect and shores up certain administrative issues including:

- Exempting financial and commercial information supplied to the Program relating to the purchase or sale of tuition units and contracts from public inspection and copying;
- Directing the GET Committee to maintain offices and employ personnel, including, but not limited to, a director, an accountant, and a confidential secretary. These staff members are exempt from classified service and are to be HECB employees.
- Requiring a legislative appropriation to fund the costs of administering the Program, but not for the purpose of making distributions for beneficiaries; and
- Providing immunity from liability to GET Committee members while performing the duties of their office.

May 26 and June 10

At multiple [GET Committee](#) meetings, members adopt several notable program and contract policy details, including:

- Establishing a minimum purchase of one unit and maximum purchase of 500 units;
- Setting a stabilization reserve policy equal to 7%;
- Limiting the usage of tuition units to ten years;
- Allowing payroll deduction, when feasible for the purchase of tuition units;
- Providing for refund fee exemptions in the case of death, disability, or scholarship;
- Naming the Program “Guaranteed Education Tuition” (GET);
- Approving a logo of a graduate in action and the slogan “Tomorrow’s College Tuition at Today’s Prices”;
- Offering Custom Monthly Plans with a finance charge as a way for families to lock in unit prices and pay over time;
- Setting fees: application fees at \$50 each or \$100 per family and refund fees; and
- Approving the first unit purchase price of \$35 each and an enrollment period of September 1, 1998 – January 15, 1999 for Custom Monthly Plans and September 1, 1998 – June 30, 1999 for the Lump Sum unit purchases (i.e. pay-as-you-go units).



September 1

GET officially opens to the public and begins accepting applications for enrollments and unit purchases.

1999

April 22

The Governor signs [Senate Bill 5195](#), which identifies money held in a GET account as an 'employee benefit plan,' thus exempting those monies from execution, attachment, garnishment, or seizure by or under any legal process. The bill's effective date is July 25, 1999.

2000

March 17

The Governor signs new agency request legislation as passed by the Legislature. [House Bill 2559](#) takes effect on June 8, 2000, and makes further statutory modifications to GET, including:

- Expanding the structure of the GET Committee by adding two members of the community appointed by the Governor – one representing Program participants and the other a business representative with marketing, public relations and financial expertise;
- Changing the GET Committee Chair from the HECB Chair to the HECB Executive Director;
- Removing the provision that a legislative budget appropriation is required to fund the costs of administering the Program;
- Clarifying definitions and references to 'tuition and fees' and 'unit purchase price' as those specifically relating to *undergraduate* tuition;
- Referencing the consideration of patterns in tuition increases, past and projected investment returns, and the need for a stabilization reserve when setting the unit purchase price;
- Reassigning several statutory responsibilities between HECB and the GET Committee, including:
 - a) HECB sets employee compensation;
 - b) The GET Committee accepts unit contracts with the purchaser;
 - c) The GET Committee has authority to establish all policies (other than investment) related to the GET account; and
 - d) The GET Committee sets the number of tuition units necessary to pay for one full year of full-time undergraduate tuition and fee charges.
- Stipulating that account refunds are only allowed (with some exceptions) after funds are held for two years (rather than when the beneficiary turns 18 in the original statute) and that refunds will not exceed the current weighted average tuition minus penalties (rather than 95% of the weighted average tuition in the original statute);
- Changing the unit payout value for students who attend non-Washington public institutions or graduate school from being based on the current weighted average tuition to being based on the rate for Washington public institutions; and,
- Defining the state role as fiduciary, not owner, of assets held within the GET account, and that participant GET funds are private monies not subject to restrictions of state financial aid awards.



2001

May 7

The Governor signs [House Bill 2126](#), which provides a framework for the GET Committee to establish and operate a 529 college savings plan that would be offered alongside GET. The legislation also changes the way in which refunds for unused GET units are calculated from a weighted average to that based on the unit's current value, as determined by the GET Committee. The effective date of this legislation is July 22, 2001, except for the provision that changes how GET refunds are calculated, which takes effect on July 1.

May 17

To reduce customer confusion and the costs to market the differences in enrollment periods for the Custom Monthly and Lump Sum plan options, the [GET Committee](#) votes to change to set the enrollment period as September 15 – March 31 for both plan options.

November 16

In laying out options for developing a 529 college savings plan, the [GET Committee](#) accepts a letter of understanding between the WSIB and HECB detailing a partnership whereby the WSIB provides investment oversight and monitoring for internally managed investments at the WSIB as well as investment products/funds provided by external managers. The GET Committee and the WSIB begin working together to issue a joint Request for Proposals (RFP) from vendors in the investment management arena for three separately contracted services: 1) marketing; 2) records administration; and, 3) investment options/products/funds.

2002

March 12

At their meeting, the [GET Committee](#) makes two key decisions:

- Approves raising the number of units that a beneficiary can use in a single academic year from 100 to 125 after receiving a growing number of requests. This adjustment is also made to reduce the frequency of penalized refunds on unused units in cases where a beneficiary has 500 units and graduates in four years; and
- Approves a Request for Proposal (RFP) that seeks vendor services for a 529 college saving plan.

June 17

After reviewing responses to the RFP, the WSIB determines the cost to participants of offering a 529 college savings plan in the structure proposed would be significantly higher than anticipated. In addition, the WSIB cites concerns at the high level of fees that would be required and the staff time necessary to get the program started.

At the recommendation of HECB staff, [GET Committee](#) members approve hiring a consultant to develop and issue an RFP that bundles all the requested services into one executed contract. The new RFP is issued in August and ICMA Retirement Corporation is the only bidder to submit a proposal.



July 30

At a special meeting, the [GET Committee](#) changes the GET enrollment period to September 15 – March 31 to mitigate the effects of any unforeseen legislative action on tuition increases.

December 3

The [GET Committee](#) hears the proposal from ICMA and votes to enter into contract negotiations. Items to be considered in contract negotiations include fees and the selection of necessary subcontractors, particularly a national distribution partner.

2003

February 11

Staff updates the [GET Committee](#) on the progress of contract negotiations and ICMA indicates the current equity market and pressure on financial institutions are setbacks to securing a distribution partner. The savings plan name is revealed as ‘Saving for Education Tomorrow’ with the slogan being ‘GET SET for College.’

April 14

After nearly two years, plans to introduce and open a 529 college savings plan are shelved after ICMA withdraws itself from contract negotiations. The vendor is unable to secure a national distribution partner, citing proposed federal legislation that would diminish interest in 529 college savings plans and continued market decline in favor of prepaid plans, as hindrances in their attempts. In addition, the proposed firm for records administration decides to withdraw.

2005

July 24

The Legislature passes [Senate Bill 5926](#), which removes the requirement that GET Program beneficiaries must be Washington residents, and gives the GET Committee authority to determine residency requirements for account owners and beneficiaries to ensure the program’s actuarial soundness and integrity. The bill’s effective date is July 24, 2005. The legislation also:

- Clarifies that ‘services and activities fees’ charged by institutions do not include the payment of bonds or other indebtedness for acquiring, constructing, or installing any lands, buildings, or facilities.
- Ensures that GET units purchased more than two years before the filing of bankruptcy proceedings or a bankruptcy judgment are excluded from consideration as personal assets.
- Removes the weighted average tuition concept entirely from Chapter 28B.95 RCW, and states that refunds are equal to the current tuition unit value, minus applicable penalties.

2007

July 22

The Washington College Bound Scholarship program is created through [Senate Bill 5098](#), enabling HECB to purchase GET units for the purpose of scholarship awards and to distribute funds in the form of tuition units. Concurrently, separate but similar legislation ([House Bill 1779](#)) creates the GET Ready for Math and Science Scholarship whereby HECB can buy GET tuition units. However, those funds are to be held in a newly created, separate account of the same name as the scholarship.



2009

May 19

In the [2009-2011 Biennial Operating Budget \(HB 1244\)](#), the Legislature provides funds to the Office of the State Actuary (OSA) to conduct an independent assessment of alternatives for ensuring GET's long-term financial solvency. The legislation directs the OSA to report findings, provide an assessment of the major alternatives, and suggest actions to the Governor and relevant legislative committees.

November 13

The OSA publishes a GET Financial Solvency Study that concludes that keeping GET open produces only a small chance of insolvency. If insolvency occurs however, the contribution required from the state would be significant. The study also notes that the GET Committee could virtually eliminate future insolvency risk by changing its price-setting guidelines.

2011

March 30

The OSA provides an updated GET Solvency Analysis to Senate leadership, the State Treasurer, and the OFM Director. The update is consistent with OSA's 2009 analysis and finds that the overall chance of GET needing state assistance in 50 years is 0.7%, and that chance would decrease to 0.4% with the creation of a "GET 2" with a different payout model, if unit sales do not decline. If unit sales decline under a "GET 2" model, the analysis assumes a higher chance and amount of needed state assistance. The analysis also finds that solvency results change significantly with small changes in assumptions related to purchaser behavior and that the program can manage risk by using higher tuition growth assumptions in price-setting.

April 22

The Governor signs [House Bill 1864](#), which amends statutory bankruptcy and court judgement provisions. Savings in GET accounts remain personal property that is exempt from execution, attachment, or garnishment and statute is expanded to include savings in any 529 plan. The bill also removes language regarding GET accounts being an 'employee benefit plan' from statute. The bill's effective date is July 22, 2011.

June 1

The [GET Committee](#) changes the annual GET enrollment period to November 1 through May 31.

June 6

The Governor signs [Senate Bill 5749](#) into law, which creates a Legislative Advisory Committee (LAC) for GET. The LAC is to provide advice to the GET Committee and the OSA regarding administration of the program including, but not limited to, pricing guidelines, the tuition unit price, and unit payout value. The LAC is to meet at least once a year and is composed of eight legislative members, two from each of the major caucuses in the House and Senate. The OSA is given additional powers and duties in statute to assist the GET Committee, including recommending a tuition unit price and annually evaluating the soundness of the GET fund. In signing the bill, the Governor vetoes a section that would add additional members to the GET Committee. The bill's effective date is August 24, 2011.



August 24

[Senate Bill 5182](#) The Office of Student Financial Assistance Act takes effect, which sets a date of July 1, 2012 to eliminate the HECB. The bill calls to transfer all student financial aid functions, including the GET Program, to a new agency: the Office of Student Financial Assistance (OSFA). All previous statutory references and responsibilities of the HECB as it relates to the GET Program are replaced by OSFA. The Director of OSFA becomes the chair of the GET Committee. The bill's effective date is August 24, 2011.

September 8 and October 1

In a [Report to the Governor and Legislature](#), the program details several Program options and recommends repricing GET units in the existing Program structure to include an amortization charge and maintaining custom monthly plans with the existing finance charge. The GET Committee approves a unit purchase price for the upcoming enrollment period of \$163 per unit, of which \$18.70 represents a 30-year amortization charge for the program's unfunded liability and a 15% stabilization reserve policy.

2012

March 30

The Governor signs [House Bill 2483](#), which creates The Washington Student Achievement Council (WSAC). The OSFA becomes housed within and under the direction of WSAC. The Executive Director of WSAC is to become the Chair of the GET Committee. The bill's effective date is June 7, 2012. Additional sections of the bill go into effect on July 1, 2012.

May 2

In the [2012 Supplemental Operating Budget \(House Bill 2127\)](#), the Legislature directs the LAC to review and report on the impact of differential tuition rates on GET's funded status and future unit price. The LAC is to provide a recommendation on how to maintain ongoing program solvency.

July 1

The WSAC officially replaces the HECB and the WSAC Executive Director becomes the GET Committee Chair.

2013

January 16

The LAC submits its final report, [Recommendations Regarding the Guaranteed Education Tuition \(GET\) Program and Differential Tuition](#), to the Senate and House higher education and fiscal committees as required by House Bill 2127. The LAC's report recommends that the Legislature close GET to new enrollments and unit purchases while honoring all existing contracts. The LAC also recommends allowing differential tuition setting authority to take effect July 1, 2013, for institutions that are not the basis for the GET payout value.



2015

May 8

The Governor signs [House Bill 1546](#) which allows eleventh and twelfth grade high school students to use GET units to pay for dual-credit College in the High School and Running Start programs. The bill's effective date is July 24, 2015.

July 6

After two years of freezing tuition increases at public universities and colleges, the Governor signs [Senate Bill 5954 – The College Affordability Program](#) (CAP) which most notably leads to phased in tuition reductions at state universities and community colleges. Tuition at University of Washington (UW) and Washington State University (WSU) is set to decrease a total of 15%, phased in over the 2015-16 and 2016-17 academic years. The bill directs the GET Committee to hold the GET payout value at the 2014-15 academic year payout for two years, then make the necessary adjustments to ensure GET customer accounts are not decreased or diluted as a result of tuition reductions.

The bill also directs the GET Committee to submit a report to the Legislature by December 1, 2016 that: reviews the impact of decreasing tuition rates on GET's funded status and future unit pricing; assesses the feasibility of creating a 529 college savings plan; and provides alternative payout models for GET and a list of potential alternatives and impacts for changing the state penalty for GET refunds. The bill's effective date is October 9, 2015.

July 13

The [GET Committee](#) holds the first of several meetings where it reviews the impacts of the CAP and gathers information from GET staff and consultants, hears customer testimonies, and receives the OSA's latest preliminary actuarial valuation that shows the program is fiscally healthy.

August 19

The [GET Committee](#) takes its first two actions in response to the CAP. First, the Committee votes that effective August 19, 2015, the GET program will refund all amortization fees paid by account owners who have unredeemed units at purchase prices of \$163 or greater. Additionally, the Committee votes to delay GET unit sales and enrollments effective July 1, 2015, for a period not to exceed two years. The program is to return any payments received after July 1 for new unit purchases back to account owners, except for customers still paying on existing Custom Monthly Plans, who may continue their payments.

September 1

The [GET Committee](#) takes additional actions in response to the CAP. The first action is to maintain the GET payout value at \$117.82 per unit until the time when one year of resident undergraduate tuition and state mandated fees at Washington's highest priced public university surpasses \$11,782. The second action is to temporarily waive all state program refund fees and the two-year hold requirement for all account owners through December 15, 2016. During this temporary refund period, account owners refunding their GET accounts are to receive a refund of their contributions or the payout value, whichever is greater.



October 7 and December 3

The [GET Committee](#) begins exploring the feasibility of offering a direct-sold 529 college savings plan as a complement to GET. At the December 3 GET Committee meeting, members vote to move forward with developing a savings plan and to submit request legislation to secure additional Legislative authority and a framework for developing such a plan.

2016

February 11

The [GET Committee](#) continues exploring opening a direct-sold 529 college savings plan and first considers an in-house WSAC-operated program with the WSIB as the investment manager.

March 29

The Governor signs [Senate Bill 6601](#), which takes effect June 9, 2016, and provides a framework for the GET Committee to develop the “Washington College Savings Program,” which is to be an investment-based 529 college savings plan as a complement to GET. The bill also modifies the GET Committee’s statutory name from “Committee on Advanced Tuition Payment” to the “Committee on Advanced Tuition Payment and College Savings.”

April 20

The WSIB reports to the [GET Committee](#) that it is not best positioned to be the investment manager for 529 college savings plan. Committee members authorize staff to move forward with creating an RFP for contracted program management services.

September 7

The [GET Committee](#) votes to extend the non-penalty refund deadline until September 1, 2017, or until 60 days after a savings plan opens (whichever is later).

October 4

After issuing a Request for Information to gather input from the potential bidder community, WSAC issues a Request for Proposals (RFP) for program management services for a direct-sold 529 college savings plans. The RFP closes in December 2016 without any responsive bids.

November 16

On behalf of the GET Committee, WSAC submits a [report to the Legislature](#) in response to the requirements of the CAP. The report offers four key findings:

- Decreasing tuition rates have generally improved GET’s funded status (136% as of June 30, 2016); future unit prices will likely start out lower than the \$163/\$172 unit prices;
- Determining the feasibility of establishing a 529 college savings program is in progress. The GET Committee and staff are currently engaged in an RFP process;
- The GET Committee does not recommend a cost of attendance payout metric, as it contains expenses outside the scope of 529 plans: and
- GET could implement temporary refund penalty policy changes and remain financially solvent; the GET Committee authorized non-penalty refunds until September 1, 2017, or until 60 days after a savings plan opens (whichever is later).



2017

March 3

WSAC issues a modified RFP for program management services for a direct-sold 529 college savings plans that garners more interest from the potential 529 program manager community.

June 26

WSAC announces Sumday Administration, LLC. (a BNY Mellon company) as the apparent successful bidder of the Washington College Savings Plan RFP and contract negotiations ensue.

July 6

The [GET Committee](#) votes to reopen GET to new enrollments and unit purchases on November 1, 2017. Additionally, in preparation for GET's reopening, the Committee votes to lower the unit payout value to realign with in-state tuition and rebase all existing customer accounts. The rebase adjustment will add units to participant accounts and is designed to ensure accounts do not lose value due to recent tuition reductions. Because this adjustment will cause some accounts to exceed the 500 unit lifetime beneficiary maximum, the Committee also votes to increase the unit maximum to 600 units. The rebase process takes place on August 1, 2017, and adds approximately 13.4% more units to all existing GET accounts.

November 1

GET reopens to new enrollments after rebasing all existing accounts and setting a new unit purchase price that factors in new assumptions about future tuition growth, based on the CAP. The GET enrollment period opens with a unit purchase price of \$113, which is the lowest unit purchase price charged since the 2010-11 enrollment period.

2018

March 22

The Governor signs [Senate Bill 6087](#) into law, which provides new account options and additional benefits for GET customers who purchased units before July 1, 2015. These options are provided in three phases. Phase 1 allows customers a 90-day window to roll their GET accounts to the soon to be launched [DreamAhead College Investment Plan](#) at a special unit cash value price. This unit cash value price ends up being higher than the current GET payout value by 38% and is determined by dividing the market value of the GET trust fund by the number of remaining eligible units. Once the rollover window is closed, the GET Committee is to add units to accounts with an average unit price higher than \$117.82. As part of this Phase 2 adjustment, eligible accounts are to receive more units so the average unit purchase price decreases to \$117.82. The final phase takes place after Phase 2, and starts with the OSA measuring the GET funded status. If the funded status is higher than 125%, GET is to add units to all eligible accounts to bring the funded status down to 125%. The effective date of this legislation is April 15, 2018.

April 19

To ensure sufficient funds are available to fund GET to DreamAhead incentivized rollovers offered in Phase 1 of Senate Bill 6087, the WSIB votes to temporarily allow unlimited asset allocation authority for the GET fund to WSIB staff. This means staff has full flexibility to move assets between equity, fixed income, and cash categories. With input from the GET Committee, WSIB staff raises \$1 billion in cash to fund incentivized rollovers. This results in nearly half of the GET



fund being allocated to cash. After GET staff processes all incentivized rollovers in late 2018, WSIB staff reverts the remaining GET fund back to the long-term asset allocation targets.

April 24

After months of contract negotiations and development efforts between WSAC and Sunday Administration, a new investment-based 529 college savings plan, the [DreamAhead College Investment Plan](#), officially opens as a complement to GET. Unlike GET, DreamAhead is open to anyone in the United States. With the addition of a new savings option, WSAC unveils a new Washington College Savings Plans ([WA529](#)) umbrella brand to market GET and DreamAhead side-by-side as Washington’s new “menu” of college savings plans.



April 25 and May 9

At their April 25 meeting, the [GET Committee](#) votes to set the 90-day incentivized GET to DreamAhead rollover window offered by Senate Bill 6087 to open on June 15, 2018. Additionally, the Committee votes to extend the non-penalty refund period to end concurrently with the end of the 90-day rollover window. At a special meeting on May 29, the OSA determines that the unit cash value price for GET to DreamAhead rollovers should be set at \$143, which the Committee votes to adopt.

September 7

After a four month ‘soft-launch’ period for DreamAhead, WSAC holds a DreamAhead grand opening/launch event on Capitol Campus in Olympia, where the Governor, State Treasurer, and prime sponsor of Senate Bill 6601 (2016) speak about their vision for college savings in Washington.

November 1

GET opens for its second enrollment period following the passage of the College Affordability Program. The 2018-19 enrollment period marks a new milestone and features new branding and a new marketing campaign focused on the WA529 umbrella branding, which emphasizes that Washington now has multiple ways for families to save for future college expenses.

November 6

WA529 staff report to the [GET Committee](#) that GET customers rolled 26,600 GET accounts and \$875 million in assets over to DreamAhead during the Senate Bill 6087 90-day rollover window. WA529 staff are now preparing for Phases 2 and 3 of Senate Bill 6087 implementation.

November 14

As part of implementing Senate Bill 6087, GET staff run the Phase 2 adjustment, which adds 113,822 units to 13,597 eligible customer accounts so that no existing account’s average unit purchase price exceeds \$117.82. Staff then begin working with the OSA to prepare for the final phase of implementing the bill, which is to be completed before March 1, 2019.



GET Program Governance

GET's enabling statute, RCW 28B.95, establishes the program and provides guidelines on program governance and operations. From this enabling statute, GET develops program policies and formalizes these policies in the [GET Master Agreement](#), which is the program's contract with participants. GET also maintains [bylaws](#) that guide the GET Committee's work. These processes are in lieu of codified rules in the Washington Administrative Code (WAC).

GET Committee

The [Committee on Advanced Tuition Payment and College Savings](#), historically known as the GET Committee, is the five member governing body that provides oversight and sets program policies for GET and DreamAhead. Current GET Committee members (as of December 31, 2018) include:

- Michael Meotti, Committee Chair, WSAC Executive Director;
- Duane A. Davidson, State Treasurer;
- David Schumacher, Director of the Office of Financial Management (OFM);
- Vacant, Citizen Representative (previously filled by Beth Berendt, 1998 – 2018); and
- Vacant, Citizen Representative (previously filled by Mooi Lien Wong, 1998 – 2017);

See [Appendix B](#) for full bios of current GET Committee Members

Major Committee Milestones

1997

The Legislature [creates the Committee on Advanced Tuition Payment](#) to develop and administer the soon-to-be GET program, with the support of the staff of the HECB. The three initial committee members include the State Treasurer, the OFM director, and the chair of the HECB.

2000

The Legislature [restructures the GET Committee](#) and adds members as follows: the State Treasurer (or their designee); the OFM director (or their designee); the HECB executive director (or their designee); and two members appointed by the governor – one representing program participants and one representing private business with marketing, public relations, or financial expertise.

2011

Legislature [dissolves the HECB](#), naming the OSFA director as the GET Committee chair. The Legislature also [establishes the GET Legislative Advisory Committee](#) to advise the GET Committee and the OSA (read more details in the '[Legislative Advisory Committee](#)' section).

2012

The Legislature creates WSAC, effective July 1, and names the WSAC executive director as the GET Committee chair.

2016

The Legislature [establishes the Washington College Savings Program](#) (which becomes branded as DreamAhead), adds oversight of this program to the GET Committee's duties, and officially renames the Committee to the Committee on Advanced Tuition Payment and College Savings.



2017

Mooi Lien Wong, concludes her service as a Citizen Representative on the committee.

2018

Beth Berendt concludes her service as a Citizen Representative on the committee.

Legislative Advisory Committee

The Legislature established the [GET Legislative Advisory Committee \(LAC\)](#) in 2011 by passing [Senate Bill 5749](#), which is now codified in [RCW 28B.95.170](#). The LAC advises the GET Committee and the OSA on program policies including, but not limited to, pricing guidelines, the tuition unit price, and the unit payout value. The LAC meets at least once a year and is composed of eight legislative members, two from each of the major caucuses in the House of Representatives and Senate. The current LAC members, as of December 31, 2018, are:

Senate Members	House Members
<ul style="list-style-type: none">• Senator David Frockt (D), Chair• Senator Barbara Bailey (R)• Senator Guy Palumbo (D)• Senator Lynda Wilson (R)	<ul style="list-style-type: none">• Representative Steve Bergquist (D)• Representative Jeff Holy (R)• Representative Drew Stokesbary (R)• Representative Gael Tarleton (D)

GET Unit Pricing Over Time

Setting a realistic, thoroughly researched unit purchase price is critical to maintaining the financial stability of the GET program and to provide a fair price for customers. Annually, the GET Committee sets the GET unit purchase price based on an actuarial formula that includes estimated future tuition costs, investment returns, administrative costs, economic variables, and a reserve to assist in periods of fluctuating returns or higher-than-expected tuition.

Unit Pricing Process

The OSA assists the GET Committee by providing a Price-Setting Analysis that incorporates a variety of assumptions about factors that influence the variables that the Committee considers in setting the unit purchase price. The OSA also provides scenario-based risk analyses to test the adequacy of the reserve if the program were to experience higher than expected tuition growth and lower than expected investment returns. Ultimately, the Price-Setting Analysis produces a Best Estimate Unit Purchase Price, along with a Best Estimate Unit Purchase Price Range. The OSA considers any price that the Committee selects within the Best Estimate Range to be reasonable, even if it does not choose the Best Estimate Unit Purchase Price.

Unit Pricing Guidelines

In 2011, following the Great Recession, the GET Committee adopted new price-setting guidelines that determined how GET would price future units. These guidelines addressed the Legislature's then new tuition policy and aimed to return GET to a fully funded status. A key component that the Committee added to the unit price at this time was an amortization amount to offset lower than expected investment returns and higher than expected tuition growth due to the recession and tuition policy changes. This component added \$18-\$22 to the unit purchase price between 2011 and 2015. The following table describes the four pricing components established in 2011.



Unit Purchase Price Components

Expected Costs

Covers the expected present value of the cost of future Tuition and State-Mandated Fees.

Expenses

Contributes to GET's administrative expenses.

Reserve *(current policy targets a 15% reserve)*

Covers unexpected future costs such as higher than expected tuition growth or lower than expected investment returns.

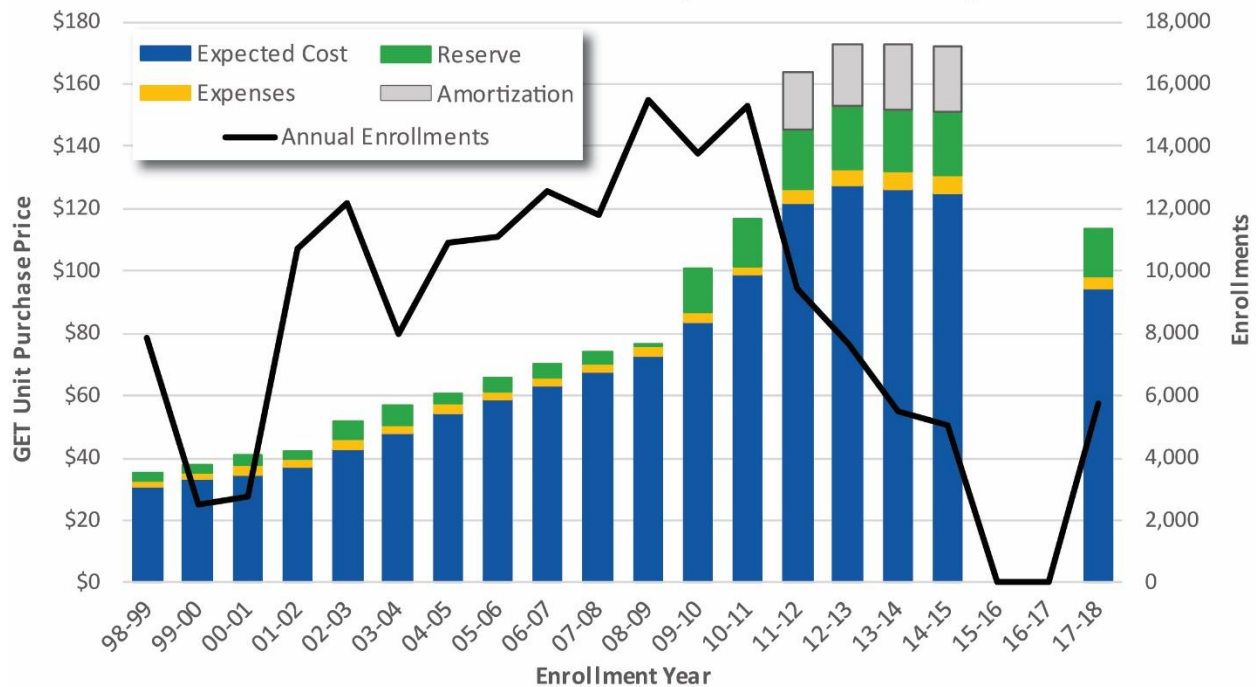
Amortization *(optional - not included in current pricing)*

Covers unexpected past costs from significant Program or policy changes.

Unit Prices Over Time

The GET unit price always includes a premium over current tuition rates, which varies year to year based on several factors. The lowest unit price that GET has charged was \$35 (a 3% premium over that year's tuition rates) during the program's first enrollment period. The highest unit purchase price charged was \$172 (a 46% premium) for three years between 2012 and 2015. This period of higher pricing followed the 2008-2009 recession and four years of rapidly increasing tuition growth, struggling financial markets, and the Committee implementing new unit pricing guidelines. The increased pricing, coupled with recovering financial markets and flattening tuition, coincided with a decline in annual enrollments. Since the Legislature enacted the CAP, the unit price has significantly declined (\$113 for the 2017-2018 and 2018-2019 enrollment years) and has returned to a more modest premium (6.6% in 2018-19). It is still too early to fully understand the impacts of the state's tuition policy on long-term GET enrollment trends.

GET Unit Prices and Components Since Inception



More on the Amortization Component

Between May 1, 2011, and July 1, 2015, the amortization component added \$18 to \$22 to the GET unit price. Recent years of flat tuition growth, better than expected investment returns, and the passage of the CAP improved the program's financial health more quickly than expected. In response, on

Enrollment Year	Amortization Amount	Initial Unit Price	Adjusted Unit Price
2011-12	\$18.70	\$163	\$144.30
2012-13	\$19.73	\$172	\$152.27
2013-14	\$20.82	\$172	\$151.18
2014-15	\$20.82	\$172	\$151.18

August 18, 2015, the GET Committee voted to refund the amortization fees paid by all participants who had unredeemed units purchased at prices of \$163 or greater. In total, GET returned \$59 million in amortization fees for over 43,000 accounts. The amortization amounts charged, the initial unit price, and adjusted unit price are provided in the table to the right.

GET Trust Fund Management

One of GET's key benefits is the guarantee that accounts will keep pace with future tuition costs. To support this guarantee, GET participant contributions go into a trust fund that the WSIB invests in a diverse portfolio. By statute ([RCW 28B.95.070](#)), the WSIB has the full power to invest, reinvest, contract, sell, or exchange investment money in this fund. In addition, [RCW 43.33A.140](#) states that the WSIB must invest and manage the assets entrusted to it with the reasonable care, skill, and diligence that a prudent person acting in a similar capacity would employ.

The GET fund's investment portfolio contains a balanced mix of U.S. and international equities (index funds), fixed income corporate bonds, and Treasury bonds. To ensure GET has enough money available to cover distributions, the WSIB holds a small portion of the fund in cash.

Within several stated investment objectives, the WSIB tasks itself with identifying the level of risk for GET considering the program's need to meet or exceed the tuition growth rate over a 10-year period. In doing so, the WSIB sets a long-term absolute goal to achieve at least a rate of return relative to inflation as measured by the Consumer Price Index and sets a passive equity benchmark based on the MSCI All Country World Investable Market Index. This index captures large, mid and small cap representation across 23 developed markets and 23 emerging markets, covering 99% of the global equity investment opportunity set.

On August 20, 1998, the WSIB adopted GET's first investment policy, which defined acceptable investments and asset allocation limits. Since then, the WSIB has allocated GET assets within the following types and ranges: 49% to 64% Public Equity (U.S. and Global); 34% to 46% Fixed Income/TIPS (Treasury Inflation-Protected Securities); and up to 6% Cash.

The WSIB reviews the asset allocation mix every four years or sooner if there are significant changes in program size, funded status, or liability duration. For example, in September 2015, the WSIB adjusted GET's investment mix to account for temporary program refund changes made in response to the College Affordability Program. As described in the [2015 GET Annual Report](#), the WSIB increased the fund's cash portion to 5% to ensure enough money would be on hand to pay customers who took advantage of the temporary non-penalty refund policy.

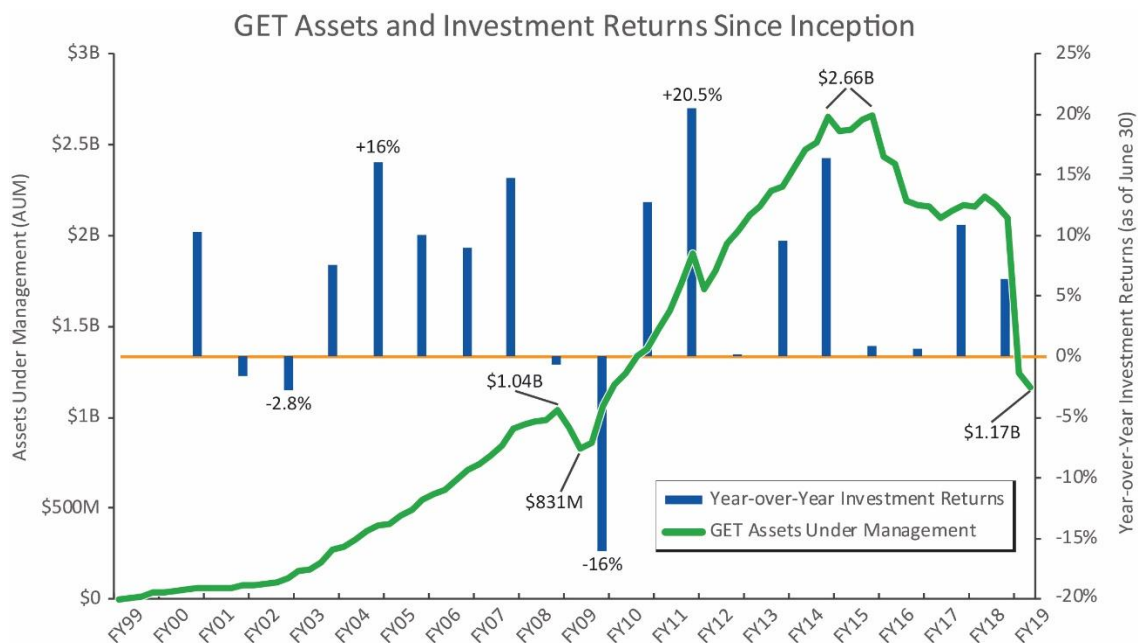


In 2018, the WSIB also made a significant temporary asset allocation change to ensure sufficient funds would be available to fund GET to DreamAhead incentivized rollovers offered to customers by [Senate Bill 6087](#). The WSIB voted on April 19, 2018 to temporarily allow unlimited allocation authority to WSIB staff during the incentivized rollover window, meaning staff had full flexibility to move assets between equity, fixed income, and cash categories. With input from the GET Committee, WSIB staff raised \$1 billion in cash to fund incentivized rollovers. This resulted in nearly half of the GET fund being allocated to cash. After all of the incentivized rollovers were processed in late 2018, WSIB staff reverted the remaining GET fund back to the long-term asset allocation targets.

The current target asset allocation, as of December 31, 2018, is at 60% equity, 40% fixed income, and 0% cash, with ranges of 55-65% equity, 35-45% fixed income, and 0-5% cash.

The chart below shows the total asset under management (AUM) and year-over-year investment returns since GET's inception. GET sold its first units in September 1998 and in the first year had nearly \$40 million in AUM. For the next two years GET's AUM experienced modest growth, but a rise in accounts and contributions together with strong rates of returns led to AUM doubling in each of the following two years. By the end of 2003, GET was at \$326 million in AUM.

By 2008, GET surpassed \$1 billion in AUM, but this mark coincided with the beginning of the Great Recession and a 12% year-over-year decline. As tuition began increasing more sharply in 2009, and financial markets stabilized, AUM began increasing more rapidly. GET became the fastest growing prepaid tuition plan in the nation, surpassing \$2 billion in assets in 2012 and hitting a high of \$2.66 billion in 2015. However, with the events that have transpired since the CAP took effect in 2015, GET assets have significantly declined. This has been primarily due to fewer contributions coming in during the two-year unit purchase delay, coupled with significantly increased distributions due to non-penalty refunds and incentivized rollovers to DreamAhead. As of December 31, 2018, the GET fund has \$1.17 billion in AUM.

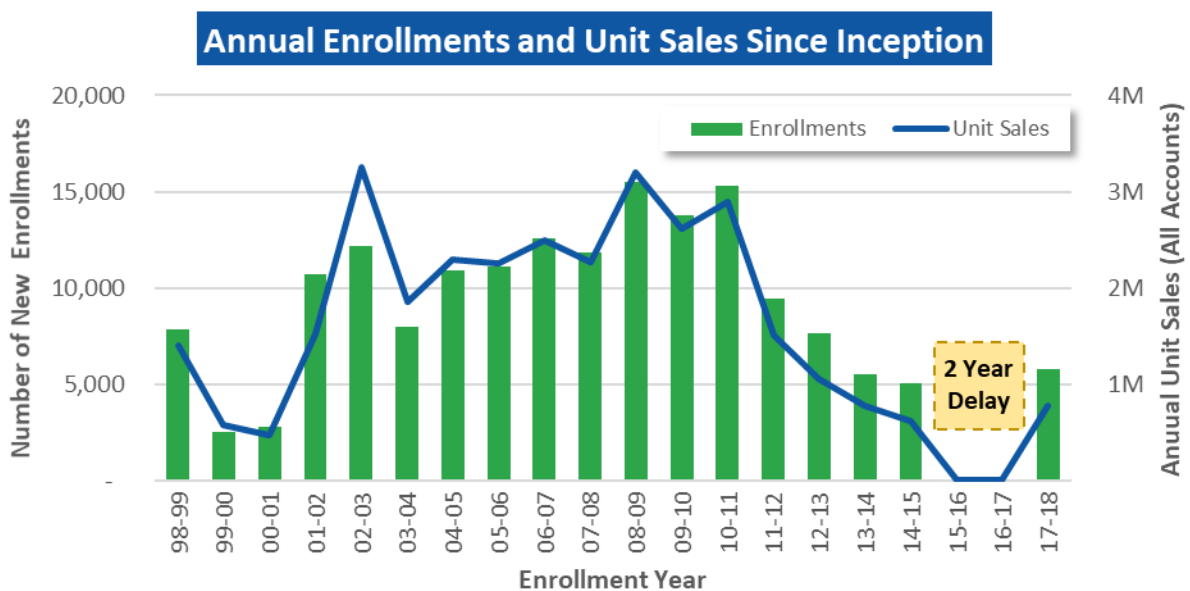


GET by Numbers

Since 1998, tens of thousands of Washington families have chosen GET to help fund their college savings efforts. Washington is unique in that for nearly two decades, it only offered a 529 prepaid tuition program. Unlike most other states, Washington did not offer a 529 college investment plan until 2018 when DreamAhead launched. As a result, the GET team focused their efforts on making GET a premier prepaid tuition program among its peers. Before the implementation of the CAP in 2015, GET was the second largest and fastest growing prepaid tuition plan in the country. While Washington has since joined other states by also offering a 529 college investment plan, GET remains a special program that can aid risk averse savers, families who want to hedge against tuition inflation, or those who want added diversity in their college savings portfolios. This section offers a look at GET participation and usage over the years and provides insight into big picture economic factors that impact enrollments year to year.

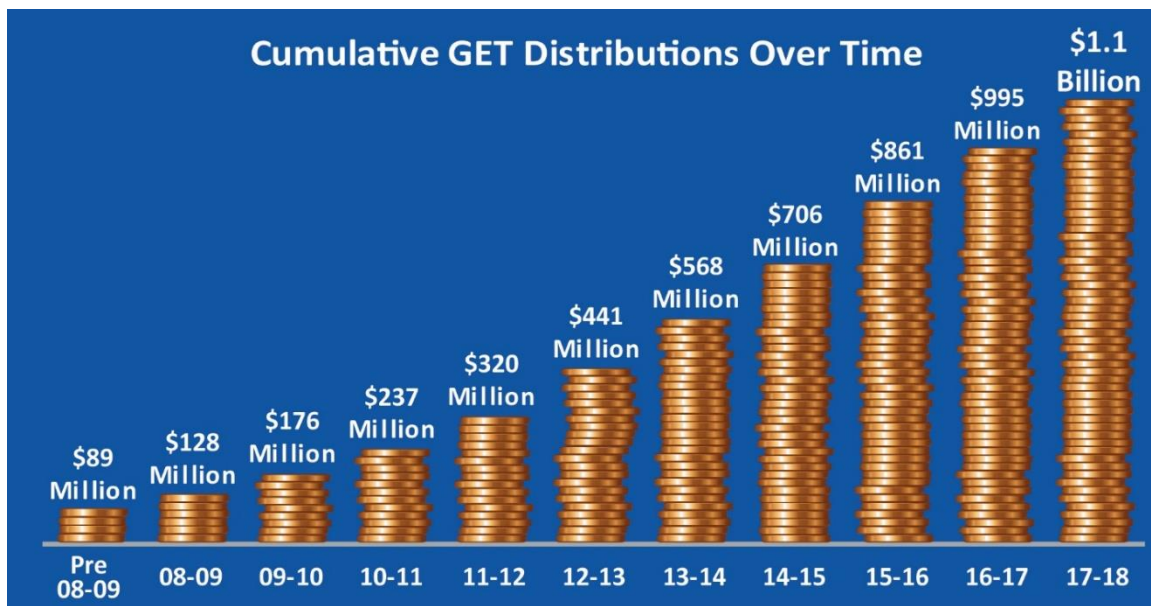
GET Enrollments and Unit Sales Over Time

GET launched in 1998 with significant interest out of the gate. Enrollments were relatively strong in the first year, with Washington families opening nearly 8,000 accounts and buying 1.4 million units. The next two years saw a significant decrease in new enrollments, but by the 2001-2002 enrollment period, there was a resurgence in annual enrollments that maintained through the 2010-2011 enrollment year. As financial markets began to recover after the 2008-2009 Recession, tuition growth began flattening, unit prices significantly increased, and year-over-year enrollments and unit sales declined through the 2014-15 academic year. GET temporarily closed to new enrollments and unit sales for the following two years while the GET Committee worked to make adjustments to customer accounts as a result of the CAP tuition reductions.



GET Distributions by Academic Year

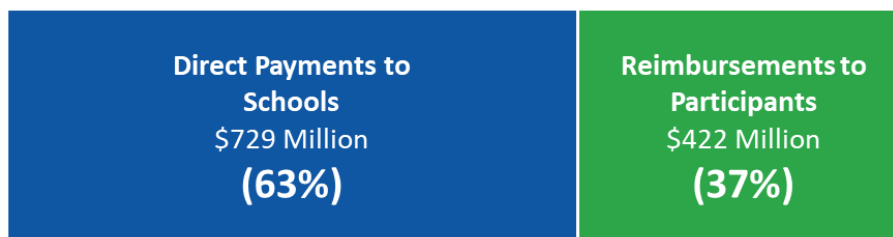
Each year, new units become available for use on August 1. Distributions can be paid directly to the school that a student beneficiary is attending, or reimbursed to the account owner or student for qualified higher education expenses already paid out of pocket. As of December 31, 2018, GET has paid out \$1.15 billion on behalf of 54,000 students to help cover college costs.



How GET Customers Use Their Units

GET's payout is indexed to in-state tuition, though customers can use their GET benefits to cover any "qualified higher education expense" as authorized by Section 529 of the Internal Revenue Code. These expenses include fees, room and board (which can include off campus housing and groceries), books, supplies, computers and peripheral equipment, and internet access. Additionally, in 2017 as part of the Tax Cut and Jobs Act, Congress voted to allow distributions from 529 plans to be used to pay up to a total of \$10,000 of tuition per beneficiary each year at elementary or secondary public, private or religious schools. GET allows families to flexibly manage their expenses when it is time to make distributions. GET can pay a student's school directly, or account owners can request reimbursements to themselves or their students for out-of-pocket expenses. The chart below shows how GET participants choose to take their distributions.

GET Distributions by Type Since Inception (as of December 31, 2018)



Where GET Customers Use Their Units

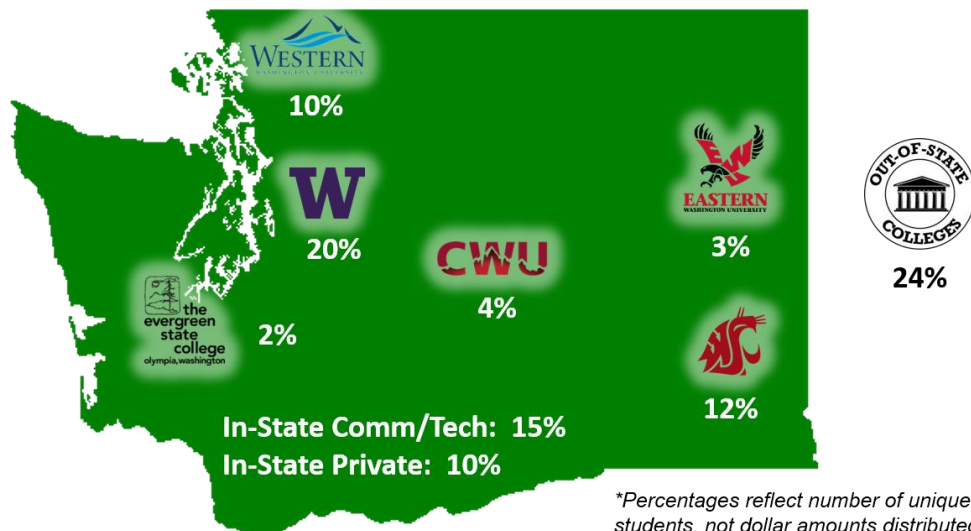
While GET's unit payout value is based on in-state tuition and state-mandated fees, participants can use their units at any public or private college, university or technical school that participates in federal financial aid programs. Since the program launched in 1998, students have used GET benefits in every U.S. state and 15 countries worldwide.



The unit payout value is the same whether a student attends an in-state public school, an out-of-state school, or private college. In-state regional and community colleges require fewer units than either UW or WSU, while private and out-of-state universities generally require more. The chart below offers more details on what schools students attend using their GET units.

Where GET is being used – by number of students*

(All direct payments since program inception – as of December 31, 2018)



Promoting the GET Program

Marketing Campaigns over Time

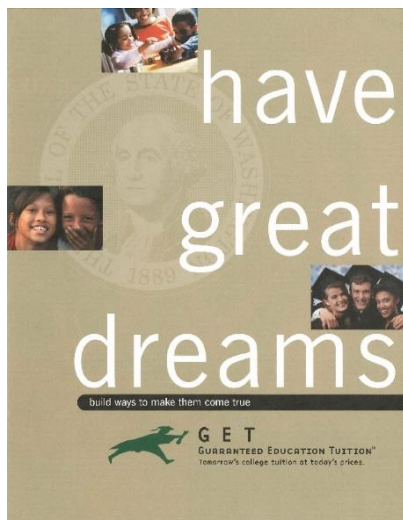
Marketing and community outreach have been strong points for GET since the program's inception. This function is vital to the program's long-term success for many reasons. First, effective marketing helps us reach as many Washington families as possible to share information about the importance of planning ahead and saving for future college expenses. This supports the original legislative intent of creating the program, furthers our mission of providing families with secure college savings options, and champions WSAC's mission of increasing affordability and access to higher education in Washington.

Effective program marketing is also vital to generating revenue that will grow the GET fund for the benefit of all participants, as well as cover the costs to administer the program. Since 1998, GET has employed several different marketing campaigns, themes, and strategies. This section provides an overview of each major campaign, as well as information about the activities supporting those campaigns.



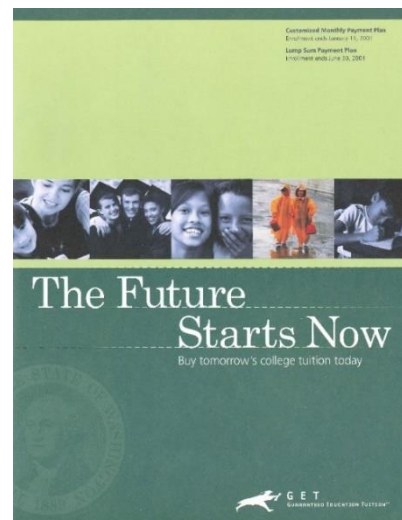
Have Great Dreams (1998-2000)

The first campaign established GET's image as a bridge between a child's dreams and the reality of achieving those dreams. "Your children's dreams are their own. Their opportunities are up to you."



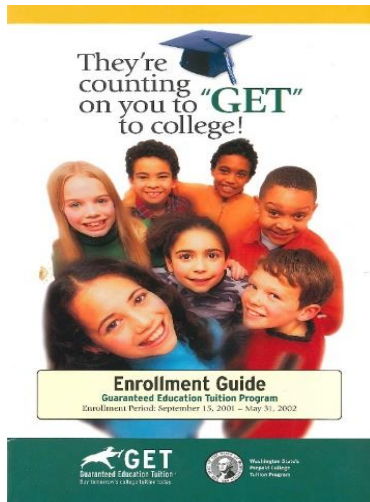
The Future Starts Now (2000-2001)

"The Future Starts Now" campaign reminded parents that time flies and that the future that they want for their children is worth planning for today.



They're Counting on You to GET to College (2001-2003)

This campaign conveyed the idea that kids are counting on their families to prepare them for college and the world beyond, and that GET can help. "GET means security, peace of mind, and the knowledge you have taken the steps to ensure your child's future success. Don't delay, Enroll today!"



GET Your Child's Future College Tuition Today (2003-2005)

This campaign focused on the security of buying tuition today and avoiding the uncertainty of future tuition prices and market performance. "It's never too early, or too late, to start saving for your child's or grandchild's college education."



Save now/Guarantee Your Child's Future (2005-2008)

"Guarantee your child's dream all at once or over time." This campaign highlighted GET's guarantee and drew a strong connection to the boundless scope of a child's dreams.



Guarantee Peace of Mind (2008 -2010)

Young children are full of energy, creativity and hope. No matter which path they choose, a college education will help them succeed.



Your Kids are Growing Fast. College Tuition is Growing Faster. (2010-2013)

This campaign ran during a time of rapid in-state tuition growth. The goal of this campaign was to remind families that kids can grow up in the blink of an eye, and at the same time, college tuition continues to rise.



Life is Full of Firsts (2013-2015)

After in-state tuition began stabilizing, the marketing messaging shifted toward focusing on milestones. Families experience many 'firsts' as they watch their children grow, from their first breaths, all the way to their first day of college. This campaign reminded families to plan ahead while they revel in their children's firsts.



2018 – Dream big. Plan ahead. (WA529)

This campaign marked the launch of the new DreamAhead and WA529 brands and a turn in marketing efforts towards promoting multiple brands. The objective of the campaign was to get prospective savers thinking about their kid's dreams and aspirations while taking concrete steps to make them a reality.



GET Community and Media Relations

Community engagement and awareness building are key initiatives for engaging with Washington families about the importance of saving for college. Throughout GET's history, word of mouth has been the most common way that Washington families learn about GET, and more recently, DreamAhead. Much of this awareness is attributable to WA529's extensive community outreach efforts.

WA529 representatives travel statewide, sharing information about GET with Washington families, educators and a variety of public and private agencies and organizations. Team members attend a variety of events, including family festivals, information fairs, trade shows, and conferences. The team also



conducts on-site presentations, webinars, and seminars at schools, community events, and PTA/PTO meetings. WA529 also focuses on connecting with employers in Washington to foster college savings in the workplace by offering payroll deduction to organizations big and small and by visiting work sites. Plan representatives connect with employers and employees through benefit fairs, work site trainings and 'lunch and learns.'

Additionally, WA529 fosters positive media engagement and relationships through proactive contact with key media outlets. At least two times a year, the WA529 program director travels across the state for a 'media tour.' On this media tour, the WA529 team interviews with local TV and radio stations, newspapers and magazines to build program awareness and to share the importance of developing consistent savings habits.



In all community outreach and media relations efforts, the WA529 team helps families by showing how saving for college is just one piece of a family's overall financial wellness and academic preparation. WA529 partners with various financial literacy and college prep organizations including other teams within WSAC, the Financial Education Public-Private Partnership, the Department of Financial Institutions, the Washington State Treasurer's Office, and the Washington State Employees Credit Union. These relationships ensure consistent messaging and help families receive a holistic message about the value of planning for the future both academically and financially.



GET Program Administration

The WA529 division of WSAC administers GET under the guidance and direction of the GET Committee. As the program administrator, WSAC provides nearly all GET program management functions with minimal contractor support. This self-operated structure is relatively unique in the 529 industry. This model has evolved and grown over the years to fit the fluid needs and mission of the program.

In the early years of the program, just three dedicated staff members supported GET with contractors providing most operational support. Over time as the program grew and achieved economies of scale, HECB/WSAC was able to bring more functions in-house. Today (as of December 31, 2018), the WA529 team consists of 29 full-time staff members and three part-time/contracted community relations specialists. The team members compose six work units that collaborate to keep all GET functions running effectively and efficiently. These units include Administration, Customer Service, Finance, GET IT, Marketing, and Records. The WA529 team also receives a variety of support from other WSAC divisions and units, including Accounting and Budget, Communications, Executive Office, Human Resources, and IT. Note that while WSAC also provides administrative direction and marketing and communications support to DreamAhead, an outside vendor currently provides all other DreamAhead operations support.



GET Work Units

Administration

The Administration team serves a variety of roles for the program and includes the WA529 Director, Administrative Assistant, Associate Director for GET Operations, Associate Director for WA529 Marketing and Communications, and the program Accountant. This group sets the overall vision and strategic direction for the program and oversees the work of the other GET/WA529 work units, program process development, and special projects. As needed, the team handles escalated customer service and account issues. Administration is also the primary liaison for other WSAC divisions, external partners, and stakeholders. Additionally, this team is responsible for directly supporting the GET Committee and assisting the Committee in setting program policies.

Contact Center

The Contact Center is the hub for all communications with existing and prospective GET customers. The team handles a variety of incoming requests through phone calls, e-mail, fax, online support tickets and inquiries, and mailed forms and letters. Team members possess extensive technical program knowledge and address customer issues at the lowest level whenever possible. They often face challenging situations that require exercising good judgement and interpersonal and problem solving skills. Each team member must go through a rigorous training and job shadowing protocol to learn program details and processes before handling customer communications. The Contact Center is the front line for customers and sets the tone for the entire GET customer experience.



Finance

The Finance team processes all incoming and outgoing payments and ensures all transactions are recorded efficiently, securely, and accurately. Incoming payments include daily lockboxes, automatic bank withdrawals, payroll deduction, bill-payer services, and personal checks received in the office. Outgoing payments include direct payments to schools, reimbursements to account owners or student beneficiaries, transfers to other 529 plans, and refunds. Finance also processes customer-initiated contract changes, transaction adjustments and repostings, and annual tax forms. The team adheres to a strict separation of duties protocol and internal controls to ensure security and accuracy for customer accounts, contributions, and distributions.

IT

The GET IT team is responsible for developing and maintaining the program's Banner recordkeeping system and GET customer account portal. Originally, GET fully outsourced all database development and maintenance to Virginia 529. Over time, as with other functions, the agency has been able to bring all IT support in-house. In 2004, GET hired its first dedicated developer. By 2016, the team took full control of the database and grew to six people, including four developers, a quality assurance coordinator, and a business analyst. The IT team's current focus is to migrate all Banner functionality to the GET/WSAC portal, which will reduce technical debt, offer improvements and efficiencies, and stabilize the GET technology architecture.

Marketing and Communications

The WA529 Marketing and Communications team oversees all marketing and public relations for the program and leads initiatives to drive enrollment and build positive public relations. The team's primary responsibilities include managing the content and usability of the agency's websites, developing and distributing program literature, overseeing all WA529 advertising, and fostering positive media relations. The team is also responsible for leading community outreach initiatives, presenting program information to diverse audiences, and networking with educators, community leaders, and organizations to reach prospective customers and promote financial wellness and educational attainment.

Records

The Records Unit ensures all GET customer account records are preserved, maintained, organized, and in compliance with program, state, and federal policies. The team processes incoming forms and correspondence and is responsible for managing GET's digital workflow, which involves, opening, scanning, tagging, indexing, routing, and archiving all documents. Records maintains the integrity of the GET customer database by updating GET account records and contact information, and ensuring that all documents are held and destroyed in accordance with the State's records retention schedules. The team also handles a variety of complex account issues that often involve coordinating with WSAC's assistant attorney general.



GET Culture

Since GET's inception, the team has continuously worked on developing a strong culture committed to serving others – especially Washington families. Staff are engaged in their work and bring a natural curiosity to finding better ways to get things done. WA529 offers a contemporary work environment that balances flexibility, efficiency, and quality of life. Team members apply Lean principles in their daily work and actively participate in initiatives to help drive WSAC's strategic priorities, including: serving as a collaborative educational advocate; striving for exceptional work and continuous improvement; and contributing to a culture of one agency. The team is also committed to the Governor's [Results Washington](#) initiatives, including the '[World Class Education](#)' and '[Prosperous Economy](#)' pillars.



The WA529 Leadership team sets the tone for this positive, productive, and customer-focused work environment. WA529 holds monthly all-staff meetings to share important information, foster team building, and provide professional development opportunities. Additionally, the leadership team encourages staff at all levels to seek out job relevant trainings, continually employ performance-coaching techniques, and participate in ongoing leadership development opportunities. To support WA529's organizational values and expectations the leadership team has developed a set of norms and goals.

Leadership Norms

- Respect and trust others
- Be patient
- Collaborate
- Celebrate success
- Have fun
- Encourage others
- Provide a safe environment for staff

Leadership Goals

- Practice responsive communication
- Provide professional development opportunities
- Maintain excellent customer service
- Be open to suggestions
- Build the GET program
- Embrace change
- Support and encourage staff

Team members at all levels work closely together through cross-functional workgroups and project teams to develop solutions to problems and continuously improve processes. The team works together to document and refine procedures that reinforce WA529's norms and goals and set clear expectations. Key guiding documents that help formalize and guide the team's work include an electronic employee manual, an internal controls manual, individual staff performance development plans, unit expectation plans, and annual organizational reviews.

Overall, WA529 has found that balancing high expectations, autonomy, and flexibility translates into high levels of employee engagement, and in turn, exceptional service to our customers – Washington families.

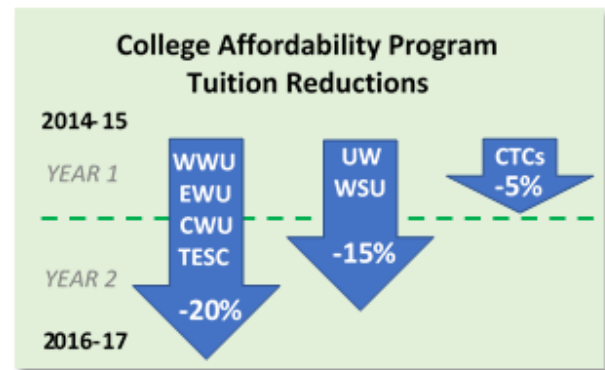


Economic Factors that Influence GET

Washington State Tuition Policy Over Time

Tuition policy in Washington over the last three decades has been volatile. Unlike relatively predictable benchmarks such as the Consumer Price Index, annual tuition growth has oscillated from lows of less than 3% to highs of 19%, but always on the rise until the 2012-13 academic year. Thirty years ago, a student could conceivably work a part time job to pay for school without taking on mountains of debt. Today's annual tuition rates are more than triple what they were in the late 1980s and double what they were in the early 2000s (even when adjusting for inflation). This has continued to strain family budgets and student debt loads. Recent tuition policy changes, however, have started to help curb this rapid tuition growth trend.

Between 2012 and 2015, the Legislature held tuition steady at Washington public institutions. More significantly, during the 2015 session, the Legislature passed the College Affordability Program (CAP), which lowered the cost of resident, undergraduate tuition at all Washington public colleges and universities for the 2015-17 biennium. Specifically, the legislation reduced resident, undergraduate tuition by 5% from 2014-15 academic year tuition levels at all public colleges and universities for the 2015-16 academic year. For the 2016-17 academic year, tuition was reduced to 20% below 2014-15 levels for regional universities and The Evergreen State College, and to 15% below 2014-15 levels at UW and WSU. Further, beginning in the 2017-18 academic year, annual tuition increases were to be no more than the state's average annual growth rate in median hourly wage (based on a 14-year moving average), as determined by the Bureau of Labor Statistics.

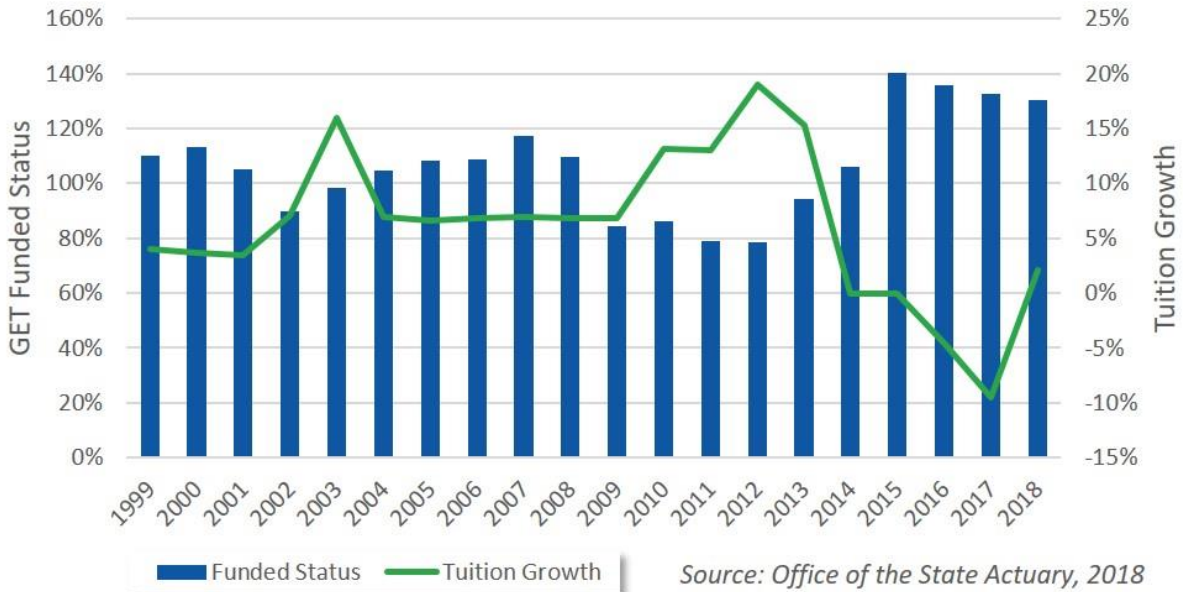


Importantly, with the CAP, the Legislature took back tuition-setting authority from the colleges and universities (which the Legislature had granted in 2011), and prohibited institutions from reducing enrollment levels in response to the legislation's changes. In the CAP, the Legislature also pledged to backfill institutions with funding to compensate them for lost tuition revenues. These significant changes marked a fundamental shift in the state's higher education policy, as it was the first time that tuition at Washington public colleges and universities lowered tuition.

Since GET's payout directly correlates with Washington's most expensive resident undergraduate tuition and state-mandated fees, these significant tuition policy fluctuations directly influenced the State's expected future GET liabilities and ultimately GET's funded status. The OSA measures GET's funded status on an annual basis, and frequently reminds stakeholders that GET's funded status is sensitive to short term changes in assumptions, including assumptions around future tuition growth. The chart on the following page shows the history of GET's funded status, which has oscillated from a low of 78.5% to a high of 140.1%. Historical precedent does not define future expectations, though it is important to review and understand the impact of this sensitivity and how the funded status interacts with the state's tuition policy.

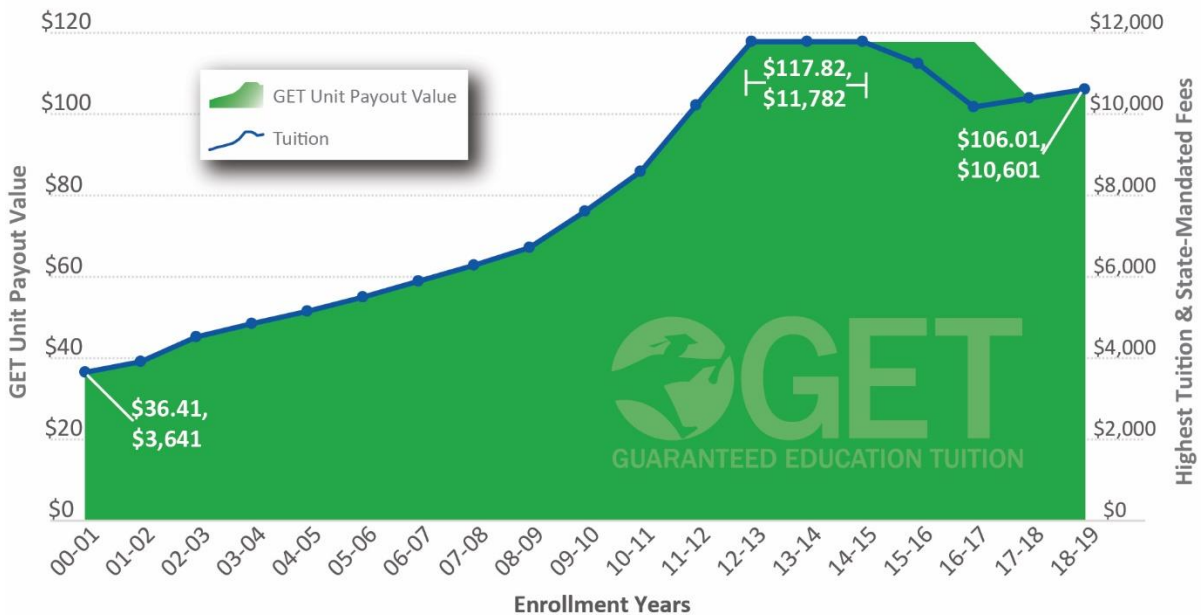


GET Funded Status And Tuition Growth History



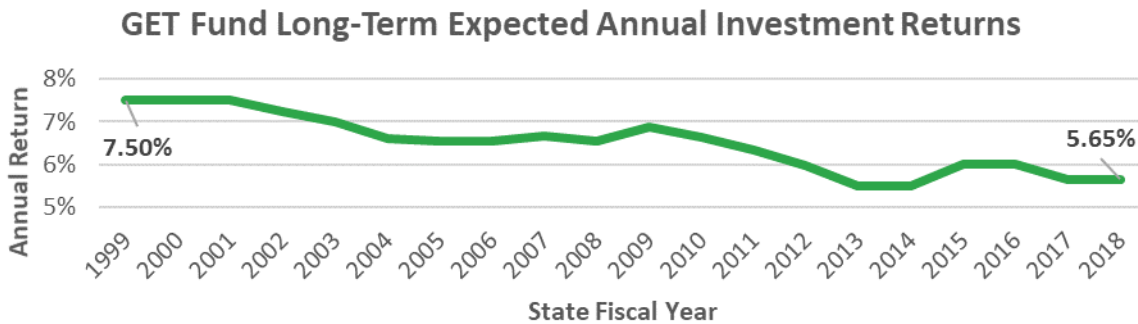
While GET’s unit payout value has, historically, directly correlated with in-state tuition prices, the Legislature changed course with the CAP by directing GET to temporarily decouple the unit payout value from tuition so GET units would not lose value. The unit payout value remained at the 2014-15 academic year value of \$117.82 for the 2015-16 and 2016-17 academic years. In 2017-18, the GET Committee voted to reset the unit payout value to match tuition and add units to existing accounts to ensure they would not lose value. The GET payout value again correlates directly with in-state tuition prices. The program must also provide disclosure to all program participants that if tuition ever decreases in the future, GET units may lose monetary value.

GET Unit Payout vs. In-State Tuition Over Time

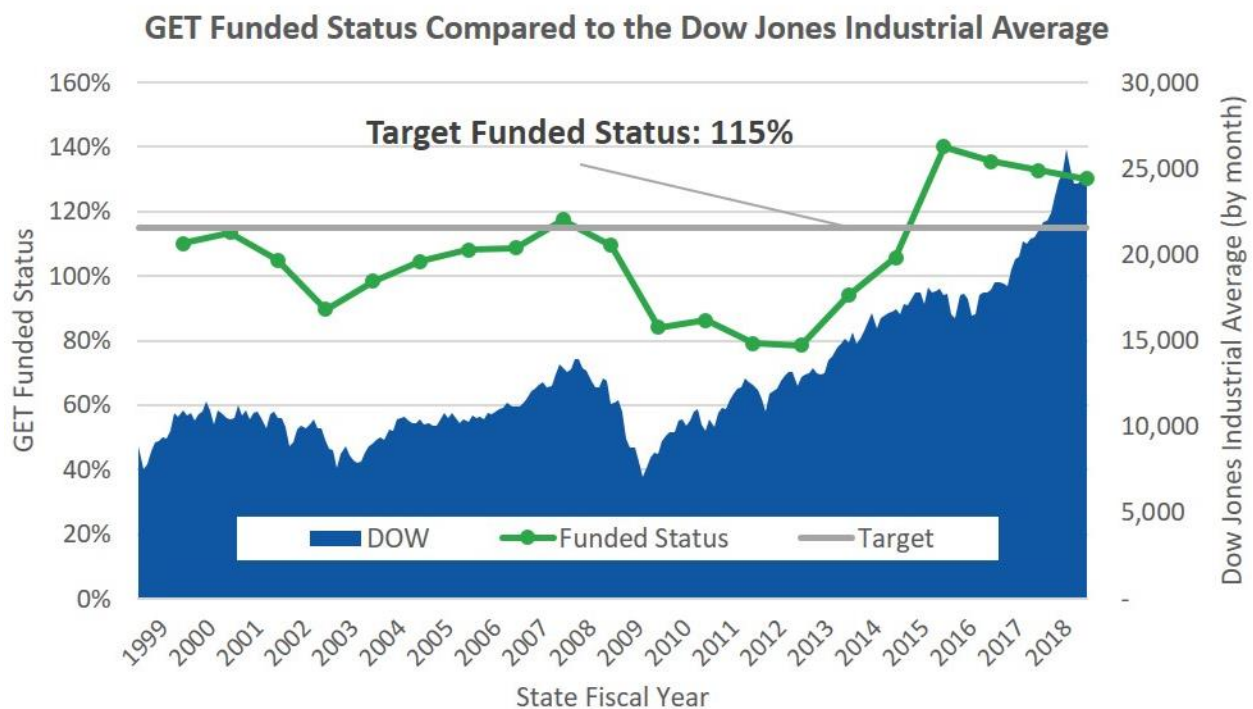


Financial Market Performance

One of GET’s key benefits is the guarantee that accounts will keep pace with future tuition. To support this guarantee and minimize the chance that the State will ever need to fund future GET liabilities, GET contributions are placed into a trust fund. The WSIB invests this trust fund in a diversified portfolio that considers the need for investment returns to meet or exceed tuition growth over a 10-year period. Accordingly, GET’s funded status is extremely sensitive to changes in financial market performance and resulting assumptions about future investment earnings. The chart below shows how actuarial assumptions regarding the GET fund’s long-term average annual investment returns has changed over time.



The chart below shows the GET funded status over time compared to the Dow Jones Industrial Average since 1999. Unsurprisingly, the decline that led to GET’s lowest funded status of 78.5% in State Fiscal Year 2012 immediately followed the Great Recession, where investments fell, state budgets became strained and tuition grew rapidly. As the economy has recovered, and tuition prices have stabilized, GET’s funded status has dramatically improved in a short period of time, reaching its highest point of 140.1% in State Fiscal Year 2015.



National College Savings Landscape

A Brief History of 529 Plans

In 1996, Congress passed the Small Business Job Protection Act, creating Section 529 in the IRS code that gave tax exemption for qualifying state programs and effectively defined two types of qualified tuition programs: 529 prepaid tuition plans and 529 college savings plans. Much if not all of this action at the federal level, however, was precipitated by the action taken at the state level several years prior.

In late 1986, the Governor of Michigan signed the Michigan Education Trust Act, creating the nation's first state-run prepaid tuition plan. At that time, the promise was that parents and grandparents of young children could buy contracts that would pay the tuition of any beneficiary who later attended one of the state's fifteen public four-year higher education institutions. The first contracts were sold in the summer of 1988. Florida began offering prepaid plans in the same year.

Also in 1988, the state of Kentucky passed legislation creating the Kentucky Education Savings Plan Trust, the nation's first state-sponsored investment-based 529 plan. The state contracted with TIAA-CREF for investment management services, offering market-based investment options to interested residents, and the first accounts were opened in 1990.

During these early years, the Internal Revenue Service (IRS) decided that investment earnings would not be taxed until the year in which the funds were distributed. The state of Michigan was also initially subject to income tax on the overall fund's investment earnings, but after several years of legal battles, an appellate court eventually ruled the IRS must refund the tax paid. Both of these policies were made law by the 1996 federal legislation.

Between 1996 and 2000, 30 states developed and launched Section 529 plans, dramatically increasing the opportunities for families to begin saving for the rising costs of higher education.

Over the next several years, federal legislative action modified and/or relaxed Section 529 of the Code by, for example, adding room and board to the list of qualifying expenses and allowing penalty-free IRA withdrawals for higher education. Significantly, in 2001, Congress made 529 plan investment earnings tax-free for qualified distributions.

In the early 2000s, more and more states began partnering with public and private investment managers that presented a broad range of market-based investment options within 529 college savings plans. States began opening their plans to non-state residents and some offered both direct-sold options where participants enrolled directly through the state and advisor-sold plans where participants enrolled through a financial advisor. Advisor sold plans leveraged the expertise of investment professionals capable of tapping into a wider variety of investments with more attentiveness (and thus, higher fees). Investment-based 529 plans became a popular option and led to rapid industry growth. By 2003, more than three-quarters of the total 529 plan assets were held in investment-based 529 plans.

Direct-sold savings plans have continued to grow in popularity and competition has significantly increased. This is especially true on the aspect of pricing, which has consistently led to lower and



lower fees charged by 529 plan administrators. Since the 1980s, over 12 million families have saved more than \$328 billion in Section 529 plans.¹ As of 2018, 49 states, and the District of Columbia, offer one or more types of investment-based college savings plans.²

Type of 529 Plan	Number of states ³
Prepaid Plans ⁴	11
Savings Plans	49

Expansion of 529 Benefits

The Tax Cuts and Jobs Act of 2017 brought major changes to corporate and personal tax rates and deductions. Among the changes was a provision that expanded the benefits of 529 plans. Historically, tax-free 529 plan withdrawals were limited to qualified expenses (tuition, fees, room and board, computer software and equipment, etc.) associated with enrollment at eligible higher education institutions education expenses. The provisions of this act now allow 529 plan withdrawals to be used for up to \$10,000 per year in K-12 tuition expenses, providing more opportunities for families to save tax-free for private schools.

Achieving a Better Life Experience (ABLE) Act

In 2014, Congress passed the Stephen Beck Jr. Achieving a Better Life Experience (ABLE) Act. This act allowed people with eligible disabilities to save for their everyday needs, invest in a tax-free account, and prepare for the future without losing their state or federal benefits. Similar to most 529 college savings plans, 529 ABLE accounts are savings accounts administered by a state. Money can be withdrawn tax-free when the funds are used to pay for qualified disability expenses.

Prior to the ABLE Act, if a person with a disability earned more than \$700 per month or had savings or other assets in excess of \$2,000, they risked having to forfeit eligibility for government programs like Medicaid.

To qualify for a 529 ABLE account, individuals must have been diagnosed with a significant disability before they turned 26 years old, with a condition expected to last at least 12 consecutive months. The individual must also be receiving benefits under SSI and/or SSDI, or be able to obtain a disability certification from a doctor.

Each state establishes its own 529 ABLE account regulations. Some plans have residency requirements and some do not. As of 2018, 40 states and the District of Columbia have established an ABLE plan.

¹ Source: College Savings Plans Network (2018): <https://www.collegesavings.org/529-plan-data/>

² Source: College Savings Plans Network (2018): <https://www.collegesavings.org/history-of-529-plans/>

³ Source: savingforcollege.com (2018): https://www.savingforcollege.com/compare_529_plans/

⁴ There is an additional prepaid plan offered by a consortium of private educational institutions called Private College 529 Plan.



APPENDICES

APPENDIX A – Original GET Opening Enrollment Press Release

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Governor Locke Joins Legislators to Launch “GET”

Q&A session helps parents and kids learn about Washington State’s new prepaid tuition program.

Olympia, Washington (September 1998) – A child’s dream of going to college is becoming a reality. On September 23, Washington State will launch its new prepaid college tuition program. The Get (Guaranteed Education Tuition) program provides “Tomorrow’s college tuition at today’s prices,” and makes saving for a child’s future education simple and affordable.

GET’s launch will team Governor Locke with the program’s legislative sponsors on September 23 at Franklin Elementary in Tacoma’s Hill Top District. The event will provide program information and answers to parents’ and children’s questions.

For the launch, Governor Locke will join GET sponsors Rep. Don Carlson (R), Sen. Jeannette Wood (R), Rep. Rosemary McAuliffe (D) and the program’s developers Marc Gaspard, Executive Director, Higher Education coordinator Board, Chair; Mike Murphy, Treasurer, State of Washington; and, Dick Thompson, Director of Office of Financial Management and staff.

Says Marc Gaspard, Chair of the Washington Advanced College Tuition Payment Plan, “We have carefully constructed a flexible, affordable program which provides all Washington State families with the opportunity to give their kids a future education. We think many citizens will welcome accessible solutions to providing higher education for their children.” He adds, “The question and answer session with Franklin Elementary parents and students is a great example of the interest in the program.”

Rep. Don Carlson (R) says, “I am so pleased to be able to include my granddaughter in the GET program. Here is an opportunity to guarantee 1998 prices when she may enter college in 2014. The program provides an opportunity to help families buy tuition in \$35 increments. Many of us can do this for our children, grandchildren, or the children of relatives or friends.”

The GET program allows parents to prepay their children’s future education, at today’s rates, by purchasing tuition units in advance of their attendance – “Tomorrow’s college tuition at today’s prices.” The units are redeemable at Washington State and out-of-state public and private higher education institutions. During GET’s annual enrollment period from September 15, 1998 – January 15, 1999, purchasers may enroll in Customized Monthly Payment Plans, spreading payments over one to ten years. Individual tuition units may be purchased any time.

Those interested in learning more about the GET program or in ordering registration packets, may call toll-free 1-800-955-2318 from 8am – 5pm PST. For additional program information or to enroll online, visit GET’s Web site at wastate529.wa.gov.



THE COMMITTEE



Michael P. Meotti, Executive Director of Washington Student Achievement Council, GET Committee Chair

In December of 2016, Governor Inslee appointed Michael P. Meotti to serve as executive director of the Washington Student Achievement Council (WSAC). The appointment fills the vacancy resulting from the retirement of Dr. Gene Sharratt, the previous executive director.

Meotti has led the ED Policy Group, based in Connecticut, since March 2013. In this role, he assisted state governments and regional partners in the promotion of higher education and increased student success. Under his leadership, the Ed Policy Group worked on key issues related to educational attainment, including college readiness and completion initiatives, strategic planning, and workforce development.

Michael P. Meotti previously served as commissioner of the Connecticut Department of Higher Education and executive vice president and chief operating officer of the Connecticut Board of Regents for Higher Education.



Duane Davidson, State Treasurer

Duane Davidson was elected as Washington State Treasurer in 2016. Prior to that, Duane Davidson took office as Benton County Treasurer in 2003, and was re-elected in 2014 to his fourth term. He is a Certified Public Accountant and keeps his license current.

He is currently serving his second term as President for the Washington State Association of County Treasurers (WSACT) and previously served as Treasurer for that organization. He has also served on the Audit, Legislative and Website committees as well as being the historian/ archivist for WSACT.

Duane is the past-President for two separate Kiwanis Clubs in the Tri-Cities and currently the Treasurer for the Kiwanis Club of Tri Cities Industry Foundation. He has served as a Church Speaker for Gideon International and as Church Treasurer.

He served as the Chief Financial Accountant for Benton County immediately before his election to County Treasurer. Duane was previously an auditor for the Washington State Auditor's Office where he served as the Assistant Audit Manager in the Tri-Cities and was also in charge of the Walla Walla regional offices.

Duane was born and raised in Carnation, WA. He graduated from Tolt High School then started his undergraduate education at Bellevue Community College. After transferring to Central Washington University in Ellensburg he received a Bachelor of Science in Accounting.



David Schumacher, Director Washington State Office of Financial Management

David Schumacher was appointed director of the Office of Financial Management (OFM) by Governor Jay Inslee in January 2013. He has nearly 25 years of experience in budgeting and policy development.

David joined the Inslee administration after spending two years as staff director for the Senate Ways & Means Committee. He held the same position from 2003 to 2008 before serving two years as northwest government affairs director for The Boeing Company.

He began his career in state service in 1990, working as an economic analyst for the state Department of Revenue for three years. He then worked for two years as a revenue analyst in OFM's Forecasting Division. He served as a budget analyst for the Senate Ways & Means Committee for eight years before being named staff director in 2003.

David holds bachelor's and master's degrees in economics from the University of Washington. He and his wife, Katy, have two sons and live in Olympia.





Save today. Secure tomorrow.

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WA529
WASHINGTON COLLEGE SAVINGS PLANS

The Guaranteed Education Tuition (GET) Program is a Qualified Tuition Program sponsored by the State of Washington. The Washington Student Achievement Council administers the GET Program while the Washington State Investment Board oversees its investments. The Committee on Advanced Tuition Payment and College Savings governs the program. If in-state tuition decreases in the future, GET tuition units may lose value.

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