

# Guaranteed Education Tuition (GET) Committee Meeting

## Wednesday, September 19, 2018

September 19, 2018  
John A. Cherberg Building, Olympia  
Senate Hearing Room 3  
2:00 p.m. – 4:00 p.m.

### AGENDA

Call to Order: Welcome & Member Introductions

- Approval of April 25 and May 29 Meeting Minutes ACTION
- Chair's Report INFORMATION  
*Michael Meotti, GET Committee Chair/WSAC Director*
- Director's Report INFORMATION  
*Lucas Minor, Interim WA529 Director*
- Senate Bill 6087 Implementation Update INFORMATION  
*Lucas Minor, Interim WA529 Director*
- GET Investment Update INFORMATION  
*Chris Phillips, Washington State Investment Board*
- GET and DreamAhead FY19 Budgets ACTION  
*Lucas Minor, Interim WA529 Director*
- 2018-2019 GET Unit Price Setting ACTION  
*Lucas Minor, Interim WA529 Director*  
*Matt Smith, State Actuary*
- GET Program Details Update ACTION  
*Lucas Minor, Interim WA529 Director*
- Committee Bylaws Update DISCUSSION  
*Lucas Minor, Interim WA529 Director*
- Public Comment
- Next Steps & Adjournment

**Next Regularly Scheduled Meeting:**  
**Tuesday, November 6, 2018**  
**John A. Cherberg Building, Olympia**  
**Senate Hearing Room 3**  
**2:00 p.m. – 4:00 p.m.**

# GET Committee Meeting

September 19, 2018



# Welcome

## Approve Meeting Minutes

April 25, 2018

May 29, 2018

## Chair's Report

Mike Meotti

WSAC Executive Director



# Director's Report

Lucas Minor

Interim WA529 Director

- **Updates**

- GET enrollment statistics
- GET distributions and non-penalty refunds
- DreamAhead enrollment/participation data



# Director's Report

## 2017-18 GET Enrollment Statistics

*(as of September 17, 2018)*

- New enrollments (through June 30): **5,767**
- New units purchased/contracted: **822,000**
- Total contributions received: **\$92 million**



# Director's Report

## GET Distributions for Current College Students

*(for payment of higher education expenses – as of September 14, 2018)*

- **2017-18 academic year:**
  - Total dollars distributed: **\$123 Million**
  - Total students using units: **13,577**
- **2018-19 academic year to-date:**
  - Total dollars distributed: **\$18.6 Million**
  - Total students using units: **3,674**
- **Since program inception:**
  - Total dollars distributed: **\$1.136 Billion**
  - Total students who have used units: **53,208**



## Director's Report

### GET Non-Penalty Refund Update (September 2, 2015 – September 15, 2018)

- Number of requests processed:
  - Non-penalty refunds: **25,457**
  - Rollovers to out-of-state plans: **2,965**
- Estimated value of processed requests:
  - Non-penalty refunds: **\$463 Million**
  - Outgoing rollovers: **\$67 Million**
- Remaining GET account statistics:
  - Total active accounts: **82,500**
  - Purchased units: **12.5 Million**

**REFUND/CANCELLATION REQUEST** **GET**  
Guaranteed Education Tuition

Use this form to request a refund of your GET account. Only the Account Owner may request a refund.

**REVIEW THE GET REFUND AND CANCELLATION POLICY BEFORE COMPLETING THIS FORM.**

- If funding multiple accounts, you must complete a separate form for each account.
- You will be issued a 1099-R form displaying the principal and earnings portions of your refund. You may need to report this information to the IRS, or any account earnings may be subject to federal income tax and a 10% IRS penalty.
- On information and belief, to avoid IRS taxes and penalties, you can deposit (roll over) your refund into another qualified 529 plan within 60 days, but **CONSULT WITH A TAX ADVISOR AND IRS PUBLICATION 970 TO UNDERSTAND ANY POTENTIAL TAX IMPLICATIONS.** Refund requests can only be made once every 12 months for the same beneficiary.
- Properly completed forms will be processed in up to 6 weeks (longer if any information is missing or incorrect).

**\*\*Program refund penalties and fees, and the two-year wait requirement will be waived for all refund requests received on or before December 15, 2016. Any non-refundable enrollment, late payment, and disbursement payment fees will be deducted from the refund amount.\*\***

**Current Account Information – Account to be refunded.**

Student Beneficiary Name: \_\_\_\_\_ Account Owner Name: \_\_\_\_\_  
 Account Number: \_\_\_\_\_ Account Owner Phone Number: \_\_\_\_\_

**Request for Cancellation and Refund – Mark appropriate box. If full blank we default to full refund.**

I hereby request a refund of: \_\_\_\_\_ **Notes:** \_\_\_\_\_ **Reason for refund (check one):** \_\_\_\_\_

My entire account  College Affiliability Act (GET refund less amount through 12/31/2016)

Units  Disability of Student Beneficiary (include copy of medical documentation)

Death of Student Beneficiary (include copy of death certificate)

Scholarship (include copy scholarship award)

Combined Program Completion (include copy of certificate/options)

**Automatic Payments – If you have any automatic payments, you will need to deactivate these.**

Automatic Monthly Withdrawal (ACH) – To reactivate or ACH log in to your active GET account and select "Payment Options" otherwise, you may complete an Automatic Withdrawal Authorization Form. This form is available at [www.get.wa.gov](http://www.get.wa.gov).

Payroll Deduction – To reactivate payroll deduction, submit the Payroll Deduction Authorization Form to your employer's payroll office.

**Refund Recipient – Refund check payable to:**

Account Owner  Student Beneficiary **Please Note:** If boxes are left blank, checks will be made payable to the Account Owner. In addition, checks will be mailed to the address on file. To update your address visit [www.get.wa.gov/forms](http://www.get.wa.gov/forms) and select the "change of address form."

**Account Owner's Signature – Read the terms and conditions, check each box, and sign and date in the presence of a witness.**

I certify that I read each of the following statements and signs below to specify your understanding and to authorize GET to process this refund:

- I am the Account Owner of the GET account listed above and understand my other account options, as hereof a refund.
- I understand that this refund is non-reversible, and that this refund may or may not be in my best financial interest.
- I have had sufficient opportunity to seek legal, tax, and financial counsel prior to requesting this refund.
- I authorize GET to issue the requested refund in the form of a warrant (check) made payable to the person designated above; information to the IRS, and may be subject to federal taxes, penalties and fees on the currency portion of my refund; and I may be required to report this information to the IRS, and may be subject to federal taxes, penalties and fees on the currency portion of my refund; and
- I have read, fully understand and agree to all terms and conditions of the GET Refund and Cancellation Policy, revised 02/13.

Account Owner's Signature (Must be age 18; witness must witness signature) \_\_\_\_\_ Date (must match date signed by owner) \_\_\_\_\_

**Notary Section – A notary must witness your signature and complete the section below. This is required for all refunds.**

County of \_\_\_\_\_ I certify that I have or have satisfactory evidence that \_\_\_\_\_ is the person who appeared before me, and said person acknowledged that she/he signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument.

State of \_\_\_\_\_ \_\_\_\_\_  
 (Print or Stamp) \_\_\_\_\_  
 Date (must match date signed by Account Owner) \_\_\_\_\_  
 Signature \_\_\_\_\_  
 Printed Name \_\_\_\_\_  
 Title \_\_\_\_\_  
 My Appointment Expires \_\_\_\_\_

Form 5/09/06 **Send to: Guaranteed Education Tuition, P.O. Box 43450, Olympia, WA 98504-3450**  
 Questions: [GETInfo@waw.get.org](mailto:GETInfo@waw.get.org) or 1.800.955.2318

# Director's Report

## DreamAhead Enrollment Statistics

*(as of September 17, 2018)*



- **Total accounts: 11,077**
- **Total net value of assets: \$327 million**
- **Most popular portfolios:**
  - **Cash Preservation:** 4,885 participants; \$80.2 million
  - **2018 Conservative Year of Enrollment:** 2,727 participants; \$43.8 million
  - **Static Income:** 1,346 participants; \$19.0 million
  - **2020 Conservative Year of Enrollment:** 843 participants; \$18.8 million
  - **Static Growth:** 1,581 participants; \$15.5 million



# Senate Bill 6087 Update

Lucas Minor

Interim WA529 Director

- **Updates**
  - Phase 1 recap and status update
  - Customer communication timeline
  - Next steps
    - Phase 2 – unit adjustment
    - Phase 3 – funded status adjustment



# Senate Bill 6087 Update

## Reminder of Key Bill Directives

Phase	Bill Section	Directive
1	1(23); 2(8)	Provide a 90-day window for eligible GET customers to roll over to DreamAhead at a “unit cash value price.”
2	2.9(a)(i)	Increase the number of units for eligible GET customers with an average unit purchase price above \$117.82.
3	2.9(a)(ii)	If the funded status is higher than 125%, add up to 15% more units to all eligible GET customer accounts, in order to draw the funded status down to 125%.

# Senate Bill 6087 Update

## Phase 1 – GET to DreamAhead Rollovers

*(June 15, 2018 – September 17, 2018)*

- Total Requests Received by deadline: 26,000
- Total Requests Processed: 11,200
- Total Dollars to DreamAhead: \$377 Million
- Average Rollover Value: \$35,000
- Current Processing Time: <5 weeks



# Senate Bill 6087 Update

## Phase 1 – Customer Communications

### Pre-Phase 1



**April 19** – SB 6087 page published on GET site: [www.get.wa.gov/sb6087](http://www.get.wa.gov/sb6087)



**May 7** – Q1 statement email to all customers (w/ SB 6087 introduction)



**May 9** – First dedicated SB 6087 email to all eligible customers



**May 11** – First mailed SB 6087 letter to all eligible customers



**June 8** – Second mailed SB 6087 letter to all eligible customers



**June 11** – Second SB 6087 email to all eligible customers



**June 12** – SB 6087 video created and placed on SB 6087 webpage (9,000 views)

# Senate Bill 6087 Update

## Phase 1 – Customer Communications

### Phase 1



**July 11** – Email to all customers eligible to use units (w/ SB 6087 reminders)



**July 25** – Sent Q2 statement email to all customers (w/ SB 6087 reminders)



**July 30 & August 8** – Live Webinar on SB 6087 options  
(promoted in advance via Facebook)



**August 11** – Mailed reminder postcard to all eligible customers



**August 14** – Follow-up email reminder to all eligible customers



**August 28** – Two-weeks remaining reminder email to all eligible customers



**August 31** – Live Webinar on SB 6087 options (promoted in advance via Facebook)



**September 6** – Final phase 1 reminder email to all eligible customers



**On-going through Phase 1** – Statewide, in-person community outreach events

# Senate Bill 6087 Update

## Phase 1 – News Coverage



- **April 7 – Spokesman Review:** <http://www.spokesman.com/stories/2018/apr/06/new-state-program-expands-options-for-college-savi/>
- **May 29 – Seattle Times:** <https://www.seattletimes.com/seattle-news/education/got-get-your-account-could-be-worth-38-percent-more-if-you-switch/>
- **June 24 – Seattle Times:** <https://www.seattletimes.com/seattle-news/education/get-out-or-stay-in-prepaid-tuition-account-holders-have-until-sept-12-to-decide/>
- **August 7 – Seattle Times:** <https://www.seattletimes.com/seattle-news/six-questions-about-the-get-rollover-answered/>
- **August 8 – King 5 News:** <https://www.king5.com/article/news/local/washington-get-investors-could-reap-big-reward-in-rollover/281-581815027>
- **September 6 – Seattle Times:** <https://www.seattletimes.com/seattle-news/got-get-deadline-approaching-for-account-holders-to-switch/>

# Senate Bill 6087 Update

## Phase 2 – Unit Price Adjustment

*(Late 2018)*

- **Preliminary estimates (will change after all rollovers are processed)**
  - ~16,000 accounts with ~145,000 units added
- **Next steps**
  - Ensure all rollovers are processed prior to adjustment
  - Communicate next steps with eligible customers
  - Continue developing IT solution to implement adjustment
  - Run process/make adjustment to remaining, eligible accounts
    - Target date: first week of December

# Senate Bill 6087 Update

## Phase 3 – Funded Status Adjustment

*(Early 2019)*

- **Next steps**
  - Ensure Phase 2 adjustment is complete
  - Work with Office of the State Actuary to provide necessary data inputs
  - Communicate next steps with eligible customers
  - Office of the State Actuary to perform special funded status measurement
  - Review special funded status measurement with Committee
  - Make adjustment to remaining, eligible accounts (if applicable)
    - Target date: early 2019; exact timeframe TBD (prior to March 2019)



## GET Investment Report September 19, 2018



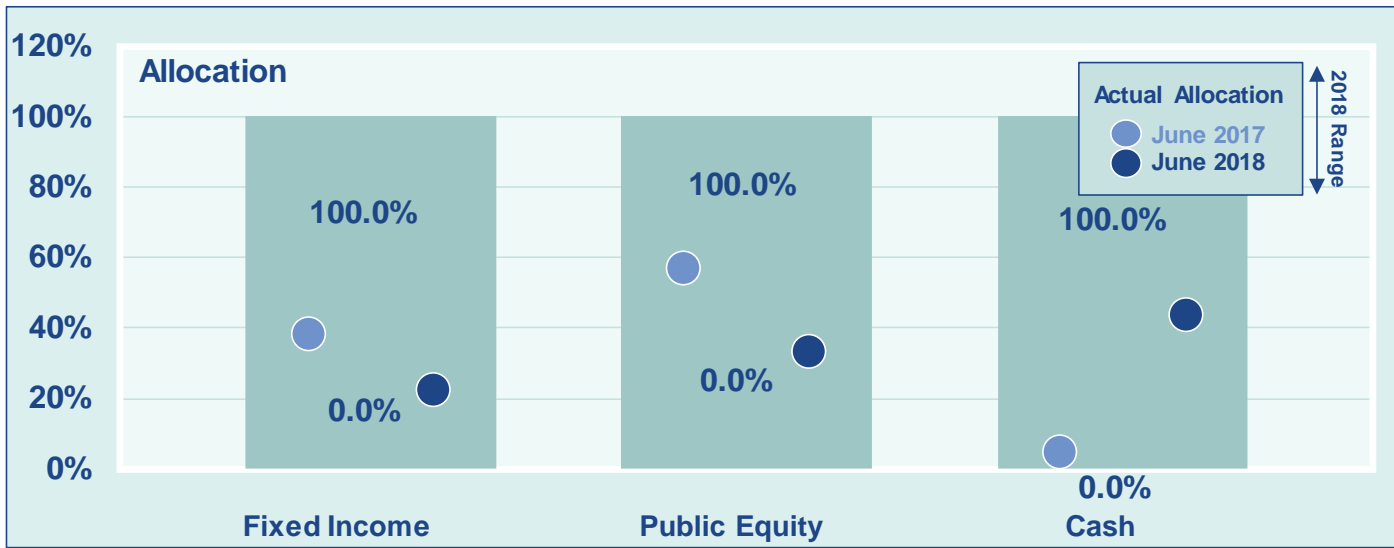
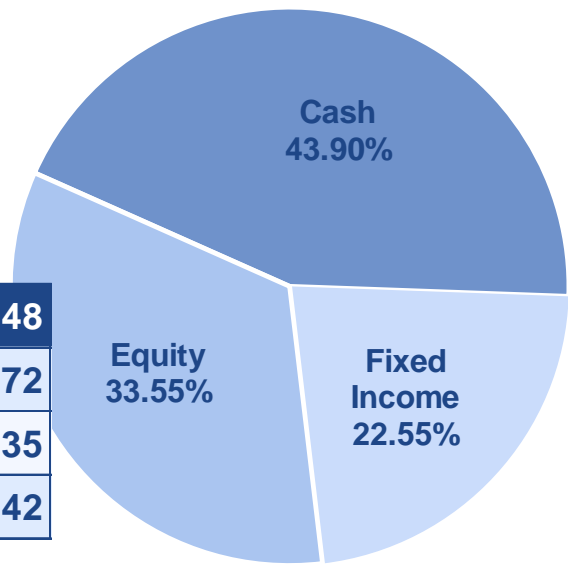
**Chris Phillips**  
Institutional Relations Director



# GET Market Values, Asset Allocation, Targets and Ranges

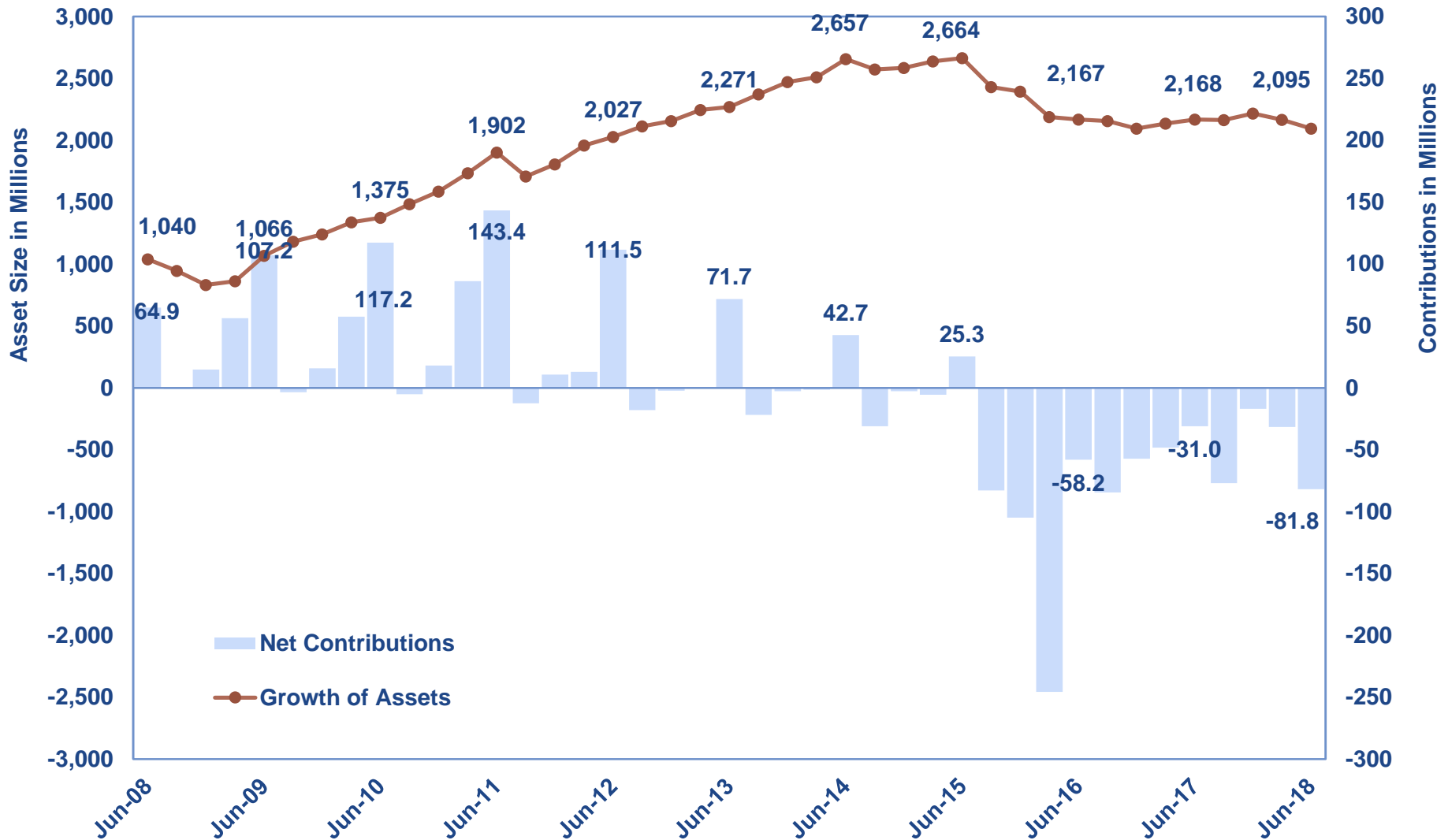
June 30, 2018

<b>Total</b>	<b>\$2,094,947,048</b>
<b>Cash</b>	<b>\$919,762,872</b>
<b>Fixed Income</b>	<b>\$472,366,335</b>
<b>Equity</b>	<b>\$702,817,842</b>



# GET Net Contributions and Growth of Assets

June 30, 2018

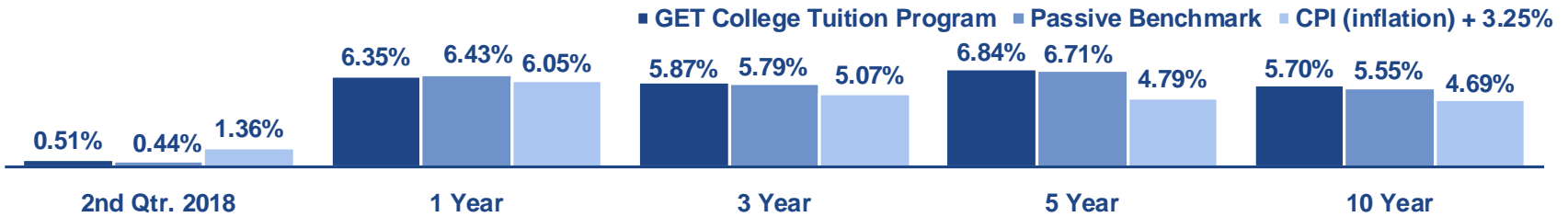




# GET Performance

June 30, 2018

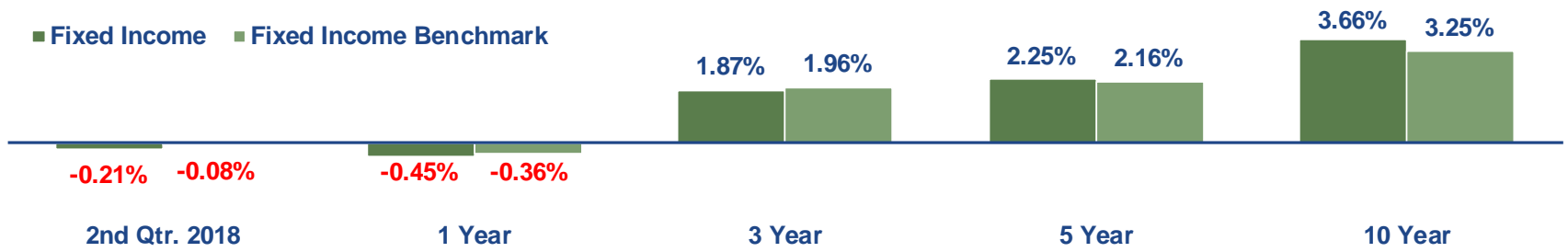
## Total Return



## Equity Return



## Fixed Income Return

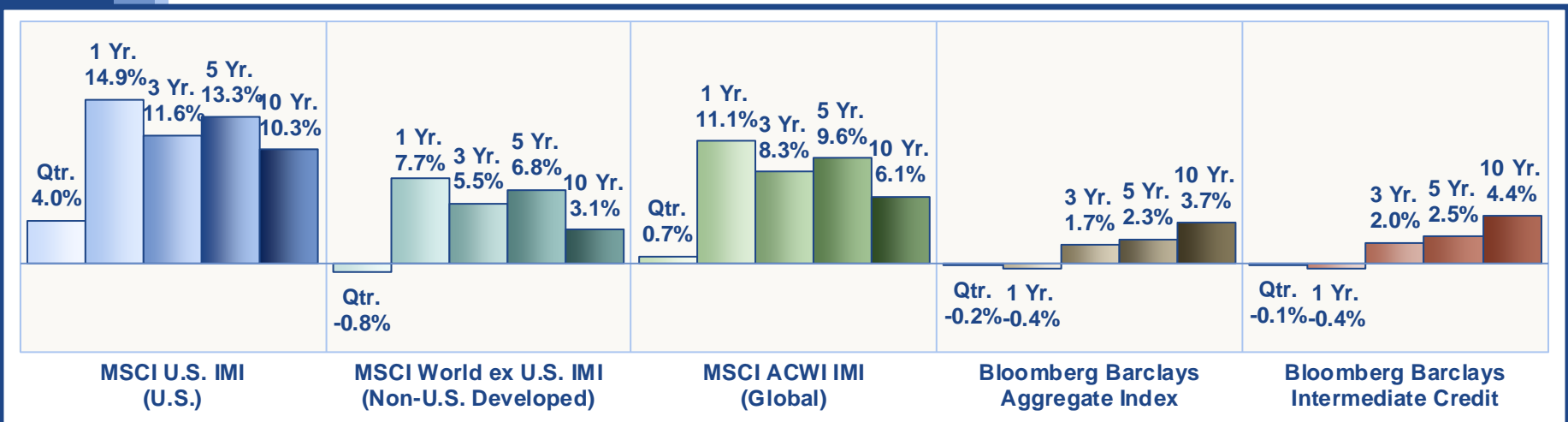


Fixed Income Benchmark: Bloomberg Barclays Intermediate Credit and a historical blended return  
 Equity Benchmark: MSCI ACWI IMI w/U.S. Gross and a historical blended return

# Capital Markets at a Glance

June 30, 2018

- Robust fiscal year ends with a more than a hint of renewed volatility.
- Global index (MSCI World Developed IMI) returned 11.59% for the fiscal year, 1.94% for 2Q 2018, then -0.09% for June.
- Market's highs contrasted with sell-offs due to the prospects of higher interest rates, trade wars, geopolitical uncertainties.
- Fed raised interest rates June 13 – three hikes in a 12-month period. Target rates are up 75 basis points since June 2017.
- Unemployment dropped below 4%; May's 3.8% rate is lowest since 1969.
- 10-year Treasury rate ended June at 2.86%, 0.55% higher than a year ago; it hovered near 3% as of early August.
- Fixed income returns were mostly negative for the fiscal year ending June, due to negative price impacts spurred by higher interest rates.



# Contact Information

Web Site: <http://www.sib.wa.gov>



## Address:

2100 Evergreen Park Drive SW

P.O. Box 40916

Olympia, WA 98504-0916

## Phone Number:

(360) 956-4600

# FY 19 Budgets

Lucas Minor

Interim WA529 Director

- Recap of FY18 Budget vs. Actuals
- Review and approval of FY19 GET Budget
- Review and approval of FY19 DreamAhead Budget



# FY18 Budget vs. Actuals

## Results

- **Total approved budget (combined): \$6.51 million**
  - GET portion: \$5.75 million
  - DreamAhead portion: \$750,000
- **Actual expenditures (combined): \$6.38 million (-2%)**
  - GET portion: \$6.01 million (+4.3%)
  - DreamAhead portion: \$380,000 (-49.0%)
- **Primary reasons for variance**
  - Delayed DreamAhead opening
  - Senate Bill 6087 expenses
  - Update to agency indirect expense formula



# FY19 Budgets

## Proposed FY19 GET Budget

	<b>FY19 Budgeted Amount</b>
<b>Total</b>	<b>\$6,010,531</b>
<b>Object A – Salaries</b> (32 FTE: 21 GET; 9 split GET & DA; 2 vacant)	\$1,825,230
<b>Object B – Benefits</b>	\$671,428
<b>Object C - Contracts</b>	\$1,094,900
<b>Object E - Goods &amp; Services</b>	\$794,693
<b>Object G - Travel</b>	\$47,300
<b>Object J - Capital Outlays</b>	\$39,570
<b>Object T - Indirect Expenses</b> (GET share of WSAC indirect pool)	\$1,537,410

# FY19 Budgets

## Proposed FY19 DreamAhead Budget

	<b>FY19 Budgeted Amount</b>
<b>Total</b>	<b>\$848,177</b>
<b>Object A – Salaries</b> (9 partial FTE split with GET)	\$258,477
<b>Object B – Benefits</b>	\$87,195
<b>Object C - Contracts</b>	\$232,000
<b>Object E - Goods &amp; Services</b>	\$183,505
<b>Object G - Travel</b>	\$15,600
<b>Object J - Capital Outlays</b>	N/A
<b>Object T - Indirect Expenses</b> (DA share of WSAC indirect pool)	\$71,400

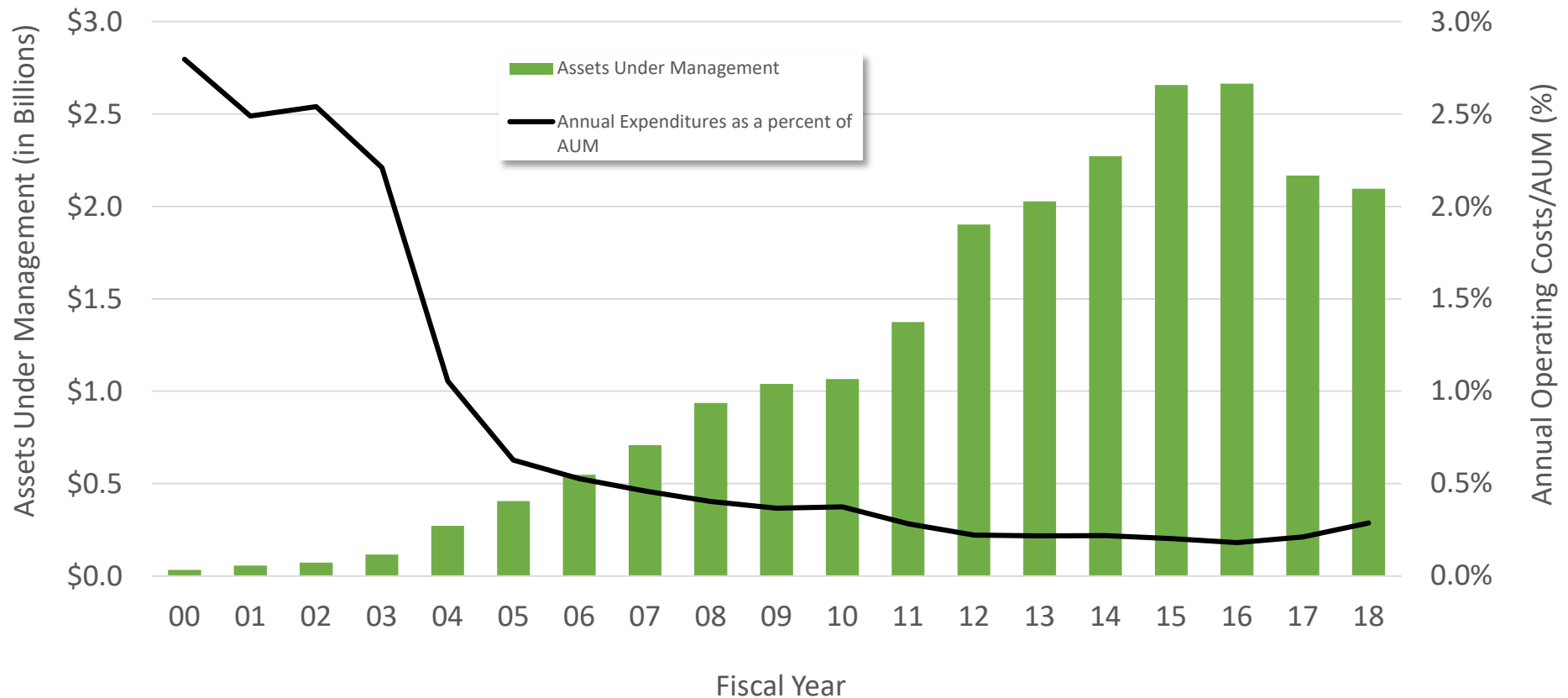
# FY19 Budgets

## FTE Allocations

*(32 FTE total)*

	<b>FTE</b>	<b>GET</b>	<b>DreamAhead</b>
<b>Program Director</b>	1	75%	25%
<b>Program Assistant</b>	1	75%	25%
<b>Associate Director for GET Operations</b>	1	95%	5%
<b>Senior Data Analyst</b>	1	90%	10%
<b>Program Accountant</b>	1	70%	30%
<b>Marketing</b> (A.D., Community Rel. Mgr., 2 Comm. Specialists)	4	50%	50%
<b>Additional GET Staff</b> (IT, Finance, Records, & Customer Svc; 2 vacant)	23	100%	0%

## GET Operating Costs vs. Assets Under Management



# FY 19 Budgets

## Administrative Revenue Sources

- **GET**

- “Expense Component” of Unit Price
  - Historically, 3-4% of unit purchase price
  - Contributes towards program administrative expenses
- Administrative/Service-based fees
  - Refunds, late/dishonored payments, etc.

- **DreamAhead**

- Account-based fees
  - \$35 annual fee (\$5 collected by WSAC; \$30 collected by vendor)
  - 0.276% – 0.400% of assets under management
    - 0.1% to WSAC; 0.12% to vendor; 0.056% - 0.18% to fund companies
- Administrative/Service-based fees
  - Transfers, dishonored payments, check reissue, etc.

# 2018-19 GET Unit Price

Lucas Minor

Interim WA529 Director

Matt Smith

State Actuary, Office of the State Actuary

- Review GET Expense Component of Unit Price
- Review 2018-19 GET Unit Price Setting Letter
- Set 2018-19 GET Unit Purchase Price

## GET Expense Component Discussion

- **Historical practice:**

- Divide administrative budget (adjusted for enrollment fees collected) by estimated unit sales for coming enrollment/fiscal year

- **Challenges with methodology:**

- Administrative expenses predictable year-to-year
  - Efficiencies achieved when program fund grew past \$1 billion
- Unit sales unpredictable year-to-year
  - Environmental factors significantly impact GET participation (tuition policy, market dynamics, legislative & program policy changes, etc.)
- Not all unit sales are recognized up front in same year as expenses
- If unit sales projections were modified significantly year-to-year, result could be significant swings in expense component
- Introduction of DreamAhead - too early to see impact on GET sales

## GET Expense Component Discussion

- **Proposed 2018-2019 Expense Component:**
  - Maintain 2017-18 Expense Component, with an inflationary adjustment
    - Use same rate as 2018-19 tuition increase (2.1%)
  - Result:
    - \$4.27 Expense Component (up from \$4.18 in 2017-2018)
- **Next Steps:**
  - Committee feedback
  - On-going discussion throughout FY19 to determine optimal approach for future enrollment years
  - Monitor DreamAhead impact on GET participation



# 2018-2019 GET Unit Price Analysis

Matthew M. Smith, FCA, EA, MAAA  
State Actuary

Presentation to:  
GET Committee

$$\int x^2 \sqrt{x^2 \pm a^2} dx = \frac{x}{8} (2x^2 \pm a^2) \sqrt{x^2 \pm a^2} - \frac{a^2}{8} \ln|x + \sqrt{x^2 \pm a^2}| + C$$

$$\int \frac{x^2}{\sqrt{x^2 \pm a^2}} dx = \frac{x}{2} \sqrt{x^2 \pm a^2} \mp \frac{a^2}{2} \ln|x + \sqrt{x^2 \pm a^2}| + C$$

$$\int \frac{dx}{\sqrt{x^2 \pm a^2}} = \ln|x + \sqrt{x^2 \pm a^2}| + C$$

$$\int \frac{dx}{(x^2 \pm a^2)^{3/2}} = \frac{x}{a^2 \sqrt{x^2 \pm a^2}} + C$$

$$\int (x^2 \pm a^2)^{3/2} dx = \frac{x}{8} (2x^2 \pm 5a^2) \sqrt{x^2 \pm a^2} + \frac{5a^4}{8} \ln|x + \sqrt{x^2 \pm a^2}| + C$$

The collage features a 3D diagram of a cube with vertices labeled A through H. To the right, there are several mathematical equations and formulas, including:  
 $x = p \cos \phi$   
 $y = p \sin \phi$   
 $|S| = p$   
 $r = \sqrt{2}, 2\pi$   
 $-4 \leq x^2 + y^2 \leq -6y$   
 $-4 \leq y \leq p - 6 \sin \phi$   
 $2r = -6 \sin \phi$   
 $|S| = \int dp$   
 $\frac{1}{2} \pi$   
 $-4 \sin \phi$   
 $V = \frac{1}{3} \pi r^2 h$   
 $4x^2 + 9y^2 = 60$



# Analysis Summary

## Current Program Status

- 130% funded status and \$519 million reserve at June 30, 2018
- Based on a roll-forward and does not include the full effect of ESB 6087

## Price Setting Information

- Best estimate unit price range of \$112 to \$125 for next enrollment period

## Risk Analysis

- Current 15% reserve for unit price adequate

## Current Program Status

<b>Funded Status Summary</b>		
<i>(Dollars in Millions)</i>	<b>2018*</b>	<b>2017 GAVR</b>
<b>Present Value of Future Obligations</b>	<b>\$1,707</b>	<b>\$1,734</b>
Market Value of Assets	2,095	2,168
Present Value of Receivables	131	136
<b>Present Value of Fund</b>	<b>\$2,226</b>	<b>\$2,303</b>
<b>Funded Status</b>	<b>130.4%</b>	<b>132.8%</b>
<b>Reserve/(Deficit)</b>	<b>\$519</b>	<b>\$570</b>

*\*Estimated using roll-forward procedure starting with the 2017 GAVR.*

- 2018 results reflect actual investment returns and estimated changes in obligations and receivables due to program experience over the past year
- 2018 roll-forward results may vary from the June 30, 2018, *GET Actuarial Valuation Report (GAVR)* available/final in November
- See letter to GET dated September 11, 2018, for further details on the analysis in this presentation

# Components Of Unit Price

## Expected Cost

- Covers the expected present value of the cost of future tuition and applicable state-mandated fees

## Expenses

- Contributes to the program's annual operating expenses

## Reserve

- Covers unexpected future costs such as higher than expected tuition growth or lower than expected investment returns
- 15% reserve included in recently adopted unit price

## Amortization

- An optional component that covers unexpected past costs from significant program or policy changes
- Not included in current unit pricing

## Unit Price Information

GET Unit Price Information		
2018-19 Enrollment		
Unit Price	Best Estimate	Best Estimate Range
Expected Cost	\$99.14	\$93.68 - \$104.84
Expenses	4.27	4.27
Reserve	15.51	14.69 – 16.37
Amortization	N/A	N/A
<b>Total Unit Price</b>	<b>\$118.00</b>	<b>\$112.00 - \$125.00</b>

*Note: Totals are truncated and may not agree.*

- Best estimate range based on lower/higher assumed future tuition growth than best estimate
- We consider any price within the best estimate range to be reasonable
- \$4.27 expense component provided by GET

# Scenario Based Risk Analysis

## Lower Than Expected Returns

- Current 15% reserve protects units sold from investment returns that average 1% lower than 5.65% assumption each year over a 15-year period

## Higher Than Expected Tuition Growth

- Similarly, current reserve protect units sold from tuition growth rates that exceed current assumption by 1% each year

## Return of Great Recession

- Units sold with 15% reserve would have adequate assets to provide for unit redemption 15 years later under this defined scenario
- If past tuition reductions did not repeat under this scenario, units would require a 16% reserve

# Tuition Growth Assumptions For Unit Pricing

Tuition Growth Assumptions Best Estimate Range			
	Low	Best Estimate	High
2018-19	2.0%	2.0%	2.0%
2019-20	5.0%	6.5%	8.0%
2020-21	5.0%	6.5%	8.0%
2021-22	5.0%	6.5%	8.0%
2022-23	5.0%	6.5%	8.0%
2023-24+	5.0%	5.0%	5.0%

# Assumptions For Risk Analysis

Return of the Great Recession Assumptions		
	Investment Return	Tuition Growth
2019-20	(0.70%)	6.83%
2020-21	(16.02%)	6.84%
2021-22	12.68%	13.10%
2022-23	20.46%	13.05%
2023-24	0.07%	18.98%
2024-25	9.59%	15.25%
2025-26	16.36%	0.00%
2026-27	0.83%	0.00%
2027-28	0.61%	(5.00%)
2028-29	10.92%	(9.09%)
2029-30	6.35%	2.06%
2030-31	5.65%	2.07%
2031-32	5.65%	5.00%
2032-33	5.65%	5.00%
2033-34+	5.65%	5.00%



## Upcoming Actuarial Work

- Finalize June 30, 2018, GAVR in November
- Complete Phases 2 and 3 of ESB 6087 after GAVR
- We expect a final and program validated data file on ESB 6087 transfers in December
- We plan to prepare a separate actuarial communication on Phases 2 and 3
- Assist the Washington State Investment Board with an asset allocation study in 2019 on the post-ESB 6087 program

# Questions?



# Additional Agenda Items

Lucas Minor  
Interim WA529 Director

- GET Program Details Update
- Committee Bylaws Update



## Summary of Updates by Section

### Master Agreement

- **Update:** Select definitions in Section II. “Definitions” to provide additional clarity
- **Update:** Include “cash” in Section IV.E.2. “[Payment] Methods not accepted”
- **Remove:** Section VI.C.1.d. “Temporary Non-Penalty Refund and Rollover Period”
- **Add:** Reinforcement of requirements at time of enrollment (information such as SSN and birthdays, purchase at least one unit within 60 days, etc.)

### Prices and Fees

- **Update:** Price component amounts and description of “Expenses” in “Unit Price Components” table (pending 2018-19 pricing decision)

### GET Operations and Administration

- **Add:** Senate Bill 6087 description to “Key Events” subsection

# Public Comment

## Share Your Thoughts

- **Process**
  - Sign-up sheet
  - Three minutes per individual
  - You can submit written comments
    - Send to [GETInfo@wsac.wa.gov](mailto:GETInfo@wsac.wa.gov) and include the subject line: "GET Committee Statement."



# Next Regular Meeting

**November 6, 2018**

John A. Cherberg, Olympia  
Senate Hearing Room 3  
2:00 p.m. – 4:00 p.m.



# Adjournment



**GUARANTEED EDUCATION TUITION (GET) PROGRAM**  
**Committee Meeting Minutes**  
**April 25, 2018**  
**John A. Cherberg Building, Capitol Campus**  
**Senate Hearing Room 3**

**WSAC staff in attendance:**

Betty Lochner, GET Director  
Luke Minor GET Senior Associate Director  
Don Bennett, WSAC Deputy Director  
Dan Payne, GET Communications Specialist  
Christina Crawford, GET Administrative Assistant  
Katie Gross, GET Communications Specialist  
Jackie Ferrado, GET Community Relations Manager

**Guests in attendance:**

Rick Brady, Office of the Attorney General  
Chris Phillips, Washington State Investment Board  
Matt Smith, Office of the State Actuary  
Graham Dyer, Office of the State Actuary  
Daniel Masterson, Office of Program Research  
Lily Sobolik, Office of Program Research  
Douglas Magnolia, BNY Mellon  
Jim Bulsan, BNY Mellon  
Chelsea Power, BNY Mellon

**WELCOME**

Don Bennett, Deputy Director of the Washington Student Achievement Council (WSAC) and acting proxy for Mike Meotti, Executive Director of WSAC and Chair of the GET Committee called the meeting to order. The other GET Committee members in attendance were Treasurer Duane Davidson, citizen member Beth Berendt, and Director of the Office of Financial Management (OFM), David Schumacher.

**APPROVAL OF THE JANUARY 17, MARCH 9, AND APRIL 10, 2018 MINUTES**

Motion to approve the minutes by Davidson, seconded by Berendt. Three ayes by Davidson, Berendt, and Meotti (Schumacher not yet present). Motion carried – minutes approved.

**DIRECTOR'S REPORT**

Betty Lochner, GET Director, gave an update of the following:

- 2017-18 Enrollment Statistics:
  - As of April 20, 2018- 3,705 new enrollments; 485,042 new units purchased (35% of total unit sales goal); and \$52 million in total contributions received.
- Distributions for Current College Students
  - 2017-18 academic year: \$111 Million distributed on behalf of 13,100 students.
  - Since Program inception: \$1.11 Billion distributed on behalf of 51,900 students.



- Non-Penalty Refund Update
  - Requests received and processed:
    - Non-penalty refunds: 22,982 for \$436 million
    - Outgoing rollovers: 2,522 for \$61 million
  - Overall account statistics:
    - Remaining total active accounts: 95,800 and 15.4 million purchased units.

### **GET INVESTMENT UPDATE**

Chris Phillips with the Washington State Investment Board (WSIB) reviewed the fourth quarter and first quarter investment report and spoke about asset allocation adjustment process:

- Ending assets for the first quarter assets were \$2.165 billion (down slightly from 2017 year end figure of \$2.218 billion).
- Asset allocations at the end of the first quarter were 57% equity, 34% fixed income, and 10% cash (within target ranges).
- First quarter net contributions were negative \$31.7 million, and total returns were down one percent (in-line with benchmarks).
- For calendar year 2017, the GET fund was up 3.3% for the fourth quarter of 2017, and up nearly 15% for the calendar year.
- In 2017, market volatility was relatively low (seven days with changes of at least one percent). This has changed in 2018. So far there have already been 22 days with changes of at least one percent.
- Concerns surrounding macroeconomic factors are driving uncertainty in the market.
- On the upside, fundamentals and growth remain strong. Expect some continued volatility.
- On April 19, 2018, the WSIB Board unanimously voted to temporarily provide maximum flexibility in setting asset allocations for the GET fund, in order to accommodate the requirements of Senate Bill 6087 (SB 6087). WSIB staff moved quickly to shift \$1 billion of GET assets into cash, based on input from the GET Committee in the April 10 meeting. WSIB will work with GET staff to determine when the window should close for the asset allocation.

### **DREAMAHEAD DEVELOPMENT UPDATE**

Lochner and Minor noted the following points:

- The DreamAhead College Investment Plan opened for a soft-launch on April 24, 2018.
- Lochner thanked partners who contributed to the process of developing the new plan.
- Plan materials, website, and enrollment platform development/testing have been completed.
- GET staff are currently reviewing the user experience and making any necessary enhancements prior to a full-rollout and are continuing GET/DreamAhead rollover interface development.
- GET has created a paper form so that customers who would like to roll to DreamAhead before the SB 6087 incentive goes into effect have the option to do so. The form includes several warnings that the SB 6087 incentive will not apply to requests received before the rollover window opens. The online rollover process will launch when the SB 6087 options become available.

Minor navigated through the DreamAhead website ([www.dreamahead.wa.gov](http://www.dreamahead.wa.gov)) pointing out key aspects and functionality and noted that there are extensive disclosure requirements for DreamAhead as investors directly bear investment risk.

Chelsea Power, BNY Mellon, navigated through portions of the DreamAhead user enrollment/account management site (supported by the Sunday platform) and noted the live chat option.

Minor stated that the Committee may want to further discuss the name of the 'GET Committee' (statutorily named "Committee on Advanced Tuition Payment and College Savings"). The Committee will be overseeing a broader scope and will need to start transitioning to be inclusive of multiple plans.

Minor highlighted important aspects to the DreamAhead Program Details booklet. There is a continued emphasis on breaking down complicated investment information to be more approachable for customers. Minor noted that the Summary section at the beginning of the document encapsulates important points of Program Details and briefly reviewed the fees and risks sections as well as the different age-based portfolio options.

Bennett asked for a motion to approve the DreamAhead Program Details booklet. Davidson moved to approve the DreamAhead Details booklet. Seconded by Schumacher. Three ayes from Schumacher, Davidson, and Bennett; Berendt abstained. Motion carried.

### **Senate Bill 6087 IMPLEMENTATION UPDATE**

Lochner reminded the Committee of the three key directives/phases of SB 6087:

- Phase 1: Provide a 90-day window for eligible GET customers to roll over to DreamAhead at a special "unit cash value price."
- Phase 2: Increase the number of units for eligible GET customers (remaining in GET after Phase 1) with an average unit purchase price above \$117.82
- Phase 3: If, after Phase 1 and 2, the GET funded status is higher than 125%, add up to 15% more units to all eligible GET customer accounts, in order to draw the funded status down to 125%

Minor noted that SB 6087 went into effect on April 15, 2018, so the Committee can now move forward with setting the 90-day window for eligible customers to receive an incentivized "unit cash value price" to roll over to DreamAhead.

Minor reviewed the discussion objectives:

- Determine measurement date for the Unit Cash Value Price.
- Discuss timing of GET to DreamAhead 90-day incentivized rollover window.
- Discuss timing of the temporary GET refund policy in context of implementing SB 6087
  - Currently set to expire 60 days after DreamAhead opens (June 23, 2018 if using the April 24 DreamAhead soft-launch date).
- Review SB 6087 communication plan to GET customers (contingent on timing of 90-day window selected by Committee.)
  - Minor discussed details of the communication plan, including a mailed postcard by May 11, follow-up email and mailed communications, website tools and resources, including videos.

Berendt shared concerns that customers were only receiving one notification via mail. Berendt also expressed privacy concerns about customers receiving postcards instead of a letter in an envelope. Davidson also expressed interest in an initial letter, rather than a postcard. Minor stated that GET will research options of expediting a letter mailing as opposed to a postcard. Berendt shared concerns that customers would not receive a full 30-day notice (required by SB 6087) before the 90-day rollover window opened. Bennett stated that staff have sought legal counsel surrounding communication and that he believes that if we establish that the time frame begins on June 1 today at the GET Committee Meeting that this also begins the communication.

Minor noted that the Committee has not yet established a 90-day window and that staff are looking to the Committee to do so at this meeting. Minor also stated that the Committee can modify the window to begin the written communication to customers on May 15<sup>th</sup> with the 90-day window beginning on June 15.

Schumacher moved that the Committee establish a 90-day period beginning on June 15, 2018, or as soon as possible thereafter, after at least 30-days written notice by first-class mail, and during that 90-day period, GET account owners can redeem units purchased before July 1, 2015 for the unit cash value price, provided that all funds are immediately deposited into a DreamAhead savings plan account. Davidson seconded; three ayes by Schumacher, Davidson, and Bennett; one no by Berendt. Motion carried.

Bennett asked Minor about the mention of extending the non-penalty contribution refund window to align with the end of the GET to DreamAhead incentivized rollover period. Minor shared that this refund window is currently set to end partway through the rollover period, which could be confusing to customers. Staff recommend extending the non-penalty contribution refund window be to co-terminate with the 90-day rollover period just set by the Committee to minimize customer confusion.

The Committee discussed Davidson motioned to extend the non-penalty refund policy through the end of the GET to DreamAhead rollover period; Schumacher seconded; Three ayes by Schumacher, Davidson, and Bennett. Berendt abstained.

Matt Smith, State Actuary, stated that he believed that one of the objectives of today was to set a measurement date for the “unit cash value price.”

The Office of the State Actuary will need to know two weeks in advance of the date. Bennett and Lochner stated this could be an administrative level decision. Bennett stated that staff plan to use April 30<sup>th</sup> as the measurement date. This will then be presented to the Committee in May to approve or reconsider the date.

## **PUBLIC COMMENT**

No public comment

## **ADJOURNMENT**

Berendt moved to adjourn meeting at 3:35 p.m.  
Motion carried by acclamation.

**Guaranteed Education Tuition (GET) Committee  
Special Meeting – Conference Call  
Tuesday, May 29, 2018**

**Washington Student Achievement Council Offices  
919 Lakeridge Way SW, K-20 Conference Room  
Olympia, WA 98504  
2:00 p.m. – 3:00 p.m.**

**WSAC staff in attendance:**

Betty Lochner, GET Director  
Luke Minor GET Senior Associate Director  
Don Bennett, WSAC Deputy Director  
Christina Crawford, GET Administrative Assistant

**Guests in attendance:**

Sandra Richards, Senate  
Rick Brady, Office of the Attorney General  
Chris Phillips, Washington State Investment Board  
Patrick Martinell, Washington State Investment Board  
Matt Smith, Office of the State Actuary  
Daniel Masterson, Office of Program Research  
Lily Sobolik, Office of Program Research  
Alicia Kinne-Clawson, Senate Caucus Staff  
Anthony Hemstead, Office of the State Treasurer  
Katherine Long, Seattle Times  
Michael Bossler, Office of the Attorney General  
Shawn Myers, Office of the State Treasurer  
Beverly Hempleman, QA contract with WSAC  
Stuart Morgan

**WELCOME & MEMBER INTRODUCTIONS**

Mike Meotti, Executive Director of WSAC and Chair of the GET Committee called the meeting to order at 2:08 p.m. The other GET Committee member in attendance in person was Treasurer Duane Davidson. Director of the Office of Financial Management (OFM), David Schumacher, was in attendance via telephone.

**SENATE BILL 6087 IMPLEMENTATION**

Betty Lochner, GET Director reviewed the phases of Senate Bill 6087:

- **Phase 1:** Provide a 90-day window for eligible GET customers to roll over to DreamAhead at a special “unit cash value price.”
- **Phase 2:** Increase the number of units for eligible GET customers (remaining in the program after the GET to DreamAhead rollover window) with an average unit purchase price above \$117.82

- **Phase 3:** If the funded status is higher than 125%, add up to 15% more units to all eligible GET customer accounts remaining in the program after Phase 1 and Phase 2, in order to draw the funded status down to 125%

Lochner outlined the two action items for the meeting:

- Setting the Unit Cash Value Price, necessary for the implementation of Phase 1.
- Extending the GET unit price deadline, necessary for the implementation of phase two

Lochner provided statistics for end of enrollment to date:

- 4,944 new enrollments-goal is 8,500;
- 500 more than end of last enrollment period 2014/2015;
- 616,107 GET units purchased-goal 1.4 million;
- Total enrollments since program inception (1998) to 167,866.

Matt Smith, Office of the State Actuary provided an analysis that calculated the “unit cash value price” to be \$143, based on data provided by GET staff and based on the measurement date of April 30, 2018, as selected by the GET Committee. The calculation used to determine this amount was a division of eligible assets (\$2.04 billion) by the amount of eligible units (14.3 million) using methodology prescribed in Senate Bill 6087.

Treasurer Davidson motioned to adopt the calculated “unit cash value price” of \$143 per unit for the GET to DreamAhead rollover. Schumacher seconded. Three ayes by Davidson, Schumacher and Meotti. The motion carried.

GET staff to keep Committee apprised of progress and any major changes.

Minor stated GET staff propose to extend the 2017-2018 GET unit purchase price of \$113 until October 31, 2018 to accommodate phase two of Senate Bill 6087. Staff recommend this extension as an administrative necessity to implement Phase 2 of Senate Bill 6087, and do not plan to advertise the extension.

Treasurer Davidson moved to approve extending the 2017-2018 \$113 unit purchase price to be valid until October 31, 2018. The May 31 deadline for new enrollments will be maintained. Schumacher seconded. Three ayes by Davidson, Schumacher and Meotti. The motion carried.

Minor noted that the new unit price will be set at the next regularly scheduled committee meeting on September 19, 2018 and that GET staff will begin sending communications to customers regarding the unit cash value price for phase one.

## **PUBLIC COMMENT**

No public comment

## **ADJOURNMENT**

David Schumacher motioned to adjourn meeting, seconded by Treasurer Davidson. Motion carried. Meeting adjourned at 2:43 p.m.



## **GET Prepaid College Tuition Program**

Quarterly Report – June 30, 2018

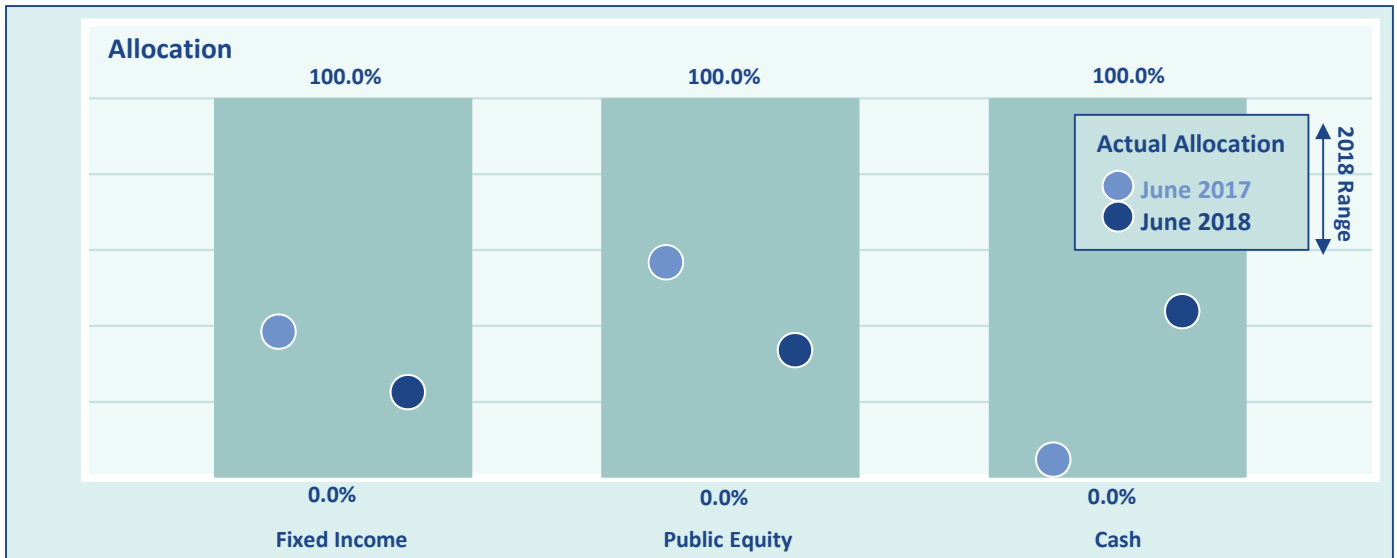
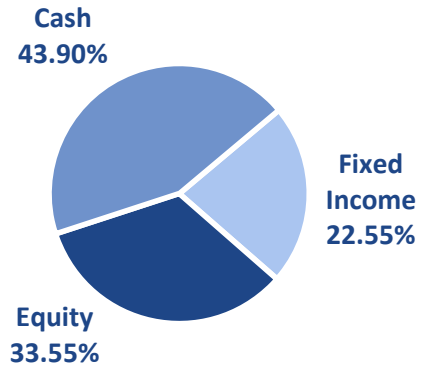
Portfolio Size, Allocation, and Assets Under Management .....	1
Performance.....	2



## Portfolio Size

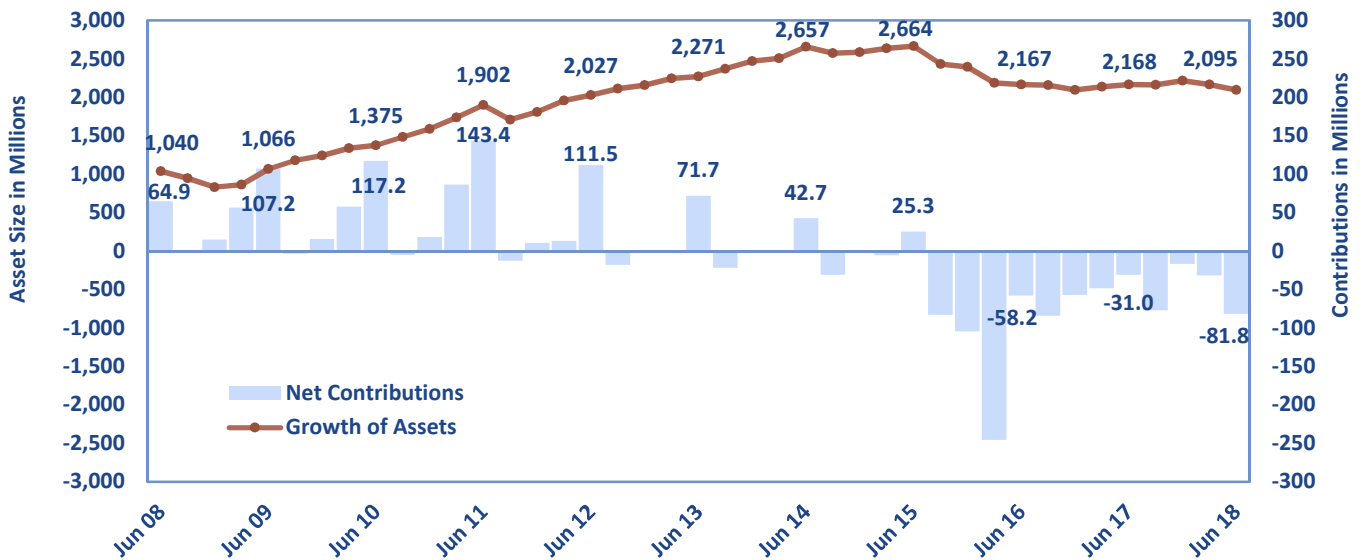
## Actual Asset Allocation

<b>Total</b>	<b>\$2,094,947,048</b>
Cash	\$919,762,872
Fixed Income	\$472,366,335
Equity	\$702,817,842

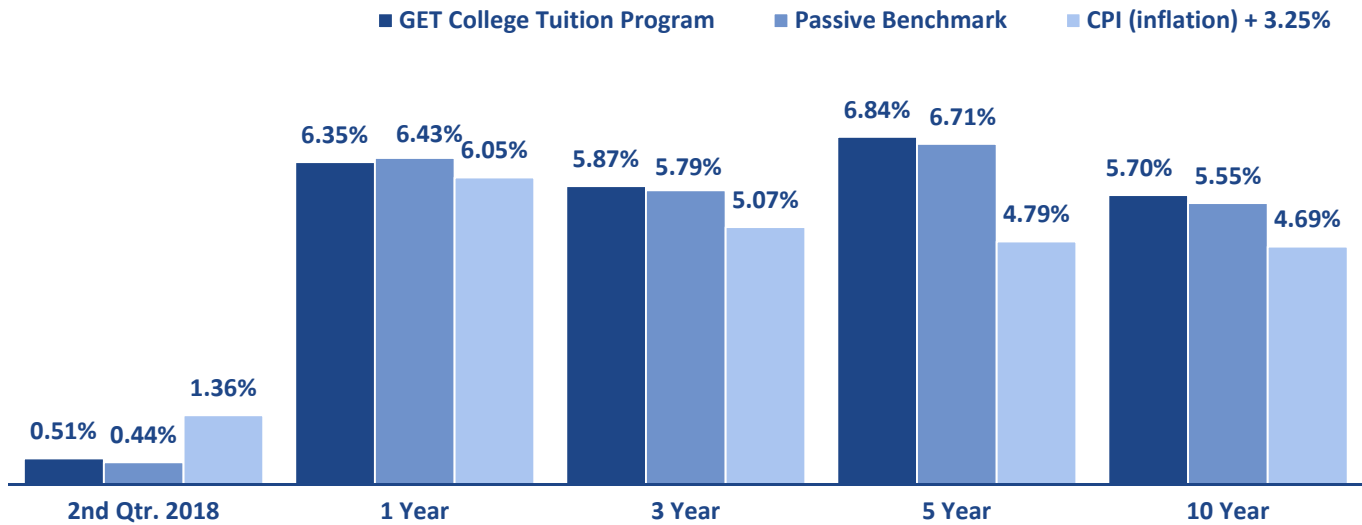


Note: For comparison purposes in the chart above, fixed income and TIPs were added together for the prior year.

## Assets Under Management

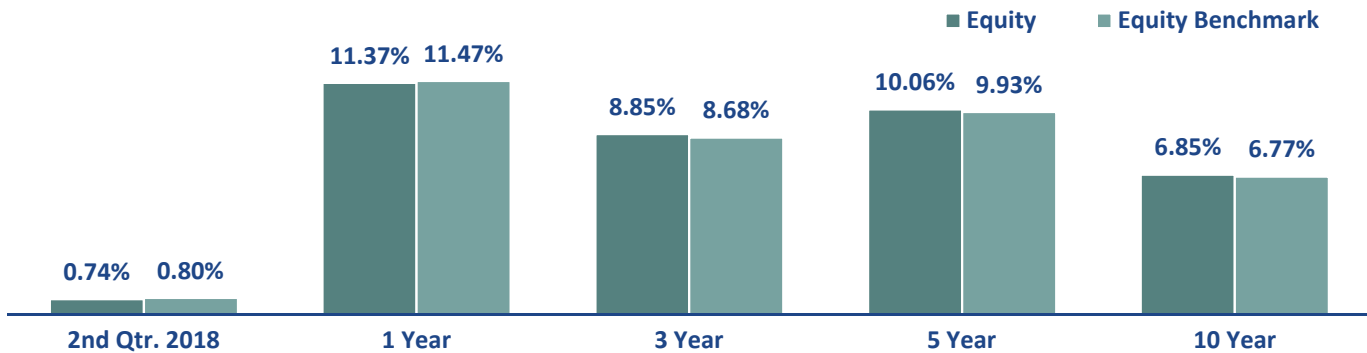


**Total Return \***



**Equity Return \***

Benchmark: MSCI ACWI IMI w/U.S. Gross and a historical blended return



**Fixed Income Return \***

Benchmark: Bloomberg Barclays Intermediate Credit and a historical blended return



\* The return numbers above are net of manager fees and other expenses that can be directly debited from the account for portfolio management but do not include the WSIB management fee.





## Washington College Savings Plans FY19 Budget Summary September 2018

Dear GET Committee Members:

Enclosed is an overview of the 2019 fiscal year administrative budgets for the Guaranteed Education Tuition (GET) program (Fund 788) and the DreamAhead College Investment Plan (Fund 463). Over the course of FY19, Washington Student Achievement Council (WSAC) staff will be working with the Committee to review the current budgeting process and solicit feedback, new ideas, expectations, and/or modifications for future budgets.

### Background

Washington College Savings Plans are relatively unique among state programs, as the plans are intended to be self-sustaining and receive no on-going state appropriations. The program funds are, however, subject to the allotment of all expenditures for program administration (RCW 28B.95.060(2) and RCW 28B.95.085(2)). State law authorizes the committee to formulate and adopt rules for the efficient administration of the program (RCW 28B.95.030(10)(f) and 28B.95.032(9)(f)). Each year, WSAC program staff develop annual administrative budget proposals and provide them for Committee consideration and approval in September.

Since 2014, staff have developed the annual budget proposals using the following methodology:

- Review past expenditures from the prior year;
- Make adjustments in response to policy and/or programmatic changes that anticipate higher or lower expenditure levels;
- Review each functional unit's anticipated expenditures with the unit manager at the object and sub-object level;
- Work with senior program leadership and senior WSAC leadership to prepare the final proposed budget for committee consideration and approval;
- Secure committee approval;
- Complete WSAC's allotment process.

On behalf of the Washington College Savings Plans staff, I hope that you find this document informative for approving the Fiscal Year 2019 administrative budgets for GET and DreamAhead. We welcome your input, comments, and questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Lucas Minor".

Lucas Minor  
Interim Director of College Savings Plans  
Washington Student Achievement Council

## FY18 Budget vs. Actual Review

### Budget Recap

Fiscal year 2018 was the first time that WSAC prepared an administrative budget for the new DreamAhead College Investment Plan. Fiscal Year 2018's total approved administrative budget for both programs was \$6.5 million.

- Because GET is a mature, self-operated program that must cover the cost of all administrative functions, this program's budget composed the majority of the total at \$5.7 million.
- DreamAhead's comparatively small FY18 budget of \$750,000 was composed primarily marketing and contract oversight costs, as a vendor (compensated only by fee revenue collected from participants) performs the majority of the administrative functions.

### Actuals

When the FY18 budget was prepared, DreamAhead was not yet open, and a program management agreement was still being negotiated between WSAC and the vendor. WSAC staff built the budget anticipating that DreamAhead may launch mid-way through the fiscal year. However, DreamAhead opened for a soft launch in April 2018, and full-scale marketing efforts were delayed due to the passage of Senate Bill 6087. This marketing delay meant GET bore a larger share of the annual marketing costs than was initially anticipated.

GET reserves a modest contingency fund in each annual budget to account for unexpected expenses. However, the increased share of marketing costs, updates to WSAC's indirect expenditure model, and increased costs to implement new legislation and pay for an accountability audit caused GET's actual FY18 expenditures to total \$6 million. DreamAhead's total actual expenditures totaled \$382,000. Combined actual expenditures totaled just under \$6.4 million (two percent under the combined FY18 budget).

### FY18 Comparison

	FY18 Approved (GET)	FY 18 Actuals (GET)	Variance	FY18 Approved (DA)	FY18 Actuals (DA)	Variance
<b>Total</b>	\$5,758,188	\$6,005,171	<b>+4.3%</b>	\$749,246	\$382,021	<b>-49.0%</b>
Objects A&B – Sal & Bene	\$2,546,816	\$2,551,739		\$250,840	\$123,165	
Object C - Contracts	\$1,053,271	\$1,184,803		\$232,384	\$74,750	
Object E - Goods & Services	\$750,347	\$773,834		\$90,536	\$95,346	
Object G - Travel	\$63,189	\$47,033		\$6,549	\$603	
Object J - Capital Outlay	\$54,600	\$14,541		\$15,000	\$0	
Object T - Indirect Expenses	\$1,289,965	\$1,433,221		\$153,937	\$88,158	

## FY19 Budget Proposals

### Guaranteed Education Tuition (GET) Program (Fund 788)

*Projected Administrative Expenditures\**

	<b>FY19 Budgeted Amount</b>
<b>Total</b>	<b>\$6,010,531</b>
<b>Object A - Salaries</b>	<b>\$1,825,230</b>
32 FTE (21 GET dedicated FTEs, 9 split between GET and DreamAhead, 2 vacant)	
<b>Object B - Benefits</b>	<b>\$671,428</b>
<b>Object C - Contracts</b>	<b>\$1,094,900</b>
Media Buying Services (Primarily TV & Radio Placements)	\$960,000
Actuarial Services	\$73,632
Other Contracted Services	\$61,268
<b>Object E - Goods &amp; Services</b>	<b>\$794,693</b>
Special Purpose Customer Communications (SB 6087 mailings, etc.)	\$150,000
GET Share of Agency Office Space Lease Expenses	\$136,145
Print, Web, Social Media and Paid Search Advertising	\$81,650
Operations Printing & Postage Costs	\$58,000
IT Expenses (software licenses, CTS services, etc.)	\$54,148
Marketing Material Printing/Postage	\$53,500
Outreach Expenses (sponsorships, booth rentals, promo items, etc.)	\$51,873
AAG/Special AAG Services	\$50,000
Auditor Expenses	\$30,000
Other Goods & Services	\$99,378
Contingency Funds	\$30,000
<b>Object G - Travel</b>	<b>\$47,300</b>
Statewide Community Outreach Travel Expenses	\$9,100
Conference/Training Travel	\$30,000
Other Travel Expenses	\$8,200
<b>Object J - Capital Outlays</b>	<b>\$39,570</b>
Computers and Equipment	\$35,000
Other Capital Outlays	\$4,570
<b>Object T - Indirect Expenses</b>	<b>\$1,537,410</b>
GET Share of Agency Indirect Pool (approx. 60% of Objects A & B)	

\* Notes:

- The Washington State Investment Board's fee for managing the GET fund (23,000-\$41,000/mo.) is deducted from the earnings monthly (per RCW 43.33A.160) and is not included in the program administrative budget.
- Per RCW 28B.95.060, GET funds are not subject to appropriation, but are subject to allotment of all expenditures. 2017-19 Biennial Expenditure Authority from OFM is \$12,063,000.

## Guaranteed Education Tuition (GET) Program – Fund 788

*FY18 vs. FY19 comparison*

	FY18 Approved	FY 19 Projected Expenses	YOY Change	FY18 Actuals	FY 19 Projected Expenses	YOY Change
<b>Total Expenditures</b>	<b>\$5,758,188</b>	<b>\$6,010,531</b>	<b>+4.4%</b>	<b>\$6,005,171</b>	<b>\$6,010,531</b>	<b>+0.1%</b>
Object A - Salaries	\$1,791,929	\$1,825,230		\$1,860,183	\$1,825,230	
Object B - Benefits	\$754,887	\$794,693		\$691,556	\$794,693	
Object C - Contracts	\$1,053,271	\$1,094,900		\$1,184,803	\$1,094,900	
Object E - Goods & Services	\$750,347	\$794,693		\$773,834	\$794,693	
Object G - Travel	\$63,189	\$47,300		\$47,033	\$47,300	
Object J - Capital Outlay	\$54,600	\$39,570		\$14,541	\$39,570	
Object T - Indirect Expenses	\$1,289,965	\$1,537,410		\$1,433,221	\$1,537,410	

### Factors Influencing YOY Changes

- + COLA & merit increases
- Shared costs with DreamAhead (media buying services, travel, staff)
- + Added costs for implementing Senate Bill 6087
- + Change in WSAC Indirect formula

### FY19 – Washington College Savings Plans FTE Allocations

	FTE	GET	DreamAhead
<b>Total</b>	<b>32</b>		
Program Director	1	75%	25%
Program Assistant	1	75%	25%
Associate Director for GET Operations	1	95%	5%
Senior Data Analyst	1	90%	10%
Program Accountant	1	70%	30%
Marketing (A.D., Community Rel. Mgr., 2 Comm. Specialists)	4	50%	50%
Additional GET Staff (IT, Finance, Records, & Customer Svc; 2 vacancies)	23	100%	0%

## DreamAhead College Investment Plan (Fund 463)

### Projected Administrative Expenditures\*

	FY19 Budgeted Amount
<b>Total</b>	<b>\$848,177</b>
<b>Object A - Salaries</b>	<b>\$258,477</b>
9 partial FTE (split with GET)	
<b>Object B - Benefits</b>	<b>\$87,195</b>
<b>Object C - Contracts</b>	<b>\$232,000</b>
Media Buying Services (Primarily TV & Radio Placements)	\$200,000
Other Contracted Services	\$32,000
<b>Object E - Goods &amp; Services</b>	<b>\$183,505</b>
Outreach Expenses (sponsorships, booth rentals, promo items, etc.)	\$51,873
Print, Web, Social Media and Paid Search Advertising	\$81,650
AAG/Special AAG Services	\$10,000
Auditor Expenses	\$7,000
Other Goods & Services	\$32,983
<b>Object G - Travel</b>	<b>\$15,600</b>
Statewide Community Outreach Travel Expenses	\$9,100
Conference/Training Travel	\$6,500
<b>Object J - Capital Outlays</b>	<b>N/A</b>
<b>Object T - Indirect Expenses</b>	<b>\$71,400</b>
DreamAhead Share of Agency Indirect Pool	

\*Note: Statute authorizes DreamAhead to maintain a cash deficit for up to five years in order to cover WCSP expenses related to contract oversight and marketing of DreamAhead. WCSP secured OFM expenditure authority prior to the start of FY19.

## Washington College Savings Plans Revenue Sources and Program Fees

By statute, both WCSP plans are to be self-sustaining and receive no on-going state appropriations. GET collects an expense component contained in the GET unit purchase price as well as service-based fees that contribute toward program administration costs. For DreamAhead, both WSAC and the agency's vendor (Sumday Administration) charge account-level and asset-based fees that provide revenue to contribute towards covering program administrative expenses. Sumday also collects service-based fees.

### GET

The cost of administering GET is supported by the collection of the expense component of the GET unit purchase price (as authorized in RCW 28B.95.020(24)) and service-based administrative fees collected from participants specifically for that purpose (as authorized in RCW 28B.95.030(12)(c)).

#### *Expense Component of Unit Price*

Expense Component of Unit Price: Variable. Historically based on a formula that estimates unit sales and enrollments for the fiscal year compared to the operating costs of the program.

#### *Administrative/Service-based Fees*

Enrollment Fee: \$0 for online enrollments (\$50 for paper enrollments)

Late Payment Fee: \$10

Dishonored Payment Fee: \$25 or actual fee charged by the bank, whichever is greater

#### *Refunds*

Account Cancellation Fee: \$10

Account Maintenance Fee: \$1.70 per month that the account was open and active

Program Refund Penalty: 10% of earnings or \$100, whichever is greater

#### *Organizations*

Scholarship Set-Up Fee: \$100 per master account

Student Account Transfer Fee: \$25

The last GET program fee review was completed in 2014. The Committee reviews program fees every five years. Staff will brief the Committee throughout FY19 and will facilitate a comprehensive fee review at a future committee meeting.

## DreamAhead

The program manager, Sundry Administration, LLC., is solely responsible for covering their own administrative costs through the collection of administrative fees (as authorized by RCW 28B.95.032(9)(d)). WCSP is also solely responsible for covering any contract oversight costs and costs for marketing the plan and collects a portion of total administrative fees paid by participants. The Committee and the vendor may revisit fees as assets under management grow and reach certain milestones.

### *General Account Fees*

Annual Maintenance Fee: \$35 annually (billed quarterly on a pro-rata basis)  
( $\$5$  collected by WSAC;  $\$30$  collected by vendor)

Asset-based Fees: 0.276% – 0.400% of assets under management  
- 0.100% collected by WSAC  
- 0.120% collected by vendor  
- 0.056% - 0.180% collected by fund companies

### *Service-Based Fees*

Rollovers/Transfers out of plan: \$25

ACH fail/Returned checks: \$25

Statement delivery: \$10 per account, per year

Paper check disbursement: \$2.50

Overnight delivery: \$15

Reissue checks: \$15

Outgoing wires: \$15

Paper historical statement requests \$10 (and postage incurred, if required)



# Office of the State Actuary

*“Supporting financial security for generations.”*

September 11, 2018

Lucas Minor  
Interim GET Director  
Guaranteed Education Tuition  
PO Box 43430  
Olympia, Washington 98504-3430

## **RE: 2018 PRICE-SETTING ANALYSIS**

Dear Luke,

We prepared updated actuarial analysis to assist the Guaranteed Education Tuition (GET) Committee in setting a unit price for the next enrollment period (2018-19). If the GET Committee decides to retain the current 15 percent reserve, this pricing information may be used to adopt a unit price for the next enrollment period. This analysis may not be appropriate for other purposes and should be replaced with updated analysis for setting a unit price after the next enrollment period.

### ***Analysis Summary***

- ❖ **Current Program Status** – The Office of the State Actuary’s (OSA) most recent analysis for state financial reporting reflects an estimated program funded status of 130 percent with a reserve of \$519 million as of June 30, 2018. This estimate is based on a roll-forward of the June 30, 2017, actuarial valuation results and ***does not include the full effect of ESB 6087.***
- ❖ **Price-Setting Information** – If the committee retains the current 15 percent reserve, we calculated a best estimate unit price range of \$112 to \$125 and a best estimate unit price of \$118 for the next enrollment period (2018-19).
- ❖ **Risk Analysis** – Using the assumptions and methods outlined in the **Appendix**, we found the 15 percent reserve protects units sold from 1 percent lower than assumed investment returns, 1 percent higher than assumed tuition growth rates, and a “Return of the Great Recession” scenario.

The body and appendices of this letter detail the current program status, price-setting information, and risk analysis. Please note the funded status reported in the *June 30, 2018*,





*GET Actuarial Valuation Report (GAVR)* may differ from the results presented in this letter. We anticipate the GET Committee will receive the *2018 GAVR* in November of 2018.

### **Current Program Status**

We calculated the funded status for the *2018 Comprehensive Annual Financial Report* results by rolling forward the results from the *June 30, 2017, GAVR*, to June 30, 2018. ***This roll-forward does not include the full impact of ESB 6087.***

The Present Value of Fund equals the Market Value of Assets as of June 30, 2018, as provided by the Washington State Investment Board (WSIB), along with an estimated Present Value of Monthly Contract Receivables. The Present Value of Future Obligations and the Present Value of Monthly Contract Receivables use assumptions and methods consistent with those disclosed in the *June 30, 2017, GAVR*.

<b>Funded Status Summary</b>		
<i>(Dollars in Millions)</i>	<b>2018*</b>	<b>2017 GAVR</b>
<b>Present Value of Future Obligations</b>	\$1,707	\$1,734
Market Value of Assets at June 30	\$2,095	\$2,168
Present Value of Receivables	\$131	\$136
<b>Present Value of Fund</b>	\$2,226	\$2,303
<b>Funded Status</b>	130.4%	132.8%
<b>Reserve/(Deficit)</b>	\$519	\$570

*Note: Documentation on the roll-forward procedure is available upon request.*

*\*Estimated using roll-forward procedure starting with the 2017 GAVR.*

We have excluded the impacts of ESB 6087 (from the 2018 Legislative Session) after June 30, 2018, from this analysis. We plan to prepare separate analysis on the impacts of ESB 6087 after the full information on actual transfers becomes available. We anticipate finalizing the impacts of ESB 6087 in early 2019. We have also excluded the impacts of differential tuition from this analysis; please see **Appendix A** for additional information on the tuition growth assumption.

### **Price-Setting Information**

To determine the best estimate unit price and range, we estimate the future value of a single unit based on assumptions for future tuition growth and holding periods for the unit (the duration between purchase and redemption). We then calculate the present value of this future unit using the expected rate of investment return and add a component that contributes to the operating expenses of the program. Finally, we include a reserve component in the unit price to account for adverse deviation from our assumptions (unexpected costs).

In 2011, the GET Committee adopted the current price-setting guidelines (how we price future units). These price-setting guidelines include the following four parts.



- ❖ **Expected Cost** – Covers the expected present value of the cost of future tuition and applicable state-mandated fees.
- ❖ **Expenses** – Contributes to the program’s operating expenses. The amount you determined this year equals \$4.27 (the prior unit price expense component for the 2017-18 enrollment, increased for the growth in the unit payout value from \$103.86 for the 2017-18 school year to \$106.01 for 2018-19, or  $4.18 \times \$106.01 \div \$103.86$ ), a 2.1 percent increase over the prior year.
- ❖ **Reserve** – Covers unexpected future costs such as higher than expected tuition growth or lower than expected investment returns. The Committee included a 15 percent reserve when setting the last unit price. This component can be increased or decreased to alter the probability that a unit will ever create an unfunded liability in the future.
- ❖ **Amortization** – An optional component that covers unexpected past costs from significant program or policy changes. This component is not included in current unit pricing.

If the committee retains the current 15 percent reserve, we calculated a best estimate unit price range of \$112 to \$125 and a best estimate unit price of \$118, shown in the following table.

GET Unit Price Information		
Unit Price	2018-19 Enrollment	
	Best Estimate	Best Estimate Range*
Expected Cost	\$99.14	\$93.68 - \$104.84
Expenses	4.27	4.27
Reserve	15.51	14.69 - 16.37
Amortization	N/A	N/A
<b>Total Unit Price</b>	<b>\$118.00</b>	<b>\$112.00 - \$125.00</b>

*Note: Totals are truncated and may not agree.*

*\*Best estimate range based on tuition growth rates shown in this letter.*

To develop the best estimate range for the unit price, we varied the assumed level of future state funding for the cost of higher education. In selecting a unit price for the next enrollment period, the GET Committee will consider many policy issues; including, but not limited to, the management of program risks and affordability. The responsibility to adopt a unit price rests solely with the GET Committee. We provided a best estimate range for the unit price to assist the GET Committee in meeting this responsibility and consider any price within the best estimate range to be reasonable. If the GET Committee chooses a lower/higher reserve percentage, the best estimate range would decrease/increase accordingly.

We excluded the impacts of differential tuition from this analysis; please see **Appendix A** for additional information on the tuition growth assumption.



## ***Risk Analysis***

The program's on-going success depends on maintaining a delicate balance between risk and affordability. In this case, we are referring to the "risk" that the state will need to contribute to the program, and the "affordability" of future GET units to be purchased by customers. Improving one factor will typically increase the impact of the other.

The GET Committee manages risk through the reserve component of the unit price. The larger the reserve the lower the risk to the state, but the higher and less affordable the unit price and vice versa.

For the risk analysis in this letter, we demonstrate the level of protection the current 15 percent reserve provides against two select adverse scenarios and under a "Return of the Great Recession" scenario. In other words, we are evaluating whether or not the accumulated value of the assets collected from the purchaser would be sufficient to provide for the redemption of the unit 15 years later assuming asset and tuition growth consistent with each scenario.

- ❖ **Lower than Expected Investment Returns** – The current 15 percent reserve protects the units sold from investment returns that average 1 percent lower than the 5.65 percent assumption each year.
- ❖ **Higher than Expected Tuition Growth** – Similarly, the current 15 percent reserve protects the units sold from tuition growth rates that exceed the current assumption by 1 percent each year.
- ❖ **Return of the Great Recession** – We reviewed the level of protection the 15 percent reserve would provide against a return of the Great Recession. Specifically, we examined a return of the tuition growth rates and investment returns the program experienced from 2008 to 2018. Using a 15 percent reserve, we found a single unit would have adequate reserves at the end of a 15-year period under this scenario.

The units sold would not have adequate reserves under this scenario if the tuition reductions of 2015 and 2016 did not repeat as they did in the past. If tuition reductions did not repeat under this scenario, the units sold would require a reserve of approximately 16 percent to remain protected by the end of the 15-year period.

Please see **Appendix B** for further details on the risk analysis.

As with any financial security program, risks can change over time. We recommend the GET Committee continue to monitor and evaluate the program's risks.

## ***Actuarial Certification***

We prepared this analysis to assist the GET Committee in setting a unit price for the next enrollment period (2018-19). This analysis may not be not appropriate for other purposes.



This analysis involves calculations that require assumptions about future economic and demographic events. The Actuarial Standards Board has not defined Actuarial Standards of Practice (ASOPs) specific to the measurement or evaluation of prepaid tuition programs. We used the ASOPs for pensions where possible to guide our analysis of GET. We believe that the assumptions, methods, and calculations used in this analysis are reasonable and appropriate for the primary purpose as stated above, and are in conformity with generally accepted actuarial principles and standards of practice as of the date of this letter. The use of another set of assumptions and methods, however, could also be reasonable and could produce materially different results.

Since the analysis is based on assumptions about future events, actual results will differ to the extent that future experience differs from those assumptions. Significant differences between the actual and assumed future enrollments will impact the results. This analysis will need to be updated in the future if changes are made to the GET Program or the Legislature reforms current tuition policy.

The GET Program staff provided the participant, asset, and historical data to us. The WSIB also provided recent asset data to us. We checked the data for reasonableness as appropriate based on the purpose of this analysis, but did not perform an audit of the participant data. An audit of the financial data was performed by WSIB auditors. GET Program staff also provided the expense component for the unit price. We relied on all the information provided as complete and accurate. In our opinion, this information is adequate and substantially complete for the purposes of this analysis.

We advise readers of this analysis to seek professional guidance as to its content and interpretation and not to rely upon this communication without such guidance. Please read the analysis shown in this communication as a whole. Distribution of, or reliance on, only parts of this analysis could result in its misuse and may mislead others. The analysis in this letter will quickly become outdated. Please replace this analysis with next year's price-setting analysis when available.

Consistent with the Code of Professional Conduct that applies to actuaries, I (Michael T. Harbour) must disclose any potential conflict of interest as required under Precept 7. I purchased and have unredeemed units in GET; however, this does not impair my ability to act fairly. I performed all analysis without bias or influence. The Legislature mandated OSA to perform actuarial services for GET and Matthew M. Smith supervised the actuarial analysis.

The undersigned, with actuarial credentials, meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein and are available to provide extra guidance and explanations as needed.

Sincerely,

Matthew M. Smith, FCA, EA, MAAA  
State Actuary

Michael T. Harbour, ASA, MAAA  
Actuary



### ***Appendix A – Best Estimate Range***

To develop the best estimate range for the unit price, we varied the ultimate assumed level of future state funding for the cost of higher education from our best estimate of 28.5 percent as follows:

- ❖ **Low Estimate** – The assumed percentage of state funding in our tuition growth model will increase to 37.5 percent and remain at that level.
- ❖ **High Estimate** – The assumed percentage of state funding in our tuition growth model will decrease to an ultimate rate of 23 percent over the next five years.



## Appendix B – Risk Analysis

To illustrate how a 15 percent reserve on the unit price could mitigate risk, under three select scenarios we compare the Projected Unit Payout Value to the expected growth in assets attributable to the purchase of a single unit (Accumulated Assets). We make this comparison at the end of a theoretical 15-year accumulation period. We chose a 15-year period because it approximates the average holding period of new contracts (from purchase to redemption) and represents the simulation period associated with our expected rate of investment returns.

For the purposes of this analysis, we calculate a hypothetical unit price as the present value (using a 5.65 percent discount rate) of the 15-year projected unit payout value under our best estimate tuition growth rates, and with a 15 percent reserve. We exclude the expense component in the unit price. The hypothetical unit price includes simplified assumptions and methods, and will not match our best estimate analysis in the body of this letter.

If we made no change to our best estimate assumptions, the accumulated assets from a single unit would exceed the projected unit payout for that unit by precisely 15 percent. The following table shows the results of our risk analysis under the select scenarios presented in the body of this letter.

Scenario Risk Analysis - Values Per Unit Sold		
Scenario	Accumulated Assets	Projected Unit Payout Value
Best Estimate Assumptions	\$268.24	\$233.25
Lower than Expected Investment Returns	\$232.58	\$233.25
Higher than Expected Tuition Growth	\$268.24	\$268.75
Return of the Great Recession	\$253.28	\$220.95

For each scenario, we varied our assumptions from expected to produce different accumulated assets and projected payout values from our best estimate. The following bullets and table outline these assumptions.

- ❖ **Lower than Expected Investment Returns** – We assumed investment returns of 4.65 percent each year (1 percent lower each year than our best estimate) and tuition growth rates that match our best estimate growth rates outlined in **Appendix C**.
- ❖ **Higher than Expected Tuition Growth** – We assumed investment returns consistent with our best estimate assumption of 5.65 percent, and tuition growth rates 1 percent higher than our best estimate growth rates for each future year after the current year of known tuition growth rates.
- ❖ **Return of the Great Recession** – As displayed in the following table, we assumed actual tuition growth rates and investment returns the program experienced from 2008 to 2018, and expected rates thereafter.



<b>Return of the Great Recession Assumptions</b>		
	<b>Investment Return</b>	<b>Tuition Growth</b>
<b>2019-20</b>	(0.70%)	6.83%
<b>2020-21</b>	(16.02%)	6.84%
<b>2021-22</b>	12.68%	13.10%
<b>2022-23</b>	20.46%	13.05%
<b>2023-24</b>	0.07%	18.98%
<b>2024-25</b>	9.59%	15.25%
<b>2025-26</b>	16.36%	0.00%
<b>2026-27</b>	0.83%	0.00%
<b>2027-28</b>	0.61%	(5.00%)
<b>2028-29</b>	10.92%	(9.09%)
<b>2029-30</b>	6.35%	2.06%
<b>2030-31</b>	5.65%	2.07%
<b>2031-32</b>	5.65%	5.00%
<b>2032-33</b>	5.65%	5.00%
<b>2033-34+</b>	5.65%	5.00%



## ***Appendix C – Data, Assumptions, and Methods***

### **Data We Used**

We relied on participant and asset data provided by GET Program staff and relied on asset data provided by WSIB to perform our roll-forward analysis for the funded status. The participant data reflects contract information through June 30, 2018. The asset data reflects actual investment returns through June 30, 2018. We use participant and asset data to perform the roll-forward from June 30, 2017, to June 30, 2018.

### **Assumptions We Made**

The assumptions we made remain unchanged from those disclosed in our *2017 GAVR*. Unless noted otherwise in this letter, we used the following assumptions to complete this analysis.

We considered the potential impacts of ESB 6087 on this analysis. To accommodate GET account transfers as a result of ESB 6087, the GET fund is under a temporary asset allocation that provides added liquidity. Once the transfer window concludes, we expect the asset allocation will revert back to its assumed long-term allocation. We determined that the current and temporary short-term allocation would have a minimal impact, if any, on the long-term rate of return. As such, we did not change our assumed rate of investment return for the roll-forward analysis. Additionally, since the ESB 6087 transfer window will close and we expect the fund to revert back to its assumed long-term asset allocation before the 2018-19 enrollment period opens, we made no adjustment to our assumed rate of return for the price-setting analysis.

The table below shows the tuition assumptions we used for this analysis. We relied on the tuition growth model disclosed in the *2017 GAVR* to develop the tuition growth assumptions. These assumptions do not consider potential impacts of differential tuition. The impact from differential tuition could vary based on how it interacts with the current contracts.

	Tuition Growth Assumptions		
	Best Estimate Range		
	Low	Best Estimate	High
2018-19	2.00%	2.00%	2.00%
2019-20	5.00%	6.50%	8.00%
2020-21	5.00%	6.50%	8.00%
2021-22	5.00%	6.50%	8.00%
2022-23	5.00%	6.50%	8.00%
2023-24	5.00%	5.00%	5.00%
2024-25	5.00%	5.00%	5.00%
2025-26	5.00%	5.00%	5.00%
2026-27	5.00%	5.00%	5.00%
2027-28+	5.00%	5.00%	5.00%

Otherwise, the assumptions and methods we used are consistent with those disclosed in the *2017 GAVR* or the *2015 GET Experience Study*.





## Supplement To 2018 Price-Setting Analysis

September 14, 2018

To assist the GET Committee in setting a unit price for the next enrollment period (2018-19), we prepared the following analysis to supplement our Price-Setting Letter dated September 11, 2018. We intend for this analysis to be used in conjunction with our Price-Setting Letter.

### Unit Price Under Alternative Tuition Growth Assumptions

For this supplemental analysis, we calculated the unit price for the 2018-19 enrollment using alternative tuition growth assumptions that vary from our best estimate. In addition to the best estimate range provided in the Price-Setting Letter, this analysis further illustrates how the unit price would change under the use of different tuition growth assumptions.

Unit Price	Alternative Assumption 1	Alternative Assumption 2	Best Estimate
Expected Cost	\$97.31	\$93.38	\$99.14
Expenses	4.27	4.27	4.27
Reserve	15.24	14.65	15.51
Amortization	N/A	N/A	N/A
<b>Total Unit Price</b>	<b>\$116.00</b>	<b>\$112.00</b>	<b>\$118.00</b>

### Alternative Tuition Growth Assumptions

	Alternative Assumption 1	Alternative Assumption 2	Best Estimate
<b>2018-19</b>	2.00%	2.00%	2.00%
<b>2019-20</b>	2.15%	2.15%	6.50%
<b>2020-21</b>	2.17%	2.17%	6.50%
<b>2021-22</b>	10.00%	6.50%	6.50%
<b>2022-23</b>	10.00%	6.50%	6.50%
<b>2023-24</b>	5.00%	6.25%	5.00%
<b>2024-25</b>	5.00%	6.25%	5.00%
<b>2025-26</b>	5.00%	5.00%	5.00%
<b>2026-27</b>	5.00%	5.00%	5.00%
<b>2027-28+</b>	5.00%	5.00%	5.00%

With the exception of the tuition growth assumptions above, we used the same data, assumptions, and methods to prepare this analysis as disclosed in our Price-Setting Letter dated September 11, 2018. Please see that letter for supporting information and additional considerations on the use of this analysis.

**BYLAWS OF THE**  
**COMMITTEE ON ADVANCED TUITION PAYMENT AND COLLEGE SAVINGS**  
**DRAFT – REVISED SEPTEMBER 19, 2018**  
**GUARANTEED EDUCATION TUITION (GET) COMMITTEE**

ORGANIZATION AND DUTIES

1. ~~(1)~~ The Advanced College Tuition Payment Program (known as the ‘Guaranteed Education Tuition’ or ‘GET’ program) and the Washington College Savings Program (known as the ‘DreamAhead College Investment Plan’ or ‘DreamAhead’), collectively known as the ‘Programs,’ are established in Chapter 28B.95 RCW 28B.95. The Programs ~~is~~ are governed by the Guaranteed Education Tuition (GET) Committee on Advanced Tuition Payment and College Savings. The Committee is composed of the Executive Director of the Washington Student Achievement Council (WSAC), the Director of the Office of Financial Management and the State Treasurer (or their designees), and two citizen members. The Governor shall appoint the citizen members, with one representing program participants and one representing private business with marketing, public relations, or financial expertise. The Committee shall exercise all the powers and perform all the duties with respect to the operation of the ~~GET~~ Programs as prescribed by Chapter 28B.95 RCW 28B.95.
- ~~(2)~~  
2. The administrative office is located at 9179 Lakeridge Way SW, Olympia, WA 98502. The office hours are 8:00 a.m. to 5:00 p.m, Monday through Friday, except state holidays. Information about the Programs ~~GET Program and contracts for the purchase of tuition units is~~ are available at the following address: P.O. Box 43450, Olympia, WA 98504; or by contacting GET at 800.955.2318 or DreamAhead at 844.529.5845; or by visiting www.wastate529.wa.gov.get.wa.gov
- ~~2.3.~~  
3. The Executive Director of WSAC ~~the Washington Student Achievement Council~~ shall chair the Committee. The Director of College Savings Plans ~~the GET Program~~ shall serve as the secretary for the Committee.
- ~~3.4.~~  
4. A quorum to conduct the business of the Committee consists of at least three members.
- ~~4.5.~~  
5. The Committee shall meet quarterly and shall conduct and announce meetings in accordance with the Open Public Meetings Act (Chapter 42.30 RCW). Additional meetings may be scheduled as needed. The annual meeting schedule shall be published in the Washington State Register, maintained by the Office of the Code Reviser. A special meeting may be called by the chair of the Committee or by a majority of the members and announced in accordance with RCW 42.30.080 ~~law~~.
- ~~5.6.~~  
6. All regular and special meetings of the Committee shall be held in Olympia, Washington unless scheduled elsewhere, and are open to the general public, except for lawful executive sessions, as defined in RCW 42.30.110. No official business may be conducted by the Committee except during a regular or special meeting.

~~6.7.~~ The Committee may conduct an executive session called by the chairperson or by a majority of the members. No official actions shall be taken at executive sessions without formal action at a regular or special meeting of the Committee. Executive sessions shall deal only with matters authorized by RCW 42.30.110. The Committee will conduct all official business at formal public meetings in accordance with state law.

~~7.8.~~ Formal meetings will be conducted in accordance with Robert's Rules of Order.

~~8.9.~~ Proceedings shall be recorded by a method determined by the chair of the Committee. Formal written minutes ~~shall be~~ taken during the meeting. The Committee approves the previous meeting's minutes at each Committee meeting. The Committee will maintain full records of all proceedings by which it makes decisions and shall maintain the records for six years, in accordance with RCW 40.14.060.

~~9.10.~~ Anyone other than a Committee member wishing an item placed on the agenda of the Committee meeting must ~~submit~~ have a written request, and it must be received in the office of the secretary of the Committee (the Programs' office) no later than twelve o'clock noon five business days before the next scheduled Committee meeting. The Committee secretary will relay the request to the chair of the Committee. The chair of the Committee will determine whether the item is to be placed on the agenda. The chair or a designee will notify the individual initiating the request as to whether or not the item will be placed on the agenda.

~~10.11.~~ Members of the Committee who are public employees serving as a member in that capacity shall serve without compensation. Citizen members will receive compensation in accordance with ~~ing to~~ RCW 43.03.050. Travel and related expenses of all members shall be considered a regular expense of the ~~GET~~ Programs.

~~11.12.~~ No member of the ~~GET~~ Committee is liable for the negligence, default or failure of any other person or member of the Committee to perform the duties of office and no member shall be considered or held to be an insurer of the funds or assets of the ~~GET~~ Programs (per RCW 28B.95.035).

~~12.13.~~ The Committee may enter into contracts necessary to carry out its powers and duties (per RCW 28B.95.030 and RCW 28B.95.032).

~~13.14.~~ ~~The WSAC~~ Washington Student Achievement Council shall employ a Director for the Programs (Program Director) in consultation with the Committee. ~~The WSAC~~ staff of Student Achievement Council shall support the Committee and ~~the Council~~ shall carry out administrative responsibilities otherwise not assigned to the Committee.

~~14.15.~~ ~~Annually,~~ The Program staff shall make available to the Committee a GET program valuation report ~~each year~~. The information will be based on the preceding fiscal year's activity. The GET Program Director or designee will present the information at a Committee meeting.

16. Annually, Program staff shall make available to the Committee a DreamAhead report that includes information about the performance of and changes to the Program's investment options. The Program Director or designee will present the information at a Committee meeting.
17. The Committee shall review program policies on a regular basis, and approve updates to the Programs' Master Agreements and/or disclosure documents from time to time, as needed to remain in compliance with federal and state laws or if any Program policies change or new policies are adopted. Program staff shall draft proposed changes for the Committee's consideration.
18. Annually, Program staff shall prepare administrative budgets for both Programs and present the budgets for the Committee's consideration and approval.
- ~~15.19.~~ At each Committee meeting, Program GET Staff will provide an updated enrollment, contribution, and distribution contract statistics report at each Committee meeting. Statistics will include number of contracts, contracted units, lump sum units, total payments received, future custom monthly payments due, benefits paid, and the number of students who have used benefits. Additional information may also be included.
- ~~16.20.~~ The Program Director of the GET Program shall designate the rules coordinator for the pPrograms.
- ~~17.21.~~ Each state agency member of the GET Committee may appoint a representative from his or her agency to work with the Program Director of the GET Program.
- ~~18.22.~~ These bylaws may be amended at any regular or special meeting by a majority vote.