



**Committee Meeting**  
**May 6, 2021**  
2pm-4pm  
Virtual (Zoom) Meeting

## Action



Approval of the November 12, 2020  
WA529 Committee Meeting Minutes



## Program Updates

Luke Minor

Director, WA529

Sally Riefenstahl

Account Executive, Sunday Administration



## Program Updates

### Agenda

#### WA529 Update

#### GET Update





- General update
- Investment update

#### DreamAhead Update

- General update
- Investment update

# Program Updates

## WA529 Marketing Update

- **Paid Advertising Campaign update**
  - End of enrollment media push
  - More than 50% of annual media budget in Mar-May
  - Digital, social, radio, television, sponsorships
    - Targets: parents & grandparents of school age children
- **New WA529 Website '20-'21 vs. former sites '19-'20**
  - Total visitors 171,000  16%
  - New visitors 166,000  19%
  - Sessions 268,000  3%
  - Page views 1,035,000  17%



# Program Updates

## WA529 Marketing Update

- **Promotions & Community engagement**
  - WA529 Baby Onesie giveaway
    - 929 delivered to GET customers
    - 413 delivered to DreamAhead customers
  - Storytime with Hootie: Financial Literacy
    - Weekly videos during April and May
    - Eight WA529 staff members featured
  - 529 Day: May 29
    - Website scavenger hunt throughout May
    - Five educational prize packages awarded



# Program Updates

## WA529 Data Dashboard



Communication tool with Committee, Legislature, and key stakeholders



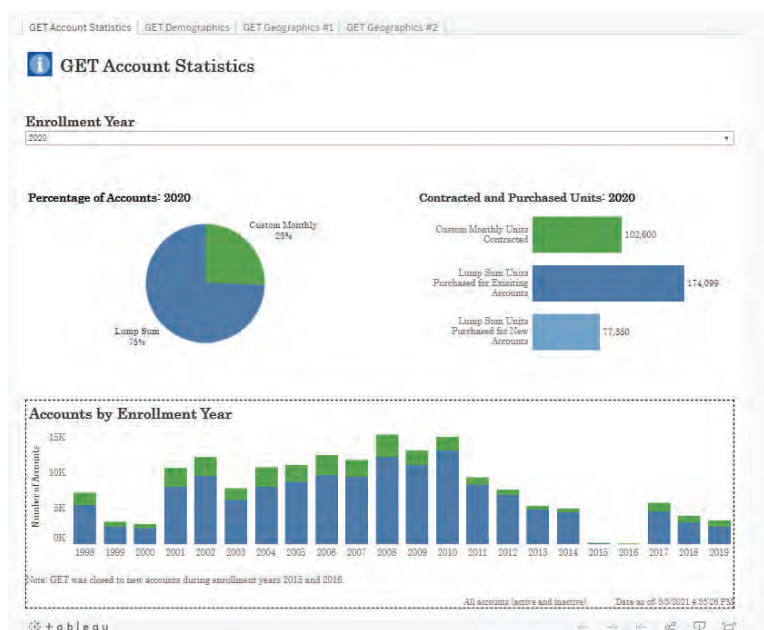
Phased approach starting with program-level data; adding national & other statewide metrics over time



Public-facing webpage to maximize transparency

# Program Updates

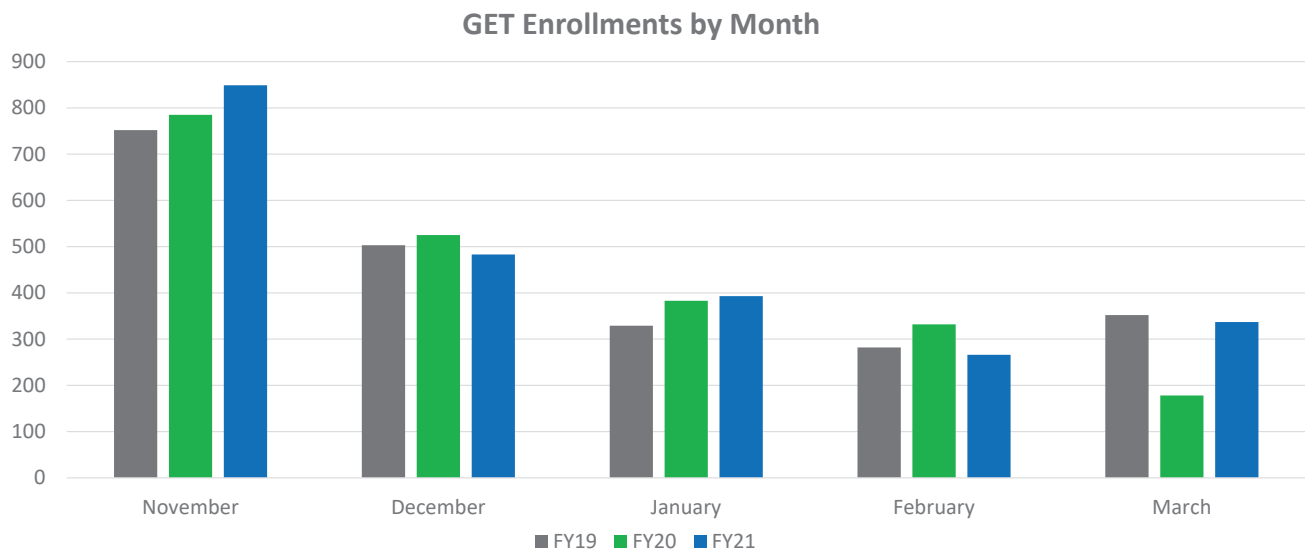
## WA529 Data Dashboard



- Enrollment closes May 31; unit price expires June 30
- Up to the minute enrollment figures *(as of May 6, 2021)*:
  - Applications
  - New Custom Monthly accounts
  - New Lump Sum accounts
  - Total units sold since November 1
    - Year to Year Comparison to 2019, 2018



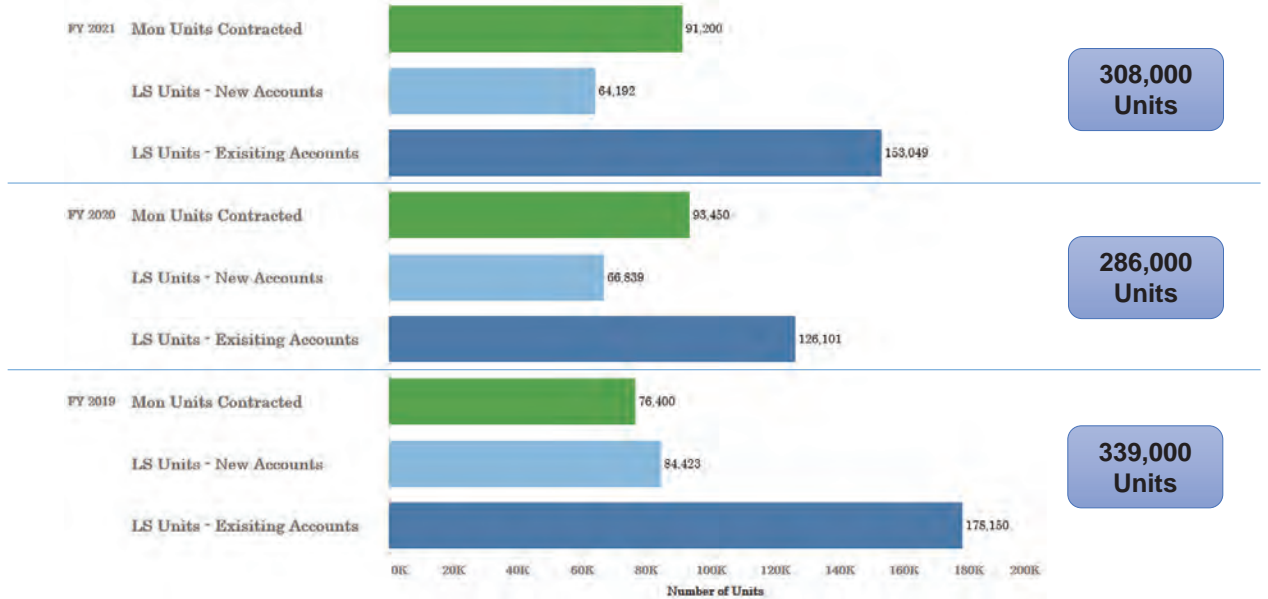
## GET Enrollment Activity



*\*November also includes any applications received over the summer, after July 1.*

# Units Sold for July – March

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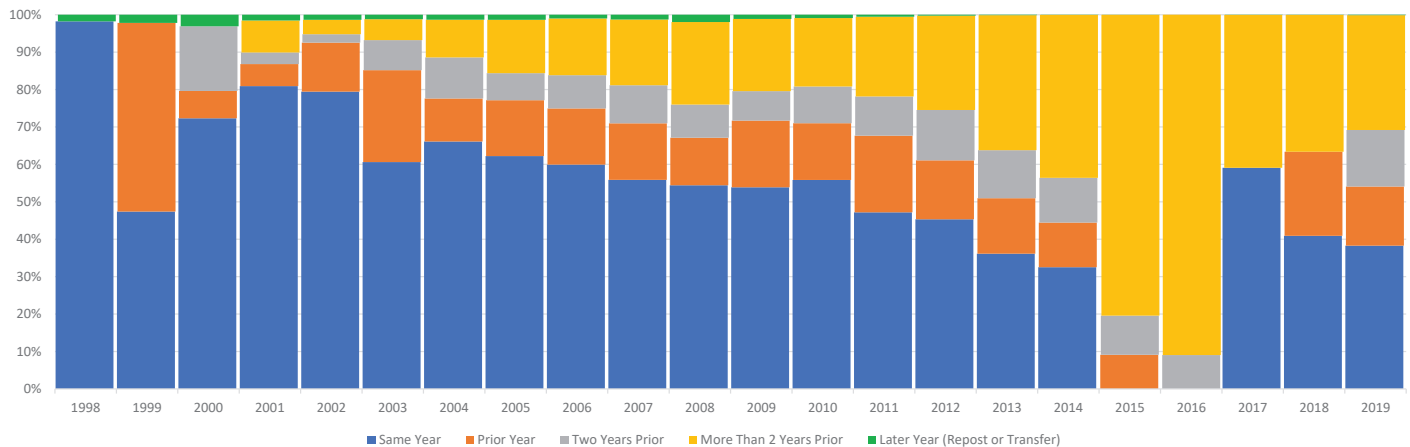


Notes: Data-as-of 4.19.21

# Lump Sum Units Sold Over Time

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Proportion of Lump Sum Units by Purchase Year vs. Year Account was Opened\*



The year in the chart represents the tuition year units were *purchased* in. The units purchased are categorized in groups relating to the tuition year the account was *opened*.

\*Note: No new units were sold in the 2015 and 2016 enrollment years. Unit counts represented for those years reflect the impact of custom monthly conversions, in which each monthly payment is converted to a lump sum purchase at the time the payment was originally made.

Notes: Data-as-of 3.10.21.

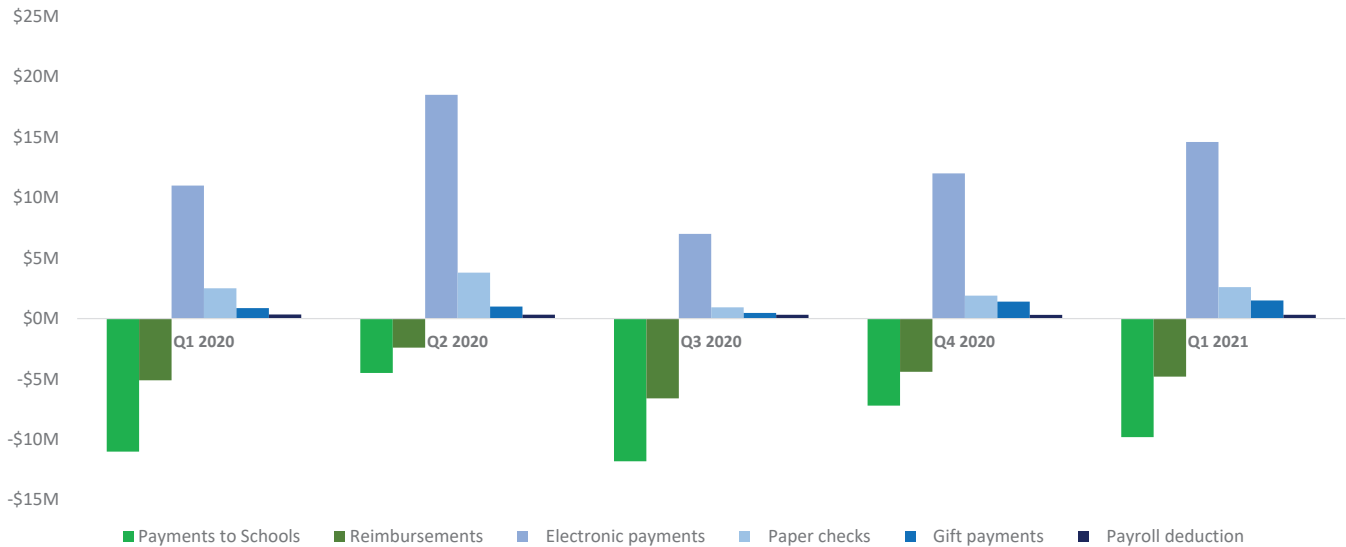
Includes all accounts.



# GET Contribution/Distribution Activity **WA529**

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## Contributions and Distributions by Quarter



Notes: Data-as-of 4.19.21

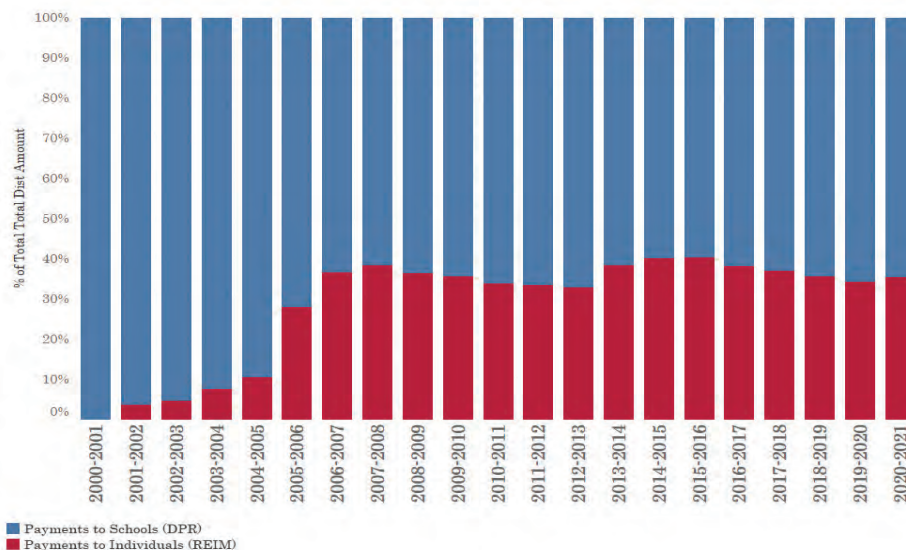
Quarters follow the calendar year.

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# GET Distribution Statistics

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## Distributions to Schools vs. Individuals by Academic Year



Total payments to schools (DPR):  
**\$810.6 Million**

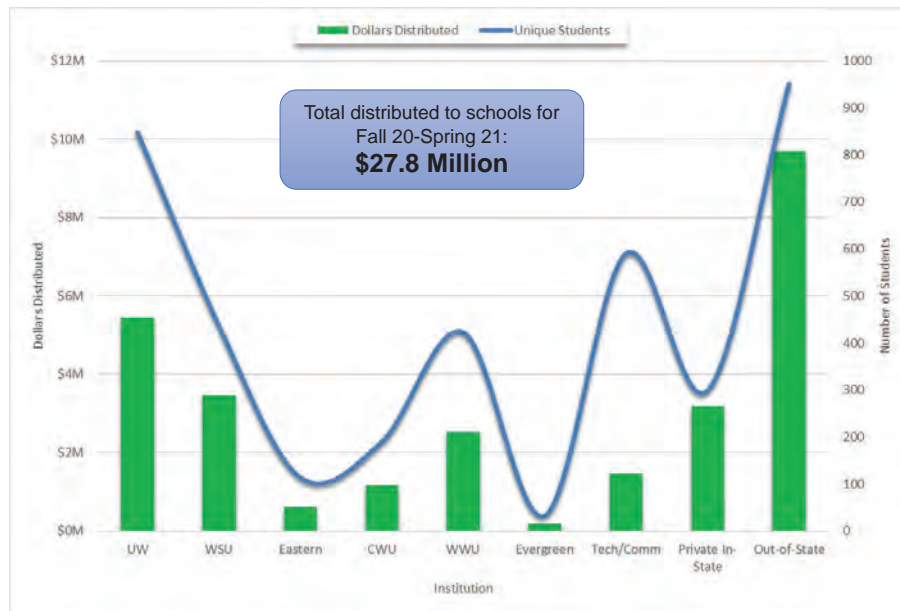
Total payments to individuals (REIM):  
**\$466.8 Million**

Notes: Data-as-of 4.19.21

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# Fall-Spring Direct Payments by Institution

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Notes: Data-as-of 4.28.21

Includes direct payments for August – March 2021.

# GET Contact Center Statistics

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Contact Center Statistics	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Trend Line
Incoming Calls:	2464	2008	2388	1842	2130	
Calls Answered:	2398	1961	2220	1745	2002	
Average Speed of Answer:	:46	1:54	2:43	1:41	1:51	
Average Talk Time:	4:56	6:51	6:02	6:08	6:21	
Outgoing Calls:	912	1203	1329	930	1228	
Secure Messages Sent:	1138	1358	1340	1062	1321	
Emails Received in GETInfo:	376	558	529	434	519	
Outgoing Emails:	251	124	141	166	210	

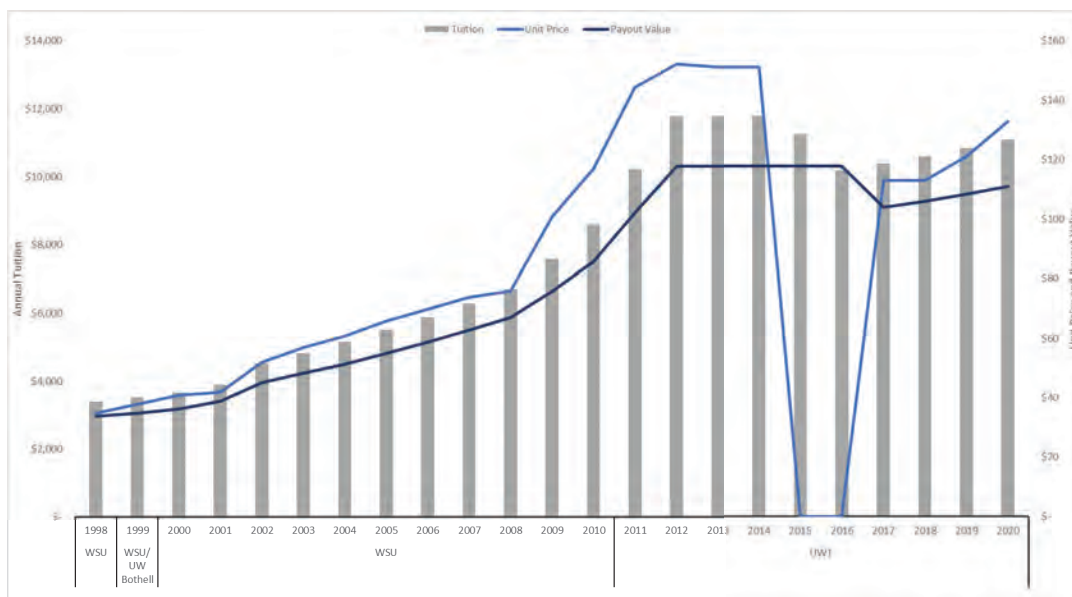
Notes: Data-as-of 4.19.21.

Quarters follow the calendar year.



## Unit Price, Payout Value, and Tuition Cost Over Time

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Notes: Data-as-of 4.19.21. Based on historical and current information. Enrollment was closed during 2015 and 2016 tuition years.

## GET Q1 Investment Update

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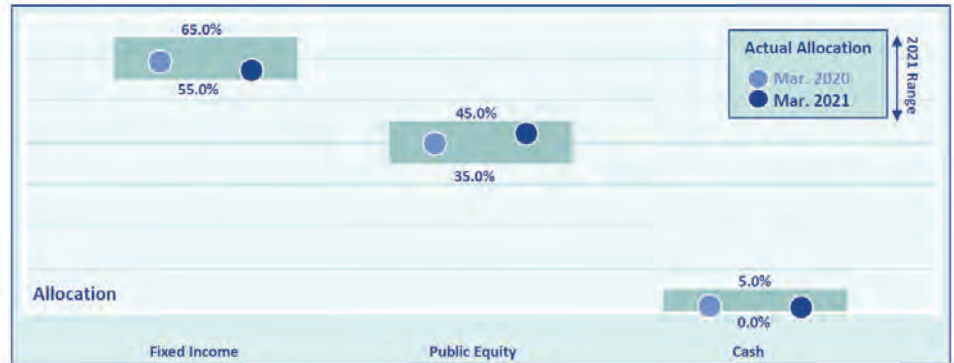
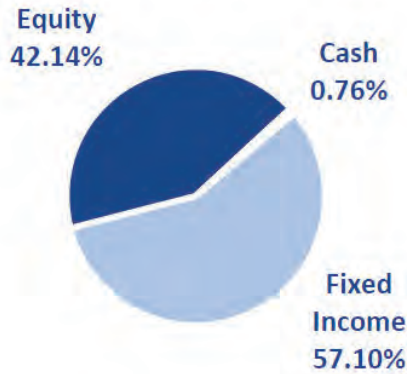
### GET Prepaid College Tuition Program Portfolio Size

Total	\$1,628,705,471
Cash	\$12,310,864
Fixed Income	\$930,046,371
Equity	\$686,348,236

Source: GET Prepaid College Tuition Program Quarterly Report – April 30, 2021, WSIB

# GET Q1 Investment Update

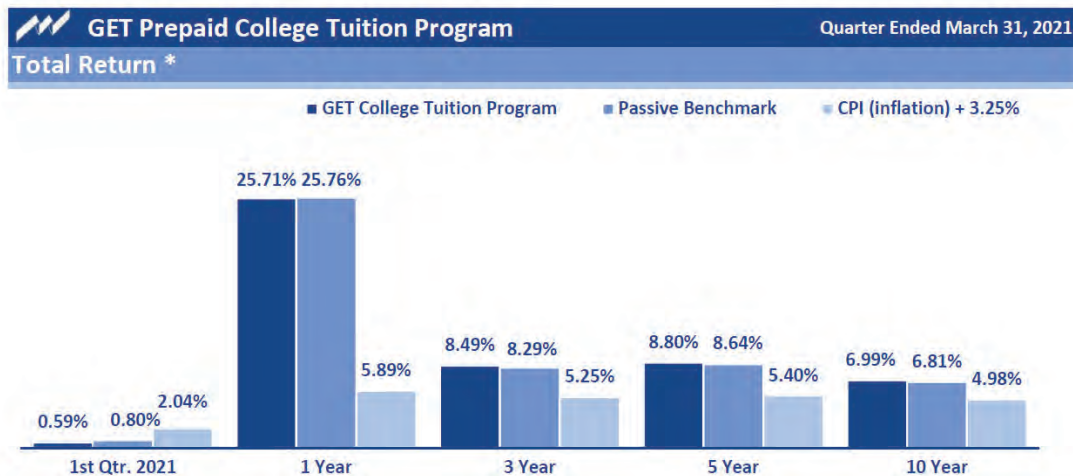
**WA529**  
WASHINGTON COLLEGE SAVINGS PLANS



Source: GET Prepaid College Tuition Program Quarterly Report – April 30, 2021, WSIB

# GET Q1 Investment Update

**WA529**  
WASHINGTON COLLEGE SAVINGS PLANS



\* 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.

Source: GET Prepaid College Tuition Program Quarterly Report – April 30, 2021, WSIB



## 2021 First Quarter Committee Report

May 6, 2021



### Overview for the Current Quarter (Quarter-over-Quarter)

Description	Statistic	% Change vs. Last Quarter
Assets Under Management	\$800,005,603	-2%
Funded Accounts	26,128	1%
New Accounts	817	15%
Accounts with Zero Dollar Balance	6,440	11%
Market Performance	-\$5,471,121	-116%
Contributions	\$13,963,989	27%
Distributions	\$26,681,723	7%

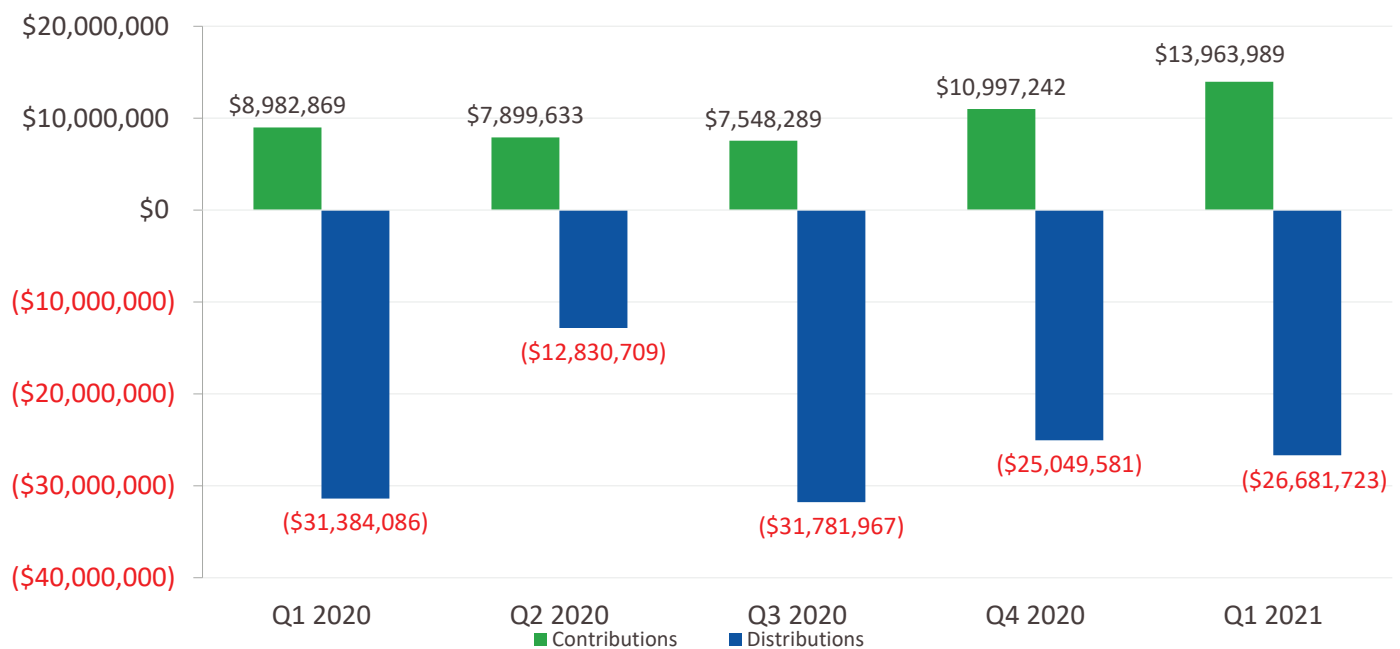
\*Previous quarter's market performance was positive (\$34,420,331)

## Overview for the Current Quarter (Year-over-Year)

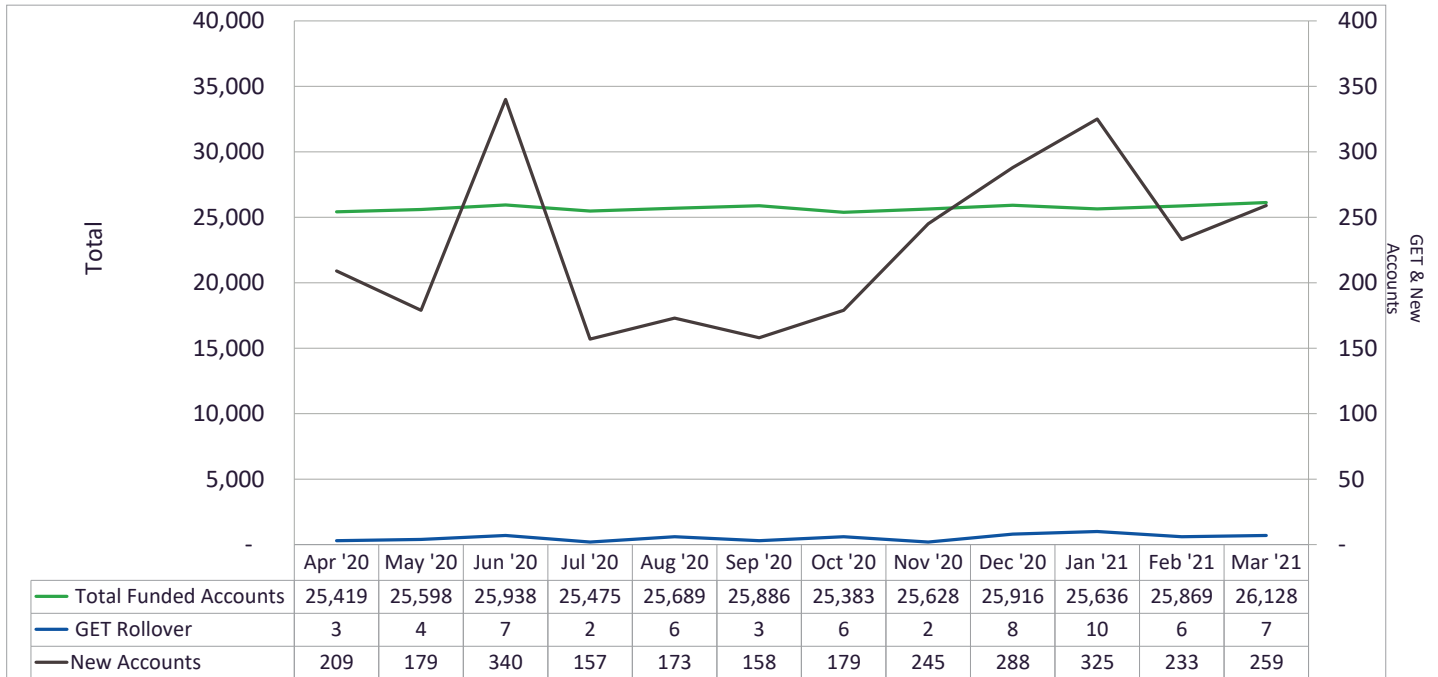
Description	Statistic	% Change vs. Last Year
Assets Under Management	\$800,005,602.73	6% Increase over last year
Funded Accounts	26,128	1% Increase over last year
New Accounts	817	10% Increase over last year
Accounts with Zero Dollar Balance	6,440	157% Increase over last year
Market Performance	-\$5,471,120.76	88% Decrease over last year
Contributions	\$13,963,988.70	55% Increase over last year
Distributions	\$26,681,722.54	15% Decrease over last year

## Contributions & Distributions

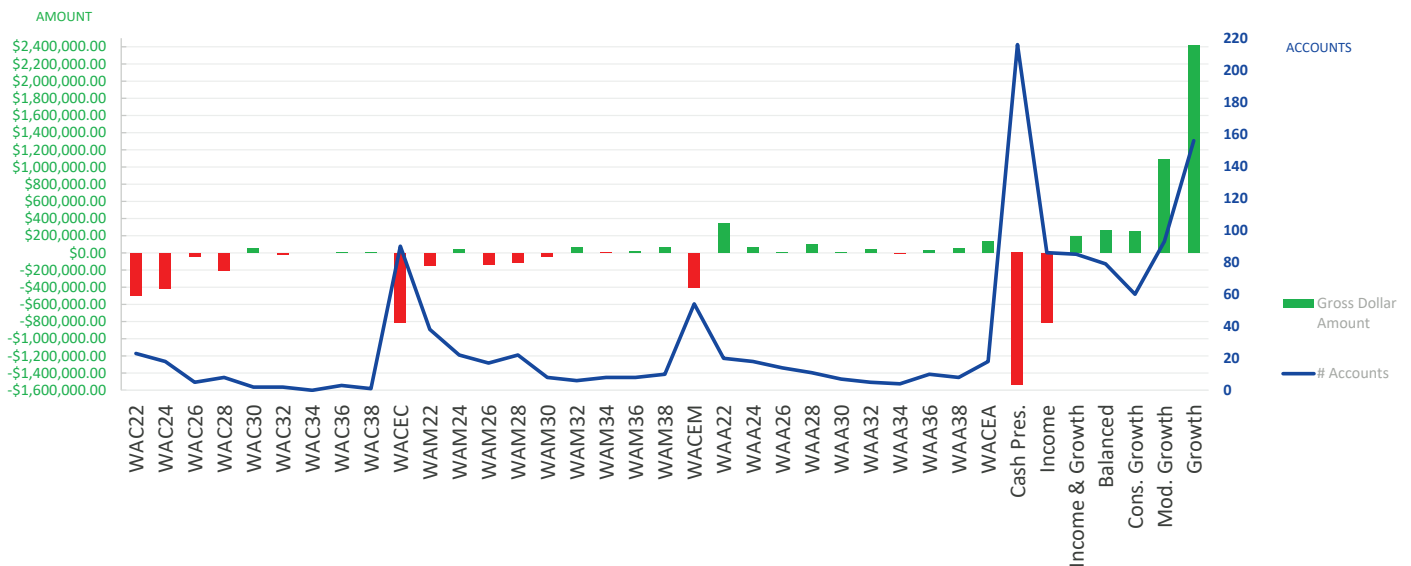
Net flow in Q1 increased by 10% over Q4



## Cumulative Account Growth – Last Twelve Months

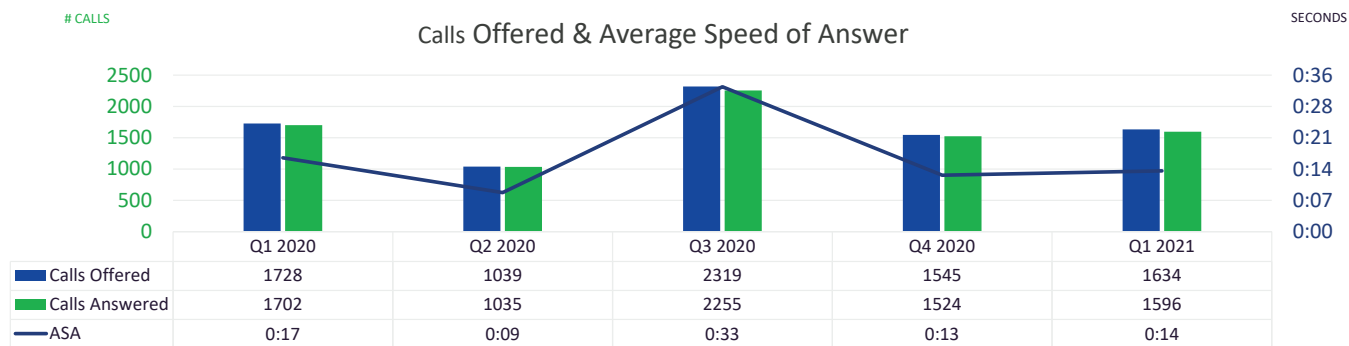


## Fund Exchange Report Q1 2021



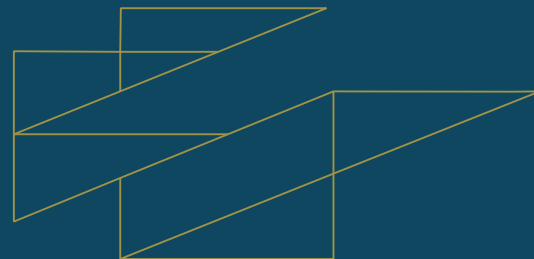
## Customer Service

### Call Center Statistics



Q1 2021's most common customer inquiries to the Call Center:

- Tax related inquiries
- Assistance with opening a new account
- Assistance with accessing/navigating online access



# Investment Advisory Report

First Quarter 2021

Washington Student Achievement Counsel

Prepared by Lockwood Advisors, Inc.



## DreamAhead College Investment Plan Performance Review

- All Static and Year of Enrollment portfolios have performed in line with their respective benchmarks in Q1 2021, trailing 12-month period through 3/31/2021, and calendar year 2020.
- No remedial action is necessary.
- There are no funds on the Watch List. All funds and portfolios have performed as expected.

## Upcoming Year of Enrollment Portfolio Adjustments (July 2021)

- Year of Enrollment portfolios adjustments are in accordance with their respective glide slopes. There are no glide slope changes.
- Scheduled to occur in July 2021.
- In accordance with the established Conservative, Moderate and Growth glide paths, there will be no new Year of Enrollment portfolios created this year.
- Within existing Year of Enrollment Conservative portfolios, the 2034, 2032, and 2030 portfolios are scheduled for asset allocation adjustments consistent with its established glide path.
- There are no Year of Enrollment Moderate portfolios changes scheduled this year.
- Among Year of Enrollment Growth portfolios, 2026, 2024, and 2022 portfolios are due for modification in accordance with its glide path.

## Legislative Update - Senate Bill 5430

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Luke Minor

Director, WA529

Matt Smith

State Actuary, Office of the  
State Actuary



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## Senate Bill 5430 Summary

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<b>Title</b>	Relating to tuition unit pricing in the advanced college tuition payment program
<b>Sponsor</b>	Senator Mark Mullet
<b>Current Status (as of 5/3/21)</b>	Passed the Legislature and delivered to the Governor for consideration
<b>Brief Summary</b>	Limits the tuition unit purchase price the WA529 Committee may set for GET units when specified state tuition policy and program funded status conditions are present. The bill also requires the Committee to reprice units for customers purchasing GET units at the 2020-21 GET unit price and add units to their accounts.

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## Background

- WA529 Committee annually sets the GET unit purchase price, which includes a premium over the current payout value (current unit price is \$133)
- Pricing informed by actuarial analysis
- Current program status as of June 30, 2020
  - 131% funded with a present value of \$1.56 billion and a present value of future obligations of \$1.19 billion

## Discussion

- Current unit holder impacts
  - Retroactive price adjustment from \$133 to ~\$122 for 2020-2021 unit purchases.
- Future unit holder impacts
  - If current state law tuition policy remains in effect and program funded status, measured at July 1 each year is above 120%, then the Committee must adopt a price that is no more than 10% above the then current unit payout value.
- Program impacts
  - Operational (price adjustment, customer communication, etc.)
  - Actuarial considerations (pricing, funded status, etc.)

*See Senate Bill 5430 Overview and SB5430-Final Fiscal Note for additional details and assumptions*

# GET Actuarial Update

*Presentation to: WA529 Committee*

*Sarah Baker, Actuarial Analyst  
Matthew M. Smith, State Actuary*



Office of the State Actuary  
"Supporting financial security for generations."

May 6, 2021

## Today's Presentation

- Current status of the program
- Planned actuarial work for the year
- *2021 Experience Study* introduction
- Q&A

## Program Status as of June 30, 2020

Contract Summary		
	2020	2019
<b>Number of Current Contracts</b>	67,153	67,215
<b>Number of Units Outstanding</b>	10,289,070	10,418,088

Funded Status Summary		
<i>(Dollars in Millions)</i>	2020	2019
<b>Present Value of Future Obligations</b>	\$1,190	\$1,108
<b>Present Value of Fund</b>	\$1,559	\$1,456
<b>Funded Status</b>	131.0%	131.3%
<b>Reserve/(Deficit)</b>	\$369	\$347

Key Assumptions	
<b>Investment Return</b>	
<b>All Years</b>	4.75%*
<b>Tuition Growth**</b>	
<b>2020-21</b>	2.4%
<b>2021-29</b>	5.5%
<b>2029-31+</b>	5.0%

\*Target asset allocation: 40% global equities; 60% fixed income.

\*\*Academic school year.

## 2021 Actuarial Work

- Experience study (in progress)
- Roll-forward for accounting report (August)
  - Will include asset experience through June 30, 2021
- Price-setting analysis (September)
- *2021 Actuarial Valuation Report* (November)
  - June 30, 2021, measurement date
  - Will include 2021 Legislation



## What Is an Experience Study?

- Review of current assumptions
  - How do they compare with actual experience?
  - Do they need to change?
  - Ensure assumptions remain reasonable for projecting future experience
- Assumptions help us estimate
  - When units are used
  - How much those units will be worth
  - How much cost will be covered by investment returns
- These estimates inform unit-price analysis and funded status calculations
- Study performed once every six years
  - Excludes short-term tuition growth and investment returns

## What Assumptions Do We Study?

- Tuition Growth Model
  - What will long-term tuition growth be?
- Redemption Rate Assumption
  - When are units redeemed and for how long?
- New Unit Sales Profile
  - How long will a new unit purchaser hold units?
- Miscellaneous Assumptions
  - Unit refunds
  - Rollovers into other 529 plans
  - Custom monthly contract changes (i.e., defaults, downgrades, conversions)



## When Can We Share More?

- Experience study report will be published this summer
- Results will be included in other 2021 actuarial work
  - Roll-forward for accounting report
  - 2021 unit price setting analysis
  - *2021 Actuarial Valuation Report*
- External audit expected in 2021/2022

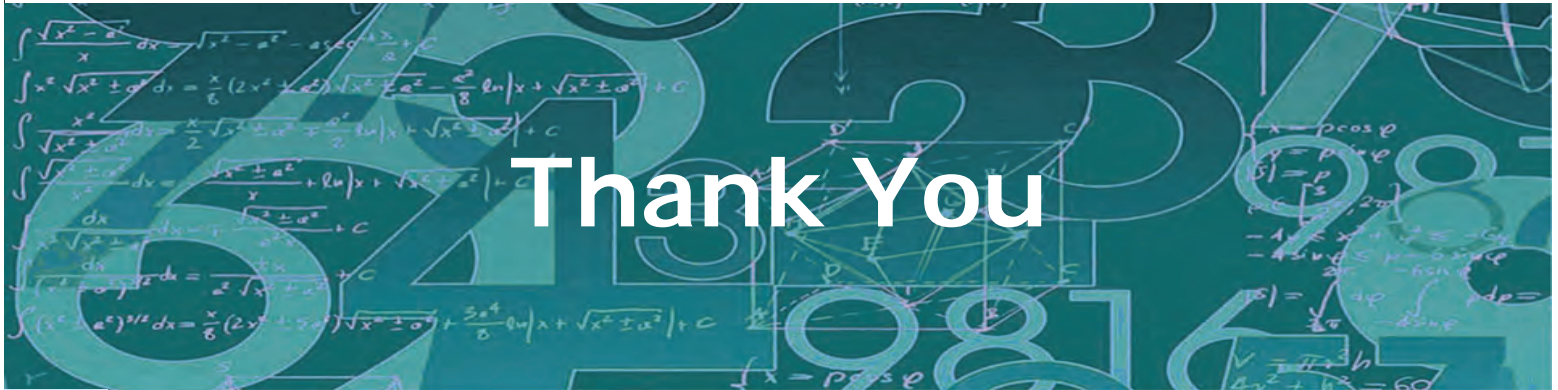


## Questions?



*Questions? Please Contact: The Office of the State Actuary  
[leg.wa.gov/OSA](http://leg.wa.gov/OSA); [state.actuary@leg.wa.gov](mailto:state.actuary@leg.wa.gov)  
360-786-6140, PO Box 40914, Olympia, WA 98504  
Sarah Baker and Matt Smith*

*O:\GET\2021\GET.Actuarial.Update.05-06-21.pptx*



Office of the State Actuary  
"Supporting financial security for generations."

*May 6, 2021*

## Panel Discussion: Increasing Access to College Savings

**WA529**  
WASHINGTON COLLEGE SAVINGS PLANS

### *Facilitator*

Luke Minor, WA529

### *Panelists*

Fernando Diaz, Chief Financial Product Officer, Illinois State Treasury

David Bell, Deputy Director, Oregon Treasury Savings Network

Amy Van, Project Manager, Tacoma Housing Authority



# Expanding Access to IL 529 Plans

Fernando Diaz  
Chief Financial Product Officer

May 2021

INVESTED  
IN you



Michael W. Frerichs  
ILLINOIS STATE TREASURER



## Agenda



Michael W. Frerichs  
ILLINOIS STATE TREASURER

INVESTED  
IN you

1. **Diversifying the IL 529 College Savings Program**
2. **Building a Plan That Helps Families Save**
  - a) **Gearing Up: “A Plan Worth Selling”**
    - Affordable, accessible, sensible
  - b) **Mapping the Course: Understand Our Population**
    - Analytics, target audiences, set and measure goals
  - c) **Climbing Higher: Reaching New Audiences**
    - Marketing, outreach, new programs and initiatives



### Gearing Up

#### “A Plan Worth Selling”

- Affordable
- Accessible



Like climbing a mountain, building a diverse customer base is a multi-step process.



### A Plan Worth Selling

Affordable and accessible



### Understand Our Population

Analytics, target audiences, set and measure goals



### Reaching New Audiences

Marketing, outreach, new programs and initiatives





### B Mapping the Course

#### Understand Our Population

- Analysis
- Target Populations
- Set and measure goals



*Confidential*



### c Climbing Higher

#### Reaching New Audiences

- Marketing
- Outreach
- New programs and initiatives



*Confidential*



### The Illinois Children's Savings Account Program passed in August 2019

- Every child born or adopted in Illinois will have access to a Bright Start 529 account with a \$50 seed deposit. Parents & other entities will be able to make supplementary contributions.
- Children can spend their seed funds – including earnings accrued – on qualified higher education expenses once they complete high school or turn 18.



**Confidential**



**OREGON  
STATE  
TREASURY**







# OREGON

COLLEGE SAVINGS PLAN™



## A boost for Oregon babies.

Open an account before your child's first birthday and receive an automatic \$25 contribution with our Baby Grad program. Their future is bright, and students with a college savings account — even a small one — are 2.5 times more likely to go to college than those with nothing set aside.



## A kickstart for Oregon kindergartners.

Open an Oregon College Savings Plan account for your kindergartner and get an extra, automatic \$25 contribution with our Kinder Grad program. Remember, students with a college savings account—even a small one—are 2.5 times more likely to go to college than those with nothing set aside.



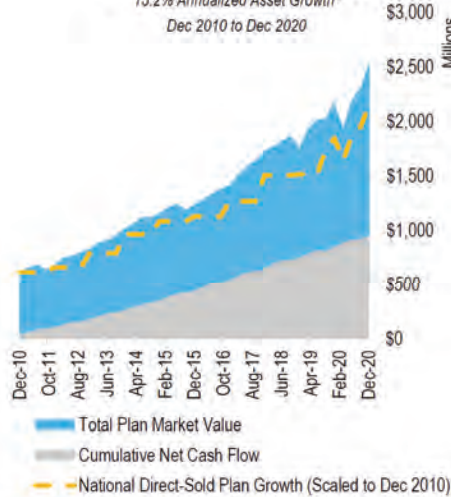
**KairosPDX**



Total Assets	Total Accounts	Average Balance	Net New Accounts	Quarterly Contributions	Quarterly Redemptions	Quarterly Flows
\$2,545,945,589	124,624	\$20,429	2,533	\$77,284,364	-\$40,217,385	\$37,066,979

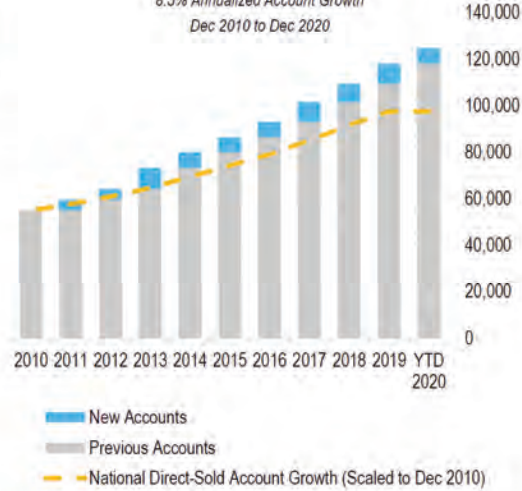
### Plan Market Value History

15.2% Annualized Asset Growth\*  
Dec 2010 to Dec 2020

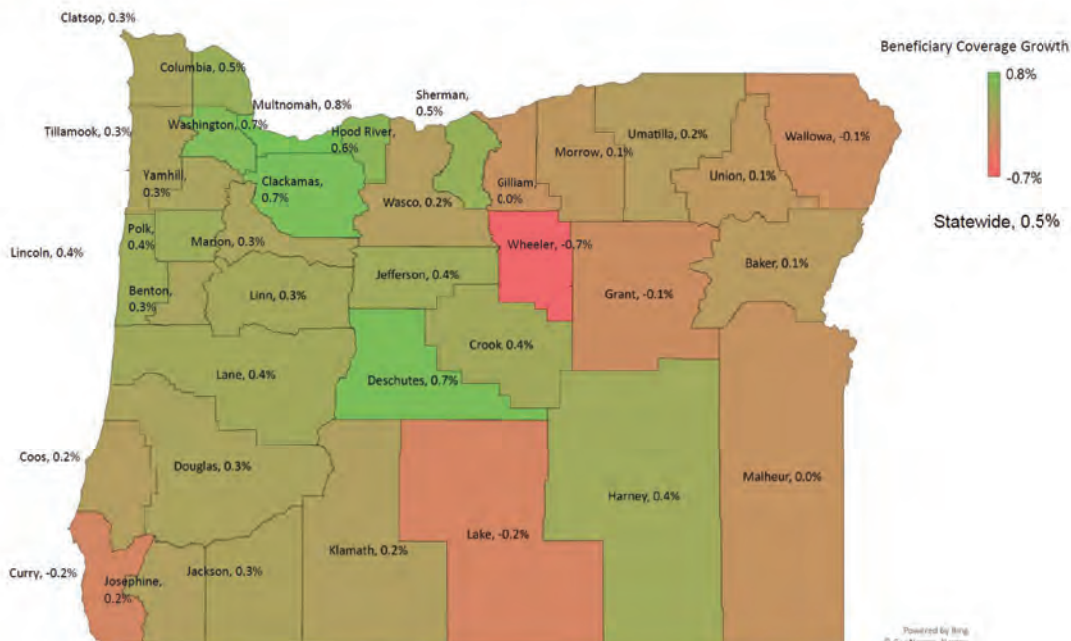


### Plan Account History

8.5% Annualized Account Growth  
Dec 2010 to Dec 2020



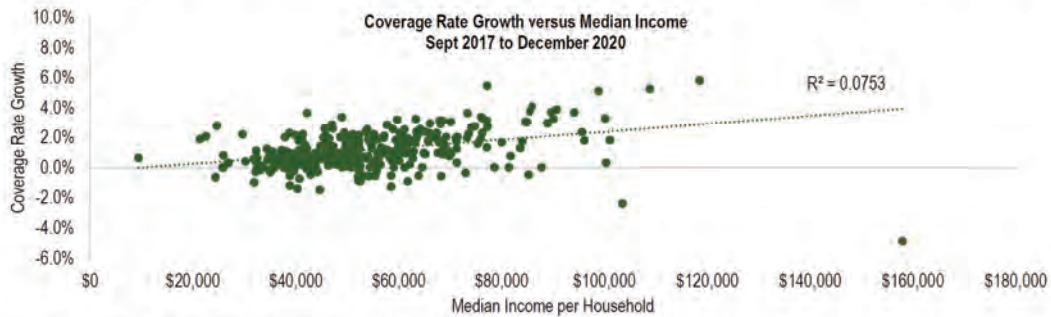
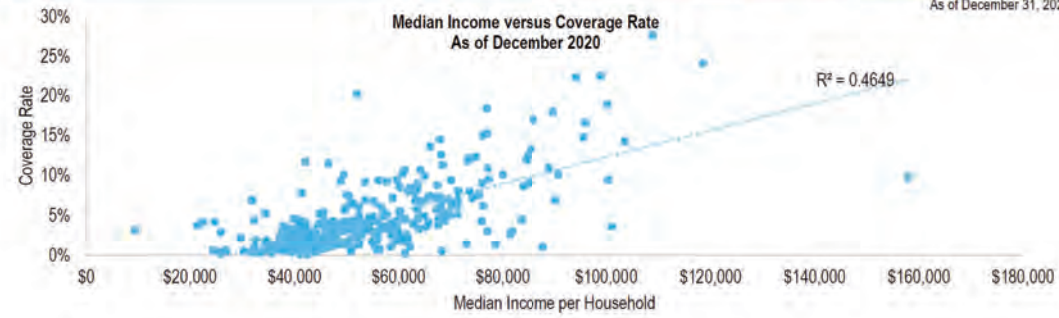
Source: Program Managers, Sellwood Consulting, Strategic Insight. Beginning in Q3 2019, Strategic Insight market value data is available quarterly, account information is available annually.  
\*49% of the annualized asset growth rate has come from cumulative net cash flows; 51% has come from investment gains.



Coverage rate based on Total Population under 25 per county based on July 1, 2019 annual population report tables from Portland State University's Population Research Center.  
Source: Program Managers, Portland State University, Sellwood Consulting.

Beneficiary Coverage Rate by Zip Code - Oregon College Savings Plan

As of December 31, 2020



Coverage rate is equal to the Total Beneficiaries divided by the Total Households per Zip Code.

Total Households per Zip Code is sourced from the 2013-2017 American Community Survey 5-Year Estimates provided by the U.S. Census Bureau.

Source: Program Managers, Sellwood Consulting, U.S. Census Bureau.





# Black Oregonians' framing of success does not subscribe to standard monocultural norms.

This builds upon the COVID-19 Pandemic impact on the reshifting of success framing, making it easier to break away from the standard monolithic expectations of success.

## Definitions of success were diverse and less "traditional" than those of dominant conditioning

- + Finding joy and happiness through the fulfillment of goals and passions
- + Building of strong community
- + Financial stability and the ability to take care of their families

## Framing of success and imagination for kids' future include:

- + Diverse experiences to help shape and form passions and goals
- + Planning for education or training after high school
- + Finding success in their kids' own development, prescribed by their kids

## Kids' success after high school represented diversity in ideas and culture

- + Openness to exploring alternatives to traditional college:
  - Community college
  - Trade schools
  - Art schools
  - Other trainings



Conversations are taking place earlier to ask what children want to do, who they want to become, and how they see themselves reflected in the world.

# Thank You



David Bell  
Deputy Director  
Oregon Treasury Savings Network

## Tacoma Housing Authority (THA) Mission

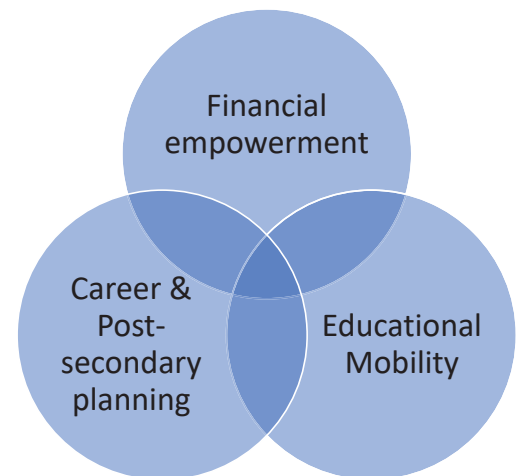
THA provides high quality, stable and sustainable housing and supportive services to people in need. It does this in ways that help them prosper and help our communities become safe, vibrant, prosperous, attractive and just.

## Children's Savings Account

- Launched in 2015 in partnership with Heritage Bank & Tacoma Public Schools
- Targeted the Salishan Community
- 205 students enrolled

Redesigned in 2020

- THA partnership with WA529 Guaranteed Education Tuition
- Expected to expand to THA's 12 family properties aiming to serve over 1600 children
- Proposal: THA seeds initial GET unit and up to \$500 per child upon program completion.



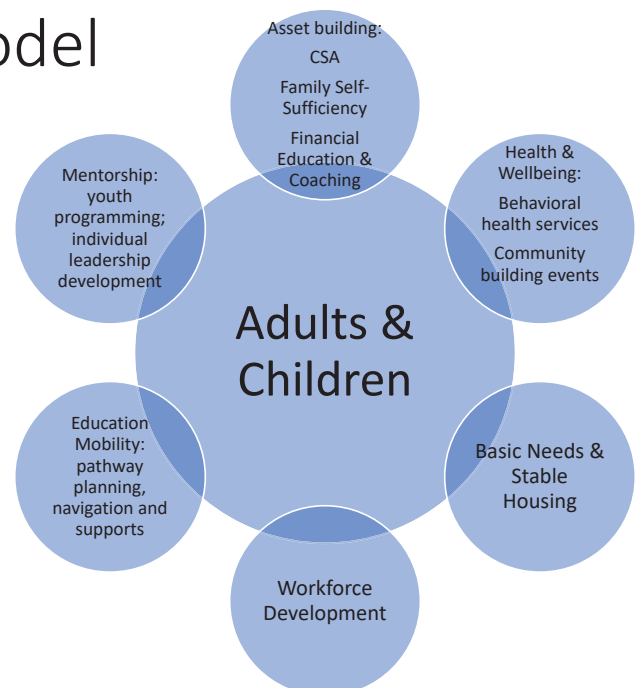
## 2-Generation Service Model

### Family centered coaching

CSE staff are coaches & facilitators of dialogue & planning

### Children & adults are engaged

Families define their own priorities & goals  
Educational & coaching resources are accessible





What questions do you have?



## Public Comment

### Share Your Thoughts

#### Process

- Submit written comment or request to provide verbal comment via Zoom comment window or 'Raise Hand' feature.
- 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

**WA529**  
WASHINGTON COLLEGE SAVINGS PLANS

**September 15, 2021**

2:00 pm – 4:00 pm

Location and Format TBD



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**WA529**  
WASHINGTON COLLEGE SAVINGS PLANS

Adjournment