

**Guaranteed Education Tuition
Committee Meeting
Monday, July 13, 2015**

**J.A. Cherberg Building, Capitol Campus
Senate Hearing Room 4
Olympia, WA 98504
2:00 p.m. – 4:00 p.m.**

AGENDA

Call to Order & Welcome

- | | |
|--|-----------------|
| • Approval of November 18, 2014 Minutes | ACTION |
| • Director's Report | INFO/DISCUSSION |
| • GET Investment Update | INFO/DISCUSSION |
| ○ Allyson Tucker, State Investment Board | |
| • 2015 Actuarial Work Plan & Experience Study Review | INFO/DISCUSSION |
| ○ Matt Smith, State Actuary | |
| • Review Legislative Direction of 2ESSB5954 | INFO/DISCUSSION |
| ▪ Public Comment | INFO |
| • Review Items for Possible Action | INFO/DISCUSSION |
| • Possible Executive Session* | INFO/DISCUSSION |
| • Committee Action | ACTION |
| • Additional Public Comment | INFO |
| ○ Time Permitting | |
| • Adjournment | |

Upcoming Meeting:

Tuesday, August 18, 2015
Cherberg Building, Capitol Campus
Senate Hearing Room 4
1:00 p.m. – 4:00 p.m.

Tuesday, September 1, 2015
Cherberg Building, Capitol Campus
Senate Hearing Room 1
2:00 p.m. – 4:00 p.m.

* RCW 42.30.110 provides that an executive session may be held for the purpose of receiving and evaluating complaints against or reviewing the qualifications of an applicant for public employment or reviewing the performance of a public employee; consulting with legal counsel regarding agency enforcement actions or actual or potential agency litigation; considering the sale or acquisition of real estate; and/or reviewing professional negotiations.

GET Committee Meeting

July 13, 2015



Welcome & Approval of Minutes



Director's Report



- **2014-15 Enrollment Period Results & Highlights:**

- New accounts: 5,070
- New unit sales: 618,367
- Trend: The number of new accounts & new unit sales have dropped over the past 4 years as the purchase price & premium have increased and tuition growth has remained flat.
- Student distributions surpass \$600 million mark
 - 41% paid to in-state public institutions
 - 8% paid to in-state private institutions
 - 16% paid to out-of-state institutions
 - 35% paid in direct reimbursements to students for college expenses paid out-of-pocket
- 40,000+ students have used GET to attend college

GET Investment Update



- Allyson Tucker, State Investment Board



2015 Actuarial Work Plan Review



- **Matt Smith, State Actuary**



Legislative Direction in the College Affordability Act



- **Tuition is reduced** at all public institutions of higher education in WA:
 - 15% at UW and WSU (5% below 2014-15 levels in 2015-16, & another 10% below 2014-15 levels in 2016-17);
 - 20% at CWU, EWU, WWU and The Evergreen State College (5% below 2014-15 levels in 2015-16, & another 15% below 2014-15 levels in 2016-17) and;
 - 5% in 2015-16 academic year at the community and technical colleges.
- Tuition-setting authority is returned to the Legislature:
 - Beginning in 2017-18 resident undergraduate tuition is capped at the annual percentage growth rate in the median state wage.
- Provides for higher education funding enhancements to adjust for the revenue loss to the institutions from tuition reductions.

Legislative Direction in the College Affordability Act continued



Directs the GET Committee:

- To set the payout value at \$117.82 per unit for the 2015-16 and 2016-17 academic years (current value).
- To “make program adjustments it deems necessary and appropriate to ensure that the total payout value of each account ... is not decreased or diluted as a result of the initial application of any changes in tuition...”
- If the GET committee provides additional units as a result of SB5954, the maximum number of units that can be redeemed in any year must be increased as well.
- To conduct a feasibility study to explore the following:
 - Impact of tuition reductions on the funded status of the program;
 - Feasibility of creating a 529 savings program;
 - Changing payout value from tuition to cost of attendance and;
 - Alternatives/impacts of removing a state penalty for non-qualified withdrawals.

How the Bill Helps GET



- It increases the program's funded status.
- It protects customers by freezing the payout value.
- It calls for the GET Committee to make the necessary program adjustments to ensure GET customer accounts are not decreased or diluted as a result of lower tuition.
- Provides GET with the opportunity to open a traditional 529 savings plan in order to help more customers/citizens save in new ways.

Public Comment Period

- **Time for Public Comment**

- Sign up sheet
- 3 minutes per person
- If you would like to submit a written comment, please send your input to: getinfo@wsac.wa.gov



Review Items for Possible Action



Staff recommend the following action item for consideration by the GET Committee:

Provide customers who purchased units at the price of \$163 and/or \$172 per unit with two options that are valid through December 15, 2016:

- 1.) The first option is to provide this cohort of customers with the opportunity to receive a full refund for the units they purchased at the price of \$163 and/or \$172 per unit, including any applicable enrollment fees.
- 2.) The second option is to provide this same cohort of customers with the opportunity to wait until September 2015 when the State Actuary has recalibrated a new lower purchase price for their units originally purchased. Customers who prefer to keep their units will be refunded the difference between the price they originally paid and the new lower price established by the Actuary in the fall of 2015. In this particular case, Lump Sum customers retain the same number of units they originally purchased and Custom Monthly Plan customers continue to purchase the same number of units in their original contract; however, at a new lower price.

Questions & Answers

- **Meeting Adjournment**
- **Next Meetings**
 - Tuesday, August 18, 2015
Cherberg Building, Capitol Campus
Senate Hearing Room 4
1 p.m. to 4 p.m.
 - Tuesday, September 1, 2015
Cherberg Building, Capitol Campus
Senate Hearing Room 1
2 p.m. to 4 p.m.



GUARANTEED EDUCATION TUITION PROGRAM

Tuesday, November 18, 2014
Office of the Insurance Commissioner
5000 Capitol Boulevard
Tumwater, WA 98501

WSAC staff in attendance:

Betty Lochner, GET Director
Ryan Betz, Associate Director of GET Marketing and Communications
Betsy Hagen, Associate Director of GET Operations
Marc Webster, Senior Fiscal Advisor
Jane Olsen, GET Financial Accountant
Matthew Freeby, GET Finance Manager
Kim Porter, GET Records & Projects Manager
Katie Gross, Special Assistant to the GET Director
Maddy Thompson, Director of Policy and Government Relations

Visitors in attendance:

Dave Stolier, Attorney General's office
Matt Smith, State Actuary
Christi Steele, Office of the State Actuary
Allyson Tucker, Washington State Investment Board
Theresa Whitmarsh, Washington State Investment Board
Dufia Addo, Washington State Investment Board

WELCOME

Gene Sharratt, Executive Director of the Washington Student Achievement Council and Chair of the GET Committee called the meeting to order at 2:02 p.m. and welcomed the Committee and guests. Beth Berendt, Mooi Lien Wong (by phone), and Treasurer James McIntire were also present. David Schumacher was unable to attend.

APPROVAL OF THE SEPTEMBER 4, 2014 MEETING MINUTES

Berendt motioned to approve the minutes as presented. Wong seconded the motion. The minutes were approved unanimously as presented.

REPORT FROM THE CHAIR

Sharratt provided an overview of the SWOT (strengths, weaknesses, opportunities, threats) exercise that the Committee discussed during the Committee retreat in October. There were no comments from the Committee regarding the analysis. Sharratt reviewed the program's mission, vision and internal strategies moving forward. One of the discussion points moving forward is the idea of starting a savings plan in Washington State. Berendt suggested that this discussion be postponed to later in the meeting when the entire Committee was present. Though the program's status is healthy at this point in time, Berendt suggested making sure legislative advocates are still present and that the program's position in the legislature is solid. Wong agreed that having more dialogue regarding the establishment of a savings plan is necessary. Wong noted that establishing a savings plan is very different than establishing a prepaid plan. Wong also

congratulated the work that was done in capturing the SWOT analysis. Thorough and presented nicely.

DIRECTOR'S REPORT

Lochner provided an overview of the program's contract statistics and noted that as of today, the program has close to 700 new accounts and 102,000 new units that have been purchased since November 1. Program staff just completed a very successful media tour in eastern Washington and also met with Starbucks about a possible partnership. Lochner announced the hiring of GET's newest staff member, Abigail Aikins, who was hired as the program's Marketing and Communications Specialist. Aikins' main focus will be on the program's payroll deduction initiative. Legislative strategies are being put in place and program staff plan to meet with chairs of the higher education and budget committees at the beginning of 2015.

Lochner noted that the topic of establishing a savings plan was brought to the Committee earlier this fall because investment returns make the GET program ideal for students up to the age of 12. However, staff want to make sure they are doing their due diligence in researching possible investment vehicle options for older students. There were no questions from the Committee.

GET INVESTMENT UPDATE

Allyson Tucker, Senior Investment Officer for the Washington State Investment Board (WSIB), introduced her Executive Director, Theresa Whitmarsh, before beginning her investment update. Whitmarsh stated that the GET program is an incredibly important client for the WSIB and that she appreciates all of the staffs' collaboration over the years. Sharratt thanked Whitmarsh for participating in today's meeting.

Tucker reported that the GET portfolio is currently at 2.57 billion which is down from 2.66 billion for this quarter. This quarter's portfolio out-performed all of its benchmarks and Tucker stated that the program itself is doing what it set out to do and the funds are being managed correctly.

Tucker noted that the last Asset Allocation Study was conducted in 2010 and she wants to make sure the Committee understands the allocation options so they can advise her of any changes they find necessary. WSIB staff will consult with the Committee on a quarterly basis.

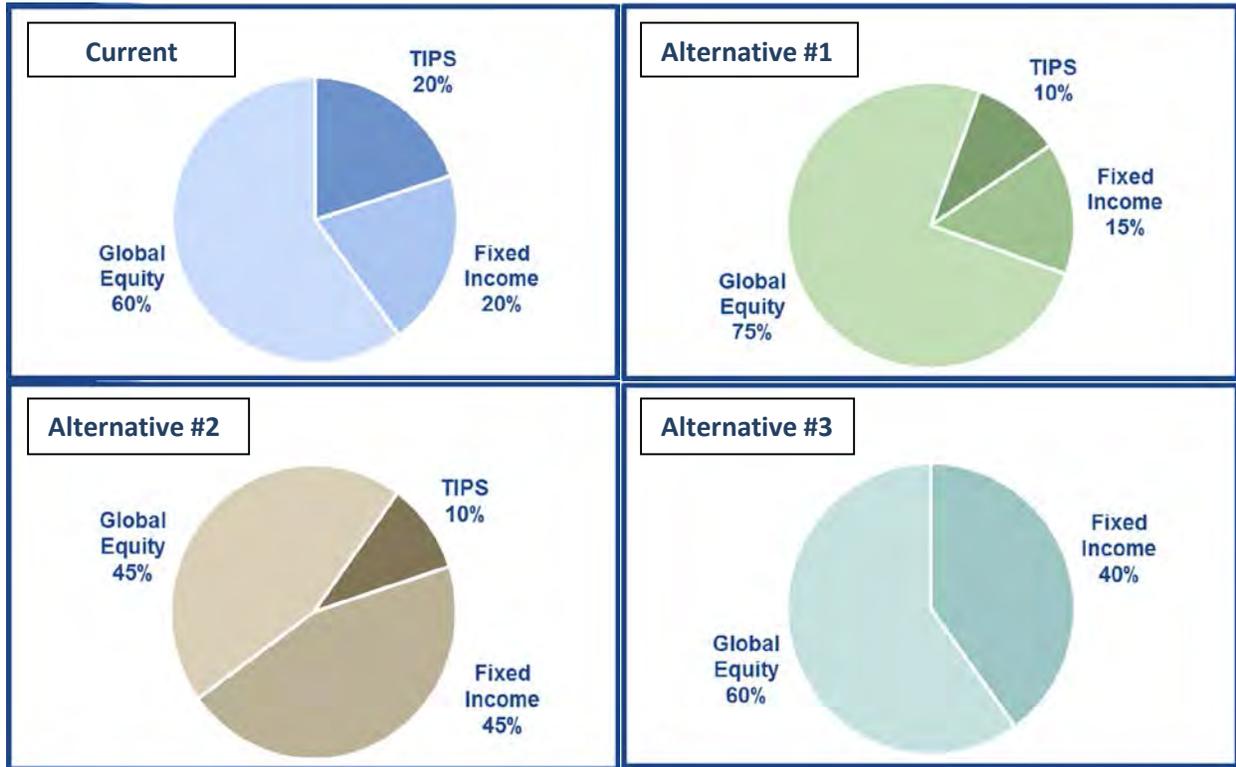
Tucker stated that she needs the Committee's input on the WSIB investment policy. Tucker also noted that very rarely will each Committee member articulate the same risk tolerance. GET is fortunate to also have staff from the Office of the State Actuary perform a risk analysis for the program. The inflation recommendation from WSIB is 2.7%. The policy includes language to maintain the financial stability of the program.

GET's current asset allocation achieves a balance between risk and reward, solvency and affordability, and supports a medium time horizon. The WSIB's asset allocation recommendation is to maintain the current split between equity and fixed income (i.e., 60% equity and 40% fixed income), but to collapse the Treasury Inflation Protection Securities (TIPS) into the fixed income allocation.

- National consumer inflation not representative of Washington State tuition growth

- GET program can benefit from opportunistic investment in TIPS
- Mean return assumption marginally improved
- Risk statistics not meaningfully changed

Tucker provided the current asset allocation and three alternative asset allocation scenarios for comparison.



WSIB’s asset allocation recommendation:

- Decrease TIPS allocation from 20% to 0%
- Increase fixed income allocation from 20% to 40%
- Increase the fixed income policy range to 36-44%, reflecting the higher allocation

Other proposed policy changes:

- Reduce real return objective from 4.50% to 3.25% percent over a rolling 10-year period
- Increase asset allocation review period to at least every 4 years, up from at least every 3 year.

McIntire recommended and motioned to adapt asset allocation alternative #3. Berendt seconded the motion. The Committee unanimously adopted asset allocation alternative #3.

Berendt motioned to increase the asset allocation review period from at least every three years to at least every four years. McIntire seconded the motion. The motion passed unanimously.

Berendt motioned to decrease the real return from 4.50% to 3.25%. McIntire seconded the motion. The motion was approved unanimously.

Tucker congratulated the GET Committee for coming to a consensus. WSIB staff will update the policy and submit it to the Washington State Investment Board in December for approval. They will also determine a realistic implementation timeline for the shift in investment allocations. Sharratt thanked Tucker for her in-depth report.

APPROVAL OF THE 2015 MEETING CALENDAR

Berendt motioned to approve the 2015 meeting calendar as presented. Wong seconded the motion. The 2015 meeting calendar was approved unanimously.

ACTUARIAL VALUATION REVIEW

Smith noted that the program's funded status is currently at 106%. The funded status was due to higher than expected funded status and lower than assumed tuition growth. Staff from the Office of the State Actuary (OSA) have always provided a sensitivity analysis but have always provided additional disclosures. These disclosures would note hypothetical items such as what the program would look like if it were closed or if it were terminated. OSA staff will always provide this information, not only when the funded status is less than desirable.

Berendt asked if having this information as a public document could be used in a negative way. Though the Committee appreciates having this information on a consistent basis, information such as this can be used both positively and negatively.

Berendt and McIntire stated that members will need to be very clear with this information, noting that it is a projection at a point in time. Statistics at any given time could be under projected or they could reflect a surplus. The concern was voiced so that members and constituents remember to be cautious.

Smith thanked his staff for the high-level summary and also thanked GET staff for their statistical and demographic information. There were no questions from the Committee.

VALUATION ADOPTION

Marc Webster, Senior Fiscal Advisor for GET and the Washington Student Achievement Council, noted that GET staff play a vital role in helping OSA prepare their reports. The program is worth over 2 billion and because of this there is increased scrutiny. GET staff consistently work with the State Actuary, WSIB, Office of Financial Management, and the Treasurer's office to make sure all parties have the information they need. GET staff have taken the lead in scrubbing data and checking for internal consistency in a number of ways. Internal reports are run and information is sent to OSA. This data is also transferred to WSAC's research team (independent, outside staff) and reviewed. Once staff know that the data is accurate, WSAC and GET staff verify that the data is correct. The data is then analyzed by OSA. Staff are working parallel to a variety of groups to make sure the funded status of the program has been calculated thoroughly. Due diligence is being done by all parties. With that said, Webster recommended a motion.

Berendt motioned to adopt the valuation as presented. McIntire seconded the motion. There were no questions from the Committee and the motion was approved unanimously.

Sharratt welcomed and introduced Maddy Thompson, WSAC's new Director of Policy and Government Relations.

Lochner asked if the monthly GET Committee email updates are helpful. The number of annual meetings has been reduced and staff want to make sure the Committee is always up to date. The Committee said that this form of communication is working well.

Sharratt brought up the discussion about establishing a savings plan once more and asked for the Committee's last thoughts on the topic. Berendt agreed that there should be something available to older kids and asked if it's appropriate that the GET Committee be competing with other vehicles currently being used. Wong stated that a savings plan is all about investment returns. The state would have to be able to produce good investment returns. Wong stated that there is a need to study this further before making a decision to proceed.

McIntire stated that he didn't see a need to pursue a savings plan at this time. Until Washington State has a state income tax, McIntire doesn't see the real benefit for state residents. The program continues to get questions about stability and adding a savings plan would add to the confusion. McIntire proposed making sure the program is well-established before adding another investment vehicle option.

The Committees' consensus was to put the establishment of savings plan on hold. The Committee agreed to explore other possible options and see what the legislative session brings.

Smith encouraged the Committee to share their input on the valuation report at any time. OSA staff always welcome feedback.

McIntire noted that he had looked at the distributed funds due to refunds and asked why people are refunding their accounts. Betsy Hagen, Associate Director of GET Operations, stated that GET staff are currently researching why people are asking for refunds. Lochner noted that refunds increased in the last few years due to the recession and this information will be part of our research. Staff are making sure that all account owners are aware of other options aside from refunding their accounts.

Sharratt thanked all presenters for their great work.

ADJOURNMENT

Meeting adjourned at 4:00 p.m.



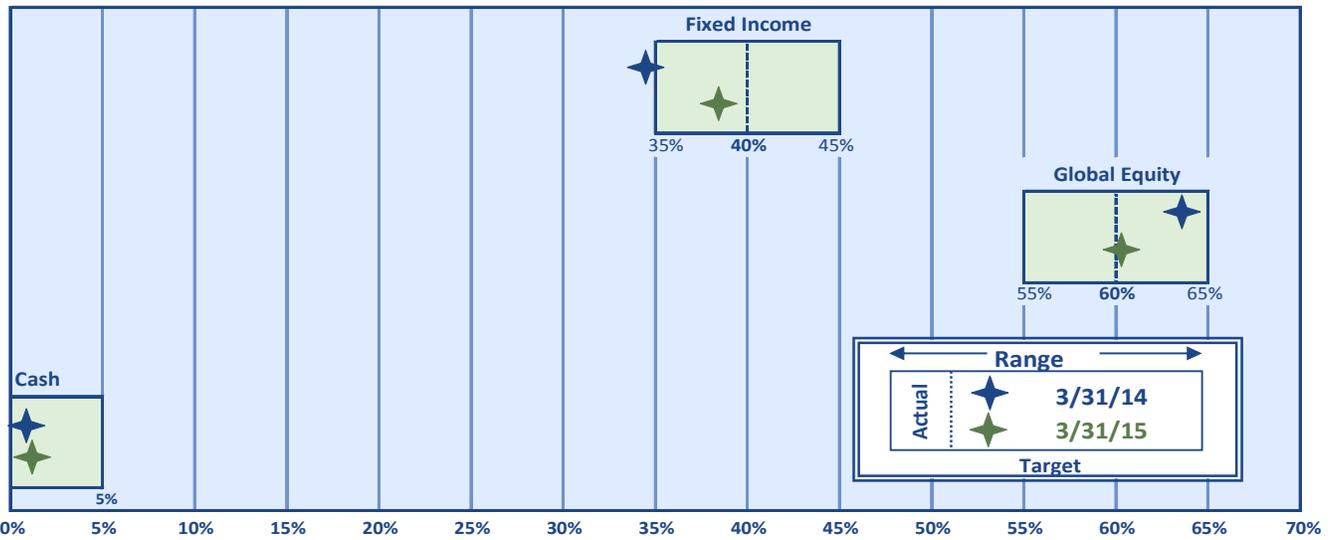
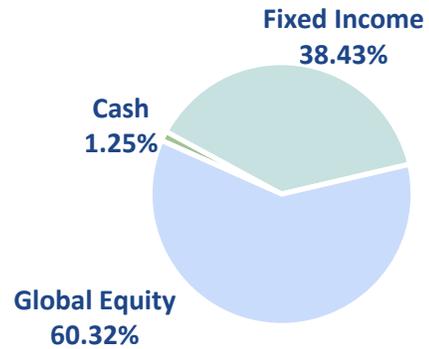
GET Prepaid College Tuition Program

Quarterly Report – March 31, 2015

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

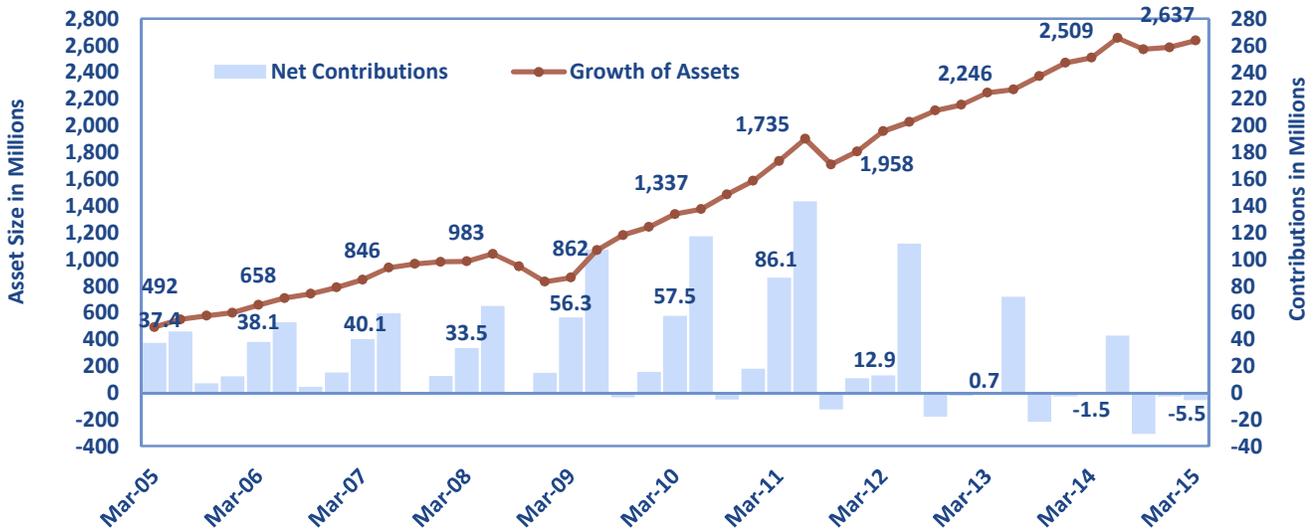
Portfolio Size **Actual Asset Allocation**

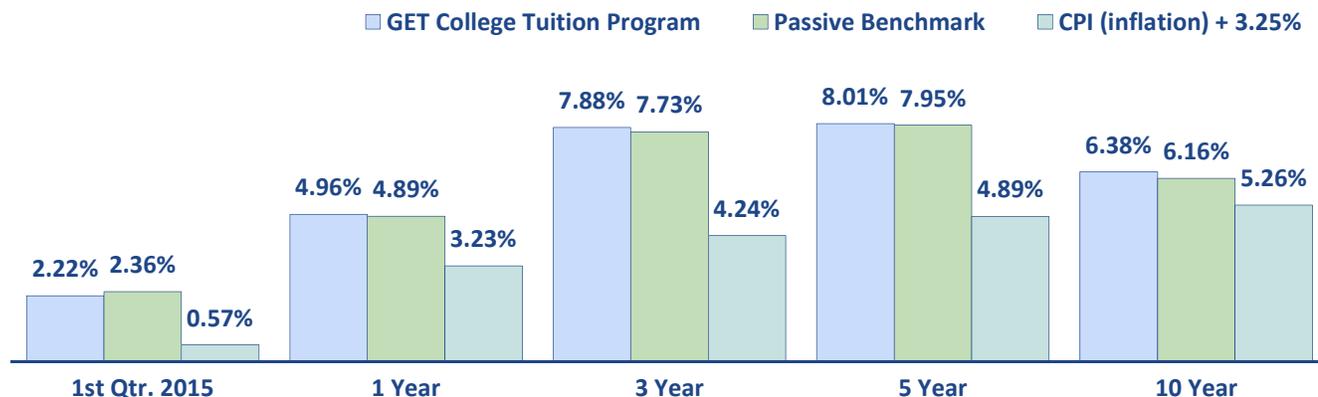
Total	\$2,637,325,369
Cash	\$33,046,344
Fixed Income	\$1,013,558,675
Equity	\$1,590,720,351



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

Assets Under Management

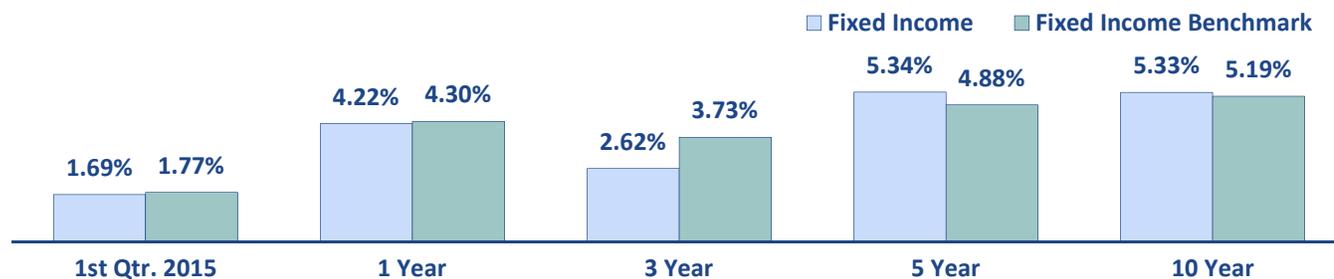


Total Return *

Return Breakdown
Equity Return *

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


Fixed Income Return *

Benchmark: Barclays Capital Intermediate Credit



* 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.



2015 Actuarial Work Plan

Experience Study

A comparison of the actuarial assumptions and methods to actual experience. Updates made to assumptions and methods where necessary to ensure they remain reasonable.

We reviewed the following categories of assumptions.

Economic

- ❖ Rate of investment return.
- ❖ Tuition growth and standard deviation.
- ❖ Correlation of tuition growth and investment returns.
- ❖ GET operating budget growth.

Demographic

- ❖ New entrant/purchaser profile.
- ❖ Beneficiary population growth rate.

Behavioral

- ❖ Unit redemption rate.
- ❖ Unit refund rate.
- ❖ Default rate for monthly payment plans.
- ❖ Projected unit sales.

Miscellaneous

- ❖ Distribution expense.
- ❖ Maintenance expense.
- ❖ Processing fee.

Status: In progress and currently under review by an outside actuary under contract with GET. We will include final results in the actuarial valuation and any price-setting analysis.

Actuarial Valuation

Updated program measurements reflecting participant data and financial data at June 30, 2015. Actuarial valuation will also include new assumptions and methods from the experience study.

Status: In progress.



Price-Setting Analysis

Updated unit price information and risk measurements reflecting participant data and financial data at June 30, 2015. Our analysis will also reflect the 2015-17 state higher education budget and associated tuition policy plus new assumptions and methods from the experience study.

Status: Waiting for GET Committee decisions and conclusion of experience study audit. We anticipate work will begin in mid-July if unit sales continue.

Other

Other actuarial services as needed to support the program.

O:\GET\2015\July\2015.Actuarial.Work.Plan.docx

1 services and activities fees do not include fees charged for the
2 payment of bonds heretofore or hereafter issued for, or other
3 indebtedness incurred to pay, all or part of the cost of acquiring,
4 constructing, or installing any lands, buildings, or facilities.

5 (15) "Tuition unit contract" means a contract between an eligible
6 purchaser and the governing body, or a successor agency appointed for
7 administration of this chapter, for the purchase of tuition units for
8 a specified beneficiary that may be redeemed at a later date for an
9 equal number of tuition units, except as provided in RCW
10 28B.95.030(7).

11 (16) "Unit purchase price" means the minimum cost to purchase one
12 tuition unit for an eligible beneficiary. Generally, the minimum
13 purchase price is one percent of the undergraduate tuition and fees
14 for the current year, rounded to the nearest whole dollar, adjusted
15 for the costs of administration and adjusted to ensure the actuarial
16 soundness of the account. The analysis for price setting shall also
17 include, but not be limited to consideration of past and projected
18 patterns of tuition increases, program liability, past and projected
19 investment returns, and the need for a prudent stabilization reserve.

20 **Sec. 7. RCW 28B.95.030 and 2015 c 202 s 6 are each amended to**
21 **read as follows:**

22 (1) The Washington advanced college tuition payment program shall
23 be administered by the committee on advanced tuition payment which
24 shall be chaired by the director of the office. The committee shall
25 be supported by staff of the office.

26 (2)(a) The Washington advanced college tuition payment program
27 shall consist of the sale of tuition units, which may be redeemed by
28 the beneficiary at a future date for an equal number of tuition units
29 regardless of any increase in the price of tuition, that may have
30 occurred in the interval, except as provided in subsection (7) of
31 this section.

32 (b) Each purchase shall be worth a specific number of or fraction
33 of tuition units at each state institution of higher education as
34 determined by the governing body, except as provided in subsection
35 (7) of this section.

36 (c) The number of tuition units necessary to pay for a full
37 year's, full-time undergraduate tuition and fee charges at a state
38 institution of higher education shall be set by the governing body at

1 the time a purchaser enters into a tuition unit contract, except as
2 provided in subsection (7) of this section.

3 (d) The governing body may limit the number of tuition units
4 purchased by any one purchaser or on behalf of any one beneficiary,
5 however, no limit may be imposed that is less than that necessary to
6 achieve four years of full-time, undergraduate tuition charges at a
7 state institution of higher education. The governing body also may,
8 at its discretion, limit the number of participants, if needed, to
9 ensure the actuarial soundness and integrity of the program.

10 (e) While the Washington advanced college tuition payment program
11 is designed to help all citizens of the state of Washington, the
12 governing body may determine residency requirements for eligible
13 purchasers and eligible beneficiaries to ensure the actuarial
14 soundness and integrity of the program.

15 (3) (a) No tuition unit may be redeemed until two years after the
16 purchase of the unit.

17 (b) Units may be redeemed for enrollment at any institution of
18 higher education that is recognized by the internal revenue service
19 under chapter 529 of the internal revenue code. Units may also be
20 redeemed to pay for dual credit fees.

21 ~~((b))~~ (c) Units redeemed at a nonstate institution of higher
22 education or for graduate enrollment shall be redeemed at the rate
23 for state public institutions in effect at the time of redemption.

24 (4) The governing body shall determine the conditions under which
25 the tuition benefit may be transferred to another family member. In
26 permitting such transfers, the governing body may not allow the
27 tuition benefit to be bought, sold, bartered, or otherwise exchanged
28 for goods and services by either the beneficiary or the purchaser.

29 (5) The governing body shall administer the Washington advanced
30 college tuition payment program in a manner reasonably designed to be
31 actuarially sound, such that the assets of the trust will be
32 sufficient to defray the obligations of the trust including the costs
33 of administration. The governing body may, at its discretion,
34 discount the minimum purchase price for certain kinds of purchases
35 such as those from families with young children, as long as the
36 actuarial soundness of the account is not jeopardized.

37 (6) The governing body shall annually determine current value of
38 a tuition unit.

39 (7) For the 2015-16 and 2016-17 academic years only, the
40 governing body shall set the payout value for units redeemed during

1 that academic year only at one hundred seventeen dollars and eighty-
2 two cents per unit. For academic years after the 2016-17 academic
3 year, the governing body shall make program adjustments it deems
4 necessary and appropriate to ensure that the total payout value of
5 each account on the effective date of this section is not decreased
6 or diluted as a result of the initial application of any changes in
7 tuition under section 3, chapter . . . , Laws of 2015 3rd sp. sess.
8 (section 3 of this act). In the event the committee or governing body
9 provides additional units under chapter . . . , Laws of 2015 3rd sp.
10 sess. (this act), the committee and governing body shall also
11 increase the maximum number of units that can be redeemed in any year
12 to mitigate the reduction in available account value during any year
13 as a result of chapter . . . , Laws of 2015 3rd sp. sess. (this act).
14 The governing body must notify holders of tuition units after the
15 adjustment in this subsection is made and must include a statement
16 concerning the adjustment.

17 (8) The governing body shall promote, advertise, and publicize
18 the Washington advanced college tuition payment program.

19 ((+8)) (9) In addition to any other powers conferred by this
20 chapter, the governing body may:

21 (a) Impose reasonable limits on the number of tuition units or
22 units that may be used in any one year;

23 (b) Determine and set any time limits, if necessary, for the use
24 of benefits under this chapter;

25 (c) Impose and collect administrative fees and charges in
26 connection with any transaction under this chapter;

27 (d) Appoint and use advisory committees and the state actuary as
28 needed to provide program direction and guidance;

29 (e) Formulate and adopt all other policies and rules necessary
30 for the efficient administration of the program;

31 (f) Consider the addition of an advanced payment program for room
32 and board contracts and also consider a college savings program;

33 (g) Purchase insurance from insurers licensed to do business in
34 the state, to provide for coverage against any loss in connection
35 with the account's property, assets, or activities or to further
36 insure the value of the tuition units;

37 (h) Make, execute, and deliver contracts, conveyances, and other
38 instruments necessary to the exercise and discharge of its powers and
39 duties under this chapter;

1 appropriate committees of the legislature no later than December 1,
2 2015.

3 NEW SECTION. Sec. 10. The Washington state institute for public
4 policy shall conduct a study on alternative resident undergraduate
5 tuition growth factors such as median wage, average wage, median
6 household income, consumer price index, student affordability
7 metrics, and others. The analysis should indicate how tuition is
8 likely to change under each metric over an extended period of time.
9 The report should also consider the relative ease of calculating or
10 obtaining the metric for budget development purposes. The legislature
11 intends to use this analysis to evaluate the median wage metric used
12 in this act on an ongoing basis. The institute shall report its
13 findings to the relevant committees of the legislature by December 1,
14 2015.

15 NEW SECTION. Sec. 11. (1) By December 1, 2016, the committee on
16 advanced tuition payment defined in RCW 28B.95.020 shall review and
17 report to the legislative fiscal and higher education committees on:

18 (a) The impact of decreasing tuition rates on the funded status
19 and future unit price of the Washington advanced college tuition
20 payment program;

21 (b) The feasibility and different options of establishing a
22 college savings program as described in RCW 28B.95.150;

23 (c) A list of potential alternatives and impacts for changing the
24 advanced college tuition payment distribution policy from tuition and
25 fees to a cost of attendance metric; and

26 (d) A list of potential alternatives and impacts for whether the
27 state penalty for withdrawal should be changed.

28 (2) This section expires January 1, 2017.

29 NEW SECTION. Sec. 12. The following acts or parts of acts are
30 each repealed:

31 (1) RCW 28B.15.068 (Tuition fees increase limitations—State
32 funding goals—Reports—"Global challenge states"—Notification of
33 availability of American opportunity tax credit) and 2012 c 229 s
34 525, 2012 c 229 s 524, 2011 1st sp.s. c 50 s 928, 2011 1st sp.s. c 10
35 s 7, 2009 c 540 s 1, & 2007 c 151 s 1; and

1 (2) RCW 28B.15.102 (Institutional tuition increases—Financial aid
2 offset—Reports—Resident first-year undergraduate enrollment at the
3 University of Washington, Seattle campus) and 2014 c 162 s 1, 2013 c
4 23 s 53, 2012 c 229 s 526, & 2011 1st sp.s. c 10 s 6.

5 NEW SECTION. Sec. 13. This act may be known and cited as the
6 college affordability program."

ESSB 5954 - S AMD 506

By Senators Braun, Bailey, Frockt, Kohl-
Welles

ADOPTED 6/29/2015

7 On page 1, line 1 of the title, after "tuition;" strike the
8 remainder of the title and insert "amending RCW 28B.15.031,
9 28B.15.066, 28B.15.067, 28B.15.069, 28B.95.020, 28B.95.030, and
10 28B.118.010; adding a new section to chapter 28B.92 RCW; creating new
11 sections; repealing RCW 28B.15.068 and 28B.15.102; and providing an
12 expiration date."

EFFECT: In the 2015-16 academic year, reduces tuition for all
public institutions of higher education by 5% from the 2014-15
academic year operating fee levels.

In the 2016-17 academic year, reduces tuition for the research
institutions by 15%, the regional schools by 20%, and the CTCs by 5%
from the 2014-15 academic year operating fee levels.

Eliminates tuition reductions as a percent of the state average
wage.

For FY 2018 and beyond, tuition growth is tied to the median wage
long-term growth. Median wage is published by the federal Bureau of
Labor Statistics.

Specifies that only the tuition backfill is adjusted by inflation
and not the 2013-2015 appropriation plus the tuition backfill.

Adds intent language to the State Need Grant section that by
reducing cost of tuition the legislature is better able to buy down
the wait list.

Holds the State Need Grant and the College Bound Scholarship
program scholarship awards for students attending private
institutions at the same level as the awards in the 2014-15 academic
year.

Specifies that the GET governing body shall set the payout value
for units redeemed only during the 2015-16 and 2016-17 academic years
at \$117.82 per unit.

Adds a requirement for the Education Data Research Center to
provide a statistical analysis and report on the time it takes
students to complete their degrees by major by school

Requires WSIPP to conduct a study on alternative tuition growth
factors in addition to the median wage, such as median household
income, for the legislature to determine its preferred metric moving
forward.

Requires the GET committee to review the following: The impact of reducing tuition on the funded status of GET and future unit prices; the feasibility of establishing a college savings program (traditional 529 plan); alternatives to linking GET to tuition and fees and linking GET to a cost of attendance metric; and the current state penalty for nonqualified withdrawals.

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