

GUARANTEED EDUCATION TUITION COMMITTEE MEETING

April 19, 2005
State Investment Board
2100 Evergreen Park Drive SW
Suite 100
Olympia, Washington
2:00 pm – 4:00 pm

AGENDA

Call to Order

- Approval of February 22, 2005 minutes ACTION Tab 1
- GET investment update INFORMATION Tab 2
Diana Will, Investment Officer
Washington State Investment Board
- Director's report INFORMATION Tab 3
 - 2004-05 enrollment update
 - Legislative update
- Change in residency requirement ACTION Tab 4
- Approval of FY06 administrative budget ACTION Tab 5
- GET actuarial analysis and unit price setting ACTION Tab 6
Bill Reimert, Principal & Consulting Actuary
Milliman USA
- Possible executive session
May be held for any of the purposes set forth in RCW 42.30.110
- Action items, if any, made necessary by executive session
- Adjournment of regular meeting

Next Regular GET Committee Meeting, August 2, 2005, 2:00 pm – 4:00 pm
State Investment Board, 2100 Evergreen Park Drive SW, Olympia, WA

GUARANTEED EDUCATION TUITION COMMITTEE MEETING

Tuesday, February 22, 2005

State Investment Board

2100 Evergreen Park Drive SW, Suite 100

Olympia, WA

MINUTES

HECB Staff in attendance:

Betty Lochner, GET Director
Larry Lee, GET Deputy Director
Debra Blodgett, GET Office Manager
Heidi Arneson, GET Finance & Benefit Manager
Heidi Jones, GET Policy Analyst & Rules Manager
Denise Fry, GET Outreach Coordinator
Joann Wiszmann, HECB Deputy Director

Guests in attendance:

Diana Will, State Investment Board
Howard Fischer, Office of the Attorney General
Bill Reimert, Milliman USA
Cathy Stevens, The Marketing Partners
Wendy Dore, The Marketing Partners

WELCOME

GET Committee chair Jim Sulton called the meeting to order at 1:15 p.m. Other committee members in attendance included Michael J. Murphy, State Treasurer, Victor Moore, Director of OFM, Beth Stecher Berendt, citizen member, and Mooi Lien Wong, citizen member.

Sulton welcomed new committee member, Victor Moore. Moore has been appointed as the new Director of OFM. Sulton also expressed appreciation for the work that outgoing member Marty Brown contributed over the past five years.

Sulton introduced Joann Wiszmann, who has recently been appointed as Deputy Director for the Higher Education Coordinating Board (HECB).

APPROVAL OF MINUTES

The minutes from the November 1, 2005 Committee Meeting were reviewed. A motion was made to adopt the minutes by Berendt and seconded by Murphy. The motion was approved and carried unanimously.

DIRECTOR'S REPORT

GET Director, Betty Lochner, updated the committee on GET stats for the 2004-05 enrollment year. As of today (Feb. 22, 2005), there are 2,943 new enrollments since the beginning of the enrollment period, which is 300 more than were received last year at this time. We are on target to meet or exceed our goal of 5,000 new enrollments. The total enrollment number to date is 47,183. The enrollment year ends March 31, 2005. Total value of accounts is now over \$500 million. Payroll deduction contributions are up to \$88,000 per month. Lochner updated the committee on the GET bill currently being considered in the Legislature. House Bill 2021 will be heard Thursday at 8:00 a.m. in Hearing Room C. Senate Bill 5926 will be heard Friday at 8:00 a.m. in the Senate Hearing Room 1. A summary of the provisions of the bills are behind Tab 2.

GET MARKETING UPDATE

Sulton introduced Wendy Dore from The Marketing Partners to give the marketing update. Dore explained that the three television spots from previous years are being used on a rotating basis this year. Each spot was played for the committee. These will run through the end of

March with a 10 day countdown to the last day of enrollment. The programming buys are associated with the target market of women 25-49 with children 12 and under. The secondary market is all adults 25-29. The scheduled purchases will reach 96% of the target market an average of 8 times. Outdoor boards are being used in the Vancouver and Bellingham areas as well as newspaper ads as supplements to the television advertising. Lochner has done several interviews, most recently a live interview on KONG TV.

GET INVESTMENT UPDATE

Sulton introduced Diana Will, investment officer, from the State Investment Board to give the GET investment update. For the quarter ending December 31st, the fund was at \$458 million with growth of \$42.4 million since last quarter. The increase consisted of \$34.1 million from investment returns and \$8.3 million from new contributions to the program. The GET fund has grown by \$132 million since the end of December 2003. The growth in the last year came from \$48 million in investment returns and \$84 million in new contributions. Most of the market return for the year came in the fourth quarter of this year.

SIB continues to invest 40 percent in TIPS, 40 percent in US Equity and 20 percent in Non-US Equity. We continue to meet our target allocation ranges in all asset classes. Fourth quarter returns were 8.12 percent, which outperformed the benchmark slightly. One year returns were 12.48 percent, which is way above actuarial assumptions. Since inception we are up 6.75 percent. The equity portfolio earned 11.79 percent for the quarter, which is slightly below the target benchmark. Both the international and domestic managers underperformed their benchmarks for the quarter, but since inception they are both outperforming their benchmarks.

GET VENDOR SELECTION PROCESS

Lochner referred members to the staff report for selecting a vendor for marketing services, behind Tab 4. The Marketing Partners are currently contracted to provide marketing services for GET. The current contract is a 6-year contract broken out into 2-year renewal increments. They have been with us for four years. Staff is recommending that the 2-year extension to the existing contract be approved. At the end of the two-year period, GET would be required to go out with a new RFP for marketing services. An additional piece of the staff recommendation involves expanding GET Web site design. The needs of the GET Web site redesign go beyond the capabilities of HECB staff. GET is seeking authorization to go out with an RFP for Web site design. The funds for this would be in next year's budget. Estimated costs for the Web site redesign are approximately \$10,000. Murphy asked when we would start the process for a new marketing RFP. Lochner indicated that it would be two years from now. Berendt asked about the RFP for the web design. Lochner indicated that it would be done this spring so that the new site could be launched in September. Moore asked about purchases of GET units online using a credit card. Murphy explained units cannot be purchased with a credit card due to IRS regulations and that fees are too high.

APPROVAL OF GET VENDOR SELECTION PROCESS FOR MARKETING SERVICES

A motion was made to adopt the Staff recommendation below:

- 1) Approval of a 2-year extension of the existing contract for marketing and advertising services. The amended contract would end June 30, 2007. At that time a formal and complete Request for Proposals (RFP) process would be required;**

- 2) **Approval for staff to issue a Request for Proposals (RFP) for web design and implementation. It would be expected that services would be provided through June 30, 2007. The Committee chair would be delegated the oversight and approval of the vendor selection and execution.**

The motion was made to approve by Murphy and seconded by Berendt. The motion was approved and carried unanimously.

Murphy expressed his support of retaining the Marketing Partners and commended them for doing a good job in helping GET become a household name and meeting all marketing goals.

PRICE SETTING WORK SESSION

After a short break, the GET Committee, GET staff and GET's consulting actuary, Bill Reimert, moved to a conference room to conduct a work session on GET unit price setting. Reimert reviewed the history of GET unit price setting and went over the assumptions included (see Tab 5). The committee gave input into preparing the assumptions to be used for the next price setting meeting. After discussion about how much reserve should be included in pricing, the Committee gave direction to Reimert to include scenarios of a 5%, 7.5% and 10% reserve in the proposed unit costs.

NEXT MEETING

The next meeting of the GET Committee is scheduled for April 19, 2005 from 2:00 p.m. to 4:00 p.m., at the State Investment Board (2100 Evergreen Park Drive SW, Olympia, WA 98502).

ADJOURNMENT

The meeting was adjourned at 4:10 p.m.



GET Prepaid College Tuition Program

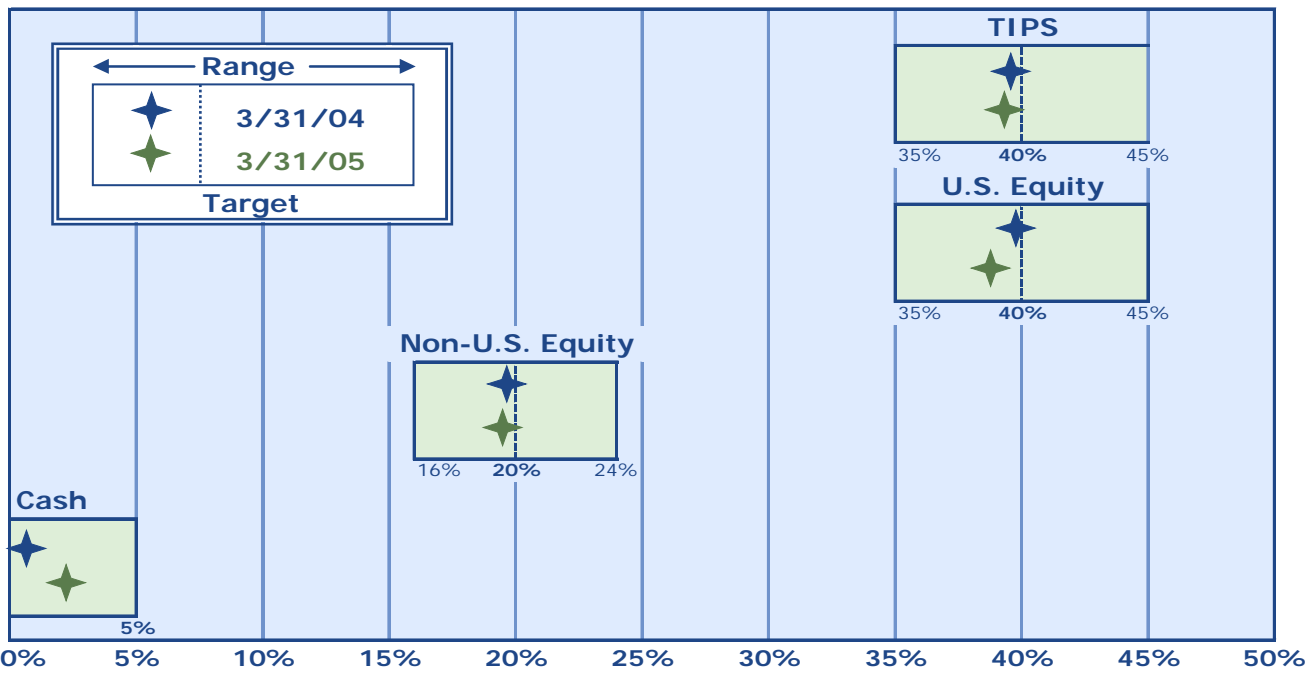
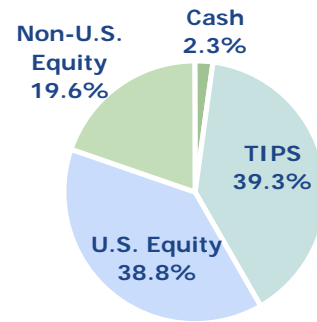
Quarterly Report - March 31, 2005

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

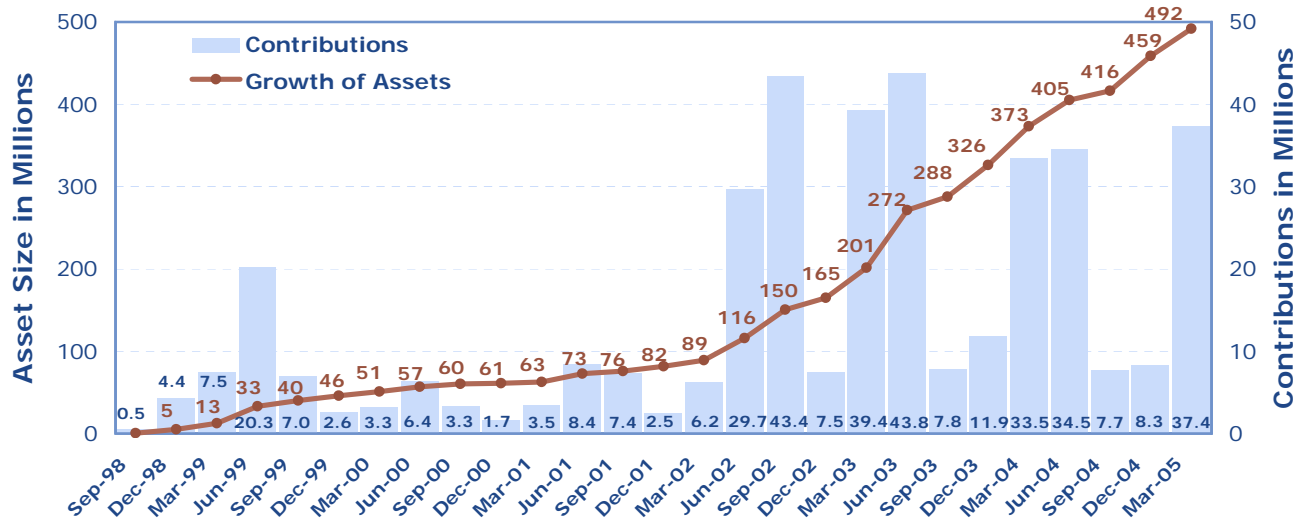
Dated: April 8, 2005

Portfolio Size Actual Asset Allocation

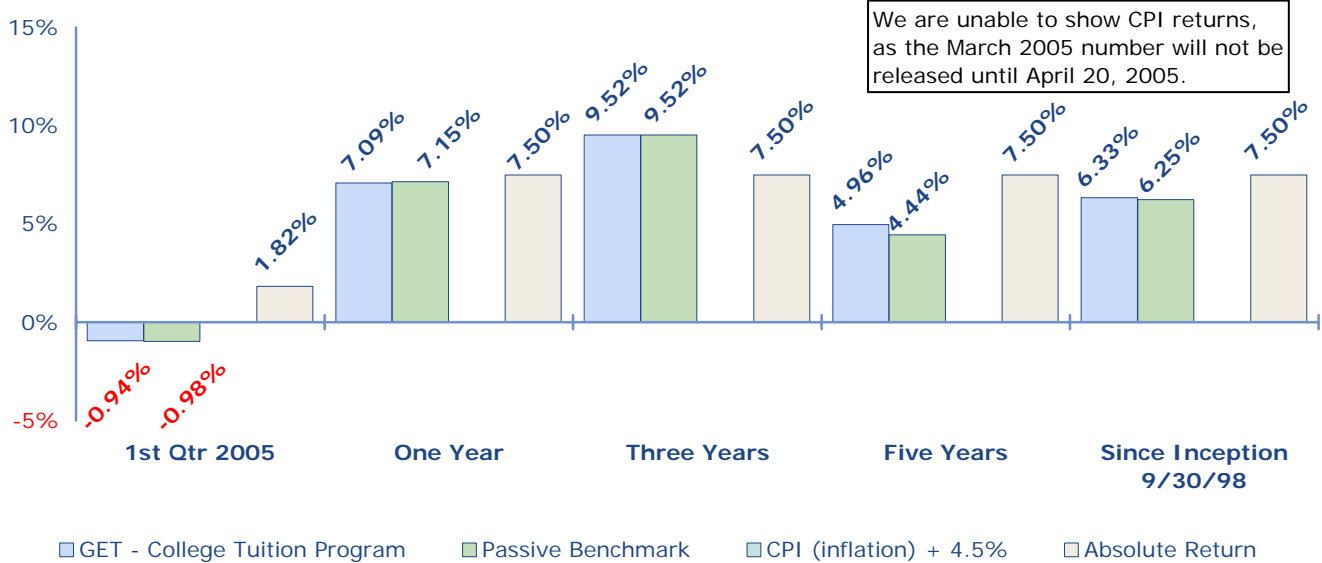
Total	\$491,646,832
Cash	11,221,648
Treasury Inflation Index Note (TIPS)	193,235,392
U.S. Equity	190,662,257
Non-U.S. Equity	96,527,535



Assets Under Management



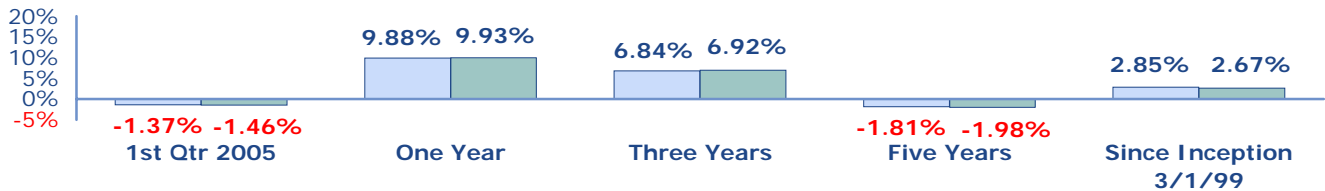
Total Return *



Return Breakdown

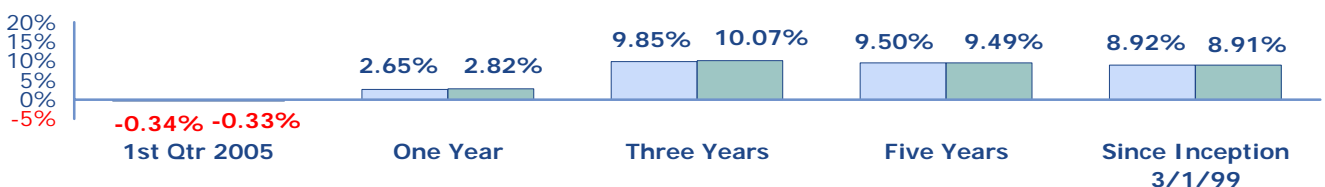
Equity Return *

- Equity
- Benchmark - DJ Wilshire 5000 and MSCI EAFE + Canada weighted to the policy's target (currently 66%% and 33%%)



Treasury Inflation Index Note Return *

- Treasury Inflation Index Note
- Benchmark - Lehman Custom TIPS Index



* 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. Inception date is when the WSIB first invested in the asset class.

Director's Report

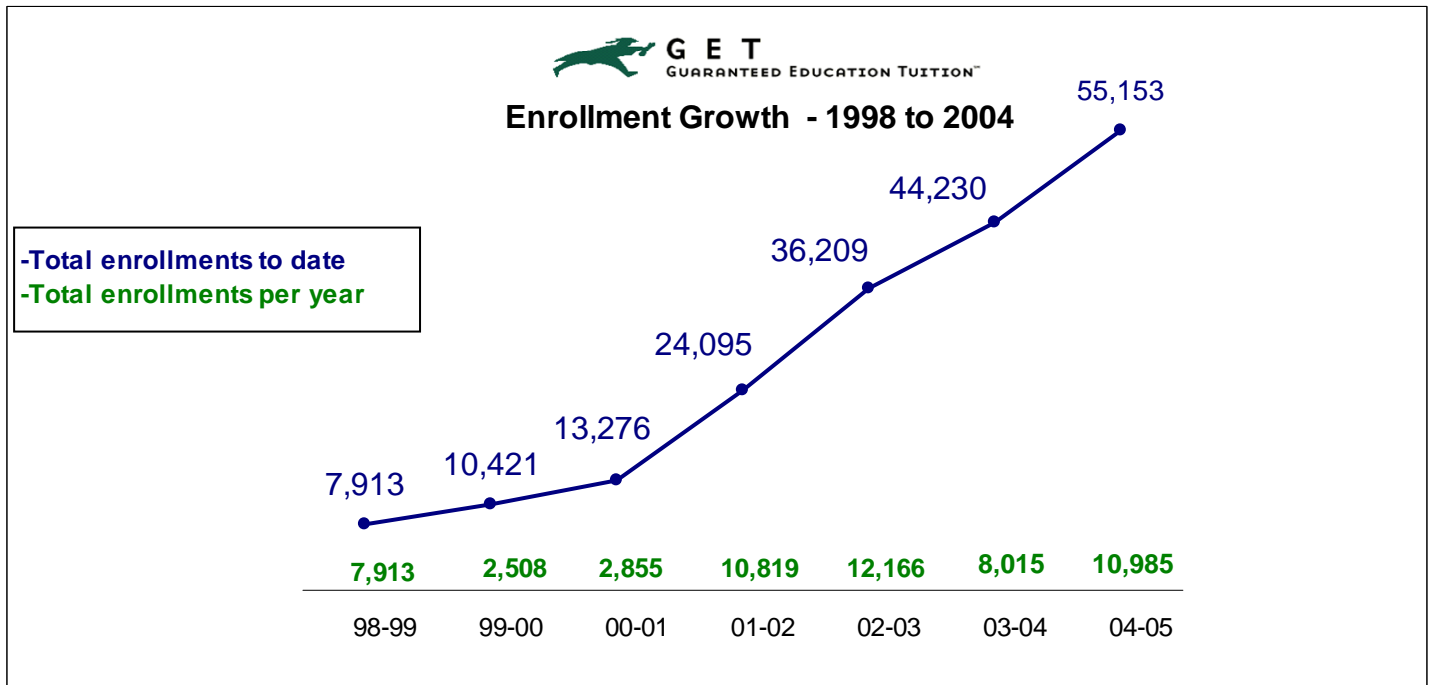
April 19, 2005

2004-2005 Enrollment Year (as of March 31, 2005)*	2003-2004 Enrollment Year (August 31, 2004)
Total GET accounts opened: (Sept. 15-Mar.31, 2005)	Total GET accounts opened: (Sept. 15-August 31, 2004)
10,985	8,015
Total payments received:*	Total payments received:
\$36.5 million	\$57.6 million
Total units purchased:*	Total units purchased:
1.4 million	1.4 million
Total value of all contracts:*	Total value of all contracts:
\$81.7 million	\$92.4 million

GET Program Since Inception	
Total Active GET accounts since inception:*	55,153
Total payments received:*	\$414.6 million
Total units purchased:*	10.7 million
Total value of all contracts:*	\$562.8 million

*Dollar amounts and unit totals are estimates that include all unprocessed 2004-2005 enrollments.

GROWTH OF ACTIVE ACCOUNTS SINCE PROGRAM INCEPTION



INTERESTING 2004-05 ENROLLMENT YEAR GET FACTS

- Enrollments are up 37% over last year.
- An average of \$2.7 million was deposited into the GET fund each day during the last five days of March.
- On-line enrollments were 70% of all new enrollments (up from 60% last year).
- Almost 7,000 new enrollments came in during the month of March.
- We took 3,151 customer calls during the last week of enrollment; up 59% over last year.

2005-06 Enrollment Year: September 15, 2005 – March 31, 2006

GET Account Information
As of 03/31/05

Contract Statistics by Plan Year

	<u>2004</u>	<u>TOTAL</u>
# of Active Contracts		
Custom Monthly Contracts (CM)	2,664	13,483
Lump Sum Contracts (LS)	5,468	36,970
<i>Unprocessed Custom Monthly Contracts</i>	1,325 *	1,325 *
<i>Unprocessed Lump Sum Contracts</i>	1,451 *	1,451 *
Subtotal # of Active Contracts	10,908	53,229
# of Inactive Contracts	77	1,494
# of Depleted Contracts	0	430
Total # of Contracts - Including Unprocessed	10,985	55,153

Unit Statistics (active contracts only) - Including Unprocessed

Total # of Contracted Units (CM)	509,100	2,876,241
<i>Unprocessed # of Contracted Units (CM) - includes web and paper</i>	230,254 *	230,254 *
Total # of Lump Sum Units Purchased (LS)	598,564	7,547,296
<i>Unprocessed # Lump Sum Units (LS) - includes paper only</i>	46,612 *	46,612 *
Total # of Units - Both Plans	1,384,530	10,700,403

Account Value Statistics (active contracts only)

Total Payments Received (CM and LS)	\$ 36,484,238	\$ 414,607,068
Future Payments Due (CM)	\$ 45,240,222	\$ 148,215,678
Total Payments Received and Future Payments Due	\$ 81,724,460	\$ 562,822,746
Fees Paid	\$ 338,007	\$ 2,416,722
Grand Total		\$ 565,239,468

Benefit Statistics

Total amount paid out on contracts	\$17,113,282
Total # of students who have used benefits	3051

* These applications have been received but not entered in the system, therefore they are not included in the account value statistics.



**Provisions of 2005 GET Legislation
Requested by Committee on Advanced College Tuition Payment
(GET Committee)**

HB 2021 and SB 5926

Bankruptcy: Protects families saving for their children’s future college education from creditors in a bankruptcy. GET units purchased more than two years prior to the date of bankruptcy filing would be excluded from personal assets available to satisfy outstanding debt.

Enrollment eligibility: Authorizes the GET Committee to extend enrollment in the program to all citizens of the State of Washington, as envisioned in RCW 28B.95.010. The committee could extend enrollment privileges when either the purchaser or the student is a resident.

Definition of academic year: Brings the GET distribution cycle into alignment with colleges’ typical academic terms by defining the GET academic year as August 1 through July 31.

Current value for payouts: Creates a single distribution value for all payouts and refunds. This eliminates the need to calculate a “weighted average tuition” amount that penalizes certain refunds more than others.

Excludes certain fees: Limits fees paid by the program to those approved by the Legislature. This would exclude payment for certain service and activity fees approved locally by faculty and student bodies without Legislative oversight or control.

Establishing Residency Requirements for the GET Program

April 19, 2005

Background

RCW 28B.95.020 states that “the beneficiary must reside in the state of Washington or otherwise be a resident of the state of Washington at the time the tuition unit contract is accepted by the governing body”. Pending Legislation (HB 2021/SB 5926) removes this language, and in RCW 28B.95.030 adds the following, “(e) While the Washington advanced college tuition payment program is designed to help all citizens of the state of Washington, the governing body may determine residency requirements for eligible purchasers and eligible beneficiaries to ensure the actuarial soundness and integrity of the program.”

Residency Requirements

If the proposed Legislation passes, the GET Committee will be tasked with establishing residency requirements for the program. To enable GET staff to begin preparing enrollment materials for the 2005-06 enrollment period, residency requirements must be determined at the April GET committee meeting.

Washington is the only state that limits enrollment to Beneficiaries who are residents of the state. Most states allow the residency requirement to be met by either the Purchaser or the Beneficiary.

Staff Recommendation

Staff recommends that the GET Committee establish a residency policy whereby either the Purchaser or the Student Beneficiary of an account must be a resident of the state of Washington at the time of enrollment.

Guaranteed Education Tuition Program
Proposed FY 2006 Budget
 July 1, 2005 - June 30, 2006

	FY05 Approved	FY05 Est. Actual	FY06 Proposed
Budgeted Contract Sales	5,000	-	5,000
Actual Contract Sales	-	10,896	-
Total Contracts	49,217	55,113	60,113
Enrollment Fees per Contract	250,000	544,800	250,000
Administrative Fees in Unit Price	3,000,000	6,537,600	3,000,000 (1)
Projected Available Funds	3,250,000	7,082,400	3,250,000
Salaries & Benefits - 19.5 FTE	\$1,100,000	\$1,071,049	
Salaries & Benefits - 20.5 FTE			\$1,238,437 (2)
Goods & Services	862,500	468,815	568,813 (3)
Travel	45,000	20,000	25,000
Fulfillment Contract	2,500	0	0
Actuarial Contract	78,750	75,000	78,750
Marketing Contract	694,500	691,500	694,000 (4)
Records Administration Software Contract	250,000	172,509	270,000 (5)
Projected Expenses	\$3,033,250	\$2,498,873	\$2,875,000
<i>Funds Received In Excess of Budget - Increases Stabilization Reserve</i>		\$4,583,528	\$375,000

Notes:

- (1) Based on average expense component of \$3.00
- (2) Increase in allocation of HECB overhead due to GET's additional use of resources
- (3) Includes call center phone system upgrades
Includes additional rent and utilities resulting from reconfiguration of office space
Increase in allocation of HECB overhead due to GET's additional use of resources
- (4) Includes contracted annual increase of 5%
- (5) Includes scanning technology upgrades
Includes purchase of program enhancements paid on an hourly basis
Includes web site changes and enhancements
Includes annual maintenance contract

Actuarial Analysis and Price Adjustment for Enrollment Year 2005-06

April 19, 2005

Background

By statute, the Committee may set an annual unit price and adjust it annually, if necessary, for the actuarial soundness of the program. The Program has contracted with Milliman for actuarial services.

At the April 20, 2004 Committee Meeting, the Committee approved setting the interim unit price for May 1 – August 31, 2003 at \$61. At the August 1, 2004 Committee Meeting, the Committee approved leaving the unit price unchanged at \$61 for the 2004-05 enrollment period (through April 30, 2005).

The current unit price for the 2004-05 enrollment period was set at \$61 and was based on the following assumptions:

- *Tuition would go up no more than an average of 7% in future years.*
- *Expected long-term investment returns would be 7.00%.*

Current Information

A pricing model prepared by Milliman and based on information available through February 28, 2005, is attached to assist the Committee in setting an interim price for units to be sold from May 1 – August 30, 2005. Unit sales for the month of March and those processed in April are only considered based on their impact to the actuarial reserve of the program.

The pricing model shows unit price recommendations based on building a stabilization reserve at the rates of 5%, 7.5% and 10%.

Recommendation

The attached actuarial analysis, based on expected increases in tuition of 7% in future years, and Washington State Investment Board's expected investment returns at 6.55%, supports a staff recommendation of adjusting the unit price to \$66 from May 1, 2005 through August 31, 2005 and to \$68 from September 1, 2005 through April 30, 2006. This will provide a 10% stabilization reserve for each new unit sold.

Staff recommends this two-tiered pricing approach. These prices would be in effect unless there is an unexpected change in any of the assumptions used in the pricing model. Should any assumptions change, the Committee would meet on August 2, 2005 to determine whether an adjustment to the price will be needed for the 2005-06 enrollment year.

Washington Guaranteed Education Tuition Program
Interim Estimate of Stabilization Reserve as of February 28, 2005 and March 31, 2005
(amounts in millions)

	Units Sold <u>thru 2/28</u>	Rough Estimate Units Sold <u>in March</u>	Estimated Total at <u>3/31/2005</u>
Estimated Present Value of the Obligation	\$514	\$48	\$562
Total Assets (Unaudited)	\$558	\$51	\$604
Estimated Stabilization Reserve	\$44	\$3	\$42
Estimated Reserve as a % of Obligations	8.6%	5.3%	7.4%

Assumptions:

Tuition Increases	
Fall 2005	7.00%
Fall 2006 and later	7.00%
Investment Return	6.55%
Inflation	2.50%
Highest Tuition: 2004-2005	\$5,154
Annual Contract Expense	\$16.72
Payout Expense	\$11.15
Purchase Expense	\$1.35
Avg Date of Tuition Payment	December 15
Approximate Units Sold in March 2005	835,945
Approximate Asset Return in March 2005	(1.00)%

In performing this analysis, we relied on data and other information provided by the Washington Guaranteed Education Tuition Program. We have not audited or verified this data and other information. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete.

We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have not found material defects in the data. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of our assignment.

Differences between our projections and actual amounts depend on the extent to which future experience conforms to the assumptions made for this analysis. It is certain that actual experience will not conform exactly to the assumptions used in this analysis. Actual amounts will differ from projected amounts to the extent that actual experience deviates from expected experience.

Washington Guaranteed Education Tuition Program

Alternative Unit Prices for May through August, 2005 and September 2005 through April 2006

Stabilization Reserve	Age Distribution 1998-2005*	Age Distribution 2003-2004*	Age Distribution 2004-2005*	Staff Recommendation
	<u>May through August 2005</u>			
5.0%	\$62.57	\$62.66	\$62.84	\$63.00
7.5%	\$64.06	\$64.15	\$64.34	\$64.00
10.0%	\$65.55	\$65.64	\$65.83	\$66.00
	<u>September 2005 through April 2006</u>			
5.0%	\$64.92	\$65.01	\$65.20	\$65.00
7.5%	\$66.47	\$66.56	\$66.75	\$67.00
10.0%	\$68.01	\$68.11	\$68.30	\$68.00
	<u>May 2005 through April 2006</u>			
5.0%	\$64.80	\$64.89	\$65.08	\$65.00
7.5%	\$66.35	\$66.44	\$66.63	\$67.00
10.0%	\$67.89	\$67.99	\$68.18	\$68.00

Assumptions:

Tuition Increases		GET 2005-2006	
Fall 2005	7.00%	Budget	\$3,100,000
Fall 2006 and later	7.00%	New Contracts	5,000
Investment Return	6.55%	Total Units	1,000,000
Inflation	2.50%	Avg Date of Unit Purchase	
Highest Tuition: 2004-2005	\$5,154	for May to August	August 15
Annual Contract Expense	\$16.72	for Sept to April	March 15
Payout Expense	\$11.15	Avg Date of Tuition Payment	
Purchase Expense	\$1.35		December 15
Enrollment Fee	\$50.00	Percentage of unit sales in May-Aug period	5%

*See attached exhibit.

In performing this analysis, we relied on data and other information provided by the Washington Guaranteed Education Tuition Program. We have not audited or verified this data and other information. If the underlying data or information is inaccurate or incomplete.

We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have not found material defects in the data. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of our assignment.

Differences between our projections and actual amounts depend on the extent to which future experience conforms to the assumptions made for this analysis. It is certain that actual experience will not conform exactly to the assumptions used in this analysis. Actual amounts will differ from projected amounts to the extent that actual experience deviates from expected experience.

Washington Guaranteed Education Tuition Program

Distributions of Units Sold by Years Until Matriculation

<u>Years to Matriculation</u>	<u>Units Sold from Inception through February 2005</u>	<u>Units Sold from July 2003 through June 2004</u>	<u>Units Sold from July 2004 through February 2005</u>
2	0.82%	0.21%	0.14%
3	7.56%	6.83%	5.54%
4	5.38%	4.77%	4.37%
5	6.45%	6.73%	5.12%
6	6.90%	6.13%	6.67%
7	7.21%	7.24%	5.71%
8	6.82%	7.13%	7.20%
9	6.89%	7.02%	5.98%
10	6.53%	6.37%	6.66%
11	6.87%	6.42%	6.69%
12	5.68%	5.60%	5.92%
13	5.26%	5.76%	5.30%
14	5.62%	6.01%	6.03%
15	4.70%	5.03%	4.87%
16	4.63%	4.92%	5.04%
17	4.57%	5.26%	6.15%
18	8.11%	8.56%	12.61%
Average Years to Matriculation	10.11	10.40	11.01

Washington Guaranteed Education Tuition Program

Comparison of Unit Prices for Fall 1998 through Spring 2005

GET Staff Recommendation

Investment Policy:	Fall/Spring*	Summer	Fall/Spring	Summer	2003	2002	2001	2000	1999	1998
	2005-6	2005	2004-5	2004	2003	2002	2001	2000	1999	1998
	60% Stocks 40% Bonds	60% Stocks 40% Bonds	60% Stocks 40% Bonds	60% Stocks 40% Bonds	60% Stocks 40% Bonds	50% Stocks 50% Bonds	50% Stocks 50% Bonds	50% Stocks 50% Bonds	50% Stocks 50% Bonds	50% Stocks 50% Bonds
<u>Components:</u>										
Tuition	\$ 58.98	\$ 56.85	\$ 54.58	\$ 50.72	\$ 48.32	\$ 42.76	\$ 36.96	\$ 34.46	\$ 33.36	\$ 30.80
Expenses	2.85	2.74	3.06	2.92	2.30	3.28	2.93	3.20	2.14	1.80
Subtotal	\$ 61.83	\$ 59.59	\$ 57.64	\$ 53.64	\$ 50.62	\$ 46.04	\$ 39.89	\$ 37.66	\$ 35.50	\$ 32.60
Stabilization Reserve	6.17	6.41	3.36	7.36	6.38	5.96	2.11	3.34	2.50	2.40
Total	\$ 68.00	\$ 66.00	\$ 61.00	\$ 61.00	\$ 57.00	\$ 52.00	\$ 42.00	\$ 41.00	\$ 38.00	\$ 35.00
Unit Price as % of tuition	123.3%	119.7%	118.4%	117.9%	117.9%	115.0%	105.4%	112.6%	107.9%	103.6%
<u>Assumptions:</u>										
Tuition Increases										
Year 1:	7.00%	7.00%	7.00%	7.00%	7.00%	8.00%	6.75%	6.75%	6.75%	6.75%
Year 2:	7.00%	7.00%	7.00%	7.00%	6.75%	8.00%	6.75%	6.75%	6.75%	6.75%
Thereafter:	7.00%	7.00%	7.00%	7.00%	6.75%	6.60%	6.75%	6.75%	6.75%	6.75%
Investment Returns	6.55%	6.55%	6.60%	7.00%	7.00%	7.50%	7.50%	7.50%	7.50%	7.50%
Stabilization Reserve	9.98%	10.75%	5.80%	13.70%	12.62%	12.96%	5.29%	8.86%	7.10%	7.10%
Highest WA Tuition	\$ 5,515	\$ 5,515	\$ 5,154	\$ 5,175	\$ 4,836	\$ 4,520	\$ 3,898	\$ 3,641	\$ 3,521	\$ 3,378
Annual Contract Expense	\$ 16.72	\$ 16.72	\$ 16.39	\$ 16.39	\$ 15.84	\$ 11.04	\$ 15.00	\$ 10.25	\$ 14.30	\$ 5.00
Payout Expense	\$ 11.15	\$ 11.15	\$ 10.93	\$ 10.93	\$ 10.56	\$ 17.66	\$ 10.00	\$ 16.40	\$ 16.00	\$ 13.50
Purchase Expense	\$ 1.35	\$ 1.35	\$ 1.33	\$ 1.33	\$ 1.29	\$ 1.91	\$ 1.26	\$ 1.78	\$ 1.73	\$ 0.50
Enrollment Fee	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00
GET Budget	\$3.1 Mil	\$3.1 Mil	\$3.1 Mil	\$3.1 Mil	\$3.5 Mil	\$2.6 Mil	\$2.1 Mil	\$1.8 Mil	\$1.6 Mil	\$1.6 Mil
New Contracts	5,000	5,000	5,000	5,000	5,000	4,000	4,000	3,000	4,500	10,000
Total Units	1.0 Mil	1.0 Mil	1.0 Mil	1.0 Mil	1.5 Mil	0.8 Mil	0.8 Mil	0.6 Mil	1.0 Mil	1.0 Mil
Avg Date of Unit Purchase	Mar 15	Aug 15	Mar 1	Aug 15	Mar 31	Mar 31	Mar 31	Mar 31	Mar 31	Sept 30
Age Distribution	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Based on
	1998-2005	1998-2005	1998-2004	1998-2003	1998-2003	1998-2002	1998-2001	1998-2000	1998-1999	Ohio Sales

*The recommended single price for May 2005 through April 2006 is also \$68.00. There would be slight but immaterial changes in the components of the unit price.