



July 14, 2015

Dear GET Customers,

Yesterday afternoon the GET Committee met for the first time since the close of the 2015 legislative session and the passing of the College Affordability Act, which lowers the cost of tuition at Washington's public colleges and universities. The Committee took its first steps in reviewing the legislation and developing a plan for responding to all of the components of the Act. At the meeting Committee members spent time listening to comments from customers and evaluating the requirements of the program moving forward.

After a period of discussion, the Committee agreed that it was best to develop a more comprehensive understanding of the variety of options in response to lower tuition rather than moving ahead with any action at the July meeting. At two upcoming meetings this summer, the GET Committee will be reviewing and considering action on a number of issues, including: refunds, waiving penalties and fees, implementation of the legislatively mandated feasibility study, future pricing and actuarial studies, as well as plans for any upcoming enrollment periods.

Dates and times for the upcoming meetings are as follows:

Tuesday, August 18

1 p.m. to 4 p.m.

Cherberg Building, Capitol Campus, Olympia

Senate Hearing Room 4

Tuesday, September 1

2 p.m. to 4 p.m.

Cherberg Building, Capitol Campus, Olympia

Senate Hearing Room 1

In the meantime, if you have comments, concerns, or ideas you would like to share with the committee, we would encourage you to click on the link below and complete our short survey. Your constructive input is important to us. The Committee will review and consider your feedback in the process.

<http://www.surveygizmo.com/s3/2235368/GET-Customer-Feedback-Tuition-Reduction>

We appreciate your patience and understanding as the GET Committee works through all of these significant decisions. Please know that the Committee's number one priority is the best interests of our customers. This priority necessitates that thoughtful, professional, and well-grounded decisions are made on your behalf.

As information and more details become available, we will be sure to share updates with you.

Sincerely,

Betty Lochner

GET Director



## **Information from Our Previous Update on June 30, 2015:**

### **What does lower tuition mean for students today?**

- This historic event will make college more affordable and accessible for more Washington families and current students.
- More specifically, tuition will be reduced at the state's two research institutions (UW & WSU) by five percent in the 2015-16 academic year and by another ten percent in the 2016-17 academic year for a total two year reduction of 15 percent. This is important because these are the two institutions for which GET's payout value is based upon.
- In addition to the tuition reductions noted above, the College Affordability Act also reduces tuition by 20% over the next two years at the state's regional institutions (CWU, EWU, WWU and The Evergreen State College) and 5% in 2015-16 academic year at the state's community and technical colleges.
- The legislation goes on to say that beginning in the 2017-18 academic year, tuition operating fees for resident undergraduates at community and technical colleges, may increase by no more than the state's average annual growth rate in median hourly wage as determined by the Federal Bureau of Labor Statistics.

### **How will this impact my student if they are needing to use their units in the next two years?**

- In response to lower tuition, the legislation states that for the 2015-16 and 2016-17 academic years, the GET Committee shall set the payout value for units redeemed at the 2014-15 rate of \$117.82 per unit.

### **What happens to the value of my account if I am not going to use my units in the next two years? Will I lose money?**

- Beginning in the 2017-18 academic year, the GET Committee is required to make the necessary program adjustments to ensure GET customer accounts are not decreased or diluted as a result of lower tuition. This may include a cash refund, additional units, a minimum payout value, or another solution that is deemed appropriate. Part of a feasibility study the program will be conducting during the next 18 months is to develop a resolution to this issue.

### **What is the GET Committee going to do about the future of the program?**

- By December 1, 2016, the legislation calls for the GET Committee to review and report to the legislative fiscal and higher education committees on the following:
  - The impact of reducing tuition on the funded status of GET and future unit prices;
  - The feasibility of establishing a traditional 529 college savings program;
  - Alternatives of linking GET to tuition and fees and linking GET to a cost of attendance metric;
  - And the current state penalty for nonqualified withdrawals
- Details regarding next steps for the GET program will be discussed at the [GET Committee meeting](#) on Monday, July 13 from 2 to 4 p.m. at Senate Hearing Room 3 on the Capitol Campus in Olympia. As information becomes available, updates will be shared on the [GET website](#).



**Does the two year freeze in payout also mean a two year freeze in unit cost? Does this mean the current unit cost is now calibrated to a tuition cost 15% less than today?**

- These are good questions and issues the GET Committee will be addressing. The Committee will be meeting on Monday, July 13 to begin conversations around future unit pricing; however, a great deal of analysis will need to be done by the State Actuary and other financial experts before any future pricing formulas will be considered.