

SENATE BILL REPORT

SB 5636

As of February 20, 2015

Title: An act relating to the GET ready for college program.

Brief Description: Establishing the GET ready for college program.

Sponsors: Senators Hasegawa, Kohl-Welles, Chase, Keiser and McAuliffe.

Brief History:

Committee Activity: Higher Education: 2/19/15.

SENATE COMMITTEE ON HIGHER EDUCATION

Staff: Kimberly Cushing (786-7421)

Background: Washington's Guaranteed Education Tuition (GET) Program is a 529 prepaid college tuition plan established in 1997. The GET Program allows purchasers to prepay for tuition units that will be used at a later date. The state guarantees that 100 GET units will cover one year of resident undergraduate tuition and state-mandated fees at the most expensive Washington public university. GET units do not cover institutionally mandated fees that may be required at each individual school.

The current unit price is \$172. Unit purchase price is based on an actuarial formula that includes current cost of tuition, estimated future tuitions, inflation, investment returns and administrative costs, and the need for a reserve to assist in periods of fluctuating returns or higher-than-average tuition.

The Office of Student Financial Assistance, within the Washington Student Achievement Council (WSAC), currently administers the GET Program, while the State Investment Board oversees its investments.

Summary of Bill: The Legislature finds that education is the single most important investment a state can make to ensure that it remains globally competitive. The Legislature further finds that early investment in a student can make the difference in the student's aspiration and commitment. Saving for college is one way to ensure that financial obstacles will not prevent a child from attending college.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The GET Ready for College Program is established. Subject to funds appropriated for this specific purpose, WSAC must pay the \$50 enrollment fee to open a GET account on behalf of every child born after the effect date of the bill who is (1) born in Washington, or (2) subsequently moves to Washington and enrolls in a public school if one or both of the child's parents have maintained a bona fide domicile in Washington for at least one year.

Once parents and guardians of children born in Washington enroll the child, open an account, and purchase at least one GET unit for the child, additional GET units will be deposited into the account as follows:

1. upon entry into kindergarten, 10 units;
2. upon completion of fourth grade statewide academic assessments, 20 units. The child does not need to meet the state standard to receive the units;
3. upon completion of the fifth grade, 30 units;
4. upon completion of the eighth grade, 40 units;
5. upon completion of the ninth grade, 15 units;
6. upon completion of the tenth grade, 15 units;
7. upon completion of the eleventh grade, 20 units; and
8. upon graduation from a Washington public high school, 50 units.

WSAC must develop a process for establishing the accounts, establish rules for implementation, engage in outreach and informational efforts, accept grants and donations, and develop necessary forms. The Office of Superintendent of Public Instruction must enter into necessary data-sharing agreements with WSAC. The GET Ready for College Program Account is created in the custody of the State Treasurer into which WSAC must deposit all monies received from state appropriations and private sources.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This is a conceptual bill that opens the conversation about dealing with postsecondary obstacles. How do you pay for postsecondary education? Many families have no concept of what it means to save for college. This bill opens a GET account for a child and populates that account. Take advantage of the State Investment Board's power to help subsidize a K–14 system rather than just K–12.

Persons Testifying: PRO: Senator Hasegawa, prime sponsor.