
Higher Education Committee

HB 1907

Brief Description: Establishing the GET ready for college program.

Sponsors: Representatives Hasegawa, Moscoso, Reykdal, Seaquist, Santos, Probst and Kenney.

Brief Summary of Bill

- Establishes the GET Ready for College Program (Program) for the purpose of encouraging and furthering student aspirations and participation in apprenticeship programs, colleges, and universities.
- Provides that the Program will pay the enrollment fee and deposit up to 100 Guaranteed Education Tuition (GET) units for each child born in Washington.

Hearing Date: 3/24/11

Staff: Cece Clynych (786-7195).

Background:

Most states have a form of a "529 Plan" operated by the state or an educational institution. These plans are designed to help families set aside funds for future college costs. They are named after section 529 of the United States Internal Revenue Code which created these types of savings plans in 1996, and which allows for tax-free growth and withdrawals as long as the funds are used for qualified educational expenses. Washington's Guaranteed Education Tuition (GET) Program was created in 1998 as Washington's prepaid college tuition program.

The GET Program allows purchasers to buy tuition units at current prices for use at a later date. Between one and 500 units per child can be purchased. The monies paid by purchasers are invested by the State Investment Board, and purchasers are guaranteed that one year's worth of units purchased today will be worth one year's worth of public university tuition in the future.

The Higher Education Coordinating Board (HECB) administers the GET Program while the State Investment Board oversees its investments. A five-member committee establishes the

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policies of the program and sets the price of the GET unit, currently \$117. GET accounts can be used at nearly any public or private college in the country. Since GET began in 1998, more than 119,000 accounts have been opened and 16,500 students have used their GET accounts in all 50 states.

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, and that outreach efforts must occur early and often if policymakers want to increase participation in apprenticeship programs, colleges, and universities.

The GET Ready for College Program (Program) is established. Subject to funds appropriated for this specific purpose, the HECB is directed to pay the \$50 enrollment fee to open a GET account on behalf of every child born in the state after the effective date of the bill. 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, five units;
2. Upon completion of fourth grade statewide academic assessments, 10 units. The child does not need to meet the state standard to receive the units;
3. Upon completion of the fifth grade, 15 units;
4. Upon completion of the eighth grade, 20 units; and
5. Upon graduation from a Washington public high school, 50 units.

The HECB 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 GET Ready for College Program Account is created in the custody of the State Treasurer into which the HECB must deposit all monies received from state appropriations and private sources.

Appropriation: None.

Fiscal Note: Requested on February 10, 2011.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.