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## Higher Education Committee

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### HB 1556

**Brief Description:** Strengthening the Washington advanced college tuition payment program by setting new requirements on the purchase and use of tuition units.

**Sponsors:** Representatives Hargrove, Walkinshaw, Zeiger, Pollet, Van Werven, Bergquist, Ortiz-Self and Parker.

#### Brief Summary of Bill

- Sets the minimum limit on the number of tuition units that may be purchased on behalf of any one beneficiary to 800 units.
- Sets minimum limits on the number of units that may be used in one year to up to 25 percent for a beneficiary with more than 500 units.

**Hearing Date:** 2/4/15

**Staff:** Megan Wargacki (786-7194).

#### Background:

In 1998, the Washington Advanced College Tuition Payment Program, known as the GET Program, was established as Washington's 529 prepaid college tuition plan. The GET Program was started to help families with young children save for future higher education expenses by guaranteeing that the value of the families' accounts will keep pace with the cost of college tuition. Since 1998, over 157,000 GET accounts have been opened, and over 38,000 students have used their accounts to attend colleges, universities, and technical schools nationwide.

The governing body of the GET Program has the authority to determine many of the specifics of the program, including:

- the cost of a tuition unit;
- the number of units necessary to pay for a full-year's worth of full-time undergraduate tuition and fees at a state institution of higher education;

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- any limit on the number of units purchased by one purchaser or on behalf of one beneficiary; and
- reasonable limits on the number of units that may be used in one year.

The governing body allows GET units to be purchased in whole or partial amounts, from one to 500 units per student, and allows up to 125 units to be used each academic year.

**Summary of Bill:**

The governing body of the GET Program is prohibited from setting the limit for tuition units purchased on behalf of any one beneficiary at less than 800 units. When determining reasonable limits on the number of units that may be used in one year, the governing body must include that:

- a beneficiary with 500 units or fewer must be allowed to use at least 125 units per year; and
- a beneficiary with more than five hundred units must be allowed to use up to 25 percent of the beneficiary's high unit balance per year.

**Appropriation:** None.

**Fiscal Note:** Available.

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