

Mission

GET serves Washington families by offering a way to save for college tuition.



2012 Annual Report

October 1, 2011 through
September 30, 2012

2012 Highlights*

144,492 Total number of GET accounts opened since the program began

5.9 million Total number of Custom Monthly units purchased

18.8 million Total number of Lump Sum units purchased

\$1.9 billion Total amount of contract-related payments received

27,844 Total number of student accounts that have been used to attend college

9,611 New accounts opened in the 2011-12 enrollment year

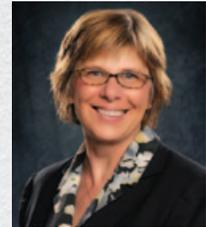
943,718 New units purchased in the 2011-12 enrollment year



*As of September 30, 2012 unless otherwise noted. The enrollment year dates were November 1, 2011– May 31, 2012 with newborn enrollments accepted year-round.

Message from the Director

It's our 15th year and how we have grown! I can personally recall GET's early days, with a staff of four and no online enrollments. Today we're the second largest, fastest-growing prepaid plan in the country, both in number of participants and assets under management. We've opened 145,000 accounts, manage a trust fund of \$2.1 billion, and are viewed as a technology leader among 529 plans nationwide. Already, nearly 30,000 of those accounts have been used to help students attend colleges, universities and technical schools in all fifty states and, remarkably, fourteen foreign countries. Washington families clearly believe in the GET program, value this unique opportunity and are committed to saving for their children's education.



This past year was not without challenges. With ongoing budget constraints, our Legislature struggled with how to fund higher education. Differential tuition might help universities meet the higher costs of certain majors, yet matching concerns surfaced over how that higher payout value would affect GET. It's important to remember that the changes being discussed do not affect customers already enrolled in the program. GET is currently guaranteed by state law to cover the highest resident, undergraduate tuition charged at a Washington public university.

This guarantee remains the cornerstone of our GET program. GET's tax-free long-term gains and steady increases in value are what set us apart from other savings options. Although record tuition growth and lower investment returns have taken their toll over the past few years, our unit price is carefully constructed in a way that assures stability for the program.

We're thankful that GET continues to provide a foundation for college savings. It works exceptionally well for families with younger children. As always, I encourage you to set aside whatever you can for your child's or grandchild's higher education. Start as soon as you can. Let them know you believe in them and are saving to support their success.

Betty Lochner
Director, GET Program
National Vice Chair, College Savings Plan Network

New enrollment year and marketing

For the first time, GET's enrollment year was scheduled from November 1 to May 31. The change was made to allow enrollment and unit price-setting dates to follow more closely the actual tuition-setting schedules of Washington's top public universities. Television and radio ads ran statewide with the second year of GET's campaign, "Your children are growing fast. College tuition is growing faster." Marketing reached out to a younger demographic by participating in more online and social media than in previous years. A summer photo session with local GET children and their families provided new photographs for print and online publications. Advertising continued in both print and online daily, weekly and parenting publications, enhanced by partnerships with parenting and educational organizations, participation in trade shows and group presentations.

**Your children are growing fast.
College tuition is growing faster.**

Fortunately there's GET, Washington's Guaranteed Education Tuition college savings program.

Washington's 529 Prepaid College Tuition Plan

- ▶ State guarantee
- ▶ Flexible plans
- ▶ Choice of colleges nationwide
- ▶ Tax-free savings and withdrawals

GET is guaranteed to keep up with the rising cost of tuition, and it can be used anywhere in the country. Learn the facts and enroll today at get.wa.gov. Because the sooner you enroll, the more you'll save.

Enroll November 1 – May 31
Year-round enrollment for newborns

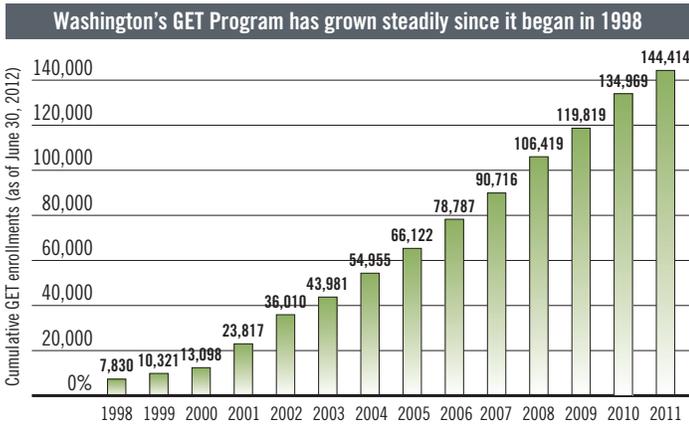
GET
Guaranteed Education Tuition™
Key tomorrow's college tuition today.

Washington State's 529 Prepaid College Tuition Program

Get started today. Visit get.wa.gov or call 1.800.955.2318

Enrollment growth

The number of new accounts in the 2011-2012 enrollment year reached 9,611. Washington's Guaranteed Education Tuition (GET) Program has grown steadily since it began in 1998.



The account owner today is still typically the parent (80%), but non-parent relatives open 14% of new accounts. The average age of a student beneficiary at account opening was younger this past year (6.8 years) than in all but one enrollment year in the program's history. Demographics show that 67% of account owners have obtained a bachelor's, graduate or doctorate degree; another 14% have an associate's degree, certification or partial college background.

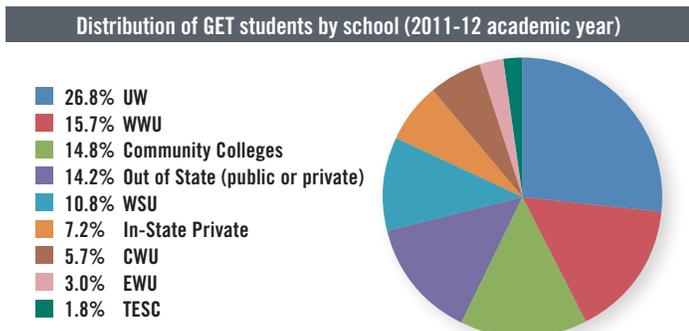
GET's Web site, www.get.wa.gov, remains the primary point of contact for both new and returning customers. The site had 183,695 unique visitors in the 2011-12 enrollment year, averaging 1232 visits per day. The percentage of new visits increased 11.5% over the previous year. In 2011-12, 93% enrolled in GET online, with just over 40% saying they heard about the program from a friend or relative.

Contributions in units purchased

During the 2011-2012 enrollment year, 943,718 units were purchased, either in Lump Sum or through a Custom Monthly Plan. This translates to an average of 98 units purchased per new account. The average GET account currently holds less than 200 units. Between July 2011 and June 2012, GET initiated 460 incoming rollover transfers from other college savings plans. Refunds decreased to .27% compared to new revenue, with customers claiming personal financial hardship as the predominant reason.

Distributions for student enrollment

There have been 27,844 GET accounts used for students attending colleges and universities in all 50 states and fourteen foreign



countries. Since inception, \$358 million has been distributed on behalf of GET student beneficiaries, either directly to colleges and universities, or as reimbursements for qualified expenses.

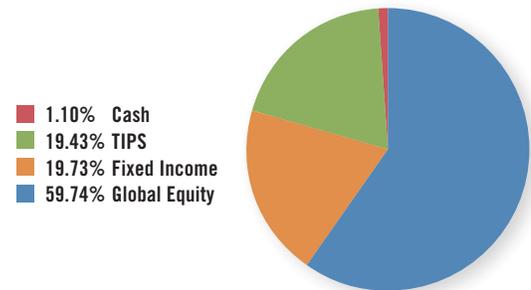
Asset management

Washington's GET trust fund is managed by the Washington State Investment Board (WSIB). Valued at over \$2.1 billion, the WSIB has invested all GET funds in a diversified portfolio of federal bonds (Treasury Inflation Protection Securities or TIPS) as well as US and international indexed equity funds. In 2011, a new fixed income category was added to the allocation.

The WSIB's current asset allocation model has approximately 20% in federal bonds (TIPS), 20% in fixed income corporate bonds, and 60% in a global equity fund which consists of both international and US equity indexed funds. For cash flow and expenses, a small amount is also kept in cash.

Portfolio size, allocation and performance as of September 30, 2012

Cash	\$23,332,092
Treasury Inflation Index Note (TIPS).....	\$410,487,846
Fixed Income.....	\$416,853,062
Global Equity.....	\$1,262,173,503
Total.....	\$2,112,846,503



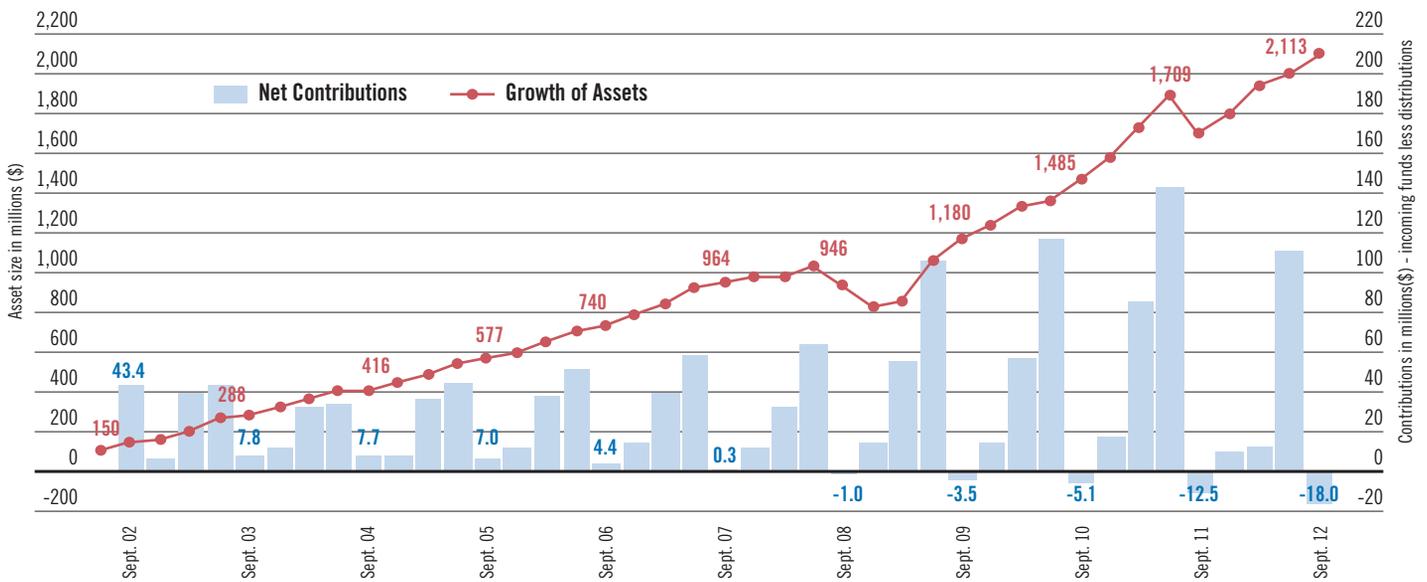
This strategy provides for the greatest amount of diversification at both low risk and low cost. Administrative costs are kept as low as possible and unit prices include an amount to maintain a reserve fund. Proposed tuition increases are monitored closely, as are events related to other plans across the country.

Quarterly investment reports for the GET trust fund may be viewed at <http://www.sib.wa.gov/financial/pdfs/getperformance.pdf>

Portfolio performance as of September 30, 2012

Investment Returns	1 year	5 year	10 year
TIPS	10.13%	8.54%	7.04%
Fixed Income	8.40%	NA	NA
Global Equity	21.36%	-1.04%	8.58%
TOTAL	16.25%	2.95%	8.09%

Assets under management



Unit price and payout value decisions

The payout value established for the 2012-13 academic year is \$117.82/unit. The payout value of each GET unit is always equal to 1/100th of the actual resident, undergraduate tuition and state-mandated fees at Washington’s most expensive public university. The cost to purchase a unit is higher than the current payout value because the state guarantees that GET accounts will always keep pace with tuition whenever the student enters college, regardless of the increase. Tuition is still projected to be significantly higher in future years.

Setting a realistic, thoroughly researched unit price is key to maintaining the financial stability of GET, which is a self-sustaining program. The current unit price is \$172/unit. The GET Committee sets the unit price annually, based on projected tuition costs and investment returns, administrative expenses, and a stabilization reserve. Reduced state support for higher education, plus a change in policy to allow institutional tuition-setting authority, have caused four years of double-digit tuition increases at Washington public universities. GET’s unit price includes an amortization of losses caused by these years of unexpected high tuition growth.

GET Unit Pricing	
Expected tuition cost	\$127.66
Admin. Expenses	\$5.33
Reserve	\$19.95
Amortization	\$19.73
TOTAL UNIT PRICE*	\$172.00

New Washington Student Achievement Council formed

The Washington Student Achievement Council was created by HB 2483 effective July 1, 2012, eliminating the Higher Education Coordinating Board and transferring most of the former agency’s responsibilities and staff to the new cabinet-level agency. The new council will continue to administer GET and state financial aid programs, and provide planning, analysis and administrative oversight for a wide range of activities related to public and private higher education. The primary goal for the Washington Student Achievement Council is to raise educational

attainment in Washington. The Council will also develop more effective policies to improve student transition to higher education.

GET and Differential Tuition Policy

In 2012, an amendment was added to RCW 95.15.067, which granted Washington universities the authority to establish different tuition rates for selected majors or programs of study. The amendment (HB 2127) directed GET’s Legislative Advisory Committee to review the potential impact of differential tuition rates on GET’s funded status and future unit pricing. The committee was asked to make a recommendation on how differential tuition should be addressed in order to maintain the program’s ongoing solvency.

While differential tuition may improve revenue for our state universities, the higher rate at our most expensive public university would affect the payout value for all GET accounts and would be difficult to sustain under GET’s current pricing model.

Paperless

Going “Paperless” helps to keep GET administrative costs low. Some account processes will still need to be notarized, but many are being converted either to online forms, postcards or email notifications. In addition to the savings on postage and letterhead, staff time is greatly reduced. At this time 93% of GET customers participate in paperless communications. The alternative option may be requested online by logging in to your account and selecting “Email Communications Center” or by calling Customer Service.



*Unit price is always rounded to the whole dollar amount.

Key Deadlines

Next enrollment year's unit price may not be determined until mid-summer. We will alert Account Owners by email and post the new price on our Web site as soon as it is known, which will likely be after the July 1, 2013 unit purchase deadline. Please plan accordingly, and watch for the deadlines below.

Buying units

May 31 • Open a new account

Log in to your account, click on "Online Enrollment" and then "Open a New GET Account." Or download an enrollment form from our Web site. We can also mail one to you upon request.

Add a Custom Monthly Plan to your existing Lump Sum Plan

Download an Account Change Request form from our Web site, or give us a call for more details.

July 1 • Buy more units before the price goes up

To add more Lump Sum units to any existing account, just make an electronic payment or mail us a check or money order with your payment coupon. To buy units at the current price of \$172, we must receive your payment by July 1. If we receive your payment after July 1, you'll pay the unit price in effect on July 2.

Using units

Early 2013

If your student is expected to attend college in the 2013-14 academic year, we encourage you to complete the Free Application for Federal Student Aid (FAFSA) as soon as possible to be eligible for the most aid.

August 1

Beginning August 1, you can log in to your account and click on "Using Units" to (1) make a payment directly to your student's school, or (2) request reimbursement for expenses you've already paid.



Please let us know right away if your address, telephone number, email address or other account-related information changes so we can contact you if necessary. As always, your account safety is a top priority and we never share your personal information with anyone.



Save for college with GET

www.get.wa.gov

Telephone: 1.800.955.2318 (toll-free) • Email: GETInfo@wsac.wa.gov

GET Committee

The Committee on Advanced Tuition Payment, commonly referred to as the GET Committee, governs the program. The GET Committee is responsible for setting policies and pricing and monitoring investments.

Don Bennett, Chair, *Executive Director, Washington Student Achievement Council*

James L. McIntire, *State Treasurer*

David Schumacher, *Director, Office of Financial Management*

Beth Stecher Berendt, *Citizen Representative*

Mooi Lien Wong, *Citizen Representative*

GET Administration

The Washington Student Achievement Council administers the GET Program while the Washington State Investment Board oversees its investments.

Betty Lochner, *GET Director*

Betsy Hagen, *Associate Director for GET Administrative Services*

Larry Lee, *Associate Director for GET Policy & Planning*

Susan Martensen, *Associate Director for GET Marketing and Communications*

Questions? Contact us.

Email: GETInfo@wsac.wa.gov • Phone: 1.800.955.2318 (toll-free) or 360.753.7803 (Olympia)
Weekdays from 8 am to 5 pm, excluding state holidays

Mailing Addresses:

For enrollment forms and payments only • GET Program, PO Box 84824, Seattle, WA 98124-6124

For correspondence • GET Program, PO Box 43450, Olympia, WA 98504-3450

Office Location: *In-person visits only – no mail delivery at this address (FedEx/UPS accepted).*
919 Lakeridge Way SW, Olympia, WA 98502

**Washington Student
Achievement Council**



Washington State's
529 Prepaid College
Tuition Program

The Washington Student Achievement Council administers the GET Program while the Washington State Investment Board oversees its investments. The Committee on Advanced Tuition Payment, commonly referred to as the GET Committee, governs the program.

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