



Legislative Advisory Committee to
the Advance Tuition Payment
Committee

Staff Presentation

January 10, 2014



Agenda

- Review of GET program options and considerations (Staff)
- Review of differential tuition options (Staff)
- Comparison between FY 2012 and FY 2013 of the GET funded status (Office of the State Actuary)
- Discussion



GET Program Options

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- Terminate GET
- Close GET to new participants
- Continue re-pricing GET units including an amortization of the deficit
- Create GET 2 with a different payout value



GET 2 Considerations

- The unfunded liability in GET 1 remains.
- Any changes made impact only future contract holders.
- Specific changes will need to be identified:
 - Payout value
 - Definitional changes
 - Length of time for use of credits
 - Refund process and amounts etc...



Previously considered GET 2 Option (2011)

- **Redefined “tuition and fees”** to include operating and building fees but not service and activity fees.
- **Redefined the payout value** as the price of tuition and fees at the time of purchase multiplied by a weighted average percent increase in tuition and fees at all state colleges.
- **Shortened the length of time for use** from 10 to 6 years.
- **Modified refund amounts** from the current value of all units held to the lesser of 1) the value of contributions plus actual interest earned, or 2) the newly redefined payout value.



Differential Tuition Options

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- Allow full differential tuition to go into effect
- Allow conditional differential tuition to go into effect
- Continue to suspend differential tuition setting authority
- Revoke differential tuition setting authority

Differential Tuition Options

	Option	Institutional Flexibility	Impact of DT on Unfunded Liability*	Impact on Tuition Unit Value
A	Allow DT	High	Increased	Increased
B	Allow DT, but require institutions to exempt (via waiver) charges above the base	High	Increased, but paid via tuition waiver rather than cash from GET Account	Increased
C	Allow DT with a Cap	Medium	Increased	Increased
D	Only for institutions that are not the basis for determining the value of a GET unit	High for all but institution that drives GET unit price	None	None
E	Clarify in statute that DT is not considered part of tuition (<i>AAG findings are that this would still be considered tuition</i>)	High	Increased	Increased

Differential Tuition Options

	Option	Institutional Flexibility	Impact of DT on Unfunded Liability*	Impact on Tuition Unit Value
F	Make DT a program fee separate from tuition <i>(AAG findings are that this would still be considered tuition)</i>	High	Increased	Increased
G	Disallow DT for resident undergraduate students <i>(repeal effects of E2SHB 1795)</i>	Medium Low	None	None
H	Disallow all authority to charge DT	Low	None	None
I	Require institutions that charge DT to remit a portion of DT revenue to the GET account	High	Increased, but the revenue remitted would offset some of the costs to the GET Account	Increased