Editor's note: This is the text of the email written by Michael Bennion. It has been edited slightly to exclude some extraneous and identifying information.

I'm writing to you to share my unfortunate experience as GET Associate Director for Fiscal Planning. My tenure with that title comes to an unceremoniously official end this Friday and my reasons for writing to you are several, but particularly to posit:

a)   For over 15 years since it's inception, the GET Program has never properly recorded the administrative fee revenue its charged and has overcharged its unit purchasers with an inflated tuition unit price and other unnecessarily high administrative fees.

b)   Expenses associated with the development of the Washington College Savings Plan are well in excess of what is budgeted and to be paid for by deficit spending from the GET fund.

c)   Due to the high administrative fee fund balance (estimated at $40-$60 million) and in an effort to reduce it's balance, GET will begin this year to assume the fees collected will be set aside for the potential $25 million costs of a 10-year Program shutdown (previously not included and assumed to be the responsibility of a legislative appropriation).

d)   The politicized nature of the GET Program, particularly since Michael Meotti was named WSAC Executive Director, with Senator and Representative unit balances well known with GET and WSAC management and inferences to motives constantly questioned.

In addition to this long email (broken into sections based on a-d above), and to shed light on the GET Program's mismanagement of public funds, and the backlash I received for pointing it out and for suggesting unpopular remedies, I'm prepared to make myself available if requested to answer questions or testify. Or perhaps you'll find the below much ado about nothing.

I served at the pleasure of Betty Lochner, the Director of GET, though I was never permitted to fully do job for reasons that will become evident. The position was new and, for me, most attractively included:

- Lead and direct the program’s annual budget process

- Plan, develop, organize, implement, direct and evaluate the organization’s financial analysis, accounting, and reporting

I am a 2010 Evans School MPA graduate and have over 6 years of budget and fiscal analysis experience, including three with the Office of Program Research working for the Ways & Means Committee. My experience would be well served at GET so I took the position and for 10 months did all the requested and more and received positive evaluations.

The job came about as a result of internal feuding between the Executive leadership within the Student Achievement Council (WSAC), WSAC Finance and Accounting, and the GET Program. After failing to get the information the agency wanted in response to legislative requests regarding the impacts to GET from the College Affordability Program, and lacking anyone with budget/fiscal analysis for a $2 billion dollar fund and $5.2 million annual Program budget, the agency opened the position and in July 2016 I accepted.

a) Administrative Fee Revenue
I quickly became aware of a major issue facing the program and the administrative fee revenue it has collected from some 100,000 Washington residents who have purchased at least one GET tuition unit since 1998.

By way of short background, administrative fee revenue is intended to cover the annual operating expenses of the GET Program. There is a small assortment of administrative fees, the largest being the operating expense portion of a GET unit price (3-4% of a unit price, e.g. $5.93 per unit in 2014 vs $172 total unit price).

The Program has never properly recorded what it received in administrative fees because, as Betsy Hagen (GET Associate Director of Operations) would say time and time again, 'we've never been asked to' and ‘our previous data/recordkeeper vendor had the data’. Betsy (as her predecessor Larry Lee did) would recommend the GET per unit operating expense in one simple way each year and to my knowledge has since the Program’s inception – [GET allotted budget for the coming year] / [number of units expected to be sold in the coming year]. Since taking over the budget lead five or six years ago, she has never reconciled the often large discrepancies of the prior year nor offset any calculations with the other administrative fees. Had that been done, the GET unit would have been properly adjusted and the amount GET charges its customers each year would have been transparent and accurate (and lower). Instead, year after year, the Program has overcharged its unit purchasers with an inflated tuition unit price and other unnecessarily high administrative fees.

When the program was suspended in July 2015, it appears the Program had, excluding the interest earned on its ongoing balance, upwards of $60 million (or 11 years of current operations) in administrative fee revenue in excess of it's cumulative expenditures. The GET Program's 2016 actual expenditures were less than $5 million. There were discussions with Betsy and the GET Accountant about including interest earned, and Betsy had me analyze what the fee balance would be if we applied the SIB investment returns to our ongoing annual balance. That idea was quickly discarded because it led to a sum over $100 million.

As an example of how the Program managed to accumulate such a balance year after year, in 2008 GET sold 3.2 million units and set a per unit administrative operating expense of $3.27, accumulating $10.5 million from that fee alone compared to an allotted budget (Fund 788 is non appropriated) of $4.3 million and actual expenditures of under $4 million. The following year, per unit operating expense was lowered a dime to $3.17 on 2.6 million units sold (or $8.3 million) on an allotted budget of $3.9 million ($4.0 million actual). No reconciliation, no adjustment because it was never being managed or monitored. Estimates on units to be sold the following year never seemed to be based on the prior year's activity. Also, as noted above, there are other administrative fees that bring in over $1 million each year. For example, in 2008 these included: $302k Payment Processing Fee, $738K in GET Enrollment Fees, $105K in Refund Fees, and $117K from GET's $10 late payment fee.

I do not know when or if Betsy or the GET Accountant realized the problem, though many times they would individually tell me that 'it's just that way its always been done'. They certainly did not ever adjust or attempt to adjust the fees, nor alter their method for determining the operating expense per unit price. I do know that in 2015, and when GET was under intense legislative focus on the Program, WSAC Finance and Accounting and WSAC leadership seemed to recognize the issue and moved the WSAC Senior Fiscal Policy Advisor into the role to try and get things in order. That did not go well from my understanding because of internal pushback from Betty, Betsy and the GET Accountant.

Having not properly accounted for or managed the administrative fees coming in and being backed out via transfers or account conversions, accuracy has and continues to be a problem. Additionally, from the first day on the job and repeatedly since, Betsy has reiterated that she and the GET Accountant have done the budget in the past and transitioning the role to me will take time.

I have insisted and held meetings with OFM and WSAC Accounting and Budgeting that the Program create an administrative fee subaccount under Fund

788 to deposit whatever sum the Program determined it had collected in excess of expenditures. I have suggested to Betsy Hagen and Luke Minor, and been denied under pretense that no one else can do it than the one WSAC FTE IT Specialist, that we hire outside consultants to determine our administrative fee balance, especially given the size, sensitivity, and the Program's 2017 Supplemental Operating Budget request to use that fee balance to support over $350K in costs of pursuing a 529 savings plan. To be fair, I believe Betsy and Luke simply relayed the message sent down from WSAC that the IT Specialist prioritize her time elsewhere and the administrative fee project be put on hold.

There is no indication or talk by anyone other than me that there be a reduction in the administrative fee per unit component which Betsy will recommend to the GET Committee in the coming month. The other administrative fees will continue to not play a part in the calculation of the per unit operating expense. There is also no discussion of refunding or even of considering some process to provide those that purchased each year at inflated unit prices some remedy so that any possible future reductions in that fee component due to the built up balance not be of benefit only to future unit purchasers. To my knowledge there is no subaccount yet established and work on determining the net balance figure has been delayed due to the IT Specialist being dedicated 100% to a rebasing project. Once that Specialist determines a best guess estimate, the figure will be finalized and presumably moved into the subaccount. There is no external review or testing of accuracy.

For years, the GET Program has grossly mismanaged public funds to the tune of tens of millions of dollars. The Program was not honest in how they priced units. They were not honest or forthright in their program details of what their sizable operating and administrative fees were covering. Without proper management of the funds coming in and out, there is little control of what is being spent. The GET Program is not and has not been accountable or transparent with the public. My attempts, those that succeeded and failed, have not increased the likelihood that the Program properly address this issue or be better stewards of public funds. The GET Program will continue to be led by a GET Accountant that WSAC Finance and Accounting believe has early-onset Alzheimer's. I write that only to convey the nepotism within the GET Program and the lack of accountability being promoted by WSAC Executive Leadership.

b) 529 Savings Plan Costs from GET Administrative Fee Revenue
The issue of how to pay for an unfunded mandate to establish a 529 college savings plan was another priority issue in the first few months. The agency was leery that legislative inquiries would come in about the funds being used to pursue a plan, much less inquiries surrounding the balance of the administrative fees. There was confidence the College Affordability Program legislation allowed

the use of GET funds until December 1, 2016, but after that the statute was murky. To cover the agency, I authored the 2017 Supplemental Budget request for a maintenance level increase and implicit authority to use the GET funds for what became a second RFP in pursuit of a 529 Savings Plan.

I created the savings plan budget for FY 2017 and 10 years on. The costs from January 1, 2017 to June 30, 2017, like all else were estimates and never properly accounted for actual expenditures. Basically, if I budgeted 10% of someone's time was going to be spent working on the savings plan, it'll be 10% regardless of the time (and it is always more). There seems to be very little attempt to correct this for expenses July 1, 2017 onward. Staff time and marketing contract estimates were purposely shifted to the GET Program in order to minimize the ongoing deficit. The over $1 Million marketing contract with Sunrise Media will be promoting the two programs side by side, but GET account holders will pay 75% of those costs for years to come with no reconciliation.

The costs to GET to negotiate a contract with BNY Mellon for a 529 savings plan were enhanced after Betty Lochner insisted against the WSAC Finance Director's (Don Alexander) recommendation that her friend, consultant Mary Anne Busse in Michigan, be on the three person negotiating team with myself and Deputy Director Don Bennett. Instead of what was budgeted as a small percentage of staff time, the consultant will be paid upwards of $300 per hour to participate in all negotiation aspects. My repeatedly pointing this out was another contentious issue leading to my termination (which came via a $400 FedEx overnight delivery for 1 mile down the road).

c) Using Administrative Fee Balance for Program Shutdown
Under pressure to mitigate the balance by Betsy, I managed to revise our 2017 Program details document to include definitions of administrative costs to include the Program's shutdown costs. This had never been considered. The approximate $25 million or so to do a 10-year wind down as statutorily required would serve to cut the fee balance in half and divert attention away from inquiring legislative staff. However, I've voiced my displeasure in this venture because the balance is a result of gross mismanagement. Customers were not told that the operating expense portion of their unit price would be built up to pay for the potential of shutting down the program sometime in the future. It is only being done to quietly lower the sizable administrative fee balance. Despite that, the State Actuary is expected to include the estimated shutdown expenses in its Program obligations for the first time with it's 2017 GET Annual Valuation Report.

d) Politicized Culture of GET

There is little to no regulation at GET against openly discussing the unit balances of particular legislators in the news and casting dispersions on what their motives might be for pushing legislation. Those accounts are flagged and given special consideration and priority in service. I can tell you exactly off the top of my head how many units most high-profile representative have and I've never searched the database – it's just that widely discussed.

Perhaps its nothing out of the ordinary, but after Michael Meotti came aboard as Executive Director, he has taken every meeting into the political realm to discuss how to react to Sen. Palumbo or Sen. Wilson or Sen. Carlyle, etc. etc. and has taken on a role of Director of GET rather than Chair of the GET Committee overseeing the Program. Nothing gets by him or Maddy Thompson, Legislative Liaison, from GET in the direction of legislators. Since he took over after his, also unceremonious, firing from the State of Connecticutt for alleged ethical violations, he has basically taken control over the day-to-day operations of GET. https://ctmirror.org/2016/12/23/former-ct-college-leader-meotti-lands-west-coast-gig/

I believe this reinforces an environment not conducive to professional, accountable business practices and when the client is predominately a Washington state resident that has entrusted GET to properly manage their funds and the operations of the Program.

I tried to do my job and was demoted, refused a promised promotion, and ultimately terminated for what only became clear to me in recent weeks – I accidently pointed out the emperor has no clothes. I was also integral to the rebasing efforts and I suppose it's possible I advocated too strongly for the GET account holder there as well. The question of whether to rebase based on last year's tuition or this year's tuition (thus giving GET account owners a 2.2% increase in value) was one in which I advocated for the benefits with a fund balance as large as we had, but was denied.

I've always been verbose and my apologies if I've wasted your time. Hopefully aspects of what I've shared will help to make sure people are held to account and that a valued state program can reestablish its way.

Thanks for your time,
Michael Bennion