

DreamAhead College Investment Plan Program Fees Report to the Governor and the Legislature November 2024

Introduction

The DreamAhead College Investment Plan (DreamAhead) is Washington State's 529 education savings plan. The plan was established in statute ([Chapter 28B.95 RCW](#)) in 2018 to complement the Guaranteed Education Tuition (GET) Program and provide an additional financial option for individuals, organizations, and families to save for postsecondary education.

There are two types of 529 plans: prepaid tuition plans and education savings plans. Prepaid tuition plans, such as GET, typically only approve enrollment for savers who reside within the plan's home state. Conversely, education savings plans are generally available to savers nationwide, regardless of the sponsoring state.

Education savings plans are sold through two channels: direct-sold and advisor-sold. Direct-sold plans are offered directly to the public without an intermediary such as an investment advisor or broker. Washington is one of 49 states, plus the District of Columbia, offering a direct-sold 529 education savings plan.

To ensure DreamAhead is competitive nationally, the Legislature set statutory limitations on investment fees charged to plan participants, not to exceed one-half of one percent annually for any investment option. Additionally, state law requires the Committee on Advanced Tuition Payment and College Savings (Committee) to provide a yearly report to the Governor and the appropriate committees of the Legislature reporting the total fees charged for each investment option offered in DreamAhead.

This report provides the fees charged for each investment portfolio as of November 1, 2024.

DreamAhead Fees

DreamAhead has no commissions, loads, or sales charges. As of November 1, 2024, total annual asset-based fees vary from 0.254% to 0.320%, depending upon the portfolio(s) a participant chooses. There were no fee changes to the underlying funds since November 1, 2023. See the table below for an overview of the asset-based fees charged for each of the 37 different investment portfolios.

Portfolio Name	Underlying Fund Fee ¹	Service Fee	State Administrative Fee	Total Annual Asset-Based Fee
Static				
Growth	0.034%	0.120%	0.100%	0.254%
Moderate Growth	0.041%	0.120%	0.100%	0.261%
Conservative Growth	0.040%	0.120%	0.100%	0.260%
Balanced	0.040%	0.120%	0.100%	0.260%
Income & Growth	0.039%	0.120%	0.100%	0.259%
Income	0.055%	0.120%	0.100%	0.275%
Cash Preservation	0.100%	0.120%	0.100%	0.320%
Conservative Year of Enrollment				
2042	0.040%	0.120%	0.100%	0.260%
2040	0.040%	0.120%	0.100%	0.260%
2038	0.040%	0.120%	0.100%	0.260%
2036	0.040%	0.120%	0.100%	0.260%
2034	0.039%	0.120%	0.100%	0.259%
2032	0.052%	0.120%	0.100%	0.272%
2030	0.055%	0.120%	0.100%	0.277%
2028	0.072%	0.120%	0.100%	0.292%
2026	0.072%	0.120%	0.100%	0.292%
College Enrolled ²	0.072%	0.120%	0.100%	0.292%
Moderate Year of Enrollment				
2042	0.037%	0.120%	0.100%	0.257%
2040	0.037%	0.120%	0.100%	0.257%
2038	0.041%	0.120%	0.100%	0.261%
2036	0.041%	0.120%	0.100%	0.261%
2034	0.040%	0.120%	0.100%	0.260%
2032	0.040%	0.120%	0.100%	0.260%
2030	0.042%	0.120%	0.100%	0.262%
2028	0.046%	0.120%	0.100%	0.266%
2026	0.052%	0.120%	0.100%	0.272%
College Enrolled ²	0.059%	0.120%	0.100%	0.279%
Growth Year of Enrollment				
2042	0.037%	0.120%	0.100%	0.257%
2040	0.037%	0.120%	0.100%	0.257%
2038	0.037%	0.120%	0.100%	0.257%
2036	0.037%	0.120%	0.100%	0.257%
2034	0.041%	0.120%	0.100%	0.261%
2032	0.041%	0.120%	0.100%	0.261%
2030	0.041%	0.120%	0.100%	0.261%
2028	0.040%	0.120%	0.100%	0.260%
2026	0.039%	0.120%	0.100%	0.259%
College Enrolled ²	0.059%	0.120%	0.100%	0.279%

¹ Total underlying fund fees for each Year of Enrollment portfolio can differ year-to-year as the portfolios adjust asset allocations over time.

² On or near July 1 of every even-numbered year, that year's portfolios will move into the College Enrolled portfolios.

Additional Notes

- DreamAhead opened in 2018 with nationally competitive fees and has since implemented multiple fee reductions for participants, including reducing the annual account maintenance fee from \$35 to \$30. The Committee is committed to lowering fees further, including eliminating the plan’s account maintenance fee.
- In November 2023, the Washington Student Achievement Council (WSAC) issued an RFP to secure a new program management agreement for DreamAhead that better reflects the plan’s current size and growth goals and ensures Washington is offering families the best product, service, and price for their college savings. In August 2024, WSAC executed an agreement with TIAA-CREF Tuition Financing, Inc. as the new program manager for DreamAhead, with a planned conversion date of February 10, 2025.
 - Under the new agreement, DreamAhead will have reduced overall asset-based fees, no annual account maintenance fee, and only one transaction-based service fee.
 - In addition, DreamAhead will offer one year-of-enrollment investment portfolio option (simplified from three risk-based options: conservative, moderate, and growth) and expanded investment options including standalone funds, such as an ESG³ fund and a no-fee cash option that guarantees returns between one and three percent.
 - The new agreement also provides a one-basis-point reduction to the program management fee when total assets under management reach \$1.5 billion. The finalized, lower fee structure will be disclosed on the [DreamAhead program website](#) no later than February 10, 2025.

³ ESG stands for environmental, social, and governance. ESG investing screens companies based on criteria related to being pro-social, environmentally friendly, and with good corporate governance.