WHEFA

AUTHORITY MEETING

June 14, 2021

WASHINGTON HIGHER EDUCATION FACILITIES AUTHORITY

Meeting Agenda

YOU ARE HEREBY NOTIFIED that the Washington Higher Education Facilities Authority will hold a Special Meeting at 1:00 p.m. prevailing Pacific Time on Monday, June 14, 2021 to consider the items in the agenda below.

Per the Governor's proclamation regarding the Open Public Meetings Act and Public Records Act (Proclamation 20-28) and due to extraordinary public-health circumstances related to the ongoing COVID-19 (coronavirus) outbreak, participation in this meeting will only be offered virtually.

To join virtually, please go to www.zoom.us and enter:
Meeting ID: 884 7989 4057
Password: 576768

Participants using a computer without a microphone who wish to participate verbally, please dial: 1-(888) 788-0099 U.S. toll-free

Please note that the line will be muted to the public except during the public comment portions of the meeting.

I. CALL TO ORDER: *Chair*

II. APPROVAL OF THE NOVEMBER 24, 2020 SPECIAL MEETING MINUTES: *Chair* ---------- **1**

III. CONSIDER AND ACT ON THE FOLLOWING ITEMS:

A. Election of Secretary and Treasurer for one-year term
– *Mr. Steve Walker* ---------- **2**

B. Financing Resolution: University of Puget Sound (Series 2021)
– *Ms. Carol Johnson* ---------- **3**

1. Introduction and Financial Update

2. Review and Act on Resolution #21-01 for University of Puget Sound authorizing issuance by the Authority of revenue bonds in an amount not expected to exceed $61,000,000 - - - **4**

C. Finance Report – *Mr. Bob Cook*

1. Review and consider adopting the Annual Budget for the period July 1, 2021 – June 30, 2022 - - - **5**
2. Consider and Act on approval of the current Financial Statement - - - **6**
3. Invoice for Services - - - **7**

IV. INFORMATION ITEMS

A. Market Update – *Mr. Thomas Toepfer, Senior Management Consultant, Public Financial Management, Inc.* - - - **8**

B. Washington Student Achievement Council (WSAC) Update – *Mr. Michael Meotti*

C. Bond Issue Status Report – *Mr. Paul Edwards* - - - **9**

D. Executive Director's Report – *Mr. Steve Walker*

E. Authority Meeting Schedule – *Mr. Steve Walker*

1. August 5, 2021
2. November 4, 2021

V. PUBLIC COMMENT: *Chair*

VI. MISCELLANEOUS BUSINESS AND CORRESPONDENCE - - - **10**

VII. EXECUTIVE SESSION

VIII. ADJOURN

PUBLIC ENGAGEMENT AT AUTHORITY MEETINGS

All Board meetings of the Washington Higher Education Facilities are open to the public. Our intention is to welcome all members of the public and to provide a clear and reasonable process through which they can share their thoughts with us.

Different ways to Join the Authority Meetings:

1. Meeting link: https://us02web.zoom.us/j/88479894057?pwd=QjkxQUc0bHc4NzhiZmNhcGxUbEMvdz09
2. At www.zoom.us, go to "Join a Meeting," and enter:
   Meeting ID: 884 7989 4057
   Passcode: 576768
3. To participate by phone, dial: 1-(888)-788-0099 or 1-(877)-853-5247

During Meetings: During board meetings, attendees can see and hear all presentations and business taking place. Microphones will be turned off except to receive comment during the public comment period.

Public Hearings: Public hearings are normally held separately from Authority board meetings.

Public Comment:

- **Purpose of Public Comment -** During this period, the Board members listen to public concerns and comments but do not generally engage in dialogue. Staff will follow up with commenters who request assistance or answers to questions, providing that contact information is shared. Anyone who wishes to speak during the public comment period can take this opportunity.

- **When to Comment -** The public comment period takes place after the executive director's report. Typically, the public comment period is reached after about an hour but may be sooner or later.

- **Raising Your Hand in Zoom or Through Phone Participation -** To give us a sense of the number of people wishing to speak and help us call on you in an orderly fashion, the meeting Chair will ask you to use the Zoom "raise hand" feature to indicate you would like to speak. People participating on the telephone can press *9 to virtually "raise a hand." Whether or not you are able to virtually raise a hand, the Chair will provide time and opportunity for all to share their comments before closing the public comment period.

- **Timing of Comments -** We ask that speakers keep their comments brief (2 to 3 minutes). The Chair may ask you to begin bringing your statement to a close after that time, especially if others are waiting to speak. Our intention is not to impose a specific time limit unless it seems necessary to ensure that a sufficient number of speakers have an equal opportunity to express their thoughts.

TAB 1

Washington Higher Education Facilities Authority

MINUTES

November 24, 2020

Mr. Jerome Cohen, Board Secretary, called the special meeting of the Authority to order at 1:04 p.m. via teleconference.

Board members present on the line were Mr. Michael Meotti, Mr. Allan Belton, Ms. Claire Grace, and Dr. Gene Sharratt.

Authority staff on the line were Mr. Steve Walker, Executive Director; Mr. Paul Edwards, Deputy Director; Mr. Bob Cook, Senior Finance Director; Ms. Carol Johnson, Affiliates Manager; and Ms. Rona Monillas, Program Assistant.

Also present on the line were Ms. Faith Pettis and Mr. Will Singer of Pacifica Law Group, the Authority's bond counsel; Mr. Dan Gottlieb of Hillis Clark Martin & Peterson, the Authority's backup bond counsel; Mr. Michael Nelson II, Assistant Attorney General from the Washington State Attorney General's Office; Ms. Elizabeth Bergman of Baker Tilly Municipal Advisors; and Ms. Christine Ok of U.S. Bank Corporate Trust.

Other meeting attendees were Mr. Bob Woodard, Mr. Matt Vickery, Ms. Margret Graham, and Ms. Vanessa Thomas of the Washington State Housing Finance Commission; Ms. Terri Standish-Kuon, President and CEO of Independent Colleges of Washington (ICW); Ms. Mary Chikwinya, Director of Higher Education for Lt. Governor Cyrus Habib; Ms. Amy Sutherland of Moss Adams; and Mr. Thomas Turley of T-Squared Graphic Design.

Approval of the Minutes

Mr. Cohen asked for a motion to approve the minutes of the meeting held on August 18, 2020. Ms. Grace made the motion, and it was seconded by Dr. Sharratt. The minutes were approved unanimously, 5-0.

Action Item: Acceptance of Final Audit Report

Mr. Cohen introduced Ms. Amy Sutherland to present the summary of the Audit Report to the Authority board.

Ms. Sutherland presented the overall results of the audit. She highlighted that the financial statements were presented fairly and in accordance with accounting principles generally accepted in the United States of America (US GAAP).

Ms. Sutherland reported that the Authority early adopted a new accounting standard related to the presentation and reporting of conduit debt obligations. She then explained GASB Statement No. 91.

Ms. Sutherland encouraged board members to read about the adoption of a new accounting pronouncement in Note 2 of the Audit Report and the standard disclosure requirement in Note 5.

Mr. Cook complimented Moss Adams and Authority staff for accomplishing the audit report during this difficult time. He also commended Ms. Debra Stephenson for spearheading the audit process and announced her early retirement effective in January, 2021. Ms. Grace congratulated the Authority and Moss Adams for completing a clean audit and congratulated Ms. Stephenson on her retirement.

Mr. Cohen asked for a motion to accept the Final Audit Report. Ms. Grace made the motion and it was seconded by Mr. Belton. The motion was approved unanimously, 5-0.

Action Item: Acceptance of the Financial Statement

Mr. Cohen asked Mr. Cook to present the financial statement for consideration.

Mr. Cook stated that the unaudited financial statement for the period ending September 30, 2020, shows assets of just over $1.34 million and approximately $79,000 of liabilities, leaving just over $1.26 million in net assets. He added that current year to date unrestricted revenue was approximately $73,000. Mr. Cook said that expenses to date are approximately $91,000, leaving a net deficit to date of about $18,000.

Mr. Cook said that the deficit was expected, and that it was due to the waiver of ongoing annual bond fees that became effective on July 1, 2020. Fees were waived for this fiscal year to assist our member schools during these challenging times.

Mr. Cook stated that the invoice from the Housing Finance Commission covering July to September 2020, totaling over $73,000, has been approved by Board Treasurer, Ms. Grace.

Ms. Grace commended the Authority for presenting a clear financial statement.

Dr. Sharratt moved the acceptance of the financial statements, and it was seconded by Ms. Grace. The motion was approved unanimously, 5-0.

Action Item: Review and Consider Approval of WHEFA's Proposed New Logo

Mr. Cohen introduced Ms. Johnson and Ms. Graham to present the Authority's proposed new logo.

Ms. Johnson gave a brief background on how Authority staff came up with the rebranding idea and described the general process that staff used. She noted that Mr. Cohen assisted them with review of logo designs and making a final decision on a recommendation. She then introduced the creative team behind the project.

Ms. Graham described the rebranding process and how a new visual identity will help the Authority reflect its mission and values.

Ms. Monillas presented her logo called "Unfolding Future" and stated that the logo represents development and progress. She explained how she came up with the design and aligned it with the brand attributes. She also presented different versions of the logo.

Ms. Thomas presented her logo called "Cutting Edge". She said that her logo signifies confidence, competence, and modernity. She also presented different versions of the logo.

Ms. Graham showed a slide with the two logos and explained how the team evaluated each one. She stated that staff recommends "Unfolding Future" as the Authority's new logo. She added that the next step is to create a style guide if the board accepts this recommendation. She further added that the new logo will roll out in 2021.

Mr. Belton appreciated the logos that were presented and admired the proposed new logo's design and color scheme. Ms. Grace added that she feels comfortable with the proposed logo and added that it will look beautiful on all documentations and printed materials for the Authority. Mr. Cohen also added that “Unfolding Future” will convey the message of the Authority to its clients.

Mr. Belton moved the acceptance of the Authority’s proposed new logo, and it was seconded by Ms. Grace. The motion was approved unanimously, 5-0.

Washington Student Achievement Council Update

Mr. Cohen introduced Ms. Standish-Kuon to present the Independent Colleges of Washington update.

Ms. Standish-Kuon shared that majority of their member campuses have a diversity, equity, and inclusion officer. She added that 36% of their member campuses’ students are black, indigenous or people of color.

Ms. Standish-Kuon shared how their member schools implemented guidelines and processes around educating and minimizing the spread of COVID-19. She presented how the schools approached the fall 2020 classes in terms of in person, hybrid/blended, and remote instruction. Shen then compared it with the class in winter 2020 and spring 2021.

Ms. Standish-Kuon reported that ICW’s member schools’ standardized test for transfer students and high school graduates are now optional with some exceptions.

Ms. Standish-Kuon stated that 9 in 10 students get aid from their colleges. She also shared a list of new academic programs offered by their member schools.

Ms. Standish-Kuon shared that there are funds that came directly to their member schools through the CARES Act. Half of the money was used for COVID-19 pandemic relief and the other half was used for student aid programs and funding. She also shared some ideas about how ICW could partner with the State of Washington to help its residents with median to lower family incomes.

Dr. Sharratt appreciated ICW for their work and complimented them for their overall graduation rate.

Market Update

Mr. Cohen introduced Ms. Bergman from Baker Tilly Municipal Advisors to present the market update.

Ms. Bergman reported that interest rates in the tax-exempt municipal market are low compared to the historical average since 1993. She presented a graph showing municipal market demand and said that over the past year supply has been easily absorbed due to high demand. She highlighted that there were more bonds issued in October 2020 due to uncertainties around the election.

Ms. Bergman said that there was not a lot of issuance in the higher education sector and that investors see this sector as riskier than other governmental sectors.

WHEFA College and University Status Update

Mr. Cohen introduced Ms. Johnson to present the WHEFA college and university status update.

Ms. Johnson said that the member colleges and universities are doing well, and that their bond issues were not in distress. She added that the schools are making their debt service payments and meeting their covenants and commitments.

Ms. Johnson highlighted the recent announcement of Cornish College of the Arts’ declaration of financial emergency. She reported that both Dr. Tymas-Jones, Cornish President, and Debbie Treen, Cornish Chief Financial Officer, stated that the college has had financial difficulties and low enrollment for several years, but are confident that they will succeed in their efforts and that the college will not close. She added that the declaration gives the college more flexibility in their approach to finding a sustainable solution.

Ms. Johnson reported that WHEFA currently has 24 bond issues outstanding totaling around $747 million, 60% (16) of these are public sales and 30% (8) are private placements with financial institutions. She added that public sales are rated while private placements are not. The bond issues that were publicly sold continue to have investment grade ratings as required by the Authority's policies.

Mr. Cohen commended Ms. Johnson for her report. He added that the situation caused by the pandemic is going to stay with us for a while and that planning for 2021 is important for the schools. Ms. Johnson shared that both Moody's and Standard & Poor's (S&P) said that the schools are doing an exceptional job dealing with the current situation.

Bond Issue Status Report

Mr. Cohen asked Mr. Edwards to present the Bond Issue Status Report.

Mr. Edwards reported that there have been no changes to the bond status report since the August 2020 board meeting. He added that the potential bond issue for Pacific Northwest University of Health Sciences is still on the radar.

Mr. Edwards said that the Authority completed one bond issue for the current fiscal year totaling $60 million with PV savings of $2.3 million.

Executive Director's Report

Mr. Cohen then asked Mr. Walker to present the Executive Director's report.

Mr. Walker highlighted some of the sessions from the National Association of Health and Education Facilities Finance Authorities (NAHEFFA) conference last October 2020.

Mr. Walker reported that he is focusing on the upcoming state legislative session. He said that the emphasis remains on the budget deficit, the economy, COVID-19, racial justice, and housing.

Mr. Walker gave a summary of relevant articles in the board meeting packet. He added that the next board meeting is scheduled for February 4, 2021.

Adjournment

Mr. Cohen adjourned the meeting at 2:30 p.m.

________________________________ _______________

Mr. Jerome Cohen, Secretary Date

TAB 2

WHEFA

MEMORANDUM

DATE: June 7, 2021

TO: Authority Members

FROM: Carol Johnson

CC: Steve Walker, Paul Edwards, Bob Cook, Lucas Loranger

RE: **Election of Secretary and Treasurer**

Background:

The Secretary acts as chair of the Board when the Governor is not present. In addition to acting as chair, the Secretary may also be required to sign documents from time to time for the Authority. The position is open to any member of the Board, and there is no statutory limit on the number of times a member can hold the position.

The statute reads:

> *The Governor shall serve as chairperson of the Authority. The Authority shall elect annually one of its members as secretary. If the governor shall be absent from a meeting of the Authority, the secretary shall preside. RCW 28B.07.030 (3)*

In addition, the Authority has chosen in the past to elect a Treasurer. The Treasurer is elected to assure that there is specific Board attention to the financial affairs of the Authority. This position is usually elected at the same meeting in which the Secretary is elected.

The elected officer positions are currently held by Mr. Jerome Cohen as Secretary and Ms. Claire Grace as Treasurer.

Action:

The Board is required by statute to elect a Secretary from among its members and may choose to elect a Treasurer. Both positions serve for a one-year term.

Staff recommends that both positions be filled. For these positions, a simple majority vote is required by the members in attendance.

TAB 3

SUMMARY PROJECT DESCRIPTION

University of Puget Sound

School Name/Location	**University of Puget Sound** 1500 North Warner Street Tacoma, WA 98416

Bond Issue Name

- Tax-Exempt Refunding Revenue Bonds (University of Puget Sound), Series 2021A
- Taxable Refunding Revenue Bonds (University of Puget Sound), Series 2021B

Purpose

The purpose of the **Series 2021A** Bonds is to refinance the University's existing Series 2019 Bonds that are currently held with Bank of America to eliminate a restrictive debt service coverage covenant.

The purpose of the proposed **Series 2021B Bonds** is to refinance the University's existing Series 2012A Bonds for interest rate savings. The Series 2012A Bonds have a call date of 10/01/2022. Since the 2012A Bonds are not currently refundable, they first will be refunded with taxable bonds. In 2022, the taxable bonds will be refunded with tax-exempt bonds.

Proceeds of the bonds may be used to finance any other costs, fees, reserves and associated permitted issuance expenses associated with the transaction.

Official Intent Declaration #	21-W01
Application	Received on May 4, 2021 Reviewed and accepted by staff on May 25, 2021
Public Hearing	May 19, 2021
Resolution	Resolution #21-01 is currently before the Board for consideration

Financial Information

Type:	Private Placement
Estimated Bond Amount	Not to exceed $61,000,000
Bond Structure	
Tax-Exempt, Series 2021A	Variable
Taxable, Series 2021B	Fixed
Lender	Columbia State Bank
Placement Agent	Stifel Nicolaus Financial Corp.
Trustee	US Bank N.A.
Closing Date	June 24, 2021

FINANCING APPLICATION SUMMARY

May 25, 2021

BORROWER

UNIVERSITY OF PUGET SOUND
1500 North Warner Street
Tacoma, WA 98416

Chief Executive Officer: Isiaah Crawford, President

Chief Financial Officer/Liaison to WHEFA: Sherry Mondou, Executive Vice President and Chief Financial Officer

The University of Puget Sound is a private educational institution organized and existing under the laws of the State of Washington as a nonprofit corporation and 501(c)(3) organization. All applicable supporting documentation has been submitted. The application submittals satisfy all WHEFA requirements.

PROJECT DESCRIPTION

The purpose of the Series 2021A Bonds is to refinance the University's existing Series 2019 Bonds that are currently held with Bank of America to eliminate a restrictive debt service coverage covenant.

The purpose of the proposed Series 2021B Bonds is to refinance the University's existing Series 2012A Bonds for interest rate savings. The Series 2012A Bonds have a call date of 10/01/2022. Since the 2012A Bonds are not currently refundable, they first will be refunded with taxable bonds. In 2022, the taxable bonds will be refunded with tax-exempt bonds.

As the proposed Bonds will not have a new money component, there will be no construction timeline. The financing process will conclude on the anticipated closing date of June 24, 2021.

FINANCING

The bond sizing is expected not to exceed $24,000,000 for the Series 2021A Bonds and $37,000,000 for the Series 2021B Bonds. These estimates include plans to pay costs of issuance from bond proceeds.

As the purpose of the proposed Bonds is to refinance the existing 2019 and 2012A Bonds, the University will not realize additional revenues.

A preliminary estimate of the sources and uses of bond proceeds is as follows:

Sources of Funds	**Series 2021A (Series 2019 Refunding) TAX-EXEMPT**	**Series 2021B (Series 2012A Refunding) TAXABLE**	**Issue Summary**
Par Amount of Bonds	$23,525,000.00	$36,300,000.00	$59,825,000.00
Total Sources	**$23,525,000.00**	**$36,300,000.00**	**$59,825,000.00**
Uses of Funds			
Estimated Costs of Issuance	-	$ 424,343.75	$ 424,343.75
Dep to Current Refunding Fund	$23,525,000.00	$35,873,010.95	$59,398,010.95
Rounding Amount	-	$ 2,645.30	$ 2,645.30
Total Uses	**$23,525,000.00**	**$36,300,000.00**	**$59,825,000.00**

PROPOSED SECURITY

Bonds will be secured on parity with all senior debt obligations of the University, including, but not limited to, a security interest in the pledged revenues of the University.

EXPECTED TERMS OF REPAYMENT

From a competitive RFP, the University selected a proposal received from Columbia State Bank which was subject to negotiation. As of May 21st, The University and Bank have signed a final written agreement regarding terms, subject to formal approval by the University Board of Trustees.

The amortization for the 2021A refunding will match the existing amortization schedule for the 2019 Bonds. The amortization for the Series 2021B refunding will be solved on a uniform basis to the existing amortization schedule of the 2012A Bonds, this will result in uniform savings to the University. Amortization for the Series 2021A Bonds pays principal annually each October commencing in 2021 and ending in 2036 and the Series 2021B Bonds pays principal annually each October commencing in 2021 and ending in 2042

The Series 2021A tax-exempt bonds will bear interest at a variable rate based on LIBOR, similarly to the existing Series 2019 Bonds. The proposed interest rate will reset weekly.

The Series 2021B taxable bonds will be refunded with tax-exempt bonds in 2022. Both the taxable and tax-exempt bonds will bear a fixed interest rate. The rates will be locked at closing.

DEBT TO BE REFINANCED WITH WHEFA ASSISTANCE

The source of revenue and security for payment of the existing bank placement debt consists of a general pledge of unrestricted net revenues, gains, and other support of the University. This pledge is on parity with the University's public bonds.

The Series 2019 Bonds are held as a bank placement with Bank of America and are nonrated.

The Series 2012A Bonds are fixed and held in the public market. The University's public bonds hold long-term ratings of "A1" from Moody's Investor Service and "A+" from S&P Global.

FINANCES OF THE BORROWER

The University gave WHEFA, the placement agent, and the lender access to audited financial statements for Fiscal Years 2020, 2019 and 2018; the University's unrestricted operating budget for fiscal year 2020-21; and recent financial projections for the next three fiscal years (2022-24).

The following table sets forth the estimated total outstanding indebtedness as of June 30, 2020.

Outstanding Bonds	**Final Maturity**	**Interest Rate**	**Par Outstanding (Dollars in Thousands)**
WHEFA Series 2001	2031	Variable	$ 8,462
WHEFA Series 2012 A	2042	Fixed	$ 35,949
WHEFA Series 2019	2036	Variable	$ 24,063
Capital Lease Obligations	2032		$ 173
TOTAL			**$ 68,647**

The university's revenues without donor restrictions are pledged as collateral on the WHEFA tax-exempt bond obligations. The tax-exempt bonds are obligations solely of the university and are not guaranteed by the state. The WHEFA bond agreements contain covenants relating to maintenance of facilities, insurance, and other general items. In addition, the WHEFA 2001 bond agreements contain covenants that the university will comply with certain liquidity requirements.

In October 2012 the University entered into loan agreements whereby WHEFA issued tax-exempt Revenue and Refunding Revenue Bonds in the amount of $34,805 (Series 2012A) and Refunding Revenue Bonds in the amount of $29,195 (Series 2012B).

The bonds are general obligations of the university. The proceeds from the Series 2012A bonds were used to finance the construction of a 135-bed residence hall, and to refund outstanding WHEFA 2006A bonds. The 2012A bonds bear interest at fixed rates ranging from 3.0% to 5.0%.

The 2012B bonds were used to refund outstanding WHEFA 2006B bonds and were held by Bank of America with a term that expired in October 2019. As noted below, in October 2019 the University refunded the Series 2012B bonds.

During 2001 the university entered into a loan agreement with WHEFA whereby WHEFA issued $10,620 of tax-exempt Variable Rate Demand Revenue Bonds, Series 2001. The proceeds were used to finance the construction of a new student residence hall. Pursuant to the loan agreement, the bonds bear interest at a rate that is determined weekly through the remarketing process, with the maximum annual rate capped at 12%.

The average interest rate for fiscal year 2020 was 1.18%, which included 10 basis points for remarketing.

In October 2019 the University entered into a loan agreement whereby WHEFA issued tax-exempt Revenue Refunding Bonds in the amount of $24,280 (Series 2019). The proceeds were used to refund outstanding WHEFA 2012B bonds. The 2019 bonds were sold through a direct purchase transaction with Bank of America. The bonds bear interest at 80% of the one-month LIBOR plus a credit spread, which equate to an average interest rate of 1.68% for fiscal year 2020.

INTEREST RATE SWAP AGREEMENTS

During 2005 and 2006, in an effort to manage the fluctuations in cash flows resulting from variable interest rates and to lower its overall borrowing costs, the University entered into three separate interest rate swap agreements to convert its variable rate bonds to a substantially fixed rate through maturity. Under the terms of the swap agreements, the university pays the swap counterparties fixed amounts of interest over the term of the contracts and receives variable interest payments based on 67% of the one-month LIBOR.

STUDENT POPULATIONS/ENROLLMENT

YEAR	UNDERGRADUATE FTE	GRADUATE FTE
Fall 2017	2,399	234
Fall 2018	2,354	265
Fall 2019	2,282	281
Fall 2020 (COVID)	1,857	256
Fall 2021*	1,970	254
Fall 2022*	1,986	263
Fall 2023*	1,994	272

*Projection – subject to ongoing updates

GENERAL

The University's Tudor Gothic buildings are set amid 97 acres of native fir groves, lawns, and landscaping. Located in Tacoma's residential North End, the campus is 35 miles south of Seattle and within convenient traveling distance to Portland, Oregon and Vancouver, British Columbia. The University's physical plant consists of approximately 1.5 million square feet of building space.

Current plans do not anticipate significant facilities expansion and instead anticipate a focus on strategic and efficient use of current facilities, including repurposing of space for institutional priorities that align with goals of University's Leadership for a Changing World ten-year strategic plan.

STIFEL

May 25, 2021

Ms. Carol Johnson, Manager
Washington Higher Education Facilities Authority
1000 Second Avenue, Suite 2700
Seattle, WA 98104

Dear Ms. Johnson,

On behalf of the Washington Higher Education Facilities Authority (the "Authority") and the institutions who borrow through the Authority, Stifel has calculated the estimated interest savings that result from issuing tax-exempt bonds through the Authority, compared to the interest cost of comparable taxable rates. The purpose is to quantify the benefit of issuing tax-exempt debt through the Authority and determine the benefit to the University of Puget Sound (the "University").

We have relied on the following assumptions in our analysis:

- The purpose of the Series 2021A Bonds is to refinance the University's existing Series 2019 Bonds that are currently held with Bank of America to eliminate a restrictive debt service coverage covenant.
- The purpose of the proposed Series 2021B Bonds is to refinance the University's existing Series 2012A Bonds for interest rate savings. The Series 2012A Bonds have a call date of 10/01/2022. Since the Bonds are not currently refundable, the Series 2021B refunding bonds will be refunded with taxable bonds. In 2022, the taxable bonds will be refunded with tax-exempt bonds.
- The bond sizing is expected not to exceed $24,000,000 for the Series 2021A Bond and $37,000,000 for the Series 2021B Bonds. These estimates include plans to pay costs of issuance from bond proceeds.
- From a competitive RFP process involving a regional and national bank, the University selected a proposal received from Columbia State Bank subject to further negotiation. The University and Bank signed a final written agreement on May 21, 2021.
- The amortization for 2021A refunding will match the existing amortization schedule 2019 Bonds.
- The amortization for the Series 2021B refunding will be solved on a uniform basis to the existing amortization schedule of the 2012A Bonds, this will result in uniform savings to the University.
- Amortization for the Series 2021A Bonds pays principal annually each October commencing in 2021 and ending in 2036 and the Series 2021B Bonds pays principal annually each October commencing in 2021 and ending in 2042. Interest payments will be made semi-annually on April 1st and October 1st. The Bonds will be subject to mandatory tender after a term of 10 years.
- The Series 2021A Bonds will bear interest at a variable rate based on LIBOR, similarly to the existing Series 2019 Bonds. The interest rate will reset weekly and will be an annual rate based upon 80% of 1-Month LIBOR plus a credit spread of 75 basis points. Based on the Bank's rate of 80% of 1-Month LIBOR plus a credit spread of 75 basis points the current rate would be 0.69%.
- The Series 2021B Bonds will be refunded with tax-exempt bonds in 2022. Both the taxable and tax-exempt bonds will bear a fixed interest rate. This will allow the borrowers to refinance their tax-exempt debt ahead of its call date. Both the taxable and tax-exempt rate will be locked in at closing. The Bank's 10 year fixed rates are equal to 2.64% (Taxable) and 2.11% (Tax-Exempt).

In order to evaluate the savings benefit to the University when issuing tax-exempt bonds as opposed to a Taxable issuance, we analyzed the results when assuming the taxable conversion factor is applied to each refunding. The analysis for the Series 2019 refunding is based on the Bank's rate of 80% of 1-Month LIBOR plus a credit spread of 75 basis points (0.69% at current rates). As a taxable point of comparison, the Bank's provided Taxable Rate Factor of 1.25 is used (reflecting the factor needed to derive an equivalent taxable

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rate given the Bank's Internal Tax Rate of 20% a taxable equivalent rate of 0.86%). The analysis assumes the current 1-Month LIBOR Implied Forward Curve through 2021 and then LIBOR's 10-year average thereafter (0.75%) through the entire amortization period extending to final maturity in 2036.

The analysis for the Series 2012A refunding is based on the Bank's 10 year fixed rates of 2.64% (Taxable) and 2.11% (Tax-Exempt). For the taxable comparison, we have assumed the taxable bonds never convert to tax-exempt in 2022. The analysis assumes the Bank's 2.64% taxable 10-year rate is held constant through the entire amortization period extending to final maturity in 2042.

In addition to the assumptions described above, this analysis assumes the bonds are held until final maturity at the interest rates described above. Early redemption, or any other material changes to the bonds, could result in a material deviation from the figures shown below.

Series 2021A Nominal Cash Flow Savings	Series 2021A PV Cash Flow Savings
$675,528	$631,334
Series 2021B Nominal Cash Flow Savings	Series 2021B PV Cash Flow Savings
$2,697,869	$2,410,519

As you review, please let us know if you have any questions or comments. If you'd like, please feel free to contact us at 415-902-7835.

Sincerely,

N. Waugh

Nick Waugh
Director
Stifel

TAB 4

WASHINGTON HIGHER EDUCATION FACILITIES AUTHORITY

RESOLUTION NO. 21-01

A RESOLUTION of the Washington Higher Education Facilities Authority authorizing the issuance of nonrecourse revenue refunding bonds in an aggregate principal amount not to exceed $61,000,000 to provide funds to refinance facilities of The University of Puget Sound; approving the placement of said bonds to Columbia State Bank; delegating to the Executive Director of the Authority the authority to execute a bond purchase contract; approving the form of an indenture of trust and a loan agreement; authorizing the officers and Executive Director of the Authority to amend and execute such documents and other related documents; and authorizing and approving the form and execution of a forward delivery agreement with respect to the future issuance of nonrecourse revenue refunding revenue bonds for the benefit of the University.

APPROVED ON JUNE 14, 2021

PREPARED BY:

PACIFICA LAW GROUP LLP
1191 Second Avenue, Suite 2000
Seattle, Washington 98101

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* This table of contents is not a part of the resolution; it is included for convenience of the reader only.

RESOLUTION NO. 21-01

A RESOLUTION of the Washington Higher Education Facilities Authority authorizing the issuance of nonrecourse revenue refunding bonds in an aggregate principal amount not to exceed $61,000,000 to provide funds to refinance facilities of The University of Puget Sound; approving the placement of said bonds to Columbia State Bank; delegating to the Executive Director of the Authority the authority to execute a bond purchase contract; approving the form of an indenture of trust and a loan agreement; authorizing the officers and Executive Director of the Authority to amend and execute such documents and other related documents; and authorizing and approving the form and execution of a forward delivery agreement with respect to the future issuance of nonrecourse revenue refunding revenue bonds for the benefit of the University.

WHEREAS, the Washington Higher Education Facilities Authority, a public body corporate and politic of the State of Washington (the "Authority"), has been duly constituted pursuant to the authority and procedures of RCW 28B.07 et seq. (the "Act"); and

WHEREAS, pursuant to the Act the Authority is authorized to issue its nonrecourse revenue bonds for the purpose of financing or refinancing all or a part of the "project costs" of "higher education institutions" as such terms are defined in the Act; and

WHEREAS, the Internal Revenue Code of 1986, as amended (the "Code"), grants an exemption from gross income for federal income tax purposes of interest paid on bonds where the proceeds thereof are used to finance facilities owned and operated by corporations described under Section 501(c)(3) of the Code; and

WHEREAS, The University of Puget Sound (the "University") is a private, nonprofit higher education institution meeting the requirements of the Act and a corporation described under Section 501(c)(3) of the Code; and

WHEREAS, the Authority has previously issued its Revenue and Refunding Revenue Bonds (The University of Puget Sound Project), Series 2012A (the "2012A Bonds") and Refunding Revenue Bond (The University of Puget Sound Project), Series 2019 (the "2019 Bond") for the benefit of the University and loaned the proceeds of the 2012A Bonds and the 2019 Bond to the University for the purpose of financing certain capital projects of the University and refinancing certain then-outstanding bonds of the Authority issued for the benefit of the University; and

WHEREAS, the University has submitted an application, as amended, to the Authority to provide a portion of the funds necessary to defease and refund the 2012A Bonds and to refund the 2019 Bond (together, the "Refunded Bonds"), and to pay the costs of issuing the bonds (together, the "Project"); and

WHEREAS, it is desirable for the Authority to provide the University with financing of the Project through: (1) the issuance of its Washington Higher Education Facilities Authority Refunding Revenue Bond (The University of Puget Sound Project), Series 2021A (the "2021A Bond") and Taxable Refunding Revenue Bond (The University of Puget Sound Project), Series 2021B (the "2021B Bond," and together with the 2021A Bond, the "Bonds") in a principal amount of not to exceed $61,000,000, and (2) loaning the proceeds of the Bonds to the University pursuant to a Loan Agreement (as hereinafter defined) for purposes of financing the Project; and

WHEREAS, the Authority has received a preliminary offer from Columbia State Bank (the "Purchaser") to purchase the Bonds in a private placement pursuant to a purchase agreement (the "Purchase Agreement"); and

WHEREAS, the Authority held a public hearing with respect to the Bonds and has or will have received an approval from the Governor of Washington, in accordance with the Code, for the obligations refinanced by the Bonds pursuant to Section 147(f) of the Code; and

WHEREAS, the University has requested that the Authority enter into a forward delivery agreement by and among the Purchaser, the Authority, and the University (the "Forward Delivery Agreement") to enable the University to apply current favorable market terms and conditions to a future tax-exempt financing with the Purchaser; and

NOW, THEREFORE, BE IT RESOLVED by the Washington State Higher Education Facilities Authority as follows:

Section 1. Definitions. Unless otherwise defined in this resolution, capitalized terms used herein shall have the meanings set forth in the following documents filed with the Executive Director of the Authority: the Indenture of Trust (the "Indenture") between the Authority and U.S. Bank National Association (the "Trustee"), and the Loan Agreement, among the Authority, the Trustee and the University (the "Loan Agreement").

Section 2. Findings. The University has submitted an application to the Authority which has been reviewed and analyzed by the Authority staff. The Authority has determined, upon the recommendation of the Authority staff, that the financing of the Project will benefit the higher education system; that the University can reasonably be expected to successfully complete the Project; that the Project and the issuance of the Bonds are economically feasible and can be undertaken on terms economically satisfactory to the Authority; that the Project will carry out the purposes and policies of the Act; and that the University has reasonably satisfied the requirements of the Act and the regulations of the Authority promulgated thereunder.

Section 3. Authorization of Bonds; Refunding. The Authority hereby authorizes the issuance and sale of its nonrecourse revenue bond to be designated "Washington Higher Education Facilities Authority Refunding Revenue Bond (The University of Puget Sound Project), Series 2021A" and "Washington Higher Education Facilities Authority Taxable Refunding Revenue Bond (The University of Puget Sound Project), Series 2021B", or other such designations as set forth in the Indenture, in the aggregate principal amount of not to exceed $61,000,000 pursuant to and in accordance with the provisions of the Act and the Code.

The Authority further authorizes the refunding of the Refunded Bonds with proceeds of the Bonds and with other funds available to the University as provided in the Indenture, Loan Agreement, and an Escrow Deposit Agreement among the Authority, the Trustee and the University (the "Escrow Deposit Agreement").

Section 4. Approval of Documents. The Authority hereby accepts, approves and agrees to the execution and delivery and to all the terms and conditions of the Indenture and the Loan Agreement pertaining to it in substantially the forms on file with the Authority, including the forms of exhibits thereto, and with such additions, deletions and modifications as hereafter are deemed by the Executive Director or the Secretary of the Authority to be in the best interests of the Authority and approved by the University. The Indenture will authorize, inter alia, the sale, execution, issuance and delivery of the Bonds in a principal amount of not to exceed $61,000,000. The Authority also accepts, approves and agrees to the execution and delivery of the Escrow Deposit Agreement and all other certificates, documents and other papers which, in the judgment of the Executive Director or the Secretary of the Authority, are necessary to the sale, execution, issuance and delivery of the Bonds, the loan of the proceeds from the issuance and sale of the Bonds to the University, the financing of the Project and the exemption of interest on the 2021A Bond from federal taxation pursuant to the Code.

Section 5. Authorization to Execute and Deliver Documents and Bond. The Chair, the Executive Director and the Secretary of the Authority, or any one of such persons, hereby are authorized and directed to cause the Indenture and the Loan Agreement to be appropriately dated and to execute, for and on behalf of the Authority, and deliver to the parties entitled to executed copies of the same, together with any exhibits thereto required to be executed and delivered by the Authority, with such additions, deletions and modifications as are hereafter deemed by the Executive Director and the Secretary of the Authority to be necessary and/or to be in the best interest of the Authority and the University. The Chair and the Secretary or Executive Director of the Authority hereby are authorized and directed to execute, for and on behalf of the Authority, the Bonds, in substantially the form set forth in the Indenture. Such officers are hereby authorized to execute on behalf of the Authority any additional certificates, documents or other papers which are necessary to the sale, execution, issuance and delivery of the Bonds and the refunding of the Refunded Bonds.

Section 6. Sale of the Bonds. The Authority hereby authorizes and approves the private placement and sale of the Bonds to the Purchaser, in accordance with the terms and conditions set forth in the Purchase Agreement. The Authority hereby delegates to the Executive Director the authority to execute the Purchase Agreement on behalf of the Authority in substantially the form filed with the Authority, subject to the following limitations: (a) the aggregate principal amount of the Bonds does not exceed $61,000,000; (b) the initial variable interest rate on the Bonds does not exceed 5.00%; (c) the Purchase Agreement is executed prior to December 31, 2021; and (d) the final terms of the Purchase Agreement is otherwise in furtherance of the Act.

Section 7. Authorization of Forward Delivery Agreement. It is hereby found and determined that the Forward Delivery Agreement conforms to the requirements of the Authority and the Act and that the execution of the Forward Delivery Agreement is in furtherance of the Act.

The Forward Delivery Agreement is hereby approved in substantially the form filed with the Executive Director of the Authority. The Authority hereby delegates to the Executive Director the authority to execute the Forward Delivery Agreement on behalf of the Authority in substantially the form filed with the Authority, subject to the following limitations: (a) the Forward Delivery Agreement is executed and effective no earlier than 15 days after the issuance of the Bonds and prior to December 1, 2021; (b) the Forward Delivery Agreement must terminate prior to December 31, 2022; and (c) the final terms of the Forward Delivery Agreement are otherwise in furtherance of the Act. Any bond or bonds issued pursuant to the Forward Delivery Agreement must be approved by subsequent resolution of the Authority.

Section 8. Execution of Resolution in Counterparts. This resolution may be executed in several counterparts, each of which, when so executed, shall be deemed to be an original; and such counterparts together shall constitute one and the same instrument.

Section 9. Executive Director. The Deputy Director is hereby authorized to act on behalf of the Executive Director for all purposes of this resolution if it is necessary or desirable to accomplish the purposes hereof.

Section 10. Effective Date. This resolution shall become effective immediately upon its passage and execution by a majority of the members of the Authority at a duly constituted meeting.

ADOPTED at special meeting duly noticed and called this 14th day of June, 2021.

WASHINGTON HIGHER EDUCATION
FACILITIES AUTHORITY

______________________________ David Schumacher, Designee for Jay Inslee, Governor and Chair	______________________________ The Honorable Denny Heck, Lieutenant Governor and Member
______________________________ Allan Belton, Public Member	______________________________ Michael Meotti, Public Member
______________________________ Jerome Cohen, Public Member	______________________________ Claire Grace, Public Member
______________________________ Gene Sharratt, Public Member	

TAB 5

Memorandum

To: Authority Board Members

From: Bob Cook, Lucas Loranger, Shirleen Noonan

CC: Steve Walker, Paul Edwards

Date: May 27, 2021

Re: Proposed annual budget and workplan for the fiscal year July 1, 2021 – June 30, 2022

Background:

The draft budget proposal for the upcoming fiscal year, July 1, 2020 through June 30, 2022 (FY22), is attached. It outlines the business objectives and income and expense budget for the upcoming year.

For FY22, the Authority anticipates two financings totaling $30 million. Application and issuance fees directly related to these issuances represent approximately $37,500. Other activities and expenditures are in line with prior years.

Our client colleges and universities are still facing uncertainty in the face of the recovery from the COVID-19 pandemic. Because of this, management is proposing that we forego our ongoing fee of 6 basis points (0.06%) on bonds outstanding for another year. This will result in an estimated net position for WHEFA at June 30, 2022 of about $700,000, below our target of $1million. We almost certainly will need to reinstate the ongoing fee in the following year but believe this is the best strategy for WHEFA and its members for the upcoming year.

Recommended Action:

Consider approval of the proposed budget and work plan for the fiscal year July 1, 2021 through June 30, 2022.

WASHINGTON HIGHER EDUCATION FACILITIES AUTHORITY

Program Summary

Fiscal Year 2021– 2022

Problem/Need:

The cost of financing capital facilities and equipment for higher education institutions can be reduced by providing access to tax-exempt financing, thereby increasing educational opportunities, and reducing costs.

The ability to obtain lower interest rates through the sale of tax-exempt bonds has saved our borrowers millions of dollars. The savings ultimately benefit the students of Washington State and support the missions of the institutions.

Goal:

To enhance educational opportunities for citizens in this state by maintaining and increasing the availability of quality facilities for independent colleges and universities in Washington.

Providing below-market financing for capital projects allows educational institutions to maintain and increase the quality of facilities and equipment and indirectly to pass on the interest savings to students.

Business Objectives:

1. Complete two bond issues for the Authority totaling approximately $30 million by June 30, 2022.
2. Review policies to determine whether further streamlining or modernizing is necessary or prudent. If change is required or desired, staff recommendations will be brought before the WHEFA board by June 30, 2022.
3. Participate in at least one National Association of Higher Education Facilities Authorities meeting to share program and business information by June 30, 2022.
4. Produce and distribute a 2020 – 2021 Annual Report by December 31, 2021.
5. Complete the annual NAHEFFA Survey within 30 days of request by NAHEFFA.
6. Complete a minimum of 6 college or university visits (virtual or in person) prior to June 30, 2022.
7. Complete annual review and update of the Authority’s underwriter roster. Approved changes and updates shall be complete by February 28, 2022.
8. Describe and evaluate efforts designed to enhance diversity and inclusion in agency operations and policies by June 30, 2022.

Performance Measure:

1. Complete two bond issues for the Authority totaling approximately $30 million by June 30, 2022.
2. Complete a minimum of 6 college or university visits (virtual or in person) prior to June 30, 2022.
3. WHEFA will score 4 or better on a client satisfaction survey based upon a 1 to 5 scale for the current fiscal year. Survey results will be compiled and distributed by August 1, 2022.

Assumptions:

Assumes one new money financing totaling approximately $20 million for Pacific Northwest University of Health Sciences (PNUW) and a second unidentified issue by the end of fiscal year 2022.

The expectation that this financing will go forward is based on the fact that a means of finance will be available for the university.

WHEFA

Budget Summary for the fiscal year ending: June 30, 2022

FINANCIAL AND PROGRAM INFORMATION

	FYE 22 Proposed Budget	FYE 21 Projected Actual	FYE 21 Budget as Adopted
Personnel Resources [FTE's]			
Permanent	2.43	2.17	2.43
Temporary	-	-	
Total FTE's	**2.43**	**2.17**	**2.43**
Program Budget			
Fee Income	37,500	86,899	37,500
Interest Income	9,925	2,296	17,791
Total Revenue	47,425	89,196	55,291
Employee Expenses	380,019	280,305	369,693
Travel Expenses	24,978	771	21,500
Professional Fees	63,600	41,452	53,540
Office Expenses	65,672	49,789	68,022
Total Expenses	534,268	372,316	512,755
Total Income/(Loss)	(486,843)	(283,121)	(457,464)

PERFORMANCE MEASUREMENTS

PERFORMANCE MEASUREMENTS	FYE 22 Proposed Budget	FYE 21 Project Actual	FYE 21 Budget as Adopted
1 Number of bonds to issue	2	2	2
1 Amount of bonds to issue	$ 30,000,000	$ 119,975,000	$ 30,000,000
1 College & University site visits	>6	>6	>6
1 Satisfaction survey	>4	>4	>4

WHEFA - Budget Report for the fiscal year ending: June 30, 2022

	Proposed Budget	Current Year, Projected Actual	Current Year Budget	Prior Year Actual
Revenues				
Interest Earned	9,925	2,296	17,791	19,656
Program Fees	0	-	-	377,090
One Time Program Fees	37,500	86,899	37,500	282,725
Total Revenues	47,425	89,196	55,291	679,471
Expenses				
Salaries & Wages	262,447	200,782	255,693	196,890
Annual Leave	22,187	6,961	21,520	2,786
Payroll Taxes	19,858	15,649	19,309	15,585
Health Insurance	32,729	24,365	31,488	23,858
Retirement	33,884	25,811	33,219	25,223
Commute Trip Reduction	1,142	1,210	2,372	1,788
Employee Training	80	-	-	-
Recognition - Employee	292	72	292	218
Conference Registration	7,400	5,453	5,800	4,974
In State Travel Expenses	7,165	-	6,500	1,194
Out of State Travel Expenses	17,813	771	15,000	9,314
Accounting Fees	45,500	32,770	36,500	44,575
Legal Fees	9,500	8,682	8,000	9,036
Financial Advisor Fees	2,000	-	2,500	-
Professional Fees - Other	6,600	-	6,540	-
Printing (Letterhead, etc)	4,100	456	4,900	1,762
Supplies- Office	1,115	349	4,832	1,438
Postage	50	10	150	48
Delivery	600	364	700	394
Equipment - Non Capitalized	365	208	365	-
Equipment/Furniture Rentals	536	595	1,479	875
State Services	-	30	25	25
Office Expense - Other	1,825	1,892	2,403	1,472
Rent- Office Building	15,799	11,126	13,016	9,339
Maint. - Equipment & Building	2,537	448	2,450	452
Telephone	2,746	2,008	1,874	2,215
Database Design & Support	-	-	-	2,478
Information Services	2,137	1,543	1,589	1,031
Software Maintenance & Support	10,070	7,987	9,305	6,035
Distributed Materials	1,000	-	1,000	-
Partner Awards	1,000	-	-	-
Legal Advertising	-	111	-	-
Insurance	14,693	13,487	14,649	13,304
Dues	3,795	3,774	3,795	3,140
Subscriptions and Publications	655	673	340	550
Meeting Expense	2,650	-	5,150	42
Miscellaneous	-	4,726	-	-
Total Expenses	534,268	372,316	512,755	380,039
Revenue over (under) Expense	(486,843)	(283,121)	(457,464)	299,433

TAB 6

WHEFA

May 28, 2021

Members
Washington Higher Education Facility Authority
Seattle, Washington

We have compiled the UNAUDITED Statement of Net Position of the Washington State Higher Education Facilities Authority (the "Authority") General Operating Fund, as of April 30, 2021 and the related statement of Activities and Changes in Net Position for the month ended in accordance with generally accepted accounting principles.

This compilation is limited to presenting, in the form of financial statements, information that is accurate to the best of our knowledge and belief. These statements have not been audited or reviewed by an independent third party.

We have elected to omit substantially all of the disclosures required by generally accepted accounting principles including the statement of cash flow. If the omitted disclosures were included in the financial statements, they might influence the users' conclusions about the Authority's financial position, results of operations and changes in financial position. Accordingly, these financial statements are not designed for those who are not informed about these matters.

Prepared by: Leora Tyau
Leora Tyau
Fiscal Analyst 4

Approved by: Shirleen Noonan
Shirleen Noonan
General Operations Manager

1000 2nd Avenue, Suite 2700, Seattle, WA 98104 | tel. (206) 464-7139 | (800) 767-4663 | fax (206) 587-5113

WASHINGTON HIGHER EDUCATION FACILITIES AUTHORITY
GENERAL OPERATING FUND

April 30, 2021

CONTENTS

(See Accountant's Compilation Report)

Washington Higher Education Facilities Authority
Statement of Net Position
Fund: General Operating Fund
Division: All
April 30, 2021

(See Accountant's Compilation Report)

	Current Year	Prior Year	Variance Amount		Variance %
ASSETS					
Cash and Cash Equivalents:					
Demand Deposits	$ 7,106	$ 100,503	$ (93,397)		-93%
Money Market Accounts	1,127,902	1,327,088	(199,186)		-15%
Loan Receivable (net)	-	3,454	(3,454)	(1)	-100%
Prepaid Expenses & Other Receivable	4,593	7,592	(3,002)	(2)	-40%
Total Assets	$ 1,139,601	$ 1,438,640	$ (299,039)		-21%
LIABILITIES					
Accounts Payable and Other Liabilities	$ 98,520	$ 101,567	$ (3,047)		-3%
Unearned Fee Income	-	64,908	(64,908)	(3)	-100%
Total Liabilities	98,520	166,475	(67,955)		-41%
NET POSITION					
Unrestricted	1,041,081	1,272,165	(231,084)		-18%
Total Net Position	1,041,081	1,272,165	(231,084)		-18%
Total Liabilities and Net Position	$ 1,139,601	$ 1,438,640	$ (299,039)		-21%

(1) In the current year a student loan from 2007 was deemed uncollectible and written off, thereby decreasing the balance to zero.

(2) The prior year's prepaids balance included a prepayment of fees for the NAHEFFA Conference. Due to the pandemic, the in-person conference was cancelled and a credit for the fees was applied to the virtual conferences held in Fall 2020 and Spring 2021.

(3) In the prior year the unearned fee income balance consisted of unamortized annual Authority fees. In the current year the annual Authority fees were waived.

Totals may not add due to rounding.

Washington Higher Education Facilities Authority
Statement of Activities and Changes in Net Position
Fund: General Operating Fund
Division: All
For The Year To Date Ending: April 30, 2021

(See Accountant's Compilation Report)

	Current Period	Current Year to Date	Prior Year to Date	Variance Amount		Variance %
Revenues:						
Fee Income	$ -	$ 72,138	$ 594,907	$ (522,769)	(1)	-88%
Interest Earned	100	1,906	18,681	(16,775)	(2)	-90%
Total Unadjusted Revenues	100	74,044	613,589	(539,545)		-88%
Expenses:						
Salaries, Wages, and Employee Benefits	23,331	228,164	221,678	6,486		3%
Travel & Conferences	-	5,167	14,837	(9,670)	(3)	-65%
Professional Fees	215	39,977	49,482	(9,505)	(4)	-19%
Office Expense	3,704	41,332	37,673	3,659	(5)	10%
Total Expenses	27,250	314,640	323,669	(9,029)		-3%
(Deficit) Excess of Revenues over Expenses	(27,150)	(240,596)	289,920	(530,516)		-183%
Net Position						
Total net position, beginning of period	1,068,231	1,281,677	982,245	299,432		30%
Current Increase (Decrease) to Net Position	(27,150)	(240,596)	289,920	(530,516)		-183%
Total net position, end of year	$ 1,041,081	$ 1,041,081	$ 1,272,165	$ (231,084)		-18%

(1) Fee income in the current year represents fees related to the bond issuance for Seattle University. In the prior year, fee income consisted primarily of recognized income from annual Authority fees, plus two bond application fees. In the current year the annual Authority fees have been waived.

(2) The decrease in interest income is primarily due to a lower market yield in the current period of .10% compared to the same period in the prior year of .81%.

(3) In the prior year there were travel costs for staff to attend the Fall NAHEFFA conference held in September. In the current year the Fall NAHEFFA conference was held virtually in late October and no travel costs were incurred. The Spring 2020 conference was cancelled and the Spring 2021 conference was virtual.

(4) The decrease in Professional fees in the current year is primarily related to lower costs for the external audit than the prior year.

(5) The increase in office expense is primarily due to a student loan from 2007 that was deemed uncollectible and written off in the current year.

Totals may not add due to rounding.

Washington Higher Education Facilities Authority

Detailed Statement of Activities

Fund: General Operating Fund

Division: All

For The Year To Date Ending: April 30, 2021

(See Accountant's Compilation Report)

	Variance-YTD vs. PY Actuals		Prior YTD	**YTD**	YTD	Variance-YTD Budget to Actual	
	%	Amount	Actual	**Actual**	Budget	Amount	%
Revenues:							
Issuance & Application Fees	(1)	(210,587)	282,725	**72,138**	31,250	40,888	130.8%
Interest Revenue	(1)	(16,775)	18,681	**1,906**	14,826	(12,920)	-87.1%
Total Unadjusted Revenues	-87.9%	(539,544)	613,589	**74,044**	46,076	27,968	60.7%
Expenses:							
Salaries & Wages - Staff & Temp. Svcs	4%	6,521	165,934	**172,455**	231,011	(58,556)	-25%
Employee Benefits - Staff	-0.1%	(35)	55,744	**55,709**	72,233	(16,524)	-22.9%
Conference, Education & Training	4.4%	191	4,336	**4,527**	4,833	(306)	-6.3%
Travel out of state - Staff	-93.1%	(8,667)	9,307	**640**	12,500	(11,860)	-94.9%
Accounting Fees	-22.9%	(9,759)	42,529	**32,770**	35,750	(2,980)	-8.3%
Legal Fees	3.7%	254	6,953	**7,207**	6,667	540	8.1%
Financial Advisor Fees	NA	-	-	**-**	2,083	(2,083)	-100.0%
Office Rent/Conf. Room Rentals	21.5%	1,635	7,601	**9,236**	10,847	(1,611)	-14.9%
Furniture & Equipment Rental	-32.6%	(239)	733	**494**	1,233	(739)	-59.9%
Advertising	NA	92	-	**92**	833	(741)	-89.0%
Publications/ Subscriptions/ Dues	20.7%	632	3,060	**3,692**	3,446	246	7.1%
Deliveries	-23.1%	(91)	394	**303**	583	(280)	-48.0%
Insurance	0.9%	99	11,097	**11,196**	12,208	(1,012)	-8.3%
Meeting Expense	-100.0%	(42)	42	**-**	4,292	(4,292)	-100.0%
Equipment & Building Maintenance	-6.8%	(27)	399	**372**	2,042	(1,670)	-81.8%
Software Maint. Support & Other Info Svcs	-5.1%	(425)	8,336	**7,911**	9,078	(1,167)	-12.9%
Non-capitalized Equipment/Supplies	NA	172	-	**172**	304	(132)	-43.4%
Postage	-83.0%	(39)	47	**8**	125	(117)	-93.6%
Printing	-78.5%	(1,383)	1,762	**379**	4,083	(3,704)	-90.7%
State Services	NA	25	-	**25**	21	4	19.0%
Supplies	-78.4%	(1,052)	1,341	**289**	4,027	(3,738)	-92.8%
Telephone	-0.4%	(6)	1,673	**1,667**	1,562	105	6.7%
In th Other Office Expenses	35.1%	408	1,163	**1,571**	2,003	(432)	-21.6%
Vari Other Misc. Expenses	NA	3,923	-	**3,923**	-	3,923	NA
Total Expenses	-2.8%	(9,007)	323,645	**314,638**	432,631	(117,993)	-27.3%
(Deficit) Excess of Revenues over Expenses	-183.0%	$ (530,538)	$ 289,944	**$ (240,594)**	$ (386,555)	$ 145,961	-37.8%

Totals may not add due to rounding.

TAB 7

Statement of Account

Washington Higher Education Facility Authority
Proration of costs between WHEFA and WSHFC
For the period January 1, 2021 - March 31, 2021

Month	Salaries & Benefits	Office Expenses (1)	Overhead (2)	Total
January	$ 23,084.10	$ 1,879.89	$ 110.71	$ 25,074.70
February	22,277.16	2,945.58	136.51	25,359.25
March	20,270.00	1,922.99	119.56	22,312.55
Total Per Category	$ 65,631.26	$ 6,748.46	$ 366.78	$ 72,746.50

Previous Balance at December 31, 2020	78,847.52
Payments & Credit Memos (through April 29, 2021)	(78,847.52)
Total Due to WSHFC:	$ 72,746.50

Please make checks payable to:

Washington State Housing Finance Commission
1000 Second Avenue, Suite 2700
Seattle, Washington 98104-1046

(1) Office Expenses are expenses paid by WSHFC on behalf of WHEFA and allocation of certain HFC expenses based on WHEFA salary hours as a percentage of total HFC salary hours.
(2) Overhead is the allocation of HFC's depreciation expense based on WHEFA salary hours as a percentage of total HFC salary hours.

Approval for Payment

Claire S. Grace
Claire S. Grace (May 27, 2021 15:14 PDT)

Authority Board Member

Statement of Account

Washington Higher Education Facility Authority
Proration of costs between WHEFA and WSHFC
For the period October 1, 2020 - December 30, 2020

Month	Salaries & Benefits	Office Expenses (1)	Overhead (2)	Total
October	**$ 26,290.03**	**$ 2,589.16**	**$ 134.23**	**$ 29,013.42**
November	**24,921.78**	**1,875.41**	**112.69**	**26,909.88**
December	**20,749.73**	**2,071.79**	**102.70**	**22,924.22**
Total Per Category	**$ 71,961.54**	**$ 6,536.36**	**$ 349.62**	**$ 78,847.52**

Previous Balance at September 30, 2020	**73,429.74**
Payments & Credit Memos (through December 31, 2020)	**(73,429.74)**
Total Due to WSHFC:	**$ 78,847.52**

Please make checks payable to:
Washington State Housing Finance Commission
1000 Second Avenue, Suite 2700
Seattle, Washington 98104-1046

(1) Office Expenses are expenses paid by WSHFC on behalf of WHEFA and allocation of certain HFC expenses based on WHEFA salary hours as a percentage of total HFC salary hours.
(2) Overhead is the allocation of HFC's depreciation expense based on WHEFA salary hours as a percentage of total HFC salary hours.

Approval for Payment

Claire S. Grace
Claire S. Grace (Apr 10, 2021 13:42 PDT)

Authority Board Member

TAB 8

Washington Higher Education Facilities Authority

Market Update

June 14, 2021

PFM Financial Advisors LLC

107 Spring Street Seattle, WA 98104

Thomas Toepfer
(206) 858.5360
toepfert@pfm.com

May Market Recap

- **The U.S. fight against COVID-19 has shown dramatic progress in contrast with soaring cases abroad, particularly in emerging economies.** The dramatic downturn in new U.S. coronavirus cases came as the vaccination rate rose sharply. By early May more than 150 million Americans had received at least one dose of the vaccine. The Biden Administration has set two new goals for July 4: getting 70% of U.S. adults to receive at least one vaccine dose and having 160 million adults fully vaccinated.

- **The first estimate of gross domestic product (GDP) for the first quarter showed the U.S. economy grew at an annualized 6.4% clip, fueled by strong consumer spending.** Personal consumption, the biggest component of GDP, surged at an annualized rate of nearly 11%, the second-fastest pace since the 1960s. Pent-up consumer demand combined with the third round of household stimulus checks drove growth.

- **At the April meeting of the Federal Open Market Committee, the Federal Reserve (Fed) kept its easy monetary policy in place, holding interest rates near zero and continuing $120 billion per month in asset purchases**. Fed Chair Jerome Powell acknowledged faster economic growth, though he remained cautiously optimistic about the future course. Powell reiterated the view that “base effects and [supply] bottlenecks” will likely drive up reported inflation in the coming months but expects the rise to be transitory. A prerequisite for any policy changes is for policymakers to see substantial further progress in the economy and a broad based and inclusive recovery in the labor market.

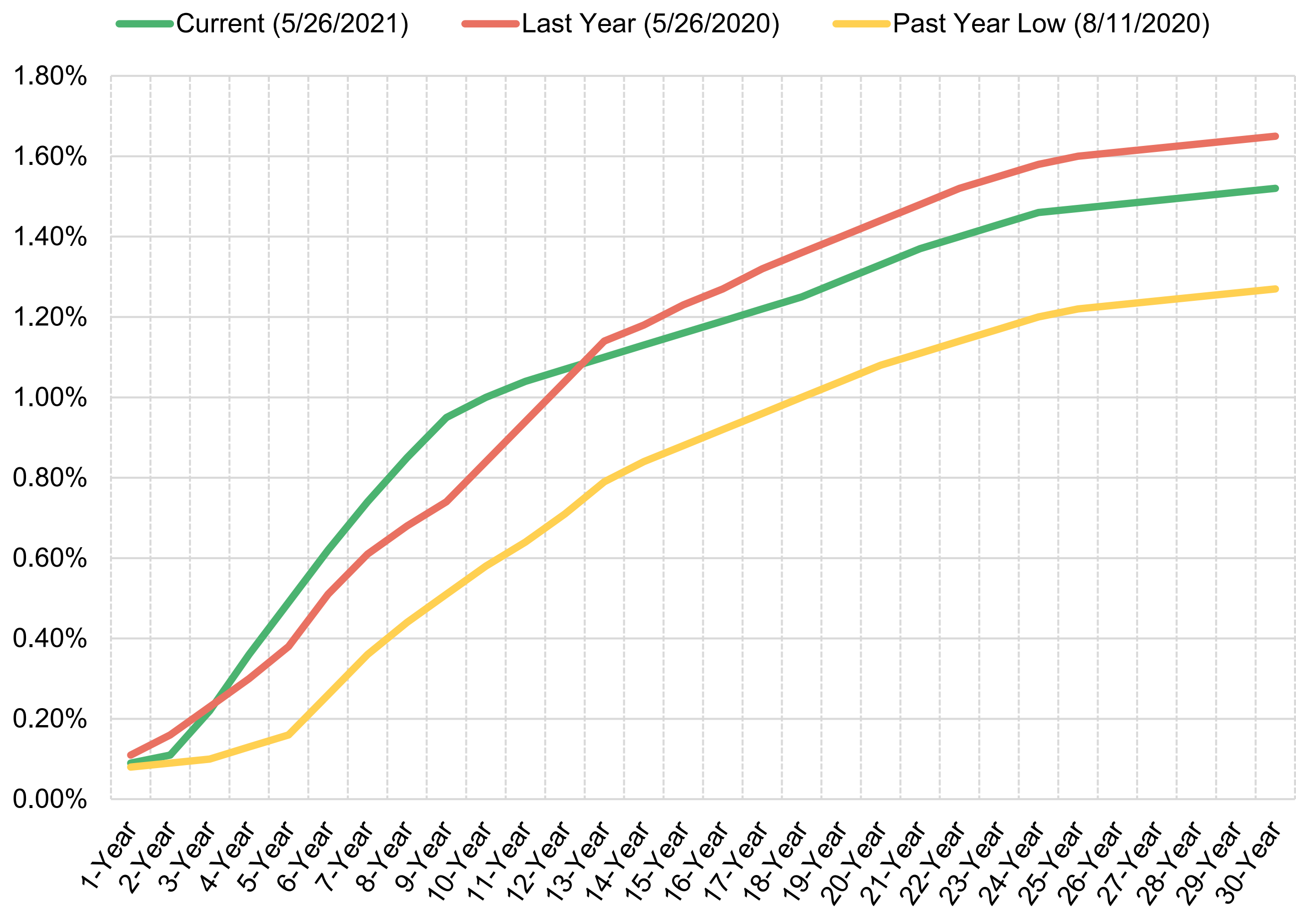
- **The employment report for April was a huge disappointment – the U.S. economy only added 266,000 jobs, significantly missing estimates of up to one million job gains.** The unemployment rate ticked higher to 6.1% (from 6.0%), as there are still over eight million fewer employees in the workforce compared to pre-pandemic levels. The more comprehensive measure that includes underemployment (U-6) declined 0.3% to 10.4%.

- **The U.S. housing market is strong and after a winter setback sales activity picked up, held back only by inventory shortages.** On the other hand, after a stimulus-induced surge in March, retail sales were flat in April, pointing to a still uneven recovery.

Source: Bloomberg, PFM Research

Recent AAA MMD Yield Curve Movement

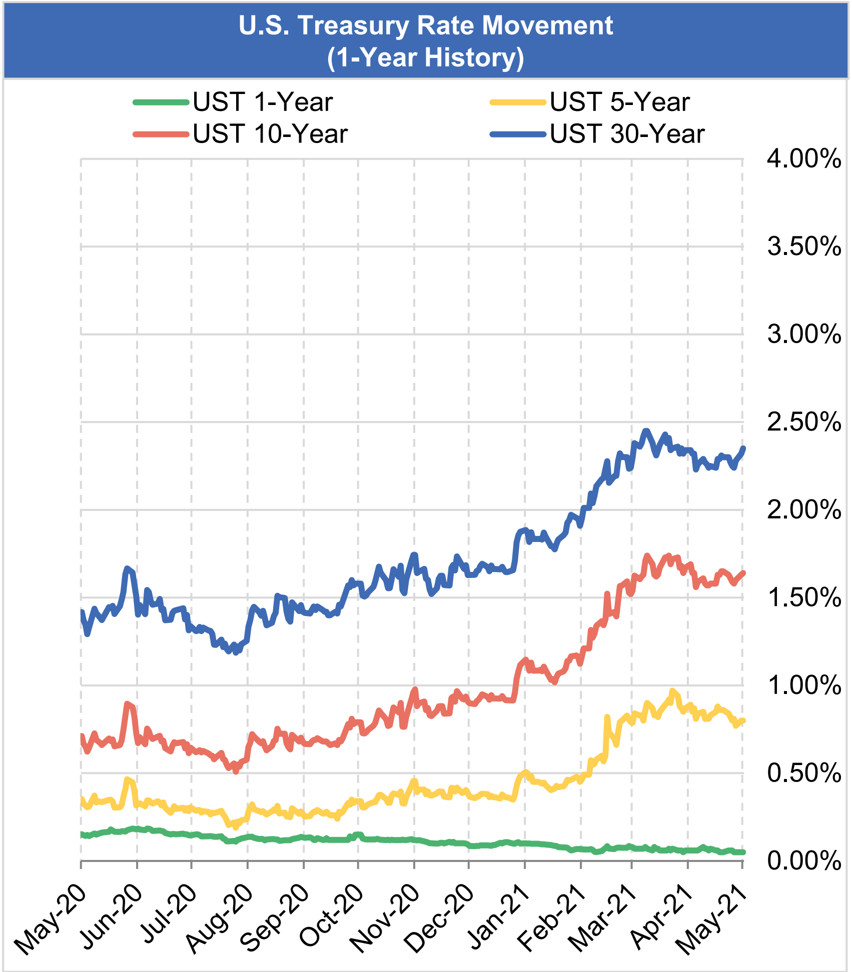
AAA MMD Yield Curve Movement

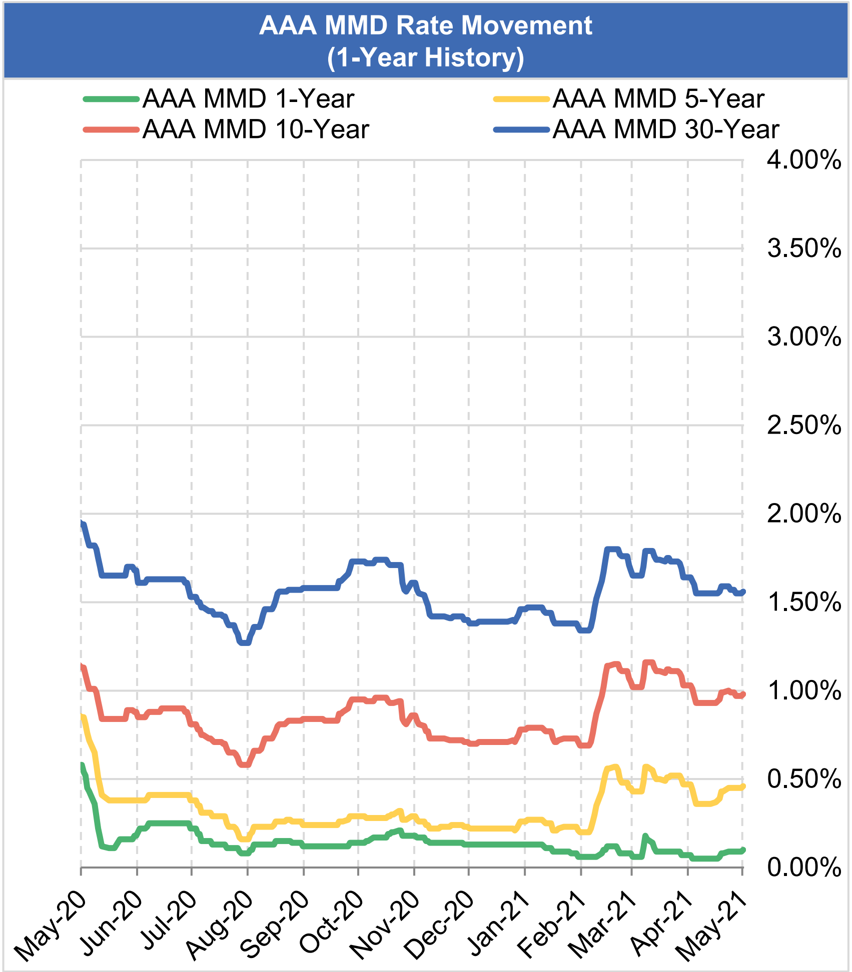


Maturity	∆ Since 05/26/2020	∆ Since 08/11/2020
1-Year	-0.02%	0.01%
2-Year	-0.05%	0.02%
3-Year	-0.01%	0.12%
4-Year	0.06%	0.23%
5-Year	0.11%	0.33%
6-Year	0.11%	0.36%
7-Year	0.13%	0.38%
8-Year	0.17%	0.41%
9-Year	0.21%	0.44%
10-Year	0.16%	0.42%
11-Year	0.10%	0.40%
12-Year	0.03%	0.36%
13-Year	-0.04%	0.31%
14-Year	-0.05%	0.29%
15-Year	-0.07%	0.28%
16-Year	-0.08%	0.27%
17-Year	-0.10%	0.26%
18-Year	-0.11%	0.25%
19-Year	-0.11%	0.25%
20-Year	-0.11%	0.25%
21-Year	-0.11%	0.26%
22-Year	-0.12%	0.26%
23-Year	-0.12%	0.26%
24-Year	-0.12%	0.26%
25-Year	-0.13%	0.25%
26-Year	-0.13%	0.25%
27-Year	-0.13%	0.25%
28-Year	-0.13%	0.25%
29-Year	-0.13%	0.25%
30-Year	-0.13%	0.25%

Source: Thomson Reuters

U.S. Treasury & AAA MMD Rate Movement

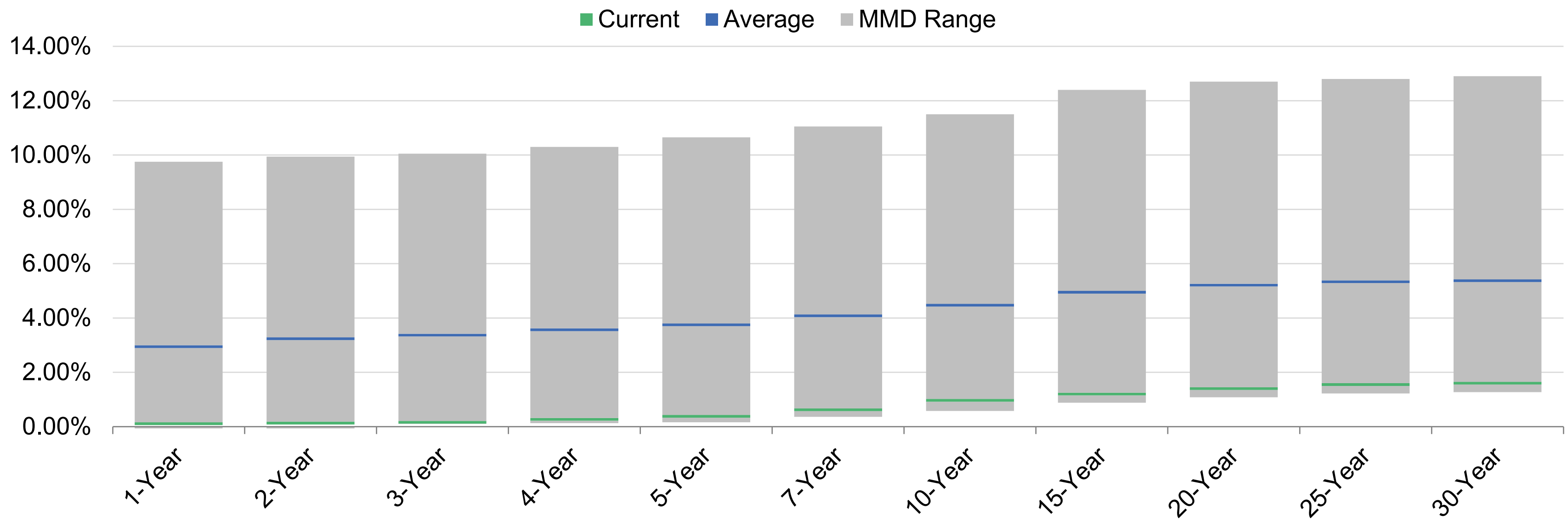




Source: Thomson Reuters

AAA MMD Position Since Inception

AAA MMD Rate Position
(June 8, 1981, Inception to May 26, 2021)



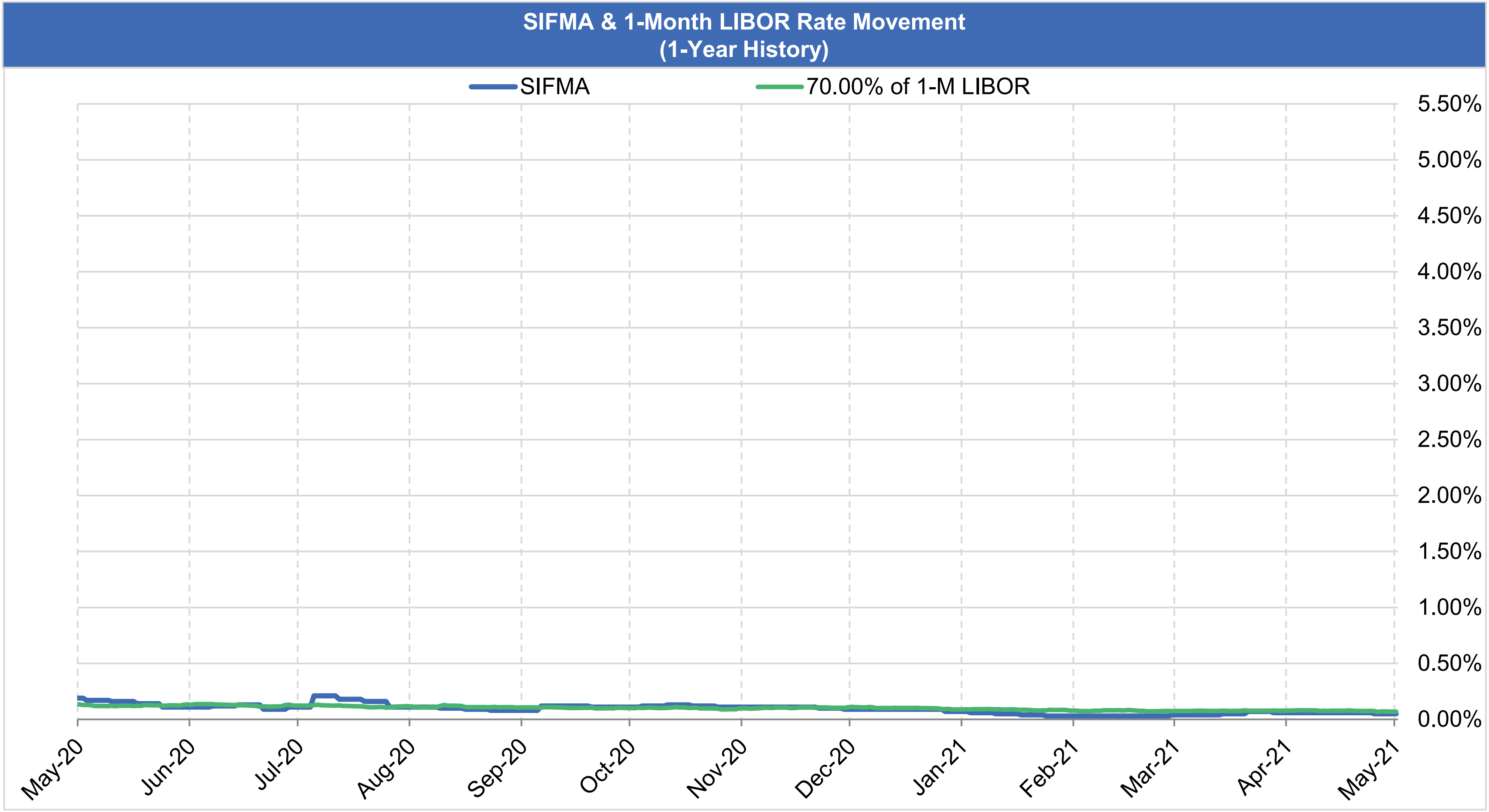
Summary of May 26, 2021 vs. Historical (since Inception) MMD Rates

Statistics	1-Year	2-Year	3-Year	4-Year	5-Year	7-Year	10-Year	15-Year	20-Year	25-Year	30-Year
May 26, 2021	0.09%	0.11%	0.22%	0.36%	0.49%	0.74%	1.00%	1.16%	1.33%	1.47%	1.52%
Historical Average	2.90%	3.19%	3.42%	3.61%	3.78%	4.12%	4.51%	4.97%	5.24%	5.38%	5.40%
Spread to Average	-2.81%	-3.08%	-3.21%	-3.28%	-3.33%	-3.42%	-3.52%	-3.79%	-3.86%	-3.86%	-3.83%
Min	0.06%	0.08%	0.10%	0.13%	0.16%	0.36%	0.58%	0.88%	1.08%	1.22%	1.27%
Max	9.65%	9.85%	10.05%	10.30%	10.65%	11.05%	11.50%	12.40%	12.70%	12.80%	12.90%
% of Time Lower	0.00%	0.06%	1.47%	1.75%	1.92%	1.95%	2.09%	1.80%	1.79%	1.70%	1.69%

Source: Thomson Reuters

SIFMA & 1-Month LIBOR Rate Movement

- Following the late-March 2020 spike in rates due to the impacts of COVID–19 and subsequent Fed economic relief programs, the SIFMA Index has stabilized and remained around the 70% of LIBOR level.

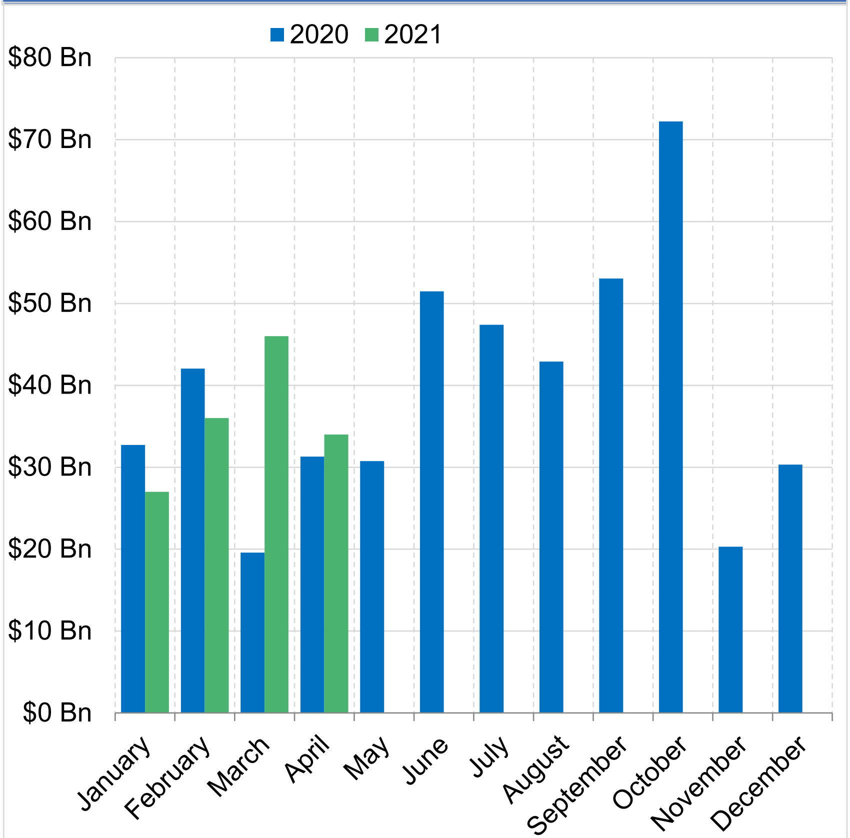


Source: Thomson Reuters

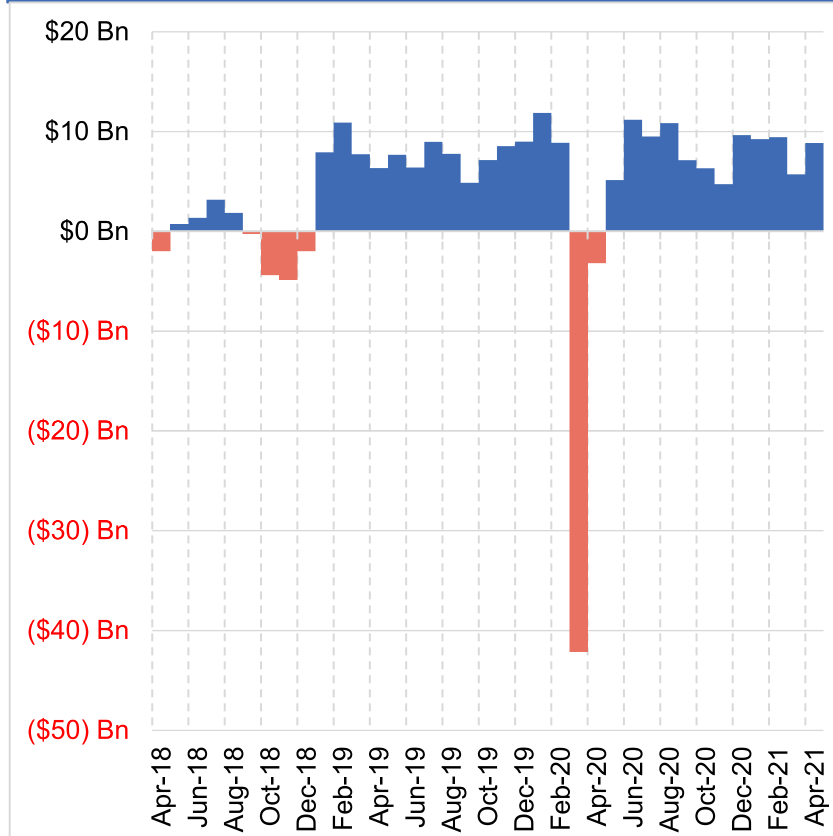
Municipal Market Supply & Demand

- New issuance volume was up by 9% year-over-year in April, while year-to-date new issuance volume was 14% higher than 2020 issuance through April.

Overall Municipal Market Volume (Supply)



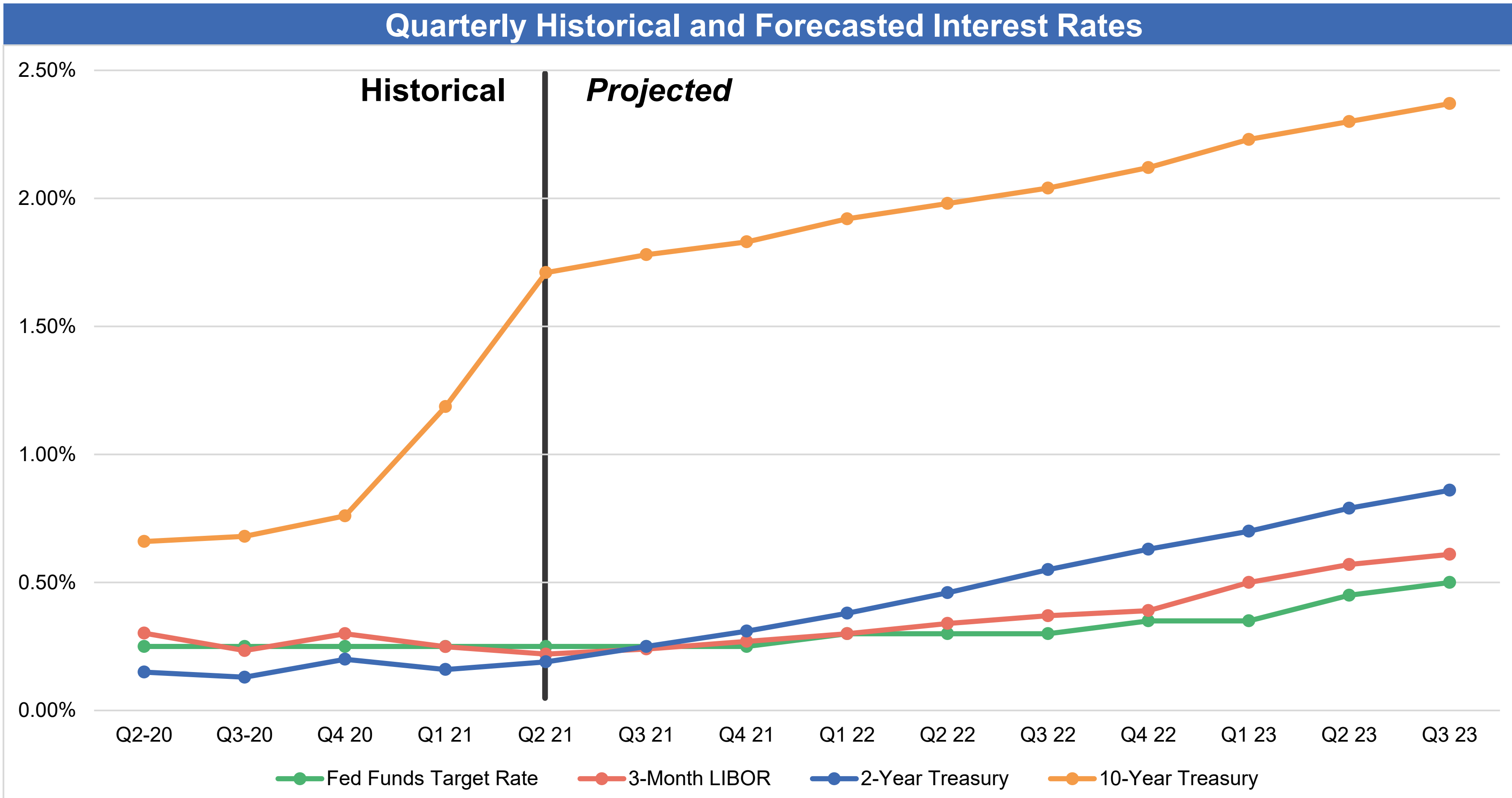
Municipal Fund Flows (Demand)



Source: Bond Buyer, Investment Company Institute

Market Update – Historical and Forecasted Interest Rates

- The chart below shows consensus forecasts from numerous financial institutions as reported by Bloomberg



Source: Bloomberg, as of 5/26/2021

Higher Education Credit and Sector Outlook

	Moody's	S&P Global	Fitch Ratings
Pre-COVID	**Stable** • Institutions seeing steady revenue growth and solid reserves • Revenue growth of 3% - 4% driven mainly by larger, comprehensive universities • Reserves provide a solid buffer	**Negative** • Net revenue from tuition on decline due to affordability concerns • Enrollment challenges due to decreasing pool of high school graduates and slowing growth in international students • Pension costs and contributions on the rise, stressing budgets	**Negative** • Operating pressures and industry challenges, including continued uncertainty in federal and state support • Enrollment challenges from high school students and international students • Potential impact of a macroeconomic slowdown
COVID-19 Impacts	**Negative** • Coronavirus response has immediately impacted revenue and increased expenses • Disrupted enrollment, state support, research grants, endowment income • The impact of financial market disruption had revealed immediate and long-term challenges • Market recovery and steady enrollment could help to reverse the adverse affects felt by Universities	**Negative** • Financial and economic challenges exacerbated existing pressures • Loss of auxiliary revenue was the biggest near-term impact • Weaker investment performance, endowment market values, and declined fundraising • Institutions with limited liquidity and financial flexibility are faced with greater operating pressures	**Negative** • Decline in housing, dining, and parking revenues negatively affected margins • Operating risks from campus closures and low dorm occupancy • Financial markets negatively impacted endowments • Strained state support
2021 Outlook	**Stable*** • The increasing likelihood for a return to campus operations this fall will bolster tuition and auxiliary revenue • Federal relief will provide budgetary support for pandemic-related disruptions through 2023, with a significant portion of it providing direct financial aid for students, supporting enrollment • Risk of material funding cuts for public universities decreases as state economies recover with the help of the American Rescue Plan Act (ARPA) • Economic growth prospects and financial market strength will enhance families' ability to pay tuition, bolster philanthropic donations, and will drive up • endowments	**Negative** • Most rating actions on private colleges and universities have been negative outlook revisions 40% of the private universities now carry a negative outlook, compared with 9% at the time of the fiscal 2018 medians publication • Rating changes that have occurred since the onset of the pandemic have been the result of a weakening in credit fundamentals and stresses brought on due to the global pandemic that exacerbated weak credit quality, or a material increase in new debt	**Negative** • Enrollment declines will persist for international students and incoming freshman (graduate enrollment is expected to increase); increased discounting may be necessary to attract and retain students • Ongoing expense reductions are expected to continue into 2022, some universities will utilize large endowment draws • Auxiliary revenues from enterprises are expected to significantly decline across the sector • Sector-wide downward pressure on pricing power is expected to continue post-pandemic

** Revised sector outlook (Moody's Investor Services Higher Education – US: Outlook revised to stable as prospects for revenue growth improve March 22, 2021)*

Source: Various reports published by Moody's Investors Service, S&P Global Ratings, and Fitch Ratings

Request for Comment – Higher Education: Proposed Methodology Update

- On March 31, 2021 Moody's released a Request for Comment that outlines proposed changes to its Higher Education rating methodology.
- Collectively, the changes expand upon Moody's last major update in 2019 and reinforce the core focus on scale, competitive position, profitability and wealth
- The proposed changes include:

1. Replace the sub-factor Spendable Cash & Investments to Operating Expenses with Total Cash & Investments to Operating Expenses.
2. Replace the sub-factor Spendable Cash & Investments to Total Debt with Total Cash & Investments to Total Debt.
3. Replace the sub-factor Total Debt to Cash Flow with Annual Debt Service Coverage metric.
4. Eliminate certain quantitative sub-factors including Annual Change in Operating Revenue and Monthly Days Cash on Hand.
5. Expand the number of qualitative factors and increase their weight: this includes a new qualitative factor, Financial Policy along with two qualitative sub-factors: Brand and Strategic Positioning and Operating Environment.
6. Use the proposed methodology to assign issuer ratings to US colleges and universities based on their fundamental ability to repay debt and debt-like obligations without consideration of a pledge, security or structural features.

Source: Moody's Investor Services Request For Comment: Higher Education: Proposed Methodology Update

Request for Comment – Higher Education: Proposed Methodology Update Cont.

Current Moody's Higher Education Methodology

Rating Metric	Weight
Factor 1: Market Profile (30%)	
Operating Revenue ($000)	15%
~~Annual Change in Operating Revenues (%)~~	~~5%~~
Strategic Positioning	10%
Factor 2: Operating Performance (25%)	
Operating Cash Flow Margin (%)	10%
~~Revenue Diversity (Maximum Single Contribution)~~	~~15%~~
Factor 3: Wealth and Liquidity (25%)	
Total Cash & Investments ($000)	10%
~~Spendable~~ Cash & Investments to Operating Expenses (x)	10%
~~Liquidity (Monthly Days Cash on Hand)~~	~~5%~~
Factor 4: Leverage (20%)	
~~Spendable~~ Cash & Investments to Total Debt (x)	10%
~~Total Debt to Cash Flow (x)~~	~~10%~~

Proposed Moody's Higher Education Methodology

Rating Metric	Weight
Factor 1: Scale (15%)	
Adjusted Operating Revenue ($000)	15%
Factor 2: Market Profile (20%)	
Brand and Strategic Positioning	10%
Operating Environment	10%
Factor 3: Operating Performance (10%)	
Operating Cash Flow Margin (%)	10%
Factor 4: Financial Resources and Liquidity (25%)	
Total Cash & Investments ($000)	10%
Total Cash & Investments to Operating Expenses (x)	15%
Factor 5: Leverage and Coverage (20%)	
Total Cash & Investments to Total Adjusted Debt (x)	10%
Annual Debt Service Coverage (x)	10%
Factor 6: Financial Policy and Strategy (10%)	
Financial Policy and Strategy	10%

New Qualitative Categories

- **Operating Environment**: Indicator of the level of funding and predictability of support from federal, state or local governments. Includes the regulatory and policy framework, which influences the flexibility a college or university has to manage its finances, debt programs, enrollment and other drivers of credit quality. Finally, considers the extent to which a college's or university's expense structure constrains capacity to manage its budgets and debt levels.
- **Financial Policy and Strategy**: Moody's notes that the "quality of management, governance, oversight and planning are important indicators of the ability of a college or university to fulfill its mission." Ratings factor assesses the quality of a college's or university's financial management and strategy, with a focus on its track record of planning, investment and risk management.

Source: Moody's Investor Services Request For Comment: Higher Education: Proposed Methodology Update
adjusted operating revenue is equal to unrestricted operating revenue and the portion of revenue from restricted sources available for current use.
EBIDA Margin and Operating cash flow margin can be used interchangeably

IMPORTANT DISCLOSURES

ABOUT PFM

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Financial advisory services are provided by PFM Financial Advisors LLC and Public Financial Management, Inc. Both are registered municipal advisors with the Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB) under the Dodd-Frank Act of 2010. Investment advisory services are provided by PFM Asset Management LLC which is registered with the SEC under the Investment Advisers Act of 1940. Swap advisory services are provided by PFM Swap Advisors LLC which is registered as a municipal advisor with both the MSRB and SEC under the Dodd-Frank Act of 2010, and as a commodity trading advisor with the Commodity Futures Trading Commission. Additional applicable regulatory information is available upon request.

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TAB 9

Washington Higher Education Facilities Authority
Bond Issue Status Report
As of May 25, 2021

	App Rec'd	OID Signed	App Review Complete	Scoping Meeting	Public Hearing	Tax Due Diligence Complete	Doc Review Meetings	Gov's Cert Signed	Borrower Board Approval	Authority Board Approval	Pricing	Pre-Close & Close	Savings	Comments
Potential Bond Issues - Fiscal Year 2020/21														
UPS ***$59,975,000*** *Refunding 2019 Tax-Exempt/ Refunding 2012A Taxable*	5/4/21	5/5/21	5/25/21	4-29-21	5/19/21	In process	5//21/21 6/8/21	June 2021	5/10-5/14 2021 5/24-5/28/21	6/14/21	Set rates 6/21/21	6/23/21 6/24/21	Preliminary Present Value Savings Series A $631,334 Series B $2,410,519	*No Financial Advisor* *Private Placement* *Columbia Bank*
PNWU ***$20,000,000*** *New Money* *80,000 SF Regional Center for Inter-professional Education*	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	2021-22	Preliminary Present Value Savings TBD	*Financial Advisor TBD*
Whitworth ***$20,000,000*** *Refund 2012 bonds* *New Money for new residence hall*	Fall 2021	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	Early 2022	Preliminary Present Value Savings TBD	*Financial Advisor TBD*

Washington Higher Education Facilities Authority
Bond Issue Status Report
As of May 25, 2021

	App Rec'd	OID Signed	App Review Complete	Scoping Meeting	Public Hearing	Tax Due Diligence Complete	Doc Review Meetings	Gov's Cert Signed	Borrower Board Approval	Authority Board Approval	Pricing	Pre-Close & Close	Savings	Comments
Closed Bond Issues - Fiscal Year 2020/2021														
Seattle University ***$60 Million*** *New Money* *Center for Science & Innovation & other capital projects*	4/7/20	4/9/20	4/24/20	3/27/20	5/15/20	Complete	4/17/20 4/24/20 5/12/20	5/26/20	4/30/20	5/8/20	6/11/20	7/1/20 7/2/20	Final Present Value Savings $2,315,484	*SU Financial Advisor* *Wendling UMB Bank*

FY 20-21 Goal: Complete two bond issues totaling approximately $60 million by June 30, 2021.

Total bonds issued to date: One bond Issue totaling $60,000,000 with total PV savings of $2,315,484.

TAB 10

SAINT MARTIN'S PRESIDENT HEYNDERICKX TO RETIRE AT THE END OF 2021-22 ACADEMIC YEAR

May 27, 2021

LACEY, Wash. — This spring, President Roy Heynderickx announced that he will be retiring as president of Saint Martin's University at the end of the next academic year, 2021-2022. In June 2022, he will have served as president for 14 years. Over the last 13 years, under his leadership, Saint Martin's has expanded its academic offerings, including new majors across four colleges, new graduate programs and its first doctoral program; increased enrollment at the undergraduate and graduate levels; and broadened community partnerships and record-breaking fundraising efforts, including the addition of several new academic buildings, grants and scholarships, to provide greater support and opportunities for its students.

In a joint letter to the community, Saint Martin's University Chancellor Abbot Marion Nguyen, O.S.B. and Saint Martin's University Board of Trustee Chair Medrice Coluccio expressed their gratitude for President Heynderickx, whose leadership and remarkable tenure saw tremendous growth even in times of adversity: "Throughout his presidency, [President Heynderickx] exhibited a clear vision and principled character, as well as a profound respect for Saint Martin’s Catholic and Benedictine heritage. These qualities helped Roy and his team successfully navigate our community through the COVID-19 pandemic."

During his presidency, Saint Martin's also gained recognition for its efforts to support its increasingly diverse student body and surrounding community, including being named a top 40 "Most Transformative College" by Money magazine, the first Purple Heart University in Washington state, and Thurston Green Business' 2021 Large Business of the Year. In a message to the university community at the end of spring semester, Heynderickx shared that when he renewed his current contract five years ago, he and his wife, Kathleen, had determined that it would be best to retire at the end of this term. Said Heynderickx, "I thank all of you who have supported me these many years, and I know the many accomplishments over my tenure are truly ours as many have worked hard to make things possible."

As he begins his final year at Saint Martin’s, President Heynderickx has shared his intention to continue to strengthen the university, including a stronger commitment to diversity, equity and inclusivity initiatives; launching a new strategic plan; and preparing the university for a new post-pandemic landscape.

President Heynderickx has worked in Catholic higher education for 42 years. Prior to coming to Saint Martin’s, he served in several leadership roles, including vice president for finance and administration at the University of San Diego and chief financial officer at the University of Portland. Heynderickx became the tenth president of Saint Martin’s University on January 1, 2009.

More information regarding the presidential search, led jointly by the Saint Martin’s Abbey and the Saint Martin’s University Board of Trustees, will be shared in the coming months.

Saint Martin’s University is an independent coeducational university, with undergraduate and graduate offerings, located on a wooded campus of more than 300 acres in Lacey, Washington. Established in 1895 by the Catholic Order of Saint Benedict, the University is one of 13 Benedictine colleges and universities in the United States and Canada, and the only one west of the Rocky Mountains. Saint Martin’s University prepares students for successful lives through its 29 majors, 11 master’s programs, one doctorate program and seven certificate programs spanning the arts and sciences, business, counseling, education, engineering, nursing and leadership. Saint Martin’s welcomes more than 1,300 undergraduate students and 250 graduate students from many ethnic and religious backgrounds to its Lacey campus, and more students to its extended campus located at Joint Base Lewis-McChord.

SEATTLE PACIFIC UNIVERSITY

President Martin announces resignation

Seattle Pacific University President Daniel J. Martin announced today that he will resign his position effective April 5, 2021. Martin served as president for nine years, and is only the 10th president in SPU's 130-year history.

In an email statement to the SPU community, Martin said, "I have decided it is the right time to transition from my role as president of Seattle Pacific University. Following this resignation, I accepted an offer to serve in a leadership role at a healthcare foundation for a national health system. The nature of the role and the healthcare system's expectations that I begin before the end of April will require me to transition prior to the conclusion of the academic year."

Martin also cited several personal reasons for the resignation, noting the deaths of his father and sister last year and desire to be closer to his family in the Midwest.

"As I journeyed with them through their battles with Alzheimer's and cancer, I am grateful the focus for the next chapter in my professional calling will be empowering and resourcing others who face similar critical health concerns. I am also grateful as the foundation I will serve is close to my hometown and family; especially near to my mother and my sister's family," he said in the statement.

SPU Board of Trustees Chair Cedric Davis said in a statement to the SPU community,"Though we are saddened to learn of President Martin's planned departure to pursue a new chapter in his life, we are also indebted to his remarkable and dedicated leadership over the past nine years of service as president of our beloved SPU." Martin will serve as a resource during the leadership transition.

For more than a year, Martin has overseen the transition to virtual learning and remote operations as SPU became one of the first universities in the country to cancel in-person classes due to the pandemic. Last month he announced the decision to return to in-person instruction for autumn 2021.

Since taking office in 2012, Martin has become known as a strategic planner, seasoned fundraiser, and a "student's president," famous for knowing students by name and a regular presence at hundreds of student events and athletic competitions each year. "Some of the most enjoyable aspects of serving at SPU has been experiencing this dynamic campus and engaging with our students," Martin said in his statement. He also reflected on the tragic campus shooting in June 2014. "During those days, our community came together and leaned into our faith in Christ in remarkable, supportive ways — even in the face of grief and trauma. This was a glimpse into our community's core identity as people of faith that I will always remember."

Martin initiated a strategic planning process with specific goals to maintain excellence in SPU's core identity and to position the university for the future. The university has been ranked a "Best National University" by U.S News & World Report for the past five years. A successful launch in autumn 2020 of a "Tuition Reimagined" campaign reduced the tuition rate by 25%, offered new scholarship initiatives, and capped future tuition increases.

Martin not only led the $6 million fundraising effort to restore and retrofit Alexander Hall, the university's oldest building named after SPU's first president, but also changed the building's name to reflect the contributions of the first president's wife, Adelaide Beers. The building is now named Alexander and Adelaide Hall. The university has marked several financial milestones under his leadership, including the largest year for fundraising (fiscal 2019), and top tier nationwide rankings for endowment investments (the endowment has more than tripled during his presidency to a current value of more than $137 million).

In 2015, he launched the Committee on Homelessness to keep one of Seattle's most pressing issues in front of the SPU community and after a second short-term visit by Tent City 3, a portable, self-managed community of people experiencing homelessness. SPU welcomed the community back to campus for a third time in 2017.

During his tenure he expanded the leadership team to include a new vice president of inclusive excellence to lead the university's diversity efforts, celebrated the university's 125th anniversary, and oversaw construction of a new residence hall, state-of-the-art health sciences building, and music performance and rehearsal studio.

Before coming to SPU, President Martin held various positions in higher education, including serving as president of Mount Vernon Nazarene University in Mount Vernon, Ohio, and vice president for university advancement at Point Loma Nazarene University in San Diego, California.

Founded in 1891, Seattle Pacific University is a premiere Christian university that equips people to engage the culture and change the world. SPU is one of the only private university in the Pacific Northwest to makes the 2021 U.S. News & World Report Best National Universities list. Its comprehensive academic programs serve more than 3,600 undergraduate and graduate students.

Posted: Tuesday, March 30, 2021

THE BOND BUYER

Muni advocates underwhelmed by Biden proposals

By Kyle Glazier
June 01, 2021, 12:42 p.m. EDT4 Min Read

The public finance community is largely disappointed with the limited scope of the municipal bond provisions proposed by the Biden administration's Treasury Department last week.

The so-called "Green Book," which lays out suggested tax law changes the White House supports in concert with its budget request, proposed the authorization of $50 billion of direct-pay Qualified School Infrastructure Bonds and doubling the limit on tax-exempt private activity bonds for transportation but it did not propose reinstating tax-exempt advance refundings or some other top muni market priorities.

Muni advocates in Washington said they were disappointed in the lukewarm support from Biden, but remained optimistic due to the bipartisan support of lawmakers backing those priorities.

"No mention of advance refunding and bank-qualified although they are broadly supported by the public finance community, state and local governments and non-profits of all types," said Charles Samuels, who represents the National Association of Health and Educational Facilities Finance Authorities. "K-12 direct-pay bonds are probably of modest value. Not sure who in Saudi Arabia will be interested in buying small town Nebraska elementary school bonds. New private activity bonds for transportation are a more positive development but overall this part of the package is too thin."

The proposal for Qualified School Infrastructure Bonds, also known as QSIBs, revives a proposal raised by House Democrats last year in their unsuccessful infrastructure legislation that never received a Senate vote. QSIBs also were part of the American Recovery and Reinvestment Act enacted in February 2009.

This new round of proposed taxable QSIBs would be similar to direct-pay Build America Bonds and would be eligible for issuance over three years from 2022 through 2024 with annual limits of $16.7 billion for each year.

As for the proposal to double the exhausted current cap of $15 billion of transportation PABs, the allocation would be made by the Department of Transportation. Public transit, passenger rail, and infrastructure for zero emissions vehicles would be added as qualified activities for which such bonds may be issued.

"The President's budget took us a little by surprise just because it was so much of a mixed bag," said Emily Brock, director of the Government Finance Officers Association's federal liaison center. "We were happy to see the PAB and direct-pay expansions in the public sector. But by limiting the budget to a few sectors and a few transactions, the budget doesn't take advantage of our market's greatest attribute — that we are a market open to all. Adding tools that encourage more participation is the tide that lifts all boats when it comes to infrastructure."

Ken Bentsen, president and CEO of the Securities Industry and Financial Markets Association, said SIFMA appreciates the proposals included by the Treasury but hopes the administration will work in concert with the legislative champions of the group's core priorities.

"These include reinstating advance refunding, authorizing a new general purpose direct payment bond program on a permanent basis, further expanding the volume cap and uses for private activity bonds and increasing the annual limit on the amount of tax-exempt obligations that may be issued to qualify for the small issuer exception to the tax-exempt interest expense allocation rules," Bentsen said in a statement. "In addition, we continue to believe preserving the tax-exemption for interest earned by investors on state and local bonds, which is the financing mechanism for the clear majority of infrastructure projects that state and local governments undertake, is crucial."

Lawmakers of both parties have said outright they want to see tax-exempt advance refunding restored following its elimination in the 2017 Trump tax law. Sens. Roger Wicker, R-Miss. and Debbie Stabenow, D-Mich., are lead sponsors of an advance refunding restoration bill that has several co-sponsors from both parties.

"While we were disappointed that few fixed income provisions were discussed in the administration's proposed budget, we remain confident that key muni provisions will continue to receive bipartisan support on the Hill," said Brett Bolton, who is vice president of federal legislative and regulatory policy at the Bond Dealers of America. "We will continue to work with our partners on the Hill, and within the Administration to reiterate the importance of such provisions as the reinstatement of advance refundings, and raising the bank-qualified debt limit as infrastructure and budgetary issues continue to be debated."

Teri Guarnaccia, National Association of Bond Lawyers president and a partner at Ballard Spahr, called the Biden proposals "encouraging," but vowed to continue advocating for other priorities.

"Our takeaway is that the municipal market can help provide the tools needed for the significant infrastructure investment Congress and the administration are working toward through the budget and in an upcoming infrastructure package currently under development," Guarnaccia said. "We will continue to communicate with our leaders in Congress to encourage the incorporation of other financing tools including bringing back tax-exempt advance refunding bonds, increasing the limit for bank-qualified bonds, and introducing other direct-pay bond programs."

THE CHRONICLE OF HIGHER EDUCATION

'Everybody's Got Your Back': Life at an HBCU During a Turbulent Year

By Lauren Mitchell

MAY 24, 2021

HOWARD UNIVERSITY

Students rally last summer at Howard U.

Jade Bell is relieved that she'll be able to graduate in person this year.

"Just having that experience. And that chance to walk across the stage," said Bell, a senior at North Carolina A&T State University. "I'm ready for it."

This year's spring and summer commencements aren't going to be exactly what seniors like Bell had envisioned when they started college. At most campuses, the pandemic has reduced the size of the crowd and the activities. Big gatherings with friends and family members can't yet happen safely.

But after a traumatic, draining year for Bell and other students at the nation's historically Black colleges and universities, having a celebration — and a taste of normalcy — at graduation is even more important than usual.

Covid-19 has disproportionately harmed Black communities. And one year ago, in the midst of the first Covid-related shutdown, George Floyd was murdered. Just before that came the killings of Ahmaud Arbery and Breonna Taylor.

Since then, Black students have had to grapple with constant, hard-to-process societal conversations about police brutality and racial injustice. This spring, during the trial of Derek Chauvin, the white police officer who was convicted of murdering Floyd, they had to relive the graphic details of his death over and over.

During such a harrowing year, HBCUs have provided a haven. The colleges offer students a sense of familiarity, racial relief, and faculty members who resemble them.

HBCUs are places where Black lives have always mattered.

"Just knowing that from the leaders in your department to the lunch ladies in the cafeteria, everybody's got your back," Bell said. "That's so important. It's so special."

In the past few years, more Black students have chosen to attend HBCUs instead of predominantly white institutions. While enrollment at historically Black colleges declined in the decade from 2006 to 2015, the tide has appeared to turn since then, with dozens of institutions announcing record-breaking first-year classes. In the fall of 2020, as the pandemic led to enrollment declines across much of higher ed, many HBCUs posted enrollment increases.

According to a recent analysis, enrollment of African American first-time college students climbed at historically Black colleges in states where hate-crime reports increased. Researchers speculated in a working paper that the correlation could reflect Black students' desire to attend colleges with fewer racist incidents.

"There is no second guessing your sense of belonging, and I think that changes the learning environment completely," said Walter M. Kimbrough, president of Dillard University. "It's not like you're looking over your shoulder or feeling like you have to justify your existence."

The Weight of Being Black

While HBCU students across the country breathed a sigh of relief as Chauvin's guilty verdict came down last month, some still feel that progress against racism in the U.S. is at a standstill.

Several students said they'd struggled this year with feeling driven to organize, protest racism, and engage with current events, while also needing to take a break.

"It's kind of hard to sum up just one emotion," said Kyrah Henderson, a rising senior at N.C. A&T. "The first one was frustration, then came fear, and sadness, and then it turns into anger. I do want to stay informed on what's going on, but I also don't want to just walk around angry."

Bell felt similarly. "Social media was overwhelming, with protests and seeing protesters being tear-gassed and rubber bullets," she said. "Trying to step back from it all, as much as I wanted to be involved. Like it is also overwhelming to be Black sometimes."

Bell is also raising a 7-year-old son. She's struggled with the task of helping him understand what's happened this past year.

"I'm really having to explain to him the negative things that go on in this world," Bell said. "I'm trying to shelter him a little bit, because I do not want to feel like I'm permanently scarring my child," while still having "these hard but necessary conversations."

Covid-19 and economic devastation have added to the pressure. Last year the United Negro College Fund surveyed students at its member institutions — all private historically Black colleges. More than one-third of students said they had experienced declines in their mental health during the first few months of the pandemic. And Black students are often less likely to seek therapy or other treatment, due in part to a stigma around mental illness and a lack of campus counseling staff members who understand their experiences.

One student responding to the UNCF survey put it this way: "Either way it's the stress of trying not to get sick, not getting killed by police, or finding a way to pay for school that has me on edge."

Jada Sayles, a rising senior at Dillard who has organized Black Lives Matter protests, has been involved with community organizing since she was 14. This year she has felt burned out at times.

But Sayles has relied on a key support network: her HBCU campus. "I find comfort and peace in going to my campus and knowing that I'm safe here," she said.

When Malcolm Mobley was attending high school in California, he traveled up and down the East Coast visiting HBCU campuses. After that, he knew a historically Black college was where he wanted to be. "It was just the culture," said Mobley, a student at Morgan State University. "Everybody welcomes you with open arms."

That community is something that many HBCU students have leaned on over the past year, whether to organize and be politically active, or to have a shoulder to cry on. “It was just so helpful to be able to identify with other people grieving with you,” Henderson said.

Sayles said attending an HBCU like Dillard has defined Blackness to her. “When I went to Dillard, it was a 360, because they just taught us about the greatness of being Black,” she said. “They made me feel more affirmed and confident in what I say.”

She added: “HBCUs nurture our gifts and talents and empower us. So when we do go into outside spaces, we know how to go into a room and be comfortable with our Blackness.”

Some prospective students choose to attend an HBCU for financial reasons. Others land there because they want a change of scenery after being one of only a few Black students in their high school.

“Going to an HBCU, you’re surrounded by people that just get it,” Henderson said. “Growing up, I’ve always been in white spaces. I’ve always been the one black girl in the class. I wanted just four years that I could dedicate to just being surrounded by African American people, and not being the only one.”

HBCUs have been historically underfunded because of inadequate state support and a less-wealthy alumni base. But many HBCUs have gotten record-breaking donations this year, which may help them further their mission of serving many low-income, first-generation students and raising their graduation rates.

When it comes to supporting Black students in a difficult societal moment, other colleges can learn from HBCUs.

Institutional support means more than a memo from the president or a statement from the university, Kimbrough said. “We’ve got to be engaged in addressing these issues all the time, not just when a big flashpoint happens,” he said of college leaders. “How are we addressing stuff on a regular basis? That’s the kind of work that I want to be involved in.”

That means colleges should be encouraging Black students to use their voices and fight for change, Kimbrough said: “We need more people to show students that it is okay to speak up and disrupt a little bit.”

THE BOND BUYER

Muni bonds will be crucial in a 21st century infrastructure plan

By Kyle Glazier
May 20, 2021, 1:50 p.m. EDT 2 Min Read

With the era of the federal gas tax as a viable mechanism for funding infrastructure coming to an end, proposals are emerging that could get the municipal market heavily involved in rebuilding aging surface projects.

The seemingly accelerating demise of the gas tax and what to do about the infrastructure funding challenge was a major topic during a Thursday webinar hosted jointly by the Volcker Alliance and the Penn Institute for Urban Research at the University of Pennsylvania.

Debate about this and other infrastructure questions has been especially hot because there is a sense that the Biden White House is determined to push for passage of something as close as possible to the president's more than $2 trillion American Jobs plan.

“For the first time in the 25 years I've been in Congress, there is an administration that is serious about investing in infrastructure,” said Rep. Earl Blumenauer, D-Ore.

Robert Poole, director of transportation policy and Searle Freedom Trust Transportation Fellow at the libertarian Reason Foundation, told webinar participants the federal government should be leveraging the investable capital of pension funds and insurance companies by using long-term municipal bonds to pay for revenue-producing tolled projects.

It’s a topic Poole wrote about in Reason Foundation newsletters earlier this month. Poole said on the webinar that Congress should both eliminate the $15 billion federal cap on private activity bonds authorized through the Department of Transportation and make clear they can be used for both new projects and for repair and modernization of existing projects. Poole also suggested the federal government should consider offering to pay 10% of the cost of so-called “mega projects” if states agree to use a public-private partnership structure to finance them.

“That would be an interesting incentive,” he said.

Leveraging more private investment through this structure, he added, would help avoid the deferred maintenance problem currently plaguing American infrastructure.

“Bondholders insist on proper maintenance, which is very, very valuable,” Poole said.

Both Blumenauer and Poole said there needs to be a replacement for the gas tax sooner rather than later, with Poole envisioning a few that could be paid monthly similar to the way utility bills are paid. Blumenauer said the gas tax could potentially be eliminated as soon as the next decade.

The webinar also highlighted a key divide over Biden’s plan: the definition of infrastructure. While the White House and Congressional Democrats favor an expansive view of the term, the much smaller Republican infrastructure proposal focuses on more traditional roads, bridges, and transit.

Marc Morial, president and CEO of the National Urban League and a former mayor of New Orleans said the debate is between a 20th century and a 21st century plan. Policymakers, he said, can’t allow the issue “to be framed around a yesterday focus,” and suggested a smart approach might be to stop using the term infrastructure so much. Instead, Morial said, the issue should be framed entirely as job creation.

There is bipartisan support for many muni market priorities, including lifting the federal PAB cap. Muni advocates are hopeful that the PAB cap, the restoration of tax-exempt advance refunding, and an increase in the bank-qualified cap could all make their way into legislation related to infrastructure investment.

THE BOND BUYER

Municipal finance tools are getting extensive consideration by Congress

By Brian Tumulty
May 20, 2021, 2:29 p.m. EDT 3 Min Read

The extensive consideration that municipal finance tools are getting as Congress considers infrastructure legislation is producing growing optimism among public finance and local government groups.

Lawmakers have voiced bipartisan and bicameral support for a revival of direct-pay Build America Bonds, reinstating tax-exempt advance refundings and raising the limit on tax-exempt bank-qualified debt to $30 million for nonprofit borrowers.

The Biden administration is scheduled to weigh in on May 28 with its detailed tax proposals as part of its 2022 budget.

“My interpretation is that if they didn’t have a pay-for problem, then they would have bipartisan agreement,” said Charles Samuels of Mintz Levin, counsel to the National Association of Health & Educational Facilities Finance Authorities.

Brett Bolton, spokesman for the Bond Dealers of America and Municipal Bonds for America, said both groups remain optimistic Congress can take robust action on infrastructure.

“We hope that Congress and the administration are able to work through the gridlock and find a pay-for solution,” Bolton said. “We will continue to work with our partners on the Hill, in the administration and within the issuer community.”

The municipal finance tools such as reinstatement of tax-exempt advance refunding represent small costs next to the trillions that have been spent on COVID relief and other emergency spending since last year.

“Relative to these mega packages that have been passed in the last couple of years, all of a sudden something like advance refundings don’t look that big,” said Samuels. “It all becomes sort of relative.”

Reinstatement of tax-exempt advance refunding of bonds appears to have the broadest support among lawmakers because of its nearly universal impact on state and local issuers as well as nonprofits.

“The talks are continuing in a bipartisan fashion which, of course, is positive,” said Eryn Hurley, associate legislative director for the National Association of Counties. “There is some momentum. And the Biden administration did put forward a plan to pay for it.”

Hurley said NACo has seen “a lot of great provisions” on the spending side of the so-called skinny budget outline released earlier by the administration and remains optimistic about the full budget and tax proposals that will be released next week.

Among some of the provisions in the skinny budget NACo has highlighted to its members are:

A $20 billion increase in Department of Education Title I grants to high poverty schools; a $2.5 billion increase in special education funding through the Individuals with Disabilities in Education Act (IDEA), a $1.6 billion increase in the Community Mental Health Services Block Grant; a $1.5 billion increase in the Child Care and Development Block Grant; and a $65 million increase for the Reconnect Program which provides a down payment for grants and a $500 million increase for the Home Investment Partnerships (HOME) program.

But the Biden administration has not yet officially weighed in on the tax provisions that could spur infrastructure investments such as increasing the $15 billion limit on transportation-related private activity bonds.

Transportation Secretary Peter Buttigieg referred to that cap Thursday while testifying before the Senate Banking Committee.

“We do think there's a lot more potential here and would welcome opportunities to work with you on building that out,” Buttigieg said in response to a question from Sen. Bill Hagerty, R-Tenn.

Republican Rep. Devin Nunes of California also suggested raising the $15 billion cap during a House Ways and Means Committee hearing a day earlier.

National Association of Bond Lawyers President Teri Guarnaccia, a partner at Ballard Spahr, said NABL has been “encouraged by the level of attention given to municipal market tools at both the House and Senate hearings.”

“With additional assistance from the administration and Congress, these tools would be an integral part of the infrastructure package under development by Congress,” Guarnaccia said.

Guarnaccia, Samuels and NACo’s spokeswoman said that if the Biden administration also advocates for enactment of these municipal finance tools, it will cement the likelihood of them becoming part of any infrastructure legislation that is enacted.

CHRISTIANITY TODAY

Evangelical Colleges Consider Vaccine Requirements for Fall

Most schools opt to strongly encourage inoculation and continue safety measures.

LIAM ADAMS | **MAY 20, 2021 06:00 AM**

Image: Courtesy of Samford University / Stephanie Douglas

Only one of the roughly 140 US schools that belong to the Council for Christian Colleges and Universities (CCCU) is planning to require students to receive COVID-19 vaccines before starting school in the fall: Seattle Pacific University.

The rest will "strongly encourage" vaccines, according to CCCU spokeswoman Greta Hays, while leaving the ultimate decision up to individual students and their families. While the evangelical institutions want to ensure campus-wide health and administrators widely support inoculations, they are also concerned about the impact vaccine requirements would have on enrollment.

At Westmont College, in Santa Barbara, California, the head of enrollment estimated a vaccine requirement could mean the 1,300-student school has 200 fewer students enrolled in the fall.

“For a school our size, that’s a chunk,” said Irene Neller, Westmont’s vice president of enrollment, marketing and communications. “It’s financially driven in many regards. State-funded schools can really be black and white. … But a lot of the private, smaller campuses, Christian or secular, just can’t.”

Evangelical Christian colleges get about 80 percent of their revenue from tuition. Unlike big state schools and Ivy League institutions, they generally can’t rely on big endowments or donors. Year to year, the financial health of the school depends on the number of students arriving in the fall.

Neller said Westmont and other evangelical schools recognize the controversy around vaccinations and also the range of reasons people don’t want to be required to get the vaccine—some motivated by politics, some cautious about the science, and some citing health conditions that make vaccination more dangerous.

Westmont, like many schools, has tested students frequently during the pandemic and managed to avoid any major outbreaks. Neller said she joins a call with dozens of representatives from other CCCU-member schools who discuss ways of keeping their campuses safe while avoiding measures that would push prospective students away.

Samford University in Alabama isn’t requiring students to be vaccinated, but the school sought to boost vaccinations by hosting a clinic on campus in April and May. The clinic helped students “know people getting vaccinated,” said Betsy Holloway, vice president for marketing and communication, and “took away fear that someone might have.”

Marc Smithers, dean of students at Houghton College, said the school doesn’t want to do anything that would prevent students from going to Houghton.

“I really want students to experience the Houghton education, and if something like a COVID-19 vaccine requirement is going to be the thing that ultimately brings them to decide to go somewhere else, I don’t want to be responsible for driving them away from an experience,” Smithers said.

At Houghton, students will discuss the intersection of faith and science and consider the pros and cons of vaccination programs, Smithers said. They don’t have to accept an answer before they arrive.

“Those are important questions that they need to be here in order to wrestle with,” he said. “I think we do a good job at preparing our students for that.”

Seattle Pacific also wants to encourage that dialogue, but only after it has required students to be vaccinated.

“You want to continue to protect your community as your top priority and then, if there are anomalies to that or exceptions, so be it,” said Nate Mouttet, vice president for enrollment management and marketing. “We want to take what we think is best for the entire community first and then allow people to dialogue with us, thoughtfully and intelligently.”

Another factor at Seattle Pacific is the relationship between the school and the surrounding community, said Jeff Jordan, vice provost for student formation and community engagement. While some small colleges are isolated communities, the school is located in Seattle, and many students have internships across the city. Administrators didn't want to put the wider community at risk.

The university will, however, grant medical, disability, and religious exemptions. To receive religious exemptions, students must write to explain why they are seeking an exemption and then submit a letter from a pastor or another religious leader, written on their behalf. Administrators said students who ask for exemptions will most likely get them, but the school wants to start with a conversation about ethical responsibility, vaccine efficacy, and trustworthiness.
"We have a history of being a pretty wide tent within the Christian faith tradition, and we're making room for that once again," Mouttet said.

Not requiring vaccines could also have an impact on enrollment, according to Mouttet. Seattle Pacific has a heavy emphasis on science programs, at both the undergraduate and graduate levels, and not taking the coronavirus seriously would communicate a disregard for scientific consensus to prospective students.

The Chronicle of Higher Education has identified 375 US schools that are requiring vaccinations. About 50 percent of them are private institutions; 48 percent, public.

According to the Centers for Disease Control and Prevention, vaccinated people can return to prepandemic behaviors. They don't need to wear masks indoors or social distance from each other. A classroom of vaccinated people may look like a normal college classroom.

For the schools who aren't requiring students to be vaccinated, several questions about health and safety requirements remain. Neller said that all Westmont students, vaccinated and unvaccinated, will likely have to abide by the same restrictions, even if the unvaccinated minority is creating the need for certain protocols.

Smithers said it's possible the opposite will be the case at Houghton. Vaccinated and unvaccinated students may be held to different standards. Students who haven't been vaccinated could be asked to test frequently for COVID-19.

"We want to give the individuals who feel strongly that they don't want to be vaccinated the freedom to do that. But that choice and conviction are not for those who are vaccinated to bear the cost of," Smithers said.

Still, administrators acknowledge it's not ideal. Life on CCCU campuses would be easier if everyone voluntarily chose to be vaccinated.

"There are aspects of living in community that are always going to be frustrating," Smithers said. Neller agreed, saying Westmont is making "amends" with the reality.

At the same time, she said, "we've gone through the most critical moments. … We're pretty confident we can manage it going forward."