



Authority Meeting

November 24, 2020



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 Tuesday, November 24, 2020 to consider the items in the agenda below.

Jay Inslee,
Governor
Chair

David Schumacher,
Director, Office of
Financial Management,
Governor's Designee

Jerome Cohen,
Public Member
Secretary

Cyrus Habib
Lieutenant Governor

Michael Meotti
Executive Director,
Student Achievement
Council

Allan Belton
President,
Pacific Lutheran University

Claire Grace,
Public Member
Treasurer

Dr. Gene Sharratt
Public Member

Steve Walker,
Executive Director

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: 899 4230 4475
Password: 147591

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 AUGUST 18, 2020 SPECIAL MEETING MINUTES: *Chair*

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III. CONSIDER AND ACT ON THE FOLLOWING ITEMS:

A. Finance Report – *Mr. Bob Cook*

1. Review and Consider approval of Final Audit Report

a. Presentation of Independent Auditor's Report – *Ms. Amy*

Sutherland, Moss-Adams, LLP

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2. Review and consider approval of the current Financial Statement

– *Mr. Bob Cook*

3

B. Review and consider approval of WHEFA's proposed new logo

– *Ms. Carol Johnson and Ms. Margret Graham, Communications*

Manager

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IV. INFORMATION ITEMS

A. Independent Colleges of Washington (ICW) Update – *Ms. Terri*

Standish-Kuon, Ph.D., President & CEO

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B. Market Update – *Ms. Elizabeth Bergman, Baker Tilly Municipal*

Advisors

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C. WHEFA College and University Status Update – *Ms. Carol Johnson*

D. Bond Issue Status Report – *Mr. Paul Edwards*

7

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

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

1. February 4, 2021

2. May 6, 2021

V. PUBLIC COMMENT: *Chair*

VI. MISCELLANEOUS BUSINESS AND CORRESPONDENCE

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VII. EXECUTIVE SESSION (*if necessary*)

VIII. ADJOURN

TAB 1

Washington Higher Education Facilities Authority

MINUTES

August 18, 2020

Mr. Jerome Cohen, Board Secretary, called the special meeting of the Authority to order at 2:05 p.m. via teleconference.

Board members present on the line were Mr. Michael Meotti, Dr. Roy Heynderickx, Ms. Claire Grace, and Mr. Gene Sharratt. Mr. Allan Belton, President of Pacific Lutheran University, soon to be officially appointed to the board, was also present.

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

Also present on the line were Ms. Deanna Gregory 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; Mr. Thomas Toepfer of PFM Financial Advisors; and Ms. Christine Ok of U.S. Bank Corporate Trust.

Other meeting attendees were Mr. Bob Woodard and Mr. Matt Vickery of the Washington State Housing Finance Commission; Ms. Laura Kuffler Macdonald, Senior Director at S&P Global Ratings; Ms. Terri Standish-Kuon, President and CEO of Independent Colleges of Washington; Ms. Mary

Chikwinya, Director of Higher Education to Lt. Governor Cyrus Habib; and Mr. Brian Jones of Bank of America.

Approval of the Minutes

Mr. Cohen asked for a motion to approve the minutes of the meeting held on May 8, 2020. Ms. Grace made the motion, and it was seconded by Mr. Meotti. The minutes were approved unanimously with one abstention.

Consider and Act on Staff Recommendation Regarding Selection of Financial Advisors

Mr. Cohen introduced Mr. Edwards to present staff recommendations regarding the selection of the Authority's roster of financial advisors.

Mr. Edwards stated that current contracts with Baker Tilly Municipal Advisors, LLC and PFM Financial Advisors LLC expire on August 31, 2020. He proceeded with the outline of the RFP process and added that participants have been informed of staff recommendations to the board.

Mr. Edwards concluded that staff recommends continuing to contract for financial advisory services with Baker Tilly Municipal Advisors, LLC and PFM Financial Advisors LLC for an initial term of two years with options to extend for up to a total of five years.

Mr. Cohen asked for a motion to accept staff recommendations regarding selection of the Authority's roster of financial advisors. Mr. Meotti made the motion and it was seconded by Dr. Sharratt. 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 June 30, 2020, shows assets of just over \$1.36 million and approximately \$80,000 of liabilities, leaving just over \$1.28 million in net assets. He added

that current year to date unrestricted revenue was approximately \$680,000. Mr. Cook said that expenses to date are approximately \$380,000, leaving a net income of about \$300,000.

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

**Invoice for
Services**

Mr. Cohen then asked Mr. Cook to present the invoice for services. Mr. Cook stated that the invoice from the Commission for April 1, 2020 through June 30, 2020 has been reviewed and approved for payment by the Treasurer, Ms. Grace.

**Washington
Student
Achievement
Council
Update**

Mr. Cohen introduced Mr. Meotti to present the Washington Student Achievement Council (WSAC) update.

Mr. Meotti talked about the state's decline in the enrollment at colleges in the spring of 2020. Mr. Meotti stated that higher education and many other institutions are hoping to reopen in the fall in a constrained capacity. He added that many higher education institutions in the state and around the country have gravitated to a much lower capacity – teaching every course online except for hands-on clinical laboratory and experiential settings. Mr. Meotti explained that campuses across the state have different cultures and settings and that it is not going to look the same for everyone, particularly for smaller colleges.

Ms. Grace asked about the set-up of in-person learning for various laboratories. Mr. Meotti said that there are no strict rules for the in-person learning. He said that the clinical programs are more likely to be healthcare programs which have to operate according to health and safety guidelines and requirements such as wearing of masks, physical distancing, and deep cleaning of work areas.

Dr. Sharratt inquired about impact of the decline in enrollment on the Authority's member colleges and universities and their bond ratings. Mr. Cook said that schools that have their own bond ratings will potentially be affected, and that the Authority is concerned but has no control over these ratings. Dr. Sharratt said that he appreciates that the Authority waived the fees to help its member institutions.

Dr. Sharratt inquired about how many of the Authority's member institutions will reopen this fall. Ms. Standish-Kuon said that Seattle University, Whitman College, and University of Puget Sound will operate largely remotely. The remaining campuses are offering a very detailed set of remote hybrid or blended courses as well as some number of in-person face to face courses with reduced density.

Rating Agency Update

Mr. Cohen introduced Ms. Macdonald from Standard & Poor's to update the board about the higher education sector.

Ms. Macdonald stated that in April, Standard and Poor's changed its outlook on all sectors to negative. She said that this change reflected S&P's expectations of a sharp decline in the economy, uncertainties with the spread of COVID-19 and timing of the economy's recovery. She added that S&P was one of the few groups that put a negative outlook on the higher education sector prior to COVID-19. This was mainly due to the competitive nature of this sector.

Ms. Macdonald showed a graph of U.S. higher education rating distributions. She said that the ratings range from AAA to BB. They rate 286 private institutions and 148 public institutions. She added that the higher education sector is a highly rated sector.

Ms. Macdonald said that international enrollment has been declining in some regions in the U.S. with increasing competition with Canada, the United Kingdom, and Australia. She added that recent immigration policy directives added pressure to international enrollment.

Ms. Macdonald reported that while state operating appropriations have increased, state funding is still lower than it was prior to 2008. She added that higher education budget projections for fiscal year 2020 have decreased between 5% - 18% and are projected to be 5% - 30% lower for fiscal year 2021. Ms. Macdonald stated that higher education public institutions are expecting material cuts and increased operating expenses.

Market Update

Mr. Cohen introduced Mr. Toepfer to present the market update.

Mr. Toepfer gave an overview of the market in March and said that economic behavior changed dramatically. He added that gross domestic product dropped about 30% in July.

Mr. Toepfer stated the interest rates are relatively low at this time and that the Federal Reserve is keeping the policy of near zero interest rates to support the economy.

Mr. Toepfer gave details on the recently released HEALS Act, a GOP sponsored Senate economic stimulus proposal. He added that it includes a relief package for institutions of higher education to offset lost revenue.

Mr. Toepfer presented a graph showing the change in AAA rated tax-exempt debt. He added that the volatility for tax-exempt rates was more severe compared to taxable rates. He further added that high grade issuers with strong credits can borrow at very advantageous rates.

Mr. Toepfer stated that issuance volume for January and February this year is higher than the previous years because interest rates were attractive. At that point concerns about COVID-19 had not materialized yet. He added that market supply in June and July was large as high-grade universities took advantage of low interest rates.

**Bond Issue
Status Report**

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

Mr. Edwards highlighted that the Authority completed four bond issues for 2020 fiscal year totaling \$196,180,000 with total estimated Present Value (PV) savings of \$4.9 million.

Mr. Edwards stated that a 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. Edwards to present the Executive Director's report on behalf of Mr. Steve Walker.

Mr. Edwards presented a press release about Pacific Lutheran University's new Plus Year program. Mr. Belton explained how the University came up with the idea of offering free tuition for one additional year after graduation. He shared that this program will also allow their graduate students to earn continuing education credits once they complete their graduate degree. He said the program will not forgo planned revenue in any significant way and added that their registration went up significantly, exceeding their enrollment goal for this year.

Mr. Edwards said that the session in the State Legislature will officially start in January.

Mr. Edwards reported that the Authority received very good results on its 2020 customer satisfaction survey and shared some of the positive comments.

Mr. Edwards announced that registration for the NAHEFFA Fall 2020 Virtual Conference is now open. He said that the conference is scheduled October 28-29, 2020 and that registration is free for Authority nonprofit clients.

Mr. Edwards gave a summary of relevant articles in the board meeting packet. He added that the next board meeting is scheduled for November 5, 2020.

Adjournment

Mr. Cohen adjourned the meeting at 3:26 p.m.

Mr. Jerome Cohen, Secretary

Date

TAB 2

Final Audit Report



MOSSADAMS

Audit Results

Better Together: Moss Adams & Washington Higher Education Facilities Authority

[illegible]

Board of Directors

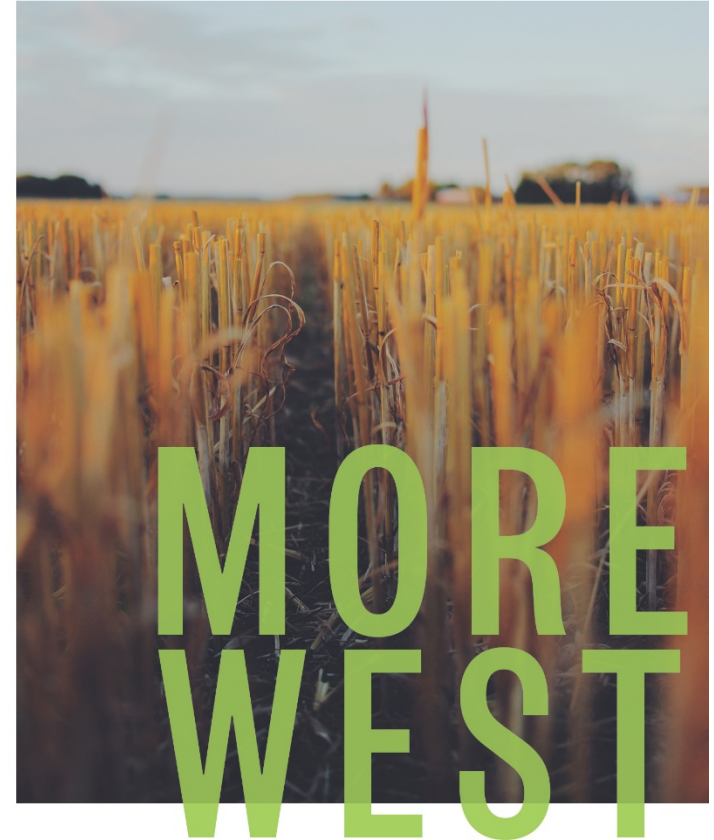
Dear Board of Directors:

Thank you for your continued engagement of Moss Adams LLP. We are pleased to have the opportunity to meet with you to discuss the results of our audit of the Washington Higher Education Facilities Authority (“WHEFA”) for the year ended June 30, 2020.

The accompanying report, which is intended solely for the use of the Board, the Washington State Auditor’s Office, and Management and not intended to be and should not be used by anyone other than these specified parties, presents important information regarding the financial statements and our audits that we believe will be of interest to you.

We conducted our audit with the objectivity and independence that you expect. We received the full support and assistance from all personnel. We are pleased to serve and be associated with the WHEFA as its independent public accountants and look forward to our continued relationship.

We look forward to discussing our report or any other matters of interest with you during this meeting.



Required Communications

to Those Charged with Governance

ENTRANCE

- Auditor's responsibility under U.S. generally accepted auditing standards
- Planned scope and timing of audit

EXIT

- Significant audit findings
- Qualitative aspects of accounting practices
- Difficulties encountered in performing the audit
- Corrected and uncorrected misstatements
- Management representations
- Management consultations with other independent accountants
- Other audit findings or issues



Auditor Report on the Financial Statements



Unmodified Opinion

Financial statements are presented fairly and in accordance with accounting principles generally accepted in the United States of America (US GAAP).



Our Responsibility Under US Generally Accepted Auditing Standards

1

To express our opinion on whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, and in accordance with U.S. GAAP. However, our audit does not relieve you or management of your responsibilities.

2

To perform an audit in accordance with generally accepted auditing standards issued by the AICPA and design the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement.

3

To consider internal control over financial reporting as a basis for designing audit procedures but not for the purpose of expressing an opinion on its effectiveness or to provide assurance concerning such internal control.

4

To communicate findings that, in our judgment, are relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.



Accounting Standard Update

GASB Statement No. 91, *Conduit Debt Obligations*

- Updated the existing definition of a conduit debt obligation.
- Provides a single method of reporting conduit debt obligations.
 - Conduit debt obligations should not be recorded as a liability by the issuer.
 - Issuers should recognize the liability associated with a voluntary commitment to support debt service, if applicable.
 - Issuer should disclose general information about their conduit debt obligations (type, outstanding principle amount, etc.).
- Effective for fiscal years beginning after December 15, 2020; WHEFA early adopted in the current year.

Significant Accounting Policies & Unusual Transactions

- Management has the responsibility for selection and use of appropriate accounting policies and significant policies are included in the footnotes to the financial statements.
- WHEFA implemented GASB Statement No. 91, Conduit Debt Obligations, as of July 1, 2019 and restated prior year consistent with the implementation requirement for this standard.
 - Resulted in significant impact to WHEFA as all conduit debt bonds and related activities were removed from the financial statements, and are now only reported as footnote disclosure.
 - Disclosure of adoption included in Note 2, and additional new policies added related to identification of conduit bonds and updated disclosures included in Note 5.
- We believe management has selected and applied significant accounting policies appropriately and consistently with those of the prior year.



Management Judgments & Accounting Estimates

- Management's judgments and accounting estimates are based on knowledge and experience about past and current events and assumptions about future events.
- Only estimate consists of valuation of investments, which currently are held as cash equivalents within the State Local Government Investment Pool.
- We evaluated the key factors and assumptions used to develop these estimates and have determined they are reasonable in relation to the financial statements as a whole.



Financial Disclosures

The disclosures in the financial statements are clear and consistent. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. We call your attention to the following:

- Note 2 – Adoption of a new accounting pronouncement
- Note 5 – Bonds Payable



Other Communications

- No significant difficulties were encountered during our audit.
- There were no corrected or uncorrected adjustments.
- We are not aware of any known asserted or unasserted claims or judgments against WHEFA.
- We are pleased to report that there were no disagreements with management.
- We are not aware of any significant accounting or auditing matters for which management consulted with other accountants.
- We are not aware of any instances of fraud or noncompliance with laws, regulations, contracts or grant agreements.
- Management provides us a signed representation letter, which includes a variety of matters and information that was conveyed to us as part of the audit.



Contact Us



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THANK
YOU

TAB 3



November 9, 2020

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 September 30, 2020 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

WASHINGTON HIGHER EDUCATION FACILITIES AUTHORITY
GENERAL OPERATING FUND

September 30, 2020

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(See Accountant's Compilation Report)

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Washington Higher Education Facilities Authority
Statement of Net Position
Fund: General Operating Fund
Division: All
September 30, 2020
(See Accountant's Compilation Report)

			Variance	
	Current Year	Prior Year	Amount	%
ASSETS				
Cash and Cash Equivalents:				
Demand Deposits	\$ 63,363	\$ 95,977	\$ (32,614)	-34%
Money Market Accounts	1,258,898	1,250,120	8,778	1%
Loan Receivable (net)	3,454	3,454	-	0%
Prepaid Expenses & Other Receivable	16,687	16,060	624	4%
Total Assets	\$ 1,342,402	\$ 1,365,614	\$ (23,212)	-2%
LIABILITIES				
Accounts Payable and Other Liabilities	\$ 78,778	\$ 99,792	\$ (21,014) (1)	-21%
Unearned Fee Income	-	275,591	(275,591) (2)	-100%
Total Liabilities	78,778	375,383	(296,605)	-79%
NET POSITION				
Unrestricted	1,263,624	990,231	273,393	28%
Total Net Position	1,263,624	990,231	273,393	28%
Total Liabilities and Net Position	\$ 1,342,402	\$ 1,365,614	\$ (23,212)	-2%

- (1) The decrease in accounts payable is primarily due to the timing of the external annual audit. In the current year, the audit is primarily being conducted in October. In the prior year, it began in September, thus incurring fees and payable a month earlier.
- (2) 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.

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: September 30, 2020
(See Accountant's Compilation Report)

	Current Period	Current Year to Date	Prior Year to Date	Variance Amount	%
<i>Revenues:</i>					
Fee Income	\$ -	\$ 72,138	\$ 106,864	\$ (34,726) (1)	-32%
Interest Earned	219	864	6,659	(5,795) (2)	-87%
<i>Total Unadjusted Revenues</i>	<u>219</u>	<u>73,002</u>	<u>113,524</u>	<u>(40,522)</u>	<u>-36%</u>
<i>Expenses:</i>					
Salaries, Wages, and Employee Benefits	20,429	66,611	61,881	4,730	8%
Travel & Conferences	200	2,339	9,704	(7,365) (3)	-76%
Professional Fees	3,187	10,732	23,027	(12,295) (4)	-53%
Office Expense	3,507	11,373	10,927	446	4%
<i>Total Expenses</i>	<u>27,323</u>	<u>91,055</u>	<u>105,538</u>	<u>(14,483)</u>	<u>-14%</u>
(Deficit) Excess of Revenues over Expenses	<u>(27,104)</u>	<u>(18,053)</u>	<u>7,986</u>	<u>(26,039)</u>	<u>-326%</u>
<i>Net Position</i>					
Total net position, beginning of period	1,290,728	1,281,677	982,245	299,432	30%
Current Increase (Decrease) to Net Position	<u>(27,104)</u>	<u>(18,053)</u>	<u>7,986</u>	<u>(26,039)</u>	<u>-326%</u>
Total net position, end of year	<u>\$ 1,263,624</u>	<u>\$ 1,263,624</u>	<u>\$ 990,231</u>	<u>\$ 273,393</u>	<u>28%</u>

- (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.
- (2) The decrease in interest income is primarily due to a lower market yield in the current period of .21% compared to the same period in the prior year of 2.20%.
- (3) In the prior period there were travel costs for staff to attend the Fall NAHEFFA conference which was held in September. In the current year the Fall NAHEFFA conference will be held virtually in late October and no travel costs will be incurred.
- (4) The decrease in professional fees is due to the timing of audit fees from the annual external audit which is currently in progress. In the prior period a higher percentage of the total fee was incurred as the audit began one month earlier.

Washington Higher Education Facilities Authority
Detailed Statement of Activities
Fund: General Operating Fund
Division: All
For The Year To Date Ending: September 30, 2020
(See Accountant's Compilation Report)

	Variance-YTD vs. PY Actuals		Prior YTD	YTD	YTD	Variance-YTD Budget to Actual	
	%	Amount	Actual	Actual	Budget	Amount	%
<i>Revenues:</i>							
Issuance & Application Fees	4	57,138	15,000	72,138	9,375	62,763	669.5%
Interest Revenue	(1)	(5,795)	6,659	864	4,448	(3,584)	-80.6%
<i>Total Unadjusted Revenues</i>	-35.7%	(40,521)	113,524	73,002	13,823	59,179	428.1%
<i>Expenses:</i>							
Salaries & Wages - Staff & Temp. Svcs	11%	5,014	44,836	49,850	69,303	(19,453)	-28%
Employee Benefits - Staff	-1.7%	(283)	17,044	16,761	21,670	(4,909)	-22.7%
Conference, Education & Training	25.9%	349	1,350	1,699	1,450	249	17.2%
Travel out of state - Staff	-91.9%	(7,245)	7,885	640	3,750	(3,110)	-82.9%
Accounting Fees	-65.4%	(14,880)	22,750	7,870	6,125	1,745	28.5%
Legal Fees	933.2%	2,585	277	2,862	2,000	862	43.1%
Financial Advisor Fees	NA	-	-	-	625	(625)	-100.0%
Office Rent/Conf. Room Rentals	29.0%	618	2,128	2,746	3,254	(508)	-15.6%
Furniture & Equipment Rental	-25.0%	(53)	212	159	370	(211)	-57.0%
Advertising	NA	92	-	92	250	(158)	-63.2%
Publications/ Subscriptions/ Dues	20.7%	199	962	1,161	1,034	127	12.3%
Deliveries	133.3%	120	90	210	175	35	20.0%
Insurance	0.9%	30	3,329	3,359	3,662	(303)	-8.3%
Meeting Expense	NA	-	-	-	1,288	(1,288)	-100.0%
Equipment & Building Maintenance	-34.1%	(43)	126	83	613	(530)	-86.5%
Software Maint. Support & Other Info Svcs	-33.7%	(931)	2,759	1,828	2,723	(895)	-32.9%
Non-capitalized Equipment/Supplies	NA	172	-	172	91	81	89.0%
Printing	-19.0%	(70)	369	299	1,225	(926)	-75.6%
Supplies	-76.9%	(150)	195	45	1,208	(1,163)	-96.3%
Telephone	8.4%	38	451	489	469	20	4.3%
Other Office Expenses	56.7%	173	305	478	601	(123)	-20.5%
Various Other Misc. Expenses	NA	250	-	250	-	250	NA
<i>Total Expenses</i>	-13.7%	(14,487)	105,540	91,053	125,190	(34,137)	-27.3%
<i>(Deficit) Excess of Revenues over Expenses</i>	-326.1%	\$ (26,035)	\$ 7,984	\$ (18,051)	\$ (111,367)	\$ 93,316	-83.8%

Statement of Account

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

Month	Salaries & Benefits	Office Expenses (1)	Overhead (2)	Total
July	\$ 21,909.57	\$ 2,156.76	\$ 125.71	\$ 24,192.04
August	23,972.58	2,905.86	128.78	27,007.22
September	20,388.57	1,732.09	109.82	22,230.48
<hr/>				
Total Per Category	\$ 66,270.72	\$ 6,794.71	\$ 364.31	\$ 73,429.74
<hr/>				
Previous Balance at June 30, 2020				75,225.77
Payments & Credit Memos (through September 30, 2020)				<u>(75,225.77)</u>
Total Due to WSHFC:				<u>\$ 73,429.74</u>

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 (Nov 3, 2020 14:05 PST)

Authority Board Member

TAB 4

Washington Higher Education Facilities Authority

1000 Second Avenue, Suite 2700
Seattle, Washington 98104-1046



Tel: (206) 287-4403
Fax: (206) 587-5113

Date: November 12, 2020
To: Authority Board
From: Carol Johnson and Margret Graham, WSHFC/WHEFA Communications Manager
Re: New Logo Design Recommendations
CC: Steve Walker, Paul Edwards, Rona Monillas, Vanessa Thomas

Purpose

Over the last several months staff has been developing design recommendations for a new WHEFA logo. The purpose of this memo is to provide you with background and insight into the process prior to presenting our work and the final recommendation.

Background

A lot has changed since 1996, when the current WHEFA logo was developed shortly after the Commission took over WHEFA operations. In the 25 years since, we have become nimbler and more strongly focused on customer service and building relationships. We have worked very hard to simplify our processes and be as responsive as possible to the needs of our clients.

With the change in WHEFA's leadership at the end of 2019 came an opportunity to reflect these changes by updating our logo and branding for the agency's printed materials, publications, website, and other needs.

To accomplish this, we chose to make use of the creative abilities of our own staff rather than outsource the work entirely. Communications specialist Vanessa Thomas and WHEFA coordinator Rona Monillas are both skilled in graphic design, lacking only in real-world experience with logos. We decided to bring in Tom Turley, a veteran designer already working with the Commission, to guide Rona and Vanessa through the brand development process.

Lastly, we presented the work you will see on November 24 to Board Secretary, Jerome Cohen. He assisted us in developing the recommendation being presented to you today.

Process

Under our guidance, the group began meeting in March. Tom, the designer, developed a series of lesson plans and led Vanessa and Rona through the process, which included readings and videos, creative exercises, and technical assistance. Components included:

- **Design brief:** The brief is a one-page document that outlines the aims and objectives of the project so that everyone understands what is being designed and why.

- **Strategy and research:** A clear understanding of the business, its audience, its market position, and its goals is key. The team discussed many guiding questions ranging from the basics of WHEFA as an organization, to its target audiences, to its values.

We made lists of words that we wanted people to associate with WHEFA—words like open, friendly, trusted and competent. We learned how various visual elements, such as fonts and icons, can communicate the feeling of these words to the audience. We also researched existing logos from other organizations and companies to see how their logos supported their goals.

- **Sketching and conceptualizing:** Vanessa and Rona created dozens of sketches and concepts for a new logo, which the group then critiqued through the lens of the design brief and the desired audience response.
- **Review and refining of logos:** Finally, the logos were narrowed down to just a few that were refined and worked on by Rona, Vanessa and Tom for a polished result.

WHEFA Board Review

By the end of the meeting we hope the WHEFA board will give staff approval to move forward with the new logo and build it into the agency's materials.

Vanessa and Rona will each present one logo concept to you. I want to acknowledge their creativity, talent and all the work they put into this.

As you view the presentation by staff, we hope you will keep in mind:

- Two logos will be shown with **different versions**, i.e. in a single color, in white against a dark background, with the icon stacked on top of the letters, and with the full name of WHEFA spelled out. These versions make the logo versatile so it can be used for different design purposes while still supporting the overall brand.
- Each will also be shown with a **stylescape**—a layout that reflects the logo's personality and message. By accepting a logo, you are not necessarily accepting every aspect of the stylescape. It is meant to help you envision how a logo might be used as part of a brand.
- **Criteria:** It can be hard to separate personal preferences from strategic choices when evaluating logos. Our team determined that for WHEFA, it was important to communicate **openness, partnership, trustworthiness, and competence**. Colors, fonts, and images have been strategically chosen for that purpose, so we ask that you consider each logo from the perspective of how well it communicates to the audience.

RECOMMENDATION:

We respectfully request that the Board review and consider approval of staff's logo recommendation and, further, give staff approval to move forward and develop WHEFA's new brand identity and supporting materials.

TAB 5

Independent Colleges of
Washington Update



WA Higher Education Facilities Authority

November 24, 2020



Gonzaga University ▪ Heritage University ▪ Pacific Lutheran University ▪ Saint Martin's University ▪ Seattle Pacific University
Seattle University ▪ University of Puget Sound ▪ Walla Walla University ▪ Whitman College ▪ Whitworth University



Topics for Discussion

- **Commitment to Diversity, Equity, and Inclusion**
- **Commitment to Washingtonians**
 - How we are working to manage the pandemic, serve students
 - How we are approaching admissions for high school seniors, adult learners, transfer students; resources for school counselors, college advisors
 - How we are managing as employers
- **Federal Budget, Legislative Priorities**
- **State Budget, Legislative Priorities**

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Seattle University ▪ University of Puget Sound ▪ Walla Walla University ▪ Whitman College ▪ Whitworth University



Diversity, Equity, and Inclusion

- Independent Colleges of Washington and its member campuses are working to oppose injustice, violence or brutality that inflicts undue harm on or disadvantages another human being. We believe in long-term, sustained action to undo racism and rebuild the systems that are failing to achieve equity in education.

Gonzaga University [Office of Diversity, Inclusion, Community & Equity](#)

Heritage University [Institute for Student Identity Research](#)

Pacific Lutheran University [The Diversity Center](#)

Saint Martin's University [Diversity and Equity Center](#)

Seattle Pacific University [Office of Inclusive Excellence](#)

Seattle University [Office of Diversity and Inclusion](#)

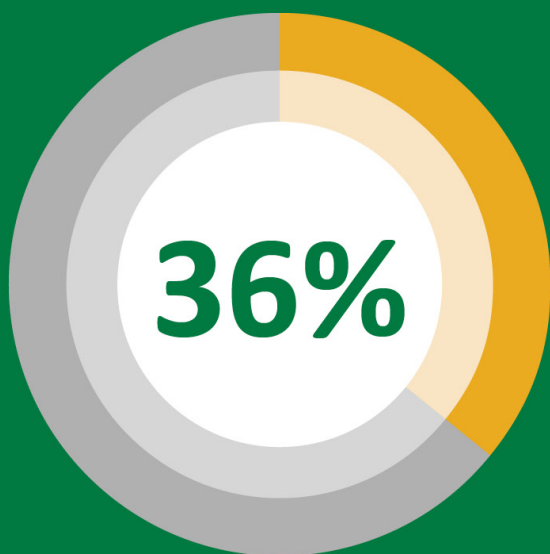
University of Puget Sound [Office of Diversity & Inclusion](#)

Walla Walla University [Office of Diversity and Inclusion](#)

Whitman College [Diversity, Equity and Inclusion](#)

Whitworth University [Diversity, Equity & Inclusion](#)

Gonzaga University ▪ Heritage University ▪ Pacific Lutheran University ▪ Saint Martin's University ▪ Seattle Pacific University
Seattle University ▪ University of Puget Sound ▪ Walla Walla University ▪ Whitman College ▪ Whitworth University



of students are
**Black, Indigenous
or people of color.**



Campus Life Amid COVID-19

All of our schools have implemented guidelines and processes around educating and minimizing the spread of COVID-19, including:

- Physical distancing practices
- Safety and sanitizing protocols
- Self-screening of students and staff via health check apps, including daily checkups and online disease prevention courses
- Initial and ongoing surveillance testing
- Online guides detailing the institution's protocols
- Grab-and-go dining options, reduced seating capacity in dining areas

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Seattle University ▪ University of Puget Sound ▪ Walla Walla University ▪ Whitman College ▪ Whitworth University



COVID-19 Campus Resources

- <https://icwashington.org/covid19>

COVID-19 (Coronavirus) Campus Resources

Independent Colleges of Washington cares about the safety and well-being of all on our member campuses – students, faculty, staff, and administrative colleagues – as well as our strategic partners. We are closely following the conditions related to the novel coronavirus (COVID-19) outbreak, as are our member campuses.

- **If you are a student**, please [click here](#) for campus-specific information regarding admissions amid the COVID-19 pandemic.
- **If you are a school counselor or college advisor**, please [click here](#) for information on admissions amid the COVID-19 pandemic.

For questions about how member campuses are addressing the challenges of COVID-19, please see their dedicated informational sites below.



- Announcements & Messages Related to COVID-19



- Novel Coronavirus (COVID-19)



- ABOUT THE CORONAVIRUS



- CORONAVIRUS



- COVID-19: What it means to the SPU community



- 2019 NOVEL CORONAVIRUS (COVID-19)



- Information About the Novel Coronavirus



- COVID-19 Response Information



- Coronavirus Information



- COVID-19 (Novel Coronavirus) Information

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Seattle University ▪ University of Puget Sound ▪ Walla Walla University ▪ Whitman College ▪ Whitworth University



Our Approach to Fall 2020 Classes

College/University	In Person	Hybrid/Blended	Remote
Gonzaga University	✓	✓	✓
Heritage University	✓	✓	✓
Pacific Lutheran University	✓	✓	✓
Saint Martin's University	✓	✓	✓
Seattle Pacific University	✓	✓	✓
Seattle University	✓	✓	✓
University of Puget Sound		✓	✓
Walla Walla University	✓	✓	✓
Whitman College			✓
Whitworth University	✓	✓	✓

Gonzaga University ▪ Heritage University ▪ Pacific Lutheran University ▪ Saint Martin's University ▪ Seattle Pacific University
Seattle University ▪ University of Puget Sound ▪ Walla Walla University ▪ Whitman College ▪ Whitworth University



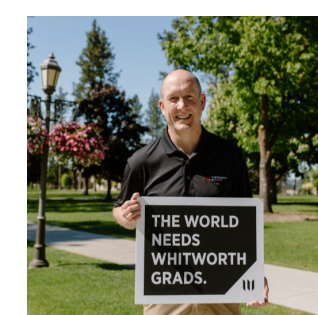
Winter 2020, Spring 2021 Modalities

College/University	In Person	Hybrid/Blended	Remote
Gonzaga University	✓	✓	✓
Heritage University	✓	✓	✓
Pacific Lutheran University	✓	✓	✓
Saint Martin's University	✓	✓	✓
Seattle Pacific University	✓	✓	✓
Seattle University	✓	✓	✓
University of Puget Sound	✓	✓	✓
Walla Walla University	✓	✓	✓
Whitman College	✓	✓	✓
Whitworth University	✓	✓	✓

Gonzaga University ▪ Heritage University ▪ Pacific Lutheran University ▪ Saint Martin's University ▪ Seattle Pacific University
Seattle University ▪ University of Puget Sound ▪ Walla Walla University ▪ Whitman College ▪ Whitworth University



We Welcome Washington Students!



Gonzaga University ▪ Heritage University ▪ Pacific Lutheran University ▪ Saint Martin's University ▪ Seattle Pacific University
Seattle University ▪ University of Puget Sound ▪ Walla Walla University ▪ Whitman College ▪ Whitworth University



INDEPENDENT
COLLEGES OF
WASHINGTON



We educate
more than
35,000 students.



Standardized Tests Optional

College/University

SAT/ACT Test Optional?

Exceptions

Gonzaga University

✓

Heritage University

✓

Pacific Lutheran University

✓

Saint Martin's University

✓

Seattle Pacific University

✓

Seattle University

✓

University of Puget Sound

✓

Home-schooled students; those who attended schools that do not assign grades.

Walla Walla University

✓

Whitman College

✓

Home-schooled students; those who attended schools that do not assign grades.

Whitworth University

✓

Home-schooled students; those with competency-based grades w/o cumulative GPA

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Seattle University ▪ University of Puget Sound ▪ Walla Walla University ▪ Whitman College ▪ Whitworth University



Resources for College Advisors

https://icwashington.org/covid19_school_counselors;



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[Home](#) [Programs and Scholarships](#) [Policy Priorities](#) [Stories and News](#) [Donate](#) [Partnerships](#) [About Us](#)



COVID-19 GUIDANCE FOR SCHOOL COUNSELORS AND COLLEGE ADVISORS

Information for School Counselors Amid COVID-19 Pandemic

We invite Washington students of every age to consider the terrific options available here at home: **Gonzaga, Heritage, PLU, Saint Martin's, SPU, Seattle U., Puget Sound, Walla Walla U., and Whitworth** are welcoming applications from transfer students for the 2020-21 academic year, and for first-year students who want to enroll in Fall 2021. For information about how we're approaching learning and living this fall, here is a quick overview of **fall terms for undergraduates and return to campus plans**.

Students' Admissions Questions Answered

📅 Fall 2021 First-Year Students

Do you want to enroll in Fall 2021? This update is for you.

[READ MORE](#)

➡ AY 2020-21 Transfer Students

Are you a community college student looking to transfer? Click below.

[READ MORE](#)

✔ Dual Credit High School Students

Are you a high school student also pursuing college credit? Click below.

[READ MORE](#)

🏛 Accessing Admissions Info

Looking for Gonzaga, Heritage, PLU, Saint Martin's, SPU, Seattle U., Puget Sound, Walla Walla U., Whitman & Whitworth. We have you covered.

[READ MORE](#)

Click [here](#) for a short video overview

A Message from Independent Colleges of Washington

You continue to be on our minds. As you work with our young adults in these tumultuous times, thank you for the good work you do in counseling and supporting Washington State's high school students.

As your partners in the work of guiding students to post-secondary education and training, we want to offer our support to you as well. Should you have admission or financial aid questions, please contact us.

We are here collectively, and as individual colleges and universities, to help your current and future students achieve their goals, navigate this crisis, and plan for their futures. You are not alone. We are in this with you and for you.

Thank you for your dedicated work to the students, and to your communities. We look forward to continued work together.

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Seattle University ▪ University of Puget Sound ▪ Walla Walla University ▪ Whitman College ▪ Whitworth University



INDEPENDENT
COLLEGES OF
WASHINGTON



9 in 10 students
get aid from
their colleges.



New Academic Programs

Undergraduate Majors

- Criminal Justice (Pacific Lutheran University)
- Criminology and Criminal Justice (Whitworth University)
- Engineering (Whitworth University)
- Environmental Science (Whitworth University)
- Gender, Sexuality, and Race (Pacific Lutheran University)
- Women, Gender, and Sexuality Studies (Seattle University)

Graduate

- Business Analytics (Seattle University)
- Kinesiology (Pacific Lutheran University)
- Leadership Studies (Saint Martin's University)
- Public Health (Univ of Puget Sound, *Fall 2021*)

Undergraduate Minors

- Accounting (Saint Martin's University)
- African and African American Studies (Seattle University)
- Asian History (Gonzaga University)
- Critical Race & Ethnic Studies (Gonzaga University)
- Film Studies (Gonzaga University)
- History of Race & Ethnic Communities (Gonzaga University)
- Latin American History (Gonzaga University)
- Latino Studies (Pacific Lutheran University)
- Spanish (Saint Martin's University)
- Spanish Heritage (Seattle Pacific University)
- Trauma Studies (Saint Martin's University)
- Women, Gender, and Sexuality Studies (Seattle University)

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Seattle University ▪ University of Puget Sound ▪ Walla Walla University ▪ Whitman College ▪ Whitworth University



New Facilities

- **Gonzaga University's** new **Integrated Science and Engineering** building – Expected to open in fall of 2021
- **Pacific Lutheran University** new **School of Nursing Clinical Learning & Simulation Center** – Fall 2020
- **Saint Martin's University** opening its new **Nursing Education Center** – Fall 2020
- **Seattle University** to complete its new **Center for Science and Innovation** – Expected completion in 2021
- **Whitworth University** opened its new **Athletic Leadership Team Center** – Fall 2020

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Seattle University ▪ University of Puget Sound ▪ Walla Walla University ▪ Whitman College ▪ Whitworth University

Two in five receive government aid such as Pell Grants and/or the Washington College Grant.





INDEPENDENT
COLLEGES OF
WASHINGTON



ICW campuses
together are among
the state's **top 20**
private employers.



Federal Priorities for Recovery

- **COVID Pandemic Relief**
 - **Additional aid** for students and their colleges and universities
 - **Limited liability protection** for campuses that follow public health guidelines
 - **Refundable tax credits** for nonprofit employers, **support for self-insured institutions** to assist with unemployment expenses
- **Student Aid Programs and Funding**
 - **Support the House funding bill for FY2021**, which increases the Pell Grant maximum to \$6,495 and boosts funding for the Supplemental Educational Opportunity Grant (SEOG), Federal Work Study, TRIO and GEAR UP to help ensure students are ready for college, and supported through completion
 - **Double the Pell Grant** in coming years

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State Priorities for Our Partnership

- **Preserve and protect student aid:**
 - **Washington College Grant:** preserve full, guaranteed funding; eventually address “equity” in the maximum award
 - **College Bound:** support Washington students in pursuing postsecondary education
 - **State Work-Study:** maintain, eventually boost funding; offer flexibility amid pandemic
- **Leverage the capacity of not-for-profit colleges and universities;** for example, help state residents enroll in health care and education program slots
- **Enact a capital matching grant program for not-for-profit colleges and universities** to incentivize construction spending to create jobs in regions across the state

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Questions?

If you have any questions, please contact:

- **Terri Standish-Kuon**, President & CEO
Independent Colleges of Washington
Email: terri@icwashington.org

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TAB 6

Market Update



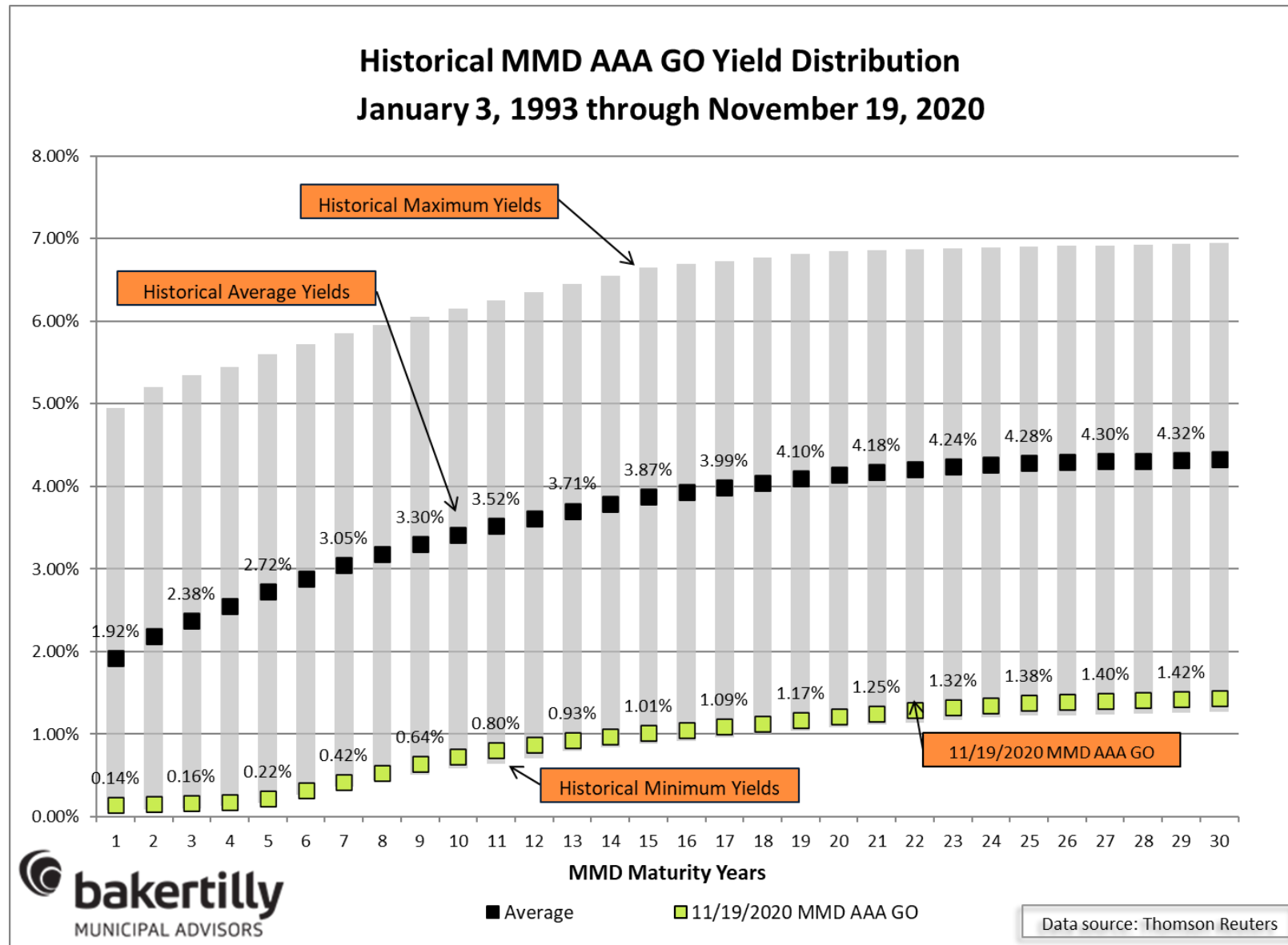
Washington Higher Education Facilities Authority

Market Update

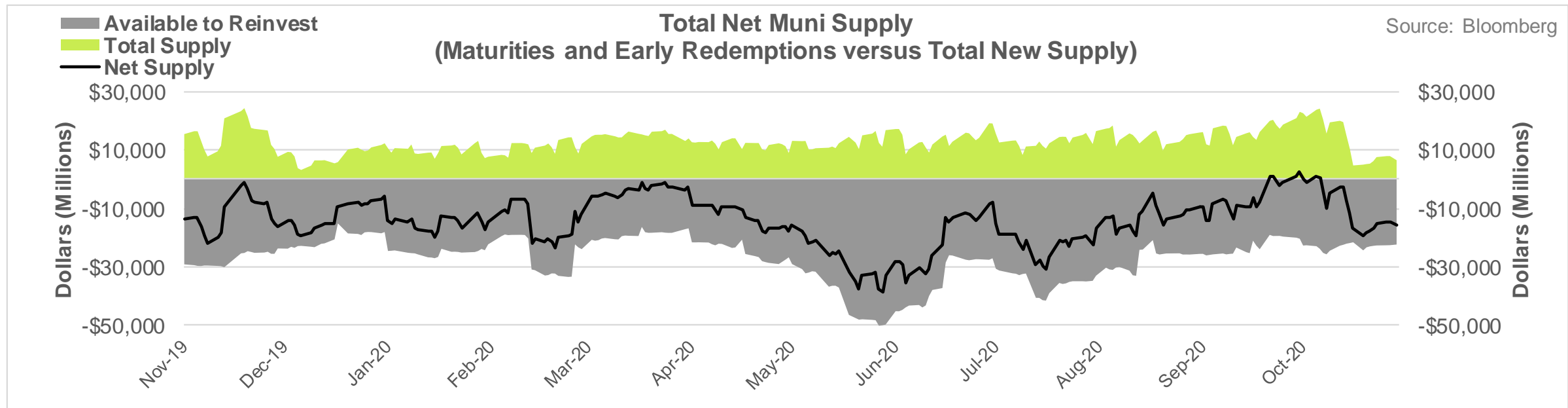
Presented by
Elizabeth Bergman
November 24, 2020



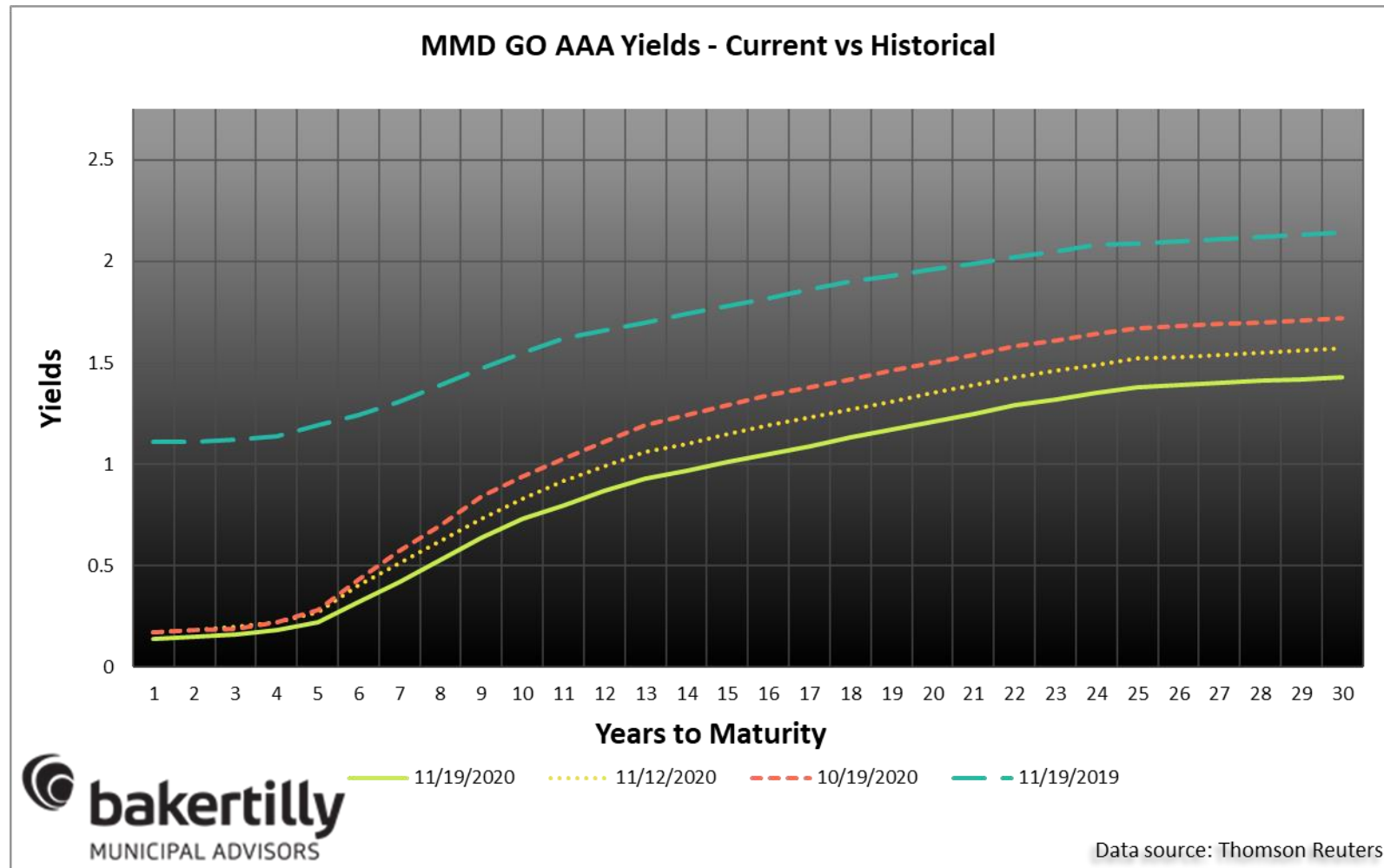
Historical MMD AAA GO Yield Distribution



Municipal Market Demand



Current AAA MMD vs. Historical





ATTENTION

DISCLAIMER

The information provided here is of a general nature and is not intended to address the specific circumstances of any individual or entity. In specific circumstances, the services of a professional should be sought.

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TAB 7

Washington Higher Education Facilities Authority
Bond Issue Status Report
As of August 3, 2020

	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														
<i>PNWU</i> <i>\$20,000,000</i> <i>New Money</i> <i>80,000 SF</i> <i>Regional</i> <i>Center for</i> <i>Inter-</i> <i>professional</i> <i>Education</i>	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	2021-22	Preliminary Present Value Savings TBD	<i>Financial Advisor TBD</i>

**Washington Higher Education Facilities Authority
Bond Issue Status Report
As of August 3, 2020**

	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 <i>New Money</i> <i>Center for Science & Innovation & other capital projects</i>	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	<i>SU Financial Advisor</i> <i>Wendling UMB Bank</i>

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 8

THE BOND BUYER

Public finance sector optimistic about Biden presidency

By Brian Tumulty, Sarah Wynn
November 07, 2020, 12:24 p.m.

Public finance sector officials are optimistic a Joe Biden presidency will mean strong financial support for state and local governments as well as robust infrastructure legislation.

They also are hopeful the negative impacts of a federal tax overhaul enacted in 2017 will be reversed. The Associated Press called the presidential race in favor of Biden Saturday based on the vote count in Pennsylvania, where mail-in votes pushed him into a lead projected to be insurmountable. Pennsylvania's 20 electoral votes would be more than enough to push Biden past the 270 electoral votes needed to claim victory.

President Trump, however, has not conceded and his campaign has filed lawsuits in several battleground states contesting the results.

"If Biden is ultimately determined to be president, and even with a Republican Senate, there will be tremendous opportunities for infrastructure, bond, and other legislation and regulatory actions," said Charles Samuels, of Mintz Levin, counsel to the National Association of Health & Educational Facilities Finance Authorities.

His organization represents includes smaller nonprofit hospitals and colleges that would benefit from proposed legislation to would increase to \$30 million from the current \$10 million, the limit on small borrowers to use bank-qualified bonds. That provision is part of the House-passed Moving America Forward Act that has been blocked by the Senate.

In the next Congress that takes office Jan. 3, the House bill would need to be reintroduced and most likely modified to include provisions favored by the new administration.

Biden "has a deep understanding of municipal finance and the roles that tax-exempt bonds play to build American infrastructure," said former President of the U.S. Conference of Mayors Steve Benjamin, who is the mayor of Columbia, S.C., and president of Municipal Bonds for America.

Benjamin dealt with Biden when the former vice president was spearheading the Obama administration's implementation of the 2009 American Recovery and Reinvestment Act.

"I know from conversations with him and all his senior policy folks that infrastructure is at the very top of his list," Benjamin said. "We will have the preservation of the tax exemption and a number of creative looks at delivering infrastructure all across the country."

Pension funds, institutional investors, and sovereign wealth funds are eager to invest in American infrastructure that will create millions of jobs, Benjamin said.

Emily Brock, director of the federal liaison center at the Government Finance Officers Association who founded the Public Finance network as the voice of issuer groups on Washington policy issues, said her organization looks forward to meeting with Biden.

“We’re thrilled to talk with him with our coalition’s efforts to enhance the municipal bond market,” Brock said.

Brock said members are encouraged by Biden’s support of municipal finance in the past, but wary whether Biden will pursue placing a 28% limit on personal tax deductions.

Benjamin said he had discussions with Biden when he was vice president explaining to him the municipal bond industry’s opposition to the 28% limit on deductions.

The Bond Dealers of America was hesitant to discuss a Biden presidency, predicting ongoing litigation will bring uncertainty for weeks.

Mike Nicholas, CEO of BDA, said no matter who is in the White House, he is optimistic for bond initiatives in 2021, including in a future infrastructure bill.

A Biden presidency will make federal infrastructure legislation more doable, said Patrick Luby, senior municipal strategist at CreditSights. The Trump administration also saw infrastructure as a priority, but more in the sense of providing seed money, he said.

“There is a philosophical difference with a Democrat administration that they would be more willing to provide a greater share of federal funding to an infrastructure project,” Luby said.

Biden’s Build Back Better infrastructure plan has many of the same elements of the \$1.5 trillion muni-friendly Moving America Forward legislation passed by House Democrats. That House bill includes many municipal bond provisions such as an increase of the limit on small issuer bank-qualified bonds to \$30 million and a new program of qualified school infrastructure bonds.

It also includes upgrades to smart roads, water systems, municipal transit networks, schools, airports, rail, ferries, ports, and calls for universal broadband access.

Moody's Forecasts Widespread Drop in Tuition Revenue. Here's Why That Matters.

By Lee Gardner
OCTOBER 29, 2020

People looking for clues about higher education's future fiscal health saw reasons for worry in a new report by Moody's Investors Service. The bond-rating agency announced on Wednesday that, for the first time in the 12-year history of its annual tuition survey, both private and public colleges are likely to lose net tuition revenue in the 2021 fiscal year.

Private institutions are expected to experience a median 3-percent decrease in net tuition revenue, while public institutions are expected to see a median 1-percent decrease. Last year's report projected slight, softening growth for both sectors, due to tough competition for students in an increasingly challenging environment. This year's report is comparatively bearish.

So what does this mean? Why do such small changes in this nerdy-sounding number make a critical difference for colleges, and bode ill for higher-ed finances for years to come?

Net tuition revenue matters more than enrollment. Much attention has focused in recent weeks on whether enrollment is up or down, as if the number of students sitting in class is the key indicator of a college's financial health. That matters, but the more granular — and more important — indicator is net tuition revenue: how many tuition dollars actually come in, minus how much financial aid goes out. Net tuition revenue is, essentially, the bulk of the operating margin at private colleges and many public colleges; it's the money they use to operate.

On the surface, it would seem that a college could increase its revenue by raising what it charges for tuition. But it's not so simple. In reality, that often means that more students will find the institution difficult to afford (even with grants, loans, etc.), which may lead it to hand out more financial aid, which cuts into the money it gained by charging more tuition — a zero-sum game for net tuition revenue.

Of course, neither enrollment, nor net tuition revenue, is likely to go up during a global pandemic, when enrollment is down, family finances have suffered, and institutions may need to expend more financial aid. Another worrying sign for

colleges: International students, long seen as cash cows because they often pay full tuition, have been trending down. (If a college's revenue can't be increased, then expenses must be cut, but that's another story.)

Private colleges face a big problem. Generating net tuition revenue has become more and more fraught for many private colleges. Their tuition prices have been creeping up for years, but, as described above, so have the amounts they hand out in financial aid, also known as tuition discounts, even as the number of college-bound high-school graduates declines in many parts of the country. Many observers were calling this model unsustainable long before Covid-19.

Many admissions offers for the fall of 2020, and their accompanying financial-aid packets, went out before the pandemic started rewriting all the rules. But some colleges nonetheless offered additional aid, tuition-payment deferrals, discounts, and other deals designed to appeal to students who might not otherwise attend, and also to secure paying customers for years to come (more on that in a minute). Fewer students means less net tuition revenue. Fewer students — and more aid — means even less. Seventy-five percent of the private institutions surveyed projected a net-tuition-revenue decline for the 2021 fiscal year.

About 60 percent of private colleges reported discount rates higher than 50 percent for incoming students this fall, according to Moody's. Nearly 30 percent had discount rates higher than 60 percent. Considering that Covid-19 and the social and economic recovery from it could extend for years, it's difficult to imagine that colleges will be able to significantly increase their tuition, or reduce their level of aid, anytime soon.

Public colleges face problems of their own. Public institutions tend to operate in a different ecosystem than private colleges. Their obligations, to the state and its residents, can be complicated. They are also competing for a limited number of students in a challenging environment, with private colleges and sometimes with peer institutions in the same system.

Again, it's all about net tuition revenue. If, say, a flagship is short of its enrollment target next summer, it could go deeper into its wait list — which might take students away from one of its four-year-public peers. A consultant recently relayed a story about a public flagship university that went deeper into its wait list for this fall and met its enrollment goal — but mostly with in-state students, who pay in-state tuition, instead of the always-desirable out-of-state students who pay more. The enrollment was right on target. The net tuition revenue was not.

Since public colleges are public, they get part of their financial support from their states, and while it may be a much smaller percentage of their operating budgets than it was before the 2008-9 recession, every dollar counts these days. The pandemic is expected to ravage state tax revenues. Education is typically one of the largest pieces of a state's discretionary budget, so public colleges can count on some of the pain being passed on to them in the form of cuts in support. That's not in the Moody's tuition report, but it hangs over public higher education like a storm cloud.

Bad news now could mean trouble down the line. Incoming first-year students were down a median of about 6 percent at both private and public colleges surveyed for the report. The effect is likely to linger: The number of first-year students more or less establishes a rough size for that class as it moves through the institution. So a smaller class this year could help depress net tuition revenue for the next four years or so, unless the college can make up the ground in the years to come — a daunting proposition at best.

Seattle University's next president to be Cornell law dean raised in Puyallup

Oct. 22, 2020 at 10:00 am Updated Oct. 22, 2020 at 10:50 am

By [Hannah Furfaro](#)

Seattle Times staff reporter



He has Puyallup roots, and he's a Rhodes scholar and former clerk for a U.S. Supreme Court justice. Next year, Cornell University Law School dean Eduardo Peñalver will become the first Latino president of Seattle University, the private Jesuit college announced during an online event Thursday morning.

The appointment of Peñalver, 47, during a global pandemic marks an important moment for the school in Seattle's First Hill neighborhood. Freshman enrollment is down by 10%. Students are attending classes primarily online. Peñalver will take the helm from a veteran president who has led the university for more than two decades; he'll also be the first Seattle University president who is not clergy.

The Seattle Times

Peñalver will succeed the Rev. Stephen Sundborg, who announced his retirement in February. Sundborg plans to conclude his tenure at the end of this school year, his 24th as the university's leader. Peñalver's term will begin on July 1, 2021.

In an interview with The Seattle Times this week, Peñalver said his first priorities include familiarizing himself with the community, responding to the university's short- and long-term enrollment challenges and building on the school's social justice mission and academic programs.

"I want to spend a lot of time meeting people, listening to people," he said. "I see so many opportunities to build on the strength of [the university's] Jesuit tradition and the breadth of its academic offerings and its proximity to downtown and to this global tech hub."

School officials declined to provide Peñalver's salary, but said it is competitive with other peer universities. Sundborg earns around \$448,000 annually, according to university tax documents from 2017.

Peñalver will take the reins of one of the state's largest private universities; 7,050 students are enrolled this year, officials said. The school is known as a home to some of the nation's leading business and specialty law programs. Roughly 49% of undergraduates are students of color, according to last school year's data.

As the son of "very devout Catholics" who still live in the home they raised him in, Peñalver said his family is thrilled about his new role and for his homecoming to the Pacific Northwest. He and his four siblings attended All Saints Catholic School in Puyallup before graduating from Henry Foss High School in Tacoma. His wife and two sons — already avid Mariners and Seahawks fans, he said — will join him as he moves from Ithaca to Seattle.

Peñalver graduated from Cornell's College of Arts and Sciences in 1994 and studied as a Rhodes scholar at the University of Oxford. In 1999, he earned a law degree from Yale Law School, then clerked for U.S. Supreme Court Justice John Paul Stevens before beginning his teaching career. He specializes in religion law and property law.

In 2014, Peñalver became the first Latino dean of an Ivy League law school. When he was a student in the 1990s, he said, he noticed that faculty and college administrators didn't reflect the increasingly diverse student body. Recruiting a diverse administrative team was one of his top successes as dean at Cornell Law School, he said.

Having more students of color on campus "is vital to the success of the university in achieving its mission of educating citizens in a diverse and pluralistic society like our own," he said. "For a Catholic Jesuit institution it's directly related to this mission of social justice."

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Peñalver said the transition from law school dean to university president is “dramatic,” but said his experience at Cornell prepared him to interact with faculty who specialize in a broad range of disciplines. He intends to oversee campus in a tradition established by his predecessors. “I’m not a priest,” he said. “But one thing to build on is that approachable, pastoral style of leadership.”

Peñalver was in Seattle this week for the university’s announcement, and said he hopes to travel here several more times before moving next year, barring travel or other safety restrictions related to the pandemic.

Seattle's Cornish College of the Arts declares financial emergency

Oct. 14, 2020 at 6:00 am

By [Elise Takahama](#)

Seattle Times staff reporter



Cornish College of the Arts, a 106-year-old private arts school in downtown Seattle, announced this week it's undergoing a financial emergency, though the president of the school assured the community it's not planning to close anytime soon.

The school's Board of Trustees unanimously voted on Oct. 6 to approve a resolution to declare financial emergency and financial exigency, a move Cornish President Raymond Tymas-Jones called a "necessary next step toward our economic recovery and our transition to a new, more sustainable business model."

"This is a tough time, but with the fortitude and commitment of an extraordinary faculty and staff, I really believe we can come up with a plan that will allow us to recoup and bounce back, so there is no discussion or planning of closing our

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doors,” Tymas-Jones, who took over as president about two years ago, said Tuesday morning. “Right now, we are taking the steps necessary. That’s why the declaration was made.”

After Cornish transitioned to a 100% remote learning model in March, its enrollment numbers were hit hard, suffering about a 17% decrease, Tymas-Jones said. Last fall, 591 full-time students were enrolled, compared to 479 students this fall, he said. Ninety-two students took a leave of absence, and Tymas-Jones said he wasn’t sure how many were planning to return in the spring.

“Cornish is a tuition-drive institution, so our operating revenue is basically generated through tuition,” he said. Last month, school leaders adjusted the annual budget by about 8% because the college didn’t hit its target of 520 students this fall, which created an “immediate strain,” Tymas-Jones said.

“We have had some employees take a cut in pay. We did apply cost of living increases for staff and faculty, but we have had to make other adjustments in our budget and absorb other reductions through non-personnel expenditures,” he said.

While the board last week declared financial emergency, Cornish has been battling financial difficulties caused by low enrollment numbers for several years, Tymas-Jones said.

“We were not achieving significant revenue to offset the expenditures, so we were already in a mindset to grow the student population,” he said. “So it’s a combination of both the pandemic and the fact that Cornish has not been able to grow the student enrollment to a significant level that would cover the cost of the quality of education we were offering.”

In January, the administration approved a four-year plan mapping out a path to a stronger economic future, “one in which revenue streams are diversified and resources are prioritized toward student success,” the president said in a Monday news release.

The plan, while approved, is just a template for now. Over the next four to five months, the administration will work with the community to finalize it, Tymas-Jones said. Once it’s finalized, the declaration of financial emergency will allow the school to speed up its implementation of the new plan, the president said.

And although the declaration of financial emergency permits the school to lay off tenured faculty members, Tymas-Jones confirmed there’s no discussion of layoffs at this point.

“That is not the reason why we declared exigency or emergency,” he said. “It is a part of a process. It is determining what the plan is. ... And to try and find

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opportunities to grow our student enrollment (and) be a relevant institution in terms of offering what students are looking for in the arts.”

Tuition at Cornish College of the Arts is \$32,964 for the 2020-21 academic year, according to the college’s website. That was a 20% reduction from the previous year, according to the website, as Cornish “has reset its tuition structure to prior levels to make the institution more accessible and to address long-term student debt.”

Scott Jaschik, editor of online publication Inside Higher Ed, said Cornish isn’t the only smaller arts school that has been struggling to stay afloat.

Within the last five years, a number of private art colleges throughout the country, including the [Oregon College of Art and Craft](#) and [Pacific Northwest College of Art](#), have attempted to merge, close, relocate or change their tuition structure, [Inside Higher Ed reported earlier this year](#).

“These are very tough times for small, private colleges,” Jaschik said, pointing to challenges specific to art schools — such as maintaining general day-to-day operations, in addition to expensive art supplies and equipment — and students’ general lack of interest in attending school during a pandemic.

Inside Higher Ed also noted “curricular changes make it more difficult for some students to take classes before they graduate from high school, meaning art schools must work harder to reach prospective students at an early age.”

The possibility of closures or program cuts at Cornish could be devastating to the Seattle arts community, said Kathryn “Kitty” Daniels, former chair of Cornish’s dance department who worked at the school for nearly 30 years.

During Daniels’ time at Cornish, one of her main goals was to establish a bridge between the performing arts community and her students, where both sides could interact with and learn from one another, she said.

“By the time I was leaving Cornish, easily 50% of the innovators making their marks in the Seattle dance community — both the emerging new artists and established ones — had graduated or studied at Cornish,” she said. “So there was a really significant impact. ... If Cornish were not to exist, a major pipeline in the dance community and other arts would be cut off.”

While larger schools, such as the University of Washington, have wonderful undergraduate arts programs, she said, smaller, specialized schools like Cornish can offer more extensive and specific visual and performing arts curricula for students who want to pursue higher degrees.

“And we all know the arts are fragile in this time of COVID,” Daniels said. “We’re way more fragile in performing arts, where we can’t even imagine when

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performance will take place again, so it's definitely a threat to the survival of Seattle's cultural capital to think of the school going away."

Tymas-Jones said Tuesday the school will do its best over the coming months to come up with sustainable solutions to the financial strain.

"I think what gives Cornish the edge and makes our future possible and bright is the fact that we are in Seattle, and that it is such a technological-design driven city," he said. "And the fact that the arts are so robust and important to the quality of life in the city. There is a place for an institution like Cornish."