



WHEFA

AUTHORITY MEETING
July 20, 2022



WASHINGTON HIGHER EDUCATION FACILITIES AUTHORITY

Meeting Agenda - *Revised*

Jay Inslee,
Governor
Chair

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

Dr. Gene Sharratt
Public Member
Secretary

Denny Heck,
Lieutenant Governor

Michael Meotti,
Executive Director,
Student Achievement
Council

Allan Belton,
President,
Pacific Lutheran University
Treasurer

Jasmine Minato,
Public Member

Shilpa Tiwari,
Public Member

Steve Walker,
Executive Director

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 Wednesday, July 20, 2022, in the Board Room at the Authority's offices located at 1000 2nd Ave., Suite 2800, Seattle, WA 98104 to consider the items in the agenda below.

Pursuant to RCW 42.30.030(2), which encourages public agencies to provide for public access to meetings, this meeting can also be viewed via Zoom or joined telephonically.

To join virtually, please go to www.zoom.us and enter:

Meeting ID: 892 1416 3381

Password: 694378

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 MARCH 4, 2022 SPECIAL MEETING MINUTES:

Chair -----

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III. CONSIDER AND ACT ON THE FOLLOWING ITEMS:

A. Financing Resolution: University of Puget Sound (Series 2022)

Carol Johnson -----

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1. Introduction and Update

2. Review and Act on Resolution #22-02 for University of Puget Sound authorizing issuance by the Authority of refunding revenue bonds in an amount not to exceed \$35,600,000 --

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B. Finance Report – *Lucas Loranger*

1. Review and consider adopting the Annual Budget for the period July 1, 2022 – June 30, 2023 -----
2. Consider and Act on approval of the current Financial Statement -----
3. Invoice for Services -----

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IV. INFORMATION ITEMS

- A. Washington Student Achievement Council Update – *Mike Meotti*
- B. Market Update – *Thomas Toepfer, Managing Director, PFM Financial Advisors LLC* -----
- C. Bond Issue Status Report – *Carol Johnson* -----
- D. Executive Director's Report – *Steve Walker*
- E. Authority Meeting Schedule – *Steve Walker*
 1. November 3, 2022

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V. PUBLIC COMMENT: *Chair*

VI. MISCELLANEOUS BUSINESS AND CORRESPONDENCE -----

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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/89214163381?pwd=nCJs6UJMj4FTj2KkChOffrLKBEdH7.1>
2. At www.zoom.us, go to "Join a Meeting," and enter:
Meeting ID: 892 1416 3381
Passcode: 694378
3. To participate by phone, dial: 1-(888)-788-0099 or 1-(877)-853-5247
4. Members of the public can attend the 1 p.m. Special Meeting in-person in the 28th Floor Board Room, located at 1000 Second Avenue, Seattle, WA 98104-3601.

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 public hearings and the public comment period.

Public Hearings: Public hearings are generally held separately from Authority board meetings, but there may be exceptions. Please limit comments to those directly related to the public hearing topic.

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

March 4, 2022

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

Board members present on the line were Lt. Governor Denny Heck, Mr. Mike Meotti, Mr. Allan Belton, Dr. Gene Sharratt, and Ms. Jasmine Minato.

Authority staff on the line were Mr. Steve Walker, Executive Director; Ms. Carol Johnson, Affiliates Manager; Mr. Lucas Loranger, Senior Controller; and Ms. Rona Monillas, Program Assistant.

Also present on the line were Ms. Faith Pettis of Pacifica Law Group, the Authority's bond counsel; Mr. Thomas Toepfer of PFM Financial Advisors; Mr. Joe Smith, Chief Financial Officer, Gonzaga University; Mr. Scott Forbes, Assistant Attorney General from the Washington State Attorney General's Office; and Ms. Terri Standish-Kuon, President and CEO of Independent Colleges of Washington (ICW).

Introductions and Acknowledgements

Mr. Cohen introduced and welcomed the assistant attorney general, Mr. Scott Forbes.

Mr. Walker announced that Mr. Cohen's second term on the board will end on March 26. Mr. Walker expressed gratitude to Mr. Cohen for his contributions to the board and the state of Washington.

Mr. Walker said that Mr. Cohen agreed to serve on the board until the governor appoints a new board member.

**Approval of the
Minutes**

Mr. Cohen asked for a motion to approve the minutes of the meeting held on November 10, 2021. Lt. Governor Heck made the motion, and it was seconded by Mr. Belton. The minutes were approved unanimously, 6-0.

**Election of Secretary
and Treasurer**

Mr. Cohen introduced Mr. Walker to discuss the election of Board Secretary and Treasurer.

Mr. Walker stated that each year the Board elects a Secretary and a Treasurer. He noted that the past year Mr. Cohen served as Secretary and Dr. Sharratt served as Treasurer.

Mr. Walker said that Mr. Cohen is unable to run as Secretary since his board term ends at the end of the month. Dr. Sharratt and Mr. Belton have volunteered to run for Secretary and Treasurer, respectively, if the board nominates and elects them.

Mr. Cohen made the motion to elect Dr. Sharratt as Secretary and Mr. Belton as Treasurer. The motion was seconded by Lt. Governor Heck. The motion was approved unanimously, 6-0.

**Action Item:
Approval of
Resolution #22-01
for Gonzaga
University**

Mr. Cohen introduced Ms. Johnson to present the staff recommendation for approval of Resolution No. 22-01.

Ms. Johnson stated that the board is being asked to consider the proposed issuance of tax-exempt revenue and refunding revenue bonds for Gonzaga University in an amount not to exceed \$47 million.

Ms. Johnson gave a summary of the transaction and said that a public hearing for this transaction was held on February 16, 2022. The transaction is set to close on March 29, 2022.

Mr. Smith expressed his gratitude to the Authority for its assistance with the project. He explained that the University is taking advantage of the low interest rates in the market with this transaction. Mr. Smith stated that the new money portion of the transaction would be utilized to fund student housing, particularly for freshmen and sophomores who are required to reside on campus.

Mr. Cohen inquired when the new money would be used. Mr. Smith said that the first deliverable from the consultants working on the master plan will be in April, and that the timeframe will become clearer in the coming month. Mr. Cohen asked whether the University would invest the money while waiting for it to be used. Mr. Smith explained that tax-exempt rules limit the University's ability to invest the new funds. He added that the money would be held in the project fund by a trustee.

Mr. Cohen asked for a motion to approve Resolution No. 22-01. Lt. Governor Heck made the motion, and it was seconded by Dr. Sharratt. The resolution was approved unanimously, 6-0.

**Action Item:
Approval of
the Financial
Statement**

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

Mr. Loranger stated that the unaudited financial statement for the period ending December 31, 2021, shows assets of just over \$1 million and \$89,628 in liabilities, leaving \$945,010 in net assets. He added that the Statement of Activities reflects current year to date revenue of \$80,641. Mr. Loranger said that total expenses to date is \$191,906, leaving a revenue deficit of \$111,000.

Mr. Cohen asked whether the Authority would waive the annual fees for this coming fiscal year. Ms. Johnson stated that the Authority waived annual fees through June 2022 and that the ability to waive ongoing fees is dependent on Authority reserves. Staff will evaluate whether fees will be waived again in the coming fiscal year during this next budget cycle.

It was noted that the invoice from the Housing Finance Commission covering October 2021 through December 2021, totaling over \$75,000, has been approved by Board Treasurer, Dr. Sharratt.

Lt. Governor Heck moved approval of the financial statements, and it was seconded by Mr. Meotti. The motion was approved unanimously, 6-0.

Market Update

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

Mr. Toepfer presented a market update, including the impact of global events on interest rates, an overview of interest rate history, trends and forecast, and a discussion of recent university century bond issuances.

Dr. Sharratt inquired about the structure of the MIT issuance. Mr. Toepfer explained that the issuance is taxable because MIT wants to be able to use the revenues in a variety of ways, including investments in research and academic programs.

Dr. Sharratt inquired about the influence of the government deficit on bond interest rates. Mr. Toepfer stated that as the deficit grows, so will the debt load, and as interest rates rise, so will the negative impacts to the government budget. He added that the deficit is a concern in the long-term but not strongly discussed at this point.

Dr. Sharratt inquired about the corresponding debt associated with housing demand. Mr. Toepfer stated that many states are making efforts to invest in affordable housing and that larger cities have bigger issuances. He added that there is more debt in the municipal bond housing market.

Mr. Belton inquired as to whether the large issuances from MSU and the University of Michigan were attributable to the bonds being century bonds. Mr. Toepfer acknowledged that they are century bonds and discussed some strategies that the universities will use to payoff these bonds.

Bond Issue Status Report

Mr. Cohen asked Ms. Johnson to present the Bond Issue Status Report.

Ms. Johnson said that at the beginning of this fiscal year, the Authority anticipated closing two bond issues totaling approximately \$30 million by June 30, 2022. She highlighted that with the closing of Gonzaga University on March 29, the Authority will have financed three bond issues totaling \$123.6 million, exceeding the original goal by \$93.6 million.

Ms. Johnson stated that the next potential bond transactions are as follows: an \$18 million refunding for Bastyr University and a refunding for the University of Puget Sound in the fall of 2022. She added that a new financing for Pacific Northwest University of Health Sciences is still on the table, but it is unlikely to happen this fiscal year.

Lt. Governor Heck asked about the impact of a succession of rate hikes on refunding and future issuances. Mr. Toepfer said that it is difficult to say how much more rates will go up. He added that while rates will continue to increase and opportunities for refundings will be reduced, it will still be reasonable to proceed with financings that produce budgetary savings.

**Executive
Director's
Report**

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

Mr. Walker provided an update on the search for a Senior Finance Director. He complimented Mr. Loranger for taking over the responsibilities while the recruitment process was still underway.

Mr. Walker announced that the Annual Report for 2021 has been released. He commended Ms. Monillas for an excellent annual report design and layout.

Mr. Walker said that Whitworth University has named Dr. Scott McQuilkin as its 19th president, and Whitman College has named Dr. Sarah Bolton as its 15th president.

Mr. Walker gave an update on the current state legislative session. He said that the session started on January 10 and will conclude on March 10. He gave a brief summary of the bills related to higher education in Washington state. Ms. Standish-Kuon gave brief detail on one of the bills.

Mr. Walker shared the final tax-exempt savings reported for the Whitworth University and Whitman College transactions.

Mr. Walker gave a summary of relevant articles in the board meeting packet. Mr. Belton gave additional details on PLU's innovative approach to tuition by committing to fixed tuition that covers a student's entire course of study.

Mr. Walker said that the next NAHEFFA Spring conference will be held April 24-26 in Charleston, SC. He added that staff has not decided whether they will attend. He advised board members interested in attending to contact staff.

He added the next board meetings are scheduled for May 5 and August 4, 2022. He noted that if there is no business to conduct, the meeting will be cancelled.

Adjournment

Mr. Cohen adjourned the meeting at 2:12 p.m.

Dr. Gene Sharratt, Secretary

Date

TAB 2



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 Bond (The University of Puget Sound Project), Series 2022

Purpose

The purpose of the Series 2022 Bond is to refinance WHEFA's outstanding taxable Series 2021B Bond issued for the benefit of the University.

- The Series 2021B Bond was approved by the WHEFA board and issued in June of 2021. The Series 2021B Bond refunded WHEFA's outstanding Series 2012A Bonds for interest rate savings.
- The Series 2012A Bonds were not eligible under federal tax law to be refunded on a tax-exempt basis until 90 days prior to the optional redemption date of 10/01/2022. Since the Series 2012A Bonds were not eligible to be refunded on a tax-exempt basis in 2021, they had to be refunded with taxable bonds (the Series 2021B Bond). Simultaneously with the issuance of the Series 2021B Bond, WHEFA, the University and Columbia State Bank entered into a Forward Delivery Agreement whereby the parties agreed to a tax-exempt take-out refunding of the Series 2021B Bond when such bonds became eligible.
- Now that the Series 2021B Bond (taxable) is within 90 days of the original call date for the Series 2012A Bonds, the University has requested that WHEFA issue the Series 2022 Bond (tax-exempt) to refund the Series 2021B Bond (taxable) as contemplated in the Forward Delivery Agreement and loan documents for the Series 2021B Bond.

The University plans to pay costs of issuance from internal funds.

Official Intent Declaration #	22-W02
Application	Received on May 4, 2021 Reviewed and accepted by staff on May 25, 2021
Public Hearing	May 19, 2021
Resolution	Resolution #22-02 is currently before the Board for consideration
<i>Financial Information</i>	
Type:	Private Placement
Estimated Bond Amount	Not to exceed \$35,600,000
Bond Structure	Fixed
Lender	Columbia State Bank
Placement Agent	Stifel Nicolaus Financial Corp.
Trustee	U.S. Bank Trust Company, National Association
Closing Date	July 22, 2022



July 6, 2022

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:

- In June of 2021, the Series 2021B Bonds were issued through the Authority and refinanced the University’s Series 2012A Bonds for interest rate savings. The Series 2012A Bonds had a call date of 10/01/2022. Since the Bonds were not currently refundable, the Series 2021B refunding bonds were refunded with taxable bonds.
- Now that the 2021B taxable bonds are within 90 days of the 2012A call date (current refunding window), the Series 2021B Bonds will be refunded with Series 2022 WHEFA tax-exempt bonds.
- The purpose of the Series 2022 Bonds will be to refinance/convert the University’s Series 2021B Bonds into a tax-exempt rate.
- The bond sizing will be \$35,600,000 for the Series 2022 Bonds. The University plans to pay costs of issuance from internal funds.
- From a competitive RFP process involving a regional and national bank, the University selected a proposal received from Columbia State Bank. The University and Bank signed a final written agreement on May 21, 2021.
- The Series 2021B Bonds were always planned to be refunded with tax-exempt bonds in 2022. Both the taxable and tax-exempt bonds bear a fixed interest rate that was determined at closing of the Series 2021B Bonds. This allowed the University to refinance their tax-exempt debt ahead of its call date, while locking in both the taxable and tax-exempt rate at closing. The Bank’s 10 year fixed rates are equal to 2.50% (Taxable) and 2.00% (Tax-Exempt).
- The amortization for 2022 Bonds will match the existing amortization schedule of the Series 2021B Bonds.
- Amortization for the Series 2022 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, which started in 2021.

The savings analysis for the Series 2022 Bonds is based on the Bank’s 10 year fixed rates of 2.50% (Taxable) and 2.00% (Tax-Exempt). For the taxable comparison, we have assumed the Series 2021B taxable bonds never convert to tax-exempt in 2022. The analysis assumes the Bank’s 2.50% 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 2022 Nominal Cash Flow Savings

\$2,512,967

Series 2022 PV Cash Flow Savings

\$2,300,555

As you review, please let us know if you have any questions or comments. If you would like, please feel free to contact us at 720-673-3944.

Sincerely,

A handwritten signature in black ink, appearing to read "Brad Gysin", with a stylized flourish at the end.

Brad Gysin
Vice President
Stifel

TAB 3

WASHINGTON HIGHER EDUCATION FACILITIES AUTHORITY

RESOLUTION NO. 22-02

A RESOLUTION of the Washington Higher Education Facilities Authority authorizing the issuance of a nonrecourse revenue refunding bond in a principal amount not to exceed \$35,600,000 to provide funds to refinance facilities of The University of Puget Sound; approving the placement of said bond to Columbia State Bank; 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 approving other matters related thereto.

APPROVED ON JULY 20, 2022

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. 22-02

A RESOLUTION of the Washington Higher Education Facilities Authority authorizing the issuance of a nonrecourse revenue refunding bond in a principal amount not to exceed \$35,600,000 to provide funds to refinance facilities of The University of Puget Sound; approving the placement of said bond to Columbia State Bank; 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 approving other matters related thereto.

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 Taxable Refunding Revenue Bond (The University of Puget Sound Project), Series 2021B (the “2021B Bond”) for the benefit of the University and loaned the proceeds of the 2021B Bond to the University for the purpose of

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 funds necessary to refund the 2021B Bond and, if necessary, to pay the costs of issuing the bond (together, the “Project”); and

WHEREAS, the University, the Authority, and Columbia State Bank, as purchaser (the “Purchaser”) entered into a Forward Delivery Agreement dated July 12, 2021 (the “Forward Delivery Agreement”) to apply then-current market terms and conditions to the issuance of a future tax-exempt financing to currently refund the 2021B Bond; 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 2022 (the “Bond”) in a principal amount of not to exceed \$35,600,000, and (2) loaning the proceeds of the Bond to the University pursuant to a Loan Agreement (as hereinafter defined) for purposes of refinancing the Project; and

WHEREAS, the Authority held a public hearing with respect to the Bond and has received an approval from the Governor of Washington, in accordance with the Code, for the obligations refinanced by the Bond pursuant to Section 147(f) of the Code; 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 Trust Company, 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 Bond 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 Bond; 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 2022”, or other such designation as set forth in the Indenture, in the principal amount of not to exceed \$35,600,000 pursuant to and in accordance with the provisions of the Act and the Code.

The Authority further authorizes the refunding of the 2021B Bond with proceeds of the Bond and with other funds available to the University as provided in the Indenture, Loan Agreement and Forward Delivery 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 Bond in a principal amount of not to exceed \$35,600,000. The Authority also accepts, approves and agrees to the execution and delivery of 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 Bond, the loan of the proceeds from the issuance and sale of the Bond to the University, the refinancing of the Project and the exemption of interest on the 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 Bond, 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 Bond and the refunding of the 2021B Bond.

Section 6. Sale of the Bond. The Authority hereby authorizes and approves the private placement and sale of the Bond to the Purchaser, in accordance with the terms and conditions set forth in the Forward Delivery 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 Bond does not exceed \$35,600,000; (b) the initial variable interest rate on the Bond does not exceed 5.00%; (c) the Bond is issued pursuant to the Forward Delivery Agreement prior to December 31, 2022; and (d) the final terms of the Bond are otherwise in furtherance of the Act.

Section 7. 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 8. 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 20th day of July, 2022.

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

Shilpa Tiwari, Public Member

Jasmine Minato, Public Member

Gene Sharratt, Public Member

TAB 4



Memorandum

To: Authority Board Members

From: Fenice Taylor, Lucas Loranger, Shirleen Noonan

CC: Steve Walker

Date: July 8, 2022

Re: Proposed annual budget and workplan for the fiscal year July 1, 2022 – June 30, 2023

Background:

The draft budget proposal for the upcoming fiscal year, July 1, 2022 through June 30, 2023 (FY23), is attached. It outlines the business objectives and income and expense budget for the upcoming year.

For FY23, the Authority anticipates two financings totaling \$65 million. However, the work for these two issuances was substantially completed in FY 22, therefore the related application and issuance fees have been waived. Expenditures for the Authority are budgeted to be approximately 8% lower than FY 22. This is primarily due to a reduction in allocated staff and associated expenses.

For 8 of the past 10 years, the Authority has been in the fortunate position of being able to waive our ongoing fee of 6 basis points (0.06%) on bonds outstanding. For FY 23, however, management is proposing we reinstate the ongoing fee. Without the fee, the estimated net position for WHEFA at June 30, 2023 would fall to approximately \$300,000, well below our \$1 million target. We sympathize with our client colleges and universities, particularly in these tough economic times, however we believe reinstatement is the best plan of action for the Authority in the coming year.

Recommended Action:

Consider approval of the proposed budget and work plan for the fiscal year July 1, 2022 through June 30, 2023.

WASHINGTON HIGHER EDUCATION FACILITIES AUTHORITY

Program Summary

Fiscal Year 2022– 2023

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 \$65 million by June 30, 2023.
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, 2023.
3. Participate in at least one National Association of Higher Education Facilities Finance Authorities (NAHEFFA) meeting to share program and business information by June 30, 2023.
4. Produce and distribute a 2022 Annual Report by December 31, 2022.
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, 2023.
7. Complete annual review and update of the Authority's underwriter roster. Approved changes and updates shall be complete by February 28, 2023.

8. Describe and evaluate efforts designed to enhance diversity and inclusion and mitigate the impact of historic and systemic racism in agency operations and processes by June 30, 2023.
9. Complete conversion of all hard copy documents into electronic files and consolidate hard copy files for long-term storage by June 30, 2023.

Performance Measures:

1. Complete two bond issues for the Authority totaling approximately \$65 million by June 30, 2023.
2. Complete a minimum of 6 college or university visits (virtual or in person) prior to June 30, 2023.
3. WHEFA will score 4 or above 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, 2023.
4. Report to the Authority on the outcomes of the staff evaluation of current policies by June 30, 2023.
5. Describe and evaluate at least 2 efforts designed to enhance diversity and inclusion and mitigate the impact of historic and systemic racism in agency operations and processes by June 30, 2023.

Assumptions:

Assumes one refunding for approximately \$33 million for the University of Puget Sound (UPS) and one \$32 million refunding for Gonzaga University (GU) by the end of fiscal year 2023. There will be no issuance fee income derived from these 2 financings. The work associated with these financings was completed in advance and paid for through issuance fees in 2021 (UPS) and 2022 (GU).

The expectation that these financings will go forward is based on the fact that a means of finance will be available for the universities.

WHEFA

Budget Summary for the fiscal year ending: June 30, 2023

FINANCIAL AND PROGRAM INFORMATION

	FYE 23 Proposed Budget	FYE 22 Projected Actual	FYE 22 Budget as Adopted
Personnel Resources [FTE's]			
Permanent	2.34	2.09	2.43
Temporary	-	-	
Total FTE's	2.34	2.09	2.43
Program Budget			
Fee Income	435,780	116,847	37,500
Interest Income	6,719	1,992	9,925
Total Revenue	442,499	118,839	47,425
Employee Expenses	353,212	264,828	367,478
Travel Expenses	16,500	3,344	24,978
Professional Fees	47,900	38,283	63,600
Office Expenses	61,669	45,696	65,671
Total Expenses	479,282	352,150	521,727
Total Income/(Loss)	(36,782)	(233,312)	(474,302)

PERFORMANCE MEASUREMENTS

	FYE 23 Proposed Budget	FYE 22 Project Actual	FYE 22 Budget as Adopted
<u>PERFORMANCE MEASUREMENTS</u>			
1 Number of bonds to issue	2	3	2
1 Amount of bonds to issue	\$ 65,000,000	\$ 86,080,000	\$ 30,000,000
1 College & University site visits	>6	2	>6
1 Satisfaction survey	>4	*	>4

*Due 8-1-22

WHEFA - Budget Report for the fiscal year ending: June 30, 2023

	Proposed Budget	Current Year, Projected Actual	Current Year Budget	Prior Year Actual
<u>Revenues</u>				
Interest Earned	6,719	1,992	9,925	2,056
Program Fees	435,780	-	(0)	-
One Time Program Fees	-	116,847	37,500	147,063
Total Revenues	442,499	118,839	47,425	149,120
<u>Expenses</u>				
Salaries & Wages	248,808	199,724	262,447	201,195
Annual Leave	20,451	1,955	22,187	7,979
Payroll Taxes	19,827	15,715	19,858	15,765
Health Insurance	31,730	22,907	27,294	24,403
Retirement	25,380	20,185	26,778	25,907
Commute Trip Reduction	1,455	1,065	1,142	1,195
Employee Training	80	-	80	700
Recognition - Employee	281	299	292	120
Conference Registration	5,200	2,977	7,400	4,902
In State Travel Expenses	4,500	-	7,165	591
Out of State Travel Expenses	12,000	3,344	17,813	640
Accounting Fees	30,800	32,000	45,500	32,770
Legal Fees	10,000	6,283	9,500	8,793
Financial Advisor Fees	2,000	-	2,000	-
Professional Fees - Other	5,100	-	6,600	-
Printing (Letterhead, etc)	3,300	433	4,100	1,032
Supplies- Office	771	425	1,115	414
Postage	50	12	50	8
Delivery	400	273	600	303
Equipment - Non Capitalized	351	200	365	172
Equipment/Furniture Rentals	612	456	536	609
State Services	-	27	-	25
Office Expense - Other	1,469	1,304	1,825	1,885
Rent- Office Building	14,298	12,664	15,799	11,159
Maint. - Equipment & Building	2,561	584	2,537	428
Telephone	3,228	2,492	2,745	2,049
Information Services	4,306	1,493	2,137	1,521
Software Maintenance & Support	6,725	7,892	10,070	7,925
Distributed Materials	1,500	240	2,000	-
Legal Advertising	-	-	-	92
Insurance	14,693	13,130	14,693	13,435
Dues	4,100	3,109	3,795	3,750
Subscriptions and Publications	605	963	655	833
Meeting Expense	2,700	-	2,649	-
Miscellaneous	-	-	-	3,923
Total Expenses	479,282	352,150	521,727	374,522
Revenue over (under) Expense	(36,782)	(233,312)	(474,302)	(225,402)

TAB 5



July 8, 2022

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 May 31, 2022 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: Shirleen Noonan
Shirleen Noonan
General Operations Manager

Approved by: Lucas Loranger
Lucas Loranger
Senior Controller

Governor Jay Inslee, *Chair*
Steve Walker, *Executive Director*



WASHINGTON HIGHER EDUCATION FACILITIES AUTHORITY
GENERAL OPERATING FUND

May 31, 2022

CONTENTS

(See Accountant's Compilation Report)

Financial Statements:

Statement of Net Position	3
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Statement of Activities and Changes in Net Position	4
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Accompanying Information to Financial Statements:

Detailed Statement of Activities	5
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Washington Higher Education Facilities Authority

Statement of Net Position

Fund: General Operating Fund

Division: All

May 31, 2022

(See Accountant's Compilation Report)

	Current Year	Prior Year	Variance		
			Amount		%
ASSETS					
Cash and Cash Equivalents:					
Demand Deposits	\$ 1,024	\$ 14,330	\$ (13,306)	(1)	-93%
Money Market Accounts	959,813	1,127,975	(168,162)	(1)	-15%
Prepaid Expenses & Other Receivable	2,637	3,122	(488)	(2)	-16%
Total Assets	\$ 963,474	\$ 1,145,430	\$ (181,956)		-16%
LIABILITIES					
Accounts Payable and Other Liabilities	\$ 123,413	\$ 125,192	\$ (1,779)		-1%
Total Liabilities	123,413	125,192	(1,779)		-1%
NET POSITION					
Unrestricted	840,061	1,020,238	(180,177)		-18%
Total Net Position	840,061	1,020,238	(180,177)		-18%
Total Liabilities and Net Position	\$ 963,474	\$ 1,145,430	\$ (181,956)		-16%

(1) Fluctuations in these accounts are considered in aggregate. The decrease reflects the reduction of net income due to reduced revenue from another year of waiving annual fees assessed on outstanding bonds.

(2) The decrease in prepaids is due to reduced balances related to the continued amortization of a four-year bond buyer subscription.

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: May 31, 2022
(See Accountant's Compilation Report)

	Current Period	Current Year to Date	Prior Year to Date	Variance	
				Amount	%
<i>Revenues:</i>					
Fee Income	\$ -	\$ 106,923	\$ 79,638	\$ 27,285	(1) 34%
Interest Earned	577	1,823	1,984	(161)	-8%
<i>Total Unadjusted Revenues</i>	<u>577</u>	<u>108,746</u>	<u>81,623</u>	<u>27,123</u>	<u>33%</u>
<i>Expenses:</i>					
Salaries, Wages, and Employee Benefits	20,889	239,611	252,373	(12,762)	-5%
Travel & Conferences	-	5,784	5,542	242	4%
Professional Fees	712	37,750	39,977	(2,227)	-6%
Office Expense	3,607	41,815	45,171	(3,356)	-7%
<i>Total Expenses</i>	<u>25,208</u>	<u>324,960</u>	<u>343,062</u>	<u>(18,102)</u>	<u>-5%</u>
(Deficit) Excess of Revenues over Expenses	<u>(24,631)</u>	<u>(216,214)</u>	<u>(261,439)</u>	<u>45,225</u>	<u>-17%</u>
Net Position					
Total net position, beginning of period	864,692	1,056,275	1,281,677	(225,402)	-18%
Current Increase (Decrease) to Net Position	<u>(24,631)</u>	<u>(216,214)</u>	<u>(261,439)</u>	<u>45,225</u>	<u>-17%</u>
Total net position, end of year	<u>\$ 840,061</u>	<u>\$ 840,061</u>	<u>\$ 1,020,238</u>	<u>\$ (180,177)</u>	<u>-18%</u>

(1) Increase in fee income is primarily due to an additional bond issuance and applications compared to the prior year.

Washington Higher Education Facilities Authority
Detailed Statement of Activities
Fund: General Operating Fund
Division: All
For The Year To Date Ending: May 31, 2022
(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	34%	27,285	79,638	106,923	34,375	72,548	211.0%
Interest Revenue	-8%	(161)	1,984	1,823	9,098	(7,275)	-80.0%
<i>Total Unadjusted Revenues</i>	33.2%	27,124	81,623	108,746	43,473	65,273	150.1%
<i>Expenses:</i>							
Salaries & Wages - Staff & Temp. Svcs	-3%	(6,431)	190,981	184,550	260,915	(76,365)	-29%
Employee Benefits - Staff	-10.3%	(6,331)	61,392	55,061	69,156	(14,095)	-20.4%
Conference, Education & Training	-44.4%	(2,178)	4,902	2,724	6,783	(4,059)	-59.8%
Travel out of state - Staff	378.1%	2,420	640	3,060	16,328	(13,268)	-81.3%
Accounting Fees	-2.3%	(770)	32,770	32,000	44,858	(12,858)	-28.7%
Legal Fees	-20.2%	(1,457)	7,207	5,750	8,708	(2,958)	-34.0%
Financial Advisor Fees	NA	-	-	-	1,833	(1,833)	-100.0%
Office Rent/Conf. Room Rentals	13.6%	1,389	10,199	11,588	14,483	(2,895)	-20.0%
Furniture & Equipment Rental	-22.1%	(118)	535	417	492	(75)	-15.2%
Advertising	139.1%	128	92	220	1,833	(1,613)	-88.0%
Publications/ Subscriptions/ Dues	-12.0%	(506)	4,232	3,726	4,079	(353)	-8.7%
Deliveries	-17.5%	(53)	303	250	550	(300)	-54.5%
Insurance	-2.4%	(301)	12,316	12,015	13,468	(1,453)	-10.8%
Meeting Expense	NA	-	-	-	2,429	(2,429)	-100.0%
Equipment & Building Maintenance	37.3%	145	389	534	2,326	(1,792)	-77.0%
Software Maint. Support & Other Info Svcs	-1.1%	(98)	8,686	8,588	11,189	(2,601)	-23.2%
Non-capitalized Equipment/Supplies	6.4%	11	172	183	334	(151)	-45.2%
Postage	37.5%	3	8	11	46	(35)	-76.1%
Printing	4.5%	17	379	396	3,758	(3,362)	-89.5%
State Services	0.0%	-	25	25	-	25	NA
Supplies	13.1%	45	344	389	1,022	(633)	-61.9%
Telephone	23.8%	439	1,842	2,281	2,517	(236)	-9.4%
Other Office Expenses	-30.8%	(532)	1,725	1,193	1,673	(480)	-28.7%
<i>Total Expenses</i>	-5.3%	(18,101)	343,062	324,961	481,398	(156,437)	-32.5%
<i>(Deficit) Excess of Revenues over Expenses</i>	-17.3%	\$ 45,224	\$ (261,439)	\$ (216,215)	\$ (437,925)	\$ 221,710	-50.6%

TAB 6

Statement of Account

Washington Higher Education Facility Authority
Proration of costs between WHEFA and WSHFC
For the period January 1, 2022 - March 31, 2022

Month	Salaries & Benefits	Office Expenses ⁽¹⁾	Overhead ⁽²⁾	Total
January	\$ 22,275.15	\$ 2,691.71	\$ 65.91	\$ 25,032.77
February	21,785.19	2,221.17	59.85	24,066.21
March	22,559.83	2,502.87	65.56	25,128.26

Total Per Category	\$ 66,620.17	\$ 7,415.75	\$ 191.32	\$ 74,227.24
--------------------	--------------	-------------	-----------	--------------

Previous Balance at December 31, 2021	75,781.27
Payments & Credit Memos (through March 31, 2022)	<u>(75,781.27)</u>

Total Due to WSHFC:	<u><u>\$ 74,227.24</u></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

DocuSigned by:

B497FAABD2BC495

Authority Board Member

TAB 7



Washington Higher Education Facilities Authority

Market Update

July 20, 2022

PFM Financial
Advisors LLC

107 Spring Street Seattle,
WA 98104

Thomas Toepfer
(206) 858.5360
toepfert@pfm.com

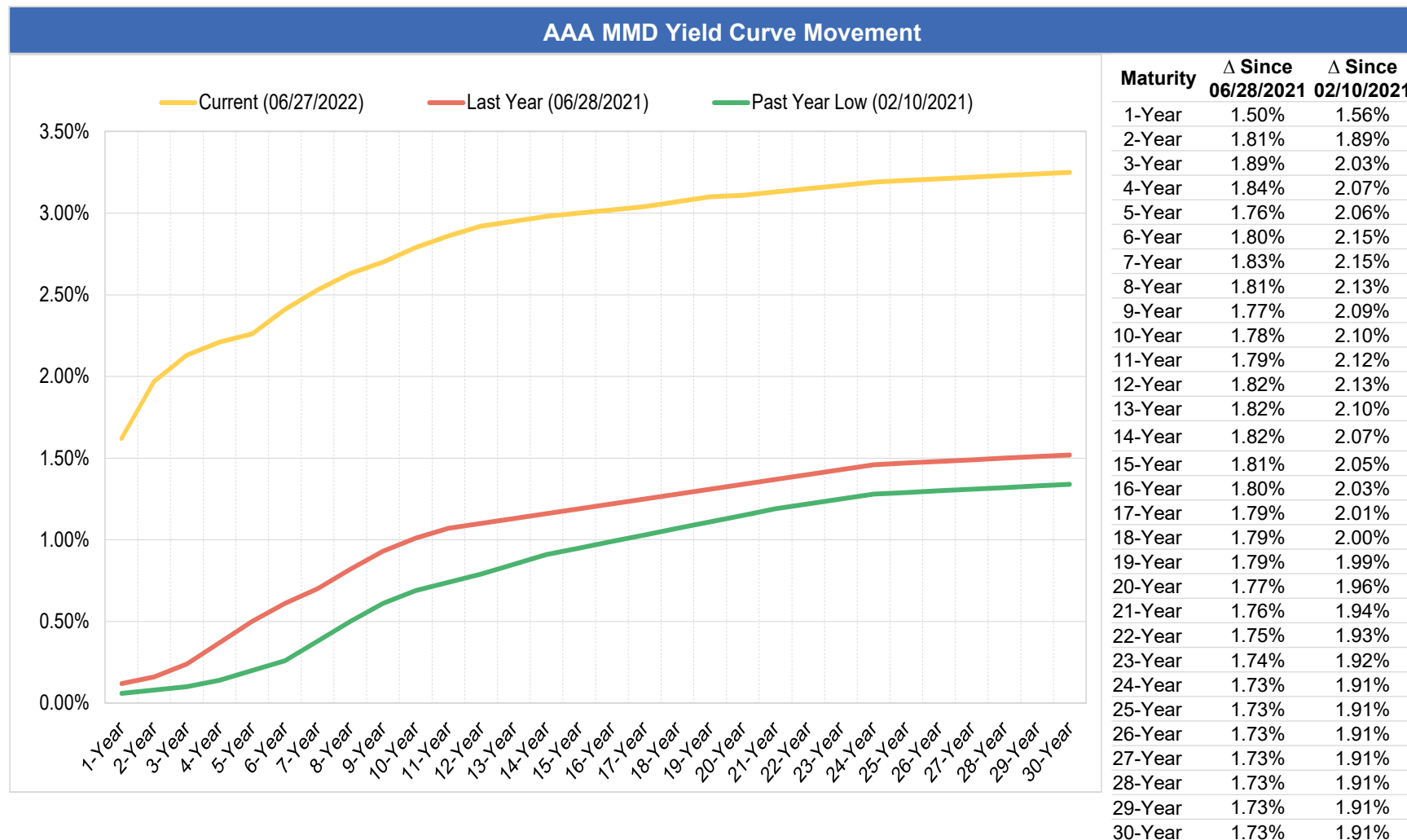


Market Recap

- **Inflation remains high**, with the CPI report showing inflation surged unexpectedly to a 41-year high of 8.6% in May. PCE (Personal Consumption Expenditures) price index increasing 6.3% for May compared to a year ago and remained at the same level as April but below the peak in March.
- **Consumer confidence falls** to 98.7 in June compared to May's reading of the Consumer Confidence Index of 103.2, surprising market participants to the downside compared to expectations of a read of 100. Additionally, the NFIB Small Business Outlook for general business conditions hit a record low in May.
- **Concerns about heading into a recession** moved rates lower in the second half of June after the Fed meeting. The Fed delivered a highly expected 75bps increase in the fed funds rate, the biggest hike since 1994 and Chair Powell signaled a similar move could come at the next meeting in July. Fed Chair Jerome Powell stated that the risk of harm to the economy from higher rates was less important than restoring price stability.
- **US employers added more jobs in June than forecast.** Nonfarm payrolls rose 372k in June following a revised 384k in May keeping the unemployment rate unchanged at 3.6%. Labor force participation was slightly lower in June than in May.
- **Parts of the housing market starts to feel the impact of higher rates.** Existing Home Sales in May fell to the lowest level in 2 years, falling 3.4% though less than market expectation of -3.7%. However, New Home Sales rose in May to 696k vs 629k the prior month.



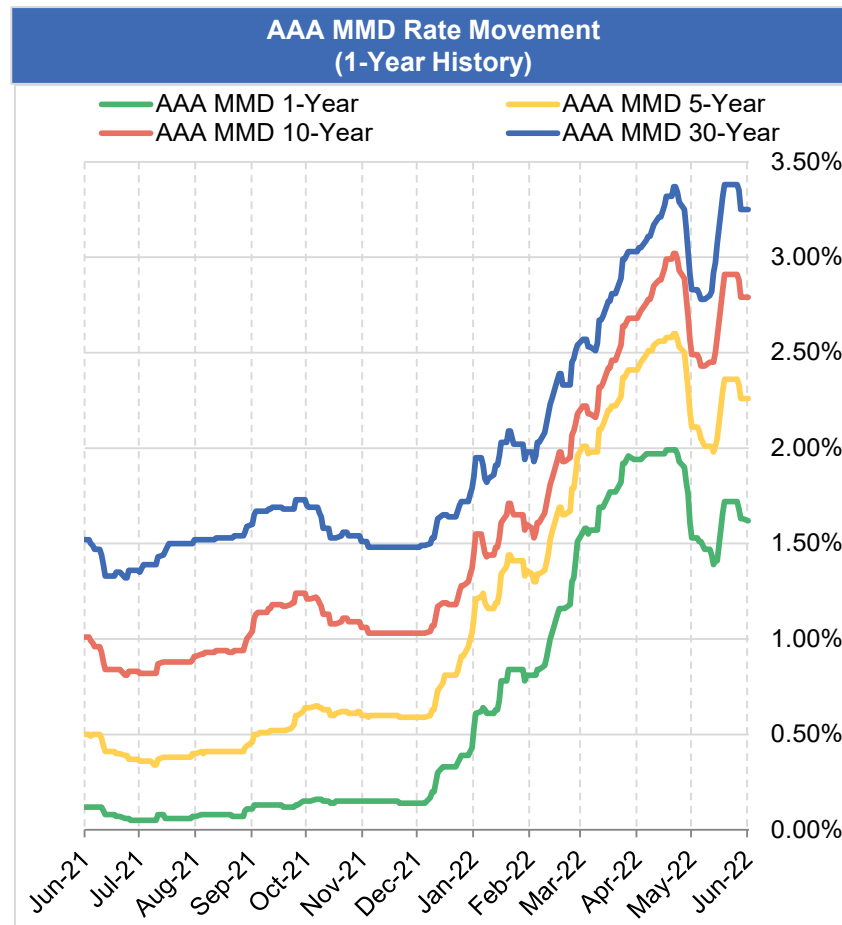
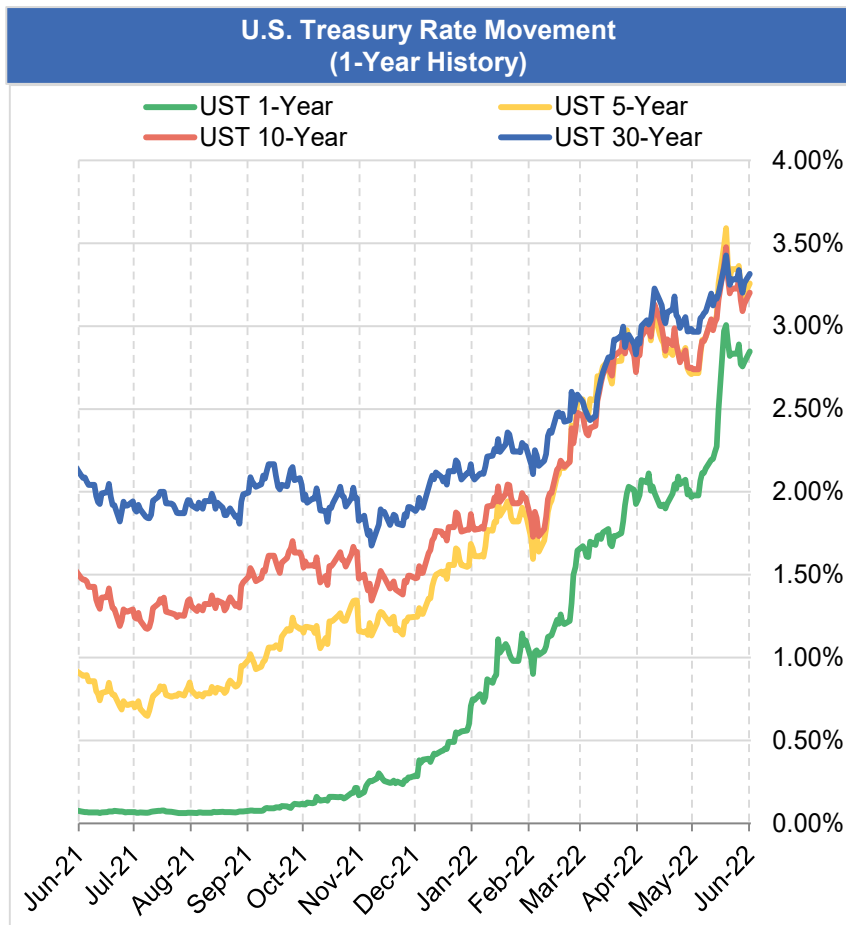
Recent AAA MMD Yield Curve Movement



Source: Thomson Reuters



U.S. Treasury & AAA MMD Rate Movement

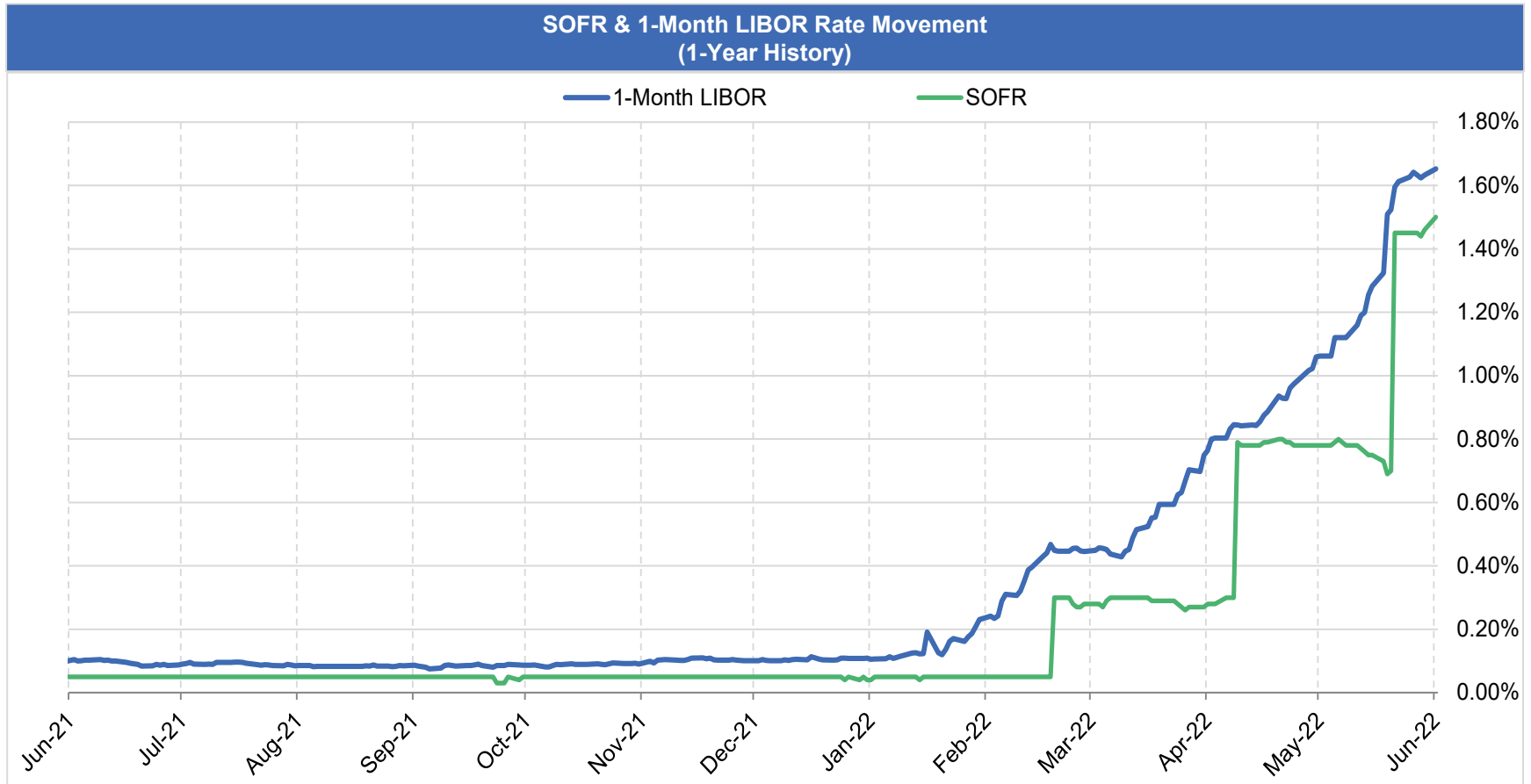


Source: Thomson Reuters



SOFR & 1-Month LIBOR Rate Movement

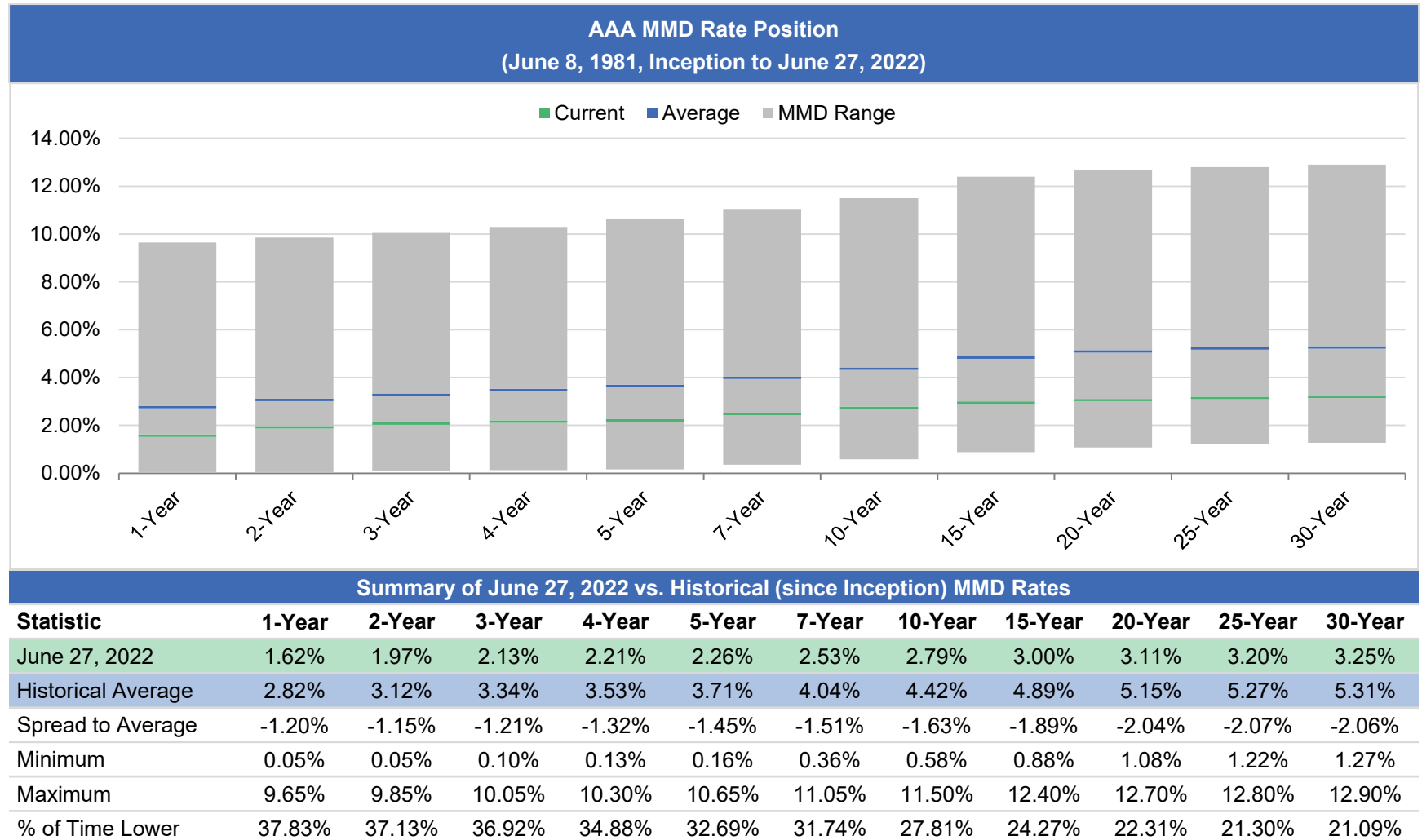
◆ SOFR currently stands at 1.50%. LIBOR currently stands at 1.65%.



Source: Thomson Reuters



AAA MMD Position Since Inception

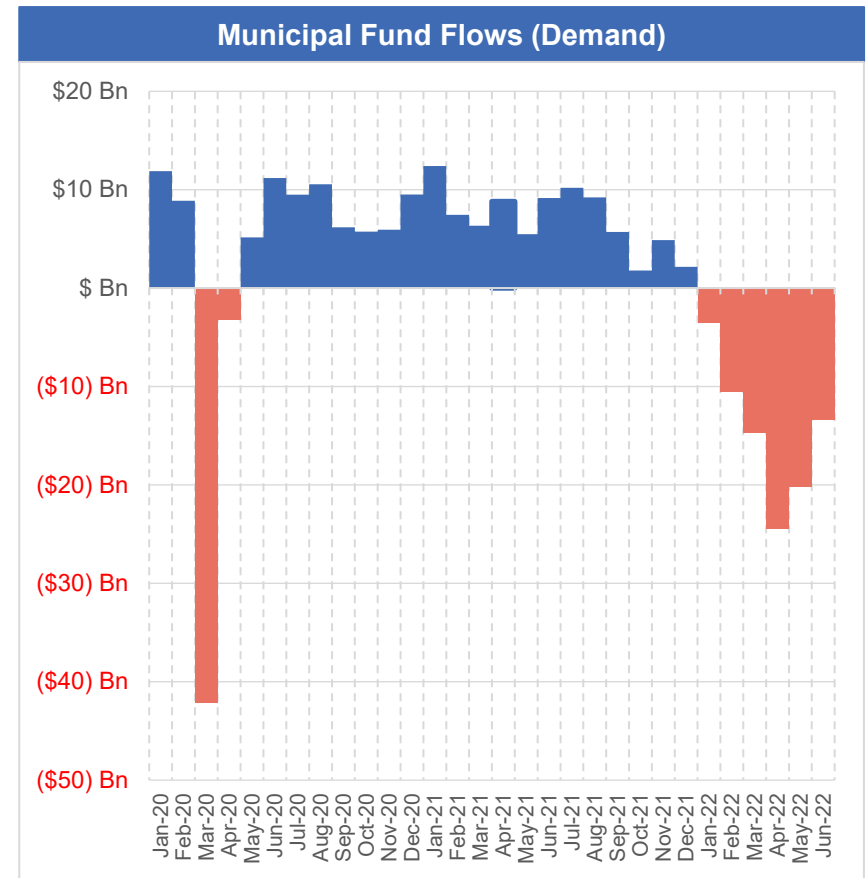
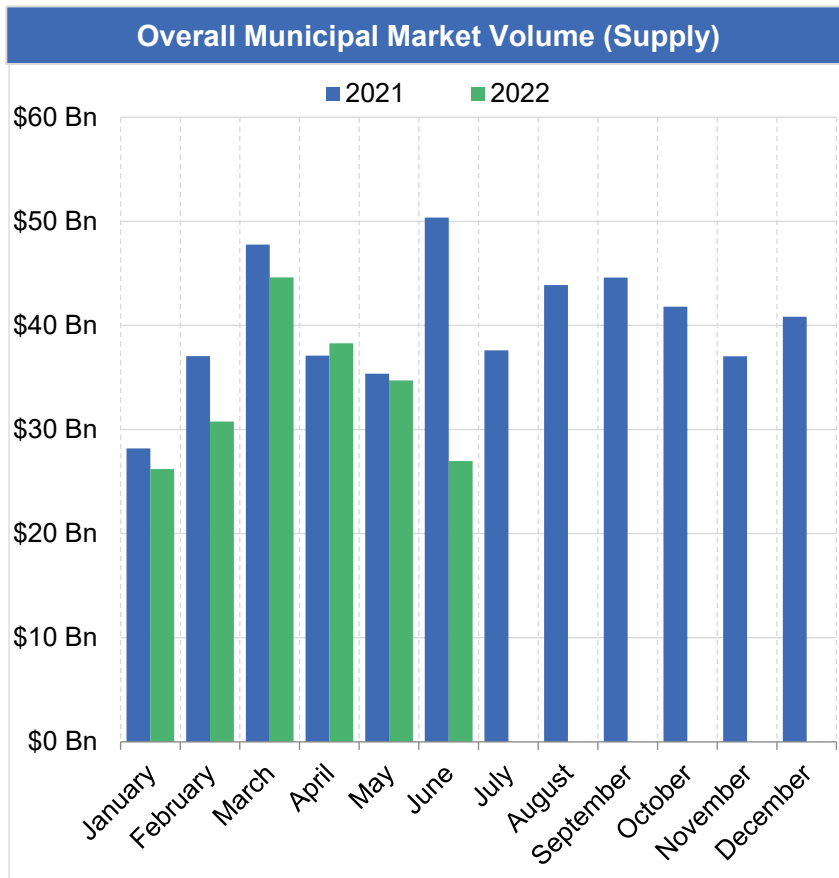


Source: Thomson Reuters



Municipal Market Supply & Demand

- New issuance volume was down by 46% year-over-year in June, year-to-date new issuance volume was 14.5% lower than 2021 issuance through June.

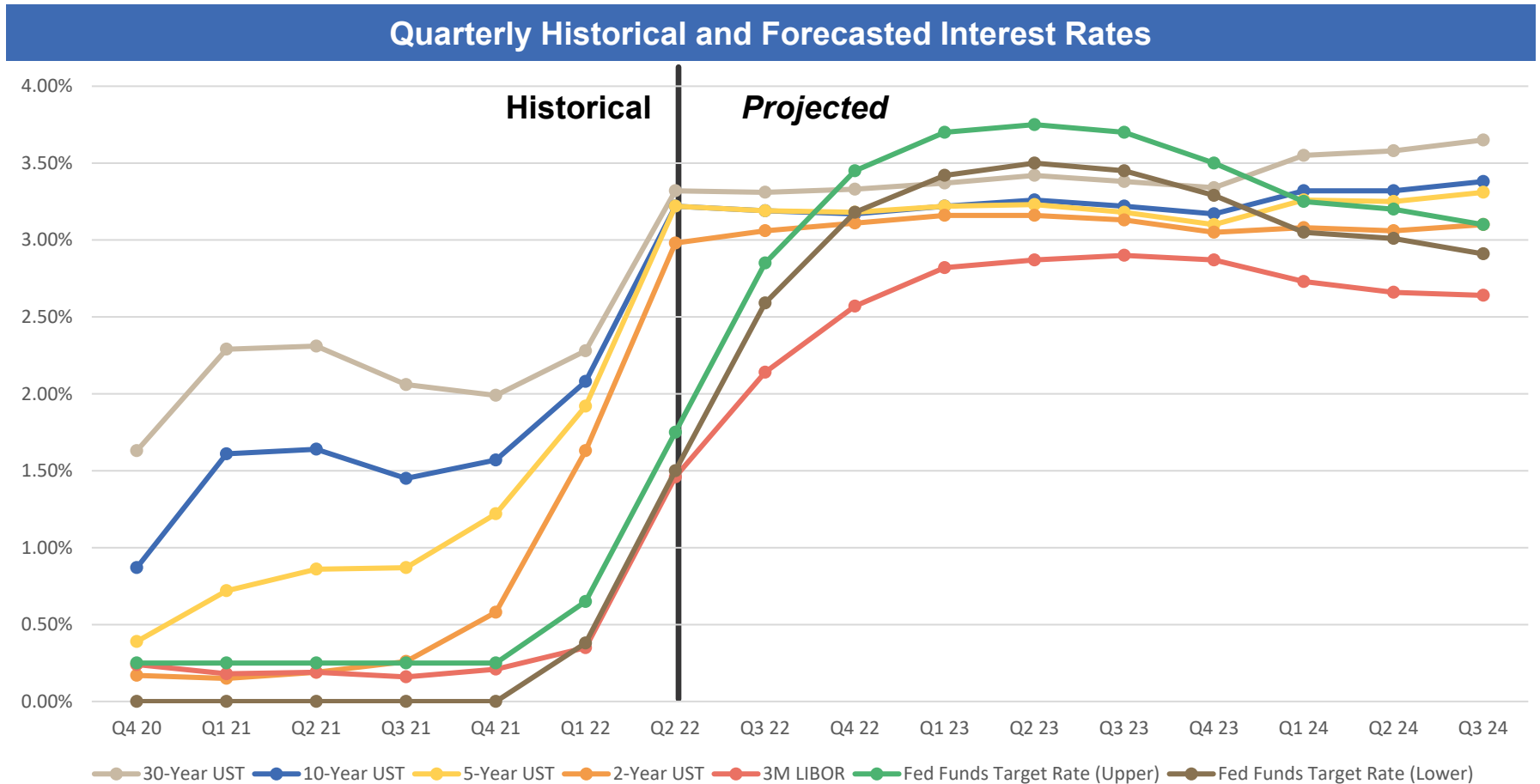


Source: Bond Buyer, Investment Company Institute



Historical and Forecasted Interest Rates

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



TAB 8

Washington Higher Education Facilities Authority
Bond Issue Status Report
As of July 13, 2022

	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
Pending and Potential Bond Issues - Fiscal Year 2021/2022														
UPS \$35,600,000 <i>Refunding of 2021 B taxable to tax- exempt</i>	N/A	6/3/22	N/A	6/2/22	N/A	TBD	TBD	N/A	Complete	7/20/22	Complete	7/22/22	Final Present Value Savings \$2,300,555	No Financial Advisor Private Placement Columbia Bank
Gonzaga \$32,030,000 <i>GU 2023 – Forward Delivery</i> <i>Refunding of 2013A Bonds</i>	1/28/22	2/7/22	2/18/22	TBD	N/A	TBD	N/A	N/A	1/19/22	N/A	3-7-22	Early 2023	Preliminary Present Value Savings Included in total savings for GU 2022 New Money Issue *	Gonzaga FA North Slope Private Placement Morgan Stanley
Cornish \$12 M TBD <i>Refunding of 2012 Bonds</i> <i>Mandatory Tender 12-31-22</i>	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	Preliminary Present Value Savings TBD	Cornish Financial Advisor- Columbia Capital Private Placement

Washington Higher Education Facilities Authority
Bond Issue Status Report
As of July 13, 2022

	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
PNWU \$20,000,000 <i>New Money for 80,000 SF Student Learning Collaborative</i>	2022 TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	2022 TBD	Preliminary Present Value Savings TBD	Financial Advisor TBD
Closed Bond Issues - Fiscal Year 2021/2022														
Whitman \$58,065,000 2021A \$21,825,000 <i>Refunding of 2008 Bonds</i> 2021B \$36.240,000 <i>Taxable Refunding of 2004 Bonds</i>	9/22/21	9/23/21	10/15/21	9/22/21	10/12/21	Complete	10/20/21	Complete	11/5/21	11/10/21	11/18/21	11/30/21	Final Present Value Savings Series A \$1,635,007	No FA Public Sale
Whitworth \$18,540,000 <i>Refund 2012</i> \$5 million <i>New Money for Innovation Lab</i>	9/1/21	9/2/21	10/6/21	9/7/21	10/7/21	Complete	10/7/21 10/18/21	Complete	10/15/21	11/10/21	11/23/21	1/4/22	Final Present Value Savings \$834,025	No WHEFA FA Whitworth FA PFM Public Sale

**Washington Higher Education Facilities Authority
Bond Issue Status Report
As of July 13, 2022**

	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
Gonzaga \$9,475,000 <i>GU 2022 - New Money</i>	1/28/22	2/7/22	2/18/22	1/5/22 2/9/22	2/16/22	Complete	2/18/22 2/25/22	Complete	1/19/22	3/4/22	3-7-22	Closing 3-31-22	Preliminary Present Value Savings Includes forward delivery closing in 2023 \$2,560,000 *	Gonzaga FA North Slope Private Placement Morgan Stanley

FY 2021-22 Goal: Complete two bond issues totaling approximately \$30 million by June 30, 2022.

Total bonds issued to date: Three bond issues totaling \$ 86,080,000 with total PV savings of \$5,029,032.

TAB 9



North Slope Capital Advisors

2000 S. Colorado Blvd.
Tower 1, Suite 2000-412
303-953-4101
www.northslopecapital.com

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, we have 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 Gonzaga University (the "University").

On Tuesday, March 8, 2022, Gonzaga University priced two series of tax-exempt bonds: (i) Series 2022A to fund \$10 million of improvements to its student housing facilities to be delivered on March 31, 2022 to Morgan Stanley (the "Purchaser"), and (ii) Series 2023A to refinance the outstanding maturities of its Revenue Bonds, Series 2013A (the "2013A Bonds") for debt service savings via a forward delivery bond, also purchased by Morgan Stanley and scheduled to be delivered on January 11, 2023. The 2013A Bonds are callable on April 1, 2023 at par (\$33,000,000).

Consistent with the debt service schedule provided in the University's application, our analysis assumes the following:

- Refunding of the callable maturities of the Series 2013A Bonds (and accrued interest)
- \$10,000,000 of funding provided for the student housing improvement project
- Coupon/yield structure: 4.00% / 3.21% (tax-exempt, current delivery new money bonds) and 4.00% / 3.35% - 3.39% (tax-exempt, forward delivery refunding bonds)
- Costs of issuance of \$471,255 (in aggregate)
- Final maturity in 25 years (April 1, 2047)
- Refunding debt structured to achieve approximately proportional savings in each year
- New money debt structured with a single maturity in 2047
- Market conditions as of March 8th, 2022 (pricing day)

North Slope Capital Advisors calculated the net present value savings by comparing the tax-exempt and taxable debt service schedules and discounting the difference at 3.60% (the blended cost of capital on the proposed 2022 and 2023 Bonds). In addition to the assumptions described above, this analysis assumes the bonds remain outstanding 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.

Estimated Nominal Cash Flow Savings
\$3,320,000

Estimated PV Cash Flow Savings
\$2,560,000

North Slope Capital has enjoyed working with the Authority, University and other members of the financing team on this successful financing. If you have any questions or comments on the savings estimate above please don't hesitate to call.

Sincerely,

A handwritten signature in black ink, appearing to read "Steph Chichester".

Steph Chichester
President

SAINT MARTIN'S PRESIDENT ROY AND KATHLEEN HEYNDERICKX ESTABLISH THE DIVERSITY, EQUITY AND INCLUSION (DEI) FUND WITH STARTING GIFT OF \$350,000 FROM DONORS



May 18, 2022

LACEY, Wash. – Saint Martin's donors have raised \$350,000 in honor of Saint Martin's President Roy and Kathleen Heynderickx. These gifts will go toward supporting the university's diversity, equity and inclusion (DEI) initiatives through the newly established DEI Fund. These gifts will count toward the larger [For Every Saint campaign](#), the university's first comprehensive campaign. As of May 1, For Every Saint has already raised over \$82 million toward its overall goal of \$100 million. DEI initiatives are a large focus of this campaign, which includes support for innovative program development, new living and learning facilities, and endowments for scholarships.



“Kathleen and I have always believed that to effect real change requires all of the necessary resources to do so,” shares Saint Martin’s President Roy Heynderickx. “This DEI fund, which hopefully will grow over time, will help this community grow in its response to diversity, equity, and inclusion issues by supporting scholarships and programming today and well into the future.”

During Dr. Heynderickx’s tenure, Saint Martin’s has established the African American/Black, Hispanic/Latinx, Asian-Pacific Islander, Native American (AHANA) Connections mentorship program; joined the Act Six Network to provide full-tuition, full-need scholarships for diverse urban leaders; and created two new positions including the appointment of John Hopkins, Ph.D. as chief diversity officer and Kevin Calixto as the Diversity and Education Center (DEC) program manager.

The DEI Fund was established by President Roy and Kathleen Heynderickx as one of their lasting legacies. Gifts raised toward the DEI Fund will support affinity group gatherings, cultural events, AHANA Connections, and future scholarships for black, indigenous, and people of color (BIPOC) students.

“The impact of this funding will be felt in the short and long term. We plan to take a small percentage of these funds and, over a period of five years, allocate them towards DEC programming,” adds Saint Martin’s University Chief Diversity Officer John Hopkins, Ph.D. “The funds will help achieve our goals of creating a sense of belonging for marginalized students on campus and sponsoring campus-wide DEI programs for the community.”

To learn more about how you can invest in Saint Martin’s DEI Fund or how you can participate in the For Every Saint campaign, please contact advancement@stmartin.edu or 360-438-4366.



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.

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THE CHRONICLE OF HIGHER EDUCATION

LOANS AND PROMISES

Why Talk of Student-Debt Cancellation Is Creating Headaches for Colleges

By [Adrienne Lu](#)

MAY 3, 2022



STEFANI REYNOLDS, AFP, GETTY IMAGES

Protesters urge the U.S. Department of Education to cancel student debt.

After years stuck in limbo, the idea of widespread federal-student-loan cancellation has suddenly picked up momentum over the past week. But with the details yet to be determined, colleges are struggling to explain to current students what debt forgiveness could mean.

Meanwhile, some advocates remain concerned that the national discussion has not included ways to solve student debt on a more structural level for future students and borrowers.

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“Forgiveness by presidential fiat is not sustainable or good public policy,” said Justin Draeger, president and chief executive of the National Association of Student Financial Aid Administrators, whose members have been dealing with a deluge of questions from students and their families about whether they might be eligible for student-loan forgiveness.

While targeted loan forgiveness is welcome news for today’s borrowers, Draeger said, it does nothing to help next year’s. “Loan forgiveness has to come with rethinking some of our national student-loan policies,” he said. “I see very little on that. That’s where the rubber meets the road for institutions, for financial-aid offices.”

On the campaign trail, President Biden pledged to cancel at least [\\$10,000](#) in debt for each borrower. He also promised to [forgive](#) undergraduate federal student debt for borrowers earning up to \$125,000 annually who attended two- and four-year public colleges, as well as private historically Black colleges and universities and other minority-serving institutions.

The U.S. Education Department declined to comment about the details now under consideration. *The Washington Post* has [reported](#) that the administration is looking at individual income limits of either \$125,000 or \$150,000 for debt forgiveness, [canceling debt](#) of between \$10,000 and \$50,000 per borrower, and restricting loan forgiveness to undergraduate loans. The administration could also consider tying loan forgiveness to the restart of payments after a pause of more than two years, now set to expire August 31.

About 45 million people who hold a combined \$1.7 trillion in student debt will be watching the issue closely. Since 2006, student debt has more than [tripled](#) in the United States, with one in five [households](#) now holding student loans compared with one in 10 in 1989. Biden said on Thursday that he expects to take action in the next couple of weeks.

If he does, colleges will play a role in explaining what comes next for students, the process of obtaining debt relief, and what they will need to do — if anything — to receive it.

The Impact on Colleges

For now, however, campus staff members are having to muddle through uncertainty.

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Draeger said financial-aid counselors, who work to help students stay in good standing on loans and provide them with information about tools to deal with debt, are torn between explaining current programs, evolving changes, and everything they're reading in the news.

He said the national conversation about possible debt relief also plays into how colleges are [thinking about their own loan policies](#) — which was a challenge even before debt cancellation was on the table.

Sameer Gadkaree, president of the Institute for College Access & Success, said the biggest question on his mind is who would take the lead on helping student borrowers navigate any changes in their loans: the Education Department, loan servicers, colleges themselves, or others.

“Loan forgiveness has to come with rethinking some of our national student-loan policies. I see very little on that.”

Gadkaree said he is also eager to see how any debt cancellation would be handled administratively, including whether loans would be forgiven automatically or borrowers would have to apply, and if so, what kind of documentation would be required.

Those types of details will affect how quickly the program could be put in place and how many borrowers would ultimately benefit, he said, noting that administrative hurdles have previously limited the benefit of [income-driven repayment](#) programs and programs for [public-service](#) workers, for example.

Gadkaree said that any income limits in a new loan-forgiveness program should be weighed against the administrative barriers those limits could present for borrowers. “If this income exclusion means that it’s very complex for everyone to access this benefit, it’s worth weighing that cost as well to that equation,” he said.

One upside of all the talk about student debt cancellation, according to Jonathan Fansmith, assistant vice president for government relations for the American Council

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on Education, is that it has encouraged college presidents to think even more seriously about the programs their institutions offer, how much they cost, and student outcomes.

College leaders are considering, for example, whether they need to provide more financial-aid counseling for students, which programs should even be offered, and how to reduce costs to students, Fansmith said.

The Pros and Cons

On and off campuses, the arguments for and against universal debt cancellation have been making the rounds in recent weeks.

The political considerations around debt forgiveness — particularly just a few months before midterm elections — are complicated. “There is a big political dimension to this, which further muddies the water for what makes for good policy here,” Fansmith said.

A [Harvard Youth Poll](#) released last week found that while 85 percent of young Americans, from age 18 to 29, would like the government to take action on student-loan debt, only 38 percent favor total debt cancellation.

Progressives within the Democratic Party, including Sen. Elizabeth Warren and Sen. Bernie Sanders, have long pushed for widespread debt forgiveness. Some supporters argue that debt cancellation is one way to chip away at the racial wealth gap, since [Black](#) borrowers are disproportionately affected by student debt.

Opponents include those who don’t want to commit taxpayer dollars to benefit students who racked up debt attending expensive colleges, some of whom earn enough to repay their debt. Sen. Ted Cruz has said canceling student debt would be “profoundly unfair” to those who have worked hard to pay off their loans.

And some critics would like to see aid better targeted to those who are truly in need. A recent [report](#) by the Brookings Institution, for example, argued that widespread debt cancellation is regressive and a costly and ineffective way to reduce economic gaps by race or socioeconomic status.

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Legally, there is some question as to whether the president has the authority to unilaterally cancel federal student loans; Republicans would almost certainly try to challenge such an action in court.

Under Biden, the Education Department has already carried out several more-targeted measures to help student borrowers, including expanding the [Public Service Loan Forgiveness](#) program, helping borrowers who were [defrauded](#) by colleges, and discharging the debt of borrowers with permanent [disabilities](#). Altogether, the administration says it has discharged about \$17 billion in student loans for more than 700,000 borrowers.

Gadkaree hopes that no matter what the administration decides in terms of one-time loan forgiveness, the national conversation will turn to longer-term solutions. “It remains important for us to create some kind of path to debt-free college,” he said.

Gonzaga's new science, engineering center open for tours after dedication

April 29, 2022

Gonzaga University News Service



SPOKANE, Wash. – Celebrating a major investment in its academic mission, Gonzaga University will officially open the \$49.7 million John and Joan Bollier Family Center for Integrated Science and Engineering on Friday, April 29, with a dedication ceremony at 4 p.m. and an open house following until 6 p.m.

At the street fair-style event, members of the public touring the building will find laser race cars, live printing of souvenirs, senior design projects' prototypes – an earlier project spurred the new Ice Age feature in Riverfront Park – and student club members explaining Baja cars and concrete canoes.

Root beer floats, kettle corn, popcorn, cotton candy and shaved ice will be served, with music in the background, on McGivern Plaza north of the building.

The dedication will include remarks from Gonzaga University President Thayne McCulloh and a ribbon-cutting by School of Engineering and Applied Science Dean Karlene Hoo and College of Arts and Sciences Dean Annmarie Caño, representing the Bollier Center's broad impact on science, technology and engineering education at Gonzaga.

“ Already a popular space with Gonzaga students, the Bollier Center signals a new era for the University’s distinctive brand of innovative, interdisciplinary Jesuit education. The collaborative efforts of students, faculty and staff manifesting throughout the Bollier Center exemplify the application of Gonzaga’s mission to fields critical to communities near and far.

— Thayne McCulloh, President, Gonzaga University

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The more than 82,000-square-foot building supports labs, studios, offices, open study spaces, conference rooms, computing areas, innovation spaces and an outdoor terrace. It will support all majors through core curriculum classes and is part of GU’s response to demand for education in science, technology, engineering and mathematics (STEM) and related disciplines. Applications for STEM programs at Gonzaga doubled from 2009-2018, mirroring the need for credentialed professionals as reported by Washington STEM, a statewide education nonprofit based in Seattle that leverages STEM for social change.



The Bollier Center is also where research that benefits the Spokane region and beyond is being performed by faculty and students, enhancing opportunities for high-impact educational practices and improving student outcomes.

The facility is named in honor of John and Joan Bollier and their family, of Newberg, Oregon, with additional benefactor recognition inside the building. More than 700 individuals and organizations contributed to the success of the project.



Partners in the project were SRG Partnership Inc., of Portland, Oregon, lead architect; Research Facilities Design, San Diego; and Integrus Architecture, MW Engineers, DCI Engineers and Walker Construction, all of Spokane.

Additional opportunities for benefaction and recognition are available, along with continued gift-matching and membership in Gonzaga's Clavius Society.

Catholic Partners Open Affordable Housing at New Gonzaga Family Haven



April 21, 2022
Gonzaga University News Service

Aerial image shows new housing complex situated near Gonzaga Preparatory School in Spokane WA | Photo: Zack Berlat, Gonzaga University

SPOKANE. April 21, 2022 – Catholic Charities, Gonzaga University, Gonzaga Preparatory School and St. Aloysius Gonzaga Parish dedicated Gonzaga Family Haven, an affordable and permanent housing community for 73 families, on March 30.

For Jerrica Ford, her husband and their children, their new home in northeast Spokane is the answer to seven years of upheaval.

“My husband worked very hard, and he was working well over 40 hours a week, but because of how expensive it is, we just couldn’t find anything,” Ford said.

“We just couldn’t get ahead enough to pay for first, last deposit anywhere. I could maybe find a place for me and the kids, but not a place for me, my husband and the kids. Especially with roommates and staying with family and things like that.”

Finally, they all – together – have a place to call home.

“Families and, most importantly, children need a roof over their heads at night before they can think about anything else,” said Rob McCann, president and CEO of Catholic Charities of Eastern Washington. “Gonzaga Family Haven will not only help families stabilize their lives but will give them options for a brighter future.”



Gonzaga Family Haven will include on-site wraparound services such as case management, connection with medical resources, substance misuse counseling, health and wellness classes, adult education, employment readiness and food preparation and nutrition courses.

Children may take advantage of Head Start, the Early Childhood Education and Assistance Program, an after-school tutor lab and summer youth programs. Student volunteers from Gonzaga University and Gonzaga Prep will be key in these efforts.



GU's Campus Kitchens plans to offer a monthly community dinner, and its Center for Community Engagement will offer adult programs developed with Haven residents through an advisory board – part of our partnership pledge to listen and “walk alongside.”

“Gonzaga University believes in the purpose and power of community, and we are excited to be a part of the Gonzaga Family Haven community,” said Thayne McCulloh, Gonzaga University president. “We are looking forward to offering many of our successful community engagement programs at the Family Haven. These service-learning opportunities, integral to the Jesuit educational model, are strategic and long-term commitments. We believe the Family Haven partnership holds the potential for Spokane to establish a national model of community-driven change.”

The goal, through the partnership and with the residents, is to change the lives of families who have experienced the trauma of intergenerational poverty, homelessness and the chaos of separation.

“Gonzaga Family Haven represents a groundbreaking opportunity for the Gonzaga Prep community to contribute service to our local community,” said Michael Dougherty, president of Gonzaga Prep. “Students, faculty and families have been eager to provide service at the Haven, welcoming our newest neighbors by building relationships and community. We look forward to this long-term relationship, and especially the opportunity to share our educational mission in service to the youth and families of Gonzaga Family Haven.”

St. Aloysius Parish, meanwhile, has provided support with donations – from shower curtains to dining room tables – and volunteers since the inception of the project, frequently responding to this question: What makes a house a home?

“Gonzaga Family Haven will be an important help to its families as they work for stability and togetherness,” said the Rev. Tom Lamanna, S.J., pastor. “Through this partnership the words of Jesus’ call in the Gospels are put into action, and we able to be loving neighbors to one another.”

The complex is the 17th tax credit property Catholic Charities has been awarded and constructed since 2012.

For more information, visit cceasternwa.org/gfh.

SAINT MARTIN'S UNIVERSITY NAMES JENNIFER BONDS-RAACKE, PH.D. AS 11TH PRESIDENT



March 15, 2022

LACEY, Wash. — Saint Martin's University announced today that Jennifer Bonds-Raacke, Ph.D., current provost and vice president for academic affairs of St. Norbert College, a top Catholic liberal arts college in Wisconsin, has been named [the 11th president](#) of Saint Martin's University. Dr. Bonds-Raacke will become the first woman to serve as president of the 127-year Catholic Benedictine institution. Unanimously supported by the Saint Martin's University Board of Trustees following a nationwide search, Dr. Bonds-Raacke will assume the role on July 1, upon the retirement of President Roy Heynderickx, Ph.D.

Abbot Marion Nguyen, O.S.B., chancellor of Saint Martin's University, shares, "Inspired by the Catholic faith and Benedictine tradition, our founding monks made a home here not only for themselves, but also for the students they serve; 127 years later, these same principles continue to guide the daily life of the university and the abbey. Dr. Bonds-Raacke understands and shares this conviction. We see in Dr. Bonds-Raacke a person who listens attentively and respectfully,



responds thoughtfully, and capable of unifying all in a common purpose. With joy, we welcome Dr. Bonds-Raacke to our home, soon to be her home.”

The Saint Martin’s [Presidential Search Committee](#) comprised 15 individuals representing the Saint Martin’s community, including members from the abbey, faculty, staff, students, alumni, the board of trustees, and the Archdiocese of Seattle. The search committee was tasked with looking for a president who will lead Saint Martin’s to its next level of financial security and academic prominence through strategic vision and transparent servant leadership, while supporting a caring, transformative educational experience in the Catholic Benedictine tradition. Through the extensive process, the search committee sought the input of stakeholders across the university including students, faculty, and staff, to inform the credentials needed in the university’s next president.

“I am grateful and appreciative for all the diligent work and discernment that went into the selection of our new president,” says Medrice Coluccio, chair of the Saint Martin’s University Board of Trustees.

Dr. Bonds-Raacke brings a wealth of experience in cultivating welcoming and inclusive campus communities, allowing all members of an institution to flourish and succeed. During her time as provost at St. Norbert College, she has worked with partners in academic affairs to create equity, diversity, inclusion and belonging (EDIB) and mission cohort hires; sponsored anti-racism training for faculty, staff, and students; and partnered with human resources to revise policies and procedures, ensuring transparency and due process. At her prior institution, Fort Hays State University in Kansas, she was the dean of the Graduate School and Office of Scholarship and Sponsored Projects, where she developed and supported programs to work closely with first generation, adult learners, military and veterans, and historically underrepresented groups to ensure a college education is achievable for all.

“Dr. Bonds-Raacke has dedicated her academic career to removing barriers and creating opportunities for individuals to benefit from the experiences received from attaining a college education,” says Coluccio. “With this commitment to student success and devotion to a mission-focused university, she positions Saint Martin’s for continued excellence.”

In the last decade, Saint Martin’s has been recognized for its efforts to support an increasingly diverse student body and for being a leader in transformational change to its surrounding community, including being named a top 50 “Most Transformative College” by MONEY magazine, the first Purple Heart University in Washington state, and Thurston Green Business’ 2021 Large Business of the Year.



“I am honored to have been selected as the next president of Saint Martin’s University. As a first-generation college student, I know how a college education can transform your entire life,” shares Dr. Bonds-Raacke. “I look forward to joining and leading Saint Martin’s University, a community dedicated to its Catholic Benedictine values, including hospitality, listening, justice, respect for persons and stewardship. Thanks to President Heynderickx, I step into this new position inheriting an outstanding foundation upon which to continue leading the Saint Martin's University community with a heart for diversity and equity and an eye for continued academic excellence – to lead with heart.”

Bonds-Raacke obtained her Ph.D. and M.S. from Kansas State University in experimental psychology and her B.A. from Christian Brothers University. Dr. Bonds-Raacke will be joined by her husband, Dr. John Raacke, their two daughters, Callie and Brooke, and their dog, Doc.

Saint Martin’s University is an independent, four-year, coeducational university 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 and 11 graduate programs and five certificate programs spanning the liberal arts, business, computer science, education, engineering, nursing and leadership. Saint Martin’s was named by MONEY magazine as one of the Top 50 Most Transformative Colleges in the U.S. two times and is a designated Purple Heart University and four-time recipient of the Military Friendly Gold Status by VIQTORY. 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. For additional information:

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