



WHEFA

AUTHORITY MEETING

March 11, 2024



WASHINGTON HIGHER EDUCATION FACILITIES AUTHORITY

Meeting Agenda

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

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 11:00 a.m. prevailing Pacific Time on Monday, March 11, 2024, 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: 827 7346 1103

Password: 041741

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 JULY 25, 2023 SPECIAL MEETING MINUTES:

Chair ----- 1

III. CONSIDER AND ACT ON THE FOLLOWING ITEMS:

A. Election of Secretary and Treasurer for one-year term

– *Carol Johnson* ----- 2

B. Financing Resolution: Whitman College (Series 2024)

– *Carol Johnson*

1. Introduction and Financial Update ----- 3

- 2. Review and Act on Resolution #24-01 for Whitman College authorizing issuance by the Authority of revenue bonds in an amount not expected to exceed \$40,000,000. ----- **4**
- C. Review and Act on Resolution #24-02 repealing prior delegations of authority; setting new delegation limits; and confirming the use and acceptance of electronic signatures – *Carol Johnson* ----- **5**
- D. Finance Report – *Lucas Loranger*
 - 1. Review and consider acceptance of the Financial Audit Report
 - a. Presentation of Independent Auditor’s Report – *Eide Bailly* ----- **6**
 - 2. Review and consider acceptance of the current Financial Statement ----- **7**
 - 3. Invoice for Services ----- **8**

IV. INFORMATION ITEMS

- A. Washington Student Achievement Council (WSAC) Update – *Michael Meotti, Executive Director, WSAC*
- B. Market Update – *Thomas Toepfer, Managing Director, PFM Financial Advisors LLC* ----- **9**
- C. Bond Issue Status Report – *Carol Johnson* ----- **10**
- D. Executive Director’s Report – *Steve Walker*
- E. Authority Meeting Schedule – *Steve Walker*
 - 1. May 2, 2024
 - 2. August 1, 2024
 - 3. November 7, 2024

V. PUBLIC COMMENT: Chair

VI. MISCELLANEOUS BUSINESS AND CORRESPONDENCE ----- **11**

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/82773461103?pwd=UEhNa3hYdmRQS21vSVNLdG9rL3lqZz09>
2. At www.zoom.us, go to "Join a Meeting," and enter:
Meeting ID: 827 7346 1103
Password: 041741
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

July 25, 2023

Dr. Gene Sharratt, Board Secretary, called the special meeting of the Authority to order at 1:10 p.m.

Board members present via Zoom were Lt. Governor Denny Heck, Mr. Mike Meotti, and Mr. Allan Belton.

Authority staff present were Mr. Steve Walker, Executive Director; Ms. Carol Johnson, Assistant Director; Ms. Fenice Taylor, Senior Finance Director; Mr. Lucas Loranger, Senior Controller; and Ms. Rona Monillas, Program Coordinator.

Also present were Ms. Faith Pettis of Pacifica Law Group, the Authority's bond counsel; Mr. Dan Gottlieb of Hillis Clark Martin & Peterson, the Authority's backup bond counsel; and Mr. Thomas Toepfer of PFM Financial Advisors.

Also present via Zoom were Dr. Kim Kvaal, Executive Vice President and Chief Financial Officer, University of Puget Sound, and Mr. Kevin Smith of Eide Bailly.

Approval of the Minutes

The minutes of the July 20, 2022, special meeting minutes were approved as mailed.

Election of Secretary and Treasurer

Dr. Sharratt introduced Ms. Johnson to discuss the election of Board Secretary and Treasurer.

Ms. Johnson stated that each year the Board elects a Secretary and a Treasurer. She noted that in the past year, Dr. Sharratt served as Secretary and Mr. Belton served as Treasurer.

She stated that both Dr. Sharratt and Mr. Belton agreed to continue in their roles as Secretary and Treasurer if the Board chooses to nominate and re-elect them.

Mr. Meotti made the motion to re-elect Dr. Sharratt as Secretary and Mr. Belton as Treasurer. The motion was seconded by Mr. Belton. The motion was approved unanimously, 4-0.

**Action Item:
Approval of
Resolution #23-01
for University of
Puget Sound**

Dr. Sharratt introduced Ms. Johnson to present the staff recommendation for approval of Resolution No. 23-01.

Ms. Johnson stated that the board is being asked to approve the proposed issuance of tax-exempt revenue and refunding revenue bonds for the University of Puget Sound in an amount not to exceed \$35 million.

Ms. Johnson gave a summary of the transaction and said that a public hearing was held on July 11, 2023. The transaction is set to close on September 6, 2023.

Dr. Kvaal provided additional information about the University and the benefit they will get from this transaction. She expressed appreciation to the Authority and everyone involved in the transaction.

Dr. Sharratt asked for a motion to approve Resolution No. 23-01. Mr. Belton made the motion, and it was seconded by Mr. Meotti. The resolution was approved unanimously, 4-0.

**Consider and Act
on Staff
Recommendations
Regarding Selection
of Legal Counsel for
the Authority**

Dr. Sharratt introduced Ms. Johnson to present the staff recommendations regarding the selection of legal counsel for the Authority.

Ms. Johnson stated that the Authority is required to select finance team members through a competitive process. She added that WHEFA's current contracts with Pacifica Law Group for legal services and Hillis Clark Martin & Peterson for alternate legal services had expired.

Ms. Johnson proceeded with the outline of the RFP process and recognized all applicants for their time and thoughtful submittals. She stated that based upon the assessment of each firm's written proposal, staff agreed that interviews were not necessary.

Ms. Johnson stated that staff recommends that the Authority contract with Pacifica Law Group as primary legal counsel and Hillis Clark Martin & Peterson as backup and alternate legal counsel in the even of conflict of interest or for other legal services as circumstances dictate.

Mr. Meotti made the motion, and it was seconded by Mr. Belton. The motion was approved unanimously, 4-0.

**Action Item:
Acceptance of the
Final Audit
Report**

Ms. Taylor introduced Mr. Kevin Smith to present a summary of the 2022 Audit Report.

Mr. Smith presented the overall results of the audit and highlighted some changes in the audit reporting compared to prior years.

Mr. Smith stated that the financial statements were presented fairly and in accordance with accounting principles generally accepted in the United States of America (US GAAP).

Mr. Smith explained the risks identified in the audit. He also pointed out significant accounting policies.

Mr. Smith noted that auditors encountered no difficulties during the audit process.

Mr. Belton made the motion to accept the final Audit Report. It was seconded by Mr. Meotti. The motion was approved unanimously, 4-0.

**Action Item:
Approval of the
Annual Budget**

Dr. Sharratt introduced Ms. Taylor to present the proposed annual budget for the fiscal year beginning July 1, 2023, through June 30, 2024.

Ms. Taylor stated that staff has budgeted for two financings next year totaling \$49 million. She then presented the Authority's budget summary and workplan for the fiscal year ending June 30, 2024.

Dr. Sharratt asked for a motion to accept the budget for the fiscal year 2023-2024. Mr. Meotti made the motion, and it was seconded by Mr. Belton. The motion was approved unanimously, 4-0.

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

Dr. Sharratt asked Ms. Taylor to present the financial statement for approval.

Ms. Taylor presented the unaudited, current financial statement of the Authority's General Operating Fund. She stated that the unaudited financial statement for the period ending May 31, 2023, shows assets of \$1,204,798 and \$232,368 in liabilities, leaving \$972,430 in net assets.

Mr. Meotti moved approval of the financial statement, and it was seconded by Mr. Belton. The motion was approved unanimously, 4-0.

**Invoice for
Services**

Ms. Taylor stated that the invoice from the Housing Finance Commission for April 1, 2022, through March 31, 2023, has been reviewed and approved for payment by the Treasurer, Mr. Belton.

Market Update

Dr. Sharratt introduced Mr. Toepfer to present the market update.

Mr. Toepfer presented a market update which included a discussion about inflation, employment and housing market rates, taxable and tax-exempt rates, an overview of interest rate history and trends, an interest rate forecast, and a discussion of municipal market supply and demand.

**Bond Issue
Status Report**

Dr. Sharratt asked Ms. Johnson to present the Bond Issue Status Report.

Ms. Johnson said that at the beginning of this past fiscal year, the Authority anticipated closing two bond issues totaling approximately \$65 million by June 30, 2023. She highlighted that as of June 30, the Authority financed two bond issues totaling \$67.3 million.

Ms. Johnson stated that the Authority is anticipating closing two bond issues totaling approximately \$49 million by June 30, 2024. In addition to the bond issue from University of Puget Sound that was approved today, the Authority also anticipates a potential bond transaction for Whitman College by the end of the year.

**Executive
Director's
Report**

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

Mr. Walker said that the next NAHEFFA Fall conference will be held October 9-12 in Burlington, Vermont. He advised board members interested in attending to contact staff.

At the request of Lt. Governor Heck, Mr. Meotti gave a summary enrollment update for Washington State.

Ms. Johnson congratulated Mr. Meotti for being the recipient of the 2023 Exceptional Leader Award presented by The State Higher Education Executive Officers Association (SHEEO).

Mr. Walker gave a summary of relevant articles in the board meeting packet. He added the next board meeting is on November 2, 2023. He noted that if there is no business to conduct, the meeting will be cancelled.

Adjournment

Dr. Sharratt adjourned the meeting at 2:05 p.m.

Dr. Gene Sharratt, Secretary

Date

TAB 2



MEMORANDUM

DATE: February 26, 2024
TO: Authority Members
FROM: Carol Johnson
CC: Steve Walker, Lucas Loranger, Rona Monillas
RE: **Election of Secretary and Treasurer**

Background:

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

The statute reads:

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

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

The elected officer positions are currently held by Gene Sharratt as Secretary and Allan Belton as Treasurer.

Action:

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

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

TAB 3



SUMMARY PROJECT DESCRIPTION

WHITMAN COLLEGE

345 Boyer Avenue
Walla Walla, WA 99362

Tax-Exempt Revenue Bonds (Whitman College Project), Series 2024

Chief Executive Officer: Dr. Sarah Bolton, President

Chief Financial Officer: Jeff Hamrick, Chief Financial Officer and Vice President for Finance and Administration

Official Intent Declaration # 24-W01
Application Received on December 29, 2023
Reviewed and accepted by staff on February 23, 2024
Public Hearing February 23, 2024
Resolution Resolution #24-01 - Currently before the Board for consideration

FINANCING SUMMARY

Type: Public Sale
Estimated Bond Amount Not to exceed \$40,000,000
Bond Structure Fixed
Underwriter Stifel Nicolaus & Company, Incorporated
Trustee U.S. Bank Trust Company, National Association
Closing Date April 2, 2024

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

PURPOSE:

Whitman College's proposed Series 2024 Bonds will primarily fund the construction of a new 212-bed apartment-style student housing project designed to house juniors and seniors. The College intends for this Project to bolster the size of its on-campus residential community, fulfilling the dual purposes of capturing lost housing revenue from off-campus upper-class students and solidifying the College's mission-driven commitment to providing a supportive scholarly community that extends beyond the classroom. The Project will provide 210 revenue-generating beds and the College will assume 100% of the associated occupancy risk.

At present, the apartment project is in its final design phase and is estimated to cost approximately \$74 million, to be funded through a combination of unrestricted and restricted gifts and reserves, fundraising and partnerships, and the proposed Series 2024 tax-exempt bond issue.

In addition, the scope of the Project may include significant renovations to two of the college's fraternity houses, as well as the construction of two 2-bedroom cottages and two 1-bedroom cottages. All of the facilities referenced in this paragraph would house sophomores, juniors, or seniors, and serve purposes comparable to the primary student housing project.

PROJECT TIMELINE

- Residential village for juniors and seniors: by August 2025.
- Four cottages for lease to sophomores, juniors, and seniors: by August 2025.
- Portion of renovations to Sigma Chi and Phi Delta Theta houses to be financed by this bond issuance: by August 2025.

DISTRIBUTION OF PROCEEDS

The proposed bonds will finance approximately \$37 million of the Project's \$78.5 million estimated cost. Of the \$78.5 million Project cost, an estimated \$75.9 million is associated with the residence halls; \$1.3 million is associated with the two 1-bedroom cottages and two 2-bedroom cottages; and \$1.3 million is associated with renovations to one or more of the College's fraternity houses.

Proceeds in an amount not to exceed \$40,000,000 will be loaned to the College to finance or reimburse them for a portion of the costs of acquisition, construction, improvement, furnishing, and equipping of the new 212-bed apartment-style student housing project.

Proceeds in an amount not expected to exceed \$2,000,000 will be used to finance a portion of the costs of renovations and improvements to, and the furnishing and equipping of two of the college's fraternity houses.

Proceeds in an amount not expected to exceed \$1,800,000 will be used to finance all or a portion of the costs of acquisition, construction, improvement, furnishing and equipping of two 2-bedroom cottages and two 1-bedroom cottages.

Proceeds of the Bonds may also be used to finance other costs, fees, reserves, capitalized interest and permitted issuance expenses associated with the transaction.

PROPOSED SECURITY

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

RATING

The College's outstanding Series 2017, Series 2021A, and Series 2021B Bonds are fixed rate obligations held in the public market. The College's public bonds hold long-term ratings of "Aa3" from Moody's Investor Service.

INTEREST RATE SAVINGS

Stifel estimates the net present value savings to the University over the life of the bonds at just over \$5.9 Million.

STIFEL

December 14, 2023

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 Whitman College (the “College”).

We have relied on the following assumptions in our analysis:

- Whitman College’s proposed Series 2024 Bonds will primarily fund the construction of a new apartment-style student housing project designed to house juniors and seniors (the “Project”). In addition, the scope of the Project may include significant renovations to a 29-room facility for one of the college’s fraternity houses (or renovations at all college-owned fraternity houses), as well as the construction of two 2-bedroom cottages and two 1-bedroom cottages on 804 North Main Street.
- At present, the Project is in its final design phase and is estimated to cost approximately \$74 million, to be funded through a combination of unrestricted and restricted gifts and reserves, fundraising and partnerships, and the proposed Series 2024 tax-exempt bond issue. The Project will provide 210 revenue-generating beds and the College will assume 100% of the associated occupancy risk. The College also plans to fund costs of issuance and possibly capitalized interest from bond proceeds.
- The proposed bonds will finance approximately \$37 million of the Project’s \$78.5 million estimated cost. Of the \$78.5 million Project cost, an estimated \$75.9 million is associated with the 210-bed troika of junior/senior apartment-style residence halls; \$1.3 million is associated with the two 1-bedroom cottages and two 2-bedroom cottages; and \$1.3 million is associated with renovations to one or more of the College’s fraternity houses.
- The amortization for the Series 2024 issuance will seek to wrap the new issue around the College’s existing debt structure while maximizing the amount of principal amortized within the current yield curve inversion. Amortization for the contemplated issue will stipulate annual principal payments commencing January 1, 2025 and ending in 2047. Semi-annual interest payments will be made on July 1 and January 1 of each year the Bonds remain outstanding.

In order to evaluate the savings benefit to the College when issuing tax-exempt bonds as opposed to a taxable issuance, Stifel analyzed the results when assuming taxable debt is used for the new money projects. With relevant data gathered and analyzed, Stifel input separate interest rate scales and ran separate bond cash flows and sources and uses of funds for each scenario, i.e. tax-exempt versus taxable financings (i.e. 4.31% TIC vs. 5.75% AIC). Stifel compared the cash flows of the two scenarios on (i) a total (gross) cost basis and (ii) a present value basis using a discount factor that represents the average of the all-in-costs of the two scenarios.

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. Stifel has calculated the tax-exempt benefit on an estimated basis assuming market conditions as of December 11, 2023.

Series 2024 Nominal Cash Flow Savings
\$10,627,557

Series 2024 PV Cash Flow Savings
\$5,935,038

**Present value is being calculated using a discount factor of 5.03%*

As you review, please let us know if you have any questions or comments. If you'd like, please feel free to contact us at 720-766-8213.

Sincerely,

A handwritten signature in black ink, appearing to read "Brad Gysin", written in a cursive style.

Brad Gysin
Vice President, Stifel

TAB 4

WASHINGTON HIGHER EDUCATION FACILITIES AUTHORITY

RESOLUTION NO. 24-01

A RESOLUTION of the Washington Higher Education Facilities Authority authorizing the issuance of nonrecourse revenue bonds in an aggregate principal amount of not to exceed \$40,000,000 to finance the construction of and improvements to facilities on the campus of Whitman College; delegating to the Executive Director the authority to approve the sale of the bonds to Stifel Nicolaus & Company, Incorporated; approving the form of indenture of trust, loan agreement and bond purchase contract; and authorizing the officers and Executive Director to amend and execute such documents and other related documents.

APPROVED ON MARCH 11, 2024

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. 24-01

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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 chapter 28B.07 of the Revised Code of Washington (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 Board of Trustees of Whitman College (the “College”) 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 College has submitted an application to the Authority to provide a portion of the funds necessary (1) to finance the construction of and improvements to the

College’s facilities; (2) to capitalize interest on the Bonds (as defined herein), and (3) to pay certain expenses incurred in connection with the issuance of the Bonds (together, the “Project”); and

WHEREAS, it is desirable for the Authority to provide the College with financing for the Project through (1) the issuance of its Washington Higher Education Facilities Authority Revenue Bonds (Whitman College Project), Series 2024 (the “Bonds”) in an aggregate principal amount of not to exceed \$40,000,000 and (2) loaning the proceeds of the Bonds to the College pursuant to a Loan Agreement (as hereinafter defined) for purposes of financing the Project; and

WHEREAS, the Authority expects to receive an offer to purchase the Bonds from Stifel Nicolaus & Company, Incorporated, pursuant to a bond purchase contract (the “Bond Purchase Contract”); and

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

NOW, THEREFORE, BE IT RESOLVED by the Washington 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 College (the “Loan Agreement”).

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

Section 3. Authorization of Bonds. The Authority hereby authorizes the issuance and sale of its nonrecourse revenue bonds to be designated “Washington Higher Education Facilities Authority Revenue Bonds (Whitman College Project), Series 2024” or other series designation determined to be necessary by the Executive Director of the Authority, in the aggregate principal amount of not to exceed \$40,000,000, pursuant to and in accordance with the provisions of the Act, the Code, the Indenture and this resolution.

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 College. The Indenture will authorize, *inter alia*, the sale, execution, issuance and delivery of the Bonds and will be in substantially the form on file with the Authority. 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 Bonds, the loan of the proceeds from the issuance and sale of the Bonds to the College, the financing of the Project and the exemption of interest on the Bonds from federal taxation pursuant to the Code.

Section 5. Authorization to Execute and Deliver Documents and Bonds. The Chair, the Executive Director and the Secretary of the Authority, or any one of such persons, are hereby authorized and directed to cause the Indenture and the Loan Agreement to be appropriately dated and to execute and deliver to the parties entitled thereto 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 to conform such documents to each other and/or to be in the best interest of the Authority and the College. The Chair and the Secretary or Executive Director of the Authority are hereby authorized and directed to execute the Bonds, in substantially the form set forth in the Indenture. Such officers are hereby authorized to execute any additional certificates, documents or other papers which are necessary to the sale, execution, issuance and delivery of the Bonds and the refunding of the Refunded Bonds.

Section 6. Approval of Underwriter; Sale of the Bonds. The Authority hereby approves the selection of Stifel Nicolaus & Company, Incorporated, as the underwriter (the “Underwriter”) for the Bonds.

The Authority hereby authorizes and approves the sale of the Bonds to the Underwriter as described in and in accordance with the terms and conditions set forth in the Bond Purchase Contract. The Authority hereby delegates to the Executive Director the authority to execute the Bond Purchase Contract in substantially the form filed with the Authority, subject to the following limitations: (a) the aggregate principal amount of the Bonds shall not exceed

\$40,000,000; (b) the true interest cost (in the aggregate) on the Bonds does not exceed 5.25%; (c) the Bond Purchase Contract shall be executed prior to June 30, 2024; and (d) the final terms of the Bond Purchase Contract shall otherwise be in furtherance of the Act.

Section 7. Preliminary Official Statement and Final Official Statement. Pursuant to Securities and Exchange Commission Rule 15c2-12 (“Rule 15c2-12”), the Authority hereby delegates to the Executive Director the authority to deem the Preliminary Official Statement as final as of its date except for the omission of information dependent upon the sale of the issue and the completion of the agreement with the Underwriter, such as offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, and other terms of the Bonds dependent on the foregoing matters. The Executive Director is hereby authorized to provide for the distribution of a Preliminary Official Statement.

The Authority agrees to cooperate with the Underwriter to deliver or cause to be delivered, within seven business days from the date of the sale of the Bonds and in sufficient time to accompany any confirmation that requests payment from any customer of the Underwriter, copies of the final Official Statement in sufficient quantity to comply with paragraph (b)(4) of Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board. The Executive Director is hereby authorized to review and approve the final Official Statement with such additions and changes as may be deemed necessary or advisable to such individual.

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

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

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

ADOPTED at an open public meeting duly noticed and called this 11th day of March, 2024.

WASHINGTON HIGHER EDUCATION
FACILITIES AUTHORITY

David Schumacher, Designee for
Jay Inslee, Governor, Member and Chair

The Honorable Denny Heck,
Lieutenant Governor and Member

Michael Meotti, Executive Director of the
Washington Student Achievement Council
and Member

Allan Belton, Public Member

Dr. Gene Sharratt, Public Member

Shilpa Tiwari, Public Member

TAB 5



MEMORANDUM

DATE: March 4, 2024
TO: Authority Members
FROM: Carol Johnson
CC: Steve Walker, Lucas Loranger, Rona Monillas
RE: WHEFA delegations of authority; setting new delegation limits; and acceptance of electronic signatures

PURPOSE: Resolution 24-02 repeals prior delegations of authority; sets new delegation limits; and confirms the use and acceptance of electronic signatures pursuant to current State law.

It will formally codify how we operate, and it will align our policies with our current practices. These changes will aid in the efficient operation of the agency and provide a clear designation of responsibilities.

This resolution will supersede any previously approved resolutions that relate to the authorization and signature process for bank accounts, investments, the approval and payment of expenses and any other action necessary for WHEFA's operations.

Passage of Resolution 24-02 will:

- Authorize the Executive Director to make expenditures of \$50,000 or less, and to enter into contracts for up to \$250,000. The Executive Director will consult with either the Chair or the Treasurer for contracts or expenditures over those limits. Any large contracts will still go through an RFP process and come before you for review and approval.
- Authorize the Executive Director to delegate in writing to the Assistant Director and other appropriate WHEFA staff, the authority to execute certificates, checks, contracts, requests and other documents which relate to the daily administration of the agency.

- Ratify a prior approval and extend the use and acceptance of electronic signatures permanently, consistent with the State's Uniform Electronic Transactions Act. In 2020 you approved a resolution authorizing the use and acceptance of electronic signatures during a period of mandated or encouraged remote work.

RECOMMENDATION:

We respectfully request that the Board review and consider approval of Resolution #24-02 which provides for a consistent ongoing process for signatures and authorizes a permanent electronic signature policy.

WASHINGTON HIGHER EDUCATION FACILITIES AUTHORITY

RESOLUTION NO. 24-02

A RESOLUTION of the Washington Higher Education Facilities Authority repealing prior delegations of authority; setting new delegation limits; and confirming the use and acceptance of electronic signatures in accordance with RCW Chapter 1.80.

APPROVED ON MARCH 11, 2024

PREPARED BY:

PACIFICA LAW GROUP LLP

1191 Second Avenue, Suite 2000
Seattle, Washington 98101

RESOLUTION NO. 24-02

A RESOLUTION of the Washington Higher Education Facilities Authority repealing prior delegations of authority; setting new delegation limits; and confirming the use and acceptance of electronic signatures in accordance with RCW Chapter 1.80.

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, the Authority by Resolution No. 94-6 previously authorized the Executive Director to conduct Authority affairs, make expenditures, direct investments, approve expenses and to enter into contracts on behalf of the Authority subject to certain dollar limitations and authorized signing authority for certain actions by members of the Authority; and

WHEREAS, the Authority by Resolution No. 00-02, authorized the Deputy Director and others to act in the absence of the Executive Director; and

WHEREAS, the Authority by Resolution No. 20-04, authorized the use and acceptance of electronic signatures during a period of mandated remote work as permitted by ESSB 6028 (Chapter 57, Laws of 2020); and

WHEREAS, to reflect current Authority staffing and to provide for a consistent ongoing process for signatures, the Authority intends to repeal and reauthorize its delegations of authority and to authorize a permanent electronic signature policy;

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

Section 1. Repeal of Prior Delegated Authority; Delegation of Authority. This resolution shall supersede any previous resolution, motion or action approved by the Authority

relating to the authorization and signature process for bank accounts, the investment of Authority funds, the approval and payment of Authority expenses and all other actions necessary for the operation of the Authority. Specifically, the prior delegations of authority contained in Resolution Nos. 94-6 and 00-02 are hereby repealed and replaced with the authority in this resolution.

The Executive Director is authorized to make expenditures of \$50,000 or less, and to enter into contracts on behalf of the Authority which do not obligate the Authority to expend funds in excess of \$250,000. Contracts or expenditures in excess of such amounts may be made by the Executive Director upon consultation with either the Chair or the Treasurer of the Authority.

The Executive Director is further authorized to delegate in writing to the Assistant Director and other appropriate Authority staff, the authority to execute certificates, checks, contracts, requests and other documents on behalf of the Authority which relate to the daily administration of Authority matters and which fall under their respective responsibilities. All delegation shall be under the supervision of the Executive Director and upon such written delegation, the actions of such staff pursuant to such delegation shall be binding upon the Authority.

Section 2. Electronic Signatures. The Authority previously approved Resolution No. 20-04, authorizing the use and acceptance of electronic signatures to ensure the continued operation of its core business functions during a period of mandated or encouraged remote work. The Authority hereby ratifies its prior approval and extends the use and acceptance of electronic signature permanently, consistent with the State's Uniform Electronic Transactions Act.

Section 4. 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 a special meeting duly noticed and called this 11th day of March, 2024.

WASHINGTON HIGHER EDUCATION
FACILITIES AUTHORITY

David Schumacher, Designee for
Jay Inslee, Governor, Member and Chair

The Honorable Denny Heck,
Lieutenant Governor and Member

Michael Meotti, Executive Director of the
Washington Student Achievement Council
and Member

Allan Belton, Public Member

Dr. Gene Sharratt, Public Member

Shilpa Tiwari, Public Member

TAB 6



December 15, 2023

To the Board of Directors
Washington Higher Education Facilities Authority
Seattle, Washington

We have audited the financial statements of the Washington Higher Education Facilities Authority (the Authority), as of and for the year ended June 30, 2023, and have issued our report thereon dated December 15, 2023. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our letter dated September 28, 2023, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Authority solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, 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.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

As stated in our auditor’s report, professional standards require us to design our audit to provide reasonable assurance that the financial statements are free of material misstatement whether caused by fraud or error. In designing our audit procedures, professional standards require us to evaluate the financial statements and assess the risk that a material misstatement could occur. Areas that are potentially more susceptible to misstatements, and thereby require special audit considerations, are designated as “significant risks”. We have identified the following as significant risks.

Risk of Management Override of Internal Control

Professional standards require auditors to address the possibility of management overriding controls. Accordingly, we identified as a significant risk that management of the Authority may have the ability to override controls that the organization has implemented. Management may override the organization’s controls in order to modify the financial records with the intent of manipulating the financial statements to overstate the Authority’s financial performance or with the intent of concealing fraudulent transactions.

Qualitative Aspects of the Entity’s Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Authority is included in Note 2 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2023. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management’s current judgments. No such significant accounting estimates were identified.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Authority’s financial statements relate to:

The disclosure in Note 8 to the financial statements over conduit debt

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. There were no uncorrected or corrected misstatements identified as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. We did not identify any circumstances that affect the form and content of the auditor's report.

Representations Requested from Management

We have requested certain written representations from management that are included in the management representation letter dated December 15, 2023.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Authority we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the entity, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Authority's auditors.

This information is intended solely for the use of Board of Directors and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Eide Sully LLP".

Boise, Idaho



Financial Statements
June 30, 2023 and 2022

Washington Higher Education Facilities Authority

Washington Higher Education Facilities Authority

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June 30, 2023 and 2022

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Independent Auditor's Report

To the Board of Directors
Washington Higher Education Facilities Authority
Seattle, Washington

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business type activities of the Washington Higher Education Facilities Authority (the Authority), a discretely presented component unit of the State of Washington, as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority, as of June 30, 2023 and 2022, and the respective changes in financial position, and cash flows, thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Eide Bailly LLP

Boise, Idaho
December 15, 2023

As management of the Washington Higher Education Facilities Authority (the Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the years ended June 30, 2023 and 2022 (FY 2023 and FY 2022, respectively). This overview and analysis is required by accounting principles generally accepted in the United States of America (GAAP) as promulgated by the Governmental Accounting Standards Board.

Financial Highlights

At June 30, 2023, and for the year then ended:

- Cash and investments totaled \$1.06 million, an increase of \$189.7 thousand as annual fees were waived for FY 2022.
- Fees receivable decreased by \$47.3 thousand as an unpaid issuance fee from FY 2022 was paid during the year.
- Total revenues increased 211.4% in FY 2023 primarily due to the reinstatement of annual fees levied on debt outstanding.
- Total expenses for FY 2023 increased 5.1% primarily as a result of increased salaries and related expenses, and increased travel costs as operations return to normal following the COVID-19 pandemic.

Overview of the Financial Statements

The financial statements consist of three parts: Management's Discussion and Analysis, the financial statements, and the notes to the financial statements. The financial statements are presented in a manner similar to that of a private business, using the economic resources measurement focus and the accrual basis of accounting. The financial statements report information for all Authority programs and operations. The statements of net position include all of the Authority's assets and liabilities. All revenues and expenses of the Authority are reflected in the statements of revenue, expense, and changes in net position.

Economic Outlook

After effects of the COVID-19 pandemic and changing demographics have created uncertainty around enrollment and the need for facilities for our university and college clients. Interest rates have remained at elevated levels during the last fiscal year and we don't expect that to change soon. As a result, we expect refunding opportunities to remain scarce, however there may be an uptick of new money financings if enrollment improves and the need for facilities increases.

Financial Analysis of the Authority

Statements of Net Position

The following table summarizes the changes in assets, liabilities, and net position between the years ended June 30, 2023 and 2022 (in thousands):

	<u>2023</u>	<u>2022</u>	<u>Change</u>	
Assets				
Cash and cash equivalents	\$ 1,061.5	\$ 871.8	\$ 189.7	21.8%
Accounts receivable and other assets	<u>13.6</u>	<u>62.7</u>	<u>(49.1)</u>	-78.3%
Total assets	<u>1,075.1</u>	<u>934.5</u>	<u>140.6</u>	15.0%
Liabilities				
Payables	<u>88.8</u>	<u>70.2</u>	<u>18.6</u>	26.5%
Total liabilities	<u>88.8</u>	<u>70.2</u>	<u>18.6</u>	26.5%
Net Position				
Unrestricted	<u>\$ 986.3</u>	<u>\$ 864.2</u>	<u>\$ 122.1</u>	14.1%

Statements of Revenues, Expenses, and Changes in Net Position

The following table summarizes the changes in revenues and expenses between the years ended June 30, 2023 and 2022 (in thousands):

	<u>2023</u>	<u>2022</u>	<u>Change</u>	
Revenues				
Program fees	\$ 446.7	\$ 154.3	\$ 292.4	189.6%
Operating fund interest income	<u>41.9</u>	<u>2.6</u>	<u>39.3</u>	1511.5%
Total revenues	<u>488.6</u>	<u>156.9</u>	<u>331.7</u>	211.4%
Expenses				
Salaries and related expense	272.4	259.8	12.6	4.8%
Communication and office expenses	62.4	51.2	11.2	21.9%
Professional expense	<u>31.8</u>	<u>37.8</u>	<u>(6.0)</u>	-15.9%
Total expenses	<u>366.6</u>	<u>348.8</u>	<u>17.8</u>	5.1%
Change in Net Position	<u>\$ 122.0</u>	<u>\$ (191.9)</u>	<u>\$ 313.9</u>	-163.5%

During the year ended June 30, 2023, the Authority's revenue largely resulted from program fees from initial issuer fees totaling \$446.7 thousand as previously waived ongoing annual fees were reinstated. Expenses of \$366.6 thousand are comprised of personnel, communication, office expense, and other professional fees.

Debt Administration

The Authority issues bonds on behalf of private higher education facilities. However, the bonds issued meet the definition of conduit debt obligations for which the Authority has not extended any additional commitments for debt service payments beyond the collateral and payments received from the underlying mortgages. As of June 30, 2023, such bonds have an aggregate outstanding principal amount payable of \$708.4 million. Because these bonds are considered conduit bond they are not recognized as a liability by the Authority.

The Authority has no general obligation bonds and does not currently have an issuer credit rating. The Authority's authorized debt limit is \$1 billion.

Additional information on the Authority's debt obligations can be found in Note 5 of this report.

Comparison of Fiscal Year 2022 with 2021

Statements of Net Position

The following table summarizes the changes in combined net position between June 30, 2022 and 2021 (in thousands):

	<u>2022</u>	<u>2021</u>	<u>Change</u>	
Assets				
Cash and cash equivalents	\$ 871.8	\$ 1,123.7	\$ (251.9)	-22.4%
Prepaid fees and other assets	<u>62.7</u>	<u>14.4</u>	<u>48.3</u>	335.7%
Total assets	<u>934.5</u>	<u>1,138.1</u>	<u>(203.6)</u>	-17.9%
Liabilities				
Payables	<u>70.2</u>	<u>81.8</u>	<u>(11.6)</u>	-14.1%
Net Position				
Unrestricted	<u>\$ 864.3</u>	<u>\$ 1,056.3</u>	<u>\$ (192.0)</u>	-18.2%

Statements of Revenues, Expenses and Changes in Net Position

The following table summarizes the combined changes in net position activity between the years ended June 30, 2022 and 2021 (in millions):

	<u>2022</u>	<u>2021</u>	<u>Change</u>	
Revenues				
Program fees	\$ 154.3	\$ 147.1	\$ 7.2	4.9%
Operating fund interest income	<u>2.6</u>	<u>2.1</u>	<u>0.5</u>	23.8%
Total revenues	<u>156.9</u>	<u>149.2</u>	<u>7.7</u>	5.1%
Expenses				
Salaries and related expense	259.8	277.3	(17.5)	-6.3%
Communication and office expenses	51.2	55.7	(4.5)	-8.0%
Professional expense	<u>37.8</u>	<u>41.6</u>	<u>(3.8)</u>	-9.0%
Total expenses	<u>348.8</u>	<u>374.6</u>	<u>(25.8)</u>	-6.9%
Change in Net Position	<u>\$ (191.9)</u>	<u>\$ (225.4)</u>	<u>\$ 33.5</u>	-14.9%

During the year ended June 30, 2022, the Authority's revenue largely resulted from program fees from initial issuance fees totaling \$154.3 thousand as ongoing annual fees were waived. Expenses of \$374.4 thousand are comprised of personnel, communication, office expense, and other professional fees.

Additional Information

Questions and inquiries may be directed to the Senior Director of Finance or the Senior Controller at Washington Higher Education Facilities Authority, 1000 2nd Avenue, Suite 2700, Seattle, Washington 98104 (206-464-7139).

Washington Higher Education Facilities Authority
Statements of Net Position
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Cash and cash equivalents	\$ 1,061,509	\$ 871,818
Accounts receivable	-	47,338
Prepaid fees and other assets	<u>13,606</u>	<u>15,404</u>
Total assets	<u><u>\$ 1,075,115</u></u>	<u><u>\$ 934,560</u></u>
Liabilities and Net Position		
Accounts payable	\$ 88,814	\$ 70,228
Net Position		
Unrestricted	<u>986,301</u>	<u>864,332</u>
Total liabilities and net position	<u><u>\$ 1,075,115</u></u>	<u><u>\$ 934,560</u></u>

Washington Higher Education Facilities Authority
 Statements of Revenues, Expenses, and Changes in Net Position
 Years Ended June 30, 2023 and 2022

	2023	2022
Revenues		
Fee income	\$ 446,707	\$ 154,261
Interest earned on investments	41,934	2,560
Total revenues	488,641	156,821
Expenses		
Salaries and related expense	272,443	259,770
Communication and office expense	62,442	51,244
Professional fees	31,787	37,750
Total expenses	366,672	348,764
Change in Net Position	121,969	(191,943)
Net Position, Beginning of Year	864,332	1,056,275
Net Position, End of Year	\$ 986,301	\$ 864,332

Washington Higher Education Facilities Authority

Statements of Cash Flows

Years Ended June 30, 2023 and 2022

	2023	2022
Operating Activities		
Cash received from fee income	\$ 494,044	\$ 106,922
Cash payments for salaries and benefits	(261,462)	(270,769)
Vendor payments	(84,825)	(90,570)
Net Cash from (used for) Operating Activities	147,757	(254,417)
Investing Activities		
Interest received on investments	41,934	2,560
Net Cash from Investing Activities	41,934	2,560
Net Increase (Decrease) in Cash and Cash Equivalents	189,691	(251,857)
Cash and Cash Equivalents, Beginning of Year	871,818	1,123,675
Cash and Cash Equivalents, End of Year	\$ 1,061,509	\$ 871,818
Reconciliation of Change in Net Position		
to Net Cash from (used for) Operating Activities		
Change in Net Position	\$ 121,969	\$ (191,943)
Adjustments to reconcile excess of expenses		
over revenues to net cash from (used for) operating activities		
Cash from changes in operating assets and liabilities		
Interest and other receivables	7,202	(50,872)
Interest and other payables	18,586	(11,602)
Net Cash from (used for) Operating Activities	\$ 147,757	\$ (254,417)

Note 1 - Principal Business Activity

The Washington Higher Education Facilities Authority (the Authority) was created in 1983 in accordance with the Chapter 28B.07 of the Revised Code of Washington (RCW). The Authority was formally activated in 1984. Four public board members are appointed by the governor to terms of four years, subject to confirmation by the State Senate. Three board members serve ex officio, the Governor (who may designate an employee of the governor's office to serve in the governor's absence), Lieutenant Governor, and the Chair of the Student Achievement Council.

The Authority's purpose is to reduce the financing costs of higher education facilities through the issuance of tax-exempt, nonrecourse revenue bonds, and to loan the proceeds to qualified, not-for-profit higher education institutions in Washington State. The institutions may use the bond proceeds for refinancing taxable or tax-exempt debt, remodeling, construction, purchase of equipment, or other approved purposes. The Authority's debt limit is \$1 billion.

The bonds, which constitute a special obligation of the Authority, are payable solely from the bond fund established pursuant to the indenture. Payments made by the not-for-profit higher education institutions to satisfy the loan agreement are the primary source of payment on the bonds, in addition to any other money held by the bond trustee pursuant to the indenture. The obligation of the not-for-profit colleges and universities to repay the loan is absolute and unconditional.

The bonds do not constitute a general, moral, or special obligation of the State of Washington, a pledge of the faith and credit of the State, or a general obligation of the Authority. The owners of the bonds have no right to require the State of Washington or the Authority, nor has the State of Washington or the Authority any obligation or legal authorization, to levy any taxes or appropriate or expend any of its funds for the payment of principal thereof, premium, if any, or interest thereon. For financial reporting purposes, the bonds meet the definition of conduit bonds and are, therefore, not included as a liability to the Authority.

Effective July 22, 2007, the Authority was granted the power to originate and purchase student loans, to participate in federal programs that provide guarantees for the repayment of educational loans and to issue revenue bonds payable from and secured by educational loans. Revenue bonds so secured are to be excluded from the debt limit of \$1 billion. As of the date of this report, no such revenue bonds have been issued.

The Authority is a legally separate entity from and incurs no expense or liability to the State of Washington. Although the governor and lieutenant governor sit on the board and the governor appoints the public members of the board, the State of Washington is not considered to be financially accountable due to the restricted ability of the Washington State legislature to impose its will on the Authority and a lack of any financial dependency of the Authority on any State appropriations. The Authority does not impose a financial burden on, nor is there a benefit to the State; however, the Authority is presented as a discrete component unit of the State of Washington in their Annual Comprehensive Financial Report.

The Authority summarizes its financial activities in the General Operating Fund. The General Operating Fund was established by the Authority to account for the fiscal activities related to the administration of its ongoing program responsibilities. Revenues of the General Operating Fund are derived primarily from fees earned on bond issues and interest income on operating investments. All funds received by the Authority are generated by its activities. Expenditures are not appropriations from the State of Washington.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority has applied all applicable GASB pronouncements. The most significant of the Authority's accounting policies are described below.

Measurement Focus and Basis of Accounting

The Authority uses a flow of economic resources measurement focus with all assets and all liabilities included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (e.g., revenues) and decreases (e.g., expenses) in net position using the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Unclassified Statement of Net Position

The Authority's business cycle is greater than one year. As such, all assets and liabilities as shown on the statements of net position are unclassified.

Cash and Cash Equivalents

Cash deposits are entirely covered by the Federal Deposit Insurance Corporation (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

For purposes of the statement of cash flows, the Authority considers all highly liquid, interest-bearing instruments purchased with an original maturity of three months or less that are readily convertible to cash to be cash and cash equivalents.

Conduit Bonds

Conduit bonds are defined as debt instruments where:

1. The Authority, as the issuer, is joined by an unrelated third-party obligor, and a debt holder or trustee.
2. The debt obligation is neither a parity bond of the Authority, nor is it cross-collateralized with other debt of the Authority. Debt proceeds are intended and received by the third-party obligor or its agent, and
3. The Authority is not primarily obligated for the debt service payments.

Bonds issued that meet the definition of a conduit bond are reportable in note disclosure rather than within the financial statements.

Prior to bond issuance the Authority determines if the bond meets this definition with periodic subsequent review to ensure the bonds still meet the definition of conduit debt. As of June 30, 2023 and 2022, all bonds outstanding met the definition of conduit bond and are excluded from the financial statements but are summarized in Note 5.

Prepaid Fees

Prepaid fees represent annual property and liability insurance premiums.

Revenue Recognition

The primary source of revenue are issuance fees, charged at bond origination as well as annual fees charged on the loan amounts outstanding. Fees are recognized on an accrual basis.

Income taxes – The Authority is exempt from federal income taxes under Internal Revenue Code (IRC) Section 115(a) and, accordingly, no provision for income taxes was made for the years ended June 30, 2023 and 2022.

Use of estimates – The preparation of the financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results may differ from those estimates.

Unrestricted net position – The unrestricted net position balances at June 30, 2023 and 2022, were \$986,301 and \$864,332, respectively.

Note 3 - Investments

Investment Policy

The Authority can invest in nongovernmental investments, including certificates of deposit, banker's acceptances, and repurchase agreements.

In addition, the following governmental investments are eligible:

1. Treasury bills, notes, and other obligations issued by the United States Department of the Treasury and backed by the full faith and credit of the US government.
2. Federal Home Loan Bank notes and bonds.
3. Federal Land Bank bonds.
4. Federal National Mortgage Association notes, debentures, and guaranteed certificates of participation.
5. The obligations of certain government-sponsored corporations whose obligations are eligible as collateral for advances to member banks, as determined by the Board of Governors of the Federal Reserve System.
6. Shares of mutual funds with portfolios consisting of only US government bonds or US government guaranteed bonds issued by federal agencies with average maturities less than four years.
7. Investments in state investment pool – the Authority is a voluntary participant in the Local Agency Investment Pool operated by the State Treasurer pursuant to RCW 43.250. Investments in the pool are reported at amortized cost.

The Authority measures investments at fair value on a reoccurring basis and categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. However, as of the years ended June 30, 2023 and 2022, the Authority held no investments as all excess funds were held as cash and cash equivalents.

Note 4 - Contracted Self Services

The Washington State Housing Finance Commission (the Commission) provides staff and other administrative services to the Authority. The Authority has no directly hired staff and as such has no pension obligations. Total charges for each fiscal year and amounts due as of the end of each fiscal year are summarized here:

	2023	2022
Contracted Services		
Total charges of the Commission for the fiscal year	\$ 303,255	\$ 288,274
Amount due to the Commission at June 30	80,864	69,396

Note 5 - Bonds Payable

The Authority's bonds are limited obligations payable solely from, and secured by, a pledge of the mortgage loans (including any insurance payments made with respect thereto), restricted investments, and undisbursed bond proceeds and the earnings thereon held under the indenture or financing agreement authorizing the bonds. The Authority has made no other commitment to support debt service payments. Uncured default of the debt requires mandatory bond redemption, paid by reassignment of the underlying pledge of the mortgage loan to the bond holder as full payment of the outstanding conduit debt obligation and eliminating the tax-exempt benefits to the remaining parties. As of June 30, 2023 and 2022, the conduit bonds issued by the Authority have an aggregate outstanding principal amount payable of \$708.4 million and \$734.2 million, respectively, none of which is recognized as a liability by the Authority.

Note 6 - Contingencies

The Authority is exposed to various risks of loss related to torts; theft of, damages to, and destruction of assets; errors and omissions; natural disasters; and acts of terrorism for which the Authority carries commercial insurance. As of June 30, 2023, there were no known asserted or unasserted claims or judgments against the Authority.

Members of the board of directors and persons acting on the Authority's behalf, while acting within the scope of their duties or employment, shall not be subject to any personal liability resulting from carrying out the powers and duties conferred on them, and shall have the indemnification rights under the provisions of the Authority's Public Officials and Employees Liability insurance policy.

TAB 7



February 28, 2024

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 January 31, 2024 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 Finance Director

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



WASHINGTON HIGHER EDUCATION FACILITIES AUTHORITY
GENERAL OPERATING FUND

January 31, 2024

CONTENTS

(See Accountant's Compilation Report)

Financial Statements:

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Washington Higher Education Facilities Authority
Statement of Net Position
Fund: General Operating Fund
Division: All
January 31, 2024
(See Accountant's Compilation Report)

	<u>Current Year</u>	<u>Prior Year</u>	<u>Variance</u>	
			<u>Amount</u>	<u>%</u>
<i>ASSETS</i>				
Cash and Cash Equivalents:				
Demand Deposits	\$ 32,834	\$ 13,354	\$ 19,480	(1) 146%
Money Market Accounts	1,309,550	1,179,114	130,436	(1) 11%
Fees Receivables	5,951	-	5,951	(2) NA
Prepaid Expenses & Other Receivable	8,977	8,438	536	6%
<i>Total Assets</i>	<u>\$ 1,357,312</u>	<u>\$ 1,200,909</u>	<u>\$ 156,403</u>	<u>13%</u>
<i>LIABILITIES</i>				
Accounts Payable and Other Liabilities	\$ 126,275	\$ 94,502	\$ 31,773	(3) 34%
Unearned Fee Income	175,354	183,003	(7,649)	-4%
<i>Total Liabilities</i>	<u>301,629</u>	<u>277,505</u>	<u>24,124</u>	<u>9%</u>
<i>NET POSITION</i>				
Unrestricted	1,055,683	923,404	132,279	14%
Total Net Position	<u>1,055,683</u>	<u>923,404</u>	<u>132,279</u>	<u>14%</u>
<i>Total Liabilities and Net Position</i>	<u>\$ 1,357,312</u>	<u>\$ 1,200,909</u>	<u>\$ 156,403</u>	<u>13%</u>

(1) Fluctuations in these accounts are considered in aggregate. The increase reflects the addition to net income from annual Authority fee billings continued in the current year.

(2) The fees receivables balance reflects an outstanding Authority fee.

(3) The increase in payables is primarily due to timing of a payment for external audit services and higher interagency payables related to conference travel.

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: January 31, 2024

(See Accountant's Compilation Report)

	Current Period	Current Year to Date	Prior Year to Date	Variance	
				Amount	%
<i>Revenues:</i>					
Fee Income	\$ 42,752	\$ 280,544	\$ 263,704	\$ 16,840	6%
Interest Earned	6,009	37,173	18,604	18,569	(1) 100%
<i>Total Unadjusted Revenues</i>	<u>48,761</u>	<u>317,717</u>	<u>282,309</u>	<u>35,408</u>	<u>13%</u>
<i>Expenses:</i>					
Salaries, Wages, and Employee Benefits	22,324	175,077	156,718	18,359	(2) 12%
Travel & Conferences	90	11,139	8,074	3,065	(3) 38%
Professional Fees	900	37,516	31,316	6,200	(4) 20%
Office Expense	4,027	24,603	27,130	(2,527)	-9%
<i>Total Expenses</i>	<u>27,341</u>	<u>248,335</u>	<u>223,237</u>	<u>25,098</u>	<u>11%</u>
(Deficit) Excess of Revenues over Expenses	<u>21,420</u>	<u>69,382</u>	<u>59,072</u>	<u>10,310</u>	<u>17%</u>
<i>Net Position</i>					
Total net position, beginning of period	1,034,263	986,301	864,332	121,969	14%
Current Increase (Decrease) to Net Position	<u>21,420</u>	<u>69,382</u>	<u>59,072</u>	<u>10,310</u>	<u>17%</u>
Total net position, end of year	<u>\$ 1,055,683</u>	<u>\$ 1,055,683</u>	<u>\$ 923,404</u>	<u>\$ 132,279</u>	<u>14%</u>

- (1) The increase in interest income is primarily due to a higher market yield in the current period of 5.42% compared to the same period in the prior year of 4.40%.
- (2) Effective July 1st, all staff received a 4% cost of living wage increase and qualified staff received retention and covid vaccination bonuses, as well as an annual increase, resulting in greater salary and benefits expenses.
- (3) The increase in travel and conferences expense is primarily due to higher out of state travel expense compared to the prior year.
- (4) The increase in professional fees is primarily due to an increase in legal fees.

Washington Higher Education Facilities Authority
Detailed Statement of Activities
Fund: General Operating Fund
Division: All
For The Year To Date Ending: January 31, 2024
(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>							
Program Fees	-4%	\$ (9,441)	\$ 256,204	\$ 246,763	\$ 258,216	\$ (11,453)	-4.4%
Issuance & Application Fees	350%	26,281	7,500	33,781	31,354	2,427	7.7%
Interest Revenue	100%	18,569	18,604	37,173	25,173	12,000	47.7%
Total Unadjusted Revenues	12.5%	35,409	282,309	317,717	314,743	2,974	0.9%
<i>Expenses:</i>							
Salaries & Wages - Staff & Temp. Svcs	15%	17,107	117,060	134,167	173,206	(39,039)	-23%
Employee Benefits - Staff	3.2%	1,252	39,658	40,910	47,752	(6,842)	-14.3%
Conference, Education & Training	5.5%	90	1,650	1,740	1,986	(246)	-12.4%
Travel out of state - Staff	55.0%	3,292	5,983	9,275	7,000	2,275	32.5%
Travel in state - Staff	-71.9%	(317)	441	124	3,558	(3,434)	-96.5%
Accounting Fees	4.2%	1,200	28,800	30,000	18,667	11,333	60.7%
Legal Fees	198.7%	5,000	2,516	7,516	5,542	1,974	35.6%
Financial Advisor Fees	NA	-	-	-	1,167	(1,167)	-100.0%
Office Rent/Conf. Room Rentals	-27.9%	(1,878)	6,725	4,847	7,957	(3,110)	-39.1%
Furniture & Equipment Rental	-1.5%	(4)	260	256	341	(85)	-24.9%
Publications/ Subscriptions/ Dues	0.0%	-	2,755	2,755	2,794	(39)	-1.4%
Deliveries	-60.4%	(67)	111	44	233	(189)	-81.1%
Insurance	-1.6%	(119)	7,616	7,497	8,904	(1,407)	-15.8%
Meeting Expense	NA	-	-	-	1,575	(1,575)	-100.0%
Equipment & Building Maintenance	-83.2%	(149)	179	30	1,718	(1,688)	-98.3%
Software Maint. Support & Other Info Svcs	-8.6%	(594)	6,947	6,353	6,463	(110)	-1.7%
Non-capitalized Equipment/Supplies	-100.0%	(39)	39	-	205	(205)	-100.0%
Postage	NA	-	-	-	29	(29)	-100.0%
Printing	-65.2%	(344)	528	184	1,925	(1,741)	-90.4%
Supplies	-41.8%	(197)	471	274	704	(430)	-61.1%
Telephone	62.0%	698	1,126	1,824	1,731	93	5.4%
Other Office Expenses	44.5%	166	373	539	856	(317)	-37.0%
Contract Services	NA	-	-	-	648	(648)	-100.0%
Total Expenses	11.2%	25,097	223,238	248,335	295,836	(47,501)	-16.1%
(Deficit) Excess of Revenues over Expenses	17.5%	\$ 10,311	\$ 59,071	\$ 69,382	\$ 18,907	\$ 50,475	267.0%

TAB 8

Statement of Account

Washington Higher Education Facility Authority
Proration of costs between WHEFA and WSHFC
For the period October 1, 2023 - December 31, 2023

Month	Salaries & Benefits	Office Expenses ⁽¹⁾	Overhead ⁽²⁾	Total
October	\$ 29,324.20	\$ 7,880.94	\$ 87.50	\$ 37,292.64
November	21,664.98	1,508.25	68.79	23,242.02
December	26,127.55	2,283.11	69.26	28,479.92
<hr/>				
Total Per Category	\$ 77,116.73	\$ 11,672.30	\$ 225.55	\$ 89,014.58
Previous Balance at September 30, 2023				82,588.74
Payments & Credit Memos (through December 31, 2023)				<u>(82,588.74)</u>
Total Due to WSHFC:				<u>\$ 89,014.58</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:

L Allan Belton

Authority Board Member

Statement of Account

Washington Higher Education Facility Authority
Proration of costs between WHEFA and WSHFC
For the period July 1, 2023 - September 30, 2023

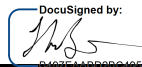
Month	Salaries & Benefits	Office Expenses (1)	Overhead (2)	Total
July	\$ 30,264.79	\$ 1,781.72	\$ 70.91	\$ 32,117.42
August	25,053.70	3,695.87	69.27	28,818.84
September	19,857.01	1,722.55	72.92	21,652.48
<hr/>				
Total Per Category	\$ 75,175.50	\$ 7,200.14	\$ 213.10	\$ 82,588.74
Previous Balance at June 30, 2023				80,863.65
Payments & Credit Memos (through September 30, 2023)				<u>(80,863.65)</u>
Total Due to WSHFC:				<u>\$ 82,588.74</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

DocuSigned by:


Authority Board Member

Statement of Account

Washington Higher Education Facility Authority
Proration of costs between WHEFA and WSHFC
For the period April 1, 2023 - June 30, 2023

Month	Salaries & Benefits	Office Expenses (1)	Overhead (2)	Total
April	\$ 24,981.67	\$ 3,626.18	\$ 78.83	\$ 28,686.68
May	23,708.57	2,278.73	69.36	26,056.66
June	23,278.86	2,781.28	60.17	26,120.31
<hr/>				
Total Per Category	\$ 71,969.10	\$ 8,686.19	\$ 208.36	\$ 80,863.65
Previous Balance at March 31, 2023				140,917.61
Payments & Credit Memos (through June 30, 2023)				<u>(140,917.61)</u>
Total Due to WSHFC:				<u><u>\$ 80,863.65</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:
L. Allan Belton

Authority Board Member

TAB 9



Washington Higher Education Facilities Authority

Market Update

March 11, 2024

PFM Financial
Advisors LLC

107 Spring Street Seattle,
WA 98104

Thomas Toepfer
(206) 858.5360
toepfert@pfm.com



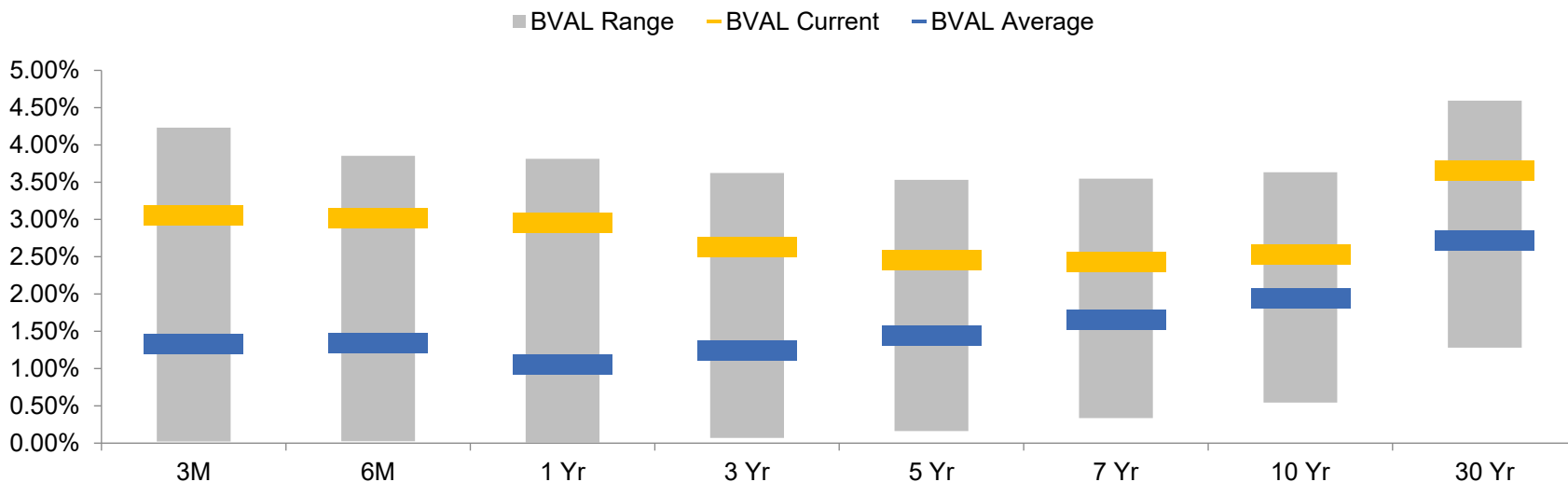
Market Recap

- **Consumer inflation expectations remain steady** for the year ahead at 3%, the lowest in three years. Inflation expectations were down for gas (-0.3% to 4.2%, the lowest since December 2022), food (-0.1% to 4.9%, the lowest since March 2020), rent (-0.9% to 6.4%, the lowest since December 2020), medical care (-0.5% to 8.6%) and college education (-0.4% to 5.9%). Also, inflation expectations remained unchanged at 2.5% for the five-year outlook, while the three-year-ahead horizon witnessed a decline to 2.4% from 2.6%.
- **February FOMC minutes** confirmed that officials are more worried about the risk of cutting interest rates too soon than keeping them high for too long, where New York Fed president said “At some point, I think it will be appropriate to pull back on restrictive monetary policy, likely later this year. But it is really about reading that data and looking for consistent signs that inflation is not only coming down but is moving towards that 2% longer-run goal.”
- **Housing sector have fallen short of economists’ predictions** with new single-family home sales reaching 661,000 in January, reflecting a 1.5% increase but below the Dow Jones estimate of 680,000 and anticipated 2.4% growth. This is due to persistently high mortgage interest rates.
- **Labor market – continued growth, surprisingly strong metrics.** January jobs report documented 353,000 jobs created, far exceeding the predicted 180,000. Meanwhile, the unemployment rate remained stable at 3.7% and wages rose by 0.6%. However, jobless claims have risen to an 11-week high and challenges the data pointing to a tight labor market.



Historical AAA BVAL Position

AAA BVAL Rate Position
(10-Year History)



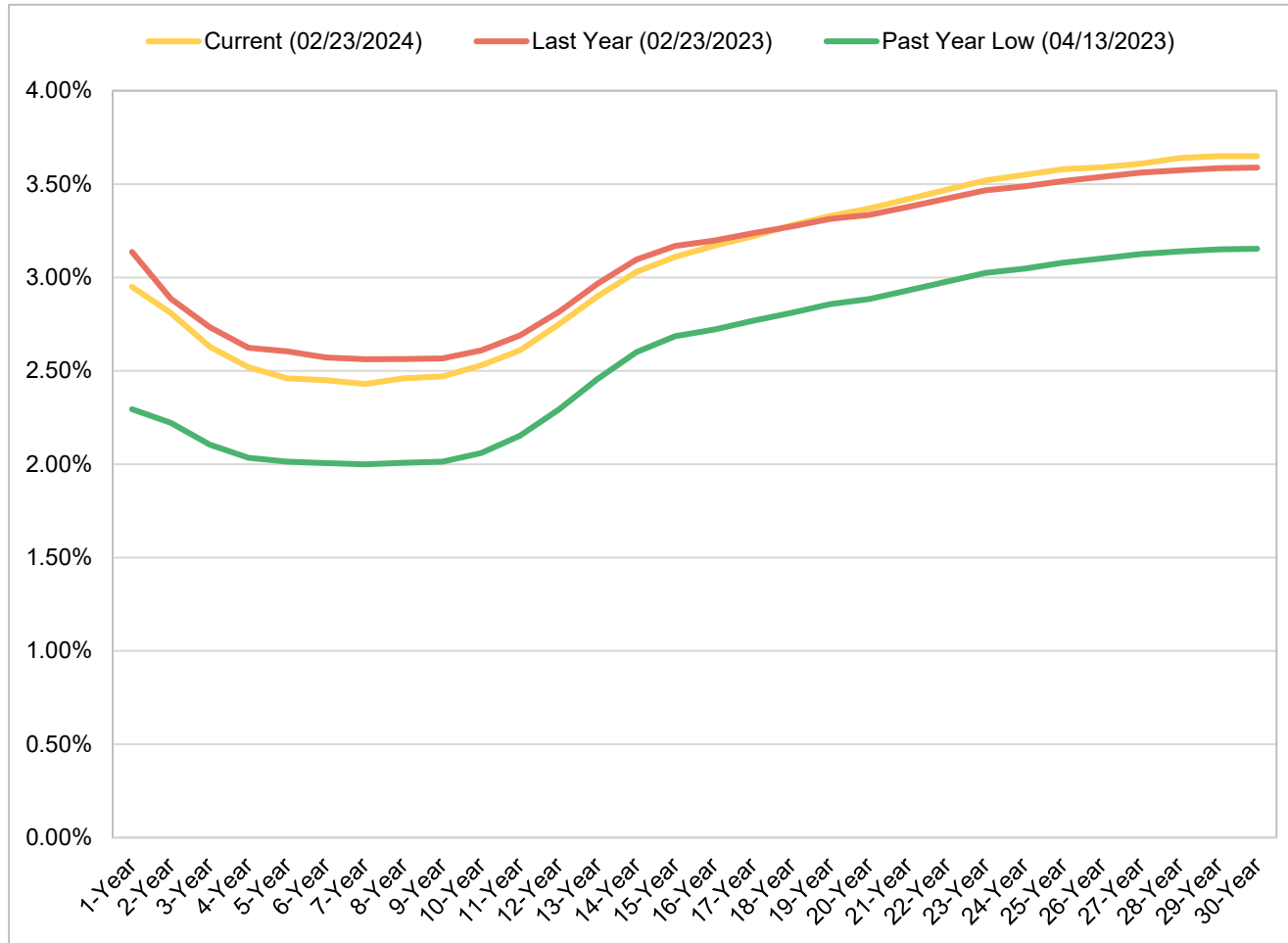
Statistic	3 Month	6 Month	1 Year	2 Year	3 Year	5 Year	10 Year	30 Year
2/23/2024	3.05%	3.02%	2.95%	2.63%	2.46%	2.43%	2.53%	3.65%
Average	1.33%	1.34%	1.05%	1.24%	1.44%	1.65%	1.94%	2.71%
Spread to Avg.	1.72%	1.68%	1.90%	1.39%	1.02%	0.78%	0.59%	0.94%
Minimum	0.02%	0.03%	0.01%	0.07%	0.16%	0.34%	0.54%	1.28%
Spread to Min.	3.03%	2.99%	2.95%	2.56%	2.30%	2.10%	1.99%	2.37%
Maximum	4.23%	3.85%	3.81%	3.62%	3.53%	3.55%	3.63%	4.59%
Spread to Max.	-1.18%	-80.3%	-0.86%	-0.99%	-1.07%	-1.11%	-1.10%	-0.94%
Percent of Market Days Lower	58.99%	58.56%	92.94%	91.42%	89.55%	87.04%	86.08%	93.66%

Source: Bloomberg



Recent AAA BVAL Yield Curve Movement

AAA BVAL Yield Curve Movement

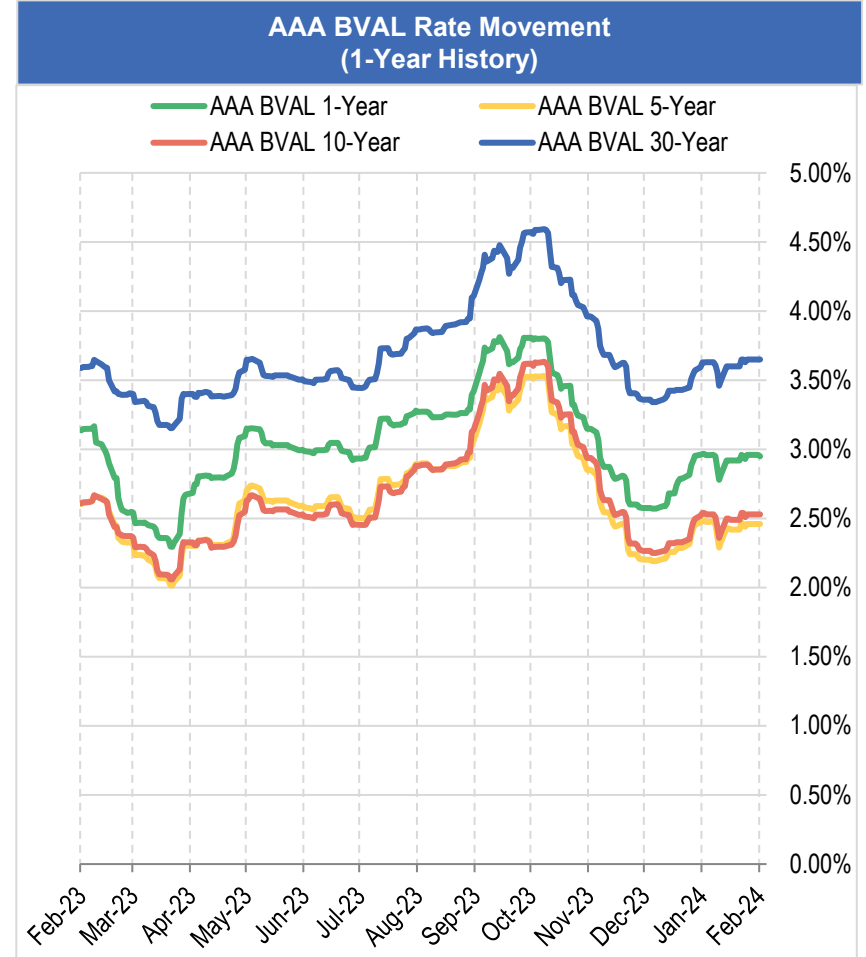
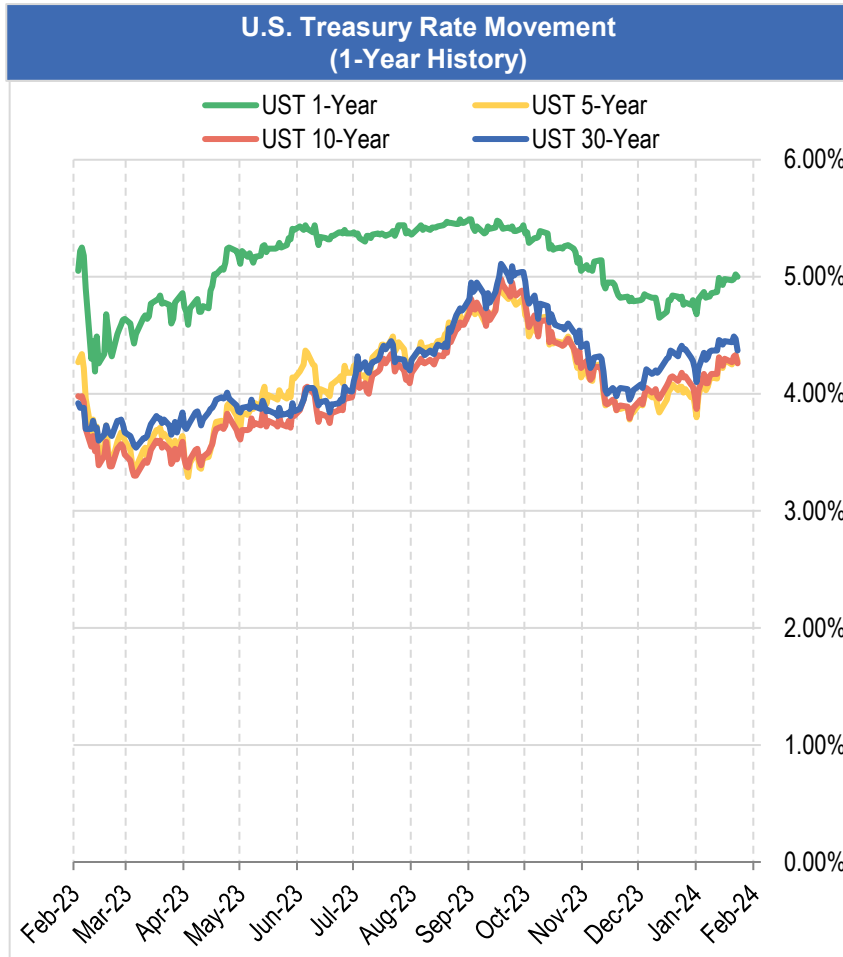


Maturity	Δ Since 02/23/2023	Δ Since 04/13/2023
1-Year	-0.19%	0.66%
2-Year	-0.08%	0.59%
3-Year	-0.10%	0.53%
4-Year	-0.10%	0.49%
5-Year	-0.14%	0.45%
6-Year	-0.12%	0.44%
7-Year	-0.13%	0.43%
8-Year	-0.10%	0.45%
9-Year	-0.10%	0.46%
10-Year	-0.08%	0.47%
11-Year	-0.08%	0.46%
12-Year	-0.07%	0.46%
13-Year	-0.07%	0.44%
14-Year	-0.07%	0.43%
15-Year	-0.06%	0.42%
16-Year	-0.03%	0.45%
17-Year	-0.02%	0.45%
18-Year	0.01%	0.47%
19-Year	0.02%	0.47%
20-Year	0.03%	0.49%
21-Year	0.04%	0.49%
22-Year	0.05%	0.49%
23-Year	0.05%	0.50%
24-Year	0.06%	0.50%
25-Year	0.06%	0.50%
26-Year	0.05%	0.49%
27-Year	0.05%	0.48%
28-Year	0.07%	0.50%
29-Year	0.06%	0.50%
30-Year	0.06%	0.50%

Source: Bloomberg



U.S. Treasury & AAA BVAL Rate Movement

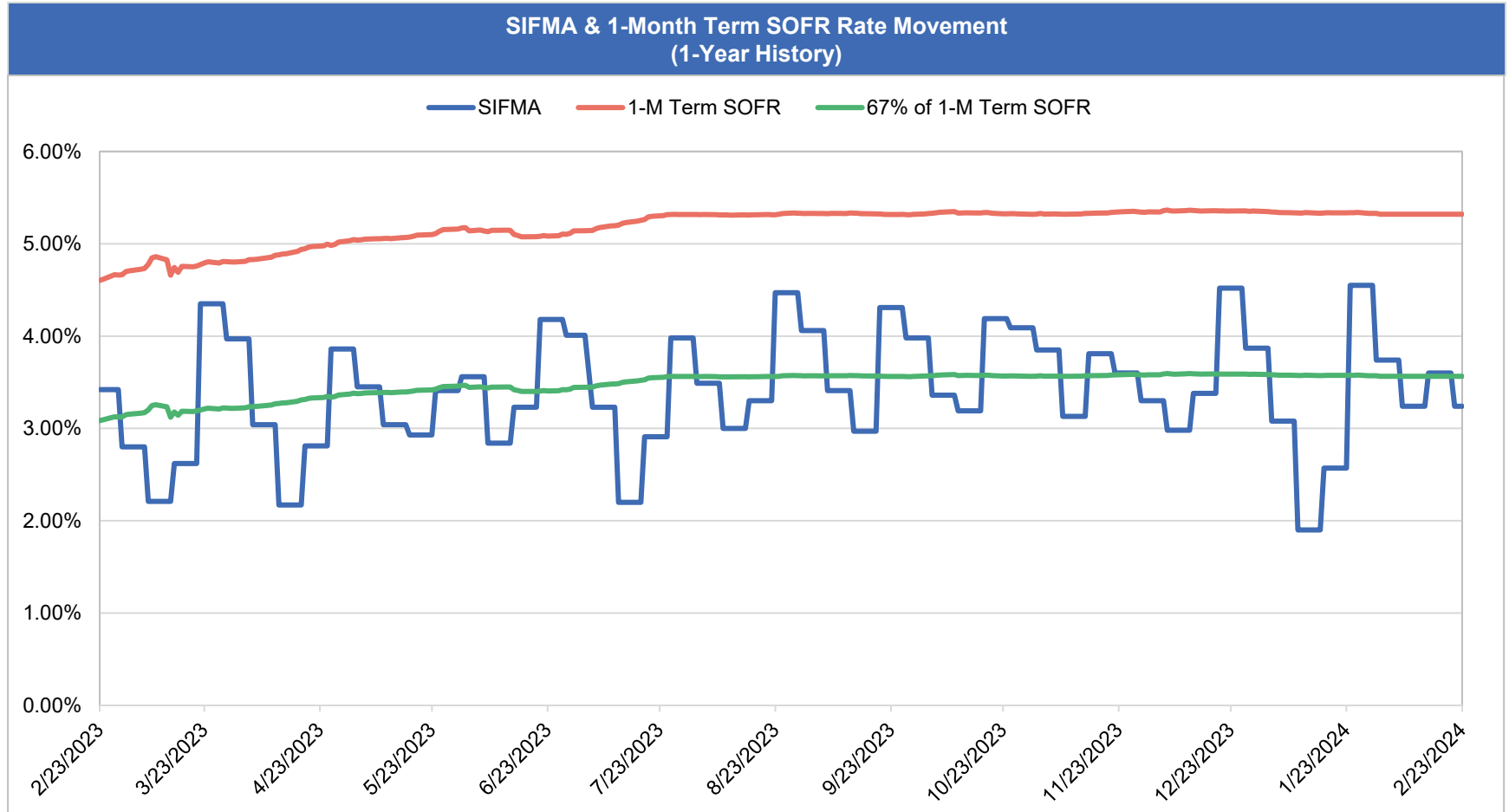


Source: Bloomberg



SIFMA & 1-Month Term SOFR Rate Movement

- The SIFMA Index is currently at 3.24% while the 67% of 1-M Term SOFR level sits at 3.56%.

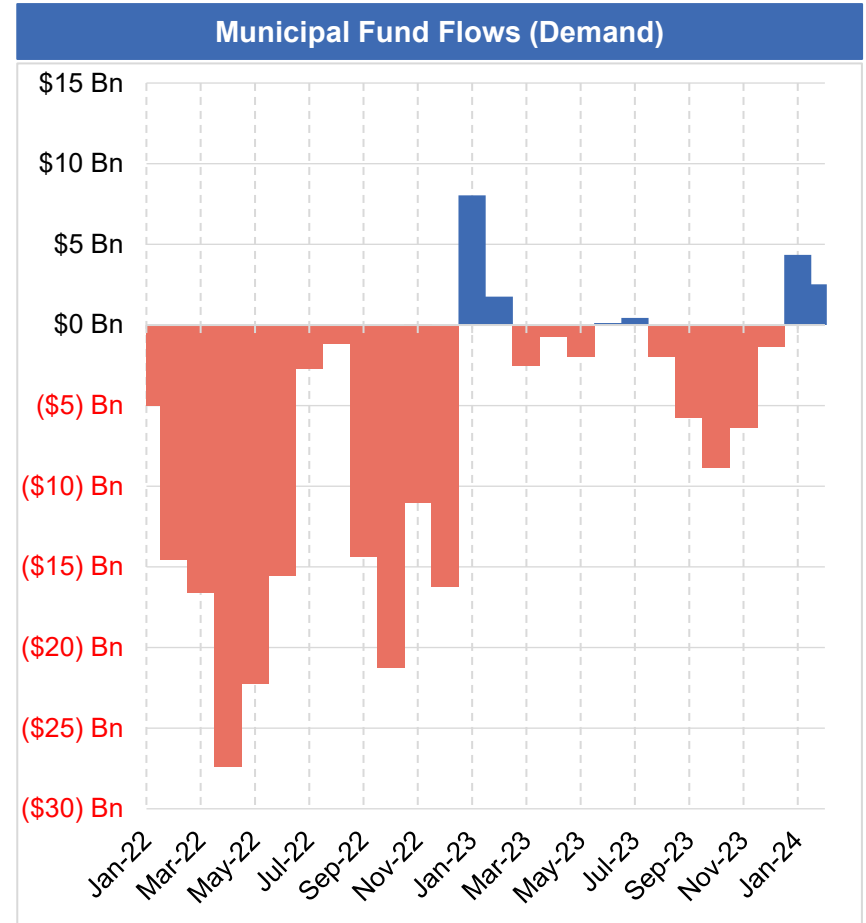
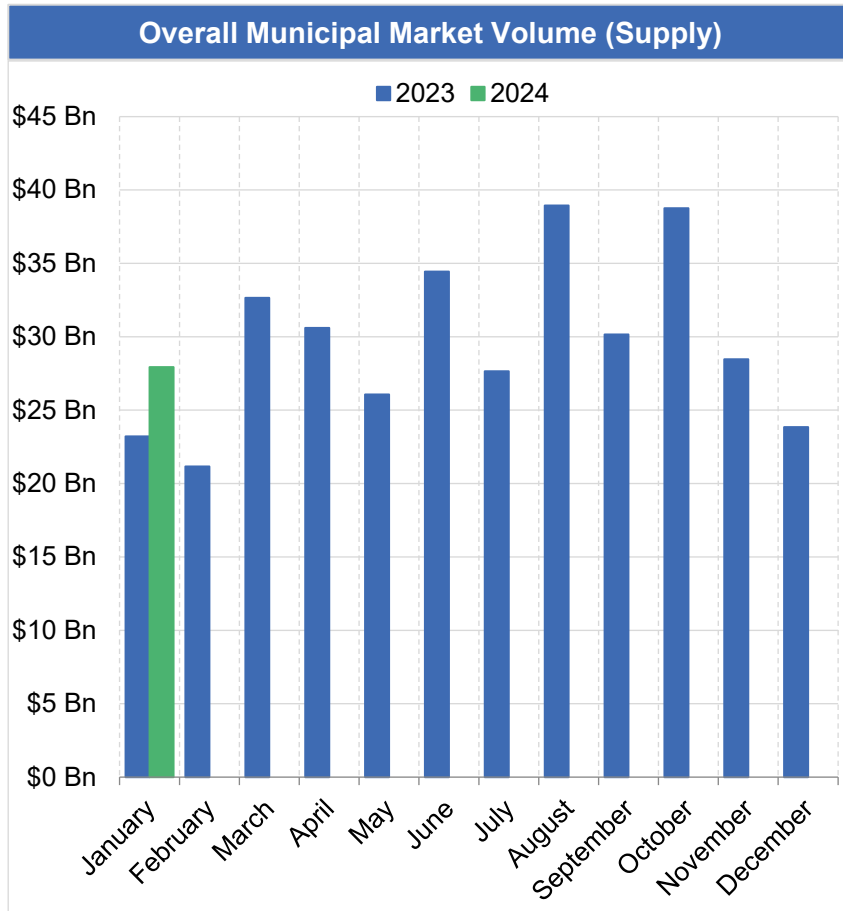


Source: Bloomberg



Municipal Market Supply & Demand

- New issuance volume was up by 20.32% year-over-year in January, the 2023 new issuance volume was 7.33% lower than the 2022 issuance through December.



Source: Bond Buyer, Investment Company Institute

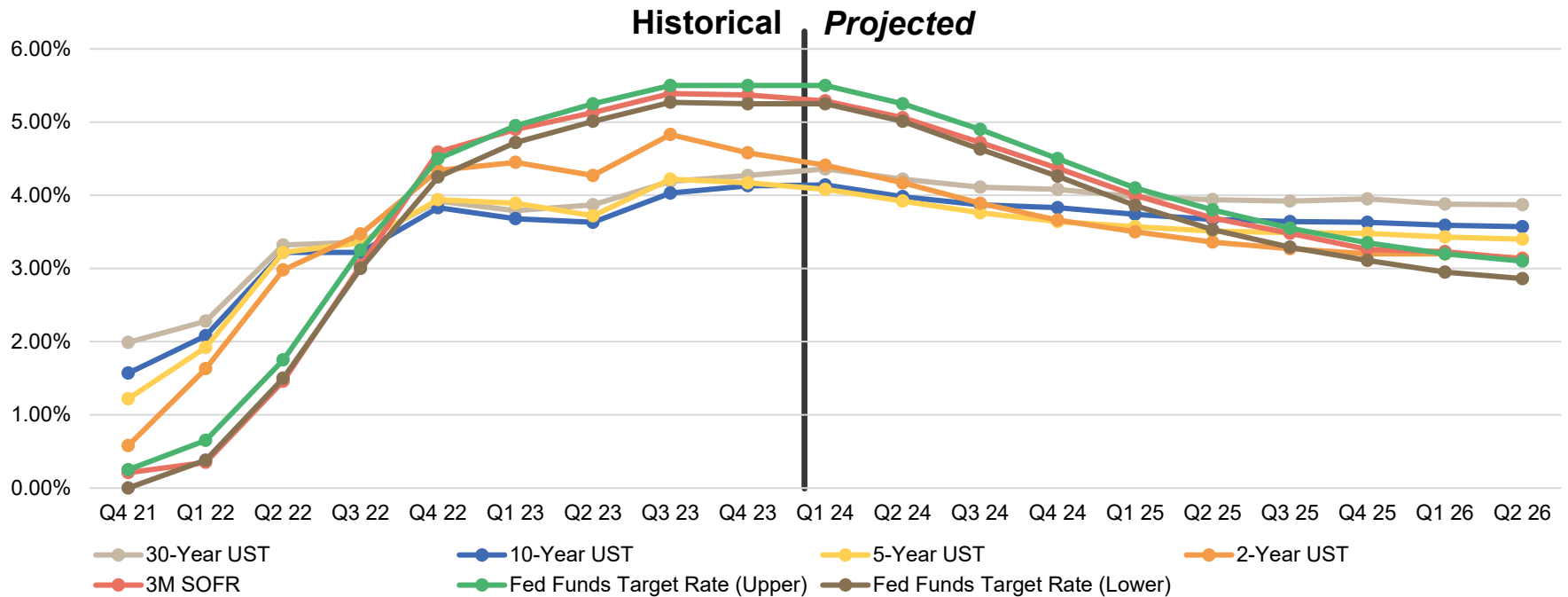


Historical and Forecasted Interest Rates

The charts below show consensus forecasts from numerous financial institutions as reported by Bloomberg.

Bloomberg Bond Yield Forecast

Average Forecasts	Current	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25	Q3 25	Q4 25	Q1 26	Q2 26
30-Year UST	4.41%	4.36%	4.22%	4.11%	4.08%	3.98%	3.94%	3.92%	3.95%	3.88%	3.87%
10-Year UST	4.30%	4.14%	3.98%	3.87%	3.83%	3.74%	3.67%	3.64%	3.63%	3.59%	3.57%
5-Year UST	4.32%	4.08%	3.92%	3.76%	3.64%	3.57%	3.51%	3.49%	3.48%	3.43%	3.40%
2-Year UST	4.73%	4.41%	4.17%	3.89%	3.66%	3.50%	3.36%	3.27%	3.20%	3.20%	3.14%
3M SOFR	5.34%	5.29%	5.06%	4.72%	4.37%	4.00%	3.69%	3.48%	3.26%	3.23%	3.13%
Fed Funds Target Rate (Upper)	5.50%	5.50%	5.25%	4.90%	4.50%	4.10%	3.80%	3.55%	3.35%	3.20%	3.10%
Fed Funds Target Rate (Lower)	5.25%	5.25%	5.01%	4.63%	4.26%	3.86%	3.53%	3.29%	3.11%	2.95%	2.86%





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TAB 10

**Washington Higher Education Facilities Authority
Bond Issue Status Report
As of February 26, 2024**

	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 2023/24														
UPS \$8,000,000 Network & Classroom Upgrades	TBD 2024	TBD 2024	TBD 2024	TBD 2024	TBD 2024	TBD 2024	TBD 2024	TBD 2024	TBD 2024	TBD 2024	TBD 2024	TBD 2024	Preliminary Present Value Savings TBD	Private Placement TBD
Whitman \$40,000,000 New money- Student Housing	12/29/23	1/8/24	2/23/24	1/10/24	2/23/24	In Process	2/7/24 2/28/24	In Process	3/1/24	3/11/24	3/26/24	4/1/24 4/2/24	Preliminary Present Value Savings \$5,935,038	Whitman FA Piper Sandler Public Sale
Closed Bond Issues - Fiscal Year 2023/2024														
UPS \$27,025,000 Refunding 2001 & 2021 A Bonds & new money for campus improvements	6/14/23	6/21/23	6/30/23	6/13/23	7/11/23	Comp	6/28/23 7/6/23 7/19/23	Comp	7/11/23	7/25/23	8/8/23	9/5/23 9/6/23	Final Present Value Savings \$3,053,027	UPS FA Piper Sandler Public Sale

FY 2023-24 Goal: Complete two bond issues totaling approximately \$49 million by June 30, 2024.

Total bonds issued to date: One bond issue totaling \$ 27,025,000 with total PV savings of \$3,053,027

TAB 11

Whitman's Vision for a Junior-Senior Village

Building a Vibrant Community

By Heidi Pitts '01 | November 3, 2023



Whitman is setting the stage for a transformational addition to campus: a junior-senior residential village. The Board of Trustees, along with dedicated alumni and friends of the college, made initial gifts of \$10 million to begin to realize this innovative plan for enhancing student life, promoting community engagement and providing a bridge to a more inclusive future. A total of \$30 million in gifts is needed to break ground on this exciting project.

A Vision Takes Shape

A primary aim of the Junior-Senior Village is to forge stronger bonds within the Whitman community and enhance the academic and co-curricular experiences of its students. While Whitman was founded as a residential liberal arts college, in recent decades only 15% of juniors and 5% of seniors have lived in on-campus housing, with the result that many students experience increased isolation and disengagement from college activities in their final two years.



Board of Trustees member Nancy Serrurier and her husband Greg made a \$5 million gift toward the new housing project. “The pandemic showed us that students living and supporting one another in community is more important than ever at Whitman. We were delighted to invest in this vision.”

This substantial investment serves as the cornerstone for the envisioned Junior-Senior Village. Comprising three state-of-the-art buildings, the village will house apartment-style residences along Boyer Avenue and Marcus Street, forming a connective space between the campus and downtown Walla Walla.

This endeavor also addresses a critical issue faced by many juniors and seniors—the challenge of finding affordable, quality housing in the Walla Walla area. Eric Gantt '24 says, “Students want to live in Whitman-owned off-campus housing, but there isn’t enough and it gets snatched up pretty quickly.” Navigating application systems, complicated lease agreements and high move-in costs also creates difficulties in considering non-Whitman properties.

After researching student housing struggles in their Problems With Privilege class, Gantt, Lucky Khoza '24 and Alice Lanier '26 formed the Access to Off-Campus Housing Team to give peers the support they need to find housing, including a website and listserv. “The Junior-Senior Village is definitely an exciting way for the college to continue to expand its housing choices,” says Lanier, noting that she would consider living there with friends when it is completed.

Designing for Community and Connection

Collaboration has been at the heart of shaping the Junior-Senior Village from its inception. Beginning in 2018–2019 and reinvigorated in 2022–2023 following the pandemic, students, faculty, administrators and trustee leaders engaged in a comprehensive process to conceptualize solutions for reinforcing community and residential life at Whitman. The resulting concept utilizes location and human-centered design concepts to plan spaces that will draw people together in the village and on campus.

Comprising a total of 112,000 square feet, the village will provide housing for 210 juniors and seniors. The design centers around apartment-style accommodations, which will provide a sense of belonging, comfort and autonomy. These units, ranging from two- to four-occupant layouts, are

thoughtfully equipped with kitchens and living spaces, negating the need for a college meal plan.

The vibrant community-focused design will also attract first- and second-year students to visit the village, creating opportunities for cross-year interactions and informal mentorship. “Younger students like to go to off-campus houses, to just come and chill and eat, watch a movie or play sports or things like that,” says Khoza.

Spaces to encourage fun and interaction factor into the design. The village will feature multipurpose common areas, designed with student input to cater to a variety of activities, performances and events. Moreover, carefully curated outdoor spaces will grace the landscape, including a central lawn and College Creek terrace adorned with seating and fire pits perfect for a s’mores roast.

With proximity to Reid Campus Center and other hubs of activity, living in the new village will also make it easier for juniors and seniors to attend on-campus events outside of classroom hours. “Where you live during your junior and senior years makes a difference in our students’ experience and the vitality of the campus community,” says Jim Robart ’69, Emeritus Trustee. “Building the village will expand the options available to junior and senior students and strengthen their connection to the college.”

Promoting Inclusivity and Sustainability

The ethos of inclusivity and sustainability pervades every aspect of the Junior-Senior Village. When Tony Ichsan, Assistant Vice President of Facilities Services, led multiple conversations with students during the planning process, several key concerns came to the forefront and were consequently addressed in the final designs.

Specific considerations prioritize the ease of use for people of varying mobility in buildings and outdoor spaces. Wheelchair-friendly units include low-pile carpet and wide doorways for ease of movement, while onsite laundry facilities will feature front loading machines and low shelving. Wide, smooth pathways will ensure the prominent outdoor spaces can be easily traversed by wheelchair, bike, scooter, etc.



Environmentally friendly choices are evident in the selection of building materials, prioritizing efficient performance and environmental health. Rooftop solar installations and the pursuit of LEED certification further underscore Whitman’s dedication to creating a space that aligns with its commitment to sustainability and protecting the environment.

Voices of Support

This visionary project builds on the momentum of investments in residential and community spaces, including Cleveland Commons and Stanton Hall. However, the ambitious goal of raising \$30 million in gift funding emphasizes the importance of collective support in realizing this new construction.

The initial contributions of more than 50 donors demonstrate strong encouragement for the Junior-Senior Village. Their deep connection to Whitman exemplifies the commitment of the college’s extended circle of champions in shaping its future.

“We believe that building this residential village is important for strengthening a supportive community at Whitman,” said Emeritus Trustee Richard Hunter ’65 and Janet Green Hunter ’67. “We were pleased to make an investment toward realizing this vision.”

Whitman’s Junior-Senior Village will be an embodiment of the college’s dedication to holistic student development and connection-building in support of academic excellence. As the college raises the remaining funds for this transformative housing project, the community’s continued support will play a pivotal role in building this space and providing a vibrant Whitman experience for generations of students to come.

The hope is that Whitman’s current class of first-year students—the Class of 2027—will have the opportunity to call the village home.

Published on November 3, 2023

STIFEL

August 16, 2023

Ms. Carol Johnson, Assistant Director
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 interest savings that resulted from issuing \$27,025,000 of 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 (vs. a taxable issuance) and determine the benefit to the University of Puget Sound (the “University”).

We have relied on the following assumptions in our analysis:

- The purpose of the Series 2023 Bonds was to refund the University’s 2001 and 2021A bonds in the public market. Both refundings are current refundings, since they are both variable rate demand bonds.
- Additionally, using its own cash/investments, the University terminated the two interest rate swaps associated with the Series 2001 and Series 2021A bonds, provided by Société Générale (“SG”) and The Bank of New York Mellon (“BNYM”), respectively.
- The refinancing of the University’s debt provided the University the opportunity to achieve several long-range debt structure goals, by terminating the interest rate swaps and refinancing the underlying variable rate debt with fixed rate bonds issued in the public market, outlined as follows: Puget Sound achieved the structure outlined above with little to no increases in its annual debt service; the refinancing eliminated the need for the University to carry two credit ratings; and refinancing simplified and reduced the overall risk profile of the University’s debt portfolio. Upon completion of the proposed Series 2023 financing, the University does not maintain interest rate swaps as a component of its debt portfolio and maintains a wholly fixed rate debt portfolio.
- The amortization for the Series 2001 and 2021A refundings was delayed three years to provide the University with additional budget relief and lower annual debt service. The different repayment structure gives the University more budget flexibility over the next three years.

In order to evaluate the *savings benefit to the University when issuing tax-exempt bonds as opposed to a taxable issuance*, Stifel analyzed the results when assuming taxable debt was used for the refunding. With relevant data gathered and analyzed, Stifel input separate interest rate scales and ran separate bond cash flows and sources and uses of funds for each scenario, i.e. tax-exempt versus taxable financings (i.e. 3.68% TIC vs. 5.16% TIC). Stifel compared the cash flows of the two scenarios on (i) a total (gross) cost basis and (ii) a present value basis using a discount factor that represents the average of the true interest costs of the two scenarios.

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. Stifel has calculated the tax-exempt benefit on an estimated basis assuming market conditions from August 9, 2023 (pricing day):

Series 2023 Refunding Nominal Cash Flow Savings
\$5,196,480

Series 2023 Ref. PV Cash Flow Savings
\$3,053,027

**Present value is being calculated using a discount factor of 4.42%*

As you review, please let us know if you have any questions or comments. If you’d like, please feel free to contact us at 720-766-8213.

Sincerely,



Brad Gysin
Vice President, Stifel



WASHINGTON HIGHER EDUCATION FACILITIES AUTHORITY

BOARD POSITION ANNOUNCEMENT

Deadline: Open Until Filled

The Washington Higher Education Facilities Authority (WHEFA) is seeking candidates to fill one public board member position. This position will be appointed by Governor Inslee's office.

As a member of the WHEFA board, you can support our state's nonprofit colleges and universities by approving financing of campus projects that benefit students. These projects may include new residence halls, science labs, sports facilities, and energy efficiency and technological upgrades. Ideal candidates would have an interest and background in higher education and/or finance.

WHEFA is committed to diversity, equity, inclusion, and anti-racist practices. We seek candidates who share this commitment.

About WHEFA

WHEFA is a state agency created in 1983 to support the financing needs of Washington's nonprofit, independent colleges, and universities. Our mission is to provide qualified nonprofit institutions in Washington with access to low-cost capital for financing construction and renovation of campus facilities such as residence halls, theaters, science labs, sports arenas, libraries, technological improvements, and more. We currently have 14 qualified member schools.

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.

You can find more detailed information about WHEFA on our website at www.whefa.org, including our [board](#) and [staff](#), recent [annual reports](#), [news releases](#), and [policies](#).

About the WHEFA Board

The WHEFA board's main responsibilities are to approve financings (tax-exempt bond issues) for member schools; review and approve the agency's budget and financial statements; and approve various policies that affect agency operations.

WHEFA has seven voting members: The governor, lieutenant governor, chair of the student achievement council or the chair's designee, and four public members. One public member is

required to be the president of a member higher education institution. Public members are appointed by the governor, subject to confirmation by the state senate.

Board Member Commitment

WHEFA public members serve a term of four years, with a maximum of two four-year terms.

WHEFA board members are asked to attend one hour-long board meeting each quarter; meetings may occur less frequently if there is no business to conduct. Members should also plan a maximum of one hour to review board meeting agenda and materials. [See recent meeting schedules, agendas and packets here.](#)

Board meetings are conducted in a hybrid format, allowing participants to attend either in person or virtually. If board members attend in person, travel would be reimbursed at the current state rate.

Board members may also be invited to participate in other events such as conferences and public hearings. Board members may also run for an officer position; a board secretary and a treasurer are elected annually.

Public members receive a \$50 stipend for participation in each meeting or event.

Board Candidate Qualifications

All board members are required to be Washington state residents. Candidates should have an interest or expertise in higher education, the financing of higher education or other aspects of bond finance. We are open to other unique experiences that could qualify you for the position. [We urge emerging leaders to consider this opportunity.](#)

How to Apply

If you are interested, please forward your resume and any background information to Carol Johnson at carol.johnson@wshfc.org. The application process also requires an online application and submittal of a letter of interest and résumé to the Governor's office.

WHEFA typically submits a minimum of three applications to the Governor's office when requesting the appointment of a new board member. The final decision is made by the Governor.

If you have questions, please don't hesitate to contact Carol Johnson at 206-462-8296 or carol.johnson@wshfc.org.



PLU, MultiCare and WSU's College of Medicine roll out exciting new health care partnership

FEBRUARY 7, 2024

More than 140 health care providers, educators, and community leaders gathered earlier today at Pacific Lutheran University for the announcement of the Partnership for Health Innovation. The exciting new partnership unites PLU, MultiCare, and Washington State University's Elson S. Floyd College of Medicine around two common goals: preparing students to become local health care leaders and improving health outcomes in Pierce County, particularly for traditionally underserved and vulnerable populations in Parkland-Spanaway and the surrounding unincorporated area.

"Together, we will develop innovative programs and resources that will positively impact the health and well-being of this community," said PLU President Allan Belton. "That impact will be achieved through providing quality health services and through the education and training of future health care leaders."

MultiCare CEO Bill Robertson announced that the partnership will include the construction of the MultiCare Medical Center at Pacific Lutheran University. Funded by MultiCare and located on campus at PLU, the new center will provide high-quality, culturally appropriate outpatient services to the almost 200,000 people in and around Central Pierce County.

"Joining together with Pacific Lutheran University and Washington State University's College of Medicine to launch this Partnership for Health Innovation was a natural fit for our organization. I'm confident that our partnership is going to play a significant role in the future of health care and health care education for our region," said Robertson. "The MultiCare Medical Center at Pacific Lutheran University will provide care to everyone who lives in Parkland-Spanaway and the surrounding areas. It will also help provide even more learning opportunities for students at PLU and WSU who are pursuing health care careers."

Officials from the **Elson S. Floyd College of Medicine** announced plans to place medical students throughout Central Pierce County who will train in and provide care to the



community, have opportunities to live on the PLU campus, and have access to PLU and MultiCare instructional and clinical facilities. Additionally, future partnership plans include increasing access to graduate medical education for WSU residents to encourage them to complete their training in Pierce County.

“We are deeply committed to expanding medical education and health care access in communities across Washington,” said Dr. Jim Record, dean of the WSU Elson S. Floyd College of Medicine. “For the Elson S. Floyd College of Medicine, a critical component of this is seeking community partnerships that are innovative, collaborative, and mission-aligned. The partnership with PLU and MultiCare meets all these criteria. Launching this new initiative will allow us to change the health care ecosystem and take an important step toward helping Pierce County residents access the equitable health care they need.”

WSU, MultiCare, and PLU officials affirmed their expectation that Partnership for Health Innovation will be a long-term initiative and say that community members will play a vital role in identifying opportunities for additional plans and programs. “We’re just beginning to explore the possibilities of this partnership,” said Belton.

Additional event speakers included Connie McCloud from the Puyallup Tribe and Claudia Miller from the Franklin Pierce School District.

Information about the Partnership for Health Innovation can be found at plu.edu/health-innovation.

PNWU Begins Construction on one of the Country’s “Most Innovative” Dental Schools

October 26, 2023

A \$12 million grant from Delta Dental of Washington enabled PNWU to be the first dental school in the nation in which students will have three years of full-time immersive training at Federally Qualified Health Centers.

Pacific Northwest University of Health Sciences (PNWU) announced \$12 million in grant funding from [Delta Dental of Washington](#) at a groundbreaking on October 24, 2023 for an innovative new school of dental medicine. The dental school is focused on serving rural and other medically underserved communities, which are increasingly experiencing a critical dental workforce shortage, contributing to a disproportionate incidence of oral health issues.

According to a 2022 American Medical Association *Journal of Ethics* [article](#), nationally most dentists are located in urban areas, whereas only 14% of dentists practice in rural areas where 20% of the US population lives.



The dental school, which will be the second in Washington State, expects to open to students in fall 2025. It will train 36 dental students per year alongside PNWU health sciences students in preparation for working in collaborative and integrated healthcare environments, which reflects the direct connection between oral and overall health. Following one year of on-campus training, PNWU will be the first dental school in the nation in which students will have three years of full-

time immersive training at one of three federally qualified health centers (FQHCs) located in Tacoma, Tri-Cities, and Yakima, Wash.

“Most dental disease is preventable, but you can’t prevent oral health issues if you don’t have access to care,” said Delta Dental of Washington President & CEO Mark Mitchke. “As a mission-driven organization, Delta Dental of Washington is committed to growing the dental workforce, particularly within communities of color and extending access to care for rural and underserved communities where we can make the biggest impact on improving our state’s oral health.”

The 30,000-square-foot, state-of-the-art dental school classroom and workspace building, to be named *Delta Dental Equity Hall* in recognition of the shared commitment of PNWU and Delta Dental of Washington, aims to increase equitable access to dental care.



A rendering of Dental Dental Equity Hall

“The school of dental medicine would not be a reality without the support and generosity of Delta Dental of Washington,” said Dr. Panagakos, Founding Dean of the School of Dental Medicine. “Delta Dental Equity Hall will provide a state-of-the-art academic space for our program to train the next generation of primary care dentists focused on delivering care to the underserved in Washington, bringing oral health equity to those in need.”

In addition to Delta Dental of Washington’s landmark commitment – \$2 million previously awarded and an additional \$10 million announced today – PNWU’s School of Dental Medicine has also received \$5 million in state funding with additional support from Washington State Dental Association Foundation, Pierce County, foundations, and individual donors.



The PNWU grant announcement follows Delta Dental of Washington's recent \$835,000 grant to [Lake Washington Institute of Technology's](#) Dental Hygiene and Dental Assistant Education Programs, as well as a \$1.5 million lead gift to relocate [Shoreline Community College](#) Dental Hygiene Education Program – which had been in jeopardy of closing – to the [University of Washington School of Dentistry](#) last year. In total, Delta Dental of Washington has invested nearly \$25 million to help address the dental workforce challenge, which also includes \$2 million in previous support to [Neighborcare Health](#) Dental Education Clinic at Pacific Tower and \$1.6 million to [Providence Spokane](#) to launch a dental residency program in partnership with [Community Health Association of Spokane](#).

MultiCare Learning Center opens at Pacific Northwest University

Building comes from \$8 million gift to PNWU

August 8, 2023

TACOMA, Wash. – Pacific Northwest University of Health Sciences (PNWU) in Yakima will unveil the MultiCare Learning Center (MLC) this month.

MultiCare Health System agreed in 2021 to donate \$8 million to the university in support of education programs that help build the next generation of health care workers.

The 53,000-square-foot building includes cutting-edge medical simulation labs, an occupational therapy performance lab, a pediatric sensory gym, individual and group study areas, social gathering spaces, and access to innovative medical education equipment.

“MultiCare has been partnering with PNWU since 2019 to help develop tomorrow’s health care professionals,” said Bill Robertson, CEO of MultiCare Health System. “Ensuring our communities continue to have access to the health care services they need in the future requires investing in students today. Building this learning center is just one step in that important work.”

The MLC’s large and versatile design aims to bring together students from a wide array of health science programs, including PNWU’s College of Osteopathic Medicine, School of Physical Therapy, School of Occupational Therapy, School of Dental Medicine, and Washington State University’s College of Pharmacy and College of Nursing.



Photo of the front of PNWU’s Multicare Learning Center

“Lots of universities have OT and PT and DO and all these different things, but to design a building that essentially ensures that they all come together is quite rare,” explained Heather Fritz, PhD, founding program director of PNWU’s School of Occupational Therapy. “When you get all these highly trained people together – people who know how to work together and who to call in to make sure their patients are getting the care they need – that is doing it right.”

The MultiCare Learning Center continues a partnership between the health system and the university to enhance medical education and health care delivery in the Pacific Northwest. PNWU and MultiCare announced that partnership in 2019, aiming to expand education opportunities for students pursuing health careers to meet the growing demand for health care professionals in our region.

About MultiCare

[MultiCare Health System](#) is a not-for-profit health care organization with 12 hospitals and more than 22,000 team members. We are committed to achieving our mission of partnering for healing and a healthy future for all and delivering world-class health outcomes and exceptional experience.

As the largest community-based, locally governed health system in Washington state, our comprehensive system of health includes numerous primary care, urgent care and dedicated specialty services. For more information, visit [MultiCare.org](https://www.multicare.org) or follow us on [Twitter](#), [Facebook](#) and [Instagram](#).

Heritage University receives \$1.4 million grant from Biden-Harris Administration to tackle critical nurse shortage in central Washington

FOR IMMEDIATE RELEASE | February 5, 2024

Heritage University receives a \$1.4 million grant from Biden-Harris Administration to tackle critical nurse shortage in central Washington

Toppenish, Wash. – Heritage University announced it has received a three-year \$1.4 million grant from the Biden-Harris Administration to launch an innovative program addressing the critical shortage of nurses in our rural communities. This strategic initiative called “Pathways to Opportunity” is designed to boost the number of skilled and diverse nurses, implementing a Grow Your Own model to engage local high school students, guide them through college preparation, recruit them into the university’s Bachelor of Science in Nursing (BSN) program, and assist with their entry into the high-wage, high-demand local nursing workforce.

These funds originate from the Rural Postsecondary and Economic Development (RPED) grant program that promotes the development of high-quality career pathways aligned to high school, high-wage and in-demand industry sectors and occupations in any given region. In America’s rural communities, only 29% of people between 18-24 are in higher education, compared to almost 48% in urban areas and 42% in the suburbs. Rural students face challenges with accessing, paying for, and completing college. They also face barriers to having reliable transportation, access to health care and high-speed internet, and may suffer from food and housing insecurity.

Heritage University recognizes the urgent need to bridge the gap in healthcare professionals and is committed to developing a comprehensive career and college readiness pathway. The Grow Your Own model includes outreach efforts in the high schools to identify and support students interested in becoming nurses and guide and prepare them for college. Essential services offered using the Grow Your Own model will include dual enrollment, SAT/ACT preparation, tutoring, workshops, financial aid guidance, mentoring, advising and STEM summer bridge programs. Heritage will work closely with the University of Washington GEAR UP and workforce partners on developing these services. At the university, BSN students will receive support from two case managers who offer National Council Licensure

Examination (or NCLEX, one of two standardized tests for licensing nurses) preparation, advising, coaching, mentoring, career guidance, internships, and other support programs to ensure retention and graduation.

Heritage University Provost and Vice President of Academic Affairs Melissa Hill, Ph.D. stated that Heritage nursing is perfectly positioned positively impact the healthcare landscape by educating a new generation of skilled and diverse nurses to meet the growing needs of our local communities. “This substantial investment from the Biden-Harris administration underscores the importance of addressing the critical shortage of nurses in rural communities and Heritage University’s role in helping to fill those gaps,” said Dr. Hill.

Heritage University partnered with Research, Grants, and Information (RGI) Corporation of Sunnyside, Wash. to secure RPED funds for this Pathway to Opportunities initiative. RGI Corporation’s mission shares the Heritage University mission of impacting underrepresented and underserved communities socially, educationally, and economically for more than twenty years, and assisted in developing the successful grant application that was awarded. “RGI Corporation is pleased that Heritage University was awarded this highly competitive grant to train more nurses in addressing the workforce shortages in our rural communities,” said RGI Corporation CEO Robert Ozuna.

Pathways to Opportunity will focus on Native American, Hispanic, low-income, and first-generation high school and college students. Outreach will target students in the eight high schools and one tribally controlled school. For more information, please contact Melissa Hill at (509) 865-8584 or hill_m@heritage.edu. For help with media interviews, please contact Davidson Mance at (509) 969-6084 or mance_d@heritage.edu.

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