



**WESTERN WASHINGTON UNIVERSITY
BOARD OF TRUSTEES
AGENDA
DECEMBER 9 & 10, 2021**

THURSDAY, DECEMBER 9, 2021

Location: Old Main 340
Audiocast: <https://wp.wvu.edu/live/>
Time: 3:00 p.m.

- 1. CALL TO ORDER**
3:00 – 3:01
- 2. PUBLIC COMMENT PERTAINING TO LEGACY REVIEW**
3:01 – 3:30
- 3. LEGACY REVIEW TASK FORCE RECOMMENDATIONS**
3:30 – 5:00

FRIDAY, DECEMBER 10, 2021

Location: OM 340
Audiocast: <https://wp.wvu.edu/live/>
Time: 8:00 a.m.

- 4. CALL TO ORDER**
8:00 – 8:01
- 5. APPROVAL OF MINUTES**
8:01 – 8:05
 - Board of Trustees Meeting, October 7 & 8, 2021
 - Board of Trustees Special Meeting, November 1, 2021
- 6. RECOGNITIONS AND INTRODUCTIONS**
8:05 – 8:10
 - Amy Kozak, Executive Director, Internal Audit
 - Amy Salinas Westmoreland, Director, Multicultural Student Services
 - Daniel Records-Galbraith, Director, Civil Rights and Title IX Compliance
- 7. PUBLIC COMMENT**
8:10 – 8:20
- 8. BOARD CHAIR REPORT**
8:20 – 8:30

9. **UNIVERSITY PRESIDENT REPORT**
8:30 – 8:40
10. **FACULTY SENATE REPORT**
8:40 – 8:50
11. **ASSOCIATED STUDENTS REPORT**
8:50 – 9:00
12. **BOARD FINANCE, AUDIT AND ENTERPRISE RISK MANAGEMENT COMMITTEE REPORT**
9:00 – 9:10 Presentation: Trustee Faith Pettis, Committee Chair
13. **BOARD STUDENT SUCCESS COMMITTEE REPORT**
9:10 – 9:20 Presentation: Trustee Mo West, Committee Chair

DISCUSSION ITEMS

14. **CONVERSATION WITH STAFF LEADERS**
9:20 – 10:00 Presentation: Joyce Lopes, Vice President for Business and Financial Affairs
Anna Blick, President, Professional Staff Organization
Cheryl Mathison, PSE Classified Staff Union President
Brandon Taylor, WFSE Classified Staff Union President

BREAK – 10 minutes

15. **CONVERSATION WITH ACADEMIC DEANS**
10:10 – 11:00 Presentation: Brent Carbajal, Provost and Vice President for Academic Affairs
Brad Johnson, Dean, College of Science and Technology
Paqui Paredes Méndez, Dean, College of Humanities and Social Sciences
Scott Young, Dean, College Business and Economics
Caskey Russell, Dean, Fairhaven College

ACTION ITEMS

16. **APPROVAL OF RULE CHANGE TO CHAPTER 516-21 WAC, STUDENT CONDUCT CODE, IN RESPONSE TO NEW TITLE IX GUIDANCE**
11:00 – 11:10 Presentation: Melynda Huskey, Vice President for Enrollment and Student Services
17. **APPROVAL OF PUBLIC WORKS PROJECT**
11:10 – 11:15 Presentation: Joyce Lopes, Vice President for Business and Financial Affairs
Rick Benner, University Architect/Senior Director, Capital Planning and Development
 - Construction Contract for Interdisciplinary Science Building Tenant Improvements PW 722
18. **APPROVAL OF FALL QUARTER DEGREES**
11:15 – 11:20

19. INFORMATION ITEMS

11:20 – 11:25

- a. Academic Affairs Report
- b. Quarterly Grant Report
- c. Sustainability Report
- d. Capital Program Report
- e. University Advancement Report
- f. University Relations and Marketing Report
- g. Legislative Update Report
- h. Enrollment Management Summary
- i. 2020-21 University Financial Report
- j. 2021 Housing and Dining System Financial Report
- k. 2021 Wade King Student Recreation Center Financial Report
- l. 2020 Annual Security and Fire Safety Report (Clery Act) Update

20. TRUSTEE REMARKS

11:25 – 11:30

21. EXECUTIVE SESSION MAY BE HELD TO DISCUSS PERSONNEL, REAL ESTATE AND LEGAL ISSUES AS AUTHORIZED IN RCW 42.30.110

22. DATE FOR NEXT REGULAR MEETING: February 10, 11, 2022

23. ADJOURNMENT

1. CALL TO ORDER

WESTERN WASHINGTON UNIVERSITY ITEM SUBMITTED TO THE BOARD OF TRUSTEES

TO: Members of the Board of Trustees

FROM: Sabah Randhawa, President

DATE: December 9, 2021

SUBJECT: **Public Comment Pertaining to Legacy Review Task Force Recommendations**

PURPOSE: Discussion Item

Purpose of Submittal:

In recognition of the diversity of opinion about [the Legacy Review Task Force Report and Recommendations](#), the first 30 minutes of the December 9 meeting agenda has been reserved for any member of the public wishing to address the Board of Trustees specifically about that topic.

The Board welcomes comments about other topics during an additional public comment period on the December 10 meeting agenda, per RCW 28B.35.110, also known as the Open Public Meetings Act.

The December meetings of the Board of Trustees will be conducted using the virtual meeting platform, Zoom and in person. Persons wishing to comment during public comment pertaining to Legacy Review can email Rayne Rambo, Assistant Secretary to the Board of Trustees to receive a Zoom invitation to the meeting. rambor@wwu.edu

Any member of the public wishing to listen to the meeting can do so via the audiocast as per usual at the link provided on the Board of Trustees web site and here: <https://wp.wwu.edu/live/>

WESTERN WASHINGTON UNIVERSITY ITEM SUBMITTED TO THE BOARD OF TRUSTEES

TO: Members of the Board of Trustees

FROM: WWU Board of Trustees Ad Hoc Legacy Review Committee

DATE: December 9, 2021

SUBJECT: Discussion of Legacy Review Task Force Recommendations

PURPOSE: Discussion Item

Purpose of Submittal:

Condensing the extensive resources gathered through the Legacy Review process and posted to [the Legacy Review Task Force website](#), the Ad Hoc Legacy Review Committee presents for the full Board's consideration and discussion the attached findings of fact documents, recommended conclusions from applying the principles of renaming that have been advanced through the process, and three resolutions for potential Board action.

Background:

Following discussion of the Legacy Review Task Force report and recommendations at the Board's regular meeting on October 8, 2021, it was agreed that an ad hoc committee of trustees should be convened to further discuss principles of renaming and make a recommendation to the full Board as to how best to proceed. This committee, composed of trustees John Meyer, Chase Franklin, Karen Lee, and Faith Pettis developed the following documents and recommendations for the consideration of the full Board:

Memoranda:

- Findings of Fact and Recommended Conclusions with Respect to the Naming of Huxley College
- Findings of Fact and Recommended Conclusions with Respect to the Naming of Haggard Hall
- Findings of Fact and Recommended Conclusions with Respect to the Naming of Mathes Hall

Draft Resolutions:

- Resolution 2021-06 Removing the Thomas Henry Huxley Name from the College of the Environment
- Resolution 2021-07 Maintaining the Name of Haggard Hall
- Resolution 2021-08 Maintaining the Name of Mathes Hall

MEMORANDUM

FROM: WWU Board of Trustees Ad Hoc Legacy Review Committee

John M. Meyer
D. Chase Franklin
Karen Lee
Faith Pettis

TO: WWU Board of Trustees

RE: Findings of Fact and Recommended Conclusions with Respect to the Naming of Huxley College

Condensing the extensive resources gathered through the Legacy Review process and posted to [the Legacy Review Task Force website](#), the Ad Hoc Legacy Review Committee presents for the full Board's consideration the following findings of fact and recommended conclusions from applying the principles of de/renaming that have been advanced through the process.

Findings of fact with respect to the personal legacy of Thomas Henry Huxley:

1. Huxley was an accomplished anatomical biologist, prolific author, and public speaker on a wide range of topics relating to science, sociology, politics, and religion. He was a fierce debater and advocate of Darwin's theory of evolution, applying its principles to reassess the place of humanity in nature prior to Darwin's own efforts in *The Descent of Man*. In so doing, he took on the religious establishment of his time, and incurred an enduring hostility from parts of it that continue to this day.
2. Huxley's writings on race form a relatively small part of his total output. Like most white people living in Victorian England, Huxley subscribed to and expressed some views about non-white people that would today be considered patently racist. However, there is little evidence to suggest that his remarks about race were not squarely within the mainstream of popular opinion at the time, and indeed, some of his remarks on race were comparatively progressive.

3. The most commonly noted problematic expression of Huxley's views about racial hierarchy come from his 1865 essay "Emancipation Black and White," which he wrote in response to the end of the U.S. Civil War: "It may be quite true that some negroes are better than some white men; but no rational man, cognizant of the facts, believes that the average negro is the equal, still less the superior, of the average white man." In addition, one of the reasons he thought slavery should be abolished was because "moral law dictates that no human should dominate another without grievous damage to his own nature," and that the "master will benefit by freedom, more than the freed-man." The abolition of slavery would therefore result in the double emancipation implied in the title of the essay.¹
4. Huxley's application of the theory of evolution to humans in *Evidence as to Man's Place in Nature* may also be understood as supporting or implying a racial hierarchy among human beings. Following an argument in Darwin's *Origin of Species*, Huxley attempted to break down the clear distinctions between species in order to show that a continuum existed between humans and higher primates, rather than differences of kind (e.g., as in Biblical creationism). Huxley's most persuasive argument (which he thought demonstrated a continuum or gradual gradation between humans and primates) was that a greater difference existed among the different "races of man" than existed between "the lowest Man and the highest Ape." By "lowest Man" Huxley meant what he thought of as "primitive" man or "savages," and he commonly used Australian Aboriginals as an example. Thus, it appears that Huxley implied that "primitive man" is more similar to the higher primates than to Caucasian humans. While this may not have been Huxley's intention in the broader context, others have used this conclusion as support for scientific racism, and it is consistent with the aforementioned commonly held views about natural racial inequalities to which Huxley subscribed.²

¹ [On page 3 of her invited contribution to the Legacy Review Task Force](#), scholar Sherrie Lyons notes that this view about the natural inequality of Black and white people was not only typical of the times but held by most abolitionists. Lyons goes on to note that the main point of the essay was to argue that women and Black people should be granted the same civil and political rights as white men, as well as equal opportunity of education. While fully in agreement with the prevailing view of his time that women and Black people were naturally inferior, his advocacy for equal opportunities was an attempt to remedy that inferiority through the actions of society: "The duty of man is to see that not a grain is piled upon that load beyond what Nature imposed, that injustice is not added to inequality."

² All four scholars invited to contribute their expertise to the process agree that this argument at least provides room for a racist interpretation and a new, scientific basis for long-held, culturally founded beliefs about racial hierarchy and value. However, the scholars disagree as to whether that was Huxley's intent with the statement in the larger context of this work. One of the scholars, [Nicolaas Rupke](#), reads this as an explicit and intentional effort to point out that Black and brown humans are closer to being primates than they are to the "higher" Caucasian "races." Rupke calls this "Huxley's Rule" and believes that it was a foundational contribution to a new, biologically grounded form of scientific racism that continues to this day. The other three invited scholars (and mainstream

5. Opponents of denaming the College claim that these two primary arguments for Huxley’s problematic racism originate from anti-evolutionist sources in the 1970s seeking to discredit Huxley.³
6. Some students of color at WWU, including members of [the Black Student Organization](#), have stated that they experience the naming of the College after Huxley as a harm, and in contradiction of the institution’s claims to provide a welcoming and inclusive environment.
7. In public life, Huxley was a champion of progressive education reform, campaigning for universal education, and the introduction of science and other modern subjects into schools and university curricula. In so doing, he opposed one of the most entrenched ideological and institutional hierarchies in Britain at the time, that of class.

Findings of fact with respect to the historical process of naming of the College after Huxley:

8. Neither Huxley nor his family have ever made any made any financial, service, or scholarly contributions to the development of Western Washington University.
9. According to [the Heritage Resources Huxley College Naming Report](#), the naming of the College after Huxley happened quite informally. A small group of faculty and administrators (including Past President Jerry Flora and former Dean of Research Herb Taylor) began using the name in academic administration planning meetings, and from there it spread to informal use among campus journalists. There are no records indicating that there was a formal process or a discussion among the Board of Trustees about whether to name the College after Huxley.⁴

Recommended Conclusions Based on Considered Principles of De/Renaming

In the course of its deliberations thus far, the Board of Trustees has given special attention to the principles of de/renaming captured in [the Legacy Review Task Force charge](#), as well as those

opinion among scholars in general) agree that Huxley’s intent was not to point out differences in kind among humans, but rather to show that there is a close, gradual biological kinship between humans and the higher primates. In Huxley’s words, “...if man be separated by no greater structural barrier from the brutes than they are from each other—then it seems to follow that...there would be no rational ground for doubting that man might have originated...by the gradual modification of a man-like ape.”

³ See “Response to the WWU Legacy Review Task Force Report”, by Landis, Hollenhorst, et al.: <https://president.wwu.edu/files/2021-10/Response-to-LRTF-report-updated-9-9-2021-2.pdf>

⁴ From an oral interview with President Emeritus Flora: “Herb Taylor recommended that we call it Huxley College, after T.H. Huxley. I thought it was a great idea, he was Darwin’s bulldog, and all this stuff, so, from the beginning, we called it Huxley College. From the first inception of it. When I was sitting in the committee—Paul Woodring’s committee—instead of talking about the college of environmental studies, I kept calling it Huxley College as a proposal. By the time it became a reality, its name was automatically Huxley College. Everybody was just calling it Huxley College.” (https://president.wwu.edu/files/2021-04/wwucentennial_flora_02_04a.pdf)

used by [the Yale University Committee to Establish Principles on Renaming](#). Based on the findings of fact above, the Ad Hoc Legacy Review Committee recommends the following application of those principles for consideration by the full Board.

1. The Legacy Review Task Force charge states that consideration for removing a name should be guided by at least the following factors:
 - A. **The harm caused by retaining the name.** Does the behavior or legacy of the person for whom the feature is named compromise or conflict with the University’s mission, including both its commitment to intellectual integrity and its commitment to diversity and inclusion of all members of the Western community?
 - B. **The potential harms of de/renaming.** The names of certain University features may have a positive value for students, faculty, staff, or alumni, who may find de/renaming disrespectful of their views.
 - C. **Considering and weighing relevant factors.** Such factors include:
 - i. The relation of the honoree to the University’s history.
 - ii. The behavior of the honoree in terms of creating a significant negative impact on the core mission of the University and its teaching and learning environment.
 - iii. Broader community identification with the feature.
 - iv. The strength and clarity of the historical evidence.
 - v. Whether the harm [of retaining or removing a name] can be mitigated, and historical knowledge preserved by recognizing and addressing an individual’s wrongful behavior.

Recommended Conclusions Based on Principles of De/Renaming in the Task Force charge

2. **The harm caused by retaining the name.**
 - A. Huxley’s statements in “Emancipation Black and White” are clear, and for his era, common, expressions of racism. His work on the differences between and among humans and primates in *Man’s Place in Nature* may be interpreted as providing support for racial hierarchies and scientific racism, even if that was not his intention in the broader context of the work. Regardless of how these statements are contextualized or interpreted, some students of color at WWU experience them as harmful, and they do not reflect the institution’s current values around diversity, equity, and inclusion. Asking these students, and the University community more generally to try to appreciate the more nuanced historical and academic context in which they were made seems to be callous and inconsiderate of the experiences of those who have been traditionally unwelcome in higher education and that Western is committed to serving. Perpetuating

even a perceived harm in defense of a person who has made no contribution to WWU reflects the wrong priorities.

3. **The potential harms of de/renaming.**

A. The university's commitment to intellectual integrity may come under fire.

Understanding Huxley's statements in their broader social and academic context is not only significant, but it also involves the kind of evidence-driven critical thinking central to the teaching mission of higher education. On this view, it is this principle of academic integrity, not the honor of Huxley himself, that is ultimately at stake. By removing the Huxley name, the University may be communicating that its commitment to the feelings of its students and faculty of color supersede its commitment to pursuing the evidence and the truth in all its details, and wherever it leads.

4. **Considering and weighing the relevant factors.**

- i. The relation of the honoree to the University's history. **Huxley has no relation to the University's history, other than the fact that the College has been named for him for over 50 years.**
- ii. The behavior of the honoree in terms of creating a significant negative impact on the core mission of the University and its teaching and learning environment. **It appears that retaining the name will have a negative impact on the teaching and learning environment, especially for the sense of inclusion among students of color. While criticisms may be leveled about the academic integrity of the assessment of Huxley that could lead to denaming, these would not seem to have the same significance of impact to the core mission of the University or the teaching and learning environment.**
- iii. Broader community identification with the feature. **Some alumni identify strongly with the Huxley name, and University Advancement has received at least one letter promising to retract a bequest if the name is removed. Faculty who are opposed to removing the name appear to be more concerned with the issues in 3A above than with their affections for Huxley, per se. Students generally do not seem to be aware of who Huxley was, or, for the reasons presented in 2A, do not wish to be identified with the name.**
- iv. The strength and clarity of the historical evidence. **As noted, the historical evidence is complex and may be reasonably interpreted in different ways.**
- v. Whether the harm [of retaining or removing a name] can be mitigated, and historical knowledge preserved by recognizing and addressing an individual's wrongful behavior. **An effective effort to communicate the complexities involved in the Board's decision—and the specific reasons why the action was**

taken—may be the best approach to mitigating the harms of removing the name.

Recommended Conclusions Based on [The Yale University Principles of Renaming](#)

- A. Is a principal legacy of the namesake fundamentally at odds with the mission of the university? **Again, the facts are complex. Huxley made claims about race that are in conflict with the mission and values of the institution. Huxley was also a champion of universal education and increasing the role of science in curriculum and policy.**
- B. Was the relevant principal legacy significantly contested in the time and place in which the namesake lived? **On the topic of race, Huxley’s views were firmly within the mainstream of Victorian thought, and in some respects (see footnotes above), he was progressive. His views on the common ancestry of humans and higher primates were contested in his own time by various religious figures.**
- C. Did the University, at the time of naming, honor a namesake for reasons that are fundamentally at odds with the mission of the University? **The records do not indicate this was the case.**
- D. Does a building whose namesake has a principal legacy fundamentally at odds with the University’s mission, or which was named for reasons fundamentally at odds with the University’s mission, play a substantial role in forming community at the University? **While the College is not a gathering place, per se, it is reasonable to think of the College as a community. Unlike many schools where students identify with the university as a whole (e.g., WSU or UW), students at Western tend to identify with their departments, majors, and colleges.**
- E. Decisions to retain a name or rename come with obligations of non-erasure, contextualization, and process.
 - i. When a name is altered, there are obligations on the University to ensure that the removal does not have the effect of erasing history. **This may be addressed by creating signage or a display of the kind mentioned above.**
 - ii. When a name is retained, there may be obligations on the University to ensure that preservation does not have the effect of distorting history. **The Ad Hoc Committee recommends removal of the Huxley name.**
 - iii. The University ought to adopt a formal process for considering whether to alter a building name on account of the values associated with its namesake; such a process should incorporate community input and scholarly expertise. **Developing a formal process of this kind going forward, based on lessons learned from this process and best practices from other institutions with**

more experience, could be among the actions taken by the Board in rendering its decision on these cases.

MEMORANDUM

FROM: WWU Board of Trustees Ad Hoc Legacy Review Committee

John M. Meyer
D. Chase Franklin
Karen Lee
Faith Pettis

TO: WWU Board of Trustees

RE: Findings of Fact and Recommended Conclusions with Respect to the Naming of Haggard Hall

Condensing the extensive resources gathered through the Legacy Review process and posted to [the Legacy Review Task Force website](#), the Ad Hoc Legacy Review Committee presents for the full Board's consideration the following findings of fact and recommended conclusions from applying the principles of de/renaming that have been advanced through the process.

Findings of fact with respect to the personal legacy of William Wade Haggard:

1. Haggard was president of Western Washington from 1939 to 1959, overseeing a period of evolution in the institution's mission as well as significant increases in students, faculty, and legislative funding. He also guided Western through the volatility of the Second World War, first overseeing a decline in student numbers, and then after the war a huge influx of student veterans.
2. Some notable developments under Haggard's 20-year tenure:
 - a. Haggard oversaw a period of institutional transformation from a normal school, the primary purpose of which was to educate K-8 teachers, to a College of Education, producing teachers capable of teaching K-12. By all accounts Haggard in so doing laid the groundwork from the further transition to becoming a liberal arts institution in the 1960s.
 - b. Following the tumultuous firing of President Charles Fisher, Haggard was able to restore morale and confidence among the faculty, and relationships with the community. Haggard also enhanced the reputation of the institution regionally and

- nationally with a series of summer conferences led by renowned educators from across the country.
- c. Haggard was very successful in advocating for the institution with the state legislature, securing significant increases in the institution's capital and operating budgets, including for the construction of six new buildings.¹
 - d. Haggard can be credited with both hiring and supporting faculty members who became critical to Western's development over the course of his service and beyond. During his 20-year tenure, faculty increased from 61, nine of whom held doctoral degrees in 1939, to 137, 47 of whom held doctoral degrees, in 1959. His relations with faculty were strong, and, notably, he took a public stand in opposition to the Board of Trustees to support a provision of the Faculty Handbook which called for promotions based on individual merit as opposed to discipline affiliation.
 - e. The first African American faculty member, Eunice Day Lee, was hired at Western Washington State College in 1959.²
 - f. In 1953, Western was the first teacher's college in the Northwest to be recognized by the American Association of University Women, an organization devoted to promoting women in higher education.
3. In a 1953 issue of the *Western Washington Collegian* student newspaper, Haggard appeared in a photograph with two students clothed in traditional Native American attire. There is very little additional context to explain how or why Haggard took the picture, or any evidence that he held discriminatory views about Native Americans or took any action to impede their presence or progress at Western. This photograph was also essentially unknown until it was brought to light by the Heritage Resources Report.
 4. The Heritage Resources report on Haggard also included a photograph of Haggard with faculty member Herb Taylor and Art Humphries, himself a Native American, holding a model of a Native racing canoe. The model was presented to Western by Humphries, who was then chairman of the "Advancement of Employment and Education Club in the Betterment of Understanding and Relations of Whites and Indians."
 5. Concerns were raised by some Legacy Review Task Force members that Haggard did not speak out against the internment of Western's sole Japanese American student, James Okubo, by Executive Order 9066 in 1942. There appear to be only a handful of elected officials who spoke out against internment at the time, and there is no evidence that Haggard's failure to speak out against the internment reflected personal discriminatory views.

¹ According to a 1959 piece that Haggard wrote for the Editorial Committee of *Western Reports*, "The reader may be interested to know that the appropriation for salaries, wages and operations in 1939 was \$520,000 (a little more in 1941), and in 1959, it is \$4,304,174. The buildings and other campus improvements the Legislature has provided need not be enumerated."

² An article submitted by Heritage Resources staff member Michael Taylor, "Despite the underlying current of racism [in Bellingham], Lee said that WWSC President W.W. Haggard made her feel welcome and offered her an associate professorship."

Findings of fact with respect to the historical process of naming of the College after Haggard:

6. The Sciences Building that now bears Haggard's name was a critical step in the evolution of Western from being a College of Education to a State College, and a personal dream of Haggard's. Once WWCE was authorized to grant B.A. degrees to train teachers in secondary education, a modern facility for the study of science became critically important. Haggard began the planning process in 1954 and took the project to the Legislature in 1957, where he was able to secure the funding necessary for its design, construction, and outfitting.
7. Considering Haggard's personal involvement in recognizing the importance of the building to the institution's future, and in securing its funding, naming the Science Building after Haggard was an appropriate recognition of his role.³

Recommended Conclusions Based on Considered Principles of De/Renaming

In the course of its deliberations thus far, the Board of Trustees has given special attention to the principles of de/renaming captured in [the Legacy Review Task Force charge](#), as well as those used by [the Yale University Committee to Establish Principles on Renaming](#). Based on the findings of fact above, the Ad Hoc Legacy Review Committee recommends the following application of those principles for consideration by the full Board.

1. The Legacy Review Task Force charge states that consideration for removing a name should be guided by at least the following factors:
 - A. The harm caused by retaining the name.** Does the behavior or legacy of the person for whom the feature is named compromise or conflict with the University's mission, including both its commitment to intellectual integrity and its commitment to diversity and inclusion of all members of the Western community?
 - B. The potential harms of de/renaming.** The names of certain University features may have a positive value for students, faculty, staff, or alumni, who may find de/renaming disrespectful of their views.
 - C. Considering and weighing relevant factors.** Such factors include:
 - i. The relation of the honoree to the University's history.

³ In an article written during the three-day dedication of Haggard Hall in 1960, the Seattle Times noted the importance of the building to the future of Western:

"In a day when high school teachers must be prepared to meet ever-rising standards of science education in the public schools, [newly appointed Western President Jarrett] said 'We have, for the first time, a scientific environment to match our staff, a science-education program among the best.'"

"Today the giant step embodied in Haggard Hall heralds a new expansion of study of the physical sciences, a trend that will make Western Washington a feeder school for graduate study at the state universities."

- ii. The behavior of the honoree in terms of creating a significant negative impact on the core mission of the University and its teaching and learning environment.
- iii. Broader community identification with the feature.
- iv. The strength and clarity of the historical evidence.
- v. Whether the harm [of retaining or removing a name] can be mitigated, and historical knowledge preserved by recognizing and addressing an individual's wrongful behavior.

Recommended Conclusions Based on Principles of De/Renaming in the Task Force charge

2. The harm caused by retaining the name.

- A. It is unclear that there were, or are, any significant harms that resulted from Haggard's tenure, especially as encapsulated in the photographs that were almost certainly unknown to any member of the Western community before they were surfaced by Heritage Resources. However, some members of the Western community may feel that naming a building after someone who appeared in such photographs is unacceptable.

3. The potential harms of renaming.

- A. Given the preponderance of evidence that Haggard made significant contributions to the institution, and lack of context surround the photographs, de/renaming on this basis would undermine confidence in the University's intellectual integrity and set a precedent for a very low threshold for de/renaming that could alienate prospective donors and past namesakes alike.
- B. Members of the extended Haggard Family live locally in Bellingham and have maintained a close relationship with the institution, supporting it philanthropically, and with some family members working at Western as well.

4. Considering and weighing the relevant factors.

- i. The relation of the honoree to the University's history. **Haggard was the longest serving president in Western's history, and among the most effective and influential in its advancement. Furthermore, it is doubtful that the building that bears his name would have been built without his efforts.**
- ii. The behavior of the honoree in terms of creating a significant negative impact on the core mission of the University and its teaching and learning environment. **While the photograph of Haggard in Native attire is insensitive by today's standards, its obscurity and again, lack of context, would seem to have virtually no effect on the core mission of the University or its teaching and learning environment.**
- iii. Broader community identification with the feature. **It is unclear how strongly students and faculty identify with the name of Haggard Hall. Clearly the Haggard family, and members of the community who attended Western at the time, identify quite strongly with it. Considering Haggard's personal role in**

bringing the building into existence, there should be a strong presumption to keep his name on it.

- iv. The strength and clarity of the historical evidence. **The historical evidence, as laid out in former Trustee [Phil Sharpe's letter](#) and supplementary information from Heritage Resources, is quite strong in supporting Haggard's contributions to the institution and rather weak with respect to any significant harms for which Haggard could be considered responsible.**
- v. Whether the harm [of retaining or removing a name] can be mitigated, and historical knowledge preserved by recognizing and addressing an individual's wrongful behavior. **While the names of campus features have significant symbolic value, the most important way the institution can mitigate any harms from retaining the name would be to increase focus and funding toward advancing concrete, measurable efforts to increase inclusive success for underrepresented students, faculty, and staff.**

Recommended Conclusions Based on [The Yale University Principles of Renaming](#)

- A. Is a principal legacy of the namesake fundamentally at odds with the mission of the university? **Haggard's legacy was overwhelmingly supportive of the mission of the university.**
- B. Was the relevant principal legacy significantly contested in the time and place in which the namesake lived? **Haggard's principal legacy was praised in his own time, and there is no evidence of it being significantly contested, particularly regarding the photograph of Haggard in Native attire or his lack of comment about the internment of James Okubo.**
- C. Did the University, at the time of naming, honor a namesake for reasons that are fundamentally at odds with the mission of the University? **On the contrary, Haggard was honored over three days for advancing the institution's mission.**
- D. Does a building whose namesake has a principal legacy fundamentally at odds with the University's mission, or which was named for reasons fundamentally at odds with the University's mission, play a substantial role in forming community at the University? **Haggard Hall is an academic building that includes classrooms as well as administrative functions. It does not play a particularly significant role in building community.**
- E. Decisions to retain a name or rename come with obligations of non-erasure, contextualization, and process.
 - i. When a name is altered, there are obligations on the University to ensure that the removal does not have the effect of erasing history. **Given the facts above, removing the name would significantly erase or alter history.**
 - ii. When a name is retained, there may be obligations on the University to ensure that preservation does not have the effect of distorting history. **Retaining Haggard's name on the building would not distort history.**

- iii. The University ought to adopt a formal process for considering whether to alter a building name on account of the values associated with its namesake; such a process should incorporate community input and scholarly expertise. **Developing a formal process of this kind going forward, based on lessons learned from this process and best practices from other institutions with more experience, could be among the actions taken by the Board in rendering its decision on these cases.**

MEMORANDUM

FROM: WWU Board of Trustees Ad Hoc Legacy Review Committee

John M. Meyer
D. Chase Franklin
Karen Lee
Faith Pettis

TO: WWU Board of Trustees

RE: Findings of Fact and Recommended Conclusions with Respect to the Naming of Mathes Hall

Condensing the extensive resources gathered through the Legacy Review process and posted to [the Legacy Review Task Force website](#), the Ad Hoc Legacy Review Committee presents for the full Board's consideration the following findings of fact and recommended conclusions from applying the principles of de/renaming that have been advanced through the process.

Findings of fact with respect to the personal legacy of Edward Tilden Mathes:

1. Mathes served as the first Principal/President of New Whatcom State Normal School, the forerunner of WWU, from 1899-1914. Some notable developments during Mathes' 15-year tenure:
 - a. While the charter for the Normal School was approved by the state legislature in 1893, it did not hold classes until 1899 due to lack of funds. Mathes was instrumental in persuading the legislature to allocate funding for the construction and serial expansion of Old Main and its annexes, a dormitory, an auditorium, and other facilities.¹
 - b. There was a fourfold increase in faculty and more than a threefold increase in students, partially due to his personal direct recruitment efforts.

¹ One account recalls that "When he came in May 1899, Dr. Mathes found, instead of the beautiful green campus seen here today, a mass of swamp land and stumps...During his administration, the main building and its annexes [including a science annex] were built, the campus was beautified, and the Normal began to enjoy a most phenomenal growth." <https://president.wvu.edu/files/2021-10/Heritage%20Resources%20Mathes%20Supplement.pdf>

- c. The Campus School (originally known as the Model School or Training School), a beacon of progressive education designed to give future teachers hands-on classroom experience, was opened.
 - d. Mathes founded the Bellingham Bay Lecture Course to bridge the “town and gown” divide and bring culture to a part of the state that had very little of it at the time. The broad array of notable speakers included progressives such as Jacob Riis and Robert La Follette, as well as controversial speakers such as South Carolina Senator Benjamin Tillman.
 - e. Mathes established the Normal School’s Extension Department in 1910 to help educate students’ parents and other adults in the community, many of whom had only an elementary education. As part of the extension program Normal College faculty delivered lectures not only in Bellingham but throughout the state.
2. Mathes delivered hundreds of public lectures throughout his life, and while there are no transcripts of his lectures—he appears to have spoken without notes—there are newspaper clippings from the time summarizing two of his talks, “The Wandering Caucasian” and “Mexico and Her Problems.” In these talks, Mathes appears to advance a hierarchical ordering by race, and a conception of white supremacy in which white people have an obligation to educate and civilize “our benighted brothers.”² Neither of the newspaper articles present these views as controversial for the time.
 3. In September 1907, a mob of up to 500 white men attacked and drove from town Bellingham’s community of South Asian workers, mostly Sikhs (mistakenly labeled as “Hindus” by the local press). There does not appear to be any evidence that Mathes publicly condemned the riot. Research indicates that public condemnations of the violence were limited and includes an editorial in a local Norwegian language newspaper and excerpts from sermons delivered by four Bellingham church leaders.
 4. Two students from India studied at the Normal School during his administration, despite the overt hostility of some local residents toward non-whites. Mathes formed a particularly close relationship with one of the students, Nahbi Ram Joshi, who lived in the Mathes family home. Mathes’ support of educational access for Indian students was sufficiently well known that the Vancouver newspaper *Free Hindustan* called Mathes “a good friend of India.”³
 5. In support of Western’s first Black student, Alma Clark, and against a considerable backdrop of anti-Black sentiment in Bellingham, Mathes and the Board of Trustees passed a resolution supporting Ms. Clark’s right to receive an education at the Normal

² More details from the newspaper clippings describing these talks is available on pp. 14-15 of [the Legacy Review Task Force Report](#), and on p. 2 of Task Force Chair [Paul Dunn’s letter to the Board of Trustees dated June 28, 2021](#).

³ Much more information about Mathes’ relationship with the students and his subsequent political career can be found in the [Western Libraries’ Heritage Resources Supplementary Report on Mathes](#), submitted at the Board’s request on October 1, 2021.

School. In recognition, the *Seattle Republican*, the city's first successful African American newspaper, praised Mathes and the Board for taking this stand.⁴

Findings of fact with respect to the historical process of naming of Mathes Hall:

6. There is little record of detailed discussion or deliberation that may have taken place around the naming of Mathes Hall. [The minutes of the June 11, 1965 meeting of the Board of Trustees](#) note the following: "The administration recommended to the Board that the 1966 dormitory soon to be under construction be named Edward T. Mathes Hall, in honor of Dr. Mathes, who was president of Western from 1899 to 1914. [Board member] Mr. Sprague moved acceptance of the recommendation. [Board member] Mr. Chase seconded the motion; the motion passed."

Recommended Conclusions Based on Considered Principles of De/Renaming

In the course of its deliberations thus far, the Board of Trustees has given special attention to the principles of de/renaming captured in [the Legacy Review Task Force charge](#), as well as those used by [the Yale University Committee to Establish Principles on Renaming](#). Based on the findings of fact above, the Ad Hoc Legacy Review Committee recommends the following application of those principles for consideration by the full Board.

1. The Legacy Review Task Force charge states that consideration for removing a name should be guided by at least the following factors:
 - A. The harm caused by retaining the name.** Does the behavior or legacy of the person for whom the feature is named compromise or conflict with the University's mission, including both its commitment to intellectual integrity and its commitment to diversity and inclusion of all members of the Western community?
 - B. The potential harms of de/renaming.** The names of certain University features may have a positive value for students, faculty, staff, or alumni, who may find de/renaming disrespectful of their views.
 - C. Considering and weighing relevant factors.** Such factors include:
 - i. The relation of the honoree to the University's history.
 - ii. The behavior of the honoree in terms of creating a significant negative impact on the core mission of the University and its teaching and learning environment.
 - iii. Broader community identification with the feature.
 - iv. The strength and clarity of the historical evidence.

⁴ More detail is available on pp. 15-16 of [the Legacy Review Task Force Report](#), pp. 4-6 of [Paul Dunn's letter to the Board of Trustees dated June 28, 2021](#), and Western Window magazine, "[The Story of Alma Clark Glass](#)"

- v. Whether the harm [of retaining or removing a name] can be mitigated, and historical knowledge preserved by recognizing and addressing an individual's wrongful behavior.

Recommended Conclusions Based on Principles of De/Renaming in the Task Force charge

2. The harm caused by retaining the name.

- A. Knowing that Mathes expressed racist sentiments in two lectures, and that there is no evidence that he publicly condemned the Bellingham riots of 1907 may be considered inconsistent with the idea of being the namesake of a residence hall at Western.

3. The potential harms of de/renaming.

- A. Given the preponderance of evidence that Mathes made significant contributions to the institution, that he personally supporting students of color at some potential cost to himself, and contextualizing factors about his remarks (or lack thereof), de/renaming Mathes Hall on this basis would undermine confidence in the University's intellectual integrity and set a precedent for a very low threshold for de/renaming that could alienate potential namesakes.

4. Considering and weighing the relevant factors.

- i. The relation of the honoree to the University's history. **Mathes was the first Principal/President of the institution and made significant and lasting contributions to its capital and programmatic advancement.**
- ii. The behavior of the honoree in terms of creating a significant negative impact on the core mission of the University and its teaching and learning environment. **While the records of Mathes' two public lectures reveal them to be unacceptable by today's standards, their obscurity would seem to have little effect on the core mission of the University or its teaching and learning environment.**
- iii. Broader community identification with the feature. **Students have been living in Mathes Hall since 1966.**
- iv. The strength and clarity of the historical evidence. **As noted above, the historical evidence with respect to Mathes' two lectures is via summaries in newspaper clippings, rather than copies of his lectures. Likewise, while there is no evidence of Mathes' public denunciation of the 1907 riots in print, it is unknown whether he addressed the issue in any other way. By contrast, the evidence with respect to Mathes' support of Alma Clark and Nahbi Ram Joshi is extensive.**
- v. Whether the harm [of retaining or removing a name] can be mitigated, and historical knowledge preserved by recognizing and addressing an individual's wrongful behavior. **While the names of campus features have significant symbolic value, the most important way the institution can mitigate any harms from retaining the name would be to increase focus and funding toward**

advancing concrete, measurable efforts to increase inclusive success for underrepresented students, faculty, and staff.

Recommended Conclusions Based on [The Yale University Principles of Renaming](#)

- A. Is a principal legacy of the namesake fundamentally at odds with the mission of the university? **Despite Mathes' clearly offensive remarks in the two noted speeches, his legacy was overwhelmingly supportive of the mission of the University. It also includes two significant episodes of support for the few students of color at the institution long before this was an articulated component of the mission.**
- B. Was the relevant principal legacy significantly contested in the time and place in which the namesake lived? **Mathes' principal legacy as the first Principal of the Normal School, and as an advocate for Western's sole Black student, was praised in his own time. There is no evidence that these two speeches or any other public remarks of Mathes' were seen as controversial or offensive in their time.**
- C. Did the University, at the time of naming, honor a namesake for reasons that are fundamentally at odds with the mission of the University? **No. Records indicate that he was honored for his role as the first Principal/President of Western.**
- D. Does a building whose namesake has a principal legacy fundamentally at odds with the University's mission, or which was named for reasons fundamentally at odds with the University's mission, play a substantial role in forming community at the University? **Mathes Hall is a residential community and plays a significant role in building community.**
- E. Decisions to retain a name or rename come with obligations of non-erasure, contextualization, and process.
 - i. When a name is altered, there are obligations on the University to ensure that the removal does not have the effect of erasing history. **Given the facts above, removing the name would significantly erase or alter history.**
 - ii. When a name is retained, there may be obligations on the University to ensure that preservation does not have the effect of distorting history. **Retaining Mathes' name on the building would not distort history.**
 - iii. The University ought to adopt a formal process for considering whether to alter a building name on account of the values associated with its namesake; such a process should incorporate community input and scholarly expertise. **Developing a formal process of this kind going forward, based on lessons learned from this process and best practices from other institutions with more experience, could be among the actions taken by the Board in rendering its decision on these cases.**



RESOLUTION NO. 2021-06

**A RESOLUTION OF THE BOARD OF TRUSTEES OF
WESTERN WASHINGTON UNIVERSITY**

**REMOVING THE THOMAS HENRY HUXLEY NAME FROM THE COLLEGE OF
THE ENVIRONMENT**

WHEREAS, Western Washington University is committed to providing access to transformational higher education for the people of the State of Washington, pursuing justice and equity in its policies and practices, and supporting an inclusive and welcoming campus environment that celebrates the dignity and value of all students, faculty, and staff; and

WHEREAS, at the start of Winter Quarter of 2021, President Sabah Randhawa charged a Legacy Review Task Force composed of faculty, staff, students, and alumni to review the history and significance of building and college names at Western Washington University, and make recommendations to the Board of Trustees as to whether any names warrant consideration for removal; and

WHEREAS, the Legacy Review Task Force submitted its report and recommendations in June of 2021, and has the gratitude and appreciation of the Board of Trustees for its efforts on behalf of the institution; and

WHEREAS, Western's 2018 – 2025 Strategic Plan acknowledges Western has failed to meet the needs of people of many races, ethnicities, creeds, socioeconomic classes, gender identities, sexual orientations, and disability statuses, and states Western will contribute to redressing these inequities by transforming policies, structures, and practices to ensure meaningful inclusion; and

WHEREAS, a letter submitted by the leaders of Black student organizations in June 2020 expressed an urgent desire to see Western consider how the names of its buildings fail to support the experiences of Black and other students of diverse identities; and

WHEREAS, the Huxley College of the Environment was founded in 1969 as one of the first environmental colleges in the country, earning international renown for continued leadership in environmental education, applied research and outreach, and contributing to the excellence and reputation of the University as a whole; and

WHEREAS, Thomas Henry Huxley (1825 – 1895) was an accomplished anatomical biologist, prolific author, and public speaker, known most widely for his outspoken defense of Charles Darwin's theory of evolution by natural selection, and was an abolitionist and a champion of progressive education reform, campaigning for universal education and the introduction of science into curricula; and

WHEREAS, Huxley expressed views about Black people in works such as "Emancipation Black and White" that are offensive, hurtful, and out of step with the institution's mission and values; and

WHEREAS, Huxley’s application of the theory of evolution to humans in his work, “Man’s Place in Nature” may be understood as implying or providing support for racial hierarchy and scientific racism; and

WHEREAS, some students of color at Western have stated that they consider the naming of the College after Huxley as an instance of callous indifference to their experience as traditionally underserved students, and in contradiction to the institution’s claims to provide a welcoming and inclusive environment; and

WHEREAS, the College of the Environment came to be named after Huxley through an informal process by which several faculty and administrators began applying the name to the college for several years while it was still under development, creating a common usage and a presumption that it would be named Huxley College by the time it came to the Board of Trustees for approval; and

WHEREAS, the excellence of the College of the Environment has not been due to the Huxley name, but rather to generations of passionate and committed faculty, students, and alumni, united around a vision of addressing urgent environmental issues, developing practical, collaborative approaches to solving environmental problems, and supporting movements for environmental social justice; and

WHEREAS, neither Thomas Henry Huxley nor his descendants have any relationship to the development or mission of the College of the Environment or Western Washington University, having made no financial, service, scholarly, or other contributions to the College or the University; and

WHEREAS, the Huxley name was therefore chosen to represent the College of the Environment largely on the basis of an assessment of Huxley’s character and a set of values he represented relevant to the academic enterprise at Western Washington University in 1969; and

WHEREAS, the Board of Trustees recognizes the complexities of evaluating Huxley’s legacy, and that there are a great many contextualizing factors and nuances involved in the interpretation and assessment of an individual’s statements and behavior in their time and place; and

WHEREAS, the complexities of the situation present a choice between defending the honor of an individual who has made no contribution to the institution by contextualizing the racism in his statements, or acknowledging that, despite Huxley’s other qualities, he is not the person to represent the institution’s present day values; and

WHEREAS, the Huxley name no longer serves to advance the goals of the University, or to make it a more welcoming and inclusive place for the increasingly diverse students and faculty the College and the University as a whole strive to attract and serve; and

WHEREAS, the Board of Trustees recognizes that while removing a name has powerful symbolic value, it is critically important to follow such statements with concrete, measurable efforts to increase inclusive success for underrepresented students, faculty, and staff;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of Western Washington University, that the name of Thomas Henry Huxley be removed from the College of the Environment at Western Washington University.

PASSED AND APPROVED by the Board of Trustees of Western Washington University at its meeting on December 9, 2021.

ATTEST:

John M. Meyer, Chair

D. Chase Franklin, Vice Chair

DRAFT



RESOLUTION NO. 2021-07

**A RESOLUTION OF THE BOARD OF TRUSTEES OF
WESTERN WASHINGTON UNIVERSITY
MAINTAINING THE NAME OF HAGGARD HALL**

WHEREAS, Western Washington University is committed to providing access to transformational higher education for the people of the State of Washington, pursuing justice and equity in its policies and practices, and supporting an inclusive and welcoming campus environment that celebrates the dignity and value of all students, faculty, and staff; and

WHEREAS, at the start of the Winter Quarter of 2021, President Sabah Randhawa charged a Legacy Review Task Force composed of faculty, staff, students, and alumni to review the history and significance of building and college names at Western Washington University, and make recommendations to the Board of Trustees as to whether any names warrant consideration for removal; and

WHEREAS, the Legacy Review Task Force submitted its report and recommendations in June of 2021 and has the gratitude and appreciation of the Board of Trustees for its efforts on behalf of the institution; and

WHEREAS, William Wade Haggard (1892-1977) served as president of Western from 1939 to 1959, the longest tenure of any president; and

WHEREAS, Haggard guided the institution through the Second World War, first witnessing a decline in student numbers, and the rise in enrollment that followed; and

WHEREAS, during Haggard's 20-year tenure he oversaw a period of institutional transformation from a normal school, the primary purpose of which was to educate K-8 teachers, to a College of Education for educating K-12 teachers, laying the groundwork for further transition to becoming a liberal arts college; and

WHEREAS, following the tumultuous firing of his predecessor, President Charles Fisher, Haggard restored morale and confidence among the faculty, relationships with the community, and enhanced the reputation of the institution with a series of summer conferences led by renowned educators from across the country; and

WHEREAS, Haggard can be credited with hiring and supporting faculty members who become critical to Western's growth and development over the course of his 20 years of service, increasing faculty from 61 to 137, and the hiring of Western's first African American faculty member, Eunice Day Lee, in 1959; and

WHEREAS, Haggard viewed the construction of a Science Building as a critical step in the evolution of Western from being a College of Education to a State College, taking a deep personal interest in the building when planning began in 1954, and personally taking the project to the Legislature in 1957, where he was able to secure funding for its design, construction, and outfitting; and

WHEREAS, this building, originally known as the Haggard Hall of Science, was named in his honor in 1960; and

WHEREAS, the Legacy Review Task Force report expressed concerns about Haggard appearing in Native American attire with two students for a school newspaper photograph in 1953; and

WHEREAS, there is no context explaining how or why Haggard came to be in the picture, and no evidence that he held discriminatory views about Native Americans, or that he used his office and authority to enact such views; and

WHEREAS, the Legacy Review Task Force report expressed concerns about a lack of evidence that Haggard publicly spoke out against the internment of Western's sole Japanese American student by Executive Order 9066 in 1942; and

WHEREAS, the internment of Japanese Americans during World War II was a gross injustice and an enduring stain on the national conscience, denounced at the time by only a handful of elected officials; and

WHEREAS, the Board of Trustees recognizes the complexities of evaluating an individual's legacy, and that there are a great many contextualizing factors and nuances involved in the interpretation and assessment of an individual's statements and behavior in their time and place; and

WHEREAS, William Wade Haggard, in addition to being Western's longest-serving president, was among its most effective and influential, his contributions to the mission and development of the institution far outweighing his engagement in actions which may be considered insensitive in light of today's values and social norms; and

WHEREAS, the Board of Trustees recognizes that while the names of campus features have powerful symbolic value, these considerations are separate from the need for continued, mission-critical focus on advancing concrete, measurable efforts to increase inclusive success for underrepresented students, faculty, and staff;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of Western Washington University, that Haggard Hall shall continue to be named for William Wade Haggard.

PASSED AND APPROVED by the Board of Trustees of Western Washington University at its meeting on December 9, 2021.

ATTEST:

John M. Meyer, Chair

D. Chase Franklin, Vice Chair



RESOLUTION NO. 2021-08

**A RESOLUTION OF THE BOARD OF TRUSTEES OF
WESTERN WASHINGTON UNIVERSITY**

MAINTAINING THE NAME OF MATHES HALL

WHEREAS, Western Washington University is committed to providing access to transformational higher education for the people of the State of Washington, pursuing justice and equity in its policies and practices, and supporting an inclusive and welcoming campus environment that celebrates the dignity and value of all students, faculty, and staff; and

WHEREAS, at the start of in the Winter Quarter of 2021, President Sabah Randhawa charged a Legacy Review Task Force composed of faculty, staff, students, and alumni to review the history and significance of building and college names at Western Washington University, and make recommendations to the Board of Trustees as to whether any names warrant consideration for removal; and

WHEREAS, the Legacy Review Task Force submitted its report and recommendations in June of 2021, and has the gratitude and appreciation of the Board of Trustees for its efforts on behalf of the institution; and

WHEREAS, Edward Tilden Mathes (1866-1937) served as the first principal of the New Whatcom State Normal School, the forerunner of Western Washington University, from its opening in 1899 until 1914; and

WHEREAS, the New Whatcom Normal School was chartered by the State Legislature in 1893, but did not open until 1899 due to lack of funds; and

WHEREAS, Mathes was instrumental in persuading the Legislature to allocate funding for the construction and serial expansion of Old Main and its annexes, a dormitory, an auditorium, and other facilities; and

WHEREAS, during Mathes' 15-year tenure there was a fourfold increase in faculty and a threefold increase in students, partially due to his personal recruitment efforts, as well as the creation of the Campus School, a beacon of progressive education designed to give future teachers hands-on classroom experience; and

WHEREAS, Mathes established the Normal School's Extension Department in 1910 to help educate students' parents and other adults in the community, many of whom had only an elementary education; and

WHEREAS, Mathes helped organize the Bellingham Bay Lecture Course, bringing a notable array of national speakers to a community which had little access at the time, including Progressive Party leader Robert LaFollette, photographer and social reformer Jacob Riis, and more controversial speakers such as South Carolina Senator Benjamin Tillman, among others; and

WHEREAS, in support of Western’s first Black student, Alma Clark, and in the face of considerable anti-Black sentiment in the Bellingham community, Mathes and the Board of Trustees passed a resolution supporting her right to receive an education at the Normal School, earning Mathes and the Board commendation from the *Seattle Republican*, Seattle’s first successful Black-owned newspaper; and

WHEREAS, the Mathes Hall dormitory was named in his honor in 1966; and

WHEREAS, the Legacy Review Task Force report expressed concerns about newspaper summaries of two among the hundreds of public talks that Mathes gave throughout his life, as they appear to advance a hierarchical conception of human races and cultures, and a view that white people are obliged to educate and “civilize” non-whites; and

WHEREAS, there are no transcripts of Mathes’ lectures to determine his specific comments or any record that his views were considered controversial at the time, nor is there any other evidence that Mathes generally held discriminatory views about people of color, or used his office and authority to enact such views; and

WHEREAS, the Legacy Review Task Force report expressed concerns that there is a lack of evidence Mathes made public comments denouncing the violent expulsion of South Asian immigrant laborers from Bellingham in 1907; and

WHEREAS, during Mathes’ administration two students from India studied at the Normal School, including one, Nahbi Ram Joshi, who lived in the Mathes family home and enthusiastically supported the naming of a campus building for Mathes; and

WHEREAS, Mathes’ support of educational access for Indian students was sufficiently well known that the Vancouver, Canada newspaper *Free Hindustan* called Mathes “a good friend of India”; and

WHEREAS, the Board of Trustees recognizes the complexities of evaluating an individual’s legacy, and that there are a great many contextualizing factors and nuances involved in the interpretation and assessment of an individual’s statements and behavior in their time and place; and

WHEREAS, Edward Tilden Mathes, in addition to making significant contributions to the mission and development of Western as its first administrative leader, personally and publicly supported Western’s few students of color during a time when racism was generally condoned in Bellingham; and

WHEREAS, these contributions and personal commitments outweigh his possible engagement in racist actions or statements which may be considered insensitive in light of today’s values and social norms; and

WHEREAS, the Board of Trustees recognizes that while the names of campus features have powerful symbolic value, these considerations are separate from the need for continued, mission-critical focus on advancing concrete, measurable efforts to increase inclusive success for underrepresented students, faculty, and staff;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of Western Washington University, that Mathes Hall shall continue to be named for Edward Tilden Mathes.

PASSED AND APPROVED by the Board of Trustees of Western Washington University at its meeting on December 9, 2021.

ATTEST:

John M. Meyer, Chair

D. Chase Franklin, Vice Chair

DRAFT

4. CALL TO ORDER

**WESTERN WASHINGTON UNIVERSITY
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

TO: Members of the Board of Trustees

FROM: President Sabah Randhawa

DATE: December 10, 2021

SUBJECT: **Approval of the Minutes**

PURPOSE: Action Items

Purpose of Submittal:

Approval of the Board of Trustees Meeting Minutes.

Proposed Motion:

MOVED, that the Board of Trustees of Western Washington University, upon the recommendation of the president, approve the following minutes:

- Approval of the Minutes of the Board of Trustees Meeting, October 7 & 8, 2021
- Approval of the Minutes of the Special Board of Trustees Meeting, November 1, 2021

Supporting Information:

Minutes of October 7 & 8, 2021

Minutes of November 1, 2021

**Western Washington University
Board of Trustees
Meeting Minutes
Thursday, October 7, 2021**

1. CALL TO ORDER

Board Chair, Trustee John M. Meyer called the regular meeting of the Board of Trustees of Western Washington University to order at 2:09 p.m., via Zoom. A quorum was established by roll call.

Board of Trustees

John M. Meyer, Chair
Sue Sharpe
Karen Lee
Nate Jo
Mo West

Western Washington University

Sabah Randhawa, President
Joyce Lopes, Vice President for Business and Financial Affairs
Kim O'Neill, Vice President for Advancement
Melynda Huskey, Vice President for Enrollment and Student Services
Donna Gibbs, Vice President for University Relations and Marketing
Brent Carbajal, Provost and Vice President for Academic Affairs
Melissa Nelson, Assistant Attorney General
Paul Cocke, Director, Communications and Marketing
Paul Dunn, Chief of Staff to the President and Secretary to the Board of Trustees
Barbara Sandoval, Senior Executive Assistant to the President
Rayne Rambo, Assistant Secretary to the Board of Trustees

2. EXECUTIVE SESSION

At 2:10 p.m. the board went into Executive Session for approximately ninety minutes to discuss personnel matters as authorized by RCW 42.30.110. No action was taken in executive session.

Chair Meyer announced the board would go back into open session at 3:39 p.m.

The Board of Trustees adjourned for the day at 3:40 p.m. to participate in the Alma Clark Glass Hall dedication ceremony in Glass Hall.

**Western Washington University
Board of Trustees
Meeting Minutes
Friday, October 8, 2021**

3. CALL TO ORDER

Board Chair, Trustee John M. Meyer called the regular meeting of the Board of Trustees of Western Washington University to order at 8:01 a.m., via Zoom. A quorum was established by roll call.

Board of Trustees

John M. Meyer, Chair
Chase Franklin, Vice Chair – *via Zoom*
Sue Sharpe, Secretary
Karen Lee
Faith Pettis
Nate Jo
Mo West

Western Washington University

Sabah Randhawa, President
Joyce Lopes, Vice President for Business and Financial Affairs
Kim O'Neill, Vice President for Advancement
Melynda Huskey, Vice President for Enrollment and Student Services
Donna Gibbs, Vice President for University Relations and Marketing
Brent Carbajal, Provost and Vice President for Academic Affairs
Becca Kenna-Schenk, Executive Director, Government Relations
Shirin Deylami, Faculty Senate President
Melissa Nelson, Assistant Attorney General
Paul Cocke, Director, Communications and Marketing
Paul Dunn, Chief of Staff to the President and Secretary to the Board of Trustees
Barbara Sandoval, Senior Executive Assistant to the President
Rayne Rambo, Assistant Secretary to the Board of Trustees

4. EXECUTIVE SESSION

At 8:02 a.m. the board went into Executive Session for approximately forty-five minutes to discuss personnel matters as authorized by RCW 42.30.110. No action was taken in executive session.

Chair Meyer announced the board would go back into open session at 9:03 a.m.

5. APPROVAL OF MINUTES

MOTION 10-01-2021

Trustee Jo moved that the Board of Trustees of Western Washington University, upon the recommendation of the President, approve the following minutes:

- Board of Trustees Meeting, August 20, 2021

The motion was voted on by roll call.

Roll Call for the Vote:

Trustee Sue Sharpe - Yes
Trustee Karen Lee – Yes
Trustee Faith Pettis – Yes
Trustee Mo West – Yes
Trustee Nate Jo - Yes
Trustee Chase Franklin – Yes
Trustee John Meyer, Chair - Yes

The motion passed.

6. PUBLIC COMMENT

As per Amended RCW 28B.35.110, the Board of Trustees provided time for public comment. Three people signed up for public comment. Four people made comments on the final recommendation report from the Legacy Review Task Force submitted to President Randhawa on June 14, 2021. (available here: <https://president.wvu.edu/legacy-review-task-force>).

7. BOARD CHAIR REPORT

Board Chair, John Meyer, reported that one of the most important responsibilities of a trustee is reviewing and evaluating the President's performance. He said the Board typically conducts the annual review over the summer and engages a significant number of on- and off-campus stakeholders in a feedback process to gain the broadest perspective. Meyer reported that stakeholders from campus included a cross section of administrative leaders from different divisions of the university, the presidents of the Faculty Senate, Faculty Union, Classified Staff Unions, Professional Staff Organization, and the Associated Students, as well as the chairs of the Western Foundation and Alumni Boards. He added that off campus stakeholders included local and state elected representatives.

Meyer acknowledged that through a combination of surveys and interviews, the Board inquired about President Randhawa's performance over the past year in several categories, including navigating the COVID-19 pandemic, advancing diversity, equity, and inclusion, and sustaining the fiscal stability of the institution. Respondents were also asked to provide their thoughts about what they would like to see him address in the coming year.

Meyer concluded that the feedback received was very positive, and the Trustees appreciated the candid conversation with President Randhawa during his time with the Board to review his performance. Meyer thanked President Randhawa for his service and said the Trustees continue to be grateful for his leadership and performance during a very challenging year for Western.

Board Chair Meyer reported that the Board of Trustees engaged in an off-site Work Session in September where the Trustees were able to engage in discussion regarding the Legacy Review Task Force's report and recommendations to President Randhawa. He noted the Trustees looked forward to another discussion later in the day's agenda on this important topic.

8. UNIVERSITY PRESIDENT'S REPORT

President Randhawa acknowledged and thanked the Trustees for attending the Alma Clark Glass Hall Residence Hall dedication ceremony the day prior to honor Western's first Black student, Alma Clark Glass. He noted that the residence hall project was a success on many levels and that Western will continue to move forward with its commitments of advancing diversity, equity, and inclusion in alignment with student success.

Randhawa reported that Western began fall quarter classes with a hybrid style setting with in-person teaching and virtual classes as we continue to navigate through a global pandemic. He noted that due to a rise in variant COVID-strains, Western continues to work in conjunction with the State Health Department and county leadership to ensure Western's campus locations are safe for all students, faculty, and staff.

Randhawa noted that Western leadership, including the President's Cabinet and college academic deans recently gathered to contemplate and discuss the effects of the pandemic on pursuing the top strategic plan goals for Western, such as increase inclusive student success, enrollments, retention, and academic excellence. The group reaffirmed the urgency of continuing to pursue those goals as central to Western's mission and found much to discuss about lessons learned and potential silver linings from the pandemic.

Randhawa reported that Western will receive a gift of one million dollars committed from Roy Hansen, alumnus of Fairhaven College of Interdisciplinary Studies, that will create a music recording studio that can be used by all Western students for creative endeavors.

Randhawa noted that a search committee to find a successor for Provost Brent Carbajal, who will retire in 2022, will be co-chaired by Joyce Lopes, Vice President for Business and Financial Affairs and Brian Burton, Associate Vice Provost for Academic Affairs. Randhawa added that Western will also soon be launching a search for its first Chief Diversity Officer and Executive Director, Office of Equity, to be chaired by Provost Carbajal.

9. FACULTY SENATE REPORT

Shirin Deylami, Faculty Senate President reported the following: "Good morning. Thank you very much for the opportunity to speak today. As you can imagine as the quarter has begun, faculty have been excited to get to work and be with students in person. I can only speak for myself when I say it has been an absolute pleasure being back in the classroom. Of course, there have been some hiccups along the way but overall, we are seeing a vibrant and excited campus.

This week I had the pleasure of facilitating our first Senate meeting and we discussed some important issues that we must tackle right away and some long-term planning. Perhaps the most pressing issue for us this quarter is the distribution of course evaluations. As a reminder, during the pandemic period when all or most courses were taught remotely, the Faculty Senate recommended a simple online form to be distributed for all courses. With the help of the University Office of Research, these have been the course evaluations we have used for the last 18 months. Unfortunately, the return rate of these course evaluations has been significantly lower than in person evaluations. As fall quarter, began we also learned that the previous technology utilized to read the scantron portion of the in-person course evaluations no longer work. We are now working out how to provide course evaluations for both are online and in person courses.

This relatively small hiccup in the course evaluation process has led to larger discussion about both the content and medium of evaluations as we move forward. At best, course evaluations are a way through which students can provide feedback about what works and doesn't work in a course and as a way for faculty to understand where they might improve, change, or expand on content and assignments. At their worst, however, course evaluations can be a space for students to express personal grievances over grades or disagreement with the instructor. In addition, multiple studies have shown severe bias against faculty from marginalized identities including faculty of color, queer faculty, and women. This of course, is a real problem given that many departments and colleges utilize course evaluations as a mechanism to determine the quality of an instructors teaching, especially for issues of tenure and promotion and contract renewal. The goal for faculty senate this year, is to think critically about the course evaluation process and the content of course evaluations, something that has been left aside for a little too long.

In addition, to course evaluations. Faculty Senate alongside the Academic Coordinating Commission plans to facilitate some university-wide conversations about the role of online education at Western. While all of us moved to an online modality because of the pandemic, faculty have real disagreements about whether online education should be a substantive part of our offerings as a university. This, from my perspective, is not simply a pedagogical disagreement but one about the very nature of the university. I look forward to reporting back to you about what comes out of those conversations.

Finally, I want to alert you to some positive changes we hope to see in the University Planning and Resources Council. For a while now faculty and staff that serve on UPRC have felt that their time and input has not been used to the fullest degree. Under the chairpersonship of Allison Giffen, UPRC is hoping to expand their place in conversations about resource allocation by asking for a bigger and more nuanced picture of the financial health of the university. It is critical for us to see the budget process as a shared space in which all constituents participate but also to hold ourselves accountable for what the university spends its money on. And I think most importantly, UPRC really wants to shift the conversation about how resources are allocated from a needs-based approach to one that both considers need but also innovation/vision. As I hope you will agree, what makes Western such a well-regarded university is our innovative spirit and that we are often ahead of the curve. Putting money toward expanding programs and offerings is just as crucial as taking care of the needs that come up.

At the next meeting I hope to provide you substantive updates on the work of Senate as well the Senate subcommittees. As a side note, I had the pleasure, with most of you, to see Glass Hall yesterday and I was just awed by both the structure and spirit of the space. We often don't think about how spaces help to determine our shared reality and commitments, but the accomplishment that is Glass Hall reminds us how much it matters for our spaces and our culture to be truly inclusive."

10. ASSOCIATED STUDENTS REPORT & WELCOMING NEW AS LEADERSHIP

Glory Basic, Associated Students President, introduced the 2021-2022 Associated Students (AS) Executive Board that included Mallory Schaeftbauer, AS Vice President for Activities, Naira Gonzales, AS Vice President for Diversity, Ankur Handa, AS Vice President for Governmental Affairs, Jasmine Fast AS Vice President for Student Services, Laura Wagner, AS Vice President for Sustainability, and Brenner Barclay who serves as the AS Student Senate President.

Basic and the Executive Board reported their shared goals of the Associated Student for the year ahead that included facilitating communication of student needs, upholding the demands of the Black Student Union, supporting student life for traditional and non-traditional students, and working towards a campus cultural of shared governance.

11. BOARD FINANCE, AUDIT, AND ENTERPRISE RISK MANAGEMENT COMMITTEE

Trustee Faith Pettis, Chair, Finance, Audit, and Enterprise Risk Management (FARM) Committee reported that the committee did not meet in September at its regularly scheduled time and instead was provided an interim update report from Joyce Lope, Vice President for Business and Financial Affairs which included an overview of the President's expense audit, a capital budget update, overview of the refunding of the student recreation center bonds, Clery Act follow up report, and Treasury report and investment portfolio.

12. BOARD STUDENT SUCCESS COMMITTEE REPORT

Trustee Mo West, Chair, Student Success Committee, (SSC) reported that the committee decided to move the regularly scheduled Student Success Committee meeting back to align with the regular meetings of the Board of Trustees. West noted that the committee discussed topics for discussion for the upcoming year that included, student access and retention, expansion of the graduate school, and Outreach and Continuing Education programs.

West reported that advancing Diversity, Equity, and Inclusion will continue to be a top priority of the Student Success Committee. She added that the committee plans to continue to examine data and metrics throughout the year to monitor progress and to strive to meet the strategic goals and objectives detailed in the Strategic Plan.

13. DELEGATION OF AUTHORITY FOR REFINANCING STUDENT RECREATION FEE REVENUE REFUNDING BONDS, RESOLUTION MO. 2021-06

Joyce Lopes, Vice President for Business and Financial Affairs reported that the economic impacts of COVID-19 continue to be significant but have also led to historically low interest rates. She noted that the low interest rates have provided the Wade King Student Recreation Center with the opportunity to reduce the cost of the Recreation Center debt. She said over the life of the remaining outstanding bonds, the Wade King Student Recreation Center has the potential of saving \$2.7 million in debt service payments or 14.95% net present value savings. She explained that Resolution No. 2021-06 would delegate authority to President Randhawa of the Vice President for Business and Financial Affairs to determine the federal tax status, and method, timing, and details of the Bonds sale. She added that the authority to issue the Bonds under the Bond Resolution expires on June 30, 2022.

Lopes concluded that the authority for the delegated actions is subject to a minimum savings target of 3.00%, not to exceed the aggregate principal amount of \$19.2 million and a maximum term not to exceed 15 years.

MOTION 10-02-2021

Trustee Pettis moved that the Board of Trustees of Western Washington University, upon the recommendation of the President, adopt Resolution No. 2021-06 authorizing the sale of Student Recreation Fee Revenue Refunding Bonds, Series 2022, including delegation of authority as outlined in Resolution 2021-06.

The motion was voted on by roll call.

Roll Call for the Vote:

Trustee Sue Sharpe - Yes
Trustee Karen Lee – Yes
Trustee Faith Pettis – Yes
Trustee Mo West – Yes
Trustee Nate Jo - Yes
Trustee Chase Franklin – Yes
Trustee John Meyer, Chair - Yes

The motion passed.

14. APPROVAL OF PUBLIC WORKS PROJECTS

Joyce Lopes, Vice President for Business and Financial Affairs reported that the State Capital Budget provided funding to Western for a heating system conversion feasibility study. She noted that the study is intended to determine the feasibility of converting the existing steam distribution system on Western's campus to a water-based system, noting that the goal is to reduce Western's greenhouse gas emissions and overall environmental impact. Lopes reported that eleven teams submitted responses to the Request for Quotation (RFQ) with five teams make the short list for consideration. Săzăn Group showed strong expertise and relevant experience in the planning and design stage of campus-scale energy systems and good examples of innovative approaches to greenhouse gas reduction. Lopes added that the Săzăn team demonstrated a keen understanding of issues important to the Western community, including addressing Diversity, Equity, Inclusion, and accessibility concerns, and an awareness that student groups might potentially be involved in the study as stakeholders.

MOTION 10-03-2021

Trustee West moved that the Board of Trustees of Western Washington University, upon the recommendation of the President, award a consultant contract to Săzăn Group, Seattle, WA, for a fee of \$379,000, to conduct a heating system conversion feasibility study.

The motion was voted on by roll call.

Roll Call for the Vote:

Trustee Sue Sharpe - Yes
Trustee Karen Lee – Yes
Trustee Faith Pettis – Yes
Trustee Mo West – Yes
Trustee Nate Jo - Yes
Trustee Chase Franklin – Yes
Trustee John Meyer, Chair - Yes

The motion passed.

15. LEGACY REVIEW TASK FORCE RECOMMENDATIONS

Board Chair, Trustee John Meyer led a discussion on the report and recommendation of the Legacy Review Task Force (LRTF) that submitted to the President and Board of Trustees last summer. He

noted that the LRTF was charged with reviewing reports from Western Libraries Heritage Resources on the history and significance of building names on Western's Bellingham campus, to commission additional research as needed, and to make recommendations as to whether the names of particular buildings warrant consideration for removal. Additional consideration was to be given to the review of the name of the Huxley College of the Environment. In addition to requesting additional reports on the naming of Huxley College, the LRTF invited four scholars with expertise on T.H. Huxley and the intellectual history of his era to contribute their thoughts about Huxley's personal legacy. Meyer noted that the trustees realize the significance of retaining or removing a name from a building or college, and that members of the Western community hold strong views on different sides of the issues, particularly regarding Huxley College, some of which were expressed during public comment earlier in the meeting. He noted that all perspectives are being considered seriously and that the input has been appreciated throughout the legacy review process.

Board Chair Meyer re-iterated the importance of the decision-making process and on behalf of the entire Board, underscored the importance of having a transparent and deliberative review process. He noted that people of good will can and will disagree about these issues, and that it is likely that any decision the Board of Trustees make on the LRTF recommendations will be met with some disagreement. However, Meyer continued to say that if the Board takes the time to have adequate, open, conversations, people on both sides will appreciate the integrity of the process.

Meyer reported that the Board of Trustees met in September 2021 for a Work Session in which the Board had a preliminary discussion about the LRTF report and recommendations that determined that additional resources were needed for the board to make more of a substantive decision. He noted the Board requested additional information on Edward T. Mathes, the namesake of Mathes Hall, from Western Libraries Heritage Resources. Meyer thanked Heritage Resources for their quick response in producing additional research, which has been posted to <https://president.wvu.edu/responses-report-additional-information>.

The Board of Trustees and those present continued with a substantive discussion about principles and criteria for removing or retaining the name on a named feature of Western's campus and how they could be applied to deliver decisions on the four recommendations presently being discussed.

Paul Dunn, Chief of Staff to the President and Secretary to the Board of Trustees, who also served on the LRTF, elaborated the principles included in the task force charge used to propel their individual recommendations that included: The harm caused by retaining the name, the potential harms or renaming, and considering and weighing relevant factors.

After long and frank discussion Board Chair Meyer thanked everyone for their input today and during the entire process. He suggested that a small subcommittee of trustees be convened before the next meeting to further discuss the principles of renaming and make a recommendation to the board as to how best to proceed. He reiterated that the process is paramount and important for everyone to reflect further on the conversation at hand, especially for the trustees. Chair Meyer proposed that the conversation be revitalized at the next regular meeting of the Board of Trustees in December 2021.

16. INFORMATION ITEMS

a. Enrollment Management Summary

Vice President Huskey provided a written report regarding the university's general enrollment and admissions

b. University Advancement Report

Vice President O'Neill provided a written report on the University's Alumni Relations and Western's Foundation activities.

c. Capital Program Report

Vice President Lopes provided a written report on the University's capital projects.

d. University Relations and Marketing Report

Vice President Gibbs provided a written report documenting recent activities of University Relations and Marketing.

17. TRUSTEE REMARKS

The trustees thanked everyone in attendance for their participation and the thoroughness of the meeting materials.

18. DATES FOR NEXT MEETING

December 9 & 10, 2021

19. ADJOURNMENT

The meeting adjourned at 12:08 p.m.

**Western Washington University
Board of Trustees
Special Meeting Minutes
Monday, November 1, 2021**

1. CALL TO ORDER

Board Chair, Trustee John Meyer called the special meeting of the Board of Trustees of Western Washington University to order at 8:37 a.m., via Zoom. A quorum was established by roll call.

Board of Trustees

John M. Meyer, Board Chair – *via Zoom*
Chase Franklin, Vice Chair – *via Zoom*
Faith Pettis – *via Zoom*
Nate Jo – *via Zoom*
Karen Lee – *via Zoom*
Mo West – *via Zoom*
Sue Sharpe – *via Zoom*

Western Washington University

Sabah Randhawa, President
Brent Carbajal, Provost/Vice President for Academic Affairs
Joyce Lopes, Vice President for Business and Financial Affairs
Melynda Huskey, Vice President for Enrollment and Student Services
Brian Burton, Associate Vice President, Academic Affairs
Shirin Deylami, Faculty Senate, President
Melissa Nelson, Assistant Attorney General
Brad Johnson, Dean, College of Science and Engineering
Paul Dunn, Chief of Staff and Secretary to the Board of Trustees
Rayne Rambo, Assistant Secretary to the Board of Trustees

**2. CONSIDERATION OF COLLECTIVE BARGAINING AGREEMENT BETWEEN
WESTERN WASHINGTON UNIVERSITY AND UNITED FACULTY OF WESTERN
WASHINGTON**

President Randhawa was joined by Theresa Warburton, President of the United Faculty of Western Washington (UFWW), Matt Roelofs, UFWW Bargaining Chair, and Rod Younker, Labor and Employment Attorney, Summit Law Group, who provided an overview of the of the Collective Bargaining Agreement negotiating process that began in April 2021. Randhawa noted and thanked everyone involved in the bargaining process that was considerably lengthened due to the COVID-19 pandemic. He reported that the members of the UFWW and Western Washington University reached an agreement the UFWW members had ratified, and they were now seeking the approval of the Board of Trustees.

The Trustees thanked everyone and commended the effort and commitment of everyone involved with the bargaining process. Trustee Sharpe noted that the format of the UFWW/WWU contract differed from similar contracts at other state institutions, which she thought were models of clarity and transparency. She suggested that the administration ensure that a similar format is used for the next contract.

MOTION 11-01-2021

Trustee West moved, on the recommendation of the President, that the Board of Trustees hereby approves the proposed collective bargaining agreement with the United Faculty of Western Washington.

The Board of Trustees authorizes the President or his designee to execute the agreement on behalf of the Board effective November 1, 2021, in keeping with the reserved authority in the Board of Trustees Rules of Operation, Section 2.3(h).

The motion passed.

3. EXECUTIVE SESSION

At 9:03 a.m. the board went into Executive Session for approximately fifteen minutes to discuss personnel matters as authorized by RCW 42.30.110. No action was taken in executive session.

Chair Meyer announced the board would go back into open session at 9:30 a.m.

4. ADJOURNMENT

The meeting returned to open session at 9:30 and adjourned at 9:31 a.m.

**WESTERN WASHINGTON UNIVERSITY
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

TO: Members of the Board of Trustees

FROM: Sabah Randhawa, President

DATE: December

SUBJECT: **Introductions**

PURPOSE: Information Item

President Randhawa will introduce the following people who are beginning their service with the University.

- Amy Kozak, Executive Director, Internal Audit
- Amy Salinas Westmoreland, Director, Multicultural Student Services
- Daniel Records- Galbraith, Director, Civil Rights and Title IX Compliance

Amy Kozak

Amy Kozak joins Western with 17 years of experience, Amy has worked with a wide range of companies providing internal audit, compliance, accounting, tax, and consulting services in a variety of industries, including higher education, telecommunications, financial services, and public accounting. Prior to coming to Western Washington University, Amy spent six years at Tulane University serving as a Senior Internal Auditor, where she also sat on the University Senate, the Wellness Committee, the Staff Advisory Council (SAC), and was the SAC Health & Wellness Chair, where she was responsible for developing an intramural sports program for faculty and staff. She has also presented at a national conference on how COVID-19 has influenced decision-making and impacted internal audit departments and university operations across the country. Amy is also the Association of College and University Auditors (ACUA) Best Practices Committee Director, served on the Board for the Institute of Internal Auditors (IIA)

New Orleans (NO) chapter, and was past President and Vice President for the IIA NO. She has also served as a member of the Escambia County School District Audit Committee. Amy is a graduate of the University of West Florida with a B.S. in Accounting and Tulane University with an MBA, specializing in Strategic Management and Innovation, and is a Certified Internal Auditor (CIA).

Amy Salinas Westmoreland

Amy Salinas Westmoreland (she/her) is Western Washington University's inaugural Director of Multicultural Student Services. She has been a leader in higher education for over ten years with experience spanning from residence life to social justice programming and facilitation to assessment. In her previous position, Amy led the assessment and strategic planning efforts for

the Office of the Vice Provost for Educational Equity. The foundation of Amy's work is creating accessible, equitable, and inclusive spaces that celebrate and amplify the voices of BIPOC, QTPOC, and other marginalized communities. Amy holds a B.A. in English and Women & Gender Studies from the University of Wisconsin-Madison and a M.Ed. in Higher Education Administration from Pennsylvania State University.

Daniel Records-Galbraith

Daniel Records-Galbraith joins Westerns as an experienced university civil rights administrator who previously served as the Assistant Director for Civil Rights Compliance and ADA Coordinator at Washington State University. During his nearly 10-year tenure at WSU, Daniel worked to create an environment where students, staff, and faculty felt comfortable reaching out to the civil rights office for competent and unbiased advice and support, and to create and re-evaluate policies and processes with an equity lens to ensure that all individuals participating in or seeking consultation about civil rights processes are treated with care, compassion, and respect.

His advocacy for equity and inclusion also extended beyond the university and into the community where he served as a Pullman City Councilmember from 2018-2021, and as an officer at Inland Oasis, an LGBTQ+ non-profit, from 2017-2021. Daniel hopes to continue to draw upon these experiences to bring the same level of passion and commitment to Western Washington University.

Daniel welcomes the opportunity to connect with the Western community, provide essential reporting resources, and to be a central resource regarding the civil rights responsibilities of the university.

Education

Bachelor of Arts (BA) Political Science, Washington State University
Juris Doctor (J.D.) University of Idaho College of Law

**WESTERN WASHINGTON UNIVERSITY
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

TO: Members of the Board of Trustees
FROM: Sabah Randhawa, President
DATE: December 10, 2021
SUBJECT: **Public Comment Period**
PURPOSE: Information Item

Purpose of Submittal:

RCW 28B.35.110 requires that the governing boards of regional universities provide for public comment at meetings and follow procedures for open public meetings in the Open Public Meetings Act.

The December meetings of the WWU Board of Trustees will be conducting using the virtual meeting platform, Zoom and in person. Persons wishing to comment during public comment can email Rayne Rambo, Assistant Secretary to the Board of Trustees to receive a Zoom invitation to the meeting. rambor@wwu.edu

Any member of the public wishing to listen to the meeting can do so via the audiocast as per usual at the link provided on the Board of Trustees web site and here: <https://wp.wwu.edu/live/>

**WESTERN WASHINGTON UNIVERSITY
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

TO: Members of the Board of Trustees
FROM: John M. Meyer, Chair, Board of Trustees
DATE: December 10, 2021
SUBJECT: **Board Chair Report**
PURPOSE: Information Item

Purpose of Submittal:

Board Chair John M. Meyer will report to members of the Board and President Randhawa and his staff on topics related to the Board of Trustees.

**WESTERN WASHINGTON UNIVERSITY
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

TO: Members of the Board of Trustees

FROM: Sabah Randhawa, President

DATE: December 10, 2021

SUBJECT: **University President's Report**

PURPOSE: Information Item

Purpose of Submittal:

President Randhawa will present brief reflection on issues of interest to the Board.

**WESTERN WASHINGTON UNIVERSITY
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

TO: Members of the Board of Trustees

FROM: President Sabah Randhawa on behalf of the Faculty Senate

DATE: December 10, 2021

SUBJECT: Faculty Senate

PURPOSE: Faculty Senate Report

Purpose of Submittal:

Shirin Deylami, Faculty Senate President, will brief the Board on recent activities of the Faculty Senate.

**WESTERN WASHINGTON UNIVERSITY
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

TO: Members of the Board of Trustees

FROM: President Sabah Randhawa on behalf of the Associated Students

DATE: December 10, 2021

SUBJECT: **Associated Students**

PURPOSE: Associated Students Report

Purpose of Submittal:

AS President Glory Basic will brief the Board of Trustees on recent activities of the Associated Students.

Content Warning:

The first paragraph of the statement below contains racist and dehumanizing language and beliefs of Thomas Huxley. Some people may find this material triggering or difficult to handle. The WWU Executive Board and Senate felt it was important to concisely explain, yet limit, the words of Huxley to hold the institution accountable for the harm that lauding *all* parts of Huxley's legacy has done to BIPOC communities.

If you need any support, here are some resources that may be helpful:

Counseling Center: <https://cwc.wwu.edu/>

Bias Response Team: <https://www.wwu.edu/sebrt>

Statement on Huxley Name Change

TO: Board of Trustees, Western Washington University

FROM: WWU Executive Board and Student Senate

DATE: November 23, 2021

SUBJECT: Board Response to Legacy Review Task Force Recommendation

Dear Members of the Board,

Concerning the unanimous recommendation made by the Legacy Review Task Force to remove T.H. Huxley's name from the College of the Environment, the WWU Student Government offers this statement of support.

The fact that Thomas Huxley was racist is irrefutable. He openly endorsed theories that are now classified as scientific racism such as "Huxley's Rule" which stated that Black people

were more similar to apes than they were to white people¹. One must also consider the unethical content and results of his debate with Richard Owen², and his anthropological works which consider whites superior to “lesser races”, “uncivilized” and “primitive” peoples (Brantlinger, 2003). Huxley also established a taxonomy of 11 different “stocks” or races. Only two of these stocks, the European Melanochroi and Xanthochroi, were considered by Huxley to be near equal races in terms of intelligence and physique, and making progress toward civilization and human achievement (Brantlinger, 2003; Huxley, 1870). However, Huxley did not attribute such descriptions to other races, and used especially harmful language in his category for Black people under the guise of using empiricist evidence and scientific language for his racial categorizations (Huxley, 1870). Huxley was an imperialist in the Enlightenment era of England who supported white supremacist beliefs, and believed that people of color, otherwise known to him as “barbarians” and “native savages,” were unfit to become “civilized” as members of society (Brantlinger, 2003). These claims have done irreparable damage to communities of color, established racism in the scientific community and its work, and fanned the flames of racism worldwide. They continue to hurt people of color within our university, with many students — particularly Black students — feeling degraded while attending an institution with a college named after such a prominent scientist that supported hurtful, racist sentiments. This alone provides enough justification to remove Huxley’s name from the College of the Environment, and is just one of several demands (number six of 19) from the university’s Black Student Organization to ensure inclusivity and respect to black students at our predominantly white institution (Black Student Organization, 2020).

¹ See the Rupke citation below and his [lecture](#) about Huxley from 18:50 onward or view the whole video for more information.

² See the Flannery citation below.

However, there are additional reasons for renaming the college. As recognized by the Legacy Review Task Force, not only does Huxley's glorification hurt people of color, but it also does significant damage to the reputation of Western Washington University. An institution which prides itself on inclusivity and acceptance cannot afford to be degraded by ideologies which entrench racism in a country built by racism and colonization. Removing Huxley's name from the College of the Environment will demonstrate that the University is receptive to the voices of students of color, committed to fostering inclusive learning environments, and committed to social justice in education. Given the fact that Thomas Huxley and his descendants never had any connection, financially or otherwise, to Western Washington University or Washington State and that there was no formal process to name the college after T.H. Huxley, the removal of the name from the college is a more than reasonable request to fulfill, while acknowledging valid alumni-related sentimental connection (WWU Legacy Review Task Force, 2021).

In addition to the reasons outlined above, the renaming of the College of the Environment (CoE) is supported by both faculty and students. Former College of the Environment senators Laura Wagner and Francis Neff held a virtual public forum on Jan. 25 to discuss the renaming of Huxley College. They were joined by the former AS Senate President Sargun Handa, who has supported the name change since 2019, and other Western students and faculty members. The senators of 2020-21 wanted the College of the Environment to have a name that respects people of all identities and backgrounds. Gene Meyers, an environmental studies professor who attended the forum, said, "This is the time to do it, if there ever was one" (Angulo, 2021). Then, on May 19, 21 CoE faculty members participated in writing an op-ed published in The Front backing the name change. The op-ed refuted those who wish to retain Huxley's legacy as a scientific hero,

and instead recognized him as an ethically flawed scientist of his era. Authors and signatories of this piece supported the idea of not naming the CoE after one specific person, in order to “better support our commitment to creating a more inclusive college culture” (Environmental Studies Faculty, et al., 2021). In addition, last spring all three candidates that ran to represent the student body of the College of the Environment supported the renaming of the college, proving that the Huxley name retention faction had virtually no support from the student body in the Student Senate elections. The Legacy Review Task Force demonstrated support also, sending its unanimous recommendation for the Huxley name change to President Sabah Randhawa on June 14 (WWU Legacy Review Taskforce, 2021).

However, we cannot write this letter without acknowledging the arguments of those who wish to keep the name. Some within the university argue that removing Huxley’s name to acknowledge his harmful legacy will overshadow the positive scientific contributions he made during his lifetime, and preserve the narratives of creationists who deny the biological theory of evolution. The AS Student Senate and Executive Board believe this argument lacks credibility. If one considers Darwin and the Theory of Evolution, historical evidence proves that Darwin’s work contributed to scientific racism (Rose, 2009). This demonstrates that Darwin held views which are rightfully regarded as indefensible and unscrupulous in modern society. The vast majority of people, scientists included, still respect Darwin’s Theory of Evolution and his other evolutionary science writings despite these views, while many still acknowledge the harmful impacts of Social Darwinism on the development of scientific racism (Rose, 2009). Therefore, we believe that the argument against removing the name for the above reasons is unfounded, if not in bad faith. Regardless, whatever positive contributions Huxley made to science cannot

undo the damage his ethnological work has done to people of color, and merits the removal of his name from the college.

Huxley's name is a detriment not only to the College of the Environment, but Western Washington University as a whole. To be fully in support of racial justice and people of color, we must fight back against the wishes of the few, some of whom were willing to undermine a process decided upon by the President and Board of Trustees, in order to maintain a status quo that negatively impacts students. Removing the name is a moral decision, and acts as a symbolic step for further efforts in the CoE to heal the racial divides and discrimination within our community. We humbly request that you, the Board of Trustees, remove Huxley's name from the College of the Environment, and rename it with a title that is respectful to all people regardless of race, ethnicity, class, gender, LGBTQ+ identity, and other identities.

Thank you,

WWU Executive Board and Student Senate

WWU Executive Board - Glory Busic, Mallory Schaeftbauer, Naira Gonzales, Ankur Handa, Jasmine Fast, Laura Wagner, Brenner Barclay

Student Senate - Jasleen Kaur, Anna Hedrick, Daniela Reyes, Cole Burk, Dylan Singh, Connor Johnson, Carmela Lu, Chris Adkins, Sofia Larrondo, Rahma Iqbal, Miriam Gold, Justin McGlone, Samia Quidwai, Cambria Keely, Kiernan Park-Egan, Taylor Provence

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**WESTERN WASHINGTON UNIVERSITY
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

TO: Members of the Board of Trustees

FROM: Faith Pettis, Chair, Board Finance, Audit, and Enterprise Risk Management Committee

DATE: December 10, 2021

SUBJECT: **Board FARM Committee Report**

PURPOSE: Information Item

Purpose of Submittal:

Chair Pettis will report to members of the Board of Trustees and the university president and his staff topics related to the Board FARM Committee.

**WESTERN WASHINGTON UNIVERSITY
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

TO: Members of the Board of Trustees
FROM: Mo West, Chair, Board Student Success Committee
DATE: December 10, 2021
SUBJECT: **Board Student Success Committee Report**
PURPOSE: Information Item

Purpose of Submittal:

Chair West will report to members of the Board of Trustees and the university president and his staff topics related to the Student Success Committee.

WESTERN WASHINGTON UNIVERSITY ITEM SUBMITTED TO THE BOARD OF TRUSTEES

TO: Members of the Board of Trustees

FROM: President Sabah Randhawa by Vice President Joyce Lopes

DATE: December 10, 2021

SUBJECT: **Conversation with Staff Leaders**

PURPOSE: Discussion Item

Western's executive leadership has invited WWU staff leaders to participate in a conversation with the Board of Trustees. As we reflect on the pandemic, the Trustees would like to hear from the PSO, PSE, and WFSE leadership about how their membership is doing, how to better engage with their constituents, and where the campus should focus in supporting its staff. WWU staff leaders plan to highlight three areas for discussion: compensation, employee morale, and imagining the future of work post pandemic.

Participants are:

- Anna Blick, President, Professional Staff Organization (PSO)
- Cheryl Mathison, President, Public School Employees (PSE) Classified Staff Union
- Brandon Taylor, President, Washington Federation of State Employees (WFSE) Classified Staff Union

Conversation with Staff Leaders

December 2021 Board of Trustees

Presented by

Anna Blick
President of WWU Professional Staff Organization

Cheryl Mathison
President of Public School Employees of Washington, WWU Chapter

Brandon Taylor
President of Washington Federation of State Employees, WWU Chapter

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Compensation

Professional staff were asked to forego an across-the-board increase of 3% in 2020. On October 1, 2020 PSE and WWU had not come to an agreement for the 2021–2023 contract. We began mediation soon after that and after a lengthy period of time without coming to the mediation table an agreement was reach in September 2021. WFSE’s hand was forced by their parent union to ratify a contract with no pay raises for the 2021–2023 contract cycle by the October 1, 2020 contract deadline.

Meanwhile, the cost of living rose significantly. Piecemeal compensation increases of small percentages across the board have failed to address a burgeoning gap between cost of living and WWU’s stagnant wages.

Current Average Salaries, Selected Payroll Titles

Admin Services Manager A	PSE	\$58,171
Academic Support Coordinator	PSO	\$52,344
Financial Aid Counselor	PSO	\$47,153
Custodian I*	WFSE	\$37,205
Office Assistant	WFSE	\$37,906
Program Coordinator	WFSE	\$49,548
Instructional Classroom Support Tech	PSE	\$58,689

*start out at same salary as Student Custodian Assistant, but students are paid hourly, so full-time employee can make less in a month than students since they are paid a set amount bi-monthly.

Rent

Median cost of 1 bedroom rental in Bellingham (2021): \$1,100-1,200¹

Median cost of 2 bedroom rental in Bellingham (2021): \$1,300-1,560²

Salary Ranges	2020 Salary Range at Step A	Salary Range	2020 Salary	1bd Rent as % of Salary	2bd Rent as % of Salary
42 and under	≤ \$39,528	36	\$34,368.00	42.35%	54.47%
43–52	\$40,440–\$50,256	46	\$43,392.00	33.55%	43.14%
53–62	\$51,432–\$64,332	56	\$55,524.00	26.22%	33.72%
63 and up	≥ \$65,928	63	\$65,928.00	22.08%	28.39%

Of the 254 classified job classifications at WWU, 46.5% (118) of them do not initially make enough to have the median rent in Bellingham be considered affordable (⅓ of income). Currently the lowest range Step A that can afford the average 1-bedroom rental in Bellingham is 46 (as well as all IT ranges). For a 2-bedroom rental, the minimum range is 56 or 02IT Step A.

¹ Zumper, Fair Market Rent

² Zumper, Fair Market Rent

Home prices

Increase in median home prices in Whatcom County

Median home price in Whatcom County in 2021: \$545,000³

Bellingham (up 17% from 2020): 582,000

Ferndale (up 19% from 2020): 559,500

Lynden (up 26% from 2020): 520,000

Increase in median home prices in Skagit County

Median home price in Skagit County in 2021: \$526,000⁴

Mount Vernon (up 32.2% from 2020): 575,000

Sedro-Woolley (up 7.9% from 2020): 421,000

Stanwood (up 27% from 2020): 590,000

Increases in other cost of living expenses

Consumer Price Index rose an overall 6.2 percent this year (as of 11/10/21)⁵

Childcare prices for daycare centers in Washington State rose 55% during the COVID-19 pandemic; prices for independent childcare rose by 83% during the same period.⁶ Whatcom County is also currently identified as a childcare desert.⁷

Employee Morale

Workload capacity concerns

Staff regularly share a similar tale: Asking to do more with less on a long-term basis. Many staff express positions cut during mitigation efforts during the Great Recession were never replaced. The pandemic and its associated added workload and stress, including additional novel tasks and labors specific to COVID response, further exacerbated this problem. WWU experienced attrition of staff during a hiring freeze.

In the period ranging from 7/1/2020 to 6/30/2021, there were 97 departures of permanent classified and professional staff, and only 24 new hires.⁸

The focus tends to be on the students, faculty, and exempt staff. The message seems to be that it's okay to overwork and underpay classified staff as long as the students and faculty are happy.

³ Redfin.com

⁴ Redfin.com

⁵ <https://www.bls.gov/news.release/pdf/cpi.pdf>

⁶ <https://americanprogress.org/article/true-cost-providing-safe-child-care-coronavirus-pandemic/>

⁷ www.bellinghamherald.com%2Fnews%2Flocal%2Farticle238425618.html&usg=AOvVaw3Eu_FZRWpi3277GnzwWGF8

⁸ Data courtesy of WWU HR, WWU Budget Office November 2021

There is no equity when comparing classified employees to other employees on campus. We are second rate employees. It feels there is no respect for our rights. We are held to a completely different standard and then treated very differently.

Pervasive sense that we are an afterthought

When we were asked to report to the Board of Trustees on how staff are experiencing the campus, we turned to our respective memberships to ask and listen. The pervasive sense among staff of all groups is that we are an afterthought. Here are some main reasons why:

- We have a low-recognition environment for staff. There are only a few times a year excellence is celebrated. This should be regular, as it is for faculty service and contribution.
- Lack of succession planning, no career ladder programs. Employees take pay cuts to move laterally between divisions for additional experience.
- DCA (Dual Career Assistance) was built for faculty. Staff do not benefit from an equivalent structure.
- HR lacks adequate resources for organizational/professional development, onboarding, and training. Staff are often asked to volunteer their time to fill these gaps.

What does it mean to serve the university community?

Staff service on committees and in university governance is not compensated, yet the University benefits from our labors. Faculty receive incentives, such as course releases, to serve in these roles, and we do not. This impacts who is even able to participate. And yet, despite this, we are consistently asked to volunteer additional time for university projects, initiatives, and governance in the name of service (this BOT meeting is but an example)

Strong desire for remote and flexible work

Looking towards the future, remote work should be a part of WWU's plan for moving forward. Many people are able to complete all of their job tasks completely and maintain required support for departments and students. It would be a huge mistake if WWU makes the decision to require all staff to be back in the office all the time. Not only are people able to do their jobs, but for many, their quality of life is improved by working remotely.

I am sure I am not the only one who has expressed concerns regarding access to remote work during Winter Quarter. As I understand it, it was a luxury of Fall quarter and will not be offered in subsequent Quarters with the exception of health-related accommodations. Why?? Has COVID taught us nothing about the potential flexibility of the workplace? Many organizations have moved to a 32-hour work week which has shown benefits to productivity, economics, and climate change. Additionally, the 32-hour work week is a feminist issue, supporting families and caregivers as they are often faced with the "second shift" as they come home from work exhausted,

but yet expected to tend to the home (cooking dinner, preparing meals, cleaning, housework, etc). Also, as we all know, Whatcom county is a childcare desert. Access to fewer hours at my desk would help me and many other employees at Western ensure coverage. Why is the college insistent on "the way it's always been done", which has never been a good reason to do anything.

While Western makes a big show of valuing equity and allowing remote work for some employees, it's clear that while faculty are being given the option to teach online, classified staff are being held to a higher standard, with some being forced to work on campus regardless of safety or precautions. Staff are not being notified of positive COVID tests, though faculty and Chairs are. We aren't taking the opportunity to examine the work before throwing people back into the front lines of customer service.

Governor Inslee issued a proclamation about climate change, asking all state institutions to examine their practices to see if we can impact the amount of emissions used. Do we need to be onsite and commute five days a week? What does our job actually require of us? We're all being pushed to go back to a normal that may not have been healthy for many in the first place.

Lack of equity and frustration with lip service

Bargaining Agreement

During the bargaining process, PSE asked that the following statement be added to the Preamble of the contract:

The first paragraph of the Preamble states:

This Agreement is made and entered into by Western Washington University (Western), referred to as the "Employer" and Public School Employees of Washington (PSE), referred to as "PSE". The parties agree that it has been and will continue to be in their mutual interest:

- To support the intent of Western Washington University's Strategic plan by fostering a caring community where all members are supported, where everyone has a voice and the ability to be heard, and where the definition of community is broad and inclusive in an environment that pursues justice and equity in its policies and practices and impacts;

We were told absolutely not, that the strategic plan changes and that the University did not want to make it part of the contract.

Lack of an agreed upon definition of equity

PSE has also tried to introduce the topic of an agreed-upon definition of equity with the university. We were told that the university is looking into it.

Employee Voices

It is hard to support students when you are not provided the adequate resources to do so. Western's words do not correlate with its actions. WWU talks about the importance of equity and inclusion yet they turn around and treat certain populations inequitably and discriminate against certain groups.

I feel that I am regarded as a tool required to achieve certain bureaucratic aims, and not necessarily as someone with valuable experience and perspective. I would like to contribute more to the student experience and feel that my skills—while few—are not being fully utilized. Not receiving the same benefits as some of my colleagues makes me feel like a second-tier employee; this practice is not aligned with Western's commitment to equity and fairness.

"Commitment to equity and justice, and respect for the rights and dignity of others" does not apply to classified employees.

It is ironic that equality is espoused on campus, but classified staff are not treated equally. Classified staff do not have the same vacation time (3+ weeks less) or retirement benefits as faculty or professional staff.

Staff are the servant class of WWU. Much time is wasted by admin in formulating feel good statements that never seem to address real world problems. Staff are retaliated against for bringing up problems.

We are included to be included, but not listened to or part of the process. They go in with a plan and stick to it. They will not listen or willing to accept any ideas or input. All smoke and mirrors of being part of the processes.

If Equity and work life balance are important, then put your money where your mouth is. Otherwise, take down the mission and vision statements and stop pretending to be something you're not.

PSE Survey Results (2018, 2020)

This data comes from the last two PSE bargaining surveys:

Do you believe the Mission and Vision of WWU is applied to classified employees?	2018 (84 Responses)	2020 (195 Responses)
Yes	9%	17%
Occasionally	45%	42%
Rarely	38%	38%
Never	9%	3%

I believe that Western Washington University's President and Board of Trustees has a strong commitment to the overall wellbeing of classified employees.	2018	2020
Agree/Strongly Agree	36%	40%
Disagree/Strongly Disagree	39%	40%
Neither Agree or Disagree	25%	20%

I believe that Western's Administration, excluding the President and Board of Trustees has a strong commitment to the overall well-being of classified employees. (VPs, Provost, etc...)	2018	2020
Agree/Strongly Agree	26%	30%
Disagree/Strongly Disagree	49%	52%
Neither Agree or Disagree	25%	18%

WWU Human Resources has a strong commitment to the overall wellbeing of classified employees	2018	2020
Agree/Strongly Agree	16%	27%
Disagree/Strongly Disagree	66%	59%
Neither Agree or Disagree	18%	15%

Looking Toward the Future

We find ourselves working for a university two years after the start of a global pandemic. Reflecting on lessons learned, looking toward a meaningful COVID-19 recovery, and with the WWU Strategic Plan⁹ in the background, we ask the Board of Trustees to consider our following recommendations:

- Extend to staff what is extended to faculty. Acknowledge the direct and critical roles staff play in the recruitment, enrollment, retention, advising, support, instruction, and wellbeing of our students (Goals #1, #3, & #4)
- Provide staff with an equal voice in the strategic budget process (UPRC is a subcommittee of Faculty Senate and provides us with only nominal representation). (Goal #4)
- Recognize the health and safety risks undertaken by those working on site. Proactively tackle burnout. (Goals #2, #3, & #4)

⁹ <https://provost.wvu.edu/strategic-plan-2018-2025>

- Meaningfully assess lessons learned during the work-from-home mandate, and support efforts to implement long-term changes. (Goal #4)
- Offer comprehensive benefits, such as improved on-site childcare and tuition discounts/waivers for dependents. (Goals #2, #3, and #4)
- Recognize that compensation issues will only become more dire, given current economic trends. Make concrete steps to phase in an appropriate compensation program to support our espoused goals of transformational education, diversity, and academic excellence. (Goals #1, #3, & #4)
- Be bold, be strategic (Make Waves!). Too often administration takes a “wait and see” approach to staff benefits and compensation, relying upon the state or other public four-years to set the agenda. Ask what is right for the employees of WWU and pursue those objectives. Involve staff governance leaders directly in the conversation with legislators (and, thank you for inviting us here today). (Goals #1, #2, #3, & #4)

WESTERN WASHINGTON UNIVERSITY ITEM SUBMITTED TO THE BOARD OF TRUSTEES

TO: Members of the Board of Trustees

FROM: President Sabah Randhawa on behalf of Brent Carbajal, Provost

DATE: December 10, 2021

SUBJECT: A Conversation with Academic Deans

PURPOSE: Discussion Item

Purpose of Submittal:

In this interactive session, four of our academic deans will offer their perspective on the challenges brought on by the pandemic, including their thoughts about successes and lessons learned. The deans will also elaborate on some of their strategic priorities going forward. Deans Brad Johnson (Science and Engineering), Paqui Paredes (Humanities and Social Sciences), Caskey Russell (Fairhaven), and Scott Young (Business and Economics), will make up this panel.

Background:

As the pandemic hopefully wanes and Western moves toward more normal operations, we're often asked how things have gone during the pandemic, what we've learned, and how will we from this juncture take up continued work on our strategic priorities. Three of our panelists have ample experience in their positions and at Western, one is a brand-new dean. We think it's important that we not only give the Trustees a sense of "where we're at," but that we also hear the Board's questions and thoughts.

Strategic Questions:

1. What do Trustees know about how we've operationally navigated the pandemic?
2. Are there any assumptions that might have existed pre-pandemic about which the Trustees might be curious to learn if they've been confirmed or refuted?
3. What thoughts do the Trustees have about Western's strategic priorities post-pandemic?

**WESTERN WASHINGTON UNIVERSITY
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

TO: Members of the Board of Trustees

FROM: President Sabah Randhawa on behalf of Melynda Huskey, Vice President Enrollment and Student Services

DATE: December 10, 2021

SUBJECT: **Approval of Rule Change to Chapter 516-21 WAC, Student Conduct Code, In Response to New Title IX Guidance**

PURPOSE: Action Item

Purpose of Submittal:

To obtain approval from the Board to adopt the proposed amendments to the Student Conduct Code.

Proposed Motion:

MOVED, that the Board of Trustees of Western Washington University, upon recommendation of the President, approve the adoption of the proposed amendments, as attached, to the Washington Administrative Code, Chapter 516-21 WAC, Student Conduct Code, as filed in the Washington State Register, WSR 21-20-117.

Points to Consider:

In May 2020, the Office of Civil Rights issued new federal regulations that required institutional compliance and policy changes by August 2020. New sections of the code, written by staff in the Washington state Attorney Generals' office, were added on an emergency basis following the Board of Trustees meeting on August 21, 2020. Since then, the Board has approved emergency extensions of these new sections on December 11, 2020, April 2, 2021, and June 11, 2021.

Since August 2020, staff has followed the permanent rule-making process and worked to amend the student conduct code by adding the emergency changes as well making other edits.

Stakeholder review included the following: On April 28, 2021, an email was sent to all current students, faculty and staff inviting input and comment on the changes required by the August 2020 Title IX regulations. Recipients were directed to a SharePoint site with an overview of the code review process, the draft code with highlighted changes, and a FAQ page that was updated with questions and feedback. Technical Review Committee, University Policy & Rules Review Group, and Western's assigned Assistant Attorney General also reviewed the proposed changes and provided input.

Supporting Information:

Attachment 1 Student Conduct Code with amendments
Attachment 2 Hearing Officer's Report

AMENDATORY SECTION (Amending WSR 17-05-100, filed 2/15/17, effective 3/18/17)

WAC 516-21-010 Introduction. (~~(Western Washington University students enjoy the same basic rights, privileges, and freedoms granted to all members of society. At the same time, acceptance of admission to the university carries with it an obligation to fulfill certain responsibilities and expectations as a member of the Western Washington University community.~~

~~As members of the Western community, students must assume responsibility for their own actions and maintain an environment conducive to academic success. In addition, they are expected to be truthful, respect the rights of others, and abide by all university policies and procedures, as well as all applicable local, state, and federal laws and regulations. All students are responsible for understanding and complying with the responsibilities and expectations set forth in this code both on and off campus.~~

~~The student conduct process is intended to be educational in ensuring that students act in a manner consistent with high standards of scholarship and behavior, while maintaining the safety and well-being of all members of the university community.)~~ The student conduct code is intended to support the mission and values of Western Washington University by promoting integrity, responsibility, and accountability. As a public institution of higher education, the university is committed to maintaining a learning environment that supports student development through fostering community values and promoting holistic well-being for the Western community. As members of this community, students are expected to understand and comply with the student conduct code, as well as other university rules, regulations, procedures, and policies.

The board of trustees of Western Washington University, acting under the authority of RCW 28B.35.120(12) has established the following regulations for student conduct. The responsibility for enforcement of the student conduct code lies with the university president and is delegated to the vice president of enrollment and student services.

AMENDATORY SECTION (Amending WSR 17-05-100, filed 2/15/17, effective 3/18/17)

WAC 516-21-020 Definitions. As used in this chapter, the following words and phrases mean:

(1) (~~(**Day.** Any day, Monday through Friday (excluding holidays), during which university offices are open.)~~) **Appeals board.** The student conduct appeals board.

(2) **Catalog.** *The Western Washington University General Catalog.*

(3) **Code.** The student conduct code.

(4) (~~(**Board.** The student conduct appeals board.~~

~~(5))~~) **Conduct hold.** A block placed on a student's official university record at the request of a conduct officer or dean of students. A conduct hold prohibits a student from registering for classes, (~~(requesting)~~) and may prohibit the request of an official

transcript, or receiving a degree from the university until the hold has been removed.

~~((+6))~~ (5) **Conduct officer.** A conduct officer or their authorized designee as determined by the dean of students.

(6) **Day.** Any day, Monday through Friday (excluding holidays), during which university offices are open.

~~(7) **Dean of students.**~~ ~~((The dean of students or their authorized designee.))~~ The person designated by the vice president for enrollment and student services for oversight and administration of the code.

(8) **Guest.** Any person who is not a member of the university community, who is on university property or attending an official university function at the invitation and/or hosting of a student.

(9) **Member of the university community.** Any person who is a student, university official, registered volunteer or who is otherwise employed or contracted by the university. Any question regarding a person's status in a particular situation for purposes of this code shall be determined by the dean of students.

(10) **Official university function.** Any live or virtual activity, on or off campus, that is initiated, sponsored, or supervised by any entity of Western Washington University.

(11) **Preponderance of evidence.** Defined as "more likely than not," the standard of responsibility that is used when determining whether a violation of the student conduct code has occurred.

(12) **Reasonable person similarly situated.** The standard of a reasonable person taking into consideration any particularized circumstances, perspectives, and identities of the complainant within the context of the alleged conduct/incident.

(13) **Retaliation.** Retaliation includes, but is not limited to, intimidation, threats, harassment, and/or other adverse action taken against any student or other person for filing a complaint or participating in a university investigation or student conduct proceeding in good faith.

(14) **Sexual violence.** Sexual assault, dating violence, domestic violence, and stalking or any other type of sexual misconduct or gender-based discrimination.

(15) **Student.** Any person who:

(a) Has been formally admitted to the university;

(b) Is enrolled in one or more classes at the university, including nonmatriculated international students attending language institutes or foreign study programs;

(c) Is participating in a certificate, degree, distance learning, or professional enrichment program, through extended education and summer programs;

(d) Is participating in a university-sponsored study abroad program;

(e) Was enrolled in a prior quarter or summer session at the university and is eligible to continue enrollment in the quarter or summer session that immediately follows; or

(f) Withdrew from the university after an alleged violation of the code, for conduct that occurred while they were enrolled in or participating in a program offered by the university.

~~((+13))~~ (16) **Title IX.** Title IX refers to any behavior covered under federal regulation and investigated by Western's office of civil rights and Title IX compliance. Definitions and regulations related to alleged violations of Title IX begin in WAC 516-21-191.

(17) **Title IX committee.** The student conduct committee that hears cases under Title IX. The committee consists of at least a chair, and

may include faculty and/or staff, and is responsible for conferring and drafting an initial conduct order as described in WAC 516-21-298.

~~((14))~~ **(18) University.** Western Washington University and all associated programs, including those offered online and/or at off-campus program sites.

~~((15))~~ **(19) University official.** Any person employed or contracted by the university, who is performing assigned teaching, administrative, or professional responsibilities. University officials may be full- or part-time, and may include student staff members.

~~((16))~~ **(20) University property.** All land, buildings, facilities, electronic presences, and other property that is owned, used, leased, or controlled by Western Washington University wherever located. University property also includes computer systems, virtual programs and platforms, and adjacent streets and sidewalks.

~~((16))~~ **(21) WAC.** An abbreviation for the Washington Administrative Code.

AMENDATORY SECTION (Amending WSR 17-05-100, filed 2/15/17, effective 3/18/17)

WAC 516-21-030 Jurisdiction. (1) The student conduct code applies to all conduct that occurs on university property or in connection with any official university function.

(2) ~~((Western Washington University does not act as a policing agent for students when they are off campus. However, the university reserves the right to take action if a student's conduct is determined to adversely affect a substantial university interest.))~~ Student conduct that occurs off campus may be subject to the student conduct code when it:

(a) Adversely affects the safety or well-being of any member of the university community; or

(b) Adversely affects the pursuit of the university's vision, mission, or values; or

(c) Involves academic work or any records, documents, or identifications of the university.

In determining whether to exercise jurisdiction over such conduct, a conduct officer shall consider the seriousness of the alleged offense, the risk of harm involved, and whether the alleged complainant(s) are members of the university community. Any question of interpretation or application of jurisdiction shall be referred to the dean of students for final determination.

(3) Students are responsible for their conduct from the time they have confirmed their enrollment at Western through the awarding of their degree. This includes conduct that occurs before classes begin, after classes end, and during periods between actual terms of enrollment. Students who are found to be in violation of the code may be subject to sanctions under the code.

(4) A student with a pending conduct violation may not avoid the conduct process by withdrawing from the university. In these circumstances, either:

(a) The university will proceed with the conduct process and, if so, the respondent will be provided with a continued opportunity to participate; and/or

(b) A conduct hold (~~((will))~~) may be placed on the student's official record, preventing them from registering for classes, requesting an official transcript, or receiving a degree from the university. This hold will remain in place until the student has met with the conduct officer to discuss the alleged conduct violation(s).

(5) The code applies to the conduct of any student employee whose position is conditioned upon their student status.

(6) Sanctions against student organizations are decided by procedures established by the university administrative unit governing that organization's recognition. Conduct proceedings against individual member(s) of a student organization can be initiated under this code, independent of any departmental action(s) taken against the student organization.

AMENDATORY SECTION (Amending WSR 12-01-021, filed 12/9/11, effective 1/9/12)

WAC 516-21-040 Student responsibility for guests. (1) Guests and visitors on university property or at official university functions are expected to (~~((comply with))~~) follow all university policies and procedures, as well as all applicable local, state, and federal laws and regulations.

(2) Students who invite guests into their campus residence hall or apartment, or to official university functions open only to Western students, are responsible for the behavior of their guests. As a result, a student may be held responsible for any alleged violation(s) of the code committed by their guests. See also WAC 516-24-001 Conduct of campus guests and visitors.

AMENDATORY SECTION (Amending WSR 17-05-100, filed 2/15/17, effective 3/18/17)

WAC 516-21-055 Amnesty. (1) In situations involving intoxication, alcohol poisoning, or drug-related medical issues, students are encouraged to seek swift medical assistance for themselves and others without fear of penalty. Students requesting and receiving medical assistance in these situations (~~((will))~~) are not typically (~~((be))~~) subject to the student conduct process. This policy refers to isolated incidents and does not excuse students who repeatedly or flagrantly violate the alcohol or drug policy, nor does it preclude action arising from other violations of the code. Western will consider the positive impact of reporting a situation when determining any course of action.

(2) Complainants and witnesses who in good faith report sexual violence will not be subject to alcohol or drug violations of the code occurring at or near the time of the sexual violence unless their own conduct placed another person's health or safety at risk. Without imposing sanctions, Western may initiate educational remedies regarding alcohol or drug use.

AMENDATORY SECTION (Amending WSR 17-05-100, filed 2/15/17, effective 3/18/17)

WAC 516-21-060 Conduct that harms or threatens health or safety.

Conduct that harms, attempts to harm, or threatens the health or safety of any member of the Western community by any means (e.g., in person, through a third party, online) (~~(, or others on university property or in connection with any official university function, is a violation of the code)~~). This includes, but is not limited to:

(1) Physical assault.

(2) Any threat(~~(,)~~) stated or implied, to the health, safety or well-being of others.

(3) Any contact or communication of a threatening nature that intimidates, harasses, and would cause a reasonable person similarly situated to fear for their safety or well-being.

(4) Intoxication or impairment through the use of alcohol or other substances to the point that a student is unable to exercise care for their own safety or well-being.

(5) Sexual violence including sexual assault, dating violence, domestic violence, and stalking or any other type of sexual misconduct or gender-based discrimination.

AMENDATORY SECTION (Amending WSR 17-05-100, filed 2/15/17, effective 3/18/17)

WAC 516-21-070 Disruptive behavior. Behavior that substantially disrupts, disturbs, or interferes with the ability of students to learn or their on-campus living environment or the ability of university officials to perform their assigned duties is a violation of the code. Disruptive behavior includes, but is not limited to:

Any behavior that substantially disrupts, disturbs, or interferes with:

(1) Classroom activities or other educational pursuits;

(2) Official university activities or functions including, but not limited to, ceremonies, meetings, office functions, performances, or athletic events;

(3) Pedestrian or vehicular traffic; or

(4) The preservation and protection of university property and/or the personal property of members of the university community.

AMENDATORY SECTION (Amending WSR 17-05-100, filed 2/15/17, effective 3/18/17)

WAC 516-21-115 Discrimination and discriminatory harassment.

Discrimination or discriminatory harassment is prohibited on the basis of race (~~(; sex; sexual orientation; gender identity/expression; religion; age; color; creed; national or ethnic origin; physical, mental, or sensory disability (including disability requiring the use of a trained service animal); marital status; genetic information; and/or veteran status;)~~), ethnicity, color, national origin, age, citizenship

or immigration status, pregnancy, use of protective leave, genetic status, sex, sexual orientation, gender identity, gender expression, marital status, creed, religion, veteran or military status, disability or the use of a trained guide dog or service animal by a person with a disability; and as defined in Western Washington University policy POL-U1600.02 and POL-U1600.04, which prohibit discrimination, sexual harassment, and sexual misconduct. Anyone (~~complainant~~) fil- ing or involved in a complaint of discrimination is protected against retaliation.

(1) Sexual harassment is a violation of the code. Sexual harassment is any unwelcome conduct of a sexual nature including unwelcome sexual advances, requests for sexual favors, or other verbal, nonverbal, electronic, or physical conduct of a sexual nature, when:

(a) It has a tangible impact on a student's education including, but not limited to, classroom experiences, academic grades, living environment, participation in a university activity; or

(b) It is sufficiently severe (~~and/or~~), persistent and pervasive to interfere with a member of the university community's ability to work, study, or participate in their regular activities, or benefit from the university's programs or activities and creates a hostile environment.

(2) Gender-based harassment includes nonsexual acts of verbal, nonverbal, or physical aggression, intimidation, or hostility based on a person's gender or nonconformity with gender stereotypes, and is a violation of the code. Gender-based harassment violates this code when it is sufficiently severe and/or pervasive, such that it denies or limits another's ability to work, study, participate in, or benefit from the university's programs or activities.

(3) Sexual violence includes sexual assault, dating violence, domestic violence, and stalking or any other type of sexual misconduct or gender-based discrimination.

AMENDATORY SECTION (Amending WSR 17-05-100, filed 2/15/17, effective 3/18/17)

WAC 516-21-140 Drugs and paraphernalia. Except as permitted by law and university policy, the possession, use, cultivation, manufacturing, packaging, distribution, or provision of a controlled or illegal substance or the possession of drug paraphernalia while on university property or at an official university function is a violation of the code. This code violation also includes the intentional misuse or distribution of prescription drugs or inhalants; including volatile, aerosols, gases, and nitrites. See also *Policy Concerning Alcohol and Other Drugs* in the appendices section of the university catalog.

AMENDATORY SECTION (Amending WSR 17-05-100, filed 2/15/17, effective 3/18/17)

WAC 516-21-150 Interfering with (~~the conduct~~) a university complaint process. Interfering with (~~the conduct~~) a university com-

plaint process is a violation of the code. This includes, but is not limited to:

- (1) Giving a false report or claim;
- (2) Attempting to influence the impartiality of (~~witnesses or~~) any decision maker including appeals board member(s);
- (3) Participating in or encouraging retaliation against a complainant or witness;
- (4) Threatening, harassing, or intimidating complainants or witnesses;
- (5) Disrupting or interfering with the orderly conduct of a hearing or meeting; and
- (6) Failing to comply with any sanction(s) imposed as the result of a code violation.

AMENDATORY SECTION (Amending WSR 17-05-100, filed 2/15/17, effective 3/18/17)

WAC 516-21-180 Sexual misconduct. Sexual misconduct is a violation of the code and includes nonconsensual sexual contact, sexual exploitation, and sexual violence (sexual assault, dating violence, domestic violence, and stalking or any other type of sexual misconduct or gender-based discrimination). See also WAC 516-21-110 Harassment (other than sexual harassment or discriminatory harassment), WAC 516-21-115 Discrimination or discriminatory harassment, WAC 516-21-060 Conduct that harms or threatens, WAC 516-21-188 Stalking, WAC 516-21-184 Dating violence, and WAC 516-21-186 Domestic violence.

(1) Consent to any sexual activity must be clear, knowing, and voluntary. Anything less is equivalent to a "no." Clear, knowing, and voluntary consent to sexual activity requires that, at the time of the act, actual words or conduct demonstrate clear permission regarding willingness to engage in sexual activity and the conditions of such activity. Silence or passivity is not consent. Consent is ongoing and can be withdrawn at any time. Even if words or conduct alone seem to imply consent, sexual activity is nonconsensual when:

(a) Force or coercion is threatened or used to procure compliance with the sexual activity;

(i) Force is the use of physical violence, physical force, threat, or intimidation to overcome resistance or gain consent to sexual activity.

(ii) Coercion is unreasonable pressure for sexual activity. Coercive behavior differs from seductive behavior based on the type of pressure someone uses to obtain consent from another. When an individual makes it clear through words or actions that they do not want to engage in sexual contact, want to stop, or do not want to go past a certain point of sexual interaction, continued pressure beyond that point may be coercive. Other examples of coercion may include using blackmail, extortion, or a position of power to overcome resistance or gain consent to sexual activity.

(b) The person is asleep, unconscious, or physically unable to communicate their unwillingness to engage in sexual activity; or

(c) The person lacks the mental capacity at the time of the sexual activity to be able to understand the nature or consequences of the act, whether that incapacity is produced by illness, the influence of alcohol or another substance, or some other cause. When alcohol or

drugs are involved, a person is considered incapacitated or unable to give valid consent if they cannot fully understand the details of the sexual interaction (i.e., who, what, when, where, why, and how), and/or they lack the capacity to reasonably understand the situation and to make rational, reasonable decisions.

(2) Sexual assault is attempted or actual nonconsensual penetration, no matter how slight, of the vagina or anus by any body part or object; or of another's vagina, anus, or mouth by a penis. Sexual assault is also nonconsensual sexual contact or any intentional sexual touching, however slight, with any object or body part, by one person against another person's intimate parts (genitals or genital area, breast, or buttock (clothed or unclothed)). This includes any intentional bodily contact of one's own intimate area with another person.

(3) Sexual exploitation occurs when a person takes nonconsensual or abusive sexual advantage of another for their own advantage or benefit, or to benefit or advantage anyone other than the one being exploited, and that behavior does not otherwise constitute one of the other sexual misconduct offenses explained above.

(4) Use of alcohol or other drugs is not a valid defense to a violation of this policy.

(5) Sexual misconduct represents a range of behaviors; it can occur between strangers or acquaintances, including individuals involved in an intimate or sexual relationship. Sexual misconduct can be committed by individuals or groups of individuals directed to one or more people and can occur between people of the same or different sex. See also *University Policy U1600.04 Preventing and Responding to ((Sex Discrimination, Including Sexual Misconduct)) Sexual Harassment Under Title IX*.

AMENDATORY SECTION (Amending WSR 17-05-100, filed 2/15/17, effective 3/18/17)

WAC 516-21-184 Dating violence. Conduct by a student who is or has been in a romantic or intimate relationship with another that intentionally or recklessly causes bodily injury or places another in reasonable fear of ((serious)) bodily injury is a violation of the code. The nature of the relationship is determined by the length, type, and frequency of interaction between them. Sexual violence includes sexual assault, dating violence, domestic violence, and stalking or any other type of sexual misconduct or gender-based discrimination.

AMENDATORY SECTION (Amending WSR 17-05-100, filed 2/15/17, effective 3/18/17)

WAC 516-21-186 Domestic violence. Conduct by a student ((who is a current or former spouse or intimate partner (including between two people that share a child in common) that intentionally or recklessly causes bodily injury, or causes another to be in reasonable fear of serious bodily injury is a violation of the code)) with whom the victim shares a child in common, who is cohabitating with or has cohabi-

tated with another as a spouse or a person situated to a spouse by law with another that includes physical violence, bodily injury, assault, the infliction of fear of imminent physical harm, sexual assault, or stalking. Sexual violence includes sexual assault, dating violence, domestic violence, and stalking or any other type of sexual misconduct or gender-based discrimination.

AMENDATORY SECTION (Amending WSR 17-05-100, filed 2/15/17, effective 3/18/17)

WAC 516-21-190 Student violation of the law. Students are expected to abide by all local, state, and federal laws while on campus or at official university functions. Failure to comply with these laws is a violation of the code.

~~((While Western does not act as a policing agent for students when they are off campus, the university reserves the right to take action if a student's conduct is determined to adversely affect a substantial university interest as set forth in WAC 516-21-030 Jurisdiction.))~~ Western reserves the right to take action if a student's off-campus conduct is determined to adversely affect the safety or well-being of any member of the university community or the pursuit of the university's vision, mission, or values as set forth in WAC 516-21-030 Jurisdiction.

Proceedings under the code may be carried out prior to, simultaneously, or following civil or criminal proceedings in the courts. ~~((Since))~~ Due to the standard of proof under the code (preponderance of evidence) ~~((differs))~~ differing from that of criminal law, decisions made through the student conduct process are not subject to challenge on the grounds that criminal charges involving the same incident have been dismissed or reduced by a court of law.

AMENDATORY SECTION (Amending WSR 17-05-100, filed 2/15/17, effective 3/18/17)

WAC 516-21-195 Notification of criminal arrest. Failure by the student to notify the ~~((dean of students))~~ office of student life of any off-campus felony arrest, or when the arrest is for an offense that is violent, weapons-related, involves kidnapping, or requires that the student register as a sex offender by any legal authority within the U.S., within five calendar days of release from custody is a violation of the code. The university may send a letter to the student requiring that they make an appointment for an interview. During this interview, the dean of students or their designee shall discuss with the student:

- (1) The facts involved in the student's arrest;
- (2) The student's obligation to keep the university informed of the progress of any criminal charge(s);
- (3) The student's obligation to advise the university of the final disposition of any criminal charge(s); and
- (4) Whether the behavior falls under jurisdiction of the student code.

The university will cooperate with law enforcement and other agencies administering a corrective or rehabilitative program for the student. See also *POL-U5620.02 Notifying Campus Community About Sex and Kidnapping Offenders*.

AMENDATORY SECTION (Amending WSR 17-05-100, filed 2/15/17, effective 3/18/17)

WAC 516-21-230 Sanctions. ~~Sanctions ((serve many purposes including, but not limited to, educating students about the seriousness of their actions; reinforcing the high standards of scholarship and behavior expected of Western students; promoting student development; and maintaining the safety and well-being of members of the university community. When a student admits responsibility or is found in violation of the code, a conduct officer or dean of students may impose one or more of the sanctions listed in this section. This list of sanctions is not meant to be exclusive. Other sanctions, designed or intended to enhance the educational value of conduct proceedings, may be applied in a given case))~~ are intended to facilitate student learning, promote personal and community development, and maintain the safety of the university community. When a student accepts responsibility or is found in violation of the code, a conduct officer may impose one or more of the sanctions listed in this section. This list of sanctions is not meant to be exclusive. Other sanctions may be applied in each case at the conduct officer's discretion.

(1) **Warning.** A formal written notice to the student that a violation of the code has occurred, and that further violations may result in additional sanctions under the code.

(2) **Conditional status.** A probationary status imposed for a specific period of time, during which the student must demonstrate conduct that ~~((conforms to))~~ meets university ~~((standards))~~ expectations. Conditions restricting the student's privileges or eligibility for activities may be imposed. Violations of any conditions specified in the notice of conditional status or violations of any other university policies or regulations during the period of the sanction, may result in additional sanctions under the code.

(3) **Loss of privileges.** A student may be denied specific privileges ~~((i.e.))~~ e.g., participation in specific activities, restriction from specific areas of campus, etc.) on a temporary or permanent basis. Violations of any conditions specified in the notice of loss of privileges or violations of any other university policies or regulations during the period of the sanction, may result in additional sanctions under the code.

(4) **Restriction from contacting others ("no contact" order).** A student may be restricted from direct or indirect physical, verbal, or electronic contact with another person and/or group. Indirect or direct contact made with another person or group while a "no contact" order is in place may result in additional sanctions under the code.

(5) **Educational activities.** A student may be required to engage in educational activities related to violation(s) of the code. Such activities may include, but are not limited to, required attendance at educational programs, community service, conducting research projects, writing assignments, and/or meeting with campus officials.

(6) **Assessment, counseling, or treatment programs.** A student may be required to participate in an assessment, counseling, and/or treatment program (at the student's expense), to address substance abuse, anger issues, or other issues or types of behaviors that pose a threat to the safety or well-being of others.

(7) **Restitution.** A student may be required to provide compensation for loss, damage, or injury resulting from a violation of the code. Restitution may take the form of monetary or material replacement or appropriate service to repair or otherwise compensate for the loss, damage, and/or injury caused.

(8) **Parental notification.** Parents may be notified of conduct findings when a student under the age of twenty-one is found responsible for violations involving alcohol and/or drugs. When possible, students whose parents are to be notified will be informed before such notification occurs and given an opportunity to initiate contact with their parents.

(9) **Campus residence hall or apartment relocation.** A student's on-campus living arrangements may be transferred to another residence hall or apartment.

(10) **Termination of university residences agreement.** A student may be removed from their campus residence hall or apartment and their housing agreement terminated.

(11) **Suspension from the university.** A student may be removed from the university for a designated period of time, after which the student will be eligible to return. While suspended, the student is trespassed from all university facilities and prohibited from participating in official university functions. Specific conditions for readmission to the university may be imposed (e.g., counseling, completion of substance abuse treatment, etc.).

(12) **Deferred suspension.** A student may receive a notice of deferred suspension from the university, with a provision that they are allowed to remain enrolled contingent on meeting specific conditions. Failure to meet any condition(s) specified in the notice of deferred suspension will result in immediate suspension from the university.

(13) **Expulsion from the university.** A student may be permanently separated from the university. A student who has been expelled is not eligible for readmission.

AMENDATORY SECTION (Amending WSR 17-05-100, filed 2/15/17, effective 3/18/17)

WAC 516-21-240 Student conduct system. (1) The vice president for enrollment and student services is responsible for administration of the code. Supervision of the code has been delegated by the vice president to the dean of students.

(2) A conduct officer(s) shall be appointed and supervised by the dean of students or their authorized designee. A conduct officer has the authority to consider complaints, make findings, and administer sanctions for violations of the code. In complaints alleging ~~((discrimination or sexual violence, which includes sexual assault, dating violence, domestic violence, and stalking or any other type of sexual misconduct or gender-based discrimination, an investigation and written report of findings from Western Washington University's equal opportunity office (or their designee) will be provided to a conduct of-~~

~~ficer in lieu of the conduct officer's investigation)) a violation of any type of sexual misconduct or gender-based discrimination including Title IX sexual harassment which encompasses quid pro quo harassment, hostile environment, domestic violence, dating violence, stalking or sexual assault which includes nonconsensual sexual intercourse, non-consensual sexual contact, incest or statutory rape, complaints should be made to Western Washington University's office of civil rights and Title IX compliance. A final investigation report from Western Washington University's office of civil rights and Title IX compliance (or their designee) will be provided to the conduct officer in lieu of the conduct officer's investigation. The conduct officer will then consider this report and make a referral to the Title IX committee.~~

(3) Appeal board members shall be appointed to consider appeals of a conduct officer's findings and sanctions. Appeal board members shall include a pool of the following:

(a) Four faculty members, appointed by the faculty senate; and

~~(b) ((Six student members, appointed by the associated students board of directors and/or residence hall association. Student board members must:~~

~~(i) Have a cumulative grade point average above 2.0;~~

~~(ii) Not currently be under an active sanction of the conduct code or have had previous conduct violations during the current academic year; and~~

~~(iii) Be confirmed by the dean of students; and~~

~~(e)) Four staff members, generally but not exclusively from the division of enrollment and student services, confirmed by the dean of students.~~

(4) An appeals board shall be composed of five members and any three persons constitute a quorum of a board. Generally, an appeals board will be comprised of faculty(~~(7)~~) and staff(~~(7)~~ ~~and students, but in some instances may only be comprised of members from two of the three groups)). The dean of students, or their designee, will appoint a chair from this pool for each board. Board members may not have been involved in consideration of the complaint(~~(7)~~) or involved in the complaint. Board members must be properly trained in accordance with state and/or federal guidance. The dean of students or their designee will have final authority to approve all of those serving on a board. The dean of students, or their designee, will work to ensure that any board is balanced and representative.~~

(5) A staff member appointed by the dean of students may advise the appeals board on technical details of the code and its procedures.

(6) Conduct officers, the appeals board, the Title IX committee, and the dean of students or authorized designees have full authority to administer a decision under the code.

NEW SECTION

WAC 516-21-245 Interim measures. After receiving a complaint of misconduct, the dean of students may implement interim measures intended to safeguard a member, or members, of the Western community. An interim measure will be as minimally restrictive as possible and will remain in place until the complaint is resolved. Interim measures can include administrative no-contact orders, trespass orders, or similar

directives. Notices for interim measures are made in writing and will include how an objection can be raised.

AMENDATORY SECTION (Amending WSR 17-05-100, filed 2/15/17, effective 3/18/17)

WAC 516-21-270 Proceedings for violations of the code. (1) Any member of the university community may file a complaint against a student for a violation of the student conduct code. A complaint should be made in writing to the office of student life. Additionally, information received from any source (police report, third party, online, etc.) may be considered a complaint.

(2) After a consideration of the complaint, a conduct officer may take any of the following actions:

(a) Review the complaint, investigate and make a finding whether the code was violated and impose sanction(s);

(b) Terminate the proceeding and enter a finding that there is no violation of the code and/or that the respondent is not responsible for the alleged conduct violation; or

(c) Dismiss the investigation, which may be reopened at a later date if relevant information that was unknown to the conduct officer arises.

(3) In complaints alleging ~~((discrimination and/or sexual violence, including sexual assault, dating violence, domestic violence, and stalking or any other type of sexual misconduct or gender-based discrimination, complaints should be made to Western Washington University's equal opportunity office. An investigation and written report of findings from Western Washington University's equal opportunity office))~~ a violation of any type of sexual misconduct or gender-based discrimination including Title IX sexual harassment which encompasses quid pro quo harassment, hostile environment, domestic violence, dating violence, stalking or sexual assault which includes non-consensual sexual intercourse, nonconsensual sexual contact, incest or statutory rape, complaints should be made to Western Washington University's office of civil rights and Title IX compliance. A final investigation report from Western Washington University's office of civil rights and Title IX compliance (or their designee) will be provided to the conduct officer in lieu of the conduct officer's investigation. The conduct officer will then consider this report and make a finding as to whether the code was violated and impose sanction(s).

(4) Any student charged by a conduct officer with a violation of the student code is provided at least three days written notice of the student's meeting date, time and location. Any request to extend the time and/or date of the conduct officer meeting should be addressed to the conduct officer. The written notice shall include:

(a) A brief summary of the complaint, including the sections of the code allegedly violated;

(b) The approximate time and place of the alleged behavior that forms the factual basis for the charge of violation;

(c) The time, date, and place of the meeting;

(d) A copy of, or link to, the code.

(5) The respondent and complainant (if applicable) are notified in writing of the determination made by the conduct officer, including

the basis for any findings and sanctions. The notice includes information regarding the right to request an appeal.

(6) All notifications under the code are delivered by electronic mail to the students' university email account. Any notifications sent via regular U.S. mail (for instance, to students not currently enrolled) may be sent to the party's last known address or the address on file with the university registrar. Students are responsible for maintaining an updated mailing address on file with the registrar. Deadlines described in the code begin the date the notification is sent via electronic means.

(7) Upon written request to the dean of students' office, staff will be available to the respondent and complainant (if applicable) to assist in understanding the student conduct process.

(8) A conduct officer's determinations and findings are made on the basis of a "preponderance of the evidence," that is, whether it is more likely than not that the respondent violated the code.

(9) Evidence is relevant if it tends to make existence of a fact more or less probable. A conduct officer, appeal board chair, or dean of students shall have the discretion to determine admissibility of evidence.

(10) If respondent or complainant (if applicable) to whom notice of a meeting or hearing has been sent does not appear before a conduct officer or appeals board, the complaint may be considered in their absence, and the conduct officer or appeals board may issue a decision based upon that information.

(11) If any provision of this code is invalidated by court order or operation of law, the affected provision of the code will no longer apply.

AMENDATORY SECTION (Amending WSR 17-05-100, filed 2/15/17, effective 3/18/17)

WAC 516-21-280 Basis for appeal. (1) A student found in violation of the code may appeal the conduct officer's findings and/or the sanctions imposed. For incidents involving violence and/or sexual violence, including sexual assault, dating violence, domestic violence, and stalking or any other type of sexual misconduct or gender-based discrimination, a complainant may also request an appeal. An appeal may be requested for any reason including:

(a) The proceedings were not conducted in conformity with prescribed procedures and significantly impacted the outcome of the student conduct process;

(b) The sanctions imposed are substantially disproportionate to the violation(s) committed;

(c) The decision reached did not properly consider the information presented; and/or

(d) New information becomes available that was unavailable at the time of the original meeting((r)) and could substantially impact the original decision. A summary of this new information and its potential impact must be included. The dean of students or designee may then refer the complaint to the conduct officer for further action as appropriate.

(2) The appeal must be submitted by the respondent or complainant (if applicable) in writing to the dean of students within ten days of

the decision. The appeal must state, as clearly and concisely as possible, the reason for the appeal.

(3) Appeals of a finding that resulted, or may have resulted, in suspension or expulsion are considered by an appeals board. All other appeals are considered by the dean of students.

(4) No sanction will begin while an appeal or request for review is pending (~~(, except)~~). However, interim ((sanctions such as)) measures (e.g., administrative no-contact orders, trespass, ((ete)) loss of privileges) may continue.

AMENDATORY SECTION (Amending WSR 17-05-100, filed 2/15/17, effective 3/18/17)

WAC 516-21-290 Appeal procedures. (1) Appeals can be made by the respondent (or complainant in incidents involving violence and/or sexual violence, including sexual assault, dating violence, domestic violence, and stalking or any other type of sexual misconduct or gender-based discrimination) and must be made to the dean of students.

(2) The dean of students or their designee reviews the appeal.

(3) Where new information, unavailable at the time of the original meeting, that could substantially impact the original decision, is received, the dean of students or designee may then refer the complaint to the conduct officer for further action as appropriate. The dean of students or their designee may, at their discretion, refer the complaint to a different conduct officer for reconsideration.

(4) In appeals in which the possible or recommended sanction is not expulsion or suspension as determined by the conduct officer, a designee of the dean of students will consider the appeal and hold an informal meeting, giving each party an opportunity to be informed of the conduct officer's view of the matter and to explain their view of the matter.

(5) In appeals in which the possible or recommended sanction is expulsion or suspension as determined by the conduct officer, an appeals board considers the appeal.

(a) The appeals board will provide the respondent and complainant (if applicable) with five days' notice of an appeals hearing date, time and location. An appeal by respondent or complainant will be shared with the other party (parties).

(b) The appeals board meets (~~(in private))~~ confidentially and reviews the complaint, the results of the subsequent investigation and its findings, and the conduct officer's decision. The board provides an opportunity for respondent and complainant (if applicable) to share information and the board may call witnesses. The appeals board then deliberates in private.

(c) The chair of the appeals board will ensure that appropriate procedures and due process are in place for any respondent(s) and/or complainant(s), including:

(i) Only one official recording of the meeting is made and no other cameras or recording devices are allowed;

(ii) All written materials are shared with any respondent(s) and/or complainant(s);

(iii) Any respondent(s) and/or complainant(s) may be accompanied through the appeals board by an advisor of their choice and at their own expense;

(iv) Any respondent(s) and/or complainant(s) may make brief opening and closing statements;

(v) Any limits on questioning, including no direct questioning between any complainant and respondent; and

(vi) All witnesses and involved parties are sworn in under oath.

(d) After any appeal, the respondent and complainant (if applicable) may request that a decision be reviewed by the dean of students. This request for review must be made in writing within ten days of the written outcome of an appeal. The dean of students will review the written documentation only; any involved person (e.g., respondent, witnesses, complainant) may be called to meet if necessary and at the discretion of the dean of students.

~~((d))~~ (e) During limited times during the year, such as break periods and summer quarter, when board members are unavailable, an interim board may be appointed by the dean of students.

(6) Respondent and complainant (if applicable) will be informed of the outcome of reviews and/or appeals simultaneously and in writing within ten days.

(7) If there is no request for appeal received by the dean of students within ten days, the decision of the conduct officer is considered final. If there is no request for review within five days (or ten days of an appeals board decision), the decision is considered final.

NEW SECTION

WAC 516-21-291 Order of precedence under Title IX. This supplemental procedure applies to allegations of sexual harassment subject to Title IX jurisdiction pursuant to regulations promulgated by the United States Department of Education. See 34 C.F.R Part 106. To the extent these supplemental hearing procedures conflict with Western Washington University's standard disciplinary procedures, WAC 516-21-240 and 516-21-270, these supplemental procedures shall take precedence.

NEW SECTION

WAC 516-21-292 Jurisdiction under Title IX. (1) This supplemental procedure applies only if the alleged misconduct:

(a) Occurred in the United States;

(b) Occurred during a Western Washington University educational program or activity; and

(c) Meets the definition of sexual harassment as that term is defined in this supplemental procedure.

(2) For purposes of this supplemental procedure, an "educational program or activity" is defined as locations, events, or circumstances over which the Western Washington University exercised substantial control over both the respondent and the context in which the alleged sexual harassment occurred. This definition includes any building owned or controlled by a student organization that is officially recognized by Western Washington University.

(3) Proceedings under this supplemental procedure must be dismissed if the decision maker determines that one or all of the requirements of subsection (1)(a), (b), and (c) of this section have not been met. Dismissal under this supplemental procedure does not prohibit Western Washington University from pursuing other disciplinary action based on allegations that the respondent violated other provisions of Western Washington University's student conduct code, chapter 516-21 WAC.

(4) If the Title IX coordinator determines the facts in the investigation report are not sufficient to support Title IX jurisdiction and/or pursuit of a Title IX violation, the Title IX coordinator will issue a notice of dismissal in whole or part to both parties explaining why some or all of the Title IX claims have been dismissed.

NEW SECTION

WAC 516-21-293 Prohibited conduct under Title IX. Pursuant to RCW 28B.50.140(13) and Title IX of the Education Amendments Act of 1972, 20 U.S.C. Sec. 1681, Western Washington University may impose disciplinary sanctions against a student who commits, attempts to commit, or aids, abets, incites, encourages, or assists another person to commit, an act(s) of "sexual harassment."

For purposes of this supplemental procedure, "sexual harassment" encompasses the following conduct:

(1) Quid pro quo harassment. A Western Washington University employee conditioning the provision of an aid, benefit, or service of Western Washington University on an individual's participation in unwelcome sexual conduct.

(2) Hostile environment. Unwelcome conduct that a reasonable person would find to be so severe, pervasive, and objectively offensive that it effectively denies a person equal access to Western Washington University's educational programs or activities, or employment.

(3) Sexual assault. Sexual assault includes the following conduct:

(a) Nonconsensual sexual intercourse. Any actual or attempted sexual intercourse (anal, oral, or vaginal), however slight, with any object or body part, by a person upon another person, that is without consent and/or by force. Sexual intercourse includes anal or vaginal penetration by a penis, tongue, finger, or object, or oral copulation by mouth to genital contact or genital to mouth contact.

(b) Nonconsensual sexual contact. Any actual or attempted sexual touching, however slight, with any body part or object, by a person upon another person that is without consent and/or by force. Sexual touching includes any bodily contact with the breasts, groin, mouth, or other bodily orifice of another individual, or any other bodily contact in a sexual manner.

(c) Incest. Sexual intercourse or sexual contact with a person known to be related to them, either legitimately or illegitimately, as an ancestor, descendant, brother, or sister of either wholly or half related. Descendant includes stepchildren and adopted children under the age of eighteen.

(d) Statutory rape. Consensual sexual intercourse between someone who is eighteen years of age or older and someone who is under the age of sixteen.

(4) Domestic violence. Physical violence, bodily injury, assault, the infliction of fear of imminent physical harm, sexual assault, or stalking committed by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the state of Washington, or by any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the state of Washington, RCW 26.50.010.

(5) Dating violence. Physical violence, bodily injury, assault, the infliction of fear of imminent physical harm, sexual assault, or stalking committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim; and where the existence of such a relationship shall be determined based on a consideration of the following factors:

(a) The length of the relationship;

(b) The type of relationship; and

(c) The frequency of interaction between the persons involved in the relationship.

(6) Stalking. Engaging in a course of conduct directed at a specific person that would cause a reasonable person to fear for their safety or the safety of others or suffer substantial emotional distress.

NEW SECTION

WAC 516-21-294 Initiation of discipline under Title IX. (1)

Upon receiving the Title IX final investigation report from the Title IX coordinator, the student conduct officer will independently review the report to determine whether there are sufficient grounds to pursue a disciplinary action against the respondent for engaging in prohibited conduct under Title IX.

(2) If the student conduct officer determines that there are sufficient grounds to proceed under these supplemental procedures, the student conduct officer will initiate a Title IX disciplinary proceeding by filing a written disciplinary notice with the chair of the student conduct committee and serving the notice on the respondent and the complainant, and their respective advisors. The notice must:

(a) Set forth the basis for Title IX jurisdiction;

(b) Identify the alleged Title IX violation(s);

(c) Set forth the facts underlying the allegation(s);

(d) Identify the range of possible sanctions that may be imposed if the respondent is found responsible for the alleged violation(s);

(e) Explain that the parties are entitled to be accompanied by their chosen advisors during the hearing and that:

(i) The advisors will be responsible for questioning all witnesses on the party's behalf;

(ii) An advisor may be an attorney; and

(iii) Western Washington University will appoint the party an advisor of Western Washington University's choosing at no cost to the party, if the party fails to do so.

(3) Explain that if a party fails to appear at the hearing, a decision of responsibility may be made in their absence.

NEW SECTION

WAC 516-21-295 Prehearing procedure under Title IX. (1) Upon receiving the disciplinary notice, the chair of the student conduct committee will send a hearing notice to all parties, in compliance with WAC 516-21-250. In no event will the hearing date be set less than ten days after the Title IX coordinator provided the final investigation report to the student conduct officer.

(2) A party may choose to have an attorney serve as their advisor at the party's own expense. This right will be waived unless, at least five days before the hearing, the attorney files a notice of appearance with the committee chair with copies to all parties and the student conduct officer.

(3) In preparation for the hearing, the parties will have equal access to all evidence gathered by the investigator during the investigation, regardless of whether Western Washington University intends to offer the evidence at the hearing.

NEW SECTION

WAC 516-21-296 Rights of parties under Title IX. (1) Western Washington University's student conduct procedures, WAC 516-21-250 and 516-21-270 and this supplemental procedure shall apply equally to all parties.

(2) Western Washington University bears the burden of offering and presenting sufficient testimony and evidence to establish that the respondent is responsible for a Title IX violation by a preponderance of the evidence.

(3) The respondent will be presumed not responsible until such time as the disciplinary process has been finally resolved.

(4) During the hearing, each party shall be represented by an advisor who will conduct all questioning on the party's behalf. The parties are entitled to an advisor of their own choosing and the advisor may be an attorney. If a party does not choose an advisor, then the Title IX coordinator will appoint an advisor of Western Washington University's choosing on the party's behalf at no expense to the party.

NEW SECTION

WAC 516-21-297 Evidence under Title IX. The introduction and consideration of evidence during the hearing is subject to the following procedures and restrictions:

(1) Relevance: The committee chair shall review all questions for relevance and shall explain on the record their reasons for excluding any question based on lack of relevance.

(2) Relevance means that information elicited by the question makes facts in dispute more or less likely to be true.

(3) Questions or evidence about a complainant's sexual predisposition or prior sexual behavior are not relevant and must be excluded, unless such question or evidence:

(a) Is asked or offered to prove someone other than the respondent committed the alleged misconduct; or

(b) Concerns specific incidents of prior sexual behavior between the complainant and the respondent, which are asked or offered on the issue of consent.

(4) No negative inference: The committee may not make an inference regarding responsibility solely on a witness's or party's absence from the hearing or refusal to answer questions.

(5) Privileged evidence: The committee shall not consider legally privileged information unless the holder has effectively waived the privilege. Privileged information includes, but is not limited to, information protected by the following:

(a) Spousal/domestic partner privilege;

(b) Attorney-client and attorney work product privileges;

(c) Privileges applicable to members of the clergy and priests;

(d) Privileges applicable to medical providers, mental health therapists, and counselors;

(e) Privileges applicable to sexual assault and domestic violence advocates; and

(f) Other legal privileges identified in RCW 5.60.060.

NEW SECTION

WAC 516-21-298 Initial conduct order under Title IX. (1) In addition to complying with WAC 516-21-250 and 516-21-270, the student conduct committee will be responsible for conferring and drafting an initial conduct order that:

(a) Identifies the allegations of sexual harassment;

(b) Describes the grievance and disciplinary procedures, starting with filing of the formal complaint through the determination of responsibility, including notices to parties, interviews with witnesses and parties, site visits, methods used to gather evidence, and hearings held;

(c) Makes findings of fact supporting the determination of responsibility;

(d) Reaches conclusions as to whether the facts establish whether the respondent is responsible for engaging in sexual harassment in violation of Title IX;

(e) Contains a statement of, and rationale for, the committee's determination of responsibility for each allegation;

(f) Describes any disciplinary sanction or conditions imposed against the respondent, if any;

(g) Describes to what extent, if any, complainant is entitled to remedies designed to restore or preserve complainant's equal access to Western Washington University's educational programs or activities; and

(h) Describes the process for appealing the initial conduct order.

(2) The committee chair will serve the initial conduct order on the parties simultaneously.

NEW SECTION

WAC 516-21-299 Appeals under Title IX. (1) The parties shall have the right to request a review from the initial conduct order's determination of responsibility and/or dismissal of an allegation(s) of sexual harassment in a formal complaint. The right to request a review will be subject to the same procedures and time frames set forth in WAC 516-21-290 (5)(c). Appeals of initial conduct orders under Title IX move directly to the review stage of the student conduct code's proceedings.

(2) The vice president of enrollment and student services or their delegate will determine whether the grounds for a request for review have merit, provide the rationale for this conclusion, and state whether the disciplinary sanction and condition(s) imposed in the initial conduct order are affirmed, vacated, or amended, and, if amended, set forth any new disciplinary sanction and/or condition(s).

(3) The vice president of enrollment and student services or their delegate shall serve the final decision on the parties simultaneously.

AMENDATORY SECTION (Amending WSR 17-05-100, filed 2/15/17, effective 3/18/17)

WAC 516-21-310 Confidentiality of conduct proceedings and records. (1) The confidentiality of all conduct proceedings and records will be maintained in compliance with the student records policy((7)) as ((well as all)) applicable with state and federal laws. Conduct records prepared by a conduct officer, the appeals board, the Title IX committee, and/or the dean of students:

(a) Will be held in the ((dean of students)) office of student life for six years, except in cases of suspension, interim suspension, or expulsion, which are permanent records; and

(b) Will not be shared with any member of the public, except upon the informed written consent of the student(s) involved or as stated in the student records policy, or as required by law or court order. This includes, but may not be limited to:

(i) Information disclosed in conformance with exceptions to the prior written consent requirement of the Family Educational Rights and Privacy Act (FERPA) and implementing regulations found at 34 C.F.R. Sec. 99.

(ii) Files subjected to public records requests as required by state law.

(iii) In cases involving any crime of violence or a nonforcible sex offense where the complainant is deceased, final results of any disciplinary proceeding may be shared with the complainant's next of kin, upon their written request.

(2) The conduct officer's findings may be shared with the complainant, as required by law, in cases involving violence as defined by FERPA or sexual violence, including sexual assault, dating violence, domestic violence, and stalking or any other type of sexual misconduct or gender-based discrimination.

(3) The findings may also be shared with university officials involved in the completion or supervision of the sanction and/or the student. See also chapter 516-26 WAC, Student records.

AMENDATORY SECTION (Amending WSR 17-05-100, filed 2/15/17, effective 3/18/17)

WAC 516-21-340 Revision of the code. The code shall be reviewed every five years or more often, if needed, by ~~((the committee on the student conduct code. The))~~ a committee ~~((on student rights and responsibilities))~~ which shall include students, faculty, and staff. Once recommendations are complete, they will be forwarded to the vice president for enrollment and student services. See also POL-U1000.11 *Developing and Maintaining University Provisions of the Washington Administrative Code.*

AMENDATORY SECTION (Amending WSR 12-01-021, filed 12/9/11, effective 1/9/12)

WAC 516-21-350 Referenced policies and regulations in the code. Policies or regulations referenced in the code are available, upon request, in the ~~((dean of students'))~~ office of student life.

WWU RULE-MAKING REVIEW
Hearing Officer's Report
Chapter 516-21 WAC, Student Conduct Code

On November 16, 2021, at 11:04 a.m., a virtual public hearing was held on Zoom regarding a proposal to amend Chapter 516-21 WAC, Student Conduct Code. The hearing was conducted by Jennifer Sloan, Rules Coordinator. The hearing was held pursuant to the authority provided in the Revised Code of Washington Open Public Meetings Act and Administrative Procedures Act.

The testimony and Hearing Officer's Report are provided to the university's president for consideration of the permanent rule change. Upon approval, the proposed code is presented to the Board of Trustees for adoption and is effective when filed with the Code Reviser's Office.

Notice of Hearing

Notice of public hearing was published in the October 20, 2021, issue of the *Washington State Register* (21-20-117). Notice of hearing was also posted October 22, 2021, in the university's online campus newspaper, *The Front*, and on October 25, 2021, in the online campus newsletter, *Western Today*.

Hearing Attendance

The hearing was attended by: Michael Sledge, Executive Director for Student Life; Joshua Solorzano, *The Front*; and Melissa Nelson, Assistant Attorney General.

Background and Overview

Michael Sledge, Executive Director for Student Life, began the hearing by explaining why the code was being amended. In May 2020, the Office of Civil Rights issued new federal regulations that required institutional compliance and policy changes by August 2020. New sections of the code, written by staff in the Washington state Attorney Generals' office, were added on an emergency basis following the Board of Trustees meeting on August 21, 2020. Since then, the Board has approved emergency extensions of these new sections on December 11, 2020, April 2, 2021, and June 11, 2021.

Since August 2020, staff has followed the permanent rule-making process and worked to amend the student conduct code by adding the emergency changes as well making other edits.

Stakeholder review included the following: On April 28, 2021, an email was sent to all current students, faculty and staff inviting input and comment on the changes required by the August 2020 Title IX regulations. Recipients were directed to a [SharePoint site](#) with an overview of the code review process, the draft code with highlighted changes, and a FAQ page that was updated with questions and feedback. Technical Review Committee, University Policy & Rules



Hearing Officer's Report

Chapter 516-21 WAC

Page 2

Review Group, and Western's assigned Assistant Attorney General also reviewed the proposed changes and provided input.

Sledge discussed the following amendments to the Student Conduct Code:

- 516-21-010 Introduction – Much of the existing language was from the 2011 code review. Edits addressed the dated language.
- 516-21-020 Definitions – Added definitions related to Title IX changes: clarifications and minor improved language throughout.
- 516-21-030 Jurisdiction – Updates on some dated language and added clarifications.
- 516-21-115 Discrimination and discriminatory harassment – Updates to match federal and state legislation and Office of Civil Rights and Title IX Compliance (CRTC) policies.
- 516-21-186 Domestic violence - Updates to match federal and state legislation and CRTC policies.
- 516-21-190 Student violation of the law – Updates on dated language.
- 516-21-230 Sanctions – Clarifications on philosophy used in student conduct process.
- 516-21-245 Interim measures – Moving procedure to the policy level for clarity and transparency.
- New emergency sections 516-21-291 through 516-21-299 – Sections adopted in August 2020 and authored by the Washington state Attorney Generals' office; addressed the new Title IX regulations issued in May 2020.
- 516-21-310 Confidentiality of conduct proceedings and records – Clarifies our changing understanding of confidentiality and improves transparency of student's confidentiality.

It is likely that future changes will be necessary because of the current administration's review of the Title IX regulations issued August 2020. Any future changes will be considered collaboratively with campus partners during a broader review of the code.

Testimony

The Rules Coordinator reported that no written testimony was received.



Audience Comments and Questions

One audience member asked if the changes would affect how a student should act or if the changes were simply updates in language or grammar? Sledge responded that there are sections of the code that are prohibitions, such as alcohol, drugs, disruptive behavior policies, but those have not changed. The prohibitions that have changed are in relation to Title IX. (domestic violence, dating violence, stalking). Audience member asked another question about the WAC section drugs and paraphernalia. Is aerosols and inhalants new and why was it added? Sledge responded that when the code is reviewed a list is kept for potential edits such as poorly worded items, lessons learned, lack of clarity whether something is prohibited or not, and that this edit was a result of something that may not have been clear. Follow up question from audience member was those kinds of drugs were always prohibited on campus, correct? Sledge responded yes.

No further testimony was heard.

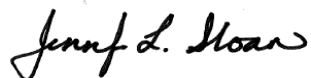
The hearing adjourned at 11: 15 a.m.

Conclusion

Considering the thorough review process the Student Conduct Code received during the past year and the recent changes in Title IX guidance, I recommend the following:

- That President Randhawa approve amended Chapter 516-21 WAC, Student Conduct Code; and further, that the proposed rule changes be brought before the Board of Trustees for its consideration.

Respectfully submitted,



Jennifer Sloan
Rules Coordinator

JS

Attachments:

Chapter 516-21 WAC – Final Draft of Proposed Rule
Audio Recording of Public Hearing

WESTERN WASHINGTON UNIVERSITY ITEM SUBMITTED TO THE BOARD OF TRUSTEES

TO: Members of the Board of Trustees

FROM: President Sabah Randhawa by Vice President Joyce Lopes

DATE: December 10, 2021

SUBJECT: **Construction Contract for the Interdisciplinary Science Building (ISB) Tenant Improvements, PW772**

PURPOSE: Action Item

Purpose of Submittal:

Award a construction contract for the Interdisciplinary Science Building (ISB) Tenant Improvements, PW772. Contract award following Board action. Notice to Proceed is scheduled after Board of Trustees approval and construction activities are scheduled to begin after the final completion of PW733 ISB, January 2022.

Proposed Motion:

MOVED that the Board of Trustees of Western Washington University, upon the recommendation of the President, award a contract to Regency NW Construction Inc., Bellevue, Washington, for the amount of \$1,174,000 (plus associated sales tax) to complete construction of four rooms (two labs and two lab support spaces) on the fourth floor of the ISB that were built as shelled space under the primary ISB contract (PW733).

Supporting Information:

These four spaces were initially bid as additive alternates to the ISB construction project and were not selected due to budget shortfalls. Funding was subsequently secured and the work has been bid as a separate project.

This project was advertised for competitive bidding on October 8, 2021 with the bid opening held at 10:00 AM on November 5, 2021. Two (2) bids were received by the University (see attached bid summary). Perkins&Will, Seattle, WA, prepared the plans and specifications for this project and will provide construction administration services.

Advertisement for bids included language promoting diverse business participation. Regency will contract with Foy Group, a self-identified WBE electrical contractor, that will provide approximately 10% of the contract's value. Capital Planning and Development (CPD) staff will encourage Foy Group to become state certified with OMWBE.

The total budget for the project is \$2,010,000.

Source of Funding:

State Capital Appropriations

BID SUMMARY		
PROJECT:	PW772 Interdisciplinary Science Building TI	
BID OPENING:	November 5, 2021	
Bidder Name:	Regency NW Construction Inc.	Tiger Construction Inc.
Base Bid:	\$ 1,174,000	\$ 1,258,000
Sub-Total:	\$ 1,174,000	\$ 1,258,000
Sales Tax (8.8%):	\$ 103,312	\$ 110,704
Total:	\$ 1,277,312	\$ 1,368,704
	Selected Bidder	

**WESTERN WASHINGTON UNIVERSITY
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

TO: Members of the Board of Trustees
FROM: President Sabah Randhawa by Provost Brent Carbajal
DATE: December 10, 2021
SUBJECT: **Approval of Fall Quarter Degrees**
PURPOSE: Action Item

Purpose of Submittal:

Board of Trustees responsibility to approve awarding of degrees

Proposed Motion:

MOVED, that the Board of Trustees of Western Washington University, on recommendation of the faculty and subject to the completion of any unmet requirements, approves awarding undergraduate and graduate degrees to the candidates listed in the files of the Registrar and Graduate Dean, for Fall Quarter 2021, effective December 11, 2021.

Supporting Information:

Lists on file with the Registrar and Graduate Dean.

<i>Students</i>	<i>December 2021</i>	<i>Comparison: December 2020</i>
<i>Undergraduates</i>	698	743
<i>Masters</i>	102*	52

*increase in Masters degrees mostly due to pandemic-related delays.

**WESTERN WASHINGTON UNIVERSITY
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

TO: Members of the Board of Trustees

FROM: President Sabah Randhawa by Provost Brent Carbajal

DATE: December 10, 2021

SUBJECT: **Academic Affairs Report: Number of Declared Majors**

PURPOSE: Information Item

Purpose of Submittal:

To provide the Board of Trustees with overviews on quarterly information about the number of declared student majors per academic department for fall quarter 2021 and fall quarter 2020. The reports include fall 2020 and fall 2021 peak date comparisons

Supporting Information:

- Fall 2021 – Number of Declared Majors at Peak
- Fall 2020 – Number of Declared Majors at Peak
- Change 2016 - 2021

Count of Fall Majors on Census Day, by Department										
Department	Fall, 2020				Fall, 2021				2020-2021 % Change	2016-2021 % Change
	UG	Graduate	Total	% of Total	UG	Graduate	Total	% of Total		
Accounting	168	3	171	2.1%	145	7	152	1.9%	-11.1%	-11.1%
American Cultural Studies	6		6	0.1%	4		4	0.1%	-33.3%	-42.9%
Anthropology	148	18	166	2.1%	149	30	179	2.3%	7.8%	2.3%
Art and Art History	214		214	2.7%	198		198	2.5%	-7.5%	-14.3%
Biology	358	32	390	4.9%	305	38	343	4.3%	-12.1%	2.1%
Canadian/American Studies	3		3	0.0%	4		4	0.1%	33.3%	33.3%
Chemistry	165	29	194	2.4%	136	26	162	2.1%	-16.5%	3.8%
Communication Sci & Disorders	90	65	155	1.9%	75	69	144	1.8%	-7.1%	23.1%
Communication Studies	122		122	1.5%	145		145	1.8%	18.9%	25.0%
Computer Science	296	36	332	4.1%	333	37	370	4.7%	11.4%	23.7%
Decision Sciences	157		157	2.0%	141		141	1.8%	-10.2%	-31.2%
Design	20		20	0.2%	23		23	0.3%	15.0%	91.7%
East Asian Studies	16		16	0.2%	12		12	0.2%	-25.0%	-36.8%
Economics	171		171	2.1%	145		145	1.8%	-15.2%	-16.2%
Elementary Education	170	12	182	2.3%	173	11	184	2.3%	1.1%	35.3%
Energy	53		53	0.7%	51		51	0.6%	-3.8%	292.3%
Engineering and Design	248		248	3.1%	235		235	3.0%	-5.2%	83.6%
English	451	35	486	6.1%	435	34	469	5.9%	-3.5%	-0.2%
Environmental Sciences	181	47	228	2.8%	176	57	233	2.9%	2.2%	27.3%
Environmental Studies	207	22	229	2.9%	182	26	208	2.6%	-9.2%	29.2%
Fairhaven College	138		138	1.7%	154		154	1.9%	11.6%	-13.0%
Finance & Marketing	257		257	3.2%	265		265	3.4%	3.1%	9.5%
Geology	105	40	145	1.8%	94	44	138	1.7%	-4.8%	20.0%
Global Humanities & Religions	15		15	0.2%	31		31	0.4%	106.7%	210.0%
Health & Community Studies	240	79	319	4.0%	216	98	314	4.0%	-1.6%	-12.3%
Health & Human Development	407	17	424	5.3%	428	21	449	5.7%	5.9%	-2.2%
History	193	17	210	2.6%	200	24	224	2.8%	6.7%	14.9%
Journalism	84		84	1.0%	80		80	1.0%	-4.8%	6.7%
Linguistics	102		102	1.3%	72		72	0.9%	-29.4%	-10.0%
Management	243		243	3.0%	212		212	2.7%	-12.8%	-7.8%
Master of Business Admin	0	81	81	1.0%	0	97	97	1.2%	19.8%	120.5%

Mathematics	185	19	204	2.5%	179	21	200	2.5%	-2.0%	3.6%
Modern and Classical Languages	208		208	2.6%	195		195	2.5%	-6.3%	-28.0%
Multidisciplinary Studies	86		86	1.1%	79		79	1.0%	-8.1%	-25.5%
Music	214	10	224	2.8%	193	15	208	2.6%	-7.1%	7.8%
Philosophy	67		67	0.8%	58		58	0.7%	-13.4%	-9.4%
Physics and Astronomy	56		56	0.7%	48		48	0.6%	-14.3%	23.1%
Political Science	213		213	2.7%	187		187	2.4%	-12.2%	2.2%
Psychology	376	43	419	5.2%	467	45	512	6.5%	22.2%	58.0%
Science Education	26		26	0.3%	23		23	0.3%	-11.5%	-28.1%
Secondary Education	0	91	91	1.1%	0	113	113	1.4%	24.2%	43.0%
Sociology	261		261	3.3%	248		248	3.1%	-5.0%	1.2%
Special Educ & Educ Leadership	321	51	372	4.6%	315	48	363	4.6%	-2.4%	112.3%
Theatre Arts and Dance	157		157	2.0%	151		151	1.9%	-3.8%	-7.4%
Urban & Envr Plan & Policy	46		46	0.6%	43		43	0.5%	-6.5%	95.5%
Women, Gender & Sexuality Stdy	31		31	0.4%	34		34	0.4%	9.7%	
Total	7275	747	8022	100.0%	7039	861	7900	100.0%	-1.5%	10.0%

**WESTERN WASHINGTON UNIVERSITY
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

TO: Members of the Board of Trustees
FROM: President Sabah Randhawa by Provost Brent Carbajal
DATE: December 10, 2021
SUBJECT: **Quarterly Report on Grants and Contracts**
PURPOSE: Informational Item

Purpose of Submittal:

Information from the Office of Research and Sponsored Programs concerning grant awards for the period of July 1, 2021 – September 30, 2021 (First Quarter).

Supporting Information:

- Grant awards/totals for First Quarter, the period 7/1/21 – 9/30/21

First Quarter 7/1/2021 - 9/30/2021

Department/Program	ADDITIONAL \$	#	New \$	#	Total \$	Total #
Adv Materials Sci & Engineering Ctr			\$228,419	1	\$228,419	1
Anthropology Department			\$29,858	1	\$29,858	1
Biology Department	\$49,440	2	\$108,078	3	\$157,518	5
Campus Compact			\$1,575,395	1	\$1,575,395	1
Canadian American Studies	\$110,256	1			\$110,256	1
Chemistry Department	\$109,000	1	\$214,135	2	\$323,135	3
Child Development Center			\$6,500	1	\$6,500	1
Computer Science Department	\$19,240	1	\$75,648	1	\$94,888	2
Department of Environmental Studies			\$5,043	1	\$5,043	1
Dept of Environmental Sciences	\$164,779	3	\$413,737	10	\$578,516	13
Elementary Education	\$80,398	2	\$501,303	1	\$581,701	3
Engineering and Design Department	\$6,000	2	\$213,730	3	\$219,730	5
Geology Department	\$379,698	5	\$82,398	1	\$462,096	6
Health and Community Studies			\$200,000	1	\$200,000	1
History Department			\$1,719	1	\$1,719	1
Humanities & Soc Sci Admin & Oper			\$138,528	1	\$138,528	1
Institute of Watershed Studies	\$11,638	1	\$26,863	2	\$38,501	3
Mathematics Department			\$190,337	2	\$190,337	2
Off of Research& Sponsored Programs	\$46,005	2			\$46,005	2
Physics - Astronomy Department	\$29,547	1			\$29,547	1
Political Science Department			\$28,400	1	\$28,400	1
Psychology Department	\$538,871	2	\$29,533	1	\$568,404	3
Science Math and Technology Ed			\$38,820	1	\$38,820	1
Shannon Point Marine Center	\$344,583	3	\$369,800	6	\$714,383	9
SMATE/OCE			\$1,876,022	1	\$1,876,022	1
Sociology Department			\$66,500	2	\$66,500	2
Special Education	\$78,000	1			\$78,000	1
Student Outreach Services			\$7,000	1	\$7,000	1
Student Success Initiatives			\$93,000	1	\$93,000	1
Grand Total	\$1,967,455	27	\$6,520,766	47	\$8,488,221	74

Western Washington University

Sustainability Report 2021

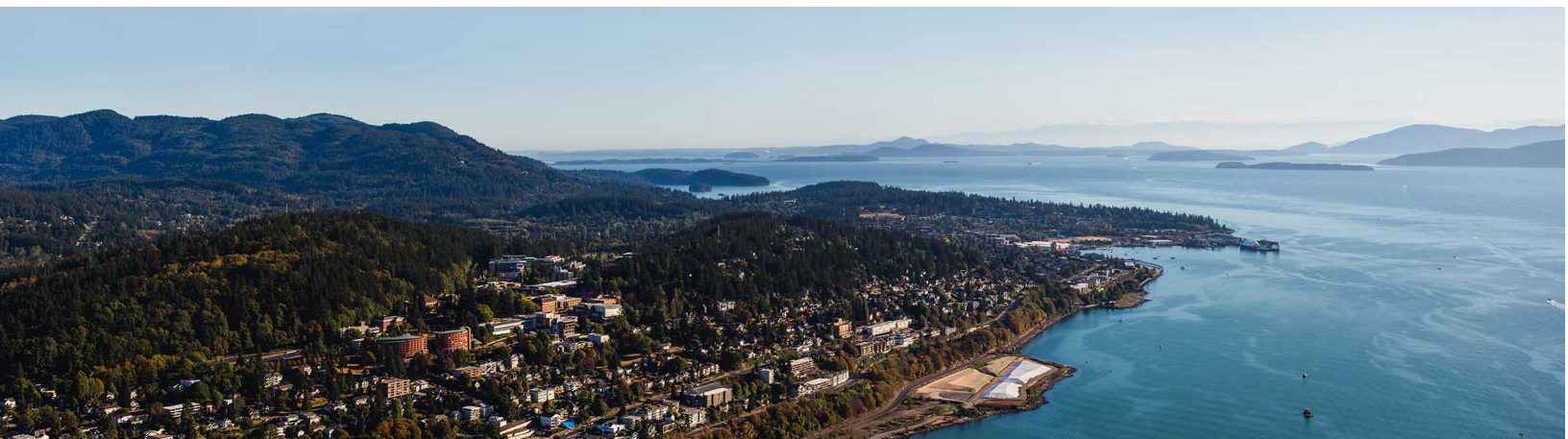


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Preface

The 2021 Western Washington University Sustainability Report provides a review of some of the many sustainability initiatives and projects developed by Western students, staff, and faculty during the 2021 academic year.

The global COVID-19 pandemic that upended previously established activities and approaches offered new opportunities to revisit how we come together to accomplish educating and preparing students for the challenges of the climate crisis. Through remote and hybrid work, our campus took on the task of redesigning much of the curriculum and systems that serve our mission.

Despite the challenges associated with COVID-19, Western faculty, staff, and students have shown resilience by creating and developing new initiatives that continue to progress implementation of the university's Sustainability Action Plan. This work is a testament not only to our community's dedication to the ethos of sustainability but also to the well of creativity that flourishes in a collaborative, encouraging academic atmosphere.

A New Start for Sustainability at Western

This year, Western Washington University officially announced the establishment of the Sustainability Engagement Institute. The new institute, which replaces the Office of Sustainability, connects and coordinates Western's sustainability and climate engagement efforts across three essential functions—education, co-curricular activities, and operations. The academic program in sustainability is also housed within the institute. Dr. Grace Wang, chair of the Department of Urban and Environmental Planning & Policy, serves as the institute director.

The institute will develop educational opportunities and systems-change for a more sustainable, just future grounded upon economic vitality, well-being, environmental protection, and social justice. The creation of the new institute fulfills a significant element of the university's Sustainability Action Plan (SAP) (Curriculum and Research chapter, goal 4); it is now responsible for supporting further implementation of the plan and advancing the university's actions to combat the climate crisis.

Thanks to everyone throughout Western who has supported the transition from office to institute. The institute will collaborate with friends and allies on SAP implementation and other initiatives that progress sustainability throughout the campus and community, encouraging the university community to come together for climate action.



Sustainability Engagement Institute

Coming Together for Climate Action

Sustainability Engagement Institute Mission Statement: The institute's mission is to develop educational opportunities and systems-change for a more sustainable, just future. We engage in initiatives that create economic vitality, promote well-being, protect the environment, and uphold social justice. These actions will progress the goals of the university's Sustainability Action Plan.

The Sustainability Tracking, Assessment, and Rating System

Western, along with hundreds of other institutions around the country and world, participates in the Association for the Advancement of Sustainability in Higher Education's Sustainability Tracking, Assessment and Rating System (STARS). This is a transparent, self-reporting system for tracking our sustainability progress.

Western last submitted data for STARS in 2019, at which point we received a silver rating among the options of bronze, silver, gold, and platinum. This is the rating we received in 2013 upon our initial submission as well. The STARS system was carefully considered and referenced in developing the SAP such that as we continue to work toward implementation of the SAP our STARS rating is likely to improve. Staff within the Sustainability Engagement Institute look forward to supporting staff, faculty, and students across the university in making sustainability improvements that will make meaningful change and contribute to our next STARS submission in 2022.

The Sustainability Action Plan

Western's Sustainability Action Plan (SAP) is both a strategic and tactical document that brings together important initiatives and plans across campus, including Western's Climate Action Plan, the Sustainability Academy's White Paper, and Western's Sustainability Tracking, Assessment and Rating System (STARS) report. The purview of the SAP includes ten areas of activity that reflect the framework of STARS, the standard for campus sustainability assessment.

The SAP addresses the continuing need for programs that improve and enhance Western's brand of sustainability, sets a vision for growing the intellectual and curricular scope of our influence, while continuing to operate in a budget constrained environment. The plan identifies goals, strategies, metrics, and benchmarks that collectively will support Western in being at the forefront of sustainable universities, and in responding to the current climate crisis.

Some of the recommendations within the SAP are immediately actionable, while others will require new technology and/or changes to the economic picture.

This report showcases initiatives and accomplishments in the past year that progressed the goals and objectives of the SAP's ten areas of activity: Campus and Community Engagement, Curriculum and Research, Student Life, Built Environment, Dining Services, Grounds, Procurement, Transportation, Waste, and Investments.

CAMPUS AND COMMUNITY ENGAGEMENT

Western Builds Community Resilience Climate Action Planning with Whatcom County *(SAP Campus and Community Engagement Chapter, Objective 1.3)*

During the 2020-21 academic year, Whatcom County partnered with Western's Sustainable Communities Partnership program to support consistent and coordinated climate planning across jurisdictional boundaries within Whatcom County. This partnership, with staff support from the Port of Bellingham and the City of Bellingham, formed the collaborative Building Community Resilience Project to support Whatcom County cities in climate planning efforts. The project helped develop climate change mitigation and adaptation language into the participating cities' comprehensive plans.

Viking Supported Agriculture Provides Food to People in Times of Crisis *(SAP Campus and Community Engagement Chapter, Objective 2.4)*

The Office of Sustainability facilitated the Viking Supported Agriculture (VSA) program, connecting the campus community to local food producers. Throughout the pandemic, students, faculty, and staff have been encouraged to sign-up to have boxes of farm-fresh items delivered directly to the office in High Street Hall. Getting good food to people in times of crisis and supporting local and sustainable agriculture is a critical activity both for our own health and the greater good of our community.



The Office of Sustainability also developed a donation program to help pay for weekly fresh produce to provide to students in need. Last year the donation program provided sixty weeks-worth of fresh produce for those who needed it.

Curriculum for the Bioregion Hosts Environmental Justice Workshop

(SAP Campus and Community Engagement Chapter, Objective 2.1)

Grace Wang, director of the Sustainability Engagement Institute and chair of the Urban and Environmental Planning and Policy Department, led an environmental justice workshop hosted by the Faculty Learning Community initiative. The event offered Western faculty with valuable knowledge on how to integrate climate justice and civic engagement into classes, build student-led environmental justice curricular and co-curricular offerings on campus, and support students' climate justice activism.

Western Supports the Columbia Valley Park and Recreation District

(SAP Campus and Community Engagement Chapter, Objective 2.4; Curriculum Chapter, Objective 1.3)

In summer 2020, the Columbia Valley Park and Recreation District (CVPRD) partnered with WWU's Sustainable Communities Partnership (SCP) to draft a comprehensive park plan. This plan will serve as a guide for park development, will show community members the purpose and goals of the CVPRD, and will make the CVPRD eligible for external funding. To complete the plan, community engagement was required. The SCP worked with Dr. Tammi Laninga and students in her Community Development and Participatory Methods course (ENVS 475) to facilitate the engagement process.



Over the fall, students in the course contributed a total of 530 hours to conduct engagement initiatives for the CVPRD. The student teams completed a survey of public demand, focus groups, and stakeholder interviews to identify community needs and desires for parks and recreation infrastructure. By offering different engagement approaches, the students gave community members multiple ways to be involved, which was particularly important during COVID-19 when in-person options were not possible.

CURRICULUM AND RESEARCH

This academic year Western has provided increased access to opportunities for students to engage in the critical facets of sustainability. Every college and department across the university incorporates social justice and equity considerations in curriculum development. When students review the course catalog, they will find that there are forty-three courses focused on sustainability, thirty-four courses that are centered on social justice studies, and thirty-seven courses which include equity in the name. These courses are part of a university's emphasis on incorporating all the facets of sustainability into the curricula of every department and major.

Environmental Studies Splits to Better Serve Huxley College of the Environment Students *(SAP Curriculum and Research Chapter, support for Goal 1)*

This fall 2021, the Environmental Studies department became two departments: The Environmental Studies Department (ENVS) and the Urban and Environmental Planning and Policy Department (UEPP). This move was driven by a united goal of serving all students better; it will ensure that the urban planning program can better meet accreditation standards and allow both departments to adapt curriculum to better fit student needs and interests.

As part of this division, the two new departments have opened new majors available to all students in 2021. These majors include Environmental Studies, Environmental Education, Environmental Policy, Geography, and Urban Planning and Sustainable Development.

Sustainability Engagement Institute Launches the Climate Leadership Certificate *(SAP Curriculum and Research Chapter, Objective 1.3)*

The Office of Sustainability's Climate Leadership Certificate began its first year of programming in winter 2021, with a cohort of thirteen students studying disciplines from energy policy to regenerative agriculture. The certificate, an initiative spearheaded by Associate Director Lindsey MacDonald, provides the training and experience needed for students to apply a variety of skills to critical work in climate action and justice, as well as other vital areas of sustainability, including social justice, economic vitality, and well-being. Throughout the year-and-a-half long program, students engage in curriculum targeted at sustainability literacy, planning, and leadership, while also participating in hands-on practicum work with a variety of sustainability organizations in Whatcom County and the Methow Valley. The program develops leadership skills specifically catered to work

as a climate change professional, builds a network of professionals in the field of climate change and sustainability, and creates a strong community of peers fighting for a more just and sustainable society.

STUDENT LIFE

Western Students Attend Washington Oregon Higher Education Sustainability Conference

(SAP student life chapter, Objective 2.1)

The Sustainability, Equity, & Justice Fund provided funding for forty students to attend the Washington Oregon Higher Education Sustainability Conference (WOHESC), which took place virtually in March of 2021. The conference provided Western students with an invaluable opportunity to engage with and learn from a diverse set of voices on a variety of sustainability topics such as social equity, food security, carbon emissions, climate action and education, and sustainable program implementation on campus. They connected with students from other colleges and universities in the region, met with potential employers, and created connections within the field of sustainability throughout the Pacific Northwest.

Office of Sustainability Engages Student Ambassadors

(SAP student life chapter, Objective 2.1)

Through the academic year, Alyssa Tsukada, a student employee within the Office of Sustainability, gathered 6-8 peers bi-weekly on Zoom to build community and learn topics that ranged from Black Lives Matter's intersection with climate justice to renewable energy. These students learned new sustainability content and developed community through convening around shared interests. Students who participated in this ambassador community have gone on to lead sustainability work on campus through paid positions, volunteer work, and student-club participation.

BUILT ENVIRONMENT

New Water Bottle Refill Stations

(SAP Built Environment Chapter, Objective 2.7)

Western's Facilities Management took advantage of the quieter campus during the past year to make significant changes that students, faculty, and staff have utilized upon their return. Among these improvements are the replacement of old water fountains with new water refill stations in the Arts Annex, Haggard Hall, Parks Hall and Performing Arts. These new water fountains provide increased access to free filtered water for students, staff, and faculty across campus.

Western is Now Running on Renewable Energy

(As described in Built Environment chapter introduction in SAP)



Four years ago, a collaboration of Pacific Northwest institutions and municipalities was born to develop a new wind farm to produce clean energy for the institutions. The project, called Green Direct and run by Puget Sound Energy, was initiated once the partners, which include the City of Olympia, King County, Whatcom County, Port of Seattle, and Sound Transit, committed to purchase electricity from this dedicated, local, renewable energy resource. The result of the collaboration began in the winter of 2021 when the Skookumchuck Wind Facility went into operation. It can produce up to 137 megawatts (MW) of wind energy—equivalent to powering 30,000 homes. Another project for Green Direct, the Lund Hill Solar Project, is under development in Klickitat County, Washington. Capable of producing 150 megawatts of energy, this second project will be the largest solar project in the state of Washington. Western became one of the first universities to buy 100% renewable energy from new, additional wind and solar farms in a regulated electric market.

DINING SERVICES

Pop-Up Pantry Addresses Food Insecurity on Campus

(SAP Dining Services Chapter, Objective 3.1)

In the past year, Western’s Dining Services responded to new challenges imposed by the pandemic which increased food insecurity in our community. One of the ways that Dining Services addressed food insecurity was by supporting the pop-up pantry that was created in collaboration with the Office of Student Life, Student Representation and Governance, the Outback Farm, and the Office of Sustainability. Dining Services ordered and packed much of the food distributed by this pantry while it was active from summer of 2020 through spring of 2021. The Office of Sustainability worked with local farmers to procure organic vegetables that were offered along with recipe options at the pantry, and the Outback Farm also provided vegetables that they grew. Between the conversations and the recipe cards, students learned about local, sustainable food options while meeting their basic needs.

GROUNDS

Lyn Okse Electric Vehicle Gets Ready for Action

(SAP Grounds Chapter, Objective 2.2)

Lyn Okse roughly translates to “Lightning Ox” in Norwegian, and for the past five years engineering students at the Vehicle Research Institute have been designing and building this small rear-wheel drive electric truck to learn every aspect of electric vehicle design, development, and manufacture. The project, funded by the Sustainability, Equity, & Justice Fund, received regular input from Western’s facilities team in order to maximize the utility of the project. Thanks to these creative, committed students and the direction and support of Eric Leonhardt and Mark Dudzinski, the Grounds crew now has a Western-made vehicle to transport staff, equipment, and materials across campus and serve as a constant reminder of what collaboration can achieve.



PROCUREMENT

Western supports Electric Vehicles

(SAP Procurement Chapter, as described in Procurement introduction)

Facilities Management installed new electric vehicle charging stations in 2020, increasing access to this in-demand resource as more students, faculty, and staff adopt electric vehicles to lower their carbon footprint. The new EV charging stations are in Lot 10G directly behind the Fine Arts building.

Business Services releases new Copy Paper Catalog on Western Marketplace

(SAP Procurement Chapter, Objective 2.1)

Starting this year, Western's Business Services is now offering a 100% recycled, multi-use copy paper that is highly compatible with University copiers/printer. In alignment with the SAP, the Copy Paper Catalog is now focused on providing the highest quality paper at the greatest value while progressing Western's commitment to fulfilling its sustainability and environmental responsibilities.

TRANSPORTATION

COVID-19 Reduces Commuting Emissions

(SAP Transportation Chapter, Objective 3.1)

Due to the move to remote operations for most students and employees during the 2020-2021 school year, there was a significant reduction in carbon emissions generated by commuting to campus. The pivot to mostly remote operations provided evidence that working remotely is a viable and valuable option for many employees. While data was not tracked on this issue, the qualitative success of this unplanned case study provides significant support for the viability of telecommuting.



Pay-by-Day Parking Permit Option is Introduced

(SAP Transportation Chapter, Objective 3.1)

Transportation Services introduced a new pay-by-day permit option to accommodate the many Western employees who began working primarily remotely. The new permit costs a similar amount per day as the quarterly permit does and helped reduce the disincentive to commuting by alternatives to driving alone that prepaying for parking typically produces, while providing meaningful financial savings to our community.

WASTE

Western Works to Reduce Waste Every Day

(SAP Waste Chapter and Objective 2.5)

Western's Zero Waste Program moved from the Office of Sustainability to the Recycle Center in the past year and continues to collaborate with groups in the office as well as forming new connections. The Zero Waste program developed and implemented programs during the pandemic to encourage our community to shift its relationship with materials that were once referred to as waste. This included collaborating with the Recycle Center, the Residence Hall Reuse Program, and Off-Campus Living to facilitate Move-Out Madness, the annual event where students can find new homes for items they no longer use.

INVESTMENTS

WWU Foundation Announces Selection of New Investment Manager

(SAP Investments Chapter, Objective 1.1, 3.2)

The Western Washington University Foundation has begun using Russell Investments to provide investment oversight for its \$85 million endowment. Every five years, the Foundation engages in a robust process to review the performance of its current investment manager and to request proposals from other firms qualified to guide the investment decisions of the portfolio. When considering proposals, one of the main areas of evaluation was sustainable investing using ESG (environmental, social and governance) criteria. The Foundation made sustainable investing a main priority and spent a great deal of time looking at each firm's ability to provide sustainable investment solutions. The Foundation team also included students from the WWU Students for Renewable Energy club in the selection process. Student participation was the result of two years of relationship building between members of SRE and the Foundation.

This report was compiled, designed, and produced by Western Washington University's Sustainability Engagement Institute. The Sustainability Engagement Institute develops educational opportunities and systems-change for a more sustainable, just future. We engage in initiatives that create economic vitality, promote well-being, protect the environment, and uphold social justice. From our commitment to renewable energy and waste reduction to sustainability-minded courses and co-curricular activities, the institute incorporates sustainability into campus operations and academics, guided by the Sustainability Action Plan.

The Sustainability Engagement Institute staff:

Grace Wang, Director

Lindsey MacDonald, Associate Director

Johnathan Riopelle, Communications Manager

Zinta Lucans, Sustainability, Equity, & Justice Fund Program Assistant

Linda Sterling, Coordinator

The Sustainability Engagement Institute 2021-2022 student team:

Kai Broach, Communications Assistant

Phoenix Dalgarn, Graphic Designer

Maia Heffernan, Staff Ambassador

Tracy Petroske, Sustainable Communities Partnership Graduate Assistant

Alyssa Tsukada, Student Ambassador

The Sustainability Engagement Institute

Western Washington University

516 High Street

Bellingham, WA 98225

Website: sustain.wwu.edu

Email: sustain@wwu.edu





Capital Program Report

Board of Trustees

December 9, 2021

MAJOR / INTERMEDIATE CAPITAL PROJECTS

Alma Clark Glass Hall (formerly known as New Residence Hall)

Except for remaining punchlist items and closeout procedures, this project is complete. The dedication ceremony occurred in early October and the facility has been operational since the start of Fall Quarter 2021. See below project photos.



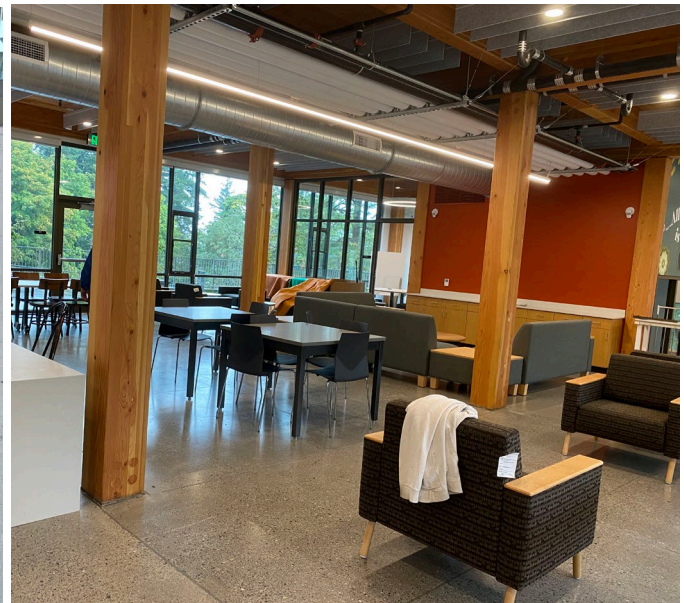
Entrance at south end of building



Multipurpose Room during Dedication Ceremony



Dedication plaque installed at the north end of the Shared Journey



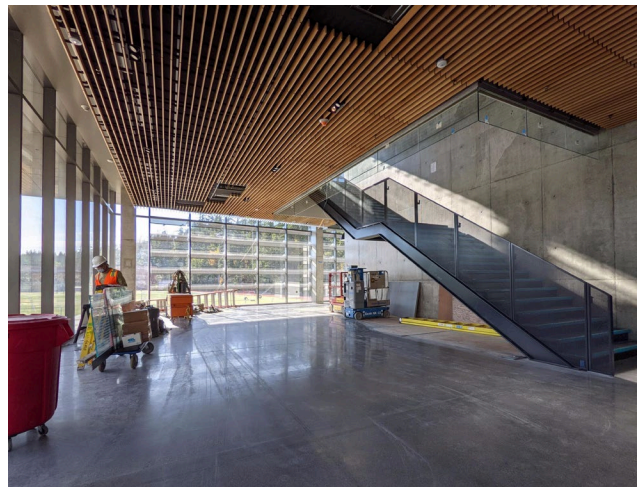
Shared kitchen on fourth floor

Interdisciplinary Science Building (formerly known as Sciences Building Addition - STEM I)

Western continues to work with Perkins&Will (design consultant) and BNBuilders, General Contractor/ Construction Manager (GC/CM). Substantial completion was reached on November 19, 2021. We are now in the process of completing punchlist items, project closeout processes, installing furniture and equipment, and completing a myriad of activities necessary before we open the facility to the general public. The project is scheduled for Spring Quarter 2022 occupancy. See below project photos.



Aerial Photos from November 1, 2021



ISB Tenant Improvements

This project will complete construction of four rooms (two labs and two lab support spaces) on the fourth floor of the new Interdisciplinary Science Building (ISB) that were built as shelled space under the primary ISB contract. The consultant for this project is Perkins&Will. The construction contract is scheduled for Board of Trustees approval at the December 2021 meeting. The project is scheduled to commence in Winter 2022 and be complete by June 2022.

Electrical Engineering and Computer Science

Western is working with design consultant Perkins&Will and Mortenson Company, the GC/CM contractor. After a thorough and comprehensive collaboration to reconcile the building scope and challenging market conditions with the project budget, the team has started the development of contract documents for bidding. The project will complete another review of scope and budget when it is 25% through contract documents (around January 2022). The State approved funding in the 2021-2023 capital budget and construction is scheduled to begin in Fall 2022. The project is scheduled for occupancy Fall Quarter 2024.

Fairhaven Academic Replacement of Main Electrical Switch Gear

This project was awarded to DECO/Dutton Electric Co. Construction reached Substantial Completion and is scheduled to reach Final Completion by December 31, 2021.

Physical Plant Underground Fuel System

This project replaced the underground fuel system (fuel tank) at the Physical Plant. This construction contract was awarded to Granite Petroleum LLC. The project also replaced the antiquated underground storm water and sewer systems at the Physical Plant. All work was completed in October 2021.

Student Development & Success Center Predesign

The consultant team, led by Mahlum Architects, kicked off their discovery phase with stakeholder engagement workshops in November and early December 2021. Programming and scope development will begin in earnest in January, targeting completion of the Predesign Report in Spring 2022.

Heating System Conversion Feasibility Study

Western contracted with Sazän Group to study the feasibility of converting the existing steam distribution system on Western's campus to a water-based system. The intent is to reduce, and ultimately eliminate, Western's heating system's greenhouse gas emissions and overall environmental impact. The study is scheduled to be complete by June 2022.

BW Siding & Bridges PH 1

This project will provide the following improvements at Birnam Wood: replace the bridges and siding at stacks 3 and 4, and window and siding replacement at the Community Building. A design contract was executed with Cornerstone Group. The project is scheduled to bid in February 2022 and submit to the Board of Trustees in April 2022 for approval of a construction contract.

Science, Math, and Technology Education Building (SMATE) Envelope Remediation

This project will provide the following improvements at the Science, Math, and Technology Education Building (SMATE): replace the roofing, repair leaks in the south façade, and seal and repair the masonry. A design contract was executed with HKP Architects, a women-owned certified business. The project is scheduled to bid in February 2022 and submit to the Board of Trustees in April 2022 for approval of a construction contract.

2023-2025 Capital Budget

The Capital Planning and Advisory Committee, Sub-Committees, Working Group and Vice Presidents will soon meet to discuss the 2023-2025 Capital Request and Ten-Year Capital Plan. The Draft 2023-2025 Capital Request and Ten-Year Capital Plan is anticipated to be presented to the Board of Trustees at the April 2022 meeting.

For more information about the major projects, the Capital Program, and the Capital Planning Process conducted for the 2021-23 biennium, please visit the Office of Capital Planning and Development website: <https://cpd.wvu.edu/2021-23-capital-budget-request>.



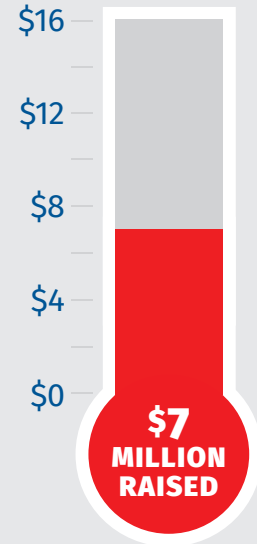
UNIVERSITY ADVANCEMENT REPORT DECEMBER 2021

FUNDRAISING TO DATE

As of November 30, \$7 million has been raised toward our overall goal of \$16 million by June 30, 2022.

Fall Direct Mail Appeal

- **This is the best performing Fall Appeal in the last several years (both in terms of dollars and donors). With an initial goal of \$80,000, we have raised \$84,500 from 668 donors.**
- **When combined with the e-mail follow-ups we've sent, the cumulative total raised is over \$105,000.**



WWU ENGAGEMENT CENTER UPDATE

The WWU Engagement Center (formally known as the WWU Call Center) has raised funds for Western for the past four decades. Western students call alumni, parents, and friends of the University to ask for financial support of their favorite college, department, program, athletic team or the Western Fund. These calls not only raise important dollars to support current needs, but foster relationships through this very personal outreach.

This year, the 24 Engagement Center students began calling on October 4 and over the past eight weeks have:

- **Attempted 69,500 phone calls, an increase of 22,000 over last year.**
- **Have talked to more than 3,500 alumni, parents and friends.**
- **773 people have pledged nearly \$63,000 for a pledge rate of 22%. In comparison, there were only 661 pledges by the end of November last year.**

WESTERN ENGAGED EVENTS

The Western Engaged (WE) program helps the entire campus think about building meaningful connections by engaging and appreciating alumni and friends towards an ultimate goal of philanthropy and advocacy. The more engaged individuals are, the more invested they become. The outcome is strategic engagement opportunities for people who can help Western Washington University.

Since inception, 105 Western Engaged events have included:

- **17,815 Registrants (9,980 attendees)**
- **9,345 Distinct registrants (5,677 distinct attendees)**

In this fiscal year alone (since September 17), 10 events have included:

- **1,520 Registrants (778 attendees)**
- **1,277 Distinct registrants (703 distinct attendees)**

CORPORATIONS AND FOUNDATIONS

Thanks to our corporate and foundation partners, this fiscal year alone, we have been able to help advance WWU in the following ways:

1,500 Western students
who face food insecurity will have increased access to fresh food through the Outback Farm.

100 businesses
in Kitsap County will receive business mentoring through Western's Small Business Development Center.

150 Western students
will benefit from interactions with Black Alumni/Mentors through the 2021 – 2022 Black Alumni/Mentor Speaker Series.

50 additional BIPOC-owned business
in Whatcom County will receive business mentoring through Western's Small Business Development Center.

25 Western student leaders
working to advance the needs of Western's Black community will attend a Black Leadership Retreat in spring 2022.

38 bilingual Latinx students
from Skagit Valley who want to become teachers in their own communities will attend Western through the Maestros Para el Pueblo support program.

5 small municipalities in and around Whatcom County
will implement plans to address climate-related problems through strategies developed by teams of Western students and faculty.

BOARD DEMOGRAPHICS

Foundation Board

26 Board Members
living in four states, the District of Columbia and China.

18 are WWU Alumni,
representing four colleges (Business, Humanities and Social Sciences, Huxley and Woodring).

2 are parents of current WWU students and 4 are parents of WWU alumni.

Alumni Board

29 Board members
living in three states.

All are WWU Alumni,
representing four colleges (Business, Fairhaven, Humanities and Social Sciences and Science and Engineering).

1 is a parent of a current student and 4 are parents of WWU alumni.

**WESTERN WASHINGTON UNIVERSITY
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

TO: Members of the Board of Trustees

FROM: President Sabah Randhawa by Donna Gibbs, V.P. for University Relations & Marketing

DATE: December 10, 2021

SUBJECT: **University Relations and Marketing Report**

PURPOSE: Information Item

Purpose of Submittal:

A written report is provided on the recent activities of University Relations and Marketing.

Supporting Information:

Report Attached

WESTERN WASHINGTON UNIVERSITY

OFFICE OF THE VICE PRESIDENT FOR UNIVERSITY RELATIONS AND MARKETING

November brought unprecedented rainfall and historic flooding to Whatcom and Skagit counties which has kept our University Communications, Community Relations and Small Business Development Center teams busy with emergency communications and outreach to affected communities.

It has also been a busy time for University Marketing as we prepare to launch another campaign focused on Financial Aid resources and FAFSA/WASFA completion in the December-February timeframe. This will also mark the University's first foray into targeted digital outreach to Spanish-speaking households.

URM has also been busy recruiting new employees as higher ed has proven not to be immune to the Great Resignation sweeping across virtually all sectors in the U.S. In particular, we have been rebuilding our visual media team, and we are excited to welcome a new Director of Visual Media Production whose work at the University of Michigan, Ann Arbor earned him an Emmy Award for a long-form documentary shot high in the arctic ice sheet of Greenland. His prior experience also includes related work at the University of Texas, Austin and Stanford University, in addition to video production work with many established global brands including Audi, Bosch, BMW and General Motors.

We are also very pleased with five strong finalists for a new Visual Journalist position all of whom are equally skilled at photography and videography. Finally, we will begin a search in January for a new Director of University Communications to replace Paul Cocks who will be retiring this month after a 18-year career at WWU. This provides URM an opportunity to do a national search for a strategic communications leader who is well versed in proactive outreach strategies that go beyond traditional local and regional media, with a focus on more far-reaching modern media platforms and utilizing more visual storytelling and sophisticated issues management skills.

UNIVERSITY COMMUNICATIONS

Our skilled professionals worked on a wide range of online, media relations, social media, and graphic design projects, which included:

Our office continued to provide broad, rapid and intensive communications support for Western's response to the COVID-19 pandemic. These efforts included:

- Interim director and Western Today editor John Thompson continued to provide support for Western's COVID Response Team and its associated structure of campus stakeholders, from the Student Health Center to Counseling, Health & Wellness, Enrollment & Student Services, Academic Affairs, the Western Libraries, and more. Thompson also worked with the COVID Response Team on a [complete rebuild of the campus' coronavirus dashboard](#), resulting in more data being displayed via a much more user-friendly design that is updated weekly.
- The office continues to be a focal point for response to inquiries from parents and students in advance of the start of winter quarter, as well as media response and other communications requests. As the campus approached Thanksgiving break, the office had worked with campus, local, regional, and national media on coordinated, planned responses to more than 40 reporters and their stories since the academic year began.

A full campus and stormy fall weather has resulted in a jump of crisis messaging as well, and Thompson has worked with stakeholders from the University Police Department, Environmental Health & Safety, Human Resources, Facilities Management and others on messaging regarding everything from how to prevent bike thefts on campus, to the new LiveSafe campus safety app and weather-related messaging from windstorms and last week's devastating floods. This trend is likely to continue as we get into snow season.

Social Media Coordinator Zoe Fraley has been busy sharing all of the great events and resources available at Western now that more students and activities are on campus, and she has been playing with more interactive short video content for Instagram Stories that help provide a sense of place on campus. She has developed a weekly event listing for Instagram and Facebook Stories and feed posts that run each Monday morning that highlight events for the week, from AS and Athletics events to academic speakers and campus-wide events, with links to the [Western Involvement Network](#) and our campus calendar to explore more. Those Stories posts generally have our highest reach and engagement each week with 3,000 to 4,500 impressions during the 24 hours they are up. Our usual stories from shared posts and other campus accounts average 2,500 impressions in 24 hours.

After attending several of the sessions at the free online Adobe MAX conference, Zoe began working in Adobe Spark to create branded social media templates and a Western brand library that others could use for Instagram Stories and social posts, working with University Marketing to ensure that each template was branded appropriately and designed to their standards. During fall's Social Media Committee meeting, she gathered a list of communicators who would want to use those templates and was able to invite more than a dozen communicators across campus to access those templates through Spark, giving folks who work on social media more tools to create branded posts without each person having to start from scratch. She hopes to build that collection of templates based on group feedback to ensure that it remains helpful and relevant.

In publications, the fall edition of Window magazine was delivered the first week of November to nearly 130,000 alumni and other friends of Western. We're already at work on the winter edition, expected in February, with stories about how alumni supply-chain professionals are weathering a once-in-a-lifetime disruption of global supply chains; a veterinarian who works with the CDC on stopping the next pandemic; and a former WWU basketball star who returned to Western to finish his degree at the encouragement of his old coach and with financial help from the Western Foundation.

Western also continued to receive notable media coverage, including:

- The office worked with the **Bellingham Herald** during November's flood to successfully pitch two stories that tied Western's research expertise into the evolving breaking news of the worst flooding in more than 50 years in Whatcom County. The first story, about how climate change is impacting fall rain events and forcing more precipitation to fall as rain instead of being stored in the mountains as snow, [featured the research of Geology's Bob Mitchell](#). The second story examined the impact of the floods on the Nooksack's tenuous salmon populations, and featured the research that Environmental Science's [Jim Helfield is doing in conjunction with local tribes](#).
- The office worked with **Scripps Media** to set up an on-campus television interview with Border Policy Research Institute Director Laurie Trautman about [the impacts of the closed border on border communities](#); this segment aired in Denver, Tampa, Buffalo, Detroit, and San Diego. Trautman continued to be in the spotlight over the past month and was a source on numerous stories as the border reopened, from print media like the Bellingham Herald and the Spokane Spokesman-Review to online sources such as Yahoo! News.
- University Communications worked with more than 20 reporters who were following up on the tragic death of WWU student Axel Acosta Avila at the **Astroworld** Concert in Houston;

media inquiries about Avila came in from such national outlets as NPR, the Los Angeles Times, New York Times, CNN, and more.

University Communications graphic designer Chris Baker also provided a range of design support, including:

- Window Magazine
- History Department Newsletter
- Transportation Office Infographics
- Career Services Annual Report
- Fairhaven World Issues Forum graphics
- Downtown office wall graphics
- WWU Financial Statements Report

OFFICE OF UNIVERSITY COMMUNICATIONS



**METRICS DASHBOARD
SEPTEMBER – OCTOBER 2021**

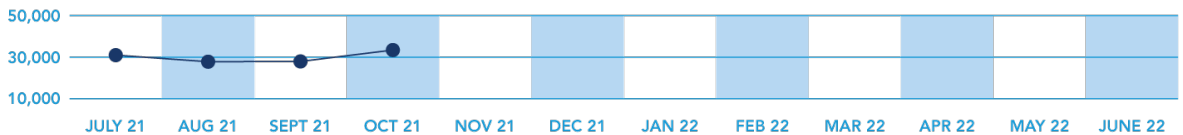
WESTERN TODAY

Total Sessions

62,913

Top Stories

- A ‘bomb cyclone’ of rain, wind headed to Seattle area– [Link](#)
- New Mandated Payroll Tax to Pay for Long Term Care Benefits in Washington State – [Link](#)
- Requirements and Guidelines to Visit WWU’s Campus – [Link](#)



SOCIAL MEDIA

Twitter

Facebook

Instagram

STATISTICS AT A GLANCE

22,410

Total followers

99

New followers

50,818

Total followers

138

New followers

25,536

Total followers

821

New followers

.4%
% gained
91
Engagements

.3%
% gained
6,510
Engagements

3.3%
% gained
62,060
Engagements

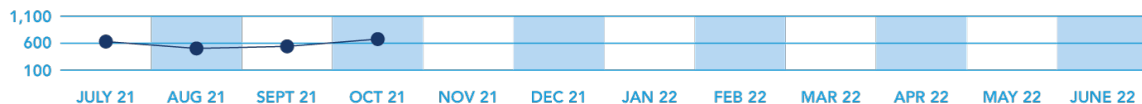
External Media

Total Stories

1,275

Top Stories

- One hundred years after Peace Arch was dedicated, U.S.-Canadian border remains closed, and experts worry about the implications – [Spokesman-Review/Yahoo News](#)
- Perseverance’s first major successes on Mars – an update from mission scientists – [The Conversationy](#)
- Boston sheds more light on its relationship to slavery – [Boston Globe](#)



FAMILY CONNECTION NEWSLETTER

September

October

Audience: 14,220

Audience: 10,685

Opened: 44.3%

Opened: 27.6%

Clicked: 17.8%

Clicked: 6.8%

Top clicks for September: Housing Move-In, Orientation Event on Getting Involved at Western, Fall Family Weekend, Late night at the Rec Center, Let’s Get Things Started video, Paint B’ham Blue, Student Business Office, How to Pay Due Dates and Late Fees, Student Business Office.

Top clicks for October: Fall Family Weekend, AS Outdoor Center Excursions, Student Business Office, College of Fine & Performing Art’s “No Exit,” coronavirus cases by building.

GRAPHIC DESIGN

Total Projects 53

Featuring

- Window Magazine, fall issue
- President’s Report
- Alma Clark Opening Event cards/posters
- Guide to University Residences



UNIVERSITY MARKETING

SUMMARY

University Marketing is engaged in a range of work which includes paid digital marketing, collateral creation, video and photography production, brand management, and marketing planning & project management.

CAMPAIGN DIGITAL MARKETING

Beginning September 2021, URM launched the 2021-22 undergraduate digital campaign in partnership with Admissions as the primary enrollment and brand awareness campaign for WWU. This includes display, display retargeting, Snapchat, YouTube, Pay-per-click, Audience Select (list targeting), and Facebook/Instagram advertising which runs for a six to nine-month cycle, depending on the platform. This year we are also including a transfer campaign (launching November 2021), and a graduate school campaign (launching October 2021) focused on general awareness plus a targeted effort for Weekend MBA and Rehabilitation Counseling (OCE supported programs). After our initial success in improving FAFSA and WASFA completions last year, we will launch another Financial Aid focused campaign running December 2021-February 2022 targeting parents in addition to the University's first Spanish-language targeting advertising.

At-a-Glance (September 1 – October 31, 2021) Undergraduate Campaign (General awareness and Early Application messaging)

- Total Impressions = 12,301,189
- Total Ad Clicks = 61,621
- Total Conversions (Application or RFI button clicks) = 1,043

At-a-Glance (October 2021): Regional/Everett Graduate Campaign

- Total Impressions = 849,597
- Total Ad Clicks = 376
- Total Conversions (Application or RFI button clicks) = 1

COLLATERAL CREATION (GRAPHIC DESIGN)

In September and October, the designers collectively worked on **104 projects** and produced **474 individual assets**.

Notable projects include:

- Ad Creative for Campaign (Undergrad, Grad, Transfer, Parents, and Spanish-Speaking Households)

- Indigenous Peoples Day Collateral
- First-Generation Event Virtual Backgrounds
- Grad School Internal Marketing Collateral
- Digital Windows Magazine new user experience designs
- Canada House Recruitment Library of Collateral

VIDEO AND PHOTOGRAPHY

September and October Video & Photography

- Engaged in the ongoing transfer of working footage into Studio Network Solutions EVO, our new media management and collaboration system
- Alma Clark Glass Hall Dedication feature video
- Alma Clark Glass Hall video tour
- Indigenous People's Day feature video
- Indigenous People's Day livestream event
- Five campaign videos for digital marketing efforts

BRAND MANAGEMENT

The creative team works with partners across campus to manage Western Washington University's brand. This includes the development of design elements and assuring adherence to Western's brand standards.

In September and October, the Creative Team:

- Completed brand identity work for the Ray Wolpov Institute for the Study of the Holocaust, Genocide and Crimes Against Humanity
- Started on brand identity work for:
 - Entrepreneurship and Innovation
 - Sustainability Education and Engagement Institute
 - Tribal Relations Office
- Continued University's SEO strategy and interdepartmental collaboration, utilizing a "One Western" approach.

COMMUNITY RELATIONS

Notable projects and connections that enhance WWU visibility, improve community access, and increase community-to-university partnerships.

TASTE OF BELLINGHAM TOUR

On October 6 and 7, nearly 100 new WWU students learned about the Bellingham community by visiting nine popular and inclusive restaurants. In collaboration with the Downtown Bellingham Partnership, students were given a guided, walking tour by WWU Admissions Student Representatives. At each stop, students met the owner or manager, learned about the restaurant, and sampled signature dishes. The nine participating restaurants included: Black Drop Coffeeshop, The Bagelry, Bantam 46, Mallard Ice Cream, AB Crepes, Cosmos Bistro, Boundary Bay Brewery & Bistro, Naan & Brew, and Flatstick Pub. We hope to engage the Alumni Office in underwriting this event and turning it into an annual start-of-the-academic-year event to build a bond between new students and downtown businesses.

HISPANIC HERITAGE MONTH

On October 8th, WWU partnered with 21 Community and Technical Colleges to offer a virtual Hispanic Heritage Month presentation by renowned Latina journalist Maria de Lourdes Hinojosa Ojeda. Hinojosa has been named three times as one of the 100 Most Influential Hispanics by Hispanic Business magazine for her work as a reporter for CBS, NPR, and CNN. Her presentation can be viewed at <https://www.wvu.edu/hispanic-heritage-month>.

INDIGENOUS PEOPLES' DAY

On October 11, WWU led a partnership with Whatcom Community College, Northwest Indian College, Bellingham Technical College, Peace Health, City of Bellingham, Bellingham Public Schools, Lhaq'temish Foundation, and the Swinomish Indian Tribal Community Education Department to offer a virtual celebration of Indigenous Peoples' Day. Nearly 1,000 people registered for the event and 671 attended the virtual event. Additionally, many teachers in the Bellingham School District also live streamed the event to their classrooms and continue to share the presentation as a part of continued curricular teaching. The keynote presenter was [Matika Wilbur](#), a Swinomish and Tulalip member who has traveled to over 300 tribal communities across the country to take portraits of Indian Country. The event also included student speakers from Whatcom County's educational institutions and a performance from the Lummi Blackhawk Singers. A recording of the event is available through the end of November, in conjunction with Native American Heritage Month. It can be seen at <https://www.wvu.edu/indigenous-peoples-day>.

TRAILS TO TAPS RACE

On October 16, WWU once again made its beautiful campus available to the annual Trails to Taps Race which is a local relay celebrating Bellingham's trails, parks and breweries. Dozens of runners passed through campus as a part of this community event.

MLK DAY

WWU is partnering with Whatcom County Education Partners, the City of Bellingham, and Peace Health to host a hybrid MLK Day Celebration on January 17, 2022. This in-person event will take place at the Mt. Baker Theatre in Bellingham and will include a virtual interview with Dr. Ibram X. Kendi. Dr. Kendi is the founding director of the Boston University Center for Antiracist Research and is a contributing writer at *The Atlantic*. He is also the author of many highly acclaimed books. In 2020, Time Magazine named Dr. Kendi one of the 100 most influential people in the world and in 2021 he was awarded the MacArthur Fellowship. Student speakers and local performers will also be a part of the event which will be live-streamed. More details can be found at www.wvu.edu/mlk.

TRIBAL LIAISON

PLANNING

The Tribal Relations Department received a \$2,000 donation from the Washington Women's Foundation to support Native student programming. Despite not meeting the criteria for two-year grant support, individual members of the Intersect committee made monetary donations in a spirit of support for the work done by the Tribal Relations department and WWU. We also submitted a Longhouse funding request to the Whatcom County Council for federal American Rescue Plan Act (ARPA) funds that the county is currently distributing.

The Tribal Liaison has engaged a Coast Salish tribal elders advisory committee who will guide the longhouse review committee with their knowledge of protocol and cultural expertise.

EVENTS

This year the Indigenous People's Day was held virtually with approximately 670 people in attendance representing communities throughout the western U.S. from the Dakotas to Oregon. The event hosted the Lummi Nation Blackhawk Singers, Lummi elder Juanita Jefferson who provided the blessing, and keynote speaker, Matika Wilbur. This partnership demonstrated true collaboration with our neighboring community organizations who support Indigenous People. We were proud to be a part in this alliance and we have great plans for next year's event.

The Tribal Liaison was invited to be a guest speaker for the First Generation College Celebration and to welcome the audience to the virtual space held on November 8, 2021.

TRAINING

The Tribal Liaison is currently working with the Woodring College of Education on government-to-government training with the Governor's Office of Indian Affairs to be held in December.

ADVISORY FUNCTIONS

The Tribal Liaison continues to meet with Western staff and other organizations regarding tribal and Indigenous issues. The Tribal Liaison was most recently interviewed by a staff member of University Residences for their newsletter. The interview was informative for both Native and non-Native students who wish to learn more about the Tribal Relations department.

RELATIONSHIP-BUILDING

The Tribal Liaison continues to serve as a Trustee for Northwest Indian College. This partnership has proven instrumental in collaborations with WWU, NWIC and the Lummi Nation.

The Tribal Liaison has begun a partnership to develop an MOU for the development of professional programs for Whatcom County school leaders and educators with the Lummi and Nooksack tribes. This collaborative effort will instruct the process and extend the reach of the "Since Time Immemorial Curriculum" initiative.

The Tribal Liaison been invited to serve as a member of the cross-Pacific Indigenous Aquaculture Collaborative Steering committee which brings communities together to enhance and grow sustainable coastal food systems. Details will follow as this process progresses.

SMALL BUSINESS DEVELOPMENT CENTER (SBDC)

BELLINGHAM HIGHLIGHTS

Q3 2021

Contract Deliverables

Businesses Served	Q3 2021	YTD 2020	YTD 2021
Business Counseling Received	205	368	401
Research or Students Projects	3	13	8
SBDC Sponsored Training Participants	14	1024	217
Information or Resources Provided	17	230	91

Clients' Economic Impacts	Q3 2021	YTD 2020	YTD 2021
Capital Formation	\$1.9M	\$15.6M	\$8.0M

Business Starts	8	4	11
Jobs Created or Retained	363	126	512

Top Areas of Counseling: Start-up Assistance, Buy/Sell a Business, Managing a Business

Rolling 12-month Demographics

- Top Industries: Retail Trade, Accommodation and Food Services, Service Establishment, Manufacturer or Producer
- Annualized Sales: \$289.4M
- Jobs Supported: 2,865

Highlights

- In Q3, created 10 videos describing and promoting SBDC services and value proposition, distributed via newsletters and website
- Worked with the City and Port to co-promote Working Washington grant opportunities
- Working with the WWU Foundation to identify sources of support for EDIA+ work, essential to building a more resilient County economy
- Working with WWU Procurement to increase supplier diversity and grow opportunities for local firms
- In coordination with the WWU Contracts office, responded to an RFP from the Washington State Department of Labor and Industries (L&I) to educate employers about compliance support and resources available from L&I

KITSAP COUNTY

Q3 2021

Contract Deliverables

Businesses Served	Q3 2021	YTD 2020	YTD 2021
Business Counseling Received	37	126	107
SBDC Sponsored Training Participants	5	56	77
Information or Resources Provided	6	84	21

Clients' Economic Impacts	Q3 2021	YTD 2020	YTD 2021
Capital Formation	\$1.4M	\$2.2M	\$2.1M
Business Starts	2	2	3

Top Areas of Counseling: COVID-19 Financial/Capital, Start-up Assistance, Managing a Business, Marketing/Sales

Rolling 12-month Demographics

Top Industries: Service Establishment, Accommodation and Food Services, Arts and Entertainment, Retail Trade

Clients' Annualized Sales: \$23.8M

Jobs Supported: 534

HIGHLIGHTS

Local Funding Partners: With impressive data to document the SBDC's impact in Kitsap County, we are on track to expand local government funding from only the City of Poulsbo in our first two years, to all of the local governments for 2022 and beyond. Kitsap Credit Union has committed to three more years and we expect to get ongoing commitments from other lenders in the near future. Some of these are still in process and we expect to be able to have a full report at the end of the year. After just two years in operation, the Kitsap SBDC has achieved a client list of almost 400 small business owners.

BOTH COMMUNITIES

Industry Observations

Multiple industries are still experiencing difficulties of hiring and retaining skilled workers. Industries across the board are still experiencing delayed product shipments, out of stock issues, general supply chain delays and expense increases.

- **Retail (brick & mortar):** Supply chain problems continue which may dampen Q4 holiday sales. Some merchants are looking for more local/domestically produced goods which represents some opportunity for smaller retailers to compete with national chains. Shipping container shortages and shipping cost increase are driving up costs. Consumers continue to show interest in Buy-Online-Pickup-In-Store which can represent opportunities for our local merchants if they invest in e-commerce selling platforms or technology solutions.
- **Restaurant & Hospitality:** We are seeing some closures or exits from our local community in the restaurant/brewery spaces; however, there also seems to be plenty of willing entrepreneurs to step up and fill those vacancies with new business opportunities. Worker shortages continue to be a problem.
- **Healthcare:** Qualified providers of health care, services, and support may receive Provider Relief Fund payments for healthcare-related expenses or lost revenues due to COVID-19. These distributions do not need to be repaid to the U.S. government, assuming providers comply with the terms and conditions. We are assisting clients in preparing to apply for these funds and will be promoting the funding opportunity to the health care community.
- **Industries that were closed or severely limited (bars, gyms, entertainment venues):** Some gym/fitness businesses are offering hybrid models where clients can attend classes in person or online. As Delta variant problems intensified in Q3 some of these locations saw large numbers of cancellations of memberships and in-person visits to facilities drop substantially.
- **Real Estate/Construction:** Consumer spending on home improvement and remodeling projects has many contractors booked out far in advance. However, some disadvantaged populations are struggling to secure work due to language barriers.

WASHINGTON CAMPUS COMPACT (WACC)

LEGISLATIVE AGENDA

In 2019, Washington Campus Compact was successful at procuring legislative funding for the Student Civic Leaders Initiative. This funding has supported student civic leadership fellows from across the state develop projects that addressed critical issues on campuses and in communities for the last two years. We will request funding again during the 2022 legislative session to continue support for this work. Student fellows will develop projects that address issues such as housing/food insecurity, mental/medical health, K-16 student success, breaking the prison pipeline, and environmental stewardship.

VISIONING TEAM/RE-BRANDING

Washington Campus Compact has been convening a diverse visioning team, representing institutions from across the state, to participate in a process of rebranding the organization. The

intent is to identify a new name by the end of the calendar year, and then launch the new brand in early 2022. The board will meet on December 16, 2021 to select the new name of the organization.

WEB COMMUNICATION TECHNOLOGIES (WebTech)

SUMMARY

Fall saw WebTech complete two major projects in collaboration with Admissions, the Office of the Registrar, and University Marketing that aim to directly impact recruitment.

The primary institutional website [holds the webpages that describe the majors offered at Western](#). This site is one of our most highly-trafficked areas and is one of the first touchpoints for prospective students looking at what degrees and opportunities exist at Western. Based on user research, market research, and corroboration of that research with our external digital marketing agency, the pages were revamped, simplifying the user experience, with search engine optimized section headings and improved imagery and text to support keyword searches.

Two weeks after releasing the new pages, analysis of traffic and search terms show that 15 majors that had never received traffic from Google now are doing so. The traffic to the majors landing page is up 28.3% from the month prior where the old format was in place. Engagement with the landing page has increased 58%, nearly an additional 30 seconds per page. This we believe can be attributed to more meaningful content written in an engaging manner. Biology, Engineering, Business Administration, Art Studio, Anthropology, Elementary Education, Business and Sustainability, Marketing, Mathematics, Art Education, Finance, and Interdisciplinary Studies all saw 100% or more increases in active visitors to the page. Secondary Education saw an increase of 630%. Search Engine Optimization (SEO) can be a powerful tool for increasing traffic as evidenced by these numbers, and we intend to apply our learnings to additional highly-trafficked Admissions and Financial Aid pages.

The second project was aimed at supporting those seeking to transfer to Western through the [Transfer Course Equivalency Guide](#). The guide has been available for many years but was struggling to deliver results for those using small screen devices such as phones and more modern web browsers. The revised system is now providing timely results and a seamless experience.

WebTech also built or assisted in a significant way in the building of the [Department of Modern and Classical Languages](#) website, the [Vice Provost Undergraduate Enrollment](#) website, and a web application for helping stakeholders internal to Western understand [Data Standards](#).

In a culmination of months of preparatory work, all Drupal 8 sites on campus – now numbering 90+ sites – were successfully upgraded to Drupal 9. This was necessary as several components of Drupal 8 were scheduled to no longer be supported at the start of November. Drupal 9 also aligns with our goals of providing faster websites to all users through a variety of new technologies we can now access.

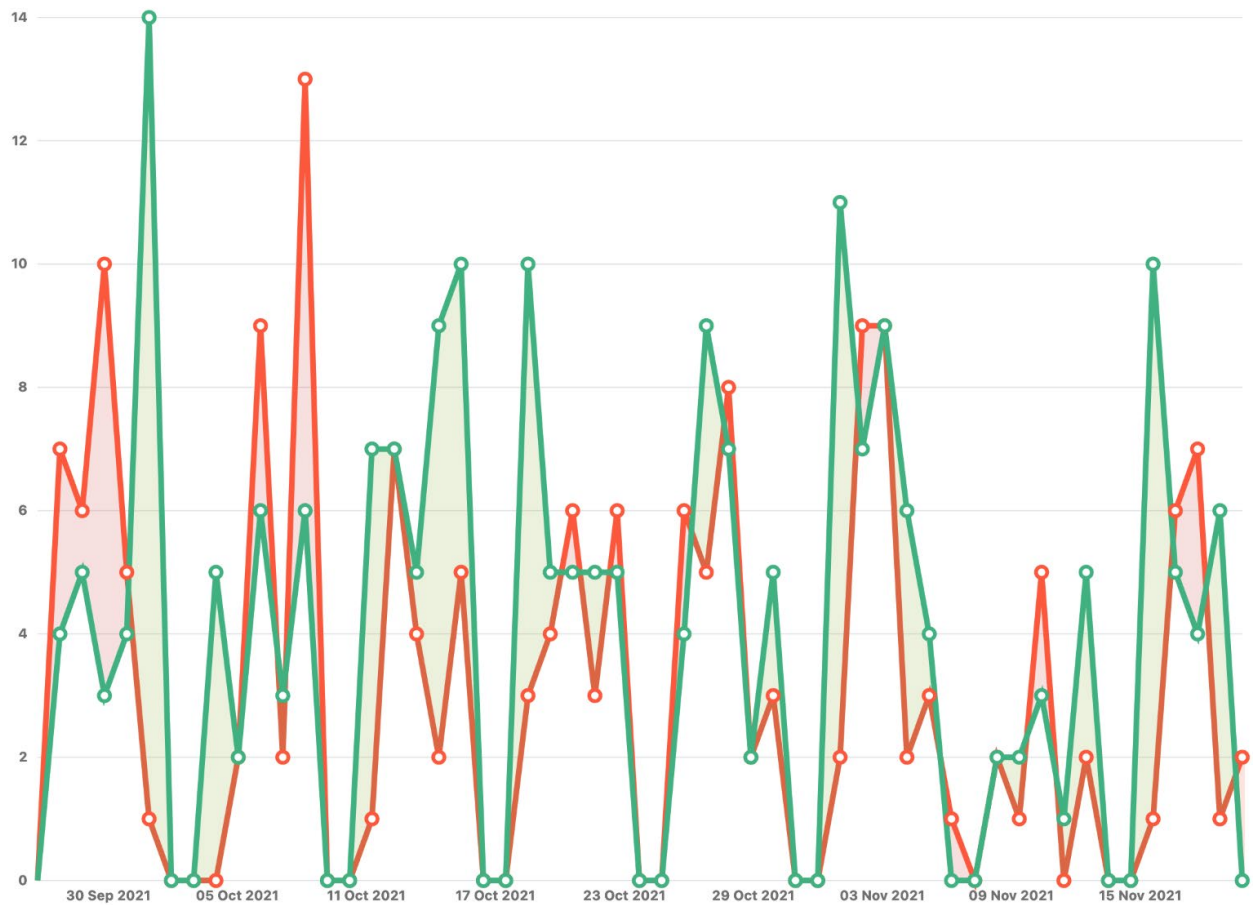
WEB TRAFFIC ANALYSIS

Traffic across the institutional website increased significantly from the prior period before September 18th- November 12th. The engagement is being driven by traffic to the homepage, up 54%, most likely due to the preferred application deadline ending November 1st; the aforementioned majors pages, up 52%; and the current undergraduate marketing campaigns, up nearly 234%.

A highlight for the period is that Indigenous Peoples' Day ranked 9th in overall traffic for the period, with 8,055 views. The event was advertised on the homepage for two weeks and had broad community engagement outside of Western. The Academic Programs, Institutes, and Centers landing page was revised late in September and subsequently saw an 11,110% increase in traffic, with over 4,484 views. Unfortunately, that traffic did not continue onto the individual program, institute or center pages themselves. We will be continuing to refine this user journey with the goal of driving traffic to those program sites.



Created vs. Resolved Chart



In response to project requests and ongoing support of the growing network of websites and applications across campus, WebTech created 198 work tickets between September 18th and November 12th. We were able to resolve 209 tickets overall which is the first time in several periods that we have been able to close more than open.

483 emails for support were received from September 20th through November 12th. A further 19.85% increase from the prior period. As can be seen in the chart, the rate of increased support requests does seem to be tapering as Western moves into the late Fall quarter.

**WESTERN WASHINGTON UNIVERSITY
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

TO: Members of the Board of Trustees

FROM: President Sabah Randhawa on behalf of Becca Kenna-Schenk, Executive Director of Government Relations

DATE: November 30, 2021

SUBJECT: Legislative Update

PURPOSE: Information Item

Purpose of Submittal:

Update from WWU Office of Government Relations.

Supporting Information:

State Budget Outlook

The State's recently adopted quarterly revenue forecasts show continued growth in the state's economy. The forecast adopted by the Washington State Economic and Revenue Forecast Council on November 19th projects a \$898 million increase in state revenues for the 2021-23 biennium and a \$965 million increase for the 2023-25 biennium. State general fund revenues are now projected at more than \$60.2 billion for the current two-year state budget cycle, which began July 1. Governor Inslee will release his proposed 2022 supplemental operating budget in mid-December based on the November 19th forecast, which will kick-off the supplemental budgeting process.

2022 Legislative Session

The 60-day, 2022 legislative session is scheduled to begin on January 10th and end on March 10th. The legislative session will be conducted through a hybrid modality, with all committee meetings being held remotely and limited in-person floor sessions in the House and Senate chambers.

Western's 2022 legislative priorities will be focused on the state operating and capital budgets. For the operating budget, WWU's top priority is compensation funding for all Western employees. Western has also advanced budget proposals related to expanding student retention and success and addressing workforce needs in the nursing profession by transitioning the University's RN-to-BSN program from tuition support to state support and establishing a new Master's in Nursing program. WWU's supplemental capital budget priorities include funding requests for classroom and lab upgrades and minor works projects not funded in the 21-23 biennial capital budget.

The WWU Office of Government Relations is working to advance these priorities by coordinating meetings between state legislators and President Randhawa and meeting with legislative and Governor's Office staff.

Munro Seminar for Civic Education

The annual Ralph Munro Seminar for Civic Education was held on campus on November 4th. This year's theme was "*Complex Problems and Cross-Party Conversations*," featuring panel discussions on drug policy and housing affordability. Panelists included State Senator Manka Dhingra, State

Representative Andrew Barkis, State Senator Patty Kuderer and State Representative Greg Gilday, among others.

**WESTERN WASHINGTON UNIVERSITY
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

TO: Members of the Board of Trustees

FROM: President Sabah Randhawa on behalf of Melynda Huskey

DATE: December 10, 2021

SUBJECT: Enrollment Management

PURPOSE: Information Item

I. Enrollment

The new enrollment landscape includes more permanency of health precautions, increases in virtual services and programming, learning loss, strained enthusiasm about college among high school seniors, and demand for more flexibility. Western is ready to meet the challenges ahead and will be taking the next step toward a more complete return to in-person instruction this winter.

Fall 2021 Enrollment

The October report to the Board of Trustees included a significant amount of data and analysis of enrollment for Fall 2021, but it was based on preliminary data at the end of the first week of classes (pre-census day). Enrollment and the insights on fall enrollment did not change much between the submission of that report and the locking of enrollment numbers on census day, Monday, October 4th, but it is worth providing final enrollment details here.

Fall Enrollment - All Students	Fall 2021 Peak					
Enrollment by Race/Ethnicity						
	Fall 2016	Fall 2017	Fall 2018	Fall 2019	Fall 2020	Fall 2021
Hispanic or Latino Ethnicity	1,298 (8.3%)	1,398 (8.8%)	1,495 (9.3%)	1,617 (10.0%)	1,575 (10.4%)	1,596 (10.6%)
American Indian or AK Native	346 (2.2%)	325 (2.0%)	317 (2.0%)	311 (1.9%)	288 (1.9%)	270 (1.8%)
Asian	1,648 (10.6%)	1,679 (10.5%)	1,697 (10.5%)	1,721 (10.7%)	1,711 (11.3%)	1,725 (11.4%)
Black or African American	396 (2.5%)	421 (2.6%)	418 (2.6%)	433 (2.7%)	432 (2.8%)	491 (3.2%)
Native HI or Other Pacific Isl	73 (0.5%)	72 (0.5%)	70 (0.4%)	64 (0.4%)	66 (0.4%)	72 (0.5%)
White	11,275 (72.4%)	11,416 (71.7%)	11,429 (70.9%)	11,249 (69.7%)	10,463 (68.8%)	10,313 (68.2%)
Two or more races: Other	172 (1.1%)	183 (1.1%)	198 (1.2%)	197 (1.2%)	191 (1.3%)	188 (1.2%)
International	181 (1.2%)	188 (1.2%)	183 (1.1%)	198 (1.2%)	128 (0.8%)	148 (1.0%)
Race and ethnicity unknown	185 (1.2%)	233 (1.5%)	314 (1.9%)	352 (2.2%)	343 (2.3%)	322 (2.1%)
Total	15,574	15,915	16,121	16,142	15,197	15,125
<i>Students of Color</i>	3,933 (25.3%)	4,078 (25.6%)	4,195 (26.0%)	4,343 (26.9%)	4,263 (28.1%)	4,342 (28.7%)
<i>Non-Resident</i>	1,827 (11.7%)	1,929 (12.1%)	2,035 (12.6%)	1,993 (12.3%)	1,745 (11.5%)	1,990 (13.2%)
<i>First Generation</i>	5,092 (32.7%)	5,166 (32.5%)	5,114 (31.7%)	4,977 (30.8%)	4,580 (30.1%)	4,253 (28.1%)
<i>PELL-Eligible</i>	3,789 (24.3%)	4,026 (25.3%)	3,956 (24.5%)	3,717 (23.0%)	3,370 (22.2%)	3,094 (20.5%)

Fall Enrollment - New First-Year Students **Fall 2021 Peak**

Enrollment by Race/Ethnicity						
	Fall 2016	Fall 2017	Fall 2018	Fall 2019	Fall 2020	Fall 2021
Hispanic or Latino Ethnicity	257 (8.9%)	312 (10.0%)	328 (10.4%)	341 (10.9%)	280 (11.2%)	335 (11.7%)
American Indian or Alaska Native	60 (2.1%)	58 (1.9%)	55 (1.7%)	60 (1.9%)	56 (2.2%)	41 (1.4%)
Asian	308 (10.7%)	342 (11.0%)	386 (12.3%)	391 (12.5%)	321 (12.9%)	327 (11.4%)
Black or African American	72 (2.5%)	98 (3.1%)	86 (2.7%)	111 (3.6%)	88 (3.5%)	116 (4.0%)
Native Hawaiian or Other Pacific Isl	12 (0.4%)	17 (0.5%)	16 (0.5%)	14 (0.4%)	16 (0.6%)	18 (0.6%)
White	2,108 (73%)	2,187 (70.2%)	2,166 (68.8%)	2,097 (67.3%)	1,635 (65.6%)	1,970 (68.5%)
Two or more races: Other	26 (0.9%)	38 (1.2%)	47 (1.5%)	43 (1.4%)	40 (1.6%)	32 (1.1%)
International	10 (0.3%)	5 (0.2%)	6 (0.2%)	11 (0.4%)	2 (0.1%)	7 (0.2%)
Race and ethnicity unknown	35 (1.2%)	57 (1.8%)	57 (1.8%)	48 (1.5%)	56 (2.2%)	28 (1.0%)
Total	2,888	3,114	3,147	3,116	2,494	2,874
<i>Students of Color</i>	735 (25.5%)	865 (27.8%)	918 (29.2%)	960 (30.8%)	801 (32.1%)	869 (30.2%)
<i>Non-Resident</i>	475 (16.4%)	467 (15.0%)	473 (15.0%)	436 (14.0%)	348 (14.0%)	513 (17.8%)
<i>First Generation</i>	909 (31.5%)	938 (30.1%)	905 (28.8%)	908 (29.1%)	719 (28.8%)	746 (26.0%)
<i>PELL-Eligible</i>	648 (22.4%)	775 (24.9%)	756 (24.0%)	742 (23.8%)	575 (23.1%)	579 (20.1%)

Fall Enrollment - New Transfer Students **Fall 2021 Peak**

Enrollment by Race/Ethnicity						
	Fall 2016	Fall 2017	Fall 2018	Fall 2019	Fall 2020	Fall 2021
Hispanic or Latino Ethnicity	120 (10.5%)	97 (8.2%)	126 (10.8%)	128 (11.1%)	134 (12.8%)	125 (11.7%)
American Indian or Alaska Native	27 (2.4%)	28 (2.4%)	27 (2.3%)	24 (2.1%)	22 (2.1%)	23 (2.2%)
Asian	91 (8.0%)	105 (8.9%)	88 (7.6%)	92 (8.0%)	92 (8.8%)	95 (8.9%)
Black or African American	27 (2.4%)	29 (2.5%)	24 (2.1%)	28 (2.4%)	27 (2.6%)	30 (2.8%)
Native Hawaiian or Other Pacific Isl	7 (0.6%)	4 (0.3%)	3 (0.3%)	6 (0.5%)	3 (0.3%)	7 (0.7%)
White	820 (71.9%)	858 (72.7%)	830 (71.2%)	815 (70.5%)	722 (69.0%)	731 (68.6%)
Two or more races: Other	16 (1.4%)	14 (1.2%)	10 (0.9%)	10 (0.9%)	10 (1.0%)	18 (1.7%)
International	24 (2.1%)	22 (1.9%)	27 (2.3%)	28 (2.4%)	19 (1.8%)	26 (2.4%)
Race and ethnicity unknown	9 (0.8%)	24 (2.0%)	30 (2.6%)	25 (2.2%)	18 (1.7%)	10 (0.9%)
Total	1,141	1,181	1,165	1,156	1,047	1,065
<i>Students of Color</i>	288 (25.2%)	277 (23.5%)	278 (23.9%)	288 (24.9%)	288 (27.5%)	298 (28.0%)
<i>Non-Resident</i>	98 (8.6%)	102 (8.6%)	91 (7.8%)	93 (8.0%)	92 (8.8%)	137 (12.9%)
<i>First Generation</i>	513 (45.0%)	539 (45.6%)	495 (42.5%)	488 (42.2%)	417 (39.8%)	397 (37.3%)
<i>PELL-Eligible</i>	363 (31.8%)	397 (33.6%)	386 (33.1%)	358 (31.0%)	330 (31.5%)	286 (26.9%)

Fall Enrollment - All Graduate Students **Fall 2021 Peak**

Enrollment by Race/Ethnicity						
	Fall 2016	Fall 2017	Fall 2018	Fall 2019	Fall 2020	Fall 2021
Hispanic or Latino Ethnicity	42 (5.8%)	44 (6.1%)	49 (6.5%)	49 (6.9%)	59 (7.5%)	76 (8.4%)
American Indian or Alaska Native	15 (2.1%)	20 (2.8%)	18 (2.4%)	15 (2.1%)	14 (1.8%)	16 (1.8%)
Asian	46 (6.3%)	48 (6.6%)	30 (4.0%)	44 (6.2%)	72 (9.1%)	82 (9.0%)
Black or African American	11 (1.5%)	15 (2.1%)	15 (2.0%)	19 (2.7%)	19 (2.4%)	27 (3.0%)
Native Hawaiian or Other Pacific Isl	0 (0.0%)	2 (0.3%)	3 (0.4%)	2 (0.3%)	3 (0.4%)	2 (0.2%)
White	582 (79.9%)	568 (78.7%)	599 (79.4%)	534 (74.8%)	564 (71.7%)	652 (71.6%)
Two or more races: Other	5 (0.7%)	4 (0.6%)	4 (0.5%)	4 (0.6%)	4 (0.5%)	9 (1.0%)
International	13 (1.8%)	11 (1.5%)	14 (1.9%)	14 (2.0%)	11 (1.4%)	6 (0.7%)
Race and ethnicity unknown	14 (1.9%)	10 (1.4%)	22 (2.9%)	33 (4.6%)	41 (5.2%)	40 (4.4%)
Total	728	722	754	714	787	910
<i>Students of Color</i>	119 (16.3%)	133 (18.4%)	119 (15.8%)	133 (18.6%)	171 (21.7%)	212 (23.3%)
<i>Non-Resident</i>	139 (19.1%)	131 (18.1%)	162 (21.5%)	149 (20.9%)	165 (21.0%)	185 (20.3%)
<i>First Generation</i>	135 (18.5%)	132 (18.3%)	128 (17.0%)	129 (18.1%)	145 (18.4%)	155 (17.0%)

COVID Vaccination Policy Compliance—Students have complied with the policy at a very high rate. Those enrolled this fall who did not comply with the policy have a hold on their winter registration, and we are continuing to work with them to come into compliance.

A few highlights as of Wednesday, December 1st:

- 98.2% of our students have complied with the requirements under the COVID vaccination policy.
- 95.7% of all enrolled students have submitted proof that they are fully vaccinated.
- Among the 372 students with medical or religious exemptions, 21 are temporary medical waivers (“exemption 1 shot” in the table below) issued to students who have reported getting the first shot of a two-dose vaccine. Those are on their way to full compliance as vaccinated students.
- 99.6% of students who have at least one in-person class have completed their COVID requirements under the policy.
- 276 students have not yet submitted records to the Student Health Center and have not met the requirements under the COVID vaccination policy.

Fall 2021 Covid Compliance	12/1/2021		all
	no FTF/HYBD	some/all FTF/HYBD	
Compliant	1,958	12,758	14,716
Vaccinated	1,835	12,509	14,344
Exemption: 1-Shot	11	10	21
Exemption: Other	112	239	351
No Info	230	46	276
all	2,188	12,804	14,992
% Compliant	89.5%	99.6%	98.2%
% Vaccinated	83.9%	97.7%	95.7%

As in fall quarter, Enrollment Management is working closely with Academic Affairs to manage issues with COVID compliance and in-person instruction for winter quarter. We will again be providing data about aggregate COVID vaccination and COVID compliance rates by course, and we will be facilitating the work of Academic Affairs with the courses that get approval to be limited only to students who are vaccinated.

Winter 2022 Enrollment

Enrollment for Winter 2022 will be impacted by the smaller cohorts of new students that have enrolled in the last two years. However, registration for winter is on pace for enrollment in Winter 2022 to exceed enrollment in Winter 2021.

The tables below show comparative data on applications, admits, and confirmations for new students for winter, as of Wednesday, November 24, 2021, and compared to the same week in recent years. New first-year students are always a small portion of our new student population for winter. The majority of our new student population in winter is consistently transfer students. As community colleges in the state continue to see enrollment declines, we have experienced some decline in transfer applications and confirmations. Despite that (and as we come out of the pandemic and back to in-person instruction), we are expecting a slight increase in new students (first-year and transfer) in Winter 2022 than we enrolled in Winter 2021—though still down from prior to the pandemic.

New transfers—Bellingham

	Applied	Admitted	Confirmed
2022	566	437	336
2021	541	463	320
2020	660	533	411

New transfers—other locations

	Applied	Admitted	Confirmed
2022	13	4	4
2021	21	7	7
2020	23	6	6

New first-year students—Bellingham

	Applied	Admitted	Confirmed
2022	108	77	65
2021	117	97	62
2020	69	47	40

Fall 2022 Recruitment

Early in the application process this year, we witnessed significant signs of stress among high school seniors. They were very slow to apply initially, but our early action deadline did motivate submission, and applications are being submitted at a comfortable pace now. Students' academic records have more shortcomings and are generally weaker coming out of the pandemic, and seniors are not as well-versed about the steps that they need to take to get on track to enter college. This is not surprising, as they have had less exposure to the college process and college counselors than their counterparts had prior to the pandemic. It is, however, a reality to which we must adapt.

Totals as of December 1, 2021:

New first-year students—Bellingham

	Applied	Admitted	Confirmed
2022	5,334	4,487	228
2021	5,371	4,354	345
2020	5,004	3,552	193

(Continued next page)

New transfers—Bellingham

	Applied	Admitted	Confirmed
2022	195	34	34
2021	139	31	15
2020	110	9	1

New transfers—other locations

	Applied	Admitted	Confirmed
2022	9	1	1

2021	21	6	6
2020	12	0	0

Important notes on New First-year Applications for Fall 2022

- Increases in applications from students of color and international students, even as the overall applicant pool is slightly decreased
- Notable decreases in applications from Washington residents
 - Some applicants with undetermined residency classification will eventually have an impact on this count
- Increase of 7.3% in applications from nonresidents
- Decline in applications from first generation students

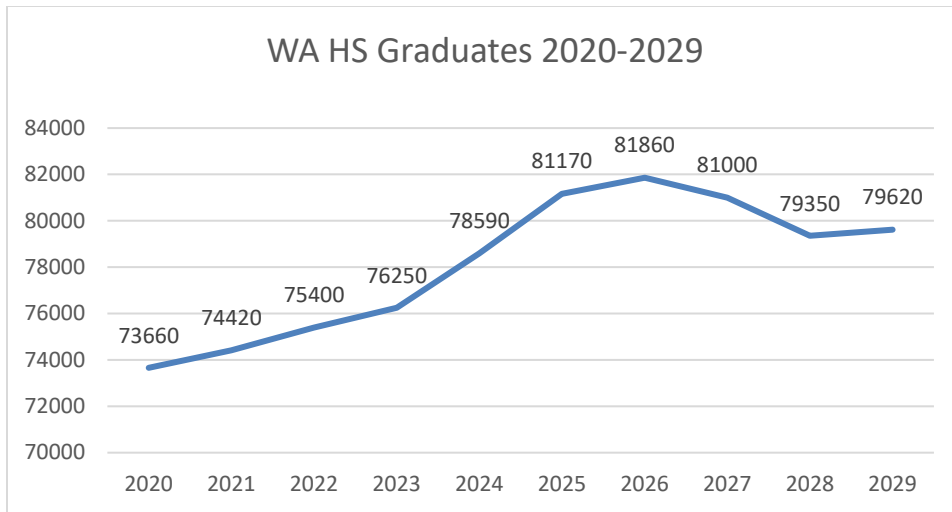
It is still too early to provide much analysis of the transfer applicant pool, as overall numbers will grow to nearly 2,000 before the cycle ends. We will keep a close eye on the number of applications generated by students from community colleges as opposed to other four-year institutions, and we will be watching for demographic shifts in the transfer applicant pool.

Overall, the message in the marketplace is one of hopeful anticipation for a “rebound” in the Fall 2022 class. However, it is worth noting that comparisons are generally based on the last two cohorts—Fall 2020 and Fall 2021—where overall results and outcomes were mixed depending on institution type and geographic location. Early reports from The Common App (of nearly 1,000 institutions) point to modest increases in application numbers nationally. Generally, these early reports are generated by selective institutions (with early- and mid-November deadlines). Those institutions garnered attention—and subsequent application generation—following the test-optional movement that was solidified during the pandemic.

There are a lot of mixed signals, but many signs point to a difficult road ahead for institutions that do not enjoy elite or flagship status. Within our own state, peers from Public Baccalaureate Institutions (PBIs) also share mixed experiences. Some report healthy increases of 7 to 10 percent (thanks largely to non-resident activity), while others have shared that they are “down significantly” without disclosing actual numbers (again, in comparison with Fall 2021).

Five main elements are influencing our ability to significantly sustain forward momentum in our recruitment efforts. Three are demographic; two are behavioral. Demographically, we are in a *rollercoaster ride* when considering the number of the state’s high school graduates; the ethnic make-up of these graduates is changing; and fewer students are enrolling in the state’s community and technical colleges. Behaviorally, Washington’s high school graduates do not enroll in post-secondary education at healthy rates, and high school seniors are slow to engage in important “Next Step” efforts in their college-going process, such as filing the FAFSA. Following are graphs and tables which highlight some of these phenomena.

Washington High School Graduates—Modest increase in overall numbers (+9.9% from 2021 to 2026)

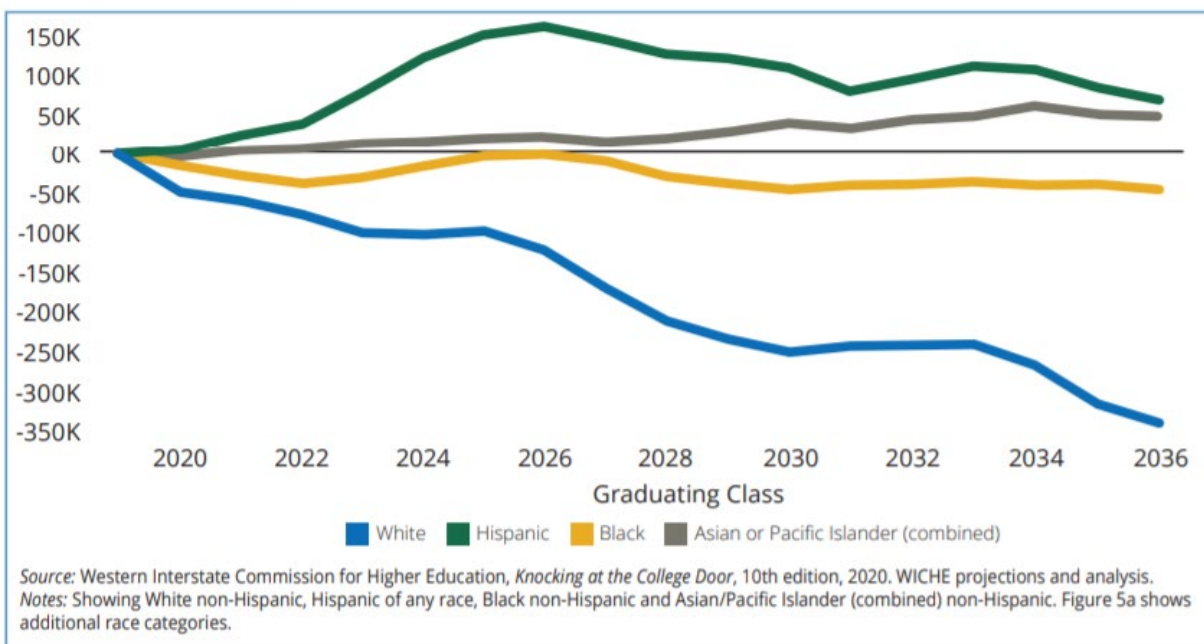


Source: WICHE Dashboard, *Knocking at the College Door*, Projections of High School Graduates, December 2020, <https://knocking.wiche.edu/wp-content/uploads/sites/10/2020/12/Knocking-pdf-for-website.pdf>

The racial/ethnic make-up of the population of Washington high school graduates will continue to change in important ways that the state's institutions of higher education must be prepared to address.

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Figure 4a. Projected Change in Number Among U.S. Public High School Graduates Compared to 2019, by Race/Ethnicity

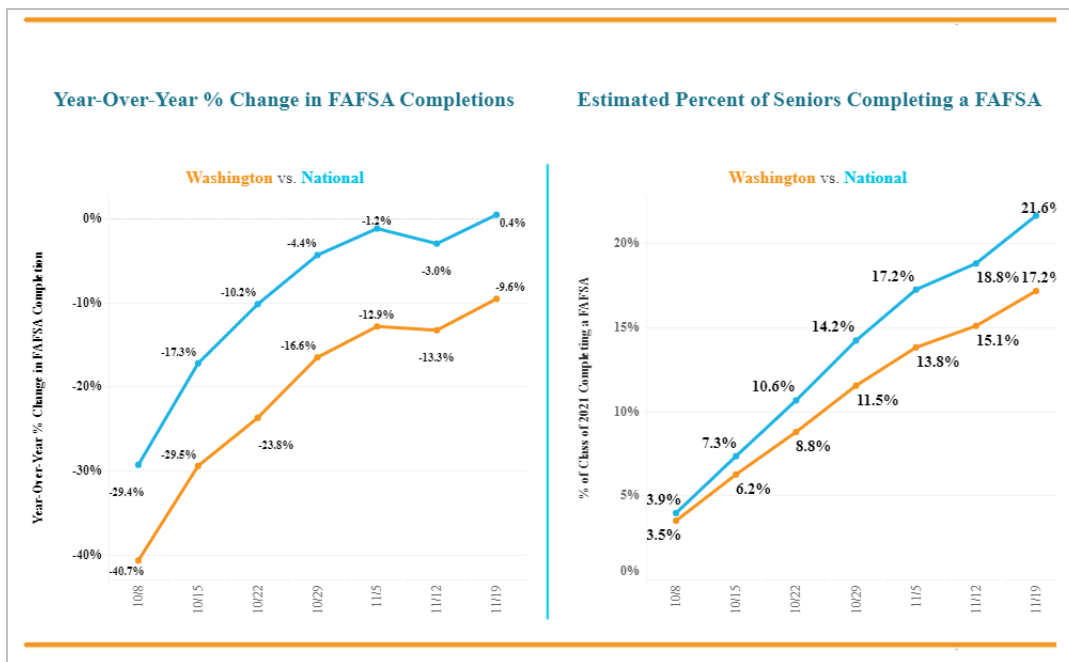


Source: WICHE Dashboard, *Knocking at the College Door*, Projections of High School Graduates, December 2020, <https://knocking.wiche.edu/report/#PublicRaceEthnic>

It is important to note that, historically, students of color and their families have been more financially conservative than their white/caucasian counterparts. Recruitment will be far more challenging for institutions that are predominantly white and are perceived as being less affordable—the value proposition will be tougher to prove.

FAFSA Submission—The percentage of Washington high school seniors who complete a FAFSA is an ongoing concern. Through November 19, 2021, 17.2% of the high school class of 2022 in Washington has completed the FAFSA. This compares with 21.6% nationally. Washington ranks in the bottom 10 among 52 states, DC, and Puerto Rico. Source: *FAFSA Tracker*, sponsored by the National College Attainment Network at <https://formyourfuture.org/fafsa-tracker/>.

(Continued next page)



Guaranteed Admissions Program—We are continually looking for new opportunities and strategic advantages in this ever-challenging recruitment environment. One such effort, launching this year, is the Guaranteed Admissions Program (GAP). Western, along with four of the other public baccalaureate institutions in the state (UW is not participating)—and coordinated through the Council of Presidents—is deploying a pilot program. With a focus on increasing access and credential completion in our state, the GAP will guarantee admission to students who meet set criteria that highlight their level of preparation for post-secondary coursework: minimum Grade Point Average (GPA) and completion of the College Academic Distribution Requirements (CADRs) as established by the Washington Student Achievement Council (WSAC).

We are engaged with representatives from over 60 school districts and nearly 130 high schools to feature Western as a choice destination for students' college experience. In addition to providing virtual training sessions for school counselors and staff, we are also developing segmented communication campaigns to encourage students to apply for admission in advance of our January 31st application deadline. We are thrilled to be a part of this inaugural effort alongside our colleagues and peers, through a concerted effort to improve the pathway to college for our state's students.

Campus Visits—Additionally, Western has remained at the forefront in providing prospective students and their families options for campus visits. Unsurprisingly, there was significant pent-up demand from families to re-engage in more traditional travel and college visit experiences. We worked closely with Facilities Management, University Residences, and the Student Health Center to ensure that our experiences appropriately met all aspects of Western's public health response and expectations for safe utilization of campus spaces and engagement with people around campus. Admissions rolled out protocols to verify proof of vaccination for hundreds of visitors during our fall open house events, which took place over five consecutive Fridays in October. Below are other notes from our on-campus visit efforts (as of November 1, 2021):

- Tours capped at 25-30 guests per tour guide, helping spread guests throughout the week (opposed to larger groups on Fridays and Mondays)

- Student attendance at fall open house was down 23% due to several factors: limiting event attendance, requiring proof of vaccination/negative testing, holding event on Fridays. However, event show-rate was much better than in prior years: 84% vs 74%
- Overall visit numbers (student counts) are up 16% compared with 2019

Slate (CRM)—We continue to make strides in our development of the Slate CRM (Constituent Relationship Management) software. In addition to hiring specialized and skilled staff to manage the tool, we are focused on fine-tuning the functionality that has been developed as we continue to work through each phase of additional development, with an eye toward broad use by campus partners.

Recent accomplishments and current work:

- Honors College recruitment and application processing
- Integration with Banner for daily, automated data transfers
- Improvement of workflows and processes for enhanced staff productivity
- Establishment of scholarship processing through Slate
- Enhancement of reporting capabilities
- Exploring initial international student onboarding through Slate portal experience
- Ongoing development of platform for use by OCE and other Western locations.

We look forward to another year of progress and achievement. We are working hard to bring many of these efforts to successful completion—all while engaging in a spirit of collaboration and respect, with each other and colleagues from around the University.

II. Registrar

Winter Course Modality

We are scheduled to have approximately 90% of our winter courses taught either face-to-face or with some face-to-face component (hybrid). Below are two tables detailing course modality by course level (100-level courses, 200-level courses...) and by college.

Winter 2022 Course Modality by Course Level								12/1/2021
Count of Main Campus CRNs								%
	FTF	HYBD	SYNC	ASNC	BLND	blank	all	FTF/HYBD
<100	4	2					6	100.0%
100 Level	309	34	13	12	3		371	92.5%
200 Level	295	45	31	13	11	3	398	85.4%
300 Level	536	63	42	24	16	17	698	85.8%
400 Level	793	57	34	13	14	15	926	91.8%
500 Level	183	16	9	1	5	2	216	92.1%
600 Level	151			1			152	99.3%
all	2,271	217	129	64	49	37	2,767	89.9%

Winter 2022 Course Modality by College

Count of Main Campus CRNs

12/1/2021

	FTF	HYBD	SYNC	ASNC	BLND	blank	all	% FTF/HYBD
CBE	109	23	12	8	3	2	157	84.1%
Woodring	61	24	37	20	12		154	55.2%
Fairhaven	38	8	1			16	63	73.0%
Fine Arts	362	4	6	3		6	381	96.1%
CHSS	558	100	52	25	31	10	776	84.8%
Huxley	364	2	9	6		2	383	95.6%
CSE	690	49	2	2	2	1	746	99.1%
Interdiscip	89	7	10		1		107	89.7%
all	2,271	217	129	64	49	37	2,767	89.9%

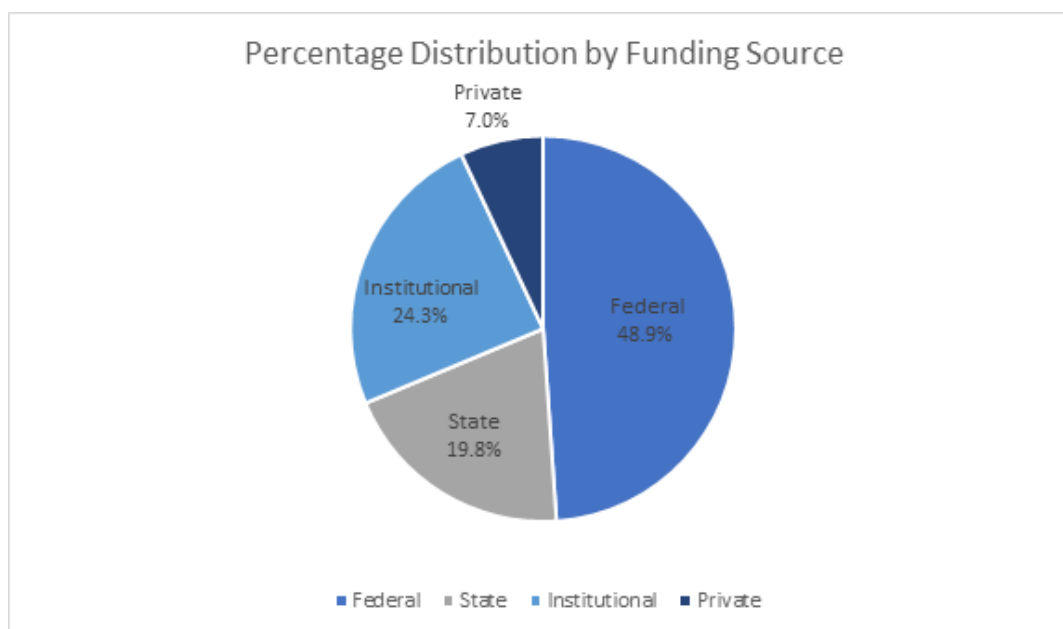
III. Student Aid

2020-21 Financial Aid Disbursements

Financial aid disbursements for the 2020-21 school year (rounded to the nearest \$100,000) totaled \$123 million to 9,811 student financial aid recipients. This compares to \$144 million in aid disbursements to 10,807 aid recipients the year before.

- Grants \$ 48,871,867
- Scholarships \$ 22,427,396
- Student Employment \$ 8,193,305
- Educational loans \$ 43,056,363
- Miscellaneous \$ 392,822

Total: \$ 122,941,753



- Federal \$ 60,139,091
- State \$ 24,390,902
- Institutional \$ 29,906,366
- Private \$ 8,505,394

There were several sources of emergency funding for students related to the pandemic (included within the \$123 million above).

- \$ 6,973,645 in Federal Higher Education Emergency Relief Funds
 - \$ 173,703 in institutional scholarships and grants
 - \$ 206,305 in Washington State emergency grants
- Total:** \$ 7,353,653

The Financial Aid Student Employment Center worked with supervisors of student employees to support continued employment of students in a remote environment.

Although some financial aid pays for expenses due and payable to Western on student accounts, a significant portion of financial aid is disbursed to students to pay other education-related expenses, such as rent and food expenses associated with living off campus, transportation, childcare, etc. Aid is disbursed to students in accordance with prescribed regulatory requirements, which include application to specific charges on student accounts. Aid that remains after allowable expenses have been paid on student accounts is disbursed to students, which they use to pay for education-related expenses that are not due and payable to Western.

Federal Program Review of Use of Title IV Funds

The Department of Education notified Western verbally of an impending Federal Program Review (audit) of Title IV student financial aid programs on September 29, 2021. Official written notice was received on Oct. 1, 2021. The purpose of the Federal Program Review was to determine whether Western met and is positioned to continue to meet the institutional eligibility, financial responsibility, and administrative capability requirements for participation in Federal Title IV student financial aid programs. Federal Title IV aid disbursements for the three aid years under review approximated \$141.4 million: the entirety of 2019-20 and 2020-21 and fall quarter 2021 of the 2021-22 school year.

Federal Title IV aid programs include the Federal Pell Grant, Teacher Education Assistance for College and Higher Education Grant, Federal Supplemental Educational Opportunity Grant, Federal Work Study, Federal Perkins Loan, Federal Iraq and Afghanistan Service Grant, Federal Children of Fallen Heroes Scholarship and William D. Ford Federal Direct Loan programs. In addition, the Program Reviewers examined how Western administers private alternative loan programs.

Western was directed to provide institution-wide documentation from not only the Financial Aid department, but a multitude of other areas within Enrollment and Student Services, Business and Financial Affairs and academic departments spanning the years under review. The reach of higher education regulations that are tied to Title IV funds is extensive, and all were subject to the Program Review.

The documentation requirements were substantial. To illustrate, the Financial Aid department provided 343 megabytes of policies and procedures, 17,000+ aid offers and comprehensive financial aid files for select students identified by the reviewers. Associate Vice President for Enrollment Management Shelli Soto served as the primary point of contact. The visit to

Western was held remotely during the week of November 15-19, 2021, with a final report anticipated in January 2022.

The Program Reviewers have provided preliminary findings and notified us that they anticipate we could qualify for expedited review, because so few issues have been identified.

Higher Education Emergency Relief Fund (HEERF)

Western's total HEERF III allocation is \$16,100,922. Prior HEERF I and HEERF II allocations totaling \$11,641,694 have been fully awarded. So far, 3,500 Western students have received \$3,498,091 in HEERF III on the basis of demonstrating exceptional financial need.

Methods used to award HEERF III include:

- Case-by-case determinations made by Financial Aid Counselors to address student financial emergencies. Financial Aid Counselors become aware of students in financial crisis through student appointments and referrals from faculty members and other campus colleagues.
- Flat grants to students with exceptionally high financial need as determined from the FAFSA (Free Application for Federal Student Aid) or WASFA (Washington Student Financial Aid Application).
- In collaboration with the Office of Institutional Effectiveness and the Student Business Office, Financial Aid is identifying students who owe on their student accounts for HEERF III-qualified expenses and helping to reduce or eliminate the amounts owed. Federal guidance prohibits schools from simply applying HEERF III directly to student accounts unless written authorization has been received from each student to do so. A process will be created to invite but not require such authorization.
- As was the case last year, Financial Aid posted an electronic HEERF III application on the Financial Aid website to give all students the opportunity to self-report their financial circumstances and apply. So far this year, students have requested \$2.9 million in HEERF III through electronic applications.

We anticipate that the entire HEERF III allocation will be expended during the current 2021-22 academic year. Financial Aid will reserve some HEERF III for needy students for winter and spring quarters of 2022.

Financial Aid Preparations for 2022-23

As noted in the last Financial Aid update, the financial aid application cycle for 2022-23 began October 1, 2021, when students and families began filing the FAFSA and WASFA.

Financial Aid Systems personnel are updating and testing the 2022-23 version of Ellucian Banner software and will begin loading FAFSA records into the system. Individual requests for documentation and missing information for financial aid files are scheduled to go out to students next month with awarding soon to follow.

FAFSA and WASFA Outreach Efforts

Western's Financial Aid Counselors participated in local and state-wide high school FAFSA and WASFA completion events this fall, in addition to serving as a resource for on-campus events.

In mid-October, Western's Financial Aid Counselors collaborated with Futures Northwest for a Skagit/Whatcom County FAFSA/WASFA in-person filing event as well as a virtual filing event sponsored by Bellingham, Squalicum, and Sehome high schools. Western's Financial Aid Counselors also participated in the Washington Student Achievement Council's 12th Year Campaign in November to boost financial aid application rates in the state of Washington.

Also in mid-October, Financial Aid Counselors provided an in-person FAFSA completion session at Fall Family Weekend and, in November, collaborated with Western's Blue Resource Center to help students and families file the WASFA. Financial Aid Counselors are slated to partner with the Woodring College of Education Diversity, Recruitment and Retention Office to host a FAFSA completion/Financial Aid Q&A in January 2022.

Western's Federal Cohort Default Rate (Fiscal Year 2018): 1.7%

The newest three-year federal cohort default rates have recently been published by the U.S. Department of Education. We are pleased to report that Western's default rate decreased from 2.7% to 1.7%, reflecting positively on the abilities of Western students to keep up with their loan payments.

The federal cohort default rate includes students who have borrowed through the Federal Subsidized and Unsubsidized Direct Loan programs. The national FY 2018 average cohort default rate was 7.3%.

Western has the lowest default rate among the Washington four-year public institutions. Limitation or termination of participation in Federal Student Aid programs becomes an issue when cohort default rates are 30% or more, therefore Western remains in good standing in this regard.

Comparison of Cohort Default Rates Among Washington Four-Year Public Institutions

	FY2018	FY2017	FY2016
WWU	1.7%	2.7%	2.7%
UW Seattle	2.1%	2.2%	2.8%
WSU Pullman	3.3%	4.6%	4.1%
EWU	4.0%	5.4%	5.1%
CWU	5.2%	6.9%	5.8%
TESC	6.5%	8.4%	10.4%

IV. New Student Services/Family Outreach

Orientation, Advising, and Registration (OAR) Programs for New Students & Families

Winter Quarter 2022 Advising & Registration sessions have already begun, with NSSFO co-sponsoring four sessions over the course of November, December, and January in partnership with the Academic Advising Center and Registrar's Office. The sessions are remote sessions and reservations to attend have remained steady. With the first two sessions in November already completed, we are on track to serve around 300 new first-year and transfer students during the program.

As the Advising & Registration sessions are determined for Spring and Summer Quarters, we anticipate continuing to offer the sessions virtually so support early access to advising, support, and resources.

Fall Family Weekend – October 15-17, 2021

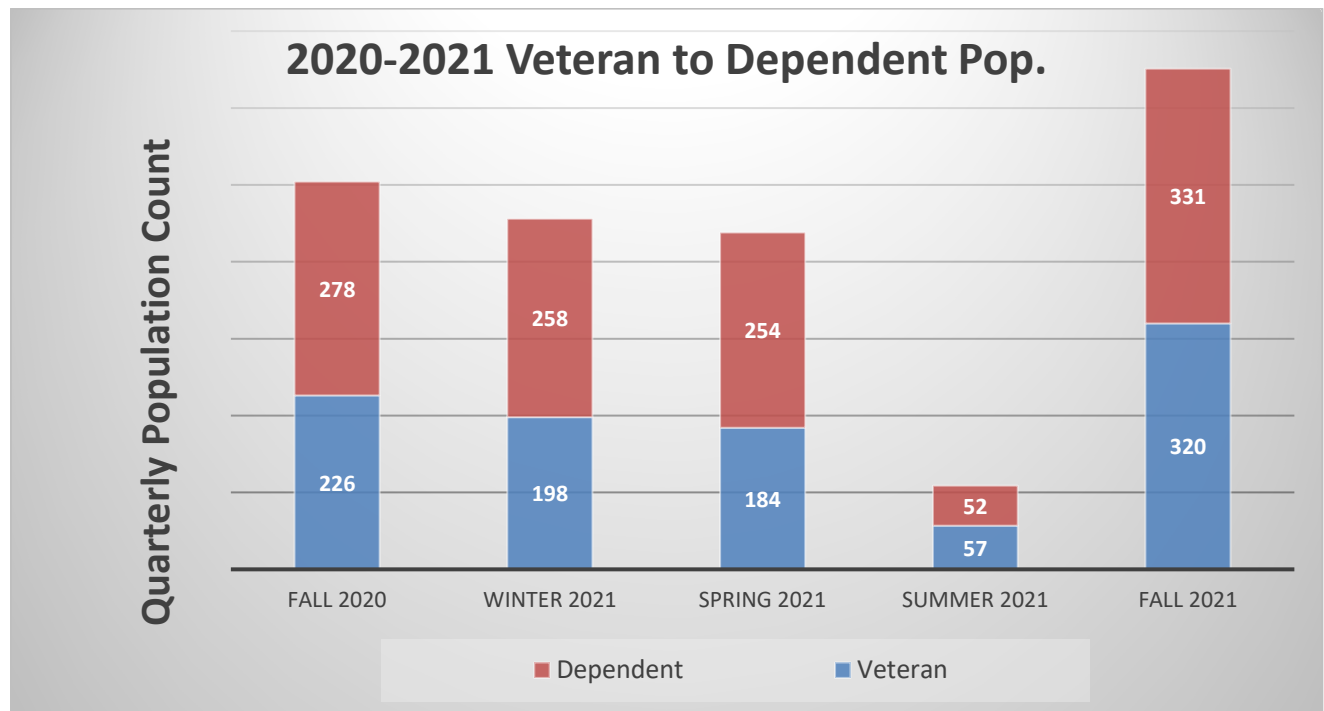
As a follow up note on this year's Fall Family Weekend, the weekend of events was successful and the schedule of programs and activities served students and families through in-person, hybrid, and remote options. While attendance is difficult to track for the weekend, it was evident the activities featured were hugely popular and featured new partnerships and collaborations with campus and Bellingham organizations.

Our ticketed events were sold out, including the Spark Museum of Electrical Invention’s popular “MegaZapper Electrical Show”, “Bellinghistory” walking tours with the Bellingham Good Time Girls tour company, and two half-day bicycle tours with Bike Northwest with themes of “Marine Ecology & Salmon” or “Urban Agriculture & Parks” tours.

We used the opportunities that arose from the pandemic to reframe the weekend of activities in innovative ways that students and families could enjoy whether they were on campus or not. Regardless of the COVID circumstances, it remains true that not all families have the time or finances to return to Bellingham to participate, and we are excited to find a wider array of local and virtual opportunities that can support connection and exploration.

V. Veteran Services Office

The student population served by the VSO has not reflected the decline in enrollment that has been true more broadly for Western during the pandemic. While the VSO has seen a steady rise in total population throughout the years, the near 30% increase from Fall 2020 to Fall 2021 is the largest we have seen.



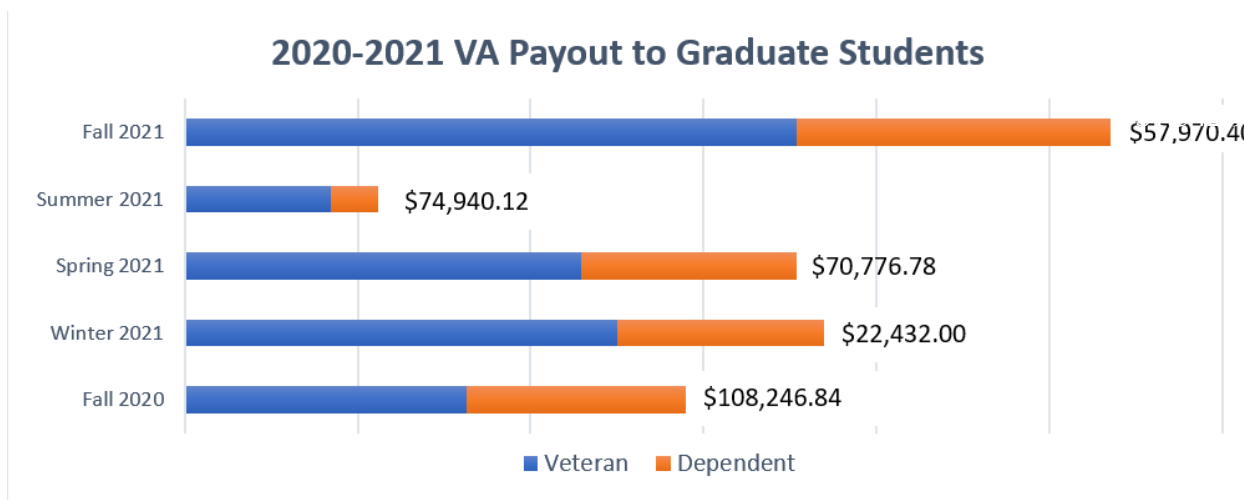
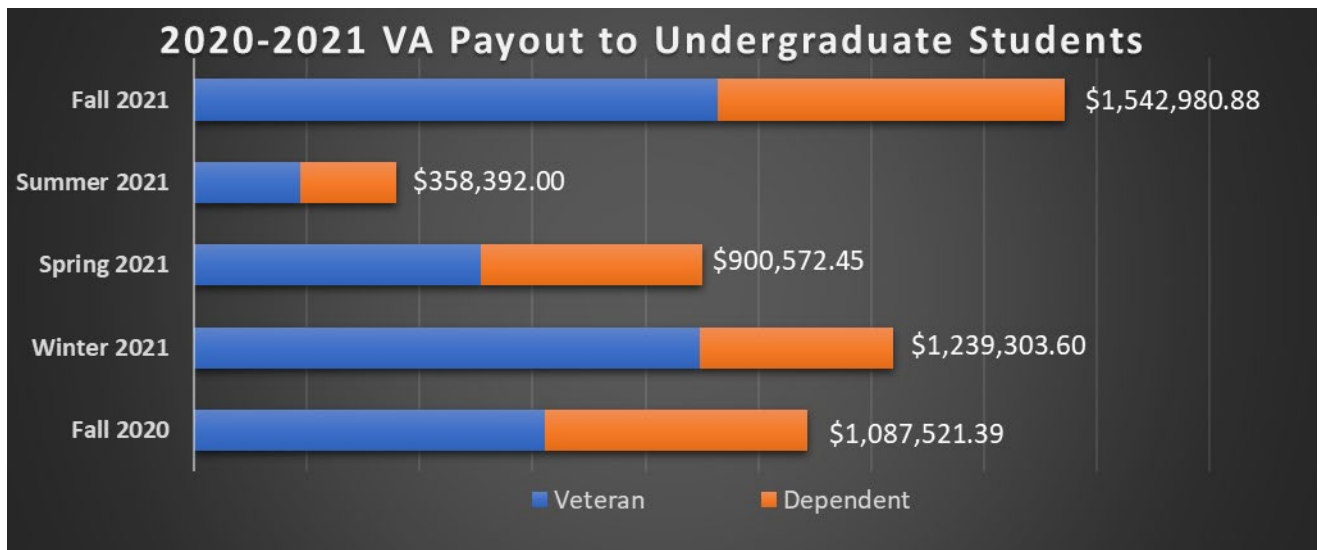
Growth in Number of Students Served

Below is a table reporting our year-over-year growth of the total benefits-eligible population served by VSO—Veterans and Dependents. It depicts the increase from Fall 2020 to Fall 2021 by student type. Our Veteran student population shows the highest growth at 37% which begins to equalize our total population that has been predominately Dependents of Veterans.

Year-Over-Year Increase	
VETERANS	37%
DEPENDENTS	18%
TOTAL	26%

Financial Benefit of Veteran Services Office

Below is a chart depicting the VA payments issued to the University on behalf of Veterans and their family members. It is broken down by quarter by Veteran and Dependent status.



VSO Staffing

In 2019 the permanent staff in the VSO included 0% Veterans and 0% people of color. In 2020 VSO's permanent and temporary staff are 100% Veterans and 66% people of color.



FINANCIAL REPORT

FISCAL YEAR 2021



MAKE WAVES.



All photos by Rhys Logan



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Office of the Washington State Auditor Pat McCarthy

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Board of Trustees
Western Washington University
Bellingham, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the Western Washington University, as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Western Washington University Foundation (the Foundation), which represents 100 percent of the assets, net position and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Western Washington University Foundation were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the

assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the University's preparation and fair presentation of the financial statements 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 University's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Western Washington University, as of June 30, 2021 and 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Matters of Emphasis

As discussed in Note 1, the financial statements of the Western Washington University, an agency of the state of Washington, are intended to present the financial position, and the changes in financial position, and where applicable, cash flows of only the respective portion of the activities of the state of Washington that is attributable to the transactions of the University and its aggregate discretely presented component units. They do not purport to, and do not, present fairly the financial position of the state of Washington as of June 30, 2021 and 2020, the changes in its financial position, or where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Note 24 to the 2021 financial statements, in February 2020, a state of emergency was declared that could have a negative financial effect on the University. Management's plans in response to this matter are also described in Note 24.

As discussed in Note 19 to the financial statements, legislation created a trust arrangement for assets dedicated to paying the Western Washington University Retirement Plan (WWURP) benefits to plan members. Contributions previously paid to and accumulated by the Department of Retirement Systems since 2012 were transferred into the trust effective July 1, 2020. As a result, the University transitioned to accounting for the plan in accordance with Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, 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.

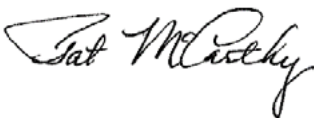
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements as a whole. The President's Letter of Transmittal and the Board of Trustees and Administrative Officers are presented for purposes of additional analysis and are not a required part of the basic financial statements of the University. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated November 24, 2021, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

Sincerely,



Pat McCarthy, State Auditor

Olympia, WA

November 24, 2021

November 24, 2021

Dear Chair Meyer:

We are pleased to submit the Annual Financial Report of Western Washington University. The accounts of WWU are maintained in accordance with policies and regulations established by Washington State and its Office of Financial Management. This report has been prepared in accordance with generally accepted accounting principles and following the guidance of the Governmental Accounting Standards Board.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatement.

The Washington State Auditors' Office has issued an unmodified (clean) opinion on the Western Washington University financial statement for the year ended June 30, 2021. This opinion is included in the independent auditor's report.

Management's discussion and analysis, located at the front of the financial section of this report, provides a narrative introduction, overview, and analysis of the basic financial statement. Western Washington University, with over 15,000 students in seven colleges and the graduate school, is nationally recognized for its educational programs, students and faculty. The campus is located in Bellingham, Washington, a coastal community of 83,000 overlooking Bellingham Bay, the San Juan Islands and the North Cascades Mountain range. The city lies 90 miles north of Seattle and 60 miles south of Vancouver, British Columbia. Western is the top public, master's-granting university in.

Sincerely,



Sabah Randhawa
President



Joyce Lopes
Vice President for Business and Financial Affairs

BOARD OF TRUSTEES*

John M. Meyer, Chair
Chase Franklin, Vice Chair
Sue Sharpe, Secretary
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Joyce Lopes, Vice President for Business and Financial Affairs
Melynda Huskey, Vice President for Enrollment and Student Services
Donna Gibbs, Vice President for University Relations
Kim O'Neill, Vice President for University Advancement
Brian Sullivan, Associate Vice President for Business and Financial Affairs

CERTAIN DIRECTORS*

Michael Ulrich, Controller

**as of Independent Auditors report*

OVERVIEW

The following discussion and analysis provides an overview of the financial position and activities of Western Washington University (WWU) for the years ended June 30, 2021 and 2020. This discussion has been prepared by management and should be read in conjunction with the financial statements and accompanying notes which follow this section.

WWU is one of six public, four-year institutions of higher education in the State of Washington. WWU is governed by a Board of eight Trustees, which has broad responsibilities to supervise, coordinate, manage and regulate WWU as provided by State law. Trustees are appointed by the Governor for a term of six years, except a student Trustee who is appointed to a one-year term.

As a comprehensive regional university, WWU offers undergraduate and graduate degrees in over 160 academic programs in its eight colleges. WWU was established in 1893 and currently has over 16,000 full-time and part-time students in seven colleges and the graduate school. Located on the shores of Bellingham Bay with Mount Baker as its backdrop, Bellingham is the last major city before the Washington coastline meets the Canadian border. The City of Bellingham, which serves as the county seat of Whatcom County, is at the center of a uniquely picturesque area offering a rich variety of recreational, cultural, educational and economic activities. WWU is the third largest employer in Whatcom County.

COVID-19 PANDEMIC

The COVID-19 pandemic continues to affect many parts of the world, including the State and WWU. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 a national emergency. On February 29, 2020, Washington's Governor declared a state of emergency due to the number of confirmed cases of COVID-19 in the State, directing State agencies to use all resources necessary to prepare for and respond to the outbreak. The Governor has issued a series of proclamations designed to limit social interactions, including orders requiring or encouraging individuals, governments and businesses to take certain precautionary measures designed to prevent the spread of COVID-19. On March 23, 2020, the Governor issued a statewide "Stay Home, Stay Healthy" proclamation, requiring individuals to stay home except for essential activities, banning social and other gatherings, and closing all businesses with certain exceptions for essential businesses. In response to this proclamation, WWU moved to remote learning for Spring quarter of 2020 and continued into the 2020/2021 academic year.

To assist with increased COVID-19 related expenses, federal legislation was enacted that allowed the Department of Education (ED) to award federal COVID-19 relief grants with the Higher Education Emergency Relief Fund (HEERF) I, II and III. HEERF was made available from three separate federal legislations.

- CARES: Coronavirus Aid, Relief, and Economic Security Act (HEERF I)
- CRRSAA: Coronavirus Response and Relief Supplemental Appropriations Act (HEERF II)
- ARP: American Rescue Plan (HEERF III)

WWU was provided with a total of \$62.0 million in HEERF I, II, and III. Of the \$62.0 million, \$27.7 million are to be used to provide emergency financial aid grants to students for expenses related to the disruption of campus operations. The remaining \$34.3 million can be used to cover any costs associated with significant changes to the delivery of instruction. As of June 30, 2021, \$11.6 million has been spent on financial aid grants to students and \$32.3 million to reimburse WWU for allowable expenses and lost revenue. Due to the timing of the cash draw, \$30.2 million has been recorded as a receivable with the federal government (see Note 6).

The outbreak of COVID-19 is a significant event that has had material effects on the finances, operations, and economy of the State and WWU. The impacts to the operations of WWU include, but are not limited to, enrollment, legislative and the economic impacts on the State budget.

Using the Financial Statement

WWU reports as a business-type activity as defined by Government Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*, as amended. GASB standards require that financial statements be presented on a consolidated basis. The financial statements, in conjunction with the Notes to the Financial Statements, provides a comprehensive way to assess WWU's financial health.

These financial statements include the following components:

- Statement of Net Position presents the assets and deferred outflows of resources, liabilities and deferred inflows or resources and net position of WWU at a point in time (June 30). Their purpose is to present a financial snapshot of WWU. This statement aids the reader in determining the assets available to continue WWU's operations, how much WWU owes to employees and vendors, whether WWU has any deferred outflows or inflows other than assets or liabilities and provides a picture of net position and its availability for expenditure by WWU.
- State of Revenues, Expenses and Changes in Net Position present the total revenues earned and expenses incurred by WWU for operating, non-operating and other related activities, during a period of time (the fiscal year ended June 30, 2020). Their purpose is to assess WWU's operating and non-operating activities.
- The Statement of Cash Flows present additional information to support the financial statements. This statement identifies how much cash has been received or paid by WWU during its fiscal year. In addition, it discloses the sources (how the cash has been generated) and disbursement of cash (how the cash has been utilized).

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2021

Significant actions which occurred during the fiscal year include the following (discussed in further detail on the following pages):

- Increased net capital assets by \$61.9 million due to the Housing and Dining new residence building and the Interdisciplinary Sciences building project.
- Issued \$21.6 million in Series 2020 revenue refunding bonds to provide economic relief to the Housing and Dining System
- Increased overall financial position by \$50.3 million primarily due to capital revenue and reduced operating expenses.
- Received an additional \$50.4 million in federal COVID-19 relief funds.

Statement of Net Position

The Statement of Net Position presents the financial condition of WWU at the end of the last two fiscal years and reports all assets, deferred outflows, liabilities, deferred inflows and net position of WWU.

A summarized comparison of WWU's assets, deferred outflows, liabilities, deferred inflows and net position as of June 30, 2021, 2020 and 2019, follows:

	2021	2020	2019
	<i>(Dollars in thousands)</i>		
Assets			
Current assets	\$118,276	\$104,840	\$64,317
Noncurrent assets	61,273	76,590	73,892
Capital assets, net	<u>561,872</u>	<u>500,000</u>	<u>491,524</u>
Total assets	<u>741,421</u>	<u>681,430</u>	<u>629,733</u>
Deferred outflows	38,091	29,248	18,156
Liabilities			
Current Liabilities	57,193	48,313	47,625
Noncurrent Liabilities	<u>302,338</u>	<u>305,602</u>	<u>225,303</u>
Total liabilities	<u>359,531</u>	<u>353,915</u>	<u>272,928</u>
Deferred inflows	<u>54,860</u>	<u>42,017</u>	<u>46,400</u>
Total net position	<u>\$365,121</u>	<u>\$314,746</u>	<u>\$328,561</u>

Assets

The primary components in the asset category are cash, investments, receivables and capital assets. Total assets increased by \$60.0 million (8.8%) in fiscal year FY 2021 and \$51.7 million (8.2%) in FY 2020 over.

Total Cash and Investments (see Notes 3 & 4) decreased \$31.7 million during FY 2021 primarily due to the Housing & Dining System spending most of the remaining bond proceeds on the new residence building. In FY 2020, WWU issued \$68.6 million in Series 2019 revenue bonds to fund a new residence building as well as major upgrades to certain Housing and Dining System residence halls. These bond proceeds were invested in both long and short-term restricted investments, with maturities matched to anticipated cash flow needs. This bond issue increased the Total Cash and Investments by \$36.0 million during FY 2020 primarily due to the unspent bond proceeds.

The allocation of unrestricted cash and investments between current and noncurrent is governed by the university's investment policy strategy, which is to maximize returns while ensuring liquidity needs and managing interest rate risk. In FY 2021, unrestricted cash and cash equivalents increased \$4.3 million (21.4%) and total unrestricted cash and investments increased by \$6.5 million. This was primarily due to reducing expenses as a response to COVID-19, which out-paced the loss of revenues. In FY 2020, unrestricted cash and cash equivalents decreased by \$2.5 million (-11.4%) and total unrestricted cash and investments decreased by \$16.4 million, primarily due to the loss of revenue as a result of COVID-19.

Non-depreciable and depreciable capital assets, net increased \$61.9 million (12.4%) and \$8.5 million (1.7%) during FY 2021 and 2020, respectively, primarily due to construction work performed on the New Residence Hall and the Science Building Addition.

Accounts receivable, net increased \$28.8 million (221.9%) in FY 2021 and \$3.9 million during FY 2020. The increase in FY 2021 is largely due to WWU recording a receivable with the US Department of Education (ED) for its HEERF I, II and III funds, primarily used to reimburse \$29.6 million in lost revenues due to COVID-19. The increase in FY 2020 is largely due to a \$1.5 million receivable with the ED for CARES related reimbursements related to increased remote learning expenses, and \$1.7 million increase in Auxiliary enterprises which includes a \$1 million dollar contract adjustment (due to COVID-19) with Aramark dining services as well as unpaid student account balances.

Liabilities

Current liabilities typically fluctuate depending on the timing of accounts payable (A/P) payments and the receipt of deposits and revenue that is applicable to the next fiscal year.

Current liabilities increased \$8.9 million (18.4%) primarily due to an increase in unearned revenue and capital related accounts payable offset by decreases in the current portions of bonds and pension payables. Due to revenue recognition timing requirements with HEERF, WWU recorded \$16.1 million of its HEERF III as unearned revenue. This will be recognized as revenue in FY 2022. During FY 2021, an accounting method changed the total pension liability to a net pension liability (see Note 19). This change in accounting method removed the current portion. Also, the economic relief of the Series 2020 Refunding bonds postponed the FY 2021 debt service for the Housing and Dining System. Current liabilities increased \$688 thousand (1.4%) during FY 2020 primarily due to an increase in the current portions of bonds and notes payable combined with pensions and OPEB.

Noncurrent liabilities decreased \$3.3 million (-1.1%) during FY 2021 primarily due to the accounting method change to pension reporting (see Note 19) offset by an increase in long term bonds and note payable from the Series 2020 Refunding bonds. Noncurrent liabilities increased \$80.3 million (35.6%) in FY 2020 primarily due to an increase in long-term debt (associated with the FY 2020 bond issue) combined with an increase in WWU's OPEB liability. WWU's OPEB liability will fluctuate based on changes to the discount rate that is used in the calculation (see Note 20).

Net Position

The difference between assets and deferred outflows less liabilities and deferred inflows is net position. The change in net position measures whether the overall financial condition has improved or deteriorated during the year and is driven by the difference between revenues and expenses.

During FY 2021, total net position increased \$50.4 million (16.0%) primarily due to increases in net investments in capital assets and unrestricted net positions, offset by a decrease in expendable instruction and research. The increase in unrestricted is due to WWU drawing its available HEERF I, II, and III funds to offset lost revenue and allowable expense reimbursements. The decrease in expendable instruction is due to timing constraints on the HEERF revenue recognition. HEERF institutional revenue can only be recognized up to the amount of HEERF student revenue that has been recognized. During FY 2020, total net position decreased \$13.8 million (-4.2%) largely due to reduced Auxiliary Enterprise revenues as a result of the COVID-19 pandemic.

Net Investment in Capital Assets – WWU's total investments in property, plant equipment, and infrastructure, net of accumulated depreciation and outstanding debt obligations related to those capital assets.

Restricted:

- Pensions consists of net pension assets related to the defined benefit retirement plans that are legally or contractually restricted. Currently the net position in restricted pensions is due to the retirement plan LEOFF. (See Note 19)
- Nonexpendable consists of funds on which the donor or other external party has imposed the restriction that the corpus is not available for expenditures but for investment purposes only.
- Expendable are resources which WWU is legally or contractually obligated to spend in accordance with time or purpose restrictions placed upon them by donors or other external parties.

Unrestricted – All remaining funds available to the institution for any purpose, although these are often internally designated for specific purposes.

WWU's net position as of June 30, 2020, 2019 and 2018 are summarized as follows:

	2021	2020	2019
	<i>(Dollars in thousands)</i>		
Net Position			
Net investment in capital assets	\$418,030	\$394,277	\$398,903
Restricted:			
Pensions	1,533	1,092	930
Nonexpendable	5,508	5,504	5,472
Expendable	8,299	24,345	19,856
Unrestricted	<u>(68,249)</u>	<u>(110,472)</u>	<u>(96,600)</u>
Total net position	<u>\$365,121</u>	<u>\$314,746</u>	<u>\$328,561</u>

Net investment in capital assets increased \$23.8 million (6.0%) primarily due to an overall increase in capital assets of \$86.9 million offset by \$25.1 million in depreciation and utilization of \$39.7 million of the series 2019 bonds. Also, during FY 2021, \$21.8 million in revenue refunding bonds were issued for the Housing and Dining System (the System). As a result of COVID-19's economic impact on the revenues generated by the System, refunding bonds were issued to restructure debt service payable on all or a portion of the System's Parity Bonds due from October 1, 2020, to October 1, 2022. Net investment in capital assets decreased \$4.6 million (-1.2%) during FY 2020 primarily due to a \$31.8 million overall increase in capital assets offset by \$26.4 million in depreciation, \$19.3 million of the series 2019 bonds utilized and \$5.9 million in debt service principal payments.

Highlights of fiscal 2021 capital asset activities:

- New Residence Hall - \$38.7 million was spent during FY 2021.
- Interdisciplinary Sciences building - \$43.1 million was spent during FY 2021
- Kaiser Borsari Hall - \$498 thousand was spent during FY 2021

Restricted nonexpendable includes donations and matching State contributions for the purpose of establishing distinguished professorships and graduate fellowships.

Restricted expendable net position decreased \$15.6 million during FY 2021, primarily due to a decrease of \$16.7 million in Instruction and research. This decrease is attributable to the institutional portion of HEERF grants revenue recognition conditions. Revenue recognitions on the institutional portion is dependent on student aid disbursements because of minimal spending requirements. Restricted expendable net position increased \$4.7 million during FY 2020 primarily due to a \$4.6 million increase in Capital Projects, which includes renewal and replacements and Funds with the State Treasurer.

Unrestricted net position increased \$42.2 million (38.2%) during FY 2021 primarily due to the drawing of institutional HEERF funds to offset lost revenue and reimbursement of allowable expenses combined with decreases in operating expenses and revenue. Unrestricted net position decreased in FY 2020 by \$13.9 million (-14.4%) when compared to FY 2019, primarily due to increased operational spending combined with COVID-19 related decreases in Auxiliary Enterprise revenue.

Capital Assets and Related Debt

During FY 2021, WWU's Housing and Dining System (The System) issued \$21,760,000 in Series 2020 revenue refunding bonds. Proceeds of the Series 2020 Bonds will be used (i) to refund, refinance and restructure all or a portion of the debt service (principal and interest) that will be due and payable with respect to Outstanding Parity Bonds during the period from October 1, 2020, through and including October 1, 2022, (ii) to capitalize interest on the Series 2020 Bonds; and (iii) to pay costs of issuance of the Series 2020 bonds.

During FY 2021 and FY 2020, \$84.6 million and \$31.9 million (excluding library materials, equipment and improvements) respectively, were expended on capital improvements. Of the \$84.6 million in capital improvements during FY 2021, \$38.6 million was spent of the Housing and Dining residence building and \$43.1 million was spent on the Interdisciplinary Sciences building (See Note 9).

Specific projects completed or underway in FY 2021 include:

New Residence Hall. The estimated \$67.6 million project will be a 400-bed student housing facility that provides a modern signature living community. Housing and Dining's new residence hall connects the north side of campus to the Ridgeway community with an accessible, safe pedestrian passage within the hall. This project is funded with the Series 2019 revenue bonds.

Sciences Building Addition. The estimated \$66.5 million Sciences Building Project is a new free-standing building at WWU's main campus. The building is proposed to be a 4 story Science, Technology, Engineering, and Math (STEM) building. The project is planned to be approximately 50,000 GSF to accommodate the demand for instructional and research space serving STEM education. It will consist of teaching labs, wet research labs, and active learning spaces. The project is targeting the U.S. Green Building Council's Leadership in Energy & Environmental Design (LEED) for New Construction to achieve LEED Gold certification through the process of the Green Building Certification Institute (GBCI).

Kaiser Borsair Hall. The estimated \$72 million building will be approximately 60,000 gross square feet that will enable growth in the STEM disciplines of Computer Science and Electrical & Computer Engineering. This building will consist primarily of teaching labs, learning research labs and active learning classrooms, as well as some academic administrative and collaborative spaces. This Building will also house the Institute for Energy Studies (IES),

an interdisciplinary program that brings together science, technology, policy, business and economics to prepare graduates to address the complex issues in sustainable energy. Funding for this building will be \$53 million in state support combined with a \$19 million gift from the Foundation.

Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position present WWU's results of operating and non-operating items that result in the changes in net position for the year. In accordance with GASB reporting principles, revenues and expenses are classified as operating or non-operating.

A condensed comparison of WWU's revenues, expenses and changes in net position for the years ended June 30, 2021, 2020 and 2019 follows:

	2021	2020	2019
	<i>(Dollars in thousands)</i>		
Operating revenues	\$176,807	\$209,611	\$223,054
Operating expenses	<u>312,641</u>	<u>346,817</u>	<u>338,698</u>
Operating loss	(135,834)	(137,206)	(115,644)
State appropriations revenue	95,979	90,538	84,835
Other nonoperating revenues	41,626	24,963	13,160
Nonoperating expenses	<u>(42)</u>	<u>(5,469)</u>	<u>(4,059)</u>
(Loss) income before other revenues	1,729	(27,174)	(21,708)
Other revenues	<u>48,646</u>	<u>13,359</u>	<u>7,083</u>
Increase in net position	50,375	(13,815)	(14,625)
Net position, beginning of year	<u>314,746</u>	<u>328,561</u>	<u>343,186</u>
Net position, end of year	<u>\$365,121</u>	<u>\$314,746</u>	<u>\$328,561</u>

WWU relies heavily on student tuition and fees and state appropriations as revenue sources to support operations.

In accordance with the College Affordability Act of 2015, WWU has the authority to raise resident undergraduate tuition operating fees by the average annual percentage growth rate in the median hourly wage for Washington for the previous 14 years as determined by the Federal Bureau of Labor Statistics. Tuition rates for nonresident undergraduate, resident graduate, and nonresident graduate students are set by the Board of Trustees after analyses of market constraints of supply and demand, and comparison costing with our peers. During FY 2021, WWU increased its tuition rates as follows (note – tuition operating fee does not include other mandatory student fees):

- Resident undergraduate tuition operating fees by 2.5%
- Non-resident undergraduate rates by 2.5%
- Graduate programs by 2.5%

Student tuition and fee revenue includes tuition fees and mandatory fees such as the Service and Activity Fee and the Health Service Fee. Total fees, including mandatory fees, decreased \$8.6 million (-5.7%) during FY 2021 due to the continuation of the COVID-19 pandemic's effect on enrollment. Total fees, including mandatory fees, increased \$398 thousand in FY 2020. Even though tuition and fees increased by 2.4% during FY 2020, the slight increase of \$398 thousand is primarily due to a decrease in the FTE enrollment and headcount combined with a \$1.8 million refund in fees to students due to COVID-19. WWU provided \$37.4 million and \$33.9 million in scholarship allowances in FY 2021 and FY 2020 respectively to assist students with tuition. In FY 2021, Net tuition revenue (student tuition and fees less scholarship allowances) decreased \$12.1 million (-10.3%) and \$837 thousand (-0.7%) in FY 2020. Enrollment headcount decreased to an Academic Year Average (AYA) headcount of 14,220 in FY 2021 compared to 15,208 in FY 2020.

Graduate and Undergraduate Annual Tuition and Fees

Academic Year	Resident Undergraduate	Change	Resident Graduate	Change	Nonresident Undergraduate	Change	Nonresident Graduate	Change
2020-21	\$8,508	2.00%	\$12,192	2.2%	\$25,266	2.3%	\$24,105	2.3%
2019-20	\$8,341	2.58%	\$11,935	4.3%	\$24,690	4.9%	\$23,558	4.4%
2018-19	\$8,131	2.50%	\$11,442	4.4%	\$23,543	4.9%	\$22,564	4.4%

Historical Average Annual Enrollment

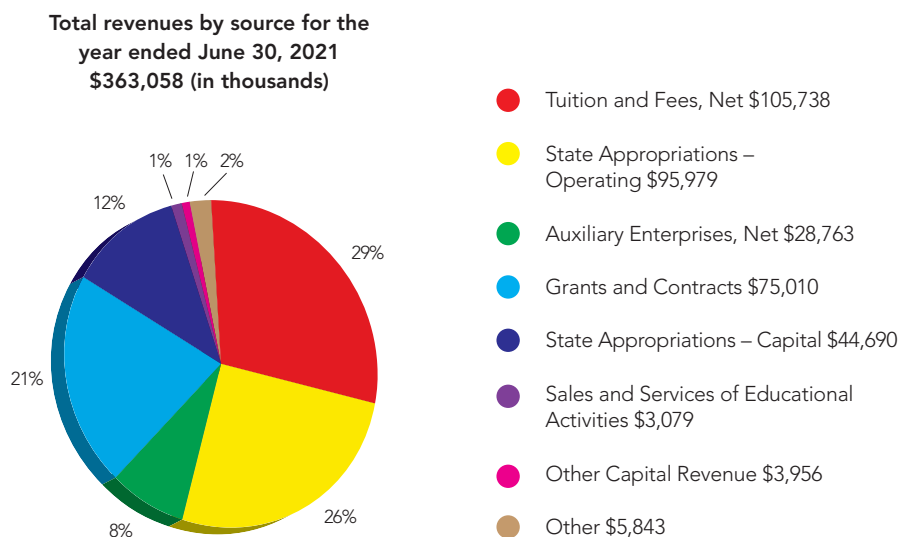
Academic Year	FTE Enrollment	Headcount Enrollment
2020-21	12,930	14,220
2019-20	14,004	15,208
2018-19	14,187	15,357

Auxiliary enterprises revenue (before scholarship allowances) decreased \$25.8 million (-44.9%) and \$14.9 million (-20.6%) during FY 2021 and FY 2020, respectively. The decreases are related to WWU responding to COVID-19 pandemic by shifting instruction to remote learning for the entire FY 2021 academic year and FY 2020 spring term.

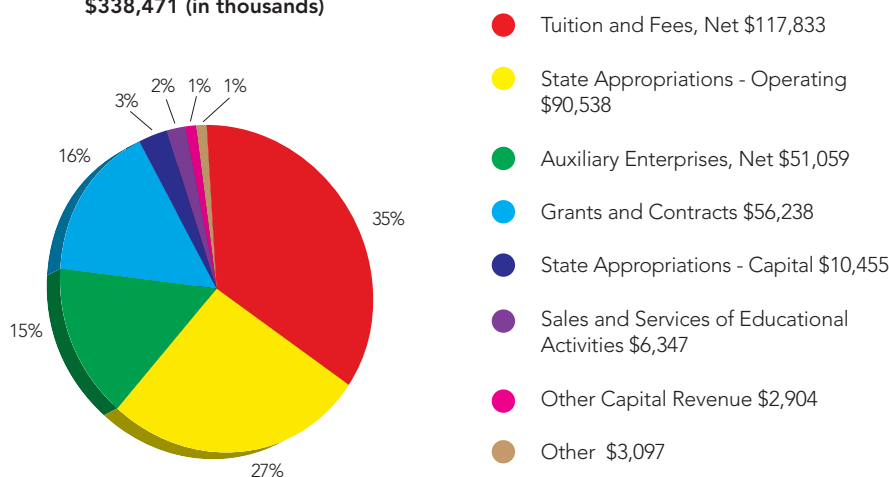
During FY 2021, state (and capital) appropriations used in operations increased \$5.4 million primarily due to the state providing WWU with \$5.5 million in Governor’s Emergency Education Relief (GEER) which is another tranche from the federal CRRSAA. Of the available \$5.5 million, WWU spent \$3.6 million. During FY 2020, state (and capital) appropriations used in operations increased \$5.7 million (6.7%) compared to an increase of \$6.2 million (7.9%) during FY 2019. The increase in FY 2020 is primarily related to state funding for general wage increases as well as new the new Workforce Education Investment Account. This new state appropriation is to provide funding towards financial aid, expansion of STEM degree programs and student support services at WWU.

Capital appropriations are provided by the state and are recognized as other revenues when expenditures are incurred on capital projects by WWU. Capital appropriations increased \$34.2 million during FY 2021 and \$5.7 million in FY 2020 primarily due to the Interdisciplinary Sciences Building project.

The following graphs illustrate revenues by source for the years ended June 30, 2021 and 2020:



Total revenues by source for the year ended June 30, 2020
\$338,471 (in thousands)



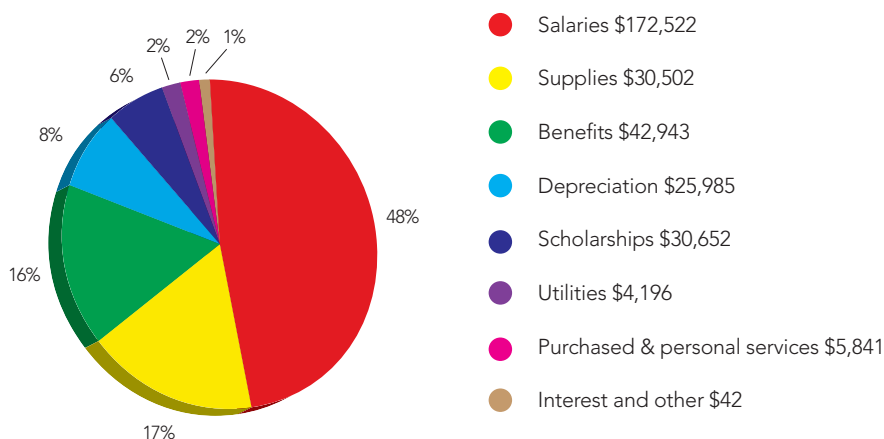
WWU’s total operating expenses decreased \$34.2 million (-9.9%) during FY2021 primarily due to strategies implemented to mitigate the economic effects of COVID-19 combined with an accounting change in reporting standards for pension benefits. During FY 2021, WWU continued with the spending freeze on goods and services, and travel. The \$8.1 million (2.4%) increase during FY 2020 is primarily due to an increase in Scholarships and fellowships expense. WWU awarded \$4.7 million to students in CARES funds along with approximately \$2.0 million additional Washington College Grant (formerly the State Need Grant) funds. Due to COVID-19, the Department of Education (ED) provided WWU with \$5.8 million in HEERF to help students with increased, unanticipated expenses. The remaining \$1.1 million will be disbursed during FY 2021. FY 2020 increases in salaries and benefits were offset by a decrease in supplies, as the university imposed strict purchasing and travel restrictions in response to COVID-19.

Salaries and wages decreased \$5.2 million (-2.9%) due to the hiring freeze implemented and holding salaries at the FY20 salary levels in all groups with the exception of classified staff to offset the effects of the COVID-19 pandemic. During FY 2021, benefits decreased \$10.2 million (-19.2%) primarily due to the change in accounting method for pension reporting. Salaries and Wages increased \$9.0 million (5.3%) in FY 2020 as all staff received compensation increases both years. During FY 2020, benefits expense increased \$3.4 million (6.9%) primarily due to increases to the corresponding fringe benefits, health care premium and accrued leave adjustments.

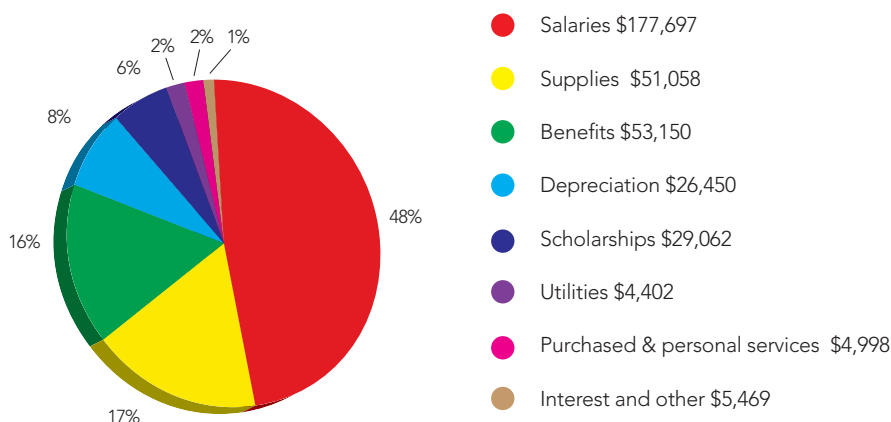
Supplies and materials decreased \$20.6 million during FY 2021 due to the continuation of the FY 2020 COVID-19 cost saving measures such as the renegotiation of the contract to provide food service, reduced repairs and maintenance, and travel restrictions. Supplies and materials decreased \$12.5 million compared to FY 2019 primarily as a result of cost saving measures implemented by WWU in response to COVID-19. WWU implemented purchasing restrictions for a total savings of \$5.1 million. In addition, Auxiliary Enterprises suspended operations during Spring quarter which resulted in a \$4.2 million reduction to cost of goods sold.

The following graphs illustrate expenses by natural classification for the years ended June 30, 2021, and 2020:

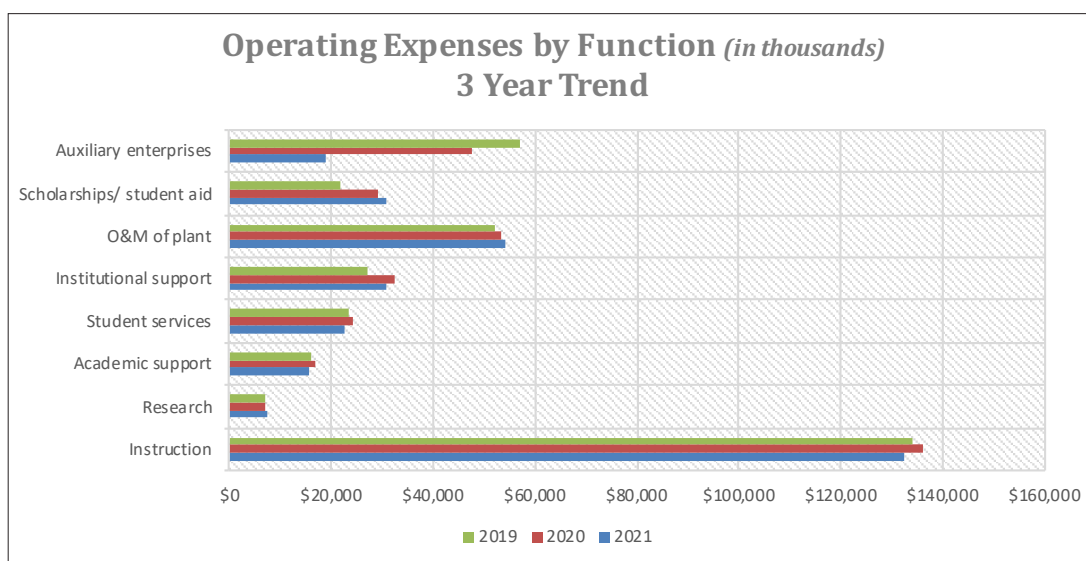
Total expenses by natural classification for the year ended June 30, 2021
\$312,683 (in thousands)



**Total expenses by natural classification
for the year ended June 30, 2020
\$352,286 (in thousands)**



The following graph illustrate expenses by natural classification for the years ended June 30, 2021, 2020, 2019:



Operating Loss

WWU’s operating loss of \$135.8 million in FY 2021 decreased by \$1.4 million (-1.0%) compared to FY 2020. The \$137.2 million operating loss in FY 2020 was an increase of \$21.6 million (18.6%) from the FY 2019 loss. GASB Statement No. 34 requires that State appropriations, Federal Pell grants and Federal COVID relief funds be classified as non-operating revenues, thereby creating the significant operating loss. If these revenues were classified as operating, the operating losses would have been \$3.5 million in FY 2021 and \$24.3 million in FY 2020.

Financial Indicators

The financial indicators presented below represent a few of the standard ratios used in higher education. The ratios summarize the performance of WWU over a 3-year period. The information provided in WWU’s Statement of Net Position and the Statement of Changes in Revenue, Expense and Net Position as well as the Foundation’s Statement of Financial Position and Statement of Activities are used for the calculations. These ratios could be affected by changes to student enrollment levels, tuition and fees, new debt, state and federal financial aid, and operational state support.

Financial Indicator	Definition	Calculation	FY 2021	FY 2020	FY 2019	FY 2018
Tuition dependency ratio (%)	Helps measure sensitivity to changes in enrollment levels	Net tuition and fees plus governmental grants to WWU for student tuition divided by the sum of operating and non-operating revenues	38.28%	41.21%	41.36%	42.02%
Unrestricted financial resources to operations (x)	Measures coverage of annual operations by the most liquid resources	Unrestricted net assets divided by total adjusted operating expenses	0.05	0.00	-0.28	-0.28
Current ratio ¹	Measures liquidity - ability to meet current obligations with liquid assets	Current assets divided by current liabilities	2.42	2.52	1.68	1.93
Viability ratio	Measure the ability of WWU to repay debt with available financial resources	Expendable net position (excluding capital projects) divided by debt	-0.26	-0.49	-0.71	-0.59
Primary reserve ratio	Compares WWU's existing financial resources to the size of its operating expenses.	Expendable net position (excluding capital projects) divided by total adjusted expenses.	-0.14	-0.21	-0.18	-0.17
Return on Net Position	Indicates whether WWU is financially better off than in previous years by measuring total economic return.	Change in net position divided by total net position	17.73%	-0.63%	-1.17%	-1.46%

¹ Ratio based on Moody's analytical methodology

Economic Factors That Will Affect the Future

The outbreak of COVID-19 is a significant event that has had and is expected to have material effects on the finances, operations, and economy of the State and WWU. The impacts to the operations of WWU, include but are not limited to enrollment, legislative and the economic impacts on the State budget. The State Legislature's responses as they impact the funding of higher education are not yet known. Fall 2021 headcount is 15,125, a decline of 72 students relative to Fall 2020. Resident and nonresident undergraduate and graduate tuition will increase 2.8% in Fiscal 2022.

WWU took a number of prompt actions in response to the outbreak, including a hiring freeze, freeze on travel, significant reductions to planned operating expenditures, renegotiation of third-party service contracts, and deferral of several renovation projects. Starting with Fiscal 2022, these actions have been suspended with the return of campus operations. Fall quarter 2021 will have approximately 62% of classes held in-person. Housing and Dining has resumed operations.

While the full impact of the COVID-19 pandemic on WWU and the regional economy is uncertain, WWU currently believes that these measures will help mitigate its anticipated revenue shortfall. WWU, however, cannot predict the duration and extent of the COVID-19 public health emergency, or quantify the magnitude of the impact on the regional and local economy or on the revenues and expenses. WWU will continue to monitor the evolving situation and respond as needed.

New state funding sources for WWU are:

- \$2.36M biennial funding provided for WWU's Advancing Inclusive Success decision package, as follows:
 - \$300K to increase Graduate Assistant Stipends (General Fund)
 - \$1.04M for Student Support Services to ensure traditionally underrepresented students receive the same opportunities for academic success as their peers (General Fund)
 - \$1.016M for the development of an Ethnic Studies Program (Workforce Education Investment Account)
- \$1.06M biennial funding for bilingual educator programs in South King County
- \$506K in support of SB 5227, for diversity, equity, inclusion (DEI) and anti-racism professional development for faculty and staff, DEI and anti-racism student training, and DEI campus climate assessments at the public institutions of higher education
- \$421K in 2022 and 505k in 2023 for Maintenance and Operations of new Interdisciplinary Sciences Building

Statement of Net Position

June 30, 2021 and 2020

	2021	2020
Assets		
Current assets:		
Cash and cash equivalents (Note 3)	\$24,110,290	\$19,852,778
Restricted cash and cash equivalents (Note 3)	5,576,359	5,567,428
Restricted investments (Note 4)	9,141,877	35,244,928
Investments (Note 4)	27,030,472	18,541,216
Funds with State Treasurer (Note 5)	7,241,868	8,376,372
Interest receivable	848,069	1,261,451
Accounts receivable, net (Note 6)	41,806,396	12,987,726
Prepaid expenses	822,930	675,834
Inventories (Note 8)	<u>1,698,174</u>	<u>2,332,407</u>
Total current assets	118,276,435	104,840,140
Noncurrent assets:		
Restricted cash and cash equivalents (Note 3)	2,915,355	3,853,146
Restricted investments (Note 4)	11,715,234	22,942,562
Investments (Note 4)	30,789,841	36,994,702
Due from State Treasurer	10,404,716	5,899,374
Student loans receivable, net (Note 7)	4,331,025	5,467,497
Non-depreciable capital assets (Note 9)	125,617,343	41,550,372
Depreciable capital assets, net (Note 9)	436,255,139	458,450,377
Restricted net pension	<u>1,116,555</u>	<u>1,432,295</u>
Total noncurrent assets	<u>623,145,208</u>	<u>576,590,325</u>
Total assets	<u>741,421,643</u>	<u>681,430,465</u>
Deferred outflows		
Deferred loss on bond refunding	9,650,267	876,607
Relating to pension (Note 19)	17,243,297	17,822,084
Relating to OPEB (Note 20)	<u>11,197,261</u>	<u>10,549,490</u>
Total deferred outflows	<u>38,090,825</u>	<u>29,248,181</u>
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	28,103,738	20,927,514
Deposits payable	1,617,345	837,818
Unearned revenues	24,077,381	10,039,680
Current portion of bonds and notes payable (Notes 12,13,15)	1,594,770	6,143,423
Current portion of net pension obligations (Note 15,19)		8,498,760
Current portion of OPEB (Note 20)	1,688,984	1,622,646
Deposits held in custody for others	<u>212,897</u>	<u>243,058</u>
Total current liabilities	57,295,415	48,312,899
Noncurrent liabilities:		
Long-term portion of bonds and notes payable (Note 12, 13,15)	165,311,395	153,228,622
Compensated absences (Note 11)	12,270,908	10,609,358
Perkins Federal contribution refund	4,885,645	5,934,269
Long-term pension liabilities (Note 15,19)	25,434,000	43,347,907
Long-term OPEB liabilities (Note 20)	<u>94,334,455</u>	<u>92,481,724</u>
Total noncurrent liabilities	<u>302,236,403</u>	<u>305,601,880</u>
Total Liabilities	<u>359,531,518</u>	<u>353,914,779</u>
Deferred inflows		
Relating to bond refunding	477,939	
Relating to pension (Note 19)	28,885,268	14,487,805
Relating to OPEB (Note 20)	<u>25,496,557</u>	<u>27,529,649</u>
Total deferred inflows	<u>54,859,764</u>	<u>42,017,454</u>
Net Position		
Net investment in capital assets	418,030,084	394,277,247
Restricted for:		
Nonexpendable: scholarships and professorships	5,507,680	5,503,980
Expendable:		
Instruction and research	(15,398,308)	1,261,883
Loans	6,820,404	6,624,700
Capital Projects	16,876,529	16,458,666
Net Pensions	1,533,354	1,092,033
Unrestricted	<u>(68,248,557)</u>	<u>(110,472,096)</u>
Total net position	<u>\$365,121,186</u>	<u>\$314,746,413</u>

Foundation Statement of Financial Position

June 30, 2021 and 2020

	2021	2020 as Restated
Assets		
Cash and cash equivalents	\$1,197,289	\$1,712,416
Unconditional promises to give, net	11,709,748	13,327,408
Accounts receivable and other assets	125,779	285,262
Investments:		
Operating investment pool	19,135,521	15,792,010
Endowment investment pool	120,473,748	90,780,643
Endowment real estate held for investment	3,579,610	3,473,030
Annuity and life income investments	746,672	2,016,019
Real property	<u>1,425,557</u>	<u>1,816,822</u>
Total investments	145,361,108	113,878,524
Property and equipment, net	<u>451,904</u>	<u>525,604</u>
Total Assets	<u>158,845,828</u>	<u>129,729,214</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	114,502	165,112
Due to Western Washington University	1,478,770	459,627
Annuity and life income obligations	314,075	521,852
Deferred revenue from life estate	180,960	276,077
Investments held in trust for Western Washington University	<u>15,958,562</u>	<u>13,323,846</u>
Total Liabilities	18,046,869	14,746,514
Net Assets		
Without donor restrictions	32,602,813	24,849,846
With donor restrictions	108,196,146	90,131,854
Total Net Assets	<u>140,798,959</u>	<u>114,982,700</u>
Total Liabilities and Net Assets	<u>\$158,845,828</u>	<u>\$129,729,214</u>

Statements of Revenues, Expenses, and Changes in Net Position

For the Years Ended
June 30, 2021 and 2020

	2021	2020
Operating Revenues		
Student tuition and fees	\$143,130,085	\$151,749,041
Less scholarship allowances	<u>(37,391,711)</u>	<u>(33,916,134)</u>
Net student tuition and fees	105,738,374	117,832,907
Federal grants and contracts	6,753,920	5,055,965
State and local grants and contracts	26,810,043	24,715,106
Nongovernmental grants and contracts	5,120,416	4,143,939
Sales and services of educational activities	3,078,934	6,347,306
Interest earned on loans to students	171,543	180,178
Other operating revenue	371,469	276,647
Auxiliary enterprises	31,654,569	57,416,342
Less scholarship allowances	<u>(2,891,952)</u>	<u>(6,357,269)</u>
Net auxiliary enterprises	<u>28,762,617</u>	<u>51,059,073</u>
Total operating revenues	176,807,316	209,611,121
Operating Expenses		
Salaries and wages	172,522,302	177,697,315
Benefits	42,943,506	53,150,088
Scholarships and fellowships	30,651,683	29,062,568
Utilities	4,196,291	4,401,989
Supplies and materials	30,502,188	51,058,112
Purchased services	5,840,500	4,997,859
Depreciation	<u>25,984,636</u>	<u>26,449,602</u>
Total operating expenses	<u>312,641,106</u>	<u>346,817,533</u>
Operating loss	(135,833,790)	(137,206,412)
Nonoperating Revenues (Expenses)		
State appropriations	95,979,448	90,537,711
Federal Pell grant revenue	14,626,348	16,150,366
Federal CARES grant revenue	21,700,007	6,173,001
Federal Perkins Program refundable grant revenue		(21,973)
Investment income	1,479,816	2,533,425
Interest on indebtedness	(41,947)	(5,468,674)
Gain (loss) on endowments	3,794,977	88,933
Nonoperating rental property expense/income	<u>23,794</u>	<u>39,349</u>
Total nonoperating revenues (expenses)	<u>137,562,443</u>	<u>110,032,138</u>
Income (Loss) before other revenues	1,728,653	(27,174,274)
Other Revenues		
Capital appropriations	44,689,905	10,455,430
Gift Revenue	707,634	
Other capital revenue	<u>3,248,581</u>	<u>2,903,684</u>
Total other revenues	48,646,120	13,359,114
Increase/(Decrease) in net position	50,374,773	(13,815,160)
Net position, beginning of year	<u>314,746,413</u>	<u>328,561,573</u>
Net position, end of year	<u><u>365,121,186</u></u>	<u><u>\$314,746,413</u></u>

	Without Donor Restrictions	With Donor Restrictions	2021
Support and Revenue:			
Contributions	\$470,985	\$7,086,577	\$7,557,562
In-kind services and facilities provided by			
Western Washington University	3,448,275		3,448,275
Interest and dividends	16,996	76,020	93,016
Net realized and unrealized gains on investments	7,221,717	17,517,315	24,739,032
Return on annuity and life income investments		229,994	229,994
Change in valuation of annuity and life income obligations		155,220	155,220
Administrative fees	1,593,275		1,593,275
Fundraising events and other	<u>86,930</u>	<u>183,314</u>	<u>270,244</u>
Total support and revenue before net assets released from restrictions	12,838,178	25,248,440	38,086,618
Net assets released from restrictions	<u>7,185,148</u>	<u>(7,185,148)</u>	
Total Support and Revenue	20,023,326	18,063,292	38,086,618
Expenses:			
Program services and grants	7,555,815		7,555,815
Management and general in-kind	1,737,322		1,737,322
Management and general - other	337,145		337,145
Fundraising - in-kind	1,710,953		1,710,953
Fundraising - other	<u>929,124</u>	<u> </u>	<u>929,124</u>
Total Expenses	12,270,359	 	12,270,359
Change in Net Assets	7,752,967	18,063,292	25,816,259
Net Assets, beginning of year, restated	<u>24,849,846</u>	<u>90,132,854</u>	<u>114,982,700</u>
Net Assets, end of year	<u>\$32,602,813</u>	<u>\$108,196,146</u>	<u>\$140,798,959</u>

	Without Donor Restrictions	With Donor Restrictions	2020 as Restated
Support and Revenue:			
Contributions	\$515,264	\$16,116,112	\$16,631,376
In-kind services and facilities provided by			
Western Washington University	3,765,198		3,765,198
Interest and dividends	113,894	273,299	387,193
Net realized and unrealized gains on investments	594,713	441,034	1,035,747
Return on annuity and life income investments		116,915	116,915
Change in valuation of annuity and life income obligations		(133,327)	(133,327)
Administrative fees	1,269,275		1,269,275
Fundraising events and other	<u>89,039</u>	<u>508,471</u>	<u>597,510</u>
Total support and revenue before net assets released from restrictions	6,347,383	17,322,504	23,669,887
Net assets released from restrictions	<u>6,820,547</u>	<u>(6,820,547)</u>	<u> </u>
Total Support and Revenue	13,167,930	10,501,957	23,669,887
Expenses:			
Program services and grants	7,653,134		7,653,134
Management and general in-kind	1,889,444		1,889,444
Management and general - other	335,242		335,242
Fundraising in-kind	1,875,754		1,875,754
Fundraising - other	<u>841,628</u>	<u> </u>	<u>841,628</u>
Total Expenses	<u>12,595,202</u>	<u> </u>	<u>12,595,202</u>
Change in Net Assets	572,728	10,501,957	11,074,685
Net Assets, beginning of year, restated	<u>24,277,118</u>	<u>79,630,897</u>	<u>103,908,015</u>
Net Assets, end of year	<u>\$24,849,846</u>	<u>\$90,132,854</u>	<u>\$114,982,700</u>

Statement of Cash Flows

For the Years Ended
June 30, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Student tuition and fees	\$120,291,948	\$116,895,386
Grants and contracts	38,023,217	34,364,214
Payments to vendors	(69,744,186)	(91,908,667)
Payments to employees for salaries and benefits	(221,239,170)	(227,607,245)
Loans issued to students	(99,786)	(154,963)
Collection of loans to students	1,167,072	1,114,783
Sales of auxiliary enterprises	31,256,959	49,606,407
Sales and services of educational activities	1,354,196	5,468,898
Interest received on loans to students	<u>543,012</u>	<u>456,825</u>
Net cash used by operating activities	(98,446,738)	(111,764,362)
Cash Flows from Noncapital Financing Activities		
State appropriations	92,703,176	90,410,102
Direct Lending proceeds	37,213,368	52,071,101
Direct Lending disbursements	(37,152,750)	(51,873,900)
Federal Pell grant receipts	14,626,348	16,150,366
Federal HEERF grant receipts	(7,081,957)	4,668,049
Federal Perkins grant disbursements	<u>(1,048,624)</u>	<u>(1,036,554)</u>
Net cash provided by noncapital financing activities	99,259,561	110,389,164
Cash Flows from Investing Activities		
Purchases of investments	(21,582,074)	(75,079,460)
Proceeds from sales of investments	60,175,101	42,480,504
Interest received on investments	<u>1,739,856</u>	<u>1,459,233</u>
Net cash (used)/provided by investing activities	40,332,883	(31,139,723)
Cash Flows from Capital and Related Financing Activities		
Proceeds from capital debt	21,760,000	72,199,070
Interest earned on bond proceeds	401,274	1,128,119
Capital appropriations	43,460,835	9,045,647
Other capital (expense)/revenue	1,134,504	(2,205,579)
Contributions and gifts in-kind	3,956,215	2,903,684
Proceeds from disposal of capital assets	96,915	87,459
Purchases of capital assets	(85,007,352)	(36,045,145)
Principal paid on capital debt	(13,083,423)	(5,883,099)
Interest paid on capital debt	(10,559,816)	(5,362,005)
Other activities	<u>23,794</u>	<u>39,349</u>
Net cash provided/(used) by capital and related financing activities	(37,817,054)	35,907,500
Net increase/(decrease) in cash and cash equivalents	3,328,652	3,392,579
Cash and cash equivalents, beginning of year	<u>29,273,352</u>	<u>25,880,773</u>
Cash and cash equivalents, end of year	<u>\$32,602,004</u>	<u>\$29,273,352</u>

Statement of Cash Flows

For the Years Ended
June 30, 2021 and 2020

Reconciliation of Operating Loss to Net Cash used by Operating Activities

	2021	2020
Operating loss	(\$135,833,790)	(\$137,206,412)
Adjustments to reconcile operating loss to net cash used by operating activities		
Depreciation expense	25,984,636	26,449,601
Gain/Loss on disposal of capital assets	(96,915)	(65,226)
Changes in assets, liabilities and deferred outflows and inflows of resources:		
Accounts receivable	(36,704)	(2,102,322)
Student loans receivable	1,136,472	1,037,250
Inventories	634,233	(592,054)
Prepaid expenses	(147,096)	(95,212)
Accounts payable and accrued expenses	5,406,898	1,008,476
Unearned revenue	14,037,701	381,652
Student and other deposits	779,527	(959,732)
Deposits held in custody	(90,779)	(151,193)
Compensated absences	1,661,550	1,332,179
Pension and OPEB Related Deferred Outflows and Inflows of Resources	12,295,387	(15,684,871)
Pension liability	(26,096,927)	3,331,904
Total OPEB liability	<u>1,919,069</u>	<u>11,551,598</u>
Net cash used by operating activities	<u>(\$98,446,738)</u>	<u>(\$111,764,362)</u>
Supplemental disclosure of cash flow information		
Acquisition of capital assets through accounts payable	<u>\$8,058,395</u>	<u>\$5,169,399</u>

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

Western Washington University (WWU) is a comprehensive, degree granting public university in the State of Washington. It is governed by a Board of eight Trustees appointed by the Governor. These financial statements summarize all the fund types of WWU. The University's financial activity is included in the general purpose financial statements of the State of Washington.

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as its component unit, the Western Washington University Foundation (the Foundation).

The Foundation is a legally separate, tax-exempt entity. The Board of Directors is self-perpetuating and consists of 31 members. WWU has an agreement with the Foundation to design and implement such programs and procedures so as to persuade continuous and special philanthropic support for the benefit of WWU. In exchange, WWU provides the Foundation with office facilities, furniture and equipment, and a significant number of full-time employees and support services, including depository, disbursing, and payroll and purchasing functions. Although WWU does not control the timing or amount of receipts from the Foundation, the majority of the resources or income the Foundation holds and invests is restricted for the activities of WWU by the donors. The Foundation's activity is reported in separate financial statement because of the difference in its reporting model as described below.

The Foundation reports its financial results under Financial Accounting Standards Board (FASB) Accounting Standard Codification (ASC) 958-605, Revenue Recognition, and ASC 958-205, *Presentation of Financial Statement*.

As such, certain revenue recognition criteria and presentation features are different from GASB. No modifications have been made to the Foundation's financial information in WWU's financial statement for these differences; however, significant note disclosures (see Note 2) to the Foundation's financial statement have been incorporated into WWU's notes to the financial statement.

The Foundation's financial statement can be obtained by contacting the Foundation at (360) 650-3408.

Financial Statement Presentation

The financial statements are presented in accordance with generally accepted accounting principles and follow the guidance given by GASB. WWU has special purpose reports reflecting the net position, results of operations and cash flows for certain auxiliary units: Housing and Dining System and Wade King Recreational Center. These financial statements present only a selected portion of the activities of WWU. As such, they are not intended to and do not present the financial position, results of operations, or changes in net position of WWU. The auxiliary unit financial statements can be obtained by contacting Western Washington University at (360) 650-3675.

Basis of Accounting

For financial reporting purposes, WWU is considered a special-purpose government engaged only in business-type activities. Accordingly, WWU's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All intra-agency transactions have been eliminated.

New Accounting Pronouncements

On July 1, 2018, WWU adopted GASB Statement No. 83 "Certain Asset Retirement Obligations". This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. The determination of when the liability is incurred should be based on the occurrence of external laws, regulations, contracts, or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities. At this time, WWU determined there were no AROs.

On July 1, 2018, WWU adopted GASB Statement No. 89 "Accounting for Interest Cost Incurred Before the End of a Construction Period". This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reporting in a business-type activity or enterprise fund.

On July 1, 2020, WWU adopted GASB Statement No. 84 "Fiduciary Activities". This Statement improves guid-

ance regarding the identification and reporting of fiduciary activities. This Statement requires activity meeting certain criteria to be reported in a fiduciary fund within a statement of fiduciary net position and a statement of changes in fiduciary net position.

On July 1, 2020, WWU adopted GASB Statement No. 90 "Majority Equity Interest, an amendment of GASB Statements No. 14 and No. 61". It defines a majority equity interest and specifies that majority equity interest in a legal separate organization should be reported as an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The adoption of this statement does not have an impact on WWU's financial statements.

OTHER ACCOUNTING POLICIES

Cash, Cash Equivalents and Investments

Cash and cash equivalents include cash on hand, bank demand deposits, and deposits with the Washington State Local Government Investment Pool (LGIP). Cash and cash equivalents that are held with the intent to fund WWU operations are classified as current assets along with operating funds invested in the LGIP. Cash, cash equivalents, and investments that represent unspent bond proceeds or are held with the intent to fund capital projects are classified as noncurrent assets. Endowment investments are also classified as noncurrent assets. WWU records all cash, cash equivalents and investments at fair value.

WWU combines unrestricted cash operating funds from all departments into an internal investment pool, the income from which is allocated on a proportional basis. The internal investment pool is comprised of cash, cash equivalents, commercial paper, certificates of deposit, U.S. Treasuries and U.S. Agency securities.

Accounts Receivable

Accounts receivable consists of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff. It also includes amounts due from the Federal government, State and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to WWU's grants

and contracts. Accounts receivable are shown net of estimated uncollectible amounts.

Inventories

Inventories are carried at the lower of cost or market value.

Capital Assets

Capital assets are defined as assets with an initial individual cost of \$5,000 or more, or \$1 million or more for intangible assets, and an estimate useful life in excess of one year. Capital assets consist of buildings, furniture, equipment, and intangible assets recorded at cost or, if donated, at their acquisition value at the date of donation. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 40 to 50 years for buildings, 20 to 25 years for infrastructure and land improvements, 15 years for library resources, and 5 to 7 years for equipment.

Deferred Outflows of Resources and Deferred Inflows or Resources.

WWU classifies gains on retirement of debt as deferred inflows of resources and losses as deferred outflows of resources and amortizes such amounts as a component of interest expense over the remaining life of the old debt, or the new debt, whichever is shorter.

Changes in net pension and net OPEB liabilities not included in pension or OPEB expense are reported as deferred outflows of resources or deferred inflows of resources. Employer contributions subsequent to the measurement date of the net pension and net OPEB liabilities are reported as deferred outflows of resources.

Bond Premiums/Discounts

Bond premiums/discounts are amortized over the term of the bonds using the effective interest method. The remaining balances of bond premiums/discounts are presented in the Statement of Net Position net of the face amount of bonds payable.

Net Pension Liabilities

WWU records pension liabilities equal to the net pension liability for its defined benefit plans. The net pension liability is measured as the total pension liability, less the amount of the pension plan's fiduciary net position. The fiduciary net position and changes in net position of the defined benefit plans has been measured consistent with the account-

ing policies used by the plans. The total pension liability is determined based upon discounting projected benefit payments based on the benefit terms and legal agreements existing at the pension plan's fiscal year end. Projected benefit payments are discounted using a single rate that reflects the expected rate of return on investments, to the extent that plan assets are available to pay benefits, and a tax-exempt, high-quality municipal bond rate when plan assets are not available. Pension expense is recognized for benefits earned during the measurement period, interest on the unfunded liability and changes in benefit terms. The differences between expected and actual experience and changes in assumptions about future economic or demographic factors are reported as deferred inflows or outflows and are recognized over the average expected remaining service period for employees eligible for pension benefits. The differences between expected and actual returns are reported as deferred inflows or outflows and are recognized over five years.

Unearned revenues

Unearned revenues occur when revenues have been collected for tuition and fees, grants and certain auxiliary activities prior to the end of the fiscal year but relate to services to be provided in the following fiscal year.

Net Position

WWU's net position is classified as follows:

Net investment in capital assets

This represents WWU's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred, but not yet expended for capital assets, such amounts are not included as a component of capital assets but are included as a component of restricted expendable net position described below.

Restricted net position, expendable

Restricted expendable include resources in which WWU is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

Restricted net position, nonexpendable

Nonexpendable restricted consist of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income, which may either be expended or added to principal.

Unrestricted net position

Unrestricted represent resources derived from student tuition and fees, State appropriations, and sales and services of

educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of WWU and may be used at the discretion of the governing board to meet expenses. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide goods and service for students, faculty and staff.

Classification of Revenues and Expenses

WWU has classified its revenues and expenses as either operating or non-operating according to the following criteria:

Operating revenues

Operating revenues include activities that have the characteristics of exchange transactions such as: (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, (3) most Federal, State and local grants and contracts, and (4) interest on institutional student loans.

Operating expenses

Operating expenses are those costs incurred in daily operations, such as salaries and wages, benefits, scholarships and fellowships expenses, depreciation, utilities, and supplies.

Non-operating revenues

Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as State appropriations, Federal Pell grant revenue and investment income.

Non-operating expenses

Non-operating expenses include costs related to financing or investing activities such as interest on indebtedness.

Other Revenues

Other revenues include activities that have the characteristics of non-exchange transactions, such as state capital appropriations and gifts to endowments.

Scholarship Discounts and Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by WWU, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other Federal, State or non-governmental programs are recorded as either operating or non-operat-

ing revenues in WWU's financial Statement. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, WWU has recorded a scholarship discount and allowance.

Tax Exemption

WWU is a tax-exempt instrumentality of the State of Washington organized under the provisions of Section 115(a) of the Internal Revenue Code and is exempt from Federal income taxes on related income.

Reclassifications

Certain accounts in the prior year financial statement may have been reclassified for comparative purposes to conform to the presentation in the current year financial statement.

2. COMPONENT UNIT

The Western Washington University Foundation (the Foundation) is a discretely presented component unit of WWU. The language in the Foundation's bylaws satisfies the "direct benefit" criterion, and the "entitlement/ability to access" criterion is met due to the Foundation's history of supporting WWU. The "significance" criterion is met because the combined resources used by WWU activities and the restricted resources held by the Foundation are deemed to be significant to WWU, regardless of the extent to which those resources may be used for "in-kind".

The Foundation presents information about its financial position and activities according to the following three classes of net position, depending on the existence and nature of donor restrictions:

Unrestricted net assets

Support received that is not subject to donor-imposed restrictions and over which the Board of Directors has discretionary control is classified as unrestricted.

Temporarily restricted net assets

Support received subject to donor-imposed use restrictions or time restrictions that will be met either through actions of the Foundation or by the passage of time is classified as temporarily restricted. In the period donor restrictions are met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets

Support received subject to donor-imposed restrictions stipulating those funds be invested in perpetuity is classified as permanently restricted. In accordance with purpos-

es stipulated by the donors, earnings from such funds may be either unrestricted or temporarily restricted.

3. CASH AND CASH EQUIVALENTS

WWU combines unrestricted cash operating funds from all departments into an internal investment pool, the income from which is allocated to the departments on a proportional basis. The internal investment pool is comprised of cash, cash equivalents and investments.

Cash and cash equivalents include cash on hand, change funds, bank balances, and funds held in the Local Government Investment Pool (LGIP).

Bank balances are insured by the Federal Deposit Insurance Corporation (FDIC) or by a collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

WWU is a participant in the Local Government Investment Pool that was authorized by Chapter 294, Laws of 1986, and is managed and operated by the Washington State Treasurer. The State Finance Committee is the administrator of the statute that created the pool and adopts rules. The State Treasurer is responsible for establishing the investment policy for the pool and reviews the policy annually. Any proposed changes are reviewed by the LGIP advisory Committee.

The LGIP is a qualified, yet unrated, external investment pool. Investments in the LGIP are reported at amortized cost which approximates fair value. The pool portfolio is invested in a manner that meets the maturity, quality, diversification and liquidity requirements set forth by GASB 79 for external investment pools that elect to measure, for financial reporting purposes, investments at amortized cost. The LGIP does not have any legally binding guarantees of share values. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals.

The Office of the State Treasurer prepares a stand-alone LGIP financial report. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, online at <http://www.tre.wa.gov>.

At June 30, 2021 and 2020, the carrying amount of cash and cash equivalents is \$32,602,004 and \$29,273,352, respectively. These balances include restricted cash and cash equivalents of \$5,576,359 and \$7,427,960 in unspent bond proceeds and Housing and Dining and Recreation Center

renewal and replacement funds at June 30, 2021 and unspent bond proceeds and Recreation Center renewal and replace funds at June 30, 2020, The carrying amount of cash and cash equivalents approximates the market value.

4. INVESTMENTS

Investments include internally pooled cash operating funds, renewal and replacement funds, unspent bond proceeds, and University endowment funds.

WWU pooled investments consisted of \$4,050,000 and \$4,000,000 in certificates of deposit (CDs), \$525,861 and \$0 in municipals, \$1,599,930 and \$0 in supranationals, \$8,751,624 and \$7,769,650 in corporates and \$38,169,820 and \$45,338,850 in U.S. Treasury and Agency securities at June 30, 2021 and 2020, respectively.

The Housing and Dining System Renewal and Replacement restricted fund held and separately invested, \$1,746,340 and \$1,608,913 in certificates of deposit (CDs), \$478,739 and \$497,636 in municipals and \$647,129 and \$1,051,486 in U.S. Treasury and Agency securities as of June 30, 2021 and 2020, respectively.

The Housing and Dining System held \$6,748,409 and \$40,132,018 in U.S. Treasury securities for unspent bond proceeds as of June 30, 2021 and 2020, respectively.

University endowment funds are held and managed by the Western Washington University Foundation (the Foundation). The endowment funds are invested in accordance with the Foundation policy under the direction of the Foundation Finance and Audit Committee (the Committee). The Committee is responsible for reviewing and defining investment policy, monitoring investment performance, and recommending managers to oversee the investment of the portfolio. The Committee reviews and updates its investment policy every three years.

As of June 30, 2021, WWU's Endowment funds are comprised of \$9,454,030 in donor restricted and unrestricted funds and \$6,504,532 in Quasi-endowments. As of June 30, 2020, the balances were \$7,733,219 and \$5,590,626 respectively.

Credit (Quality) Risk

Credit risk is the risk that an issuer or other counterparty will not fulfill its obligations. Statutory and policy constraints with regard to the types of instruments available for investment limit WWU's exposure to this risk. Instruments available for investment include obligations

of the US Treasury and Agency securities, municipal debt obligations, corporate notes, commercial paper and CDs. The CDs held in the internal investment pool are insured by the Federal Deposit Insurance Company (FDIC) or by a collateral pool administered by the Washington

Public Deposit Protection Commission (PDPC). Minimum ratings for each investment type by Standard and Poors and Moody's respectively are as follows: commercial paper A1/P1; corporate notes, A-/A3; municipals, A-/ A3; supranationals, AA-/Aa3 and US Treasury and Agency securities are rated essentially rated AA+/Aaa.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of the counterparty, WWU will not be able to recover the value of the investment. As of June 30, 2021 WWU, had \$56,921,513 in US Treasury and Agency securities, municipals, supranationals and corporates held in custody by Wells Fargo in WWU's name.

WWU manages its exposure to fair value losses in the internal investment pool by targeting the portfolio duration to 2.25 years and limiting the weighted average maturity to a maximum of 3 years. WWU generally does not invest operating funds in securities maturing more than 5 years from the date of purchase.

Endowment funds are invested under the Foundation Investment Policy guidelines. These guidelines include the primary objective of achieving long-term growth, while using prudent investing practices and do not limit investment maturities as a means to managing interest rate exposure.

Concentration of Credit Risk

Concentration of credit risk for investments is the risk of loss attributable to the magnitude of an investment in a single issuer. WWU's operating investment policy first limits the percent of the portfolio to issuer type and then to issuer within that type:

- U.S. Treasuries and State LGIP have no limit to percent of the portfolio.
- U.S. Agencies have no limit to percent of portfolio but are limited to 35% per issuer.
- Certificates of Deposit and Supranationals have a 10% limit to percent of portfolio with a 5% limit to issuer.
- Municipals have a 20% limitation to percent of portfolio with a 5% limit per issuer.

Commercial Paper and Corporates have a combined limit of 25% of total portfolio with limitations per issuer for Commercial Paper of \$2 million and for Corporates, \$2 million or 3% for AA- or \$1 million or 2% for A-. The Endowment Investment Policy limits the endowment fixed income investments to no more than 5% of the portfolio for a single issuer, with the exception of U.S. government and agency securities.

Fair Value Measurement and Application

The three levels of the fair value hierarchy are described as follows:

- Level 1 - Unadjusted quoted prices available in active markets for identical assets or liabilities;
- Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or
- Level 3 - Unobservable inputs that are significant to the fair value measurement.



At June 30, 2021, WWU held the following in cash, cash equivalents and investments:

Description	Fair Value Measurements Using			Total	Weighted Average Maturity (in Years)
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
WWU Investment Pool:					
Cash & Cash Equivalents	\$27,025,645			\$27,025,645	0.003
Commercial Paper					
Time Certificates of Deposits (CDs)	4,050,000			4,050,000	1.303
Corporate	8,751,624			8,751,624	1.329
Municipals	525,861			525,861	2.422
SupraNationals	1,599,930			1,599,930	2.647
U.S. Treasuries		7,963,345		7,963,345	2.711
U.S. Agencies		30,206,475		30,206,475	0.986
WWU Endowment Funds:					
Cash & Cash Equivalents	363,182			363,182	
Fixed Income Investments:					n/a
U.S. Treasuries		27,330		27,330	8.100
U.S. Agencies		675,662		675,662	6.100
Other Fixed Income		2,335,146		2,335,146	n/a
Equity Investments		10,208,869		10,208,869	n/a
Real Estate		1,341,705	465,748	1,807,453	n/a
Alternative Investments		540,920		540,920	n/a
Other Investments:					
Renewal and Replacement Time CDs	1,746,340			1,746,340	3.241
Renewal and Replacement Municipals	478,739			478,739	2.088
Renewal and Replacement U.S. Treasuries				-	-
Renewal and Replacement U.S. Agencies		647,129		647,129	0.945
H&D Bond Inv. Cash & Cash Equivalents	5,576,359			5,576,359	0.003
H&D Bond Inv. US Treasuries		6,748,409		6,748,409	0.131
H&D Bond Inv. US Agencies					
Miscellaneous			1,010	1,010	n/a
TOTAL CASH AND INVESTMENTS	\$50,117,680	\$60,694,990	\$466,758	\$111,279,428	

At June 30, 2020, WWU held the following in cash, cash equivalents and investments:

Description	Fair Value Measurements Using			Total	Weighted Average Maturity (in Years)
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
WWU Investment Pool:					
Cash & Cash Equivalents	\$23,705,924			\$23,705,924	0.003
Commercial Paper					
Time Certificates of Deposits (CDs)	4,000,000			4,000,000	1.032
Corporate	7,769,650			7,769,650	1.925
U.S. Treasuries		12,057,200		12,057,200	0.243
U.S. Agencies		33,281,650		33,281,650	1.474
WWU Endowment Funds:					
Cash & Cash Equivalents	49,006			49,006	n/a
Fixed income investments:					n/a
U.S. Treasuries		29,829		29,829	10.100
U.S. Agencies		305,379		305,379	5.200
Other Fixed Income		1,112,072		1,112,072	n/a
Equity Investments		9,835,887		9,835,887	n/a
Real Estate		347,807	496,011	843,818	n/a
Alternative Investments		1,147,854		1,147,854	n/a
Other Investments:					
Renewal and Replacement Time CDs	1,608,913			1,608,913	0.238
Renewal and Replacement Municipals	497,636			497,636	3.088
Renewal and Replacement U.S. Treasuries		393,670		393,670	1.000
Renewal and Replacement U.S. Agencies		657,816		657,816	1.945
H&D Bond Inv. Cash & Cash Equivalents	5,567,428			5,567,428	0.003
H&D Bond Inv. US Treasuries		40,132,018		40,132,018	0.642
H&D Bond Inv. US Agencies					
Miscellaneous			1,010	1,010	n/a
TOTAL CASH AND INVESTMENTS	<u>\$43,198,557</u>	<u>\$99,301,182</u>	<u>\$497,021</u>	<u>\$142,996,760</u>	

5. FUNDS WITH STATE TREASURER

This account represents WWU's share of net earnings of the State of Washington Normal School Permanent Fund and the building fee portion of tuition (as appropriated by the state), reduced by expenditures for capital projects and debt service incurred over the years. The Normal School Permanent Fund, established under RCW 43.79.160, is a permanent endowment fund. Earnings from the investment are either reinvested or used for the benefit of Central Washington University, Eastern Washington University, Western Washington University, and The Evergreen State College.

The investing activities are the responsibility of the Washington State Treasurer's Office. The primary sources of new principal for the Normal School Permanent fund are revenues, primarily timber sales, from certain State lands. The State lands include 100,000 acres granted by the United States government for state normal schools and are managed by the State Department of Natural Resources.

WWU's combined earnings and distributions on the fund for the years ending June 30, 2021, and 2020 are \$3,248,581 and \$2,903,685, respectively, which are reported as other capital revenue along with any capital gifts or contributions.

6. ACCOUNTS RECEIVABLE, NET

At June 30, 2021 and 2020, the major components of accounts receivable are as follows:

	2021	2020
Student Tuition and Fees	\$5,271,674	\$5,179,930
Federal, State and Private Grants and Contracts	33,492,648	3,863,606
Auxiliary Enterprises and other Operating Activities	<u>3,873,141</u>	<u>4,581,416</u>
Total Accounts Receivable	42,637,463	13,624,952
Less allowance for doubtful accounts	<u>(831,067)</u>	<u>(637,226)</u>
Accounts Receivable, Net	<u>\$41,806,396</u>	<u>\$12,987,726</u>

7. STUDENT LOANS RECEIVABLE, NET

At June 30, 2021 and 2020, student loans receivable are as follows:

	2021	2020
Federal Perkins student loans	\$4,750,387	\$6,029,598
Other long-term loans	35,830	21,092
Institutional loans	<u>22,610</u>	<u>24,577</u>
Total student loans	4,808,827	6,075,267
Less allowance for doubtful accounts	<u>(477,802)</u>	<u>(607,770)</u>
Student loans receivable, net	<u>\$4,331,025</u>	<u>\$5,467,497</u>

8. INVENTORIES

At June 30, 2021 and 2020, inventories, stated at cost using various methods: retail or first-in, first-out (FIFO) consist of the following:

Location	Valuation Method	2021	2020
Bookstore	Retail	\$1,048,607	\$1,857,801
Facilities Maintenance	FIFO	468,148	190,448
Other inventory	FIFO	<u>181,419</u>	<u>284,158</u>
Total inventory		<u>\$1,698,174</u>	<u>\$2,332,407</u>

9. LAND AND CAPITAL ASSETS

The depreciation expense for the fiscal years ended June 30, 2021 and 2020 were \$25,984,636 and \$26,449,602, respectively.

Following are the changes in land and capital assets for the year ended June 30, 2021:

	6/30/2020	Additions	Reductions	6/30/2021
Non-depreciable Capital Assets				
Land	\$12,594,963	\$	\$	\$12,594,963
Construction in progress	<u>28,955,409</u>	<u>84,127,331</u>	<u>60,360</u>	<u>113,022,380</u>
Total non-depreciable capital assets	<u>\$41,550,372</u>	<u>\$84,127,331</u>	<u>\$60,360</u>	<u>\$125,617,343</u>
Depreciable Capital Assets				
Infrastructure	\$55,452,397	\$	\$	\$55,452,397
Buildings	584,379,561	548,771		584,928,332
Furniture, fixtures and equipment	47,109,744	3,124,502	906,929	49,327,317
Library materials, art collection	54,167,042	116,125		54,283,167
Improvements	<u>149,652,353</u>			<u>149,652,353</u>
Total depreciable capital assets	<u>890,761,097</u>	<u>3,789,398</u>	<u>906,929</u>	<u>893,643,566</u>
Less Accumulated Depreciation				
Infrastructure	35,842,425	1,407,015		37,249,440
Buildings	230,662,963	15,641,421		246,304,384
Furniture, fixtures and equipment	39,419,821	2,905,084	906,929	41,417,976
Library materials, art collection	50,768,128	830,137		51,598,265
Improvements	<u>75,617,383</u>	<u>5,200,979</u>		<u>80,818,362</u>
Total accumulated depreciation	<u>432,310,720</u>	<u>25,984,636</u>	<u>906,929</u>	<u>457,388,427</u>
Capital Assets, Net of Depreciation	<u>\$458,450,377</u>	<u>(\$22,195,238)</u>		<u>\$436,255,139</u>

Following are the changes in land and capital assets for the year ended June 30, 2020:

	6/30/2019	Additions	Reductions	6/30/2020
Non-depreciable Capital Assets				
Land	\$12,594,963	\$	\$	\$12,594,963
Construction in progress	48,224,312	24,396,924	43,665,827	28,955,409
Total non-depreciable capital assets	<u>\$60,819,275</u>	<u>24,396,924</u>	<u>\$43,665,827</u>	<u>\$41,550,372</u>
Depreciable Capital Assets				
Infrastructure	\$55,452,397	\$	\$	\$55,452,397
Buildings	533,220,490	51,159,071		584,379,561
Furniture, fixtures and equipment	47,347,381	2,928,280	3,165,917	47,109,744
Library materials, art collection	54,037,031	130,011		54,167,042
Improvements	149,652,353			149,652,353
Total depreciable capital assets	<u>839,709,652</u>	<u>54,217,362</u>	<u>3,165,917</u>	<u>890,761,097</u>
Less Accumulated Depreciation				
Infrastructure	34,429,939	1,412,486		35,842,425
Buildings	215,127,190	15,535,773		230,662,963
Furniture, fixtures and equipment	39,790,808	2,772,697	3,143,684	39,419,821
Library materials, art collection	49,818,354	949,774		50,768,128
Improvements	69,838,511	5,778,872		75,617,383
Total accumulated depreciation	<u>409,004,802</u>	<u>26,449,602</u>	<u>3,143,684</u>	<u>432,310,720</u>
Capital Assets, Net of depreciation	<u>\$430,704,850</u>	<u>\$27,767,760</u>	<u>\$22,233</u>	<u>\$458,450,377</u>

10. ART COLLECTIONS

WWU has several collections of art that it does not capitalize. The Outdoor Sculpture Collection is a public art collection displayed throughout the entire campus. There are also collections of 19th and 20th century paintings, prints and drawings, the Whittington Collection of Asian Ceramics, and the Chair Collection. These collections adhere to WWU's policy to (a) maintain them for public exhibition, education, or research; (b) protect, keep unencumbered, care for, and preserve them; and (c) require proceeds from their sale to be used to acquire other collection items. WWU's policy is to permit collections maintained in this manner to be charged to operations at the time of purchase rather than capitalized.

11. COMPENSATED ABSENCES

The accrued leave balances as of June 30, 2021 and 2020 are \$12,270,908 and \$10,609,358, respectively. This consists of unused vacation leave and compensatory time earned for exempt professionals and classified staff. It also includes a percentage of earned and unused sick leave for exempt professionals and classified staff. For reporting purposes, the entire balance of accrued leave is considered a noncurrent liability as more leave is accrued during the fiscal year than what is used.

In 2004, WWU began participating in the Voluntary Employees' Beneficiary Association Medical Expense Plan (VEBA-MEP). The plan is a post-retirement medical expense reimbursement account available to professional staff employees of WWU. The VEBA-MEP enables WWU to deposit funds equivalent to the cash-out of compensable unused sick leave at retirement, tax free to a VEBA trust account on the employee's behalf. Funds deposited into a VEBA-MEP account, as well as the earnings on the accounts, are not subject to federal income or social security taxes. During FY 2021 and FY 2020, \$108,139 and \$145,222, respectively, were contributed to VEBA accounts by WWU on behalf of employees.

12. NOTES PAYABLE

WWU finances certain land and equipment purchases through certificates of participation issued by the Washington State Treasurer. WWU's debt service requirements for these agreements for the next five years and thereafter are as follows:

Fiscal Year	Principal	Interest
2022	724,770	307,508
2023	656,395	276,670
2024	650,000	249,450
2025	380,000	222,750
2026	395,000	203,750
2027-2031	1,535,000	756,250
2032-2036	1,745,000	370,500
2037	400,000	20,000
Total	<u>\$6,486,165</u>	<u>2,406,878</u>

13. BONDS PAYABLE

Bonds payable consist of revenue bonds issued by WWU for Housing and Dining System facilities and the Wade King Student Recreation Center. Bonds outstanding are shown on the following page.

Housing and Dining Revenue Bonds

As specified in Master Resolution 97-09, the Housing and Dining System (the System) Revenue Fund is used to pay operating expenses, principal and interest, fund debt service reserve accounts required in subsequent series resolutions, pay the renewal and replacement fund and, if desired, retire debt in the open market. Net revenues are pledged to equal at least 125% of debt service. The System has funded a reserve account for debt service, and maintains a renewal and replacement fund equal to at least 5% of outstanding bonds.

The Housing and Dining System has the following outstanding bond issues:

Series 2020 Housing and Dining Refunding Bonds (original issue price of \$21,760,000) with interest rates ranging from 1.5% to 2.5% and principal payments due beginning in April 1, 2025 in annual amounts ranging from \$735,000 to \$2,735,000 through April 1, 2034. The Series 2020 bonds have an aggregate face value of \$21,760,000 at June 30, 2021 with no issue premium.

Series 2019 Housing and Dining Revenue Bonds (original issue price of \$68,575,000) with interest rates ranging from 3.0% to 5.0% on principal payments due in annual amounts ranging from \$1,465,000 to \$3,295,000 through April 1, 2049. The Series 2019 bonds have an

aggregate face value of \$67,180,000 at June 30, 2021 which is reported net of the unamortized original issues premium of \$3,050,678.

Series 2018A Housing and Dining Refunding Bonds (original issue price of \$10,695,000) with interest rates ranging from 3.0% to 5.0% and principal payments due in annual amounts ranging from \$570,000 to \$985,000 through April 30, 2034. The Series 2018A bonds have an aggregate face value of \$9,600,000 at June 30, 2021 which is reported net of the unamortized original issues premium of \$694,166.

Series 2018B Housing and Dining Refunding Bonds (original issue price of \$33,680,000) with interest rates ranging from 3.0% to 4.0% and principal payments due in annual amounts ranging from \$985,000 to \$2,050,000 through April 30, 2043. The Series 2018B bonds have an aggregate face value of \$30,510,000 at June 30, 2021 which is reported net of the unamortized original issues premium of \$800,875.

Series 2015 Housing and Dining Refunding Bonds (original issue price of \$13,435,000) with interest rates of 5.0% and principal payments due in annual amounts ranging from \$1,315,000 to \$1,530,000 through October 31, 2026. The Series 2015 bonds have an aggregate face value of \$5,675,000 at June 30, 2021 which is reported net of the unamortized original issues premium of \$322,740.

Series 2012 Revenue and Refunding Bonds (original issue price of \$9,205,000) with interest rates ranging

from 3.0% to 5.0% and principal payments due in annual amounts ranging from \$790,000 to \$825,000 through October 31, 2023. The Series 2012 bonds have an aggregate face value of \$1,615,000 at June 30, 2021 which is reported net of the unamortized original issues premium of \$16,482.

Advance Refunding

On September 24, 2020, Housing and Dining issued \$21,760,000 in revenue and refunding bond series 2020 to refund, refinance and restructure all or a portion of the debt service (principal and interest) that will be due and payable with respect to Outstanding Parity Bonds during the period from October 1, 2020 through and including October 1, 2022, to capitalize interest on the Series 2020 bonds, and to pay costs of issuance. The net proceeds from the sale of the Series 2020 Bonds will be irrevocably deposited with U.S. Bank National Association under an escrow agreement dated the date of delivery of the Series 2020 Bonds. The funds will be

used to purchase direct, noncallable, obligations of the United State of America securities. The securities will mature at such times and pay interest in such amounts so that sufficient money will be available to pay the Refunded Debt Service when due. The Refunded Debt Service will no longer be deemed to be outstanding. The Series 2020 Bonds will not produce any cash flow savings. The purpose is to provide COVID-19 economic relief to Housing and Dining.

Wade King Student Recreation Center Revenue and Refunding Bonds

The Recreation Center issued \$24,385,000 in Revenue and Refunding Bonds, Series 2012, on April 30 2012. The bonds bear interest rates of 3.0% to 4.1% and mature annually until 2037. The bonds have an aggregate face value of \$18,985,000 at June 30, 2021, which is reported net of the unamortized original issue premium of \$200,058.

The debt service requirements for the revenue/refunding bonds for the next five years and thereafter are as follows:

Fiscal Year	Housing and Dining Revenue and Refunding Bonds		Student Recreation Center Revenue and Refunding Bonds	
	Principal	Interest	Principal	Interest
2022		472,402	870,000	755,050
2023	5,160,000	4,666,158	905,000	724,600
2024	5,310,000	4,431,083	940,000	688,400
2025	5,560,000	4,199,483	980,000	650,800
2026	5,800,000	3,958,101	1,020,000	611,600
2027-2031	32,485,000	16,304,530	5,740,000	2,413,000
2032-2036	30,255,000	10,873,621	6,965,000	1,170,600
2037-2041	22,765,000	6,916,000	1,565,000	62,600
2042-2046	19,405,000	3,058,300		
2047-2051	9,600,000	581,700		
Total	\$136,340,000	\$55,461,378	\$18,985,000	\$7,076,650
Unamortized premium/ (discount)	4,894,942		200,058	
Total	<u>\$141,234,942</u>	<u>\$55,461,378</u>	<u>\$19,185,058</u>	<u>\$7,076,650</u>

14. PLEDGED REVENUES

WWU has pledged certain revenues, net of specified operating expenses, to repay the principal and interest of revenue bonds. The following is a schedule of the pledged revenues and related debt:

Source of Revenue Pledged	Total Future Revenues Pledged *	Description of Debt	Purpose of Debt	Term of Commitment	Proportion of Debt Service to Pledged Revenues (current yr)
Housing and Dining revenues, net of operating expenses	\$191,801,378	Housing and Dining bonds issued in 2012, 2015, 2018, 2019, and 2020	Construction and renovation of student housing projects	2049	0.0%
Student Recreation Center gross revenues	\$26,061,650	Student Recreation Center bonds issued in 2012	Construction of the Student Recreation Center	2038	42.9%
* Total future principal and interest payments on debt					

15. LONG-TERM LIABILITIES

Following are the changes in long-term liabilities for the years ended June 30, 2021 and 2020:

	6/30/20	Additions/ Amortization	Decreases/ Retirements	6/30/21	Current Portion
Bonds, Notes & Obligations payable					
Revenue and refunding bonds	\$152,187,456	\$20,617,544	\$12,385,000	\$160,420,000	\$870,000
Notes payable	7,184,588		698,423	6,486,165	724,770
Compensated absences	10,609,358	1,661,550		12,270,908	
OPEB Liability	94,104,370	\$1,919,069		96,023,439	1,587,012
Pension Liabilities	51,846,667		26,173,667	25,673,000	
Perkins Federal Contribution	<u>5,934,269</u>		<u>1,048,624</u>	<u>4,885,645</u>	
Total long-term liabilities	<u>\$321,866,708</u>	<u>\$24,198,163</u>	<u>\$40,305,714</u>	<u>\$305,759,157</u>	<u>\$3,181,782</u>
	6/30/19	Additions/ Amortization	Decreases/ Retirements	6/30/20	Current Portion
Bonds, Notes & Obligations payable					
Revenue and refunding bonds	\$85,854,795	\$71,547,661	\$5,215,000		\$5,445,000
Notes payable	7,852,687		668,099	\$7,184,588	698,423
Compensated absences	9,277,179	1,332,179		\$10,609,358	
OPEB Liability	82,552,772	11,551,598		\$94,104,370	1,622,646
Pension Liabilities	48,321,653	3,525,014		\$51,846,667	8,498,760
Perkins Federal Contribution	<u>6,948,850</u>		<u>1,014,581</u>	<u>\$5,934,269</u>	
Total long-term liabilities	<u>\$240,807,936</u>	<u>\$87,956,452</u>	<u>\$6,897,680</u>	<u>\$321,866,708</u>	<u>\$16,264,829</u>

16. LEASES

WWU leases facilities for off-campus office and educational spaces under a variety of agreements. WWU also acquires certain equipment through non-cancelable operating leases. At June 30, 2020, future payments under these operating leases are as follows:

Fiscal Year	Lease Payment
2022	366,089
2023	68,828
2024	53,760
2025	
2026	
Total minimum lease payments	<u>\$488,677</u>

17. DEFERRED COMPENSATION

WWU, through the State of Washington, offers its employees a Deferred Compensation Plan created under Internal Revenue Code Section 457. The plan, available to all State employees, permits individuals to defer a

portion of their salary until future years.

The State of Washington administers the plan on behalf of WWU's employees. WWU does not have legal access to the funds.

18. OPERATING EXPENSES BY FUNCTIONAL CATEGORIES

In the Statement of Revenues, Expenses and Changes in Net Position, operating expenses are displayed by natural classifications which include salaries, employee benefits, goods and services, and other similar categories.

Operating expenses by functional classification for the years ended June 30, 2021 and 2020 are as follows:

Operating Expenses	2021	2020
Instruction	\$132,333,762	\$136,350,931
Research	7,593,476	6,909,515
Academic support	15,626,353	17,018,413
Student services	22,601,398	24,119,375
Institutional support	30,753,962	32,281,102
Operation and maintenance of plant	54,131,237	53,487,828
Scholarships and other student aid	30,651,683	29,062,568
Auxiliary enterprise expenditures	18,949,235	47,587,801
Total operating expenses	<u>\$312,641,106</u>	<u>\$346,817,533</u>

19. PENSION PLANS

WWU offers four contributory pension plans: 1) the Washington State Public Employees' Retirement System (PERS) plans, 2) the Washington State Teachers Retirement System (TRS) plans, 3) the Law Enforcement Officers' and Firefighters' Retirement System (LEOFF) plan and 4) the Western Washington University Retirement plan (WWURP).

PERS, TRS and LEOFF are cost sharing multiple employer defined benefit pension plans administered by the State of Washington Department of Retirement Systems (DRS). WWURP is a single employer defined contribution plan with a supplemental defined benefit plan component currently administered by WWU.

Legislation signed into law on July 1, 2020, amended the RCW applicable to the WWUSRP to define plan provisions including limits on member eligibility, benefit payments, vesting terms and contribution rates. As a result of these amendments, WWU is unable to modify the terms of the plan. Administration of

the benefit calculations and payments remain the responsibility of WWU until the state's Pension Funding Council determines the trust has sufficient assets, at which time the DRS will assume those duties in accordance with RCW 41.50.280. WWU does not perform the duties of a board or hold any of the substantive powers that would make the plan a fiduciary component of WWU. Other agencies of the state of Washington perform the duties of a board and hold the substantive powers in relation to the WWUSRP.

WWU's share of the total net unfunded liabilities associated with the defined-benefit pension plans administered by the DRS was \$17,362,000 as of June 30, 2021 and \$16,404,667 as of June 30, 2020. The liability associated with the defined-benefit pension plan currently administered by WWU was \$8,072,000 as of June 30, 2021 and \$35,442,000 as of June 30, 2020. The total pension expense recorded by WWU related to both the DRS and University plans was (\$152,535) and \$3,610,164 for the years ended June 30, 2021 and 2020 respectively. The negative total pension expense

as of June 30, 2021 was a result of the Fiscal Year 2021 GASB No. 67/68 reporting change for WWU's supplemental defined benefit plan component.

PLANS ADMINISTERED BY DRS

PLAN DESCRIPTION:

Public Employees' Retirement System

PERS retirement benefit provisions are contained in chapters 41.34 and 41.40 of the Revised Code of Washington (RCW). PERS is a cost-sharing, multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a combination defined benefit/defined contribution plan. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 defined benefit plan may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries, as defined by the terms of the plan. Therefore, Plan 2/3 is considered a single defined benefit plan for reporting purposes. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. PERS members include higher education employees not participating in other higher education retirement programs..

Teachers' Retirement System

TRS retirement benefit provisions are contained in chapters 41.32 and 41.34 of the Revised Code of Washington (RCW). TRS is a cost-sharing, multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a combination defined benefit/defined contribution plan. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 defined benefit plan may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members. TRS eligibility for membership requires service as a certificated public school employee working in an instructional, administrative or supervisory capacity.

Law Enforcement Officers' and Fire Fighters' Retirement System

LEOFF retirement benefit provisions are contained

in chapter 41.26 of the Revised Code of Washington (RCW). LEOFF is a cost-sharing, multiple-employer retirement system comprised of two separate pension plans for membership and accounting purposes. WWU participates in LEOFF Plan 2, which is a defined-benefit plan. LEOFF membership includes full-time, fully compensated, local law enforcement commissioned officers, firefighters, and as of July 24, 2005, emergency medical technicians.

VESTING AND BENEFITS PROVIDED:

PERS Plan 1 and TRS Plan 1

PERS Plan 1 and TRS Plan 1 provide retirement, disability, and death benefits to eligible members. Both plans are closed to new entrants. All members are vested after the completion of five years of eligible service. The monthly benefit is 2.0% of the average final compensation (AFC) for each year of service credit, up to a maximum of 60.0%. The AFC is the total earnable compensation for the two consecutive highest-paid fiscal years, divided by two.

Members are eligible for retirement at any age after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. Members may elect to receive an optional cost of living allowance (COLA) amount based on the Consumer Price Index, capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced. Other benefits include duty and nonduty disability payments and a one-time duty-related death benefit, if the member is found eligible by the Washington State Department of Labor and Industries.

PERS Plan 2/3 and TRS Plan 2/3

PERS 2/3 and TRS Plan 2/3 provide retirement, disability and death benefits. PERS Plan 2 and TRS Plan 2 members are vested after completing five years of eligible service. PERS Plan 3 and TRS Plan 3 members are vested in the defined benefit portion of their plan after 10 years of service; or after five years of service, if 12 months of that service are earned after age 44. Plan 3 members are immediately vested in the defined contribution portion of their plan.

Defined Retirement benefits are determined as 2.0% of the member's AFC times the member's years of service for Plan 2 and 1.0% of the AFC times the member's years of service for Plan 3. The AFC is the average

of the member's 60 highest paid consecutive months. There is no cap on years of service credit.

Members are eligible for normal retirement at the age of 65 with five years of service. Members have the option to retire early with reduced benefits. Members may elect to receive an optional cost of living allowance (COLA) amount based on the Consumer Price Index, capped at 3 percent annually. Other benefits include duty and nonduty disability payments and a one-time duty-related death benefit, if the member is found eligible by the Washington State Department of Labor and Industries.

LEOFF Plan 2

LEOFF Plan 2 provides retirement, disability, and death benefits to eligible members. Members are vested after the completion of five years of eligible service. Plan 2 members receive a benefit of 2 percent of the FAS per year of service. FAS is based on the highest consecutive 60 months.

Members are eligible for retirement at the age of 53 with five years of service, or at age 50 with 20 years of service. Members who retire prior to the age of 53 receive reduced benefits. A cost of living allowance (COLA) is granted based on the Consumer Price Index, capped at 3.0% annually. Other benefits include duty and nonduty disability payments and a one-time duty-related death benefit, if the member is found eligible by the Washington State Department of Labor and Industries.

FIDUCIARY NET POSITION:

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all plans and additions to/deductions from all plans fiduciary net position have been determined in all material respects on the same basis as they are reported by the plans. These pension plans administered by the state are accounted for using the accrual basis of accounting. Under the accrual basis of accounting, employee and employer contributions are recognized in the period in which employee services are performed; investment gains and losses are recognized as incurred; and benefits and refunds are recognized when due and payable in

accordance with the terms of the applicable plan.

The Washington State Investment Board (WSIB) has been authorized by statute as having investment management responsibility for the pension funds. The WSIB manages retirement fund assets to maximize return at a prudent level of risk.

Retirement funds are invested in the Commingled Trust Fund (CTF). Established on July 1, 1992, the CTF is a diversified pool of investments that invests in fixed income, public equity, private equity, real estate, and tangible assets. Investment decisions are made within the framework of a Strategic Asset Allocation Policy and a series of written WSIB- adopted investment policies for the various asset classes in which the WSIB invests. Although some assets of the plans are commingled for investment purposes, each plan's assets may be used only for the payment of benefits to the members of that plan in accordance with the terms of the plan.

Administration of the PERS, TRS, and LEOFF systems and plans were funded by an employer rate of 0.18% of employee salaries.

The DRS prepares a stand-alone financial report that is compliant with the requirements of Statement 67 of the Governmental Accounting Standards Board. Copies of the report may be obtained by contacting the Washington State Department of Retirement Systems, PO Box 48380, Olympia, Washington 98504-8380 or online at <https://www.drs.wa.gov/wp-content/uploads/2021/06/2020-CAFR.pdf>.

ACTUARIAL ASSUMPTIONS:

Accounting requirements dictate the use of assumptions to best estimate the impact the pension obligations will have on WWU. The professional judgments used in determining these assumptions are important and can significantly impact the resulting actuarial estimates. Difference between actual results compared to these assumptions could have a significant effect on WWU's financial statements.

The total pension liability for each of the plans was determined using the most recent actuarial valuation completed by the Washington State Office of the State Actuary (OSA). WWU's 2021 pension liability is based on the OSA valuation performed as of June

30, 2020, with a valuation date of June 30, 2019. Besides the discount rate, the actuarial assumptions used in the valuation are summarized in the Actuarial Section of DRS' Annual Comprehensive Financial Report located on the DRS employer-resource GASB webpage. These assumptions reflect the results of OSA's 2013-2018 Demographic Experience Study Report and the 2019 Economic Experience Study. The following actuarial assumptions have been applied to all prior periods included in the measurement:

- **Inflation:** 2.75% total economic inflation; 3.50% salary inflation
- **Salary Increases:** salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.40%

Mortality rates were developed using the Society of Actuaries' Pub.H-2010 mortality rates as the base table. OSA applied age offsets, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout the member's lifetime.

OSA selected a 7.40% long-term expected rate of return on pension plan investments using a building block method. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns the WSIB provided.

The CMAs contain three pieces of information for each class of assets WSIB currently invests in:

- Expected annual return
- Standard deviation of the annual return
- Correlations between the annual returns of each asset class with every other asset class

The WSIB uses the CMAs and their target asset allocation to simulate future investment returns at various future times.

The best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021 are summarized in the following table:

2021 - Measurement date 2020

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Fixed Income	20%	2.20%
Tangible Assets	7%	5.10%
Real Estate	18%	5.80%
Global Equity	32%	6.30%
Private Equity	23%	9.30%
Total	100%	

The inflation component used to create the table is 2.20% and represents the WSIB's most recent long-term estimate of broad economic inflation.

DISCOUNT RATE:

The discount rate used to measure the total pension liabilities was 7.40 percent. To determine the discount rate, an asset sufficiency test was completed to test whether the pension plan's fiduciary net position was sufficient to make all projected future benefit payments of current plan members. Consistent with current law, the completed asset sufficiency test included an assumed 7.40 percent long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. Consistent with the long-term expected rate of return, a 7.40 percent future investment rate of return on invested assets was assumed for the test. Contributions from plan members and employers are assumed to continue to be made at contractually required rates (including PERS Plan 2/3 and TRS 2/3 employers whose rates include a component for the PERS Plan 1 and TRS Plan 1 unfunded actuarial accrued liabilities). Based on those assumptions, the various pension plan's fiduciary net positions were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.40 percent on pension plan investments was applied to determine the total pension liability for each plan.

SENSITIVITY OF THE NET PENSION LIABILITY/(ASSET) TO CHANGES IN THE DISCOUNT RATE:

The following table presents WWU's net pension liability/(asset) position by plan calculated using the discount rate of 7.40 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1.0% point lower (6.40%) or 1.0% point higher (8.40%) than the current rate.

Discount Rate Sensitivity - Net Pension Liability/(Asset)

(\$ in thousands)

Plan	1% Decrease	2021 Current Discount Rate	1% Increase
	6.4%	7.4%	8.4%
PERS 1	\$13,348	\$10,657	\$8,309
PERS 2/3	30,678	4,930	(16,273)
TRS 1	1,379	1,088	835
TRS 2/3	2,024	687	(404)
LEOFF 2	(22)	(1,117)	(2,013)
	\$47,407	\$16,245	\$(9,546)

EMPLOYER CONTRIBUTION RATES:

Employer contribution rates are developed in accordance with Chapter 41.45 of the RCW by the OSA. The statute provides authority to the Pension Funding Council to adopt changes to economic assumptions and contribution rates.

Required Contribution Rates

The required contribution rates expressed as a percentage of current year covered payroll are shown below. The University and the employees made the required contributions.

	Contribution Rates							
	7/1/2019 thru 8/31/2019		9/1/2019 thru 6/30/2020		7/1/2020 thru 8/31/2020		9/1/2020 thru 6/30/2021	
	Employee	University	Employee	University	Employee	University	Employee	University
PERS								
Plan 1	6.00%	12.86%	6.00%	12.86%	6.00%	12.86%	6.00%	12.97%
Plan 2	7.90%	12.86%	7.90%	12.86%	7.90%	12.86%	7.90%	12.97%
Plan 3	5.00-15.00% **	12.86% *	5.00-15.00% **	12.86% *	5.00-15.00% **	12.86% *	5.00-15.00% **	12.97% *
TRS								
Plan 1	6.00%	15.41%	6.00%	15.51%	6.00%	15.51%	6.00%	15.74%
Plan 2	7.06%	15.41%	7.77%	15.51%	7.77%	15.51%	7.77%	15.74%
Plan 3	5.00-15.00% **	15.41% *	5.00-15.00% **	15.51% *	5.00-15.00% **	15.51% *	5.00-15.00% **	15.74% *
LEOFF								
Plan 2	8.59%	8.77%	8.59%	8.77%	8.59%	8.77%	8.59%	8.77%

PERS 2/3 employer rates include a component to address the PERS Plan 1 unfunded actuarial accrued liability (UAAL)

TRS 2/3 employer rates include a component to address the TRS Plan 1 unfunded actuarial accrued liability (UAAL)

*Plan 3 defined benefit portion only.

**Variable from 5% to 15% based on rate selected by the member.

University contribution rate includes an administrative expense rate of 0.0018.

The University's required contributions for the years ending June 30 are as follows:

	Required Contributions	
	FY 2020	FY 2021
PERS		
Plan 1	4,262,073	4,269,282
Plan 2	1,537,827	1,591,890
Plan 3		
TRS		
Plan 1	27,185	28,924
Plan 2	473,067	505,847
Plan 3		
LEOFF		
Plan 2	108,407	108,709

UNIVERSITY PROPORTIONATE SHARE AND AGGREGATED BALANCES:

Collective pension amounts are determined as of a measurement date, which can be no earlier than an employer's prior fiscal year. The measurement date for the net pension liabilities recorded by WWU as of June 30, 2021 and 2020 was June 30, 2020 and 2019 (one year in arrears.) Employer contributions received and processed by the DRS during the measurement date fiscal year have been used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in their fiscal year ended June 30 Schedules of Employer and Non-employer Allocations. WWU's proportionate share of the aggregated balance of net pension liabilities and net pension asset as of June 30, 2021 and June 30, 2020 is presented in the table below.

Proportionate Share Allocation Percentage					
	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2
FY 21 Proportionate Share	0.3018%	0.3855%	0.0452%	0.0447%	0.0547%
FY 20 Proportionate Share	0.3027%	0.3798%	0.0351%	0.0340%	0.0618%

Aggregate Pension Balances (\$ in thousands)						
	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2	Total
June 30, 2021						
Net Pension Liability	\$ 10,657	\$ 4,930	\$ 1,088	\$ 687	\$	\$ 17,362
Net Pension Asset	\$	\$	\$	\$	\$ 1,117	\$ 1,117
June 30, 2020						
Net Pension Liability	\$ 11,641	\$ 3,689	\$ 870	\$ 204	\$	\$ 16,405
Net Pension Asset	\$	\$	\$	\$	\$ 1,432	\$ 1,432

PENSION EXPENSE, DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES:

The tables below summarize WWU's expense, deferred outflows of resources and deferred inflows of resources related to the DRS pension plans, together with the related future year impacts to pension expense from amortization of those deferred amounts. Note that deferred outflows of resources related to University contributions subsequent to the measurement date are recognized as a reduction of the net pension liability in the following year and are not amortized to pension expense.

Proportionate Share of Pension Expense (\$ in thousands)						
	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2	Total
Year Ended June 30, 2021	\$ 480	\$ 569	\$ 396	\$ 258	\$ (17)	\$ 1,686
Year Ended June 30, 2020	\$ 241	\$ 1,010	\$ 178	\$ 161	\$ (53)	\$ 1,537

Amounts reported as deferred outflows of resources, exclusive of contributions subsequent to the measurement date, and deferred inflows of resources will be recognized in pension expense in future periods as follows:

Deferred Outflows of Resources (\$ in thousands)

2021	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2	Total
Difference between expected and actual experience	\$	\$ 1,765	\$	\$ 434	\$ 154	\$ 2,354
Changes of assumptions		70		89	2	160
Net difference between projected and actual earnings on pension plan investments						
Change in proportion		170		171	115	457
Contributions subsequent to the measurement date	2,197	3,669	256	285	109	6,515
TOTAL	\$ 2,197	\$ 5,674	\$ 256	\$ 979	\$ 380	\$ 9,485

Deferred Inflows of Resources (\$ in thousands)

2021	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2	Total
Difference between expected and actual experience	\$	\$ 618	\$	\$ 2	\$ 20	\$ 640
Changes of assumptions		3,368		75	173	3,616
Net difference between projected and actual earnings on pension plan investments	59	250	7	7	12	336
Change in proportion		229			74	303
TOTAL	\$ 59	\$ 4,466	\$ 7	\$ 84	\$ 279	\$ 4,895

Amortization of Deferred Outflows and Deferred Inflows of Resources * (\$ in thousands)

YEAR	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2	Total
2022	\$ (269)	\$ (2,085)	\$ (31)	\$ 9	\$ (75)	\$ (2,451)
2023	(8)	(528)	(1)	73	(9)	(473)
2024	82	49	9	97	18	256
2025	136	448	15	117	39	756
2026		(150)		76	(6)	(81)
Thereafter		(195)		238	25	69
TOTAL	\$ (59)	\$ (2,460)	\$ (7)	\$ 610	\$ (8)	\$ (1,925)

* Negative amounts shown in the table above represent a reduction of expense

Deferred Outflows of Resources (\$ in thousands)

2020	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2	Total
Difference between expected and actual experience	\$	\$ 1,057	\$	\$ 142	\$ 103	\$ 1,303
Changes of assumptions		94		77	2	175
Net difference between projected and actual earnings on pension plan investments						
Change in proportion		79		134	11	224
Contributions subsequent to the measurement date	2,183	3,646	237	271	108	6,445
TOTAL	\$ 2,183	\$ 4,877	\$ 237	\$ 623	\$ 225	\$ 8,145

Deferred Inflows of Resources (\$ in thousands)

2019	PERS 1	PERS 2/3	TRS 1	TRS 2/3	LEOFF 2	Total
Difference between expected and actual experience	\$	\$ 793	\$	\$ 7	\$ 26	\$ 826
Changes of assumptions		1,548		54	161	1,764
Net difference between projected and actual earnings on pension plan investments	778	5,370	67	177	294	6,685
Change in proportion		297			85	382
TOTAL	\$ 778	\$ 8,009	\$ 67	\$ 238	\$ 565	\$ 9,657

PLANS ADMINISTERED BY WESTERN WASHINGTON UNIVERSITY**Western Washington University Retirement Plan (WWURP)****PLAN DESCRIPTION:**

The WWURP is a defined contribution single employer pension plan with a supplemental payment when required. The plan covers faculty, professional staff, and certain other employees. It is administered by WWU. WWU's Board of Trustees is authorized to establish and amend benefit provisions. Members are eligible to receive benefits under this plan at either the age 62 or at the age of 55 with 10 or more years of credited service.

Contributions to the plan are invested in annuity contracts or mutual fund accounts offered by one or more fund sponsors. Benefits from fund sponsors are available upon separation or retirement at the member's option. Employees have at all times a 100% vested interest in their accumulations. The number of participants in the WWURP as of June 30, 2021 and 2020 was 1,154 and 1,193 respectively.

FUNDING POLICY:

Employee contribution rates, which are based on age, range from 5% to 10% of salary. WWU matches 100% of the employee contributions. All required employer and employee contributions have been made and the breakdown of these WWURP contributions are included in the table below for the years ended June 30.

	2021	2020
Contributions made by:		
Employees	\$8,554,940	\$8,496,601
University	8,553,048	8,498,760

Western Washington University Supplemental Retirement Plan (WWUSRP)**PLAN DESCRIPTION:**

WWUSRP, the supplemental component of the WWURP plan, is a defined benefit plan currently administered by WWU and operates in tandem with the WWURP defined contribution pension plan to supplement the expected defined-contribution retirement savings accumulated under the WWURP. The plan covers faculty and certain other positions. The WWUSRP, the supplemental component of the WWURP, was closed to new entrants as of July 1, 2011. For purposes of measuring the June 30, 2021 net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the WWUSRP and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported in the state of Washington's Annual Comprehensive Financial Report, which is available at <https://ofm.wa.gov/accounting/financial-audit-reports/annual-comprehensive-financial-report>.

PLAN MEMBERSHIP:

Membership of the Western Washington University Supplemental Retirement Plan consisted of the following at June 30, 2018, and June 30, 2020, the date of the latest actuarial valuation for the plan:

Number of Participating Members				
WWURP	Inactive Members (Or Beneficiaries) Currently Receiving Benefits	Inactive Members Entitled To But Not Yet Receiving Benefits	Active Members	Total Members
2020	79	3	483	565
2018	63	21	562	646

The 2020 and 2018 census data were used for actuarial valuations that were used to project the Total Pension Liability to the measurement date of June 30, 2021 and 2020 respectively.

VESTING AND BENEFITS PROVIDED:

This supplemental component payment plan determines a minimum retirement benefit goal based upon a one-time calculation at each employee's retirement date. This supplemental component is currently financed on a pay-as-you-go basis. WWU makes direct payments to qualified retirees when the retirement benefit provided by the fund sponsor does not meet the benefit goal.

WWSRP retirement benefits provisions are contained in RCW 28B.10.400, et. seq. which assigns the authority to establish and amend benefit provisions to the Western Washington University Board of Regents. Members are eligible to receive benefits under this plan at either the age 62 or at the age of 55 with 10 or more years of credited service. The monthly amount of benefits payable at the time of retirement is the excess of one-twelfth of 2.0% of the member's average annual salary multiplied by the number of years of service (such product not to exceed one-twelfth of 50.0% of the member's average annual salary) over an assumed annuity benefit.

Assumed income must be calculated by an independent actuary and represents a theoretical amount of monthly income that would have been generated if actual employee and WWU contributions to the WWURP had been allocated equally between fixed and variable dollar annuities. When the goal income exceeds the assumed income, the participant is entitled to benefits under this plan. Benefit payments made during the fiscal years ended June 30, 2021 and 2020 were \$524,420 and \$485,989 respectively.

FIDUCIARY NET POSITION:

With the passing of 2SHB 1661, the legislation, effective July 1, 2020, created trust accounts for the contributions and investment returns collected to pre-fund SRP benefits. Under this new funding structure, the SRP will report under GASB No. 67/68 starting in Fiscal Year 2021.

The plan Fiduciary Net Position is the fair value of plan assets held in a trust as defined by GASB. The Net Pension Liability is the difference between the Total Pension Liability and the plan Fiduciary Net Position. The plan Fiduciary Net Position represents the amount of assets collected as of the measurement date to pay for SRP benefits, per RCW 41.50.280. Plan assets and investments are measured at their fair value.

The WSIB has been authorized by statute as having investment management responsibility for the pension funds. The WSIB manages retirement fund assets to maximize return at a prudent level of risk.

WWUSRP plan assets are invested in the Commingled Trust Fund (CTF). Established on July 1, 1992, the CTF is a diversified pool of investments that invests in fixed income, public equity, private equity, real estate, and tangible assets. Investment decisions are made within the framework of a Strategic Asset Allocation Policy and a series of written WSIB-adopted investment policies for the various asset classes in which WSIB invests.

Information about the investment of pension funds by the WSIB, their valuation, classifications, concentrations, and maturities can be found in footnote 3.B of the state of Washington's Annual Comprehensive Financial Report.

ACTUARIAL ASSUMPTIONS:

Accounting requirements dictate the use of assumptions to best estimate the impact the pension obligations will have on WWU. The professional judgments used in determining these assumptions are important and can significantly impact the resulting actuarial estimates. Difference between actual results compared to these assumptions could have a significant effect on WWU's financial statements.

With the passing of 2SHB 1661, the legislation, effective July 1, 2020, created trust accounts for the contributions and investment returns collected to pre-fund SRP benefits. Under this new funding structure, the SRP will report under GASB No. 67/68 starting in Fiscal Year 2021.

The total pension liability was determined by an actuarial valuation as of June 30, 2020, with the results projected forward to the June 30, 2021, measurement date using the following actuarial assumptions:

- **Discount Rate:** 7.40%
- **TIAA Increase Rate:** 4.00%
- **CREF Increase Rate:** 6.25%
- **Salary Growth:** 3.75%

Mortality rates were developed using the Society of Actuaries' Pub.H-2010 mortality rates as the base table. OSA applied age offsets, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout the member's lifetime.

The total salary growth assumption is based on the August 2021 Higher Education SRP Experience study. The TIAA and CREF increase rates represent the assumed investment return on primary investments that play a key role in the SRP benefit calculation.

OSA updated assumptions consistent with the 2021 Demographic Experience Study and modified the TIAA CREF investment assumptions based on TIAA input and OSA's expectation for the future. This includes future growth in the investment's and how the projected account balances are converted to annuities. The assumption update generally led to increases in total pension liability.

A decrease in total pension liability was caused by two experience items. The CREF Stock Account returned approximately 42% for Fiscal Year 2021, which is significantly higher than the assumed return of 6.25%. Higher than expected returns on TIAA and CREF investments lead to lower supplemental benefits. The larger CREF return reduced the total pension liability. The 2020 Census data file had varied impacts, but was generally less impactful than the CREF returns.

DISCOUNT RATE:

With the passing of 2SHB 1661, the legislation, effective July 1, 2020, created trust accounts for the contributions and investment returns collected to pre-fund SRP benefits. Under this new funding structure, the SRP will report under GASB No. 67/68 starting in Fiscal Year 2021. Because of this reporting change, the discount rate has been set consistent with the expected long-term rate of return on the trust.

Given the creation of dedicated funds to pay SRP benefits under HB 1661, the discount rate is now based on the long-term expected rate of return on the pension plan investments rather than the bond index rate. This led to an increase in the discount rate used to measure the liability from 2.21% as of June 30, 2020, to 7.40% as of June 30, 2021, and a significant decrease in Total Pension Liability. The 7.40% rate is consistent with OSA's long-term expected rate of return assumption for assets invested in the Commingled Trust Fund. The discount rate change reduced the Total Pension Liability by an additional 50%.

SENSITIVITY OF THE NET PENSION LIABILITY/(ASSET) TO CHANGES IN THE DISCOUNT RATE:

The following presents the net pension liability for the WWUSRP for WWU as an employer, calculated using the discount rate of 7.4%, as well as what the total pension liability would be if it were calculated using a discount rate that is 1.0% point lower (6.4%) or 1.0% point higher (8.4%) than the current rate.

WWUSRP				
Discount Rate Sensitivity - Net Pension Liability/(Asset)				
\$ in thousands				
Plan	1% Decrease 6.4%	2021 Current Discount Rate 7.4%	1% Increase 8.4%	
WWUSRP	\$ 9,449	\$ 8,072	\$ 6,884	

EMPLOYER CONTRIBUTION RATES:

With the passing of 2SHB 1661, the legislation, effective July 1, 2020, created trust accounts for the contributions and investment returns collected to pre-fund SRP benefits. Under this new funding structure, the SRP will report under GASB No. 67/68 starting in Fiscal Year 2021. 2SHB 1661 outlines a funding policy for the SRP. Beginning July 1, 2020, the 0.5 percent required employer contribution rate was replaced with institution-specific contribution rates. These rates are developed by the OSA in accordance with RCW 41.45, which provides authority to the Pension Funding Council to adopt changes to economic assumptions and contribution rates. Money in the trust must be accounted for separately and attributed to each paying institution and may only be used to make benefit payments to the paying institution's plan beneficiaries. Beginning July 31, 2020, the Pension Funding Council may

review and revise the institution-specific contribution rates. Rates must be designed to keep the total cost at a more level percentage than a pay-as-you-go method. Accumulated funds will allow a portion of the cost of SRP benefits to be paid from those funds beginning in approximately 2035. When the trust has collected sufficient assets to begin making SRP benefit payments, administration of the SRP will transfer to the Department of Retirement Systems (DRS).

WWUSRP	2021	2020
Employer required contribution rate	0.21%	0.50%

The SRP benefit funds are currently restricted from paying SRP benefits and are not expected to pay benefits until 2035. Until this time, SRP benefits are paid out of the WWU's operating budget on a pay-as-you-go basis.

NET PENSION LIABILITY (NPL):

Consistent with GASB No. 67/68, plan assets are included in financial reporting. The June 30, 2021 asset amount offsets the total pension liability to yield the plan's net pension liability. Preliminary investment earnings of approximately 29% exceeded the current assumption of 7.40%. Investment earnings greater or less than expected are recognized over a five year period in the pension expense.

Effective July 1, 2020, legislation signed into law created a trust arrangement for assets dedicated to paying WWUSRP benefits to plan members. Contributions previously paid to and accumulated by DRS beginning January 1, 2012 were transferred into the trust when this legislation became effective. As a result, WWU is now applying accounting guidance for single employer plans that have trusted assets and reports the pension liability net of plan assets as of June 30, 2021.

The components of the WWUSRP liability were as follows:

Schedule of Changes in Net Pension Liability (NPL)			
	TPL (a)	Plan Fiduciary Net Position (b)	NPL (a) minus (b)
Balance as of July 1, 2020	\$ 35,442,000	\$ 3,733,000	\$ 31,709,000
Service Cost	922,000		922,000
Interest on TPL	798,000		798,000
Differences Between Expected and Actual Experience	(15,050,000)		(15,050,000)
Change in Assumptions	(8,260,000)		(8,260,000)
Employer Contributions		196,000	(196,000)
Investment Income		1,326,000	(1,326,000)
Benefit Payments *	(525,000)		(525,000)
Net Changes	(22,115,000)	1,522,000	(23,637,000)
Balance as of June 30, 2021	\$ 13,327,000	\$ 5,255,000	\$ 8,072,000
Schedule of Changes in Total Pension Liability (TPL)			
Balance as of July 1, 2019			\$ 27,037,000
Service Cost			699,000
Interest on TPL			962,000
Differences Between Expected and Actual Experience			1,961,000
Change in Assumptions			5,269,000
Benefit Payments			(486,000)
Balance as of June 30, 2020 **			\$ 35,442,000

* Includes -580 to resolve OSA rounding issue

** Represents TPL as of June 30, 2020 reported under GASB 73

The June 30, 2021 TPL is based on an actuarial valuation performed as of June 30, 2020 with update procedures performed by the OSA to roll forward the TPL to the measurement date of June 30, 2021. The June 30, 2020 TPL is based on an actuarial valuation performed as of June 30, 2018 with update procedures performed to roll forward the TPL to the measurement date of June 30, 2020. Both valuations were prepared using the entry age actuarial cost method.

PENSION EXPENSE, DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES:

The tables below summarize WWU's pension expense, deferred outflows of resources and deferred inflows of resources related to the WWUSRP, together with the related future year impacts to pension expense from amortization of those deferred amounts:

WWUSRP Pension Expense (PE)	2021	2020
Service Cost	\$ 922,000	\$ 699,000
Interest Cost	798,000	962,000
Amortization of Differences between Expected and Actual Experience	(2,674,000)	(428,000)
Amortization of Changes of Assumptions	(393,000)	840,000
Expected Earnings on Plan Investments	(283,000)	
Amortization of Differences between Projected and Actual Earnings on Plan Investments	(209,000)	
Administrative Expenses		
Other Changes in Fiduciary Net Position		
Pension Expense FY21	<u>\$ (1,839,000)</u>	<u>\$ 2,073,000</u>
GASB 68 from GASB 73 reporting change effect	\$ (3,929,000)	
Net Pension Expense	<u>\$ (5,768,000)</u>	

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense in future periods as follows:

WWUSRP Deferred Outflows of Resources	2021	2020
Difference between expected and actual experience	\$ 2,612,000	\$ 3,266,000
Changes of assumptions	5,146,000	6,411,000
TOTAL	<u>\$ 7,758,000</u>	<u>\$ 9,677,000</u>

Deferred Inflows of Resources	2021	2020
Difference between expected and actual experience	\$ 3,479,000	\$ 4,560,000
Changes of assumptions	1,352,000	1,778,000
TOTAL	<u>\$ 4,831,000</u>	<u>\$ 6,338,000</u>

Amortization of Deferred Outflows and Deferred Inflows of Resources	
Year	
2022	\$ (3,276,000)
2023	(2,944,000)
2024	(2,171,000)
2025	(2,160,000)
2026	(3,246,000)
Thereafter	(2,435,000)
TOTAL	<u>\$ (16,232,000)</u>

20. OTHER POST EMPLOYMENT BENEFITS (OPEB)

PLAN DESCRIPTION:

Health care and life insurance programs for employees of the State of Washington are administered by the Washington State Health Care Authority (HCA). The HCA calculates the premium amounts each year that are sufficient to fund the State-wide health and life insurance programs on a pay-as-you-go basis. These costs are passed through to individual state agencies based upon active employee headcount; the agencies pay the premiums for active employees to the HCA. The agencies may also charge employees for certain higher cost options elected by the employees.

State of Washington retirees may elect coverage through state health and life insurance plans, for which they pay less than the full cost of the benefits, based on their age and other demographic factors.

The health care premiums for active employees, which are paid by the agency during employees' working careers, subsidize the "underpayments" of the retirees. An additional factor in the OPEB obligation is a payment that is required by the State Legislature to reduce the premiums for retirees covered by Medicare (an "explicit subsidy"). For fiscal years 2020 and 2019, this amount is the lesser of \$183 or 50% of the plan premium per retiree eligible for parts A and B of Medicare, per month. This is also passed through to State agencies via active employee's rates charged to the agency.

OPEB implicit and explicit subsidies as well as administrative costs are funded by required contributions made by participating employers. State agency contributions are made on behalf of all active, health care eligible employees, regardless of enrollment status. Based on the funding practice, the allocation method used to determine proportionate share is each agency's percentage of the state's total active, health care eligible employee headcount. As of June 2020, and 2019, WWU's headcount percentage membership in the PEBB plan consisted of the following:

OPEB Plan Participants				
FYE	Active Employees	Retirees Receiving Benefits	Retirees Not Receiving Benefits	Total Participants
2019	2032	742	97	2871
2020	2066	797	95	2958

ACTUARIAL ASSUMPTIONS:

Accounting requirements dictate the use of assumptions to best estimate the impact the pension obligations will have on WWU. The professional judgments used in determining these assumptions are important and can significantly impact the resulting actuarial estimates. Difference between actual results compared to these assumptions could have a significant effect on WWU's financial statements.

The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement period:

- **Inflation:** 2.75%
- **Salary Increases:** 3.50% including service-based salary increases
- **Health Care Trend Rates:*** Initial rate ranges from 2-11% adjusting to 4.3% in 2075
- **Post-retirement Participation:** 65.00%
- **Spouse Coverage:** 45.00%

Mortality rates were developed using the Society of Actuaries' Pub.H-2010 mortality rates, which vary by member status. The Office of the State Actuary (OSA) applied age offsets as appropriate to better tailor the mortality rates to the demographics of the plan. OSA applied the long-term MP-2017 generational improvement scale to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis, meaning members are assumed to receive additional mortality improvements in each future year, throughout their lifetime.

The discount rate used to measure the total pension liability was set equal to the Bond Buyer General Obligation 20-Bond Municipal Bond Index. A discount rate of 3.50% was used for the June 30, 2019 measurement date and 2.21% for the June 30, 2020 measurement date.

The following presents the total OPEB liability of WWU, calculated using the discount rate of 2.21%, as well as what the total pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.21%) or 1 percentage point higher (3.21%) than the current rate.

Total OPEB Liability Discount Rate Sensitivity	
1% Decrease	\$116,260,704
Current Discount Rate - 2.21%	\$96,023,439
1% Increase	\$80,265,843

The following represents the total OPEB liability of WWU, calculated using the health care trend rates of 2-11% decreasing to -1.21%-8.79%, as well as what the total OPEB liability would be if it were calculated using health care trend rates that are 1 percentage point lower (1-10% decreasing to -1.21%-7.79%) or 1 percentage point higher (3-12% decreasing to 1.79%-9.79%) than the current rate:

Total OPEB Liability Health Care Cost Trend Rate Sensitivity	
1% Decrease	\$78,248,902
Current Discount Rate - 2-11%	\$96,023,439
1% Increase	\$119,853,453

*For additional detail on the health care trend rates, please see Office of the State Actuary's 2020 Other Postemployment Benefits Actuarial Valuation Report located here https://leg.wa.gov/osa/additionalservices/Documents/2020_PEBB_OPEB_Report.pdf
<https://leg.wa.gov/osa/additionalservices/Documents/OPEBActuarialValuationCertLetterRevised.pdf>

TOTAL OPEB LIABILITY:

As of June 30, 2021, and 2020, components of the proportionate share calculation of total OPEB liability determined in accordance with GASB Statement No. 75 for WWU are represented in the following table:

FY 21 Proportionate Share		1.58580300%
FY 20 Proportionate Share		1.62141028%
Schedule of Changes in Total OPEB Liability		
Total OPEB Liability	2021	2020
Service cost	\$3,984,686	\$3,810,340
Interest	3,333,252	3,305,252
Changes of benefit terms		
Differences between expected & actual experience	(510,790)	
Changes in assumptions	2,160,692	6,155,248
Benefit payments	(1,587,012)	(1,511,954)
Change in Proportionate share	(2,066,596)	(207,288)
Other *	(3,395,163)	
Net Change in Total OPEB Liability	\$1,919,069	\$11,551,598
Total OPEB Liability - Beginning	\$94,104,370	\$82,552,772
Total OPEB Liability - Ending	\$96,023,439	\$94,104,370

* For FY 2021, OPEB PEFI Report 2021 Note 2, Section D: Impact of removing trends that include Excise Tax. Legislation under H.R. 1865 repealed the excise tax after the previous measurement date.

OPEB expense for the fiscal years ended June 30, 2021 and 2020 was \$927,191 and \$4,141,645 respectively.

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES:

The tables below summarize WWU's deferred outflows and inflows of resources related to OPEB, together with the related future year impacts to expense from amortization of those deferred amounts:

WWU		
Deferred Outflows of Resources		
	2021	2020
Change in proportion	\$ 798,782	\$ 942,628
Difference between expected and actual experience	2,106,600	2,512,884
Changes of assumptions	6,602,895	5,471,332
Transactions subsequent to the measurement date	1,688,984	1,622,646
TOTAL	\$ 11,197,261	\$ 10,549,490
Deferred Inflows of Resources		
	2021	2020
Change in proportion	\$ 2,396,208	\$ 244,740
Difference between expected and actual experience	\$ 454,036	
Changes of assumptions	22,646,313	27,284,909
TOTAL	\$ 25,496,557	\$ 27,529,649

Amortization of Deferred Outflows and Deferred Inflows of Resources	
Year	
2022	\$ (2,995,585)
2023	\$ (2,995,585)
2024	\$ (2,995,585)
2025	\$ (2,995,585)
2026	(2,995,581)
Thereafter	(1,010,359)
TOTAL	\$ (15,988,280)

21. RISK MANAGEMENT

WWU participates in the State of Washington Self-Insurance Liability Program (SILP). Premiums to the State are based on a formula for allocating costs to participating state agencies, including higher education institutions, based on an independent actuarial study of the state's projected liabilities. WWU also maintains various commercially obtained liability insurance policies that provide coverage for certain exclusions under the SILP. During the past three fiscal years, no settlements have been greater than the insurance coverage.

WWU participates in the State's L&I Workers Compensation Insurance Program for all employees.

In addition, WWU purchases "all risk" buildings, contents and business interruption insurance for the Housing and Dining System, Wade King Student

Recreation Center, Viking Union Complex, and other auxiliaries through its participation in the State of Washington Alliant Property Insurance Program (APIP). At a minimum, coverage is maintained in accordance with applicable Master Bond Resolutions.

WWU has been named in tort claims and lawsuits. While the final outcome of these matters cannot be predicted with certainty, it is WWU's opinion that the ultimate liability will not materially affect the

financial statement, and that WWU's liability insurance programs are adequate to pay all defense and settlement expenses related to these tort claims and lawsuits.

22. COMMITMENTS

Goods and services for operating and capital projects, contracted for but not yet received, are considered commitments at year end. The amount of these commitments at June 30, 2020 and 2019 are:

	2021	2020
Operating	6,429,160.87	4,183,081.24
Research	456,131.12	1,366,057.67
Capital Projects	22,846,610.26	64,814,050.05
Total Commitments	<u>\$29,731,902</u>	<u>70,363,189</u>

23. JOINT VENTURE

In FY 2010, WWU participated in the formation of a not-for-profit corporation titled Western Crossing Development Corporation (WCDC). WCDC was formally incorporated pursuant to the articles of in-

corporation dated October 7, 2009 and is a 501(c)(3) corporation under the Internal Revenue code of 1986, amended. The five member Board of Directors includes a member of WWU Board of Trustees appointed by WWU Board of Trustees, the President of WWU, a member of the Commission of the Port of

Bellingham appointed by the Commission of the Port, the Executive Director of the Port of Bellingham, and a fifth board member who was appointed by a majority vote of the other four board members who are not affiliated with either entity. The board of directors may in the future allow other Washington governments or educational institutions to become members under such terms and conditions as they determine. The purpose of this joint venture is to help facilitate the timely development of new facilities on the Bellingham waterfront. This investment is not reflected on WWU's Statement of Net Position. During FY 2014, WWU transferred \$723 thousand in land and \$524 thousand in buildings, net to the WCDC to facilitate WWU development on the waterfront. To date, there has been no financial activity related to WCDC. During FY 2020, WCDC sold its land and buildings for \$1,800,000 and received cash in the amount of \$1,673,905, after sale expenses. The funds were placed in the LGIP. The cash balances are \$1,683,422 and \$1,683,873 at June 30, 2021 and 2020, respectively.

24. SUBSEQUENT EVENT

In February of 2020, the Governor of the state of Washington declared a state of emergency in response to the COVID-19 pandemic. In the weeks following the declaration, precautionary measures to slow the spread of the virus have been ordered. These measures include closing school, colleges and universities cancelling public events, prohibiting public and private gathers, and require people to stay home unless they are leaving for an essential function. WWU moved to remote learning for Spring quarter of 2020. Washington State is following a phased re-opening approach. What County is currently in Phase 2, which limits the numbers at gatherings, restaurants, and certain service providers.

WWU has and continues to coordinate its response to the pandemic with local public health departments as well as the Washington State Department of Health. To assist with increased COVID-19 related expenses, the Department of Education (ED) provided WWU with \$62.0 million in federal Higher Education Emergency Relief Funds (HEERF). Of the \$62.0 million, \$27.7 million of the funds are to be used to provide emergency financial aid grants to students for expenses related to the disruption of campus operations. The remaining \$34.3 million of the funds can be used to cover any costs associated with significant changes to the delivery of

instructions. As of June 30, 2021, a total of \$43.9 million of HEERF Act funds have been spent. The outbreak of COVID-19 is a significant event that has had and is expected to have material effects on the finances, operations, and economy of the State and WWU. The impacts to the operations of WWU, include but are not limited to enrollment, legislative and the economic impacts on the State budget. The State Legislature's responses as they impact the funding of higher education are not yet known. Enrollment is anticipated to be impacted by approximately 7% in Fall Quarter 2020 given the shift to remote learning and limitations of on campus operations.

WWU has taken a number of prompt actions in response to the outbreak, including a hiring freeze, freeze on travel, significant reductions to planned operating expenditures, renegotiation of third-party service contracts, and deferral of several renovation projects. The University expects to draw on reserves and other funds as needed. Furthermore, WWU has been awarded \$5.4 million in Governor's Emergency Education Relief Fund (GEER). These Federal GEER funds are to provide emergency support through grants to Local Education Agencies and institutes of Higher Education. Also, WWU expects to continue to receive Federal FEMA and CARES Act assistance and will also apply for additional Federal and State support for expenses related to the COVID-19 pandemic as it becomes available.

While the full impact of the COVID-19 pandemic on WWU and the regional economy is uncertain, WWU currently believes that these measures will help mitigate its anticipated revenue shortfall. WWU, however, cannot predict the duration and extent of the COVID-19 public health emergency, or quantify the magnitude of the impact on the regional and local economy or on the revenues and expenses. WWU will continue to monitor the evolving situation and respond as needed.

RSI

Required Supplementary Information

PENSION PLAN INFORMATION**Cost Sharing Employer Plans**

Schedules of WWU's Proportionate Share of the Net Pension Liability

Schedule of WWU's Proportionate Share of the Net Pension Liability Public Employees' Retirement System (PERS) Plan 1 Measurement Date of June 30 * (dollars in thousands)							
	2014	2015	2016	2017	2018	2019	2020
WWU PERS 1 employers' proportion of the net pension liability	0.320%	0.315%	0.327%	0.314%	0.309%	0.303%	0.302%
WWU PERS 1 employers' proportionate share of the net pension liability	\$16,130	\$16,483	\$17,547	\$14,894	\$13,801	\$11,641	\$10,657
WWU PERS 1 employers' covered-employee payroll	\$33,355	\$34,435	\$38,407	\$38,214	\$40,526	\$45,559	\$45,575
WWU PERS 1 employers' proportionate share of the net pension liability as a percentage of its covered-employee payroll	48.36%	47.87%	45.69%	38.97%	34.05%	25.55%	23.38%
Plan fiduciary net position as a percentage of the total pension liability	61.19%	59.10%	57.03%	61.24%	63.22%	67.12%	68.64%

* As of June 30; this schedule is to be built prospectively until it contains ten years of data.

In accordance with Statement No. 68, WWU has elected to use the prior fiscal year end as the measurement date for reporting net pension liabilities.

PENSION PLAN INFORMATION**Cost Sharing Employer Plans**

Schedules of WWU's Proportionate Share of the Net Pension Liability

Schedule of WWU's Proportionate Share of the Net Pension Liability Public Employees' Retirement System (PERS) Plan 2/3 Measurement Date ended June 30 * (dollars in thousands)							
	2014	2015	2016	2017	2018	2019	2020
WWU PERS 2/3 employers' proportion of the net pension liability	0.367%	0.373%	0.390%	0.379%	0.378%	0.380%	0.386%
WWU PERS 2/3 employers' proportionate share of the net pension liability	\$7,421	\$13,333	\$19,630	\$13,175	\$6,458	\$3,689	\$4,930
WWU PERS 2/3 employers' covered-employee payroll	\$31,601	\$33,088	\$37,093	\$37,188	\$39,831	\$28,311	\$45,331
WWU PERS 2/3 employers' proportionate share of the net pension liability as a percentage of its covered-employee payroll	23.48%	40.30%	52.92%	35.43%	16.21%	13.03%	10.88%
Plan fiduciary net position as a percentage of the total pension liability	93.29%	89.20%	85.82%	90.97%	95.77%	97.77%	97.22%

* As of June 30; this schedule is to be built prospectively until it contains ten years of data.

In accordance with Statement No. 68, WWU has elected to use the prior fiscal year end as the measurement date for reporting net pension liabilities.

PENSION PLAN INFORMATION**Cost Sharing Employer Plans**

Schedules of WWU's Proportionate Share of the Net Pension Liability

Schedule of WWU's Proportionate Share of the Net Pension Liability Teachers' Retirement System (TRS) Plan 1 Measurement Date of June 30 * (dollars in thousands)							
	2014	2015	2016	2017	2018	2019	2020
WWU TRS 1 employers' proportion of the net pension liability	0.016%	0.022%	0.021%	0.023%	0.031%	0.035%	0.045%
WWU TRS 1 employers' proportionate share of the net pension liability	\$485	\$689	\$709	\$708	\$894	\$870	\$1,088
WWU TRS 1 employers' covered-employee payroll	\$597	\$890	\$939	\$1,254	\$1,926	\$524	\$3,468
WWU TRS 1 employers' proportionate share of the net pension liability as a percentage of its covered-employee payroll	81.21%	77.51%	75.56%	56.45%	46.42%	166.00%	31.37%
Plan fiduciary net position as a percentage of the total pension liability	68.77%	65.70%	62.07%	65.58%	66.52%	70.37%	70.55%

* As of June 30; this schedule is to be built prospectively until it contains ten years of data.

In accordance with Statement No. 68, WWU has elected to use the prior fiscal year end as the measurement date for reporting net pension liabilities.

PENSION PLAN INFORMATION**Cost Sharing Employer Plans**

Schedules of WWU's Proportionate Share of the Net Pension Liability

Schedule of WWU's Proportionate Share of the Net Pension Liability Teachers' Retirement System (TRS) Plan 2/3 Measurement Date ended June 30 * (dollars in thousands)							
	2014	2015	2016	2017	2018	2019	2020
WWU TRS 2/3 employers' proportion of the net pension liability	0.011%	0.016%	0.019%	0.022%	0.029%	0.034%	0.045%
WWU TRS 2/3 employers' proportionate share of the net pension liability	\$35	\$134	\$258	\$203	\$132	\$205	\$687
WWU TRS 2/3 employers' covered-employee payroll	\$470	\$742	\$900	\$1,203	\$1,855	\$524	\$3,425
WWU TRS 2/3 employers' proportionate share of the net pension liability as a percentage of its covered-employee payroll	7.55%	18.01%	28.62%	16.84%	7.13%	39.12%	20.06%
Plan fiduciary net position as a percentage of the total pension liability	96.81%	92.48%	88.72%	93.14%	96.88%	96.36%	91.72%

* As of June 30; this schedule is to be built prospectively until it contains ten years of data.

In accordance with Statement No. 68, WWU has elected to use the prior fiscal year end as the measurement date for reporting net pension liabilities.

PENSION PLAN INFORMATION**Cost Sharing Employer Plans**

Schedules of WWU's Proportionate Share of the Net Pension Liability

**Schedule of WWU's Proportionate Share of the Net Pension Liability (Asset)
Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 2**
Measurement Date of June 30 *
(dollars in thousands)

	2014	2015	2016	2017	2018	2019	2020
WWU LEOFF 2 employers' proportion of the net pension liability (asset)	0.057%	0.056%	0.052%	0.054%	0.061%	0.062%	0.055%
WWU LEOFF 2 employers' proportionate share of the net pension liability (asset)	(\$753)	(\$575)	(\$303)	(\$753)	(\$1,239)	(\$1,432)	(\$1,117)
WWU LEOFF 2 employers' covered-employee payroll	\$948	\$974	\$945	\$1,032	\$1,217	\$1,424	\$1,236
WWU LEOFF 2 employers' proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(79.43%)	(58.97%)	(32.03%)	(72.97%)	(101.84%)	(100.57%)	(90.33%)
Plan fiduciary net position as a percentage of the total pension liability (asset)	116.75%	111.67%	106.04%	113.36%	118.50%	119.43%	115.83%

* As of June 30; this schedule is to be built prospectively until it contains ten years of data.

In accordance with Statement No. 68, WWU has elected to use the prior fiscal year end as the measurement date for reporting net pension liabilities.

PENSION PLAN INFORMATION

Agent Employer Plan

Schedule of Changes in WWUSRP Net Pension Liability and Related Ratios

Schedule of Changes in WWU's Net Pension Liability and Related Ratios					
WWUSRP					
Fiscal Year ended June 30 *					
(dollars in thousands)					
	2017	2018	2019	2020	2021
WWUSRP total pension liability-Beginning	\$28,623	\$22,820	\$20,962	\$27,037	\$35,442
Service Cost	1,057	737	551	699	922
Interest	842	837	825	962	798
Difference between expected and actual experience	(5,277)	(2,234)	2,297	1,961	(15,050)
Changes in assumptions	(2,126)	(819)	2,822	5,269	(8,260)
Benefits payments	(298)	(380)	(420)	(486)	(525)
Net change in total pension liability	(5,803)	(1,858)	6,075	8,405	(22,115)
WWUSRP total pension liability-Ending	<u>\$22,820</u>	<u>\$20,962</u>	<u>\$27,037</u>	<u>\$35,442</u>	<u>\$13,327</u>
Plan Fiduciary Net Position ***					\$5,255
WWUSRP net pension liability-Ending					<u>\$8,072</u>
WWU URP employers' covered-employee payroll	\$54,916	\$54,645	\$52,783	\$51,633	\$48,080
WWUSRP total or net pension liability as a percentage of its covered-employee payroll (net as of FY21)	41.55%	38.36%	51.22%	68.64%	16.79%

* As of June 30; this schedule is to be built prospectively until it contains ten years of data.

** Includes amount to resolve OSA rounding issue

*** Consistent with GASB No. 67/68, plan assets are included in financial reporting beginning in FY 21

PENSION PLAN INFORMATION

Cost Sharing Employer Plans

Schedules of Contributions

Schedule of Contributions Public Employees' Retirement System (PERS) Plan 1 Fiscal Year Ended June 30									
Fiscal Year	Contractually Required Contributions	Contributions related to covered payroll of employees participating in PERS plan 1	UAAL contributions related to covered payroll of employees participating in PERS plan 2/3	Total contributions in relation to the Actuarially Determined Contributions	Contribution deficiency (excess)	Covered payroll of employees participating in PERS 1	Covered payroll of employees participating in PERS 2/3	Total covered employee payroll	Contributions as a percentage of covered employee payroll
2015	\$1,452,350	\$124,718	\$1,327,632	\$1,452,350	\$0	\$1,347,236	\$33,087,603	\$34,434,839	4.22%
2016	\$1,855,009	\$128,029	\$1,726,980	\$1,855,009	\$0	\$1,313,918	\$37,093,105	\$38,407,024	4.83%
2017	\$1,890,122	\$116,851	\$1,773,271	\$1,890,122	\$0	\$1,026,073	\$37,187,945	\$38,214,019	4.95%
2018	\$2,067,033	\$90,772	\$1,976,261	\$2,067,033	\$0	\$695,644	\$39,830,763	\$40,526,407	5.10%
2019	\$2,171,774	\$63,127	\$2,108,647	\$2,171,774	\$0	\$95,855	\$28,310,536	\$28,406,391	7.65%
2020	\$2,182,812	\$29,286	\$2,153,526	\$2,182,812	\$0	\$227,732	\$45,331,078	\$45,558,810	4.79%
2021	\$2,196,536	\$4,192	\$2,192,344	\$2,196,536	\$0	\$32,409	\$45,542,691	\$45,575,100	4.82%
2022									
2023									
2024									

Notes: These schedules will be built prospectively until they contain ten years of data.

PENSION PLAN INFORMATION

Cost Sharing Employer Plans

Schedules of Contributions

Schedule of Contributions Public Employees' Retirement System (PERS) Plan 2/3 Fiscal Year Ended June 30					
Fiscal Year	Contractually Required Contributions	Contributions in relation to the Contractually Required Contributions	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
2015	\$1,814,105	\$1,814,105	\$0	\$33,087,603	5.48%
2016	\$2,317,072	\$2,317,072	\$0	\$37,093,105	6.25%
2017	\$2,381,845	\$2,381,845	\$0	\$37,187,945	6.40%
2018	\$2,987,978	\$2,987,978	\$0	\$39,830,763	7.50%
2019	\$3,208,620	\$3,208,620	\$0	\$28,310,536	11.33%
2020	\$3,646,374	\$3,646,374	\$0	\$45,558,810	8.00%
2021	\$3,668,829	\$3,668,829	\$0	\$45,575,100	8.05%
2022					
2023					
2024					

Notes: These schedules will be built prospectively until they contain ten years of data.

PENSION PLAN INFORMATION

Cost Sharing Employer Plans

Schedules of Contributions

Schedule of Contributions Teachers' Retirement System (TRS) Plan 1 Fiscal Year Ended June 30									
Fiscal Year	Contractually Required Contributions	Contributions related to covered payroll of employees participating in TRS plan 1	UAAL contributions related to covered payroll of employees participating in TRS plan 2/3	Total contributions in relation to the Actuarially Determined Contributions	Contribution deficiency (excess)	Covered payroll of employees participating in TRS 1	Covered payroll of employees participating in TRS 2/3	Total Covered employee payroll	Contributions as a percentage of covered employee payroll
2015	\$48,962	\$15,275	\$33,688	\$48,962	\$0	\$147,013	\$742,495	\$889,508	5.50%
2016	\$63,258	\$7,056	\$56,202	\$63,258	\$0	\$38,746	\$900,164	\$938,910	6.74%
2017	\$82,019	\$7,003	\$75,016	\$82,019	\$0	\$50,329	\$1,203,485	\$1,253,814	6.54%
2018	\$127,383	\$7,418	\$119,966	\$127,383	\$0	\$70,987	\$1,854,602	\$1,925,590	6.62%
2019	\$174,321	\$6,600	\$167,720	\$174,321	\$0	\$0	\$523,851	\$523,851	33.28%
2020	\$237,005	\$6,704	\$230,301	\$237,005	\$0	\$43,261	\$3,424,664	\$3,467,924	6.83%
2021	\$255,982	\$5,879	\$250,103	\$255,982	\$0	\$37,350	\$3,649,601	\$3,686,951	6.94%
2022									
2023									
2024									

Notes: These schedules will be built prospectively until they contain ten years of data.

PENSION PLAN INFORMATION

Cost Sharing Employer Plans

Schedules of Contributions

Schedule of Contributions Teachers' Retirement System (TRS) Plan 2/3 Fiscal Year Ended June 30					
Fiscal Year	Contractually Required Contributions	Contributions in relation to the Contractually Required Contributions	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
2015	\$47,636	\$47,636	\$0	\$742,495	6.42%
2016	\$62,047	\$62,047	\$0	\$900,164	6.89%
2017	\$83,497	\$83,497	\$0	\$1,203,485	6.94%
2018	\$132,209	\$132,209	\$0	\$1,854,602	7.13%
2019	\$184,232	\$184,232	\$0	\$523,851	35.17%
2020	\$269,950	\$269,950	\$0	\$3,424,664	7.88%
2021	\$284,668	\$284,668	\$0	\$3,649,601	7.80%
2022					
2023					
2024					

Notes: These schedules will be built prospectively until they contain ten years of data.

PENSION PLAN INFORMATION

Cost Sharing Employer Plans

Schedules of Contributions

Schedule of Contributions Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 2 Fiscal Year Ended June 30					
Fiscal Year	Contractually Required Contributions	Contributions in relation to the Contractually Required Contributions	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
2015	\$85,058	\$85,058	\$0	\$974,206	8.73%
2016	\$81,330	\$81,330	\$0	\$945,010	8.61%
2017	\$87,594	\$87,594	\$0	\$1,032,322	8.49%
2018	\$106,591	\$106,591	\$0	\$1,216,785	8.76%
2019	\$116,573	\$116,573	\$0	\$1,424,194	8.19%
2020	\$108,407	\$108,407	\$0	\$1,236,117	8.77%
2021	\$108,709	\$108,709	\$0	\$1,237,654	8.78%
2022					
2023					
2024					

Notes: These schedules will be built prospectively until they contain ten years of data.

PENSION PLAN INFORMATION

Agent Employer Plan

Schedules of Contributions

Schedule of Contributions WWUSRP Plan Fiscal Year Ended June 30					
Fiscal Year	Contractually Required Contributions	Contributions in relation to the Contractually Required Contributions	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
2021	\$196,000	\$196,000	\$0	\$48,080,055	0.41%
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					

Notes: These schedules will be built prospectively until they contain ten years of data.

OPEB INFORMATION

Cost Sharing Healthcare Plans

Schedules of WWU's changes in Total OPEB Liability

Schedule of WWU's Changes in Total OPEB Liability and Related Ratios				
Fiscal Year Ended June 30 *				
<i>(dollars in thousands)</i>				
	2018	2019	2020	2021
Total OPEB Liability-Beginning	\$100,201	\$94,060	\$82,553	\$94,104
Service Cost	\$6,377	\$5,161	\$3,810	\$3,985
Interest	\$2,987	\$3,548	\$3,305	\$3,333
Difference between expected and actual experience	\$0	\$3,239	\$0	-\$511
Changes in assumptions	-\$14,570	-\$22,596	\$6,155	\$2,161
Benefits payments	-\$1,522	-\$1,499	-\$1,512	-\$1,587
Change in proportionate share	\$588	\$638	-\$207	-\$2,067
Other				-\$3,395
Total OPEB liability-ending	<u>\$94,060</u>	<u>\$82,553</u>	<u>\$94,104</u>	<u>\$96,023</u>
WWU employers' covered-employee payroll	\$148,917	\$155,757	\$167,296	\$167,901
WWU employers' proportionate share of total OPEB liability as a percentage of its covered-employee payroll	67.29%	60.39%	56.25%	57.19%

* As of June 30; this schedule is to be built prospectively until it contains ten years of data.

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

Plans administered by DRS

The Office of the State Actuary (OSA) calculates the actuarially determined contributions (ADC) based on the results of an actuarial valuation consistent with the state's funding policy defined in Chapter 41.45 RCW. Consistent with the state's contribution-rate adoption process, the results of an actuarial valuation with an odd-numbered year valuation date determine the ADC for the biennium that ensues two years later. For example, the actuarial valuation with a June 30, 2019 valuation date, completed in the fall of 2020, determines the ADC for the period beginning July 1, 2021, and ending June 30, 2023.

Additional Considerations on ADC for All Plans: OSA calculates the ADC consistent with the methods described above. Adopted contribution rates could be different pending the actions of the governing bodies. For instance, for the period beginning July 1, 2019 and ending June 30, 2021, the contribution rates that the Pension Funding Council adopted, which the Legislature did not change, reflect a phasing in of the increase to contribution rates that resulted from a change to the mortality assumption. This is the second of three biennia over which this increase is expected to be phased-in for PERS 1, PERS 2/3, TRS 1, and TRS 2/3.

For cost-sharing plans, OSA calculates the contractually required contributions (CRC) using the same assumptions and methods as the ADC, except that the CRC reflect the adopted contribution rates for the time period shown. These might differ from the contribution rates produced for the ADC.

Plans administered by the University

On July 1, 2020, the state of Washington established a trust for contributions paid by WWU for the benefit of Western Washington University's Supplemental Retirement Plan (WWUSR) in accordance with Revised Code of Washington 41.50.075. As a result, the applicable accounting guidance for the WWUSR has changed to GASB codification section P20 "Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specific Criteria." This event gives rise to a change in WWU's estimates of future obligations, deferrals and pension expense related to the WWUSR. WWU will now report the plan's net pension liability (total pension

liability less the plan's fiduciary net position). Prior to this change in estimate WWU reported the plan's total pension liability. In addition, under GASB P20 the discount rate used to value the ending liability has changed to the expected investment return on plan assets. As such, WWU has changed from using the Bond Buyer's 20 Bond Index (2.21% for the fiscal year 2020 liability) to using the expected investment return on plan assets (7.40% for the fiscal year 2021 liability).

Material assumption changes during the fiscal year 2021 measurement period include an increase in the total salary growth rate (3.50% to 3.75%), an increase in the discount rate (2.21% to 7.40%), an increase in the TIAA rate (4.00% to 4.25%), and an increase in the CREF rate (6.25% to 6.50%). Under GASB 67/68, the discount rate is now based on the long-term expected rate of return on pension plan investments, which led to the increase in the discount rate used to measure the Total Pension Liability (7.40%). The Total Pension Liability is now compared against the plan's Fiduciary Net Position to determine the Net Pension Liability.

Material assumption changes during the fiscal year 2020 measurement period include updating the GASB 73 discount rate from 3.50% to 2.21% ("Change in assumption" which increased the TPL). Additionally, the fiscal year 2020 returns for the Teachers Insurance and Annuity Association of America (TIAA) and CREF investments were used to determine a member's assumed income. Those returns were 4.12 percent for TIAA and 2.31 percent for CREF. This resulted in an increase in the TPL.

OPEB Plan administered by the Healthcare Authority of Washington State

The OPEB Plan has no assets accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4 to pay related benefits. Material assumption changes during the fiscal year 2020 measurement period relate to a decrease in the Bond Buyer General Obligation 20-Bond Municipal Bond Index, from 3.50% for the June 30, 2019 measurement date, to 2.21% for the June 30, 2020 measurement date. Other material assumption changes included lowering the forecast of future healthcare cost trends. This resulted in an increase in the TOL. Legislation under H.R. 1865 repealed the excise tax after the previous measurement date. The impact of removing trends that include Excise Tax resulted in a decrease in TOL.

Material assumption changes during the fiscal year 2019 measurement period relate to a decrease in the Bond Buyer General Obligation 20-Bond Municipal Bond Index, from 3.87% for the June 30, 2018 measurement date, to 3.50% for the June 30, 2019 measurement date.





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HOUSING AND DINING SYSTEM

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HOUSING AND DINING SYSTEM MANAGEMENT'S DISCUSSION & ANALYSIS

June 30, 2021 and 2020

Overview

Western Washington University's Housing and Dining System (the System) consists of University Residences, University Dining Services and Viking Union/Student Activities. University Residences maintains over a million square feet of living space - home to 4,000 students. Ten residential communities consist of sixteen residence halls and one apartment complex. Residence halls are equipped with laundry facilities, computer labs, study areas, community kitchens, TV lounges, game rooms, bicycle storage, 24-hour security, and staffed service desks. Western's campus is a 20-minute walk from end to end, so no matter where students live their classes and activities are nearby. University Dining Services includes several main dining commons, multiple retail eateries and provides catering services for the campus. The Viking Union/Student Activities includes facilities on and off the Bellingham campus for gathering, study, dining and recreation.

The following discussion and analysis provides an overview of the financial position and activities of the System for the years ended June 30, 2021, 2020 and 2019. This discussion has been prepared by management and should be read in conjunction with the financial statements and accompanying notes which follow this section.

Using the Financial Statements

The System's financial report includes the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position and the Statement of Cash Flows.

The statements are formatted following the guidelines of the Governmental Accounting Standards Board (GASB) pronouncements. These financial statements are prepared in accordance with GASB principles, which establish standards for external financial reporting for public colleges and universities. The System's financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred.

Impacts of the COVID-19 Pandemic

The COVID-19 pandemic continued to have a significant impact on the system revenues for fiscal year FY 2021. With most classes being delivered remotely on campus housing remained at 25% occupancy for the academic year. Summer occupancy was at less than 2%, and the summer conference housing season was cancelled. The COVID-19 effect on system revenues and expenditures are the primary reason for the financial variances reviewed in this discussion and analysis.

To provide economic relief, the System issued \$21,760,000 in Series 2020 Revenue and Refunding bonds. Proceeds of the bonds will be used to refund, refinance and restructure all or a portion of the debt service (\$11,540,000 principal and \$9,214,288 interest) that will be due and payable during the period from October 1, 2020, through and including October 1, 2022. Bond costs and capitalized interest are included in this issuance.

Statement of Net Position

The Statement of Net Position presents the financial condition of the System at the end of the fiscal years (FY) and reports all assets and liabilities of the System.

The amounts in this statement represent the physical assets used to provide the housing, meal, and student activity programs, as well as assets available to continue the operations of the System, also identifying commitments to vendors and bond holders. The difference between assets and deferred outflows, less liabilities and deferred inflows is net position. Net position is one indicator of the current financial condition of the System.

***HOUSING AND DINING SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS***

June 30, 2021 and 2020

Below is a condensed view of the Statement of Net Position as of June 30, 2021, 2020 and 2019:

(Dollars in Thousands)

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Assets			
Current assets	\$11,220	\$13,195	\$9,371
Noncurrent assets	24,450	57,913	14,017
Capital assets, net	<u>178,329</u>	<u>146,393</u>	<u>133,555</u>
Total assets	213,998	217,501	156,943
Deferred outflows	10,157	1,419	1,316
Liabilities			
Current liabilities	5,707	9,588	11,945
Noncurrent liabilities	<u>146,157</u>	<u>132,460</u>	<u>65,357</u>
Total liabilities	151,864	142,048	77,303
Deferred inflows	2,004	1,496	1,704
Net Position			
Net investment in capital assets	59,878	67,591	69,323
Restricted, expendable	6,817	6,316	3,501
Unrestricted	<u>3,592</u>	<u>1,469</u>	<u>6,428</u>
Total net position	<u><u>\$70,288</u></u>	<u><u>\$75,376</u></u>	<u><u>\$79,252</u></u>

The primary components in the asset category are cash, investments, receivables, and capital assets. Total assets decreased \$3.5 million (-1.6%) in fiscal year FY 2021 and increased \$60.6 million (39%) in fiscal year FY 2020.

Total Cash and Investments decreased \$32.8 million (-48.3%) in FY 2021 primarily due to spending the remaining bond proceeds from the \$68.7 million in Series 2019 revenue bonds. The System issued the bonds to construct a new residence building and renovate existing residence facilities. Total Cash and Investments for FY 2020 increased \$46.4 million (216.5%) primarily due to the remaining bond proceeds from the \$68.7 million in Series 2019 revenue bonds. The allocation of unrestricted cash and investments between current and noncurrent is governed by Western Washington University's (WWU) investment policy strategy, which is to maximize returns while ensuring liquidity needs and managing interest rate risk. In FY 2021, unrestricted cash and cash equivalents increased \$2.3 million (86.0%) primarily due to the economic relief provided by the issuance of the Series 2020 Refunding bonds. Unrestricted cash and cash equivalents decreased \$1.3 million (-32.5%) primarily due to the effects of reduced operations from COVID-19. Restricted investments decreased \$37.2 million due to the

***HOUSING AND DINING SYSTEM
MANAGEMENT'S DISCUSSION & ANALYSIS***

June 30, 2021 and 2020

spending of the remaining Series 2019 bond proceeds. Restricted investments increased \$48.1 million (718.2%), the net effect of expenditures of the remaining FY 2018 bond proceeds and the addition of FY 2020 bond proceeds.

Depreciable and non-depreciable capital assets increased \$31.9 million (22%) and \$12.8 million (9.6%) in FY 2021 and FY 2020, respectively, due primarily to increases in construction-in-progress of the new residence hall addition and renovations (e.g. Buchanan Towers) combined with the completion of the Multicultural Center and other capital additions (see Note 3).

The major project in process for FY 2021 was the New Residence Hall. Completion of the New Residence Hall is expected to be in FY 2022, in time for the Fall quarter. The other major project for FY 2021 was Access Control for University Residences buildings. Other major projects were temporarily put on hold due to the COVID-19 pandemic.

Current assets exceeded current liabilities by \$5.5 million in FY 2021 primarily due to the restructuring of debt service that eliminated the current portion of bonds payable. In FY 2020, current assets exceeded current liabilities by \$3.6 million as a result of a decrease in Accounts payable combined with an increase in Other receivables.

Current assets for FY 2021 decreased \$2.0 million (-15.0%) primarily due to a decrease in Other receivables related to dining commissions. Reduced occupancy impacted revenues significantly. The dining commission for FY 2021 was renegotiated with the Systems dining contractor to account for the reduction of meal plan holders and the closure of all dining retail locations on campus. Current assets for FY 2020 increased \$3.8 million (40.8%) due to increase in cash and cash equivalents and investments and an increase in Other Receivables due to deferred dining commissions and pre-payment reimbursement. Due to COVID-19, the contract with the System's dining service provider was renegotiated to account for the campus closure during Spring 2020. This included a refund of certain operating expenses and commission revenue.

Current liabilities for FY 2021 decreased \$3.9 million (-40.5%) primarily due to the restructuring of bonds which deferred principal and interest payments on outstanding bonds combined with an increase in capital related accounts payable. Current liabilities for FY 2020 decreased \$2.4 million (-19.7%) primarily due to decreases in accounts payable and residents' housing deposits.

Total noncurrent liabilities for FY 2021 increased \$13.7 million (10.3%) primarily due to the Series 2020 refunding bonds that restructured the outstanding debt service of the System. Total noncurrent liabilities for FY 2020 increased \$67.1 million (102.7%) due to the addition of the series 2019 bonds issued.

The difference between assets and deferred outflows less liabilities and deferred inflows is net position. The change in net position measures whether the overall financial condition has improved or deteriorated during the year and is driven by the difference between revenues and expenses. Total net position decreased \$5,088,453 in FY 2021 and \$3,876,083 in FY 2020. The decrease in net position is due to substantial declines in revenue due to COVID-19.

Net investment in capital assets decreased \$7,712,713, (-11.4%) in FY 2021 due to \$31.9 million increase in net capital assets offset by the corresponding Series 2019 debt combined with increases to long term debt as part of

***HOUSING AND DINING SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS***

June 30, 2021 and 2020

the Series 2020 bond restructuring. Net investment in capital assets decreased \$1,731,947 (-2.5%) in FY 2020 due to an increase in bonds payable offset by depreciation and principal payments.

Restricted, expendable increased \$500,700 and \$2,814,991 during FY 2021 and FY 2020, respectively. These increases are primarily due to additional funds added to the Systems bond covenant renewal and replacement fund.

Unrestricted net position increased \$2,123,560 (144.6%) in FY 2021 due to various economic relief strategies implemented to reduce the effects of COVID-19. Unrestricted net position decreased \$4,959,126 (-77.2%) in FY 2020 due to the net impact of COVID-19-influenced operations combined with the transfer of funds to the renewal and replacement fund.

Statement of Revenues, Expenses and Changes in Net Position

The changes in total net position, as presented in the Statement of Net Position, and are detailed in the activity presented in the Statement of Revenues, Expenses and Changes in Net Position. The statement presents the System's results of operations. In accordance with GASB reporting principles, revenues and expenses are classified as operating or non-operating.

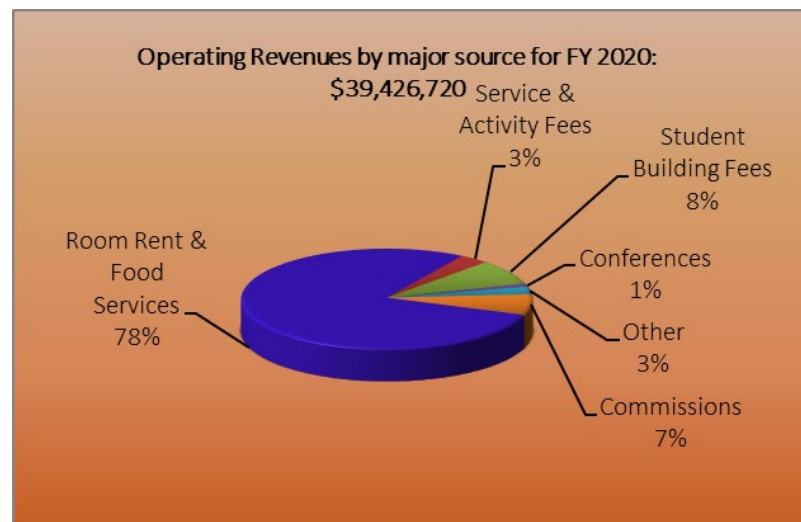
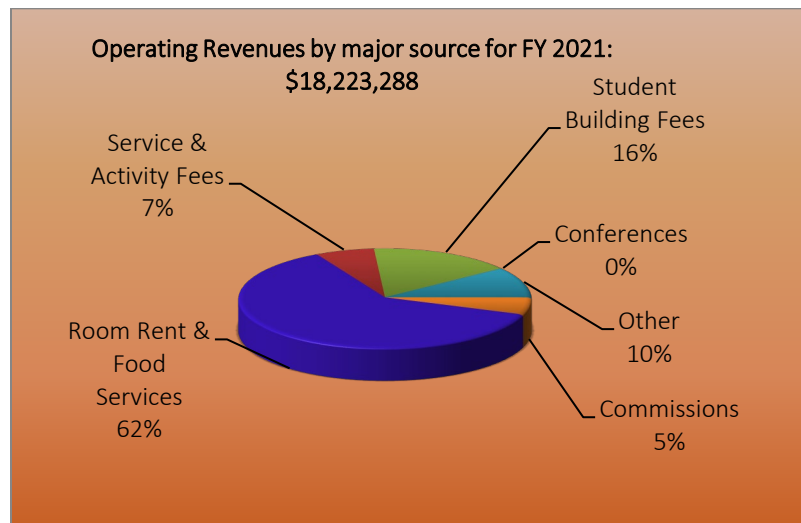
In general, operating revenues are those received for providing housing, dining and related services to the customers of the System, the majority of which consists of room and board services to students. Operating expenses are those expenses paid to provide the services and resources to the students in return for the operating revenues.

Non-operating revenues are monies received for which goods and services are not provided, such as investment income. Non-operating expenses include interest expense on outstanding debt and amortization of bond costs. Following is a condensed view of the Statements of Revenues, Expenses and Changes in Net Position for the FY years ended June 30, 2021, 2020, and 2019:

(Dollars in thousands)

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating revenues	\$18,223	\$39,427	\$49,887
Operating expenses	<u>(24,720)</u>	<u>(41,098)</u>	<u>(45,870)</u>
Income from operations	(6,497)	(1,671)	4,017
Nonoperating revenues	320	1,635	963
Nonoperating expenses	<u>1,088</u>	<u>(3,840)</u>	<u>(2,511)</u>
Increase in Net Position	(5,088)	(3,876)	2,469
Net Position, Beginning of year	<u>75,376</u>	<u>79,252</u>	<u>76,783</u>
Net Position, End of year	<u><u>\$70,288</u></u>	<u><u>\$75,376</u></u>	<u><u>\$79,252</u></u>

Total operating revenue decreased for FY 2021 primarily influenced by decreases to room rent and food services revenue.



Room rent and food service revenues decreased \$19.6 million (-63.7%) in FY 2021 due primarily to the COVID-19 pandemic. Occupancy remained steady at 25% for the academic year. The FY 2021 room rental fee average increase was 4.5%. The FY 2020 room rental fee increased 5%. Average FY 2020 occupancy through Winter Quarter was down 1.9% from the same two periods in FY 2019.

***HOUSING AND DINING SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS***

June 30, 2021 and 2020

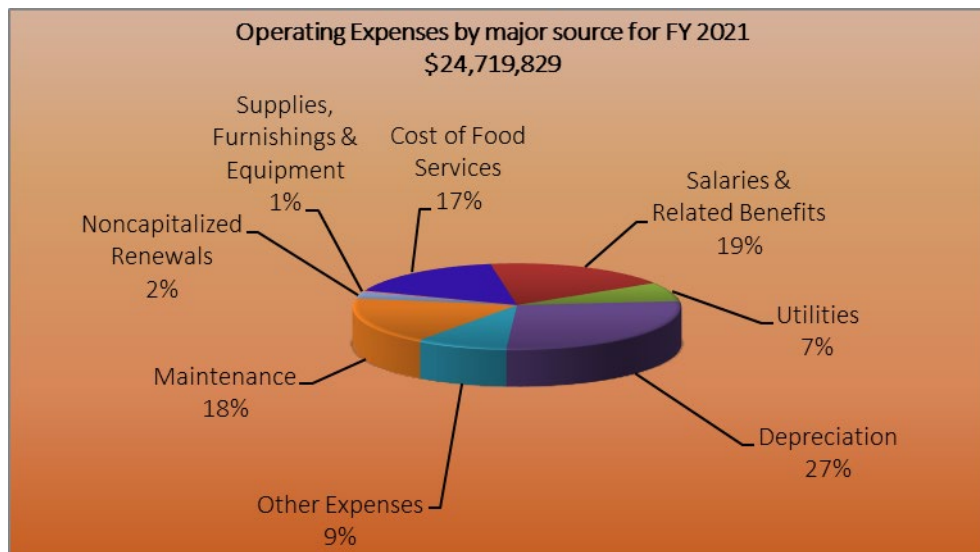
Student building fee revenue decreased \$267,189 (-8.3%) due to reduced enrollment and a temporary reduction in student fees. In FY 2020 Student building fee revenue decreased \$37,829 (1.2%) due to slight enrollment growth in Fall and Winter quarters.

Conference revenue decreased \$419,860 (-98.3%) in FY 2021 due to the cancellation of summer conferences as a result of COVID-19. Conference revenue decreased \$174,681 (-29%) in FY 2020 primarily due to reduced June 2020 bookings during the COVID-19 pandemic.

Viking Union revenue decreased \$179,257 (-47.6%) in FY2021 due to reduced operations of revenue-generating facilities and services like the Viking Union building, Lakewood, and Event Services in response to COVID-19. Viking Union revenue decreased \$145,168 (-27.8%) in FY 2020 due to reduced operations in Spring quarter as a result of the COVID-19 outbreak.

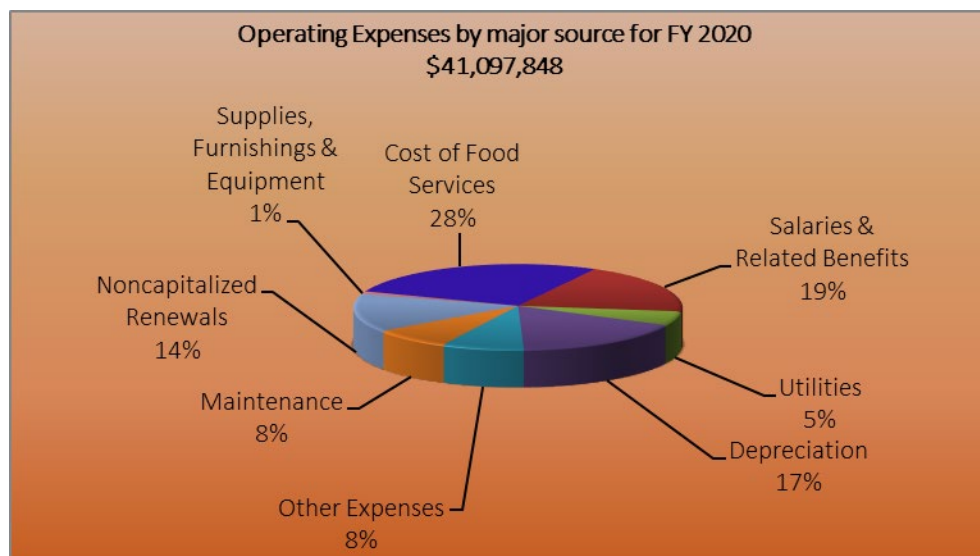
Commission revenue decreased \$1,625,947 (-61.7%) in FY 2021 due to revised negotiated commission based on a reduced number of meal plan holders. Commission revenue decreased \$292,916 (-10%) due to the impact on COVID-19 on Spring Quarter operations.

Fees, penalties, and other income increased \$1,034,193 (236.8%) in FY 2021 and increased \$159,673 (57.6%) in FY 2020 due to one-time payments from Dining Services (Aramark) which offset commissions which were reduced due to COVID-19 reductions.



Overall operating expenses for FY 2021 decreased by \$16,378,019 (-39.9%) as a result of the COVID-19 pandemic. A decrease in occupancy resulted in reduced labor and food services costs. Noncapitalized renewals and replacements were deferred to a later date. Overall operating expenses for FY 2020 decreased a net of \$4,772,355 (-10.4%) due to COVID-19-influenced operating reductions after netting out a \$1,562,364 (28.7%) increase in depreciation.

Cost of food services for FY 2021 decreased by \$7,109,634 (-63%). Although the cost of meal plans was increased by 3.8% the number of meal plan holders was significantly down from previous years. For FY 2020 Cost of food services decreased \$3,169,422 (-22%) primarily due to reduced resident dining activity during the modified Spring quarter operations.



Salaries and benefit expense for FY 2021 was reduced by \$3,204,001 (-40.7%) as a result of continued reduced operating levels. During FY 2021, five residence halls were non-operational and not staffed. Salaries and benefits expense for FY 2020 decreased \$639,846 (-7.5%) due primarily to student employee reductions over the Spring quarter from reduced operation levels. FY 2021 and FY 2020 charges related to GASB statements No. 68 and 75 totaled \$48,427 and (\$402,787), respectively.

Utilities expense in FY 2021 decreased by \$366,649 (-16.9%) due to continued reduced operating levels for the academic year as well as the summer conference season. Utilities expense decreased \$345,362 (-13.7%) in FY 2020 due to Spring Quarter COVID-19 occupancy reductions.

Repairs and maintenance expense for FY 2021 increased \$1,157,404 (36.4%) due to an increase in cleaning protocols and modifications needed due to COVID-19. Repairs and maintenance expense for FY 2020 increased \$58,205 (1.9%) due to an increase on repair projects coupled with a decrease in maintenance contract expenses.

Furniture and Equipment expense for FY 2021 decreased by \$65,309 (-51.8%). Non-essential purchases have been deferred until later due to reduced operations. Furniture and Equipment expense for FY 2020 decreased \$226,413 (-64.2%) due primarily to reductions in residential furniture expenditures (pre-COVID-19) and Computer Equipment (during COVID-19).

Depreciation expense decreased by \$212,456 (-3.0%) due to scheduled depreciation on existing assets. Depreciation expense increased \$1,563,364 (28.7%) due to an increase in capital assets in FY 2020.

WWU's administrative services assessment fee (included in institutional services) decreased \$664,976 (-44.2%). This is due to reductions in revenue and food service costs. WWU's administrative services assessment fee

decreased \$517,060 (-25.6%) in FY 2020 due to decreased operating revenue caused by COVID-19. The rate charged against the System revenues (less food service contract) was 5.775% both years.

Other Expenses decreased \$438,426 (-40.7%) and \$105,035 in FY 2021 and FY 2020, respectively, due to reduced operating levels during COVID-19.

Non-operating expenses (interest & amortization) for FY 2021 decreased by \$4,928,043. This is due to restructuring of the debt which deferred interest payments on outstanding bonds to FY 2023. Non-operating expenses (interest & amortization) for FY 2020 increased \$1,329,306 (52.9%) due to increased bond interest expense.

Non-Operating revenue for FY 2021 decreased by \$1,315,012 due to reduced investment earnings and the return of capital contributions offset by the receipt of Federal COVID-19 relief funds to provide assistance with reduced revenues. Non-Operating revenue for FY 2020 increased \$672,376 (69.8%) due to investment earnings from increased bond proceeds.

Economic Factors and Significant Events

The COVID-19 pandemic will continue to influence FY 2022 enrollment, occupancy, and operations. Enrollment for Fall quarter 2021 is anticipated to similar Fall quarter 2021. With 62% of classes taught in person, Fall 2021 Housing capacity is expected to be at 85%. New for FY 2022, housing has introduced a tiered rate structure, based on available amenities in the various buildings. 60% of the rooms offered are at the lowest tier. The overall weighted average of room increases is 4.5% from FY 2021.

The System's capital plan has the following goals: provide housing to support the University's enrollment plan; meet or exceed the System's financial principles; invest in infrastructure to ensure System facility longevity, health, and safety needs; and respond to the changing student needs and expectations. The plan is updated every two years. During fiscal year 2020, a consulting firm performed a Housing and Dining Development Assessment to determine the long-range capital needs of the system; essentially updating the System's capital plan. The resulting draft plan identifies options and priorities for future work and includes an interactive financial modeling tool that the University will utilize as it proceeds with its capital planning and adjusts fiscal assumptions over time.

Construction for the addition of an approximately 400-bed on-campus residence will be completed in September 2021 and will house 400 students for Fall 2021. The project is funded by revenue bonds issued September 2019.

The Board of Trustees approved a set of housing and dining principles in 1993 (updated in 2010) to guide the System's financial planning. The six principles address (i) Revenue Fund levels, (ii) Renewal and Replacement Fund levels, (iii) Major maintenance expenditures, (iv) Capital planning efforts, (v) Debt Service Coverage Ratio, and (vi) Occupancy. The System exceeded the minimum requirements established within these principles. The Board periodically reviews the principles to ensure ongoing compliance.



**Office of the Washington State Auditor
Pat McCarthy**

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Board of Trustees
Western Washington University Housing and Dining System
Bellingham, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the Western Washington University Housing and Dining System, as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the System's preparation and fair presentation of the financial statements 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 System's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant

accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of basic of the Western Washington University Housing and Dining System, as of June 30, 2021 and 2020, 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.

Matters of Emphasis

As discussion in Note 1, the financial statements of the Western Washington University Housing and Dining System, a departemnt of the University, are intended to present the financial position, and the changes in financial position, and where applicable, cash flows of only the respective portion of the activities of the University that attributable to the transactions of the System. They do not purport to, and do not, present fairly the financial position of the University as of June 30, 2021, the changes in its financial position, or where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinions are not modified with repects to this matter.

As discussed in Note 8 to the 2021 financial statements, in February 2020, a state of emergency was declared that could have a negative financial effect on the System. Management's plans in response to this matter are also described in Note 8.

As discussed in Note 6 to the financial statements, legislation created a trust arrangement for assets dedicated to paying the Western Washington University Retirement Plan (WWURP) benefits to plan members. Contributions previously paid to and accumulated by the Department of Retirement Systems since 2012 were transferred into the trust effective July 1, 2020. As a result, the University transitioned to accounting for the plan in accordance with Governmental Accounting Standards Board Statement. No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, 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.

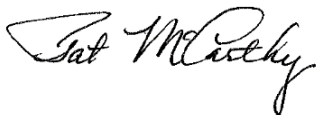
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the System's basic financial statements as a whole. The Other Information is presented for purposes of additional analysis and is not a required part of the basic financial statements of the System. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated November 24, 2021, on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

Sincerely,

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

November 24, 2021

HOUSING AND DINING SYSTEM
STATEMENT OF NET POSITION

June 30, 2021 and 2020

Assets	2021	2020
Current assets		
Cash and cash equivalents (Note 2)	\$4,873,698	\$2,620,401
Investments (Note 2)	4,181,274	2,481,664
Restricted investments (Note 2)	1,571,503	4,857,210
Accounts receivable, net of allowance of \$39,254 and \$42,306 in 2021 and 2020, respectively	408,649	311,827
Interest receivable	81,916	360,286
Other receivables	102,643	2,563,360
Total current assets	<u>11,219,683</u>	<u>13,194,748</u>
Noncurrent assets		
Restricted cash and cash equivalents (Note 2)	7,408,105	8,478,781
Restricted investments (Note 2)	11,647,941	45,529,578
Investments (Note 2)	5,394,073	3,905,072
Nondepreciable capital assets (Note 3)	56,157,369	17,428,136
Depreciable capital assets, net (Note 3)	122,171,148	128,965,154
Total noncurrent assets	<u>202,778,636</u>	<u>204,306,721</u>
Total assets	<u>213,998,319</u>	<u>217,501,469</u>
 Deferred Outflows		
Deferred loss on bond refunding	9,371,270	560,920
Related to pension (Note 6)	349,842	469,385
Related to OPEB (Note 7)	435,527	388,237
Total deferred outflows	<u>10,156,639</u>	<u>1,418,542</u>
 Liabilities		
Current liabilities		
Accounts payable	4,356,648	3,072,427
Accrued expenses	168,850	222,586
Residents' housing deposits	830,129	271,717
Unearned revenues	167,576	56,747
Bonds interest payable	118,100	1,190,395
Current portion of bonds payable (Note 4)	-	4,600,000
Current portion of pension liability (Note 4, 6)	-	115,262
Current portion of OPEB liability (Note 7)	65,675	59,360
Total current liabilities	<u>5,706,978</u>	<u>9,588,494</u>
Noncurrent liabilities		
Compensated Absences	396,859	450,250
Bonds payable, less current portion (Note 4)	141,234,942	127,535,089
Net pension liability (Note 4, 6)	856,891	1,091,204
Net OPEB liability (Note 7)	3,668,117	3,383,189
Total noncurrent liabilities	<u>146,156,809</u>	<u>132,459,732</u>
Total liabilities	<u>151,863,787</u>	<u>142,048,226</u>
 Deferred Inflows		
Related to bonds	477,939	-
Related to pension (Note 6)	534,808	488,661
Related to OPEB (Note 7)	990,848	1,007,095
Total deferred inflows	<u>2,003,595</u>	<u>1,495,756</u>
 Net Position		
Net investment in capital assets	59,878,344	67,591,057
Restricted, expendable	6,817,000	6,316,300
Unrestricted	3,592,232	1,468,672
Total net position	<u>\$70,287,576</u>	<u>\$75,376,029</u>

HOUSING AND DINING SYSTEM
STATEMENT OF REVENUES, EXPENSES & CHANGES IN NET POSITION

For the Years Ended
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating Revenues		
Room rent and food services	\$11,213,517	\$30,863,079
Service and activity fees	1,215,357	1,316,868
Student building fees	2,953,074	3,220,262
Conferences	7,383	427,244
Viking Union income	197,681	376,938
Rent	157,674	151,974
Commissions	1,007,638	2,633,584
Fees, penalties, and other income	1,470,964	436,771
Total operating revenue	<u>18,223,288</u>	<u>39,426,720</u>
Operating Expenses		
Cost of food services	4,148,096	11,257,730
Salaries and related benefits	4,665,747	7,869,748
Utilities	1,804,291	2,170,940
Repairs and maintenance	4,337,665	3,180,261
Communications	134,986	184,649
Insurance	610,136	512,236
Supplies	97,247	314,352
Furniture and equipment	60,746	126,055
Institutional services	839,233	1,504,209
Depreciation	6,799,398	7,011,854
Noncapitalized renewals and replacements	583,911	5,889,014
Other	638,374	1,076,800
Total operating expenses	<u>24,719,829</u>	<u>41,097,848</u>
(Loss)/Income from operations	<u>(6,496,541)</u>	<u>(1,671,128)</u>
Nonoperating Revenues (Expenses)		
Investment income	227,792	1,373,269
Build America Bonds interest subsidy	-	-
Other Capital Contribution	(822,252)	262,010
Federal COVID-19 relief revenue	914,727	-
Interest expense	1,072,295	(4,297,459)
Amortization of bond discounts and premiums	15,525	457,226
Total nonoperating (expenses) revenues	<u>1,408,087</u>	<u>(2,204,954)</u>
(Decrease)/Increase in net position	<u>(5,088,453)</u>	<u>(3,876,082)</u>
Net Position, Beginning of Year	<u>75,376,029</u>	<u>79,252,112</u>
Net Position, End of Year	<u><u>\$70,287,576</u></u>	<u><u>\$75,376,029</u></u>

HOUSING AND DINING SYSTEM
STATEMENT OF CASH FLOWS

For the Years Ended
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities		
Cash received from students and other customers	21,256,425	\$37,240,861
Cash paid to employees	(4,728,641)	(8,289,913)
Cash paid to suppliers	<u>(13,146,413)</u>	<u>(26,452,102)</u>
Net cash flows provided by operating activities	3,381,371	2,498,846
Cash Flows from Capital and Related Financing Activities		
Proceeds from capital debt	-	72,199,070
Interest earned on bond proceeds	401,274	756,641
Capital Contribution	(822,252)	262,010
Payment of long-term debt	305,028	(4,400,000)
Interest payments	477,939	(3,742,759)
Purchase of capital assets	<u>(37,559,087)</u>	<u>(21,498,064)</u>
Net cash flows provided/(used) by capital and related financing activities	(37,197,098)	43,576,898
Cash Flows from Noncapital Financing Activities		
Federal COVID Relief Funds	<u>914,727</u>	-
Net cash flows provided/(used) by noncapital financing activities	914,727	-
Cash Flows from Investing Activities		
Investment income received	104,888	351,102
Net proceeds (purchase) of restricted investments	42,734,772	(49,115,394)
Net proceeds (purchase) of investments	<u>(3,188,611)</u>	<u>4,341,029</u>
Net cash flows (used in) provided by investing activities	<u>39,651,049</u>	<u>(44,423,263)</u>
Net change in cash and cash equivalents	6,750,049	1,652,481
Cash and Cash Equivalents, Beginning of Year	<u>5,531,754</u>	<u>3,879,273</u>
Cash and Cash Equivalents, End of Year	<u>\$12,281,803</u>	<u>\$5,531,754</u>
Reconciliation of Operating Income to Net Cash Provided to Operating Activities		
Operating income	(6,496,541)	(1,671,128)
Adjustments to reconcile operating income to net cash flows from operating activities		
Depreciation	6,799,398	7,011,854
Loss on disposal of fixed asset	-	-
Change in operating assets and liabilities		
Accounts receivable	(96,822)	76,779
Other receivables	2,460,717	(1,104,864)
Accounts payable	108,272	(235,857)
Accrued salaries and benefits	(106,715)	(17,376)
Residents' housing deposits	558,412	(964,095)
Pension and OPEB liabilities and related deferred outflows and inflows of resources	43,822	(402,787)
Unearned revenue	<u>110,829</u>	<u>(193,680)</u>
Cash flows from operating activities	<u>\$3,381,371</u>	<u>\$2,498,846</u>
Supplemental Disclosure of Noncash Capital and Related Financing Activities		
Change in capital asset additions included in accounts payable	<u>\$1,175,539</u>	<u>(\$1,648,248)</u>

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Western Washington University Housing and Dining System (the System) is a self-supporting, auxiliary enterprise of Western Washington University (WWU). The System operates residence halls and dining commons, an apartment complex, the Commissary/Warehouse, the Viking Union Complex and Lakewood Recreational Facility. These operations are located on or near WWU campus.

Financial Statement Presentation

The financial statements are presented in accordance with generally accepted accounting principles (GAAP) and follow guidance given by the Governmental Accounting Standards Board (GASB). These statements are special purpose reports reflecting the net position, results of operations, and cash flows of the System. The financial statements present only a selected portion of the activities of WWU. As such, they are not intended to and do not present either the financial position, results of operations, or changes in net position of WWU.

Basis of Accounting

The System's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred.

Cash, Cash Equivalents, and Investments

WWU records all cash, cash equivalents and investments at fair value. To maximize investment income, WWU combines funds from all departments into an investment pool. The System records their share of cash, cash equivalents and investments in the same relation as WWU's investment pool itself. Investment income is allocated to the System in proportion to its average balance in the investment pool.

Accounts Receivable

Receivables are primarily from students of WWU and are unsecured. The System considers all accounts past due when they remain unpaid after their due dates. An allowance based on historical collection rates is established for recognizing potential bad debts. When an account is deemed uncollectible, it is written off against the allowance.

Capital Assets

The capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life of greater than one year. The basis of valuation for assets purchased or constructed is cost. The costs of normal maintenance and repairs that do not increase the value of the assets or materially extend asset lives are charged to operating expense in the year the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets: 40 years for buildings and building improvements, 20 to 25 years for infrastructure and other improvements, and 5 to 7 years for furniture, fixtures, and equipment.

Compensated Absences

The accrued leave balances as of June 30, 2021, and 2020 are \$396,859 and \$450,250, respectively. This consists of unused vacation leave and compensatory time earned for exempt professionals and classified staff. It also includes a percentage of earned and unused sick leave for exempt professionals and classified staff. For

reporting purposes, the entire balance of accrued leave is considered a noncurrent liability as more leave is accrued than used.

Deferred Outflows of resources and Deferred Inflows of resources.

The System classifies gains on retirement of debt as deferred inflows and losses as deferred outflows of resources and amortizes such amounts as a component of interest expense over the remaining life of the old debt, or the new debt, whichever is shorter.

Change in net pension liability not included in pension expense are reported as deferred outflows of resources or deferred inflows of resources. Employer contributions subsequent to the measurement date of the net pension liability are reported as deferred outflow of resources.

Unearned Revenue

Summer quarter, which is the first quarter of WWU's fiscal year, begins shortly before June 30. The majority of cash received for room and board fees related to summer session are recorded as unearned revenue until the following fiscal year when the revenue is earned.

Net Pension Liability

The System records pension liabilities equal to the net pension liability for its defined benefit plans. The net pension liability is measured as the total pension liability, less the amount of the pension plan's fiduciary net position. The fiduciary net position and changes in net position of the defined benefit plans has been measured consistent with the accounting policies used by the plans. The total pension liability is determined based upon discounting projected benefit payments based on the benefit terms and legal agreements existing at the pension plan's fiscal year end. Projected benefit payments are discounted using a single rate that reflects the expected rate of return on investments, to the extent that plan assets are available to pay benefits, and a tax-exempt, high-quality municipal bond rate when plan assets are not available.

Pension expense is recognized for benefits earned during the measurement period, interest on the unfunded liability and changes in benefit terms. The differences between expected and actual experience and changes in assumptions about future economic or demographic factors are reported as deferred inflows or outflows and are recognized over the average expected remaining service period for employees eligible for pension benefits. The differences between expected and actual returns are reported as deferred inflows or outflows and are recognized over five years.

Net Position

The System's net position is classified as follows:

- *Net Investment in Capital Assets* - Represents the System's total investment in capital assets, net of outstanding debt obligations related to those capital assets.
- *Restricted, Expendable* - Restricted net position represent resources restricted by bond covenants for system renewals and replacements.
- *Unrestricted* - Unrestricted net position represent resources derived from operations and investing activities.

HOUSING AND DINING SYSTEM
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021 and 2020

Classification of Revenues and Expenses

The System has classified its revenue and expenses as either operating or non-operating according to the following criteria:

Operating revenues. Operating revenues include activities that have the characteristics of exchange transactions, such as sales and services.

Operating expenses. Operating expenses are those incurred in daily operations such as salaries and wages, benefits, utilities and supplies.

Non-operating revenues. Non-operating revenues include activities that have the characteristics of non-exchange transactions such as investment income.

Non-operating expenses. Non-operating expenses include costs related to financing or investing activities such as interest on indebtedness and amortization of bond costs.

Premiums/Discounts

Bond premiums and discounts are amortized over the term of the bonds using the effective interest method. The remaining balances of bond premiums/discounts are presented in the Statement of Net Position net of the face amount of bonds payable.

Administrative Assessment

WWU provides support to the System through cash and debt management, accounting, human resources, purchasing and accounts payable services, risk management, and other support services. The effects of these transactions are included as institutional services in these financial statements. The amount paid was \$629,233 and \$1,286,539 which was 5.775% of revenues (less food service contract) for the years ending June 30, 2021, and 2020, respectively.

Tax Exemptions

WWU, and the System as an auxiliary enterprise, is a tax-exempt instrumentality of the State of Washington under the provisions of Section 115(a) of the Internal Revenue Code and are exempt from federal income taxes on related income.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

The System's operating cash is part of WWU's internal investment pool. The pool is invested in demand deposits, time certificates of deposit, the Washington State Local Government Investment Pool (LGIP), corporate notes, commercial paper, municipals, supranationals, and U.S. Treasury and Agency securities.

Bank balances (including time certificates of deposit) are insured by the Federal Deposit Insurance Corporation (FDIC) or by a collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

The LGIP is an unrated external investment pool. The pool portfolio is invested in a manner that meets the maturity, quality, diversification and liquidity requirements set forth by GASB 79 for external investment pools that elect to measure, for financial reporting purposes, investments at amortized cost. The LGIP does not have any legally binding guarantees of share values. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals.

The System's restricted investments of \$13,219,444 and \$50,386,789 at June 30, 2021 and 2020 respectively are restricted for unspent bond proceeds and renewals and replacements. Restricted investments include \$9,620,616 and \$43,290,052 at June 30, 2021 and 2020 respectively that are separately invested from the University's investment pool, in time certificates of deposit, municipals, and U.S. Treasury and Agency securities.

Credit (Quality) Risk

Credit risk is the risk that an issuer or other counterparty will not fulfill its obligations. Per Statute and policy, minimum ratings for each investment type by Standard and Poors/Moody's respectively are as follows: corporate notes, A-/A3; commercial paper, A1+/P1; municipals, A-/A3; supranationals, AA-/Aa3; and US Treasury and Agency securities, AA+/Aaa.

WWU manages its exposure to fair value losses in the internal investment pool by targeting the portfolio duration to 2.25 years and limiting the weighted average maturity to a maximum of three years. WWU generally does not invest operating funds in securities maturing more than five years from the date of purchase.

Fair Value Measurement and Application

Fair Value Measurement and Application establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are described as follows:

Level 1 - Unadjusted quoted prices available in active markets for identical assets or liabilities;

Level 2 -Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities;

Level 3 - Unobservable inputs that are significant to the fair value measurement.

HOUSING AND DINING SYSTEM
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021 and 2020

	Fair Value Measurements as of June 30, 2021 using:				Weighted Average Maturity (in years)
	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs Level 3	Total	
	Level 1	Level 2	Level 3		
Cash and Cash Equivalents					
Unrestricted	\$4,873,698			\$4,873,698	0.003
Restricted	1,322,769			1,322,769	0.003
Restricted - Bonds	6,085,336			6,085,336	0.003
Investments					
<i>Unrestricted</i>					
Certificates of deposit	730,361			730,361	1.247
Corporate	1,578,234			1,578,234	1.328
Municipals		94,832		94,832	2.422
Supranationals		288,525		288,525	2.646
U.S. Agencies		5,447,317		5,447,317	0.986
U.S. Treasuries		1,436,078		1,436,078	2.711
<i>Restricted</i>					
Certificates of deposit	1,944,567			1,944,567	1.600
Corporate	428,348			428,348	0.770
Municipals		504,477		504,477	2.700
Supranationals		78,308		78,308	1.530
U.S. Agencies		2,125,583		2,125,583	1.940
U.S. Treasuries		389,766		389,766	1.560
Bond Certificates of deposit	76,274			76,274	0.136
Bond Corporate	164,820			164,820	0.145
Bond Municipals		9,904		9,904	0.264
Bond Supranationals		30,132		30,132	0.289
Bond U.S. Agencies		568,882		568,882	0.108
Bond U.S. Treasuries		6,898,383		6,898,383	0.412
	<u>\$17,204,407</u>	<u>\$17,872,187</u>	<u>\$ -</u>	<u>\$35,076,594</u>	

	Fair Value Measurements as of June 30, 2020 using:				Weighted Average Maturity (in years)
	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs Level 3	Total	
	Level 1	Level 2	Level 3		
Cash and Cash Equivalents					
Unrestricted	\$2,620,401			\$2,620,401	0.005
Restricted	2,911,353			2,911,353	0.005
Restricted - Bonds	5,567,428			5,567,428	0.005
Investments					
<i>Unrestricted</i>					
Certificates of deposit	447,327			447,327	1.031
Corporate	868,915			868,915	1.924
Municipals				-	
U.S. Agencies		1,348,432		1,348,432	1.474
U.S. Treasuries		3,722,062		3,722,062	0.243
<i>Restricted</i>					
Certificates of deposit	2,105,967			2,105,967	0.238
Corporate	965,511			965,511	0.962
Municipals		497,636		497,636	1.544
U.S. Agencies		4,793,652		4,793,652	1.709
U.S. Treasuries		1,892,004		1,892,004	0.621
Bond U.S. Treasuries		40,132,018		40,132,018	0.642
	<u>\$15,486,902</u>	<u>\$52,385,804</u>	<u>\$ -</u>	<u>\$67,872,706</u>	

HOUSING AND DINING SYSTEM
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE 3. CAPITAL ASSETS, NET

The depreciation expense for the years ended June 30, 2021 and 2020 was \$6,799,398 and \$7,011,854, respectively.

Following are the changes in capital assets for the year ended June 30, 2021:

Description	June 30, 2020	Additions	Reductions	June 30, 2021
Non-depreciable capital assets				
Construction in progress	\$17,428,136	\$38,729,234	-	\$56,157,370
Total non-depreciable capital assets	17,428,136	38,729,234	-	56,157,370
Depreciable capital assets				
Buildings	179,651,846	-	-	179,651,846
Buildings improvements	34,405,455	-	-	34,405,455
Furniture, fixtures, and equipment	8,953,503	5,391	-	8,958,894
Infrastructure	4,492,564	-	-	4,492,564
Total depreciable capital assets	227,503,368	5,391	-	227,508,760
Less Accumulated Depreciation				
Buildings	69,828,525	4,817,897	-	74,646,422
Buildings improvements	19,026,822	1,388,170	-	20,414,992
Furniture, fixtures, and equipment	7,248,399	514,449	-	7,762,848
Infrastructure	2,434,469	78,882	-	2,513,351
Total accumulated depreciation	98,538,214	6,799,398	-	105,337,612
Capital assets, net	146,393,290	\$31,935,228	-	\$178,328,517

HOUSING AND DINING SYSTEM
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021 and 2020

Following are the changes in capital assets for the year ended June 30, 2020:

Description	June 30, 2019	Additions	Reductions	June 30, 2020
Non-depreciable capital assets				
Construction in progress	\$42,076,981	\$15,308,638	(\$39,957,483)	\$17,428,136
Total non-depreciable capital assets	42,076,981	15,308,638	(39,957,483)	17,428,136
Depreciable capital assets				
Buildings	136,125,120	43,526,726		179,651,846
Buildings improvements	34,405,455			34,405,455
Furniture, fixtures, and equipment	8,196,657	971,935	(215,089)	8,953,503
Infrastructure	4,492,564			4,492,564
Total depreciable capital assets	183,219,796	44,498,661	(215,089)	227,503,368
Less Accumulated Depreciation				
Buildings	65,012,750	4,815,774		69,828,525
Buildings improvements	17,422,942	1,603,879		19,026,822
Furniture, fixtures, and equipment	6,950,168	513,319	(215,089)	7,248,399
Infrastructure	2,355,587	78,882		2,434,469
Total accumulated depreciation	91,741,448	7,011,854	(215,089)	98,538,214
Capital assets, net	\$133,555,329	\$52,795,446	\$0	\$146,393,290

NOTE 4. NON-CURRENT LIABILITIES

BONDS:

In accordance with bond covenants, a Renewal and Replacement (R&R) Fund has been established to pay extraordinary operating and maintenance expenses; to make capital replacements, expansions, additions, repairs and renewals of the System; and to pay bond principal and interest to the extent other funds are not legally available. The balance of the R&R Fund must equal at least 5% of the principal balance of outstanding bonds.

Bond covenants also require that the System pledge net revenue (as defined) in each fiscal year at least equal to the greater of (i) 125% of the amounts required in such fiscal year to be paid as scheduled debt service (principal and interest) on outstanding bonds, or (ii) amounts required to be deposited during such fiscal year from net revenues into debt service and reserve funds established for outstanding bonds and into the R&R Fund, but excluding from each of the foregoing, payments made from refunding debt and capitalized debt service.

HOUSING AND DINING SYSTEM
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021 and 2020

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Series 2020 Housing and Dining Revenue Bonds (original issue price of \$21,760,000) with interest rates ranging from 1.5% to 2.5% and principal payments due in annual amounts ranging from \$735,000 to \$2,735,000 through April 1, 2034. The Series 2020 bonds have an aggregate face value of \$21,760,000 at June 30, 2021.	\$21,760,000	\$ -
Series 2019 Housing and Dining Revenue Bonds (original issue price of \$68,575,000) with interest rates ranging from 3.0% to 5.0% and principal payments due in annual amounts ranging from \$1,465,000 to \$3,295,000 through April 1, 2049. The Series 2019 bonds have an aggregate face value of \$67,180,000 at June 30, 2021 which is reported net of the unamortized original issues premium of \$3,050,678.	\$70,230,678	\$ 72,029,836
Series 2018B Housing and Dining Revenue Bonds (original issue price of \$33,680,000) with interest rates ranging from 3.0% to 4.0% and principal payments due in annual amounts ranging from \$985,000 to \$2,050,000 through April 1, 2043. The Series 2018B bonds have an aggregate face value of \$30,510,000 at June 30, 2021 which is reported net of the unamortized original issues premium of \$800,875.	31,310,875	33,294,917
Series 2018A Housing and Dining Revenue and Refunding Bonds (original issue price of \$10,695,000) with interest rates ranging from 3.0% to 5.0% and principal payments due in annual amounts ranging from \$570,000 to \$985,000 through April 1, 2034. The Series 2018A bonds have an aggregate face value of \$9,600,000 at June 30, 2021 which is reported net of the unamortized original issues premium of \$694,167.	10,294,167	11,255,070
Series 2015 Housing and Dining Refunding Bonds (original issue price of \$13,435,000) with an interest rate of 5.0% and principal payments due in annual amounts ranging from \$1,315,000 to \$1,530,000 through October 31, 2026. The Series 2015 bonds have an aggregate face value of \$5,675,000 at June 30, 2021 which is reported net of the unamortized original issues premium of \$332,740.	6,007,740	8,761,490
Series 2012 Revenue and Refunding Bonds (original issue price of \$9,205,000) with interest rates ranging from 3.0% to 5.0% and principal payments due in annual amounts ranging from \$790,000 to \$825,000 through October 31, 2023. The Series 2012 bonds have an aggregate face value of \$1,615,000 at June 30, 2021 which is reported net of the unamortized original issues premium of \$16,482.	1,631,482	3,585,519
Series 1998 Housing and Dining Junior Lien Revenue Refunding Bonds (original issue price of \$17,225,000) with an interest rate of 5.5%, and principal payments due in annual amounts that range from \$1,210,000 to \$1,270,000 through October 1, 2022. The Series 1998 bonds have an aggregate face value of \$0 at June 30, 2021, which is reported net of the unamortized original issue premium of \$0.	-	3,208,257
	<u>141,234,942</u>	<u>132,135,089</u>
Less current portion	<u>-</u>	<u>(4,774,622)</u>
	<u>\$141,234,942</u>	<u>\$127,360,467</u>

HOUSING AND DINING SYSTEM
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021 and 2020

Following are the changes in non-current liabilities for the year ended June 30, 2021:

Non-current Liabilities	June 30, 2020	Additions	Reductions	June 30, 2021	Current Portion
BONDS PAYABLE					
Series 2020 Revenue Bonds	\$0	\$21,760,000		\$21,760,000	
Series 2019 Revenue Bonds	68,575,000	-	(1,395,000)	67,180,000	-
Series 2018B Revenue Bonds	32,370,000	-	(1,860,000)	30,510,000	-
Series 2018A Refunding Bonds	10,345,000	-	(745,000)	9,600,000	-
Series 2015 Refunding Bonds	8,110,000	-	(2,435,000)	5,675,000	-
Series 2012 Refunding Bonds	3,520,000	-	(1,905,000)	1,615,000	-
Series 1998 Junior Lien Revenue Refunding	3,200,000	-	(3,200,000)	-	-
	126,120,000	21,760,000	(11,540,000)	136,340,000	-
Plus unamortized premium	6,015,089		(1,120,147)	4,894,942	-
Less unamortized discount	-	-	-	-	-
Total Bonds Payable	132,135,089	21,760,000	(12,660,147)	141,234,942	-
Compensated Absences	450,250	-	(53,391)	396,859	-
Pension Liabilities	1,206,466	-	(349,575)	856,891	-
OPEB Liability	3,442,549	229,533		3,672,082	61,710
Total Non-current liabilities	\$137,234,354	\$21,989,533	(\$13,063,113)	146,160,774	61,710

Non-current Liabilities	June 30, 2019	Additions	Reductions	June 30, 2020	Current Portion
BONDS PAYABLE					
Series 2019 Revenue Bonds	\$ -	\$68,575,000	\$ -	68,575,000	\$ -
Series 2018B Revenue Bonds	33,265,000	-	(895,000)	32,370,000	915,000
Series 2018A Refunding Bonds	10,695,000	-	(350,000)	10,345,000	365,000
Series 2015 Refunding Bonds	9,240,000	-	(1,130,000)	8,110,000	1,185,000
Series 2012 Refunding Bonds	4,395,000	-	(875,000)	3,520,000	925,000
Series 1998 Junior Lien Revenue Refunding	4,350,000	-	(1,150,000)	3,200,000	1,210,000
	61,945,000	68,575,000	(4,400,000)	126,120,000	4,600,000
Plus unamortized premium	3,019,301	3,624,070	(628,282)	6,015,089	-
Less unamortized discount	-	-	-	-	-
Total Bonds Payable	64,964,301	72,199,070	(5,028,282)	132,135,089	4,600,000
Compensated Absences	392,652	57,598	-	450,250	-
Pension Liabilities	1,289,682	-	(83,216)	1,206,466	115,262
OPEB Liability	3,279,944	162,605		3,442,549	59,360
Total Non-current liabilities	\$69,926,579	\$72,419,273	(\$5,111,498)	137,234,354	4,774,622

HOUSING AND DINING SYSTEM
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021 and 2020

The principal and interest maturities of bonds payable for years ending June 30 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	-	472,402	472,402
2023	5,160,000	4,666,158	9,826,158
2024	5,310,000	4,431,083	9,741,083
2025	5,560,000	4,199,483	9,759,483
2026	5,800,000	3,958,101	9,758,101
2027-2031	32,485,000	16,304,530	48,789,530
2032-2036	30,255,000	10,873,621	41,128,621
2037-2041	22,765,000	6,916,000	29,681,000
2042-2046	19,405,000	3,058,300	22,463,300
2047-2051	9,600,000	581,700	10,181,700
	<u>136,340,000</u>	<u>55,461,378</u>	<u>\$191,801,378</u>
Plus unamortized premiums	<u>4,894,942</u>		
	<u>\$141,234,942</u>		

NOTE 5. COMMITMENTS

The System regularly enters into contracts and purchase orders that commit fund balances for future purchases of goods and services. At June 30, 2021 and 2020, these commitments totaled \$8,944,101 and \$45,763,847 respectively, for all funds.

NOTE 6. PENSION PLANS

WWU offers four contributory pension plans: 1) the Washington State Public Employees' Retirement System (PERS) plans, 2) the Washington State Teachers Retirement System (TRS) plans, 3) the Law Enforcement Officers' and Firefighters' Retirement System (LEOFF) plan and 4) the Western Washington University Retirement plan (WWURP).

Housing and Dining employees in eligible positions are participants in the PERS and WWURP plans. PERS is a cost sharing multiple-employer defined benefit pension plan administered by the State of Washington Department of Retirement Systems (DRS). WWURP is a single-employer defined contribution plan with a supplemental defined benefit plan component currently administered by WWU.

Legislation signed into law on July 1, 2020, amended the RCW applicable to the WWUSRP to define plan provisions including limits on member eligibility, benefit payments, vesting terms and contribution rates. As a result of these amendments, WWU is unable to modify the terms of the plan. Administration of the benefit calculations and payments remain the responsibility of WWU until the state's Pension Funding Council determines the trust has sufficient assets, at which time the DRS will assume those duties in accordance with RCW 41.50.280. WWU does not perform the duties of a board or hold any of the substantive powers that would make the plan a fiduciary component of WWU. Other agencies of the state of Washington perform the

duties of a board and hold the substantive powers in relation to the WWUSRP.

Housing and Dining's proportionate share of WWU's share of the total net unfunded liabilities associated with the defined-benefit pension plans administered by the DRS was \$741,046 as of June 30, 2021 and \$725,974 as of June 30, 2020. The liability associated with the defined-benefit pension plan administered by WWU was \$115,845 as of June 30, 2021 and \$480,672 as of June 30, 2020. The total pension expense recorded by the System related to both the DRS and University plans was (\$26,936) and \$135,339 for the years ended June 30, 2021 and 2020 respectively. The negative total pension expense as of June 30, 2021 was a result of the Fiscal Year 2021 GASB No. 67/68 reporting change for WWU's supplemental defined benefit plan component.

PLANS ADMINISTERED BY DRS

PLAN DESCRIPTION:

Public Employees' Retirement System

PERS retirement benefit provisions are contained in chapters 41.34 and 41.40 of the Revised Code of Washington (RCW). PERS is a cost-sharing, multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a combination defined benefit/defined contribution plan. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 defined benefit plan may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries, as defined by the terms of the plan. Therefore, Plan 2/3 is considered a single defined benefit plan for reporting purposes. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. PERS members include higher education employees not participating in other higher education retirement programs.

VESTING AND BENEFITS PROVIDED:

PERS Plan 1

PERS Plan 1 provides retirement, disability, and death benefits to eligible members. This plan is closed to new entrants. All members are vested after the completion of five years of eligible service. The monthly benefit is 2.0% of the average final compensation (AFC) for each year of service credit, up to a maximum of 60.0%. The AFC is the total earnable compensation for the two consecutive highest-paid fiscal years, divided by two.

Members are eligible for retirement at any age after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. Members may elect to receive an optional cost of living allowance (COLA) amount based on the Consumer Price Index, capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced. Other benefits include duty and nonduty disability payments and a one-time duty-related death benefit, if the member is found eligible by the Washington State Department of Labor and Industries.

PERS Plan 2/3

PERS 2/3 provides retirement, disability and death benefits. PERS Plan 2 members are vested after completing five years of eligible service. PERS Plan 3 members are vested in the defined benefit portion of their plan after

10 years of service; or after five years of service, if 12 months of that service are earned after age 44. Plan 3 members are immediately vested in the defined contribution portion of their plan.

Defined Retirement benefits are determined as 2.0% of the member's AFC times the member's years of service for Plan 2 and 1.0% of the AFC times the member's years of service for Plan 3. The AFC is the average of the member's 60 highest paid consecutive months. There is no cap on years of service credit.

Members are eligible for normal retirement at the age of 65 with five years of service. Members have the option to retire early with reduced benefits. Members may elect to receive an optional cost of living allowance (COLA) amount based on the Consumer Price Index, capped at 3 percent annually. Other benefits include duty and nonduty disability payments and a one-time duty-related death benefit, if the member is found eligible by the Washington State Department of Labor and Industries.

FIDUCIARY NET POSITION:

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all plans and additions to/deductions from all plans fiduciary net position have been determined in all material respects on the same basis as they are reported by the plans. These pension plans administered by the state are accounted for using the accrual basis of accounting. Under the accrual basis of accounting, employee and employer contributions are recognized in the period in which employee services are performed; investment gains and losses are recognized as incurred; and benefits and refunds are recognized when due and payable in accordance with the terms of the applicable plan.

The Washington State Investment Board (WSIB) has been authorized by statute as having investment management responsibility for the pension funds. The WSIB manages retirement fund assets to maximize return at a prudent level of risk.

Retirement funds are invested in the Commingled Trust Fund (CTF). Established on July 1, 1992, the CTF is a diversified pool of investments that invests in fixed income, public equity, private equity, real estate, and tangible assets. Investment decisions are made within the framework of a Strategic Asset Allocation Policy and a series of written WSIB- adopted investment policies for the various asset classes in which the WSIB invests. Although some assets of the plans are commingled for investment purposes, each plan's assets may be used only for the payment of benefits to the members of that plan in accordance with the terms of the plan.

Administration of the PERS system and plan was funded by an employer rate of 0.18% of employee salaries.

The DRS prepares a stand-alone financial report that is compliant with the requirements of Statement 67 of the Governmental Accounting Standards Board. Copies of the report may be obtained by contacting the Washington State Department of Retirement Systems, PO Box 48380, Olympia, Washington 98504-8380 or online at <https://www.drs.wa.gov/wp-content/uploads/2021/06/2020-CAFR.pdf>.

ACTUARIAL ASSUMPTIONS:

Accounting requirements dictate the use of assumptions to best estimate the impact the pension obligations

will have on University's auxiliary units. The professional judgments used in determining these assumptions are important and can significantly impact the resulting actuarial estimates. Difference between actual results compared to these assumptions could have a significant effect on Housing & Dining's financial statements.

The total pension liability for each of the plans was determined using the most recent actuarial valuation completed by the Washington State Office of the State Actuary (OSA). WWU's 2021 pension liability is based on the OSA valuation performed as of June 30, 2020, with a valuation date of June 30, 2019. Besides the discount rate, the actuarial assumptions used in the valuation are summarized in the Actuarial Section of DRS' Annual Comprehensive Financial Report located on the DRS employer-resource GASB webpage. These assumptions reflect the results of OSA's 2013-2018 Demographic Experience Study Report and the 2019 Economic Experience Study. The following actuarial assumptions have been applied to all prior periods included in the measurement:

- **Inflation:** 2.75% total economic inflation; 3.50% salary inflation
- **Salary Increases:** salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.40%

Mortality rates were developed using the Society of Actuaries' Pub.H-20210 mortality rates as the base table. OSA applied age offsets, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout the member's lifetime.

OSA selected a 7.40% long-term expected rate of return on pension plan investments using a building block method. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns the WSIB provided.

The CMAs contain three pieces of information for each class of assets WSIB currently invests in:

- Expected annual return
- Standard deviation of the annual return
- Correlations between the annual returns of each asset class with every other asset class

The WSIB uses the CMAs and their target asset allocation to simulate future investment returns at various future times.

The best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021 are summarized in the following table:

2021 - Measurement date 2020		
Asset Class	Target Allocation	Long-Term Expected Rate of Return
Fixed Income	20%	2.20%
Tangible Assets	7%	5.10%
Real Estate	18%	5.80%
Global Equity	32%	6.30%
Private Equity	23%	9.30%
Total	100%	

The inflation component used to create the table is 2.20% and represents the WSIB's most recent long-term estimate of broad economic inflation.

DISCOUNT RATE:

The discount rate used to measure the total pension liabilities was 7.40 percent, the same as the prior measurement date. To determine the discount rate, an asset sufficiency test was completed to test whether the pension plan's fiduciary net position was sufficient to make all projected future benefit payments of current plan members. Consistent with current law, the completed asset sufficiency test included an assumed 7.40 percent long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. Consistent with the long-term expected rate of return, a 7.40 percent future investment rate of return on invested assets was assumed for the test. Contributions from plan members and employers are assumed to continue to be made at contractually required rates (including PERS Plan 2/3 and TRS 2/3 employers whose rates include a component for the PERS Plan 1 and TRS Plan 1 unfunded actuarial accrued liabilities). Based on those assumptions, the various pension plan's fiduciary net positions were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.40 percent on pension plan investments was applied to determine the total pension liability for each plan.

SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE:

The following table presents Housing & Dining's net pension liability position by plan calculated using the discount rate of 7.40 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.0% point lower (6.40%) or 1.0% point higher (8.40%) than the current rate.

Discount Rate Sensitivity - Net Pension Liability				
(\$ in thousands)				
Plan	2021			
	Current			
	1% Decrease	Discount Rate	1% Increase	
	6.4%	7.4%	8.4%	
PERS 1	\$ 631	\$ 504	\$ 393	
PERS 2/3	1,474	237	(782)	

EMPLOYER CONTRIBUTION RATES:

Employer contribution rates are developed in accordance with Chapter 41.45 of the RCW by the OSA. The statute provides authority to the Pension Funding Council to adopt changes to economic assumptions and contribution rates.

Required Contribution Rates

The required contribution rates expressed as a percentage of current year covered payroll are shown below. The University and the employees made the required contributions.

	Contribution Rates					
	7/1/2019 thru 6/30/2020		7/1/2020 thru 8/31/2020		9/1/2020 thru 6/30/2021	
	Employee	University	Employee	University	Employee	University
PERS						
Plan 2	7.90%	12.86%	7.90%	12.86%	7.90%	12.97%
Plan 3	5.00-15.00% **	12.86% *	5.00-15.00% **	12.86% *	5.00-15.00% **	12.97% *

PERS 2/3 employer rates include a component to address the PERS Plan 1 unfunded actuarial accrued liability (UAAL)

*Plan 3 defined benefit portion only.

**Variable from 5% to 15% based on rate selected by the member.

University contribution rate includes an administrative expense rate of 0.0018.

The University's required contributions for the years ending June 30 are as follows:

	Required Contributions	
	FY 2020	FY 2021
PERS		
Plan 2	\$ 228,450	\$111,350
Plan 3	50,258	38,611

HOUSING & DINING PROPORTIONATE SHARE AND AGGREGATED BALANCES:

Collective pension amounts are determined as of a measurement date, which can be no earlier than an employer's prior fiscal year. The measurement date for the net pension liabilities recorded by the System as of June 30, 2021, and 2020 was June 30, 2020 and 2019 (one year in arrears.) Employer contributions received and processed by the DRS during the measurement date fiscal year have been used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in their fiscal year

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ended June 30 Schedules of Employer and Non-employer Allocations. Housing & Dining’s proportional share of WWU’s share from DRS of the aggregated balance of net pension liabilities as of June 30, 2021 and June 30, 2020 is presented in the table below.

Proportionate Share of WWU's share	PERS 1	PERS 2/3
2021	4.7306%	4.8054%
2020	4.7012%	4.8393%

Aggregate Pension Amounts				
	PERS 1	PERS 2/3	Total	
Net Pension Liability June 30, 2021	\$ 504,120	\$ 236,926	\$	741,046
Net Pension Liability June 30, 2020	\$ 547,248	\$ 178,546	\$	725,794

PENSION EXPENSE, DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES:

The tables below summarize Housing & Dining’s expense, deferred outflows of resources and deferred inflows of resources related to the DRS pension plans, together with the related future year impacts to pension expense from amortization of those deferred amounts. Note that deferred outflows of resources related to the Housing & Dining’s contributions subsequent to the measurement date are recognized as a reduction of the net pension liability in the following year and are not amortized to pension expense.

Proportionate Share of Pension Expense				
	PERS 1	PERS 2/3	Total	
Year Ended June 30, 2021	\$ 26,603	\$ 23,976	\$	50,579
Year Ended June 30, 2020	\$ 39,093	\$ 64,630	\$	103,724

Amounts reported as deferred outflows of resources, exclusive of contributions subsequent to the measurement date, and deferred inflows of resources will be recognized in pension expense in future periods as follows:

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Deferred Outflows of Resources

2021	PERS 1	PERS 2/3	Total
Difference between expected and actual experience	\$ -	\$ 84,816	\$ 84,816
Changes of assumptions	-	3,374	\$ 3,374
Change in proportion	-	8,190	\$ 8,190
Contributions subsequent to the measurement date	56,092	93,869	\$ 149,961
TOTAL	\$ 56,092	\$ 190,249	\$ 246,341

Deferred Inflows of Resources

2021	PERS 1	PERS 2/3	Total
Difference between expected and actual experience	\$ -	\$ 29,692	\$ 29,692
Change in assumptions	-	161,842	\$ 161,842
Net difference between projected and actual earnings on pension plan investments	2,807	12,032	\$ 14,839
Change in proportion	-	10,334	\$ 10,334
TOTAL	\$ 2,807	\$ 213,901	\$ 216,707

Amortization of Deferred Outflows and Deferred Inflows of Resources

YEAR	PERS 1	PERS 2/3	Total
2022	\$ (12,737)	\$ (99,963)	\$ (112,700)
2023	\$ (401)	\$ (25,153)	\$ (25,553)
2024	\$ 3,886	\$ 2,558	\$ 6,444
2025	\$ 6,444	\$ 21,615	\$ 28,060
2026	\$ -	\$ (7,223)	\$ (7,223)
Thereafter	\$ -	\$ (9,354)	\$ (9,354)
TOTAL	\$ (2,807)	\$ (117,520)	\$ (120,326)

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Deferred Outflows of Resources				
2020	PERS 1	PERS 2/3	Total	
Difference between expected and actual experience	\$ -	\$ 51,154	\$	51,154
Changes of assumptions	-	4,572	\$	4,572
Change in proportion	-	3,710	\$	3,710
Contributions subsequent to the measurement date	103,485	175,222	\$	278,707
TOTAL	\$ 103,485	\$ 234,658	\$	338,143

Deferred Inflows of Resources				
2020	PERS 1	PERS 2/3	Total	
Difference between expected and actual experience	\$ -	\$ 38,386	\$	38,386
Change in assumptions	-	74,912	\$	74,912
Net difference between projected and actual earnings on pension plan investments	36,561	259,890	\$	296,451
Change in proportion	-	13,394	\$	13,394
TOTAL	\$ 36,561	\$ 386,582	\$	423,143

PLANS ADMINISTERED BY WESTERN WASHINGTON UNIVERSITY

Western Washington University Retirement Plan (WWURP)

PLAN DESCRIPTION:

The WWURP is a defined contribution single employer pension plan with a supplemental payment when required. The plan covers faculty, professional staff, and certain other employees. It is administered by WWU. WWU's Board of Trustees is authorized to establish and amend benefit provisions.

Contributions to the plan are invested in annuity contracts or mutual fund accounts offered by one or more fund sponsors. Benefits from fund sponsors are available upon separation or retirement at the member's option. Employees have at all times a 100% vested interest in their accumulations. The number of participants in the WWURP as of June 30, 2021 and 2020 was 1,154 and 1,193 respectively.

FUNDING POLICY:

Employee contribution rates, which are based on age, range from 5% to 10% of salary. WWU matches 100% of the employee contributions. All required employer and employee contributions have been made and the

HOUSING AND DINING SYSTEM
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breakdown of the Housing & Dining’s proportional share of the WWURP contributions are included in the table below for the years ended June 30.

Housing & Dining	2021		2020	
Contributions made by:				
Employees	\$	114,033	\$	115,233
University		114,008		115,262

Western Washington University Supplemental Retirement Plan (WWUSRP)

PLAN DESCRIPTION:

WWUSRP, the supplemental component of the WWURP plan, is a defined benefit plan currently administered by WWU and operates in tandem with the WWURP defined contribution pension plan to supplement the expected defined-contribution retirement savings accumulated under the WWURP. The plan covers faculty and certain other positions. The WWUSRP, the supplemental component of the WWURP, was closed to new entrants as of July 1, 2011. For purposes of measuring the June 30, 2021 net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the WWUSRP and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported in the state of Washington’s Annual Comprehensive Financial Report, which is available at <https://ofm.wa.gov/accounting/financial-audit-reports/annual-comprehensive-financial-report>.

PLAN MEMBERSHIP:

Membership of the Western Washington University Supplemental Retirement Plan consisted of the following at June 30, 2018, and June 30, 2020, the date of the latest actuarial valuation for the plan:

	Number of Participating Members			
	Inactive Members (Or Beneficiaries)	Inactive Members Entitled To But Not Yet Receivng Benefits	Active Members	Total Members
WWUSRP	Currently Receivng Benefits	Yet Receivng Benefits		
2020	79	3	483	565
2018	63	21	562	646

The 2020 and 2018 census data were used for actuarial valuations that were used to project the Total Pension Liability to the measurement date of June 30, 2021 and 2020 respectively.

VESTING AND BENEFITS PROVIDED:

This supplemental component payment plan determines a minimum retirement benefit goal based upon a one-time calculation at each employee’s retirement date. This supplemental component is financed on a pay-as-you-go basis. WWU makes direct payments to qualified retirees when the retirement benefit provided by the fund sponsor does not meet the benefit goal.

WWSRP retirement benefits provisions are contained in RCW 28B.10.400, et. seq. which assigns the authority to establish and amend benefit provisions to the Western Washington University Board of Regents. Members are eligible to receive benefits under this plan at age 62 with 10 years of credited service. The monthly amount of benefits payable at the time of retirement is the excess of one-twelfth of 2.0% of the member's average annual salary multiplied by the number of years of service (such product not to exceed one-twelfth of 50.0% of the member's average annual salary) over an assumed annuity benefit.

Assumed income must be calculated by an independent actuary and represents a theoretical amount of monthly income that would have been generated if actual employee and WWU contributions to the WWURP had been allocated equally between fixed and variable dollar annuities. When the goal income exceeds the assumed income, the participant is entitled to benefits under this plan. The System's proportional share of the total University benefit payments made during the fiscal years ended June 30, 2021 and 2020 were \$6,990 and \$6,591 respectively.

FIDUCIARY NET POSITION:

With the passing of 2SHB 1661, the legislation, effective July 1, 2020, created trust accounts for the contributions and investment returns collected to pre-fund SRP benefits. Under this new funding structure, the SRP will report under GASB No. 67/68 starting in Fiscal Year 2021.

The plan Fiduciary Net Position is the fair value of plan assets held in a trust as defined by GASB. The Net Pension Liability is the difference between the Total Pension Liability and the plan Fiduciary Net Position. The plan Fiduciary Net Position represents the amount of assets collected as of the measurement date to pay for SRP benefits, per RCW 41.50.280. Plan assets and investments are measured at their fair value.

The WSIB has been authorized by statute as having investment management responsibility for the pension funds. The WSIB manages retirement fund assets to maximize return at a prudent level of risk.

WWUSR plan assets are invested in the Commingled Trust Fund (CTF). Established on July 1, 1992, the CTF is a diversified pool of investments that invests in fixed income, public equity, private equity, real estate, and tangible assets. Investment decisions are made within the framework of a Strategic Asset Allocation Policy and a series of written WSIB-adopted investment policies for the various asset classes in which WSIB invests.

Information about the investment of pension funds by the WSIB, their valuation, classifications, concentrations, and maturities can be found in footnote 3.B of the state of Washington's Annual Comprehensive Financial Report.

ACTUARIAL ASSUMPTIONS:

Accounting requirements dictate the use of assumptions to best estimate the impact the pension obligations will have on the University's auxiliary units. The professional judgments used in determining these assumptions are important and can significantly impact the resulting actuarial estimates. Difference between actual results compared to these assumptions could have a significant effect on Housing & Dining's financial statements.

With the passing of 2SHB 1661, the legislation, effective July 1, 2020, created trust accounts for the contributions and investment returns collected to pre-fund SRP benefits. Under this new funding structure, the SRP will report under GASB No. 67/68 starting in Fiscal Year 2021.

The total pension liability was determined by an actuarial valuation as of June 30, 2020, with the results projected forward to the June 30, 2021, measurement date using the following actuarial assumptions:

- Discount Rate: 7.40%
- TIAA Increase Rate: 4.00%
- CREF Increase Rate: 6.25%
- Salary Growth: 3.75%

Mortality rates were developed using the Society of Actuaries' Pub.H-2010 mortality rates as the base table. OSA applied age offsets, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout the member's lifetime.

The total salary growth assumption is based on the August 2021 Higher Education SRP Experience study. The TIAA and CREF increase rates represent the assumed investment return on primary investments that play a key role in the SRP benefit calculation.

OSA updated assumptions consistent with the 2021 Demographic Experience Study and modified the TIAA CREF investment assumptions based on TIAA input and OSA's expectation for the future. This includes future growth in the investment's and how the projected account balances are converted to annuities. The assumption update generally led to increases in total pension liability.

A decrease in total pension liability was caused by two experience items. The CREF Stock Account returned approximately 42% for Fiscal Year 2021, which is significantly higher than the assumed return of 6.25%. Higher than expected returns on TIAA and CREF investments lead to lower supplemental benefits. The larger CREF return reduced the total pension liability. The 2020 Census data file had varied impacts, but was generally less impactful than the CREF returns.

DISCOUNT RATE:

With the passing of 2SHB 1661, the legislation, effective July 1, 2020, created trust accounts for the contributions and investment returns collected to pre-fund SRP benefits. Under this new funding structure, the SRP will report under GASB No. 67/68 starting in Fiscal Year 2021. Because of this reporting change, the discount rate has been set consistent with the expected long-term rate of return on the trust.

Given the creation of dedicated funds to pay SRP benefits under HB 1661, the discount rate is now based on the long-term expected rate of return on the pension plan investments rather than the bond index rate. This led to an increase in the discount rate used to measure the liability from 2.21% as of June 30, 2020, to 7.40% as of June 30, 2021, and a significant decrease in Total Pension Liability. The 7.40% rate is consistent with OSA's long-

term expected rate of return assumption for assets invested in the Commingled Trust Fund. The discount rate change reduced the Total Pension Liability by an additional 50%.

SENSITIVITY OF THE NET PENSION LIABILITY/(ASSET) TO CHANGES IN THE DISCOUNT RATE:

The following presents Housing & Dining’s proportional share of the pension liability for the WWUSRP for WWU as an employer, calculated using the discount rate of 7.4%, as well as what the total pension liability would be if it were calculated using a discount rate that is 1.0% point lower (6.4%) or 1.0% point higher (8.4%) than the current rate.

Housing & Dining WWUSRP						
Discount Rate Sensitivity - Net Pension Liability/(Asset)						
\$ in thousands						
Plan	1% Decrease		2021 Current Discount Rate		1% Increase	
	6.4%		7.4%		8.4%	
WWUSRP	\$	136	\$	116	\$	99

EMPLOYER CONTRIBUTION RATES:

With the passing of 2SHB 1661, the legislation, effective July 1, 2020, created trust accounts for the contributions and investment returns collected to pre-fund SRP benefits. Under this new funding structure, the SRP will report under GASB No. 67/68 starting in Fiscal Year 2021. 2SHB 1661 outlines a funding policy for the SRP. Beginning July 1, 2020, the 0.5 percent required employer contribution rate was replaced with institution-specific contribution rates. These rates are developed by the OSA in accordance with RCW 41.45, which provides authority to the Pension Funding Council to adopt changes to economic assumptions and contribution rates. Money in the trust must be accounted for separately and attributed to each paying institution and may only be used to make benefit payments to the paying institution’s plan beneficiaries. Beginning July 31, 2020, the Pension Funding Council may review and revise the institution-specific contribution rates. Rates must be designed to keep the total cost at a more level percentage than a pay-as-you-go method. Accumulated funds will allow a portion of the cost of SRP benefits to be paid from those funds beginning in approximately 2035. When the trust has collected sufficient assets to begin making SRP benefit payments, administration of the SRP will transfer to the Department of Retirement Systems (DRS).

WWUSRP	2021	2020
Employer required contribution rate	0.21%	0.50%

The SRP benefit funds are currently restricted from paying SRP benefits and are not expected to pay benefits until 2035. Until this time, SRP benefits are paid out of the operating budget on a pay-as-you-go basis.

NET PENSION LIABILITY (NPL):

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Consistent with GASB No. 67/68, plan assets are included in financial reporting. The June 30, 2021 asset amount offsets the total pension liability to yield the plan's net pension liability. Preliminary investment earnings of approximately 29% exceeded the current assumption of 7.40%. Investment earnings greater or less than expected are recognized over a five year period in the pension expense.

Effective July 1, 2020, legislation signed into law created a trust arrangement for assets dedicated to paying WWUSRP benefits to plan members. Contributions previously paid to and accumulated by DRS beginning January 1, 2012 were transferred into the trust when this legislation became effective. As a result, WWU is now applying accounting guidance for single employer plans that have trusted assets and reports the pension liability net of plan assets as of June 30, 2021.

The components of the WWUSRP liability were as follows:

Schedule of Changes in Net Pension Liability (NPL)

	TPL (a)	Plan Fiduciary Net Position (b)	NPL (a) minus (b)
Balance as of July 1, 2020	\$ 480,672	\$ 49,759	\$ 430,913
Service Cost	12,290	-	12,290
Interest on TPL	10,637	-	10,637
Differences Between Expected and Actual Experience	(200,609)	-	(200,609)
Change in Assumptions	(110,101)	-	(110,101)
Employer Contributions	-	2,613	(2,613)
Investment Income	-	17,675	(17,675)
Benefit Payments *	(6,997)	-	(6,997)
Net Changes	(294,781)	20,287	(315,068)
Balance as of June 30, 2021	\$ 185,891	\$ 70,046	\$ 115,845

Schedule of Changes in Total Pension Liability (TPL)

Balance as of July 1, 2019	\$ 363,419
Service Cost	9,751
Interest on TPL	13,420
Differences Between Expected and Actual Experience	27,357
Change in Assumptions	73,505
Benefit Payments	(6,780)
Balance as of June 30, 2020 **	\$ 480,672

* Includes -580 to resolve OSA rounding issue

** Represents TPL as of June 30, 2020 reported under GASB 73

The June 30, 2021 TPL is based on an actuarial valuation performed as of June 30, 2020 with update procedures performed by the OSA to roll forward the TPL to the measurement date of June 30, 2021. The June 30, 2020 TPL is based on an actuarial valuation performed as of June 30, 2018 with update procedures performed to roll forward the TPL to the measurement date of June 30, 2020. Both valuations were prepared using the entry age actuarial cost method.

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PENSION EXPENSE, DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES:

The tables below summarize Housing & Dining’s proportionate share of the WWUSRP pension expense, deferred outflows of resources and deferred inflows, together with the related future year impacts to pension expense from amortization of those deferred amounts:

**Housing & Dining Proportional Share WWUSRP
Pension Expense (PE)**

	2021	2020
Service Cost	\$ 38,863	\$ 10,660
Interest Cost	33,636	14,671
Amortization of Differences between Expected and Actual Experience	(112,711)	(6,527)
Amortization of Changes of Assumptions	(16,565)	12,811
Expected Earnings on Plan Investments	(11,929)	
Amortization of Differences between Projected and Actual Earnings on Plan Investments	(8,810)	
Administrative Expenses	-	
Other Changes in Fiduciary Net Position	-	
Pension Expense FY21	\$ (77,515)	\$ 31,615
GASB 68 from GASB 73 reporting change effect	\$ (165,610)	
Net Pension Expense	\$ (243,125)	

The tables below summarize Housing & Dining’s deferred outflows and inflows of resources related to the WWUSRP, together with the related future year impacts to pension expense from amortization of those deferred amounts:

Housing & Dining Proportional Share
Deferred Outflows of Resources

	2021	2020
Difference between expected and actual experience	\$ 34,847	\$ 44,295
Changes of assumptions	68,654	86,947
TOTAL	\$ 103,501	\$ 131,242

Deferred Inflows of Resources

	2021	2020
Difference between expected and actual experience	\$ 201,520	\$ 47,183
Changes of assumptions	105,459	18,336
Differences between Projected and Actual Earnings on Plan Investments	11,122	-
TOTAL	\$ 318,101	\$ 65,518

Amortization of Deferred Outflows and Deferred Inflows of Resources

Year	
2022	\$ (43,311)
2023	\$ (38,922)
2024	\$ (28,702)
2025	\$ (28,557)
2026	\$ (42,915)
Thereafter	\$ (32,193)
TOTAL	\$ (214,600)

NOTE 7. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

PLAN DESCRIPTION:

Health care and life insurance programs for employees of the State of Washington are administered by the Washington State Health Care Authority (HCA). The HCA calculates the premium amounts each year that are sufficient to fund the State-wide health and life insurance programs on a pay-as-you-go basis. These costs are passed through to individual state agencies based upon active employee headcount; the agencies pay the premiums for active employees to the HCA. The agencies may also charge employees for certain higher cost options elected by the employees.

State of Washington retirees may elect coverage through state health and life insurance plans, for which they pay less than the full cost of the benefits, based on their age and other demographic factors.

The health care premiums for active employees, which are paid by the agency during employees' working careers, subsidize the "underpayments" of the retirees. An additional factor in the OPEB obligation is a payment that is required by the State Legislature to reduce the premiums for retirees covered by Medicare (an "explicit subsidy"). For fiscal years 2020 and 2019, this amount is the lesser of \$183 or 50% of the plan premium per retiree eligible for parts A and B of Medicare, per month. This is also passed through to State agencies via active employee's rates charged to the agency.

OPEB implicit and explicit subsidies as well as administrative costs are funded by required contributions made by participating employers. State agency contributions are made on behalf of all active, health care eligible employees, regardless of enrollment status. Based on the funding practice, the allocation method used to determine proportionate share is each agency’s percentage of the state’s total active, health care eligible employee headcount. As of June 30, 2020, and 2019, the total University’s headcount percentage membership in the PEBB plan consisted of the following:

OPEB Plan Participants				
FYE	Active Employees	Retirees Receiving Benefits	Retirees Not Receiving Benefits	Total Participants
2019	2032	742	97	2871
2020	2066	797	95	2958

ACTUARIAL ASSUMPTIONS:

Accounting requirements dictate the use of assumptions to best estimate the impact the pension obligations will have on the University’s auxiliary units. The professional judgments used in determining these assumptions are important and can significantly impact the resulting actuarial estimates. Difference between actual results compared to these assumptions could have a significant effect on Housing & Dining’s financial statements.

The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement period:

- **Inflation:** 2.75%
- **Salary Increases:** 3.50% including service-based salary increases
- **Health Care Trend Rates:*** Initial rate ranges from 2-11% adjusting to 4.3% in 2075
- **Post-retirement Participation:** 65.00%
- **Spouse Coverage:** 45.00%

Mortality rates were developed using the Society of Actuaries’ Pub.H-2010 mortality rates, which vary by member status. The Office of the State Actuary (OSA) applied age offsets as appropriate to better tailor the mortality rates to the demographics of the plan. OSA applied the long-term MP-2017 generational improvement scale to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis, meaning members are assumed to receive additional mortality improvements in each future year, throughout their lifetime.

The discount rate used to measure the total pension liability was set equal to the Bond Buyer General Obligation 20-Bond Municipal Bond Index. A discount rate of 3.50% was used for the June 30, 2019 measurement date and 2.21% for the June 30, 2020 measurement date.

The following presents Housing & Dining’s proportional share of the total University OPEB liability, calculated using the discount rate of 2.21%, as well as what the total pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.21%) or 1 percentage point higher (3.21%) than the current rate.

Total OPEB Liability Discount Rate Sensitivity	
1% Decrease	\$4,520,701
Current Discount Rate - 2.21%	\$3,733,792
1% Increase	\$3,121,071

The following represents the total OPEB liability of Housing & Dining, calculated using the health care trend rates of 2-11% decreasing to -1.21%-8.79%, as well as what the total OPEB liability would be if it were calculated using health care trend rates that are 1 percentage point lower (1-10% decreasing to -1.21%-7.79%) or 1 percentage point higher (3-12% decreasing to 1.79%-9.79%) than the current rate:

Total OPEB Liability Health Care Cost Trend Rate Sensitivity	
1% Decrease	\$3,042,644
Current Discount Rate - 2-11%	\$3,733,792
1% Increase	\$4,660,402

*For additional detail on the health care trend rates, please see Office of the State Actuary’s 2020 Other Postemployment Benefits Actuarial Valuation Report located here
https://leg.wa.gov/osa/additionalservices/Documents/2020_PEBB_OPEB_Report.pdf
<https://leg.wa.gov/osa/additionalservices/Documents/OPEBActuarialValuationCertLetterRevised.pdf>

TOTAL OPEB LIABILITY:

HOUSING AND DINING SYSTEM
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021 and 2020

As of June 30, 2021, and 2020, components of the proportionate share calculation of total OPEB liability determined in accordance with GASB Statement No. 75 for Housing & Dining are represented in the following table:

FY21 Proportionate Share of WWU's share		3.888417%
FY20 Proportionate Share of WWU's share		3.658225%
Schedule of Changes in Total OPEB Liability		
Total OPEB Liability	2021	2020
Service cost	\$154,941	\$139,391
Interest	129,611	120,913
Changes of benefit terms	-	-
Differences between expected & actual experience	(19,862)	-
Changes in assumptions	84,017	225,173
Benefit payments	(61,710)	(55,311)
Change in Proportionate share	(80,358)	(7,583)
Other	(132,018)	-
Net Change in Total OPEB Liability	\$74,621	\$422,582
Total OPEB Liability - Beginning	\$3,442,549	\$3,279,944
Change in proportionate share	\$216,621	(\$259,977)
Total OPEB Liability - Ending	\$ 3,733,792	\$3,442,549

Housing & Dining's proportionate share of OPEB expense for the fiscal years ended June 30, 2021 and 2020 was \$293,381 and \$(193,467) respectively.

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES:

The tables below summarize Housing & Dining's deferred outflows and inflows of resources related to OPEB, together with the related future year impacts to expense from amortization of those deferred amounts:

Deferred Outflows of Resources

	2021		2020
Change in proportion	31,190	\$	36,796
Difference between expected and actual experience	81,913		91,927
Changes of assumptions	256,748		200,154
Transactions subsequent to the measurement date	65,675		59,360
TOTAL	\$ 435,527	\$	388,237

Deferred Inflows of Resources

	2021		2020
Change in proportion	\$ 92,611	\$	8,952
Difference between expected and actual experience	\$ 17,655		-
Changes of assumptions	880,583		998,143
TOTAL	\$ 990,849	\$	1,007,095

Amortization of Deferred Outflows and Deferred Inflows of Resources

Year	
2022	\$ (116,398)
2023	\$ (116,398)
2024	\$ (116,398)
2025	\$ (116,398)
2026	\$ (116,398)
Thereafter	\$ (39,078)
TOTAL	\$ (621,068)

NOTE 8. SUBSEQUENT EVENT

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of a deadly new virus. In the weeks following the declaration, precautionary measures to slow the spread of the virus have been ordered. These measures include closing schools, colleges and university, cancelling public events, prohibiting public and private gatherings, and require people to stay home unless they are leaving for an essential function.

For Spring quarter 2020 the university moved all classes to remote instruction. The Housing and Dining System responded to the reduced occupancy demand by consolidating all residents into one residential area. Cost reduction measures included a hiring freeze, freeze on travel, significant reductions to planned operating expenditures, renegotiation of third-party service contracts, and deferral of several renovation projects. Reserves were used to support operating needs.

HOUSING AND DINING SYSTEM
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021 and 2020

The COVID-19 pandemic will influence FY 2022 and FY 2021 enrollment and System occupancy and operations. Enrollment is anticipated to be reduced approximately up to 7% in Fall Quarter 2020 given the shift to remote learning and limitations of on campus operations. The System is adhering to applicable external guidelines and recommendations for its operations with regard to health and safety and will adjust operations throughout the year as needed. Housing occupancy is limited to 33% of capacity and one residential area has been closed, all rooms are single occupancy, public spaces and restrooms are adapted for safe use, and a de-densified dining program is planned. The length of time these measures will be in place, and the full extent of the financial impact on the System is unknown at this time.

RSI

REQUIRED SUPPLEMENTARY INFORMATION

PENSION PLAN INFORMATION

Cost Sharing Employer Plans

Schedule of Housing and Dining System’s Proportionate Share of the Net Pension Liability

Schedule of Housing and Dining System Proportionate Share of the Net Pension Liability Public Employees' Retirement System (PERS) Plan 1 Measurement Date ended June 30 *							
	2014	2015	2016	2017	2018	2019	2020
Housing & Dining System PERS 1 employers' proportion of the net pension liability	0.016016%	0.014712%	0.014101%	0.013209%	0.013928%	0.014527%	0.014320%
Housing & Dining System PERS 1 employers' proportionate share of the net pension liability	\$1,157,409	\$769,578	\$757,281	\$626,778	\$622,041	\$547,248	\$504,120
Housing & Dining System PERS 1 employers' covered-employee payroll	\$1,668,417	\$1,607,762	\$1,657,525	\$1,608,185	\$1,826,650	\$1,335,428	\$2,155,194
Housing & Dining System PERS 1 employers' proportionate share of the net pension liability as a percentage of its covered-employee payroll	69.37%	56.37%	43.13%	38.97%	34.05%	40.98%	23.39%
Plan fiduciary net position as a percentage of the total pension liability	61.19%	59.10%	57.03%	61.24%	63.22%	67.12%	68.64%
* This schedule is to be built prospectively until it contains ten years of data.							

In accordance with Statement No. 68, WWU has elected to use the prior fiscal year end as the measurement date for reporting net pension liabilities.

PENSION PLAN INFORMATION

Cost Sharing Employer Plans

Schedule of Housing and Dining System’s Proportionate Share of the Net Pension Liability

Schedule of Housing and Dining System Proportionate Share of the Net Pension Liability Public Employees' Retirement System (PERS) Plan 2/3 Measurement Date ended June 30 *							
	2014	2015	2016	2017	2018	2019	2020
Housing & Dining PERS 2/3 employers' proportion of the net pension liability	0.017383%	0.017106%	0.017670%	0.016991%	0.017818%	0.018304%	0.018252%
Housing & Dining System PERS 2/3 employers' proportionate share of the net pension liability	\$351,380	\$611,214	\$889,666	\$590,345	\$304,222	\$178,546	\$236,926
Housing & Dining System PERS 2/3 employers' covered-employee payroll	\$1,496,262	\$1,516,820	\$1,681,103	\$1,666,293	\$1,876,389	\$1,370,045	\$2,178,332
Housing & Dining System PERS 2/3 employers' proportionate share of the net pension liability as a percentage of its covered-employee payroll	23.48%	39.49%	52.92%	35.43%	16.21%	13.03%	10.88%
Plan fiduciary net position as a percentage of the total pension liability	93.29%	89.20%	85.82%	90.97%	95.77%	97.77%	97.22%
* This schedule is to be built prospectively until it contains ten years of data.							

In accordance with Statement No. 68, WWU has elected to use the prior fiscal year end as the measurement date for reporting net pension liabilities.

PENSION PLAN INFORMATION

HOUSING AND DINING SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2021 and 2020

Agent Employer Plan

Schedule of Changes in Housing and Dining System's Proportionate Share of the WWUSRP Total Pension Liability and Related Ratios

Schedule of Changes in WWU's Net Pension Liability and Related Ratios					
WWUSRP - Housing & Dining					
Fiscal Year ended June 30*					
<i>(dollars in thousands)</i>					
	2017	2018	2019	2020	2021
WWUSRP total pension liability-Beginning	\$379	\$350	\$269	\$363	\$481
Service Cost	5	32	9	10	12
Interest	4	36	13	13	11
Difference between expected and actual experience	(26)	(96)	35	28	(201)
Changes in assumptions	(11)	(36)	44	74	(110)
Benefits payments **	(1)	(17)	(7)	(7)	(7)
Net change in total pension liability	(29)	(81)	94	118	(295)
WWUSRP total pension liability-Ending	<u>\$350</u>	<u>\$269</u>	<u>\$363</u>	<u>\$481</u>	<u>\$186</u>
Plan Fiduciary Net Position ***					<u>\$70</u>
WWUSRP net pension liability-Ending					<u><u>\$116</u></u>
WWU URP employers' covered-employee payroll	\$486	\$500	\$499	\$403	\$381
WWUSRP total or net pension liability as a percentage of its covered-employee payroll (net as of FY21)	71.99%	53.81%	72.81%	119.13%	30.41%
*This schedule is to be built prospectively until it contains ten years of data.					
** Includes amount to resolve OSA rounding issue					
*** Consistent with GASB No. 67/68, plan assets are included in financial reporting beginning in FY 21					

PENSION PLAN INFORMATION

Cost Sharing Employer Plans
Schedule of Contributions

Schedule of Contributions Public Employees' Retirement System (PERS) Plan 1 Fiscal Year Ended June 30 <i>Housing and Dining System</i>									
Fiscal Year	Contributions related to covered payroll of employees		UAAL Contributions related to covered payroll of employees	Total Contributions in relation to the Actuarially Determined Contributions		Covered payroll of employees participating in PERS 1	Covered payroll of employees participating in PERS 2/3	Total Covered-employee payroll	Contributions as a percentage of covered-employee payroll
	Contractually Required Contributions	Participating in PERS plan 1	Participating in PERS plan 2/3	Contributions	Contribution deficiency (excess)	participating in PERS 1	participating in PERS 2/3	payroll	covered-employee payroll
2015	\$67,849	\$6,987	\$60,862	\$67,849	\$0	\$62,902	\$1,544,860	\$1,607,762	4.22%
2016	\$79,994	\$1,725	\$78,269	\$79,994	\$0	\$56,705	\$1,600,821	\$1,657,525	4.83%
2017	\$79,456	\$0	\$79,456	\$79,456	\$0	\$43,181	\$1,565,004	\$1,608,185	4.94%
2018	\$93,100	\$0	\$93,100	\$93,100	\$0	\$31,355	\$1,795,295	\$1,826,650	5.10%
2019	\$102,045	\$0	\$102,045	\$102,045	\$0	\$4,506	\$1,330,922	\$1,335,428	7.64%
2020	\$103,485	\$0	\$103,485	\$103,485	\$0	\$10,773	\$2,144,421	\$2,155,194	4.80%
2021	\$56,092	\$0	\$56,092	\$56,092	\$0	\$827	\$1,162,558	\$1,163,385	4.82%
2022									
2023									
2024									

Notes:
This schedule will be built prospectively until they contain ten years of data.

PENSION PLAN INFORMATION

Cost Sharing Employer Plans
Schedule of Contributions

Schedule of Contributions					
Public Employees' Retirement System (PERS) Plan 2/3					
Fiscal Year Ended June 30					
<i>Housing and Dining System</i>					
Fiscal Year	Contributions in relation to the			Covered- employee payroll	Contributions as a percentage of covered- employee payroll
	Contractually Required Contributions	Contractually Required Contributions	Contribution deficiency (excess)		
2015	\$83,163	\$83,163	\$0	\$1,547,592	5.37%
2016	\$105,012	\$105,012	\$0	\$1,681,103	6.25%
2017	\$106,724	\$106,724	\$0	\$1,666,293	6.40%
2018	\$140,761	\$140,761	\$0	\$1,876,389	7.50%
2019	\$155,276	\$155,276	\$0	\$1,370,045	11.33%
2020	\$170,659	\$170,659	\$0	\$2,178,332	7.83%
2021	\$91,704	\$91,704	\$0	\$1,165,232	7.87%
2022					
2023					
2024					

Notes:
This schedule will be built prospectively until they contain ten years of data.

PENSION PLAN INFORMATION

Agent Employer Plan
 Schedule of Contributions

Schedule of Contributions WWUSRP Plan - Housing & Dining Fiscal Year Ended June 30						
Fiscal Year	Contractually Required Contributions	Contributions in relation to the			Covered- employee payroll	Contributions as a percentage of covered- employee payroll
		Contractually Required Contributions	Contribution deficiency (excess)			
2021	\$2,613	\$2,613	\$ -	\$381,428	0.68%	
2022						
2023						
2024						
2025						
2026						
2027						
2028						
2029						
2030						

Notes:
 This schedule will be built prospectively until they contain ten years of data.

OPEB INFORMATION

Cost Sharing Healthcare Plans

Schedule of Housing & Dining System's Changes in Total OPEB Liability and Related Ratios

Schedule of Housing and Dining System Changes in Total OPEB Liability and Related Ratios				
Fiscal Year ended June 30 *				
	2018	2019	2020	2021
Total OPEB Liability-Beginning	\$3,663,726	\$3,577,005	\$3,279,944	\$3,442,549
Service Cost	\$90,045	\$133,243	\$139,391	\$154,941
Interest	\$42,178	\$91,602	\$120,913	\$129,611
Difference between expected and actual experience	\$0	\$83,615	\$0	-\$19,862
Changes in assumptions	-\$205,746	-\$583,308	\$225,173	\$84,017
Benefits payments	-\$21,495	-\$38,688	-\$55,311	-\$61,710
Change in proportionate share	\$8,297	\$16,475	-\$267,560	\$136,264
Other				-\$132,018
Total OPEB liability-Ending	<u>\$3,577,005</u>	<u>\$3,279,944</u>	<u>\$3,442,549</u>	<u>\$3,733,792</u>
Housing and Dining System employers' covered-employee payroll	\$3,257,555	\$3,567,358	\$3,921,083	\$2,719,872
Housing and Dining employers' proportionate share of total OPEB liability as a percentage of its covered-employee payroll	109.81%	91.94%	87.80%	137.28%
*This schedule is to be built prospectively until it contains ten years of data.				

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Plans administered by DRS

The Office of the State Actuary (OSA) calculates the actuarially determined contributions (ADC) based on the results of an actuarial valuation consistent with the state's funding policy defined in Chapter 41.45 RCW. Consistent with the state's contribution-rate adoption process, the results of an actuarial valuation with an odd-numbered year valuation date determine the ADC for the biennium that ensues two years later. For example, the actuarial valuation with a June 30, 2019 valuation date, completed in the fall of 2020, determines the ADC for the period beginning July 1, 2021, and ending June 30, 2023.

Additional Considerations on ADC for All Plans: OSA calculates the ADC consistent with the methods described above. Adopted contribution rates could be different pending the actions of the governing bodies. For instance, for the period beginning July 1, 2019 and ending June 30, 2021, the contribution rates that the Pension Funding Council adopted, which the Legislature did not change, reflect a phasing in of the increase to contribution rates that resulted from a change to the mortality assumption. This is the second of three biennia over which this increase is expected to be phased-in for PERS 1, PERS 2/3, TRS 1, and TRS 2/3.

For cost-sharing plans, OSA calculates the contractually required contributions (CRC) using the same assumptions and methods as the ADC, except that the CRC reflect the adopted contribution rates for the time period shown. These might differ from the contribution rates produced for the ADC.

Plans administered by the University

On July 1, 2020, the state of Washington established a trust for contributions paid by WWU for the benefit of Western Washington University's Supplemental Retirement Plan (WWUSRP) in accordance with Revised Code of Washington 41.50.075. As a result, the applicable accounting guidance for the WWUSRP has changed to GASB codification section P20 "Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specific Criteria." This event gives rise to a change in WWU's estimates of future obligations, deferrals and pension expense related to the WWUSRP. WWU will now report the plan's net pension liability (total pension liability less the plan's fiduciary net position). Prior to this change in estimate WWU reported the plan's total pension liability. In addition, under GASB P20 the discount rate used to value the ending liability has changed to the expected investment return on plan assets. As such, WWU has changed from using the Bond Buyer's 20 Bond Index (2.21% for the fiscal year 2020 liability) to using the expected investment return on plan assets (7.40% for the fiscal year 2021 liability).

Material assumption changes during the fiscal year 2021 measurement period include an increase in the total salary growth rate (3.50% to 3.75%), an increase in the discount rate (2.21% to 7.40%), an increase in the TIAA rate (4.00% to 4.25%), and an increase in the CREF rate (6.25% to 6.50%). Under GASB 67/68, the discount rate is now based on the long-term expected rate of return on pension plan investments, which led to the increase in the discount rate used to measure the Total Pension Liability (7.40%). The Total Pension Liability is now compared against the plan's Fiduciary Net Position to determine the Net Pension Liability.

Material assumption changes during the fiscal year 2020 measurement period include updating the GASB 73 discount rate from 3.50% to 2.21% ("Change in assumption" which increased the TPL). Additionally, the fiscal year 2020 returns for the Teachers Insurance and Annuity Association of America (TIAA) and CREF investments were used to determine a member's assumed income. Those returns were 4.12 percent for TIAA and 2.31 percent for CREF. This resulted in an increase in the TPL.

OPEB Plan administered by the Healthcare Authority of Washington State

The OPEB Plan has no assets accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4 to pay related benefits. Material assumption changes during the fiscal year 2020 measurement period relate to a decrease in the Bond Buyer General Obligation 20-Bond Municipal Bond Index, from 3.50%

HOUSING AND DINING SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2021 and 2020

for the June 30, 2019 measurement date, to 2.21% for the June 30, 2020 measurement date. Other material assumption changes included lowering the forecast of future healthcare cost trends. This resulted in an increase in the TOL. Legislation under H.R. 1865 repealed the excise tax after the previous measurement date. The impact of removing trends that include Excise Tax resulted in a decrease in TOL.

Material assumption changes during the fiscal year 2019 measurement period relate to a decrease in the Bond Buyer General Obligation 20-Bond Municipal Bond Index, from 3.87% for the June 30, 2018 measurement date, to 3.50% for the June 30, 2019 measurement date.

OTHER INFORMATION

SCHEDULE OF ROOM AND BOARD RATES
YEAR ENDED JUNE 30, 2021

(Unaudited)

RESIDENCE HALLS

	Meals per Quarter			
	Unlimited	125	100	80
Room and Board Academic Year Contracts				
Double room/double occupancy	\$13,007.00	\$12,518.00	\$12,039.00	\$11,545.00
Single room/single occupancy	14,342.00	13,853.00	13,374.00	12,880.00
Double room/single occupancy (super single)	15,116.00	14,627.00	14,148.00	13,654.00
Triple room/triple occupancy	11,381.00	9,894.00	9,415.00	8,921.00

APARTMENTS

	Meals per Quarter		
	Double with 2/bedroom	Super single 1/bedroom	Family rate
Apartment only Academic Year Contracts			
Birnam Wood - 2 bedroom units	\$4,128.00	\$8,256.00	\$16,512.00

**SCHEDULE OF OCCUPANCY
Year Ended June 30, 2021**

(Unaudited)

	OCCUPANCY CAPACITY		ACTUAL OCCUPANCY (3)	ACTUAL OCCUPANCY AS A PERCENT OF	
	<u>Designed (1)</u>	<u>Operating (2)</u>		<u>Designed Capacity</u>	<u>Operating Capacity</u>
Fall 2020	4,137	4,015	1,042	25.2%	26.0%
Winter 2021	4,137	4,015	1,041	25.2%	25.9%
Spring 2021	<u>4,137</u>	<u>4,015</u>	<u>328</u>	<u>7.9%</u>	<u>8.2%</u>
Average	4,137	4,015	804	19.4%	20.0%

(1) Designed capacity is the number of students for which the Housing and Dining System was originally constructed and subsequently remodeled to accommodate.

(2) Operating capacity is the number of students that can effectively be accommodated in an academic quarter based on housing policies in effect for that quarter.

(3) Actual occupancy is calculated as the quarterly average occupancy

(4) For Academic Year 2020-2021 all classes were taught remotely due to the COVID-19 pandemic.

SCHEDULE OF INSURANCE COVERAGE FY 2021

WWU purchases buildings, contents and business interruption insurance for the Housing and Dining System through its participation in the State of Washington Alliant Property Insurance Program (APIP). The Housing and Dining System is responsible for 100% of its portion of the premium. Business interruption coverage is provided on rental income and earnings from insured property with specific limits for each location. Other highlights of insurance coverage are as follows:

- Repair or replacement cost coverage for all scheduled buildings for “all risk” of direct physical loss or damage, including earthquake and flood.
- The policy limit is \$500,000,000 per occurrence, with an aggregate limit of \$100,000,000 for earthquake and flood damage, and \$100,000,000 sub-limit for business interruption. A \$250,000 deductible per occurrence applies, which increases to 3% of the value of damaged property subject to a \$250,000 minimum for earthquake and flood damage.
- Equipment breakdown insurance (a.k.a. boiler & machinery insurance) – State of Washington Program, \$200,000,000 property damage limit subject to a \$5,000 deductible for covered equipment.
- Third-party bodily injury and property damage liability insurance – State Self-Insurance Liability Program (SILP), \$10,000,000 per occurrence limit, with a commercial excess liability insurance policy above, and zero deductible.

The Housing and Dining System’s property insurance in effect at June 30, 2021 is summarized as follows:

	Values Used for Fire and Extended Coverage of Buildings
Ridgeway Residences and Commons	\$114,942,613
Fairhaven Residences and Commons	89,898,129
Buchanan Towers	64,987,393
Edens Hall and Edens Hall North	41,690,515
Viking Union, Addition and Commons	76,491,067
Birnam Wood Residences	63,795,754
Nash Hall	35,580,898
Mathes hall	34,882,153
Higginson hall	23,330,196
Commissary	21,729,563
Lakewood Recreational Facility	<u>2,957,075</u>
Building Insured Values	570,285,356
Insured Contents	<u>15,238,761</u>
Total	<u><u>\$585,524,117</u></u>

EXPENDED FOR PLANT FACILITIES FY 2021 and FY 2020

Expenditures by the System to maintain and improve its facilities are listed below. Some of these projects are capitalized and increase the value of the System's buildings. Others are costs to maintain the buildings and infrastructure and are expensed.

	<u>2021</u>	<u>2020</u>
Capitalized Projects		
VU Multicultural Center		(836,349)
Buchanan Towers Renovation		4,993,193
New Residence Hall / Planning	38,636,683	15,148,533
Other capitalizable	92,550	544,438
	<u>\$38,729,234</u>	<u>\$19,849,814</u>
Non-Capitalized Projects		
ADA Upgrades		
Bathroom & Shower renovations		47,469
Stormwater & Site Drainage		
RC Sewer Repair	223	586,512
Painting	20,863	98,623
Equipment	23,689	
Viking Union Projects	39,213	587,064
Fire Safety / Safety Corrections	36,199	1,634
Other Residence Planning		
Plumbing, heating and electrical	93	
Access Control	296,190	1,135,645
Network & WiFi projects		101,578
Furniture & Carpet		341,552
Other	73,761	1,050,327
Roof Repair/Recoat/Replace	93,680	1,686,573
Dining Equipment / Upgrades		67,864
Birnam Wood Siding Replacement		224
Birnam Wood Moisture Mitigation		
Carver Dining Addition		62,480
Comprehensive UR Bldg Audit		
Birnam Wood Balcony & Deck Rep/Rplcmt		121,468
	<u>\$583,911</u>	<u>\$5,889,014</u>

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WADE KING STUDENT RECREATION CENTER

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Overview

Western Washington University Wade King Student Recreation Center (the Recreation Center) is a state of the art open recreation fitness and wellness facility that has been created and shaped by the vision and support of Western Washington University (WWU) students. The Recreation Center was one of the nation's first recreation centers designed to meet Leadership in Energy and Environmental Design (LEED).

The following discussion and analysis provide an overview of the financial position and activities of the Recreation Center for the fiscal years ended June 30, 2021 and 2020. This discussion has been prepared by management and should be read in conjunction with the financial statements and accompanying notes which follow this section.

Impacts of the Covid-19 Pandemic

The outbreak of COVID-19 is a significant event that has had material effects on the finances and operations of the Recreation Center. On March 23, 2020, the Governor issued a statewide "Stay Home, Stay Healthy" proclamation, requiring individuals to stay home except for essential activities, banning social and other gatherings, and closing all businesses except for those businesses designated as essential. The proclamation was made in fiscal year 2020 and the timing was such that Winter quarter concluded with modest disruptions, and Spring quarter began with the closure of the Recreation Center. As a result, Spring quarter 2020 Recreation Center utilization was materially reduced for the fiscal year. The resultant declines in Spring Quarter operating activity had a significant effect on the Recreation Center revenues and expenditures and are the primary reason for the financial variances reviewed in this discussion and analysis. In fiscal year 2021, the Recreation Center remained closed throughout Summer and Fall 2020. Halfway through Winter quarter, the Recreation Center was open by reservation only, and continued into Spring quarter, limiting occupancy to no more than 300 a day. These modes of operations continued to have economic impact on the revenues and expenditures of the facility. The Recreation Center reopened in February 2021 with COVID-19 safety restrictions in place, as well as brought its rate up to the previously approved amount of \$109.46 per quarter.

Using the Financial Statements

The Recreation Center's financial reports include the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows.

The statements are prepared in accordance with Governmental Accounting Standard Board (GASB) principles, which establish standards for external financial reporting for public colleges and universities. The financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when an obligation has been incurred.

Statement of Net Position

The Statement of Net Position presents the financial condition of the Recreation Center at the end of the fiscal year (FY) and reports all assets and liabilities of the Recreation Center.

The amounts in these statements represent the assets available to continue the operations of the Recreation Center and identify the amount owed to vendors and other parties. The difference between assets and deferred outflows less liabilities and deferred inflows is net position. Net position is one indicator of the current financial condition of the Recreation Center.

**WADE KING STUDENT RECREATION CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2021 and 2020

Below is a condensed view of the Statements of Net Position as of June 30, 2021, 2020 and 2019:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Assets			
Current assets	\$1,044,359	\$929,001	\$891,831
Noncurrent assets	3,791,395	3,930,083	3,751,869
Capital assets, net	<u>17,380,024</u>	<u>18,348,957</u>	<u>19,300,855</u>
Total assets	<u>22,215,778</u>	<u>23,208,041</u>	<u>23,944,555</u>
Deferred Outflows	<u>427,848</u>	<u>460,916</u>	<u>424,305</u>
Liabilities			
Current liabilities	1,180,173	1,067,210	1,166,500
Noncurrent liabilities	<u>19,266,117</u>	<u>20,253,374</u>	<u>21,024,975</u>
Total liabilities	<u>20,446,290</u>	<u>21,320,584</u>	<u>23,135,691</u>
Deferred Inflows	<u>308,663</u>	<u>286,819</u>	<u>316,173</u>
Net Position			
Net investment in capital assets	(1,545,124)	(1,414,054)	(1,269,526)
Restricted for system renewal and replacements	3,212,596	3,237,514	2,937,118
Unrestricted	<u>221,201</u>	<u>238,094</u>	<u>193,620</u>
Total net position	<u><u>\$1,888,673</u></u>	<u><u>\$2,061,554</u></u>	<u><u>\$1,861,212</u></u>

The primary components in the asset category are cash, investments, receivables and capital assets. Total assets decreased \$992,263 (-4.3%) in fiscal year FY 2021 and decreased \$736,514 (-3.1%) during FY 2020.

In FY 2021, total cash and investments decreased \$71,676 (see Note 2) primarily due to reductions in fees collect as a result of decreased enrollment. In FY 2020, total cash and investments (see Note 2) increased by \$239,628 when compared to FY 2019, due to a 4.0% fee increase during Fall and Winter quarters combined with reduced operational spending and a larger beginning cash balance. In FY 2021, current unrestricted cash and investments increased \$67,012 primarily due to the sale of investments and reductions in operating expenses. In FY 2020, current unrestricted cash and investments increased \$61,414 (7.3%) due to liquidating some long-term investments.

FY 2021 saw a net decrease of \$968,933 (-5.3%) in capital assets due to depreciation of \$968,933. FY 2020 saw a net decrease of \$951,898 (-4.9%) in capital assets due to depreciation of \$971,946 offset by capital fitness equipment purchases of \$20,048.

Current liabilities typically fluctuate depending on the timing of accounts payable payments and the receipt of deposits and revenue that is applicable to the next fiscal year. Current liabilities decreased \$99,290 (-8.5%)

***WADE KING STUDENT RECREATION CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS***

June 30, 2021 and 2020

during FY 2020 but increased \$112,293 (10.5%) in FY 2021 due to changes to accounts payable and unearned revenue balances offset by increases in the current portion of the bonds payable. The FY 2021 increase in unearned revenue is due to the Recreation Center resuming its Summer 2021 fee that was postponed during Summer 2020.

Non-current liabilities decreased \$987,257 (-4.9%) in FY 2021 and \$771,601 (-3.7%) in FY 2020, mainly attributable to principal payments made on outstanding bonds (see Note 4) plus changes in pension and other postemployment benefits (OPEB) liabilities. The OPEB and pension liabilities decreased \$147,204 during FY 2021 as opposed to an increase of \$88,930 in FY 2020. These changes are primarily due to the change in the discount rate used for the OPEB calculation and an accounting standard change to pension reporting.

The difference between assets and deferred outflows less liabilities and deferred inflows is net position. The change in net position measures whether the overall financial condition has improved or deteriorated during the year and is driven by the difference between revenues and expenses. Total net position decreased \$172,881 (-8.4%) during FY 2021 as revenues fell. Total net position increased \$200,342 (10.8%) during FY 2020 as revenues, although lower due to COVID-19, continued to exceed expenses.

Net Position – Net investment in capital assets decreased by \$131,070 (-9.3%) in FY 2021 and decreased by \$144,528 (-11.4%) in FY 2020 because the Recreation Center facility is being depreciated at a faster rate than the related debt is being repaid.

Net Position - Restricted for system renewals and replacements decreased by \$24,918 (-0.8%) for FY 2021 due to spending on planned maintenance while net position for system renewals and replacements increased by \$300,396 (10.2%) in FY 2020 as contributions to this fund exceeded expenditures. Funds for renewal and replacement are set aside according to the capital and maintenance plan required by the debt covenants. These funds are classified as restricted on the Statement of Net Position.

Unrestricted Net Position decreased slightly by \$16,893 (-7.1%) in FY 2021 due to the economic impacts of COVID-19. The unrestricted net position increased in FY 2020 by \$44,474 (23.0%) as revenues surpassed expenses. The fee increases implemented for FY20 and FY19 enabled the Recreation Center's unrestricted net position to trend positive during FY 2020 and FY 2019.

Statement of Revenues, Expenses, and Changes in Net Position

The changes in Total Net Position, as presented on the Statement of Net Position, are detailed in the activity presented in the Statement of Revenues, Expenses and Changes in Net Position. This statement presents the Recreation Center's results of operations. In accordance with GASB reporting principles, revenues and expenses are classified as operating or non-operating.

In general, operating revenues are those received for providing goods and services to the members of the Recreation Center, primarily students. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues.

Non-operating revenues are monies received for which goods and services are not provided, such as investment income. Non-operating expenses include interest expense on outstanding debt and amortization of bond premium.

Following is a condensed version of the Statement of Revenues, Expenses and Changes in Net Position for the years ended June 30, 2021, 2020 and 2019:

**WADE KING STUDENT RECREATION CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating revenues	\$ 3,674,920	\$ 4,583,662	\$ 5,065,940
Operating expenses	<u>(3,115,823)</u>	<u>(3,656,847)</u>	<u>(3,767,040)</u>
Income from operations	559,097	926,815	1,298,900
Nonoperating revenues	54,854	89,554	82,251
Nonoperating expenses	<u>(786,832)</u>	<u>(816,027)</u>	<u>(836,654)</u>
Increase in net position	<u>(172,881)</u>	<u>200,342</u>	<u>544,497</u>
Net position, beginning of year	2,061,554	1,861,212	1,316,715
Net position, end of year	<u>\$ 1,888,673</u>	<u>\$ 2,061,554</u>	<u>\$ 1,861,212</u>

Revenues

The Recreation Center's largest source of revenue is a \$109.46 per quarter mandatory service and activity (S&A) fee. This fee, called the "Student Recreation Fee," entitles use of the facility for those students taking six or more credits on WWU's main campus and is utilized for bond repayment as well as maintenance and operations within the facility. The revenue is net of an RCW required 3.5% allocation to an institutional financial aid fund (See Note 1). The academic yearly average (AYA) of students taking 6 or more credits decreased in FY 2021 to 11,992 from 13,176 in FY 2020. This decrease in AYA, resulting primarily from the COVID-19 Summer and Fall 2020 closure and partial fee collection, lowered fee revenue by \$472,693 (-11.5%) to \$3,639,598. The academic yearly average (AYA) of students taking 6 or more credits decreased in FY 2020 to 13,176 from 13,629 in FY 2019. This decrease in AYA, resulting primarily from the COVID-19 Spring 2020 closure and partial fee collection, lowered fee revenue by \$334,557 (-7.5%) to \$4,112,291. The AYA does not include summer term.

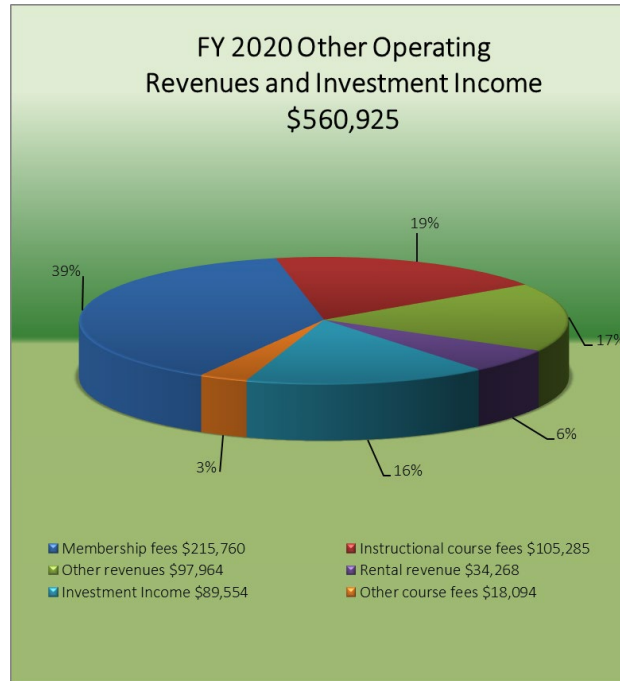
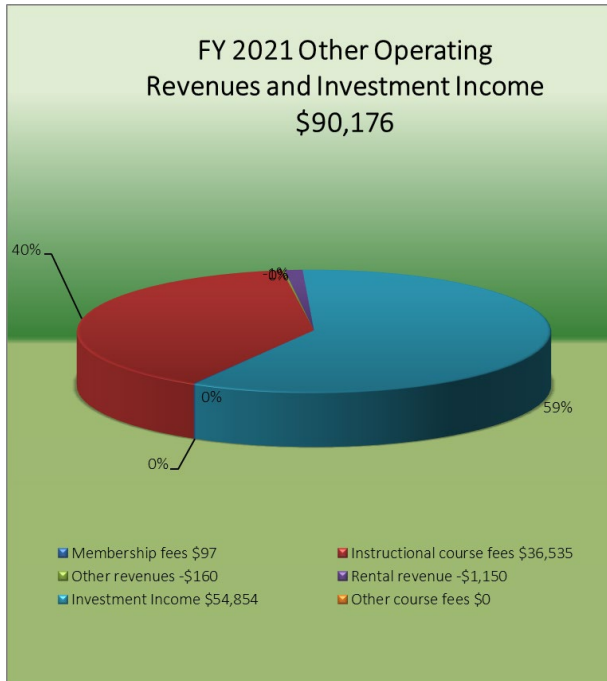
In addition to the mandatory student fee, the Recreation Center is supported by "Other Operating Revenues and Investment Income" as shown in the charts below.

Other students, faculty, staff, and alumni may pay a membership fee on a voluntary basis to gain access to the facility. This voluntary membership fee revenue decreased significantly by \$215,663 (-100.0%) in FY 2021 and \$66,245 (-23.5%) in FY 2020. This is completely attributed to the decrease in membership from the closure of Spring 2020, Summer 2020 and Fall 2020 due to COVID-19.

Instructional course fees saw a decrease in FY 2021 of \$68,750 (-65.3%) due to the facility closure of Summer and Fall 2020. In addition, upon returning to reduced operations in Winter 2021, the Recreation Center was unable to deliver normal class instruction due to a reservation system use of the facility. Similarly, instructional course fees decreased by \$39,773 (-27.4%) in FY 2020 from \$145,058 in FY 2019 due to COVID-19 related facility closures.

Rental revenue was nonexistent in FY 2021 due to facility closures and restrictions on use. With facility rental refunds given, the Recreation Center rental revenue decreased by \$35,418 (-103.4%) during FY 2021. During FY 2020 rental revenue decreased significantly by \$23,898 (-41.1%) due to the COVID-19 closure of Spring 2020.

Other revenues were also eliminated in FY 2021 due to facility closures and restrictions on use. Those revenues decreased by \$98,124 (-100.2%) in FY 2021. During FY 2020, other revenues increased slightly by \$3,872 (4.1%) due to an uptick in aquatic programming in the Fall of 2019.



Expenses

The largest category of expenses for the Recreation Center is student and staff salaries and benefits expense. Salaries and benefits comprised 36.4% of the total operating expenses in FY 2021 and 46.5% in FY 2020. During FY 2021, salaries and benefits expense decreased \$568,128 (-33.4%) due to a lack of student employment during the Summer and Fall of 2020 operations due to the COVID-19 facility closure. Similarly, during FY 2020, salaries and benefits expense decreased \$43,104 (-2.5%) primarily due to a lack of student employment during the Spring 2020 COVID-19 closure. FY 2020 salary expense decreased by \$76,124 (-5.3%) while benefits increased by \$33,020 (10.9%) which was largely driven by pension and OPEB adjustments resulting in a net increase of \$32,835.

Total utility expenses decreased significantly at \$63,095 (-24.8%) and \$41,899 (-14.2%) in FY 2021 and FY 2020, respectively. These significant decreases in utility usage were due to a March 2020 – February 2021 closure of the Recreation Center.

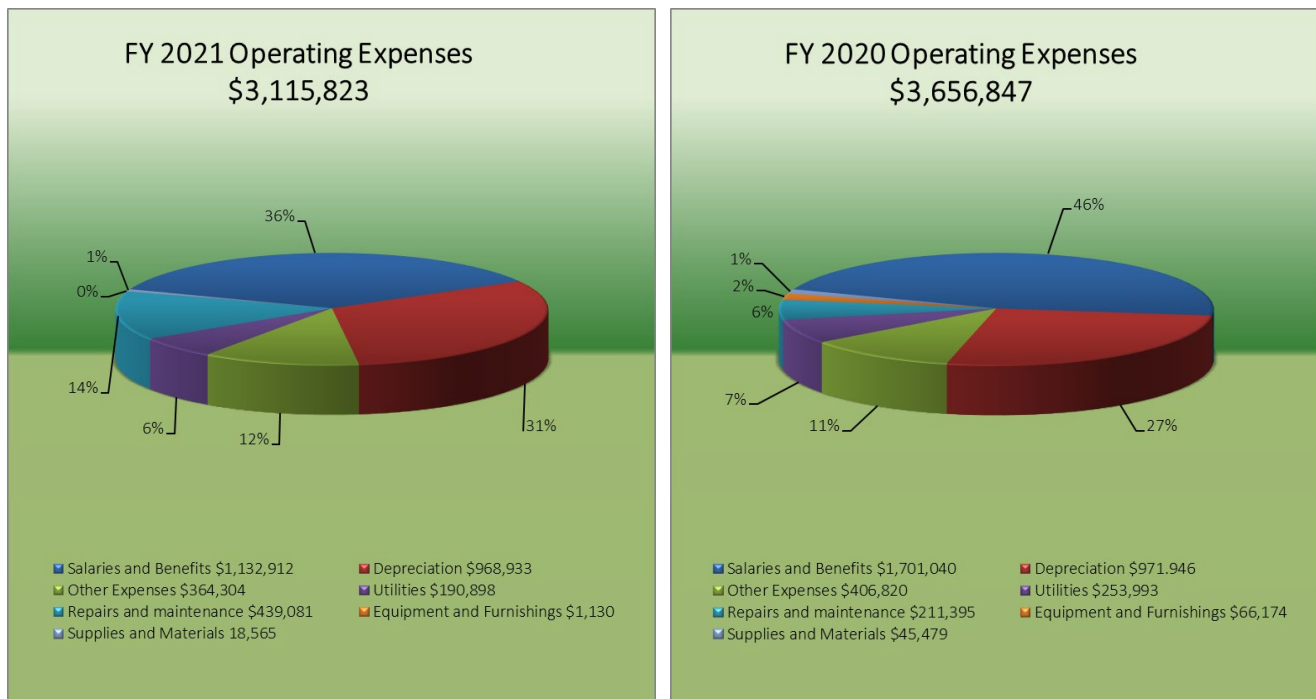
FY 2021 saw a \$227,686 (107.7%) increase in repairs and maintenance. Recreation Center management thought it prudent to conduct much needed maintenance on the building during an opportune COVID-19 closure. In FY 2020 repairs and maintenance stayed on par with a minimal increase of \$170 (0.1%).

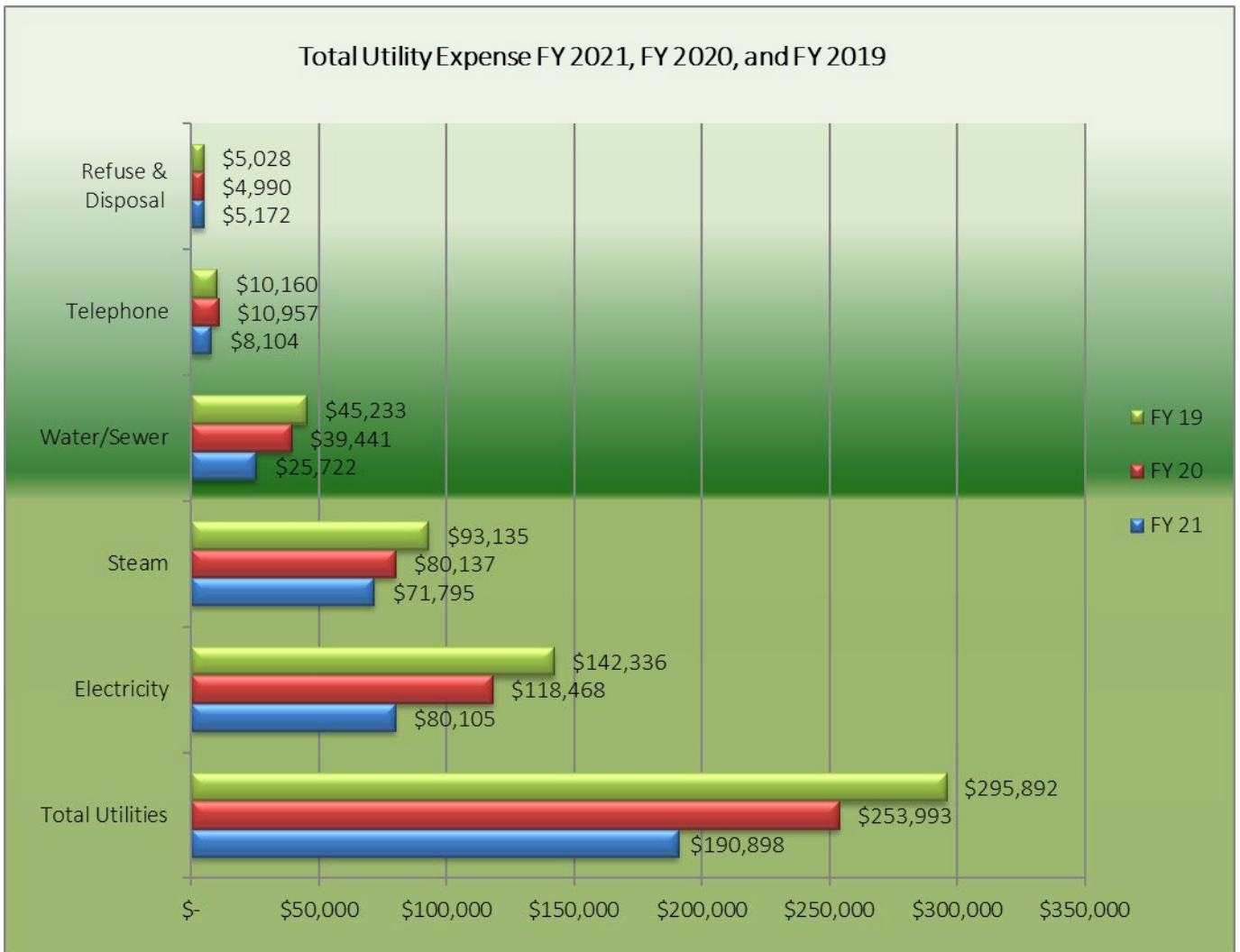
The Recreation Center has an equipment replacement plan which budgets \$100,000 per year in equipment replacement and refurbishment. The anticipated budget spending of \$100,000 did not occur in FY 2017; therefore, it was reflected in FY 2018 as the Recreation Center spent \$273,875 (935.7%) more than in FY 2017 to catch up on its equipment needs from the previous two fiscal years. That “skip over” year occurred again in FY 2019 as the Recreation Center spent only \$51,987 (-82.9%) in equipment and furnishings. It should be noted that even though the Recreation Center was expected to have a larger equipment purchase in FY 2020 and FY 2021, this expense category was put on hold due to COVID-19 budget implications. The Recreation Center

spent only \$1,130 (-98.3 %) in FY 2021 and \$66,174 (27.3%) on equipment and furnishings in FY 2021 and FY 2020, respectively.

Due to Spring 2020, Summer 2020 and Fall 2020 closures and budget implications due to COVID-19, supplies and materials spending was put on hold and spending decreased by \$26,914 (-59.2%) in FY 2021 and \$10,924 (-19.4%) in FY 2020.

WWU's administrative services assessment (ASA) fee decreased by \$48,132 (-18.4%) in FY 2021 and \$25,681 (-8.9%) in FY 2020. This is directly related to the decrease in revenue on which the assessment fee is assessed. The reduction in Spring 2020, Summer 2020 and Fall 2020 revenue due to the COVID-19 closure directly affected the amount of ASA collected in both FY 2021 and FY 2020.





Bond covenants require an annual addition to the renewal and replacement (R&R) reserve based on management’s assessment of the funding level necessary to maintain the facility over the long term. Management reaffirmed the Facilities Management lifecycle maintenance plan for major maintenance and building repair and increased the annual contribution to \$250,000 beginning in FY 2009 to meet anticipated building maintenance and repairs expenses. \$258,933 was spent out of this reserve for a full resurfacing and repair of the pool surface and deck. Due to reduced revenue from COVID-19 implications only \$200,000 was placed into the R&R reserve for FY 2021. This reduction is not seen as cause for concern since the closures effectively reduced the wear and tear on much of the facility. \$250,000 was transferred into the (R&R) in both FY 2020 and FY 2019. At June 30, 2021, the total restricted and unrestricted R&R balance was \$3,464,761. The restricted funds must be used to improve or maintain the Recreation Center facility.

Management established an Operating Reserve in FY 2005 for unforeseen or extraordinary expenses. The reserve acts as an emergency fund for unplanned repairs, insurance deductibles, and as an operating cushion to cover unforeseen decreases in revenue. Reserve funds can also be designated for facility improvements beyond basic maintenance or for the purchase of new equipment. Due to the COVID-19 revenue impacts there was a

need to transfer \$150,000 to support recreation center operations in FY 2021. No funds were used in FY 2020 and FY 2019 for any purchases. Contributions to this reserve in the past three years include \$0 in FY 2021, \$100,000 in FY 2020 and \$250,000 in FY 2019. At June 30, 2021 the Operating Reserve balance was \$1,001,214.

Ratio Analysis

Ratios can be helpful in evaluating the Recreation Center's financial health and performance. The debt service coverage ratios for FY 2021, 2020, and 2019 were 2.29, 2.87, and 3.16, respectively. Bond covenants require a debt service ratio of at least 1.25. This ratio is calculated by dividing total operating revenues and investment income by the actual annual debt service paid during the fiscal year on the outstanding revenue bonds. The debt service amounts for FY 2021, FY 2020 and FY 2019 were \$1,629,625, \$1,628,150 and \$1,632,000, respectively.

Utilization Rates

The reporting of utilization rates during this past fiscal year seems somewhat irrelevant, considering that the Recreation Center was closed 8 of the 12 months. In addition, once the building reopened, it served students on a very restricted reservation basis, limiting once what was 2,000 students a day to under 500. As for FY 2020, total number of visits decreased, as well as utilization as a percentage of students enrolled with 10,703 (81.3%) of the estimated 13,176 AYA enrolled students using the facility. This significant decrease in utilization is attributed to the COVID-19 Spring 2020 closure. The utilization rate was lower than the 11,922 (87.5%) of the estimated 13,629 AYA enrolled students who utilized the recreation center in FY 2019. AYA does not include summer term. Utilization information is recorded in the Recreation Center's software system when students present their membership cards upon entry to the facility. Visits by members and non-members totaled only 246,286 during FY 2020 (Spring 2020 closure), compared with 372,782 during FY 2019. The highest number of visits in a given day exceeded 2,300 in FY 2020, which is a decrease from the 2,600 in FY 2019.

Economic Factors That Will Affect the Future

The Recreation Center was closed from March 13, 2020 through February 21, 2021 due to COVID-19 impacts. No summer revenues or Recreation Center fees were collected, and the Recreation Center reduced its fee by 31.5% to \$75 per student for Fall quarter 2020 because the facility was closed with programming offered off-site to a lower number of on-campus residents. This drop in fee revenue, along with an estimated 7% reduction in enrollment, made FY 2021 a challenging time. Expenses were reduced where possible to mitigate reduced net revenue. The mandatory fee is pledged to bond payments and operations and was maintained at a level that would enable the Recreation Center to meet all of its bond covenants. As mentioned in the Reserve Funds narrative, an Operating Reserve had been set up to manage unforeseen situations. The Recreation Center used \$150,000 of this reserve to support operational needs at the end of FY 2021. Because the R&R Reserve Fund was healthy and exists to fund longer term facility needs, management felt that it had sufficient funds in its R&R Reserve to lower the \$250,000 to a \$200,000 annual transfer to that fund in FY21 without undue harm. The Recreation Center will again face the challenges of somewhat lower enrollment in FY 2022, but is charging the full mandatory fee of \$109.46 and is fully open beginning Fall 2021. To combat this situation, management will again utilize the operating reserve to backfill anticipated revenue loss.

Given attractive bond market rates, the University is considering refunding approximately \$19.0 million in outstanding bonds with a call date of May 1, 2022. This is expected to result in significant annual savings through 2037, the life of the bonds. The University received Higher Education Emergency Relief Funds (HEERF) through various congressional acts in support of lost revenue by self-sustaining entities. Some of that funding has been distributed to other campus entities for FY21 fiscal impacts but determined that the Recreation Center is in a strong enough position with its reserves and partial fee revenue collections so didn't need an allocation. While likely not necessary, the Recreation Center could be considered for some of the remaining HEERF depending on operating results going forward.



**Office of the Washington State Auditor
Pat McCarthy**

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Board of Trustees
Western Washington University Wade King Student Recreation Center
Bellingham, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the Western Washington University Wade King Student Recreation Center, as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Center's preparation and fair presentation of the financial statements 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 Center's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant

accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of basic of the Western Washington University Wade King Student Recreation Center, as of June 30, 2021 and 2020, 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.

Matters of Emphasis

The financial statements of the Western Washington University Wade King Student Recreation Center, a departemnt of the University, are intended to present the financial position, and the changes in financial position, and where applicable, cash flows of only the respective portion of the activities of the University that attributable to the transactions of the Center. They do not purport to, and do not, present fairly the financial position of the University as of June 30, 2021, the changes in its financial position, or where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinions are not modified with repects to this matter.

As discussed in Note 6 to the 2021 financial statements, in February 2020, a state of emergency was declared that could have a negative financial effect on the System. Management's plans in response to this matter are also described in Note 6.

As discussed in Note 5 to the financial statements, legislation created a trust arrangement for assets dedicated to paying the Western Washington University Retirement Plan (WWURP) benefits to plan members. Contributions previously paid to and accumulated by the Department of Retirement Systems since 2012 were transferred into the trust effective July 1, 2020. As a result, the University transitioned to accounting for the plan in accordance with Governmental Accounting Standards Board Statement. No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, 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.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated November 24, 2021, on our consideration of the Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.

Sincerely,

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive style with a large, stylized initial "P".

Pat McCarthy, State Auditor

Olympia, WA

November 24, 2021

WADE KING STUDENT RECREATION CENTER
STATEMENT OF NET POSITION

June 30, 2021 and 2020

Assets	2021	2020
Current assets		
Cash and cash equivalents (Note 2)	\$523,382	\$465,041
Investments (Note 2)	448,714	440,043
Accounts receivable, net of allowance of \$5,931 in 2021 and \$4,825 in 2020	69,733	21,430
Prepaid Expenses	45	-
Inventory	2,485	2,487
Total current assets	<u>1,044,359</u>	<u>929,001</u>
Noncurrent assets		
Investments (Note 2)	578,800	692,569
Restricted cash and cash equivalents (Note 2)	1,083,616	941,874
Restricted investments (Note 2)	2,128,979	2,295,640
Capital assets, net (Note 3)	17,380,024	18,348,957
Total noncurrent assets	<u>21,171,419</u>	<u>22,279,040</u>
Total assets	<u>22,215,778</u>	<u>23,208,041</u>
Deferred Outflows		
Relating to pensions (Note 5)	93,624	92,696
Relating to OPEB (Note 6)	74,314	78,864
Deferred loss on bond refunding	259,910	289,356
Total deferred outflows	<u>427,848</u>	<u>460,916</u>
Liabilities		
Current liabilities		
Accounts payable and accrued expenses	5,083	1,901
Accrued wages and benefits	54,329	40,685
Unearned revenue	113,824	-
Interest payable	125,842	130,771
Current portion of Net pension liability (Note 4,5)	-	36,730
Current portion of Net OPEB liability (Note 6)	11,095	12,123
Current portion of bonds payable (Note 4)	870,000	845,000
Total current liabilities	<u>1,180,173</u>	<u>1,067,210</u>
Noncurrent liabilities		
Compensated Absences	188,723	135,797
Net pension liability (Note 4, 5)	142,674	219,285
Net OPEB liability (Note 6)	619,662	690,925
Bonds payable, less current portion (Note 4)	18,315,058	19,207,367
Total noncurrent liabilities	<u>19,266,117</u>	<u>20,253,374</u>
Total liabilities	<u>20,446,290</u>	<u>21,320,584</u>
Deferred Inflows		
Relating to pensions (Note 5)	140,961	81,147
Relating to OPEB (Note 6)	167,702	205,672
Total deferred inflows	<u>308,663</u>	<u>286,819</u>
Net Position		
Net investment in capital assets	(1,545,124)	(1,414,054)
Restricted for system renewals and replacements	3,212,596	3,237,514
Unrestricted	221,201	238,094
Total net position	<u>1,888,673</u>	<u>2,061,554</u>

WADE KING STUDENT RECREATION CENTER
STATEMENT OF REVENUES, EXPENSES & CHANGES IN NET POSITION

*For the Years Ended
June 30, 2021 and 2020*

	<u>2021</u>	<u>2020</u>
Operating Revenues		
Service and activity fees, net of mandatory transfer	\$3,639,598	\$4,112,291
Staff, faculty and alumni membership fees	97	215,760
Instructional course fees	36,535	105,285
Other course fees	-	18,094
Rental revenue	(1,150)	34,268
Other revenues	(160)	97,964
Total operating revenues	<u>3,674,920</u>	<u>4,583,662</u>
Operating Expenses		
Salaries and benefits	1,132,912	1,701,040
Depreciation	968,933	971,946
Utilities	190,898	253,993
Repairs and maintenance	439,081	211,395
Equipment and furnishings	1,130	66,174
Supplies and materials	18,565	45,479
Administrative assessment	213,215	261,347
Insurance	56,366	45,060
Other	94,723	100,413
Total operating expenses	<u>3,115,823</u>	<u>3,656,847</u>
Income from operations	559,097	926,815
Nonoperating Revenues (Expenses)		
Investment income	54,854	89,554
Interest expense	(786,832)	(816,027)
Total nonoperating (expenses) revenues	<u>(731,978)</u>	<u>(726,473)</u>
Increase/(Decrease) in net position	(172,881)	200,342
Net Position, Beginning of Year	<u>2,061,554</u>	<u>1,861,212</u>
Net Position, End of Year	<u>\$1,888,673</u>	<u>\$2,061,554</u>

WADE KING STUDENT RECREATION CENTER
STATEMENT OF CASH FLOWS

For the Years Ended
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities		
Cash received from students and other customers	3,740,440.00	\$4,527,658
Payments to employees	(1,226,508)	(1,727,899)
Payments to suppliers	<u>(1,010,838)</u>	<u>(1,001,486)</u>
Net cash flows provided by operating activities	1,503,094	1,798,273
Cash Flows from Investing Activities		
Net (purchases)/ sales/ of investments in internal investment pool	271,759	(53,482)
Investment income received	<u>54,854</u>	<u>89,554</u>
Net cash flows provided by/(used in) investing activities	326,613	36,072
Cash Flows from Capital and Related Financing Activities		
Purchases of equipment	-	(20,048)
Interest paid on capital debt	(784,624)	(813,151)
Principal paid on capital debt	<u>(845,000)</u>	<u>(815,000)</u>
Net cash used in capital and related financing activities	<u>(1,629,624)</u>	<u>(1,648,199)</u>
Net increase/(decrease) in cash and cash equivalents	200,083	186,146
Cash and cash equivalents, beginning of year	<u>1,406,915</u>	<u>1,220,769</u>
Cash and cash equivalents, end of year	<u><u>\$1,606,998</u></u>	<u><u>\$1,406,915</u></u>
Reconciliation of Operating Income to Net Cash Provided to Operating Activities		
Income from operations	\$559,097	\$926,815
Adjustments to reconcile operating income to net cash flows from operating activities		
Depreciation	968,933	971,946
Change in operating assets and liabilities		
Accounts receivable	(48,303)	24,793
Accounts payable, accrued expenses, salaries and benefits	69,752	(37,353)
Prepaid Expense	(45)	-
Unearned revenue	113,824	(80,796)
Pension and OPEB liabilities and related deferred outflows and inflows of resources	(160,166)	(6,583)
Inventory	<u>2</u>	<u>(549)</u>
Net cash flows provided by operating activities	<u><u>\$1,503,094</u></u>	<u><u>\$1,798,273</u></u>

***WADE KING STUDENT RECREATION CENTER
NOTES TO THE FINANCIAL STATEMENTS***

June 30, 2021 and 2020

NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization

The Western Washington University Wade King Student Recreation Center (the Recreation Center) is a self-supporting, auxiliary enterprise of Western Washington University (WWU). The Recreation Center is an open recreation fitness and wellness facility for the benefit of eligible students and associated members of WWU. The facility includes a lap/leisure pool and a whirlpool, a three-court gym with elevated running track, a multi-activity court, a rock-climbing wall, weight and cardio areas, two group exercise/aerobic rooms, locker rooms, an injury rehabilitation room, a retail food service and lounge area, a conference room, and administrative offices for the Department of Campus Recreation. The Recreation Center is located on WWU's main campus and is supported by a service and activity fee assessed to students quarterly. In addition, memberships are available for purchase by faculty/staff, alumni, and others closely associated with WWU.

The facility was named in memory of Wade King, a 10-year-old who died in 1999 in a pipeline explosion in Bellingham. Prior to FY 2011, Wade King's parents, Frank and Mary King, pledged a lifetime gift of \$50,000 per year to the Western Washington University Foundation, a related party, restricted for support to ensure continued quality facilities and programs at the Recreation Center. The Recreation Center requests funds from the Western Washington University Foundation when expenditures are incurred. This gift has been restructured to an estate gift.

Financial Statement Presentation

The financial statements are presented in accordance with generally accepted accounting principles and follow the guidance given by the Governmental Accounting Standards Board (GASB). These statements are special purpose reports reflecting the net position, results of operations and cash flows of the Recreation Center. These statements present only a selected portion of the activities of WWU. As such, they are not intended to and do not present either the financial position, results of operations, or changes in net position of WWU.

Basis of Accounting

The Recreational Center's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when an obligation has been incurred.

Cash, Cash Equivalents and Investments

WWU records all cash, cash equivalents and investments at fair value. To maximize investment income, WWU combines funds from all departments into an investment pool. The Recreation Center records their share of cash, cash equivalents and investments in the same relation as WWU investment pool itself. Investment income is allocated to the Recreation Center in proportion to its average balance in the investment pool.

Inventory

Inventory consists primarily of athletic and other supplies. Inventory is stated at the lower of cost (first-in, first-out method) or market.

Accounts Receivable

Receivables are recorded at their principal balances and are due primarily from WWU students. The Recreation Center considers all accounts greater than 30 days old to be past due and uses the allowance method for recognizing bad debts. When an account is deemed uncollectible, it is written off against the allowance.

WADE KING STUDENT RECREATION CENTER
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021 and 2020

Management determined that an allowance of \$5,931 and \$4,825 at June 30, 2021 and 2020 respectively, is adequate.

Capital Assets, Net

The building used for the Recreation Center's operations is located on WWU's main campus. Building and equipment are stated at cost, net of accumulated depreciation. The Recreation Center capitalizes any expenditure for buildings, improvements, and equipment that have a cost of at least \$5,000 and an estimated useful life of more than one year. Depreciation is calculated on the straight-line basis over the estimated useful lives of the assets, forty years for buildings and five to seven years for equipment.

Deferred Outflows of Resources and Deferred Inflows of Resources

The Recreation Center classifies losses on retirement of debt as deferred outflows of resources and amortizes such amounts as a component of interest expense over the remaining life of the old debt, or the new debt, whichever is shorter.

Changes in net pension liability, and OPEB not included in pension expense are reported as deferred outflows of resources or deferred inflows of resources. Employer contributions subsequent to the measurement date of the net pension liabilities are reported as deferred outflows of resources.

Unearned Revenue

Summer quarter, which is the first quarter of WWU's fiscal year, begins shortly before June 30. The majority of cash received for service and activity fees related to summer session are recorded as unearned revenue until the following fiscal year when the revenue is earned.

Compensated Absences

The accrued leave balances as of June 30, 2021 and 2020 are \$188,723 and \$135,797, respectively. This consists of unused vacation leave and compensatory time earned for exempt professionals and classified staff. It also includes a percentage of earned and unused sick leave for exempt professionals and classified staff. For reporting purposes, the entire balance of accrued leave is considered a noncurrent liability as more leave is accrued than what is used.

Net Pension Liability

The Recreation Center's net pension liability is for its defined benefit plans. The net pension liability is measured as the total pension liability, less the amount of the pension plan's fiduciary net position. The fiduciary net position and changes in net position of the defined benefit plans has been measured consistent with the accounting policies used by the plans. The total pension liability is determined based upon discounting projected benefit payments based on the benefit terms and legal agreements existing at the pension plan's fiscal year end. Projected benefit payments are discounted using a single rate that reflects the expected rate of return on investments, to the extent that plan assets are available to pay benefits, and a tax-exempt, high-quality municipal bond rate when plan assets are not available.

Pension expense is recognized for benefits earned during the period, interest on the unfunded liability and changes in benefit terms. The differences between expected and actual experience and changes in assumptions about future economic or demographic factors are reported as deferred inflows or outflows and are recognized over the average expected remaining service period for employees eligible for pension benefits. The differences between expected and actual returns are reported as deferred inflows or outflows and are recognized over five

***WADE KING STUDENT RECREATION CENTER
NOTES TO THE FINANCIAL STATEMENTS***

June 30, 2021 and 2020

years.

Net Position

The Recreation Center's net position is classified as follows:

Net investment in capital assets. This represents the Recreation Center's total investment in capital assets, net of outstanding debt obligations related to those capital assets as well as unamortized bond issue costs. The deficit in this net position relates to depreciation expense exceeding the principal reduction on the outstanding bonds.

Restricted for system renewals and replacements. Restricted net position represents resources restricted in accordance with bond covenants for system renewals and replacements. Restricted assets are used in accordance with their requirements and where both unrestricted and restricted resources are available for use, unrestricted resources are used first and restricted resources only when the specific use arises.

Unrestricted net position. Unrestricted net position represents resources derived from operations and investing activities along with operating reserves established for future replacement of assets.

Classification of Revenues and Expenses

The Recreation Center has classified its revenues and expenses as either operating or non-operating according to the following criteria:

Operating revenue includes activities that have the characteristics of exchange transactions, such as service and activity fees charged to students, staff, faculty, and alumni membership fees, and instructional course fees. Operating expenses are those costs incurred in daily operations, such as salaries, utilities, and depreciation.

Non-operating revenue includes activities that have the characteristics of non-exchange transactions, such as investment and gift income. Non-operating expenses include costs related to financing or investing activities such as interest on indebtedness.

Student Recreation Center Fee, net of mandatory transfer.

Per Revised Code of Washington Section 28B.15.820, WWU is required to transfer a minimum of 3.5% of revenues collected from tuition and services and activities fees into an institutional financial aid fund. The revenue shown on these statements is net of the 3.5% transfer.

This fund is only to be used to fund short- or long-term loans and grants to students in need. Service and activity fee revenue is reported net of this transfer.

Bond Premiums

Bond premiums are deferred and amortized over the term of the bonds using the effective interest method. The remaining balances of bond premiums are presented as an increase of the face amount of bonds payable.

Administrative Assessment

WWU provides support to the Recreation Center through cash and bond debt management, accounting, purchasing and disbursing services, risk management, human resources and other support services. The effects of these transactions are included as operating expenditures in these financial statements. The amount paid was \$213,215 and \$261,347 for years ended June 30, 2021 and 2020, respectively, and is based on 5.775% of

revenues.

Tax Exemptions

WWU, and the Recreation Center as an auxiliary enterprise, is a tax-exempt instrumentality of the State of Washington under Section 115(a) of the Internal Revenue Code and is exempt from federal taxes on related income.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Interest Rate and Credit Risk

The Recreation Center's operating cash is part of WWU's internal investment pool. The pool is invested in demand deposits, time certificates of deposit, the Washington State Local Government Investment Pool (LGIP), corporate notes, commercial paper and U.S. Treasury and Agency securities. The LGIP is an unrated external investment pool. The pool portfolio is invested in a manner that meets the maturity, quality, diversification and liquidity requirements set forth by the GASBS 79 for external investments pools that elect to measure, for financial reporting purposes, investments at amortized cost. The LGIP does not have any legally binding guarantees of share values. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals. Bank balances (including time certificates of deposit) are insured by the Federal Deposit Insurance Corporation (FDIC) or by a collateral pool administered by the Washington Public Deposit Protection Commission (PDPC). Minimum ratings for all other investments by Standard and Poors/Moody's are as follows: corporate notes, A-/A3; commercial paper, A1+/P1 and US Treasury and Agency securities, AA+/Aaa.

WWU manages its exposure to fair value losses in the internal investment pool by targeting the portfolio duration to 2.25 years and limiting the weighted average maturity to a maximum of three years. WWU generally does not invest operating funds in securities maturing more than five years from the date of purchase.

Fair Value Measurement and Application

Fair Value Measurement and Application establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are described as follows:

- Level 1 - Unadjusted quoted prices available in active markets for identical assets or liabilities;
- Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities;

WADE KING STUDENT RECREATION CENTER
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021 and 2020

Level 3 - Unobservable inputs that are significant to the fair value measurement.

The Recreation Center's investment in WWU's pool includes \$3,212,595 restricted for renewals and replacements.

	Fair Value Measurements as of June 30, 2021 using:				Total	Weighted Average Maturity (in years)
	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3			
Cash and Cash Equivalents	\$1,606,998	\$ -	\$ -		\$1,606,998	0.003
Investments						
Corporate	520,261	-	-		520,261	1.329
Certificates of deposit	240,762	-	-		240,762	1.303
Municipals	31,261				31,261	2.422
SupraNationals	95,112				95,112	2.647
U.S. Treasuries	-	473,400	-		473,400	2.711
U.S. Agencies	-	1,795,697	-		1,795,697	0.986
	<u>\$2,494,394</u>	<u>\$ 2,269,097</u>	<u>\$ -</u>		<u>\$4,763,491</u>	

	Fair Value Measurements as of June 30, 2020 using:				Total	Weighted Average Maturity (in years)
	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3			
Cash and Cash Equivalents	\$1,406,915	\$ -	\$ -		\$1,406,915	0.003
Investments						
Corporate	466,417				466,417	1.837
Certificates of deposit	240,112	-	-		240,112	0.532
U.S. Treasuries	-	723,800	-		723,800	1.049
U.S. Agencies	-	1,997,913	-		1,997,913	2.040
	<u>\$2,113,444</u>	<u>\$ 2,721,713</u>	<u>\$ -</u>		<u>\$4,835,157</u>	

WADE KING STUDENT RECREATION CENTER
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE 3. CAPITAL ASSETS, NET

The depreciation expense for the years ended June 30, 2021 and 2020 was \$968,933 and \$971,946, respectively.

Following are the changes in capital assets for the years ended June 30, 2021 and 2020:

	June 30, 2020	Additions	Reductions	June 30, 2021
Depreciable				
Building	\$27,947,761	\$ -	\$ -	\$ 27,947,761
Equipment	453,608	-	-	453,608
Improvements	<u>3,357,078</u>	<u>-</u>	<u>-</u>	<u>3,357,078</u>
	31,758,447	-	-	31,758,447
Less accumulated depreciation	<u>(13,409,490)</u>	<u>(968,933)</u>	<u>-</u>	<u>(14,378,423)</u>
Capital assets, net	<u>\$18,348,957</u>	<u>(\$968,933)</u>	<u>\$ -</u>	<u>\$ 17,380,024</u>

	June 30, 2019	Additions	Reductions	June 30, 2020
Depreciable				
Building	\$27,947,761	\$ -	\$ -	\$ 27,947,761
Equipment	457,619	20,048	(24,059)	453,608
Improvements	<u>3,357,078</u>	<u>-</u>	<u>-</u>	<u>3,357,078</u>
	31,762,458	20,048	(24,059)	31,758,447
Less accumulated depreciation	<u>(12,461,603)</u>	<u>(971,946)</u>	<u>24,059</u>	<u>(13,409,490)</u>
Capital assets, net	<u>\$19,300,855</u>	<u>\$ (951,898)</u>	<u>\$ -</u>	<u>\$ 18,348,957</u>

NOTE 4. NON-CURRENT LIABILITIES

The Recreation Center issued \$24,385,000 in Revenue and Refunding Bonds, Series 2012, on April 30, 2012. The bonds bear interest rates of 3.0% to 4.1% and mature annually until 2037. The bonds have an aggregate face amount of \$18,985,000 and \$19,830,000 at June 30, 2021 and 2020, which is reported net of the unamortized original issue premium of \$200,058 and \$222,367 respectively.

Aggregate maturities or payments required for principal and interest under bond obligations for each of the succeeding five fiscal years and thereafter are as follows:

WADE KING STUDENT RECREATION CENTER
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2021 and 2020

	Principal	Interest	Payment
2022	870,000	755,050	1,625,050
2023	905,000	724,600	1,629,600
2024	940,000	688,400	1,628,400
2025	980,000	650,800	1,630,800
2026	1,020,000	611,600	1,631,600
2027-2031	5,740,000	2,413,000	8,153,000
2032-2036	6,965,000	1,170,600	8,135,600
2037	1,565,000	62,600	1,627,600
	<u>18,985,000</u>	<u>7,076,650</u>	<u>26,061,650</u>
Plus unamortized premium	200,058		
Total	<u>\$19,185,058</u>	<u>\$7,076,650</u>	<u>\$26,061,650</u>

Following are the changes in liabilities:

	Beginning Bal 6/30/2020	Additions/ Amortizations	Decreases/ Retirements	Ending Balance 6/30/2021	Current Portion
Non-current Liabilities					
BONDS PAYABLE:					
Series 2012 Revenue Refunding Bonds, net of unamortized original issue premium of \$200,058 and \$222,367 at June 30, 2021 and 2020 respectively.	\$20,052,367	(\$22,309)	\$ (845,000)	\$19,185,058	\$870,000
Compensated Absences	135,797	52,926	-	188,723	
Net Pension Liability	256,015		(113,341)	142,674	
OPEB Liability	703,048	-	(72,291)	630,757	10,425
Total Non-current Liabilities	<u>\$21,147,227</u>	<u>\$30,617</u>	<u>(\$1,030,632)</u>	<u>\$20,147,212</u>	<u>\$880,425</u>

	Beginning Bal 6/30/2019	Additions/ Amortizations	Decreases/ Retirements	Ending Balance 6/30/2020	Current Portion
Non-current Liabilities					
BONDS PAYABLE:					
Series 2012 Revenue Refunding Bonds, net of unamortized original issue premium of \$222,367 and \$245,494 at June 30, 2020 and 2019 respectively.	\$20,890,494	(\$23,127)	(\$815,000)	\$20,052,367	\$845,000
Compensated Absences	128,201	7,596		135,797	
Net Pension Liability	244,827	11,188	-	256,015	36,730
OPEB Liability	624,098	78,950	-	703,048	12,123
Total Non-current Liabilities	<u>\$21,887,620</u>	<u>\$74,607</u>	<u>(\$815,000)</u>	<u>\$21,147,227</u>	<u>\$893,853</u>

In accordance with resolutions of the Board of Trustees, WWU sold the Recreation Center Bonds to investors who have a first lien on and are to be paid solely from the gross revenue from the operation of the Recreation Center.

The amounts and limitations of this pledge are set forth in the resolutions of the Board of Trustees. The bond covenants require that the Recreation Center transfer monies each year to an account held as restricted net position for renewals and replacements of the facilities.

NOTE 5. PENSION PLAN

WWU offers four contributory pension plans: 1) the Washington State Public Employees' Retirement System (PERS) plans, 2) the Washington State Teachers Retirement System (TRS) plans, 3) the Law Enforcement Officers' and Firefighters' Retirement System (LEOFF) plan and 4) the Western Washington University Retirement plan (WWURP).

Recreation Center employees in eligible positions are participants in PERS and WWURP plans. PERS is a cost sharing multiple-employer defined benefit pension plans administered by the State of Washington Department of Retirement Systems (DRS). WWURP is a single-employer defined contribution plan with a supplemental defined benefit plan component currently administered by WWU.

Legislation signed into law on July 1, 2020, amended the RCW applicable to the WWUSRP to define plan provisions including limits on member eligibility, benefit payments, vesting terms and contribution rates. As a result of these amendments, WWU is unable to modify the terms of the plan. Administration of the benefit calculations and payments remain the responsibility of WWU until the state's Pension Funding Council determines the trust has sufficient assets, at which time the DRS will assume those duties in accordance with RCW 41.50.280. WWU does not perform the duties of a board or hold any of the substantive powers that would make the plan a fiduciary component of WWU. Other agencies of the state of Washington perform the duties of a board and hold the substantive powers in relation to the WWUSRP.

The Recreation Center's proportionate share of WWU's share of the total net unfunded liabilities associated with the defined-benefit pension plans administered by the DRS was \$112,913 as of June 30, 2021 and \$102,842 as of June 30, 2020. The liability associated with the defined-benefit pension plan administered by WWU was \$29,762 as of June 30, 2021 and \$153,173 as of June 30, 2020. The total pension expense recorded by the Recreation Center related to both the DRS and University plans was \$(8,003) and \$28,924 for the years ended June 30, 2021 and 2020 respectively. The negative total pension expense as of June 30, 2021 was a result of the Fiscal Year 2021 GASB No. 67/68 reporting change for WWU's supplemental defined benefit plan component.

PLANS ADMINISTERED BY DRS

PLAN DESCRIPTION:

Public Employees' Retirement System

PERS retirement benefit provisions are contained in chapters 41.34 and 41.40 of the Revised Code of Washington (RCW). PERS is a cost-sharing, multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a combination defined benefit/defined contribution plan. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit

portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 defined benefit plan may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries, as defined by the terms of the plan. Therefore, Plan 2/3 is considered a single defined benefit plan for reporting purposes. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. PERS members include higher education employees not participating in other higher education retirement programs.

Teachers' Retirement System

TRS retirement benefit provisions are contained in chapters 41.32 and 41.34 of the Revised Code of Washington (RCW). TRS is a cost-sharing, multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a combination defined benefit/defined contribution plan. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 defined benefit plan may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members. TRS eligibility for membership requires service as a certificated public-school employee working in an instructional, administrative or supervisory capacity.

VESTING AND BENEFITS PROVIDED:

PERS Plan 1 and TRS Plan 1

PERS Plan 1 and TRS Plan 1 provide retirement, disability, and death benefits to eligible members. Both plans are closed to new entrants. All members are vested after the completion of five years of eligible service. The monthly benefit is 2.0% of the average final compensation (AFC) for each year of service credit, up to a maximum of 60.0%. The AFC is the total earnable compensation for the two consecutive highest-paid fiscal years, divided by two.

Members are eligible for retirement at any age after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. Members may elect to receive an optional cost of living allowance (COLA) amount based on the Consumer Price Index, capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced. Other benefits include duty and nonduty disability payments and a one-time duty-related death benefit, if the member is found eligible by the Washington State Department of Labor and Industries.

PERS Plan 2/3 and TRS Plan 2/3

PERS 2/3 and TRS Plan 2/3 provide retirement, disability and death benefits. PERS Plan 2 and TRS Plan 2 members are vested after completing five years of eligible service. PERS Plan 3 and TRS Plan 3 members are vested in the defined benefit portion of their plan after 10 years of service; or after five years of service, if 12 months of that service are earned after age 44. Plan 3 members are immediately vested in the defined contribution portion of their plan.

Defined Retirement benefits are determined as 2.0% of the member's AFC times the member's years of service for Plan 2 and 1.0% of the AFC times the member's years of service for Plan 3. The AFC is the average of the member's 60 highest paid consecutive months. There is no cap on years of service credit.

WADE KING STUDENT RECREATION CENTER
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June 30, 2021 and 2020

Members are eligible for normal retirement at the age of 65 with five years of service. Members have the option to retire early with reduced benefits. Members may elect to receive an optional cost of living allowance (COLA) amount based on the Consumer Price Index, capped at 3 percent annually. Other benefits include duty and nonduty disability payments and a one-time duty-related death benefit, if the member is found eligible by the Washington State Department of Labor and Industries.

FIDUCIARY NET POSITION:

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all plans and additions to/deductions from all plans fiduciary net position have been determined in all material respects on the same basis as they are reported by the plans. These pension plans administered by the state are accounted for using the accrual basis of accounting. Under the accrual basis of accounting, employee and employer contributions are recognized in the period in which employee services are performed; investment gains and losses are recognized as incurred; and benefits and refunds are recognized when due and payable in accordance with the terms of the applicable plan.

The Washington State Investment Board (WSIB) has been authorized by statute as having investment management responsibility for the pension funds. The WSIB manages retirement fund assets to maximize return at a prudent level of risk.

Retirement funds are invested in the Commingled Trust Fund (CTF). Established on July 1, 1992, the CTF is a diversified pool of investments that invests in fixed income, public equity, private equity, real estate, and tangible assets. Investment decisions are made within the framework of a Strategic Asset Allocation Policy and a series of written WSIB-adopted investment policies for the various asset classes in which the WSIB invests. Although some assets of the plans are commingled for investment purposes, each plan's assets may be used only for the payment of benefits to the members of that plan in accordance with the terms of the plan.

Administration of the PERS, and TRS systems and plans was funded by an employer rate of 0.18% of employee salaries.

The DRS prepares a stand-alone financial report that is compliant with the requirements of Statement 67 of the Governmental Accounting Standards Board. Copies of the report may be obtained by contacting the Washington State Department of Retirement Systems, PO Box 48380, Olympia, Washington 98504-8380 or online at <https://www.drs.wa.gov/wp-content/uploads/2021/06/2020-CAFR.pdf>.

ACTUARIAL ASSUMPTIONS:

Accounting requirements dictate the use of assumptions to best estimate the impact the pension obligations will have on the University's auxiliary units. The professional judgments used in determining these assumptions are important and can significantly impact the resulting actuarial estimates. Difference between actual results compared to these assumptions could have a significant effect on the Recreation Center's financial statements.

The total pension liability for each of the plans was determined using the most recent actuarial valuation completed by the Washington State Office of the State Actuary (OSA). WWU's 2021 pension liability is based on the OSA valuation performed as of June 30, 2020. Besides the discount rate, the actuarial assumptions used in the valuation

are summarized in the Actuarial Section of DRS' Annual Comprehensive Financial Report located on the DRS employer-resource GASB webpage. These assumptions reflect the results of OSA's 2013-2018 Demographic Experience Study Report and the 2019 Economic Experience Study. The following actuarial assumptions have been applied to all prior periods included in the measurement:

- **Inflation:** 2.75% total economic inflation; 3.50% salary inflation
- **Salary Increases:** salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.40%

Mortality rates were developed using the Society of Actuaries' Pub.H-2010 mortality rates as the base table. OSA applied age offsets, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout the member's lifetime.

OSA selected a 7.40% long-term expected rate of return on pension plan investments using a building block method. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns the WSIB provided.

The CMAs contain three pieces of information for each class of assets WSIB currently invests in:

- Expected annual return
- Standard deviation of the annual return
- Correlations between the annual returns of each asset class with every other asset class

The WSIB uses the CMAs and their target asset allocation to simulate future investment returns at various future times.

The best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021 are summarized in the following table:

2021 - Measurement date 2020		
Asset Class	Target Allocation	Long-Term Expected Rate of Return
Fixed Income	20%	2.20%
Tangible Assets	7%	5.10%
Real Estate	18%	5.80%
Global Equity	32%	6.30%
Private Equity	23%	9.30%
Total	100%	

The inflation component used to create the table is 2.20% and represents the WSIB's most recent long-term estimate of broad economic inflation.

DISCOUNT RATE:

The discount rate used to measure the total pension liabilities was 7.40 percent, the same as the prior measurement date. To determine the discount rate, an asset sufficiency test was completed to test whether the pension plan's fiduciary net position was sufficient to make all projected future benefit payments of current plan members. Consistent with current law, the completed asset sufficiency test included an assumed 7.40 percent long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. Consistent with the long-term expected rate of return, a 7.40 percent future investment rate of return on invested assets was assumed for the test. Contributions from plan members and employers are assumed to continue to be made at contractually required rates (including PERS Plan 2/3 and TRS 2/3 employers whose rates include a component for the PERS Plan 1 and TRS Plan 1 unfunded actuarial accrued liabilities). Based on those assumptions, the various pension plan's fiduciary net positions were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.40 percent on pension plan investments was applied to determine the total pension liability for each plan.

SENSITIVITY OF THE NET PENSION LIABILITY/(ASSET) TO CHANGES IN THE DISCOUNT RATE:

The following table presents the Recreation Center's net pension liability/(asset) position by plan calculated using the discount rate of 7.40 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1.0% point lower (6.40%) or 1.0% point higher (8.40%) than the current rate.

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Discount Rate Sensitivity - Net Pension Liability						
(\$ in thousands)						
Plan	2021					
	Current					
	1% Decrease	Discount Rate		1% Increase		
	6.4%	7.4%	7.4%	8.4%		
PERS 1	\$ 96	\$ 77	\$ 77	\$ 60		
PERS 2/3	225	36		(119)		

EMPLOYER CONTRIBUTION RATES:

Employer contribution rates are developed in accordance with Chapter 41.45 of the RCW by the OSA. The statute provides authority to the Pension Funding Council to adopt changes to economic assumptions and contribution rates.

Required Contribution Rates

The required contribution rates expressed as a percentage of current year covered payroll are shown below. The University and the employees made the required contributions.

	Contribution Rates					
	7/1/2019 thru 6/30/2020		7/1/2020 thru 8/31/2020		9/1/2020 thru 6/30/2021	
	Employee	University	Employee	University	Employee	University
PERS						
Plan 2	7.90%	12.86%	7.90%	12.86%	7.90%	12.97%
Plan 3	5.00-15.00% **	12.86% *	5.00-15.00% **	12.86% *	5.00-15.00% **	12.97% *

PERS 2/3 employer rates include a component to address the PERS Plan 1 unfunded actuarial accrued liability (UAAL)

*Plan 3 defined benefit portion only.

**Variable from 5% to 15% based on rate selected by the member.

University contribution rate includes an administrative expense rate of 0.0018.

The University's required contributions for the years ending June 30 are as follows:

PERS	Required Contributions	
	FY 2020	FY 2021
Plan 2	\$ 30,708	\$ 32,449
Plan 3	11,759	11,637

RECREATION CENTER PROPORTIONATE SHARE AND AGGREGATED BALANCES:

Collective pension amounts are determined as of a measurement date, which can be no earlier than an employer's prior fiscal year. The measurement date for the net pension liabilities recorded by the Recreation Center as of June 30, 2021 and 2020 was June 30, 2020 and 2019 (one year in arrears.) Employer contributions received and processed by the DRS during the measurement date fiscal year have been used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in their fiscal year ended June 30 Schedules of Employer and Non-employer Allocations. The Recreation Center's proportional share of

WADE KING STUDENT RECREATION CENTER
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WWU's share from DRS of the aggregated balance of net pension liabilities as of June 30, 2021 and June 30, 2020 is presented in the table below.

Proportionate Share of WWU's share	PERS 1	PERS 2/3
2021	0.7208%	0.7322%
2020	0.6661%	0.6857%

Aggregate Pension Amounts			
	PERS 1	PERS 2/3	Total
Net Pension Liability June 30, 2021	\$ 76,812	\$ 36,100	\$ 112,913
Net Pension Liability June 30, 2020	\$ 77,543	\$ 25,299	\$ 102,842

PENSION EXPENSE, DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES:

The tables below summarize the Recreation Center's expense, deferred outflows of resources and deferred inflows of resources related to the DRS pension plans, together with the related future year impacts to pension expense from amortization of those deferred amounts. Note that deferred outflows of resources related to the Recreation Center's contributions subsequent to the measurement date are recognized as a reduction of the net pension liability in the following year and are not amortized to pension expense.

Proportionate Share of Pension Expense			
	PERS 1	PERS 2/3	Total
Year Ended June 30, 2021	\$ 10,286	\$ 8,873	\$ 19,160
Year Ended June 30, 2020	\$ 10,511	\$ 13,586	\$ 24,098

Amounts reported as deferred outflows of resources, exclusive of contributions subsequent to the measurement date, and deferred inflows of resources will be recognized in pension expense in future periods as follows:

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Deferred Outflows of Resources			
2021	PERS 1	PERS 2/3	Total
Difference between expected and actual experience	\$ -	\$ 12,923	\$ 12,923
Changes of assumptions	-	514	514
Change in proportion	-	1,228	1,228
Contributions subsequent to the measurement date	16,491	27,594	44,085
TOTAL	\$ 16,491	\$ 42,259	\$ 58,751

Deferred Inflows of Resources			
2021	PERS 1	PERS 2/3	Total
Difference between expected and actual experience	\$ -	\$ 4,524	\$ 4,524
Changes of assumptions	-	24,660	24,660
Net difference between projected and actual earnings on pension plan investments	428	1,833	2,261
Change in proportion	-	1,702	1,702
TOTAL	\$ 428	\$ 32,719	\$ 33,147

Amortization of Deferred Outflows and Deferred Inflows of Resources			
YEAR	PERS 1	PERS 2/3	Total
2022	\$ (1,941)	\$ (15,275)	\$ (17,216)
2023	(61)	(3,876)	(3,937)
2024	592	346	938
2025	982	3,281	4,263
2026	-	(1,103)	(1,103)
Thereafter	-	(1,426)	(1,426)
TOTAL	\$ (428)	\$ (18,053)	\$ (18,481)

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Deferred Outflows of Resources				
2020	PERS 1	PERS 2/3	Total	
Difference between expected and actual experience	\$ -	\$ 7,248	\$	7,248
Changes of assumptions	-	648		648
Change in proportion	-	512		512
Contributions subsequent to the measurement date	15,769	26,699		42,468
TOTAL	\$ 15,769	\$ 35,107	\$	50,876

Deferred Inflows of Resources				
2020	PERS 1	PERS 2/3	Total	
Difference between expected and actual experience	\$ -	\$ 5,439	\$	5,439
Changes of assumptions	-	10,615		10,615
Net difference between projected and actual earnings on pension plan investments	5,181	36,825		42,006
Change in proportion	-	2,208		2,208
TOTAL	\$ 5,181	\$ 55,087	\$	60,268

PLANS ADMINISTERED BY WESTERN WASHINGTON UNIVERSITY

Western Washington University Retirement Plan (WWURP)

PLAN DESCRIPTION:

The WWURP is a defined contribution single employer pension plan with a supplemental payment when required. The plan covers faculty, professional staff, and certain other employees. It is administered by WWU. WWU's Board of Trustees is authorized to establish and amend benefit provisions.

Contributions to the plan are invested in annuity contracts or mutual fund accounts offered by one or more fund sponsors. Benefits from fund sponsors are available upon separation or retirement at the member's option. Employees have at all times a 100% vested interest in their accumulations. The number of participants in the WWURP as of June 30, 2021 and 2020 was 1,154 and 1,193 respectively.

FUNDING POLICY:

Employee contribution rates, which are based on age, range from 5% to 10% of salary. WWU matches 100% of the employee contributions. All required employer and employee contributions have been made and the breakdown of the Recreation Center's proportional share of the WWURP contributions are included in the table below for the years ended June 30.

Rec Center	2021	2020
Contributions made by:		
Employees	\$ 38,574	\$ 36,721
University	38,566	36,730

Western Washington University Supplemental Retirement Plan (WWUSRP)

PLAN DESCRIPTION:

WWUSRP, the supplemental component of the WWURP plan, is a defined benefit plan currently administered by WWU and operates in tandem with the WWURP defined contribution pension plan to supplement the expected defined-contribution retirement savings accumulated under the WWURP. The plan covers faculty and certain other positions. The WWUSRP, the supplemental component of the WWURP, was closed to new entrants as of July 1, 2011. For purposes of measuring the June 30, 2021 net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the WWUSRP and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported in the state of Washington’s Annual Comprehensive Financial Report, which is available at <https://ofm.wa.gov/accounting/financial-audit-reports/annual-comprehensive-financial-report>.

PLAN MEMBERSHIP:

Membership of the Western Washington University Supplemental Retirement Plan consisted of the following at June 30, 2018, and June 30, 2020, the date of the latest actuarial valuation for the plan:

WWUSRP	Number of Participating Members			
	Inactive Members (Or Beneficiaries)	Inactive Members Entitled To But Not	Active Members	Total Members
	Currently Receiving Benefits	Yet Receiving Benefits		
2020	79	3	483	565
2018	63	21	562	646

The 2020 and 2018 census data were used for actuarial valuations that were used to project the Total Pension Liability to the measurement date of June 30, 2021 and 2020 respectively.

VESTING AND BENEFITS PROVIDED:

This supplemental component payment plan determines a minimum retirement benefit goal based upon a one-time calculation at each employee's retirement date. This supplemental component is financed on a pay-as-you-go basis. WWU makes direct payments to qualified retirees when the retirement benefit provided by the fund sponsor does not meet the benefit goal.

WWSRP retirement benefits provisions are contained in RCW 28B.10.400, et. seq. which assigns the authority to establish and amend benefit provisions to the Western Washington University Board of Regents. Members are eligible to receive benefits under this plan at age 62 with 10 years of credited service. The monthly amount of benefits payable at the time of retirement is the excess of one-twelfth of 2.0% of the member’s average annual salary multiplied by the number of years of service (such product not to exceed one-twelfth of 50.0% of the member’s average annual salary) over an assumed annuity benefit.

Assumed income must be calculated by an independent actuary and represents a theoretical amount of monthly income that would have been generated if actual employee and WWU contributions to the WWURP had been allocated equally between fixed and variable dollar annuities. When the goal income exceeds the assumed income, the participant is entitled to benefits under this plan. The Recreation Center’s proportional share of the total University benefit payments made during the fiscal years ended June 30, 2021 and 2020 were \$2,365 and \$2,100 respectively.

FIDUCIARY NET POSITION:

With the passing of 2SHB 1661, the legislation, effective July 1, 2020, created trust accounts for the contributions and investment returns collected to pre-fund SRP benefits. Under this new funding structure, the SRP will report under GASB No. 67/68 starting in Fiscal Year 2021.

The plan Fiduciary Net Position is the fair value of plan assets held in a trust as defined by GASB. The Net Pension Liability is the difference between the Total Pension Liability and the plan Fiduciary Net Position. The plan Fiduciary Net Position represents the amount of assets collected as of the measurement date to pay for SRP benefits, per RCW 41.50.280. Plan assets and investments are measured at their fair value.

The WSIB has been authorized by statute as having investment management responsibility for the pension funds. The WSIB manages retirement fund assets to maximize return at a prudent level of risk.

WWUSRP plan assets are invested in the Commingled Trust Fund (CTF). Established on July 1, 1992, the CTF is a diversified pool of investments that invests in fixed income, public equity, private equity, real estate, and tangible assets. Investment decisions are made within the framework of a Strategic Asset Allocation Policy and a series of written WSIB-adopted investment policies for the various asset classes in which WSIB invests.

Information about the investment of pension funds by the WSIB, their valuation, classifications, concentrations, and maturities can be found in footnote 3.B of the state of Washington's Annual Comprehensive Financial Report.

ACTUARIAL ASSUMPTIONS:

Accounting requirements dictate the use of assumptions to best estimate the impact the pension obligations will have on the University's auxiliary units. The professional judgments used in determining these assumptions are important and can significantly impact the resulting actuarial estimates. Difference between actual results compared to these assumptions could have a significant effect on the Recreation Center's financial statements.

The total pension liability was determined by an actuarial valuation as of June 30, 2020, with the results projected forward to the June 30, 2021, measurement date using the following actuarial assumptions:

- Discount Rate: 7.40%
- TIAA Increase Rate: 4.00%
- CREF Increase Rate: 6.25%
- Salary Growth: 3.75%

Mortality rates were developed using the Society of Actuaries' Pub.H-2010 mortality rates as the base table. OSA applied age offsets, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout the member's lifetime.

The total salary growth assumption is based on the August 2021 Higher Education SRP Experience study. The TIAA and CREF increase rates represent the assumed investment return on primary investments that play a key role in the SRP benefit calculation.

OSA updated assumptions consistent with the 2021 Demographic Experience Study and modified the TIAA CREF investment assumptions based on TIAA input and OSA's expectation for the future. This includes future growth in the investment's and how the projected account balances are converted to annuities. The assumption update generally led to increases in total pension liability.

A decrease in total pension liability was caused by two experience items. The CREF Stock Account returned approximately 42% for Fiscal Year 2021, which is significantly higher than the assumed return of 6.25%. Higher than expected returns on TIAA and CREF investments lead to lower supplemental benefits. The larger CREF return reduced the total pension liability. The 2020 Census data file had varied impacts, but was generally less impactful than the CREF returns.

DISCOUNT RATE:

With the passing of 2SHB 1661, the legislation, effective July 1, 2020, created trust accounts for the contributions and investment returns collected to pre-fund SRP benefits. Under this new funding structure, the SRP will report under GASB No. 67/68 starting in Fiscal Year 2021. Because of this reporting change, the discount rate has been set consistent with the expected long-term rate of return on the trust.

Given the creation of dedicated funds to pay SRP benefits under HB 1661, the discount rate is now based on the long-term expected rate of return on the pension plan investments rather than the bond index rate. This led to an increase in the discount rate used to measure the liability from 2.21% as of June 30, 2020, to 7.40% as of June 30, 2021, and a significant decrease in Total Pension Liability. The 7.40% rate is consistent with OSA's long-term expected rate of return assumption for assets invested in the Commingled Trust Fund. The discount rate change reduced the Total Pension Liability by an additional 50%.

SENSITIVITY OF THE NET PENSION LIABILITY/(ASSET) TO CHANGES IN THE DISCOUNT RATE:

The following presents the Recreation Center's proportional share of the pension liability for the WWUSRP for WWU as an employer, calculated using the discount rate of 7.4%, as well as what the total pension liability would be if it were calculated using a discount rate that is 1.0% point lower (6.4%) or 1.0% point higher (8.4%) than the current rate.

Rec Center WWUSRP
Discount Rate Sensitivity - Net Pension Liability/(Asset)
 \$ in thousands

Plan	2021		
	1% Decrease 6.4%	Current Discount Rate 7.4%	1% Increase 8.4%
WWUSRP	\$ 35	\$ 30	\$ 26

EMPLOYER CONTRIBUTION RATES:

With the passing of 2SHB 1661, the legislation, effective July 1, 2020, created trust accounts for the contributions and investment returns collected to pre-fund SRP benefits. Under this new funding structure, the SRP will report under GASB No. 67/68 starting in Fiscal Year 2021. 2SHB 1661 outlines a funding policy for the SRP. Beginning July 1, 2020, the 0.5 percent required employer contribution rate was replaced with institution-specific contribution rates. These rates are developed by the OSA in accordance with RCW 41.45, which provides authority to the Pension Funding Council to adopt changes to economic assumptions and contribution rates. Money in the trust must be accounted for separately and attributed to each paying institution and may only be used to make benefit payments to the paying institution's plan beneficiaries. Beginning July 31, 2020, the Pension Funding Council may review and revise the institution-specific contribution rates. Rates must be designed to keep the total cost at a more level percentage than a pay-as-you-go method. Accumulated funds will allow a portion of the cost of SRP benefits to be paid from those funds beginning in approximately 2035. When the trust has collected sufficient assets to begin making SRP benefit payments, administration of the SRP will transfer to the Department of Retirement Systems (DRS).

WWUSRP	2021	2020
Employer required contribution rate	0.21%	0.50%

The SRP benefit funds are currently restricted from paying SRP benefits and are not expected to pay benefits until 2035. Until this time, SRP benefits are paid out of the operating budget on a pay-as-you-go basis.

NET PENSION LIABILITY (NPL):

Consistent with GASB No. 67/68, plan assets are included in financial reporting. The June 30, 2021 asset amount offsets the total pension liability to yield the plan's net pension liability. Preliminary investment earnings of approximately 29% exceeded the current assumption of 7.40%. Investment earnings greater or less than expected are recognized over a five year period in the pension expense.

Effective July 1, 2020, legislation signed into law created a trust arrangement for assets dedicated to paying WWUSRP benefits to plan members. Contributions previously paid to and accumulated by DRS beginning January 1, 2012 were transferred into the trust when this legislation became effective. As a result, WWU is now applying accounting guidance for single employer plans that have trusted assets and reports the pension liability net of plan assets as of June 30, 2021.

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The components of the WWUSRP liability were as follows:

Rec Center Proportional Share

Schedule of Changes in Net Pension Liability (NPL)

	TPL	Plan Fiduciary	NPL
	(a)	Net Position	(a) minus (b)
	\$	\$	\$
Balance as of July 1, 2020	153,173	16,832	136,341
Service Cost	4,157	-	4,157
Interest on TPL	3,598	-	3,598
Differences Between Expected and Actual Experience	(67,860)	-	(67,860)
Change in Assumptions	(37,244)	-	(37,244)
Employer Contributions	-	884	(884)
Investment Income	-	5,979	(5,979)
Benefit Payments *	(2,367)	-	(2,367)
Net Changes	(99,716)	6,863	(106,578)
Balance as of June 30, 2021	\$ 53,457	\$ 23,695	\$ 29,762

Schedule of Changes in Total Pension Liability (TPL)

Balance as of July 1, 2019	\$ 120,700
Service Cost	2,701
Interest on TPL	3,717
Differences Between Expected and Actual Experience	7,576
Change in Assumptions	20,357
Benefit Payments	(1,878)
Balance as of June 30, 2020 **	\$ 153,173

* Includes -580 to resolve OSA rounding issue

** Represents TPL as of June 30, 2020 reported under GASB 73

The June 30, 2021 TPL is based on an actuarial valuation performed as of June 30, 2020 with update procedures performed by the OSA to roll forward the TPL to the measurement date of June 30, 2021. The June 30, 2020 TPL is based on an actuarial valuation performed as of June 30, 2018 with update procedures performed to roll forward the TPL to the measurement date of June 30, 2020. Both valuations were prepared using the entry age actuarial cost method.

PENSION EXPENSE, DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES:

The tables below summarize the Recreation Center's proportionate share of the WWUSRP pension expense, deferred outflows of resources and deferred inflows of resources, together with the related future year impacts to pension expense from amortization of those deferred amounts:

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**Rec Center Proportional Share WWUSR
Pension Expense (PE)**

	2021	2020
Service Cost	\$ 13,618	\$ 1,627
Interest Cost	11,787	2,240
Amortization of Differences between Expected and Actual Experience	(39,496)	(996)
Amortization of Changes of Assumptions	(5,805)	1,956
Expected Earnings on Plan Investments	(4,180)	
Amortization of Differences between Projected and Actual Earnings on Plan Investments	(3,087)	
Administrative Expenses	-	
Other Changes in Fiduciary Net Position	-	
Pension Expense FY21	\$ (27,163)	\$ 4,826
GASB 68 from GASB 73 reporting change effect	\$ (58,033)	
Net Pension Expense	\$ (85,196)	

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense in future periods as follows:

**Rec Center Proportional Share
Deferred Outflows of Resources**

	2021	2020
Difference between expected and actual experience	\$ 11,741	\$ 14,115
Changes of assumptions	23,132	27,707
TOTAL	\$ 34,873	\$ 41,821

Deferred Inflows of Resources

	2021	2020
Difference between expected and actual experience	\$ 68,306	\$ 15,036
Changes of assumptions	35,746	5,843
Differences between Projected and Actual Earnings on Plan Investments	3,762	-
TOTAL	\$ 107,814	\$ 20,878

Amortization of Deferred Outflows and Deferred Inflows of Resources

Year	
2022	\$ (14,721)
2023	\$ (13,229)
2024	\$ (9,756)
2025	\$ (9,706)
2026	\$ (14,586)
Thereafter	\$ (10,942)
TOTAL	\$ (72,941)

NOTE 6. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

PLAN DESCRIPTION:

Health care and life insurance programs for employees of the State of Washington are administered by the Washington State Health Care Authority (HCA). The HCA calculates the premium amounts each year that are sufficient to fund the State-wide health and life insurance programs on a pay-as-you-go basis. These costs are passed through to individual state agencies based upon active employee headcount; the agencies pay the premiums for active employees to the HCA. The agencies may also charge employees for certain higher cost options elected by the employees.

State of Washington retirees may elect coverage through state health and life insurance plans, for which they pay less than the full cost of the benefits, based on their age and other demographic factors.

The health care premiums for active employees, which are paid by the agency during employees’ working careers, subsidize the “underpayments” of the retirees. An additional factor in the OPEB obligation is a payment that is required by the State Legislature to reduce the premiums for retirees covered by Medicare (an “explicit subsidy”). For fiscal years 2020 and 2019, this amount is the lesser of \$183 or 50% of the plan premium per retiree eligible for parts A and B of Medicare, per month. This is also passed through to State agencies via active employee’s rates charged to the agency.

OPEB implicit and explicit subsidies as well as administrative costs are funded by required contributions made by participating employers. State agency contributions are made on behalf of all active, health care eligible employees, regardless of enrollment status. Based on the funding practice, the allocation method used to determine proportionate share is each agency’s percentage of the state’s total active, health care eligible employee headcount. For 2020 and 2019, the total University’s headcount percentage membership in the PEBB plan consisted of the following:

OPEB Plan Participants				
FYE	Active Employees	Retirees Receiving Benefits	Retirees Not Receiving Benefits	Total Participants
2019	2032	742	97	2871
2020	2066	797	95	2958

ACTUARIAL ASSUMPTIONS:

Accounting requirements dictate the use of assumptions to best estimate the impact the pension obligations will have on the University’s auxiliary units. The professional judgments used in determining these assumptions are important and can significantly impact the resulting actuarial estimates. Difference between actual results compared to these assumptions could have a significant effect on the Recreation Center’s financial statements.

The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement period:

- **Inflation:** 2.75%
- **Salary Increases:** 3.50% including service-based salary increases
- **Health Care Trend Rates:*** Initial rate ranges from 2-11% adjusting to 4.3% in 2075
- **Post-retirement Participation:** 65.00%
- **Spouse Coverage:** 45.00%

Mortality rates were developed using the Society of Actuaries' Pub.H-2010 mortality rates, which vary by member status. The Office of the State Actuary (OSA) applied age offsets as appropriate to better tailor the mortality rates to the demographics of the plan. OSA applied the long-term MP-2017 generational improvement scale to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis, meaning members are assumed to receive additional mortality improvements in each future year, throughout their lifetime.

The discount rate used to measure the total pension liability was set equal to the Bond Buyer General Obligation 20-Bond Municipal Bond Index. A discount rate of 3.50% was used for the June 30, 2019 measurement date and 2.21% for the June 30, 2020 measurement date.

The following presents the Recreational Center's proportional share of the total University OPEB liability, calculated using the discount rate of 2.21%, as well as what the total pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.21%) or 1 percentage point higher (3.21%) than the current rate.

Total OPEB Liability Discount Rate Sensitivity	
1% Decrease	\$763,691
Current Discount Rate - 2.21%	\$630,757
1% Increase	\$527,249

The following represents the total OPEB liability of the Recreation Center calculated using the health care trend rates of 2-11% decreasing to -1.21%-8.79%, as well as what the total OPEB liability would be if it were calculated using health care trend rates that are 1 percentage point lower (1-10% decreasing to -1.21%-7.79%) or 1 percentage point higher (3-12% decreasing to 1.79%-9.79%) than the current rate:

Total OPEB Liability Health Care Cost Trend Rate Sensitivity	
1% Decrease	\$514,000
Current Discount Rate - 2-11%	\$630,757
1% Increase	\$787,291

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*For additional detail on the health care trend rates, please see Office of the State Actuary's 2020 Other Postemployment Benefits Actuarial Valuation Report located here

https://leg.wa.gov/osa/additionalservices/Documents/2020_PEBB_OPEB_Report.pdf

<https://leg.wa.gov/osa/additionalservices/Documents/OPEBActuarialValuationCertLetterRevised.pdf>

TOTAL OPEB LIABILITY:

As of June 30, 2021, and 2020, components of the proportionate share calculation of total OPEB liability determined in accordance with GASB Statement No. 75 for the Recreation Center are represented in the following table:

FY21 Proportionate Share of WWU's share	0.656878%
FY20 Proportionate Share of WWU's share	0.747094%

Schedule of Changes in Total OPEB Liability		
Total OPEB Liability	2021	2020
Service cost	\$26,175	\$28,467
Interest	21,895	24,693
Changes of benefit terms	-	-
Differences between expected & actual experience	(3,355)	-
Changes in assumptions	14,193	45,986
Benefit payments	(10,425)	(11,296)
Change in Proportionate share	(13,575)	(1,549)
Other	(22,302)	-
Net Change in Total OPEB Liability	\$12,606	\$86,301
Total OPEB Liability - Beginning	\$703,048	\$624,096
Change in proportionate share	(\$84,898)	(\$7,349)
Total OPEB Liability - Ending	\$ 630,757	\$703,048

Recreation Center's proportionate share of OPEB expense for the fiscal years ended June 30, 2021 and 2020 were \$(94,618) and \$21,185 respectively.

DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES:

The tables below summarize Recreation Center's deferred outflows and inflows of resources related to OPEB, together with the related future year impacts to expense from amortization of those deferred amounts:

Deferred Outflows of Resources

	2021	2020
Change in proportion	\$ 6,009	\$ 7,090
Difference between expected and actual experience	13,838	18,774
Changes of assumptions	43,373	40,876
Transactions subsequent to the measurement date	11,095	12,124
TOTAL	\$ 74,314	\$ 78,864

Deferred Inflows of Resources

	2021	2020
Change in proportion	\$ 15,961	\$ 1,828
Difference between expected and actual experience	\$ 2,982	-
Changes of assumptions	148,759	203,844
TOTAL	\$ 167,702	\$ 205,672

Amortization of Deferred Outflows and Deferred Inflows of Resources

Year	
2022	\$ (19,568)
2023	(19,568)
2024	(19,568)
2025	(19,568)
2026	(19,568)
Thereafter	(6,613)
TOTAL	\$ (104,455)

NOTE 6. SUBSEQUENT EVENT

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of a deadly new virus. In the weeks following the declaration, precautionary measures to slow the spread of the virus have been ordered. These measures include closing schools, colleges and university, cancelling public events, prohibiting public and private gatherings, and require people to stay home unless they are leaving for an

essential function.

Beginning on March 13, 2020, the Recreation Center followed recommendations by University, state, and local health authorities to shut down operations of the facility. This included immediately suspension of supply and equipment procurement as well as a complete shutdown of student employment. The Recreation Center also reduced its Spring collection from \$109.46 to \$75 per student. This 31.5% reduction in fee was approved considering the closure of the Recreation Center for the remainder of the Fiscal Year 20. Summer 2020 Recreation Center fees were reduced to \$0 and Fall 2020 fees mirrored Spring 2020 with a \$75 per student collection. Beginning Winter quarter 2021, the Recreation Center opened for limited operations, and as such, reinstated its full fee of \$109.46. Beginning in FY 2022, the Recreation Center will be back to normal operations , including the employment of students.

The length of time these measures will be in place, and the full extent of the financial impact on the Recreation Center is unknown at this time.

RSI

REQUIRED SUPPLEMENTARY INFORMATION

PENSION PLAN INFORMATION

Cost Sharing Employer Plans

Schedule of Recreation Center's Proportionate Share of the Net Pension Liability

Schedule of Recreation Center Proportionate Share of the Net Pension Liability Public Employees' Retirement System (PERS) Plan 1 <i>Measurement Date ended June 30 *</i>							
	2014	2015	2016	2017	2018	2019	2020
Recreation Center PERS 1 employers' proportion of the net pension liability	0.002365%	0.002311%	0.001825%	0.002223%	0.001867%	0.002058%	0.002182%
Recreation Center PERS 1 employers' proportionate share of the net pension liability	\$129,519	\$120,898	\$97,990	\$105,504	\$83,359	\$77,543	\$76,812
Recreation Center PERS 1 employers' covered-employee payroll	\$246,340	\$252,575	\$214,480	\$270,703	\$244,786	\$189,225	\$328,386
Recreation Center PERS 1 employers' proportionate share of the net pension liability as a percentage of its covered-employee payroll	52.58%	50.68%	41.97%	38.97%	34.05%	40.98%	23.39%
Plan fiduciary net position as a percentage of the total pension liability	61.19%	59.10%	57.03%	61.24%	63.22%	67.12%	68.64%
* As of June 30; this schedule is to be built prospectively until it contains ten years of data.							

In accordance with Statement No. 68, WWU has elected to use the prior fiscal year end as the measurement date for reporting net pension liabilities.

PENSION PLAN INFORMATION

Cost Sharing Employer Plans

Schedule of Recreation Center's Proportionate Share of the Net Pension Liability

Schedule of Recreation Center Proportionate Share of the Net Pension Liability Public Employees' Retirement System (PERS) Plan 2/3 <i>Measurement Date ended June 30 *</i>							
	2014	2015	2016	2017	2018	2019	2020
Recreation Center PERS 2/3 employers' proportion of the net pension liability	0.003045%	0.002986%	0.002336%	0.002860%	0.002388%	0.002594%	0.002781%
Recreation Center PERS 2/3 employers' proportionate share of the net pension liability	\$59,589	\$106,676	\$117,616	\$99,372	\$40,768	\$25,299	\$36,100
Recreation Center PERS 2/3 employers' covered-employee payroll	\$262,066	\$264,732	\$222,246	\$280,484	\$251,452	\$194,130	\$331,912
Recreation Center PERS 2/3 employers' proportionate share of the net pension liability as a percentage of its covered-employee payroll	22.74%	39.08%	52.92%	35.43%	16.21%	13.03%	10.88%
Plan fiduciary net position as a percentage of the total pension liability	93.29%	89.20%	85.82%	90.97%	95.77%	97.77%	97.22%
* As of June 30; this schedule is to be built prospectively until it contains ten years of data.							

In accordance with Statement No. 68, WWU has elected to use the prior fiscal year end as the measurement date for reporting net pension liabilities.

PENSION PLAN INFORMATION

Agent Employer Plan

Schedule of Changes in Recreation Center's Proportionate Share of WWUSRP Total Pension Liability and Related Ratios

Schedule of Changes in WWU's Net Pension Liability and Related Ratios					
WWUSRP - Recreation Center					
Fiscal Year ended June 30*					
<i>(dollars in thousands)</i>					
	2017	2018	2019	2020	2021
WWUSRP total pension liability-Beginning	\$141	\$104	\$95	\$121	\$153
Service Cost	7	4	2	3	4
Interest	5	4	3	4	4
Difference between expected and actual experience	(34)	(11)	11	7	(68)
Changes in assumptions	(13)	(4)	12	20	(37)
Benefits payments **	(2)	(2)	(2)	(2)	(2)
Net change in total pension liability	(37)	(9)	26	32	(98)
WWUSRP total pension liability-Ending	<u>\$104</u>	<u>\$95</u>	<u>\$121</u>	<u>\$153</u>	<u>\$54</u>
Plan Fiduciary Net Position ***					<u>\$24</u>
WWUSRP net pension liability-Ending					<u>\$30</u>
WWU URP employers' covered-employee payroll	\$368	\$397	\$361	\$343	\$358
WWUSRP total or net pension liability as a percentage of its covered-employee payroll (net as of FY21)	28.30%	23.93%	33.45%	44.72%	8.38%
* As of June 30; this schedule is to be built prospectively until it contains ten years of data.					
** Includes amount to resolve OSA rounding issue					
*** Consistent with GASB No. 67/68, plan assets are included in financial reporting beginning in FY 21					

PENSION PLAN INFORMATION

Cost Sharing Employer Plans

Schedule of Contributions

Schedule of Contributions Public Employees' Retirement System (PERS) Plan 1 Fiscal Year Ended June 30 Recreation Center									
Fiscal Year	Contributions related to covered payroll of employees		UAAL Contributions related to covered payroll of employees	Total Contributions in relation to the		Covered payroll of employees	Covered payroll of employees	Total Covered-employee payroll	Contributions as a percentage of covered-employee payroll
	Contractually Required Contributions	Participating in PERS plan 1	Participating in PERS plan 2/3	Actuarially Determined Contributions	Contribution deficiency (excess)	participating in PERS 1	participating in PERS 2/3		
2015	\$10,622	\$0	\$10,622	\$10,622	\$0	\$9,882	\$242,693	\$252,575	4.21%
2016	\$10,347	\$0	\$10,347	\$10,347	\$0	\$7,337	\$207,143	\$214,480	4.82%
2017	\$13,375	\$0	\$13,375	\$13,375	\$0	\$7,269	\$263,434	\$270,703	4.94%
2018	\$12,476	\$0	\$12,476	\$12,476	\$0	\$4,202	\$240,585	\$244,786	5.10%
2019	\$14,459	\$0	\$14,459	\$14,459	\$0	\$639	\$188,586	\$189,225	7.64%
2020	\$15,768	\$0	\$15,768	\$15,768	\$0	\$1,641	\$326,745	\$328,386	4.80%
2021	\$16,490	\$0	\$16,490	\$16,490	\$0	\$243	\$341,772	\$342,015	4.82%
2022									
2023									
2024									

Notes:
This schedule will be built prospectively until they contain ten years of data.

PENSION PLAN INFORMATION

Cost Sharing Employer Plans

Schedule of Contributions

Schedule of Contributions Public Employees' Retirement System (PERS) Plan 2/3 Fiscal Year Ended June 30 <i>Recreation Center</i>					
Fiscal Year	Contributions in relation to the			Covered-employee payroll	Contributions as a percentage of covered-employee payroll
	Contractually Required Contributions	Contractually Required Contributions	Contribution deficiency (excess)		
2015	\$14,515	\$14,515	\$0	\$272,962	5.32%
2016	\$20,992	\$20,992	\$0	\$222,246	9.45%
2017	\$17,965	\$17,965	\$0	\$280,190	6.41%
2018	\$18,863	\$18,863	\$0	\$251,452	7.50%
2019	\$22,002	\$22,002	\$0	\$194,130	11.33%
2020	\$26,003	\$26,003	\$0	\$331,912	7.83%
2021	\$26,960	\$26,960	\$0	\$342,558	7.87%
2022					
2023					
2024					

Notes:
 This schedule will be built prospectively until they contain ten years of data.

**WADE KING STUDENT RECREATION CENTER
REQUIRED SUPPLEMENTARY INFORMATION**

June 30, 2021 and 2020

PENSION PLAN INFORMATION

Cost Sharing Employer Plans

Schedule of Contributions

Schedule of Contributions									
Teachers' Retirement System (TRS) Plan 1									
Fiscal Year Ended June 30									
<i>Recreation Center</i>									
Fiscal Year	Contractually Required Contributions	Contributions related to covered payroll of employees Participating in TRS plan 1	UAAL Contributions related to covered payroll of employees Participating in TRS plan 2/3	Total Contributions in relation to the Actuarially Determined Contributions	Contribution deficiency (excess)	Covered payroll of employees participating in TRS 1	Covered payroll of employees participating in TRS 2/3	Total Covered-employee payroll	Contributions as a percentage of covered-employee payroll
2015	\$7,806	\$7,806	\$0	\$7,806	\$0	\$23,157	\$116,956	\$140,113	5.57%
2016	\$794	\$794	\$0	\$794	\$0	\$483	\$11,231	\$11,715	6.78%
2017	\$0	\$0	\$0	\$0	\$0	\$0	\$11,231	\$0	0.00%
2018	\$0	\$0	\$0	\$0	\$0	\$0	\$11,231	\$0	0.00%
2019	\$0	\$0	\$0	\$0	\$0	\$0	\$11,231	\$0	0.00%
2020	\$0	\$0	\$0	\$0	\$0	\$0	\$11,231	\$0	0.00%
2021	\$0	\$0	\$0	\$0	\$0	\$0	\$11,231	\$0	0.00%
2022									
2023									
2024									

Notes:
These schedules will be built prospectively until they contain ten years of data.

PENSION PLAN INFORMATION

Agent Employer Plan
 Schedule of Contributions

Schedule of Contributions WWUSRP Plan - Recreation Center Fiscal Year Ended June 30						
Fiscal Year	Contractually Required Contributions	Contributions in relation to the Contractually Required Contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered-employee payroll	
2021	\$884	\$884	\$ -	\$357,973	0.25%	
2022						
2023						
2024						
2025						
2026						
2027						
2028						
2029						
2030						

Notes:
 These schedules will be built prospectively until they contain ten years of data.

OPEB INFORMATION

Cost Sharing Healthcare Plans

Schedule of Recreation Center's Changes in Total OPEB Liability and Related Ratios

Schedule of Recreation Center Changes in Total OPEB Liability and Related Ratios				
<i>Measurement Date ended June 30 *</i>				
	2018	2019	2020	2021
Total OPEB Liability-Beginning	\$806,291	\$702,251	\$624,096	\$703,048
Service Cost	\$108,031	\$35,054	\$28,467	\$26,175
Interest	\$50,602	\$24,100	\$24,693	\$21,895
Difference between expected and actual experience	\$0	\$21,998	\$0	-\$3,355
Changes in assumptions	-\$246,839	-\$153,463	\$45,986	\$14,193
Benefits payments	-\$25,788	-\$10,178	-\$11,296	-\$10,425
Change in proportionate share	\$9,954	\$4,334	-\$8,898	-\$98,473
Other				-\$22,302
Total OPEB liability-Ending	<u>\$702,251</u>	<u>\$624,096</u>	<u>\$703,048</u>	<u>\$630,757</u>
Recreation Center employers' covered-employee payroll	\$755,074	\$761,413	\$820,918	\$837,427
Recreation Center employers' proportionate share of total OPEB liability as a percentage of its covered-employee payroll	106.78%	92.23%	76.02%	83.95%
* As of June 30; this schedule is to be built prospectively until it contains ten years of data.				

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Plans administered by DRS

The Office of the State Actuary (OSA) calculates the actuarially determined contributions (ADC) based on the results of an actuarial valuation consistent with the state's funding policy defined in Chapter 41.45 RCW. Consistent with the state's contribution-rate adoption process, the results of an actuarial valuation with an odd-numbered year valuation date determine the ADC for the biennium that ensues two years later. For example, the actuarial valuation with a June 30, 2019 valuation date, completed in the fall of 2020, determines the ADC for the period beginning July 1, 2021, and ending June 30, 2023.

Additional Considerations on ADC for All Plans: OSA calculates the ADC consistent with the methods described above. Adopted contribution rates could be different pending the actions of the governing bodies. For instance, for the period beginning July 1, 2019 and ending June 30, 2021, the contribution rates that the Pension Funding Council adopted, which the Legislature did not change, reflect a phasing in of the increase to contribution rates that resulted from a change to the mortality assumption. This is the second of three biennia over which this increase is expected to be phased-in for PERS 1, PERS 2/3, TRS 1, and TRS 2/3.

For cost-sharing plans, OSA calculates the contractually required contributions (CRC) using the same assumptions and methods as the ADC, except that the CRC reflect the adopted contribution rates for the time period shown. These might differ from the contribution rates produced for the ADC.

Plans administered by the University

On July 1, 2020, the state of Washington established a trust for contributions paid by WWU for the benefit of Western Washington University's Supplemental Retirement Plan (WWUSRP) in accordance with Revised Code of Washington 41.50.075. As a result, the applicable accounting guidance for the WWUSRP has changed to GASB codification section P20 "Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specific Criteria." This event gives rise to a change in WWU's estimates of future obligations, deferrals and pension expense related to the WWUSRP. WWU will now report the plan's net pension liability (total pension liability less the plan's fiduciary net position). Prior to this change in estimate WWU reported the plan's total pension liability. In addition, under GASB P20 the discount rate used to value the ending liability has changed to the expected investment return on plan assets. As such, WWU has changed from using the Bond Buyer's 20 Bond Index (2.21% for the fiscal year 2020 liability) to using the expected investment return on plan assets (7.40% for the fiscal year 2021 liability).

Material assumption changes during the fiscal year 2021 measurement period include an increase in the total salary growth rate (3.50% to 3.75%), an increase in the discount rate (2.21% to 7.40%), an increase in the TIAA rate (4.00% to 4.25%), and an increase in the CREF rate (6.25% to 6.50%). Under GASB 67/68, the discount rate is now based on the long-term expected rate of return on pension plan investments, which led to the increase in the discount rate used to measure the Total Pension Liability (7.40%). The Total Pension Liability is now compared against the plan's Fiduciary Net Position to determine the Net Pension Liability.

Material assumption changes during the fiscal year 2020 measurement period include updating the GASB 73 discount rate from 3.50% to 2.21% ("Change in assumption" which increased the TPL). Additionally, the fiscal year 2020 returns for the Teachers Insurance and Annuity Association of America (TIAA) and CREF investments were used to determine a member's assumed income. Those returns were 4.12 percent for TIAA and 2.31 percent for CREF. This resulted in an increase in the TPL.

OPEB Plan administered by the Healthcare Authority of Washington State

The OPEB Plan has no assets accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4 to pay related benefits. Material assumption changes during the fiscal year 2020 measurement period relate to a decrease in the Bond Buyer General Obligation 20-Bond Municipal Bond Index, from 3.50%

for the June 30, 2019 measurement date, to 2.21% for the June 30, 2020 measurement date. Other material assumption changes included lowering the forecast of future healthcare cost trends. This resulted in an increase in the TOL. Legislation under H.R. 1865 repealed the excise tax after the previous measurement date. The impact of removing trends that include Excise Tax resulted in a decrease in TOL.

Material assumption changes during the fiscal year 2019 measurement period relate to a decrease in the Bond Buyer General Obligation 20-Bond Municipal Bond Index, from 3.87% for the June 30, 2018 measurement date, to 3.50% for the June 30, 2019 measurement date.

**WESTERN WASHINGTON UNIVERSITY
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

TO: Members of the Board of Trustees

FROM: President Sabah Randhawa by
Melynda Huskey, Vice President for Enrollment and Student Services
Joyce Lopes, Vice President for Business and Financial Affairs

DATE: December 10, 2021

SUBJECT: **Annual 2020 Security and Fire Safety Report**

PURPOSE: Information Item

Purpose of Submittal:

Provide the Board of Trustees with information regarding Western Washington University's compliance with the federal Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act.

Background

In November 1990, the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (referred to as the "Clery Act") was signed into law. As a result, all institutions participating in federal student aid programs are required to:

- Prepare and distribute an annual security and fire safety report to all members of the university community (<http://www.wvu.edu/vpress/annualsafetyreport.shtml>) which sets forth the law enforcement authority of university police, includes information on where and how crimes should be reported, and discloses three years' worth of crime trends including alcohol and other drug-related statistics, arrests and disciplinary referrals for the university, areas immediately adjacent to or running through the university, and certain non-university facilities including leased housing and remote classrooms; and
- Provide timely warning to the university community of crimes which may pose a threat to the safety and/or welfare of students and employees.

Clery Crime Statistics

The Clery Act specifies the crimes/violations that are to be published. These are reflected in the *2020 Security and Fire Safety Report* (<http://www.wvu.edu/vpress/annualsafetyreport.shtml>) see pages 17-31 and include all separate campuses and all categories required by federal law. The three most recent years' worth of crime data are required to be included in the report to provide perspective and to compare crime trends year-to-year. The 2020 report includes crime data for the calendar years 2018 through 2020.

Enhanced Reporting and Compliance

Western's Clery Guidance Committee, which includes representation from Student Life, Public Safety, and University Compliance, has continued to meet regularly to direct and manage the university's compliance with the Clery Act. The Clery Compliance Steering Committee, which is co-chaired by the Executive Director for Student Life and the Director for Public Safety, is comprised of key university stakeholders touched by the Clery Act.

Clery compliance was enhanced in academic year 2021-22 in the following areas:

- A subcommittee was formed to focus on maintaining an accurate status of all the properties under Western's control to ensure crime data is accurately reported, and to develop and utilize a rationale for short-stay trips sponsored by Western to ensure crime data is collected and accurately reported.
- A second subcommittee was formed to focus on developing a draft policy and procedures to address reporting a missing student who resides in university housing. This draft policy is completed and is currently moving forward through the university policy approval process.

Annual Security and Fire Safety Report

The annual 2020 Security and Fire Safety Report was distributed to the University community in late September 2021 and is available here: <http://www.wvu.edu/vpess/annualsafetyreport.shtml>.

**WESTERN WASHINGTON UNIVERSITY
ITEM SUBMITTED TO THE BOARD OF TRUSTEES**

TO: Members of the Board of Trustees

FROM: John M. Meyer, Chair, Board Committee on Trustees

DATE: December 10, 2021

SUBJECT: **Board Trustees Remarks**

PURPOSE: Information Item

Purpose of Submittal:

Chair Meyer will provide time to members of the Board of Trustees and the University President for any final remarks, questions, or observations.

21. EXECUTIVE SESSION

Executive Session may be held to discuss personnel, real estate, and legal issues as authorized in RCW 42.30.110.

22. DATE FOR NEXT REGULAR MEETING

- **February 10, 11, 2022**

23. ADJOURNMENT