

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

UW School of Medicine – Amending Purpose for the Zaidee A. Schober Memorial Student Loan FundRECOMMENDED ACTION:

It is the recommendation of the administration and the Finance, Audit and Facilities Committee that the Zaidee A. Schober Memorial Student Loan Fund be changed to create the Zaidee A. Schober Endowed Scholarship in Medicine.

BACKGROUND:

Zaidee A. Schober, a native of Seattle, was born in 1910. She lived most of her life in West Seattle with her husband, Albert Schober, who operated an auto freight line. The Schobers had no children. Mrs. Schober's interest in the medical school derived from her association with her nephew, Dr. Albert D. Bloomstrom, a 1955 graduate of the UW School of Medicine.

In the third article of her Last Will and Testament, Zaidee A. Schober made the following provision for the University of Washington: "In the event my said husband should predecease me or he and I should meet death as the result of a common accident or occurrence, I then give, devise and bequeath to the Board of Regents of the University of Washington, all of my property and estate after the payment of my just debts and obligations and expenses of administration, for the uses and purposes hereinafter stated: This bequest shall be known as the Zaidee A. Schober Memorial Student Loan Fund. The size of loans, the interest rate, and the period for repayment shall be determined by the Board of Regents, but the fund shall be administered by the University staff in accordance with the provisions determined by the Board of Regents. I further direct and declare, that it is my intention that the Board of Regents of the University of Washington shall, at all times, have a large and wide discretion in the use of such fund for such purposes as in their opinion the same can be so used as to be most beneficial to said University of Washington; but as an expression of my wishes and desires, not, however, to be held as controlling upon said Board of Regents or as limiting their full discretionary powers in reference to such fund, I suggest: the establishment of a perpetual loan fund for worthy needy students of superior ability in the School of Medicine."

At its July 11, 1980 meeting, the Board of Regents accepted this bequest and authorized the establishment of the Zaidee A. Schober Memorial Student Loan Fund. This fund has a current balance of approximately \$677,000.

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

UW School of Medicine – Amending Purpose for the Zaidee A. Schober Memorial Student Loan Fund (continued p. 2)

In the past, loan funds for medical students were a top priority and bequests and other gifts were directed to this purpose. In recent years, medical students' loan needs have been largely met through federal programs including the Stafford loans which offer more advantageous terms. Based on the increase of and primary use of federal loan programs, we have provided significantly fewer loans through institutional resources. This has resulted in the availability of unexpended balances in loan funds that would be better utilized as scholarships.

With the expanding class size, increases in tuition, and the median debt load now more than \$100,000, increasing scholarship support for medical students is among

the School's top priorities and most pressing needs. To amend the purpose of the Zaidee A. Schober Memorial Student Loan Fund to create the Zaidee A. Schober Endowed Scholarship in Medicine is in the best interest of the UW School of Medicine and will honor Mrs. Schober's wish to support worthy needy students of superior ability in the School of Medicine in perpetuity.

The language in Mrs. Schober's Last Will and Testament provides for the Regents to amend the purpose of this gift.

In approving this recommendation, the Board of Regents authorizes the creation of the Zaidee A. Schober Endowed Scholarship in Medicine in the UW School of Medicine.

REVIEW AND APPROVALS:

The recommendation has been reviewed and approved by the CEO, UW Medicine, Executive Vice President for Medical Affairs and Dean of the School of Medicine; the Senior Vice President for Finance and Facilities, and the Vice President for Development and Alumni Relations.

Attachments

1. Amendment to create the Zaidee A. Schober Endowed Scholarship in Medicine
2. The Last Will and Testament of Zaidee A. Schober
3. Board of Regents Action Item (dated July 11, 1980)
4. July 22, 1980 Memo from Carmen Hager (Comptroller's Office) to Robert Gust (School of Medicine)

**Amendment to the
Zaidee A. Schober Memorial Student Loan Fund
Created by the Last Will and Testament of Zaidee A. Schober**

Pursuant to the terms of Zaidee A. Schober's will, dated March 28, 1960, which created the Zaidee A. Schober Memorial Student Loan Fund, the University of Washington agrees to amend the Zaidee A. Schober Memorial Student Loan Fund in the following way.

The Zaidee A. Schober Memorial Student Loan Fund will be replaced in its entirety by the Zaidee A. Schober Endowed Scholarship in Medicine. The endowment document below explains the purpose of this new endowed fund and gives additional background regarding its creation.

Zaidee A. Schober Endowed Scholarship in Medicine

I. Establishment

The University of Washington ("the University") hereby agrees to establish the ZAIDEE A. SCHOBBER ENDOWED SCHOLARSHIP IN MEDICINE per the terms of this Document, to become effective on such date as the minimum required funding has been received and accepted by the University.

II. Purpose

The purpose of this endowment is to help M.D. students with financial need to fund the cost of attending the University of Washington School of Medicine. This endowment may fund required components of the cost of education at the University including all standard and reasonable educational expenses.

In 2008, the Dean of the School of Medicine proposed that a number of loan funds be converted into endowed scholarship funds. This endowment, the ZAIDEE A. SCHOBBER ENDOWED SCHOLARSHIP IN MEDICINE, is one of those converted funds.

Please see Exhibit A for more information about Zaidee A. Schober.

III. Funding

The minimum funding requirement for scholarships established through Students First to qualify for matching is \$100,000.00; initial investment will occur when \$100,000.00 in gifts has been received.

Please see Exhibit B for an itemized breakdown of the endowment's funding.

IV. Investment

All contributions to this endowment may, for investment purposes, be merged with any of the investment assets of the University of Washington, but these gifts shall be entered in the University's books and records as the ZAIDEE A. SCHOBBER ENDOWED SCHOLARSHIP IN MEDICINE. Distributions shall be made from the endowment in the manner and amount provided for in the policies established for such endowment funds by the Board of Regents and shall be used for the purposes authorized by this Document. As authorized by the Board of Regents, the investment, management, and expenditure practices applied to the principal and earnings of this endowment, and the management and advancement fees assessed against the endowment, shall be done in accordance with University policies and procedures.

V. Selection

Selection of scholarship recipients shall be made by the Dean of the School of Medicine, or by his or her designee. Recipients shall be M.D. students, and selection shall be based on financial need. Financial need shall be determined by the Office of Student Financial Aid.

VI. Amount and Terms of Scholarships

The amount and terms of each scholarship shall likewise be determined by the Dean of the School of Medicine, or by his or her designee. Subject to the availability of funds, distributions shall be used to help those students who qualify for financial aid fund the cost of attending the University of Washington. Such costs may include all or part of tuition and may also provide support for books, fees, and other educational expenses.

The duration of the scholarship shall normally be for one academic year. Failure of the student to remain in good academic standing or to make satisfactory progress toward a degree may result in withdrawal of the scholarship.

Scholarships may be awarded for successive years, provided that recipients re-submit financial aid materials by the priority filing date each year, continue to meet all eligibility criteria for financial aid, and continue to make satisfactory academic progress toward his or her degree.

Distributions from the endowment shall be awarded and expended under the guidelines stated in Section II. Purpose. When accumulated funds are sufficient for more than one scholarship, two or more recipients may be selected. In any year in which there are no qualified applicants, the selection criteria, as stated in Section V. Selection, may be expanded, so long as such criteria shall adhere as closely as possible to the intent in Section II. Purpose.

VII. Administration

The Dean of the School of Medicine, or his or her designee, shall be the administrator of this endowment. Expenditures relating to it shall be subject to University of Washington accounting procedures and guidelines.

VIII. Amendment

This Document may be amended by the University of Washington. If changed circumstances should at some future time cause the continuation of the School of Medicine to be

inappropriate or impractical, or any of the restrictions on the use of or the investment of the endowment fund imposed by this Document to become obsolete, inappropriate or impracticable as determined by the Board of Regents, then the University may redesignate the purpose of the endowment, and the distributions therefrom, or release such restriction, provided that the endowment shall continue to bear the name of Zaidee A. Schober, and that the amended use shall adhere as closely as possible to the original intent stated in Section II. Purpose.

Integration Clause

This Document constitutes the entire agreement between the parties, and supersedes all prior oral or written agreements, commitments, or understandings concerning the matters provided for herein.

FOR THE UNIVERSITY OF WASHINGTON:

Paul G. Ramsey, M.D.
CEO, UW Medicine
Executive Vice President for Medical Affairs and
Dean of the School of Medicine,
University of Washington

S. Kay Lewis, Director
Student Financial Aid

Connie Kravas, Ph.D., Vice President
Development and Alumni Relations

V'ella Warren, Senior Vice President
Finance and Facilities

Date

F-13/206-08
6/12/08

**Exhibit A of the
Zaidee A. Schober Endowed Scholarship in Medicine**

Zaidee A. Schober was born in 1910 in Seattle. She lived in West Seattle with her husband, Albert Schober, who operated an auto freight line. Mrs. Schober's nephew, Dr. Albert Duane Bloomstrom, M.D., graduated from the UW School of Medicine in 1955. Through Dr. Bloomstrom, Mrs. Schober became interested in the medical school. She subsequently made provisions in her will to create a student loan fund — one for worthy students with financial need.

In creating this endowed scholarship in 2008, UW Medicine pays tribute to Mrs. Schober and honors her intention to support medical students at the UW School of Medicine.

**Exhibit B of the
Zaidee A. Schober Endowed Scholarship in Medicine**

Endowment Funding

This endowment shall be funded with the following:

1. Funds totaling \$677,000, now in the Zaidee A. Schober Memorial Student Loan Fund (SCHOBEL, 70-7300). These funds will be transferred out of the loan fund into the Zaidee A. Schober Endowed Scholarship in Medicine.
2. If available, University matching funds totaling \$338,500 that are designated for Students First will be added to the endowment's principal.
3. Any other gifts or bequests that other persons may designate for this purpose.

New file

RECEIVED
BOARD OF REGENTS
University of Washington
5/24/79 by

IN THE SUPERIOR COURT FOR THE STATE OF WASHINGTON
FOR KING COUNTY

ATTORNEY GENERAL'S
DIVISION U OF W

JUN 7 1979

In the Matter of the Estate)
of)
Zaidee A. Schober,)
Deceased)

No. E 238588

NOTICE OF APPOINTMENT AND
PENDENCY OF PROBATE

Notice is Hereby Given that on the 23rd day of May, 1979, the
Seattle-First National Bank was appointed as Executor of the estate of
Zaidee A. Schober, Deceased, and that probate proceedings are pending in
said Estate.

A copy of the Last Will and Testament is enclosed herewith.

Dated this 23rd day of May, 1979.

Seattle-First National Bank,

By *Greg Marshall*
Trust Officer

C. W. Minaker

C. W. Minaker
Attorney for Estate
5904 California Ave. S. W.
Seattle, Washington 98136
Telephone: 937 - 0077

(Note to Board of Regents:

The Husband mentioned in attached Will has been dead
for many years.) I assume the Estate will net around \$80,000.00.

C. W. Minaker
C. W. Minaker
Attorney for Estate

LAST WILL AND TESTAMENT

OF

ZALDEE A. SCHOBER

KNOW ALL MEN BY THESE PRESENTS: That I, ZALDEE A. SCHOBER, of the City of Seattle, State of Washington, being of sound and disposing mind and memory, over the age of 21 years and not acting under any force, fraud, duress or undue influence, do hereby make, publish and declare this to be my Last Will and Testament, hereby revoking any and all wills and codicils that I may heretofore have made.

FIRST: I direct that all my just debts and obligations of last illness and funeral be paid as soon as conveniently possible.

SECOND: I give, devise and bequeath to my beloved husband, Joseph Schober, who sometimes uses the name of Joseph Schober, Jr., all of my property and estate of whatsoever nature and wheresoever situated, real, personal and mixed, of which I may die seized or possessed, or to which I may be entitled at the time of my death, and I nominate and appoint my said husband as executor of this, my Last Will and Testament, and direct that no bond be required of him for the faithful performance of his duties as such, and that he serve without the intervention of any court or courts, except insofar as may be required by law.

THIRD: In the event my said husband should predecease me or he and I should meet death as the result of a common accident or occurrence, I then give, devise and bequeath to the Board of Regents of the University of Washington, all of my property and estate after the payment of my just debts and obligations and expenses of administration, for the uses and purposes hereinafter stated: This bequest shall be known as the Zaldee A. Schober Memorial Student Loan Fund. The size of loans, the interest rate, and the period for repayment shall be determined by the Board of Regents, but the fund shall be administered by the University staff in accordance with the provisions determined by the Board of Regents. I further direct and declare, that it is my

intention that the Board of Regents of the University of Washington shall, at all times, have a large and wide discretion in the use of such fund for such purposes as in their opinion the same can be so used as to be most beneficial to said University of Washington; but as an expression of my wishes and desires, not, however, to be held as controlling upon said Board of Regents or as limiting their full discretionary powers in reference to such fund, I suggest: the establishment of a perpetual loan fund for worthy needy students of superior ability in the School of Medicine.

FOURTH: In the event my said husband is for any reason unable to act as executor of this, my Last Will and Testament, I then nominate and appoint the Seattle-First National Bank as executor in his place and stead and as his successor and direct that no bond be required of it for the faithful performance of its duties as such. In the event of merger or change in name of such bank, such bank or its successor by whatever name it shall be known shall serve in all capacities and have all authorities and powers herein set forth for the Seattle-First National Bank.

IN WITNESS WHEREOF, I have hereunto set my hand and seal at Seattle, Washington, this 28th day of March, 1960, in the presence of the undersigned persons whom I have requested to act as attesting witnesses hereto.

Zaidee A. Schober (SEAL)

The foregoing instrument, consisting of two pages including this one, was this 28th day of March, 1960, by ZAIDEE A. SCHOBBER signed, sealed, published and declared as her Last Will and Testament in the presence of us, who at her request, in her presence and in the presence of each other, have hereunto set our hands and seals in witness whereof.

Margaret D. Hass (SEAL)
Residing at 5000 7th Avenue
Seattle, Washington

Robert D. Clark (SEAL)
Residing at 4310 W. Oregon
Seattle, Washington

JUN 25 1980

WCA-80-58
June 23, 1980

CABINET MEMORANDUM

AGENDA, BOARD OF REGENTS MEETING, JULY 11, 1980 (Action)

Finance and Facilities Committee

Zaidee A. Schober Memorial Student Loan Fund

Item attached.

W. C. Adkisson
Assistant Vice President
for Finance & Comptroller

Distribution:

Standard

cc; Mr. Robert Gust
Dr. Robert Van Citters

→ TJP → Bob →

RECEIVED
JUN 30 1980
OFFICE OF
T. J. PHILLIPS, M.D.

Zaidee A. Schober Memorial Student Loan Fund

RECOMMENDED ACTION:

It is the recommendation of the administration that the Board of Regents:

- 1) accept the bequest of \$220,000 and all future distributions from the estate of Zaidee A. Schober,
- 2) authorize the establishment of the Zaidee A. Schober Memorial Student Loan Fund to be comprised of all distributions from the estate of Zaidee A. Schober and administered by the Dean of the School of Medicine in accordance with the terms of the donor's will, and
- 3) direct that terms for the loans be established by the Dean of the School of Medicine in consultation with the Scholarship and Loan Fund Office, and be consistent with the general policy of the University for loans of a similar nature.

JUSTIFICATION FOR RECOMMENDED ACTION:

In her will Zaidee Schober bequeathed the residue of her estate to the Board of Regents of the University of Washington for the establishment of the Zaidee A. Schober Memorial Student Loan Fund "...a perpetual loan fund for worthy needy students of superior ability in the School of Medicine."

Mrs. Schober specified that the terms of the loan (the amount of the loan, interest rate, and repayment period) should be determined by the Board of Regents. To avoid the necessity of returning to the Board each time a specific change in one of these terms is necessary, it is felt that the terms of loans of a similar nature available within the University Medical School should be used as guidelines for the establishment of appropriate terms by the Dean of the School of Medicine and the Director of the Office of Scholarship and Loan.

The Dean of the School of Medicine will administer the fund in accordance with the "Policy on the Acceptance of Gifts and Bequests to be used as Student Financial Aid," adopted by the Board in December 1976, and in accordance with University guidelines, for the administration of gifts and bequests. Terms of loans issued in any one

Zaidee A. Schober Memorial Student Loan Fund (continued - 2).

academic year must be applied consistently for all recipients of the funds in that given year.

Zaidee A. Schober, a native of Seattle, was born in 1910. Mrs. Schober lived most of her life in West Seattle with her husband, Mr. Albert Schober, who operated an auto freight line. The Schobers had no children.

Mrs. Schober's interest in the Medical School derived from her association with her nephew, Dr. Albert D. Bloomstrom, a 1955 graduate of the University of Washington Medical School.

INTERDEPARTMENTAL

RECEIVED
UW

JUL 23 1980

OFFICE OF
DIRECTOR, BUDGET & PLANNING
SCHOOL OF MEDICINE

July 22, 1980

TO: Mr. Robert Gust
School of Medicine SC-64

FROM: Carmen Hager *Carmen Hager*
Comptroller's Office AG-80

SUBJECT: Zaidee Schober Memorial Student Loan Fund

At its meeting of July 11, 1980, the Board of Regents voted to

- 1) accept the bequest of \$220,000 and all future distributions from the estate of Zaidee A. Schober,
- 2) authorize the establishment of the Zaidee A. Schober Memorial Student Loan Fund to be comprised of all distributions from the estate of Zaidee A. Schober and administered by the Dean of the School of Medicine in accordance with the terms of the donor's will, and
- 3) direct that terms for the loans be established by the Dean of the School of Medicine in consultation with the Scholarship and Loan Fund Office, and be consistent with the general policy of the University for loans of a similar nature.

By copy of this memo the Office of Development is instructed to arrange for the establishment of the appropriate account. \$220,000 will be transferred from account #39-5008 to the new account.

As the administrator of the fund, it is the responsibility of your department to determine the propriety of all expenditures. Changes in the terms of the fund must be approved by the Board of Regents and/or the donor, depending on the source of the original specifications.

You have previously received copies of the "University of Washington Board of Regents Policy on the Acceptance of Gifts and Bequests to be used as Student Financial Aid" and "University Guidelines for the Administration of Gifts and Bequests to be used as sources of Student Financial Aid," both of which were adopted by the Board of Regents at its meeting on December 17, 1976. Also enclosed is a copy of the Board of Regents agenda item relating to this endowment.

Please review these items carefully so that compliance and appropriate administration can be ensured. Please contact this office (543-4990) should questions arise.

CH/lh
Enclosure

cc: Mr. Jerry Boyd
Ms. Karen Drew

Mr. Dennis Higgins
Mr. Joe Maestas

WCA-80-58
June 23, 1980

CABINET MEMORANDUM

AGENDA, BOARD OF REGENTS MEETING, JULY 11, 1980 (Action)

Finance and Facilities Committee

Zaidee A. Schober Memorial Student Loan Fund

Item attached.

W. C. Adkisson
Assistant Vice President
for Finance & Comptroller

Distribution:

Standard

cc: Mr. Robert Gust
Dr. Robert Van Citters

RECEIVED

JUL 23 1980

OFFICE OF
DIRECTOR, BUDGET & PLANNING
SCHOOL OF MEDICINE