

State of Washington
STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

Bellevue Community College
 Building B, Room B201
 3000 Landerholm Circle SE
 Bellevue, Washington

*Regular Meeting
 Thursday, December 1, 2005
 8:30 a.m. – 2:15 p.m.

State Board Regular Meeting Agenda

<u>Time Estimate</u>	<u>Description</u>	<u>Attachment</u>
8:30 a.m.	1. Call to Order	----
	2. Consent Agenda (Action)	TAB 1
	a) Approval of Minutes – October 19, 2005	
	b) 2005-07 Targets for Legislative Accountability Measures (Resolution 05-12-30)	
	c) Lake Washington Technical College: Muller Farm Property Acquisition (Resolution 05-12-31)	
	d) Lake Washington Technical College: Duvall Campus Property Acquisition (Resolution 05-12-32)	
8:35 a.m.	3. Host College Presentation: Bellevue Community College (Information)	----
9:25 a.m.	4. Approval of Part-time Faculty Best Practices Task Force Recommendations (Action) (Resolution 05-12-33)	TAB 2
10:15 a.m.	5. Public Hearing/Permanent Rule Adoption: TIAA-CREF Retirement Plan Revisions – WAC 131-16 (Action) (Resolution 05-12-34)	TAB 3
10:25 a.m.	6. Expanding High School Completion (Information)	TAB 4
11:10 a.m.	7. Economic Development Study Update (Information)	TAB 5
12:10 p.m.	8. Director's Report (Information)	TAB 6
	• Washington Learns Report	
	• 2005 Tuition Report	
	• Hurricane Katrina Tuition Waiver Update	
	• Technical College Issues	
12:30 p.m.	9. Chair's Report (Information)	TAB 7
	• TACTC Report	
	• Executive Director Search Process Update	
12:45 p.m.	10. Executive Session	----
2:15 p.m.	11. Adjournment/Next Meeting	----

***Note: The State Board study session originally scheduled for November 30 has been canceled.**

**REGULAR MEETING OF THE STATE BOARD
FOR
COMMUNITY AND TECHNICAL COLLEGES**

MINUTES OF MEETING

October 19, 2005

State Board Members

**Jim Garrison, Mt. Vernon
Jim Bricker, Coupeville
Reuven Carlyle, Seattle
Sharon Fairchild, Spokane
Tom Koenninger, Vancouver
Al Link, Silverdale
Erin Munding, Omak
Jane Nishita, Seattle
Lyle Quasim, Puyallup**

Statutory Authority: Laws of 1967, Chapter 28B.50 Revised Code of Washington

State of Washington
STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES
Olympia

A C T I O N I N D E X
October 19, 2005

<u>Resolution Number</u>	<u>Description</u>	<u>Page in Minutes</u>
----	Adoption of Agenda – October 19, 2004	1
----	Approval of Minutes: June 26, 2005 regular meeting; September 6-8, 2005 retreat; September 26, 2005 special meeting	1
05-10-22	Approval of 2005 Legislative Platform	3
05-10-23	Approval of 2005-06 SBCTC Office Budget and Workplan	4
05-10-24	Approval of 2006 Supplemental Operating Budget Request	4
05-10-25	Approval of 2006 Supplemental Capital Budget Request	5
05-10-26	Approval of CTC Bachelor’s Degree Task Force Criteria and Process	5
05-10-27	Approval of 2006 State Board Meeting Schedule	6
05-10-28	Approval of Lake Washington Technical College Property Acquisition – Redmond Campus	6
05-10-29	Approval of Homeland Security Contract	6
----	Approval of Salary Increase for Executive Director	7

**STATE OF WASHINGTON
STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES
Olympia**

**Regular Meeting Minutes
October 19, 2005**

Note: The State Board held a study session on October 19, 2005, from 1:30 p.m. to 5:00 p.m. to discuss the following topics: 1) CTC Bachelor's Degree Task Force Criteria and Process, 2) 2006 Supplemental Operating Budget Request, 3) 2006 Supplemental Capital Budget Request, 4) 2006 System Legislative Platform, 5) 2005-06 SBCTC Office Budget and Workplan, 6) Economic Development Study Status Report, and 7) Washington Learns Report. No action was taken at the study session.

Board Members Present: Jim Garrison (Chair), Jim Bricker, Reuven Carlyle, Sharon Fairchild, Tom Koeninger, Al Link, Erin Mundinger, Jane Nishita, Lyle Quasim

CALL TO ORDER

Chairman Jim Garrison called the meeting to order at 8:15 a.m. and welcomed those present. He thanked Skagit Valley College President Gary Tollefson for hosting the meeting and the previous evening's dinner with the college board of trustees and staff.

ADOPTION OF AGENDA

***MOTION:** Moved by Jane Nishita and seconded by Sharon Fairchild that the State Board adopt its regular meeting agenda of October 19, 2005, with the addition of a consent item to approve contracts for homeland security.*

MOTION CARRIED.

APPROVAL OF MINUTES

***MOTION:** Moved by Al Link and seconded by Jane Nishita that the State Board approve its regular meeting minutes of June 23, 2005; retreat notes of September 6-8, 2005; and special meeting minutes of September 26, 2005, as presented.*

MOTION CARRIED.

HOST COLLEGE PRESENTATION

President Gary Tollefson welcomed State Board members and staff to Skagit Valley College. He introduced SVC faculty and staff members Maureen Pettit, Lynn Dunlap, Susan Tinker, Trish Barnes, Greata Kocol, and Susan Williamson. Dr. Tollefson and his team provided general information about the college and the community it serves, discussed learning communities at SVC, and shared information about the Center of Excellence for Marine Manufacturing and

serious long-standing issue and outlined steps the college is taking to address this problem on a long-term basis. He asked the State Board to consider options such as differential allocations and moving some allocated funds to part-time faculty salaries. He also expressed support for the State Board's supplemental operating budget request, which includes \$6.7 million for part-time salary improvement.

DIRECTOR'S REPORT

Executive Director Earl Hale and staff reported on the following items:

- **Proposed TIAA-CREF Rule Change.** John Boesenberg updated the Board on planned revisions to the State Board's retirement plan. Rule and plan document recommendations will be presented at the November/December State Board meeting.
- **Best Practices Task Force Update.** John also reported on the progress of the Best Practices Task Force on which Al Link and Jim Garrison serve as State Board representatives. A report and recommendations on part-time faculty employment issues will be presented to the Board for approval in December.
- **Foster Care Coordinating Committee Report.** Chris Reykdal updated the Board on the status of three legislative measures enacted since 2003 to improve the educational attainment of children in foster care and former foster youth. He also summarized several state and community-based programs being implemented in an effort to improve prospects of foster youth and former foster youth. Lyle Quasim volunteered to participate on the foster care oversight committee.
- **Grants Summary.** Earl provided an overview of several grants, including high-demand workforce training, I-BEST to assist low-skilled students, homeland security for training programs for emergency first responders, Evergreen Lumina Foundation to increase access and success among reservation-based Native American students, and distance learning grants to colleges for new developments in technology-assisted learning.
- **Adult Literacy Week.** Suzy Ames announced that Governor Gregoire has declared the week of October 30 as the second annual Adult Literacy Week. Colleges and community-based organizations that run adult literacy programs are planning events and activities across the state. Each activity will target the "thinking-taking public" as part of the system's statewide communications plan and will highlight the ways adult literacy supports economic development.
- **High School Completion.** Earl alerted the Board that the role community and technical colleges may play in high school completion for students over 18 years of age has raised a series of policy issues. Data is currently being gathered and will be brought back to the Board for discussion at a later meeting. The presidents plans to discuss this issue at their October meeting.
- **WorkFirst Funding.** Earl reported on recent meetings and recommendations of the WorkFirst Reexamination Group. Governor Gregoire charged the group with finding ways to help people achieve self-sufficiency while holding the program within its current budget.

- **Washington Learns Report.** Mary Alice Grobins reported on recent meetings of the Washington Learns Higher Education Advisory Committee and the Steering Committee. She briefed the Board on key discussions and interim report recommendations.

APPROVAL OF 2006 LEGISLATIVE PLATFORM (Revised Resolution 05-10-22)

Chris Reykdal presented the community and technical college system's 2006 legislative request package, which was developed collaboratively by representatives from the trustees' and presidents' organizations, the faculty unions, and State Board members and staff. The Board reviewed the package and discussed policy and budget elements at its study session the previous day.

The legislative request package contains \$22 million in additional funds to address student access and faculty salary issues, a \$19 million supplemental capital budget request, a policy bill to address permanent funding for faculty salary increments, and a statement of intent to secure predictable and stable maintenance and operations funding for newly constructed capital facilities.

At the Board's request, a minor wording change was made to the original resolution presented in the Board's agenda packet.

MOTION: Moved by Jim Bricker and seconded by Tom Koenninger that the State Board approve Revised Resolution 05-10-22 (ATTACHMENT #1) adopting recommendations of the Joint Legislative Committee for the community and technical college system's 2006 Legislative Platform as outlined in the resolution and attachments.

MOTION CARRIED.

APPROVAL OF 2005-06 BUDGET AND WORKPLAN FOR THE STATE BOARD OFFICE (Resolution 05-10-23)

Chris Reykdal presented the proposed list of 2005-06 major staff projects and the agency budget for the State Board of just under \$10.2 million, which supports 90 staff members. He noted there was a small increase in staffing levels to support the statewide communications plan, to provide additional enrollment planning and analysis, and for the Homeland Security Institute. The proposed office budget, a list of priority projects, a list of the 10 highest priority projects, and related agenda background materials were reviewed and discussed with the Board at its study session the previous day. Reuven Carlyle also distributed a memo at that meeting outlining his ideas regarding the proposed 2005-06 workplan.

The 2005-06 workplan supports critical initiatives around economic development, access and affordability, funding and allocations, and seamless education. These major themes were previewed at the State Board retreat, along with several projects that fit into the themes.

MOTION: Moved by Sharon Fairchild and seconded by Al Link that the State Board adopt Resolution 05-10-23 (ATTACHMENT #2) approving the priority projects and budget for the State Board office for 2005-06 and delegating to the Executive Director the authority to make adjustments as deemed necessary to reflect changing conditions.

MOTION CARRIED.

2006 SUPPLEMENTAL OPERATING BUDGET (Resolution 05-10-24)

Mary Alice Grobins presented the proposed 2006 supplemental operating budget request totaling \$32.2 million, which focuses on funding for access to higher education and for compensation increases. The request also includes an item for increased fuel and energy costs and technical adjustments. The request and related agenda background materials were reviewed and discussed by the Board at its study session the previous day.

She noted that the 2005-07 enacted budget did not provide funding for several requested items, including: full funding for facility maintenance and operating costs, faculty increments in the second year of the biennium, and part-time salary improvements in the second year of the biennium. In addition to these items, the system had identified other needs, such as unanticipated fuel and energy cost increases, that were not part of the 2005-07 request.

The state's expected revenues for the 2005-07 biennial budget have increased since the budget was enacted in the summer of 2005. Based on the September revenue forecast, an ending fund balance of \$11 billion is anticipated. Factoring in caseload and other mandatory funding items, including the I-732 COLA for community and technical college faculty and staff, the Office of Financial Management estimates an ending fund balance for 2006 of \$885 million.

MOTION: Moved by Al Link and seconded by Jim Bricker that the State Board adopt Resolution 05-10-24 (ATTACHMENT #3) approving the 2006 supplemental operating budget request.

MOTION CARRIED.

2006 SUPPLEMENTAL CAPITAL BUDGET REQUEST (Resolution 05-10-25)

Tom Henderson presented the proposed 2006 supplemental capital request, which addresses unfunded critical infrastructure projects remaining from the last legislative session, changes to college-financed projects, and the need for additional capital funds due to significant changes in the bid market. The request and related agenda background materials were reviewed and discussed by the Board at its study session the previous day.

He briefly reviewed the list of capital appropriation requests, alternative financing projects, and certificate of participation projects included in the request.

MOTION: Moved by Al Link and seconded by Jim Bricker that the State Board adopt Resolution 05-10-25 (ATTACHMENT #4) approving the 2006 supplemental capital budget request.

MOTION CARRIED.

APPROVAL OF CTC BACHELOR'S DEGREE SELECTION CRITERIA AND PROCESS (Resolution 05-10-26)

JanYoshiwara presented the Bachelor's Degree Task Force proposals for selection criteria and processes for four colleges to pilot applied bachelor's degrees and three colleges to pilot university contracts for bachelor's degrees in early 2006. She noted that the proposals were endorsed by the college presidents at their September meeting. The proposals and related agenda background materials were reviewed and discussed by the Board at its study session the previous day. At that meeting, Board members were provided with the Task Force rationale for the criteria and standards for the colleges seeking to be selected for either pilot. They reviewed the proposed evaluation process and timeline and discussed financing for pilot projects.

Jan reported that the Baccalaureate Capacity Study identified a programmatic gap in this state for applied bachelor's degrees, degrees that only some universities offer in some locations and only in limited fields. Applied bachelor's degrees build on technical associate degrees either by providing further upper-division course work in the same professional/technical field studied in the applied associate degree or management specialization for technical workers who acquire management responsibility.

University contracts provide the opportunity for colleges to bring bachelor's degrees, whether traditional or applied degrees, not currently available to placebound students in their communities. The university partner is responsible for the curriculum and faculty and awards the bachelor's degree under the university contract.

MOTION: Moved by Al Link and seconded by Sharon Fairchild that the State Board adopt Resolution 05-10-26 (ATTACHMENT #5) approving the recommendation of the Bachelor's Degree Task Force regarding the criteria and process for selecting pilot colleges for CTC Applied Bachelor's Degrees and University Contract.

MOTION CARRIED.

2006 STATE BOARD MEETING SCHEDULE (Revised Resolution 05-10-27)

DelRae Oderman presented the proposed schedule of meeting dates and locations for 2006. A one-day meeting in April was added to the preliminary schedule that was presented to the Board at their September retreat. The purpose of this meeting is to adopt operating budget allocations, tuition rates, and CTC Bachelor's Degree Task Force recommendations.

MOTION: Moved by Jane Nishita and seconded by Al Link that the State Board adopt Resolution 05-10-27 (ATTACHMENT #6) approving its schedule of regular meeting dates and locations for 2006.

MOTION CARRIED.

CONSENT ITEMS (Resolutions 05-10-28 & 05-10-29)

MOTION: Moved by Al Link and seconded by Jim Bricker that the State Board approve the consent agenda as follows:

- a) Resolution 05-10-28 (ATTACHMENT #7) authorizing Lake Washington Technical College to use local funds to acquire property adjacent to its Redmond Campus.***
- b) Resolution 05-10-29 (ATTACHMENT #8) delegating authority to the executive director to execute Homeland Security Institute contracts with the state Emergency Management Division of the Federal Office for Domestic Preparedness.***

MOTION CARRIED.

CHAIR'S REPORT

Chairman Jim Garrison reported on the following items:

- **Trustees' Association Report.** TACTC President Larry Brown reported on recent meetings and activities of the Trustees' Association. He reported on the ACCT Leadership Conference held in Seattle on September 7 and included seven different presenters from Washington's community and technical college system. TACTC hosted an impressive and creative welcome reception for the conference participants. He thanked members of the State Board Search Committee for meeting with the TACTC Executive Committee to get their input into the search process. TACTC will hold its joint Board of Directors and Legislative Steering Committee meeting on November 10 at Highline Community College.
- **Executive Director Search Process Update.** Jim Garrison updated the Board on the search process and timeline for selecting the new Executive Director. Board members had an opportunity to review and comment on the search brochure, position specifications, and salary range at their September retreat, and their feedback was incorporated in the final document. Jim has also been meeting with system stakeholders to get their input. The screening committee met via conference call on October 12 to preview the interview process proposed by the search consultant. The committee will meet with the consultant immediately following the Board meeting to further discuss the search process and preliminary outreach results.

- **Executive Director's Contract.**

MOTION: Moved by Tom Koenninger and seconded by Al Link that the State Board increase the Executive Director's salary by 3.2 percent effective September 1, 2005, as authorized by the Legislature.

MOTION CARRIED.

ADJOURNMENT/NEXT MEETING

There being no further business, the State Board adjourned its regular meeting of October 19, 2005, at 11:00 a.m. The next regular meeting of the State Board will be held November 30-December 1, 2005 at Bellevue Community College. It is anticipated that special Board meetings will be required in early December for the purpose of interviewing candidates for the position of Executive Director.

Jim Garrison, Chair

ATTEST:

Earl Hale, Secretary

Subject (Action)

2005-07 Targets for Legislative Accountability Measures (Resolution 05-12-30)

Background

The 2005-07 operating budget act requires the State Board to “by June 30, 2007, show demonstrable progress toward achieving the following six-year programmatic goals:

- (a) Increase the number of academic students who are eligible to transfer to baccalaureate institutions;
- (b) Increase the number of students prepared for work; and
- (c) Increase the number of basic skills students who demonstrate substantive skill gain.”

These performance measures for the community and technical college system have been required by the Legislature since the 1999-01 biennium. The measures were proposed by the Board in 1998 in response to the Legislature’s call for public accountability in higher education, and are intended to reflect direct results in the college system’s three primary mission areas: academic transfer, workforce education, and basic skills. These measures were used in the college system’s 2005-07 budget request to the Governor and Legislature to describe increased production as a result of the proposed additional investment in the community and technical colleges. These measures are also used for federal accountability to demonstrate results for federal vocational and adult basic education funds.

In order to achieve progress by June 2007, system level targets and college district level targets need to be set by the Board. Progress towards the biennial targets will be evaluated in July 2006 as well as July 2007. The following is a description of the measures, past performance, and factors used to set the proposed system level and college district level targets.

Mission Oriented Performance Measures

Workforce Education Measure: The primary purpose of workforce education is to prepare students for work. **Students prepared for work** is measured by professional/technical degrees and related certificates awarded, including achievement of industry skill standards. The long-term legislative target is 25,000 students prepared for work per year. The aim of this goal is to eliminate the skilled worker shortage as defined by the Workforce Training and Education Coordinating Board.

Transfer Measure: The purpose of academic transfer education is to prepare students for eligibility to transfer to baccalaureate institutions. **Academic students eligible to transfer to baccalaureate institutions** have completed a minimum of 45 college-level credits and reached transfer eligible status. Transfer eligible means the student had completed the common core of courses with a college-level GPA at or above 2.0, the minimum required for transfer admission.

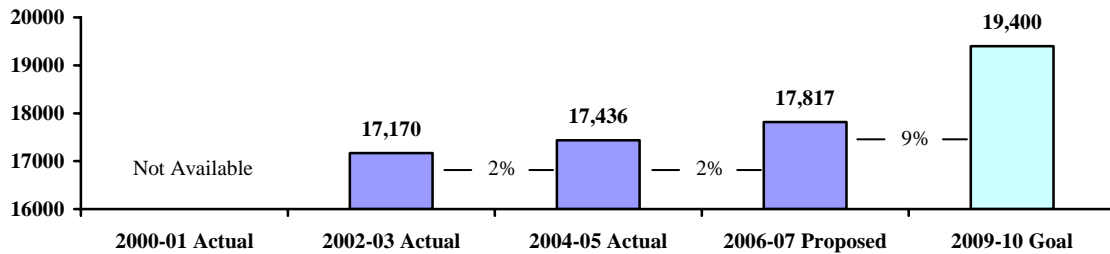
By 2010 a target of 19,400 would assure young people of an opportunity to prepare for the bachelor’s degree via the community and technical college system equal to the opportunity in 2000.

Basic Skills Measure: The purpose of basic skills instruction is to help students improve their basic skill levels. **Basic skills students who demonstrate substantive skill gain** as a result of their adult basic education (ABE) or English as a second language (ESL) instruction based on standardized pre- and post- tests in reading, writing, mathematics or English language proficiency are included. The long-term legislative target is 23,612 students who demonstrate substantive skill gain (basic skills rate).

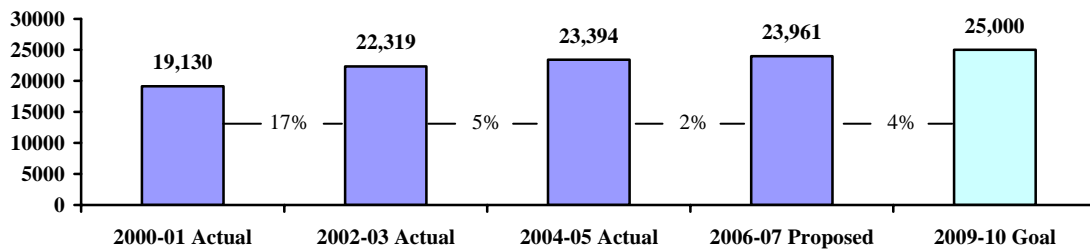
How were the system targets determined?

The proposed system targets are based on 2004-05 performance, the system performance trend, increases proposed in the 2005-07 budget request, and the rate of funded enrollment growth for 2005-07. The proposed targets are the result of work by the system’s Performance Measures Task Force.

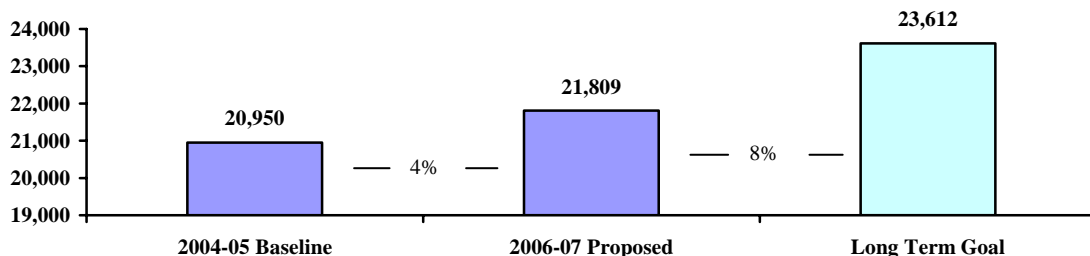
Transfer Ready Total of District Targets



Prepared for Work Total of District Targets



Basic Skills Total Community-Based Organization and District Targets



How are the system targets allocated to the districts?

The factors used to distribute the system level targets for each measure to each college district are detailed in Appendix B. The district level targets are preliminary. Colleges may shift their emphases among mission areas according to their strategic directions and shifts in community needs. Colleges are currently reviewing the Task Force's proposal and a revised distribution will be provided at the Board meeting.

Recommendation

Staff recommends Board approval of Resolution 05-12-30, adopting 2005-07 performance targets for the college system and for college districts.

Prepared by Jan Yoshiwara
November 18, 2005

STATE OF WASHINGTON

STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

RESOLUTION 05-12-30

A resolution relating to the 2003-05 performance targets for the community and technical colleges of Washington State.

WHEREAS, the Legislature has established performance requirements for the state community and technical college system; and

WHEREAS, the System Task Force for Performance Reporting has developed recommendations for system and district targets,

THEREFORE, BE IT RESOLVED, that the State Board for Community and Technical Colleges approves the Performance Reporting Plan for 2005-07 with the following targets:

- Prepared for Work- Increase from 23,394 to 23,500 the number of job preparatory students per year prepared for work
- Prepared to Transfer- Increase from 17,436 to 17,800 the number of academic students per year ready to transfer to baccalaureate institutions
- Demonstrate Substantive Basic Skill Gains- Increase from 20,950 to 21,810 of basic skills students per biennium who demonstrate substantive basic skills gains

APPROVED AND ADOPTED December 1, 2005.

Jim Garrison, Chair

ATTEST:

Earl Hale, Secretary

System Task Force for Performance Reporting

September 2005

Institutional Research

Valerie Hodge, Bellevue
Jack Bautsch, Seattle District
Candy Bennett, Clark
Colleen Straight, Spokane District

Instruction

Darlene Miller, Shoreline
Ron Leatherbarrow, Bellevue
Evelyn Short, Peninsula
Laura Brener, Centralia
Geary Greenleaf, Lower Columbia
Geri Swope, Spokane

Business

Nancy McKinney, Grays Harbor
Kathryn Longfellow, Bellingham

Faculty & Staff

Susan Jones, South Puget Sound
Lenore Vest, Lower Columbia
College
Mike Witmer, Skagit Valley
Jan Swinton, Spokane Falls

Student Services

Tika Esler, Bellevue
Adrienne Tabar, IEL
Rachel Ruiz, Clark

WACTC

Linda Kaminski, Yakima
Don Bressler, Renton

Public Information

Lisa Skari, Highline

SBCTC

Jan Yoshiwara
David Prince
Loretta Seppanen
Brian Kanen
Israel Mendoza
Nani Jackins-Park
Doug Whittaker
Jim Crabbe

ACCOUNTABILITY MEASURES

Transfer Ready factors:

- Rate of increase for system target
- District share of 2005 actual performance
- District share of 2005-07 growth FTEs

Because technical colleges do not offer academic transfer degrees, targets for the Transfer Ready measure are distributed to community college districts only.

Transfer Ready Measure

College	2004-05		2006-07	2007	Change from 2004-05
	Actual	% Total	% FTE Growth	Proposed Target	
Bellevue	1,595	9.1%	2.9%	1,629	2.1%
Big Bend	260	1.5%	3.2%	266	2.3%
Cascadia	341	2.0%	8.2%	366	7.3%
Centralia	277	1.6%	2.9%	283	2.2%
Clark	909	5.2%	3.4%	933	2.6%
Columbia Basin	580	3.3%	3.1%	593	2.2%
Edmonds	735	4.2%	3.0%	751	2.2%
Everett	655	3.8%	2.9%	668	2.0%
Grays Harbor	175	1.0%	2.2%	177	1.1%
Green River	977	5.6%	2.7%	996	1.9%
Highline	776	4.5%	2.1%	776	0.0%
Lower Columbia	260	1.5%	2.3%	264	1.5%
Olympic	714	4.1%	3.2%	731	2.4%
Peninsula	186	1.1%	1.2%	186	0.0%
Pierce District	1,342	7.7%	3.1%	1,374	2.4%
Seattle District	1,817	10.4%	2.3%	1,845	1.5%
Shoreline	703	4.0%	2.2%	713	1.4%
Skagit Valley	526	3.0%	3.3%	539	2.5%
South Puget Sound	585	3.4%	3.6%	601	2.7%
Spokane District	1,351	7.7%	2.7%	1,376	1.9%
Tacoma	759	4.4%	3.2%	777	2.4%
Walla Walla	261	1.5%	2.7%	266	1.9%
Wenatchee Valley	414	2.4%	3.9%	427	3.1%
Whatcom	743	4.3%	4.6%	771	3.8%
Yakima Valley	495	2.8%	3.6%	509	2.8%
College Total	17,436	100.0%	2.8%	17,817	2.2%
System Target				17,800	

Prepared for Work factors:

- Rate of increase for system target
- District share of 2005 actual performance
- District share of 2005-06 growth FTEs
- Distribution of 2004-06 high demand FTEs

Workforce Education Measure

College	2004-05		2005-06	2004-06	2007	Change from 2004-05
	Actual	% Total	% FTE Growth	High Demand FTEs	Proposed Target	
Bates	1,439	6.2%	1.4%	34	1,450	0.8%
Bellevue	681	2.9%	2.2%	24	719	5.6%
Bellingham	1,146	4.9%	3.7%	2	1,182	3.1%
Big Bend	231	1.0%	2.5%	8	241	4.3%
Cascadia	47	0.2%	10.7%	0	51	8.5%
Centralia	218	0.9%	1.8%	37	234	7.3%
Clark	845	3.6%	4.0%	25	910	7.7%
Clover Park	1,752	7.5%	2.0%	0	1,759	0.4%
Columbia Basin	466	2.0%	1.9%	14	481	3.2%
Edmonds	834	3.6%	2.5%	34	855	2.5%
Everett	1,130	4.8%	3.6%	3	1,175	4.0%
Grays Harbor	216	0.9%	2.6%	14	232	7.4%
Green River	658	2.8%	1.5%	0	658	0.0%
Highline	647	2.8%	1.7%	0	647	0.0%
Lake Washington	988	4.2%	3.4%	0	1,005	1.7%
Lower Columbia	529	2.3%	2.4%	40	548	3.6%
Olympic	607	2.6%	1.9%	18	652	7.4%
Peninsula	455	1.9%	-1.2%	27	455	0.0%
Pierce District	658	2.8%	2.3%	3	682	3.6%
Renton	1,247	5.3%	2.0%	23	1,275	2.2%
Seattle District	2,408	10.3%	1.0%	32	2,424	0.7%
Shoreline	616	2.6%	1.1%	0	616	0.0%
Skagit Valley	624	2.7%	1.9%	14	627	0.5%
South Puget Sound	534	2.3%	2.3%	40	549	2.8%
Spokane District	2,046	8.7%	1.5%	14	2,096	2.4%
Tacoma	589	2.5%	1.6%	12	589	0.0%
Walla Walla	493	2.1%	2.0%	21	509	3.2%
Wenatchee Valley	337	1.4%	2.0%	10	356	5.6%
Whatcom	264	1.1%	4.6%	2	283	7.2%
Yakima Valley	689	2.9%	2.0%	10	701	1.7%
College Total	23,394	100%	2.1%	461	23,961	2.4%
System Target					23,500	

Basic Skills factors:

- Previous year skill gains rates as measured with standard tests
- An improvement formula that takes into account exceptional, average, and less than average performance comparative to the system level performance

The formula in place was developed by a system task group and is used to award incentive funds.

Basic Skills Measure

	2004-05 Baseline	2007 Target	Change from 2004-05
Bates	274	285	4.0%
Bellevue	600	612	2.0%
Bellingham	152	158	3.9%
Big Bend	458	477	4.1%
Cascadia	223	232	4.0%
Centralia	248	280	12.9%
Clark	1,027	1,068	4.0%
Clover Park	365	380	4.1%
Columbia Basin	766	797	4.0%
Edmonds	1,023	1,064	4.0%
Everett	862	897	4.1%
Grays Harbor	332	343	3.3%
Green River	942	980	4.0%
Highline	1,022	1,063	4.0%
Lake Washington	705	733	4.0%
Lower Columbia	335	349	4.2%
North Seattle	750	780	4.0%
Olympic	323	336	4.0%
Peninsula	235	244	3.8%
Pierce - Ft. Steilacoom	305	317	3.9%
Pierce - Puyallup Campus	297	309	4.0%
Renton	1,251	1,302	4.1%
Seattle Central	1,002	1,042	4.0%
Seattle Vocational Institute	105	109	3.8%
Shoreline	560	583	4.1%
Skagit Valley	357	371	3.9%
South Puget Sound	496	516	4.0%
South Seattle	817	850	4.0%
Spokane Falls	1,345	1,399	4.0%
Tacoma	623	648	4.0%
Walla Walla	284	295	3.9%
Wenatchee Valley	440	458	4.1%
Whatcom	312	325	4.2%
Yakima Valley	932	970	4.1%
College Total	19,768	20,572	4.1%
Community-Based Organization Total	1,182	1,237	4.7%
System Target	20,950	21,809	4.1%

Subject (Action)

Lake Washington Technical College Property Acquisition – Muller Property
(Resolution 05-12-31)

Background

The State Board is required to approve expenditures of local funds that exceed \$400,000. Lake Washington Technical College (LWTC) requests approval to purchase a 65 acre, undeveloped parcel (Muller Farm) that is restricted by the King County Farmland Preservation Program. Covenants on the property limit its use to agriculture, which is consistent with the LWTC use as a laboratory for the environmental horticulture program. Total cost to the college is expected to be \$600,000. Acquisition of the property will provide space for relocating and expanding the horticulture program.

Analysis

The Lake Washington Youth Soccer Association has agreed to work with King County and Lake Washington Technical College to purchase and exchange real estate. LWTC and King County will partner to transfer county owned property in addition to cash contributed from LWTC reserves in exchange for parcels B and C of the Muller Farm property (see Attachment #1). LWTC receives the underlying ownership of parcel B.

The Muller property is located less than one mile from the main campus and provides for expanded offerings in turf management, organic farming, tree growing, etc. There is additional interest expressed in partnerships with LWTC. Washington State University has expressed an interest in joint educational projects as has the Washington State Nursery and Landscaping Association. A new horticulture facility is part of the colleges' master plan. Approval for the purchase has been given by the LWTC Board of Trustees.

The college will purchase parcel B using local capital from current reserves.

Recommendation

SBCTC staff recommend adoption of Resolution 05-12-31, approving acquisition of the Muller Farm property in Redmond, for Lake Washington Technical College.

STATE OF WASHINGTON

STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

RESOLUTION 05-12-31

A resolution relating to property acquisition for Lake Washington Technical College.

WHEREAS, Lake Washington Technical College has plans to expand and improve its horticulture program facility; and

WHEREAS, King County and Lake Washington Technical College have identified a way to partner and secure acquisition of a portion of the Muller Farm property from the Lake Washington Youth Soccer Association; and

WHEREAS, all parties executed a Memorandum of Understanding on October 25, 2005 outlining the agreements and intent to facilitate resolution of this transaction in a timely manner; and

WHEREAS, the Lake Washington Technical College Board of Trustees endorsed the acquisition of the property in Resolution 76 dated November 14, 2005; and

WHEREAS, the college has sufficient cash reserves to purchase the property,

NOW THEREFORE BE IT RESOLVED that the State Board for Community and Technical Colleges approve the use of up to \$600,000 in local funds to purchase land in Redmond known as parcel B of the Muller farm property.

APPROVED AND ADOPTED on December 1, 2005.

Jim Garrison, Chair

ATTEST:

Earl Hale, Secretary

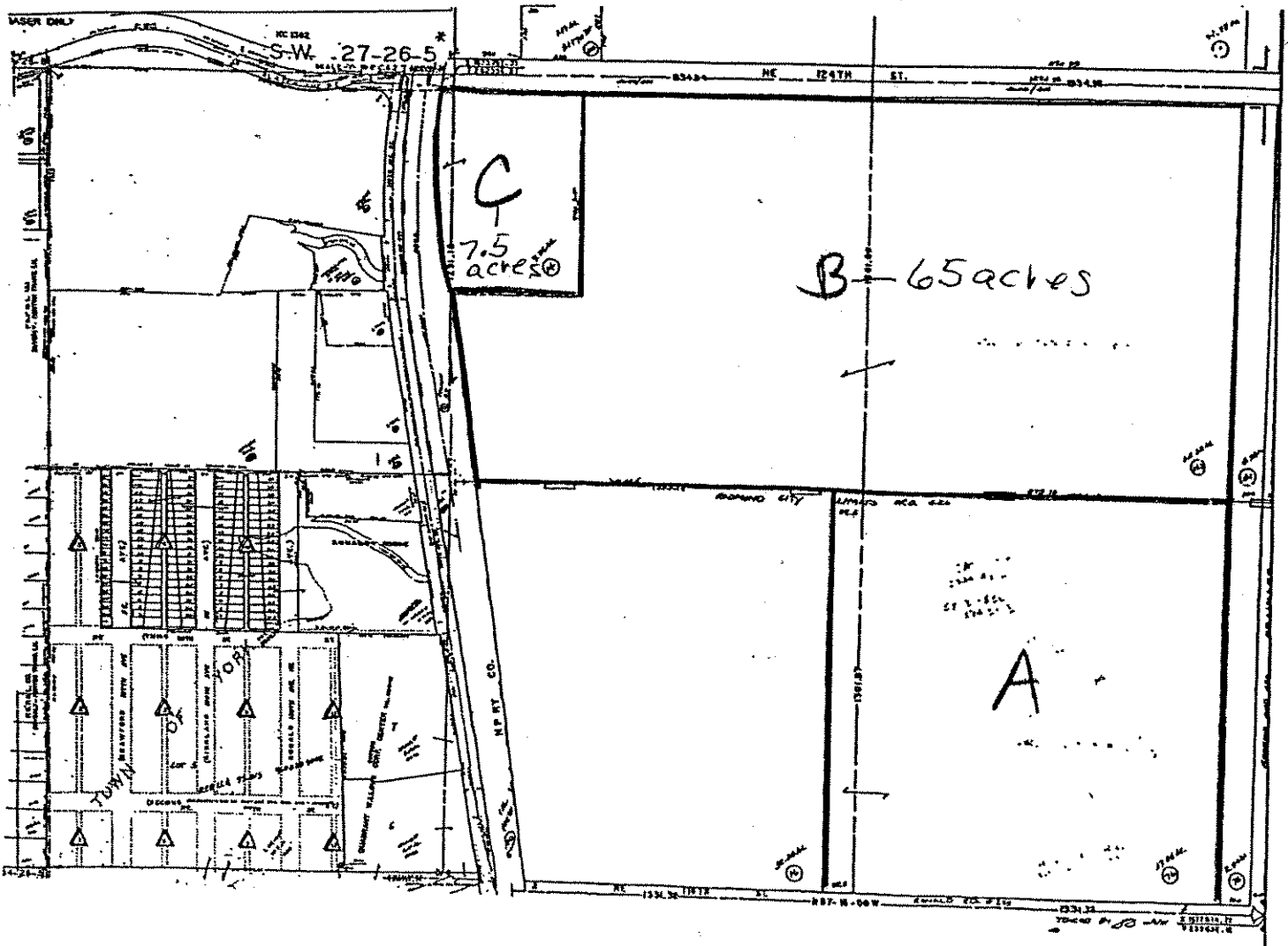
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STATE BOARD REGULAR MEETING AGENDA ITEM

TAB 1(d)

Subject (Action)

Lake Washington Technical College Property Acquisition – Duvall Satellite
(Resolution 05-12-32)

Background

The State Board is required to approve expenditures of local funds that exceed \$400,000. Lake Washington Technical College (LWTC) requests approval to pursue the purchase of approximately ten acres in Duvall for future development of a Duvall satellite location.

Analysis

The City of Duvall, along with CamWest Development, Inc. has approached LWTC with a desire to have LWTC locate a satellite campus in Duvall. The city has offered to give city-owned property to the college, and CamWest has offered to match the college's acquisition funds to establish a site for the college. All parties have entered into a Memorandum of Understanding, dated November 10, 2005, to establish a framework for negotiation of final transactions subject to the approval of boards and governing bodies of LWTC and the City of Duvall.

Providing a satellite location in the City of Duvall is in the best interest of communities in the West Snoqualmie Valley and Redmond. This is a rapidly developing region with large housing developments and more than 3,500 homes currently under construction in the immediate area. LWTC plans include a "School of Design", furthering its engineering and architectural design program combined with associated technical and general education programs.

The Maurer property (approximately five acres – see Attachment #1) will be purchased by the college for \$1 million. The acquisition will be secured by \$500,000 in a matching fund appropriation (funded in this biennium's capital budget) and an equal gift from CamWest. An additional gift of five acres owned by the City of Duvall (valued at \$1.5 million) will be awarded to the college and subsequently traded with CamWest for property adjacent to the Maurer property. The actual transfer will be based on the appraised value of the City of Duvall property and the southern portion of contiguous parcels C and D with a combined value of approximately \$1.5 million.

The LWTC Board of Trustees has endorsed the acquisition of property and the construction of a satellite in the City of Duvall. Future development will be contingent on securing an appropriation for a growth project. The college will submit a growth project for consideration in its 2007-09 capital request.

Recommendation

SBCTC staff recommend adoption of Resolution 05-12-32, to approve Lake Washington Technical College moving forward with the acquisition of land and future development of a satellite in the City of Duvall.

Prepared by Tom Henderson
November 15, 2005

STATE OF WASHINGTON

STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

RESOLUTION 05-12-32

A resolution relating to property acquisition for Lake Washington Technical College.

WHEREAS, Lake Washington Technical College has identified the need to expand educational services east of Redmond; and

WHEREAS, Lake Washington Technical College has the opportunity to expand those services by acquiring property in the City of Duvall by partnering with the city and CamWest Development, Inc.; and

WHEREAS, the acquisition of property will be in the form of purchase and exchange of property that benefits the surrounding community and citizens of the State of Washington; and

WHEREAS, the college would use a state match appropriation of \$500,000 to be equally matched by CamWest Development, Inc. to secure the Maurer property; and

WHEREAS, the college will exchange approximately \$1.5 million in property gifted to the college by the City of Duvall for land adjacent to the Maurer property; and

WHEREAS, both transactions are outlined in the Memorandum of Understanding dated November 10, 2005; and

WHEREAS, the Lake Washington Technical College Board of Trustees endorsed the acquisition and satellite development in the City of Duvall (Resolution #77, dated November 14, 2005),

NOW THEREFORE BE IT RESOLVED that the State Board for Community and Technical Colleges approve the acquisition of property and development of a Lake Washington Technical College satellite in the City of Duvall.

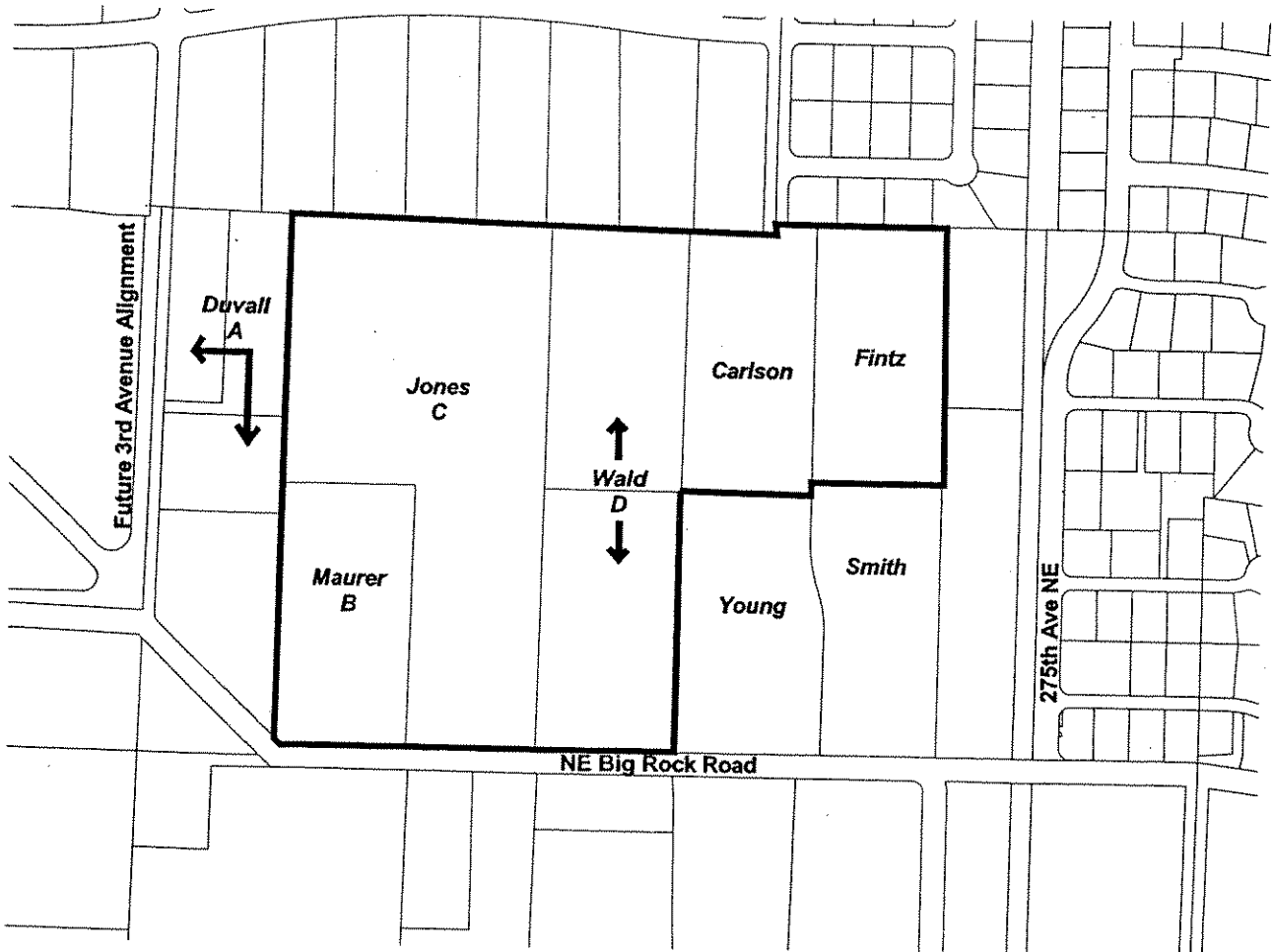
APPROVED AND ADOPTED on December 1, 2005.

Jim Garrison, Chair

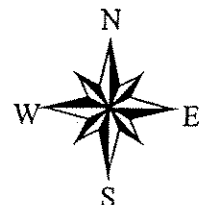
ATTEST:

Earl Hale, Secretary

LWTC/Camwest/Duvall MOV



City of Duvall
Vicinity Map



Subject (Action)

Part-time Faculty Best Practice Principles (Resolution 05-12-33)

Background

The 1996 Legislature adopted provisions requiring the State Board to convene a Taskforce to identify the best practices related to part-time faculty compensation and working conditions. A Taskforce was established, the best practices listed and recommendations made to the college districts, State Board and Legislature. Updates were reported to the Board and college system in 1997 and 1998.

Adopted by the 2005 Legislature, Engrossed Senate Bill 5087 required the State Board to re-convene a Taskforce that would review and update the best part-time faculty employment practices and make recommendations to the State Board. Representatives to the Taskforce were requested from and appointed by the stakeholder groups identified in the legislation. They included State Board members, full- and part-time faculty, trustees and presidents. Taskforce members met regularly from summer through fall 2005 - focusing on understanding the assignment, reviewing data and the 1996 report, and updating the principles.

As directed by the legislation, members of the Taskforce focused solely on part-time faculty issues with the intent of identifying overarching principles that represent the best practice for part-time faculty in a given employment area. The legislation required the Taskforce to submit its findings to the State Board and other interested parties by December 1, 2005. It also required the State Board to:

- Adopt and periodically update a set of best practice principles for colleges to follow in the employment of part-time faculty.
- Use the best practice principles in the development of each biennial operating budget request.
- Encourage and, to the extent possible, require each local governing board to adopt, revise, and implement the principles.

The Taskforce's Report and Recommendations are attached.

Recommendation

Staff recommends that the Board adopt the best practice principles as listed in Resolution 05-12-33 and encourage colleges to consider implementing bargained forms of the principles.

STATE OF WASHINGTON

STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

RESOLUTION 05-12-33

A resolution relating to the adoption of the best practice principles affecting the employment of part-time/adjunct faculty

WHEREAS, two-year colleges are vital to the state's economy and provide an open door to higher education for thousands of students across the state; and

WHEREAS, the State Board for Community and Technical Colleges has established a system goal of having a first class faculty and staff and providing fair compensation and working conditions for both full- and part-time instructors, whose contributions are critical to the quality and breadth of the colleges' educational programs; and

WHEREAS, the State Legislature has directed the establishment of a Best Practices Taskforce, directing its members to make recommendations to the State Board regarding part-time faculty compensation and working conditions;

THEREFORE BE IT RESOLVED that the State Board for Community and Technical Colleges hereby approves the following ten best practice principles as recommended by the Taskforce:

1. Salary. Part-time faculty should be paid a rate equal to that paid full-time faculty having the same qualifications and experience for doing the equivalent instructional and non-instructional work.
2. Benefit Participation. Eligible Part-time faculty should receive all state mandated benefits, and college provided employee benefits proportionate to those received by full-time faculty.
3. Faculty Mix. The ratio of full- to part-time faculty at each college district should be based upon program and student need. The funding necessary to improve services to students through increasing courses taught by full-time faculty should be provided by the Legislature.
4. Initial Recruitment and Selection. Part-time faculty should be initially selected through a structured professional process that is based on the same or similar criteria as applied to full-time faculty.
5. Job Security. Upon successfully completing a review period, regularly employed part-time faculty should achieve a form of job security.

6. Performance Review. Part-time faculty should be evaluated using comparable criteria, standards and procedures which are applied to evaluate full-time faculty.
7. Professional Development. Colleges should assist part-time faculty to identify and address their development needs in ways which are accessible and affordable.
8. Support Services. Part-time faculty should be treated with the same professionalism as full-time faculty and provided the necessary support services to do their jobs.
9. Communications. Part-time faculty should be afforded easy access to communications from the college and have the means to communicate with the college community.
10. Best Practices Report. The best practice principles should be used in making state and local decisions and agreements affecting part-time faculty. The "Part-Time Faculty Best Practices Report" will be published and distributed to all college presidents, human resources directors, trustees, and local faculty union presidents. At least annually, each college should conduct a review of their actions related to achievement of these best practices.

BE IT FURTHER RESOLVED that the State Board encourages local boards and union leaders to consider implementing bargained forms of the principles.

APPROVED AND ADOPTED December 1, 2005.

Jim Garrison, Chair

ATTEST:

Earl Hale, Secretary

2005 Best Employment Practices For Part-time Faculty

Taskforce Report and Recommendations

I. Participants

American Federation of Teachers - Washington: Phil Jack, Sandra Schroeder, Margaret West
(Alternates: Sonnia Dailey, Wendy Rader-Konofalski, Annette Stofer)

Washington Education Association: Gerald K. Barrish, Mike Dodge, Ruth Windhover
(Alternate: Gary King)

Trustees: Steve Koch, Helen Malone

Presidents: Linda Kaminski, Mark Palek

State Board Representatives: Jim Bricker, Al Link

State Board Staff Support: John Boesenberg, Deborah Frazier, Mary Alice Grobins, Susan Wanager

Regular Contributor: Daniel Jacoby

II. Background

Part-time instructors bring unique skills and expertise into workforce preparation and academic classrooms. Employing part-time instructors allows colleges to offer more classes, when and where students need them and the ability to respond to emerging student, community and business needs. However, low salary levels, variable working conditions and over-reliance on part-time faculty have contributed to staffing concerns in Washington State and nationally - as colleges and universities absorb greater numbers of students without appropriate funding.

Responding to this concern, the 1996 Legislature adopted provisions requiring an audit of part-time faculty compensation and employment practices and the identification of "best practices" related to part-time faculty employment. A Taskforce was established, the best practices listed and recommendations made to the college districts, State Board and Legislature. Updates were reported in 1997 and 1998.

Through adoption of Engrossed Senate Bill 5087, the 2005 Legislature renewed its commitment to understand and improve part-time instructors working conditions by directing the State Board for Community and Technical Colleges to convene a taskforce to review and update the best employment practices report completed by a 1996 Taskforce. Specifically, the legislation directed:

In performing the review and update of the audit, the task force shall focus on the employment of part-time faculty, and shall include the following issues in its deliberations: Salary issues, provision of health and retirement benefits, the implications of increased reliance on part-time

rather than full-time faculty, the implications of workload definitions, and tangible and intangible ways to recognize the professional stature of part-time faculty.

The task force shall report its findings to the state board, local governing boards, and other interested parties by December 1, 2005. The report shall include recommendations on a review of the status of the set of best practices principles for the colleges to follow in their employment of part-time faculty developed in 1996. The state board for community and technical colleges shall adopt and periodically update a set of best practices principles for colleges in the community and technical college system to follow in their employment of part-time faculty. The board shall use the best practices principles in the development of each biennial operating budget request. The board shall encourage and, to the extent possible, require each local governing board to adopt, revise, and implement the principles.

Representatives to the Taskforce were requested from and appointed by the stakeholder groups identified in the legislation. Taskforce members met regularly from summer through fall 2005 - focusing on understanding the assignment, reviewing data and the 1996 report, and updating the principles. This report summarizes the Taskforce findings and recommendations.

Early in their deliberations, Taskforce members developed a shared understanding of the assignment: To develop the best part-time faculty employment principles. These overarching principles serve as a guide to local collective bargaining negotiators, state board members, trustees and Legislators as they make decisions and agreements affecting instructors' work lives.

As the Taskforce approached its assignment, members recognized that:

- **Recommendations affecting salary, benefit participation, “faculty mix” or other high cost reforms require support and action by the Legislature, State Board or other overseeing state agencies.** Insufficient funding coupled with rising student enrollments have evolved into an over-reliance on a low paid, part-time teaching workforce. Reversing this trend requires significant funding.
- **Solutions affecting salary schedules and working conditions are subject to local collective bargaining and decision making.** Identifying local influences, prioritizing and developing strategies to address desired changes are more effectively accomplished through local college decision making. Through local negotiations, strategies implementing the principles will inevitably differ between colleges.
- **Improvements in salaries, benefit participation and working conditions have occurred since the 1996 survey and report.** While more needs to be done, the report should recognize improvements.

III. Best Employment Principles

This section lists and describes the “best practice principles” identified by the Taskforce. Many of these principles are in place, in some locally defined form, at one of more college districts. Improvements made since the 1996 study, considerations and implementation strategies are also noted.

Best Practice 1: Salary. Part-time faculty should be paid a rate equal to that paid full-time faculty having the same qualifications and experience for doing the equivalent instructional and non-instructional work.

Description: Similarly qualified instructors should be paid the same rate when performing the same work. This recommendation also recognizes the instructional and non-instructional components of an instructor's workload. Decisions on work assignments, the monetary value of those assignments and the relative value of education/experience occur through local bargaining.

Progress:

Improving part-time faculty salaries has been and continues to be a top priority for the two-year college system and the Legislature has shown a commitment to equity funding.

The Legislature appropriated and/or authorized expenditure of \$36.1 million of additional funds to increase part-time faculty salaries during past four biennia (since 1996).

Part-time salaries have increased over 37% since 1998.

Consideration:

Chronic under funding of the system has resulted in an over-reliance on lower salaried part-time faculty. Part-time instructors are currently paid, on weighted average, 57% (FY 2004) of the full-time faculty average salary.

Recommendations to the Legislature:

Increase salary funding to an amount based on the presumption that all students are taught by instructors paid the full-time faculty rate. This requires significant funding (approximately \$115.5 million for the first biennium) and a commitment by stakeholders to continue strong, effective and determined advocacy for this goal.

Recommendations to Local Negotiators:

Though collective bargaining, develop part-time faculty pay rates and/or schedules comparable to full-time rates/schedules, including increment systems that recognize education and experience.

Based on funding improvements and through collective bargaining, develop pay rates for additional assignments made to part-time instructors, such as curriculum development, participation in college governance, office hours and/or student advising.

Take full advantage of funding or other legislative options made available to benefit part-time faculty.

Best Practice 2: Benefit Participation. Eligible Part-time faculty should receive all state mandated benefits, and college provided employee benefits proportionate to those received by full-time faculty.

Description: As college and state employees, part-time instructors should have the same access to employee benefits as provided to full-time faculty, proportionate to assigned workload where appropriate. Examples include participation in retirement plans, health and leave benefits, dependent care and other state or locally defined employment based benefits.

Progress:

Since 1996, there have been significant improvements in the rate and maintenance of part-time instructor participation in:

- Retirement Plan Benefits – The eligibility threshold for participation in the State Board sponsored retirement plan was lowered in 1999 from 80% to 50% of full-time.

- Health benefits – Participation in health care benefits care have increased through workload calculations and have been extended to summer.
- Sick leave – Part-time instructors earn sick leave at a rate proportionate to their workload and are eligible to participate in the Attendance Incentive and Shared Leave programs.
- Pay dates – Through local bargaining, part-time instructors can receive paychecks on the same dates as full-time instructors.

Consideration:

Agreements have been made through collective bargaining that do not provide for sick leave accumulations to the fullest extent allowed by law.

Uneven part-time instructor work patterns sometimes result in the loss of health care benefits – even for career part-time instructors.

Recommendation to the Legislature and Health Care Authority:

Establish a principle and provide funding that allows career part-time instructors' to average workload accumulated over an academic year to maintain participation in health care benefits.

Recommendations to Local Negotiators:

Review sick leave and pay date options and negotiate solutions that provide these benefits to part-time instructors on a basis comparable to full-time instructors.

Consider maintenance of established benefit eligibility in making workload assignments to part-time instructors.

Best Practice 3: Faculty Mix. The ratio of full- to part-time faculty at each college district should be based upon program and student need. The funding necessary to improve services to students through increasing courses taught by full-time faculty should be provided by the Legislature.

Description: There are a variety of program- or student-driven reasons for employing part-time instructors, including accessing special industry expertise, offering courses at community extension sites or in the evening, and responding to emerging industry or community needs. However, a strong core of full-time faculty is essential to maintaining a high quality educational environment. The lower salaries paid to part-time instructors allow college districts to offer additional courses to meet state enrollment demands at the funding level provided by the Legislature. While the classroom experience is comparable to that offered by full-time instructors, over-reliance on part-time instructors affects the level of support services afforded to students and increases the non-instructional responsibilities assigned to full-time instructors (i.e., advising, review and development of curricula and programs, accreditation review and maintenance, faculty hiring and evaluation, governance, etc.).

Progress:

The two-year college system studied the ratio of full- to part-time faculty in 2001 and determined that, if funded by the Legislature, the college districts would add 361 full-time instructors – increasing the percent of courses taught by full-time instructors by 12%. A budget request to begin this conversion was developed and submitted to the Legislature.

Through collective bargaining or Trustee policy, faculty mix issues have been considered at several college districts when determining course assignments and staffing levels.

Consideration:

The lack of legislative funding for the faculty “mix” issue has stymied any improvement in the ratio of part- to full-time faculty.

Recommendation to the Legislature:

Provide quality funding to improve the ratio of full- to part-time faculty.

Recommendations to the College System:

Continue requesting funds to increase the percentage of courses taught by full-time instructors. Stakeholders should actively support this request.

Continue requesting special funding for new positions in high-demand fields that require a full-time position to attract and retain instructors from industry.

Recommendation to Local Negotiators:

Consider student and program needs and the goals established as part of the 2001 study in making teaching assignments.

When possible, increase the percentage of courses taught by full-time instructors consistent with College District goals identified in the Faculty Mix Study.

Review research addressing the impact of over-reliance on part-time faculty on student success and retention to inform decision making about appropriate levels of full- and part-time faculty staffing.

Best Practice 4: Initial Recruitment and Selection. Part-time faculty should be initially selected through a structured professional process that is based on the same or similar criteria as applied to full-time faculty.

Description: One of the first steps taken to ensure a high quality classroom experience occurs in teacher selection. The initial selection of part-time instructors should be undertaken with attention comparable to that taken in the selection of full-time instructors.

Progress:

Through a web based job bank, part-time instructors may review full- and part-time teaching opportunities in their field of expertise and post contact information to receive job announcements in their areas of interest.

Consideration:

Last minute or emergency hiring of part-time instructors, while not always avoidable, affect the classroom experience for students – as the instructor becomes familiar with the curriculum, text book and develops lesson plans while conducting classes.

Recommendations to Local Negotiators:

When possible, avoid emergency hiring of part-time instructors.

If circumstances do not allow for a structured selection process, implement a more rigorous evaluation and feedback process during the instructor’s first quarter of employment.

Develop a job-based screening process that applies the same or similar criteria used in hiring full-time faculty.

Best Practice 5: Job Security. Upon successfully completing a review period, regularly employed part-time faculty should achieve a form of job security.

Description: Most part-time instructors are employed on quarter-to-quarter contracts that provide college districts the flexibility needed to adjust to evolving student and community needs. However, a number of part-time instructors teach the same classes at the same college, quarter-after-quarter. The limited employer commitment, translates into personal planning difficulties for and a limited commitment by the instructor – resulting in insecurity and turnover.

Progress:

Through local bargaining, several college districts have developed forms of job security applicable to a part-time instructors meeting certain locally defined criteria, including multi-quarter or annual contracts and priority hiring systems.

Consideration:

While there appears to be a core of part-time instructors that regularly teach, college districts are reluctant to commit to employment beyond one quarter – citing fluctuating enrollments, difficulty in tracking instructor work patterns and a need to retain flexibility.

Recommendations for Local Negotiators:

Develop tracking systems that accurately capture part-time instructor work patterns.

Review part-time instructor work patterns to identify instructors with a history of re-appointments and consider providing early, multi-quarter or annual appointment contracts.

Develop a review process and period that assesses the competence of part-time instructors and, if passed, confers an enhanced status that provides a greater level of job security through multi-quarter contracts, priority hiring lists, right of first refusal, designation as “Associate Faculty,” etc. A structured review process resulting in enhanced job security and improved teaching/accountability, also removes any stigma related to being selected through a process less rigorous than applied to full-time instructors. In addition to specifying criteria for inclusion, the negotiated system may address how names are removed for non-performance.

Through collective bargaining, develop provisions that compensate, through a salary or stipend payment, the preparation work completed by a part-time instructor whose class is canceled just prior to or after a quarter begins.

Include the names of part-time instructors, who have passed a review process, in quarterly class schedules.

Best Practice 6: Performance Review. Part-time faculty should be evaluated using comparable criteria, standards and procedures which are applied to evaluate full-time faculty.

Description: Colleges use performance evaluations to ensure instructional quality and to provide feedback to instructors. While all colleges have some form of evaluation process applicable to part-time instructors, many rely on anonymous student evaluations.

Progress:

Through bargaining, agreements have been reached to provide some form of evaluation and feedback process ranging from reliance on student evaluations to elaborate processes that include mentors, self evaluations and committee evaluations.

Considerations:

Reliance solely on student evaluations may cause instructors to set less challenging class requirements to avoid the impact low student evaluations may have on future reemployment – potentially making rehiring more based on popularity than teaching quality. In addition, student evaluations provide limited feedback and no guidance on how to improve.

Recommendations to Local Negotiators:

If student evaluations are relied upon, create broader criteria for use in re-hiring decisions.

Use multiple indexes of performance in periodic reviews, including self evaluation, peer evaluation, small group evaluations, etc.

Mentor or separate from employment part-time instructors who do not successfully complete the review process or who receive poor evaluations.

Include part-time instructors who have successfully completed the review process and exhibit teaching excellence in teaching awards available to full-time faculty.

Best Practice 7: Professional Development. Colleges should assist part-time faculty to identify and address their development needs in ways which are accessible and affordable.

Description: Continued professional development, in the instructor's field and in teaching, translates directly into greater success in the classroom for students and the instructor.

Progress:

Part-time instructors participate in the fee waiver program available to State employees on the same basis as full-time instructors.

Since the 1996 study and through local decision making, part-time instructors may have access to a variety of training opportunities and funds, participate in the development of faculty training opportunities, and receive pay for participating in training.

Consideration:

Limited funding for professional development activities affects all instructors but has a greater impact on part-time instructor participation.

Recommendations to Local Negotiators:

Continue to develop, fund and/or expand training opportunities in ways that are accessible and motivate part-time instructor participation.

Assist part-time instructors receiving multiple quarter or ongoing contracts to create a professional development plan.

Through negotiations and in accordance with state law, provide access to professional leave on a comparable basis to full-time instructors.

Involve part-time instructors in the planning of professional development activities and schedule events at times and places that part-time faculty could conveniently attend.

Assign experienced part-time instructors as peer reviewers to newly hired part-time faculty.

Best Practice 8: Support Services. Part-time faculty should be treated with the same professionalism as full-time faculty and provided the necessary support services to do their jobs.

Description: Support services include access to computers, telephone/voicemail, clerical support, copying, office space, storage space, parking, etc. Due to space and cost limitations, part-time instructors are often required to share office facilities (office space, telephones, and computers). Enhancing an instructor's ability to store and retrieve teaching related materials on-site eases difficulties in transporting materials, saves time, creates continuity and enhances instruction.

Progress:

Since the 1996 study, colleges report improvements to part-time instructor access of college support services, including shared office space, e-mail/voicemail accounts, clerical support, etc.

Parking is available on same terms as for full-time faculty.

Consideration:

While there are many new buildings on college campuses, office space remains limited, causing more part-time instructors to share space and affecting their ability to have private student conferences.

Recommendations to Local Negotiators:

Provide part-time instructors access to office or conference space that affords the ability to confer with students in a way that protects the student's privacy.

Access to college provided computers and the ability to have password protected storage of teaching related documents helps instructors stay connected and eases the burden of transporting.

Provide part-time instructors access to secure storage for student files and classroom related materials.

Best Practice 9: Communications. Part-time faculty should be afforded easy access to communications from the college and have the means to communicate with the college community.

Description: Good and consistent communication ensures part-time instructors are aware of college policies, practices and expectations. It also helps instructors feel included in and connected to the college community. Due to the variety of part-time instructor work patterns and locations, use of a variety of communication tools will ensure the information reaches its audience.

Progress:

Colleges have developed a variety of information sharing tools specifically designed for part-time instructors, including handbooks, policy and benefit notices, orientations and e-mail accounts.

Part-time instructors have assigned mailboxes and/or receive mail delivery that in many cases is comparable to that provided to full-time instructors.

Consideration:

While improvements have been made, part-time instructors still experience difficulty in receiving college communications and services – especially during evening and weekend classes.

Recommendations to Local Negotiators:

Provide letters of intent or appointment prior to the start of classes to allow for adequate preparation time.

Invite and compensate part-time instructors' attendance at college events such as opening day ceremonies, divisional meetings, professional development activities and/or graduation.

Hold meetings specifically for part-time faculty about issues that concern them.

Provide part-time instructors information about full-time position openings within their college districts.

Develop information sharing tools that ensures off-site and evening part-time instructors have access to the same information available to instructors who teach on campus during the day.

Best Practice 10: Best Practices Report. The best practice principles should be used in making state and local decisions and agreements affecting part-time faculty. The "Part-Time Faculty Best Practices Report" will be published and distributed to all college presidents, human resources directors, trustees, and local faculty union presidents. At least annually, each college should conduct a review of their actions related to achievement of these best practices.

Description: In SB 5087, the Legislature recognized that improvement has been made since the initial work of the 1996 best practices Taskforce and that additional progress needs to be made. Distribution of these recommendations and an annual review will help "institutionalize," update and bring focus to part-time faculty issues.

Recommendations to the State Board:

Post the principles on your web site.

Create an online reporting tool that tracks improvements made each year.

Recommendation to Local Negotiators:

Create a Best Practices committee to develop and oversee implementation strategies.

IV. Conclusion

Steps to address issues caused by reliance on a low paid, part-time teaching workforce are time consuming and require a long-term commitment by the state colleges, unions and Legislature. While Washington State has been a national leader in the improvement of part-time faculty salaries and working conditions, significantly more needs to be done.

Subject (Action)

Public Hearing/Permanent Rule Adoption: State Board Retirement Plan TIAA-CREF Revisions WAC 131-16 (Resolution 05-12-34)

Background

This past year staff has worked with the Board, TIAA-CREF and Mercer Human Resource Consulting to update and revise the retirement plan sponsored by the State Board. To “kick-off” the review and update process, the Board reviewed the major provisions of the Plan during its November 2004 meeting, including:

- ✓ The Board’s role and statutory authority;
- ✓ TIAA-CREF, its products and services;
- ✓ Major components of the plan; and,
- ✓ Planned revisions.

Progress updates were provided during the May and October Board meetings. These presentations were intended to prepare the Board to act on proposals required to expand participant investment options.

The State Board’s Retirement Plan

State statute provides the Board with the authority to sponsor a retirement plan for two-year college faculty, college administrators, and State Board staff. With this authority, the State Board has adopted and amended administrative rules establishing the general policies under which the plan operates, contracted with the TIAA-CREF companies to administer the Plan, approved investment accounts and provided for a “supplemental” or guaranteed minimum benefit.

Governance of the plan primarily occurs through a mixture of IRS regulation, state law, Board adopted rules, and the Plan Document. The Internal Revenue Code (IRC) and state law set out the general legal parameters governing the Plan. State Board rules specify the major policy components of the plan, primarily addressing issues governing eligibility, contributions, fund withdrawal, and benefits at retirement. The Plan Document is primarily a technical document that brings together the policy decisions made in state statute and Board Policy in a way that is consistent with the IRC.

Since 1998, the plan sponsored by the State Board has been a 403(a) or “group qualified defined contribution” retirement plan. For the purposes of this report, the term “qualified” means that the plan has received an advance determination letter from the IRS regarding the tax status of the contributions. “Defined contribution” means that the amount contributed by the employee and employer is defined - with the benefit at retirement based upon the amount in the account at the

time benefits are drawn and the benefit payment option selected by the employee. The State Board's plan has approximately 6,400 contributing participants.

Recent Activities and Issues

Until recently TIAA-CREF offered only annuities in its retirement plans. Beginning in 2002, TIAA-CREF expanded its investment options to include a broader, more diversified menu that appeals to different types of investors. Their new mutual fund offerings focus on specific market segments, such as international companies; large, medium and small capitalization companies; growth-oriented companies; and, value companies. More recently they introduced a series of "Lifecycle Mutual Funds" that are managed with specific target retirement dates in mind.

Although they provide participants more options, in the accumulation stage, mutual funds are virtually identical to annuities. For the purposes of a retirement plan, the main difference between variable annuities and mutual funds is that mutual funds cannot be annuitized to provide a lifetime retirement income. However, mutual fund accumulations can be transferred into the annuity accounts from which they can then be annuitized.

Resolution 05-12-34

Adding mutual fund investments requires:

- Minor administrative rule changes that allow for both annuity and mutual fund investments. During its December 1, 2005 meeting, the State Board will hold a public hearing and be asked to adopt the proposed rule changes.
- Extensive revisions to the Plan Document. Adding mutual fund type investments require the incorporation of a trust and trust agreement to our plan – changing the IRC covering the plan from 403(a) to 401(a). If the Board adopts the proposed rule revisions, the Plan Document will be filed with the IRS for review and determination of the tax status of the contributions.
- Approval of specific mutual funds being added to the plan.

Based upon consultant advice, staff also recommends specific delegation of authority to the Board's Human Resource Director for day-to-day management, implementation and coordination of the Plan. Essentially, the Plan currently functions in this way. However, clarifying this role in the Plan Document provides the authority and accountability necessary to make day-to-day decisions affecting the technical operation of the Plan consistent with the Board's policies and the IRC.

Additional changes made in the Plan Document at this time include:

- Incorporation of amendments made by the Board or required by IRS regulation since the plan was last reviewed by the IRS (1998).

- Establishment of an Investment Advisory Committee to review individual fund returns and make recommendations to the Board regarding the continuation or discontinuation of a particular fund.
- Incorporation of a formal appeal process to resolve issues between and among participants, employers and TIAA-CREF.
- Clarification of the roles, responsibilities and authority of the Plan Sponsor, Plan Administrator, Participating Employer and Benefit Administrator.

Recommendations

Staff recommends that the Board adopt the proposed amendments to the State Board Retirement Plan rules, the Re-stated Plan and the investment options by approving Resolution 05-12-34.

Prepared by John Boesenberg
November 16, 2005

STATE OF WASHINGTON

STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

RESOLUTION 05-12-34

WHEREAS, the State Board for Community and Technical Colleges desires to recognize the contribution made by the Eligible Employees of Participating Employers and to reward such contribution by means of Plan benefits for those Eligible Employees who qualify as Participants hereunder; and

WHEREAS, the State Board wishes to expand the opportunities for Eligible Employees of Participating Employers to save for retirement in addition to any existing retirement plans or other savings vehicles which may be maintained by the Participating Employers for their respective Employees; and

WHEREAS, the State Board wishes to take advantage of certain tax favored contribution options that allow certain Employee Contributions (sometimes called Pick-Up Contributions) to be treated as Employer Contributions for tax purposes under Code Section 414(h); and

WHEREAS, the State Board is a governmental entity not subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA") nor subject to certain coverage and non-discrimination provisions of the Code, and whereas the State Board does not intend to voluntarily subject the Plan to any other provisions of ERISA or the Code that are not required of a governmental plan; and

WHEREAS, the State Board desires to separately provide, from assets of the State Board, certain qualifying Participants with a supplemental annual retirement income as specified in separate retirement plan provisions under state law (and referred to herein as a Supplemental Retirement Benefit), exclusive of Federal Old Age Survivors Insurance Benefits; and

WHEREAS, effective January 1, 1998, the State Board established a 403(a) Retirement Plan (the "Pre-Restatement Plan"), with investment vehicles in the form of annuity contracts held for the exclusive benefit of the Participants and their Beneficiaries, to fulfill the purposes stated above; and

WHEREAS, the State Board wishes to offer Participants, as an investment alternative to annuity contracts, a set of mutual fund or other investment fund options (which require such Plan assets to be held in a Plan and trust under Code Section 401(a), in lieu of an annuity plan under Code Section 403(a); and

THEREFORE BE IT RESOLVED, that the State Board hereby adopts the proposed amendments to Section 131-16 of the Washington Administrative Code on a permanent basis effective January 1, 2006.

BE IT FURTHER RESOLVED, effective January 1, 2006, that the State Board hereby adopts a restated Retirement Plan, which is intended to function as a Code Section 401(a) qualified Plan, and a related trust, for the purpose of further fulfilling the purposes stated above.

BE IT FURTHER RESOLVED that, effective January 1, 2006, the State Board authorizes the following set of mutual fund investment options be provided in addition to the annuity options currently available:

TIAA-CREF Growth & Income
TIAA-CREF Mid-Cap Growth
TIAA-CREF Mid-Cap Value
TIAA-CREF S&P 500 Index
TIAA-CREF International Equity Index
TIAA-CREF Large-Cap Growth Index
TIAA-CREF Large-Cap Value Index
TIAA-CREF Mid-Cap Growth Index
TIAA-CREF Mid-Cap Value Index
TIAA-CREF Mid-Cap Blend Index
TIAA-CREF Small-Cap Growth Index
TIAA-CREF Small-Cap Value Index
TIAA-CREF Small-Cap Blend Index
TIAA-CREF Lifecycle Funds (2010, 2015, 2020, 2025, 2030, 2035, 2040)

APPROVED AND ADOPTED December 1, 2005

Jim Garrison, Chair

ATTEST:

Earl Hale, Secretary

AMENDATORY SECTION (Amending WSR 98-14-033, filed 6/23/98, effective 7/24/98)

WAC 131-16-010 Designation of community and technical college system retirement plan. There is hereby established for the eligible employees of the community and technical colleges of the state of Washington and the state board, a retirement plan which shall provide such employees with ~~((an employer))~~ a state board sponsored retirement plan through the Teachers' Insurance Annuity Association (TIAA) and the College Retirement Equities Fund (CREF), hereafter called ((TIAA/CREF)) TIAA-CREF, subject to the provisions of WAC 131-16-011 through 131-16-066 and the plan document. On and after January 1, ~~((1998))~~ 2006, this retirement plan is intended to comply with the requirements of a qualified plan under Section ~~((403))~~ 401(a) of the Internal Revenue Code of 1986, as amended and the provisions of the plan document ~~((filed with the Internal Revenue Service on October 29, 1997. Prior to January 1, 1998, the plan was intended to comply with the requirements of Section 403(b) of the Internal Revenue Code of 1986, as amended))~~ approved by the state board on December 1, 2005.

AMENDATORY SECTION (Amending WSR 98-14-033, filed 6/23/98, effective 7/24/98)

WAC 131-16-011 Definitions. For the purpose of WAC 131-16-010 through 131-16-066, the following definitions shall apply:

(1) "Participant" means any employee who is eligible to ~~((purchase retirement annuities through))~~ participate in the ((TIAA/CREF)) plan and who, as a condition of employment, on and after January 1, 1997, shall participate in the ~~((TIAA/CREF))~~ plan upon initial eligibility.

(2) "Supplemental retirement benefit" means payments, as calculated in accordance with WAC 131-16-061, made by the state board to an eligible retired participant or designated beneficiary whose retirement benefits provided by the ~~((TIAA/CREF))~~ plan do not attain the level of the retirement benefit goal established by WAC 131-16-015.

(3) "Year of full-time service" means retirement credit based on full-time employment or the equivalent thereof based on

part-time employment in an eligible position for a period of not less than five months in any fiscal year during which ((TIAA/CREF)) contributions to TIAA-CREF were made by both the participant and a Washington public higher education institution or the state board or any year or fractional year of prior service in a Washington public retirement system while employed at a Washington public higher education institution: Provided, That the participant will receive a pension benefit from such other retirement system and that not more than one year of full-time service will be credited for service in any one fiscal year.

(4) "Fiscal year" means the period beginning on July 1 of any calendar year and ending on June 30 of the succeeding calendar year.

(5) "Average annual salary" means the amount derived when the salary received during the two consecutive highest salaried fiscal years of full-time service for which ((TIAA/CREF)) contributions to TIAA-CREF were made by both the participant and a Washington public higher education institution is divided by two.

(6) "((TIAA/CREF)) Plan retirement benefit" means the amount of annual retirement income derived from a participant's accumulated ((annuities)) balances including dividends at the time of retirement: Provided, That solely for the purpose of calculating a potential supplemental retirement benefit, such amount shall be adjusted to meet the assumptions set forth in WAC 131-16-061(2).

(7) "Salary" means all remuneration received by the participant from the employing college district or the state board, including summer quarter compensation, extra duty pay, leave stipends, and grants made by or through the college district or state board; but not including any severance pay, early retirement incentive payment, remuneration for unused sick or personal leave, or remuneration for unused annual or vacation leave in excess of the amount payable for thirty days or two hundred forty hours of service.

(8) "Designated beneficiary" means the surviving spouse of the retiree or, with the consent of such spouse, if any, such other person or persons as shall have an insurable interest in the retiree's life and shall have been nominated by written designation duly executed and filed with the retiree's institution of higher education or the state board.

(9) "State board" means the state board for community and technical colleges as created in RCW 28B.50.050.

(10) "Appointing authority" means a college district board of trustees or the state board or the designees of such boards.

(11) "Plan" means the retirement plan sponsored by the state board and funded by TIAA-CREF.

AMENDATORY SECTION (Amending Resolution No. 91-20, Order 129, filed 6/14/91, effective 7/15/91)

WAC 131-16-015 Retirement benefit goal established.
Subject to the provisions of WAC 131-16-061, the retirement benefit goal for participants in the ((TIAA/CREF)) plan is to provide participants at age sixty-five having twenty-five years of full-time service a minimum annual retirement income, exclusive of Federal Old Age Survivors Insurance benefits, equivalent to fifty percent of their average annual salary.

AMENDATORY SECTION (Amending WSR 00-14-017, filed 6/28/00, effective 7/29/00)

WAC 131-16-021 Employees eligible to participate in the retirement ((annuity—purchase)) plan. (1) Eligibility to participate in the ((TIAA/CREF)) plan is limited to persons who hold appointments to college district or state board staff positions as full-time or part-time faculty members or administrators exempt from the provisions of chapter 28B.16 RCW and, effective July 1, 1999, are assigned a cumulative total of at least fifty percent of full-time workload as defined by the collective bargaining agreement and/or the appointing authority at one or more college districts or the state board for at least two consecutive college quarters. (Part-time faculty workload is calculated in accordance with RCW 28B.50.489 and 28B.50.4891.)

(2) Participation in the plan is also permitted for current and former employees of college districts or the state board who are on leave of absence or who have terminated employment by reason of permanent disability and who are receiving a salary continuation insurance benefit through a plan made available by the state of Washington: Provided, That such noncontributory participation shall not be creditable toward the number of years of full-time service utilized in calculating eligibility for supplemental retirement benefits pursuant to WAC 131-16-061.

(3) Optional participation in tax-deferred annuities other than this qualified plan as offered by individual colleges is permitted consistent with the Internal Revenue Code: Provided, That the provisions of WAC 131-16-015, 131-16-050, and 131-16-061 shall not apply in such cases. Optional tax-deferred

annuities are provided through a salary reduction agreement between the employee and employer. There is no employer contribution for optional tax-deferred annuities.

(4) An employee who moves from an ineligible to an eligible position for the same appointing authority may become a participant by so electing in writing within six months following such move.

(5) A participant who moves from an eligible position to an ineligible position for the same appointing authority may continue to be a participant by so electing within six months following such move.

(6) Participants shall continue participation regardless of the proportion of full-time duties assigned, except as otherwise provided in this section, as long as continuously employed within the community and technical college system. The community and technical college or state board employer shall notify, in writing, all newly hired employees of their potential right to participate. A participating employee, who changes employers without a break in service, shall have the responsibility to notify in writing the new college or state board employer of his or her eligibility. In no case will there be a requirement for retroactive contributions if an employee fails to inform his or her college or state board employer about eligibility previously established with another community and technical college system employer. For the purposes of this section, spring and fall quarters shall be considered as consecutive periods of employment.

(7) As a condition of employment, all employees who become eligible on and after January 1, 1997, shall participate in this plan upon initial eligibility. Notwithstanding this provision, all eligible new employees who at the time of employment are members of the Washington state teachers retirement system or the Washington public employees retirement system may participate as provided in WAC 131-16-031.

AMENDATORY SECTION (Amending WSR 00-14-017, filed 6/28/00, effective 7/29/00)

WAC 131-16-031 Participation in the plan. (1) Except as provided in subsections (2) and (3) of this section, participation in the ((TIAA/CREF)) plan is required of all otherwise eligible new employees: Provided, That any such new employee, who at the time of employment is a member of the Washington state teachers retirement system or the Washington public employees retirement system, and whose college or state board employment meets the requirements of an "eligible position" as defined by such plan, may irrevocably elect to retain such membership or, if not vested in that system, retain membership until vesting occurs and then irrevocably elect to participate in the ((TIAA/CREF)) plan.

(2) Employees who establish ((TIAA/CREF)) plan eligibility in accordance with WAC 131-16-021 and who, through concurrent employment with another employer, are active Washington public employee retirement system (PERS) members are required to so advise the college or state board employer and shall be given the following options:

(a) To participate in the state board's ((TIAA/CREF)) retirement plan in accordance with chapter 131-16 WAC, forgoing active PERS membership (contributions and service credit) with their other employer; or

(b) To continue active participation in PERS based upon their employment with the other public employer; forgoing participation in the state board's ((TIAA/CREF)) retirement plan.

Failure to make an election within thirty days of notification results in the employee being placed in the ((TIAA/CREF)) plan. The college or state board employer is required to advise the department of retirement systems (DRS) of a PERS member's participation in the ((TIAA/CREF)) plan, whether through election or default. It shall be the employee's responsibility to notify the other employer if he or she elects to participate in the ((TIAA/CREF)) plan. The employee will notify his or her college or state board employer should the employee cease to be an active PERS member. This irrevocable election remains in effect as long as the employee is actively participating in a PERS plan and is required because RCW 41.40.023(4) prohibits PERS members from simultaneously participating in two state retirement plans.

(3) Any current active participant of ((TIAA/CREF)) the

plan who becomes an active member of PERS based on employment with another PERS employer is required to notify his or her college or state board employer. The employee will be provided the options listed in subsection (2) of this section and the college or state board employer will follow through accordingly.

AMENDATORY SECTION (Amending Resolution No. 91-20, Order 129, filed 6/14/91, effective 7/15/91)

WAC 131-16-040 Disability retirement provisions for ((TIAA/CREF)) plan participants. The board of trustees of any college district or the state board may approve the retirement of any participant for reasons of health or permanent disability either upon the request of the appointing authority or the participant: Provided, That reasonable consideration is first given to the written recommendations of the employee's personal physician or, if requested by either the employee or the appointing authority, a review of such recommendations by another physician appointed by mutual agreement for that purpose.

AMENDATORY SECTION (Amending WSR 98-14-033, filed 6/23/98, effective 7/24/98)

WAC 131-16-045 Transfers to and from other plans ((~~other than TIAA/CREF~~)). (1) A participant employed in a Washington state community or technical college or the state board for community and technical colleges may directly transfer into his or her ((TIAA/CREF)) plan account any ((~~account~~)) balances from other employers' retirement plans in accordance with Internal Revenue Code and the plan document: Provided, That such other employers' plans permit transfers out of their plans ((~~and such other employers' plans are covered by the same sections of the Internal Revenue Code as this plan~~)).

(2) A participant who leaves the employment of all Washington state community and technical colleges and the state board for community and technical colleges, may choose to transfer his or her existing ((TIAA/CREF)) plan account balances, subject to the rules established by ((TIAA/CREF)) TIAA-CREF for transfers, to any other employer's retirement plan in accordance with Internal Revenue Code and the plan document: Provided, That such other employer's plans will accept the

transferred balances ((and such other employers' plans are covered by the same sections of the Internal Revenue Code as this plan)).

AMENDATORY SECTION (Amending WSR 98-14-033, filed 6/23/98, effective 7/24/98)

WAC 131-16-055 Options for self-directed investment of retirement plan contributions and accumulations. While actively employed, participants may ((exercise any or a combination of the following options for allocation of)) allocate current premiums or transfer ((of accumulated TIAA or CREF fund)) plan accumulated balances to any of the investment options approved by the state board, subject to procedures established by TIAA-CREF.

~~((1) Current premiums may be allocated among the TIAA account and the CREF accounts in any whole percentage proportions.~~

~~(2) CREF account and TIAA real estate account accumulations resulting from previously contributed premiums may be transferred in whole or in part among any of the CREF and TIAA real estate accounts or to the TIAA traditional annuity account, subject to procedures established by TIAA/CREF.~~

~~(3) TIAA traditional annuity accumulations resulting from previously contributed premiums or from transfers from other accounts may be transferred to any CREF accounts on the basis of an irrevocable ten year schedule of payments, subject to procedures established by TIAA/CREF.)~~

AMENDATORY SECTION (Amending WSR 98-14-033, filed 6/23/98, effective 7/24/98)

WAC 131-16-056 Hardship withdrawals. (1) In the event of a financial hardship consistent with requirements of subsection (2) of this section and Section 403 (b)(11) of the Internal Revenue Code, a participant may withdraw all or part of the following plan funds:

- (a) Pre-1998 employee contributions;
- (b) Any pre-1989 earnings on employee contributions;
- (c) Any Section 414(h) employer pick-up contributions; and
- (d) Any contributions transferred to this plan from another employer's plan. Such funds may be withdrawn from the

participant's Washington community and technical college system ((TIAA/CREF)) plan retirement account while actively employed. Hardship withdrawals may not be larger than the amount necessary to meet the immediate and heavy financial need defined in subsection (2) of this section plus taxes on withdrawn funds and early withdrawal penalties. Employer contributions (other than Section 414(h) pick-up contributions) and earnings on the employer contributions may not be withdrawn as a hardship withdrawal.

(2) To enable hardship withdrawal of funds, the Internal Revenue Code (Section 1.401(k)-1(d)(2)) requires that the college president or designee shall verify that the participant has certified in writing that:

(a) The participant has an immediate and heavy financial need; and

(b) The participant has no other resources reasonably available to meet the need.

Withdrawals shall be deemed to be for "an immediate and heavy financial need" only if they are for:

(i) Payments to prevent eviction from or foreclosure on the principal residence of the participant;

(ii) Payments to prevent the participant's impending bankruptcy; and/or

(iii) Unreimbursable medical expenses incurred by the participant, spouse, dependent children, and/or dependent parents.

The participant shall be deemed to have "no other resources reasonably available to meet the need" if the participant certifies that he/she cannot meet the need through:

(A) Reimbursement or compensation by insurance or another source;

(B) Reasonable liquidation of assets;

(C) Borrowing from supplemental retirement accounts, life insurance values, or commercial sources; and/or

(D) Stopping any voluntary employee contributions to tax deferral or savings plans made available by the employer. Contributions to the employer-sponsored retirement plan must continue while the employee remains eligible for the plan.

(3) Hardship withdrawals from the community and technical college ((TIAA/CREF)) plan are taxable income in the year received. Taxes, early withdrawal penalties, and any other consequences of hardship withdrawals shall be the sole responsibility of the participant. Withdrawals from this qualified ((TIAA/CREF)) plan may not be replaced at a later date.

AMENDATORY SECTION (Amending WSR 97-10-069, filed 5/5/97, effective 7/8/97)

WAC 131-16-060 Cashability. Notwithstanding WAC 131-16-062(1), upon termination of employment at all community and technical college districts and the state board for at least one hundred eighty consecutive calendar days, a participant may elect to receive a lump sum payment of his or her ((TIAA-CREF)) plan account pursuant to the settlement options being made available by ((TIAA-CREF)) TIAA-CREF at that time.

AMENDATORY SECTION (Amending WSR 98-14-033, filed 6/23/98, effective 7/24/98)

WAC 131-16-061 Supplemental retirement benefits. (1) A participant is eligible to receive supplemental retirement benefit payments if at the time of retirement the participant is age sixty-two or over and has at least ten years of full-time service in the ((TIAA-CREF)) plan at a Washington public institution of higher education: Provided, That the amount of the supplemental retirement benefit, as calculated in accordance with the provisions of this section, is a positive amount.

(2) Subject to the provisions of subdivisions (c), (d), and (e) of this subsection, the annual amount of supplemental retirement benefit payable to a participant upon retirement is the excess, if any, when the value determined in subdivision (b) is subtracted from the value determined in subdivision (a), as follows:

(a) The lesser of fifty percent of the participant's average annual salary or two percent of the average annual salary multiplied by the number of years of full-time service; provided that if the participant did not elect to contribute ten percent of salary beginning July 1, 1974, or if later, after attainment of age fifty, service for such periods shall be calculated at the rate of one and one-half percent instead of two percent.

(b) The combined retirement benefit from the ((TIAA-CREF)) TIAA-CREF annuity and any other Washington state public retirement system as a result of service while employed by a Washington public higher education institution that the participant would receive in the first month of retirement

multiplied by twelve: Provided, That the ((TIAA/CREF)) TIAA-CREF benefit shall be calculated on the following assumptions:

(i) After July 1, 1974, fifty percent of the combined contributions were made to the TIAA traditional annuity and fifty percent to the CREF stock account during each year of full-time service: Provided, That benefit calculations related to contributions made prior to July 1, 1974, shall be computed on the basis of actual allocations between TIAA and CREF; and

(ii) The full ((TIAA/CREF)) TIAA-CREF annuity accumulations, including all dividends payable by TIAA Traditional Annuity and further including the amounts, if any, paid in a single sum under the retirement transition benefit option, were fully settled on a joint and two-thirds survivorship option with a ten-year guarantee, using actual ages of retiree and spouse, but not exceeding a five-year difference; except that for unmarried participants the TIAA Traditional Annuity accumulations, including dividends, were settled on an installment refund option and the CREF Stock Account accumulations were settled on a life annuity with ten-year guarantee option, all to be based on ((TIAA/CREF)) TIAA-CREF estimates at the time of retirement; and

(iii) Annuity benefits purchased by premiums paid other than as a participant in a Washington public institution of higher education ((TIAA/CREF)) retirement plan shall be excluded.

(iv) For the purposes of this calculation, the assumptions applied to the ((TIAA/CREF)) plan accumulation settlement shall also apply to settlement of the benefit from any other retirement plan.

(c) The amount of supplemental retirement benefit for a participant who has not attained age sixty-five at retirement is the amount calculated in subsection (2) of this section reduced by one-half of one percent for each calendar month remaining until age sixty-five: Provided, That the supplemental retirement benefit for an otherwise qualified participant retired for reason of health or permanent disability shall not be so reduced.

(d) Any portion of participant's ((TIAA and/or CREF annuity)) plan accumulation paid to a participant's spouse upon dissolution of a marriage shall be included in any subsequent calculation of supplemental retirement benefits just as if these funds had remained in the participant's ((TIAA and/or CREF annuity)) plan account.

(e) The selection of a ((TIAA/CREF)) retirement option other than the joint and two-thirds survivorship with ten-year guarantee shall not alter the method of calculating the supplemental retirement benefit; however, if the participant's combined ((TIAA/CREF)) plan retirement benefit and calculated supplemental retirement benefit exceeds fifty percent of the

participant's average annual salary, the supplemental retirement benefit shall be reduced so that the total combined benefits do not exceed fifty percent of average annual salary.

(3) The payment of supplemental retirement benefits shall be consistent with the following provisions:

(a) Supplemental retirement benefits shall be paid in equal monthly installments, except that if such monthly installments should be less than ten dollars, such benefit payments may be paid at longer intervals as determined by the state board.

(b) Supplemental retirement benefit payments will continue for the lifetime of the retired participant; however, prior to retirement, a participant may choose to provide for the continuation of supplemental retirement benefit payments, on an actuarially equivalent reduced basis, to his or her spouse or designated beneficiary after the retiree's death. Notification of such choice shall be filed in writing with the state board and shall be irrevocable after retirement. If such option is chosen, the supplemental retirement benefit payments shall be in the same proportion as any ((TIAA/CREF)) plan survivor annuity option potentially payable to and elected by the participant. If a designation of a survivor's option is not made and the participant dies after attaining age sixty-two but prior to retirement, any supplemental benefit payable shall be based on the two-thirds benefit to survivor option.

(c) Prior to making any supplemental benefit payments, the state board shall obtain a document signed by the participant and spouse, if any, or designated beneficiary acknowledging the supplemental retirement benefit option chosen by the participant.

(4) A retired participant who is reemployed shall continue to be eligible to receive retirement income benefits, except that the supplemental retirement benefit shall not continue during periods of employment for more than forty percent of full-time or seventy hours per month or five months duration in any fiscal year. Retirement contributions shall not be made from the salary for such employment, unless the individual once again becomes eligible to participate under the provisions of WAC 131-16-021.

AMENDATORY SECTION (Amending Order 137, Resolution 92-05-23, filed 10/28/92, effective 11/28/92)

WAC 131-16-062 Benefit options after termination of employment. (1) After termination of employment, participants who have attained age fifty-five, or who have completed thirty years of full-time service in this plan or any combination of Washington state sponsored retirement plans, or who have retired due to disability in accordance with WAC 131-16-040 may exercise any settlement option for receipt of retirement benefits being made available by (~~TIAA-CREF~~) TIAA-CREF at that time.

(2) The federal income tax consequences resulting from the exercise of any options of elections provided by this section shall be the sole responsibility of the individual participant, and all federal tax regulations related to the receipt of retirement income benefits shall apply.

(3) The provisions of this section shall apply only to (~~TIAA and CREF~~) plan account accumulations attributable to contributions made as a result of employment in institutions or agencies subject to the provisions of WAC 131-16-005 through 131-16-066.

AMENDATORY SECTION (Amending Resolution No. 91-20, Order 129, filed 6/14/91, effective 7/15/91)

WAC 131-16-065 Optional retirement transition benefit. Participants may choose the optional retirement transition benefit that at the time of their retirement permits receipt of not more than ten percent of the accumulated value in each annuity in a lump-sum payment, provided that annuity benefits commence after the participant's fifty-fifth birthday. Benefits from the remainder of the combined annuity value shall be paid in the form of other retirement options then available to the annuitant as now or hereafter permitted by (~~TIAA-CREF~~) TIAA-CREF. Selection of the option to receive the retirement transition benefit shall be made immediately prior to retirement in such manner as now or hereafter permitted by (~~TIAA-CREF~~) TIAA-CREF.

AMENDATORY SECTION (Amending Resolution No. 91-20, Order 129, filed 6/14/91, effective 7/15/91)

WAC 131-16-066 Single sum death benefit to spouse beneficiaries. Unless previously indicated to the contrary by the participating employee in writing directly to ((TIAA-CREF)) TIAA-CREF, the surviving spouse or other beneficiary, if applicable, of any ((TIAA-CREF)) plan participant who dies before retirement shall be entitled to receive a single sum death benefit in the amount of the then current value of the annuity accumulation.

Subject (Information)

Expanding High School Completion

Background

In an effort to ensure that all students in Washington can earn a high school diploma, legislators are trying to find alternative ways for students who do not earn their diploma in the traditional timeframe to still have options for completing high school. Several legislators have approached SBCTC staff about the possibility of two-year colleges serving students over 18 who have not yet earned their diploma.

Currently, community and technical colleges offer the Washington State High School Diploma to students in several types of programs. Students over 19 are served in the adult high school completion program. They pay a reduced tuition rate and are enrolled in existing classes offered at the college. Students under 19 may participate in these programs if they have a release from their local high school principal. Some colleges have entered into contracts with local school districts to serve students who are behind in their credits. In these cases, colleges are developing programs to serve specific cohorts of students. Three colleges run technical high schools on their campuses.

Even if there is no expansion, community and technical college high school completion programs will be required to have students meet the new graduation requirements by 2008.

Colleges Agree to Core Principles

Considering this request to serve students who have not graduated from high school either because they have not passed the WASL or because of a shortage of credits, the colleges have shared principles that would help to shape an expanded high school completion program.

- The goal is to set up a program that provides a safety net for students but does not provide an incentive for students to leave high school early.
- The expanded high school completion program would be specifically for students 18 and over (there is already a referral system in place to serve students under 18).
- Community and technical colleges want to support high schools in helping students achieve the high standards that are integral to the new graduation requirements. CTC high school graduation standards need to meet state defined requirements as a minimum.
- It will cost more than the average K-12 Basic Education Allocation (BEA) to serve these students successfully.

Proposed Program Components

- Program would be optional for all 34 community and technical colleges in the state to offer.
- Graduation requirements at the colleges will meet at least the state requirements including 19 high school credits, 13th year plan, culminating project and certificate of academic achievement. It is possible that the colleges would choose to require students to be college ready in order to earn their diploma.
- Colleges will be able to bill OSPI directly for students served.
- No tuition will be charged for courses necessary for high school completion. Students can enroll at the same time for job training courses or other college classes if they wish at regular tuition rates.
- Students will be able to take the WASL alternative to demonstrate skills and knowledge.
- Students will be notified by high schools about the programs at the colleges.
- This program is intended to be in addition to drop out retrieval and other high school completion programs that are already in place at the colleges and in K-12 school districts.

Issues Yet to be Decided

- Accountability – What graduation rate will be expected of college programs? Colleges are being asked to bring a challenging group of students to a high level of achievement. From state and national data it is clear that each student who graduates will be significant but that high graduation rates are not realistic to expect.
- Funding – Rate and mechanics still need to be determined.
- Partnership – It is unclear at this point what OSPI's position is on these programs.
- The potential number of students likely to participate is difficult to calculate. Colleges currently serve about 3,000 students a year in high school completion programs. About 25-30 percent of the people in the state aged 18-21 who do not have a high school diploma are currently served either in high school completion or GED programs offered at the two-year colleges.

Next Steps

Legislative staff is drafting a bill to expand high school completion programs. The Instruction Commission and Student Services Commission have a joint Education Reform Committee that is working to provide input about how to structure a program in which the colleges can successfully serve these students.

Outcome

The board will get an update on recent discussions with K-12 and legislative staff on the role of community and technical colleges on high school completion for young adults.

Subject (Information)

Economic Development Study Update

Background

At the State Board retreat the staff discussed a proposal to study the college system's role in economic development. The goals of the study are:

- To understand future trends in the state's economy, demographics, labor market, technology, and social values;
- To identify higher education's and more specifically the college system's contributions to the state's economy and role in economic development;
- To identify ways in which the colleges can play a stronger role based on their strengths and niche in higher education;
- To develop strategies for the future given the environmental trends; and
- To influence state policy on economic development strategies and state investments in those strategies.

The study will address three key questions:

1. What are the emerging trends in Washington's economy, demographics, labor market, technology, competition, lifestyle, social values and politics?
2. What are the unique contributions the colleges make to the economy and economic development?
3. Given the strengths of the college system, what strategic directions can be undertaken to address the emerging trends and economic development in the state?

The State Board reviewed economic and demographic data at their October 18-19, 2005 meeting at Skagit Valley College.

Progress

The system task force of presidents has met three times to examine the economy, demographics, and the employment market. Discussions focused on gleaning key trends and system implications from the data. The college system's chief workforce education administrators and

an array of administrators from other mission areas received training on environmental scanning and have begun conducting an in-depth external scan. As a preview to their winter conference, the Executive Committee of TACTC was updated on study findings to date, which will dedicate focused attention to the topic of economic development. State Board staff conferred individually with policy staff from other agencies. An interagency advisory group will meet in December to review preliminary findings. A business engagement plan was drafted and input gathered from the Association of Washington Business. A statewide group of employers will be invited to provide input on the study in January and March, 2006. Up to six regional business meetings will be conducted in late February.

At the December 2005 State Board meeting Steve VanAusdle, President of Walla Walla Community College and a member of the national Council on Competitiveness, will present national strategies and implications for community and technical colleges.

Attached are preliminary findings from the third section of study question (1), emerging trends in the employment market. Also attached is a summary of key trends and implications based on the analysis of emerging trends in the economy, demographics, and the employment market.

Outcome

The State Board will have the opportunity to discuss implications of the analysis related to the system's economic development study and provide further direction to the staff.

The Role of Community and Technical Colleges in Economic Development

Section 1.B.iii.

The Employment Market

Preliminary Report

State Board for Community and
Technical Colleges
November 17, 2005

THE EMPLOYMENT MARKET

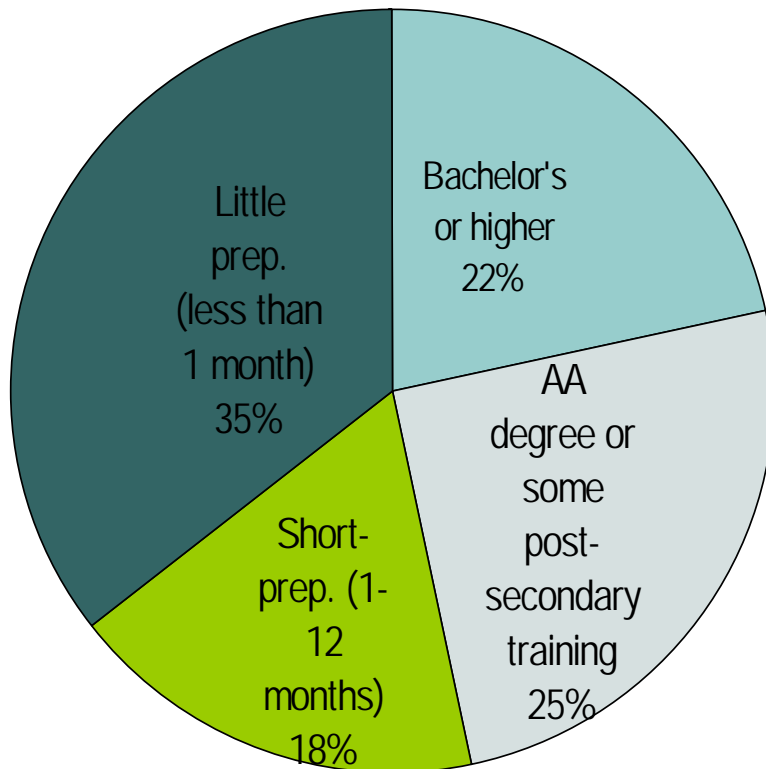
Agenda

- Demand
 - Current hiring difficulties and job vacancies
 - Occupations in demand
- Supply-Demand Gaps
 - Mid-level preparation
 - Baccalaureate preparation
 - Health care example
- Other Sources of Supply
 - Imported talent
 - Unemployed
 - Under prepared

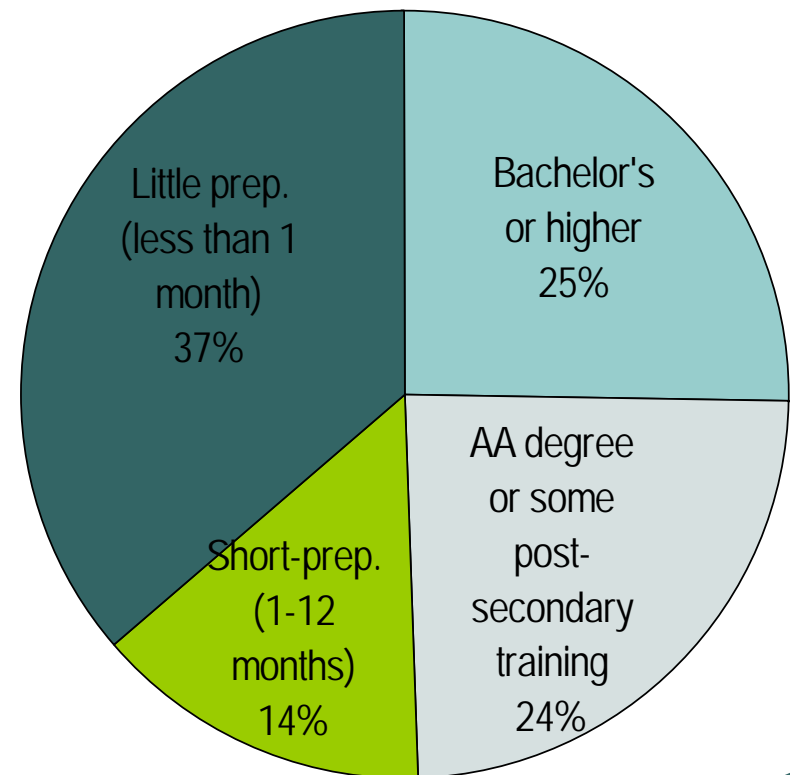
EMPLOYMENT MARKET

Nearly 50% of new jobs will require at least some college

2002 Employment by Education Requirement



2002-2012 Average Annual **Job Growth** by Education Requirement



DEMAND

Current hiring difficulties impact the economy

- In 2003, an estimated 14,300 employers (7%) had difficulty finding workers with a bachelor's, master's or Ph.D.
- At the same time, 22,700 employers (11%) had trouble finding workers with either vocational certification or a two-year degree.

DEMAND

Short Preparation

One to twelve months of training
through an employer or educational
institution

	Estimated Employment 2002	Average Annual Growth Rate	Average Annual Total Openings	Estimated Average Wage March 2005
Construction Laborers	22,286	2.0%	814	\$35,010
Dental Assistants	9,772	2.1%	523	\$31,787
Medical Assistants	9,844	2.0%	408	\$29,680
Roofers	5,749	2.3%	297	\$38,794
Painters, Construction and Maintenance	13,737	1.8%	502	\$35,469
Truck Drivers, Heavy and Tractor-Trailer	37,045	1.5%	1,248	\$38,655
Bookkeeping, Accounting, and Auditing Clerks	45,047	1.5%	1,625	\$31,382
Demonstrators and Product Promoters	4,755	2.0%	220	\$21,258
Secretaries, Except Legal, Medical, and Executive	27,368	1.5%	999	\$32,139
Data Entry Keyers	4,758	1.8%	218	\$25,667
Drywall and Ceiling Tile Installers	4,761	1.8%	210	\$50,168
Operating Engineers and Other Construction Equipment Operators	7,864	1.5%	347	\$52,377
Customer Service Representatives	38,370	1.3%	1,143	\$33,979
Social and Human Service Assistants	6,598	1.6%	235	\$23,755
Executive Secretaries and Administrative Assistants	18,679	1.4%	660	\$42,446

DEMAND

Mid-level Preparation

At least one but less than four years of education and training, including associate's degrees, certificates, and apprenticeship

	Estimated Employment 2002	Average Annual Growth Rate	Average Annual Total Openings	Estimated Average Wage March 2005
Hairdressers, Hairstylists, and Cosmetologists	12,991	2.2%	595	\$27,808
Carpenters	36,104	1.9%	1,381	\$45,119
Registered Nurses	45,693	1.8%	1,944	\$59,977
Computer Support Specialists	15,881	2.0%	555	\$49,247
Medical Secretaries	11,819	2.0%	498	\$30,152
Massage Therapists	6,040	2.3%	285	\$50,002
Supervisors/Managers of Construction Trades and Extraction Workers	17,858	1.7%	658	\$64,314
Fitness Trainers and Aerobics Instructors	5,183	2.1%	251	\$33,967
Travel Agents	3,248	2.7%	185	\$31,448
Supervisors/Managers of Personal Service Workers	6,787	1.9%	328	\$40,624
Legal Secretaries	5,189	2.0%	220	\$40,092
Licensed Practical and Licensed Vocational Nurses	10,522	1.7%	441	\$38,443
Gaming Dealers	5,405	1.9%	298	\$18,827
Barbers	2,907	2.4%	167	\$28,728
Dental Hygienists	4,320	2.1%	142	\$77,884

DEMAND

Long Preparation

Four years or more of academic work, bachelor's degree or higher, plus additional experience as required.

	Estimated Employment 2002	Average Annual Growth Rate	Average Annual Total Openings	Estimated Average Wage March 2005
Computer Software Engineers, Applications Computer Programmers	18,701	2.4%	705	\$83,708
Computer Software Engineers, Systems Software	12,677	2.5%	687	\$79,485
Lawyers	14,213	2.4%	544	\$88,138
Market Research Analysts	15,402	2.0%	552	\$100,010
Construction Managers	7,849	2.1%	407	\$81,970
Teachers, Primary, Secondary, and Adult, All Other	9,317	1.9%	380	\$95,312
Civil Engineers	23,279	1.6%	701	N/A*
Technical Writers	10,967	1.6%	384	\$71,264
Multi-Media Artists and Animators	2,663	2.4%	158	\$89,511
Architects, Except Landscape and Naval	2,402	2.9%	139	\$62,163
Employment, Recruitment, and Placement Specialists	3,578	2.3%	135	\$68,631
Elementary School Teachers, Except Special Education	3,245	2.3%	137	\$54,432
Dentists	24,143	1.5%	945	\$45,085
Health Professionals and Technicians, All Other	3,056	2.2%	133	\$135,020
	5,207	1.8%	203	\$50,245

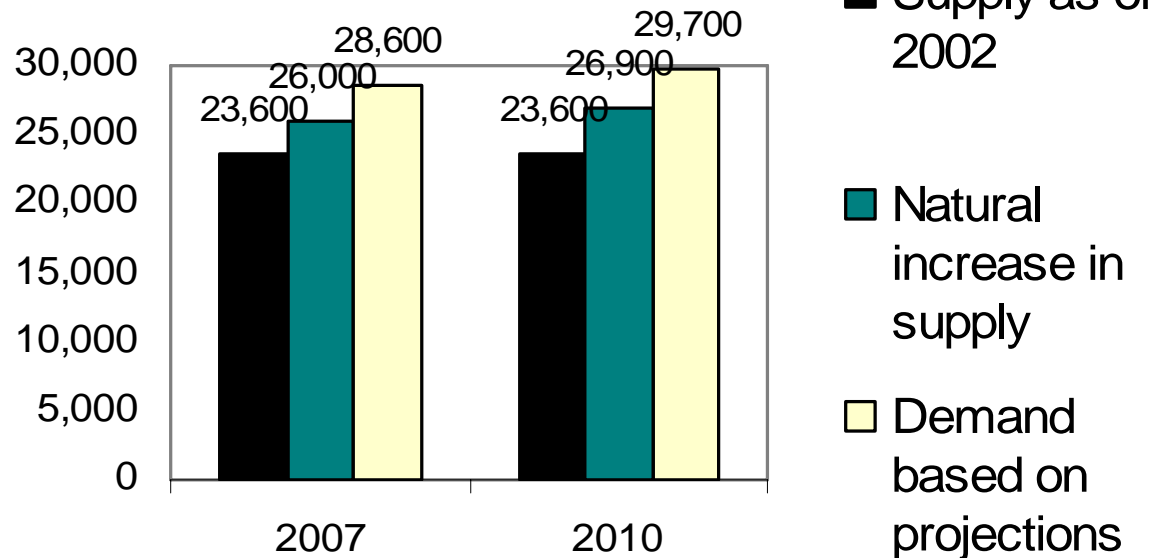
SUPPLY-DEMAND GAP

Mid-Level Preparation

At least one but less than four years of education and training, including associate's degrees, certificates, and apprenticeship

- **2007 projected gap: 17%**
- **2010 projected gap: 21%**
(assumes no natural increase in supply)
- Even if the number of newly prepared workers grows at the same rate as the state's college-age population, there will be at least a 9% gap.

Gap Between Supply and Demand for Mid-level Workers



SUPPLY-DEMAND GAP

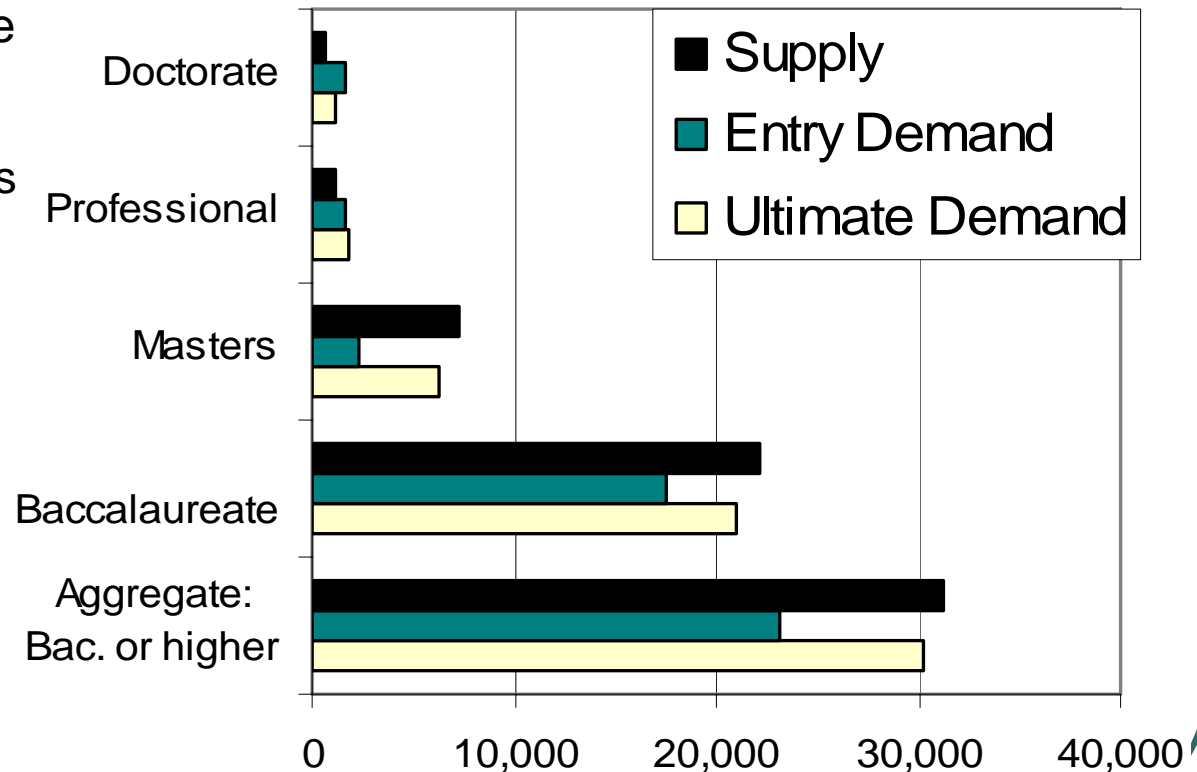
Long Preparation

Four years or more of academic work, bachelor's degree or higher, plus additional experience as required.

Supply and demand by education level (2002-2012 average annual demand)

Current workforce supply exceeds demand in the aggregate:

- Baccalaureate: 25% surplus
- Master's: 208% surplus
- Professional: 30% gap
- Doctorate: 59% gap



SUPPLY-DEMAND GAP

Long Preparation

Baccalaureate supply-demand mismatch:

Shortage

- Engineering, software, architecture
- Computer science
- Medical
- Human, protective services

Balanced

- Research, scientists, technical

Surplus

- Educators
- Business and management
- Editors, writers, performers
- Administrative, clerical, legal
- Agriculture, construction, production, transportation
- Sales and service

SUPPLY-DEMAND GAP

A concerted effort to address the health care gap

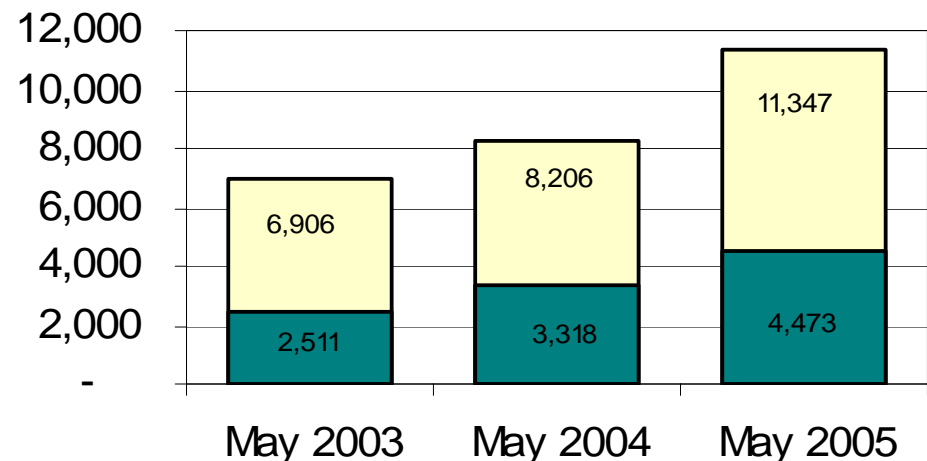
Progress since 2002:

- At least 2,230 additional students have entered health care education
- Capacity at CTCs and 4-year universities has expanded by 778 FTES
- In 2005: 70% of high demand funds dedicated to health care, expanding programs by 232 FTES

But the gap still exists...

Job Vacancies for Health Practitioners and RNs, 2003-2005

□ Healthcare Practitioners and Support
■ Registered Nurses



SUPPLY-DEMAND GAP

Closing the health care gap within 10 years

Annual new worker requirements:

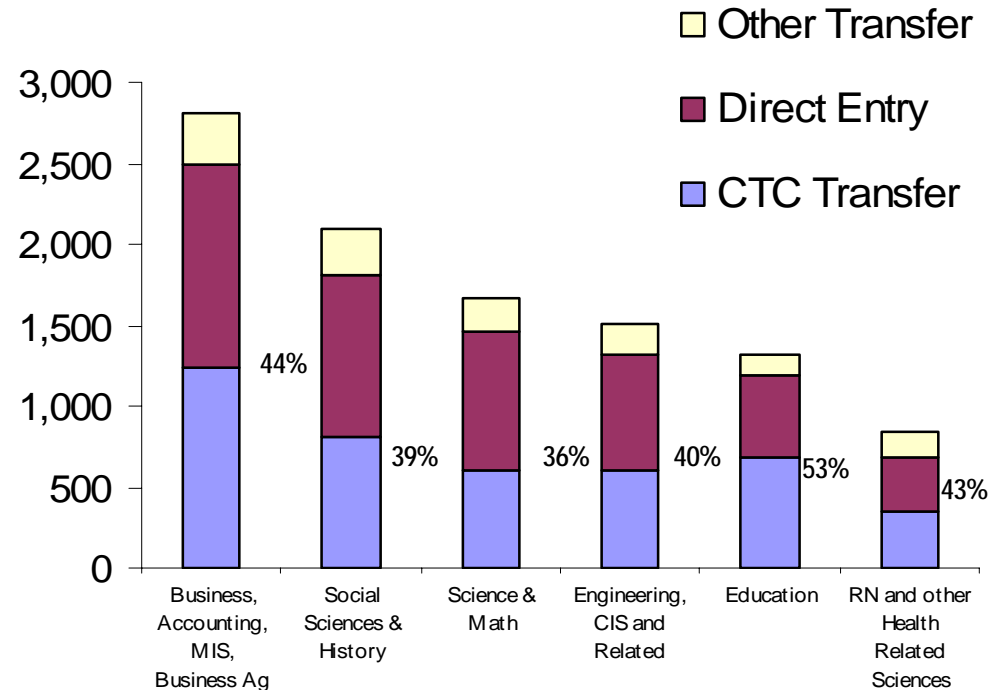
- 523 Registered Nurses
- 81 Dentists
- 69 Physical Therapists
- 39 Dietitians and Nutritionists
- 37 Occupational Therapists
- 23 Respiratory Therapists

SUPPLY

The Role of transfer from CTC to baccalaureate

- 41% of bachelor's degrees awarded go to students who started at community or technical colleges
- 38% of the engineering, technology, science, and math bachelor's degrees awarded at public institutions are CTC transfers (2,700 students entered 2003-04)

**Top Majors, Class of 2000-01
by Transfer Status**



SUPPLY

Other sources of skilled workers

(1) Net in-migration (working age people coming from other states)

Newcomers to Washington from 1995-2000 included:

- Business managers and executives 11,972
- Computer specialists 11,596
- Health practitioners 5,732
- Sales, marketing, and finance 4,156
- Engineers 3,209

(2) The unemployed

2004 Unemployment Insurance Claimants:

- Computer Specialists 20,430
- Educators 8,446
- Engineers 6,894
- Health Practitioners 10,772 (including 1,287 RNs)

(3) The under-prepared:

- 30% of Washington's net in-migrants have a HS diploma or less
- 19% of in-migrants have some college but no degree
- 1.5 million of working-age Washingtonians have less than one year of college (tipping point)

EMPLOYMENT MARKET

Key Trends

- There will continue to be an across-the-board supply-demand gap for workers at the moderate preparation level (at least 1 year but less than bachelor's).
- There is a supply-demand mismatch for workers at the long preparation level (bachelor's or higher).
- Key occupational groups in demand include:
 - Health care practitioners and support
 - Personal service workers and managers
 - Computer engineers, programmers, and support
- The accomplishments made to date to address the health care skills gap illustrate what can be accomplished from concerted efforts in a given field.
- There appear to be skilled workers on unemployment roles (RNs, engineers, etc.)
- The under-prepared constitute a significant population of both residents and newcomers.
- Transfers from CTCs constitute a significant percentage of baccalaureate awards, including engineering, technical, scientific, and mathematics.

EMPLOYMENT MARKET Implications

- Business and industry will continue to have hiring difficulties if supply gaps are not addressed through increased mid-level educational enrollments.
- More in-depth research is needed to clarify which programs require greater investments at all levels of higher education and the best methods for realigning baccalaureate programs to market demand.
- Health care supply-demand gaps are likely to be sustained in the near future, even as investments in education and training increase.
- More study is needed to understand how education and training may be used to efficiently reconnect unemployed skilled workers to the employment market
- Investments in helping the under-prepared reach the tipping point and lifelong career progression will help address the pending labor supply gap.
- Transfer from CTCs to baccalaureate will play a critical role in meeting the supply gap and can play a central role in a model for life-long learning and career progression for working people as well as younger people.

The Role of Community and Technical Colleges in Economic Development

*Recap: Key Trends in Economy,
Demographics, and
the Employment Market*

Presidents Task Force, Meeting 3
November 17, 2005

STUDY DESIGN

3 questions

- What are the emerging trends in Washington's economy, demographics, employment market, technology, competition, lifestyle, social values and politics?
- What are the unique contributions the colleges make to the economy and economic development?
- Given the strengths of the college system, what strategic directions can be undertaken to address the emerging trends and economic development priorities in the state?

Three strategic themes found in key trends

- 1) A **economic orientation** to education complements Washington's economic development goals.
- 2) A **high-wage, career progression focus** to education and training aligns education with improving individuals' economic circumstances.
- 3) A **lifelong learning model** for community and technical college education assures access for individuals and supports the economy's competitive requirements.

STRATEGIC THEMES

1) Economic orientation

- 1) An **economic orientation** to education complements Washington's economic development goals.

Key Trends

- Washington has deeper structural unemployment than the nation as a whole.
- There will continue to be an across-the-board supply-demand gap for workers at the moderate preparation level (at least 1 year but less than bachelor's).
- There is a supply-demand mismatch for workers at the long preparation level (bachelor's or higher).
- The accomplishments made to date to address the health care skills gap illustrate what can be accomplished from concerted efforts in a given field.

STRATEGIC THEMES

1) Economic orientation

- 1) An **economic orientation** to education complements Washington's economic development goals.

Implications and Potential Strategies

- Worker retraining and skill upgrades for current workers will be needed.
- Focus system initiatives among *strategic* driver, emerging, universal industries.
- Business and industry will continue to have hiring difficulties if supply gaps are not addressed through increased mid-level educational enrollments.
- More in-depth research is needed to clarify which programs require greater investments at all levels of higher education and the best methods for realigning baccalaureate programs to market demand.
- Health care supply-demand gaps are likely to be sustained in the near future, even as investments in education and training increase.

STRATEGIC THEMES

2) Focus on career progression leading to high wages

- 2) A **high-wage, career progression focus** to education and training aligns education with improving individuals' economic circumstances.

Key Trends

- Larger firms command greater share of state's payroll and firm size matters in leveraging total compensation to include health insurance
- High staff turnover industries also tend to be lower paying
- Occupational groups expecting greatest employment growth for workers with 1-3 years of college:
 - Health care practitioners and support;
 - Personal service workers and managers; and
 - Computer engineers, programmers, and support.
- The accomplishments made to date to address the health care skills gap illustrate what can be accomplished from concerted efforts in a given field.
- The under-prepared constitute a significant population of both residents and net in-migrants.
- Transfers from CTCs constitute a significant percentage of baccalaureate awards, including engineering, technical, scientific, and mathematics.

STRATEGIC THEMES

2) High-wage, career progression focus

- 2) A **high-wage, career progression focus** to education and training aligns education with improving individuals' economic circumstances.

Implications and Potential Strategies

- The economy has need for greater high school completion and skills training.
- Target high wage, high compensation, low turnover, career ladder occupations.
- Focus on educational delivery that is complementary to work and family life in order to increase retention and transition rates.
- Investments in helping the under-prepared reach the tipping point and lifelong career progression will help address the pending labor supply gap.

STRATEGIC THEMES

3) Lifelong learning model

- 3) A **lifelong learning model** for community and technical college education assures access for individuals and supports the economy's competitive requirements.

Key Trends

- The labor force growth rate is slowing
- Washington is becoming more diverse
- Fewer young people will be entering labor force
- Increasing share of labor market entrants will come from groups that have traditionally received less education
- Male- and white-owned private firms dominate state and national payrolls, and growth in Washington's minority-owned enterprises not keeping pace with nation
- Population is aging -- workers over age 50 will account for increasing share of state's workforce
- There appear to be skilled workers on unemployment roles (RNs, engineers, etc.)

STRATEGIC THEMES

3) Lifelong learning model

- 3) A **lifelong learning model** for community and technical college education assures access for individuals and supports the economy's competitive requirements.

Implications and Potential Strategies

- Examine the role of colleges in promoting diversity and human understanding across the curriculum
- Increasing capacity for ESL with linkages to career pathways
- Examine role with small business development, minority and women owned enterprises
- Provide customized training for current workers
- More study is needed to understand how education and training may be used to efficiently reconnect unemployed skilled workers to the employment market
- Transfer from CTCs to baccalaureate will play a critical role in meeting the supply gap and can play a central role in a model for life-long learning and career progression for working people as well as younger people.

STATE BOARD REGULAR MEETING AGENDA ITEM

TAB 6

Subject (Information)

Director's Report for December 1, 2005

Background

Materials for the Director's Report will be distributed during the State Board's regular meeting of December 1, 2005.

Prepared by DelRae Oderman
November 18, 2005

STATE BOARD REGULAR MEETING AGENDA ITEM

TAB 7

Subject (Information)

Chair's Report for December 1, 2005

Background

Materials for the Chair's Report will be distributed during the State Board's regular meeting of December 1, 2005.

Prepared by DelRae Oderman
November 18, 2005