

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

MINUTES OF MEETING

January 8, 2003

State Board Members

**Tom Koenninger (Chair), Vancouver
Sharon Fairchild, Spokane
Jim Garrison, Mt. Vernon
Paul Hutton, Issaquah
Al Link, Silverdale
Erin Munding, Omak
Jane Nishita, Seattle
Carolyn Purnell, Seattle
José Ruiz, Anacortes**

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

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

**Special Meeting Minutes
January 8, 2003**

CALL TO ORDER

Chairman Tom Koenninger convened a special telephone conference call meeting of the State Board at 2:40 p.m. for the purpose of reviewing the 2003-05 budget proposed by Governor Locke and to discuss the implications for the community and technical colleges.

Board members participating in the conference call were: Tom Koenninger, Sharon Fairchild, Erin Munding, Al Link, Jose Ruiz, and Jim Garrison. Board members Paul Hutton, Carolyn Purnell, and Jane Nishita were not available to participate in the call.

REVIEW OF GOVERNOR'S BUDGET PROPOSAL FOR 2003-05

Operating Budget Summary:

Chris Reykdal of the State Board staff summarized Governor Locke's proposed operating budget for the 2003-05 biennium. He noted that the proposal includes a total budget cut to the community and technical college system of \$59.2 million, which is assumed in the Governor's budget to be partially offset by annual 9 percent tuition increases in the 2003-05 biennium. Annual 9 percent tuition increases would generate approximately \$43.9 million in increased college revenues next biennium. The portion of the cut that is not offset by tuition increase authority (\$15.3 million) was calculated by the Governor's budget office at 2.5 percent of the system's non-instructional expenditures in 2002. This is a 1.4 percent cut based on the community and technical college system's total budget. The Governor's budget does not direct how the colleges should implement budget cuts; cuts may be implemented at the colleges' discretion, including instruction.

The Governor's budget proposal includes \$14 million dollars for maintenance and operations costs, \$5 million for part-time faculty salary improvements, \$2.1 million for self-insurance premiums, funds for increased employer health benefit and pension contribution costs, and a pool of 1,550 high-demand enrollments in the Higher Education Coordinating Board budget at \$9,600 each.

The Governor's budget proposal does not provide COLAs for any state employees, does not include funding for general or targeted enrollments, does not include funding for faculty increments, and does not include funding for any of the system's other budget requests (worker retraining, health care, economic development, disability funding, etc.).

Capital Budget Summary:

Tom Henderson of the State Board staff summarized key points in the Governor's proposed capital budget. He reported that the 2003-05 Capital Budget recommended by the Governor includes \$349.4 million (compared to \$289 million this biennium) and \$62.2 million authority for alternatively financed projects.

The Governor's recommendation does not include matching fund projects. Predesigns are not included, and the Governor recommends these will be self-financed from current resources at the colleges. The Pierce Ft. Steilacoom Wellness Center is included as COP financed. Replacement projects at Spokane, Bellingham, and Lower Columbia are not included. The recommendation partially funds Roof Repairs "B" but does not include Site Repairs "B" or Facilities Repairs "B." It does not include an appropriation for UWB/Cascadia South Access.

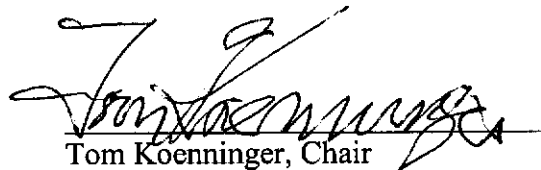
All COPs are included at the requested level, and the Governor added two alternative financed projects for the Pierce Ft. Steilacoom Childcare and Wellness Center. The budget bill includes all of the reappropriations requested by the State Board, with the exception of a few that are expected to be fully spent by the end of the biennium.

Higher Education Leadership Project Update:


Sandy Wall of the State Board staff reported that the Evans-Gardner proposal includes \$1.7 billion of additional revenue for construction over the next 10 years. She noted that recent editorial board meetings have been positive, and the former Governors have also met with legislative leadership to lobby for a debt limit increase.

ADJOURNMENT

There being no further business, the State Board adjourned its special meeting of January 8, 2003, at 4:05 p.m.


Tom Koeninger, Chair

ATTEST:



Earl Hale, Secretary