

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

**MINUTES OF MEETING**

**December 1, 2005**

**State Board Members**

**Jim Garrison (Chair), 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**

**ACTION INDEX**  
**December 1, 2005**

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

**Regular Meeting Minutes  
December 1, 2005**

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

Board Member Absent: Lyle Quasim

**CALL TO ORDER**

Chairman Jim Garrison called the meeting to order at 8:30 a.m. and welcomed those present. He thanked Bellevue Community College President Jean Floten for hosting the meeting and the previous evening's dinner with the college board of trustees and staff.

**ADOPTION OF CONSENT AGENDA (Resolutions 05-12-30, 05-12-31, 05-12-32)**

***MOTION: Moved by Sharon Fairchild and seconded by Jim Bricker that the State Board adopt the consent agenda of December 1, 2005, as presented:***

- a) Approval of October 19, 2005 Regular Meeting Minutes***
- b) Resolution 05-12-30 - 2005-07 Targets for Legislative Accountability Measures (ATTACHMENT #1)***
- c) Resolution 05-12-31 - Lake Washington Technical College Muller Farm Property Acquisition (ATTACHMENT #2)***
- d) Resolution 05-12-32 - Lake Washington Technical College Duvall Campus Property Acquisition (ATTACHMENT #3)***

***MOTION CARRIED.***

**HOST COLLEGE PRESENTATION**

President Floten welcomed State Board members and staff to Bellevue Community College. She introduced Judy Bushnell, Bellevue School District Board President; Mike Riley, Bellevue School District Superintendent, and Vijay Vashee, chair of the Bellevue Community College Board of Trustees. Judy Bushnell gave a presentation on Bellevue School District's innovative approach to education reform. The goal is to give every student in Bellevue a first-rate college preparatory education that will allow the student to graduate from college, not just be admitted to college. She described elements unique to this approach, including common curriculum, assessment measures, partnerships for success, advanced coursework, and test scores. In summary she suggested adopting as the common K-12 mission, college preparation for all students; aligning K-12 programs with the expectation and requirements of higher education, making a college preparatory curriculum the standard program for all students; providing staff development that enables teachers to teach that curriculum, and providing support for students that enables them to succeed in that curriculum.

**APPROVAL OF PART-TIME FACULTY BEST PRACTICES PRINCIPLES**  
**(Resolution 05-12-33)**

John Boesenberg presented the 2005 Best Employment Practices for Part-time Faculty report and taskforce recommendations for the Board's consideration. He provided a brief history of the Taskforce and noted that legislation adopted in 2005 (ESB 5087) required the State Board to reconvene 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 include State Board members, full- and part-time faculty, trustees, and presidents. Taskforce members met regularly from summer through fall of 2005, focusing on understanding the assignment, reviewing date 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 and 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.

John introduced Taskforce members present, some of whom shared their thoughts and perspectives on the best practices recommendations. They commended John for his leadership and work on the taskforce. At Board's request, John agreed to provide regular progress reports at future State Board meetings.

***MOTION: Moved by Jim Bricker and seconded by Jane Nishita that the State Board adopt Resolution 05-12-33 (ATTACHMENT #4) approving the best practice principles affecting the employment of part-time/adjunct faculty as outlined in the resolution.***

***MOTION CARRIED.***

**PUBLIC HEARING/PERMANENT RULE ADOPTION: TIAA-CREF**  
**RETIREMENT PLAN REVISIONS – WAC 131-16 (Resolution 05-12-34)**

The State Board held a public hearing to receive comments on proposed revisions to the State Board's retirement plan. No public testimony was offered.

John Boesenberg reported that over the 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 begin the review and update process, the Board reviewed the major provisions of the Plan during its November 2004 meeting

and received progress updates in May and October 2005. These presentations were intended to prepare the Board to act on proposals required to expand participant investment options, specifically to add mutual funds to the existing annuity fund offerings.

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. John reported on recent activities and issues related to the plan and summarized proposed changes to the retirement plan rules and plan document as outlined in the resolution and attachment.

***MOTION: Moved by Tom Koenninger and seconded by Al Link that the State Board adopt Resolution 05-12-34 (ATTACHMENT #5) approving revisions to the State Board sponsored TIAA-CREF retirement plan and amending Section 131-16 of the Washington Administrative Code.***

***MOTION CARRIED.***

### **EXPANDING HIGH SCHOOL COMPLETION**

Jan Yoshiwara updated the Board on recent discussions with K-12 and legislative staff on the role of community and technical colleges in high school completion for young adults. She reported that 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 the State Board staff about the possibility of two-year colleges serving students over 18 years of age who have not yet earned their diplomas.

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. Jan noted that 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.

Jan summarized core principles agreed to by the colleges that would help to shape an expanded high school completion program, proposed program components, issues yet to

be decided, and next steps. She reported that 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. State Board staff plan to meet with officials from the Office of the Superintendent of Public Instruction regarding alternative assessment and will report back at the January 2006 State Board meeting.

Board members discussed the policy implications of an expanded community and technical college role in high school completion.

Earl Hale introduced Governor Booth Gardner who discussed his concerns about the WASL, specifically making the test a requirement for high school graduation. He is opposed to having a single test measure all that matters in a young person's education and favors using multiple measures, in addition to the WASL, to determine academic achievement.

#### **ECONOMIC DEVELOPMENT STUDY UPDATE**

At the State Board retreat in September 2005, staff discussed a proposal to study the college system's role in economic development, shared the study goals, and identified key questions the study will address as summarized in Tab 5 of the Board's agenda packet. The State Board reviewed economic and demographic data at the October 2005 meeting.

Jan Yoshiwara provided a progress report on the study; shared preliminary findings from the third section of study question #1, emerging trends in the employment market; and summarized key trends and implications based on the analysis of emerging trends in the economy, demographics, and the employment market.

Jan reported that a system task force of presidents has met three times to examine the economy, demographics, and employment market. Discussions focused on gleaning key trends and system implications from the data. The college system's chief workforce education administrators and 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 TACTC executive committee was updated on the 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, and up to six regional business meetings will be conducted in late February.

Steve VanAusdle, President of Walla Walla Community College and a member of the national Council on Competitiveness, gave a presentation on national strategies and

implications for community and technical colleges entitled “Innovation: A Necessary Condition for Thriving in a World of Challenge and Change.”

Board members discussed implications of the analysis related to the system’s economic development study. The staff will report back on the role of the community and technical colleges in economic development—strengths and weaknesses—at the January 2006 State Board meeting.

### **DIRECTOR’S REPORT**

Earl Hale presented his report.

- **Washington Learns Report.** Mary Alice Grobins reported on recent meetings of Washington Learns Steering Committee and Higher Education Advisory Committee as summarized in an update to the Board’s supplemental agenda packet materials. The next meeting will be held on December 19.
- **2005 Tuition Report.** Deb Frazier reported on Academic Year 2005 tuition structure study findings as outlined in the Board’s supplemental agenda packet materials. This information is intended to provide background and inform the Board’s discussion of tuition rates at its March 2006 meeting. She reported no changes over the last five years but acknowledged that further data is needed to know the true impact of how tuition increase impacts students’ lives.
- **Hurricane Katrina Tuition Waiver Update.** Deb Frazier reported that of the 25 community colleges, 20 offer a 100 percent tuition waiver. One college is in the process of board approval and expects to offer a 100 percent tuition waiver. One college offers a 50 percent waiver of non-resident tuition. Three colleges are not offering a waiver. Five colleges enrolled 14 students for fall quarter under the Katrina Waiver.
- **Technical College Issues.** Earl reported that in response to questions and concerns raised by technical college presidents and trustees regarding articulation and finance issues, the State Board staff formed two working groups. The groups are comprised of representatives of technical and community colleges to provide staff support for better understanding the issues raised by the technical colleges. Earl summarized the work of these groups, which was presented to the presidents at their October 2005 meeting.
- **Adult Literacy Week Update.** Suzy Ames and Kathy Cooper reported that Adult Literacy Week was very successful. They distributed a report summarizing regional activities that occurred the week of October 30 through November 5, 2005.

### **CHAIR'S REPORT**

Jim Garrison presented his report:

- **Trustees' Association Report.** TACTC President Larry Brown reported on recent and upcoming meetings and activities of the Trustees' Association, including a meeting of the TACTC Board of Directors and a presidential search workshop sponsored by TACTC. He encouraged Board members to attend the TACTC legislative conference scheduled for February 12-14 in Olympia. He also thanked the Board for their willingness to reach out to trustees to participate in the Executive Director search process.
- **Executive Director Search Process Update.** Jim Garrison provided an update on the search process and timeline for selecting the new Executive Director. The screening committee met with the consultant on October 19 to discuss the process and preliminary outreach results. The committee met with the consultant again on November 4 to screen the applicants and then interviewed candidates on November 13-14. The committee met with the consultant via conference call on November 29 and will meet with the Board in executive session later in the day to discuss the candidates. The Board hopes to interview finalists during the week of December 12.

### **EXECUTIVE SESSION**

The Board convened in executive session from 12:45 p.m. to 4:35 p.m. to discuss and evaluate the qualifications of candidates for the executive director position. No action was taken as a result of the executive session.

### **ADJOURNMENT/NEXT MEETING**

The Board reconvened in public session for the purpose of adjournment. There being no further business, the State Board adjourned its regular meeting of December 1, 2005, at 4:35 p.m. The next meeting of the State Board will be held January 17-18, 2006, at the State Board Office in Olympia. It is anticipated that additional meetings will be required later in December for the purpose of interviewing candidates for the position of executive director.

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Jim Garrison, Chair

**ATTEST:**

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Earl Hale, Secretary

**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.

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Jim Garrison, Chair

ATTEST:

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Earl Hale, Secretary

**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.

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Jim Garrison, Chair

**ATTEST:**

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Earl Hale, Secretary

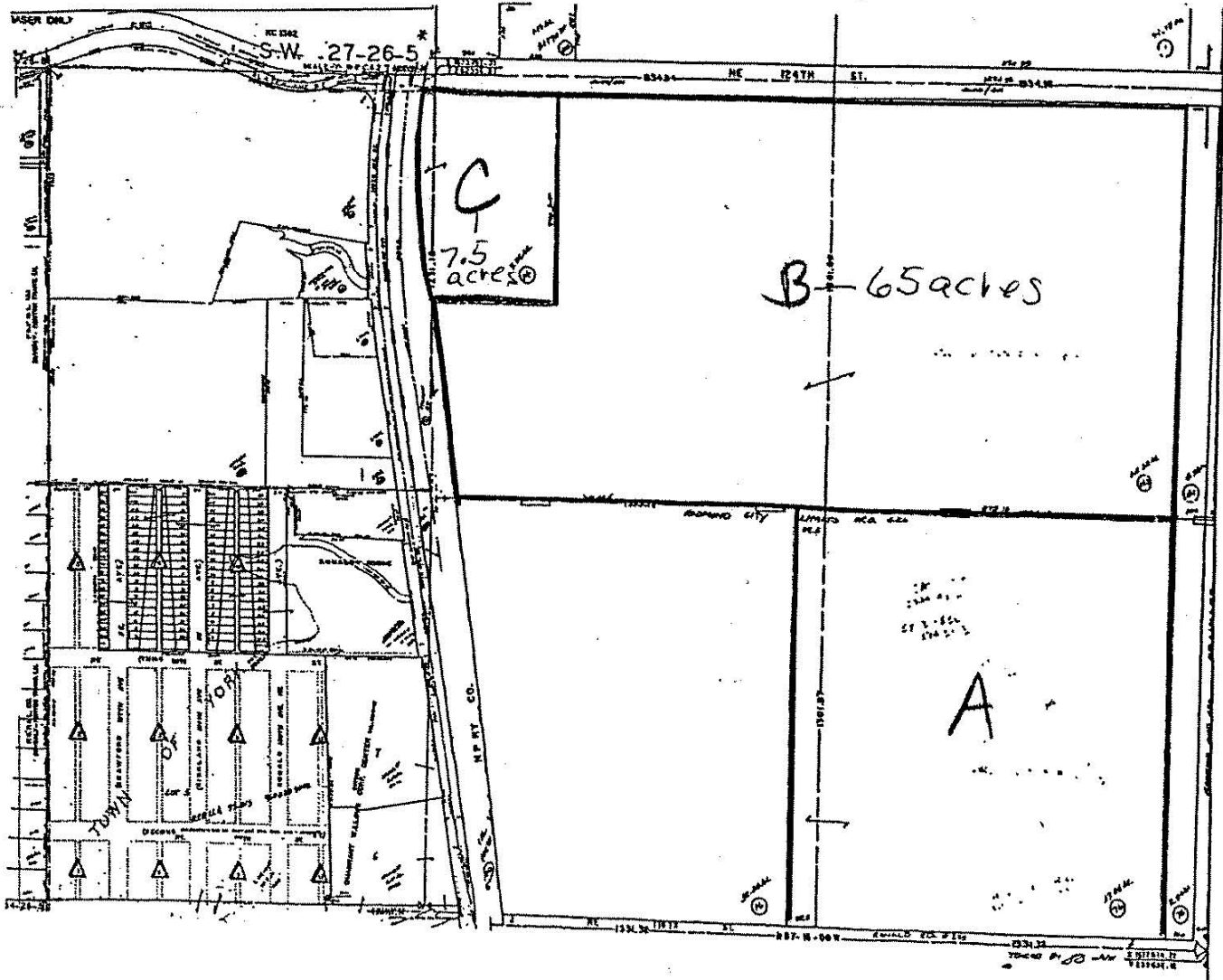
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**STATE OF WASHINGTON**

**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.

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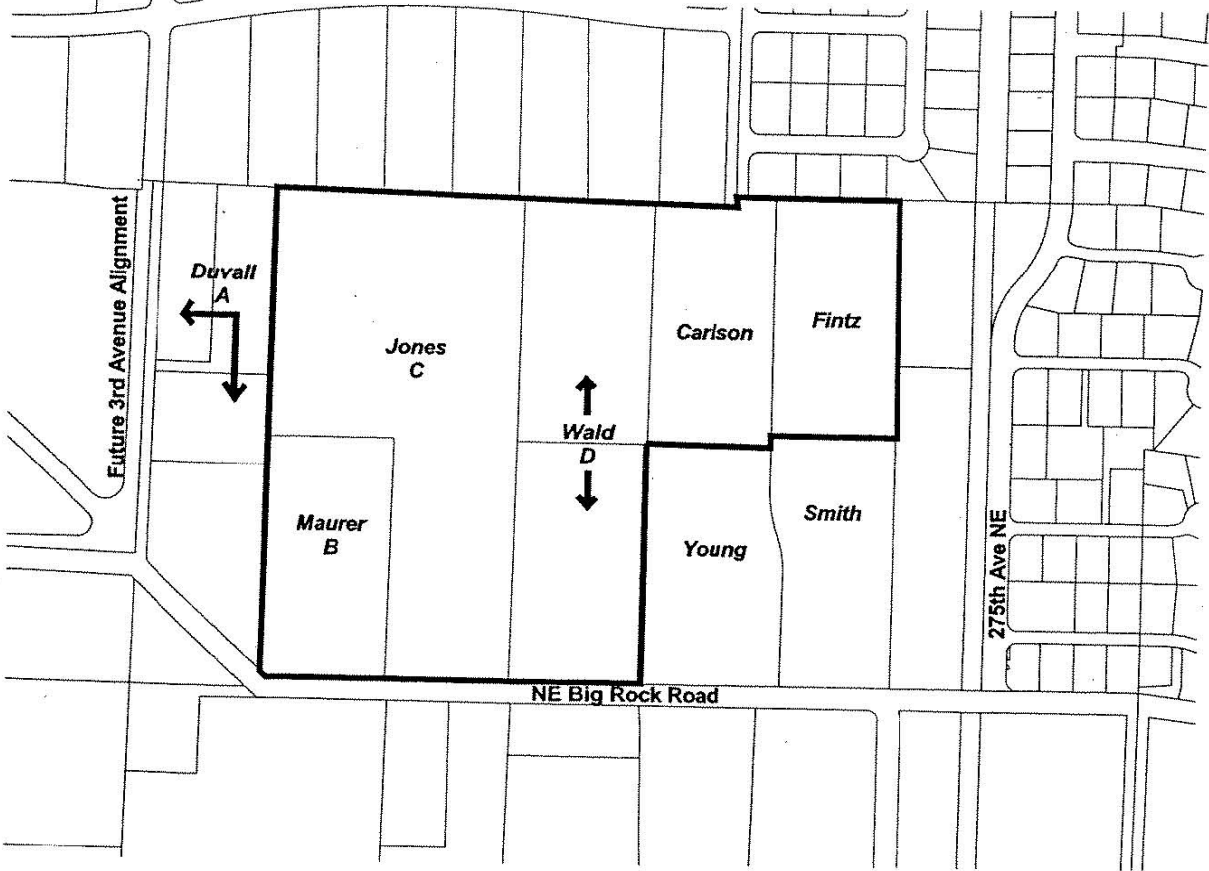
Jim Garrison, Chair

**ATTEST:**

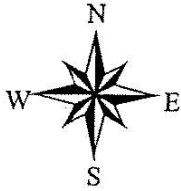
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Earl Hale, Secretary

# LWTC/Camwest/Duvall MOV



City of Duvall  
Vicinity Map



**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.

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Jim Garrison, Chair

**ATTEST:**

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Earl Hale, Secretary

**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

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Jim Garrison, Chair

**ATTEST:**

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Earl Hale, Secretary

**ATTACHMENT #5**  
**Resolution 05-12-34**  
**Attachment One**

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.