



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

## **MEETING MINUTES**

**December 4, 2008**

### **State Board Members**

**Erin Munding (Chair), Omak  
Jim Bricker, Coupeville  
Reuven Carlyle, Seattle  
Sharon Fairchild, Spokane  
Jim Garrison, Mt. Vernon  
Jeff Johnson, Olympia  
Tom Koeninger, Vancouver  
Lyle Quasim, Puyallup  
Beth Willis, Tacoma**

**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 4, 2008**

<u>Resolution Number</u>	<u>Description</u>	<u>Page in Minutes</u>
	Adoption of Consent Agenda:	
----	- Approval of State Board Regular Meeting Minutes for October 23, 2008	1
08-12-35	- Approval of Bellevue CC Office Renovation	1
08-12-36	Approval of TIAA-CREF Retirement Savings Plan Modification.	2
08-12-37	Approval of State Board Member Standard of Conduct	2

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

**Regular Meeting Minutes  
December 4, 2008  
Clark College**

The State Board held a study session on December 3, 2008 from 2:00 p.m. to 5:00 p.m. at Clark College. The following topics were discussed: Legislative Update, Capital Budget Bond and Certificates of Participation, Workfirst Budget Reductions, and System Mission Task Force Update,

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State Board Members Present: Erin Munding (Chair), Jim Bricker, Jim Garrison, Tom Koenninger, Lyle Quasim, Beth Willis, Sharon Fairchild

State Board Members Absent: Jeff Johnson, Reuven Carlyle

**CALL TO ORDER AND WELCOME**

Chair Erin Munding called the meeting to order at 8:45 a.m. and welcomed those present. Erin thanked the president, trustees, and staff at Clark College for hosting the meeting and the previous evening's dinner prepared by the college's culinary students.

**ADOPTION OF AGENDA**

***MOTION: Moved by Tom Koenninger and seconded by Sharon Fairchild that the State Board adopt its December 4, 2008 regular meeting agenda as presented.***

***MOTION CARRIED.***

**HOST COLLEGE PRESENTATION**

President Robert Knight welcomed the State Board and staff to Clark College and provided a brief overview of the college. The Board viewed a fun and entertaining video entitled "Penguin Nation" celebrating the college's 75th anniversary. Dr. Knight's presentation focused on current college activities and highlighted enrollment data; faculty, staff and foundation information, operating budget information; capital funding and growth projects; significant accomplishments; issues specific to the college; budget reduction impacts; and options to reduce the budget cuts.

**ADOPTION OF CONSENT AGENDA (Resolutions 08-12-35)**

***MOTION: Moved by Jim Bricker and seconded by Jim Garrison that the State Board adopt the consent agenda for its December 4, 2008 regular meeting as follows:***

- a) Approval of October 23, 2008 State Board regular meeting minutes (ATTACHMENT #1)***
- b) Resolution 08-12-35 (ATTACHMENT #2) – Bellevue CC Office Renovation***

***MOTION CARRIED.***

**APPROVAL OF TIAA-CREF RETIREMENT SAVINGS PLAN MODIFICATION  
(Resolution 08-12-36)**

John Boesenberg of the State Board staff presented the proposal to modify the State Board sponsored 403(b) retirement savings plan administered by TIAA-CREF to provide for after-tax Roth

contributions. He explained that employees participate on a voluntary basis, with pre-tax contributions being deducted solely from the participating employee's salary. If adopted, this proposal allows participants to make some portion of their retirement savings contributions on an after-tax basis. Providing access to a top quality retirement savings plan is key to attracting and retaining a talented, innovative faculty and staff. Under authority provided by state law, the Board sponsors a mandatory 401(a) employer funded defined contribution retirement plan and a voluntary 403(b) employee funded retirement savings program. The inclusion of a Roth account offers and enhanced benefit option that leads to or maintains competitiveness with other employers and institutions.

TIAA-CREF has agreed to offer the Roth option effective January 1, 2009, and to comply with all recordkeeping and other legal requirements.

***MOTION: Moved by Jim Garrison and seconded by Beth Willis that the State Board adopt Resolution 08-12-36 (ATTACHMENT #3) to approve the TIAA-CREF Retirement Savings Plan Modification.***

***MOTION CARRIED.***

### **APPROVAL OF STANDARD OF CONDUCT FOR STATE BOARD MEMBERS (Resolution 08-12-37)**

Board Vice Chair Jim Bricker presented a proposed Standard of Conduct for State Board members that is consistent with state law governing ethics in public service and clarifies additional expectations for Board impartiality and effectiveness.

A draft prepared by State Board Executive Committee members and the Executive Director was distributed to all Board members for their comments at the June 2008 meeting. No revisions were received, and the draft was finalized for formal Board approval at the December 2008 meeting.

***MOTION: Moved by Jim Bricker and seconded by Beth Willis that the State Board adopt Resolution 08-12-37 (ATTACHMENT #4) to approve the State Board Member Standard of Conduct.***

***MOTION CARRIED.***

### **SYSTEM BUDGET STRATEGY (RESOLUTION 08-12-38)**

The Board received a budget update and staff presentation on community and technical college historical funding at its study session the previous day. Board members reviewed and discussed information on the system budget based on the November 2008 revenue forecast and some analysis by the Office of Financial Management to project spending obligations. Led by a substantial slowdown in retail sales tax collections, the state government revenue picture continues to deteriorate. Chris Reykdal of the State Board staff reported that the 2009-11 state budget deficit is now projected to exceed \$5 billion. The Governor has taken steps to reduce budgets in the current fiscal year (2008-09), and community and technical colleges are working to reduce current spending by \$4.1 percent. Furthermore, the Office of Financial Management has asked the State Board to consider the impacts that a 20 percent budget cut would have during the 2009-11 biennium. Governor Gregoire is expected to release her 2009 supplemental budget and 2009-11 biennial budget recommendations during the week of December 15.

The presidents' association (WACTC) held an emergency meeting on November 25 focused exclusively on the budget situation and how the colleges will respond.

Discussion followed regarding the impact of these budget reductions on the system and the State Board office. The conditions under which the State Board and local boards can declare a financial

emergency and the timelines involved were reviewed. Given the timelines, staff recommended that the Board act to officially direct the colleges to reduce spending in the current year (FY2009) by a minimum of 4.1 percent of state allocations and to delegate authority to the Executive Director to remove Board earmarks where appropriate to afford colleges maximum flexibility in meeting current-year budget cuts.

In addition, staff recommended an economic stimulus package that includes 2009-11 operating budget request items and a set of capital projects that could be advanced to the construction phase almost immediately. The operating budget items reflect targeted investments that would position the system to contribute almost immediately to economic recovery. The Governor has asked that the college system submit ideas for economic stimulus (both operating and capital). This narrow list of budget additions would be advanced to the Governor and the Legislature as they contemplate a targeted economic stimulus package. A similar concept is being promoted by Governor Gregoire and other governors with the incoming Obama Administration.

At the Board's request, staff also prepared a resolution for consideration requesting that the Governor and Legislature provide the community and technical college system with flexibility and timely authorities that allow colleges to achieve mandated budget reductions.

***MOTION: Moved by Beth Willis and seconded by Lyle Quasim that the State Board adopt Resolution 12-08-39 (ATTACHMENT #6) approving a set of operating and capital budget items to be recommended to the Governor for inclusion in an economic stimulus package to help the state recover more quickly and delegating authority to the Executive Director to modify the economic stimulus list as necessary to address changing conditions, cost estimates, project timelines, and other unforeseen issues.***

***MOTION CARRIED.***

***MOTION: Moved by Tom Koeninger and seconded by Jim Bricker that the State Board adopt Resolution 12-08-38 (ATTACHMENT #5) directing the colleges to adopt budget cuts consistent with the guidance provided by the Office of Financial Management and including a request to the Executive Director that certain allocation earmarks be reviewed and potentially eliminated.***

***MOTION CARRIED.***

***MOTION: Moved by Jim Garrison and seconded by Jim Bricker that the State Board adopt Resolution 12-08-40 (ATTACHMENT #7) requesting that the Governor and Legislature act promptly to provide the college system with maximum flexibility and timely authorities that enable the colleges to achieve mandated budget reductions.***

***MOTION CARRIED.***

## **DIRECTOR'S REPORT**

Executive Director Charlie Earl covered the following topics during his report:

- SBCTC Office Budget Reductions.
- Strategic Technology Plan Final Document
- Washington State Quality Awards Update
- Federal Maintenance of Effort Mandate
- Higher Education Coordinating Board Delivery System Redesign
- Other Budget Strategies

## **CHAIR'S REPORT**

Chair Munding presented her report:

- **Trustees' Association Report.** TACTC President Carol Landa-McVicker reported on recent and upcoming meetings and activities. She announced that TACTC will sponsor an ITV training session for trustees and presidents on the role of local boards of trustees following a financial emergency declaration per RCW 28B.878. Board members are invited to attend the TACTC winter conference on February 26-27 at the Olympia Red Lion Hotel. A new trustee orientation session is scheduled for February 25 at the State Board office. Carol shared TACTC's Guiding Values, to be used by trustees when advocating for the community and technical colleges and when setting policy for the governance of the colleges.
- **Presidents' Association Report.** WACTC President Don Bressler reported on the November 6-7 WACTC meeting and an emergency meeting of the presidents on November 25 to discuss the budget and the impact of a potential financial emergency declaration by the State Board, to develop common messages, and to continue to develop the presidents' advocacy strategy for decision makers. The presidents will continue their discussions at the next WACTC meeting on December 12.
- **Parking Lot Items.** An updated list of the State Board's parking lot items was presented for review. The Executive Committee of the Board will continue to examine and revise the list following each meeting.

### **BOARD MEMBER NOTES**

Erin Mundinger participated via ITV in a recent meeting of the TACTC Executive and Legislative Steering Committees.

Lyle Quasim will address the next meeting of the Pierce County Coordinating Council. The Council invited Executive Director Charlie Earl to participate in this meeting.

### **ADJOURNMENT/NEXT MEETING**

There being no further business, the State Board adjourned its regular meeting of December 4, 2008 at 11:00 a.m. The Board will hold its next meeting on February 4-5, 2008 at the State Board Offices.

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Erin Mundinger, Chair

ATTEST:

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Charles N. Earl, Secretary

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SBCTC Regular Meeting Minutes  
October 23, 2008  
Page 4

**ADJOURNMENT/NEXT MEETING**

There being no further business, the State Board adjourned its regular meeting of October 23, 2008 at 11:15 p.m. The Board will hold its next meeting on December 3-4, 2008 at Clark College.

  
Erin Munding, Chair

ATTEST:

  
Charles N. Earl, Secretary

STATE OF WASHINGTON  
STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES  
RESOLUTION 08-12-35

**WHEREAS**, Bellevue Community College is in the process of making renovations for the relocation and remodel of the Institutional Advancement and Payroll/Human Resources Offices; and

**WHEREAS**, Bellevue Community College Board of Trustees on May 14, 2008, approved the expenditure of local funds to complete the project pending authorization by the State Board; and

**WHEREAS**, the college has a reserve balance of sufficient local funds for the renovations,

**THEREFORE BE IT RESOLVED** that the State Board for Community and Technical Colleges authorizes Bellevue Community College to use up to \$910,000 to make renovations for the relocation and remodel of the Institutional Advancement and Payroll/Human Resources Office.

**APPROVED AND ADOPTED** on December 4, 2008.

  
Erin Munding, Chair

**ATTEST:**

  
Charles N. Earl, Secretary

**STATE OF WASHINGTON**  
**STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES**  
**RESOLUTION 08-12-36**

A resolution relating to adoption of revisions to the State Board's 403(b) Retirement Savings Plan Document providing for contributions to be made on an after-tax basis.

**WHEREAS**, the State Board recognizes the importance of saving for retirement and desires to encourage participation in a retirement savings program; and

**WHEREAS**, the State Board has statutory authority to assist Community and Technical College system employees save for retirement through sponsoring retirement income plans; and

**WHEREAS**, the State Board desires to continue its sponsorship of a retirement savings program under Code Section 403(b) funded by voluntary employee contributions; and

**WHEREAS**, the State Board recognizes the value to some participants of having a portion of their retirement saving distributions not subject to taxes

**WHEREAS**, the State Board is a government entity not subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA") or 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 governmental plans;

**THEREFORE BE IT RESOLVED** that the State Board for Community and Technical Colleges adopts the amendment to its 403(b) Plan Document included as Attachment A, effective January 1, 2009, which is intended to add an after-tax Roth option.

**APPROVED AND ADOPTED** on December 4, 2008.

  
Erin Munding, Chair

**ATTEST:**

  
Charles N. Earl, Secretary

STATE OF WASHINGTON  
STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES  
RESOLUTION 08-12-37

A resolution relating to a standard of conduct for State Board members.

**WHEREAS**, members of the State Board for Community and Technical Colleges are state officers and subject to statutes governing ethics in public service; and

**WHEREAS**, members determined that a Standard of Conduct is needed to clarify expectations for effective Board participation in addition to ethics; and

**WHEREAS**, a standard of conduct for State Board for Community and Technical Colleges members should be consistent with Ethics in Public Service, Chapter 42.52 RCW.

**THEREFORE BE IT RESOLVED** that the State Board for Community and Technical Colleges formally adopts the attached SBCTC Board Standard of Conduct.

**APPROVED AND ADOPTED** on December 4, 2008.

  
Erin Munding, Chair

**ATTEST:**

  
Charles N. Earl, Secretary

**STATE OF WASHINGTON**

**STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES**

**RESOLUTION 12-08-38**

A resolution directing the colleges to adopt budget cuts consistent with the guidance provided by the Office of Financial Management, including a request to the Executive Director that certain allocation earmarks be reviewed and potentially eliminated.

**WHEREAS** the global, national, and state economies have deteriorated substantially over the last six months; and

**WHEREAS** the current state budget deficit for the 2009-11 biennium is currently predicted to exceed \$5 billion; and

**WHEREAS** the Governor has asked the college system to reduce spending in the current year by \$30,546,901 (4.1% of current-year state appropriations); and


**WHEREAS** the colleges now have less than seven months to achieve reductions for the current year; and

**WHEREAS** the Office of Financial Management has asked the college system to consider the impacts of a 20% reduction in state appropriations for the 2009-11 biennium;

**THEREFORE BE IT RESOLVED** that the State Board directs the colleges to reduce spending by a minimum of 4.1% of current year (FY2009) state allocations.

**BE IT FURTHER RESOLVED** that the Board delegates authority to the Executive Director to review and remove current-year Board earmarks where appropriate to afford the colleges maximum flexibility in achieving budget reductions. The Director is also encouraged to work with the Office of Financial Management and the legislature to remove budget provisos that restrict colleges from achieving the targeted budget reductions.

**APPROVED AND ADOPTED** on December 4, 2008.

  
Erin Munding, Chair

**ATTEST:**

  
Charles N. Earl, Secretary

STATE OF WASHINGTON

STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

RESOLUTION 12-08-39

A resolution relating to the 2009-11 operating budget request.

**WHEREAS** on June 12, 2008, the State Board for Community and Technical Colleges authorized the Director to submit to the Governor a 2009-11 community and technical college system operating budget request for an estimated \$463,000,000, including maintenance level and policy level items; and

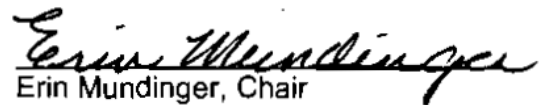
**WHEREAS** the budget conditions of the state have deteriorated rapidly over the last six months; and

**WHEREAS** the colleges are a critical investment necessary to achieve better economic prosperity in Washington;

**THEREFORE BE IT RESOLVED** that the State Board adopt Resolution 12-08-39, approving a set of operating and capital budget items to be recommended to the Governor for inclusion in an economic stimulus package to help the state recover more quickly, Attachment A.

**BE IT FURTHER RESOLVED** that the State Board delegates authority to the Executive Director to modify the economic stimulus list as necessary to address changing conditions, cost estimates, project timelines, and other unforeseen issues.

**APPROVED AND ADOPTED** on December 4, 2008.

  
Erin Munding, Chair

**ATTEST:**

  
Charles N. Earl, Secretary

**STATE OF WASHINGTON**

**STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES**

**RESOLUTION 12-08-40**

A resolution requesting that the Governor and Legislature provide the college system with flexibility and timely authorities that allow colleges to achieve mandated budget reductions.

**WHEREAS** the Governor has asked the college system to reduce spending in the current fiscal year by \$30,546,901; and

**WHEREAS** the colleges now have fewer than seven months remaining to achieve targeted reductions for the current fiscal year; and

**WHEREAS** there is a lack of certainty about reduction levels until the Legislature adopts an official 2009 Supplemental Budget followed by the Governor's signature; and

**WHEREAS** the colleges can provide affected employees with better information and more timely decision making when budget reductions become official;

**THEREFORE BE IT RESOLVED** that the State Board requests the Governor and Legislature to act promptly to provide the college system with maximum flexibility and timely authorities that enable the colleges to achieve mandated budget reductions.

**APPROVED AND ADOPTED** on December 4, 2008.

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Erin Munding, Chair

**ATTEST:**

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Charles N. Earl, Secretary