



STATE BOARD RETREAT AGENDA
September 13-15, 2010
 State Board Office ~ Olympia, Washington
 Cascade Conference Rooms

Monday, September 13 - Retreat

	<u>Participants</u>	<u>Attachments</u>
2:00 p.m. Welcome and Introductions <i>Sharon Fairchild, Vice Chair</i>		
2:05 p.m. Increasing Education Attainment: Goals, Metrics, Strategic Finance <i>Dennis Jones, National Center for Higher Education Management Systems</i>	All Participants	
5:30 p.m. Adjournment		
6:00 p.m. Dinner Meeting: State Board Work Plan Update Discussion <i>Location: Mercato Ristorante, 111 Market Street NE, Olympia</i>	Board Members Executive Director Deputy Directors Executive Assistant	

Tuesday, September 14 - Retreat

8:00 a.m. Continental Breakfast	All Participants	
8:30 a.m. Welcome and Introductions <i>Jim Bricker, Chair</i>	All Participants	
8:35 a.m. System Direction Update <i>Charlie Earl, Executive Director</i>	All Participants	Tab A
9:35 a.m. Budget and Legislative Strategy <i>Chris Reykdal</i>	All Participants	Tab B
12:00 p.m. Lunch	All Participants	
1:00 p.m. Applied Baccalaureate Strategy <i>Jan Yoshiwara</i>	All Participants	Tab C
2:15 p.m. Strategic Implications of eLearning Growth <i>Cable Green</i>	All Participants	Tab D
3:45 p.m. Break		
4:00 p.m. Executive Session To review the performance of the Executive Director <i>Location: SBCTC Olympus Conference Room</i>	Board Members Executive Director	
5:30 p.m. Adjournment		
6:00 p.m. Dinner Meeting <i>Location: Water Street Café, 610 Water Street, Olympia</i>	All Participants	

Wednesday, September 15 – Business Meeting

8:00 a.m.	Continental Breakfast		
8:30 a.m.	Welcome and Call to Order <i>Jim Bricker, Chair</i>		
8:35 a.m.	Adoption of Business Meeting Agenda	Action	
8:40 a.m.	Discussion with Representative Mark Miloscia: Washington State Quality Awards	Discussion	
10:10 a.m.	Break		
10:20 a.m.	Approval of Consent Agenda	Action	
	a) State Board Special Meeting Minutes: August 3, 2010		Tab 1a
	b) Centralia College: Property Acquisition Resolution 10-09-37		Tab 1b
	c) Bellevue College: Capital Expenditure Authority Resolution 10-09-38		Tab 1c
	d) Yakima Valley CC: Property Acquisition Resolution 10-09-39		Tab 1d
	e) Walla Walla CC: Capital Expenditure Authority Resolution 10-09-40		Tab 1e
	f) North Seattle CC: Hold Harmless Agreement Resolution 10-09-41		Tab 1f
	g) South Puget Sound CC: Transfer of Real Property Improvements and Easement Resolution 10-09-42		Tab 1g
	h) 2010-11 Washington Aerospace Apprenticeship Funding Resolution 10-09-45		Tab 1h
10:25 a.m.	2011-13 Operating Budget Request Resolution 10-09-43 Chris Reykdal/Denise Graham	Action	Tab 2
10:45 a.m.	Exchange and Acquisition of Land for the Spokane Aerospace Technology Center Resolution 10-09-44 Wayne Doty	Action	Tab 3

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|------------|--|------------|-------|
| 11:05 a.m. | Information Technology Strategy: Enterprise Resource Planning (ERP) Project
Mike Scroggins | Discussion | Tab 4 |
| 11:25 a.m. | Proposed Revision to WAC 131.16: Extension of SBCTC Retirement Plan to eligible HECB Employees
John Boesenberg | Discussion | Tab 5 |
| 12:00 p.m. | Adjournment | | |

EXECUTIVE SESSION: Under RCW 42.30.110, an Executive Session may be held. Action from the Executive Session may be taken, if necessary, as a result of items discussed in the Executive Session.

PLEASE NOTE: Times above are estimates only. The Board reserves the right to alter the order of the agenda. Reasonable accommodations will be made for persons with disabilities if requests are made at least seven days in advance. Efforts will be made to accommodate late requests. Please contact the Executive Director's Office at (360) 704-4309.



RETREAT AGENDA ITEM

TAB A

September 14, 2010

Topic

CTC System Direction Update

Description

The Board adopted the System Direction in 2006 with three major goals over a ten year period related to economic demand, student success and innovation. The System Direction (Attachment 1) has served as the framework for the Board's work. The Board has accomplished the implementation of the system direction by:

- Commissioning system task forces (Technology, Student Achievement, Student Listening, Compensation, Mission Study);
- Crafting biennial and supplemental budget requests;
- Adopting legislative policy principles;
- Advocating for policy improvements at the Higher Education Coordinating Board and Workforce Training and Education Coordinating Board,
- Organizing Board meeting agendas and retreat topics around system goals; and
- Approving major projects undertaken by the staff as they work to advance the system direction.

At the Board's request in September 2008, staff identified a series of measures to track progress towards the three goals of the System Direction. The measurement system is based on the concept of Logic Models. The purpose of logic models is to identify a causal chain of inputs, activities, intermediate outcomes and an ultimate outcome, with "so that" statements for each step in the model. The organization's sphere of influence is identified by a circle around the steps over which it can have substantial impact. Measures have been identified for each step in the logic model.

The purpose of this agenda item is to review high-level accomplishments that have resulted from the System Direction guidance and to examine data designed to track progress towards the goals contained in the System Direction.

Key Questions

- Are strategies designed to make progress towards the System Direction goals being implemented?
- Given the list of accomplishments to date, are the next steps for the coming year appropriate and attainable?
- Does the data organized in the Logic Models indicate progress toward the System Direction goals?

Analysis

Even with cuts to the state-funded portion of the colleges' budgets for FY2009, FY2010, FY2011 significant fiscal progress has been made since the launch of the System Direction. Most of those fiscal achievements have supported additional student access and support and compensation for faculty and staff. A summary of that work is provided in Attachment 2.

Each year SBCTC tracks annual growth and change in advancing the System Direction's three goals. A logic model is used to describe inputs, activities, intermediate and ultimate outcomes. In 2009-10, the college system advanced in each of the goals. Highlights are summarized below (Attachment 3).

The first goal is meeting the demands for a well-educated and skilled workforce. Colleges have increased both their workforce and high-demand student enrollments. This resulted in more graduates in high-demand fields and in more students who made the transition from basic skills to college classes.

The second goal is increasing educational attainment. In 2009-10, while overall expenditures decreased, the colleges increased their FTES service levels to the population as a whole. Student achievement increased for every achievement level, especially in college readiness, student progress towards degrees and certificates, and completing college level math. In addition, colleges increased the number of students employed and the number that transferred to baccalaureate institutions.

In the third goal, 21st century learning environments, colleges increased capacity for eLearning. More faculty are teaching more courses via eLearning. This resulted in substantial growth in eLearning enrollments. Graduates are increasingly taking more eLearning during their college careers.

Faculty and facilities are critical to the third goal. Colleges increased their class sizes to serve more students while still absorbing budget cuts. The share of full-time faculty fell slightly. Facilities conditions are measured every other year with new data available in 2011.

Background Information

Attachment 1: SBCTC System Direction

Attachment 2: System Direction Timeline

Attachment 3: Logic Models

Outcomes

The Board will have an opportunity to review accomplishments over the four years of the System Direction, and to examine progress toward the System Direction goals based on data contained in the logic models.

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SBCTC System Direction

Creating Opportunities for Washington's Future

Vision

Build strong communities, individuals and families, and achieve greater global competitiveness and prosperity for the state and its economy by raising the knowledge and skills of the state's residents.

Preface

Higher education is vital to society and individuals. Economic prosperity, the livelihood of families and individuals, and the strength of communities are just a few tangible results. People who attend colleges and universities live healthier lives, and give back to society locally and globally. For these reasons, the state must find ways to create more higher education opportunities for all residents across the state.

An effective economic development strategy has essential elements, such as investment capital, sound regulatory and taxation policies, and an efficient transportation system. Many agencies and organizations are working to further these areas in our state, in order to make Washington more competitive on a global scale. Underlying all of these elements is the need for a talented labor force.

Community and technical colleges make their greatest contribution by growing a talented, skilled citizenry and creating opportunities for Washingtonians. The State Board for Community and Technical Colleges is setting this System Direction to align college system efforts with the current and future needs for strong communities and a vibrant economy.

Our state's need for an educated population is accelerating. Advancing technology, flatter organizations, and the churning in the state's economy, as resource-based industries decline and knowledge-based industries take their place, mean people must be more flexible, innovative, and creative. The economy demands higher levels of knowledge and skills. Higher education must adapt to provide lifelong learning and making educational opportunities available to everyone.

The state's population will continue to grow and become more diverse. Over the next two decades, fewer young adults will be entering the workforce and more older, well educated adults will be leaving. This means that the community and technical colleges have to improve educational attainment rates for both young people and for current employees.

Young people alone cannot meet the economy's demand for skilled employees with college certificates and degrees. Currently, 1.4 million working age adults in Washington (one-third of today's workforce) have no formal education beyond high school. This is equal to the sum of the next 10 years of high school graduating classes across the state. The race to be globally competitive will be lost if the state relies solely on recent high school graduates. Over the next 10 years, the largest and fastest growing age group in the state's population is adults 25 to 35 years old. These adults will be in the workforce for the next 30 years, and too many are stuck in low wage jobs, not fully contributing to a strong, vibrant economy. It is essential to improve educational attainment among these under educated adults to meet the knowledge and skills demanded by the state's economy.

Growth in the state's population will also be concentrated among people of color. Over the next 15 years, the increase in the number of people of color will equal the increase in the white population. This growing diversity represents strength in a global economy, bringing a diversity of talents, creativity, values and languages to the state's workforce. These strengths are vital to the state's global competitiveness. Community and technical colleges are key to higher education access for people of color for English proficiency, job skills certificates, associate and bachelor's degrees. Efforts to infuse diversity education throughout the curriculum must increase. This starts with the State Board's firm commitment to hire a more diverse faculty and staff at our colleges.

Meeting the challenges outlined above (higher knowledge and skills demanded by the economy and older, more diverse future population) will require innovation on the part of community and technical colleges. The college system must create an agile, technologically integrated educational environment that is innovative and up-to-date. The college system must strengthen the colleges as centers of education in their communities. Innovative curriculum, flexible delivery methods, new technologies, online access to college instruction and services, dynamic partnerships, stringent measurements, and increased recruitment and retention of underserved people are essential. The future of Washington depends on a college system with these attributes. Individuals, families and communities can only thrive with greater educational achievement.

The State Board has developed three broad goals to guide the system over the next ten years. Attention to these goals will provide us with a framework for system innovations and development, pursuit and use of resources, and measuring progress.

Ten Year Goals

Economic Demand

Strengthen state and local economies by meeting the demands for a well educated and skilled workforce.

- Continually reassess the knowledge and skills needed for a thriving economy at local and state levels.
- Meet the needs of changing local economies by increasing the number of skilled employees in the areas of greatest unmet need.
- Support strategic industries by appropriately focusing program growth and development.
- Meet the unique needs of innovative, entrepreneurial people who are operating small businesses, working as creative, independent contractors in the knowledge-based society.
- Be responsive to the changing needs of the business community by offering high quality, relevant, flexible programs.

Student Success

Achieve increased educational attainment for all residents across the state.

- Enroll more underserved populations.
- Improve academic achievement for all students
- Ensure community and technical college is affordable and accessible, especially for basic skills and part-time students, by developing bold, creative and innovative methods, including low tuition, need based tuition waivers and restructured financial aid.
- Provide smooth transitions from K12 to colleges to universities.
- Expand the pipeline to associate and bachelor's degrees, particularly in math, science, engineering and health sciences.

Innovation

Use technology, collaboration and innovation to meet the demands of the economy and improve student success.

- Recognize and adapt to the changing nature of how people learn, how they access information and communication by making technological advancement part of the system's strategic direction.
- Ensure state-of-the-art, lifelong education that is relevant, convenient and efficient.
- Produce better education that meets the needs of local communities by taking full advantage of cost effective partnerships and leveraging outside resources.
- Accomplishment of these goals rests upon the shoulders of our faculty and staff. They are essential to innovation in our colleges.

Principles

The Board will adhere to several principles as we undertake these goals. First, the State Board sets policy direction for the community and technical college system in collaboration with colleges and other system partners. It advocates for and allocates state resources to the colleges. The colleges are responsible for meeting the education needs of their communities. The State Board will build upon existing strengths and successes of the college system.

Second, policy direction and investments are centered upon student needs, student diversity, the impact of new technologies, and enhancing students' knowledge, skills and educational attainment. Specific measurements will be used to gauge success. Colleges will be rewarded for improved results for all three system direction goals.

Third, talented faculty and staff representing the state's diversity are essential to student success. Investments in recruitment, professional development and compensation are required to attract and retain talented faculty and staff.

Finally, public funding for the state's community and technical colleges is an essential priority investment in advancing the state's prosperity. To meet the changing needs of our communities the college system will continue to leverage new and existing public investments through partnerships with local organizations and reprioritization of programs and services.

Next Steps

The Board will organize its work to pursue this plan. Biennial system budget requests have been proposed to advance the goals. The system will also work collaboratively with its partners to develop the policies and measurements critical to long term success.

9/14/06

State Board System Direction Timeline: Retreat, Group Discussion 9/2010

2006	2007	2008	2009	2010	You are here...	2011	2012	2013	2014	2015	2016
Accomplishments in the First Four Years			Major Steps Over the Next Year			Board Principles and the Critical Questions to be Addressed if we are to Achieve our Preferred Future			Preferred Future		
<p><u>Economic Demand</u></p> <ul style="list-style-type: none"> - College system appropriations and overall growth - Reduced provisos & earmarks to provide colleges flexibility - Capital Budget Growth - Centers of Excellence - Enrollment Growth - Implemented Hospital Employee Education and Training (HEET) program <p><u>Student Success</u></p> <ul style="list-style-type: none"> - Student Achievement Measurement System - Student Voice Task Force - Student Listening Survey - I-BEST and Opportunity Grants Expansion - Tuition Study - WorkFirst Redesign - Basic Food Employment & Training - Achieving the Dream - Transitions <ul style="list-style-type: none"> ◆ Running Start Counting, Fees, & Study ◆ Technical College Mission ◆ Pre-college Math ◆ Applied Baccalaureate Degree Expansion ◆ University Centers ◆ Transfer Student Study ◆ Common Course Numbering ◆ Early Learning <p><u>Innovation</u></p> <ul style="list-style-type: none"> - Mission Study - System Technology Plan - CheckOutACollege.com - Open Course Library - eLearning Growth - Compensation Study (Salary Gaps Known) - Equipment - Facilities of the Future - Center for Information Services 			<p><u>Economic Demand</u></p> <ul style="list-style-type: none"> - 2011-13 Capital Budget - 2011-13 Operating Budget - Enrollments - Centers of Excellence <p><u>Student Success</u></p> <ul style="list-style-type: none"> - Student Achievement Initiative - Transitions <ul style="list-style-type: none"> ◆ Credit for Prior Learning Study ◆ Applied Baccalaureate. Expansion - Secure and Implement partner grants - WorkFirst Redesign <p><u>Innovation</u></p> <ul style="list-style-type: none"> - Implement Mission Study Taskforce Recommendations - Conduct Efficiency Study - Implement System Technology Plan - Implement Higher Education Technology Planning - Market CheckOutACollege.com - System's Administrative Computing Systems <ul style="list-style-type: none"> ◆ Replace and Migrate HP 3000s ◆ Enterprise Resource Project (ERP) (Phase 1) <p><u>Other</u></p> <ul style="list-style-type: none"> - Higher Education Funding Task Force 			<p>Principle: <i>The State Board sets policy direction in collaboration with the colleges, and the colleges are responsible for meeting the needs of their communities.</i></p> <p>Question: Are roles and responsibilities clearly defined and are the system's decision-making processes timely and effective in a rapidly changing environment?</p> <hr/> <p>Principle: <i>Policy direction and investments are centered upon students' needs, student diversity, new technologies, and enhancing students' knowledge, skills and abilities.</i></p> <p>Question: How do we utilize funding allocations to meet our preferred future?</p> <hr/> <p>Principle: <i>Talented faculty and staff representing the state's diversity are essential to student success.</i></p> <p>Question: How will this system have to evolve to remain compelling and relevant to future students, faculty, and staff given our changing demographics?</p> <hr/> <p>Principle: <i>Public funding of CTCs is an essential priority in advancing the state's prosperity and we will continue to leverage new and existing investments through partnerships, local organizations, and reprioritizing programs and services.</i></p> <p>Question: What will it take for this system to continue to make the case that we are an essential public investment?</p>			<p>Economic Demand We closed the skills gap and met the demands for a well educated and skilled workforce</p> <p>Student Success We increased average educational attainment levels across the state</p> <p>Innovation We were innovative because we implemented our technology plan and worked in collaboration with partners to meet the challenges that faced education in Washington</p> <p>Accountable We aligned our accountability system with the interests of the HECB, the Governor, and the legislature and improved our public perception and legislative support</p>		

Most Recent Years (2006-10)

Accomplishments in the First Four Years

Economic Demand

- **College System Appropriations and Overall Growth:** From FY2006, the college system's annual appropriation grew from \$576 million to a peak of \$705 million in FY2009, a 22.4% increase. FY2011 estimates for State funds are now projected to be \$671 million with expected supplemental cuts; a reduction of 4.8% from the FY2009 peak. The college system's total operating funds (including state funds, grants, contracts, tuition, and fees) has grown by 20% since FY2006 with tuition and local fee revenue far outpacing all other sources (28.2% growth). For the 2011-13 biennium, the system will advocate to retain funds provided during the 2010 session, minimize cuts, and create a clear relationship between cuts, tuition increases, and financial aid.
- **Reduction of Provisos & Earmarks:** In light of budget cuts, the Board sought greater flexibility for the colleges. Between the legislature and Board action, the system went from 38 provisos and earmarks in 2008-09 to 22 for 2009-10.
- **Capital Budget:** The 2007-09 capital budget included \$518.4 million for the college system. The 2009-11 capital budget provided \$400.3 million for the system. For 2011-13 the system is presenting over \$600 million in immediate needs with a goal of securing at least \$370 million in new funds.
- **Centers of Excellence:** An evaluation of the Centers was completed in Spring 2010 that included recommendations for changing the status of several centers and restructuring the performance awards allocated to the Centers.
- **Enrollments:**
 - ◆ **General:** The 2007-09 operating budget provided 5,825 new, well-funded enrollment slots: 1950 FTES at \$5,600 each allowed colleges to expand offerings to meet the demands of the growing state population.
 - ◆ **Worker Retraining:** 2009 supplemental operating budget added 3,784 temporary enrollment slots for unemployed workers.
 - ◆ **ABE:** While state funded enrollments grew 9%, in 2009-10, basic skills enrollments declined 3% due to budget reductions and the increased disincentive for courses with substantial tuition waivers.
- **Hospital Employee Education and Training (HEET):** Distributed \$2.25 million included in the 2010-2011 budget for partnerships to build innovative programs to enhance the accessibility of a college education for incumbent health care workers and to increase capacity in nursing and other high demand health care fields.

Student Success

- **Student Achievement Measurement System:** The Student Achievement Initiative has been in place for three years, and colleges have documented steady increases in Achievement Points.
 - ◆ \$3.5 million of existing funds and \$1.6 million in private grant funds will be used for the Student Achievement Initiative over the 2009-11 budget period. In October 2009, the Board allocated \$1.6 million in rewards to colleges for increases in Achievement for the first time. \$4 million was appropriated in the 2007-09 biennial budget to support student retention, providing seed money for colleges to implement new student success strategies.

- ◆ Staff worked with HECB to change performance measures for the college system to Student Achievement measures.
 - ◆ A data analysis tool was developed for colleges to identify achievement areas for improvement strategies.
 - ◆ Transitions forum held to identify and disseminate best practices for improving student achievement.
 - ◆ Student Achievement was incorporated into the Governor's first education G_MAP.
 - ◆ Colleges used student achievement data to design and implement strategies that increased student achievement, resulting in 138% increase over four years.
 - ◆ Phase 2 of Student Achievement Initiative evaluation completed by the Community College Research Center, funded by the Gates Foundation.
- **Student Voice Task Force:** Task force, convened in spring 2010 recommended student internships for system task forces and student presentations at State Board meetings. Inventory of opportunities for student involvement in college and system level policy deliberations created.
 - **Student Listening Initiative:** A web-based student survey was conducted fall 2007. Results of the survey were used to inform policy conversations around student success strategies, technology, and affordability.
 - **I-BEST Expansion:** I-BEST has expanded to 149 programs with 3,201 students served (1,730 FTES). \$770,000 was granted to ten colleges to deliver pilots that expand I-BEST into developmental education.
 - **Opportunity Grants:** Funding for the Opportunity Grant program totaled \$12.5 million in 2009-10. Every college now has a program of at least \$250,000 per year serving at least 50 students per college. In 2009-10, over 5,300 students were served, far exceeding the 3,000 student target.
 - **Tuition Study/Tuition Slowdown:** Following tuition research and Board advocacy, CTC students have received 4.6% average annual tuition increases since 2005-06, down from the historical average of nearly 7% per year.
 - **WorkFirst Redesign** In 2009-10 the system's WorkFirst contract was \$25.2 million. The colleges continued to increase the share of clients meeting participation targets exceeding state requirements. In 2008 negotiated state policy changes to allow longer term training, continued support services for part-time students beyond 12 months of education, and implemented the inclusion of Life Skills training, degree completion and unsupervised homework as approvable activities.
 - **Basic Food Employment & Training:** The numbers of participating colleges have grown from a single pilot launched in 2005 to fourteen across the state for 2010-11. Program resources have grown to \$7.3 million plus an additional \$717,000 specifically for tuition, with over 6,200 students being supported with tuition, books, fees and support services during 2010. To date the program has enrolled 12,674 students in basic skills, job search, or short term vocational programs.
 - **Achieving the Dream:** Six community and technical colleges and SBCTC were funded by the College Spark Foundation to participate in a national low income student retention initiative for the fourth year out of a five year grant.
 - **Transitions:**
 - ◆ **Running Start Counting, Fees, and Study:** Students enrolled in Running Start are now counted for the purpose of meeting enrollment targets imposed by the state (however, the system target was raised accordingly). Running Start students now pay mandatory fees as established by each college. The college must make available fee waivers for low-income students. (2SHB 2119). A Running Start funding report is due to the Legislature this Fall that examines three specific options: 1) get more funds

from K-12; 2) Charge Running Start Students some tuition; and 3) Reallocate funds within the CTC system to address colleges with high running Start populations.

- ◆ **Technical College Mission:** In 2007 the Board approved a recommendation granting authority for technical colleges to offer transfer degrees. In 2009, SHB 1328, passed allowing public technical colleges to offer degrees that prepare students to transfer to certain bachelor degree programs.
- ◆ **Rethinking Pre-college Math Project:** The Gates Foundation provided funding for 7 colleges to redesign their pre-college math courses over three years. Selection of colleges through competitive process approved by the Board in March 2010, and grant implementation underway. Gates also funded development of an applied Algebra II course that meets new higher math requirements for high school diplomas. The College Spark Foundation funded five consortia of colleges and school districts to integrate student success attributes into their math courses.
- ◆ **Applied Baccalaureate Degrees:** The four original pilot colleges awarded bachelor's degrees in Spring 2009. The three additional pilot colleges and one first round college, which was approved for a second degree program, enrolled students in new applied baccalaureate degree programs in Fall 2009. HECB System Design included CTC applied bachelors degrees as a strategy to increase baccalaureate degree production. Legislation enacted in 2010 removed pilot status from CTC applied bachelor's degrees and broadened Board's authority to approve additional degrees.
- ◆ **University Centers:** In 2006, three colleges were funded by SBCTC for upper division FTES through university center partnerships, and control of the university center in Everett was moved to Everett Community College. In 2009, two additional colleges were funded for university center partnerships. In 2010 HECB System Design plan included university center partnerships as a strategy to increase baccalaureate degree production.
- ◆ **Transfer Student Study:** Comprehensive analysis completed on why some transfer degree earners do not transfer. Strategies for colleges and universities identified.
- ◆ **Common Course Numbering:** By summer 2009 all colleges implemented common course designations and names for nearly 300 common courses.
- ◆ **Early Learning:** Parenting education association created statewide curriculum modules that will be used in on-line, on-ground, and hybrid formats beginning 2010-2011. Created state-wide articulation agreement with community-based organizations to accept STARS training and Child Development Associate credential for college credit.

Innovation

- **Mission Study:** Task force recommendations adopted by the Board, and final report published and distributed. Implementation plan developed with WACTC.
- **System Technology Plan:** Implementing system-level Technology Plan which included priorities for technology functions, governance, eLearning and faculty and staff development. The 2009-11 operating budget provided \$2.2 million in new funding to enhance online / hybrid learning and open educational resources.
- **CheckOutACollege.com:** Development and successful launch of comprehensive, interactive college search website for prospective students, parents, and counselors. Since the website's launch in May 2008, the site has had 50,000 unique visitors; over 400,000 page views; an average of seven pages per visit; and over seven minutes per visitor. Marketing of the Web site began in September 2008 with direct mailing to all of Washington's high schools.

- **Open Course Library:** Funding from Gates Foundation and 2009-11 appropriation to create online library of courses, materials and textbooks for 81 most commonly enrolled courses. In 2010, 44 courses are being designed with teams of faculty, librarians, instructional designers, institutional researchers, multicultural and universal design experts. Next 37 courses designed in 2011. Board adopted policy on open education resources.
- **eLearning Growth:** eLearning enrollments increased 31% in 2009-10 to 30,911 FTES. One-fifth of all enrollments were delivered by eLearning. 25 colleges partnered with WSU in the NW eTutoring Consortium. All colleges participating in online reference librarian consortium. All colleges are using Elluminate and 33 colleges using Quality Matters, an instructional design tool for online courses. New contract for Tegrity, a lecture capture system, implemented for all 34 colleges. Sloan-C grant funded online training for 250 basic skills and technical education faculty.
- **Compensation Study:** Completed comprehensive study of faculty and administrative salaries. Study results informed the development of the 2009-11 biennial budget request.
- **Compensation:** The 2007-09 biennial budget included \$73.9 million for compensation increases for faculty, classified and exempt staff. In addition to fully-funded cost of living adjustments, an additional 0.5 percent COLA for I-732 employees was provided. The SBCTC's request for faculty increments was fully funded at \$7.5 million, and its request for part-time faculty salary improvement was substantially funded (\$11.25 million in budget vs. \$11.9 million requested). This included funding for 20 part- to full-time faculty conversions, emphasizing increasing the number of full-time faculty in math, science, adult basic education, early childhood education, and English. The State Legislature has not appropriated additional compensation funds over the last two years.
- **Equipment:** A one-time appropriation of \$2 million was provided for instructional equipment.
- **Facilities of the Future:** Guidelines and requirements for future college facilities identified by instruction and business officers for consideration in new capital budget criteria.
- **Center for Information Services:** The State Board assumed responsibility for the Center for Information Services personnel, assets, and liabilities following a recommendation from WACTC. Accounting and human services functions have been integrated and the transition of other business processes continues.

Major Steps Over the Next Year

Economic Demand

- **2011-13 Capital Budget:** Pick up projects on our priority list not funded last biennium . The college system is displaying approximately \$560 million in needs with a specific goal of securing at least \$370 million based on the current bond model. Based on our facility condition survey, the total square footage of college facilities deemed “adequate or better” has increased from 45.1% in 2005 to 55.8% last year. Despite shrinking capital budgets we are making progress with the adequacy of our capital facilities.
- **2011-13 Operating Budget:** Work with the Governor and the Legislature to address budget cuts in a fair and equitable way in higher education that includes the varying impact of tuition offsets across the sectors. Develop a buy-back list that represents the system’s highest short-term priorities which will include at a minimum: Retaining one-time Worker Retraining Funds, restoring funds to help bolster adult basic education, enrollment funds that will help shore cuts to student services and retention activities on the campuses.
- **Maintain Enrollments:** The colleges were 16% overenrolled last year. Forecasting models suggest that student demand will continue to be high.
- **Centers of Excellence:** An evaluation of the Centers was completed in Spring 2010 that included recommendations for changing the status of several centers and restructuring the performance awards allocated to the Centers. Implementation of those recommendations will be a focus this year.

Student Success

- **Student Achievement Initiative:** The Board allocated the first achievement rewards to colleges in October 2009. State and one-time private grant funding are available for awards in October 2010, but funding is needed for 2011-13. This year’s efforts include second round awards to colleges for new achievement gains, continuing to identify and disseminate evidence based practices that improve student achievement, and supporting Phase 3 of the external evaluation by the Community College Research Center. Student Achievement was incorporated into the Governor’s Education G-Map. Performance measurement in general and SBCTC’s Student Achievement Initiative are gaining national attention. One challenge this year will be to participate in national discussions about standard performance measures without compromising the Student Achievement Initiative.
- **Transitions:**
 - ◆ **Credit for Prior Learning Study:** In 2010, ESSSB 6696 required SBCTC, in partnership with other higher education and workforce partnership, to conduct a study regarding policies to strengthen opportunities for students to earn credit for prior learning.
 - ◆ **Applied Baccalaureate Expansion:** Legislation enacted in the 2010 session removed pilot status from CTC applied baccalaureate degrees and broadened authority for the Board to authorize new BAS degree programs. The Board will need to reexamine the approval criteria and process to move from a limited competitive process to a criterion driven approval process.

- **Secure and Implement Partner Grants:**

- ◆ SBCTC was awarded a three year \$5.3 million grant from the Bill & Melinda Gates Foundation to redesign high enrollment courses with open textbooks and open content, to redesign precollege math courses, to expand the I-BEST model, and to support Student Achievement rewards. An \$800,000 matching grant for Student Achievement was awarded by the Ford Foundation. Participating colleges for these projects were selected through a competitive process in Spring 2010. Implementation activities with the colleges on these projects will be a priority over the next two years.
- ◆ The college system is in the final year of a five year grant from the College Spark Foundation for 6 colleges and SBCTC to participate in the national Achieving the Dream project, a multi-state initiative to increase college access and completion for low income young adults. This year College Spark is providing additional funds to seed system level efforts to reform pre-college math and writing courses, student support services, and methods used to identify student skill deficiencies and place them into pre-college courses. In addition, discussions are underway with College Spark to expand the number of colleges participating in Achieving the Dream and to undertake a system wide effort over a four year period beginning 2011. SBCTC will work with College Spark to complete the system level plan and to select additional colleges through a competitive process.
- ◆ Several substantial grant opportunities in eLearning and open education are emerging from private foundations and the federal government. Staff are participating in the development of these initiatives and are likely to recommend SBCTC grant proposals to further the goals of the Strategic Technology Plan.

- **WorkFirst Redesign:** The Governor and legislators have expressed interest in reexamining the goals and strategies of WorkFirst. We are participating in statewide discussions that include WorkFirst agency partners, legislators, and community advocates. The college system's role in providing education and training to TANF clients may shift as a result of WorkFirst redesign.

Innovation

- **Implement Mission Study Taskforce Recommendations:** : In December 2009 the Board adopted findings and recommendations developed by the Mission Study Taskforce about the future needs of the state's residents and economy, and strategies the college system should undertake to meet those future needs. This year's work will focus on implementation of the recommendations in partnership with the college system.
- **Conduct Efficiency Study:** ESSB 6359 requires the State Board to work with regional colleges to identify ways to share services and programs, create structural administrative efficiencies, and make recommendations on any changes to college district boundaries. Four regions have stepped forward to identify shared services and programs. The Board has commissioned a system steering committee to guide the study. In conjunction with the efficiency study, the Board is undertaking an analysis of the collocation with Cascadia Community College and UW Bothell which will be included in the efficiency study reports. Legislative reports are due in December 2010, December 2011 and December 2012.
- **Implement System Technology Plan:** The System Technology Plan was approved by the Board in August 2008. The Task Force's work dealt with three major areas of technology deployment: student learning, student services, and administration. In all three areas, the Task Force found a need for greater uniformity across the 34 colleges in the system and with

partners in the broader P-20 education system. The plan was the basis for the successful acquisition of additional resources in the 2009-11 budget. Additional actions in support of the plan include:

- ◆ Continued deployment of Elluminate; the system's premier communication tool for online learning, meetings, seminars, conferences, and more;
 - ◆ System-wide deployment of Lecture Capture software to enable faculty to record sessions for student review on web and mobile devices;
 - ◆ Redesign 81 high enrollment, gatekeeper with resources, open educational courses;
 - ◆ Centralize network appliances when appropriate to ensure that system software solutions are deployed and administered more easily at less cost.
 - ◆ Faculty professional development in Quality Matters, faculty learning communities, and online/hybrid course development targeted at workforce and basic skills faculty.
- **Implement Higher Education Technology Planning Legislation:** SBCTC is a partner agency with HECB as lead on HB1946 to develop a higher education technology plan, final report due December 1, 2010.
 - **Market CheckOutACollege:** Following usability testing and feedback from the colleges, the website has undergone a redesign. Marketing materials will be updated and broadly disseminated to high school students and counselors. State Board staff and college staff will continue to present the website at regional meetings of high school counselors around the state. The website continues its pace of substantial growth: 33% increase over the last year.
 - **System's Administrative Computing Systems:**
 - ◆ **Replace and Migrate HP 3000s:** The Board approved the HP 3000 Replacement and Migration Project in June 2009. After competitive selection and contract negotiations the project officially started on September 21, 2009. The goal of this project is to lift the original HP 3000 administrative computer systems and shift them to HP-UX servers and the next generation HP database. This project is an intermediated phase providing business continuity until the student management system, financial management system and personnel/payroll system can be replaced with modern technology. The project will be completed in May 2011.
 - ◆ **Enterprise Resource Project (ERP) Planning Phase 1:** The goal for all phases of this project will be to identify and successfully implement modern solutions for the college's student management system, financial management system and personnel/payroll system. Phase 1 of this project is the initial planning phase and will happen concurrently with the HP 3000 Replacement and Migration Project. The next step in this phase is to engage a consultant to complete a readiness assessment. The estimated timeframe for this project is approximately seven to eight years.

Other

- **Higher Education Funding Task Force:** The Governor commissioned a task force to examine funding, performance accountability, and governance for the state's public baccalaureate institutions. SBCTC will participate in the task force and development of its recommendations to the Governor.

2010 through 2015

Critical Questions to be Addressed if we are to Achieve our Preferred Future

The Board will adhere to several principles as we undertake these goals. First, the State Board sets policy direction for the community and technical college system in collaboration with colleges and other system partners. It advocates for and allocates state resources to the colleges. The colleges are responsible for meeting the educational needs of their communities. The State Board will build upon existing strengths and successes of the college system.

Second, policy direction and investments are centered upon student needs, student diversity, the impact of new technologies, and enhancing students' knowledge, skills and educational attainment. Specific measurements will be used to gauge success. Colleges will be rewarded for improved results for all three system direction goals.

Third, talented faculty and staff representing the state's diversity are essential to student success. Investments in recruitment, professional development and compensation are required to attract and retain talented faculty and staff.

Finally, public funding for the state's community and technical colleges is an essential priority investment in advancing the state's prosperity. To meet the changing needs of our communities the college system will continue to leverage new and existing public and private investments through partnerships with local organization and reprioritization of programs and services.

Preferred Future

Economic Demand

Strengthen state and local economies by meeting the demands for a well educated and skilled workforce.

- ◆ Continually reassess the knowledge and skills needed for a thriving economy at local and state levels.
- ◆ Meet the needs of changing local economies by increasing the number of skilled employees in the areas of greatest unmet need.
- ◆ Support strategic industries by appropriately focusing program growth and development.
- ◆ Meet the unique needs of innovative, entrepreneurial people who are operating small businesses, working as creative, independent contractors in the knowledge-based society.
- ◆ Be responsive to the changing needs of the business community by offering high quality, relevant, flexible programs.

Student Success

Achieve increased educational attainment for all residents across the state.

- ◆ Enroll more underserved populations.
- ◆ Improve academic achievement for all students.
- ◆ Ensure community and technical college is affordable and accessible, especially for basic skills and part-time students, by developing bold, creative and innovative methods, including low tuition, need based tuition waivers and restructured financial aid.
- ◆ Provide smooth transitions from K12 to colleges and universities.
- ◆ Expand the pipeline to associate and bachelor's degrees, particularly in math, science, engineering and health sciences.

Innovation

Use technology, collaboration and innovation to meet the demands of the economy and improve student success.

- ◆ Recognize and adapt to the changing nature of how people learn, access information, and communicate by making technological advancement part of the system's strategic direction.
- ◆ Ensure state-of-the-art, lifelong education that is relevant, convenient, efficient, and ubiquitous.
- ◆ Produce better education that meets the needs of local communities by taking full advantage of cost effective partnerships and leveraging outside resources.
- ◆ Accomplishment of these goals rest upon the shoulders of our faculty and staff. They are essential to innovation in our colleges.

Accountable

We will align our accountability system with the interests of the HECB, Governor, and the legislature to ensure results, enhance our public perception and grow our legislative support.

Logic Model Measures for Community & Technical Colleges

Student Success

Inputs

The College system spends state, federal and private funds to support community and technical college enrollments, programs and activities

Total budget expenditures in current and constant dollars

	2005-06	2006-07	2007-08	2008-09	2009-10
Expenditures (Current \$)	\$1,025,630,290	\$1,069,940,187	\$1,180,200,071	\$1,211,919,137	\$1,204,736,996
% chg	7.0%	4.3%	10.3%	2.7%	-0.6%
Expenditures (Constant \$)	\$1,113,685,891	\$1,134,702,372	\$1,211,566,402	\$1,224,945,164	\$1,204,736,996
% chg	3.7%	1.9%	6.8%	1.1%	-1.6%

Source: Academic Year Report, Financial Management System

Activities

Colleges can provide all Washingtonians access to 2-year post secondary education

Enrollments in community and technical colleges

	2005-06	2006-07	2007-08	2008-09	2009-10
State Funded FTES	130,628	132,033	136,199	147,302	159,939
% chg	-0.3%	1.1%	3.2%	8.2%	8.6%
Contract Funded FTES	27,817	27,551	28,343	31,964	33,789
% chg	2.1%	-1.0%	2.9%	12.8%	5.7%

Source: Academic Year Report

Rate of participation at the community and technical colleges (FTES per 100 people age 18 to 44)

	2005-06	2006-07	2007-08	2008-09	2009-10
Service Level, Actual State	5.37	5.37	5.49	5.84	6.40
% chg	-1.5%	0.0%	2.2%	6.4%	9.6%
Service Level, Funded State	5.39	5.41	5.44	5.49	5.54
% chg	0.4%	0.4%	0.6%	0.9%	0.9%
Source : FTES, Academic Year Report; State Population, OFM Population Forecast					

Number of adult literacy enrollments in community and technical colleges

	2005-06	2006-07	2007-08	2008-09	2009-10
Adult Literacy Students	18,019	19,694	21,860	23,884	23,249
% chg	7.8%	9.3%	11.0%	9.3%	-2.7%
Source : ABE FTES, SBCTC Data Warehouse, Student Table, State Funded (excludes Sheltered Workshop)					

Intermediate Outcomes

Pre-college level students become college ready and students at all levels make progress toward and earning degrees or certificates or completing apprenticeship training

Student Achievement Measures

	2005-06	2006-07	2007-08	2008-09	2009-10 Preliminary
Basic Skill Gains	68,257	70,950	78,106	94,796	108,157
% chg	na	3.9%	10.1%	21.4%	14.1%
Students Passing Pre-College Math or English	62,572	61,581	65,718	73,652	87,392
% chg	na	-1.6%	6.7%	12.1%	18.7%
Students Completing 15 College Credits	59,322	60,422	61,087	70,127	71,771
% chg	na	1.9%	1.1%	14.8%	2.3%

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	2005-06	2006-07	2007-08	2008-09	2009-10 Preliminary
Students Completing 30 College Credits	45,702	45,385	46,165	52,300	56,400
% chg	na	-0.7%	1.7%	13.3%	7.8%
Students Completing 5 Credits in Math	33,772	33,989	34,277	36,000	38,926
% chg	na	0.6%	0.8%	5.0%	8.1%
Students Completing Degrees, Certs or Apprenticeships	23,142	22,932	23,447	25,544	26,140
% chg	na	-0.9%	2.2%	8.9%	2.3%
<i>Source : StuAchieve Momentum Points Table (2009-10 results will not be complete until October)</i>					

Ultimate Outcome

Washington's community and technical college students *achieve increased levels of educational attainment to get jobs or transfer to 4-year institutions*

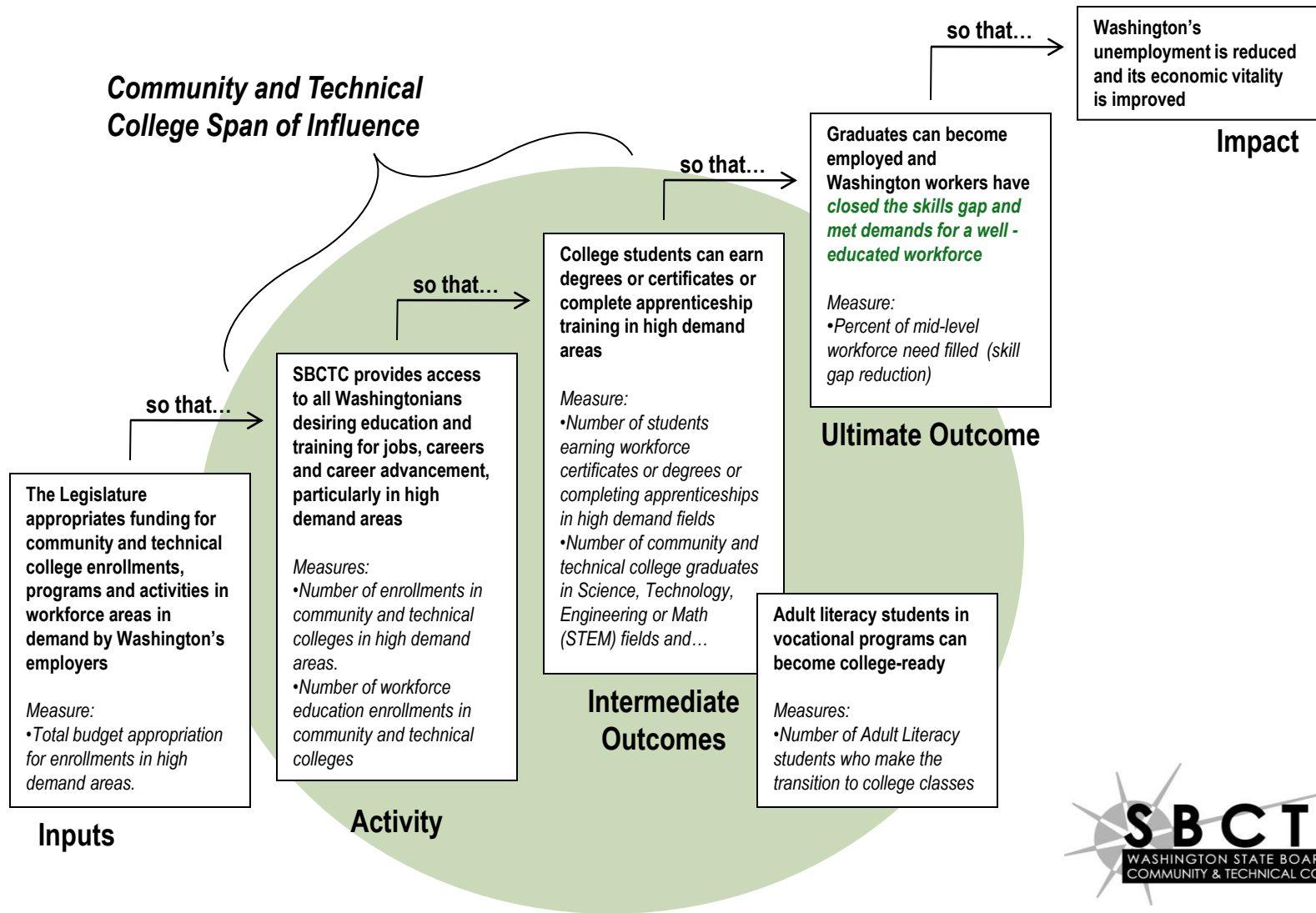
Number of students who re-enter the workforce after completing college programs

	2005-06	2006-07	2007-08	2008-09	2009-10
Workforce completers	23,140	22,140	21,539	20,122	20,534
% chg	-1.1%	-4.3%	-2.7%	-6.6%	2.0%
<i>Source : Academic Year Report, 2009-10 data final in November</i>					

Number of students who transfer to 4-year institutions

	2005-06	2006-07	2007-08	2008-09	2009-10
Transfers including from Running Start	16,768	17,138	17,734	17,931	18,150
% chg	1.1%	2.2%	3.5%	1.1%	1.2%
<i>Source : Academic Year Report (2009-10 transfers to private institutions held flat pending availability of data)</i>					

Logic Model for Community & Technical Colleges Economic Demand for an Educated & Skilled Workforce



Logic Model for Community & Technical Colleges

Economic Demand for an Educated & Skilled Workforce

Inputs

The Legislature appropriates funding for community and technical college enrollments, programs and activities in workforce areas in demand by Washington's employers

Total budget appropriation for high demand workforce and transfer programs

	2005-06	2006-07	2007-08	2008-09	2009-10
High Demand Funding	na	\$1,800,000	\$9,675,000	\$19,630,000	\$0
% chg	na	na	437.5%	102.9%	-100.0%

Source : SBCTC Financial Management System

Activities

SBCTC provides access to all Washingtonians desiring education and training for jobs, careers and career advancement, particularly in high demand fields

Number of enrollments in community and technical colleges in high demand areas

	2005-06	2006-07	2007-08	2008-09	2009-10
High Demand FTES	na	7,081	8,650	9,758	10,779
% chg	na	na	22.2%	12.8%	10.5%

Source : SBCTC Targeted Enrollment Report & Academic Year Report

Number of workforce education enrollments in community and technical colleges

	2005-06	2006-07	2007-08	2008-09	2009-10
Workforce Education FTES	60,041	59,935	61,927	68,657	77,936
% chg	0.7%	-0.2%	3.3%	10.9%	13.5%

Source : Academic Year Report, State Supported FTE

Intermediate Outcomes

Adult Literacy Students in vocational programs can become college ready and college students can earn degrees or certificates or complete apprenticeship training in high demand areas

Number of adult literacy students who make the transition to college classes

	2005-06	2006-07	2007-08	2008-09	2009-10
Adult Literacy Students Making the Transition	3,285	3,509	4,420	5,933	6,489
% chg	na	6.8%	26.0%	34.2%	9.4%

Source : SBCTC Student Achievement Tables, Student Achievement Database

Number of students earning certificates or degrees or completing apprenticeships in high demand fields

	2005-06	2006-07	2007-08	2008-09	2009-10
Workforce High-Demand Degrees and Certificates	8,540	8,468	8,709	9,184	10,013
% chg	2.8%	-0.8%	2.8%	5.5%	9.0%
Transfer (STEM) High-Demand Degrees and Certificates	1,059	1,013	1,129	1,096	1,165
% chg	-4.7%	-4.3%	11.5%	-2.9%	6.3%

Source : SBCTC Data Warehouse, 2008-09 completion data not final until late September

Ultimate Outcome

Graduates can become employed and Washington's workers have *closed the skills gap and met demands for a well-educated workforce*

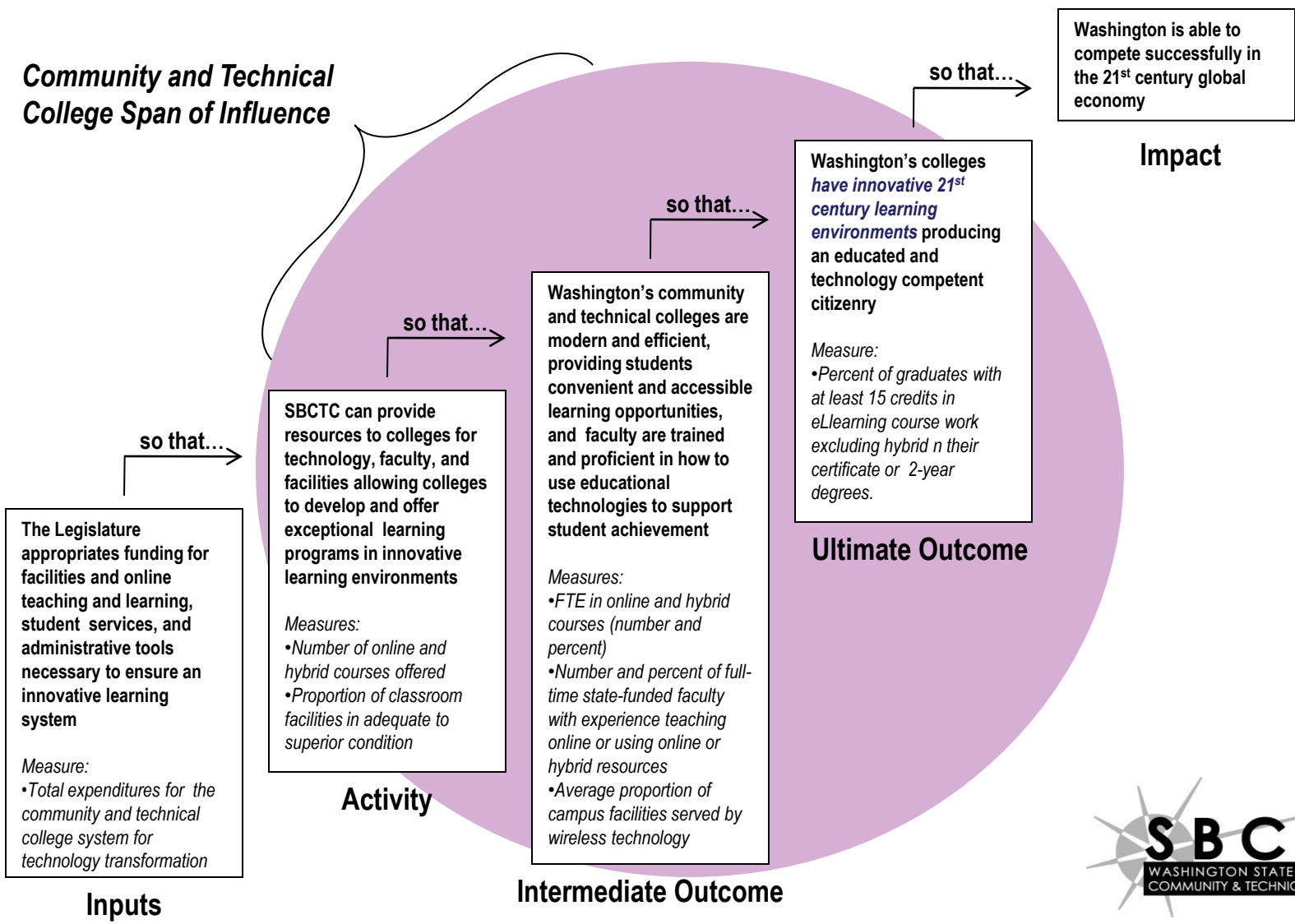
Percent of mid-level workforce need filled (skill gap reduction)

	2005-06	2006-07	2007-08	2008-09 Estimated	2009-10
% of Employer Needs Met	na	77%	87%	90%	

Source : Workforce Training and Education Coordinating Board

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Logic Model for Community & Technical Colleges Creating Innovative Learning Environments



Logic Model for Community & Technical Colleges Creating Innovative Learning Environments

Inputs

The Legislature appropriates funding for facilities and online teaching and learning, student services, and administrative tools necessary to ensure an innovative learning system

Total state expenditures on the community and technical college system for technology transformation

	2005-06	2006-07	2007-08	2008-09	2009-10
Expenditures (SBCTC Bellevue)	\$868,053	\$8,490,674	\$9,699,095	\$9,506,915	\$8,864,690
Expenditures (ELearning FTE)	\$82,830,650	\$101,143,482	\$129,519,007	\$152,383,822	\$183,546,707
Expenditures (ELearning Strategies)	na	na	\$802,000	\$422,000	\$422,000
Expenditures (Technology Task Force)	na	na	\$1,000,000	\$1,000,000	\$1,000,000
Total Expenditures	\$83,698,703	\$109,634,156	\$141,020,102	\$163,312,737	\$193,833,397

Source : *Financial Management System*

Activities

SBCTC can provide resources to colleges for technology, faculty, and facilities allowing colleges to develop and offer exceptional learning programs in innovative learning environments

Number of online and hybrid courses offered, state supported

	2005-06	2006-07	2007-08	2008-09	2009-10
Courses Offered Online or Hybrid	7,939	10,164	11,976	13,591	16,597
% chg	28.8%	28.0%	17.8%	13.5%	22.1%

Source : *SBCTC Data Warehouse, SMIS Database, Class Table*

Proportion of classroom facilities in adequate to superior condition

	2005	2007	2009
% of Facilities in Adequate to Superior Condition	45%	51%	56%
% chg	na	13.2%	9.4%
Source : Facilities Condition Survey			

Ratio of FTE students to FTE faculty, state supported

	2005-06	2006-07	2007-08	2008-09	2009-10
Student to Faculty Ratio	20.8	20.6	20.4	21.7	23.4
% chg	-1.8%	-1.1%	-0.8%	6.3%	7.7%
Source : SBCTC Student Faculty Ratio Reports					

Proportion of state-supported classes taught by full-time faculty

	2005-06	2006-07	2007-08	2008-09	2009-10
Full-Time to Part-Time Teaching Faculty Ratio	1.30	1.28	1.26	1.26	1.25
% chg	-0.7%	-1.4%	-1.4%	-0.3%	-0.8%
% Full-time Teaching Faculty, State-Supported	56.5%	56.2%	55.8%	55.7%	55.5%
Source : Academic Year Report, Staffing Chapter					

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Intermediate Outcome

Washington's colleges are modern and efficient, provide state-of-the-art learning through wide-ranging access and convenience for students, and faculty are trained and proficient in their fields

FTEs in online and hybrid courses (number and percent), state supported

	2005-06	2006-07	2007-08	2008-09	2009-10
Online and Hybrid FTE	11,640	14,354	17,344	21,905	28,686
% chg	24.5%	23.3%	20.8%	26.3%	31.0%
% FTEs in online/hybrid	8.9%	10.9%	12.7%	14.9%	17.9%

Source : Academic Year Report, All Fund Sources

Number and percent of full time state-funded faculty with experience teaching online or using online resources or hybrid instruction

	2005-06	2006-07	2007-08	2008-09	2009-10
Number of Teaching Faculty	561	707	868	986	1,130
% chg	19.4%	26.0%	22.8%	13.6%	14.6%
% of All Teaching Faculty	16.4%	20.3%	24.5%	27.2%	31.4%

Source : SBCTC Data Warehouse, class table

Average proportion of campus facilities served by wireless technology

	2005	2007	2009
Avg % of Campus Facilities with Wireless Access	na	25%	38%

Source : SBCTC Data Warehouse, SBCTC IT Survey to Colleges--median campus-wide value

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Ultimate Outcome

Washington's colleges have innovative 21st century learning environments producing and educated and technology-competent citizenry

Percent of graduates with at least 15 credits in eLearning course work excluding hybrid in their certificate or 2-year degree

	2005-06	2006-07	2007-08	2008-09	2009-10
Graduates with 15 credits or more in eLearning	na	6,411	7,067	9,307	10,160
% of all graduates	na	25.5%	28.4%	36.3%	38.0%

Source : SBCTC Data Warehouse, Completions and Stuclass Table, 2008-09 completion data not final until late September



RETREAT AGENDA ITEM

TAB B

September 14, 2010

Topic

CTC Budget and Legislative Strategy

Description

The Board is expected to take action on the system’s 2011-13 operating budget request at their regular business meeting Wednesday, September 15th. While the major elements of the budget have been identified over several months, there remain critical questions about how to position the system in light of further budget deficits faced by the State. At the retreat, the system stakeholders should be prepared to talk about necessary strategies that will help the system build a common agenda around: budget cuts, targeted budget request items, and policy changes needed by the system or require action because of changes in the decision making environment of Olympia.

The Legislature left town last spring with an ending fund balance of \$450 million. The current projected ending fund balance is \$72 million. How we got here (\$s in Millions):

\$453	Ending Fund Balance as of May 2010
(\$203)	June Revenue Forecast
(\$142)	Less Federal Medicaid than Expected
(\$125)	Lower Revenue Collections than Projected in June
<u>\$89</u>	Agencies Under Spent in FY 2010
\$72	New Ending Fund Balance

The next revenue update will be announced on September 16th. It is expected to take the state’s ending fund balance into the red.

Budget Timeline for Current Fiscal Year (FY 2011)

- September 17th: The Governor will announce the across-the-board budget reductions necessary to bring the State General Fund out of the red.
- October 13th: 2011 supplemental budget requests and 6% FY 2011 budget reduction packages are due to OFM.
- December: The Governor will propose a 2011 supplemental budget that makes agency-by-agency adjustments to the across-the-board cuts.
- Late January: The Legislature will adopt a 2011 supplemental budget. Actual budget reductions will not be known until the 2011 supplemental budget is adopted.

Budget Timeline for 2011-13 Biennium

- September 30th: 2011-13 budget requests are due to the Governor.
- September 30th: 10% budget reduction packages are due to the Governor. The 10% reduction target amounts include the 6% reduction target amounts for FY 2011.
- December: The Governor’s 2011-13 budget proposal will be released
- April 2011: The Legislature adopts the 2011-13 biennium budget.

Budget Reduction Descriptions

The Governor has asked all state agencies and higher education to submit budget decision packages describing the impacts of 6% budget reductions in the current year (FY 2011) and 10% budget reductions beginning next year. The 10% is not in addition to the 6%.

Key Questions

In light of the ongoing fiscal challenges faced by the Governor and State Legislature, what specific approaches should the system take as we near legislative session? Consider the following questions:

- 1) In light of probable additional state budget reductions should we propose additions?
- 2) What levels of resources are requested for state funds, tuition authority, and from efficiency?
- 3) How much emphasis and what are the strategies needed to make clear the relative cuts across higher education sectors?
- 4) Should the Board advance its system priorities at the expense of flexibility for colleges? If so, which priorities?
- 5) With more cuts in the near-term on top of cuts already made to state funds, does the State Board's allocation model (of cuts and/or additions) still meet the system's collective interests?
- 6) With additional cuts to the base budget, will Student Achievement awards continue?
- 7) Will the pace of budget decline spur legislative action faster than the regional and statewide efficiency approaches as scheduled in the statute?

Analysis

Higher education funding in Washington State has always been more volatile than the overall state budget. The last two years and the foreseeable future are no exception. With large cuts to base budgets partially backfilled by tuition and fee increases and a new dependence on "over enrollment" to make budgets whole, colleges are scrambling to meet student demand, maintain quality, and sustain their faculty and staff efforts.

The State faces another \$3 billion deficit for 2011-13 that is expected to grow following the September revenue forecast and the fate of several ballot initiatives. While a federally mandated Maintenance of Effort (MOE) has helped to limit budget cuts to education in Washington State, that protection is expected to disappear for the next biennium leaving colleges and universities in particular vulnerable to very large budget reductions.

Outcomes

Staff will engage the Board in a discussion of the budget, changes that result in a larger than expected deficit, ballot issues that may exacerbate the budget challenges, and a number of changes in the State House of Representatives in particular, that under any scenario, will lead to new leaders in key policy and budget roles.

Staff will also ask the stakeholders to engage the key questions above as they consider budget priorities and legislative messaging strategies.



RETREAT AGENDA ITEM

September 14, 2010

TAB C

Topic

Community and Technical College Applied Baccalaureate Strategy

Description

The 2005 Washington State Legislature authorized the State Board for Community and Technical Colleges to select four colleges to pilot applied baccalaureate degree programs. In 2008, the Legislature expanded the pilot program to include three additional community and technical colleges. In 2009, the Legislature granted permission for the 8th applied baccalaureate program to be offered by a pilot college. And in 2010, the Legislature granted authority for the State Board for Community and Technical Colleges to approve colleges for applied baccalaureate programs--removing pilot status and the limited number of colleges from statute.

Key Questions

- What are the policy issues associated with expanding community and technical applied baccalaureate programs across the state?

Analysis

Applied baccalaureate degrees are defined in statute as degrees “specifically designed for individuals who hold an associate of applied science degree, or its equivalent, in order to maximize application of their technical course credits toward the baccalaureate degree,” and “are based on a curriculum that incorporates both theoretical and applied knowledge and skills in a specific technical field.”

Growth and expansion of applied bachelor’s degrees is identified in the Board’s Mission Study as a means to raise educational attainment for all adults in the state. Applied bachelor’s degrees increase educational pathways for professional and technical associate degree graduates who are limited in their ability to apply credits toward a traditional bachelor’s degree. Applied bachelor’s degrees build on the workforce mission and programmatic strengths of community and technical colleges to serve the needs of local and state employers.

The Higher Education Coordinating Board recognized these applied degrees in their System Design as a means to meet state goals for substantially increasing the total number of baccalaureate degrees awarded over the next 20 years. A large portion of professional and technical degree graduates are lower income, place bound, working adults, and applied bachelor’s degrees are an important means of access to baccalaureate degree completion for these populations. The HECB included a goal for community and technical colleges to produce 1,400 applied baccalaureate degrees across the state by 2030.

Criteria for Applied Bachelor’s Degrees. Following legislative approval in 2005 for the college system to pilot four applied bachelor’s degrees, the Board commissioned a system task force and adopted recommendations for criteria and processes to select the pilot colleges. The

Board has used these criteria to approve eight applied bachelor's degree programs proposed by colleges. These criteria are outlined in Attachment A and summarized below:

1. Student and employer demand within a region;
2. Focus on serving place bound students within the region – specifically no public baccalaureate institution offers the program within the region;
3. Qualified faculty members;
4. Rigorous curriculum;
5. Appropriate student services and supports for the program;
6. Capacity of the institution to make long-term commitment of resources to support the program.

State law continues to require approval of applied baccalaureate degrees offered by community and technical colleges by both SBCTC and the Higher Education Coordinating Board.

Current Applied Bachelor's Degree Programs. Community and technical colleges currently offer eight applied bachelor degrees at seven colleges:

- Bellevue College – Bachelor of Applied Science in Radiation and Imaging Sciences, 2007; and Bachelor of Applied Arts in Interior Design, 2009
- Columbia Basin College – Bachelor of Applied Management, 2009
- Lake Washington Technical College – Bachelor of Technology in Applied Design, 2009
- Olympic College – Bachelor of Science Nursing, 2007
- Peninsula College – Bachelor of Applied Science in Applied Management, 2007
- Seattle Central Community College – Bachelor of Applied Behavioral Science, 2009
- South Seattle Community College – Bachelor of Applied Science in Hospitality Management, 2007

The State Board and staff thank these adventurous colleges for paving the way for more students to be served through this innovation.

The first pilot programs were selected in 2006 and began enrolling students in Fall 2007. In 2007-2008 four colleges enrolled 141 students (90 FTES) in applied baccalaureate programs. In 2008-2009 the colleges enrolled 192 students (143 FTES) and graduated the first class of 57. In 2009-10 seven colleges enrolled 404 students (246 FTES). Graduation numbers are not yet available for the 2009-2010 academic year. The demographics of students enrolled in these programs are consistent with the Board's goals of serving placebound, working adults. Three-fourths of the students are over 25 years old, two-thirds work while enrolled, seventy percent are women and 27 percent are people of color.

Funding. The Legislature appropriated state funds to pilot the applied bachelor's degrees at \$1.5 million in 2005-07 and an additional \$1.2 million in 2007-09. No additional funds were appropriated for 2009-11.

Background Information

Attachment A: Applied Bachelor's Degree Application Criteria 2009.

January 2005 Study Session regarding baccalaureate capacity

study. http://www.sbctc.ctc.edu/docs/board/agendas/2005/20050118_agenda_jan_sbctc_mtg.pdf

May 2005 baccalaureate capacity

update. http://www.sbctc.ctc.edu/docs/board/agendas/2005/20050504_agenda_may_sbctc_mtg.pdf

October 2005 Approved CTC applied baccalaureate selection criteria.

http://www.sbctc.ctc.edu/docs/board/agendas/2005/20051018_agenda_oct_sbctc_mtg.pdf

April 2006 Approval of 4 pilot applied baccalaureate programs

http://www.sbctc.ctc.edu/docs/board/agendas/2006/20060405_agenda_apr_sbctc_mtg.pdf

March 2007 Baccalaureate tuition principles

adopted http://www.sbctc.ctc.edu/docs/board/agendas/2007/mar2007/mar07meetingagenda_complete.pdf

March 2008 Approval of additional 3 pilot applied baccalaureate programs

<http://www.sbctc.ctc.edu/docs/board/agendas/2008/march08/completeagenda.pdf>

June 2009 Approval of Bellevue College's 2nd applied baccalaureate program

http://www.sbctc.ctc.edu/docs/board/agendas/2009/1011june2009/2009_june_meeting_agenda-complete.pdf

The 2010 legislature passed Substitute House Bill 2655 giving the State Board authority to approve community and technical college applied baccalaureate degree programs. This removed the pilot status of the community and technical college applied baccalaureate programs. <http://apps.leg.wa.gov/documents/billdocs/2009-10/Pdf/Bills/House%20Bills/2655-S.pdf>

Outcomes

Staff will provide an overview of the policy framework for expansion of applied baccalaureate degrees offered by community and technical colleges. Representatives from several colleges currently offering applied baccalaureate degrees will participate in the discussion to provide local views about growth and expansion of applied baccalaureate degrees at their colleges.

The State Board members will have an opportunity to identify policy issues for expanding applied baccalaureate programs at community and technical colleges and provide guidance to staff about new degree approval criteria and processes.

Prepared by: Michelle Andreas, 360-704-4338, mandreas@sbctc.edu

STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES CTC

Applied Bachelor’s Degree Application Criteria – 2009

Principle – Service to Placebound Students: Locally offered applied bachelor’s degrees are intended primarily to serve students from the college’s catchment area not otherwise served by existing public baccalaureate degree programs due to factors such as distance, cost, enrollment limitations or major.

Criteria 1.A	Standards
Program fills a gap in options available for students because it is not offered by a public four-year institution of higher education in the college's geographic area.	<p>Requirement: Provide evidence that no public baccalaureate institution offers or has submitted a pending Notice of Intent (NOI) to offer this degree or related degrees serving the placebound graduates of relevant applied associate degree programs in the college’s geographic area.</p> <p>For a stronger proposal: Additionally, provide evidence that no public baccalaureate institution offers degrees serving the graduates of relevant applied associate degree programs in the region (broader than college’s catchment-area) or state.</p>

Principle: Service to Placebound Students:

Criteria 1.B	Standards
Demonstrate demand for the proposed program from a sufficient number of students within its service area to make the program cost-effective and feasible to operate.	<p>Requirement: Provide evidence that the number of students graduating from relevant applied associate degree programs in the catchment-area result in sufficient students going on for the BAS each year to match the planned junior year FTE request. Currently about 11% of applied associate degree graduates transfer (with considerable variation by field of study). National data indicate that the transfer rate could be as high as 30% if pathways were available to match student interests.</p> <p>For a stronger proposal: Additionally, provide evidence of student demand from multiple sources. Examples of other evidence include transfer trends for similar applied associate degree programs elsewhere; demand in excess of opportunity to enroll in related traditional bachelor’s programs; changes in industry requirements such that upgrading the bachelor’s will be necessary.</p>

Principle – Service to Placebound Students:

Criteria 1.C	Standards
If applicable, has a plan for program articulation with nearby colleges.	Requirement: Indicate why articulation is or is not applicable. If applicable, describe articulation plans and the number of student expected from nearby colleges.

Principle – Part of Workforce Mission: Applied bachelor’s degrees are an extension of the workforce education mission of community and technical colleges, and a response to the increasing skill requirements of employers in occupations for which community and technical colleges have traditionally provided education and training.

Criteria 2.A	Standards
<p>The college can demonstrate that employers demand the level of technical training proposed within the program, making it cost-effective for students to seek the degree.</p>	<p>Requirement: Based on the data sources described below, document that:</p> <ul style="list-style-type: none"> • Local employer demand for bachelor’s level workers exceeds the current local supply of relevant bachelor’s degrees awarded by public institutions serving the area, or • State level employer demand for bachelor’s level workers exceeds statewide public baccalaureate supply. <p>Data sources:</p> <p>Demand: One approach is to look for High demand occupations, then compare those to the baccalaureate supply – High demand occupations are those listed as in demand – at the state or at the sub state level in the Employment Security Department’s Local Area Demand/Decline Occupations List (http://www.wilma.org/wdclists/), shown as in demand. This list is based on multiple variables, weighted and combined into a single index. The variables used include the current number of job openings, growth projections, projected vacancies, and other factors. Or use a detailed employer demand spreadsheet at referenced at the SBCTC website for CTC Bachelor’s Pilots - http://www.sbctc.ctc.edu/college/e_transfer.aspx</p> <p>Supply: Workforce Explore may provide information on the number of graduates in the related areas – if data are not provided, look up related graduates (use a board definition for related) in the IPEDS -http://nces.ed.gov/ipeds/cool/ - select Washington, the major, bachelors degree for a listing of degree providers – for each selected institution, click on award/degrees for a count by major.</p> <p>Another approach is to look at occupations that may not be high demand, but where the baccalaureate supply in the local region is sufficiently short of documented level of</p>

	<p>average annual openings (use the same Wilma source)</p> <p>The HECB’s State and Regional Needs Assessment includes some of this analysis. That report may be used as documentation. Look for the report at http://www.hecb.wa.gov/autheval/dpr/dprindex.asp - the detailed spreadsheet on supply and demand is at</p> <p>For a stronger proposal: Document a supply-demand gap at both the state level and in the local region.</p>
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Principle – Part of Workforce Mission:

Criteria 2.B	Standards
Has a plan for development of the curriculum that represents a level of rigor and knowledge above the level of the related applied associate degree.	<p>Requirement: Describe curriculum including the additional technical course work for the BAS and the general education component of the bachelor’s degree. Identify the general education expected from the applied associate level, the gaps in general education by area (humanities, social science, etc) that will be addressed at the junior and senior level in the BAS. To the extent possible identify the mix of lower division course work that applicable to junior and senior requirements. (Many institutions require 60 quarter credits of upper division course work for their bachelor’s degrees graduates.)</p>

Principle – Capacity & Sustainability: Colleges selected as pilots have a record of good use of human and financial resources, suggesting the likelihood of successful development and continuation of new curricular offerings.

Criteria 3.A	Standards
Demonstrates the capacity to make a long-term commitment of resources to build and sustain a high quality program.	<p>Requirement: Describe plans for the \$226,000 in 2008-09 to prepare for fall 2009 students.</p> <p>Provide a financial plan for the first years in which courses will be offered (FY 2010, 2011, and 2012) with projection revenue streams (differentiate the \$6,300 per FTEs state support for 20 FTE FY 2010 and 40 FTE in FY 2011 and beyond; expected tuition revenue (approximately \$4,000 per FTE - waivers) and revenue from employer contributions and any anticipated redistribution from existing funding); and projection of expenditures to be charged to the program. Description of the adequacy of current facilities, equipment and other instructional resources required by the bachelor’s program. Also,</p>

	document a history of financial stability that demonstrates the capacity to undertake and sustain new instructional initiatives.
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Principle – Capacity & Sustainability:

Criteria 3.B	Standards
Has analyzed the faculty/staff needed, the education and professional experience qualification of faculty members relative to teaching assignments and anticipated sources of qualified faculty and staff.	<p>Requirement: Describe the number and characteristics of staff and faculty for FY 2010 and FY 2011, by year. Include faculty needed to cover the technical course work, general education courses and electives. For faculty, identify the highest level of education needed and describe other experience expectations such as recent work experience in the field (minimum of two years at a job appropriate for those with at least the bachelor’s degree). Faculty and administrators responsible for technical courses must meet certification requirements for professional-technical administrators and instructors</p> <p>FinalCertificationWACs2004.doc.</p>

Principle – Capacity & Sustainability:

Criteria 3.C	Standards
Has or can readily engage faculty appropriately qualified to develop and deliver a high quality curriculum at the baccalaureate level.	<p>Requirement: Document that by fall 2009, the college will be able to hire new faculty or reassign current faculty meeting the qualifications described above and to do so within the funding constraints. For a stronger proposal: Additionally, document that the faculty to be assigned to the program will have teaching experience in the field.</p>

Principle – Maintain 2-Year Focus: Community and technical colleges will remain predominantly lower division institutions. The applied bachelor’s degree will be an additional degree offered by community and technical colleges, and not viewed as the first step to a progressive conversion to a comprehensive baccalaureate institution.

Criteria 4.A	Standards
Has an adequate and appropriate student services plan.	<p>Requirement: Describe the services that will be needed by the students admitted to the applied bachelor’s degree program. Describe plans for providing those services. Include a description of the following items in the plan:</p> <ul style="list-style-type: none"> • Provision of financial aid services for students admitted to the program. • Effective academic advising that engages disciplinary expertise.

	<ul style="list-style-type: none"> • Retention strategies to enhance success of students in the program. • How to assist program graduates with placement.
Principle: Maintain 2-Year Focus	
Criteria 4.B	Standards
Has a plan for the assessment of student achievement and program assessment at the bachelor's level built upon a track record of effective assessment of the associate degrees.	Requirement: Describe methods for assessment of student achievement and program assessment for the related applied associate degrees and provide examples of how those assessments have been used to improve the program. Describe which parts of that assessment will be applied at the bachelor's levels and the plans for other assessments at the bachelor's level.
Principle – Open Door: Maintaining the open door mission of community and technical colleges is an important value and context for adding applied bachelor's degree programs at some colleges.	
Criteria 5.A	Standards
Has a plan for selective admissions processes, if used for the bachelor's program, consistent with an open door institution.	Requirement: Describe the program selection and admissions process (how this process relates to and supports the open door.) Also, describe efforts to assure that the CTC bachelor's degree program serves as diverse a population as enrolled in the relevant associate degree programs in terms of aspects of diversity important to the college community.

For questions regarding the criteria and standards or to request a review of portions or all of the draft RFP, contact Michelle Andreas at mandreas@sbctc.edu.



RETREAT AGENDA ITEM

September 14, 2010

TAB D

Topic

Strategic Implications of eLearning Growth

Description

Technology is changing, at an ever increasing pace, and our learning environments need to have the flexibility to take advantage of those changes. Engaging broad segments of our population requires we collectively recognize and utilize the immense power of current and emerging technologies, new licensing schema, global talent and open content.

The use of eLearning (online and hybrid courses) in our system continues to climb -- eLearning state FTEs are up 31%, contributing to 58 percent of the system's total state growth in the last year. We have an opportunity to think about eLearning moving from delivery mechanism to a core learning effectiveness strategy.

Key Questions

- How do we leverage digital networked technologies and shared, high quality, continuously updated content in the 21st century to make public education available to every WA citizen?
- What would happen to the quality of curriculum if all system digital content was shared and course (re)design was data driven?
- How can we best work with colleges and their faculty to successfully pursue appropriate changes?
- How can we use technologies and shared content to significantly increase completion rates?
- How do we partner globally on these issues?
- How do these topics link to the System Direction, Mission Study, Technology Plan and other system initiatives?

Outcomes

A discussion of the kinds of decisions that will lead us to optimal use of technologies, content and talent to support student achievement.

Prepared by: Cable Green, 360-704-4334, cgreen@sbctc.edu



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

MEETING MINUTES

August 3, 2010

State Board Members

**Jim Bricker (Chair), Coupeville
Sharon Fairchild (Vice Chair), Spokane
Elizabeth Chen, Federal Way
Jim Garrison, Mount Vernon
Shaunta Hyde, Lake Forest Park
Jeff Johnson, Olympia
Tom Koeninger, Vancouver
Erin Munding, Omak
Beth Willis, Lakewood**

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
August 3, 2010

<u>Resolution Number</u>	<u>Description</u>	<u>Page in Minutes</u>
	Adoption of Special Meeting Agenda	1
	Adoption of Consent Agenda	
10-08-32	- Bellevue College East Campus Property Acquisition	
10-08-33	- 2011-13 Capital Budget Request Technical Changes	
10-08-34	- Edmonds CC – Property Acquisition	
10-08-35	- North Seattle CC – Parking Lot Upgrades	
	- State Board Meeting Minutes: June 17, 2010	

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

**Special Meeting Minutes
August 3, 2010
SBCTC Office, Olympia**

State Board Members Present: Jim Bricker (Chair), Sharon Fairchild (Vice Chair), Jeff Johnson, Erin Mundinger, Jim Garrison, Tom Koenninger, Beth Willis, Shaunta Hyde, Elizabeth Chen

CALL TO ORDER

Chair Jim Bricker called the State Board's special business meeting to order at 9:00 a.m. and welcomed those present. Members of the Board, staff, and audience introduced themselves.

ADOPTION OF SPECIAL MEETING AGENDA

MOTION: Moved by Shaunta Hyde and seconded by Tom Koenninger that the State Board adopt its August 3, 2010 special meeting agenda as presented.

MOTION CARRIED.

EXECUTIVE SESSION

The Board convened in executive sessions from 9:05 a.m. to 10:15 a.m. to review the performance of the Executive Director. No action was taken by the Board during the executive session.

ADOPTION OF CONSENT AGENDA (Resolutions 10-08-32 , 10-08-33, 10-08-34, 10-08-35)

MOTION: Moved by Shaunta Hyde and seconded by Tom Koenninger that the State Board adopt the consent agenda for its August 3, 2010 special meeting as follows:

- a) ***Resolution 10-08-32 (ATTACHMENT #1): Bellevue College East Campus Property Acquisition***
- b) ***Resolution 10-08-33 (ATTACHMENT #2): 2011-13 Capital Budget Request Technical Changes***
- c) ***Resolution 10-08-34 (ATTACHMENT #3): Edmonds CC Property Acquisition***
- d) ***Resolution 10-08-35 (ATTACHMENT #4): North Seattle CC Parking Lot Upgrades***
- e) ***Approval of June 17, 2010 Regular Meeting Minutes***

MOTION CARRIED.

2011-13 OPERATING BUDGET REQUEST REVIEW AND DISCUSSION

Executive Director Charlie Earl provided a general overview of the budget request and potential near-term budget reductions. Chris Reykdal and Denise Graham of the state board staff reported that over the past six months, the Board has worked with stakeholders to develop the 2011-13 Operating Budget Request. At its June meeting the Board provided feedback to staff on specific budget elements to include in the request. The state's revenue collections continue

to underperform, and there is high probability that the state will not receive some federal funds that were assumed in its 2010 supplemental budget. The combination of a slow recovery in state revenues and failure to obtain federal funds would cause the Governor to act as early as mid-August to further reduce agency budgets. The Board reviewed and discussed the preliminary budget request in light of these reductions. State Board staff provided analysis of the proposed request, the current economic climate, and recent budget trends and possible budget cuts.

Discussion followed regarding the allocation of additional FY 2011 budget reductions and the impacts to the colleges of continued protection of State Board earmarked and legislative provisoed funds from possible near-term budget cuts. WACTC President Michele Johnson summarized discussions and actions that took place at the presidents' summer retreat with respect to earmarks and provisos. The State Board reconfirmed the Executive Director's authority to determine the methodology to use in allocating cuts.

Staff will continue to work over the summer building the details of the request before the Board formally adopts the budget request at its September meeting.

EXECUTIVE SESSION

The Board convened in executive session from 11:35 a.m. to 1:15 p.m. to conduct the Executive Director's annual performance review. No action was taken by the Board during the executive session.

ADJOURNMENT

There being no further business, the State Board adjourned its special meeting of August 3, 2010 at 1:20 p.m. The Board will hold its annual retreat and business meeting September 13-15, 2010 at the State Board office in Olympia.

J.A. Bricker, Chair

ATTEST:

Charles N. Earl, Secretary

STATE OF WASHINGTON
STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES
RESOLUTION 10-08-32

A resolution relating to Bellevue College's East Campus Property Acquisition.

WHEREAS, Bellevue College's master plan includes the acquisition of property in East King County for the development of the East Campus for educational services; and

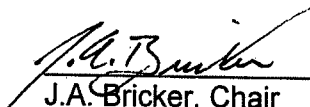
WHEREAS, Bellevue College has identified 20.4 acres of undeveloped land in Issaquah that is available for sale; and

WHEREAS, the Bellevue College Board of Trustees on June 16, 2010, recommended the purchase; and

WHEREAS, the college has a reserve balance of sufficient local capital funds for this acquisition.

THEREFORE BE IT RESOLVED that the State Board for Community and Technical Colleges authorizes Bellevue College to purchase 20.4 acres of undeveloped land in Issaquah using local funds, for up to \$6 million, property cost of \$5.2 million with a contingency of \$800,000, for the East Campus development.

APPROVED AND ADOPTED on August 3, 2010.



J.A. Bricker, Chair

ATTEST:



Charles N. Earl, Secretary

STATE OF WASHINGTON
STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES
RESOLUTION 10-08-33

A resolution relating to technical changes to the 2011-13 Capital Budget Request.

WHEREAS, The 2011-13 Capital Budget Request, approved by the Board on June 17, 2010, included an alternative finance project for Peninsula College's Forks Satellite Site and South Seattle Community College's Automotive Technology Building Renovation Project; and

WHEREAS, Peninsula College has been, and continues to be, in discussions with the North Olympic Library System about the possibility of collaborating on the Forks Satellite Site Project and as time has gone on, the options for library funding has been deteriorating and now looks less likely they will be able to work as a partner on the project; and

WHEREAS, One of the principles used when reprioritizing the Major Project List for the 2011-13 Capital Budget Request was in order to create capacity for new projects in the 2013-15, colleges who had two projects were asked to delay one based on the college's priorities; and

WHEREAS, South Seattle Community College's incoming president has asked to switch the Automotive Technology Renovation Project with the Cascade Court Replacement Project as their Project Priority #1.

THEREFORE BE IT RESOLVED that the State Board for Community and Technical Colleges approves making technical changes to the 2011-13 Capital Budget Request granting Peninsula College authority to increase request for Certification of Participation (COP) authority for its Forks Satellite Site project to \$2 million and South Seattle Community College's request to switch the priority of their Automotive Technology Renovation Project with the Cascade Court Replacement Project.

APPROVED AND ADOPTED on August 3, 2010.



J.A. Bricker, Chair

ATTEST:



Charles N. Earl, Secretary

STATE OF WASHINGTON
STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES
RESOLUTION 10-08-34

A resolution relating to Edmonds Community College's Property Acquisition.

WHEREAS, Edmonds Community College's master plan includes acquiring property connecting the main campus property with the college's North Campus property; and

WHEREAS, the City of Lynnwood has been authorized to begin negotiations with the college for a sale of property; and

WHEREAS, the Edmonds Community College Board of Trustees on June 10, 2010, approved the purchase; and

WHEREAS, the college has a reserve balance of sufficient local capital funds for this acquisition.

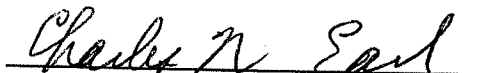
THEREFORE BE IT RESOLVED that the State Board for Community and Technical Colleges authorizes Edmonds Community College to purchase 3.65 acres of land which including three buildings located at 7010, 7014 and 7016 196th Street SW in Lynnwood, using local funds, not to exceed \$3,500,000.

APPROVED AND ADOPTED on August 3, 2010.



J.A. Bricker, Chair

ATTEST:



Charles N. Earl, Secretary

STATE OF WASHINGTON
STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES
RESOLUTION 10-08-35

A resolution relating to indemnification of the City of Seattle for North Seattle Community College south parking lot upgrades.

WHEREAS, North Seattle Community College is in the process of making upgrades to its south parking lot, which includes subsurface preparation, new storm water detention and maintenance methods, as well as new surface paving and lighting; and

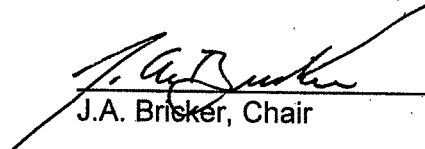
WHEREAS, the City of Seattle is requiring the indemnification as a condition of the south parking lot permit due to its pre-existing location and proximity to a small area of steep slope; and

WHEREAS, all work will occur either within the footprint of the existing south parking lot area or in areas to the north that are beyond designated potential landslide areas; and

WHEREAS, the indemnification has been reviewed and approved with changes by the Assistant Attorney General.

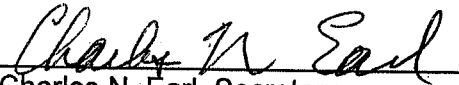
THEREFORE BE IT RESOLVED that the State Board for Community and Technical Colleges delegates authority to the executive director to indemnify the City of Seattle related to North Seattle Community College's south parking lot upgrades due to its pre-existing location and proximity to a small area of steep slope.

APPROVED AND ADOPTED on August 3, 2010.



J.A. Brisker, Chair

ATTEST:



Charles N. Earl, Secretary



REGULAR MEETING AGENDA ITEM
September 15, 2010

TAB 1b

Consent Item **Action (Resolution 10-09-37)**

Topic

Centralia College: Property Acquisition

Description

Centralia College's master plan includes the college's continued expansion plan and long-term goal of acquiring properties adjacent to the college campus. Acquisitions of real property require State Board authorization. The college and its board of trustees are requesting authority to acquire portions of three vacated city streets bisecting college property that encompass a total of 1.9 acres.

Major Considerations

- The college has sufficient state and local capital funds dedicated for this purchase.
- The proposed acquisition is within the college's master plan.

Analysis

Centralia College's master plan calls for the acquisition of a portion of three public streets that run through the center of the campus to be converted to primarily pedestrian circulation. The plan also calls for the consolidation of the central corridor of the campus to be contiguous and incorporated into the main campus facility. Acquiring the property will improve campus safety by reducing vehicle traffic in areas used by pedestrians, eliminate building set back requirements, and allow greater use of land.

The college has worked with the City of Centralia for the past 10 years in the development of the city's comprehensive plan and the college's master plan. The city plans to reroute the traffic currently utilizing these streets to another nearby avenue with improved traffic controls. The college has worked with the city departments, the planning commission, and the city council to ensure the transaction is in the best interest of both entities.

Centralia College has sufficient state and local capital funds to cover the purchase price of \$105,000. The College Board of Trustees delegated authority to the president to acquire property on September 21, 2000.

Recommendation

The staff recommends approval of Resolution 10-09-37, allowing Centralia College to expend up to \$105,000 to acquire portions of three vacated city streets bisecting college property that encompass a total of 1.9 acres.

Prepared by: Wayne Doty, 360-704-4382, wdoty@sbctc.edu

STATE OF WASHINGTON
STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES
RESOLUTION 10-09-37

A resolution relating to Centralia College's property acquisition.

WHEREAS, Centralia College's master plan calls for the acquisition of a portion of three public streets that run through the center of the campus to be converted to primarily pedestrian circulation; and

WHEREAS, the plan also calls for the consolidation of the central corridor of the campus to be contiguous and incorporated into the main campus facility; and

WHEREAS, acquiring the property will improve campus safety by reducing vehicle traffic in areas used by pedestrians, eliminate building set back requirements, and allow greater use of land; and

WHEREAS, the Centralia College Board of Trustees on September 21, 2000, delegated authority to the president to acquire property; and

WHEREAS, the college has sufficient state and local capital funds for this acquisition.

THEREFORE BE IT RESOLVED that the State Board for Community and Technical Colleges authorizes Centralia College to use up to up to \$105,000 to acquire portions of three vacated city streets bisecting college property that encompass a total of 1.9 acres.

APPROVED AND ADOPTED on September 15, 2010.

J.A. Bricker, Chair

ATTEST:

Charles N. Earl, Secretary



REGULAR MEETING AGENDA ITEM
September 15, 2010

TAB 1c

Consent Item **Action (Resolution 10-09-38)**

Topic

Bellevue College: Capital Expenditure Authority

Description

Bellevue College's 2008 facility master plan goals include maximizing flexibility to current facilities and providing a safe, healthy and accessible place for learning, including auxiliary spaces for student, faculty and staff. Expenditures over \$400,000 in local capital funds require State Board authorization. The college and its board of trustees are requesting \$5,000,000 local capital expenditure authority for the Institute for Business Information Technology (IBIT) and the bookstore warehouse distribution center acquisition and remodel projects.

Major Considerations

- The college has sufficient local capital funds dedicated for these projects.
- These projects address the college's facility master plan goals.

Analysis

Business Information Technology (IBIT) Remodel

As part of the Bellevue College's 2009-2010 budget, consolidation of several programs occurred. For instance, the college's business division was split where program support and faculty for the business transfer program joined the Social Science Division and the business technical and technology program was merged with the operations of the NW Center for Emerging Technology creating a new Institute for Business Information Technology (IBIT). Although these changes provide for ongoing savings in exempt and classified positions, the merger required new space configuration for all involved. It also provided an opportunity to expand currently inadequate administrative offices capacity. After a thorough pre-design, the proposed space plan for IBIT called for an expansion of a wing in the A building adding 1,493 square feet while remodeling office and classroom space. The project is estimated to cost \$1.5 million.

Bookstore Warehouse Distribution Center and Remodel

Bellevue College's campus bookstore has undergone many changes over the last 5 years in response to factors such as increased competition and rising costs and the fact that education is taking place both in and out of the classroom. The college's bookstore staff members continue to update their business plan and implement initiatives that have required the campus bookstore to re-evaluate the traditional business model and look for new ways to provide service. The most recent business plan calls for an updated space that will address changes and provide flexibility for the future.

The current bookstore is significantly “under-spaced” for the magnitude of quarterly tasks. In addition, the college could benefit from increased general retail space. Staff has developed a plan for remodeled space in the current bookstore location and the acquisition of warehouse space in a nearby facility enabling the bookstore to support the students and the mission of the Bellevue College. The college’s 2010 proposed budget plan reserved up to \$3.5 million from bookstore funds for this project.

Both projects address the college’s facility master plan goals of maximizing flexibility of current facilities and providing a safe, healthy and accessible place for learning, including auxiliary spaces for student, faculty and staff. The college will work with the Department of General Administration Engineering and Architectural Services and Real Estate Division to facilitate and execute the transactions. The Bellevue College Board of Trustees approved the expenditures subject to State Board approval on June 16, 2010.

Recommendation

The staff recommends approval of Resolution 10-09-38, granting Bellevue College \$5,000,000 local capital expenditure authority for the Institute for Business Information Technology (IBIT) and the bookstore warehouse distribution center acquisition and remodel projects.

Prepared by: Wayne Doty, 360-704-4382, wdoty@sbctc.edu

STATE OF WASHINGTON
STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES
RESOLUTION 10-09-38

A resolution relating to Bellevue College's Capital Expenditure Authority.

WHEREAS, Bellevue College has identified two projects that address the college's facility master plan goals of maximizing flexibility to current facilities and providing a safe, healthy and accessible place for learning, including auxiliary spaces for student, faculty and staff; and

WHEREAS, the Bellevue College Board of Trustees approved the expenditures on June 16, 2010; and

WHEREAS, the college has a reserve balance of sufficient local funds for the projects.

THEREFORE BE IT RESOLVED that the State Board for Community and Technical Colleges grants Bellevue College \$5,000,000 local capital expenditure authority for the Institute for Business Information Technology (IBIT) and the bookstore warehouse distribution center acquisition and remodel projects.

APPROVED AND ADOPTED on September 15, 2010.

J.A. Bricker, Chair

ATTEST:

Charles N. Earl, Secretary



REGULAR MEETING AGENDA ITEM

TAB 1d

September 15, 2010

Consent Item **Action (Resolution 10-09-39)**

Topic

Yakima Valley Community College: Property Acquisition

Description

Yakima Valley Community College's master plan for the Grandview campus identifies the need for additional land if the campus is to grow in order to continue serving the educational needs of the Yakima Valley. Acquisitions of real property require State Board authorization. The college and its board of trustees are requesting authority to acquire property located at the intersection of Main Street and Wine Country Road, known as the Drollinger Property, in Grandview Washington.

Major Considerations

- The college has sufficient local funds dedicated for this purchase.
- The property will be used to serve the Grandview community.

Analysis

On June 19, 2008, the Yakima Valley Community College Board of Trustees recommended purchase of the property located within the college's Grandview campus master plan using local funds subject to the State Board approval. The acquisition will follow the guidelines established by General Administrations' Division of Real Estate Services and will be approved by the Assistant Attorney General.

The property will be used for parking and a new campus entrance. An existing metal building located on the property will be used as a maintenance shop and the college's current shop and storage facility will be removed as part of the college's new library construction project.

Local funds will be used by the college to acquire the property. The anticipated cost for the 1.32 acre property is \$192,500. Yakima Valley Community College has sufficient reserves to manage the acquisition.

Recommendation

State Board staff recommends approval of Resolution 10-09-39, allowing Yakima Valley Community College to expend up to \$192,500 in local funds to purchase property located at the intersection of Main Street and Wine Country Road, known as the Drollinger Property, in Grandview Washington.

Prepared by: Wayne Doty, 360-704-4382, wdoty@sbctc.edu

STATE OF WASHINGTON
STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES
RESOLUTION 10-09-39

A resolution relating to Yakima Valley Community College's property acquisition.

WHEREAS, Yakima Valley Community College's master plan for the Grandview campus identifies the need for additional land if the campus is to grow in order to continue serving the educational needs of the Yakima Valley; and

WHEREAS, Yakima Valley Community College's Board of Trustees has approved the transaction, subject to State Board approval, on June 19, 2008; and

WHEREAS, Yakima Valley Community College has sufficient local funds to acquire the property.

THEREFORE BE IT RESOLVED that the State Board for Community and Technical Colleges authorizes Yakima Valley Community College to use up to \$192,500 to acquire property located at the intersection of Main Street and Wine Country Road, known as the Drollinger Property, in Grandview Washington.

APPROVED AND ADOPTED on September 15, 2010.

J.A. Bricker, Chair

ATTEST:

Charles N. Earl, Secretary



REGULAR MEETING AGENDA ITEM
September 15, 2010

TAB 1e

Consent Item **Action (Resolution 10-09-40)**

Topic

Walla Walla Community College: Capital Expenditure Authority

Description

Walla Walla Community College's William A. Grant Water and Environmental Center opened in October 2007 and the program has continued to grow. Expenditures over \$400,000 in local capital funds require State Board authorization. The college and its board of trustees are requesting authority to expend up to \$6,885,000 in local capital funds for the expansion of the William A. Grant Water and Environmental Center.

Major Considerations

- The college has sufficient local capital funds dedicated for this project.

Analysis

Faced with the challenges of restoring the watershed, recovering fish runs, and better managing limited water resources, organizations in the Walla Walla Valley came together in the spirit of collaboration and cooperation to create the Walla Walla Community College's William A. Grant Water and Environmental Center (WEC). The WEC stands as an example of the region's commitment of conserving, managing, and enhancing the Walla Walla Watershed. The building itself is evidence of a milestone in progress towards addressing water management and environmental restoration issues.

The college and the community developed a plan to expand the building and program to continue their commitment to contribute to the well-being of their regional community by providing a place for collaborative dialogue, fostering and modeling the use of innovative practices, promoting and practicing the use of effective partnerships, offering educational programs that address 21st Century water and environmental challenges, achieving heightened awareness and use of environmental sustainable practices, and supporting environmental protection and restoration efforts throughout the region.

The WEC addition will be used for instruction, applied research, and collaboration. The lab spaces are flexible, designed to be adaptable for applied research in collaboration with the Confederated Tribes of the Umatilla Indian Reservation (CTUIR), and will be used for instruction for the Water Management Program and the Watershed Ecology Program. The college and the CTUIR will undertake a collaborative educational program to enhance the

CTUIR's Department of Natural Resources workforce. Classrooms and offices will support the Water Management Program and the Watershed Ecology Program. Additional offices are included for staff and researchers from the CTUIR.

The college estimates the project total not to exceed \$6,885,000 and has sufficient funds to cover the cost, including grants and donations received from the US Department of Commerce Economic Development Administration, Washington State Department of Commerce, Walla Walla County, Walla Walla Port District, Pacific Power Blue Sky Foundation, and Walla Walla Community College Foundation. The project also received \$1,750,000 of State Capital Funds and up to \$1 million in financing authorization in the current Capital Budget. The construction will take approximately one year.

Recommendation

The staff recommends approval of Resolution 10-09-40, allowing Walla Walla Community College to expend up to \$6,885,000 in local capital funds for the expansion of the William A. Grant Water and Environmental Center.

Prepared by: Wayne Doty, 360-704-4382, wdoty@sbctc.edu

STATE OF WASHINGTON
STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES
RESOLUTION 10-09-40

A resolution relating to Walla Walla Community College Capital Expenditure Authority.

WHEREAS, Walla Walla Community College's William A. Grant Water and Environmental Center program has continued to grow since its opened in October 2007; and

WHEREAS, the college and the community developed a plan to expand the building and program to continue their commitment of conserving, managing, and enhancing the Walla Walla Watershed; and

WHEREAS, the college has sufficient funds to cover the cost, including grants and donations received from the US Department of Commerce Economic Development Administration, Washington State Department of Commerce, Walla Walla County, Walla Walla Port District, Pacific Power Blue Sky Foundation, and Walla Walla Community College Foundation. The project also recieved \$1,750,000 of State Capital Funds and up to \$1 million in financing authorization in the current Capital Budget.

THEREFORE BE IT RESOLVED that the State Board for Community and Technical Colleges authorizes Walla Walla Community College to expend up to \$6,885,000 in local capital funds to expand, furnish and equip the William A. Grant Water and Environmental Center.

APPROVED AND ADOPTED on September 15, 2010.

J.A. Bricker, Chair

ATTEST:

Charles N. Earl, Secretary



REGULAR MEETING AGENDA ITEM

TAB 1f

September 15, 2010

Consent Item **Action (Resolution 10-09-41)**

Topic

North Seattle Community College: Hold Harmless and Indemnification Agreement

Description

North Seattle Community College is in the construction phase of the Employment Resource Center. The college is asking for delegation of authority to the executive director to hold harmless and indemnify the City of Seattle related to the sewer line installation.

Major Considerations

- The agreement has been reviewed and approved by the Assistant Attorney General.

Analysis

The City of Seattle has required a Hold Harmless and Indemnification Agreement as part of North Seattle Community College's Employment Resource Center construction and the installation of a sewer line. The sewer line slope is less than City standards but meets the engineer's design criteria. The City standards cannot be met given the existing building drain and City sewer elevations. The only alternative is to install a sewer pump that would be expensive and cause delays. The City requires that this agreement be signed and notarized before approval of installation is granted. The agreement has been reviewed and approved by the Assistant Attorney General.

Recommendation

The staff recommends approval of Resolution 10-09-41, delegating authority to the executive director to hold harmless and indemnify the City of Seattle related to North Seattle Community College's sewer line installation.

Prepared by: Wayne Doty, 360-704-4382, wdoty@sbctc.edu

STATE OF WASHINGTON
STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES
RESOLUTION 10-09-41

A resolution relating to a hold harmless and indemnification agreement with of the City of Seattle for North Seattle Community College's sewer line installation.

WHEREAS, North Seattle Community College is in the construction phase of the Employment Resource Center; and

WHEREAS, the City of Seattle is requiring a hold harmless and indemnification as a condition before approval of installation is granted; and

WHEREAS, the sewer line slope is less than city standards but meets the engineer's design criteria; and

WHEREAS, the agreement has been reviewed and approved by the Assistant Attorney General.

THEREFORE BE IT RESOLVED that the State Board for Community and Technical Colleges delegates authority to the executive director to hold harmless and indemnify the City of Seattle related to North Seattle Community College's sewer line installation.

APPROVED AND ADOPTED on September 15, 2010.

J.A. Bricker, Chair

ATTEST:

Charles N. Earl, Secretary



REGULAR MEETING AGENDA ITEM
September 15, 2010

TAB 1g

Consent Item **Action (Resolution 10-09-42)**

Topic

South Puget Sound Community College: Transfer of Real Property Improvements and Easement

Description

South Puget Sound Community College completed the construction of building #23, which houses their Anthropology, CAD & Geomatics programs, in August 2010. The college is asking for delegation of authority to the executive director for the transfer of real property improvements and easement to the City of Olympia.

Major Considerations

- The City of Olympia will be responsible for the ongoing maintenance and repairs to a major waterline that feed the college.

Analysis

As part of the construction of South Puget Sound Community College's building #23 a new waterline was installed. The City of Olympia has requested the ownership and easement in exchange for the ongoing maintenance and repairs to the waterline.

Recommendation

The staff recommends approval of Resolution 10-09-42, delegating authority to the executive director for the transfer of real property improvements and easement to the City of Olympia.

Prepared by: Wayne Doty, 360-704-4382, wdoty@sbctc.edu

STATE OF WASHINGTON
STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES
RESOLUTION 10-09-42

A resolution relating to South Puget Sound Community College's Transfer of Real Property Improvements and Easement.

WHEREAS, South Puget Sound Community College installed a new waterline during the construction of building #23; and

WHEREAS, the City of Olympia has requested the ownership and easement in exchange for the ongoing maintenance and repairs to the waterline.

THEREFORE BE IT RESOLVED that the State Board for Community and Technical Colleges delegates authority to the executive director for the transfer of real property improvements and easement to the City of Olympia.

APPROVED AND ADOPTED on September 15, 2010.

J.A. Bricker, Chair

ATTEST:

Charles N. Earl, Secretary



REGULAR MEETING AGENDA ITEM

September 15, 2010

TAB 1h

Consent Item **Action (Resolution 10-09-45)**

Topic

2010-11 Washington Aerospace Apprenticeship Funding

Description

The 2008 Supplemental Operating Budget contained a proviso appropriating \$3,000,000 of state general funds to SBCTC to support the design, development, training and related expenses associated with a joint labor/management apprenticeship program.

Major Considerations

- Ensuring funding is utilized in alignment with the state's aerospace industry strategy

Analysis

The 2008 State Supplemental Budget contained the following proviso:

“\$3,000,000 of the general fund—state appropriation for fiscal year 2009 is provided solely for the design, development, training, and related expenses associated with a joint labor/management apprenticeship program established under the auspices of an international union representing aerospace workers, which will include but not be limited to training in composite technology. Of this amount, \$2,150,000 may be used for program development, curriculum development and equipment, training, and related expenses; and \$850,000 shall be used to support 130 enrollment slots at no more than three community and technical colleges with at least one college being located east of the Cascade mountains, for related supplemental instruction and related expenses. The state board for community and technical colleges shall select the colleges using a joint selection process between the state board and the joint labor/management apprenticeship program.”

Pursuant to this proviso, SBCTC will develop and execute a contract with the Aerospace Machinists Joint Training Committee.

The attached resolution authorizes the Executive Director to develop and execute the contract as required by the proviso.

Background Information

In 2008, the Legislature appropriated \$3,000,000 to establish and support aerospace specific apprenticeship training programs. The proviso specified that these programs must involve a joint labor/management organization under the auspices of an international union. As a result, the Aerospace Machinists Joint Training Committee (AMJTC) was formed and has served as the entity responsible for implementation of the apprenticeship training program. AMJTC has served in this capacity exclusively since its inception in 2008.

Following the removal of provisos in the 2009-2011 operating budget, SBCTC has continued to earmark this funding consistent with the original language due to its importance in the Governor's aerospace industry support plan.

Historically, SBCTC has allocated the funding to South Seattle Community College who has served as the fiscal agent for the AMJTC. During June 2010, South Seattle informed SBCTC that it wished to relinquish its fiscal agency. As a result, SBCTC will serve as the fiscal agent and will contract directly with AMJTC to implement the earmark.

Recommendation

The State Board is asked to approve the distribution of funds to the Aerospace Machinists Joint Training Committee, and to delegate authority to the Executive Director to develop and execute the contract governing the funds as described in Resolution 10-09-45.

Prepared by: Dixie Simmons, 360-704-4333, dsimmons@sbctc.edu.

STATE OF WASHINGTON
STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES
RESOLUTION 10-09-45

A resolution authorizing the distribution of state general funds for the design, development, training and related expenses associated with a joint labor/management apprenticeship program .

WHEREAS, the State Board has the authority to allocate and award state and federal job training funds; and

WHEREAS, the Legislature has directed the State Board to distribute the funds solely for the design, development, training, and related expenses associated with a joint labor/management apprenticeship program established under the auspices of an international union; and

WHEREAS, the Aerospace Machinists Joint Training Committee has been established to implement the joint labor/management apprenticeship program;

THEREFORE BE IT RESOLVED that the State Board for Community and Technical Colleges authorizes the distribution of \$2.15 million in state general funds to the Aerospace Machinists Joint Training Committee to support the joint labor/management apprenticeship program; and

BE IT FURTHER RESOLVED that the State Board for Community and Technical Colleges grants the Executive Director the authority to develop and execute a contract with the Aerospace Machinists Joint Training Committee to govern the distribution of the funding, consistent with board policy and state law; and

BE IT FURTHER RESOLVED that the State Board for Community and Technical Colleges authorizes the Executive Director to make adjustments, as necessary, for computational errors, data corrections, externally imposed restrictions or guidelines, legislative appropriation provisos, restrictions, guidelines, uniform accounting and reporting requirements, and unanticipated changes due to state or federal funding.

APPROVED AND ADOPTED on September 15, 2010.

J.A. Bricker, Chair

ATTEST:

Charles N. Earl, Secretary



REGULAR MEETING AGENDA ITEM

September 15, 2010

TAB 2

Discussion Action (Resolution 10-09-43)

Topic

2011-13 Operating Budget Request

Description

Beginning in February, the Board has worked with stakeholders on the development of the 2011-13 Operating Budget Request. Budget submittals are due to the Governor in September. The Governor has requested impacts of additional 10% budget reductions for the 2011-13 biennium, and these will be submitted along with the system's budget request. The Board will be asked to adopt a final 2011-13 operating budget request at this meeting.

Key Questions

- Does the Board wish to provide the budget writers prioritized guidance on the funding needed to restore student access and achievement in the event the final 2011-13 state budget is not a "cuts only" budget?
- Do the 2011-13 operating budget request options reflect the Board's priorities and goals?

Analysis

Recent Budget Trends and Possible Budget Cuts

Over the past three years, state funding for the colleges has been reduced by 15% on average. However, tuition and fee increases combined with excess enrollments have helped to mitigate the net financial impacts. The result is substantially more students being served by roughly the same amount of overall financial resources. As unemployment decreases over the next three years, student enrollments will contract and marginal tuition revenues will shrink while the state is likely to continue cutting base budgets.

The current economic climate is not positive and additional budget reductions in the current fiscal year are becoming increasingly likely for several reasons:

- The \$450 million biennial ending fund balance projected when the Governor signed the budget last spring currently stands at just \$72 million.
 - The June economic and revenue update lowered the state's revenue forecast for this biennium by \$200 million compared to the February forecast. Actual revenue collections reported in July and August are \$125 million lower than expected in the June Forecast.

- Congress passed a budget in early August that included Federal Medicaid funding, but Washington state's share was \$142 million less than expected.
- On the positive side, state agencies spent almost \$90 million less in FY 2010 than budgeted, contributing to the biennial ending fund balance.
- US and Washington economic activity is also weaker than expected. The Economic and Revenue Forecast Council believes the US economy is at greater risk of stalling and Washington's near-term economic outlook is weaker than anticipated in the June forecast.

The September 16th revenue update is likely to lower the current year forecast substantially, taking the ending fund balance well into the red. This will trigger, for the first time since 1991, the Budget and Accounting Act requirement that the Governor order across-the-board budget reductions, currently estimated to be 6%. Under these provisions, all General Fund-State appropriations will be reduced by the same percentage. These across-the-board cuts can be readjusted by the Governor and the Legislature in the 2011 supplemental budget. The Federal maintenance of effort requirements for higher education institutions, in place for the current biennium as a condition of accepting Federal Stimulus education funds, make it likely that the additional current year cut to the community and technical college system will be no more than 4%.

The budget shortfall for next biennium has been projected at \$3 billion. The shortfall is likely to grow with the September revenue update. The Governor has asked all agencies to submit 10% budget reduction packages for the 2011-13 biennium.

Review of Budget Development Process

The Board included presidents, trustees, faculty representatives, and students in discussions about system needs and priorities beginning last February.

- The kick-off roundtable discussion with system partners at the February Board meeting began the process of identifying themes and priorities for the budget request. (See **Attachment A** for final 2011-13 Budget Development Principles and Themes.) At that meeting the Board also received information from staff on Higher Education Funding from 2001-03 to 2009-11 to set the context for the budget discussions.
- In March, WACTC representatives briefed the Board on the results of the presidents' discussions on budget priorities. Small group discussions with system partners focused on refining principles and themes previously identified. The connection between the Mission Study and potential budget items was discussed.
- In May, the Board and system partners met in small groups to consider and prioritize specific potential budget request items. The results of WACTC discussions and surveys as well as ties to the Mission Study were included in the background information for consideration.
- The June discussion with the stakeholders focused on identifying the specific items to include in the 2011-13 budget request. The Board directed staff to include the following in the 2011-13 budget request: Enrollments, Worker Retraining/Incumbent Worker, Student Achievement Funds, Basic Skills Funding Backfill, Enterprise Resource Planning (ERP) Funding, and Compensation Increases. Attachment B describes the potential budget request items and how the items are linked to a Board Goal and specific elements of the Mission Study Taskforce recommendations.

2011-13 Budget Submittal

The State Board's budget submittal will include a description of the impacts of an additional 10% budget reduction on the system, as requested by the Governor. The description will be developed based on survey information from the colleges.

Also included in the budget submittal will be the budget items approved by the Board at this meeting. The potential request items are shown and described on **Attachment B**. In the event the final 2011-13 budget is not a "cuts only" budget, the system request would provide budget writers prioritized guidance on the funding needed to restore student access and achievement.

2011 Supplemental Budget Request

The Legislature funds maintenance and operating costs for buildings authorized in the capital budget. The 2011 Supplemental budget request contains maintenance and operating funding for three construction projects authorized already in the capital budget. Two of the projects are opening earlier than expected and one project was inadvertently left out of the 2009-11 budget request. The total request is for \$581,000 for FY 2011.

Background Information

Attachment A: 2011-13 Operating Budget Request Principles and Themes from Winter/Spring Collaboration

Attachment B: 2011-13 Operating Budget Request Items and Descriptions

August 2010 Agenda Item:

http://www.sbctc.ctc.edu/general/admin/Tab_2_Complete.pdf

June 2010 Agenda Item:

http://www.sbctc.edu/general/admin/Tab_1_2011_13_Operating_Budget_Development_final.pdf

May 2010 Agenda Item: http://www.sbctc.edu/general/admin/TAB_1_Complete_2011-13_Operating_Budget_Development_and_Framework.pdf

March 2010 Agenda Item: http://www.sbctc.ctc.edu/general/admin/Tab_1_2011-13_Operating_Budget_Development_and_Framework.pdf

February 2010 Agenda Item:

http://www.sbctc.ctc.edu/general/admin/Tab_3_2011to13_Operating_Budget_Development_Framework.pdf

Recommendation/Outcomes

The Board is asked to adopt Resolution 10-09-43 approving the SBCTC 2011-13 Operating Budget request for submittal to OFM in September based on the items contained in Attachment B (2011-13 SBCTC Operating Budget Request) and the SBCTC 2011 Supplemental Operating Budget Request.

Prepared by: Denise Graham, (360) 704-4350.

STATE OF WASHINGTON
STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES
RESOLUTION 10-09-43

A resolution relating to the 2011-13 Operating Budget Request and the 2011 Supplemental Budget Request.

WHEREAS, the Board has worked with stakeholders on the development of the 2011-13 Operating Budget Request.

THEREFORE BE IT RESOLVED that the State Board for Community and Technical Colleges authorizes the Director to submit to the Governor a 2011-13 Operating Budget request for an estimated \$189.8 million for policy level items as identified in Attachment B (2011-13 SBCTC Operating Budget Request).

BE IF FURTHER RESOLVED that the State Board for Community and Technical Colleges authorizes the Director to submit to the Governor a 2011 Supplemental Operating Budget request for M&O funding for new construction for three colleges totaling \$581,000.

BE IF FURTHER RESOLVED that the Director shall make any necessary adjustments to the policy level request, system maintenance level request, the supplemental budget request, as necessary to meet changing conditions, or make technical adjustments, consistent with the Board's direction.

APPROVED AND ADOPTED on September 15, 2010.

J.A. Bricker, Chair

ATTEST:

Charles N. Earl, Secretary

2011-13 Operating Budget Request Principles and Themes from Winter/Spring System Collaboration

I. Budget Principles

The budget request should:

1. Emphasize colleges' vital role in state and local economic recovery and development using data and performance measures to demonstrate the system's contribution to the economy and local communities.
2. Maintain educational quality as well as affordability and result in promoting student retention and success using best practices and innovation.
3. Promote long-term system plans.
4. Address statewide goals while meeting local needs.

II. Budget Request Themes

1. Access
 - Maintain the open door
 - Excellence through inclusion
2. Increase student success
 - Using best practices and innovation
 - Focus on students who are falling behind
3. Innovation
 - Students are changing, more instruction is being delivered through eLearning, budget should reflect this.
4. Training the Workforce and Decreasing Social Costs
5. Deregulation – Remove self-imposed barriers and focus on performance outcomes.

SBCTC 2011-13 Operating Budget Request

SBCTC
2011-13 Biennium Operating Budget Request
\$s in 000s

Request Items for Board Consideration			
	<u>Biennial Request</u>	<u>Strategic Direction</u>	<u>Mission Study</u>
1. Retain Worker Retraining Funding	\$35,112	Economic Demand	Close Skills Gap
2. Student Achievement Initiative	\$10,770	Student Success	Fund Student Achievement
3. Restore Adult Basic Education	\$31,200	Student Success	Increase ABE Funding
4. Enrollment	\$90,720	Economic Demand	Serve More Students
5. Technology Stabilization (ERP)	\$2,000	Innovation	Technology Tools
6. Compensation	\$20,000	Innovation	Invest in Faculty and Staff
Total Policy Level Request	\$189,802		

SBCTC 2011-13 Operating Budget Request

Brief Descriptions of Policy Level Budget Request Items

1. Worker Retraining/Incumbent Worker \$35.1 Million

The Legislature has provided \$28.8 million per year for 6,200 Worker Retraining (WRT) program FTES since 1997. The high unemployment in the current recession has increased demand for this program to record levels – more than 13,000 FTES in FY 2010. The 2010 Legislature responded by providing a one-time addition of \$17.5 million for 3,784 additional Worker Retraining FTES in FY 2010. Demand for Worker Retraining Program slots is projected to stay above 11,000 FTES throughout next biennium. This request will maintain the funding level provided in FY 2011.

2. Student Achievement Initiative \$10.8 million

Funding is requested to continue expanding funding for the Student Achievement Initiative. The Student Achievement Initiative is a performance funding system that rewards colleges on the basis of student achievement points. Rigorous data analysis has identified Achievement points that, once accomplished, substantially improve students’ chances of completing degrees and certificates. The four categories of Achievement measures are:

- a. Building towards college level skills (basic skills gains, passing precollege writing or math)
- b. First year retention (earning 15, then 30 college level credits)
- c. Completing college level math (passing math courses required for either technical or academic associate degrees)
- d. Completions (degrees, certificates, apprenticeship training)

3. Restore Basic Skills \$31.2 Million

This funding will help restore Adult Basic Education (ABE) programs throughout the state. While other mission areas have increased in size, Adult Basic Education -- which serves the fastest growing part of our workforce -- has lost ground as colleges have dealt with three consecutive years of state funding reductions. The colleges responded to state budget reductions in part by consolidating ABE instruction, which has meant closing off-site facilities, reducing evening and weekend hours of instruction, and increasing class sizes. This funding request will help restore access.

4. Enrollment \$90.7 Million

Funding is requested to support enrollments above the current legislative enrollment target of 143,000 FTES. The colleges enrolled 161,000 FTES last year, significantly higher than the enrollment target established by the Legislature. Enrollment projections for next biennium indicate the system will enroll at least 151,150 FTES. Funding is requested beginning in FY 2012 for 8,100 FTES at \$5,600 per FTE. This funding will help restore student support services, instructional equipment, facilities maintenance, and access to workforce and basic skills programs.

SBCTC 2011-13 Operating Budget Request

5. Technology Stabilization (ERP)

\$2 Million

Funding is requested for a substantial planning effort to lay the foundation for replacing the system's current core administrative computer applications. The planning effort will include documenting current business processes, updating business processes, identifying business requirements, selecting vendors, and developing a detailed implementation plan. The core administrative computer applications provide a wide range of technology services to the colleges including financial management systems, student management systems, personnel/payroll management systems, and ad hoc reporting. These core systems are complex and essential to the colleges' basic operations, yet they are based on outdated technology that poses a substantial risk to the entire community and technical college system. The current systems are no longer able to provide the level of service required to serve students, faculty, staff, support personnel, the public, and the State of Washington. The proposed solution is to replace the current systems with modern "off-the-shelf" systems available through vendors who specialize in these services.

6. Compensation

\$20 Million

Faculty and staff across the system have taken on substantial workload increases during this recession. At the same time, employee health benefit costs have increased while salaries have been stagnant, no salary increases having been provided in the last two years. Initiative 732, suspended during the current biennium but required by statute next biennium, provides cost-of-living increases for faculty and technical college classified staff; this funding will be requested in the State Board maintenance level budget, consistent with current law. Community college classified staff salary increases are bargained with the Governor. Funding for other types of compensation increases must be requested in the policy level budget. Compensation related requests for consideration include funding for faculty salary increments for experience and professional development; salary increases for exempt staff comparable to I-732 increases; and converting part-time faculty to full-time faculty.

SBCTC 2011-13 Operating Budget Request

**Brief Descriptions of Maintenance Level Budget Request Items:
Increases Required by Current Law and Inflation/Rate Increases**

Initiative 732 Salary Increases \$21 Million

Initiative 732, passed by the voters in 2000, requires the state to fund annual salary increases for K-12 employees, community and technical college faculty, and technical college classified staff. Legislation was passed in 2009 suspending the provisions for the 2009-11 biennium. That same legislation also requires the skipped salary increases to be made up by 2015. This maintenance level request includes funding for FY 2012 and FY 2013 salary increases and additional funding that assumes the “catch up” will be completed over four years.

Maintenance and Operations for New Facilities \$6.5 million

The Legislature provides maintenance and operations (M&O) funding for buildings approved in the state Capital Budget. The funding is provided starting with the completion of construction and then becomes part of the system’s and the colleges’ base budgets. The request includes funding for buildings opening in the 2011-13 biennium that have already been authorized in a previous capital budget as well as funding for buildings that are included in the 2011-13 capital budget request. This request is for M&O for 26 buildings at 22 colleges.

Leases and Assessments \$2.7 Million

OFM allows requests for lease and assessment increases in the maintenance level budget. The system’s request level is based on information gathered from the colleges on known lease and assessment increases. Assessments are typically mandated by municipalities, local jurisdictions, or through Local Improvement Districts. Examples of eligible requests include assessments for storm water and /or surface water management, fire protection, and sewer and wastewater management.

Maintain M&O Shift from Capital Budget \$22.8 Million

Earlier this decade, the Legislature shifted \$11.4 million per year in maintenance and operations (M&O) funding from the operating budget to the capital budget. In the 2009-11 biennium, they shifted it back from capital to operating on a one-time basis. OFM and legislative staff have taken the funding out of the system’s operating budget in the carry forward level adjustments, consistent with legislative intent. This maintenance level request is to ensure that this funding continues.

SBCTC 2011-13 Operating Budget Request

SBCTC 2011-13 Operating Budget Request
Detail of Change from 2009-11 to 2011-13
 Biennial \$s in 000s

2009-11 Biennium State Funding	\$1,392,311
Carryforward Adjustments	-\$40,507
Estimated 2011-13 Carryforward Level	\$1,351,804
Maintenance Level Items	
1. I-732 Salary Increases	\$21,000
2. M&O on New Facilities	\$6,510
3. Leases and Assessments	\$2,746
4. Maintain M&O Shift from Capital	<u>\$22,800</u>
Total ML Items	\$53,055
2011-13 Maintenance Level Funding	\$1,404,859
Potential Policy Request Level	\$189,802
Total 2011-13 Funding Requested	\$1,594,661
Change from 2009-11	\$202,350



REGULAR MEETING AGENDA ITEM

TAB 3

September 15, 2010

Discussion **Action (Resolution 10-09-44)**

Topic

Spokane Community College: Exchange and Acquisition of Land for the Spokane Aerospace Technology Center

Description

Through executive order 09-04, the Governor created the Washington Council on Aerospace to coordinate and organize the worker-training programs at Washington's community and technical colleges. Everett and Spokane were identified by the Council as sites for new industry driven training centers. These centers will help state residents compete in the aerospace job market, so that local suppliers won't have to recruit workers from outside Washington to meet their needs for certain skills. The Everett center opened in June 2010. Spokane Community College needs a location with training facilities and runway access.

Acquisitions of real property require State Board authorization. The college and its board of trustees are requesting authority to acquire the 5.47 acres and improvements from the Military Department and exchange it for more suitable property at the Spokane International Airport.

Spokane Community College staff will make a presentation on the proposed land exchange.

Major Considerations

- The creation of the center was directed by the Governor through executive order 09-04
- The college's board of trustees recommended the acquisition and transfer on July 20, 2010

Analysis

The 53,000 square foot state of the art Spokane Aerospace Technology Center will be the Inland Northwest's premier aerospace training center. The center will allow the college to relocate programs within close proximity to excellent employment and internship opportunities. The college's board of trustees recommended the acquisition and transfer on July 20, 2010.

The legislature provided \$400,000 for design and directed the Military Department to transfer airport property to Spokane Community College for the development of the Aerospace Technology Center in the 2010 Supplemental Capital Budget. The balance of funds necessary for construction is expected to come from federal grants.

The Military Department property at Spokane International Airport (formerly known as Geiger Field) is not ideal for the center because it does not have runway access, lacks hangar space, and existing structures are not well suited for instruction. Spokane Community College has negotiated with the Spokane Airport Authority to exchange the land received from the Military Department for more suitable property of a similar value.

Recommendation

The staff recommends approval of Resolution 10-09-44, allowing Spokane Community College to acquire 5.47 acres and improvements from the Military Department and exchange it for more suitable property at the Spokane International Airport for the Spokane Aerospace Technology Center.

Prepared by: Wayne Doty, 360-704-4382, wdoty@sbctc.edu

STATE OF WASHINGTON
STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES
RESOLUTION 10-09-44

A resolution relating to Spokane Community College's exchange and acquisition of land for the Spokane Aerospace Technology Center.

WHEREAS, the Governor's executive order 09-04 created the Washington Council on Aerospace to coordinate and organize the worker-training programs at Washington's community and technical colleges; and

WHEREAS, the Council identified Spokane as a site for a new industry driven training center; and

WHEREAS, the legislature provided \$400,000 for design and directed the Military Department to transfer airport property to Spokane Community College for the development of the Aerospace Technology Center in the 2010 Supplemental Capital Budget; and

WHEREAS, the Community College District 17 Board of Trustees recommended the acquisition and transfer on July 20, 2010.

THEREFORE BE IT RESOLVED that the State Board for Community and Technical Colleges authorizes Spokane Community College to acquire the 5.47 acres and improvements from the Military Department and exchange it for more suitable property at the Spokane International Airport.

APPROVED AND ADOPTED on September 15, 2010.

J.A. Bricker, Chair

ATTEST:

Charles N. Earl, Secretary



REGULAR MEETING AGENDA ITEM

TAB 4

September 14, 2010

Discussion Action

Topic

Information Technology Strategy – Enterprise Resource Planning (ERP) Project

Description

The Lift and Shift Project that has been underway for the past ten months is on schedule for completion in May 2011. The project was required to move the current college administrative computing systems off the outdated Hewlett Packard HP3000 computers to a stable current hardware system. The goal of this project is to stabilize the current COBOL student, financial, and human resources long enough to sustain a multi-year project to purchase and implement modern commercial systems as described in the Strategic Technology Plan. Commercial systems are referred to as an Enterprise Resource Planning (ERP). Enterprise Resource Planning systems integrate Student Information, Financial, Human Resources, and other educational functions into a single common computer system.

Key Questions

- How can the system use the ERP project as a template to focus on efficiencies and aligning business processes?
- How can the system implement a modern ERP software system without customizations?
- How can the system fund and sustain modern shared ERP software systems and services?

Over the summer SBCTC staff has been consulting with ERP experienced higher education institutions and ERP subject matter experts to identify options for accelerating the initial timeline to complete the ERP project. The consensus is by using the agreed upon ERP Guiding Principles, implementing the selected ERP software with no customizations, and identifying a funding model by spring of 2011, the timeframe for completion can be reduced by one year from completing summer of 2016 to completing summer of 2015.

Analysis

- Stabilizing the current administrative software and hardware is critical to maintaining business continuity long enough to implement a commercial ERP system; the Lift and Shift stabilization project will be completed in May 2011.
- Beginning December 2010 the SBCTC will engage a consultant to perform an ERP project Readiness Assessment to produce an implementation blueprint that includes a budget, staffing plan, detailed timeline, risk assessment, training plan, communication plan, and project governance structure.
- The ERP project is a multi-year high-cost, high-risk project that will require approval and oversight by the state Information Services Board (ISB). Approval by the ISB to proceed with the project is required prior to July 2011.

- Beginning July 2011 the detailed implementation planning will begin, including the analysis and inventory of current business practices. Two million dollars in state funding for this stage is recommended for the 2011-2013 Biennial Budget Request.
- In January 2012 competitive bids will be solicited from ERP vendors with selection and contract negotiation completion by July 2012.
- Implementation of the student module is estimated to begin July 2012 with completion in 12 to 18 months, followed by Finance and Human resources with overall project completion estimated for summer 2015.

Background Information

The current CTC administrative systems are COBOL. These systems are customized around current business practices and were developed in-house. Although the hardware will be sustainable for several years due to the Lift and Shift Project, the COBOL still poses a substantial barrier to adapting to the needs of colleges and students. These systems will lack flexibility until replaced by new commercial software. Students depend on these systems to access their teaching and learning functions, colleges use these systems to administer student records, process financial transactions, award financial aid, and pay faculty and staff. The COBOL technology makes providing the level of service required for students, faculty, staff, and the public costly and inefficient.

Recommendation/Outcomes

The Board will have an opportunity to discuss the activities needed to begin and sustain the ERP project to completion. The Board will have the opportunity to discuss the strategic issues around sustainable funding for implementation of new technology.

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REGULAR MEETING AGENDA ITEM

TAB 5

September 15, 2010

Discussion **Action**

Topic

Revision to WAC 131.16: Extension of the State Board Retirement Plan to Eligible Higher Education Coordinating Board Employees

Description

State law provides the Board with authority to sponsor annuity retirement savings plans. With this authority, the State Board sponsors a mandatory retirement plan and voluntary retirement savings plan. The 2010 Legislature passed provisions allowing the Higher Education Coordinating Board (HECB) to offer such plans. Offering a plan that is widely used by colleges and universities better equips the HECB to recruit candidates from higher education for their professional and leadership positions. Given the expertise needed to sponsor a plan and limited number of anticipated participants, HECB staff has requested that the Board extend its plan to their employees.

Key Questions

- Should the State Board extend its Retirement Plan to eligible HECB employees?
- What changes in Plan provisions are necessary to extend the Plan to employees outside of the community and technical college system?
- Should the State Board consider additional changes to its Retirement Plan as it acts upon the administrative rule revisions necessary to extend the Plan to HECB employees?

Background Information

The 1969 Washington Legislature authorized the State Board to make a retirement annuity program available for faculty and exempt employees. Under this authority, the State Board has sponsored a multi-employer retirement plan through the adoption of administrative rules that establish the general conditions under which the plan operates, contracted with TIAA-CREF companies to administer the Plan and provided for the payment of a “supplemental” or guaranteed minimum benefit.

The Retirement Plan is governed by a Plan Document which incorporates the relevant provisions of the federal regulations, Washington State laws and Washington Administrative Codes (WACs). The current Plan Document and WACs were adopted by the State Board in November 2005.

The Retirement Plan sponsored by the State Board is governed by Internal Revenue Code (IRC) 401(a). Participation is required of all eligible employees unless they have previous members in the Teachers’ Retirement or Public Employees’ Retirement systems. The State Board also sponsors and administers a voluntary 403(B) retirement savings plan. The State Board Plan has approximately 16,000 participants with almost \$720 million in assets.

Major Components of the 401(a) Retirement Plan and Proposed Changes

The Plan’s provisions are designed to answer participant questions - primarily related to eligibility, contributions, fund withdrawal, and benefits at retirement. Extending the Plan to the HECB employees requires language changes that provide for participation of employees outside of the community and technical college system. Additional language changes are being proposed with the intent of clarifying or confirming current application. The following summarizes the current and proposed provisions:

Eligibility

Current: Participation is limited to individuals holding full- or part-time faculty or administrative exempt appointments to college district or state board staff positions who are assigned a cumulative total of at least 50 percent of a full-time workload for at least two consecutive college quarters.

Participation is required of all eligible employees unless the new employee is a member of the Washington State Teachers or Public Employees Retirement Systems. Members of these plans may elect to participate in the State Board Plan, irrevocably elect to retain PERS or TRS membership or, if not vested, retain such membership until vesting occurs and then irrevocably elect to participate in the State Board Plan.

Proposed Changes: For the Community and Technical Colleges, no policy changes are proposed. However, clarifying language will be proposed that incorporates current practices into rule, including:

- Adding “professional staff” to the positions eligible for participation; and
- Adding language providing for a time period “equivalent” to two consecutive quarters for use in establishing eligibility.

Language is proposed to extend the plan to HECB employees meeting the eligibility criteria. References to the “community and technical college and state board” throughout the WACs would be changed to “participating employers.” The HECB would be added to the list of “participating employers” within the Plan Document.

In providing for the HECB participation in an annuity retirement plan, the Legislature limited participation of HECB employees to:

- Those who have previously participated in a similar qualified plan; and
- Who have are not receiving or accruing a retirement allowance from a publicly funded Washington State retirement plan.

These restrictions are proposed for inclusion in the State Board WACs and Plan Document with limited application to HECB employees.

Contributions

Current: The contribution rates listed below apply to both the employer and employer pick-up contributions.

Under the age of 35	5 percent of salary
Between age of 35 and 49, inclusive	7.5 percent of salary
Age 50 and over	10 percent of salary

Participants self-direct the investment of contributions and accumulations from within the 38 TIAA-CREF options available.

No changes are proposed.

Vesting

Current: Participants have a 100 percent vested interest in their accumulations. No accumulations, including the employer's contribution, are forfeited should a participant separate from employment.

No changes are proposed.

Access to Funds Prior to and at Retirement

Current: Participants may access their accumulations, with some limitations, in times of hardship, 180 days after separation or due to retirement. Hardship withdrawals are limited to emergent situations (bankruptcy, eviction/foreclosure, medical costs). Former employees cashing-out their accumulations after the 180 day waiting period are responsible for the taxes and penalty fees associated with early withdrawals. Retirees have over 20 retirement income choices, providing flexibility to create an income payment strategy that suits the individual's needs.

Proposed Change: Reduce the 180 day waiting period required before accessing the funds (as cash, prior to retirement) to 90 days plus no expectation of continued employment at a participating employer. This proposal is a policy change unrelated to the extension of the Plan to HECB employees. It allows former employees quicker access to funds prior to retirement age.

Supplemental Benefits

Current: As delineated in statute, the supplemental benefit is a "guaranteed" minimum benefit for eligible plan participants. Essentially, this serves as a "safety net" – guaranteeing a minimum benefit for eligible participants. (To be eligible, participants must be at least age 62 and have a minimum of ten years of service in the plan.) For example, a participant who retires at age 65 with 25 years of service, is guaranteed a minimum retirement benefit of 50% of their salary. If the benefit from TIAA-CREF is less than 50% of their salary, the State pays the amount necessary to bring the pension benefit up to 50%. In the past, few qualified for this benefit, as their TIAA-CREF retirement income exceeded the guaranteed minimum amount. However, with a growing number of retirees and recent market trends, more participants are qualifying.

No change is proposed. However, the interagency agreement between the State Board and HECB will include provisions stipulating the HECB's responsibility for supplemental benefit payments made to its retirees.

Analysis

HECB leadership has requested the plan be made available effective January 1, 2011. Prior to offering a transfer option to current HECB employees, the WACs and Plan Document must be re-written to allow for participation of employees outside of the community and technical college system. Responsibility for administration of the Plan's provisions to HECB employees must also be discussed and agreed upon. Staff is targeting the October meeting of the State Board for a

public hearing on the WAC changes and for action on the Plan Document revisions. Contingent upon Board approval, once an understanding is reached the assignment of responsibilities will be formalized within an Interagency Agreement.

Recommendation/Outcome

Board members will have an understanding of the operation of the retirement plan they sponsor and the proposed changes necessary to extend the Plan to HECB employees. Staff recommends proceeding to the next step, a public hearing on proposed rule changes at its October 2010 Meeting.

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