



State Board for Community and Technical Colleges
 SBCTC Office • Cascade Conference Room
 1300 Quince Street SE • Olympia, WA

Study Session: Wednesday, March 16, 2011
 2:00 p.m. – 5:00 p.m.
 Regular Meeting: Thursday, March 17, 2011
 8:30 a.m. – 11:00 a.m.

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| March 16 | Study Session Agenda |
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|-----------|---|----------------|--------------|
| 2:00 p.m. | Call to Order and Welcome Jim Bricker, Chair | | |
| 2:05 p.m. | Status Report/Panel Presentation~ Mission Study Recommendations #2 & #3: Close Skills Gap for Technically Trained Workers and Increase Funding for Adult Basic Education Jan Yoshiwara | Discuss | Tab 1 |
| 3:35 p.m. | Break | | |
| 3:45 p.m. | Student Voice Panel Presentation Jan Yoshiwara | Discuss | Tab 2 |
| 5:00 p.m. | Adjournment | | |
| 5:30 p.m. | Dinner with State Board Members, Executive Director and Deputy Directors Location: Mercato Ristorante | | |

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| March 17 | Regular Business Meeting Agenda |
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|-----------|--|----------------|--------------|
| 8:00 a.m. | Continental Breakfast | | |
| 8:30 a.m. | Call to Order and Adoption of Agenda Jim Bricker, Chair | Action | |
| 8:35 a.m. | Executive Director's Report Charlie Earl | Discuss | |
| 9:05 a.m. | Approval of Consent Agenda <ol style="list-style-type: none"> a. Approval of January 20, 2011, SBCTC Meeting Minutes b. Approval of Seattle Central CC Sound Transit Easement. Resolution 11-3-9 c. Approval of Pierce College Expenditure Authority Resolution 11-3-10 d. Approval of South Puget Sound CC Expenditure Authority Resolution 11-3-11 e. Approval of Everett CC Expenditure Authority Resolution 11-3-12 f. Approval of Yakima Valley CC Property Acquisition Resolution 11-3-13 g. Approval of Olympic College Property Acquisition Resolution 11-3-14 h. Approval of Community Colleges of Spokane Expenditure | Action | Tab 3 |

Authority

Resolution 11-3-15

- i. Approval of Everett CC Expenditure Authority

Resolution 11-3-16

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|-------------------|--|----------------|--------------|
| 9:10 a.m. | Budget Status/Tuition Update Denise Graham | Discuss | Tab 4 |
| 9:50 a.m. | BREAK | | |
| 10:05 a.m. | Legislative Update Deb Merle | Discuss | Tab 5 |
| 10:35 a.m. | Chair's Report Jim Bricker, Chair <ul style="list-style-type: none">• Trustees' Association Report Mauri Moore, TACTC President• Presidents' Association Report Michele Johnson, WACTC President• State Board "Parking Lot" Update/New Items Charlie Earl, SBCTC Executive Director | Discuss | |
| 10:50 a.m. | Board Member Notes | Discuss | |
| 11:00 a.m. | Adjournment Next Meeting: May 11-12, 2011at Highline CC | | |

3-9-11

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.

Chair – Jim Bricker • Vice-Chair – Sharon Fairchild
Erin Mundinger • Jeff Johnson
Beth Willis • Shaunta Hyde • Elizabeth Chen
Charles N. Earl, Executive Director • DelRae Oderman, Executive Assistant
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STUDY SESSION AGENDA ITEM

TAB 1

March 16, 2011

Topic

Status Report on Mission Study Recommendations to Close the Skills Gap and Increase Adult Basic Education

Description

In 2008, the Board commissioned a task force of Board members, trustees, presidents, faculty and staff to gain an understanding of where Washington's community and technical colleges are today and where they need to be in the future to meet the needs of Washington's residents. Using the SBCTC System Direction as the framework, the task force recommended ten strategies in a twenty year action plan. This agenda item updates the Board on the status of the recommendations to close the statewide skills gap for technically trained workers and increase funding for adult basic skills programs.

Key Questions

- Is the college system making progress toward the Mission Study Recommendation to close the statewide skills gap for technically trained workers?
- Is the college system making progress toward the Mission Study Recommendation to increase funding for adult basic skills programs?
- What are the challenges to continuing to make progress toward these goals over the next 20 years?

Analysis of Recommendation Two

Recommendation Two of the Mission Study's twenty year plan calls for expanding capacity in workforce training programs, especially programs in high demand fields. It also calls for continued incentives to expand I-BEST and other integrated programs and cultivate new partnerships with employers. It includes high-quality, short-term programs and an emphasis on awarding credit for prior learning. All of these actions are intended to incent workers to earn certificates and degrees.

The State Board for Community and Technical Colleges' research and the Workforce Training and Education Coordinating Board's (WTECB) report on skill gaps provide information and data that demonstrate both accomplishments to date as well as the need for continued efforts to address the skills gap. Accomplishments to date include:

Capacity and Demand. Colleges served record high enrollments in 2009-10 with 49% of students enrolled in Workforce Education programs, representing a 14% increase over the previous year. In the current economy, record numbers of dislocated workers are coming to colleges for training and are studying in high-demand fields.

Programs. To meet the need for skilled workers in high demand fields such as health care, information technology, and engineering technology, colleges created and refined professional technical programs. Twenty-four new primary professional technical programs have been added over the past nine months, with most addressing the fields identified in the Mission Study's recommendation.

SBCTC received appropriated high demand funding between fiscal years 2000 and 2009 and reallocated additional funds to high demand fields, enhancing appropriations to meet employer needs. Certificate and degree completion awards have increased in all high demand categories in 2009-10. The greatest graduate increase was demonstrated in Allied Health (115% growth from 2001 to 2010), followed by Engineering Technology, Information Technology, and Construction Management.

Training Resources. The skill acquisition for high-demand, equipment-intensive fields depends in part on student access to the equipment used by employers. New aerospace training equipment and other training equipment used in high demand fields was purchased using WIA dollars (Governor's directive 09-16) and workforce dollars.

I-BEST. Student headcount in 2009-10, was 3,201 students (1,730 FTES) enrolled in I-BEST programs such as allied health, industrial maintenance, automotive, and early childhood education.

The WTECB's data on skill gaps reveals increased need for occupation-specific skills as well as basic skills: math, reading, writing, and communication skills. Workforce programs including I-BEST are designed specifically to address these gaps and meet the demand of employers.

Colleges continue to extend educational career pathways for underprepared students by expanding the I-BEST model using grant funds from the Bill and Melinda Gates Foundation. These pre-college I-BEST courses include pre-college writing, reading, and math integrated with professional/technical course work.

Analysis of Recommendation Three

Recommendation Three recognizes that the current funding structure for ABE programs includes disincentives for colleges to expand basic skills programs to meet literacy skill needs of their local communities. The recommendation cites the needs of our economy for higher levels of skills, even for most entry-level jobs, and the benefits to students and their families.

A funding strategy that equalizes funding for ABE programs is needed to ensure literacy and English language programs continue to be offered at Washington's community and technical colleges. In the past, the college system increased ABE offerings when additional funds were provided through the Legislature. In 2005-07, the Legislature allocated \$2 million per year for ABE programs and the colleges were able to reverse the decline in programs and services experienced during the last economic downturn. Because it is not likely additional funding will be allocated by the Legislature for the next biennium, a work group has been established by WACTC to explore other funding strategies.

Presentation

Presentation by College Leaders. A panel of college leaders from both professional/technical and adult basic education will discuss progress that has been made on Recommendations 2

and 3 at the local level. They will also highlight factors that encourage and discourage forward movement, especially the impacts of declining resources and changes in enrollment levels.

Data Presentation. Bryan Wilson, Deputy Director of the Workforce Training and Education Coordinating Board, will deliver a presentation of their Board's recent analysis of Washington's Skills Gap. The Skills Gap presentation will illustrate the continued challenges that employers experience when trying to hire employees for new positions and in filling vacancies. The presentation will provide an overview of skills gaps by industry as well as by specific skills, and it will look at how educational attainment and specific skills relate to the overall skills gap.

Student Voice Panel Presentation. A subsequent panel of community and technical college students will also share student perspectives about Recommendations 2 and 3. They will talk with the Board about their experiences in adult basic education and professional/technical programs. Topics for discussion will include education and career goals and the motivations that caused them to come to a community and technical college. Students will also describe the factors that encourage them stay in college and succeed in earning degrees and credentials and the challenges they face.

Tab 2 provides an overview of the Student Voice Panel Presentation.

Background Information

A status report on the first of the ten recommended strategies in the Mission Study was presented to the State Board on January 20, 2011: TAB 2 - Status Report on Mission Study Recommendation to Serve More People.

Outcomes

Board members will have an opportunity to discuss progress and challenges related to closing the statewide skills gap for technically trained workers and equalizing funding for adult basic skills programs with college representatives, students and staff.

Prepared by: Kathy Cooper, Adult Basic Education, 360-704-4323, kcooper@sbctc.edu
Dixie Simmons, Workforce Education, 360-704-4333, dsimmons@sbctc.edu



STUDY SESSION AGENDA ITEM

TAB 2

March 16, 2011

Topic

Student Voice Panel

Description

As part of the Student Voice Task Force, a panel of students, who represent the demographics of our system within Adult Basic Education and Workforce programs, will talk about why they came to college, what their experiences have been and how their higher education goals support their longer term career goals.

Key Questions

- What factors help students decide to go to college?
- How do students overcome difficult barriers while trying to stay in college?
- How do students fit college into their long-term life planning of career, family, and financial stability?

Analysis

The ABE and Workforce student panel will address all three aspects of the ten year goals within the System Direction: *Economic Demand* - Strengthen state and local economies by meeting the demands for a well-educated and skilled workforce; *Student Success* - Achieve increased educational attainment for all residents across the state; *Innovation* - Use technology, collaboration and innovation to meet the demands of the economy and improve student success. Students face multiple impacts at this time, including economic uncertainty, financial aid and programs reductions, crowded classrooms and strained student services. The panel presentation is an effort of the Student Voice Task Force to assist the Board with having direct communication with current students.

Background Information

- May 2010 State Board Meeting, Chair Report – Student Voice Task Force
- June 2010 State Board Meeting, Chair Report – Student Voice Task Force
- December 2010 State Board Meeting, Tab 2 – Student Legislative Academy Presentation
- January 2011 State Board Meeting, Tab 4 – Student Voice Panel Presentation
http://www.sbctc.ctc.edu/general/admin/January_20_2011_Complete_Agenda_Packet.pdf

Outcomes

The Board will have an opportunity to interact with a panel of Adult Basic Education and Workforce students within the community and technical college system. They will share their backgrounds, how they decided to go to college, what has made the difference in helping them to stay in college, their goals and how college fits into their goals. The panel is part of the Student Voice Task Force and will allow the Board the ability to hear directly from students about their current college career experiences.

Prepared by: Kayeri Akweks, 360-704-8442, kakweks@sbctc.edu



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

MEETING MINUTES

January 20, 2011

State Board Members

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

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
January 20, 2011

| <u>Resolution Number</u> | <u>Description</u> | <u>Page in Minutes</u> |
|--------------------------|--|------------------------|
| | Adoption of Consent Agenda: | 1 |
| ---- | - Approval of State Board Regular Meeting Minutes for December 2, 2010 | |
| 11-1-1 | - Approval of Bellevue College Local Funds Expenditure | |
| 11-1-2 | - Approval of Spokane Falls CC Local Expenditure Authority | |
| 11-1-3 | - Approval of Spokane CC Local Expenditure Authority | |
| 11-1-4 | - Approval of Edmonds CC Local Expenditure Authority | |
| 11-1-5 | - Approval of Walla Walla CC Local Expenditure Authority | |
| 11-1-6 | - Approval of Everett CC Local Expenditure Authority | |
| 11-1-7 | - Approval of Grays Harbor College Local Expenditure Authority | |
| 10-10-47 | - Approval of Yakima Valley CC Correction to Resolution 10-10-47 | |
| 11-1-8 | Approval of Technical Corrections to 2011-13 Capital Budget Request | 6 |

STATE OF WASHINGTON
STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES
Olympia

Regular Meeting Minutes
January 20, 2011
Bates Technical College, Tacoma, WA

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

State Board Members Absent: No absences.

CALL TO ORDER AND WELCOME

Vice Chair Sharon Fairchild called the meeting to order at 8:00 a.m. and welcomed those present. She asked for audience self-introductions.

ADOPTION OF REGULAR MEETING AGENDA

MOTION: Moved by Shaunta Hyde and seconded by Erin Munding that the State Board adopt its January 20, 2011 regular meeting agenda as presented.

MOTION CARRIED.

ADOPTION OF CONSENT AGENDA (Resolutions 11-1-1 to 11-1-7 & 10-10-47)

MOTION: Moved by Erin Munding and seconded by Shaunta Hyde that the State Board adopt the consent agenda for its January 20, 2011 regular meeting as follows:

- a) ***Approval of December 2, 2010 State Board regular meeting minutes***
- b) ***Resolution 11-1-1 (ATTACHMENT #1): Bellevue College Local Expenditure Authority***
- c) ***Resolution 11-1-2 (ATTACHMENT #2): Spokane Falls CC Local Expenditure Authority***
- d) ***Resolution 11-1-3 (ATTACHMENT #3): Spokane CC Local Expenditure Authority***
- e) ***Resolution 11-1-4 (ATTACHMENT #4): Edmonds CC Local Expenditure Authority***
- f) ***Resolution 11-1-5 (ATTACHMENT #5): Walla Walla CC Local Expenditure Authority***
- g) ***Resolution 11-1-6 (ATTACHMENT #6): Everett CC Local Expenditure Authority***
- h) ***Resolution 11-1-7 (ATTACHMENT #7): Grays Harbor Local Expenditure Authority***
- i) ***Resolution 10-10-47 (ATTACHMENT #8): Yakima Valley CC Correction to Resolution 10-10-47.***

MOTION CARRIED.

MISSION STUDY RECOMMENDATION #1: SERVE MORE PEOPLE, INCLUDING UNDERSERVED POPULATIONS

Jim Garrison, Mission Study Task Force Chair, and Jan Yoshiwara of the State Board staff updated the Board on the status of the Mission Study recommendation to serve more people, including underserved populations. Staff presented analyses on enrollment trends in the college system and their relationship to the enrollment goals in the Mission Study. A panel of college presidents discussed the impact of declining resources and enrollment levels on longer-term capacity to serve the residents of their communities. Panel members included presidents David Beyer, Michele Johnson, Gerald Pumphrey, and John Walstrom.

Recommendation #1 of the Mission Study's 20-year plan calls for serving more people, including groups who have been underserved in the past. The recommendation calls for the college system to increase capacity to meet population growth and close the gap in access and participation for underserved populations. It also calls for an innovation fund to provide resources for colleges to test new locations and try new strategies to attract and succeed with low-income young adults, students of color, and underserved areas of the state, such as southwest and central Washington.

Due to the economy, the college system is experiencing unprecedented demand for access to community and technical college programs. The colleges have responded by overenrolling 16 percent above the level funded by the state, closing the 2009-10 academic year at more than 21,000 FTES over target. At 160,000 FTES last year, the college system is making substantial progress towards the Mission Study's 2030 goal of 190,000 FTES. FTES have already passed the 2014 goal for enrollment capacity.

This level of enrollment growth was not achieved with additional state funded enrollment capacity, but with larger classes, more low cost instruction, and no expansion of student support services. Overall funding for the college system has actually been reduced over the past two years due to a series of budget cuts brought on by substantial reductions in state revenues.

The panel of presidents discussed course reductions and the implications of those reductions at their institutions. There is an inability to meet the demand of new students, and colleges cannot continue to be open door/open access institutions. There are several assumptions being made at the institutional level. Budget cuts are reducing enrollment capacity; they do not have the resources to serve all students. Completion rates and the proportion of funding tied to performance outcomes will increase. Different categories of enrollment will continue to produce enrollment, and student enrollment demand will remain high. The colleges are trying to manage enrollment when the demand meets capacity. They are addressing enrollment issues in whatever ways they can. Things are changing rapidly, and they are trying to be flexible and adapt to whatever the institutions need at the time, even if that includes deviating from their mission. Institutions are looking at different ways to help streamline student services and engage other funding sources. They are looking at other options, including a "super site – comprehensive college" that includes not only classes but child care, tutoring, supplemental instruction, veteran's services, and other services that students need in order to attend college and be successful.

FALL QUARTER 2010 ENROLLMENT REPORT

David Prince of the State Board staff reported on fall enrollments in 2010. College enrollments in 2009-10 ended the year 16 percent higher than their legislative enrollment target. The ability of the colleges to grow enrollments in this period is made more remarkable because state funding was reduced by \$82 million (11 percent) after the enrollment targets were set.

In fall 2010, the colleges enrolled a record 144,114 state supported FTES. This enrollment level projects to keep colleges 14 percent above the legislative enrollment target by year's end. However, it represents nearly identical enrollment to fall 2009, suggesting that colleges are at their peak capacity and that further budget cuts may reduce access.

Colleges are maintaining but growth is very limited. Further cuts will jeopardize access. Working to shelter students from cut impacts, colleges grew 8 percent each of the past two academic years, but just 1 percent this fall. Worker Retraining programs are driving enrollments this year and should stay high for several years as unemployment comes down slowly. Apart from Worker Retraining, other workforce growth was flat. Transfer numbers grew, but very modestly, at less than half the rate of the

prior two years. Basic skills continues to consolidate, losing 3 percent per year, and I-BEST declined slightly for the first time. eLearning is still popular but grew far less than in the prior two years. Small growth was seen in contract funded activities.

STUDENT VOICE PANEL PRESENTATION

Beth Willis, Student Voice Task Force Chair, announced that a panel of students representing the demographics of the community and technical college system will answer questions about how they came to college and what experiences have helped them accomplish their higher education goals. The student panel is part of the Student Voice Task Force's efforts to bring additional student perspectives to the Board.

Jan Yoshiwara thanked Kayeri Akweks of the State Board staff for her help with the student panel. The students on the panel were selected through the Council of Student Unions and Programs (CUSP) and included Tami Haleva from South Seattle Community College, Shelton Barnes from Bellevue College, Micaela Smith from Shoreline Community College, Margaret Debevec from Centralia College, SimHayKin Jack from Spokane Falls Community College, John Chartraw from Clover Park Technical College, Derek Fletcher from South Puget Sound Community College, and Nick Steele from South Puget Sound Community College. The panel provided insight into student motivation, assets, and barriers to enrolling in community and technical colleges. The students shared their personal stories and the circumstance that brought them to their current college and program of study.

Discussion focused on the student's challenges and their support systems that have encouraged them to continue on their paths. They talked about their goals after college and where they see their lives headed. Most students are getting financial aid to help pay for their schooling or have taken out loans.

The Board asked what they could do to help the students succeed. The students agreed that helping to keep tuition low is a key to their success. Programs like TREO also help to encourage and motivate students to continue their educations. Cutting Instructor time has also has a significant impact in the quality of their educational experiences. Students also emphasized the importance of educating the public on how important community colleges are to student success.

GOVERNOR'S PROPOSED EDUCATION GOVERNANCE STRUCTURE

Executive Director Charlie Earl reported that the Governor held a press conference on January 12 to announce her proposal to consolidate early learning, K-12, and higher education agencies into one "Department of Education". This department would be led by an Education Secretary who would report to the Governor. He introduced Leslie Goldstein, the Governor's Policy Advisor for Higher Education and Early Learning.

Leslie described the Governor's plan as being a proposal for a state focus on education. The Governor came to this decision because there is not a systemic connection in education in the state of Washington. She wanted a plan that would be clear to the public for a student's path that integrated all steps of the education process. The overall structure would be to have the Governor appoint a Secretary of Education and eliminate the Department of Early Learning, the State Board of Education, and the SBCTC. It would create a new P-20 advisory council with citizen members with expertise and interest in the different sectors of education. The bill proposing the new Education Department should be out in the next week.

The current timeline calls for a transition plan to be in place by December 2011, phased implementation to begin in July 2012, and the plan fully completed in 2013. No fiscal analysis or cost savings have been researched yet.

The Governor's goal is to have education under one roof to make it easier to solve problems for students. The system would be designed for student focus. The powers and duties of the State Board for Community and Technical Colleges would be transferred to the new Department of Education.

Discussion focused on the potential fiscal impact of this plan and how it would impact student success.

BUDGET UPDATE

Denise Graham of the State Board staff provided an update on the Governor's proposed 2011-13 biennium budget for the community and technical college system. Since the Board's last meeting, there have been several key state budget developments:

- The Legislature passed an Earl Action Supplemental Budget that decreased state spending for FY 2011;
- The Governor released her proposal for additional FY 2011 budget reductions; and
- The Governor released her proposals for the 2011-13 biennium capital and operating budget.

Capital Budget

The Governor's capital budget proposal for 2011-13 includes approximately \$900 million in state general obligation bonds. This level of new debt is significantly higher than the State Treasurer's November estimate of \$161 million; and although it does not assume any new revenue sources, it does require several legislative changes including the transfer of existing revenues into the general fund.

When developing the Board's 2011-13 capital request last spring, the state's bond capacity was expected to be similar to the 2009-11 level, but there was a lot of uncertainty in the estimate. For this reason the Board's request was structured so that regardless of the funding level the projects would be completed in priority order.

The Governor's 2011-13 capital budget proposal does not follow the Board's priority order. It funds most of the Board's minor repairs and some of the major renovation and replacement projects. There is only one new state funded design. It grants authority for all of the requested alternatively financed projects. There is not funding for projects that add significant capacity for new students.

In the 2010 Capital Supplemental budget, the legislature directed OFM to take back \$50 million of existing appropriations from projects that failed to meet specific progress criteria. Projects were to have all required and appropriate transaction elements, including but not limited to, matching funds, permits, environmental reviews, and required contracts and partnership agreements by November 30, 2010.

Operating Budget

Since the budget reductions began half way through fiscal year 2009, the Governor and Legislature have solved a \$12 billion shortfall through various means, including \$5 billion in cuts to state funded programs and through the use of \$3.6 billion in new, one-time federal funds. After the 2010 supplemental budget was passed last year, a new budget deficit for the current year (FY 2010) of about \$1.1 billion developed due to downward adjustments to the state's revenue forecast, the

enactment of two voter-approved initiative repealing recently enacted tax increases, and increased caseload costs (medical assistance, corrections, k-12 enrollments).

The Governor and the Legislature have taken the following actions to address the FY 2011 deficit:

- The Governor ordered \$520 million (6.3%) in across-the-board reductions last September.
- The Legislature passed an Early Action Supplemental Budget and other legislation in early December that amended some of the Governor's across the board reductions and left others in place, reducing the deficit by \$588 million.
- The Governor' proposed an additional supplemental budget to further the amended prior across-the-board reductions and to implement new reductions. The Legislature will consider the Governor's supplemental budget proposal in late January.

Additional budget related issues include a 10 percent per year tuition increase proposed by the Governor, funding for the Enterprise Resource Planning (ERP) project and Running Start fee-in-lieu of tuition.

The Board was briefed on how the state's economic condition affects the current capital budget and the 2011-13 capital budget and actions taken to address the current year deficit and on the Governor's proposed 2011-13 operating budget. The Board provided direction to staff on pursuing options for funding the ERP information technology system and on pursuing a fee in lieu of tuition for Running Start students.

APPROVAL OF TECHNICAL CORRECTIONS TO 2011-13 CAPITAL BUDGET REQUEST (RESOLUTION 11-1-8)

Wayne Doty and Denise Graham of the State Board reported that a few potential corrections to the capital budget request have been identified since the Board approved the 2011-13 Capital Budget Request by adopting Resolutions 10-06-29 and 10-08-33.

WACTC's Capital Budget and Executive Committees have met and made the following recommendations for the Board's consideration:

1. Add requests for new appropriations for Bellingham Technical College and Wenatchee Valley College projects to replace the funding cut in OFM's \$50 million "take back" list. The projects should be placed in the 2011-13 request in the same order as they were in the 2009-11 request.
2. Add new locally funded Certificate of Participation (COP) authorization for Columbia Basin College STEM School.
3. Amend project cost for the North Seattle Community College's Technology Building Renewal Project.

In the 2010 Capital Supplemental budget, the Legislature directed OFM to take back \$50 million of existing appropriations from projects that failed to meet specific progress criteria. Projects were to have all required and appropriate transaction elements, including but not limited to matching funds, permits, environmental reviews, and required contracts and partnership agreements by November 30, 2010. OFM notified the SBCTC on January 3, 2011 that they recommended cutting \$2,000,000 from the Bellingham Technical College: Fisheries Program and \$1,688,652 from the Wenatchee Valley College: Music and Arts Center projects.

MOTION: Moved by Erin Munding and seconded by Sharon Fairchild that the State Board adopt Resolution 11-1-8 (ATTACHMENT #9) to approve the technical corrections to 2011-13 capital budget request.

MOTION CARRIED.

LEGISLATIVE UPDATE

Deb Merle of the State Board staff reported that the legislative session began on January 10, 2011. With a projected operating budget deficit of \$4.6 billion, the budget is expected to dominate the session once again.

Beyond significant budget challenges, the Legislature will grapple with a variety of policy bills with potential impact to the community and technical college system. To provide guidance to staff as they analyze and respond to proposed legislation affecting the system, the Board adopted a set of policy statements at its December meeting. These principles represent the underlying values of the Board's long-term vision and goals for the two-year college system.

With new Higher Education Committee leadership in both chambers and a new committee structure in the House, the first few weeks of session will be spent educating members on the community and technical college system, student demographics, updates on reports submitted to the Legislature, and the community and technical college system budget request and policy priorities.

Emerging policy issues which promise to dominate the session for the community and technical college system included the Governor's Department of Education Proposal. One bill with implications for the system is Senate Bill 5049, sponsored by Senator Kline. The bill would implement a variety of Sunshine Committee recommendations on public disclosure. The bill requires public disclosure of employment application materials for the "highest management position" of any public agency upon request. The bill further requires, upon request, the release of any applicant's materials after finalists have been identified but before a hiring decision has been made. These provisions could result in failed searches as candidates may drop out when they learn that their application materials may be made public.

A joint project with the Council of Presidents for a set of proposals that will provide additional management flexibility that will allow colleges to be more efficient is currently underway. The State Board's communications staff has been working to develop new one-pagers to talk about projects and proposals that are coming out.

The Board was provided with a summary of bills with significant impact to the community and technical college system which will be updated at future meetings.

EXECUTIVE DIRECTOR'S REPORT

Executive Director Charlie Earl reported on the following items:

- SBCTC Office Budget Update
- Regional Community College Summits
- Washington Executive Leadership Academy
- Enterprise Resource Planning Project Update
- University Center of North Puget Sound

CHAIR'S REPORT

Chair Bricker presented his report:

- **Trustees' Association Report.** TACTC President Mauri Moore reported on a recent meeting of their board of directors to discuss statewide policy issues. A letter was sent to the system identifying those issues. She invited State Board members to the TACTC winter conference January 23-24, 2011, in Olympia.
- **Presidents' Association Report.** WACTC President Gerald Pumphrey reported on collaborations with system groups on legislative issues of mutual interest. He noted that the WACTC group eagerly awaits the State Boards decision regarding a position on the Governor's Department of Education proposal.
- **Efficiency Steering Committee Report** – Efficiency Steering Committee Chair Jim Garrison reported on the January 18 meeting. The committee is focused on is how the community and technical college system can become more productive. They identified a list of efficiency areas to be analyzed and planned for statewide implementation. Those ideas originated from discussions with various system groups. Working on these issues is a high priority for the system.
- **Parking Lot Items.** An updated list of the State Board's Parking Lot items was presented for review and updates. No new items were added.

BOARD MEMBER NOTES

No reports.

ADJOURNMENT/NEXT MEETING

There being no further business, the State Board adjourned its regular meeting of January 20, 2011 at 3:00 p.m. The State Board will hold its next regular meeting on March 16-17, 2011 at the State Board Office in Olympia.

J. A. Bricker, Chair

ATTEST:

Charles N. Earl, Secretary



REGULAR MEETING AGENDA ITEM

TAB 3b

March 17, 2011

Consent Item Action (Resolution 11-3-9)

Topic

Seattle Central Community College – Sound Transit Easements

Description

Sound Transit has requested tunnel easements for the light rail system from Seattle Central Community College. The college is asking for the easements to be granted and to use the funds received for them to be spent locally on their facility master plan.

Major Considerations

- The Board has delegated the approval of public agency easements to its Executive Director.
- The Board's Executive Director has a conflict of interest because his spouse is the Executive Director for Sound Transit.
- The Board can authorize the Deputy Executive Director of Finance to act in place of the Executive Director on these matters.
- The local expenditure of the funds received from the negotiated settlement requires State Board approval.

Analysis

The light rail project will provide a valuable transportation option for students and staff at the college, but the easements will negatively impact future development of the property. Sound Transit and Seattle Central Community College have negotiated a monetary settlement plus a mitigation plan to offset the negative impacts. The monetary settlement is \$472,500 for the easements plus \$30,000 reimbursement for professional services and legal fees incurred by the college in negotiating the settlement. The college's review of its strategic plan resulted in a recommendation to update its facility master plan in light of this and other changes.

The Board's Assistant Attorney General has recommended the settlement be finalized and referenced in the easements.

Recommendation

Staff recommends approval of Resolution 11-3-09, authorizing the Board's Deputy Executive Director of Finance to sign the tunnel easements for Sound Transit after the settlement is finalized and referenced in the easements. Furthermore, the \$502,500 proceeds from the settlement may be used locally for reimbursement for professional services and legal fees incurred by the college in negotiating the settlement and to update the facility master plan.

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

STATE OF WASHINGTON
STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES
RESOLUTION 11-3-9

A resolution relating to Seattle Central Community College Sound Transit Easements.

WHEREAS, Sound Transit has requested a tunnel easement for the light rail system from Seattle Central Community College; and

WHEREAS, the light rail project will provide a valuable transportation option for students and staff at the college, but the easements will negatively impact future development of the property; and

WHEREAS, Sound Transit and Seattle Central Community College have negotiated a monetary settlement plus a mitigation plan to offset the negative impact; and

WHEREAS, the college's review of its strategic plan resulted in a recommendation to update its facility master plan in light of this and other changes.

THEREFORE BE IT RESOLVED that the State Board for Community and Technical Colleges, authorizes the Board's Deputy Executive Director of Finance to sign the tunnel easements for Sound Transit after the settlement is finalized and referenced in the easements.

BE IT FURTHER RESOLVED that the \$502,500 proceeds from the settlement may be used locally for reimbursement of professional services and legal fees incurred by the college in negotiating the settlement and to update the facility master plan.

APPROVED AND ADOPTED on March 17, 2011.

J.A. Bricker, Chair

ATTEST:

Charles N. Earl, Secretary



REGULAR MEETING AGENDA ITEM

TAB 3c

March 17, 2011

Consent Item Action (Resolution 11-3-10)

Topic

Pierce College – Local Expenditure Authority (Fort Steilacoom Performance Lounge Remodel)

Description

Pierce College is seeking approval to use local funds up to \$500,000 for Fort Steilacoom College's Performance Lounge remodel project. Expenditure of local funds that exceed \$400,000 requires State Board authorization.

Major Considerations

- The remodel will be funded from student services and activity funds.
- The college's board of trustees has approved the expenditure.

Analysis

The project is an interior remodel of the Fort Steilacoom College's Performance Lounge, an area used for student program activities as well as for college meetings, conferences and presentations in the Cascade Building. The remodel will be performed in conjunction with other Cascade Core Phase II renovation work, which is funded from a state appropriation. This part of the renovation will be funded from student services and activity funds and the college's board of trustees has approved the expenditure.

Recommendation

Staff recommends approval of Resolution 11-3-10, authorizing Pierce College local expenditure authority up to \$500,000 for the Fort Steilacoom College's Performance Lounge remodel project.

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

STATE OF WASHINGTON
STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES
RESOLUTION 11-3-10

A resolution relating to Pierce College Local Expenditure Authority.

WHEREAS, the project is an interior remodel of the Fort Steilacoom College's Performance Lounge, an area used for student program activities as well as for college meetings, conferences and presentations; and

WHEREAS, the remodel will be performed in conjunction with other Cascade Core Phase II renovation work, which is funded from a state appropriation; and

WHEREAS, the college's board of trustees has approved the use of student services and activity funds for the renovation.

THEREFORE BE IT RESOLVED that the State Board for Community and Technical Colleges authorizes Pierce College local expenditure authority up to \$500,000 for the Fort Steilacoom College's Performance Lounge remodel project.

APPROVED AND ADOPTED on March 17, 2011.

J.A. Bricker, Chair

ATTEST:

Charles N. Earl, Secretary



REGULAR MEETING AGENDA ITEM

TAB 3d

March 17, 2011

Consent Item Action (Resolution 11-3-11)

Topic

South Puget Sound Community College – Local Expenditure Authority (Building 25 HVAC Replacement and Lighting Upgrades)

Description

South Puget Sound Community College is in the process of replacing the HVAC system and upgrading lighting in the Administration and Student Services Building 25. The college and its board of trustees are requesting local expenditure authority, not to exceed \$769,000, to complete the Building 25 HVAC replacement and lighting upgrades. Expenditures of local funds that exceed \$400,000 requires State Board authorization.

Major Considerations

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

Analysis

In the 2009-11 biennial capital budget, the Legislature appropriated \$704,000 to South Puget Sound Community College for a minor works project to repair the HVAC system in Building 25. While preparing for the project, the college discovered that much more extensive repairs were needed than originally planned. Rather than repairing the HVAC system, it was more economical to replace the system. Funding appropriated by the legislature would cover only about half of the costs. In the same session, the legislature authorized grants for higher education energy projects through the Department of Commerce. The college completed an energy audit and found that if the entire HVAC project was completed in one phase and included lighting upgrades, the college would qualify for the grant. South Puget Sound Community College received a \$375,000 grant from the Department of Commerce. The college also secured \$119,000 in rebates and incentives. Because the original legislative appropriation could not be used for the match funds required in the grant, the college's board of trustees approved an additional \$275,000 from local funds to complete the project.

By upgrading lighting and replacing the HVAC system in Building 25, the college will save 296,355 KW hours of energy each year which equals approximately \$40,000 in utility savings annually.

Recommendation

Staff recommends approval of Resolution 11-3-11, authorizing South Puget Sound Community College local expenditure authority, not to exceed \$769,000, for the Building 25 HVAC replacement and lighting upgrades.

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

STATE OF WASHINGTON
STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES
RESOLUTION 11-3-11

A resolution relating to South Puget Sound Community College's local expenditure authority.

WHEREAS, South Puget Sound Community College is in the process of replacing the HVAC system and upgrading lighting in their Building 25, Administration and Student Services Building; and

WHEREAS, in the 2009-11 biennial capital budget the Legislature appropriated \$704,000 to the college for the Building 25 HVAC minor works project; and

WHEREAS, in preparing for the project, the college discovered the needed repairs were more extensive than anticipated and the appropriated funding would cover only half of the costs; and

WHEREAS, the college received a Department of Commerce grant in the amount of \$375,000 and secured \$119,000 in rebates and incentives; and

WHEREAS, because the original appropriation could not be used for the required match for the grant, the college's board of trustees approved an additional \$275,000 from local funds to complete the project.

THEREFORE BE IT RESOLVED that the State Board for Community and Technical Colleges authorizes South Puget Sound Community College local expenditure authority, not to exceed \$769,000, for the Building 25 HVAC replacement and lighting upgrades.

APPROVED AND ADOPTED on March 17, 2011.

J.A. Bricker, Chair

ATTEST:

Charles N. Earl, Secretary



REGULAR MEETING AGENDA ITEM

TAB 3e

March 17, 2011

Consent Item Action (Resolution 11-3-12)

Topic

Everett Community College – Local Expenditure Authority (Rite Aid Center Plaza Demolition)

Description

Everett Community College is seeking approval to use local funds up to \$1,000,000 to demolish the college's Rite Aid Center Plaza buildings. Expenditures of local funds that exceed \$400,000 requires State Board authorization.

Major Considerations

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

Analysis

Everett Community College's president has delegated authority from the college's board of trustees for the demolition project and has approved the expenditure. The demolition project is scheduled to be completed this summer and the space will become additional parking for the college.

Local funds will be used by the college and the anticipated cost for the demolition is \$1,000,000.

Recommendation

Staff recommends approval of Resolution 11-3-12, authorizing Everett Community College local expenditure authority, not to exceed \$1,000,000, for the Rite Aid Plaza Center demolition project.

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

STATE OF WASHINGTON
STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES
RESOLUTION 11-3-12

A resolution relating to Everett Community College's local expenditure authority.

WHEREAS, Everett Community College is seeking approval to use local funds up to \$1,000,000 to demolish the college's Rite Aid Center Plaza buildings; and

WHEREAS, the college's president has delegated authority from the college's board of trustees for the demolition project and has approved the expenditure; and

WHEREAS, the demolition project is scheduled to be completed this summer and the space will become additional parking for the college; and

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

THEREFORE BE IT RESOLVED that the State Board for Community and Technical Colleges authorizes Everett Community College local expenditure authority, not to exceed \$1,000,000, for the demolition project.

APPROVED AND ADOPTED on March 17, 2011.

J.A. Bricker, Chair

ATTEST:

Charles N. Earl, Secretary



REGULAR MEETING AGENDA ITEM

TAB 3f

March 17, 2011

Consent Item Action (Resolution 11-3-13)

Topic

Yakima Valley Community College – Property Acquisition

Description

Yakima Valley Community College's master plan identifies the need for additional land to accommodate campus growth in order to serve the projected future educational needs of the Yakima region. It is the college's plan to prepare for future expansion by purchasing property as it becomes available and affordable. The college has identified property adjacent to the Yakima campus that is available for purchase. Acquisitions of real property require State Board authorization. The college and its board of trustees are requesting authority to purchase property located at 806 S. 13th Avenue in Yakima, Washington.

Major Considerations

- The project is identified in the college's master plan as property needed for future campus growth.
- The college has sufficient local funds dedicated for this purchase.

Analysis

Yakima Valley Community College will use local funds to purchase the property as approved by the college's board of trustees on June 19, 2008. The college has also received delegated authority from the Department of General Administration to negotiate the purchase of properties that lie within the college's master plan. The negotiated price for the property is \$97,500. The college intends to convert the property to a pay-to-park parking lot.

Recommendation

Staff recommends approval of Resolution 11-3-13, allowing Yakima Valley Community College to purchase property located at 806 S. 13th Avenue, for \$97,500 using local funds.

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

STATE OF WASHINGTON
STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES
RESOLUTION 11-3-13

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

WHEREAS, Yakima Valley Community College has identified property within their master plan that is available for sale; and

WHEREAS, the college's board of trustees has approved the purchase subject to State Board approval; and

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

THEREFORE BE IT RESOLVED that the State Board for Community and Technical Colleges authorizes Yakima Valley Community College local expenditure authority of \$97,000 for the purchase of property located at 806 S. 13th Avenue in Yakima, Washington.

APPROVED AND ADOPTED on March 17, 2011.

J.A. Bricker, Chair

ATTEST:

Charles N. Earl, Secretary



REGULAR MEETING AGENDA ITEM

TAB 3g

March 17, 2011

Consent Item Action (Resolution 11-3-14)

Topic

Olympic College – Property Acquisition

Description

Olympic College has an opportunity to acquire a small parcel of land that is within the college's master plan. The college has local resources set aside to complete the transaction. Acquisitions of real property require State Board authorization. The college is requesting authority to purchase property located at 1312 13th Street in Bremerton, Washington.

Major Considerations

- The acquisition is consistent with the college's master plan.
- The college has sufficient local funds dedicated for this purchase.

Analysis

Bremerton School District currently owns the parcel located at 1312 13th Street. The district has used the existing house on the property to support the high school that is located across the street. Now the school district would like to sell the property. Recognizing the property constitutes the southwest corner of Olympic College's planning boundary, the school district has approached the college about purchasing the site.

Acquisition of the property is consistent with the college's master plan and, if purchased, will eventually be converted to a parking lot. The estimated price is \$96,000. The Department of General Administration is preparing all documents and will negotiate the final agreement and execute the contract upon approval of the State Board. The college has sufficient funds to purchase the property.

Recommendation

Staff recommends approval of Resolution 11-3-14, allowing Olympic College's to purchase property located at 1312 13th Street for \$96,000, plus costs for property transfer assessments and closing costs/recording fees using local funds.

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

STATE OF WASHINGTON
STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES
RESOLUTION 11-3-14

A resolution relating to Olympic College's property acquisition.

WHEREAS, Olympic College has been approached by the Bremerton School District regarding a piece of property they would like to sell that constitutes the southwest corner of the college's planning boundary; and

WHEREAS, the acquisition of the property is consistent with the college's master plan; and

WHEREAS, the college has sufficient funds to cover the acquisition.

THEREFORE BE IT RESOLVED that the State Board for Community and Technical Colleges authorizes Olympic College to use up to \$96,000 plus assessments and closing costs of local funds to acquire property located at 1312 13th Street in Bremerton, Washington.

APPROVED AND ADOPTED on March 17, 2011.

J.A. Bricker, Chair

ATTEST:

Charles N. Earl, Secretary



REGULAR MEETING AGENDA ITEM

TAB 3h

March 17, 2011

Consent Item **Action (Resolution 11-3-15)**

Topic

Community Colleges of Spokane – Local Expenditure Authority (Spokane Falls CC Early Learning Settlement Agreement)

Description

The Community Colleges of Spokane is requesting authorization for the expenditure of up to \$100,000 in local funds for a settlement agreement with OMS for the Spokane Falls Community College's Early Learning Center.

Major Considerations

- The settlement agreement has been approved by the Department of General Administration and the Office of the Attorney General.
- The college has sufficient local funds to cover the settlement agreement.

Analysis

The Community Colleges of Spokane has reached a settlement agreement with OMS, Inc. for the design of the Spokane Falls Community College's Early Learning Center.

In June 2009 and August 2010, OMS sent requests for additional fees totaling \$381,200. The Community Colleges of Spokane denied all but \$17,000 of the additional fees. OMS filed a Request for Mediation and a mediation session was scheduled to be held in December 2010. Just prior to the mediation session, the Community Colleges of Spokane and OMS agreed to settle for \$100,000.

The settlement agreement was approved by the Department of General Administration and the Office of the Attorney General. Local funds will be used to fund the settlement.

Recommendation

Staff recommends approval of Resolution 11-3-15, authorizing the Community Colleges of Spokane local expenditure authority, not to exceed \$100,000, for the settlement agreement with OMS for the Spokane Falls Community College's Early Learning Center.

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

STATE OF WASHINGTON
STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES
RESOLUTION 11-3-15

A resolution relating to the Community Colleges of Spokane local expenditure authority.

WHEREAS, The Community Colleges of Spokane has reached a settlement agreement with OMS, Inc. for the design of Spokane Falls Community College's Early Learning Center; and

WHEREAS, the settlement agreement was approved by the Department of General Administration and the Office of the Attorney General; and

WHEREAS, the Community Colleges of Spokane has sufficient funds to cover the settlement.

THEREFORE BE IT RESOLVED that the State Board for Community and Technical Colleges authorizes the Community College of Spokane local expenditure authority, not to exceed \$100,000, for the Spokane Falls Community College's Early Learning Center Settlement Agreement.

APPROVED AND ADOPTED on March 17, 2011.

J.A. Bricker, Chair

ATTEST:

Charles N. Earl, Secretary



REGULAR MEETING AGENDA ITEM

TAB 3i

March 17, 2011

Consent Item Action (Resolution 11-3-16)

Topic

Everett Community College – Local Expenditure Authority (Wayfinding Signage Project)

Description

Everett Community College is seeking approval to add up to \$75,000 of local funds for its wayfinding signage project. Expenditures of local funds that exceed \$400,000 for a single project requires State Board authorization.

Major Considerations

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

Analysis

In April 2010, Everett Community College received authority to use up to \$375,000 in local funds to implement the campus' wayfinding signage plan including purchase and installation. Since then the college has increased the project scope and is requesting an additional \$75,000 in local funds for the project bringing the total cost to \$450,000.

Recommendation

Staff recommends approval of Resolution 11-3-16, allowing Everett Community College additional local expenditure authority, not to exceed \$75,000, for the wayfinding signage project.

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

STATE OF WASHINGTON
STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES
RESOLUTION 11-3-16

A resolution relating to Everett Community College's local expenditure authority.

WHEREAS, Everett Community College received authority to use up to \$375,000 in local funds to implement the campus' wayfinding signage plan in April 2010; and

WHEREAS, the college has increased the project scope and is requesting an additional \$75,000; and

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

THEREFORE BE IT RESOLVED that the State Board for Community and Technical Colleges authorizes Everett Community College additional local expenditure authority, not to exceed \$75,000, for the wayfinding signage project.

APPROVED AND ADOPTED on March 17, 2011.

J.A. Bricker, Chair

ATTEST:

Charles N. Earl, Secretary



REGULAR MEETING AGENDA ITEM
(March 17, 2011)

TAB 4

Discussion Action

Topic

Budget Status/Tuition Update

Description

In February, the 2011 supplemental budget was enacted. The House and Senate are expected to release their 2011-13 budget proposals after the March 17th revenue forecast. In February, legislative fiscal committees and higher education policy committees requested information on the impacts of three budget reduction scenarios. The community and technical college response was submitted February 28, 2011.

Key Questions

- What are the likely impacts of potential budget reductions next biennium?
- What tuition increase levels are acceptable given the potential budget reductions next biennium?
- Does HB 1909 provide an acceptable mechanism for replacing current core computer applications with an Enterprise Resource Planning (ERP) system?

Analysis

2011 Supplemental Budget Reductions

Two supplemental budgets have been enacted for fiscal year 2011, and a third is expected after the March 17 revenue forecast. The Early Action Supplemental budget enacted in early December reduced state funding for the community and technical colleges by \$26.4 million (4 percent). The 2011 supplemental budget enacted in February takes \$13 million from colleges' local funds to backfill a reduction in state funding for the State Need Grant of \$13 million.

Legislative Request for Budget Reduction Scenario Information

In February, the House and Senate fiscal and higher education policy committees requested information from the two- and four-year college system on three potential budget reduction scenarios. (See Attachment A, SBCTC Response to Budget Reduction Scenarios.) In addition, they asked for recommendations on tuition increases.

The three budget reduction scenarios are:

- The Governor's 2011-13 budget proposal: State funding for the community and technical colleges would decrease to \$580 million in FY 2013, a decrease of 23% from FY 2009 funding level of \$750 million prior to budget reductions.
- A mid-cut budget scenario: State funding for the community and technical colleges would be reduced to \$563 million by FY 2013, a 25% reduction since FY 2009.

- A high-cut budget scenario: State funding would be reduced to \$546 million by FY 2013, a 27% reduction since 2009.

| | Total State Funding \$s in Millions | | Change from |
|--------------------------|--|--------------------|------------------------|
| | <u>2012</u> | <u>2013</u> | <u>2009</u> |
| Governor Proposed | \$608 | \$580 | -23% |
| Mid-Cut Scenario | \$595 | \$563 | -25% |
| High-Cut Scenario | \$583 | \$546 | -27% |

The community and technical colleges are projected to enroll over 163,000 state supported FTE students this year. Under the budget reductions contemplated for next biennium, the colleges cannot maintain this level of enrollment. Under the Governor's and the mid-range cut, enrollments would drop to an estimated 151,000 FTES. Under the high cut scenario, enrollments would drop to an estimated 145,000 FTES. The drop in enrollments will be caused by eliminating high-cost workforce program offerings, further cutbacks to Adult Basic Education programs, as well as cuts to transfer academic course offerings. As a result, the number of degree and certificate completions will decrease and there will be fewer individuals prepared to enter or re-enter the workforce, transfer to a baccalaureate institution, or move from remedial education programs to college-level work.

Tuition and ERP Funding

At the funding levels proposed in each of the three scenarios, the tuition increases needed to backfill the cut in state funding compared to FY 2011 are 18% each year at the Governor's cut level, 20% each year at the mid-cut level, and 23% each year at the high-cut level. Tuition increases of 13% in FY 2012 and 10% in FY 2013 were recommended in the system's response to the Legislature.

The additional 3% tuition increase recommended for FY 2012 would provide funding for a new Innovation Account created by SHB 1909 (promoting innovation at community and technical colleges). Under the bill, up to three percent of tuition (operating fee) revenues would be deposited into the account each year. Funds in the account could be used to implement the system's Strategic Technology Plan to improve student achievement, student services and increase system-wide administrative efficiencies. The ERP would be the first project funded from the account.

Background Information

Attachment A: SBCTC Response to Budget Reduction Scenarios

January 2011 Budget Update:

http://www.sbctc.ctc.edu/general/admin/TAB_6_Budget_Update_final.pdf

December 2010 Budget Status:

http://www.sbctc.ctc.edu/general/admin/December_2010_Complete_Agenda.pdf

Recommendation/Outcomes

The Board will provide feedback on potential tuition increases and on the funding mechanism for the ERP.

Prepared by: Denise Graham, 360-704-4350, dgraham@sbctc.edu



The contents of this letter and the attachment were emailed to the recipients.

March 1, 2011

The Honorable Kathy Haigh, Chair
House Education Appropriations and Oversight Committee

The Honorable Ross Hunter, Chair
House Ways and Means Committee

The Honorable Edward Murray, Chair
Senate Ways and Means Committee

The Honorable Larry Seaquist, Chair
House Higher Education Committee

The Honorable Rodney Tom, Chair
Senate Higher Education and Workforce Development Committee

Dear Committee Chairs:

Please find attached an analysis of the impacts of three budget reduction scenarios on the community and technical colleges, as you have requested. The analysis begins with a description of the cuts already taken and as you will see, we have risen to your challenge to do more with less as the state faced its worst economic crisis in decades. Further budget reductions, however, will have serious implications for our students and the state's economy. From 26,000 to 38,000 individuals across the state will not be educated as a result of further budget reductions. This will negatively affect jobs and economic recovery for the state, as well as the lifetime potential of these individuals. Though we understand the financial difficulties of the state, further reductions to higher education are short-sighted given the long-lasting impacts.

I want to take this opportunity to call to your attention to some of the good work our system has done over the last few years. The community and technical college system is innovative and accountable. We measure performance and we continually look for opportunities to become more efficient.

Innovation

Building on a long tradition of continually updating how we educate students, in the last few years we have implemented the following nationally-recognized innovations:

- Integrated Basic Education Skills Training (I-BEST)
- Opportunity Grants
- Competitive high-demand enrollments
- Student Achievement Initiative
- Growth in eLearning
- Development of open course library

- Common course numbering
- 24/7 Library Reference
- Electronic Lecture Capture
- Online tutoring

Accountability

The Legislature provides funding to the 34 community and technical colleges through the State Board for Community and Technical Colleges. Where the Legislature has identified goals and purposes for specific funding streams, the State Board allocates funds to the colleges based upon enrollments, economic factors, student progress measures, and employment markets—among other factors—to assure that the Legislature’s purposes are being met. The State Board monitors the colleges’ progress toward meeting specific goals, and adjusts funding when goals are not met. These determinations of accountability are transparent to the public and the Legislature in a variety of reports and presentations in open public meetings. Our system and our colleges are accountable.

Performance

We are assisted in measuring performance by the state Workforce Training and Education Coordinating Board, the Higher Education Coordinating Board, and legislative review, as well as our State Board staff who monitor statistics at the campuses. The most visible recent example of performance and accountability is the significant success of our Student Achievement Initiative. Our colleges have elevated student progress, as measured by the Student Achievement Initiative, a total of 26 percent over the first two years of measuring this performance, excluding growth from enrollment.

Efficiencies

System budget cuts from the Legislature combined with greatly increased enrollment levels at the colleges, have resulted in state funding reduction per FTES from \$5,070 in FY 2009 to \$4,100 this year, a reduction of 19 percent. The colleges have been able to serve more students with less by elevating student-faculty ratios, reducing staff, and culling out sections and programs that are not chock full. And with authorized tuition increases, a greater share of the cost of education has been transferred from the state onto students. We have made significant progress toward implementing the efficiency legislation (HB 2634/SB 6359) passed in the 2010 session. Implementation steps are being taken to streamline financial aid administration and other back room functions, to create a single statewide transcript and a single statewide student identifier, and to share curriculum among adjacent districts. Such changes will contribute to cost effectiveness as we move forward.

The decisions and improvements made to date provide a strong foundation for further innovations across our system. We ask that you support our current and future efforts by limiting further budget reductions and giving us the flexibility to make the additional changes within the higher education system for continued progress in educating Washingtonians.

Please contact Denise Graham (dgraham@sbctc.edu 360-407-4350) or me (cearl@sbctc.edu 360-407-4355) with any questions you may have. Thank you.

Sincerely,



Charles N. Earl
Executive Director
State Board for Community & Technical Colleges

Attachment: SBCTC Responses to Budget Reduction Scenarios

SBCTC Response to Budget Reduction Scenarios

Community and Technical Colleges

Community and technical colleges provide affordable access in communities across the state to workforce training through professional/technical and apprenticeship programs; lower-division academic coursework that transfers to baccalaureate institutions; applied baccalaureate degree programs; adult literacy, English as a Second Language, and GED preparation programs; and reading and math courses that prepare students for college-level work.

In short, community and technical colleges are essential to our state's success in building a strong workforce, a vital economy, and healthy communities. The education and training provided by two-year colleges will help lead us out of the current recession -- and then help keep our state's economy strong - - by ensuring that individuals have the skills needed to fill employer demand for workers that strengthen their companies and grow the economy.

Last year, the two-year colleges served nearly 340,000 individuals (161,000 full-time equivalent students (FTES) through state-supported courses. Our students are diverse:

- 30 percent are parents
- 44 percent work while attending school
- 28 percent are unemployed
- 36 percent are students of color (compared to 25 percent of state population)
- They are older than traditional college students at 26 years of age.

Budget Reductions Already Taken

Community and technical colleges have met the challenges of the great recession by providing education to record numbers of students despite significant decreases in state funding.

State funding for the community and technical colleges has been reduced from \$750 million in FY 2009 before the cuts began to \$669 million in FY 2011, a decrease of 11%. At the same time funding has been declining, enrollments at the community and technical colleges are up significantly: from 136,500 FTES in FY 2008 to over 163,000 FTES in FY 2011 -- 20,000 FTES more than the 143,000 enrollment target set in the operating budget bill and an increase of just under 20 percent in three years. State funding per FTE enrollment has gone from \$5,070 in FY 2009 to \$4,100 this year, a decrease of \$970 per student or -19%.

Two 7% tuition increases have helped to offset some of the lost state revenues. Even with tuition increases, however, per student state and tuition funding has decreased from \$6,870 in FY 2009 before the budget reductions began to \$6,290 in FY 2011, a decrease of 8%.

The colleges have dealt with decreased funding and increased enrollments by adding and over-filling course sections, particularly academic transfer courses, while at the same time reducing staffing, hours, and services in other areas of the campus. Colleges routinely cancel low-enrolled courses because they

SBCTC Response to Budget Reduction Scenarios

can no longer afford to offer them; this makes it difficult for students to get the courses they need to complete their degrees.

Access to adult literacy, ESL, and GED preparation courses has decreased as colleges consolidated ABE instruction, including closing off-site facilities, reducing evening and weekend hours of instruction, increasing class size, and limiting hours of instruction per student. The consequence of these budget reduction strategies is decreased access for low-skilled adults, those who are the most affected by today’s economy. ABE enrollment FTES declined by three percent from 2008-09 to 2009-10, and based on Fall 2010 enrollments another decline is expected this year.

In the workforce area, colleges eliminated low-enrolled professional/technical programs across the state including:

- Precision Machining
- Truck Driving
- Computer Information Systems
- Surveying
- Natural Resources – Fisheries and Water Quality
- Geographic Information Systems
- Computer Aided Design
- Auto Body
- Architectural Engineering
- Corrections Officer Training
- Accounting
- Bookkeeping
- Apparel Construction
- Cosmetology
- Carpentry
- Audio Production

Eliminating and cutting back on low-enrolled workforce programs can be seen as an efficiency measure, but it also reduces access and options for students across the state and can have impacts on local employers as well.

2011-13 Budget Reduction Scenarios

Under the Governor’s 2011-13 funding proposal, state funding for the community and technical colleges would decrease to \$608 million in FY 2012 and to \$580 million in FY 2013; this is a decrease of 23% from FY 2009 funding level of \$750 million prior to budget reductions. Under the mid- and high-cut budget scenarios presented by the Legislature, state funding for the community and technical colleges would be reduced by 25% and 27%, respectively, since 2009.

| | Total State Funding \$s in Millions | | Change from <u>2009</u> |
|--------------------------|--|--------------------|--|
| | <u>2012</u> | <u>2013</u> | |
| Governor Proposed | \$608 | \$580 | -23% |
| Mid-Cut Scenario | \$595 | \$563 | -25% |
| High-Cut Scenario | \$583 | \$546 | -27% |

SBCTC Response to Budget Reduction Scenarios

In addition to general budget reductions, the three scenarios discontinue the \$17.6 million in additional Worker Retraining Program funding provided in FY 2011, which supports 3,784 FTES. This funding was provided as one-time; nonetheless, the loss of these dollars will have significant impacts on laid off workers seeking retraining for new jobs.

Tuition Increases

The levels of cuts contemplated for next biennium, on top of the cuts already taken over the last two years, raise significant concerns about both access to and the quality of programs and education at community and technical colleges. To mitigate these concerns, the colleges reluctantly recommend tuition increases that are substantially higher than in the past, along with financial aid funding increases sufficient to offset the additional financial burden on our students.

The colleges are not, however, recommending tuition increases sufficient to backfill state budget reductions. The tuition increases needed to make up for state funding cuts in the Governor's proposal and the two legislative scenarios would jeopardize affordability for community and technical college students. Under the Governor's proposal, two 18% tuition increases would be needed to make up for lost state funding; under the mid-range cut in the legislative scenarios two 20% increases would be needed; and in the high-range cut in the legislative scenarios two 23% increases would be needed.

| Tuition Increases That Would Be Needed Each Year to Make up for Budget Cuts | |
|---|-----|
| Governor's Cut Level | 18% |
| Mid-Cut Level | 20% |
| High-Cut Level | 23% |

The colleges recommend tuition increases of 10 percent each year, with an additional 3% in FY 2012 to implement HB 1909.

Increase Administrative Efficiencies

The additional 3% tuition increase requested in FY 2012 will provide funding for the Innovation Account created by SHB 1909 (promoting innovation at community and technical colleges). Up to 3% of tuition revenues each year will be deposited into the new account, which will be used to implement the community and technical college system's Strategic Technology Plan to improve student achievement, student services and increase system-wide administrative efficiencies. The first project will be to replace existing student and administrative systems with a modern Enterprise Resource Planning (ERP) system. The investment will allow the colleges to gain efficiencies through such means as centralized financial aid processes, a single statewide admissions process, a statewide student identifier, and a single statewide student transcript.

Enrollment and Program Impacts

The community and technical colleges are projected to enroll over 163,000 state supported FTE students this year. If this enrollment level could be sustained, the colleges could make significant contributions toward the state's higher education plan for enrollment and degree attainment. Under the Governor's

SBCTC Response to Budget Reduction Scenarios

proposed budget and the two legislative budget reduction scenarios, however, these levels of enrollment cannot be sustained.

Under the Governor’s and the mid-range cut, enrollments would drop to an estimated 151,000. Under the high cut scenario, enrollments would drop to an estimated 145,000. The drop in enrollments will be caused by eliminating high-cost workforce program offerings, further cutbacks to Adult Basic Education programs, as well as cuts to transfer academic course offerings. As a result, the number of degree and certificate completions will decrease and there will be fewer individuals prepared to enter or re-enter the workforce, transfer to a baccalaureate institution, or go on to college-level work.

Estimated Enrollments at Three Budget Reduction Levels Compared to 2011 Enrollments

| | <u>2011</u> | Governor and Mid Cut <u>2013</u> | <u>Change</u> | High Cut <u>2013</u> | <u>Change</u> |
|------------------------|---------------|--|---------------|--------------------------------|---------------|
| Academic | 66,912 | 62,900 | -6% | 62,300 | -7% |
| Professional Technical | 58,387 | 53,700 | -8% | 49,600 | -15% |
| Basic Skills | 22,461 | 20,200 | -10% | 18,900 | -16% |
| Pre-College | <u>15,321</u> | <u>14,200</u> | <u>-7%</u> | <u>14,200</u> | <u>-7%</u> |
| | 163,081 | 151,000 | -7% | 145,000 | -11% |

Impacts by Program Area

Instruction: Significant efficiencies in instruction have already been gained: Class sizes have been increased, low enrolled professional/technical programs have been culled, and low enrolled course sections are routinely cancelled. As a result, it is difficult to gain further efficiencies in instructional programs and further budget reductions will result in fewer course offerings and the elimination of high-cost professional/technical programs. Enrollment in all mission areas will be reduced. Fewer academic transfer course sections will be offered. High-cost workforce programs are being considered for elimination at colleges across the state. Adult basic education programs will be reduced significantly as the colleges are forced to rely more and more heavily on tuition-paying students (ABE students pay \$25/quarter). In addition, purchases of instructional equipment will be delayed, resulting in some workforce students training on obsolete or deficient equipment as well as closure of equipment intensive programs. Additional changes being discussed at colleges across the state include replacing departing full-time faculty with part-time faculty; eliminating evening, night and summer classes; reducing nursing programs; eliminating parent education courses; and closing satellite centers.

Student Services: Further reductions will be made to services and initiatives known to increase student retention, such as in-person advising and tutoring, and mandatory orientation. As a result, the number of degrees and certificates awarded will decrease. Services such as employment workshops will be eliminated. Fewer staff will further increase financial aid and registration processing times.

SBCTC Response to Budget Reduction Scenarios

Libraries: Libraries have already reduced staffing, hours of operation, and book and learning resource purchases. They will make additional reductions through the same means, further limiting students' access to learning resources.

Administration: Administration provides the infrastructure that supports the institutions, including class scheduling, budgeting and fiscal control, payroll, procurement, academic computing services, data processing, human resources, records management and risk management. Prior reductions to administration through layoffs, attrition, and restructuring, have left these units lean. Further reductions will jeopardize the colleges' ability to respond to emergent needs and adequately plan for the future. For example, the ability of a college to create new Workforce programs in response to changing local needs, such as a new business coming to town, will be limited.

Plant Maintenance and Operation: Savings will be realized from reductions to staffing through furloughs, layoffs, and attrition; further utility conservation measures (electricity, water), and; deferred equipment replacement and purchases. Previous reductions have already resulted in increasing concern over the safety and cleanliness of the campuses. Conditions that gave rise to these concerns will be exacerbated with additional cuts.

Conclusions

The decline in FTE enrollments caused by the budget reductions are equivalent to all state supported enrollments at two and a half colleges at the mid-range cut scenario and to almost four colleges at the high-range cut scenario. The reductions would mean 26,000 to 38,000 individuals across the state would not be able to attend a community or technical college. At the mid-cut level, 750 individuals on average at each of the 34 colleges would not be served and at the high-cut level 1,124 on average at each college across the state.

These individuals are currently demanding public higher education to get job skills to support themselves and their families, and to advance their life-time well-being at critical junctures in their lives. The ABE students are our most deficient academically, and are primarily from the lowest income levels; without publicly funded higher education they will remain at a significant disadvantage and remain low contributors to the state's economic vitality. The academic transfer and professional/technical students not served would have gone on to enter four-year institutions and earn baccalaureate degrees or enter the workforce in high-skilled economically productive jobs. The social and economic costs of not educating these people are substantial. The loss of jobs, opportunity, and prosperity will impact our state for years to come.



REGULAR MEETING AGENDA ITEM **(March 17, 2011)**

TAB 5

Discussion **Action**

Topic

Legislative Update

Description

The 2011 regular legislative session has reached its halfway point and once again the budget deficit faced by the State is the dominant theme. Beyond significant budget challenges, the Legislature is grappling with a variety of policy bills with potential impact to the community and technical college system.

Staff will brief the Board on high impact pieces of legislation being considered.

Key Questions

- Are the policy changes being contemplated by the Legislature consistent with the Board's System Direction Goals?
- Does the Board seek changes to existing policy legislation where the system could reasonably exert influence?

Analysis

At the time of this write-up, the legislative session was reaching the first round of bill cut-off dates. Bills that passed out of the policy committees by February 21st and passed out of the fiscal committees by February 25th must be passed on the floor of the originating chamber by March 7th. Surviving bills are then sent to the opposite chamber for committee assignment and consideration. March 25th is the last day for consideration of bill from the opposite chamber. Budget bills and any bills considered "necessary to implement the budget" are exempt from these cut-off deadlines.

Bills of significance to the system include:

HB 1631 (Reykdal): The Legislature intends that consistent and predictable state funding be provided for community and technical college academic employee salary increases. The bill directs the SBCTC to include in its biennial budget request an amount sufficient to grant academic employee increments. The biennial budget request of the SBCTC will be based on 0.8 percent of the academic employees' salary plus the value of associated benefits. The bill permits college boards of trustees to use additional funds for faculty increments in years when the Legislature does not provide increment funding.

SHB 1792 (Sells): Directs WSU to convene council to develop a plan to establish a “University Center Partner” in Everett. The plan must come back to the legislature for approval before implementation. WSU is also directed to establish a high demand program at the University Center of North Puget Sound by December 2012.

2SSB 5636 (Haugen): The bill assigns management and leadership of the North Puget Sound University Center at Everett Community College to Washington State University, after a plan is developed. The bill only takes effect after the HECB determines whether a needs assessment is required under the system design plan, and if so, conducts a needs assessment and recommends that the plan should move forward.

2SHB 1909 (Reykdal): The proposed legislation creates the Community and Technical College Innovation Account to implement the Strategic Technology Plan. The bill allows for the transfer of up to 3 percent of tuition (operating fees) to the Innovation Account for improving student achievement and efficiency. The bill authorizes expenditures from the Innovation Account for projects, such as the ERP, to implement the system's Strategic Technology Plan.

Staff will provide more current information on all bills of significance to the Board at the meeting.

Background Information

January 2011 – Legislative Update

http://www.sbctc.ctc.edu/general/admin/Tab_8_Legislative_Update_Final.pdf

December 2010 – Legislative Session Outlook and Legislative Policy Principles:

http://www.sbctc.edu/general/admin/Tab_6_December_Complete.pdf

October 2010 - Legislative Session Outlook:

<http://www.sbctc.ctc.edu/general/admin/CompleteAgendaPacketOctober2010.pdf>

September 2010 - Budget & Legislative Strategy:

http://www.sbctc.ctc.edu/general/admin/2010_Complete_Retreat_Agenda.pdf

Recommendation/Outcomes

The board will be briefed on significant policy legislation that affects the college system. Staff is seeking board input on changes needed to policy legislation where the system could reasonably exert influence and direction.

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