



**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**

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**January 20, 2011**

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STATE OF WASHINGTON  
STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES  
Olympia

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

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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.

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J. A. Bricker, Chair

ATTEST:

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Charles N. Earl, Secretary