

STATE BOARD MEETING MINUTES

Martin Valadez, Chair // Kady Titus, Vice Chair // Chelsea Mason-Placek // Mack Hogans // Ben Bagherpour // Jay Reich // Crystal Donner // Emily Yim // Bernal Baca

Nate Humphrey, Executive Director // Marianna Watson, Executive Assistant

Statutory Authority: Laws of 1991, Chapter 28B.50 Revised Code of Washington

Regular Business Meeting: Wednesday, August 20, 2025 // 1 p.m. to 4:55 p.m.
Board Retreat: Thursday, August 21, 2025 // 8:30 a.m. to 3:30 p.m.

The Heathman Lodge: 7801 NE Greenwood Dr, Vancouver, WA 98662 (General Howard Ballroom)
 Hybrid option via Zoom

State Board Members Present: Martin Valadez, Chelsea Mason-Placek, Jay Reich, Ben Bagherpour, Crystal Donner, Kady Titus, Emily Yim (August 21)

State Board Members Absent: Bernal Baca, Mack Hogans, Emily Yim (August 20)

Regular business meeting

The State Board held a regular business meeting on August 20, 2025, from 1 p.m. to 4:55 p.m. The board was presented with consent agenda items that included local expenditure authority requests, a language update to the agency’s retirement plan, and a request to formally commend the life and service of Earl Hale, former SBCTC executive director, in the wake of his passing. The board also heard the final presentation on the allocational model recommendations, and held a discussion about the agency’s monitoring report. Reports were provided by the ACT and WACTC presidents, along with representatives from system unions. The meeting concluded with a report from the executive director.

Welcome and board member introductions

Vice Chair Kady Titus called the meeting to order at 1 p.m., welcomed those present, and asked the board members to introduce themselves.

Land and labor acknowledgement

Board Member Chelsea Mason-Placek read the Land and Labor Acknowledgement.

Approval of consent agenda

Vice Chair Titus requested a vote to approve the consent agenda as is.

- SBCTC Board Meeting Minutes – June 2025
- Background on Retirement Savings Plans Sponsored by the State Board and Plan Language Updates for Compliance with SECURE Act 2.0

Resolution 25-08-30

- Tacoma Community College – local capital expenditure authority for B2 Auditorium

improvements

Resolution 25-08-31

- Bellevue College – local capital expenditure authority for Building B elevator refurbishment

Resolution 25-08-32

- Bellevue College – local capital expenditure authority for Building D HVAC replacement and roofing repairs

Resolution 25-08-33

- Bellevue College – local capital expenditure authority for D Building Roofing

Resolution 25-08-34

- Commendation of Earl Hale’s life and career in service to the community and technical colleges system

Resolution 25-08-35

Motion: Moved by Vice Chair Titus, seconded by Board Member Mason-Placek, and unanimously approved by the Board, the adoption of the August 20, 2025 consent agenda.

Public comments

There were no public comments.

Final Presentation of Allocation Model Recommendations

Stephanie Winner, operating budget director, introduced herself along with her co-presenters: Ivan Harrell, president of Tacoma Community College; Chad Hickox, president of Walla Walla Community College; and Carli Schiffner, president of Grays Harbor College. Their presentation centered around the final recommendations for the allocation model, which were approved by college presidents and chancellors at the WACTC retreat in July. Dr. Harrell explained the process and principles guiding the model's revision, noting that the redistribution of existing funds would impact some institutions more than others. The presentation included a timeline of the work done over the past year and a half, highlighting key steps and feedback received along the way.

Dr. Harrell went on to review and discuss a new funding allocation model for colleges. He presented the recommendations for increasing the minimum operating allocation from \$2.85 million to \$3.7 million per college, eliminating enrollment targets, and updating the skills gap list to better reflect current workforce needs. He also discussed several changes, including keeping certain earmarked funds and adjusting the implementation timeline to a six-year phased approach starting in 2026. The presentation highlighted that this model is aligned with State Board strategic goals, particularly increasing access and retention among marginalized populations, and supporting financial sustainability of colleges. Regular review cycles were established for various components of the model to ensure ongoing adaptation to changes and emerging needs.

The conversation then shifted to overall implementation of the allocation model. Dr. Harrell shared that much discussion regarding implementation took place during the July WACTC retreat. The Board took a moment to commend the allocation model committee for their work achieved during the last two years.

The Board voiced concerns about the implementation portion of the allocation model

recommendations, such as the implementation date not being initiated until July 20, 2026, and the overall implementation process spanning the course of approximately seven years. Board Member Jay Reich stated that by the time a measurable amount of the allocation model is implemented, it would be too late. He also said a four-year implementation would be more reasonable and fairly allocated. All three presidents responded that the slower roll-out is a more equitable approach for the colleges, particularly for the institutions experiencing greater disenfranchisement. Board member Reich asked if there was a different way to implement the allocation model faster that still addresses these inequities.

Choi Halladay, deputy executive director for business operations, joined the conversation to explain that there are some colleges in the CTC system that would feel great financial constraints were the allocation model implementation to be sped up beyond the six years presented to the board. He also emphasized that there isn't one perfect solution to executing this model. However, he stated that a compromise might be reached by continuing the six-year implementation plan with a linear change model as opposed to a ramp-up model.

Board Member Ben Bagherpour thanked the committee for their work, noting that it is difficult to find a plan that appeases all parties. He also agreed with Board Member Reich's earlier comments that a 7-year rollout is too long of a timeline and asked the committee if they have a contingency plan to address unanticipated events that may come up over the next seven years, such as another pandemic. Dr. Harrell responded that the committee would not reconvene to strategize a change to the implementation process were something like that to happen. He stated that whatever has been decided about the implementation process, such as the timeframe and any percentages, will not change.

Board Member Bagherpour commented on the forecast for the CHIPS (Creating Helpful Incentives to Produce Semiconductors) and Science Act and expressed hope that the committee would explore ways to bring additional technology-based jobs to Washington.

Board Member Chelsea Mason-Placek then pointed out that the resolution for the allocational model recommendations does not actually address the implementation phase and asked Mr. Halladay to clarify his point on a linear change model versus a ramp-up model. He went on to explain that the college presidents and chancellors strongly favored the 6-year implementation of the allocation model.

After continued discussion of the six-year rollout, the Board agreed to approve the allocation model recommendations resolution except for the portion about implementation. That will be tabled for further discussion at the next meeting in October, allowing time for presidents to consider a fixed-rate approach and for staff to mediate a potential compromise.

Motion: Moved by Vice Chair Titus, seconded by Board Member Mason-Placek, unanimously approved by the board, the amended resolution for the allocation model recommendations.

Discussion of SBCTC's monitoring report

Choi Halladay, deputy executive director for business operations, presented an in-depth analysis of fiscal health measures for community colleges, highlighting examples of healthy, average, and struggling institutions. While the names and identifying qualities for each example were removed, the

presentation showcased real financial outlooks for four different colleges within the CTC system. The key indicators of financial health for each of these examples included operating funds cash and investments/reserves per operating expenditures, operating revenue to debt amounts, local funds operating margins, and tuition per FTE rates. Mr. Halladay also discussed the importance of reserves and tuition per FTE, noting that some colleges struggle due to high debt, low revenue, or excessive non-tuition paying students.

Upon hearing these different examples, Chair Valadez asked if the Board has best practices or recommended ranges in place for these financial ratios. Mr. Halladay responded that while general guidelines exist, they can vary by college due to factors like infrastructure needs. Board Member Reich then asked when, during an institution's financial struggles, their struggles are brought to the board and the state legislature. He commented on the role of the Board, noting that although the Board is not responsible for individual colleges, the colleges are part of the system which the Board must support and guide.

The discussion continued over the need for a formal protocol to monitor and address the fiscal health of the colleges within the system. Mr. Halladay explained the current process of producing annual financial reports for each college and highlighted the challenges in communicating these reports to the appropriate stakeholders. The Board discussed the importance of establishing clear metrics and thresholds to identify early when colleges are struggling and determine appropriate actions. They also considered the role of local boards of trustees in overseeing college finances, and the need for better coordination between different levels of governance. The conversation ended with a call for further discussion on developing a comprehensive system for monitoring and addressing fiscal health across the college system.

WACTC report

Joyce Loveday, president of Clover Park Technical College and newly elected president for WACTC, introduced herself, along with Bob Mohrbacher, president of Centralia College, and WACTC president-elect. Dr. Loveday then took a moment to welcome Mr. Humphrey to the agency and thanked him for coming aboard.

She reported to the board on the July WACTC retreat, where the allocation model was reviewed and approved, with appreciation for the work of multiple committees and staff to make things possible.

ACT report

Wendy Bohlke, ACT president, gave an update on various ACT board activities, including the ACT director's retreat which took place earlier in the month, and the ACT Fall Conference that is happening in November. Nick Brown and Denny Heck will attend that event. She congratulated Amy Morrison, president of Lake Washington Institute of Technology and former WACTC president, for her CEO award from ACT.

System unions report

Jacqui Cain, new president of AFT Washington, told the Board she is excited about her new role and is looking forward to working more closely with them. She then highlighted ongoing issues with high demand pay distribution among colleges and announced a new task force to study job security for contingent faculty.

Suzanne Southerland is the new coordinating chair for WEA, after Sue Nightingale resigned to take a dean position at Bellevue College. She provided similar sentiments of being excited about the role and looking forward to working with the board.

Executive director's report

Nate Humphrey, executive director, mentioned to the board that he has been in his role now for 20 days and expressed excitement at being back at the agency. He then asked for a moment of reflection to remember the life and legacy of former SBCTC executive director Earl Hale, in the wake of his passing last month. He went on to thank Ms. Winner and Drs. Harrell, Hickox, and Schiffner for the tremendous amount of work put into the allocation model committee, along with agency staff for their continued communication with the colleges throughout the process.

Mr. Humphrey highlighted the importance of listening in his new role and spending time with the agency's students, colleges, and strategic partners. He is focused on bolstering those relationships throughout the fall and improving metrics for overall student success. He thanked everyone for his support during his first three weeks on the job and is looking forward to continuing the work.

Board discussion and chair's report

Chair Valadez discussed attending the ACCT new board member conference in Pittsburgh, PA, earlier in the month. While he himself is not a new board member, he stated that he still found a lot of value in attending. He highlighted the importance of financial training for the Board to be able to more easily identify financial health within a college, better understand all financial documents presented to the group, and ask better questions during finance-related presentations.

Chair Valadez also discussed the upcoming ACCT Leadership Congress in New Orleans, LA, which he will attend this October and is looking forward to it.

Adjournment

Vice Chair Titus adjourned the meeting at 3:52 p.m.

Board Retreat

The State Board held its annual retreat on August 21, 2025, from 8:30 a.m. to 3:30 p.m. Members were given a presentation on board meeting polices and the Open Public Meetings Act by Aileen Miller, senior counsel with Washington's Office of the Attorney General. There was also a presentation by Mary Spilde, president emerita at Lane Community College, on board governance, board-executive director relationships, inter-board communications, and best practices for upcoming meetings.

Attest



Nate Humphrey, secretary



Martin Valadez, chair