

# STATE BOARD SPECIAL MEETING AGENDA

Thursday, September 11, 2025 // 2 p.m. to 3 p.m.

Zoom link: <https://us02web.zoom.us/j/87004822004?pwd=Aw4crSgM4Ge0ffaCqzIwdwXlzon0fq.1>

Viewing location: SBCTC Agency Office, Room 1213 (1500 Jefferson St SE, Olympia, WA 98501)

**\*Please note that all Board members will participate via Zoom\***

## Board Members

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*

## Agenda

Time	Item	Activity
2 p.m.	<b>Welcome and Adopt Agenda</b> Martin Valadez, Chair	
2:05 p.m.	<b>Consideration of 2026 Supplemental Operating Budget Request</b> <b>Resolution 25-09-37</b> Nate Humphrey, Executive Director Stephanie Winner, Director, Operating Budget	(Action)
2:35 p.m.	<b>2026 Supplemental Capital Budget Request</b> <b>Resolution 25-09-38</b> Nate Humphrey, Executive Director Darrell Jennings, Director, Capital Budget	(Action)
3 p.m.	<b>Adjournment</b> Next meeting: October 15-16, 2025 at SBCTC Office in Olympia, WA	

**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

## REGULAR (RESOLUTION 25-09-37)

September 11, 2025

### Consideration of the 2026 Supplemental Operating Budget Request

#### Brief Description

In even-numbered years, the Legislature adopts a supplemental operating budget. Requests for the 2026 supplemental operating budget should focus on high priority emergent needs, necessary corrections to the enacted biennial operating budget, and initiatives that meet the state's highest priority needs for the most efficient, high-quality services to the public over the long term. The proposals described below have been discussed with the college presidents and represent staff recommendations for the 2026 supplemental operating budget request.

#### How does this item link to the State Board's Strategic Plan?

Under RCW 28B.50.090 the State Board is responsible for submitting a single budget to the governor and state Legislature on behalf of the 34 community and technical colleges in the system. These systemwide budget requests are essential to sustaining and advancing student success across Washington.

The proposed 2026 supplemental operating budget request directly advances the goals of the State Board's strategic plan, which emphasizes:

**Equitable student success:** Competitive salaries enable colleges to retain high-quality, diverse faculty and staff, who are essential to delivering equity-centered instruction and support services that help historically underserved students thrive.

**Agile, career-relevant learning:** Stable compensation funding ensures that colleges can sustain and expand workforce-aligned programs, keeping pace with labor market demands and delivering responsive, relevant education.

**Institutional financial health:** Ensuring full state funding for compensation protects colleges from budgetary stress. Without it, institutions are forced to divert scarce resources—particularly tuition revenue, which is constrained by Washington's statutory tuition cap ([RCW 28B.15.067<sup>1</sup>](#))—away from instructional programs and student services to cover salary costs. This undermines institutional stability and long-term resilience.

#### Background information and analysis

Effective July 1, 2025, the Washington State Legislature appropriated \$2.46 billion to the state's community and technical college system for the 2025–27 biennium. This represents a 2.8% increase compared to the previous biennium. Despite significant budget challenges during the 2025

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<sup>1</sup> RCW 28B.15.067 – Sets limits on tuition operating fee increases at Washington's public institutions of higher education.

legislative session, reductions to the system were relatively modest, with a clear emphasis on preserving core programs and services that directly impact student success.

One notable budgetary change was the shift to a fund split for employee compensation increases. Under this approach, the cost of salary increases is shared between the state and higher education institutions, with more than 20% of the cost covered by tuition operating fee revenue. Because tuition increases are capped and cannot keep up with inflation or new operating requirements, the partial shift of compensation costs onto institutions compounds pressure on college budgets and risks undermining their ability to deliver high-quality instruction and student services.

Washington's community and technical colleges play an essential role in workforce development, economic mobility, and equitable access to higher education. To safeguard instructional quality and preserve access, compensation increases should be fully funded with Near General Fund-State dollars. Shifting costs to colleges risks creating long-term instability, undermining the very programs the Legislature seeks to protect. The following proposal for the 2026 supplemental operating budget was prepared with those considerations in mind.

#### **Fully Funded I-732 Cost of Living Increase - \$10 million**

This maintenance-level request is technical correction to align state funding with the statutory requirements of Initiative 732, RCW 28B.50.465, RCW 28B.50.468, and [SB 5790](#) (2025). Current law requires the state to fully fund cost-of-living adjustments (COLAs) for academic employees in the community and technical college system based on the cost-of-living index as defined in statute.

#### **Fully Funded Represented and Non-Represented General Wage Increase - \$18 million**

The Washington State Board for Community and Technical Colleges seeks full state funding for salary and benefit increases for classified and non-represented staff, reinstating the policy that the legislature re-adopted in the 2023-25 fiscal biennium after many years of pausing full state support. Providing full state support ensures equitable compensation, lessens the budget pressures colleges are facing, and promotes workforce stability.

### **Recommendation/preferred result**

Staff recommend passage of Resolution 25-09-37

Policy Manual Change Yes ☐ No ☒

Prepared by: Stephanie Winner, operating budget director  
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## **STATE OF WASHINGTON**

### **STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES**

### **RESOLUTION 25-09-37**

A resolution relating to the agency request for the 2026 supplemental operating budget.

**WHEREAS**, under RCW 28B.50.090 the State Board submits a single budget to the governor and Legislature on behalf of Washington's 34 community and technical colleges; and

**WHEREAS**, the supplemental operating budget process provides an opportunity to address urgent needs, technical corrections, and high-priority initiatives that strengthen efficient, high-quality services to the public; and

**WHEREAS**, the State Board's Strategic Plan emphasizes equitable student success, career-relevant learning, and institutional financial health; and

**WHEREAS**, colleges face rising costs and limited tuition revenue due to the statutory tuition cap, making it difficult to fund compensation increases without cutting programs and services; and

**WHEREAS**, full state funding of employee compensation is critical to recruiting and retaining faculty and staff, protecting financial stability, and maintaining high-quality programs and student services.

**THEREFORE BE IT RESOLVED**, that the State Board for Community and Technical Colleges authorizes a 2026 supplemental operating budget request, which includes:

- **\$10 million** for fully funded I-732 cost-of-living adjustments for academic employees; and
- **\$18 million** for fully funded represented and non-represented general wage increases.

**BE IT FURTHER RESOLVED**, that the State Board for Community and Technical Colleges authorizes the Executive Director to make adjustments to this action, including any necessary changes to the State Board's Policy Manual, as necessary, for actions taken by the Governor, Legislature, data corrections, externally imposed restrictions or guidelines, uniform accounting and reporting requirements, and unanticipated changes in state or federal law.

**APPROVED AND ADOPTED** on September 11, 2025

Attest

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Nate Humphrey, secretary

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Martin Valadez, chair

## **REGULAR ITEM (RESOLUTION 25-09-38)**

September 11, 2025

### **2026 supplemental capital budget request**

#### **Brief Description**

This board memo addresses the final development and submittal of the State Board's 2026 supplemental capital budget request.

#### **How does this item link to the State Board's Strategic Plan?**

Facilities and infrastructure at colleges are essential in providing for student success at all 34 of Washington's community and technical colleges. The facilities built and maintained using funds from the capital budget support the State Board's goals by increasing access to postsecondary education, promoting student achievement, and success within a framework of diversity, equity, and inclusion.

#### **Background information and analysis**

The 2026 supplemental capital budget is primarily intended to make technical corrections to the 2025-2027 enacted biennial budget and to fund urgent needs and projects that cannot be deferred until the next biennium. The Legislature could fund the system's supplemental capital budget from two potential sources of state funding: bond capacity and the Climate Commitment Act.

The Legislature reserved an estimated \$348 million in state bond capacity for the 2026 supplemental capital budget to support all state-funded capital projects. Bond funding is the primary source of funding for state capital construction projects. This estimate was based on the revenue projections used in developing the biennial budget and will be revised during the 2026 legislative session to reflect current economic conditions.

The Climate Commitment Act (CCA) is another source of potential funding for capital projects. CCA revenue funds state climate initiatives through a cap-and-invest program, generating revenue by auctioning emission allowances to the state's largest polluters. Funds are reinvested by the Legislature into projects and programs supporting the state's climate goals. To date, the CCA has generated over \$4 billion since 2023. Future revenues are dependent on future auctions.

Agency supplemental budget requests are due to the Office of Financial Management on Sept. 15.

#### **Major capital project pipeline (\$87 million, state bonds)**

Thirty-one major capital projects are currently in the State Board's capital project pipeline. Six of those projects previously received design funding and are currently paused until the Legislature appropriates funding for construction. Delays between the design and construction phases increase costs not only due to inflation, but also because evolving building codes and requirements may necessitate redesigning for compliance. Funding gaps between phases also introduces added complexity and cost to project management and delivery. Due to the limited availability of state bond funding for the 2026 capital budget, only the next two major capital projects from the pipeline are

submitted for consideration.

### **Decarbonizing district energy systems (\$56 million, Climate Commitment Act)**

In 2023, legislation ([HB 1390](#)) required owners of state district energy systems serving at least five buildings and 100,000 gross square feet of conditioned space to develop 15-year decarbonization plans for heating the connected buildings. Eight college systems fall under this requirement and have submitted plans representing more than \$500 million in upgrades (current value). Seven of these colleges are ready to begin implementing their plans with the supplemental request.

### **Addressing state climate priorities (\$8 million, Climate Commitment Act)**

The State Board is developing programs and budget requests to help colleges implement energy conservation projects that reduce utility costs and mitigate budget impacts. These efforts also contribute to greenhouse gas emission reductions required under [RCW 70A.45.050](#). By aligning energy conservation with decarbonization strategies, the State Board aims to support colleges in balancing cost reductions with progress toward state policy goals.

### **Local funding and alternative financing requests**

In addition to direct appropriation requests, colleges are required to seek State Board approval to expend local funds for capital projects and to seek legislative approval for capital projects they wish to finance using local funds. This financing mechanism requires legislative authorization through the budget, with debt service repaid by local college funds.

Both Lower Columbia College and Spokane Community College are requesting alternative financing authority through the State Treasurer's real estate Certificate of Participation program. On July 30, 2025, the Lower Columbia College Board of Trustees requested authority to finance up to \$3 million for improvements for the David Story Field Improvements project.

On Sept. 9, 2025, Spokane Community College Board of Trustees requested authority to spend up to \$10 million in local funds and to finance up to \$15 million for the renovation of the East Wing of the Main Building (UFI: A08547).

Consistent with State Board policy 6.30.30, both colleges have identified sufficient revenue and reserves for the debt service, operating, and maintenance.

### **Recommendation/preferred result**

Staff recommends approval of Resolution 2025-09-38, authorizing the 2026 supplemental capital budget request as represented in Attachment A on behalf of the community and technical college system. The request is focused on funding for projects in the State Board's pipeline of major projects and meeting needs related to the state's aggressive climate requirements. This will result in a system capital budget request of approximately \$150 million, plus alternative financing authorities.

Policy Manual Change Yes ☐ No ☒

Prepared by: Darrell Jennings, capital budget director  
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## **STATE OF WASHINGTON**

### **STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES**

### **RESOLUTION 25-09-38**

A resolution relating to the preparation and submittal of the State Board's 2026 supplemental capital budget request.

**WHEREAS**, the State Board is required to develop a single, prioritized list of projects for the community and technical college system on behalf of the colleges seeking state capital appropriations; and

**WHEREAS**, the Legislature generally considers a supplemental capital budget during even years of the biennium to address technical corrections to the biennial budget and for urgent priorities that cannot wait until the next biennial budget; and

**WHEREAS**, the expenditure of capital funds, and each capital improvement project affecting educational facilities, must be approved by the State Board; and

**WHEREAS**, the 2025 Legislature reserved approximately \$348 million in estimated state general obligation bond capacity for the 2026 supplemental capital budget; and

**WHEREAS**, the most urgent capital needs for the system include unfunded major projects from the State Board's major capital project pipeline, as well as initiatives to implement required decarbonization plans, improve energy efficiency, and reduce greenhouse gas emissions to comply with state requirements are shown in Attachment A.

**WHEREAS**, Lower Columbia College is requesting alternative financing authority of up to \$3 million for field improvements to David Story athletic field and Spokane Community College is requesting \$10 million in local spending and alternative financing authority of up to \$15 million for a project to renovate the east wing of Main Building.

**THEREFORE, BE IT RESOLVED**, the State Board for Community and Technical Colleges approves and directs the State Board to develop and submit a 2026 supplemental capital budget request on behalf of the college system as set forth in Attachment A; and

**BE IT FURTHER RESOLVED**, that the State Board for Community and Technical Colleges authorizes the Executive Director to make adjustments to this action, including any necessary changes to the State Board's Policy Manual, as necessary, for actions taken by the Governor, Legislature, data corrections, externally imposed restrictions or guidelines, uniform accounting and reporting requirements, and unanticipated changes in state or federal law.

**APPROVED AND ADOPTED** on (September 11, 2025)



Attest

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Nate Humphrey, secretary

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Martin Valadez, chair



Attachment A

2026 Capital Budget Request					
Priority	College	Number	Project	Funding phase	Appropriation request
1	Cascadia	40000222	CC5 Gateway building	Construction	\$ 42,112,000
2	Edmonds	40000114	Triton Learning Commons	Construction	\$ 44,819,000
3	Seattle Central	40001348	EcoDistrict Decarbonization	Design & Construction	\$ 22,409,000
4	North Seattle	40001347	District Energy Decarbonization Phase 1	Design & Construction	\$ 7,877,000
5	Clark	40001349	District Energy Decarbonization Phase 1	Design & Construction	\$ 21,307,000
6	Systemwide	40001338	CTC Building Tune-up Program	Grant Program	\$ 2,000,000
7	Edmonds	40001342	District Energy Decarbonization Electrical Supply Study	Design & Construction	\$ 639,000
8	Highline	40001345	District Energy Decarbonization Phase 1	Design & Construction	\$ 1,020,000
9	Tacoma	40001344	District Energy Decarbonization Electrical Supply Study	Design & Construction	\$ 717,000
10	Cascadia	40001346	Cascadia/UW Bothell District Energy Decarbonization Phase 1	Design & Construction	\$ 302,000
11	Systemwide	40001339	CTC Building HVAC Control-to-Schedule Upgrades	Grant Program	\$ 2,000,000
12	Systemwide	40001340	CTC HCFC-22 Refrigerant System Replacement	Grant Program	\$ 4,000,000
					<b>\$ 149,202,000</b>

Certificate of Participation/Alternative Financing Requests				
College	Number	Project	Funding phase	Alternative financing authority request
Lower Columbia	40001341	David Story Field Improvements	Design & Construction	\$ 3,000,000
Spokane	40001343	Main Building East Wing Renovation	Design & Construction	\$ 15,000,000