

STATE BOARD MEETING MINUTES

Martin Valadez, Chair // Kady Titus, Vice Chair // Crystal Donner // Debra Entenman // Mack Hogans // Chelsea Mason-Placek // Jay Reich // Jeff Wagnitz // Emily Yim

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

Statutory authority: Laws of 1991, Chapter 28B.50 Revised Code of Washington (RCW)

Study session: Wednesday, Apr. 8, 2026

Regular meeting: Thursday, Apr. 9, 2026

South Seattle College (6000 16th Ave. SW, Seattle, WA 98106)

Hybrid option via Zoom

State board members present: Martin Valadez, Kady Titus (Apr. 8), Debra Entenman, Mack Hogans, Chelsea Mason-Placek, Naria Santa Lucia, Jay Schmidt, Jeff Wagnitz, Emily Yim

State board members absent: Kady Titus (Apr. 9)

Study session

The State Board held a study on Apr. 8, 2026, from 1–5 p.m.

Welcome and board member introductions

Chair Martin Valadez called the meeting to order at 1:02 p.m., welcomed those present, and asked the board members to introduce themselves.

Land and labor acknowledgement

Board Member Jeff Wagnitz read the Land and Labor Acknowledgement.

New board member introductions

Executive Director Nate Humphrey called on newly appointed Board Members Naria Santa Lucia and Jay Schmidt to introduce themselves to the group.

2026 legislative session wrap-up

Arlen Harris, Legislative Director, provided the board with a recap of the 2026 legislative session. It adjourned on March 12 after a 60-day supplemental cycle focused on refining the state's operating, capital, and transportation budgets. At the beginning of the legislative session, the revenue forecast anticipated a roughly \$900 million shortfall over the next two years. In February, some relief came in with a new forecast with increased revenue.

Mr. Harris stated that, in response to a multibillion-dollar deficit last session, lawmakers increased revenue and reduced agency spending. For the community and technical college system, this resulted in operational reductions, a cut to summer Running Start, and a backfill to the Washington Public Employees Association (WPEA) cost-of-living adjustment (COLA) funding for some college staff. Many colleges are now facing difficult choices about programs and day-to-day operations.

He informed the board that a central priority for the 2026 session was restoring full state funding for employee compensation. The State Board for Community and Technical Colleges (SBCTC) appreciate the Legislature's action to provide general wage increases in fiscal year (FY) 2026 and FY2027 for classified and non-represented employees.

However, the enacted budget only funded a portion of these increases, requiring colleges to cover the remaining costs with tuition revenue and local dollars. With personnel costs making up more than 80% of college operating budgets, institutions have limited capacity to absorb unfunded obligations. The request to fully fund compensation increases was not included in the conference budget.

Regarding the 2026 supplemental operating budget, what was ultimately passed by the Legislature reflects earlier House and Senate proposals with some minor adjustments.

- Funding 79% of compensation increases, leaving colleges responsible for the remaining 21% (approximately \$28 million statewide)
- Reducing state appropriations for higher education by \$71.2 million over the biennium, replacing those funds with the building fee revenue from tuition
- Elimination of funding for Centers of Excellence beginning in FY2027
- Restoration of proviso language for the College Affordability Program, Guided Pathways implementation, nurse educator salary increases, and high-demand faculty salary increases
- A \$2.2 million administrative reduction
- Prohibition on the use of state funds for external governmental relations, and direction to prioritize retaining staff who provide direct student support during administrative reductions
- With the passage of Senate Bill (SB) 6260, Running Start access for high school students will be reduced from 1.4 full-time equivalent (FTE) to 1.3 FTE—effectively cutting one class per year for the 2026-27 and 2027-28 academic years before being restored to 1.4 FTE. This decision was made despite significant growth in summer participation (over 400%) and strong early gains in degree completion, retention, and overall student success following the program's expansion in 2023-24.

For the 2026 supplemental capital budget, the final version of the budget includes \$20 million in new appropriations for the community and technical college system. These specific investments advance our highest priorities related to major project readiness, climate action, and improved stewardship of existing facilities. It also provides \$5 million for Cascadia College's CC5 Gateway Building and \$11 million for Seattle Central College's EcoDistrict decarbonization project.

In addition, the Legislature appropriated \$2 million for a statewide building tune-up grant program and \$2 million for a statewide HVAC controls-to-schedule grant program administered by SBCTC. Together, these investments support both near-term project momentum and systemwide energy efficiency improvements.

Mr. Harris stated the Legislature also increased the major project predesign threshold from \$10 million to \$15 million, reducing administrative burden and accelerating project development. In addition, the Legislature approved an increase to the small works roster limits, gradually raising the value of projects that may use this contracting method from \$350,000 to \$500,000, beginning July 1, 2026, and \$1 million beginning July 1, 2027. These changes are intended to provide greater flexibility for delivering smaller capital projects while reducing administrative requirements

associated with full public works bidding. The budget also provides funding for the Department of Commerce to convene a work group to prioritize district energy decarbonization projects statewide.

Financial sustainability work update

Choi Halladay, SBCTC's Deputy Executive Director for Business Operations, led a discussion about financial sustainability metrics and recommendations being developed by the Business Affairs Commission, alongside Teri Sexton, SBCTC's Director for Accounting, and Jacob Jackson, Vice President for Finance and Administration at Renton Technical College. This is motivated by concerns about reputational risk, legislative restrictions, and inconsistent financial conditions.

Mr. Halladay emphasized the different reasons why the metrics are needed, including:

- System credibility and prevention of legislative intervention
- Lessons from K-12 districts in binding conditions
- Rising long-term costs from collective bargaining agreements
- Need for consistent analysis of student-funded debt service and reserves
- SBCTC's RCW authority to set minimum fiscal standards

The overall objective for the financial sustainability framework is to develop a uniform financial analysis, metrics, and review process applied consistently across all colleges to ensure fiscal sustainability.

The group discussed some of the challenges they have faced during this process, such as issues with CTClick conversion, inconsistent reserve classifications, missing or late entries, manual processes, and low trust in current fiscal indicators. There is demonstrated need for a proactive partnership approach rather than a monitoring role, with the goal of developing standardized reports and annual processes to support colleges effectively.

Mr. Halladay stated the system they are working on will use data-driven approaches and leverage existing reports to reduce subjectivity, with plans to implement annual reviews and color-coded status tracking (utilizing green/yellow/red indicators) to identify colleges needing support. This process will involve peer review teams from other colleges aiding, rather than solely relying on SBCTC interventions and will include both annual reviews and more intensive monitoring for colleges with yellow or red status.

Full implementation of this financial metrics framework is planned for FY2028.

2027-2029 capital budget academy

Darrell Jennings, Capital Budget Director, presented on this topic alongside Mr. Jackson and Eric Murray, President of Cascadia College. They discussed the current capital budget of approximately \$400 million, which is funded through state bonds and student building fees, with a recent transfer of \$72 million from building fees to the operating budget during the supplemental budget session. Their presentation outlined the process for prioritizing capital projects, including facility condition surveys and infrastructure assessments, with minor repair projects typically costing under \$45 million.

The group also discussed facility management and capital funding processes for community colleges. Mr. Jennings explained the inventory of 6,000 assets and the prioritization system for

addressing infrastructure beyond its useful life, including civil rights surveys and ADA compliance issues.

Mr. Murray provided a historical overview of the evolution of capital project pipeline processes from version 1.0 to 3.0, highlighting how the system has shifted from competitive college-based proposals to a unified prioritized list approach. They also discussed various funding mechanisms, including emergency repair funds, hazardous material abatement funds, and the challenges of competing for limited capital budget resources in the current financial environment.

Mr. Jennings talked through the new approach of funding intermediate projects between \$15-60 million to help campuses prioritize renovations over new buildings, which the Legislature supports as a more cost-efficient use of capital money. He also addressed space utilization concerns, clarifying that despite some online learning growth, classroom spaces remain fully utilized throughout the week. Lastly, he covered current pressures that colleges are facing. These include building performance requirements, decarbonization needs, and significant utility cost increases across campuses, with utility bills rising by approximately 20% annually.

Baccalaureate programs update

Kendrick Hang, SBCTC's Policy Associate for Baccalaureate Programs, provided the board with the quarterly baccalaureate degree update. SBCTC has approved over 175 bachelor's degree programs throughout all 34 community and technical colleges. They include nine approved Bachelor of Science in nursing (BSN) and 17 approved Bachelor of Science in computer science (BSCS) programs.

Mr. Hang highlighted the importance of tech education and hiring in Washington state. It is a national leader in tech employment and talent density, ranked second to Silicon Valley in California. Major tech employers in Seattle and the Puget Sound region include Amazon, Microsoft, Meta, Google, Boeing, Expedia, T-Mobile, and many more. Understanding post-secondary tech education, hiring, and employment trends is essential for future education, workforce, policy, and economic development planning.

He also stated SBCTC is partnering with a research team at Bragg and Associates to conduct a methodical evaluation of the tech education and employment landscape in the state and find the "ground truth" as to what's happening to adapt and evolve programs based on best available evidence.

Mr. Hang proposed a new baccalaureate program at Pierce College: Bachelor of Applied Science (BAS) in accounting.

This will be Pierce College's seventh bachelor's degree program. The college will also have the fifth approved BAS accounting program in the community and technical college system.

Adjournment

There being no further business, Chair Valadez adjourned the study session at 4:58 p.m.

Study session

The state board held its regular business meeting on Apr. 9, 2026 from 8:30 a.m. to 12:30 p.m.

Welcome and introductions

Chair Valadez called the meeting to order at 8:30 a.m. and welcomed those present.

Establish a quorum and adopt meeting agenda

Chair Valadez noted that a quorum was present and requested a vote to adopt the meeting agenda without change.

Motion: Moved by Mack Hogans, seconded by Jeff Wagnitz, and unanimously approved by the rest of the board to adopt the regular business meeting agenda.

Consent agenda

Chair Valadez requested a vote to approve the consent agenda without change.

Motion: Moved by Mr. Hogans, seconded by Chelsea Mason-Placek, and approved by the rest of the board to adopt the consent agenda. The approval vote included all board members except for one.

Board member Debra Entenman abstained from the following consent agenda items:

- Columbia Basin College – local capital expenditure authority for Performing Arts Building Replacement 40000108 (Resolution 26-04-08)
- Grays Harbor College – increased local capital expenditure authority for Lake Swano Dam (Resolution 26-04-09)
- Seattle Central College – local capital expenditure authority for Energy Retrofit for Public Buildings Grant (Resolution 26-04-10)
- Spokane Falls Community College – local capital expenditure authority for Building 17 Restroom Remodel (Resolution 26-04-11)
- 2026 Supplemental Capital Budget Allocations (Resolution 26-04-12)
- Pierce College - Proposed Bachelor of Applied Science in Accounting (Resolution 26-04-13)
- South Puget Sound Community College – local capital expenditure increase authority to construct a facility for soccer (Resolution 26-04-14)

Public comment

- Ashley Farinha, Bates Technical College
- Hollie Huth, Lake Washington Institute of Technology
- Annika ZumBrunnen, Bellingham Technical College
- Brittney Hykal, Lake Washington Institute of Technology
- Becky Cooke, North Seattle College
- Laura Black, Seattle Colleges
- Corvilia Thykkuttathil, Bellevue College
- Seamus Keating, Seattle Colleges

Recognition of Crystal Donner's years of service to the state board

Chair Valadez and Mr. Humphrey presented a resolution formally recognizing board member Crystal Donner for her eight years of service as a member of the board. She was appointed in January 2018

and during her time with the state board, Ms. Donner exercised her wealth of experience to advocate for students throughout the community and technical colleges system.

Ms. Donner has been active in the business community regarding issues affecting community and technical colleges, especially business competitiveness and infrastructure. She regularly advocated on behalf of issues impacting higher education, the engineering profession, and transportation across the region.

Chair Valadez then requested a vote to approve Resolution 26-04-16, formally recognizing board member Donner for her years of service.

Motion: Moved by Ms. Mason-Placek, seconded by Mr. Hogans, and unanimously approved by the rest of the board: Resolution 26-04-16.

2027-2029 capital budget proposal

Mr. Jennings presented the 2027-29 capital budget proposal. It reflects systemwide priorities for asset preservation, instructional modernization, safety, and long-term capital stewardship.

Under RCW 28B.50.090(1), SBCTC is required to prepare and submit a single, prioritized list of capital projects on behalf of the community and technical college system. Consistent with legislative direction, SBCTC organizes its capital request to prioritize minor works projects ahead of major capital projects and to request full design and construction funding within a single biennium wherever feasible. This approach reduces delivery risk, limits exposure to construction cost escalation, and accelerates the realization of benefits for students and communities compared to the former two-phase funding model.

Mr. Jennings detailed minor works projects in the proposal. They are funded as lists of projects of similar nature that fall within the cost thresholds established in statute and capital budget instructions. These projects are generally classified as either preservation projects, which maintain, preserve, or extend the useful life of existing facilities or program improvement projects, which modify or reconfigure existing space to meet instructional, programmatic, or operational needs.

For the 2027-29 capital budget request, SBCTC proposes continued investment in state-owned college facilities in the following minor works categories:

- Preventive facility maintenance and operations
- Capital administration and emergency repair capital funding
- Facility condition survey–identified repairs
- Infrastructure replacement
- Program improvement

Mr. Jennings also discussed facility condition survey repairs. This identifies building and site deficiencies, assigns relative severity—particularly for risks affecting occupant health and safety—and informs systemwide prioritization of repair and replacement needs.

The most recent survey indicates that the system continues to carry substantial deferred maintenance and infrastructure replacement needs, with a significant share of assets beyond their expected, useful life. Minor repair and infrastructure replacement requests for the 2027-29 biennium are prioritized based on remaining useful life, importance to instruction and ongoing operations, and equity considerations, including the populations and program areas served.

Mr. Jennings went on to discuss major capital projects within the proposal. These endeavors support major facility renovation, replacement, new construction, and property acquisition. These projects address large-scale instructional, programmatic, infrastructure, or life-safety needs. The state board maintains a systemwide pipeline of major capital projects submitted by colleges through established review and prioritization processes. There are currently 32 major projects in the pipeline, including the partially construction-funded Cascadia College CC5 Gateway Building.

The proposed 2027-29 capital budget request applies this board-approved framework, integrating intermediate projects directly into the major project list and prioritizing major and intermediate projects using the established pipeline order and evaluation criteria.

Overall, the proposed capital budget request is consistent with prior state board actions and recommendations from WACTC. The request includes:

- Prioritizing minor works projects ahead of major capital projects as the highest priority within the request
- Applying the board-approved capital budget framework, including the intermediate project process, as an integrated component of the major capital project list
- Prioritizing major and intermediate projects using the board-approved pipeline order and intermediate project evaluation framework, including legislative direction related to the Cascadia College CC5 Gateway Building
- Requesting full funding for design and construction within a single biennium, where feasible
- Targeting a total capital request of approximately \$600 million for minor works, intermediate, and major capital projects, reflecting documented system needs and anticipated statewide fiscal capacity
- Including central plant decarbonization projects developed in response to House Bill (HB) 1390 as an additional request, prioritized after major capital projects and not counted toward the \$600 million target
- Encompassing remaining major projects that fall beyond the near-term funding target in future biennia of the SBCTC 10-year capital plan.

Chair Valadez then requested a vote to approve Resolution 26-04-17, formally approving the 2027-2029 capital budget request.

Motion: Moved by Mr. Hogans, seconded by Mr. Wagnitz, and unanimously approved by the rest of the board: Resolution 26-04-17.

Authorization to implement supplemental business services

Mr. Halladay and Ms. Sexton presented a resolution to the board to establish Supplemental Business Services (SBS)—a centrally trained staffing resource within the Business Operations Division, to provide colleges with qualified personnel for temporary, project-based, or transitional support. Colleges are currently requesting support for vacancies, personnel on leave, account reconciliations, and financial statements.

Mr. Halladay stated that colleges across the system are experiencing sustained staffing shortages and difficulty recruiting employees with expertise in governmental accounting and PeopleSoft. To maintain operations, many colleges rely on temporary staffing agencies. However, agency staff generally lack college-specific knowledge, resulting in significant retraining, increased errors, and repeated support demands on both colleges and SBCTC.

SBS offers a strategic, cost-effective alternative. By centrally hiring and training staff with the required technical and system knowledge, Mr. Halladay stated that SBCTC can deploy employees who are ready to contribute immediately, improving accuracy and reducing operational disruption.

Both Mr. Halladay and Ms. Sexton discussed key benefits of these services for the colleges and SBCTC as an agency. They include:

- Access to skilled, system-trained staff who understand PeopleSoft and college accounting
- Lower long-term costs compared to retraining temporary agency staff
- Ability to redirect staff time from reactive support to strategic system improvements

SBCTC will front up to six months of salary to hire and train SBS employees. After training:

- Colleges will pay a flat hourly fee for all services
- The fee structure will cover employee salary and gradually reimburse SBCTC's initial investment
- The program is designed to become self-supporting

Chair Valadez then requested a vote to approve Resolution 26-04-18, formally authorizing the implementation of supplemental business services.

Motion: Moved by Mr. Hogans, seconded by Ms. Entenman, and unanimously approved by the rest of the board: Resolution 26-04-18.

Workgroup charter: Report on system efficiency, access, and district structure

Mr. Humphrey presented a resolution regarding the system efficiency study. The report comes at the request of the Legislature and directs SBCTC to submit a report to the governor and the appropriate committees of the Legislature by December 1, 2026. It must include recommendations to reduce redundancy and expenses that do not directly contribute to student success. It should also consider the locations of current colleges by region, districts with more than one campus, and other regional factors in which reductions and proximity might not significantly affect access to postsecondary education institutions. Additionally, SBCTC must review the district structure and its effect on campus operations and student success.

Mr. Humphrey stated that, given the scope, importance, and sensitivity of this legislative task, the report should be guided by a formal workgroup chartered by SBCTC that reflects shared governance and the structure of Washington's community and technical college system. Washington's system is a "federation of colleges" with centralized funding and decentralized district governance, making it especially important that this review be informed by state board members, presidents, trustees, and agency staff. The strategic plan also emphasizes supporting financial sustainability, process improvement, and stronger systemwide partnerships.

The proposed workgroup would consist of five (5) state board members, three (3) college presidents, three (3) local college trustees, two (2) labor representatives, one (1) student from the system, and the SBCTC Executive Director. It would be charged with leading, overseeing, and conducting the study process; reviewing relevant fiscal, operational, student success, geographic, and governance

information; engaging appropriate stakeholders; and producing a draft report and recommendations for state board review and approval prior to submission to the governor and Legislature.

The proposed workgroup structure also reflects SBCTC's prior practice of using ad-hoc committees or advisory bodies to support major work within the agency.

Chair Valadez then requested a vote to approve Resolution 26-04-18, formally authorizing the creation of the workgroup charter for the efficiency study.

Motion: Moved by Mr. Hogans, seconded by Ms. Santa Lucia, and unanimously approved by the board: Resolution 26-04-19.

Association of College Trustees (ACT) report

Wendy Bolhke, ACT president, was absent so the report was read by Marianna Watson, Executive Assistant. It recapped the recipients of the 2026 ACT awards:

- 2026 ACT Trustee Leadership Award; Rick Kaiser, nominated by the Bellingham Technical College Board of Trustees
- 2026 ACT Chief Executive Officer Award; Dr. Rebekah Woods, nominated by the Columbia Basin College Board of Trustees
- 2026 ACT Faculty Member Award; Dr. Sara Farag, nominated by the Bellevue College Board of Trustees
- 2026 ACT Professional Staff Member Award; Trisha Haggerty, nominated by the Peninsula College Board of Trustees
- 2026 ACT Impact & Success Award: South Puget Sound Community College, nominated by the South Puget Sound Community College Board of Trustees
- 2026 ACT Partner of the Year Award: The Boeing Company, nominated by the Edmonds College Board of Trustees

Ms. Bolhke's report also discussed the upcoming Association of Community College Trustees (ACCT) Leadership Congress, which takes place Oct. 21–24, 2026 in Chicago, IL. Lastly, the upcoming ACT Spring Conference was discussed. It takes place May 7–8, 2026 at Semiahmoo Resort in Blaine, WA.

WACTC report

Dr. Joyce Loveday, Washington Association for Community and Technical Colleges (WACTC) President, discussed the financial challenges facing the system's community and technical colleges, noting that over half are considering program reductions due to structural funding issues and rising costs. Colleges are absorbing the costs of things that are not fully funded, such as salary adjustments, benefits, inflation of goods and services, and utility cost increases.

Despite these financial constraints and tough decisions, Dr. Loveday stated, the state's community and technical colleges continue to highlight resilience and strength. They are adapting programs, creating partnerships, and coming up with creative solutions for how best to support students. She said the presidents of WACTC are willing and committed to a partnership to work through these issues together, such as with the efficiency study. She thanked SBCTC for their leadership in spearheading the study for the Legislature.

Lastly, Dr. Loveday highlighted the upcoming All-Washington scholarship event taking place at South Puget Sound Community College on April 23, 2026.

System unions report

Jaqui Cain, American Federation of Teachers (AFT) president, was not present, so Elena Rivero presented the AFT report on her behalf. She highlighted union expansion efforts and concerns about potential program closures at Seattle Colleges' Woodworking Technology Center.

Suzanne Southerland was not present, so no report for Washington Education Association (WEA) was given.

Executive director's report

Mr. Humphrey began his report by thanking South Seattle College for hosting the April meeting. He discussed the upcoming ACCT Conference, taking place in Seattle, WA on April 10. Dr. Joyce Hammer, SBCTC's Deputy Executive Director for Education, and Mr. Hang will present at the conference, along with Summer Kenesson, SBCTC's Director of Policy Research. The recent visit from the delegation of CollegeWales was also mentioned.

Mr. Humphrey explained the results from the first employment engagement survey. It showed positive marks in areas like belonging, work-life balance, and manager effectiveness, though opportunities exist in career advancement and cross-agency collaboration.

Board discussion and chair's report

Chair Valadez talked about the upcoming AACC Conference. He also highlighted the upcoming board meeting for June at Peninsula College in Port Angeles and discussed the importance of visiting the different colleges around the state and meeting with their local trustees and presidents.

Chair Valadez discussed the nominating committee for the board's next chair and vice chair elections. The committee consists of board members Hogans, Mason-Placek, and Yim. They have recommended there be bylaws change to term limits for officers, from three to four successive terms. This would provide more flexibility in leadership transitions. A final vote on this will not take place until the June board meeting.

Adjournment

There being no further business, Chair Valadez adjourned the April 2026 regular business meeting at 10:58 a.m.

Nate Humphrey, Secretary

Martin Valadez, Chair