

CONSENT ITEM (RESOLUTION 26-04-15)

April 9, 2026

Tab 4

Policy Manual Additions

Brief Description

Recent policy decisions provided by SBCTC Business Operations Division relating to statutory requirements and the enhanced system opportunities to enable automation and centralization of this requirement, necessitate an update to the State Board Policy Manual.

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

In June 2020, the State Board adopted its strategic plan, which focuses on three goals: achieve educational equity for students who are historically underrepresented in higher education; improve completion rates; and increase access and retention among populations who can benefit the most from college access. The three goals are supported by five strategies (and associated actions) to help the system achieve those goals. Updates to the State Board Policy Manual supports the strategic plan by providing policy guidance to the college system as they conduct their college decision-making efforts.

Background information and analysis

An accurate and up-to-date Policy Manual provides college and SBCTC staff with guidance for college operations, making fiscal decisions, and supporting student access and inclusion initiatives. A few recent statutory changes are included in the update to ensure our colleges remain in regulatory compliance, both at the state and federal level.

One additional section needs to be added for the 1% Interest on Past Due Student Accounts policy. The purpose of implementing this policy is to align with RCW 43.17.240, improve financial accountability, and establish consistent processes across the 34 colleges.

This update includes adding a section in the Policy Manual to Chapter 3 – attached.

Recommendation/preferred result

Adoption of the updated Policy Manual as proposed.

Policy Manual Change Yes No

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STATE OF WASHINGTON
STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES
RESOLUTION 26-04-15

A resolution relating to the revision and adoption of the State Board Policy Manual

WHEREAS, it is important for the State Board to provide the colleges with policy guidance for the operation of the colleges,

WHEREAS, two specific changes have occurred in the community and technical college system resulting in new and different ways of conducting state business,

WHEREAS, several statutory changes have resulted in new compliance requirements for the community and technical college system,

WHEREAS, it was a priority to review these changes with college system groups before taking action,

WHEREAS, it was a priority that policies be provided in an accessible electronic format, including links to pertinent information,

WHEREAS, it is important that the State Board Policy Manual reflects the changes and communicates policies clearly to the college system and external audiences,

THEREFORE BE IT RESOLVED, that the Washington State Board for Community and Technical Colleges approve and adopt the attached Policy Manual changes on April 8, 2026.


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 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 (04/09/2026)

Attest



Nate Humphrey, secretary



Martin Valadez, chair

Policy Manual – Chapter 3.20.70

3.20.60 1% Interest on Past Due Student Accounts

Washington State Law mandates that interest be applied to past due debts owed to the state. For community and technical colleges, this includes outstanding student account balances.

The purpose of implementing a standardized 1% monthly interest charge is to align with RCW 43.17.240, improve financial accountability, and establish consistent processes across all 34 colleges in the Washington community and technical college (CTC) system.

To support uniform compliance and reduce operational disparities, the State Board for Community and Technical Colleges (SBCTC) is coordinating a systemwide policy and configuration for interest application within ctcLink. This policy brief outlines the legal basis, key implementation decisions, and proposed functional standards for applying interest to past due student accounts.

Operational Requirements and Legal Basis for the 1% Interest on Past Due Student Accounts

1. **Uniform Interest Rate:** All colleges will apply a 1% monthly interest rate on eligible past due balances. This rate is based on RCW 43.17.240.
 - o **[RCW 43.17.240 Debts owed to the state—Interest rate.](#)** Requiring state agencies and institutions to impose a financing charge of 1% a month on unpaid accounts starting on the date the unpaid account becomes past due.
2. **Eligibility of Charges:** Interest will apply to all past due student charges on the student's account.
3. **Interest Accrual Method:** Interest will be calculated and assessed monthly, on the same calendar day each month. Interest will be assessed on the full past due balance, including any previously assessed interest (i.e., compounding interest).
4. **Centralized Configuration, Local Execution:** SBCTC will deliver a standard configuration model within ctcLink. Colleges will be responsible for managing the monthly process and ensuring proper accounting and student notification.
5. **Timeline for Implementation:** Interest charging should be implemented consistently across all CTCs. The recommended go-live will align with a future academic or fiscal term to ensure readiness and support equitable application statewide.
6. **Documentation and Exceptions:** Colleges must document any exceptions and retain records of waiver criteria, in alignment with state audit requirements. Additional guidance will be provided regarding allowable exceptions and required documentation.