

REGULAR ITEM (RESOLUTION 26-06-27)

June 4, 2026

Tab 7

Proposed Revision to Policy Manual Section 6.60 – Emergency Reserve

Brief Description

The State Board is asked to approve revisions to Policy Manual Section 6.60 to clarify the purpose, eligibility, and administration of the Emergency Reserve Fund and the Hazardous Materials Mitigation and Abatement Pool. The proposed revisions reflect current practice and legislative intent, and more clearly distinguish between emergency conditions, hazardous materials mitigation, and planned capital projects. These changes are intended to improve consistency, transparency, and alignment with systemwide capital funding roles and responsibilities.

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

The proposed policy revisions reinforce the State Board’s role in ensuring responsible stewardship of facilities and capital resources. Clear guidance on emergency and hazardous materials funding supports the strategic use of limited capital funds for critical life-safety, continuity, and preservation needs, while promoting equitable access to safe learning environments and strengthening accountability for public expenditures.

Background information and analysis

The Emergency Reserve Fund was established to supplement local and state capital resources for unanticipated facility emergencies that pose risks to life-safety, property, or continuity of operations and cannot be deferred to a future biennial budget cycle.

The State Board has long supported colleges through both emergency funding and hazardous materials mitigation; however, these programs have not been clearly reflected in formal policy. While Hazardous Materials Mitigation is clearly articulated in the Policy Manual, the Emergency Reserve Fund has been administered primarily through policy resource documents and administrative practice.

The proposed revisions to Section 6.60, in attachment A, address these gaps by establishing a comprehensive and integrated policy framework that formally defines both the Emergency Reserve Fund and the Hazardous Materials Mitigation and Abatement Pool within the Policy Manual. The revisions clarify the purpose, eligibility, and limitations of each fund.

Together, these updates align both funding tools under a consistent set of principles, supplemental to local resources and the Unanticipated Repair Fund (URF), reserved for conditions beyond a college’s capacity to address, and intended for situations that cannot reasonably be deferred. The revisions maintain clear distinctions between catastrophic emergency events and unforeseen hazardous materials conditions. They also improve governance clarity by reinforcing the State Board’s role in authorizing funding and distinguishing that role from the Department of Enterprise

Services' authority over emergency procurement, strengthening consistency, defensibility, and alignment with current practice and legislative expectations.

Recommendation/preferred result

Staff recommends the State Board approve resolution 26-06-27 adopting revisions to Policy Manual Section 6.60 – Emergency Reserve.

Policy Manual Change Yes No

Prepared by: Darrell Jennings, Capital Budget Director

(360) 704-4382, djennings@sbctc.edu

**STATE OF WASHINGTON
STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES
RESOLUTION 26-06-27**

A resolution relating to revisions to Policy Manual Section 6.60 – Emergency Reserve.

WHEREAS, the State Board maintains an Emergency Reserve Fund to assist colleges in addressing unanticipated facility emergencies that pose risks to life safety, property, or continuity of operations; and

WHEREAS, the State Board has also established funding support for hazardous materials mitigation and abatement to address unexpected conditions that threaten occupant health and safety; and

WHEREAS, the Hazardous Materials Mitigation and Abatement Pool has been more explicitly documented in prior policy, while the Emergency Reserve Fund has primarily been administered through procedures, and the proposed revisions formalize and align both funding tools within the State Board Policy Manual;

WHEREAS, existing policy language does not fully reflect current practice or provide a comprehensive framework distinguishing emergency conditions, hazardous materials mitigation, and planned capital responsibilities; and


WHEREAS, the proposed revisions establish a comprehensive and integrated policy framework that clarifies the purpose, eligibility, and limitations of both the Emergency Reserve Fund and Hazardous Materials Mitigation and Abatement Pool and aligns these tools with legislative intent and systemwide capital planning practices;

THEREFORE BE IT RESOLVED, that the State Board for Community and Technical Colleges approves revisions shown in Attachment A to Policy Manual Section 6.60 – Emergency Reserve and Hazardous Materials Mitigation and Abatement Pools.

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 June 4, 2026

Attest



Nate Humphrey, secretary



Martin Valadez, chair

6.60 EMERGENCY RESERVE

Purpose and Intent

Under legislative direction, the State Board established an Emergency Reserve Fund using a portion of the state capital appropriation designated for preservation funding. This reserve is intended to supplement other state funds allocated to each college, as well as local resources, in addressing unanticipated repairs resulting from significant facility emergencies.

Within the Emergency Reserve, the State Board also established a Hazardous Materials Mitigation and Abatement Pool. This targeted pool of funds is intended to assist colleges in addressing unanticipated asbestos and other hazardous materials conditions that require mitigation or abatement to protect health, safety, or continued facility use.

Together, the emergency and hazardous materials mitigation funding pools support colleges in responding to unanticipated conditions that pose immediate risks to life safety, property, or the continuity of essential educational programs, and that cannot reasonably be deferred to the next biennial budget cycle. Depending on the nature of the condition, funding from both pools may be used in combination when necessary to address a single event.

These funding pools are intended to:

- Address conditions that exceed a college's capacity to respond using available local funds, the Unanticipated Repair Fund (URF), or other planned capital resources; and
- Ensure timely and appropriate response to urgent situations while maintaining clear distinctions between emergencies, hazardous material mitigation, and planned capital needs.

The funds are subject to appropriation by the Legislature each biennium, and each pool is administered on a first-come, first-served basis until fully expended.

6.60.10 Emergency Reserve Fund

The Emergency Reserve Fund provides financial assistance for catastrophic or critical facility failures requiring immediate action to prevent:

- Loss of use of a major facility or system;
- Significant disruption to instructional or support programs; or
- Serious risk to life safety or property.

Emergency reserve funding is intended for situations where delay would result in substantial harm or increased costs and where the required work cannot reasonably be deferred to the next legislative funding opportunity.

Each college is expected to address relatively small repairs using its own resources, regardless of urgency. A portion of state funds for unanticipated repairs (URF) should be available to colleges for

nonemergency use. However, depending on the nature of the emergency, the full use of URF funds may be necessary.

Emergency Reserve funding requires project close-out documentation, including submission of all project invoices to SBCTC.

Definition of Emergency

“Emergency” means an unanticipated event or condition affecting a state-owned college facility, building system, or infrastructure that requires immediate action and meets one or more of the following criteria:

1. Catastrophic loss or failure of a building, building system, or critical infrastructure;
2. A condition that presents an imminent threat to health, safety, or property;
3. A capital repair that cannot be deferred to the next biennial capital budget cycle;
4. Work that cannot be accomplished through the Unanticipated Repair Fund (URF) and exceeds the college’s ability to respond using available minor works or preservation funding;
5. Circumstances where delay in repair would result in costly collateral damage to facilities, systems, or equipment;
6. Conditions that place significant portions of a college’s instructional or support programs at risk; or
7. Situations in which life safety or property risks are too great to remain unaddressed.

Emergency conditions often require rapid mobilization and may involve a formal Declaration of Emergency by the Department of Enterprise Services (DES) to expedite procurement or construction activities.

The State Board’s emergency reserve policy and procedures are separate from and independent of DES emergency procedures. SBCTC authorization governs the availability of State Board emergency funding, while DES authorization governs procurement and contracting authority. Authorization under one process does not imply authorization under the other.

Depending on the circumstances of the emergency, a college may be required to follow both SBCTC and DES emergency procedures in order to complete an emergency repair.

Exclusions

SBCTC emergency funds will not be considered for purposes of:

- Augmenting non-emergency local capital projects;
- Augmenting state funded capital projects, including program or preservation projects, except under unforeseeable circumstances (e.g., extreme weather damage or other unexpected events); or

- Funding repairs or replacements that can reasonably be deferred to a future biennial or supplemental legislative funding opportunity.

Allocation Formula

Emergency Reserve funding, in conjunction with local college resources, for a specific facility emergency shall be administered as follows:

For emergency repairs exceeding five percent of the college’s biennial Unanticipated Repair Fund (URF) allocation, the college’s required contribution shall consist of a five percent contribution based on the URF allocation (the “deductible”), with the remaining eligible project costs funded in accordance with Table 1.

Table 1: Emergency Reserve Allocation Formula (Deductible-plus model)

Instance in Biennium	College Contribution*	SBCTC Contribution
First emergency project	50% of costs, up to one-third (1/3) of the college’s biennial URF allocation	Remaining eligible costs, up to \$500,000 per project
Second emergency project	50% of eligible costs, up to one-third (1/3) of the college’s biennial URF allocation, applied to the combined total of the first and second projects	Remaining eligible costs, up to \$500,000 per project
Third and subsequent emergency projects	50% of eligible costs, up to three eighths (3/8) of the college’s biennial URF allocation, applied to the combined total of all emergency projects in the biennium	Remaining eligible costs, up to \$500,000 per project

* A college may be required to contribute more than one-third (1/3) or three eighths (3/8) of its biennial URF allocation when the SBCTC Emergency Reserve Pool is exhausted or the contribution reaches the maximum- allowable amount of \$500,000 for a given emergency project.

Limitations

- Emergency Pool funding shall be provided for qualifying emergency repairs with a minimum SBCTC share of \$25,000 and a maximum SBCTC Emergency Pool allocation of \$500,000 per event.
- Emergency repairs with a total cost of five percent or less of the biennial URF allocation to the college are ineligible.
- When an emergency repair requires total construction costs that exceed the \$500,000 Emergency Pool allocation limit, SBCTC may limit Emergency Pool participation to that amount and, only if warranted by the circumstances, consider whether remaining work should be addressed through college reserves or a future capital request.
- Eligible work must qualify as a capital expenditure that restores the usefulness and function of a state-owned facility.
- Emergency Pool funding may be used only for permanent construction, repair, or replacement needed to restore an unexpected building or site failure and resolve the emergency.

6.60.20 Hazardous Materials Mitigation and Abatement Pool

The Hazardous Materials Mitigation and Abatement Pool supports colleges in addressing unanticipated hazardous conditions that pose a documented risk to human health or safety and require mitigation or abatement to maintain facility usability.

This pool is intended to address hazardous materials conditions that are discovered unexpectedly after the completion of good faith surveys, assessments, or other reasonable due diligence, and that could not reasonably have been identified, fully scoped, or budgeted during normal project planning or capital development processes. Good faith hazardous materials surveys conducted during project planning should be included in project bid documents. When hazardous materials conditions are known in advance or can reasonably be anticipated, colleges are expected to plan for and include associated mitigation or abatement costs within project budgets or other available funding sources.

Eligible Conditions

Eligible activities may include mitigation or abatement related to unanticipated hazardous materials or environmental conditions—such as asbestos containing materials, lead based paint or contaminated soils, mold resulting from concealed moisture intrusion, polychlorinated biphenyls (PCBs), mercury, radonⁱⁱ, or other indoor air quality hazards—only when the condition is discovered unexpectedly, and when:

- The condition is identified after the completion of good faith surveys, assessments, or other reasonable due diligence efforts, through testing, monitoring, demolition, construction, or other intrusive investigation; and
- Timely mitigation or abatement is necessary to protect occupants or maintain building operations.

Exclusions

Hazardous materials mitigation and abatement pool funding is not intended for:

- Good-faith hazardous materials testing associated with project planning or development;
- Routine testing, monitoring, or preventive maintenance activities;
- Known or previously documented hazardous conditions that could reasonably have been incorporated into a planned capital project or maintenance strategy; or
- Augmenting other state funded capital projects except where the hazardous condition was not reasonably foreseeable at the time of project approval.

Allocation Formula

100% of the cost of mitigation to a maximum of \$500,000 per occurrence, including the cost of testing once hazardous materials have been determined.

Limitations

Allocations from the Hazardous Materials Mitigation and Abatement Pool shall be at least \$25,000 and no more than \$500,000 per event and may fund up to 100 percent of eligible costs.

ⁱ Catastrophic loss or failure often presents an immediate threat to life safety or property. In such circumstances, work to repair or restore the affected asset may be initiated rapidly following a request by a college president for a Declaration of Emergency from the Department of Enterprise Services (DES). A declaration of emergency enables an expedited response by allowing certain procurement and contracting requirements, including standard A/E selection and public works bidding processes, to be bypassed when necessary to address the emergency.

ⁱⁱ Elevated radon levels requiring mitigation may be considered eligible when exceedances of established health or safety action thresholds are identified through testing or monitoring and could not reasonably have been anticipated or budgeted in advance. This recognizes that some colleges, including those located in areas with known radon potential, conduct ongoing monitoring and that mitigation may be required only when unexpected exceedances are identified.