

Business Affairs Commission Meeting Minutes

February 19 and 20, 2015 at SBCTC Offices in Olympia, WA

Day 1: Thursday, February 19, 2015

12:30 – 12:35 p.m.	Initial Welcome and Introductions – Bob Williamson
Chair Bob Williamson opened the meeting. Introductions were shared.	
12:35 – 1:15 p.m.	Allocation Model Update – Nick Lutes, SBCTC Operating Budget Director
<p>Nick shared an overview of the allocation formula model, highlighting key decision points that are pending and how the formula currently addresses the identified problem areas agreed upon in previous years.</p> <p>Refer to the PowerPoint presentation for details and specific steps of the model. Major components include enrollment-related funding, SAI funding, minimum operating allowance (\$2.85M/college), and earmarks and provisos.</p> <p>There are several pending decisions to be made, such as identifying the share for SAI, defining high priority and high cost, weighting mission areas, and determining stop loss/gain thresholds.</p> <p>There was a question of how contract (e.g. international, military) enrollments would factor into (or not) the new allocation formula. Last year's Allocation Task Force determined that contract enrollments should not be included in the new allocation model. The WACTC Critical Issues Committee is currently reviewing the rules for coding international students, and their recommendations may have an impact on the new allocation model.</p> <p>There was a question of how often the weighting of priority mission areas would occur. Initial discussion in subcommittee leans towards no more than "every other biennium." However, this point will also come forward as a recommendation.</p> <p>There was some discussion of how earmarks would be treated in the new model and Nick explained the earmarked FTES and funding would be taken out of the overall enrollment funding portion of the formula and treated separately. More discussion is needed to determine how Worker Retraining will be handled since it isn't clear this funding fully supports Work Retraining FTE.</p> <p>There was some concern expressed by the level of potential variation in funding levels from one biennium to the next, as well as the timing for SAI awards.</p>	
1:15 – 2:45 p.m.	BAC Academy: Ethics in Public Service – David Killeen, Investigator, Executive Ethics Board
<p>David Killeen facilitated a session regarding ethics in public service, specific to BAC members' responses to the online ethics quiz.</p> <p>Rules have not changed since 1995; however, Board interpretation evolves over time. Board is comprised of five individuals for five year terms. Their role is to interpret the Ethics Act, publish advisory opinions, provide training (online options available), and adjudicate complaints. Complaints can be submitted by anyone, not just state employees or agencies. Ethics Board only has jurisdiction over the executive branch of state government. Sanctions do not include personnel-related decisions; however, they can assess a civil penalty. Personnel-related decisions (e.g. termination, suspension) are the responsibility of the state agency.</p>	

<p>Every college must have an appointed Ethics Advisor. Often, it is a designee in Human Resources or Administrative Services.</p> <p>Intent of the ethics rules, as set forth in law, is to provide clear direction on what qualifies as an ethics violation and what does not.</p> <p>Primary areas of concern, and most frequent violations, statewide include contracts, gifts, conflicts of interest and use of resources (time as a resource). Examples were shared.</p> <p>Use of state resources rules have changed dramatically in the last six months as all must fall under de minimis use: no/low cost to the State, no interference with official duties, brief in duration and frequency, does not distract from state business, does not disrupt other state employees, and does not compromise integrity of state data. There is no use allowed for political campaigns or lobbying.</p>	
2:45 – 3:00 p.m.	Break
BAC adjourned into break and reconvened into committee meetings.	
3:00 – 4:30 p.m.	Committee Meetings
Committees on Information Technology, Operating Budget, Security & Safety, Operations and Capital met.	
4:45 – 5:30 p.m.	Executive Committee Meeting
Executive Committee met prior to the BAC dinner and BAC 101 session.	

Day 2: Friday, February 20, 2015

8:00 – 8:10 a.m.	<p>Call to Order and Introductions – Bob Williamson</p> <p>Approval of Minutes and Treasurer’s Report – Nate Langstraat</p>
<p>The BAC business meeting was called to order. December 2014 meeting minutes were presented and unanimously approved. The BAC treasurer’s report of \$7,800.00 was shared and accepted by the membership.</p>	
8:10 – 8:20 a.m.	WACTC Report – Ron Langrell, President, Bates Technical College
<p>President Ron Langrell joined the BAC membership and thanked the members for serving with integrity.</p> <p>Ron spoke on the current climate in the legislature related to community and technical colleges, the changing demographics, and the ongoing challenge of “doing more with the less.”</p> <p>He also spent some time sharing about Bates Technical College—their journey and where their institution is headed.</p>	
8:20 – 8:40 a.m.	SBCTC Report – Denise Graham, SBCTC
<p>Denise Graham invited John Boesenberg to discuss the “Collective Bargaining” bill sponsored by Representative Reykdal, which would give trustees the authority to fund up to 1.2% of the full- and part-time faculty salary base for increments, regardless of whether state funding is provided. In addition, presidents have been working with the faculty unions to find common ground on faculty increment funding, which included a shared responsibility between legislature and the colleges to jointly fund increments. It was noted that this increment funding is separate</p>	

from the 3% COLA. More information will be provided as discussions continue and more details are available.

John also provided an update on the IT salary classification study. While supportive, the process is creating some challenges. These kinds of studies typically result in salary increases, but colleges need to be aware that no additional funding may be available. The process involves reclassification occurring with a time frame for realignment of work with the private sector which will better allow comparisons and potential salary increases.

8:40 – 9:30 a.m.

Insurance Coverage for Students Participating in On and Off-campus Activities – Lucy Isaki, Kim Haggard, and John Christenson, Department of Enterprise Services, Office of Risk Management (ORM)

Representatives from the Office of Risk Management (ORM) addressed insurance-related questions from BAC members, including coverages for students participating in on and off-campus activities.

The RFP conducted by ORM resulted in Wells Fargo being replaced with Alliant, who is now the current provider for the state.

Self-insurance Liability Program (SILP) is a more stable mechanism for funding tort liability. SILP provides coverage for officers and volunteers, but specifically excludes students. Most common college-related claims are related to slips and falls. Only about 100 employment claims annually; this is remarkable given the total number of state employees.

John gave a brief overview of student coverages. There are coverages for student-related activities; however, they require purchase of “special risk” or “special event” policy outside of the standard state coverages. Coverages needed/desired for student club activities must be paid by student funds.

Several scenarios were shared and questions asked. In summary, each circumstance is different and members were encouraged to contact John to talk through specific examples in order to conduct a risk analysis and potential coverage options.

Additional topics included master property insurance, insurance coverage for leased housing, and coverages related to transportation.

9:30 – 9:35 a.m.

SBCTC Report – Denise Graham, SBCTC (continued)

Denise continued the SBCTC report

Denise updated the group on the “clean up” bill, focusing specifically on our system with the integration of technical colleges into the tuition schedule and waiver statutes. Technical college presidents are in support and many have already adopted.

The state revenue forecast was moved up—usually March 20, but moved up to February 20. This was done so that legislature can get started on budget development.

Denise followed up on a couple of items related to the new allocation formula. First, assurance was provided that a position has been carved out by SBCTC that would be responsible for enrollment policies, education and training and oversight—ensuring that colleges are consistently coding FTE in alignment with enrollment rules. Second, presidents are working on policy layers as applicable to the allocation model. Continued discussion is needed and will be shared.

9:35 – 10:05 a.m.

Committee, Workgroup, and Liaison Reports

Operating Budget – Nate Langstraat and Nick Lutes

Nate Langstraat shared that there are some pending discussion points related to the allocation model, such as M&O funding, wage-related appropriations, and some of the earmarked and provisoed FTE. BAC OBC may anticipate a work assignment from WACTC OBC regarding these and other similar topics.

Nate asked Mary Alice to provide an update from the High Cost Work Group, related to the allocation model follow up. Mary Alice shared that student-faculty ratios were used to derive the first quartile of high cost CIPs (not including low-enrolled courses). Then, a survey was conducted via the Instruction Commission regarding the other three quartiles of CIPs to garner additional information about high costs (e.g. equipment, accreditation). About half the colleges responded and the top ten voted CIPs were added to the first quartile for analysis. Based on this grouping, approximately 17% of the system's FTEs would be considered high cost. Lastly, niche programs/courses were reviewed based on total points per program—this includes programs such as Fire Science where there are few of these programs within our system, but they are considered high cost. It was noted that the survey would be rerun every other biennium (in supplemental year) and also that there is a bit of overlap with high-demand/high-priority courses/programs. The goal of the work group is to provide the subcommittee with a methodology that can be applied.

Nick provided update on compensation policy included in Governor's budget and the proposed method of funding (yellow handout). Basically, the budget provides 65% of the needed funding for compensation, health benefits, and pension increases. The other 35% is indicated to be covered by tuition, despite the proposed freeze on tuition.

Draft initial allocation based on Governor's "book 2" budget was shared (green handout). There were some questions on health rate changes and the current biennium's LEAN reductions. The initial allocation provided serves as a planning tool for colleges.

A draft recommendation from WACTC OBC was shared with the WACTC membership regarding the ctcLink hosting and maintenance contracts assessment. The recommendation supports a billing method based on total student and employee headcount to determine each college's pro rata share of the overall cost. The recommendation also includes a reduction in the contribution rate to the innovation fund from 3% to 1% in FY2018. WACTC may vote on this recommendation at their late February meeting.

10:05 – 10:15 a.m.

Break

BAC business meeting took short break.

10:15 – 10:50 a.m.

Committee, Workgroup, and Liaison Reports (continued)

Information Technology – Barbara McCullough

Barbara McCullough shared an update on the ctcLink project. Three main areas of discussion included the delay of go live date for FirstLink, the re-planning effort, and the effects on college staff. Mid-March will likely have new go live dates announced for FirstLink and Wave 1 colleges. Delay-related issues included payroll complexities and banking transactions, among others. Next steps included identifying a list of 20 critical items with special focus placed on each of those items. Goal is still to finish the project by 2017.

Integrated Library System project was approved by WACTC. Emailed handout includes costs for each institution and an overview of the project. The implementation is being scheduled over the next 18-24 months.

The HighPoint Mobility project is underway. Costs per college were shared (also part of the IT Committee BAC Update that was distributed electronically), most of which will be assessed before the end of FY2015. The mobile solution will provide students and faculty/staff access to

the Oracle PeopleSoft applications. In addition, colleges can use built-in functionality that is independent of PeopleSoft—so there is value for both ctcLink and non-ctcLink colleges.

Security & Safety – Frank Ashby

Frank Ashby distributed the SSEM council report.

The April BAC Academy will be focused on Continuity of Operations Planning (COOP). The topic is related to an accreditation standard.

The safety, security and emergency management training matrix will be presented to the BAC membership at April meeting. The matrix is almost complete.

Operations – Bruce Riveland and John Ginther

Bruce Riveland shared an update on procurement training. There is a requirement for training to be completed by June 30. Some live training was rolled out in February 2015. Each college is responsible to identify those that need to be trained and ensure that they have received the kind of training based on their position and role at the institution.

John Ginther touched on some legislative bills of interest, including HB 1469, HB 2081, and SB5737.

A joint policy development update was provided by consultant Mike Grubiak. The list of required policies (or related documents) was divided based on federal mandates and state mandates. Next steps include participating colleges sharing the list back to campus so that colleagues can help prioritize which policies need attention first.

Capital – Choi Halladay

Choi Halladay shared that major capital project training will occur at Pierce College-Puyallup on March 12. Another session will be scheduled on east side, likely in April (to be announced).

BAC Capital Committee is working on a project for WACTC related to the accuracy of major capital project cost estimation. Choi will share the work with the BAC membership. WACTC Capital Committee will be reviewing this work at their late February meeting.

Wayne gave a brief update on minor work appropriation (re-appropriation). System was initially told “no re-appropriation.” The top three reasons for non-expenditure of minor work appropriations include; conflicts with schedules, contractors not done and weather-related work.

Wayne touched on the Governor’s capital budget, noting that SBCTC staff is paying close attention to the budget bill and bonds that support the budget. He also noted that the supplemental budget for this year (FY15) is about wrapped up.

10:45 – 12:00 p.m.	BAC Executive Session
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BAC only members met in executive session.

12:00 p.m.	Meeting Adjournment
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The regular BAC business meeting adjourned.