

STATE BOARD SPECIAL MEETING AGENDA

Board members

Chelsea Mason-Placek, Chair // Ben Bagherpour // Crystal Donner // Phyllis Gutiérrez Kenney// Mack Hogans // Jay Reich // Kady Titus // Fred Whang // Martin Valadez

Paul Francis, Executive Director // Julie Walter, Executive Assistant
Statutory Authority: Laws of 1991, Chapter 28B.50 Revised Code of Washington

Zoom Meeting

Zoom link: <https://us02web.zoom.us/j/82933102545>

Join by phone: 253-215-8782

Meeting ID: 829 3310 2545

August 30

Special Meeting

2:00 p.m.	Welcome and Board Member Introductions <i>Chelsea Mason-Placek, Chair</i>	
2:05 p.m.	Land and Labor Acknowledgement <i>Phyllis Gutiérrez Kenney, Board Member</i>	
2:10 p.m.	Establish a Quorum and Adopt Meeting Agenda <i>Chelsea Mason-Placek, Chair</i>	Action
2:15 p.m.	Adoption of Consent Agenda <ul style="list-style-type: none"> a. Bellevue College: local capital expenditure authority for cafeteria renovations Resolution 23-08-31 b. Bellevue College: local capital expenditure authority for heating, ventilation, and air conditioning unit replacements Resolution 23-08-32 c. Columbia Basin College: increase local capital expenditure authority for T building Equity Center renovations Resolution 23-08-33 d. Spokane Community College: local capital expenditure authority for campus security upgrades Resolution 23-08-34 	Tab 1 (Action)
2:20 p.m.	Public Comments	
2:30 p.m.	Consideration of 2024 Supplemental Capital Budget Request <i>Darrell Jennings, Capital Budget Director</i> Resolution 23-08-35	Tab 2 (Action)
3:00 p.m.	Recommended Capital End-Run Sanction <i>Darrell Jennings, Capital Budget Director</i> Resolution 23-08-36	Tab 3 (Action)
3:15 p.m.	Break	

3:20 p.m.	Consideration of 2024 Supplemental Operating Budget Request <i>Stephanie Winner, Interim Operating Budget Director</i> Resolution 23-08-37	Tab 4 (Action)
4:05 p.m.	ACT Report <i>Pat Shuman, ACT President</i>	
4:15 p.m.	WACTC Report <i>Tim Stokes, WACTC President</i>	
4:25 p.m.	Labor Report	
4:35 p.m.	Executive Director Report <i>Paul Francis, Executive Director</i>	
4:45 p.m.	Board Discussion and Chair's Report	(Discussion)
5:00 p.m.	Adjourn – Next Meeting, October 18-19, 2023, TBD	

updated: 8/22/23

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.

CONSENT ITEM (RESOLUTION 23-08-31)

August 30, 2023

Tab 1a

Bellevue College: Local Capital Expenditure Authority for Cafeteria Renovations

Brief Description

Bellevue College seeks approval to spend up to \$1,400,000 in local funds to renovate the campus cafeteria.

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

This project supports student success and retention by providing modern facilities.

Background information and analysis

Bellevue College wants to increase the functionality and accessibility of the campus cafeteria while creating a modernized aesthetic for students and staff.

This request of \$1,400,000 in local funds will be used to replace ceiling grid, lighting, food service equipment, and ventilation.

Bellevue College's Board of Trustees approved this expenditure request of \$1,400,000 in local funds on May 17, 2023.

Potential questions

- Is this project consistent with the State Board's goal of increasing enrollment and completions?

Recommendation/preferred result

Staff recommends approval of Resolution 23-08-31 giving Bellevue College authority to spend up to \$1,400,000 in local funds for campus cafeteria renovations.

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 23-08-31**

A resolution relating to Bellevue College's request to use up to \$1,400,000 in local funds to renovate the campus cafeteria.

WHEREAS, Bellevue College seeks to increase the functionality and accessibility of the campus cafeteria while creating a modernized aesthetic for students and staff; and

WHEREAS, these local funds will be used to replace ceiling grid, lighting, food service equipment, and ventilation; and

WHEREAS, Bellevue College's Board of Trustees approved this expenditure request of \$1,400,000 in local funds on May 17, 2023;

THEREFORE BE IT RESOLVED, that the State Board for Community and Technical Colleges authorizes Bellevue College to spend up to \$1,400,000 in local funds for campus cafeteria renovations; 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 08/30/2023

Attest

Chelsea Mason-Placek, chair

Paul Francis, secretary

CONSENT ITEM (RESOLUTION 23-08-32)

August 30, 2023

Tab 1b

Bellevue College: Local Capital Expenditure Authority for Heating, Ventilation, and Air Conditioning Unit Replacements

Brief Description

Bellevue College seeks approval to spend up to \$2,100,000 in local funds to replace existing heating, ventilation, and air conditioning (HVAC) units in buildings C, D, L, Q, and V.

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

This project supports student success and retention by providing modern and efficient facilities.

Background information and analysis

Bellevue College plans to replace existing HVAC units at end of their useful life with new units that will have electricity backup instead of natural gas.

This project will improve efficiency and extend the life of campus infrastructure systems.

Bellevue College's Board of Trustees approved this expenditure request of \$2,100,000 in local funds on May 17, 2023.

Potential questions

- Is this project consistent with the State Board's goal of increasing enrollment and completions?

Recommendation/preferred result

Staff recommends approval of Resolution 23-08-32 giving Bellevue College authority to spend up to \$2,100,000 in local funds for heating, ventilation, and air conditioning replacements in buildings C, D, L, Q, and V.

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 23-08-32

A resolution relating to Bellevue College's request to use up to \$2,100,000 in local funds to replace heating, ventilation, and air conditioning units in buildings C, D, L, Q, and V.

WHEREAS, Bellevue College wants to replace existing heating, ventilation, and air conditioning (HVAC) units at end of their useful life with more efficient units that will have electricity backup instead of natural gas; and

WHEREAS, this project will improve efficiency and extend the life of campus infrastructure systems; and

WHEREAS, Bellevue College's Board of Trustees approved this expenditure request of \$2,100,000 in local funds on May 17, 2023;

THEREFORE BE IT RESOLVED, that the State Board for Community and Technical Colleges authorizes Bellevue College to spend up to \$2,100,000 in local funds for heating, ventilation, and air conditioning replacements in buildings C, D, L, Q, and V; 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 08/30/2023

Attest

Chelsea Mason-Placek, chair

Paul Francis, secretary

CONSENT ITEM (RESOLUTION 23-08-33)

August 30, 2023

Tab 1c

Columbia Basin College: Increase Local Capital Expenditure Authority for T Building Equity Center Renovations

Brief Description

Columbia Basin College seeks approval to spend up to \$650,000 in additional local funds to complete renovations of the T building for the college Equity Center.

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

This project supports student success and retention by providing modern and relevant facilities.

Background information and analysis

Columbia Basin College is in the process of renovating the T building to create an Equity Center that will provide space for increased cultural understanding and support services for diverse student populations.

The college is currently using \$604,757 in Title V grant funds as well as \$245,243 in local funds.

The total estimated project cost is now \$1,500,000 to complete the project as designed, creating a shortfall of \$650,000.

The Columbia Basin College Board of Trustees approved this increase of \$650,000 in local funds on June 12, 2023.

Potential questions

- Is this project consistent with the State Board's goal of increasing enrollment and completions?

Recommendation/preferred result

Staff recommends approval of Resolution 23-08-33 giving Columbia Basin College authority to spend up to \$650,000 in additional local funds to complete T building renovations for the Equity Center.

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 23-08-33**

A resolution relating to Columbia Basin College's request to use up to \$650,000 in additional local funds to complete T building Equity Center renovations.

WHEREAS, Columbia Basin College is underway with T building renovations to create an Equity Center; and

WHEREAS, the college is currently using \$604,757 in Title V grant funds as well as \$245,243 in local funds; and

WHEREAS, the total estimated project cost to complete the project as designed is \$1,500,000; and

WHEREAS, the Columbia Basin College Board of Trustees approved an additional \$650,000 in local funds on June 12, 2023;

THEREFORE BE IT RESOLVED, that the State Board for Community and Technical Colleges authorizes Columbia Basin College to spend up to \$650,000 in additional local funds, for a maximum project cost of \$1,500,000, to complete T building Equity Center renovations; 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 08/30/2023

Attest

Chelsea Mason-Placek, chair

Paul Francis, secretary

CONSENT ITEM (RESOLUTION 23-08-34)

August 30, 2023

Tab 1d

Spokane Community College: Local Capital Expenditure Authority for Campus Security Upgrades

Brief Description

Spokane Community College seeks approval to spend up to \$175,000 in local funds to scope and design campus security upgrade projects.

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

This project supports student success and retention by providing safe and relevant facilities.

Background information and analysis

Spokane Community College already has \$1,564,705 in 2023-25 state minor works funds to install campus security systems. The college is requesting authorization to use \$175,000 in local funds to scope and design the projects.

The Spokane Community College chief financial officer, under delegated authority by the Community Colleges of Spokane Board of Trustees, approved this expenditure request of \$175,000 in local funds on July 13, 2023.

Potential questions

- Is this project consistent with the State Board's goal of increasing enrollment and completions?

Recommendation/preferred result

Staff recommends approval of Resolution 23-08-34 giving Spokane Community College authority to spend up to \$175,000 in local funds to scope and design campus security upgrades.

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 23-08-34**

A resolution relating to Spokane Community College’s request to use up to \$175,000 in local funds to scope and design campus security upgrades.

WHEREAS, Spokane Community College has 2023-25 state minor funds of \$1,564,705 to install campus security upgrades; and

WHEREAS, to launch the projects, Spokane Community College must first scope and design the upgrades; and

WHEREAS, the Spokane Community College chief financial officer, under delegated authority by the Community Colleges of Spokane Board of Trustees, approved an expenditure request of \$175,000 in local funds on July 13, 2023 for the scope and design activities;

THEREFORE BE IT RESOLVED, that the State Board for Community and Technical Colleges authorizes Spokane Community College to spend up to \$175,000 in local funds to scope and design campus security system upgrades, for a project cost of up to \$1,739,705; 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 08/30/2023

Attest

Chelsea Mason-Placek, chair

Paul Francis, secretary

REGULAR ITEM (RESOLUTION 23-08-35)

August 30, 2023

Tab 2

2024 Supplemental Capital Budget Request

Brief Description

In the even-numbered years of a biennium, a supplemental capital budget to amend the biennial budget may be proposed by the Governor and considered by the Legislature. Supplemental budget requests are meant to address technical corrections to the biennial budget and for urgent priorities that cannot wait until the next biennial budget. The Office of Financial Management has requested agency supplemental budget requests be submitted by September 13, 2023.

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

The built environment is essential to support student success at all 34 Washington community and technical colleges. The proposed 2024 supplemental capital budget request would support all three focus areas of the updated strategic plan: *Equitable Student Success*, *Agile*, *Career-Relevant Learning*, and *Institutional Financial Health*.

Background information and analysis

The 2023 Legislature appropriated \$4.7 billion in state bonds in the 2023-25 biennial capital budget and retained an estimated \$95.4 million in state bond capacity for the 2024 supplemental budget. The amount is an estimate of available bond capacity and will fluctuate depending on economic factors and the risk tolerance of the Legislature to leverage state debt.

Major projects

The Legislature funded the State Board's \$1.7 billion 2023-25 capital budget request with \$448 million in new funding in the enacted budget. This provided funding for most minor works projects and for six of the 41 major projects from the State Board's pipeline of projects. Thirty-five major projects remain in the State Board's prioritized pipeline, eight of which have received design phase funding and are now paused until construction funding is appropriated.

In addition to the cost of delay due to inflation, gaps between design and construction phases can increase costs due to changes in building codes and requirements that necessitate design changes. Gaps in funding also add complexity to the management and delivery of the projects. For these reasons, it is important to minimize time between project funding phases.

Staff is working with Lower Columbia College and Columbia Basin College, the two colleges whose major capital projects are next on the system's prioritized list, to update budget requests for the supplemental budget. Updates include adjustments for inflation, code, or other requirements imposed by the permitting authority, and changes to local sales tax rates.

State and Governor climate priorities

Clean Buildings Performance Standard

In the 2019 legislative session, the Legislature passed the Clean Buildings Performance Standard. Through the act that created the standard, the Department of Commerce established energy use targets for commercial buildings larger than 50,000 gross square feet in size (Tier 1). To comply with the standard, building owners must either measure energy use and demonstrate the building is meeting the target, or pursue compliance through investments in energy efficiency measures identified through an energy audit.

Compliance dates for Tier 1 buildings meeting the standard are staggered:

- Tier 1A, 220,000+ square feet, compliance date: June 2026
- Tier 1B, 90,001 – 220,000 square feet, compliance date: June 2027
- Tier 1C, 50,001 – 90,000 square feet, compliance date: June 2028

The community and technical college system has 138 qualifying Tier 1 buildings.

In 2022, the performance standard was expanded to include commercial and multifamily buildings between 20,000 – 50,000 square feet of conditioned building space (Tier 2 buildings). Tier 2 does not currently have energy use targets, but building owners must report building energy use data by June 2027. Targets will be established for the next compliance period. The community and technical college system has 185 Tier 2 buildings.

The clean buildings performance standard requires that energy-use data for each type of energy imported into, and exported from, a building be collected from utility or energy bills or by monitoring local energy meters. Alternately, Tier 1 building owners can comply with the standard by performing an energy audit for each building and implement recommended cost-effective energy efficiency measures identified by the audit each compliance period. Tier 2 building owners can comply with the reporting requirement by reporting energy use data for a group of buildings connected to common meters serving the same buildings.

Surveys of the colleges estimate more than 400 utility submeters are needed for the different energy sources serving each qualifying community or technical college building. Another alternative for building owners to meeting the Energy Use Intensity target (EUI_t) is to follow an investment criteria pathway when a building's energy use cannot be measured (i.e., not submetered) or it is submetered but exceeds the target. Building owners must have a qualified person perform an energy audit and complete a life-cycle cost analysis to determine which energy efficiency projects must be performed to gain compliance. For most buildings, this pathway is potentially unnecessary and costly without first knowing if a building's energy performance meets the target.

Individually submetering buildings is the preferred approach because it provides data that will enable building owners to actively manage buildings, target specific operational and energy improvements where needed, verify return on investments of energy efficiency improvements, and perform measurement and verification for projects at a building level. The estimated cost for submetering Tier 1 and Tier 2 buildings and adding SBCTC support staff to assist colleges in complying with the Clean Buildings Performance Standard is approximately \$9 million.

HB 1390 – decarbonization planning

The 2023 Legislature passed HB 1390, a bill that requires owners of heating and cooling plants that connect at least five buildings and serve at least 100,000 square feet of building space to develop plans to decarbonize their campuses over a 15-year time frame. Planning must begin by July 2024 and final plans must be submitted to the Department of Commerce for approval by July 2025.

Owners that develop decarbonization plans and choose to implement their plans will exempt their connected Tier 1 buildings from meeting the EUI required by the Clean Buildings Performance Standard. Owners that do not must continue to comply with the clean building performance standard.

There are 10 known system colleges required to develop decarbonization plans subject to this law. The 2023-25 enacted capital budget included \$429,000 to help these colleges develop the required plans. Further analysis of the bill requirements and the applicable colleges in the community and technical college system that must plan indicate additional funding is necessary. Staff is recommending an additional \$1.5 million be requested to carry out the requirements of HB 1390 on behalf of the colleges required to plan.

Retro-commissioning community and technical college buildings

Retro-commissioning aging and underperforming mechanical systems is generally thought to be a cost-effective way to reduce energy use and greenhouse gas emissions. As buildings age, major systems typically become less reliable or lose functional efficiencies due to the degradation of physical components and equipment control systems. Buildings with underperforming systems can use more energy than buildings that function as originally designed. Capital and operations budgets do not include funding to regularly address the required re-calibration of these systems to maintain the originally intended level of energy efficiency.

SBCTC would like to pilot a program whereby colleges could apply for funding to retro-commission building systems and implement cost-effective energy efficiency measures and repairs to improve building performance and reduce energy consumption. Staff recommends requesting \$2 million to establish a retro-commissioning grant program for the community and technical college system.

Alternative financing

Renton Technical College is requesting \$2 million in alternative financing authority through a real estate certificate of participation. This type of alternative financing requires legislative authorization through the budget and the debt service is repaid by the college through local funds. Renton's project will continue remodeling work occurring in Building J to modernize the building and classroom space for students and faculty.

Staff recommendation

Staff recommends new appropriations in the supplemental capital budget as outlined in Attachment A. The proposal is focused on meeting priority needs related to the state's aggressive climate requirements and continued funding for projects remaining in the State Board's pipeline of major projects. This will result in a system capital budget request of approximately \$100 million.

The exact amount will be determined in collaboration with colleges prior to submittal of the request to the Office of Financial Management by September 13, 2023.

This proposal is consistent with the concept that was presented to the State Board in June, and WACTC voted to endorse this proposed budget concept at its July 14, 2023 business meeting.

Potential questions

- Is the supplemental request consistent with the State Board's capital priorities?

Recommendation/preferred result

Staff recommends approval of Resolution 23-08-35, directing staff to complete the 2024 supplemental capital request as described above.

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 23-08-35**

A resolution relating to the preparation and submittal of the State Board's 2024 supplemental capital budget request.

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 2023 Legislature reserved approximately \$94 million in estimated state general obligation bond capacity for the 2024 supplemental capital budget; and

WHEREAS, the Office of Financial Management is accepting agency budget proposals for consideration in the Governor's proposed supplemental budget; and

WHEREAS, the community and technical college system has unfunded capital budget needs from the 2023-25 budget request and additional costs related to complying with state climate and energy requirements; and

WHEREAS, the projects proposed for the State Board's 2024 supplemental capital budget request shown in Attachment A represent the college system's most pressing needs in priority order;

THEREFORE BE IT RESOLVED, that State Board staff will collaborate with colleges to update the project costs in attachment A and submit the State Board's 2024 supplemental capital budget request based on those costs; 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 08/30/2023

Attest

Chelsea Mason-Placek, chair

Paul Francis, secretary

2024 Supplemental Capital Budget Request - DRAFT

Priority	College	Number	Project	Phase	Request	Cumulative
1	Statewide	40000878	CBPS SBCTC Statewide Utility Submeters for Clean Buildings Act	Design & Construct	\$ 8,760,000	\$ 8,760,000
2	Statewide	40000914	HB 1390 - Decarbonization Planning	Planning	\$ 1,560,000	\$ 10,320,000
3	Statewide	40000880	CTC Statewide Energy Efficiency Program	Grant program	\$ 2,000,000	\$ 12,320,000
4	Lower Columbia	40000106	Center for Vocational and Transitional Studies	Construction	\$ 40,231,000	\$ 52,551,000
5	Columbia Basin	40000108	Performing Arts Building Replacement	Design & Construct	\$ 47,876,000	\$ 100,427,000
Alternative Financing Authorities						
	Renton	40000881	Building J Renovation	Design & Construct	\$ 2,000,000	

REGULAR ITEM (RESOLUTION 23-08-36)

August 30, 2023

Tab 3

Recommended Capital End-Run Sanction

Brief Description

A request by the Washington Association of Community and Technical Colleges (WACTC) to sanction a college for violating WACTC's policy against end-runs to the Legislature.

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

The built environment is essential to support student success at all 34 Washington community and technical colleges. The capital end-run policy relates to the updated strategic plan's three focus areas: *Equitable Student Success*, *Agile*, *Career-Relevant Learning*, and *Institutional Financial Health*.

Background information and analysis

Under RCW 28B.50.090, the State Board is required to submit a single prioritized capital project list to the Legislature for all 34 community and technical colleges. A selection task force — made up of college presidents, staff, and trustees from across the system, along with State Board staff — ranks and scores projects based on a rigorous assessment of the need for space, condition of existing facilities, systemwide policy objectives, and estimated costs. Colleges spend considerable time and resources gathering the data needed to support their requests.

The final, State Board-approved list then becomes the college system's official capital budget request to the Governor's Office and Legislature.

Colleges, the Governor's Office, and the Legislature alike count on our system's unified and objective approach to capital funding. The college system advocates for the Legislature to fund the list in priority order. As projects are funded in one budget cycle, those not funded move up the list for consideration in the next budget cycle. New projects are then added to the bottom of the list in priority order for the year that they are scored using the same scoring and ranking process.

To maintain the fairness and integrity of this impartial process, the Washington Association of Community and Technical Colleges (WACTC) has an established "end-run" policy to discourage colleges from advocating for projects or funding that is not part of, or differs from, the State Board's system request.

Situations involving an end-run are taken seriously and considered carefully by WACTC executive leadership. The end-run policy was originally adopted in 2006 and was most recently updated in 2014. A copy is included as Attachment A.

Bellevue College received design funding in 2019-21 and construction funding in 2021-23 to fully fund the Center for Transdisciplinary Learning and Innovation project (#40000168) at the State Board's request level. During the 2023 legislative session, Bellevue College successfully received an additional \$2 million appropriation from the Office of Financial Management's Inflation and Contingency pool in the 2023-25 capital budget. This funding was requested by the college separate from the State Board's system request.

The WACTC Capital Budget Committee reviewed the situation and heard from Bellevue College's president at the time the end-run took place. The Capital Budget Committee agreed that, per WACTC policy, an end-run had occurred. The committee forwarded a recommendation to the WACTC Executive Committee that Bellevue College be sanctioned with a five-point deduction in the next major project scoring process that includes a project submitted by Bellevue. The WACTC Executive Committee supported the sanction and, per its policy, is requesting the State Board endorse the sanction for Bellevue College.

Potential questions

- Are there other examples of when a college has been sanctioned for end-runs?
- How severe is a five-point reduction in the State Board's major capital project prioritization process?

Recommendation/preferred result

Staff recommends approval of Resolution 21-08-36, supporting the WACTC Executive Committee's requested five-point penalty for Bellevue College for the college's next project submittal to the State Board's major capital project prioritization process.

Policy Manual Change Yes No

Prepared by: Darrell Jennings, capital budget director
(360) 704-4382, djennings@sbctc.edu

WACTC Capital End Run Policy

Adopted January 21, 2014

Washington State's community and technical college system has enjoyed tremendous success in acquiring capital funds. A real need for new and improved facilities, combined with an effective legislative strategy and a well-respected process have led to this success.

We have gained the strong support of the legislature in large part because of the integrity of our capital process. The perception of our capital process can certainly influence perceptions of our system as a whole. Therefore, maintaining the integrity of the capital process is critical to our system.

End runs, as defined below, threaten our system's credibility. In support of our system's collaboratively developed capital request process, WACTC has undertaken the task of defining what an "end run" is and designing a process to discourage end runs. In doing so, we acknowledge that the political process makes this a complex task.

Definition of an End Run

An End Run is an amendment to a capital request or a new capital request advanced by a college, agreed to by a college, or advanced by another person or entity with the knowledge of the college, with no attempt by the college to discourage progression that:

- A) Results in capital funding for a college or State Board owned property or one which will become owned by the college or State Board as a result of the legislation, and
- B) Has not come through the system's capital selection process and could potentially displace projects currently on the approved State Board list, or
- C) Has been approved on the State Board list for submission to the legislature but advances beyond projects ranked in the selection process in the final budget.

Special consideration will be given to situations in which the capital project would have gone to another agency or postsecondary institution outside the system if not accepted by the college.

Prevention of an End Run

- WACTC will review the end run policy before the start of each biennial session.
- The issue of end runs will be discussed with ACT at their Fall Conference.
- The SBCTC Executive Director and WACTC Capital Committee Chair will meet with legislative fiscal committee chairs and ranking members in advance of each biennial session to discuss the system's end run process and establish expectations to maintain credibility of our colleges.

Review Process to Determine Evidence of an End Run

The president of a college which could be named in capital legislation outside of the State Board request must notify the SBCTC Executive Director and WACTC Capital Committee Chair at the earliest possible time.

The WACTC Capital Committee Chair will immediately inform the WACTC Capital Committee.

The SBCTC Executive Director and WACTC Capital Committee will confer to determine appropriate strategies. Next steps may include, but are not limited to:

- (1) Discussion with legislative fiscal committee chairs, local legislators, or the affected college president.
- (2) Recommendation of the project to the State Board for inclusion in their request due to its strategic value to the system, or
- (3) Notification of the affected college president that the project will be evaluated as an end run by the WACTC Capital Committee.

The WACTC Capital Committee Chair will notify the affected college president of the next steps to be taken.

Potential Sanctions for a College Engaged in an End Run

When the WACTC Capital Committee finds that a college has engaged in an end run it will make a recommendation to the WACTC Executive Committee to determine appropriate sanctions. Potential sanctions could include, but will not be limited to the following:

- A 5 to 10 percent score reduction in the next scoring and ranking process for each project requested by the College.
- Moving the affected college's first priority major project to the bottom of the list for the next capital request.
- Ineligibility to apply for a new major capital project in the next biennium.
- Loss of a minor work program project.
- Loss of minor work preservation (RMI) funding for one biennium.
- Loss of minor work repair funding for one biennium.

If the WACTC Executive Committee recommends a sanction they will advance it to the State Board for action.

Procedure to Appeal an End Run Sanction

A college which believes it has been unfairly sanctioned may submit an appeal to the WACTC Executive Committee for consideration. The appeal is a written narrative cosigned by the affected college's president, or chancellor, and chair of the Board of Trustees identifying the reasons why the sanction is not appropriate. The WACTC Executive Committee may request that the president, or chancellor, address the committee in person and answer questions relative to the appeal. The WACTC Executive Committee decision will be made within six weeks of receipt of the narrative or the face-to-face meeting, if applicable. The decision will be advanced to the State Board for action, if necessary.

STATE OF WASHINGTON
STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES
RESOLUTION 23-08-36

A resolution relating to the sanction of Bellevue College for violating the Washington Association of Community and Technical College's (WACTC) policy against capital funding end-runs.

WHEREAS, the State Board is required to submit a single prioritized capital project list to the Legislature for the community and technical college system; and

WHEREAS, projects that appear on the list are first scored and ranked according to established criteria;

WHEREAS, the college system, the Governor's Office, and the Legislature all benefit from this fair and impartial process to prioritizing capital projects for funding; and

WHEREAS, WACTC has established an operational policy, called the "end-run" policy, to protect the integrity of the process; and

WHEREAS, it was determined by the WACTC Capital Budget Committee that Bellevue College had committed an end-run in securing additional funding in the 2023-25 capital budget for the Center for Transdisciplinary Learning and Innovation project (#40000168) that was not part of the State Board's capital budget request; and

WHEREAS, the WACTC Executive Committee has decided to sanction Bellevue College and has notified the college president; and

WHEREAS, pursuant to the capital end-run policy, the WACTC Executive Committee is requesting action by the State Board for Community and Technical Colleges in support of the sanction;

THEREFORE BE IT RESOLVED, that the State Board supports WACTC's request to sanction Bellevue College; and

BE IT FURTHER RESOLVED, that the State Board instructs staff to deduct five points from the overall score of Bellevue College's next major project proposal submitted for consideration in the State Board's major capital project prioritization process; 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 08/30/2023

Attest

Chelsea Mason-Placek, chair

Paul Francis, secretary

REGULAR ITEM (RESOLUTION 23-08-37)

August 30, 2023

Tab 4

2024 Supplemental Operating Budget Request

Brief Description

In even-numbered years, the Legislature adopts a supplemental operating budget. Requests for the 2024 supplemental operating budget should focus on high priority emergent needs, corrections to the biennial operating budget, and new or expanding policies that are consistent with Governor Inslee's highest priorities. Proposals described below have been discussed with the college presidents and represent staff recommendations for the 2024 supplemental operating budget request.

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

The State Board is responsible for submitting a budget to the governor and state Legislature on behalf of the community and technical college system. The system operating budget requests are essential to support student success at all 34 Washington community and technical colleges. The proposed 2024 supplemental operating budget request would support the "Equitable Student Success" and "Agile, Career-Relevant Learning" goals of the updated strategic plan.

Background information and analysis

Effective July 1, 2023, the 2023-25 biennial operating budget appropriated \$2.367 billion to Washington's community and technical college system, a 19.9% increase over the prior biennium. The investments from the Legislature support some of the system's top priorities, including fully funded cost of living increases and a continued commitment to EDI.

State revenue has rebounded after the pandemic, however, economic uncertainty remains. The Office of Financial Management (OFM) asked agencies to be judicious when submitting supplemental budget requests. OFM also asked agencies to focus on achieving equitable access to opportunities and resources and to create positive impacts statewide. The following 2024 supplemental budget proposals were developed with these considerations in mind.

Bachelor of Science in Computer Science degree expansion – \$9 million

In the next ten years, the national tech workforce will grow twice as fast as the overall U.S. workforce, with growth rates above the national average in fields served by people who have computer science bachelor's degrees. CompTIA's State of the Tech Workforce 2023 report shows that Washington has the highest concentration (9.4%) of tech workers relative to its overall employment base, which means that citizens of the state are more likely to hold a tech job relative to other industry sectors. Washington also ranks fifth in the nation in net tech employment job gains.

A skilled workforce will be necessary to meet that demand and continue to position Washington as a technology industry leader.

While Washington state is experiencing a shortage of computer science professionals to fill available jobs, the gap exists not because of a lack of interest among prospective employees but because of a shortage of education and training opportunities. Colleges and universities do not have capacity to educate enough students to keep up with employer demand.

To expand the state's capacity to offer Bachelor of Science in Computer Science degrees and open career opportunities for more students of color and working adults, the state Legislature in 2021 approved Senate Bill 5401 authorizing all Washington community and technical colleges to start offering the degree. The Legislature had formerly granted that authority only to Bellevue College, in 2016.

SBCTC staff recommends a \$9 million supplemental operating budget request to create at least 15 new Bachelor of Science in Computer Science degree programs at Washington community and technical colleges. With appropriate funding support, these programs would expand access to computer science bachelor's degrees for historically underserved populations and align with existing and emerging industry needs.

Programs will be developed in all regions of the state with particular emphasis on program development in rural communities where students do not currently have access to computer science bachelor's degrees. The expansion of 15 programs has the potential to produce at least 375 new graduates annually once programs reach full scale implementation.

These programs will have a significant equity impact. The estimated median tech wage is \$129,955, 157% higher than median state wage. Obtaining high tech skills will substantially improve economic outcomes for students who historically have had limited access to this high wage/high demand field. Locating new programs in community and technical colleges will diversify the technology industry.

In Washington state, individuals who identify as Black/African American, Hispanic/Latino, and female are all underrepresented in the tech industry. Community and technical colleges serve higher proportions of diverse students and thus are a logical and seamless access point for increasing diversity in the tech workforce pipeline.

Washington Open ProfTech project expansion – \$600,000

ProfTech programs prepare students across the state for employment in a wide range of industries including agriculture, automotive, aviation, construction, manufacturing, health, homeland security, and hospitality. Enrollment in those programs is significant: In the 2022 academic year, 83,000 Washington community and technical college students were enrolled in ProfTech programs – nearly one-third of all students within the college system.

While courses in ProfTech programs emphasize developing the technical and employment skills needed for a specific industry, most programs are built on introductory courses that teach fundamental principles. For these courses, faculty typically rely on commercial textbooks that range from \$150 to \$200 each. The high textbook costs are a significant barrier to the 40,000 Washington community and technical college ProfTech students who are economically disadvantaged.

Recognizing this financial burden, ProfTech faculty members have pursued more affordable options — such as open textbooks — with limited success. Open textbooks (free, copyright-cleared textbooks) are scarce and limited in most ProfTech fields. Most large-scale open textbook providers offer a collection of open textbooks in the academic courses only, such as English, Math and Sociology. As a result, most ProfTech students have yet to enjoy the benefits of free, open, high-quality textbooks designed to provide financial relief from expensive commercial textbooks.

In response, SBCTC in 2021 secured a three-year, \$1.8 million Open Textbooks Pilot Program grant from the U.S. Department of Education to eliminate expensive textbooks for high-demand professional technical (ProfTech) programs. With the funding, SBCTC launched the first phase of the Washington Open ProfTech project and successfully led a statewide effort to produce six introductory level open textbooks in ProfTech fields:

- Introduction to Healthcare
- Introduction to Machining
- Introduction to Welding
- Introduction to Early Childhood Education
- Introduction to Criminal Justice
- Introduction to Hospitality

The Washington Open ProfTech project has created excitement and expectations among faculty members who see an opportunity to participate in the collective authoring of their dream textbooks or course materials. While ProfTech programs used to be missing from Open Educational Resources (OER) efforts on campuses due to a lack of materials, they are now an integral part of the OER conversation.

SBCTC is reaching the final year of the Washington Open ProfTech project funded by the U.S. Department of Education. Staff recommends an operating budget request of \$600,000 to provide funding to develop another set of open textbooks, offering financial relief from the high cost of textbooks for students and sustaining the momentum and growth of open-source materials in professional technical programs.

Potential questions

- How do these budget requests relate to our 2024 legislative priorities and our strategic plan?
- Are there opportunities to align with other higher-ed stakeholders on any of these requests?

Recommendation/preferred result

Staff recommends passage of Resolution 23-08-37

Policy Manual Change Yes No

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**STATE OF WASHINGTON
STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES
RESOLUTION 23-08-37**

A resolution relating to the agency request for the 2024 supplemental operating budget:

WHEREAS, the enacted 2023-25 biennial budget reflects the Legislature’s support for the community and technical college system; and

WHEREAS, the supplemental operating budget process allows for additional investments for emerging priorities; and

WHEREAS, the community and technical college system has an ongoing mission to respond to student and community needs; and

WHEREAS, the 2024 supplemental operating budget process provides an opportunity for agencies to submit policy investment requests that support Governor Inslee’s priorities;

THEREFORE, BE IT RESOLVED, that the State Board for Community and Technical Colleges authorizes a 2024 supplemental operating budget request for \$9.6 million, including the following requests:

1. \$9.0 million to expand Bachelor of Science in Computer Science degrees
2. \$600,000 to expand the Washington Open ProfTech project

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 08/30/2023

Attest

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