

# STATE BOARD MEETING AGENDA

Zoom link: <https://us02web.zoom.us/j/84100695051>

Meeting ID: 841 0069 5051

Regular Business Meeting: Thursday, June 27, 2024 // 8:30 a.m. to 12:30 p.m.

## Board Members

Chelsea Mason-Placek, Chair // Martin Valadez, Vice Chair // Bernal Baca// Ben Bagherpour // Crystal Donner // Mack Hogans // Jay Reich // Fred Whang // Kady Titus

Paul Francis, Executive Director // Julie Walter, Executive Assistant

Statutory Authority: Laws of 1991, Chapter 28B.50 Revised Code of Washington

## June 27 Regular Business Meeting

Time	Item	Location/Activity
8:30 a.m.	<b>Welcome and introductions</b> Chelsea Mason-Placek, chair	
8:35 a.m.	<b>Land and labor acknowledgement</b> Martin Valadez, vice chair	
8:40 a.m.	<b>Establish a quorum and adopt meeting agenda</b> Chelsea Mason-Placek, chair	(Action)
8:42 a.m.	<b>Approval of Consent Agenda</b>	Tab 1 (Action)
	<ul style="list-style-type: none"> <li>a. Edmonds College: Request to include local capital expenditure authority financed by a Certificate of Participation (COP) in 2025-27 SBCTC capital budget request <b>Resolution 24-06-31</b></li> <li>b. Columbia Basin College: Request to include local capital expenditure authority financed by a Certificate of Participation (COP) in 2025-27 SBCTC capital request to construct new student housing facility <b>Resolution 24-06-32</b></li> <li>c. Columbia Basin College: Science Wing renovation local expenditure authority increase <b>Resolution 24-06-33</b></li> <li>d. Spokane Falls Community College: Local capital expenditure authority to design and construct Lodge building renovations <b>Resolution 24-06-34</b></li> <li>e. Yakima Valley College: Property acquisition <b>Resolution 24-06-35</b></li> <li>f. Olympic College: Ground lease to Western Washington University <b>Resolution 24-06-36</b></li> <li>g. Instructure/Canvas contract renewal <b>Resolution 24-06-37</b></li> <li>h. 2024-25 Correction Education Interagency Agreement <b>Resolution 24-06-38</b></li> <li>i. SBCTC meeting minutes: May 9, 2024</li> </ul>	
8:45 a.m.	<b>Public comment</b>	

Time	Item	Location/Activity
8:55 a.m.	<b>Election of 2024-25 State Board chair and vice chair</b> Ben Bagherpour, Nominating Committee chair	(Action)
9:05 a.m.	<b>FAFSA update</b> Dani Bundy, ctcLink customer support director Jamie Traugott, student services and K12 alignment director	Tab 2 (Discussion)
9:25 a.m.	<b>Consideration of fiscal year 2025 workforce and student support awards and allocations</b> <b>Resolution 24-06-39</b> <b>Resolution 24-06-40</b> Marie Bruin, director of workforce education Jennifer Dellinger, policy associate, student support programs	Tab 3 (Action)
9:55 a.m.	<b>Consideration of fiscal year 2025 Basic Education for Adults awards and allocations</b> <b>Resolution 24-06-41</b> Will Durden, director of Basic Education for Adults	Tab 4 (Action)
10:25 a.m.	<b>Break</b>	
10:35 a.m.	<b>2025-2027 operating budget priorities</b> Stephanie Winner, operating budget director Arlen Harris, legislative director Karin Edwards, president, Clark College Amy Morrison, president, Lake Washington Institute of Technology Tim Stokes, president, South Puget Sound Community College	Tab 5 (Discussion)
11:35 a.m.	<b>ACT report</b> Bertha Ortega, ACT President	
11:45 a.m.	<b>WACTC report</b> Tim Stokes, WACTC President	
11:55 a.m.	<b>System unions report</b>	
12:05 p.m.	<b>Executive director report</b> Paul Francis, executive director	
12:15 p.m.	<b>Board discussion and chair's report</b> <ul style="list-style-type: none"> <li>• Committee/task force updates <ul style="list-style-type: none"> <li>• Evaluation Committee</li> <li>• Long-term Strategic Advocacy and Communication Task Force</li> <li>• Strategic Action Plan Task Force</li> </ul> </li> </ul>	
12:35 p.m.	<b>Adjournment</b> Next meetings: <ul style="list-style-type: none"> <li>• State Board Retreat: August 28-29, 2024, Suncadia</li> <li>• Regular Meeting: October 30-31, 2024, TBD</li> </ul>	

Updated:6/20/2024

**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 AGENDA (RESOLUTION 24-06-31)**

June 27, 2024

Tab 1a

### **Edmonds College: Request to include local spending authority financed by Certificate of Participation (COP) in 2025-27 SBCTC capital budget request to purchase student housing facility**

#### **Brief Description**

Edmonds College seeks approval to finance up to \$9,000,000 backed by local funding to purchase a privately owned dormitory currently housing Edmonds college students.

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

This project supports student success by providing modern and relevant facilities and increasing access and retention to populations who can benefit most from college and improves the fiscal health of the college.

#### **Background information and analysis**

Edmonds College has identified a need to acquire Rainier Place, a 180-bed privately owned residence hall located at 19920 68th Ave W, Lynnwood, WA 98036. In 2008, the State Board entered into a ground lease with a nonprofit tenant to finance, construct, and operate a student housing facility on behalf of the college. The college now wishes to acquire the facility to own and manage themselves to better meet the colleges' student housing needs and enhance operational efficiency.

The acquisition will address community needs by ensuring stable, affordable student housing, and fostering a supportive educational environment. Owning the dormitory will enable the college to have full control over the facility's usage, maintenance, and future renovations, ensuring that the dormitory continues to meet the evolving needs of students and the community. Additionally, Rainier Place will provide positive cash flow for the College and benefit students and the college community.

The acquisition aligns with the strategic and master plans of Edmonds College, which emphasize the importance of meeting student housing needs as part of its educational mission. And the current owners are in favor of selling the property to the college.

The Legislature has not appropriated state funding to colleges for non-academic or enterprise activities like student housing in recent years. Therefore, the Edmonds College Board of Trustees is requesting the State Board include a request for legislative authority for the college to finance up to \$9,000,000, plus administrative costs, in the 2025-27 capital budget request through a Certificate of Participation (COP) to acquire the Rainier Place dormitory. Additionally, any operation, maintenance, repairs or renovations in the future will be paid from local college funds and the college will obtain appropriate expenditure authority for future capital work. The college will use

revenue generated through housing rents to service the debt. The Board of Trustees approved this request for local financing authority on April 18, 2024, in resolution #24-4-6.

Per Chapter 39.94 of the Revised Code of Washington, all capital financing requires approval from the Legislature and the State Finance Committee. Once legislative approval is granted in the capital budget, the State Finance Committee will market and sell the financing bond.

Unless delegated by the Department of Enterprise Services (DES), the college must use the services of DES to acquire the facility on behalf of the college and State Board as required by Chapter 43.82.010 of the Revised Code of Washington.

### **Recommendation/preferred result**

Staff recommends approval of Resolution 24-06-31 directing staff to include for Edmonds College a COP request to finance up to \$9,000,000, plus administrative costs, backed by locally generated revenue to purchase the Rainier Place dormitory in the State Board 2025-27 capital request.

Policy Manual Change Yes  No

Prepared by: Darrell Jennings, State Board Capital Budget Director

Phone: 360-704-4382, Email: [djennings@sbctc.edu](mailto:djennings@sbctc.edu)

## **STATE OF WASHINGTON**

### **STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES**

### **RESOLUTION 24-06-31**

A resolution relating to Edmonds Colleges' request to finance the acquisition of a student housing facility.

**WHEREAS**, accessible and affordable housing for students is important for access to higher education and increased student retention; and

**WHEREAS**, Edmonds College has a documented deficit of housing availability for students; and

**WHEREAS**, in 2008 the State Board authorized a ground lease to a nonprofit housing provider to construct a student housing facility for students at Edmonds College, 19920 68th Ave W, Lynnwood, WA 98036; and

**WHEREAS**, the colleges now wishes to acquire and obtain operational control of the facility to better serve its students and campus; and

**WHEREAS**, any operation, maintenance, repairs or future renovations will be paid for from local colleges funds; and

**WHEREAS**, the college is requesting authority to finance up to \$9,000,000, plus administrative costs, for housing acquisition using a locally supported 25-year Certificate of Participation; and

**WHEREAS**, the college board of trustees approved the request for Certificate of Participation financing on April 18, 2024 in resolution #24-4-6; and

**WHEREAS**, the Legislature must approve financing for capital purposes in the capital budget; and

**WHEREAS**, unless authority is delegated to the college, the college must use the Department of Enterprise Services to acquire the facility.

**THEREFORE BE IT RESOLVED**, that the State Board for Community and Technical Colleges include a request to finance up to \$9,000,000, plus administrative costs, using a Certificate of Participation to acquire a student housing facility located on college land ground leased to a nonprofit housing provider, in its 2025-27 capital budget for Edmonds College; and

**BE IT FURTHER RESOLVED**, that the State Board for Community and Technical Colleges delegates to the Executive Director authority to execute the purchase and sale agreement to acquire the facility if financing is approved by the Legislature; 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, to satisfy 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 27, 2024

Attest

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Paul Francis, secretary

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Chelsea Mason-Placek, chair

## **CONSENT ITEM (RESOLUTION 24-06-32)**

June 27, 2024

Tab 1b

### **Columbia Basin College: Request to include local capital expenditure authority financed by a Certificate of Participation (COP) in 2025-27 SBCTC capital request to construct new student housing facility**

#### **Brief Description**

Columbia Basin College seeks approval to finance up to \$18,000,000 backed by local funding to construct a new, on-campus student housing of up to 158 beds.

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

This project supports student success by providing modern and relevant facilities and increasing access and retention to populations who can benefit most from college.

#### **Background information and analysis**

Additional student housing is called for in the Columbia Basin College Facilities Master Plan and the college has a demonstrated need for additional student housing that is exceeding what is available. During the fall 2023 quarter the college stopped adding to their waitlist once the number of students waiting reached 50% of their current bed capacity. The college's growth in enrollment and a continuing upward trend in room fill rates and waitlist numbers indicate a high need for student housing. Columbia Basin College wants to provide on-campus student housing to provide a smooth transition for students coming from K-12 to college.

In March 2024, the State Board authorized the college to spend up to \$6,000,000 for predesign and design services for the housing project (State Board Resolution 24-03-11, project #R663). Now that predesign is complete, the college will proceed with design and is requesting up to an additional \$18,000,000 in alternative financing authority through a Certificate of Participation (COP) for the construction of a new on-campus housing facility with up to 158 beds. Revenue generated by rents would be used to pay the debt services of a 25-year COP.

The Legislature has not appropriated state funding to colleges for non-academic or enterprise activities like student housing in recent years. Therefore, the Columbia Basin College Board of Trustees is requesting the State Board include a request for legislative authority for the college to finance up to \$18,000,000 in the 2025-27 capital budget request through a Certificate of Participation (COP) for a new student housing facility. The Board of Trustees approved this request and local financing on May 13, 2024.

Per Chapter 39.94 of the Revised Code of Washington, all capital financing requires approval from the Legislature and the State Finance Committee. Once legislative approval is granted in the capital budget, the State Finance Committee will market and sell the financing bond.

The college will use the Department of Enterprise Services' public works process and project management services for the project.

### **Recommendation/preferred result**

Staff recommends approval of Resolution 24-06-32 directing staff to include the COP request to finance up to \$18,000,000 for Columbia Basin College for a student housing project backed by revenue generated by local funding in the State Board 2025-27 capital request.

Policy Manual Change Yes  No

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



**STATE- OF WASHINGTON  
STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES  
RESOLUTION 24-06-32**

A resolution relating to Columbia Basin Colleges' request to finance construction of a new, on-campus student housing facility.

**WHEREAS**, accessible and affordable housing for students is important for access to higher education and increased retention; and

**WHEREAS**, Columbia Basin College has a documented deficit of housing availability for students; and

**WHEREAS**, the colleges' facility master plan identifies the need for additional student housing; and

**WHEREAS**, the State Board authorized the college to expend \$6,000,000 in local funding for predesign and design services in resolution 24-03-11; and

**WHEREAS**, the college has completed the predesign process and is currently in design for an up to 158-bed student housing facility on campus; and

**WHEREAS**, the college is now requesting authority to finance up to \$18,000,000 for construction using a locally supported 25-year Certificate of Participation; and

**WHEREAS**, the college board of trustees approved the request for Certificate of Participation financing on May 13, 2024;

**WHEREAS**, the Legislature must approve financing for capital purposes in the capital budget;

**THEREFORE BE IT RESOLVED**, that the State Board for Community and Technical Colleges authorizes Columbia Basin College to expend up to an additional \$18,000,000 in local funds; and

**BE IT FURTHER RESOLVED**, that the State Board for Community and Technical Colleges will include a request to finance up to \$18,000,000 using a Certificate of Participation for construction of a new student housing facility in its 2025-27 capital budget for Columbia Basin College; 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 June 27, 2024

Attest

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Paul Francis, secretary

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Chelsea Mason-Placek, chair

## **CONSENT ITEM (RESOLUTION 24-06-33)**

June 27, 2024

Tab 1c

### **Columbia Basin College: Local capital expenditure authority increase for T building Science lab and mechanical equipment updates**

#### **Brief Description**

Columbia Basin College seeks approval to spend up to an additional \$600,000 in local funds for T building Science program renovations and mechanical equipment upgrades.

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

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

#### **Background information and analysis**

Columbia Basin College received local capital expenditure authority up to \$1,500,000 in State Board Resolution 24-03-12 to complete chemistry and biology lab and classroom renovations to improve ventilation and safety (State Board project #R664).

After receiving formal project bids, the total estimated cost as designed is \$2,100,000, creating a shortfall of \$600,000.

The Columbia Basin College's Board of Trustees approved this capital project and local capital program funding in their biennial capital project work plan on August 18, 2023.

#### **Recommendation/preferred result**

Staff recommends approval of Resolution 24-06-33 giving Columbia Basin College authority to spend up to an additional \$600,000 in local funds to replace mechanical equipment and make classroom and science lab renovations in the T building.

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 24-06-33**

A resolution relating to Columbia Basin College’s request to use up to an additional \$600,000 in local funds to replace mechanical equipment and make Science program classroom and lab updates.

**WHEREAS** Columbia Basin College received local capital expenditure authority up to \$1,500,000 in State Board Resolution 24-03-12 for State Board project #R664 to complete chemistry and biology lab and classroom renovations to improve ventilation and safety; and

**WHEREAS**, after receiving project bids, the total estimated project cost as designed in \$2,100,000; and

**WHEREAS**, Columbia Basin College’s Board of Trustees approved this capital project and local capital program funding in their biennial capital project work plan on August 18, 2023;

**THEREFORE BE IT RESOLVED**, that the State Board for Community and Technical Colleges authorizes Columbia Basin College to spend up to an additional \$600,000 in local funds to replace mechanical equipment and make classroom and science lab renovations in the T building; 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 June 27, 2024

Attest

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Paul Francis, secretary

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Chelsea Mason-Placek, chair

## **CONSENT ITEM (RESOLUTION 24-06-34)**

June 27, 2024

Tab 1d

### **Spokane Falls Community College: Local capital expenditure authority to design and construct Lodge building renovations**

#### **Brief Description**

Spokane Falls Community College seeks approval to spend up to \$12,000,000 in local funds to design and renovate the Lodge building to house District Office staff.

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

This project supports financial sustainability and resiliency.

#### **Background information**

The Community Colleges of Spokane District would like to relocate their district office from the Riverpoint 1 leased building in downtown Spokane and into the Lodge building (UFI A01909), a historically significant structure, on the Spokane Falls Community College campus. Relocating district office staff and function to the college campus will place district personnel close to students and staff, eliminate the cost of leasing, and better utilize owned facilities.

Spokane Falls Community College has been approved \$135,000 in local funds to study and develop a cost estimate for this project. This preliminary work indicates an estimated overall project cost of \$12,135,000.

Community Colleges of Spokane's Board of Trustees approved Resolution 24-34 on May 21, 2024, for this local capital request.

#### **Recommendation/preferred result**

Staff recommends approval of Resolution 24-06-34 giving Spokane Falls Community College authority to spend up to \$12,000,000 in local funds to design and renovate the Lodge building (UFI A01909).

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 24-06-34**

A resolution relating to Spokane Falls Community College’s request to use up to \$12,000,000 in local funds to design and renovate the Lodge building to house District Office staff.

**WHEREAS** Community Colleges of Spokane District would like to relocate their district office out of leased facilities at Riverpoint 1 in downtown Spokane and into the Lodge (UFI A01909) on the Spokane Falls Community College campus; and

**WHEREAS** this project will preserve a historically significant facility, locate personnel closer to students and staff, and eliminate leasing costs; and

**WHEREAS**, Spokane Falls has been approved \$135,000 in local funds to perform a study and cost estimate; and

**WHEREAS**, the preliminary study estimated a total overall project cost of \$12,135,000; and

**WHEREAS**, Community Colleges of Spokane Board of Trustees approved Resolution 24-34 for this local capital expenditure authority request on May 21, 2024; and

**THEREFORE BE IT RESOLVED**, that the State Board for Community and Technical Colleges authorizes Spokane Falls Community College to spend up to \$12,000,000 in local funds to design and renovate the Lodge building (UFI A01909).

**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 27,, 2024

Attest

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Paul Francis, secretary

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Chelsea Mason-Placek, chair

## **CONSENT ITEM (RESOLUTION 24-06-35)**

June 27, 2024

Tab 1e

### **Yakima Valley College: Property acquisition of 1007 South 12<sup>th</sup> Avenue in Yakima, Washington**

#### **Brief Description**

Yakima Valley College seeks approval to spend up to \$265,900 in local funds to purchase the property located at 1007 South 12<sup>th</sup> Avenue in Yakima, Washington

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

This project supports enrollments and completions by providing expanded campus facilities.

#### **Background information and analysis**

Yakima Valley College is in a residential area in the City of Yakima with limited expansion opportunities. The college master plan has identified the priority to acquire properties adjoining campus grounds for future expansion. The proposed acquisition (parcel 181325-24483) consists of a 0.2-acre parcel and 1,668 square foot duplex residence.

If approved, the property will be acquired, and the building demolished for conversion to a pay-to-park lot. A map showing the property relative to the existing campus is provided as Attachment A.

The total cost to purchase this property is estimated to be \$265,900. The college has identified local funds to complete the acquisition. Any operation, maintenance, repairs, or renovations in the future will be paid for from local college funds. The college will obtain appropriate expenditure authority for any future capital or public work.

Yakima Valley College's Board of Trustees approved acquisition of properties within the master plan boundaries in June 2004 and the college has delegated authority from the Department of Enterprise Services for acquisitions within the master plan boundary area. The college will follow state rules and utilize the Department of Enterprise Services as required for all public work.

#### **Recommendation/preferred result**

Staff recommends approval of Resolution 24-06-35 giving Yakima Valley College authority to spend up to \$265,900 in local funds toward acquisition of 1007 South 12<sup>th</sup> Avenue in Yakima, Washington.

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 24-06-35**

A resolution relating to Yakima Valley College's request to use up to \$265,900 in local funds to purchase the property located at 1007 South 12<sup>th</sup> Avenue in Yakima, Washington.

**WHEREAS** Yakima Valley College is located in a predominantly residential area and has limited opportunity to purchase property adjacent to the campus grounds for expansion; and

**WHEREAS**, the property is within the campus master plan boundaries and will provide additional parking; and

**WHEREAS**, all future operation, maintenance, repairs, or renovations will be paid for from local funds; and

**WHEREAS**, the total estimated cost to purchase the property is \$265,900; and

**WHEREAS**, Yakima Valley College has delegated authority for the acquisition from the Department of Enterprise Services for properties within the approved master plan boundary area and will obtain appropriate expenditure authority for future capital work and utilize the Department of Enterprise Services as required for all public work; and

**WHEREAS**, Yakima Valley College's Board of Trustees approved future property acquisitions within the master plan boundaries in June 2004;

**THEREFORE BE IT RESOLVED**, that the State Board for Community and Technical Colleges authorizes Yakima Valley College to spend up to \$265,900 in local funds to toward acquisition of 1007 South 12<sup>th</sup> Avenue in Yakima, Washington; 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 June 27, 2024

Attest

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Paul Francis, secretary

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Chelsea Mason-Placek, chair



Attachment A

Yakima County GIS - Washington  
Land Information Portal

[Print Map]  
[Close Map]

Yakimap.com



Map Center: Range: 18 Township: 13 Section: 25

City Limits  
Sections

*Master Plan boundary*  
*YVC owned*  
*proposed Aquisition*

WWW.YAKIMAP.COM  
Yakima County GIS  
128 N 2nd Street  
Yakima, WA 98901  
(509)574-2992



One Inch = 400 Feet

Feet 200 400 600

MAP AND PARCEL DATA ARE BELIEVED TO BE ACCURATE, BUT ACCURACY IS NOT GUARANTEED; THIS IS NOT A LEGAL DOCUMENT AND SHOULD NOT BE SUBSTITUTED FOR A TITLE SEARCH, APPRAISAL, SURVEY, FLOODPLAIN OR ZONING VERIFICATION

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## **CONSENT ITEM (RESOLUTION 24-06-36)**

June 27, 2024

Tab 1f

### **Olympic College ground lease to Western Washington University**

#### **Brief Description**

Olympic College is seeking approval to ground lease a portion of the Poulsbo Campus to Western Washington University to construct a new academic building and Cyber Range.

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

This project and partnership directly support strategic plan goals to “achieve educational equity for students who are historically underrepresented in higher education” and to “increase access and retention among populations who can benefit the most from college access.”

#### **Background information and analysis**

Western Washington University (WWU) wishes to enhance its presence in Kitsap County and the Olympic Peninsula including the addition of new bachelor's degree programs in sociology, data science, and industrial and systems engineering and graduate degree programs in social work and nursing. These new degree programs will result in increased enrollments for both Olympic College and WWU.

WWU Bachelor of Science in Cybersecurity is a 2+2 program where students complete the first two years of the program at a partner community college, earning a transfer degree in Cybersecurity. The final two years of the program are completed at WWU where they complete the requirements for a BS in Cybersecurity. Pathways to new graduate programs will allow students to transfer from Olympic College to WWU.

Through collaborative outreach and recruitment efforts, Olympic College and WWU will jointly benefit from the increasing number of students enrolled in these 2+2-degree programs. By co-locating WWU's Peninsula operations on the Olympic College-Poulsbo campus, Olympic College and WWU both benefit from shared use of facilities, such as classroom and lab space, and use of WWU's Cyber Range for educational purposes and by providing additional pathways for students to pursue baccalaureate and graduate level degree programs in high demand fields.

On October 19, 2023, the State Board authorized Olympic College to begin negotiation for the preferred location and lease terms with WWU. Olympic College and WWU have come to terms for a ground lease (Attachment A). The ground lease includes the following main points:

- The initial lease term is 30-years with options for two 10-year extensions.
- The ground lease is for approximately 2.1 acres of the 24.1-acre Poulsbo Campus.

- Project elements include an approximately 40,000 square foot, two-story building; approximately 150 parking spaces; and all necessary utility facilities, roads, sidewalks, and access facilities.
- As a public agency, WWU is required to pay prevailing wage to construct the facility and site improvements.
- WWU will be responsible for construction, operation, and maintenance of the facility for the term of the lease.
- Upon termination or expiration of the ground lease, title to all improvements shall be transferred to the State Board on behalf of Olympic College, or at the request of the college may require WWU to demolish and restore the site.

The Olympic College Board of Trustees passed resolution 24-05.001 (Attachment B) on May 21, 2024, approving the material terms of the lease, and recommending the State Board authorize the lease.

### **Recommendation/preferred result**

Staff recommends approval of Resolution 24-06-36, authorizing a ground lease of approximately 2.1 acres of the Olympic College Poulsbo campus to WWU for the construction of an approximate 40,000 square foot academic building and associated parking and amenities and delegate the SBCTC Executive Director authority to execute the ground lease between Olympic College and WWU.

Next Steps/resolution/future action

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 24-06-36**

A resolution relating to the ground lease of unimproved property at Olympic College’s Poulsbo Campus to Western Washington University for the construction of an academic building and Cyber Range.

**WHEREAS**, Olympic College and Western Washington University have an established relationship to offer 4-year degree programs to students through 2+2 programs; and

**WHEREAS**, Western Washington University would like to expand its presence in Kitsap County and the Olympic Peninsula with new bachelor’s degree programs in sociology, data science, and industrial and systems engineering and graduate degree programs in social work and nursing; and

**WHEREAS**, Western Washington University intends to request capital funding from the State Legislature to construct a new, approximately 40,000 SF academic facility and Cyber Range on a portion of the Olympic College Poulsbo campus; and

**WHEREAS**, the State Board authorized Olympic College to negotiate a preferred site and ground lease terms with Western Washington University in resolution 23-10-43; and

**WHEREAS**, after negotiations, Olympic College is seeking approval to ground lease approximately 2.1 acres of unimproved property at the Poulsbo Campus to Western Washington University; and

**WHEREAS**, both Olympic College and Western Washington University will benefit from shared use of facilities and providing additional pathways for students to pursue baccalaureate and graduate level degree programs in high demand fields; and

**WHEREAS**, Olympic College local Board of Trustees adopted resolution 24-05.001 on May 21, 2024, approving the material terms of the lease and recommending the State Board authorize the lease;

**THEREFORE BE IT RESOLVED**, that the State Board for Community and Technical Colleges authorizes a ground lease approximately 2.1 acres of the Olympic College Poulsbo Campus to Western Washington University for an initial term of 30-years and delegates to the Executive Director authority to execute the ground lease on behalf of the Board; 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 June 27, 2024

Attest

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Paul Francis, secretary

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Chelsea Mason-Placek, chair

Ground Lease  
between  
The State Board for Community and Technical  
Colleges/ Olympic College  
and  
Western Washington University

**GROUND LEASE**

This Ground Lease ("**Ground Lease**") is made by and between The State Board of Community And Technical Colleges (the "**State Board**"), as "**Ground Lessor**" on behalf of Olympic College, a community and technical college of the state of Washington organized under Ch. 28B.50 RCW (the "**College**"), and Western Washington University, a regional university of the state of Washington organized under Ch. 28B.35 RCW ("**WWU**" or "**Ground Lessee**"), collectively referred to herein as the "**Parties**" or individually as a "**Party**," as of the date that all Parties fully execute this Agreement (the "**Effective Date**").

**RECITALS**

- A.** The Ground Lessor, on behalf of the College, owns approximately 24.1 acres of property in Poulsbo, Washington, on which the College operates its Poulsbo campus, the legal description of which is attached hereto as Exhibit A (collectively, the "**College Property**").
- B.** In 1997, the City of Poulsbo (the "**City**") adopted the Olhava Property Integrated Master Plan (the "**Master Plan**"). The Master Plan governs the development of the 215-acre Olhava Property, which includes the College Property.
- C.** In 2004, the College and Olhava Associates, L.P., as developers, and the City entered into a Development Agreement recorded with Kitsap County under No. 200404290005 for the Olhava Property (the "**Development Agreement**").
- D.** The College has constructed and currently operates a 38,755 SF building on the College Property. The College has a long-term plan for expanding its facilities on the College Property, including moving its Nursing and Allied Health Division programs to the College Property and developing a 70,000 SF Allied Health Building and 10,000 SF Health Clinic upon the College Property ("**College Current Use and Long Term Plan**").
- E.** The City adopted a development moratorium, Ordinance No. 2023-11, effective August 19, 2023 for a period of 12 months (the "**Development Moratorium**"). The Development

Moratorium temporarily prohibits additional development in the designated Commercial and Business Park zones of the Olhava Property, which includes portions of the College Property, including the Leased Premises (defined below).

- F. Olympic College and WWU have heretofore collaborated in offering 4-year degree programs in business administration, business and sustainability, cyber security, early childhood education, environmental policy, environmental science, environmental studies, human services, multidisciplinary studies, and natural resource management to students through 2+2 programs, in which Olympic College students obtain an AAS-T degree and then transfer to WWU to obtain bachelor's degrees in these fields. Through collaborative outreach and recruitment efforts, OC and WWU jointly benefit from the increasing number of students enrolled in these 2+2 degree programs.
- G. WWU wishes to enhance its presence in the Kitsap and Olympic Peninsulas including the addition of new bachelor's degree programs in sociology, data science, and industrial and systems engineering and graduate degree programs in social work and nursing ("**Programs**") by constructing a new, approximately 40,000 SF academic facility (the "**Improvements**") on a portion of the College Property (the "**Project**"). These new degree programs will result in increased enrollments for both Olympic College and WWU. Pathways to new graduate programs will allow students to transfer from Olympic College to WWU. For example, planning is underway for a pathway from Olympic College's BSN to WWU's MSN for nursing students and professionals.
- H. By collocating WWU's Peninsulas operations on the Olympic College-Poulsbo campus, Olympic College and WWU both benefit from shared use of facilities, such as classroom and lab space, and use of WWU's Cyber Range for educational purposes. This continued partnership will allow Olympic College and WWU to expand their support to students across both institutions.
- I. The College wishes to accommodate WWU by granting it a ground lease upon a portion of the College Property for the purpose of constructing such Improvements and operating the Programs, subject to the conditions provided herein.
- J. Ground Lessor and the College will benefit from having the Programs on the College Property in that the Programs will significantly enhance the College's educational programs by providing additional pathways for students to pursue baccalaureate and graduate level degree programs in high demand fields. The College will also benefit from the new cyber facilities which the Ground Lessor will make available to the College for educational purposes.

## **AGREEMENT**

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Ground Lessor, the College, and Ground Lessee hereby agree as follows:

**1. INCORPORATION OF RECITALS; DEFINITIONS.**

Each recital set forth above is incorporated into this Ground Lease as though fully set forth herein. All capitalized terms not otherwise defined herein shall have the meaning set forth in Section 31 of this Ground Lease.

**2. LEASED PREMISES; REVISIONS THERETO.**

Ground Lessor does hereby lease to Ground Lessee, and Ground Lessee does hereby lease from Ground Lessor, the real property located in the City of Poulsbo, County of Kitsap, State of Washington, identified by County Assessor tax parcel no. 102601-2-060-2006, and more particularly described in the Legal Description for that property attached hereto as Exhibit B, and depicted on the Site Map attached hereto as Exhibit C, together with all rights, title, and interest of Ground Lessor in and to all rights of way or use, servitudes, licenses, easements, tenements, hereditaments, and appurtenances now and hereafter belonging or pertaining to the use of such real property during the Term, provided however that Ground Lessor reserves to itself all easements and rights of access and use necessary or convenient to the College Current Use and Long Term Plan that do not unreasonably interfere with Ground Lessee’s use of the property for the purposes provided hereunder (the “**Leased Premises**”).

The Parties may, by mutual written agreement, elect to revise the location of the Leased Premises.

**3. TERM; OPTION TO EXTEND.**

This Ground Lease shall be for a term of thirty (30) years, commencing upon the Effective Date, (the “**Term**”). Ground Lessee shall have two consecutive options to extend Term each for an additional ten-years on the same terms and conditions contained herein (each an “**Extension Option**”). Ground Lessee shall give written notice to Ground Lessor and the College of its election to exercise an Extension Option, in writing, not fewer than thirty (30) days prior to expiration of the then-current Term.

**4. FUNDAMENTAL PROJECT ELEMENTS AND SCHEDULE**

Ground Lessee shall at its sole cost and expense, design, entitle, construct, and operate Improvements as described herein. The fundamental elements of the Improvements, as currently contemplated by the Parties, are as follows:

- Approximately 40,000 SF, 2-story building including:
  - Teaching/Learning Space including lecture hall and classrooms, offices, and faculty space
  - Common areas; and
  - Cybersecurity space
- Approximately 150 parking spaces
- All necessary utility facilities

- All necessary road, sidewalk, and access facilities

The final details and specifications for the Improvements will be agreed upon by the parties after Ground Lessee is appropriated the funds necessary to complete the Project. The parties will work in good faith to develop the **Project Schedule** as set forth in Exhibit D and the **Project Milestones** set forth on Exhibit E.

## **5. REVIEW OF PROPERTY**

### **5.1. Delivery of Documents**

The College shall deliver to Ground Lessee reports relating to the physical condition of the Leased Premises and other environmental testing and remediation of the Leased Premises to the extent they exist and are in the College's possession or can be obtained by the College, including engineering, mechanical, environmental, structural and seismographic reports and any additional studies and documents related to any Phase 1, Phase 2 and other environmental testing and remediation of the Leased Premises no later than thirty (30) days following the Effective Date. If Reports are available, the College has no actual knowledge that any of the Reports contain inaccurate information or that any of the Reports are incomplete. The College makes no other representations or warranties of any kind whatsoever to Ground Lessee as to the accuracy or completeness of the content of the Reports or any other information delivered to or made available to Ground Lessee pursuant to this Ground Lease, and beyond this specific representation, the College shall not have any liability or responsibility to Ground Lessee with respect to the accuracy or completeness of any of the Reports or other information or based upon or arising out of any use Ground Lessee may make of the Reports or other information.

### **5.2. Due Diligence Review.**

During the time period between the Effective Date and one hundred eighty (180) days following the date the funds for the Project are appropriated to Ground Lessee by the State Legislature (the "**Due Diligence Period**"), Ground Lessee shall have the right to make an analysis of the Leased Premises including such engineering, feasibility studies, soils tests, environmental studies, and other investigations as Ground Lessee, in its sole discretion, may desire, with respect to the suitability of the Leased Premises for Ground Lessee's contemplated uses and to conduct such other review and investigation which Ground Lessee deems appropriate to satisfy itself to acquire the Leased Premises.

Ground Lessee shall coordinate with the College in advance of Ground Lessee's entry on the Leased Premises during the Due Diligence Period. The College reserves the right to have representatives present during any such inspections.

### **5.3. Approval/Disapproval of Due Diligence Review.**

Prior to the expiration of the Due Diligence Period, Ground Lessee may notify the College in writing of Ground Lessee's approval or disapproval of the condition of the Leased Premises and Ground Lessee's investigations with respect thereto (excluding title matters), which approval may be withheld in Ground Lessee's sole and absolute discretion ("**Due Diligence Notice**"). Ground Lessee's failure to deliver the Due Diligence Notice on or before the expiration of the Due

Diligence Period shall be conclusively deemed Ground Lessee's approval thereof. Ground Lessee's disapproval of said matters shall automatically terminate the Ground Lease.

## **6. TITLE.**

### **6.1. Title Contingency.**

College shall cause the \_\_\_\_\_ ("**Title Company**") to provide the College and Ground Lessee with a preliminary commitment for title insurance for the Leased Property ("**Title Commitment**") within three (3) business days following the Effective Date. Ground Lessee shall have thirty (30) days from the date of receipt of the Title Commitment (the "**Title Inspection Period**") to notify the College of its approval or disapproval of each exception in Schedule B of the Title Commitment (the "**Title Notice**"). Ground Lessee's failure to issue a Title Notice during the Title Inspection Period shall be conclusively deemed Ground Lessee's acceptance of any such matter. If Ground Lessee issues a Title Notice during the Title Inspection Period, the College shall have thirty (30) days to notify Ground Lessee whether the College will remove the objected to exceptions. If the College does not timely notify Ground Lessee that it will remove a matter to which Ground Lessee has objected, the College shall be deemed to have given notice of its election not to cause such matter to be removed. If the College elects or is deemed to elect not to remove any matter to which Ground Lessee has objected, Ground Lessee may terminate the Ground Lease by written notice to the College within ten (10) days of the date on which the College elects or is deemed to elect not to remove any such exceptions. Each exception in Schedule B of the Title Commitment to which Ground Lessee does not object in the Title Notice, and each such exception to which Ground Lessee does object, but College does not agree to remove, shall be referred to herein as "**Permitted Exceptions.**"

### **6.2. Title Insurance.**

Ground Lessee may, in its discretion, obtain a policy of leasehold title insurance from the Title Company, at Ground Lessee's sole cost and expense.

### **6.3. Title to Improvements.**

- a. Ground Lessor, on behalf of the College, shall retain fee simple title to the Leased Premises.
- b. Title and ownership of all Improvements, fixtures, and equipment hereafter located on the Leased Premises by Ground Lessee shall be vested in Ground Lessee until the termination or expiration of this Ground Lease. Upon the termination or expiration of this Ground Lease, title to all Improvements shall vest automatically in the Ground Lessor.
- c. During the Term, and any renewals thereof, the Improvements shall not be conveyed, transferred, or assigned without the prior written consent of Ground Lessor and the College. Ground Lessee shall allow no other person to construct, except for Ground Lessee's account, any additional improvements on the Leased Premises, and except as allowed pursuant to Section 14.2 of this Ground Lease.



- d. All of Ground Lessee's right, title, and interest to any Improvements shall terminate and title to the Improvements shall automatically vest in Ground Lessor and the Improvements shall be surrendered by Ground Lessee to Ground Lessor upon expiration or earlier termination of this Ground Lease. No further deed or other instrument shall be necessary to confirm the vesting of title to the Improvements in the Ground Lessor. However, upon termination or expiration of this Ground Lease, Ground Lessee, upon request of the College or Ground Lessor, shall execute, acknowledge, and deliver to the College a deed in a form mutually agreeable to Ground Lessee, the College, and Ground Lessor, confirming that all of Ground Lessee's right, title, and interest in the Improvements has expired and that title to the Improvements has vested in Ground Lessor.
- e. The Parties shall enter into reciprocal easements, covenants or other permanent mechanism to ensure smooth functioning of integrated elements of the project (for example, parking).

## **7. RENT PAYMENTS.**

### **7.1. Rent.**

Commencing on the Rent Commencement Date, Ground Lessee shall pay to the College the following Rent:

#### **a. Base Rent.**

In compliance with RCW 39.33.010 and RCW 43.09.210, the Base Rent for the Leased Premises shall be One Dollar (\$1.00) per year, on the or before the first day of the year, for each full or partial calendar year of the Term through to the end of the Term ("**Base Rent**"). The amount of Base Rent has been determined by the Parties taking into consideration the following criteria: (a) the Leased Premises are largely unimproved; (b) the Improvements will be owned by Ground Lessor upon expiration of the Term and any renewals thereof of this Ground Lease; (c) the restrictions set forth in this Ground Lease on Ground Lessee's use of the Leased Premises; (e) the Ground Lessee's promise to use reasonable efforts to bring its students to attend classes in the Leased Premises as more fully described in Section 7.3; (e) the College's and or its students shared usage of portions of the Leased Premises to be determined more specifically in a Management Agreement to be negotiated and executed between the College and Ground Lessee; and (f) the unique partnership and benefits as described above in the Recitals.

#### **b. Additional Rent.**

Ground Lessee shall pay, within thirty (30) business days of the College's demand therefor any expenses incurred by the College resulting from Ground Lessee's failure to pay or cause to be paid any amounts owed to the College under this Ground Lease (other than Base Rent) or any person or entity, including, but not limited to, utilities, maintenance, impositions, liens, or encumbrances. ("**Additional Rent**").

### **7.2. Triple Net Lease; No Counterclaim; Abatement.**

Under no circumstances or conditions, whether now existing or hereafter arising, or whether beyond the present contemplation of the parties, shall the College or the Ground Lessor be expected or required to make any payment of any kind whatsoever, including without limitation,

any regular or special assessments levied against the Leased Premises, or be under any obligation or liability hereunder, except as herein expressly set forth. Neither the Ground Lessor nor the College shall be responsible for any costs of repair, maintenance, or replacement whatsoever unless, and only to the extent, such repair, maintenance, or replacement is required primarily as a result of the negligence or willful misconduct of the College or its contractors, employees, officers, or agents (but not its patrons, students or the general public). Except as otherwise expressly provided herein, this Ground Lease shall continue in full force and effect, and the obligations of Ground Lessee shall not be released, discharged, or otherwise affected, by reason of: (a) any damage to or destruction of the Leased Premises or Improvements; (b) any restriction or prevention of or interference with any use of the Leased Premises or the Improvements or any part thereof which materially interferes with Ground Lessee's possession or use of the Leased Premises; (c) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other proceeding relating to College, or any action taken with respect to this Ground Lease by any trustee or receiver of College with respect to this Ground Lease by any trustee or receiver of the College, or by any court, in any proceeding; (d) any claim which Ground Lessee has or might have against the College or Ground Lessor; or (e) any failure on the part of the College or Ground Lessor to perform or comply with any of the terms hereof or of any other agreement with Ground Lessee. Except as expressly provided in this Ground Lease, the obligations of Ground Lessee shall be separate and independent covenants and agreements.

### **7.3 Affirmative Duty to Utilize the Project to Provide Classroom Instruction.**

As additional consideration for Ground Lessee's benefit of this Lease, Ground Lessee shall use its reasonable best efforts to promote the Project to provide classroom instruction and to meet enrollment projections in every academic quarter or semester during the Term, beginning in the third year following Completion of the Project. Ground Lessee shall report annually to College, within thirty (30) days after the end of each academic year (June 30 if not otherwise established) of its performance of this affirmative duty in the preceding academic year. If Ground Lessee fails to perform this affirmative duty for any three consecutive academic years during the term of this Lease (beginning in the third year following Completion of the Project) and continues to fail to perform this affirmative duty for another academic year after College provides it with written notice of such failure and an opportunity to cure, the Parties shall resolve any dispute over this term through the dispute resolution process contemplated in Section 30.14.

## **8. COMPLIANCE WITH LEGAL REQUIREMENTS AND AGREEMENTS.**

Ground Lessee shall, at its sole cost and expense, comply with and perform all obligations with respect to (a) the Legal Requirements, and (b) all applicable contracts (including insurance policies, to the extent necessary to prevent cancellation and to ensure full payment of all claims made under such policies), covenants, conditions and restrictions, and all other applicable agreements to the Leased Premises and its ownership, operation, use, or possession.

## **9. USE AND CONDITION OF LEASED PREMISES.**

### **9.1. Right of Entry Prior to Rent Commencement Date.**

Prior to the Rent Commencement Date, Ground Lessee shall have a right of entry upon the

Leased Premises to provide reasonable access as necessary to perform its Due Diligence as described in Section 5.2 and to achieve the conditions precedent described in Section 9.2. During that time, Ground Lessee shall coordinate with the College in advance of Ground Lessee's entry on the Leased Premises. Ground Lessee shall coordinate with the College in advance of Ground Lessee's entry on the Leased Premises prior to the Rent Commencement Date. The College reserves the right to have representatives present during any such entry. Ground Lessee shall indemnify, defend, and hold the College and Ground Lessor harmless from and against any claims, injuries or damages arising out of or involving any such entry or activity as more fully described in Section 29. Any such activity shall be undertaken only after securing any necessary permits from the appropriate governmental agencies, if any, and providing the College with appropriate certificates of insurance or evidence of self insurance acceptable to the College in its sole discretion.

### **9.2. Possession Upon Rent Commencement Date.**

Subject to Permitted Exceptions and easements and covenants reserved to Ground Lessor or College hereunder, sole possession of the Leased Premises shall be delivered to Ground Lessee on the Rent Commencement Date, free and clear of any other tenancies or right of occupancy or use, and Ground Lessee shall take possession as of that date. The **Rent Commencement Date** shall mean the date on which Ground Lessee has satisfied all of the following conditions precedent:

- 9.2.1. College and Ground Lessee have entered into the Management Agreement, described in Section 9.4
- 9.2.2. College has approved the Design Documents, as described in Section 11.2
- 9.2.3. College has approved the Financing Plan, as described in Section 9.5
- 9.2.4. Ground Lessee has obtained all necessary Entitlements for the Project
- 9.2.5. Ground Lessee has entered into a Construction Contract for the Project supported by the Approved Financing Plan
- 9.2.6. Ground Lessee has obtained a Payment and Performance Bond as described in Section 13.2.

### **9.3. Leased Premises to be Used Solely for the Programs or other Mutually Agreed Upon Educational Purpose.**

Ground Lessee shall use the Leased Premises for the construction and operation of the Project to serve the educational purposes of the Programs. No other use may be made of the Leased Premises without the prior written approval of the College and the Ground Lessor.

### **9.4. Management Agreement.**

Ground Lessee and the College shall execute a management agreement (the "Management Agreement") in a form and of substance approved by each of the Parties, which requires that the Leased Premises will be operated to allow reasonable access to Ground Lessee and College students, instructors, contractors and staff based on the terms agreed to in the Management

Agreement consistent with both Ground Lessee’s and the College’s educational programming. The Management Agreement will also address ongoing maintenance, shared utilities (if applicable), use of Leased Premises by the College, custodial staff, security, and other joint operating issues.

**9.5. Financing Plan**

Ground Lessee shall submit the following information to the College, for review and approval by the College:

- 9.5.1. A complete budget for the construction of the Project (“**Project Budget**”) and all other improvements required by the Ground Lease, including all proposed sources and uses of funds, all “hard” and “soft” costs and contingencies, which will be submitted as part of WWU’s legislative funding proposal.

Upon approval by the State Legislature, the financing plan for the initial construction of the Project shall constitute the **Approved Financing Plan** for the Project. Any material change to the Approved Financing Plan for prior to the Rent Commencement Date must first be submitted to and approved by College.

**9.6. Prohibited Uses.**

Ground Lessee shall not allow the Leased Premises or the Improvements to be used for any unlawful purpose, nor shall Ground Lessee cause, maintain, or permit any nuisance in, on, or about the Leased Premises or the Improvements. Ground Lessee shall not commit or suffer to be committed any waste in or upon the Leased Premises, the Improvements, or the landscaping. Ground Lessee shall not do or permit anything to be done on the Leased Premises or the Improvements that will cause damage to the Leased Premises or the Improvements.

**9.7. AS-IS Condition of the Leased Premises.**

Ground Lessee shall acquire the ground leasehold in the Leased Premises in its “AS-IS” condition.

EXCEPT AS SPECIFICALLY SET FORTH IN THE GROUND LEASE, THE COLLEGE MAKES AND WILL MAKE NO REPRESENTATIONS OR WARRANTIES WHATSOEVER WITH RESPECT TO THE PHYSICAL CONDITION OR VALUE OF THE LEASED PREMISES, THE PRESENCE OR ABSENCE OF HAZARDOUS SUBSTANCES ON THE COLLEGE PROPERTY, SOILS CONDITIONS, OR OTHER PHYSICAL CHARACTERISTIC OF THE COLLEGE PROPERTY OR THE SUITABILITY OF THE COLLEGE PROPERTY FOR GROUND LESSEE’S INTENDED DEVELOPMENT. THE COLLEGE MAKES NO REPRESENTATION WHATSOEVER REGARDING THE FINANCIAL FEASIBILITY OF THE PROPOSED REDEVELOPMENT OF THE COLLEGE PROPERTY.

**10. MODIFICATION OF EXISTING CITY RESTRICTIONS.**

**10.1. Termination or Expiration of Moratorium.**

Development of the Leased Premises and other portions of the College Property are prohibited by the Moratorium as of the Effective Date. The Moratorium is expected to expire August 19, 2024, and the City has indicated its willingness to consider termination of Moratorium as it affects the College Property prior to that date. If the development restrictions contained in the Moratorium

are not terminated by the date set forth in the Project Schedule, this Ground Lease may be terminated by either Party by sending written notice thereof to the other Party.

#### **10.2. Amendments to the Master Plan and Development Agreement.**

The Parties acknowledge that pursuant to the current Master Plan and Development Agreement, the College's planned future development and the Project cannot currently all be developed on the College Property and that to do so will require amendment of the Master Plan and Development Agreement (the "**Amendments**"). The College shall, in consultation with Ground Lessor and Ground Lessee, use commercially reasonable good faith efforts to pursue the Amendments so as to accommodate the Project as well as the College's planned future development on the College Property. The College shall coordinate with Ground Lessee all submittals to the City regarding the amendments to the Master Plan and Development Agreement as it relates to the Project, allowing Ground Lessee at least five (5) business days to review the materials before submitting them to the City. College shall provide timely updates on the progress of the Master Plan and Development Agreement amendments, and allow Ground Lessee to attend the College's meetings with the City to stay informed.

If the City has not finally approved the Amendments by the date set forth in the Project Schedule, either Party may, in its sole discretion, terminate the Ground Lease. If Ground Lessee is not satisfied that the approved Amendments appropriately accommodate the Project, Ground Lessee may, in its sole discretion, terminate the Ground Lease by giving the College notice thereof within 30 days of the effective date of the amendments. If, after thorough discussions with the City, the Amendments proposed to be considered by the City Council do not, in Ground Lessee's opinion, appropriately accommodate the Project, and Ground Lessee determines that it will terminate this Ground Lease, then Ground Lessee shall use commercially reasonable efforts to inform the College of its decision to terminate the Ground Lease prior to the City's action approving the Amendments. If Ground Lessee terminates the Ground Lease, it shall pay to the College incurred Additional Entitlement Costs (as defined below) within 30 days of the termination.

The College shall be the lead applicant for the Amendments and shall bear the costs thereof; provided, however, that Ground Lessee shall reimburse the College for all reasonable costs associated with accommodating the Project within the amended Master Plan and Development Agreement, including without limitation, soft costs associated with City review, planning, design, submissions, community relations, and all supporting reports and studies related to the Amendments ("**Additional Entitlement Costs**"). Ground Lessee shall pay the College all reasonable net additional costs incurred by the College in future development on the College Property resulting from development of the Improvements as compared to the College's costs of development of the College Property without the Project ("**Additional Development Costs**"). The Parties shall use commercially reasonable efforts in good faith to agree upon the amount of the Additional Development Costs in advance of incurring these expenses. If the Parties fail to agree, then the amount shall be determined through the Dispute Resolution process set forth in Section 30.14.

#### **11. LEASEHOLD IMPROVEMENTS.**

### **11.1. General.**

Construction and design of the Improvements shall be consistent with the then-current Master Plan, Development Agreement, and all other applicable City and other governmental rules and regulations, including the City's Design Review process (if required) (the "**Development Standards**"). No applications for approval or permits related to the Leased Property shall be submitted to City without the College's prior opportunity to review. Ground Lessee shall promptly provide the College with copies of all site plans, surveys, applications for land use approvals and permits, licenses, approvals, and other agreements with state and local governmental entities with jurisdiction over the development and use of the Leased Premises.

### **11.2. Preparation and Approval of Design Documents.**

#### **a. Pre-design Consultation.**

The College agrees to provide Ground Lessee with the College's design requirements and to make staff available to meet with Ground Lessee's design team to ensure appropriate design.

#### **b. College Review and Approval.**

Ground Lessee will invite a representative of College, designated by the College, on the group of "stakeholders" it convenes as part of its Project design and development effort and shall keep such College stakeholder representative regularly apprised of the progress of the development of the design of the Project and of the Project entitlement process. Ground Lessee shall, at its sole cost and expense, and on or before the deadlines established in the Project Schedule, prepare and submit to the College for its review any and all Design Documents for development of Improvements on the Leased Premises. The Design Documents to be reviewed by the College shall include all schematic design, design development, and construction documents related to the Project (the "**Design Documents**"). Ground Lessee shall give the College notice of the date Ground Lessee expects to submit each such Design Document to the College a reasonable time prior to such expected submittal date. Ground Lessor shall submit to the College electronic copies of the Design Documents. At the College's request, Ground Lessee shall also provide the College with up to three (3) hard copies of the Design Documents. Upon Ground Lessee's submittal of Design Documents to the College, the College shall promptly review the Design Documents and shall give Ground Lessee written notice within ten (10) business days following its receipt of such Design Documents of its approval or of any changes that are required in order for the College to approve the Design Documents. Ground Lessee shall, immediately following receipt of a proper notice of any disapproval or requested modification, undertake to further amend or modify the Design Documents so as to conform to the College's design requirements, Development Standards, and Legal Requirements and, upon completion thereof, the same shall be resubmitted to the College for its written approval within five (5) business days. Ground Lessee may dispute the decision of the College through the dispute resolution process contemplated in Section 30.14. The College agrees that Ground Lessee's consultants may, at the Ground Lessee's risk, continue to design during the College's review period.

#### **c. Approved Plans.**

Upon Olympic College's approval of any Design Document, Ground Lessee shall submit such approved document(s) to the relevant governmental authority for review (the "**Approved Plans**").

Except for change orders the net cost of which is under \$10,000 that may occur during the design and construction process, there shall be no material change in the Approved Plans without the prior written consent of the College.

### **11.3. Entitlements.**

Ground Lessee shall exercise commercially reasonable efforts to secure, at its sole cost and expense, all development and building permits and approvals from the City and other regulatory authorities with jurisdiction required for the Project (the "Entitlements"), in a timely manner according to the Project Schedule. The College and/or Ground Lessor shall join in the application for such Entitlements whenever such joinder is required and the College and/or Ground Lessor will timely provide owners' authorizations as may be required by regulatory authorities; provided, however, that the College shall incur no expense or liability in connection therewith. Prior to applying for any Entitlement with the City or other relevant regulatory authority, Ground Lessee shall submit any such application to the College for its review and approval, which the College shall timely review, comment on, and approve or disprove. Ground Lessee shall, immediately following receipt of a proper notice of any disapproval or requested modification, undertake to further amend or modify any Entitlement application so as to respond to the College's requirements, and upon completion thereof, the same shall be resubmitted to the College for its written approval. Upon the College's approval of any Entitlement application, Ground Lessee shall submit such approved application to the relevant governmental authority. Ground Lessee shall not agree to any Entitlement conditions proposed or approved by the City or other relevant governmental authority without prior approval from the College.

### **11.4. Construction of Improvements in Accordance with Development Standards.**

Ground Lessee shall contract for the construction of the Improvements at its sole cost and expense and shall diligently and continuously prosecute construction so as to achieve Completion within the period set forth in the Project Schedule, subject to Enforced Delay in a good and workmanlike manner, free from defects in work or materials and in substantial accordance with the applicable Entitlements and the approved Construction Documents, free and clear of all Construction Liens and in compliance with all Laws. All necessary plans shall be prepared by qualified licensed architects and engineers. The Improvements shall be constructed in accordance with Class A Standards using high-quality materials and, if necessary, with plans and/or drawings prepared by a qualified licensed architect or space planner. All construction work shall be performed in a first-class manner by qualified contractors and subcontractors experienced in the respective trades in which they are engaged.

Ground Lessor and the College would not have entered into this Ground Lease but for the agreement by Ground Lessee to undertake, at Ground Lessee's sole cost and expense, the construction of the Improvement in substantial accordance with the Development Standards. Ground Lessee agrees to design, construct, and diligently and continuously work to complete the construction of the Improvements in a timely and cost-effective fashion, in a good and workmanlike manner, and in accordance with the Approved Plans, free and clear of all Liens and otherwise in accordance with the requirements of this Ground Lease subject to Section 11. Ground Lessee also agrees to partner with the College to consult early in the project planning process with the Washington Department of Archaeology and Historic Preservation ("DAHP") and

any affected tribes regarding the proposed Improvements. Ground Lessee will take all reasonable action to avoid, minimize, or mitigate adverse effects to archeological sites, sacred sites, or other cultural resources. Should DAHP or any affected tribes notify the College or Ground Lessee that additional studies are needed before the project may proceed, Ground Lessee is responsible for undertaking these actions at its own cost. Upon completion of the Improvements, Ground Lessee will promptly provide the College, at no cost to the College, with a set of "as built" plans as provided by the construction manager/General Contractor.

#### **11.5. Disclaimer of Liability by the College.**

Approval by the College of the Design Documents, Permit Packages, or Approved Plans shall not constitute any representation or warranty by the College or Ground Lessor that such plans comply with all Legal Requirements, and neither the College nor Ground Lessor assumes any liability with respect thereto. Notwithstanding any provision of this Ground Lease to the contrary, neither the College nor Ground Lessor is under any obligation or duty to, nor shall either of them design, supervise design, construct, or supervise construction of the Improvements, except to the extent that Ground Lessor or the College disapprove of submitted plans per Section 11.2 above. The College's approvals of the Preliminary Plans and the Approved Plans as provided in this Ground Lease are for the sole purpose of protecting its rights as the owner of a reversionary interest in the Leased Premises.

#### **12. CONSTRUCTION IMPACTS AND MITIGATION.**

Ground Lessee shall coordinate site logistics with the College to ensure wayfinding signage, barricades, and access points around the work site(s) provide good mobility for College students, faculty, and employees and construction operations while keeping one safe and secure from the other. During construction, Ground Lessee shall at all times require its General Contractor and any subcontractors to conduct all activities in conformance with this Ground Lease and so as not to interfere with, obstruct, or endanger Ground Lessor's or the College's facilities, property, or operations. Prior to beginning any new construction activities, Ground Lessor shall provide a construction staging and access plan for the College's review and approval.

#### **13. LIENS.**

##### **13.1. Covenant Against Liens.**

Ground Lessee covenants and agrees that it shall not, during the Term of this Ground Lease, suffer or permit any lien, charge, security interest, or encumbrance (collectively, "**Liens**") to be attached to, upon, or against the Leased Premises, or any portion thereof or any Rent payable under this Ground Lease for any reason, including, without limitation, Liens arising out of the possession, use, occupancy, design, construction, repair, or rebuilding of the Leased Premises or by reason of the furnishing of labor, services, materials, or equipment to the Leased Premises or to Ground Lessee. Ground Lessee agrees to indemnify, protect, defend, and hold Ground Lessor and the College harmless from and against all liabilities, losses, damages, expenses, and costs (including reasonable attorneys' fees and costs) incurred in connection with any such Lien. Ground Lessee's obligations pursuant to this Section 13.1 shall survive the expiration or earlier termination of this Ground Lease.



### **13.2 Payment and Performance Bond.**

Ground Lessee shall provide or cause its contractor(s) to provide a Payment and Performance Bond in compliance with RCW 39.08.010, the acceptance of which is subject to the College's review and approval, in which the obligation is to the state of Washington, guaranteeing payment for and faithful performance and completion (within the respective times provided in the Project Milestones) of the Project, in accordance with the Design Documents.

## **14. MAINTENANCE AND MODIFICATIONS OF LEASED PROPERTY.**

### **14.1. Maintenance and Repairs.**

Maintenance and repairs of the Leased Premises, the Improvements, all facilities, and equipment thereon, and all sidewalks, curbs, gutters, landscaping, utility lines, and appurtenances and every part thereof, shall be at the sole cost and responsibility of the Ground Lessee. Ground Lessee shall maintain Improvements in good repair for the full Term. Ground Lessee shall maintain reserves or have another capitalization plan, subject to review by the College, sufficient to carry out its obligations to repair and maintain the improvements.

### **14.2. Modifications, Alterations, and Additions.**

a. Ground Lessee shall not make any modifications, alterations, additions, or improvements to the Leased Premises or any part thereof (other than the Improvements) with a dollar value greater than \$25,000 ("Substantial Modifications") without first obtaining the prior written consent of the College. In all events, Ground Lessee shall promptly furnish the College with copies of all plans and specifications prepared in connection with any substantial repairs, alterations, additions, or improvements. All Substantial Modifications shall be constructed in accordance with plans and specifications approved by the College. Notice and approvals required by this Section shall be given and all permits acquired as set forth in Section 11.2 herein.

b. Before commencing any work relative to the Substantial Modifications, Ground Lessee shall notify the College in writing of the expected date of commencement thereof. The College shall then have the right at any time to post and maintain on the Leased Premises such notices as the College reasonably deems necessary to protect the Leased Premises and the College from construction or other Liens. Any Substantial Modifications shall be expeditiously completed in a good and workmanlike manner and in compliance with all applicable Legal Requirements and the requirements of all insurance policies applicable to the Leased Premises. Ground Lessee will procure all necessary permits before making any Substantial Modifications, repairs, or redecoration. Ground Lessee shall pay, when due, all claims for labor, materials, supplies, or equipment furnished to or for Ground Lessee at or for use in the Leased Premises. Ground Lessee shall not permit any Liens to be levied against the Leased Premises for any labor, materials, supplies, or equipment furnished to Ground Lessee or claimed to have been furnished to Ground Lessee or to Ground Lessee's agents or contractors in connection with the work and any such Liens shall be removed as required under Section 13 of this Ground Lease.

## **15. UTILITIES AND SERVICES.**

During construction of the Improvements, Ground Lessee shall be solely responsible for all utility costs associated with the Improvements and construction thereof. Following completion of the Improvements, Ground Lessee shall continue to be solely responsible for utilities and services to the Improvements and Leased Premises.

#### **16. GROUND LESSEE FINANCING OF IMPROVEMENTS.**

Ground Lessee shall not have the right to mortgage, pledge, encumber, or assign its leasehold interest under this Ground Lease, in whole or in part, without the written permission of the College. Any mortgage will be subject to and subordinate to the rights of Ground Lessor or the College under the Ground Lease and to the Ground Lessor's fee interest in the College Property. No mortgage of Ground Lessee's leasehold interest shall exceed the term of this Ground Lease.

#### **17. ENVIRONMENTAL OBLIGATIONS OF THE PARTIES.**

##### **17.1. Definitions. As used in this Ground Lease, the following terms are defined as follows:**

- a. "Environmental Laws" shall include any and all federal state, and local statutes, regulations, rules, and ordinances, now or hereafter in effect, which in any way govern the use, storage, or spillage of any Hazardous Substances, including but not limited to the laws referenced in Section 31.11 of this Ground Lease.
- b. "Hazardous Substances" shall be interpreted in the broadest sense to include any substance, material, or product defined or designated by federal or state law as hazardous, toxic, radioactive, dangerous, or regulated wastes, including, but not limited to, those provisions listed in Section 24.6 of this Ground Lease.
- c. "Environmental Costs" shall be interpreted in the broadest sense to include, but shall not necessarily be limited to: (i) costs or expenses relating to any actual or claimed violation of or noncompliance with any Environmental Law; (ii) all claims of third parties, including governmental agencies, for damages, response costs, or other relief; (iii) the cost, expense, or loss to a Party to this Ground Lease as a result of any injunctive relief, including preliminary or temporary injunctive relief, applicable to the Party or the Leased Premises; (iv) all expenses of evaluation, testing, analysis, cleanup, remediation, removal, and disposal relating to Hazardous Substances, including fees of attorneys, engineers, consultants, paralegals, and experts; (v) all expenses of reporting the existence of Hazardous Substances or the violation of Environmental laws to any agency of the State of Washington or the United States as required by applicable Environmental Laws; (vi) any and all expenses or obligations, including attorneys' and paralegal fees, incurred at, before, and after any trial or appeal therefrom or any administrative proceeding or appeal therefrom, whether or not taxable as costs, including, without limitation, attorneys' and paralegal fees, witness fees (expert and otherwise), deposition costs, copying, telephone, and telefax charges and other expenses; and (vii) any damages, costs, fines, liabilities, and expenses which are claimed to be owed by any federal, state, or local regulating or administrative agency.

**17.2. Responsibility for Cleanup/Remediation and Costs.**

- a. Should the presence of Hazardous Materials be discovered on the Leased Premises during design or construction of the Project, and such Hazardous Materials were present prior to the Rent Commencement Date, the College shall, in coordination with Ground Lessee and its contractor, cause such material(s) to be removed and disposed of and the Leased Premises remediated in full compliance with all Environmental Laws or orders or directives of governmental regulators with jurisdiction over the Leased Premises and the Parties. All Environmental Costs, together with any costs incurred by Ground Lessee due to delay or the necessity of coordination of the cleanup or remediation, shall be borne by the College and/or Ground Lessor. Alternatively, in such event, within sixty (60) days of such discovery, College or Ground Lessor may terminate this Ground Lease in its sole discretion by sending notice thereof to Ground Lessor and this Ground Lease shall have no further force or effect except for terms that expressly survive such termination. The removal and disposal requirements under this Section 17.2(a) shall terminate in the event this Ground Lease is terminated under this Section.
- b. Should Ground Lessee or its contractors cause to be spilled or discharged Hazardous Materials on the Premises, or should the presence of Hazardous Materials that were not present prior to the Rent Commencement Date be discovered on the Leased Premises, then Ground Lessee or its contractor shall cause such material(s) to be removed and disposed of and the Premises remediated in full compliance with all Environmental Laws or orders or directives of governmental regulators with jurisdiction. All Environmental Costs incurred to affect such cleanup shall be borne by Ground Lessee or its contractor(s).

**17.3. No Use of Hazardous Substances.** No handling, generation, storage, creation, disposal, transportation, or discharge of any Hazardous Substances shall be permitted on, about, or from the Premises except as approved in writing by the College. This restriction shall not apply, however, to use of construction materials and supplies customarily needed for use in construction of the Improvements, or to office and janitorial supplies which are available over the counter for common use by members of the general public so long as such use is in small quantities, nor shall this prohibition apply to substances fully contained inside of vehicles so long as used in accordance with all Environmental Laws.

**17.4. Environmental Inspection.** The College reserves the right to inspect for Hazardous Substances and/or Ground Lessee's management of Hazardous Substances on the Premises at any reasonable time, and from time to time, with notice to Ground Lessee.

**17.5. Disposal of Hazardous Substances.** Ground Lessee, shall not dispose of any Hazardous Substances, regardless of the quantity or concentration, into any drainage ditches, storm, and/or sanitary sewer drains and plumbing facilities within the Premises, or other property of the College except in compliance with all Environmental Laws. Any disposal of Hazardous Substances shall be in approved containers and removed from the Premises by Ground Lessee in accordance with the law. If the College or Ground Lessee knows, or has reasonable cause to believe, that any release of Hazardous Substances has come to be located on or beneath the Premises, then the College or Ground Lessee, as the case may be, must immediately give written notice of that condition to the other Party.

**17.6. Notice to Party.** Any Party hereto shall immediately notify all other Parties hereto upon becoming aware of a violation or alleged violation of any Environmental Law and/or: (1) any leak, spill, release, or disposal of a Hazardous Substance on, under, or adjacent to the Premises or threat of, or reasonable suspicion of, any of the same; and/or (2) any notice or communication from a governmental agency or known by a Party directed to any Party hereto or any other person relating to such Hazardous Substances on, under, or adjacent to the Premises or any violation or alleged violation of any Environmental Laws with respect to the Premises.

**17.7. Indemnity/Hold Harmless.** Each Party hereto shall indemnify and hold harmless the other Parties for any Environmental Costs incurred by an indemnified Party to the extent that the indemnifying Party or its agent or employee causes any violation of an Environmental Law or any spillage or mishandling of any Hazardous Material for which any Environmental Costs are incurred.

**17.8. Compliance with Laws and Regulations.** The Parties hereby represent, warrant, covenant, and agree to and that all operations or activities upon, or any use or occupancy of the Premises or any portion thereof by Ground Lessee, the College, or any occupant of the Premises shall, throughout the Term of this Ground Lease, be in compliance in all material respects with all state, federal, and local Environmental Laws and regulations governing or in any way relating to the generation, handling, storage, use, transportation, discharge, or disposal (whether legal or illegal, accidental or intentional) of any Hazardous Substances.

**17.9. Breach as Material Default.** All Parties hereby specifically acknowledge and agree that each of the covenants, obligations, agreements, representations, and warranties set forth in Section 17 is a material inducement to the Parties to enter into this Ground Lease, and (b) breach by any Party of any covenants, obligations, agreements, representations, and warranties set forth in Section 17 shall constitute a material breach of this Ground Lease by the breaching Party, entitling the other Parties to all of the rights and remedies provided to the Parties under this Ground Lease or under applicable law.

**17.10. Survival.** Each of the covenants, agreements, obligations, representations, and warranties of the Parties set forth in this Section 17 shall survive the expiration or earlier termination of this Ground Lease.

## **18. INSURANCE POLICIES.**

**18.1. Ground Lessee Insurance.** Ground Lessee, as a public institution of higher education, is self-insured for all exposures to tort liability, general liability, property damage liability, and vehicle liability arising out of the Ground Lessee's negligence, as provided in statute (RCW 4.92). Ground Lessee may satisfy all insurance obligations through its participation in the State of Washington Self-Insurance Liability Program ("SILP"), which provides liability insurance coverage up to \$5 million per occurrence with no deductible. Upon request, a certificate of insurance will be issued by the Washington State Office of Risk Management to Ground Lessor and the College.

**18.2. Waiver of Subrogation.** Ground Lessee waives its entire right to right of recovery, claims, actions, or causes of action against Ground Lessor or the College for physical loss or damage to the Leased Premises, or any personal property such Party therein or loss of use of the Leased Premises that is caused by loss or damage that is covered under the “builder’s risk” insurance policy. Ground Lessee shall cause each insurance policy obtained by it, its General Contractor, subcontractors, and its architect, engineers, and subconsultants to include waivers of subrogation by endorsement.

**18.3. Contractor Insurance.**

**18.3.1. Contractors other than Construction Contractors.** Ground Lessee shall cause its contractors other than its General Contractor and all General Contractor subcontractors to maintain insurance in the following types and amounts:

18.3.1.1. Commercial General Liability Insurance – comprehensive broad form commercial general liability insurance against claims and liability for personal injury or death and property damage arising from the use, occupancy, disuse or condition of the Leased Premises providing protection of at least \_\_\_ Million Dollars (\$\_\_\_,000,000.00) per occurrence and \_\_\_ Million (\$\_\_\_,000,000) general aggregate, with \_\_\_ Million (\$\_\_\_,000,000) products and completed operations coverage. This requirement may be satisfied through the use of an excess umbrella liability insurance policy.

18.3.1.2. Worker’s Compensation – Contractors shall carry workers’ compensation insurance as required by law.

18.3.1.3. Business Automobile Liability Insurance. If not covered by its other insurance policies, contractors shall carry business liability insurance on an occurrence form covering owned, hired, leased and non-owned automobiles used by or on behalf of the contractor and providing insurance for bodily injury, property damage and contractual liability.

**18.3.2. General Contractor and its Subcontractors.** Ground Lessee shall cause its General Contractor and all General Contractor subcontractors to maintain insurance in the following types and amounts:

18.3.2.1. Commercial General Liability Insurance – comprehensive broad form commercial general liability insurance against claims and liability for personal injury or death and property damage arising from the use, occupancy, disuse or condition of the Leased Premises providing protection of at least \_\_\_ Million Dollars (\$\_\_\_,000,000.00) per occurrence and \_\_\_ Million (\$\_\_\_,000,000) general aggregate, with \_\_\_ Million (\$\_\_\_,000,000) products and completed operations coverage. This requirement may be satisfied through the use of an excess

umbrella liability insurance policy.

18.3.2.2. Builder's Risk Insurance – "all risks" builder's risk insurance including vandalism and malicious mischief, covering improvements in place and all material and equipment at the job site furnished under contract, but excluding contractor's, subcontractor's, and construction manager's tools and equipment and property owned by contractor's or subcontractor's employees, with limits in accordance with subsection (a) above.

18.3.2.3. Worker's Compensation – Contractors shall carry workers' compensation insurance as required by law.

18.3.2.4. Business Automobile Liability Insurance. If not covered by its other insurance policies, contractors shall carry business liability insurance on an occurrence form covering owned, hired, leased and non-owned automobiles used by or on behalf of the contractor and providing insurance for bodily injury, property damage and contractual liability.

### 18.3.3. General Insurance Requirements.

18.3.3.1. In General. The insurance required by this Section 18.4 shall be provided under an occurrence form, and each contractor shall maintain (or cause to be maintained) such coverage continuously throughout the term it contract. Should any of the required insurance be provided under a form of coverage that includes an annual aggregate limit or provides that claims investigation or legal defense costs be included in such annual aggregate limit, such annual aggregate limit shall be twice the occurrence limits specified above.

18.3.3.2. Additional Insureds. The insurance policies required pursuant to this Section 18.4 (other than Worker's Compensation insurance) shall be endorsed to name as additional insureds College and Ground Lessor and their respective officials (appointed and elected), officers, agents, attorneys and employees (collectively, the "Additional Insureds").

18.3.3.3. Additional Requirements. All insurance policies (except workers compensation) shall:

18.3.3.3.1. Include an agreement by the insurer to give Sound Transit at least thirty (30) days' notice prior to cancellation (including, without limitation, for non-payment of premium) or any material change in said policies;

18.3.3.3.2. Be primary and non-contributing with any insurance that may be carried by College or Ground Lessor;

18.3.3.3.3. Include a separation of insureds provision such that no act or omission of Developer shall affect or limit the obligation of the insurance carrier to pay the amount of any loss sustained by an additional insured;

- 18.3.3.3.4. Include a provision waiving or allowing the waiver by the insurer of all rights of subrogation against the Additional Insureds in connection with any loss or damage thereby insured against;
- 18.3.3.3.5. Upon College's or Ground Lessor's request at any time during the Term of this Agreement, each contractor shall provide certificates of insurance, in form and with insurers reasonably acceptable to College and Ground Lessor, evidencing compliance with the requirements of this section, and shall provide complete copies of such insurance policies, including a separate endorsement naming the Additional Insureds as additional insureds.
- 18.3.3.3.6. All insurance companies providing coverage pursuant to this Section 18.4 shall be insurance organizations authorized to transact the business of insurance in the State of Washington, and shall have an A. M. Best's rating of not less than "A:VII."

## **19. DAMAGE OR DESTRUCTION OF PREMISES**

If any of the Improvements or any appurtenance thereto shall be damaged or destroyed by fire or other casualty, Ground Lessee shall give prompt written notice thereof to the College, and shall, to the extent possible given its financial resources, proceed with reasonable diligence to carry out any necessary demolition and/or to restore, repair, replace, and rebuild such Improvements at Ground Lessee's own cost and expense. If Ground Lessee is required or otherwise elects to repair, reconstruct or replace the Improvements, Ground Lessee shall repair, reconstruct or replace them so that upon completion the Improvements are substantially as existed prior to the damage or destruction.

## **20. CONDEMNATION.**

If during the Term there is a taking or damaging of all or any portion of the Leased Premises by the exercise of any governmental power, whether by legal proceedings or otherwise, by a governmental agency with jurisdiction or a transfer by any Party either under threat of condemnation or while legal proceedings for condemnation are pending (a "Condemnation") such that there can be no reasonable use of the Leased Premises by Ground Lessee, this Ground Lease shall terminate on the date the governmental agency has the right to possession of the property being condemned. Any award authorized by Title 8 RCW or other applicable condemnation law with respect to the taking of the Leased Premises shall belong to Ground Lessor, provided however the portion of the award related to Ground Lessee's interest in the remaining term of the Ground Lease, including the value of Ground Lessee's right to the Improvements for the remaining term of the Ground Lease (subject to Ground Lessor's right under Section 6.3 to ownership of the Improvements upon termination of the Ground Lease at the end of the remaining term) shall belong to Ground Lessee. . If during the Term there is a partial taking of a part of the Leased Premises by Condemnation, and the Parties agree that a reasonable use can be made of the remainder of the Leased Premises, then this Ground Lease will continue in full force and effect as to the remainder of the Leased Premises with any award for such partial taking

payable in full to Ground Lessee.

**21. ASSIGNMENT AND SUBLETTING.**

Ground Lessee shall not assign nor sublet any portion of the Leased Premises without first obtaining the College's and Ground Lessor's prior written consent. Assignment and/or subletting must align with the Parties' missions.

**22. LIABILITY.**

Each Party to this Ground Lease shall be responsible for its own acts and/or omissions and those of its officers, employees, and agents. No Party to this Ground Lease shall be responsible for the acts and/or omissions of entities or individuals not a party to this Ground Lease. This Section shall survive the expiration or other termination of this Ground Lease. This Section is for the sole benefit of the Parties and shall not inure to the benefit of any third party. No Party shall be considered the "agent" of the other for purposes of this Section.

**23. DEFAULT.**

The occurrence of any of the following shall constitute a material default ("**Material Default**") under this Ground Lease:

**23.1. Failure to Pay.**

Ground Lessee's failure to make any payments of Rent or any other payments due under this Ground Lease if the failure to pay is not cured within thirty (30) business days after written notice thereof shall have been given to Ground Lessee by Ground Lessor and the College;

**23.2. Failure to Commence Construction.**

Ground Lessee's failure to commence construction of the Improvements as required by the Ground Lease for one hundred eighty (180) days after the issuance of building permits by the City, subject to Enforced Delay;

**23.3. Abandonment.**

Ground Lessee's abandoning or substantial suspension of construction of the Project for a period of ninety (90) days after written notice of such abandonment or suspension from the College, subject to Enforced Delay;

**23.4. Prohibited Transfer.**

Ground Lessee's assignment of the Ground Lease, or any rights therein applicable to the Project Site, or transfer or suffering of any involuntary transfer of Ground Lessee's interest in the Leased Property, or any part thereof, in violation of the Ground Lease, if such violation shall not be cured within thirty (30) days after the date of receipt of written notice thereof by the College;

**23.5. Violation of Educational Mission.**

Ground Lessee's utilization of the Leased Premises in a manner inconsistent with its educational mission without the prior consent of Ground Lessor and the College if use inconsistent with its educational mission is not cured within thirty (30) business days after written notice of such default is provided by the College and Ground Lessor to Ground Lessee. If the default cannot reasonably be cured within thirty (30) business days, then Ground Lessee shall not be in default



under this Ground Lease if Ground Lessee commences to cure the default within thirty (30) business days and diligently and in good faith continues to cure the default; or

**23.6. Other Failure to Perform.**

Failure to perform any other material provision of this Ground Lease if the failure to perform is not cured within thirty (30) business days after written notice of such default has been given by Ground Lessor and the College to the Ground Lessee, or by Ground Lessee to the College and Ground Lessor. If the default cannot reasonably be cured within thirty (30) business days, then no Party shall be in default under this Ground Lease if the Party commences to cure the default within thirty (30) business days and diligently and in good faith continues to cure the default.

**23.7. Enforced Delay.**

Performance by either Party hereunder shall not be deemed to be in default where delays or defaults are not, with respect to Ground Lessee, due to Ground Lessee's failure to diligently prosecute the Improvements to completion, and with respect to the College, due to College's failure to diligently perform its obligations hereunder, but are primarily due to war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; acts of the "public enemy"; epidemics; pandemics; quarantine restrictions; freight embargoes; governmental restrictions; refusal or delays by the regulatory agency with jurisdiction in the issuance of permits and approvals for or directly affecting the Project (except that to the extent that such refusal or delay results from acts or the failure to act of a Party, such refusal or delays shall not excuse performance of that Party), litigation directly related to the Project; unusually severe weather; inability to secure necessary labor, materials or tools; delays of any contractor, subcontractor, consultant, or supplier; acts or failure to act of the other party; acts or the failure to act of a public or governmental agency or entity (except that acts or the failure to act of either party as a governmental agency shall not excuse performance by the party); or any other causes beyond the reasonable control or without the fault of the party claiming an extension of time to perform. Enforced Delay of one Project Milestone shall entitle Ground Lessee additional time to complete all subsequent Project Milestones which are affected by the Enforced Delay.

In the event of such a delay (herein "**Enforced Delay**"), the Party delayed shall continue to exercise reasonable diligence to minimize the period of the delay. An extension of time for any such cause shall be limited to the period of the Enforced Delay, and shall commence to run from the time of the discovery of the cause, provided notice by the party claiming such extension is sent to the other party within thirty (30) days of when the party providing the notice first discovered the cause.

**24. TERMINATION.**

**24.1. Termination Prior to Rent Commencement Date.**

In addition to all other remedies available at law or in equity, either Party shall have the right, at its option and subject to legal process, to terminate the Ground Lease upon sixty (60) days written notice if prior to the Rent Commencement Date, (i) Ground Lessee fails to obtain through appropriation or otherwise by the date set forth for such Project Milestone on Exhibit E, subject to Enforced Delay all of the funds necessary to complete the Project as set forth in the Project

Budget and Approved Financing Plan; (ii) Ground Lessee fails to obtain a building permit for the Project by the date set forth for such Project Milestone on Exhibit E, subject to Enforced Delay; (iii) the City fails to amend the Master Plan, Development Agreement and/or the Moratorium in a way that allows for satisfactory development of the Project by the date set forth for such Project Milestone on Exhibit E, subject to Enforced Delay.

#### **24.2. Termination After Rent Commencement Date.**

In addition to all other remedies available at law or in equity, the College and the Ground Lessor shall have the right, at its option and subject to legal process, to terminate the Ground Lease upon sixty (60) days written notice if after the Rent Commencement Date, Ground Lessee (i) fails to commence construction as described in Section 23.2 above; (ii) abandons the Project as described in Section 23.3 above; (iii) fails to complete the Project on the date set forth on the Project Milestones on Exhibit C, subject to Enforced Delay, or shall commit a Material Default.

#### **24.3. Effect of Termination.**

In event of termination of the Ground Lease by Ground Lessor or the College, as set forth in this Section 24, and in addition to all other remedies available at law or in equity:

- a. title to the Improvements shall pass to the College and the Ground Lessor; and
- b. Ground Lessee shall, promptly upon the College's request and without additional consideration, assign the applicable permits and governmental approvals and the construction contracts and all other agreements, licenses and rights applicable to the Project to the College;
- c. In the event of any termination that does not result from a material default by College or Ground Lessor and upon request by the College, copies of all drawings, specifications, reports, records, documents, and other materials prepared by WWU, its employees, agents, and subcontractors in the performance of the Ground Lease, which documents are in the possession of WWU and are not confidential and which WWU is authorized to release, shall be delivered to the College. College shall have an unrestricted right to use such documents and materials as if it were in all respects the owner of the same, subject to the ownership or proprietary rights of third parties (as to which WWU makes no warranty, representation, or assurance).

### **25. REMEDIES.**

- 25.1.** In the event of any material default or breach by a Party, the non-defaulting Party(ies) may, at any time thereafter, without limiting such Party(ies) in the exercise of their rights or remedies at law or equity, or as set forth herein, maintain the Ground Lease in full force and effect without terminating Ground Lessee's right to possession of the **Leased** Premises. In no event shall the provisions of this Section 25 be construed to limit the right of the College, Ground Lessor, or Ground Lessee to terminate this Ground Lease pursuant to Section 24.
- 25.2.** In the event of any material breach by Ground Lessor or the College that materially disrupts the Program or renders the Premises unfit for operation of the Program, Ground Lessor and/or the College shall provide Ground Lessee with temporary

alternative space, if feasible, to allow Ground Lessee to continue operation of the Programs.

## **26. SIGNS.**

Ground Lessee shall not place identification signage, other signage, advertisements, awnings, banners, or other exterior decorations on the exterior of the Leased Premises without the approval from the College, which consent shall not be unreasonably withheld so long as such signs comply with the College's standards regarding signs. Any sign that Ground Lessee has the right to place, construct, and maintain shall comply with all laws; and Ground Lessee shall obtain any approval required by such laws. The College makes no representation with respect to Ground Lessee's ability to obtain such approval.

## **27. DUTIES OF THE PARTIES UPON TERMINATION.**

### **27.1. Duties on Termination.**

Upon expiration or earlier termination of this Ground Lease, Ground Lessee shall deliver all keys to the College and surrender the Premises and the Improvements on the Premises in reasonable order, condition, and wear. Depreciation and wear from ordinary use for the purpose for which the Premises were let need not be restored. Improvements constructed by Ground Lessee with permission from the College shall become the College's property and shall not be removed. Ground Lessee shall also provide to the College, upon expiration or earlier termination of this Ground Lease, all building and maintenance records and other pertinent information in Ground Lessee's possession pertaining to construction, operation, and maintenance of the Improvements and the Premises, Alternatively, at College's sole discretion, College may direct Ground Lessee to demolish the Improvements and restore the Property to substantially its condition prior to construction of the Improvement at Ground Lessee's sole expense.

### **27.2 Holding Over.**

If Ground Lessee shall hold over after the expiration or termination of the Term or any renewals thereof of this Ground Lease, and the College and Ground Lessee shall not have agreed in writing upon the terms and provisions of a new ground lease (or on an additional extension of this Ground Lease) prior to such expiration, Ground Lessee shall be deemed to be occupying the Premises on a month-to-month tenancy, during which Ground Lessee shall be bound by all of the terms, covenants and conditions herein specified, so far as applicable, and the parties shall enter into the dispute resolution process contemplated in Section 30.14 to negotiate the extension or termination of this Ground Lease or execution of a new ground lease for the Leased Premises. Actions necessary to restore the Leased Premises following the expiration or earlier termination of this Ground Lease shall not constitute a holdover.

## **28. PROTECTION AGAINST CLAIMS BY THE PUBLIC.**

Either Party may request another Party, at the latter's expense, to take such steps as are reasonably necessary to protect against possible claims of prescriptive rights in favor of the public.

## **29. INDEMNIFICATION.**

**29.1.** Notwithstanding this Section 29, or elsewhere in this Ground Lease, the Ground Lessee, College, and Ground Lessor are entities of the State of Washington and may only assume liability, such as indemnification, defense, and hold harmless of another party under this Ground Lease, to the extent allowed under State of Washington Tort Claims Act and Self-Insurance Liability Program.

**29.2. Ground Lessee.** To the full extent permitted by law, Ground Lessor and College shall not be liable for any injury to any Person or for the loss of or any damage to any property occurring in or about the Leased Premises or the Improvements from any cause whatsoever (except to the extent of claims arising from the negligence or intentional misconduct of Ground Lessor or College or their agents or contractors or any of their officers, directors, partners, members, invitees, volunteers, or employees (collectively, “**Ground Lessor Parties**”)). Ground Lessee hereby agrees to indemnify and hold harmless Ground Lessor Indemnified Parties from and against all claims, charges, liabilities, obligations, penalties, causes of actions, liens, damages, costs and expenses, including reasonable attorneys’ fees, arising from or related to any matter arising from Ground Lessee’s or any Ground Lessee’s agents or contractors or any of their officers, directors, partners, members, invitees, volunteers, or employees (collectively, “**Ground Lessee Parties**”) use of the Premises, the Improvements, the construction of the Improvements, or conduct of any business or activity upon the Premises, or any work or other thing done, permitted or suffered by any of such Person(s) in or about the Premises; Ground Lessee’s failure to perform any of its obligations under this Lease; and Ground Lessee’s failure to comply with any applicable law relating to the Premises or its activities thereon; and from any breach or non-compliance of Ground Lessee under any Development Related Agreement executed by Ground Lessor or College or any other agreement or instrument otherwise executed by Ground Lessor, in its capacity as fee owner of the Property, or College at the request of Ground Lessee. Ground Lessee’s liability and obligations under this Section 29.1 shall survive any termination or expiration of this Lease with respect to any indemnified claim arising from events prior to such expiration or termination. The foregoing provisions shall not be construed to make Ground Lessee responsible for loss, damage, liability or expense to the extent caused by the negligence or willful misconduct of Ground Lessor Parties. Section 17.3 above provides the exclusive indemnity with respect to Hazardous Substances and this Section 29 shall not apply to such claims.

**29.3. Ground Lessor.** To the full extent permitted by law, Ground Lessor hereby agrees to indemnify and hold harmless Ground Lessee and Ground Lessee Parties from and against all claims, charges, liabilities, obligations, penalties, causes of actions, liens, damages, costs and expenses, including reasonable attorneys’ fees, to the extent arising from the negligence or intentional misconduct of Ground Lessor Parties occurring at the Premises. Ground Lessor’s liability and obligations under this Section 29.2 shall survive any termination or expiration of this Lease. The foregoing provisions shall not be construed to make Ground Lessor responsible for loss, damage, liability or expense to the extent caused by the negligence or willful misconduct of Ground Lessee.

**29.4. Qualification Pursuant to RCW 4.24.115.**

To the extent that this Lease is deemed to be “a contract or agreement relative to the construction, alteration, repair, addition to, subtraction from, improvement to, or maintenance of, any building, highway, road, railroad, excavation, or other structure, project, development, or improvement attached to real estate” within the meaning of RCW 4.24.115, the foregoing indemnifications shall not extend to any Loss or Liability to the extent it arises out of (1) the sole negligence of any indemnitee and (2) if caused by or resulting from the concurrent negligence of (i) Ground Lessor Parties, and (ii) the Ground Lessee Parties, is valid and enforceable only to the extent of the indemnitor’s negligence. SOLELY FOR THE PURPOSE OF EFFECTUATING THE INDEMNITIES CONTAINED IN THIS LEASE, INCLUDING SECTION 29, AND NOT FOR THE BENEFIT OF GROUND LESSOR’S, COLLEGE’S, OR GROUND LESSEE’S PARTIES’ EMPLOYEES OR ANY THIRD PARTIES, GROUND LESSOR, COLLEGE, AND GROUND LESSEE HEREBY WAIVE ANY IMMUNITY GRANTED TO THEM UNDER THE WASHINGTON INDUSTRIAL INSURANCE ACT, TITLE 51 RCW, AND AGREE THAT THIS WAIVER WAS EXPRESSLY AND SPECIFICALLY NEGOTIATED BY THE PARTIES.

### **30. MISCELLANEOUS PROVISIONS.**

#### **30.1. Entire Agreement.**

This Ground Lease represents the entire agreement between the Parties; provided that this Ground Lease shall be construed together with the Management Agreement, when drafted. This Ground Lease may not be amended or rescinded in any manner except by an instrument in writing signed by a duly authorized officer or representative of each Party hereto.

#### **30.2. Governing Law.**

This Ground Lease shall be governed by and construed and enforced in accordance with the laws of the state of Washington.

#### **30.3. Severability.**

Should any of the provisions of this Ground Lease be found to be invalid, illegal, or unenforceable by any court of competent jurisdiction, such provision shall be stricken, and the remainder of this Ground Lease shall nonetheless remain in full force and effect unless striking such provision shall materially alter the intention of the Parties.

#### **30.4. Venue.**

The Parties hereto agree that Kitsap County, Washington is the proper jurisdiction and venue for legal proceedings of any matters relating to this Lease.

#### **30.5. Waiver.**

No waiver of any right under this Ground Lease shall be effective unless contained in writing signed by a duly authorized officer or representative of the Party sought to be charged with the waiver, and no waiver of any right arising from any breach or failure to perform shall be deemed to be a waiver of any future right or of any other right arising under this Ground Lease.

#### **30.6. Captions.**

Section captions contained in this Ground Lease are included for convenience only and

form no part of the agreement between the Parties.

**30.7. Notices.**

Any notice required or desired to be given under this Lease shall be in writing with copies directed as indicated herein and shall be personally served or given by mail or email (with a follow up mailed copy). Any notice given by mail shall be deemed to have been given when seventy-two (72) hours have elapsed from the time when such notice was deposited in the United States mails, certified and postage prepaid, addressed to the party to be served at the last address given by that party to the other party. Any change in address shall be promptly given in writing to the other party. At the date of the execution of this Lease, the address of the College is:

Olympic College

[ADDRESS]

[email address]

With a copy to:

Tricia Boerger (or current Assistant Attorney General for College)

tricia.boerger@atg.wa.gov

and the address of Ground Lessor is:

The State Board for Community and Technical Colleges

[ADDRESS]

[email]

and the address of Ground Lessee is:

Western Washington University c/o Vice President of Business & Financial Affairs

516 High Street

Bellingham, WA 98225

[email]

With a copy to:

Julie Nicoll (or current Assistant Attorney General for Ground Lessee)

Julie.nicoll@atg.wa.gov

**30.8. Publicity.**

No advertisement or other publicity concerning this Ground Lease or the terms therein shall be made or disseminated by any Party at any time without the review and approval of all Parties.

**30.9. Binding Effect.**

This Ground Lease shall be binding upon, and inure to the benefit of, the Parties hereto and their respective successors and assigns. No permitted assignment of this Ground Lease or Ground Lessee's rights hereunder shall be effective against the College or Ground Lessor unless and until an executed counterpart of the instrument of assignment shall have been delivered to the College and Ground Lessor and the College and Ground Lessor shall have been furnished with the name and address of the assignee. The term "Ground Lessee" shall be deemed to include the assignee under any such permitted assignment. Unless required or directed by law, neither the College nor Ground Lessor shall sell, transfer, or convey the Leased Premises, except to a city, county, state, governmental subdivision or agency, municipal corporation or public development authority, without the prior written consent of Ground Lessee.

**30.10. Gender and Number.**

As used in this Ground Lease, the masculine shall include the feminine and neuter, the feminine shall include the masculine and neuter, the neuter shall include the masculine and feminine, the singular shall include the plural, and the plural shall include the singular, as the context may require.

**30.11. Nondiscrimination and Affirmative Action.**

No Party shall discriminate in employment at the Leased Premises on the basis race, color, national origin, religion, sex, disability, honorably discharged veteran or military status, sexual orientation, gender identity, gender presentation, ancestry, ethnicity, family status, immigration status, citizenship, socioeconomic status, genetic information, or age in regard to any position for which the employee is qualified.

**30.12. Fair Construction.**

The provisions of this Ground Lease shall be construed as a whole according to their common meaning not strictly for or against any Party and consistent with the provisions contained herein in order to achieve the objectives and purposes of this Ground Lease and any Management Agreement reached between the College, Ground Lessor and Ground Lessee. Each Party hereto and its counsel has reviewed and revised this Ground Lease and agrees that the normal rules of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be applied in the interpretation of this Ground Lease.

**30.13. Recording.**

Ground Lessee shall record this Ground Lease with the Kitsap County Auditor's Office at its own expense within ten (10) days of execution and provide the College with a copy. Within ten (10) days following the expiration or earlier termination of this Ground Lease, Ground Lessee shall record an instrument confirming the termination of this Ground Lease with the Kitsap County Auditor's Office and provide the College with a copy.

**30.14. Dispute Resolution.**

Whenever a dispute arises between the Parties, the Parties shall employ every effort to

resolve the dispute themselves without resorting to litigation, and otherwise resolve the dispute as required by RCW 43.17.330 as now or hereinafter amended.

**30.15. Time is of the Essence.**

The Parties hereto expressly agree that time shall be of the essence in the payment and performance of each Party's obligations under this Ground Lease.

**30.16. Payment Obligations Subject to Appropriation.**

Ground Lessor, College, and Ground Lessee are each agencies of the State of Washington and each Party's ability to meet its respective obligations under this Ground Lease to make payments is subject to prior appropriation of funds by the Washington State Legislature. A Party's failure to make a required payment hereunder due solely to the failure of the Washington State Legislature to appropriate sufficient funds shall not be deemed a Default hereunder; provided, however, in the event of such a payment failure due to a failure of the Washington State Legislature to appropriate funds, either Party shall have the right to terminate this Ground Lease by sending notice thereof to the other Party.

**30.17. Approval; Failure to Respond May Result in Deemed Approval.**

Any requirement for a party's "approval" or "consent" or "agreement" throughout this Ground Lease shall not be unreasonably withheld, conditioned, or delayed unless otherwise expressly specified. Unless another time period is expressly provided in this Ground Lease, if a party fails to respond within ten (10) business days to a request for approval, consent, or agreement contemplated in this Ground Lease, then the request shall be conclusively deemed approved, consented to, or agreed upon unless otherwise expressly specified.

**31. DEFINITIONS.**

As used in this Ground Lease, the following capitalized terms shall have the following meanings:

**31.1. Approved Construction Plans.** All plans and specifications in connection with the construction of the Improvements, including, but not limited to, final architectural drawings and specifications, final structural engineering plans, final civil engineering plans, final Landscaping plans and specifications, upon which the City is ready to issue all applicable site development, engineering, and building permits.

**31.2. Calendar Year.** A calendar year commencing January 1 and ending December 31.

**31.3. College.** Olympic College, an agency of the State of Washington.

**31.4. College Property.** The real property located in the City and owned by the College, as more particularly described in Exhibit A.

**31.5. Completion.** The point in time when all of the following shall have occurred: (1) issuance of a final certificate of occupancy by the City of Poulsbo and such other approvals required to permit occupancy and use the Project; (2) the construction of the Improvements has been fully completed and the architect preparing the Final Construction Documents for such



Improvements has duly certified that the construction of the Improvements (including the Punch List Items) has been completed in accordance with such Final Construction Documents (3) recordation of a Notice of Completion, or similar instrument, by Ground Lessee or its contractor; and (4) payment, settlement or other extinguishment, discharge, release, waiver, bonding or insuring against any mechanic's lien that have been recorded or stop notices that have been delivered.

- 31.6. Construction Contract.** The construction contract between Ground Lessee and the General Contractor for construction of the Improvements.
- 31.7. Construction Documents.** All Approved Construction Plans upon which Ground Lessee, and its contractors, shall rely in connection with the construction of the Improvements, and the Construction Schedule.
- 31.8. Construction Liens.** Liens of the General Contractor; other contractors, subcontractors of any tier, material suppliers, design professionals and others providing materials, equipment, fixtures, permits, or other goods or services for or in connection with the Project.
- 31.9. Development Standards.** The Master Plan, the Development Agreement, the Poulsbo Municipal Code, and other governmental rules, regulations, and requirements applicable to development at the Olympic College campus, as amended.
- 31.10. Design Documents.** All the documents describing and supporting the Concept Design, the Schematic Design, Design Development, and Construction Documents.
- 31.11. Environmental Law.** Any federal or state regulation promulgated to regulate Hazardous Substances, including, but not limited to, the Federal Resource Conservation and Recovery Act of 1976, 42 U.S.C. Section 6901 et seq. ("CERCLA"), as amended by Superfund Amendments and Reauthorization Act of 1986 (Pub. L. 99-499 100 Stat. 1613) ("SARA"), Federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. Section 9601 et seq., Federal Hazardous Materials Transportation Control Act, 49 U.S.C. Section 5101 et seq., Federal Clean Air Act, 42 U.S.C. Section 7401 et seq., Federal Water Pollution Control Act, Federal Water Act of 1977, 33 U.S.C. Section 1251 et seq., Federal Insecticide, Fungicide and Rodenticide Act, Federal Pesticide Act of 1978, 7 U.S.C. Section 136 et seq., Federal Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq., Federal Safe Drinking Water Act, 42 U.S.C. Section 300f et seq., Washington Water Pollution Control Act, RCW Chapter 90.48, Washington Clean Air Act, RCW Chapter 70A.15, Washington Solid Waste Management Recovery and Recycling Act, RCW Chapter 70A.205, Washington Hazardous Waste Management Act, RCW Chapter 70A.300, Washington Hazardous Waste Fees Act, RCW Chapter 70A.218, Washington Model Toxics Control Act, RCW Chapter 70A.305, Washington Nuclear Energy and Radiation Act, RCW Chapter 70A.388, Washington Radioactive Waste Storage and Transportation Act of 1980, RCW Chapter 70A.390, Washington Underground Petroleum Storage Tanks Act, RCW Chapter 70A.325, and any regulations promulgated thereunder, all as amended from time to time.

**31.12. Fiscal Year.** A twelve-month period commencing July 1 and ending June 30 of the following calendar year.

**31.13. General Contractor.** A licensed, experienced and financially responsible general contractor with whom Ground Lessee has entered into a Construction Contract for construction of the Improvements.

**31.14. Ground Lessee.** Refers to Western Washington University and its predecessors, successors, and assigns.

**31.15. Hazardous Substances.** Shall include, without limitation:

- (a) Those substances included within the definition of "hazardous substances," "hazardous materials," "toxic substances," or "solid waste" in the Comprehensive Environmental Response Compensation and Liability Act of 1980 (42 U.S.C. § 9601 et seq.) ("CERCLA"), as amended by Superfund Amendments and Reauthorization Act of 1986 (Pub. L. 99-499 100 Stat. 1613) ("SARA"), the Resource Conservation and Recovery Act of 1976 (42 U.S.C. § 6901 et seq.) ("RCRA"), and the Hazardous Materials Transportation Act, 49 U.S.C. § 5101 et seq., and in the regulations promulgated pursuant to said laws, all as amended.
- (b) Those substances listed in the United States Department of Transportation Table (49 CFR 172.101 and amendments thereto) or by the Environmental Protection Agency (or any successor agency) as hazardous substances (40 CFR Part 302 and amendments thereto).
- (c) Any material, waste, or substance which is (i) petroleum, (ii) asbestos, (iii) polychlorinated biphenyls, or (iv) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. 1251 et seq. (33 U.S.C. § 1321), (v) listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. § 1317), (vi) flammable explosives, or (vii) radioactive materials.
- (d) Those substances defined as "dangerous waste," "hazardous waste," or as "hazardous substances" under the Water Pollution Control Act, RCW 90.48.010 et seq., the Hazardous Waste Management Act, RCW 70A.300 et seq., the Toxic Substances Control Act, 15 USC 2601 et seq., the Model Toxics Control Act, RCW 70A.305 et seq., and in the regulations promulgated pursuant to said laws.
- (e) Such other substances, materials, and wastes which are or become regulated as hazardous or toxic under applicable local, state, or federal law, or the United States government, or which are classified as hazardous or toxic under federal, state, or local laws or regulations.

**31.16. Improvements.** The approximately 40,000 square foot Programs facility and related space and property to be constructed or present on the Real Property.

**31.17. Law.** Any constitution, statute, ordinance, regulation, rule, judicial decision, administrative order, or other requirement of any federal, state, county, municipal, or other governmental agency or authority having jurisdiction over the Parties or the Leased Premises, or both, in effect either at the time of execution of this Ground Lease or at any time during the Term, including, without limitation, any regulation or order of a quasi-official entity or body (e.g. board of fire examiners or public utilities); and all rules, laws, and regulations arising under Title III of the Americans with Disabilities Act and the regulations issued thereunder by the United States Department of Justice.

**31.18. Legal Requirements.** All obligations with respect to all applicable local, state, and federal laws, ordinances and regulations, and other governmental rules and orders now or hereafter in effect, whether or not presently contemplated, applicable to the Leased Premises or its ownership, operation, use or possession, including (without limitation) all those relating to parking restrictions, building codes, zoning, life safety requirements, or other land use matters, and the Americans with Disabilities Act of 1990, as amended, state, or local laws or regulations.

**31.19. Liens.** As defined in Section 13 of this Ground Lease.

**31.20. Person.** Any individual, association of individuals, corporation, limited liability company, partnership or other legal entity.

**31.21. Personal Property.** Equipment, furniture, and other movable personal property placed in or on the Leased Premises by Ground Lessee.

**31.22. Rent.** Base Rent and Additional Rent as defined in Section 7.1 of this Ground Lease.

**31.23. Term.** The period set forth in Section 3.

**31.24. Year.** Each succeeding year of the term, commencing with the Commencement Date and ending with the date which is one (1) day less than one (1) year later.

**32. AUTHORITY.**

Olympic College and the State Board of Community and Technical Colleges are agencies of the State of Washington, established and existing pursuant to Chapter 28B.50 RCW. Western Washington University is a regional university of the state of Washington established and existing pursuant to Ch. 28B.35 RCW.

*[Remainder of page intentionally blank; signatures on following page]*

IN WITNESS WHEREOF, the Parties hereto have executed this Ground Lease as of the dates set forth below.

\_\_\_\_\_  
Sabah Randhawa, President  
Western Washington University

\_\_\_\_\_  
Dr. Paul Francis, Executive Director  
State Board for Community and Technical  
Colleges

\_\_\_\_\_  
Dr. Marty Cavaluzzi, President  
Olympic College

Approved as to form this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

Julie Nicoll, Assistant Attorney General on behalf  
of Western Washington University

Approved as to form this \_\_\_ day of \_\_\_\_\_, 2024.

Tricia Boerger, Assistant Attorney General on  
behalf of Olympic College

# GROUND LESSOR ACKNOWLEDGEMENT

STATE OF WASHINGTON

County of Thurston

On this \_\_\_\_\_ day of \_\_\_\_\_, 2024, before me personally appeared **PAUL FRANCIS**, to me known to be the Executive Director of the State Board for Community and Technical Colleges, executed the within and foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said agency, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.

\_\_\_\_\_  
Signature of Notary Public

Printed Name: \_\_\_\_\_

Notary Public in and for the State of Washington

Residing at \_\_\_\_\_

My commission expires \_\_\_\_\_

**COLLEGE ACKNOWLEDGEMENT**

STATE OF WASHINGTON

County of Kitsap

On this \_\_\_\_\_ day of \_\_\_\_\_, 2024, before me personally appeared **MARTY CAVALUZZI**, to me known to be the President of Olympic College, executed the within and foregoing instrument and acknowledged the said instrument to the free and voluntary act and deed of said agency, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.

\_\_\_\_\_  
Signature of Notary Public

Printed Name: \_\_\_\_\_

Notary Public in and for the State of Washington

Residing at \_\_\_\_\_

My commission expires \_\_\_\_\_

**GROUND LESSEE ACKNOWLEDGEMENT**

STATE OF WASHINGTON

County of Whatcom

On this \_\_\_\_\_ day of \_\_\_\_\_, 2024, I certify that I know or have satisfactory evidence that **SABAH RANDHAWA**, to me known to be the President of Western Washington University, is the individual who appeared before me, and said individual acknowledged that they signed this instrument, and on oath stated that they were authorized to execute the instrument and acknowledged that this was a free and voluntary act of such party for the uses and purposes mentioned in the instrument.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.

\_\_\_\_\_  
Signature of Notary Public

Printed Name: \_\_\_\_\_

Notary Public in and for the State of Washington

Residing at \_\_\_\_\_

My commission expires \_\_\_\_\_

**EXHIBIT A – COLLEGE PROPERTY**



**EXHIBIT B – LEASED PREMISES**

**EXHIBIT C – SITE MAP**

**EXHIBIT D – PROJECT SCHEDULE**  
*[for discussion only – to be customized for the Project]*

Task Name	Duration (weeks)	Start	Finish
<b>NOTICE TO PROCEED</b>			
<b>DESIGN</b>			
<b>Master Plan / Confirm Program</b>			
<b>Schematic Design</b>			
Prepare Design Review package -			
Complete Schematic Design			
Submit SD package for cost est.			
<b>Design Development (all parcels)</b>			
Prepare Site Plan Review			
documents			
Complete DD documents			
Submit DD package for cost est.			
<b>Construction Documents</b>			
Prepare Building Permit Set			
Prepare GMP Bid Set			
QC Review			
GMP Bid Set Issued- 100% CD			
Complete For-Construction Set			
<b>ENTITLEMENTS</b>			
<b>Site Plan Review / Design Review</b>			
Submit Design Review Packets			
Design Review Meeting			
Submit Site Review Documents			
City Review			
Site Plan Approval Publication			
Appeal Period			
Routing and Final			
Site Plan Issued			
<b>PERMITTING - BUILDING</b>			
Building Permit			

<b>Task Name</b>	<b>Duration (weeks)</b>	<b>Start</b>	<b>Finish</b>
Building Permit Intake			
City Review			
Issue Building Permit			
<b>COST ESTIMATES</b>			
SD Cost Estimate			
DD Cost Estimate			
Building Permit Cost Verification			
GMP Bid			
Negotiate Contract			
<b>CONSTRUCTION</b>			
Construction - Excavation & Shoring			
Construction - Foundation to Grade			
Construction - Building			

**EXHIBIT E – PROJECT MILESTONES**

*[for discussion only – to be customized for the Project]*

<b>Task Name</b>	<b>Milestone Date</b>
<b>MASTER PLAN, DEVELOPMENT AGREEMENT AND/OR THE MORATORIUM AMENDMENT ENTITLEMENTS OBTAINED CONSTRUCTION CONTRACT EXECUTED ALL NECESSARY PROJECT FUNDS APPROPRIATED OR OTHERWISE COMMITTED CONSTRUCTION COMMENCES PROJECT COMPLETED</b>	

**Olympic College Resolution to Approve  
Ground Lease with Western Washington  
University**

**Resolution No. 24-05.001**

**WHEREAS**, since 2013, Olympic College and Western Washington University (“WWU”) have collaborated in offering 4-year degree programs to students through 2+2 programs, in which Olympic College students obtain an AAS-T degree and then transfer to WWU to obtain bachelor’s degrees in these fields.

**WHEREAS**, through collaborative outreach and recruitment efforts, Olympic College and WWU will jointly benefit from increasing the number of students enrolled in these 2+2 degree programs at the Olympic College Poulsbo campus;

**WHEREAS**, beginning in the 2015-17 budget cycle, the Washington State Legislature allocated funds to WWU to expand baccalaureate and graduate level degree programming on the Kitsap and Olympic peninsulas;

**WHEREAS**, the Presidents and Trustees of Olympic College and WWU have held discussions to develop a collaborative plan for WWU’s expansion on the Olympic College Poulsbo campus;

**WHEREAS**, WWU intends to request funding for the design and construction of a new academic building on the Olympic College Poulsbo campus in the State’s 2025-2027 Capital Budget and WWU has started working on the preliminary design of this proposed building;

**WHEREAS**, WWU wishes to enhance its presence in the Kitsap and Olympic Peninsulas including the addition of new bachelor’s degree programs in sociology, data science, and industrial and systems engineering and graduate degree programs in social work and nursing (“Programs”) by constructing a new, approximately 40,000 SF academic facility on a portion of the Olympic College Poulsbo campus;

**WHEREAS**, by collocating WWU’s Peninsulas operations on the Olympic College Poulsbo campus, Olympic College and WWU will both benefit from shared use of facilities, such as classroom and lab space, and use of WWU’s Cyber Range Center for educational purposes;

**WHEREAS**, the Programs will significantly enhance Olympic College’s educational programs by providing additional pathways for students to pursue baccalaureate and graduate level degree programs in high demand fields;

**WHEREAS**, this continued partnership will allow Olympic College and WWU to expand their support to students across both institutions;

**WHEREAS**, Olympic College and WWU have substantially agreed to the material terms of a ground lease that allows for a single, approximately 40,000 SF building to be paid for and constructed by WWU at the Olympic College Poulsbo campus; and

**WHEREAS**, all terms of the ground lease follow the State Board of Community and Technical Colleges' requirements, policies, and state regulations; therefore,

**BE IT RESOLVED**, that the Board of Trustees of Olympic College approves the material terms of the draft ground lease in Attachment A to the Board materials, for a single building to be constructed by WWU at the Olympic College Poulsbo campus. The material terms of the draft ground lease include location, type and purpose of building, rent, and lease term. The Board of Trustees delegates authority to the President of Olympic College to negotiate, approve minor and nonmaterial changes to the ground lease pending further review and any changes recommended by the State Board of Community and Technical Colleges; and to execute the ground lease in accord with this Resolution. The ground lease is also subject to approval of the State Board of Community and Technical Colleges.

**APPROVED** by the Board of Trustees of Olympic College at its meeting thereof duly and regularly held this 21st day of May, 2024.



---

Dr. Martin Cavalluzzi  
Olympic College, President



---

Harriette Bryant  
Olympic College, Board of Trustees Chair

Dated: May 21, 2024

## **CONSENT ITEM (RESOLUTION 24-06-37)**

June 27, 2024

Tab 1g

### **Instructure/Canvas contract renewal**

#### **Brief Description**

SBCTC Educational Resources and Innovation supports and shares the cost of Canvas with system colleges. Canvas is a Learning Management System (LMS) developed by Instructure, designed to facilitate the delivery and management of educational content. It enables educators to create, manage, and deliver online courses while providing students with access to course materials and interactive tools. Key features include content delivery, modular course structures, communication tools (announcements, discussions, messaging), assessment and grading (assignments, quizzes, gradebook), collaboration tools (groups, conferences), and analytics and reporting. Canvas supports mobile accessibility through dedicated apps and integrates with various third-party tools. We recommend that the Board delegates approve to the Executive Director to extend the systems original 2019-2024 contract with Instructure for an additional five years, beginning fiscal year (FY) 2025 and continuing through FY 2029.

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

Canvas plays a crucial role in advancing the Washington State Board for Community and Technical Colleges' strategic plan by enhancing educational access, promoting innovative teaching, and improving student success. By facilitating remote and hybrid learning, Canvas makes education accessible to a diverse student population across Washington State. It enables educators to design engaging and interactive learning experiences, fostering innovative teaching practices and leveraging technology to enhance learning outcomes. The platform's assessment and analytics tools help educators monitor student progress and provide timely feedback, improving retention and completion rates. Additionally, Canvas supports faculty and staff development with resources and training modules, aligning with the SBCTC's focus on professional development and capacity building. Integrating Canvas into the educational framework helps SBCTC achieve its strategic goals, driving innovation, accessibility, and student achievement across the community and technical college system.

#### **Background information and analysis**

Canvas is a Learning Management System (LMS) developed by Instructure, widely adopted for its user-friendly interface and comprehensive features. Launched in 2011, it supports course creation, communication, assessment, collaboration, and analytics, making it an essential tool for educators and students in online and blended learning environments. Canvas enhances educational access by enabling remote learning, reaching diverse student populations, including those in rural and underserved areas. Its modular structure allows for organized content delivery, and multimedia integration fosters engaging teaching practices. Features like announcements, discussions, and



messaging maintain effective communication.

Assessment tools, including assignments, quizzes, and a digital gradebook, streamline evaluation, while analytics provide insights into student performance, aiding in personalized learning and improving retention rates. Canvas also offers professional development resources for faculty, enhancing digital literacy and teaching skills. Its integration with third-party tools extends its functionality, adapting to various institutional needs.

Overall, Canvas aligns with the strategic goals of educational institutions, such as the Washington State Board for Community and Technical Colleges (SBCTC), by promoting accessibility, innovation, and student success. It plays a vital role in modernizing education and supporting continuous improvement in teaching and learning outcomes.

SBCTC manages the Canvas contract with Instructure for the colleges, pays the system-wide licensing fee annually, then bills those fees (plus taxes), minus 20% for 24/7 support and Canvas Credentials, to the colleges proportional to Integrated Postsecondary Education Data (IPED). In this way, costs are distributed equitably throughout the college system.

The proposed term for the Canvas contract extension with Instructure is five years, commencing on July 1, 2024, and concluding on June 30, 2029. The cost of the contract over this period will be \$9,813,019.60 plus 9.8% in state taxes equaling \$961,675.91 for a total of \$10,774,695.50. This amount is broken down below:

- Year 1 (24/25): \$1,845,221.77 + \$180,831.73 (taxes) = \$2,026,053.50
- Year 2 (25/26): \$1,902,813.52 + \$186,475.72 (taxes) = \$2,089,289.24
- Year 3 (26/27): \$1,960,407.70 + \$192,119.95 (taxes) = \$2,152,527.65
- Year 4 (27/28): \$2,021,088.26 + \$198,066.65 (taxes) = \$2,219,154.91
- Year 5 (28/29): \$2,083,488.35 + \$204,181.86 (taxes) = \$2,287,670.21

### Recommendation/preferred result

Staff recommends approval for Resolution 24-06-37 delegating authority to the executive direct to extend the contract with Canvas/Instructure through June 30, 2029.

Policy Manual Change Yes  No

Prepared by: Michael A. Brown, Ph.D., director, educational resources, and innovation  
mbrown@sbctc.edu

## **STATE OF WASHINGTON**

### **STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES**

### **RESOLUTION 24-06-37**

A resolution delegating authority to the executive direct to extend the contract with Canvas/Instructure through June 30, 2029 awarding Canvas/Instructure \$10,774,695.50 of state funds for services between July 1, 2024, and June 30, 2029.

**WHEREAS**, the State Board desires to extend the contract with Canvas to support faculty and students with enabling remote learning, reaching diverse student populations.

**THEREFORE BE IT RESOLVED**, that the State Board for Community and Technical Colleges delegates authority to the executive director to execute a contract with Canvas/Instructure that totals for five years; and

**BE IT FURTHER RESOLVED**, that the State Board for Community and Technical Colleges grants the executive director the authority to award local funds consistent with board policy and state law; and

**BE IT FURTHER RESOLVED**, that the State Board for Community and Technical Colleges authorizes the executive director to make adjustments to the proposed award outlined in the contract for Canvas/Instructure in the anticipated program funding changes due to changes in college participation; 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.

**THEREFORE BE IT RESOLVED**, that the State Board for Community and Technical Colleges ....

**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 24, 2024

Attest

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Paul Francis, secretary

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Chelsea Mason-Placek, chair

## CONSENT ITEM (RESOLUTION 24-06-38)

June 27, 2024

Tab1h

### 2024-25 Corrections Education Interagency Contract

#### Brief description

The joint mission of the Washington State Department of Corrections and the State Board for Community and Technical Colleges is to engage justice-involved individuals in state prisons in education and training opportunities to facilitate their successful transition to lifelong community membership. On an annual basis, the State Board and Department of Corrections jointly develop the contract that specifies programs and services, establishes outcome metrics, and develops appropriate statewide policies and procedures.

The State Board contracts with individual community and technical college districts to provide prison-based instruction in multiple pathways. Colleges provide pre-college courses in Adult Basic Education and High School Completion, English Language Acquisition, and developmental English and mathematics. Students may participate in any of the colleges' short courses in business, trades related programs such as roofing, siding, and drywall, or the Construction Trades Apprenticeship Preparation program offered at multiple facilities and acknowledged by the Department of Labor and Industries as a statewide approved pre-apprenticeship program. Students can also pursue one-year certificates in a variety of fields including advanced manufacturing, computer programming and business management.

This year's passage of SSB 5953, Concerning Financial Aid Grants for Incarcerated students, has authorized the Department of Corrections to expand corrections education funding to utilize Pell Grant funding. Students will continue to have the option to pursue education programs that are contract funded but will now have the option of enrolling in Pell-funded programs. The State Board, alongside the colleges, will move forward with the NWWCU approvals and Department of Education Approvals necessary to operate Pell funded programs for students.

The State Board contracts with Washington's community and technical colleges and The Evergreen State College to provide college reentry education services to individuals returning from prison in Washington's highest release counties. Services include assistance with applying for and enrolling in college after release; applying for financial aid and resolving past financial aid problems; and connecting students to peer mentor support groups and services.

The institutions, and the facilities and counties they serve, are:

Institution	Prison-Based Instruction (DOC Facility)	College Reentry (County)
Centralia College	Cedar Creek Corrections Center Washington Corrections Center	Cowlitz, Lewis, Pacific, and Wahkiakum
Clark College	-	Clark and Skamania
Clover Park Technical College	-	Pierce

<sup>1</sup> Justice Involved Individuals – In April 2021, Department of Corrections switched using the terms: inmate, offender and convict to justice involved individuals.

Institution	Prison-Based Instruction (DOC Facility)	College Reentry (County)
Columbia	-	Adams, Asotin, Benton, Columbia, Franklin, Garfield, Grant, Walla Walla, and Whitman
Edmonds Community College	Monroe Correctional Complex	Snohomish
Grays Harbor College	Stafford Creek Corrections Center	-
Peninsula College	Clallam Bay Corrections Center Olympic Corrections Center	-
Renton Technical College	-	King
Seattle Central College	-	King
Skagit Valley College	-	Island, San Juan, Skagit, and Whatcom
South Seattle College	-	King
Spokane Community College	Airway Heights Corrections Center	Ferry, Lincoln, Okanogan, Oreille, Pend, Stevens, and Spokane
Olympic College	Washington Corrections Center for Women Mission Creek Corrections Center for Women	Kitsap, Mason
The Evergreen State College	-	Thurston and Grays Harbor
Walla Walla Community College	Coyote Ridge Corrections Center Washington State Penitentiary	-
Yakima Valley Community College	-	Chelan, Douglas, Kittitas, Klickitat, and Yakima

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

The Corrections Education Contract aligns the contract goals and policies strategically to the State Board for Community and Technical Colleges' 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. As a result of the proposed allocations, justice-involved and individuals transitioning back into the community, will have access to innovative, high-quality education and reentry programs. These programs provide the knowledge, skills, diplomas, certificates, and degrees necessary to attain their career and educational goals to successfully transition back into the community. The implementation of Guided Pathways in Corrections Education focuses on bringing equity and inclusiveness that is critical to providing opportunities that support the success of underrepresented individuals, including justice-involved individuals. Guided Pathways ensures a seamless transition of students from pre-college through postsecondary, and from prison into college. Corrections programs include High School+ and Open Doors, which help to increase the successful transition of justice-involved individuals into postsecondary education while moving more students to completion and transition upon release.

## Background information and analysis

In July 2002, the State Board first entered into an interagency agreement with the Washington Department of Corrections to provide educational services to eligible justice-involved in the state's adult prisons. This partnership continues to grow and strengthen because it leverages resources and meets mission goals of both agencies by advancing the skills and education of justice-involved individuals, an underserved constituency, and by providing evidence-based programming to support the Department of Corrections goal of reducing recidivism. The community and technical college system assists the Department of Corrections in meeting this goal by offering workforce programs in high-demand fields, building pre-apprenticeship pathways linked to construction trades, and providing reentry navigators to assist releasing students to continue career and educational pathways.

In this current fiscal year, the State Board received \$20,534,838 to produce 3,013 FTEs. Due to continuation of COVID-19 impacts and other limitations, colleges are projected to see only 2,600 FTEs from enrolling students. Colleges may, by end of FY24, award over 350 combined Washington State high school diplomas and GEDs, 375 workforce certificates, and close to 100 associate degrees this year.

## Recommendation/preferred result

Staff recommends approval of Resolution 24-06-38, approving the 2024-25 agreement with the Department of Corrections for the delivery of adult corrections education services.

Policy Manual Change Yes  No

Prepared by: Hanan Al-Zubaidy, associate director for corrections education  
hal-zubaidy@sbctc.edu , 360-704-4358

# STATE OF WASHINGTON

## STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

### RESOLUTION 21-06-24

A resolution awarding \$19,029,128 of state funds to community colleges for delivery of corrections education.

**WHEREAS**, the State Board for Community and Technical Colleges is entering into a contract with the Washington State Department of Corrections for the community and technical college system to provide education and training to eligible justice-involved in state correctional institutions; and

**THEREFORE BE IT RESOLVED**, that the State Board for Community and Technical Colleges delegates authority to the Executive Director to sign a contract with the Department of Corrections that totals \$19,029,128; and

**BE IT FURTHER RESOLVED**, that the State Board for Community and Technical Colleges grants the Executive Director authority to award state correctional education funds to individual higher education providers consistent with Board policy and state law; and

**BE IT FURTHER RESOLVED**, that the State Board for Community and Technical Colleges grants the Executive Director authority to modify the contract with the Department of Corrections as necessary and to adjust the proposed awards if the anticipated program funding changes due to state or federal action; and

**BE IT FURTHER RESOLVED**, that the State Board for Community and Technical Colleges authorizes the Executive Director to adjust 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.

**BE IT FURTHER RESOLVED**, that the State Board for Community and Technical Colleges grants the Executive Director authority for final grant spending authority to designated providers in a manner consistent with this resolution.

**APPROVED AND ADOPTED** on June 27, 2024.

#### Attest

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Paul Francis, secretary

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Chelsea Mason Placek, chair

## STATE BOARD MEETING MINUTES

Chelsea Mason-Placek, chair // Martin Valadez, vice chair // Bernal Baca // Ben Bagherpour // Crystal Donner // Mack Hogans // Jay Reich // Kady Titus // Fred Whang

Paul Francis, executive director // Julie Walter, executive assistant

*Statutory Authority:* Laws of 1991, Chapter 28B.50 Revised Code of Washington

**Study Session:** Wednesday, May 8, 2024 // 1 p.m. to 5 p.m.

**Regular Meeting:** Thursday, May 9, 2024 // 8:45 a.m. to 12:30 p.m.

**Green River College:** 12401 SE 320<sup>th</sup> St, Auburn, WA 98092

**State Board Members Present:** Ben Bagherpour, Crystal Donner, Mack Hogans, Chelsea Mason-Placek, Jay Reich, Martin Valadez, Fred Whang, and Kady Titus

**State Board Members Absent:** Bernal Baca

The State Board held a study session on Wednesday, May 8. The agenda included an update on the Free Application for Federal Student Aid (FAFSA) rollout, a community roundtable discussion on continuing education, a campus tour, and statements of need for bachelor's degree programs at:

- Big Bend Community College in Moses Lake and Wenatchee Valley College for a Bachelor of Applied Science in Behavioral Health.
- Columbia Basin College in Pasco for a Bachelor of Science in Computer Science.
- Lower Columbia College in Longview for a Bachelor of Science in Computer Science.
- Whatcom Community College in Bellingham for a Bachelor of Science in Computer Science.

### Welcome

Chair Mason-Placek called the meeting to order at 8:45 a.m. and welcomed those present.

### Establish a Quorum and Adoption of Agenda

Chair Mason-Placek noted that a quorum was present and requested a motion to adopt the agenda.

**Motion:** Moved by Board Member Reich, seconded by Board Member Hogans, and unanimously approved by the board, the adoption of the May 9, 2024 regular meeting agenda.

### Approval of Consent Agenda

- a. Clover Park Technical College: Proposed Bachelor of Science in Computer Science and Cyber-Physical Software Engineering  
**Resolution 24-05-19**
- b. Olympic College: Proposed Bachelor of Science in Computer Science  
**Resolution 24-05-20**
- c. Centralia College: Property disposal  
**Resolution 24-05-21**

- d. Lower Columbia College: Local capital expenditure authority to design and construct David Story athletic field improvements  
**Resolution 24-05-22**
- e. Renton Technical College: Local capital expenditure authority to design and construct phase two of Building J renovations  
**Resolution 24-05-23**
- f. Panopto Contract Renewal  
**Resolution 24-05-24**
- g. Executive Director Contract Addendum (general wage increase provided by the Legislature)  
**Resolution 24-05-25**
- h. SBCTC Meeting Minutes, March 28, 2024

**Motion:** Moved by Board Member Hogans, seconded by Board Member Reich, and unanimously approved by the board, the adoption of the May 9, 2024 consent agenda.

## Public Comments

- Willow Schooler, AFT-SPS local union 6550
- Mary Whitfield, Edmonds College
- Helena Ribeiro, AFT-Seattle
- Barlow Buescher, Pierce College
- Jay McLean-Riggs, Seattle Central College
- Natalie Simmons, South Seattle College
- Deanna Shedley, Grays Harbor College
- Jaeney Hoene, Green River College
- Dave Norberg, Green River College

## Consideration of Bates Technical College's Bachelor of Applied Science in Public Administration (Resolution 24-05-26)

The statement of need for Bates Technical College's Bachelor of Applied Science Degree in Public Safety Administration was presented during the May 2023 State Board meeting. Since that time, the college's faculty and program leadership have been working on a variety of items to finalize the program proposal for consideration, including finalizing curriculum and meeting with additional industry stakeholders to refine program outcomes. This will be Bates Technical College's first bachelor's degree.

The proposed Bachelor of Applied Science (BAS) degree program in Public Safety Administration is intended to support the Tacoma and Pierce County communities by educating leaders for an evolving industry. Public safety, long viewed as the sole province of law enforcement and fire service, is an industry undergoing profound change. The reasons guiding businesses, public organizations, cities, counties, and state governments to reconsider their public safety systems are complex, but they can be reduced to two primary causes. First, existing public safety systems have failed to protect communities effectively and equitably. Secondly, the range of threats is steadily increasing, and now



includes relatively new issues such as cybercrimes, pandemics, failures of community infrastructure, and major disasters brought on by climate change.

This evolving social context requires leaders – managers and administrators in both traditional safety-related fields as well as emerging areas – who are educated through the baccalaureate level. The tasks in which public safety leaders will engage are challenging, requiring not only a technical background in the area but also a strong understanding of how relationships are created and maintained; a thorough background in management topics such as budget, finance, and personnel management; and a strategic understanding of how different organizations and institutions can work cooperatively.

**Motion:** Moved by Board Member Bagherpour, seconded by Board Member Hogans, and unanimously approved by the board, the adoption of Resolution 24-05-26 authorizing Bates Technical College's Bachelor of Applied Science degree in Public Safety Administration.

## Consideration of the Revisions to the State Board Bylaws (Resolution 24-05-27)

Over the past five months the Bylaws Review Committee has met to review the current board bylaws, identify areas of clarification, and discuss possible amendments.

A summary of key bylaw changes recommended by the Bylaw Review Committee was presented for discussion at the March 2024 meeting.

The Bylaw Review Committee's recommended amendments to the board bylaws reflect the objective to:

- Clarify the process of establishing board committees.
- More accurately reflect the process of board appointments.
- Clarify the board's intent to limit officer appointments to not more than two consecutive years in either officer position.
- Add the Evaluation Committee into the bylaws, including the process to nominate members and the primary function of the committee.
- Specify that the board will prioritize equity and accessibility when setting the location and structure of meetings.
- Explicitly encourage board members, when possible, to attend meetings in person.
- Remove language allowing for board member proxies and secret ballots.
- Clarify that the executive director will consult with the executive committee in finalizing board agendas.
- Broaden the requirement that the minutes be mailed to allow for other forms to distribution.
- Allow the board to use Robert's Rules of Order as a guide rather than requiring that they be strictly adhered to.
- Modify the formatting of the bylaws to be clearer to read.

**Motion:** Moved by Board Member Hogans, seconded by Board Member Reich, and unanimously approved by the board, the adoption of Resolution 24-05-27 amending the State Board Bylaws as presented.

## 2025 Legislative Priorities – Development Process

To create a more transparent and inclusive process for developing legislative priorities for the college system, State Board staff worked with WACTC to create a two-survey process to identify policy and budgetary needs to present to the State Board and then the Legislature.

The first survey was launched in January and asked colleges to rank five categories – compensation, diversity, equity and inclusion (DEI), IT and cybersecurity, workforce education, and Basic Education for Adults – and to identify any additional categories important to their colleges.

Results of ranking order was:

1. Faculty and staff compensation
2. Student services (mental health, basic needs, access to technology)
3. Support work towards SBCTC vision statement (DEI funding and policies)
4. College IT and Cybersecurity
5. Workforce education programs
6. Basic Education for Adults (IBEST, HS+)

Additional priorities mentioned included funding for dual credit, safety and security, childcare opportunities, funding for mental health, and housing affordability for students, faculty, and staff.

The second survey was sent out the first week in April and included the five categories from the first survey plus dual credit, safety and security, and additional options under student services and workforce education.

Results of ranking order was:

1. Faculty and staff compensation
2. College IT and cybersecurity
3. Student services
4. Support work towards SBCTC vision statement (DEI funding and policies)
5. Workforce education programs
6. Basic Education for Adults and I-BEST
7. Safety and security
8. Dual credit

WACTC plans to act on its final recommendations to the State Board at its May WACTC meeting and present them to the board for consideration at its June meeting.

## Consideration of the 2025-27 Capital Budget Proposal (Resolution 24-05-28)

State Board staff worked with college system presidents, vice presidents, and facilities directors to develop a list of projects and funding recommendation for the system's 2025-27 capital budget request.

The legislative capital budget request included biennial appropriations for minor and major projects, and authorities for alternative financing of capital projects. It can also include reappropriations for projects requiring more than one biennium to complete.

At its April 2024 meeting, WACTC voted to recommend the following for the 2025-27 capital budget request:

- Prioritize minor projects before major projects.
- Include \$1 million for Grays Harbor College Lake Swano Dam planning assistance.
- Prioritize major projects in the priority order that they were added to the pipeline.
- Target an estimated request level of \$600 million.
- Include major projects that fall below the 2025-27 funding target be included in future biennia of the SBCTC 10-year capital plan.
- Have State Board staff work with colleges to update cost estimates for changes in inflation, Architect/Engineer (A/E) fee rates, laws, requirements, and sales tax rates.

**Motion:** Moved by Board Member Hogans, seconded by Board Member Reich, and unanimously approved by the board, the adoption of Resolution 24-05-28 approving the 2025-27 capital budget proposal as outlined.

## Consideration of Fiscal Year 2025 Operating Budget Allocations (Resolution 24-05-29)

### Allocation Summary

In fiscal year (FY) 2025, the total state operating budget appropriation to the system will be \$1.239 billion, a 7% increase (\$81 million) over FY 2024. The increase is the result of new legislative policy initiatives, including investments for expansion of Bachelor of Science in Computer Science degree programs, student need supports, and fully funded cost of living increases.

The 2024 supplemental operating budget also made small appropriation adjustments to the current fiscal year.

### Enrollment Allocation

Until 2017, the state operating budget (Omnibus Appropriations Act) included an enrollment target for the community and technical college system of 139,927 students. State Board staff recommend the system continue to maintain this enrollment target for the coming year. The target helps ensure that resources are deployed where most needed by specifying the conditions under which a district is eligible to receive additional enrollments. These rules also specify the conditions under which a district's future allocated enrollments and associated funding could be adjusted.

The in-process allocation model review may result in recommended changes to enrollment or funding allocations in the future. Any recommendations would come to the State Board for consideration.

**Motion:** Moved by Board Member Reich, seconded by Board Member Hogans, and unanimously approved by the board, the adoption of Resolution 24-05-29 approving the fiscal year 2025 operating budget and enrollment allocations as outlined.

## Consideration of North Seattle College's Surplus Property Sale for Affordable Housing (Resolution 24-05-30)

North Seattle College has determined that it does not require all the property at its campus for future academic facilities and has been studying the possibility of providing housing on campus since 2018. With the approval of the board, the college has been in negotiations since 2021 with a partnership formed by Bellwether Housing and Chief Seattle Club. Both Bellwether Housing and Chief Seattle Club are affordable housing development entities selected through a request for proposal process.

The college originally brought forth a proposal to ground lease for 80+ years a surplus parcel of land. The board adopted resolutions 21-03-10 and 22-08-44, setting forth conditions to guide the college in negotiating ground lease terms. After extensive research and discussion with Bellwether and the City of Seattle, it was determined that financing the affordable housing project and City of Seattle requirements under the proposed ground lease was not feasible because the board did not have legal authority to agree to the City of Seattle's requirement that the State Board subordinate the fee simple interest in the land.

The college and its Board of Trustees are now requesting to sell the property for affordable housing. In exchange, the college would receive a cash payment of \$7.089 million. Of that amount, \$3,099,834 would be placed into a reserve account held by the college. The reserve account funds would be used to pay for 5,757 square feet in the finished project that North Seattle College would have an exclusive option to purchase. If acquired, the facility will be acquired via a condominium agreement separating the housing elements from the space reserved for North Seattle College and a pro rata share of the underlying parcel.

**Motion:** Moved by Board Member Reich, seconded by Board Member Hogans, and unanimously approved by the board, the adoption of Resolution 24-05-30 authorizing the sale of 2.3 acres of property located at 9600 College Way North in Seattle for affordable housing with the proceeds of the sale to remain with the college.

## ACT Report

### 2024-25 ACT Board of Directors

- President: Bertha Ortega, Yakima Valley College
- President-elect: Wendy Bohlke, Whatcom Community College
- Secretary: Richard Leigh, Bellevue College
- Treasurer: Rebecca Chan, Shoreline Community College
- Member-at-large: Louise Chernin, Seattle Colleges
- Member-at-large: Paula Arno Martinez, Wenatchee Valley College
- Past President: Pat Shuman, Tacoma Community College

## WACTC Report

Tim Stokes, WACTC president, reported on the April WACTC Meeting:

- Joyce Loveday named the 2024-25 WACTC president-elect.
- Free Application for Federal Student Aid (FAFSA) rollout update.
- Student success software request for proposal (RFP) update.
- 2025-27 capital budget request recommendations.
- Fiscal year 2025 operating budget allocation recommendations.

## System Unions Report

Karen Strickland, American Federation of Teachers (AFT), and Sue Nightingale, Washington Education Association (WEA), provided a preview of their respective 2025 legislative agendas.

## Executive Director Report

Paul Francis, executive director, reported on the following:

- South Puget Sound Community College has been named a semifinalist for the 2025 Aspen Prize for Community College Excellence.
- State Board office move and staffing update.
- Government-to-Government Summit: June 18, Evergreen State College.
- Partnership with the Office of Superintendent of Public Instruction (OSPI) on dual credit opportunities.
- Corrections education update.
- Department of Education (DOE) new Title IX regulations.

## Board Discussion and Chair's Report

- The board recognized Phyllis Gutiérrez Kenny for her service as a Board member.
- Committee/Task Force updates.
  - Nominating Committee: The committee has started meeting and is on schedule to make nominations for the 2024-25 chair and vice chair at the June meeting.
  - Evaluation Committee: The committee has started scheduling the interviews with various stakeholders.
  - Long-Term Advocacy Task Force: The task force will meet on May 20.
  - Strategic Action Plan Task Force: No report.
- State Board member appointments to system advisory groups.
  - Washington Equity in Leadership System (WELS): Kady Titus
  - Evolve Initiative to support thriving equitable systems (EVOLVE): Bernal Baca
- Board members shared their perceptions of events and meetings they have attended over the last few months.

- Chair Mason-Placek thanked the board members for their time and State Board staff for their presentations.

### **Adjournment/next meeting**

There being no further business, the State Board adjourned its May 9, 2024 regular meeting at 12:30 p.m. The next regular meeting will be June 27, 2024 via Zoom.

### **Attest**

\_\_\_\_\_  
Paul Francis, secretary

\_\_\_\_\_  
Chelsea Mason-Placek, chair

## REGULAR ITEM

June 27, 2024

Tab 2

### FAFSA and Financial Aid Updates

#### Brief Description

The Department of Education (ED) has continued to face challenges with the rollout of the Free Application for Federal Student Aid (FAFSA) for the 2024-25 academic year. There have been frequent and ongoing errors and issues with the application that have caused further delays for the college financial aid offices from processing financial aid awards for current and new college students.

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

This item is consistent with the “equitable student success” focus area of the State Board’s updated 2020-2030 strategic plan.

#### Background information and analysis

Due to significant issues with the FAFSA rollout, the essential technical system updates required for colleges to process aid have been delivered to SBCTC incrementally. This process requires considerable time from SBCTC IT staff for system configuration, testing, and creating the necessary documentation for the colleges. During this period, SBCTC staff have been holding regular meetings with college financial aid staff and leadership to ensure they are prepared for the upcoming activities.

#### Current Key Issues

- **Delays and FAFSA Errors:** The ongoing delays and calculation errors with the FAFSA from ED have significantly impacted colleges and their IT systems. These issues have constrained the time available for colleges to process aid for students, hindering their ability to get award letters to students in a timely manner.
- **Technical Errors:** There are known technical issues that persist within the system. The Department of Education (ED) will continue to adjust, necessitating ongoing coding changes from Oracle. These efforts represent the initial phase of an ongoing process to address and resolve these challenges. Continuous collaboration and adaptation will be essential to ensure the system functions effectively and meets the evolving requirements.

#### SBCTC Resources & Supports

Updates since the last State Board Report on May 8, 2024, include:

- The ctLink Financial Aid Support team conducted open work sessions from Monday to Friday, June 10-14, 2024, to assist college financial aid teams in processing Institutional

Student Information Records (ISIRs) and initiating the awarding of financial aid to students.

- Additional sessions are being held the week of June 17-21, 2024, to further support colleges throughout the awarding process.
- [FAFSA Simplification 2024-2025 Known Issues in ctcLink](#) is posted on the ctcLink Reference Center under FAFSA Simplifications 24-25. This resource is a compilation of known issues and bugs which have been discussed extensively with the financial aid community. Each item includes statement of impact, workaround (if any), timeline for resolution, priority level, and current status.
- [SBCTC FAFSA 2024-25 Rollout](#) web page houses updates and resources developed for colleges, students, and partners, including:
  - Created FAQs for students and colleges regarding the FAFSA delay. These are frequently updated with emerging needs.
  - [FAFSA Simplification Q&A Center](#) for system staff to submit questions, requests, and feedback to SBCTC. This will identify system needs, emerging trends, and inform strategies to address the ongoing FAFSA cycle.
- The Student Aid Outreach and Completion Initiative Pilot Program ([HB 1835](#)) has been expanded to ESD 113 (Capitol Region). This includes five new college outreach specialists to support school districts in aiding seniors in financial aid completion for the 2024-2025 school year. The colleges included in ESD 113's service area are Grays Harbor College (Aberdeen), Centralia College (Centralia), and South Puget Sound Community College (Olympia).

Other Updates:

An op-ed co-authored by Paul Francis, Ruben Flores (Council of Presidents), and Terri Standish-Kuon (Independent Colleges of Washington) appeared in the Seattle Times: [Why some WA students are still waiting for college financial aid](#)

## Recommendation/preferred result

State Board members will hear about the status of the FAFSA opening and the potential impacts on the community and technical college system.

Policy Manual Change Yes  No

Prepared by: Jamie Traugott, student services and K12 alignment director  
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## **REGULAR ITEM (RESOLUTION 24-06-39 AND 24-06-40)**

June 27, 2024

Tab 3

### **Consideration of fiscal year 2025 workforce education and student services awards and allocations**

#### **Brief description**

Colleges fund workforce education programs and student support programs in multiple ways, including the use of general enrollment funding and state and federal targeted funding. Each June, the State Board approves the targeted funding for the next fiscal year. What follows is proposed targeted federal and state contracted funding for fiscal year (FY) 2024-25:

- Carl D. Perkins Grant
- Early Achievers Grant
- Basic Food Employment and Training
- WorkFirst

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

Carl D. Perkins, Early Achievers Grants, Basic Food Employment and Training, and WorkFirst address the State Board's goals for achieving educational equity for students who are historically underrepresented in higher education, improving completion rates for all enrolled students across all types of programs and credentials - workforce degrees, transfer degrees, certificates and apprenticeships, and increasing access and retention among populations who can benefit the most from college access as described below.

#### **Background information and analysis**

The State Board awards federal workforce training funds to colleges to support programs offering entry-level training and skills upgrade for the state's workforce. Each program provides residents across the state opportunities to increase their educational attainment.

#### **Carl D. Perkins Federal Grant – \$13,899,745 (initial planning budget from Workforce Training and Education Coordinating Board)**

Approval of the resolution will authorize FY 2024-25 Carl D. Perkins awards to 34 community and technical colleges to improve outcomes for students by supporting and strengthening workforce education programs.

The federal Perkins program provides funding for workforce programs with an emphasis on accountability, innovation, secondary to post-secondary pathways, coordination with business and

industry, and decreasing equity gaps for underserved populations. Colleges inform their use of Perkins funding through completion of the required Comprehensive Local Needs Assessment (CLNA), which brings together regional stakeholders to inform local workforce needs and guides the local investment of these resources.

The Perkins program was reauthorized by Congress in July 2018. The State Board is currently operating under the state plan submitted by the Workforce Training and Education Coordinating Board in March 2020 and was updated and resubmitted in May 2024.

Perkins V sets aside 1% of state leadership funds to serve individuals in state institutions, such as state correctional institutions or institutions that serve individuals with disabilities. 10% of the basic grant funds are set aside for rural colleges and colleges with a high percentage of professional/technical students.

This Perkins funding aligns with two Board goals specific to equitable student success:

- **Goal 1: Increase access and retention among population who can benefit the most from college:** Colleges are required to develop goals and strategies to eliminate performance gaps and support the success of nine special populations and four sub-groups identified in the Strengthening Career and Technical Education for the 21st Century Act (Perkins V). Performance targets for each college are developed and monitored to measure success in improving participation in and completion of workforce education programs for all students preparing for employment, including those who are underrepresented by gender in specific non-traditional fields. Performance data is disaggregated by student groups and by program for each college making it easier to identify performance gaps and develop specific strategies to increase student participation and success. This focus on equity and diversity and performance gap analysis aligns closely with local needs and the connections help ensure we respond to the emerging needs of our students and the employers who hire them.
- **Goal 2: Improve completion rates for all enrolled students across all types of programs and credentials – workforce degrees, certificates, and apprenticeships:** Student completion is a key performance indicator for all programs supported with Perkins funding. Performance targets for each college are developed and monitored to measure success in increasing student attainment of relevant career and technical skills that align with industry standards, and increasing industry-recognized credentials, certificates, and degrees. Colleges are required to provide outreach to secondary students and expand programs of study that bring together a sequence of career-focused courses that start in high school and extend through a post-secondary professional technical program. Many of these courses articulate for CTE Dual Credit. Additionally, the Strengthening Career and Technical Education for the 21<sup>st</sup> Century Act (Perkins V) places emphasis on providing students with work-based learning opportunities aligning well with Career Connect Washington's criteria for Career Launch programs.

### **Early Achievers Grant – \$6,475,164**

The approval of the resolution will authorize Early Achievers Grant (EAG) awards for FY 2024-25 to 27 community and technical colleges. The EAG is a student financial aid program that helps employed childcare providers and early learning professionals' complete certificates and associate degrees in early childhood education.

This program started in 2012 as a collaboration between the colleges and the Department of Children,

Youth, and Families (DCYF). In 2018, the Washington State Legislature adopted new licensing rules requiring childcare providers to attain postsecondary early childhood education (ECE) credentials. All 27 colleges participating in the EAG program offer stackable certificates and degrees that meet licensing and staff qualification requirements.

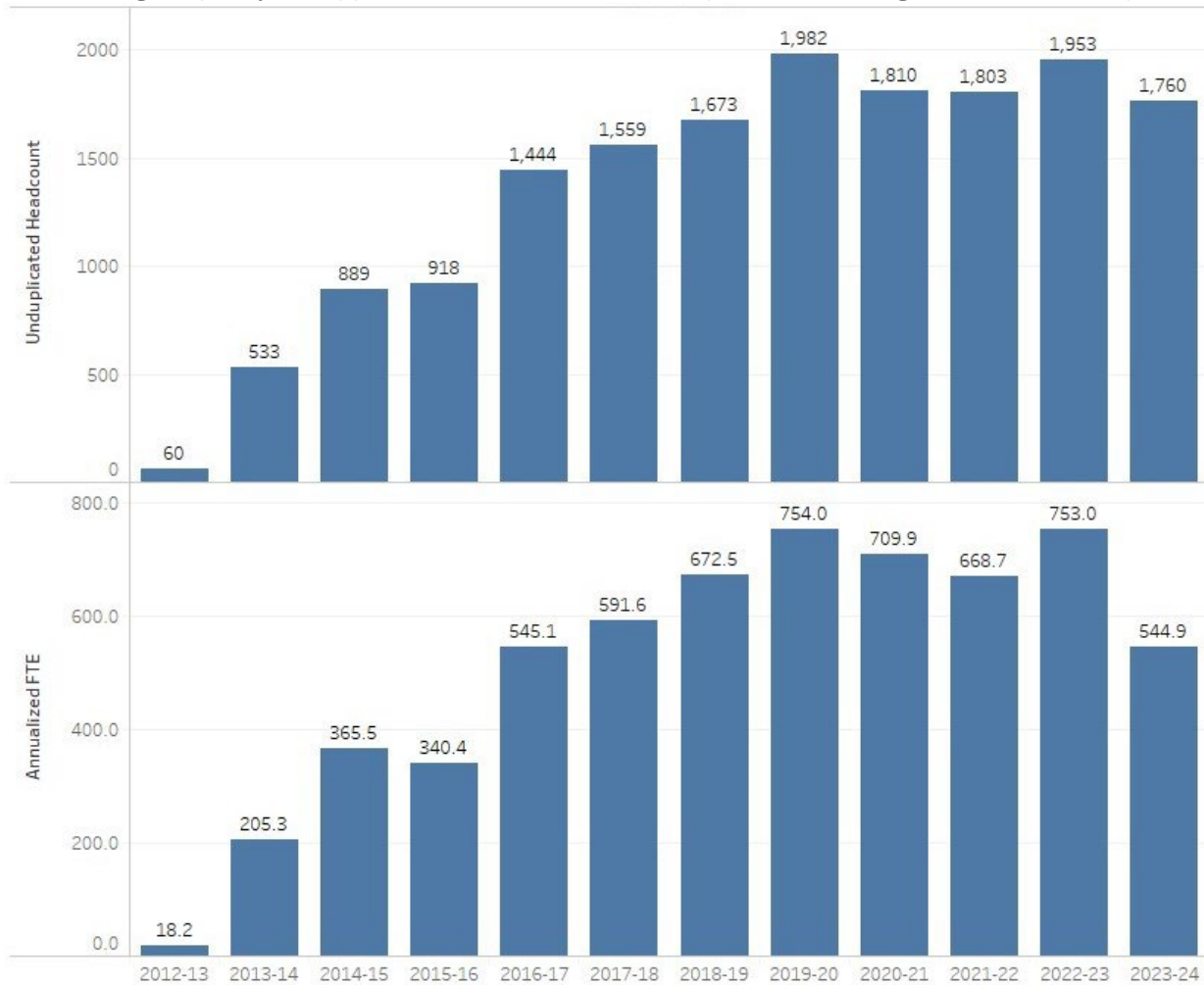
The Early Achievers Grant aligns with the four goals of the Board:

- **Increase access and retention:** Professionals in childcare and early education settings typically earn wages at or just above minimum wage, and EAG scholars most often fit the definition of a non-traditional student. In FY 23, 71% of EAG scholars were 30 or older, and 57% identified as non-white. Without financial assistance, these non-traditional students could not afford college and access the credentials needed to maintain employment in the ECE field. Funds pay for tuition, fees, textbooks, and student wrap-around services necessary for participation in an ECE program. EAG scholars also receive intensive, relationship-based advising and wrap-around support services above and beyond what colleges typically offer students. These services help students who need additional assistance navigating college systems or might otherwise stop out due to emergent situations persist and complete their education goals.
- **Improve completion and transfer rates:** Relationship-based advising and wrap-around support services also improve credential completion. EAG scholars consistently have higher completion rates than their non-EAG early childhood education counterparts. For example, in FY 22 and FY 23, the EAG completion rates were 80% versus 60% for non-EAG scholars.
- **Provide flexible career-training options:** All colleges participating in EAG offer stackable certificates and AAS/AAS-T degrees in ECE. Students can complete required coursework to maintain employment and gain confidence in their scholarly skills by adding additional certificates to help them obtain promotions and higher-paying wages.
- **Secure resources and develop systemwide strategies:** The grant also allocates funding to support college program contacts. These contacts serve as the main point of contact for our grant recipients, guiding students from intake to completion. They are responsible for outreach, recruitment, onboarding, advising, and grant administration. outreach, recruitment, onboarding, advising, and grant administration. Additional funds from the Workforce Education Investment Act (WEIA) have been made available this year to provide extra financial support for the program contact and other college staff who contribute to the success of the grant. The combination of funding from DCYF and WEIA will ensure that colleges have the necessary funds to support and retain quality staff, as well as provide opportunities for staff to attend conferences or statewide meetings to enhance their knowledge and skills in student support and retention.

Each spring, the colleges participate in a competitive grant application process. Each college's funding is based on the funds made available by DCYF, the number of FTES projected to be served, and performance in the previous years. Colleges must also describe program capacity, student intake and monitoring processes, and wrap-around support services.

In FY 23, EAG supported 1,953 students (753 FTES) who attained a total of 1,116 Early Childhood

Education credentials. To date, in FY 24, excluding the spring quarter, EAG has served 1,760 students and achieved 544.9 FTES, which equals 96% of FTES awarded in FY 24. Colleges' requests for FY 25 reflect college capacity to support students, and DCYF has provided funding to meet those requests.



**Basic Food Employment and Training (BFET) – \$15,247,147**

Approval of the resolution will authorize federal FY 25 funding to be awarded to all 34 community and technical colleges for the Basic Food Employment and Training (BFET) program. Basic Food recipients are provided access to a variety of educational options and support services through the BFET program to gain the skills necessary to compete for higher wages, better jobs, and further advancement. College BFET programs are designed around a 50/50 funding model that allows them to budget and invoice for a 50 % reimbursement of allowable expenses the college has made. This means that colleges must fully cover 100% of costs for Basic Food students and program expenses from non-federal sources prior to receiving a reimbursement. The reimbursements then become the Basic Food Employment and Training programs actual funding. Allowable expenses include tuition, books, fees, and support services such as housing, transportation, childcare, supplies, etc. necessary for participation in an education and training program. Program funding levels are estimates per the state approved spending plan which is expected to be released in September.

This Basic Food Employment and Training funding aligns with the four goals of the Board's strategic plan:

- Goal 1, 2, & 3: Funding supports the State Board's efforts to impact state and federal policy concerning access to community and technical colleges for low-income populations eligible for basic food assistance. The State Board partners with the Department of Social and Health Services to advocate for the community and technical college's role in statewide poverty reduction efforts and to prevent national policy that adds barriers to accessing education. Washington continues to be highlighted nationally as a model Supplemental and Nutrition Assistance Program (SNAP) Employment and Training program and the SBCTC's expertise is requested on a regular basis to assist the onboarding of other states implementing the program. The Farm Bill, which governs Supplemental and Nutrition Assistance Program Employment and Training, was last reauthorized in December 2018 and has been reauthorized this year. There is a strong focus from states in advocating for reducing barriers, continuing the current exemptions put into place during the pandemic, and expanding the allowable training options. The State Board has continued to participate in state focus groups and national forums to advocate for policies that increase access to community and technical colleges, work-based learning, and student support.
- Goals 1, 2, 3, & 4: In FY 23, the Basic Food program served 5,918 students (3,197 FTE). An overall increase of 480 students from FY 22. To date in FY 24, excluding spring, the Basic Food program has served 5,608 students (2,619 FTE), which indicates that enrollments in FY 24 will exceed FY 23. Our Basic Food model allows for reverse referrals, meaning program staff can recruit eligible students and assist them with their application for food assistance if they are not yet receiving this support. With the inclusion of the Benefits Navigators through the Basic Needs Act (SHB1559), colleges have been able to increase enrollments in BFET and support students in accessing resources including FAFSA. Additionally, the support services for students can assist with meeting student's basic needs upfront, allowing them to focus on school.
- Goals 1, 2, & 3: Basic Food students are low-income individuals and parents who are eligible for basic food assistance. The Basic Food program provides an opportunity for equitable access to education for our state's most disproportionate populations. In FY 23, 47% of BFET students were students of color. Without enrollment in the BFET program, students receiving food benefits would not be able to enroll in college and continue to receive their food assistance.
- Goals 1, 2, & 3: Basic Food programs are accountable to successful completion of workforce education pathways and employment outcomes. BFET program supports students who are enrolled in Basic Education, English Language Acquisition, IBEST, Running Start, a variety of short-term trainings and certificates, degree pathways, and non-credit/continued education. Colleges are responsible for reporting student retention and completion data. Student data is monitored quarterly to ensure proper coding and reporting. Basic Food programs ensure low-income students receive necessary wrap-around services and supports to meet their basic needs and beyond, keeping students enrolled and supporting progression in professional/technical programs across the state, many of these programs integrate work-based learning opportunities that align with the objectives of Career Connect Washington.

## WorkFirst – \$15,527,000

Approval of the resolution will authorize FY 25 WorkFirst awards to 33 community and technical colleges to provide education and training, work-based learning, student supports, and wrap-around case management to students receiving Temporary Assistance for Needy Families. We anticipate the estimated funding level, based on FY 24, will continue to be increasing to the pre-pandemic funding levels per the state approved spending plan expected to be released in late June.

A bipartisan legislative task force provides oversight to the WorkFirst program and operation of Temporary Assistance for Needy Families (TANF). State and Federal TANF block grant funds are provided through the Department of Social and Health Services, which contracts with the State Board, the Employment Security Department, and the Department of Commerce for participant services. The Office of Financial Management and the Department of Children, Youth and Families are also WorkFirst partners.

WorkFirst colleges are able to offer student support to help meet their basic needs. These supports include transportation, medical, childcare, tools/supplies, clothing, and emergency costs.

This WorkFirst funding aligns with four goals of the State Board strategic plan:

- Goals 1, 2, 3, & 4: Funding supports the State Board’s efforts to impact state and federal policy concerning access to community and technical colleges for low-income parent populations. The State Board partners with the Department of Social and Health Services to advocate for the community and technical college’s role in two-generational strategies to reduce poverty, and to highlight the community and technical college system through other state-wide and national efforts.
- Goals 1, 2, 3, & 4: In FY 23, WorkFirst served 2,675 students (1,419 FTE), nearly double the number of students served in FY 22. To date in FY 24, excluding spring quarter, WorkFirst has served 2,389 students (1,057 FTE), putting colleges on a trajectory of serving more students in FY 24 than FY 23. WorkFirst program staff work directly with their Local Planning Area partners to promote referrals to education and training programs at community and technical colleges.
- Goals 1, 2, & 3: WorkFirst students are low-income parents. Program staff provides wrap-around support to ensure equitable access and retention, including referrals to external service providers to address childcare, healthcare, food insecurity, housing, and transportation needs. The majority of these students begin in Basic Education. WorkFirst staff strive to transition WorkFirst students to additional resources to aid their advancement off TANF and out of poverty. More than 80% of financial aid awarded to WorkFirst students consisted of Pell, WA College Grant, WorkFirst Work Study, Federal Unsubsidized Stafford/Direct, Federal Stafford Subsidized/Direct, Opportunity Grant, Federal Work Study, as well as other grants and funds.
- Goals 1, 2, & 3: Education and training providers are accountable for the attainment of high school degrees or equivalencies and vocational education certificates and degrees. Our performance outcomes are reported to the Department of Social and Health Services and incorporated into the State’s overall WorkFirst data for legislative review. Federal rules limit full-time vocational education to 12 months; however, state legislation passed in 2017 allows for an extension to 24 months ensuring students have adequate time to complete at least a one-year certificate.

WorkFirst increases access to high quality professional/technical programs, many of which integrate meaningful work-based learning opportunities that are at the foundation of Career Connect Washington.

### Recommendation/preferred result

Staff recommends approval of Resolution 24-06-39 and 24-06-40, awarding federal workforce education targeted funds and Resolution 24-06-40 awarding federal and state contracted student support funds to community and technical colleges for FY 24 as described in Attachment A.

Policy Manual Change Yes  No

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## **STATE OF WASHINGTON STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES RESOLUTION 24-06-39**

A resolution relating to allocating and awarding \$20,374,909 of federal and state contracted workforce training funds to the community and technical college. (See Attachment A)

**WHEREAS**, the State Board has the authority to allocate and award federal job training funds; and

**WHEREAS**, community and technical colleges have fulfilled the application requirements set forth for Carl D. Perkins, and Early Achievers Grants; and

**WHEREAS**, each Carl D. Perkins, and Early Achievers Grants application has gone through a state level review process and has been recommended by their respective advisory committee to the State Board for Community and Technical Colleges for funding;

**THEREFORE BE IT RESOLVED**, that the State Board for Community and Technical Colleges awards a total of \$20,374,909 for FY 2024-25 as detailed in Attachment A, consisting of:

1. \$13,899,745 for Carl D, Perkins Grant
2. \$6,475,164 for Early Achievers Grants

**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 27, 2024

### **Attest**

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Paul Francis, secretary

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Chelsea Mason-Placek, chair



**STATE OF WASHINGTON  
STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES  
RESOLUTION 24-06-40**

A resolution relating to allocating and awarding \$30,774,147 of federal and state contracted student support funds to the community and technical college. (See Attachment A)

**WHEREAS**, the State Board has the authority to allocate and award federal job training funds; and

**WHEREAS**, community and technical colleges have fulfilled the application requirements set forth for WorkFirst and Basic Food Employment and Training; and

**WHEREAS**, Basic Food Employment and Training and WorkFirst application has gone through a state level review process and has been recommended by their respective advisory committee to the State Board for Community and Technical Colleges for funding;

**THEREFORE BE IT RESOLVED**, that the State Board for Community and Technical Colleges awards a total of \$30,774,147 for FY 2024-25, as detailed in Attachment A, consisting of:

1. \$15,247,147 for Basic Food Employment and Training
2. \$15,527,000 for WorkFirst

**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 27, 2024

**Attest**

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Paul Francis, secretary

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Chelsea Mason-Placek, chair

**WORKFORCE EDUCATION – FY 25 GRANTS DISTRIBUTIONS**

College	FY 24 Carl Perkins	FY 25 Carl Perkins	FY 24 Early Achievers	FY 25 Early Achievers	FY 24 TOTAL	FY 25 TOTAL
Bates	\$505,214	\$509,954	\$422,418	\$498,000	\$927,632	\$1,007,954
Bellevue	\$259,177	\$291,530	\$91,300	\$124,500	\$350,477	\$416,030
Bellingham	\$351,423	\$364,948	\$0	\$0	\$351,423	\$364,948
Big Bend	\$250,142	\$279,070	\$85,673	\$83,000	\$335,815	\$362,070
Cascadia	\$0	\$0	\$0	\$0	\$0	\$0
Centralia	\$210,723	\$239,566	\$33,200	\$41,500	\$243,923	\$281,066
Clark	\$401,584	\$437,185	\$83,000	\$99,600	\$484,584	\$536,785
Clover Park	\$572,582	\$492,987	\$33,200	\$49,800	\$605,782	\$542,787
Columbia Basin	\$521,816	\$489,655	\$132,800	\$141,100	\$654,616	\$630,755
Edmonds	\$370,604	\$349,296	\$129,545	\$132,800	\$500,149	\$482,096
Everett	\$411,346	\$355,235	\$141,100	\$141,100	\$552,446	\$496,335
Grays Harbor	\$210,961	\$257,183	\$99,600	\$215,800	\$310,561	\$472,983
Green River	\$478,103	\$486,423	\$154,445	\$232,400	\$632,548	\$718,823
Highline	\$341,643	\$329,861	\$331,118	\$514,600	\$672,761	\$844,461
Lake Washington	\$349,994	\$318,523	\$409,373	\$498,000	\$759,367	\$816,523
Lower Columbia	\$246,991	\$306,276	\$141,100	\$149,400	\$388,091	\$455,676
Olympic	\$335,339	\$406,158	\$307,100	\$498,000	\$642,439	\$904,158
Peninsula	\$205,627	\$251,332	\$33,200	\$41,500	\$238,827	\$292,832
Pierce	\$346,551	\$391,406	\$224,100	\$290,500	\$570,651	\$681,906
Renton	\$450,806	\$437,985	\$73,818	\$141,100	\$524,624	\$579,085
Seattle District	\$753,158	\$878,767	\$488,818	\$581,000	\$1,241,976	\$1,459,767
Shoreline	\$308,264	\$278,033	\$0	\$0	\$308,264	\$278,033
Skagit Valley	\$479,087	\$508,938	\$121,245	\$141,100	\$600,332	\$650,038
South Puget Sound	\$286,175	\$292,610	\$256,418	\$332,000	\$542,593	\$624,610
Spokane District	\$1,291,648	\$1,394,101	\$282,200	\$332,000	\$1,573,848	\$1,726,101

Tacoma	\$494,302	\$611,673	\$141,100	\$174,300	\$635,402	\$785,973
Walla Walla	\$562,883	\$531,858	\$110,573	\$116,200	\$673,456	\$648,058
Wenatchee Valley	\$213,542	\$247,148	\$129,545	\$166,000	\$343,087	\$413,148
Whatcom	\$201,255	\$190,034	\$123,618	\$132,800	\$324,873	\$322,834
Yakima Valley	\$486,561	\$422,094	\$207,500	\$249,000	\$694,061	\$671,094
SBCTC	\$1,480,967	\$1,549,916	\$358,064	\$358,064	\$1,839,031	\$1,907,980
<b>Total</b>	<b>\$13,378,468</b>	<b>\$13,899,745</b>	<b>\$5,145,171</b>	<b>\$6,475,164</b>	<b>\$18,523,639</b>	<b>\$20,374,909</b>

Notes: The amount available on the SBCTC line will be used for programs, special projects, and administration. Funds will be awarded based upon RFPs, applications, etc.

SBCTC line

Admin	\$406,450	\$455,223	\$263,064	\$268,064	\$669,514	\$723,287
Grants	\$1,343,976	\$1,094,693	\$90,000	\$90,000	\$1,433,976	\$1,184,693
<b>Total</b>	<b>\$1,750,426</b>	<b>\$1,549,916</b>	<b>\$353,064</b>	<b>\$358,064</b>	<b>\$2,103,490</b>	<b>\$1,907,980</b>

Perkins Leadership grants: Leadership block grant, Non-Trad, and Corrections

### STUDENT SERVICES – FY25 GRANTS DISTRIBUTIONS

College	FY 24 WorkFirst	FY 25 WorkFirst	FY 24 Basic Food Employment & Training	FY 25 Basic Food Employment & Training	FY 24 TOTAL	FY 25 TOTAL
Bates	\$349,074	\$385,272	\$288,518	\$333,612	<b>\$637,592</b>	<b>\$718,884</b>
Bellevue	\$322,107	\$411,166	\$588,380	\$630,960	<b>\$910,487</b>	<b>\$1,042,126</b>
Bellingham	\$281,956	\$239,972	\$462,218	\$462,218	<b>\$744,174</b>	<b>\$702,190</b>
Big Bend	\$247,378	\$306,876	\$478,401	\$478,401	<b>\$725,779</b>	<b>\$785,277</b>
Cascadia	\$0	\$0	\$62,971	\$42,621	<b>\$62,971</b>	<b>\$42,621</b>
Centralia	\$519,274	\$469,205	\$351,092	\$497,759	<b>\$870,366</b>	<b>\$966,964</b>
Clark	\$423,254	\$509,455	\$899,727	\$895,788	<b>\$1,322,981</b>	<b>\$1,405,243</b>
Clover Park	\$519,966	\$516,555	\$574,596	\$624,596	<b>\$1,094,562</b>	<b>\$1,141,151</b>
Columbia Basin	\$428,193	\$407,874	\$384,080	\$384,080	<b>\$812,273</b>	<b>\$791,954</b>
Edmonds	\$531,795	\$568,938	\$523,355	\$653,436	<b>\$1,055,150</b>	<b>\$1,222,374</b>
Everett	\$735,671	\$518,664	\$384,374	\$600,524	<b>\$1,120,045</b>	<b>\$1,119,188</b>
Grays Harbor	\$367,296	\$326,458	\$267,148	\$304,084	<b>\$634,444</b>	<b>\$630,542</b>
Green River	\$840,318	\$806,065	\$546,101	\$536,406	<b>\$1,386,419</b>	<b>\$1,342,471</b>
Highline	\$571,843	\$563,299	\$363,414	\$363,414	<b>\$935,257</b>	<b>\$926,713</b>
Lake Washington	\$265,462	\$402,185	\$550,568	\$580,568	<b>\$816,030</b>	<b>\$982,753</b>
Lower Columbia	\$481,446	\$494,378	\$372,331	\$373,456	<b>\$853,777</b>	<b>\$867,834</b>
Olympic	\$918,351	\$922,063	\$344,463	\$466,177	<b>\$1,262,814</b>	<b>\$1,388,240</b>
Peninsula	\$313,412	\$360,744	\$281,626	\$295,146	<b>\$595,038</b>	<b>\$655,890</b>
Pierce	\$400,225	\$494,019	\$205,484	\$252,459	<b>\$605,709</b>	<b>\$746,478</b>
Renton	\$767,964	\$810,648	\$344,830	\$356,526	<b>\$1,112,794</b>	<b>\$1,167,174</b>
Seattle District	\$929,117	\$876,914	\$1,227,615	\$1,394,468	<b>\$2,156,732</b>	<b>\$2,271,382</b>
Shoreline	\$437,994	\$423,129	\$422,595	\$492,245	<b>\$860,589</b>	<b>\$915,374</b>
Skagit Valley	\$327,433	\$476,773	\$368,262	\$342,262	<b>\$695,695</b>	<b>\$819,035</b>
South Puget Sound	\$672,686	\$538,924	\$233,625	\$213,625	<b>\$906,311</b>	<b>\$752,549</b>

Spokane District	\$1,251,134	\$1,031,360	\$1,243,733	\$1,243,733	\$2,494,867	\$2,275,093
Tacoma	\$699,759	\$799,520	\$407,999	\$407,999	\$1,107,758	\$1,207,519
Walla Walla	\$308,189	\$281,807	\$511,201	\$511,201	\$819,390	\$793,008
Wenatchee Valley	\$301,415	\$273,855	\$245,302	\$283,312	\$546,717	\$557,167
Whatcom	\$167,764	\$233,931	\$293,345	\$510,830	\$461,109	\$744,761
Yakima Valley	\$593,783	\$487,889	\$121,754	\$91,754	\$715,537	\$579,643
SBCTC	\$552,741	\$589,062	\$623,487	\$623,487	\$1,176,228	\$1,212,549
<b>Total</b>	<b>\$15,527,000</b>	<b>\$15,527,000</b>	<b>\$13,972,595</b>	<b>\$15,247,147</b>	<b>\$29,499,595</b>	<b>\$30,774,147</b>

Note: The amount available on the SBCTC line will be used for programs, special projects, and administration. Funds will be awarded based upon RFPs, applications, etc.

SBCTC line						
Admin	\$542,741	\$579,062	\$623,487	\$623,487	\$1,166,228	\$1,202,549
Grants	\$10,000	\$10,000	\$0	\$0	\$10,000	\$10,000
<b>Total</b>	<b>\$552,741</b>	<b>\$589,062</b>	<b>\$623,487</b>	<b>\$623,487</b>	<b>\$1,176,228</b>	<b>\$1,212,549</b>

## **REGULAR ITEM (RESOLUTION 24-06-41)**

June 27, 2024

Tab 4

### **Consideration of fiscal year 2025 Basic Education for Adults Federal Awards**

#### **Brief Description**

The recommendation for the distribution of federal funds for Basic Education for Adults (BEa) programs to 32 college districts and five community-based organizations is based on the third year of awards resulting from the 2022-27 open and competitive application process. Approved applications detail each program's alignment with their local workforce development board's plan, including progress and planning toward meeting proposed levels of service; demonstrated effectiveness and planning toward meeting federal performance indicators; and progress toward integration within Guided Pathways. Colleges and community-based organizations provide assurance of specific program improvements and innovations that reflect their own data and validated research. Funds are received by the SBCTC through a formula grant originally authorized by Title II of the Workforce Innovation and Opportunity Act (WIOA.) Congress continues to appropriate the funds annually. SBCTC distributes funds to each approved program through subgrants of a pro-rata share among providers based on the following formula:

- 50% Enrollment
- 50% Performance-based
  - 10% Transitions
  - 20% Total Student Achievement Points
  - 20% SAI points per student

This funding formula is designed to prioritize and balance key principles WIOA sets out for adult education programs: level of service (enrollments) and level of performance. Programs are required to provide a 25% match of the funds they receive through the subgrant.

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

The BEa team aligns their work closely to the goals of the State Board. The Strategic Plan is reviewed to identify objectives relevant to our programs, then strategies selected to employ across the policy, program, and professional development units that comprise the BEa team. Highlights of actions taken this year include:

## Goal 1

Increase access and retention among populations that can benefit the most from college.

### Objective 1.1

Enroll more diverse students of all ages and backgrounds in our colleges.

Strategy 1.1.3: Improve colleges' understanding and use of the Ability to Benefit (ATB) option, which is a way for people without a high school diploma to apply for financial aid at both the state and federal levels.

BEdA Action: As required by the federal Department of Education, BEdA re-applied for the state process that allows students to co-enroll in I-BEST and High School+ in order to demonstrate eligibility for Ability to Benefit. The application was re-approved for five years and the state exceeded the "success rate" requirement set by the Department.

BEdA also continues to monitor changing federal regulations around approvals for ATB and providing relevant guidance to colleges.

### Objective 1.2

Recognizing that student success depends on the quality of college employees, support colleges in their efforts to attract and retain expert and diverse faculty and staff.

Strategy 1.2.3: Provide systemwide training and collaboration to help faculty and staff achieve their goals within a culture of focused excellence, innovation, and belonging.

BEdA Action: BEdA offers a robust calendar of trainings every year based on a survey that goes out to the colleges as well as staff input in strategic planning sessions related to the plan and needs identified by the Student Success Institute. Key trainings on basic skills fundamentals include:

- BEdA Math Pathways
- Teaching Skills That Matter
- Navigating Through Series for Navigators
- I-BEST Team Teacher Trainings

Strategy 1.2.4: Provide training to help faculty use student-centered, culturally-responsive and anti-racist pedagogies.

BEdA Action: The Equity, Diversity, and Inclusion (EDI) team within BEdA has been working closely with the agency's EDI office to create EDI training and opportunities for professional development for staff across the system. SBCTC's BEdA professional development offerings include sessions focused on anti-racist and EDI work, including:

- Leading with Racial Equity
- Equity Minded Leadership
- ABC's of EDI
- Beyond Accommodations 1.0

## Objective 1.4

Use state-of-the-art online learning tools to enable students to better balance work, college, and life.

Strategy 1.4.3: Support colleges in bridging the digital divide between students with sufficient knowledge of, and access to, technology and those without.

BEEdA action: BEEdA's digital equity lead monitors and advocates for state and federal digital equity funding, including surveying local providers to learn more about local program needs. Survey results help inform re-allocation of unspent federal funds as well as fuel grant-writing ideas for future digital equity funding opportunities through the federal Infrastructure Act as well as state investments through the Office of Equity.

Strategy 1.4.4: Expand college and student access to open educational resources.

BEEdA action: BEEdA recently completed the development and dissemination of accessible, open educational resources learning modules designed to prepare intermediate-level students for transition to I-BEST and other college programs. The rollout of these modules included a collaboration with South Seattle College's Labor Education and Research Center to promote a module on worker's rights.

## Goal 2

Improve completion and transfer rates for all enrolled students across all types of programs and credentials. Improve completion rates across-the-board for all students and improve completion rates faster for students of color.

### Objective 2.1

Implement research-based strategies that are proven to improve completion rates for all students.

Strategy 2.1.1: Support colleges in implementing the successful Guided Pathways framework.

BEEdA Action: BEEdA collaborated with the Student Success Institute (Guided Pathways) lead for math and developed a joint tour of several colleges to learn more about how BEEdA and college math departments are collaborating to coordinate math pathways from BEEdA to college-level. Further professional development will be created and delivered based on the learning that has taken place from these tours.

## Goal 3

Provide flexible career-training options.

### Objective 3.1

Respond quickly to the changing needs of students, businesses, and the economy.

Strategy 3.1.6: Shorten students' time to a credential by supporting alternatives to seat-based instruction, including credit for prior learning and competency-based programs.

BEEdA Action: The BEEdA policy lead for high school completion has been assisting colleges and studying policy environments to increase co-enrollment in High School+ and college-level courses for a dual credit model similar to Running Start, but for adults. This strategy complements our I-BEST strategy to increase potential for students to transition from BEEdA into college programs.



Strategy 3.1.7: In partnership with the Washington State Employment Security Department, track student wages, hours, wage progression, retention, and advancement after leaving college.

BEdA Action: BEdA reports yearly employment and wages and will begin reporting retention information to the federal Department of Education in collaboration with Employment Services Department (ESD). This year, BEdA programs statewide met employment and earnings targets set by the Department for Washington state.

### Objective 3.3

Support colleges in establishing work-based learning opportunities.

Strategy 3.3.1: In partnership with industry and labor organizations, provide assistance in expanding internships, registered apprenticeships, collaborative learning experiences, and employer-sponsored training across Washington.

BEdA Action: Through advocacy to the federal Department of Education, BEdA will take advantage of recently announced exemptions that will allow providers to offer workplace literacy programs without the mandate to test. Employers do not always value adult education standardized tests and the requirement has been a barrier to expansion of workplace literacy programs. BEdA is already working with a funded community-based organization who plans to expand their workplace literacy programs by taking advantage of the new exemption.

### Background information and analysis

Through the Washington State Board for Community and Technical Colleges and our stakeholders' collective work in supporting the state's shared populations of adults through a worker-centered, guided pathways model, the basic skills system has a real chance to contribute to an economic recovery that leads to a more equitable workforce. To do this, our college system's guided pathways need to be designed with the needs of our current and future Basic Education for Adults (BEdA) students in mind. This includes offering programming and funding that allow students to co-enroll in college and high school completion, as well as the availability of integrated English language instruction and retention services for English language acquisition students.

To meet these needs, Basic Education for Adults programming builds on twenty years of innovation that includes the comprehensive Integrated Basic Education Skills and Training (I-BEST) pathway; co-enrollment in High School Plus+ (HS+) with state and federal funding through Ability to Benefit; and the Integrated Digital English Acceleration (I-DEA) program that has been implemented across the college system and nation.

### Recommendation/preferred result

In order to fully scale the goals of Title II under the state's *Talent and Prosperity for All* Plan, staff will continue to monitor the expanded use of state and federal Ability to Benefit options for student financial aid, and the effect of the allocation model and Student Achievement Initiative metrics to remove the disincentive to expand Basic Education for Adults programs. This will enable programs to meet the adult basic skills needs in their communities and successfully scale innovation to meet the requirements of the Washington State Title II *Talent and Prosperity for All* Plan.

Staff recommends approval of Resolution 24-06-41, awarding targeted funds to Basic Education for Adult providers for fiscal year 2025.

Policy Manual Change Yes  No

Prepared by: William S. Durden, director, basic education for adults  
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Attachment A

STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES						
Office of Adult Basic Education - FY 25 Grant Distributions						
Provider	FY24 Basic Grant	FY25 Basic Grant	FY24 IEL/Civics	FY25 IEL/Civics	FY24 Total	FY25 Total
Bates Technical College	\$290,708	\$327,536	\$0	\$0	\$290,708	\$327,536
Bellevue College	\$292,784	\$283,910	\$72,057	\$73,476	\$364,841	\$357,386
Bellingham Technical College	\$161,658	\$169,164	\$39,622	\$43,138	\$201,280	\$212,302
Big Bend Community College	\$112,808	\$111,462	\$25,376	\$28,336	\$138,184	\$139,798
Cascadia College	\$62,191	\$58,718	\$0	\$0	\$62,191	\$58,718
Centralia College	\$109,543	\$107,804	\$26,110	\$27,350	\$135,653	\$135,154
Clark College	\$258,143	\$282,932	\$59,341	\$68,589	\$317,484	\$351,521
Clover Park Technical College	\$237,059	\$260,724	\$53,516	\$62,379	\$290,575	\$323,103
Columbia Basin College	\$161,921	\$180,275	\$40,853	\$46,749	\$202,774	\$227,024
Community Action of Skagit County	\$16,628	\$14,965	\$0	\$0	\$16,628	\$14,965
Edmonds Community College	\$329,350	\$337,863	\$84,853	\$92,446	\$414,203	\$430,309
Everett Community College	\$292,718	\$284,665	\$64,186	\$66,422	\$356,904	\$351,087
Grays Harbor College	\$113,721	\$127,939	\$0	\$0	\$113,721	\$127,939
Green River College	\$286,427	\$292,641	\$71,240	\$75,827	\$357,667	\$368,468
Highline College	\$713,060	\$759,317	\$183,565	\$202,218	\$896,625	\$961,535
Hopelink	\$22,800	\$20,520	\$6,458	\$5,812	\$29,258	\$26,332
Lake Washington Institute of Technol	\$252,206	\$272,915	\$65,364	\$72,793	\$317,570	\$345,708
Literacy Source	\$30,735	\$31,581	\$0	\$0	\$30,735	\$31,581
Lower Columbia College	\$319,428	\$325,340	\$76,331	\$81,583	\$395,759	\$406,923
Olympic College	\$97,553	\$100,625	\$0	\$0	\$97,553	\$100,625
Peninsula College	\$205,129	\$198,961	\$0	\$0	\$205,129	\$198,961
Pierce College District	\$214,265	\$217,197	\$52,149	\$57,623	\$266,414	\$274,820
Renton Technical College	\$591,793	\$586,964	\$146,462	\$155,396	\$738,255	\$742,360
Seattle Central	\$362,075	\$344,669	\$101,255	\$102,869	\$463,330	\$447,538
Seattle North	\$286,014	\$293,406	\$79,761	\$86,254	\$365,775	\$379,660
Seattle South	\$286,201	\$310,891	\$78,531	\$90,907	\$364,732	\$401,798
Shoreline Community College	\$261,664	\$267,694	\$62,965	\$67,331	\$324,629	\$335,025
Skagit Valley College	\$329,638	\$361,675	\$82,938	\$96,820	\$412,576	\$458,495
Sound Learning	\$43,382	\$54,516	\$0	\$0	\$43,382	\$54,516
South Puget Sound Community College	\$254,476	\$269,708	\$60,815	\$66,532	\$315,291	\$336,240
Spokane District	\$914,105	\$936,093	\$218,138	\$239,183	\$1,132,243	\$1,175,276
Tacoma Community College	\$226,727	\$235,617	\$53,364	\$57,193	\$280,091	\$292,810
Tacoma Community House	\$50,257	\$55,372	\$0	\$0	\$50,257	\$55,372
Walla Walla Community College	\$124,015	\$111,614	\$27,542	\$24,788	\$151,557	\$136,402
Wenatchee Valley College	\$106,121	\$118,454	\$26,635	\$31,200	\$132,756	\$149,654
Whatcom Community College	\$102,555	\$109,984	\$24,533	\$28,257	\$127,088	\$138,241
Yakima Valley College	\$197,591	\$177,902	\$48,941	\$45,224	\$246,532	\$223,126
<b>SUBTOTAL</b>	<b>\$8,717,449</b>	<b>\$9,001,613</b>	<b>\$1,932,901</b>	<b>\$2,096,695</b>	<b>\$10,650,350</b>	<b>\$11,098,308</b>
<b>SBCTC <sup>1</sup></b>	<b>\$2,062,925</b>	<b>\$2,401,452</b>	<b>\$274,145</b>	<b>\$244,379</b>	<b>\$2,337,070</b>	<b>\$2,645,831</b>
<b>GRAND TOTAL</b>	<b>\$10,780,374</b>	<b>\$11,403,065</b>	<b>\$2,207,046</b>	<b>\$2,341,074</b>	<b>\$12,987,420</b>	<b>\$13,744,139</b>

<sup>1</sup> These funds will be held at SBCTC and will be used for programs, leadership and administration. Funds will be awarded based upon RFP, application, special projects and contracts.

## **STATE OF WASHINGTON STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES RESOLUTION 24-06-41**

A resolution awarding \$13,744,139 of federal adult and family literacy funds.

**WHEREAS**, the State Board has the authority to award federal adult and family literacy funds; and

**WHEREAS**, the requirements set forth in the request for proposals align with the State Board's Strategic Plan and priorities and the Board-approved plan for Basic Education for Adults; and

**WHEREAS**, individual applicants have fulfilled the requirements set forth in the request for continuation; and

**WHEREAS**, each application has gone through a state level continuation and review process and has been recommended to the State Board for funding;

**THEREFORE BE IT RESOLVED** that the State Board for Community and Technical Colleges awards a total of \$13,744,139 of federal funds as outlined in Attachment A; and

**BE IT FURTHER RESOLVED** that the State Board for Community and Technical Colleges grants the Executive Director authority to make adjustments to the proposed awards if the anticipated program funding changes due to state or federal action; and

**BE IT FURTHER RESOLVED** that the State Board for Community and Technical Colleges grants the Executive Director authority to spend carryover funds and grant final spending authority to designated providers in a manner consistent with the *Washington State Title II Talent and Prosperity for All Plan* under the *Workforce Innovation and Opportunity Act*, the terms of the Requests for Application, and this resolution.

**APPROVED AND ADOPTED** on June 27, 2024

### **Attest**

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Paul Francis, secretary

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Chelsea Mason Placek, chair

## REGULAR ITEM

June 27, 2024

Tab 5

### 2025-2027 operating budget priorities

#### Brief Description

SBCTC staff, in collaboration with the WACTC legislative and operating budget committee chairs, implemented a more transparent and inclusive process for developing legislative priorities for the community and technical college system for the 2025-27 biennium. At this meeting, SBCTC staff will share information on the general framework that has emerged through system discussions on operating budget request priorities for the upcoming biennial budget. The State Board will be asked to provide direction and guidance as staff begins development of the system budget proposal. The proposal will be brought before the board for final consideration in August 2024. Submission of the SBCTC 2025-27 operating budget request is due to the Office of Financial Management September 10, 2024.

#### 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 priorities for the 2025-27 biennial operating budget request would support the State Board's goal of securing resources and developing systemwide strategies to support college's financial sustainability and resiliency.

#### Background information and analysis

The list of operating budget priorities was the outcome of a process that began earlier this year. College presidents were asked to complete a series of surveys with the participation of their leadership, trustees, faculty, staff, and student representatives. Responses were submitted by all 30 college districts, and the resulting list was representative of the diverse make up and needs of the community and technical college system in Washington state.

The collaborative process continued through discussions at Board meetings and outreach that included participation from SBCTC staff, WACTC legislative, operating budget, and equity committee members, as well as feedback from labor unions, local businesses, and students,

SBCTC staff and community and technical college presidents make the following recommendation for the 2025-27 operating budget priorities:

- **Competitive Compensation** – Increase salaries for all employee groups, supported with 100% state funding. Colleges are struggling to recruit and retain faculty and staff in several areas. Recent legislatively-provided salary increases created equity gaps as some employee groups

received significantly larger increases than others. These challenges cannot be addressed unless our college system receives compensation funding to help keep pace with industry and K-12.

- **Increase General Purpose Funding** – With the rising cost of doing business throughout all areas of campus operations, colleges are stretched to meet demand using existing resources. The rising costs of materials, supplies, and operating costs have placed major constraints on our colleges' budgets, making implementing innovative ideas challenging. While the individual campus needs may differ, all colleges are squeezed by cost increases, restricted funding and structural barriers that limit colleges' ability to respond to student and college operating needs.
- **Expand Capacity of Job Skills Programs** – Since 1983, Washington has invested in partnerships between colleges and employers to provide incumbent workers skills training through the Job Skills Program (RCW 28C.04.400-420). Last biennium the program enabled 17 colleges to provide 1,200 customized skills courses to 8,200 working learners across 118 Job Skills grants. Demand for Job Skills grants exceeds available funding. This fiscal year all funding was awarded by July 1, leaving 14 proposals unfunded. College continuing education leaders indicate strong interest in the program from local businesses. Additional funding would provide an opportunity to expand college participation to meet the current demands and increase the number of small, rural, and diversely owned businesses supported with training grants.

Additional common priorities included IT and cybersecurity, student services, continued diversity, equity, and inclusion work, workforce education, basic education for adults, and campus safety and security. Upon further discussion at WACTC, presidents unanimously agreed that all priorities become unobtainable if colleges are unable to meet the basic demands for services.

### Recommendation/preferred result

Staff requests guidance from the State Board to move forward with development of 2025-27 budget.

Policy Manual Change Yes  No

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