

**South Puget Sound Community College
BOARD OF TRUSTEES
REGULAR MEETING
MINUTES
Tuesday, December 14, 2021
Building 1-Room 194
TwinStar Community Foundation Event Center
4220 6th Ave. SE
Lacey, WA 98503**

The meeting took place in person with a virtual option while complying with government restrictions on public gathering due to COVID-19 health risks.

CALL TO ORDER

Board Chair Jeff Davis called the meeting to order at 2:30 p.m.

ROLL CALL

Attending in person: Trustee Jeff Davis, Trustee Doug Mah, Trustee Steven Drew, Trustee Judy Hartmann, and Trustee Rozanne Garman were present. Elizabeth McAmis, Assistant Attorney General (AAG), Education Division, was present.

APPROVAL OF CONSENT AGENDA

Board Chair Davis announced that the Board was considering re-scheduling its regular meeting scheduled on February 8, 2022 to February 15, 2022 due to a conflict with the ACCT Legislative Conference. There was no discussion.

It was moved by Chair Davis, seconded by Trustee Garman, and carried **THAT THE BOARD OF TRUSTEES' REGULAR MEETING SCHEDULED ON FEBRUARY 8, 2022 WILL BE RE-SCHEDULED TO FEBRUARY 15, 2022.**

It was moved by Trustee Mah, seconded by Trustee Drew, and carried **THAT THE FOLLOWING CONSENT AGENDA ITEMS BE APPROVED WITH THE FEBRUARY 2022 BOARD MEETING UPDATE:**

A. ADOPTION OF MINUTES

- November 9, 2021 regular board meeting
- November 19, 2021 special board meeting (ACT Fall Conference)

B. MEETINGS AND CONFERENCES

- ACT *Trustee Tuesday*, December 21, 2021, 8:00–10:00 a.m. (Virtual Conference)
- January 24, 2022 ACT Transforming Lives Awards Dinner, Olympia Hotel at Capitol Lake
- January 25, 2022 ACT Winter Conference, Olympia Hotel at Capitol Lake

C. ANNOUNCEMENTS**D. DATE OF THE NEXT BOARD MEETING**

Regular Meeting
January 11, 2022
2:30-4:30 p.m.
South Puget Sound Community College
2011 Mottman Road, S.W.
Olympia, WA 98512-6292

E. 2022-2023 BOARD MEETING SCHEDULE**2022-2023 COLLEGE INSTRUCTIONAL CALENDAR**

(Revised calendar to align with the calendar language
in the Master Faculty Agreement)

F. 2023-2024 COLLEGE INSTRUCTIONAL CALENDAR

With the approval of the Consent Agenda, the Board also adopted:

- The 2022-23 Board Meeting Schedule as presented in TAB 1A.
- The 2022-2023 College Instructional Calendar as presented in TAB 1B.
- The 2023-24 College Instructional Calendar as presented in TAB 1C.

There was a brief discussion about instructional calendars. It was brought up that North Thurston school district is moving to a balanced calendar (i.e., shortening summer break to equalize the school year to minimize learning loss and to improve equity). Eventually, all school districts may adopt a similar balanced calendar; as we go forward we can pay some attention to how the public schools' balanced calendar may or may not play with our calendar. There was also discussion that in general school districts do not have the same or coordinated schedules. Our college has a four-quarter system (continuous enrollment). We are not developmental in our system like K-12 is, so we do not have a learning loss. The faculty agreement defines our calendar development process.

COMMENTS FROM THE AUDIENCE

- Due to the changing information related to COVID-19 and the board meeting taking place in person with a virtual option, public comments by email were solicited in advance of the Board meeting. The Board Chair noted that there were no public comments received by email. There were no comments from the audience as well.

BOARD SPECIAL COMMITTEE LIAISON REPORTS

- ACT Legislative Action Committee (LAC): Steven Drew, Jeff Davis
 - Trustee Drew reported:
 - ACT Legislative Action Committee Retreat – *Trustee Tuesday* on December 21.
 - Governor Inslee toured our Craft Brewing & Distilling Center, where our students are learning sustainable production techniques, and upshot from the press is 'this program is provided nowhere else in the country.' Our college is the first

- place in the country to offer an associate degree in craft brewing and distilling. The visit was very timely for our budget request.
- The Governor rolled out his green energy package, which utilizes a substantial amount of the revenue.
 - Marko Liias, Legislative District 21, was chosen to chair the Washington State Senate's Transportation Committee. He takes over as Majority Floor Leader after Steve Hobb resigned from the Senate to become Secretary of State. Our higher education legislative contacts remain the same.
 - Trustee Mah reported that Rep. Drew Hansen (served as a member from the 23rd legislative district since 2011) will be recognized by ACT as the Legislative Partner of the Year.
 - The State Board approved the college system's 2022 legislative priorities: Cyber security education, Financial aid outreach, Expand services for students experiencing homelessness, Integrate climate solutions into curriculum and practice, and Refugee education. Dr. Stokes added that the State Board just added compensation to the list of budget requests for legislative support.
 - Trustee Mah is on the Search Committee to hire the next SBCTC executive director to replace Jan Yoshiwara who will be retiring in July 2022.
- Board Finance Committee: Rozanne Garman
 - Trustee Garman reported:
 - The Board Finance Committee met in November to discuss the budget and finance reports that Dr. Tolefree will present later in the agenda.
 - Decrease in enrollment--however the college did have funding from different COVID packages that will offset this decrease.
 - Funding requests to be presented later in the agenda for student housing and student support.
 - Foundation Board: Judy Hartmann
 - Trustee Hartmann reported:
 - The Student Success Campaign is doing well and they are on schedule to meet their goal this coming spring.

REPORT FROM THE COLLEGE PRESIDENT

Dr. Stokes reported the following:

- Winter Enrollment Update: down by 6%; 2% less than fall. We are still working on winter enrollment, with recruitment activities still going on.
- We have submitted our 2023 Aspen application. Thank you to Kelly Green, Dr. Michelle Andreas, Amy Kelly, and Jennifer Tuia and others for writing and editing the report.
- We have submitted an application for the State Board High Demand Grant, which focuses on expanding our Cyber Security Program to include a weekend and evening cohort.

- Trustee Drew shared from an article he read about The Evergreen State College (TESC) competing with certificate programs for working adults. Dr. Stokes said that we will engage with TESC in conversations about this, which will be in competition somewhat with our Corporate and Continuing Education.
- Trustee Mah noted a statewide concerted advertising campaign through the State Board for CTCs to drive enrollment, targeted to those identified younger, BIPOC communities and males. Dr. Stokes noted that we have set up the system within the college to respond to all of the requests that come in.
- He noted the President's Outreach & Advocacy List highlighting professional development activities that was provided to the trustees.

POLICY

Exceptional Faculty Awards – Fall Quarter

The Exceptional Faculty Awards Committee reviewed the application for the Fall Quarter 2021 Exceptional Faculty Awards. Vice President for Instruction Dr. Michelle Andreas presented the committee's recommendation in TAB 3.

Proposal: Development and Implementation of Open Educational Resource "Textbook of the Future" for Chemistry 121- Marie Dunn, Travis Knowles, Alaka Pradhan, Morgan Stock, Priyanka Thakral. Exceptional Faculty Award: \$13,443

The group will develop and implement an Open Education Resource (OER) textbook for use in all Chemistry 121 courses by fall 2022. They are choosing to prioritize implementation for Chemistry 121 because of all the chemistry courses taught at SPSCC, it has the highest FTE and highest number of faculty involved. The college currently serves 500 students a year in Chemistry 121.

The OER resource they develop will be provided at no cost to students. To fully support this course, both a textbook and a homework platform which supplies adequate practice for students and instantaneous feedback is needed. As part of an earlier OER project, they have identified a low-cost homework platform. After implementing the combination of OER text and new homework system, the total materials fee for students will be reduced from \$292 per quarter to approximately \$25 per quarter.

It was moved by Trustee Drew and seconded by Trustee Garman **THAT THE BOARD OF TRUSTEES APPROVE THE PROPOSAL FOR THE EXCEPTIONAL FACULTY AWARD FOR FALL QUARTER 2021 AS PRESENTED IN TAB 3. THE MOTION CARRIES.**

Bachelor of Applied Science Degree

Vice President for Instruction Dr. Michelle Andreas and Dr. Valerie Sundby-Thorp, Dean of Social Science & Business, presented information on the Bachelor of Applied Science (B.A.S) degree in Craft Beverage Management and Quality Assurance

Program and asked for Board approval to complete the development of the degree and to begin offering it in Fall 2023.

They said that they wanted to be strategic in fulfilling a niche that nobody has. This will be the first Bachelor's degree for SPSCC, and will build on two existing programs: 1) Associate of Applied Science –Transfer degree in Craft Brewing and Distilling and the 2) Associate of Applied Science in Business Administration.

Their chart showed that the B.A.S. degree responds to employer demand and supports a growth industry in wineries, breweries, and distilleries in Washington State. Ninety-three percent of more than 40 employers surveyed indicated that they have an anticipated demand for employees with an advanced understanding of the craft beverage industry. The program will also produce graduates who would contribute to the growth and sustainability of industries such as craft beverage production, hospitality/tourism, and agriculture.

They reviewed the timeline and next steps beginning in December 2021 with SPSCC Board approval, submission of the Statement of Need to the SBCTC, 30-day Public Comment on the Statement of Need, to the eventual beginning of the first cohort in September 2023.

It was moved by Trustee Mah and seconded by Trustee Garman **THAT THE BOARD OF TRUSTEES APPROVE THE COLLEGE TO CONTINUE THE DEVELOPMENT OF THE BACHELOR OF APPLIED SCIENCE (B.A.S.) DEGREE IN CRAFT BEVERAGE MANAGEMENT AND QUALITY ASSURANCE PROGRAM AND TO BEGIN OFFERING THE B.A.S. DEGREE IN FALL 2023 AS PRESENTED IN TAB 4. THE MOTION CARRIES.**

BUILDINGS AND GROUNDS No Report.

BUDGET & FINANCE

Quarterly Financial Report and Debt Service Report

Vice President for Finance and Operations Dr. Tysha Tolefree reported on the 2021-22 Operating Budget through September 30, 2021 and the Debt Service and Debt Capacity.

FY22 Q1 Operating Budget Overview:

- Total operating revenues for the first quarter ending 9/30/21 was \$25.8M as compared to \$23M for FY21 during the same period, which is an 11% increase. The increase is in large part due to state allocations and unrestricted funds. While tuition operating fees and the Running Start program declined by \$807K as compared to prior year, the International contracts and other revenues increased by \$31K over the prior year.
- Total operating expenses for the first quarter ending 9/30/21 was slightly higher for the same period FY21 by \$156K. The negative variances are largely due to

salaries and wages and goods and services. The negative variances are offset by the positive variances in employee benefits, equipment, grants, and client services totaling \$341K.

- The results of the Q1 Operating Budget was a net surplus of \$2.6M. This net increase is due to the increased state allocation funding for FY22.

Debt Service/Capacity Report:

- As per the Board policy on Financial Stability and Solvency, the aggregate debt contracted by the college will not exceed 7% of the preceding three-year average of operating revenues. Our FY22 annual debt service is \$1.9M, with a debt service limit of \$3.8M. While our unused debt capacity is at 50% for FY22, the amount of unused debt capacity will decrease in FY23 due to the interest and principal payment on the Bowen Building Renovation.

Excess Operational Reserves Balance

Dr. Tolefree reviewed the Excess Operational Reserves Balance, along with a proposal to utilize excess funds of \$3M to support student housing and operational efficiency and effectiveness.

Total Assets = \$25.4M and Total Liabilities = \$5.8M. Of the \$19.6M net cash balance for FYE21, \$6.4M is dedicated funds and \$13M is non-dedicated reserves. As required, 15% of the Board-approved operating budget must be set aside for emergency reserves. For FYE21, the required set-aside for reserves is \$6,065,306. The remaining balance is \$7.1M in excess operating reserves.

The Board was asked to approve the College request to set aside \$1M in restricted funds. After fully vetting options, the College will bring forward a proposal for Board consideration and decision. In addition, the Board was asked to approve \$2M in excess reserve funds toward the improvement of operational efficiencies and effectiveness associated with programs, activities, and overall support for our students.

Dr. Stokes added that the \$1M is only the first installment they are requesting. They will come back to ask for additional funding for student housing, likely \$4-5M in that fund before next December.

It was moved by Trustee Drew and seconded by Trustee Mah **THAT THE BOARD OF TRUSTEES APPROVE THE COLLEGE REQUESTS: 1) TO SET ASIDE \$1M IN RESTRICTED FUNDS FOR STUDENT HOUSING AND 2) TO APPROVE \$2M IN EXCESS RESERVE FUNDS TOWARD THE IMPROVEMENT OF OPERATIONAL EFFICIENCIES AND EFFECTIVENESS IN SUPPORT OF OUR STUDENTS AS PRESENTED IN TAB 5. THE MOTION CARRIES.**

Housing Proposal

Dr. Tolefree discussed that the College wants to ensure an equitable option for students who are currently facing housing insecurities and how student housing needs demonstrate why an initial set-aside of \$1M is a necessary investment.

The highest number of out-of-state applicants experiencing housing needs include student-athletes and international students. In-state students requesting housing support are single students, 18-21 years old, seeking housing for 1-2 years on average. The college has received 34 requests from students seeking housing assistance of some sort for Winter Quarter 2022. Of the 34, 13 are students over the age of 21 with one or more dependents.

The college is currently leasing 15 units at Breckenridge Heights and Capitol Heights and would like to procure more units in the short term. With this inventory of 15 units, the college has served 46 fulltime student residents Fall Quarter 2021. The SBCTC Housing Grant Program has 15 total student residents for 2021.

The college anticipates the need to house 60-70 students by Spring 2022 in addition to the Housing Grant Program for students with dependents.

The Long-term solution is to build a housing complex with 80-120 units, with the option of more if needed. Under consideration are options to continue renting, leasing, and/or building a student housing facility. They are engaged in conversations with a private company and with a non-profit organization.

Dr. Stokes added that the college will likely bring back to the Board one of two options:

1. Master lease with a private company with whom we are talking about R.W. Johnson as well as building some apartments on our property.
2. Board to make an equity investment/infusion of cash into a project with a non-profit organization, College Housing Northwest, so that they can secure financing to build the facility on our property.

There were questions about short- and long-term ownership and need; risk management; reputational, operational, and financial risks; future expansion; and capacity to build up.

Dr. Tolefree said that the college will need 3-6 months to research, review, and determine which approach is best then plan to bring information and recommendation to the Board.

Resolution 21-08: Investment in the LGIP

South Puget Sound Community College is currently using the Local Government Investment Pool (LGIP) through the State of Washington's Office of the Treasurer. Due to the retirement of authorized college employees who were responsible for the LGIP, the College needs to re-submit an LGIP Authorization Form with a Board-approved Resolution. Dr. Tolefree presented the Resolution for Board approval.

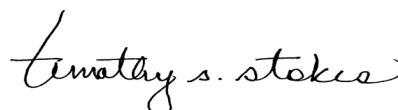
After the Board's discussion and consideration of Resolution 21-08, it was moved by Trustee Mah and seconded by Trustee Drew **THAT THE BOARD OF TRUSTEES APPROVE RESOLUTION 21-08, INVESTMENT IN THE LOCAL GOVERNMENT INVESTMENT POOL (LGIP), AS PRESENTED IN TAB 7. THE MOTION CARRIES.**

COMMENTS FROM INDIVIDUAL MEMBERS OF THE BOARD OF TRUSTEES

- Trustee Hartmann presented a question--with the CARES Act financial support ending and new federal money potentially available, does it make sense for our institution to be thinking about doing some work in the area of childcare--resources to build or expand our program to prepare students to work in childcare; opportunity to provide better pay for people working in this field; expand childcare on campus to meet student needs; or help our community to have more care opportunities. Dr. Andreas shared that the college receives state money (Early Achievers) that help support our Early Childhood Education program, and every year it seems like we continue to get an increase. Since our major re-write of the program two years ago, our enrollments have gone up. In Thurston County the wages are a little above minimum wage—not what it should be, but certainly there is progress in responding to moving people out of poverty wages and with a pathway all the way to a master's degree. Dr. Pelkey also shared that the College used federal CARES Act funds to accommodate students by helping offset childcare and housing needs. We are doing a much better job meeting this student need by identifying it early and meeting it by the first day of class. We still need to figure out what the new normal would be like and how to work within our community on the different models of childcare.
- The trustees expressed pride for the College and gratitude for all the incredible work by everyone, and wished everyone happy holidays.

ADJOURNMENT 4:44 p.m.

JEFF DAVIS, BOARD CHAIR
SOUTH PUGET SOUND COMMUNITY COLLEGE



TIMOTHY STOKES, SECRETARY
SOUTH PUGET SOUND COMMUNITY COLLEGE