

**South Puget Sound Community College
BOARD OF TRUSTEES
REGULAR MEETING
MINUTES
Tuesday, December 12, 2023
Building 25-Boardroom
South Puget Sound Community College
2011 Mottman Road, S.W.
Olympia, WA 98512-6292**

CALL TO ORDER

Board Chair Rozanne Garman, called the meeting to order at 2:32 p.m.

ROLL CALL

Trustee Rozanne Garman, Trustee Steven Drew, Trustee Doug Mah, Trustee Judy Hartmann, and Trustee Jeff Davis were present. Sharon English, Assistant Attorney General, Education Division Section Chief, was present on behalf of Justin Kjolseth, Assistant Attorney General.

APPROVAL OF CONSENT AGENDA

It was moved by Trustee Davis, seconded by Trustee Drew, and carried **THAT THE FOLLOWING CONSENT AGENDA BE APPROVED:**

A. ADOPTION OF MINUTES

- November 14, 2023 regular meeting
- November 16-17, 2023 special meeting

B. MEETINGS AND CONFERENCES

- ACT Trustee Tuesday, January 23, 2024, 8:00 a.m., Virtual

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

Regular Meeting

January 9, 2024

2:30-4:30 p.m.

South Puget Sound Community College

2011 Mottman Road, S.W.

Olympia, WA 98512-6292

E. 2024-2025 BOARD MEETING SCHEDULE**F. 2025-2026 COLLEGE INSTRUCTIONAL CALENDAR**

COMMENTS FROM THE AUDIENCE None.

BOARD SPECIAL COMMITTEE LIAISON REPORTS

- ACT Legislative Action Committee (LAC): Trustee Doug Mah-primary; Trustee Steven Drew-secondary
 - A Hill Climb for presidents and trustees is scheduled on January 25, 2024. He is not expecting SPSCC will be directly involved since we are there often, but members from across the state will definitely be present for that.
- Board Finance Committee: Trustee Jeff Davis–primary; Trustee Steven Drew–secondary
 - The Board Finance Committee did not meet since their last meeting in November. Dr. Tysha Tolefree will provide a financial report under Budget and Finance.
- Foundation Board: Trustee Judy Hartmann-primary; Trustee Rozanne Garman-secondary
 - Foundation Board has been working on their Strategic Plan. There are two more planning sessions.
 - The group has decided on goal categories that they are working to finalize:
 - Student success, student achievement, meeting student needs – 100% of unmet student financial needs are met.
 - Community engagement/engaged/empowered community – Everyone in the community is knowledgeable and engages as advocates of the college.
 - Funding and fundraiser – Core student fundraising and emerging college needs are met through world-class fundraising.
 - Foundation has been able to award approximately \$668,000 in student scholarships in this last year, and with other additional emergency grants and resources, is approaching a million dollars in support for students.
- Ad-Hoc Governance Committee: Trustee Judy Hartmann–member; Trustee Doug Mah–member; and Dr. Stokes–member
 - The committee had final recommendations presented in TAB 4.

REPORT FROM THE COLLEGE PRESIDENT

- Dr. Stokes noted no reports from the ASB President, Faculty Union President, and Faculty Senate Coordinator because they are on break.
- Winter Enrollment Update: Good news. As of morning of December 12: 4 FTE down from where we ended on the 10th day last winter; Running Start looks strong compared to last year; International looks great compared to last year; Lacey campus is 174% over last year; and ABE and ESL are about the same last year. There are still 2 ½ weeks of registration. It appears the college is sustaining 17% enrollment increase.
- Intelligent.com sent out their annual rating of community colleges, in which SPSCC was ranked the number one community college in Washington State.
- The 2025 Aspen Prize Award application was submitted on December 12, 2023. Thanks to Kelly Green, Kati Sagawa, Jennifer Tuia, Amanda Ybarra, Dr. Michelle Andreas, and Dr. Dave Pelkey for their phenomenal work on the report. It truly

highlights the work we have done to increase student success since Aspen visited. The needle is moving in all of student success, completion, and achievement.

- The end-of-year performances in our Performing Arts Program received rave reviews from the community--the play *Hurricane Diane* and the performances by the orchestra, jazz band, and choir. Since they moved from ticket purchase to donation, and they have raised more money at the close of fall quarter than they have ever raised in ticket sales.
- SBCTC finally heard the system's collective calls for improvements to ctcLink. Their changes include:
 - Choi Halladay will move into the State Board IT department and oversee the remediation and development, alignment and unifying of common and uniform business processes throughout the system. While he continues general oversight in the Business Operations Division, three recently-retired vice presidents from the system will work on: Operating Budget, Capital Budget, and system-wide staff development for business offices.
 - Grant Rodeheaver will focus on the technical support of ctcLink, and work with the Information Technology Commission to focus on system-wide initiatives like cybersecurity and infrastructure resilience.
- They expect to be closing on the \$1.8M gift, and those funds should transfer into the Foundation's account by the end of December.
- Scott Carroll, Director of Business & Distribution, Craft Brewing and Distilling, had a presentation to the Foundation Board about the launch of our label. You may see the soft launch of our label in January and opening of the tasting room in March or April. The brewing and cider-making side is in full production. We are negotiating about using Heritage Distilling's fermentation tanks.
- He noted the information located in the board binder: President's Outreach/Professional Development/Advocacy Activities List.

INFORMATIVE REPORT

Information Technology Security Update

Rip Heminway, Executive Technology Officer, presented on the 2023 Information Technology Security Report, which highlights the high-level activities over the past year with regard to cybersecurity and some of the events that IT has been managing, their different audiences, proactive ways that they have been trying to make sure that they are staying ahead of the curve, and prioritizing for the upcoming year.

He reviewed the following items:

- Penetration and Vulnerability Testing
- Papercut Exploit
- WaTech OCIO 141.10 Audit
- Graham-Leach-Bliley Act (GLBA)
- NSC Vulnerability Notification
- IT Security Analyst Hired

- Security Budget Adjustment
- Papercut Exploit #2
- ctcLink Federation
- Cybersecurity Response Plan Approved
- Payment Card Industry (PCI) Compliance
- Business Continuity/Business Recovery
- Payment Card Industry Data Security Standard (PCI DSS) Review (internal review & external engagement)
- Controls and Compliance Standard Assessments
- Review and Revise Security Policies

POLICY

Review of Board Policies

The Board of Trustees retains the authority to adopt, amend or repeal policies for the governance of the college and the conduct of the business of the Board of Trustees. A schedule for review occurs at least once every five years. The Ad-Hoc Governance Committee (two trustees and president) reviewed each of the Board policies and presented their preliminary recommendations at the November meeting, and worked with the rest of the trustees to review and update the Board policies. In addition to what had been brought up and discussed at the November meeting, there were questions and suggested amendments later received and considered by the Ad-Hoc Governance Committee.

The final draft policies were presented in TAB 4:

- BORD101: Name, Composition and Powers of the Board of Trustees – **reviewed; updated**
- BORD102: Officers of the Board and Their Powers and Duties – **reviewed; updated**
- BORD104: Committees – **reviewed; updated**
- BORD105: Meetings – **reviewed; updated**
- BORD106: Establishment, Revision, and Oversight of Board Legislation – **reviewed; no update**
- BORD108: Function, Purpose, and Authority of the Board of Trustees – **reviewed; updated**
- BORD110: Delegation of Authority to the President – **reviewed; updated**
- BORD111: Delegation of the President's Authority to a Designee – **reviewed; updated**
- BORD112: Board Role in College Governing Bodies – **reviewed; no update**
- BORD113: Code of Ethics – **reviewed; no update**
- BORD114: Conflict of Interest: Board of Trustees – **reviewed; no update**
- BORD115: Academic Freedom – **reviewed; updated**
- BORD116: College Foundation Policy – **reviewed; no update**
- BORD117: Financial Stability and Solvency – **reviewed; updated**

- BORD118: Governance Model – **reviewed; updated**
- BORD133: Naming of Structures and Programs Policy – **reviewed; updated**

As there were no further questions or suggested amendments during the meeting, it was moved by Trustee Mah and seconded by Trustee Hartmann, **THAT THE BOARD OF TRUSTEES APPROVE THE RECOMMENDATIONS OF THE AD-HOC GOVERNANCE COMMITTEE FOR BOARD POLICIES 101, 102, 104, 105, 108, 110, 111, 115, 117, 118, AND 133 AS PRESENTED IN TAB 4. THE MOTION CARRIES.**

BUILDINGS AND GROUNDS No Report.

BUDGET AND FINANCE

Quarterly Financial Report

Vice President for Finance and Operations Dr. Tysha Tolefree, reported on the financial operations for the first quarter of the 2023-24 fiscal year using the reports: 2023-24 Operating Budget (FY24) through September 30 2023; Non-Operating Accounts Statement of Revenue & Expense and Change in Net Position Year-to-Date Through September 30, 2023. The Board Finance Committee met in November, but there have been some updates since then.

FY24 Q1 Operating Budget Overview:

- FY24 Operating Revenues: Total operating revenues are \$30.7M, which is a slight increase of 2% as compared to FY23 Q1 of \$30.2M. This increase is attributable to an increase in unrestricted funding from our state allocation of \$2M, offset by negative variances in Tuition Operating Fees and Running Start Program revenues (\$378K). Running Start Program revenues for Fall are estimated at \$1.1M. There is also a negative variance in total transfers of (\$1.2M).
- FY24 Operating Expenses: Total operating expenses for FY24 Q1 were \$8.2M compared to FY23 Q1, which was \$8.7M, which is a decrease of 6.6%. The decrease in expense is largely due to the reduction in goods and services and equipment. Q1 expense for goods and services is actually \$911K and equipment is actually \$116.
- Q1 Operating Surplus: \$22.6M compared to \$21.5M for FY23 Q1. This \$1.1M surplus is an increase of 4.9% from FY23.
- FY24 Q1 Non-Operating Budget: FY24 Q1 is \$5.7M, offset by expenses totaling \$3.4M, which results in a net gain of \$2.3M. The net profit is largely due to revenues from CCE \$1.4M, e-Learning \$308K, Technology Fees \$139K, Lab & Supply Fees \$120K, and Student Services \$113K.

Reserve Request

Dr. Tolefree presented a reserve request for \$300,000 for ongoing projects. These are

the same requests that they have been talking about for a few months.

- \$200,000 for Business Office remodel that was postponed from this year. Additional funds are needed based on cost escalations related to construction.
- \$100,000 for tenant improvements for the Tasting Room.

With this request and last month's one-time reserve expenditure request, the college will maintain sufficient reserves and remain in compliance with the Board's policy on Financial Stability and Solvency.

It was moved by Trustee Drew and seconded by Trustee Davis, **THAT THE BOARD OF TRUSTEES APPROVE THE \$300,000 EXCESS RESERVE EXPENDITURE REQUEST FOR ONGOING PROJECTS AS PRESENTED IN TAB 6. THE MOTION CARRIES.**

Dr. Tolefree also wanted to bring attention that through their review process of the budgets and uploading the budget approved last year, they found that there were a few positions and expenses that will need to be added back to the budget. The Executive Team will review and work through those, with the goal of bringing to the Board a revised budget request in March.

COMMENTS FROM INDIVIDUAL MEMBERS OF THE BOARD OF TRUSTEES

- Chair Garman announced that Dr. Stokes will be unable to attend the Board of Trustees meeting on April 9, 2024. He will be attending the American Association of Community Colleges as a member of their Commission on Economic and Workforce Development. Dr. Michelle Andreas, Vice President for Instruction, will be attending the Board meeting on his behalf.
- The trustees expressed their thanks and appreciation to everyone for an extraordinary year, for allowing them to be part of the Aspen journey, and for always striving for excellence.

EXECUTIVE SESSION None.

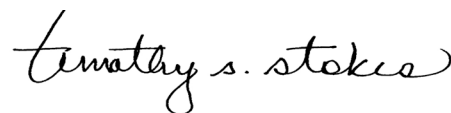
RECONVENE REGULAR MEETING None.

ACTION ITEM FROM EXECUTIVE SESSION None.

ADJOURNMENT 4:26 P.M.



ROZANNE GARMAN, BOARD CHAIR
SOUTH PUGET SOUND COMMUNITY COLLEGE



TIMOTHY STOKES, SECRETARY
SOUTH PUGET SOUND COMMUNITY COLLEGE