

**South Puget Sound Community College
BOARD OF TRUSTEES
REGULAR MEETING
Tuesday, October 14, 2025
Building 25-Boardroom
South Puget Sound Community College
2011 Mottman Road, S.W.
Olympia, WA 98512-6292**

CALL TO ORDER

Board Chair Judy Hartmann called the meeting to order at 2:32 p.m.

ROLL CALL

Trustee Judy Hartmann, Trustee Steven Drew, Trustee Rozanne Garman, and Trustee Doug Mah were present. Justin Kjolseth, Assistant Attorney General (AAG), was present.

APPROVAL OF CONSENT AGENDA

It was moved by Trustee Drew, seconded by Trustee Garman, and carried **THAT THE FOLLOWING CONSENT AGENDA BE APPROVED. THE MOTION CARRIES.**

A. ADOPTION OF MINUTES

- September 9, 2025 regular board meeting

B. MEETINGS AND CONFERENCES

- ACCT Leadership Congress, October 22-25, 2025, New Orleans

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

Regular Meeting

November 4, 2025

2:30-4:30 p.m.

South Puget Sound Community College

2011 Mottman Road, S.W.

Olympia, WA 98512-6292

PUBLIC COMMENTS

Chair Hartmann announced, "Board Policy 105 (*Meetings*) allows for oral comments or questions by members of the public on any matter relevant to its responsibilities and duties in the operations of the college. Consistent with this policy, comments may be limited to three minutes per person. The board is here to listen and typically does not respond and/or engage in public comments. We will now hear from individuals who wish to comment."

There were no comments.

BOARD SPECIAL COMMITTEE LIAISON REPORTS

- ACT Legislative Action Committee (LAC): Trustee Doug Mah--primary; Trustee Steven Drew--secondary
 - Trustee Mah reported:
 - The LAC held its regular monthly *Trustee Tuesday* session that featured Aileen Miller, AAG, Education Division. Discussion focused on current work related to federal grants, programs, and data management, emphasizing that federal guidelines and interpretations are subject to rapid changes. Members are urged to carefully review new contracts and grant materials, and as most documentation is now electronic, to check all associated links. Thoroughly examine application materials and award documents to ensure understanding of contractual obligations and attestations. Continuous review and adaptation are necessary given the ever-changing federal environment and regulatory interpretations. The session also highlighted increased pressure, and presidents and trustees expressed growing concern over increased pressures of unforeseen challenges.
 - The Association of Community College Trustees (ACCT) will hold its annual Leadership Congress next week in New Orleans, with an agenda focused on adapting to the changing federal landscape, alongside other tracks like enrollment and student success. Special attention will be given to programs facing reduction proposals and the potential negative impact on student achievement and success. A notable pre-conference event, "The Big Pivot", will address the impact on student success within new federal frameworks; this session is externally sponsored—completely funded with outside resources to navigate constraints related to DEI.
 - The Washington State Association of College Trustees (ACT) will host its fall conference in November. He encouraged trustee participation.

Chair Hartmann noted that Trustee Mah has some conflicts with the LAC monthly meetings. Trustee Drew, the LAC secondary liaison, Chair Hartmann, and Trustee Garman, will check their availability for those meetings.

- Board Finance Committee: Trustee Steven Drew--primary
 - Trustee Drew reported:
 - The Board Finance Committee met on September 29 and discussed the financial reports for the board meeting.
 - He deferred to Dr. Tolefree the detailed report later in the agenda.
- Foundation Board: Trustee Rozanne Garman--primary; Trustee Judy Hartmann--secondary

- Trustee Hartmann reported:
 - The after-hours event provided a casual opportunity for campus members, especially those unfamiliar with the college's Foundation, to connect and learn more about current happenings. The star of the event was Elise Garcia, the ASB President.
 - The Foundation has launched a fundraising campaign with a \$100,000 matching goal, and the executive team contributed an initial \$10,000 to the campaign.
 - Invitations for three Foundation events, either a happy hour or two lunch options, have been sent out, and recipients can choose which to attend.

REPORT FROM THE COLLEGE PRESIDENT

- Dr. Stokes called on Elise Garcia, ASB President, who graduated from Olympia High School in 2024 and began attending SPSCC fall 2024. She is currently enrolled in the Baking & Pastry Certificate program. She has worked in the Student Life, Café, and Food Pantry. She was encouraged by peers and staff to take on a leadership role and serve as the ASB President.
 - Elise Garcia reported:
 - The Student Union Building is experiencing increased student activity since renovations. The Campus Activity Board is hosting frequent events and seeing higher-than expected turnout.
 - Food Pantry: 145 visits in the last three weeks; responding to funding cuts at the Thurston County Food Bank by increasing local support and donations; ongoing efforts to make the pantry more welcoming and accessible, including shifting to a shopping-style model
 - Current and upcoming programs: Winter Warmth Drive and Holiday Gift Card Program
 - Focus for Senate: recruit new members for winter quarter and support the food pantry, café, and student clubs with ongoing efforts to charter new clubs
 - Student Survey was launched to gather feedback from students about needs and awareness of resources; results will guide executive planning and help to inform and set priorities for the year.
- Dr. Stokes reported:
 - Basic Education for Adults program funds and our Perkins money were temporarily held by the Department of Education during a transition but have now been released to the State Board, pending completion of our program duties. Basic food, employment, and training funds are still unavailable; these programs mainly support childcare, housing, and transportation, not tuition. He expressed gratitude to the Board for authorizing the college to cover those through fall quarter.
 - Several federal grants (TRIO, Asian Pacific Islander, Hispanic-serving institutions) remain held up and may not be received; the college has not previously received any of those funds.

- Significant effort went into completing college program reviews, including Foundation's (due to its affiliation with the college), to ensure compliance, with documentation maintained for possible audits. Efforts have included addressing questions about scholarships, ensuring selection is based on application scores rather than demographic factors, although source of funds may vary.
- Staff are compiling a comprehensive list of programs affected, reduced, or eliminated in the president's budget, in preparation for advocacy at the national legislative summit.
- Due to safety concerns and logistics, the Hispanic Roundtable's Youth Summit will be held virtually in spring, with ongoing consideration for other events like the Fire Summit.
- Research and proposal development are underway for the diversity and equity center and ignite program, ensuring continued commitment to inclusion and belonging. Efforts are ongoing to explain program methodologies and maintain campus culture, with positive feedback from college groups. Compliance and transparency remain critical, with attestations required to avoid false claims and maintain Department of Justice standards.
- Leadership acknowledges the volume and complexity of the work but remains committed to progress and compliance.
- The legislative agenda includes two major priorities: reforming the Washington State Board of Nursing, with draft legislation in progress, and advocating for changes to the Washington College Grant to make short-term certificates eligible, despite anticipated challenges. It would be helpful to have a representative at the ACT meeting because of these two priorities.
- He noted the President's Outreach/Professional Development/Advocacy Activities List in TAB 2.

POLICY No Report.

BUILDINGS AND GROUNDS

Student Housing

Dr. Tysha Tolefree, Vice President for Finance and Operations, gave an update on the Student Housing project.

The college plans to develop student housing using a public-private financing structure. On February 4, 2025, the Board approved the foundational approach for developing student housing. Key elements of the framework include:

- Preparing an RFP to select a national non-profit specializing in student housing development in partnership with higher education.
- Negotiating a ground lease between the non-profit and the college.
- Establishing a grant agreement with the non-profit borrower (operational expense

contribution: post-construction)

- Continuing collaboration with experts in the field to ensure project success.

Since the February update, several steps have been taken:

- The college engaged AAG English to help advance the project. The advice was to develop an RFP to procure a SAAG/law firm with expertise in public-private partnerships.
- Law firms were interviewed for consideration. Pacifica Law Group was selected for their extensive experience in public-private development, financing, and legal documentation. A meeting with Pacifica was held to exchange project context, current status, and next steps.
- Pacifica recommended SPSCC work with a public financial advisor to structure the RFP for selecting the non-profit entity to work with.
- Public financial advisory firms with experience in public-private financing were interviewed. A firm will be chosen to assist with the RFP process.

Dr. Tolefree noted, "As we move forward with the development of the soccer field, there will be substantial work that is beneficial to both the soccer field and student housing. We aim to keep the infrastructural costs that support both projects in mind as we move forward with the soccer field project. That being said, SPSCC may use some of the funds that have been designated for student housing to support the shared costs of both projects to negate re-work at a later date."

The initial project target was fiscal year 2027, but delays are anticipated due to the complexity of agreements and paperwork required upfront. Once the public financial advisor is officially engaged, the college expects to have draft documents ready by December or January, which will then be presented to the board. Following approval, the RFP for the non-profit will be issued, and the selected partner will oversee development.

Some discussion points that were touched upon:

- Emphasis on updating market feasibility studies to ensure bond repayment is feasible.
- Tracking demand, including possibly instituting a waiting list to document unmet need and support future expansion.
- Recognition of housing needs for international and non-resident students, who require year-round accommodations.
- Past pro forma analysis indicated sufficient demand, but further analysis is recommended as the market may shift over time.
- Project timeline, design status, and the impact of inflation and energy requirements.
- While the process is complex and timelines have shifted, the board remains committed to realizing the project in the most fiscally responsible and student-centered manner possible.

BUDGET AND FINANCE

2025-2026 CCE Contracts

Dr. Tolefree presented a list of active Corporate and Continuing Education contracts for Fiscal Year 2026 (FY26). The list includes detailed information on various projects, clients, and contract balances for each project. The total contract balance as of early October was \$12,109,323.63. The total represents a 50% decrease from the usual \$24–25M. This significant drop is primarily attributed to the Washington state budget deficit, leading agencies to be more conservative in their spending and hiring. Although this is a cautious estimate, there's a possibility projections could improve by January. The operating budget anticipated \$1.2–1.3M in revenue, but with the reduction, the revenue is estimated to be around \$600,000. The current year's budget is stable, but future planning should remain conservative. Revenues generally supplement the operating budget, covering various expenses, but are not specifically allocated for items like jobs or travel. The funds are flexible and can be used to offset deficits in specific areas as needed.

Debt Service and Capacity Report

Dr. Tolefree reported on the debt service/capacity in accordance with the Financial Stability and Solvency board policy.

This annual Debt Service and Capacity Report provides a comprehensive view of the college's debt obligations, with a focus on current and projected financial obligations from certificates of participation (COPs). The college's FY26 annual debt service is \$2.1M, rising to \$2.4M with the soccer field COP. The current debt utilization is 49% of capacity (with the soccer field) and 41% without it. This indicates that the college maintains a strong debt capacity to accommodate planned and future obligations.

The discussion clarifies that COPs will not be used for the student housing project. The only scenario in which a COP would be feasible is if the entire expected amount could be financed through a COP, which is not possible due to ownership requirements post-construction. Splitting financing between COPs and other bonds is not viable since ownership must be established upon project completion.

There are plans to expand allied programs, with five to six new programs potentially requiring board consideration for space improvements within the next three to five years. The college is evaluating various options, including leasing, purchasing, and tenant improvement costs for new spaces. Collaboration with external partners and foundations may provide additional support for upcoming initiatives.

FY26 Budget – Reserves Expenditure Request

Parminder Kaur, Associate Vice President of Finance, reported on the 2024-25 Reserves and a subsequent expenditure request for Board approval. The reserve

balances as of July 31, 2025 were provided for reference because year-end transactions, adjustments, and fund balance closures occur after June 30, 2025.

- The college had total assets of \$20.2M and liabilities of \$5M, resulting in a net cash balance of \$15.2M.
- Dedicated funds accounted for \$5.2M, with \$9.9M in non-dedicated reserves. In accordance with Board policy, 15% of the FY25 Board-approved Operating Budget of \$52.2M must be designated for emergency reserves, totaling \$7.8M. After this designation, the balance of operating reserves was \$2.2M.
- Cash in bank totaled \$994,000. The decrease in cash was primarily due to payments for grant-related invoices and other operating expenses, which contributed to a \$5.1M reduction in liabilities between June and July 2025.
- Student receivables increased to \$9M with fall enrollments, but overall assets declined year-over-year due to \$1.7M in uncollectible federal/government receivables and \$1.4M in Legacy receivables. These Legacy balances were reconciled and written-off as part of the One Washington project led by OFM.
- The July 31, 2025 reserve balances reflect the college's strong financial position at the start of the new fiscal year. Overall reserves remain healthy, with both dedicated and non-dedicated funds aligned to policy requirements.

FY26 Reserves Request

The equipment pool budget was eliminated from the FY26 budget to balance costs amid statewide cuts. However, two urgent equipment needs emerged: a campus phone system upgrade (end-of-life, critical for safety and coverage) and replacement of failing wireless card readers for Building 22 and Lacey Building 1. The total reserve request is \$215,000--\$140,000 for the phone system and \$75,000 for card reader--reflecting a reduction from the original budget due to completed work. These requests were presented for board approval, emphasizing their alignment with institutional priorities and core values.

It was moved by Trustee Drew and seconded by Trustee Mah **THAT THE BOARD OF TRUSTEES APPROVE THE FY26 ONE-TIME RESERVES REQUEST OF \$215,000 FOR EQUIPMENT POOL ITEMS: \$140,000 FOR PHONE UPGRADE/MDF BUILDING AND \$75,000 FOR WIRELESS CARD READERS FOR BUILDING 22 AND LACEY BUILDING 1 AS PRESENTED IN TAB 6C. THE MOTION CARRIES.**

DIVERSITY, EQUITY, AND INCLUSION No Report.

COMMENTS FROM INDIVIDUAL MEMBERS OF THE BOARD OF TRUSTEES

- Trustees expressed gratitude for the college's continued efforts to center student needs and ensure fiscal stability. They expressed appreciation for the executive team's diligence in maintaining compliance and supporting students, and for their handling of operational and regulatory pressures.
- Chair Hartmann acknowledged the publications that are provided to the trustees throughout the year--specifically, expressing appreciation for:

- *English Language Learners (ELL) Bring You The World: Essays, Stories, & Cultural Insights*. The stories of hope, dreams, struggles, family, appreciation, and resilience represented students from 35 different countries.
- *21st Century PoP*, showcasing students, curator, and community partners as featured artists and contributors.

EXECUTIVE SESSION None.

ACTION ITEM FROM EXECUTIVE SESSION None.

ADJOURNMENT 3:58 P.M.



JUDY HARTMANN, BOARD CHAIR
SOUTH PUGET SOUND COMMUNITY COLLEGE



TIMOTHY STOKES, SECRETARY
SOUTH PUGET SOUND COMMUNITY COLLEGE