South Puget Sound Community College
BOARD OF TRUSTEES
REGULAR MEETING
Tuesday, September 8, 2026
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 2:33 p.m. She noted the year ahead presents an unusually high number of major initiatives, opportunities, and challenges occurring simultaneously, requiring significant focus and collaboration across the college. Board meetings will focus on keeping trustees informed, supporting meaningful discussion, and recognizing the dedication and hard work of faculty, staff, and leadership as these priorities move forward.

She highlighted key priorities for 2026-27:

- Accreditation Activities: Institutional accreditation cycle and nursing program accreditation site visit.
- National Recognition: Trustee Doug Mah will be recognized as Pacific Regional Trustee of the Year, and SPSCC will receive regional recognition for its Impact and Success.
- Aspen Prize Site Visit: SPSCC's continued standing among the nation's top community and technical colleges has resulted in another Aspen site visit.
- Legislative Session: Preparation for a lengthy legislative session, including participation in a statewide efficiency study for Washington's community and technical colleges.
- Financial Stewardship: Continued attention to both college and state budget and financial challenges.
- Faculty Tenure Reviews: A significant number of faculty and staff will be engaged in the tenure review process.
- Strategic Planning: Development of a new strategic plan and accompanying performance measures.
- Program Expansion: Growth of medical and healthcare programs and continued advancement of the Unlocking Opportunity initiative.
- Campus and Community Needs: Ongoing efforts to address emerging needs of students, the college, and the broader community.

ROLL CALL

Trustee Judy Hartmann, Trustee Steven Drew, Trustee Rozanne Garman, and Trustee Doug Mah were present. Trustee Mark Brown attended the meeting virtually. Justin Kjolseth, Assistant Attorney General (AAG), was present.

APPROVAL OF CONSENT AGENDA

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

A. ADOPTION OF MINUTES

- June 9, 2026 regular board meeting
- July 14, 2026 special board meeting

B. MEETINGS AND CONFERENCES

- ACT Trustee Tuesday, September 22, 2026, Virtual
- ACCT Leadership Congress, October 21-24, 2026, Chicago, Illinois
- ACT 2026 Fall Conference, November 12-13, 2026, Seattle

C. ANNOUNCEMENTS

D. DATE OF THE NEXT BOARD MEETING

Regular Meeting
October 13, 2026
2:30-4:30 p.m.
South Puget Sound Community College
2011 Mottman Road, S.W.
Olympia, WA 98512-6292

E. WASHINGTON STATE'S AUDITOR REPORT (TAB 1A)

- The Independent Auditor Clark Nuber, has completed the audit of the College's Financial Statements for the period July 1, 2023 through June 30, 2024. The audit report was reviewed by the Board in advance of the September meeting. Board approval of the September Consent Agenda would indicate Board acceptance of Clark Nuber's Audit Report.

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

- The Washington State Auditor Report for the period July 1, 2023 through June 30, 2024 as presented in TAB 1A.

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

- Chair Hartmann called on Trustee Mah to provide an update on his work as one of three trustee representatives from the system serving on the System Efficiency, Access, and District Structure (SEADS) Work Group, aka "Efficiency

Group", created in response to a legislative budget proviso requiring the identification of system efficiencies.

Trustee Mah reported the group has been meeting since summer and is currently focused on establishing evaluation criteria and guiding principles, rather than making recommendations. The final report will be due December 1 to the Legislature and Governor.

Key Questions Being Examined:

- How can duplication and costs be reduced without harming student success?
- How does the current district structure affect college operations and student outcomes?
- Can collaborations or shared services improve efficiency while preserving access?
- What regional factors should influence recommendations?
- Who has the authority to implement potential changes?

Guiding Principles:

- The work group provides advice only; it does not make decisions.
- Student success, access, equity, quality, and responsible stewardship of resources remain priorities.
- Discussions should be evidence-based and informed by lessons from other systems.
- Transparency is important, but some confidentiality is necessary while ideas are being explored.
- Recommendations must clearly identify who is responsible for implementation.

The work is occurring alongside significant budget challenges, including:

- State budget requests and decision packages.
- Anticipated budget reduction proposals from the Governor.
- An upcoming legislative session.

As a result, the efficiency review is not happening in isolation and may influence future budget and policy discussions.

The Board Special Committee reports continued:

- ACT Legislative Action Committee (LAC): Trustee Mark Brown--primary; Trustee Steven Drew—secondary
    - Trustee Brown reported:
        - The ACT LAC has not yet met since his appointment, but meetings are expected to begin later this month and continue monthly.
        - Although the college's newly-formed LAC has not formally convened, one-on-one discussions have taken place to help him understand the committee's role, priorities, and history. He thanked

Chair Hartmann, Trustee Drew, Dr. Stokes and SBCTC Legislative Director Arlen Harris, for their guidance.

- 2027 Legislative Session priorities include:
  - Fully fund mandated COLAs: Increase legislative understanding that mandated cost-of-living adjustments (COLAs) must be fully funded by the state.
  - Tuition reform: Explore changes to the current 14-year inflationary tuition index model. Consider a shorter and more current inflation measurement that better reflects actual economic conditions.
  - Funding for State Mandates: Approximately 9-10% of the college's budget is driven by state mandates. Many mandates are only partially funded or unfunded. Seeking adequate funding for mandated requirements will likely be a major focus.
  - Rising Operating Costs: Improve legislators' understanding of escalating costs, particularly: energy and utilities and technology expenses.
  - Efficiency Report Impacts: The recently-discussed efficiencies report and any resulting recommendations or consequences are expected to be an important legislative issue.
- Comprehensive legislative talking points are being developed and will soon be available to trustees to support advocacy efforts with lawmakers.
- The Board plans to host a dinner with local legislators from Legislative Districts 22, 35, and 2. He asked trustees to keep the evenings of December 14, 15, and 17 open. Legislators will be asked which date works best, and a final selection will be announced later.
- He participated in recent AACT webinars focused on developments in Washington, D.C. Federal funding remains uncertain despite a continuing resolution, with both gains and significant cuts affecting higher education programs: Pell Grant funding received an increase--the first increase in several years. Adult Basic Education funding was eliminated. Federal Supplemental Educational Opportunity Grant (SEOG) funding was reduced by $364 million. Federal Work-Study funding was reduced by $322 million.
- He recently attended an open house at the college’s Craft Brewing & Distilling Program and highlighted its success and uniqueness.

- Board Finance Committee: Trustee Steven Drew--primary; Trustee Doug Mah—secondary
  - Trustee Drew reported:
    - The Board Finance Committee met on August 24 and discussed the financial reports. He deferred to Dr. Tolefree to provide the detailed report later in the agenda.
    - What stood out to both trustees on the committee was the significant amount of work and complexity involved in preparing our

financial reports, particularly when managing finances across different reporting calendars and developing budgets with very limited margins for error. Despite these challenges, the process is being handled exceptionally well. He expressed appreciation to the staff at all levels who contribute to managing our finances. Their expertise, diligence, and hard work are evident and greatly valued.

- Trustee Mah reported:
  - The college received positive audit outcome and no findings.
  - A few accounting adjustments were noted, largely related to ongoing ctcLink impacts and staffing turnover in the business office. These challenges were not unique to SPSCC and were experienced across the community college system.
  - Looking ahead, auditors identified cybersecurity as the top organizational risk, replacing economic conditions from the previous year. Other major risks included third-party/vendor dependence, emerging technologies, and legacy technology systems, all of which can create vulnerabilities outside the college's direct control. Many risks now stem from shared systems and external technology providers rather than internal financial processes.

- Foundation Board: Trustee Rozanne Garman-primary; Trustee Judy Hartmann—secondary
  - Trustee Garman reported:
    - Foundation is hosting the SPSCC After Hours event on October 15 at 4:30 in Building 22. It is their annual donor prospecting and cultivation community event that provides partners and community members a chance to learn about the college's community impact, student success efforts, and programs.
    - Recognition was given to the Scholarship Committee and reviewers for their work in evaluating applications and making possible awarding of 555 scholarships worth over $778,000.
    - The Entrepreneur Academy received $200,000 in grants from an anonymous donor who had previously contributed to the program and was pleased with its success. The academy has recently started its third cohort. With the current funding and previous donations, the program expects to be supported for at least five years, using approximately $70,000+ per year.

REPORT FROM THE COLLEGE PRESIDENT

- Dr. Stokes reported:
  - Enrollment declines are occurring across the state system. Our summer enrollment was about 5% below target. Fall enrollment is projected to be 5-10% below budgeted levels. Enrollment is below projections, creating a significant budget challenge. The largest drops are in Basic Education for Adults (BEdA), ESL, and international students. Running Start enrollment remains strong, helping offset some losses. Every 1% decline in enrollment equals roughly $100,000 in lost revenue. The Current

estimated budget shortfall is about $750,000.

- Cost-control measures are already underway. Vacant positions are being carefully reviewed before refilling. Travel, purchases, and other discretionary spending are being restricted or delayed. Leadership is monitoring the budget weekly and preparing for possible further reductions.
- Hate-Based Actions Directed at LGBTQIA+ Community:
  - June 9: Hate-Based graffiti on a bathroom wall inside Building 22
  - Aug. 20: Hate-based physical assault on a student in Parking Lot H

  We responded with two separate messages to the college community about our Culture and Belonging and the supports available in the Center. We are focusing the Center's work this Fall Quarter on direct services to students and support programs to enhance our campus culture and community.
- SPSCC students Erlinda Vergara and Adrianne Caldwell have been named 2026 Chime Workforce Scholars and will each receive $1,000. They join 200 students nationwide, recognized for their academic achievement and pursuit of career-focused education. This is funded by the Chime Scholars Foundation and administered by the Phi Theta Kappa Foundation.
- We are closely monitoring the activities in D.C. surrounding the new Pell eligibility requirements, BEdA funding, new accountability efforts by Department of Education, and the proposed rule-making around accreditation. The new Pell Grant accountability requirements will emphasize student earnings and completion outcomes and potential cuts to BEdA could significantly impact programs. The mid-term elections will have a significant impact on this work.
- You will find our plan to address the budget information that will impact this and the coming college budget, in the statement and goals in the Operational Plan.
- We are preparing for our legislative advocacy work starting in late September-December focusing on funding, tuition policy, and operational challenges. We are planning to bring back the Legislative Dinner with trustees and college leadership. This will be a watershed legislative session for our college and our CTC system. Please be engaged with our system legislative agenda. Thanks to Trustee Garman who did the first round of legislative meetings during August and early September. Our goal is to have a minimum of three touch points with our delegation before session.
- He distributed copies of the Puget Sound Energy Cost vs. Consumption Comparative sheets.
- He noted the President's Outreach/Professional Development/Advocacy Activities List in TAB 2.

Chair Hartmann noted the board's budget has been reduced, similar to other budgets, in order to support current organizational priorities. As a result, there is very limited funding available for travel and meetings this year. The board typically participates in a fall and spring meeting through the state association,

but attendance may be limited to only one representative. It was also noted that the spring meeting may be held in a format that makes participation easier, likely reducing travel needs.

INFORMATIVE REPORT No Report.

POLICY

Board Meeting Activities Schedule

The Board reviewed a draft schedule of study session topics and timelines outlined in the Board Meeting Activities Schedule for 2026-27. They considered the list of topics and suggested additions and refinements.

Topic recommendations:

- Strategic Plan Update: Board wants regular updates and an April session to review progress and provide input.
- Student Outcomes and Transfer Success: Interest in how transfer agreements are working, student performance after transfer, credential attainment, employment outcomes, and wage impacts.
- Workforce Needs: Request for updates on rapidly-changing community and workforce needs and how programs are adapting.
- Shared Services/Collaboration: Explore opportunities for collaboration with other community colleges, including shared services and joint programs.
- Data Infrastructure & Student Success Tools: Interest in learning about data systems, strategic planning connections, and Navigate software implementation.

Legislative agenda discussion:

- Trustees questioned whether a study session is the best venue for legislative updates.
- State legislative issues are expected to be discussed regularly during the legislative session, making a dedicated workshop potentially redundant.
- There was stronger support for occasional discussion of federal priorities and impacts, given ongoing changes and uncertainties.

The Board discussed:

- The board only has three study session slots, so prioritization is necessary.
- The financial goal and operational plan was identified as a likely priority topic for November.
- Some topics may be combined into a single session to maximize time.
- Certain informational items (e.g., shared governance, legislative updates) may be better handled through board materials, policy discussions, or regular agenda reports rather than dedicated study sessions.
- Study sessions should focus on topics that require board engagement, discussion, and strategic input, rather than purely informational presentations.
- Staff will refine the topic list, prioritize items, and determine which belong in study sessions, regular board agendas, policy discussions, or pre-read materials.

BUILDINGS AND GROUNDS No Report.

BUDGET AND FINANCE

2025-26 Budget Closeout

Dr. Tysha Tolefree, Vice President for Finance and Operations, thanked the board, staff, and college community for their support during a challenging year and acknowledged the extensive work required to improve the college's financial position.

She reported on the FYE26 Budget Closeout balances using reports: 2025-2026 Operating Budget through June 30, 2026 and Non-Operating Accounts Statement of Revenue & Expense and Change in Net Position Year to Date FY2026 through June 30, 2026.

FYE26 Operating Budget

- Operating revenues for FY26 were $55.9 million, a 5.3% increase ($2.8 million) over the prior year.
    - Key revenue increases:
        - $1.5 million increase in state funding.
        - $1.0 million increase in tuition operating fees.
        - $931,000 increase in Running Start Program revenues.
    - Offsets included decreases in:
        - International student contract fees (143,000)
        - Matriculation fees, rent and interest ($209,000).
        - Transfers ($289,000), largely due to using $385,000 less from reserves
- Operating expenses also totaled $55.9 million, a 5.3% increase ($2.8 million) from last year.
    - Key revenue increases:
        - $2.1 million increase in salaries and wages.
        - $756,000 increase in employee benefits.
        - $70,000 in professional service contracts.
    - Offsets included decreases in:
        - Goods and other services (698,000)
        - Equipment (446,000)
        - Travel (144,000)
        - Grants, benefits, and client services (67,000)

  Expenses were partially reduced through cuts in goods and services, equipment, travel, grants, advertising, maintenance, and other operating costs. These cost reductions reflected a college-wide effort to control spending and improve financial stability.

Overall, operating revenues and expenses were essentially balanced. However, the year still ended with a small deficit of approximately $38,000. While this represents an improvement over last year, it remains a modest operating shortfall.

FYE26 Non-Operating Budget

- Year-end non-operating revenues totaled $14.8M, but were offset by $15.5M in expenses, resulting in a $684,000 loss.
- The loss was primarily driven by:
    - $814,000 negative variance in Institutional Support, largely due to health and wellness and other required SEB-related payments.
    - $346,000 negative variance in Lab and Supply Fees, mainly from software purchases and personnel costs (part-time classified staff and student workers).
    - $176,000 negative variance in Student Services, related to similar purchasing and staffing expenses.
- These losses were partially offset by positive variances of:
    - $356,000 in MCC CCE/CTE
    - $254,000 in Technology Fees
    - $227,000 in E-Learning
- Although CCE finished with a positive variance, revenues were significantly lower than historical levels (from $1.3M to $356,000) despite continued strong effort and workload due to statewide external impacts affecting all agencies.

FY27 Outlook

- The FY27 forecast projects a 4.1% decline in revenue. Sustained cost-saving measures will be essential to maintaining fiscal stability.
- The administration will continue to monitor enrollment-related revenues, personnel costs, CCE activity and fee-supported accounts to support long-term financial stability and informed budget planning.
- For FY27 the college has implemented the use of commitment control in ctcLink. This tool provides automated, real-time budget validation to support fiscal oversight and to help prevent overspending prior to transaction finalization.

Capital Budget Report

Dr. Tolefree presented the Capital Budget report for month ending June 30, 2026:

- The college received $6.1M in state-appropriated funding for the 2025-27 biennium and has spent about $3M, leaving roughly $3.1M.
- For locally-funded projects, there is $6.2M budgeted, with about $2.7M spent. A large portion of this funding is for the soccer field project, which is approximately 60% complete.
- Grant-funded projects have been fully completed, with all grant funds spent.

- Across all capital projects, total available funding was approximately $13.5M, with more than half already spent (about 59% currently).
- Most of the remaining $6.3M is tied to the soccer field project, with those funds expected to be largely spent by November.
- Some projects have been identified for potential rollover into the next biennium if they cannot be completed before the current funding period ends.
- Project timelines can be affected by external factors, including coordination with the State Board and DES, which oversees contracting processes.
- Overall, the college has a projected 97-98% expenditure rate by the end of the biennium.

2025-26 Facilities Capital Projects Review

Matt Kemph, Assistant Facility Director, reviewed the following:

- Capital Project highlights on the Soccer Field, which is scheduled for completion in November 2026.
- Completed multiple projects in Buildings 35, 34, 22, 20, 21, 23, and 35; EV charging station; pedestrian bridge repair; and campus-wide energy efficient lighting project.
- Projects on the horizon include: Building 25 elevator upgrade, storm water drain replacements, retention pond upgrades/replacement, parking lot painting, Lacey Veterans Hub, Angela Bowen Center healthcare expansion, heat pump replacement, HVAC controls upgrades, and Building 34 for Computer Science classrooms.

CULTURE AND BELONGING No Report.

COMMENTS FROM INDIVIDUAL MEMBERS OF THE BOARD OF TRUSTEES

- Trustee Drew requested from administration the creation of a one-page briefing for legislators who prioritize affordability, access, and equitable outcomes for disadvantaged populations. The purpose: demonstrate that targeted funding supports success for underserved populations; help legislators understand the potential consequences of reducing or eliminating funding that enables these efforts; and provide data-driven evidence that can be used as a compelling talking point in legislative caucus discussions.

EXECUTIVE SESSION None.

ACTION ITEM FROM EXECUTIVE SESSION None.

ADJOURNMENT 4:17 P.M.

Judith L. Hartmann
JUDY HARTMANN, BOARD CHAIR
SOUTH PUGET SOUND COMMUNITY COLLEGE

Timothy S. Stokes
TIMOTHY STOKES, SECRETARY
SOUTH PUGET SOUND COMMUNITY COLLEGE