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SEATTLE COLLEGES DISTRICT BOARD OF TRUSTEES

July 14, 2016

STUDY SESSION

2:00 p.m.

President's Boardroom

South Seattle College
6000 16th Avenue SW
Seattle 98106

REGULAR SESSION

3:00 p.m.

President's Boardroom

South Seattle College
6000 16th Avenue SW
Seattle 98106

STUDY SESSION AGENDA

2:00 p.m. **STUDY SESSION**

2:00 p.m. ctcLink
Presenters: Kurt Buttleman, Daniel Cordas

2:30 p.m. CRM update
Presenters: Earnest Phillips, Barbara Childs

2:50 p.m. **EXECUTIVE SESSION**
To discuss with legal counsel litigation or potential litigation to which the college is, or is likely to become, a party.

REGULAR SESSION AGENDA

3:00 p.m.	CALL TO ORDER	
3:00 p.m.	ROLL CALL	
3:00 p.m.	INTRODUCTION OF VISITORS	
3:05 p.m.	APPROVAL OF AGENDA ACTION	Tab 1
3:05 p.m.	PUBLIC COMMENTS Fifteen minutes are regularly set aside for people to express their views on any matter except those restricted to Executive Session.	
3:20 p.m.	PRESENTATION Sustainable Building Science Technology Bachelor of Applied Science Degree Program <i>Presenters: Gary Oertli, President; Victoria Hardy, BAS Faculty</i>	
3:40 p.m.	RECOMMENDED BOARD ACTIONS ACTION	
	A. Approval of Minutes from June 7 and June 9	Tab 2
	B. Chancellor Moving Expenses Authorization	Tab 3
	C. Policy 681, Identity Theft Protection – Second Reading	Tab 4
	D. Policy 306, Placement; Policy 310, Official Enrollment; Policy 320, Counseling Services – Second Reading	Tab 5
	E. 2016-17 Lifelong Learning Awards	Tab 6
	F. Election of 2016-17 Board of Trustees Officers	Tab 7
4:00 p.m.	INFORMATIONAL ITEMS	
	A. Strategic Plans, Update on South and Central	
	i. South Seattle College, 2016-2021 Strategic Plan	Tab 8
	ii. Seattle Central College, 2016-2020 Strategic Plan	Tab 9
	B. Educational Master Plan Updates	Tab 10

C. Audited Financial Statement Tab 11

D. Naming of Classroom C222/223 at Georgetown Tab 12

4:40 p.m.

ORAL REPORTS

A. Chancellor's Report

B. AFT Seattle Community Colleges
Ms. Annette Stofer

C. Washington Federation of State Employees
Mr. Ty Pethe, President

D. College Presidents and Vice Chancellors
1. President Warren Brown, North Seattle College
2. President Sheila Edwards Lange, Seattle Central College
3. President Gary Oertli, South Seattle College

E. Board of Trustees
1. Mr. Steve Hill, Chair
2. Ms. Teresita Batayola, Vice Chair
3. Mr. Jorge Carrasco
4. Ms. Louise Chernin
5. Ms. Carmen Gayton

5:00 p.m.

ADJOURNMENT

The next meeting of the Board of Trustees will be held on Thursday, September 8, 2016 at North Seattle College, 9600 College Way North, Seattle WA 98103. There will be a Study Session at 2:00 p.m., and the Regular Meeting will follow at 3:00 p.m.

EXECUTIVE SESSION(S)

An executive session may be held for one or more of the following purposes: (1) To receive and evaluate complaints against a public officer or employee; (2) To evaluate the qualifications of an applicant for public employment or to review the performance of a public employee; (3) To discuss with legal counsel litigation or potential litigation to which the college is, or is like to become, a party, when public knowledge of the discussion would likely result in adverse consequence to the district; (4) To consider, as a quasi-judicial body, a quasi-judicial matter between named parties; (5) To consider matters governed by the administrative procedure act, chapter 34.05 RCW; and/or (6) To plan or adopt the strategy or position to be taken during collective bargaining, professional negotiations, or grievance or mediation proceedings, or to review proposals made in on-going negotiations or

proceedings.



MINUTES OF THE SEATTLE COLLEGE DISTRICT

BOARD OF TRUSTEES SPECIAL MEETING held Tuesday, June 7 at Seattle Colleges District Office, 1500 Harvard, Seattle, 98122.

PRESENT FOR SPECIAL MEETING HELD AT 11:00 A.M.

Trustees

Mr. Steve Hill
Ms. Louise Chernin
Ms. Teresita Batayola (by phone)
Mr. Jorge Carrasco (by phone)
Ms. Carmen Gayton (by phone)

Vice Chancellor

Dr. Kurt Buttleman

Secretary

Ms. Rebecca Hansen

SPECIAL MEETING AGENDA

CALL TO ORDER

Chair Hill called the meeting to order at 11:00 a.m.

ROLL CALL

The Secretary, Rebecca Hansen, called the roll.

INTRODUCTION OF VISITORS

There were no visitors.

APPROVAL OF AGENDA

Chair Hill requested adding an informational Chair's report to the agenda. **Trustee Chernin made a motion to approve and Trustee Gayton Seconded.**

PUBLIC COMMENTS

There were no public comments.

RECOMMENDED BOARD ACTIONS

- A. Emeritus Status

Dr. Kurt Buttleman introduced a letter from Executive Cabinet forwarding their unanimous approval to recognize Jill Wakefield as Chancellor Emeritus. Dr. Wakefield has been the longest-serving chancellor, is the first woman chancellor and gave over 40 years of respected service to Seattle Colleges. Board members discussed Policy 478. **Trustee Chernin made a motion to approve and Trustee Gayton Seconded. The motion carried 5-0.**

INFORMATIONAL ITEMS

A. Report from the Chair

Chair Hill discussed scheduling a retreat with Dr. Pan in August or September. Rebecca Hansen will follow-up for scheduling. Trustee Hill and Trustee Batayola will begin planning the agenda and deciding upon a facilitator.

11:37 a.m. ADJOURNMENT

The next meeting of the Board of Trustees will be held on Thursday, June 9, 2016 at North Seattle College: 9600 College Way North, Seattle 98103. There will be a Reception during Study Session at 2:00 p.m., and the Regular Meeting will follow at 3:00 p.m.

EXECUTIVE SESSION(S)

An executive session may be held for one or more of the following purposes: (1) To receive and evaluate complaints against a public officer or employee; (2) To evaluate the qualifications of an applicant for public employment or to review the performance of a public employee; (3) To discuss with legal counsel litigation or potential litigation to which the college is, or is like to become, a party, when public knowledge of the discussion would likely result in adverse consequence to the district; (4) To consider, as a quasi-judicial body, a quasi-judicial matter between named parties; (5) To consider matters governed by the administrative procedure act, chapter 34.05 RCW; and/or (6) To plan or adopt the strategy or position to be taken during collective bargaining, professional negotiations, or grievance or mediation proceedings, or to review proposals made in on-going negotiations or proceedings.

APPROVED BY:

Steve Hill, Chair

Date



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MINUTES OF THE SEATTLE COLLEGE DISTRICT

BOARD OF TRUSTEES MEETING held Thursday, June 9 at North Seattle College, 9600 College Way North, Seattle, 98103.

PRESENT FOR REGULAR MEETING HELD AT 3:00 P.M.

Trustees

Mr. Steve Hill
Ms. Teresita Batayola
Mr. Jorge Carrasco
Ms. Louise Chernin

Chancellor

Dr. Jill Wakefield

Presidents/Vice Chancellors

Dr. Warren Brown, NSC
Dr. Sheila Edwards Lange, SCC
Mr. Gary Oertli, SSC

Vice Chancellors

Dr. Mary Ellen O'Keeffe
Dr. Kurt Buttleman
Dr. David Blake

Advisory Representatives

Mr. Derek Edwards, AAG
Ms. Maureen Shadair, SVI
Ms. Annette Stofer, AFT
Mr. Ty Pethe, WFSE
Ms. Sarah Baker, NSC SAC
Mr. Nickey Mitchell, SCC ASC
Mr. Ryan Lonergan, SSC USA

Secretary

Ms. Rebecca Hansen

Absent

Ms. Carmen Gayton
Ms. Maureen Shadair

REGULAR SESSION AGENDA

CALL TO ORDER

Chair Hill called the meeting to order at 3:14 p.m.

ROLL CALL

The Secretary, Rebecca Hansen, called the roll.

INTRODUCTION OF VISITORS

Chair Hill Welcomed visitors and asked them to introduce themselves. Visitors included: LaVerne Lamoureux, Sam Laher, Stephanie Bea, Ma Christina Calimlim, Jacky Tran, Julie Coleman, Rosie Rimando, Kristen Jones, Pam Racansky, Maria Lamarca Anderson, Heather Emlund, Sara Michaelassi, Victor Kuo

PUBLIC COMMENTS

There were no public comments.

RECOGNITION OF ALL-WA ACADEMIC TEAM AND LEAGE FOR INNOVATION ARTS & LITERARY AWARD WINNERS

Chair Hill commended the students who were recognized at a reception that preceded the meeting.

All-Washington Academic Team

North - Riley Scott	South - Musa Abdi	Central - Tracy Lam
North - Thuan Tran	South - Austin Tugade	Central – Wannapa Suprasert

League for Innovation Arts Awards Finalists:

North - Rebecca Giordano – Community
North - Suzanne Whitehead – Lotus Pod Brooch
South - Cole Williams – Portrait
Central - DeKun Li – Carp for Dinner
SVI - Genevieve Moncada – Agency

Honorable Mention:

North - Jaclyn Uribe–Stalk Stock Music Festival
Central - Emily Garrett – Alex
South - Daeray Dang – Realit
South - Gretchen Flickinger – Oscillation
South - Trisha Zuanich – Balancing Act

League for Innovation Literary Awards Finalists:

North – Saleena Edwards – Poetry “Scylla and Charybdis and the things left unsaid”
South - B.E. Quaid – Essay “Being a Young Writer” and Fiction “Ed”

Honorable Mention:

North – Katherine Constant - Poetry “Underneath”
North – Riley Scott – Essay “Parochial” and Fiction “Warranty Service”
Central – Charles Lyford – Poetry “Singles Bar at the End of the World”
Central – Michelle Martineau – Essay “New”
Central - Ross Showalter – Poetry “Agape”

APPROVAL OF AGENDA

Chair Hill asked for a motion to approve the agenda. **Trustee Batayola made a motion and Trustee Chernin Seconded. The motion carried 4-0.**

RECOGNITION OF STUDENT LEADERS

Chair Hill thanked the student representatives from each of the three colleges: Sarah Baker, Nickey Mitchell and Ryan Lonergan. Ms. Baker is graduating with a BAS and will work for the Democratic Coordinated Campaign. Mr. Mitchell will transfer to UW to study Informatics and continue his Air Force ROTC training. Mr. Lonergan is graduating with his AA and plans to transfer to UW.

PRESENTATION

UW Community College Engagement Initiative

Presenters: Gary Oertli, President, South Seattle College; Paul Rucker, Special Assistant to the President and Provost at University of Washington

Paul Rucker and Gary Oertli presented to the board in November 2015 and gave an update on the UW Community College Engagement Initiative. The initiative has three main branches: landscape assessment, structured academic pathways and philanthropic innovation. Paul Rucker shared data showing success evidenced by graduation rates and GPA among transfer students at UW. As university admissions has become more complicated, this initiative seeks to bridge the gap between the community college and university by addressing issues such as the timing of the admissions cycle through proactive engagement with the community colleges. Through this initiative, a new Director of Transfer Student Engagement has been hired.

Discussion:

Trustee Carrasco asked about articulation between Seattle Colleges and UW. Paul Rucker explained some of the course equivalency barriers that are impacting articulation. The report includes a Transfer Center among the recommendations.

Ty Pethe asked about bridging extracurricular activities to make transfer students feel connected when they arrive at UW.

Nickey Mitchell recommended exit interviews as a tool to find out more about the 20% of transfer students who drop in their first 6 months.

RECOMMENDED BOARD ACTIONS

A. Approval of Minutes from May 12

Rebecca Hansen noted a correction to the oral report from Ms. Annette Stofer on page 5 of the published minutes. **Trustee Carrasco made a motion to approve the corrected minutes and Trustee Batayola Seconded. The motion carried 4-0.**

B. Approval of Tenure

Three faculty were recommended for tenure by their tenure review committee, vice president, president and chancellor. Their qualifications were reviewed by the board during Executive Session.

North Seattle College

Dr. Hugo Alamillo Science & Mathematics Biology

Seattle Central College

Dr. Valerie Hunt Applied Behavioral Science Applied Behavioral Science and
Social & Human Services

Mr. Sam Laher Wood Technology Center Marine Technology

Trustee Batayola made a motion to approve tenure and Trustee Chernin Seconded. The motion carried 4-0.

C. Approval of Tenure Extension

During Executive Session, the board reviewed the recommendation to extend the tenure probationary period for Richard Kenney at Seattle Central College, for three quarters. **Trustee Carrasco made a motion to approve the extension and Trustee Batayola Seconded. The motion carried 4-0.**

D. Tender of Gifts

The board reviewed gifts to the colleges. **Trustee Carrasco made a motion to approve the gifts and Trustee Batayola Seconded. The motion carried 4-0.**

E. Metro Services Purchase Request

The board reviewed a request for authorization to use funds to purchase transit passes for employees and students. **Trustee Batayola made a motion to approve and Trustee Carrasco Seconded. The motion carried 4-0.**

F. Maritime KI Furniture Purchase Request

The board reviewed a request for authorization to use funds to purchase furniture for the new maritime facility. **Trustee Carrasco made a motion to approve and Trustee Batayola Seconded. The motion carried 4-0.**

G. Maritime Simulation System Purchase Request

The board reviewed a request for authorization to use funds to purchase a simulation system for the new maritime facility. The simulation system is state of the art and is a key component to the vessel operation training that will be offered. **Trustee Carrasco made a motion to approve and Trustee Batayola Seconded. The motion carried 4-0.**

H. Continuing Operations Resolution

The resolution allows the District to continue operations at the current FY2015-16 funding level, until approval of the next fiscal year budget. **Trustee Batayola made a motion to approve and Trustee Chernin Seconded. The motion carried 4-0.**

I. SCD/AFT Faculty Agreement

Negotiations are ongoing but are not expected to be completed by June 30. The board was asked to consider extending the current contract through December 31, 2016. **Trustee Carrasco made a motion to approve extension of the current contract and Trustee Batayola Seconded. The motion carried 4-0.**

J. Policy 125, Powers and Duties of the Officers of the Board

Chair Hill asked the board to consider amending the current policy so that officers are elected in July and serve terms for the ensuing September through August. **Trustee Carrasco made a motion to approve the change and Trustee Batayola Seconded. The motion carried 4-0.** The board will elect officers for 2016-17 at their July 14 meeting.

K. Correction to 2016-17 Board of Trustees Meeting Schedule

The date of the November meeting was corrected to Thursday, November 10. **Trustee Carrasco made a motion to approve and Trustee Batayola Seconded. The motion carried 4-0.**

L. Policy 602, Financial Records – Second Reading

The revised policy states that the district will act in accordance with the WA State General Retention Schedule as well as federal requirements and accounting standards. **Trustee Carrasco made a motion to approve and Trustee Batayola Seconded. The motion carried 4-0.**

INFORMATIONAL ITEMS

A. Policy 681, Identity Theft Protection – First Reading

This policy was reviewed by the Chancellor's Executive Cabinet and no changes were recommended. Policy 681 will come back to the board for a second reading and vote at the July meeting.

B. Policy 306, Placement; Policy 310, Official Enrollment; Policy 320, Counseling Services – First Reading

The Vice Presidents for Student Services reviewed and recommended changes to the policies. Chancellor's Executive Cabinet concurred. These policies will come back to the board for a second reading and vote at the July meeting.

C. Washington State Auditor's Office Exit Report

A team of auditors presented the result of the Accountability audit for fiscal years 2012-2015 and the Financial statement audit for 2014. The next scheduled audit is in January 2017, for a 2015 financial audit.

ORAL REPORTS

Chancellor's Report

Chancellor Wakefield thanked the board for granting her emeritus status. She expressed appreciation for the support she received from this board and past boards at Seattle Colleges.

Associated Student Body Presidents

Ms. Sarah Baker thanked the board for the opportunity to work with them and represent the students from North. She welcomed the new team of student leaders and said that the all-gender bathroom effort at NSC will continue.

Mr. Nickey Mitchell reported that Unity Fair at Seattle Central College was a huge success and engaged a broad spectrum of students. The party to celebrate new chairs at the library was also a fun event.

Mr. Ryan Lonergan thanked the board for the skills and experience he's gained as the student representative from South. He congratulated the incoming USA student president and reported on an engaging student climate forum that was part of the campus-wide climate assessment.

AFT Seattle Community Colleges

Ms. Annette Stofer reported that Faculty Senate selection is underway at the campuses.

Washington Federation of State Employees

Ty Pethe gave an update on coalition bargaining.

College Presidents and Vice Chancellors

President Brown reported that the International BAS program is adding an online component. He reported that the program is growing and that students at NSC are collaborating with students at the Royal Melbourne Institute of Technology in Sydney Australia.

President Edwards Lange thanked the board for their approval of tenure for the two faculty from Central. She also reported that student veterans moved into the new Veterans Center yesterday and that the new facilities are an appreciated improvement for users.

President Oertli reported that SSC was selected as one of five colleges to receive \$500,000 in funding from College Spark grants. He also reported that participation at commencement this year was high with 40% of students attending.

Board of Trustees

The trustees each thanked Chancellor Wakefield for her service.

ADJOURNMENT

The meeting adjourned at 4:54 p.m.

The next meeting of the Board of Trustees will be held on Thursday, July 14, 2016 at South Seattle College in the President's Boardroom, 6000 16th Avenue SW, Seattle 98106. There will be a Study Session at 2:00 p.m., and the Regular Meeting will follow at 3:00 p.m.

EXECUTIVE SESSION(S)

An executive session may be held for one or more of the following purposes: (1) To receive and evaluate complaints against a public officer or employee; (2) To evaluate the qualifications of an applicant for public employment or to review the performance of a public employee; (3) To discuss with legal counsel litigation or potential litigation to which the college is, or is like to become, a party, when public knowledge of the discussion would likely result in adverse consequence to the district; (4) To consider, as a quasi-judicial body, a quasi-judicial matter between named parties; (5) To consider matters governed by the administrative procedure act, chapter 34.05 RCW; and/or (6) To plan or adopt the strategy or position to be taken during collective bargaining, professional negotiations, or grievance or mediation proceedings, or to review proposals made in on-going negotiations or proceedings.

APPROVED BY:

Steve Hill, Chair

Date



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MEMORANDUM

TO: Board of Trustees

FROM: Kurt R. Buttleman

DATE: July 14, 2016

SUBJECT: Chancellor Moving Expense Authorization

Background

After the Board of Trustees approved the contract with Dr. Pan, Chair Hill (on behalf of the Board of Trustees) asked Derek Edwards and me to provide guidance and a recommendation on providing for allowable moving expenses for the incoming Chancellor. Per that request, I worked with representatives from the Attorney General's office and reviewed the appropriate sections of the Revised Code of Washington and the Washington State Administrative and Accounting Manual (SAAM) and offer the following recommendation to the Board for its consideration.

Recommendation

The Board of Trustees of the Seattle Colleges authorizes its Chairperson to enter into an agreement with incoming Chancellor Pan for payment of allowable moving expenses pursuant to the Washington State Administrative and Accounting Manual (SAAM) policy 60.10.30 and RCW 43.03.060, 43.03.110 – 43.03.210.

Submitted by and transmitted to the
Board with a favorable recommendation,

Dr. Kurt Buttleman
Vice Chancellor for Finance & Technology



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MEMORANDUM

TO: Board of Trustees

FROM: Kurt R. Buttleman

DATE: July 14, 2016

SUBJECT: Policy 681 – Second Reading & Final Action

Background

The attached SCD policy proposes no changes to the existing language.

This item is being sent to the Board for second reading and final action. Once the Board approves the policy, it becomes effective immediately.

Recommendation

It is recommended that the Board approve Policy 681 as presented.

Transmitted to the Board with a favorable recommendation by:

Dr. Kurt Buttleman
Acting Chancellor

Seattle Colleges
Reviewed Policy & Procedure, No Recommended Changes
Board of Trustees July 14, 2016

Policies: 681

SEATTLE COMMUNITY COLLEGE DISTRICT POLICY

NUMBER: 681

TITLE: IDENTITY THEFT PREVENTION

In order to comply with Federal Trade Commission's "Red Flags Rule", under sections 114 and 315 of the Fair and Accurate Credit Transactions Act, the Seattle Community Colleges shall implement an identity theft prevention program for new and existing credit accounts ("covered accounts") protected under the act that contain sensitive "identifying information." The college will develop and monitor appropriate procedures that provide for the identification, detection and response to patterns, practices, or specific activities – known as "red flags" – that could indicate identify theft.

Approved by Board of Trustee: November 12, 2009



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MEMORANDUM

TO: Board of Trustees

FROM: Chancellor's Office

DATE: July 14, 2016

SUBJECT: Policies 306, 310, 320 – Second Reading

Background

The attached Seattle College District revisions are recommended for updating Policies 306, 310, and 320. These proposed policy changes were presented to the Board of Trustees for a First Reading in June 2016 and is now being presented for a Second Reading and final approval.

Recommended Action

It is recommended that the Seattle Colleges Board of Trustees approve the proposed revisions to Policies 306, 310 and 320.

Submitted by and transmitted to the Board with a favorable recommendation,

Dr. Kurt Buttleman
Acting Chancellor

POLICY NUMBER: 306

TITLE: ~~TESTING PLACEMENT~~

Adopted Date: 5/7/1996

Last Revised: ~~11/12/2009~~

Seattle College District may require its students to take a placement test, supply test results from another testing/assessment center, or provide other documentation, to determine appropriate class placement prior to registration.

Specific procedures for various services provided to the college district and its larger community are available in the Assessment/Testing Office at each campus.

Board of Trustees – Revision & Adoption History

Adopted: 5/7/1996

Revised: 11/12/2009

POLICY NUMBER: 310

TITLE: OFFICIAL ENROLLMENT

Adopted Date: 1/9/1984

Last Revised: ~~11/12/2009~~

Seattle College District requires official enrollment before a student may enter any class. Official enrollment is the process of registering in classes and payment of tuition and fees.

Specific registration procedures are available in the registrar's office at each campus.

Board of Trustees – Revision & Adoption History

Adopted: 1/9/1984

Revised: 11/12/2009

~~POLICY NUMBER: 320~~

~~TITLE: COUNSELING SERVICES~~

~~Adopted Date: 1/9/1984~~

~~Last Revised: 11/12/2009~~

Seattle Community College District provides counseling services to prospective and enrolled students at each of its campuses.

Counselors provide various services to help students reach their goals.

Board of Trustees—Revision & Adoption History

Adopted: 1/9/1984

Revised: 5/7/1996

Revised: 11/12/2009



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MEMORANDUM

TO: Board of Trustees

FROM: Dr. Kurt Buttleman
Acting Chancellor

DATE: July 14, 2016

SUBJECT: 2016-17 Trustees' Lifelong Learning Awards

Background

Each year, nominations are accepted throughout the district for employees who have worked for Seattle Colleges for at least 5 years and have demonstrated an outstanding level of intellectual and professional growth. The annual request for nominations for 2015-16 Trustees' Lifelong Learning Awards was sent to the college community in April and award nominees were forwarded to the Trustees Lifelong Learning Committee for review.

Committee members included representatives from across the district and included all classifications of employees. Committee members included: Lily Allen, Marianna Asaturova, Cebрина Chavez, Renee Jackman, Fleda Ramos, Marc Salverda and Jeffrey Vasquez.

The Trustees' Lifelong Learning Awards will be presented to recipients in the fall as part of the Seattle Colleges Convocation, on September 21, 2016, at South Seattle College.

Based on the agreed upon criteria and review of nominations, the committee unanimously agreed that the following individuals are worthy of the Trustees' Lifelong Learning Award for 2016-17:

Jill McDonough, Full Time Faculty, South Seattle College

Luanda Chan, Classified Staff, Seattle Central College



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Recommended Action

I recommend that the Board approve these nominees to receive the Trustees' Lifelong Learning Awards for the 2016-17 academic year.

Submitted by and transmitted to the
Board with a favorable recommendation,

Dr. Kurt Buttleman
Acting Chancellor

MEMORANDUM

TO: Board of Trustees

FROM: Dr. Kurt Buttleman
Acting Chancellor

DATE: July 14, 2016

SUBJECT: Election of 2016-17 Board of Trustee Officers

Background

The Seattle Colleges District Policies and Procedures, Policy 125, "Power and Duties of Officers of the Board", item number one, "Elections", specifies that at its regular monthly meeting in July, the Board will elect officers to serve the ensuing September to August period.

In May, the Board of Trustees nominated Teresita Batayola to serve as chair and Louise Chernin to serve as Vice Chair.

Recommended Action

It is the recommendation of the administration that the Seattle Colleges Board of Trustees elect the individuals who were nominated at the May meeting to serve as chair and a vice chair beginning September 1, 2016.

Submitted by and transmitted to the Board with a
favorable recommendation,

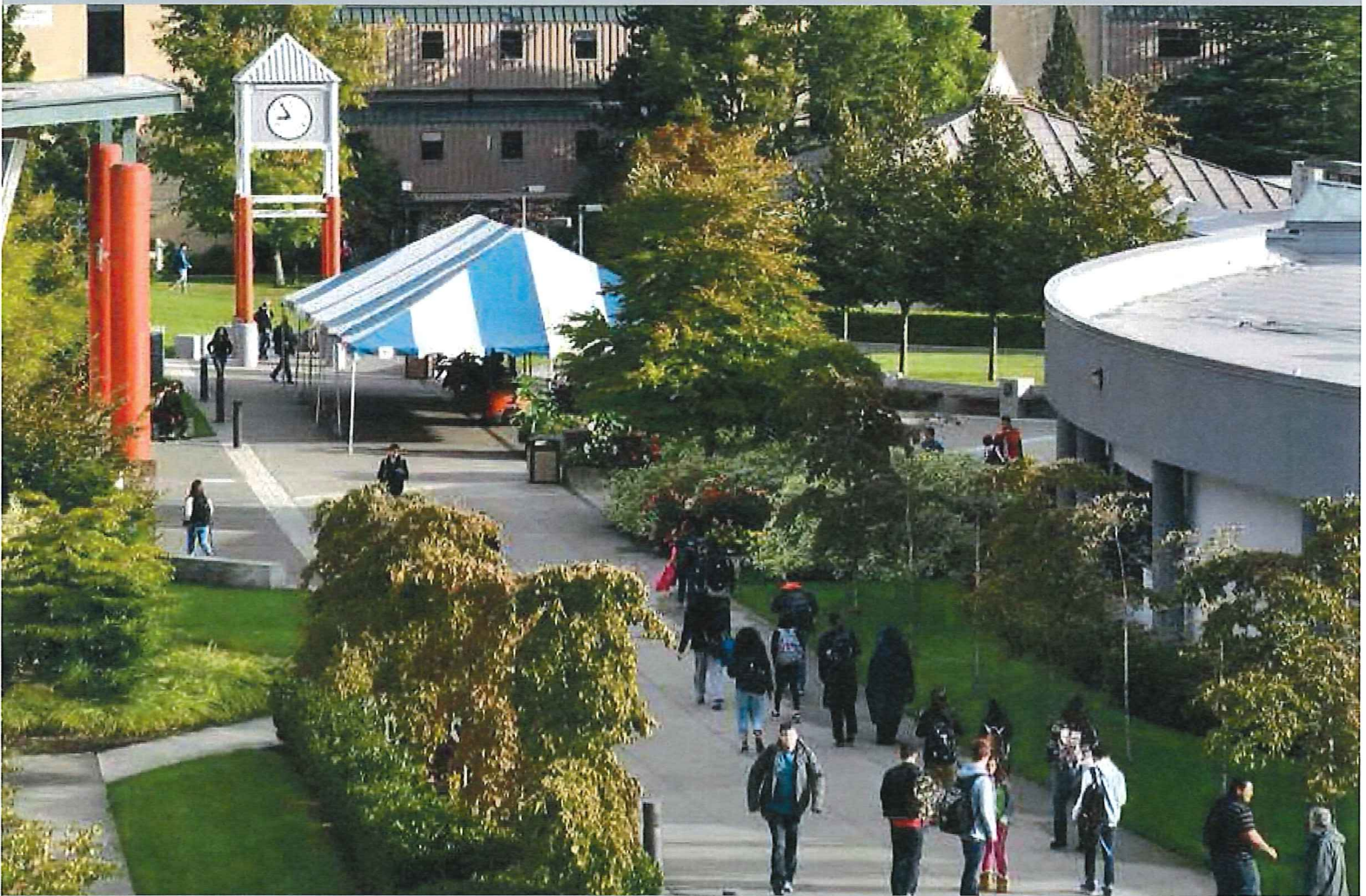


Dr. Kurt Buttleman
Acting Chancellor



SOUTH SEATTLE COLLEGE

A Pathway to Our Future



Strategic Plan

2016 - 2021



President's Message

Dear Colleagues,

Since South Seattle College's inception in 1969, we have been committed to supporting our community members in their educational, professional and personal growth by providing an affordable, accessible and high-quality education. The work has been guided by our College Mission, Core Themes and College Community Responsibilities.

That commitment to student and community success will never waver, but today we face the challenge of an ever-changing landscape in higher education at the national, state and local levels. Our student and community demographics continue to evolve, economic changes influence our demand and purpose, and our students' needs for success are increasing.

Through the collaborative culture imbedded at South and our passion for the work we do, we are well-positioned to continue our institutional evolution in response to those challenges, just as our students overcome obstacles during their educational journeys.

I believe we are in a good place, but we can and will do better to improve student success – retention, completion and career placement - and provide greater support and programming in all stages of the student experience. With a steady focus on these goals, we will undoubtedly position ourselves as community college leaders in connecting our students with the best education that will lead to fulfilling, rewarding careers.

I encourage you to read through the following 5-Year Strategic Plan, developed by you and your colleagues, and use it as a pathway and reference for the future success of our students and College.

Sincerely,

A handwritten signature in blue ink that reads "Gary Oertli". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Gary Oertli
South Seattle College President



SOUTH SEATTLE COLLEGE

One of the Seattle Colleges

The Seattle Colleges will provide excellent,
accessible educational opportunities to prepare our
students for a challenging future.



Mission

● Mission

South Seattle College is a constantly evolving educational community dedicated to providing quality learning experiences which prepare students to meet their goals for life and work.

The college values and promotes a close involvement with the community and strong partnerships with business, labor and industry.

The college commits to meeting the diverse needs of students by providing:

- Applied baccalaureate, associate degree, college transfer, certificate, technical and professional, and pre-college programs which prepare students to succeed in their careers and further their education.
- Responsive technical and professional training programs developed in collaboration with business, labor and industry.
- Student-centered and community-centered programs and services which value diversity, support learning, and promote student success.
- Lifelong learning opportunities for the cultural, social, professional and personal development of the members of our communities.

Themes

● Core Themes

- Student Achievement
- Teaching and Learning
- College Culture and Climate
- Community Engagement and Partnerships

Responsibilities

● College Community Responsibilities

- Treat each other with courtesy and respect.
- Speak civilly and act responsibly with consideration for the rights of others.
- Affirm the value of diversity and promote cultural sensitivity.
- Maintain a safe and welcoming community.



South Seattle College does not discriminate on the basis of race, color, creed, national origin, sex, disability, age, honorably discharged veteran or military status, or sexual orientation.

Introduction

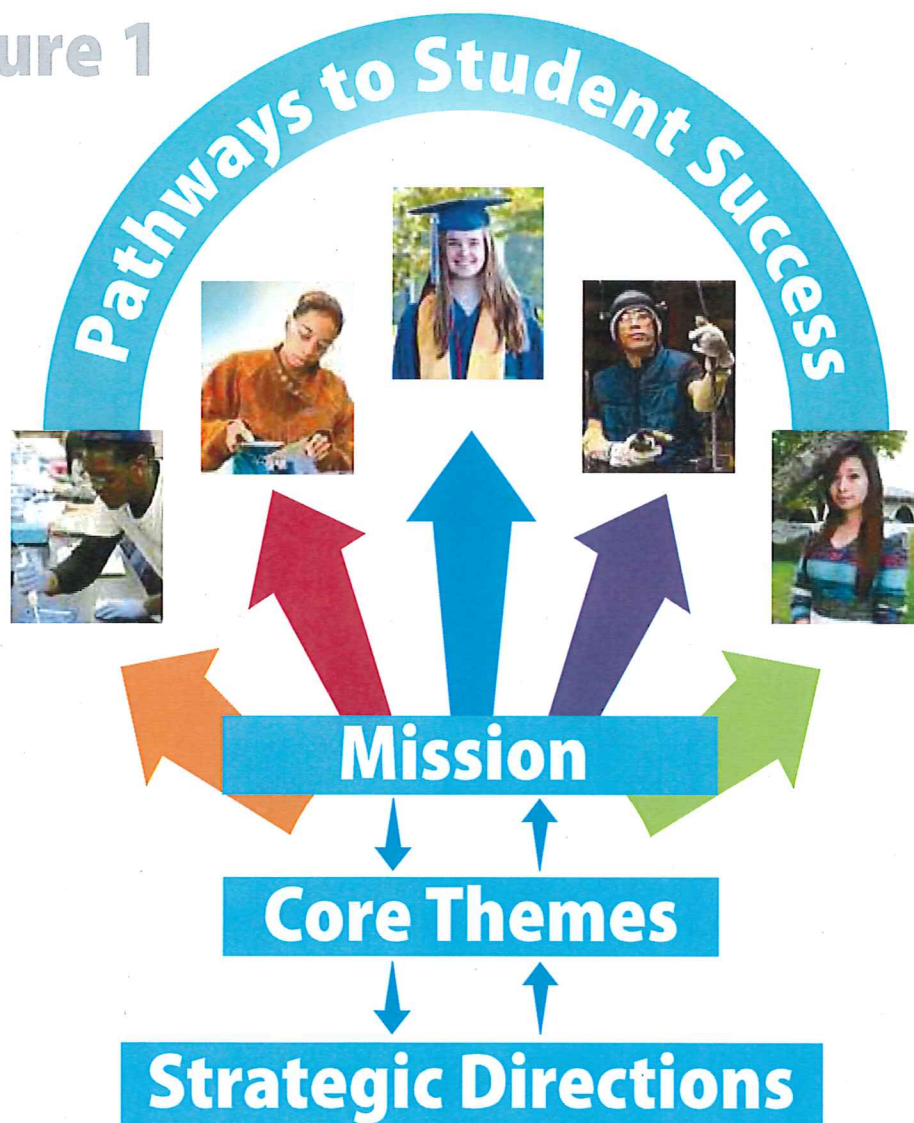
Across the nation, higher education enrollment, retention and completion rates have continued to decline. Best practices reflect that one of the most impactful ways to increase student success is to provide a more structured educational experience.

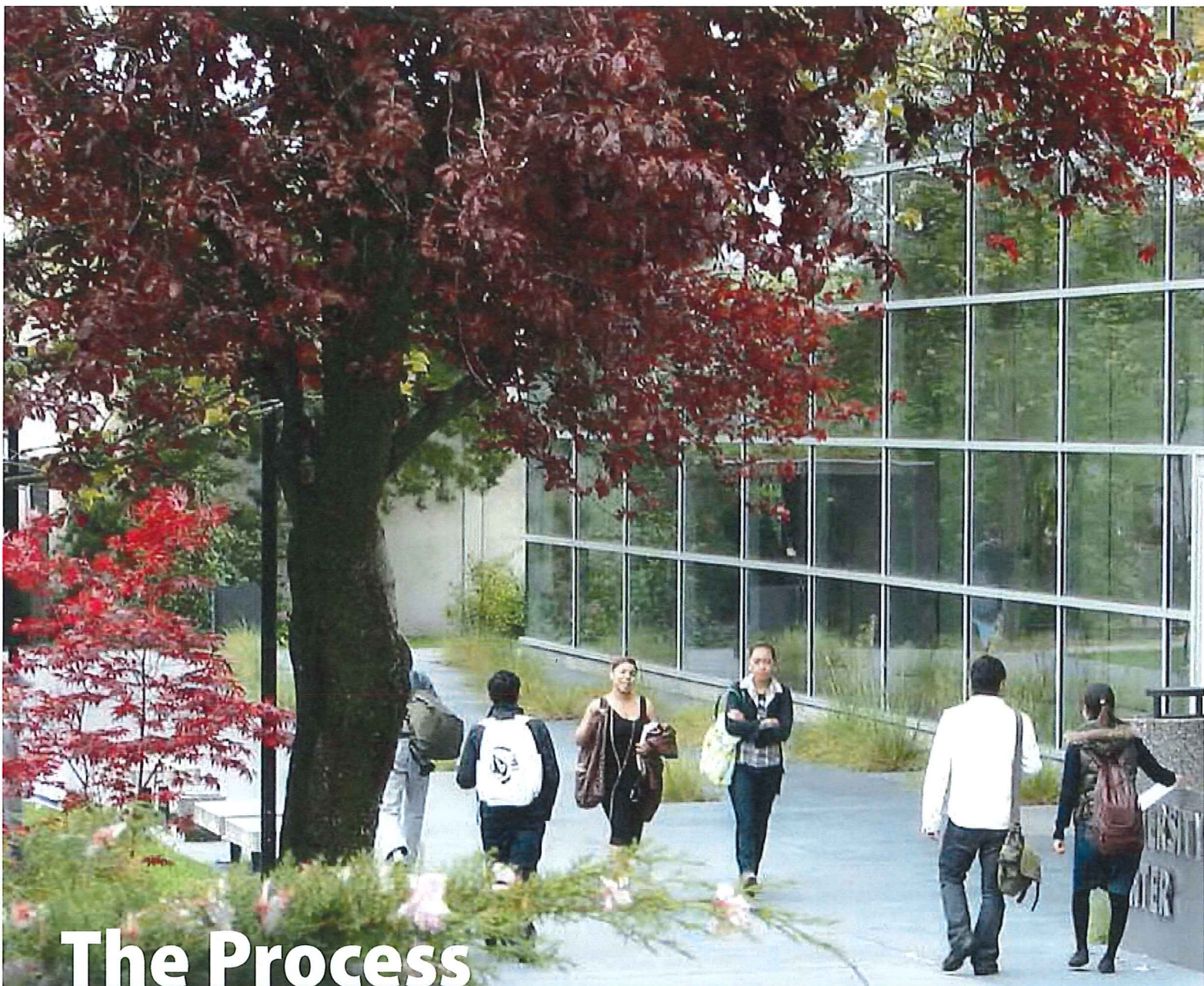
In an effort to reverse that declining trend through an innovative approach, South Seattle College launched the *South 2017 Model for Student Success* in Fall of 2014. The intent behind this initiative was to redevelop the student experience by organizing our efforts and focus around providing our students with a strong start, structured programs and seamless support services throughout their education.

After a year's worth of work, we came to realize that the structured experience required the commitment, resources and focus of the entire College in developing an institution-wide **Pathways to Student Success** (Figure 1, below) approach that will impact and increase student success. This realization came at the right time in how it guided our conversations in prioritizing and finalizing the College's 2016-2021 Strategic Plan and its six Strategic Directions.

By embracing the College's Mission, Core Themes and Strategic Directions, we will continue to improve upon our student experience, from point of entry through attainment of a degree or certificate and career placement.

Figure 1





The Process

In 2014, to broaden the scope and responsibility, South Seattle College pursued a restructure of the Institutional Effectiveness committee and launched the newly-created SPARC – Strategic Planning, Assessment, and Research Committee. The SPARC membership is comprised of every administrative unit, job classification, and function that represents and supports the College's efforts to continuously improve. SPARC's primary purpose is to engage the campus community in important conversations around planning, accreditation, institutional research and assessment, with the intent of developing South's culture of evidence and influencing the effective use of information. SPARC is designed with a three subcommittee **Planning Structure** (Figure 2, page 5) which includes SPA – Strategic Planning and Accreditation, ASC – Assessment, and RR – Research Roundtable. The structure provides a home for nearly every planning and assessment function within the College, and a clear path for information to proceed to and from the President's Cabinet.

The Strategic Planning and Accreditation (SPA) sub-committee of SPARC is dedicated to, and responsible for establishing, implementing and monitoring the college's strategic planning framework and process. In Fall of 2014, SPA began the process of discussing and conceptualizing the framework for the college's new strategic planning process. The six phase process that was developed and implemented is inclusive and iterative in design and promotes a commitment to the College's Vision, Mission and Core Themes.

The **Strategic Planning Cycle** (Figure 3, page 5) initiated by SPA included a series of college-wide meetings that introduced the framework and the timeline, as well as enlisting broad participation to assist in the recommendation of the College's goals and priorities. More than 100 faculty and staff representatives from across the College contributed to the design and development of South Seattle College's 2016-2021 Strategic Plan.

Figure 2 Planning Structure

Strategic Planning, Assessment, and Research Committee (SPARC) was organized and launched in 2014.

The presidentially-appointed committee is designed with a three subcommittee structure: Strategic Planning and Accreditation (SPA), Assessment (ASC) and Research Roundtable (RR).

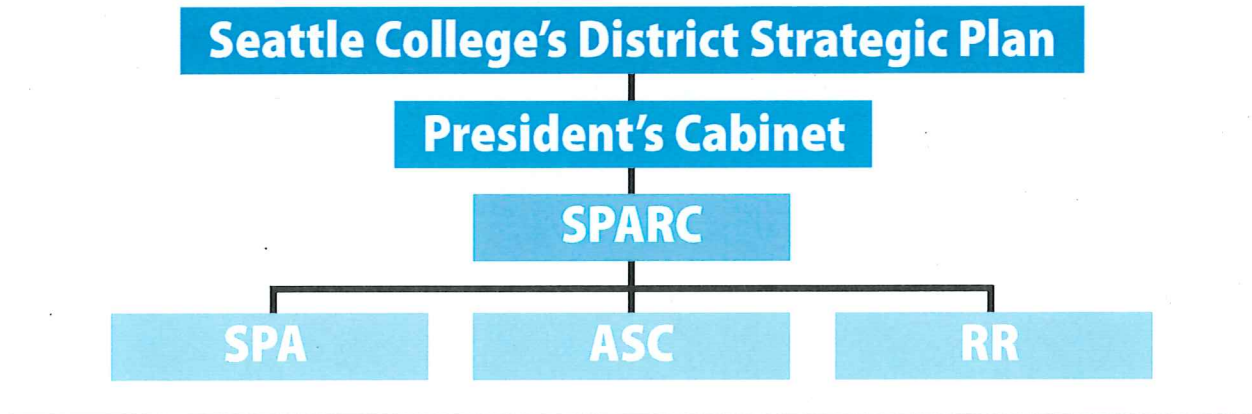


Figure 3 Strategic Planning Cycle

South's six phase planning cycle was developed and approved by SPA in 2015. The cycle incorporates best practices and planning techniques that are intended to be inclusive and iterative.



2016-2021 Strategic Plan

Strategic Directions and Goals

- A Provide current, high quality instructional programs**
so that students and the community respect our commitment to innovation and excellence.

Strategic Goal 1: Improve the program review process so that it ensures currency and identifies new programs.

Strategic Goal 2: Develop and assess pathways to transfer, degrees, and certificates that lead to student success.

- B Create a structured student experience**
so that students are more likely to attain their educational goals

Strategic Goal 1: Create a consistent and clear step-by-step pathway making it easy for students to enroll, progress and complete their educational goals.

Strategic Goal 2: Design reliable, current, and consistent digital and traditional resources that will guide students through their enrollment, progression and completion experiences.

- C Build a continuous improvement plan into all college activities**
so that we remain nimble, responsive, and relevant to our community

Strategic Goal 1: Create institutional infrastructure to support systematic professional development for South employees.

Strategic Goal 2: Develop specific and college-wide processes to support the collection, analysis, dissemination, and use of data for decision-making and assessment.

- D Deepen and expand our connections to our community**
so that we know those we serve, and so that we draw strength from our mutual support

Strategic Goal 1: Build systems to assess and prioritize the changing needs and interests of our community.

Strategic Goal 2: Foster and nurture partnerships that promote and establish smooth transitions between South Seattle College, the workforce, and other educational opportunities.

- E Procure and allocate sufficient resources to meet our mission**
so that our college remains strong and vital in perpetuity

Strategic Goal 1: Establish and disseminate criteria and systems for assessing value, cost, and feasibility of current and prospective programs, services and initiatives.

Strategic Goal 2: Develop and support strategies for investing in institutional priorities.

- F Foster and strengthen equity, inclusion, and cultural competency**
so that everyone benefits from participation in our diverse community

Strategic Goal 1: Develop an iterative college-wide equity, diversity, and inclusion action plan with measureable outcomes and ongoing assessment.

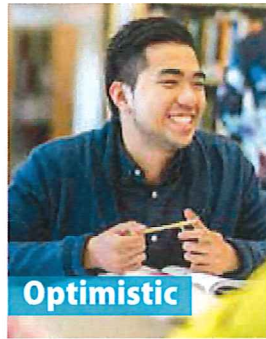
Strategic Goal 2: Continue to ensure that recruitment and hiring processes consider equity and inclusion.



Thank You!



Inspiring



Optimistic



Creative



Inventive

Acknowledgements

More than 100 faculty and staff representatives from across the College contributed to the development of South Seattle College's 2016-2021 Strategic Plan. A special thank you is extended to all of those who participated in making this strategic plan a reality.

President's Cabinet

Gary Oertli – President
Peter Lortz – Vice President of Instruction
Rosie Rimando-Chareunsap – Vice President of Student Services
Frank Ashby – Vice President of Administrative Services
Elizabeth Pluhta – Associate Vice President for
College Advancement and Economic Development
Holly Moore – Executive Dean of Georgetown
Kathy Vedvick – Director of Human Resources
Greg Dempsey – Chief Data and Strategy Officer

Strategic Planning and Accreditation Committee (SPA)

Greg Dempsey – Chief Data and Strategy Officer
Frank Ashby – Vice President of Administrative Services
Larry Reid – Accreditation Officer
Christian Clemmensen – Director of Web Services
Joe Barrientos – Dean of Student Life
Jennifer Brandon – Director of Grants
Naina Eshwar – Associate Director of Institutional Research
Mary Jo White – Dean of Educational Services
Veronica Wade – Dean of Workforce Education
Analea Brauburger – Assessment Coordinator

Strategic Planning Taskforce Participants

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Bailey Jones	Elsa Croonquist	John Boyle	Luisa Motten	Rosie Rimando-Chareunsap
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Brooke Wagner	Eric Steen	John Phillips	Margo Harder	Sandra Bolt
Catherine Creason	Erin Barzen	John Toutonghi	Maria Rebecchi	Sebastian Myrick
Chad Hickox	Esther Sunde	Jon Nachman	Mariana Asaturova	Seth Deister
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Curtis Peterson	Hana Gala	Kali Kuwada	Mary Lockman	Sharon Norman
Daniel Cordas	Heather Foss	Kat Coelho-Vermeulen	May Lukens	Shunsuke Kanazawa
Daniel Dillard	Holly Moore	Kathie Kwilinski	Megan Sears	Sol Damaris Mendez
Danna Culhane	Irina Minasova	Kathleen Kent	Michelle Henry	Tara Compton
Darrell Tsukiji	Ismaila Maidadi	Kathy Malek	Mike Hickey	Tina Miller
Debbie White	Jacob Ashcraft	Kathy Reistad	Molly Chrisman	Ty Swenson
Dennis Wu	Jaime Flajole	Kevin Maloney	Naina Eshwar	Vanessa Calonzo
Dorrienne Chinn	James Lewis	Kori Lumpkin	Pamela Wilkins	Veronica Wade
Duncan Burgess	Janet Kapp	Lana Conrad	Rachel Jamison	Yilin Sun

Seattle Central College

Strategic Planning for 2016-2020

Vision for Seattle Central 2020

Seattle Central provides an environment of support for diversity, equity, and community where students are actively mentored, supported, and empowered to achieve their educational, career, and personal goals.

Planning Purpose

In fall 2015, as the 2011-2016 Strategic Plan was about to expire, the college began to develop a new strategic plan to cover 2016 to 2020, a four-year period timed to align with the accreditation cycle. The purpose of the new strategic plan is to provide:

- Clear strategic directions and priorities for all college functions
- Specific goals and objectives that support the fulfillment of the college's mission as expressed in the core themes
- Close alignment with the current Seattle Colleges District Strategic Plan

Planning Principles

The strategic plan will:

- Establish a high-level, college-wide framework for decision-making regarding resource allocation and program planning
- Build a sense of common purpose and shared understanding across all areas of the college and with external stakeholders
- Serve as a living document that is meaningful in the day-to-day work of the college and characterized by simplicity, clarity, and co-accountability

Planning Structure

The college's College Council (CC) led the strategic planning process. A Strategic Planning Workgroup was formed with seven CC members that included 3 faculty, 2 staff, 1 student, and 1 administrator as the facilitator. The whole Council reviewed the workgroup's draft plan and provided feedback. The President's Cabinet will use the draft and feedback from this process to finalize and approve the strategic plan.

Planning Process, Activities, and Timeline

The Strategic Planning Workgroup, with support from the college's Office of Strategic Initiatives and Institutional Research (SIIR), established the planning principles, selected the approaches to solicit input and ideas from across the college, and used the collected information to draft a

strategic plan for College Council review. Since fall 2015, the following college-wide planning activities took place:

Timeline	Activity	No. of Participants
Dec. 4, 2015	Campus-wide strategic planning event 1 – initiative planning discussion	75+
Winter 2016	Listening sessions for additional planning input – 12 sessions open to all employees	130+
March 7, 2016	Campus-wide strategic planning event 2 – review of listening session notes, group discussions, and suggestions	55+
Spring 2016	Draft of strategic plan created by workgroup and reviewed by CC	
Summer/fall 2016	President’s Cabinet to review draft strategic plan and finalize the new plan	
Fall 2016	2016-2020 Strategic Plan to be approved by Board of Trustees	

Strategic Themes

The current draft 2016-2020 Strategic Plan addresses the following three strategic themes:

- A. Increasing Enrollment, Retention and Completion
- B. Eliminating Institutional Racism, and Achieving Equity and Divinity
- C. Building Community

Notes:

1. When the final college-wide 2016-2020 Strategic Plan is complete, a separate document will be prepared to identify the alignment of the college’s strategic plan with the District Strategic Plan.
2. Divisions and departments of the different areas of the college, including SVI, will develop their own respective strategic plans based on the final college-wide 2016-2010 Strategic Plan and alignments with the District Strategic Goals.
3. Due to personnel changes in the Office of Strategic Initiatives and Institutional Research, the timeline for completing the 2016-2020 Strategic Plan is delayed.



MEMORANDUM

TO: Board of Trustees

FROM: Mary Ellen O’Keeffe, *interim Vice Chancellor for Education, Planning, & Research*

DATE: July 14, 2016

SUBJECT: Educational Master Plan Report

The Educational Master Plan was developed to serve as a District-wide framework for the multiple initiatives created to increase enrollment and completion. There are ten initiatives that span a range of activities to include creating new programs, to increasing flexible instructional options, promoting global education and scaling up student success initiatives. Each initiative has a facilitator and work group representing staff and faculty from across the colleges. Each initiative group has develop a work plan. The taskforce meet quarterly to share their progress. Below each initiative is highlighted along with current and proposed activities.

1. Increase new programs to meet student and industry needs

Increase new baccalaureate degrees, each college has submitted and received SBCTC approval to offer a new BAS degree since fall of 2015. North Seattle College- BAS in Early Childhood Education. Seattle Central- IT Networking, approved May 2016 and South Seattle- Workforce & Trades Leadership, Notice of Intent submitted Feb 2016. The Seattle Colleges have been approved to offer 15 BAS degrees.

Along with the development of BAS degrees, the colleges are working on creating certificates and two year degrees to respond to the needs of industry.

2. Expand flexible instruction options including online and hybrid

The E-learning directors have provided leadership to develop training modules for faculty to use pedagogy that include flipped classroom techniques that are used in a hybrid model of instruction. Students attend a face to face class once a week and receive on- line instruction to complement the in- class meetings. The hybrid model allows students to increase the number of courses they take each quarter and complete an AA degree within two years in the evening. At least two faculty retreats each year have provided over one hundred faculty to receive the professional development to



adopt these new pedagogies. The directors are also providing training for faculty to increase their use the Learning Management System CANVAS.

3. Increase AA and AS Degree Completion

An AA Degree Completion Taskforce was created by the Chancellor in 2014 and met for a year, after delivering the following three recommendations: Review the process for automatically awarding short certificates that South Seattle College was using, Create pathways to an AA Degree including prerequisites and create a two year course schedule for all three colleges using the work that North and Central have started. Award Reverse degrees. A District wide subgroup has been meeting for the past year to become informed on Guided Pathways and provide leadership in developing guided pathways for the AA degree. Experts from across the country have shared their learnings including the City of Chicago Community Colleges, and Miami Dade. The SBCTC is providing leadership on the reverse degree process with MOUs with WSU and Eastern Washington.

4. Enroll more Seattle Public School Recent High School Graduates

This working group has defined its work in three categories: financial aid/scholarships, College in the High Schools, and Summer Melt. Participants include Seattle Public school employees and well as our colleges' staff. The work in financial aid ensures that high school students have met financial aid deadlines and targeting College Bound to use their scholarships. Expanding the 13 year Promise scholarship by contributing \$150,000 to each high school is another strategy. The summer melt strategy is to reach out to high school students who have not completed their college applications, making sure they are still on a pathway to start college. Six college courses have been identified for College in the High School. The plan is for these courses to be offered in the high schools during the 16-17 academic year.

5. Transition Adult Basis Ed Students into Workforce Programs.

Many of the activities that are happening in Basic and Transitional Studies are being driven by the new Workforce Investment Opportunity Act(WIOA) legislation which has the expectation that all ABE/ESL students will be on a pathway to complete a workforce or transfer degree. Therefore the faculty are contextualizing classes for workforce preparation in several professional technical programs. The High School 21 program is a new high school completion program targeting a post high school age population. IBEST programs continue to grow and serve the English language learners population.

6. Scale Up Student Success Initiatives

The colleges have engaged in multiple student success initiatives including Project Finish Line, IPASS, Pathways, and Pathway to Completion. The biggest challenge is to scale up these projects. For example in the Pathway to Completion grant one component was the development of accelerated math pathways. Two of the three colleges implemented a Statway pathway which showed significant results in students who completed developmental math and a college level statistics course in one year; however the majority of developmental students still enroll in the traditional developmental math pathway taking longer than a year to reach college level coursework.

7. Promote Global Education Experience

Seattle Colleges continue to be a popular destination for international students to begin their college experience or complete their high school education. This initiative supports the native population to experience programs that increase their knowledge of cultures through travel and work in other countries outside the United States. Go Abroad programs are opportunities for students, faculty and staff and include Study Abroad, exchanges, Teach in China and Global Impact.

8. Expand Corporate and Customized Training

A highlight of this initiative is to add five new relationships a year, develop a new website, outreach to 50 top companies in Seattle and identify a minimum of one new certificate program per college per year.

9. Serve as the Regions Premier Health Care Training Provider

Seattle Colleges offer a range of health care training programs from entry level (CAN) to a BSN(Fall 2017). Over the past five years the colleges, North, Central and South have serve over 2,209 students in programs from nursing assisting, LNP, RN, medical assisting, pharmacy tech, dental hygiene and surgical tech, During 2015 Pacific Medical Center, the former Public Health Hospital in Seattle on Beacon Hill, became home for Seattle Central Colleges' healthcare programs. The colleges have developed clear pathways for students to choose their healthcare area of interest and pursue a certificate or degree. Each college has strong partnerships with the healthcare industry and make sure that programs are current. Industry partnerships have also contributed to significant contributions for equipment.

10. Expand and Develop Career Pathways

The Workforce departments from the three colleges in coordination with the District Workforce program will complete an on- line interactive web based program for



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perspective students to use to identify the details of program, course, certificate and degree options. All certificates and degrees in professional technical programs will be mapped so that students will be clear about course selection and career options. An on- line common BAS application has been developed to serve all three colleges that will allow prerequisites to be prepopulated into the application.

MEMORANDUM

TO: Board of Trustees
FROM: Kurt Buttleman
DATE: July 14, 2016
SUBJECT: Audited Financial Statement

Background

At the June, 2016 meeting of the Board of Trustees, Assistant State Auditor, Connor Clingman and Auditor Manager, Sarah Mahugh presented the results of the State Auditor's audit of our fiscal year 13-14 financial statement.

At today's meeting, I will be presenting the audited financial statement to the Board of Trustees. We will be preparing and presenting an audited financial statement on an annual basis.

Recommendation

It is recommended that this item be received as information only.



Dr. Kurt R. Buttleman
Acting Chancellor



**SEATTLE
COLLEGES**

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2014 Financial Report

2014 Financial Report

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For information about the financial data included in this report, contact:

Kurt R. Buttleman, Vice Chancellor for Finance & Technology
Seattle Colleges
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Seattle, WA 98122
206.934.4111

For information about enrollment, degrees awarded, or academic programs, contact:

Mary Ellen O'Keefe – Interim Vice Chancellor for Education & Planning
Seattle Colleges
1500 Harvard Avenue
Seattle, WA 98122
206.934.4104

or

Visit the home page at: <http://seattlecolleges.edu/>

Trustees and Administrative Officers

BOARD OF TRUSTEES

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North Seattle

Orestes Monterey, Administrative Services

Kristen Jones, Instruction

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Bruce Genung, Associate Vice Chancellor – Advancement

Elsa Croonquist, Interim Executive Dean – Corporate & Customized Training

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Bonney, Curtis	Dean	Basic & Transitional Studies
Learn, Judy	Dean	Business, Engineering & Info Tech
Thomas, Steven	Dean	Health & Human Services
Agnello, Alissa	Dean	Math and Science
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<i>Vacant</i>	Associate Dean	Teaching and Learning
Kirgis, Julianne	Dean	Arts, Humanities & Social Sciences
Lederer, John	Executive Dean	Career and Workforce Education

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Kehrli, Katherine	Associate Dean	Seattle Culinary Academy
Gourd, David	Dean	Allied Health
Von Ruden, Matthew	Associate Dean	Seattle Maritime Academy
Shadair, Maureen	Interim Associate Dean	Workforce Education & SVI
Samuels, Andrea	Associate Dean	Workforce Education & SVI
Insley, Andrea	Executive Dean	International Education Programs
Sullivan, Chris	Dean	Business, Info Technology, & Creative Arts
Lane, Bradley	Dean	Humanities & Social Sciences
Lee, Wai-Fong	Executive Dean	Instructional Resource Services
Rockhill, Wendy	Dean	Science & Mathematics
Laura DiZazzo	Dean	Basic & Transitional Studies
Mitchell, Myrtle	Dean Interim	Instruction, Workforce Ed (SVI)
Delaney, Stephanie	Dean	Center for Extended Learning
Krieg, Kate	Associate Dean	Academic Transfer
Sullivan, Debra	Associate Dean	Applied Behavioral Science
Doug Goodwin	Dean	Institute of English

SOUTH SEATTLE COLLEGE

Alexander, Kim	Dean	Aviation
Burgess, Duncan	Dean	Professional Technical
Moore, Holly	Executive Dean	Apprenticeship & Specialized Training
Joe Shannon	Dean	Academic Transfer
Kingston, Laura	Dean	Academic Transfer
John Bowers	Dean	Basic & Transitional Studies
Glatt, Robert	Dean	Hospitality & Service Occupations
White, Mary Jo	Dean	Education Services
Wade, Veronica	Dean	Workforce Education & New Initiatives
Ashcraft, Jake	Interim Assoc. Dean	Math & Sciences

Management's Discussion and Analysis

SUMMARY LEVEL
NARRATIVE

Seattle College District

The following discussion and analysis provides an overview of the financial position and activities of the Seattle College District (the District) for the fiscal year ended June 30, 2014 (FY 2014).

This overview provides readers with an objective analysis of the District's financial performance for the year. This discussion has been prepared by management and should be read in conjunction with the District's financial statements and accompanying note disclosures.

Reporting Entity

Seattle College District is one of thirty public community and technical college districts in the state of Washington, providing comprehensive, open-door academic programs, workforce education, basic skills and community service educational programs to nearly 50,000 students. The District confers applied baccalaureate degrees, associate degrees, certificates and high school diplomas. The District was established in 1966 with the first college, Seattle Central College, and its primary purpose is to provide excellent, accessible educational opportunities to prepare our students for challenges that they will encounter in their future.

The District's main campuses are located in Seattle, Washington, a community of about 660,000 residents. The District is made up of three colleges – Seattle Central College, North Seattle College, and South Seattle College and has various other locations throughout the city. The District is governed by a five-member Board of Trustees appointed by the governor of the state with the consent of the state Senate. By statute, the Board of Trustees has full control of the District, except as otherwise provided by law.

Using the Financial Statements

The financial statements presented in this report encompass the District, the Colleges, and discretely presented component units. The District's financial statements include the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows. The Statement of Net Position provides information about the District at a moment in time, at year-end. The Statement of Revenue, Expenses and Changes in Net Position and the Statement of Cash flows provide information about operations and activities over a period of time. Together, these statements, along with the accompanying notes, provide a comprehensive way to assess the District's financial health as a whole.

The Statement of Net Position and Statement of Revenues, Expenses and Changes in Net position are reported under the accrual basis of accounting where all of the current year's revenues and expenses are taken into account regardless of when cash is received or payments are made. Full accrual statements are intended to provide a view of the District's financial position similar to that presented by most private-sector companies. These financial statements are prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB), which establishes standards for external financial reporting for public colleges and universities. The full scope of the District's activities is considered to be a single business-type activity and accordingly, is reported within a single column in the basic financial statements.

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Statement of Net Position

The Statement of Net Position provides information about the District's financial position, and presents the District's assets, liabilities, and net assets at year-end and includes all assets and liabilities of the District. A condensed comparison of the Statement of Net Position is as follows:

Condensed Statement of Net Position				
June 30, 2014				
Assets		FY 2014		FY 2013
Current Assets & LT Investments	\$	110,278,286	\$	97,311,713
Capital Assets	\$	187,114,725	\$	173,010,910
Total Assets	\$	297,393,011	\$	270,322,623
Liabilities				
Current Liabilities	\$	21,148,673	\$	20,612,268
Other Liabilities, non-current	\$	19,853,828	\$	18,941,261
Total Liabilities	\$	41,002,501	\$	39,553,529
Total Net Position	\$	256,390,510	\$	230,769,094
Total Liabilities & Net Position	\$	297,393,011	\$	270,322,623

Current assets consist primarily of cash, investments, various accounts receivables, bonds maturing in less than a year, and inventories.

Non-current assets are primarily comprised of capital assets and increased by approximately \$27M from FY 2013 to FY 2014. The majority of the increase is the result of the construction of the new Health Sciences and Student Resources Building for North Seattle College campus, the development of the new Maritime Academy for Seattle Central and the capitalization of Library materials that had been previously expensed.

The balance of non-current assets consists of the long-term portion of certain investments and student loans receivable.

Current liabilities include amounts payable to suppliers for goods and services, accrued payroll and related liabilities, the current portion of Certificate of Participation (COP) debt, deposits held for others and tuition that is paid in advance that is reported as unearned revenue. Current liabilities can fluctuate from year to year depending on the timeliness of vendor invoices and resulting vendor payments, especially in the area of capital assets and improvements. The increase of 2.6% in current liabilities from FY 2013 to FY 2014 is caused by the timing difference between the accrual and payment of invoices.

Non-current liabilities primarily consist of the value of vacation and sick leave earned but not yet used by employees and the long-term portion of Certificates of Participation debt. The increase in non-current liabilities of 4.8% is primarily attributed to the accrual of sick and vacation benefits that were earned during the year but will be paid at a future date.

Net position represents the value of the District's assets and deferred outflows after liabilities and deferred inflows are deducted. The District is required by accounting standards to report its net position in four categories:

Net Investment in Capital – The College's total investment in property, plant, equipment, and infrastructure net of accumulated depreciation and outstanding debt obligations related to those capital assets. Changes in these balances are discussed above.

Restricted:

Non Expendable – The District's balance in this area is \$54,276.

Expendable – resources the College is legally or contractually obligated to spend in accordance with restrictions placed by donor and/or external parties who have placed time or purpose restrictions on the use of the asset. The District has no applicable assets in this area.

Unrestricted – Includes all other assets not subject to externally imposed restrictions, but which may be designated or obligated for specific purposes by the Board of Trustees or management. Prudent balances are maintained for use as working capital, as a reserve against emergencies and for other purposes, in accordance with policies established by the Board of Trustees.

Condensed Statement of Net Position

June 30, 2014

	FY 2014	FY 2013
Net Investment in Capital Assets	\$ 177,355,120	\$ 162,685,910
Restricted for:		
Nonexpendable	\$ 54,246	\$ 122,060
Expendable	\$ -	\$ -
Student Loans	\$ 398,375	\$ 714,683
Unrestricted	\$ 78,582,739	\$ 67,246,441
Total Net Position	\$ 256,390,510	\$ 230,769,094
Total Liabilities and Net Position	297,393,011	270,322,623

Please see the Notes to the Financial Statements for additional information.

Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position accounts for the District's changes in total net position during FY 2014. The objective of the statement is to present the revenues received, both operating and non-operating, and the expenses paid by the District, along with any other revenue, expenses, gains and losses of the District.

Generally, operating revenues are earned by the District in exchange for providing goods and services. Tuition and grants and contracts are included in this category. In contrast, non-operating revenues include monies the college receives from another government without directly giving equal value to that government in return. Accounting standards require that the District categorize state operating appropriations and Pell Grants as non-operating revenues.

Operating expenses are expenses incurred in the normal operation of the District, including depreciation on property and equipment assets. When operating revenues, excluding state appropriations and Pell Grants, are measured against operating expenses, the District shows an operating loss of \$64.7M. The operating loss is reflective of the external funding necessary to keep tuition lower than the cost of the services provided.

A condensed statement of revenues, expense and changes in net position is presented below.

Condensed Statement of Revenues, Expenses and Changes in Net Position For the Year Ended June 30, 2014		
	FY 2014	FY 2013
Operating Revenues	109,487,803	109,607,433
Operating Expenses	174,158,738	167,935,515
Operating income (loss)	(64,670,935)	(58,328,085)
Non-Operating Revenues	79,888,700	73,412,064
Non-Operating Expenses	6,286,051	5,591,816
Income or (loss) before Capital Appropriations	8,931,716	9,492,165
Capital Appropriations	15,520,034	19,874,779
Increase (Decrease) in Net Position	24,451,750	29,366,944
Net Position		
Net position, beginning of year	230,769,094	201,402,150
Prior period Adjustment	1,169,666	
Net position, end of year	256,390,510	230,769,094

The Prior period adjustment of \$1,169,666 resulted from an un-recorded receivable from the State of Washington in fiscal year 1213.

Please see the Notes to the Financial Statements for additional information.

Revenues

The state of Washington appropriates funds to the community college system as a whole. The State Board for Community and Technical Colleges (SBCTC) then allocates monies to each college. Since 2009, the Legislature and SBCTC instituted increases in tuition rates to partially offset the reduction in state appropriations. For FY2014, the College attempted to keep other fees as stable as possible, resulting in only small changes in these revenues. Although enrollments was slightly down year over year, the District's tuition and fee revenue increased due primarily to a growing international student population. In addition, the District serves some students and offers some programs on a fee-only basis, as allowed by law.

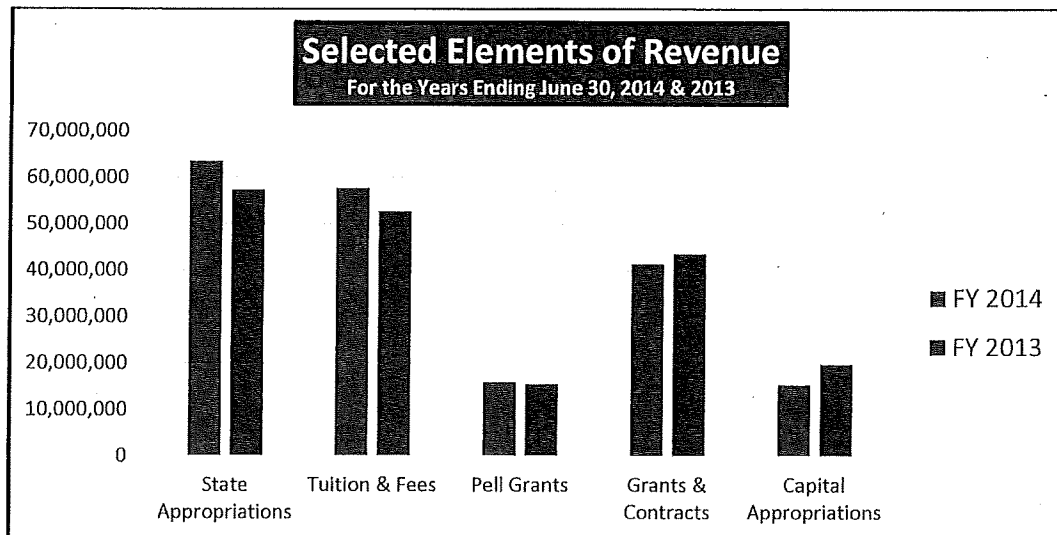
In FY 2014, Tuition & Fees increased while grant and contract annual revenues decreased when compared with FY 2013. This primary driver of these year over year changes was caused by a one-time reclassification of International Student tuition from contracts to regular tuition in the amount of \$3.5 million.

Auxiliary enterprise sales fell sharply year over year by \$2.7 million. The primary cause of the year over year decrease was a one-time sale of a boat from the Maritime program that yielded \$2.4 million in FY 2012-13.

Key grants for this FY include a focus on student success programs with key funding by the Bill and Melinda Gates Foundation, the Federal Department of Education, and others. Another key funding area is in grants from the Federal National Science Foundation for STEM (science, technology, engineering and math) programs.

The District receives capital spending authority on a biennial basis from the State and may carry unexpended amounts forward into one or two future biennia, depending on the original purpose of the funding. In accordance with accounting standards, the amount shown as capital appropriation revenue on the financial statement is the amount expended in the current year. Expenditures from capital project funds that do not meet accounting standards for capitalization are reported as operating expenses. Those expenditures that meet the capitalization standard are recorded as an asset on the Statement of Net Position and are allocated as depreciation expense over the expected useful lifetime of the asset.

Pell Grant Revenue increased marginally year over year from \$15.6 Million in FY 2012-13 to \$15.9 million in FY 2013-14. Investment income fell \$62K year over year as bonds purchased to replace maturing Bonds tended to have a lower interest rate than the ones that they were replacing. Capital appropriations fell by \$4.3 million as much of the initial expenditures for the new buildings at Seattle North College was during FY 2012-13. Please see the Notes to the Financial Statements for additional information.



Expenses

The District has continuously sought opportunities to identify savings and to implement operating efficiencies strategies in response to the lower budget allocations. Over time, the District decreased spending and services and was subject to various state spending freezes and employee salary reductions.

More recently, in FY 2013-14, salary and benefit costs increased as result of adding positions to focus specifically on student success initiatives, having to compete in the job market in order to replace retiring or exiting exempt employees, an increase in the number of Applied Bachelor's programs resulting in more full-time faculty positions, and other similar changes.

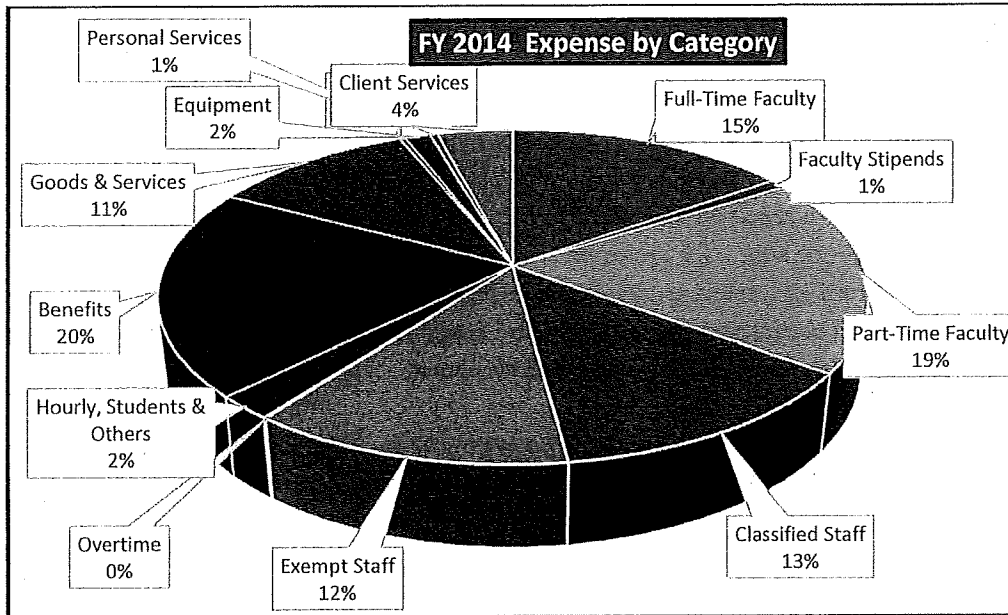
Total Operating Expenses for FY 1314 were \$174.2 million, an increase of \$6.2 million over the \$168.0 million reported in FY 1213. The primary drivers for the year over year increase in operating expenses were salaries, wages & benefits that increased \$6.5 million year over year.

Please see the Notes to the Financial Statements for additional information.

Comparison of Selected Operating Expenses by Function

The chart below shows the percentage of each functional area of operating expenses for FY 2013-14.

FY 2014 Expenses by Functional Type



Statement of Cash Flows

The Statement of Cash Flows gives a general picture of where the District obtains and spends its cash and cash equivalents. The statement gives detailed information about cash flows related to four different types of activities within the institution.

The first section shows cash received and spent on the operations of the District. Since tuition and fees and other operating revenue alone do not normally cover the operating costs of a public higher education institution, this section can be expected to show more cash used than provided.

The second section shows cash received and spent on non-capital financing activities of the District. Here the college reports cash from state appropriations and cash related to federally-funded Pell grants. This section also includes any activity that cannot be reported in one of the other sections.

The third section shows cash received and spent on capital and related financing activities. This includes state capital appropriations for major projects, minor works and repairs. It also includes cash proceeds, loan origination costs, interest and principal payments related to Certificates of Participation. Since colleges within the District periodically use local funds to supplement these sources, it is not unusual for this section to show more cash used than provided.

The fourth section shows cash received and spent on investing activities, including the purchase and sale of investment instruments, interest earnings and realized gains or losses from investments.

Next, the statement shows how the current year's change in cash combined with the prior year's cash balance results in the ending cash and cash equivalents balance shown on the District's Statement of Net Position. Finally, the statement includes a detailed reconciliation of operating activity only, between the operating loss shown as a subtotal on the Statement of Revenues, Expenses and Changes in Net Position and the net cash used by operating activities shown on the Cash Flow Statement.

A condensed statement of cash flows is presented below.

Condensed Statement of Cash Flows		
For the Years Ending June 30, 2014 & 2013		
	FY 2013-14	FY 2012-13
Operating Activities	(60,290,282)	(52,295,943)
Non-Capital Financing Activities	75,854,917	70,702,234
Capital Financing Activities	(7,439,433)	(5,610,356)
Adjustment Figures	0	(2,600)
Investing Activities	(4,630,997)	(5,599,502)
Net Change in Cash	3,494,207	7,193,832
Cash Beginning of Year	52,069,236	44,875,405
Cash and Cash Equivalents at end of the year	\$55,563,443	\$52,069,236

The College's cash and cash equivalents at June 30th increased by \$3,494,207 in FY 2013-14. Primary contributing factors include increases in tuition rates, along with corresponding effects on scholarship and Pell grant revenues, growth in international student programs, a state-mandated temporary reduction in amounts paid to employees, decreases in state appropriations, significant increases to capital spending as a result of a new major project for the Opportunity Center for Education and Employment Building on the North Seattle College campus. Please see the Notes to the Financial Statements for additional information.

Capital Assets and Long-Term Debt Activities

The community and technical college system submits a single prioritized request to the Office of Financial Management and the Legislature for appropriated capital funds, which includes major projects, minor projects, repairs, emergency funds, alternative financing and major leases. The primary funding source for college capital projects is state general obligation bonds. In recent years, declining state revenues significantly reduced the state's debt capacity and are expected to continue to impact the number of new projects that can be financed. In addition, North Seattle College has one of four community college projects that were funded through a Certificate of Participation (COP) against which system-wide building fee monies were pledged.

At June 30, 2014, the College had invested \$187,114,725 in capital assets, net of accumulated depreciation. Please see the Notes to the Financial Statements for additional information.

Asset Type	June 30, 2014	June 30, 2013
Land	\$7,508,379	\$7,508,379
Construction in Progress	\$62,214,439	\$42,976,063
Buildings Net	\$108,358,961	\$112,578,815
Other Improvements & Infrastructure (net)	\$242,435	\$5,856
Equipment (net)	\$8,052,635	\$9,344,363
Library Resources (net)	\$737,876	\$597,434
Total Capital Assets	\$187,114,725	\$173,010,910

The increase in net capital assets can be attributed to the construction of the Health Sciences and Student Resources Building on the North Seattle College campus.

At June 30, 2014, the College had \$9,795,000 in outstanding debt. The College carries two Certificates of Participation (COP) for the Opportunity Center for Education and Employment Building on the North Seattle College campus and the Seattle Central College building at 1515 Broadway.

	June 30, 2014
Certificates of Participation	\$9,795,000
Capital Leases	
Total	\$9,795,000

Please see the Notes to the Financial Statements for additional information.

Economic Factors That Will Affect the Future

The Seattle area has seen remarkable economic growth over the past few years. One of the results of this growing economy is a changing demographic of the citizens in the community. The economy of Seattle has attracted many people from outside the area to relocate in the city limits. A significant majority of these new residents arrive to the City having already attained a college degree and even additional post graduate degrees. This strong economic growth in Seattle along with the influx of new residents has also pushed the cost of housing, both in ownership and rent, beyond the means of many of our traditional market of community college students to afford. These macro-economic factors factor along with the influx of new residents with higher education credentials already achieved is resulting in a smaller pool of students to whom a two-year community college degree is both affordable and achievable.

Another factor affecting the future of Seattle Colleges is the State Board of Community & Technical Colleges (SBCTC) has proposed a new budget model for allocating funds to each college throughout the State for fiscal year 16-17 forward. Our initial assessment of this new budget allocation model from SBCTC is that the Seattle Colleges will be receiving several million dollars less in allocated funds from the State of Washington over the next 5 years than under the current budget allocation model. We have communicated with the State Board of Community & Technical Colleges that there does not appear to be a cost adjustment component for colleges in higher cost of living areas, such as Seattle, in determining how funds are allocated to each college throughout the State. We disagree with several concepts of the new allocation model from SBCTC that does not recognize that the structural cost of operating a college in what is presently the fastest growing urban area of the United States, will be significantly higher than the cost of operating a college in the outlying suburban and rural areas of Washington State.

Independent Auditor's Report on Financial Statements

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Seattle Colleges
July 1, 2012 through June 30, 2014

Board of Trustees
Seattle Colleges
Seattle, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of the Seattle Colleges, King County, Washington, as of and for the years ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the College's basic financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the financial statements of the Foundations for Seattle Community Colleges, the Seattle Central Community College Foundation, the North Seattle Community College Foundation, the North Seattle Community College Education Fund, and the South Seattle Community College Foundation, which represent 100 percent of the assets, net position and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundations for Seattle Community Colleges, the Seattle Central Community College Foundation, the North Seattle Community College Foundation, the North Seattle Community College Education Fund, and the South Seattle Community College Foundation, is based solely on the report of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Foundations for Seattle Community Colleges, the Seattle Central Community College Foundation, the North Seattle Community College Foundation, the North Seattle Community College Education Fund, and the South Seattle Community College Foundation, were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of

material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the College's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the aggregate discretely presented component units of the Seattle Colleges, as of June 30, 2014 and 2013, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Matters of Emphasis

As discussed in Note 1, the financial statements of the Seattle Colleges, an agency of the state of Washington, are intended to present the financial position, and the changes in financial position, and where applicable, cash flows of only the respective portion of the activities of the state of Washington that is attributable to the transactions of the College and its aggregate discretely presented component units. They do not purport to, and do not, present fairly the financial position of the state of Washington as of June 30, 2014 and 2013, the changes in its financial position, or where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

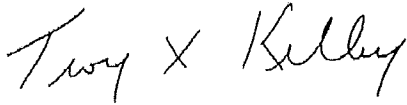
Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements as a whole. The individual College Campus Statement of Net Position and

"CLEAN" OPINION

Individual College Campus Statement of Revenues, Expenses, and Changes in Net Position are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2016 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.



TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

June 9, 2016

College Statement of Net Position

Seattle Colleges
Statement of Net Position
June 30, 2014 and 2013

AKA "BALANCE SHEET"

Assets

Current Assets

Cash and cash equivalents
Short-term investments
Accounts Receivable
Interest Receivable
Inventories

- BANK ACCOUNT

2014	2013
55,563,442	52,069,236
-	8,000,000
11,848,048	7,198,221
26,123	10,097
54,276	122,060

Total Current Assets

67,491,889	67,399,614
------------	------------

Non-Current Assets

Long-term investments
Student Loans Receivable
Non depreciable capital assets
Capital assets, net of depreciation

42,388,022	29,197,415
398,375	714,683
69,722,818	50,484,442
117,391,907	122,526,468

Total Non-Current Assets

229,901,122	202,923,009
-------------	-------------

Total Assets

297,393,011	270,322,623
-------------	-------------

Liabilities

Current Liabilities

Accounts Payable
Accrued Liabilities
Compensated absences
Deposits Payable
Unearned Revenue
Certificates of Participation Payable

2,514,046	2,051,640
5,084,565	4,626,602
2,066	2,016
591,486	601,794
12,411,510	12,800,215
545,000	530,000

Total Current Liabilities

21,148,673	20,612,268
------------	------------

Noncurrent Liabilities

Compensated Absences
Certificates of Participation Payable

10,603,828	9,146,261
9,250,000	9,795,000

Total Non-Current Liabilities

19,853,828	18,941,261
------------	------------

Total Liabilities

41,002,501	39,553,529
------------	------------

Net Position

Net Investment in Capital Assets

Restricted for:

Nonexpendable

Expendable

Student Loans

Unrestricted

Total Net Position

177,355,120	162,685,910
-------------	-------------

54,276	122,060
--------	---------

398,375	714,683
---------	---------

78,582,739	67,246,441
------------	------------

256,390,510	230,769,094
-------------	-------------

Total Liabilities and Net Position

297,393,011	270,322,623
-------------	-------------

See the accompanying notes which are an integral part of these financial statements.

College Statement of Revenues, Expenditures and Changes in Net Position

Seattle Colleges
Statement of Revenues, Expenses and Changes in Net Position
For the Years Ended June 30, 2014 and 2013

AKA
"INCOME STATEMENT"

Operating Revenues

Student tuition and fees, net
Auxiliary enterprise sales
State and local grants and contracts
Federal grants and contracts
Other operating revenues

Total Operating Revenue

2014	2013
57,745,382	52,709,472
8,851,145	11,520,066
33,870,091	33,511,079
7,554,604	10,115,332
1,466,581	1,751,484
<u>109,487,803</u>	<u>109,607,433</u>

Operating Expenses

Operating Expenses
Salaries and wages
Benefits
Scholarships and fellowships
Supplies and materials
Depreciation
Purchased services
Utilities

Total Operating Expenses

11,934,141	15,476,428
95,793,942	90,258,901
30,100,762	28,456,696
14,247,488	13,270,879
9,009,480	7,772,174
5,538,025	5,738,262
4,022,686	3,492,521
3,512,214	3,469,657
<u>174,158,738</u>	<u>167,935,518</u>

RECOGNIZED
WHEN INCURRED
NOT CASH
SPENT

BEFORE STATE &
AND PELL REV.

Operating Income (Loss)

(64,670,935)	(58,328,085)
--------------	--------------

Non-Operating Revenues

State appropriations
Federal Pell grant revenue
Investment income, gains and losses

Net Non-Operating Revenues

63,562,823	57,410,802
15,948,106	15,561,562
377,771	439,700
<u>79,888,700</u>	<u>73,412,064</u>

INCOMPLETE
PICTURE

Non-Operating Expenses

Interest on indebtedness
Building and Innovation fee

Net Non-Operating Expenses

389,506	402,103
5,896,545	5,189,713
<u>6,286,051</u>	<u>5,591,816</u>

Income or (loss) before capital appropriations

8,931,716	9,492,165
-----------	-----------

Capital Revenues

Capital appropriations

15,520,034	19,874,779
------------	------------

Increase (Decrease) In Net Position

<u>24,451,750</u>	29,366,944
-------------------	------------

Net Position

Net position, beginning of year
Prior Period Adjustment - Unrecorded Receivable from State of Washington
Net position, beginning as restated
Net position, end of year

230,769,094	201,402,150
1,169,666	-
<u>231,938,760</u>	-
<u>256,390,510</u>	<u>230,769,094</u>

See the accompanying notes which are an integral part of these financial statements.

INCLUDES
CAPITAL PROJECTS

College Statement of Cash Flows

Seattle Colleges
Statement of Cash Flows
For the Years Ended June 30, 2014 and 2013

- CASH METHOD

	2014	2013
Cash flow from operating activities		
Student tuition and fees	57,569,527	54,407,912
Grants and contracts	41,369,014	43,184,389
Payments to vendors	(24,319,814)	(27,502,795)
Payments for utilities	(3,349,107)	(3,509,500)
Payments to employees	(95,660,028)	(90,599,414)
Payments for benefits	(30,382,170)	(28,466,012)
Auxiliary enterprise sales	7,988,484	11,485,838
Payments for scholarships and fellowships	(14,247,488)	(13,270,879)
Loans issued to students and employees	316,308	-
Collection of loans to students and employees	-	559
Other receipts (payments)	424,992	1,973,959
Net cash used by operating activities	(60,290,282)	(52,295,943)
Cash flow from noncapital financing activities		
State appropriations	59,906,811	55,140,672
Pell grants	15,948,106	15,561,562
Net cash provided by noncapital financing activities	75,854,917	70,702,234
Cash flow from capital and related financing activities		
Capital appropriations	11,711,245	15,978,022
Purchases of capital assets	(18,231,172)	(20,641,149)
Principal paid on capital debt	(530,000)	(545,125)
Interest paid	(389,506)	(402,104)
Net cash used by capital and related financing activities	(7,439,433)	(5,610,356)
Cash flow from investing activities		
Purchase of investments	(5,008,768)	(26,268,796)
Proceeds from sales and maturities of investments	-	20,237,760
Income of investments	377,771	431,534
Net cash provided by investing activities	(4,630,997)	(5,599,502)
Increase in cash and cash equivalents	3,494,206	7,193,831
Cash and cash equivalents at the beginning of the year	52,069,236	44,875,405
Cash and cash equivalents at the end of the year	55,563,442	52,069,236
Reconciliation of Operating Loss to Net Cash used by Operating Activities		
Operating Loss	(64,670,935)	(58,328,085)
Adjustments to reconcile net loss to net cash used by operating activities		
Depreciation expense	5,538,025	5,738,262
Changes in assets and liabilities		
Receivables, net	(1,737,338)	(220,623)
Inventories	67,784	12,932
Other assets	565	426
Accounts payable	462,406	(772,850)
Accrued liabilities	457,963	(495,614)
Unearned revenue	(388,705)	1,664,863
Compensated absences	(326,046)	104,188
Deposits payable	(10,309)	-
Loans to students and employees	316,308	559
Net cash used by operating activities	(60,290,282)	(52,295,943)

See the accompanying notes which are an integral part of these financial statements.

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**Foundation Statements of Financial Position &
Statement of Activities and Changes
in Net Position**

FOUNDATION FOR THE SEATTLE COLLEGES

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2014 AND 2013

	<u>ASSETS</u>	
	2014	2013
Current assets		
Cash and cash equivalents	\$ 346,203	\$ 395,897
Contributions receivable	113,742	5,000
Prepaid expenses and other assets	717	246
Total current assets	460,662	401,143
Investments	158,098	150,801
Investments held for endowment	537,628	438,554
Endowment contributions receivable	-	50,000
TOTAL ASSETS	<u>\$ 1,156,388</u>	<u>\$ 1,040,498</u>

LIABILITIES AND NET ASSETS

Current liabilities		
Accounts payable	\$ 15,917	\$ 39,087
Total current liabilities	15,917	39,087
Net assets		
Unrestricted	496,419	498,444
Temporarily restricted	286,381	142,796
Permanently restricted	357,671	360,171
Total net assets	1,140,471	1,001,411
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,156,388</u>	<u>\$ 1,040,498</u>

FOUNDATION FOR THE SEATTLE COLLEGES

STATEMENTS OF ACTIVITIES AND NET ASSETS
FOR THE YEARS ENDED
JUNE 30, 2014 AND 2013

	2014				2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue								
Contributions	\$ 7,268	\$ 909,317	\$ -	\$ 916,585	\$ 63,122	\$ 1,229,489	\$ 52	\$ 1,292,663
Government grants	-	-	-	-	-	1,000	-	1,000
Interest	4,046	10,232	-	14,278	3,664	7,804	-	11,468
In-kind contributions	405,161	-	-	405,161	199,680	-	-	199,680
Total revenue	416,475	919,549	-	1,336,024	266,466	1,238,293	52	1,504,811
Net Assets released from restrictions	843,365	(840,865)	(2,500)	-	1,257,152	(1,257,152)	-	-
	1,259,840	78,684	(2,500)	1,336,024	1,523,618	(18,859)	52	1,504,811
Expenses								
Program services	1,050,631	-	-	1,050,631	1,350,126	-	-	1,350,126
Management and general	138,077	-	-	138,077	73,862	-	-	73,862
Fundraising	77,582	-	-	77,582	78,618	-	-	78,618
Total Expenses	1,266,290	-	-	1,266,290	1,502,606	-	-	1,502,606
Change in net assets before other income	(6,450)	78,684	(2,500)	69,734	21,012	(18,859)	52	2,205
Other income								
Reclassification	-	-	-	-	53,220	17,709	(70,929)	-
Realized gains (losses) on investment	-	17,451	-	17,451	-	10,532	-	10,532
Unrealized gains (losses) on investment	4,425	47,450	-	51,875	(4,036)	35,506	-	31,470
Total change in net assets	(2,025)	143,585	(2,500)	139,060	70,196	44,888	(70,877)	44,207
Net Assets, beginning of year	498,444	142,796	360,171	1,001,411	428,248	97,908	431,048	957,204
Net Assets, end of year	\$ 496,419	\$ 286,381	\$ 357,671	\$ 1,140,471	\$ 498,444	\$ 142,796	\$ 360,171	\$ 1,001,411

SEATTLE CENTRAL COMMUNITY COLLEGE FOUNDATION

STATEMENTS OF FINANCIAL POSITION

June 30, 2014 and 2013

ASSETS	2014	2013
Cash and Cash Equivalents	\$ 887,865	\$ 566,611
Receivables	35,351	47,014
Investments	8,974,523	8,237,837
Other Assets	3,600	
Total assets	<u>\$ 9,901,339</u>	<u>\$ 8,851,462</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 13,783	\$ 1,470
Due to the College	510,840	528,480
Total liabilities	524,623	529,950
Net Assets		
Unrestricted	440,335	272,330
Temporarily restricted	2,415,729	1,907,105
Permanently restricted	6,520,652	6,142,077
Total net assets	<u>9,376,716</u>	<u>8,321,512</u>
Total liabilities and net assets	<u>\$ 9,901,339</u>	<u>\$ 8,851,462</u>

SEATTLE CENTRAL COMMUNITY COLLEGE FOUNDATION

STATEMENTS OF ACTIVITIES

For the Years Ended June 30, 2014 and 2013

	2014				2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue								
Contributions	\$ 39,118	\$ 476,958	\$ 378,575	\$ 894,651	\$ 53,296	\$ 471,465	\$ 420,244	\$ 945,005
In-kind contributions	301,557	24,824		326,381	200,642	103,112		303,754
Special events revenue (including in-kinds of \$63,208 and \$33,807 in 2014 and 2013, respectively)	291,849			291,849	249,038			249,038
Special events direct costs (including in-kinds of \$63,208 and \$33,807 in 2014 and 2013, respectively)	(114,575)			(114,575)	(69,012)			(69,012)
Investment return, net	31,668	947,202		978,870	21,979	656,919		678,898
Total revenue	549,617	1,448,984	378,575	2,377,176	455,943	1,231,496	420,244	2,107,683
Net assets released due to satisfaction of restrictions	940,360	(940,360)			1,009,804	(1,009,804)		
	1,489,977	508,624	378,575	2,377,176	1,465,747	221,692	420,244	2,107,683
Expenses								
Scholarships, grants, and other program expenses	1,046,073			1,046,073	1,110,956			1,110,956
Fundraising	134,276			134,276	108,782			108,782
Management and general	141,623			141,623	119,512			119,512
Total expenses	1,321,972			1,321,972	1,339,250			1,339,250
Change in net assets	168,005	508,624	378,575	1,055,204	126,497	221,692	420,244	768,433
Net assets, beginning of year	272,330	1,907,105	6,142,077	8,321,512	145,833	1,685,413	5,721,833	7,553,079
Net assets, end of year	\$ 440,335	\$ 2,415,729	\$ 6,520,652	\$ 9,376,716	\$ 272,330	\$ 1,907,105	\$ 6,142,077	\$ 8,321,512

NORTH SEATTLE COLLEGE EDUCATION FUND
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2014 AND 2013

	2014	2013
ASSETS		
Cash and cash equivalents	\$ 36,609	\$ 10,333
Interest receivable	19,124	14,777
Prepaid expenses	1,263	1,198
Pledges receivable	51,661	91,731
SCD receivable	70,350	36,645
Investments, current	193,922	506,885
Total current assets	<u>372,929</u>	<u>661,569</u>
Investments, long-term	<u>8,365,853</u>	<u>6,887,012</u>
	<u>\$ 8,738,782</u>	<u>\$ 7,548,581</u>
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 4,530	\$ 13,236
Scholarships payable	54,331	43,857
College grants payable	79,645	36,372
Total current liabilities	<u>138,506</u>	<u>93,465</u>
 NET ASSETS		
Unrestricted		
Undesignated	770,567	653,608
Board designated	903,790	829,949
	<u>1,674,357</u>	<u>1,483,557</u>
Temporarily restricted	3,412,699	2,518,019
Permanently restricted	3,513,220	3,453,540
Total net assets	<u>8,600,276</u>	<u>7,455,116</u>
	<u>\$ 8,738,782</u>	<u>\$ 7,548,581</u>

NORTH SEATTLE COLLEGE EDUCATION FUND
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE				
Contributions	\$ -	\$ 477,027	\$ 59,680	\$ 536,707
In-kind donations	106,398	-	-	106,398
Special events	-	122,749	-	122,749
Investment return	542,234	747,991	-	1,290,225
	648,632	1,347,767	59,680	2,056,079
Net assets released from restriction				
Release from purpose restriction	453,087	(453,087)	-	-
	1,101,719	894,680	59,680	2,056,079
EXPENSES				
Program				
Grants	551,428	-	-	551,428
Scholarships	197,264	-	-	197,264
Other	57,203	-	-	57,203
	805,895	-	-	805,895
Management and general	52,847	-	-	52,847
Fundraising	52,177	-	-	52,177
	910,919	-	-	910,919
CHANGE IN NET ASSETS	190,800	894,680	59,680	1,145,160
NET ASSETS				
Beginning of the year	1,483,557	2,518,019	3,453,540	7,455,116
End of the year	<u>\$1,674,357</u>	<u>\$3,412,699</u>	<u>\$3,513,220</u>	<u>\$8,600,276</u>

NORTH SEATTLE COLLEGE EDUCATION FUND
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE				
Contributions	\$ 103,134	\$ 690,089	\$ 27,818	\$ 821,041
In-kind donations	216,200	-	-	216,200
Special events	-	133,116	-	133,116
Investment return	321,416	531,590	-	853,006
	640,750	1,354,795	27,818	2,023,363
Net assets released from restriction				
Release from purpose restriction	737,816	(737,816)	-	-
	1,378,566	616,979	27,818	2,023,363
EXPENSES				
Program				
Grants	644,731	-	-	644,731
Scholarships	148,272	-	-	148,272
Other	65,145	-	-	65,145
	858,148	-	-	858,148
Management and general	61,100	-	-	61,100
Fundraising	56,081	-	-	56,081
	975,329	-	-	975,329
CHANGE IN NET ASSETS	403,237	616,979	27,818	1,048,034
NET ASSETS				
Beginning of the year, unadjusted	953,602	2,027,758	3,425,722	6,407,082
Prior period adjustment	126,718	(126,718)	-	-
Beginning of the year, adjusted	1,080,320	1,901,040	3,425,722	6,407,082
End of the year	\$ 1,483,557	\$ 2,518,019	\$ 3,453,540	\$ 7,455,116

NORTH SEATTLE COMMUNITY COLLEGE FOUNDATION**Statements of Financial Position**
June 30, 2014 and 2013

<i>Assets</i>	<u>2014</u>	<u>2013</u>
Current Assets:		
Cash and cash equivalents	\$ 1,667,101	\$ 4,003,413
Cash held in trust accounts (Note 2)	702,664	887,643
Accounts receivable	37,404	22,229
Pledges receivable	117,089	132,531
Prepaid expenses	157,129	61,838
Total Current Assets	2,681,387	5,107,654
Investments (Note 4)	4,255,218	2,077,473
Fixed assets, net (Note 5)	75,696	34,626
Total Assets	\$ 7,012,301	\$ 7,219,753
Liabilities and Net Assets		
Current Liabilities:		
Amounts held in trust (Note 2)	\$ 702,664	\$ 887,643
Payable to trust accounts	8,203	8,519
Accounts payable	57,350	99,432
Accrued expenses	442,027	444,908
Deferred service fees payable (Note 6)		12,501
Total Current Liabilities	1,210,244	1,453,003
Unrestricted Net Assets (Note 8)	5,802,057	5,766,750
Total Liabilities and Net Assets	\$ 7,012,301	\$ 7,219,753

NORTH SEATTLE COMMUNITY COLLEGE FOUNDATION*Statements of Activities**For the Years Ended June 30, 2014 and 2013*

	<u>2014</u>	<u>2013</u>
Operating Revenues:		
Contributions	\$ 1,867,050	\$ 2,077,754
Interest income	16,776	37,143
Deferred service fees (Note 6)	12,501	50,004
Service fees	<u>1,943,135</u>	<u>2,457,244</u>
Total Operating Revenues	3,839,462	4,622,145
Operating Expenses:		
Program - credit counseling	3,322,601	3,813,987
Management and general	<u>429,406</u>	<u>446,095</u>
Total Operating Expenses	<u>3,752,007</u>	<u>4,260,082</u>
Total Operating (Loss) Income Before Other Income, Gains, and Losses	87,455	362,063
Other Income, Expenses, Gains and Losses:		
Program expense - grants (Note 7)	(250,000)	(250,000)
Return on investments (Note 4)	197,607	(5,932)
Gain on sale of fixed assets	<u>245</u>	<u>600</u>
Total Other Income, Expenses, Gains and Losses	<u>(52,148)</u>	<u>(255,332)</u>
Change in Net Assets	35,307	106,731
Net assets, beginning of year	<u>5,766,750</u>	<u>5,660,019</u>
Net Assets, End of Year	<u>\$ 5,802,057</u>	<u>\$ 5,766,750</u>

SOUTH SEATTLE COLLEGE FOUNDATION

STATEMENTS OF FINANCIAL POSITION

December 31, 2014 and 2013

ASSETS	2014	2013
Cash and cash equivalents	\$ 1,296,779	\$ 728,131
Investments	13,729,903	13,332,124
Promises to give, net of allowance for uncollectible amounts	1,388,128	427,395
Prepaid expenses and other assets	8,904	35,228
Total assets	<u>\$ 16,423,714</u>	<u>\$ 14,522,878</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 4,901	\$ 252,430
Fundraising event prepayments	8,435	32,785
Total liabilities	13,336	285,215
Net Assets		
Unrestricted		
Board-designated, endowments	5,032,590	4,840,152
Board-designated, programs	1,227	1,227
Undesignated	831,352	733,274
	5,865,169	5,574,653
Temporarily restricted	4,019,509	3,695,829
Permanently restricted	6,525,700	4,967,181
Total net assets	<u>16,410,378</u>	<u>14,237,663</u>
Total liabilities and net assets	<u>\$ 16,423,714</u>	<u>\$ 14,522,878</u>

SOUTH SEATTLE COLLEGE FOUNDATION
STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2014 and 2013

	2014				2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue								
Contributions	\$ 124,907	\$ 590,002	\$ 1,558,519	\$ 2,272,428	\$ 129,751	\$ 584,028	\$ 94,552	\$ 809,131
Interest and dividends	61,184	104,790		165,974	75,874	62,180		138,054
Net realized/unrealized gains on investments	253,844	284,047		537,891	875,358	1,217,610		2,092,968
Special events, net of direct expenses of \$28,247 and \$38,660 in 2014 and 2013, respectively	138,988	31,374		170,362	114,016	33,849		147,865
In-kind contributions	132,979	67,795		200,774	136,240	1,109,739		1,245,979
Other revenue	4,990			4,990	2,910			2,910
Total revenue	716,892	1,078,008	1,558,519	3,353,419	1,334,149	3,008,206	94,552	4,436,907
Net assets released due to satisfaction of restrictions	754,328	(754,328)			1,709,131	(1,709,131)		
	1,471,220	323,680	1,558,519	3,353,419	3,043,280	1,299,075	94,552	4,436,907
Expenses								
Scholarships and other program expenses	968,731			968,731	1,917,027			1,917,027
Fundraising	93,314			93,314	92,113			92,113
Management and general	118,659			118,659	74,053			74,053
Total expenses	1,180,704			1,180,704	2,083,193			2,083,193
Change in net assets	290,516	323,680	1,558,519	2,172,715	960,087	1,299,075	94,552	2,353,714
Net assets, beginning of year	5,574,653	3,695,829	4,967,181	14,237,663	4,614,566	2,396,754	4,872,629	11,883,949
Net assets, end of year	\$ 5,865,169	\$ 4,019,509	\$ 6,525,700	\$ 16,410,378	\$ 5,574,653	\$ 3,695,829	\$ 4,967,181	\$ 14,237,663

Notes to the Financial Statements

June 30, 2014

These notes form an integral part of these financial statements.

DETAILS

1. Summary of Significant Accounting Policies

Financial Reporting Entity

Seattle Colleges is a District of three comprehensive community colleges and one technical institute offering open-door academic programs, workforce education, basic skills, and community services. The Colleges confer applied baccalaureate, associates degrees, certificates and high school diplomas. It is governed by a five-member Board of Trustees appointed by the Governor and confirmed by the state Senate.

The Colleges are an agency of the State of Washington. The financial activity of the colleges is included in the State's Comprehensive Annual Financial Report.

The Foundation for the Seattle Colleges, The Seattle Central Community College Foundation, The North Seattle Community College Education Fund, The North Seattle Community College Foundation, and The South Seattle College Foundation are separate but affiliated non-profit entities, incorporated under Washington law and recognized as tax exempt 501(c) (3) charities. The Foundations' charitable purposes are to raise funds for student support. Because the majority of the Foundations' income and resources are restricted by donors and may only be used for the benefit of the colleges or the colleges' students, each Foundation is considered a discrete component unit based on the criteria contained in Governmental Accounting Standards Board (GASB) Statement Nos. 61, 39 and 14. A discrete component unit is an entity which is legally separate from the College, but has the potential to provide significant financial benefits to the College or whose relationship with the College is such that excluding it would cause the College's financial statements to be misleading or incomplete.

The Foundation financial statements are discretely presented in this report. Intra-entity transactions and balances between the College and the Foundation are not eliminated for financial statement presentation. A copy of the Foundation's complete financial statements may be obtained from the Foundations Administrative Offices at:

The Foundation for Seattle Community Colleges
Associate Vice Chancellor for Advancement
Executive Director
206.934.3227

Seattle Central Community College Foundation
Executive Director
206.934.5490

North Seattle College Foundation
Executive Director,
206.934.5661

South Seattle College Foundation
Associate Vice President of College Relations & Advancement
206.934.5141

Basis of Presentation

The college follows all GASB pronouncements. The financial statements have been prepared in accordance with GASB Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments* as amended by GASB Statement No. 35, *Basic Financial Statements and Management Discussion and Analysis for Public Colleges and Universities*. For financial reporting purposes, the College is considered a special-purpose government engaged only in Business Type Activities (BTA). In accordance with BTA reporting, the College presents a Management's Discussion and Analysis; a Statement of Net Position; a Statement of Revenues, Expenses and Changes in Net Position; a Statement of Cash Flows; and Notes to the Financial Statements. The format provides a comprehensive, entity-wide perspective of the college's assets, deferred inflows, liabilities, deferred outflows, net position, revenues, expenses, changes in net position and cash flows.

New Accounting Pronouncements

In April 2013, the GASB issued Statement No. 70, *Accounting and Financial Reporting for Non-exchange Financial Guarantees*, which improves recognition, measurement and disclosure guidance for state and local governments that have extended or received financial guarantees that are non-exchange transactions. The Colleges are not a party in any non-exchange financial guarantees.

Basis of Accounting

The financial statements of the Colleges have been prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when an obligation has been incurred, regardless of the timing of the cash flows.

Non-exchange transactions, in which the College receives (or gives) value without directly giving (or receiving) equal value in exchange includes state and federal appropriations, and certain grants and donations. Revenues are recognized, net of estimated uncollectible amounts, as soon as all eligibility requirements imposed by the provider have been met, if probable of collection.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

During the course of operations, numerous transactions occur between funds for goods provided and services rendered. For the financial statements, inter-fund receivables and payables have generally

been eliminated. However, revenues and expenses from the College's auxiliary enterprises are treated as though the College were dealing with private vendors. For all other funds, transactions that are reimbursements of expenses are recorded as reductions of expense.

Cash, Cash Equivalents and Investments

Cash and cash equivalents include cash on hand, bank demand deposits, and deposits with the Washington State Local Government Investment Pool (LGIP). Cash in the investment portfolio is not included in cash and cash equivalents as it is held for investing purposes. Cash and cash equivalents that are held with the intent to fund College operations are classified as current assets along with operating funds invested in the LGIP. The College records all cash, cash equivalent, and investments at amortized cost, which approximates fair value.

The College combines unrestricted cash operating funds from all departments into an internal investment pool. The internal investment pool is comprised of cash, cash equivalents, and U.S. Government Bonds.

Accounts Receivable

Accounts receivable consists of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, staff, and community members. This also includes amounts due from federal, state and local governments or private sources as allowed under the terms of grants and contracts. Accounts receivable are shown net of estimated uncollectible amounts.

Inventories

Inventories, consisting primarily of merchandise for resale in the college food and beverage services, cosmetology, and greenhouse course-related supplies, are valued at cost using the FIFO method of valuation.

Capital Assets

In accordance with state law, capital assets constructed with state funds are owned by the State of Washington. Property titles are shown accordingly. However, responsibility for managing the assets rests with the College. As a result, the assets are included in the financial statements because excluding them would have been misleading to the reader.

Land, buildings and equipment are recorded at cost, or if acquired by gift, at fair market value at the date of the gift. Capital additions, replacements and major renovations are capitalized. The value of assets constructed includes all material direct and indirect construction costs. Any interest costs incurred are capitalized during the period of construction. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred. In accordance with the state capitalization policy, only equipment with a unit cost of \$5,000 or greater is capitalized. Depreciation is computed using the straight line method over the estimated useful lives of the assets,

generally 15 to 50 years for buildings and components, 10 to 25 years for infrastructure and land improvements, 7 years for library resources and 5 to 7 years for equipment.

In accordance with GASB Statement 42, the college reviews assets for impairment whenever events or changes in circumstances have indicated that the carrying amount of its assets might not be recoverable. Impaired assets are reported at the lower of cost or fair value. At June 30, 2014, no assets had been written down.

Unearned Revenues

Unearned revenues occur when funds have been collected prior to the end of the fiscal year but related to the subsequent fiscal year. The College has recorded summer quarter tuition and fees, housing deposits and advanced grant proceeds as unearned revenues.

Tax Exemption

The College is a tax-exempt organization under the provisions of Section 115 (1) of the Internal Revenue Code and is exempt from federal income taxes on related income.

Net Position

The College's net position is classified as follows.

- *Net Investment in Capital Assets.* This represents the College's total investment in capital assets, net of outstanding debt obligations related to those capital assets.
- *Restricted for Nonexpendable.* This consists of endowment and similar type funds for which donors or other outside sources have stipulated as a condition of the gift instrument that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income which may either be expended or added to the principle.
- *Restricted for Loans.* The loan funds are established for the explicit purpose of providing student support as prescribed by statute or granting authority.
- *Restricted for Expendable.* These include resources the College is legally or contractually obligated to spend in accordance with restrictions imposed by third parties.
- *Unrestricted.* These represent resources derived from student tuition and fees, and sales and services of educational departments and auxiliary enterprises.

Classification of Revenues

The College has classified its revenues as either operating or non-operating revenues according to the following criteria:

Operating Revenues. This includes activities that have the characteristics of exchange transactions such as (1) student tuition and fees, net of waivers and scholarship discounts and allowances, (2) sales and services of auxiliary enterprises and (3) most federal, state and local grants and contracts.

Non-operating Revenues. This includes activities that have the characteristics of non-exchange transactions, such as gifts and contributions, state appropriations and investment income.

Scholarship Discounts and Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of Scholarship discounts and allowances in the Statements of Revenues, Expenses and Changes in Net Position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the College, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other Federal, State or non-governmental programs are recorded as either operating or non-operating revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the College has recorded a scholarship discount and allowance. Discounts and allowances for the year ending June 30, 2014 are \$28,727,821.

Table 1: Scholarship Allowances and Tuition Discounts by Campus			
Central	North	South	Total
\$ 13,040,914	\$ 7,349,582	\$ 8,337,324	\$ 28,727,821

State Appropriations

The state of Washington appropriates funds to the College on both an annual and biennial basis. These revenues are reported as non-operating revenues on the Statements of Revenues, Expenses, and Changes in Net Position, and recognized as such when the related expenses are incurred.

Operating Revenues/Expenses

Operating revenues consist of tuition and fees, grants and contracts, sales and service of educational activities and auxiliary enterprise revenues. Operating expenses include salaries, wages, fringe benefits, utilities, supplies and materials, purchased services, and depreciation. All other revenue and expenses of the College are reported as non-operating revenues and expenses including state general appropriations, Federal Pell grant revenues, investment income and interest expense.

2. Cash and Investments

Cash and cash equivalents include bank demand deposits, petty cash held at the College and unit shares in the Local Government Investment Pool (LGIP). The LGIP is comparable to a Rule 2a-7 money market fund recognized by the Securities and Exchange Commission (17 CFR 270.2a-7). Rule 2a-7 funds are limited to high quality obligations with limited maximum and average maturities, the effect of which is to minimize both the market and credit risk. The LGIP is an unrated investment pool.

As of June 30, 2014, the carrying amount of the College's cash and equivalents was \$55,563,442 as represented in the table below.

Table 2: Cash and Cash Equivalents	June 30, 2014
Petty Cash and Change Funds	\$27,445
Bank Demand and Time Deposits	\$4,983,486
Local Government Investment Pool	\$50,552,511
Total Cash and Cash Equivalents	\$55,563,442

Investments consist of investments in government bonds.

Table 3: Investment Maturities	Fair Value	One Year or Less	1 - 4 Years	6 - 10 Years	10 or More Years
Bonds	\$42,388,022	0	42,388,022		
Other					
Total Investments	\$42,388,022	0	42,388,022	0	0

Custodial Credit Risks—Deposits

Custodial credit risk for bank demand deposits is the risk that in the event of a bank failure, the College's deposits may not be returned to it. The majority of the College's demand deposits are with the Bank of America. All cash and equivalents, except for change funds and petty cash held by the College, are insured by the Federal Deposit Insurance Corporation (FDIC) or by collateral held by the Washington Public Deposit Protection Commission (PDPC).

Interest Rate Risk—Investments

The College manages its exposure to fair value losses resulting from changes in interest rates by structuring the entire portfolio time horizon. Unless matched to a specific cash flow, the college generally will not directly invest in securities maturing more than five years from the date of purchase.

Concentration of Credit Risk—Investments

State law limits College operating investments to the highest quality sectors of the domestic fixed income market and specifically excludes corporate stocks, corporate and foreign bonds, futures contracts, commodities, real estate, limited partnerships and negotiable certificates of deposit. College policy does not limit the amount the College may invest in any one issuer.

Custodial Credit Risk—Investments

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the College will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. At June 30, 2014, \$42,388,022 of the College's operating fund investments, held by Union Bank in the bank's name as agent for the College are exposed to custodial credit risk as follows.

Table 4: Investments Exposed to Custodial Risk	Fair Value
Bonds	\$ 42,388,022
	\$ -
Total Investments Exposed to Custodial Risk	\$ 42,388,022

Investment Expenses

Under implementation of GASB 35, investment income for the College is shown net of investment expenses. The investment expenses incurred for the fiscal year ended June 30, 2014 were \$1,875.

3. Accounts Receivable

Accounts receivable consists of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, staff, and community members. It also includes amounts due from federal, state and local governments or private sources in connection with reimbursements of allowable expenditures made according to sponsored agreements. At June 30, 2014, accounts receivable were as follows.

Table 5: Accounts Receivable	Amount
Student Tuition and Fees	\$ 819,085
Auxiliary Enterprises	\$ 1,925,044
Grants & Contracts	\$ 3,459,072
Due from State of Washington	\$ 2,749,081
Other	\$ 3,445,403
Subtotal	\$ 12,397,685
Less Allowance for Uncollectible Accounts	\$ (549,637)
Accounts Receivable, net	\$ 11,848,048

4. Loans Receivable

Loans receivable as of June 30, 2014 consisted primarily of student loans, as follows.

Table 6: Loans Receivable	Amount
Loans to Students	\$ 398,375
Other Loans Receivable	\$ -
Subtotal	\$ -
Less Allowance for Uncollectible Accounts	\$ -
Loans Receivable, net	\$ 398,375

5. Inventories

Inventories, stated at cost using the retail method, consisted of the following as of June 30, 2014. Included in consumable inventories are certain raw materials used in education programs that produce finished products that can be sold to the public.

Table 7: Inventories	Amount
Merchandise Inventories	\$ 54,276
	\$ -
Inventories	\$ 54,276

6. Capital Assets

A summary of the changes in capital assets for the year ended June 30, 2014 is presented as follows. The current year depreciation expense was \$5,538,025.

Table 8: Capital Assets	Beginning Balance	Additions/ Transfers	Retirements	Ending Balance
Nondepreciable capital assets				
Land	\$ 7,508,379			\$ 7,508,379
Construction in progress	42,976,063	19,238,376		62,214,439
Total nondepreciable capital assets	50,484,442	19,238,376		69,722,818
Depreciable capital assets				
Buildings	199,053,963	(129,295)	(397,828)	198,526,840
Other improvements and infrastructure	747,843	246,046		993,889
Equipment	30,486,200	1,345,342	(2,372,214)	29,459,328
Library resources	10,019,620	163,848		10,183,469
Subtotal depreciable capital assets	240,307,626	1,625,941	(2,770,042)	239,163,526
Less accumulated depreciation				
Buildings	86,475,147	3,946,458	(253,726)	90,167,879
Other improvements and infrastructure	741,987	9,467		751,454
Equipment	21,141,838	354,198	(89,343)	21,406,693
Library resources	9,422,186	23,406		9,445,593
Total accumulated depreciation	117,781,158	4,333,529	(343,069)	121,771,619
Total depreciable capital assets	122,526,468	(2,707,588)	(2,426,973)	117,391,907
Capital assets, net of accumulated depreciation	\$173,010,910	\$ 16,530,788	\$ (2,426,973)	\$187,114,725

7. Accounts Payable and Accrued Liabilities

At June 30, 2014, accrued liabilities are the following.

Table 9: Accounts Payable and Accrued Liabilities	Amount
Amounts Owed to Employees	\$ 2,751,336
Accounts and Short Term Loans Payable	\$ 5,985,827
Total	\$ 8,737,163

8. Unearned Revenue

Unearned revenue is comprised of receipts which have not yet met revenue recognition criteria, as follows:

Table 10: Unearned Revenue	Amount
Summer Quarter Tuition & Fees	\$ 5,580,755
Auxiliary Enterprises	\$ 1,893,826
Grants and Contracts	4,936,929
Total Unearned Revenue	\$ 12,411,510

9. Risk Management

The College, in accordance with state policy, pays unemployment claims on a pay-as-you-go basis. The college finances these costs by assessing all funds a monthly payroll expense for unemployment compensation for all employees. Payments made for claims from July 1, 2013 through June 30, 2014, were \$316,850. Cash reserves for unemployment compensation for all employees at June 30, 2014, were \$298,843.

The College purchases commercial property insurance through the master property program administered by the Department of Enterprise Services for buildings that were acquired with COP proceeds. The policy has a deductible of \$250,000 per occurrence and the policy limit is \$500,000,000 per occurrence. The college has had no claims in excess of the coverage amount within the past three years. The College assumes its potential property losses for most other buildings and contents.

The College participates in a State of Washington risk management self-insurance program, which covers its exposure to third party tort, general damage and vehicle claims. Premiums paid to the State are based on actuarially determined projections and include allowances for payments of both outstanding and current liabilities. Coverage is provided up to \$10,000,000 for each claim with no deductible. The college has had no claims in excess of the coverage amount within the past three years.

10. Compensated Absences

At termination of employment, employees may receive cash payments for all accumulated vacation and compensatory time. Employees who retire receive 25% of the value of their accumulated sick leave which they may receive as a cash payout or a credit to a Voluntary Employees' Beneficiary Association (VEBA) account. On a yearly basis employees who are eligible to retire are solicited to vote whether or not to participate in the VEBA program. The vote is conducted for each Employee Group (Faculty, Exempt, and Classified Employees). If the majority of the vote is yes and the employee officially retires then the 25% sick leave balance is credited to the VEBA account, which can be used for future medical expenses and insurance purposes. If the vote is no then a cash payment is made to the employee at the time of retirement. The amounts of unpaid vacation and compensatory time accumulated by College employees are accrued when incurred. The sick leave liability is recorded as an actuarial estimate of one-fourth the total balance on the payroll records. The accrued vacation leave totaled \$4,336,030 at June 30, 2014 and accrued sick leave totaled \$6,267,798 at June 30, 2014.

Accrued annual and sick leave are categorized as non-current liabilities. Compensatory time is categorized as a current liability since it must be used before other leave.

11. Leases Payable

The College has leases for classroom space, housing for international students, and office equipment with various vendors. These leases are classified as operating leases. As of June 30, 2014, the minimum lease payments under operating leases consist of the following.

Table 11 : Leases Payable

Fiscal Year	Operating Leases
2015	\$654,848
2016	\$138,662
2017	\$33,344
2018	\$13,438
2019	
2020-2024	
2025-2029	
2030-2034	
2035-2039	
2040-2044	
Total Minimum lease payments	\$840,292
Less Amount Representing Interest	
Net Present Value	\$840,292

12. Notes Payable

In June 2008, Seattle Central College obtained Financing in order to purchase the building at 1515 Broadway in Seattle through certificates of participation (COP), issued by the Washington Office of State Treasurer (OST) in the amount of \$2,801,381. The interest rate charged is 4.129%.

In June 2010, North Seattle College obtained financing in order to build The Opportunity Center for Employment and Education, AKA Employee Resource Center Building, through certificates of participation (COP), issued by the Washington Office of State Treasurer (OST) in the amount of \$9,375,000. The interest rate charged is 4.05%.

13. Annual Debt Service Requirements

Future debt service requirements at June 30, 2014 are as follows.

Table 12: Annual Debt Service Requirements

Certificates of Participation

Fiscal year	Principal	Interest	Total
2015	545,000	377,094	\$ 922,094
2016	560,000	360,144	\$ 920,144
2017	580,000	342,569	\$ 922,569
2018	595,000	324,049	\$ 919,049
2019	615,000	304,531	\$ 919,531
2020-2024	3,220,000	1,169,269	\$ 4,389,269
2025-2029	3,000,000	555,975	\$ 3,555,975
2030-2034	680,000	30,600	\$ 710,600
2035-2039	-		\$ -
2040-2044	-		
Total	9,795,000	3,464,230	13,259,230

14. Schedule of Long Term Liabilities

Table 13: Schedule of Long Term Debt

	Balance outs tanding 6/30/13	Additions	Reductions	Balance outs tanding 6/30/14	Current portion
Certificates of Participation	10,325,000		(530,000)	9,795,000	545,000
Compensated Absences	9,146,261	1,457,567		10,603,828	
Total	\$ 19,471,261	\$1,457,567	\$ (530,000)	\$ 20,398,828	\$ 545,000

15. Pension Plans

The College offers three contributory pension plans. The Washington State Public Employees Retirement System (PERS) and Teachers Retirement System (TRS) plans are cost sharing multiple employer defined benefit pension plans administered by the State of Washington Department of Retirement Services. The State Board Retirement Plan (SBRP) is a multiple employer defined contribution plan for the faculty and exempt administrative and professional staff of the state's public community and technical colleges. The plan includes supplemental payment, when required. The plan is administered by the State Board for Community and Technical Colleges (SBCTC).

For FY2013-14, the payroll for the College's employees was \$25,071,174 for PERS, \$952,631 for TRS, and \$56,093,378 for SBRP. Total covered payroll was \$95,901,242.

PERS and TRS

Plan Descriptions. PERS Plan 1 provides retirement and disability benefits and minimum benefit increases to eligible nonacademic plan members hired prior to October 1, 1977. PERS Plans 2 and 3 provide retirement and disability benefits and a cost-of-living adjustment to eligible nonacademic plan members hired on or after October 1, 1977. Retirement benefits are vested after five years of eligible service. PERS Plan 3 has a defined contribution component that members may elect to self-direct as established by the Employee Retirement Benefits Board. PERS 3 defined benefit plan benefits are vested after an employee completes five years of eligible service.

TRS Plan 3 provides retirement benefits to certain eligible faculty hired on or after October 1, 1977. The plan includes both a defined benefit portion and a defined contribution portion. The defined benefit portion is funded by employer contributions only. Benefits are vested after an employee completes five or ten years of eligible service, depending on the employee's age and service credit, and include an annual cost-of living adjustment. The defined contribution component is fully funded by employee contributions and investment performance.

The college also has 9 faculty members with pre-existing eligibility who continue to participate in TRS 1 or 2.

The authority to establish and amend benefit provisions resides with the legislature. PERS and TRS issue publicly available financial reports that include financial statements and required supplementary information. The report may be obtained by writing to the Department of Retirement Systems, PO Box 48380, Olympia, Washington 98504-8380 or online at <http://www.drs.wa.gov/administration>.

Funding Policy. Each biennium, the state Pension Funding Council adopts PERS and TRS Plan 1 employer contribution rates, Plan 2 employer and employee contribution rates, and Plan 3 employer contribution rates. Employee contribution rates for PERS and TRS Plans 1 are established by statute. PERS 3 employees may select among six contribution rate options, ranging from 5 to 15 percent.

The required contribution rates expressed as a percentage of current year covered payroll are shown in the table below. The College and the employees made 100% of required contributions.

Contribution Rates and Required Contributions. The College's contribution rates and required contributions for the above retirement plans for the years ending June 30, 2014, 2013 and 2012 are as follows.

Table 14: Retirement Contribution Rates

Contribution Rates at June 30

	FY2012		FY2013		FY2014	
	Employee	College	Employee	College	Employee	College
PERS						
Plan 1	6.00%	7.08%	6.00%	7.21%	6.00%	9.21%
Plan 2	4.64%	7.08%	4.64%	7.21%	4.92%	9.21%
Plan 3	5 - 15%	7.08%	5 - 15%	7.21%	5 - 15%	9.21%
TRS						
Plan 1	6.00%	8.04%	6.00%	8.05%	6.00%	10.39%
Plan 2	4.69%	8.04%	4.69%	8.05%	4.96%	10.39%
Plan 3	5-15%	8.04%	5-15%	8.05%	5-15%	10.39%

Table 15: Required Contributions

Required Contributions

	FY2012		FY2013		FY2014	
	Employee	College	Employee	College	Employee	College
PERS						
Plan 1	\$85,638	\$102,563	\$56,076	\$69,208	\$53,648	\$84,115
Plan 2	\$832,957	\$1,293,029	\$839,813	\$1,305,085	\$959,995	\$1,795,783
Plan 3	\$253,046	\$276,256	\$275,212	\$299,548	\$307,396	\$433,888
TRS						
Plan 1	\$15,495	\$19,774	\$11,026	\$14,790	\$11,215	\$18,606
Plan 2	\$4,164	\$7,142	\$4,911	\$8,428	\$803	\$1,379
Plan 3	\$24,089	\$23,836	\$37,853	\$39,514	\$56,976	\$74,899

State Board Retirement Plan

Plan Description. Faculty and exempt administrative and professional staff are eligible to participate in SBRP. The Teacher's Insurance and Annuity Association (TIAA) and the College Retirement Equities Fund (CREF) are the companion organizations through which individual retirement annuities are purchased. Employees have at all times a 100% vested interest in their accumulations.

TIAA-CREF benefits are payable upon termination at the member's option unless the participant is re-employed in another institution which participates in TIAA-CREF.

The Plan has a supplemental payment component that guarantees a minimum retirement benefit goal based upon a one-time calculation at each employee's retirement date. The SBCTC makes direct payments on behalf of the College to qualifying retirees when the retirement benefit provided by TIAA-CREF does not meet the benefit goal. Employees are eligible for a non-reduced supplemental payment after the age of 65 with ten years of full-time service.

The minimum retirement benefit goal is 2% of the average annual salary for each year of full-time service up to a maximum of 25 years. However, if the participant does not elect to make the 10% TIAA-CREF contribution after age 49, the benefit goal is 1.5% for each year of full-time service for those years the lower contribution rate is selected.

The State Board for Community and Technical Colleges is authorized to amend benefit provisions under RCW 28B.10.400. In 2011, the plan was amended to eliminate the supplemental benefit provisions for all employees hired after June 30, 2011.

Contributions. Contribution rates for the SBRP (TIAA-CREF), which are based upon age, are 5%, 7.5% or 10% of salary and are matched by the College. Employee and employer contributions for the year ended June 30, 2014 were \$9,839,606.

The SBRP supplemental pension benefits are unfunded. For the year ended June 30, 2014, supplemental benefits were paid by the SBCTC on behalf of the College in the amount of \$36,753. In 2012, legislation (RCW 28B.10.423) was passed requiring colleges to pay into a Supplemental Benefit Fund managed by the State Investment Board, for the purpose of funding future benefit obligations. During FY 2014, the College paid into this fund at a rate of 0.50% of covered salaries, totaling \$278,157. The SBCTC accounted for \$5,008,355 of fund balance as of June 30, 2014.

The unfunded actuarial accrued liability (UAAL) calculated at July 1, 2013 was \$69,213,000 under the plan's entry age normal method and is amortized over an 11 year period. The actuarial assumptions include an investment rate of return of between 4.25% and 7.25% with projected salary increases of 3.0%. The annual required contribution (ARC) is \$11,041,000. The Net Pension Obligation (NPO) is the cumulative excess of the ARC over actual benefit payments and reported as a liability by the SBCTC.

Washington State Deferred Compensation Program

The College, through the state of Washington, offers its employees a deferred compensation plan created under Internal Revenue Code Section 457. The plan, available to all State employees, permits individuals to defer a portion of their salary until future years. The state of Washington administers the plan on behalf of the College's employees. The deferred compensation is not available to employees until termination, retirement or unforeseeable financial emergency and the College does not have access to the funds.

Other Post-Employment Benefits

Health care and life insurance programs for employees of the state of Washington are administered by the Washington State Health Care Authority (HCA). The HCA calculates the premium amounts each year that are sufficient to fund the statewide health and life insurance programs on a pay-as-you-go basis. These costs are passed through to individual state agencies based upon active employee

headcount; the agencies pay the premiums for active employees to the HCA. The agencies may also charge employees for certain higher cost options elected by the employee.

State of Washington retirees may elect coverage through state health and life insurance plans, for which they pay less than the full cost of the benefits, based on their age and other demographic factors. The health care premiums for active employees, which are paid by the agency during the employees' working careers, subsidize the "underpayments" of retirees. An additional factor in the Other Post-Employment Benefits (OPEB) obligation is a payment that is required by the State Legislature to reduce the premiums for retirees covered by Medicare (an "explicit" subsidy). This explicit subsidy is also passed through to state agencies via active employee rates charged to the agency. There is no formal state or College plan that underlies the subsidy of retiree health and life insurance.

The actuary allocated the statewide disclosure information to the community and technical college system level. The SBCTC further allocated these amounts among the colleges. The College's share of the GASB 45 actuarially accrued liability (AAL) is \$40,362,768, with an annual required contribution (ARC) of \$3,943,464. The ARC represents the amortization of the liability for fiscal year 2014 plus the current expense for active employees, which is reduced by the current contributions of approximately \$741,978. The College's net OPEB obligation (NOO) at June 30, 2014 was approximately \$3,201,486. This amount is not included in the College's financial statements.

The College paid \$15,068,631 for healthcare expenses in 2014, which included its pay-as-you-go portion of the OPEB liability.

16. Operating Expenses by Program

In the Statement of Revenues, Expenses and Changes in Net Position, operating expenses are displayed by natural classifications, such as salaries, benefits, and supplies. The table below summarizes operating expenses by program or function such as instruction, research, and academic support. The following table lists operating expenses by program for the year ending June 30, 2014.

Table 16: Expenses by Functional Classification	
Instruction	\$ 89,157,170
Academic Support Services	12,439,307
Student Services	16,710,865
Institutional Support	18,916,855
Operations and Maintenance of Plant	11,240,545
Scholarships and Other Student Financial Aid	27,282,602
Student Financial Aid: Allowances and Discounts	(28,727,821)
Auxiliary enterprises	21,601,189
Depreciation	5,538,025
Total operating expenses	\$ 174,158,738

17. Commitments and Contingencies

Additionally, the College is engaged in various legal actions in the ordinary course of business. Management does not believe the ultimate outcome of these actions will have a material adverse effect on the financial statement.

The College has commitments of \$9,522,280 for various capital improvement projects that include construction and completion of new buildings and renovations of existing buildings.

There is a class action lawsuit, *Moore v. HCA*, filed against the State of Washington on behalf of former part-time and non-permanent employees alleging improper denial of healthcare benefits. Although the College has not been named as a defendant in the lawsuit, some of the class members are current or former employees of the College. Potentially, the state could assess the College with a material share of any amount paid in the event of a settlement or judgment. As of the end of fiscal year 2015 (or 2014), the parties have reached a settlement agreement with the plaintiffs to settle all matters relating to this and related lawsuits. Final settlement is contingent on a) funding of the settlement by the legislature and b) final approval by the trial court if funding is provided. As such, the amount of loss cannot be reasonably estimated at this time.

18. Subsequent Events

On March 29th 2016, the legislature passed the supplemental budget which included an appropriation to fund the settlement for the *Moore v. HCA* lawsuit. SBCTC's portion of this obligation is \$32 million of which \$19 million is funded by the legislature and the remaining \$13 million will be allocated among 34 colleges in the system. At this time, Seattle Colleges' potential share of this lawsuit has not been determined.

19. Net Position Restatement

As of June 30, 2013, net position as previously reported in fiscal year 1213 was restated as follows: A receivable from the state of Washington for state funds due to the college for reimbursement of expenses was not recorded in fiscal year 1213.

	Amount
June 30, 2013 Net Position as Previously Reported	230,769,094
Addition of Receivable due from the State of Washington	1,169,666
June 30, 2013 Net Position as Restated	<u>231,938,760</u>

20. Building & Innovation Fee

Beginning in fiscal year 1314, the Building & Innovation fee will be reported as its own line item on the Statement of Revenues, Expenses & Changes in Net Position. Since the 1314 financial statements are presented in a comparative format with the 1213 financial statements, we have restated two items on the Statement of Revenues, Expenses and changes in Net Position for fiscal year 1213. We have separated out the \$5,189,713 for the Building & Innovation fee that was reported as a reduction of Student Tuition & Fees in 1213. The impact of this change resulted in a restatement of Beginning Net Position from \$196,212,439 to \$201,402,150 and a restatement of Building & Innovation fee from \$0 to \$5,189,713 for 1213 as reported on the 1314 statements.

21. Segment Information

For financial reporting purposes, the balances in the Siegal Center assets, liabilities and fund balance (net position) were allocated to the three colleges on a percentage of total assets basis.

Individual College Campus Statement of Net Position

Seattle Colleges
Statement of Net Position
June 30, 2014

Assets

Current assets	Central/SVI	North	South	Total
Cash and cash equivalents	27,412,353	17,889,846	10,261,243	55,563,442
Accounts Receivable	4,982,838	3,184,510	3,680,700	11,848,048
Interest Receivable	10,709	8,623	6,791	26,123
Inventories	9,998	9,047	35,231	54,276
Total current assets	32,415,898	21,092,026	13,983,965	67,491,889
Non-Current Assets				
Long-term investments	23,259,297	11,885,635	7,243,090	42,388,022
Student Loans Receivable	-	398,375	-	398,375
Capital assets, net of depreciation	72,467,722	68,641,309	46,005,694	187,114,725
Total non-current assets	95,727,019	80,925,319	53,248,784	229,901,122
Total assets	128,142,918	102,017,345	67,232,748	297,393,011

Liabilities

Current Liabilities				
Accounts Payable	740,018	470,795	1,303,233	2,514,046
Accrued Liabilities	2,048,690	1,573,834	1,462,041	5,084,565
Compensated absences	847	682	537	2,066
Deposits Payable	165,203	24,211	402,072	591,486
Unearned Revenue	6,473,581	4,032,326	1,905,603	12,411,510
Certificates of Participation Payable	150,000	395,000	-	545,000
Total current liabilities	9,578,340	6,496,847	5,073,486	21,148,673
Noncurrent Liabilities				
Compensated Absences	4,508,989	3,441,070	2,653,769	10,603,828
Long-term liabilities	1,405,000	7,845,000	-	9,250,000
Total non-current liabilities	5,913,989	11,286,070	2,653,769	19,853,828
Total liabilities	15,492,329	17,782,917	7,727,255	41,002,501

Net Position

Net Investment in Capital Assets	72,681,469	51,629,367	53,044,284	177,355,120
Restricted for:				
Nonexpendable	9,998	9,047	35,231	54,276
Expendable				
Student Loans	-	398,375	-	398,375
Unrestricted	39,959,123	32,197,639	6,425,977	78,582,739
Total Net Position	112,650,590	84,234,428	59,505,492	256,390,510
Total Liabilities and Net Position	128,142,919	102,017,345	67,232,747	297,393,011

Seattle Colleges
Statement of Net Position
June 30, 2013

Assets

Current assets	Central/SVI	North	South	Total
Cash and cash equivalents	22,668,348	20,790,245	8,610,643	52,069,236
Short-term investments	3,634,527	2,176,690	2,188,782	8,000,000
Accounts Receivable	2,272,273	2,149,765	2,775,618	7,197,656
Interest Receivable	4,587	2,747	2,763	10,097
Inventories	28,941	12,238	80,880	122,060
Prepaid Expenses	257	154	155	565
Total current assets	28,608,933	25,131,840	13,658,841	67,399,614
Non-Current Assets				
Long-term investments	13,264,850	7,944,216	7,988,349	29,197,415
Student Loans Receivable	326,342	388,341	-	714,683
Capital assets, net of depreciation	75,721,991	52,740,859	44,548,060	173,010,910
Total non-current assets	89,313,184	61,073,416	52,536,409	202,923,009
Total assets	117,922,117	86,205,256	66,195,250	270,322,623

Liabilities

Current Liabilities				
Accounts Payable	837,007	396,258	818,374	2,051,640
Accrued Liabilities	1,556,120	1,905,306	1,165,176	4,626,602
Compensated absences	916	549	552	2,016
Deposits Payable	162,957	37,340	401,497	601,794
Unearned Revenue	6,465,078	4,298,184	2,036,954	12,800,216
Leases and Certificates of Participation	145,000	385,000	-	530,000
Total current liabilities	9,167,078	7,022,637	4,422,552	20,612,268
Noncurrent Liabilities				
Compensated Absences	4,360,943	2,443,683	2,341,635	9,146,261
Long-term liabilities	1,555,000	8,240,000	-	9,795,000
Total non-current liabilities	5,915,943	10,683,683	2,341,635	18,941,261
Total liabilities	15,083,021	17,706,321	6,764,187	39,553,529
Net Investments in Capital Assets	73,936,727	44,270,179	44,479,004	162,685,910
Restricted for:				
Nonexpendable	28,941	12,238	80,880	122,060
Expendable	-	-	-	-
Student Loans	326,343	388,341	-	714,683
Unrestricted	28,547,085	23,828,177	14,871,178	67,246,441
Total Net Position	102,839,096	68,498,935	59,431,062	230,769,094
Total Liabilities and Net Position	117,922,117	86,205,256	66,195,250	270,322,623

Individual College Campus Statement of Revenues, Expenses and Changes in Net Position

Seattle Colleges
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2014

Operating Revenues	Central/SVI	North	South	Total
Student tuition and fees, net	29,899,538	17,331,172	10,514,672	57,745,382
Auxiliary enterprise sales	3,760,322	3,205,396	1,885,427	8,851,145
State and local grants and contracts	12,477,073	10,723,006	10,670,012	33,870,091
Federal grants and contracts	1,935,283	2,106,118	3,513,203	7,554,604
Other operating revenues	660,474	128,927	677,180	1,466,581
Total Operating Revenue	48,732,689	33,494,619	27,260,495	109,487,803
Operating Expenses				
Operating Expenses	5,352,086	2,763,947	3,818,107	11,934,141
Salaries and wages	40,696,593	27,545,787	27,551,562	95,793,942
Benefits	13,039,121	8,590,103	8,471,538	30,100,762
Scholarships and fellowships	6,724,034	2,382,954	5,140,500	14,247,488
Supplies and materials	3,836,401	2,398,774	2,774,305	9,009,480
Depreciation	2,206,727	1,599,265	1,732,033	5,538,025
Purchased services	1,863,570	1,341,050	818,066	4,022,686
Utilities	1,593,118	886,283	1,032,813	3,512,214
Total Operating Expenses	75,311,650	47,508,165	51,338,924	174,158,738
Operating Income (Loss)	(26,578,960)	(14,013,546)	(24,078,429)	(64,670,935)
Non-Operating Revenues				
State appropriations	27,958,995	16,624,266	18,979,562	63,562,823
Federal Pell grant revenue	8,847,079	3,461,344	3,639,683	15,948,106
Investment income, gains and losses	154,648	128,339	94,784	377,771
Net Non-Operating Revenues	36,960,722	20,213,949	22,714,029	79,888,700
Non-Operating Expenses				
Interest on indebtedness	65,320	324,186	-	389,506
Building and innovation fee	3,066,204	1,768,963	1,061,378	5,896,545
Net Non-Operating Expenses	3,131,524	2,093,149	1,061,378	6,286,051
Income or (loss) before other revenues, expenses, gains, or losses	7,250,239	4,107,255	(2,425,778)	8,931,716
Capital Revenues				
Capital appropriations	2,082,150	11,242,347	2,195,537	15,520,034
Increase (Decrease) In Net Position	9,332,389	15,349,602	(230,241)	24,451,750
Net Position				
Net position, beginning of year	102,838,638	68,498,836	59,431,620	230,769,094
Prior Period Adjustment - Unrecorded Receivable from State of Washington	479,563	385,990	304,113	1,169,666
Net position, end of year	112,650,590	84,234,428	59,505,492	256,390,510

Seattle Colleges
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2013

Operating Revenues	Central/SVI	North	South	Total
Student tuition and fees, net	29,774,586	16,644,517	6,290,370	52,709,472
Auxiliary enterprise sales, net	6,562,961	3,866,368	1,090,736	11,520,065
State and local grants and contracts	13,210,534	9,876,959	10,423,587	33,511,079
Federal grants and contracts	2,362,484	2,309,976	5,442,872	10,115,332
Other operating revenues	499,826	250,433	1,001,225	1,751,484
Total operating revenue	52,410,391	32,948,252	24,248,790	109,607,433
Operating Expenses				
Operating Expenses	8,605,934	2,869,759	4,000,736	15,476,428
Salaries and wages	39,135,239	25,693,229	25,430,433	90,258,901
Benefits	12,628,740	7,879,528	7,948,428	28,456,696
Scholarships and fellowships	8,775,541	3,637,767	857,571	13,270,879
Supplies and materials	2,950,358	2,249,165	2,572,651	7,772,174
Depreciation	2,056,356	1,958,045	1,723,861	5,738,262
Purchased services	1,541,341	1,583,920	367,260	3,492,521
Utilities	1,637,872	868,787	962,999	3,469,658
Total operating expenses	77,331,381	46,740,200	43,863,938	167,935,519
Operating income (loss)	(24,920,990)	(13,791,948)	(19,615,148)	(58,328,086)
Non-Operating Revenues				
State appropriations	25,712,778	14,522,640	17,175,384	57,410,802
Federal Pell grant revenue	8,691,243	3,520,823	3,349,496	15,561,562
Investment income, gains and losses	192,824	171,665	75,212	439,701
Net non-operating revenues	34,596,845	18,215,128	20,600,092	73,412,065
Non-Operating Expenses				
Interest on indebtedness	69,832	332,271	-	402,103
Building and innovation fee	2,491,062	1,556,914	1,141,737	5,189,713
Net non-operating expenses	2,560,894	1,889,185	1,141,737	5,591,816
Income or (loss) before other revenues, expen	7,114,961	2,533,996	(156,792)	9,492,165
Capital appropriations	6,185,223	10,878,144	2,811,412	19,874,779
Increase (Decrease) in net position	13,300,184	13,412,140	2,654,620	29,366,944
Net Position				
Net position, beginning of year	89,538,454	55,086,696	56,777,000	201,402,150
Net position, end of year	102,838,638	68,498,836	59,431,620	230,769,094



**SEATTLE
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MEMORANDUM

TO: Board of Trustees

FROM: Dr. Kurt Buttleman
Acting Chancellor

DATE: July 14, 2016

SUBJECT: Naming South Seattle College's Classroom C222/C223 at Georgetown

Background

On June 14, 2016, President Gary Oertli submitted a request to name classroom C222/C223 at the Georgetown Campus of South Seattle College in honor of Jerry Hermanson and the Hermanson Corporation as the "*Hermanson Sustainable Building Science Technology Center*." President Oertli supported this request with letters from college program staff and community members. The proposal was unanimously endorsed by South's President's Cabinet on June 14, 2016.

I strongly support this naming request. Jerry Hermanson recently made a generous commitment to the South Seattle College Foundation to create an endowment to support the Sustainable Building Science Technology bachelor's degree program, which included a recommendation for naming opportunity. Jerry has also previously served as a member of the South Seattle College Foundation Board of Director and is currently a member of the President's Advisory Council.

All correspondence related to this request is attached for your review. It outlines the basis for conferring this distinction to Jerry Hermanson and the Hermanson Corporation. This has my full endorsement, and thus, I am submitting this recommendation for your action.

Recommendation

In accordance with established Board Policy 252, it is recommended that South Seattle College's classroom C222/C223 be named the "*Hermanson Sustainable Building Science Technology Center*."

Submitted by,



Gary L. Oertli
President

Transmitted to the Board with a favorable recommendation.



Dr. Kurt Buttleman
Acting Chancellor

June 14, 2016

Jill Wakefield
Seattle Colleges
1500 Harvard Avenue
Seattle, WA 98122-3803

Dear Chancellor Wakefield:

The South Seattle College President's Cabinet would like to propose the naming the Room C222/C223 at the Georgetown Campus in honor of a generous supporter of South and education, Jerry Hermanson and the Hermanson Corporation, as follows: the "*Hermanson Sustainable Building Science Technology Center*."

It is my understanding per the current Board Policy 252, "Decisions to name buildings, facilities or rooms permanently shall require three months to elapse between the first written request to the Chancellor and the time when further action shall be taken on such proposal by the Board of Trustees." The South Seattle College President's Cabinet endorsed this proposal on June 14, 2016.

Jerry Hermanson recently made a generous commitment to the South Seattle College Foundation to create an endowment to support the Sustainable Building Science Technology bachelor's degree program, which included a recommendation for naming opportunity. Jerry has also previously served as a member of the South Seattle College Foundation Board of Director and is currently a member of the President's Advisory Council.

I have received letters from the college program staff and faculty leadership and the South Foundation Board of Directors in support of naming this classroom in honor of Jerry Hermanson and the Hermanson Corporation, and this proposal was unanimously approved by the President's Cabinet. It is also consistent with previous naming opportunities at South Seattle College. I hope that the Board of Trustees will join me in endorsing this highly deserved recognition of one of our partners.

Sincerely,



Gary Oertli
President

cc: Elizabeth Pluhta, Associate Vice President of Advancement



June 9, 2016

Gary Oertli
President
South Seattle College
6000 16th Avenue SW
Seattle, WA 98106

Dear Mr. Oertli:

On behalf of the South Seattle College Foundation Board of Directors, it gives me great pleasure to write this letter supporting that Room C222/C223 at the Georgetown Campus be named the *Hermanson Sustainable Building Science Technology Center*.

Jerry Hermanson has supported South Seattle College for many years, and a few examples are below:

- Recent generous gift to South Seattle College Foundation to establish the Hermanson Sustainable Building Science Technology Endowment.
- Generous gift to the South Seattle College Foundation to establish the Jerry & Linda Hermanson Endowed Scholarship, which has support students with scholarships for more than 20 years.
- Past service as a member of the South Seattle College Foundation Board of Directors.
- Current member of the President's Advisory Council.

The generosity and commitment of donors like Jerry Hermanson makes a difference to our students and our community; and we want to recognize these significant contributions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Catherine Irby Arnold'.

Catherine Irby Arnold
Chair

June 13, 2016

Gary Oertli
President
South Seattle College
6000 16th Avenue SW
Seattle, WA 98106

Dear President Oertli:

We are writing in support of formally naming the classroom C222/223 at the Georgetown Campus – the *Hermanson Sustainable Building Science Technology Center*.

Our Sustainable Building Science Technology (SBST) bachelors of applied science degree teaches students how to work in the new "smart" buildings that are becoming the skyline of the 21st Century Seattle. Courses include (among others) Building Science, Building Components, Building and Energy Codes for the State of Washington, Facility Management, Financing Energy Efficiency, Energy Policy, Lighting, Utility Rates and Regulations, and Energy Analysis and Auditing, as well as general education and communication courses, statistics and a final capstone project. The program is a hybrid, with 80% online and 20% conducted in Saturday meetings at the Georgetown campus.

Graduates from our bachelor's degree are finding jobs managing high performance buildings at Amazon, Fred Hutch, and for other companies. And, courses, internships and work experience practicum are designed to bring both practical knowledge and industry experience to the student's resume.

As you can see, this program relies on strong partnerships with industry. We are delighted that industry partners, like Jerry Hermanson and the Hermanson Company, choose to support South Seattle College.

Hermanson is taking a bold step in supporting the development of new leaders in this field with their generous support. This will allow South's program to remain on the cutting edge, by conducting student led research, providing scholarships, and supporting faculty publications. It will also allow our students access new high tech facilities for observation and internships.

Finally, naming the classroom recognized the programs essential connection to industry and will help students recognize from "day one" the career potential that exists from completion of this BAS.

Sincerely,



Holly Moore, Ed.D.
Executive Dean of Georgetown Campus



Victoria Hardy, CFM ASHRAE Associate
Lead Faculty – SBST BAS Degree

cc: Elizabeth Pluhta, Associate Vice President of Advancement

MEMORANDUM

TO: Board of Trustees

FROM: Mary Ellen O'Keeffe, *Interim Vice Chancellor*

DATE: July 14, 2016

SUBJECT: Vice Chancellor's Report – Information Only

District-wide Placement Taskforce Meeting

I convened a group of English, math and basic skills deans and faculty, registrars, and testing directors from across the colleges to discuss adopting district-wide placement procedures and practices using multiple measures. The group will meet again on July 19, 2016 and will additionally include deans and faculty from International Programs.

League for Innovation, Learning Summit

Five of us attended the Learning Summit in Arizona, June 13-15, 2016. Those who attended along with me were, Victor Kuo, Abby Muro, Bill Spence, and Jesse Knappenberger. Our presentation was titled "Strengthening an Organization's Culture by Focusing on Advising and Technology." The three advising directors shared the planning that is happening at their colleges related to our Integrated Planning & Advising for Student Success (IPASS) grant work that includes using technology to restructure advising.

Seattle Public Schools Articulation Council

The Seattle Public Schools and Seattle Colleges Articulation Council convened on June 21, 2016. We hope to have the Articulation Agreement signed soon. College in the High School and K-12 pathways to community colleges were topics of discussion. The Seattle Colleges will host the next meeting at the end of August.

Special IPASS Convening

Along with Victor Kuo, Alice Melling, and Rosie Rimando, I attended a special IPASS convening at the Gates Foundation, June 27-19, 2016. Five of our students participated in the section called Designing the Student-Facing Tools. During this time we were able to meet with our Achieving the Dream coach, Bruce McComb who provided insight and advice on our action plan.

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The STEM deans from each college followed up with faculty to confirm support of moving forward with the district-wide common Associate of Science degree. There has been great interest in moving forward to align the degrees and learning outcomes. The next meeting is scheduled for July 25, 2016.

Nursing Update

The search for the Dean of Nursing is in its final stages. The final interview with the search committee is on July 13th, followed by a public forum at Pacific Tower. The Vice Presidents for Instruction will meet with the finalist on July 20, 2016.

North Seattle College

Advancing Student Success ■ Excelling in Teaching and Learning ■ Building Community

Office of the President

TO: Board of Trustees
FROM: Warren Brown, President
DATE: July 14, 2016
SUBJECT: President's Report – Information Only

ADVANCING STUDENT SUCCESS

46th Annual Commencement Ceremony

North Seattle College celebrated its 46th Annual Commencement ceremony June 17 and featured two milestones: it was the first graduating class of North's Application Development Bachelor of Applied Science degree and the first graduating class of the High School 21+ program, an alternative to the GED. Captain Mike Swanigan, an Alaska Airlines pilot who retired after a 36-year career, served as guest speaker. The ceremony also included speeches from two graduates: Sarah Baker and Marlon Do Couto.

Grant Awarded to Connect Young Adults to Aerospace Jobs

North Seattle College was one of five colleges to be awarded a federal grant totaling \$3.8 million. The Department of Labor grant enables the colleges to partner with the Center of Excellence for Aerospace and Advanced Manufacturing to connect unemployed young adults to careers in the aerospace industry. The grant will pay for equipment, career coaches, curriculum development and faculty training for three new degree programs in mechatronics—a melding of mechanical and electronic technology used by advanced manufacturers such as Boeing. Other college partners on the grant include Everett Community College, Shoreline, Renton Technical College and South Seattle College.

International B.A.S Collaboration with Royal Melbourne Institute of Technology

A unique partnership between North's Bachelor of Applied Science in International Business program and the Royal Melbourne Institute of Technology (RMIT) in Melbourne, Australia, brought faculty and 15 students from RMIT to campus June 3-10. During their visit, the students finalized collaborative projects and presented recommendations to industry clients and a panel of judges.

Completion Coaching

Completion Coaching, a new North initiative started at North and funded through Project Finish Line, a Bill and Melinda Gates Foundation grant, helps students access resources to finish their program of study. If they are within one to three quarters of finishing a certificate or degree in a transfer, career training or high school completion program, students are eligible for support from completion coaches.

Contextualization through Health Care Prerequisites Pathway

North's new Healthcare Prerequisite Pathway is helping faculty make coursework more relevant to students preparing for a health care career with contextualization, which refers to efforts to relate what students learn in the classroom to careers. Three contextualized classes are available Fall 2016.

DACUM Event Considers Wellness Coach Training Requirements

North conducted a Develop a Curriculum event June 22 to inform the development of a new training program for health and wellness coaches. Companies participating in the session included Arivale, Vera

Whole Health and Neighborcare Health. The goal was to identify job responsibilities and essential knowledge, skills and abilities for coaches to create an employer-responsive certificate program.

New E-Learning Site Launched

The North e-Learning website has a new, clean look and newly formatted information for students. The new site was launched this Spring to ensure a similar look and feel to the rest of North's web presence and to make it easier for students to navigate the e-Learning site. The URL is elearning.northseattle.edu.

EXCELLING IN TEACHING AND LEARNING

New VP for Student Services Joseph (Joe) Barrientos

Joseph (Joe) Barrientos, was named as the new Vice President for Student Development Services. Joe comes with more than 16 years of leadership and administrative experience within higher education. His career started as an advisor/Transfer Center coordinator at South. He was also associate director of Seattle University's Career Services Center and became the director of the Career Services Center at Hawaii Pacific University for two years before being promoted as the dean of Academic Advising and Student Achievement. Returning to Seattle, he was then dean of Student Life at South. Joe is completing his doctoral work in educational leadership at Seattle University and begins his appointment Aug. 1.

Appointment of Permanent Director of Facilities

Jeffrey Caulk has been named director of facilities for North. He has been interim director since December 2015. Before coming to North, Jeff served as the CEO and executive vice president at the U.S. Naval Station in Everett. His naval career started in 1991 when he served as a Flight Officer. Jeff has an M.S. in engineering acoustics from the Naval Postgraduate School and a B.A. in economics from the University of California.

Application Development Program Featured in Geekwire

North's Bachelor of Applied Science degree in Application Development was recognized recently in a prominent and [positive article](#) in Geekwire, a well-regarded tech site. The article detailed the experiences of students in the program and the faculty and staff working with them.

North Student Wins League of Innovation Literary Contest

Seattle College District students have won two of the four categories nationally in this year's League for Innovation Literary contest: Saleena Edwards (North) won for her poetry, and Bernard Quaid (South) won in the personal essay category.

Students Inducted into PTK Society Late May

Phi Theta Kappa held its spring induction ceremony May 27 to honor 125 new members who joined from fall 2015 through winter 2016. President Warren Brown and staff member Julius Rodriguez spoke at the event, which recognizes members of the honors and service organization.

Rocketeers

Congratulations to 15 North students for achieving National Association of Rocketry Level 1 Certification, by building, launching and recovering a Level 1 high-powered rocket. Faculty member Tracy Furutani advises the Rocketry Club on campus. Financial support for the achievement came from faculty Ann Murkowski and staff Linda McDuffie at the RST Program, Mike Harrell and the NASA Washington Space Grant, and Janet Hoppe-Leonard and the Student Fee Board.

STARS Golden Star Employee of the Quarter

Alexandra Abeyta, full-time faculty member and coordinator of ABE/GED/HS 21+, was named STARS Golden Star Employee for Spring Quarter 2016. STARS is a representative committee of classified staff which acts as a liaison between classified staff and college leadership.

Faculty and Staff Awards and Retirees Announced at Service Awards Ceremony

Two faculty members received awards at North's Service Award Ceremony in May. The \$1,500 Dan Evans Innovation Award, which recognizes an innovative project or class that improved learning, was awarded to Kelda Martensen. The Dan Evans Chair for Exceptional Faculty Award, which recognizes outstanding teaching and exemplary service with a \$3,000 award, was awarded to Paul Kurose. Amy LaZerte was named 2016 Classified Employee of the Year. LaZerte is rental coordinator in the Business Office. She was nominated by her peers. North employees retiring this summer were also recognized.

Parent Education Faculty Recognized

Part-time faculty members Mika McAfee and Katie Becker were recognized as Outstanding Parent Educators of the year recently. Each received a \$500 award from the Val Donato Award fund.

NSC Spring Choir Concert

The College Choir held its spring concert on June 9. The choir performed songs in Zulu, Japanese, Italian and English. The choir also made an appearance at "Making Learning Visible," an annual event that provides students with a chance to showcase their learning experiences.

BUILDING COMMUNITY

Meeting on Strategic Plan Development

Employees shared feedback on development of North's new seven-year strategic plan during a meeting June 13. Educator and consultant John Olson, who is helping collect feedback and craft the plan, shared a history of his work to date and employees had an opportunity to review draft indicators for the plan.

SPS Partnership Receives Recognition

The Seattle Public Schools Superintendent and School Board recognized Parent Education and North for the leadership shown in strengthening school and family partnerships. As a result of this leadership, the Seattle Public Schools received the prestigious Johns Hopkins National Network of Partnerships Schools District Award for 2015-2016, and cited the partnership with parent education as a strength.

All-Gender Restroom Survey

There are currently two all gender restrooms on campus, and, as part of a student-led initiative to put more all-gender restrooms on campus, a survey was conducted. Overall, 67.9 percent of student responders felt positive or very positive about single stall restrooms, and 57.9 percent of students felt the same about multi-stall restrooms. The college is continuing to explore the initiative.

Annual Employee Climate Survey

North recently conducted an online anonymous survey to gather employee feedback on the college and collect feedback on any progress or needs for improvement that faculty and staff see facing the campus.

NSC School Daze Breakfast a Success

Members of North's Executive Team served breakfast for college employees during an annual employee celebration on June 1. The event brings together faculty and staff from across campus and allows E-Team a chance to say thank you to employees. The event was organized by members of STARS.

To: Seattle Colleges District Board of Trustees
From: Sheila Edwards Lange, Ph.D., President
Date: July 14, 2016
Subject: President's Report – Information Only

RESPONSIVE LEARNING AND TEACHING

Creative Arts student website nominated for design award

A website designed by graduating Graphic Design and Commercial Photography students to feature their final projects and portfolios was nominated for an international award. CSS Design awards are given to web designers whose work “pushes the boundaries of creativity, functionality and usability.” The nomination process boosted the graduates’ visibility as their site has received over 17,000 views from around the world to date.

Cabinetry students selected for design competition

Four Cabinetry students in the Wood Technology program will travel to Atlanta in August to present their craftsmanship at an international furniture design competition called “Design Emphasis.” The student finalists will join 35 peers from woodworking programs across the nation and will compete in various categories like accent furniture, seating and case goods. Their trip is funded by the International Woodworking Fair, which hosts the competition annually.

CATALYST FOR OPPORTUNITIES AND SUCCESS

Graduates take center stage at Commencement Ceremony

Hundreds of students and their families gathered at Benaroya Hall last month to celebrate the class of 2016 at commencement. The college awarded more than 1,200 degrees, certificates and diplomas to students this year. President Edwards Lange also presented this year’s Distinguished Alumni Award to Pwint Htun, who began at Seattle Central as an English as a Second Language (ESL) student and who is now applying her telecommunications expertise to bring economic change to her native Myanmar. Seattle Vocational Institute also awarded degrees and certificates to over 200 students at its own commencement celebration.

Grant supports SVI construction apprenticeship students

Seattle Vocational Institute received more than \$33,000 through the Washington State Department of Transportation Pre-Apprenticeship and Supportive Services (PASS) grant to help underrepresented Pre-Apprenticeship Construction students with tuition and support programs. The grant provides funding for pre-apprenticeship training organizations that serve women, minorities and other underserved individuals in order to foster diversity in the highway construction workforce and create pathways to apprenticeships.

SVI to launch new certificate program thanks to HEET grant

Seattle Vocational Institute recently received a Hospital Employee Education and Training (HEET) grant for over \$250,000 from the State Board for Community and Technical Colleges. The grant will allow SVI to expand training programs that help healthcare workers to advance their careers while

meeting the changing workforce needs of the region's healthcare system. Thanks to the funding, SVI will develop a new Patient Care Technician certificate, which will help fill a need in local hospitals. The training provides an opportunity for individuals to enter the healthcare workforce with a broad skillset applicable across several job titles in the hospital setting.

DIVERSITY IN ACTION

Seattle Central invited to participate in Department of Education pilot program

Seattle Central College is one of 67 colleges and universities nationwide, and just three in Washington, selected to participate in the Department of Education's new Second Chance Pell pilot program, designed to provide better access to educational opportunities for incarcerated individuals. The program will allow eligible incarcerated Americans to receive Pell Grants to pursue a college education, with the goal of helping them prepare for jobs so they can support themselves and their families upon release. Seattle Central is currently working with University Beyond Bars, a non-profit organization, to provide classes to inmates at Monroe Correctional Facility. Under this new program, the college will continue this partnership and will be able to provide Federal Pell Grants to cover the cost of tuition and fees. This will make Seattle Central's courses and programs accessible to many more inmates.

College hosts Urban League students for summer

Seattle Central will help underrepresented individuals get a jump on their education and careers this summer by partnering with the Urban League of Metropolitan Seattle to host two pilot programs. Through the six-week "Summer University" program, at-risk high school students in Seattle and King County will take art and science classes throughout the day. The program is designed to introduce students to a range of college degrees and career opportunities, and students will meet with college staff to learn more about studying at Seattle Central.

The "Career Bridge Summer Experience" is a four-week training program designed to help young men of color, ages 18-24, with access to education, employment and economic career pathway opportunities in order to improve their quality of life. Through the program, the men will receive six general education credits through Seattle Central, develop a resume and visit several local businesses that are hiring.

Seattle Central contingent celebrates PRIDE

In late June, Seattle Central students and employees from throughout the Seattle Colleges District joined to march together during the Seattle Pride Parade to show support for the LGBTQ community. This was the second year that contingents from all of the Seattle Colleges marched together as a District.

College signs MOU with French university

As part of the college's effort to cultivate a globally-diverse campus community, Seattle Central signed a Memorandum of Understanding with representatives from the Ecole de Commerce, a business-focused university in Paris, last month to host French students in Seattle. The partnership will begin in the fall, and students have the opportunity to take business classes and learn about American culture at Seattle Central over the course of nine months.

COMMUNITIES ENGAGEMENT

Grant will help underrepresented young people prepare for tech careers

Low-income and underrepresented young people in the Seattle area will have better access to career opportunities in the technology sector thanks to a \$3.8 million grant from the United States Department of Labor. With these funds, Seattle Central College is leading a diverse group of partner organizations to implement a program called TechHire Seattle-King County. A paid apprenticeship model in the local technology industry forms the centerpiece of this program, helping employers identify diverse and qualified candidates while providing opportunities for students to learn on the job.

Grant partner LaunchCode, a nonprofit that works to create economic opportunities for aspiring developers, will connect students with training programs in coding. Seattle Central will introduce students to coding through its highly-regarded IT programs, along with other partner organizations such as Unloop, Floodgate and Ada Developer Academy. LaunchCode will connect students with apprenticeships at companies that can provide mentorship, training and job prospects. The goal is to serve 765 individuals over four years with education, training and employment, and to increase the number of women, people of color and formerly incarcerated individuals in the technology industry.

Women's Funding Alliance grant to support student parents

Seattle Central's Student Support Programs received a \$30,000 grant from the Women's Funding Alliance to support student parents. The grant will allow the college to provide additional child care assistance to low-income, underrepresented parents studying STEM. By eliminating childcare as a major barrier for low-income parents, the grant aims to allow students to strengthen leadership skills and thus increase their earning power as they enter the workforce. Student Support Programs will ask eligible students to participate in a cohort while they receive funding through the grant to bolster their support for one another as parents.

Excellence in Teaching Award winners announced

Two Instructors – Kimberly McRae, a faculty counselor in the Applied Behavioral Science Division, and Tsai-en Cheng, Chinese instructor in the Humanities and Social Sciences Division – have received the Excellence in Teaching, Learning and Service Award. This annual honor goes to instructors who demonstrate high levels of leadership, performance and excellence, and are nominated by their students and peers. In addition to receiving a \$1,000 award, Kimberly and Tsai-en were formally recognized at last month's commencement ceremony.

MEMORANDUM

TO: Board of Trustees

FROM: Gary Oertli, President

DATE: July 14, 2016

SUBJECT: PRESIDENT'S REPORT – INFORMATION ONLY

Over 900 Graduates Celebrated at South's 46th Commencement

South Seattle College's Class of 2016 graduates were honored at the 46th Annual Commencement Ceremony held on June 16 at Benaroya Hall. Over 900 graduates were celebrated on the night, and they move into their future with a vast array of degrees, certificates and diplomas in hand. This year's commencement address was delivered by three-time Olympian and two-time Olympic gold medalist Mary Whipple, who was the coxswain for the United States Women's 8+ Rowing Team in the 2004, 2008 and 2012 Olympics. South conferred a total of 921 degrees, certificates or diplomas ranging from academic transfer to workforce education, and bachelor's degrees to basic skill development. That total marks a 17 percent increase over our completion rate of last year, and is a testament to the important work faculty and staff are doing to support our students through completion of their program and into the workforce or their next educational step. It also illustrates the astounding motivation and talent of our students, and it was an honor to congratulate them all at Benaroya Hall.

Additional Graduation Ceremonies Held on Campus

Leading up to South's Benaroya Hall commencement, we held several individual ceremonies on campus. On June 2 we celebrated graduates of the TRIO Upward Bound program (serving students from the Tyee Educational Complex and Evergreen Campus, providing low income and potential first-generation students with the skills to complete high school and college), and on June 15 we honored 85 graduates from Career Link – a high school completion program administered with our partners at the Highline Public Schools. Both programs help our community members build strong skills and the confidence they need to continue on a successful path toward fulfilling, family-supporting careers. We also held a graduation reception for international students at the Northwest Wine Academy on June 15.

Celebrating Five Years of the AANAPISI Grant at South

As South wraps up its 2011-2016 AANAPISI (Asian American Native American Pacific Islander-Serving Institution) Grant, we gathered as a college on June 10 to celebrate the accomplishments of staff and AAPI students during that time, the creation of the AANAPISI Center, and our 2016 AAPI graduates. AANAPISI Center Project Director May Toy Lukens has been leading our AAPI work since we received our first federal grant in 2008, and under her leadership we've been able to bring visibility to the diversity of our AAPI student population and implement student services and pedagogical approaches that are more equitable and inclusive. While the grant sunsets, I am thrilled to announce the AANAPISI Center will continue to operate at South into next year with the support of college and student activities funding.

Guiding Team Formed to Help Institute Guided Pathways

South has formed a *Guiding Team* that will provide oversight and advisory to the college as we implement a guided pathways approach to student onboarding, retention, completion and career placement over the next several years. Led by Vice President of Instruction Peter Lortz, Vice President of Student Services Rosie Rimando-Chareunsap and Chief Data and Strategy Officer Greg Dempsey, Jr., the team will recruit members widely to ensure college-wide representation as they participate in, facilitate and take the lead on decisions surrounding the future direction, design and implementation of our guided pathways project. Their work will be vital in supporting our students toward higher completion rates and greater workforce success.

South's 2016-2021 Strategic Plan Presented to College Community

The culmination of 1.5 years' worth of work, South Seattle College's 2016-2021 Strategic Plan was presented to the college community on June 14 after being approved by the President's Cabinet. Created through our collaborative culture at South and the leadership of SPARC (Strategic Planning Assessment and Research Committee), the plan shares our commitment to pursuing strategic directions and goals that will best position South to positively impact the outcomes of our students, their successes, and the college's future. The strategic plan is guided by our College Mission, Core Themes and College Community Responsibilities, and was designed with universality in mind so that it provides a pathway for every program and department across the college to take part.

13th Year Scholarship Highlighted at "Celebration of Success" Event

South's 13th Year Promise Scholarship – which provides one year of tuition-free college to graduating seniors from three of our service area high schools – was selected as one of thirty

successful education efforts throughout Seattle and South King County that are truly making a difference in students' lives. Co-hosted by the Road Map Project and Puget Sound Educational Service District, the *Celebration of Success* event aimed to highlight important work that supports racial equity, closes the opportunity gap and demonstrates promising results for low-income students, students of color and historically-disadvantaged students. The event was held at the Museum of Flight on June 9, and invitees included private and public funders, media, and state, local and federal educators and elected officials. It was a great opportunity for our passionate 13th Year staff to share their work with a broader audience, and identify avenues of support for this important program into the future.

Georgetown Coordinator Named Highline Public Schools' College Partner of the Year

Ismaila Maidadi, Program Administrator for Academies and Pre-Apprenticeship at South's Georgetown campus, was named Highline Public Schools' College Partner of the Year on June 14. Ismaila works tirelessly to connect with students from Highline to prepare them for next steps after high school. He attends career fairs, holds mock interviews, gives tours at the Georgetown campus, and encourages students from 9th grade on to explore their post-high school options, including pursuing trade careers or working toward associate and bachelor's degrees. Having worked for the University of Washington before joining us at South, Ismaila has a strong grasp on the pros and cons of different pathways, and helps so many students make their own informed decisions when the time comes.

"Spring at South" Invited the Community to Explore Campus Treasures

A collaborative group of South employees and community members who live near our West Seattle campus put on the "Spring at South" event on Saturday, June 11. Nearly 200 participants attended, and were invited to take guided interpretive walks along the West Duwamish Greenbelt Trail, tour the South Seattle College Arboretum, Chinese Garden and Community Orchard of West Seattle, and attend the Northwest Wine Academy Spring Release. The South campus is surrounded by true outdoor treasures our community members are always welcome to explore, and it is wonderful to hear so many people took advantage of the opportunity.



To: Seattle Colleges District Board of Trustees

From: Annette Stofer, AFT Seattle Local 1789 President

Re: Report for July 2016 meeting

Summer brings a slowdown in instructional activities, and it gives us time to catch up, recharge and reinvent. AFT Seattle looks forward to continuing negotiations on a new contract through Summer quarter. While the financial goals we have will require a lot more work, we are pleased that we can make progress in other areas.

Welcome to Dr. Pan from the leadership of AFT Seattle. We look forward to sharing both concerns and hopes for our District. The challenges that we have affect us all, and working together can bring positive changes that leave us a stronger and more desirable place to work. We would like to issue an invitation to the Chancellor and Trustees to discuss with us how we move forward from our current situation. We have to address dropping enrollments, weak support from the state, and the pressures on employees to do more with less. If we want to continue to attract the best faculty and keep the fine teachers that we already have, we must find solutions to the stagnant salaries and workload increases.

Elections, both local and national, are at the forefront in the news. We know that the results at all levels will impact our institutions and daily lives. AFT Seattle has begun to talk about a voter registration drive at the start of fall quarter. And after people register, we need to encourage everyone to cast their vote. We need to block any attempts to suppress voting. Part of our educational mission should be to educate around voting rights and the many ways that restrictions are being put into place around the U.S., taking us backwards to disturbing times.

AFT Seattle officers will be participating in a variety of important events this summer, including the AFT Convention and 100th Anniversary Celebration, The Washington State Labor Council Convention, and the A. Phillip Randolph National Education Conference. These events enrich us and show us ways to better serve our union and community.

SOUTH SEATTLE COLLEGE

United Student Association

MEMORANDUM

TO: Board of Trustees
Seattle Colleges

FROM: Ryan Lonergan
President, United Student Association
South Seattle College

DATE: July 14th, 2016

SUBJECT: United Student Association (USA) Report – INFORMATION ONLY

USA 2016-17 ELECTION RESULTS

After months of planning, weeks of campaigning and three days of elections, the 2016-2017 United Student Association team has been elected! The new team is as follows: Jacky Tran as President; Christina Calimlim as Vice-President; Kenneth Wahu as Communications Officer; Zari Akkuly as Community Service Officer; Miranda Sullivan as Issues and Concerns Officer; Khoa Nguyen as Public Relations Officer; Krisna Mandujano as Social Activities Officer and Devlin Hoang as Treasurer. Congratulations and good luck to them for their upcoming term.

WELLNESS CENTER PLANNING MEETINGS – Ongoing

Over this past quarter, USA President, Ryan Lonergan, has been a part of the planning meetings for the Wellness Center that is slated to be built on South's campus in the near future. As this building is being paid solely through a new student fee, several other students have been part of the process as well to shape this new building before construction begins. The meetings thus far have been productive and hopefully a new design is solidified soon so construction can begin shortly after.

STUDENT CLIMATE FORUM – May 31st

On May 31st, USA hosted a forum to address how students perceive different issues on campus. In contrast to other climate forums, this session was closed for just students to attend so they could voice their concerns surrounded by just their peers. Various topics were addressed, such as racial issues and problems with instruction just to name a few, and the information gathered was shared with administration to hopefully solve them in the future. Overall, the event was well received and the outgoing team recommends for this type of event to be held in the future as well.

ADVENTURESS SAILING TRIP – June 6th

Right before finals began, the Student Life student-staff went on a final retreat aboard the historic Adventuress sailboat in Shilshole Bay. While aboard, they were able to participate in actually sailing the boat, participate in a variety of activities and just relax as the boat went around the bay. The trip was enjoyed by all in attendance and it was a great sendoff to all of the student-staff for their hard work this past year.

SMOKING ENFORCEMENT MEETING – June 8th

On June 8th, two officers of USA, Amelia Nguyen and Tyler Yamashita, met with administration to discuss smoking and tobacco use on campus. This meeting was a culmination of the work they had conducted over their past year working for USA and provided insight about what they have already done and what they would recommend for the future. The current school policy, enforcement and sources of grants were all discussed with administration and hopefully steps have been taken forward to change the policy about smoking on South's campus.