

STATE OF WASHINGTON
STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES
RESOLUTION 07-10-30

A resolution relating to adoption of a Plan Document delineating the terms and conditions of the State Board sponsored 403(b) voluntary retirement savings program.

WHEREAS, the State Board recognizes the importance of saving for retirement and desires to encourage participation in a retirement savings program; and

WHEREAS, the State Board has statutory authority to assist Community and Technical College system employees save for retirement through sponsoring retirement income plans; and

WHEREAS, the State Board desires to continue its sponsorship of a retirement savings program under Code Section 403(b) funded by voluntary Employee Contributions; and

WHEREAS, the State Board is a government entity not subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA") or subject to certain coverage and non-discrimination provisions of the Code, and whereas the State Board does not intend to voluntarily subject the Plan to any other provisions of ERISA or the Code that are not required of governmental plans;

THEREFORE BE IT RESOLVED that the State Board for Community and Technical Colleges adopts the Plan Document included as Attachment A, effective January 1, 2008, which is intended to function as a Code Section 403(b) employee funded voluntary retirement savings program.

APPROVED AND ADOPTED on October 18, 2007.


Erin Munding, Chair

ATTEST:


Charles N. Earl, Secretary

**WASHINGTON STATE BOARD FOR COMMUNITY AND
TECHNICAL COLLEGES**

403(b) Voluntary Tax Deferred Savings Program

Plan Document

Effective Date: January 1, 2008

Washington State Board for Community and Technical Colleges
1300 Quince Street,
P.O. Box 42495
Olympia, Washington 98504-2495

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1. Establishment of Voluntary Tax Deferred Savings Program

1.1 Establishment of Program. The Washington State Board for Community and Technical Colleges established a tax-deferred savings program as of January 1, 1972, as allowed under State of Washington RCW 28B.10.480. This Plan Document sets forth the provisions of this Program, as in effect on January 1, 2008. Contributions made as part of this Program are made under Section 403(b) of the Internal Revenue Code and are invested, at the direction of the Participant, in one or more of the Investment Vehicles available under the Program. The Program Sponsor is a governmental entity, not subject to the provisions of ERISA, and, through adoption of this Plan Document, it is not the Program Sponsor's intent to voluntarily subject the Plan to any of the ERISA or Code provision not required of a governmental plan,

2. Definitions

The words and phrases defined in this Article have the following meanings throughout this Plan Document:

2.1 "Account" means the separate account established for each Participant with the Fund Sponsor to which Contributions have been made by the Participant. The current value of a Participant's Account with a Fund Sponsor includes all Contributions to the Fund Sponsor, less expense charges, transfers, and benefit distributions, and reflecting credited investment experience.

2.2 "Beneficiary" means the individual, institution, trustee, or estate designated by the Participant to receive the Participant's benefits at his or her death.

2.3 "Benefit Administrator" means the service provider to the Plan that is responsible for maintaining the records of the Participants' Accounts and determining benefits under the Plan, and for performing certain other benefit administration and communications functions, in accordance with such contractual agreements and direction letters as may exist from time to time between such service provider and the Program Administrator or Sponsor. The Benefit Administrator is sometimes referred to as the "Record Keeper" in certain documents. As of the Effective Date of this Plan Document, the Benefit Administrator is Teachers Insurance and Annuity Association of America.

2.4 "Code" means the Internal Revenue Code of 1986, as amended.

2.5 "Contributions" means contributions by the Participant as described in Section 4.

2.6 "Eligible Employee" means any Employee of a Participating Employer *except*:

- A. Students whose wages are exempt from FICA,
- B. Non-resident aliens who receive no U.S. – source earned income, or
- C. Non-permanent employees working less than 20 hours per week who have and are expected to work less than 1000 hours in a year.

2.7 “Employee” means any person who is a common law employee of a Participating Employer, but excludes any person who performs services as an independent contractor. The definition of Employee includes any “leased employee” (as defined by Code Section 414(o)) of a Participating Employer.

2.8 “Fund Sponsor” for this Program means Teachers Insurance and Annuity Association – College Retirement Equities Fund or TIAA-CREF.

2.9 “Investment Vehicles” means the financial instruments issued for the purpose of investing under this Program. The list of available Investment Vehicles may, from time to time, be amended by the State Board.

2.10 “Participant” means any Eligible Employee of a Participating Employer who participates in the Program in accordance with Section 3.1.

2.11 “Participating Employer” means a community or technical college district or, for State Board employees, the State Board.

2.12 “Plan Document” means this instrument, including all amendments thereto.

2.13 “Program” means the State Board sponsored 403(b) Voluntary Tax Deferred Savings Program as set forth in this Plan Document.

2.14 “Program Administrator” is defined in Section 8.

2.15 “Program Year” means January 1 through December 31.

2.16 “Program Sponsor or Sponsor” means Washington State Board for Community and Technical Colleges, any successor which shall sponsor this Program, and any predecessor which has sponsored this Program.

2.17 “Salary Reduction Agreement (SRA)” is an agreement described in Section 3.1.

2.18 “State Board” means the Washington State Board for Community and Technical Colleges, as created in RCW 28B.50.050.

3. Eligibility and Participation

3.1 Eligibility and Participation. An Employee’s Participating Employer shall determine the eligibility of the Employee for participation in the Program in accordance with Section 2.7. Such determination shall be conclusive and binding upon all persons, as long as the same is made in accordance with the terms of this Plan Document. All Eligible Employees may begin participation on the first of the month following employment or the eligibility determination. To participate in this Program, an Eligible

Employee must complete the necessary enrollment form(s), as well as a Salary Reduction Agreement (SRA), and return them to their Participating Employer's benefits office. An SRA is a written agreement between the Employee and the Participating Employer under which the Employee's salary is reduced by an amount equal to the contributions that the employee wishes to have made to the Program. An SRA shall be subject to such rules and restrictions as may be imposed by the Program Administrator.

3.2 Termination of Participation. A Participant will continue to participate in the Program until (a) he or she ceases to be an Eligible Employee, (b) the Program is terminated, or (c) his or her contributions under the Program are terminated, whichever occurs first.

4. Contributions

4.1 Contributions. Contributions to this Program are in addition to any Contributions which may be made to the State Board Retirement Plan (SBRP), or any State of Washington retirement plan. To make Contributions, an Eligible Employee must enter into a Salary Reduction Agreement with the Participating Employer as described in Section 3.1. Under the Agreement, the Employee's salary is reduced and the amount of the reduction is forwarded to the Fund Sponsor for placement in the Investment Vehicles available under this Program. Contributions made under this Program are not matched by the Employer.

4.2 Salary Reduction Minimum. A Participant shall be permitted to make Contributions under this Program only if the Salary Reduction Agreement provides for annual contributions of at least \$200.

4.3 Directed Investment of a Participant's Account. Each Participant shall have the right to direct the investment of all or any portion of his or her Account. Each Participant may, subject to a procedure established and applied in a uniform nondiscriminatory manner, direct the Fund Sponsor, in a form or manner satisfactory to the Fund Sponsor, to invest his or her Participant Account in specific Contracts or other Investment Vehicles permitted as investments under the Program. Expenses incurred in connection with a Participant's directed investment of the Participant's Account shall be charged against the balance in such Account.

4.4 Leave of Absence. During a leave of absence with pay, Contributions will continue to be made in accordance with the Salary Reduction Agreement. Contributions will continue during a partial leave of absence without pay to the extent that sufficient funds are available to make the contribution specified in the SRA.

4.5 Limitations on Contributions. The total Contributions transmitted by the Participating Employer on behalf of a Participant for any year under this Program and all other plans, contracts or arrangements of the Participating Employer will not exceed the limits imposed by Code Sections 402(g) and 415, except as permitted by Code Section

414(v). The limits imposed by Code Sections 402(g), 414(v) and 415 are herein incorporated by reference. If the limitations are exceeded because the Participant is also participating in another plan required to be aggregated with this Program for the purposes of Section 402(g), 414(v) or 415, then the extent to which annual contributions under this Program will be reduced, as compared with the extent to which annual benefits or contributions under any other plans will be reduced, will be determined by the Participating Employer. If the reduction is under this Program, the Participating Employer will advise the affected Participants of any limitations on their annual contributions required by this paragraph.

4.6 Return of Excess Contributions. If a Participant has Contributions that exceed the limits in effect under Code Section 402(g) or 415 for the year, he or she may designate the Contributions made during a taxable year to this Program as excess Contributions by notifying the Participating Employer of the amount of the excess on or before March 15 of the year following the year in which the excess Contributions occurred. Notwithstanding any other provision of this Program, such excess Contributions, adjusted for income, gains, losses or expenses attributable to such excess Contributions, will be distributed no later than April 15 of the year following the year in which the excess Contributions occurred. In addition, the Participating Employer may, in its sole discretion, cause any Contribution in excess of the foregoing limitations, adjusted for income, gains, losses or expenses attributable to such excess Contribution, to be distributed to the Participant to the extent permitted by applicable law.

4.7 Rollover Contributions and Transfers. A Participant may make a rollover contribution or direct transfer to this Program from another plan described in Section 403(b) of the Code, upon a demonstration satisfactory to the Program Administrator that the amounts are eligible for rollover or direct transfer to this Program (i.e., the same or similar distribution restrictions, agreements to exchange information). The State Board may limit the Investment Vehicles to which such amounts may be contributed or transferred, or the types of rollovers or transfers that will be accepted by the Program (such as rollovers or transfers of after-tax contributions). Employee transfers or exchanges from this Program may only occur to 403(b) providers approved by the Program Administrator and in which an Information Sharing Agreement has been signed. An exception to this provision is made for transfers from this Program to a qualified 401(a) plan to purchase permissive service credit or make a repayment to a defined benefit governmental plan.

5. Fund Sponsor/Investment Vehicles

5.1 Fund Sponsor/Investment Vehicles. Contributions are invested in one or more of the Investment Vehicles available to Participants under this Program through the Fund Sponsor. The Fund Sponsor available to Participants as of the date of this document is the:

Teachers Insurance and Annuity Association and College Retirement Equities Fund
(TIAA-CREF):
730 Third Avenue, New York, NY 10017
www.TIAA-CREF.org

The State Board's current selection of Fund Sponsor is not intended to limit future additions or deletions of Fund Sponsors and Investment Vehicles. In addition, State statute (RCW 28B.10.480) provides authority to college districts to provide for tax deferred annuities authorized under the provisions of 26 U.S.C., section 403(b), for their employees. This Plan Document is not intended to restrict that authority or address the locally authorized fund sponsors.

5.2 Allocation of Contributions. A Participant may allocate Contributions among Investment Vehicles in any whole number percentages that equal 100 percent. A Participant may change his or her investment elections with respect to future contributions, among one or more Investment Vehicles by giving direction in accordance with the process established by the Fund Sponsor. A Participant may re-invest existing balances of his or her Account, from one or more of the permissible investments, by giving direction in accordance with the process established by the Fund Sponsor. Elections will be implemented in accordance with the written administrative procedures of the Plan Document and of the underlying investment fund, if any, including by way of example any limitations on the frequency of trading or transferring between investment funds.

5.3 Individual Accounts. The Fund Sponsor shall establish and maintain an Account for each Participant that shall reflect contributions made on behalf of the Participant, and earnings, expenses, gains and losses attributable thereto, and investments made with amounts in the Participant's Account.

5.4 Account Statements. Each Participant shall be provided by the Fund Sponsor with a statement of his or her Account under the Plan showing the values of each investment fund or Contract, and the aggregate value, at least once each Plan Year. Account statements may be delivered in hard copy or electronically as determined by the Program Administrator.

5.5 Investment of Contributions. Each Participant may direct the investment of his or her Account among the permissible investment funds and contracts. An investment direction shall remain effective with regard to all subsequent amounts credited to a Participant's Accounts, until changed in accordance with the provisions of this Plan Document. This Program is intended to constitute a plan described in ERISA section 404(c) with respect to Participant directed investments. The Fund Sponsor shall make available to Participants information concerning the portfolio characteristics of each investment, its historic earnings performance, and other information to assist the Participants in exercising their investment discretion, as contemplated in ERISA section 404(c).

5.6 Changing Future Contributions. A Participant may change his or her investment elections with respect to future contributions, among one or more investment funds or Contracts, by giving direction in the manner, and in accordance with deadlines and limitations, established by the Program Administrator and managed by the Benefit Administrator. The Participant's election shall specify a percentage in increments of one percent (1%), which percentage may not exceed one hundred percent (100%).

5.7 Reinvesting Existing Account Balances. A Participant may re-invest existing balances of his or her Account, from one or more of the permissible investments, by giving direction in the manner, and in accordance with deadlines and limitations, established by the Program Administrator and managed by the Benefit Administrator. Elections will be implemented in accordance with the written administrative procedures of the Plan and of the underlying investment fund, if any, including by way of example any limitations on the frequency of trading or transferring between investment funds. The Participant's transfer election shall specify either (i) a percentage in increments of one percent (1%), which aggregate percentage may not exceed one hundred percent (100%), or (ii) a dollar amount in whole dollars that is to be transferred.

5.8 Fund Transfers. At any time before retirement benefits begin, a Participant may transfer funds accumulated under this Program among the Investment Vehicles. All transfers are subject to the procedures and any restrictions of the Fund Sponsor. Following termination of all employment in the Community and Technical College system, transfers may also be made to other Code Section 403(b) retirement plans, subject to any limitations imposed by the Fund Sponsor.

6. Benefits

6.1 Benefits in General. The Participant is entitled to receive benefits under any of the Investment Vehicles at any time and in any form offered by the Fund Sponsor, subject to the written consent of the Participant's spouse, if any, in accordance with Section 6.5. However, distributions attributable to amounts accrued in an annuity contract after December 31, 1988 and amounts accrued in a mutual fund custodial account regardless of date may be paid only after a Participant attains age 59 1/2, severs from employment, dies or becomes disabled, or in the case of hardship. Hardship distributions are subject to the rules and restrictions set forth in Section 6.3. Distributions to a Participant made prior to attaining age 59 1/2 may be subject to early withdrawal penalties under the Internal Revenue Code.

6.2 Death Benefits. The entire value of each Account is payable to the Beneficiary or Beneficiaries named by the Participant under one of the options offered by the Fund Sponsor. However, to the extent such Account has been applied to purchase an annuity, payments shall be made only if and to the extent provided by the form of annuity. The designation of a Beneficiary other than the Participant's spouse, if any, requires the written consent of the spouse in accordance with Section 6.5.

6.3 Hardship Distributions. Hardship distributions under Section 6.1 shall be approved only if the Fund Sponsor determines that the Participant has an immediate and heavy financial need and the distribution is necessary to satisfy the need. In such cases, there shall be paid to such Participant out of his or her Account only such portion of the amount requested as is necessary to prevent or alleviate the hardship. The Fund Sponsor determination shall be final and binding. No amount attributable to income credited after December 31, 1988, on Contributions shall be available for distribution on account of hardship. The following are deemed to be immediate and heavy financial needs of the Participant:

- (A) Medical expenses described in Code Section 213(d) incurred by the Participant or his or her spouse or dependents;
- (B) Purchase (excluding mortgage payments) of a principal residence for the Participant;
- (C) Payment of tuition, room and board for the next 12 months of post-secondary education for the Participant, his or her spouse, his or her children or his or her dependents;
- (D) The payment of amounts necessary to prevent the eviction of the Participant from his or her principal residence or the foreclosure on the mortgage of his or her principal residence;
- (E) Funeral/Burial Expenses; or
- (F) Principle residence casualty repair.

Hardship distributions will be deemed to be necessary to satisfy an immediate and heavy financial need of the Participant if all of the following are satisfied: (a) the distribution does not exceed the amount of the applicable need under the second paragraph of Section 6.3 increased by taxes resulting from the distribution; (b) the Participant has obtained all distributions, other than Hardship Distributions, and all nontaxable loans currently available under the Program and any other plan maintained by the Participating Employer; (c) the Participant's Contributions under the Program and his or her elective and employee contributions under any other deferred compensation plan maintained by the Participating Employer are suspended for six (6) months after receipt of the Hardship Distribution.

6.4 Minimum Distribution Requirements. All distributions under this Program will be made in accordance with the regulations under Code Section 401(a)(9), including IRS Regulation 1.401(a)(9)-2. The provisions of Code Section 401(a)(9) override any distribution options in the Program inconsistent with Code Section 401(a)(9). With respect to distributions under the Plan made for calendar years beginning on or after January 1, 2001, and before the effective date of final regulations under Code Section 401(a)(9), the Plan will apply the minimum distribution requirements in accordance with the regulations under Section 401(a)(9) that were proposed by the Internal Revenue Service on January 17, 2001. The entire interest of each Participant will be distributed beginning no later than April 1 of the calendar year following the calendar year in which

the Participant attains age 70 1/2, or, if later, April 1 following the calendar year in which the Participant retires, over a period not to exceed the life (or life expectancy) of the Participant or over the lives (or life expectancies) of the Participant and a designated Beneficiary. Notwithstanding the above, the interest of each Participant as of December 31, 1986 will be distributed in accordance with IRS Regulation 1.401(a)(9)-2. The Participant (or beneficiary, after the Participant's death) may elect whether to use the permissive recalculation rule for life expectancies under Code Section 401(a)(9)(D).

Upon the Participant's death after the time benefits are required to begin hereunder, any remaining interest will be distributed at least as rapidly as under the method of distribution in effect at the time of the Participant's death. If the Participant dies before the time benefit payments are required to begin under the preceding paragraph, any portion of his or her interest payable to (or for the benefit of) a designated Beneficiary will be paid by the end of the fifth full calendar year after the Participant's death or will be paid beginning no later than the end of the first full calendar year after the Participant's death, over the life of the designated Beneficiary or over a period not exceeding the life expectancy of the designated Beneficiary. If the designated Beneficiary is the surviving spouse, payment may be delayed until the date the Participant would have attained age 70 1/2.

6.5 Application for Benefits; Spousal Consent. Procedures for receipt of benefits are initiated by writing directly to the Fund Sponsor. Benefits will be payable by the Fund Sponsor upon receipt of a satisfactorily completed application for benefits and supporting documents. The necessary forms will be provided to the Participant, the surviving spouse, or the Beneficiary by the Fund Sponsor. In any case in which Section 6.1 or 6.2 requires the consent of the Participant's spouse, the consent must be in writing, must acknowledge the effect of the election or action to which the consent applies, and must be witnessed by a notary public. Unless the consent expressly provides that the Participant may make further elections without further consent of the spouse, the consent will be effective only with respect to the specific election or form of benefit, or Beneficiary, or both, to which the consent relates. Spousal consent will be effective only with respect to that spouse. Spousal consent will not be required if it is established to the satisfaction of the Participating Employer representative that there is no spouse, or that the spouse cannot be located.

6.6 Loans. Subject to the Internal Revenue Code and terms of the Investment Vehicles, loans are available to Participants before the commencement of benefit payments.

6.7 Direct Rollover of Eligible Rollover Distributions. Notwithstanding any provision of the Program to the contrary that would otherwise limit a Distributee's election under this Section, a Distributee may elect, at the time and in the manner prescribed by the Program Administrator, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan in a direct rollover. For the purposes of this Section, the following definitions apply:

- A. Eligible rollover distribution: An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the Distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated Beneficiary, or for a specified period of ten years or more; any minimum required distribution under Section 401(a)(9) of the Code; and (except as permitted by the Code) any distribution that is not includible in gross income.
- B. Distributee: The term "Distributee" means a Participant or former Participant. In addition, the Participant's or former Participant's surviving spouse and the Participant's or former Participant's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Code, are Distributees with regard to the interest of the spouse or former spouse. "Distributee" also includes non-spouse Beneficiaries.
- C. Direct rollover: A Direct Rollover is a payment by the Program to an Eligible Retirement Plan.
- D. Eligible Retirement Plan: An Eligible Retirement Plan is an individual retirement account or annuity described in Section 408(a) or (b) of the Code (IRA), a qualified trust described in Section 401(a) of the Code, an annuity plan described in Section 403(a) of the Code, an annuity contract described in Section 403(b) of the Code, or an eligible governmental plan described in Section 457(b) of the Code, that accepts the eligible rollover distribution.

7. General Provisions and Limitations Regarding Benefits

7.1 Non-Alienation of Retirement Rights or Benefits. To the fullest extent permitted by law, no benefit under the Program may at any time be subject in any manner to alienation, encumbrance, the claims of creditors or legal process. Except as provided in section 7.2, no person will have the power in any manner to transfer, assign, alienate, or in any way encumber his or her benefits under the Program, or any part thereof, and any attempt to do so will be void and of no effect.

7.2 Qualified Domestic Relations Order (QDRO). This Program will comply with any judgment, decree or order which establishes the rights of another person to all or a portion of a Participant's benefit under this Program to the extent that it is a qualified domestic relations order (e.g., a divorce settlement) under Code Section 414(p).

8. Program Sponsor and Administration

8.1 Authority of the Program Sponsor. In addition to the authority to amend, merge or terminate the Program, and in addition to the authority and responsibilities otherwise provided for in this Plan Document, the Sponsor, by action of the State Board, shall be empowered to appoint and remove a Program Administrator. The Sponsor shall have the authority and responsibility to appoint and replace the Benefit Administrator. The Benefit Administrator shall have such duties as may be stated in the contracts between that service provider and either the State Board or the Program Administrator.

8.2 Program Administrator. The State Board, as Sponsor of this Program, designates the State Board Human Resource Director to be the Program Administrator responsible for the day-to-day administration of the Program.

8.3 Authority of the Program Administrator. The Program Administrator has all the powers and authority conferred upon the position herein and further shall have final authority to determine, in his or her discretion, all questions concerning eligibility and contributions under the Program, to interpret all terms of the Program, including any uncertain terms, and to decide any disputes arising under and all questions concerning administration of the Program. Additionally, the Program Administrator may make technical updates and/or corrections to this Plan Document to the extent that those revisions do not materially alter the nature of or benefits offered through participation in this program. Any determination made by the Program Administrator shall be given deference, if it is subject to judicial review, and shall be overturned only if it is arbitrary and capricious. In exercising these powers and authority, the Program Administrator will at all times exercise good faith, apply standards of uniform application, and refrain from arbitrary action.

8.4 Delegation of Authority. The Program Administrator may delegate any power or powers to any agent or independent contractor of the State Board. Any such delegation shall be in writing, and may be obtained from the Program Administrator.

9. Amendment and Termination

9.1 Amendment and Termination. While it is expected that this Program will continue indefinitely, the Sponsor reserves the right at any time to amend or terminate the Program, or to discontinue any further Contributions under the Program, by resolution of its State Board. If the Program is terminated or if contributions are discontinued, the State Board will notify all Participants, and any agreements for salary reduction that have been entered into will become void with respect to salary amounts yet to be earned.

9.2 Limitation on Amendments. Notwithstanding the provisions of Section 9.1, the State Board shall not make any amendment to the Program that operates to recapture for the State Board or any Participating Employer any contributions previously made under this Program. However, Contributions which were made based on a mistake of fact may be returned to the Participating Employer for appropriate disposition within one year of the date on which the contribution was made. Further, no amendment will deprive, take

away, or alter any accrued right of any Participant with regard to any Contribution previously made under the Program.

10. Miscellaneous

10.1 Program Does Not Affect Employment. Nothing contained in this Program may be construed as a commitment or agreement on the part of any person to continue his or her employment with a Participating Employer, and nothing contained in this Program may be construed as a commitment on the part of a Participating Employer to continue the employment or the rate of compensation of any person for any period. All employees of Participating Employers will remain subject to discharge to the same extent as if the Program had never been put into effect.

10.2 Claims of Other Persons. No provisions in this Program will be construed as giving any Participant or any other person, firm, or corporation any legal or equitable right against the State Board or its officers, employees, or Board Members, except for the rights that are specifically provided for in this Plan Document or created in accordance with the terms and provisions of this Program.

10.3 Contracts and Certificates. In the event there is any inconsistency or ambiguity between the terms of the Program and the terms of the contracts between the Fund Sponsor and the State Board, Participating Employers and/or the Participants and any certificates issued to a Participant under the Program, the terms of the Program control.

10.4 Third Party Trading. The Participant is responsible for directing the investment of all funds invested through this Program. The Program Sponsor, Program Administrator and/or a Participating Employer shall not be responsible in any way for the action or lack of action of a third party selected by a Participant to manage his or her Account. Any fees paid by the Participant for this service are the responsibility of the Participant and shall not be paid by the Program Sponsor, Program Administrator, Participating Employer or the Fund Sponsor.

10.5 Requests for Information. Any request for information concerning eligibility, participation, contributions, or other aspects of the operation of the Program should be in writing and directed to the Program Administrator. Requests for information concerning the Fund Sponsor and their Funding Vehicle(s), their terms, conditions and interpretations thereof, claims thereunder, any requests for review of such claims, may be directed in writing to:

TIAA-CREF
730 Third Avenue
New York, NY 10017
www.tiaa-cref.org

STATE OF WASHINGTON
STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES
RESOLUTION 07-10-31

A resolution awarding \$166,627 of state funds to the University of Washington Office of Educational Assessment.

WHEREAS, the Gates Foundation and the Legislature have provided funding for Phase II of the Transition Mathematics Project focusing on implementing the mathematics College Readiness Standards; and

WHEREAS, the 2007 Legislature passed House Bill 1906 requiring that the State Board for Community and Technical Colleges work in collaboration with other major education agencies, and with the leadership of the Transition Math Project, to revise the existing Mathematics Placement Test to serve as common college readiness test for Washington high school students; and

WHEREAS, the University of Washington Office of Educational Assessment is the organizational entity that manages and maintains the Mathematics Placement Test for the Washington public baccalaureates;

THEREFORE BE IT RESOLVED that the State Board for Community and Technical Colleges approves the contract with the University of Washington Office of Educational Assessment for their project in 2007-08.

APPROVED AND ADOPTED on October 18, 2007.


Erin Munding, Chair

ATTEST:


Charles N. Earl, Secretary

STATE OF WASHINGTON
STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES
RESOLUTION 07-10-32
(REVISED)

A resolution relating to the 2008 Supplemental Budget request.

WHEREAS, the State Board, in collaboration with the community and technical college system, has conducted an assessment of its operating and capital needs and seeks funding to address strategic priorities, emergent needs and technical budget corrections; and

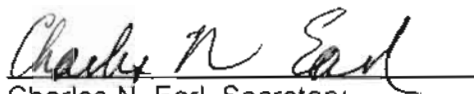
WHEREAS, the SBCTC Strategic System Direction is the framework for identifying these funding needs;

THEREFORE BE IT RESOLVED that the State Board for Community and Technical Colleges recommends the following be submitted in the 2008 Supplemental Operating and Capital Budget Requests: \$5.7 million for the Worker Retraining Program; \$7 million for Running Start; \$9 million for student support; \$8.5 million for campus security; \$1.6 million for E-Discovery; \$1.9 million for new facilities maintenance and operations; \$937,000 for a shortfall in compensation funding; \$1.1 million for the OFM enterprise systems fee; and correction of a \$49.8 million operating budget fund shift; \$6.3 million for capital project cost escalation; \$2.5 million for Yakima Valley College lease buyout; \$1.4 million for capital repairs at Bellevue Community College; \$23.58 million in Certificate of Participation authority for the North Seattle Community College/Employment Security Department/Department of Social and Health Services project; and \$3.347 million in Certificate of Participation authority for the Wenatchee Valley College student housing project, all as displayed on Attachment A.

APPROVED AND ADOPTED on October 18, 2007.


Erin Munding, Chair

ATTEST:


Charles N. Earl, Secretary

State Board for Community and Technical Colleges
2008 Supplemental Operating and Capital Budget Request

OPERATING BUDGET:

Economic Demand

- **Worker Retraining Program - \$5.7 million**

The Worker Retraining Program trains dislocated workers for new jobs in the economy. Since 1997, by legislative proviso, the program's 6,200 budgeted FTES have been funded at \$4,611 each. Of this amount, \$1,300 (28%) is dedicated to student financial aid (to bridge the time it takes for formerly employed workers to become eligible for financial aid) and \$3,311 (72%) goes to support colleges' instruction and other related costs. The flat funding level has gradually become inadequate for either of these purposes. CTC tuition has increased 84% since 1997, and legislative support for other CTC instruction has increased by 42%.

The State Board seeks to begin to close the funding gap for this program by requesting \$5.7 million in permanent funding beginning in FY 2009. This would bring state funding per FTE to \$5,530 - \$1,559 (28%) in financial aid and \$3,971 (72%) for college support, and would close approximately 40% of the funding gap.

Student Success

- **Student Transitions: \$8.7 million**

- **Running Start - \$7 million**

The Running Start program affords opportunity to an ever-increasing number of high school students to simultaneously earn high school and college credit, tuition free. Last year, two-year colleges served almost 11,000 FTE Running Start students. By statute, colleges receive reimbursement from K-12 for Running Start students. There is a significant and growing gap between the reimbursement rate and the actual cost to provide college instruction. The gap has tripled since the program's inception in 1994, and is now \$3,000 per FTE, which is about 40 percent of the CTC average cost of instruction. The annual cost of closing the funding gap is estimated at \$34.5 million.

The State Board proposes a five-year phased funding plan to address the Running Start funding gap, and requests \$7 million as the first installment in this supplemental budget request. In addition, the State Board requests that colleges be allowed to report and count the portion of each Running Start FTE not covered by the K-12 reimbursement (about 0.4 of an FTE) toward state enrollment targets.

- **College in the High School - \$1.7 million**

College in the High School classes are taught on high school campuses and allow high school juniors and seniors to receive both high school and college credit. College faculty either provide the instruction directly or they supervise the work of

high school teachers who deliver the instruction. 5,300 College in the High School classes are taken annually by about 3,000 students. School districts receive and retain state K-12 funding for these students. College costs are covered by a \$325 per course fee paid by students in the program. The purpose of this request is to remove the financial disincentive for students to take college-level courses through College in the High School, putting it on a par with Running Start. This request would provide state funding so that students would no longer be required to pay a fee for this dual credit program.

Innovation

- **Student Support: \$9 million**
- **Instructional Equipment – \$7.5 million**
The SBCTC requested \$17 million in the biennial operating budget to address urgent equipment replacements needs in instructional programs. The Legislature provided \$2 million toward this request. Equipment acquisition and replacement remains a top priority need at the colleges, and this item asks the Legislature to add \$7.5 million in permanent FY 2009 funding to their original investment.
- **Digital Library Resources - \$1.5 million**
This funding would provide students throughout the CTC system uniform access to the same on-line library resources they will later use on the job or at baccalaureate institutions. Because access to these resources is critical to prepare students for the work environment and for transfer, \$1.5 million in permanent annual funding is requested in the second year of this biennium.

Emergent Issues

- **Campus Security - \$8.5 million**
State Board staff, working with The Center of Excellence for Homeland Security, has developed a comprehensive approach to enhance campus security. Unlike four-year universities, two-year colleges do not have campus police and rely heavily on local law enforcement and other first responders. This request includes funding for a mapping system for each of the 34 community and technical colleges (equivalent to the K-12 system) to enhance communication and establish stronger relationships with first responders. It also provides funds for a two-way communication system that provides instant warning, a redundant communications system, disaster and emergency management training and related emergency equipment.
- **E-Discovery – \$1.6 million**
The Federal courts have issued new mandatory regulations on the preservation and retrieval of electronic records. State Board has developed this request in collaboration with the colleges, Attorney General's Office, and the Department of Information Services, to determine the hardware and software requirements and the costs to implement an enterprise-wide solution for email archiving. There are approximately 52,000 electronic mailboxes in the college system that would qualify for archiving. The

\$1.6 million request is for software licensing, implementation/deployment, and equipment.

Technical Budget Corrections

- **Facilities Maintenance and Operations Funding - \$1.9 million**
Included in this request is maintenance and operations funding for three buildings (Lower Columbia Fine Arts at \$444,000, Edmonds Instructional Lab at \$728,000, and Peninsula Workforce Training Center at \$84,000). Also requested is funding for maintenance and operations for two Pierce College Health Education Center buildings, one at Puyallup (\$117,000) and the other at Fort Steilacoom (\$535,000), both of which contain instructional space.
- **Compensation Funding Shortfall - \$937,000**
Faculty and classified staff salary increases provided this biennium were underfunded. The salary bases used to calculate the funding amounts did not include the funding provided last biennium for faculty increments or the funding provided this biennium for certain classified salary improvements. This request level covers the funding shortfall.
- **Office of Financial Management Enterprise Systems Fee - \$1.1 million**
OFM has notified us that a new technology fee for the Enterprise system was inadvertently omitted from our biennial funding, and they intend to address this in the supplemental budget.
- **Fund Shift Correction**
The original biennial budget moved some general operating dollars into a fund with limited allowable uses. The colleges will not have enough expenditures in the allowable areas, resulting in a de facto funding reduction unless the fund shift is corrected in the supplemental budget. OFM intends to address this in the supplemental budget.

CAPITAL BUDGET:

- **Capital Project Cost Escalation – \$6.3 million**
The 2007-09 capital budget provided \$3.2 million, against our request for \$5 million, for CTC's to manage unanticipated cost escalation for capital projects. The legislative proviso allows for cost escalation relief of up to \$750,000 per project; however, the \$3.2 million in funding is insufficient to provide that level of relief if all seventeen projects scheduled to go to bid this biennium were to need it. This request would seek an adjustment from the \$3.2 million already budgeted to up to \$9.5 million, allowing qualified projects to receive closer to the \$750,000 per project.
- **Yakima Valley Community College – Skills Center - \$2.5 million**
The 2007-09 capital budget provided funds for a new Skills Center for the Yakima School District. The school district is currently leasing the existing Skills Center site from Yakima Valley Community College (YVCC). According to the terms of the lease, YVCC is required to compensate the school district for the 20,956 square foot building it will be vacating. This budget request compensates the Yakima School District per the terms of the ground lease dated June 25, 1977. The current classroom and lab space is

in excellent condition, can be put to immediate use, and is cost effective. It would cost double this appropriation amount to replicate.

- **Bellevue Community College – L Building Repairs - \$1.4 million**
Bellevue Community College has identified water intrusion and mold problems in the L-Building. The college hired consultants to estimate costs for repairs and the problems are more extensive than originally thought. It will require replacement of windows and storefront, sealing of concrete, installation of flashing and upgrading stucco transitions.
- **North Seattle Community College/Employment Security Department/Department of Social and Health Services –\$23.58 million in COPs**
The 2007-09 capital budget provided \$1.97 million for the design phase of the combined North Seattle Community College/ESD/DSHS Employment Resource Center. The construction phase is positioned for funding in the 2008 supplemental request. The State Board has been asked to accelerate design so that construction can begin before June 2009 and the project can be completed before Fall 2010. The State Board will resubmit this project as it was originally submitted in the 2007-09 capital budget request.
- **Wenatchee Valley College – Student Housing - \$3,347,000 in COPs**
Wenatchee Valley College requests authority to use COP financing for development of student housing adjacent to the campus.

STATE OF WASHINGTON
STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES
RESOLUTION 07-10-33

A resolution relating to endorsing legislation to secure capital funding for higher education.

WHEREAS, Gardner-Evans bonds provided through passage of the Washington's Future Act in 2003 have been essential in providing additional funding for higher education capital programs, and;

WHEREAS, the \$750 million in Gardner-Evans bond authority has been fully committed, and;

WHEREAS, additional dedicated bond funds are needed by both four-year universities and two-year colleges to sustain funding levels for currently appropriated projects as well as new projects identified in each sectors priority lists, and;

WHEREAS, these additional dedicated bond funds are critical to serve students who will require access to educational opportunities in high need and high demand fields of study, or who need to update knowledge and skills, and;

WHEREAS, reauthorizing the Washington's Future Act is essential to ensure predictability and certainty for institutional planning and budgeting for critical investments in four-year and two-year higher education systems to remain competitive in the global economy, and;

WHEREAS, an increase to \$1 billion over the next three biennia recognizes cost of construction inflation to maintain the buying power of the original legislation;

THEREFORE BE IT RESOLVED that the State Board for Community and Technical Colleges endorses reauthorizing the Washington's Future Act (Attachment A), beginning in the 2009-11 biennium, to provide \$1 billion in dedicated bonds for higher education institutions over the next three biennia.

APPROVED AND ADOPTED on October 18, 2007


Erin Munding, Chair

ATTEST:


Charles N. Earl, Secretary

BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: Z-0661.3/08 3rd draft

ATTY/TYPIST: JA:cro

BRIEF DESCRIPTION: Extending the building Washington's future act.

AN ACT Relating to extending the building Washington's future act; and amending RCW 28B.14H.005, 28B.14H.020, 28B.14H.030, and 28B.14H.060.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

Sec. 1. RCW 28B.14H.005 and 2003 1st sp.s. c 18 s 2 are each amended to read as follows:

The state's public institutions of higher education are a vital component of the future economic prosperity of our state. In order to ensure that Washington (~~continues to be~~) is able to compete successfully in the global economy and provide for a highly qualified workforce that can attract and retain businesses and support the economic vitality of the state, it is the intent of chapter 18, Laws of 2003 1st sp. sess. to provide (~~new money~~) additional funding for capital projects to help fulfill higher education needs across the state.

This (~~new~~) additional source of funding for the critical capital needs of the state's institutions of higher education furthers the mission of higher education and is intended to enhance the abilities of those institutions, over the next six years, to fulfill their

critical roles in providing access to postsecondary educational opportunities and maintaining and stimulating the state's economy.

It is the intent of the legislature that this ((new)) additional source of funding not displace existing funding levels for the capital and operating budgets of the institutions of higher education. It is instead intended that ((the new)) this funding will allow the institutions, over the next three biennia, to use ((the current level of)) this capital funding primarily to ((provide for many of those)) address urgent preservation((,)) and replacement((, and maintenance needs that have been deferred)). This approach is designed to meet the full array of capital projects as delineated in each sector's prioritized list and to maintain or improve the current infrastructure of our institutions of higher education, and simultaneously to provide new instruction and research capacity to serve ((the increasing number of traditional college aged students and those adults returning to college to update)) additional students who will require access to postsecondary educational opportunities particularly in high need and high demand fields of study and who are entering or returning to college to update knowledge and skills or retrain so that they can meet the demands of Washington's changing workforce. This ((new)) source of funding may also be used for major ((preservation)) projects that renovate, replace, or modernize facilities to ((enhance)) improve capacity/access and to enhance the adequacy of space for education by maintaining or improving the usefulness of existing space for ((important)) critical instruction and research programs.

Sec. 2. RCW 28B.14H.020 and 2003 1st sp.s. c 18 s 4 are each amended to read as follows:

(1) For the purpose of providing needed capital improvements consisting of the predesign, design, acquisition, construction, modification, renovation, expansion, equipping, and other improvement of state buildings and facilities for the institutions of higher education, the state finance committee is authorized to issue general obligation bonds of the state of Washington in the sum of ((seven hundred seventy two million five hundred thousand)) one billion dollars, or so much thereof as may be required, to finance all or a part of the cost of these projects and all costs incidental thereto. The bonds issued under the authority of this section shall be known as Washington's future bonds.

(2) Bonds authorized in this section shall be sold in the manner, at the time or times, in amounts, and at such prices as the state finance committee shall determine.

(3) No bonds authorized in this section may be offered for sale without prior legislative appropriation of the net proceeds of the sale of the bonds.

Sec. 3. RCW 28B.14H.030 and 2003 1st sp.s. c 18 s 5 are each amended to read as follows:

It is the intent of the legislature that the proceeds of ((new)) additional bonds authorized in this chapter will be appropriated in phases over three biennia, beginning with the ((2003-2005)) 2009-2011 biennium, to provide additional funding for capital projects and facilities of the institutions of higher education above historical levels of funding.

This chapter is not intended to limit the legislature's ability to appropriate bond proceeds if the full amount authorized in this chapter has not been appropriated after three biennia, and the authorization to issue bonds contained in this chapter does not expire until the full authorization has been appropriated and issued.

Sec. 4. RCW 28B.14H.060 and 2003 1st sp.s. c 18 s 8 are each amended to read as follows:

The legislature intends to use the proceeds from the sale of bonds issued under this chapter for the ((following projects during the 2005-07 and 2007-09 biennia):

~~— (1) For the University of Washington:~~

~~— (a) Life sciences I building;~~

~~— (b) Bothell branch campus phase 2B;~~

~~— (2) For Washington State University:~~

~~— (a) Spokane Riverpoint campus — academic center building;~~

~~— (b) Pullman campus — Holland Library renovation;~~

~~— (c) Pullman campus — biotechnology/life sciences 1;~~

~~— (d) TriCities campus — bioproducts and sciences building; and~~

~~— (e) Intercollegiate College of Nursing, Spokane — nursing building at Riverpoint;~~

~~— (3) For Eastern Washington University: Hargreaves Hall;~~

~~— (4) For Central Washington University: Hogue technology;~~

~~— (5) For The Evergreen State College:~~

- ~~— (a) Daniel J. Evans building;~~
 - ~~— (b) Communications building and theater expansion;~~
 - ~~— (6) For Western Washington University:~~
 - ~~— (a) Academic instructional center;~~
 - ~~— (b) Parks Hall;~~
 - ~~— (c) Performing Arts Center renovation;~~
 - ~~— (7) For the community and technical college system:~~
 - ~~— (a) Green River Community College science building;~~
 - ~~— (b) Walla Walla Community College basic skills/computer lab;~~
 - ~~— (c) Pierce College Puyallup, communication arts and allied health;~~
- ~~er~~
- ~~— (8) For other)) 2009-2011, 2011-2013, and 2013-2015 biennia to fund urgent preservation and infrastructure projects, to fund high demand and other projects that support economic development and critical research, and to support renovation, replacement, and modernization projects that maintain or increase access to institutions of higher education.~~