

**COMMUNITY COLLEGE DISTRICT TWELVE
BOARD OF TRUSTEES
Centralia College**

**Hanson Boardrooms
Centralia College
Centralia, Washington**

**Study Session/Regular Meeting
May 14, 2026
3:00 p.m.**

MINUTES

Study Session

Budgets and Reserves – Tariq Qureshi

Tariq Qureshi gave a PowerPoint presentation on college budgets and reserves, outlining the college's reserve structure and trends. He reported total reserves of approximately \$8.1 million, comprised of divisional reserves (\$1.9 million), an interest reserve (\$2.6 million), and a grant overhead reserve (\$4.2 million), offset by approximately \$631,000 in related administrative costs.

Divisional reserves are supported by Running Start revenues, while the grant overhead reserve is funded through indirect cost recovery and the interest reserve has increased significantly due to higher earnings from Local Government Investment Pool (LGIP) investments. He noted that overall reserves have remained stable in most categories, with the most significant growth occurring in the interest reserve.

Mr. Qureshi reviewed encumbered reserves, including approximately \$1.6 million allocated for maximum construction costs for the Teacher Education and Family Development (TEFD) building and \$5 million held to meet Board policy requirements, noting that these commitments account for a portion of total reserves. He confirmed that the college is currently meeting its Board-required reserve threshold and described the overall reserve position as healthy.

Reserves are intended to sustain operations during emergency disruptions such as natural disasters, delayed state funding, or system-wide payment interruptions, including potential cyber incidents. Reserve policies vary across institutions, with some using time-based thresholds and others using percentage-based targets.

The possibility of increasing the reserve requirement to three months was discussed. Mr. Qureshi noted that current financial trends could allow the college to reach that level within approximately one year and added that a State Board working group is reviewing systemwide fiscal health measures and may recommend reserve levels at or above three months. He indicated that aligning with a potential three- to four-month standard would position the college to align with preliminary statewide expectations. Increasing reserve thresholds would primarily limit the use of those funds for one-time expenditures and reinforce that reserves are not intended for routine operating budget support.

Reserve funds may be accessed with Board approval to address temporary financial shortfalls, while still maintaining required minimum balances. Such actions would require formal Board authorization and reinforce structured financial decision-making during periods of fiscal stress.

While a six-month reserve level was noted as an aspirational benchmark, three months was identified as a more commonly used and realistic standard. Trustees noted

the importance of avoiding excessive accumulation of idle public funds, while recognizing that reserves contribute to financial stability and generate interest income.

The Board recognized the need to balance prudent fiscal stewardship with responsible risk management. Trustees expressed support for moving toward a three-month reserve threshold, recognizing that future State Board guidance may recommend adjustments, potentially increasing the standard to four months.

The proposed reserve policy update is expected to be brought forward for formal Board consideration at the next meeting, along with related policy revisions.

Running Start reserves are maintained separately and support operational budgeting separate from other reserve categories. The college annually reports reserve balances to the State Board, a practice strengthened in response to prior legislative inquiries emphasizing transparency in reserve classification, encumbrances, and cash positioning. Financial reports are also made available to the Office of Financial Management (OFM) upon request.

Mr. Qureshi presented preliminary FY27 budget development assumptions. He noted that while FY26 reflects relative stability, the college anticipates increased fiscal pressure due to state funding trends and potential changes in allocation models. Approximately two-thirds of college revenue is derived from state funding, resulting in sensitivity to legislative budget decisions. Although a five-year projection has been developed, he focused primarily on a three-year outlook to highlight near-term planning impacts.

Mr. Qureshi presented a financial outlook for FY27–FY31, highlighting emerging structural challenges to the college's long-term fiscal sustainability. Revenue is projected to remain flat, while expenditures are expected to increase by approximately 4% annually, resulting in widening structural deficits beginning in FY27 if current trends continue.

Approximately two-thirds of college revenue is derived from state funding, which is projected to decline modestly under current allocation models. Tuition revenue is expected to grow at a limited rate, and while Running Start enrollment is anticipated to increase in the near term, that growth is expected to eventually plateau. As a result, overall revenue is projected to remain flat for planning purposes.

Expenditure growth is driven primarily by compensation costs, including salaries, benefits, and cost-of-living adjustments, which comprise approximately 85% of the college's budget. Although vacancy-related underspending has historically moderated actual expenditures, it is not expected to offset long-term cost increases.

Three planning scenarios were reviewed: maintaining the status quo, enrollment-driven growth, and expense reductions. He noted that enrollment growth sufficient to eliminate projected deficits would require sustained double-digit increases, while expense reductions alone would require significant staffing adjustments. A blended strategy combining moderate enrollment growth, targeted cost containment, and prudent reserve utilization was identified as the most realistic approach.

While modest revenue enhancements may occur through tuition adjustments and continued Running Start growth, they are not expected to alter the college's long-term

fiscal outlook. He emphasized that capital and restricted grant funding can support specific initiatives but cannot be used to address ongoing operating deficits.

The Budget Review and Planning Committee (BRP) is the primary framework for aligning resource allocation with strategic priorities, including enrollment growth, student retention, and institutional goals. Current cost-containment efforts include evaluating staffing levels, course scheduling efficiency, and low-enrollment programs. Through this prioritization process, new FY27 budget requests have been reduced to approximately \$452,000.

Dr. Mohrbacher added that the college is not changing its core mission but is focused on improving operational efficiency within a constrained fiscal environment. Ongoing efforts include program review, catalog cleanup, and the elimination of underutilized offerings, with recognition that additional tough decisions may be necessary in the future.

1. Call to Order

Board Chair Annalee Tobey called the meeting to order at 4:09 p.m.

Board members present:

- Annalee Tobey
- Pretrina Mullins
- Mark Scheibmeir
- Chris Thomas
- Court Stanley

Dr. Mohrbacher requested a reorder of the board agenda to present the honorary degree under Old Business.

It was MOVED BY Chris Thomas THAT THE BOARD REORDER THE BOARD AGENDA TO INCLUDE THE HONORARY DEGREE UNDER OLD BUSINESS. THE MOTION CARRIED UNANIMOUSLY.

2. Introductions/Presentations:

Dr. Mohrbacher introduced the Phi Theta Kappa (PTK) All-Washington Academic Team. Members are:

- Lily Ferch
- Marcus Hewitt

3. Open Forum

No one requested to speak in open forum.

4. CONSENT AGENDA

Adoption of Minutes:

It was MOVED BY Pretrina Mullins THAT THE BOARD APPROVE THE REGULAR MINUTES OF April 9, 2026, AS PRESENTED. THE MOTION CARRIED UNANIMOUSLY.

Policy Governance

Policy Updates

Dr. Mohrbacher reported Institutional Effectiveness (IE) met May 6, 2026. Four policies passed on second read.

- 1.135 Discrimination & Harassment
- 2.072 Student Club/Organization Advisor
- 2.360 Training & Development`
- 2.470 Staff Development

Dr. Mohrbacher reported that Court Stanley has reviewed several board policies that will be incorporated into the standard policy template for distribution to the Board prior to the next meeting.

The Board agreed that the policy updates could be reviewed during the study session, with the possibility of making any necessary adjustments during regular session.

5. Trustee Reports

Court Stanley reported that he had limited board-related activity due to time spent in Montana working with a group of Hutterite communities. He had informal observations from that work, including learning about the egg market, agricultural conditions, and drought impacts in Montana.

Court attended the United Learning Center grand opening. The development of the United Learning Center represents a significant event for the community, contrasting it with the earlier planning efforts that began in 2018.

Pretrina Mullins attended the ACT Spring Conference and reported that the event provided valuable information and opportunities to engage with trustees from other

colleges. She noted it was beneficial to compare institutional practices and that Centralia College is viewed positively as a role model.

Pretrina gave a brief personal update regarding travel to the conference, including a vehicle breakdown. Despite the travel disruption, she noted the experience remained positive, highlighting meaningful conversations with colleagues and continued engagement throughout the trip.

Mark Scheibmeir reported attending the United Learning Center grand opening, describing it as a positive event for the city and community and expressing hope that the center will integrate effectively with the college. He noted concern that some key contributors to the project's early development were not formally recognized during the event (Court Stanley) and acknowledged the role of United Way leadership at the time in advancing the initiative.

He attended recent community events, including a theatrical performance at the college and the Charlie Albright performance, where he and former trustee Jim Lowery presented the Distinguished Alumnus Award to Charlie Albright. He appreciated presenting this award and noted the significance of the recognition for Charlie and his family.

Chris Thomas attended the Spring Conference at Semiahmoo Resort and reported that the conference provided him with appreciation for the Centralia College's leadership, staff, and board colleagues, and noted a sense of collaboration and support within the college despite ongoing budget challenges.

He reported attending several local engagement activities, including a Chamber of Commerce legislative update where he met with state legislators and had follow-up discussions on institutional priorities. He attended a Chamber Business After Hours event at Lucky Eagle Casino, emphasizing continued relationship-building with local business and community leaders.

He attended the college's Family Fun Fest, noting strong community turnout and engagement with campus services and activities. Additional activities included donating blood through a campus blood drive, attending athletic events including sophomore recognition night for baseball and fastpitch, and ongoing engagement with student athletics. He also attended the Future Academy with Dr. Mohrbacher.

Annalee Tobey reported attending the third session of the Future Academy series, describing it as an engaging and informative discussion focused on future trends and implications for student success and institutional planning.

She attended the ACT Spring Conference, noting the value of professional development and engagement with other trustees, as well as echoing positively on the collaborative relationships within her own board.

She also attended the United Learning Center opening, describing it as a positive community event. She mentioned her continued service on community boards, including the Discover Children's Museum, and stressed the importance of early childhood education initiatives. She noted that recent events were highly positive and expressed appreciation for opportunities to engage in community and regional initiatives.

WA-ACT

No report provided.

ACCT

The 2026 ACCT Leadership Congress is scheduled for October 21 – 24, 2026 at the Hyatt Regency Chicago in Chicago, Illinois. The focus this year is leading with care, innovation, and effective governance in changing times.

6. President's Report

Dr. Mohrbacher reported that he attended the Celebration of Life service for Hank Kirk and noted a strong turnout that included former college employees, trustees, and community members.

He provided an update on a temporary partial closure of the TransAlta Commons building following reports of odors and related symptoms experienced by individuals in the facility. The building was vacated and an environmental testing firm, Terracon, was hired to assess potential causes. Preliminary findings did not indicate any structural or HVAC system issues, and additional test results are pending.

A recent Canvas data security incident has affected multiple institutions globally, and Centralia College was among those impacted and that the situation is being monitored as additional information becomes available. The Canvas learning management system has been restored following the incident that affected the platform's parent company, Instructure. Any data potentially accessed during the incident has been reported as destroyed, and the college is awaiting formal notification from Instructure regarding the specific impact on local users. At this time, known impacted data is understood to be limited to usernames and Canvas messaging content, with no evidence of exposure of sensitive personal information such as Social Security numbers, banking information, or passwords.

Dr. Mohrbacher further noted that Instructure is expected to manage any required regulatory notifications, though the college will evaluate its responsibilities once full impact details are received. Casey Schmidt, Chief Technology Officer, confirmed that the incident is not expected to have financial or operational impact on the college, and ongoing communication and monitoring will continue as additional information becomes available. The college does not anticipate any fiscal impact, other than potential overtime costs related to IT response efforts, which will be evaluated and addressed as appropriate.

Dr. Mohrbacher reported on recent engagement with the Washington Student Achievement Council, noting that he and representatives from local educational partners were invited to share updates on collaborative initiatives, including regional partnership work and grant-funded programs.

Dr. Mohrbacher announced the upcoming time capsule event scheduled for May 21 near the campus clock tower. There are several items collected from across the campus that are being stored in a case until final placement in a vault. Items include contributions from campus programs and commemorative materials spanning the past century. The capsule is planned for opening in 2125, marking a 100-year interval.

Dr. Mohrbacher announced the recipients of this year's Exceptional Faculty Awards: Mary Capon and Teneal Bannon, both from the nursing faculty. Both awardees have been

notified and are working with college staff to prepare recognition materials, including photographs and biographical information, and that they will be formally honored at commencement.

7. SAALT

Alicia Jenkins, Student Advocacy Activities Leadership Team (SAALT) President, reported that student athlete Colin Norris placed first in the Central Regional 1 playoffs for *Super Smash Bros. (1v1)* as part of the college esports program, and encouraged recognition of his achievement.

Alicia reported significant planning efforts for the upcoming Spring Fest, including student-led programming and event organization. She indicated that Spring Fest will include multiple activities and requested volunteer support for event operations, including the dunk tank (funds raised will benefit the Food Pantry), and outlined event timing and setup.

SAALT received thirteen applications for upcoming leadership positions, noting that there were strong student interest and an active selection process underway.

Students participated in the virtual Students of Color Conference this year, describing it as a valuable opportunity for engagement with peer institutions and keynote speakers, and is hopeful that the event can return to an in-person format in the future.

Alicia reported SAALT appreciated being included in the hiring process for the Director of Student Programs position, stressing the value of student input in institutional staffing for student-facing positions.

Additional updates included Earth Week activities such as cleanup efforts on the KNOLL, a seed exchange event, and relocation of the Mental Health Awareness Fair to Washington Hall due to building conditions in the TransAlta Commons. She noted strong student engagement with community partners, including the “I’m Alive” program.

8. Faculty

Mark Gorecki, faculty representative, Centralia College Federation of Teachers President, reported negotiations concluded in April, with the process formally wrapped up last month. A few adjustments are still needed and remain under review. The team has recently received additional budget information and is currently working to understand and validate the details. Over the next couple of weeks, the budget will be fact-checked internally, after which ratification will be completed.

9. Classified

No report provided.

10. Instruction

Jenny Higgins, Nursing Director, for Connie Smejkal, Vice President of Instruction, reported that the deans and directors have been collaborating on strategies to increase enrollment and improve departmental efficiencies.

In response to board questions, Ms. Higgins confirmed that the nursing pinning ceremony is scheduled for Wednesday, June 17, at 6:30 p.m. She stated that invitations would be distributed at the next meeting and noted that the later start time was chosen by the students to better accommodate family attendance.

Ms. Higgins also explained that the accreditation review referenced in the Instruction report has not yet occurred and is scheduled for May 4–6, 2027. She stated that the accreditation team may request to meet with some board members during the campus visit and encouraged them to keep those dates available.

Dr. Mohrbacher explained that the college is not losing instructional space due to the closure of the Center of Excellence. The Center is currently housed in the brick building on King Street. Once Monica Brummer completes her Center of Excellence responsibilities, she will relocate to an office in the Transitional Services building, and the vacated offices will be reassigned for instructional use.

11. Human Resources & Equity

Joy Anglesey, Vice President of Human Resources and Equity, reported that listening sessions mandated by the legislature are scheduled for the following week (during Spring Fest) and noted that the resulting data is expected to be compiled by September or October for reporting back to the State Board.

In response to a question regarding public records requests (PRR), Ms. Anglesey explained that while the report referenced nine requests, one request alone contained twenty-six separate items, bringing the total workload closer to forty requests overall. Staff continue to work through the requests, and she expressed appreciation for Roberta Graver's assistance. Roberta will complete her PRR certification the following month and has been doing an excellent job managing public records requests.

A question was asked about employee turnover, noting that much of it appeared to involve retirements or voluntary separations rather than non-voluntary departures. Ms. Anglesey confirmed this observation and explained that turnover is not always negative and can sometimes be beneficial to the organization. She reported that the current turnover rate of 2.2% remains low and stated that the college's annual turnover rate is still under 5%, which she described as positive.

12. Student Services

Dr. Robert Cox, Vice President of Student Services, reported that the college's TRIO Talent Search grant application has been submitted and explained that, due to competitiveness requirements within the grant process, the college will no longer be able to serve Rainier High School, Rochester High School, and Napavine High School through the Talent Search program. Dr. Cox noted that the college has served those schools for many years and that the decision was based on student outcome data that no longer demonstrated sufficient need.

Dr. Cox reported that the superintendents of those schools had been informed of the change and that they understood the rationale behind the decision. While improved student success is positive, some of that success can be attributed to the support provided through the Talent Search program itself. He also referenced the broader political landscape and concerns regarding reductions in funding for TRIO and GEAR UP programs, noting that school districts are increasingly concerned about the future of those services.

Dr. Cox expressed optimism that the college will continue to effectively support the remaining schools served through the program. He also noted that Tony Holm was present to answer any additional questions regarding the TRIO Talent Search grant.

Tony Holm reported that the grant process was challenging due to changes made by the U.S. Department of Education to the criteria and funding priorities. He explained that some institutions chose not to apply because of the difficulty in obtaining the data necessary to remain competitive. Mr. Holm stated that the college submitted the strongest application possible and remains hopeful that funding will be awarded to continue the Talent Search program. A funding decision is expected before August, prior to the close of the federal fiscal year for the grants.

Mr. Holm reported that the proposed annual funding level is approximately \$325,000, representing a reduction of \$150,000 from the current funding level.

Dr. Cox explained the recent temporary evacuation and relocation of staff from the TAC building. He noted that, despite the disruption and inefficiencies caused by the situation, staff across campus responded collaboratively and supportively. Student Services staff were temporarily relocated to various campus locations, including the library and Washington Hall, and Dr. Cox expressed appreciation for the welcoming support provided by employees throughout the campus. He specifically recognized his directors, as well as Facilities and IT staff, for their efforts in quickly establishing workspaces, activating phone and network connections, and managing the logistical challenges associated with the move.

Board members questioned the increase in fraudulent student applications referenced in the board report. Heidi Patrick, Director of Enrollment Services, explained that colleges nationwide are experiencing similar issues and noted that the college has incurred fewer losses than many others in the system. Fraudulent applications are often submitted by a small number of individuals using multiple identities to obtain financial aid or collect personal data for fraudulent purposes. Many fraudulent applicants do not attend class, although increasingly sophisticated artificial intelligence tools are now being used to submit assignments and mimic student engagement in online courses.

The State Board has recently implemented a fraud mitigation tool intended to identify suspicious applications before they reach colleges, providing an additional layer of review.

Dr. Cox explained that the college participates in the Pell Grant program but does not participate in the federal student loan program. This distinction has reduced the college's exposure compared to colleges offering larger financial aid disbursements. The institution's continued use of paper checks has helped mitigate fraud because checks mailed to invalid addresses are returned to the college. The college plans to transition away from paper checks in the future, but the current process has provided additional protection against fraudulent activity.

13. Administrative Services

Tariq Qureshi, Vice President of Finance and Administration, provided the monthly budget update and reported that year-to-date actual expenses continue to trend below budget projections. He stated that expenditures are currently approximately \$2.4 million, or 10%, under budget. Mr. Qureshi noted that the college is expected to finish the fiscal year between 4% and 10% under budget, depending on year-end faculty balloon payments and other final expenditures.

14. Foundation

Christine Fossett, Associate Vice President of Advancement, reported on the recent event recognizing Charlie Albright, describing it as a successful and meaningful evening. She thanked those who assisted with presenting awards and helping make the event special.

Ms. Fossett also reported that Mr. Albright has revised his scholarship criteria. The primary criterion will continue to prioritize music majors, while a newly added secondary criterion will consider students who continue at Centralia College after participating in the Running Start program, either to complete an associate degree or pursue a bachelor's degree.

The college recently received two CNC machines for the robotics program through funding support from Sierra Pacific combined with a previous Intel grant. In addition, the college received an autoclave donated by Callison's, which will benefit the Chemistry Department.

Ms. Fossett stated that the approximately \$1.3 million raised this year was not the highest annual total achieved by the foundation. She noted that the previous year exceeded \$2.1 million due to a particularly large donor contribution.

15. New Business

Board Retreat Planning

The board discussed the upcoming board retreat, including location and scheduling options. Several potential dates were discussed but the consensus is to hold the retreat on Monday, July 27.

Board members were encouraged to submit potential agenda topics for the retreat in advance so they could be incorporated into the planning process.

Emeritus

Dr. Mohrbacher presented three names to be considered for emeritus status.

- Shelley Bannish
- Deborah Shriver
- Gene Shriver

It was MOVED BY Court Stanley THAT THE BOARD APPROVE SHELLEY BANNISH, DEBORAH SHRIVER, AND GENE SHRIVER FOR EMERITUS STATUS. THE MOTION CARRIED UNANIMOUSLY.

The nominees have not yet been formally notified but official notification letters would be sent to the honorees.

Faculty Negotiated Agreement

Dr. Mohrbacher stated that negotiations are nearing completion, with only one or two items still being finalized. The negotiated agreement is currently not ready, but it is expected to be completed and ready for presentation in June.

Tenure

Dr. Mohrbacher noted that the tenure progression for Adam Woodland is currently off-cycle and one quarter behind the standard tenure timeline. The board has received the information and suggested the item could be deferred until after executive session if further discussion were needed.

Chris Thomas moved that The Board of Trustees direct the president to notify ADAM WOODLAND that the Board authorizes continuation of the probationary review period.

This action will allow Mr. Woodland to be aligned with the standard tenure review cycle beginning in the fall.

16. Old Business

Strategic Planning

There was no Strategic Planning report.

Accreditation

Fia Eliasson-Creek, Executive Director of Institutional Research, reported that the massage therapy certificate and proficiency program had been approved by the Northwest Commission, allowing enrollment of up to twelve students per quarter.

The next accreditation submission will be for the Medical Assistant program, which includes three related certificates. The marketing and outreach efforts are being coordinated to promote newly approved programs, including press releases, social media outreach, campus communications, and coordination with outreach and transitional studies staff. Public promotion cannot begin until final approval is received.

The program is not yet eligible for federal financial aid, although an application has been submitted to the U.S. Department of Education. Approval timelines are uncertain and may take several months due to ongoing changes within the Department of Education, which could impact student enrollment. The program is approximately fifty-eight credits and can be completed in just over one year.

Honorary Degree

The board considered the recommendation for an honorary degree for Robert O'Neill. Dr. Mohrbacher reported that the nomination had been forwarded to the Degree Committee, which approved it unanimously and returned it to the board for final action.

It was MOVED BY Court Stanley THAT THE BOARD APPROVE THE AWARDING OF AN HONORARY DEGREE TO ROBERT O'NEILL. THE MOTION CARRIED UNANIMOUSLY.

It was noted that Mr. O'Neill will be formally notified and is expected to be available to receive the honor at commencement.

17. Executive Session

Under RCW 42.30.110, the Board may hold an executive session for the purpose of reviewing the performance of a public employee and current or potential agency litigation or to review professional negotiations.

At 5:45 pm Board members moved into executive session to consult with legal counsel about current or potential litigation and to review the performance of public employees. The Board expects Executive Session to last approximately 30 minutes. The Board will be in Executive Session until 6:15 p.m. unless notified that the time is extended.

The Board has adjourned the Executive Session and reconvenes in Open Session. The time is 5:55 p.m.

The Board will proceed with the final agenda items.

18. Action from Executive Session

There was no action from executive session.

19. Announcement of Upcoming Meeting Date and Place:

The next board meeting will be Thursday, June 11, 2026, via Teams and Centralia College Boardrooms, Centralia, WA.

20. Comments

Janet Reaume, Executive Assistant, provided a reminder that commencement is scheduled for Thursday, June 18. She noted that the ceremony will begin in the TAC building, with graduates and participants lining up in the same location as last year. There will not be a live band this year; instead, standard recorded music will be used to better support timing and coordination for the ceremony.

Ms. Reaume requested board members could enter the room as early as 3:00 p.m., with all board members expected to be robed and ready by 3:30 p.m.

Chris Thomas suggested a quick access to key institutional facts. He noted that trustees are frequently asked basic questions about the college, such as enrollment, staffing, and budget figures, and suggested developing a concise set of commonly requested facts for easy reference.

He proposed creating a brief list of key statistics to be regularly included at the top of the board agenda as a recurring reference tool for trustees and thought there may be value in reinforcing visibility of key data.

Dr. Mohrbacher suggested formatting a small table of core metrics, such as student headcount and annual graduates, to be included in the agenda and updated quarterly. The possibility of creating a portable reference card for convenience was also discussed.

21. Adjournment:

The meeting adjourned at 5:57 p.m.

APPROVED:

Annalee Tobey, Board Chair

Dr. Bob Mohrbacher, Board Secretary