

**WASHINGTON STATE OPPORTUNITY SCHOLARSHIP BOARD MEETING  
TUESDAY, OCTOBER 29, 2019, 1-3 PM, MICROSOFT CAMPUS**

**MEETING MINUTES**

The Board of Directors of the Washington State Opportunity Scholarship (WSOS) met on October 29, 2019 at the Microsoft headquarters in Redmond, Washington.

Board members: Brad Smith, Miller Adams, Diane Cecchettini, Joelle Denney, Jane Park, Gary Rubens, Jim Sinegal and Mike Wilson; Julie Sandler by phone

Additional attendees: Erin Ashley, Michelle Barreto, Jane Broom, Kimber Connors, Karyl Gregory, Angela Jones, Taejah Jones, Joshua Karas, Keenan Konopaski, Sydney Parms, Casey Radostitz, Yoko Shimomura, Dave Stoller, Jennifer Sulcer, Keith Swenson and Steve Walker; Lianda Abraham, Meg Chambers, Mesa Herman, Jenna Magnotti, Joanna Moznette, Cristal Rangel Peña, Stan Pichinevskiy, Aileen Tubo and Rachel Wyers by phone

**Meeting Called to Order**

Brad Smith called the Board Meeting to order at 1:06 pm.

**Approval of Minutes**

Mike Wilson moved that the minutes of the June 19, 2019 Board Meeting be approved. Joelle Denney seconded the motion, and it carried unanimously.

**Mission Moment: Opportunity Scholar Story**

Kimber Connors, WSOS Executive Director, introduced WSOS Scholar Taejah Jones, a senior at UW Seattle majoring in Public Health with a focus in health education and promotion. Jones shared her deep appreciation for receiving the WSOS scholarship since her freshman year. Because of the strong impact of being mentored as a Scholar, she is now actively engaged as a Scholar Lead supporting a caseload of Scholar mentees. Jones will be applying to graduate school for healthcare administration and is eager to support first generation students as they navigate their way to and through college.

**Baccalaureate Renewal & Program Update**

Steve Walker, WSOS Awards Administration Director, presented highlights of the baccalaureate summer 2019 renewal with 4,897 Scholars awarded and \$6.3M disbursed to date, with another \$10M scheduled. During the renewal process, Walker noted that the BaS Scholars are given a satisfaction survey to assess the impact of our program on their perceived outcomes. Survey results indicate high levels of satisfaction as follows: 93% reported they are more likely to graduate because of WSOS; 93% said they are more likely to earn a degree in STEM or healthcare because of WSOS; 95% stated the financial assistance of WSOS allowed them to attend full-time; and 86% reported working fewer hours because of the financial assistance from WSOS.

Walker reported the goal of the Scholar Lead program to leverage near-peer mentoring to improve persistence outcomes, ensuring academic and social success for first- and second-year Scholars. Results indicate the pilot of the Scholar Lead program has positively impacted retention rates: between the 2017-18 and 2018-19 academic years, 78% of first year Scholars persisted to their second year. After the pilot year of the program, that rate improved to 84% persistence between 2018-19 and 2019-20.

Walker described the goal of the Skills that Shine program which is designed for third- and fourth-year Scholars to leverage industry mentoring to enhance their career readiness skills and network, ensuring a smoother transition from college to career. BaS Scholars who were surveyed for impact and satisfaction reported feeling

more prepared to seek relevant work experience in their field of study and felt they were connected well with career-related opportunities which they would not have found on their own. Survey results for fourth- and fifth-year Scholars were comparable.

Smith suggested that three talking points be compiled from this data which the board can share out. Connors indicated she would send these data points in a follow up email in the next week.

Walker reported that KPIs have been developed for regular reporting related to the impact of program expansion. Regular updates on the KPIs can be expected starting in spring 2020.

### **2019-20 Career & Technical Scholarship Selection**

Walker reported the Career & Technical Scholarship (CTS) is designed for certificates, associate degrees and apprenticeship programs in high-demand STEM, trade and health care fields. CTS recipients receive \$1,500 per quarter plus support services. The CTS application opens three times per year with the goal of selecting 275 students for the fall quarter (now closed), 165 for the winter quarter and 110 for the spring quarter.

Walker reviewed results of the criteria used in the first application cycle for CTS Cohort 1. Walker reported on the CTS recipient profile in terms of education status, age and geography. Smith noted more than one-third of recipients are 30 and older. He posited this suggests CTS has been discovered by people who are already in the workforce seek to advance their education.

Walker indicated CTS Scholars are represented in every Washington community and technical college (all 34 CTCs), in 22 of 39 counties and in 45 of 49 legislative districts. When asked by Joelle Denney how CTS is promoted to ensure cross-state representation, Walker reported it is communicated through high schools, every CTC, workforce development councils, Work Source offices and STEM Network directors. When asked by Jim Sinegal about the population of the 22 counties represented by the CTS Scholars, Walker indicated the counties represented in the eligible applicant pool were the most populous. The counties not represented were also the least populous counties and commented the legislative reporting for WSOS would include community representation per capita for better insight into state-wide representation.

Walker then compared CTS Applicants versus Selects in gender and race/ethnicity. Data was similar for race/ethnicity while fewer women (42% vs. 59%) and more men (46% vs. 33%) were selected versus those who applied. Walker commented this was largely due to the fact that more female applicants were represented in the applicant pool under healthcare while the selection model more heavily preferred applicants in non-health care fields due to over-representation of healthcare applicants.

Walker highlighted the percent of applicants versus selects and compared that data to the percent of job openings for the four major intended programs – IT, Engineering/Manufacturing, Trades and Health Care. The most notable difference was in Health Care which comprised 62% of the applicants, 35% of selects and only 16% of job openings, based on state and regional demand. Walker emphasized this was related to the selection model design which encourages alignment of selects with demand for particular fields while seeking to prevent over-representation.

Walker presented the CTS selection criteria used for the fall application cycle. Given the statutory intent of the program to advance development in high-demand areas, a majority of the presentation focused on the 35% weighting assigned to assessing demand (20% - related to the number of projected job openings) and ROI (15% - projected wages divided by program length). Walker noted representation of any one industry was limited to 2.25x demand to limit over-representation of applicants when the number of applicants with a given interest area far outpaced demand. Data was sourced as follows:  $\frac{3}{4}$  from regional data and  $\frac{1}{4}$  from statewide data.

Walker presented an overview comparison of the CTS fall versus winter applicants. He noted the percentage of applicants already in the workforce increased from 8% to 25% and posited this may be due to the timing of the application (when fewer direct-from-high-school applicants would apply). Industry representation increased

among winter applicants in IT, Engineering/Manufacturing and Trades while industry representation decreased in Health Care.

Jane Park asked if WSOS is communicating options to our Scholars in an effort to promote program variety to under-represented applicants (e.g., males in nursing or females in IT). Walker indicated we are but that we aim to partner with other organization whose work promotes awareness when students are earlier in their K-12 journey than where WSOS promotion begins. Joelle Denney asked how we partner with middle and high school students to promote breaking gender norms. She reflected it might be too late in a CTC or college setting. Diane Cecchettini noted one already proven approach is to sponsor health care camps for high school juniors and seniors.

Walker proposed the CTS selection model for winter and spring cycles for Cohort 1 be identical to the model used for the fall cycle: 45% weighting to intended program and community impact, 25% to GPA and essays which measure resilience, 20% weighting to family income and 10% weighting to first-generation status. In addition, an industry cap of 1.5 – 3 would be determined after finalizing the eligible applicants.

Smith noted CTS is reaching people who are close to CTCs and not the other areas in the state which are most in need of economic development but less easily accessible to CTC campuses. He asked whether there are any CTCs or colleges using distance or remote learning systems. Miller Adams indicated Shoreline Community College draws a lot of automotive students from a distance and the college is considering the possibility of building a residence hall. Adams suggested every CTC have a residence hall for students who live farther away. Mike Wilson stated some programs better lend themselves to a residence hall on campus. Julie Sandler indicated the higher you go on the age chart, the harder it would likely be to move to attend a CTC further away. Denney suggested a mobile learning program could be brought to remote areas of the state.

Park made a motion to approve the CTS selection model (C1 – Winter & Spring Selection) as presented by Walker. Sinegal seconded the motion, and it passed unanimously.

### **JLARC Preliminary Report Overview**

Keenan Konopaski, Washington State's Legislative Auditor/Joint Legislative Audit & Review Committee (JLARC), reported the Legislature created WSOS and the Opportunity Expansion Programs in 2011 to help make college more affordable and increase bachelor's degrees in high-demand fields. The legislation also directed a JLARC review. JLARC functions as the non-partisan program evaluation unit for the Legislature.

Casey Radostitz, JLARC Research Analyst, reported the overall process for analyzing outcomes for WSOS Scholars. JLARC first defined specific outcome measures by which to evaluate WSOS Scholars. Then they conducted interviews with staff, students, agencies and experts. In addition, they reviewed WSOS administrative and financial processes and records as well as associated literature. They also analyzed five years of state comparative student-level data from multiple sources.

JLARC's Preliminary Report concluded that WSOS complies with the statute and highlighted the following outcomes: Scholars pay less out of pocket expenses, borrow less and are more likely to return to school than their peers, specifically with those returning to school for their second year. JLARC's report noted that WSOS Scholars also receive federal and state grants and scholarships. The Preliminary Report further noted that more WSOS Scholars are employed in Washington one year after graduation, make higher salaries for those who are employed full-time and are more likely to earn middle income wages.

After their comprehensive two-year review, the Legislative Auditor made two recommendations. First, JLARC recommended WSOS develop and implement a plan to coordinate with state agencies to provide additional information in its annual legislative reports. Konopaski acknowledged implementing this recommendation would be within the confines of state and federal privacy laws and did not represent a recommendation that WSOS repeat the in-depth study conducted by the JLARC team on an annual basis. Second, JLARC recommended WSOS include its overall non-scholarship costs in their annual reports.

The proposed final report will become available in December and the full report is accessible on JLARC's website: [www.leg.wa.gov/jlarc](http://www.leg.wa.gov/jlarc).

### **WSOS Next Steps**

Kimber Connors expressed appreciation to the JLARC team for their thorough review process of WSOS over the past two years. She further shared her excitement over the notable, successful outcomes achieved by our WSOS alumni and the continuing impact of WSOS on future Scholars. The Board celebrated the excellent outcomes by clapping.

Connors provided WSOS' response to each of the JLARC recommendations. Recommendation 1: Concur; we understand we will have some follow up work with JLARC in 2020 to build the plan to follow through on this recommendation. Recommendation 2: Concur; we will include the cost of direct services such as the stipend paid to Scholar Leads and all other operating costs in the annual reports Connors stated this recommendation would be fully implemented beginning with the December 1, 2019 report.

Connors then presented a SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) highlight summary and identified three strategic priorities – design for scale, build the brand and fund to 2030. In order to fund the program to 2030 with cohort sizes of 1,000 each year in each program, Connors proposed reinvigorated fundraising efforts. Connors reported that, in private dollars, \$92M has been raised for BaS, and WSOS would need to raise another \$75M. To date, \$34M has been raised for the CTS with another \$37M needed.

Connors reported that the total "Series B" fundraising need is \$200M (\$100M private plus the state match). This \$200M would cover scholarship dollars for the BaS and CTS expansion, launch and expansion of the GRD (Advanced Health Care Degree) and cover BaS retention improvement and non-scholarship costs.

Smith recommended fundraising strategies to raise \$100M be developed for discussion. Wilson noted that our support services, such as our mentoring program, have yielded strong positive impacts. In light of that, Wilson asked if any college grant dollars could be given to WSOS based on our proven track record. Cecchetti suggested a feasibility study be conducted for raising \$100M.

### **Finance & Program Administrator Update**

Connors noted she represented Mack Hogans with the update. She reported WSOS has \$100.5M in net assets and \$5M in pledge receivables. Regarding the ongoing reconciliation, Connors reported that \$1.9M has been collected of the outstanding \$2.8M. By year-end, WSOS anticipates receiving the balance of \$0.9M less around \$100K. Connors further reported that salaries and benefits are slightly over budget because a market analysis was performed which raised salaries. In addition, a bonus was given to the former Executive Director that was not included in the budget plus professional fees were higher due to IT and temp support as well recruiting costs for the new Executive Director. Connors reported that Boeing released their Endowment Account funds to CTS. With the goal of de-risking the investment as it moved from a long-term endowment to a spend-down scholarship, WSIB shifted that money to a new account with the same asset allocation as our baccalaureate scholarship. WSIB is performing a reallocation study to ensure appropriate allocations within the new scholarship account and will report back to the Board with their recommendation in spring 2020.

Connors reported Board action is needed to appoint Brad Faulhaber to the Finance & Investment Committee. Adams made the motion as presented and Cecchetti seconded the motion; it carried unanimously.

Connors introduced Angela Jones, Washington STEM's new CEO, who started August 1<sup>st</sup>. Jones shared her excitement with her new role and highlights of her work experience.

Connors reported that Board action is also needed to delegate contract negotiation authority to the Executive Director for the program administrator renewal. Adams made the motion as presented and Wilson seconded the motion; it carried unanimously.

**OpportunityTalks Overview**

Erin Ashley, WSOS Development Director, reported our 5<sup>th</sup> annual OpportunityTalks fundraising breakfast is one week away. The goal is to raise \$500,000 so it becomes \$1M with the state match. The Challenge Fund match pool allows us to offer a 4:1 match for gifts of \$250 and above. The goal for the Challenge Fund is \$150,000 and, to date, \$123,000 has been received in pledges. Ashley expressed great appreciation for the Board's 100% giving participation again this year. She noted registrations for the breakfast are lagging slightly behind last year and called for the Board to engage their networks.

Smith announced that Jim Sinegal will be cycling off the Board in January 2020 and, since our December meeting has been postponed until January, this is Sinegal's last meeting. Smith expressed sincere gratitude to Sinegal for his ability to cut to the quick and his common sense. Ashley announced that in fall 2020, WSOS will designate eight awardees as Sinegal Opportunity Scholars in honor of Jim's eight years of service on the Board.

The meeting adjourned at 3:05 pm.

Respectfully submitted,

Karyl Gregory