

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

BOARD MEETING

01.04.2023

AGENDA

1. Welcome
2. 2023 Legislative Priorities
3. Executive Session
4. Closing

2023 LEGISLATIVE PRIORITIES

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The Challenge

- **RFP 2022**
 - Contacted 8+ potential program administrators
 - Only 1 completed a bid
 - Complexities and work required discouraged bidders
- **Current Contract**
 - Renewal in summer 2024
 - Exit clause:
 - *With cause*: 90-days notice
 - *Without cause*: 240-days notice
 - Duplicate conditions for WSOS/501C

Recommendation:

Amend the statute to grant Board of Directors express authority to create and contract directly with a non-profit created for the purpose of administering the Opportunity Scholarship program.

WHAT THIS ACCOMPLISHES

- Gives authority to the Board to create a non-profit(s) with the express purpose of administering the Opportunity Scholarship program
 - *If granted: 1) Board/staff could create a non-profit without violating state ethics rules; but 2) after incorporation, the non-profit(s) must operate as an independent entity with a separate governing Board.*
- Grants the Board authority to contract directly with the created non-profit without going out for a public bid

WHAT THIS PRESERVES

- Makes no change to the description of program administrator duties
- Does not *require* the Board to create a non-profit(s); makes it an *option*
- Does not *require* the Board directly delegate the work to a created non-profit(s) - can still use an RFP process to select from other bidders; makes it an *option*

WSOS Board of Directors

Mission: WA students for WA jobs

Oversee WSOS Program's ED

Duties as defined in statute (programs, awards, fundraising, external affairs)



"WSOS Foundation" Board of Directors

Mission: Serve WSOS Program mission by providing back office

Oversee WSOS Foundation's ED

Duties as defined in statute assigned to the program administrator (HR, IT, Finance)

WSAC

Signer on three-party agreement

Duties as defined in the statute assigned to WSAC (state match, RFP process)

Risk Assessment

- **Risk:** Program administrator exercises 240-day exit or does not renew, and no one bids.
 - **Solution:** Board has ability to create its own non-profit and contract with it directly for program administration duties.
- **Risk:** WSOS-specific non-profit is created but disagreements exist leading to a desire to dissolve.
 - **Solution:** Board retains right to go to public bid for other administrators or create other non-profit(s) for the purpose of program administration.
- **Risk:** Possible violation of ethics laws for Board/staff to participate in creation of non-profit (conflict of interest).
 - **Solution:** No concern remains once authority is expressly granted to take such action.
- **Outstanding:**
 - Direct contracting question may be difficult for legislators
 - Need tax lawyer to confirm nature of private funds

Recommendation:

While bill is open, strike confusing language regarding state match process.

WHAT THIS ACCOMPLISHES

- Strikes reference to requiring a fiscal year lag from when private monies are granted and when state match is appropriated
 - *If granted: 1) Avoids differing interpretations of how the state match is calculated; and 2) expedites the receipt of state matching dollars.*

WHAT THIS PRESERVES

- Retains the state match for WSOS as a maintenance level funding item

REQUESTED BOARD ACTION

- Vote to approve proposed 2023 legislative priorities.

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EXECUTIVE SESSION