

WASHINGTON STATE **OPPORTUNITY** SCHOLARSHIP

BOARD MEETING AGENDA TUESDAY, JUNE 21, 2023 | 1:00-3:00 P.M. IN-PERSON OR REMOTE

To join virtually: Click on the Microsoft Teams link in the meeting invitation or dial in #: 323-849-4874 / Phone conference ID: 202 460 311#

To join in person: Microsoft Campus, Building 34, The Boardroom 34/5565 Private

Meeting open to the public via conference line above.

Members of the public may register for remote or submit written Public Comment to address the Board. Details on how to provide Public Comment are listed below:

Remote Public Comment – Email Dena Parmer at dparmer@waopportunitiescholarship.org to speak during Public Comment. You must register 48 hours in advance of the meeting start time. Public Comment lasts six minutes in total, with each speaker having two minutes for comment. Speakers must be registered to be recognized by the Board Chair.

Written Public Comment - Email Dena Parmer at dparmer@waopportunitiescholarship.org to have your comments read during Public Comment. You must submit your comment 48 hours in advance of the meeting start time. Public Comment last six minutes in total, with each speaker/submitter having two minutes for comment.

GUIDELINES AND TIPS

- Agenda times are estimated.
- Generally, each speaker has two minutes to address the Board. If more than 3 people sign-up, speaker slots will be granted in order of registration/submission and speakers will be limited to one minute thirty seconds each.
- The total “Public Comment” period will be no more than six minutes.
- Please be advised that each speaker's public comment is being recorded.
- Questions will not be answered during a speaker’s turn.
- Give your name and connection to WSOS.
- All comments should be addressed to the Board Chair, not individual Board members, staff or members of the audience.

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I.	Meeting Called to Order		Brad Smith Board Chair	1:00pm
II.	Minutes from March 28, 2023, Meeting » <i>Board Action: Approve minutes</i>	[Tab A]	Brad Smith Board Chair	1:00-1:05pm
III.	Mission Moment: Opportunity Scholar Story	[Tab B]	Ray Jackson Opportunity Scholar	1:05-1:20pm
IV.	Public Comment		Public	1:20-1:26pm
V.	Executive Session » <i>RCW 42.30.110(1) to obtain advice from legal counsel</i>		Brad Smith Board Chair	1:26-1:36pm
VI.	ED Corner: Program Administrator Next Steps » <i>Board Action: Delegated authority to execute program administrator next steps</i>	[Tab C]	Javania Cross Polenska Interim Executive Director	1:36-2:45pm
VII.	2023 Career & Technical Scholarship Selection » <i>Board Action: Approve selection model</i>	[Tab D]	Lyanne O'Connell Awards Administration Director	2:45-2:50pm
VIII.	Finance & Program Administrator Update	[Tab E]	Patrick Smith Finance & Investment Committee Chair	2:50-3:00pm
IX.	Closing		Brad Smith Board Chair	3:00pm

Upcoming Board Meetings

Wednesday, October 3, 2023

Thursday, December TBD

Attending in person? Check in at the front desk to get a nametag and give them your license plate number.

Tab A

Minutes from the March 28, 2023, Board Meeting

**WASHINGTON STATE OPPORTUNITY SCHOLARSHIP BOARD MEETING
TUESDAY, MARCH 28, 1:30–3:30 P.M., AT MICROSOFT OR MICROSOFT TEAMS MEETING MINUTES**

The Board of Directors of the Washington State Opportunity Scholarship (WSOS) convened on March 28, 2023, in person and via Microsoft Teams. The meeting was publicized as available to the public on the WSOS website.

Board members in person: Brad Smith (Chair), Diane Cecchettini, Miller Adams, Patrick Smith, and Julie Sandler

Board members virtual: Latisha Hill, Mike Wilson, Gary Rubens

Additional attendees: Gina Breukelman, Jane Broom, Jolenta Coleman-Bush, Aileen Miller, Dorin Russu, Nancy Long, Eileen Moran, Heidi Thomson-Daly, Jennifer Weber, Kimber Connors, Javana Cross Polenska, Johnathan Luster, Lisa Magennis, Camille Reynaud, Dena Parmer, Lyanne O'Connell, Tori Campbell, Aileen Tubo, Courtney Chen, Dale Baker, Jess Tholmer, Kendyl Puhan, Francisca Mejia Campos, Genevieve Geiger, Jessica Monger, Joanna Moznette, Juan Carlos Gomez, Lauren Pack, Lindzey Lien, Mesa Herman, Nick Goodwin, Nick Khamphilom, Rachel Wyers, Sam Svilar, Tara Warming, Veronica Craker

Board Member not present: Jane Park

Meeting Called to Order

Brad Smith, Chair, called the Board meeting to order at 1:37 p.m.

Approval of Minutes

Julie Sandler moved that the minutes of the December 12, 2022, Board meeting be approved. Miller Adams seconded the motion, and it was carried unanimously.

Mission Moment: Scholar Opportunity Story

Kimber Connors, WSOS executive director, introduced Nick Khamphilom, Baccalaureate Advisor. Khamphilom introduced Dorin Russu, who graduated from Seattle University with a Bachelor of Science in Civil Engineering from Seattle University in June 2022. Russu currently works as an engineer at the Washington State Department of Transportation. Russu serves as a Scholar Lead for first and second year WSOS scholars at Seattle University. Russu shared that he was born in Ukraine. He and his family of eight moved to the US when Russu was one. Russu said his parents instilled in him the value of hard work and education. He attended Running Start, earned his Associate of Arts degree, and went on to attend Seattle University. Russu said he felt lost and alone as he faced the obstacle of paying for college. Russu said that WSOS not only provided financial assistance, but they also helped him develop organization, leadership, and communication skills. He noted that WSOS gave him the resources and support he needed to succeed. Russu said that WSOS was there to celebrate his successes and support him during various struggles while attending college.

Cecchettini asked what the Board could do to support students better. Russu said that Scholar Lead support and mentorship were very impactful. The Leads support a lot of Scholars, and the mentors could give more individualized attention if the ratio were lowered.

Adams asked when Russu decided to become an engineer. Russu said he has a brother who is ten years older and is also a civil engineer. He said he basically copied what his older brother did, including the same schools. Adams also asked about the projects that they are working on. Russu is working on the expressway that will connect to the Port of Tacoma.

Brad Smith said that Russu exemplifies what we hope to draw to WSOS and also what we hope scholars will get out of the program.

Ed Corner

Connors reviewed the strategic priorities and reminded the Board that teams have goals that they are working toward under each priority. She overviewed the high-level categories of work each team was responsible for in the strategic plan, then turned to spotlight our current status.

The Awards team is focused on improving the eligibility of our applicants by advertising to students who will ultimately be eligible for the program. We are also focused on students successfully completing our internal processes, where they prove they have been accepted into an approved major to receive an increase in scholarship dollars, and the renewal process, where they show they still meet the program's statutory requirements. Lyanne O'Connell, Awards Director, has been working with Washington Student Achievement Council (WSAC) and other higher education partners to identify gaps in our processes, creating challenges and barriers to students accessing full financial aid packages. As a result, we have adjusted our renewal and increase deadlines to better align with financial aid processes.

Connors noted that the Programs team focuses on improving persistence that helps scholars reach the finish line. We want to make sure Scholar Leads are talking to their students. We are also focused on students improving career outcomes through industry mentorship. The Career & Technical Scholarship (CTS) is newer, and we are growing the industry mentorship program. Connors stated that Programs also focus on closing the opportunity gap by targeting phone calls and emails to students furthest from educational opportunities.

Connors said the External Affairs team has been focused on Media engagement. We are really close to meeting our earned media goal and about halfway to our goal for speaking engagements. We have a new interview with Bristol-Myers Squibb. We have had more opportunities coming to us rather than the need to pitch opportunities. We do not have the social media growth we want, but we have strong engagement with those who follow us. We are making minor changes to the website leading to a bigger revamping of the site for better click-through rates and time spent on our site.

Sandler suggested that when we have content that we are excited about, we should use Board members to help amplify it on LinkedIn.

Connors shared that we hired a new promotions specialist with a grant from Boeing who was immediately on the road doing promotions work. We also invested in targeted ads for specific communities. Although there has been a drop in higher ed enrollment, we saw a 9.5% increase in submitted applications for BaS and CTS this spring.

Connors said the Development team hired three new staff. Despite having a small team last year and no OpportunityTalks, donor loyalty numbers were strong. We think it is because we launched our first-ever annual fund. We also printed an impact report for the first time and an end-of-year card to keep our donors engaged with the mission and return year after year. We continue to focus on Hot Topic dinners for donor acquisition.

The Operations team is focused on onboarding the ten new staff and designing and conducting training for all staff. Jvania Cross Polenska developed the Management and Leadership Academy. The first training sessions were on feedback and accountability. We are still struggling with program administration transition issues.

Brad Smith asked if hiring is the main thing that has changed since the last board meeting. Connors said hiring and the learnings from the new hires as to what things are working and what needs to be changed to become

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more efficient and impactful. This past year we had so many unfilled positions, so we did not have enough time to do all that we knew needed to be done.

Connors reviewed the key wins of the quarter, which are the new hires, the implementation of our Management and Leadership Academy, and our Bill advancing through the Legislature. Typically, you need to wait until the governor signs a bill, and there is a 90-day waiting period before it becomes law. Our champion Senator Lee put in an emergency clause, so the bill becomes law as soon as it passes through both chambers. Another win is that our application numbers are up year over year. Connors said this is a testament that we can make a difference when a problem is identified, and resources are poured into it. Key challenges are building processes and systems with our program administrator (PA), onboarding all our new hires, and our leave planning.

Connors requested board action to direct the executive director to take the steps necessary to identify and pursue PA options that ensure certainty and continuity for program administration and delegate authority necessary to accomplish this task. Our contract with 501 Commons will end next summer. We have three options available. The first is to start negotiating to renew the contract with 501 Commons, which is a change to the cost structure. The second is to go through the RFP process to see if there is a new PA that we want to consider. Third, if the bill passes, we need to explore what it will take to start a new foundation. If approved, we will explore these three options and come back with a recommendation to the board at the June meeting.

Brad Smith opened it up for questions. Cecchettini said we must stay ahead of things rather than be reactive. There were no questions.

Board Action: Cecchettini made a motion to give the executive director authority to identify and pursue PA options. Adams seconded the motion, and it carried unanimously.

Management & Leadership Academy

Javania Cross Polenska, WSOS deputy director, gave a brief overview of her two decades of management and leadership experience. Polenska stated that when she started at WSOS, there were 16 staff and now we have 30. A significant ripple effect occurs when new leadership is brought into a small organization. We have great policies and practices in place, but we need indicators such as staff engagement and retention numbers to show that we are a preferred workplace. We know it is the people that create a great workplace culture and that we must start with leaders. Surveys show that non-profits struggle to retain mid-level staff, and 1/3 of people leave because of dissatisfaction or disengagement with the current organizational culture. Polenska developed the Management and Leadership Academy and is asking for Board feedback on what we can do to make it better while we grow our existing staff base. Polenska reviewed WSOS organizational survey data and said that she believes a big reason for the drop in satisfaction is due to our hybrid policy and that WSOS does not allow team members to work 100% remotely.

Sandler asked what the hybrid policy is. Polenska said that staff are required to come into the office two days per week. One day is with their entire team, and then they pick one other day.

Polenska said we continue to look at data internally and in other spaces. Nonprofits have a history of bringing in talent from the outside, which means we are not growing talent from within. Like most nonprofits, we are importing it. New hires learn not only their job but also the elements that are unique to our culture.

Latisha Hill asked if we have a baseline of how our data compares to other organizations of our size. Polenska said that she has some metrics and will follow up with Hill. WSOS is comparable in terms of turnover, attrition, and voluntary separation. Hill said they did baseline data on “enjoying work” to learn about the impact of hybrid. Hill said it is important to know where we are with our peers so that we are fixing the right things that we actually have control over.

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Polenska said we are doing many things that nonprofit capacity-building organizations say we should be doing. We invest in great leadership, competencies, goals, values, and role clarity. We know these things need to be executed at the management level. We know that nonprofit leadership is different from for-profit leadership, and even though the toolkits are similar, there are some distinct differences. We want to bring forward best practices from across the board and maintain high standards for what is possible. We are challenging ourselves around the characteristics of high-performing organizations. Polenska said that this is the pilot year for the Management & Leadership Academy, which is designed to give our leaders a community where it is safe to learn, practice, fail, try again, and succeed. We have a guided approach to leadership of self, program, others, and work management.

Gina Breukelman asked if we are doing the work as a leadership team in person. Cross said we are meeting virtually and in-person quarterly.

Adams asked if Polenska was facilitating all of the training. Polenska affirmed that she is doing it all, but when Connors is on leave, she will be unable to maintain this work in addition to the interim executive director role.

Polenska highlighted early indicators of success. All staff who have attended said it is a good use of their time. This work is scalable. We were able to use the training we did with directors and managers and use it for a full day of staff training. 100% of staff said they valued the training. There are areas for improvement. The challenge is ensuring that this work translates into outcomes. We will continue to look at the feedback from staff and iterate to great.

Polenska asked the Board for feedback. Brad Smith said that pre-pandemic nonprofits focused more on their donors and less on their beneficiaries. There has been a big push to act, look and think like our beneficiaries and there is a risk of losing donors. We have to span greater diversity in income, age, and background, which makes it a more complicated job than it used to be. We must invest more in leadership and management to do this well.

Sandler said this is the same conversation she is having with other nonprofit boards for organizations similar in headcount to WSOS. One of the trends in startups is not only leveraging a board of directors but empowering managers at different levels to have their own "board of directors." In the start-up world, different basis points are being given over to advisors to support folks who are new to roles. In the non-profit category, there is more of a sense of personal upside in the organization's social impact. A board of advisors can rally around highly critical positions with more personal advisory support. Sandler added that it could be monthly or bimonthly meetings, coaching, or just being a sounding board to check different opportunities and challenges a manager is facing.

Polenska asked the Board what the single most crucial piece of advice they would give leaders at WSOS to become more effective.

Adams said leading by example is very important, and Polenska is setting the tone in terms of organizational values through these trainings. Adams asked for an organizational chart to see who our leaders are.

Cecchetti asked if we had done an inventory of the emotional intelligence attributes of our team members. Polenska said we have tried different inventories, but it has yet to take hold. Polenska noted that recently staff were talking about the value of this. This is an excellent example of something we need to take stock of and figure out what we do to build coaching and support for strengths and gaps. Cecchetti said she used Daniel Goldman's work and incorporated it into evaluations. Cecchetti said that people seem to struggle in a negative cycle because they do not know how to lead in tough times. They lack the requisite skills needed, such as persistence, diligence, and the belief that they can do this. We need leaders to be proactive rather than reactive. Look at good examples of other companies and other times.

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Brad Smith said that a single piece of advice he would offer is what is reflected in everything that Connors does. He recalled in the early years when WSOS was having issues with the PA, who said that the WSOS ED had unreasonable expectations for a non-profit. Brad Smith said that is why they liked her. There are things that people give up to work at a nonprofit, but there are things they gain in terms of mission. Brad Smith said we are doing an excellent job of capturing the mission, the excellence, the ambition, and even investing in people the way we are. He said to stick to these values. Connors said one of our values is to seek excellence.

Mike Wilson said his advice is for leaders to be present. Staff must believe you know them, understand their job, and see them as colleagues instead of employees. Polenska said we continually talk about the need to be in relationship as a condition for success, which is a good reminder to continue reinforcing this message.

Polenska asked if there were other things we should be thinking about. Sandler shared a data point about the floating office day from a study they conducted across 60 younger companies in their portfolio with 4 – 40 employees. The companies with the floating day had higher unwanted attrition over the past year than those with set days. It is hit or miss who staff see in the office on a floating day, making it useless to come in. Sandler asked if we need a floating day vs. set days.

Hill said that she noticed that folks doing a reboot with a large number of new staff mixed with their legacy leaders takes a lot of work to merge the two cultures. The new staff may see the culture as different from what the legacy staff thinks it is. Make space to be authentic and genuinely know what you are working towards. Otherwise, no amount of training will help.

Brad Smith said effective leadership training is about staff spending time with leaders. Getting people together in the office, having informal interactions, listening to each other, networking, being present, and then carrying that over to the leadership training is another useful thing to consider.

Breukelman said that the people who have been doing two jobs while we have had unfilled positions are probably close to burnout. Recognize, acknowledge, and address this issue that is probably showing up in the culture, whether apparent or not.

Brad Smith commended Polenska on her presentation and said this is fantastic and thanked Connors for sponsoring this work.

Campaign Update

Connors introduced Heidi Thompson-Daly, our lead campaign counsel, and Jennifer Weber, campaign co-counsel. Thompson-Daly celebrated that \$44.6M is 60% of our goal of raising \$75M in private philanthropy. We have \$30.3M left to raise by December 31, 2025. We are in the active campaign stage, raising money from leadership, principal, and champion-level donors. Although we are actively raising these funds, it is still the quiet phase until we hit 80% of the \$75M. We want to launch the public phase at Opportunity Talks 2024 and will know at the end of this calendar year if we are in a position to do that. We would also like to implement a regional fundraising model. Most of the philanthropy so far has come from the Puget Sound area. WSOS, being a statewide program, needs a statewide campaign. Thompson-Daly reviewed a list of accomplishments to date. There are five priorities for the remainder of 2023. We want to fully mobilize campaign leadership and recruit additional members. We need to qualify prospective Champion and Leadership level investors. We also need to acquire new individual and corporate donors. Our fourth priority is to solicit and close gifts of \$50K-\$5M, and our final priority is to host well-attended engagement activities. Thompson-Daly listed the nine campaign steering committee members, and stated the committee needs 3-5 more members willing to passionately fundraise for WSOS for the next two to four years. Each member makes introductions to potential donors, solicits campaign gifts, stewards high-level donors, attends campaign events, supports the co-chairs, and champions the campaign overall. There is also an honorary campaign cabinet which is a diverse group of individuals representing a variety of STEM, health care, and trade industries from different parts of the state and different philanthropic circles. Cabinet members endorse the campaign, and their influence is leveraged

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thoughtfully. We are looking for 13 – 19 more members for this cabinet. Thompson-Daly shared the campaign's name, officially "Tomorrow, today. The campaign for WSOS." The tagline is, "Powerful students powering Washington." The secondary tagline is, "By investing today, we all win tomorrow." Thompson-Daly shared the campaign's core messaging, primary strategy, and goals for the next 8 months. Money follows engagement. In addition to the Hot Topic dinners, we have multiple other ways to engage potential donors. The ways the Board can help is by identifying five to eight campaign investors or corporate partners; hosting a Hot Topic Dinner; assisting with thank you calls after Opportunity Talks; assisting with the recruitment of additional steering committee and honorary cabinet members; joining Connors or Camille Reynaud on a donor visit which would give you a chance to hear how they talk about the campaign.

Sandler asked if there are things we are doing to help mitigate the risk during these challenging financial times. She said she had seen commitments made before May of 2022 decrease because many people have less liquidity. Connors said that because of the timeline, we have seen people shift to the right time for them to make a gift, but we have yet to see them pull back from their gifts. We are fortunate that we don't have cash in and out in the same year. That is not the case for many nonprofits, so we are grateful for our financial model. Thompson-Daly said we should have more conversations about this issue as we move forward.

Brad Smith thanked Connors for being persistent and complimented Thompson-Daly on her clear and well-organized communication. This is a big step in the direction we need to go. Thompson-Daly said Connors is a big reason we are at \$44.6M during these challenging financial and staffing times.

2023 Graduate Selection Criteria

Johnathan Luster, WSOS programs director, shared the statutory intent of the Graduate Scholarship (GRD). The selection principles are to select Scholars who are likely to practice in a Washington State Medically Underserved Area (MUA) or Health Professional Shortage Area (HPSA) post-program completion, are most likely to benefit from the financial support, and will work in behavioral and primary health care fields across Washington state. The one change we would like to make is to increase the number of rural Scholars from four to six after hearing about clinic closures in understaffed rural counties.

Cecchettini recommended that we do some longitudinal tracking of our graduates to see that they really are serving in these particular areas. It would be telling to see what they are able to accomplish. This would help gain more support for the program.

Board Action: Adams made a motion to approve the 2023 GRD selection criteria. Cecchettini seconded the motion, and it carried unanimously.

Finance and Program Administrative Update

Patrick Smith, Finance and Investment Committee Chair, reported on the most recent meeting. The committee has changed the format, shortening the WSIB and PA reporting to leave more time for discussion and questions. We received the investment update from our fund manager through December 31, 2022, so it does not reflect the current banking crisis we have been experiencing. As of December 31, we have total assets of \$120.9M, down slightly from October 31, an 11% decrease over the same month from the previous year. We had private cash receipts of just under \$600K, and scholarship disbursements for the period were \$5.9M. Total liabilities were \$22.8M, down slightly from October 31 due to the scholarship disbursements and a slight change in payables. Net assets totaled \$98M, a 3% increase from October 31. Pledge receivables include \$9M from Gary Rubens and \$12.5M from Microsoft and some others. Patrick Smith noted that any pledges from a Donor Advised Fund (DAF) could not be recognized as revenue until we receive the cash. We have commitments higher than what shows up on the balance sheet, and they show up on the income statement where our actual revenue for the year shows as significantly under budget. This is primarily because of the

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Ballmer pledge of \$10M through a DAF. Development staffing issues, markets, and other things also contributed to the private revenue being slightly below budget. Expenses are favorable for the year by just under \$900K, mainly due to gaps in hiring. The overall bottom line is \$22M unfavorable for the year. Scholarship expenses are a little below budget, which leads to our overall net income for the year being unfavorable by \$18.2M. An F&I committee member asked for a rolling 12-month cash flow statement, which is included in the pre-read. We are required to review our short-term investment policy. It had minor changes, like changing the PA from WA STEM to 501 Commons and other wordsmithing. This is also included in the pre-read. The committee voted to recommend that the Board approve these changes.

Board Action: Patrick Smith made a motion to adopt the updated short-term investment policy. Cecchetti seconded the motion, and it carried unanimously.

Executive Session

The meeting went into Executive Session at 3:31 p.m. to evaluate the performance of a public employee and to obtain advice from legal counsel.

Board Action: Cecchetti made a motion to increase the Executive Director's base salary by 8%, retroactive to January 31, 2023, plus an 8% bonus, and a motion to appoint Polenska as the interim executive director and compensate her \$9,000 for four months. Adams seconded the motions, and they both carried unanimously.

The open meeting reconvened at 3:37 p.m.

The meeting adjourned at 3:38 p.m.

Respectfully submitted,

Dena Parmer

Tab B

Mission Moment: Opportunity Scholar Story

SCHOLAR SPOTLIGHT



RAY JACKSON

**Pursuing an AAT for Networking Technologies
Clark College**

ABOUT RAY

CTS Scholar Ray Jackson is currently pursuing an AAT for Networking Technologies at Clark College in Vancouver, WA. He is a full-time student, father, and husband. He was born in Louisiana and graduated from High School and joined the Navy from Katy, TX. After his service, he decided to make a home for myself in the Pacific Northwest. One of his biggest reasons for joining the military was for access to higher education.

IN HIS OWN WORDS

“The Career & Technical Scholarship has helped improve the quality of life for myself and my family. Having the scholarship has made life easier and less stressful for me. The rising cost of living is something that we all understand. The Career & Technical Scholarship has provided much-needed funding to cover the high cost of childcare. This is extremely helpful for my family. Instead of me having to sacrifice time away from family by traveling for work, I can focus on my education. My 3-year-old daughter is also greatly benefiting from this opportunity because she can attend one of the best Early Childhood Development programs in the state. She learns extremely valuable skills like handling emotions, communication, and sharing with others in a group setting, just to name a few.”

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PUBLIC COMMENT

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EXECUTIVE SESSION

Tab C

Program Update

PROGRAM UPDATE | JUNE 2023

INTRODUCTION

Since the March 2023 Washington State Opportunity Scholarship (WSOS) Board meeting, the WSOS team has been working to successfully close out the academic year. Our Scholars are graduating or preparing for the academic year that begins in August 2024. The team is focused on planning for the new year by reviewing our impact and setting goals for the upcoming year. Lastly, we continue to engage with partners to increase awareness of the scholarship program and improve how we support Opportunity Scholars.

AWARDS ADMINISTRATION

The Awards team completed the selection of the 12th Baccalaureate Scholarship (BaS) cohort in April. 2,437 applicants applied, an 11% increase from the previous year. In total, WSOS welcomes 1,293 new BaS Scholars, who all met the Board’s selection criteria and will attend college this fall. Our Cohort 12 BaS recipients also include eighteen Opportunity Scholars benefiting from our City of Seattle partnership. Please refer to the Baccalaureate selection overview document (included in Tab C) to see the profile of these recipients.

The team opened the fall application for the fifth cohort of Career and Technical Scholars (CTS). The application deadline was June 6 and we had 838 applicants. At the meeting, the Awards team will recommend the selection criteria that maximize the number of applicants we can select based on demonstrated financial need and likelihood to graduate with an eligible program. We believe we are closer to identifying an evergreen selection model for the sixth cohort of CTS.

The Awards team continues aligning BaS and CTS with the Washington College Grant program as outlined in the WSOS statute. The changes align with our value of Scholars as our North Star. Two significant changes include allowing BaS Scholars to utilize their funding during the summer term and allowing Scholars to receive 5 years or 15-quarter terms of funding. Scholars are embracing these changes, as it supports those who only need one summer term to complete their program and those who have accrued over 125% of eligible term credits but still need additional credits to graduate.

Scholarship Highlights

	BaS	CTS/RJI*	GRD**	Total
Total Actual Disbursed (2012 – Present)	\$126,234,968	\$14,414,689	\$424,906	\$141,074,563
Scholars Enrolled 2022-23	3,113	1,506	26	4,645

*Rural Jobs Initiative (RJI)

**Graduate Scholarship (GRD)

SCHOLAR PROGRAMS

The academic year 2022-23 has ended, and we are actively reviewing data and feedback from our Scholars. We will share more about the impact of our programming and a preview of programming for AY 2023-24 during the October meeting.

BACCALAUREATE SUPPORT SERVICES

The Scholar Lead program has concluded; we recognized the hard work of our Leads with an end-of-year celebration on May 18. In a survey conducted in March, 98% of Leads reported they would recommend the Lead program to others, and 90% reported that they grew as a leader while serving in the program.

One Lead said this about their experience: *“Seeing the passion and excitement of the Scholars as they pursue their dreams is truly gratifying. I can already picture them as future health care workers, programmers, engineers, and scientists; and while I know I’m a very small part of their journey, I’m beyond honored to have been a part of their story.”* We have been reviewing Lead applications for the next academic year and will select new Leads by the end of June.

The Skills that Shine mentorship program also concluded with 240 mentor/mentee pairings. Thank you to the Board members who served as mentors or helped us recruit mentors! We are currently evaluating completion data to determine whether we reached our goal of at least 80% of Scholars reporting that this program supported their career development. In addition, we hosted eight events with our corporate partners in April and May, including career panels with Boeing and Microsoft and two in-person tours at Bristol Meyers Squibb.

CAREER AND TECHNICAL SUPPORT SERVICES

Our spring Skills that Shine (StS) program matched 86 scholars with a mentor, exceeding our goal of 75. There were 45 health, 16 information technology, 16 trades, five engineering and four automotive Scholars. One Scholar recently shared: *“This program has been a highlight of mine this year, my meetings with my mentor have been going great, and it has been beneficial to be connected to someone who can provide insight for me on my industry of focus.”*

We also welcomed 260 new spring Scholars, and 136 have opted into the Scholar Lead program. This opt-in rate of 52% has exceeded our goal of 40%. These Scholars have had the opportunity to engage with their Leads since March. One Lead shared: *“I am proud that one of my mentee’s said I had good resources for them and that I helped encourage them to continue in their education when they had a lot going on in their life.”* Additionally, we have selected 36 Leads for the next academic year. We increased the number of Leads by 6 based on more Scholars opting in than anticipated.

GRADUATE SCHOLAR SUPPORT SERVICES

Programming for Cohorts 1 and 2 continued with another round of connection group meetings and an event focused on DNP/MSN research projects. All DNP/MSN Scholars must complete a major research project in which they incorporate a component of recent health research into practice. The projects require supervision by a licensed Nurse Practitioner or Doctor and often take at least a year to complete. One of our graduating Scholars offered to present his DNP project to current Scholars and talk with them about his process. This was an excellent opportunity to share information across schools and preview the type of work Scholars will undertake.

We are thrilled to report that five of the eight Cohort 1 GRD Scholars have graduated, and all graduates have started or secured Nurse Practitioner positions in a Medically Underserved Area (MUA) or Health Professional Shortage Area (HPSA). The positions range from outpatient psychiatric care at Providence Sacred Heart in Spokane to the inpatient cardiovascular ICU at MultiCare Puyallup. The remaining three Scholars will graduate in June and December of this year, and we look forward to reporting on their positions across the state.

The application cycle for GRD Cohort 3 closed in May. Please refer to the “GRD Selection Overview” overview document (included in Tab C) to see the profile of the applicant pool and selection.

DEVELOPMENT UPDATE

We’re thrilled to announce we received a \$3,000,000 pledge in May 2023 from Brad Smith and Kathy Surace-Smith.

REVENUE TARGETS

As of May 2023, we have raised \$48,122,981 of our \$75M campaign goal. This includes \$11,894,424 for CY22. We have adjusted our CY23 and CY24 targets to \$8M and \$8M to reflect actual revenue from CY22 and stay on track for campaign success.

CAMPAIGN MILESTONES

We hosted our Campaign Steering Committee Kick-off meeting in April with seven members and have met with each committee member individually to plan next steps for engagement. Jeff Peacock will host a hot topic dinner in July and three cocktail parties in the fall. We continue to recruit additional Steering Committee Members and Honorary Cabinet Members to support the campaign.

OpportunityTalks raised \$755,000 (including state match). We raised \$159,500 in corporate sponsorship (an increase from \$124,075 in 2021). 536 guests attended, and 153 were first-time attendees. 60 Scholars attended. Overall, feedback was that the program was inspiring, and guests enjoyed hearing JoAnna and Mickey's stories and the conversations with Scholars at their tables. Next year we are moving the event to a luncheon which we believe will support greater attendance.

We were also awarded a \$50,000 grant in May from the Marie Lamfrom Charitable Foundation. This was a cold grant application, so it's encouraging that our grant prospecting and applications are starting to see returns.

HIRING FOR THE DEVELOPMENT TEAM

Camille Reynaud was promoted from Associate Director of Corporate and Foundation Giving to Development Director on April 1. We intend to launch a hiring search for an Associate Director of Individual Giving and Associate Director of Corporate and Foundation Giving in September. We remain in need of additional front-line fundraisers for the team.

EXTERNAL AFFAIRS UPDATE

2023 LEGISLATIVE SESSION RECAP

Our bill, HB 1289, passed out of all committees and both chambers with unanimous affirmative votes thanks to the hard work of our lobby team and our bipartisan legislative bill sponsors and champions. In the supplemental budget, we received \$17,904,000 in state match for the fiscal year 2023 for the Opportunity Scholarship Program and \$405,000 in state match for the Rural Jobs Program. In the 2023-25 biennial budget, we appropriated \$11,600,000 for the Opportunity Scholarship Program and \$400,000 for the Rural Jobs Program.

External Affairs has spent much of the last several months on the road building relationships in our target communities: Peninsula region, Yakima, Tri-Cities, Vancouver, and Pierce County. Highlights include attending the Super Conference of the regional college and career counselor associations in Spokane; partner events with the Southwest Washington STEM Network; partner events and longer-term planning with several Tri-City partners, including the Benton-Franklin Workforce Development Council and regional community-based organizations; and campus meetings, tabling and events with faculty and staff at Centralia College, Columbia Basin College (Pasco), Big Bend College (Moses Lake), Clark College (Vancouver), Lower Columbia College (Longview) and Bellingham Technical College. We are also building partnerships within the Office of the Superintendent (OSPI) and our colleagues at the Washington Student Achievement Council (WSAC), who are helping us connect with new and existing statewide promotion opportunities.

We continue to hear that high school students are difficult to engage and unsure of their plans for higher education and career. FAFSA/WASFA completion continues to be low (less than 50% of the class of 2023 completed as of end of May), which indicates enrollment will continue to be lower than pre-pandemic levels. Community college partners say spring enrollment ticked up slightly. Our travels reveal

there has been significant turnover across the education system from counselors to teachers and among the community-based organizations providing wraparound support and connection to services that WSOS relies on for growing awareness.

The turnover in staff and the low student engagement continue to reinforce our need for strong, statewide partnerships. The emphasis on in-person meetings has rebuilt trust and enabled us to be integrated into next year’s academic planning. That, coupled with looking for statewide partnerships that give us access to more key partners at once, such as the Washington School Counselor Association, should help us get in front of the right partners in a way that is more scalable and impactful.

DIGITAL MARKETING AND MEDIA COVERAGE

Strategic Plan Targets	July 2022	April 2023	June 2023 (Target)	Progress to goal
Earned media	-	30 media pieces	30 media pieces	100% of goal
ED/Directors appearances in articles/panels/ speaking	-	10 (ED) 7 (Directors)	15 (ED) 7 (Directors)	67% (ED) and 100% (Directors) of goal
Facebook audience growth	4,339	4,466 + 127	4,573	55% of goal
Twitter audience growth	1,943	1,966 + 23*	2,109	14% of goal
LinkedIn audience growth	1,585	1,981 + 396	2,261	59% of goal
Instagram audience growth	1,010	1,151 + 141	1,316	46% of goal

* We had over 2,000 followers in October 2022, which quickly dropped to 1,948 in November. We are slowly getting them back. We lost about 58 followers that month.

- Percent change in audience for LinkedIn in April was 5% — an increase of almost 100 followers due to OpportunityTalks 2023.
- Engagement increased by 5.2% from last month, with both LinkedIn and Facebook reaching almost 10% engagement rates. (Industry standard is 1-3%)
- Our LinkedIn group for Opportunity Scholars and Alumni hit over 1,000 members.

Our content on LinkedIn has been reposted 58 times and seen by 68,416 people; Facebook content was shared 122 times and has been seen 21,000 times; Instagram content was shared 162 times and seen by 14,500 people. Content shares supported the promotion of the Graduate Scholarship, Career & Technical Scholarship, and OpportunityTalks.

Top Performing Posts

Facebook: [Graduate Scholarship opening](#)

LinkedIn: [Post Otalks thank you and ask](#)

Washington State Opportunity Scholarship
 Published by Hootsuite · March 27


The application for the Graduate Scholarship is open until May 15!

The Graduate Scholarship supports historically underrepresented Washington students pursuing advanced health care degrees to become nurse practitioners. The scholarship aims to increase the number of health care providers in Washington's medically underserved areas.

Awarded students will receive a total award of up to \$25,000 over up to 3 years.

Learn more: <https://www.waopportunitiescholarship.org/.../applicants/grd/>

The Graduate Scholarship application is open!



Navia, Graduate Opportunity Scholar

Washington State Opportunity Scholarship
 2,202 followers
 2w · 🌐

"If most of the jobs in our state require post high school education, why aren't students going to college?"

A study from the Washington Roundtable and Kinetic West found three main reasons:

- high cost,
- the stress of applying, and
- uncertainty about what to study.

These are actual barriers for our students, and those barriers are stacked highest against first generation students, low income students, rural students, and students of color.

So what does this mean for us? For those of us with the POWER to do something?

This is our CALL TO ACTION.

We know industries thrive when they reflect the communities where they're based.

- 100% of Opportunity Scholars are from low- or middle-income families.
- 6 in 10 are women.
- 7 in 10 are students of color.
- Over 75% of our Career and Technical Scholars are first-generation college students.

These statistics don't capture our students' full breadth of lived experiences - we support students from every county and legislative district across the state. We fund students returning to school later in life, parents and non-parents. Students who are immigrants and students who were born and raised in Washington.


WE NEED TO PREPARE THESE STUDENTS TO BE THE LEADERS OF TOMORROW.

TOGETHER, we have the power to affect change and knock down these barriers."

— Kimber Connors, Executive Director, Washington State Opportunity Scholarship.

🙌🏻 If you couldn't attend OpportunityTalks 2023 but still want to be a CHANGEMAKER, knocking down barriers for Washington students, donate to support the Washington State Opportunity Scholarship programming.


<https://lnkd.in/g/HNA4NNa>



Victoria Lister and 49 others · 6 reposts

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

Instagram: [Post OTalks thank you and ask](#)




Instagram post from oppscholarship. The post features a group photo of students and staff members posing in front of a large backdrop that reads 'THANK YOU'. The group is arranged in several rows, with some individuals sitting on the floor in front. They are all wearing dark-colored shirts with the 'OPPORTUNITY SCHOLARSHIP' logo. The backdrop is blue and white with large, stylized letters. The post includes a caption, a 'View insights' button, a 'Boost post' button, and engagement icons for likes, comments, and shares. The post has 44 likes and was posted on April 28.

Instagram post from oppscholarship. The post features a group photo of students and staff members posing in front of a large backdrop that reads "THANK YOU". The group is arranged in several rows, with some individuals sitting on the floor in front. They are all wearing dark-colored shirts with the "OPPORTUNITY SCHOLARSHIP" logo. The backdrop is blue and white with large, stylized letters. The post includes a caption, a "View insights" button, a "Boost post" button, and engagement icons for likes, comments, and shares. The post has 44 likes and was posted on April 28.

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Twitter: [Mental Health Awareness Month](#)

 **Washington State Opportunity Scholarship** @OppScholarship

May is [#MentalHealthAwarenessMonth](#). May is a time of change for many students, with graduation, summer classes, or beginning a career.

But for the next 30 seconds, we recommend you watch this video from [@calm](#) and remember you are more than your success as a student or employee.



OPERATIONS UPDATE

PROGRAM ADMINISTRATOR

Since the March Board meeting, WSOS staff have been evaluating three options for Program Administrator continuity. To date, we have engaged 501 Commons in discussions to drive greater alignment with the current contract and transition expectations, largely in the finance and accounting function. This effort will influence the recommendation to continue to partner with 501 Commons as a possible long-term Program Administrator. We have also researched and engaged prospective Program Administrators and, with guidance from our assistant attorney general and a special assistant attorney general, explored the viability of creating a non-profit to serve as Program Administrator. We will share our learnings and recommendations in the June Board meeting.

DATA AND SYSTEMS

As of June 5, our three-member Data & Systems team is fully staffed. The team is focused on developing tools and models that support our ability to deliver impactful, data-driven storytelling to our Scholars, partners, and community while shoring up existing infrastructure in key systems.

STAFFING UPDATE

[Faye Alarcon](#) (she/her) joined WSOS as the Awards Coordinator on April 3. She recently graduated from UW and got her BA in Public Health-Global Health. She has always been passionate about engaging in equity work with marginalized communities personally and professionally. Faye is pivoting from a health

care career and is excited to bring a public health lens to the work that WSOS does in education equity. In her leisure time, she likes to play with her cats, Nami and Buggy, go on walks on sunny days, and crochet!

[Hayley Schaefer](#) (she/her) joined WSOS as Associate Programs Director on April 3. She is passionate about creating opportunities for advancement in both education and careers, and has spent the past seven years at Year Up working to connect young adults to living-wage careers in business and tech. She lives in Edmonds and loves to explore all the small-town hangouts. In her free time, she likes to travel, read, hike, and experiment with new recipes.

[Jillian Luis](#) (she/her) joined WSOS as Project Manager on April 3. She serves as the primary point of contact for program administration bodies of work. In addition, she supports the execution of strategic projects that support the interim executive director. Jillian is a native Seattleite. She has seven years of experience with the system office for California Community Colleges based in Sacramento administering the oldest student equity program in the state. She brings a comprehensive knowledge of the higher education ecosystem, can-do work ethic, and passion for the WSOS vision.

[Nichole \(Niki\) Cramer](#) (she/her) joined WSOS as Systems Administrator on June 5. Niki was born and raised in Washington, and while she's been in Michigan supporting non-profit work for the last 10 years, she's grateful to be back in her home state investing in the future of the community in which she lives! Niki holds a system certification and has over six years of experience working on customer relationship management systems. She joins us from Michigan Radio, where she served as the Business Systems Analyst. She will bring her experience building out systems for Development and Marketing Teams to help support the important work and people impacted by WSOS.

WASHINGTON STATE
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 SCHOLARSHIP

Baccalaureate Scholarship
Cohort 12 Selection Overview

This document describes the selection criteria for and profile of the twelfth cohort of Baccalaureate Scholarship recipients. This cohort saw 2,437 applicants, of which we selected 1,293 (1,275 in the general selection and 18 to fill the City of Seattle seats).

Baccalaureate Scholarship Results

Selection Criteria

Based on the Board’s directive, the selection criteria below were used:

Category	Factor	Target Allocation	Limitation Factor	Final Allocation
Equity of Access	Income	20%	Low-income applicants are no more than 3x as likely to be selected than middle-income applicants	20%
	First Generation Status	15%	First gen apps are no more than 4x as likely to be selected than non-first-generation applicants	15%
Economic Impact	Major field	25%	Highest demand field is no more than 5x as likely to be selected than the lowest demand field*	25%
	STEM Interest Essay	10%	Points reallocated from the top three criteria will be evenly divided between these criteria (half to GPA, half to the essays).	10%
Likelihood of Completion	Resilience Essay	10%		10%
	GPA	20%		20%

* Only fields with at least 100 eligible applicants were included in this calculation to ensure the selection status of any individual applicant did not have disproportionately large impacts on the entire selection pool.

Profile of Selected Scholars

These Scholars have a median family income of \$51,915. They represent 35 of 39 counties and 49 of 49 legislative districts. In terms of programs, the table below shows how the proportion of Scholars selected (% of Selects) compares to the share of job openings across the state led by industry (% of Job Openings).

Industry	% of Eligible Applicants	% of Selects	% of Job Openings
A/V Technology and Comms	0%	0%	6%
Biology	23%	21%	7%
Computer Science	26%	30%	47%
Education	2%	2%	12%

Engineering	13%	11%	3%
Health Care	24%	25%	13%
Physical and Env. Sciences	12%	11%	12%

The table below shares additional demographic data about Scholars by income, first-generation status, race/ethnicity, and gender. The acceptance rate reflects the percentage of eligible applicants who were selected.

Category	% of Eligible Applicants	% of Selects	Acceptance Rate
Income Category			
Low-income (bottom 5 eligible deciles)	47%	53%	94%
Middle-income (top 5 eligible deciles)	53%	47%	75%
First Generation			
Yes	51%	58%	96%
Associate degree only	12%	12%	85%
No	35%	27%	66%
Unknown	2%	2%	92%
Zero Parents	0.6%	0.5%	78%
Race / Ethnicity			
American Indian / Alaska Native	1.1%	1.1%	88%
Asian	18%	18%	86%
Black or African American	10%	10%	86%
Latinx	33%	36%	90%
Native Hawaiian or Other Pacific Islander	1.1%	0.9%	71%
Two or More Races	2%	1%	73%
White	29%	26%	75%
Did not report	6%	6%	85%
Gender			
Women	52%	53%	85%
Men	37%	36%	82%
Other	3%	3%	80%
Did not report	8%	8%	81%

WASHINGTON STATE
OPPORTUNITY
 SCHOLARSHIP

GRD Scholarship
Cohort 3 Selection Overview

This document describes the selection criteria for and profile of the third Graduate Scholarship cohort. This application cycle brought 30 applications, of which we selected 20.

Selection Criteria

Based on the Board’s directive, the selection criteria below were used:

Category	Factors	Weight
Financial Need	Income, Student Debt and past use of income-based programs (TANF, Medicaid etc.)	30%
Likelihood of Working in a MUA/HPSA (medically underserved area / health professional shortage area)	Essays	40%
	Recommendation Form	15%
Economic Impact	Program Track	15%

Profile of Selected Scholars

These Scholars have a median family income of approximately \$96,313 and represent five of six eligible universities and six campuses. The universities they are enrolled in are Gonzaga University, Pacific Lutheran University, Seattle University, UW Seattle, WSU-Tri Cities and WSU-Vancouver. There are 12 Scholars in a Primary Care track and eight Scholars in the Psychiatric Mental Health Nurse Practitioner program track. Of the selected Scholars, three are from rural counties including Douglas, Jefferson and Yakima. This application pool has more counties represented than past GRD application pools including Benton, Clark and Thurston counties.

Below you’ll find information on the demographics of eligible applicants (n=25). The acceptance rate reflects the percentage of eligible applicants who were selected.

Category	% of Eligible Applicants	% of Selects	Acceptance Rate
Income Category			
Low-income Below 125% MFI	56%	65%	92%
Middle-income 125%-155% MFI and other economic factors	44%	35%	63%
First Generation			
Yes	60%	65%	86%
No	28%	30%	85%
Zero Parents	12%	5%	33%
Unknown	0%	0%	0%
Race / Ethnicity			
American Indian / Alaska Native	0%	0%	0%

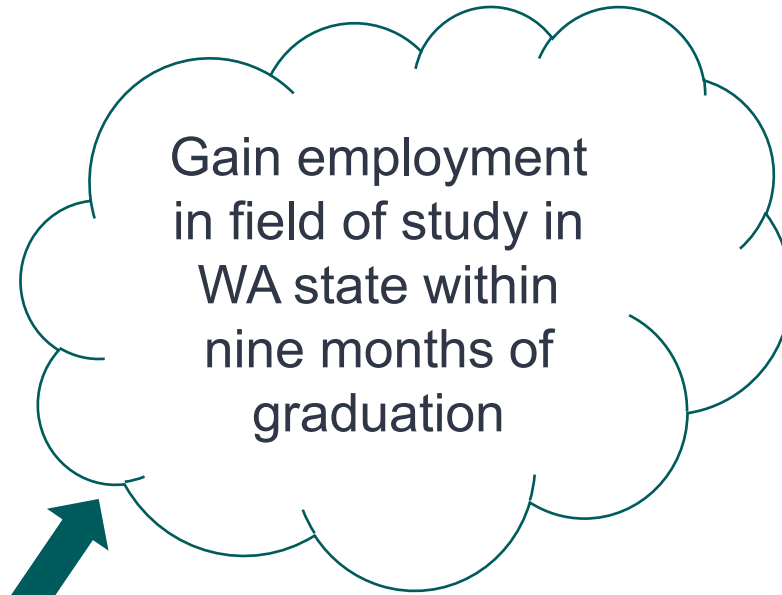
Asian	20%	25%	100%
Black or African American	24%	30%	100%
Latinx	12%	10%	66%
Native Hawaiian or Other Pacific Islander	4%	5%	100%
Two or More Races	0%	0%	0%
White	32%	20%	50%
Did not report	8%	10%	100%
Gender			
Women	60%	60%	80%
Men	32%	30%	75%
Other	4%	5%	100%
Did not report	4%	5%	100%



ED CORNER

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

**INTENDED
IMPACT #1**



**INTENDED
IMPACT #2**

THEORY OF CHANGE | Scholarships + Continuum of Support Services

STRATEGIC PRIORITIES

Design scalable, statewide programs.

Build the brand.

Fund to 2030.

Be a preferred workplace.



WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

Org Strategic Priorities: AY2025-26 metrics

Ensuring scalable, statewide scholarship accessibility and financial aid impact	Ensuring scalable, statewide support services	Build awareness of the WSOS brand	Fund to 2030 and beyond	Be a preferred workplace																
AWARDS	PROGRAMS	EXTERNAL AFFAIRS	DEVELOPMENT	OPERATIONS																
80% of applicants are eligible	65%, 45%, 95% graduate in eligible program for BaS, CTS, GRD	At least 33 earned media pieces per year	\$75M raised January 1, 2021, through December 31, 2025, with 30-35 \$25K to \$1M gifts secured in CY25	Volunteer separation rate below 15%; average staff tenure of 36 months																
90% of Scholars complete renewal	Opportunity gaps are less than 10%, 5% by income, race	23 speaking engagements for WSOS leadership per year	25% of donors loyal (5+ years) by end of CY25 with 50% donor retention rate CY24 to CY25	90% of staff agree: “I believe the work I do advances our mission”																
90% work fewer hours because of WSOS	95%, 85% of graduates employed full-time within 9 months in any field, in high-demand field	Social media audience size of 4,800 (FB), 2,200 (Twitter), 2,900 (LI) and 2,700 (IG)	425 new donors acquired in CY25 with 100 total from WA outside of Puget Sound	90% of staff agree: “I would recommend WSOS as a great place to work”																
90% attend full-time because of WSOS	95% of employed in-high demand graduates work in WA	Applicant targets: <table border="1" data-bbox="1067 1265 1508 1376"> <tbody> <tr> <td></td> <td>BaS</td> <td>CTS</td> <td>GRD</td> </tr> <tr> <td>BIPOC</td> <td>85%</td> <td>60%</td> <td>55%</td> </tr> <tr> <td>First-gen</td> <td>64%</td> <td>68%</td> <td>70%</td> </tr> <tr> <td>From rural counties</td> <td>34%</td> <td>40%</td> <td>TBD</td> </tr> </tbody> </table>		BaS	CTS	GRD	BIPOC	85%	60%	55%	First-gen	64%	68%	70%	From rural counties	34%	40%	TBD	At least 15% (by #) of donors in CY25 from health care, (S)TEM	90% of staff agree: “I would recommend my supervisor to future employees”
	BaS	CTS	GRD																	
BIPOC	85%	60%	55%																	
First-gen	64%	68%	70%																	
From rural counties	34%	40%	TBD																	

Org Strategic Priorities: AY2022-23 metrics

Ensuring scalable, statewide scholarship accessibility and financial aid impact	Ensuring scalable, statewide support services	Build awareness of the WSOS brand	Fund to 2030 and beyond	Be a preferred workplace																
AWARDS	PROGRAMS	EXTERNAL AFFAIRS	DEVELOPMENT	OPERATIONS																
75%, 85% and 75% of BaS, CTS and GRD applicants, respectively, are eligible	-BaS : 90%, 85%, 65% Y1-Y2-Y3-Y4 with 44% increasing -CTS : 80%, 80% 75% Q1-Q2-Q3-Y2 -GRD : 100% Y1 to Y2	At least 30 earned media pieces	\$16M, \$12M in CY22, CY23, with 15 12 \$25K to \$1M gifts secured in CY22, CY23	Volunteer separation rate below 30%; average staff tenure of 28 months																
90% (85%) of BaS (CTS) Scholars complete renewal	At least 60% of historically excluded races/ethnicities, low-income & rural students participate in programming	15 (7) engagements for ED (Directors)	8%, 12% of donors loyal (5+ years) in CY22, CY23 with 41% CY22 to CY23	83% of staff agree: "I believe the work I do advances our mission"																
90% work fewer hours because of WSOS	50%, 20%, 70% of BaS, CTS and GRD participate in career resources	Social media audience size of 4,428 (FB), 2,109 (Twitter), 1,861 (LI) and 1,861 (IG)	60, 305 new donors acquired with 44, 55 from WA outside of Puget Sound in CY22, CY23	83% of staff agree: "I would recommend WSOS as a great place to work"																
90% attend full-time because of WSOS	90%, 85%, 89% of BaS, CTS and GRD career support participants report being more prepared	Applicant targets: <table border="1"> <thead> <tr> <th></th> <th>BaS</th> <th>CTS</th> <th>GRD</th> </tr> </thead> <tbody> <tr> <td>BIPOC</td> <td>85%</td> <td>58%</td> <td>40%</td> </tr> <tr> <td>First-gen</td> <td>61%</td> <td>61%</td> <td>55%</td> </tr> <tr> <td>From rural counties</td> <td>31%</td> <td>32%</td> <td>7%</td> </tr> </tbody> </table>		BaS	CTS	GRD	BIPOC	85%	58%	40%	First-gen	61%	61%	55%	From rural counties	31%	32%	7%	At least 8%, 9% (by #) of donors in CY22, CY23 from health care, (S)TEM	83% of staff agree: "I would recommend my supervisor to future employees"
	BaS	CTS	GRD																	
BIPOC	85%	58%	40%																	
First-gen	61%	61%	55%																	
From rural counties	31%	32%	7%																	

Today's Snapshot

<p>Ensuring scalable, statewide scholarship accessibility and financial aid impact</p> <p>AWARDS</p>	<p>Ensuring scalable, statewide support services</p> <p>PROGRAMS</p>	<p>Build awareness of the WSOS brand</p> <p>EXTERNAL AFFAIRS</p>	<p>Fund to 2030 and beyond</p> <p>DEVELOPMENT</p>	<p>Be a preferred workplace</p> <p>OPERATIONS</p>
<p>Improving eligibility of applicants:</p> <ul style="list-style-type: none"> 62%, 85% and 83% of BaS, CTS and GRD applicants, respectively, were eligible <p>★★★★☆</p>	<p>Improving persistence:</p> <ul style="list-style-type: none"> 90%+ persistence for first through third-year BaS & GRD Cohort 2 Scholars Scholar graduation #1 reason for non-renewal <p>★★★★★</p>	<p>Media coverage/speaking engagements:</p> <ul style="list-style-type: none"> 30/30 earned media More than two-thirds of goal for speaking engagements <p>★★★★☆</p>	<p>Campaign revenue:</p> <ul style="list-style-type: none"> OpportunityTalks raised \$755,000 Received \$3M pledge Awarded a \$50,000 grant Adjusting revenue targets <p>★★★★☆</p>	<p>Staffing:</p> <ul style="list-style-type: none"> Headcount: 31 FTE Open: 2 FTE New hires last Q: 4 FTE <p>★★★★★</p>
<p>Successfully completing processes (increase, renewal):</p> <ul style="list-style-type: none"> 89% & 71% of BaS and CTS Scholars completed renewal on-time <p>★★★★☆</p>	<p>Closing opportunity gaps:</p> <ul style="list-style-type: none"> BIPOC AY 23-24 SL <ul style="list-style-type: none"> 70% BaS 58% CTS <p>★★★★★</p>	<p>Social media growth:</p> <ul style="list-style-type: none"> Follower growth lagging, but strong engagement continues Website improvements on track <p>★★☆☆☆</p>	<p>Donor loyalty:</p> <ul style="list-style-type: none"> Ongoing work to demonstrate appreciation Finalizing impact report and planning for distribution <p>★★★★☆</p>	<p>Culture enhancements:</p> <ul style="list-style-type: none"> Year-end fatigue Program administrator workflow <p>★★☆☆☆</p>
<p>Attend school full-time and work less:</p> <ul style="list-style-type: none"> Exploring impacts of changes to financial aid program on Scholars <p>★★★★☆</p>	<p>Improving career outcomes:</p> <ul style="list-style-type: none"> 414 BaS & CTS Scholars participated in StS 23 events with corporate partners this AY <p>★★★★☆</p>	<p>Scholarship promotion:</p> <ul style="list-style-type: none"> Increase in in-person meetings and activities Emerging partnerships with WSCA and PNACAC (thanks, Julie) <p>★★★★★</p>	<p>Donor acquisition:</p> <ul style="list-style-type: none"> Hot Topic Dinners 153 new friends of WSOS at OpportunityTalks Not yet targeting by industry, region <p>★★★★☆</p>	<p>Leadership:</p> <ul style="list-style-type: none"> Academic year goal-setting process underway Preparing leaders for staff talent review and professional development planning <p>★★★★★</p>

Key wins of the quarter



- OpportunityTalks was back in person and a success
- Bill advanced through the Legislature and became law
- Continue to make strides with promotional partners
- \$3M pledge to support the WSOS mission
- Two WSOS babies were born this quarter happy and healthy

Challenges of the moment



- Program administration challenges remain as we build processes and systems with 501 Commons
- Leave adjustment

PROGRAM ADMINISTRATION OPTIONS

WASHINGTON STATE
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REQUESTED BOARD ACTION

- Vote on program administration options

The Problem:

Inability to identify and maintain a long-term Program Administrator (PA) relationship creates instability and risk

- **Context:**
 - Three Program Administrators (PAs) since inception: College Success Foundation, WA STEM, and 501 Commons.
 - Scale of the program and differences in fiscal sponsorship and program administration models have led to challenges.
 - 2022 Request for Proposal (RFP) cycle resulted in a single submission.
 - Statute change allows the WSOS Board to partner with multiple PAs and create one or more non-profit corporations to perform the PA function.
- **Broadly stated, the problem is:**
 - The success of WSOS hinges on our ability to partner long-term with a values-aligned Program Administrator with the infrastructure in place to support our program needs. We don't exist without a Program Administrator, so a long-term solution is critical.

Guiding principles for program administrator recommendation

1. Provide **transparency** for the Board & staff.
2. Keep **employees whole** (benefits/salary/work environment).
3. Maintain a strong, **collaborative** relationship with 501 Commons.
4. Balance **maintaining our autonomy** while addressing areas where **we need stronger support**.
5. Prioritize finding a **long-term** fit.

Questions that came up while thinking about this problem are...

- What values, policies, and practices are non-negotiables for the scholarship program to be effective?
- What are our expectations of a Program Administrator?
 - How do we better frontload expectations?
- How will stakeholders perceive each of the options available to us?
- What are the trade-offs of the options available to us?

Through conversations, research, and reflection, we learned...

- **Partners devote a significant amount of time administering the WSOS program**
 - One human resources, and three finance professionals each allocated at least 50% of their time to WSOS; small percentage of senior leadership time.
 - "501 Commons staff spends so much time on WSOS they aren't able to get their own business needs met."
- **Administering WSOS requires Program Administrator to cede some of its control**
 - WSOS Board has autonomy and decision-making authority over the program.
 - Program Administrator assumes the risk of the program without having decision-making authority, creating tension.

Through conversations, research and reflection, we learned...

- **Program Administration is unfamiliar to many, providers regard themselves as Fiscal Sponsors**
 - Program administration is defined by statute, but in market, fiscal sponsorship is the norm
- **Fee structures for program administration/fiscal sponsorship range from 8 – 15% of incoming revenue**
 - State match funds would likely be subject to a fee
- **Any nonprofit created must exist to serve the program and have the appropriate controls to fulfill its purpose**

Program Administration Option 1: Remain with 501 Commons

- Renewal would be effective September 1, 2024
- Can renew for up to an additional 8 years in one-, two-, three-, or four-year increments
- No significant changes to the scope of services allowed but reasonable changes to compensation are allowable



Rewards



Familiarity



Straightforward contract process



Economies of scale



Risks



Persistent cultural misalignment



Continued loss of productivity and
detraction from WSOS mission



Inconsistent delivery of contract
elements, both time and quality

Program Administration Option 2: Contract with a new partner or partners

Landscape analysis of national PAs identified seven potential partners; initial conversations with six of the seven completed



Program Administration Option 2: Contract with new partner(s)

- Can renew for up to 10 years in one-, two-, three-, or four-year increments
- Typical contract fee structure of 8 – 15% of incoming revenue, including state match dollars



Rewards



Economies of scale



Capacity-building organization



RFP know-how



Risks



WSAC prefers Fall timing



No guarantee of a bid



Cultural mismatch/Limited influence



Costs

Program Administration Option 3: Build a nonprofit to administer program

- Strongest alignment and accountability structure for a long-term fit
- Requires upfront investment in time and money



Rewards



Single purpose for existence



Values alignment from Board to staff



Built to suit



High level of accountability



Direct to contract/No RFP



Risks



Timeline to execute



Costs

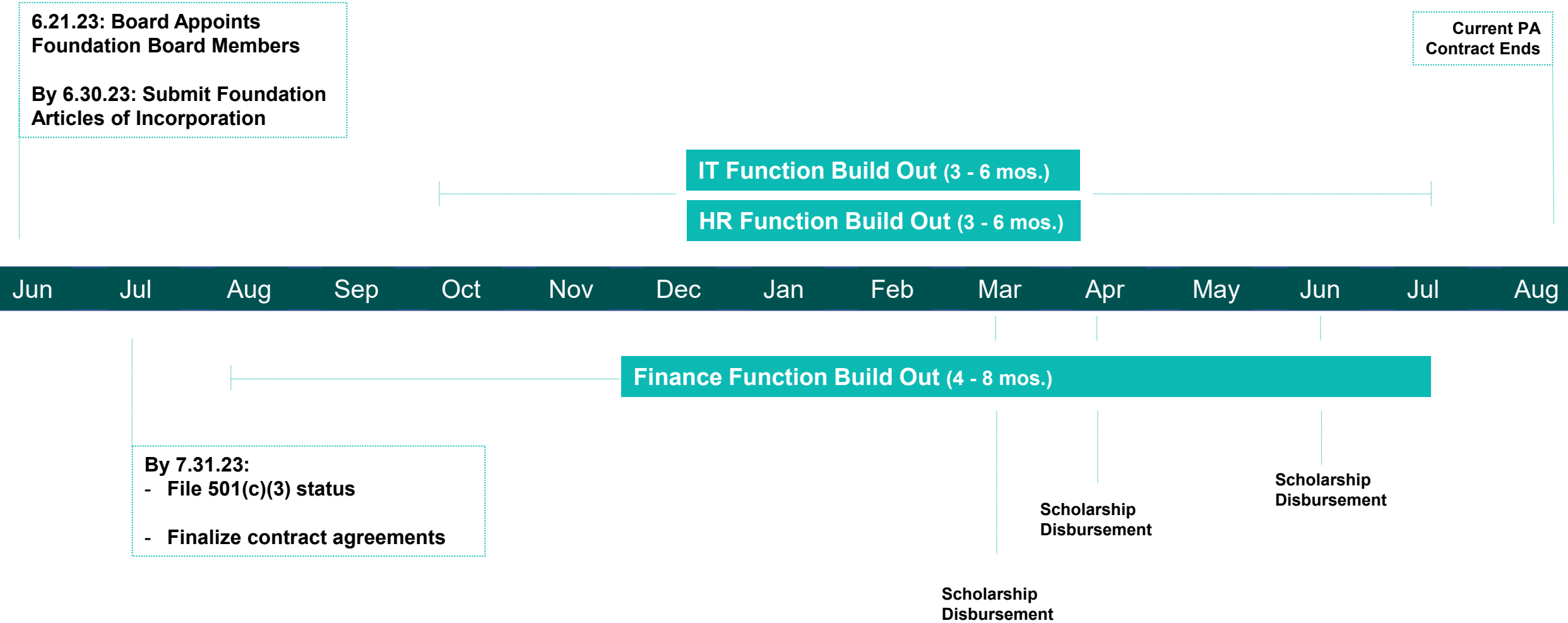


People power/Hiring

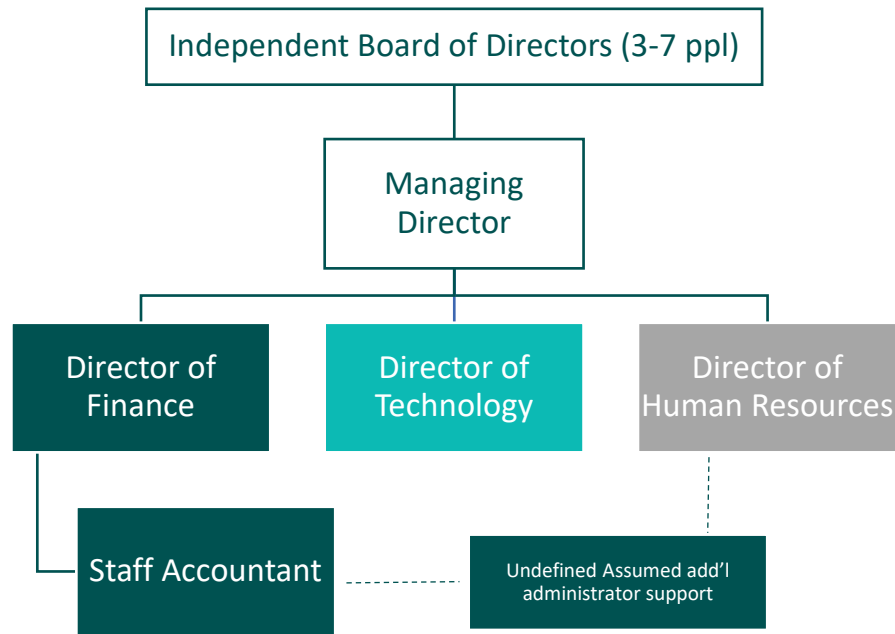


Stakeholder perception

Build a nonprofit to administer program: Timeline



Build a nonprofit to administer program: Infrastructure



Board of Directors Plan:

- 3-7 Independent Board of Directors.
 - Start with 3, target 5.
- WSOS Board appoints/removes WSOS Foundation members.
- WSOS Board has a voice in “extraordinary actions” of the Foundation Board.
- There will be a terms agreement between WSOS Board and Foundation Board.

Foundation considerations:

- Resources to accelerate finance function build.
- Possible fractional team members for senior roles.
- Opportunities to maximize efficiencies between program and Program Administrator staff.
- Fiscal year: July 1 - June 30

Systems/Tools: MIP Fund Accounting, Bill Payment, Expensify 3rd Party Partners: Auditor
Systems/Tools: MS O365, Hosting Fees, Smartsheet, Adobe, DocuSign, Password Mgr 3rd Party Partners: Managed Services Partner/Help Desk
Systems/Tools: Human Resources Information System, including payroll 3rd Party Partners: HR Consultant, Benefits Brokers
3rd Party Partners: Insurance Provider(s), Legal Counsel

Build a nonprofit to administer program: Costs comparison

Option 1: 501 Commons

Option 2: Fiscal Sponsor

Option 3: Foundation

"Estimated"
3 year
Totals

\$1.8M

Cost Drivers

- Fractional Salaries
- SaaS fees
- Overhead Allocation

**Assumes 10% increase in current cost each year based on submitted bid*

\$7.6M

Traditional fiscal sponsors take % of revenue as it is received

- 6% - 10% Private Funds; 15% Public Funds
- \$8M funds raised w/ a state match fee: \$1.8M
- \$15M funds raised w/ a state match fee: \$3.45M
- \$10M funds raised w/ a state match fee: \$2.3M

***Assumed 8% for private funds based on exploratory calls*

\$5M

Cost Drivers

- Salary, plus fringe (Foundation staff only)
- Managed IT Services (Foundation & Program)
- PA insurance requirements
- 3rd party services (Finance, Legal, HR)
- SaaS fees (Foundation & Program)

****Assumes 10% increase each year*

One-Time
Costs

\$202,673 (Actual)

Supports:

- Systems procurement & set-up
- Workflow design
- Knowledge exchange

\$35,000 (Estimate)

Supports:

- Knowledge exchange

\$250,000 (Estimate)

Supports:

- State & Federal Filings
- Systems procurement & set-up
- Contractor Support
- Knowledge exchange

The Problem:

Inability to identify and maintain a long-term program administrator relationship creates instability and risk

- **Discussion:**
 - What are the non-negotiables of the program when partnering with a program administrator?
 - How much are we willing to invest financially to secure a long-term program administrator?
 - What aren't we thinking about, but should be?

REQUESTED BOARD ACTION

Vote on program administration options:

- Option One Actions:
 - Continue to engage 501 Commons on concerns or terminate PA contract.
 - Authorize program staff to partner with 501 Commons to take next steps.

- Option Two Action, if selected:
 - Authorize program staff to initiate and execute in partnership with WSAC a Request for Proposal process for one or multiple Program Administrators.

- Option Three Actions, if selected:
 - Appoint WSOS Foundation Board members.
 - Authorize WSOS program staff to spend money to support the creation of the WSOS Foundation.
 - Delegate authority to approve agreement between Foundation and Program.

Tab D

2023 Career & Technical Scholarship Selection

Career and Technical Scholarship Selection Guidelines

The purpose of the selection guidelines for the Career & Technical Scholarship (CTS) is to have an objective approach to selecting applicants for Cohort 5. These guidelines align with those set for the Baccalaureate Scholarship (BaS) as both are created with the same foundation: WSOS's mission and values. Any differences between the CTS and BaS selection guidelines are necessary for accommodating the usual distinctions between the CTS and BaS applicant pools and application questions.

To maintain objectivity, our selection process will be guided by a set of goals that align with our organization's mission and values. Our goals are to select applicants who are:

1. Heading into the high-demand, high-return jobs across Washington state (where high-return jobs are those that can be accessed through the shortest programs while offering the highest wages)
2. More likely to complete their degree or credential if they receive a scholarship
3. Likely to graduate with a degree or credential in a trade, STEM, or health care

To objectively select applicants who meet the goals outlined above, we have assigned points to each related section of the application. There is a maximum number of points set for each section, and there are limits on the influence that any one factor can have to prevent any one selection criterion from having an outsized influence on selection. Scholars are selected based on the highest total number of points received until we have selected the cohort.

CTS applicants can earn a maximum score of 100 points using the following selection guidelines. RJL applicants can earn up to 40 more points based on their distance to campus.

1. **Select applicants who are heading into high-demand, high-return jobs across Washington state.** Prioritizing these criteria will ensure the scholarship is aligned with the Washington state economy and is creating access to family-wage jobs that are not accessible without a post-secondary credential. High-return jobs are those that can be accessed through the shortest programs while offering the highest wages. There will be a maximum of 50 points allocated for program of enrollment with a division of available points between two key selection goals:
 - a. High-demand (25 points):
 - a. Job openings (more points to programs leading to higher demand jobs): 12.5 pts
 - b. Representation (more points to programs with the greatest underrepresentation of applicants relative to job demand): 12.5 pts
 - b. High-return (25 points):
 - a. Wage (more points to programs leading to higher wage jobs): 12.5 pts
 - b. Program duration (more points to shorter duration programs): 12.5 pts

Regional weighting: 80% of points are based on local job data, 20% are based on statewide job data. The 80/20 point breakdown was implemented because we

assume CTS recipients will work locally (and want to encourage them to do so); however, we also do not want to restrict people from moving.

Limitation: Applicants whose overall program points are in the top 20th percentile should not be more than 5x as likely to be selected as those whose program points are in the bottom 20th percentile. This limitation exists so that we can prioritize programs that lead to the highest-demand, highest-return jobs while still ensuring that all programs on the eligible programs list are truly eligible and all are available due to the distribution of points. This is important because all eligible programs lead to high-demand jobs with workforce shortages.

Regional cap (RJI-only): To make sure RJI dollars are distributed equitably across the rural regions of the state, the percent of funds allocated to each region will not exceed 1.5x its share of rural residents provided we can fill all open seats.

2. **Select applicants who are more likely to complete their credential if they receive a scholarship.** Applicants' need for this scholarship will be determined by:

a. Low- income – 20 maximum points allocated

Limitation: Low-income applicants should not be more than 3x as likely to be selected for the scholarship than middle-income applicants. Because it is the WSOS mission to fund low- *and* middle-income Scholars, this limitation exists so that we can select those with the greatest demonstrated need while still ensuring middle-income applicants are included in receiving the scholarship.

b. First generation status – 7.5 maximum points allocated

Limitation: To ensure the barriers faced by first-generation Scholars are acknowledged by the selection process without making the scholarship inaccessible to those who are not first-generation Scholars who still face barriers to college access, first-generation applicants should not be more than 4x as likely to be selected than non-first-generation applicants.

c. Parent status – 7.5 maximum points allocated (all points to single parents, some points to all parents)

Limitation: Single parent applicants should not be more than 4x as likely to be selected than non-single parent applicants. This limitation acknowledges that single-parent applicants typically face greater barriers to earning their post-secondary credential without making the scholarship impossible to earn by someone who is not a single parent.

d. Distance to campus (RJI-only) – target points allocated: 30 pts

Limitation: If the target points result in a median distance from campus of less than 30 miles, points allocated to distance to campus may increase to a maximum of 40.

3. **Select applicants who are likely to graduate with a credential in a trade, STEM or health care.** Identifying applicants most likely to persevere to completion maximizes the impact of scholarship funding. This will be determined by:
 - a. Resilience (short answer) section – target points allocated: 15 pts
Minimum: Ensure the average short answer score is at least 3.0. This will allow us to select more eligible applicants while ensuring we restrict funding to those likely to persist

If any limitations are exceeded during the selection process, we will adjust the points for that criteria until we reach the limitation. Any points deducted due to exceeded limitations from the program, household income, first-generation and single parent criteria will be added to the short answer scores.

2023 CAREER & TECHNICAL SCHOLARSHIP SELECTION

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GOAL

- Approve 2023-24 selection principles for CTS and RJI

CTS SELECTION PRINCIPLES

- Select Scholars who are heading into **high-demand, high-return jobs** across Washington state.
- Select Scholars who are **likely to graduate with a credential in STEM, health care or the trades.**
- Select Scholars who are **more likely to complete their credential or program if they receive a scholarship.**

BOARD VOTE: CTS SELECTION PRINCIPLES

Factors	2022-23	2023-24 Proposal	Limitation Factors
High-demand program	50	50	Applicants who select highest demand programs should not be 5x more likely to be selected than those who select the lowest demand programs.
Low- income	20	20	Low-income applicants should not be 3x more likely to be selected than middle-income applicants.
First-generation applicant	7.5	7.5	First-generation applicants should not be 4x more likely to be selected than non-first-generation applicants.
Parent	7.5	7.5	Single parent applicants should not be 4x more likely to be selected than non-single parent applicants.
Resilience (short answer)	15	15	No limit. All points deducted from the factors above will be redistributed to the short answer section.
<i>Distance to campus (RJI only)</i>	30	30	<i>If the median distance to campus is less than 30 miles, increase the point allocation to a maximum of 40 pts.</i>

Parent factor: Does not apply to applicants who graduate from high school in 2023

Persistence floor: The average short answer score must be at least 3.0

CTS college cap: The percent of recipients for each college should not exceed 5x of its share of CTC graduates provided we are able to fill all open seats

RJI regional cap: The percent of RJI funds allocated to each region should not exceed 1.5x its share of rural residents provided we are able to fill all open seats

Tab E

Finance & Program Administrator Update

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FINANCE & INVESTMENT COMMITTEE JUNE 13, 2023
MEETING AGENDA
IN-PERSON OR REMOTE

To join virtually: Click on the Microsoft Teams link in meeting invitation

I.	Meeting Called to Order & Introductions		Patrick Smith Board Member Committee Chair	1:00p-1:10p
II.	Approval of Minutes	[Tab A]	Patrick Smith Board Member Committee Chair	1:10-1:15p
III.	WSIB Quarterly Performance Report	[Tab B]	James Aber WSIB	1:35-1:55p
IV.	Program Administrator Report	[Tab C]	501 Commons Program Administrator	1:55-2:15p
V.	Program Update	[Tab D]	Javania Polenska WSOS	2:15-2:30p
VI.	Meeting Adjourned		Patrick Smith Board Member Committee Chair	2:30p

Committee Questions for Consideration:

- » What questions and risks should we consider while exploring the creation of a non-profit entity to support the program administrator function?

Upcoming Committee Meetings

Wednesday, September 6, 2023

Thursday, November 30, 2023

Tab A

Approval of March 21, 2023 Minutes

FINANCE & INVESTMENT COMMITTEE MEETING MINUTES | MARCH 21, 2023

Members present via Microsoft Teams: Patrick Smith (Chair), Bo Lee, Jess Peet, Julie Sandler, Joseph Walker, Brad Faulhaber, Matt Rubright

Members not present: Elisa La Cava

Attendees on Microsoft Teams: Nancy Long, Eileen Moran, James Aber, Aileen Liu, Chris Green, Kimber Connors, Javana Polenska, Dena Parmer

Meeting called to Order

Patrick Smith called the meeting of the Washington State Opportunity Scholarship (WSOS) Finance and Investment Committee to order at 1:02 p.m.

Approval of Minutes from December 7, Finance and Investment Committee

Committee Action: Joseph Walker moved to approve the minutes of the December 7, 2022, meeting. Jess Peet seconded the motion, and it carried unanimously.

WSIB Quarterly Performance Report

James Aber, Washington State Investment Board's (WSIB) Director of Institutional Relations and Public Affairs, delivered the quarterly performance report. All data is as of December 31, 2022.

Aber said it was a volatile year in 2022. Markets rebounded during the fourth quarter, but it was not enough to offset the losses we saw in the first half of the year. The Baccalaureate Scholarship (BaS) and the Career & Technical Scholarship (CTS) both returned 4.2% in Q4. Over the past year, BaS was down 10.6%, and CTS was down 10.7%. The Endowment Fund, which has about 79% in equities and 21% in fixed income, saw a return of 8.3% for the quarter and a loss of 16.4% for the one-year period. The state match cash fund returned 0 – 1% for the quarter.

WSIB completed three transactions for WSOS in the fourth quarter. WSIB rebalanced the WSOS Private Equity Fund and the WSOS Private Technical Scholarship Fund, allowing \$2.7M and \$1.1M, respectively, in excess cash to be invested in the fund's target allocation of public equity and fixed income. In December, the Advanced Degrees Fund was launched and funded in line with its approved asset allocation. It is 0% cash, 70% fixed income, and 30% equity.

The market insights are as of the end of fourth quarter. The federal reserve aggressively hiked rates throughout 2022 to combat persistently high inflation leading to significant declines in stocks and bonds. The US Federal Open Market Committee (Fed) met twice during the quarter and hiked the Fed Target Rate at both meetings. Inflation began to ease in December, but leading economic indicators across the world's largest economies slowed throughout the second half of 2022. Markets rebounded towards the end of the year. Developed market equities were up just under 10%, and emerging market equities were up 9.5%. Developed market equities finished the year down over 18%, and emerging market equities were down just under 20%. Bond markets were not immune. Bloomberg Universal index was up 2.2% but

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ended the year down 13%. A lot of what was driving this was the 10-year Treasury rate. It ended the year at 3.9%. It was up 2.4% during the calendar year.

Walker asked when the Capital Market Assumptions (CMA) refresh would happen. Aber said it is in process now and would be completed in the second quarter. Aileen Lui said they would present recommendations at the April board meeting and could share them with the F&I committee before then. Recommendations will not be integrated until the next asset allocation update period in 2026 but they can provide an interim update if there is a significant market dislocation. Walker said it would be worth refreshing because so much has changed.

Matt Rubright asked if anything is steady between when this report was created and the current environment. Aber said WSIB uses a 15-year time horizon in CMAs that feed into the strategic asset allocations. Liu said that although starting point matters, they look for long-term equilibrium. The most significant change observed was in the rate environment and inflation environment, which will impact fixed income assumptions. Equities will be more stable and not change much from 2021.

Brad Faulhaber asked if WSIB has any comments on exposure and the current financial instability. Aber said the fourth quarter was good for equities and fixed income, which carried over to 2023. Equity markets have given all of that back. WSOS is invested in passive equity and intermediate bonds. There is exposure through the passive equity component, which has 9,000 positions that are highly diversified. WSIB is monitoring the banking crisis very closely. The FDIC and the Treasury have been very engaged in how they are managing this, but only time will tell how it all plays out. The banking sector is diverse, and larger financial institutions are not impacted like smaller regional banks. The market is looking closely at banks that have a mix of uninsured deposits and long-term bond holdings in their investments that match the SBB profile. The entire banking sector is not being broadly impacted, but all the financial services and banking sector is trading down. There is a lot of picking through which banks might be exposed to similar issues. Credit Suisse will be a position in any broad equity passive index, including the one that WSOS is invested in. UBS purchased it and was trading at a significant discount when that happened. That is the high-level overview.

Faulhaber said he was more interested in the bond side and what WSIB has done to trim exposure on the fixed-income side. Aber said they are not tactical regarding how they invest but are watching it closely. You will see that the WSOS portfolio is primarily intermediate credit, so we will not have a lot of high yields. WSOS will have more investment-grade bonds. WSOS will have credit and is going to have banking exposure. WSIB is watching it closely and acting as needed. WSOS is invested in a highly diversified bond portfolio. Chris Green said that the fixed-income vehicle that WSOS is invested in did not own any Credit Suisse bonds. Other fixed-income vehicles that WSIB manages did own those bonds, but they were sold.

No further questions.

Program Administrator Report

Eileen Moran, Controller for 501 Commons, presented financial statements through December 31, 2022.

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Moran said there was not much cash coming in, but a significant amount of cash was going out for November and December. Disbursements totaled about \$6M. There was \$4.6M for BaS and \$1.66M for CTS and \$155K for RJI, and \$102K for GRD. Payroll liabilities took a big jump because of year-end PTO accrual of about \$42K of the \$53K. The rest was expected payroll liabilities like benefits paid after the fact. Net assets remained the same from the October to December balance sheet report.

Faulhaber asked if it was an unusual amount of scholarship refunds for the period. Moran said it is cyclical, with periods where we have a large number of refunds and other periods where we have none. We had \$641K in rebates from various schools in October-November. There was \$338K in October. The year-to-date August number was \$1.6M. It is typical to have a significant number of refunds.

Connors said that WSOS, as a non-state agency, cannot see the complete financial aid package that a student receives. The WSOS dollars cannot exceed the cost of attendance. Once colleges receive funds, they check which students have gone over the cost of attendance. They send the funds back to us in bulk, and we update our system accordingly.

Peet asked when we expect to receive the state match funds. Moran said that the allocation had already been exhausted, so there was no activity. We get a new appropriation in July. We only have \$385K that has been held back from the City of Seattle. Moran is looking into the documentation that is needed to get the \$385K released to us. Connors said we must request an appropriation aligned with the forecast council in February each year. We can only request funding when we have received cash or a written pledge. It gets included in the state budget but then has to go through government processes. It hits WSAC in July, and that is when it is available in the escrow account that WSAC holds it in. There is quite a delay as to when we get private funding and when we can access the match in July. Moran said anything between January 1 and July would be requested all at once. In July, we will see the state match receivable net, the unbilled state match revenue of \$5.4M.

Moran reviewed the income statement that reflects year-to-date numbers. In October - November, we received \$210K. There were no new significant pledges. We received \$100K from Bristol Meyer Squibb, \$50K from Seattle Foundation, \$25K from Front Street, \$10K from a private donor, and various other small donations that added up to the \$210K in new money.

Connors commented in the chat that the \$750K pledge was from a Donor Advised Fund (DAF), and we can only acknowledge that once the cash is received. Smith said that the accounting issues that continue to pop up between our budget and actuals are due to the treatment of DAF pledges. Moran said the \$750K pledge is a stock donation, so the amount is a placeholder for the approximate value. This is the same as the Ballmer pledge.

Moran reviewed the 12 Month Cash Flow. She stated there is a correction and that the Boeing numbers should be \$30.2M. These are the sources of cash that came in. There is very little change in comparison to what we received in October.

No further questions.

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Program Update

Connors introduced the short-term investment policy that must be reapproved every three years. The high-level overview of changes is that we replaced WA STEM with 501 Commons, there was some light copyediting for clarity, and attachments were replaced with links for ongoing live updating. We also codified KeyBank benchmarks that were previously shared with the committee.

Smith asked the committee if there were any questions about the changes to the short-term investment policy.

Rubright asked if there was any talk of diversifying banking institutions under which the policy would be administered, given the recent financial climate. Smith asked how WSOS and 501 Commons are thinking about this. Moran said most funds are with Beneficial Bank, but we also have a relationship with Columbia Bank. Nancy Long said there is a policy to maintain coverage for funds using the sweeps function at Beneficial. The 501 Commons Board has oversight and reviews how much exposure we have to funds that FDIC does not cover. Smith said that the treasury department might be eliminating the cap altogether. He added that this is something to keep an eye on if we have significant uninsured balances. Long said they have a policy and can work with WSOS and the F&I committee to implement it, given the irregularities in the funding that flows through that account. Long asked if Rubright was asking about due diligence and the viability of the institutions they have chosen to work with. Rubright said he was asking if there was undue exposure. Long said that Columbia is becoming part of Umpqua. Connors said it would be good to look at the spikes in the amounts of money sitting in the account for a short time, how long we are experiencing the exposure, and at what level. Connors said we should watch how the government thinks about the cap at \$250K. We need to do some research. Connors suggested that she and Long meet so she can better understand what is in place with 501 Commons, and we can have a better answer for the next meeting.

There were no other questions about the proposed policy.

Committee Action: Julie Sandler motioned to recommend the Board of Directors adopt the updated short-term investment policy. Seconded by Faulhaber, and it carried unanimously.

Connors stated she added the 990 presentation of WSOS financials to the agenda yesterday when Long brought concerns from their auditor. Historically WSOS has appeared on the program administrator's consolidated financial statements. The auditor for 501 Commons asked that they show up as combined. This makes it seem as if we are a subsidiary of the larger organization. Moran said that it would just be a language change. The audited financials have a column for WSOS and WA STEM and the total. WSOS is not being fiscally sponsored. Moran said the auditor is more comfortable using "combined" rather than "consolidated." The presentation will look the same. There is a blank page that explains anomalies, but numbers will be included. There will be more disclosure on Schedule O and minor changes to the language. Long said they were concerned about the representation of WSOS as a fiscally sponsored organization. It creates ramifications for 501 Commons and creates an additional risk to the contract if 501 Commons characterizes the relationship in that way. If we continue to say "consolidated," it includes the language "qualified opinion," which is not necessarily negative, but the language could raise questions from potential donors. With the new approach, we no longer have to use that language on the documents.

Faulhaber asked if WSOS has a separate 990. Moran said WSOS does not have a tax ID number, so there is no separate 990. The only way information gets reported on a tax form is if

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it is included on the program administrator's 990. Walker asked if it would be possible to see a before and after view of the 990 before it is submitted. Moran said the only difference is the disclosure on the Schedule O, where the auditor adds additional narrative. The three largest organizations and the top salaries have to be listed. Moran said the F&I Committee would be part of the review process before the 990 is submitted. Long said this would benefit both organizations because this unusual relationship is often misunderstood. Fiscal sponsorship does not apply to WSOS; we will explain this in a way that does not raise red flags for either organization. We have made changes because we have gone to MIP and because of the contract implementation to stay with the same auditor. The auditor knows 501 Commons well and can give us a higher level of professional judgment.

Connors asked if the additional disclosure in Schedule O is the only difference. Moran said that is true to the best of her knowledge. Moran said that readers would have an explanation of why everything is so much bigger, and everything will not be ascribed to 501 Commons. On page 10, everything will be combined. Schedule O will break down what expenses belong to WSOS and what belongs to 501 Commons.

Connors said that she does not have any concerns but wants the committee to review it. Connors said this is a reasonable solution because we need our financials presented somehow. Connors shared a link to the [2021 WA STEM 990](#).

Long shared an email from the auditor Matt Smith, CPA. "As an alternative, we can present 501 Commons and WSOS as "combined" financial statements, which happens when you have two affiliate entities (where control does not exist) but make the most sense to include in the same financial statements. If we go the combined route, you will see it just as STEM/WSOS were, and then you would see the word "Combined Financial Statements" everywhere instead of simply "financial statements." With this option, there would be no need to have this qualification/departure from GAAP, as combined is allowed, but makes it clear to the reader that they are not "consolidated" (which only happens when control exists)."

Moran said that consolidated means that there is one ownership of the two entities. Combined means two separate entities that are more like partners rather than a parent-child relationship. Walker said that the definitions make more sense and would like to review the 990 language after it is complete.

Smith said that the fiscal sponsorship relationship is the core question of how this is presented. Moran said this is a key element. Smith said he could read through the language but asked about the control piece that is required for fiscal sponsorship. Smith asked who has control of WSOS employees since they are legally 501 Commons employees. Moran said that WSOS has its own Board controlling many of its programs and processes. Long said in a typical fiscal sponsorship, the other organization's Board can give input to programmatic functions, but there is a dual-board relationship. The WSOS contract gives the power and authority to the WSOS Board for decision-making about the activities that 501 Commons delivers. 501 Commons has the legal responsibility to operate in a legally compliant way. Long said they are required to protect the organization from risk and harm. This relationship is different from how we operate with our employees and clients. Connors stated that even though she is an employee of record of 501 Commons, she does not report to Long or her Board. This can cause confusion as people interpret the two things differently. Long reiterated that it is extremely important that they are not in a policy-making role for many factors that 501 Commons is responsible for. Connors

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said she was happy to follow up with the language in Schedule O and would welcome further discussion about this.

Connors presented the organization report card and shared the intended impacts. First, we are trying to support scholars as they earn their credentials. Secondly, we want to ensure they're gaining employment in their field of study in Washington within nine months of graduation. We aim to accomplish that by pairing scholars with support services.

Connors reviewed the strategic priorities which will continue to guide us through 2025. First, we're aiming to build scalable statewide programs. Second, we're focused on building our brand. Third, we want to fund to 2030 so the program does not sunset in 2025. Fourth, we want to be a preferred workplace, which underpins the other three priorities. We can only achieve the other three if we have top talent that wants to stay at WSOS.

Connors discussed the metrics WSOS wants to achieve by the end of 2026. Each Academic Year (AY), directors set incremental goals that measure progress towards each goal anchored around our strategic priorities. At every board meeting, Connors reports what is true today. A lot of the indicators that you see are lagging indicators. You will only see them reported at the end of each AY, but we have leading indicators to tell us if we are on track for success.

The Awards team's goals are to improve the eligibility of applicants by ensuring the application is accessible, ensure the number of students successfully completing the renewal process and that scholars attend school full-time and work less. The most significant adjustment is that we have had a lot of conversations with WSAC and higher education leaders to better align with the financial aid deadlines that the colleges have. The Awards director is working on assessing financial aid's impact on our scholars' overall experience. This is related to the change in the cohort sizes. We want to know how many unmet needs Opportunity Scholars have and the impact on their completion rates. We are evaluating if increasing the amount of the scholarship would help our students complete their degrees, even though that would mean that we have smaller cohorts. This year in the Legislature, it has been proposed that the Washington College Grant expands to fund six years rather than five years for students to complete a bachelor's degree program. We see that many students are taking six years to complete their coursework. For some, it is because they cannot enroll full-time, while others have to enroll in remedial classes because they have not been in a competitive K-12 system. For others, it is because they did not get into their major and took classes until they could reapply for their major. This is something that we should discuss in the future because the state will most likely pledge more financial aid for students taking a sixth year. If that happens, we wonder if this is something WSOS should also do. We would have to look at the impact financially and on student outcomes.

The Programs team is focused on improving persistence among our scholars. There was a mid-year goal to have 70% of students engage with their Scholar Lead. Scholar Leads are peer mentors that help our scholars build an academic and social foundation on campus. Programs have exceeded that goal which tells us that scholars value peer mentorship. Another intended impact is that we have improved career outcomes which means that scholars launch successfully into their careers. The Programs team has a goal that each participant is engaged with their industry mentor at least once during the year. CTS has seen fewer participants using career resources. Closing opportunity gaps is our third indicator. We use targeted efforts to

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

increase the participation of scholars who are low-income, BIPOC, and scholars from rural areas of the state. We are making targeted phone calls and email campaigns.

External Affairs is working to build the brand through media coverage and speaking engagements, social media growth, and scholarship promotion. For the first time ever, the Seattle Times reached out to us to include WSOS in a piece. We have slow follower growth, but we have had strong engagement of people sharing our content. We received a grant from Boeing and created a promotion specialist position. Even though enrollment in higher education is down quite a bit, we have seen an increase in applications this spring.

The Development team struggled to hire people this past year. We had three vacant positions all year. We hired some excellent people in January. Despite vacant positions, we saw an increase in donor loyalty. We have invested in donor best practices including, end of year stewardship cards, an impact report, and our first-ever annual fund card was sent out. Our donors showed up even in a year when we did not have OpportunityTalks. We have also been working on donor acquisition. We hosted a couple of Hot Topics dinners which each had about 15 participants discussing a specific topic. It has been a great way to get people excited about our mission.

The Operations team has worked on staffing. We now have 30 FTE with just one open position. This is a huge accomplishment because, in our sector, 1/3 of positions sit open for six months or longer. We have been working on culture enhancements with an organizational-wide focus on feedback and accountability. We are continuing to work on the program administrator transition. We have also been training our leaders.

Key wins of the quarter are the amazing new team members. Javania has been running a Management and Leadership Academy. Our bill that is advancing through the Legislature is on track to become law. Another key win is that Scholar application numbers are up year-over-year.

Key challenges for the quarter are onboarding ten new staff, the continued challenges as we build processes and systems with 501 Commons and maternity leave planning.

Connors asked if the committee liked the new format in comparison to our previous meetings. We had a draft of the Board meeting minutes, and the financial and program administrator updates were brief, leaving room for more discussion.

Peet said she learned a lot from reading the Board meeting minutes, and the brief updates freed up time for important discussion. Faulhaber agreed and said the Board minutes gave context and the bigger picture. Smith said it was good to hear this feedback, and he also liked this format better.

Smith asked if there were any other questions, and there were none.

Smith asked for a brief executive session.

The meeting was adjourned by consensus at 2:32 pm.

Respectfully submitted,
Dena Parmer

Tab B

WSIB Quarterly Performance Report

WSOS INVESTMENT AND FINANCE COMMITTEE PERFORMANCE REVIEW – 1Q 2023

JUNE 13, 2023

James Aber, Director of Institutional Relations



WSOS INVESTMENT PROGRAM SUMMARY

- BaS and CTS funds (30% equity/70% fixed income) returned 3.9% for the quarter
- BaS and CTS returned -2.6% for the 12 months ending March 31
- Endowment (80% equity 20% fixed income) returned 6.1% for the quarter and -6.3% for the one-year period
- Global equity funds returned 7.0% for the quarter and -7.4% for the year
- Fixed income funds returned 2.6% for the quarter and -1.6% for the year
- Volatility remains elevated based on persistently high inflation, the Fed's commitment to meet a 2% inflation target through rate hikes, and necessary banking interventions in the US and Europe with the collapse of Silicon Valley Bank and Credit Suisse and other regional banks
- WSOS transactions during Q1:
 - Early-March: WSOS Private Scholarship Fund raised \$3.0 million of cash for a March 6 redemption through \$1.8 million of sales in public equity and \$1.2 million of sales in fixed income

CAPITAL MARKETS SUMMARY

REPORTED AS OF MARCH 31, 2023



- Global equity markets experienced three very different environments during the first quarter of 2023 – In January Investors were optimistic that global central banks were done raising rates, February brought concerns that the global economy was overheating, and in March investors feared another global financial crisis
 - This led to a major sell-off in the U.S. and European financial sectors
- The March U.S. consumer price index (CPI) report showed that headline inflation fell to 5.0% for the year, well down from the peak of 8.9% in June
- The MSCI Developed World IMI index returned 7.3% for the quarter, bringing the 1-year return to -7.3%
- Emerging markets trailed well behind developed markets this quarter, returning 3.9%, which brought the 1-year return to -10.7%
- The Federal Reserve raised the target rate twice during the quarter, bringing the rate up 50bps to 5.0%
 - Despite this, U.S. interest rates went lower during the quarter leading to a weaker U.S. Dollar
 - Overall, the dollar was still up for the year against other developed world currencies
- The U.S. 10-year Treasury yield decreased by 0.4% to end the first quarter at 3.5%
- Bloomberg Universal index returned 2.9% for the quarter

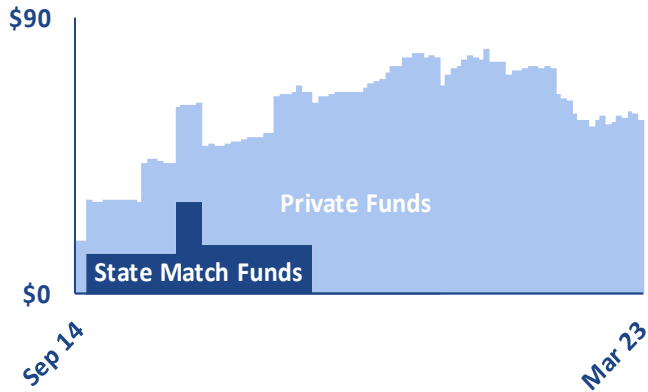
WSOS GROWTH OF ASSETS

MARCH 31, 2023



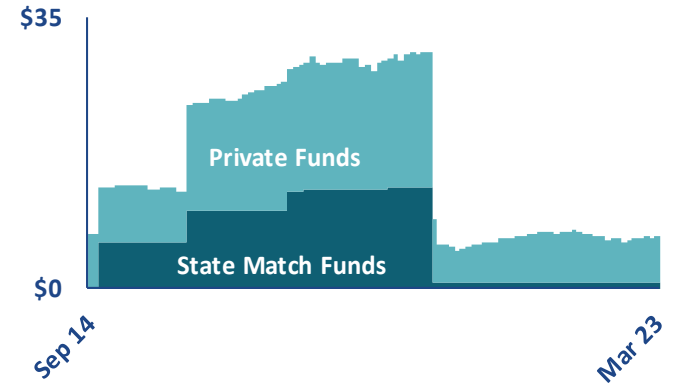
BaS

- Total assets: \$56.8 million
- 100% private funds



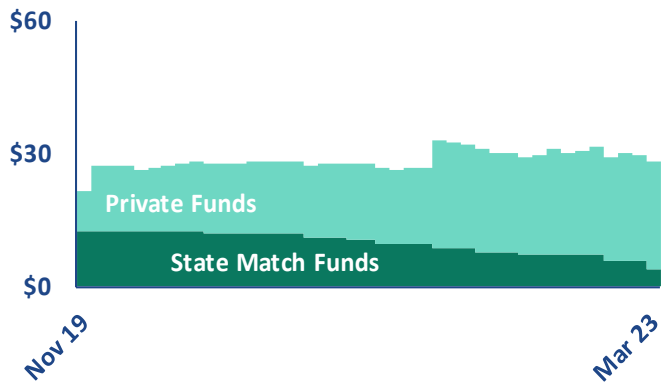
Endowment

- Total assets: \$6.7 million
- 91% private funds and 9% state match funds



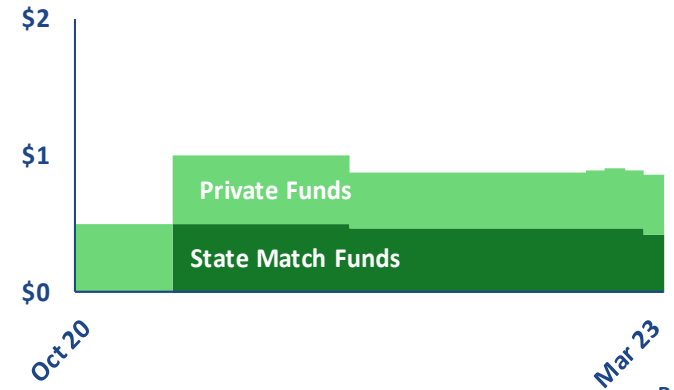
CTS

- Total assets: \$28.3 million
- 87% private funds and 13% state match funds



GRD

- Total assets: \$0.9 million
- 51% private funds and 49% state match funds



MARKET VALUES AND ASSET ALLOCATION

MARCH 31, 2023



Private Funds

Equity

- Passive equity strategy managed by BlackRock
- Expected to closely track the MSCI All Country World Investable Market Index

Fixed Income

- Actively managed by WSIB staff
- Expected to meet or exceed the Barclays U.S. Intermediate Credit Index

	BaS	Endowment	CTS	GRD
	Cash 0.12%		Cash 0.46%	Cash 0.41%
Private	Fixed Income 70.90%	Fixed Income 19.93%	Fixed Income 69.06%	Fixed Income 68.38%
	Equity 28.98%	Equity 80.07%	Equity 30.48%	Equity 31.21%
	\$56,775,393	\$6,089,885	\$24,576,926	\$430,861
State Match	\$0	\$600,418	\$3,713,573	\$421,915

State Match Funds

- Both target and current allocations are 100% cash
- Cash is invested in a money market fund managed by BlackRock

FUND PERFORMANCE UPDATES

ALL COLUMNS SHOW PERFORMANCE CALCULATED AS OF MARCH 31, 2023

		Annualized			
	Qtr.	1 Year	3 Year	5 Year	Since Inception
BaS					
Private	3.91%	-2.56%	4.58%	3.18%	4.29%
Private Benchmark	3.85%	-2.75%	4.34%	3.05%	4.25%
State Match	0.00%	0.00%	0.00%	0.74%	0.61%
State Match Benchmark	1.12%	2.60%	0.92%	1.43%	1.05%
Private Funds Benchmark: 25% Equity, 70% Fixed Income, and 5% Cash. State Match Benchmark: 100% Cash					
Endowment					
Private	6.11%	-6.27%	13.08%	5.30%	6.15%
Private Benchmark	6.12%	-6.14%	12.85%	6.06%	6.52%
State Match	1.07%	2.58%	0.89%	1.30%	0.94%
State Match Benchmark	1.12%	2.60%	0.92%	1.43%	1.05%
Private Funds Benchmark: 80% Equity, 20% Fixed Income. State Match Benchmark: 100% Cash.					
CTS					
Private	3.88%	-2.59%	4.61%	N/A	2.31%
Private Benchmark	3.85%	-2.75%	4.34%	N/A	1.83%
State Match	1.07%	2.58%	0.89%	N/A	0.93%
State Match Benchmark	1.12%	2.60%	0.92%	N/A	1.05%
Private Funds Benchmark: 25% Equity, 70% Fixed Income, and 5% Cash. State Match Benchmark: 100% Cash.					
GRD					
Private	3.92%	5.38%	N/A	N/A	2.21%
Private Benchmark	3.85%	5.37%	N/A	N/A	2.23%
State Match	1.07%	2.58%	N/A	N/A	1.27%
State Match Benchmark	1.12%	2.60%	N/A	N/A	1.30%
Private Funds Benchmark: 100% Cash. State Match Benchmark: 100% Cash.					

Note: All program benchmarks use the MSCI ACWI IMI w/U.S. Gross, Bloomberg Intermediate Credit, and the 90 Day Tbill

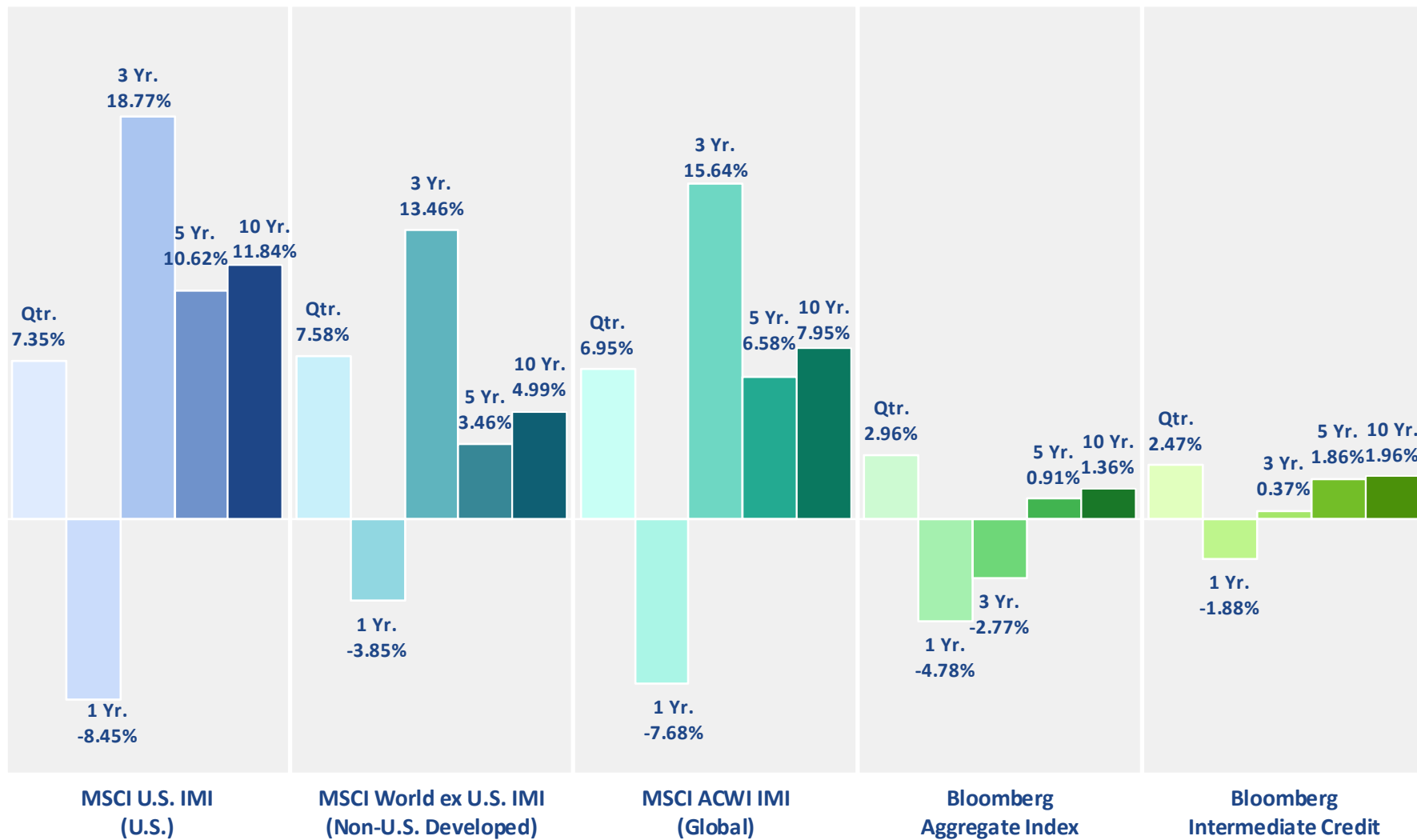
FUND PERFORMANCE UPDATES

ALL COLUMNS SHOW PERFORMANCE CALCULATED AS OF MARCH 31, 2023

	Qtr.	Annualized			
		1 Year	3 Year	5 Year	Since Inception
Equity					
BaS	7.06%	-7.35%	15.94%	7.19%	7.58%
Endowment	7.03%	-7.36%	16.01%	7.04%	7.57%
CTS	7.03%	-7.39%	15.91%	N/A	7.59%
GRD	7.04%	N/A	N/A	N/A	8.09%
MSCI ACWI IMI w/ U.S. Gross	7.03%	-7.41%	15.95%	6.88%	
Fixed Income					
BaS	2.57%	-1.62%	0.68%	2.14%	2.29%
Endowment	2.57%	-1.62%	0.69%	2.15%	2.30%
CTS	2.57%	-1.62%	N/A	N/A	0.17%
GRD	2.57%	N/A	N/A	N/A	2.12%
Bloomberg Intermediate Credit	2.47%	-1.88%	0.37%	1.86%	

CAPITAL MARKETS AT A GLANCE

MARCH 31, 2023



CONTACT INFORMATION

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Olympia, WA 98504-0916

Phone: (360) 956-4600



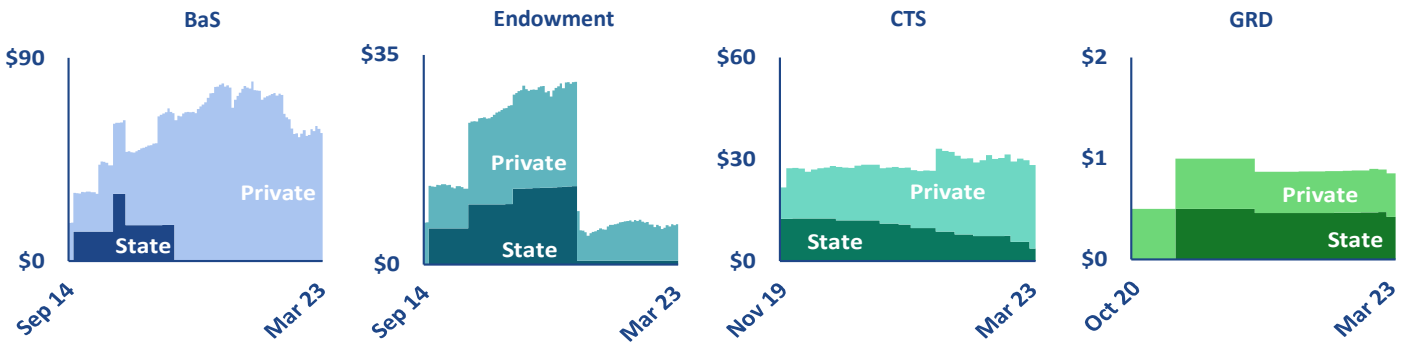


Washington State Opportunities Scholarship

Quarterly Report – March 31, 2023

Portfolio Size, Allocation, and Assets Under Management	2
Performance	3

Private and State Match Assets Under Management (\$ Millions)



BaS

Private Total	\$56,775,393
Equity	\$16,454,131
Fixed Income	\$40,254,782
Cash	\$66,480
State Match Total	\$0
Cash	\$0

Private Allocation

Equity 28.98%	Fixed Income and Cash 71.02%
------------------	---------------------------------

Endowment

Private Total	\$6,089,885
Equity	\$4,876,396
Fixed Income	\$1,212,143
Cash	\$1,346
State Match Total	\$600,418
Cash	\$600,418

Private Allocation

Equity 80.07%	Fixed Income and Cash 19.93%
------------------	---------------------------------

CTS

Private Total	\$24,576,926
Equity	\$7,491,745
Fixed Income	\$16,972,741
Cash	\$112,440
State Match Total	\$3,713,573
Cash	\$3,713,573

Private Allocation

Equity 30.48%	Fixed Income and Cash 69.52%
------------------	---------------------------------

GRD

Private Total	\$430,861
Equity	\$134,471
Fixed Income	\$294,608
Cash	\$1,782
State Match Total	\$421,915
Cash	\$421,915

Private Allocation

Equity 31.21%	Fixed Income and Cash 68.79%
------------------	---------------------------------

Total Returns

	Qtr.	1 Year	3 Year	5 Year	Since Inception
BaS					
Private	3.91%	-2.56%	4.58%	3.18%	4.29%
Private Benchmark	3.85%	-2.75%	4.34%	3.05%	4.25%
State Match	0.00%	0.00%	0.00%	0.74%	0.61%
State Match Benchmark	1.12%	2.60%	0.92%	1.43%	1.05%

Endowment

Private	6.11%	-6.27%	13.08%	5.30%	6.15%
Private Benchmark	6.12%	-6.14%	12.85%	6.06%	6.52%
State Match	1.07%	2.58%	0.89%	1.30%	0.94%
State Match Benchmark	1.12%	2.60%	0.92%	1.43%	1.05%

CTS

Private	3.88%	-2.59%	4.61%	N/A	2.31%
Private Benchmark	3.85%	-2.75%	4.34%	N/A	1.83%
State Match	1.07%	2.58%	0.89%	N/A	0.93%
State Match Benchmark	1.12%	2.60%	0.92%	N/A	1.05%

GRD

Private	3.92%	5.38%	N/A	N/A	2.21%
Private Benchmark	3.85%	5.37%	N/A	N/A	2.23%
State Match	1.07%	2.58%	N/A	N/A	1.27%
State Match Benchmark	1.12%	2.60%	N/A	N/A	1.30%

Equity and Fixed Income Returns

	Qtr.	1 Year	3 Year	5 Year	Since Inception
Equity					
BaS	7.06%	-7.35%	15.94%	7.19%	7.58%
Endowment	7.03%	-7.36%	16.01%	7.04%	7.57%
CTS	7.03%	-7.39%	15.91%	N/A	7.59%
GRD	7.04%	N/A	N/A	N/A	8.09%
MSCI ACWI IMI w/ U.S. Gross	7.03%	-7.41%	15.95%	6.88%	

Fixed Income

BaS	2.57%	-1.62%	0.68%	2.14%	2.29%
Endowment	2.57%	-1.62%	0.69%	2.15%	2.30%
CTS	2.57%	-1.62%	0.70%	N/A	0.17%
GRD	2.57%	N/A	N/A	N/A	2.12%
Bloomberg Intermediate Credit	2.47%	-1.88%	0.37%	1.86%	

BaS and CTS Benchmarks: Private 30% MSCI ACWI IMI w/U.S. Gross & 70% Bloomberg Intermediate Credit, State Match 90 Day Tbill.

Endowment Benchmarks: Private 80% MSCI ACWI IMI w/U.S. Gross & 20% Bloomberg Intermediate Credit, State Match 90 Day Tbill

GRD Benchmarks: Private 30% MSCI ACWI IMI w/U.S. Gross & 70% Bloomberg Intermediate Credit, State Match 90 Day Tbill.

Since Inception for BaS and Endowment: Private 10/1/14, State Match 11/25/14. Since Inception for CTS: Private and State Match 11/27/19.

Since Inception for GRD: Private 10/30/20 and State Match 3/19/21

Tab C

Program Administrator Report

FINANCE & PROGRAM ADMINISTRATOR UPDATE

March 31, 2023

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

WSOS Balance Sheet

Washington State Opportunity Scholarship Comparative Balance Sheets March 31, 2023							
	Comparison to Last Reported Period				Comparison to Same Period LFY		
	12/31/22	% Change	3/31/23	Notes	03/31/22	% Change	3/31/23
Assets							
Cash	1,195,807	136%	2,820,635	1	797,429	254%	2,820,635
Investments	94,104,901	-2%	92,608,970	2	97,792,064	-5%	92,608,970
Accounts Receivable	233,727	-20%	185,982	3	189	98303%	185,982
Pledges and Grants Receivable, net	22,229,082	-11%	19,867,082	3	27,478,358	-28%	19,867,082
Unbilled State match revenue	5,850,861	0%	5,850,861	4	4,727,466	24%	5,850,861
Unbilled State match receivable, offset	(5,850,861)	0%	(5,850,861)	4	(4,727,466)	24%	(5,850,861)
Prepaid Expenses	56,174	31%	73,680		67,278	10%	73,680
Property and equipment, net	13,023	18%	15,417		21,683	-29%	15,417
Total Assets	117,832,714	-2%	115,571,766		126,157,001	-8%	115,571,766
Liabilities and Net Assets							
Accounts Payable	274,565	-1%	271,145		90,281	200%	271,145
Payroll Related Liabilities	106,366	-15%	90,529		105,461	-14%	90,529
Deferred Revenue	-	100%	750,000	5	-		750,000
Scholarship Commitments Bacc., net	29,366,384	-11%	26,239,793	6	13,348,926	97%	26,239,793
Scholarship Commitments CTS, net	2,229,003	11%	2,478,165	6	2,930,169	-15%	2,478,165
Scholarship Commitments RJI, net	947,305	-15%	804,305	6	205,788	291%	804,305
Scholarship Commitments GRD, net	786,386	-6%	739,958	6	95,746	673%	739,958
Total Liabilities	33,710,009	-7%	31,373,895		16,776,371	87%	31,373,895
Net Assets							
Temporarily Restricted Net Assets	84,122,705	0%	84,197,871		109,380,630	-30%	84,197,871
Permanently Restricted Net Assets	-	N/A	-		-	N/A	-
Total Net Assets	84,122,705	0%	84,197,871		109,380,630	-23%	84,197,871
Total Liabilities and Net Assets	117,832,714	-2%	115,571,766		126,157,001	-8%	115,571,766

WSOS Balance Sheet

Notes:

¹ Increase in cash from December to March of \$1.6M was due to greater cash inflows when compared to the cash outflows. Significant cash inflows included the \$2.5M received from Microsoft in March 2023. Cash fluctuations from the day-to-day including reduction in receivables and increase in payables also contributed to the cash increase.

² Investment balance as of 3/31/2023 decreased from the last quarter by \$1.5M. There were approximately \$3,050,000 transferred out of investments in March to cover scholarship payments, which was offset by investment gains. Investments at 3/31/23 includes WSIB BaS Scholarship \$56.7M, WSIB CTS Scholarship \$28.3M, WSIB Endowment \$6.69M, and WSIB GRD Scholarship \$853K.

³ Accounts receivable balance at 3/2023 primarily made up of \$180K Employee Retention Credit related to Q3 2021, which we are awaiting payment on from the IRS. Pledges receivable is primarily made up of \$10M from MSFT (to be paid in annual in \$2.5M installments), and \$9M pledge from Gary Rubens, and \$41.2K from the WA Forest Protection Assoc. Note, Ballmer has also committed to \$10M, and we received the first \$2.5M in Sep. However, since it is being paid through a Donor Advised Fund, GAAP accounting does not allow us to record the revenue until funds are received, so it is not presented above. Similarly, we have a pledge of stock, valued at ~\$750K and donated by Daryl and Michele Connell, that will also process through a Donor Advised Fund. The offset to the donated stock receivable is in Deferred Revenue.

⁴ After payment by WSAC of a portion of the August State Match invoices, WSAC depleted all matching funds for the FY ending 06.30.22. WSAC received additional appropriations at the beginning of their fiscal year starting 07.01.22 and we immediately invoiced for all private gifts from August 2021 through June 2022, as well as July 2022 as soon as we were able. We collected \$8.35M in state match receipts for those periods, and were able to also send an invoice for a portion of August receipts (the total balance of the state match receivable) before expending the appropriations for fiscal year starting 07.01.22, but for \$385K retained to fund match for the City of Seattle DEEL agreement. New unbilled additions since exhausting the last appropriation funds are primarily made up of \$2.51M paid by Boeing, \$2.5M paid by Balmer, \$200K paid by Bristol Meyers Squibb, \$50K for the Seattle Foundation, \$25K from Frontstream, \$10K from Diane Cecchetti, and various smaller, individual donations.

WSOS Balance Sheet (continued)

⁵ Deferred Revenue increase of \$750k represents the pledge of stocks from Daryl and Michele Connell, which will be recognized as revenue when received.

⁶ Decrease in liabilities resulted from scholarship disbursements net of refunds and adjustments needed based on the assumptions made in the scholarship model of \$6.6M (BaS \$4.7M, CTS/RJI \$1.8M, GRD \$103K).

WSOS Income Statement

Washington State Opportunity Scholarship Income Statements

Actual vs. Budget

Three Months Ending March 31, 2022

	Three Months Ending March 31, 2022			Notes	2023 Annual Budget
	Actual	Budget	Variance Fav (Unfav)		
Revenue					
Private	194,301	880,000	(685,699)	1	8,565,000
Public	-	-	-	2	9,200,000
Investment Dividends & Interest	72,346	9,000 *	63,346	3	36,000
Investment Unrealized/Realized Gains	6,160,349	397,500 *	5,762,849	3	1,590,000
Investment Fees	(9,314)	(13,224) *	3,910	3	(52,896)
Total Revenue	6,417,682	1,273,276	5,144,406		19,338,104
Program Expense					
Salaries and Benefits	751,646	758,286	6,640	4	3,800,393
Professional Fees - Program Admin fees	131,409	131,409	-	5	525,636
Professional Fees - Contractors & Lobbying	174,402	226,818	52,416	6	769,984
Conferences, Conventions & Meetings	19,164	17,050	(2,114)	7	159,961
Operating Expenses	82,084	174,300	92,216	8	371,377
	1,158,705	1,307,863	149,158		5,627,351
Income (Loss) before Scholarship Exp	5,258,977	(34,587)	5,293,564		13,710,753
Scholarship Expense	(520,051)	597,212	1,117,263	9	16,970,412
Net Income (Loss)	5,779,028	(631,799)	6,410,827		(3,259,659)

WSOS Income Statement

Notes:

1 Revenues Private: New revenues between Jan and March totaled \$194K. WSOS received \$123k from BECU Foundation, \$25K from Bristol Meyers Squibb, \$15K from Frontstream, and \$31K from small donors.

2 Revenue Public: After appropriations were received in July 2022, WSOS was finally able to record state match revenue for the period of August 2021 - August 2022. WSOS expects similar delays going forward, and expects next appropriation to occur in July of 2023. For the period Jan to March 2023, WSOS recorded no new revenue, as the appropriation is exhausted but for the \$385K for Promise Scholars, which will be submitted in the new year as the funds are consumed. Additionally, WSOS recorded revenue related to Employee Retention Credit from 2021 of \$181K. The cash will be transferred to WSOS upon receipt.

3 Investment Returns: Actual YTD includes unrealized+realized losses of \$6.16M, interest & dividend income of \$72K and investment expense of \$9K. The favorable investment returns is mainly due to unrealized gain in March of \$5.5M. Other investment income including interest/dividend and the investment fees netted against investment income are fairly consistent with prior years and within expectations. The approved budget included unrealized/realized gains, dividends & interest, and investment fees based on a conservative rate of return for equities and fixed income for each scholarship. Forecasting this difficult year for the markets was certainly unforeseen from the budget standpoint, as a result, there is a significant favorable investment income

4 Personnel expenses are not too far from the budget, under by ~\$6k for the first quarter ending. Several new hires occurred in the first quarter and there was a little bit of cost savings in salary and benefit costs as a result of the positions not being filled for the entire year. Personnel expenses is anticipated to be under in the next quarter as well as some of the salary costs are paid for by WA under the PFMLA program as well as ST disability benefit.

5 Program Admin Fee was on budget.

WSOS Income Statement (continued)

6 Professional Fees - Contractors & Lobbying; under budget by \$52k for the first quarter. In the first quarter, no Grantwriting & Fundraising expenses or legal services were recorded, which accounted for \$43k of the underbudget. Lobbying expenses consistently fell below the budget amount month over month, totaling \$15k underbudget for the first quarter ending.

7 Conferences, Conventions, and Meetings costs were slightly overbudget, by \$2k. Meeting & Catering expense is overbudget by \$10k for Opportunity Talks. This was offset by travel expenses being underbudgeted across the board, including local mileage, parking & tolls, non local travel and travel meals.

8 Operating Expense costs were undebudget by \$92k. Likely causes could be operating expenses were overbudgeted during the budgeting process. Expenses that were substantially underbudgeted included office supplies under budget at \$14k, printing and copying underbudget at \$10k, and telephone and communications underbudget at \$5k.

9 (\$520k) in scholarship expense is primarily due to scholarship refunds. Scholarship disbursements are applied against the short-term scholarship liability and not recognized as an expense. Scholarship expenses are booked when the scholarship model is adjusted. The last adjustment was made at the end of 2022.

WSOS Cash Flow

Cash Flow Summary							
Inception-To-Date							
March 31, 2023							
	Inception - March 31, 2023				Comparison to December 31, 2022		
	Scholarship	Endowment	Notes	Total	Scholarship Variance	Endowment Variance	Total Variance
<i>CASH FLOW</i>							
Cash Inflow:							
Boeing	30,200,000	-		30,200,000	-	-	-
Balmer	2,500,000			2,500,000	-		-
Microsoft	40,000,000	-	1	40,000,000	2,500,000	-	2,500,000
Other Private	45,574,703	-	1	45,574,703	107,683	-	107,683
State Match	109,846,365	-	2	109,846,365	-	-	-
State Implementation Funds	500,000			500,000	-	-	-
Investment Income*	21,919,371	6,696,115	3	28,615,486	3,536,823	357,200	3,894,023
Total Cash Inflows	250,540,439	6,696,115		257,236,554	6,144,506	357,200	6,501,706
Cash Outflow:							
Scholarships	(130,831,516)	-	4	(130,831,516)		-	(4,194,369)
Program Expenses	(30,164,369)	(5,812)		(30,170,181)	(1,367,507)	-	(1,367,507)
Total Cash Outflows	(160,995,885)	(5,812)		(161,001,697)	(1,367,507)	-	(5,561,876)
Net Cash Flow Inception-To-Date	89,544,554	6,690,303		96,234,857	4,776,999	357,200	939,830
<i>Composition of Net Cash Flow</i>							
Beneficial Checking Account	3,625,886	-	5	3,625,886	2,435,760	-	2,435,760
Investment Accounts at WSIB	85,918,668	6,690,303	5	92,608,971	(1,853,130)	357,200	(1,495,930)
Total	89,544,554	6,690,303		96,234,857	582,630	357,200	939,830

WSOS Cash Flow

Notes:

- 1 Cash Inflow: Through Jan to Mar, WSOS received grant funds from Microsoft (\$2.5M) and other private receipts of \$107.7K, which included \$25K from Bristol Meyers Squibb, \$50K from The Seattle Foundation (DAF), \$15K from Frontstream, and \$17.7K from small donors.
- 2 State - In the period between Nov and Dec, WSOS receive \$0 match on private receipts. The appropriation for 7.1.22 has been exhausted but for \$385K reserved for Promise Scholars.
- 3 Investment Income - Jan through March 2023 investment returns were made up of unrealized+realized gains of \$1.24M, interest & dividend income of \$314.5K and investment expense of \$49.8K.
- 4 Scholarship disbursements between January and March were \$5.35M (BaS \$3.13M, CTS/RJI \$2.17M, and GRD \$46.4K) and scholarship refunds totaled \$520K (\$364.5K Baccalaureate, \$155.5K CTS/RJI). GRD disbursements include ~\$6.4K related to travel and preceptor stipends.
- 5 Assets are maintained in a Beneficial Checking Account to meet short term cash needs, all excess dollars are invested in WSIB investment accounts to generate returns.

WSOS 12-Month Cash Flow

Cash Flow Summary				
Twelve Month Period Ending				
March 31, 2023				
Twelve Months Ending March 31, 2023				
	Scholarship	Endowment	Notes	Total
<u>CASH FLOW</u>				
Cash Inflow:				
Boeing	2,500,000	-		2,500,000
Balmer	2,500,000			2,500,000
Microsoft	5,000,000	-		5,000,000
Other Private	1,811,225	-	1	1,811,225
City of Seattle	385,000			385,000
State Match	8,371,104	-	2	8,371,104
State Implementation Funds	-			-
Investment Income*	2,292,930	(17,824)	3	2,275,106
Total Cash Inflows	22,860,259	(17,824)		22,842,435
Cash Outflow:				
Scholarships	(20,403,637)	-	4	(20,403,637)
Program Expenses	(4,710,698)	-		(4,710,698)
Total Cash Outflows	(25,114,335)	-		(25,114,335)
Net Cash Flow Apr 1, 2022 - Mar 31, 2023	(2,254,076)	(17,824)		(2,271,900)

WSOS 12-Month Cash Flow

Notes:	
1	Cash Inflow: Other private receipts included \$1M from Gary Rubens, \$123K from BECU Foundation, \$125K from Bristol Meyers Squibb, \$100K from Costco, \$50K from Boeing, \$50K from The Seattle Foundation (DAF), \$25K via Frontstream, \$15K from Bamford Foundation, \$5K from Frontstream, \$10K from Thomlinson-Hurley, and \$10K from Avista Foundation, \$10K from Diane Cecchetti, and \$276K from small donors.
2	State - For the period between May and Aug. WSOS received \$8.35M in receipts representing match on private receipts from August 2021 thru July 2022. In the period between Sep and Oct, WSOS receive \$20.7K representing match on private receipts for August 2022. This is the final match until the next appropriation but for \$385K reserved for Promise Scholars.
3	Investment Income - April 2022 through March 2023 investment returns were made up of unrealized+realized gains of \$1.24M, interest & dividend income of \$314.5K and investment expense of \$49.8K.
4	Scholarship disbursements between April 2022 and March 2023 were \$16.6M (BaS \$12.7M, CTS/RJI \$3.7M, and GRD \$173K) and scholarship refunds totaled \$2.6M (\$1M Baccalaureate, \$1.6M CTS/RJI). GRD disbursements include ~\$30.9K related to travel and preceptor stipends.

Cash Management



Nancy Long <nancy@501commons.org>

To ● Dena Parmer; ● Javania Polenska

Cc ○ Mia Starostin

↩ Reply

↩ Reply All

→ Forward



Mon 6/5/2023 4:14 AM

 B2C ICS-CDARS General Presentation Savings.pdf 1 MB



Open PDFs in Adobe Acrobat

Dear Finance Committee Members,

At the last meeting, the WSOS Finance Committee asked about maintaining funds above the FDIC-insured limits in our bank account. 501 Commons has access to a “sweep program” account through Beneficial State Bank that we recommend using with the WSOS account.

What is federal deposit insurance?

The standard deposit insurance coverage limit is \$250,000 per depositor, per FDIC-insured bank, and ownership category. Deposits held in different ownership categories are separately insured, up to at least \$250,000, even if held at the same bank.

What is ICS®?

The Insured Cash Sweep® program **allows banks to pay a fee to access a network of other banks in the FDIC network**. ICS® accounts extend FDIC insurance by breaking up large cash deposits and distributing the smaller amounts to multiple banks.

Because cash balances in the WSOS account can be large before doing disbursements to the educational organizations, we would recommend that you consider your tolerance for risk related to a default of Beneficial Bank and set the level at several times the FDIC level, for example, at \$750,000.

The sweeps process is manual, so Mia or I can initiate a transfer or withdrawal anytime.

Let me know if you have any questions.

Nancy Long | Executive Director (*she/her*)
501 Commons





Smart Investing

ACCESS MULTI-MILLION-DOLLAR FDIC INSURANCE



beneficial state bank

What Are ICS and CDARS?

ICS[®], the Insured Cash Sweep[®] service, and CDARS[®], the Certificate of Deposit Account Registry Service[®], are smart, convenient ways to safeguard your large deposits.

With ICS, your funds are placed into demand deposit or money market deposit accounts. With CDARS, funds are placed in CDs.

With the ICS and CDARS services, you can:

- Enjoy peace of mind knowing your funds are eligible for multi-million-dollar FDIC insurance
- Earn interest
- Save time by working directly with our bank
- Enjoy flexibility
- Know the amount of your deposit can be used to invest in your local community



Placement of funds through the ICS or CDARS service is subject to the terms, conditions, and disclosures in the service agreements, including the Deposit Placement Agreement ("DPA"). Limits apply and customer eligibility criteria may apply. In the ICS savings option, program withdrawals are limited to six per month. Although funds are placed at destination banks in amounts that do not exceed the FDIC standard maximum deposit insurance amount ("SMDIA"), a depositor's balances at the relationship institution that places the funds may exceed the SMDIA (e.g., before ICS or CDARS settlement for a deposit or after ICS or CDARS settlement for a withdrawal) or be ineligible for FDIC insurance (if the relationship institution is not a bank). As stated in the DPA, the depositor is responsible for making any necessary arrangements to protect such balances consistent with applicable law. If the depositor is subject to restrictions on placement of its funds, the depositor is responsible for determining whether its use of ICS or CDARS satisfies those restrictions. When deposited funds are exchanged on a dollar-for-dollar basis with other banks in the ICS or CDARS Network, we can use the full amount of a deposit placed through ICS or CDARS for local lending, satisfying some depositors' local investment goals or mandates. Alternatively, with a depositor's consent, our bank may choose to receive fee income instead of deposits from other Network members. Under these circumstances, deposited funds would not be available for local lending. ICS, Insured Cash Sweep, Certificate of Deposit Account Registry Service, CDARS, and One Bank One Rate One Statement are registered service marks of Promontory Interfinancial Network, LLC.

Why ICS and CDARS?

Enjoy Peace of Mind

Make funds eligible for protection beyond \$250,000 that is backed by the full faith and credit of the federal government. No one has ever lost a penny of FDIC-insured deposits.



Earn Interest

Put excess cash balances to work by placing funds into demand deposit or money market deposit accounts (through ICS) and/or CDs (through CDARS) at rates to which you agree with us.



Save Time

Work directly with us—a bank you know and trust—to access multi-million-dollar FDIC insurance, and say ‘goodbye’ to tracking collateral on an ongoing basis, managing multiple bank relationships, manually consolidating bank statements, and other time-consuming workarounds.



Why ICS and CDARS?

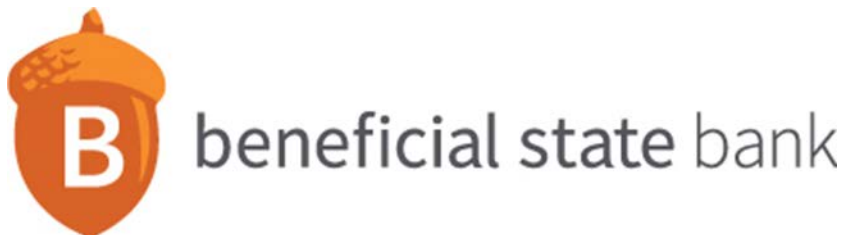
Enjoy Flexibility

ICS Demand Deposit offers daily and the ICS Savings offers up to six program withdrawals each month. CDARS offers multiple maturities, including 13 weeks, 26 weeks, 1 year, 2 years, 3 years, and 5 years.



Community Investment

Feel good knowing that the full amount of funds placed through ICS and/or CDARS can support local lending opportunities that build a stronger community. Both ICS and CDARS will work with other like-minded banks; your investment will still support our mission and values.

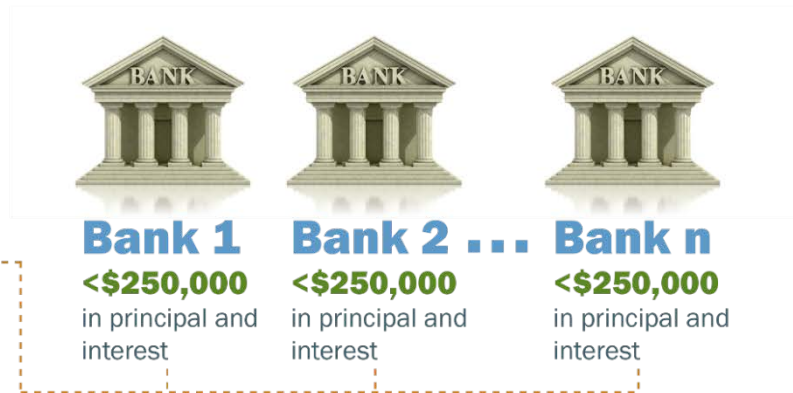


How Do ICS and CDARS Work?

Through just one bank relationship with us, you can access coverage from many. And you receive just one regular statement for each service utilized.



Customer signs the agreements and deposits funds.*




Deposits are sent to deposit accounts at other like-minded ICS or CDARS Network member institutions, as applicable, in amounts under the standard FDIC insurance maximum of \$250,000.**

* The depositor must have or set up a transaction account for the use of ICS.

** ICS deposits are sent based on triggering events as set forth in the ICS Deposit Placement Agreement you enter into with our bank. Funds are sent to money market deposit accounts when using the ICS savings option. Funds are placed in CDs when using CDARS.

Follow These Straightforward Steps

	 ICS	CDARS [®]
1	You sign an ICS Deposit Placement Agreement and a custodial agreement with us.	You sign a CDARS Deposit Placement Agreement and a custodial agreement, and then invest money with us.
2	You identify an existing transaction account (or set up a new one) to be used with ICS.	Your funds are placed using the CDARS service.
3	Your funds are placed into demand deposit or money market deposit accounts at other ICS participating banks.	Your CDs are issued by other members in the CDARS Network.
4	You can check balances and see where your funds are at all times using an online tool specially developed for Insured Cash Sweep.	You receive confirmation of your CDs from our bank.
5	You receive consolidated interest payments and statements from us.	You receive consolidated interest payments and statements from us.

Utilize Convenient, Online Tools

Through the Depositor Control Panel, accessible 24/7, you can check your ICS balances, keep track of monthly program withdrawals, and monitor other important information of interest to you.

ICS INSURED CASH SWEEP **Depositor Control Panel** [Logout](#)

Institution Name: Sample Bank
Institution Transaction Account No.: *****123
ICS: SAVINGS

[Home](#) | [Current Balances](#) | [Depositor Placement Review](#) | [Destination Institutions](#) | [Transaction History](#)

Welcome to the ICS[®] Depositor Control Panel

Welcome to the Depositor Control Panel for ICS[®], the Insured Cash Sweep[®] service. Your funds have been placed by Sample Bank (your Relationship Institution) through ICS into money market deposit accounts (MMDAs) at depository institutions (each as a Destination Institution) that participate in the service.

You may use this control panel to view your current balances, the number of your program withdrawals this month, and a list of Destination Institutions. You may also use this control panel to review proposed placements of your funds.

Current Balances View your balances as of the last settlement date. **PROGRAM WITHDRAWALS USED** for June 2017 **0** of **6** [Click for complete details](#)

Depositor Placement Review Review and manage your proposed placements.

Destination Institutions View a list of destination institutions.

Transaction History View your transaction history

ICS and Insured Cash Sweep are registered service marks of Promontory Interfinancial Network, LLC.

Rest Assured

As always, your confidential information remains protected.

Let us know if you would like to learn more about our privacy policy.



beneficial state bank

One Bank, One Rate, One Statement®

Call us today! Let's talk about how ICS and CDARS can work for you.



beneficial state bank

Tab D

Program Update

PROGRAM UPDATE | JUNE 2023

INTRODUCTION

Since the March 2023 Washington State Opportunity Scholarship (WSOS) Board meeting, the WSOS team has been working to successfully close out the academic year. Our Scholars are graduating or preparing for the academic year that begins in August 2024. The team is focused on planning for the new year by reviewing our impact and setting goals for the upcoming year. Lastly, we continue to engage with partners to increase awareness of the scholarship program and improve how we support Opportunity Scholars.

AWARDS ADMINISTRATION

The Awards team completed the selection of the 12th Baccalaureate Scholarship (BaS) cohort in April. 2,437 applicants applied, an 11% increase from the previous year. In total, WSOS welcomes 1,293 new BaS Scholars, who all met the Board’s selection criteria and will attend college this fall. Our Cohort 12 BaS recipients also include eighteen Opportunity Scholars benefiting from our City of Seattle partnership. Please refer to the Baccalaureate selection overview document (included in Tab __) to see the profile of these recipients.

The team opened the fall application for the fifth cohort of Career and Technical Scholars (CTS). The application deadline was June 6 and we had x applicants. At the meeting, the Awards team will recommend the selection criteria that maximize the number of applicants we can select based on demonstrated financial need and likelihood to graduate with an eligible program. We believe we are closer to identifying an evergreen selection model for the sixth cohort of CTS.

The Awards team continues aligning BaS and CTS with the Washington College Grant program as outlined in the WSOS statute. The changes align with our value of Scholars as our North Star. Two significant changes include allowing BaS Scholars to utilize their funding during the summer term and allowing Scholars to receive 5-year or 15-quarter terms of funding. Scholars are embracing these changes, as it supports those who only need one summer term to complete their program and those who have accrued over 125% of eligible term credits but still need additional credits to graduate.

Scholarship Highlights

	BaS	CTS/RJI*	GRD**	Total
Total Actual Disbursed (2012 – Present)	\$126,234,968	\$14,414,689	\$424,906	\$141,074,563
Scholars Enrolled 2022-23	3,113	1,506	26	4,645

*Rural Jobs Initiative (RJI)

**Graduate Scholarship (GRD)

SCHOLAR PROGRAMS

The academic year 2022-23 has ended, and we are actively reviewing data and feedback from our Scholars. We will share more about the impact of our programming and a preview of programming for AY 2023-24 during the October meeting.

BACCALAUREATE SUPPORT SERVICES

The Scholar Lead program has concluded; we recognized the hard work of our Leads with an end-of-year celebration on May 18. In a survey conducted in March, 98% of Leads reported they would recommend the Lead program to others, and 90% reported that they grew as a leader while serving in the program.

One Lead said this about their experience: *“Seeing the passion and excitement of the Scholars as they pursue their dreams is truly gratifying. I can already picture them as future health care workers, programmers, engineers, and scientists; and while I know I’m a very small part of their journey, I’m beyond honored to have been a part of their story.”* We have been reviewing Lead applications for the next academic year and will select new Leads by the end of June.

The Skills that Shine mentorship program also concluded with 240 mentor/mentee pairings. Thank you to the Board members who served as mentors or helped us recruit mentors! We are currently evaluating completion data to determine whether we reached our goal of at least 80% of Scholars reporting that this program supported their career development. In addition, we hosted eight events with our corporate partners in April and May, including career panels with Boeing and Microsoft and two in-person tours at Bristol Meyers Squibb.

CAREER AND TECHNICAL SUPPORT SERVICES

Our spring Skills that Shine (StS) program matched 86 scholars with a mentor, exceeding our goal of 75. There were 45 health, 16 information technology, 16 trades, five engineering and four automotive Scholars. One Scholar recently shared: *“This program has been a highlight of mine this year, my meetings with my mentor have been going great, and it has been beneficial to be connected to someone who can provide insight for me on my industry of focus.”*

We also welcomed 260 new spring Scholars, and 136 have opted into the Scholar Lead program. This opt-in rate of 52% has exceeded our goal of 40%. These Scholars have had the opportunity to engage with their Leads since March. One Lead shared: *“I am proud that one of my mentee’s said I had good resources for them and that I helped encourage them to continue in their education when they had a lot going on in their life.”* Additionally, we have selected 36 Leads for the next academic year. We increased the number of Leads by 6 based on more Scholars opting in than anticipated.

GRADUATE SCHOLAR SUPPORT SERVICES

Programming for Cohorts 1 and 2 continued with another round of connection group meetings and an event focused on DNP/MSN research projects. All DNP/MSN Scholars must complete a major research project in which they incorporate a component of recent health research into practice. The projects require supervision by a licensed Nurse Practitioner or Doctor and often take at least a year to complete. One of our graduating Scholars offered to present his DNP project to current Scholars and talk with them about his process. This was an excellent opportunity to share information across schools and preview the type of work Scholars will undertake.

We are thrilled to report that five of the eight Cohort 1 GRD Scholars have graduated, and all graduates have started or secured Nurse Practitioner positions in a Medically Underserved Area (MUA) or Health Professional Shortage Area (HPSA). The positions range from outpatient psychiatric care at Providence Sacred Heart in Spokane to the inpatient cardiovascular ICU at MultiCare Puyallup. The remaining three Scholars will graduate in June and December of this year, and we look forward to reporting on their positions across the state.

The application cycle for GRD Cohort 3 closed in May. Please refer to the “GRD Selection Overview” overview document (included in Tab ___) to see the profile of the applicant pool and selection.

DEVELOPMENT UPDATE

REVENUE TARGETS

As of May 2023, we have raised \$45,122,981 of our \$75M campaign goal. This includes \$11,894,424 for CY22. We have adjusted our CY23 and CY24 targets to \$8M and \$8M to reflect actual revenue from CY22 and stay on track for campaign success.

CAMPAIGN MILESTONES

We hosted our Campaign Steering Committee Kick-off meeting in April with seven members and have met with each committee member individually to plan next steps for engagement. Jeff Peacock will host a hot topic dinner in July and three cocktail parties in the fall. We continue to recruit additional Steering Committee Members and Honorary Cabinet Members to support the campaign.

OpportunityTalks raised \$755,000 (including state match). We raised \$159,500 in corporate sponsorship (an increase from \$124,075 in 2021). 536 guests attended, and 153 were first-time attendees. 60 Scholars attended. Overall, feedback was that the program was inspiring, and guests enjoyed hearing JoAnna and Mickey's stories and the conversations with Scholars at their tables. Next year we are moving the event to a luncheon which we believe will support greater attendance.

We were also awarded a \$50,000 grant in May from the Marie Lamfrom Charitable Foundation. This was a cold grant application, so it's encouraging that our grant prospecting and applications are starting to see returns.

HIRING FOR THE DEVELOPMENT TEAM

Camille Reynaud was promoted from Associate Director of Corporate and Foundation Giving to Development Director on April 1. We intend to launch a hiring search for an Associate Director of Individual Giving and Associate Director of Corporate and Foundation Giving in September. We remain in need of additional front-line fundraisers for the team.

EXTERNAL AFFAIRS UPDATE

2023 LEGISLATIVE SESSION RECAP

Our bill, HB 1289, passed out of all committees and both chambers with unanimous affirmative votes thanks to the hard work of our lobby team and our bipartisan legislative bill sponsors and champions. In the supplemental budget, we received \$17,904,000 in state match for the fiscal year 2023 for the Opportunity Scholarship Program and \$405,000 in state match for the Rural Jobs Program. In the 2023-25 biennial budget, we appropriated \$11,600,000 for the Opportunity Scholarship Program and \$400,000 for the Rural Jobs Program.

External Affairs has spent much of the last several months on the road building relationships in our target communities: Peninsula region, Yakima, Tri-Cities, Vancouver, and Pierce County. Highlights include attending the Super Conference of the regional college and career counselor associations in Spokane; partner events with the Southwest Washington STEM Network; partner events and longer-term planning with several Tri-City partners, including the Benton-Franklin Workforce Development Council and regional community-based organizations; and campus meetings, tabling and events with faculty and staff at Centralia College, Columbia Basin College (Pasco), Big Bend College (Moses Lake), Clark College (Vancouver), Lower Columbia College (Longview) and Bellingham Technical College. We are also building partnerships within the Office of the Superintendent (OSPI) and our colleagues at the Washington Student Achievement Council (WSAC), who are helping us connect with new and existing statewide promotion opportunities.

We continue to hear that high school students are difficult to engage and unsure of their plans for higher education and career. FAFSA/WASFA completion continues to be low (less than 50% of the class of 2023 completed as of end of May), which indicates enrollment will continue to be lower than pre-pandemic levels. Community college partners say spring enrollment ticked up slightly. Our travels reveal there has been significant turnover across the education system from counselors to teachers and among the community-based organizations providing wraparound support and connection to services that WSOS relies on for growing awareness.

The turnover in staff and the low student engagement continue to reinforce our need for strong, statewide partnerships. The emphasis on in-person meetings has rebuilt trust and enabled us to be integrated into next year’s academic planning. That, coupled with looking for statewide partnerships that give us access to more key partners at once, such as the Washington School Counselor Association, should help us get in front of the right partners in a way that is more scalable and impactful.

DIGITAL MARKETING AND MEDIA COVERAGE

Strategic Plan Targets	July 2022	April 2023	June 2023 (Target)	Progress to goal
Earned media	-	30 media pieces	30 media pieces	100% of goal
ED/Directors appearances in articles/panels/ speaking	-	10 (ED) 7 (Directors)	15 (ED) 7 (Directors)	67% (ED) and 100% (Directors) of goal
Facebook audience growth	4,339	4,466 + 127	4,573	55% of goal
Twitter audience growth	1,943	1,966 + 23*	2,109	14% of goal
LinkedIn audience growth	1,585	1,981 + 396	2,261	59% of goal
Instagram audience growth	1,010	1,151 + 141	1,316	46% of goal

* We had over 2,000 followers in October 2022, which quickly dropped to 1,948 in November. We are slowly getting them back. We lost about 58 followers that month.

- Percent change in audience for LinkedIn in April was 5% — an increase of almost 100 followers due to OpportunityTalks 2023.
- Engagement increased by 5.2% from last month, with both LinkedIn and Facebook reaching almost 10% engagement rates. (Industry standard is 1-3%)
- Our LinkedIn group for Opportunity Scholars and Alumni hit over 1,000 members.

Our content on LinkedIn has been reposted 58 times and seen by 68,416 people; Facebook content was shared 122 times and has been seen 21,000 times; Instagram content was shared 162 times and seen by 14,500 people. Content shares supported the promotion of the Graduate Scholarship, Career & Technical Scholarship, and OpportunityTalks.

Top Performing Posts

Facebook: [Graduate Scholarship opening](#)

LinkedIn: [Post Otalks thank you and ask](#)

Washington State Opportunity Scholarship
 Published by Hootsuite · March 27

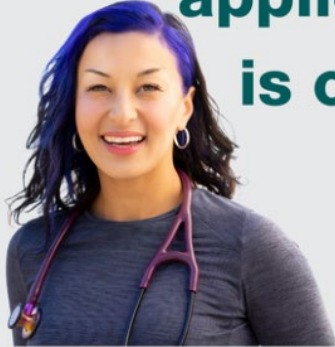
The application for the Graduate Scholarship is open until May 15!

The Graduate Scholarship supports historically underrepresented Washington students pursuing advanced health care degrees to become nurse practitioners. The scholarship aims to increase the number of health care providers in Washington's medically underserved areas.

Awarded students will receive a total award of up to \$25,000 over up to 3 years.

Learn more: <https://www.waopportunitiescholarship.org/.../applicants/grd/>

The Graduate Scholarship application is open!



Navia, Graduate Opportunity Scholar

Washington State Opportunity Scholarship
 2,002 followers
 2m

"If most of the jobs in our state require post high school education, why aren't students going to college?"

A study from the Washington Roundtable and Kinetic West found three main reasons:

- high cost,
- the stress of applying, and
- uncertainty about what to study.

These are actual barriers for our students, and those barriers are stacked highest against first-generation students, low income students, rural students, and students of color.

So what does this mean for us? For those of us with the POWER to do something?

This is our CALL TO ACTION.

We know industries thrive when they reflect the communities where they're based.

- 100% of Opportunity Scholars are from low or middle income families.
- 6 in 10 are women.
- 7 in 10 are students of color.
- Over 75% of our Career and Technical Scholars are first-generation college students.

These statistics don't capture our students' full breadth of lived experiences - we support students from every county and legislative district across the state. We fund students returning to school later in life, parents and non-parents. Students who are immigrants and students who were born and raised in Washington.


WE NEED TO PREPARE THESE STUDENTS TO BE THE LEADERS OF TOMORROW.

TOGETHER, we have the power to affect change and knock down these barriers."

— Kimber Connors, Executive Director, Washington State Opportunity Scholarship.


🌟 If you couldn't attend OpportunityTalks 2023 but still want to be a CHANGEMAKER, knocking down barriers for Washington students, donate to support the Washington State Opportunity Scholarship programming.

<https://lnkd.in/g/HN44Nna>



Victoria Linker and 49 others · 6 reposts

Instagram: [Post OTalks thank you and ask](#)



Instagram post from oppscholarship. The image shows a large group of diverse students posing in front of a backdrop that says 'WASH STATE'. Many of the students are holding up signs that spell out 'THANK YOU'. The post includes the following text:

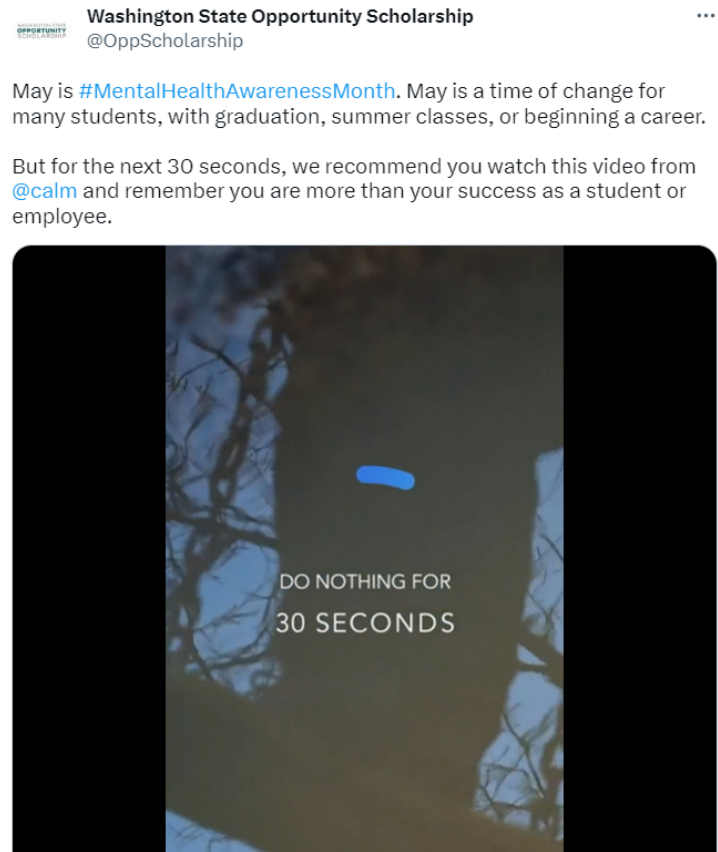
oppscholarship "If most of the jobs in our state require post-high school education, why aren't students going to college?"

A study from the Washington Roundtable and Kinetic West found three main reasons:

- high cost,

Post interaction: 44 likes, APRIL 28. Buttons for 'View insights' and 'Boost post' are visible.


Twitter: [Mental Health Awareness Month](#)



Twitter post from Washington State Opportunity Scholarship (@OppScholarship). The text reads:

May is [#MentalHealthAwarenessMonth](#). May is a time of change for many students, with graduation, summer classes, or beginning a career.

But for the next 30 seconds, we recommend you watch this video from [@calm](#) and remember you are more than your success as a student or employee.



The video thumbnail shows a dark, moody scene with a blue light source and the text "DO NOTHING FOR 30 SECONDS".

OPERATIONS UPDATE

PROGRAM ADMINISTRATOR

Since the March Board meeting, WSOS staff have been evaluating three options for program administrator continuity. To date, we have engaged 501 Commons in discussions to drive greater alignment with the current contract and transition expectations, largely in the finance and accounting function. This effort will influence the recommendation to continue to partner with 501 Commons as a possible long-term program administrator. We have also researched and engaged prospective program administrators and, with guidance from our assistant attorney general and a special assistant attorney general, explored the viability of creating a non-profit to serve as program administrator. We will share our learnings and recommendations in the June Board meeting.

DATA AND SYSTEMS

As of June 5, our three-member Data & Systems team is fully staffed. The team is focused on developing tools and models that support our ability to deliver impactful, data-driven storytelling to our Scholars, partners, and community while shoring up existing infrastructure in key systems.

STAFFING UPDATE

[Faye Alarcon](#) (she/her) joined WSOS as the Awards Coordinator on April 3. She recently graduated from UW and got her BA in Public Health-Global Health. She has always been passionate about engaging in equity work with marginalized communities personally and professionally. Faye is pivoting from a health care career and is excited to bring a public health lens to the work that WSOS does in education equity. In her leisure time, she likes to play with her cats, Nami and Buggy, go on walks on sunny days, and crochet!

[Hayley Schaefer](#) (she/her) joined WSOS as Associate Programs Director on April 3. She is passionate about creating opportunities for advancement in both education and careers, and has spent the past seven years at Year Up working to connect young adults to living-wage careers in business and tech. She lives in Edmonds and loves to explore all the small-town hangouts. In her free time, she likes to travel, read, hike, and experiment with new recipes.

[Jillian Luis](#) (she/her) joined WSOS as Project Manager on April 3. She serves as the primary point of contact for program administration bodies of work. In addition, she supports the execution of strategic projects that support the interim executive director. Jillian is a native Seattleite. She has seven years of experience with the system office for California Community Colleges based in Sacramento administering the oldest student equity program in the state. She brings a comprehensive knowledge of the higher education ecosystem, can-do work ethic, and passion for the WSOS vision.

[Nichole \(Niki\) Cramer](#) (she/her) joined WSOS as Systems Administrator on June 5. Niki was born and raised in Washington, and while she's been in Michigan supporting non-profit work for the last 10 years, she's grateful to be back in her home state investing in the future of the community in which she lives! Niki holds a system certification and has over six years of experience working on customer relationship management systems. She joins us from Michigan Radio, where she served as the Business Systems Analyst. She will bring her experience building out systems for Development and Marketing Teams to help support the important work and people impacted by WSOS.

**WASHINGTON STATE OPPORTUNITY SCHOLARSHIP BOARD MEETING
TUESDAY, MARCH 28, 1:30–3:30 P.M., AT MICROSOFT OR MICROSOFT TEAMS MEETING MINUTES**

The Board of Directors of the Washington State Opportunity Scholarship (WSOS) convened on March 28, 2023, in person and via Microsoft Teams. The meeting was publicized as available to the public on the WSOS website.

Board members in person: Brad Smith (Chair), Diane Cecchettini, Miller Adams, Patrick Smith, and Julie Sandler

Board members virtual: Latisha Hill, Mike Wilson, Gary Rubens

Additional attendees: Gina Breukelman, Jane Broom, Jolenta Coleman-Bush, Aileen Miller, Dorin Russu, Nancy Long, Eileen Moran, Heidi Thomson-Daly, Jennifer Weber, Kimber Connors, Javana Cross Polenska, Johnathan Luster, Lisa Magennis, Camille Reynaud, Dena Parmer, Lyanne O'Connell, Tori Campbell, Aileen Tubo, Courtney Chen, Dale Baker, Jess Tholmer, Kendyl Puhan, Francisca Mejia Campos, Genevieve Geiger, Jessica Monger, Joanna Moznette, Juan Carlos Gomez, Lauren Pack, Lindzey Lien, Mesa Herman, Nick Goodwin, Nick Khamphilom, Rachel Wyers, Sam Svilar, Tara Warming, Veronica Craker

Board Member not present: Jane Park

Meeting Called to Order

Brad Smith, Chair, called the Board meeting to order at 1:37 p.m.

Approval of Minutes

Julie Sandler moved that the minutes of the December 12, 2022, Board meeting be approved. Miller Adams seconded the motion, and it was carried unanimously.

Mission Moment: Scholar Opportunity Story

Kimber Connors, WSOS executive director, introduced Nick Khamphilom, Baccalaureate Advisor. Khamphilom introduced Dorin Russu, who graduated from Seattle University with a Bachelor of Science in Civil Engineering from Seattle University in June 2022. Russu currently works as an engineer at the Washington State Department of Transportation. Russu serves as a Scholar Lead for first and second year WSOS scholars at Seattle University. Russu shared that he was born in Ukraine. He and his family of eight moved to the US when Russu was one. Russu said his parents instilled in him the value of hard work and education. He attended Running Start, earned his Associate of Arts degree, and went on to attend Seattle University. Russu said he felt lost and alone as he faced the obstacle of paying for college. Russu said that WSOS not only provided financial assistance, but they also helped him develop organization, leadership, and communication skills. He noted that WSOS gave him the resources and support he needed to succeed. Russu said that WSOS was there to celebrate his successes and support him during various struggles while attending college.

Cecchettini asked what the Board could do to support students better. Russu said that Scholar Lead support and mentorship were very impactful. The Leads support a lot of Scholars, and the mentors could give more individualized attention if the ratio were lowered.

Adams asked when Russu decided to become an engineer. Russu said he has a brother who is ten years older and is also a civil engineer. He said he basically copied what his older brother did, including the same schools. Adams also asked about the projects that they are working on. Russu is working on the expressway that will connect to the Port of Tacoma.

Brad Smith said that Russu exemplifies what we hope to draw to WSOS and also what we hope scholars will get out of the program.

Ed Corner

Connors reviewed the strategic priorities and reminded the Board that teams have goals that they are working toward under each priority. She overviewed the high-level categories of work each team was responsible for in the strategic plan, then turned to spotlight our current status.

The Awards team is focused on improving the eligibility of our applicants by advertising to students who will ultimately be eligible for the program. We are also focused on students successfully completing our internal processes, where they prove they have been accepted into an approved major to receive an increase in scholarship dollars, and the renewal process, where they show they still meet the program's statutory requirements. Lyanne O'Connell, Awards Director, has been working with Washington Student Achievement Council (WSAC) and other higher education partners to identify gaps in our processes, creating challenges and barriers to students accessing full financial aid packages. As a result, we have adjusted our renewal and increase deadlines to better align with financial aid processes.

Connors noted that the Programs team focuses on improving persistence that helps scholars reach the finish line. We want to make sure Scholar Leads are talking to their students. We are also focused on students improving career outcomes through industry mentorship. The Career & Technical Scholarship (CTS) is newer, and we are growing the industry mentorship program. Connors stated that Programs also focus on closing the opportunity gap by targeting phone calls and emails to students furthest from educational opportunities.

Connors said the External Affairs team has been focused on Media engagement. We are really close to meeting our earned media goal and about halfway to our goal for speaking engagements. We have a new interview with Bristol-Myers Squibb. We have had more opportunities coming to us rather than the need to pitch opportunities. We do not have the social media growth we want, but we have strong engagement with those who follow us. We are making minor changes to the website leading to a bigger revamping of the site for better click-through rates and time spent on our site.

Sandler suggested that when we have content that we are excited about, we should use Board members to help amplify it on LinkedIn.

Connors shared that we hired a new promotions specialist with a grant from Boeing who was immediately on the road doing promotions work. We also invested in targeted ads for specific communities. Although there has been a drop in higher ed enrollment, we saw a 9.5% increase in submitted applications for BaS and CTS this spring.

Connors said the Development team hired three new staff. Despite having a small team last year and no OpportunityTalks, donor loyalty numbers were strong. We think it is because we launched our first-ever annual fund. We also printed an impact report for the first time and an end-of-year card to keep our donors engaged with the mission and return year after year. We continue to focus on Hot Topic dinners for donor acquisition.

The Operations team is focused on onboarding the ten new staff and designing and conducting training for all staff. Javana Cross Polenska developed the Management and Leadership Academy. The first training sessions were on feedback and accountability. We are still struggling with program administration transition issues.

Brad Smith asked if hiring is the main thing that has changed since the last board meeting. Connors said hiring and the learnings from the new hires as to what things are working and what needs to be changed to become

more efficient and impactful. This past year we had so many unfilled positions, so we did not have enough time to do all that we knew needed to be done.

Connors reviewed the key wins of the quarter, which are the new hires, the implementation of our Management and Leadership Academy, and our Bill advancing through the Legislature. Typically, you need to wait until the governor signs a bill, and there is a 90-day waiting period before it becomes law. Our champion Senator Lee put in an emergency clause, so the bill becomes law as soon as it passes through both chambers. Another win is that our application numbers are up year over year. Connors said this is a testament that we can make a difference when a problem is identified, and resources are poured into it. Key challenges are building processes and systems with our program administrator (PA), onboarding all our new hires, and our leave planning.

Connors requested board action to direct the executive director to take the steps necessary to identify and pursue PA options that ensure certainty and continuity for program administration and delegate authority necessary to accomplish this task. Our contract with 501 Commons will end next summer. We have three options available. The first is to start negotiating to renew the contract with 501 Commons, which is a change to the cost structure. The second is to go through the RFP process to see if there is a new PA that we want to consider. Third, if the bill passes, we need to explore what it will take to start a new foundation. If approved, we will explore these three options and come back with a recommendation to the board at the June meeting.

Brad Smith opened it up for questions. Cecchettini said we must stay ahead of things rather than be reactive. There were no questions.

Board Action: Cecchettini made a motion to give the executive director authority to identify and pursue PA options. Adams seconded the motion, and it carried unanimously.

Management & Leadership Academy

Javania Cross Polenska, WSOS deputy director, gave a brief overview of her two decades of management and leadership experience. Polenska stated that when she started at WSOS, there were 16 staff and now we have 30. A significant ripple effect occurs when new leadership is brought into a small organization. We have great policies and practices in place, but we need indicators such as staff engagement and retention numbers to show that we are a preferred workplace. We know it is the people that create a great workplace culture and that we must start with leaders. Surveys show that non-profits struggle to retain mid-level staff, and 1/3 of people leave because of dissatisfaction or disengagement with the current organizational culture. Polenska developed the Management and Leadership Academy and is asking for Board feedback on what we can do to make it better while we grow our existing staff base. Polenska reviewed WSOS organizational survey data and said that she believes a big reason for the drop in satisfaction is due to our hybrid policy and that WSOS does not allow team members to work 100% remotely.

Sandler asked what the hybrid policy is. Polenska said that staff are required to come into the office two days per week. One day is with their entire team, and then they pick one other day.

Polenska said we continue to look at data internally and in other spaces. Nonprofits have a history of bringing in talent from the outside, which means we are not growing talent from within. Like most nonprofits, we are importing it. New hires learn not only their job but also the elements that are unique to our culture.

Latisha Hill asked if we have a baseline of how our data compares to other organizations of our size. Polenska said that she has some metrics and will follow up with Hill. WSOS is comparable in terms of turnover, attrition, and voluntary separation. Hill said they did baseline data on “enjoying work” to learn about the impact of hybrid. Hill said it is important to know where we are with our peers so that we are fixing the right things that we actually have control over.

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Polenska said we are doing many things that nonprofit capacity-building organizations say we should be doing. We invest in great leadership, competencies, goals, values, and role clarity. We know these things need to be executed at the management level. We know that nonprofit leadership is different from for-profit leadership, and even though the toolkits are similar, there are some distinct differences. We want to bring forward best practices from across the board and maintain high standards for what is possible. We are challenging ourselves around the characteristics of high-performing organizations. Polenska said that this is the pilot year for the Management & Leadership Academy, which is designed to give our leaders a community where it is safe to learn, practice, fail, try again, and succeed. We have a guided approach to leadership of self, program, others, and work management.

Gina Breukelman asked if we are doing the work as a leadership team in person. Cross said we are meeting virtually and in-person quarterly.

Adams asked if Polenska was facilitating all of the training. Polenska affirmed that she is doing it all, but when Connors is on leave, she will be unable to maintain this work in addition to the interim executive director role.

Polenska highlighted early indicators of success. All staff who have attended said it is a good use of their time. This work is scalable. We were able to use the training we did with directors and managers and use it for a full day of staff training. 100% of staff said they valued the training. There are areas for improvement. The challenge is ensuring that this work translates into outcomes. We will continue to look at the feedback from staff and iterate to great.

Polenska asked the Board for feedback. Brad Smith said that pre-pandemic nonprofits focused more on their donors and less on their beneficiaries. There has been a big push to act, look and think like our beneficiaries and there is a risk of losing donors. We have to span greater diversity in income, age, and background, which makes it a more complicated job than it used to be. We must invest more in leadership and management to do this well.

Sandler said this is the same conversation she is having with other nonprofit boards for organizations similar in headcount to WSOS. One of the trends in startups is not only leveraging a board of directors but empowering managers at different levels to have their own "board of directors." In the start-up world, different basis points are being given over to advisors to support folks who are new to roles. In the non-profit category, there is more of a sense of personal upside in the organization's social impact. A board of advisors can rally around highly critical positions with more personal advisory support. Sandler added that it could be monthly or bimonthly meetings, coaching, or just being a sounding board to check different opportunities and challenges a manager is facing.

Polenska asked the Board what the single most crucial piece of advice they would give leaders at WSOS to become more effective.

Adams said leading by example is very important, and Polenska is setting the tone in terms of organizational values through these trainings. Adams asked for an organizational chart to see who our leaders are.

Cecchettini asked if we had done an inventory of the emotional intelligence attributes of our team members. Polenska said we have tried different inventories, but it has yet to take hold. Polenska noted that recently staff were talking about the value of this. This is an excellent example of something we need to take stock of and figure out what we do to build coaching and support for strengths and gaps. Cecchettini said she used Daniel Goldman's work and incorporated it into evaluations. Cecchettini said that people seem to struggle in a negative cycle because they do not know how to lead in tough times. They lack the requisite skills needed, such as persistence, diligence, and the belief that they can do this. We need leaders to be proactive rather than reactive. Look at good examples of other companies and other times.

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Brad Smith said that a single piece of advice he would offer is what is reflected in everything that Connors does. He recalled in the early years when WSOS was having issues with the PA, who said that the WSOS ED had unreasonable expectations for a non-profit. Brad Smith said that is why they liked her. There are things that people give up to work at a nonprofit, but there are things they gain in terms of mission. Brad Smith said we are doing an excellent job of capturing the mission, the excellence, the ambition, and even investing in people the way we are. He said to stick to these values. Connors said one of our values is to seek excellence.

Mike Wilson said his advice is for leaders to be present. Staff must believe you know them, understand their job, and see them as colleagues instead of employees. Polenska said we continually talk about the need to be in relationship as a condition for success, which is a good reminder to continue reinforcing this message.

Polenska asked if there were other things we should be thinking about. Sandler shared a data point about the floating office day from a study they conducted across 60 younger companies in their portfolio with 4 – 40 employees. The companies with the floating day had higher unwanted attrition over the past year than those with set days. It is hit or miss who staff see in the office on a floating day, making it useless to come in. Sandler asked if we need a floating day vs. set days.

Hill said that she noticed that folks doing a reboot with a large number of new staff mixed with their legacy leaders takes a lot of work to merge the two cultures. The new staff may see the culture as different from what the legacy staff thinks it is. Make space to be authentic and genuinely know what you are working towards. Otherwise, no amount of training will help.

Brad Smith said effective leadership training is about staff spending time with leaders. Getting people together in the office, having informal interactions, listening to each other, networking, being present, and then carrying that over to the leadership training is another useful thing to consider.

Breukelman said that the people who have been doing two jobs while we have had unfilled positions are probably close to burnout. Recognize, acknowledge, and address this issue that is probably showing up in the culture, whether apparent or not.

Brad Smith commended Polenska on her presentation and said this is fantastic and thanked Connors for sponsoring this work.

Campaign Update

Connors introduced Heidi Thompson-Daly, our lead campaign counsel, and Jennifer Weber, campaign co-counsel. Thompson-Daly celebrated that \$44.6M is 60% of our goal of raising \$75M in private philanthropy. We have \$30.3M left to raise by December 31, 2025. We are in the active campaign stage, raising money from leadership, principal, and champion-level donors. Although we are actively raising these funds, it is still the quiet phase until we hit 80% of the \$75M. We want to launch the public phase at Opportunity Talks 2024 and will know at the end of this calendar year if we are in a position to do that. We would also like to implement a regional fundraising model. Most of the philanthropy so far has come from the Puget Sound area. WSOS, being a statewide program, needs a statewide campaign. Thompson-Daly reviewed a list of accomplishments to date. There are five priorities for the remainder of 2023. We want to fully mobilize campaign leadership and recruit additional members. We need to qualify prospective Champion and Leadership level investors. We also need to acquire new individual and corporate donors. Our fourth priority is to solicit, and close gifts of \$50K-\$5M, and our final priority is to host well-attended engagement activities. Thompson-Daly listed the nine campaign steering committee members, and stated the committee needs 3-5 more members willing to passionately fundraise for WSOS for the next two to four years. Each member makes introductions to potential donors, solicits campaign gifts, stewards high-level donors, attends campaign events, supports the co-chairs, and champions the campaign overall. There is also an honorary campaign cabinet which is a diverse group of individuals representing a variety of STEM, health care, and trade industries from different parts of the state and different philanthropic circles. Cabinet members endorse the campaign, and their influence is leveraged

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thoughtfully. We are looking for 13 – 19 more members for this cabinet. Thompson-Daly shared the campaign's name, officially "Tomorrow, today. The campaign for WSOS." The tagline is, "Powerful students powering Washington." The secondary tagline is, "By investing today, we all win tomorrow." Thompson-Daly shared the campaign's core messaging, primary strategy, and goals for the next 8 months. Money follows engagement. In addition to the Hot Topic dinners, we have multiple other ways to engage potential donors. The ways the Board can help is by identifying five to eight campaign investors or corporate partners; hosting a Hot Topic Dinner; assisting with thank you calls after Opportunity Talks; assisting with the recruitment of additional steering committee and honorary cabinet members; joining Connors or Camille Reynaud on a donor visit which would give you a chance to hear how they talk about the campaign.

Sandler asked if there are things we are doing to help mitigate the risk during these challenging financial times. She said she had seen commitments made before May of 2022 decrease because many people have less liquidity. Connors said that because of the timeline, we have seen people shift to the right time for them to make a gift, but we have yet to see them pull back from their gifts. We are fortunate that we don't have cash in and out in the same year. That is not the case for many nonprofits, so we are grateful for our financial model. Thompson-Daly said we should have more conversations about this issue as we move forward.

Brad Smith thanked Connors for being persistent and complimented Thompson-Daly on her clear and well-organized communication. This is a big step in the direction we need to go. Thompson-Daly said Connors is a big reason we are at the \$44.6M during these challenging financial and staffing times.

2023 Graduate Selection Criteria

Johnathan Luster, WSOS programs director, shared the statutory intent of the Graduate Scholarship (GRD). The selection principals are to select Scholars who are likely to practice in a Washington state Medically Underserved Area (MUA) or Health Professional Shortage Area (HPSA) post-program completion, are most likely to benefit from the financial support, and will work in behavioral and primary health care fields across Washington state. The one change we would like to make is to increase the number of rural Scholars from four to six after hearing about clinic closures in understaffed rural counties.

Cecchettini recommended that we do some longitudinal tracking of our graduates to see that they really are serving in these particular areas. It would be telling to see what they are able to accomplish. This would help gain more support for the program.

Board Action: Adams made a motion to approve the 2023 GRD selection criteria. Cecchettini seconded the motion, and it carried unanimously.

Finance and Program Administrative Update

Patrick Smith, Finance and Investment Committee Chair reported on the most recent meeting. The committee has changed the format, shortening the WSIB and PA reporting to leave more time for discussion and questions. We received the investment update from our fund manager through December 31, 2022, so it does not reflect the current banking crisis we have been experiencing. As of December 31, we have total assets of \$120.9M, down slightly from October 31, an 11% decrease over the same month from the previous year. We had private cash receipts of just under \$600K, and scholarship disbursements for the period were \$5.9M. Total liabilities were \$22.8M, down slightly from October 31 due to the scholarship disbursements and a slight change in payables. Net assets totaled \$98M, a 3% increase from October 31. Pledge receivables include \$9M from Gary Rubens and \$12.5M from Microsoft and some others. Patrick Smith noted that any pledges from a Donor Advised Fund (DAF) could not be recognized as revenue until we receive the cash. We have commitments higher than what shows up on the balance sheet, and they show up on the income statement where our actual revenue for the year shows as significantly under budget. This is primarily because of the

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Ballmer pledge of \$10M through a DAF. Development staffing issues, markets, and other things also contributed to the private revenue being slightly below budget. Expenses are favorable for the year by just under \$900K, mainly due to gaps in hiring. The overall bottom line is \$22M unfavorable for the year. Scholarship expenses are a little below budget, which leads to our overall net income for the year being unfavorable by \$18.2M. An F&I committee member asked for a rolling 12-month cash flow statement, which is included in the pre-read. We are required to review our short-term investment policy. It had minor changes, like changing the PA from WA STEM to 501 Commons and other wordsmithing. This is also included in the pre-read. The committee voted to recommend that the Board approve these changes.

Board Action: Patrick Smith made a motion to adopt the updated short-term investment policy. Cecchetti seconded the motion, and it carried unanimously.

Executive Session

The meeting went into Executive Session at 3:31 p.m. to evaluate the performance of a public employee and to obtain advice from legal counsel.

Board Action: Cecchetti made a motion to increase the Executive Director's base salary by 8%, retroactive to January 31, 2023, plus an 8% bonus, and a motion to appoint Polenska as the interim executive director and compensate her \$9,000 for four months. Adams seconded the motions, and they both carried unanimously.

The open meeting reconvened at 3:37 p.m.

The meeting adjourned at 3:38 p.m.

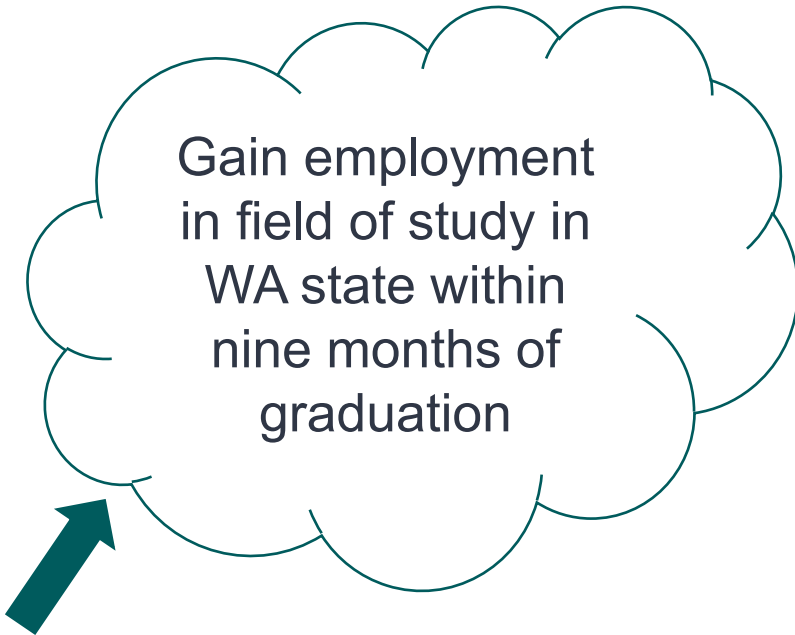
Respectfully submitted,

Dena Parmer

PROGRAM UPDATE

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**INTENDED
IMPACT #1**



**INTENDED
IMPACT #2**

THEORY OF CHANGE | Scholarships + Continuum of Support Services

STRATEGIC PRIORITIES

Design scalable, statewide programs.

Build the brand.

Fund to 2030.

Be a preferred workplace.



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Org Strategic Priorities: AY2025-26 metrics

Ensuring scalable, statewide scholarship accessibility and financial aid impact	Ensuring scalable, statewide support services	Build awareness of the WSOS brand	Fund to 2030 and beyond	Be a preferred workplace																
AWARDS	PROGRAMS	EXTERNAL AFFAIRS	DEVELOPMENT	OPERATIONS																
80% of applicants are eligible	65%, 45%, 95% graduate in eligible program for BaS, CTS, GRD	At least 33 earned media pieces per year	\$75M raised January 1, 2021, through December 31, 2025, with 30-35 \$25K to \$1M gifts secured in CY25	Volunteer separation rate below 15%; average staff tenure of 36 months																
90% of Scholars complete renewal	Opportunity gaps are less than 10%, 5% by income, race	23 speaking engagements for WSOS leadership per year	25% of donors loyal (5+ years) by end of CY25 with 50% donor retention rate CY24 to CY25	90% of staff agree: “I believe the work I do advances our mission”																
90% work fewer hours because of WSOS	95%, 85% of graduates employed full-time within 9 months in any field, in high-demand field	Social media audience size of 4,800 (FB), 2,200 (Twitter), 2,900 (LI) and 2,700 (IG)	425 new donors acquired in CY25 with 100 total from WA outside of Puget Sound	90% of staff agree: “I would recommend WSOS as a great place to work”																
90% attend full-time because of WSOS	95% of employed in-high demand graduates work in WA	Applicant targets: <table border="1" data-bbox="1067 1265 1508 1376"> <tbody> <tr> <td></td> <td>BaS</td> <td>CTS</td> <td>GRD</td> </tr> <tr> <td>BIPOC</td> <td>85%</td> <td>60%</td> <td>55%</td> </tr> <tr> <td>First-gen</td> <td>64%</td> <td>68%</td> <td>70%</td> </tr> <tr> <td>From rural counties</td> <td>34%</td> <td>40%</td> <td>TBD</td> </tr> </tbody> </table>		BaS	CTS	GRD	BIPOC	85%	60%	55%	First-gen	64%	68%	70%	From rural counties	34%	40%	TBD	At least 15% (by #) of donors in CY25 from health care, (S)TEM	90% of staff agree: “I would recommend my supervisor to future employees”
	BaS	CTS	GRD																	
BIPOC	85%	60%	55%																	
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From rural counties	34%	40%	TBD																	

Org Strategic Priorities: AY2022-23 metrics

Ensuring scalable, statewide scholarship accessibility and financial aid impact	Ensuring scalable, statewide support services	Build awareness of the WSOS brand	Fund to 2030 and beyond	Be a preferred workplace																
AWARDS	PROGRAMS	EXTERNAL AFFAIRS	DEVELOPMENT	OPERATIONS																
75%, 85% and 75% of BaS, CTS and GRD applicants, respectively, are eligible	-BaS : 90%, 85%, 65% Y1-Y2-Y3-Y4 with 44% increasing -CTS : 80%, 80% 75% Q1-Q2-Q3-Y2 -GRD : 100% Y1 to Y2	At least 30 earned media pieces	\$16M, \$12M in CY22, CY23, with 15 12 \$25K to \$1M gifts secured in CY22, CY23	Volunteer separation rate below 30%; average staff tenure of 28 months																
90% (85%) of BaS (CTS) Scholars complete renewal	At least 60% of historically excluded races/ethnicities, low-income & rural students participate in programming	15 (7) engagements for ED (Directors)	8%, 12% of donors loyal (5+ years) in CY22, CY23 with 41% CY22 to CY23	83% of staff agree: "I believe the work I do advances our mission"																
90% work fewer hours because of WSOS	50%, 20%, 70% of BaS, CTS and GRD participate in career resources	Social media audience size of 4,428 (FB), 2,109 (Twitter), 1,861 (LI) and 1,861 (IG)	60, 305 new donors acquired with 44, 55 from WA outside of Puget Sound in CY22, CY23	83% of staff agree: "I would recommend WSOS as a great place to work"																
90% attend full-time because of WSOS	90%, 85%, 89% of BaS, CTS and GRD career support participants report being more prepared	Applicant targets: <table border="1"> <thead> <tr> <th></th> <th>BaS</th> <th>CTS</th> <th>GRD</th> </tr> </thead> <tbody> <tr> <td>BIPOC</td> <td>85%</td> <td>58%</td> <td>40%</td> </tr> <tr> <td>First-gen</td> <td>61%</td> <td>61%</td> <td>55%</td> </tr> <tr> <td>From rural counties</td> <td>31%</td> <td>32%</td> <td>7%</td> </tr> </tbody> </table>		BaS	CTS	GRD	BIPOC	85%	58%	40%	First-gen	61%	61%	55%	From rural counties	31%	32%	7%	At least 8%, 9% (by #) of donors in CY22, CY23 from health care, (S)TEM	83% of staff agree: "I would recommend my supervisor to future employees"
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First-gen	61%	61%	55%																	
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Today's Snapshot

<p>Ensuring scalable, statewide scholarship accessibility and financial aid impact</p> <p>AWARDS</p>	<p>Ensuring scalable, statewide support services</p> <p>PROGRAMS</p>	<p>Build awareness of the WSOS brand</p> <p>EXTERNAL AFFAIRS</p>	<p>Fund to 2030 and beyond</p> <p>DEVELOPMENT</p>	<p>Be a preferred workplace</p> <p>OPERATIONS</p>
<p>Improving eligibility of applicants:</p> <ul style="list-style-type: none"> 62%, 85% and 83% of BaS, CTS and GRD applicants, respectively, were eligible <p>★★★☆☆</p>	<p>Improving persistence:</p> <ul style="list-style-type: none"> 90%+ persistence for BaS first through third-year & GRD Cohort 2 Scholars Scholar graduation #1 reason for non-renewal <p>★★★★</p>	<p>Media coverage/speaking engagements:</p> <ul style="list-style-type: none"> 30/30 earned media More than two-thirds of goal for speaking engagements <p>★★★☆☆</p>	<p>Campaign revenue:</p> <ul style="list-style-type: none"> OpportunityTalks raised \$755,000 Awarded a \$50,000 grant Adjusting revenue targets <p>★★★☆☆</p>	<p>Staffing:</p> <ul style="list-style-type: none"> Headcount: 31 FTE Open: 2 FTE New hires last Q: 4 FTE <p>★★★★</p>
<p>Successfully completing processes (increase, renewal):</p> <ul style="list-style-type: none"> 89% & 71% of BaS and CTS Scholars completed renewal on-time <p>★★★☆☆</p>	<p>Closing opportunity gaps:</p> <ul style="list-style-type: none"> BIPOC AY 23-24 Scholar Lead applicants <ul style="list-style-type: none"> 70% BaS 58% CTS <p>★★★★</p>	<p>Social media growth:</p> <ul style="list-style-type: none"> Follower growth lagging, but strong engagement continues Website improvements on track <p>★★☆☆☆</p>	<p>Donor loyalty:</p> <ul style="list-style-type: none"> Ongoing work to demonstrate appreciation Finalizing impact report and planning for distribution <p>★★★☆☆</p>	<p>Culture enhancements:</p> <ul style="list-style-type: none"> Year-end fatigue Program administrator transition <p>★★☆☆☆</p>
<p>Attend school full-time and work less:</p> <ul style="list-style-type: none"> Exploring impacts of changes to financial aid program <p>★★★☆☆</p>	<p>Improving career outcomes:</p> <ul style="list-style-type: none"> 414 BaS & CTS Scholars participated in StS 23 events with corporate partners this AY <p>★★★☆☆</p>	<p>Scholarship promotion:</p> <ul style="list-style-type: none"> Increase in in-person meetings and activities Emerging partnerships with WSCA and PNACAC (thanks, Julie) <p>★★★★</p>	<p>Donor acquisition:</p> <ul style="list-style-type: none"> Hot Topic Dinners 153 new friends of WSOS at OTalks Not yet targeting by industry, region <p>★★★☆☆</p>	<p>Leadership:</p> <ul style="list-style-type: none"> Academic year goal-setting process underway Preparing leaders for staff talent review and professional development planning <p>★★★★</p>

Key wins of the quarter



- OpportunityTalks was back in person and a success
- Bill advanced through the Legislature and became law
- Continue to make strides with promotional partners
- Two WSOS babies were born this quarter happy and healthy

Challenges of the moment



- Program administration challenges remain
- Leave adjustment

PROGRAM ADMINISTRATION OPTIONS

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The Problem:

Inability to identify and maintain a long-term program administrator relationship creates instability and risk

Context:

- WSOS has been administered by three nonprofits since its inception: College Success Foundation, WA STEM, and 501 Commons.
- Scale of the program and cultural misalignment has led to challenges.
- 2022 request for proposal (RFP) cycle, eight program administrators were approached and one applied.
- Legislation passed in April 2023 granting the WSOS Board the ability to partner with one or more program administrators and create one or more non-profit corporations to perform the function of the program administrator.

Broadly stated, the problem is:

- The success of WSOS hinges on our ability to partner long-term with a values-aligned program administrator with the infrastructure in place to support our program needs. We don't exist without a program administrator, so a long-term solution is critical.

Discussion

- What questions and risks should we consider while exploring the creation of a non-profit entity to support the program administrator function?

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EXECUTIVE SESSION

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NEXT COMMITTEE MEETING

September 6, 2023

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**Next Board meeting:
October 3, 2023**