

**WASHINGTON STATE OPPORTUNITY SCHOLARSHIP BOARD MEETING**  
**WEDNESDAY, JANUARY 4, 2023, 3-3:30PM**  
**MEETING MINUTES**

The Board of Directors of the Washington State Opportunity Scholarship (WSOS) convened on January 4th, on Microsoft Teams. The meeting was publicized as available to the public on the WSOS website with an on-site location of the WSOS office offered for the public to join the meeting in person.

**Board members on Teams:** Brad Smith (Chair), Latisha Hill, Diane Cecchettini, Gary Rubens, Jane Park, Miller Adams, Patrick Smith.

**Additional attendees on Teams:** Jolenta Coleman, Jane Broom, Aileen Miller, Nancy Long, Kimber Connors, Lauren Pack, Lindzey Lien, Lisa Magennis, Lyanne O'Connell, Dale Baker, Genevieve Geiger, Javana Polenska, Jessica Monger, Kendyl Puhan; Nick Goodwin, Nicolas Khamphilom, Rachel Wyers, Sam Svilar, Johnathan Luster, Veronica Craker.

**Meeting Called to Order**

Brad Smith, Chair, called the Board meeting to order at 3:03 p.m.

Kimber Connors presented. She noted this is a follow-up meeting to the executive session on December 12, 2022. When WSOS sent out a Request For Proposal (RFP), we contacted eight potential program administrators. Four or five were interested but only one applied after seeing the detailed duties required to administer WSOS as outlined in the RFP. Most organizations are not prepared to take on the complexities of our work, so they did not bid. Our current contract with 501 Commons is up for renewal in the summer of 2024. Additionally, there is an exit clause that allows WSOS or 501 Commons out of the contract with cause if they give 90-days' notice and without cause with 240-days' notice. We need to be prepared for the future if we do not renew or end the contract or if 501 Commons chooses to do so given the risk there may be no other bidders to administer the contract.

Connors recommended we seek a legislative priority to mitigate this future risk. This is a recommendation to amend the statute to grant the Board of Directors express authority to create and contract directly with a non-profit(s) created for the purpose of administering the Opportunity Scholarship program. Once this authority is expressly granted to the Board, they and staff may create such a non-profit(s) without violating ethics or conflict of interest laws. After incorporation, the non-profit(s) must operate as an independent entity with a separate governing Board. Connors called out that members cannot serve on both Boards. If passed, the amendment would also grant the Board authority to contract directly with the non-profit without going out for a public bid. This will make no change to the description of the board program administrator duties. It does not require the Board to create a non-profit(s) but it makes it an option. It also does not require the Board to directly delegate the work to a created non-profit(s). They can still use an RFP process to select from other bidders if they so choose.

Members cannot serve on both boards. Connors noted there are some risks. After the WSOS-specific non-profit is created, disagreements and its independent nature could lead to a desire to dissolve it. The solution is that the WSOS Board retains the right to go to public bid for other administrators or create other non-profits(s) for the purpose of program administration. Connors also noted we want to be very sure that this change won't result in any claims that private funds donated to WSOS become public and, therefore cannot be invested. Aileen Miller will check with a tax attorney to make

sure the new non-profit is able to invest private donations, but we are relatively sure this won't have an impact since this change would not make changes to how the donations are accepted and used for WSOS.

Latisha Hill asked how the foundation would be funded. Connors said a monthly program administration fee would be paid to the WSOS foundation just as we pay our program administrator today. There is no separate mission, so there is no need for separate funding. Hill asked if the non-profit would need start-up funds. Connors said initially it could be supported heavily by existing WSOS staff. Brad Smith asked Miller to confirm there is nothing in the statutory language that would prevent the foundation from receiving startup funds. Miller confirmed that statutory language would not prevent startup funding from being received. Brad Smith said we will have the flexibility to figure this out in a thoughtful way.

Patrick Smith said that we see bills that make a lot of sense not getting passed. Is there any risk in going through this process and that it is not a high enough priority that it does not get passed? Should the Board be prepared for this? Connors said that while we can never predict what will happen during session, we have already identified potential sponsors in the House and Senate and spoken with key stakeholders. We've heard no concerns and folks understand it will not make a change in what we are doing for students but that it would create a safety mechanism to protect the program in the future. Because this does not cost any money, it can give legislators a win without a fiscal impact. Jessica Monger said that legislators will appreciate the opportunity to protect the program because the work is greatly respected.

Connors stated that while the bill is open, we would like to strike confusing language regarding the state match process. We would strike references to requiring a fiscal year lag from when private monies are granted and when the state match is appropriated. If this is granted, we avoid differing interpretations of how the state match is calculated. It will also expedite the receipt of state-matching dollars. This retains the state match for WSOS as maintenance-level funding.

**Board Action:** Diane Cecchetti made a motion to approve the legislative priority granting the Board of Directors express authority to create and contract directly with a non-profit created for the purpose of administering the Opportunity Scholarship program and to strike confusing language regarding the state match process. Patrick Smith seconded the motion, and it carried unanimously.

The meeting adjourned at 3:22pm.

Respectfully submitted,

Dena Parmer