



WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

Supporting the next generation of STEM & health care leaders

December 19, 2013



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SCHOLARSHIP

Supporting the next generation of STEM & health care leaders

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BOARD MEETING
DECEMBER 19, 2013
1:30-3:30 P.M
AGENDA

MEETING CALLED TO ORDER		BRAD SMITH
APPROVAL OF CONSENT AGENDA	(TAB 1)	BRAD SMITH
➤ FINANCIAL REPORT		
○ Income Statement		
○ Comparative Balance Sheet		
➤ WSOS 2014 LEGISLATIVE REQUEST		
UPDATE ON MICROSOFT WORK PLACE CAMPAIGN		JANE BROOM
STAFFING UPDATE	(TAB 2)	YOLANDA SPIVA
SCHOLARSHIP AWARDING FOR COHORT 3	(TAB 3)	DEBORAH WILDS
INVESTMENT COMMITTEE REPORT	(TAB 4)	MACK HOGANS
BREAK		
BOARD DISCUSSION (EXECUTIVE SESSION)	(TAB 5)	BRAD SMITH
ADJOURNMENT		



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**SEPTEMBER 10, 2013
MINUTES**



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WASHINGTON STATE OPPORTUNITY SCHOLARSHIP BOARD MEETING
SEPTEMBER 10, 2013
MINUTES

The Board of Directors of the Washington State Opportunity Scholarship (WSOS) met on September 10, 2013, at Microsoft headquarters in Redmond, Washington.

Board members present: Brad Smith, Terry Gillespie, Jerry Grinstein, Mack Hogans, Jim Sinegal.
This constituted a quorum.

Additional attendees: Jane Broom, Sue Byers, Joan Caine, Anne Fennessy, Chase Gunnell, John Hoyt, Lisa Kagan, John McDowell, Tricia Raikes, Yolanda Watson Spiva, Rebecca Swartz, Dave Stolier, Sam Whiting, Deborah Wilds.

Meeting Called to Order

Brad Smith welcomed everyone to the full board meeting at 2:07pm, and introductions were made. Jerry Grinstein moved the minutes of the July 9, 2013, meeting be approved. Mack Hogans seconded the motion. The motion carried unanimously.

Introduction of Dr. Yolanda Watson Spiva

Brad Smith introduced Dr. Yolanda Watson Spiva, the new President and CEO of College Success Foundation. Dr. Watson Spiva shared her background briefly.

Scholarship/Program Report

Deborah Wilds shared the new WSOS website with the board. Wilds also shared updated numbers on graduation rates for Cohort 1. Smith believes the lower graduation rates are due to the fields of studies our students are in requiring them to add a 6th year to complete coursework. Smith would like CSF to show the graduation rates split between public and private colleges. More research will be done on where students are attending and why so many require a 6th year. Wilds shared data showing the distribution of students within particular majors and high-demand fields of study. Technology has the highest number of job openings projected, but UW capacity for those majors, for example, is low, so students find other majors. Wilds also reviewed the wrap around supports offered to WSOS scholars and the 2013-2014 activities calendar.

Fundraising Update

John Hoyt and Joan Caine presented the fundraising action plan they prepared for WSOS. They are attempting to establish a diverse fundraising platform, including a vision statement. They also propose a scholarship that donors can personalize as either broad or specific, depending on the students they would like to sponsor. They shared the 2013-2014 fundraising and

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legislative activities that are planned. Jane Broom gave an overview of the Work Place Giving Campaign being held the month of October at Microsoft, WSOS will receive part of the auction proceeds.

Investment Committee Report

Mack Hogans gave an overview of the investment committee report. A new charter will require board approval. The committee met with Washington State Investment Board (WSIB) executives to discuss handling WSOS investments. The committee members were very impressed with WSIB. Hogans moved the new charter be approved as presented, the name of the committee be changed to Investment & Finance Committee, and the number of members be increased to seven. Jim Sinegal seconded the motion, which was unanimously approved.

Legislative Update

Anne Fennessy offered an overview of the recommendations she would like the board to consider for the 2014 legislative session. She recommends expanding the WSOS board to 11 members; requesting an additional \$5 million in public funding; changing the required start day of disbursement of scholarship funds; revising the WSOS statute to authorize the WSOS board to select the WSIB as investment manager; and eliminating the third test in the bill to allow endowment funds to be distributed. Dave Stolier will work with Fennessy on the wording of the proposed bill changes. Smith would like further discussion of eliminating the third test. The next step will be to conduct legislative meetings.

Financials

The Board reviewed the income statement, comparative balance sheet and financial projections.

Board Terms, Recruitment and Roles

Terry Gillespie has agreed to renew her WSOS Board term for another year. Boeing has four candidates who are interested in joining the board; they are in the vetting process now and hope to have someone named by the December 2013 board meeting.

The board went into executive session at 4:31pm.

Respectfully submitted,
Rebecca Swartz

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FINANCIAL REPORT



Washington State Opportunity Scholarship Program
Income Statements
 Actual vs Budget

	Four Months ended October 31, 2012			Four Months ended October 31, 2013			FYE June 30, 2014
	Actual	Budget	Variance Fav (Unfav)	Actual	Budget	Variance Fav (Unfav)	Annual Budget
Revenue							
Private	\$ 725	\$ 5,000,000	\$ (4,999,275)	\$ 200	\$ 5,000,000	\$ (4,999,800)	\$ 10,217,701
Public	-	-	-	-	-	-	-
Investment Income	4,540	26,346	(21,806)	(2,887)	25,897	(28,784)	863,617
Total Revenue	5,265	5,026,346	(5,021,081)	(2,687)	5,025,897	(5,028,584)	11,081,318
Expense							
Scholarship	7,468,804	7,500,000	31,196	7,374,537	7,374,537	-	7,374,537
Professional Fees (CSF, Pyramid & CoFen)	315,928	315,860	(68)	583,693	616,768	33,075	1,850,303
Total Expense	7,784,732	7,815,860	31,128	7,958,230	7,991,305	33,075	9,224,840
Net Income (Loss)	\$ (7,779,467)	\$ (2,789,514)	\$ (4,989,953)	\$ (7,960,917)	\$ (2,965,408)	\$ (4,995,509)	\$ 1,856,478



Washington State Opportunity Scholarship Program

Comparative Balance Sheets

June 30, 2013 and October 31, 2013

	<u>As of</u>	
	<u>6/30/13</u>	<u>10/31/2013</u>
<u>Assets</u>		
Cash	3,408,717	1,022,177
Investments	22,345,447	20,567,581
Pledges Receivable	24,241,055	24,430,964
Total Assets	<u>49,995,219</u>	<u>46,020,722</u>
<u>Liabilities and Net Assets</u>		
Accounts Payable	210,104	157,680
Scholarship Commitments	19,047,803	19,047,802
Total Liabilities	<u>19,257,907</u>	<u>19,205,483</u>
Total Net Assets	<u>30,737,312</u>	<u>26,815,240</u>
Total Liabilities and Net Assets	<u>49,995,219</u>	<u>46,020,722</u>



2014 LEGISLATIVE REQUEST



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WSOS 2014 LEGISLATIVE REQUESTS SUMMARY

The Washington State Opportunity Scholarship is requesting three administrative changes to the WSOS legislation during the 2014 supplemental session to enhance the effectiveness of the scholarship and increase its fundraising potential.

1. Expanding the WSOS Board membership to 11 members

Rationale: Currently the legislation allows for up to seven members to serve on the WSOS board. We recommend allowing the board to expand to up to 11 members to increase the number of people who can participate in the solicitation of funds to enable scholarship program expansion and provide more scholarships to more students. This legislative request was approved by the WSOS Board during the July meeting.

Related RCW Section: RCW 28B. 145.020 (1)

2. Changing the required start day of the disbursement of scholarship funds by the program administrator from beginning no later than May 1st annually to beginning no later than October 1st annually

Rationale: An academic year begins in the fall and financial aid funds are normally disbursed approximately ten days prior to the start of the term. For semester colleges and universities, the first disbursement begins in August. For quarter institutions, disbursement begins in September or October depending on the start date of the institution. Changing the scholarship disbursement date to the fall matches how federal and state financial aid dollars are disbursed and still ensures WSOS funds are disbursed annually.

Related RCW Section: RCW 28B. 145.030 (2) b i

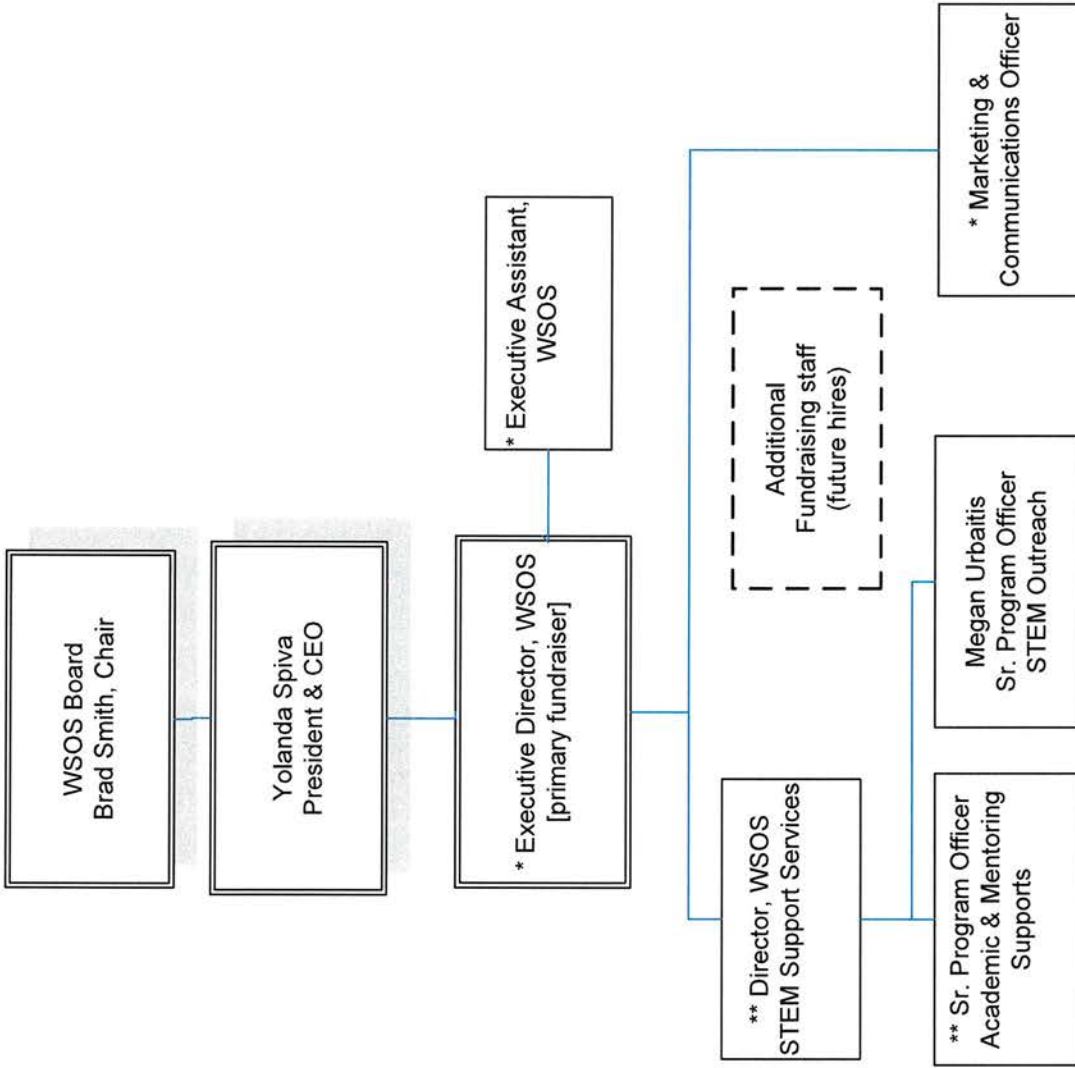


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- 3. Updating the WSOS statute to allow for the WSOS Board to choose to use the WSIB as the Investment Manager for the WSOS Investment Portfolio by adding language that approves of WSIB as the Investment Manager.**

Rationale: Additional wording in the WSOS legislation is needed to approve the use of the Washington State Investment Board as the portfolio manager for the WSOS if the WSOS Board approves the use of the WSIB.

Related RCW Section: N/A

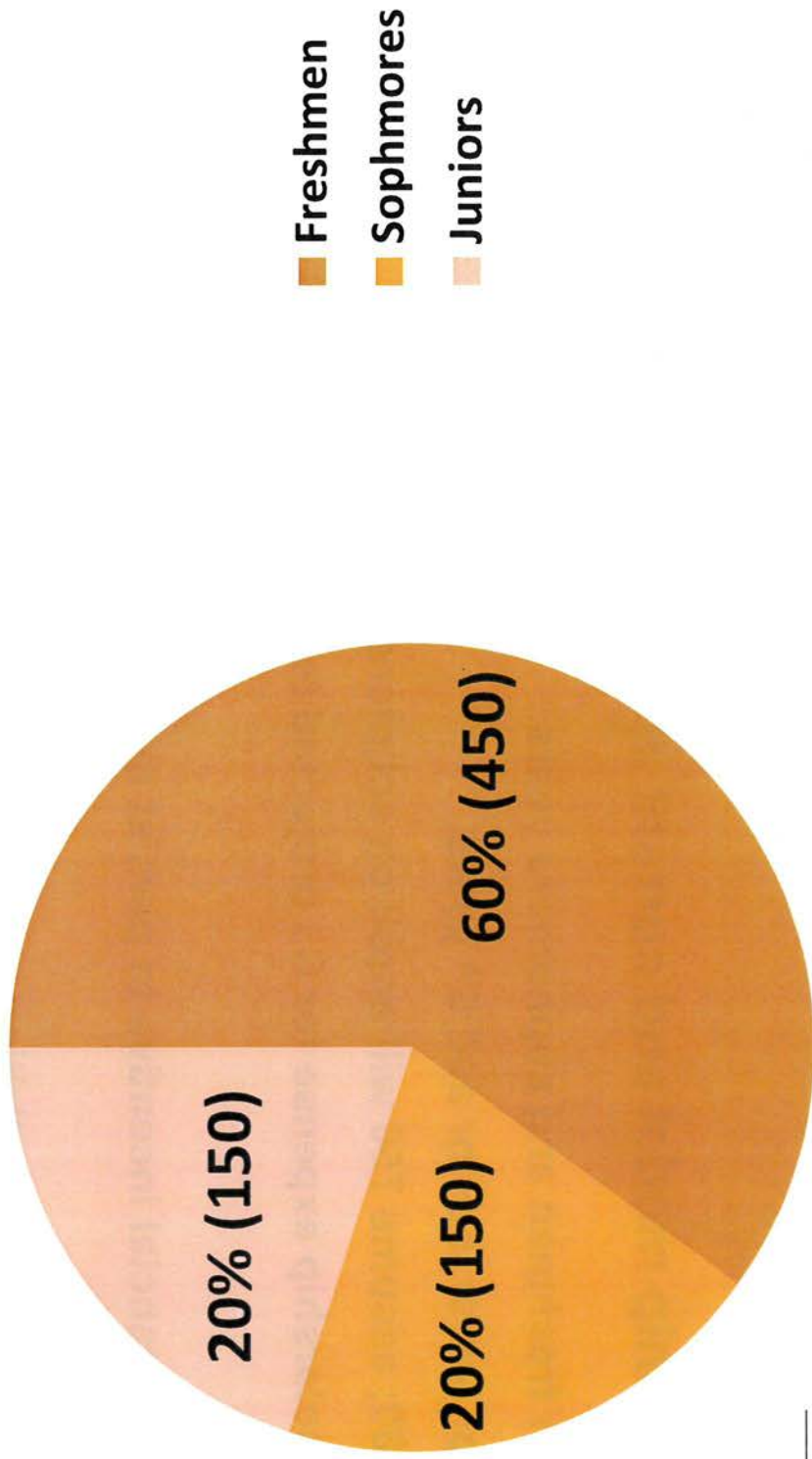


* Recruitment underway.

** Recruitment underway with offer extended.

Awarding for Cohort 3: Number & Distribution of Awards by Class Level

Cohort Size - 750



Proposed Scholarship Awarding: Cohort 3

Tiered scholarship model and current application process

- \$1,000 for freshman and sophomore years.
- \$5,000 for junior, senior and 5th years.
- Select 780; assume 750 will enroll on scholarship (same as C2).
- Total scholarship expense for C3 projected to be \$7.3 million.

Rationale

- Increased financial incentive to persist in eligible majors once students become juniors.
- Reduced scholarship attrition costs by only awarding a small scholarship for the first two years.
- 200 fewer scholarships awarded to adjust for less revenue available.





Investment & Finance Committee Report December 13, 2013

Investment Balances and Income As of October 31, 2013:

The following is a Summary of Investments showing **Investment Asset Balances** as of October 31, 2013, as well as **Investment Income (Loss)** for the Four Months Ended October 31, 2013.

Four Months Ended October 31, 2013, total Investment Income (Loss) of (\$2,887) is unfavorable to Budget by (\$28,784). Investment returns have continued to be low and unfavorable to budget due to keeping both Scholarship and Endowment investments in short term money market funds and bank CD's that are FDIC insured pending hiring of a new investment manager. The investment loss of (\$2,887) is due to the recording of unrealized losses on investments in CD's that have a purchased yield of 20 – 30 bpts. Since these CD's will be held to maturity there will be no loss of income and the purchased yield will be realized as the CD's mature.

	WSOS Scholarship Investments	WSOS Endowment Investments	Total Combined
<i><u>Investment "Asset Balances" As Of October 31, 2013</u></i>			
US Bank Trust	\$ 1,022,177	\$ -	\$ 1,022,177
Oppenheimer	7,905,660	12,661,921	20,567,581
Total Market Value	\$ 8,927,837	\$12,661,921	\$21,589,758

Investment "Income (Loss)" Four Months Ended October 31, 2013

Net Investment Income (Loss)	(\$277)	(\$2,610)	(\$2,887)
Budgeted Net Investment Income (Loss) ⁽¹⁾	8,117	17,780	25,897
YTD Variance Fav (Unfav)	(\$8,394)	(\$20,390)	(\$28,784)

⁽¹⁾ Budgeted Net Investment Income is based on the original 2013/14 Budget which assumed that WSOS would have engaged a new Investment Manager to manage investments and earn a higher rate of return. However, the hiring of Washington State Investment Board (WSIB) as Investment Manager has been deferred until 2nd Quarter 2014 as we wait for new legislation to be passed that allows the WSIB to manage the WSOS investments.



WSOS BOARD FINDINGS

All board members were interviewed between October 28 and November 26. The findings from these conversations provide direction for how to proceed in shaping an effective fundraising strategy. As we have discovered from our research over the past months, some fundamental elements of the program require adjustments prior to finalizing the fundraising approach.

POINTS OF COMMON AGREEMENT

- **Scholarships are inherently helpful** and can have positive impacts on individual lives as well as on the development of a skilled workforce in Washington.
- **It is not yet clear how WSOS is distinctive among many other scholarship programs** and whether or not WSOS fundraising will be competitive with other efforts underway or being planned, including major fundraising campaigns by the UW and the Hutch.
- **Early 5-10 year private fundraising goal projections ranging from \$250 million to \$500 million are unrealistic** and a reasonable and achievable private fundraising goal has yet to be identified.
- **None of the board members came on board expecting that fundraising would be a major expectation of their role.** The current complement of the WSOS board is not prepared to take on the fundraising effort necessary to build the program.
- **There is considerable concern about the State contribution becoming a reality**, although board members agree that every effort should be made to exert pressure on the legislature to make good on the commitment.
- **The endowment originally identified in the founding legislation has very little appeal to board members**, specifically if the fundraising goal is revised downward dramatically.
- **There has not yet been an opportunity for a board conversation** about the program structure, fundraising goal, and how board members view their roles moving forward.

DIVERGENT OPINIONS

- **Low income versus middle income scholars**— Some board members believe that scholarships are more critical and meaningful for lower income students, while another feels that there are in fact more scholarship and support opportunities in place for the lowest income students and the middle income sector has fewer options.
- **Differing views on where support will come from**—There are differing views amongst board member about whether corporations or individuals are more likely sources for support for WSOS.

QUESTIONS FOR BOARD DISCUSSION

The goal is to have a frank discussion. Some of the questions might include:

- What is your reaction to these findings? Anything really stand out for you personally? Anything missing?
- Joan heard from all of you that an achievable fundraising goal has yet to be identified. What are your thoughts about what is possible?
- Given what you now know about the program, what do you think we need to do to be successful?
- In your view, what is WSOS trying to do? What are the measures of success for this program?
- What do you as board members believe our role should be to allow us to be successful moving forward?
- What should our next steps be as we enter 2014?

The goal of this session is to give board members a voice and to allow them to have some ownership of how WSOS moves forward.



2014 LEGISLATIVE UPDATE



December 10, 2013

MEMORANDUM

To: Yolanda Spiva, PhD
College Success Foundation

From: Anne Fennessy and Chase Gunnell

Subject: WSOS 2014 LEGISLATIVE UPDATE

Cocker Fennessy has worked with the College Success Foundation (CSF), the Washington State Attorney General's office (AGO), the WSOS Investment Committee and the Washington State Investment Board to finalize our legislative request for the 2014 legislative session.

We have also worked with CSF and Pyramid to finalize materials and talking points for legislative outreach. Additionally, we assisted CSF in creating and distributing the 2013 Report to the Legislature as required by statute.

Legislator outreach continues during December and early January. Our goal is to secure sponsors for the requested changes prior to the start of session, and introduce the new bill or amendments as soon as possible to gain immediate traction with the legislature.

WSOS Priority Legislator Outreach Summary

Cocker Fennessy had conversations with Reps. Reuven Carlyle, Ross Hunter and House Majority Leader Rep. Pat Sullivan in September and October to lay the foundation for legislative outreach and gain their perspective on the draft legislative requests.

Using input from these legislative leaders as well as from CSF, WSIB, the Investment Committee and Dave Stolier, AGO, final amendments to the legislation were finalized in November. (These requests and the draft legislation copy are attached to this memo.)

In December, we are coordinating conversations with additional legislators. We also developed a legislative fact sheet with an overview of WSOS and the 2014 legislative requests.

We have scheduled meetings or are working to schedule calls with Rep. Larry Seaquist, Sen. Joe Fain, Sen. Barbara Bailey, and Sen. Andy Hill this month. We also plan additional meetings with other legislative supporters including Sen. Monica Stonier, Sen. Rodney Tom and Sen. Don Benton.

Finally, we are setting up additional conversations with Reps. Carlyle and Ross about legislative sponsors. We may need to the help of a WSOS board member in these conversations to reinforce the support of the business community behind WSOS's legislative agenda.

Additionally, we have been in communication with a WSOS scholar, Alexandra Portnova, who has volunteered to attend meetings with legislators during session to provide a student's perspective on the benefits of WSOS. We believe her participation will be very helpful.

Thanks.



LEGISLATIVE FACTSHEET



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WASHINGTON STATE OPPORTUNITY SCHOLARSHIP LEGISLATION REQUEST FACT SHEET

WHAT IT DOES

The Washington State Opportunity Scholarship (WSOS) supports low- and middle-income students pursuing high-demand majors in science, technology, engineering and mathematics (STEM) and health care at public and private universities and colleges in Washington state. WSOS also encourages recipients to work in Washington state once they complete their degrees. For more information please refer to Chapter 28B.145 RCW, Opportunity Scholarship Act.

WHO FUNDS IT

Funding comes from a unique public-private partnership including private contributions, as well as state-match funding from Washington state government. As of September 30, 2013, private contributions and state-match dollars accounted for \$25,354,038 and \$5,000,000 respectively, totaling just over \$30 million.

WSOS SCHOLARSHIP ACCOUNTS

WSOS has two accounts in which to receive contributions from private sources and state-matched funds—a scholarship account and an endowment account. The goal is to maximize private sector contributions to both the scholarship and endowment accounts while simultaneously building the endowment and meeting the needs of families and students today and in the future.

The scholarship account must distribute its funds as scholarships to students (after five million dollars in state matching funds have been received in the scholarship account, which occurred in 2012). The endowment account can only use its earnings for scholarships in years when the state match has been made into both accounts. For more information please refer RCW 28B.145.30 (2)(b)(ii) (B) and (C).

STATE MATCHING OBLIGATIONS

Washington State is obligated to provide matching funds to WSOS no earlier than January 2014 or no later than the following January 1 after State Tax Receipts (B&O, Sales & Use and Public Utility Taxes) exceed 110 percent of the 2008 total.

WSOS SUCCESSES TO DATE

More than 2,500 scholars are currently enrolled. As of October 13, 2013, 2,576 scholars were enrolled in college full time for the 2013-14 academic year. Of those scholars, 1,839 were eligible to receive \$1,000 and 737 were eligible to receive \$5,000 over the course of the academic year. Significantly, 409 of the scholars enrolled in the 2012-13 academic year have successfully graduated with their bachelor's degrees.

The new cohort is even more diverse than the first. A total of 1,488 applicants of diverse backgrounds applied in 2013 and almost half were accepted.

- Approximately half (49%) of eligible applicants self-identified as students of color.
- More than half (59%) of eligible applicants were female.

Scholars come from counties across the state. Counties with the most applicants include:

- 30% in King County.
- 13% in Pierce County.
- 8% in Snohomish County.
- 6% in Spokane County.
- 6% in Clark County.

Scholars can choose from among 367 majors in 12 STEM and health care categories including engineering, engineering technologies, biological and biomedical sciences, health professions, computer and information sciences, physical sciences, natural resources, conservation, mathematics and statistics.

WSOS is renewable for up to five years of college attendance. First- and second-year scholars receive \$1,000 per academic year. When a recipient has attained junior class standing and has been admitted into one of the eligible high-demand majors (as defined by the WSOS Board) the scholarship is increased to \$5,000.

REQUESTED ADMINISTRATIVE CHANGES

WSOS is seeking three administrative changes from the Legislature this session:

- Expanding WSOS Board membership to 11 members to better represent the state's industries and increase the number of people who can participate in the solicitation of funds to enable scholarship program expansion. *RCW 28B. 145.020 (1)*
- Changing the required start day of the disbursement of scholarship funds by the program administrator from beginning no later than May 1 annually to beginning no later than October 1 annually to match how federal and state financial aid dollars are disbursed. *RCW 28B. 145.030 (2)(b)(i)*
- Updating the WSOS statute to allow the WSOS Board the option of using the Washington State Investment Board (WSIB) as the Investment Manager for the WSOS Investment Portfolio by adding language that approves the use of WSIB as the Investment Manager if chosen.



DRAFT LEGISLATION REVISIONS

Ask One: WSOS Board expansion to 11 members

28B.145.020

Opportunity scholarship board.

(1) The opportunity scholarship board is created. The opportunity scholarship board consists of ~~eleven seven~~ members:

(a) ~~Five Three~~ members appointed by the governor. For ~~three two~~ of the ~~five three~~ appointments, the governor shall consider names from a list provided by the president of the senate and the speaker of the house of representatives; and

(b) ~~Six Four~~ foundation or business and industry representatives appointed by the governor from among the state's most productive industries such as aerospace, manufacturing, health ~~care sciences~~, information technology, ~~engineering, agriculture~~, and others, ~~as well as philanthropy~~. The foundation or business and industry representatives shall be selected from among nominations provided by the private sector donors to the opportunity scholarship and opportunity expansion programs. However, the

governor may request, and the private sector donors shall provide, an additional list or lists from which the governor shall select these representatives.

(2) Board members shall hold their offices for a term of four years from the first day of September and until their successors are appointed. No more than the terms of two members may expire simultaneously on the last day of August in any one year.

(3) The members of the opportunity scholarship board shall elect one of the business and industry representatives to serve as chair.

(4) ~~Seven~~ ~~five~~ members of the board constitute a quorum for the transaction of business. In case of a vacancy, or when an appointment is made after the date of expiration of the term, the governor or the president of the senate or the speaker of the house of representatives, depending upon which made the initial appointment to that position, shall fill the vacancy for the remainder of the term of the board member whose office has become vacant or expired.

**Ask Two: Changing start of scholarship disbursement
date**

28B.145.030

Program administrator - Duties - Scholarship account -
Endowment account.

(1) The program administrator, under contract with the *board, shall staff the opportunity scholarship board and shall have the duties and responsibilities provided in this chapter, including but not limited to publicizing the program, selecting participants for the opportunity scholarship award, distributing opportunity scholarship awards, and achieving the maximum possible rate of return on investment of the accounts in subsection (2) of this section, while ensuring transparency in the investment decisions and processes. Duties, exercised jointly with the opportunity scholarship board, include soliciting funds and setting annual fund-raising goals. The program administrator shall be paid an administrative fee as determined by the opportunity scholarship board.

(2) With respect to the opportunity scholarship program, the program administrator shall:

(a) Establish and manage two separate accounts into which to receive grants and contributions from private sources as well as state matching funds, and from which to disburse scholarship funds to participants;

(b) Solicit and accept grants and contributions from private sources, via direct payment, pledge agreement, or escrow account, of private sources for deposit into one or both of the two accounts created in this subsection (2)(b) in accordance with this subsection (2)(b):

(i) The "scholarship account," whose principal may be invaded, and from which scholarships must be disbursed beginning no later than December 1, 2011, if, by that date, state matching funds in the amount of five million dollars or more have been received. Thereafter, scholarships shall be disbursed on an

annual basis beginning no later than May 1, 2012, and every ~~October 1st~~ ~~May 1st~~ thereafter;

Ask Three: WSIB as Investment Manager for WSOS Investment Portfolio

NEW SECTION. **Sec. X.** A new section is added to chapter 28B.145 RCW to read as follows:

(1) The opportunity scholarship board may elect to have the state investment board invest the funds in the scholarship account and endowment account described under RCW 28B.145.030(b). If the board so elects, the state investment board shall have the full power to invest, reinvest, manage, contract, sell or exchange investment money in the two accounts. All investment and operating costs associated with the investment of money shall be paid under RCW 43.33A.160 and 43.84.160. With the exception of these expenses, the earnings from the investment of the money shall be retained by the accounts.

(2) All investments made by the state investment board shall be made with the exercise of that degree of judgment and care under RCW 43.33A.140 and the investment policy established by the state investment board.

(3) As deemed appropriate by the investment board, money in the trust fund may be commingled for investment with other funds subject to investment by the state investment board.

(4) Members of the state investment board shall not be considered an insurer of the funds or assets and shall not be liable for any action or inaction.

(5) Members of the state investment board are not liable to the state, to the fund, or to any other person as a result of their activities as members, whether ministerial or discretionary, except for willful dishonesty or intentional violations of law. The state investment board in its discretion may purchase liability insurance for members.

(6) The authority to establish all policies relating to the scholarship account and the endowment account, other than the investment policies as set forth in subsections (1) through (3) of this section, resides with the opportunity scholarship board and program administrator acting in accordance with the principles set forth in this chapter. With the exception of expenses of the state investment board set forth in subsection (1) of this section, disbursements from the scholarship account and endowment account shall be made only on the authorization

of the opportunity scholarship board or its designee, and monies in the accounts may be spent only for the purposes specified in this chapter.

(7) The investment board shall routinely consult and communicate with the opportunity scholarship board on the investment policy, earnings of the accounts, and related needs of the program.

Sec. Y. RCW 28B.145.050 and _____ are each amended to read as follows:

(1) The opportunity scholarship match transfer account is created in the custody of the state treasurer as a nonappropriated account to be used solely and exclusively for the opportunity scholarship program created in RCW 28B.145.040. The purpose of the account is to provide matching funds for the opportunity scholarship program.

(2) Revenues to the account shall consist of appropriations by the legislature into the account and any gifts, grants, or donations received by the director of the ~~board~~ council for this purpose.

(3) No expenditures from the account may be made except upon receipt of proof, by the director of the ~~*board~~ council from the program administrator, of private contributions to the opportunity scholarship program.

Expenditures, in the form of matching funds, may not exceed the total amount of private contributions.

(4) Only the director of the ~~*board~~ council or the director's designee may authorize expenditures from the opportunity scholarship match transfer account. Such authorization must be made as soon as practicable following receipt of proof as required under subsection (3) of this section.

(5) The council shall enter into an appropriate agreement with the program administrator to demonstrate exchange of consideration for the matching funds.



COHORT 3 TIMELINE

Timeline for Cohort 3

- December 2, 2013 Begin advertising the online scholarship application
- December 2, 2013 Web Site Updated
- January 6, 2014 WSOS Application available
(Available earlier based on feedback from high schools)
- February 24, 2014 WSOS Application closes
- May 1, 2014 Select and non-select decisions sent to applicants





WSOS WRAP AROUND SERVICES

WSOS Wrap Around Services Updates

WSOS Campus Connections

- Websites have been created with pertinent information and links to connect scholars to campus specific staff and resources including tutoring, advising, internships, mentoring and more
- 2139 WSOS Scholars receive the information through eBlast with links to resources and services available on campus

Fall College Campus Event

- 325 WSOS Scholars attended welcome events on 10 of major college campuses

Mentoring

- First-Year College Survival App, powered by csMentor provided to first-year scholars
- 168 WSOS Scholars participating in e-mentoring

Microsoft Employee Event

- September 26 – Key Arena
- 30 WSOS Scholars participated in program and expressed their appreciation for the WSOS Scholarship and support

Washington STEM Summit

- December 2 at Microsoft
- Co-sponsored by WSOS, 200+ participants from businesses and STEM Networks
- STEM Networking and reception 50+ WSOS Scholars participate





GRADUATION AND RESEARCH REPORT

Graduation & Research Report Prepared for the Washington State Opportunity Scholarship Board Meeting December 19, 2013

1. What do WSOS graduation rates look like for public and independent/ private institutions?

- Graduation rates from independent/ private institutions are higher for 4th Year WSOS Scholars (66% vs. 54%) but lower for 5th Year WSOS Scholars (67% vs. 79%) compared to public institutions. Overall graduation rates for 4th and 5th Year WSOS Scholars are slightly higher at independent/ private institutions (66% vs. 59%).

Bachelor's Degree Graduation Rates by Institution Type

Application Grade (Self-Reported)	Funded at Four-Year Independent/Private	Graduated from Four-Year Independent/Private	% Graduated of Funded at Four-Year Independent/Private	Funded at Four-Year Public	Graduated from Four-Year Public	% Graduated of Funded at Four-Year Public
First Year	136	1	1%	520	1	0.1%
Second Year	66	0	0%	213	2	1%
Third Year	148	6	4%	624	55	9%
Fourth Year	56	37	66%	398	214	54%
Fifth Year	12	8	67%	107	84	79%
Total	418	52	12%	1,862	356	19%

Note: One scholar received funding, later transferred to an out-of-state college, and graduated with their bachelor's degree.

2. What does institutional capacity look like for public and independent/ private institutions?

- In order to learn how best to frame the discussion around institutional capacity, TIP Strategies conducted a pilot study regarding computer science majors. While limited, this study represents the best data source on the issue currently available.
- From 2009-2011, available data indicates that Washington independent/ private institutions produced 970 Bachelor's-level degrees in computer science, while Washington public institutions produced 1,375 Bachelor's-level degrees in computer science.
- Worth noting, with the exception of the University of Washington-Seattle campus, no other colleges or universities have had to constrain enrollment in their computer and information technology programs.
- For the majority of institutions, the most pressing factor limiting future capacity is the ability to hire additional faculty (this sentiment was echoed at a recent roundtable held at the University of Washington-Seattle).

Bachelor's-level Computer Science Degree Completions by Institution Type
(source: TIP Strategies)

Institution Type	Institution Name	Bachelor's-level Completions 2009- 11
Independent/ Private	The Art Institute of Seattle	63
	City University of Seattle	133
	DeVry University- Washington	103
	DigiPen Institute of Technology	290
	Gonzaga University	25
	Heritage University	7
	ITT Technical Institute- Everett	15
	ITT Technical Institute- Seattle	44
	ITT Technical Institute- Spokane Valley	45
	Pacific Lutheran University	46
	Saint Martin's University	26
	Seattle University	23
	Seattle Pacific University	21
	University of Phoenix- E. Wash. Campus	6
	University of Phoenix- W. Wash. Campus	46
	University of Puget Sound	28
	Walla Walla University	10
Whitworth University	39	
	Sub-total	970
Public	Central Washington University	60
	Eastern Washington University	105
	University of Washington- Bothell	156
	University of Washington- Seattle	554
	University of Washington- Tacoma	211
	Washington State University	148
	Western Washington University	131
		Sub-total
Total		2,335

3. Where are graduates going and how long is it taking them to find employment?

- To date, no data collection efforts regarding employment have been implemented.
- In the short-term, CSF's R & E Department will design and implement a WSOS Employment Survey in early 2014 (January- February). The survey will be sent to all WSOS graduates, and will assess intentions for seeking employment, current/past job seeking efforts, and current employment. Data will be summarized in March, and will provide the WSOS Board with relevant information regarding (1) where WSOS graduates are going and (2) how much success they are having in the job market.
- In the longer term, CSF's R & E Department will merge WSOS research interests related to needs of current scholars, scholarship renewals, and employment into a single assessment to be implemented annually in May- June. The survey will be offered online, and depending on respondents' current status in the program (current- renewing; current- graduating; current- not renewing; previous graduate) they

will be directed to the questions of interest. This larger survey effort, given its importance, will be supported with sufficient incentives to generate necessary response rate.

4. Is there any rationale why STEM students may need five or six years to graduate?

- While the average time to bachelor's degree completion was 4.3 years and 130 credits in 1972, by 1992 the average time to completion was 4.6 years and 138 credits.¹ Nationally (2011), more than 60 percent of bachelor's degree graduates take longer than four years, and close to 30 percent take more than six.¹
- The Higher Education Research Institute (2010) found that White and Asian American students who began college in 2004 had four-year STEM degree completion rates of 24.5% and 32.4%, respectively, compared to 15.9% Latino, 13.2% Black and 14.0% of Native American STEM majors.² Five-year STEM completion rates were 42% for Asian American students, 33% White, 22.1% Latino, 18.4% Black, and 18.8% Native American. (Six-year completion rates have not yet been published from this study.)²
- Student-level reasons cited for the increased time to completion include students' lack of academic preparation, working part- or full-time jobs, changing majors, and choosing to stay longer. Institution-level reasons cited for the increased time to completion include allowing degree requirements to creep upward, failing to provide clear road maps to timely degrees, community colleges giving credit for material they should know four-year colleges will not accept, and four-year colleges failing to give credit for legitimate community college coursework. State-level reasons cited include lack of adequate institution funding and student aid, providing generous subsidies to students who do not need them, providing inadequate support to those that do, and funding institutions based on keeping students enrolled not getting them out the door.
- According to a National Center for National Statistics (2012) longitudinal study of students who entered college in 2003, after six years, 51.7% of STEM majors remained in STEM, compared to 55.1% of non-STEM majors who remained in their broader major category. By major within STEM, Mathematics majors were most likely to remain in their major (62.4%), followed by Engineering/technologies (59.0%), Biological/life sciences (54.4%), Physical sciences (54.0%), and Computer Science majors (40.8%).

¹ Complete College America. (2011). Three Policies to Reduce Time to Degree. <http://www.completecollege.org/docs/Three%20Policies%20to%20Reduce%20Time%20to%20Degree%20-%20Nate%20Johnson.pdf> (accessed 10/2/13).

² Higher Education Research Institute. (2010). Degrees of Success: Bachelor's Degree Completion Rates among Initial STEM Majors. <http://www.heri.ucla.edu/nih/downloads/2010%20-%20Hurtado,%20Eagan,%20Chang%20-%20Degrees%20of%20Success.pdf> (accessed 10/2/13).

