

# WASHINGTON STATE **OPPORTUNITY** SCHOLARSHIP

## **BOARD MEETING AGENDA WEDNESDAY, JUNE 19, 2019 | 1:00-3:00 P.M. MICROSOFT CAMPUS, BUILDING 34**

Conference call dial in #: **425-616-0754** / passcode: **465 686 66#**

- |  |         |   |            |
|--|---------|---|------------|
| I. <b>Meeting Called to Order</b>                              |         | <b>Brad Smith</b><br>WSOS Board Chair                             | 1:00p      |
| II. <b>Approval of Minutes from April 1, 2019 Meeting</b>      | [Tab A] | <b>Brad Smith</b>   | 1:00-1:05p |
| III. <b>Program Expansion Update</b>                           | [Tab B] | <b>Kimber Connors</b><br>WSOS Deputy Director                     | 1:05-1:25p |
| » Overview of Expansion and Key Updates                        |         |   |            |
| » Panel Discussion featuring WSOS Scholars                     |         |   |            |
|  |         | <b>Theresa Britschgi</b><br>WSOS Scholar Placement Director       |            |
|  |         | <b>WSOS Scholar Leads and Mentees</b>                             |            |
| IV. <b>2019-20 Career &amp; Technical Scholarships</b>         | [Tab C] | <b>Steve Walker</b><br>WSOS Awards Admin Director                 | 1:25-2:15p |
| Application & Selection  |         |   |            |
| » <i>Board Action:</i> CTS Selection Criteria                  |         |   |            |
| V. <b>WSOS Leadership Transition</b>                           | [Tab D] | <b>Jane Park</b><br>WSOS Board Member &<br>Search Committee Chair | 2:15-2:35p |
| » Update on WSOS Executive Director Search                     |         |   |            |
| » <i>Board Action:</i> Resolution on Acting Executive Director |         |   |            |
| VI. <b>Finance and Program Administrator Update</b>            | [Tab E] | <b>Mack Hogans</b><br>F&I Committee Chair                         | 2:35-2:45p |
|  |         | <b>Yoko Shimomura</b><br>Washington STEM COO                      |            |
| VII. <b>WSOS Program Update &amp; Reflection</b>               | [Tab F] | <b>Naria K. Santa Lucia</b><br>WSOS Executive Director            | 2:45-3:00p |
| VIII. <b>Closing</b>   |         | <b>Brad Smith</b>   | 3:00p      |

### **Important Upcoming Dates**

**2019 Board Meetings - all meetings at Microsoft campus at 1-3p**

Tuesday, October 22

Tuesday, December 17

**OpportunityTalks, Wednesday, November 6, 2019 at the Sheraton Seattle**

# **Tab A**

**Minutes from the April 1, 2019 Board Meeting**

**WASHINGTON STATE OPPORTUNITY SCHOLARSHIP BOARD MEETING  
THURSDAY, APRIL 1, 2019, 1-3 PM, MICROSOFT CAMPUS**

**MEETING MINUTES**

The Board of Directors of the Washington State Opportunity Scholarship (WSOS) met on April 1, 2019 at the Microsoft headquarters in Redmond, Washington.

Board members: Brad Smith, Miller Adams, Joelle Denney, Mack Hogans, Jane Park, Gary Rubens, and Jim Sinegal; Antony Chiang and Mike Wilson by phone

Additional attendees: Naria Santa Lucia, Erin Ashley, Gina Breukelman, Theresa Britschgi, Jane Broom, Kimber Connors, Karyl Gregory, Caroline King, Jessica Monger, Cristal Rangel Peña, Yoko Shimomura, Dave Stoller and Steve Walker; Lianda Abraham, Terrie Ashby-Scott, Mesa Herman, Rachel Johnson, Patrick Kang, Jenna Magnotti, Joanna Moznette, Stan Pichinevskiy and Aileen Tubo by phone

**Meeting Called to Order**

Brad Smith called the board meeting to order at 1:01 pm.

**Approval of Minutes**

Jim Sinegal moved that the minutes of the January 10, 2019 Board Meeting be approved. Mack Hogans seconded the motion and it carried unanimously.

**WSOS Scholar Spotlight**

Naria Santa Lucia, Executive Director at WSOS, introduced Cristal Rangel Peña, as WSOS' first Scholar Alumni hire. Peña reported that she is in her third week in her new position as Awards Coordinator at WSOS. She further reported that she was part of the second ever WSOS cohort and she is pleased to serve on the WSOS team with her unique perspective as a former Opportunity Scholar.

**2019-20 Applications & Selection**

Next, WSOS staff presented the 2019-20 WSOS application process for Cohort 8.

Kimber Connors, Deputy Director at WSOS, reported first on the re-envisioning of the essay questions for this year's application. Connors acknowledged the hard work of Aileen Tubo on the Awards Team for her effort in revising the questions. Connors reported that the revised essay questions yielded fewer applications but noted that eligibility numbers for the scholarship are higher this year. Connors also reported that all essay questions were read once and scored by staff, alumni or community volunteers. The scoring of the essays was then normalized using a formula. The goal for next year is to have each essay read and scored by two people.

Connors reported that 1,850 students will be selected from the 4,564 applications received once WSAC verifies their residency and family income and the selection model is approved by the Board. This year will mark the last large cohort because the Rubens scholarship will end. Next year, without additional fundraising for this specific baccalaureate scholarship, 750 students will be selected.

Connors reported the three guiding principles for selection: select students who are highly likely to persist to college graduation; prioritize statewide impact in specific, high-demand fields; promote equity of access to educational opportunity for students who might not otherwise achieve a bachelor's degree.

Connors presented a proposed selection model for Cohort 8 using modified measures and weights from last year. Connors reported that the intended major now represents families of majors. Connors presented Cohort 7's baseline selection criteria and then presented two possible options as Cohort 8's selection model. While

Option A speaks best to our legislative mandate, the Board discussed changing two of the weightings in this option with the intended outcome of representing every county in the state. The change involved reducing the weight of the first essay which assesses STEM interest (from 10% to 7.5%) and increasing the weight of the second essay which gauges resiliency and potential (from 10% to 12.5%). Steve Walker, Awards Administration Director at WSOS, ran immediately the data impact of this modification and confirmed the revised Option A selection model would enable the reach of our scholarship into all 39 counties in Washington.

Mack Hogans made a motion to approve the revised Option A for the Cohort 8 selection model. Jim Sinegal seconded the motion and it carried unanimously.

#### **Program Update**

Theresa Britschgi, WSOS Scholar Placement Director, announced two upcoming Skills that Shine networking events: Spokane on April 18 and Seattle on April 23. All board members are invited to attend these events.

Erin Ashley, WSOS Development Director, presented the new logo for our next OpportunityTalks Breakfast which will be held this year on November 6. Ashley reported that Adam Grant will be the keynote speaker and Mariam Mayanja will be our featured Scholar speaker. WSOS Board member Miller Adams and Sarah Bird, CEO of Moz, will serve as co-chairs and asks are out for two more co-chairs. Ashley will be contacting board members regarding the Challenge Fund.

Jessica Monger, WSOS External Affairs Director, reported on the increased earned media. Monger then reported on a bill in the current legislative session, HB2158, which would amend the definition of private sources to include municipalities, counties and federally-recognized native American tribes thus allowing all of these entities to invest in WSOS and receive matching dollars that can be only used per their municipality, county or tribal "program rules." This bill also makes clear that WSOS funds cannot be counted as state aid for the purposes of calculating College Bound awards. This ensures that Scholars will not see their Opportunity Scholarship dollars reduced because WSOS counts against their total award amount. This fix was particularly important for the Career and Technical Scholarship. The bill also strikes the service obligation for the advanced health care degree scholarship program.

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

Mack Hogans, WSOS Finance & Investment Committee Chair, welcomed Yoko Shimomura as Washington STEM's new COO. Hogans reported that Clark Nuber's audit report on WSOS finances is complete and a clean opinion was issued. Hogans reported that committee members are fully confident in Washington STEM's financial reporting. Hogans further reported that WSIB provided the latest market report and WSOS' investments tracked similarly with dismal 4<sup>th</sup> quarter results. In fact, December's results wiped out gains from the whole year. In January, returns rebounded 8.2% but the market is still volatile. Some of the volatility was avoided with the new asset re-allocation completed by WSIB in November. Hogans reported that the Committee is satisfied with the soundness of WSOS investments.

The meeting went into Executive Session at 2:07 pm to review the performance of the WSOS Executive Director, Naria K. Santa Lucia. The Board reconvened in open session at 2:52 pm. Following the Executive Session, Hogans moved to recommend that program administrator Washington STEM increase compensation for the WSOS Executive Director. The motion was seconded by Jane Park and it carried unanimously.

Respectfully submitted,  
Karyl Gregory

# **Tab B**

## **Program Expansion Update**

# WASHINGTON STATE **OPPORTUNITY** SCHOLARSHIP

## **PROGRAM EXPANSION: Year 1 Update**

### **BOARD DIRECTIVE**

In spring 2017, the Board of Directors instructed the WSOS team to recommend the best use of available funds to grow the Opportunity Scholarship program. The options considered were to: 1) increase the scholarship amount per student; 2) increase the number of Scholars funded; or 3) grow program supports. In December 2017, the Board voted to use the funds for **program expansion** with specific focus on building a near-peer mentoring model.

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## KEY ELEMENTS OF PROGRAM EXPANSION

- Launch near-peer mentoring model with 2018-19 inaugural year of the **Scholar Lead** program.
- Expand industry mentoring model through 100% third-year participation in **Skills that Shine**.



SCHOLAR LEAD



SKILLS THAT SHINE

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## SIGNATURE PROGRAM: Scholar Lead Near-Peer Mentoring

The **goal** of the Scholar Lead program is to **leverage near-peer mentoring to improve persistence outcomes**, ensuring academic and social success for first- and second-year Scholars.



SCHOLAR LEAD

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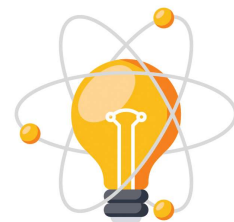
## SCHOLAR LEAD PROGRAM ELEMENTS

- Recruited **152** Scholar Leads; **145** retained in 2018-19
- Trained Scholar Leads at training events across the state (**Puget Sound, Pasco, Spokane, online**)
- Provided ongoing support to all Leads
  - **~35** Leads per Advisor
- Leads provided ongoing support to all mentees
  - **~15** mentees per Lead
  - **>16,000** contacts made with mentees!
- Leads received total stipend of **\$1,800**

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## SIGNATURE PROGRAM: Skills that Shine Industry Mentoring

The **goal** of the Skills that Shine program is to **leverage industry mentoring to enhance Scholars' career readiness skills and network**, ensuring a smoother transition from college to career.



**SKILLS THAT SHINE**

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## SKILLS THAT SHINE PROGRAM ELEMENTS

- Designed a proprietary matching platform
- Converted & updated prior StS curriculum to online platform
- Recruited **167** mentors from **63** companies
- **208** third-year Scholars received mentorship
- Provided ongoing support to all mentors & mentees
- Culminating networking celebration in Spokane & Seattle

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- **Panelists:**

- Skills that Shine Mentor
  - DOUGLAS BARRANCOTTO, Chief of Staff, Azure Dedicated, Microsoft
- Skills that Shine Mentee
  - TIN VO, Electrical Engineering, University of Washington
- Scholar Lead
  - WENDY NI, Biochemistry, University of Washington

- **Moderators:**

- HANNAH OLSON, WSOS Talent Resource Manager
- PATRICK KANG, WSOS Scholar Success Advisor

## OUTCOMES: KPIs & GOALS

- Renewal Survey Open **Until June 30**
- **COMING SOON!** October BOD Meeting
  - Satisfaction questions on Scholar Lead program
  - Satisfaction questions on StS program
  - First look at persistence impacts (Y1 to Y2, Y2 to Y3)

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# **Tab C**

## **2019-20 Career & Technical Scholarships**

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**Career and Technical  
Scholarship  
Application & Selection**

**GOAL**

- Vote on the 2019-20 Career and Technical Scholarship selection criteria
  1. Overview
  2. Profile of CTS applicants
  3. Selection model recommendation

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## CAREER AND TECHNICAL SCHOLARSHIP



\$1,500 per quarter, plus support services



Associate degrees, certificates and apprenticeships



High-demand STEM, health care and trade jobs

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## ELIGIBLE PROGRAMS

- Eligible programs determined per college
- Must be:
  - High-demand based on statewide or regional data
  - STEM, health care or trade
  - A credential appropriate for the field
- Affirmed by colleges and workforce development councils statewide

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## APPLICATION

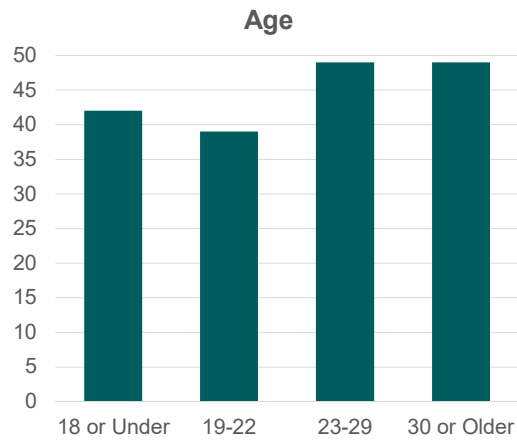
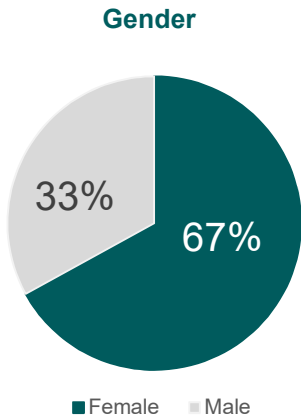
- Selecting 550 scholars for the 2019-20 academic year
- Application open three times per year
  - Fall: 275 selects
  - Winter: 165 selects
  - Spring: 110 selects
- Fall 2019 application opened May 20, closes July 12

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## CTS APPLICANT PROFILE (PREVIEW)

Intended Program	Percent of Applicants
Nursing	24%
Medical Assistant / Technician	18%
Information Technology	15%
Medical Support Services	13%
Manufacturing & Engineering	10%
Automotive / Heavy Engine	6%
Welding	4%
Construction & Architecture	4%

## CTS APPLICANT PROFILE (PREVIEW)

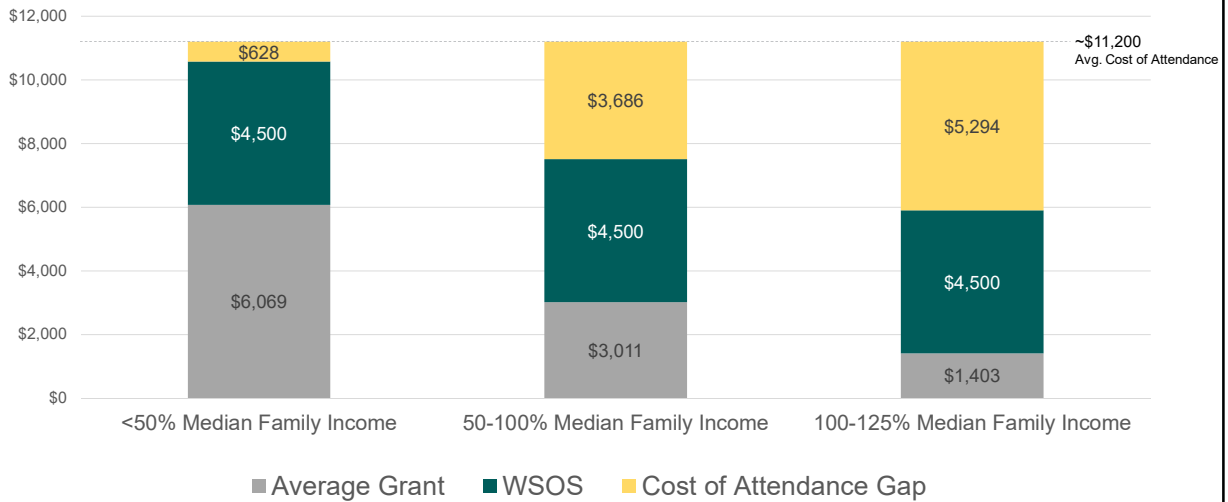


**Median Income**

**\$22,363**

## FINANCIAL CONTEXT

Impact of CTS on Average Awardee

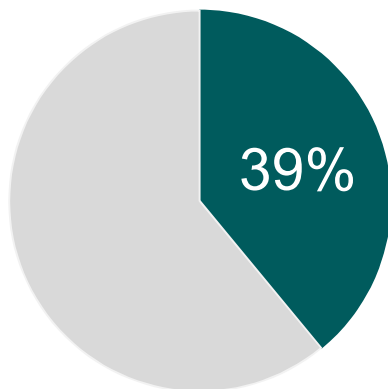


## GEOGRAPHIC CONTEXT

- Community college graduates more likely to live and work in the same community
- Many rural communities, particularly those with the highest rates of unemployment, are 1-4 hours from the nearest community or technical college

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## ACADEMIC CONTEXT



**39% of CTC students earn any credential within 6 years**

### What predicts CTC completion?

- Every 1 point increase in HS GPA translates to a 22% greater likelihood of completing
- Students who receive a Pell Grant are 7.5% more likely to complete
- Enrolling in a program in the first year leads to a 66% greater likelihood of earning a credential or transferring to a 4-year institution within 3 years

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## SELECTION GOALS

- Prioritize impact statewide in **specific, high-demand fields**
- Select scholars **highly likely to complete** their program
- Promote **equity of access** to higher education

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## CTS SELECTION MODEL

Criteria	Baseline (Baccalaureate C8)	Option A	Option B
GPA	20%	20%	25%
Essay(s) (Resilience)	20%	15%	15%
Intended Program	20%	20%	15%
Family Income	20%	20%	20%
First Generation	12%	10%	10%
Community Opportunity	8%	15%	15%

Additional Recommendation: Select a minimum of 2 applicants per CTC for Fall 2019

# **Tab D**

## **WSOS Leadership Transition**

# EXECUTIVE DIRECTOR OPPORTUNITY

**Location:** Seattle, Washington

**Posting Date:** May 6, 2019

**Salary:** Salary range is \$155,000 – \$195,000, DOE

**Deadline:** Applications submitted by May 27 at 5:00 pm (PST) will be given full consideration. Interviewing will begin in late May; early applications are strongly encouraged.

**Washington State Opportunity Scholarship (WSOS) is seeking a strategic and dynamic leader to be its next Executive Director**

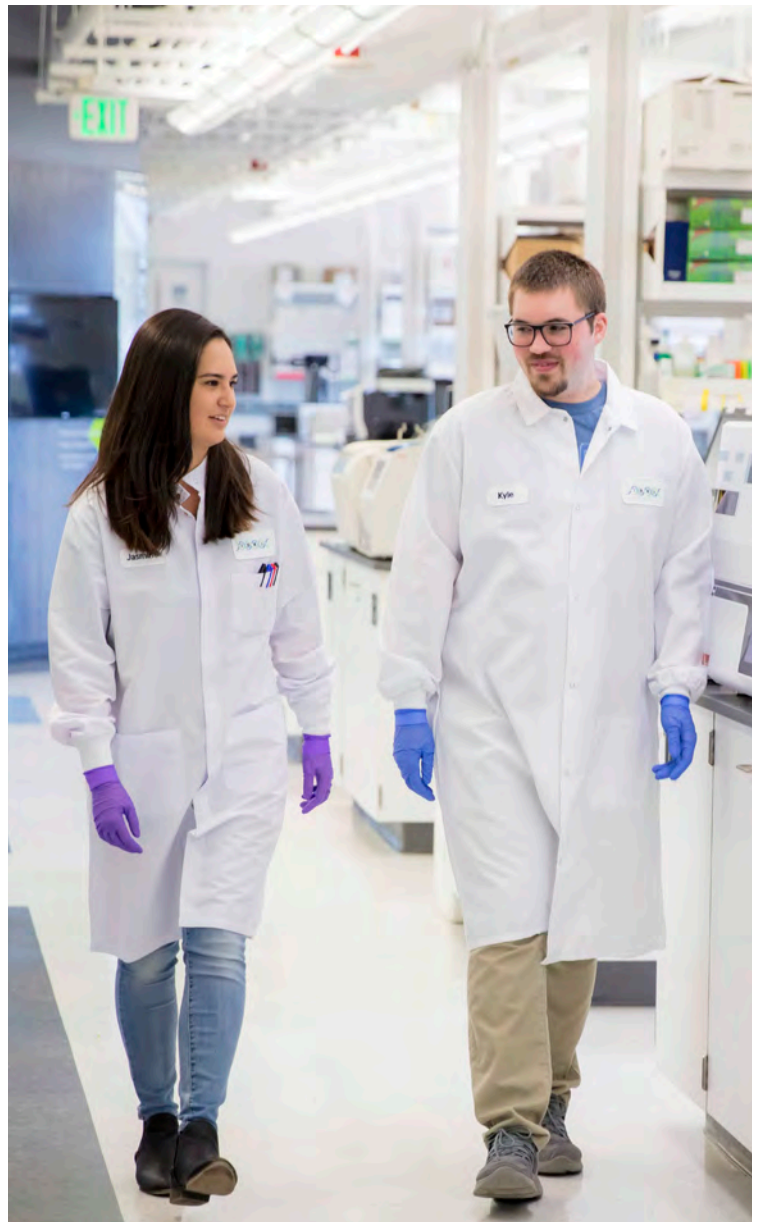
**APPLY NOW**

The successful candidate will have the opportunity to impact the lives of thousands of under-resourced and underrepresented students in Washington state by helping them access the education and skills they need to secure top jobs in high-demand fields that fuel Washington's thriving economy.

This leader will work with a committed and dedicated staff of 20 as well as an influential Board of Directors to provide thousands of students with financial awards, student support services, and industry and professional mentoring so they can graduate from college and successfully launch their careers.

The next Executive Director has the potential to be a thought leader nationally as WSOS shares its learnings about this unique and effective public-private partnership which is the first of its kind in the nation.

We are looking for a leader who is innovative, solution-centric, action-oriented and data-driven. They must be a collaborative and adaptable team leader who holds equity as a core value in everything they do.



# ABOUT WASHINGTON STATE OPPORTUNITY SCHOLARSHIP



## The mission of Washington State Opportunity Scholarship is to build pathways into high demand Washington careers for Washington students

Washington has one of the fastest growing state economies in the nation, with more STEM and health care jobs than we can fill. The Washington State Opportunity Scholarship was created in 2011 to address workforce gaps in the high-demand sectors that drive our economy like aerospace, engineering, technology and health care. WSOS aims to connect our state's leading employers with top Washington talent by reducing barriers to education and training and by facilitating entry into high-demand careers. With the generous support and engagement of private donors – matched dollar for dollar by the state of Washington – WSOS prepares and launches low- and middle-income Washington students into the careers that drive our state economy.

WSOS recognizes that not everyone in Washington has the same opportunity to go to college, and we are passionate about reducing barriers for Scholars from diverse backgrounds. In the most recently awarded cohort of students, 61% of Scholars are women, 65% are first-generation college students, and 64% are students of color. To ensure their success, WSOS couples financial support with an essential year-to-year student support system and critical professional mentorship including summer internships, research opportunities, and more. To date, over 3,300 of our Scholars have graduated with a bachelor's degree and nearly all (94%) are employed or in graduate school. WSOS is launching Scholars into the industries that drive the Washington economy, and we are doing so by closing the achievement gap in STEM fields across gender, race and ethnicity. We support Scholars from every county and legislative district in Washington since our state's workforce challenge requires solutions that meet local needs.

- 61%** of Scholars are women
- 65%** of Scholars are first-generation college students
- 64%** of Scholars are students of color
- 94%** of Scholars are employed or in graduate school within 9 months of graduation
- 3,300** Scholars have graduated with a bachelor's degree

# ABOUT WASHINGTON STATE OPPORTUNITY SCHOLARSHIP

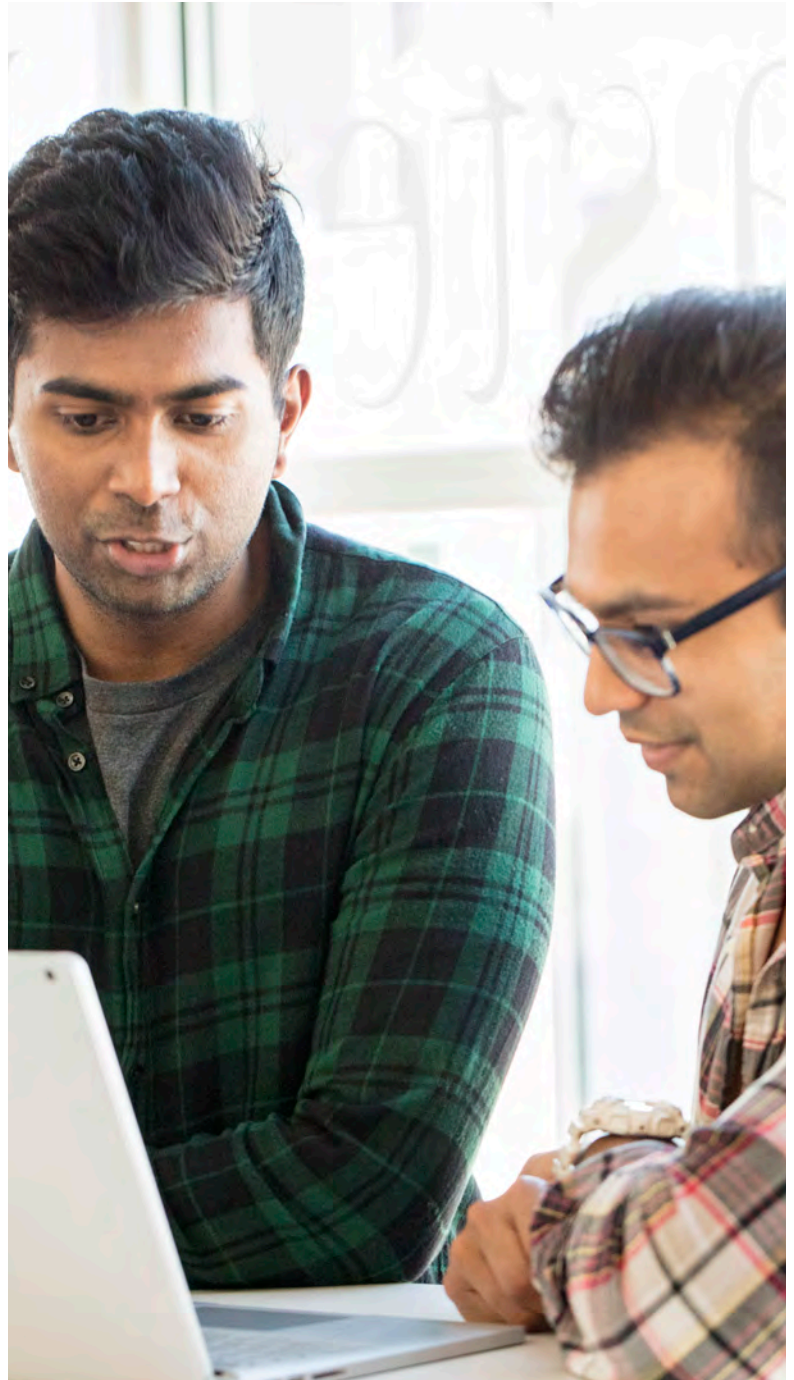
## WSOS is on track to serve 16,000 Scholars by 2025

Driven by our commitment to be a win-win-win for students, employers, and Washington state taxpayers, to-date WSOS has raised nearly **\$200 million** through private contributions and the state match. Industry leaders, including founding partners Boeing and Microsoft, help power our Board because they recognize the need to bolster a pipeline of local talent to fill our state's job needs. Our legislative success is due to the bi-partisan support WSOS has received for our outcomes and the progress we've made toward our goals.

## Organizational Snapshot

WSOS currently has an annual operating budget of **\$3 million** and supports a scholarship budget of **\$24 million** annually. The 11 member Governor-appointed Board of Directors meets quarterly. There is a staff of 20 FTE working in Scholar Services (financial awards, student support services and mentoring, career support services and mentoring, and data reporting) and Capacity Building (development, communications, and operations). WSOS works together with its partner and program administrator Washington STEM, which provides HR, IT, and financial services for WSOS.

The main WSOS office is located in Seattle's Mt. Baker neighborhood; some staff work out of a Spokane site. The work-place culture at WSOS is fast-paced, innovative, solutions-centric and equity-focused. All are encouraged to think creatively, voice their opinions, try new things, fail quickly, evaluate, iterate, and try again.



# EXECUTIVE DIRECTOR OPPORTUNITIES AND RESPONSIBILITIES



**Working closely with the WSOS Board of Directors, the Executive Director generates support, raises awareness, and guides implementation of the vision for the WSOS program. The Executive Director oversees a staff of 20, including 4 direct reports, and plays a leading role in establishing strong relationships with corporations, government, major donors, private grant makers, and partner organizations.**

## Key responsibilities include:



### STRATEGIC LEADERSHIP

Design and implement a long-term strategic vision for the organization in collaboration with the Board, including goals and outcome metrics. Provide sound fiscal and administrative oversight of the entire organization.



### DEVELOPMENT

Lead the development team in creating and executing fundraising strategy. Together with the Board, cultivate relationships with corporations, foundations, and individuals and solicit their support for WSOS.



### ADVOCACY AND COMMUNICATIONS

Serve as the chief spokesperson and evangelist for WSOS. Support the work of the Board, consultants, strategists and lobbyists in meeting advocacy and funding goals.



### STAFF DEVELOPMENT

Recruit, develop, motivate, and retain top talent by supporting a workplace culture that values innovation and inclusion. Work to harness the rapid staff growth of the past 2 years by putting systems in place that serve a larger and more mature organization.



### PROGRAM DELIVERY

Ensure effective scholarship administration and support services program delivery and design, including successful implementation of the new Career & Technical scholarship. Direct the successful maintenance, evaluation and continuous improvement of the baccalaureate scholarship and Scholar Lead near-peer and Skills that Shine industry mentorship programs.

## THE IDEAL CANDIDATE

WSOS seeks candidates who are passionate about moving under-resourced students into college and thriving careers. More than any one particular area of content expertise, WSOS is looking for a talented and strategic leader who can drive a clear vision in a rapidly changing environment. The WSOS Board and stakeholders are a dynamic group of corporate and public-sector leaders, requiring an ED with intellectual confidence, maturity, thick skin and expert diplomacy. This leader must be adept at creating and executing strategies to enhance impact, with a proven ability to identify innovative opportunities, take risks, and adjust course as needed. They must be committed to promoting social justice and racial equity, and lead with equity at the core of their outlook and vision.

### Our next Executive Director should be:

- A compelling communicator with diverse audiences, equally comfortable speaking to business and political leaders as well as with students from all backgrounds
- Data-driven in decision making and goal-setting
- An experienced and skilled team leader, with a commitment to working collaboratively and developing and motivating others
- Someone with a growth mindset who regularly seeks feedback and coaching from others
- Flexible and able to adapt as situations change, demonstrating grace under pressure
- Able to skillfully manage within a complex public-private governance structure
- Fearless about advocating for and seeking support on behalf of Washington's students



The successful candidate will be an accomplished leader from the nonprofit, business, education, or government sectors. An understanding of nonprofit management, including the role of a nonprofit Board and fundraising strategy, will be useful. WSOS serves all of Washington state, so familiarity with its different communities' challenges and opportunities is helpful. Specific background in higher education in the state of Washington, the Washington state legislature, and the intricacies of public-private partnerships are all beneficial. People who have personal experience as a first-generation, under-resourced, or underrepresented student like the majority of those WSOS serves are especially encouraged to apply.

## COMPENSATION AND BENEFITS

This is a full-time exempt salaried position requiring a willingness to work some evenings and weekends and occasional travel throughout the state of Washington. The expected base salary range is between **\$155,000-\$195,000** depending on qualifications and experience. In addition, an annual performance bonus of up to **10% of salary** is offered, based upon achievement of agreed upon organizational and individual performance goals.

Employees are eligible for a comprehensive benefits package including generous PTO and holidays, health insurance including medical, dental, and vision, and access to an employer-matched 401k retirement benefit.

## COMMITMENT TO EQUITY

We seek to use an equity lens in all aspects of our work empowering under-resourced Scholars to access their own agency. WSOS recognizes that socio-economic burdens and benefits are not distributed equitably and that systematic barriers of intolerance, discrimination and social injustice are deeply rooted in history and impact our state's underrepresented communities. We challenge ourselves to dismantle these barriers. We strongly encourage applications from people of color and other historically underrepresented and marginalized groups.

## HOW TO APPLY

**Apply online by clicking on this link:**

**<https://cloversearchworks.recruiterbox.com/jobs/fk0j48n>**

Online applications only, please no email or paper submissions. You will be asked to upload a cover letter and resume. In your cover letter, please describe as specifically as you can how your experience, skills, and values are a fit with WSOS' goals, mission, and ideal candidate characteristics as described in this announcement.

**Applications received by May 27, 2019 at 5pm will be given full consideration; early applications are strongly encouraged!** All applications will be acknowledged via an email receipt and will be held confidentially within the search committee. Consideration will be given to applications as soon as they are received; phone and in-person interviewing will begin in late May, 2019. Candidates invited to move forward after a phone screen will be asked to submit an equity statement.



The search for this position is being facilitated by [Clover Search Works](#), a search firm that provides a full range of search services to nonprofit organizations in the Pacific Northwest and beyond. Clover Search Works is honored to partner with Washington State Opportunity Scholarship in the search for a new leader to carry out their important mission of building pathways into high-demand Washington careers for Washington's students.

**Questions regarding this opportunity are welcomed** and can be directed to Emily Anthony of Clover Search Works.

**Email:** [emily@cloversearchworks.com](mailto:emily@cloversearchworks.com) | **Phone:** 206-355-9130



## **Resolution to Appoint an Acting WSOS Executive Director**

In the event of disability, death, departure or other incapacity of the Washington State Opportunity Scholarship (WSOS) Executive Director, the WSOS Deputy Director shall serve as the Acting Executive Director.

If the WSOS Deputy Director is unable or unwilling to serve as Acting Executive Director, the WSOS Board of Directors will appoint another member of the WSOS Leadership Team as the Acting WSOS Executive Director.

The Acting WSOS Executive Director will have the full authority for decision-making and independent action as the regular Executive Director. The WSOS Board or its designee will assume responsibility for monitoring the work of the Acting WSOS Executive Director.

Should the Acting WSOS Executive Director serve for a period longer than thirty (30) days, the WSOS Board Chair or his or her designee may be offer:

- A temporary salary increase to the entry-level salary of the CEO position;
- A one-time performance incentive payment; or
- No additional compensation.

## **Tab E**

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

## Agenda

### **WSOS Investment & Finance Committee Meeting**

*June 12, 2019 | 2:00 pm - 3:15 pm*

Washington STEM, 210 S Hudson Street, Seattle, WA 98134

or

Call-in: 800-582-3014 – PIN: 13389906

- |    |   |                 |          |
|----|---|-----------------|----------|
| 1. | Call to Order & Introductions   | Mack H.         | (5 min)  |
| 2. | Approval of March 26, 2019 Minutes  | Mack H.         |          |
| 3. | Program Administrator Report <ul style="list-style-type: none"><li>Action Requested: Investment Policy Update</li></ul> | Washington STEM | (15 min) |
| 4. | WSIB Report   | Chris P.        | (20 min) |
| 5. | Program Update <ul style="list-style-type: none"><li>» Leadership Transitions</li><li>» Legislative Update</li></ul>    | Naria S.L.      | (10 min) |
| 6. | Other Business  | Mack H.         | (5 min)  |
| 7. | Executive Session   | Mack H.         | (5 min)  |

**2019 MEETINGS:**

**Wednesday, September 18<sup>th</sup> at 2-3 pm**

**Wednesday, December 11<sup>th</sup> at 2-3 pm**

## **Section 2**

Approval of March 26, 2019 Minutes

## FINANCE & INVESTMENT COMMITTEE MEETING MINUTES | TUESDAY, MARCH 26, 2019

**Members present:** Mack Hogans (Committee Chair), Carolyn Kelly; Beau Damon, Brad Faulhaber, DeShay McCluskey, Bob Moser and Julie Sandler by phone

**Other participants:** Naria Santa Lucia (WSOS Executive Director), Kimber Connors (WSOS), Karyl Gregory (WSOS), Caroline King (Washington STEM), Chris Phillips (WSIB), Matt Poth (Washington STEM) and Yoko Shimomura (Washington STEM)

Mack Hogans called the meeting of the Washington State Opportunity Scholarship (WSOS) Finance and Investment Committee to order at 2:02 pm and conducted a roll call and self-introduction of all participants.

Hogans announced that Caroline King, Washington STEM's Executive Director, will be leaving on May 31<sup>st</sup>. King has effectively partnered with WSOS and she will be greatly missed. A search to replace King is in process.

Hogans introduced Yoko Shimomura, Washington STEM's new COO. Prior to Washington STEM, Shimomura held various leadership positions at the Bill and Melinda Gates Foundation. Before joining the Gates Foundation, Shimomura served at Washington Mutual Bank.

Hogans announced that Washington STEM board member Jennifer Daquiz Hare will be replacing Elizabeth Tinkham on this committee.

### **Approval of Minutes from December 5, 2018 Finance and Investment Committee**

Carolyn Kelly made a motion to approve the minutes of the December 5, 2018 meeting. DeShay McCluskey seconded the motion and it carried unanimously.

### **Program Administrator Report**

Matt Poth, Director of Finance at Washington STEM, reported a clean audit. Poth then presented financial statements through December 31, 2018. Total assets: \$120.85M. Total liabilities: \$31.45M. Total net assets: \$89.4M which is \$18.54MM less than 12/31/17. Pledge receivables: \$7.026M Rubens Family Foundation, \$2.5M Microsoft, \$17K other individuals. Total revenue for 2018: \$3.2M (\$852K contributions, \$5.38M State Match, <\$3M>loss net investments). Total investments: \$106.4M.

Poth reported that a new disclosure has been added to the financial reporting regarding the liquidity and availability of financial assets. It includes the following: 1) Qualitative information on how WSOS manages its liquid available resources and its liquidity risk; 2) Quantitative information which communicates the availability of WSOS financial assets at the balance sheet date to meet cash needs for general expenditures within one year.

Poth reported that budget to actual expenses came in very close. Expenses for professional fees were higher than budgeted due to costs for near peer mentoring, communications, lobbying and IT.

Poth reported that the state matched \$3.59M in October. The accrual is sent quarterly by Washington STEM with the last one recorded in December. WSAC is still reviewing documentation for some gifts received during the period when the College Success Foundation served as WSOS' program administrator.

After engaging in discussion, committee members expressed confidence in Poth's presentation and thanked him for his work.

### **WSIB Report**

Chris Phillips, Director of Institutional Relations and Public Affairs, provided a performance review of WSOS funds invested through December 31, 2018. Performance for the Scholarship Account fell more than 5% in the fourth quarter and fell over 3% for the year. Phillips reported that January saw a rebound of almost 3% with an additional 1% in February. Performance for the Endowment Account fell by more than 10% in the fourth quarter and by almost 8% for the year. January increases were up by almost 7% and more than 2% in February. The one-year performance for both accounts has rebounded since the beginning of the year. Phillips reported that our returns closely match the benchmarks.

Phillips further reported that a new fund allocation was completed in November. The fixed income returns helped buffer some of the negative equity returns and did what was expected during the market volatility.

Phillips introduced a new addition to the quarterly report which presents the bond fund characteristics and the top ten issuers. Phillips reported that a new person has joined the Federal Reserve. Phillips has not observed any shock factor as a result. Phillips also reported that 2018 saw 110 days of market swings of +/- 1% versus only 10 days of those comparable swings in 2017.

After engaging in discussion, committee members expressed confidence in Phillips and the WSIB report.

### **Program Update**

Naria Santa Lucia reported that 4,564 students submitted applications for the new cohort of the WSOS baccalaureate scholarship program. Applicants wrote two essays as part of their application. A combination of staff and outside partners reviewed the essays and then all the scores were normalized. At the next board meeting, the criteria for selecting 1,850 students will be discussed and approved.

Santa Lucia also reported that the new Career and Technical Scholarship, for in-demand degrees and certifications requiring less than a baccalaureate degree in Washington, will be launched in May. The goal is to award 550 students with WSOS' programming supports designed in partnership with Washington's community and technical colleges. To launch the Career and Technical scholarship program, Boeing has agreed to direct its contribution of \$12.5M to the WSOS Endowment Fund and the subsequent state match dollars to fund this new scholarship. In addition to these funds, the Rubens Family Foundation is also committing \$2M.

Santa Lucia stated that we will need to build out a model for retention rates and the timing of the draw down. The WSOS Board will strategically work to build up the Endowment Fund for extended impact.

Finally, Santa Lucia further reported on advocacy efforts in Olympia.

The Committee engaged in discussion following Santa Lucia's presentation.

**Other Business**

Santa Lucia reported that WSOS board members have been able to dive deeply into the various programs of WSOS and meet with Scholars. Later this year, Julie Sandler and Mack Hogans can share their own experiences with the Committee and even bring in some Scholars so committee members can see first-hand the results of our programming.

**Executive Session**

The Committee went into Executive Session at 2:48 pm.

The meeting adjourned at 2:54 pm.

Respectfully submitted,  
Karyl Gregory

DRAFT

## **Section 3**

Program Administrator Report

Action Requested: Investment Policy Update





# Finance & Program Administrator Update April 30, 2019

# WSOS Balance Sheet

Comparative Balance Sheets  
April 30, 2019

	Comparison to Last Reported Period			Notes	Comparison to Same Period LFY		
	12/31/18	% Change	4/30/19		4/30/18	% Change	4/30/19
<b>Assets</b>							
Cash	1,856,309	79%	3,331,747	1	16,906,938	-80%	3,331,747
Investments	106,376,459	3%	109,838,783	2	98,590,398	11%	109,838,783
Accounts Receivable	46,188	-10%	41,674		30,097	38%	41,674
Pledges and Grants Receivable, net	9,543,424	-27%	7,008,222	3	12,438,262	-44%	7,008,222
State match receivable, net	2,960,105	72%	5,081,260	4	4,652,610		5,081,260
Prepaid Expenses	29,412	220%	94,054		139,618	-33%	94,054
Property and equipment, net	40,071	-2%	39,165		41,725	-6%	39,165
<b>Total Assets</b>	<b>120,851,968</b>	<b>4%</b>	<b>125,434,905</b>		<b>132,799,648</b>		<b>125,434,905</b>
<b>Liabilities and Net Assets</b>							
Accounts Payable	115,868	-25%	87,135		111,385	-22%	87,135
Payroll Related Liabilities	128,314	-42%	74,949		68,891	9%	74,949
Scholarship Commitments, net	31,203,035	-13%	27,269,050	5	23,479,533	16%	27,269,050
<b>Total Liabilities</b>	<b>31,447,217</b>	<b>-13%</b>	<b>27,431,134</b>		<b>23,659,809</b>	<b>16%</b>	<b>27,431,134</b>
<b>Net Assets</b>							
Temporarily Restricted Net Assets	64,404,751	13%	73,003,771		84,139,839	-13%	73,003,771
Permanently Restricted Net Assets	25,000,000	0%	25,000,000		25,000,000	0%	25,000,000
<b>Total Net Assets</b>	<b>89,404,751</b>	<b>10%</b>	<b>98,003,771</b>		<b>109,139,839</b>	<b>-10%</b>	<b>98,003,771</b>
<b>Total Liabilities and Net Assets</b>	<b>120,851,968</b>	<b>4%</b>	<b>125,434,905</b>		<b>132,799,648</b>	<b>-6%</b>	<b>125,434,905</b>

# WSOS Balance Sheet

## Notes:

1. Increase in cash December-April largely due to receipt of MSFT pledge payment of \$2.5M at the end of April. April excess private receipts invested in WSIB in May. Maturing fixed income securities covered scholarship disbursements net of refunds of \$3.7M.
2. Investments balance as of 4/30/19 includes WSIB Scholarship \$70.3M, WSIB Endowment \$30.2M and KeyBank Capital \$9.3M. Total investments higher due to strong investment gains after reduction for spring scholarship disbursements.
3. Balance includes Rubens Family Foundation: \$7.0M and other individuals: \$8K.
4. WSAC matched \$521K between January and April. The state match accrual of April private receipts of \$2.56M was recorded in April. Remaining amount includes this and resubmission. WSOS did receive \$1.67M of \$2.8M resubmission in May. Still working to get remaining balance.
5. The decrease from December to April is a result of scholarship disbursements totaling \$3.94M.

# WSOS Income Statement

## Actual vs. Budget

Four Months Ending April 30, 2019

	Four Months Ended April 30, 2019			Notes	December 31, 2019
	Actual	Budget	Variance Fav (Unfav)		Annual Budget
<b>Revenue</b>					
Private	99,475	1,550,000	(1,450,525)	1	6,200,000
Public	2,641,832	1,550,000	1,091,832	2	15,700,000
Investment Income	6,552,275	972,400	5,579,875	3	2,917,200
<b>Total Revenue</b>	<b>9,293,582</b>	<b>4,072,400</b>	<b>5,221,182</b>		<b>24,817,200</b>
<b>Program Expense</b>					
Salaries and Benefits	557,478	542,390	(15,088)	4	1,898,633
Professional Fees - Program Admin fees	171,180	171,180	-		513,540
Professional Fees - Contractors & Lobbying	98,470	50,250	(48,220)	5	523,500
Conferences, Conventions & Meetings	32,376	39,471	7,094		233,045
Operating Expenses	88,184	77,260	(10,924)	6	239,800
	<b>947,689</b>	<b>880,550</b>	<b>(67,138)</b>		<b>3,408,518</b>
<b>Income (Loss) before Scholarship Exp</b>	<b>8,345,893</b>	<b>3,191,850</b>	<b>5,154,043</b>		<b>21,408,682</b>
<b>Scholarship Expense</b>	<b>(253,127)</b>	<b>(228,000)</b>	<b>25,127</b>	7	<b>24,338,506</b>
<b>Net Income (Loss)</b>	<b>8,599,020</b>	<b>3,419,850</b>	<b>5,179,170</b>		<b>(2,929,824)</b>

# WSOS Income Statement

## Notes:

1. Revenue Private: The 2019 Budget includes \$1.2M for 4-year scholarship and \$5M for CTS/Pathways, divided evenly by quarter throughout the year. Actual new revenues includes CWU/Hanson: \$50K and Battelle Foundation: \$25K.
2. Revenue Public: State match revenues accrued based on \$2.64M of private contributions received between January and April, including \$2.5M MSFT pledge payment. MSFT budget amount in May.
3. Investment income: Actual YTD includes unrealized/realized gains of \$6.37M, interest & dividend income of \$202K and investment expense of <\$20K>. Budget does not include Unrealized G/L.
4. Salaries and benefits: Slightly over as bonus payouts in 2019 for 2018 was higher than 2018 accrual. Also, salary increases went into effect.
5. Professional Fees – Actual expense over budget in part due to I.T., Temp Support, Communications and Recruitment efforts.
6. Operating Expenses – Actual expense over budget due in large part to printing costs.
7. Represents scholarship refunds to date. Scholarship expense for CY 2019 has not been recorded yet. All payouts so far are applied to the liability established in prior years. Will adjust liability once Cohort 8 has been selected and accept.

WASHINGTON STATE  
**OPPORTUNITY**  
SCHOLARSHIP

# WSOS Cash Flow

## Cash Flow Summary

Inception-To-Date  
April 30, 2019

### CASH FLOW

#### Cash Inflow:

Boeing	12,610,000	12,500,000		25,110,000
Microsoft	35,000,000	-	1	35,000,000
Other Private	30,836,702	-	2	30,836,702
State	73,157,294	12,500,000	3	85,657,294
Investment Income*	10,680,490	5,204,420	4	15,884,910
<b>Total Cash Inflows</b>	<b>162,284,486</b>	<b>30,204,420</b>		<b>192,488,906</b>

#### Cash Outflow:

Scholarships	(64,157,751)	-	5	(64,157,751)
Program Expenses	(15,154,814)	(5,812)		(15,160,626)
<b>Total Cash Outflows</b>	<b>(79,312,565)</b>	<b>(5,812)</b>		<b>(79,318,377)</b>

#### Net Cash Flow Inception-To-Date

<b>82,971,921</b>	<b>30,198,608</b>		<b>113,170,529</b>
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### Composition of Net Cash Flow

KeyBank Checking Account	3,331,747	-	6	3,331,747
Investment Accounts at WSIB and KeyBank	79,640,174	30,198,608		109,838,782
<b>Total</b>	<b>82,971,921</b>	<b>30,198,608</b>		<b>113,170,529</b>

\* Includes unrealized gains and losses.

# WSOS Cash Flow

## Notes:

1. Cash Inflow: Microsoft - \$2.5M pledge payment received in April 2019. Final installment of original pledge.
2. Cash Inflow: Other Private - \$142K received on cash basis between January and April 2019, including CWU/Hanson: \$50K, Rubens Family Foundation: \$26K, and Battelle Foundation: \$25K.
3. State – Received \$521K from WSAC between January and April 2019.
4. Investment Income – Includes net unrealized gains from inception of \$8.8M (Scholarship: \$5.3M and Endowment: \$3.5M). YTD 2019 the total unrealized gains are \$6.4M, offsetting the loss from 2018.
5. Scholarship disbursements were \$3.9M during this time and scholarship refunds totaled \$254K.
6. WSOS Cash in KeyBank – Excess cash received after MSFT pledge payment in April was invested in WSIB in May and excess state match dollars were invested with KeyBank.

**Washington State Opportunity Scholarship (WSOS)  
Statement of Cash Flows  
2019**

\*Note: State Match to WSAC reflected in A/R, net once invoice submitted.

	2019 Jan	2019 Feb	2019 Mar	2019 Apr	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2019 YTD
<b>OPERATING ACTIVITIES</b>									
Change in net assets	2,833,915	1,003,647	1,123,150	3,638,308	4,960,712	3,638,308	-	-	8,599,020
Adjustments to reconcile change in net assets to net cash used by operating activities-									
Add: Depreciation & Amortization	907	907	940	941	2,754	941	-	-	3,695
Add: Loss (Subtract: Gain) on disposal of fixed assets	-	-	-	-	-	-	-	-	-
Add: Loss (Subtract: Gain) on realized/unrealized investments	(3,012,720)	(1,102,980)	(1,171,792)	(1,274,122)	(5,287,491)	(1,274,122)	-	-	(6,561,613)
Add: Accretion of prepaid loan fees	-	-	-	-	-	-	-	-	-
Add: Loss on extinguishment of debt	-	-	-	-	-	-	-	-	-
Changes to balance sheet accounts:									
Accounts receivable, net	24,417	(10,841)	(2,080)	(6,982)	11,496	(6,982)	-	-	4,514
Prepaid expenses & other assets	1,324	(33,934)	(47,278)	15,246	(79,888)	15,246	-	-	(64,642)
Pledges receivable	3,914	1,223	3,744	2,526,321	8,881	2,526,321	-	-	2,535,202
State match receivable	-	-	(84,624)	(2,036,531)	(84,624)	(2,036,531)	-	-	(2,121,155)
Accounts payable	(27,418)	8,278	15,088	1,059	(4,052)	1,059	-	-	(2,993)
Scholarship commitments	(81,557)	(27,315)	(3,805,317)	(19,796)	(3,914,189)	(19,796)	-	-	(3,933,985)
Accrued expenses and other	(38,925)	(680)	(14,423)	(25,078)	(54,028)	(25,078)	-	-	(79,106)
Net Cash (used) provided by operations	(296,143)	(161,695)	(3,982,592)	2,819,366	(4,440,429)	2,819,366	-	-	(1,621,063)
<b>INVESTING ACTIVITIES</b>									
Purchases of property & equipment	-	(1,628)	-	(1,161)	(1,628)	(1,161)	-	-	(2,789)
Proceeds from sale of property & equipment	-	-	-	-	-	-	-	-	-
Proceeds from sale of investments	638,165	304,063	3,579,270	-	4,521,497	-	-	-	4,521,497
Purchases of investments	-	(436,053)	(501,763)	(484,391)	(937,816)	(484,391)	-	-	(1,422,207)
Proceeds from sale of subsidiary	-	-	-	-	-	-	-	-	-
Other investing activities	-	-	-	-	-	-	-	-	-
Net Cash (used) by investing activities	638,165	(133,619)	3,077,507	(485,552)	3,582,053	(485,552)	-	-	3,096,501
<b>FINANCING ACTIVITIES</b>									
Cash contributions and pledges collected for endowment purposes	-	-	-	-	-	-	-	-	-
Payments on capital leases	-	-	-	-	-	-	-	-	-
Net Cash (used) provided by financing activities	-	-	-	-	-	-	-	-	-
Cash Flow	342,022	(295,313)	(905,085)	2,333,814	(858,376)	2,333,814	-	-	1,475,438
Cash at Beginning of Period	1,856,309	2,198,331	1,903,018	997,933	1,856,309	997,933	3,331,747	3,331,747	1,856,309
Cash at End of Period	2,198,331	1,903,018	997,933	3,331,747	997,933	3,331,747	3,331,747	3,331,747	3,331,747



**Washington STEM**  
Statement of Revenues and Expenditures  
20 - Washington State Opportunity Scholarship (WSOS)  
From 4/1/2019 Through 4/30/2019  
(In Whole Numbers)

	Current Month Actual	Current Month Budget	Current Month Variance	YTD Actual	YTD Budget	YTD Variance	Total Budget	Budget Remaining
Operating Revenue								
Contributions	31,091	0	31,091	99,475	1,550,000	(1,450,525)	6,200,000	(6,100,525)
State Match Revenue	2,557,208	1,550,000	1,007,208	2,641,832	1,550,000	1,091,832	15,700,000	(13,058,168)
Investment Income	1,284,545	247,834	1,036,711	6,572,335	991,336	5,580,999	2,974,008	3,598,327
Investment Expense	(5,053)	(4,733)	(320)	(20,060)	(18,932)	(1,128)	(56,796)	36,736
Total Operating Revenue	<u>3,867,790</u>	<u>1,793,101</u>	<u>2,074,689</u>	<u>9,293,582</u>	<u>4,072,404</u>	<u>5,221,178</u>	<u>24,817,212</u>	<u>(15,523,630)</u>
Total Revenue	<u>3,867,790</u>	<u>1,793,101</u>	<u>2,074,689</u>	<u>9,293,582</u>	<u>4,072,404</u>	<u>5,221,178</u>	<u>24,817,212</u>	<u>(15,523,630)</u>
Expenditures								
Scholarship	(43,722)	(57,000)	(13,278)	(253,127)	(228,000)	25,127	24,338,506	24,591,633
Personnel Expenses	150,849	135,602	(15,247)	557,478	542,408	(15,070)	1,898,690	1,341,212
Program Administration	42,795	42,795	0	171,180	171,180	0	513,540	342,360
Professional Fees	22,204	4,624	(17,580)	66,374	18,246	(48,128)	427,488	361,114
Lobbying	8,000	8,000	0	32,096	32,000	(96)	96,000	63,904
Conferences, Conventions & Meetings	17,110	15,653	(1,457)	32,376	39,472	7,096	233,049	200,673
Operating Expenses	32,246	22,135	(10,111)	88,184	77,264	(10,920)	239,813	151,629
Total Expenditures	<u>229,482</u>	<u>171,809</u>	<u>(57,673)</u>	<u>694,562</u>	<u>652,570</u>	<u>(41,992)</u>	<u>27,747,086</u>	<u>27,052,524</u>
Net Revenue Over Expenditures	<u><u>3,638,308</u></u>	<u><u>1,621,292</u></u>	<u><u>2,017,016</u></u>	<u><u>8,599,020</u></u>	<u><u>3,419,834</u></u>	<u><u>5,179,186</u></u>	<u><u>(2,929,874)</u></u>	<u><u>11,528,894</u></u>

## **Section 4**

### WSIB Report



## Washington State Opportunities Scholarship

Quarterly Report – March 31, 2019

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

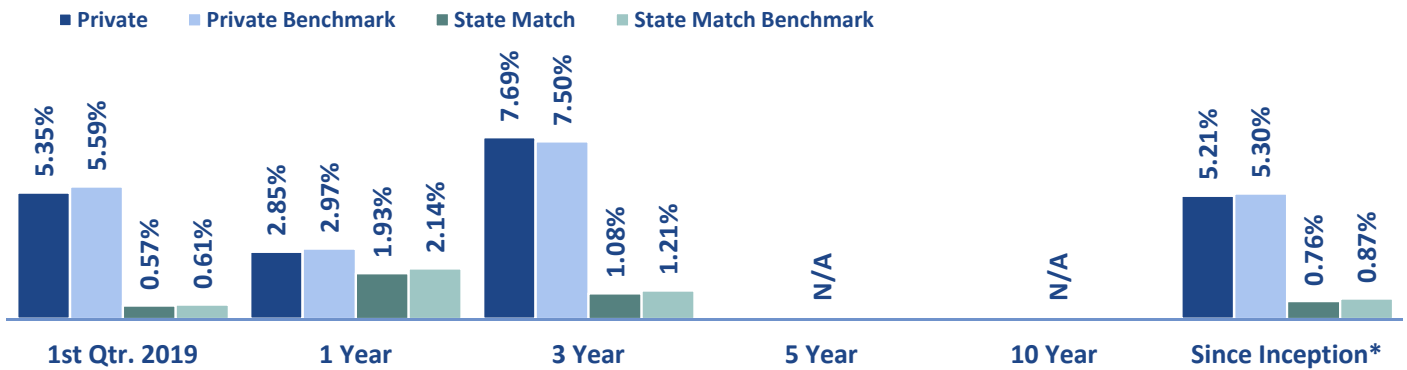
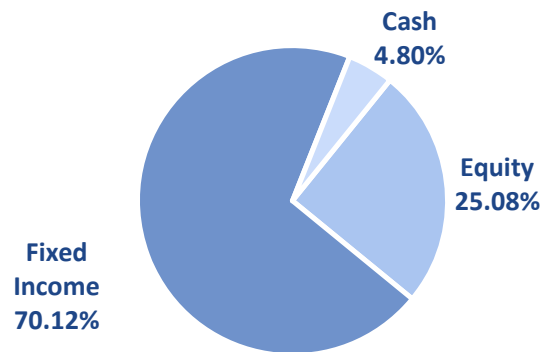
**Private and State Match Scholarship**

**Private Private Allocation**

<b>Total</b>	<b>\$69,372,181</b>
Equity	\$17,397,976
Fixed Income	\$48,644,127
Cash	\$3,330,078

**State Match**

<b>Total</b>	<b>\$84,438</b>
Cash	\$84,438



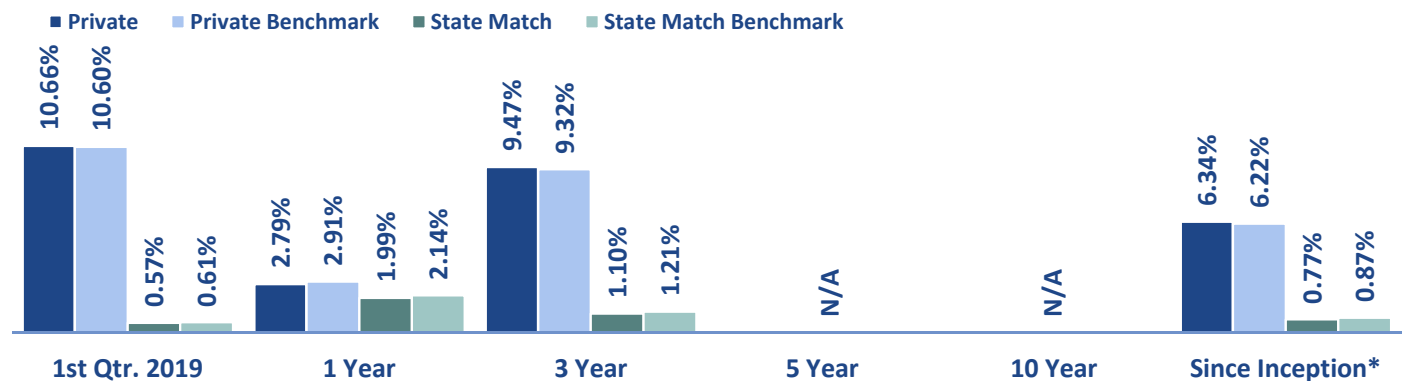
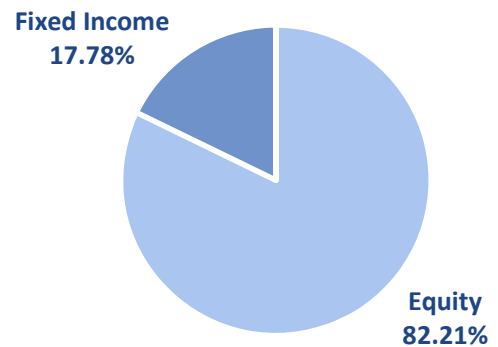
**Private and State Match Endowment**

**Private Private Allocation**

<b>Total</b>	<b>\$16,798,164</b>
Equity	\$13,810,859
Fixed Income	\$2,986,971
Cash	\$334

**State Match**

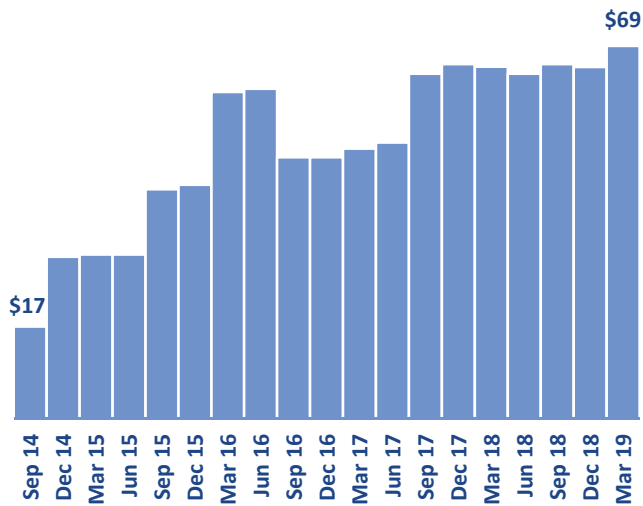
<b>Total</b>	<b>\$12,904,919</b>
Cash	\$12,904,919



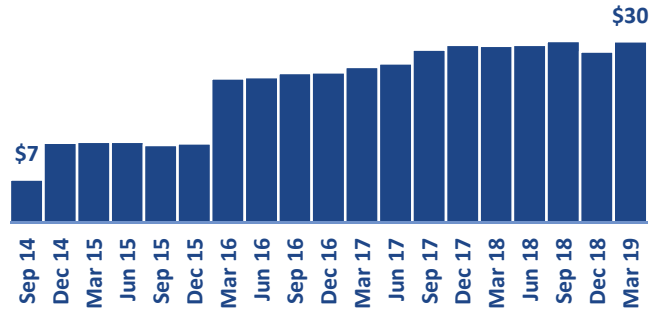
Scholarship Benchmarks: Private 25% MSCI ACWI IMI w/U.S. Gross & 70% Bloomberg Barclays Intermediate Credit & 5% 90 Day Tbill, State Match 90 Day Tbill  
 Endowment Benchmarks: Private 80% MSCI ACWI IMI w/U.S. Gross & 20% Bloomberg Barclays Intermediate Credit, State Match 90 Day Tbill  
 \* Since Inception: Private 10/1/14, State Match 11/25/14

**Assets Under Management (\$ Millions)**

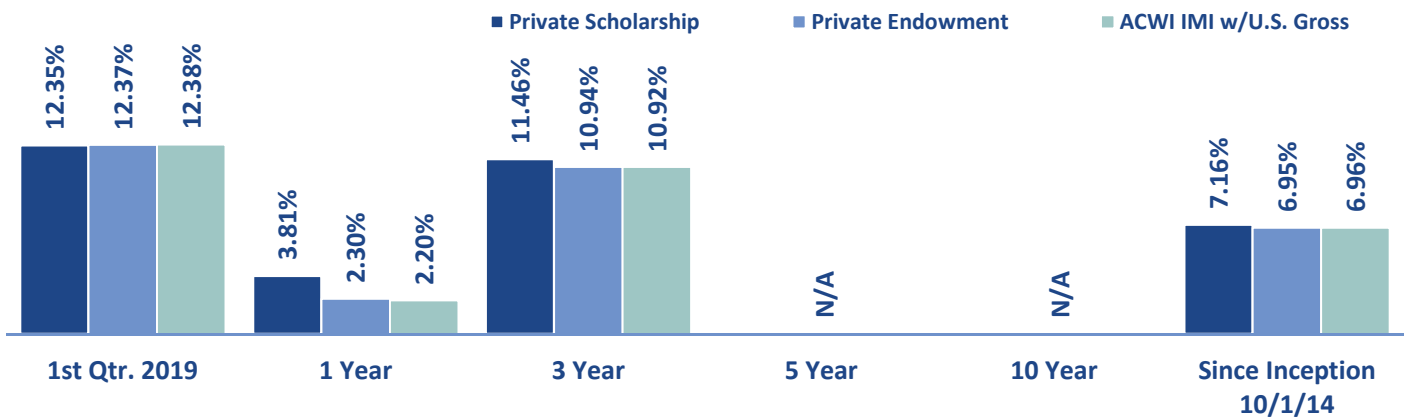
**Private and State Match Scholarship**



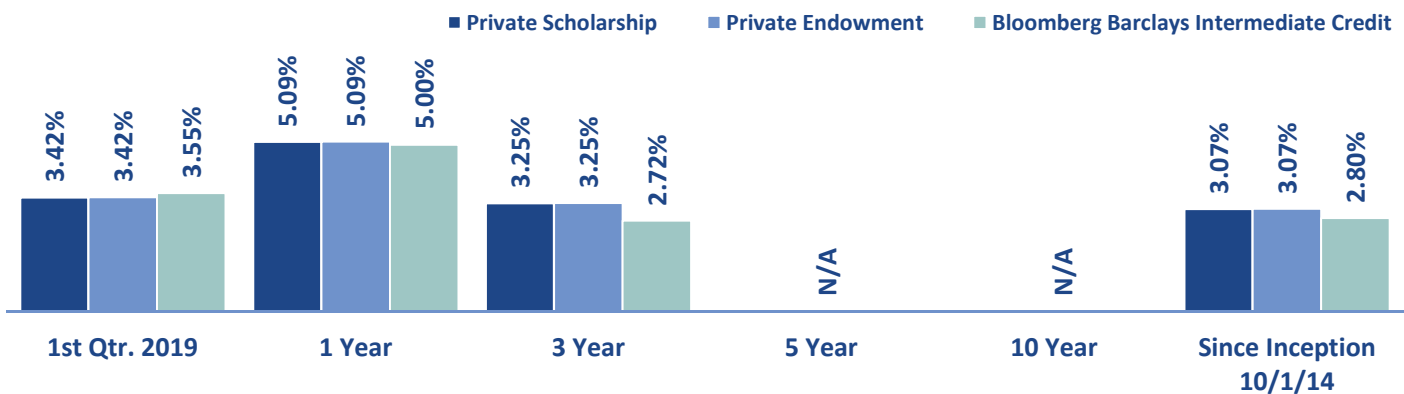
**Private and State Match Endowment**



**Equity Returns**



**Fixed Income Returns**





## Washington State Opportunities Scholarship

Quarterly Report – December 31, 2018

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

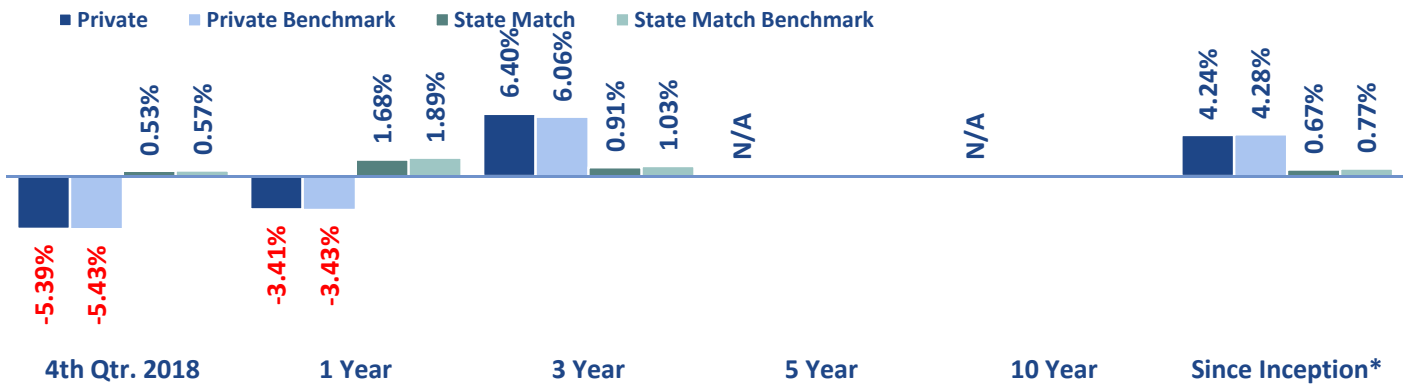
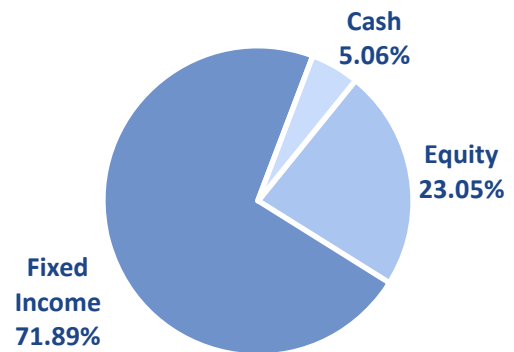
**Private and State Match Scholarship**

**Private Private Allocation**

<b>Total</b>	<b>\$65,431,474</b>
Equity	\$15,084,725
Fixed Income	\$47,035,733
Cash	\$3,311,017

**State Match**

<b>Total</b>	<b>\$83,960</b>
Cash	\$83,960



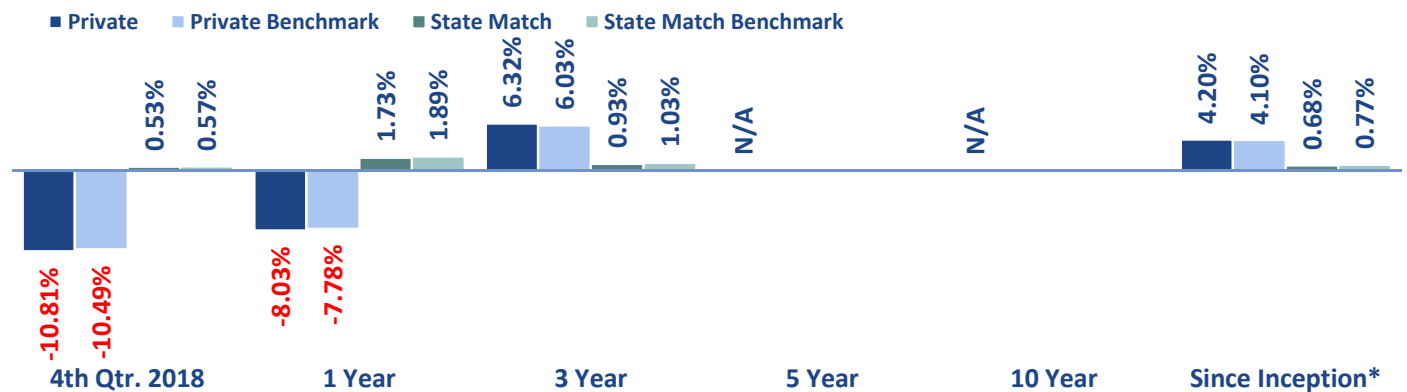
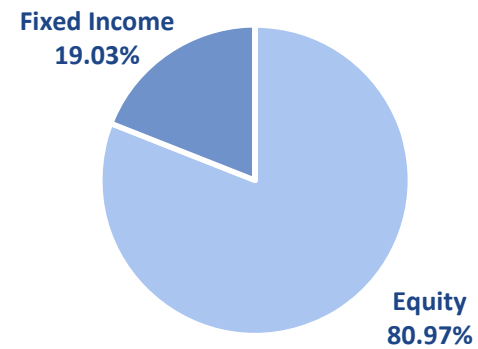
**Private and State Match Endowment**

**Private Private Allocation**

<b>Total</b>	<b>\$15,179,475</b>
Equity	\$12,290,935
Fixed Income	\$2,888,208
Cash	\$332

**State Match**

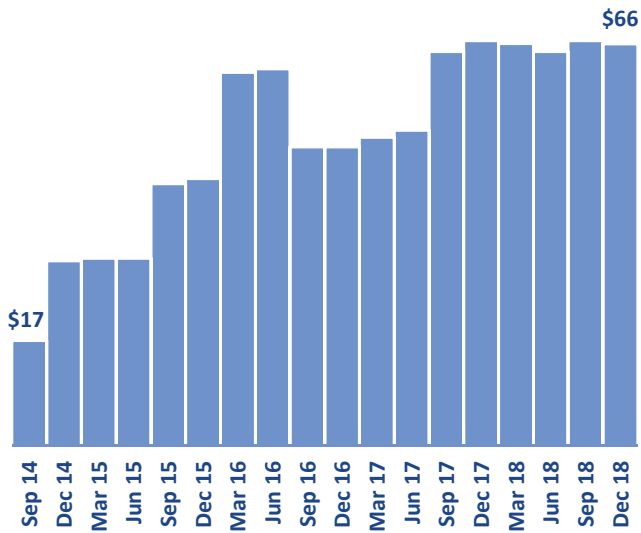
<b>Total</b>	<b>\$12,831,795</b>
Cash	\$12,831,795



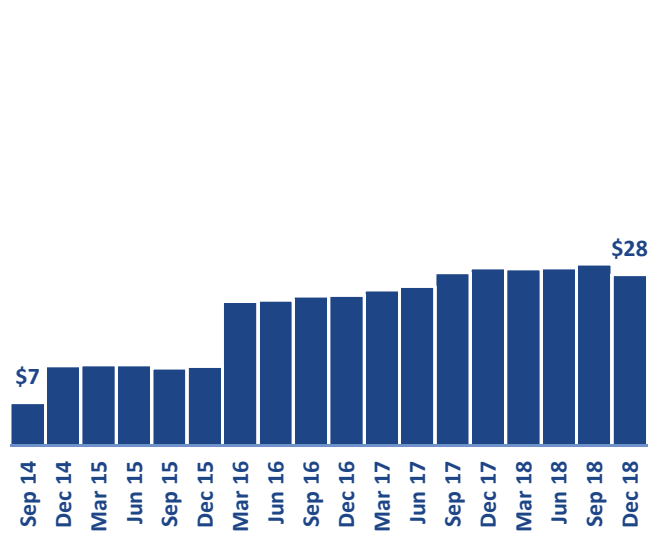
Scholarship Benchmarks: Private 25% MSCI ACWI IMI w/U.S. Gross & 70% Bloomberg Barclays Intermediate Credit & 5% 90 Day Tbill, State Match 90 Day Tbill  
 Endowment Benchmarks: Private 80% MSCI ACWI IMI w/U.S. Gross & 20% Bloomberg Barclays Intermediate Credit, State Match 90 Day Tbill  
 \* Since Inception: Private 10/1/14, State Match 11/25/14

**Assets Under Management (\$ Millions)**

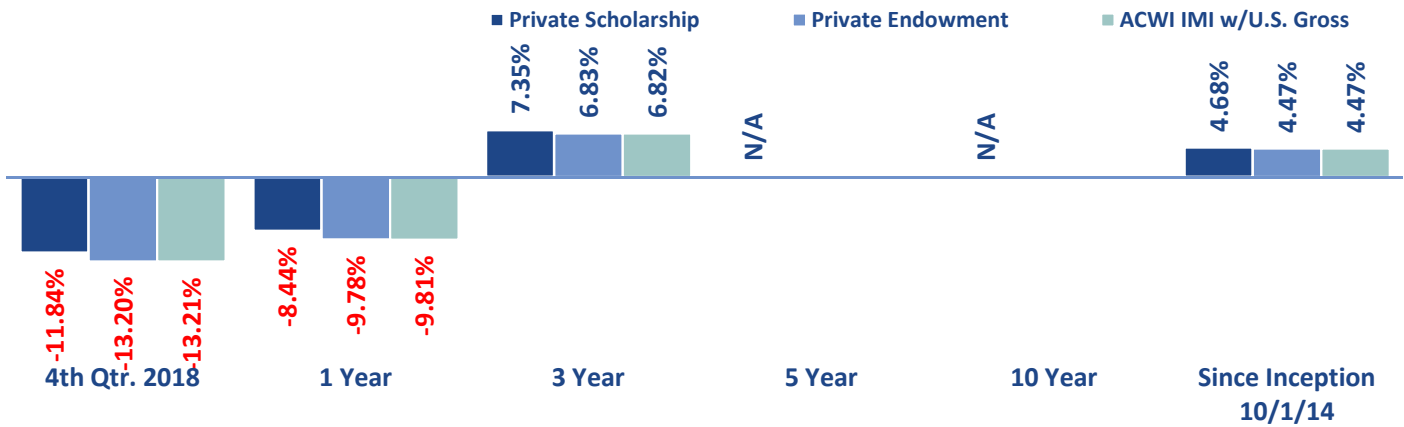
**Private and State Match Scholarship**



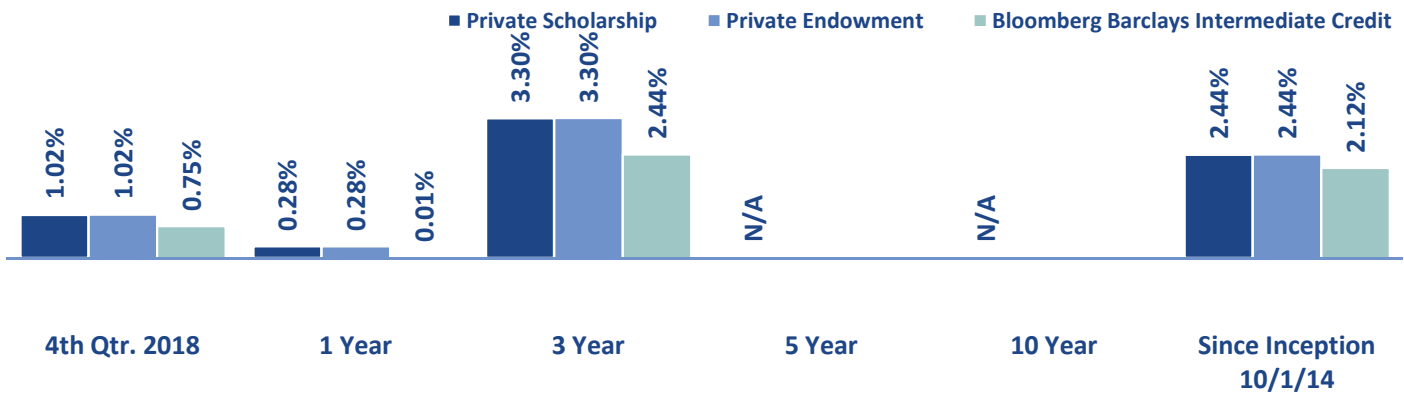
**Private and State Match Endowment**



**Equity Returns**



**Fixed Income Returns**







**Washington State  
Investment Board**

**WSOS Investment and Finance Committee  
Performance Review 1Q19  
June 12, 2019**



**Chris Phillips  
Director of Institutional Relations**



# WSOS Scholarship/Endowment Funds – Growth of Assets

March 31, 2019



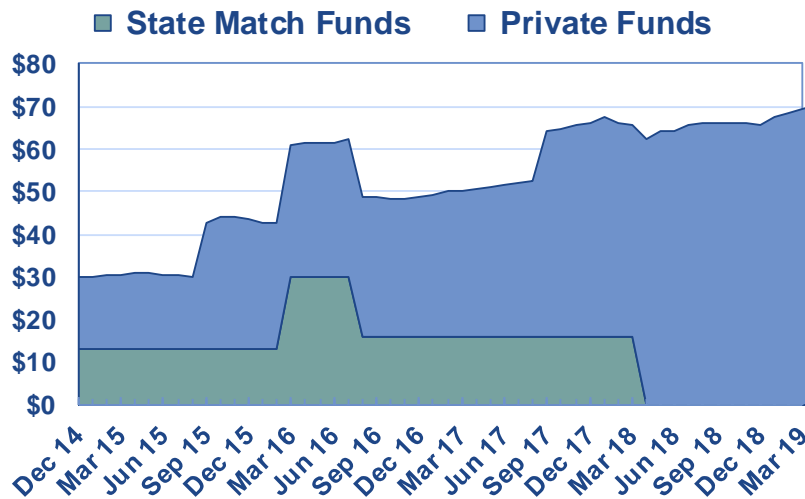
## Scholarship Account

- ▣ Total assets: \$69.5 million
- ▣ 100% private funds

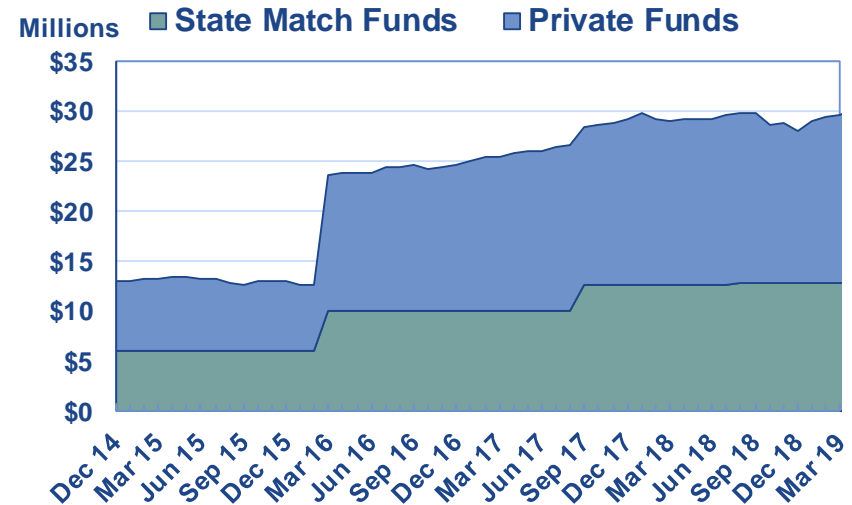
## Endowment Account

- ▣ Total assets: \$29.7 million
- ▣ 57% private funds and 43% state match funds

### Growth of Scholarship Account Assets



### Growth of Endowment Account Assets



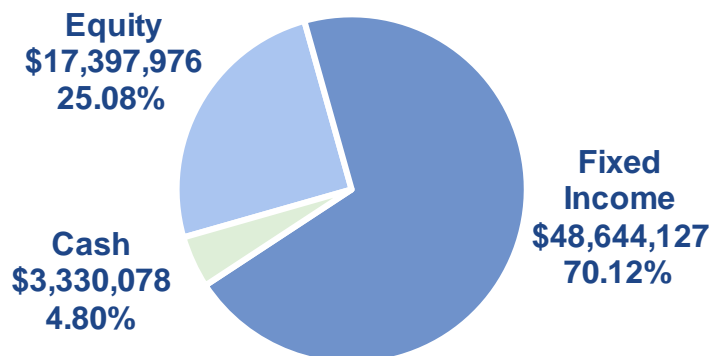


# Market Values and Asset Allocation for Private Funds

March 31, 2019

## Scholarship Account – Private Funds

Market Value \$69,372,181



### Equity

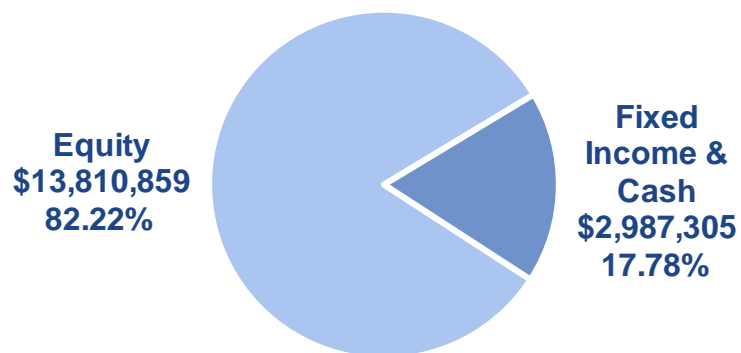
- Passive equity strategy managed by BlackRock
- Expected to closely track the MSCI All Country World Investable Market Index

### Fixed Income

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

## Endowment Account – Private Funds

Market Value \$16,798,164





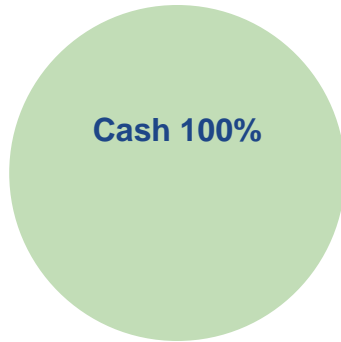
# Market Values and Asset Allocation for State Match Funds

March 31, 2019

## Asset Allocation for All State Match Funds

Scholarship Market Value \$84,438

Endowment Market Value \$12,904,919



## State Match Funds

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

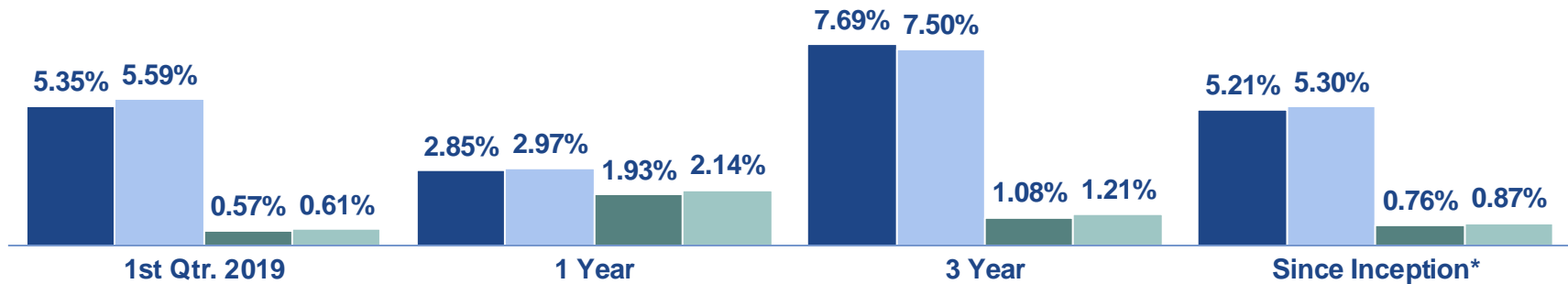


# Fund Performance Updates

March 31, 2019

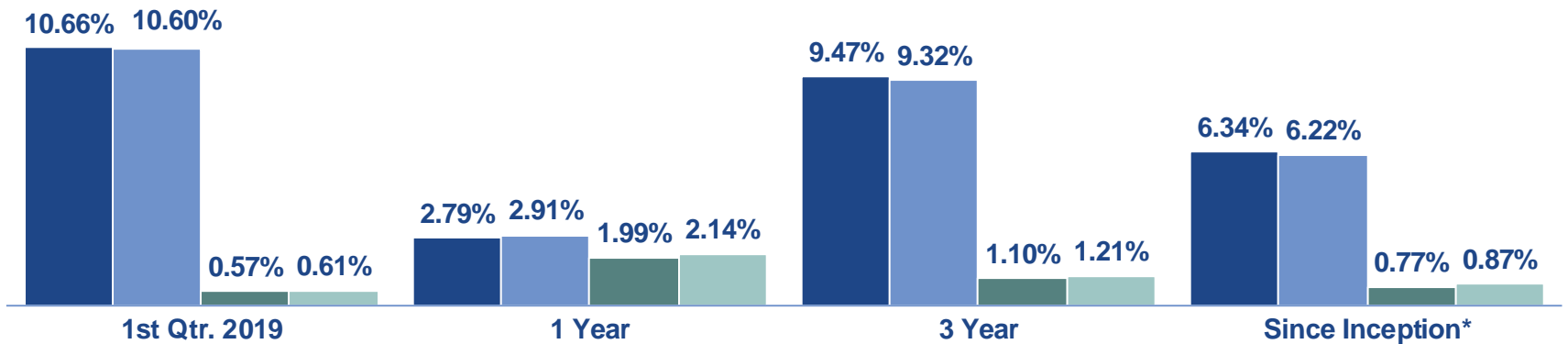
## Private and State Match Scholarship

■ Private ■ Private Benchmark ■ State Match ■ State Match Benchmark



## Private and State Match Endowment

■ Private ■ Private Benchmark ■ State Match ■ State Match Benchmark



'Scholarship Benchmarks: Private 25% MSCI ACWI IMI w/U.S. Gross & 70% Bloomberg Barclays Intermediate Credit & 5% 90 Day Tbill, State Match 90 Day Tbill  
Endowment Benchmarks: Private 80% MSCI ACWI IMI w/U.S. Gross & 20% Bloomberg Barclays Intermediate Credit, State Match 90 Day T-bill

\* Since Inception: Private 10/1/14, State Match 11/25/14

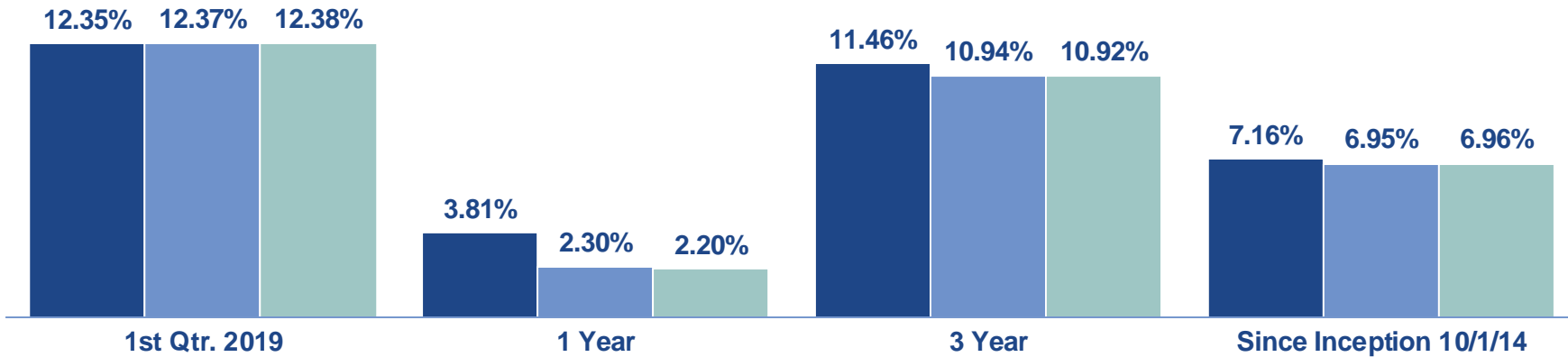


# Fund Performance Updates

March 31, 2019

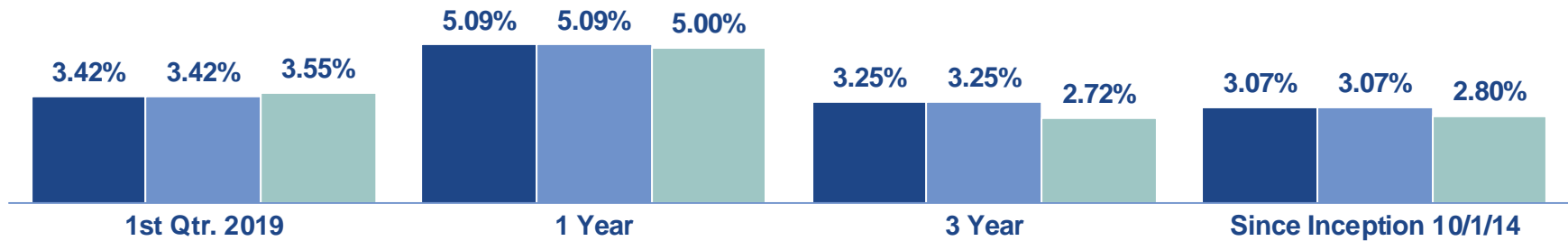
## Equity Returns

■ Private Scholarship ■ Private Endowment ■ ACWI IMI w/U.S. Gross



## Fixed Income Returns

■ Private Scholarship ■ Private Endowment ■ Bloomberg Barclays Intermediate Credit



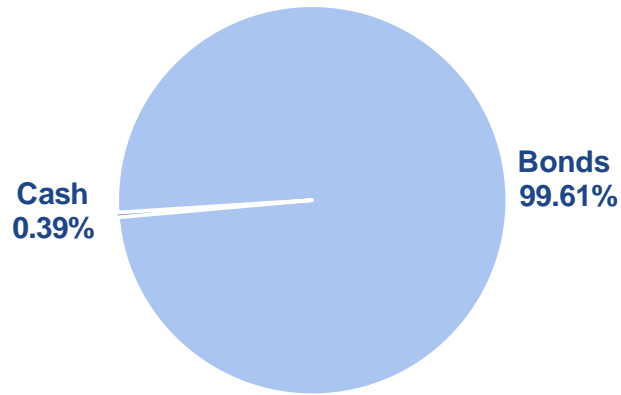


# Bond Fund Characteristics & Top 10 Issuers

March 31, 2019

## Allocation

Market Value \$1,751,238,132



## Top 10 Issuers

United States Treasury	3.08%
SP PowerAssets Ltd.	1.16%
Bangkok Bank Public Co. Ltd.	0.90%
Alibaba Group Holding Ltd.	0.89%
Hutchison Whamp International Ltd.	0.89%
U.S. Bancorp Investments, Inc.	0.88%
APT Pipelines Ltd.	0.88%
Indonesia Republic	0.87%
State Bank of India	0.87%
Baidu	0.87%

## Characteristics

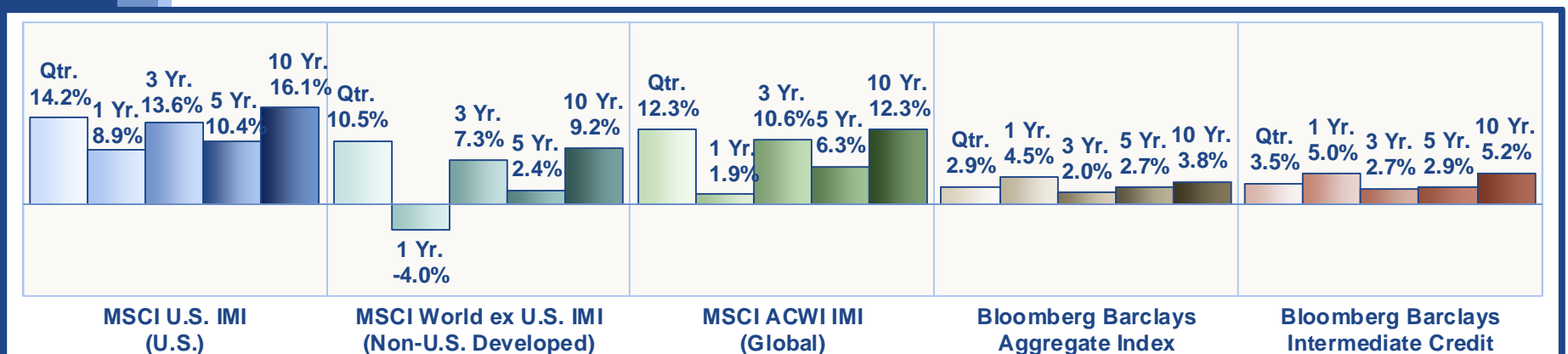
	Fund	Index
Average Maturity	4.7 years	4.8 years
Yield to Maturity	3.20%	3.16%
Modified Duration	4.12	4.14
Average Coupon	3.22%	3.47%
Number of Holdings	227	4,396



# Capital Markets at a Glance

March 31, 2019

- Global equity markets surged, reversing direction from the previous quarter
  - MSCI Developed World IMI index returned 12.6% for the first quarter (3.3% for past 12 months)
- Fed shifted to patient monetary policy, projecting no interest rate hikes in remainder of 2019
- Emerging markets joined the rally, up 9.7% for the quarter
- Corporate credit spreads narrowed in synch with stocks rallying
  - High yield bonds spread narrowed 1.35% to end at 3.9%
- The rate for 10-year Treasuries ended the quarter at 2.41%, down more than a quarter percentage-point
- The U.S. dollar and commodities both rallied
  - The price of oil spiked 27% for the quarter but remains down 2.7% over the past 12 months







## Contact Information



Web Site: <http://www.sib.wa.gov>

The screenshot shows the Washington State Investment Board website. The header includes the WSIB logo and tagline "Investing with integrity, prudence, and skill" on the left, and a search bar on the right. The main content area features a large banner with the text "Delivering investment results for retirement plans & public trusts" and a background image of silhouettes of people in a modern office. To the left of the banner is a navigation menu with categories: INVESTING (Investment Overview, Fund Performance, Investment Reports), INFORMING (Board Info, Committees, WSIB Staff, News & Resources, Contact Us), ENGAGING (Responsible Investing, Corporate Governance, Risk), and EMPLOYING (Searches, Jobs). Below the banner are four boxes: "FEATURES" (Glossary, FAQ, Resources & Map, Directions & Map), "POPULAR PICKS" (IRR Report, Quarterly Report, Risk Framework, Policies), "NEED INFO?" (with question mark icons), and "WSIB STORY" (with an upward arrow icon).

### Address:

2100 Evergreen Park Drive SW

P.O. Box 40916

Olympia, WA 98504-0916

### Phone Number:

(360) 956-4600

## **Section 5**

### Program Update

# EXECUTIVE DIRECTOR OPPORTUNITY

**Location:** Seattle, Washington

**Posting Date:** May 6, 2019

**Salary:** Salary range is \$155,000 – \$195,000, DOE

**Deadline:** Applications submitted by May 27 at 5:00 pm (PST) will be given full consideration. Interviewing will begin in late May; early applications are strongly encouraged.

**Washington State Opportunity Scholarship (WSOS) is seeking a strategic and dynamic leader to be its next Executive Director**

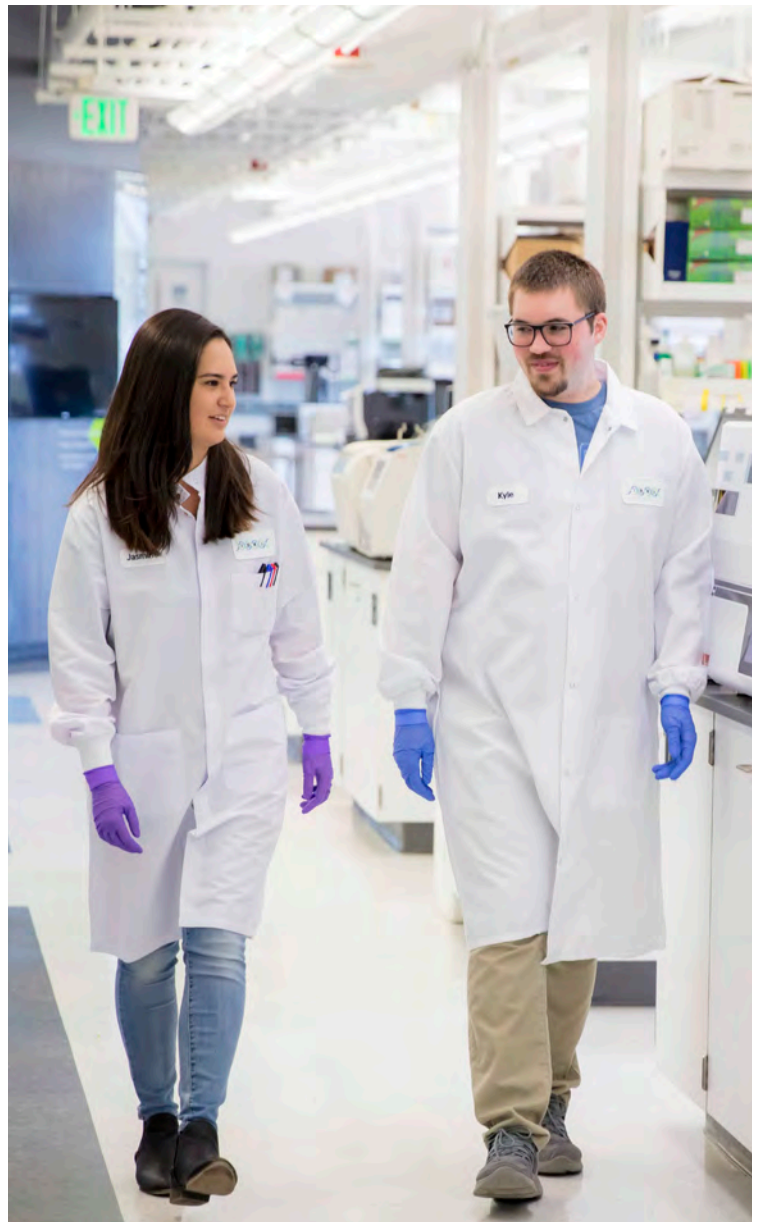
**APPLY NOW**

The successful candidate will have the opportunity to impact the lives of thousands of under-resourced and underrepresented students in Washington state by helping them access the education and skills they need to secure top jobs in high-demand fields that fuel Washington's thriving economy.

This leader will work with a committed and dedicated staff of 20 as well as an influential Board of Directors to provide thousands of students with financial awards, student support services, and industry and professional mentoring so they can graduate from college and successfully launch their careers.

The next Executive Director has the potential to be a thought leader nationally as WSOS shares its learnings about this unique and effective public-private partnership which is the first of its kind in the nation.

We are looking for a leader who is innovative, solution-centric, action-oriented and data-driven. They must be a collaborative and adaptable team leader who holds equity as a core value in everything they do.



# ABOUT WASHINGTON STATE OPPORTUNITY SCHOLARSHIP



## The mission of Washington State Opportunity Scholarship is to build pathways into high demand Washington careers for Washington students

Washington has one of the fastest growing state economies in the nation, with more STEM and health care jobs than we can fill. The Washington State Opportunity Scholarship was created in 2011 to address workforce gaps in the high-demand sectors that drive our economy like aerospace, engineering, technology and health care. WSOS aims to connect our state's leading employers with top Washington talent by reducing barriers to education and training and by facilitating entry into high-demand careers. With the generous support and engagement of private donors – matched dollar for dollar by the state of Washington – WSOS prepares and launches low- and middle-income Washington students into the careers that drive our state economy.

WSOS recognizes that not everyone in Washington has the same opportunity to go to college, and we are passionate about reducing barriers for Scholars from diverse backgrounds. In the most recently awarded cohort of students, 61% of Scholars are women, 65% are first-generation college students, and 64% are students of color. To ensure their success, WSOS couples financial support with an essential year-to-year student support system and critical professional mentorship including summer internships, research opportunities, and more. To date, over 3,300 of our Scholars have graduated with a bachelor's degree and nearly all (94%) are employed or in graduate school. WSOS is launching Scholars into the industries that drive the Washington economy, and we are doing so by closing the achievement gap in STEM fields across gender, race and ethnicity. We support Scholars from every county and legislative district in Washington since our state's workforce challenge requires solutions that meet local needs.

- 61%** of Scholars are women
- 65%** of Scholars are first-generation college students
- 64%** of Scholars are students of color
- 94%** of Scholars are employed or in graduate school within 9 months of graduation
- 3,300** Scholars have graduated with a bachelor's degree

# ABOUT WASHINGTON STATE OPPORTUNITY SCHOLARSHIP

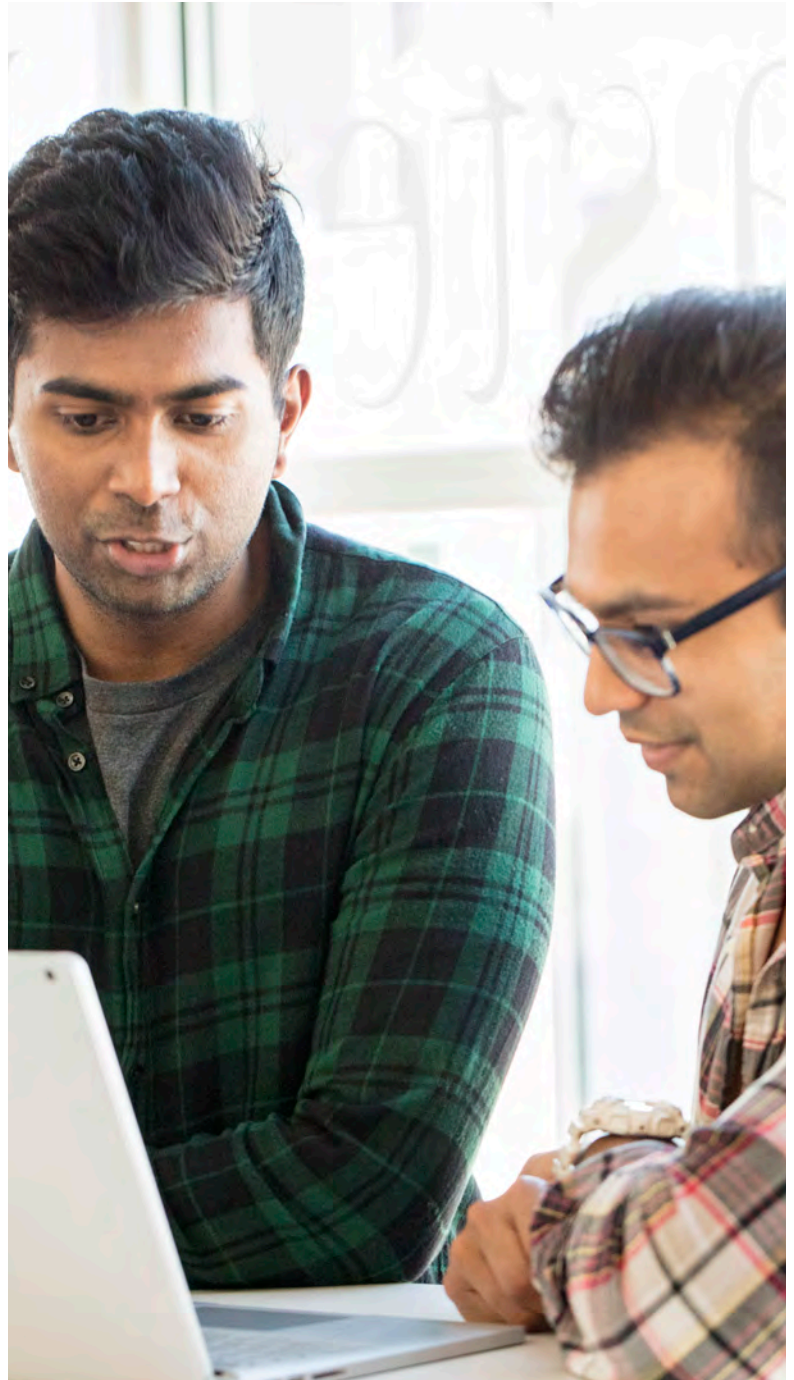
## WSOS is on track to serve 16,000 Scholars by 2025

Driven by our commitment to be a win-win-win for students, employers, and Washington state taxpayers, to-date WSOS has raised nearly **\$200 million** through private contributions and the state match. Industry leaders, including founding partners Boeing and Microsoft, help power our Board because they recognize the need to bolster a pipeline of local talent to fill our state's job needs. Our legislative success is due to the bi-partisan support WSOS has received for our outcomes and the progress we've made toward our goals.

## Organizational Snapshot

WSOS currently has an annual operating budget of **\$3 million** and supports a scholarship budget of **\$24 million** annually. The 11 member Governor-appointed Board of Directors meets quarterly. There is a staff of 20 FTE working in Scholar Services (financial awards, student support services and mentoring, career support services and mentoring, and data reporting) and Capacity Building (development, communications, and operations). WSOS works together with its partner and program administrator Washington STEM, which provides HR, IT, and financial services for WSOS.

The main WSOS office is located in Seattle's Mt. Baker neighborhood; some staff work out of a Spokane site. The work-place culture at WSOS is fast-paced, innovative, solutions-centric and equity-focused. All are encouraged to think creatively, voice their opinions, try new things, fail quickly, evaluate, iterate, and try again.



# EXECUTIVE DIRECTOR OPPORTUNITIES AND RESPONSIBILITIES



**Working closely with the WSOS Board of Directors, the Executive Director generates support, raises awareness, and guides implementation of the vision for the WSOS program. The Executive Director oversees a staff of 20, including 4 direct reports, and plays a leading role in establishing strong relationships with corporations, government, major donors, private grant makers, and partner organizations.**

## Key responsibilities include:



### STRATEGIC LEADERSHIP

Design and implement a long-term strategic vision for the organization in collaboration with the Board, including goals and outcome metrics. Provide sound fiscal and administrative oversight of the entire organization.



### DEVELOPMENT

Lead the development team in creating and executing fundraising strategy. Together with the Board, cultivate relationships with corporations, foundations, and individuals and solicit their support for WSOS.



### ADVOCACY AND COMMUNICATIONS

Serve as the chief spokesperson and evangelist for WSOS. Support the work of the Board, consultants, strategists and lobbyists in meeting advocacy and funding goals.



### STAFF DEVELOPMENT

Recruit, develop, motivate, and retain top talent by supporting a workplace culture that values innovation and inclusion. Work to harness the rapid staff growth of the past 2 years by putting systems in place that serve a larger and more mature organization.



### PROGRAM DELIVERY

Ensure effective scholarship administration and support services program delivery and design, including successful implementation of the new Career & Technical scholarship. Direct the successful maintenance, evaluation and continuous improvement of the baccalaureate scholarship and Scholar Lead near-peer and Skills that Shine industry mentorship programs.

## THE IDEAL CANDIDATE

WSOS seeks candidates who are passionate about moving under-resourced students into college and thriving careers. More than any one particular area of content expertise, WSOS is looking for a talented and strategic leader who can drive a clear vision in a rapidly changing environment. The WSOS Board and stakeholders are a dynamic group of corporate and public-sector leaders, requiring an ED with intellectual confidence, maturity, thick skin and expert diplomacy. This leader must be adept at creating and executing strategies to enhance impact, with a proven ability to identify innovative opportunities, take risks, and adjust course as needed. They must be committed to promoting social justice and racial equity, and lead with equity at the core of their outlook and vision.

### Our next Executive Director should be:

- A compelling communicator with diverse audiences, equally comfortable speaking to business and political leaders as well as with students from all backgrounds
- Data-driven in decision making and goal-setting
- An experienced and skilled team leader, with a commitment to working collaboratively and developing and motivating others
- Someone with a growth mindset who regularly seeks feedback and coaching from others
- Flexible and able to adapt as situations change, demonstrating grace under pressure
- Able to skillfully manage within a complex public-private governance structure
- Fearless about advocating for and seeking support on behalf of Washington's students



The successful candidate will be an accomplished leader from the nonprofit, business, education, or government sectors. An understanding of nonprofit management, including the role of a nonprofit Board and fundraising strategy, will be useful. WSOS serves all of Washington state, so familiarity with its different communities' challenges and opportunities is helpful. Specific background in higher education in the state of Washington, the Washington state legislature, and the intricacies of public-private partnerships are all beneficial. People who have personal experience as a first-generation, under-resourced, or underrepresented student like the majority of those WSOS serves are especially encouraged to apply.

## COMPENSATION AND BENEFITS

This is a full-time exempt salaried position requiring a willingness to work some evenings and weekends and occasional travel throughout the state of Washington. The expected base salary range is between **\$155,000-\$195,000** depending on qualifications and experience. In addition, an annual performance bonus of up to **10% of salary** is offered, based upon achievement of agreed upon organizational and individual performance goals.

Employees are eligible for a comprehensive benefits package including generous PTO and holidays, health insurance including medical, dental, and vision, and access to an employer-matched 401k retirement benefit.

## COMMITMENT TO EQUITY

We seek to use an equity lens in all aspects of our work empowering under-resourced Scholars to access their own agency. WSOS recognizes that socio-economic burdens and benefits are not distributed equitably and that systematic barriers of intolerance, discrimination and social injustice are deeply rooted in history and impact our state's underrepresented communities. We challenge ourselves to dismantle these barriers. We strongly encourage applications from people of color and other historically underrepresented and marginalized groups.

## HOW TO APPLY

**Apply online by clicking on this link:**

**<https://cloversearchworks.recruiterbox.com/jobs/fk0j48n>**

Online applications only, please no email or paper submissions. You will be asked to upload a cover letter and resume. In your cover letter, please describe as specifically as you can how your experience, skills, and values are a fit with WSOS' goals, mission, and ideal candidate characteristics as described in this announcement.

**Applications received by May 27, 2019 at 5pm will be given full consideration; early applications are strongly encouraged!** All applications will be acknowledged via an email receipt and will be held confidentially within the search committee. Consideration will be given to applications as soon as they are received; phone and in-person interviewing will begin in late May, 2019. Candidates invited to move forward after a phone screen will be asked to submit an equity statement.



The search for this position is being facilitated by [Clover Search Works](#), a search firm that provides a full range of search services to nonprofit organizations in the Pacific Northwest and beyond. Clover Search Works is honored to partner with Washington State Opportunity Scholarship in the search for a new leader to carry out their important mission of building pathways into high-demand Washington careers for Washington's students.

**Questions regarding this opportunity are welcomed** and can be directed to Emily Anthony of Clover Search Works.

**Email:** [emily@cloversearchworks.com](mailto:emily@cloversearchworks.com) | **Phone:** 206-355-9162



## 110,000 Washington students a year will get money for college, many a free ride

By Katherine Long, *Seattle Times* staff reporter

May 5, 2019 at 6:00 am Updated May 6, 2019 at 9:36 am



*A sweeping bill that passed along with the Legislature's budget last weekend will help families who make up to the state's median income pay for... (Steve Ringman / The Seattle Times)*

Starting in 2020, more Washington residents will be able to attend college for less money. For many, it will be free.

About 110,000 low-to median-income students will qualify for help each year, including adults who never got a degree and want to go to school. There will be no more financial-aid wait lists.

The changes come from a sweeping higher education bill that passed along with the Legislature's budget last weekend, which will help families who make up to the state's median income – just under \$92,000 for a family of four. It has not yet been signed into law by Gov. Jay Inslee, who called on the Legislature to expand financial aid, but already, experts are calling it nationally significant.

It's a “unique and brilliant” approach, said college-aid expert Sara Goldrick-Rab, a Temple University professor and author of “Paying the Price: College Costs, Financial Aid, and the Betrayal of the American Dream.” She called the bill “pretty much the most progressive state higher ed funding bill I've seen at the state level in years.”

The Workforce Education Investment Act is expected to raise nearly \$1 billion over four years through a three-tiered hike in the state's business-and-occupation tax. It calls for increased tax rates on about 82,000 of the 380,000 taxpayers who pay the B&O tax, or about one-fifth of all businesses.

It also sets aside \$300 million over two years for public colleges and universities, making targeted investments to boost high-demand fields such as computer science, engineering and health care, and providing what the Legislature calls “foundational support” to recession-proof the state’s colleges and universities.

UW President Ana Mari Cauce said the legislation is a huge win — not only because it eliminates the financial-aid wait list, but because it will allow the university to better weather financial downturns. “We talked about the importance of this being the year for higher education, and I think the Legislature did that,” she said.

States have become laboratories for experiments with “free” college, said Jenna Sablan, assistant research professor at Georgetown University’s Center on Education and the Workforce. Programs range from Tennessee’s free community college promise to New York’s Excelsior Scholarship, which gives free tuition to the state’s two- and four-year public college system for families who make \$125,000 or less.

Sablan said the Washington program seems to most closely resemble the Excelsior Scholarship. But the New York program requires students to go to college full-time, and if they move out of state, the scholarship may be converted into a loan.

The Washington program does not have those features. Students whose families make \$50,000 or less for a family of four can go to a two- or four-year public college in Washington tuition-free, and students whose families make up to the median income — nearly \$92,000 for a family of four— will also get some aid.

With the additional funding, Washington will spend \$845 million over the 2019-2021 biennium for financial aid. It may be “the most generous-promise financial aid program in the country” — not just because of the award amounts, but also because of the different ways the money can be used, said Rachelle Sharpe, deputy executive director of the Washington Student Achievement Council, which oversees financial aid.

For example: The grant aid can be used by any Washington resident who qualifies, who doesn’t already have a bachelor’s degree, and who wants to earn something less than a full degree (such as a certificate) at a community college. It can be used at 66 schools in Washington (including many of the state’s private universities) and allows students to go part-time. It also covers apprenticeships.

“I’m not aware of any other state that’s done what we’ve done,” said state Rep. Drew Hansen, D-Bainbridge, who sponsored the bill. The act creates a new account, the Workforce Education Investment Account, that may only be used for higher education programs, operations, compensation and state-funded student aid programs.

The bill was opposed by the Washington Retail Association and the Independent Business Association of Washington, as well as independent physician clinics. They argued it would lead to increased costs and make it difficult for rural doctors to stay in business. It passed largely along party lines.

Although the Department of Revenue can’t release information on how much individual businesses will pay, it appears that only two companies, Microsoft and Amazon, fit the description of the highest B&O tax rate category of 2.5 percent (select advanced computing businesses with worldwide revenue that exceeds \$100 billion).

But the bill also limits their total tax to between \$4 million and \$7 million per year — meaning the two companies will contribute between 2 percent and 3.6 percent of the total \$380 million in revenue the tax increase will raise over the first two years. Both companies declined to say exactly how much they would pay, while also pointing out they have contributed to higher education in Washington in other ways.

Earlier this year, in a [Seattle Times Op-Ed supporting the measure](#), Microsoft President Brad Smith and two co-authors, including Cauce, wrote that tech companies should pay “a bit more” because they benefit from a highly-educated workforce. Amazon later endorsed the bill as well.

### **Goodbye wait list**

Washington’s 50-year-old State Need Grant has long been one of the nation’s most generous financial-aid programs. But it also ran out of money every year. This year, about 92,000 students got money — and another 18,000 qualified students got none.

The new bill replaces the State Need Grant with the more generous Washington College Grant in fall 2020. It is an entitlement, a guarantee that students whose family income meets the threshold will get the full amount to pay for tuition and fees if they plan to attend a state public school, and a portion of tuition if they attend one of the state’s accredited private colleges or universities.

“It’s just almost jaw-dropping,” said Sharpe, who has worked on financial aid issues for 22 years.

The guarantee “is huge,” agreed Mary Jean Ryan, executive director of Community Center for Education Results, a nonprofit that works with South King County school districts. “Eligible students and families can now count on assistance for college.”

If the plan were in place today, it would give a UW undergraduate student who qualified \$11,207, the cost this year of in-state tuition and required fees. Currently, the [maximum State Need Grant award for a UW student](#) is \$9,745.

In addition, that student also would likely qualify for a federal Pell Grant, which would provide another \$5,000, Sharpe said.

The law also extends smaller amounts of grant aid to students whose families make up to the median income, or nearly \$92,000 a year for a family of four. For many families in rural areas, where income levels are below the median, it is in effect a promise of either free or reduced tuition, Hansen said.

The graduated aid will be especially helpful for students whose families make just slightly more than the old financial aid cutoff. Those students often can’t take out enough in loan money to bridge the cost, leaving college just out of reach, Sharpe said.

### **Paying for true costs**

Of course, tuition isn’t the only cost. UW officials say a student living at home will need an additional \$8,000 to pay for food, transportation and other expenses; a student living on campus will need an additional \$16,500 for housing, food, transportation and other expenses. One of the criticisms of “free college” plans is that they don’t account for all expenses. But because this plan

isn't a so-called "last-dollar scholarship," students who qualify will still get Pell money, bringing their financial aid package closer to the true cost of college.

It also gets around another criticism of free college: That most of the money goes to the middle class, since low-income students already qualify for aid. That was one of the arguments against Seattle Promise, part of a levy approved by voters in November that lets all future Seattle public high school students go to one of the city's three community colleges for free. (The Washington College Grant will likely slightly lower the cost for Seattle taxpayers, since more money will be available from the state for students who qualify.)

The State Need Grant and a related state program called College Bound has made college possible for many Washington students, including Daniela Suarez, who grew up in Olympia and is now a junior at the University of Washington.

Suarez said she feared she'd never be able to get a degree because her parents didn't make enough money to pay for tuition. But Suarez's high-school counselor told her she qualified for the State Need Grant and other forms of aid, which allowed her to attend South Puget Sound Community College as a jumping-off point to the UW.

She said, "Before then, I had no hope."

## **Tab F**

### **WSOS Program Update & Reflection**

## PROGRAM UPDATE | JUNE 2019

### PROGRAM UPDATE

Since the April 2019 Washington State Opportunity Scholarship (WSOS) Board meeting, the WSOS team has been hard at work awarding new Scholars and developing new content for student support efforts.

Highlights of these activities are as follows:

#### **A. WSOS COHORT 8 AND RENEWING SCHOLARS**

In addition to actively developing and designing the newly launched Career and Technical Scholarship (see Tab C), WSOS has been busy working to enroll newly selected Cohort 8 Scholars, renewing current Scholars and disbursing scholarship funds.

Highlights include the following:

- Of the 1,850 selected students, 1,762 accepted the WSOS Baccalaureate Scholarship! Notably, most students who declined the scholarship did so because they were planning to study at colleges outside of Washington state.
- Of the 4,188 currently enrolled WSOS Baccalaureate Scholars who are eligible for renewal, 2,517 have requested to renew the scholarship.
- During the 2018-19 academic school year, \$14,688,577 was disbursed to students in the form of scholarships.

#### **B. SCHOLAR SUPPORT SERVICES**

##### **1.) SCHOLAR SUCCESS – NEAR PEER MENTORING**

The Scholar Success Team is in the process of closing out this academic year and starting the 2019-2020 academic year.

We close this academic year by completing the first year of the WSOS Scholar Lead program. We started with 152 Scholars who applied, while retaining 145 Leads to the end of this academic year. The average size of each mentee group for each Lead was 13 (some had more). The total number of engagements from Leads to mentees was 16,173 - fall and spring touchpoints including communications from the Leads to the mentees as well as the nonresponsive communications (from Leads to mentees) and invitations to campus and/or group events and welcome calls. On average, each of our approximately 1,800 mentees received at least 9 contacts from their Lead.

The 2019-2020 program is currently finalizing the hiring and training of 225 new Scholar Leads for the 2019-2020 academic year. There were over 244 applicants (WSOS junior, senior, graduates and returning) interested in mentoring first and second year Scholars.

The Scholar Success Team reviewed each applicant and called at least one reference for each candidate before making the final selection. Each newly selected Lead completes an Orientation module as well as a group video meeting prior to receiving their assigned mentee group of 12-18 Scholars. Next steps include matching the Leads with mentees, with the first priorities being school of attendance and area of study.

Once matching is completed, each mentee will receive a “welcome call” from their Lead along with regular suggestions for activities, check-ins, workshops and additional time to build community throughout the academic year. WSOS Advisors (a WSOS Scholar Success Team member) will provide individual and group support with in-person and video meetings as well as additional training for the workshops that will be presented. Topics include: General WSOS Overview, Success Skills, Wellness and Resume Building and Interviews.

The Success Team also welcomes its newest member, Sydney Parms. She starts on July 8.

## 2.) SCHOLAR PLACEMENT – INDUSTRY MENTORSHIP AND CAREER ADVISING

Students are typically most active in spring quarter as they look for summer work and learning opportunities. This spring, over 100 Opportunity Scholars made the most of Placement offerings. We are grateful to **Life Sciences Washington, Seattle Childrens’ Research Institute, Kaiser Permanente of Washington and The UW School of Medicine** for offering programming, mentorship and expedited internship access to Scholars with biomedical and healthcare aspirations (see photo of Scholars attending the Life Science Innovation Northwest Conference). Placement staff provided one-on-one advising and networking expertise to nearly 90 Opportunity Scholars during scheduled Placement campus engagements concurrent with campus career fairs and undergraduate research symposia (see Lathan Halaapiapi presenting at the 2019 CWU SOURCE). Nearly 10% of graduating Scholars, our largest number ever, checked in with Placement staff to document their graduation plans and recognize the role that Opportunity Scholarship played their undergraduate success.



The 2018-19 Skills that Shine (StS) program concluded in May. 167 mentors, representing the expertise of 63 different companies provided mentorship through StS to 208 Scholars. The impact of this program on Scholars in its first year as a codified offering of Opportunity Scholarship “*expansion programming*” will be formally shared with board members in the Expansion Section of the June 2019 board meeting (see sample data below).

- Recruited 167 mentors from 63 companies

# WASHINGTON STATE **OPPORTUNITY** SCHOLARSHIP

- Enrolled Cohort 8 (93 or 98\*) and non-Cohort 8 (115) third-year Scholars as mentees, for a total of 208 mentees
- 90% of Cohort 8 Scholars stated in exit surveys that they would recommend the program to other Scholars.
- Culminating networking celebration in Spokane & Seattle included 23 mentees, 25 mentors and 27 other guest (Non-StS Scholars and OS staff)

\*98 includes three who dropped WSOS and two went on hardships.

## DEVELOPMENT UPDATE

### A. OPPORTUNITYTALKS BREAKFAST 2019

Plans are on track for the 5<sup>th</sup> annual fundraising event on **Wednesday November 6, 2019** from 7 – 9 AM at the Sheraton Seattle Grand Hotel. The keynote speaker will be Adam Grant, New York Times bestselling author of *Originals*, *Give and Take*, and *Option B* (with Sheryl Sandberg). Mariam Myanja, a UW Seattle junior pursuing a degree in Computer Science, will be the Scholar speaker.

This year's co-chairs are WSOS board member and Pier 70 Managing Director Miller Adams; Moz CEO Sarah Bird; AGC Biologics board member and past CEO Gustavo Mahler; and former state representative Phyllis Gutierrez Kenney. We are grateful for their commitment and willingness to serve in this leadership role. Two Opportunity Scholars from eastern Washington, Bunji McLeod and Jordana Dahmen, will be featured as this year's co-MC's.

The theme of the 2019 breakfast is "Unlock the Future" and will incorporate a five-year lookback, a 'where are they now' video featuring the Scholar speakers of the last four years, and the launch of the first cohort of our Career and Technical Scholarship. The breakfast will also mark the official introduction of our next Executive Director to our community of partners and supporters.

Our fundraising goal is to once again raise \$1 million dollars through corporate sponsorships, foundation grants, individual giving and the state match. The 2019 Challenge Fund will provide a 4:1 match for event donations of \$250 and above. Thank you to the Sinegal Family Foundation for kicking off the sponsorship and challenge fund campaign.

### B. OPPORTUNITYTALKS BREAKFAST 2020

Next year's presidential election falls on Tuesday, November 3. Given the potential for donor distraction approaching the election, WSOS will host the 6<sup>th</sup> annual breakfast on **Wednesday, November 12, 2020** at the Sheraton Seattle Grand Hotel. We want our partners to be fully focused and engaged. With a date determined well in advance, we are in a strong position to secure an outstanding keynote presenter and Scholar speakers.

The theme for 2020 is "Vision".



**C. NAMED SCHOLARSHIPS**

Named scholarships now include both baccalaureate (BAC) and career & technical scholarships (CTS). The following named scholarships will be selected in the 2019-20 academic year (listed in alpha order):

- Battelle (BAC - renewing)
- Boeing (CTS - new)
- Castner Family (BAC - renewing)
- Celgene (BAC - new)
- Hanson Consulting Group (BAC - renewing)
- Juno Therapeutics (CTS - new)
- Kaiser Permanente (BAC - new)
- Rubens Family Foundation (BAC - renewing + CTS - new)

Additionally, in honor of our outgoing Executive Director's five years of leadership, five young women from Naria's hometown of Federal Way pursuing a baccalaureate degree will be designated Naria Santa Lucia Opportunity Scholars.

Engaging the interest of other companies and foundations through a named scholarship is a development strategy that has expanded to include the naming of career and technical scholarships. A donor commits to a minimum of one full scholarship (\$22,500 BAC / \$5,000 CTS) which is then doubled through the state match, supporting two Opportunity Scholars.

**EXTERNAL AFFAIRS UPDATE**

The team is in the middle of executing a statewide "road show" aimed at promoting the new Career and Technical Scholarship and strengthening relationships with communities and partners around Washington. We have spent May and June criss-crossing the state hosting receptions with lawmakers, tabling at community colleges, visiting skills centers, meeting with workforce stakeholders and connecting with industries in every community we visit.



These communities include: the Tri-Cities, Spokane, Granite Falls, Kitsap Peninsula, Moses Lake, Bremerton, Aberdeen, Grays Harbor, Vancouver, Wenatchee, Mt. Vernon, Columbia Basin, Snohomish, Everett, Long View, Poulsbo, Tacoma, Tumwater and more!!

We are working with local media outlets to promote the new scholarship and amplifying our effort via a social media campaign and #CTSRoadTrip hashtag.

We continue to work with financial aid offices and partners around the state to understand the implications of the new Workforce Education Investment Act (see additional information below), which we anticipate will increase the amount of scholarship dollars that Opportunity Scholars will receive beginning in Fall 2019 and particularly in 2020 when the full effect of the bill goes into place. The included memo further below outlines our current understanding of the bill and how it may impact our scholarship award.

**MEDIA COVERAGE**

The end of the 2019 legislative session and awarding of our Cohort 8 Scholars were the focus of media efforts.

Coverage summary:

- Microsoft Supports through Giving | Puget Sound Business Journal, April 1
- Nearly \$2 Million in STEM Scholarships Awarded to 83 NCW Students | KOHO 101, Wenatchee radio
- Tax on Amazon, Microsoft would fund free college tuition in Washington state | May 10
- Mt. Spokane High School senior, pilot and plane builder Nicolas Burrows is ready to take off | June 6, 2019

WSOS saw an increase in social engagement across our channels related to Baccalaureate Scholarship selection and the launch of our Career and Technical Scholarship (CTS). We’ve also seen an increase in engagement across channels as we’ve increase posts related to our CTS promotional Road Show.

**TWITTER**

- 1,818 followers as of June 12, 2019 (+1.8%)
- Total impressions from March 25, 2019 – June 12, 2019: 54,100
- We’ve seen an increase in impressions with the promotion of CTS – 28,500 impressions up 102.3% from May 2019.
- This month’s top five tweets were related to the launch of CTS and CTS promotion.

*Tweet activity* ×

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**WA Opp Scholarship** @OppScholarship

Our new Career and Technical Scholarship application is now OPEN! We are thrilled to support WA students on their path to #STEM, trade or health care associate degrees, certificates or apprenticeships at community and tech colleges! <https://www.bit.ly/2Wiu8f3>

<i>Impressions</i>	5,493
<i>Total engagements</i>	55
Link clicks	16
Likes	12
Detail expands	11
Retweets	10
Profile clicks	5
Hashtag clicks	1

**Promote your Tweet**

Your Tweet has 5,493 total impressions so far. Get more impressions on this Tweet!

Promote your Tweet

**Top Tweet – May 23, 2019:**

Our top tweet this period was the initial announcement on the launch of CTS.

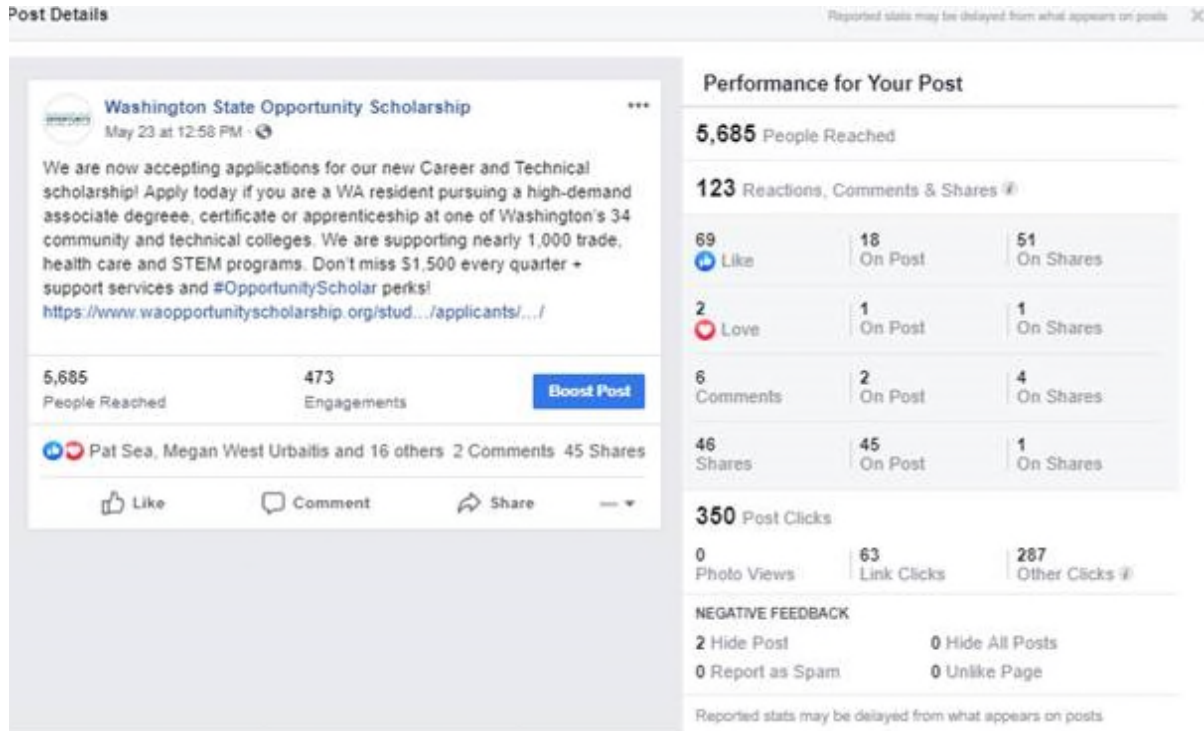
WASHINGTON STATE  
**OPPORTUNITY**  
 SCHOLARSHIP

**FACEBOOK**

- 3,679 Page like as of June 12, 2019 (+1.4%)
- Total impressions from March 25, 2019 – June 12, 2019: 37,312

**Top Post: May 23, 2019**

Our most engaging post was related to the launch of CTS.



**LINKEDIN**

WSOS created a private LinkedIn group for Scholars to share career development advice and internship opportunities. The group currently has over 200 scholars that have opted in to receive updates from the group. We've also launched an alumni group on LinkedIn to help alumni Scholars connect.

**INSTAGRAM**

We are continuing to grow our Instagram channel to reach more Scholars and students. Between the promotion of the Baccalaureate scholarship and the launch of CTS we have increased our following by 11%. We currently have 373 followers and have seen an increase in engagement with our Road Show hashtag #CTSRoadTrip.

**2019 LEGISLATIVE SESSION UPDATE**

Like the rest of our partners in higher education, we had a very active and impactful legislative session! We would like to highlight two key legislative changes which will impact WSOS: HB 2158 and I-1000.

## **I-1000 (REPEAL OF I-200)**

### **A. BACKGROUND**

In 1998 the voters approved Initiative 200 (I-200), titled the Washington State Civil Rights Act, which is codified in the WLAD. Initiative 200 prohibits the state from discriminating against or granting preferential treatment to an individual or group based on: race, sex, color, ethnicity, or national origin in the operation of public employment, public education, or public contracting. The "state" includes but is not limited to: the state itself; cities or counties; public colleges, universities, or community colleges; school districts; special districts; or other political subdivisions or governmental entities within Washington.

### **B. I-1000 PASSED DURING 2019 LEGISLATURE**

I-1000 an initiative to the legislature passed the during the 2019 legislative session. I-1000 would:

- Amend the provision of law that prohibits the state from discriminating against or granting preferential treatment to an individual or group based on certain characteristics in public employment, public education, and public contracting.
- Creates the Governor's Commission on Diversity, Equity, and Inclusion responsible for directing, monitoring, and enforcing state agency compliance with the initiative and reporting on state agency progress in achieving diversity, equity, and inclusion.
- Requires a memorandum and draft legislation regarding necessary statutory changes to bring nomenclature and processes in line with the initiative.

Initiative 1000 was designed to allow affirmative action without the use of quotas in the state of Washington. This means that characteristics such as race, sex, color, ethnicity, national origin, age, sexual orientation, disability, or veteran status can be used as factors when considering a person for education or employment opportunities. I-1000 bans preferential treatment, meaning those characteristics could not be the sole or deciding factor when considering a person for education or employment opportunities. The measure was designed to create the Governor's Commission on Diversity, Equity, and Inclusion which is responsible for ensuring compliance with the measure and is required to issue an annual report on the progress of state agencies in achieving the measure's goal of "guaranteeing every resident of Washington state equal opportunity and access to public education, public employment." The state legislature approved I-1000 largely along party lines with all votes in favor coming from Democratic legislators. I-1000 was approved in a vote of 56-42 in the House and 26-22 in the Senate. In the House, one Democrat, Brian Blake of District 19b, joined all House Republicans in voting no. Two Senate Democrats, Mark Mullet of District 5 and Tim Sheldon of District 35, joined the 20 Senate Republicans in voting no. Senator Guy Palumbo (D-1) was excused from voting.

### **C. REFERENDUM 88 WAS FILED ON 4/29**

Referendum Measure 88 has been filed with the Secretary of State on April 29th. Referendum 88 is a veto referendum which is a type of citizen-initiated ballot measure that asks voters whether to uphold or

repeal a law passed by the state legislature. Opponents of the law must collect signatures for the veto referendum before the measure will be placed on the ballot. Opponents of I-1000 have 90 days after the legislative session to collect almost 130,000 signatures.

## HB 2158 – WORKFORCE INVESTMNET AND EDUCATION ACT

### A. SUMMARY AND OVERVIEW

[HB 2158](#) makes a historic investment in higher education funding that will impact most Opportunity Scholars through the creation of the Washington College Grant (replacing the State Need Grant). The bill will make tuition and fees free for students attending public institutions (community college or baccalaureate) whose families make less than \$50,000 and will provide partial grants to students whose families make up to 55% of median income (almost \$92k) beginning in fall 2020. Students attending private institutions will also receive some funding (see chart<sup>i</sup>), and students attending part-time receive a pro-rated amount.

For many of our Scholars, the new Washington College Grant will cover all or much more of their tuition and fees, which enables Opportunity Scholarship dollars to go towards cost of attendance. This bill also makes clear that WSOS funds cannot be counted as state aid for the purposes of calculating College Bound awards. This ensures that Scholars will not see their Opportunity Scholarship dollars reduced because WSOS counts against their total award amount (referred to internally as the College Bound fix). This fix was particularly important for the Career and Technical Scholarship.

The bill also makes specific changes to our legislation, including amending the definition of private sources to include municipalities, counties and federally recognized native American tribes – allowing all of these entities to invest in WSOS and receive matching dollars that can be only used per their municipality, county or tribal “program rules.” The bill also strikes the service obligation for the advanced health care degree scholarship program.

### B. STRUCTURE OF THE WASHINGTON COLLEGE GRANT

The bill makes the Washington College Grant an entitlement so it is no longer a promise of a scholarship dependent on available funding in the budget. Rather, it is “a guarantee that students whose family income meets the threshold will get the full amount to pay for tuition and fees if they plan to attend a state public school, and a portion of tuition if they attend one of the state’s accredited private colleges or universities.”<sup>ii</sup>

Students can use the grant for certificates, degrees or apprenticeships. They must file the FAFSA or WASFA, be a resident and have not yet earned a baccalaureate degree. The grant can be used up to five years or 125% of published length of the program. Part-time students receive a prorated portion.

The bill goes into full effect in the 2020 school year, but next year’s students get some additional funds, see chart.<sup>iii</sup> Beginning in fall of 2020 and beyond, Washington residents whose families earn \$50,000 or

less will have 100% of their tuition and fees at public institutions paid for while students of families earning up to \$91k will receive a grant of 10% of their tuition and fees. See full breakdown for more.<sup>iv</sup>

This bill is paid for by a tax increase totaling nearly \$1 billion over four years via a hike in the state's business-and-occupation (B&O) tax. Businesses who rely on higher education degrees (think high-tech, accounting, architecture) will see an increase in their tax rate, roughly 1/5 of all WA businesses<sup>v</sup>. In addition, "companies that develop software or computer hardware and gross over \$100 billion annually will pay a 66.66 percent business and occupation surcharge."<sup>vi</sup> Only Amazon and Microsoft qualify – with Microsoft strongly supporting the bill and Amazon eventually endorsing.

### **C. WSOS SPECIFIC IMPLICATIONS**

The section pertaining to WSOS begins at 62. (What does this mean?? Should it say "The section in the bill that pertains to WSOS begins at Section 62"?) The bill removes the service obligation for our advanced health degree program and instead asks that we document each participant's employment following graduation.

(This paragraph is duplicated in the Summary and Overview above. Do you need it here as well?) The bill also expands the definition of private sources who are eligible to invest in WSOS to include "federally recognized Indian tribes, municipalities, counties, and other sources, but excludes state dollars."<sup>vii</sup> The bill ensures that the value of the private source investment, plus the state match, are awarded to "participants within that federally recognized Indian tribe, municipality, or county according to the federally recognized Indian tribe's, municipality's, or county's program rules." No other detail is provided regarding "program rules."

Section 66 amends the bill in order to make budgeting more predictable by dictating that the state match must be based on donations and pledges received as of the date each official state caseload forecast is submitted.

(This paragraph is also duplicated above. Do you need both?) And finally, section 68 provides a permanent fix to the College Bound issue, ensuring that neither the state or financial institutions can consider Opportunity Scholarship awards to be "state funded for the purpose of determining the value of an award for other state financial aid programs." This insures that other financial aid programs cannot be calculated against Opportunity Scholarship funds – so students can use our flexible scholarship funds towards other expenses on top of other state and federal aid.

### **D. IMPLICATIONS AND RISKS**

This historic investment in financial aid will benefit thousands of students across the state, and most of our Opportunity Scholars will see a large increase in their financial aid award package. Overall this is an incredibly positive change for students across the state.

As a result of this change, WSOS will need to modify the language we use to describe our scholarship program – highlighting the flexibility of our funds and their ability to cover a greater portion of a student's

cost of attendance (on top of the state’s new generous financial aid). We may need to combat perceptions that students no longer need to apply for scholarships since the Washington College Grant provides a guarantee of funding for many students.

Regardless, WSOS will likely see a larger portion of our scholarship dollars returned since the Washington College Grant, Pell Grant, College Bound, etc. will cover a larger portion of a student’s cost of attendance. Staff will need to be prepared for this influx.

We should also note that we serve students at 125% of MFI, while the new grant only goes up to 100% of MFI. Those students “middle-income” Scholars, while a much smaller portion of our overall Scholar population, will not see a substantial financial aid package increase. (This last sentence doesn’t make sense.)

**E. BILL ELEMENTS**

The bill also makes targeted investments in a variety of other high-demand programs, student supports and other career-connected programming, including \$300 million going towards CTC and public colleges and universities to increase enrollment and capacity in high-demand fields and “foundational support” to “recession-proof” the state’s colleges and universities.

The bill also expands career-connected learning opportunities and creates a student loan refinancing program that will utilize interest rate buy down incentives to allow qualified borrowers to receive below market rate interest rates.

<sup>i</sup> Maximum Washington college grant:

Type of institution attended	Maximum grant
Two/four year institution of higher ed defined in RCW 28B.10.016	Tuition and estimated fees for 15 quarter credit hours or equivalent, as determined by the office of student financial assistance
Private four-year not-for-profit institution	\$9,739 and may increase each year by no more than the tuition growth factor
Private two-year not-for-profit institution	\$3,694 and may increase each year by no more than the tuition growth factor
Private four-year for-profit	\$8,517 and may increase...
Private two-year for-profit	\$2,823 and may increase...
Western Governors University- Washington	\$5,619 and may increase...

<sup>ii</sup> [Seattle Times](#)

<sup>iii</sup> Grants for 2019-20 school year

Family Income (% of WA median family income) adjusted for family size	Percent of maximum grant
0-50%	70%

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56-60%	65%
61-65%	60%
66-70%	50%

iv Grants for 2020 and beyond

Family Income (% of WA median family income) adjusted for family size	Percent of maximum grant
0-50%	100%
56-60%	70%
61-65%	60%
66-70%	50%
71-75%	24.5%
76-100%	10%

v [Seattle Times](#)

vi [King5](#)

vii Specific language house in Sec. 63 RCW 28B.145.010 of [HB 2158](#).



## 110,000 Washington students a year will get money for college, many a free ride

By Katherine Long, *Seattle Times* staff reporter

May 5, 2019 at 6:00 am Updated May 6, 2019 at 9:36 am



*A sweeping bill that passed along with the Legislature's budget last weekend will help families who make up to the state's median income pay for... (Steve Ringman / The Seattle Times)*

Starting in 2020, more Washington residents will be able to attend college for less money. For many, it will be free.

About 110,000 low-to median-income students will qualify for help each year, including adults who never got a degree and want to go to school. There will be no more financial-aid wait lists.

The changes come from a sweeping higher education bill that passed along with the Legislature's budget last weekend, which will help families who make up to the state's median income – just under \$92,000 for a family of four. It has not yet been signed into law by Gov. Jay Inslee, who called on the Legislature to expand financial aid, but already, experts are calling it nationally significant.

It's a “unique and brilliant” approach, said college-aid expert Sara Goldrick-Rab, a Temple University professor and author of “Paying the Price: College Costs, Financial Aid, and the Betrayal of the American Dream.” She called the bill “pretty much the most progressive state higher ed funding bill I've seen at the state level in years.”

The Workforce Education Investment Act is expected to raise nearly \$1 billion over four years through a three-tiered hike in the state's business-and-occupation tax. It calls for increased tax rates on about 82,000 of the 380,000 taxpayers who pay the B&O tax, or about one-fifth of all businesses.

It also sets aside \$300 million over two years for public colleges and universities, making targeted investments to boost high-demand fields such as computer science, engineering and health care, and providing what the Legislature calls “foundational support” to recession-proof the state’s colleges and universities.

UW President Ana Mari Cauce said the legislation is a huge win — not only because it eliminates the financial-aid wait list, but because it will allow the university to better weather financial downturns. “We talked about the importance of this being the year for higher education, and I think the Legislature did that,” she said.

States have become laboratories for experiments with “free” college, said Jenna Sablan, assistant research professor at Georgetown University’s Center on Education and the Workforce. Programs range from Tennessee’s free community college promise to New York’s Excelsior Scholarship, which gives free tuition to the state’s two- and four-year public college system for families who make \$125,000 or less.

Sablan said the Washington program seems to most closely resemble the Excelsior Scholarship. But the New York program requires students to go to college full-time, and if they move out of state, the scholarship may be converted into a loan.

The Washington program does not have those features. Students whose families make \$50,000 or less for a family of four can go to a two- or four-year public college in Washington tuition-free, and students whose families make up to the median income — nearly \$92,000 for a family of four— will also get some aid.

With the additional funding, Washington will spend \$845 million over the 2019-2021 biennium for financial aid. It may be “the most generous-promise financial aid program in the country” — not just because of the award amounts, but also because of the different ways the money can be used, said Rachelle Sharpe, deputy executive director of the Washington Student Achievement Council, which oversees financial aid.

For example: The grant aid can be used by any Washington resident who qualifies, who doesn’t already have a bachelor’s degree, and who wants to earn something less than a full degree (such as a certificate) at a community college. It can be used at 66 schools in Washington (including many of the state’s private universities) and allows students to go part-time. It also covers apprenticeships.

“I’m not aware of any other state that’s done what we’ve done,” said state Rep. Drew Hansen, D-Bainbridge, who sponsored the bill. The act creates a new account, the Workforce Education Investment Account, that may only be used for higher education programs, operations, compensation and state-funded student aid programs.

The bill was opposed by the Washington Retail Association and the Independent Business Association of Washington, as well as independent physician clinics. They argued it would lead to increased costs and make it difficult for rural doctors to stay in business. It passed largely along party lines.

Although the Department of Revenue can’t release information on how much individual businesses will pay, it appears that only two companies, Microsoft and Amazon, fit the description of the highest B&O tax rate category of 2.5 percent (select advanced computing businesses with worldwide revenue that exceeds \$100 billion).

But the bill also limits their total tax to between \$4 million and \$7 million per year — meaning the two companies will contribute between 2 percent and 3.6 percent of the total \$380 million in revenue the tax increase will raise over the first two years. Both companies declined to say exactly how much they would pay, while also pointing out they have contributed to higher education in Washington in other ways.

Earlier this year, in a [Seattle Times Op-Ed supporting the measure](#), Microsoft President Brad Smith and two co-authors, including Cauce, wrote that tech companies should pay “a bit more” because they benefit from a highly-educated workforce. Amazon later endorsed the bill as well.

### **Goodbye wait list**

Washington’s 50-year-old State Need Grant has long been one of the nation’s most generous financial-aid programs. But it also ran out of money every year. This year, about 92,000 students got money — and another 18,000 qualified students got none.

The new bill replaces the State Need Grant with the more generous Washington College Grant in fall 2020. It is an entitlement, a guarantee that students whose family income meets the threshold will get the full amount to pay for tuition and fees if they plan to attend a state public school, and a portion of tuition if they attend one of the state’s accredited private colleges or universities.

“It’s just almost jaw-dropping,” said Sharpe, who has worked on financial aid issues for 22 years.

The guarantee “is huge,” agreed Mary Jean Ryan, executive director of Community Center for Education Results, a nonprofit that works with South King County school districts. “Eligible students and families can now count on assistance for college.”

If the plan were in place today, it would give a UW undergraduate student who qualified \$11,207, the cost this year of in-state tuition and required fees. Currently, the [maximum State Need Grant award for a UW student](#) is \$9,745.

In addition, that student also would likely qualify for a federal Pell Grant, which would provide another \$5,000, Sharpe said.

The law also extends smaller amounts of grant aid to students whose families make up to the median income, or nearly \$92,000 a year for a family of four. For many families in rural areas, where income levels are below the median, it is in effect a promise of either free or reduced tuition, Hansen said.

The graduated aid will be especially helpful for students whose families make just slightly more than the old financial aid cutoff. Those students often can’t take out enough in loan money to bridge the cost, leaving college just out of reach, Sharpe said.

### **Paying for true costs**

Of course, tuition isn’t the only cost. UW officials say a student living at home will need an additional \$8,000 to pay for food, transportation and other expenses; a student living on campus will need an additional \$16,500 for housing, food, transportation and other expenses. One of the criticisms of “free college” plans is that they don’t account for all expenses. But because this plan

isn't a so-called "last-dollar scholarship," students who qualify will still get Pell money, bringing their financial aid package closer to the true cost of college.

It also gets around another criticism of free college: That most of the money goes to the middle class, since low-income students already qualify for aid. That was one of the arguments against Seattle Promise, part of a levy approved by voters in November that lets all future Seattle public high school students go to one of the city's three community colleges for free. (The Washington College Grant will likely slightly lower the cost for Seattle taxpayers, since more money will be available from the state for students who qualify.)

The State Need Grant and a related state program called College Bound has made college possible for many Washington students, including Daniela Suarez, who grew up in Olympia and is now a junior at the University of Washington.

Suarez said she feared she'd never be able to get a degree because her parents didn't make enough money to pay for tuition. But Suarez's high-school counselor told her she qualified for the State Need Grant and other forms of aid, which allowed her to attend South Puget Sound Community College as a jumping-off point to the UW.

She said, "Before then, I had no hope."