

WASHINGTON STATE **OPPORTUNITY** SCHOLARSHIP

BOARD MEETING AGENDA THURSDAY, SEPTEMBER 17, 2020 | 1:00-3:00 P.M. VIRTUAL ONLY DUE TO COVID-19 GOVERNOR'S ORDER

Click on the Microsoft Teams link in the meeting invitation or dial in: 1-425-616-0754 / passcode: 626 508 166#

Meeting open to the public via conference line above.

I.	Meeting Called to Order		Brad Smith Board Chair	1:00p
II.	Approval of Minutes from June 10, 2020 Meeting	[Tab A]	Brad Smith Board Chair	1:00-1:05p
III.	Mission Moment: Opportunity Scholar Story	[Tab B]	Grace Lilje Scholar Lead	1:05-1:10p
IV.	2020-21 Scholar Services Update	[Tab C]	Javania Cross Polenska Deputy Director	1:10-1:50
V.	OpportunityTalks 2020 Virtual Breakfast	[Tab D]	Erin Ashley Development Director	1:50-2:00p
VI.	Legislative Session & Priorities	[Tab E]	Jessica Monger External Affairs Director	2:00-2:20p
VII.	Program Update & What's Next	[Tab F]	Kimber Connors Executive Director	2:20-2:45p
VIII.	Finance & Program Administrator Update » <i>Board Action: Approve charter updates</i>	[Tab G]	Kimber Connors Executive Director	2:45-2:55p
IX.	Closing		Brad Smith Board Chair	2:55-3:00p

Important Dates

- » **Upcoming Board Meetings - all meetings at Microsoft campus or by Teams from 1 to 3p**
 - Thursday, December 17, 2020

Tab A

Minutes from the June 10, 2020 Board Meeting

**WASHINGTON STATE OPPORTUNITY SCHOLARSHIP BOARD MEETING
WEDNESDAY, JUNE 10, 2020, 1-3 PM, MICROSOFT TEAMS OR DIAL IN
MEETING MINUTES**

The Board of Directors of the Washington State Opportunity Scholarship (WSOS) convened on June 10, 2020 via Microsoft Teams and dial in only due to COVID-19 Governor's Order. The meeting was publicized as available to the public on the WSOS website though no physical location was hosted as the Governor also suspended the Public Meeting Act.

Board members: Miller Adams, Diane Cecchetti, Joelle Denney, Mack Hogans, Jane Park, Gary Rubens, Brad Smith and Mike Wilson

Additional attendees: Lianda Abraham, Terrie Ashby-Scott, Erin Ashley, Jane Broom, Gina Breukelman, Meg Chambers, Kimber Connors, Nikita Fisenko, Karyl Gregory, Mesa Herman, Angela Jones, Louise Kaplan, Joanna Moznette, Brittany Nielsen, Hannah Olson, Cristal Rangel Peña, Stan Pichinevskiy, Jvania Cross Polenska, Dave Stoller, Aileen Tubo, Emma Uman, Steve Walker and Theresa Britschgi by phone

Meeting Called to Order

Brad Smith, the Board chairman, called the Board meeting to order at 1:03 pm.

Approval of Minutes

Mack Hogans moved that the minutes of the March 3, 2020 Board meeting be approved. Diane Cecchetti seconded the motion, and it carried unanimously.

Mission Moment: Scholar Opportunity Story

Joanna Moznette, WSOS Scholar Success Advisor, introduced Nikita Fisenko, WSOS Scholar Lead. Fisenko shared highlights of his background. He grew up as one of seven children in Uzbekistan and his family moved to the United States over a decade ago. English is his third language behind Uzbek and Russian, and he is currently learning Spanish and the American Sign Language. During high school, he joined the TriTech Skills Center in TriCities. As a result of working at a nursing home, he realized his passion to become a nurse. He graduated from Richland High School and is now a fifth-year senior at the Washington State University Tri-Cities College of Nursing. He was thrilled to become an Opportunity Scholar. As a Scholar Lead, he was grateful for the opportunity to be a resource, leader and, most importantly, a mentor to colleagues in the STEM fields. He has taken advantage of WSOS-hosted networking opportunities and participated in study abroad experiences in Costa Rica and Peru. He hopes to become a Registered Nurse and start working in the fall for Kadlec Regional Medical Center. His dream is to complete a Doctorate of Nursing Practice.

Miller Adams asked Fisenko how he became interested in sign language. Fisenko indicated that his community service project in high school was working with those who are deaf and hard of hearing. Hogans asked how Scholars can best be supported. Fisenko shared that the first few months of the COVID pandemic were filled with so many unknowns. Receiving emails and check-ins from WSOS provided much appreciated support and he recommends that flow of communication continue. He also shared how valuable his support from Moznette has been, and he recommends all Scholars get to know their Advisor as he has.

COVID-19 and Program Update

Kimber Connors, WSOS Executive Director, presented the COVID-19 and Program update. Financial awards: Connors reported that FAFSA/WAFSA completion rates are down for college students nationwide due to COVID-19 so a dip in fall enrollment is expected with both the Baccalaureate Scholarship (BaS) and Career & Technical Scholarship (CTS). WSOS has been proactive about encouraging early completion of the FAFSA/WAFSA for Scholars. With students out of school due to COVID-19 impacts, recruiting efforts for CTS Cohort 2 were focused on social media, traditional media and online recruitment.

Scholar Lead program: Mentees and Scholar Leads are being supported in a virtual model. Advisors have increased their outreach efforts to Leads and requested increased engagement by the Leads with their mentees. It is apparent that Scholars are facing significant challenges with meeting their own basic needs during the pandemic. To address this, WSOS launched a COVID-19 resource page on their website to promote support opportunities for Scholars within their communities across the state. Onboarding for new 2020-21 Scholar Leads will continue to be entirely virtual as it has been in years past. The curriculum will be refined based on Scholar feedback and additional support will be given to Scholar Leads to become effective virtual mentors.

Scholar career development: The end-of-year, in-person Skills that Shine (StS) event was cancelled and virtual connections have been facilitated. Efforts relying on virtual methods are underway to recruit 1,000 mentors for 2020-21. StS started with just 15 mentors in 2014 and the program growth and interest has been tremendous. Scholars are facing internship and job-hunting challenges with hiring freezes and work-like experiences cancelled. A career-building resource page has been built on the WSOS webpage to support Scholars with ways they can continue to develop their career readiness. Additionally, WSOS actively seeks opportunities to share with Opportunity Scholars via a LinkedIn private group and direct messaging as part of a growing Industry Insider strategy.

Private fund development: Private fundraising is focusing on seeking multiple, smaller partnerships through grant applications, reaching out to connect with closely held partners, assessing feasibility of the 2020 budget revenue target and launching a feasibility study to test-case messaging and engage donors in the current environment. Additional funding was approved previously by the Board to hire a feasibility consultant. The Finance & Investment Committee just approved the \$50,000 increase to the budget at their meeting last week. The annual Opportunity Talks event will not occur in-person this fall, and a new campaign is being developed to leverage the virtual fundraiser as an opportunity to pivot event sponsors to mission donors.

Mack Hogans noted that the pandemic has impacted every aspect of our lives, including higher education institutions. Many colleges are looking at different models to address the needs of their students. Hogans asked if there are unique challenges faced by our target populations of Scholars, especially those on the lower income scale or those from single parent families. Connors confirmed that many of our Scholars are facing challenges with food and home insecurities. Each college offers its own forms of assistance, and the level of support varies across institutions. For example, UW Seattle has a technology loan program through which students can loan a laptop while many Career & Technical Colleges (CTC's) cannot have such a program due to resource constraints. Some Scholars need a replacement of income because they lost their part-time job with COVID-19. Fortunately, WSOS funding is flexible and includes the cost of attendance such as childcare, food, rent, etc. In addition, WSOS has a flexible leave of absence policy so Scholars can take time away from classes and then resume later. This is important information to share with our Scholars, and WSOS is proactively reaching out to Scholars. Smith noted that higher education institutions are carefully assessing hybrid options for offering classes in the fall.

State match and legislative update: Half of our funding comes from the state, and the state is facing a multi-billion dollar revenue shortfall. The Legislature is anticipating a possible special session. WSAC indicated that the Governor asked every agency to identify 15% that could be cut from their budget in the event that the current budget needs to be amended. Our state match could be included. Therefore, WSOS plans to act quickly on July 1st to secure available state match funds and implementation dollars before a possible special session were to begin. In the case of a delayed match, Connors and Hogans are working closely with the Washington State Investment Board (WSIB) and the Finance & Investment Committee to re-examine our scholarship model and investment portfolio. In light of the budget constraints, we plan to prioritize state match asks for new programs (Rural Jobs Initiative & the graduate program).

Smith noted the Legislature appropriated \$4.5M for WSOS for FY21. He asked if our failing to receive all of that funding would adversely impact our ability to pay out our scholarships. Connors indicated it would not; the only impact would be on the new Rural Jobs program. Given the state of the budget, Smith recommended we consider whether we might make a more modest state match ask in an effort to support the Legislature as they seek potential savings from this budget. Hogans suggested the Finance & Investment Committee discuss the potential impact. He expressed some skepticism that WSOS would later receive the full amount should they not seek the match right away. Smith proposed WSOS vet the approach and noted the state has been reliable in providing the

state match in the past. Diane Cecchettini offered her agreement with the shared comments and strategy as presented. Connors indicated she would debrief with Hogans.

Requested Board action: Connors presented a resolution allowing funds donated by WorkSource entities, regardless of their legal status, be subject to the treatment as defined by law for tribes, counties or municipalities.

Board Action: Hogans made a motion to approve the resolution for WorkSource funds to receive county treatment. Cecchettini seconded the motion, and it carried unanimously.

Connors presented a resolution which would clarify how undesignated funds up to \$500K are allocated between programs and accounts.

Board Action: Hogans made a motion to approve the resolution directing undesignated funds. Cecchettini seconded the motion, and it carried unanimously.

Smith asked Connors to share how WSOS is communicating our support to our Black Scholars given the national dialogue around the Black Lives Matter movement. Connors reported that much reflection has been given to this vital need with the support of staff. There is a statement of solidarity on the WSOS social media page, and we will be highlighting stories of our Black Scholars in the weeks and months ahead. Additionally, we are drafting an email to be sent to all Scholars stating our commitment to standing in solidarity with the Black community. WSOS has supported about 900 Black or African American Scholars since our inception in the BaS which represents 8.2% of that Scholar population. This is double the representation of people who identify as Black within the STEM workforce in Washington which speaks to the critical role WSOS can play in ensuring more diverse voices are heard in the future. WSOS is seeking a response to the Black Lives Matter movement that is authentic to our mission and in alignment with statute. We recognize there is more significant work we can be doing to support our Black Scholars.

Smith noted that people are more focused now on this aspect of diversity. WSOS is an engine of opportunity and mobility for all our Scholars. WSOS has a proven track record for opening doors for more people to jobs. We need to keep dialoguing with our legislators and the public and continue asking ourselves what more we can do. Fortunately, there are many companies in our state who are asking the same question. They can provide internships, become mentors and hire our Scholars.

Jane Park reflected on how much she has learned by working with our WSOS team. She highlighted the extent to which we have included equity goals throughout the organization including the hiring process and onboarding. She has utilized our documents with other start-ups and has found them to be very meaningful.

Career & Technical Scholarship Selection

Steve Walker, WSOS Awards Administration Director, reported the goal of his presentation will lead to a Board vote on the selection criteria for the entire 2020-21 CTS academic year which comprises the fall, winter and spring quarters. He began by providing results of the fall application which closed on June 4th. There were fewer applications over last year for two reasons. First, COVID-19 impacted the ability of champions to connect with applicants and their uncertainty about the future. Second, the number of women applicants dropped this year because WSOS recognizes that the best way for Scholars to land a nursing position is with a baccalaureate rather than a CTC degree. (As such, nursing was not an eligible program during this cycle of application.)

Compared to last year's applicants (CTS Cohort 1), the number of women applicants decreased from 59% to 49%; however, women applicants excluding healthcare increased from 22% to 28%. Additionally, all 49 legislative districts are represented; high school applicants more than doubled from 16% to 34%; applicants of color increased from 43% to 47%; and a new category for single parents was added representing 17% of the applicants.

Selection goals are focused on prioritizing statewide impact in high-demand fields, selecting Scholars who are highly likely to complete their program and promoting equity of access to higher education. Since the application just closed last week, we do not yet know which applicants are eligible. We are asking today for a Board vote on a

selection model which allows flexibility for staff to make slight adjustments to achieve the three identified selection goals.

The proposed CTS selection model includes two changes from last year. First, the proposed model removes GPA from the predictor of success factor because many applicants have been out of school for a long time so it is not a reliable predictor; the model replaces this with the resilience essay. Second, the proposed model would give some additional priority to single parents under equity of access. The proposed model would be as follows: economic impact – 50% (from 45% last year), predictor of success – 15% (from 25%), equity of access – 15% (from 10%) and family income – 20% (remains the same).

Mike Wilson asked for further clarification about why nursing had been removed as an eligible program for CTS. He noted that nursing graduates with an associate's degree take the same NCLEX exam as baccalaureate graduates and have the same ability to practice. There is no difference in the role of a nurse except with leadership roles they can assume with a baccalaureate degree. Walker noted stakeholders had encouraged WSOS to remove the program because BSN graduates find it much easier to be hired than their CTC counterparts. Wilson questioned whether the accuracy of that presumption and wondered if the decision to remove nursing as an eligible CTS program would disproportionately harm students who are more likely to attend a CTC who may also be the neediest. Walker proposed a follow-up conversation on this topic be continued outside of this meeting.

Joelle Denney asked if removing the GPA criteria is just for the 2020-21 selection model because of COVID-19 or if it extends beyond. Walker indicated that the CTS scholarship focuses on applicants who have been out of high school for a while. Consequently, the intent would be to carry it beyond this year. However, given the current environment with COVID-19, this change becomes even more relevant now.

Hogans asked what qualitative differences might be seen over the next four years if we kept GPA as a criteria and did not replace it with the resilience essay. Walker reported that the essay was only introduced last year and therefore no Scholars have yet graduated. Walker explained that the GPA is more about assessing an applicant's ability to clear the selection process with a set of rules whereas the resilience essay assesses the applicants' perseverance and growth as a result of a significant challenge or obstacle they have personally encountered.

Board Action: Hogans made a motion to approve the 2020-21 CTS selection model as presented. Cecchettini seconded the motion, and it carried unanimously.

Graduate Scholarship Program Design

Connors stated that preliminary design ideas for the Graduate Scholarship Program were discussed at our last Board meeting on March 3, 2020. Since then, Connors has discussed details for finalizing the program design with Cecchettini and Wilson, and has also gained valuable input from Theresa Britschgi, the WSOS Scholar Recruitment Director. The vision of the Graduate Scholarship (GRD) is to actualize the intent of HB 2143 by increasing the number of health care professionals providing physical and behavioral health care, particularly in communities designated as rural or medically underserved in Washington state. The goal is to secure a cornerstone partnership to launch the program for the 2021-22 academic year.

Connors reported the program design is based on four pillars. The first pillar targets nurse practitioners because they can address both behavioral and physical health, be trained relatively quickly, have prescriptive authority and are affordable and billable to insurance. The second pillar supports practicum placement in target areas. A practicum is required for board certification and state licensure. While placement in target (rural and medically underserved) areas is challenging, the practicum location plays an influential role in the ultimate placement of certified NPs. The third pillar provides significant scholarship support because NPs face unique opportunity costs and may need to travel to remote practicum sites. The fourth pillar fosters relationships between higher education, practicum sites and Scholars. This pillar leverages our experience and builds relationships with higher education partners and practicum sites.

The program specifics include two eligible degree programs: Doctorate of Nursing Practice (DNP) and Master of Nursing Science (MSN). Specialties include: Family Nursing Practice (FNP), Psychiatric Mental Health (PMHNP),

Adult-Gerontology (AGNP-Primary Care & Acute Care) and Pediatric (PNP-Primary Care & Acute Care). Locating practicums in the target areas is of primary importance. Eligible campuses include Gonzaga, Washington State University (WSU), Seattle Pacific University (SPU), Seattle University (SU), University of Washington (UW) and Pacific Lutheran University (PLU) with representation in Seattle, Spokane, Tacoma, Tri-Cities, Vancouver, Walla Walla and Yakima.

For a typical DNP award, the academic scholarship is up to \$30,000 and the typical MSN award is up to \$8,000. There is a \$2,500 one-time award at the time of enrollment plus \$4,500 per practicum term (120 clinical hours). An additional travel scholarship up to \$1,000 per practicum term (120 hours) is available for those in remote practicum placements. A practicum remuneration of \$3,600 per practicum term (120 hours) is paid to the institution of higher education and then passed on to the practicum hosts (site and provider) to incentivize placement in target areas.

Wilson commended Connors and the WSOS team for building a comprehensive design framework which possesses a high degree of success in placing MSN and DNP students into preceptors in rural communities. Louise Kaplan, Associate Professor at WSU College of Nursing and their FNP Clinical Track Coordinator, stated that she has spoken to Britschgi and believes this program design would be easy to implement for WSU as partnerships with local clinics are already established. Kaplan reported that she was in Aberdeen yesterday visiting three WSU students in preceptors. These facilities have indicated that they prefer to hire from the preceptorships. Kaplan stated that WSU is poised to develop this program with WSOS.

Board Action: Cecchetti made a motion to approve the preliminary program design in anticipation of seeking a cornerstone investment. Hogans seconded the motion, and it carried unanimously.

Connors reported that next steps include seeking a cornerstone partner no later than this November and engaging in 2021 legislative conversations regarding the income/WA high school graduate eligibility change, modifying limiting language that delays the launch and securing the state match for the cornerstone gift. Achieving these next steps will culminate in the launch of the program in the fall of 2021.

Rural Jobs Program Design

Walker reported that the goal of the Rural Jobs Initiative (RJI) presentation is separate board votes to approve the program design, approve the selection model and approve a resolution for RJI giving to be restricted to specific eligible counties. The two-fold legislative intent of the RJI is to increase the number of rural students who graduate with industry-recognized credentials for high-demand jobs in their community and identify high-demand jobs in partnership with local workforce development leaders. The RJI addresses geographic, financial and personal needs of students. Students living far from campus usually cannot sustain a long commute for more than one or two consecutive quarters. Students considering college face unique financial barriers and need someone who can inspire them to believe college is possible.

The proposed program design would: provide a base scholarship support which aligns with CTS; partner with local workforce development leaders to focus on the most accessible credentials which lead to high-demand jobs in remote, rural communities; and provide additional funding to overcome gateway barriers including costs to access a computer and broadband, reliable transportation and paying for required tools.

The proposed CTS-aligned base funding would be \$1,500 per quarter. In addition, Scholars would receive \$2,000 in the first quarter to cover start-up costs such as a laptop and/or commuting costs, \$1,000 in the second quarter to cover broadband access and/or commuting, and \$500 per quarter thereafter for ongoing broadband access. If a RJI recipient is selected for CTS, the base funding of \$1,500 per quarter will come from CTS funds. If a RJI recipient is not selected for CTS, all funding would come from the RJI funds. If a RJI recipient becomes ineligible for the RJI, they would still be considered a Career and Technical Scholar.

Desired key outcomes include the following: select ~400 rural jobs recipients over the next 5 years with 50 recipients in the first year (2020-21) and 85 recipients in each of the next 4 years (2021-2025); support a graduation rate of at least 65%; and encourage +80% of graduates to work in their community.

Walker reported that 205 out of 604 current applicants are eligible by income and geography. 59% are white and 39% are Latinx while 23% are single parents. Most applicants live within 30 miles of campus while approximately 40 applicants live 31-100+ miles away.

The proposed selection criteria include the following: strengthen the pool of eligible applicants by narrowly defining eligible programs; select among eligible applicants by adding the distance from campus to the CTS criteria; balance selects across each region based on their proportion of remote rural residents.

Board Action: Hogans made a packaged motion to approve the proposed program design for the RJI, including the funding implications as they relate to CTS selection; approve the selection criteria for RJI recipients for 2020-21; and adopt the resolution allowing donor restricted giving to specific eligible counties. Cecchetti seconded the motion, and it carried unanimously.

Finance & Program Administrator Update

Mack Hogans reported that the WSOS Finance & Investment Committee met last week and received the financial report from Washington STEM through 3/31/20 as well as the investment update from the Washington State Investment Board (WSIB). Since the pandemic began, Hogans and Connors have been in constant communication with WSIB and Washington STEM tracking WSOS investments. Many of the negative numbers on the balance sheet are more an issue of timing rather than our actual financial status. March was a difficult month for fund performance, but we have seen rebounding in April and May. Asset allocation changes made last fall have clearly benefitted us. Hogans reminded the Board that when they approved the 2021 budget, they included a provision that a \$50K budget increase could be added at the discretion of the Finance & Investment Committee to support development needs. He reported the Committee voted at their last session to approve a \$50K increase to support the hiring of a feasibility consultant.

The Committee said goodbye to three outstanding members. The Committee approved the recommendation of two new members and now seeks Board approval to appoint Elisa La Cava, strongly recommended by Julie Sandler, and Matt Rubright, strongly recommended by Manish Jain and Sandler. Both individuals have expressed a strong commitment to the mission of WSOS.

Board Action: Hogans made a motion to approve the appointment of Elisa La Cava and Matthew Rubright to the Finance & Investment Committee. The motion was seconded by Cecchetti, and it carried unanimously.

Hogans confirmed that WSOS's investments are in good shape. We are well prepared to handle any changes in the market and he hopes the market will continue to strengthen.

Closing and celebrating Mack Hogans

Smith presented one final agenda item – Hogans will be transitioning off the Board and this is likely his last meeting. Smith shared that when Hogans first told him the news, his strategy was denial. Smith reflected on how indispensable Hogans has been from the start. WSOS has seen such incredible progress and navigated great challenges, and Hogans has always been there for both. From clarifying the first program administrator contract, doing contract negotiations with the College Success Foundation (CSF), hiring Naria Santa Lucia as WSOS' first Executive Director and mentoring her with sage advice, bringing in Jane Park and Jane Broom, transitioning away from CSF, recruiting Kimber Connors as WSOS' second Executive Director and mentoring her as well, to chairing and shepherding the WSOS Finance & Investment Committee, nothing accomplished since WSOS was founded has not benefitted without Hogans' active participation. WSOS is so much stronger for Hogans' wise counsel and hard work. Smith shared that Hogans will be greatly missed by all and looks forward to seeing him in the local Starbucks.

Hogans shared his three passions: education, helping young people to be successful and providing access to educational opportunities for all. His involvement with WSOS combined all three of those passions. He thanked all the past and present Board members, Finance & Investment Committee members and staff members. He expressed high praise to Smith for his remarkable leadership. Connors shared her appreciation for Hogans being her #1 ally and always providing honest, invaluable advice. Connors thanked Hogans for remaining on the Board

and Committee until his replacement is found. Each board member shared their own personal thanks to Hogans for his extraordinary leadership and the full reflection of his passions in everything he did.

The meeting adjourned at 3:02 pm.

Respectfully submitted,
Karyl Gregory

DRAFT

Tab B

Mission Moment: Opportunity Scholar Story

SCHOLAR SPOTLIGHT



GRACE LILJE
Mechanical Engineering
Gonzaga University

ABOUT GRACE

Grace Lilje is a senior at Gonzaga University studying Mechanical Engineering with a minor in Applied Mathematics with the goal of entering the biomedical engineering field. She is from the quaint farming community of Davenport, Washington. At Gonzaga, she is involved in a variety of extracurricular activities including the [Experiential Leadership Institute](#), the [Society of Women Engineers](#), and is very active with [Gonzaga's Center for Community Engagement](#). Grace also served as a Scholar Lead last year and is continuing in the role this year. She is very grateful for the community and support from the Washington State Opportunity Scholarship throughout her time at Gonzaga.

IN HER OWN WORDS

“A family history of Alzheimer’s disease inspired me to go into the field where I can help others and their families confronting a health concern.”

Tab C

2020-21 Scholar Services Update

Before we start, let's take a look at our newest cohort of Career and Technical Scholars.

2020 CTS Cohort 2 (Fall)

- 72% first-generation college students
- Median family income of \$19,409
- Attending 33 of 34 community & technical colleges
 - Top five campuses: Spokane Community College, Bellingham Technical College, South Seattle College, Yakima Valley College and Seattle Central College

Includes 20 Rural Jobs Initiative recipients

- Live more than 35 miles from campus
- Represent each of the eight eligible regions

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As the 2020-21 academic year begins, there are few things we know are true for our Scholars.

Two truths

1. There is no such thing as the typical college experience;

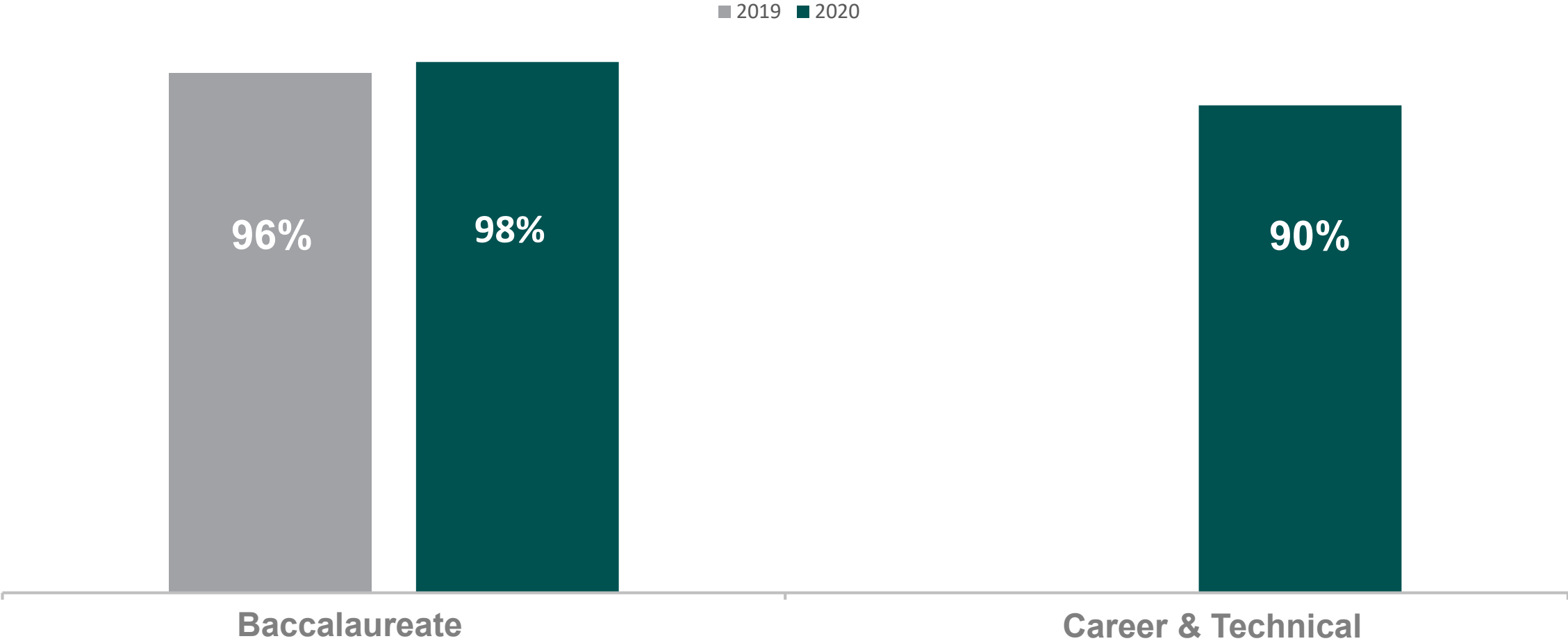
– and –

2. Adaptability is critical.

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Despite the uncertainty, Scholars have signaled their intention to opt-in this academic year.

Fall 2019 vs 2020 Scholarship Accepts



Despite the uncertainty, Scholars have signaled their intention to opt-in this academic year.

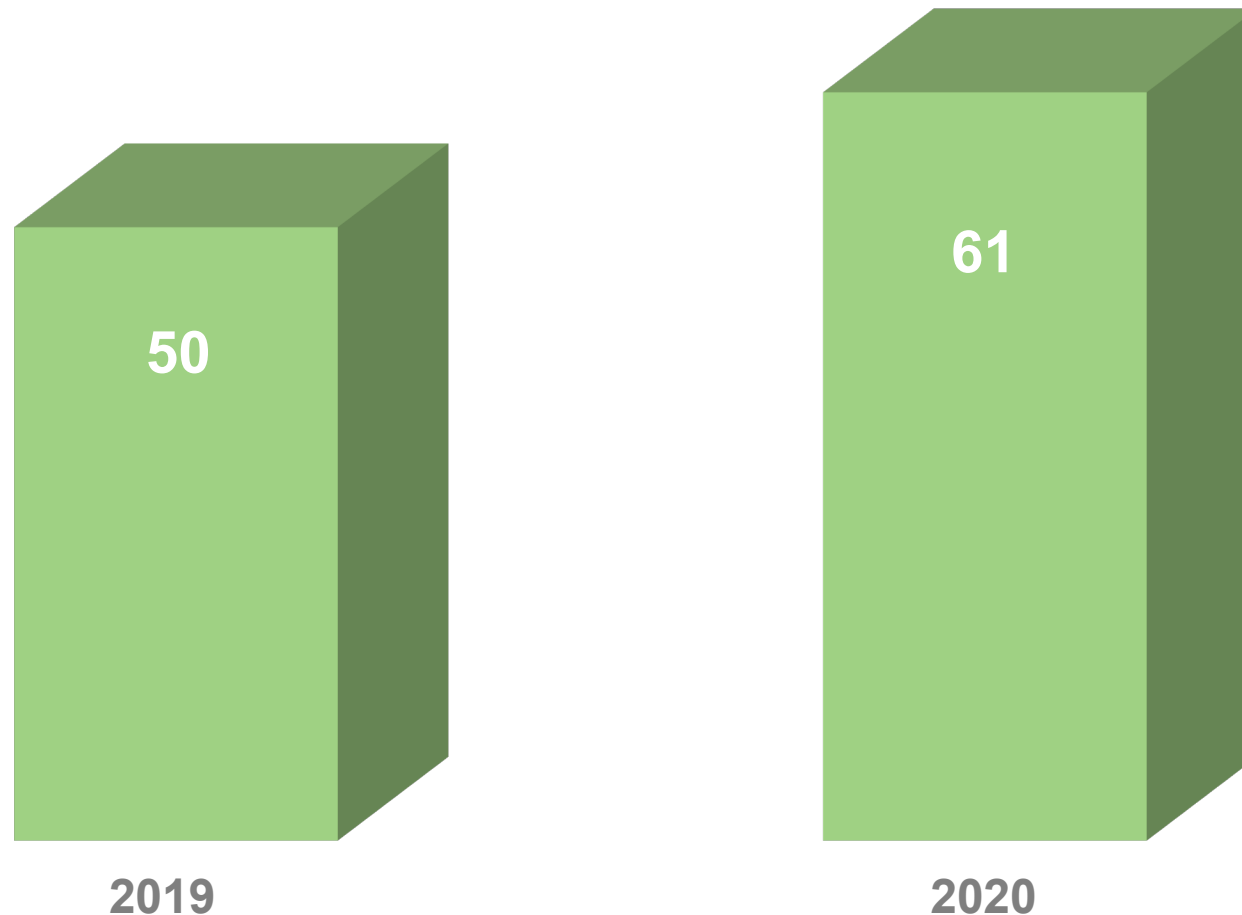
Year	2019	2020
Baccalaureate Renewal		
% completed	91%	92%
% completed and renewed	79%	78%

Top two reasons for non-renewal in 2020

- ✓ Graduated
- ✓ Changed to non-STEM or non-health care major

Despite the uncertainty, Scholars have signaled their intention to opt-in this academic year.

Fall 2019 vs. 2020 Baccalaureate Leave of Absence Requests



Our goal is to support Opportunity Scholars in accessing information and staying connected.

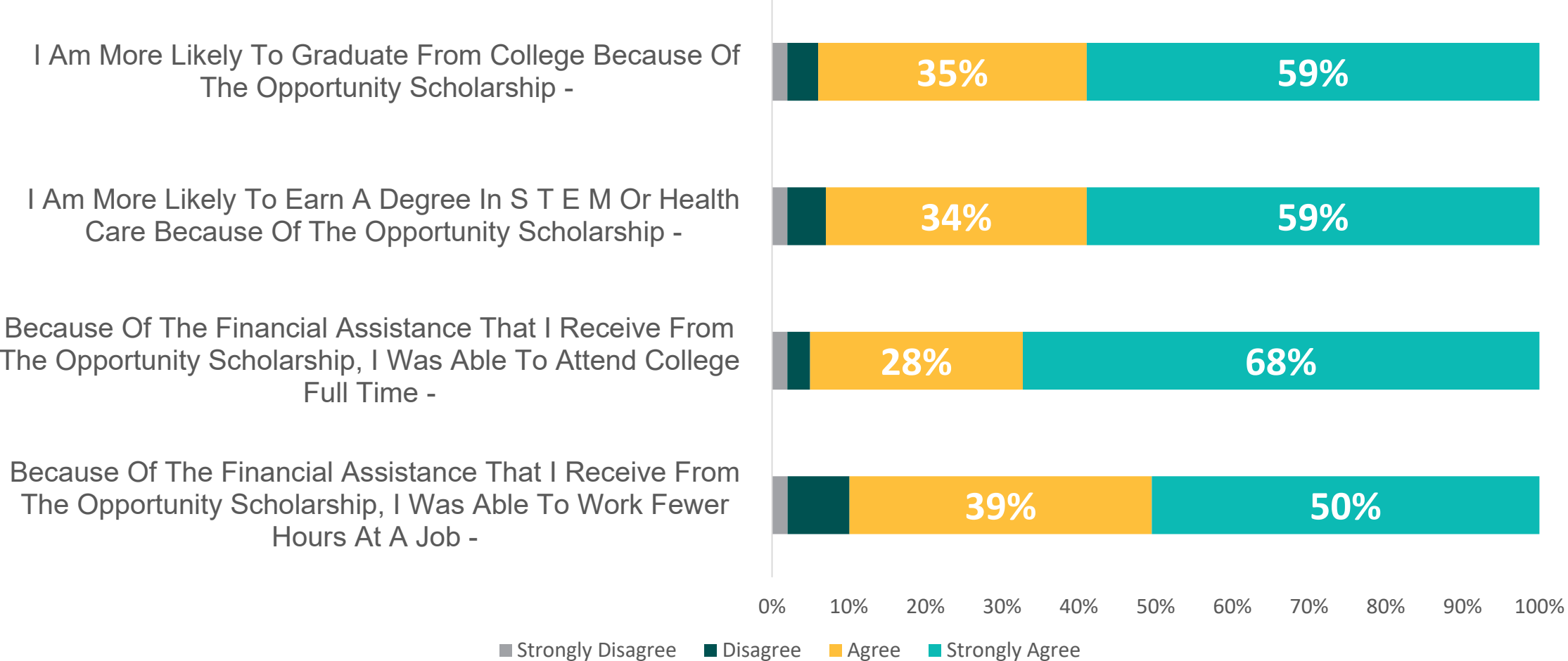
This year, Scholars need more support than ever to get and stay connected.

- ✓ Campus
- ✓ Community
- ✓ Business and industry

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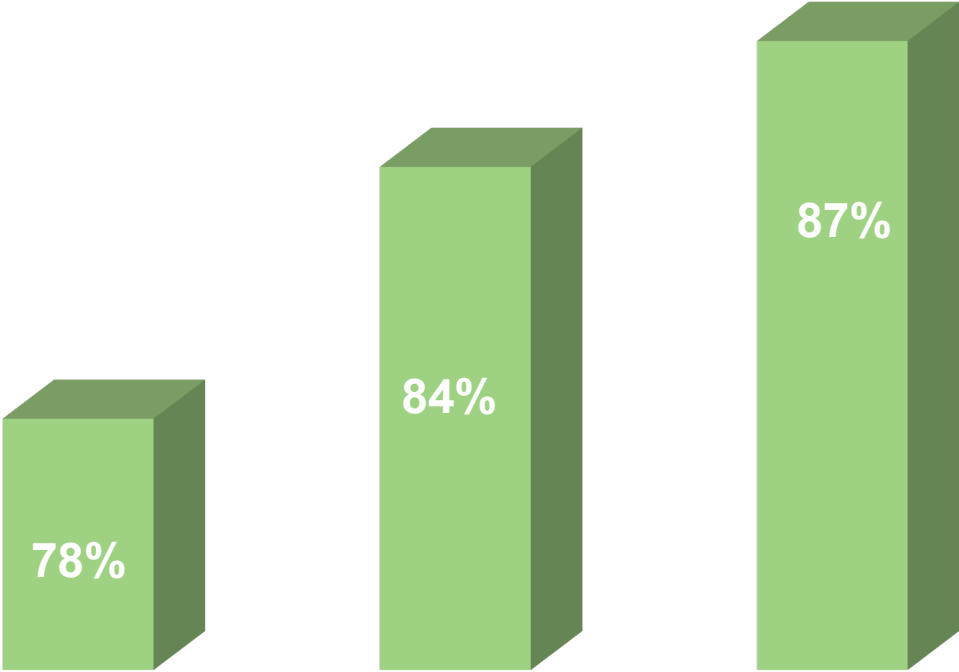
The good news is we are starting from a place of strength.

2020 Baccalaureate Scholarship Impact & Satisfaction Survey Results



We also know that our signatures programs add value to the Scholar experience.

Year 1 to Year 2 Scholar persistence supported by the Scholar Lead Program



Cohort 6
2017-18

Cohort 7
2018-19

Cohort 8*
2019-20

% prepared to seek relevant work experience after participation in Skills that Shine

89

*Final numbers available by December 2020

Numbers are nice, but our Scholars and mentors really help us to make sense of our impact.

“I had 4-5 [mentees] that I spoke with regularly as we had classes in the same building. I liked seeing familiar face in the hallways. I think it made us both feel more at home.”

-Raeanne Tegman, Scholar Lead

“I think (Skills that Shine) was a great program to help young individuals navigate and enter the workforce.”

– Lance Lidey, PNNL, StS Mentor

“It was a positive experience. I liked being a role model for them. It motivated me to do better in school.”

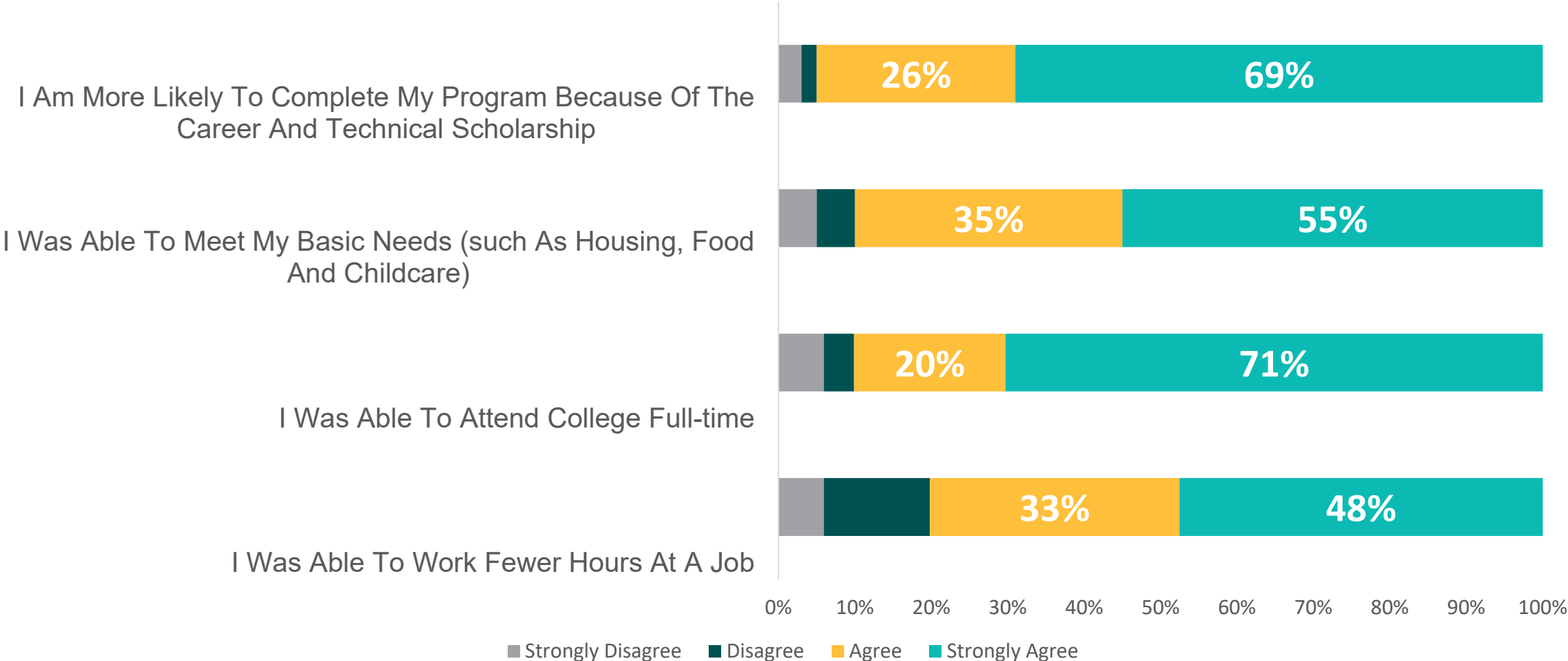
-Rose Vo, Scholar Lead

“I really enjoyed getting to know my mentee and was glad I could share my experiences while at the same time learning a lot from her in return.

– Katelyn Johnson, Celgene, StS Mentor

Similarly, we see largely positive scores from career and technical Scholars, too!

2020 CTS Impact & Satisfaction Survey Results



To support our goal, we've made some operational changes intended to improve how we support Scholars.

People

- Created and hired a Programs Director role
- Extended an offer for a CTS Program Manager
- Aligned teams to better support the college experience

Process and Systems

- Launched Caspio student database
- Granting scholarship deferments vs. standard leave of absence
- Optimizing Scholar Services key performance indicators

We are clarifying our programming North Star to ensure we are intentional in our decision-making.

By defining key performance indicators and measurement tools we will specify and align our programmatic goals.

Awards

% of Scholars completing the increase at eligibility

% of Scholars renewing Scholarship before deadline

BaS (& CTS)

% of Scholars meeting with an academic advisor

% of Scholars meeting with a career center advisor

% of Scholars with a resume by Dec. of Year 3

Industry Engagement

#/% of job opportunities in counties across the state

Mentor representation (race, industry)

Lastly, Scholar-facing supports are being guided by three tenets.

Accessible

- Implementing universal design strategies
- Content delivered in mobile-responsive learning platform to support asynchronous learning

Relevant

- “Bite-size” content that is in the Scholar voice
- “Just-in-time” modules – it’s there when the Scholar needs it
- Representative of our Scholars – their backgrounds and interests

Intentional

- Clear expectations & measurements for success
- Tools and supports to maximize Scholar success
- Driving Scholars to existing resources where they can get help

What additional questions can I answer for you?

Key Take-Aways

- There is very little about this academic year that is typical for our Scholars
- WSOS programming is intended to strengthen Scholar connection to campus and community to promote persistence and job attainment
- We are increasing our focus on impact and measurement for Scholar-facing programming and initiatives

Tab D

OpportunityTalks Virtual Breakfast

Here's a **Clue** to this year's OpportunityTalks theme. Sometimes in **The Game of Life**, we need to change direction. No one has a **Monopoly** on public health and safety, so the breakfast is going virtual. There's no **Risk** of missing out or need to **Scrabble** with last minute changes; we're providing plenty of notice. Plan now to play along at home on Thursday, November 12, from 8 to 9 a.m. Expect a smooth online **Operation** as we challenge you to discover **Are You Smarter than an Opportunity Scholar?**

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AreYou Game?

OPPORTUNITY TALKS

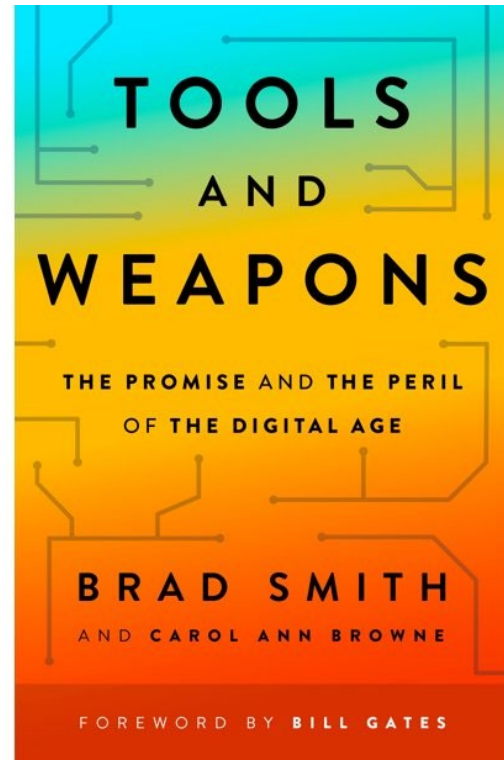
LIVE STREAMING • NOV.12.2020 @ 8 a.m. (PST)

Join us with a gift
of any amount!

REGISTER

DONATE

HOST A TABLE



Are You Smarter than an Opportunity Scholar?

Will you help us raise \$500,000?

- **Make a pledge** to the Challenge Fund.
- **Register** for the breakfast.
- Become a **virtual table host!**
- **Invite your network** to join your table.
- Share the opportunity to **become a mentor.**

Tab E

Legislative Session & Priorities

Interim meetings are a chance to preserve and build legislative champions.

- The **opportunity** in challenge – online meetings!
- Have met with **dozens of legislators, budget staff and legislative staff** from across the aisle and across the state

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

Our program has changed a lot and has great demonstrated impact to celebrate.

Bachelor's in STEM or health care (flagship program)

BaS

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

BACCALAUREATE

Apprenticeships, associate's or certificates (new in 2019)

CTS

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

CAREER & TECHNICAL

**RURAL
JOBS**

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP
A CAREER & TECHNICAL SCHOLARSHIP INITIATIVE

Doctorate of Nurse Practice DNP (desired launch in 2021)

GRD

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

GRADUATE

WSOS protects the state's investment in the WCG.

- **Washington College Grant (WCG)**
 - Students from families **up to 55%** of median family income are eligible for full grant; **up to 100%** for partial.
 - Grant amount is **based on tuition.**
 - May be used to support **degrees in any field.**
 - **Guaranteed state funds** through the B&O tax.



WSOS protects the state's investment in the WCG.

- Opportunity Scholarship (WSOS)
 - Students from families **up to 125%** of median family income are eligible.
 - Scholarship can be used **up to cost of attendance.**
 - Targets investments in **high-demand fields.**
 - State match provided **through the general fund.**



Legislators are supportive of 2021 priorities including match for new programs.

- **GRD Launch**

- Program launch in year following first match

- **CTS**

- Non-traditional student and veteran/military access
- Non-credit bearing programs

- **Rural Jobs**

- Access for students from rural counties who wish to attend college online or at nearest campus that is in non-rural county

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

Our critical legislative partners are steadfast in their support for the program.

- **What we're hearing:**
 - Enthusiasm about strong program outcomes
 - Prioritized support for programs that serve students of color in 2021 budget conversations
 - Support for legislative priorities

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

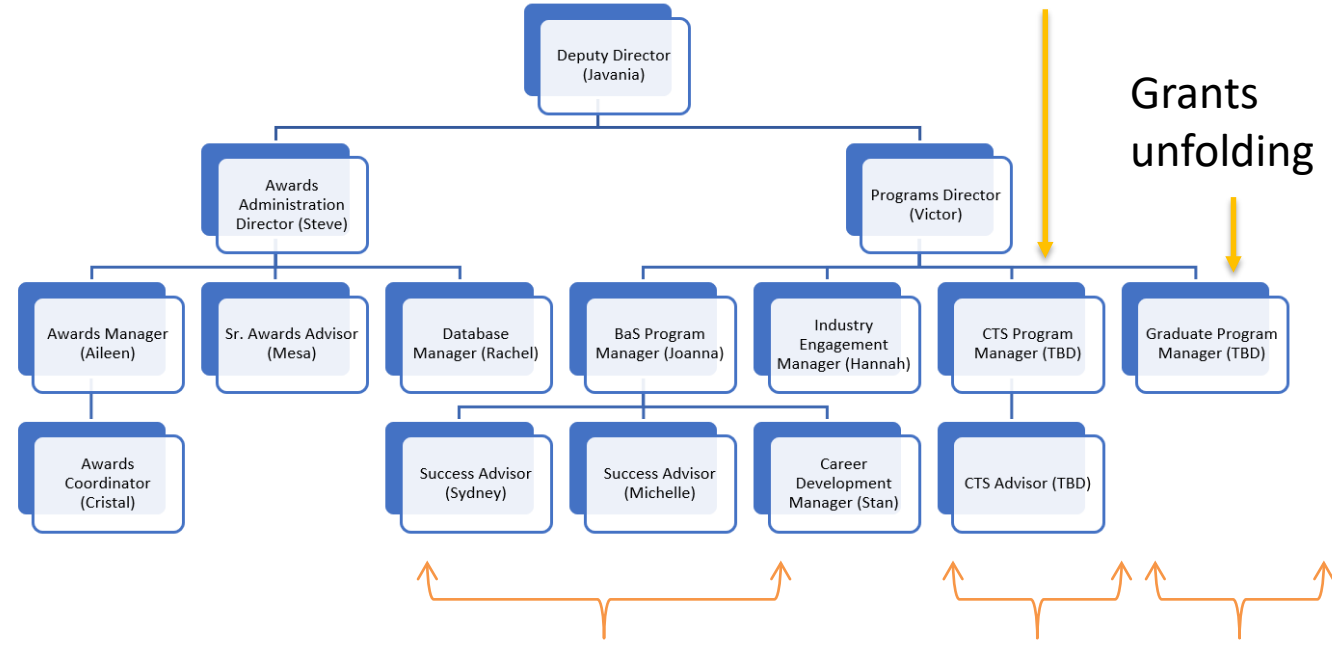
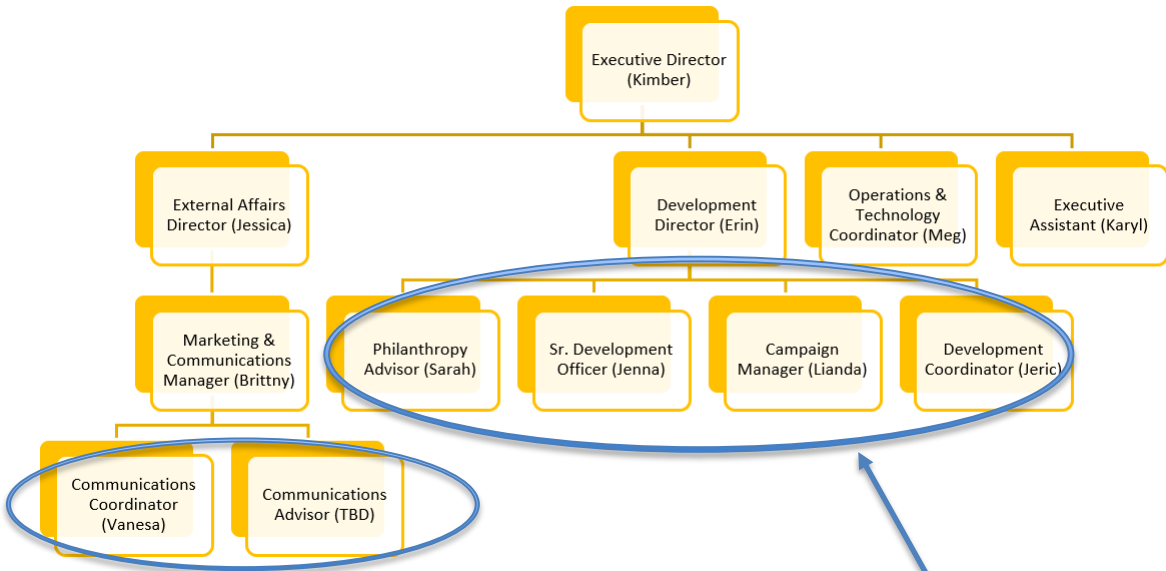
Tab F

Program Update & What's Next

The WSOS team is aligned & nearly complete.

CTS services primed to launch for 2020-21

Grants unfolding



4 FTE Ext Affairs Team; 3 of 4 hired, 4th posted; increasing social engagement, message platform revamped, strategic work underway

5 FTE Devo Team onboarded and ready to engage in feasibility study & building major gifts program

Programs team realigned by scholarship: BaS, CTS, GRD

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

The Rural Jobs Initiative is launched & we're ready to learn.

- Biennium **cap maxed** with \$1M investment
- Meet **local industry demands** specific to region
 - Chemical dependency studies to address the opioid crisis in SW WA
 - Agriculture programs in the Tri-cities region
- Additional support intended to **offset hurdles** for rural students
- At least **400 Scholars** supported over next four years

- *Upcoming:*
 - Changes to legislation to maximize accessibility to online programs and nearby colleges
 - Seeking partners to reach cap for next biennium
 - Assessing impact of scholarship award amounts

**RURAL
JOBS**

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP
A CAREER & TECHNICAL SCHOLARSHIP INITIATIVE

The advanced health care program is a real possibility for 2021.

- Reaching biennium cap of \$1M would create **opportunity for a small pilot**
- Address **health care provider shortage gaps** across the state
 - Physical & behavioral health focus
 - Rural and other medically underserved areas
- Scholarship + practicum remuneration to incentivize program completion & placement in medically underserved areas
- **~100 nurse practitioners** supported over five-year pilot
- *Upcoming:*
 - Changes to legislation to allow launch in 2021
 - First \$500K grant submitted; advancing two other conversations (seeking \$2M to max cap for two biennium and fund pilot)

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

GRADUATE

The \$200M feasibility study has begun in earnest.



Upcoming:

- Engaging key partners in the Study Advisory Committee
- Building a major gifts strategy

STRENGTHS

- Demonstrated impact
- Scalable program supports beyond dollars
- Culture to iterate to excellence
- Services for persistence and career launch
- Dollar-for-dollar match & bi-partisan support
- Scholarship variety

Very apparent in donor and legislator meetings that these are known and recognized

OPPORTUNITIES

- Newness of CTS and RJI
- WA College Grant expansion
- Municipal, county and tribal matching
- GRD to excite new partnerships

CTS & RJI are off and running; municipal, county and tribal matching on hold; GRD has reinvigorated conversations with known partners

WEAKNESSES

- CTS services in development
(FUNDED - HIRING MANAGER & ADVISOR)
- GRD not yet launched
(SEEKING PARTNERSHIP)
- Cohort size decreasing
(ENGAGING IN FEASIBILITY STUDY)
- “Well-kept secret” of WSOS
(BUILDING COMMS STRATEGY)
- Opportunities missed due to lack of capacity
(BUILDING THE TEAM)

THREATS

- WA College Grant expansion
(ADDRESSING IN LEG MTGS)
- Statutory changes outpace implementation ability
(SHARING GROWTH IN LEG MTGS)
- COVID impacts fundraising
(ON TRACK TO MEET OR EXCEED TARGETS)
- COVID impacts on student experience
(UPDATES TO SCHOLAR EXPERIENCE)

STRATEGIC PRIORITIES

Scalable, Statewide Programs.

- Scalable programs for BaS, CTS and GRD
- Demonstrated impact across the state
- Focus on intended impact & theory of change
- Scholar-centric

Build the Brand.

- State-wide awareness of program & Scholars
- Thought leadership & evidence of impact
- Recession-proof the message
- Build partnerships in new spaces (tribal, county, municipal, new employer partners)

Fund to 2030.

- Clear fundraising strategy that includes all three programs (BaS, CTS & GRD) including Rural Jobs and tribal/county/municipal work
- Fully funded scholarship model through 2030 for BaS & CTS with 1,000/cohort in each
- Initial investment for GRD program to launch first five cohorts
- \$200M raised to date; \$200M goal over next six years

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

PROGRAM UPDATE | SEPTEMBER 2020

INTRODUCTION

Since the June 2020 Washington State Opportunity Scholarship (WSOS) Board meeting, the WSOS team has been preparing for the unique academic year ahead. We've set our academic year goals, completed the renewal process for our Baccalaureate Scholars and welcomed the first Rural Jobs Initiative Scholars to the WSOS community. All the while, we've been focused on ensuring our support services are tailored to meet the needs of students who are facing an academic year unlike any we've ever seen.

AWARDS ADMINISTRATION

The Awards team is supporting 4,623 Opportunity Scholars entering the 2020-21 academic year. Already in the fall term, \$5.3M has been disbursed to Baccalaureate Scholars and \$863K has been disbursed to Career and Technical Scholars. We have also welcomed our first 20 Rural Jobs recipients who hail from each of the rural regions across the state.

Since March, the Awards team has carefully tracked the impact of COVID-19 on Scholars. To accommodate the wide-ranging needs of students during this time, we have made it easier for Scholars to take extended leave of absences and ensured their funding is not impacted when they do so. In addition, we have collaborated closely with the External Affairs and Programs teams to distill and disseminate financial and other resources to support Scholars and maximize their likelihood of finding a path to earning their credential. We will not know our final year-over-year persistence numbers until later this fall once we learn which Scholars did not return to campus. For now, we are happy to share that the proportion of Baccalaureate Scholars who completed the annual renewal process and plan to continue enrollment is virtually identical to 2019.

The team is looking ahead to opening the next AY. The next Career and Technical Scholarship application window (for winter 2020-21) opens on September 21. After securing and reviewing disaggregated credential-to-occupation data, the team reinstated registered nursing on the list of eligible CTS programs. This year the Baccalaureate Scholarship application will open in December, one month earlier than it typically does. Last year, we shortened the application window to better align our notification deadline with when students need to make decisions about where to enroll for the fall. As a result, we saw fewer applicants. This year, we will open a month earlier to maximize the opportunity for students statewide to apply while protecting our ability to notify students in mid-April.

Lastly, the team successfully transitioned our student data into a new scholarship database. The new provider offers greater flexibility and support. It significantly increases the power of reporting and dashboards we can create. We look forward to improved reporting ability in the months to come.

SCHOLAR SUPPORT SERVICES

BACCALAUREATE SUPPORT SERVICES

As Scholars prepare for the upcoming academic year, they are navigating online-only or hybrid academic models. To support first- and second-year Scholars, we have been intentional about focusing on building relationships and connections between our Scholars, Scholar Leads and their campus community. Our continued goal is to increase Scholar persistence year-over-year as we have done since the introduction of the Scholar Lead program. Improved Scholar Lead professional development and clear expectations are key to our ability to deliver a supportive, high-caliber program during these unique times. We improved how Scholars receive our content by shifting to an asynchronous model, meeting their need for flexibility. Topics covered in these asynchronous modules include study skills, health and wellness, career

readiness, maximizing the Opportunity Scholarship and more. Scholar Leads reinforce learning for their mentees during small group and one-on-one online interaction with their mentees. We aim to ensure Scholars do not feel isolated during this difficult time and know where and how to access the resources available to support their success.

This fall, the team is launching a virtual career resource center to support our fourth- and fifth-year Scholars in building their network and navigating the job hunt. The content will build on what is shared in the Skills that Shine curriculum for third-year Scholars and will reinforce the importance of cultivating a professional network and leveraging campus career center resources. First- and second-year Scholars will also be able to access tailored career-related content increasing their preparedness to search for internships or other skill development work. All content modules are delivered in less than 10 minutes and have clear and actionable steps Scholars can take. More importantly, we outline how to do these when face-to-face meetings and gatherings are not an option.

This academic year, we are lasered focused on supporting our Scholars in accessing campus and community resources to help them get and stay ahead. We look forward to sharing the outcomes of these efforts over the course of the academic year.

CAREER AND TECHNICAL SCHOLARSHIP SUPPORT SERVICES

WSOS is delighted to announce that Boeing has approved a grant request of \$100,000 which will be doubled by the state of Washington, resulting in \$200,000 that will be used to develop and implement support services for the Career and Technical Scholarship. We have posted the role of Career & Technical Program Manager and anticipate welcoming a new staff member to lead this work by the end of September. This manager will support Scholars' persistence and career placement. As the programming model takes shape, we will add an additional CTS Advisor who will support program execution. Both of these positions were included in the approved 2020 budget and will be covered for one year in their entirety by the Boeing grant plus associated state match funds.

SCHOLAR PLACEMENT – INDUSTRY MENTORSHIP AND ENGAGEMENT

The 2020-21 Skills that Shine (StS) mentorship program is launching on October 1 with our largest cohort yet! Leading up to this, our Industry Engagement Manager has been focused on recruiting 750+ mentors who will support the incoming 1,000+ Scholars in StS. In light of the Coronavirus, mentorship recruitment is happening virtually with webinars, one-on-one meetings and social media promotion. There has been strong interest from employers as they're looking for ways to support diversity efforts and engage their employees particularly in response to the national awareness of the Black Lives Matter movement and other social justice issues. Mentor recruitment is also intentionally seeking to reach professionals who reflect the diversity of our Scholars as it pertains to industry, geographic location, race/ethnicity and gender. To date, more than 600 mentors are signed up on our matching platform. If you or anyone you know might be interested in volunteering and/or sharing this opportunity among their colleagues, please contact us at skillsthatshine@waopportunitiescholarship.org or visit <http://waopportunitiescholarship.org/sts> by September 30. (Thank you to **Mike Wilson** for volunteering as a mentor!)

The team also revised the StS mentor and mentee online content to focus on the ultimate goal of the program: to facilitate a relationship between a Scholar and a professional. The program structure now includes reflection questions for mentors and meeting agendas to foster relationships. The courses also include tools and tips for participating in a virtual mentorship because of the coronavirus. In addition to the online courses, incoming mentees have received StS "sneak peeks" to generate enthusiasm and answer questions, and mentors have received their Mentor Toolkit which you can view online (<https://documentcloud.adobe.com/link/track?uri=urn:aaid:scds:US:d5473c4c-2cb4-46a6-b0e1-e2c4fe87db00#pageNum=1>).

GRADUATE SCHOLARSHIP

Since the formal Board approval of the proposed Graduate Scholarship design at the June Board meeting, WSOS staff have been actively seeking cornerstone partnership for the program. Conversations with two potential funders have been particularly promising; WSOS has received a private invitation to submit a \$500,000 grant from one funder; another funder has internally advanced conversations to their national office in the amount of \$250,000. We aim to secure a cornerstone gift commitment prior to November 2020 so it may be included in our state match appropriation ask to the Legislature in spring 2021. We are aiming for program launch in the 2021-22 academic year.

DEVELOPMENT UPDATE

OPPORTUNITYTALKS BREAKFAST 2020

Back-to-school may not be back-to-normal this fall, but our unique combination of financial aid and student supports will remain uninterrupted for more than 5,000 Opportunity Scholars pursuing degrees and credentials across our state. To continue to support this important work, we are pivoting our usual in-person breakfast to be an interactive, engaging virtual event.

Here's a **Clue** to this year's OpportunityTalks theme. Sometimes in **The Game of Life**, we need to change direction. No one has a **Monopoly** on public health and safety, so the breakfast is going virtual. There's no **Risk** of missing out or need to **Scrabble** with last minute changes; we're providing plenty of notice. Plan now to play along at home on Thursday, November 12, from 8 to 9 a.m. Expect a smooth online **Operation** as we challenge you to discover *Are You Smarter than an Opportunity Scholar?*

Put your college knowledge to the test with Trevor Noah, host of *The Daily Show*, and Brad Smith, president of Microsoft and WSOS Board chair, as they play *Are You Smarter Than an Opportunity Scholar?* In this action-packed hour, you'll hear stories of persistence and success from Opportunity Scholars and community partners. And you'll be invited to invest in outstanding student outcomes as we seek to raise \$500,000 to support Opportunity Scholars. **Are you game** to join us?

Perhaps more than in any other year, the Challenge Fund will be an important incentive to support donations. Last year, we had 100 percent Board participation in the Challenge Fund, and we hope to repeat that this year. Thank you to those Board members who have already made their commitment!

FEASIBILITY STUDY UPDATE

At our June meeting, we shared that through a competitive process, we recommended moving forward with The Ostara Group to perform a feasibility study of our \$200M fundraising campaign. Unfortunately, since that time, The Ostara Group has withdrawn their proposal. They cannot fulfill the contract given internal changes within their team. We approached the runner-up from our competitive review, Breakthrough Fundraising Group. They were not selected initially because their cost proposal exceeded \$50,000. When approached with our \$50,000 budget approval, Breakthrough provided a modified proposal within the budget. We have now officially launched the feasibility study in partnership with Breakthrough!

A feasibility study is a planning tool to determine whether a fundraising campaign is viable for an organization. Since early August, the Breakthrough team has been working with Erin Ashley (development director), Sarah Szabo (philanthropy advisor) and Kimber Connors (executive director) to build their understanding of WSOS as an organization. As they start to deepen their understanding of our mission, outcomes and historical approach to development work, they will start diving in to crafting a draft case statement and gathering input from stakeholders to test-case messaging. Board members are critical partners in this work! Thank you in advance for your support – whether participating in the Study Advisory Committee or helping us develop the case statement – your advice and perspective are valued

and appreciated. The feasibility study interviews will be conducted in the fall with a preliminary report delivered to staff in early 2021 and formal presentation to the Board at the March 2021 meeting.

GRANTS UPDATE

In our Development team reorganization, we promoted our long-time team member, Jenna Magnotti, to the role of Senior Development Officer where she leads on our grant applications. She has been busy reorganizing and revamping the way we track and apply for grants with great success! Most recently, we were approved for a \$100,000 grant from Costco Wholesale. Costco has been a committed partner to WSOS, having gifted \$50,000 per year since 2015. Their decision to double their support for our program is a testament to the power of the program to change lives. Additionally, we are thrilled to share that Avista Corporation made a first-time grant to WSOS in the amount of \$30,000 over three years.

In addition to these grant applications, WSOS has applied for numerous first-time grant opportunities in the past months. We've had successful returns on some of these applications and are confident that even those grants that do not produce a commitment are building awareness of the program.

STAFFING UPDATE

The hiring for the Development team is now complete. Jeric Quiliza joined the WSOS team in August as our Development Coordinator to support donor and gift data entry, donor reporting and acknowledgement. Jeric impressed the interview panel with his warmth, commitment to equity and can-do attitude. He came to us from the Maybelle Center for Community in Portland, OR, where his references repeatedly referred to him as an outstanding teammate.

We also welcome Sarah Szabo to the team in August as our new Philanthropy Advisor. Sarah will design and implement a major gifts program strategy for WSOS, managing a donor portfolio of champions with interest and capacity to make large-scale gifts to WSOS. We knew Sarah was the right fit for our team once we learned of her expertise in building and expanding major gift programs, her belief that good data is at the core of good work and her passion to address racial and economic barriers to education access. She's joining our team after most recently working at the Pacific Science Center. These two new team members round out a five-person Development team which has an ambitious goal to raise \$200M over the next five years.

EXTERNAL AFFAIRS UPDATE

INTERIM MEETINGS

In challenge is opportunity – being all-remote has given us a unique ability to meet with dozens of legislators across Washington state during the interim. In these meetings, we are providing an update on the implementation of new scholarship programs and discussing priorities for the 2021 session. These meetings have been a welcome opportunity to review the many changes to WSOS over the years and celebrate the impressive impact statistics for our flagship program. Additionally, legislators have enjoyed hearing about the first cohort of the Career and Technical Scholarship (CTS) and learning about the structure for the new Rural Jobs Initiative (RJI) and the goals of the upcoming Graduate Scholarship (GRD).

We've heard uniformly positive support on both sides of the aisle in response to our strong outcomes for recipients to date and the design of new programs. Legislators are encouraged by the diversity of our Scholar population and the Scholars supports we have developed to encourage persistence and completion. Legislators were also pleased to hear how we have adapted supports to the current COVID-era. While most legislators mentioned the significant budget challenges facing the state in 2021, we heard many say that budget spending will be prioritized for programs like ours that serve largely first generation, students of color.

2021 LEGISLATIVE PRIORITIES

During our interim meetings, we also shared the following possible legislative priorities to gain insight and ask for feedback on what might be possible in 2021:

- **Statutory fix needed to launch GRD in fall of 2021.** Our launch will be delayed a full fiscal year unless we remove existing language in the statute that requires a launch in the fiscal year following the first state match appropriation. We believe this is an unintended consequence of language that was created when the Baccalaureate program was initially established. We have heard uniformly positive feedback on this priority, especially considering the impacts of COVID-19 on our state's existing health care workforce shortage.
- **Adjusting the high school diploma/GED credential requirement and non-credit bearing programs to increase access to CTS.** Stakeholders have expressed that requiring Opportunity Scholars to have a Washington state high school diploma or GED credential is a hurdle for non-traditional students. Older adults who may be long-time Washington residents but arrived here after high school are currently ineligible. Given the average age for community college goers (27), this requirement excludes adults who would otherwise benefit from reskilling through the CTS program. This eligibility requirement especially impacts veteran and military communities. In addition, we have also heard there are some high-demand, industry-recognized credentials that are not equally accessible at all community and technical colleges due to administrative decisions. Only credit-bearing programs are eligible to receive CTS funding; for some programs (e.g., commercial truck driving), campuses deem the program credit-bearing while others do not. This falsely limits some students access to these high-demand programs based on the accessibility of a given campus and program. On both issues, legislators have offered their help and expressed support.
- **Eligible campuses for the RJI.** Recipients need to be from a county defined in statute as rural, and they also need to be pursuing an eligible program in a rural county to be eligible for RJI. While we believe this was a well-intentioned attempt to prevent brain drain from rural communities, it effectively prevents residents from large swaths of the state from meaningfully accessing the program. For example, the nearest community college campus to a student from Ferry County, is in Spokane County. However, Spokane County does not meet the rural county eligibility. Therefore, a student from Ferry County would be expected to travel to a campus even farther away from their home in order to be eligible. We are working with legislators to better understand how this eligibility criteria may be modified to achieve legislative intent while preserving access for rural students. We are also exploring how the move to more online learning may reinforce the need for this change since more rural students could take part in an online program, even if the program is based in an urban setting.

STAFFING UPDATE

We are pleased to introduce Vanesa Contreras Rodriguez as our new Communications Coordinator. She comes to the External Affairs team from Year Up Puget Sound where she helped develop and manage their online presence and events. Her experience includes working with community-based organizations to support the educational journeys of marginalized communities by helping students aspire to achieve a post-secondary education. Vanesa will specialize in supporting our Scholar communications.

We are currently in the hiring process for the final officer position to complete the full staffing of the External Affairs team. The new officer will specialize in digital communications with a focus on building and executing communications for external audiences including donors, industry and community partners.

SOCAL MEDIA COVERAGE (JUNE – AUGUST)

Twitter

- 1,861 followers as of August 31, 2020
- Total impressions from June to August 2020: 18,808
- Top follower was @cambiagroove who has 3,383 followers
- Our top Tweet was posted in July about the Skills that Shine program:

Jul 2020 • 31 days

TWEET HIGHLIGHTS

Top Tweet earned 1,293 impressions

Do you have experience in the STEM or health care field and interest in being a volunteer? WSOS is recruiting mentors for this fall! During the academic year, mentors work with Opportunity Scholars in their third year of college on building career skills and tools. pic.twitter.com/8ulpk4L2eQ



↩ 1 🔄 3 ❤️ 5

[View Tweet activity](#)

[View all Tweet activity](#)

Facebook

- 3,950 Page Followers as of August 31, 2020
- Total reach from June-August: 10,012
- Top post was shared on July 14, 2020. Our most engaging posts were related to the Skills that Shine program.



LinkedIn

- 607 followers as of August 31, 2020
- Over the past 30 days, views of our page have gone up 15%.
- We've gained 45 new followers in the past 30 days, an increase of 4%.
- 14% of visitors are in the higher education field.

Instagram

- 517 followers as of August 31, 2020, an increase of 7%
- Our most popular post was about our Skills that Shine program.

OPPORTUNITY EXPANSION FUND EXTENSIONS

CENTRAL WASHINGTON UNIVERSITY – TEACH STEM

The proposed goal of the CWU Teach STEM Opportunity Expansion Fund (OEF) grant was to double the number of STEM teaching graduates from CWU 5 - 7 years after receiving OEF funding (by spring 2022-2024). CWU sought to achieve this goal by adopting the UTeach STEM teacher training model. The first year of the OEF grant funded program planning, and CWU launched the Teach STEM program in academic year 2017-2018. The first Teach STEM students graduated in spring of 2019. WSOS Board member Joelle Denney spoke and shared WSOS's support for the program at a celebration event.

In November 2019, the Teach STEM co-director, Jennifer Dechaine, requested WSOS extend the timeframe for spending of the final OEF grant monies. They requested an extension to June 30, 2021, to make best use of the remaining \$200,000. The contract extension allowed Teach STEM to use the funds to support attendance at the UTeach annual conference, offset costs for the Des Moines program in its second year and partially funded mentor teacher stipends, student mileage, and student internships for one last year before the program will need to pull from its endowment. WSOS approved this request as it was aligned with the original grant intent.

UNIVERSITY OF WASHINGTON – STARS PROGRAM

The proposed goal of the UW STARS Program OEF grant was to accept a larger cohort of students for the 2017-18 and 2018-19 academic years with the ultimate aim of an additional 20 to 35 engineering and computer science degrees awarded to Washington residents from low-income backgrounds in the intensive STARS intervention. Because STARS students are on a five-year degree plan, students in the first cohort will graduate sometime during AY 2021 - 22 with students in the second cohort graduating during 2022-23. In 2019, some funds were rolled forward to support additional students in the STARS program for the 2019-20 academic year.

In April 2020, the associate dean of diversity and access for the University of Washington College of Engineering, Eve Riskin, requested WSOS extend the timeframe for spending of the final OEF grant monies. Approximately \$100,000 remained, and the STARS team requested to roll forward the funds to support students for the 2020-21 academic year, effectively moving the grant-end date to June 30, 2021. WSOS approved this request as it was aligned with the original grant intent.

Tab G

Finance & Program Administrator Update

(Revised) DRAFT FOR BOARD APPROVAL

BOARD OF DIRECTORS

Washington State Opportunity Scholarship

CHARTER OF THE INVESTMENT FINANCE and FINANCE INVESTMENT COMMITTEE

September 2013 Revised January, June 2020

I. Introduction

The Opportunity Scholarship Act, RCW 28(b).145 (hereafter referred to as the "Act") was enacted by the Washington Legislature to assist low-income and middle income students with college tuition and to help meet the needs of Washington State employers to fill jobs in high employer demand fields. The Act established the Washington State Opportunity Scholarship Board, hereinafter referred to as the "Board" with members appointed by the Governor to provide oversight and guidance for the Opportunity Scholarship and Opportunity Expansion programs. In accordance with the Act, the Board has appointed ~~Washington STEM the College Success Foundation as its the~~ Program Administrator. The Act mandates the establishment of the Opportunity Scholarship Endowment Fund Account (herein referred to as the "OSEAF") to receive contributions as an endowed scholarship fund. The Act also mandated the establishment of the Opportunity Scholarship Fund Account (here in referred to as the OSAF) to pay for committed scholarships and ~~p~~Program ~~s~~Services approved by the Board. The Board is responsible for overseeing the investment of all funds contributed to the OSEAF and the OSAF. The contract among the Board, the State of Washington and the Program Administrator requires the management of the OSEAF and OSAF to achieve the maximum rate of return on the investment account in accordance with the prudent investor standard and the Uniform Prudent Management of Institutional Funds Act (UPMIFA), RCW 24.55.

II. Statement of Purpose

The Board shall set all broad investment and finance policies consistent with all laws, rules, and regulations and all subsequent amendments thereto. The Board shall appoint the Investment Finance and Finance Investment Committee (hereafter "the Committee") to carry out these policies and monitor asset allocation and investment performance as well as the selection and evaluation of the portfolio Investment Manager(s).

Specifically, the purpose of the Committee is to assist the Board by:

- ~~(1)~~ ~~(1)~~ providing oversight of WSOS investment strategy and investment guidelines;
- ~~(2)~~ ~~(2)~~ providing oversight of WSOS financial matters; and
- ~~(3)~~ ~~(3)~~ performing such related functions as may be assigned to it by the Board.

III. Appointment Membership and Length of Service

A. ~~A.~~ Appointment.

~~The~~ Committee and its Chair will be appointed by the Board. It will be composed of no less than seven (7) members, including at least two (2) members of the Board. Remaining committee

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members shall be selected from individuals in the regional business and governmental communities that evidence some combination of investment, finance, legal, accounting, banking, non-profit governance, and higher education experience. The ~~Chair of the Board and the Chief Executive Officer and Chief Financial Officer~~ Chief Operating Officer and Director of Finance of the Program Administrator shall be *ex-officio* nonvoting members of the Committee and are not included in the count of seven (7) Committee members.

B. Decisions.

1. Any and all decisions made by the Committee require a majority vote of those members present and a quorum of more than 50% of the Committee members, including at least one (1) member of the Board being present and able to vote on any given action. A quorum is 50% of the *non ex-officio* members in attendance.
2. In the absence of a quorum, a lesser number may adjourn the meeting.

C. Membership and Length of Service.

1. Terms of service shall begin ~~July 1~~ September 1 of the initial year and will end on ~~June August 31~~ 9 of the concluding year. The term of committee membership is four (4) years, except as provided below to allow for staggered terms. Members who miss two or more consecutive meetings may have their membership status reviewed.
2. Whenever necessary to safeguard the continuity of the Committee, members may be appointed to initial terms of less than four (4) years. Committee members shall be eligible to serve two (2) subsequent four (4)-year terms after their initial term. Members whose terms expire may be eligible for reappointment to the Committee after a period of at least two (2) years separation from the Committee.

IV. Rules for the Conduct of Meetings of the Committee

A. Committee Policies and Procedures. The Committee shall have the power to adopt rules for the conduct of its business.

B. Chair.

1. The Committee Chair shall be appointed by the Chair of the Board and ratified by the Board. ~~Only Both Board members and non-Board members~~ are eligible to be Chair of the Committee.

C. Meetings.

1. The Committee ~~will hold not less than three (3) meetings each~~ shall meet quarterly in alignment with Board meeting cadence, year and such additional ~~Additional~~ meetings as the Committee Chair may as ~~deemed~~ deemed necessary or appropriate (including telephonic meetings) ~~may be convened, if necessary.~~
2. The Committee Chair or any three members of the Committee may call special meetings of the Committee.⁷

3. Notice of the meetings of the Committee may be given by hand delivery, by deposit in the U.S. Mail, by express mail, by electronic facsimile, or by electronic mail.
4. Members of the Committee will be provided an agenda and pre-read materials in advance of each meeting.
5. The meetings of the Committee may be conducted in person, by video conference, or by telephone conference call.
6. If a majority of the Committee agrees, the Committee may conduct business via facsimile or electronic format without a meeting. The vote of a majority of the Committee by facsimile, electronic format, or other method as approved by the Committee Chair, shall constitute the action of the Committee.

D. Conflicts of Interest.

 -Direct conflicts of interest with members of the Committee should be avoided. In the event that the Committee considers managers, investments, or any business relationship with an organization with which a Committee member has any conflict or appearance of conflict, the Committee member shall recuse himself or herself from participating in any related portion of the Committee's deliberations. Committee members are under no obligation to provide any investment or business opportunity to the Committee.

V. Responsibilities and Duties of the Committee

A. The responsibilities and duties of the Committee shall include the following:

1. Review the investment policies and strategies and provide policy guidance to the Board as directed. Such guidance shall include but not be limited to:
 - a) Overall investment strategy and guidelines for the OS~~A~~F and OSE~~A~~F investment portfolios~~;~~
 - b) Evaluation of asset classes for investment~~;~~
 - c) An assessment of risk in the portfolio and risk mitigation strategies~~;~~
 - d) Selection of new investment managers~~;~~
 - e) Termination of existing investment managers~~;~~ and
 - f) Review of the performance of the investment funds and investment managers.
2. Review and make recommendations to the Board regarding financial matters. Such guidance shall include but not be limited to:
 - a) Review the Program proposed annual budget as presented for the upcoming fiscal year~~;~~
 - b) Recommend the annual budget to the Bboard for approval~~; and~~
 - c) Monitor and report to the Bboard on the Administrator's compliance with the adopted budget during the fiscal year.

VI. Communications and Minutes

- A. The Committee Chair or designee will report orally or in writing to the Board on matters discussed at the most recent Committee meeting at each quarterly Board meeting.
- B. Minutes of each meeting of the Committee will be prepared. Draft minutes will be provided to all members for their review and, upon approval, will be made a part of the official record of the proceedings of the Board. If the Committee has not approved the minutes prior to the next full Board meeting, draft minutes will be provided to the Board. The Board will be informed subsequent to their meeting if any significant changes are made in the final version of the Committee minutes. The official record of the Board proceedings for any given Board meeting will incorporate the latest version of the Committee's minutes at the time the official record is published.

VII. Resources and Authority

A. ~~A.~~ Staff Support and the Retention of Outside Advisors and Consultants.

The Committee may receive assistance in performing these duties from staff of the WSOS Program Administrator and external investment managers; however, the Committee has the ultimate responsibility to hire, retain, or dismiss all investment managers, consultants, custodian banks, and others who may provide services to the WSOS. ~~All of~~ the decisions of the Committee shall be promptly communicated ~~in writing~~ to the Chair of the Board for implementation.

B. ~~B.~~ Indemnification.

Members of the Committee shall be indemnified for any and all liabilities and reasonable expenses incurred in connection with any claim, action, suit, or proceeding arising from present or past service for the WSOS, to the maximum extent allowed by law.

C. ~~C.~~ Expenses.

Expenses of members in attending meetings of the Committee, including travel expenses to and from the place of meeting, will ~~not~~ be reimbursed by the WSOS but only if travel exceeds 100 miles from their residence.

VIII. Periodic Review

A. Charter Review.

1. As part of its duties to assist the Board in providing oversight of the WSOS overall investment strategy and guidelines, the Committee may propose changes to this Charter.
2. The Committee will review and assess ~~at least annually~~ the adequacy of the Finance & Investment Committee Charter at least once every three years. The Committee will submit proposed revisions to the Board for its approval.

B. Committee Performance.

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1. The Committee will ~~at least~~ annually evaluate its own performance in the fourth quarter with respect to the requirements of the Investment-Finance and Finance-Investment Committee Charter ~~in such a manner as the Committee deems appropriate~~. This evaluation will be reported back to the Board during one of the quarterly Board meeting updates.

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

**FINANCE & INVESTMENT COMMITTEE
MEETING AGENDA
TUESDAY, SEPTEMBER 8, 2020 | 2:00-3:30 P.M.**

See the meeting invitation for the Zoom meeting link

I.	Meeting Called to Order		Mack Hogans Committee Chair Board Member	2:00p
II.	Approval of Minutes from June 2 Meeting	[Tab A]	Mack Hogans Committee Chair Board Member	2:00-2:05p
III.	Program Administrator Report	[Tab B]	Matt Poth WA STEM	2:05-2:35p
IV.	WSIB Quarterly Performance Report	[Tab C]	Chris Phillips WSIB	2:35-3:00p
V.	Program Update		Kimber Connors WSOS	3:00-3:15p
VI.	Executive Session		Mack Hogans Committee Chair Board Member	3:15-3:30p

UPCOMING MEETINGS:

Tuesday, December 8, 2020 at 2-3:30p

Tab A

Approval of June 2, 2020 Minutes

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

**FINANCE & INVESTMENT COMMITTEE MEETING MINUTES | TUESDAY,
JUNE 2, 2020**

Members present via Zoom: Mack Hogans (Committee Chair); Beau Damon, Brad Faulhaber, DeShay Gould, Jennifer Daquiz Hare, Manish Jain and Carolyn Kelly

Other participants present via Zoom: Kimber Connors (WSOS Executive Director), Karyl Gregory (WSOS), Chris Hanak (WSIB), Elisa La Cava (Madrona Venture Group), Chris Phillips (WSIB), Blair Peterson (Washington STEM), Matt Poth (Washington STEM), Matt Rubright (Silicon Valley Bank) 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. He conducted a roll call and noted a quorum was present.

Approval of Minutes from February 25, 2020 Finance and Investment Committee

Beau Damon moved to approve the minutes of the February 25, 2020 meeting. Bob Moser seconded the motion, and it carried unanimously.

Proposed New Committee Members

Kimber Connors introduced Elisa La Cava, Senior Associate at Madrona Venture Group, and Matt Rubright, Vice President at Silicon Valley Bank, as proposed new committee members and invited each of them to share a few comments. Connors noted that both came highly recommended by current members of the Committee for their expertise in their fields. La Cava and Rubright each expressed their honor to be involved with the mission of WSOS and their excitement to serve in their new capacity. Hogans thanked them for their passion and interest and called for questions or concerns regarding recommending their appointment.

Committee Action: There being no concerns or questions, Manish Jain made a motion to recommend the appointment of Elisa La Cava and Matt Rubright to the WSOS Finance & Investment Committee. The motion was seconded by DeShay Gould, and it carried unanimously.

Connors indicated that the appointment will be formalized by the WSOS Board next week at their meeting. Connors expressed appreciation to all the Committee members who met earlier this year to discuss candidates. Connors is thrilled about the opportunity to onboard La Cava and Rubright and working with each of them.

Hogans shared his sincere appreciation to outgoing members DeShay Gould, Manish Jain and Carolyn Kelly. Kelly joined the Committee in 2013, Gould in 2017 and Jain in 2018. Each person played a key part in the success of building our foundation and strengthening our infrastructure. Our accomplishments are a credit to their individual and collective dedication and vision. Kelly expressed how great an honor it has been to serve on this committee. She commended Hogans on his leadership and the hard work done by all committee members. Gould shared her gratification for having served on the Committee and how exciting it has been to watch the dollars come in. She thanked Hogans for being our fearless leader. Jain thanked Hogans and Connors for their strong leadership and indicated how bittersweet it is for him to leave. He noted that this is a critical time for the work of WSOS and expressed his willingness to help in the future.

Program Administrator Report

Matt Poth, Director of Finance at Washington STEM, presented financial statements through 4/30/20. Total assets are \$112.2M which is a 6% decrease from 12/31/19, the last reported period, and an 11% decrease from 4/30/19. This is due in large part to the spring scholarship disbursements net of refunds for both the BaS (\$3.9M) and CTS (\$585K) programs. The decrease was further impacted due to net investment loss in both

the Scholarship and Endowment accounts (\$2.8M) from January – April 2020. March was a particularly difficult month with the onset of COVID-19. The investment balance as of 4/30/20 is \$104.8M and includes WSIB BaS - \$71.41M, WSIB CTS - \$27M, WSIB Endowment - \$5.2M, KeyBank Capital BaS - \$802K and KeyBank Capital CTS - \$425K.

Pledge receivables as of 4/30/2020 include a \$2.5M stock gift from Gary Rubens with the \$2.5M balance of his pledge to be paid in June 2021. Poth further reported that Brad Smith made a pledge of \$1M to the Rural Jobs scholarship over four years at \$250K/year. Additionally, some pledges originate from our 2018 and 2019 Opportunity Talks events – \$36K from individuals and \$2.5K from corporate pledges.

Gross state match receivables total \$258K from the resubmission amount and \$331K for gifts received in 2020 through 4/30/20. Any additional match from May - June will be invoiced to WSAC after July 1st when the new fiscal year begins. Poth noted that state match receivables are accrued when cash is received. The net balance includes an allowance on the resubmission, but the expectation is that we will be able to collect a good portion of that.

Total Liabilities as of 4/30/2020 are \$28.5M. This is a 14% decrease since 12/31/2019 and a 4% increase since 4/30/19. This is explained by the scholarship payouts reported above. The increase from last year is due primarily to the existence of CTS liability in 2020 vs. 2019 at this point in the year. Poth noted that the third grouping of Scholars in Cohort 1 were awarded into the CTS program in March, which is reflected in the liability. Cohort 2 will not be accepted for several months. The BaS award for Cohort 9 this year is reduced to ~750 students from the higher cohort sizes over the past few years.

Yields total net assets are \$83.6 million which represents a 3% decrease from year end 2019.

The 2020 budget included \$1M for the BaS and \$705K for CTS, divided evenly by quarter throughout the year. New revenues between January and April include the Brad Smith pledge of \$1M as previously mentioned as well as donations the BECU Foundation (\$162.5K), CWU Foundation, Castner (\$50K), Hanson (\$10K), Coley Fund (\$25K), Jim Sinegal (\$25K) and RealNetworks (\$10K). Hogans asked if there has been a delay or withdrawal of people fulfilling their pledge given the impact of COVID-19. Poth reported that all private pledges have been received, however, there has been a delay in getting state match dollars. On July 1, an invoice will be sent for all the 2020 gifts received. Connors reported that she is working with Don Bennett at WSAC regarding the \$500K in implementation dollars to be paid to WSOS in FY20 and FY21 without requiring a private match.

Poth further reported on the ongoing reconciliation of funds with the College Success Foundation. Of the original \$2.8M outstanding, \$2.5M has been collected as of the end of April 2020. The remaining ~\$258K needs more support for WSAC to match. This work will begin again in June/July.

Salaries and benefits are slightly under for 2020 (\$45K) compared to budget expectations primarily due to the COVID-impacted timing of new hires. Savings were gained by reduced costs on conferences, conventions, meetings and operating expenses due to the impact of COVID-19.

Professional fees are right on budget YTD. Please note that the administration fee from Washington STEM will increase starting 7/1/20 which was negotiated after the budget was established. The new two-year contract with Washington STEM will be somewhat higher due to time spent on finalizing the contract.

Scholarship expense for the BaS will be recorded in August with any final adjustments in December. The CTS liability and adjustments are recorded in March, August and December based on Scholars who are accepted into the program. The expense in the budget is net of anticipated refunds. CTS expense recorded in March was \$596K and was related to the final group of Scholars in Cohort 1.

WSOS investments as of 4/30/2020: Scholarship Account is \$100.5M which excludes cash held in the primary checking account and money market at time of reporting. 85.6% is from private funds, 14.4% is from state match funds, 61.7% is in fixed income, 19.7% is equity and 18.6% is cash. Endowment Account is \$5.2M (all

held at WSIB). 87.8% is from private funds, 12.2% is from state match, 71.7% is equity, 16.1% is fixed income and 12.2% is cash. The actual YTD investment income includes unrealized and realized losses of \$2.86M (\$1.95M BaS, \$401K CTS and \$507K Endowment), interest & dividend income of \$81K and investment expense of \$20K. The budget does not include forecasting gains/losses.

Hogans asked if the WSOS landlord has continued to charge for the lease. Connors responded affirmatively.

Hogans asked whether the new committee members had met yet with Connors to review our financials. Connors indicated their onboarding would be conducted later this month after they were formally confirmed by the WSOS Board.

Damon requested highlights of the Rural Jobs program design. Connors reported that the program is part of the CTS. It provides a base scholarship as well as additional funding to help overcome the unique challenges faced by rural students. Such barriers may include lack of reliable transportation, need for childcare or not having access to a computer and broadband for online coursework. The finalized program design will be voted on next week at the Board meeting.

Hogans asked what process is utilized to measure the cost, benefit and necessary steps to implement a new or different program. Connors indicated she would give further thought to this question and advise later.

Given the current climate for graduates, Jain asked how WSOS fits into the equation. Connors noted that Scholars are facing unprecedented times. Third year Scholars are challenged in finding internships and some full-time positions have been pulled. Fortunately, according to our impact data, Opportunity Scholars are less likely to be unemployed than their peers in similar fields and are more likely to land jobs. We saw more Scholars shifting from part-time to full-time because our scholarships cover living expenses; that additional funding helps significantly. In the fall, we anticipate a drop in enrollment especially with our first-generation Scholars due to their economic realities. However, enrollment in post-secondary education typically increases in times of recession, especially in career & technical schools. If that rings true, there may be an increase in demand for our scholarships.

WSIB Quarterly Performance Report

Chris Phillips, WSIB's Director of Institutional Relations and Public Affairs, shared his exciting news of his becoming a new grandfather just a month ago. He noted that his new role provides a powerful motivation for the longevity of scholarships provided by WSOS. He then reported the WSIB quarterly performance report for Q1 2020.

Phillips reported on account market values through March 31, 2020. There is \$68M in the Scholarship Account in 100% private funds. \$4.8M is in the Endowment Account with 88% in private funds and 12% in state match funds. The state match funds are spent down first. A notable change occurred last November when assets were shifted out of the Endowment Account into the new CTS account. The Student Support Pathways Account (CTS) has \$26.3M comprised of 52% private funds and 48% state match funds.

The most recent asset allocations for the investable private funds indicate they are well within their investment policy bands. Scholarship Account (\$68M): 5.49% cash, 71.41% fixed income and 23.10% equity. Endowment Account (\$42M): 18.31% fixed income and 81.69% equity. CTS (\$13.8M): 5.26% cash, 72.22% fixed income and 22.52% equity. Connors indicated she would include a review of the asset allocations with La Cava and Rubright during their onboarding.

Phillips reported on the updated market values for the cash investments for the state match funds. The bulk of the state match funds are in the CTS Account with \$12.6M. The Endowment Account totals \$585K while the Scholarship Account has just \$10. Cash is invested in a money market fund managed by BlackRock. Gould asked about BlackRock's messaging around money market funds given the current rate environment. Chris Hanak, from WSIB's Risk Management and Asset Allocation team, stated that there is ongoing conversation regarding the negative interest rates, and they are closely monitoring the environment, particularly as the yield gets closer to zero. Gould asked if WSIB has any other gates or restrictions for controlling risk with the low

yields. Hanak stated that his team could provide in-depth explanation regarding their holdings and structure. Connors committed to sending a follow-up email to the Committee outlining WSIB's response.

Phillips further reported on the updated performance for all three accounts. As expected, the first quarter was a bumpy one with the market recognizing the uncertainty of the pandemic. The key take-away is the contrast between the Scholarship and CTS accounts (each one is -7.3% for Q1) versus the Endowment account (-17.8% in Q1). This clearly reflects the vastly different exposure to equities versus fixed income. The one-year numbers show just a slightly negative result (-.60%) for the Scholarship Account versus -12.8% for the Endowment Account. The good news is the strategic move to a higher exposure to fixed income for the Scholarship Account buffered it from a more than -10% shift in Q1. The bad news is that the Endowment Account took a hit in the short term because it remains positioned for a longer term, higher risk position.

Equities in all three accounts dropped more than 22% in Q1 and are -12.5% for the one-year period. Fixed income in all three accounts dropped 1.9% in Q1 and is -3.7% for the one-year period. Both results are in keeping with the benchmarks for related market performance.

There were no changes in bond fund characteristics quarter-to-quarter in duration or maturity of coupon rate characteristics when compared to Q4 of 2019.

Phillips presented a summary of market conditions. The volatility of Q1 has been fully highlighted in the headlines. A global pandemic has created a historic economic shutdown. Oil supply far overpowered demand. Traditional travel and commerce halted to a standstill. WSIB's current outlook is that Wall Street is pricing in the historic levels of fiscal and monetary support from the Fed and the federal government. Main Street will be facing severe tests with high unemployment and an unclear path as businesses try to figure out how to reopen or reinvent. Some sectors and industries are likely to never look the same such as retail, commercial office space, manufacturing, supply chains, travel and hospitality. Some business models will thrive while others fail.

For an overview on how WSIB is approaching all the uncertainty, WSIB's Executive Director Theresa Whitmarsh did a 20-minute interview on TVW (the state TV channel) on a program called *Inside Olympia*. A link to the video is provided here: https://www.youtube.com/watch?v=pj5_k7HR_sE

Finance & Investment Committee Charter Updates

At the committee's 2/27/20 Special Session, the committee reviewed the WSOS Finance & Investment Committee Charter for proposed updates with a view of voting on them at today's committee meeting. The committee identified both substantive and non-substantive updates. Substantive: align committee member terms with the WSOS Board (ends on August 30); add a note stating that members who miss two or more consecutive meetings may have their membership reviewed or revoked; update the cadence from three meetings a year to quarterly to reflect what is normal practice; change the charter review from annual to once every three years; and formalize an annual review of the F&I Committee performance. Non-substantive: update CSF to Washington STEM as program administrator and change titles of personnel where appropriate; change the language to match the statute for account names; and add minor language tweaks throughout for improved clarity.

Committee Action: Carolyn Kelly made a motion to approve all the proposed charter updates as presented. The motion was seconded by Hogans, and it carried unanimously.

Program Update

At the January Board meeting, the Board voted to give the Finance & Investment Committee the ability to approve up to \$50K for Development costs (specifically, a feasibility consultant). The Board made this decision to make available services of a third-party fundraising consultant to support the five-year plan to raise \$200M. The Development team has researched and interviewed nine consultants and received proposals from three short-listed companies. After this process, it has become clear that the WSOS staff sees real value in engaging a feasibility consultant as recommended by the Board. After careful review, the Development team recommended The Ostara Group as the feasibility consultant finalist and requested the F&I Committee approve an additional \$50,000 in spending to support a launch of a feasibility campaign.

Committee Action: Gould made a motion to approve a \$50k budget increase to engage a feasibility consultant. The motion was seconded by Jain, and it carried unanimously.

Connors announced that this may be Hogans' last meeting as he is eager to find his successor from within the Board. Connors shared her enormous appreciation for Hogans' support on this committee as her mentor. He has so capably led the committee forward with strong leadership expertise and personal commitment. Hogans expressed his sincere pleasure in serving. Hogans received a warm round of applause.

The meeting went into Executive Session at 3:08 pm.

The meeting adjourned at 3:13 pm.

Respectfully submitted,
Karyl Gregory

DRAFT

Tab B

Program Administrator Report

FINANCE & PROGRAM ADMINISTRATOR UPDATE

July 31, 2020

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

WSOS Balance Sheet

Comparative Balance Sheets
July 31, 2020

	Comparison to Last Reported Period			Notes	Comparison to Same Period LFY		
	4/30/20	% Change	7/31/20		7/31/19	% Change	7/31/20
Assets							
Cash	877,132	239%	2,975,992	1	6,174,609	-52%	2,975,992
Investments	104,841,026	6%	111,356,343	2	115,867,935	-4%	111,356,343
Accounts Receivable	6,343	-94%	395		368	7%	395
Pledges and Grants Receivable, net	5,989,069	-41%	3,505,092	3	4,722,048	-26%	3,505,092
State match receivable, net	330,180	780%	2,906,926	4	2,311,934		2,906,926
Prepaid Expenses	89,346	-4%	85,990		120,448	-29%	85,990
Property and equipment, net	27,587	-10%	24,692		36,271	-32%	24,692
Total Assets	112,160,683	8%	120,855,430		129,233,613	-6%	120,855,430
Liabilities and Net Assets							
Accounts Payable	61,968	34%	83,195		67,339	24%	83,195
Payroll Related Liabilities	69,944	-2%	68,727		66,383	4%	68,727
Scholarship Commitments Bacc., net	26,870,392	0%	26,829,963	5	27,243,627	-2%	26,829,963
Scholarship Commitments CTS, net	1,531,012	-15%	1,298,512	5			1,298,512
Total Liabilities	28,533,316	-1%	28,280,397		27,377,349	3%	28,280,397
Net Assets							
Temporarily Restricted Net Assets	83,627,367	11%	92,575,033		101,856,264	-10%	92,575,033
Permanently Restricted Net Assets	-	0%	-			0%	-
Total Net Assets	83,627,367	11%	92,575,033		101,856,264	-9%	92,575,033
Total Liabilities and Net Assets	112,160,683	8%	120,855,430		129,233,613	-6%	120,855,430

WSOS Balance Sheet

Notes:

1. Increase in cash between April and July largely due to private receipts of \$2.58M, primarily due to Gary Rubens pledge payment of \$2.5M, WSAC implementation funds of \$250K, and scholarship refunds of \$408K (\$266K BaS, and \$142K CTS) . These were offset by scholarship disbursements of \$273K (\$40K BaS, \$233K CTS), and operating expenses.
2. Investment balance as of 07/31/20 includes WSIB BaS Scholarship \$76.36M, WSIB CTS Scholarship \$28M, WSIB Endowment \$5.76M, KeyBank Capital BaS \$809K, and KeyBank Capital CTS \$425K. The KeyBank investment account (public dollars) provides cash needs first in order to fund scholarship demands.
3. Pledges and Grants Receivable, net, decreased primarily due to pledge payment of \$2.5M by Gary Rubens. Balance includes Gary Rubens' pledge of \$2.5M, Brad Smith pledge of \$1M (received late August), Avista pledge of \$20K, corporate of \$2.5K, and other individuals of \$33K.
4. State match receivable includes accrual for match of all private dollars received from May to July. This includes match of the Gary Rubens gift, and was received in early August.
5. In March we recorded adjustments to our Scholarship liabilities for the CTS programs of \$596K. This increase was offset by disbursements between May and July for the Baccalaureate and CTS programs of \$40K and \$233K, respectively. The liabilities will be adjusted further in August due to new year of scholarship participants for both programs.

WSOS Income Statement

Actual vs. Budget

Seven Months Ending July 31, 2020

	Seven Months Ending July 31, 2020			Notes	December 31, 2020
	Actual	Budget	Variance Fav (Unfav)		Annual Budget
Revenue					
Private	1,402,801	682,240	720,561	1	1,705,599
Public	3,157,410	3,011,678	145,732	2	4,205,591
Investment Income	3,696,003	213,612	3,482,391	3	366,192
Total Revenue	8,256,215	3,907,530	4,348,685		6,277,382
Program Expense					
Salaries and Benefits	1,102,937	1,250,647	147,710	4	2,493,606
Professional Fees - Program Admin fees	312,230	309,065	(3,165)		530,540
Professional Fees - Contractors & Lobbying	223,641	257,720	34,079	5	617,500
Conferences, Conventions & Meetings	21,286	63,383	42,097	5	206,270
Operating Expenses	146,179	187,066	40,887	5	356,566
	1,806,273	2,067,881	261,608		4,204,482
Income (Loss) before Scholarship Exp	6,449,942	1,839,649	4,610,293		2,072,900
Scholarship Expense	(311,638)	664,273	975,911	6	10,998,132
Net Income (Loss)	6,761,580	1,175,376	5,586,204		(8,925,232)

WSOS Income Statement

Notes:

1. Revenue Private: The 2020 Budget included \$1M for 4-year scholarship and \$705K for CTS, divided evenly by quarter throughout the year. New revenues between May and July totalled \$100K which included a \$20K from Columbus/Battelle Foundation, \$30K from Avista, and \$42K from Gary Rubens. The \$2.5MM pledge payment was revenue in a prior year with the initial pledge was made.
2. Revenue Public: State Match revenues accrued based on \$2.58M of private receipts between May and July.
3. Investment income: Actual YTD includes unrealized+realized gains of \$3.64M, interest & dividend income of \$98K and investment expense of \$37K. Budget does not include forecasting gains/losses.
4. Salaries and benefits; Slightly under as there was a delay in hiring new positions compared to what was expected in the budget.
5. Professional Fees, Conferences, Conventions & Meetings, and Operating Expenses lower than budget primarily due to Covid-19 quarantine measures. In professional fees, Evaluation Consulting and IT Consulting are \$18.7K and \$18.6K under budget, respectively. For conferences, conventions & meetings expenses are under budget across most GLs, notably Meals (\$9K), Mileage (\$6.5K), Hotels (\$5.6K), Catering (\$4.4K), Registration Fees (\$4.2K), Airfare (\$3.1K), Other Travel Expenses including Taxis and Car Rentals (\$4.7K). Within operating expenses the largest differences were in Printing and Collateral (\$14.2K), Staff Professional Development (\$9.4K), and Computer Equipment (\$4.1K).
6. Scholarship expense for CY 2020 for BaS will be recorded in August with any final adjustments in December. The CTS liability and adjustments are recorded in March, August, and December based on portion of students accepted into the program. The expense in the budget is net of anticipated refunds. In actuality, refunds are received throughout the year, so the difference between budget and actual is primarily due to this. CTS expense recorded in March was \$596K, and was related to final group of students in Cohort 1.

WSOS Cash Flow

Cash Flow Summary

Inception-To-Date

July 31, 2020

	Inception - July 31, 2020			
	Scholarship	Endowment	Notes	Total
<u>CASH FLOW</u>				
Cash Inflow:				
Boeing	25,110,000	-		25,110,000
Microsoft	35,000,000	-		35,000,000
Other Private	36,313,231	-	1	36,313,231
State	93,593,228	-	2	93,593,228
Investment Income*	19,200,639	5,767,630	3	24,968,269
Total Cash Inflows	209,217,098	5,767,630		214,984,728
Cash Outflow:				
Scholarships	(81,138,975)	-	4	(81,138,975)
Program Expenses	(19,507,606)	(5,812)		(19,513,418)
Total Cash Outflows	(100,646,581)	(5,812)		(100,652,393)
Net Cash Flow Inception-To-Date	108,570,517	5,761,818		114,332,335
<u>Composition of Net Cash Flow</u>				
KeyBank Checking Account	2,975,992	-	5	2,975,992
Investment Accounts at WSIB and KeyBank	105,594,525	5,761,818	5	111,356,343
Total	108,570,517	5,761,818		114,332,335

WSOS Cash Flow

Notes:

1. Cash Inflow: Other Private - \$2.58M received on cash basis between May and July, primarily \$2.5M pledge payment from Gary Rubens.
2. State - Received \$250K from WSAC between May and July. These were implementation funds, not regular State Match.
3. Investment Income - May to July investment income included unrealized/realized gains in BaS accounts of \$4.94M, CTS accounts of \$1M, and Endowment account of \$563K.
4. Scholarship disbursements were \$273K (\$40K Baccalaureate, \$233K CTS) between May and July 2020 and scholarship refunds totaled \$408K (\$266K Baccalaureate, \$142K CTS).
5. Assets are maintained in KeyBank Checking Account to meet short term cash needs, all excess dollars are invested in WSIB or KeyBank investment accounts to generate returns.

Washington State Opportunity Scholarship (WSOS)
Statement of Cash Flows
2020

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

	2020 Jan	2020 Feb	2020 Mar	2020 Apr	2020 May	2020 June	2020 Jul	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2020 YTD
OPERATING ACTIVITIES												
Change in net assets	788,882	(1,418,837)	(6,012,583)	4,456,452	2,358,543	4,372,217	2,216,906	(6,642,538)	11,187,212	2,216,906	-	6,761,580
Adjustments to reconcile change in net assets to net cash used by operating activities-												
Add: Depreciation & Amortization	965	965	964	965	965	965	965	2,894	2,895	965	-	6,754
Add: Loss (Subtract: Gain) on disposal of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-
Add: Loss (Subtract: Gain) on realized/unrealized investments	(654,360)	1,452,209	6,484,361	(4,482,754)	(2,421,797)	(1,666,073)	(2,427,446)	7,282,210	(8,570,624)	(2,427,446)	-	(3,715,860)
Add: Accretion of prepaid loan fees	-	-	-	-	-	-	-	-	-	-	-	-
Add: Loss on extinguishment of debt	-	-	-	-	-	-	-	-	-	-	-	-
Changes to balance sheet accounts:												
Accounts receivable, net	(1,090)	(1,114)	4,263	(4,499)	18	(1,249)	7,179	2,059	(5,730)	7,179	-	3,508
Prepaid expenses & other assets	(17,817)	12,230	(11,061)	5,451	(3,595)	12,632	(5,681)	(16,648)	14,488	(5,681)	-	(7,841)
Pledges receivable	(213,236)	6,290	(863,752)	88,226	381	2,500,654	(17,057)	(1,070,698)	2,589,261	(17,057)	-	1,501,506
State match receivable	-	212,081	(230,114)	(100,065)	-	(3,202,583)	625,835	(18,033)	(3,302,648)	625,835	-	(2,694,846)
Accounts payable	13,605	(1,122)	(19,558)	1,310	2,283	3,667	17,714	(7,075)	7,260	17,714	-	17,899
Scholarship commitments	(94,622)	(39,180)	(4,206,017)	(45,476)	(38,345)	(221,084)	(13,500)	(4,339,819)	(304,905)	(13,500)	-	(4,658,224)
Accrued expenses and other	(78,316)	(751)	(11,153)	(2,727)	(7,308)	(2,437)	6,091	(90,220)	(12,472)	6,091	-	(96,601)
Net Cash (used) provided by operations	(255,989)	222,771	(4,864,650)	(83,117)	(108,855)	1,796,709	411,006	(4,897,868)	1,604,737	411,006	-	(2,882,125)
INVESTING ACTIVITIES												
Purchases of property & equipment	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of property & equipment	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of investments	-	-	4,680,000	201,912	-	-	-	4,680,000	201,912	-	-	4,881,912
Purchases of investments	-	-	-	(201,912)	-	-	-	-	(201,912)	-	-	(201,912)
Proceeds from sale of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Other investing activities	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash (used) by investing activities	-	-	4,680,000	-	-	-	-	4,680,000	-	-	-	4,680,000
FINANCING ACTIVITIES												
Cash contributions and pledges collected for endowment purposes	-	-	-	-	-	-	-	-	-	-	-	-
Funds received from lenders	-	-	-	-	-	-	-	-	-	-	-	-
Payments to lenders	-	-	-	-	-	-	-	-	-	-	-	-
Payments on capital leases	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from issuance of stock	-	-	-	-	-	-	-	-	-	-	-	-
Capital contribution from owners	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany transactions	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash (used) provided by financing activities	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow	(255,989)	222,771	(184,650)	(83,117)	(108,855)	1,796,709	411,006	(217,868)	1,604,737	411,006	-	1,797,875
Cash at Beginning of Period	1,178,117	922,128	1,144,899	960,249	877,132	768,277	2,564,986	1,178,117	960,249	2,564,986	2,975,992	1,178,117
Cash at End of Period	922,128	1,144,899	960,249	877,132	768,277	2,564,986	2,975,992	960,249	2,564,986	2,975,992	2,975,992	2,975,992

SCHOLARSHIP OVERVIEW

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

Baccalaureate Scholarship

- Scholarship program for students intending to earn a bachelor's degree.
- Scholarship provides up to \$22,500 in total financial aid support.
- Scholars have access to other WSOS programs to help the college to career transition, these include the Scholar Lead near-peer mentoring program and the Skills that Shine placement program.
- Scholars must meet the following requirements in order to be able to apply:
 - Be a Washington state resident.
 - Earn a high school diploma or GED from a WA state institution by June of application year with cumulative GPA of 2.75 or passing GED score.
 - File the Free Application for Federal Student Aid (FAFSA) or Washington Application for State Financial Aid
 - Apply for Federal Education Tax Credits, if eligible.
 - Have total family income under 125% of Washington State family median income adjusted for family size.
 - Plan to pursue an eligible STEM or health care major.
 - Plan to enroll at an eligible Washington state institution for at least half-time each term (summer not funded).
 - Scholars must not yet have a bachelor's degree and must be either a high school senior or graduate, or a college freshman or sophomore who has not completed more than six quarters (four semesters) or 90 quarter credits (60 semester credits).

Baccalaureate Model Assumptions

- Current plan, depending on future funding, is that 750 scholars will be selected each year for cohorts 9 (2020-2021) and beyond (500 Freshman, 150 Sophomores, 100 Juniors).
- Current plan, depending on future funding, is for 14 cohorts, we are currently at cohort 9 so this will take us through the cohort select in fall of the 2025-2026 academic year.
- Assumes that 9% of those scholars will refuse or become ineligible before the first disbursement.
- If scholars are not enrolled full-time they receive a pro-rated scholarship. To account for this the model we use historical actual average disbursements of scholarship dollars for scholars first, second, third, fourth and fifth year based on class level (Freshman, Sophomore, Junior) when selected.
- Assumes that each quarter a certain # of students will be retained vs. the prior quarter. Scholars may leave due to two main reasons 1. scholars complete their program, 2. scholars leave the program or become ineligible (could be due to stopping attendance, transferring to an ineligible program or university, or other). Given the amount of historical data (8 cohorts worth) we are using historical data from the Baccalaureate scholarship program as the basis for our retention rates. We weight recent data more heavily in this calculation due to the implementation of the Scholar Leads program in C7 and onward. We believe this more accurately aligns with future retention rates given the Scholar Leads program's ongoing impact.

Career and Technical Scholarship

- Scholarship program for students enrolled in trade, STEM, and health care programs at Washington's community and technical colleges .
- Scholarship provides up to \$1,500 per quarter in financial aid support.
- Scholars must meet the following requirements in order to be able to apply:
 - Be a Washington state resident.
 - Earn a high school diploma or GED from a WA state institution prior to start of fall quarter.
 - File the Free Application for Federal Student Aid (FAFSA) or Washington Application for State Financial Aid
 - Apply for Federal Education Tax Credits, if eligible.
 - Have total family income under 125% of Washington State family median income adjusted for family size.
 - Plan to enroll in an eligible program at an eligible Washington state community or technical college for at least six credit each term, summer not required but is funded.
 - Do not currently have a bachelor's degree or intend to earn a bachelor's degree after completion of program.

Career and Technical Model Assumptions

- Current plan, depending on future funding, is that 550 scholars will be selected each year (275 fall, 165 winter, 110 spring).
- Current plan, depending on future funding, is for 10 cohorts, the first of which occurred during the 2019-2020 academic year.
- Assumes that 9% of those scholars will refuse or become ineligible before the first disbursement.
- Assumes a maximum dollar value of \$1,500 per quarter.
- If scholars are not enrolled full-time they receive a pro-rated scholarship. Our model assumes that students will enroll at slightly less than full-time enrollment, currently utilizing 95.4% enrollment level for fall, winter, and spring quarters and 87.5% for summer. This is based on first year actuals + data from Washington State Board for Community and Technical Colleges (SBCTC). This modifies the expected payment per quarter.
- Assumes that less scholars will enroll in summer quarter, we use 25% of the enrollment of the spring quarter prior. This is based on first year actuals + data from SBCTC.
- Assumes that each quarter a certain # of students will be retained vs. the prior quarter. Scholars may leave due to two main reasons 1. scholars complete their program, 2. scholars leave the program or become ineligible (could be due to stopping attendance, transferring to an ineligible program or university, or other). We based our calculation partially based on average program length of all scholars in the program (relating to reason 1., this has been generally been between 1 and 2 years), and then on data from a similar program in Tennessee (Tennessee Promise) and data from SBCTC around how many students exit each quarter for other reasons.

Rural Jobs Initiative

- Supplemental scholarship for certain students who are already eligible for the Career and Technical Scholarship.
- Scholarship provides additional funding on top of the Career and Technical Scholarship in an amount up to \$2,000 in the first quarter, \$1,000 in the second quarter, and \$500 each quarter after.
- Scholars must meet the requirements of the Career and Technical Scholarship, as well as the following:
 - Be a resident of a rural county or graduate from a high school in a smaller district (under 2,000 students in district). This does not include King, Pierce, Snohomish, Kitsap, Thurston, Clark, Benton, and Spokane.
 - Be a resident student eligible for in-state tuition.
 - Be enrolled at one of Washington's community and technical colleges also located in a rural county.
 - Be enrolled in a certificate, degree, or other industry-recognized credential or training program that prepares students for a high-employer-demand field.
 - Have a family income that does not exceed 70% Washington state median family income adjusted for family size.

Rural Jobs Initiative Assumptions

- Current plan, depending on future funding, is that 50 scholars will be selected in the first year (20 fall, 15 winter, 10 spring), and that 85 students will be selected in each year thereafter (43 fall, 25 winter, 17 spring).
- Current plan, depending on future funding, is for 5 cohorts, the first of which will occur in the 2020-2021 academic year.
- Assumes a maximum dollar value of \$2,000 in the first quarter, \$1,000 in the second quarter, and \$500 each quarter after. Remaining assumptions are the same as the Career and Technical Scholarship assumptions.
- Assumes that 9% of those scholars will refuse or become ineligible before the first disbursement.
- If scholars are not enrolled full-time they receive a pro-rated scholarship. Our model assumes that students will enroll at slightly less than full-time enrollment, currently utilizing 95.4% enrollment level for fall, winter, and spring quarters and 87.5% for summer. This is based on first year actuals + data from Washington State Board for Community and Technical Colleges (SBCTC). This modifies the expected payment per quarter.
- Assumes that less scholars will enroll in summer quarter, we use 25% of the enrollment of the spring quarter prior. This is based on first year actuals + data from SBCTC.
- Assumes that each quarter a certain # of students will be retained vs. the prior quarter. Scholars may leave due to two main reasons 1. scholars complete their program, 2. scholars leave the program or become ineligible (could be due to stopping attendance, transferring to an ineligible program or university, or other). We based our calculation partially based on average program length of all scholars in the program (relating to reason 1., this has been generally been between 1 and 2 years), and then on data from a similar program in Tennessee (Tennessee Promise) and data from SBCTC around how many students exit each quarter for other reasons.

Summary Cash Flow Projection

Inception - June 30, 2035

Updated as of September 4, 2020



Actual	Actual	Actual	Actual	Actual	Projected -- Fiscal Year Ended June 30,															Total		
Inception - 1/31/2017	2017 (5 Months)	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Inception - 2035	FYE	
Endowment Account																						
Beginning Balance	-	24,970,844	26,098,400	29,162,877	30,344,749	5,539,850	5,706,046	5,877,227	6,053,544	6,235,150	6,422,205	6,614,871	6,813,317	7,017,717	7,228,248	7,445,095	7,668,448	7,898,502	8,135,457	8,379,521	-	
Sources:																						
Cash Contributions																						
Private	12,500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,500,000	
Advance by Scholarship to Endowment	1,016,414	(1,016,414)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
State Match-Appropriated & Received	10,000,000	2,500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,500,000	
Investment Income	1,460,243	1,127,556	1,580,891	1,181,872	195,101	166,196	171,181	176,317	181,606	187,055	192,666	198,446	204,400	210,531	216,847	223,353	230,053	236,955	244,064	251,386	8,636,719	
Total Endowment Fund Receipts	24,976,657	1,127,556	3,064,477	1,181,872	195,101	166,196	171,181	176,317	181,606	187,055	192,666	198,446	204,400	210,531	216,847	223,353	230,053	236,955	244,064	251,386	33,636,719	
Uses:																						
Endowment Account Expenses																						
Transfer Corpus to CTS Scholarship (earnings retained in endowment)	(5,813)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,813)	
	-	-	-	(25,000,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(25,000,000)	
Ending Cash Balance Endowment	24,970,844	26,098,400	29,162,877	30,344,749	5,539,850	5,706,046	5,877,227	6,053,544	6,235,150	6,422,205	6,614,871	6,813,317	7,017,717	7,228,248	7,445,095	7,668,448	7,898,502	8,135,457	8,379,521	8,630,906	8,630,906	
Scholarship Account -BACC																						
Baccalaureate Accounts																						
Beginning Balance	-	61,164,231	87,938,738	86,051,503	89,392,898	77,892,687	69,963,813	61,179,285	51,830,632	44,484,950	37,618,716	29,687,660	22,967,351	18,641,165	16,587,222	15,741,255	15,639,517	16,108,702	16,591,963	17,089,722	-	
Sources:																						
Contributions																						
Private Other & Event	4,077,265	711,353	731,037	712,918	825,860	1,250,000	1,200,000	1,200,000	1,200,000	1,200,000	400,000	400,000	400,000	400,000	-	-	-	-	-	-	14,708,433	
Private Large	57,475,000	6,500,000	2,700,000	6,442,500	3,714,503	2,500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	79,332,003	
Advance by Scholr to Endowment & Repymt	(1,016,414)	-	1,016,414	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
State Match-Appropriated & Received	37,854,000	21,000,000	8,420,913	10,002,605	1,035,242	3,540,674	3,750,000	1,200,000	1,200,000	1,200,000	1,200,000	400,000	400,000	400,000	400,000	-	-	-	-	-	92,003,434	
State Match:Deposited to S-Prvt s/b Endowment	2,500,000	-	(2,500,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Investment Income (including Unrealized G/L)	2,984,976	2,113,642	3,083,146	3,961,566	4,669,198	2,336,781	2,098,914	1,835,379	1,554,919	1,334,548	1,128,561	890,630	689,021	559,235	497,617	472,238	469,186	483,261	497,759	512,692	32,173,268	
Total Scholarship Fund Receipts	103,874,827	30,324,995	13,451,510	21,119,589	10,244,803	9,627,455	7,048,914	4,235,379	3,954,919	3,734,548	2,728,561	1,690,630	1,489,021	1,359,235	897,617	472,238	469,186	483,261	497,759	512,692	218,217,138	
Uses:																						
Scholarships																						
Scholarships	(34,517,356)	(2,382,771)	(12,356,678)	(14,489,097)	(15,830,750)	(13,996,529)	(12,361,923)	(10,139,692)	(7,752,932)	(6,946,682)	(6,991,520)	(5,236,357)	(3,434,270)	(1,627,475)	(404,306)	-	-	-	-	-	(148,468,337)	
Program Operations																						
Program Operations	(8,193,240)	(1,167,717)	(2,982,067)	(3,289,098)	(2,992,712)	(3,559,800)	(3,471,519)	(3,444,340)	(3,547,670)	(3,654,100)	(3,668,098)	(3,174,583)	(2,380,937)	(1,785,703)	(1,339,277)	(573,976)	-	-	-	-	(49,224,835)	
Transfer to CTS																						
Transfer to CTS	-	-	-	(3,203,415)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,203,415)	
Inter-Scholarship Receivable (Payable)																						
Inter-Scholarship Receivable (Payable)	-	-	-	281,863	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	281,863	
Total Scholarship Fund Disbursements	(42,710,596)	(3,550,488)	(15,338,745)	(17,778,194)	(21,745,014)	(17,556,329)	(15,833,442)	(13,584,032)	(11,300,602)	(10,600,782)	(10,659,617)	(8,410,939)	(5,815,207)	(3,413,178)	(1,743,583)	(573,976)	-	-	-	-	(200,614,724)	
Ending Cash Balance Scholarship	61,164,231	87,938,738	86,051,503	89,392,898	77,892,687	69,963,813	61,179,285	51,830,632	44,484,950	37,618,716	29,687,660	22,967,351	18,641,165	16,587,222	15,741,255	15,639,517	16,108,702	16,591,963	17,089,722	17,602,414	17,602,414	

Tab C

WSIB Quarterly Performance Report



**Washington State
Investment Board**

**WSOS Investment and Finance Committee
Performance Review 2Q20
September 8, 2020**



**Chris Phillips
Director of Institutional Relations**



WSOS Scholarship/Endowment Funds – Growth of Assets

June 30, 2020



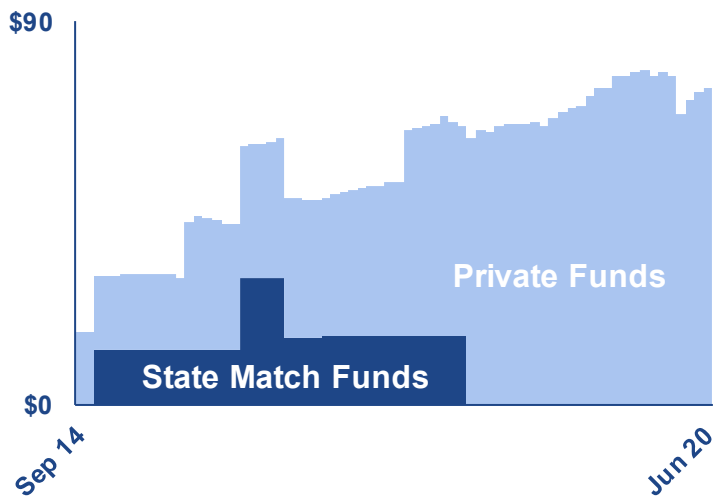
Scholarship Account

- ▣ Total assets: \$74.5 million
- ▣ 100% private funds

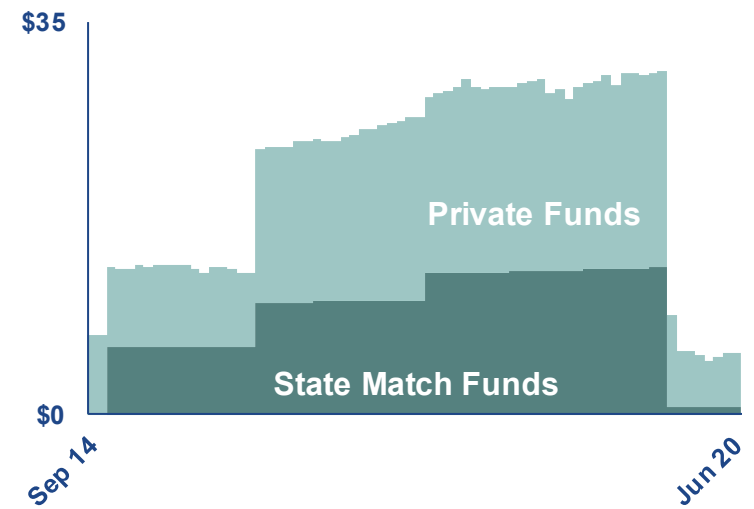
Endowment Account

- ▣ Total assets: \$5.5 million
- ▣ 90% private funds and 10% state match funds

Growth of Scholarship Assets



Growth of Endowment Assets





WSOS Scholarship/Endowment Funds – Growth of Assets

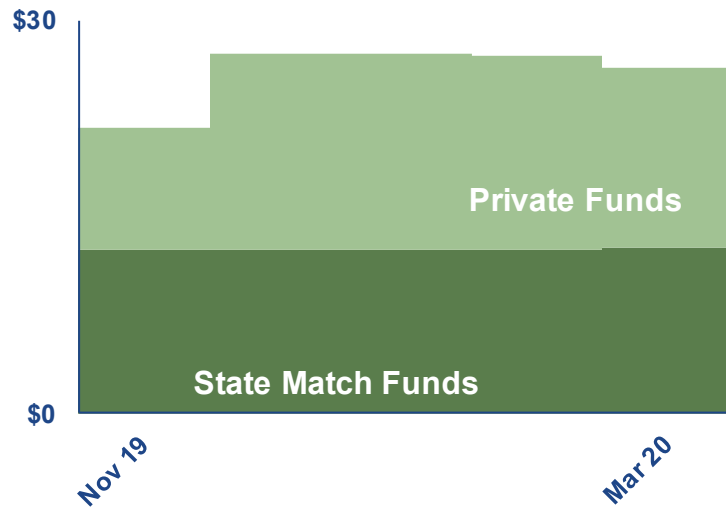
June 30, 2020



Student Support Pathways (CTS) Account

- Total assets: \$27.6 million
- 55% private funds and 45% state match funds

Growth of Student Support Pathways (CTS) Assets





Market Values and Asset Allocation for Private Funds

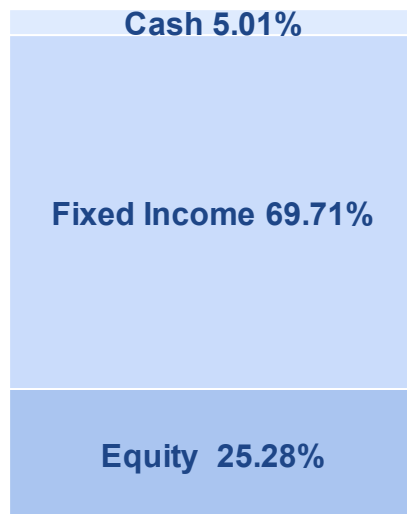
June 30, 2020

Equity

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

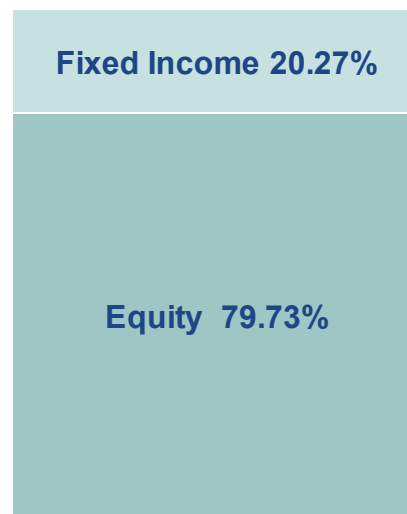
Fixed Income

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



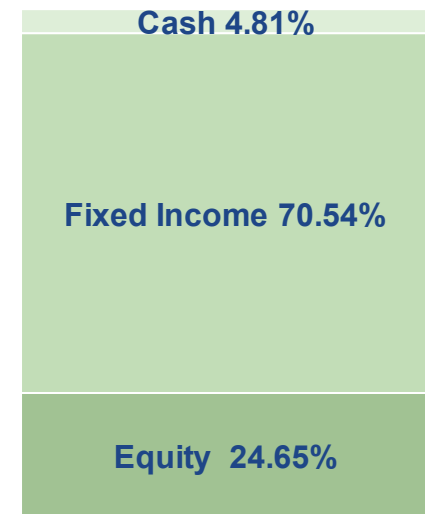
\$74,525,802

Scholarship



\$4,954,920

Endowment



\$15,072,711

Student Support Pathways



Market Values for State Funds

June 30, 2020



State Match Funds

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

Market Values

Scholarship	\$10
Endowment	\$584,930
Student Support Pathways	\$12,563,279



Fund Performance Updates

June 30, 2020

	2nd Qtr. 2020	1 Year	3 Year	5 Year	Since Inception
Scholarship					
Private	9.58%	5.73%	5.96%	5.85%	5.62%
Private Benchmark	9.56%	5.64%	5.99%	5.91%	5.68%
State Match	0.00%	1.20%	1.50%	1.02%	0.91%
State Match Benchmark	0.02%	1.65%	1.78%	1.21%	1.08%
Private Funds Benchmark: 25% Equity, 70% Fixed Income, and 5% Cash. State Match Benchmark: 100% Cash					

Endowment					
Private	17.67%	-0.88%	4.55%	5.47%	5.37%
Private Benchmark	17.21%	2.83%	5.86%	6.14%	5.97%
State Match	0.04%	1.30%	1.55%	1.05%	0.94%
State Match Benchmark	0.02%	1.65%	1.78%	1.21%	1.08%
Private Funds Benchmark: 80% Equity, 20% Fixed Income. State Match Benchmark: 100% Cash.					

Student Support Pathways					
Private	9.52%	N/A	N/A	N/A	3.26%
Private Benchmark	9.56%	N/A	N/A	N/A	2.48%
State Match	0.04%	N/A	N/A	N/A	0.50%
State Match Benchmark	0.02%	N/A	N/A	N/A	0.77%
Private Funds Benchmark: 25% Equity, 70% Fixed Income, and 5% Cash. State Match Benchmark: 100% Cash.					

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



Fund Performance Updates

June 30, 2020

	2nd Qtr. 2020	1 Year	3 Year	5 Year	Since Inception
Equity					
Scholarship	19.91%	1.30%	6.33%	6.60%	6.44%
Endowment	20.15%	2.17%	6.11%	6.59%	6.43%
Student Support Pathways	19.90%	N/A	N/A	N/A	-1.91%
MSCI ACWI IMI w/ U.S. Gross	19.93%	1.50%	5.87%	6.44%	
Fixed Income					
Scholarship	6.97%	7.65%	5.22%	4.56%	4.25%
Endowment	6.97%	7.68%	5.23%	4.56%	4.26%
Student Support Pathways	6.97%	N/A	N/A	N/A	5.36%
BB Intermediate Credit	6.67%	6.97%	4.88%	4.18%	



Bond Fund Characteristics & Top 10 Issuers

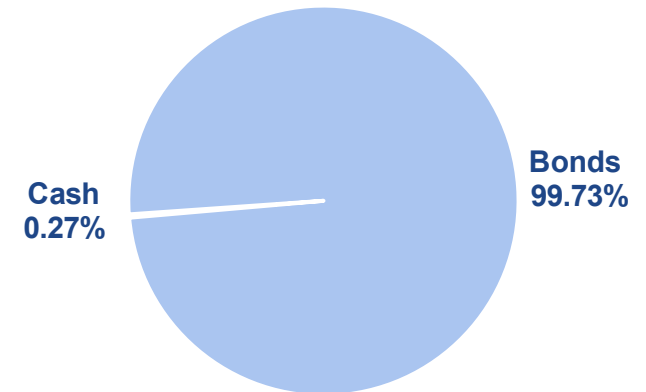
June 30, 2020

Top 10 Issuers

Blackrock Inc.	1.81%
U.S. Bancorp Investments, Inc.	1.16%
Laboratory Corp. Of America	1.15%
Banco Del Estado de Chile	1.12%
Principal Financial Group	1.00%
SP PowerAssets Ltd.	0.97%
BNP Paribas	0.96%
Macquarie Bank Ltd.	0.95%
AbbVie Inc.	0.95%
Apple Inc.	0.94%

Asset Allocation and Market Value

Bond Fund	\$2,313,504,354
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Characteristics

	Fund	Index
Average Maturity	5.6 years	5.1 years
Yield to Maturity	1.77%	1.43%
Modified Duration	5.09	4.46
Average Coupon	3.01%	3.33%
Number of Holdings	257	4,582



Capital Markets at a Glance

June 30, 2020

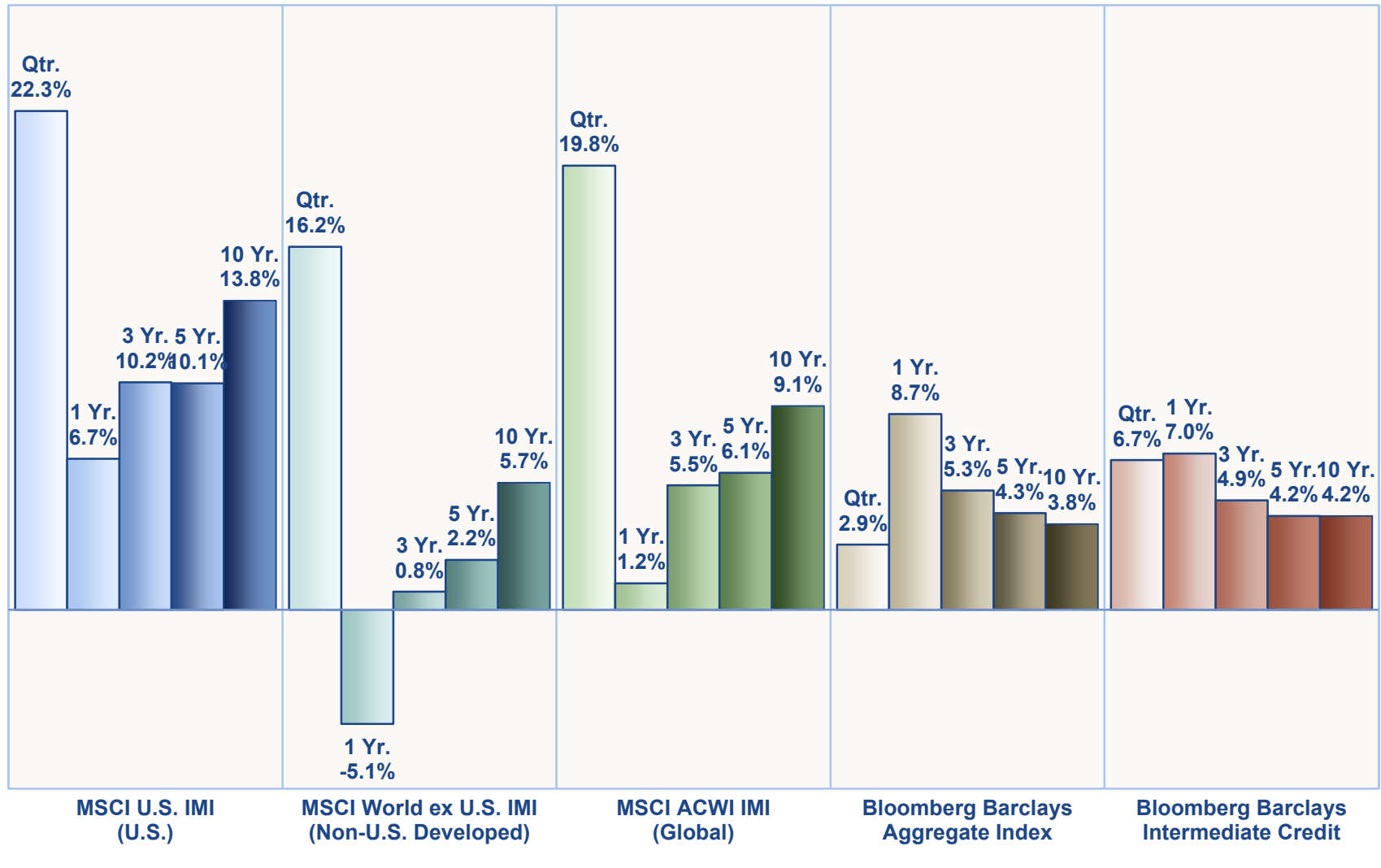


- ❑ Strong 2Q performance resulted from a wave of economic stimulus from central banks and governments, along with tentative reopening of economic activity
- ❑ The Fed responded quickly to the slowdown (target interest rate remained at 0% – 0.25%), and global central banks indicated broad commitments to low-cost lending globally
 - ❑ The pandemic is leaving its mark:
 - ❑ U.S. gross domestic product (GDP) shrank 9.5% in 2Q
 - ❑ Personal spending slumped 34.6% – largest quarterly decline on record
 - ❑ The U.S. economy contracted at an annualized pace of 5% in the first quarter
 - ❑ U.S. unemployment hit 14.7% in April, a level not seen since the Great Depression
- ❑ Equities: MSCI Developed World IMI index returned 19.94% for 2Q, bringing the 1 year return to 1.84%
- ❑ Fixed Income: With interest rates unchanged and credit spreads narrower, returns were widely disperse across sectors
 - ❑ The Bloomberg Barclays High Yield index returned 10.18% for the quarter and a mere 0.03% for the 1 year period
 - ❑ The broader Bloomberg Barclays Universal returned 3.81% for the quarter and 7.88% for the 1 year period
- ❑ Treasuries: Based on the Fed’s stimulus pledge, 10 year U.S. Treasuries declined 1 basis point to 0.66% during the quarter



Capital Markets at a Glance

June 30, 2020





Contact Information



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

The screenshot shows the Washington State Investment Board website. The header includes the logo and the tagline "Investing with integrity, prudence, and skill". A search bar is located in the top right corner. 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 setting. To the left of the banner is a navigation menu with the following 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 smaller boxes: "FEATURES" (Glossary, FAQ, Resources & Map, Directions & Map), "POPULAR PICKS" (IRR Report, Quarterly Report, Risk Framework, Policies), "NEED INFO?" (with question marks), and "WSIB STORY" (with an upward arrow).

Address:

2100 Evergreen Park Drive SW

P.O. Box 40916

Olympia, WA 98504-0916

Phone Number:

(360) 956-4600

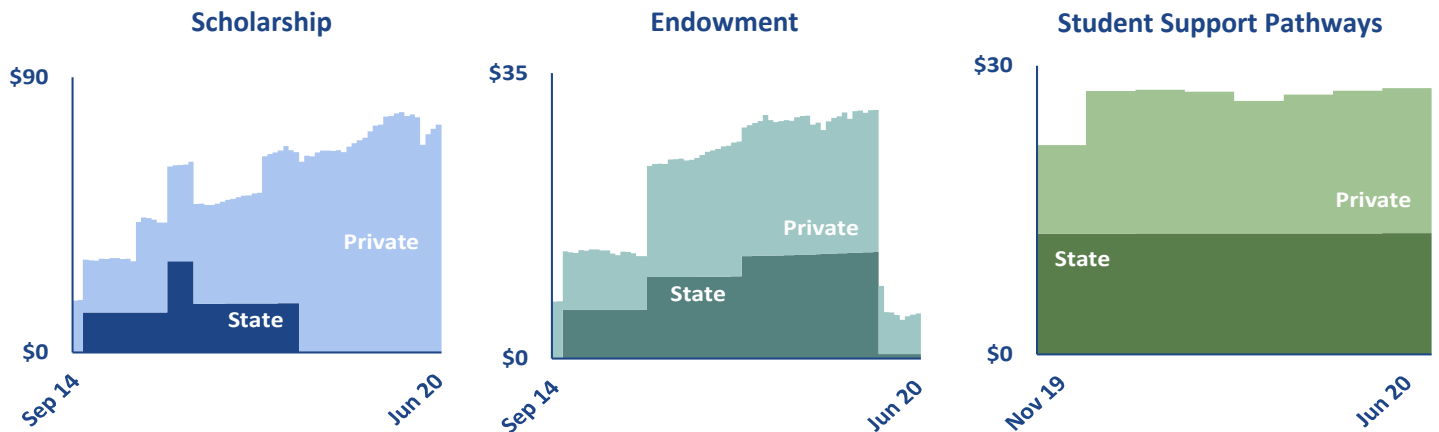


Washington State Opportunities Scholarship

Quarterly Report – June 30, 2020

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

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



Scholarship

Private Total	\$74,525,802
Equity	\$18,842,127
Fixed Income	\$51,950,626
Cash	\$3,733,048
State Match Total	\$10
Cash	\$10

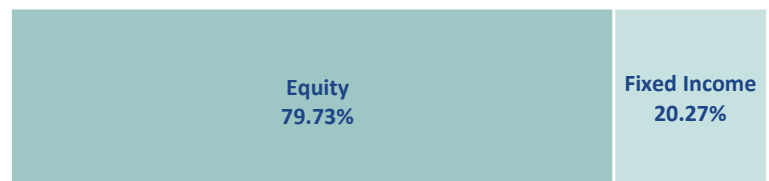
Private Allocation



Endowment

Private Total	\$4,954,920
Equity	\$3,950,426
Fixed Income	\$1,003,183
Cash	\$1,311
State Match Total	\$584,930
Cash	\$584,930

Private Allocation



Student Support Pathways

Private Total	\$15,072,711
Equity	\$3,716,125
Fixed Income	\$10,632,335
Cash	\$724,250
State Match Total	\$12,563,279
Cash	\$12,563,279

Private Allocation



Total Returns

	2nd Qtr. 2020	1 Year	3 Year	5 Year	Since Inception
Scholarship					
Private	9.58%	5.73%	5.96%	5.85%	5.62%
Private Benchmark	9.56%	5.64%	5.99%	5.91%	5.68%
State Match	0.00%	1.20%	1.50%	1.02%	0.91%
State Match Benchmark	0.02%	1.65%	1.78%	1.21%	1.08%

Endowment					
Private	17.67%	-0.88%	4.55%	5.47%	5.37%
Private Benchmark	17.21%	2.83%	5.86%	6.14%	5.97%
State Match	0.04%	1.30%	1.55%	1.05%	0.94%
State Match Benchmark	0.02%	1.65%	1.78%	1.21%	1.08%

Student Support Pathways					
Private	9.52%	N/A	N/A	N/A	3.26%
Private Benchmark	9.56%	N/A	N/A	N/A	2.48%
State Match	0.04%	N/A	N/A	N/A	0.50%
State Match Benchmark	0.02%	N/A	N/A	N/A	0.77%

Equity and Fixed Income Returns

	2nd Qtr. 2020	1 Year	3 Year	5 Year	Since Inception
Equity					
Scholarship	19.91%	1.30%	6.33%	6.60%	6.44%
Endowment	20.15%	2.17%	6.11%	6.59%	6.43%
Student Support Pathways	19.90%	N/A	N/A	N/A	-1.91%
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Fixed Income					
Scholarship	6.97%	7.65%	5.22%	4.56%	4.25%
Endowment	6.97%	7.68%	5.23%	4.56%	4.26%
Student Support Pathways	6.97%	N/A	N/A	N/A	5.36%
BB Intermediate Credit	6.67%	6.97%	4.88%	4.18%	

Scholarship and Student Support Pathways 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 for Scholarship and Endowment: Private 10/1/14, State Match 11/25/14

Since Inception for Student Support Pathways: Private and State Match 11/27/19