

WASHINGTON STATE **OPPORTUNITY** SCHOLARSHIP

BOARD MEETING AGENDA THURSDAY, SEPTEMBER 16, 2021 | 1:00-3:00 P.M. IN-PERSON OR REMOTE

To join virtually: Click on the Microsoft Teams link in the meeting invitation or dial in #: 425-616-0754 / passcode: 113 465 198#

To join in person: Microsoft Campus, Building 34, Boardroom (all participants must wear a mask in the building)

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, 2021 Meeting	[Tab A]	Brad Smith Board Chair	1:00-1:05p
III.	Mission Moment: Opportunity Scholar Story	[Tab B]	Saori Hunziker Opportunity Scholar	1:05-1:15p
IV.	2022 Legislative Priorities ➤ <i>Board Action: Adopt 2022 legislative priorities</i>	[Tab C]	Jessica Monger External Affairs Director	1:15-1:35p
V.	Fundraising Campaign Update ➤ <i>Board Action: Approve \$75M goal and timeline</i>	[Tab D]	Kimber Connors Executive Director Nick Peyton Sr. Development Director	1:35-2:00p
VI.	Program Update	[Tab E]	Kimber Connors Executive Director Jvania Cross Polenska Deputy Director	2:00-2:45p
VII.	Finance & Program Administrator Update	[Tab F]	Patrick Smith Finance & Investment Committee Chair	2:45-3:00p
VIII.	Closing		Brad Smith Board Chair	3:00p

Important Dates

- » **Upcoming Board Meetings - all meetings at Microsoft campus or by Teams from 1 to 3p**
 - Thursday, December 16, 2021
 - 2022 Board meetings to be scheduled in the coming weeks

Tab A

Minutes from the June 10, 2021 Board Meeting

**WASHINGTON STATE OPPORTUNITY SCHOLARSHIP BOARD MEETING
THURSDAY, JUNE 10, 2021, 1-3 PM, MICROSOFT TEAMS OR DIAL IN
MEETING MINUTES**

The Board of Directors of the Washington State Opportunity Scholarship (WSOS) convened on April 1, 2021, via Microsoft Teams and dial-in only due to COVID-19 precautions. As such, the meeting was publicized as available to the public on the WSOS website though no physical location was hosted.

Board members: Brad Smith (Chair), Miller Adams, Diane Cecchetti, Joelle Denney, Jane Park, Gary Rubens, Julie Sandler, Patrick Smith and Mike Wilson

Additional attendees: Lianda Abraham, Michelle Barreto, Gina Breukelman, Jane Broom, Tori Campbell, Meg Chambers, Jolenta Coleman-Bush, Kimber Connors, Rebecca Ferber, Genevieve Geiger, Karyl Gregory, Mesa Herman, Sue Ann Huang, Nicolas Khamphilom, Hannia Larino, Johnathan Luster, Jessica Monger, Joanna Moznette, Patti Nelson, Brittny Nielsen, Hannah Olson, Cristal Rangel Peña, Javania Cross Polenska, Vanesa Contreras Rodriguez, Dave Stolier, Yoko Shimomura, Sarah Szabo, Heidi Thomson-Daly, Aileen Tubo, Emma Uman, Steve Walker and Rachel Wyers

Opening

Due to technical difficulties and scheduling conflicts, a Board quorum was not present at the start time of the meeting. As such, Kimber Connors, WSOS Executive Director, consulted with Dave Stolier of the Attorney General's Office about the ability to move forward with the meeting. Stolier advised that we could open with the Mission Moment before formally calling the meeting to order and moving into consent agenda items.

Mission Moment: Scholar Opportunity Story

Connors introduced Rebecca Ferber, WSOS Senior Career Development Advisor. Ferber then introduced Baccalaureate Scholar Hannia Larino, who is a biology major at Tacoma Community College. This was her first year as an Opportunity Scholar, and she will transfer to UW Tacoma in the fall.

Larino shared she has had a passion for animal welfare since middle school, and she plans to pursue a career as a veterinarian. In addition to participating in the Skills that Shine mentorship program, Larino interned at her college's Diversity Film Festival, an annual event that celebrates cultural diversity through independent films. As a leader on campus, she has participated in a quarter-long Identity, Culture, and Community Leadership Training through the Office of Student Engagement. She also volunteers at the Humane Society of Tacoma and Pierce County. Her experience as an Opportunity Scholar has helped Larino find balance between her various leadership roles and her strong focus on academic success.

Larino added that she was born in Mexico, and she moved to WA in 2007. She grew up in Federal Way and loves living in Washington. She always believed that she'd go to art school so she could work in the film industry. During her senior year of high school, she decided to get an associate's degree in biology instead. She ultimately decided to get her bachelor's degree in biology. Her passion for animal welfare motivates her to continue studying hard in school.

Larino explained that WSOS has positively impacted her education by providing financial support. The programming also encourages her as a female and a person of color to pursue her education and career. She added that even aspects like the Spanish-language materials WSOS offers helps her to feel included. She also expressed her gratitude that, as a first-generation student, she can participate in a program like Skills that Shine.

Mike Wilson asked how she found out about the scholarship. Larino responded that her college was good at promoting it, and that her English professor specifically recommended she apply. She also had a friend

who had received the scholarship and encouraged her to apply. Miller Adams asked if she had researched veterinary schools and where she wants to go. Larino said ideally OSU, but she will also apply to WSU and UC Davis. Julie Sandler asked if she has built relationships through the program. Larino said that she still meets with her Skills that Shine mentor even though the program is over and is grateful to have made two other connections through the Skills that Shine event who work in Washington wildlife conservation. Joelle Denney asked if there are one or two things to improve or add to WSOS. Larino responded that the scholarship should be further promoted because she knows a lot of students who don't yet know about it. It should also be communicated that it's easy to access so students feel more hopeful about applying. She has promoted the scholarship to many of her peers.

Meeting Called to Order

With a quorum now present but Chair Brad Smith not yet having joined the room, Jane Park, Board member, called the Board meeting to order at 1:20 p.m.

Approval of Minutes

Sandler moved that the minutes of the April 1, 2021, Board meeting be approved. Gary Rubens seconded the motion, and it carried unanimously.

Career & Technical Scholarship (CTS) Selection

Steve Walker, WSOS Awards Administration Director, presented the three goals for the CTS selection principles: first, to review the CTS and RJI selection principles; second, discuss support for high school applicants; and third, approve the 2021-22 selection principles for CTS and RJI. He explained that the selection principles have been steady from the beginning: WSOS selects Scholars who are: 1) heading into high-demand fields, which means fields with a high number of job openings; 2) heading into high-return jobs, which are jobs with higher salaries and/or have shorter preparation programs; 3) likely to graduate with a credential in STEM, health care or the trades; and 4) more likely to complete their credential or program if they receive a scholarship. The proposed criteria and points are: High-Demand, High-Return Program (50 points); Family Income (20 points); Resilience (short answer responses) (15 points); Distance to Campus (RJI only) (30 points), First-Generation (7.5 points); and Single Parent (7.5 points). Walker noted that the proposal removes Community Opportunity (unemployment by zip code) which had been used in previous cycles. Community Opportunity was found to have little influence over who is accepted, so WSOS is proposing to remove this. Another change from last year Walker highlighted is that WSOS is proposing first-generation and single parent criteria be evenly split rather than its allocation left to staff discretion. He explained that the Distance to Campus (RJI only) criteria is for prioritizing students whose biggest barrier is transportation to campus, based on distance and is for the Rural Jobs Initiative only.

Walker explained that two factors make it more challenging for high school applicants to receive CTS. First, the Legislature expanded CTS eligibility criteria this session. Previously, applicants were required to have graduated from a WA-based high school. This means that many more non-traditional students (i.e., not direct-from-high-school) who didn't graduate from a Washington high school can now compete for available seats. Second, the selection currently prioritizes single parents, a majority of whom are not high school students. As a result, this criterion also puts high school students at a disadvantage.

Walker requested the Board providence guidance on to what extent WSOS should prioritize the selection of high school applicants. He explained that Option A is to award additional points to HS applicants; Option B is to set aside a specific number of fall seats reserved only for direct-from-high-school applicants; and Option C is that WSOS doesn't prioritize high school students. Walker welcomed questions. Denney asked how many of the past cohort's applicants were high school students and how many students were mid-career. Walker answered that statewide the number of high school students in community college is typically 13%. In CTS Cohort 2, we know about 70% are age 23 or older, so we believe CTS recipients closely mirror that of the community college population at large. Gary Rubens wanted clarification about if the Board is being asked to determine if WSOS should prioritize high schoolers over non-high schoolers for selection. Walker confirmed that this is what he is asking. Rubens said that if the intent is to fill jobs quickly, WSOS shouldn't prioritize certain students based on their career

stage. Wilson said that he agreed. Wilson added that in his experience, younger students start their education unsure of where they want to go, whereas older students are surer of their goals and may be a better bet as far as selecting students most likely to fill high-demand jobs. Sandler asked if we have data on the graduation rates for students who enter straight from high school compared to later in life. Walker responded that on a national level, high school students are more likely to attend full-time and therefore more likely to graduate. Sandler responded that this would support the need to promote and prioritize high school applicants as it connects with WSOS program completion goals. Denney agreed that WSOS should explore the indicators. Adams asked for clarification of which expanded eligibility criteria the Legislature had adjusted that affects high school applicants. Walker responded that the expanded criteria means that it's possible for someone who didn't graduate from a high school in Washington to apply, making more non-traditional students eligible and therefore increasing competition for high-school-aged applicants. Walker also noted the single parent criterion disadvantages high school applicants. Wilson said he understands the motivation to include a single parent factor but did not recommend penalizing non-single parents. Wilson recommended WSOS consider removing the single parent factor and instead allocating more points for the low-income criteria. Park asked about the need for supporting single parents. Walker said that 27% of community college students are single parents, they graduate with more debt and have greater unmet need. Park responded that we might consider addressing this by increasing the funding for single parent recipients rather than prioritizing them during selection.

Walker asked whether there is a proposal for adjusting the proposed principles or if they were acceptable in their current form for CTS Cohort 3 and RJI Cohort 2. Rubens asked whether driving to campus is still a factor if students can take classes virtually, especially after the past year of mostly online learning. Walker responded that the RJI is to encourage students in college deserts and is designed to support students in rural areas whether they access classes remotely or in-person. Miller asked what led WSOS to identify expanded eligibility to be an issue impacting high school applicants. Walker responded that they don't yet know the exact impact of this expanded eligibility, but by expanding the pool of eligible applicants it will make the application process more competitive for all applicants—including those in high school. Adams asked what would happen if we set aside a certain number of seats specifically for high school applicants. Walker responded that this would ensure a minimum number of high school applicants would be selected. Patrick Smith asked if there is an understanding of whether we get better results if we grant scholarships to high school students compared to older students. Walker responded that students who enroll full-time are more likely to graduate, and high school students are more likely to enroll full-time. Denney recognized that the discussion is focusing on high school students which she has advocated for in the past. She noted that at Boeing, they have been talking about how the pandemic has resulted in adults shifting careers and needing reskilling. She added that all qualified applicants should have the same opportunity to apply.

Walker suggested that the option to remove prioritization of high school students is most aligned with this discussion or Option C. Walker stated that WSOS, as always, will report on the results of future applications and can reopen this discussion at any time the Board wishes. Patrick Smith asked if putting guardrails around the other principles might be necessary, such as putting a minimum number of seats for high school students. Walker affirmed that was an option and said we could also remove the Single Parent factor altogether which would have a similar effect to saving seats for high school students. Park stated she is a proponent of not making radical changes to the selection model without a compelling reason. Park asked if there was appetite for a Board vote is to use the model as presented but to eliminate the single parent factor when considering high school applicants.

Board Action: Mike Wilson made a motion to approve the selection principles for CTS Cohort 3 and RJI Cohort 2 as recommended, removing the single parent factor for high school applicants. Patrick Smith seconded it, and it carried unanimously.

Fund to 2030 Visioning

Brad Smith joined the meeting. Connors presented the vision for funding WSOS to 2030. She explained the history of WSOS, which was created by the Washington State Legislature in 2011 with the intention to sunset after a decade of impact. In 2015, WSOS's early major fundraising efforts secured support for BaS

cohorts through 2025. The Board voted in 2015 on a model for CTS that included a decade of cohorts to be funded through 2029. The 2019 JLARC impact report demonstrated that WSOS is a proven model, bringing to light the question of whether WSOS should in fact sunset. In January 2020, the Board voted to allow staff to explore the possibility of reinvigorated fundraising efforts to extend the program including approving additional budget funding for a feasibility study.

The original proposed goal of \$100M was built on a simple model that makes the following assumptions: extend funding BaS from 2026 to 2030; extend funding CTS from 2029 to 2030; grow cohorts starting in 2022 to 1,200 Scholars (550 CTS & 750 BaS); fund RJJ at the maximum of statutory cap to extend from 2025 to 2030; fund GRD at the maximum of statutory cap to extend from 2023 to 2030; and assumes no change in amount funded nor any significant programming changes. To come to a final campaign goal number, these assumptions need to be challenged or confirmed by the Board.

There are five purposes of the campaign. The first purpose is to raise money to continue supporting students. A second purpose is to galvanize an expanded and diversified donor base. WSOS has an incredible base committed to the program and a successful breakfast, but there hasn't been a campaign or major gifts program to raise significant capital. A third purpose is to grow state-wide visibility to amplify the mission. A fourth purpose is to build a high-performing yet lean fundraising program. And the fifth purpose is to clarify and hone our strategic direction. WSOS seeks Board guidance on their vision for the work ahead.

Connors reaffirmed the campaign will not only raise money for today but will also be a catalyst that results in a sustainable fundraising program, building a pipeline of funders for 2026 and beyond past the campaign. In reviewing the gift table, Connors noted that Cornerstone gifts could be made at the \$10M+ level. Additionally, she noted that historical support for WSOS was concentrated at the Cornerstone level and that future work would need to grow Leadership level giving. Connors shared there have been exciting developments with regard to the fundraising work since the last Board meeting.

Rubens announced that just last week he had made the final contribution of his initial pledge. He will be kicking off funding for the campaign with a pledge of \$10M. Connors thanked him and his wife, Jennifer Rubens, for their generous commitment and ongoing dedication to Opportunity Scholars. Brad Smith said Microsoft was inspired by the Rubens' generosity and announced that Microsoft has pledged \$15M to the campaign. Denney stepped in to highlight Boeing's commitment to fund several million dollars over the next five years, with exact funding amount to be announced soon. Connors thanked all returning partners for their ongoing confidence and dedication to WSOS. Because of their generosity, we are primed to offer the same opportunity today's high school students will have to today's middle school students.

Connors asked the Board for guidance on their priorities for spending in the campaign with the goal of informing a more sophisticated goal model. She shared that she planned to model these specifics for the September Board meeting. Sandler asked if the selection process for each cohort has become more competitive over time. Connors responded that it is indeed much more competitive than it used to be; we are oversubscribed in both BaS and CTS. There are many applicants who have strong applications who don't get selected (around two-thirds of BaS eligible applicants are not selected and half of eligible CTS eligible applicants are not selected). Sandler said that given this, if we can fund more Scholars, we should. Walker added that feedback from high schools has been that they tell fewer students to apply because our acceptance rate is much lower than it was when the scholarship first opened.

Rubens asked if insufficient funding is the reason for Scholars not finishing their programs. If so, this would be a reason to increase the award amount. Rubens also asked if WSOS could use investment income to fund more Scholars or increase funding. Connors responded that Scholars do not complete their programs for many reasons. It is often because there is a financial change and they must work, thus making it harder to balance work and school. There are also students who struggle because they were not well prepared for the academic rigor of school which is one reason why the mentoring and programming support is so important. Connors clarified that the investment income is reinvested in the

scholarship program generally and is already accounted for in our plan to fund students through 2025 (BaS) and 2029 (CTS) at current levels (750 for BaS and 550 for CTS).

Wilson asked if increased funding could be used as an incentive to completion. Connors said that the current funding structure for BaS is intended to incentivize completion; the award level increases after the first two years, which is meant as an incentive to keep students in school as their program progresses. However, there has never been an explicit incentive for completion. Adams said that JLARC gave WSOS a good report. He asked if the report specifically speaks to the impact of WSOS programming on student outcomes. Connors responded that JLARC doesn't make a causal statement about what's impactful about WSOS programming, but they did call out peer leadership programming as particularly impactful in the research.

Brad Smith asked if anyone else had questions. Patrick Smith said that there seems to be different, competing objectives for the vision. He asked how WSOS defines success, which will guide where to best allocate the funds. Brad Smith said that question is important and it's one that should be asked any time extending the program is discussed to assess the ongoing value proposition of the program. He requested WSOS build models based on how much money we're likely to have based on a working goal of \$75-\$100M. He said there are potentially multiple objectives that aren't mutually exclusive so maybe they can be combined and discussed as part of the vision. Brad Smith confirmed that the Board's discussions in the past year have clearly indicated the WSOS timeline should be extended to some degree. He recommended WSOS model a base case of what would happen if we just extended the timeline with current money raised. If it's found we have more money than what will be spent, it can be used for programming, increasing seats or increasing award amount. If there isn't excess money beyond what it will take to extend the program, that will limit our options to consider. Brad Smith also asked for a cost-benefit analysis of models presented.

Denney added that we can improve our tracking of whether students get jobs in Washington state to continuously assess our lifecycle and ongoing impact. Park said that what is unique about WSOS is the efficacy of the program. She asked if there is ability to bring back Boston Consulting Group (BCG) to re-map the efficacy for this future funding. Brad Smith said that WSOS can bring back BCG and try for pro-bono services. Patrick Smith asked if the current timeline for CTS and BaS is set by legislative action. Connors answered that the timelines are set by the Board based on the scholarship model. The scholarship model shows a cash flow spend down of currently available funds in a sunset model. Patrick Smith asked if the sunset feature of a program creates additional urgency or scarcity, and if there is an advantage with thinking about WSOS in perpetuity. Brad Smith said the original vision was to address the skills gap in Washington with a decade-long pilot program. He added that now the benefits of WSOS are clear and the need continues, so WSOS should continue as long as the Board as appetite for it. The current Board is prepared to take on fundraising for at least another generation of students, and, in the future, the vision should be reassessed continually for new generations of students. Brad Smith stated we did not need a formal vote on the \$75M to \$100M working goal as the Board confirmed their interest in following up with the modeling at the September 2021 meeting.

Graduate Scholarship (GRD) Update

Javania Polenska, WSOS Deputy Director, presented an update on the Graduate Scholarship (GRD). Since the last Board meeting, our knowledge and capacity have increased exponentially as we prepare to launch the program. She announced that Johnathan Luster, WSOS Programs Director, and Genevieve Geiger, Graduate Scholarship Program Manager, have recently joined the team.

As a result of our learnings, WSOS has made two notable changes to the 2021-22 GRD pilot from what was proposed and approved by the Board in June 2020. WSOS is still aligned with the statutory intent for the scholarship which is to increase 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 first change is that Cohort 1 will accept 8 total students (6 DNP's; 2 MSN's). The approved number previously proposed was 12 (6 DNP's; 6 MSN's.) This recommendation is being made to stay conservatively within budget as it has been revealed that MSN programs are much more expensive

to support than previously thought (greater number of practicum hours). The second change is that travel stipends will be treated as a stand-alone request for the 2021-22 academic year in order to design and assess. The stipend process will be shared at the September 2021 Board meeting.

Polenska presented the GRD selection principles: select Scholars who are heading into behavioral and primary health care fields across Washington state; select Scholars who are most likely to practice in Washington state post-program completion; and select Scholars who are most likely to benefit from the financial support.

Our goal with four key factors is to honor statutory intent while aligning with our mission and values. The program track would be allocated 20 points, which would prioritize the statutory intent to focus on behavioral and primary health care. Family income would be allocated 30 points to prioritize applicants who are most likely to benefit from the financial support. A Commitment Letter of Recommendation would be allocated 20 points and the commitment essays would be allocated 30 points. Both would prioritize applicants who are most likely to practice in a medically underserved area in Washington state.

Polenska requested questions and the Board's approval of the selection principles for the GRD Scholarship. Adams asked what the requirements are for the commitment letter from applicants. Polenska answered that letter is prepared by an external party, such as a faculty member, a colleague or a supervisor, to describe why they believe the candidate will be committed to serving in a medically underserved area (MUA). This is a requirement for a similar program in vetting applicants, so WSOS decided to follow suit in the pilot year. Polenska added that WSOS is working with nursing schools to ensure students complete at least half of their practicum in an MUA. Brad Smith asked if there was a motion to approve the selection principles for GRD Cohort 1 as recommended.

Board Action: Diane Cecchetti made a motion to approve the selection principles for GRD Cohort 1. Park seconded it, and it carried unanimously.

Finance & Program Administrator Update

The Finance & Investment Committee met on May 26. After approving the minutes, we received the financial report from Matt Poth, Washington STEM's Director of Finance, and the investment update from Chris Phillips at WSIB. Total assets as of April 30 are \$111.6M, total liabilities are \$21.3M and yields total net assets are \$90.4M. Salaries and benefits are slightly under budget YTD because the Development Director left and was replaced by a short-term contractor. There is the possibility of other short-term gaps in employment with other positions.

Our investments as of 4/30/21 are as follows: the Scholarship account totals \$101.2M; the Endowment Account is \$7.0M and is all held at WSIB. The income allocation is actively managed by WSIB. The state match funds are held in cash accounts, as per the state statute.

The committee then discussed financial modeling for the proposed capital campaign. The discussion centered on the assumptions, methods and outputs that would be most beneficial for the committee and Board.

Sandler confirmed that Patrick Smith's report included the highlights of the F&I committee meeting. Brad Smith said it would be valuable to understand whether current pledges have been paid and if there are outstanding pledges the Legislature hasn't matched. Connors responded that ~\$3.5-4M will be received by WSOS on July 1 to match private dollars to date. Brad Smith asked if the scholarship model includes everything through December 2020. He said this confirmed that WSOS has \$115-\$120 million, and we'll add another \$50-\$75 million.

Connors noted that the committee had voted to formally recommend Bo Lee as a new member of the Finance & Investment Committee. Brad Smith asked for a motion to approve Lee as a Finance & Investment Committee member.

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SCHOLARSHIP

Board Action: Sandler made a motion to approve the appointment of Bo Lee to the Finance & Investment Committee. Rubens seconded it, and it carried unanimously.

Executive Session

The meeting went into Executive Session at 2:56 p.m. for the purpose of reviewing the performance of a public employee.

The open meeting reconvened at 3:01 p.m.

Board Action: Sandler made a motion to authorize delegated authority to the executive director to: 1) initiate an RFP process in partnership with WSAC to secure a new program administrator; and 2) negotiate a transition contract with the current program administrator not to exceed 6 months and for a fee not to exceed the amount authorized in the 2022 program budget. Adams seconded the motion, and it carried unanimously.

The meeting adjourned at 3:02 pm.

Respectfully submitted,
Meg Chambers

DRAFT

Tab B

Mission Moment: Opportunity Scholar Story

SCHOLAR SPOTLIGHT



SAORI HUNZIKER

**Computer Science
Western Governors University**

ABOUT SAORI

Saori Hunziker is a wife, mother of two and Computer Science Scholar at Western Governors University (WGU). Saori grew up in Okinawa, Japan. She and her family moved to the United States about six years ago. She had enjoyed creating websites as part of her vocational training in Okinawa so decided to pursue a Computer Science (CS) degree. At WGU she joined the Women in Technology club, participated in hackathons and learned Android development through a CS bootcamp. She thought she would not be able to afford tuition in the U.S. so really appreciates having WSOS financial support. She is excited to serve as a Scholar Lead this year to get leadership experience and support new Scholars.

IN HER OWN WORDS

“I am so grateful for the support of WSOS because it will help me do well in school and build my skills through different programs while I am raising and providing education to my kids, who are five and seven years old, without worrying about tuition.”

Tab C

Legislative Priorities

2022 LEGISLATIVE PRIORITIES

WASHINGTON STATE
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The landscape

WASHINGTON STATE
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WSOS continues to align with generous WA financial aid and current workforce needs.

- WA students now have access to **more financial aid than ever** – but needs are still not fully met.
- Washington College Grant (WCG) **supports rather than supplants** the need for WSOS.
- Lawmakers seek ways to **increase access and remove barriers**, particularly in high-demand fields and for underserved students.

Communities left behind during inequitable economic recovery.

- Revenues are **\$1.8 billion more** than expected.
- The recovery has been **even slower in rural areas.**
- **BIPOC communities are overrepresented** in unemployment.
- Unemployment rate **~2x** higher for those with only a HS diploma versus bachelor degree.

COVID exacerbated barriers to credential attainment, placing WA goals at risk.

- WA has an ambitious **70% attainment** goal by 2030.
- ...but around **3 in 5 students experienced basic needs insecurity** in 2020, a notable increase since 2019.
- ...and **BIPOC students** are most likely to be impacted.
- Enrollments are **flat** and FAFSA/WASFA completions are **down**.

WSOS helps WA stay the course in credential attainment goals.

- There will be continual focus on **serving BIPOC** communities and programs for **credential attainment**.
- WSOS will likely be a **priority** for lawmakers.
- Democrats control all chambers, so **expect progressive issues** to take precedence.

Proposed 2022 priorities

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2022 Priorities: Fine-tune and align elements of the Opportunity Scholarship program.

- Add language to ensure state match for RJI is automatic.
- Replace minimum GPA requirement with Satisfactory Academic Progress.
- Replace income requirement for the Graduate Scholarship with a different measure of financial need.

2022 Priorities: Align WSOS and Washington College Grant

- Replace the restriction that we can only support Scholars up to a certain number of credits to using up to a certain number of terms.
- Add all apprenticeships eligible to receive WCG as eligible for WSOS.

We aim to position WSOS as a go-to policy solution for a more equitable COVID-19 recovery.

- Launch an effort to market our municipal/tribal matching opportunity as a tool for hyper-local workforce development
- Focus on our demonstrated impact
- Ensure lawmakers can reinvest in rather than replicate the WSOS model.

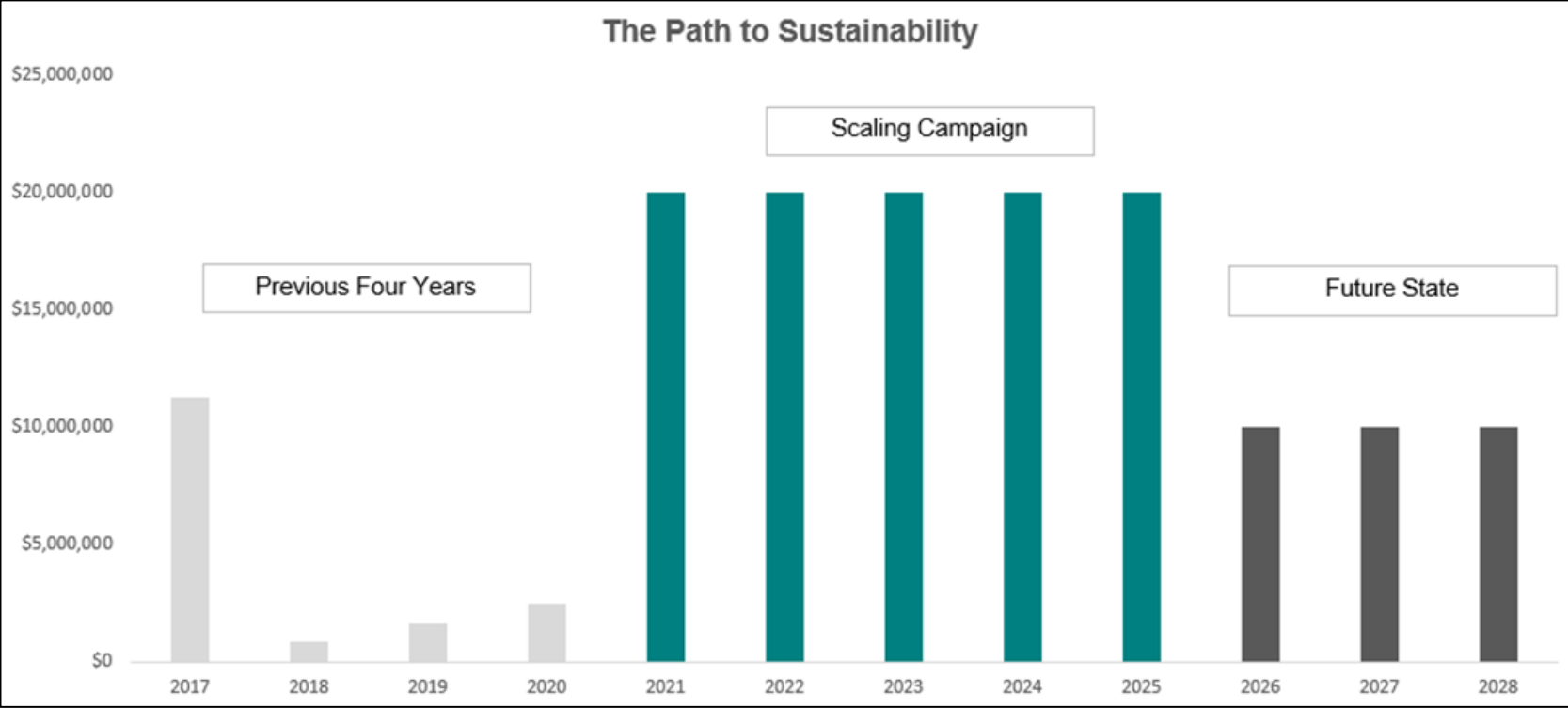
Tab D

Fundraising Campaign Update

FUNDRAISING CAMPAIGN UPDATE

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The campaign will be a catalyst that results in a sustainable fundraising program.



Campaign success anchored by large gifts.

Table of Gifts				
Scaling Campaign Years: 2021 - 2025				
Gift Categories	Gift Amount	Number of Gifts Needed	Category Total	% of Total
Cornerstone Investor	\$20,000,000	1	\$20,000,000	
	\$15,000,000	1	\$15,000,000	
	\$10,000,000	1	\$10,000,000	
3 Principal Investors			\$45,000,000	45%
Leadership Level	\$5,000,000	4	\$20,000,000	
	\$2,500,000	4	\$10,000,000	
	\$1,000,000	10	\$10,000,000	
16 Leadership Gifts			\$40,000,000	40%
Achievement Level	\$500,000	10	\$5,000,000	
	\$250,000	6	\$1,500,000	
	\$100,000	10	\$1,000,000	
26 Achievement Level Gifts			\$7,500,000	8%
Annual Gift Level	\$50,000	60	\$3,000,000	
	\$25,000	50	\$1,250,000	
	\$10,000	95	\$950,000	
	\$5,000	60	\$300,000	
	\$1 - 4,999	Many	\$2,000,000	
265+ Annual Level Gifts			\$7,500,000	8%
CAMPAIGN TOTAL			\$100,000,000	

85% of the campaign revenue will likely come from approximately twenty 7- and 8-figure gifts the Cornerstone and Leadership level.

15% of the campaign revenue will come from 6-figure Achievement level gifts and Annual Fund gifts.



BREAKING NEWS!

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Timing of Announcements

- **Gary & Jennifer Rubens**
 - August – September
- **Boeing & Microsoft**
 - Media sit-down week before OpportunityTalks
- **Campaign public launch**
 - Once at least \$60M (80%) secured
- **Other possible cornerstone investors**
 - Conversations ongoing

We're building what we need for those who haven't yet bought tickets.



Discussion

With the commitments to date, we're positioned to make changes to the scholarship model now while we seek further partnership. With the increased investment already secured, we can:

- Extend the **timeline** for the scholarship.
- Fund **more students**.
- Increase the **award amount**.
- Provide students with **expanded support services**.

...and there are implications for what we're continuing to fundraise for.

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We need your help.

1. Provide feedback on case for support.
2. Be a sounding board for rising strategies in the campaign.
3. Vet campaign counsel proposals.
4. Recruit Campaign Ambassadors to anchor and lead the campaign.
5. Support 2022 budget request.
6. Open doors to partners across the state and across industries.



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Tab E

Program Update

PROGRAM UPDATE | SEPTEMBER 2021

INTRODUCTION

Since the June 2021 Washington State Opportunity Scholarship (WSOS) Board meeting, the WSOS team selected the third cohort of Career & Technical Scholarship (CTS) and the first recipients of the Graduate Scholarship (GRD). Baccalaureate Scholarship (BaS) Scholar Leads have been selected for the 2021-22 academic year, and we passed a huge milestone on August 10 of having distributed more than \$100 million in scholarships to students! We're priming up for the 2022 legislative session and the new fundraising campaign is well on its way with its first three multi-million dollar commitments.

AWARDS ADMINISTRATION

With the 2021-22 academic year officially underway, the Awards team has welcomed the newest Baccalaureate and Career and Technical Scholarship recipients. They have also welcomed the fall recipients of the Rural Jobs Initiative which will operate at full capacity in 2021-22 with 85 recipients. A summary of the fall 2021 CTS and RJI recipients is available in these Board materials, Tab E.

The team also welcomed back 634 returning Career and Technical Scholars and 2,342 returning Baccalaureate Scholars. Among those who did not renew the Baccalaureate Scholarship, the top two reasons are graduation (one-third and climbing of those who did not renew) and failure to show acceptance into an eligible major by the end of their junior year (half of those who have not yet successfully renewed, many of whom will be reinstated once admitted into their major this fall). Among those who did not renew the Career and Technical Scholarship, the top two reasons are graduation (nearly half and climbing of those who did not renew) and failure to complete the renewal process (just over half of those who have not yet renewed).

All Scholars have received their first disbursements of the academic year, pushing the total scholarship funding WSOS has provided to just over \$104 million. This funding has reached nearly 14,500 total Scholars from every corner of the state. For BaS, this investment pays for itself within two years of graduation through the higher earnings BaS graduates realize relative to their peers—a benefit that only scratches the surface of the impacts they, their families and their communities can realize for generations to come.

In the upcoming year, the Awards team is focused on further streamlining their work to support the growing number and complexity of scholarships WSOS supports. This involves a range of automations, policy expansions and organizational KPI dashboards.

SCHOLAR PROGRAMS

BACCALAUREATE SUPPORT SERVICES

The Baccalaureate team welcomed 1,000 Scholar mentees into the Scholar Lead program. This academic year, Scholars Leads are focused on increasing mentee participation in various WSOS persistence and career readiness programming initiatives as well as supporting mentees' connection to their campus. This increase will be accomplished through improved Scholar communications and the addition of more strategic touchpoints Scholar Leads have with their mentees.

On October 1, the Skills that Shine (StS) mentorship program will launch. Similar to last year, there are more than 1,000 Scholars eligible to participate in the program. With such a large number of mentees, the team is collaborating heavily with industry partners to increase mentor participation to ensure we can support every Scholar who opts in. This year we are launching virtual training sessions for mentors to share best practices. In addition, we've clarified program expectations and improved mentor access to our curriculum. Mentor recruitment is happening now through September 24; if you or anyone you know is interested in volunteering and/or sharing this opportunity, please contact us at

skillsthatshine@waopportunityscholarship.org. More information is available at <http://waopportunityscholarship.org/sts>.

CAREER AND TECHNICAL SUPPORT SERVICES

Thanks to a generous new grant of \$80,000 from Boeing, CTS services will continue to grow in the 2021-22 academic year. The industry mentorship pilot will expand the career fields represented and be offered three times throughout the year. Recruitment for mentors begins in November and the program formally kicks off in January. The mentorship program will recur during the winter, spring and summer quarters with 30 mentorship pairs in each occurrence. If you or anyone you know might be interested in volunteering and/or sharing this mentorship opportunity, please email ctssuccess@waopportunityscholarship.org.

In 2021-22, we will pilot the CTS Ambassadors program. Built on the learnings from the Scholar Lead model, we aim to leverage peer mentorship to improve persistence outcomes. This fall, we will recruit, select, and train 10 CTS Ambassadors with an intended program launch on January 15, 2022. Some Ambassadors will be assigned to their home campuses while others will serve regionally and support Scholars across multiple campuses. Like Scholar Leads, CTS Ambassadors will be compensated for their participation with a stipend, the request for which will be included in the 2022 budget request. We look forward to sharing our learnings at the end of the academic year.

GRADUATE SCHOLAR SUPPORT SERVICES

We have selected and disbursed funds to the inaugural GRD cohort of eight Scholars! More information about these students and the selection process is available in these Board materials, Tab E. In addition, with new knowledge gained through launch and selection, we have improved our disbursement model and travel stipend policy, ensuring better clarity and transparency for Scholars to help them plan. An overview of the disbursement changes will be shared as part of the program update, and a travel stipend policy one-pager is available in these Board materials, Tab E. Finally, throughout the academic year, we will be engaging with Scholars and campus partners for feedback to improve the Cohort 2 launch and identified value-add support services.

DEVELOPMENT UPDATE

CORNERSTONE PARTNERS RENEWED

As shared during the June Board meeting, WSOS has received renewed support from our Cornerstone Partners with gifts from Gary & Jennifer Rubens (\$10M), Microsoft (\$15M) and Boeing (amount to be shared at the September meeting). We are thrilled and honored by the ongoing generosity and support from our Cornerstone Partners. Thank you to those on the Board who helped make this happen! These gifts will be shared publicly as part of the OpportunityTalks program and are the first significant gifts toward our campaign. We are on track to far exceed our ambitious 2021 revenue goals!

OPPORTUNITY TALKS – NOVEMBER 9

This fall, we'll celebrate WSOS' 10th anniversary during the OpportunityTalks breakfast. OpportunityTalks will happen "live" on November 9 from 8:00 to 9:00 a.m., streamed directly to your home or office. We look forward to another inspirational morning with stories from Opportunity Scholars and a special Q&A with Rosalind (Roz) Brewer, CEO of Walgreens Boots Alliance, hosted by Opportunity Scholar alum, Citlaly Ramirez. This year, a featured component of the program will be a segment called *Washington's Got Talent*, a STEM showcase featuring three amazing Opportunity Scholar stories.

As you know, we're able to offer an incredible 4:1 match to inspire day-of giving at the breakfast because of the Challenge Fund. This year, we expanded the Challenge Fund to include other partners to increase the impact of OpportunityTalks giving. Thank you to those who have already contributed! If you have not yet participated or if you have questions, please reach out to Kimber Connors or our new senior development director, Nick Peyton (npeyton@waopportunityscholarship.org).

OTHER FUNDRAISING UPDATES

WSOS is using Q4 to plan the next steps of our ambitious scaling campaign for WSOS. Broadly, this will include building campaign structure and volunteer leadership, planning and strategy, developing timelines and conducting internal audits of strengths and areas of opportunity.

We're pleased to welcome Providence St. Joseph as a new Named Scholarship partner with a gift of \$32,500. Additionally in the past quarter, WSOS was selected to receive an \$80,000 grant from Boeing in support of our growing CTS support services.

EXTERNAL AFFAIRS UPDATE

2022 LEGISLATIVE PRIORITIES

We are meeting with stakeholders, lawmakers and partners to finalize 2022 legislative priorities. Our goals this session are to fine-tune & align elements of the Opportunity Scholarship program while aligning WSOS to the Washington College Grant (WCG). All changes are intended to make it easier to implement, administer and access our programs in alignment with statutory intent. We are continuing to refine our priorities through stakeholder conversations, but we currently expect to bring the following to legislators for consideration:

To fine-tune & align elements of the Opportunity Scholarship program:

- **Add language to ensure the state match for the Rural Jobs Initiative (RJI) is provided automatically during the budget process.** This is currently true for the state match for all Opportunity Scholarship programs except RJI.
- **Replace the minimum GPA requirement for RJI recipients with a requirement they meet Satisfactory Academic Progress (SAP).** SAP is currently used for all other Opportunity Scholarship programs except RJI.
- **Replace the income requirement for Graduate Scholarship (GRD) recipients with a different measure of financial need.** Currently GRD, like all elements of Opportunity Scholarship, requires applicants earn less than 125% of median family income. Since GRD supports students pursuing advanced degrees, most applicants are already working professionals with a bachelor's degree, and the vast majority are practicing nurses. In the first cohort of applicants, one-third were ineligible due to exceeding the income requirement. We know that these early career nurses' current income may not accurately reflect their true financial need due to student debt, the opportunity cost of graduate school or other family factors.

To align WSOS and the WCG:

- **Replace the restriction that we can only support Scholars up to a certain number of credits to using up to a certain number of terms.** This change was made legislatively last year to other state aid programs due to the recognition that the former approach penalized Running Start students who accumulate credits before enrolling in college but then end up being ineligible for financial aid by the end of their college program.
- **Add all apprenticeships eligible to receive WCG as eligible for WSOS.** Currently, WSOS cannot support apprenticeship programs outside of those supported through the State Board for Community and Technical Colleges (SBCTC). Last session, WCG expanded access to additional apprenticeships outside of the SBCTC system once those apprenticeships complete a state-level approval process.

MEDIA COVERAGE

We landed our first op-ed as part of our statewide media campaign with the help of WE Communications agency through a generous partnership with Microsoft. Kimber Connors was featured in the [Tri-City Herald](#) at the end of August along with our alum and OpportunityTalks guest speaker Nikita Fisenko. (You may recognize Nikita's name as he joined our June 2020 Board meeting during the Mission Moment!) We are currently aiming to host a sit-down media event the week before OpportunityTalks that will feature

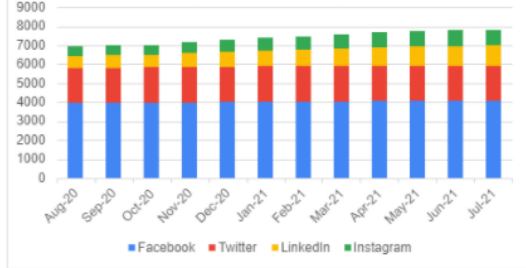
Brad, Kimber and a representative from Boeing to share news of their major investments and what they mean for Washington students. We also celebrated news of Gary and Jennifer Rubens' generous investment through our social media channels and our [blog](#) and continue to pursue earned media opportunities.

SOCIAL MEDIA & WEBSITE COVERAGE (MAY - JULY)

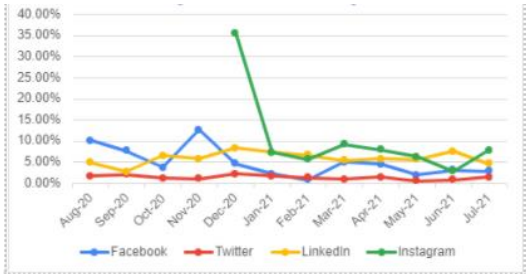
In June we shared our Scholar Celebration Campaign celebrating the end of the academic year. The campaign included paid social ads on Facebook directed toward current followers who have not seen WSOS on their feed for over two months due to the Facebook algorithm. The intent was to reengage some of those followers. We were able to reach over 2,100 followers over a six-day period, resulting in a 95% increase in engagement on our organic (does not include paid ads) Facebook posts.

We have been continuing to personalize each channel for specific audiences so we can maintain our engagement rates and continue to increase our audience size.

AUDIENCE SIZE



ENGAGEMENT RATE



TOP POSTS THIS QUARTER

Instagram:

Negotiating salary during job interview post.

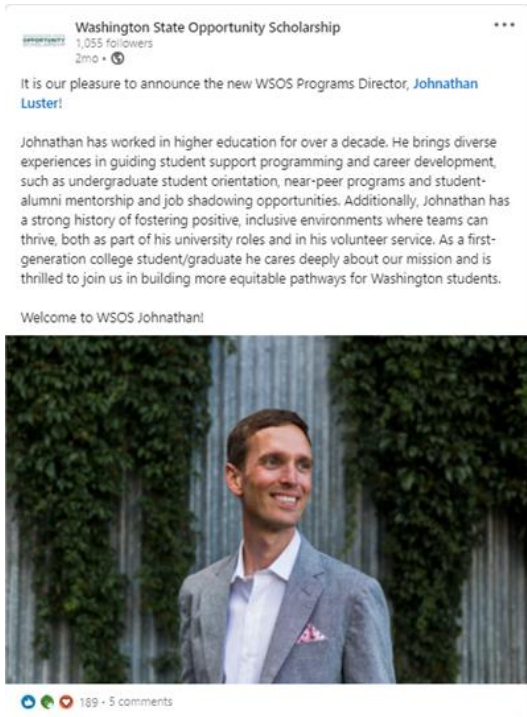


Twitter:

Ballmer Group investment in our Graduate Program post.

@UW and @harborviewmc have partnered with @BallmerGroup to build a broad, collaborative response to the state's behavioral health crisis. @BallmerGroup is investing \$38 million to address WA's serious workforce shortage in the behavioral health system.
[washington.edu/news/2021/05/1...](https://www.washington.edu/news/2021/05/1...)

LinkedIn: announcing Johnathan's hire post.



Facebook: end-of-year Scholar celebration post.



OPERATIONS UPDATE

COVID-19 RESPONSE

Like many organizations across the state, our plans changed concerning our return-to-the-office plan. We planned a September 7, 2021, return to office in a hybrid capacity. In response to the Delta variant and staff concerns, we shifted to January 18, 2022, return to office in hybrid capacity.

PEOPLE DEVELOPMENT

In July, with the support of WA STEM, we completed our inaugural organization-wide talent calibration process. As we have grown, so has our need to clarify and align on in-role expectations and performance across the organization. Talent calibration supports this effort while also creating a space to discuss succession planning, staff professional development and growth across the organization. Calibration will occur formally at the end of each academic year with a mid-year check-in. In addition, staff will continue to receive real-time performance feedback as well as formal quarterly feedback through our 2x2 process. Annual 360 reviews, goal-setting and professional development plans also continue as central components of WSOS staff support.

STAFFING UPDATE

[Patti Nelson](#) joined the WSOS team in April 2021 as our first-ever Salesforce Administrator. Before joining WSOS, she served as a Salesforce consultant with 501 Commons supporting nonprofits managing and transforming their instance. In her time with WSOS, she has been a critical partner in helping us scale and optimize our database infrastructure to meet the team's immediate needs while simultaneously working to improve efficiencies.

[Nick Peyton](#) joined the WSOS team on July 19 as our new senior development director. Nick comes to us from Epiphany School where he served as director of development. Previous to his time at Epiphany

School, Nick served as the associate director of advancement, social sciences at the University of Washington, leading a major giving program and participating in a large-scale campaign. Nick's extensive fundraising experience spans across organizations including time spent with the Pacific Science Center, Pacific Northwest Diabetes Research Institute and Washington Business Week. A Washingtonian from the beginning, Nick earned his BA at EWU and his MPA from UW. Nick serves as board chair for WestSide Baby and is heavily involved with the AFP Advancement Northwest annual conference. His deep expertise and fundraising acumen have already been an incredible asset to the team.

July 19 was a big day at WSOS as [Lauren Pack](#) also celebrated her first day as our new development operations coordinator. Lauren comes to us from Communities in Schools of Puyallup where she oversaw myriad aspects of their fundraising work. Originally from Washington, Lauren earned her BA from WWU before earning her MA from Liberty University. As a former AmeriCorps member and now with three years of experience as a full-time employee at Communities in Schools, Lauren has a real passion for educational equity and access that gives her deep connection to the WSOS mission.

We're delighted to welcome our new executive assistant, [Irina Grubic](#), whose first day was July 15. Irina comes to us with a depth and breadth of experience in office management and executive assisting. She has worked in the corporate sector for more than two decades at places such as Enprecis, Inc., RR Donnelley Financial and Colliers International. Most recently, she was with Intellectual Ventures – Global Good. We've been incredibly impressed with her top-notch organizational skills and her obvious abilities in executive management as well as administrative support. Additionally, Irina is fluent in both English and Russian (and has worked as a translator!)

OPPORTUNITY EXPANSION FUND CLOSE-OUT

The Opportunity Expansion Fund (OEF) is a subcomponent of Opportunity Scholarship aimed at expanding the capacity of colleges and universities to provide high-demand STEM degrees. The OEF allowed companies to donate their high-tech R&D credit to WSOS which would then disburse the funds to organizations to execute on STEM education initiatives. Microsoft was the only company to participate in the OEF with a one-time donation of \$6M. The R&D credit has since expired and no grants beyond these initial three were or will be offered. In 2016, CWU UTeach was awarded \$2,189,801; University of Washington – Seattle STARS program was awarded \$2,189,987; and Western Washington University was awarded \$1,620,212. These three grants effectively closed out OEF as no additional funds can be directed with the phasing out of the R&D credit referenced in statute.

All three project grants are closed out as of summer 2021. In August 2021, CWU had a remaining balance of \$2,313.14 of an original \$2,189,801 grant that had not been expended by the end of the specified grant period. CWU offered to return the unused portion of grant monies to WSOS, but WSOS granted CWU permission to expend the small remaining balance in continuance of the spirit of the original proposal.

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**Career and Technical Scholarship
 Cohort 3 Selection Overview**

This document describes the selection criteria for and profile of the fall recipients of the 2021-22 Career and Technical Scholarship cohort. This fall brought 680 applicants, of which we selected 275 for CTS and 40 for Rural Jobs.

Career and Technical Scholarship Results

Selection Criteria

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

Category	Factor	Target Weight	Final Weight
Economic Impact	Program	50%	50%
Likelihood of Completion	Essay	15%	16%
Financial Need	Income	20%	19%
Equity of Access	First Generation Status	15%	7.5%
	Single Parent Status*	15%	7.5%

**Single parent status did not apply to applicants who graduated from high school in 2021.*

Profile of Selected Scholars

These Scholars have a median family income of \$22,900 and represent 33 of 33 colleges, 23 of 39 counties and 47 of 49 legislative districts. The top 5 colleges they’re heading to are Spokane Community College, Clover Park Technical College, Seattle Central College, Bates Technical College and Yakima Valley College. In terms of programs, the table below shows how the proportion of Scholars selected (% of Selects) compares to the share job openings across the state led to by industry (% of Job Openings).

Industry	% of Eligible Applicants	% of Selects	% of Job Openings
Engineering / Manufacturing	7%	3%	13%
Health Care	53%	56%	33%
Information Technology	14%	21%	13%
Trades	17%	10%	38%

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

Category	% of Eligible Applicants	% of Selects	Acceptance Rate
First Generation			
Yes	60%	74%	61%
No	31%	14%	22%
Unknown	3%	2%	32%
Zero Parents	6%	10%	84%
Single Parent			
Yes	26%	40%	76%
No	74%	60%	40%
Race / Ethnicity			
American Indian / Alaska Native	2%	2%	60%
Asian	7%	7%	54%
Black or African American	10%	13%	72%
Latinx	27%	27%	51%
Native Hawaiian or Other Pacific Islander	0.7%	0.7%	50%
Two or More Races	5%	5%	50%
White	44%	41%	48%
Did not report	6%	5%	47%
Gender			
Women	61%	66%	56%
Men	33%	28%	43%
Non-binary, gender non-conforming, genderqueer and/or self-described	1%	1%	57%
Did not report	4%	4%	58%
Age			
18 or under	18%	14%	40%
19-22	12%	10%	42%
23-29	26%	26%	50%
30-39	27%	30%	58%
40+	17%	20%	62%

Rural Jobs Initiative 2020-21

To kick off our first full cohort of Rural Jobs recipients, we selected 40 of 54 eligible applicants. 26 of these 40 recipients were also selected for the Career and Technical Scholarship.

Selection Criteria

Based on the Board's directive, we select Rural Jobs recipients based on two criteria:

1. The applicant's points for the Career and Technical Scholarship
2. The applicant's distance from campus

To ensure an equitable geographic distribution of recipients, we included a "regional cap" that limited selects per eligible workforce development region to 1.5 times its share of the state's rural population.

Profile of Selected Scholars

These Scholars have a median family income of \$30,635, live an average of 30 miles from campus, and represent 8 of 8 eligible regions and 11 of 14 eligible colleges. The table below details selects by [workforce development region](#).

Region	% of Eligible Applicants	% of Selects	% of WA Rural Pop.
Benton-Franklin	4%	2.5%	2%
Eastern	20%	27.5%	15%
North Central	7%	10%	15%
Northwest	31%	30%	23%
Olympic	4%	2.5%	7%
Pacific Mountain	7%	0%	16%
South Central	17.5%	17.5%	16%
Southwest	7%	10%	6%

In terms of programs, the table below shows how the proportion of applicants compares to selects by industry. At the Board's directive, a targeted list of programs for each region was developed with the guidance of local workforce development and education officials. The most popular programs were welding, nursing and medical technicians.

Industry	% of Eligible Applicants	% of Selects
Accounting and Logistics	2%	2.5%
Agriculture	2%	2.5%
Engineering / Manufacturing	4%	0%
Health Care	59%	60%
Information Technology	4%	5%
Trades	30%	30%

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

Category	% of Eligible Applicants	% of Selects	Acceptance Rate
First Generation			
Yes	72%	75%	77%
No	24%	20%	62%
Zero Parents	2%	3%	100%
Did not report	2%	3%	100%
Single Parent			
Yes	30%	40%	100%
No	70%	60%	63%
Race / Ethnicity			
American Indian / Alaska Native	6%	5%	67%
Asian	0%	--	--
Black or African American	2%	2.5%	100%
Latinx	30%	35%	88%
Native Hawaiian or Other Pacific Islander	0%	--	--
Two or More Races	0%	--	--
White	59%	55%	69%
Did not report	4%	2.5%	50%
Gender			
Women	61%	62%	76%
Men	37%	38%	75%
Other	0%	--	--
Did not report	2%	0%	--
Age			
18 or under	17%	15%	67%
19-22	9%	7.5%	60%
23-29	19%	17.5%	70%
30-39	30%	30%	75%
40+	26%	30%	86%

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GRD Scholarship
Cohort 1 Selection Overview

This document describes the selection criteria for and profile of the pilot Graduate Scholarship cohort. This application cycle brought 27 applications, of which we selected 8 (6 DNP, 2 MSN) for GRD.

Selection Criteria

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

Category	Factor	Weight
Financial Need	Income	30%
Likelihood of Working in an MUA/HPSA (medically underserved area / health professional shortage area)	Essays	30%
	Letter of Recommendation	20%
Economic Impact	Program Track	20%

Profile of Selected Scholars

These Scholars have a median family income of approximately \$50,000 and represent 5 of 6 eligible universities. The universities they’re enrolled in are Gonzaga University, Pacific Lutheran University, Seattle University, UW Seattle and WSU-Spokane. There are four Scholars in the Family Nurse Practitioner program track and four Scholars in the Psychiatric Mental Health Nurse Practitioner program track.

Below you’ll find information on the demographics of eligible applicants (n=15). We look forward to sharing additional demographic data about selected Scholars by first generation status, race / ethnicity and gender once an adequate number of Scholars have enrolled to protect identifiable information. In alignment with student information best practices, we will not report on demographic data for selects because the n size is less than ten.

Category	% of Eligible Applicants
First Generation	
Yes	47%
No	33%
Zero Parents	20%
Race / Ethnicity	
Asian	7%
Black or African American	20%
White	60%
Did not report	13%
Gender	
Women	73%
Men	20%
Did not report	0%

Remote Practicum Site Travel Stipend Policy

The Washington State Opportunity Scholarship (WSOS) Graduate Scholarship (GRD) includes financial supports to mitigate the cost of completing a Nurse Practitioner program. Often, clinical practicum sites in medically underserved areas are far from the universities where students are enrolled. WSOS invites Scholars completing their clinical practicum 50 miles or more from their permanent residence to apply for a \$500 per term travel stipend. This travel stipend is available to WSOS GRD scholarship awardees only when training in a designated Medically Underserved Area ([MUA](#)) or Health Professional Shortage Area ([HPSA](#)).

Eligibility

GRD Scholars are eligible for the travel stipend if they are placed at a designated MUA or HPSA site 50 miles or more one-way from their permanent residence. Additionally, the Scholar must be placed at the practicum site for 120 credit hours or more.

Eligible Scholars must complete an application to receive a \$500 travel stipend for a given term. A Scholar is eligible to receive the \$500 travel stipend up to 5 times during the 3-year period of the scholarship for a maximum of \$2,500.

Application Approval and Stipend Payment Procedure

Applications are reviewed by WSOS staff. It may take up to two weeks from receipt to confirm practicum site and approve the application. Applications are due no later than two weeks before the start of the practicum term. We ask that Scholars submit their application in the WSOS scholarship portal as soon as they receive placement at a remote MUA or HPSA site.

When completing the application for the stipend, Scholars must upload official confirmation from their DNP or MSN program that verifies placement at a remote MUA or HPSA site. Site location must be clear. Emails from the school's clinical coordinator are accepted.

Administration of Travel Stipend and Tax Implications

After the stipend is approved, Scholars will have the option to receive an ACH (online) payment or a check. If ACH is selected, the Scholar must complete a form. Processing and payment will take about 10 days for the first stipend. Subsequent ACH payments will take less than a week to administer. Checks may take up to 2 weeks to process and arrive via USPS.

This travel stipend does not fit the IRS definition of a qualified scholarship expense per IRC §117. Qualified scholarship expenses include tuition and fees, books, supplies and equipment. As such, the travel stipend cannot be excluded from taxable income. All Scholars who are approved for this travel stipend will receive a statement during the term in which the travel stipend is disbursed that outlines all Opportunity Scholarship amounts awarded for that term and the taxable nature of this travel stipend.

PROGRAM UPDATE

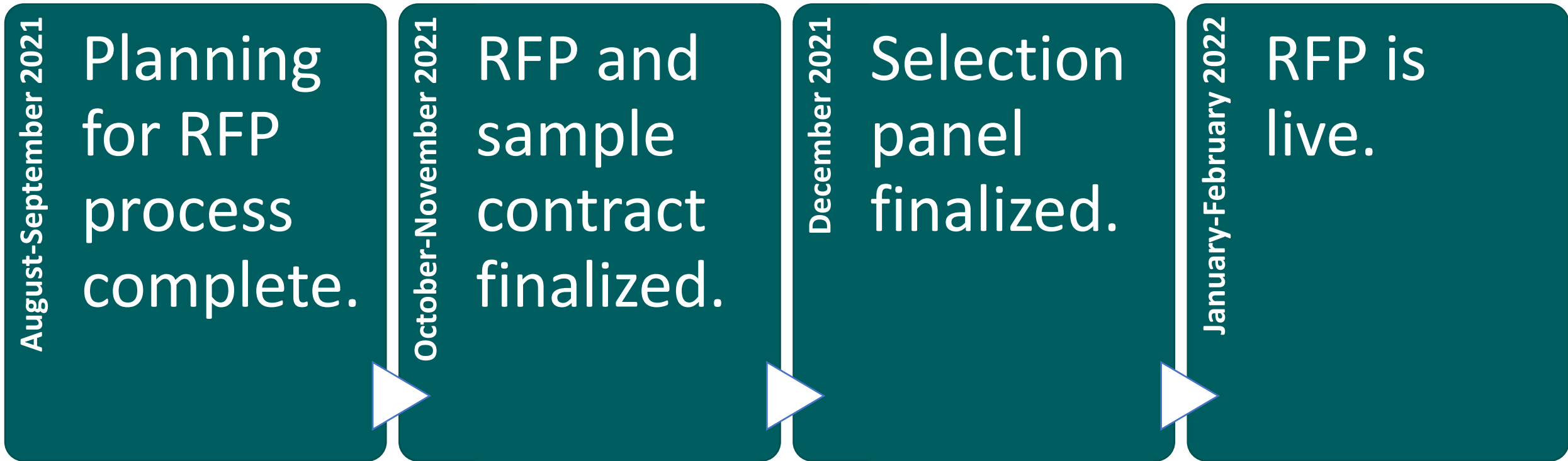
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RFP PROCESS:

Transitioning to a new program administrator

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We're moving forward with an RFP to find a new program administrator (PA).



The transition to a new PA will be complete by December 2022.

Early March 2022

Panel convenes to select new PA.

March Board Meeting

Board votes to formally approve new PA.

June to September 2022

WA STEM remains PA. Transition contract in place with new PA.

September-December 2022

New PA administers. WA STEM under transition contract.

We're hearing interest from potential new PAs but also flagging challenges.

- **What complicates the RFP process this time around?**
 - With 27 FTE, we are larger than most orgs looking for fiscal sponsorship.
 - WSOS has established norms around things like compensation, benefits and hiring that may not align with new PA.
- **What makes the RFP process easier this time around?**
 - Planning already underway! Transition plan to be formalized in early 2022.
 - The planned overlap with WA STEM and new PA will create a smooth runway for us to handle the unforeseen.

The 2021 budget request will reflect some of these uncertainties.

- Program Administrator fee is not yet known for September 1 through December 31.
- The transition costs to support the move are thus far unknown.
- There are some fees that are currently covered by our PA that may or may not come with a new PA.
- There will be a PTO payout for all employees before we transition to the new PA.

Principles for the transition

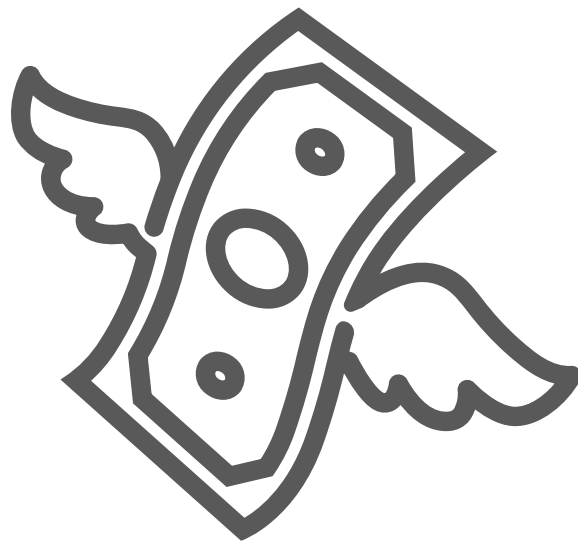
1. Provide **transparency** for the Board & staff
2. Keep **employees whole** in the transition
(benefits/salary/work environment)
3. Maintain the strong, collaborative relationship with **WA STEM**
4. Balance **maintaining our autonomy** while addressing areas where **we need stronger support**
5. Prioritize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

PROGRAMMING IN REVIEW:

What's new in BaS, CTS and GRD

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We've invested more than \$100,000,000 in scholarships for high potential students!



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The renewal survey reveals Opportunity Scholars value WSOS.

- **95%** of BaS recipients say they are **more likely to graduate** because of WSOS.
- **96%** of CTS recipients say they are **more likely to complete their program** because of WSOS.
- **95%** of Scholar Lead mentees said their Lead helped them understand the **importance of connecting with an academic advisor**.
- **4 in 5** Skills that Shine mentees said they were connected with **career-related opportunities** they would not have found without the program.

Baccalaureate Scholarship support services are humming along and being refined.

- Scholar Lead program increasing the number of touchpoints between mentors and mentees
- Skills that Shine welcomes 1,000 mentor-mentee pairs this year – please help us recruit mentors!
- Aiming to grow our Industry Insider program with better access for Opportunity Scholars to work-like opportunities

Career and Technical Scholarship support services are growing.

- Grateful for a new \$80,000 grant from Boeing to support expanding services!
- CTS industry mentoring program will grow in AY2021-22: more industries and offered three times per year with n=30 per term
- CTS Ambassador program launching with recruitment in the fall & first supports up and running by January
- Other supports to continue (monthly newsletter, etc.)

First recipients of the GRD Scholarship have been selected!

Statutory Intent: Increase number of health care professionals providing physical and behavioral health care, particularly in communities designated as rural or medically underserved in Washington state.

Cohort One	8 Total (6 DNPs; 2 MSNs)
Eligible Colleges/Universities	Gonzaga University, Pacific Lutheran, Seattle Pacific University, Seattle University, UW Seattle, WSU (Spokane, Tri-Cities, Vancouver)
Eligible Program Tracks	Adult-Gerontology Nurse Practitioner, Family Nurse Practitioner, Psychiatric Mental Health, or Pediatric
Scholarship Amounts (Lifetime)	Up to \$25,000 per Scholar
Other Program Elements	Travel stipend for remote preceptor sites; practicum remuneration

We made a change to disbursement cadence & finalized the travel stipend.

Investment	Award Amount
Academic Scholarship	<ul style="list-style-type: none">• \$2,500 one-time award, at the time of enrollment in GRD• \$4,500 per practicum term (120 clinical hours)• Up to \$25,000 disbursed evenly across terms
Travel Stipend	Up to \$1,000 per practicum term (120 hours) \$500/term while in practicum at a remote site (>50 miles from home address), not to exceed \$2,500 per student
Practicum Remuneration	\$3,600 per practicum term (120 hours) <i>*disbursed based on credit hours</i>

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GRADUATE

VIRTUAL BREAKFAST:

OpportunityTalks on our tenth anniversary

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*Washington's
got Talent* 

Will you help us make a million dollar morning?

- **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 F

Finance and Program Administrator Update

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**FINANCE & INVESTMENT COMMITTEE
MEETING AGENDA
THURSDAY, SEPTEMBER 9, 2021 | 2:00-3:30 P.M.**

Join in person or by video conference

In-person: McKinstry Innovation Center, Create East Conference Room on the third floor

Video: See the Outlook meeting invitation for the video meeting link

I.	Meeting Called to Order & Introductions		Patrick Smith Board Member Committee Chair	2:00p-2:10p
II.	Approval of Minutes from May 26 Meeting	[Tab A]	Patrick Smith Board Member Committee Chair	2:10-2:15p
III.	WSIB Quarterly Performance Report	[Tab B]	Chris Phillips WSIB	2:15-2:35p
IV.	Program Administrator Report	[Tab C]	Matt Poth WA STEM	2:35-3:05p
V.	Program Update	[Tab D]	Kimber Connors WSOS	3:05-3:25p
VI.	Executive Session		Patrick Smith Board Member Committee Chair	3:25-3:30p
VII.	Meeting Adjourned		Patrick Smith Board Member Committee Chair	3:30p

UPCOMING MEETINGS:

Wednesday, December 8, 2021 at 1-2:30p

**2022 meetings to be scheduled soon*

Committee Questions for Consideration:

- Do you feel comfortable with the resolution to the CSF resubmission dollars issue or have anything you want noted for the record?
- Do you have any questions or concerns related to the budget to actual differences we've called out?
- How would you recommend we handle budgeting for budgeting in expected market gains in 2022?
- How do the proposed models of the \$30M land for you? Any questions or thoughts you'd like highlighted for the Board in their discussion next week?

Tab A

Approval of May 26, 2021 Minutes

WASHINGTON STATE
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SCHOLARSHIP

**FINANCE & INVESTMENT COMMITTEE MEETING MINUTES |
WEDNESDAY, MAY 26, 2021**

Members present via Zoom: Patrick Smith (Committee Chair), Elisa La Cava, Brad Faulhaber, Julie Sandler and Joseph Walker

Other participants present via Zoom: Kimber Connors (WSOS Executive Director), Karyl Gregory (WSOS), Chris Hanak (WSIB), Bo Lee (BNY Mellon), Chris Phillips (WSIB), Blair Peterson (Washington STEM), Matt Poth (Washington STEM), Yoko Shimomura (Washington STEM)

Patrick Smith called the meeting of the Washington State Opportunity Scholarship (WSOS) Finance and Investment Committee to order at 2:02 pm. Smith conducted a roll call with self-introduction of all participants and noted a quorum was present.

Approval of Minutes from March 10, 2021, Finance and Investment Committee

Joseph Walker moved to approve the minutes of the March 10, 2021, meeting. Julie Sandler seconded the motion, and it carried unanimously.

WSIB Quarterly Performance Report

Chris Phillips, WSIB's Director of Institutional Relations and Public Affairs, reported on our portfolio performance through 3/31/21. In Q1 2021, the performance reflected a sharp divergence between global equities and fixed income. Baccalaureate (BaS) and Career & Technical Scholarship (CTS) funds (5% cash/25% equity/70% fixed income) dipped into negative territory (-55 and -32 basis points) in Q1; the one-year performance increased 18%. The Endowment account (80% equity/20% fixed income) earned 3.8% in Q1; a lofty 47.5% for the one-year period ending March 31. State-match cash essentially yielded zero for Q1 and 7 basis points for the one-year period, as interest rates remained exceedingly low.

Global equity funds returned 5.2% for Q1 and nearly 58% for the year. For the month of April, gains were up 1.5% and that's unaudited. Fixed income funds averaged -2.6% for Q1 and 7.6% for the year. In Q1 2021, WSIB completed two transactional changes for WSOS to access cash funds, both during February. For the CTS account, \$730K was rebalanced from equities to fixed income to remain aligned with the target asset allocation. For the BaS account, \$4 million was disbursed in cash and a related rebalance to maintain the 5% cash balance.

Phillips explained that the equity markets had a strong Q1 performance based on twin tailwinds – massive fiscal stimulus and successful COVID vaccine rollouts in the U.S. and the U.K. Since the equity market bottom on March 23, 2020, the MSCI World Developed index rallied 79% as of March 30, 2021. For Q1, the Russell 1000 Value index (11.24%) outperformed the Russell 1000 Growth index (0.94%) and the broader based S&P 500 index (6.17%). The best performing sectors were Energy (18.57%) and Financials (11.99%). Energy was helped by a continued rebound in the price of oil. Federal interest rates were unchanged this quarter, but U.S. interest rates went considerably higher as inflation concerns gained attention.

The U.S. 10-year Treasury rate increased by 83 basis points to end at 1.74%. The Bloomberg Treasury index fell 4.25% for the quarter and is down 4.43% over the last year. The Bloomberg High Yield index returned 0.85% for the quarter and is up 23.72% over the last year. The emerging markets underperformed the developed markets this quarter as several countries are being affected negatively by the pandemic.

Smith asked Phillips to share more about the Endowment funds. Phillips explained that page 4 shows the current balance of the baccalaureate scholarship and endowment accounts. He explained that the endowment includes current net assets of \$6.8 million and is predominantly comprised of private funds with

WASHINGTON STATE **OPPORTUNITY** SCHOLARSHIP

a small remainder being state match dollars. Phillips explained that no current plan exists for expenditure of these funds.

Elisa La Cava asked if state funds must be held in cash. Phillips affirmed that the state funds must be held in cash because of the attorney's general's formal opinion issued to the committee and WSOS Board that the funds retain their state-like nature. Investing the public funds would require a state constitutional amendment.

Phillips reported that BaS total assets are \$71.4 million with 100% held in private funds. The Endowment total assets are \$6.8 million with 91% in private funds and 9% in state match funds. The CTS total assets are \$27.4 million with 60% in private funds and 40% in state match funds. GRD total assets are \$1.0 million with 50% in private funds and 50% in state match funds.

Phillips explained that BaS and CTS share the same asset allocation which is 30% equity/70% fixed income. The Endowment is 80% equity/20% fixed income. The GRD allocation is all cash due to its short spend-down period. He also explained that we use a passive equity strategy managed by BlackRock. It is expected that the MSCI All Country World Investable Market Index will be closely tracked. Fixed income assets are actively managed by WSIB staff, and it is expected that those will meet or exceed the Barclays U.S. Intermediate Credit Index. The state match funds' target allocation is 100% cash, as required by law. Cash is invested in a money market fund managed by BlackRock.

Phillips presented performance updates for all four accounts for the first quarter 2021, one-year, three-year, five-year and since inception.

Bo Lee asked about the cadence for rebalancing the funds. Chris Hanak, from WSIB's Risk Management and Asset Allocation team, explained that they don't rebalance based on a schedule. They put generous bands around the target allocations and adjust as needed based on cash disbursements and market fluctuations. They'll allow an asset class or new funds coming in as a method of rebalancing with the goal of keeping costs low. There is flexibility in terms of how they rebalance. Hanak added that the state match in cash is disbursed first because it cannot be invested and therefore earns lower returns. The state match is near \$0 currently.

Program Administrator Report & Scholarship Model Overview

Matt Poth, Director of Finance at Washington STEM, presented financial statements through 4/30/21. The increase in cash between December and April was primarily due to transfers from the investment accounts of \$4M from BaS WSIB and \$1M from CTS WSIB accounts, as well as private receipts of \$545K. Additionally, there were state match receipts of \$949K (\$824K state match and \$112.5K in implementation funds). These were all offset by the net scholarship disbursement of \$4.84M (\$4.1M BaS; \$735K CTS/RJI).

The investment balance of \$108.19M includes \$72.53M for BaS, \$27.63M for CTS, \$7.03M for Endowment and \$1M for GRD. The KeyBank investment account (public dollars) provides cash needs first to fund scholarship demands. During the period, scholarship disbursements exceeded the amounts in the KeyBank investment accounts.

After WSAC's payment on the January and February state match invoices, WSAC depleted all matching funds for the FY ending 06/30/21. Unbilled state match revenues include \$506K in RJI contributions from 2020 as well as private receipts from March and April 2021. In March, we recorded an adjustment to our CTS/RJI Scholarship liability of \$509K (increase) due to accrual of the liability related to the expected future scholarship payouts of CTS/RJI students that were selected and started in the Spring quarter of 2021.

The 2021 budget included total budgeted revenues of \$23.86M, primarily concentrated in the second half of the year (Q1 \$570K, Q2 \$3.37M, Q3 \$15.3M, Q4 \$4.61M). New revenues between January and April totaled \$526K. State match revenues accrued based on \$153K of private receipts in January and February but remaining state match revenues could not be accrued due to lack of appropriated state matching funds.

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We expect these will be appropriated in July, at which time we will record the revenues and invoice WSAC for the outstanding unbilled state match. Blair Peterson, Accounting Manager at Washington STEM, added that \$62.5K in CTS implementation funds was received related to Q1 2021. A final \$62,500 installment will be paid in Q2 2021, completing the payout of the \$500K appropriation. The overage of professional fees for contractors and lobbying was primarily due to contracting of the WSOS interim development director (\$31.5K) as well as the Breakthrough Fundraising costs of \$25K which were budgeted and paid in 2020 for the fundraising study but were realized in 2021 due to the timing of services performed. Connors explained there will be a zeroing effect of the interim development director costs because salary costs will end the year below budget, offsetting the overage in the consulting category. We will monitor these categories as the year goes on. Poth explained that the salaries and benefits are slightly under budget YTD, but they are expected to grow when the new development director is hired. There could be other short-term gaps in personnel spending due to turnover in some other positions.

The BaS expense for AY 2021 will be recorded in August with final adjustments in December. The CTS liability and adjustments are recorded in March, August and December based on the portion of students accepted into the program during each term. The difference between budget and actual is due primarily to higher-than-expected refunds through April.

Total liabilities are \$21.3M which represents an 18% decrease since 12/31/20 and a 26% decrease since 4/30/20. Poth explained that the decrease since last quarter is largely explained by the scholarship disbursements discussed above. BaS Cohort 9 was smaller in size compared to Cohorts 5-8 when the Rubens funding allowed for larger cohorts. This means the very large liabilities we had reported the last several years will be smaller unless future funding leads to the selection of larger cohorts.

The investment income from January to April included unrealized and realized gains of \$1.34M, interest and dividend income of \$14K, and investment expense of \$21K. Scholarship disbursements between January and April were \$5.14M (\$4.1M BaS, \$1.04M CTS/RJI) and scholarship refunds totaled \$681K (\$377K BaS, \$303K CTS). Assets are maintained in the KeyBank checking account to meet short-term cash needs; all excess dollars are invested in WSIB or KeyBank investment accounts to generate returns.

Poth presented a scholarship model summary. WSOS and Washington STEM worked closely together to create the summary as one place to easily reference scholarship information. The summary explains key assumptions made in each of the scholarships' financial modeling that informed the asset allocation work. Connors explained that the current scholarship modeling is based on a "base case" that assumes no significant increase in fundraising efforts and sunseting BaS after 2025 and CTS after 2029.

Poth explained that the base case modeling includes assumptions of very conservative rates of return and includes the assumed delay in receiving state match appropriations. Peterson added that this is a shift. As a reminder, state match funds will only be available in the fiscal year following cash receipt and only available if pledges are received by the state forecast council date. Appropriations are only made once a year and are based on cash contributions to date and written pledges signed prior to February 1 and payable by June 30 each year. The appropriations will be available annually on July 1 for the contributions received in the prior fiscal year. The model includes accounting for this delay in appropriations. Poth shared that the scholarship model for BaS is based on historical attrition and enrollment rates. There is not enough historical data for CTS, so this model is based on data from WSAC and other similar programs. CTS data is being collected and will be incorporated into the model once sufficient information exists.

Connors stated that she planned to discuss the strategic direction for the use of additional funds, should they be acquired, to the June Board meeting. She requested the committee discuss what parameters they would recommend the Board consider in adjusting the modeling for moving forward.

La Cava asked whether increasing the scholarship amount increases student enrollment. La Cava further explained that she was curious if increasing the scholarship amount would increase the number of graduates from the program. Connors affirmed that gathering more information related to this would be helpful to informing the proposed models. Smith suggested the model include options for using the levers

WASHINGTON STATE **OPPORTUNITY** SCHOLARSHIP

of changing the assumptions of fundraising success and distribution of investment returns. He asked what the organization-wide objectives are around fundraising and for success around those goals to be defined. He also asked whether more students would drop out if the number of students served is increased. Connors shared that the June Board meeting will focus in part on discussing the topic of increased fundraising efforts and the strategic priorities ahead for the Board. Walker asked what the constraints are. He also suggested building a model where all disbursement variables remain stable, but the program continues in perpetuity. Smith asked if there are statutory limits on the program horizon. Connors shared that the statute does not stipulate a program end date and that an endowment account exists. Yoko Shimomura, COO at Washington STEM, shared that the group should consider how increasing the scholarship dollars or number of students served might mean in terms of how many staff members would be needed to sustain the program.

Poth presented the base case scholarship model which is a projection of expenditures and disbursements based on the already-raised funds without any anticipated program growth. Poth stated the team could model requests of the committee and Board using this base case model as a starting point. Peterson explained that the scholarship one pager is a comprehensive guide describing the assumptions of what goes into modeling the scholarship since the model itself is a complex file. The one pager shows the controllable factors that can be modeled to understand possible future states. Poth added that the investment rates used in the model were conservative. Connors explained the plan is to send the one pager and some proposed models to the committee and Board in advance of the September meeting.

Walker stated that it would be helpful to understand how difficult it would be to make a constitutional amendment to allow the investment of public funds. He further requested the cash flow be modeled to include an assumption of this change to understand the possible benefits of pursuing that course of action. Connors affirmed this would be helpful to model.

Smith asked whether WSOS or Washington STEM has access to tools that would calculate variables in the model and apply an equitability distribution. He explained he wanted to know the different effects based on the time component and the order of returns. This would generate a range of outcomes that we can expect and identify the key drivers that lead to bad outcomes. Poth answered that Washington STEM does not have this tool, and they usually depend on the WSIB team for more in-depth information and calculations. Smith offered supporting the WA STEM team in using those tools and offered to meet with Peterson.

Connors explained that Washington STEM and WSOS will work together to decide the models and WSIB can support in helping us make those calculations and explained that the vision and strategy will be discussed at the June Board meeting.

Program Update & Financial Modeling Ahead

Kimber Connors, WSOS Executive Director, stated that the new Graduate Programs Manager, Genevieve Geiger, recently started at WSOS and is creating the new program design. The first application will be in June and, based on our funding, 8 recipients will be selected.

Connors provided a high-level overview of scholarship updates. The RJI scholarship is open for cohort 2, and the CTS application is also open. The 10th BaS cohort was just accepted. This year's BaS cohort has a 97% acceptance rate, and the vast majority of the remaining 3% of students declined because they planned to go out of state. WSOS is closing out the academic year with successes like the industry mentor program increasing to scale (increased 4x from last year) which means there were 850 Skills that Shine participants. The CTS support services 20-pair mentorship pilot was successful, so WSOS plans to grow the program to 90 participants as the next cohort target. CTS is also launching a new pilot program for CTS called the Campus Ambassador program, which will have navigators on campus to help students find resources. This will be a paid position but will be different than the Scholar Lead program as Ambassadors will not have a specifically assigned caseload of mentees. It will be piloted with a small group in spring 2022.

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OpportunityTalks will be virtual for this fall. The decision is in anticipation that 1,000 people in person in the fall may still be a concern for many attendees. Connors invited Committee members to mark their calendars.

In addition to securing the state match, WSOS was successful in advancing two legislative priorities this session. First, participants in the Rural Jobs Initiative can now attend any community or technical college across the state provided they reside in a rural county. (Previously, RJI participants had to be a resident of a rural county and attend college in a rural county.) Second, CTS and GRD participants are no longer required to graduate from a WA state high school provided they are WA state residents. Both legislative priorities had bipartisan support and will increase access to the program.

Connors introduced Bo Lee as a new proposed committee member. Lee shared her enthusiasm for joining the committee. She has had the opportunity to get to know many individuals who support WSOS over the years and has been a long-time supporter. She is thrilled about joining the group and helping to support the mission. She looks forward to supporting the modeling and forecasting and forecasting ahead. She feels the best way to move the community and individuals forward is through education, so she is excited to be a part of this work. Connors added that Lee was highly recommended by DeShay McCluskey and Brad Smith. Smith added that he had met with Lee and was enthusiastic about her credentials and passion for the organization.

Committee Action: Elisa La Cava made a motion to recommend Bo Lee to the WSOS Board as a member of the WSOS Finance & Investment Committee. The motion was seconded by Brad Faulhaber, and it carried unanimously.

Smith asked if these meetings are intended to continue as in-person meetings after Washington state's re-opening. Connors stated that the Committee typically offers an in-person meeting option at Washington STEM's office. Presuming their office is open by the September meeting, the choice will be offered to Committee members to attend in person or by video. WSOS and Washington STEM will sync offline about whether the meeting can be held at the Washington STEM office.

Executive Session

The Committee went into Executive Session at 3:25 pm.

The meeting adjourned at 3:31 pm.

Respectfully submitted,
Meg Chambers

Tab B

WSIB Quarterly Performance Report

WSOS Investment and Finance Committee Performance Review 2Q21 September 9, 2021



WSOS Investment Program Summary



- ❑ In Q2 2021, surging equity returns reinforced the contrast between global equities and fixed income:
 - ❑ BaS and CTS funds (5% cash/25% equity/70% fixed income) returned nearly 3% for the quarter; +11% for the past 12 months
 - ❑ Endowment (80% equity/20% fixed income) earned 6.2% in Q2; +33.2% for the one-year period ending June 30
 - ❑ State-match cash remained at zero for Q2 and a scant 3 basis points for the one-year period

- ❑ Global equity funds returned 7.2% for Q2 and 41.2% for the year

- ❑ Fixed income funds returned 1.6% for Q2 and 2.2% for the year

- ❑ Windfall: Outsized returns are creating some degree of unanticipated yield in 2021 for all accounts; volatility and some inflation also entering the picture; none of it looks to be sustainable
- ❑ Caution: Risky to color our long-term market assumptions based on dramatic results from 2021

- ❑ In Q2, WSIB completed one transactional change for WSOS funds:
 - ❑ Endowment account: Rebalanced \$270,473 from equities to fixed income in April, to align with 80% equities / 20% fixed income target allocation

Capital Markets Summary

Reported as of June 30, 2021



Global equity markets rose during 2Q 2021 as vaccination campaigns accelerated in most developed economies, especially Europe

The U.S. economy expanded at an annualized rate of 6.4% in 1Q21 fueled by increased spending on durable goods, food, and services

- ▣ **The Fed increased its GDP forecast for 2021 from 6.5% to 7.0%**

The global equity market (MSCI World Developed IMI index) returned a robust 7.4% for 2Q and is up 40.6% over the last 1-year period

Emerging Markets underperformed developed markets during 2Q but still returned 5.7% for 2Q and 43.2% for the last 1-year period

Fixed income markets moved positive in 2Q:

- ▣ **U.S. Treasuries were up 1.8% for the quarter, but were down 3.2% over the last 12 months**
- ▣ **The broad Bloomberg Universal index returned nearly 2.0% this quarter and is up 1.1% over the last 12 months**
- ▣ **High yield was up 2.7% for the quarter and 15.4% for the one-year period**

The Fed retained a 0.25% policy rate and plans to maintain its bond purchasing pace as it eyes employment and inflation rates

WSOS Scholarship/Endowment Funds – Growth of Assets

June 30, 2021



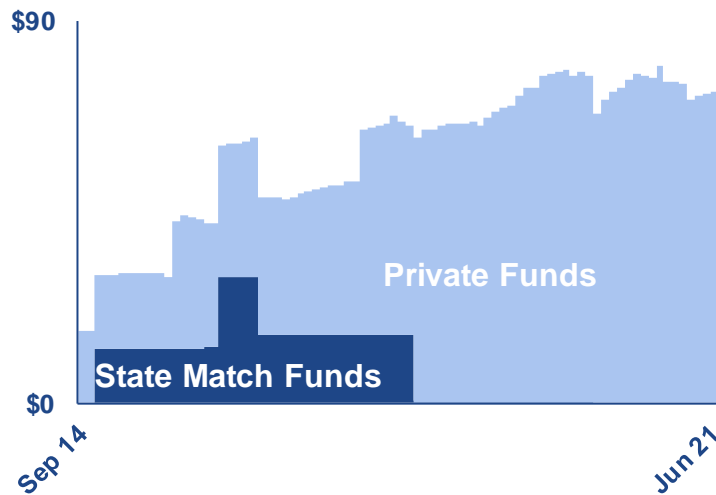
BaS

- ▣ Total assets: \$73.5 million
- ▣ 100% private funds

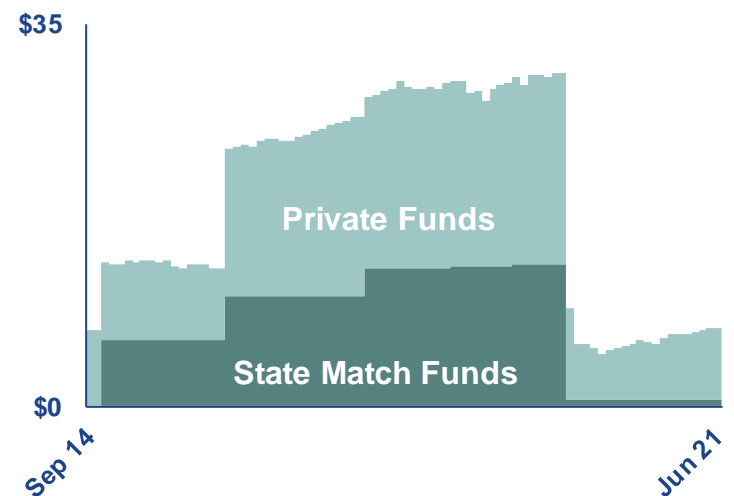
Endowment

- ▣ Total assets: \$7.2 million
- ▣ 92% private funds and 8% state match funds

Growth of BaS Assets



Growth of Endowment Assets



WSOS Scholarship/Endowment Funds – Growth of Assets

June 30, 2021



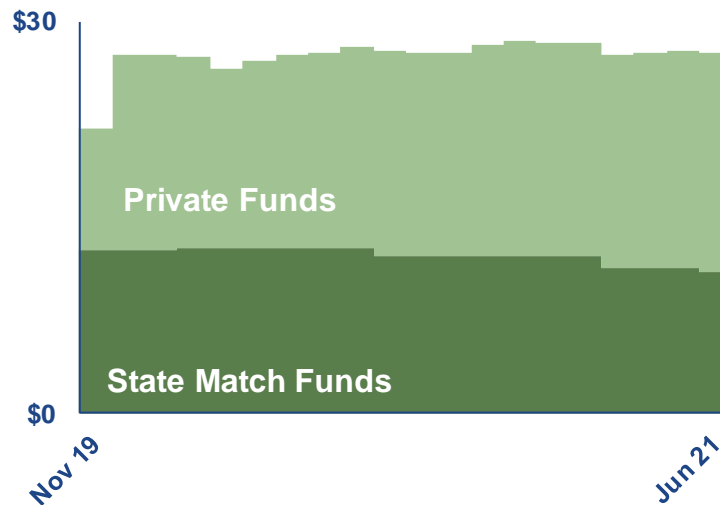
CTS

- Total assets: \$27.5 million
- 61% private funds and 39% state match funds

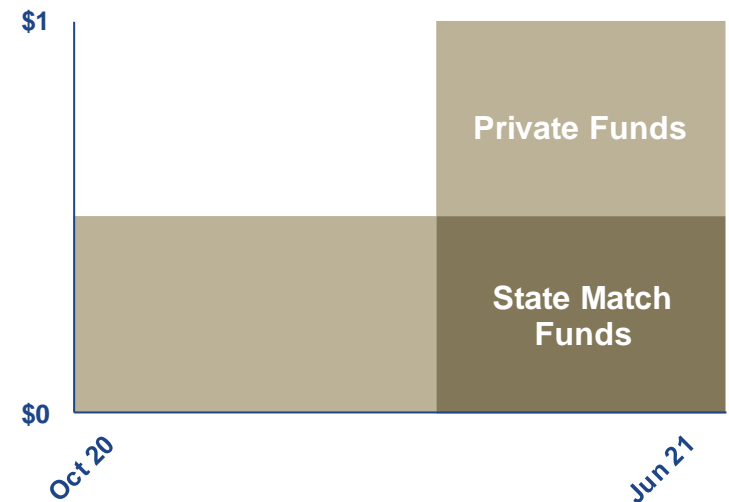
GRD

- Total assets: \$1.0 million
- 50% private funds and 50% state match funds

Growth of CTS Assets



Growth of GRD Assets



Market Values and Asset Allocation for Private Funds

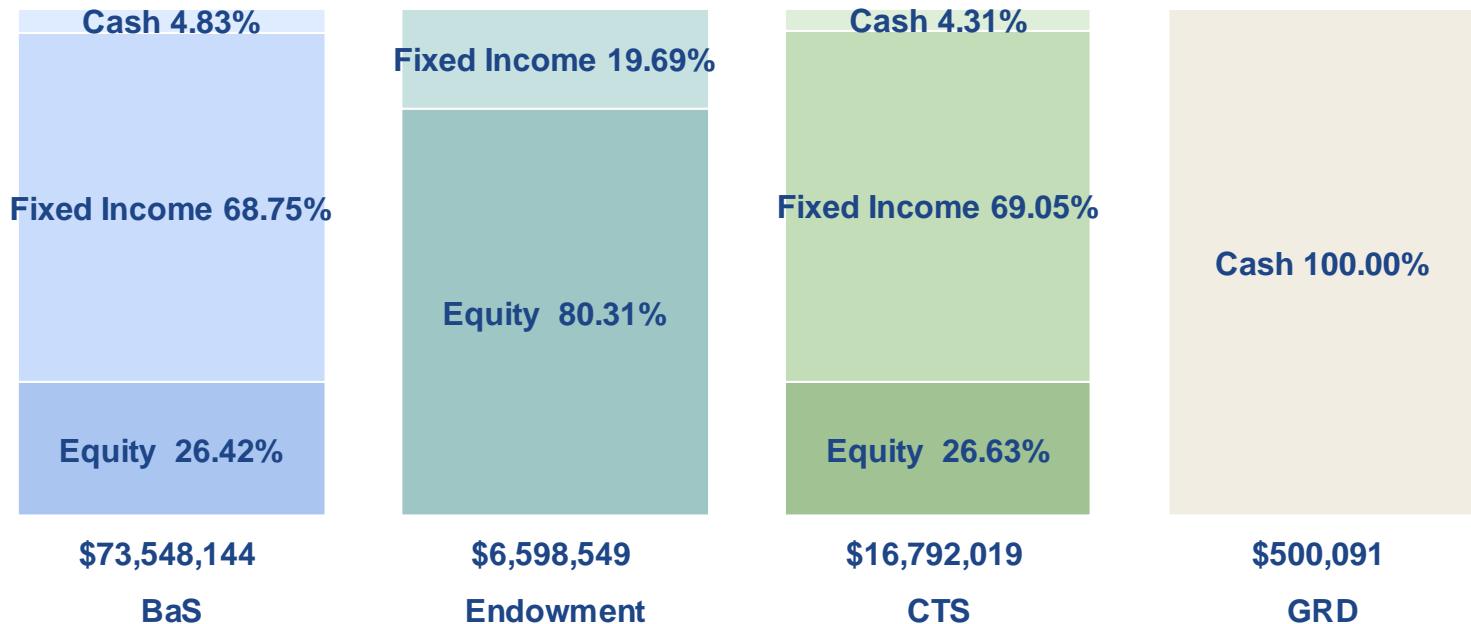
June 30, 2021

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



Market Values for State Funds

June 30, 2021



State Match Funds

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

Market Values

BaS	\$0
Endowment	\$585,147
CTS	\$10,717,730
GRD	\$500,060

Fund Performance Updates

All Columns Show Performance Calculated as of June 30, 2021

	Annualized				
	2nd Qtr. 2021	1 Year	3 Year	5 Year	Since Inception
BaS					
Private	2.97%	11.17%	7.41%	8.23%	6.42%
Private Benchmark	2.89%	11.00%	7.40%	8.13%	6.45%
State Match	0.00%	0.00%	1.11%	0.99%	0.77%
State Match Benchmark	0.00%	0.09%	1.35%	1.19%	0.93%
Private Funds Benchmark: 25% Equity, 70% Fixed Income, and 5% Cash. State Match Benchmark: 100% Cash					
Endowment					
Private	6.21%	33.17%	11.68%	12.02%	9.09%
Private Benchmark	6.09%	32.69%	13.01%	12.72%	9.56%
State Match	0.01%	0.03%	1.16%	1.03%	0.80%
State Match Benchmark	0.00%	0.09%	1.35%	1.19%	0.93%
Private Funds Benchmark: 80% Equity, 20% Fixed Income. State Match Benchmark: 100% Cash.					
CTS					
Private	2.99%	11.40%	N/A	N/A	9.21%
Private Benchmark	2.89%	11.00%	N/A	N/A	8.44%
State Match	0.01%	0.03%	N/A	N/A	0.34%
State Match Benchmark	0.00%	0.09%	N/A	N/A	0.54%
Private Funds Benchmark: 25% Equity, 70% Fixed Income, and 5% Cash. State Match Benchmark: 100% Cash.					
GRD					
Private	0.01%	N/A	N/A	N/A	0.02%
Private Benchmark	0.00%	N/A	N/A	N/A	0.05%
State Match	0.01%	N/A	N/A	N/A	0.01%
State Match Benchmark	0.00%	N/A	N/A	N/A	0.00%

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



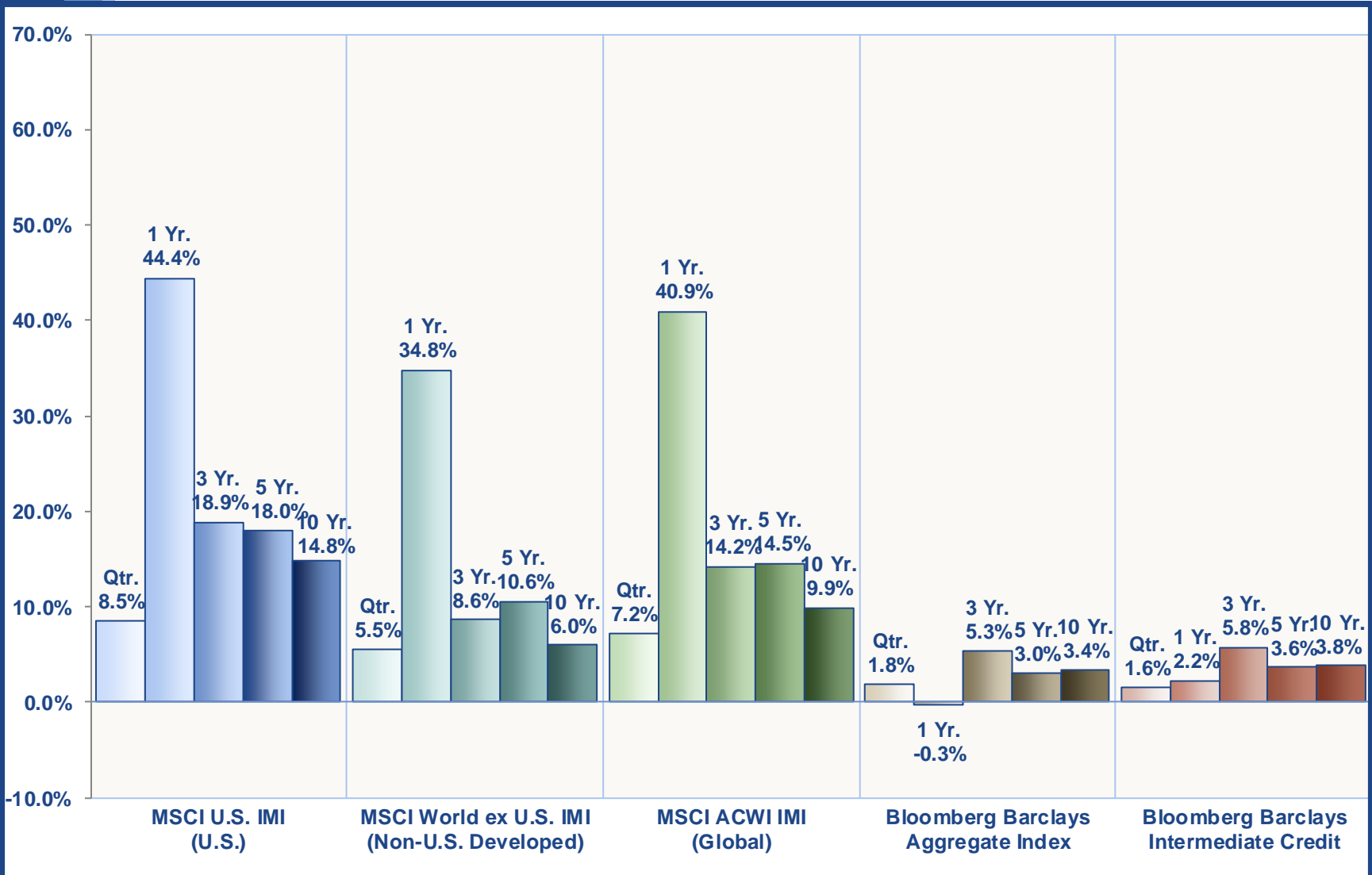
Fund Performance Updates

All Columns Show Performance Calculated as of June 30, 2021

	2nd Qtr. 2021	Annualized			
		1 Year	3 Year	5 Year	Since Inception
Equity					
BaS	7.22%	41.18%	15.10%	15.18%	10.99%
Endowment	7.23%	41.21%	14.81%	15.03%	10.98%
CTS	7.22%	41.20%	N/A	N/A	23.26%
MSCI ACWI IMI w/ U.S. Gross	7.24%	41.29%	14.58%	14.89%	
Fixed Income					
BaS	1.64%	2.21%	6.07%	3.94%	3.95%
Endowment	1.64%	2.21%	6.08%	3.95%	3.95%
CTS	1.64%	2.20%	N/A	N/A	4.77%
BB Intermediate Credit	1.56%	2.25%	5.78%	3.64%	

Capital Markets at a Glance

June 30, 2021



Contact Information



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

The screenshot shows the Washington State Investment Board website. The header includes the logo and tagline "Investing with integrity, prudence, and skill" and a search bar. The main navigation menu is divided into four sections: 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). The central banner features the headline "Delivering investment results for retirement plans & public trusts" with a background image of business silhouettes. Below the banner are four boxes: "FEATURES" (Glossary, FAQ, Resources, Directions & Map), "POPULAR PICKS" (IRR Report, Quarterly Report, Risk Framework, Policies), "NEED INFO?" (with question marks), and "WSIB STORY" (with an upward-trending bar chart).

Address:

2100 Evergreen Park Drive SW
P.O. Box 40916
Olympia, WA 98504-0916

Phone Number:

(360) 956-4600

Tab C

Program Administrator Report

Background:

During the due diligence work that occurred as part of the 02.01.17 Program Administrator (PA) transition from College Success Foundation (CSF) to Washington STEM (WA STEM), it was determined that CSF had not recorded revenue for the state match nor invoiced WSAC for \$2,804,502 in private receipts that had been received by WSOS.

WA STEM determined that regardless of the invoiced status, the State Match should be recorded as revenue as long as appropriations have been made by the state to cover the gifts given the private receipts were eligible for matching.

As such, WA STEM recorded \$2,804,502 in revenues at 02.01.17, with a 10% allowance (\$280,450) with the assumption that some of the State Match would be ultimately uncollectible due to having to rely on submission of records from the prior PA of which WA STEM did not have complete knowledge.

Collections to Date:

WA STEM worked with CSF to procure supporting documentation and submitted an invoice for the full amount of \$2,804,502 with accompanying support on 04.27.18. Upon review, WSAC determined they could only verify (and therefore approve for State Match) a portion of the invoiced amount based on the support submitted. WSAC considers adequate support to be:

- Bank statement showing cash receipt; and
- Copy of check or electronic report from external processor for electronic payment; and
- Cash tie-out report that ties gift to bank statement, if gift was part of a batch payment or transfer.

WSAC requested WA STEM issue a credit memo for the full amount of the invoice and resubmit a new invoice that include only the gifts that were deemed to adequate support. In 2019 STEM parsed through the support and re-invoiced WSAC for the gifts with adequate support. WA STEM issued multiple invoices totaling \$2,546,590, leaving an outstanding balance of \$257,911 in gifts that WSAC had not initially approved.

Current Project Status:

During 2020 and 2021, the WA STEM team worked to review, investigate, and organize support for the remaining \$257,911 of gifts to determine whether additional support could be acquired. This included collaborating extensively with the CSF team, auditing all existing support, pulling out relevant support to be relabeled and organized, and communicating with WSAC about what support would be adequate for any questionable items. At the conclusion of this extensive and thorough effort, we propose the following course of action:

- We have sufficient support to invoice WSAC for \$57,518 of the remaining \$257,911. Our receipt of this final amount is pending WSAC approval, but we have pulled all support, re-organized and labeled it. We intend to submit on or before 09/30/2021.

- We do not believe sufficient evidence exists to invoice the remaining \$200,393 to meet WSAC's approval requirements. Gifts that contribute to this total are missing one, two or all of the three adequate supports listed above.

Final Summary and Actions:

As previously noted, we plan to submit an invoice for \$57,518 we believe has adequate support. Once WSAC reviews and approves, this will be recorded as new revenue for WSOS, as we would be receiving match on items that were previously written off in 10% allowance (the \$280,450 initial write-off).

Upon receipt of the anticipated \$57,518, we will have collected \$2,604,180 of the initial \$2,804,502. In total, we will have secured \$80,056 more than we anticipated to collect at the outset of this process (in excess of the initial 10% write-off), all of which was/will be recorded as new revenues upon receipt. This has taken a tremendous amount of effort, but the results are substantial in terms of our impact for Washington students.

Due to the time passed and staff changes at CSF since the transition, we do not expect we can obtain any additional missing support items from CSF. Additionally, we want to ensure a close-out of this issue before the transition to the new PA in 2022. We believe we have exhausted our efforts in research and investigation of these items. As such, we recommend we remove this amount from our balance sheet. This will not have an impact to revenue as the amount remaining is below the \$280,450 initially written off in 2017, so this will purely be a balance sheet transaction.

- **We request the Finance & Investment Committee approve removal of the remainder of what we are not able to collect from WSAC after this final invoice (expected to be \$200,393) from the balance sheet.**

FINANCE & PROGRAM ADMINISTRATOR UPDATE

July 31, 2021

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

WSOS Balance Sheet

Comparative Balance Sheets

July 31, 2021

	Comparison to Last Reported Period			Notes	Comparison to Same Period LFY		
	4/30/21	% Change	7/31/21		7/31/20	% Change	7/31/21
Assets							
Cash	821,773	256%	2,928,527	1	2,975,992	-2%	2,928,527
Investments	108,186,273	2%	109,903,671	2	111,356,343	-1%	109,903,671
Accounts Receivable	1,136	-98%	23		395	-94%	23
Pledges and Grants Receivable, net	2,553,671	294%	10,061,171	3	3,505,092	187%	10,061,171
State match receivable, net	-	-	3,435,153	4	2,906,926	18%	3,435,153
Unbilled State match revenue	899,490	-99%	6,345	4	-	-	6,345
Unbilled State match receivable, offset	(899,490)	-99%	(6,345)	4	-	-	(6,345)
Prepaid Expenses	62,632	7%	67,276		85,990	-22%	67,276
Property and equipment, net	16,251	-16%	13,683		24,692	-45%	13,683
Total Assets	111,641,736	13%	126,409,503		120,855,430	5%	126,409,503
Liabilities and Net Assets							
Accounts Payable	74,298	-21%	58,431		83,195	-30%	58,431
Payroll Related Liabilities	91,122	9%	99,379		68,727	45%	99,379
Scholarship Commitments Bacc., net	18,507,299	0%	18,472,288	5	26,829,963	-31%	18,472,288
Scholarship Commitments CTS, net	2,538,429	-15%	2,160,429	5	1,298,512	66%	2,160,429
Scholarship Commitments RJL, net	39,799	-34%	26,299		-	0%	26,299
Total Liabilities	21,250,947	-2%	20,816,827		28,280,397	-26%	20,816,827
Net Assets							
Temporarily Restricted Net Assets	90,390,789	17%	105,592,677		92,575,033	12%	105,592,677
Permanently Restricted Net Assets	-	0%	-		-	0%	-
Total Net Assets	90,390,789	17%	105,592,677		92,575,033	14%	105,592,677
Total Liabilities and Net Assets	111,641,736	13%	126,409,503		120,855,430	5%	126,409,503

WSOS Balance Sheet

Notes:

1. Increase in cash between May and July primarily due to private receipts of \$2.54M, which included \$2.5M from Gary Rubens, \$25K from Columbus Foundation, and \$10K from Avista Foundation. Additionally there were state match receipts of \$62.5K related to implementation funds and net scholarship refunds of \$178K (BaS net refund \$299K offset by CTS/RJI net disbursements of \$121K). Finally, we transferred \$350K from WSIB to cover CTS scholarships.
2. Investment balance as of 07/31/21 includes WSIB BaS Scholarship \$74.06M, WSIB CTS Scholarship \$27.63M, WSIB Endowment \$7.22M, WSIB GRD Scholarship \$1M, KeyBank Capital BaS \$0, and KeyBank Capital CTS \$0. Unrealized gains increased \$2M from May-July, offset by \$350K of CTS investments used to cover scholarships.
3. Increase primarily due to Gary & Jennifer Rubens new 10-year pledge at \$10,000,000 total in support of all scholarship programs. This increase was offset by final Rubens pledge payment of \$2.5M from the previous grant.
4. After payment by WSAC of the January and February State Match invoices, WSAC depleted all matching funds for the fiscal year ending 06.30.21. WSAC received additional appropriations at the beginning of their fiscal year starting 07.01.21. As such we were able record revenues for March to July, resulting in the state match receivable balance. WSAC paid the final \$62.5K of implementation funds in July so this is not included in the balance.
5. Changes in scholarship liabilities during the period May - July were entirely due to disbursements of \$426.5K (BaS \$35K, and CTS \$391.5K). WSOS will record additional liability and expense in August for the upcoming new cohorts.

WSOS Income Statement

Income Statements

Actual vs. Budget

Seven Months Ending July, 2021

	Seven Months Ending July, 2021			December 31, 2021	
	Actual	Budget	Variance Fav (Unfav)	Notes	Annual Budget
Revenue					
Private	10,593,367	9,440,000	1,153,367	1	23,860,000
Public	3,712,846	3,850,000	(137,154)	2	3,850,000
Investment Dividends, Interest, & Fees	24,089	28,105 *	(4,016)	3	48,180
Investment Unrealized/Realized Gains	3,390,915	620,507 *	2,770,408	3	1,720,387
Investment Fees	(36,106)	(37,800) *	1,694	3	(64,800)
Total Revenue	17,685,111	13,900,812	3,784,299		29,413,767
Program Expense					
Salaries and Benefits	1,315,600	1,360,384	44,784	4	2,730,772
Professional Fees - Program Admin fees	331,207	331,207	-		573,942
Professional Fees - Contractors & Lobbying	354,080	286,160	(67,920)	5	544,460
Conferences, Conventions & Meetings	3,956	32,033	28,077		229,075
Operating Expenses	121,203	147,747	26,544		292,706
	2,126,046	2,157,531	31,485		4,370,955
Income (Loss) before Scholarship Exp	15,559,066	11,743,281	3,815,785		25,042,812
Scholarship Expense	(782,342)	(50,000)	732,342	6	10,704,170
Net Income (Loss)	16,341,407	11,793,281	4,548,126		14,338,642

WSOS Income Statement

Notes:

1. Revenue Private: The 2021 Budget included total budgeted revenues of \$23.86M, primarily concentrated in the second half of the year (Q1 \$570K, Q2 \$3.37M, Q3 \$15.3M, Q4 \$4.61M). New revenues between May and July totaled \$10.07M which included a \$10M pledge from Gary Rubens, \$32.5K pledge from Providence St. Joseph, and \$10K pledge from Boeing. Other significant pledge renewals are in discussions.
2. Revenue Public: Our February invoice to WSAC expended all remaining appropriations at that time from WSAC, and as such we had to wait until additional appropriations were received in order to record revenues for state match after February. WSAC received their next round of appropriations in July and WSOS was able to record revenues for March through July private receipts, totalling \$3.44M. Additionally, WSOS was able to record the final \$62.5K of implementation funds revenue in June. Implementation funds are now exhausted.
3. Investment Returns: Actual YTD includes unrealized+realized gains of \$2.05M, interest & dividend income of \$10K and investment expense of \$15K. The approved budget included only Investment, Dividends & Interest as well as fees. We've added a budgeted for unrealized/realized gains that is based on the scholarship modelling workbook, including actuals for Q1 and projection for Q2-Q4. This workbook uses a conservative rate of return for equities and fixed income for each scholarship.
4. Personnel expenses are trending ~\$45K under budget largely due gaps from departures of the Development Director (hired new Director in July), Development Coordinator (hired new Coordinator in July), and Scholar Placement Manager (will not rehire). Additionally, there were delays in hiring a GRD Manager that was budgeted for the full year. Savings were slightly offset due to employee PTO payouts upon departure as we only adjust PTO expense/accrual at year-end, we expect them to show up slightly larger at YE. We project an overall savings in this line item at YE of between \$128K and \$183K, largely dependent on size of YE incentive bonuses. However, it is worth noting that the Development Director was backfilled with a consultant before hiring of the new director, which cost \$73K in total (see line 5 for overage), which results in more like a \$55K to \$110K savings at YE in personnel related costs.
5. Professional Fees - Contractors & Lobbying; Overage primarily due to contracting of interim development director (\$73K) as well as Breakthrough Fundraising (Fundraising study) costs of \$25K that were budgeted in 2020, but work did not occur until 2021. These were offset by savings in other categories.
6. Scholarship expense for CY 2021 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. Difference between budget and actual due primarily to higher than expected refunds through July, as well as lower than expected increase in CTS/RJI liabilities in March compared to budgeted expectation.

WSOS Cash Flow

Cash Flow Summary

Inception-To-Date

July 31, 2021

	Inception - July 31, 2021			
	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	41,386,318	-	1	41,386,318
State Match	97,884,043	-	2	97,884,043
State Implementation Funds	500,000		2	500,000
Investment Income*	27,334,800	7,227,060	3	34,561,860
Total Cash Inflows	227,215,161	7,227,060		234,442,221
Cash Outflow:				
Scholarships	(98,346,099)	-	4	(98,346,099)
Program Expenses	(23,258,112)	(5,812)		(23,263,924)
Total Cash Outflows	(121,604,211)	(5,812)		(121,610,023)
Net Cash Flow Inception-To-Date	105,610,950	7,221,248		112,832,198
<u>Composition of Net Cash Flow</u>				
KeyBank Checking Account	2,928,527	-	5	2,928,527
Investment Accounts at WSIB and KeyBank	102,682,423	7,221,248	5	109,903,671
Total	105,610,950	7,221,248		112,832,198

WSOS Cash Flow

Notes:

1. Cash Inflow: Between May and July WSOS received private receipts of \$2.54M, which included \$2.5M from Gary Rubens, \$25K from Columbus Foundation, and \$10K from Avista Foundation.
2. State - In the period between May and July WSOS received \$62.5K of CTS implementation funds related to Q2 2021. The remaining state match receivable on private funds from May-June were received in early August to help fund the Fall scholarship disbursements.
3. Investment Income - May to July investment income included unrealized+realized gains of \$2.05M, interest & dividend income of \$10K and investment expense of \$15K
4. Scholarship disbursements between May and July were \$426.5K (BaS \$35K, and CTS \$391.5K) and scholarship refunds totaled \$604K (\$334K Baccalaureate, \$270K 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
2021**

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

	2021 Jan	2021 Feb	2021 Mar	2021 Apr	2021 May	2021 June	2021 Jul	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2021 YTD
OPERATING ACTIVITIES												
Change in net assets	(253,897)	486,365	(658,536)	1,565,587	10,668,130	4,017,161	516,597	(426,068)	16,250,878	516,597	-	16,341,407
Adjustments to reconcile change in net assets to net cash used by operating activities-												
Add: Depreciation & Amortization	965	892	892	868	868	868	832	2,749	2,604	832	-	6,185
Add: Loss (Subtract: Gain) on disposal of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-
Add: Loss (Subtract: Gain) on realized/unrealized investments	299,719	11,348	(59,505)	(1,592,685)	(732,914)	(672,552)	(661,932)	251,562	(2,998,151)	(661,932)	-	(3,408,521)
Add: Accretion of prepaid loan fees	-	-	-	-	-	-	-	-	-	-	-	-
Add: Loss on extinguishment of debt	-	-	-	-	-	-	-	-	-	-	-	-
Changes to balance sheet accounts:												
Accounts receivable, net	6	(263)	556	(1,031)	780	321	12	299	70	12	-	381
Prepaid expenses & other assets	5,477	(14,371)	12,727	6,118	5,135	(15,235)	5,456	3,833	(3,982)	5,456	-	5,307
Pledges receivable	1,163	(284,488)	290,258	258	(9,975,000)	2,466,000	1,500	6,933	(7,508,742)	1,500	-	(7,500,309)
State match receivable	-	(152,794)	734,156	152,793	-	(3,469,900)	34,747	581,362	(3,317,107)	34,747	-	(2,700,998)
Accounts payable	31,404	(45,905)	3,514	(41,450)	(5,228)	37,923	(49,167)	(10,987)	(8,755)	(49,167)	-	(68,909)
Scholarship commitments	(62,485)	(79,194)	(4,412,704)	(83,183)	(47,011)	(376,499)	(3,000)	(4,554,383)	(506,693)	(3,000)	-	(5,064,076)
Accrued expenses and other	(34,102)	220	(6,947)	(18,893)	7,621	(5,521)	6,762	(40,829)	(16,793)	6,762	-	(50,860)
Net Cash (used) provided by operations	(11,750)	(78,190)	(4,095,589)	(11,618)	(77,619)	1,982,566	(148,193)	(4,185,529)	1,893,329	(148,193)	-	(2,440,393)
INVESTING ACTIVITIES												
Purchases of property & equipment	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of property & equipment	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of investments	-	-	5,000,000	-	-	350,000	-	5,000,000	350,000	-	-	5,350,000
Purchases of investments	-	-	(500,020)	-	-	-	-	(500,020)	-	-	-	(500,020)
Proceeds from sale of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Other investing activities	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash (used) by investing activities	-	-	4,499,980	-	-	350,000	-	4,499,980	350,000	-	-	4,849,980
FINANCING ACTIVITIES												
Cash contributions and pledges collected for endowment purposes	-	-	-	-	-	-	-	-	-	-	-	-
Payments on capital leases	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash (used) provided by financing activities	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow	(11,750)	(78,190)	404,391	(11,618)	(77,619)	2,332,566	(148,193)	314,451	2,243,329	(148,193)	-	2,409,587
Cash at Beginning of Period	518,940	507,190	429,000	833,391	821,773	744,154	3,076,720	518,940	833,391	3,076,720	2,928,527	518,940
Cash at End of Period	507,190	429,000	833,391	821,773	744,154	3,076,720	2,928,527	833,391	3,076,720	2,928,527	2,928,527	2,928,527

Tab D

Program Update

PROGRAM UPDATE | SEPTEMBER 2021

AWARDS ADMINISTRATION

With the 2021-22 academic year officially underway, the WSOS team welcomed the newest recipients of the Baccalaureate and Career and Technical Scholarships. We have also welcomed the fall recipients of the Rural Jobs Initiative, which will operate at full capacity in 2021-22 with 85 recipients.

The team also welcomed back the 634 returning Career and Technical Scholars and 2,342 returning Baccalaureate Scholars who successfully renewed their scholarship. Among those who did not renew the Baccalaureate Scholarship, the top two reasons are graduation (one-third and climbing of those who did not renew) and failure to show acceptance into an eligible major by the end of their junior year (half of those who have not yet successfully renewed, many of whom will be reinstated once admitted into their major this fall). Among those who did not renew the Career and Technical Scholarship, the top two reasons are graduation (nearly half and climbing of those who did not renew) and failure to complete the renewal process (just over half of those who have not yet renewed).

These Scholars, as well as the inaugural cohort of Graduate Scholars, have received their first disbursements of the academic year. These disbursements pushed the total scholarship funding WSOS has provided to just over \$104m. This funding has reached 14,444 total Scholars from every corner of the state. For Baccalaureate Scholarship, this funding pays for itself in two years of graduation through the higher earnings BaS graduates realize relative to their peers—a benefit that only scratches the surface of the impacts they, their families and their communities can realize for generations to come.

SCHOLAR PROGRAMS

BACCALAUREATE SUPPORT SERVICES

This academic year will mark the fourth iteration of the Scholar Lead program, which leverages peer mentorship to improve persistence outcomes for first- and second-year Scholars. New for this year are smaller groups of Scholars (ranging from 5 to 12 for each Scholar Lead, compared to groups ranging from 12 to 15 in the 2020-21 academic year) and increased outreach expectations for Scholar Leads. Scholars will now have at least 16 opportunities to connect 1:1 with their Scholar Leads during the academic year compared to 12 touchpoints in last academic year. To support Scholar Leads in executing these new responsibilities, we're ramping up staff advisor support and professional development opportunities. This year, we aim for 80% of Scholars to report having interacted with their Scholar Lead (a 9% increase over last academic year) and to have 95% of those who interact report that their Lead connected them with campus resources (a 6% increase over last academic year).

On October 1, the Skills that Shine (StS) mentorship program will launch. Our goal this year is for 80% of third-year Scholars (960) to actively participate in StS as mentees, which would reflect a 10% increase over last academic year. Also new for this year are clearer mentor-mentee meeting expectations – at least four meetings between October and May – and a goal that at least 90% of mentees would recommend StS to a friend. Mentor recruitment is happening now; if you or anyone you know might be interested in volunteering and/or sharing this opportunity, please contact us at skillsthatshine@waopportunitiescholarship.org. More information is available at <http://waopportunitiescholarship.org/sts>, and we will be recruiting mentors through September 24.

Skills that Shine is one component of our overall career development programming. New strategies this year that will help more Scholars prepare for their careers include a deeper integration of career development resources into Scholar communications, particularly for first- and second-year Scholars, and hosting virtual opportunities targeted at specific grade and skill levels.

CAREER AND TECHNICAL SUPPORT SERVICES

This year, we hope to launch a new pilot program, CTS Ambassadors. This program has been built on the Scholar Lead model with the same aim to leverage peer mentorship to improve persistence. We plan to recruit, select, and train a pilot group of 10 CTS Ambassadors this fall with an intended start date of January 15, 2022. Some Ambassadors will be assigned to their home campuses while others will serve regionally and support Scholars across multiple campuses. Similar to Scholar Leads, we would like to propose CTS Ambassadors receive a \$600 per term stipend. This request will be reflected in our proposed 2022 budget.

We plan to continue the industry mentorship pilot this year with an expansion of career fields represented. We will begin recruiting mentees and mentors in November so that we can launch mentorship pairs in January. Our goal is to host a mentorship pilot in winter, spring and summer quarters, with 30 mentees and 30 mentors in each pilot. If you or anyone you know might be interested in volunteering and/or sharing this mentorship opportunity, please contact us at ctssuccess@waopportunitiescholarship.org.

GRADUATE SCHOLAR SUPPORT SERVICES

We have selected the inaugural GRD cohort! Now that we have been getting to know Cohort 1 Scholars and their academic programs better, we are making final adjustments to the program for this academic year, such as refining the GRD disbursement model and finalizing a policy and process for accessing travel stipends.

DEVELOPMENT UPDATE

CAMPAIGN KICKS OFF

We welcomed our new senior development director, Nick Peyton, in July. He's been hard at work starting to kick off our campaign planning in earnest though we hope to begin formal work with campaign counsel in the fall. We have some exciting early gifts to the campaign to share at the meeting! We are still in the early stages of the campaign, but we look forward to modeling some potential scenarios live with the Committee in September.