

WASHINGTON STATE **OPPORTUNITY** SCHOLARSHIP

BOARD MEETING AGENDA THURSDAY, DECEMBER 16, 2021, | 1:00-3:00 P.M. REMOTE ONLY

Click on the Microsoft Teams link in the meeting invitation or dial in #: 425-616-0754 / passcode: 933.811.089#

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 September 16, 2021, Meeting	[Tab A]	Brad Smith Board Chair	1:00-1:05p
III.	Mission Moment: Opportunity Scholar Story	[Tab B]	Jeremy Bang GRD Opportunity Scholar	1:05-1:15p
IV.	Baccalaureate Selection for 2022 » <i>Board Action:</i> Approve selection criteria	[Tab C]	Steve Walker Awards Administration Director	1:15-1:20p
V.	\$75 Million Campaign in 2022	[Tab D]	Nick Peyton Sr. Development Director	1:20-2:05p
VI.	Program Update » <i>Board Action:</i> Approve RFP panel	[Tab E]	Javania Cross Polenska Deputy Director	2:05-2:25p
VII.	Finance & Program Administrator Update » <i>Board Action:</i> Approve 2022 Budget » <i>Board Action:</i> Approve new cohort size model	[Tab F]	Patrick Smith Finance & Investment Committee Chair	2:25-2:45p
			Kimber Connors Executive Director	
VIII.	Executive Session » Executive Director Performance Review		Jane Park Board Member	2:45-3:00p
IX.	Closing		Brad Smith Board Chair	3:00p

Important Dates

- 2022 Board meetings are forthcoming

Tab A

Minutes from the September 16, 2021, Board Meeting

**WASHINGTON STATE OPPORTUNITY SCHOLARSHIP BOARD MEETING
THURSDAY, SEPTEMBER 16, 2021, 1-3 PM, MICROSOFT REDMOND CAMPUS,
MICROSOFT TEAMS OR DIAL-IN MEETING MINUTES**

The Board of Directors of the Washington State Opportunity Scholarship (WSOS) convened on September 16, 2021, at the Microsoft Redmond campus, via Microsoft Teams and dial in. As such, the meeting was publicized as available to the public on the WSOS website.

Board members present at Microsoft Redmond campus: Brad Smith (Chair), Jane Park and Patrick Smith

Board members present via Microsoft Teams: Miller Adams, Joelle Denney, Latisha Hill, Gary Rubens, and Mike Wilson

Additional attendees: Jane Broom, Gina Breukelman, Kimber Connors, Jessica Monger, Nick Peyton, Javana Cross Polenska, Lianda Abraham, Michelle Barreto, Tori Campbell, Mesa Herman, Nicolas Khamphilom, Joanna Moznette, Brittany Nielsen, Cristal Rangel Peña, Vanesa Contreras Rodriguez, Yoko Shimomura, Dave Stolier, Sarah Szabo, Aileen Tubo, Steve Walker, Rachel Wyers and Irina Grubic

Meeting Called to Order

Brad Smith, the Board Chair, called the Board meeting to order at 1:00 pm.

Approval of Minutes

Jane Park moved to approve the minutes of the June 10, 2021, meeting. Patrick Smith seconded the motion, and it carried unanimously.

Mission Moment: Opportunity Scholar Story

Michelle Barreto, WSOS Baccalaureate Program Advisor, introduced Saori Hunziker, a Computer Science Scholar at Western Governors University. Hunziker grew up in Okinawa, Japan. She and her family moved to the United States about six years ago. Hunziker wanted to get an education in the US, but she was surprised how expensive tuition is. She decided to apply to WSOS, and she was accepted. Being a student at the WGU, Hunziker has been learning a new language and culture in addition to her studies in computer programming. She is also a busy mom raising two small children. Hunziker expressed her sincere gratitude for being selected by WSOS as only with this financial support she can afford to go to school. Park asked Hunziker if there are any other Opportunity Scholars she knows who are also immigrants studying in English as their second language. Hunziker answered there are likely immigrants in her group, but she does not know them personally. Brad Smith asked Hunziker about her experience interacting in an online model. She shared that it is easy taking classes online. Brad Smith thanked Hunziker for sharing her experience.

2022 Legislative Priorities

Jessica Monger, WSOS External Affairs Director, reported on the rising WSOS legislative priorities for the 2022 session and how WSOS fits within the landscape of higher education policy more broadly. 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 with many programs focusing on tuition only rather than the full cost of attendance. Monger stated that one such expansion in the state was the growth of the Washington College Grant (WCG) which became an entitlement program. Brad Smith asked Monger to clarify who was eligible for WCG and how that aligned with or differed from WSOS. Monger responded that the programs complement one another but WCG only supports students from families earning up to 75% of median family income whereas WSOS is available to students earning up to 125% of median family income. Miller Adams asked Monger if students are ever confused about

being only eligible for either WCG or WSOS. Monger affirmed we work hard to ensure potential applicants understand they are eligible for both.

Monger reported that communities of color, rural communities and those without a post-secondary credential have been most impacted by the pandemic. She highlighted that many state initiatives are focusing on these populations. She noted the pandemic placed Washington's 70% credential attainment goal at risk. (WA has an ambitious goal that 70% of high school graduates will earn a post-secondary credential by 2030.) Because WSOS serves these student populations and Covid has placed state attainment goals at risk, Monger stated WSOS is very well positioned with law makers as a tool for economic recovery. Park asked Monger to clarify what are included as "credentials". Monger responded these include any form of post-high school education – apprenticeships, certificates or degrees. Joelle Denney asked Monger if state initiatives are focused on credentials that are aligned with the jobs the workforce needs. Monger said the state is working on a variety of initiatives like Career Connect Washington, WSOS and Opportunity Grant to try and align their high education investments with workforce demands but not all programs are specific to high-demand fields. The group acknowledged there is work to be done to create better connectivity between employers and higher education institutions.

Monger then highlighted the WSOS 2022 legislative priorities. The priorities fall broadly into two areas: 1) to fine-tune and align elements of the Opportunity Scholarship program; and 2) to align WSOS and the Washington College Grant. In the first area, Monger stated the priorities would: add language to ensure the state match for the rural jobs program is provided automatically during the budget process; replace the minimum GPA requirement for rural jobs program with the requirement students meet satisfactory academic progress; and replace the income requirement for the Graduate Scholarship with a different measure of financial need. In the second area, Monger outlined the priorities would: replace the restriction we can only support Scholars up to a certain number of credits to using up to a certain number of terms; and add all apprenticeships eligible to receive WCG as eligible for WSOS. (These are outlined in full detail in the Board pre-read materials.) Brad Smith asked if seeking the state appropriation was a part of the priorities; Monger affirmed. Brad Smith then asked for an estimate of the state match requirement for next session and how the mechanics will work for pledges received. Monger outlined that we do not yet have a final state match calculation, but she would estimate about \$6.5 million. She indicated the request is based on the timing of cash received on pledges; the state appropriates funds to the fiscal year when cash is pledged to come in the door. Park motioned the Board approve the priorities; Adams seconded, and the motion carried unanimously. Kimber Connors expressed gratitude for Monger's hard work.

Fundraising Campaign Update

Kimber Connors, WSOS Executive Director, introduced Nick Peyton, WSOS Senior Development Director. Peyton stated that the campaign will not only raise \$75 million but will also be a catalyst that results in a sustainable fundraising program. Campaign success will be anchored by large gifts with 85% of the campaign revenue likely from approximately twenty 7- and 8- figure gifts at the Cornerstone and Leadership level. Just 15% of the campaign revenue will come from 6-figure Achievement level and Annual Fund gifts.

Denney shared that The Boeing Company has made a \$5 million pledge to WSOS. Connors thanked Boeing, Denney, Stan Deal and Gina Breukelman for their leadership in advocating for WSOS. Connors shared the WSOS team is coordinating with each of the three returning legacy partners to develop the appropriate public coverage of their gifts. Connors celebrated that this means the first \$30 million of the campaign has been secured. She stated the campaign is still in "quiet" phase until 80% of the goal or \$60 million has been raised. The team hopes to reach this goal by late 2022 or 2023. Brad Smith asked when the case statement and messaging framework would be available and noted the importance of Board members having voice in the messaging as key ambassadors and stakeholders in the campaign. Connors stated that the team planned to engage an outside consultant to complete a case statement refresh before the December Board meeting and would engage a sample of Board members in the process. Connors asked the Board to entertain a discussion about adopting the campaign as

comprehensive, meaning all funds raised from January 1, 2021, through December 31, 2025, would be considered toward the \$75 million campaign total. Brad Smith asked to clarify whether this included cash or pledges and cash and whether this would have any impact on donors' intent for funding. Connors affirmed it included pledges and cash and had no impact on donors' intent for funding.

Connors then explained that for the Finance & Investment Committee to support modeling of the campaign funding spend-down, she needed clear guidance from the Board on how much to focus on extending the scholarship (to 2030) versus expanding the scholarship (creating more seats). Connors also shared that the Finance & Investment Committee had asked to look at whether the current award level was adequate to support students, particularly those from low-income backgrounds, and whether increasing the award amount for certain subsets of students would enhance WSOS' impacts. Brad Smith reminded the group that the Board has jurisdiction over strategic decisions such as where the funding should go while the Finance & Investment Committee's role is to execute on the Board's vision. He also affirmed that Microsoft's intent in their early commitment to the campaign was first and foremost to focus on extending the scholarship through 2030. Amid the other efforts in the state to expand higher education funding, particularly for low-income students, Brad Smith stated it would be difficult to make the case to increase the scholarship amount. He suggested the Committee discuss three possible models for the campaign and bring a recommendation to the Board at the December meeting and emphasized it was critical to finalize these decisions before engaging in more donor conversations. Brad Smith noted having major donors participating in conversations early and consistently is critical to ensuring they keep confidence in funding WSOS. Denney affirmed Boeing's interest in funding the campaign was first to focus on extending the scholarship to 2030 as well and affirmed an interest in supporting messaging conversations.

Mike Wilson asked if expanding the scholarship would result in a considerable increase in administrative costs that aren't a direct benefit to students. He also asked if WSOS is proposing an expansion of support services. Connors affirmed there are no plans to drastically change the support services approach of WSOS since the model has proven successful. She noted there would be a possible small increase in programmatic supports needed for larger cohorts but an insignificant increase in operational expenses. Brad Smith affirmed a need to quickly clarify the campaign messaging. Patrick Smith commented that the Finance & Investment Committee meeting discussion may have been off track in suggesting other priorities but noted the future modeling would focus on the extension first with creating more seats at current award levels as a second priority. Connors clarified that even with just the first \$30 million of the campaign committed, the Board would likely hit its priority goal of extending to 2030; modeling would include putting remaining campaign funds toward supporting creating more seats beginning in 2022. Brad Smith asked for a motion that all funds raised from January 1, 2021, through December 31, 2025, be part of a comprehensive campaign. Park made the motion; Denney seconded, and it carried unanimously.

Program Update

Connors reported that since WA STEM isn't going to extend our contract, WSOS is moving forward with an RFP to find a new program administrator (PA). She overviewed the timeline (included in the pre-read materials). She noted there is potential interest from 5-6 organizations in applying. These conversations are flagging challenges that are new since the last RFP process, primarily: 1) With 27 FTE, WSOS is larger than most orgs looking for fiscal sponsorship; and 2) WSOS has established norms around things like compensation, benefits and hiring that may not align with new PA. Connors noted these are surmountable challenges but will be a part of the considerations for a right-fit partner.

Connors shared that planning for the transition is already underway. The transition plan to be finalized in spring 2022. Connors noted the 2022 budget request will reflect some of the uncertainties ahead because of the transition including: 1) the PA fee is not yet known for September 1 through December 31; 2) there will be transition costs to support the move which are yet unknown; 3) there are some fees that are currently covered by WA STEM that may or may not come with a new PA; and 4) there will be a required PTO payout for all employees before the transition to the new PA. Connors noted these transition costs are part of the reason WSOS prefers finding a long-term fit PA partner during this round. Brad Smith

inquired for more details on the PTO payout. Connors specified that per the WA STEM Employee Handbook, all employees are entitled to a PTO payout upon termination. In the transition from one PA to another, all employees are terminated from WA STEM and will be rehired by the new PA, resulting in a required PTO payout.

Javania Polenska, WSOS Deputy Director, was introduced as the lead for the RFP transition and outlined the principles for the transition (outlined in detail in the pre-read). Brad Smith inquired whether the RFP process was having a negative impact on staff morale and affirmed the Board's support for ensuring an excellent staff experience. Polenska stated WSOS has been creating opportunities to hear staff concerns and is focused on understanding what impacts a new PA will have for the staff experience. Denney offered to lend her HR expertise to the process.

Brad Smith asked for more details from Dave Stolier on the legislative language that requires WSOS have a PA rather than operating with its own independent back-office support. Stolier replied that the PA structure creates complexities and noted that if WSOS were to become an independent entity, it would make all WSOS employees public employees, add restrictions to how WSOS could operate as a public agency and mean donors would lose the tax benefit of donating to a registered 501(c)3. Brad Smith commented there may be a future opportunity to explore creative options but not likely to be discovered before next legislative session and the RFP process. Wilson asked why we aren't renegotiating our contract with WA STEM; Connors noted WA STEM has had a change in strategic plan and decided program administration is not in their book of business. Their team felt they couldn't realize economies of scale in program administration unless they were to take on other clients as fiscal sponsor, so their Board voted not to renegotiate the contract.

Connors shared a summary of programmatic activities. She highlighted WSOS has invested more than \$100,000,000 in scholarships for high potential students. The renewal survey reveals Opportunity Scholars value WSOS:

- 95% of BaS recipients say they are more likely to graduate because of the WSOS support.
- 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 to 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.

Steve Walker, WSOS Awards Administration Director, added that the WSOS team reviewed renewal and application rates to understand the impacts of Covid. They found the renewal rates were relatively stable year-over-year, but we saw higher than usual applications suggesting people are seeking any resources they can.

Connors noted that Baccalaureate Scholarship support services are humming along and being refined, Career and Technical Scholarship support services are growing thanks to generous support from Boeing, and the first recipients of the GRD Scholarship have been selected. WSOS made a change to disbursement cadence & finalized the travel stipend. She mentioned the WSOS team is actively recruiting mentors and invited Board members to mentor or help spread the word.

Connors overviewed a programmatic shift to the GRD program. Based on first-year participant feedback, we learned an equal distribution of dollars across terms would simplify the process for partners and ensure Scholars have more predictability. Polenska affirmed that in this first year for GRD we would continue to learn and adapt to best meet student needs. Adams responded it's great we are responsive to what is the best for Scholars.

Kimber reported on the coming OpportunityTalks Breakfast to celebrate the WSOS tenth anniversary. Brad Smith suggested we use this opportunity to show some numbers reflecting the impact of the WSOS.

Adams suggested to take advantage of the opportunity to talk about the WSOS 10-year history and thank the people who started it. Connors affirmed sharing impact data and showing gratitude for key partners was central to the planning for the virtual event featuring Roz Brewer, CEO of Walgreens Boots Alliance. Connors invited all Board members to create a virtual table and invite attendees. Wilson asked for clarification about how previous guests have been invited to the breakfast which Connors answered.

Finance & Program Administrator Update

Patrick Smith, Chair of the WSOS Finance & Investment Committee, reported that the Committee met on September 9. A full packet of the meeting materials is included in the Board meeting pre-read.

Patrick reported that as of 7/31/2021 the Total Assets were \$126.4 million which is a 13% increase from 4/30/2021 (last reported period) and 5% increase from 7/31/2020. The increase is due in large part to new 10-year \$10 million pledge from Gary & Jennifer Rubens in support of all scholarship programs. The final Rubens pledge payment of \$2.5 million was received in June that cleared the pledge made several years ago. Net investment earnings/gains from May-July 2021 across all scholarship accounts was a positive ~\$2 million. This was offset partially by \$350K pulled from WSIB CTS account to help fund scholarships. State Match receivable for months of March-July 2021 was recorded in July (~\$3.4 million) based on new round of state appropriations available. These state match funds were received in early August to help fund the major fall scholarship disbursement cycle. CTS implementation funds (final amount) of \$62.5K was received in July from the state. Scholarship refunds also exceeded disbursements during this period. Other major pledge receivables are in the works but were not official as of 7.31.21.

The total Liabilities as of 7/31/2021 were \$20.8 million – this is a -2% decrease since 4/30/2021 and -26% decrease since 7/31/20. The decrease since April 30 is largely explained by the scholarship disbursements of \$426.5K (BaS \$35K and CTS \$391.5K). As a reminder, Cohort 10 of BaS, Cohort 3 of CTS and Cohort 2 of RJI will be recorded as usual in the month of August. This will increase the liability on that date. Furthermore, the maiden Cohort for GRD was also selected in August and the liability associated with those scholarships will be reflected in August and presented at the next finance committee meeting. Total net assets are of \$105.6 million which is 17% increase from Period End 4/30/2021.

Patrick Smith highlighted how hard the WA STEM finance team worked to track down and close out the final reconciliation amounts from the CSF unmatched private receipts project and expressed his and the Committee's support for closing the issue. He reported that Salaries and Benefits are expected at year-end to have a savings between \$128K-\$183K. Patrick Smith noted Connors had suggested at the Finance & Investment Committee meeting we use these savings on consulting support for the campaign and the Committee is supportive. He summarized the conversation from the Committee on the determination not to include greater market returns in the annual budget.

The meeting didn't go into Executive Session.

The meeting adjourned at 3:03pm.

Respectfully submitted,
Irina Grubic

Tab B

Mission Moment: Opportunity Scholar Story

SCHOLAR SPOTLIGHT



JEREMY BANG

**Psychiatric Mental Health Nurse Practitioner
Seattle University**

ABOUT JEREMY

Graduate Scholar Jeremy is in the Psychiatric Mental Health Nurse Practitioner (PMHNP) program at Seattle University. He currently works as a Registered Nurse (RN) on the Housing Health Outreach Team at Neighborcare Health's Pike Place Market Clinic. Jeremy cares deeply about working with medically underserved populations and after graduation plans to continue to put his skills to use with this patient population. Jeremy just finished a practicum course at Valley Cities in Kent, WA, a clinic that provides inpatient and outpatient mental health and substance abuse disorder treatment. He is particularly passionate about working with men to broaden their emotional vocabulary, normalize sensitivity and nurturing behaviors, and encourage healthy and safe relationships.

IN HIS OWN WORDS

"Given the experiences I've had working in Neighborcare Health's Federally Qualified Health Center (FQHC) clinics, I plan to continue my work here as a Psychiatric Mental Health Nurse Practitioner (PMHNP). This role is important to me because of the inspiring changes I've seen in my patients engaged in community mental health. Care that prioritizes trust and patient-centered decision making is central to the skillset I will need as a PMHNP, and I will be proud to continue working in this area and showing others how rewarding this work can be."

Tab C

Baccalaureate Selection for 2022

Baccalaureate Scholarship Selection Guidelines Proposal:

The purpose of creating these selection guidelines is to have an objective approach of selecting BaS applicants. Through our promotional and recruitment efforts, we will have a competitive applicant pool representative of the state. Through these guidelines, our goals are to select applicants:

1. Who are heading into high-demand careers and jobs across Washington state
2. Who are more likely to complete their degree or program if they receive WSOS
3. Who are likely to graduate with a degree in STEM or health care

To maintain objectivity, our selection process needs to be guided by a set of goals or principles that align with our organization's mission. To aid this process, we've established target points that an applicant can receive for each factor while also setting limits on the influence of any one factor.

Below are the proposed selection guidelines with target point allocations for the 2022 application. These are identical to those for the 2021 application. We select Scholars based on the highest total number of points received until we have selected the cohort. BaS applicants can earn a maximum score of 100 points using the following selection guidelines:

1. **Selecting applicants who are heading into high-demand careers across Washington state.** This guideline indicates the applicant's path toward a high-demand career.
 - a. Majors – maximum points allocated: 25 pts
 - i. Limitation: In our current process, the highest demand majors are weighted more than the lowest demand majors. Applicants who select the highest demand majors should not be more than 5x as likely to be selected than those who select the lowest demand majors. Only majors with at least 100 eligible applicants will be considered for this limitation factor.
2. **Selecting applicants who are more likely to complete their degree or program if they receive WSOS.** This second guideline indicates the applicant's need for this scholarship. Factors include household income and first-generation status.
 - a. Household income – maximum points allocated: 20 pts
 - i. Limitation: Low-income applicants should not be more than 3x as likely to be selected than middle-income applicants.
 - b. First generation – maximum points allocated: 15 pts
 - i. Limitation: First-generation applicants should not be more than 4x as likely to be selected than non-first-generation applicants.

3. **Selecting applicants who are likely to graduate with a degree in STEM or health care.** This third guideline indicates the likelihood an applicant will complete a STEM or health care degree.
 - a. Cumulative GPA – minimum points allocated: 20 pts
 - b. Essays (STEM and Resilience) – minimum points allocated: 20 pts (10 pts per essay)

Throughout our review, if any limitations are exceeded, we decrease the points for that criterion until we reach the limitation. Any points deducted from the major, household income and first-generation criteria will be evenly distributed between the GPA and essay scores.

**But first...Career & Technical
Scholarship outcomes!**

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

PRELIMINARY IMPACT: COHORT 1

Graduation

2x

**more likely to
graduate to date**

(25% vs. 50%) comparing
those barely selected to
those nearly selected

Labor Market

Average salary

3x

**higher than
when applied
(\$15K to \$50K)**

BACCALAUREATE SELECTION FOR 2022

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

SELECTION PRINCIPLES

- Select Scholars who are heading into **high-demand careers** across Washington state
- Select Scholars who are **likely to graduate with a degree in STEM or health care**
- Select Scholars who are more **likely to complete their degree or program if they receive a scholarship**

BACCALAUREATE SELECTION MODEL OVERVIEW

Factors	Purpose
Intended Major	Prioritize the jobs WA needs most
Family Income	Prioritize applicants least likely to graduate without our support
First Generation	Prioritize applicants least likely to graduate without our support
STEM Essay	Prioritize applicants most likely to graduate in STEM / HC
Resilience Essay	Prioritize applicants most likely to graduate from college
GPA	Prioritize applicants most likely to graduate from college

BOARD VOTE: BaS SELECTION PRINCIPLES

Factors	2021 Weighting	2022 Proposal	Limitation Factors
Intended Major	25	25	Applicants that select the highest demand majors should not be more than 5x as likely to be selected than those that select the lowest demand majors
Family Income	20	20	Low-income applicants should not be more than 3x as likely to be selected than middle-income applicants
First Generation	15	15	First-generation applicants should not be more than 4x as likely to be selected than non-first-generation applicants
STEM Essay	10	10	No limit. All points deducted from the factors above will be evenly distributed between GPA and the essays.
Resilience Essay	10	10	
GPA	20	20	

Tab D

\$75 Million Campaign in 2022

The Campaign for WSOS

"I grew up in eastern WA in an immigrant family. If I really want to go into computer programming, I need to have lots of things to back me up. When I got the letter from WSOS, it changed everything for us."

-Yarely,
Baccalaureate Scholar



Addressing an Urgent Need

Today, businesses across the state of Washington are eager to hire people in trade, STEM and health care jobs. But we have a critical shortage of skilled workers in these high-demand fields. At the same time, thousands of young people across our state are eager to go to college to study in these fields. But they lack the financial resources and support systems to complete their education and move into these jobs. We are at an inflection point when it comes to talent development in our state. **This is where the Washington State Opportunity Scholarship (WSOS) comes in.** Our proven model addresses **both** these growing needs in our state: the talent gap and the opportunity gap. If we act now, we can ensure that the next generation of students can attend college — and that businesses have a diverse and talented workforce to fill essential STEM and health care jobs.

A decade ago, the public and private sectors came together to do something no other state had ever done. We created WSOS—a first-of-its-kind program where private donations are matched by state funds to help students earn degrees in high-demand fields. Since WSOS launched, the private sector has donated more than \$100 million, and the Legislature has matched every dollar received. WSOS has used that funding to provide scholarships and critical support services to more than 14,000 students who reflect the full range of our state's diversity. **The results have exceeded everyone's expectations.** Over the last 10 years, Opportunity Scholars have graduated on time, carry less debt and have had more success getting high-demand jobs. Now they are building strong financial foundations for themselves and their families.

But what about the students who will enter college in the future? We must invest now to ensure that students, especially those from low- and middle-income families, have these opportunities. It is the only way we can develop a skilled workforce in our state and meet the needs of Washington businesses. **That's what the new WSOS campaign is all about.** It's an opportunity for our companies, philanthropists and civic leaders to come together, alongside our partners in state government, and commit to building on the progress of the last 10 years. Our success cannot be short-lived. We must reaffirm our commitment to the diverse students who grow up in our own state and the businesses that create jobs here. We have an opportunity—not only to sustain what we started—but to **broaden** our efforts. WSOS seeks to galvanize \$75 million in philanthropy over the next four years. This will ensure that more students continue to get the education they need, and businesses can hire diverse talent that will drive innovation and economic progress in Washington. We all want economic prosperity for ourselves, our families, our communities and our state.

We need committed, visionary leaders to stand with us. If you'd like to be part of this unique effort that is proven to change people's lives and help businesses thrive, keep reading and join us.



An Urgent Need for STEM graduates

The state of Washington has a thriving economy and the opportunity to build a brighter future. Technology and innovation are reshaping every region of the state, requiring a dramatic increase in a workforce that is trained in STEM, health care and trade industries.

Most jobs in the state of Washington over the next decade—especially those that will support a living wage and good quality of life—will be filled by people who have postsecondary education in these fields. The problem is this:

We do not have enough Washingtonians
with the education, skills and training to fill these jobs
that power our economy.

At WSOS, we believe the future can be better. And we know it's our responsibility—and our privilege—to be a part of building it together. That's what WSOS is all about. **Making a better future.**

Washington has one of the highest concentrations of STEM jobs in the nation, and our economy is poised for continued growth. We are renowned for innovation in aerospace, computer science, biotechnology, online retail, medical research, health care and agriculture technology. We need to act now to help prepare the people we will need to fill STEM, trade and health care jobs over the next 10 years. Everyone in our state will be impacted if we do not address this urgent need to keep our economy thriving. **We've got the right people in our communities and the right companies to take our economy into the future.** Our task is to connect these talented, bright Washingtonians to the pathways that lead to the jobs our industries need by removing the real, systemic barriers in their path.

Barriers to Equity in Education

Today there are tens of thousands of talented students all over the state of Washington who are motivated and capable of pursuing the higher education pathways that lead to family-wage jobs. But for too many of these students, the lack of financial resources and supports prevents them from attaining their degrees or credentials. This is especially true for low- to middle-income students, those living in rural areas, students of color and first-generation students, many of whom face complex, systemic barriers including poverty, racism and cultural bias. Each student's story is unique, but they all share one thing in common.

They want to succeed.

Edgar wants to become an engineer and design medical devices, but he is the first in his family to go to college and has little support.

Angela loves computer science, but she doesn't know any Black women in this field and needs childcare for her son while she gets her degree.

Jim lives in a rural community and lost his steady job during Covid. Now at the age of 35, he wants to attend community college to become a pharmacy tech in his community.



A Time for Action

The state of Washington is at a crossroads. To continue to thrive as a hub of innovation and economic growth, we have an opportunity and responsibility to ensure the next generation of Washington students—regardless of background—is prepared for the jobs of tomorrow. We must create the conditions where students of all lived experiences and circumstances can succeed and businesses can depend on a world-class, local workforce. As companies strive to take meaningful action to support diversity, equity and inclusion, investing in building a diverse talent pipeline is a must.

The Solution

In 2011, top leaders in state government, industry and education came together to build a **new model for workforce development**. WSOS was created to remove financial barriers for students from diverse backgrounds and create pathways into high-demand, high-paying jobs. We do this by providing scholarships as well as comprehensive support services.

*WSOS invests in Washington students
to fill Washington jobs
and keep Washington companies strong.*

WSOS was the **first public-private partnership of its kind in the nation**. The state Legislature matches every private dollar raised, extending and deepening the impact of every gift.

“WSOS is achieving something that few organizations have been able to do in our state. We, as a state, believe in the power of this program. That’s why we match every dollar.”

-Sen. Emily Randall, 26th LD

Democrat representing the SE Kitsap Peninsula

“Above all else, WSOS creates access. I’ve personally seen the value this program brings to the lives of constituents in my district and the excitement it generates when students get access to opportunity and education. Particularly for first-generation college students, this public-private partnership made their dreams possible and makes all the difference for our students.”

-Sen. Shelley Short, 7th LD

Republican representing NE Washington state

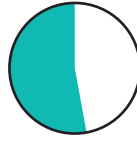
There is no other program that leverages money at this scale to fuel the workforce pipeline, increase opportunity for students and advance equity in education.

At WSOS, we focus on supporting people who have been furthest from education opportunity: low- and middle-income students, people of color, folks from rural areas and first-generation college students. We support a broad spectrum of students and aim to prepare more people who have been historically underrepresented in STEM and health care fields to change the future of our workforce—for example, preparing more women to enter engineering and rural students to work in health care professions.

Opportunity Scholars are...

100% from low- to middle-income families

56% women



from  **100%** of Washington counties

Nearly **7 in 10** students of color



Two-thirds first-generation college students



*“These scholarships send a message to students. We see them. We **believe** in them—and we value them.”*

-Brad Smith

President and Vice Chair of Microsoft and WSOS Board Chair

Students from these communities are **eager** to enter these high-demand fields, but they face systemic barriers and a lack of social capital that make access difficult. To help overcome these barriers, WSOS provides mentoring, networking and access to work-like experiences to help Opportunity Scholars complete their education and earn high-demand jobs with career paths ahead of them. Our alumni have the education, training and confidence needed to succeed in high-demand fields. Opportunity Scholars contribute to the growth and innovation in our state **and have access to our shared economic prosperity.**

“I see WSOS as part of the civil rights movement in how it impacts higher education.”

-Jan Yoshiwara

Executive Director

WA State Board of Community & Technical Colleges



“Students tell us WSOS gives them more than money and support. It gives them a sense of belonging.”

-Jane Broom

Microsoft Philanthropies

What Makes the WSOS Model Unique

Bipartisan support: This is an innovative, public-private collaboration—where industry invests in our community alongside the state. In a time when it seems we can agree on so little across the political aisle, this program has bipartisan support.

State-wide: Our Scholars come from all counties and legislative districts in WA with a focus on underserved areas of the state. This means our programs are **dedicated** to supporting students who come from low-income families and rural communities as well as people of color and first-generation students.

Baccalaureate Scholarships: We support students in over 170 high-demand programs at more than 60 eligible institutions. Our scholarships go **beyond** tuition. Dollars are flexible and can be used to pay for other critical cost of attendance needs like transportation, childcare, food and lodging.

Community & Technical Scholarships: We know not all high-demand jobs require a bachelor's degree. We support students in more than 2,000 trade, health care and STEM programs at the state's 34 community and technical colleges. These students are pursuing apprenticeships, certificates and associate degrees.

Graduate Scholarships: The newest scholarship in our portfolio supports students who are pursuing advanced degrees to become nurse practitioners in medically underserved areas of our state. The need for highly qualified professionals who can provide primary care as well as mental health services is even more necessary in a post-Covid world.

Rural Jobs Initiative: The Rural Jobs Initiative (RJI) started in 2020 at the urging of the Legislature. WSOS now targets additional dollars for rural students who face extraordinary barriers to education. We ensure those who are farthest from a community and technical college have access to the training that leads to a high-demand job in their rural community. More than tuition, these scholarships pay for things like travel to distant campuses as well as laptops and Wi-Fi hotspots to enable distance learning.



“I was so scared I wasn’t going to be able to start my program. Being a disabled, single mom from a very poor, rural community is hard enough. Trying to get an education on top of that... it just means everything in the world to have this opportunity.”

-Vanessa
Scholar in first RJI Cohort, Lower Columbia College

Student Support Services: One of WSOS' great strengths is our adaptability over time. When this program first launched, we only offered scholarship funding. But we heard from Opportunity Scholars and stakeholders that this wasn't enough—students needed more than just money for college. They needed people in their corner who believed in them and helped them navigate the system. Our support services are a fundamental reason why our Scholars graduate faster, take on less debt and earn a higher average salary than their peers. For our flagship bachelor's degree program, these are the support services that make all the difference to students.

1. **Scholar Lead Program:** From day one, our Scholars are matched with a peer mentor. Scholar Leads assist new Scholars as they familiarize themselves with campus, develop a community and begin pursuit of their STEM or health care degree.
2. **Skills that Shine:** Skills that Shine is our signature industry mentorship program that connects Scholars to STEM and health care professionals around the state. In their third year of college, Scholars have a nine-month relationship with a mentor who develops their career readiness through a guided curriculum. In 2020-21, we had 871 scholars and 846 mentors from 162 companies participating in the program. This was our largest cohort to date.
3. **Scholar Career Development Services:** As Scholars approach graduation, they have access to career support from WSOS, including exclusive Industry Insider opportunities offering Scholars priority access to work-like experiences like shadowships, internships and entry-level roles.

We've shown that we can change to meet student and workforce needs as they evolve. Our trusted relationships with Scholars, higher education partners and business leaders give us key insights so we can customize our programs and create better outcomes.

The Proof That It Works

We've surpassed our visionaries' boldest dreams of what this program could accomplish. Our Scholars are completing their degrees, launching their careers and representing the rich diversity we need in our workforce. WSOS has served more than 14,000 Opportunity Scholars to date and distributed more than **\$104 million in scholarships** since 2011. We're on track to serve **20,000 students by 2025** with this life-changing scholarship.

The combination of our Scholars' **perseverance and talent**, coupled with WSOS' **innovative support**, is changing lives, businesses and communities across the state.

Today WSOS is a proven model with 10 years of clear outcomes that tell a powerful story of thriving students, business and communities. More than **6,100 Scholars** have earned their **baccalaureate degree** and nearly **300 have earned a community or technical college credential** thanks to WSOS' support.



Our Baccalaureate Scholars:

are **2x likely to graduate in four years** when compared to their peers.

graduate faster than the national average. **79%** graduate within 6 years as compared with a national average of 61% for public institutions and 67% for private institutions.

earn well over **2x what their families were making** when they applied.



earn an average **annual salary of nearly \$90,000** (five years after graduation).

This translates to additional lifetime earnings of well beyond **\$2 million per Scholar** or \$10 billion in lifetime earnings across our 5,000+ Baccalaureate graduates to date.

Career and Technical Scholars Highlights

We've supported more than **1,200 students** in our Career and Technical Scholarship to date.

Of those recipients, almost 50% are pursuing careers in health care, 20% in the trades, 20% in IT and 10% in engineering and manufacturing.

Recipients earn **3x** what their family made when they entered college, making an average salary of almost **\$50K** within one year of graduating.

Impact on the Talent Pipeline and Workforce in WA

4 out of 5

graduates are working in a STEM or health care high-demand field.

WSOS has helped launch the careers of more than **1,000** engineers, almost **1,100** scientists, **700** computer scientists and over **1,100** health care professionals.

Biology, engineering and health care represent **almost three quarters (71%)** of all baccalaureate degrees earned to date.



"I'm so proud to be an Opportunity Scholar alumna. I can honestly say that I don't know how I would've been able to finish my undergraduate degree without this amazing program. I truly feel grateful to be a part of a company and a state that are so invested in important programs like this one. I would like to thank everyone who continues to be involved and encourage others to join. You are helping change so many lives, including my own."

-Asa

Opportunity Scholar Alumna
Water Solutions Engineer at Parametrix

The Unmet Need

More students need support from WSOS, and we must be ready to provide it, now and in the years to come. Last year, we were only able to **select 29%** of eligible applicants for the bachelor's degree program—and **only 38%** of eligible applicants for the career and technical scholarship. This means that more than **60-70%** of deserving students were **not** selected. These are highly qualified students, interested in pursuing credentials in the fields our state needs most.

Last year alone, about **2,700 eligible students were denied**.
Imagine what it would look like if these students were pursuing jobs in the fields we need most.

To support the next generation of students, we must act now. By 2030, WSOS aims to serve ___ % more students—significantly increasing the number of diverse students who are earning higher-education credentials that give them entry into Washington's high-demand jobs.

The Next Five Years: \$150 Million for Innovation & Equity

WSOS' mission is even more important today than it was 10 years ago. The number of STEM, trade and health care jobs in our state is increasing rapidly each year. Companies need a stronger talent pipeline to thrive. Businesses want to hire people from diverse backgrounds because they know the value these employees bring. In addition, the Covid pandemic continues to highlight inequities in our communities in stark ways—especially in rural communities, where post-secondary options are limited and for low-income families and people of color who have been disproportionately impacted. Regardless of where students live or their lived experiences, the cost of education is rising—and many low- to middle-income students face food insecurity, housing insecurity and limited childcare.

The Call to Action:

WSOS must **extend** our commitment to the next generation of students and **provide more** scholarships to more eligible students.

The plan for the next five years: Raise **\$75 Million** in philanthropy.

The state will match dollar for dollar—bringing the total to \$150 Million.

This money will:

- Give WSOS the power to **extend** its current level of commitment to 2030 to ensure we can serve today's middle schoolers.
- Give WSOS the power to serve more eligible students each year, **increasing the number of new Scholars** in the talent pipeline today.
- Give WSOS the **capacity** to continue providing the high-impact support services that ensure our Scholars' success.

“When our Scholars put ‘WSOS’ on their resumes, it means something. It means they have a highly valued credential and are ready to do the work. We are not only opening doors for women, people of color and first-generation students, we are making sure they can walk through those doors.”

-Javania Polenska,
WSOS Deputy Director

Benefit to Our Community

If we have learned anything as a society in the last two years, it is how deeply interconnected we truly are. Our health, safety, and prosperity are inextricably linked. A key part of the solution to our economic crisis is to **rebuild in a more inclusive way**—ensuring that we don’t continue to leave certain communities behind, such as rural families, BIPOC communities and people in low- to middle-income families.

The combination of our Scholars’ **talent and perseverance**, coupled with WSOS’ **innovative support**, is changing lives, families and communities across the state.



“I cried when I got the letter. WSOS gave me a lot of opportunities and a lot of support. I want to be an internal medicine physician in a small town. I want to give back to a community similar to the one that helped raise me.”

-Lia
Baccalaureate Scholar

WSOS is a win-win-win.

Students gain the education they need to access economic prosperity. Their families have improved quality of life and hope for the future. Baccalaureate Scholars are **earning twice** what their families were making when they applied helping to break the intergenerational cycle of poverty.

Businesses gain a workforce that is filled with **diverse talent**, ready to enter high-demand careers in Washington. Employers get to take real action and “walk the walk” by investing in WSOS. Hiring locally allows employers to capitalize on the best and brightest here at home while **reducing turnover, recruiting and relocation costs**.



State economy and taxpayers win. When more Washingtonians are employed in high-demand careers, they make more money, pay more in taxes, utilize fewer state support programs and can more fully participate as citizens. WSOS’ Baccalaureate graduates are earning an average salary of nearly \$100,000 five years after graduation—this translates to lifetime earnings of more than \$2 million per Scholar. With more than 5,000 graduates in the field and growing, this means **billions more** in lifetime earnings are **driving our economy**.



“WSOS is a long-term, sustaining proposition for our state and should be woven into the fabric of our community.”

-Joelle Denney

WSOS Board Member
Vice President, Human Resources
Boeing Commercial Airplanes

Your Gift Will Accelerate Innovation & Equity

Join the Movement for Innovation & Equity in Washington State

When you give to WSOS, you are joining a state-wide movement of individuals and innovative companies who want to:

- Build a strong workforce with skills in STEM, trade and health care
- Ensure Washington companies have the local talent they need to grow and thrive
- Advance equity in education to maximize the talent of those in our state who face barriers

Committing to workforce development and equity means taking action. A gift to WSOS is exactly that. It's your values in action. When you invest in WSOS you are helping change individuals, businesses, and communities across our state. Your community.

**Opportunity Scholars become your neighbors,
your colleagues, your health care providers.**

Be a part of building the talent pipeline WA needs. We can solve this dual problem. We know innovative business solutions are driven by diverse talent. WSOS is a source for this talent. By investing in WSOS, you are accelerating more talented young people from diverse backgrounds into the high-demand jobs our state needs most.

Live your values: WSOS' mission aligns with those who commit to supporting inclusive economic opportunity, equity in education and DEI principles. When you support WSOS, you demonstrate philanthropic leadership by expanding opportunity and shared prosperity.

Students are counting on us. Businesses are counting on us.
Communities are counting on us.

Together, we can do this.

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

877.899.5002

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1414 31st Ave. S, Ste 302, Seattle, WA 98144

waopportunitiescholarship.org



Washington State Opportunity Scholarship \$75 Million Comprehensive Campaign

Campaign Planning | Working Document
October 18, 2021

I. Campaign Goals

The Washington State Opportunity Scholarship is at a pivotal point in its growth and evolution. To achieve its goal to extend the scholarship program to 2030 and increase the number of students served, WSOS is launching a 5-year comprehensive fundraising campaign to raise \$75 million in private philanthropy by December 31, 2025. Every dollar raised during the campaign will be matched 1:1 by the state of Washington, resulting in \$150 million to support and empower the next generation of Opportunity Scholars.

The following **goals** will anchor the campaign plan and drive the design of WSOS's fundraising objectives and strategies over the next four years:

1. **Raise** \$75 million in private philanthropy between January 1, 2021, and December 31, 2025, to advance the mission, capacity and outcomes of WSOS.
2. **Amplify** WSOS's brand, impact, and value proposition, positioning WSOS as the most effective and well-known scholarship program in the state and a go-to organization for companies across Washington to support.
3. **Inspire** and **engage** a deep bench of highly connected, influential volunteer WSOS ambassadors who care about, champion and advocate for WSOS's mission throughout (and after) the campaign.
4. Exponentially **grow** and **diversify** WSOS's base of support and increase the volume and types of donors, funders and corporate partners supporting the organization with their philanthropy.
5. **Build** a high-performing and high-ROI fundraising program that will, after December 31, 2025, be able to raise \$10 million in revenue annually should the continuing value proposition of WSOS remain relevant.

This campaign is vital to continuing the mission of WSOS. The campaign will be a catalyst for galvanizing philanthropy for a mission that is growing in importance every day. The entire effort will ensure a new generation of talented students are able to rise into jobs that companies in our state need in order to thrive. **The campaign will pave the pathways** into high-demand Washington careers for Washington students.

II. Pathway to \$75 Million

The graphic below illustrates how catalytic the campaign years will be to WSOS’s long-term sustainability. It also paints a contrast between WSOS’s fundraising outcomes in recent years (primarily from one breakfast event) compared to the fundraising effort needed to raise \$75 million and achieve the broader campaign goals.



Background on Campaign Feasibility

In 2020 WSOS commenced a Feasibility Study Advisory Committee of nine people, including Board members Jane Park and Gary Rubens. The Committee was chaired by Douglas Barrancotto, Chief of Staff, Azure at Microsoft. The study was conducted by an outside firm and tested the feasibility of a 5-year, \$100M campaign. The study identified < \$1 million in potential campaign commitments, in part because key cornerstone partners were not among the 20 WSOS donors who were interviewed. However, study participants unanimously and enthusiastically agreed that extending WSOS to 2030 and serving more students is vitally important. This key finding was validating and encouraging.

Then, in spring/summer of 2021, three of the original cornerstone investors renewed their philanthropic support to WSOS. With a \$10 million pledge from Gary and Jennifer Rubens, \$15 million pledge from Microsoft and \$5 million pledge from Boeing, a combined \$30 million has been raised in early campaign commitments. Together, their collective investments provide 40% of the campaign goal. Their belief in WSOS, generosity and endorsement gave the full Board the confidence to vote to launch a \$75M campaign (adjusted from the original \$100M goal) at the September 2021 Board meeting.



Table of Gifts

WSOS is charting the pathway to raise the remaining \$45 million. The table of gifts below lays out an approach to reaching this goal. This approach takes into account the current state of WSOS's small donor prospect pool and the vision to exponentially grow and diversify the volume and types of donors, funders and corporate partners who will financially support the organization.

The table of gifts is based on a traditional pyramid-shaped distribution and campaign best practices. In this case, reaching the goal is predicated on 83% of the campaign revenue coming from the top 12 gifts, which will require two additional Cornerstone Level investors and eight Leadership Level gifts. Achievement Level gifts will make up 10% of the goal. The remaining 8% will come from Annual Fund Level gifts between \$1.00 - \$50,000.

\$75 Million Comprehensive Campaign Goal Table of Gifts

January 1, 2021 - December 31, 2025

Gift Categories	Gift Amount	Number of Gifts Needed	Qualified Prospects Needed	Confirmed Pledges	Category Total	% of Total
Cornerstone Investor	\$15,000,000	2	8	1	\$30,000,000	
	\$10,000,000	1	4	1	\$10,000,000	
	\$5,000,000	2	8	1	\$10,000,000	
		5	20	3	\$50,000,000	67%
Leadership Level	\$2,500,000	2	8		\$5,000,000	
	\$1,000,000	6	24		\$6,000,000	
		8	32		\$11,000,000	15%
Achievement Level	\$500,000	10	30		\$5,000,000	
	\$250,000	6	18		\$1,500,000	
	\$100,000	12	36		\$1,200,000	
		28	84		\$7,700,000	10%
Annual Gift Level	\$50,000	50	150		\$2,500,000	
	\$25,000	30	90		\$750,000	
	\$10,000	80	240		\$800,000	
	\$5,000	50	150		\$250,000	
	\$1 - 4,999	Many	Many		\$2,000,000	
		200+	630+		\$6,300,000	8%
CAMPAIGN TOTAL					\$75,000,000	

III. Campaign Timeline

WSOS's campaign years will span from January 1, 2021, to December 31, 2025. This five-year period gives WSOS important runway to prepare for and implement four of the most important ingredients for campaign success: 1) time to build the necessary fundraising infrastructure; 2) time to recruit effective volunteer leadership; 3) time to implement a robust public relations and communications strategy; and 4) time to grow a strong pool of engaged and qualified donor prospects.

WSOS's campaign will have **four distinct phases**. That said, campaigns are not linear. Sometimes it takes less time to raise money than expected, and sometimes it takes more time. The timeline is an important guide for planning, but it will be key to stay flexible and adjust as the campaign unfolds.

A. Planning Phase | 12 – 18 Months | January 2021 – Spring 2022

The planning phase is critical to setting up any campaign for success, regardless of its size or purpose. The goals for this phase are to author a compelling case for support, complete a feasibility study, conduct SWOT of the fundraising program, develop internal fundraising procedures and systems, establish a campaign staffing structure (and hire) and engage campaign counsel. In addition, WSOS will: confirm alignment of the organization's priorities both internally and with the Board; adopt a table of gifts; recruit campaign volunteer leadership; develop a robust public relations and communications plan to support the campaign's success, preparing campaign video assets and materials; and create a strategic and measurable campaign plan.

B. Quiet Phase | 18 – 24 Months | Spring 2022 – Fall 2023

Concurrent to the final stages of planning, WSOS will move into the Quiet Phase. The goal for this phase is to close 80% of the campaign goal (\$60 million) before publicly launching the campaign with a substantial public relations effort. WSOS has already secured 40% of the goal because of the generosity of WSOS's inner circle of original cornerstone partners. Now WSOS needs to engage high-capacity prospects *beyond* the inner circle, arguably the most time intensive and challenging phase of any campaign, in order to close the \$30 million necessary to reach 80%. To do this, staff will partner with volunteers to qualify the greatest number of Cornerstone, Leadership and Achievement Level donors possible. To succeed, this will require a fully engaged, prepared and mobilized volunteer leadership group that is well supported by staff. This phase will also include implementation of a robust point-of-entry and engagement event series to introduce prospects to the organization to ignite their interest in WSOS's mission and impact.

C. Public Phase | 12 – 18 Months | Spring 2024 – Summer 2025

Once WSOS is within reach of 80% of the campaign goal (\$60 million), it is time to launch the Public Phase. The goal of this phase is to close the remaining \$15 million from Achievement and Annual Fund donors. This phase kicks off with an exclusive campaign launch event and marks the beginning of a PR initiative to amplify WSOS’s brand and impact across the state. Going public with the campaign, also known as “going loud”, will enable WSOS to substantially widen the donor prospect pool. This will be vital, because at this point WSOS will have already reached out to and invited the majority of existing donors to join the campaign, as well as those people who are close contacts of key volunteer leaders. At this time WSOS may need to replenish a portion of the campaign volunteer leadership and/or add additional volunteers to keep up momentum.

D. Community & Celebration Phase | 3 Months | Fall 2025

This phase will take place in Q4 of 2025. It marks the final push and culmination of the campaign. The Community Phase will include a “last call” for campaign gifts of all sizes. A thank you event for the Board, campaign volunteers, and top donors will celebrate the campaign’s success. This could also include a culminating press opportunity with the Governor and key legislators to celebrate this unique private / public partnership and the difference it is making in Washington. Internally, WSOS will prepare to phase out the campaign branding and transition to the rhythm of annual fundraising.

WSOS’s Campaign Timeline | Five Years | January 2021 – December 2025

The timeline below reflects where key activities will tentatively fall during the campaign. Well-attended engagement activities and closing gifts are constant throughout the campaign, punctuated by key milestones to sustain momentum.



IV. Volunteer Leadership

To reach WSOS's campaign goals, a robust volunteer leadership model will be essential. External **campaign leadership is the #1 factor that determines whether a campaign will succeed** or fail. This will be especially true for WSOS due to the small pool of existing donors and prospects compared to the \$75 million campaign goal.

Given the stature of WSOS's Board of Directors and the organization's state-wide position and unique bipartisan support, WSOS is in an enviable position to curate a **very high-profile group of campaign leaders**. Comprised of influential community leaders, industry stakeholders, philanthropists, equity advocates and corporate decision makers, this volunteer group will, in partnership with the Board of Directors, lead the campaign and ensure its success.

There are a variety of ways to structure campaign leadership. To succeed with this historic effort, a **three-tiered WSOS Campaign Ambassador model** will be the most effective design. This model includes Campaign Co-Chairs, a hands-on Campaign Steering Committee, and an honorary Campaign Cabinet. It cannot be overstated that much of the campaign's success hinges on the depth of relationship, skill, dependability and commitment of volunteer leaders, as well as the Board. Ultimately, who is invited to serve in this way is one of the most consequential decisions WSOS will make. Below is an overview of the proposed WSOS Campaign Ambassador structure and how these groups are distinguished.

A. Campaign Co-Chairs

WSOS's campaign Co-Chairs are **3 - 4 deeply committed individuals** who will serve as the campaign's chief executives. The campaign Co-Chairs are people who have a deep and special relationship with WSOS, demonstrated by their trust in the organization, philanthropic investments and gifts of time to the mission. The Co-Chairs serve as the top spokespeople for the campaign, recruit fellow WSOS Ambassadors, set the pace, open doors and close the top campaign gifts. Co-Chairs ideally have experience in other campaigns and understand what resonates with corporate and individual donors. Co-Chairs are excited and inspired and eager to galvanize others to support the mission.

B. Honorary Campaign Cabinet

The Honorary Cabinet is a group of **18 - 24 influential individuals** representing a variety of STEM industries, different parts of the state, and different philanthropic circles. Forming a Cabinet is a chance to engage a diverse and select range of individuals in the campaign without asking for significant time commitment. Members of the Honorary Cabinet lend their prestige and credibility to WSOS and their influence is leveraged thoughtfully. In general, cabinet members are asked to assist with the campaign only 2 - 3 times in carefully considered and strategic ways.

C. Campaign Steering Committee

In contrast to the Honorary Campaign Committee, this committee is a group of **12 - 14 influential, passionate and available individuals**. These individuals are also highly connected and influential but have the ability to give considerable amounts of their time and attention to the campaign over the next 2 – 4 years. This committee is a significant responsibility. Their job is to help ensure the campaign is successful by lending their credibility, connectedness, financial resources, expertise and influence. Each volunteer is directly involved in vetting proposed campaign strategy, making introductions to potential donors, soliciting Campaign gifts, stewarding high-level donors, attending campaign events, supporting the Co-Chairs, and overall championing the campaign. Given the length of this campaign, membership of the Steering Committee could be a on a rolling basis or have two-year terms to prevent volunteer burn out, attrition, etc.

V. Forthcoming Campaign Strategy

Once the campaign goals, timeline, gift table and volunteer leadership model are affirmed, staff and campaign counsel will develop a **customized strategy** for WSOS's fundraising campaign. Example elements of the fundraising strategy will include:

- I. Measurable Objectives / Success Indicators
- II. Revenue milestones
- III. Acquisition strategies
- IV. Retention strategies
- V. Engagement strategies
- VI. Solicitation strategies
- VII. Campaign communications
- VIII. Campaign recognition
- IX. Campaign events – local and regional
- X. Gift counting guidelines
- XI. Campaign budget



The Campaign for WSOS

Campaign Ambassador Opportunity

Introduction

In 2011, top leaders in state government, industry and education came together to build a new model for workforce development: The Washington State Opportunity Scholarship. WSOS was created to remove financial barriers for students from diverse backgrounds and create pathways into high-demand, high-paying jobs. We do this by providing scholarships as well as comprehensive support services for Washington students to fill Washington jobs and keep Washington companies strong.

Ten years later, WSOS is a proven model with a decade of clear outcomes. We've surpassed even the boldest dreams of what our visionaries thought this program could accomplish. Our Scholars are completing their degrees, launching their careers and representing the rich diversity we need in our workforce. WSOS has served more than **14,000 Opportunity Scholars** to date and distributed more than **\$104 million in scholarships** since 2011. We're on track to serve 20,000 students by 2025 with this life-changing scholarship.

WSOS is a win-win-win value proposition.

There is no other program that leverages money at this scale to fuel the workforce pipeline *and* increase opportunity for students *and* advance equity in education.

WSOS's Campaign

WSOS is at a pivotal point in our growth and evolution, with a big vision for the future. Our goal is to build on the success of the last ten years by exponentially increasing the number of students we serve *and* extending our one-of-a-kind scholarship program to 2030. To achieve this, **we've launched a 5-year, state-wide, comprehensive fundraising campaign to raise \$75 million in private philanthropy** by December 31, 2025. Every dollar raised during the campaign will be matched 1:1 by the state of Washington, resulting in \$150 million to support and empower the next generation of Opportunity Scholars.

WSOS has already raised over \$30 million in campaign commitments from our inner circle. Now, as we enter year two, we are curating a select group of volunteer ambassadors to support the next stage of the campaign. And we want YOU to be part of it. By becoming a **WSOS Campaign Ambassador**, you are joining a distinguished group of community leaders, philanthropists, industry stakeholders and equity advocates who will, in partnership with the Board of Directors, elevate the mission of WSOS across the state and champion the campaign's success.

WSOS CAMPAIGN AMBASSADORS

The WSOS Campaign Ambassador model has three distinct levels of volunteer opportunities. Each Ambassador will bring their passion for this mission, as well as their unique talents, skills, expertise and circle of relationships to help achieve the campaign goal. All Campaign Ambassadors will receive significant public recognition throughout the campaign, as well as invitations to exclusive gatherings with legislative officials, corporate leaders, Opportunity Scholars and our Alumni.

I. Campaign Co-Chairs

WSOS's Campaign Co-Chairs are 3 - 4 deeply committed individuals who will serve as the **campaign's chief executives**. The Campaign Co-Chairs are people who have a deep and special relationship with WSOS, demonstrated by their trust in the organization, philanthropic investments and gifts of time to the mission. The Co-Chairs serve as the top spokespeople for the campaign, recruit fellow WSOS Ambassadors, set the pace, open doors and close the top campaign gifts. Co-Chairs ideally have experience in other campaigns and understand what resonates with prospective corporate and individual donors. Co-Chairs are excited and inspired and eager to galvanize others to support the mission. Primary responsibilities entail:

- Know the Case for Support; be able to communicate persuasively and enthusiastically about WSOS' vision, goals and the "why" behind the campaign
- Make a personal gift to the campaign that sets the pace and inspires others to give
- Identify WSOS Campaign Ambassador candidates and personally help with recruitment
- Attend and participate in Campaign Steering Committee meetings
- Monitor progress toward the campaign goals and work with the Executive Director, Sr. Development Director and Campaign Counsel to adjust strategy as needed
- Speak passionately and personally about WSOS, serving as a spokesperson, and articulating the importance of WSOS
- Review prospect lists and offer guidance on the best way for inviting prospective donors to participate in the campaign
- Engage a select group of prospects and solicit campaign gifts; assist in closing top gifts
- Facilitate introductions to people who may consider giving to the campaign
- Serve as a host and/or attend donor engagement events, cultivation events and house parties
- Personally thank select donors who have contributed to the campaign
- Host a thank you event at the end of the campaign to celebrate lead donor partners

Time Commitment:

- 4-year commitment concluding December 31, 2025
- 3 - 4 Steering Committee meetings per year as a full group
- 4 strategy sessions per year with staff and Campaign Counsel
- Time for donor meetings, occasional campaign events and periodic speaking engagements

II. Campaign Steering Committee

The Campaign Steering Committee is a group of 12 – 14 passionate, connected and influential individuals who have the availability and interest to participate on an **active fundraising committee**. Members of the Campaign Steering Committee are well supported by staff and Campaign Counsel, and resume a significant responsibility and time commitment. Their job is to help ensure the campaign

is successful by lending their leadership, credibility, connectedness, financial resources, expertise and influence. Each volunteer is directly involved in vetting proposed campaign strategy, making introductions to potential donors, soliciting campaign gifts, stewarding high-level donors, attending campaign events, supporting the Co-Chairs, and overall championing the campaign. Given the length of this campaign, Campaign Ambassadors on the Steering Committee can serve two-year terms or serve for the full length of the campaign. *Primary responsibilities entail:*

- Know the Case for Support; be able to communicate persuasively and enthusiastically about WSOS' vision, goals and the “why” behind the campaign
- Help shape campaign strategy, provide guidance and build momentum
- Make a personal gift to the campaign that inspires others to give
- Attend and participate in Campaign Steering Committee meetings
- Review prospect lists and offer guidance on the best to approach for inviting prospective donors to participate in the campaign
- Engage a select group of prospects and solicit campaign gifts; assist in closing major gifts
- Facilitate introductions to people who may consider giving to the campaign
- Serve as a host and/or attend donor engagement events, cultivation events and house parties
- Personally thank select donors who have contributed to the campaign

Time Commitment:

- 2 or 4-year terms available
- 3 - 4 Steering Committee meetings per year as a full group
- 2 – 3 strategy sessions per year with staff and Campaign Counsel
- Additional time for donor meetings and occasional events

III. Campaign Honorary Cabinet

The Honorary Cabinet is a group of 18 - 24 influential and highly-connected individuals who represent the full range of STEM industries, different parts of the state and different philanthropic circles. It is understood that Honorary Cabinet members have limited availability, but want to **endorse the campaign** by lending their prestige and credibility to elevate the WSOS mission and campaign in specific circles. Their time and influence are leveraged thoughtfully. In general, Cabinet members are only asked to assist with the campaign in two – three carefully considered and strategic ways over the course of the campaign (although some may choose to do more). *Primary responsibilities entail:*

- Publicly endorse the campaign and make a personal gift that inspires others
- Facilitate introductions to 3 – 4 key people who may consider giving to the campaign
- Attend select campaign events such as the Public Launch party, donor engagement events, cultivation events and house parties

Time Commitment:

- 4 – 6 hours *per year* with option to give more time

Join Our Campaign Leadership

Become a WSOS Campaign Ambassador and play a unique and rewarding leadership role in the movement for innovation and equity in Washington state.

Students are counting on us. Businesses are counting on us. Communities are counting on us.

Together, with your partnership, we will do this.

CAMPAIGN FOR WSOS

January 1, 2021 – December 31, 2025

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

The campaign will allow us to serve more students today and into the future.

Through WSOS's comprehensive campaign, we will be able to continue to serve students into the future (select cohorts through 2030) and serve more students today (increase current cohort sizes).

Campaign Goals

- Raise \$75M in private philanthropy by December 31, 2025
- Position WSOS as the most effective and well-known scholarship program in the state and as a go-to organization for companies across the state to support
- Engage highly connected and influential leaders and volunteers
- Grow and diversify WSOS's base of support
- Build a best-in-class fundraising program

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

Case for Support: There is a talent and opportunity gap in Washington state.

WA state businesses are eager to hire people in trade, STEM and health care jobs.

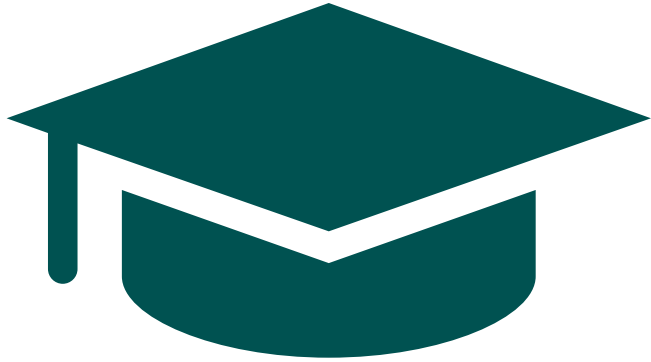
But there is a critical shortage of skilled workers in these high-demand fields.

At the same time, thousands of people are eager to go to college and study in these fields.

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP



Case for Support: The solution to the talent and opportunity gaps is WSOS.



WSOS was created to remove financial barriers for students and create pathways into high-demand, high-paying jobs.

We do this by providing scholarships as well as comprehensive support services.

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

Case for Support: The students we serve represent the diversity of Washington state.



1. Scholars hail from every county in Washington state.
2. 100% are from low- to middle-income families.
3. 56% are women.
4. Nearly 7 in 10 identify as students of color.
5. Two-thirds identify as first-generation college students.

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

Case for Support: The WSOS model is proven to work.



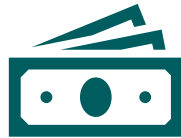
Scholars are 64% less likely to leave school between their first and second year



Scholars earn 14% more than peers one year after graduation



79% graduation rate compared to 60% national average



Five years after graduation, Scholars are earning 2x their family income



71% of students who identify as Black graduate, compared to 50% national average



\$90K average salary 5 years post graduation



Scholars are 2x as likely to graduate in 4 years



4/5 graduates are in STEM or health care

Case for Support: Currently WSOS cannot serve all students who qualify.

- Last year, we were only able to select 29% of eligible applicants for the bachelor's degree program and 38% for the Career and Technical Scholarship.
- This means 2,700 students last year alone were deserving and eager but did not receive support.

Case for Support: WSOS is set to end in 2025 but should extend to 2030.

- Rather than sunseting this proven model, we should **extend** to 2030 to ensure today's middle schoolers have the same opportunity as today's high schoolers.

Case for Support: Every gift accelerates innovation and equity for WA state.

- The combination of our Scholars' talent and perseverance coupled with WSOS' innovative support is changing lives, families, and communities across the state.
- Be a part of building the talent pipeline WA needs. Live your values.
- Join us.

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

Case for Support: Questions

- What resonates with you on the case for support?
- Do you have any questions about the case?

How You Can Help: Volunteer structure

- **Campaign Co-Chairs**
 - 3-4 deeply committed individuals who will serve as the campaign's chief executives
- **Campaign Steering Committee**
 - 12-14 passionate, connected, and influential individuals who have an interest in serving on an active fundraising committee
- **Campaign Honorary Cabinet**
 - 18-24 influential and highly-connected individuals who have limited availability but want to endorse the campaign by lending their prestige and credibility

WASHINGTON STATE
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SCHOLARSHIP

Campaign Overview: Questions

- Do you have any feedback, comments or questions about the campaign overview, leadership structure and what's next?

We welcome a Board conversation about WSOS' gift acceptance policy.

WSOS offers Named Scholarships as a **recognition benefit** to supporters. Through named scholarships, supporters can see the impact of their philanthropy through the eyes of a few students who embody their gift.

- \$22,500 = named recognition for 2 baccalaureate students
- \$10,000 = named recognition for 2 career & technical students
- 1 or 2 mutually agreeable criteria (from within the students who selected by the Board's criteria)

WASHINGTON STATE
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SCHOLARSHIP

What's “too restrictive in nature”?

- Named Scholarships represent more than \$850K in revenue each year. It's a benefit that has been offered since 2014.
- Are there ways to balance flexibility in gift negotiations but limit unforeseen problems or issues with more and larger gifts?

Tab E

Program Update

PROGRAM UPDATE | DECEMBER 2021

INTRODUCTION

Since the September 2021 Washington State Opportunity Scholarship (WSOS) Board meeting, the WSOS team launched into the new academic year with gusto. Opportunity Scholars are meeting with their Scholar Leads, attending virtual professional development events and connecting with industry mentors. We're thrilled to have announced the first \$30 million raised toward our \$75 million campaign and pleased with the success of another virtual event. We're setting the stage for a successful legislative session and looking forward to the continued return to "the new normal" in a post Covid-19 world.

AWARDS ADMINISTRATION

The Awards team is preparing to launch the 11th annual Baccalaureate Scholarship application which will be open from early January to early March. The team has also closed the CTS Cohort 3 winter application and is preparing to close out the third cohort with the spring application opening in January. A summary of the winter CTS and RJI recipients is available in these Board materials, Tab E.

The team has continued its partnership with the state's Education Research and Data Center (ERDC) which allows WSOS to see educational attainment and salary levels of Scholars and, in some instances, compare their outcomes to a comparison group of non-participants. For the first time, this included preliminary outcomes for our first CTS cohort. Here are the results:

Baccalaureate Scholars have a 6-year graduation rate of 79%, significantly outperforming national graduation rates (61% at public schools and 67% at private non-profit schools). WSOS has the strongest impact on Scholars who are low-income, first generation, women and/or rural when it comes to graduation rates. WSOS has its strongest impact on Scholars who identify as men in terms of first-year wages. Our impact is otherwise consistent across demographics for other data points (i.e. change in graduation rates by race and change in first year wages across all demographics). Baccalaureate Scholarship graduates have an average five-year salary of approximately \$90K, consistent with the initial JLARC findings.

Career and Technical Scholars from Cohort 1 who were barely selected are twice as likely to have received a credential to date as Cohort 1 applicants who were nearly selected (just over 50% of recipients vs. just under 25% for non-recipients). The average first-year salary of Cohort 1 graduates is nearly \$50K, three times higher than their household income when they applied. Many Cohort 1 Scholars are still enrolled and many graduates haven't been in the workforce for a full year, so this data is preliminary.

The Awards team has disbursed \$6.3 million of the \$14.8 million anticipated for disbursement throughout the 2021-22 academic year. By the end of this academic year, WSOS will have disbursed nearly \$120 million over the program's history.

SCHOLAR PROGRAMS

BACCALAUREATE SUPPORT SERVICES

The Baccalaureate team has continued with their focus on offering relevant, intentional resources for Scholars that are primarily virtual. Since September, Scholar Leads have collectively reported over 7,700 interactions with Scholars. One goal of these interactions has been encouraging Scholars to develop and submit their academic plans in partnership with their academic advisors, as we know planning with academic professionals is a good indicator of Scholar persistence. Over 85% of first- and second-year Scholars have submitted their academic plans and 87% of these plans were reviewed by academic advisors.

The AY 2021-22 Skills that Shine (StS) Mentorship Program launched in October with a total of 587 mentorship pairs, compared to 880 last year. We believe the decline in participation is driven by less energy for virtual programming as pandemic fatigue grows. Mentor-mentee pairs have been getting to know each other while setting and working toward goals tailored to the Scholar. Highlights of StS to date include: a Scholar sharing that they “have been getting very good help in finding and applying for internships,” over 100 StS mentors and mentees attending the Skills that Shine Kick-off events we hosted in November and 25% of Scholars having already worked on and submitted their resumes. More career development events are planned for 2022 that will serve StS mentors and mentees as well as other Scholars. The intent of this programming is to help Scholars throughout their college experience with career development (not only during their third years) and to offer resources in addition to mentorship, such as developing LinkedIn profiles, preparing for interviews and searching for jobs.

CAREER AND TECHNICAL SUPPORT SERVICES

We are piloting the CTS Ambassador program during winter and spring 2022 quarters and assessing the program’s impact as we consider scaling it for AY 2022-23. Applications for the new CTS Ambassador role closed on November 8, and the CTS team has extended offers to ten Scholars for the inaugural pilot cohort of Ambassadors. These student leaders will begin their work during winter quarter, helping WSOS amplify its impact by connecting Scholars with their peers who have been trained on effective persistence strategies. During this pilot phase, Ambassadors will support over 340 Scholars at 14 campuses.

Applications for the winter (January and February) pilot of the CTS industry mentorship program closed on November 24. We received three times the student response compared to the spring pilot, so the Development team is actively recruiting additional mentors. While we are targeting 30 mentor-mentee pairings, we also want to ensure there is alignment in each match. Mentors and mentees will be paired primarily on shared industry interests. Mentors will help their mentees with networking, resume tips and other career development support. This is the first of three cycles in which CTS recipients will have access to a mentor during AY 2021-22.

GRADUATE SCHOLAR SUPPORT SERVICES

This fall, the Graduate Scholarship Program Manager focused on soliciting feedback from partners on the pilot application cycle to inform our practices going forward. In this process, we surveyed partner schools, scholars and applicants with incomplete applications and learned stakeholders are largely supportive of the program design. We have an opportunity to clarify Medically Underserved Areas (MUAs) or Health Professional Shortage Areas (HPSAs) locations, award implications for a part-time schedule and improve the application timeline. The survey results also strongly supported our legislative focus on changing the income requirement eligibility to include additional measures that demonstrate economic need.

Currently we are working with schools’ clinical coordinators to establish an efficient and effective process for distributing practicum remuneration. According to the program model, if a student’s clinical practicum site is in a MUA or HPSA, the clinical site is eligible for \$3,600 per 120 clinical hours stipend from WSOS. This will help offset the clinic’s cost for hosting a student and hopefully incentivize new sites to host students. We’ve heard from clinical coordinators that it is especially hard to find clinical sites for Psychiatric Mental Health Nurse Practitioners (PMHNP) and are optimistic about this program’s possible impact on producing more practicum placements in MUA or HPSAs.

DEVELOPMENT UPDATE

CAMPAIGN UPDATE

As announced during the September Board meeting, Microsoft and Boeing recommitted their Cornerstone level of support to WSOS with gifts of \$15M and \$5M respectively. We were thrilled to publicly recognize their generosity during OpportunityTalks 2021. Additionally, with the launch of the comprehensive campaign during the last Board meeting we have started campaign planning in earnest. Activities include:

1. Completing an RFP process for a marketing and communications firm to amplify our brand
2. Completing an RFP process for campaign counsel to support campaign success
3. Determining campaign goals and measurable objectives
4. Drafting the campaign volunteer leadership structures
5. Refining internal dashboards and success metrics to track our progress

We look forward to reviewing the case for support and campaign overview with the Board during the December meeting. These materials are included in Tab D.

OPPORTUNITYTALKS – SUCCESS!

This fall we celebrated the second virtual OpportunityTalks breakfast. It was a huge success. With more than 550 guests pre-registered, we garnered 700 unique views (during the event or hours later) and now have 1,000 unique views and counting since November 9. On the day of the event, we were able to announce \$725,000 raised (including the state match); as of total, that total is more than \$975,000. The event offered an inspirational opportunity to reflect on ten years of impact and was an inspirational morning hearing from Opportunity Scholars and alumni. Thanks to each of you for your generosity in contributing to the Challenge Fund, engaging your employers as sponsors and inviting your networks to participate.

EXTERNAL AFFAIRS UPDATE

2022 LEGISLATIVE PRIORITIES

Our legislative priorities are now in draft bill form after having undergone legal review. We are in the early stages of sharing with stakeholders including key members of the Legislature and their staff. We will continue to socialize our bill language and determine a bill sponsor as we get closer to session.

We recently submitted our current state match request to the Governor's fiscal staff and will be following-up with legislative fiscal staff in the coming weeks. Our current state match requirement across all programs is \$7.3 million.

MEDIA COVERAGE

WSOS enjoyed strong media coverage throughout the month of November, particularly with news of our cornerstone reinvestments and the announcement of our first tribal, county or municipal partnership with the City of Seattle. As part of our organization goals for this year, the External Affairs team is focusing on elevating WSOS brand awareness, communicating our impact through Scholar stories and elevating Kimber's and the WSOS presence in the educational policy and leadership space. We are also interested in reaching a diverse range of audiences including non-Puget sound outlets, non-traditional media and diverse readerships.

Our recent media attention helped make progress on a number of our goals including reaching audiences outside of the Puget Sound through the *Daily News* based in Longview which featured a front-page story on our 10-year anniversary with a compelling Scholar story. We secured quotes featuring both Kimber and Brad Smith in both traditional and non-traditional media including print, radio, television, blog and online news sites. WSOS was also featured twice in the South Seattle Emerald, which has a diverse readership and is a new-to-WSOS media outlet.

Coverage summary:

- Jane Park on SPACs, the immigrant ethos, and brands in the Amazon era | GeekWire Podcast, Nov. 6
- Microsoft, Boeing and Rubens family pledge new funds to Washington State Opportunity Scholarship | Geekwire, Nov. 9
- Policy Changes Provide Flexibility For Seattle Promise Program Students Facing Hardships Due To COVID | South Seattle Emerald, Nov. 10
- Seattle Promise is Building Educational Equity | Geekwire, Nov. 17
- City partnering with state in making more scholarship money available for Seattle Promise students continuing through college | West Seattle Blog, Nov. 18
- Seattle teaming with state to provide college scholarships | KIRO7, Nov. 18
- Seattle expands free college program with help from state matching funds | KUOW, Nov. 18
- Seattle’s Free Community College Program Grows in Size and Impact | The Urbanist, Nov. 22
- Washington State Opportunity Scholarship turns 10, continues to help local students | The Daily News, Nov. 23
- Washington’s Opportunity Scholarship program celebrates 6,196 grads, and counting | The Seattle Times, Dec. 4

SOCIAL MEDIA & WEBSITE COVERAGE (AUGUST TO OCTOBER)

We are working to make our social channels valuable to our followers. Increased value leads to higher impression, reach and followership rates which are crucial in WSOS’ marketing efforts. If our followers feel our social media posts have value, they’ll engage with us and share our content, thereby broadening our reach. In the past quarter, we’ve had good progress on this front. For example, the Northwest Indian College Foundation started following us, meaning they see value in our content and may prove helpful in building tribal partnerships.

New follows can help us understand whether our content is attracting the right audiences. These new follows from the past quarter indicate we are on the right path: VP at Parametrix (OpportunityTalks sponsor), Partnership Success Manager at Amazon, and 5+ Opportunity Scholars who have listed their Scholar Lead experience in their LinkedIn profile. High profile followers raise awareness of WSOS; Scholars listing us in their LinkedIn profiles means they are proud to be affiliated with us.

Additionally, we received a comment on a post that said, "Powerful data and inspiring stories from these Scholars. Thank you for your work," from the president of the Ballmer Group. High profile recognition of our work is social proof—proof for other potential donors that people they trust are involved with us.

Followership size	October 2019	October 2020	October 2021	Percentage Growth
Facebook	3,702	3,962	4,078	10%
LinkedIn	-	662	1,172	77%
Instagram	234	540	898	284%
Twitter	1,827	1,863	1,879	3%
Total audience size	5,763	7,169	8,027	39%

Facebook: Algorithm changes mean that Facebook has deprioritized posts from pages, so our content is seen by fewer people, reducing the growth we had expected. We are adjusting our approach to attract more viewers by increasing the value in our content and building trust to off-set these challenges.

LinkedIn and Instagram: Our audiences continue to grow and we are happy with this progress.

Twitter: Twitter requires a different type of content, engagement and style from other platforms and we're beginning to find our footing there. Growth in audience is slower but we're seeing good progress. Additionally, we started out with stronger following on Twitter so expect growth to be slower over time.

Reach/Impressions	October 2020	October 2021	Percentage Growth
Facebook (Reach)	8,384	37,539	347%
LinkedIn (Impressions)	1,689	5,216	209%
Instagram (Reach)	1,073	2,088	95%
Twitter (Impressions)	7,100	9,584	35%
Total	18,246	54,427	198%

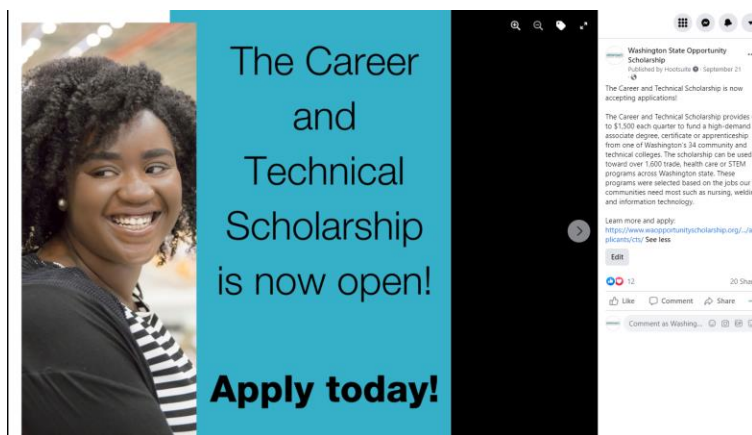
Engagement on each platform is growing consistently, indicating that our strategies are effective, particularly with the growth in our reach/impressions. Reach and impressions calculate all who see our content and not just who follows our account. We have just over 4,000 Facebook followers, but 37,539 people saw our posts in October 2021, meaning post shares and reactions expanded the reach of our content beyond our followers.

We are also working to build trust and brand loyalty within our audiences. Increased trust leads to increased engagements and shares. Progress on this can be shown through the wins below:

- A post we made in reference to Latinx-Hispanic Heritage Month was shared by EvCC Diversity and Equity Center, showing our social equity work is trusted.
- Important shares from our CTS application cycle campaign include: Lisa Rivera-Smith, Seattle School Board Director, United Youth Movement, [Puyallup School District Indian Education Program](#) and the [Tu Ha' Buts Learning Center](#).
- When we received media coverage with an Op-ed written by Kimber, four external partners mentioned [the article](#) on Twitter.

Top Performing Posts

Facebook: Announcement of the Career and Technical Scholarship cycle




LinkedIn: Rubens gift announcement

Washington State Opportunity Scholarship
1,238 Followers
3mo • Edited

Gary Rubens, WSOS Board member and Seattle angel investor, and his wife, Jennifer, have committed an additional \$10 million to support Opportunity Scholars! In 2015, they announced a five year, \$20 million dollar pledge, the largest gift from an individual donor since WSOS was founded in 2011. This new \$10 million announcement, along with the match from the state of Washington, means a total of \$60,000,000 will be directed to Opportunity Scholars!

We are so thankful for Gary and Jennifer's generous support. As a Seattle philanthropist and WSOS Board member, Gary is continually investing time and resources to support Washington students. "I am thrilled to make another life-changing donation to a scholarship model that fosters entrepreneurship and drives our economy forward," he said. "I support WSOS because of its ability to breakdown barriers for the students furthest from opportunity while building pathways to the living-wage jobs that our economy needs."

https://lnkd.in/g_raZDy4



Opening doors for tomorrow's entrepreneurs - Washington State Opportunity Scholarship
waopportunityscholarship.org • 2 min read

Instagram: After the events in Afghanistan and Haiti, we shared an authentic post in support of our community.



**To our WSOS community:
Please take care of yourselves. If you have loved ones in Afghanistan or Haiti, we're sending you love. If you need someone to talk to, help is always available.**

oppscholarship

oppscholarship To our WSOS community: Please take care of yourselves. If you have loved ones in Afghanistan or Haiti, we're sending you love. If you need someone to talk to, help is always available.

Visit the link below to access 24/7, free and confidential support: <https://www.oppscholarship.org/>

13h

lemonappleauce ❤️❤️❤️

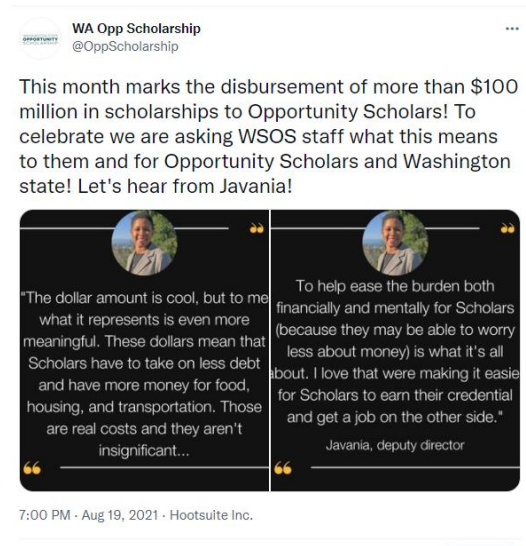
13h • 1 like • Reply

View Insights

Liked by newbeginningspendingqr and 37 others

ADD A COMMENT

Twitter: Announcing the disbursement of over \$100 million in scholarship dollars awarded, with a quote from Javania, WSOS deputy director



OPERATIONS UPDATE

COVID-19 RESPONSE

On December 3, 2021, we communicated to all team members we will begin our hybrid workplace model on January 18, 2022. In this model, work teams are assigned two in-office days each week for a four-month period. Each team will be joined by another team in the organization to support collaboration. The goal of the hybrid model is to balance delivering on our intended Scholar impacts while meeting the desire for a more flexible workplace. Like other organizations, we expect to learn a lot along the way and are committed to learning and adjusting as time passes. We also recognize the emergence of the Omicron variant may impact our plans and have committed to staff that we will make the necessary changes to our plan based on CDC and local guidance as information becomes available.

PEOPLE DEVELOPMENT

The impacts of the pandemic coupled with our staff growth has resulted in significant transition for WSOS. Our organization's growth has necessitated that we take a more intentional approach of moving away from small, scrappy start-up to mature organization and workplace environment. This change has not been easy, and it is occurring alongside individual team members who are making their own values-based decision spurred by the pandemic regarding where they want to work. We are experiencing higher than desirable staff turnover as a result. We remain committed to creating a preferred workplace culture and are dedicating resources to help us achieve stability and accelerate efforts to enhance how our team members experience the organization while supporting Scholar impact.

STAFFING UPDATE

[Tara Warming](#) joined the WSOS team in early October as our new Corporate Engagement Manager. Tara comes to us from the University of Washington where she served in the iSchool as their Alumni Coordinator and supported alumni communications and mentorship. Tara has spent more than a decade at the UW and received her undergraduate degree there as well. Tara holds a JD from Seattle University.

[Cesar Seguil](#) joined the WSOS team in November 2021 as our new CTS Program Manager. Cesar brings several years of experience in higher education where he initially worked in recruitment, admissions and academic advising then later transitioned to leadership and administration of academic and student

services. He is a first-generation immigrant from Lima, Peru, and earned his bachelor and graduate degrees from The Ohio State University in Columbus, Ohio.

Camara Harris-Weaver joined the WSOS team in November 2021 as our new CTS Advisor. Camara previously worked in new student and student success services at North and South Seattle Colleges. In her previous role, she supported students in the Seattle Promise program who pursued certificates, degrees, and programs in STEM, Health & Medical, and Skilled Trades & Technical Training. She received her Associate of Science degree from South Seattle College before transferring to University of Washington to complete her Bachelor of Science in Biology.

2021 FINANCE & INVESTMENT COMMITTEE SELF-EVALUATION

The charter of the WSOS Finance & Investment Committee states “the Committee will annually evaluate its own performance in the fourth quarter with respect to the requirements of the Finance and Investment Committee Charter. This evaluation will be reported back to the Board during one of the quarterly Board meeting updates.” This required self-evaluation was performed in December 2021 and the results of which are outlined below.

Members were asked to rate on a scale of 1 to 5 (1=not at all; 5=completely) the extent to which a series of statements were true. They reported the following average scores:

- They understand the committee’s purpose & responsibilities: 4.71
- The actions taken by the committee align with its purpose & responsibilities: 4.57
- Meeting agendas support the committee’s purpose & responsibilities: 4.57
- Pre-read materials support the committee’s purpose & responsibilities: 4.71
- The WSOS Board of Directors supports and endorses the committee: 4.14

Members also shared reflections on what’s working well. Phrases of interest from these open-ended responses include: “right people on the committee”; “pre-read materials and guiding questions help us understand where to focus”; “working relationship between staff and the committee is really strong”, “strong leadership and engagement from the WSOS team”, “fairly conservative and responsible mindset”.

Members shared constructive feedback for ways the committee can continue to evolve in its performance. Phrases of interest from these open-ended responses include: “utilize the rich resources in the room for their expertise”, “we probably don’t need quite that much time” (90 minute meetings quarterly); “would appreciate a more detailed look at budget and models perhaps delivered as an appendix”. In 2021, the committee began shifting its meetings from a report-out style to a more conversational Q&A and problem-solving approach. Member feedback indicates they wish to continue in that direction in 2022, trying to flex even further. Additionally, members suggested we target more diverse membership in the coming year who better reflect the Opportunity Scholar community.

Finally, members shared their recommendations for the committee’s focus in 2022. They suggested the group could prioritize: tracking campaign progress; sharing their network with WSOS to advance the campaign and mission; enhancing the cohort modeling tool with sensitivity analyses; revisiting the asset allocation with the new cohort model sizes; exploring impacts of higher sustained inflation; and revisiting the scope/expectations of the F&I committee with the Board given the shift from sunset approach.

The evaluation in its entirety is available upon request to any Board member.

WASHINGTON STATE
OPPORTUNITY
 SCHOLARSHIP

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

This document describes the selection criteria for and profile of the winter recipients of the 2021-22 Career and Technical Scholarship cohort. This winter brought 533 applicants, of which we selected 165 for CTS and 25 for Rural Jobs.

Career and Technical Scholarship Cohort 3 - Winter

Selection Criteria

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

Category	Factor	Target Weight	Final Weight
Economic Impact	Program	50%	35%
Likelihood of Completion	Essay ¹	15%	32%
Financial Need	Income	20%	18%
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 \$18,789 and represent 28 of 33 colleges, 19 of 39 counties and 42 of 49 legislative districts. The top 5 colleges they’re heading to are Spokane Community College, Seattle Central College, Clark College, Grays Harbor College and Everett Community College / Columbia Basin College (tied). 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%	2%	13%
Health Care	54%	59%	33%
Information Technology	11%	21%	13%
Trades	18%	10%	38%

¹ When the board voted on the 2021-22 selection criteria, WSOS staff inadvertently included two slides with conflicting criteria. The slide correctly reflecting the intended recommendation had point totals adding up to 100, aligned with the detailed recommendation in the supplementary materials and was the focus of the discussion. This is the criteria listed here and used to complete the selection. The incorrect slide erroneously listed the target points for the essay at 20, with point totals adding up to 105.

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	59%	75%	43%
No	27%	12%	16%
Unknown	6%	4%	25%
Zero Parents	8%	9%	38%
Single Parent			
Yes	28%	34%	42%
No	72%	66%	31%
Race / Ethnicity			
American Indian / Alaska Native	2%	1%	22%
Asian	5%	8%	54%
Black or African American	12%	12%	36%
Latinx	23%	22%	33%
Native Hawaiian or Other Pacific Islander	1%	1%	33%
Two or More Races	5%	7%	42%
White	44%	40%	31%
Did not report	8%	8%	35%
Gender			
Gender non-conforming	0.4%	0.6%	50%
Genderqueer	0.2%	0%	--
Man	33%	28%	27%
Non-binary	1.2%	0.6%	17%
Two or more	0.6%	0.6%	33%
Woman	57%	65%	39%
Did not report	7%	7%	34%
Age			
18 or under	3%	2%	29%
19-22	13%	15%	38%
23-29	28%	30%	36%
30-39	36%	34%	32%
40+	20%	19%	34%

Rural Jobs Initiative Cohort 2 - Winter

This winter we selected 25 of 55 eligible applicants. 21 of these 25 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 \$22,676, live an average of 22 miles from campus, and represent 6 of 8 eligible regions and 7 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	11%	0%	2%
Eastern	9%	12%	15%
North Central	0%	0%	15%
Northwest	15%	24%	23%
Olympic	22%	20%	7%
Pacific Mountain	29%	28%	16%
South Central	7%	8%	16%
Southwest	7%	8%	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 for nursing, electricians and welding.

Industry	% of Eligible Applicants	% of Selects
Accounting and Logistics	11%	8%
Engineering / Manufacturing	2%	--
Health Care	47%	60%
Information Technology	2%	--
Trades	38%	32%

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	58%	60%	53%
No	27%	32%	47%
Zero Parents	7%	4%	75%
Did not report	7%	4%	75%
Single Parent			
Yes	33%	40%	56%
No	67%	60%	41%
Race / Ethnicity			
American Indian / Alaska Native	4%	0%	--
Asian	5%	8%	67%
Black or African American	0%	--	--
Latinx	31%	28%	41%
Native Hawaiian or Other Pacific Islander	2%	0%	--
Two or More Races	0%	--	--
White	53%	60%	52%
Did not report	5%	4%	33%
Gender			
Man	42%	40%	43%
Woman	56%	56%	45%
Did not report	2%	4%	100%
Age			
18 or under	2%	0%	--
19-22	15%	4%	13%
23-29	25%	32%	57%
30-39	36%	36%	45%
40+	22%	28%	58%

PROGRAM UPDATE

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

RFP progress is ongoing and on schedule to launch in January 2022.



Preparing to Launch

Collaborating with Board, WSAC and WA STEM to finalize the RFP and jumpstart transition planning



Selection & Transition Kick-off

Board selects and approves new PA; transition initiated



Transition Full-go

Incoming and outgoing PAs & WSOS sharing information



Prospecting

Ongoing engaged with organizations (5) to explore alignment



Application Live

RFP goes live Jan. 15; respond to public inquires; materials review



Finalize Transition Contracts

Finalize transition contracts and organize for success



RFP Panel

- **Board members:**
 - Miller Adams
 - Joelle Denney
 - Patrick Smith
- **Community partners:**
 - Jane Broom
 - Heather Hudson (WSAC)
 - Angela Jones (Gates, formerly WA STEM)
- **Staffed by:**
 - Kimber & Javania

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

Tab F

Finance and Program Administrator Update

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

**FINANCE & INVESTMENT COMMITTEE
MEETING AGENDA
WEDNESDAY, DECEMBER 8 | 1:00-2:30 P.M.**

The meeting will be held remotely. See the Outlook meeting invitation for the video meeting link

I.	Meeting Called to Order & Greetings		Patrick Smith Board Member Committee Chair	1:00p-1:05p
II.	Approval of Minutes from September 9 Meeting	[Tab A]	Patrick Smith Board Member Committee Chair	1:05-1:10p
III.	WSIB Quarterly Performance Report	[Tab B]	Chris Phillips WSIB	1:10-1:30p
IV.	Program Administrator Report	[Tab C]	Matt Poth WA STEM	1:30-1:50p
V.	Program Update, \$75M Model and 2022 Budget <ul style="list-style-type: none">➤ <i>Committee Action:</i> Recommend cohort size adjustments starting in 2022➤ <i>Committee Action:</i> Recommend adoption of 2022 budget	[Tab D]	Kimber Connors WSOS	1:50-2:25p
VI.	Executive Session		Patrick Smith Board Member Committee Chair	2:25-2:30p
VII.	Meeting Adjourned		Patrick Smith Board Member Committee Chair	2:30p

UPCOMING MEETINGS:

**2022 meetings to be scheduled soon*

Committee Questions for Consideration:

- Knowing that the Board is prioritizing extending the scholarship to 2030 and creating more seats between now and then, do you have any concerns about the \$75 million model?
- Do you have any questions or concerns about the increased budget request for 2022? Are you aligned on these investments enhancing our impact and having strong ROI for our mission?

Tab A

Approval of September 9, 2021 Minutes

FINANCE & INVESTMENT COMMITTEE MEETING MINUTES | THURSDAY, SEPTEMBER 9, 2021

Members present via Microsoft Teams: Patrick Smith (Committee Chair); Elisa La Cava, Julie Sandler, Matt Rubright, Bo Lee, Joseph Walker.

Other participants present via Microsoft Teams: Kimber Connors (WSOS Executive Director), Irina Grubic (WSOS), Javana Cross Polenska (WSOS), Chris Hanak (WSIB), Matt Poth (Washington STEM), Blair Peterson (Washington STEM), Yoko Shimomura (Washington STEM)

Approval of Minutes from May 26, 2021 Finance and Investment Committee

Elisa La Cava moved to approve the minutes of the May 26, 2021, meeting. Matt Rubright seconded the motion, and it carried unanimously.

WSIB Quarterly Performance Report

Chris Hanak, from WSIB's Risk Management and Asset Allocation team, reported Q2 was a strong quarter for global equities. Fixed income also had a strong quarter, but it was outshined by equity performance. Chris Phillips, also from WSIB's team, included some cautionary notes in the report to remind that it is important not to extrapolate the recent positive performance we have seen to be a long-term trend. Markets can be volatile, and rapid positive performance can be followed by market corrections. That said, global equity markets have continued to perform. The MSCI ACWI IMI (total return) is up 16.26% as of this morning. US large caps have performed even better.

Markets performed well as vaccine rollouts got underway. Right now, we face some uncertainty with news of the Covid Delta variant, but markets continue to perform well as economies recover. We saw interest rates decrease in the second quarter which helped create a partial recovery for bond markets. Major central bank policies remained on course, and we have seen orderly messaging about the potential taper of the Fed and other bond purchasing programs.

Hanak reviewed account performance. Page 4 of the Committee pre-read shows the breakdown and value of assets over time for the original Baccalaureate (BaS) and Endowment accounts; Page 5 shows the same data for the other accounts. Equity investments are via an indexed vehicle that closely tracks the MSCI ACWI IMI. Fixed income exposure is via an internal actively managed fund that is benchmarked against the BB Intermediate Credit Index. State funds are invested in a BlackRock government money market fund. These yields are very low in the current interest rate environment. Bo Lee asked the cash for state match was aligned between slides 4 and 7.

Hanak explained that state match funds have very strict investment restrictions and must essentially be kept as cash. He reminded the Committee therefore WSOS spends state dollars first and reserves private funds which can be invested in equities to maximize returns. Hanak also reminded members that the sudden drop in the Endowment account to zero is accounted for by the recharacterization of those funds to support the launch of the Career and Technical Scholarship. Lee asked Hanak to talk more about the active equity management. Hanak answered that on the equity side it is passive, based on broad indices (MSCI). The fund manager does their best to trade against the index for a low-cost approach.

Lee asked what short-term rebalancing approach is used with this kind of passive management. Hanak explained that WSOS doesn't use a short-term balancing approach. Instead, the portfolio is viewed on a four-year cycle or more often if needed (as was the case when the CTS program was launched). On this cycle, the WSIB team performs a strategic asset allocation study that is then reviewed and approved by the Committee. The WSIB staff work with WA STEM and WSOS team on the expected cash flow needs

WASHINGTON STATE **OPPORTUNITY** SCHOLARSHIP

based on cohort size and historical attrition rates. From there, WSIB completes a modeling exercise that includes inputs from capital market assumptions. Through a series of Monte Carlo simulations, they determine the ratio for the available assets that maximizes the probability for success: the highest rate of returns within acceptable risk parameters. The recommended mix is reviewed by this committee and then the WSOS Board. The WSOS team then reviews the recommendations with the WSIB Board before finally being adopted as the portfolio's asset allocation. The recommendation typically includes an acceptable range (usually +/-5%) for short-term rebalancing needs; we then actively balance to bring things back into alignment when we exceed the range.

Program Administrator Report

Matt Poth, Director of Finance at Washington STEM, reported that as of 7/31/2021 the Total Assets were \$126.4 million which is a 13% increase from 4/30/2021 (last reported period) and 5% increase from 7/31/2020. The increase is due in large part to new 10-year \$10 million pledge from Gary & Jennifer Rubens in support of all scholarship programs. The final Rubens pledge payment of \$2.5 million was received in June that cleared the pledge made several years ago. Net investment earnings/gains from May 2021 to period end across all scholarship accounts was a positive ~\$2 million. This was offset partially by \$350K pulled from WSIB CTS account to help fund scholarships. State Match receivable for months of March-July 2021 was recorded in July (~\$3.4 million) based on new round of state appropriations available. These state match funds were received in early August to help fund the major fall scholarship disbursements cycle. CTS implementation funds (final amount) of \$62.5K received in July from the state. Scholarship refunds also exceeded disbursements during this period. Other major pledge receivables are in the works but were not official as of 7/31/21.

The total Liabilities as of 7/31/2021 are \$20.8 million – this is a -2% (decrease since 4/30/2021 and -26% decrease since 7/31/20). The decrease since April 30 is largely explained by the scholarship disbursements of \$426.5K (BaS \$35K and CTS \$391.5K). As a reminder, Cohort 10 of BaS Cohort 3 of CTS, and Cohort 2 of RJI will be recorded as usual in the month of August. This will increase the liability on that date. Furthermore, the maiden Cohort for GRD was also selected in August and the liability associated with those scholarships will be reflected in August and presented at the next finance committee meeting.

Total net assets are of \$105.6 million which is 17% increase from Period End 4/30/2021. Pledge receivables, net include \$10M Gary Rubens as of 7/31/2021 to be paid out \$1M every year for ten years starting June 2022. There is ~\$184K state appropriations available left to match BaS/CTS private donations from July onward after the large match received in August for Mar-June private gifts. Once used, the state match will again be tracked via unbilled state match receivable until appropriations are available again in July 2022. Matt Rubright asked how refunds are characterized; Poth clarified they are recorded as cash and offset liability on the P&L.

The discussion transitioned to an update about budget versus actuals. Poth asked the committee whether WSOS should be incorporating more aggressive budget numbers for market gains. He reminded the group that in previous cycles, they use very conservative budget estimates for market gains which lead to variances reported throughout the year. The committee had asked to return to the question before the next budget cycle. Joseph Walker advocated we include stronger capital assumptions in our budget as they are closer representations of reality. Smith added that he believed if we tend to have favorable variances then we can be less conservative. Julie Sandler cautioned that WSOS is a long-term planning organization so using a 12-month cycle for planning felt too risky. Smith asked if staff make different decisions based on budget versus actuals for market gains. Connors clarified that staff make different decisions based on the scholarship model and asset allocation study market assumptions but not on the annual budget numbers. She further affirmed Sandler's comment that the reason for this reliance is because WSOS operates on a long-term basis. Smith recommended that because staff use longer term planning models to guide action, including conservative market gains for budgeting purposes was fine. La Cava agreed. Connors affirmed that they would approach budgeting market gains with the same

WASHINGTON STATE **OPPORTUNITY** SCHOLARSHIP

approach as in previous years. Poth reported that Salaries and Benefits are on track for year-end savings between \$128K-\$183K. This is due in large part to hiring timing differences as well as staff vacancies. Poth expects WSOS will be over on spending for professional services (consulting) for the year due in large part to the need for an interim development director (which was originally budgeted under salaries). Using these two line items to off-set one another, Poth estimates the actual savings for personnel will be closer to \$55k to \$110k in salaries for the year. Connors noted her desire to engage support for the fundraising campaign with the anticipated budget. She stated the consultant who had served as the interim development director is prepared to transition into campaign consulting support and is primed to ramp up quickly given her intimate knowledge of the organization. Matt Rubright commented that this reallocation of funds was understandable and outcome-oriented. Hearing no further questions, Connors affirmed she would proceed with engaging that consultant.

Blair Peterson provided a background and overview of the CSF resubmission project, also outlined in the Committee's pre-read materials. Of the original \$2,804,502 outstanding in unmatched private receipts from when CSF was the program administrator, WA STEM has successfully collected \$2,546,590 as of the end of July 2021. This left \$257,912 in private receipts without the state match. The WA STEM and CSF Finance teams have collaborated extensively over the past two years to find sufficient evidence to access the state match. Peterson believes \$57,518 has sufficient support for re-invoicing, but the other ~\$200K does not have sufficient support to meet WSAC's approval requirements. Given time passed and staff changes, Peterson feels confident accessing any additional documentation would be near impossible. Connors affirmed gratitude to Peterson and the entire WA STEM Finance team for their dedication to uncovering evidence to access such a significant portion of the original \$2.8M outstanding. Peterson asked F & I Committee for approval to submit the final invoice for \$57,518 and then remove the remaining \$200,393 from the balance sheet. Peterson noted this would be purely a balance sheet transaction as we were able to secure \$80,056 more than we had anticipated to collect at the outset of the process. La Cava commented this seemed a very reasonable conclusion given the circumstances. Sandler added her gratitude to the WA STEM Finance team for untangling the issue with such success. Matt Poth added his support for Peterson's work, noting that the WSAC evidence requirements are considerable, yet Peterson persisted. Patrick Smith noted his gratitude that the team had created an adequate reserve leading to a positive net effect and entertained a motion. Sandler motioned to approve, it was seconded by Walker, and it passed unanimously.

Program Update

Connors reported that the organization reached a very important milestone this summer as WSOS has disbursed more than \$100M to Scholars over the lifetime of the program. All the students for the CTS and Rural Jobs Initiative program were just selected for the fall. This is the first year when the RJI will operate in a full capacity with 85 recipients. We have 634 returning Career & Technical Scholars and over 2,300 Baccalaureate Scholars. Great data on the renewal survey was received and is being reviewed now.

Smith asked if the percent of returning Scholars is compared to the programs' history. Jvania Cross Polenska answered that there is a slight decrease from the last year, but she didn't remember the specific numbers. She said that COVID impacted it, but it wasn't a significant decrease. Connors committed to following up with the Committee via email.

Connors presented a simplified version of the scholarship model which shows year-to-year spending based on anticipated cohort size increase. She emphasized the simplicity of the model and noted the purpose is to try and understand how many students who can serve if our fundraising campaign is successful. Walker asked if the model was using the graduation rate for WSOS programs participants or a general base rate. Connors responded that all attrition and graduation rates are based on WSOS historical data. Walker asked if there was a way to map economic impact into the model. Connors affirmed this would be a great element to build into the model but wasn't sure how to accomplish it. Smith expressed a desire for WSOS to consider how do we measure impact or success – is it about serving more students or about targeting resources

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

strategically to grow return on investment? La Cava shared she would like to play around with the model as the visibility is great. Connors committed to sending the model to the members following the meeting.

Yoko Shimomura commented the WSOS Board has responsibility to design the vision for how we spend campaign resources. Connors affirmed and noted this topic was being brought to the WSOS Board meeting the following week.

The meeting did not go into Executive Session and was adjourned at 3:36 pm.

Respectfully submitted,
Irina Grubic

Tab B

WSIB Quarterly Performance Report

WSOS INVESTMENT AND FINANCE COMMITTEE PERFORMANCE REVIEW 3Q21

DECEMBER 8, 2021

Chris Phillips

Director of Institutional Relations





- Equity market's quarterly stall comes in stark contrast to the surge of the previous 12 months:
 - BaS and CTS funds (5% cash/25% equity/70% fixed income) returned -0.2% for the quarter. BaS earned 7.5% and CTS earned 7.7% for the one-year time period
 - Endowment (80% equity/20% fixed income) earned -0.9% for the quarter and 23.6% for the one-year period
 - State-match cash returns remained at zero for the quarter and a scant 3 basis points for the one-year period
- Global equity funds returned -1.1% for the quarter and 21.1% for the year
- Fixed income funds returned 0.1% for the quarter and 0.6% for the year
- Pull-back (primarily in September) was driven by concerns surrounding inflation and China
- Reality check of uncertainties seems to be setting in:
 - Will we see a stimulus hangover?
 - Will inflation stick or ease?
 - Will consumers power through supply chain bottlenecks and inflation?
 - Will China-US relations shift to a mending or a meltdown?
- No investment rebalancing activity occurred during Q3

CAPITAL MARKETS SUMMARY

REPORTED AS OF SEPTEMBER 30, 2021



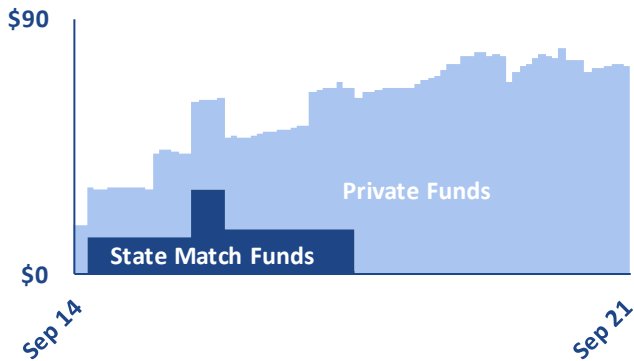
- Developed equity markets were broadly flat for Q3.
- Concerns focused on slowing growth, supply chain disruptions, increased inflation, and China.
- Developed equity returned -0.2% for the quarter. The same market was up 13.1% year-to-date, and up 30.1% over the last 12 months.
- Returns in fixed income were also mostly flat. The Bloomberg High Yield index was up 0.9% for the quarter and Bloomberg Universal returned 0.1% for the quarter.
- The Consumer Price Index (CPI) rose by 0.3% in August – smallest gain in 7 months. It rose 5.3% on a year-over-year basis.
- The Fed might begin tapering monetary stimulus; interest rates moved higher to 1.5% at quarter end.
- Commodity prices were up; oil gained 4.5% this quarter and has almost doubled over the last 12 months.
- Emerging markets underperformed, mainly due to a pullback in the Chinese equity market.

WSOS GROWTH OF ASSETS

SEPTEMBER 30, 2021

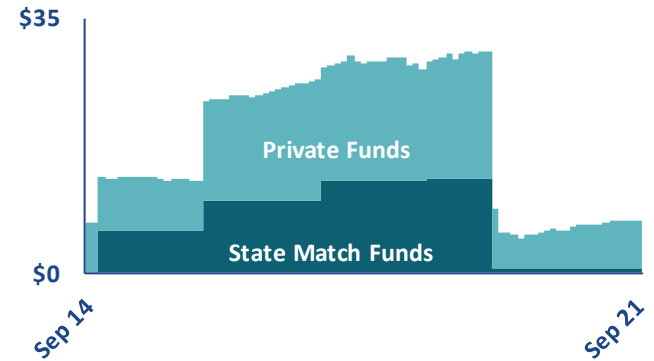
BaS

- Total assets: \$73.4 million
- 100% private funds



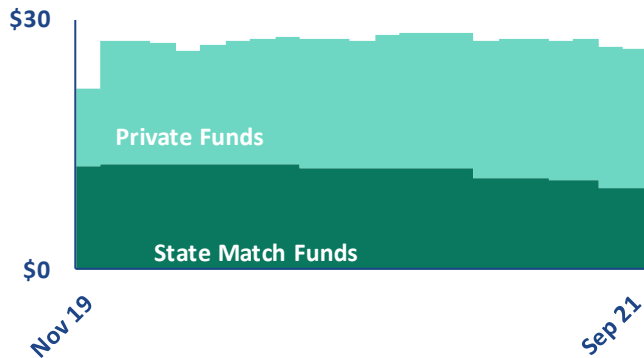
Endowment

- Total assets: \$7.1 million
- 92% private funds and 8% state match funds



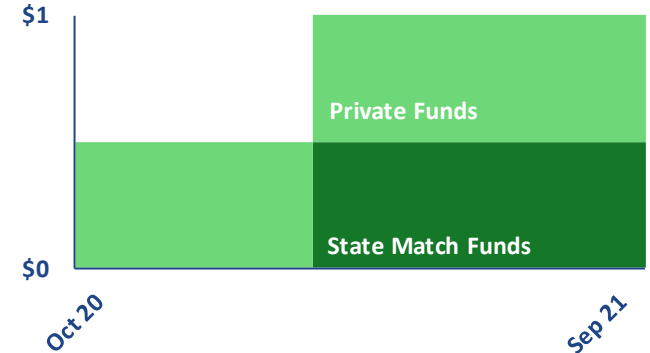
CTS

- Total assets: \$26.5 million
- 63% private funds and 37% state match funds



GRD

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



MARKET VALUES AND ASSET ALLOCATION

SEPTEMBER 30, 2021

Private Funds

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

State Match Funds

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

	BaS	Endowment	CTS	GRD
Private	Cash 4.84%	Fixed Income 19.88%	Cash 4.32%	
	Fixed Income 68.96%	Equity 80.12%	Fixed Income 69.27%	Cash 100.00%
	Equity 26.19%		Equity 26.41%	
	\$73,385,330	\$6,542,715	\$16,754,480	\$500,122
State Match	\$0	\$585,184	\$9,768,374	\$500,091

FUND PERFORMANCE UPDATES

ALL COLUMNS SHOW PERFORMANCE CALCULATED AS OF SEPTEMBER 30, 2021

	Annualized				
	3rd Qtr. 2021	1 Year	3 Year	5 Year	Since Inception
BaS					
Private	-0.22%	7.47%	6.39%	7.35%	6.15%
Private Benchmark	-0.20%	7.62%	6.39%	7.31%	6.18%
State Match	0.00%	0.00%	0.96%	0.98%	0.74%
State Match Benchmark	0.01%	0.07%	1.19%	1.17%	0.90%
Private Funds Benchmark: 25% Equity, 70% Fixed Income, and 5% Cash. State Match Benchmark: 100% Cash					
Endowment					
Private	-0.85%	23.59%	10.12%	10.79%	8.62%
Private Benchmark	-0.82%	23.23%	11.49%	11.51%	9.07%
State Match	0.01%	0.03%	1.00%	1.01%	0.77%
State Match Benchmark	0.01%	0.07%	1.19%	1.17%	0.90%
Private Funds Benchmark: 80% Equity, 20% Fixed Income. State Match Benchmark: 100% Cash.					
CTS					
Private	-0.22%	7.74%	N/A	N/A	7.77%
Private Benchmark	-0.20%	7.62%	N/A	N/A	7.13%
State Match	0.01%	0.03%	N/A	N/A	0.30%
State Match Benchmark	0.01%	0.07%	N/A	N/A	0.47%
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	0.01%	N/A	N/A	N/A	0.06%
State Match	0.01%	N/A	N/A	N/A	0.01%
State Match Benchmark	0.01%	N/A	N/A	N/A	0.01%
Private Funds Benchmark: 100% Cash. State Match Benchmark: 100% Cash.					

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

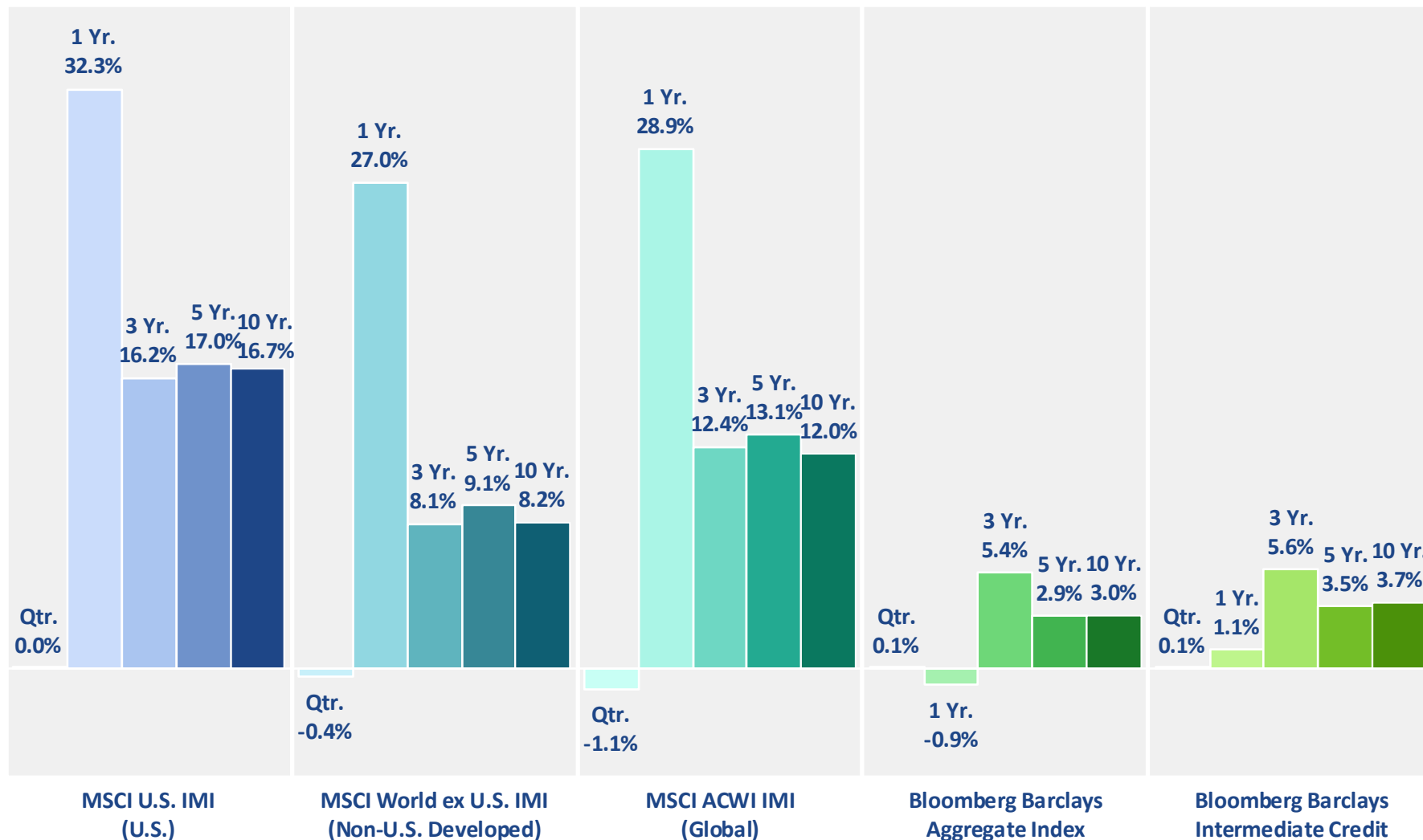
FUND PERFORMANCE UPDATES

ALL COLUMNS SHOW PERFORMANCE CALCULATED AS OF SEPTEMBER 30, 2021

		Annualized			
	3rd Qtr. 2021	1 Year	3 Year	5 Year	Since Inception
Equity					
BaS	-1.08%	29.13%	13.21%	13.67%	10.40%
Endowment	-1.08%	29.15%	12.93%	13.53%	10.39%
CTS	-1.08%	29.15%	N/A	N/A	19.02%
MSCI ACWI IMI w/ U.S. Gross	-1.06%	29.23%	12.71%	13.39%	
Fixed Income					
BaS	0.09%	0.64%	5.83%	3.68%	3.82%
Endowment	0.09%	0.64%	5.84%	3.69%	3.82%
CTS	0.09%	0.64%	N/A	N/A	4.15%
BB Intermediate Credit	0.07%	1.06%	5.55%	3.49%	

CAPITAL MARKETS AT A GLANCE

SEPTEMBER 30, 2021



CONTACT INFORMATION

Website: <http://www.sib.wa.gov>

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

Phone: (360) 956-4600

The screenshot shows the Washington State Investment Board website. At the top, the logo features three stylized upward-pointing arrows. The text reads "Washington State Investment Board" and "Investing with integrity, prudence, and skill". A search bar is located in the top right corner. The main content area is divided into three sections: "INVESTING" (with links for Investment Reports, Asset Classes, and Asset Stewardship/ESG), "INFORMING" (with links for Board & Committees, Policies, WSIB Staff, InfoBits & News, and Contact Us), and "EMPLOYING". A large central banner image shows silhouettes of people in a modern office setting, with the text "Delivering investment results for retirement plans & public trusts". Below the banner are four navigation boxes: "POPULAR PICKS" (Investment Reports, Policies), "WSIB ESG REPORT" (with a leaf icon), "INFOBITS" (Asset Classes, Funds Managed, Investment Beliefs, & More), and "WSIB STORY" (with a bar chart icon).

Tab C

Program Administrator Report

FINANCE & PROGRAM ADMINISTRATOR UPDATE

September 30, 2021

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

WSOS Balance Sheet

Washington State Opportunity Scholarship
Comparative Balance Sheets
September 30, 2021

	Comparison to Last Reported Period			Notes	Comparison to Same Period LFY		
	7/31/21	% Change	9/30/21		9/30/20	% Change	9/30/21
Assets							
Cash	2,928,527	-67%	953,117	1	1,110,118	-14%	953,117
Investments	109,903,671	-2%	108,036,297	2	111,282,060	-3%	108,036,297
Accounts Receivable	23	226%	75		404	-81%	75
Pledges and Grants Receivable, net	10,061,171	0%	10,051,171		2,543,608	295%	10,051,171
State match receivable, net	3,435,153	-96%	126,600	3	787,470	-84%	126,600
Unbilled State match revenue	6,345	2014%	134,104	3	500,000	-73%	134,104
Unbilled State match receivable, offset	(6,345)	2014%	(134,104)	3	(500,000)	-73%	(134,104)
Prepaid Expenses	67,276	-16%	56,562		66,339	-15%	56,562
Property and equipment, net	13,683	-12%	12,053		22,762	-47%	12,053
Total Assets	126,409,503	-6%	119,235,875		115,812,761	3%	119,235,875
Liabilities and Net Assets							
Accounts Payable	58,431	31%	76,673		166,038	-54%	76,673
Payroll Related Liabilities	99,379	0%	99,869		67,681	48%	99,869
Scholarship Commitments Bacc., net	18,472,288	16%	21,430,904	4	27,023,364	-21%	21,430,904
Scholarship Commitments CTS, net	2,160,429	63%	3,515,709	4	2,647,539	33%	3,515,709
Scholarship Commitments RJL, net	26,299	597%	183,380	4	-	0%	183,380
Scholarship Commitments GRD, net	-	100%	152,126	4	-	-	152,126
Total Liabilities	20,816,826	22%	25,458,661		29,904,622	-15%	25,458,661
Net Assets							
Temporarily Restricted Net Assets	105,592,677	-11%	93,777,214		85,908,139	8%	93,777,214
Permanently Restricted Net Assets	-	0%	-		-	0%	-
Total Net Assets	105,592,677	-11%	93,777,214		85,908,139	9%	93,777,214
Total Liabilities and Net Assets	126,409,503	-6%	119,235,875		115,812,761	3%	119,235,875

WSOS Balance Sheet

Notes:

1. Decrease in cash between July and September primarily due to net scholarship disbursements net of refunds of \$6M (BaS \$5.1M, CTS/RJI \$896K, GRD \$42K). This was offset by private receipts of \$226K, which included \$100K from Costco Opportunity Talks Grant, \$90K from Boeing Grant, and \$10K from Jane Park. Additionally, there were state match receipts of \$3.4M as well as a transfer of \$950K from WSIB CTS account to cover scholarship disbursements.
2. Investment balance as of 09/30/21 includes WSIB BaS Scholarship \$73.39M, WSIB CTS Scholarship \$26.52M, WSIB Endowment \$7.13M, WSIB GRD Scholarship \$1M, KeyBank Capital BaS \$0, and KeyBank Capital CTS \$0. Decrease from July was due to unrealized losses of \$917K as well as \$950K transfer from CTS investment account to cover scholarship disbursements.
3. After payment by WSAC of the January and February State Match invoices, WSAC depleted all matching funds for the FY ending 06.30.21. WSAC received additional appropriations at the beginning of their fiscal year starting 07.01.21 which were largely expended by invoicing of March through July private receipts, as invoicing was delayed due to lack of appropriations. In September WSOS invoiced WSAC for the final round of resubmission receipts related to CSF program administration period, this balance had been fully allowed for so is not part of the state match receivable balance. Current balance in receivable account is made up of July and August activity capped at the current amount of appropriations in WSAC accounts less the invoiced resubmission invoices. Unbilled balance is amounts in excess of what is appropriated.
4. Changes in scholarship liabilities during the period August - September were primarily due to recording liability for the most recent cohorts of students, this totaled \$10.25M (\$7.57M BaS, \$2.49M CTS/RJI, and \$195.5K GRD). This was offset by scholarship disbursements of \$6.15M (BaS \$5.14M, CTS/RJI \$1M, and GRD \$42K).

WSOS Income Statement

Income Statements

Actual vs. Budget

Nine Months Ending September, 2021

	Nine Months Ending September, 2021		Variance Fav (Unfav)	Notes	December 31, 2021
	Actual	Budget			Annual Budget
Revenue					
Private	10,809,945	19,250,000	(8,440,055)	1	23,860,000
Public	3,811,693	3,850,000	(38,307)	2	3,850,000
Investment Dividends & Interest	30,370	36,135 *	(5,765)	3	48,180
Investment Unrealized/Realized Gains	2,473,790	1,059,955 *	1,413,835	3	1,720,387
Investment Fees	(46,120)	(48,600) *	2,480	3	(64,800)
Total Revenue	17,079,678	24,147,490	(7,067,812)		29,413,767
Program Expense					
Salaries and Benefits	1,698,327	1,800,509	102,182	4	2,730,772
Professional Fees - Program Admin fees	428,301	428,301	-		573,942
Professional Fees - Contractors & Lobbying	409,687	316,120	(93,567)	5	544,460
Conferences, Conventions & Meetings	8,025	73,650	65,625		229,075
Operating Expenses	153,079	189,961	36,882		292,706
	2,697,419	2,808,541	111,122		4,370,955
Income (Loss) before Scholarship Exp	14,382,259	21,338,949	(6,956,690)		25,042,812
Scholarship Expense	9,856,315	9,859,879	3,564	6	10,704,170
Net Income (Loss)	4,525,944	11,479,070	(6,953,126)		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 July and September totaled \$217K which included \$100K from Costco Opportunity Talks Grant, \$80K from Boeing, as well as \$10K from Jane Park. Other significant pledge renewals are in discussions and awaiting written pledge documentation.
2. Revenue Public: In July WSOS was able to bill and record revenues for March through June, after a delayed appropriations were received in July, as well as record revenues for July private receipts. For the period of Aug. - Sept. WSOS was able to accrue a portion of the August state match revenues, but was limited by lack of appropriations. WSOS expects similar delays going forward, and expects next appropriation to occur in July of 2022.
3. Investment Returns: Actual YTD includes unrealized+realized gains of \$2.4M, interest & dividend income of \$30K and investment expense of \$45K. 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 ~\$102K 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), other fundraising consulting of \$62K, 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 were recorded in August with any final adjustments happening in December. The CTS/RJI liability and adjustments are recorded in March, August, and December based on portion of students accepted into the program. GRD liability was also recorded in August.

WSOS Cash Flow

Cash Flow Summary

Inception-To-Date
September 30, 2021

	Inception - September 30, 2021			
	Scholarship	Endowment	Notes	Total
<u>CASH FLOW</u>				
Cash Inflow:				
Boeing	25,200,000	-		25,200,000
Microsoft	35,000,000	-		35,000,000
Other Private	41,522,924	-	1	41,522,924
State Match	101,291,143	-	2	101,291,143
State Implementation Funds	500,000		2	500,000
Investment Income*	26,507,467	7,133,711	3	33,641,178
Total Cash Inflows	230,021,534	7,133,711		237,155,245
Cash Outflow:				
Scholarships	(104,361,653)	-	4	(104,361,653)
Program Expenses	(23,798,366)	(5,812)		(23,804,178)
Total Cash Outflows	(128,160,019)	(5,812)		(128,165,831)
Net Cash Flow Inception-To-Date	101,861,515	7,127,899		108,989,414
<u>Composition of Net Cash Flow</u>				
KeyBank Checking Account	953,117	-	5	953,117
Investment Accounts at WSIB and KeyBank	100,908,398	7,127,899	5	108,036,297
Total	101,861,515	7,127,899		108,989,414

WSOS Cash Flow

Notes:

1. Cash Inflow: Between August and September WSOS received private receipts of \$226K, which included \$100K from Costco Opportunity Talks Grant, \$90K from Boeing Grant, and \$10K from Jane Park.
2. State - In the period between August to September WSOS received \$3.4M in state match receipts related to March through June 2021 private receipts. Additionally WSOS received the final \$62.5K of implementation funds.
3. Investment Income - August to September investment income included unrealized+realized losses of \$917K, interest & dividend income of \$6K and investment expense of \$10K
4. Scholarship disbursements between August and September were \$6.19M (BaS \$5.14M, CTS/RJI \$1M, and GRD of \$42K) and scholarship refunds totaled \$175K (\$67K Baccalaureate, \$107K CTS/RJI).
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 Apr	2021 May	2021 June	2021 Jul	2021 Aug	2021 Sep	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2021 YTD
OPERATING ACTIVITIES											
Change in net assets	1,565,587	10,668,130	4,017,161	516,597	(10,059,747)	(1,755,716)	(426,068)	16,250,878	(11,298,866)	-	4,525,944
Adjustments to reconcile change in net assets to net cash used by operating activities-											
Add: Depreciation & Amortization	868	868	868	832	833	797	2,749	2,604	2,462	-	7,815
Add: Loss (Subtract: Gain) on disposal of fixed assets	-	-	-	-	-	-	-	-	-	-	-
Add: Loss (Subtract: Gain) on realized/unrealized investments	(1,592,685)	(732,914)	(672,552)	(661,932)	(666,121)	1,583,495	251,562	(2,998,151)	255,442	-	(2,491,147)
Add: Accretion of prepaid loan fees	-	-	-	-	-	-	-	-	-	-	-
Add: Loss on extinguishment of debt	-	-	-	-	-	-	-	-	-	-	-
Changes to balance sheet accounts:											
Accounts receivable, net	(1,031)	780	321	12	(25)	(27)	299	70	(40)	-	329
Prepaid expenses & other assets	6,118	5,135	(15,235)	5,456	5,204	5,510	3,833	(3,982)	16,170	-	16,021
Pledges receivable	258	(9,975,000)	2,466,000	1,500	(80,000)	90,000	6,933	(7,508,742)	11,500	-	(7,490,309)
State match receivable	152,793	-	(3,469,900)	34,747	3,308,253	300	581,362	(3,317,107)	3,343,300	-	607,555
Accounts payable	(41,450)	(5,228)	37,923	(49,167)	1,488	17,358	(10,987)	(8,755)	(30,321)	-	(50,063)
Scholarship commitments	(83,183)	(47,011)	(376,499)	(3,000)	4,953,066	(329,964)	(4,554,383)	(506,693)	4,620,102	-	(440,974)
Accrued expenses and other	(18,893)	7,621	(5,521)	6,762	327	(441)	(40,829)	(16,793)	6,648	-	(50,974)
Net Cash (used) provided by operations	(11,618)	(77,619)	1,982,566	(148,193)	(2,536,722)	(388,688)	(4,185,529)	1,893,329	(3,073,603)	-	(5,365,803)
INVESTING ACTIVITIES											
Purchases of property & equipment	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of property & equipment	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of investments	-	-	350,000	-	950,000	-	5,000,000	350,000	950,000	-	6,300,000
Purchases of investments	-	-	-	-	-	-	(500,020)	-	-	-	(500,020)
Proceeds from sale of subsidiary	-	-	-	-	-	-	-	-	-	-	-
Other investing activities	-	-	-	-	-	-	-	-	-	-	-
Net Cash (used) by investing activities	-	-	350,000	-	950,000	-	4,499,980	350,000	950,000	-	5,799,980
FINANCING ACTIVITIES											
Cash contributions and pledges collected for endowment purposes	-	-	-	-	-	-	-	-	-	-	-
Payments on capital leases	-	-	-	-	-	-	-	-	-	-	-
Net Cash (used) provided by financing activities	-	-	-	-	-	-	-	-	-	-	-
Cash Flow	(11,618)	(77,619)	2,332,566	(148,193)	(1,586,722)	(388,688)	314,451	2,243,329	(2,123,603)	-	434,177
Cash at Beginning of Period	833,391	821,773	744,154	3,076,720	2,928,527	1,341,805	518,940	833,391	3,076,720	953,117	518,940
Cash at End of Period	821,773	744,154	3,076,720	2,928,527	1,341,805	953,117	833,391	3,076,720	953,117	953,117	953,117

Tab D

Program Update, \$75M Model and 2022 Budget

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

PROGRAM UPDATE

12.08.2021

COMMITTEE ANNUAL SELF-EVALUATION

WASHINGTON STATE
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SCHOLARSHIP

COMMITTEE PURPOSE

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

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

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

COMMITTEE RESPONSIBILITIES

1. Review the investment policies and strategies and provide policy guidance to the Board as directed. Such guidance shall include but not be limited to:

- a) Overall investment strategy and guidelines for the OSA and OSEA investment portfolios;
- b) Evaluation of asset classes for investment;
- c) An assessment of risk in the portfolio and risk mitigation strategies;
- d) Selection of new investment managers;
- e) Termination of existing investment managers; and
- f) Review of the performance of the investment funds and investment managers.

2. Review and make recommendations to the Board regarding financial matters. Such guidance shall include but not be limited to:

- a) Review the proposed annual budget as presented for the upcoming fiscal year;
- b) Recommend the annual budget to the Board for approval; and
- c) Monitor and report to the Board on the Administrator's compliance with the adopted budget during the fiscal year.

F&I COMMITTEE 2021 SELF-EVALUATION

The Committee will annually evaluate its own performance in the fourth quarter with respect to the requirements of the Finance and Investment Committee Charter. This evaluation will be reported back to the Board during one of the quarterly Board meeting updates.

TAKE THE SURVEY

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OPPORTUNITY
SCHOLARSHIP

DISCUSSION

- Did anything arise when completing your evaluation that you want to share for the group to discuss?
- Is there anything you didn't share in your evaluation you want the committee or Board to know?

PROPOSED COHORT MODEL

WASHINGTON STATE
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OVERVIEW

1. Explain our model today & goals for the campaign.
2. Overview three cohort size models and our recommendation.
3. Answer questions and concerns.
4. Vote to recommend a cohort size model to the WSOS Board to be implemented in 2022.

Next steps: WSIB and WA STEM collaborate to ensure our asset allocation matches this new cash flow plan.

Today, we are designed to sunset. Annually, we only serve about 1 in 3 eligible students.

- Without the campaign, we'd **sunset** GRD in 2022, RJI in 2023, BaS in 2025 and CTS in 2029.
- Only **29%** of eligible applicants for BaS and **38%** of eligible applicants for CTS were selected in 2021.

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The WSOS Board's goals for the \$75M campaign are two-fold.

The goals for the \$75M campaign are to:

- 1) **extend all scholarships to 2030; and**
- 2) **create more seats today with remaining funds.**

With today's financial position (includes first \$60M), we're able to extend the scholarship to 2030...and then some.

- Make no changes to our current approach:
 - **\$99.9M** ending balance by 2035
- Extend to 2030 only, current cohort sizes:
 - **\$31.4M** ending balance by 2035

Our task is to determine how many additional seats we can create, starting with cohorts in 2022.

- What's the **appropriate level of risk** since we are assuming success of the \$75M campaign?
- What's the **appropriate timeline** to formally revisit this model, knowing our finance team reviews internally at least annually?
- Are you **comfortable** with the recommended model, Option C, for at least the next three years?

KEY ASSUMPTIONS IN THE MODEL

1. Historical per student costs
2. Revenues assume campaign success for A, B and C
3. GRD and RJI are constant at operational max
4. Endowment released to BaS in 2025
5. Market returns & expense growth built in conservatively

We recommend Option C.

	Option A: Aggressive	Option B: Conservative	Option C: Goldilocks	Assume campaign is not successful; extend only
BaS cohort size*	1,350	1,225	1,275	750
CTS cohort size*	1,350	1,225	1,275	550
RJI cohort size*	110	110	110	110
GRD cohort size*	20	20	20	20
Approx. Ending Balance	-\$1.7M	+\$24.2M	+\$13.8M	+\$31.4M

**Annual cohort sizes from 2022 to 2030*

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DISCUSSION

- What's the **appropriate level of risk** since we are assuming success of the \$75M campaign?
- What's the **appropriate timeline** to formally revisit this model, knowing our finance team reviews internally at least annually?
- Are you **comfortable** with the recommended model, Option C, for at least the next three years?

REQUESTED COMMITTEE ACTION

- Vote to approve cohort model update with a date to formally revisit with the committee.

PROPOSED 2022 BUDGET

WASHINGTON STATE
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SCHOLARSHIP

PROPOSED 2022 WSOS BUDGET

	2021 Budget	2022 Proposed	Variance
REVENUES	29,413,767	24,831,845	(4,581,922)
SCHOLARSHIP EXPENSES	10,704,170	20,740,426	10,036,256
TOTAL NON-SCHOLARSHIP EXPENSES	4,370,956	5,122,833	751,877
SCHOLAR LEAD & CTS AMBASSADOR STIPENDS	260,400	280,920	20,520
SALARIES, TAXES, BENEFITS	2,730,772	3,132,043	401,271
CONSULTING, PROFESSIONAL SERVICES & LOBBYING	284,060	477,754	193,694
PROGRAM ADMIN FEE	573,942	718,273	144,331
ALL OTHER OPERATING COSTS	521,782	513,843	(7,939)

Represents 91% programs; 9% operational spending.

WASHINGTON STATE
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 SCHOLARSHIP

CAMPAIGN LEADS TO CONTINUED HIGH REVENUE EXPECTED.

- 2021 budget revenues* at historical high (**\$29.4M**)
 - *Actual EOY projection is expected to exceed budget*
- 2022 revenue budget remains high (**\$24.8M**)
 - Includes securing two additional cornerstone gifts (\$5M+)
 - Includes state match of \$8.5M
 - Delay in state match revenue due to statutory changes leads to high confidence in state match going forward

*Accrual basis

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SCHOLARSHIP

SCHOLARSHIP SPENDING INCREASES WITH NEW COHORT MODEL.

- Significant increase on cohort sizes (**\$10.7M to \$20.7M**)
 - Modeled based on assumption of adopting Option C*
 - Increases CTS cohorts from 550 to 1,275
 - Increases BaS cohorts from 750 to 1,275

**Will adjust if another model is selected*

WASHINGTON STATE
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SCHOLARSHIP

NON-SCHOLARSHIP SPENDING WILL GROW BY ~\$752K.

- **Salaries + benefits (+\$401K)**
 - Anticipating 3% COLA (max of current policy) given Covid impacts on inflation
 - One-time PTO pay-out anticipated due to program administrator transition (P/L impact ~\$50k, cash impact is about \$150k + 401k match)
 - One additional FTE represented
- **Program administration fee (+\$144K)**
 - Unknown PA fee to be paid to new administrator; budgeting an 5% increase over current fee
 - Per contract, transition fee to be paid to WA STEM & new PA for incurring additional work of transition
- **Campaign costs (+\$210K)**
 - Requesting support from a PR firm in rebranding work (\$80K)
 - Requesting support from campaign counsel to guide the work ahead (\$100K)
 - Engaging with a contract grant writer rather than adding additional FTE (\$30K)

DISCUSSION

- Are there any red flags you anticipate the Board seeing as risks or outliers in the 2022 proposed budget?
- Does the proposed increase in non-scholarship costs feel reasonable given our growth goals and one-time expenses?

REQUESTED COMMITTEE ACTION

- Vote to recommend the WSOS Board adopt the 2022 proposed budget.

EXECUTIVE SESSION

WASHINGTON STATE
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NEXT COMMITTEE MEETING
TBD