

WASHINGTON STATE **OPPORTUNITY** SCHOLARSHIP

BOARD MEETING AGENDA WEDNESDAY, JUNE 8, 2022, | 1:00-3:00 P.M. IN-PERSON OR REMOTE

To join virtually: Click on the Microsoft Teams link in the meeting invitation or dial in #: 323-849-4874 / passcode: 113 574 317#

To join in person: Microsoft Campus, Building 34, Boardroom (all participants should have proof of vaccination or to attest to having a negative COVID test prior to coming to the meeting)

Meeting open to the public via conference line above.

I.	Meeting Called to Order		Brad Smith Board Chair	1:00pm
II.	Minutes from March 16, 2022, Meeting » <i>Board Action:</i> Approve minutes	[Tab A]	Brad Smith Board Chair	1:00-1:05pm
III.	Mission Moment: Opportunity Scholar Story	[Tab B]	Christopher Wray Opportunity Scholar	1:05-1:15pm
IV.	ED Corner	[Tab C]	Kimber Connors WSOS Executive Director	1:15-1:40pm
V.	501 Commons Transition Update	[Tab D]	Javania Cross Polenska Deputy Director	1:40-1:50pm
VI.	2022 Career & Technical Scholarship Selection » <i>Board Action:</i> Limit RJI selection » <i>Board Action:</i> Approve CTS selection model & cut-score	[Tab E]	Steve Walker Special Projects Director	1:50-2:10pm
VII.	\$75 Million Campaign Update	[Tab F]	Nick Peyton Sr. Development Director	2:10-2:20pm
VIII.	Higher Education Enrollment Trends	[Tab G]	Mike Meotti WSAC Executive Director	2:20-2:40pm
IX.	Finance & Program Administrator Update	[Tab H]	Patrick Smith Finance & Investment Committee Chair	2:40-2:45pm
X.	Executive Session: Executive Director Performance		Jane Park Board Member	2:45-3:00pm
XI.	Closing		Brad Smith Board Chair	3:00pm

Upcoming Board Meetings

- Wednesday, September 28, 2022
- Wednesday, December 14, 2022

Tab A

Minutes from the March 16, 2022 Board Meeting

**WASHINGTON STATE OPPORTUNITY SCHOLARSHIP BOARD MEETING
WEDNESDAY, MARCH 16, 2022, 2-4PM, MICROSOFT REDMOND CAMPUS,
MICROSOFT TEAMS OR DIAL IN MEETING MINUTES**

The Board of Directors of the Washington State Opportunity Scholarship (WSOS) convened on March 16, 2022, 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), Diane Cecchetti, Joelle Denney, Jane Park, Julie Sandler, Patrick Smith.

Board members present via Microsoft Teams: Latisha Hill, Gary Rubens, Mike Wilson, Miller Adams (joined at 2:14pm).

Additional attendees: Gina Breukelman, Jane Broom, Kimber Connors, Johnathan Luster, Nick Peyton, Tori Campbell, Lianda Abraham, Genevieve Geiger, Mesa Herman, Nicolas Khamphilom, Jessica Monger, Joanna Moznette, Patti Nelson, Brittny Nielsen, Jvania Cross Polenska, Vanesa Contreras Rodriguez, Yoko Shimomura, Steve Walker, Milton Lang, Heidi Thomson-Daly, Aileen Tubo, Rachel Wyers and Irina Grubic.

Meeting Called to Order

Brad Smith, Chair, called the Board meeting to order at 2:03pm.

Kimber Connors, WSOS Executive Director, welcomed Milton Lang, the new Washington STEM CEO. With over 25 years of professional and executive-level experience in higher education, Lang combines a deep love for Washington state with extensive content knowledge in education, seasoned leadership and a passion for educational access and opportunity for first-generation, rural, low-income and students of color. Prior to his role at Washington STEM, he served as the Vice President for Student Services at Ohlone College and has also served as Vice President for Student Affairs and Chief Diversity Officer at California State University, Chico, and Associate Vice Chancellor for Student Affairs at the University of California, Davis. Throughout his career, Lang has also worked collaboratively with statewide leaders, businesses, K-12 school districts, nonprofit organizations, community leaders and legislators. He looks forward to coming up to speed on the WSOS/WA STEM partnership. Brad Smith welcomed Lang.

Approval of Minutes

Connors noted an error in the meeting minutes had been discovered after the pre-read was sent and clarified the selection section incorrectly referred to the Career and Technical Scholarship Cohort 11. She noted "Career and Technical" should be replaced with "Baccalaureate".

Board Action: Julie Sandler moved that the minutes of the December 16, 2021, Board meeting be approved with the correction Connors had noted. Diane Cecchetti seconded the motion, and it carried unanimously.

Mission Moment: Scholar Opportunity Story

Connors introduced Cesar Seguil, Career and Technical Program Manager. Seguil introduced Maximum Millet, a second-year student at Bellingham Technical College (BTC) pursuing an Associate of Applied Science (AAS) degree in Instrumentation and Control Technology. This program trains students in the installation, repair and adjustment of measuring and controlling instruments for operational safety. Millet's goal is to develop these skills to utilize and outfit automation technology for a more sustainable future. He was born and raised in the greater Seattle area, graduating from Juanita High School in Kirkland. After briefly relocating to Bozeman, MT, he settled down in Bellingham, WA. In addition to being in school, Millet currently serves as a peer mentor to fellow BTC Opportunity Scholars through our inaugural Career

and Technical Scholarship (CTS) Ambassador Program. He also participated as a mentee in the winter CTS industry mentorship program.

Brad Smith asked Millet what things WSOS could do better. Millet responded that he has had a great experience with WSOS, and he doesn't have any complaints. Joelle Denney asked what can be done to let more students know about WSOS. Millet responded that a financial aid advisor at his college let him know about WSOS. As a CTS Ambassador, Millet encourages others to connect with the financial aid office since they are the experts in sharing information about scholarships like WSOS. Brad Smith thanked Millet for sharing his experience and added that people like Millet are the inspiration for WSOS.

Program Update & 2022 GRD Selection

Connors introduced Johnathan Luster, WSOS Programs Director. Luster introduced himself as it was his first time presenting to the Board. Prior to joining WSOS last June, Luster worked in higher education for close to 15 years. He served in many areas including admissions, student services and alumni engagement. He also shared that he and his husband have a 15-month-old son. Luster shared two goals for his presentation: 1) highlight the WSOS mission in action; and 2) secure approval for proposed Graduate Scholarship (GRD) eligibility requirements and selection principles.

Luster started with a review of the Baccalaureate Scholarship (BaS). He shared that 978 Scholars are being supported by 111 Scholar Leads, and 578 Scholar mentees are being mentored by 572 industry partners in the 2021-22 academic year. Luster reported that while Scholars still report high satisfaction with programming, the industry mentorship program is down about 30% in participation since 2020-21. Luster stated this is likely due to the same difficulties many organizations are facing in terms of competing demands for time and attention. Luster reminded the Board we'll be awarding 1,275 Scholars next academic year, a significant increase from this year. He noted the Programs team is hiring an additional FTE to support more Scholar Leads in anticipation of selecting approximately 140 Leads (a 25% increase over the current Leads we are supporting).

Luster then provided an overview of CTS. He offered gratitude to Boeing for the generous grant which enabled us to pilot and grow programs. Like the challenges faced for BaS, Luster noted more attrition than we expected for the winter pilot mentorship program in CTS. While we are gathering data to learn more, we believe it reflects the pandemic fatigue we are all experiencing. Luster shared we are preparing for next cycle (spring) of the industry mentorship program. Thirty-one Scholars have signed up to participate (goal was 30) to be mentees, and we are recruiting mentors to match their desired industries. Staff supporting CTS plan to evaluate feedback to adjust and scale both the industry mentorship and Ambassador programs for AY 2022-23 to serve more Scholars.

Finally, Luster turned the presentation to GRD. He reported that Cohort 1 is doing great; all eight Scholars persisted to second term, and 75% of them joined our first support program last month. Our application period for Cohort 2 is also happening soon. Luster thanked Genevieve Geiger, GRD Program Manager, who has led the pilot year for GRD.

Jane Broom asked for more information on the decline in mentorship participation. Nick Peyton stated recruiting mentors in September was a challenge because some of the key partners were busy and experiencing a lot of turnover/transition in their own organizations. Connors added that there has been a decline in the participation of students in the program as well as mentors; every interested Scholar was matched with a mentor, but fewer students raised their hand to participate. Brad Smith asked if student engagement was down because of fatigue or if people are busier or if something else is at play. Luster affirmed the feedback his team has received is that it is a mixture of pandemic fatigue and overwhelm as Scholars work to balance school and life. Sandler commented that there is a huge demand for mental health services as many are struggling with overwhelm.

Luster reminded the group that Jessica Monger, WSOS External Affairs Director, presented a legislative priority in the September meeting about modifying the family income requirement for GRD. Luster reported that our bill has passed the Legislature and is awaiting the Governor's signature. The WSOS statute currently states applicants must have a family income at or below 125% of Washington state

median family income adjusted for family size. However, current family income doesn't necessarily reflect historical family financial need, especially because GRD applicants are mostly already working nurses. The 2022 bill, once signed into law, will give the WSOS Board authority to consider other factors beyond family income to assess applicants' financial need. Luster proposed the Board adopt the model described in the pre-read materials (Tab C) to classify students as low-, moderate- or high-need. He recommended the Board allow those classified as moderate- or high-need or those who have family income at or below 125% of median for their family size be eligible.

Luster then presented the recommended selection model for GRD. He noted the proposed model was like that used for Cohort 1 with two notable changes. First, he recommended we add priority for applicants who are most likely to practice in a medically underserved area in Washington state (increasing its weight to 55%, compared to 50% last year). Second, he recommended we add priority for applicants who intend to focus on behavioral health care (increasing its weight to 15%, compared to 8% last year). Brad Smith asked if the recommended income eligibility or selection model will need to change if the Governor does not sign the WSOS bill. Connors explained the bill is highly likely to pass. In the unlikely event the Governor does not sign, the eligibility vote would be moot because the statute would override and command only students who are at or below 125% of median family income be eligible. She explained that a footnote included in Tab C notes how the team would operationalize financial need in the event the bill does not pass, but that the Board's vote would remain valid with financial need weighting. Diane Cecchetti noted that she believes primary health care is just as necessary as behavioral health care. She recommended the Board adjust the recommended model to weight behavioral and primary care equally. Mike Wilson echoed this sentiment. Patrick Smith asked if there are only two tracks that exist (behavioral and primary care). Connors confirmed.

Board Action: Cecchetti made a motion to accept the proposed eligibility for financial need and to accept the proposed selection model for GRD with the modification to equally weight behavioral and primary care. Wilson seconded, and the motion passed unanimously.

Connors asked for the Board's approval to select 70 additional students during the CTS spring cycle. She explained the team recommended we select 70 of the planned 1,275 seats for the 2022-23 academic year this spring because we have seen a decrease in applications; by selecting 70 additional students while the cohort size is still 550, we'll be selecting higher quality applicants. Brad Smith expressed his concern regarding the drop in applications from 700 submitted in 2021 to 400 in 2022 for the CTS spring cycle. Connors stated that higher education enrollment is down in general, particularly for low-income, first-generation students like most students served by WSOS. Joelle Denney asked if there is a drop in baccalaureate applications too. Steve Walker, WSOS Special Projects Director, confirmed this is true. Brad Smith expressed concern that WSOS needed to re-emphasize its focus on in-person relationships to rebuild application numbers. Walker responded that the pandemic impacted the relationship between the trusted promotion partners we usually work. 85% of applicants say they found out about WSOS from trusted adults, and this relationship between adults and students was broken during pandemic. Walker stated that it is a good time now, in spring, to add additional 70 seats as we have strong applicants now rather than waiting until the fall and discovering we do not have enough qualified applicants.

Board Action: Denney made a motion to approve the additional 70 seats to CTS be selected in the spring. Sandler seconded, and it carried unanimously.

The conversation moved to how to better promote WSOS. One of the suggestions was to use social media more effectively. Connors affirmed we use social media and emphasized that it doesn't replace the personal relationship connections that have been challenging during the pandemic. Brad Smith suggested we promote WSOS in high schools by visiting high schools across the state. Gina Breukelman suggested WSOS work more closely with skills centers to promote especially CTS. Wilson shared there has been a considerable drop in college applicants in Washington state, but Running Start student participation has increased. Miller Adams stated that we need to figure out a new strategy as schools start to reopen. Denney asked if mentors could go to schools. Connors affirmed her understanding that we need to rebuild our relationships with adults who work in high schools and technical schools as students trust them.

\$75 Million Campaign Update

Nick Peyton, WSOS Senior Development Director, presented an update on the fundraising campaign. WSOS raised \$33.2M in the first 5 quarters of campaign. Key donors include: Microsoft (\$15M), Gary & Jennifer Rubens (\$10M), Boeing (\$5M), Amazon (\$1). Other gifts received since the last Board meeting in December 2021: \$475K BECU Foundation; \$125K Think Forward Foundation (FY21); \$20K Car Pros; \$12.5K Battelle; \$5K WSOS Alumnus, Cohort 2. \$515K has been raised in Q1 of 2022. We are on track to close \$16M in gifts in AY22, and we have increased our stewardship activities. We submitted a \$10-15M proposal in January and are waiting to hear back. We are planning an annual giving solicitation in early Q4. Following this meeting, a 10-year impact report will be sent to Board members as well as other external partners. Peyton thanked Brittney Nielsen, Marketing and Communications Manager, for designing this document. Peyton then shared we are currently recruiting campaign volunteer leadership. He expressed gratitude to Jane Park, Founder & CEO of Tokki, and Jeff Peacock, CEO of Parametrix, for becoming campaign co-chairs. He shared that Milli (a PR agency) has been retained to design campaign assets like the name, tenets, theme and collateral. Peyton thanked Broom for her continued support.

Peyton overviewed how financial aid works in Washington state. Scholarships, grants, loans and work study are the main sources of financial aid available to students. Grants provide money for college that does not need to be paid back. Loans, often federally backed, must be paid back. Scholarships provide money that isn't paid back, often based on merit or financial need. WSOS is a critical player among many others aiming to close the education and talent gaps. Peyton emphasized the importance of the Board understanding how WSOS sits within the higher education landscape as we move into campaign mode and ask members to be ambassadors for WSOS. Cecchettini thanked Peyton for making it clearer how WSOS dovetails with other financial aid programs.

RFP Panel PA Recommendation

Javania Cross Polenska, Deputy Director, provided an update on the RFP process. Polenska expressed gratitude to Broom, Denney and Patrick Smith for participating on the selection panel. She stated that today we are seeking the Board's approval of a new program administrator. She reminded the Board of the following guiding principles for the program administration RFP process: 1) provide transparency for the Board & staff; 2) keep employees whole in the transition (benefits/salary/work environment); 3) maintain the strong, collaborative relationship with WA STEM; 4) balance maintaining our autonomy while addressing areas where we need stronger support; 5) prioritize finding a long-term fit. Polenska shared that we have one bidder – 501 Commons. She highlighted that they had a clear service orientation, an incredible depth of in-house expertise and emphasized that serving WSOS well is their mission (since they are essentially a fiscal sponsorship organization). She shared a few wonderings the panel had after reading the proposal: Is there enough understanding of the complexities of the WSOS ecosystem and operations? What does it look like to support each other in accelerating workplace practices, particularly around diversity, equity and inclusion? Patrick Smith commented on how disappointing it is to have only one bidder. Polenska responded that the size of WSOS is a major concern to potential bidders. Most organizations of our size do not require fiscal sponsorship, so we are a very large client to take on. This was a main factor dissuading other partners from submitting proposals. She expressed confidence that 501 Commons will be able to do the job. Brad Smith commented that in the future, we may need to consider how challenging it is to find a program administrator.

Board Action: Denney made a motion to accept the RFP panel's recommendation to approve 501 Commons as the Apparent Successful Bidder for WSOS program administrator and grant authority to WSOS staff to negotiate the final terms of the program administrator contract with the Apparent Successful Bidder. Sandler seconded it, and it carried unanimously.

Finance & Program Administrator Update

Patrick Smith, Chair of the WSOS Finance & Investment Committee, reported that the Committee met on March 15, 2022. Tab F includes the entirety of the meeting materials.

Patrick Smith reported that as of 12/31/2021, total assets were \$135.2M which is a 13% increase from 9/30/2021 (last reported period) and a 17% increase from 12/31/2020. The increase is due in large part to

additions of large pledge receivables and cash such as: 1) Microsoft 5-year pledge of \$15M; 2) Boeing \$5M pledge; and 3) Amazon \$1M cash received December 2021. There was offset by net scholarship disbursements in Q4 2021 of \$6M (BaS \$5.1M, CTS/RJI \$851K, GRD \$39K). Net investment realized gains of \$3.36M were offset by unrealized losses of \$1.85M.

Our total liabilities as of 12/31/2021 were \$20.8M. This is an 18% decrease since 9/30/2021 and 20% decrease since 12/31/20. The decrease since 9/30/21 is mostly due to net scholarship disbursements of \$6.48M (BaS \$5.43M, CTS/RJI \$1.04M, GRD \$39K).

The total net assets were \$114.3M – this is a 22% increase since 9/30/2021. Pledge receivables, net included Gary & Jennifer Rubens \$10M, Microsoft \$15M, Boeing \$2.5M, Bristol Myers Squibb \$50K, Providence \$32.5K and Avista \$10K as of 12/31/21.

Connors introduced Jess Peet – a proposed new Finance & Investment Committee member. Peet is Senior Director of Industry Cloud Solutions at Microsoft, creating industry solutions that are grounded in product truth, ready to be delivered and validated by customer voice. Prior to working at Microsoft, Peet was a senior manager in various roles across Amazon managing multi-billion-dollar P&Ls. Connors shared that Peet has experience serving on finance committees in the nonprofit, education space and has been a champion for WSOS for several years. Connors shared the F&I Committee had voted to recommend she be appointed to the Committee.

Board Action: Park made a motion to approve the appointment of Jess Peet to the Finance & Investment Committee. Sandler seconded it, and it carried unanimously.

Executive Session

The meeting went into Executive Session at 3:50pm to discuss the performance of the executive director.

The public meeting was called back to order at 4:04pm and was adjourned at 4:05 pm.

Respectfully submitted,
Irina Grubic

Tab B

Mission Moment: Opportunity Scholar Story

SCHOLAR SPOTLIGHT



CHRISTOPHER WRAY
Senior Software Engineer
Western Governors University

ABOUT CHRISTOPHER

Christopher Wray grew up on a family farm and plant nursery north of Pasco Washington. After working in inventory management at his family's nursery, he started developing a growing interest in building applications to solve company hang-ups in productivity. This interest in software led him to start his own web development company in Mexico while waiting on his wife's Green Card. Around that time Chris also started studying software engineering and learning to code. In 2020, Chris was admitted to the software development program at Western Governors University (WGU) and began working on his bachelor's degree in Software Development. Chris entered the Washington State Opportunity Scholarship program last fall. The mentorship he received as well as the financial support from the program was life changing. The program helped him secure a full-time position as a Senior Software Engineer this spring and helped him through a time of deep personal pain as he progressed through his senior year at WGU.

Tab C

ED Corner

PROGRAM UPDATE | JUNE 2022

INTRODUCTION

Since the March 2022 Washington State Opportunity Scholarship (WSOS) Board meeting, the WSOS team has closed out another successful academic year. We celebrated a new group of graduating Scholars, and the campaign has officially secured a renewal from our fourth original cornerstone! Social media for WSOS continues to grow, and we had some excellent media coverage this quarter. Our staff returned to the office in a hybrid capacity in early April, and we've been learning how to best operate in our new model.

AWARDS ADMINISTRATION

The Awards team closed the 11th Baccalaureate Scholarship application in March and selected 1,275 students in alignment with the Board's selection criteria. The 2022 BaS recipients includes the first-ever Opportunity Scholars to be selected as part of a government partnership. Twelve out of the 1,275 BaS recipients have benefited from the City of Seattle's 2021 investment with many more to come in the upcoming BaS and CTS application cycles. The Awards team also selected 180 spring recipients of the third cohort of Career and Technical Scholars, which included the additional 70 seats that the Board approved in the March 2022 meeting. Of those awarded, 99% of BaS selects and 81% of CTS spring selects accepted the scholarship. Reference the BaS and CTS selection overview documents (included in Tab E) to see the profile of these recipients.

The team opened the fall application for the fourth cohort of Career and Technical Scholars. This will be the first cohort where the team will select up to 1,275 Scholars (note that 70 of the 1,275 recipients were selected in the CTS spring application). The application deadline is June 5. At the June Board meeting, the team will recommend CTS criteria that maximizes the number of applicants selected based on demonstrating financial need and likelihood to graduate with an eligible program. Maintaining strong selection criteria will be important given the substantial increase in the annual cohort size from 550 to 1,275 awardees.

The Awards team has disbursed \$14.1M in BaS funds, \$3.5M in CTS funds, \$614K in RJI funds and \$117K in GRD funds throughout the 2021-22 academic year. WSOS will have disbursed over \$120 million throughout the program's history by the end of this academic year. With the increased cohort sizes anticipated this coming fall, the Awards team has been hard at work ensuring we have accessible application processes in place that will provide us with a highly qualified applicant pool. Additionally, we hired a new coordinator to support with the anticipated increase in inquiries from applicants and Scholars.

SCHOLAR PROGRAMS

BACCALAUREATE SUPPORT SERVICES

The Scholar Lead program for this academic year concluded with an end-of-year event on May 18; we thanked these student leaders, recognized the positive impact they have had on Scholars and reflected on their experiences this past year. Seventy of our 111 Scholar Leads are graduating, so we acknowledged and celebrated their accomplishments. Currently, we are reviewing Scholar Lead applicants for the next academic year and plan to select students in June.

With a total of 575 mentor/mentee pairings and 125 companies represented, the Skills that Shine mentorship program has concluded for this academic year. We are currently collecting feedback from all participants which will help us make improvements for next year as well as reflect on what has worked well. We continue to strategize how to support student and employer engagement given lower participation numbers this year and the burnout being experienced by students and employees alike. Next year's program is scheduled to launch in October 2022. Thank you to Board members who served as mentors or helped us recruit mentors!

CAREER AND TECHNICAL SUPPORT SERVICES

The CTS Ambassador pilot program will come to a close for the academic year on June 10. Early feedback from Scholars has reinforced that peer mentorship can have a very positive impact on academic persistence indicators. About 80% of Scholars who engaged with their CTS Ambassador said they helped them feel more connected to the Opportunity Scholar community and better understand details related to their scholarship. They also shared their Ambassador helped them to understand the importance of connecting with their academic advisor and campus career resources regularly as well as assisted them in connecting to other helpful campus and community services. One Scholar summarized their experience by sharing *“my Ambassador was fabulous; she was quick to respond to questions I had and provided a lot of useful information that I wouldn't have thought to ask for!”* Of the Scholars who did not engage with their CTS Ambassador, most noted a lack of time (60%) followed by already having a strong support system in place (35%) in terms of why they did not utilize this support service.

Last month, we concluded the spring cycle of the CTS Industry Mentorship pilot program. We went into the cycle with confidence as 100% of winter quarter mentees who provided feedback shared that they were satisfied with their mentor match and would recommend the program to fellow Opportunity Scholars. Scholars wrote the program was a *“great way to get insight on a future career and helpful for interview and resume information”* and that it *“gives you an opportunity to learn about your industry and to expand your network.”*

Preparations are underway to scale both successful efforts for next academic year. Discussions are underway on how to ensure our CTS and BaS supports are aligned in the coming years.

GRADUATE SCHOLAR SUPPORT SERVICES

This month we are celebrating the close out of the pilot year for the GRD Scholarship. In this busy year, we've created and promoted the application, signed MOU's with our six partner schools, selected eight pilot Scholars and disbursed the first GRD scholarship dollars and stipends. We successfully advocated for an amendment to the WSOS statute to make the scholarship more accessible for graduate students and learned from our Scholars how we can utilize programming to support their success. Happily, 100% of the Scholars persisted in the first year! Out of the nine clinical practicum courses undertaken, eight of the clinicals were in a Medically Underserved Area (MUA) or Health Professional Shortage Area (HPSA). The pilot Scholars are well on their way to fulfilling the WSOS requirement of completing at least half their clinical practicum hours in an MUA or HPSA.

The partner schools' clinical coordinators are utilizing the Practicum Site Stipend to incentivize clinical sites located in an MUA or HPSA to take on GRD Scholars for practicums. One site, Orting Family Practice in Pierce County received the \$3,600 two terms in a row because it serves such a wide range of patients. The Scholar was able to complete both her Primary Care Infant/Child/Adolescence and Primary Care Adult/Geriatric practicums at this family clinic. Kirstin Williams, one of the Orting Family Practice Nurse Practitioners that supervised the Scholar noted the stipends were, *“huge for us and makes us able to reward the clinicians who worked with [the Scholar]”*. We will continue to refine our stipend promotion in the next year in hopes that even more clinical sites take advantage of this incredible benefit.

We look forward to selecting Cohort 2 by the end of June and supporting the next group of GRD Scholars to serve in the areas where our state needs it most.

DEVELOPMENT UPDATE

CAMPAIGN FOR WSOS UPDATE

We are thrilled to announce we have surpassed the halfway mark of the campaign! As of May 25, 2022, we have raised \$43,291,726 (58% to goal). This includes \$10,577,444 for FY22. The large increase in fundraising in Q2 is primarily due to closing the fourth original cornerstone partner, Ballmer Group, with a \$10M pledge.

Other campaign milestones of the past quarter include a successful campaign kickoff meeting with Campaign Co-Chairs Jeff Peacock and Jane Park and continuing campaign leadership volunteer recruitment. Immediate next steps include securing involvement from original feasibility study participants and reaching out to prospects identified during meetings. Milli, the marketing and communications agency we retained to support in campaign branding, is developing concepts aimed to be completed near the end of Q2. In partnership with our contract grant writer, the Development team has submitted nearly \$200K in new grant proposals; we hope to expand that work in Q3 and Q4.

Statewide in-person donor engagement is commencing as pandemic conditions allow. Kimber and Nick traveled to Spokane for three days this month, meeting with Board Members, key contacts, alumni and new leads. In late May, Kimber is traveling to Vancouver, WA, to meet with key supporters and partners. More in-person relationship building will continue to be a focus in Q3 and beyond.

ENGAGEMENT EVENTS

Please mark your calendars! OpportunityTalks is now scheduled for May 1, 2023, at the Sheraton Hotel. For the first time in the event's history, it will now be a luncheon and will be timed to coincide with the celebratory graduation season.

With OpportunityTalks moving from the fall to the spring, WSOS is planning engagement events throughout CY22 to engage with partners through smaller, more intimate venues. On June 21, 2022, Gary Rubens will host a Hot Topic Dinner for WSOS Board Members and Campaign Leadership. This event will follow the model of a Jeffersonian style dinner and evoke in-depth conversation and connection between attendees. Gary is very excited to host those of you who can join us! In late summer 2022, we'll host a cultivation event targeted at existing WSOS supporters; in fall 2022, we'll host at least two events expanded to new friends.

HEADWINDS WITH HIRING FOR THE DEVELOPMENT TEAM

Development has been struggling to hire two major gifts professionals to support the donor cultivation and stewardship work necessary to support our ambitious campaign goals. After a long promotional outreach yielding a very limited pool, all three of the eventual finalist candidates withdrew from consideration for various reasons (e.g., accepting another role, deciding not to leave their current employer). Word across the fundraising sector (from the University of Washington to Rainier Scholars) shows a tight labor market with potential candidates unwilling to make a change. We are doubling down on our effort to hire for these positions including engaging with Clover Search Works (the firm who led the executive director and senior development director searches) on a limited scope recruitment contract.

EXTERNAL AFFAIRS UPDATE

2022 LEGISLATIVE SESSION RECAP

Washington's higher education enrollment crisis was the focus of the higher education and workforce committees in the 2022 session. Members responded to the decline in enrollment by passing several bills aimed at making pathways to higher education more accessible and affordable. Relevant policy changes include:

- The Washington College Grant program was expanded so that students at 60% MFI are now eligible to receive the maximum award (up from 50% MFI) and can also access \$1,000 bridge grants to pay for non-education related expenses.
- A pilot FAFSA/WASFA advertising campaign will be implemented in the hopes of increasing Washington's completion rates which have been and continue to be among the lowest in the nation.
- Apprenticeships were expanded through a bill that provides programs with money to upgrade equipment, implement remote instruction and provide wraparound support services.

- New challenge grants were created to incentivize communities to collaborate on ways to increase enrollment and close equity gaps.
- A state student loan program prioritizing low-income borrowers was created that will keep interest rates low at 1%.

The External Affairs team continues to focus on relationships as we look to buck the declining enrollment trend and promote our scholarship. To do this, we are doubling down on our efforts to identify the trusted adults in targeted communities who need to know about and refer to WSOS in their work connecting students to education and career pathways. We are using trends in our applicant data to identify weaknesses and opportunities to relationship build and train partners who can amplify our message to eligible and interested communities.

MEDIA COVERAGE

Media coverage this quarter included:

[Amazon partners with University of Washington for new science hub](#) | Chair Store Age, Feb. 11
[New UW-Amazon Science Hub Launches in Seattle](#) | The Registry (PacNW real estate news), Feb. 16
[Inslee signs into law bills aimed at protecting students, employees and consumers](#) | The Olympian, April 1
[Philanthropist who funds college dreams earns his own degree](#) | WSU Insider, May 4
[Stepping up for students ‘just like me’](#) | Moscow-Pullman Daily News, May 7

SOCIAL MEDIA COVERAGE

Our social media goal is to increase our audience size on all channels through our content strategy which intends to move followers through a customer journey from interest to trust to brand loyalty.

Despite an increase in our key performance indicators (content views and engagement), we aren’t seeing the audience size increase we’d targeted. We attribute slower growth to platform algorithm changes that are reverberating across the nonprofit sector. Because we are seeing growth (albeit slow) we believe our strategy is sound, especially as similar organizations are seeing audience decline.

Impressions or Reach (Views): Year-over-year comparison

	April 2021	April 2022	Percent Growth
Facebook (Reach)	4,717	7,384	56%
LinkedIn (Impressions)	4,763	5,754	21%
Instagram (Reach)	3,367	6,626	97%
Twitter (Impressions)	1,100	8,584	680%
Total Impressions/Reach	13,947	28,348	103%

We had 701 Instagram profile visits last quarter. On LinkedIn, our number of page views rose by 40% to 1,014 views.

Shares & Engagement

Social media content was shared 283 times this quarter. Engagement on each platform is growing consistently, indicating our strategies are effective, particularly with the growth in our reach/impressions. Reach and impressions encompass anyone who sees our content, even those who don’t follow our account. We have just over 4,000 Facebook followers but had a reach of 25,865, which means post shares and reactions expanded the reach of our content beyond our followers.

The following notable leaders and organizations organically shared our content:

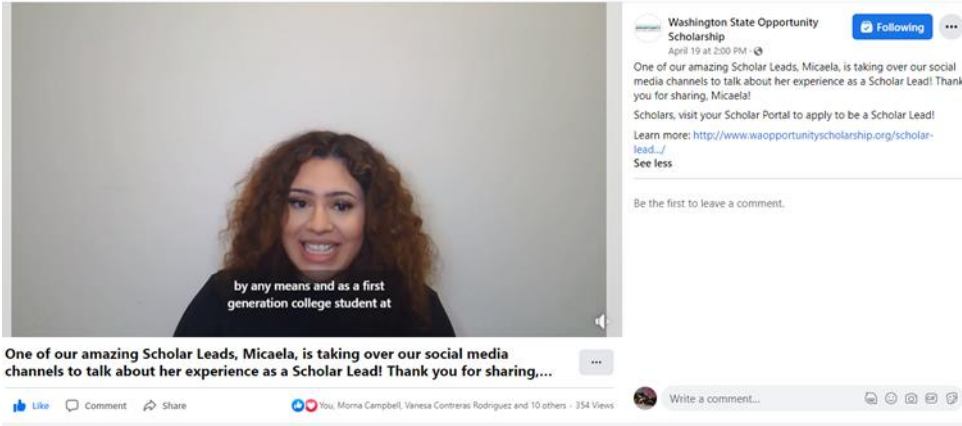
- Jillian Mochnick, the Global Head of Sales Enablement at Amazon
- The Skagit and NW Washington Stem Network
- Quinault Nation Education Facebook Page
- Skamania Economic Development Council
- Hispanic Roundtable of South Sound
- HRT Latino Youth Summit
- Grays Harbor College
- Partnership for Learning

Followership: Year-over-year comparison

	April 2019	April 2020	April 2021	April 2022
Facebook	3,629	3,777	4,052	4,130
LinkedIn	200	--	962	1,476
Instagram	375	--	783	999
Twitter	1,785	1,847	1,882	1,920
Total Followers	5,938	--	7,679	8,525

Top Performing Posts

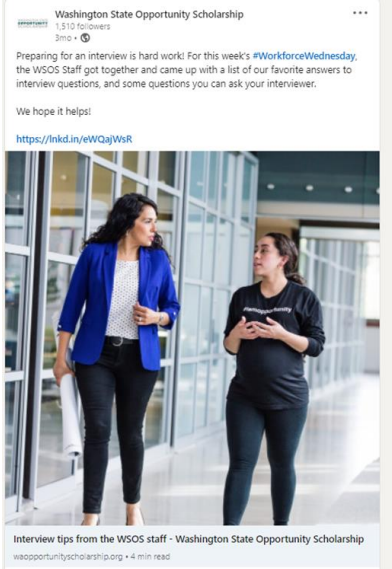
Facebook: [Micaela Scholar Lead Story](#)



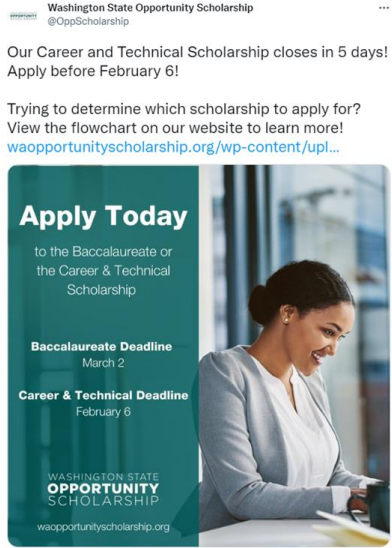
Instagram: [BaS Application Open](#)



LinkedIn: [WSOS Staff Interview Tips](#)



Twitter: [CTS Application Open](#)



OPERATIONS UPDATE
PROGRAM ADMINISTRATOR TRANSITION

On May 2, WA STEM, 501 Commons and WSOS began the process of sharing and transferring information to facilitate transition. The effort is broken into five workstreams (HR, IT, Finance & Accounting, Grants & Contracts and Other/Insurance) with each team meeting separately and as a group. We are in the discovery phase with the expectation of executing transition plans in mid-July through August 31. One significant body of work underway is related to health and retirement benefits for the WSOS team as we work to address gaps in coverage. 501 Commons and their brokers have been willing

partners in supporting our exploration of alternative paths. We anticipate that we'll begin evaluating plans in early June.

COVID-19 RESPONSE

Since April 5, WSOS has been piloting our hybrid workplace model. Team members have returned to the office two days per week with the option to come in more at their discretion. To facilitate the transition, the office space was improved by streamlining technology, creating touch-down work stations and improving the overall presentation. We've implemented a feedback mechanism to address real-time issues that arise. So far, staff feedback on the return has been generally positive with an appreciation for the in-person connection time and gratitude for the improvements made to technology. We will conduct a comprehensive survey mid-to late June to better understand our staff needs after 90 days in the hybrid model and adjust as necessary.

CULTURE & LEADERSHIP

In April, we introduced the WSOS team to a set of organization values aimed at supporting our culture and workplace competencies. We continue to engage the team for feedback and are exploring enhancements to existing policies to enhance the team member experience and support an inclusive, preferred workplace culture. In the coming months, we will prioritize the development of a people managers training program to ensure WSOS team members are having a more uniform experience across the organization.

STAFFING UPDATE

[Lindzey Lien](#) (she/them) joined WSOS on April 4 as one of our Awards Coordinators. Lindzey was born and raised in Washington and feels deeply connected to our mission at WSOS. In the last three years, she's been working for non-profit organizations advocating for income equality and access to education and the workforce for low-income families and people of color.

[Deborah Miranda](#) (she/her) joined WSOS on May 9 as one of our Awards Coordinators. Deborah initially joined us as temporary staff but wowed us with her incredible skills. She has played a pivotal role as the frontline representative of the Awards team providing Scholars and partners best-in-class customer service and ensuring that all of their correspondences are answered accurately and promptly.

[Nick Goodwin](#) (he/him) joined WSOS on May 11 as our CTS Program Manager. Nick was born and raised in Washington and is passionate about education access for students on the margins. He believes education can transform the lives of students and is excited to join an organization that aligns with his mission and values. Nick has a master's degree in Leadership in Higher Education from the University of Washington and has been working the past four years with YouthCare. In his free time, Nick loves to run, hike, watch sports and spend time with his fiancé.

[Juan Carlos Gomez](#) (he/him) joined WSOS on May 11 as our Senior Career Development Advisor. Juan Carlos was born and raised in Southeast Los Angeles and has been in Seattle since September 2019. He comes to us from the University of Washington's Office of Student Services in the College of Education. Juan Carlos has earned two master's degrees, both from the UW, in Information Management and Leadership in Higher Education. In his free time, Juan Carlos likes exploring different parts of Washington, cooking Mediterranean and Mexican food and, weather permitting, paddle boarding on Lake Union.

[Lyanne O'Connell](#) (she/her) joined WSOS as the new Awards Administration Director on May 16. Lyanne has dedicated her entire career to reducing barriers to higher education by assisting and supporting students in reaching their post-secondary goals. She joins us from the Seattle Colleges, where she has spent the past eight years, including the last three years as the Scholarship Director for the Seattle Colleges Foundation. Lyanne and her husband, Drew, enjoy spending time riding bikes, swimming, traveling, and having game nights with their two girls, Solonie (8) and Kylea (7).

MEMO

SUBJECT: 2021-22 Scholarship Promotion Results
FROM: Brittny Nielsen, Marketing & Communications Manager
DATE: March 25, 2022

Summary

Applications were down for the 2021-22 Baccalaureate (BaS) and Career and Technical Scholarship (CTS) cycles. The downward trend we experienced mirrors enrollment and application trends across the higher education sector, including other scholarship programs and institutions. While disappointing that WSOS was not an exception to the rule, we are encouraged to see our promotion strategies were effective at diversifying our applicant pool.

Career and Technical Scholarship

- [According to the Washington Roundtable](#), **community and technical college (CTC) enrollment is down 23%** from fall 2019 to fall 2021. **Comparatively, our CTS applications decreased by 14%** overall (2020-21: 1925. 2021-22: 1648).
- Our application numbers were not as low as statewide trends, and despite the drop, the number of **BIPOC WSOS applicants increased** while BIPOC enrollment at CTCs decreased statewide.

Baccalaureate Scholarship

- Four-year institution enrollment has also declined through the pandemic, with enrollment worsening year-over-year from fall 2019 to fall 2021. We won't know enrollment data for the cohort of applicants who just completed our application cycle because they will not enroll until fall 2022. Enrollment data for fall 2019 to 2021 (excluding UW, which saw a 1.4% increase) was down 18.2%. We received 30% fewer applications this year than we did last year. However, we won't be able to correlate that to enrollment until fall 2022.
- **However, we do have signs that other scholarship organizations are experiencing the same decrease in applications.** Two peer organizations report larger than 35% decreases in applications, which means BaS, like CTS, did better than other CBOs.
- The good news is that while college enrollment is in the steepest decline for marginalized students, **WSOS increased the number of BIPOC applicants, and our number of first-generation applicants remained steady.**

Promotion Strategies

This year, the External Affairs (EA) team modified its approach based on what we've learned from previous promotion efforts. We've learned from previous testing and year-over-year comparison that promoting directly to students does not increase the number of applications and required considerable staff time and funds. Most applicants report having learned about WSOS from an adult whose already in their sphere. This year, we focused on two strategies:

- **Raise awareness of WSOS in specific geographic locations (focusing on SW Washington).**
- **Build relationships with key stakeholders in targeted communities, specifically aiming to increase the number of BIPOC applicants.**

The key results of our efforts are summarized below:

- In SW Washington, we saw a **CTS app increase of 35% in winter 2021** even though overall CTS apps went down. **In BaS, we saw a rise of 167% in apps despite the 30% decrease in overall application numbers.**
- We also saw an increase in **BIPOC applicants in every cycle of CTS** with an 11% overall BIPOC application increase, despite the 14% overall CTS application decrease. **BIPOC applications accounted for 5% more of our overall applications (44% in 2020-21 as compared to 49% in 2021-22)**, indicating our tactics to build awareness and relationships were effective.

2022-23 Promo Strategies

Based on the data, we believe our promotion strategies are effective. Barring a change in the direction of the pandemic, we believe cycling forward our tactics while increasing the emphasis on relationship building will increase application numbers, particularly from target populations, in 2022-23. An early look at our promotion planning for next year includes a focus on:

- **Increasing awareness of WSOS in specific geographic locations and demographics through:**
 - an increased monthly social media budget to better target adults with connections to high school students.
- **Building relationships with key stakeholders in targeted communities**
 - Continue and expand relationship-building efforts and use an analysis of engagement to create outreach to specific groups in 2022 and beyond.
 - Provide additional resources, supports, events, info sessions, etc., to targeted communities.
 - Conduct outreach to ESDs, district superintendents and other school and district staff, Career Connect Washington, Workforce Development Councils and other organizations to offer materials and info sessions. Utilize the megaphone effect to train partners to promote the scholarships to their students/contacts.



ED CORNER

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

Org Strategic Priorities: AY2025-26 metrics

Ensuring scalable, statewide scholarship accessibility and financial aid impact	Ensuring scalable, statewide support services	Build awareness of the WSOS brand	Fund to 2030 and beyond	Be a preferred workplace																
AWARDS	PROGRAMS	EXTERNAL AFFAIRS	DEVELOPMENT	OPERATIONS																
80% of applicants are eligible	65%, 45%, 95% graduate in eligible program for BaS, CTS, GRD	At least 33 earned media pieces per year	\$75M raised January 1, 2021, through December 31, 2025, with 30-35 \$25K to \$1M gifts secured in CY25	Volunteer separation rate below 15%; average staff tenure of 44 months																
90% of Scholars complete renewal	Opportunity gaps are less than 10%, 5% by income, race	23 speaking engagements for WSOS leadership per year	25% of donors loyal (5+ years) by end of CY25 with 50% donor retention rate CY24 to CY25	90% of staff agree: “I believe the work I do advances our mission”																
90% work fewer hours because of WSOS	95%, 85% of graduates employed full-time within 9 months in any field, in high-demand field	Social media audience size of 4,800 (FB), 2,200 (Twitter), 2,900 (LI) and 2,700 (IG)	425 new donors acquired in CY25 with 100 total from WA outside of Puget Sound	90% of staff agree: “I would recommend WSOS as a great place to work”																
90% attend full-time because of WSOS	95% of employed in-high demand graduates work in WA	Applicant targets: <table border="1" data-bbox="1067 1265 1508 1376"> <tbody> <tr> <td></td> <td>BaS</td> <td>CTS</td> <td>GRD</td> </tr> <tr> <td>BIPOC</td> <td>85%</td> <td>60%</td> <td>55%</td> </tr> <tr> <td>First-gen</td> <td>64%</td> <td>68%</td> <td>70%</td> </tr> <tr> <td>From rural counties</td> <td>34%</td> <td>40%</td> <td>TBD</td> </tr> </tbody> </table>		BaS	CTS	GRD	BIPOC	85%	60%	55%	First-gen	64%	68%	70%	From rural counties	34%	40%	TBD	At least 15% (by #) of donors in CY25 from health care, (S)TEM	90% of staff agree: “I would recommend my supervisor to future employees”
	BaS	CTS	GRD																	
BIPOC	85%	60%	55%																	
First-gen	64%	68%	70%																	
From rural counties	34%	40%	TBD																	

Today's Snapshot

<p>Ensuring scalable, statewide scholarship accessibility and financial aid impact</p> <p>AWARDS</p>	<p>Ensuring scalable, statewide support services</p> <p>PROGRAMS</p>	<p>Build awareness of the WSOS brand</p> <p>EXTERNAL AFFAIRS</p>	<p>Fund to 2030 and beyond</p> <p>DEVELOPMENT</p>	<p>Be a preferred workplace</p> <p>OPERATIONS</p>
<p>BaS</p> <ul style="list-style-type: none"> Funds disbursed AY21-22: \$14.1M Scholars enrolled: 3,238 # of graduates as of 6/2: 6,161 <p>★★★★</p>	<p>BaS</p> <ul style="list-style-type: none"> Scholar Leads AY21-22: 111/125 Mentor-mentee pairs: 575/579 Companies represented in mentorship: 125 <p>★★★★☆</p>	<p>Media coverage</p> <p>Op-eds, online/print articles, podcasts, blogs, press releases, etc. in AY21-22: 28 pieces</p> <p>★★★★</p>	<p>Campaign revenue</p> <p>\$43.3M raised to date (58% of goal) with \$10.6M in CY22 so far; \$40M in open opportunities</p> <p>★★★★☆</p>	<p>Personnel</p> <ul style="list-style-type: none"> Headcount: 28 FTE Open positions: 3 FTE New hires last Q: 5 FTE Hybrid model launched April 5 <p>★★★★☆</p>
<p>CTS</p> <ul style="list-style-type: none"> Funds disbursed AY21-22: \$3.5M Scholars enrolled: 920 # of completers as of 6/2: 294 <p>★★★★</p>	<p>CTS</p> <ul style="list-style-type: none"> Ambassadors AY21-22: 8/10 completed Mentor-mentee pairs: 48/55 <p>★★★☆☆</p>	<p>Speaking engagements</p> <p>Panels, keynote, guest speaker at conference for WSOS leadership in AY21-22: 8</p> <p>★★★☆☆</p>	<p>Key campaign activities</p> <p>Campaign co-chairs confirmed: Jane Park (Tokki) and Jeff Peacock (Parametrix)</p> <p>★★★★☆</p>	<p>Budget/actual</p> <p>Operating YTD: \$1.2M vs. \$1.4M (timing of hiring + transition)</p> <p>★★★★☆</p>
<p>GRD</p> <ul style="list-style-type: none"> Funds disbursed AY21-22: \$117K Scholars enrolled today: 8 Persistence rate: 100% <p>★★★★</p>	<p>GRD</p> <ul style="list-style-type: none"> Partner schools with MOUs: 6/6 Practicums in medically underserved areas: 7/8 <p>★★★★</p>	<p>Social media growth</p> <p>April 2021 to April 2022: FB reach (56%), LinkedIn impressions (21%), Instagram reach (97%), Twitter impressions (680%)</p> <p>★★★★</p>	<p>Key event activities</p> <p>First Hot Topic dinner confirmed: Gary Rubens to host June 21</p> <p>★★★★☆</p>	<p>Program administration</p> <ul style="list-style-type: none"> Monthly fee: \$48,547 (STEM); \$41,715 + cyber (501C) Transition costs \$60-\$100k actual > budget <p>★★★★☆</p>

Key wins of the quarter



- Scholars continue to inspire us!
- Ballmer is back with a \$10M commitment. All four original cornerstones are renewed!
- In-person relationship building is gaining momentum with relationship mapping exercise underway.
- Staff are back in the office in a hybrid capacity.
- Directors team is gelling and planning for AY 2022-23.

Challenges of the moment



- Higher education enrollment is down across all institutions, yet the talent crisis continues.
- Recruiting quality candidates – particularly in data and fundraising – is tough. Sector-wide, there is a reckoning on non-profit salary and benefits coupled with demands for flexible work environments.
- Pandemic burnout is real and is being felt by students, staff and partners.
- ***Parking lot:*** future program administration

The Problem:

Higher education enrollment and WSOS applications are down.

- **Context:**
 - Last time, we discussed lower WSOS application numbers 2020-21 to 2021-22. Goal is to understand the problem and what we can do about it.
- **Broadly stated, the problem is:**
 - Higher education enrollment and WSOS applications are down. However, the decline from 700 to 400 in CTS spring applications (**57%**) far exceeds CTC enrollment decline (**23%**). What's going on and how worried should we be?

The Problem:

Higher education enrollment and WSOS applications are down.

- **Questions that came up for us internally:**
 - How much is higher education enrollment down, particularly for populations like those we serve at WSOS?
 - How does WSOS application decline compare with higher education enrollment?
 - What theories do we have for why enrollment broadly is down?
 - What theories do we have for why WSOS applications are down?
 - What data do we have to inform our thinking?
 - What can and can't we do about it?

The Problem:

Higher education enrollment and WSOS applications are down.

- **Diving into the data, we learned:**
 - Our spring CTS application data was not representative of the entire year. Applications for the academic year were only down **14%** (1,95 to 1,648) compared with the community & technical college average of **23%**.
 - This problem is not limited to CTS. Our baccalaureate applications were also down **30%** this year. Two partner scholarship organizations reported decreases of **35%**.
 - We targeted southwestern Washington in 2021-22 with promising results – for example, we had a **167% increase** in baccalaureate applications from that region.
 - We targeted growth in BIPOC applicants for CTS in 2021-22, also with promising results – we saw an **11% increase** in applications from BIPOC students for CTS.

The Problem:

Higher education enrollment and WSOS applications are down.

- **Next steps for promotion:**
 - Raise awareness of WSOS in specific geographic locations.
 - Build relationships with key stakeholders in targeted communities.
 - Focus on relationships that maintain or increase access for marginalized communities.
- **Discussion:**
 - Which strategies above resonate to increase promotion outcomes for WSOS applications? Which don't resonate? What are we missing?
 - What role can/should WSOS play in supporting higher education enrollment across the sector?

Tab D

501 Commons Transition Update

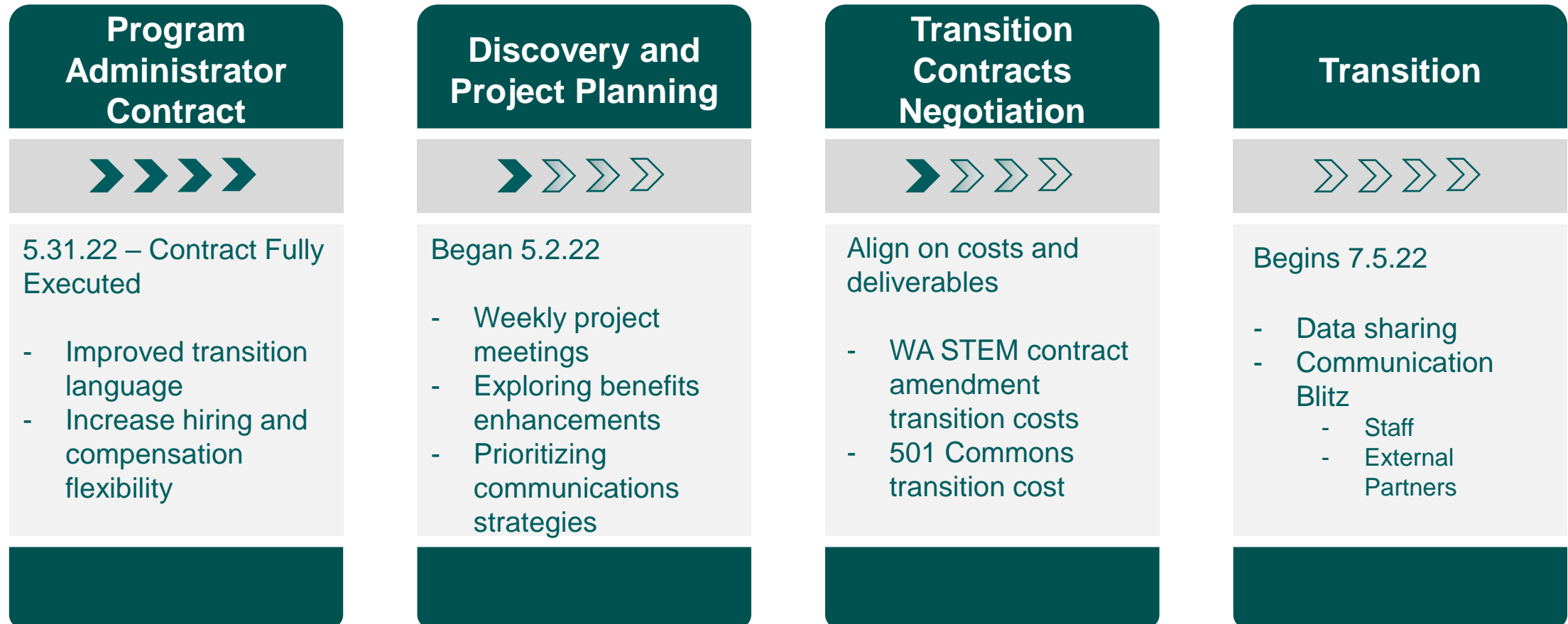
501 COMMONS TRANSITION UPDATE

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

Guiding principles for program administrator selection and transition

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

Program Administrator transition underway, progressing as expected.



Upcoming hurdles we're anticipating include...

1. Ensuring our employees remain **whole** regarding benefits, particularly retirement
2. A note about our **budget** on program administrator + transition costs
 1. Budget: ~\$720k for program administration + transition
 2. Actual: ~\$780k to \$845k
 1. STEM: ~\$90k in transition with possible other unanticipated costs, monthly contracting Sept - Dec
 2. 501C: ~\$125k quoted for transition & project management leadership
 3. 501C: Cyber insurance (\$60k, may decrease)
3. Looking forward: **avoiding future transitions**

Tab E

2022 Career & Technical Scholarship Selection

WASHINGTON STATE
OPPORTUNITY
 SCHOLARSHIP

Baccalaureate Scholarship
Cohort 11 Selection Overview

This document describes the selection criteria for and profile of the tenth cohort of Baccalaureate Scholarship recipients. This cohort saw 2,190 applicants, of which we selected 1,275.

Baccalaureate Scholarship Results

Selection Criteria

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

Category	Factor	Target Allocation	Limitation Factor	Final Allocation
Equity of Access	Income	20%	Low-income apps no more than 3x as likely to be selected than middle income apps	20%
	First Generation Status	15%	First gen apps no more than 4x as likely to be selected than non-first gen apps	15%
Economic Impact	Major field	25%	Highest demand field no more than 5x as likely to be selected than lowest demand field*	25%
	STEM Interest Essay	10%	Points reallocated from the top three criteria will be evenly divided between these criteria (half to GPA, half to the essays).	10%
Likelihood of Completion	Resilience Essay	10%		10%
	GPA	20%		20%

* Only fields with at least 100 eligible applicants were included in this calculation to ensure the selection status of any individual applicant did not have disproportionately large impacts on the entire selection pool.

Profile of Selected Scholars

These Scholars have a median family income of \$52,225. They represent 34 of 39 counties and 49 of 49 legislative districts. In terms of programs, the table below shows how the proportion of Scholars selected (% of Selects) compares to the share of job openings across the state led to by industry (% of Job Openings).

Industry	% of Eligible Applicants	% of Selects	% of Job Openings
A/V Technology and Comms	1%	1%	5%
Biology	22%	21%	5%
Computer Science	25%	29%	41%
Education	2%	2%	5%
Engineering	12%	13%	16%
Health Services	14%	14%	10%
Nursing	12%	13%	11%
Physical and Env. Sciences	2%	2%	3%

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

Category	% of Eligible Applicants	% of Selects	Acceptance Rate
Income Category			
Low-income (bottom 5 eligible deciles)	46%	51%	65%
Middle-income (top 5 eligible deciles)	54%	49%	52%
First Generation			
Yes	48%	56%	67%
Associate degree only	11%	11%	60%
No	39%	30%	45%
Unknown	2%	2%	68%
Zero Parents	1.1%	0.6%	32%
Race / Ethnicity			
American Indian / Alaska Native	0.4%	0.2%	33%
Asian	15%	17%	65%
Black or African American	10%	10%	58%
Latinx	31%	34%	62%
Native Hawaiian or Other Pacific Islander	0.6%	0.6%	50%
Two or More Races	7%	6%	49%
White	4%	5%	59%
Did not report	6%	6%	32%
Gender			
Women	53%	52%	57%
Men	37%	38%	59%
Other	4%	4%	58%
Did not report	5%	5%	57%

WASHINGTON STATE
OPPORTUNITY
 SCHOLARSHIP

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

This document describes the selection criteria for and profile of the recipients of the 2021-22 Career and Technical Scholarship cohort. This year brought 1650 applicants, of which we selected 620 for CTS and 85 for Rural Jobs.

Career and Technical Scholarship Cohort 3

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 \$20,014 and represent 33 of 33 colleges, 29 of 39 counties and 49 of 49 legislative districts. The top 5 colleges they’re heading to are Spokane Community College, Bates Technical College, Seattle Central College, Clover Park Technical College and Bellingham Technical College. In terms of programs, the table below shows how the proportion of Scholars selected (% of Selects) compares to the share job openings across the state their programs lead to by industry (% of Job Openings).

Industry	% of Eligible Applicants	% of Selects	% of Job Openings
Engineering / Manufacturing	8%	3%	13%
Health Care	56%	54%	33%
Information Technology	14%	22%	13%
Trades	17%	11%	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%	74%	56%
No	29%	15%	23%
Unknown	4%	3%	30%
Zero Parents	7%	9%	56%
Single Parent			
Yes	28%	34%	64%
No	72%	66%	38%
Race / Ethnicity			
American Indian / Alaska Native	1.5%	1.6%	48%
Asian	7%	7%	50%
Black or African American	11%	14%	55%
Latinx	24%	23%	43%
Native Hawaiian or Other Pacific Islander	1.2%	1.0%	38%
Two or More Races	6%	5%	51%
White	43%	40%	42%
Did not report	7%	7%	43%
Gender			
Gender non-conforming	0.1%	0.2%	50%
Genderqueer	0.3%	0.2%	25%
Man	33%	27%	36%
Non-binary	0.8%	0.6%	36%
Two or more	0.9%	1.1%	75%
Woman	59%	66%	50%
Did not report	5%	6%	47%
Age			
18 or under	9%	7%	37%
19-22	11%	10%	40%
23-29	27%	27%	44%
30-39	33%	34%	47%
40+	20%	22%	49%

Rural Jobs Initiative Cohort 2

This year we selected 85 of 132 eligible applicants. 57 of these 85 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 \$22,425, live an average of 26 miles from campus, and represent 8 of 8 eligible regions and 12 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	7%	5%	2%
Eastern	15%	20%	15%
North Central	3%	5%	15%
Northwest	25%	29%	23%
Olympic	11%	8%	7%
Pacific Mountain	20%	9%	16%
South Central	12%	13%	16%
Southwest	7%	9%	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	6%	4%
Engineering / Manufacturing	5%	5%
Health Care	50%	50%
Information Technology	4%	3%
Trades	32%	34%

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	61%	69%	64%
No	30%	23%	44%
Zero Parents	5%	5%	57%
Did not report	4%	3%	44%
Single Parent			
Yes	30%	37%	70%
No	70%	63%	51%
Race / Ethnicity			
American Indian / Alaska Native	4%	3%	40%
Asian	3%	3%	50%
Black or African American	0.8%	1.3%	100%
Latinx	30%	33%	64%
Native Hawaiian or Other Pacific Islander	0.8%	0%	--
Two or More Races	0%	--	--
White	56%	56%	38%
Did not report	6%	4%	57%
Gender*			
Man	39%	35%	50%
Woman	57%	63%	63%
Did not report	4%	3%	40%
<i>*No applications were received from applicants with gender identities not listed</i>			
Age			
18 or under	8%	9%	70%
19-22	13%	9%	41%
23-29	22%	21%	55%
30-39	35%	29%	48%
40+	23%	31%	77%

Career and Technical Scholarship Selection Guidelines

The purpose of the selection guidelines for the Career and Technical Scholarship (CTS) is to have an objective approach to selecting applicants for Cohort 4. These guidelines remain in alignment with those set for the Baccalaureate Scholarship (BaS) as both are created with the same foundation: WSOS's mission and values. Any differences between the CTS and BaS selection guidelines are necessary for accommodating the usual differences between the CTS and BaS applicant pools and application questions.

To maintain objectivity, our selection process will be guided by a set of goals that align with our organization's mission and values. Our goals are to select applicants who are:

1. Heading into the highest demand, highest return jobs across Washington state (where high-return jobs are those that can be accessed through the shortest programs while offering the highest wages)
2. More likely to complete their degree or credential if they receive a scholarship
3. Likely to graduate with a degree or credential in a trade, STEM or health care

To objectively select applicants who meet the goals outlined above, we have assigned points to each related section of the application. There is a maximum number of points set for each section, and there are limits on the influence that any one factor can have to prevent any one selection criterion from having an outsized influence on selection. Scholars are selected based on the highest total number of points received until we have selected the cohort.

CTS applicants can earn a maximum score of 100 points using the following selection guidelines. RJL applicants can earn up to 40 more points based on their distance to campus.

1. **Select applicants who are heading into high-demand, high-return jobs across Washington state.** Prioritizing these criteria will ensure the scholarship is aligned with the Washington state economy and is creating access to family wage jobs that are not accessible without a post-secondary credential. High-return jobs are those that can be accessed through the shortest programs while offering the highest wages. There will be a maximum of 50 points allocated for program of enrollment with a division of available points between two key selection goals:
 - a. High-demand (25 points):
 - a. Job openings (more points to programs leading to higher demand jobs): 12.5 pts
 - b. Representation (more points to programs with the greatest underrepresentation of applicants relative to job demand): 12.5 pts
 - b. High-return (25 points):
 - a. Wage (more points to programs leading to higher wage jobs): 12.5 pts
 - b. Program duration (more points to shorter duration programs): 12.5 pts

Regional weighting: 80% of points are based on local job data, 20% are based on statewide job data. The 80/20 point breakdown was implemented because we

assume CTS recipients will work locally (and want to encourage them to do so); however, we also do not want to restrict people from moving.

Limitation: Applicants whose overall program points are in the top 20th percentile should not be more than 5x as likely to be selected as those whose program points are in the bottom 20th percentile. This limitation exists so that we can prioritize programs that lead to the highest-demand, highest-return jobs while still ensuring that all programs on the eligible programs list are truly eligible and none are inaccessible due to the distribution of points. This is important because all eligible programs lead to high demand jobs with workforce shortages.

College cap (CTS-only): To encourage statewide CTS representation, no college's share of CTS recipients will exceed 5x its share of CTC students enrolled statewide provided we can fill all open seats.

Regional cap (RJI-only): To make sure RJI dollars are distributed equitably across the rural regions of the state, the percent of funds allocated to each region will not exceed 1.5x its share of rural residents provided we can fill all open seats.

2. **Select applicants who are more likely to complete their credential if they receive a scholarship.** Applicants' need for this scholarship will be determined by:

a. Household income – 20 maximum points allocated

Limitation: Low-income applicants should not be more than 3x as likely to be selected for the scholarship than middle-income applicants. Because it is the WSOS mission to fund low- and middle-income Scholars, this limitation exists so that we can select those with the greatest demonstrated need while still ensuring middle-income applicants are not excluded from receiving the scholarship.

b. First generation status – 7.5 maximum points allocated

Limitation: To ensure the barriers faced by first-generation Scholars are acknowledged by the selection process without making the scholarship inaccessible to those who are not first-generation Scholars who still face barriers to college access, first-generation applicants should not be more than 4x as likely to be selected than non-first-generation applicants.

c. Parent status – 7.5 maximum points allocated (all points to single parents, some points to all parents)

Limitation: Single parent applicants should not be more than 4x as likely to be selected than non-single parent applicants. This limitation acknowledges that single parent applicants typically face greater barriers to earning their post-secondary credential without making the scholarship impossible to earn by someone who is not a single parent.

d. Distance to campus (RJI-only) – target points allocated: 30 pts

Limitation: If the target points result in a median distance from campus of less than 30 miles, points allocated to distance to campus may increase to a maximum of 40.

3. **Select applicants who are likely to graduate with a credential in a trade, STEM or health care.** Identifying applicants most likely to persevere to completion maximizes the impact of scholarship funding. This will be determined by:
 - a. Resilience (short answer) section – target points allocated: 15 pts
Minimum: Ensure the average short answer score is at least 3.0. This will allow us to select more eligible applicants while ensuring we restrict funding to those likely to persist

If any limitations are exceeded during the selection process, we will adjust the points for that criteria until we reach the limitation. Any points deducted due to exceeded limitations from the program, household income, first-generation and single parent criteria will be added to the short answer scores.

2022 CAREER & TECHNICAL SCHOLARSHIP SELECTION

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GOALS

- Approve limiting RJI selection to align with legislative intent
- Approve 2022-23 selection principles for CTS and RJI
- Explore the adoption of an evergreen selection model for Baccalaureate and Career & Technical Scholarships

RURAL JOBS STATUTORY CHANGE WAS INADVERTENTLY MORE PERMISSIVE THAN INTENDED.

Statutory change now says:

- are a resident of an eligible county **OR**
- attended and graduated from a school in an eligible school district **OR**
- enroll in either a CTC located in an eligible county or participate in a (WCG-A approved) registered apprenticeship in an eligible county

Legislative intent was:

- are a resident of an eligible county **OR**
- attended and graduated from a school in an eligible school district **AND** enroll in either a CTC located in an eligible county or participate in a (WCG-A approved) registered apprenticeship in an eligible county

REQUESTED BOARD ACTION

- **Vote to limit selecting RJI applicants who:**
 - are a resident of an eligible county **OR**
 - attended and graduated from a school in an eligible school district **AND** enroll in either a CTC located in an eligible county or participate in a (WCG-A approved) registered apprenticeship in an eligible county

CTS SELECTION PRINCIPLES

- Select Scholars who are heading into **high-demand, high-return jobs** across Washington state.
- Select Scholars who are **likely to graduate with a credential in STEM, health care or the trades.**
- Select Scholars who are **more likely to complete their credential or program if they receive a scholarship.**

2021-22 CTS SELECTION CRITERIA

Factors	2021-22 Criteria
High-Demand, High-Return Program	50
Family Income	20
First Generation	7.5
Parent*	7.5
Resilience (Short Answer)	15
<i>Distance to Campus (RJI only)</i>	30

* The parent factor did not apply to anyone who earned their high school credential in 2021

COHORT SIZE INCREASE

- This year the cohort size increases from 550 to up to 1,275*
- **Goal:** Select as many applicants as we can who are likely to graduate with an eligible credential

**70 were selected in the spring*

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RECOMMENDED CHANGE #1

- Ensure the average short answer score remains no lower than 3.0
- This will allow us to select more eligible applicants while ensuring we restrict funding to those likely to persist

RECOMMENDED CHANGE #2

- Increase the pool of available applicants by modifying:
 - **the CTS college cap**, which limits the number of recipients at each college to ensure no college exceeds 5x of its share of CTC graduates
 - **the RJI regional cap**, which ensures the percent of funds allocated to each region does not exceed 1.5x its share of rural residents
- We propose eliminating these caps if we do not otherwise have enough available applicants to select the full CTS and RJI cohorts

BOARD VOTE: SELECTION PRINCIPLES

Factors	2022-23 Proposal	Limitation Factors
High-Demand, High-Impact Program	50	Applicants who select highest demand programs should not be 5x more likely to be selected than those who select the lowest demand programs.
Household Income	20	Low-income applicants should not be 3x more likely to be selected than middle-income applicants.
First Generation	7.5	First-generation applicants should not be 4x more likely to be selected than non-first-generation applicants.
Parent	7.5	Single parent applicants should not be 4x more likely to be selected than non-single parent applicants.
Resilience (short answer)	15	No limit. All points deducted from the factors above will be redistributed to the short answer section.
<i>Distance to Campus (RJI only)</i>	<i>30</i>	<i>If the median distance to campus is less than 30 miles, increase the point allocation to a maximum of 40 pts.</i>

Parent factor: Does not apply to applicants who graduate from high school in 2022

Persistence floor: The average short answer score must be at least 3.0

CTS college cap: The percent of recipients for each college should not exceed 5x of its share of CTC graduates provided we are able to fill all open seats

RJI regional cap: The percent of RJI funds allocated to each region should not exceed 1.5x its share of rural residents provided we are able to fill all open seats

EVERGREEN MODEL DISCUSSION

- **Goal:** We want to bring fewer topics to each Board meeting to increase space for substantive discussion (and reduce time taken by staff report outs).
- **Recommendation:** Replace policies requiring annual approval with evergreen policies.
 - Today, we want to discuss what it could look like to create evergreen selection models beginning with Baccalaureate Cohort 12 and Career and Technical Cohort 5.
- **Discussion Topics:**
 - Are there any concerns with this approach?
 - What would you want to see included in the selection model to feel comfortable with an evergreen approach rather than a cohort-by-cohort review?
 - What ongoing measurement / validation would you want staff to perform?
 - Under what circumstances would you want staff to bring the model back to the board for discussion?

Tab F

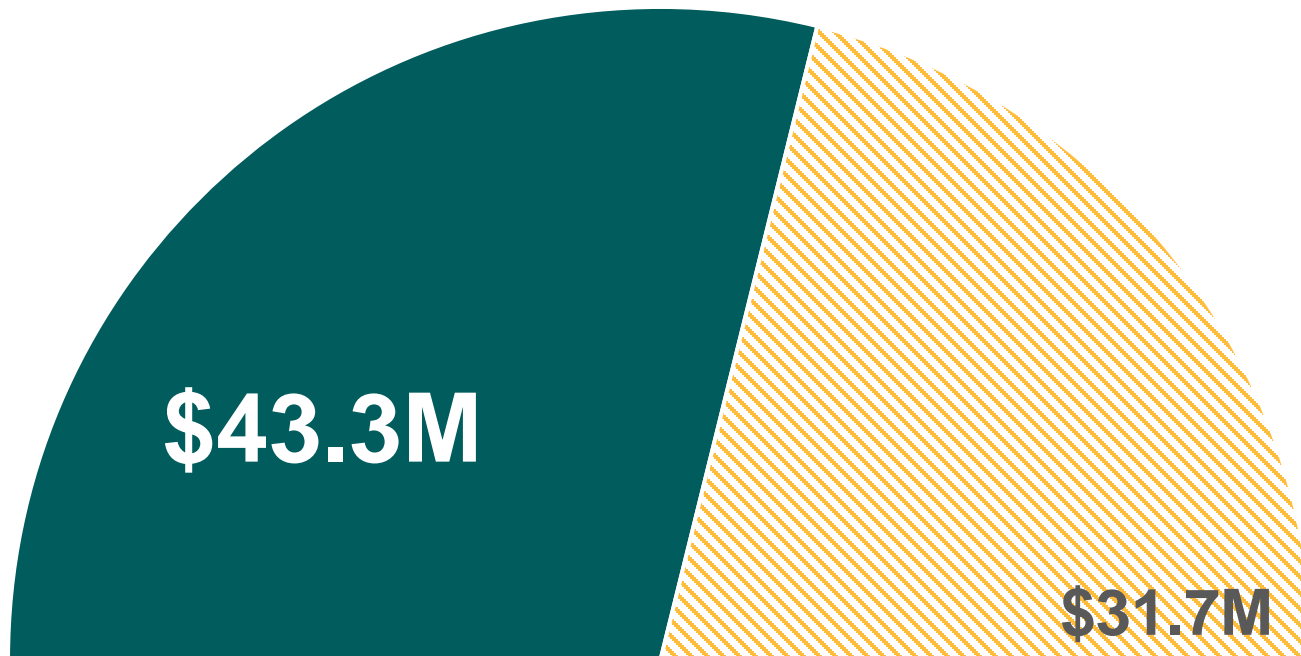
\$75 Million Campaign Update

\$75M CAMPAIGN UPDATE

Year Two, Quarter Two Update

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WSOS raised \$33.2M in the first 5 quarters of the campaign.



Key Donors To Date:

- Microsoft (\$15M)
- Gary and Jennifer Rubens (\$10M)
- Ballmer Group (\$10M, new)
- Boeing (\$5M)
- Amazon (\$1M)

We have closed gifts large and small since the last Board meeting in March 2022.

- \$10M Ballmer Group
- \$50K Castner Family
- \$5-500 Multiple Gifts (employees of DocuSign, Nintendo, Microsoft)

\$10,051,544 has been raised in Q1 of 2022.

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Despite some headwinds, the campaign is on track for success.



Jenny Spink, Cohort 1 alumni, mentor, essay reviewer, advocate

- Wealth screen conducted, identifying 200-300 new prospects with capacity to make a \$100K gift
- \$40M in new opportunities for the campaign created
- New foundation proposals submitted totaling >\$200K
- Developing strategy beyond the Puget Sound; potential partnership with a significant Spokane organization
- Difficulty in hiring major gifts professionals

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For the end of Q2-Q3 we are finalizing campaign assets, planning two events and confirming campaign volunteers.

End of Q2

- Hiring two major gifts professionals
- Finalizing campaign assets
- Hot Topic Dinner with Board and campaign leadership

Q3 and Q4

- Expanding campaign leadership
- Cultivating major (\$1M+) foundation prospects
- Planning & hosting events

Tab G

Higher Education Enrollment Trends

Trends in Postsecondary Enrollment in Washington

Washington Student Achievement Council

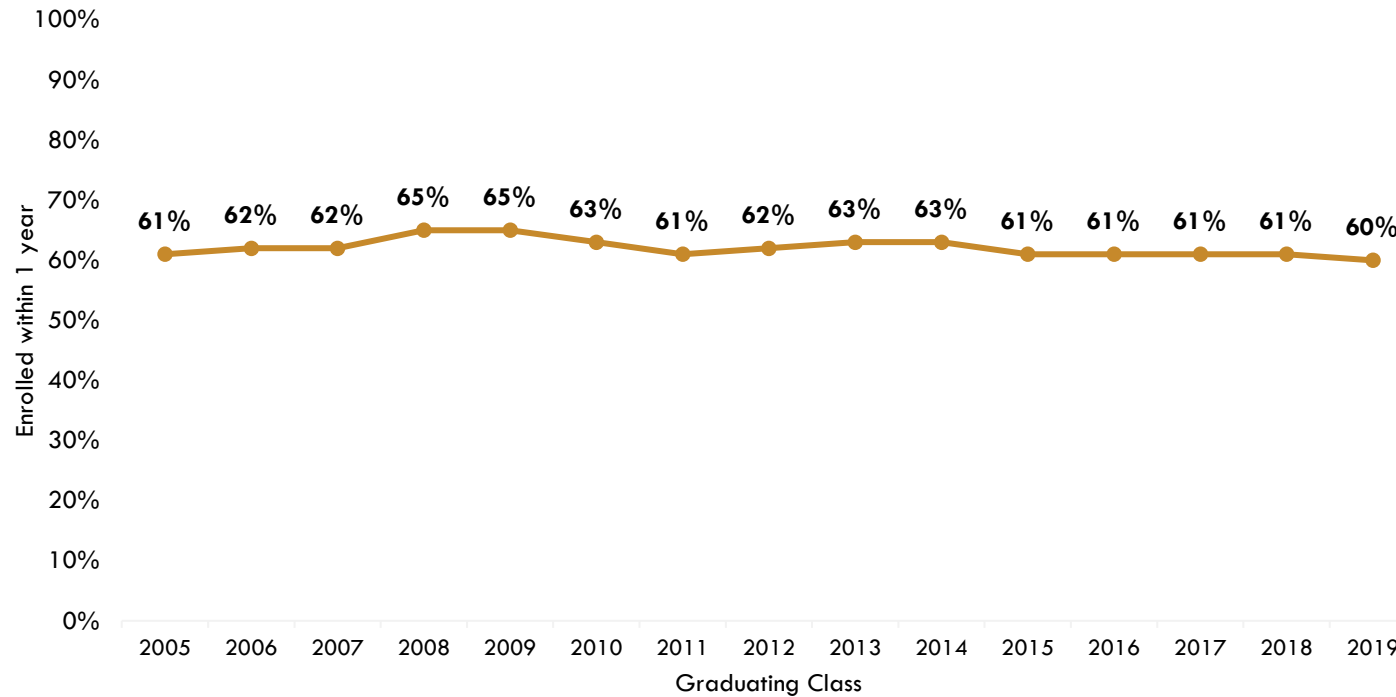
Michael Meotti





Direct enrollment has been flat for decades

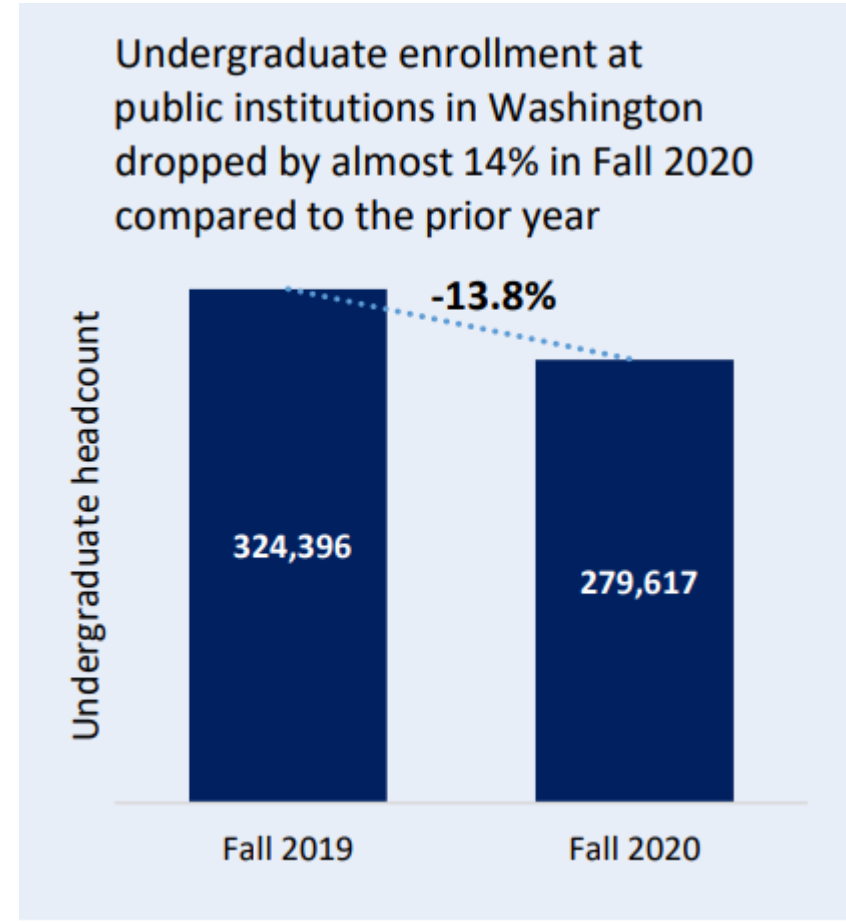
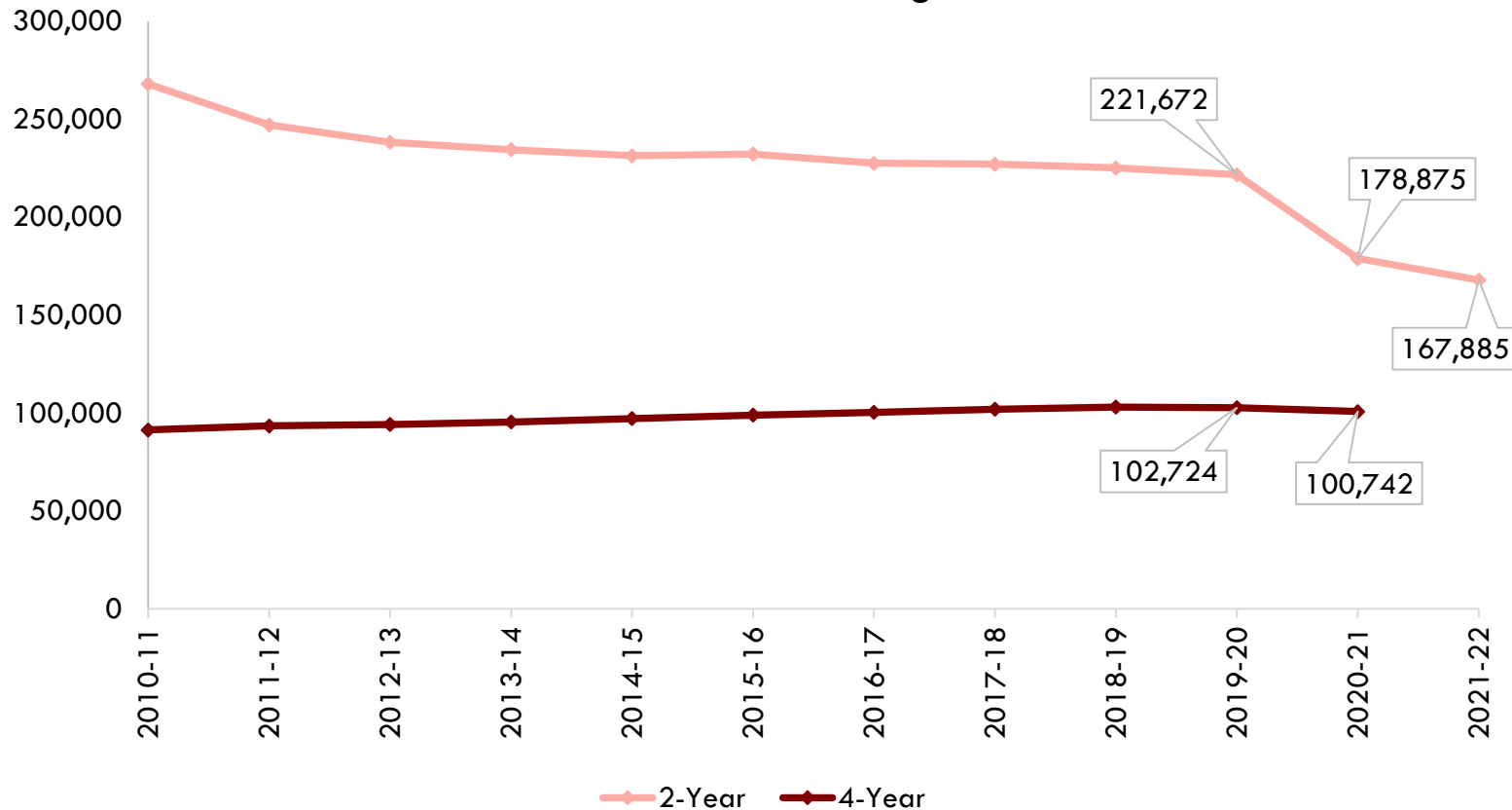
Direct Enrollment Rate for All Washington High School Graduates





Total enrollment flat or in decline

Trend in Undergraduate Fall Enrollment Headcounts at Public Institutions in Washington



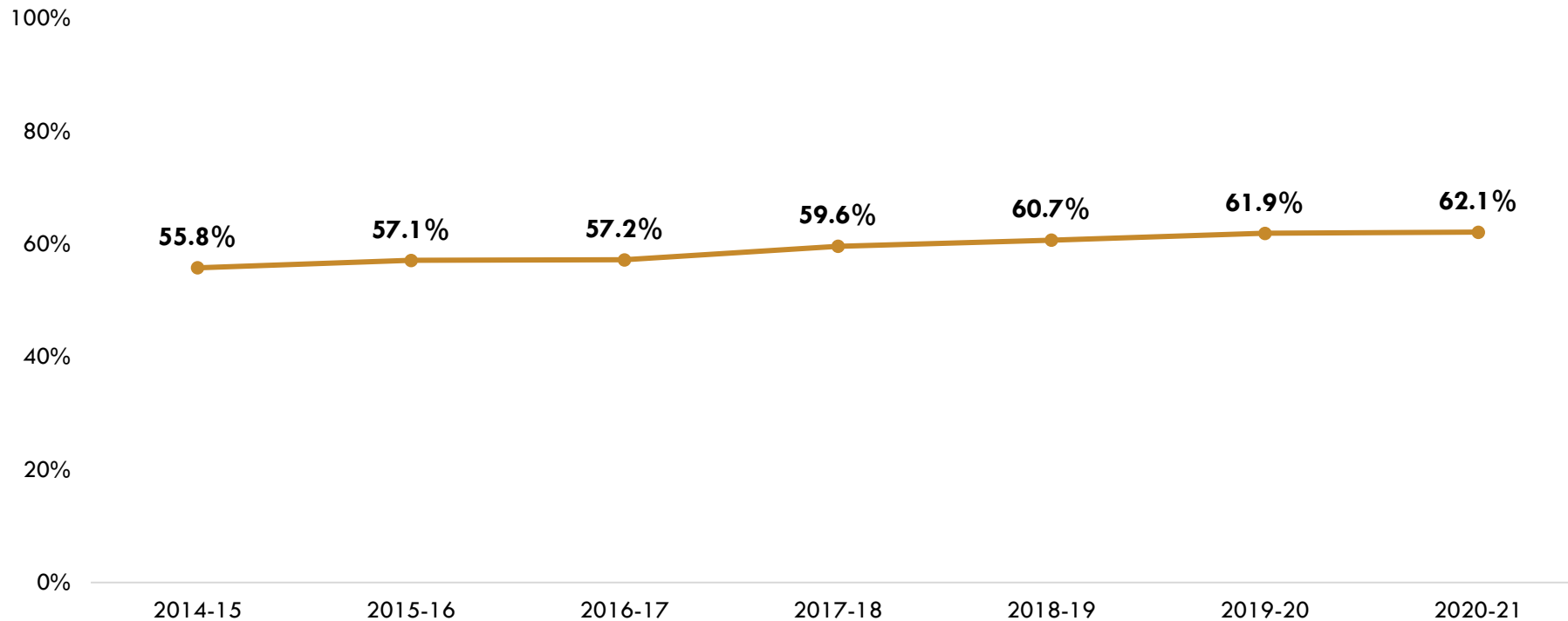
Source: State Board of Community and Technical Colleges (SBCTC), Washington public 2-year institutions unduplicated fall headcount and Education Research Data Center (ERDC), Washington public 4-year institutions unduplicated fall headcount



Feeder pathways may be slowing down

The proportion of students who completed a dual enrollment course in Washington increased slightly during the pandemic.

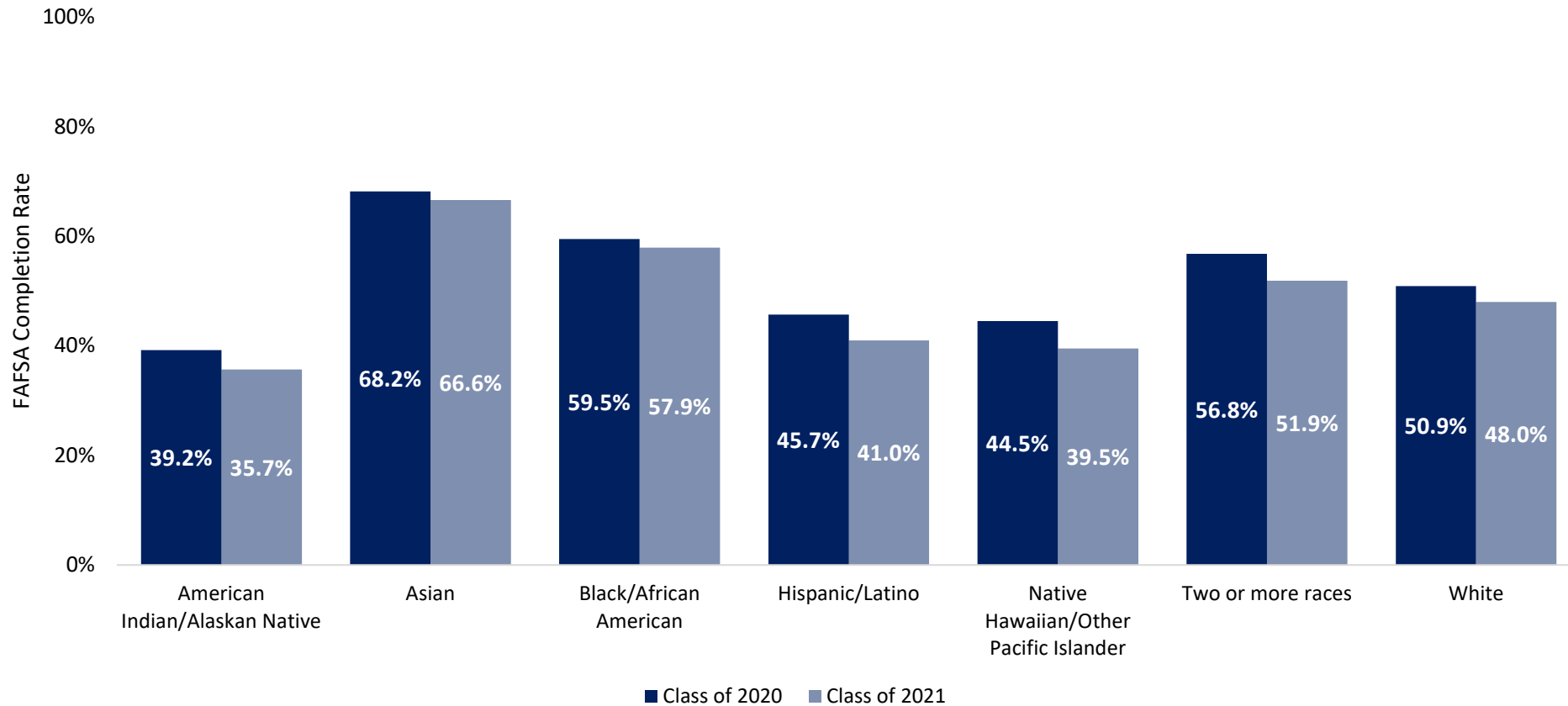
Percent of Washington students who completed a dual credit course





Racial disparities in financial aid application

There are racial inequities in FAFSA completion rates for high school seniors in Washington that were made worse during the pandemic.



Source: WSAC Research analysis of Washington FAFSA Completion Portal data, FAFSA completion rates for seniors expected to graduate in the class of 2020 and class of 2021
Note: FAFSA completion rates of 12th grade students are calculated using FAFSA completions between October 1 of students' 12th grade year and September 30 following their high school graduation. Data may change slightly over time due to identity matching of OSPI seniors



Fundamental observations on change

- What got us where we are today cannot create growth.
 - This is a mature market that needs disruptive innovation.
- The local environment and the student experience inside is key.
 - The state's role is to create “infrastructure” that supports work on the ground to improve those environments.
- We must focus on growing the overall market.
 - That is different than campus-specific enrollment management.
- It's building and supporting a vision, not filling information gaps.
 - Go earlier and go broader with a credible value proposition.

Tab H

Finance & Program Administrator Update

WASHINGTON STATE **OPPORTUNITY** SCHOLARSHIP

FINANCE & INVESTMENT COMMITTEE MEETING AGENDA IN-PERSON OR REMOTE

To join virtually: Click on the Microsoft Teams link in meeting invitation or dial in #: 323-488-2391 / passcode: 648 971 597#

To join in person: Washington STEM Office, Create West at Washington STEM 210 S Hudson St, Seattle, WA 98134 (masks are optional for those who are fully vaccinated – otherwise masks are required)

I.	Meeting Called to Order		Patrick Smith Board Member Committee Chair	1:00p-1:05pm
II.	Approval of Minutes from March 15 Meeting	[Tab A]	Patrick Smith Board Member Committee Chair	1:05-1:10pm
III.	WSIB Quarterly Performance Report	[Tab B]	Chris Phillips WSIB	1:10-1:20pm
IV.	Strategic Asset Allocation Introduction	[Tab C]	Aileen Liu WSIB	1:20-1:40pm
V.	Program Administrator Report	[Tab D]	Matt Poth WA STEM	1:40-2:00pm
VI.	Program Update	[Tab E]	Kimber Connors WSOS	2:00-2:15pm
VII.	Executive Session, if needed		Patrick Smith Board Member Committee Chair	2:15-2:30pm
VIII.	Meeting Adjourned		Patrick Smith Board Member Committee Chair	2:30pm

UPCOMING MEETINGS:

Wednesday, September 21, 2022, at 1-2:30pm

Wednesday, December 7, 2022, at 1-2:30pm

Committee Questions for Consideration:

- » Do you have any comments or concerns about the considerable unrealized losses in the WSOS portfolio given market conditions?
- » Do you have any questions on the process or inputs WSIB uses in its strategic asset allocation process?
- » What risk appetite should be built into our asset allocation recommendation given your understanding of the anticipated growth in donations during the campaign?
- » With our fourth original cornerstone renewed, we are turning our focus to \$1-\$5M gifts. What recommendations do you have for the WSOS team in building out this area of our major giving work?

Tab A

Approval of March 15, 2022 Minutes

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

**FINANCE & INVESTMENT COMMITTEE MEETING MINUTES |
TUESDAY, MARCH 15, 2022**

Members present in person at Washington STEM Office: Patrick Smith (Chair)

Members present via Microsoft Teams: Julie Sandler, Elisa La Cava, Brad Faulhaber, Joseph Walker, Matt Rubright.

Members not present: Bo Lee, Jennifer Daquiz Hara

Other participants present via Microsoft Teams: Chris Hanak (WSIB), Chris Phillips (WSIB), Kimber Connors (WSOS), Jvania Cross Polenska (WSOS), Steve Walker (WSOS), Irina Grubic (WSOS), Matt Poth (Washington STEM), Yoko Shimomura (Washington STEM), Blair Peterson (Washington STEM), Jess Peet (Microsoft).

Meeting called to Order

Patrick Smith (Chair) called the meeting of the Washington State Opportunity Scholarship (WSOS) Finance and Investment Committee to order at 1:05 pm.

Kimber Connors, WSOS Executive Director, introduced and welcomed Jess Peet as a proposed Finance & Investment Committee member. Jess Peet is Senior Director of Industry Cloud Solutions at Microsoft, creating industry solutions that are grounded in product truth, ready to be delivered and ratified by validated customer voice. Prior to Microsoft, Jess was a senior manager in various roles across Amazon managing multi-billion-dollar P&Ls. Peet shared that she was very excited to meet all.

Approval of Minutes from December 8, 2021 Finance and Investment Committee

Committee Action: Elisa La Cava moved to approve the minutes of the December 8, 2021, meeting. Brad Faulhaber seconded the motion, and it carried unanimously.

WSIB Quarterly Performance Report

Chris Phillips, WSIB's Director of Institutional Relations and Public Affairs, delivered the quarterly performance report. During Q4 we saw another resilient market surge. The Baccalaureate Scholarship (BaS) and Career & Technical Scholarship (BaS) funds (with an asset allocation of 5% cash, 25% equity, 70% fixed income) returned 1.3% for the quarter. BaS earned 3.5% and CTS earned 3.8% for the one-year period. The endowment (with a more aggressive asset allocation of 80% equity and 20% fixed income) earned 4.9% for the quarter and 14.7% for the one-year period. State-match cash remained at zero for the quarter.

WSIB has completed the following transactions in support of the WSOS program:

- December 2021: \$3.5 million deposited based on receipt of two grant payments
- December 2021: Three withdrawals completed (\$5.2M from BaS, \$1M from CTS, \$40K from GRD) to keep cash balances aligned with scholarship funding models
- March 2022: \$3.5M withdrawn from BaS account to fund spring scholarships (raised cash by selling \$2.6M from fixed income; \$600K from public equity)

Global equities rallied at year end, creating three consecutive years of strong returns. (The MSCI All Country IMI index was up 18.2% for the year). Phillips highlighted that fixed income returns went negative for 2021 (-1.5% for the year) and unemployment fell to 4.2%. Phillips stated that 2022 will bring a different story. Inflation has become a much bigger issue as the CPI came in at 7% for the 12 months of 2021. Inflation may worsen as continuing pandemic-related supply chain issues are now exacerbated by the Russia-Ukraine conflict leading to oil price turmoil. He shared that the federal government is prepared to

WASHINGTON STATE **OPPORTUNITY** SCHOLARSHIP

begin a series of rate hikes during 2022 which will affect the market, but the timing and magnitude are now anyone's guess.

Program Administrator Report

Matt Poth, Director of Finance at Washington STEM, delivered a program administrator update. Total assets as of 12/31/2021 are \$135.2M which is a 13% increase from 9/30/2021 and a 17% increase from 12/31/2020. The increase is due in large part to major giving activity in pledge receivables and cash such as: 1) Microsoft multi-year pledge of \$15M (anticipated to be a 5-year, equal-installment pledge with first payment in 2022); 2) Boeing \$5M pledge (\$2.5M/year with first payment in 2021, \$2.5M cash received December 2021; and 3) Amazon \$1M gift (cash received December 2021). These were offset by net scholarship disbursements in Q4 of \$6M (BaS \$5.1M, CTS/RJI \$851K, GRD \$39K). Net investment realized gains of \$3.36M were offset by unrealized losses of \$1.85M. Poth mentioned a final notable receipts: a \$125K gift from the Think Forward Foundation.

Total liabilities as of 12/31/2021 are \$20.8 million which is an 18% decrease since 9/30/2021 and 20% decrease since 12/31/20. The decrease since 9/30/21 is related to net scholarship disbursements. Poth noted that the winter CTS/RJI tranche of students was onboarded to the liability and final BaS liability was analyzed and adjusted in December. Payroll liabilities are higher since September due to accruing all related costs associated with 2021 that weren't paid until January 2022. Total net assets are \$114.3M which is a 22% increase from 9/30/2021.

Poth reported the final \$65.4K in state match funds from the College Success Foundation (CSF) resubmission project has been received. This completed the resubmission project wherein the team worked to recover the state match for \$2.8M in private receipts for which the prior program administrator (CSF) did not submit for state match. This issue is now resolved and will no longer be included as part of the balance sheet.

Salaries and benefits were under budget for 2021 by \$227K despite providing \$60K in bonuses to staff in December. Savings were due to gaps in staffing from departure of the Development Director (a new Director was hired in July), Development Operations Coordinator (a new one hired in July), and Scholar Placement Manager (will not rehire). Additionally, there was a delay in hiring a GRD Manager that was budgeted for the full year. The Development Director vacancy was backfilled with a consultant during the interim period (cost of ~\$73K) which partially offsets the salary savings noted above.

Professional fees were over budget primarily due to the contracting of an interim Development Director (offset in salaries as noted above) as well as the contracting work completed by Breakthrough Fundraising (feasibility study which was budgeted in 2020 but work was delayed and not completed until 2021, creating a budget-actual timing issue). Net scholarship expense was slightly above budget about \$400K due to the best-guess nature of the scholarship model for student enrollment. Poth noted budgeted scholarship spending is considerably higher in 2022 to reflect the larger cohort sizes to be selected. (In 2021, cohorts of 550 for CTS and 750 for BaS were selected. In 2022, we anticipate selecting 1,275 in each.)

Connors added that for larger cohort sizes we'll likely need additional FTEs – specifically a Coordinator in to support with an anticipated increase to student support emails and calls as well as an additional advisor to support more Scholar Leads in BaS. She stated she was not yet sure if these costs could be absorbed in the current budget or if transitions would allow for the hire within already requested budget. Connors noted if there is need for additional budget in 2022 to support these hires, she would return to the Committee for a requested amendment to the 2022 budget.

Program Update

WASHINGTON STATE **OPPORTUNITY** SCHOLARSHIP

Connors provided an overview of BaS, CTS, and GRD programs. She highlighted that the BaS Scholar Lead program has 111 Scholar Leads supporting nearly 1,000 Scholar mentees. The Skills that Shine mentorship program has nearly 600 pairs. The focus for the BaS team is closing out a challenging academic year with Scholars and preparing to increase their support for the larger cohort next year. The CTS support services continue to grow. The pilot winter industry mentorship program has wrapped with 25 pairs completing the program. The pilot Scholar Ambassador program launched the week of January 10 and so far has nine Ambassadors providing support to 340 Scholar mentees. The CTS is planning to scale their successful efforts in the 2022-23 academic year and is focusing on learnings from the pilot year. The Graduate Scholarship (GRD) program is in its inaugural year. Connors reported that all eight Scholars persisted to their second term, and that the team has seen Scholars with early success in getting clinical placement in Medically Underserved Areas (MUA) and Health Professional Shortage Areas (HPSA). They are testing the clinical site stipend process. Joseph Walker commented on these great programs and expressed appreciation for hearing more about the mission work of WSOS.

Connors re-introduced Jess Peet (see above for details). Connors stated Peet and her husband have been strong WSOS supporters for some time and thanked Peet for being a champion. Connors and Patrick Smith met with Peet in December to discuss her interest in supporting WSOS through the Committee and are enthusiastic for her to join. Peet shared her experience supporting finance committees at other organizations and expressed her enthusiasm for the WSOS mission.

Committee Action: La Cava made a motion to recommend to the WSOS Board that Jess Peet become a member of the WSOS Finance & Investment Committee. Sandler seconded the motion, and it carried unanimously.

Connors shared the results of the Committee 2021 self-evaluation. Bright spots included: “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”. The self-evaluation included the following growth edges: “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 the budget and models perhaps delivered as an appendix.” Connors reviewed members’ recommendations for the Committee’s focus in 2022: 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, revisiting the scope/expectations of the F&I Committee with the Board given the shift from sunset approach, recruiting diverse membership that reflects the Scholars we serve.

Connors then shared the Member Matrix which reviews the key characteristics and skills of Committee members. The discussion moved to the focus areas in 2022. Connors asked the Committee to which of the focus areas feel most relevant and started the conversation asking about new member recruitment. Joseph Walker asked how many members can serve on the Committee according to Committee Charter. Connors stated the Charter names a minimum of seven with two Board members. A quorum requires more than 50% of members in attendance. We currently have eight members (Peet would make nine). La Cava asked how many of the current members are close to the end of the term. Connors shared two seats have terms ending in 2022. Connors will reach out to these members to find out if they are going to continue. Connors shared three areas she generally takes into consideration while recruiting new members: 1) business leaders or higher education partners who are connected to the WSOS mission; 2) lived experience perspectives that would bring diversity of thought to discussions; and 3) expertise in key areas of finance & investment not yet reflected in the room. Faulhaber asked if there are any areas the current F&I Committee is lacking. Connors responded that we could have more representation from folks who work in the higher education or policy space as our business representation is strong. Connors

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added that we can continue this conversation at the next Committee meeting to preserve time for reflection on other topics that may be of interest to the Committee.

The conversation moved to asset allocations and inflation. The Committee was interested in learning more about the asset allocation work to come now that the larger cohorts are planned. Connors committed to bringing this topic back to the June meeting. Rubright asked if there was appetite to discuss the notion of changing how we support Scholars (changing the award amount or targeting dollars to students from particular backgrounds) rather than simply increasing cohort sizes. Connors asked Smith or Sandler to share more of the Board's perspective on this option. Smith underscored that he understood the Board Chair's perspective to be firmly that we should focus first on extending the scholarship to 2030 and then increasing the number of students served, not redesigning the model for how we award students. However, Smith shared that periodic revisitation are the Board's objectives and this may be a conversation to revisit in the future.

The conversation moved to a discussion of the drop in CTS applications from 700 last year to 400 this year for the spring cycle. The decrease in applications is reflective of the higher education enrollment environment more broadly. Enrollment in higher education programs of all kinds all across the nation are down – particularly so for first-generation, low-income students like the vast majority of students served by WSOS. Connors shared this decline in the number of applications, coupled with the planned increase in cohort sizes for the fall, have raised questions about the possible decrease in the quality of student who is selected for Opportunity Scholarship. The Awards team proposed we select 70 additional students in spring 2022 (borrowing from the planned 1,275 to be selected in the 2022-23 academic year). Steve Walker explained the rationale for this recommendation was to select more students who are more likely to complete their programs. Peet asked if WSOS expects the decrease in enrollment and applications to continue trending down if the economy dips. Connors responded we couldn't be sure. Historically, higher education enrollment goes up in times of economic downturn, but that norm has not held true during the pandemic. Smith asked if selecting 70 students now rather than the fall would mean we have more students with a higher likelihood of completion. Steve Walker confirmed that selecting these students now – who have a higher average score than those we expect to need to select to fill the larger cohort in the fall – would likely result in better completion rates. La Cava asked if there would be a concern with 70 students receiving their scholarship earlier from a cash flow perspective. Connors affirmed the WA STEM Finance team is confident it won't be a big difference in the overall cash flow modeling. Joseph Walker suggested to prepare the comparison rate for the Board meeting. Smith asked if there are any questions or concerns. Joseph Walker responded that there were no concerns and other members affirmed.

Committee Action: Joseph Walker made a motion to recommend 70 additional CTS recipients be selected in spring 2022. Sandler seconded the motion, and it carried unanimously.

The meeting didn't go into Executive Session

The meeting adjourned at 2:30 pm.

Respectfully submitted,
Irina Grubic

Tab B

WSIB Quarterly Performance Report

WSOS INVESTMENT AND FINANCE COMMITTEE PERFORMANCE REVIEW - 1Q 2022

JUNE 1, 2022

Chris Phillips

Director of Institutional Relations



WSOS INVESTMENT PROGRAM SUMMARY

- Global equity (-5.4%) and fixed income (-4.8%) both had downturns for the quarter as the broad markets succumbed to geopolitical turmoil and concerns over higher inflation
 - BaS and CTS funds (5% cash/25% equity/70% fixed income) returned -4.7% and -4.8% respectively for the quarter
 - BaS and CTS earned -0.8% for the 12-month period ending March 31
 - The Endowment account (81% equity/19% fixed income) earned -5.3% for the quarter and 4.6% for the 12-month period ending March 31
 - State-match cash remained at zero for the quarter; 3 basis points for 12 months
- Global equity funds returned -5.4% for Q1 and 6.5% for the previous 12 months
- Fixed income funds returned -4.8% for Q1 and -3.5% for the previous 12 months
- WSIB completed two transactions for WSOS funds during Q1:
 - BaS account: Rebalanced the fund in early March to raise cash for scholarships. Redeemed \$600,000 from equities and \$2.6 million from fixed income to raise a total \$3.2 million in cash. We continue a target an allocation of 5% for cash.
 - CTS account: Fulfilled a request for \$900,000 cash transfer from the CTS fund on March 14.

CAPITAL MARKETS SUMMARY

REPORTED AS OF MARCH 31, 2022

- Global markets faced the shock of Russia's invasion of Ukraine; Russia received widespread condemnation and strict sanctions
- Equities declined; bond prices fell/yields increased; commodity prices rose
- U.S. inflation hit 8.5% in March
 - Unemployment dropped to 3.6%; wage growth was 5.6% year-on-year
- Developed equity markets declined 5.3% during Q1 but are up 8.7% for the past 12 months
- Driven by oil and gas prices, the energy sector advanced 22.6% and is up 42.4% for the past 12 months
- The Fed raised the target rate 0.25% on March 16 and indicated more increases will follow
- U.S. interest rates increased dramatically
 - The U.S. 10-year Treasury rate jumped 0.8% to end at 2.3% – its highest monthly close since April 30, 2019

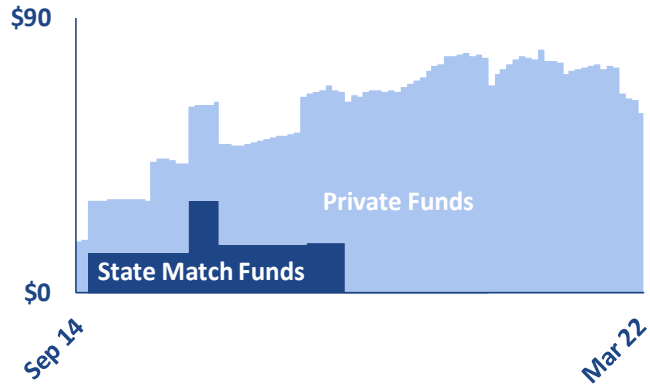
WSOS GROWTH OF ASSETS

MARCH 31, 2022



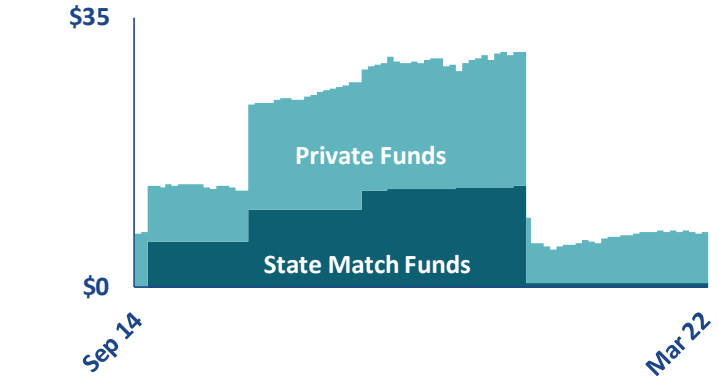
BaS

- Total assets: \$58.7 million
- 100% private funds



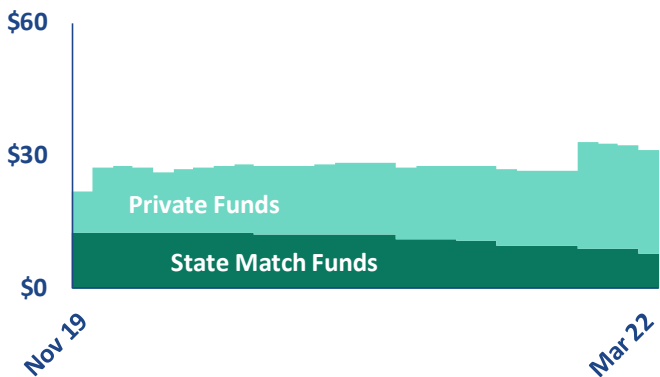
Endowment

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



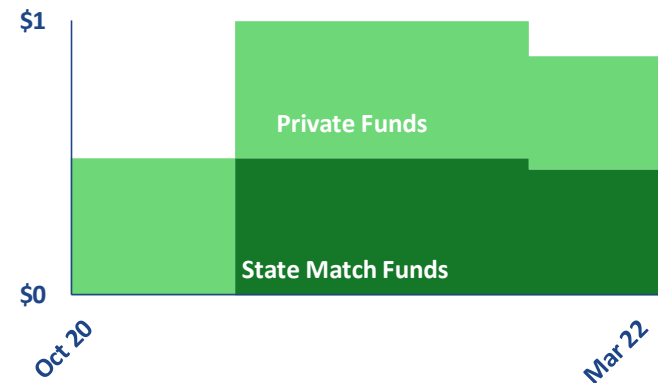
CTS

- Total assets: \$31.1 million
- 75% private funds and 25% state match funds



GRD

- Total assets: \$0.9 million
- 47% private funds and 53% state match funds



MARKET VALUES AND ASSET ALLOCATION

MARCH 31, 2022



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 5.03%	Fixed Income 18.99%	Cash 5.18%	Cash 100.00%
	Fixed Income 69.48%	Equity 81.01%	Fixed Income 68.91%	
	Equity 25.49%		Equity 25.91%	
	\$58,746,147	\$6,496,837	\$23,224,546	\$408,848
State Match	\$0	\$585,307	\$7,870,188	\$460,190

FUND PERFORMANCE UPDATES

ALL COLUMNS SHOW PERFORMANCE CALCULATED AS OF MARCH 31, 2022

	Annualized				
	Qtr.	1 Year	3 Year	5 Year	Since Inception
BaS					
Private	-4.70%	-0.78%	5.28%	5.64%	5.24%
Private Benchmark	-4.87%	-1.19%	5.09%	5.53%	5.22%
State Match	0.00%	0.00%	0.59%	0.93%	0.69%
State Match Benchmark	0.04%	0.06%	0.81%	1.14%	0.84%
Private Funds Benchmark: 25% Equity, 70% Fixed Income, and 5% Cash. State Match Benchmark: 100% Cash					
Endowment					
Private	-5.30%	4.57%	10.34%	9.24%	7.92%
Private Benchmark	-5.32%	4.44%	11.58%	9.96%	8.33%
State Match	0.01%	0.03%	0.64%	0.98%	0.72%
State Match Benchmark	0.04%	0.06%	0.81%	1.14%	0.84%
Private Funds Benchmark: 80% Equity, 20% Fixed Income. State Match Benchmark: 100% Cash.					
CTS					
Private	-4.75%	-0.81%	N/A	N/A	4.47%
Private Benchmark	-4.87%	-1.19%	N/A	N/A	3.85%
State Match	0.01%	0.03%	N/A	N/A	0.24%
State Match Benchmark	0.04%	0.06%	N/A	N/A	0.39%
Private Funds Benchmark: 25% Equity, 70% Fixed Income, and 5% Cash. State Match Benchmark: 100% Cash.					
GRD					
Private	0.01%	0.03%	N/A	N/A	0.03%
Private Benchmark	0.04%	0.06%	N/A	N/A	0.08%
State Match	0.01%	0.03%	N/A	N/A	0.03%
State Match Benchmark	0.04%	0.06%	N/A	N/A	0.06%
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

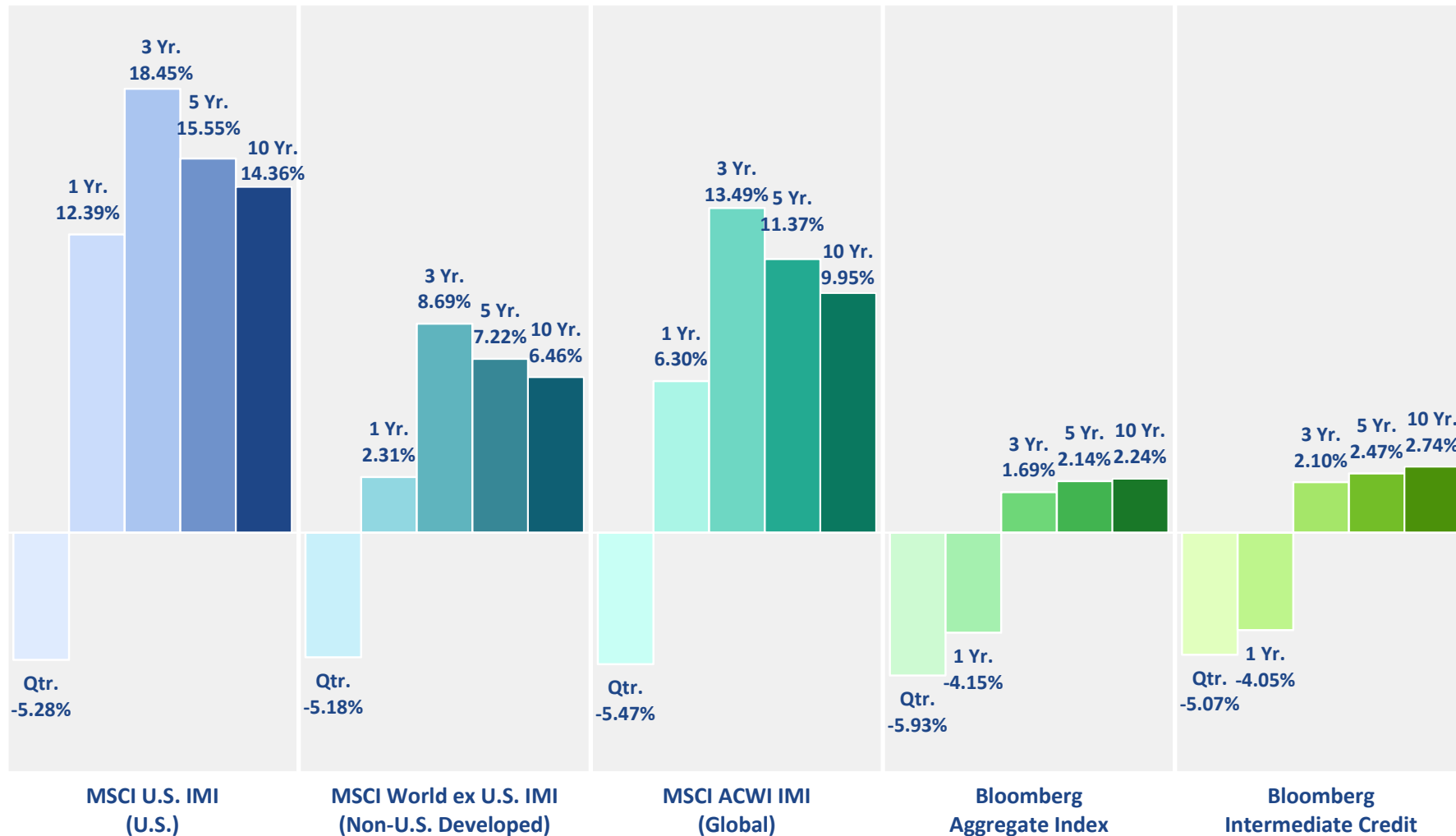
FUND PERFORMANCE UPDATES

ALL COLUMNS SHOW PERFORMANCE CALCULATED AS OF MARCH 31, 2022

	Annualized				
	Qtr.	1 Year	3 Year	5 Year	Since Inception
Equity					
BaS	-5.42%	6.53%	13.73%	11.97%	9.74%
Endowment	-5.41%	6.50%	14.02%	11.82%	9.73%
CTS	-5.42%	6.49%	N/A	N/A	14.81%
MSCI ACWI IMI w/ U.S. Gross	-5.41%	6.55%	13.81%	11.69%	
Fixed Income					
BaS	-4.83%	-3.55%	2.45%	2.75%	2.82%
Endowment	-4.83%	-3.53%	2.47%	2.76%	2.83%
CTS	-4.83%	-3.49%	N/A	N/A	0.95%
BB Intermediate Credit	-5.07%	-4.05%	2.10%	2.47%	

CAPITAL MARKETS AT A GLANCE

MARCH 31, 2022

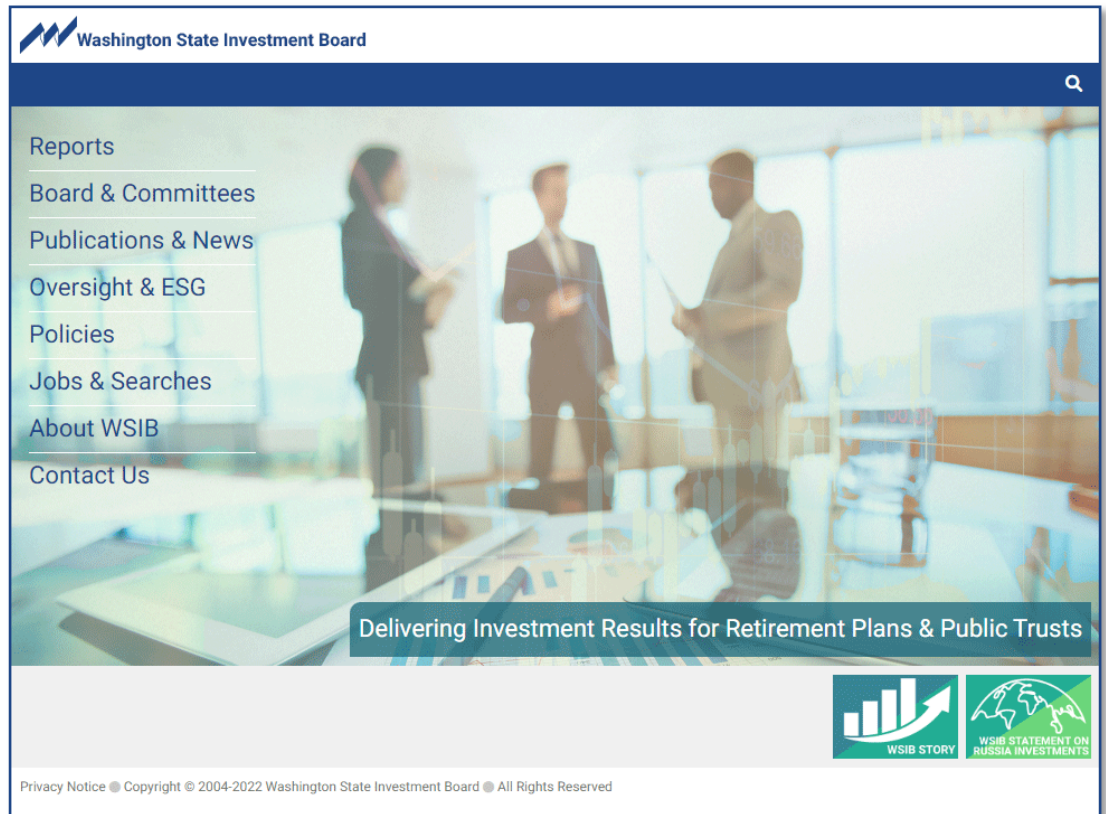


CONTACT INFORMATION

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Delivering Investment Results for Retirement Plans & Public Trusts

WSIB STORY

WSIB STATEMENT ON RUSSIA INVESTMENTS

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Tab C

Strategic Asset Allocation Introduction

WSOS INVESTMENT AND FINANCE COMMITTEE STRATEGIC ASSET ALLOCATION STUDY INTRODUCTION

June 1, 2022

Aileen Liu, Assistant Senior Investment Officer
Risk Management and Asset Allocation



AGENDA

- **Today's Objectives**
- **Strategic Asset Allocation Overview**
 - **Its Importance to Investing**
 - **Modern Portfolio Theory**
 - **Definition and Process**
 - **Key Considerations**
- **Building Capital Market Assumptions**
 - **Definitions and Development**
 - **Current Capital Market Assumptions**
 - **Historical Comparison**
 - **Sample Modeled Return Distributions**
- **Investment Option Overview**
- **Discussion Points**
- **Next Steps and Timeline**
- **Contact Information**



WHY IS ASSET ALLOCATION IMPORTANT?

Data from 82 large U.S. pension plans indicate that investment policy dominates investment strategy (market timing and security selection), explaining on average 91.5 percent of the variation in total plan return

Brinson, Singer, Beebower 1991, (Update to BHB 1986)



MODERN PORTFOLIO THEORY

Harry Markowitz developed an approach to investing that has come to be known as Modern Portfolio Theory

- Breakthrough in his research was to consider the way securities moved together in a portfolio as opposed to individually
- Simplified a process to requiring only three characteristics of a security or group of securities – expected return, expected volatility, and correlation
- Reduction in portfolio volatility is due to diversification
- Diversification is the foundation of strategic asset allocation

Drawbacks of Modern Portfolio Theory

- Assumes efficient markets
- Assumes normally distributed market returns
- Assumes investors behave rationally



STRATEGIC ASSET ALLOCATION DEFINITION AND PROCESS

Strategic asset allocation is a term used to describe the process of dividing a portfolio among major asset categories such as bonds, stocks, or cash

Diversification works because assets behave differently under different market conditions

It is important to understand that asset allocation is a combination of art and science

There is no one right answer



ASSET ALLOCATION KEY CONSIDERATIONS

Asset Classes

- WSIB's definition of asset class
- Which asset classes to include?

Return Objectives

- Growth
- Income
- Capital preservation

Risk Tolerance

- Volatility of return

Other Considerations

- Time horizon
- Liquidity
- Unique circumstances or preferences



BUILDING BLOCKS

CAPITAL MARKET ASSUMPTIONS

Return

- An arithmetic mean, a simple average of returns. It is not the same as a geometric mean shown on performance reports

Risk

- The risk number in capital markets assumptions focuses on only type of risk, volatility, or annualized standard deviation

Correlation

- Defined as how the asset classes move in relationship to each other

Building Assumptions

- Capital market assumptions are built using predominantly historical data, but also current market data, and market expectations for the future



DEVELOPING CAPITAL MARKET ASSUMPTIONS

Process

- Gather a broad array of consultant expectations for asset class returns, risk, and correlations
- Compare: to one another and to history
- Overlay staff views on generic asset class expectations
- Model and customize expectations for WSIB's specific asset class structure and views

Considerations

- Looking for reasonable expectations, not a perfect number
- Estimates contain subjectivity
- These are model inputs
- Models attempt to provide understanding of a complex system
- Models are always a simplification of reality

Roles

- WSIB asset allocation studies
- Guaranteed Education Tuition program unit pricing
- Pension valuation reports

WSIB 2021 CAPITAL MARKET ASSUMPTIONS

	Arithmetic Return	Standard Deviation	Geometric Return
FI Intermediate Credit	3.5	5.7	3.3
Global Equity	8.1	19.0	6.5
U.S. Equity	7.5	18.0	6.0
Non-U.S. Equity	8.8	20.0	7.0
Cash	1.7	1.5	1.7
Inflation	2.2		2.2

Correlation	FI Interm. Credit	Global Equity	U.S. Equity	Non-U.S. Equity	Cash
FI Intermediate Credit	1.00				
Global Equity	0.30	1.00			
U.S. Equity	0.30	0.90	1.00		
Non-U.S. Equity	0.30	0.90	0.85	1.00	
Cash	0.10	0.00	0.00	0.00	1.00

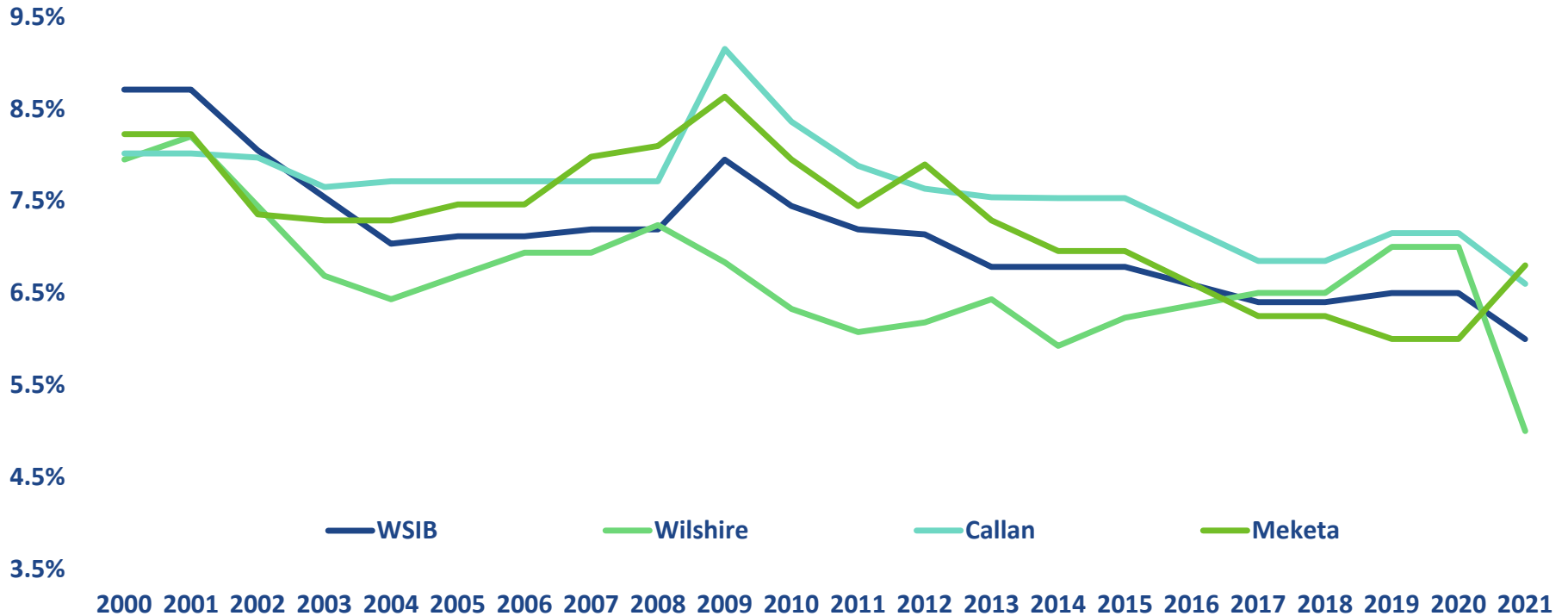
WSIB CAPITAL MARKET ASSUMPTIONS

HISTORY AND COMPARISON OF THE WSIB U.S. EQUITY ASSUMPTIONS

WSIB U.S. Equity Arithmetic Return Assumptions

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Return	10.0%	10.0%	9.5%	9.0%	8.5%	8.5%	8.5%	8.5%	8.5%	9.3%	8.8%	8.5%	8.6%	8.2%	--	8.3%	--	7.8%	--	7.8%	--	7.5%
Risk	17.0%	17.0%	18.0%	18.0%	18.0%	17.5%	17.5%	17.0%	17.0%	17.0%	17.0%	17.0%	18.0%	18.8%	--	18.0%	--	17.5%	--	17.5%	--	18.0%

Comparison of the Geometric Return Assumptions



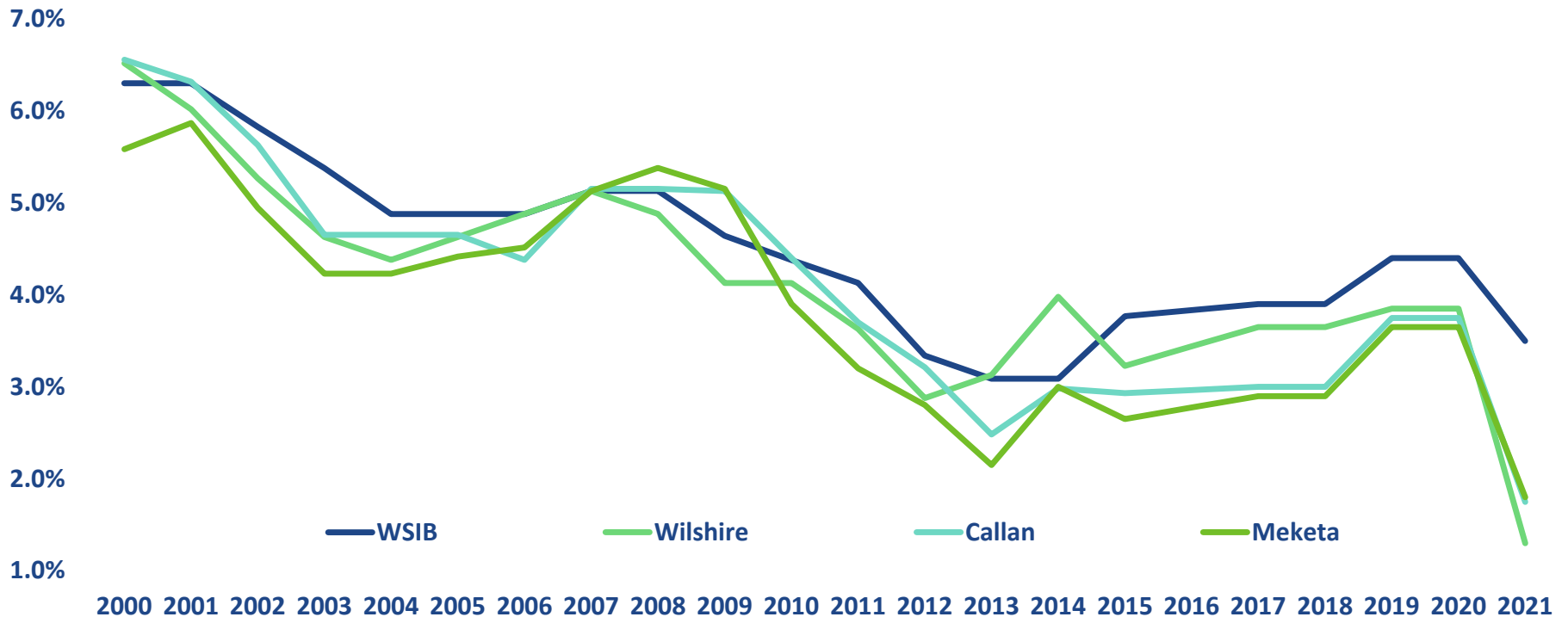
WSIB CAPITAL MARKET ASSUMPTIONS

HISTORY AND COMPARISON OF THE WSIB FIXED INCOME ASSUMPTIONS

WSIB Fixed Income Arithmetic Return Assumptions

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Return	6.5%	6.5%	6.0%	5.5%	5.0%	5.0%	5.0%	5.3%	5.3%	4.8%	4.5%	4.3%	3.5%	3.5%	--	3.9%	--	3.9%	--	4.4%	--	3.7%
Risk	6.5%	6.5%	6.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	4.8%	5.0%	5.0%	5.8%	5.8%	--	5.3%	--	5.5%	--	6.0%	--	6.0%

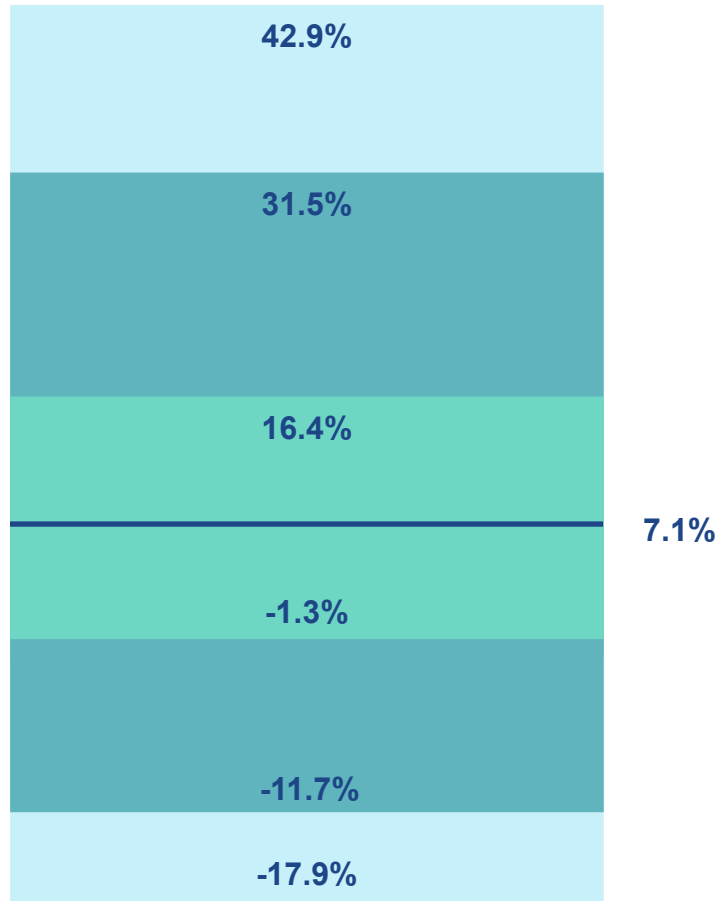
Comparison of the Geometric Return Assumptions



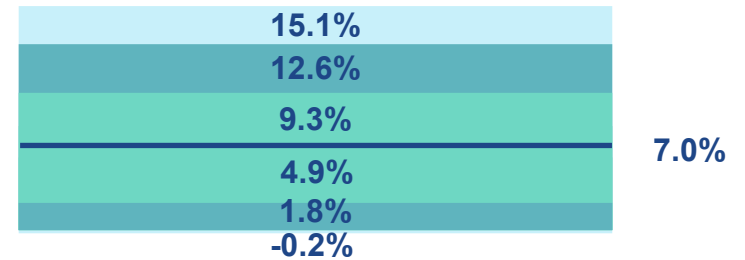
MODELED RETURN DISTRIBUTION WITH WSIB CAPITAL MARKET ASSUMPTIONS

CTF Return Expectations Using Proposed 2021 CMAs

■ Using Log-Normal Confidence Level Returns



1 Year

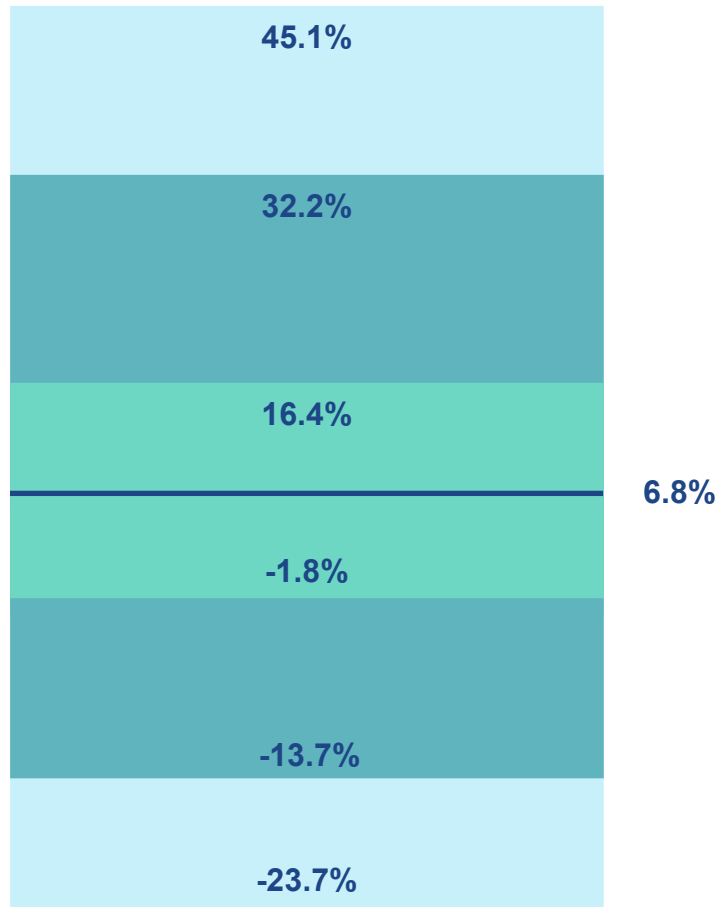


15 Years

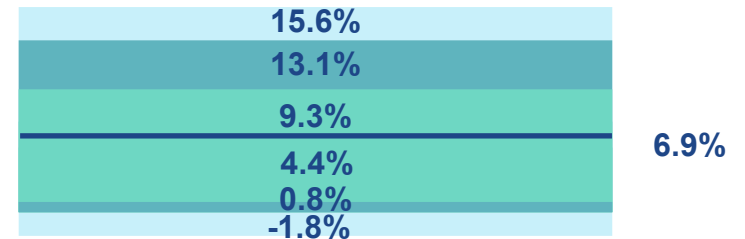
MODELED RETURN DISTRIBUTION WITH WSIB CAPITAL MARKET ASSUMPTIONS

CTF Return Expectations Using Proposed 2021 CMAs

- Using Downside Log-Stable Confidence Level Returns



1 Year



15 Years



INVESTMENT OPTION OVERVIEW

ASSET CLASSES

Public Equity

- Invests passively in publicly traded global equity
- Investment goal is to meet the performance of the appropriate benchmark
- Externally managed



Fixed Income Intermediate Credit

- Invests in interest-producing debt securities with varying maturity, structure, and credit ratings
- Expected to meet or exceed the return of the Bloomberg U.S. Intermediate Credit Index
- Portfolio duration not to exceed plus or minus 25 percent of the index
- Actively managed at the WSIB

Cash

- Used to manage cash flows
- Externally managed

Asset classes have different characteristics that lead to different behavior bringing diversification and risk mitigation to the total portfolio

	← Growth	Income →
	Public Equity	Fixed Income
Objectives	<ul style="list-style-type: none"> ▣ Capital appreciation ▣ Diversification ▣ Liquidity 	<ul style="list-style-type: none"> ▣ Current Income ▣ Diversification ▣ Liquidity ▣ Deflation protection
Characteristics	<ul style="list-style-type: none"> ▣ Globally oriented ▣ Externally managed ▣ Passively managed ▣ Low cost 	<ul style="list-style-type: none"> ▣ Active internal management ▣ Credit oriented ▣ Emerging market exposure
Key Risks	<ul style="list-style-type: none"> ▣ Low growth ▣ Interest Rates ▣ Currency 	<ul style="list-style-type: none"> ▣ Interest rates ▣ Credit ▣ Inflation ▣ Currency

DISCUSSION POINTS

Specific Goals

Investment Objectives

- Maximize return at a prudent level of risk
- Benchmarks

Risk Tolerance and Time Horizon

- Volatility of return
- Correlation of returns (interaction between asset class movements)
- Inflation

Liquidity

- Scholarship projections
- Nature of spending commitment – fixed versus flexible
- Payout ratio

Other Considerations?



NEXT STEPS

- **Model portfolio based on committee feedback**
- **Recommend Strategic Asset Allocation to September WSOS Investment and Finance Committee meeting**
- **Amend investment policy to reflect any changes**
- **Recommend Strategic Asset Allocation and policy to WSIB**
- **Implement**



SCHEDULE FOR NEXT STEPS

Timeline	Key Action Step	Responsible Party
April 21	Determine asset class risk and return assumptions	WSIB
May to June 22	Develop and finalize cash flow projections	WSOS/WSIB
June 22	Determine risk tolerance and objectives (June 1 WSOS Finance & Investment Committee)	WSOS/WSIB
July to August 2022	Conduct modeling	WSIB
September 22	Present recommended Strategic Asset Allocation to WSOS Finance & Investment Committee (Sept. 21 meeting)	WSIB
November 22	Present recommended Strategic Asset Allocation and Policy to WSIB Board	WSIB

CONTACT INFORMATION

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Phone Number

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Tab D

Program Administrator Report

FINANCE & PROGRAM ADMINISTRATOR UPDATE

April 30, 2022

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

WSOS Balance Sheet

Washington State Opportunity Scholarship
Comparative Balance Sheets
April 30th, 2022

	Comparison to Last Reported Period			Notes	Comparison to Same Period LFY		
	12/31/21	% Change	4/30/22		4/30/21	% Change	4/30/22
Assets							
Cash	409,914	48%	605,197	1	821,773	-26%	605,197
Investments	106,810,697	-12%	94,158,380	2	108,186,273	-13%	94,158,380
Accounts Receivable	137,998	-100%	189	3	1,136	-83%	189
Pledges and Grants Receivable, net	27,615,333	-1%	27,438,358		2,553,671	974%	27,438,358
State match receivable, net	118,687	-100%	-	4	-	0%	-
Unbilled State match revenue	4,048,643	18%	4,768,869	4	-	0%	4,768,869
Unbilled State match receivable, offset	(4,048,643)	18%	(4,768,869)	4	-	0%	(4,768,869)
Prepaid Expenses	45,589	43%	65,312		62,632	4%	65,312
Property and equipment, net	11,058	88%	20,821		16,251	28%	20,821
Total Assets	135,149,276	-10%	122,288,257		111,641,736	10%	122,288,257
Liabilities and Net Assets							
Accounts Payable	127,561	-40%	76,883		74,298	3%	76,883
Payroll Related Liabilities	168,648	-37%	105,461		91,121	16%	105,461
Scholarship Commitments Bacc., net	16,824,758	-21%	13,329,763	5	18,507,299	-28%	13,329,763
Scholarship Commitments CTS, net	3,399,761	-14%	2,922,669	5	2,538,429	15%	2,922,669
Scholarship Commitments RJJ, net	194,023	6%	205,288	5	39,799	416%	205,288
Scholarship Commitments GRD, net	113,209	-15%	95,746	5	-		95,746
Total Liabilities	20,827,960	-20%	16,735,810		21,250,946	-21%	16,735,810
Net Assets							
Temporarily Restricted Net Assets	114,321,316	-8%	105,552,447		90,390,789	14%	105,552,447
Permanently Restricted Net Assets	-	0%	-		-	0%	-
Total Net Assets	114,321,316	-8%	105,552,447		90,390,789	17%	105,552,447
Total Liabilities and Net Assets	135,149,276	-10%	122,288,257		111,641,736	10%	122,288,257

WSOS Balance Sheet

Notes:

1. Increase in cash between January and April primarily due to private receipts of \$720K, which included \$475K from BECU Foundation, \$55K from Providence St. Joseph Health, \$50K from Brad & Kathy Smith, \$50K from Bristol Myers Squibb, \$20K from Car Pros, \$12.5K from Battelle Foundation, and \$10K from Central Washington University (Hanson). Additionally, there were state match receipts of \$118K. These were offset by net scholarship disbursements net of refunds of \$3.8M (BaS \$2.78M, CTS/RJI \$1.04M, GRD \$27K), which were funded by transfers from the WSIB accounts of \$3.5M (BaS) and \$900K (CTS).
2. Investment balance as of 04/30/22 includes WSIB BaS Scholarship \$56.47M, WSIB CTS Scholarship \$30.19M, WSIB Endowment \$6.63M, and WSIB GRD Scholarship \$869K. During the period of Jan. - Apr. net investment losses across all accounts totaled ~\$8.26M. Additional due to transfers to fund scholarships of \$3.5M (BaS) and \$900K (CTS).
3. YE 12/31/21 Accounts Receivable balance included scholarship refunds of ~\$138K that were postmarked before December 31st, but not deposited until January.
4. 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 was received in December. Current balance in receivable account is made up of July and August activity capped at the current amount of appropriations in WSAC accounts, these amounts were invoiced to WSAC upon receipt of resubmission payment, WSOS received payment for the \$119K in January of 2022. Unbilled balance represents amounts in excess of what has been appropriated, but will be invoiced July 2022 when new appropriations (~\$8.5M) are available.
5. Changes in scholarship liabilities during the period Jan. - Apr. were due to acceptance of Spring cohort of CTS/RJI students, this adjustment totaled \$764K. This was offset by scholarship disbursements net of refunds of \$3.8M (BaS \$2.78M, CTS/RJI \$1.04M, GRD \$27K).

WSOS Income Statement

	Four Months Ending April 30th, 2022			December 31, 2022	
	Actual	Budget	Variance Fav (Unfav)	Notes	Annual Budget
Revenue					
Private	537,839	15,412,500	(14,874,661)	1	16,362,500
Public	-	-	-	2	8,469,345
Investment Dividends & Interest	15,430	15,000 *	430	3	45,000
Investment Unrealized/Realized Gains	(8,256,199)	1,553,917 *	(9,810,116)	3	4,661,752
Investment Fees	(18,836)	(20,647) *	1,811	3	(61,940)
Total Revenue	(7,721,766)	16,960,770	(24,682,536)		29,476,657
Program Expense					
Salaries and Benefits	754,013	838,087	84,074	4	3,185,747
Professional Fees - Program Admin fees	194,188	209,188	15,000	5	718,273
Professional Fees - Contractors & Lobbying	150,226	187,238	37,012	6	758,674
Conferences, Conventions & Meetings	20,044	65,332	45,288	7	190,221
Operating Expenses	65,564	102,546	36,982	8	323,622
	1,184,035	1,402,391	218,356		5,176,537
Income (Loss) before Scholarship Exp	(8,905,801)	15,558,379	(24,464,180)		24,300,120
Scholarship Expense	(136,932)	322,375	459,307	9	20,740,426
Net Income (Loss)	(8,768,869)	15,236,004	(24,004,873)		3,559,694

*Approved Budget did not include investment returns or fees, we have included based on a conservative estimate. See Note 3 for more information.

WSOS Income Statement

Notes:

1. New revenues between January and April totaled \$537K which included \$475K from BECU Foundation, \$20K from Car Pros, \$12.5K from Battelle Foundation, \$10K from CWU (Hanson), and \$5K From Sellen Construction. Additionally, WSOS secured a \$10M pledge from Ballmer Group, however, this could not be recorded as revenue on a GAAP basis they plan to pay via a Donor Advised Fund. As such, we'll record revenue as pledge payments are made (Expected 9/1/22-9/1/2025 @ \$2.5 million each year).
2. Revenue Public: After a delayed appropriations were received in July 2021, WSOS was able to record revenue for July and a portion of August 2021 private receipts but was limited by lack of appropriations. WSOS expects similar delays going forward, and expects next appropriation to occur in July of 2022. For the period Jan. - Apr. WSOS was not able to record any revenues as all current state appropriations have been expended. We plan to record the unbilled state match as revenue in July 2022.
3. Investment Returns: Actual YTD includes unrealized losses net of realized gains of \$8.26M, interest & dividend income of \$15K and investment expense of \$18K. The approved budget included unrealized/realized gains, dividends & interest, and investment fees based on a conservative rate of return for equities and fixed income for each scholarship.
4. Personnel expenses are under budget by ~\$84K, the savings were due to position gaps related to departures, as well as delays in hiring certain positions that were budgeted to start early in the year (Data Analyst, Senior Development Manager, Donor Relations Officer).
5. Program Admin Fee came in slightly under budget due to transition fee being spread across multiple months starting in April which will not actually be paid out until later in the year (June-August). Expense matches existing non-transition contract.
6. Professional Fees - Contractors & Lobbying; under budget primarily due to predicted PR campaign consulting which was budgeted for the full year but which has not yet started (~\$31K), as well as Website refresh consulting which was budgeted in February but which has not yet occurred (\$10K). These were slightly offset by smaller overages in other consulting categories.
7. Conferences, Conventions, and Meetings costs were under budget due to covid quarantining measures. Budget assumptions assumed primarily a back to normal state from the start of the year; however, in reality things are just starting to open up in the last couple of months.
8. Operating Expenses costs were under budget likely related to covid quarantining measures which limited the need or amount of certain costs such as Office Supplies (~\$5K), Postage (~\$1.7K), Professional Development (~\$9K), Board/Committee Meetings (\$1.5K). Additionally Fundraising software costs were lower than anticipated by ~\$4K.
9. Scholarship expense for CY 2022 for BaS will be 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. Overall expense under budget thru April, due to higher refunds than expected (likely due to delayed school processing) as well as reduced CTS liability compared to expected (due to lower retention than initially predicted for previously selected cohorts).

WSOS Cash Flow

Cash Flow Summary

Inception-To-Date

April 30th, 2022

	Inception - April 30th, 2022				Comparison to December 31st, 2021		
	Scholarship	Endowment	Notes	Total	Scholarship Variance	Endowment Variance	Total Variance
<u>CASH FLOW</u>							
Cash Inflow:							
Boeing	27,700,000	-	-	27,700,000	-	-	2,500,000
Microsoft	35,000,000	-	-	35,000,000	-	-	-
Other Private	43,649,726	-	1	43,649,726	720,176	-	2,126,802
State Match	101,475,261	-	2	101,475,261	118,687	-	184,118
State Implementation Funds	500,000	-	-	500,000	-	-	-
Investment Income*	20,254,684	6,637,114	3	26,891,798	(7,444,730)	(814,510)	(6,749,380)
Total Cash Inflows	228,579,671	6,637,114		235,216,785	(6,605,867)	(814,510)	(1,938,460)
Cash Outflow:							
Scholarships	(114,217,071)	-	4	(114,217,071)	(3,852,154)	-	(9,855,418)
Program Expenses	(26,230,325)	(5,812)	-	(26,236,137)	(1,184,503)	-	(2,431,959)
Total Cash Outflows	(140,447,396)	(5,812)		(140,453,208)	(5,036,657)	-	(12,287,377)
Net Cash Flow Inception-To-Date	88,132,275	6,631,302		94,763,577	(11,642,524)	(814,510)	(14,225,837)
<u>Composition of Net Cash Flow</u>							
KeyBank Checking Account	605,197	-	5	605,197	195,283	-	(347,920)
Investment Accounts at WSIB and KeyBank	87,527,078	6,631,302	5	94,158,380	(11,837,807)	(814,510)	(13,877,917)
Total	88,132,275	6,631,302		94,763,577	(11,642,524)	(814,510)	(14,225,837)

WSOS Cash Flow

Notes:

1. Cash Inflow: Between January and April WSOS received private receipts of \$720K, which included \$475K from BECU Foundation, \$55K from Providence St. Joseph Health, \$50K from Brad & Kathy Smith, \$50K from Bristol Myers Squibb, \$20K from Car Pros, \$12.5K from Battelle Foundation, and \$10K from Central Washington University (Hanson).
2. State - In the period between January and April WSOS received \$118K in state match receipts related to submission of private receipts from July and August of 2021.
3. Investment Income - January to April investment returns were made up of unrealized losses of \$8.83M net of realized gains of \$576K, interest & dividend income of \$15K and investment expense of \$18K.
4. Scholarship disbursements between January and April were \$4.73M (BaS \$3.49M, CTS/RJI \$1.21M, and GRD \$27K) and scholarship refunds totaled \$878K (\$713K Baccalaureate, \$165K CTS/RJI).
5. Assets are maintained in KeyBank Checking and Money Market Accounts to meet short term cash needs, all excess dollars are invested in WSIB investment accounts to generate returns.

**Washington State Opportunity Scholarship (WSOS)
Statement of Cash Flows
2022**

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

	2022 Jan	2022 Feb	2022 Mar	2022 Apr	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2022 YTD
OPERATING ACTIVITIES									
Change in net assets	(2,259,869)	(1,215,130)	(1,465,686)	(3,828,184)	(4,940,685)	(3,828,184)	-	-	(8,768,869)
Adjustments to reconcile change in net assets to net cash used by operating activities-									
Add: Depreciation & Amortization	801	740	862	862	2,403	862	-	-	3,265
Add: Loss (Subtract: Gain) on disposal of fixed assets	-	-	-	-	-	-	-	-	-
Add: Loss (Subtract: Gain) on realized/unrealized investments	2,521,494	1,345,499	751,641	3,633,684	4,618,634	3,633,684	-	-	8,252,318
Add: Accretion of prepaid loan fees	-	-	-	-	-	-	-	-	-
Add: Loss on extinguishment of debt	-	-	-	-	-	-	-	-	-
Changes to balance sheet accounts:									
Accounts receivable, net	137,773	36	-	-	137,809	-	-	-	137,809
Prepaid expenses & other assets	1,770	1,443	(24,902)	1,966	(21,689)	1,966	-	-	(19,723)
Pledges receivable	(320,526)	(12,500)	470,000	40,000	136,974	40,000	-	-	176,974
State match receivable	-	118,687	-	-	118,687	-	-	-	118,687
Accounts payable	(10,066)	25,376	(52,590)	(13,398)	(37,280)	(13,398)	-	-	(50,678)
Scholarship commitments	(75,948)	(41,179)	(3,833,996)	(27,162)	(3,951,123)	(27,162)	-	-	(3,978,285)
Accrued expenses and other	(50,814)	(1,918)	(10,455)	-	(63,187)	-	-	-	(63,187)
Net Cash (used) provided by operations	(55,385)	221,054	(4,165,126)	(192,232)	(3,999,457)	(192,232)	-	-	(4,191,689)
INVESTING ACTIVITIES									
Purchases of property & equipment	-	-	(13,028)	-	(13,028)	-	-	-	(13,028)
Proceeds from sale of property & equipment	-	-	-	-	-	-	-	-	-
Proceeds from sale of investments	-	-	4,400,000	-	4,400,000	-	-	-	4,400,000
Purchases of investments	-	-	-	-	-	-	-	-	-
Proceeds from sale of subsidiary	-	-	-	-	-	-	-	-	-
Other investing activities	-	-	-	-	-	-	-	-	-
Net Cash (used) by investing activities	-	-	4,386,972	-	4,386,972	-	-	-	4,386,972
FINANCING ACTIVITIES									
Cash contributions and pledges collected for endowment purposes	-	-	-	-	-	-	-	-	-
Payments on capital leases	-	-	-	-	-	-	-	-	-
Net Cash (used) provided by financing activities	-	-	-	-	-	-	-	-	-
Cash Flow	(55,385)	221,054	221,846	(192,232)	387,515	(192,232)	-	-	195,283
Cash at Beginning of Period	409,914	354,529	575,583	797,429	409,914	797,429	605,197	605,197	409,914
Cash at End of Period	354,529	575,583	797,429	605,197	797,429	605,197	605,197	605,197	605,197

Tab E

Program Update

PROGRAM UPDATE | JUNE 2022

INTRODUCTION

Since the March 2022 Washington State Opportunity Scholarship (WSOS) Board meeting, the WSOS team has closed out another successful academic year. We celebrated a new group of graduating Scholars, and the campaign has officially secured a renewal from our fourth original cornerstone! Social media for WSOS continues to grow, and we had some excellent media coverage this quarter. Our staff returned to the office in a hybrid capacity in early April, and we've been learning how to best operate in our new model.

AWARDS ADMINISTRATION

The Awards team closed the 11th Baccalaureate Scholarship application in March and selected 1,275 students in alignment with the Board's selection criteria. The 2022 BaS recipients includes the first-ever Opportunity Scholars to be selected as part of a government partnership. Twelve out of the 1,275 BaS recipients have benefited from the City of Seattle's 2021 investment with many more to come in the upcoming BaS and CTS application cycles. The Awards team also selected 180 spring recipients of the third cohort of Career and Technical Scholars, which included the additional 70 seats that the Board approved in the March 2022 meeting. Of those awarded, 99% of BaS selects and 81% of CTS spring selects accepted the scholarship. Reference the BaS and CTS selection overview documents (included in Tab E) to see the profile of these recipients.

The team opened the fall application for the fourth cohort of Career and Technical Scholars. This will be the first cohort where the team will select up to 1,275 Scholars (note that 70 of the 1,275 recipients were selected in the CTS spring application). The application deadline is June 5. At the June Board meeting, the team will recommend CTS criteria that maximizes the number of applicants selected based on demonstrating financial need and likelihood to graduate with an eligible program. Maintaining strong selection criteria will be important given the substantial increase in the annual cohort size from 550 to 1,275 awardees.

The Awards team has disbursed \$14.1M in BaS funds, \$3.5M in CTS funds, and \$614K in RJJ funds throughout the 2021-22 academic year. WSOS will have disbursed over \$120 million throughout the program's history by the end of this academic year. With the increased cohort sizes anticipated this coming fall, the Awards team has been hard at work ensuring we have accessible application processes in place that will provide us with a highly qualified applicant pool. Additionally, we hired a new coordinator to support with the anticipated increase in inquiries from applicants and Scholars.

SCHOLAR PROGRAMS

BACCALAUREATE SUPPORT SERVICES

The Scholar Lead program for this academic year concluded with an end-of-year event on May 18; we thanked these student leaders, recognized the positive impact they have had on Scholars and reflected on their experiences this past year. Seventy of our 111 Scholar Leads are graduating, so we acknowledged and celebrated their accomplishments. Currently, we are reviewing Scholar Lead applicants for the next academic year and plan to select students in June.

With a total of 575 mentor/mentee pairings and 125 companies represented, the Skills that Shine mentorship program has concluded for this academic year. We are currently collecting feedback from all participants which will help us make improvements for next year as well as reflect on what has worked well. We continue to strategize how to support student and employer engagement given lower participation numbers this year and the burnout being experienced by students and employees alike. Next year's program is scheduled to launch in October 2022. Thank you to Board members who served as mentors or helped us recruit mentors!

CAREER AND TECHNICAL SUPPORT SERVICES

The CTS Ambassador pilot program came to a successful close for the academic year on May 20. Early feedback from Scholars has reinforced that peer mentorship can have a very positive impact on academic persistence indicators. About 80% of Scholars who engaged with their CTS Ambassador said they helped them feel more connected to the Opportunity Scholar community and better understand details related to their scholarship. They also shared their Ambassador helped them to understand the importance of connecting with their academic advisor and campus career resources regularly as well as assisted them in connecting to other helpful campus and community services. One Scholar summarized their experience by sharing *“my Ambassador was fabulous; she was quick to respond to questions I had and provided a lot of useful information that I wouldn't have thought to ask for!”* Of the Scholars who did not engage with their CTS Ambassador, most noted a lack of time (60%) followed by already having a strong support system in place (35%) in terms of why they did not utilize this support service.

Last month, we concluded the spring cycle of the CTS Industry Mentorship pilot program. We went into the cycle with confidence as 100% of winter quarter mentees who provided feedback shared that they were satisfied with their mentor match and would recommend the program to fellow Opportunity Scholars. Scholars wrote the program was a *“great way to get insight on a future career and helpful for interview and resume information”* and that it *“gives you an opportunity to learn about your industry and to expand your network.”*

Preparations are underway to scale both successful efforts for next academic year. Discussions are underway on how to ensure our CTS and BaS supports are aligned in the coming years.

GRADUATE SCHOLAR SUPPORT SERVICES

This month we are celebrating the close out of the pilot year for the GRD Scholarship. In this busy year, we've created and promoted the application, signed MOU's with our six partner schools, selected eight pilot Scholars and disbursed the first GRD scholarship dollars and stipends. We successfully advocated for an amendment to the WSOS statute to make the scholarship more accessible for graduate students and learned from our Scholars how we can utilize programming to support their success. Happily, 100% of the Scholars persisted in the first year! Out of the nine clinical practicum courses undertaken, eight of the clinicals were in a Medically Underserved Area (MUA) or Health Professional Shortage Area (HPSA). The pilot Scholars are well on their way to fulfilling the WSOS requirement of completing at least half their clinical practicum hours in an MUA or HPSA.

The partner schools' clinical coordinators are utilizing the Practicum Site Stipend to incentivize clinical sites located in an MUA or HPSA to take on GRD Scholars for practicums. One site, Orting Family Practice in Pierce County received the \$3,600 two terms in a row because it serves such a wide range of patients. The Scholar was able to complete both her Primary Care Infant/Child/Adolescence and Primary Care Adult/Geriatric practicums at this family clinic. Kirstin Williams, one of the Orting Family Practice Nurse Practitioners that supervised the Scholar noted the stipends were, *“huge for us and makes us able to reward the clinicians who worked with [the Scholar]”*. We will continue to refine our stipend promotion in the next year in hopes that even more clinical sites take advantage of this incredible benefit.

We look forward to selecting Cohort 2 by the end of June and supporting the next group of GRD Scholars to serve in the areas where our state needs it most.

DEVELOPMENT UPDATE

CAMPAIGN FOR WSOS UPDATE

We are thrilled to announce we have surpassed the halfway mark of the campaign! As of May 25, 2022, we have raised \$43,291,726 (58% to goal). This includes \$10,577,444 for FY22. The large increase in fundraising in Q2 is primarily due to closing the fourth original cornerstone partner, Ballmer Group, with a \$10M pledge.

Other campaign milestones of the past quarter include a successful campaign kickoff meeting with Campaign Co-Chairs Jeff Peacock and Jane Park and continuing campaign leadership volunteer recruitment. Immediate next steps include securing involvement from original feasibility study participants and reaching out to prospects identified during meetings. Milli, the marketing and communications agency we retained to support in campaign branding, is developing concepts aimed to be completed near the end of Q2. In partnership with our contract grant writer, the Development team has submitted nearly \$200K in new grant proposals; we hope to expand that work in Q3 and Q4.

Statewide in-person donor engagement is commencing as pandemic conditions allow. Kimber and Nick traveled to Spokane for three days this month, meeting with Board Members, key contacts, alumni and new leads. In late May, Kimber is traveling to Vancouver, WA, to meet with key supporters and partners. More in-person relationship building will continue to be a focus in Q3 and beyond.

ENGAGEMENT EVENTS

Please mark your calendars! OpportunityTalks is now scheduled for May 1, 2023, at the Sheraton Hotel. For the first time in the event's history, it will now be a luncheon and will be timed to coincide with the celebratory graduation season.

With OpportunityTalks moving from the fall to the spring, WSOS is planning engagement events throughout CY22 to engage with partners through smaller, more intimate venues. On June 21, 2022, Gary Rubens will host a Hot Topic Dinner for WSOS Board Members and Campaign Leadership. This event will follow the model of a Jeffersonian style dinner and evoke in-depth conversation and connection between attendees. Gary is very excited to host those of you who can join us! In late summer 2022, we'll host a cultivation event targeted at existing WSOS supporters; in fall 2022, we'll host at least two events expanded to new friends.

HEADWINDS WITH HIRING FOR THE DEVELOPMENT TEAM

Development has been struggling to hire two major gifts professionals to support the donor cultivation and stewardship work necessary to support our ambitious campaign goals. After a long promotional outreach yielding a very limited pool, all three of the eventual finalist candidates withdrew from consideration for various reasons (e.g., accepting another role, deciding not to leave their current employer). Word across the fundraising sector (from the University of Washington to Rainier Scholars) shows a tight labor market with potential candidates unwilling to make a change. We are doubling down on our effort to hire for these positions including engaging with Clover Search Works (the firm who led the executive director and senior development director searches) on a limited scope recruitment contract.

EXTERNAL AFFAIRS UPDATE

2022 LEGISLATIVE SESSION RECAP

Washington's higher education enrollment crisis was the focus of the higher education and workforce committees in the 2022 session. Members responded to the decline in enrollment by passing several bills aimed at making pathways to higher education more accessible and affordable. Relevant policy changes include:

- The Washington College Grant program was expanded so that students at 60% MFI are now eligible to receive the maximum award (up from 50% MFI) and can also access \$1,000 bridge grants to pay for non-education related expenses.
- A pilot FAFSA/WASFA advertising campaign will be implemented in the hopes of increasing Washington's completion rates which have been and continue to be among the lowest in the nation.
- Apprenticeships were expanded through a bill that provides programs with money to upgrade equipment, implement remote instruction and provide wraparound support services.

- New challenge grants were created to incentivize communities to collaborate on ways to increase enrollment and close equity gaps.
- A state student loan program prioritizing low-income borrowers was created that will keep interest rates low at 1%.

The External Affairs team continues to focus on relationships as we look to buck the declining enrollment trend and promote our scholarship. To do this, we are doubling down on our efforts to identify the trusted adults in targeted communities who need to know about and refer to WSOS in their work connecting students to education and career pathways. We are using trends in our applicant data to identify weaknesses and opportunities to relationship build and train partners who can amplify our message to eligible and interested communities.

MEDIA COVERAGE

Media coverage this quarter included:

[Amazon partners with University of Washington for new science hub](#) | Chair Store Age, Feb. 11
[New UW-Amazon Science Hub Launches in Seattle](#) | The Registry (PacNW real estate news), Feb. 16
[Inslee signs into law bills aimed at protecting students, employees and consumers](#) | The Olympian, April 1
[Philanthropist who funds college dreams earns his own degree](#) | WSU Insider, May 4
[Stepping up for students ‘just like me’](#) | Moscow-Pullman Daily News, May 7

SOCIAL MEDIA COVERAGE

Our social media goal is to increase our audience size on all channels through our content strategy which intends to move followers through a customer journey from interest to trust to brand loyalty.

Despite an increase in our key performance indicators (content views and engagement), we aren’t seeing the audience size increase we’d targeted. We attribute slower growth to platform algorithm changes that are reverberating across the nonprofit sector. Because we are seeing growth (albeit slow) we believe our strategy is sound, especially as similar organizations are seeing audience decline.

Impressions or Reach (Views): Year-over-year comparison

	April 2021	April 2022	Percent Growth
Facebook (Reach)	4,717	7,384	56%
LinkedIn (Impressions)	4,763	5,754	21%
Instagram (Reach)	3,367	6,626	97%
Twitter (Impressions)	1,100	8,584	680%
Total Impressions/Reach	13,947	28,348	103%

We had 701 Instagram profile visits last quarter. On LinkedIn, our number of page views rose by 40% to 1,014 views.

Shares & Engagement

Social media content was shared 283 times this quarter. Engagement on each platform is growing consistently, indicating our strategies are effective, particularly with the growth in our reach/impressions. Reach and impressions encompass anyone who sees our content, even those who don’t follow our account. We have just over 4,000 Facebook followers but had a reach of 25,865, which means post shares and reactions expanded the reach of our content beyond our followers.

The following notable leaders and organizations organically shared our content:

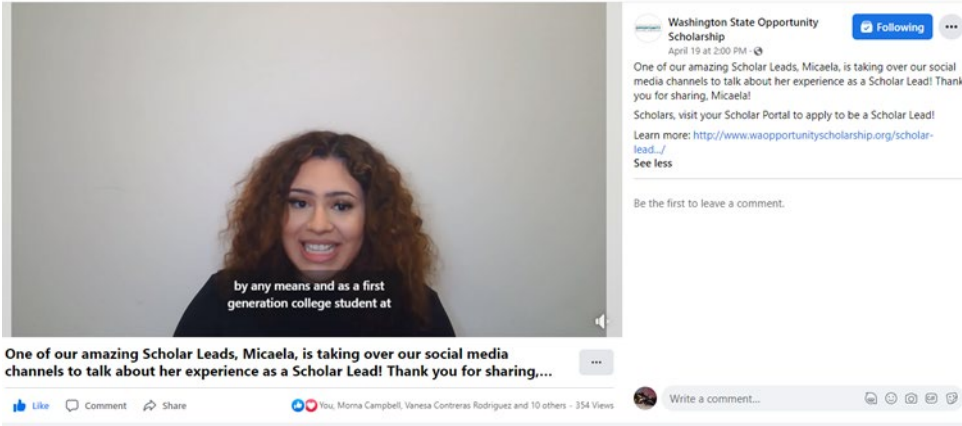
- Jillian Mochnick, the Global Head of Sales Enablement at Amazon
- The Skagit and NW Washington Stem Network
- Quinault Nation Education Facebook Page
- Skamania Economic Development Council
- Hispanic Roundtable of South Sound
- HRT Latino Youth Summit
- Grays Harbor College
- Partnership for Learning

Followership: Year-over-year comparison

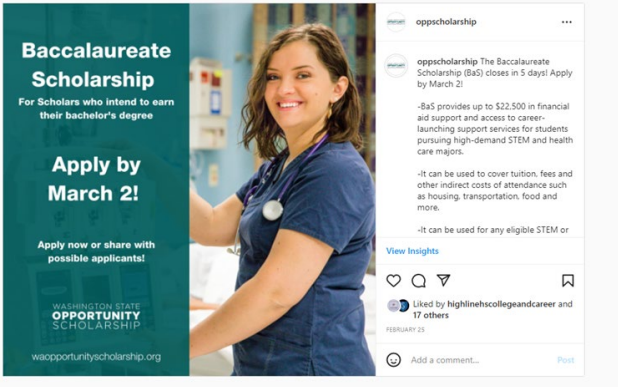
	April 2019	April 2020	April 2021	April 2022
Facebook	3,629	3,777	4,052	4,130
LinkedIn	200	--	962	1,476
Instagram	375	--	783	999
Twitter	1,785	1,847	1,882	1,920
Total Followers	5,938	--	7,679	8,525

Top Performing Posts

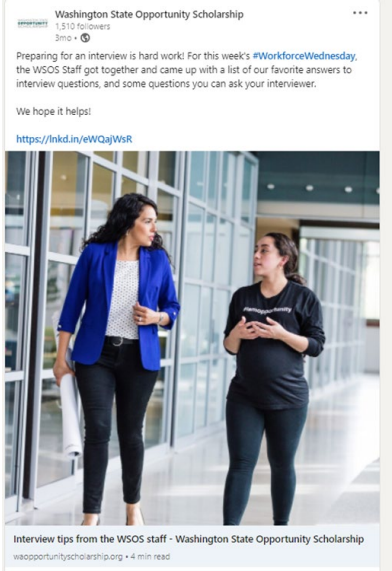
Facebook: [Micaela Scholar Lead Story](#)



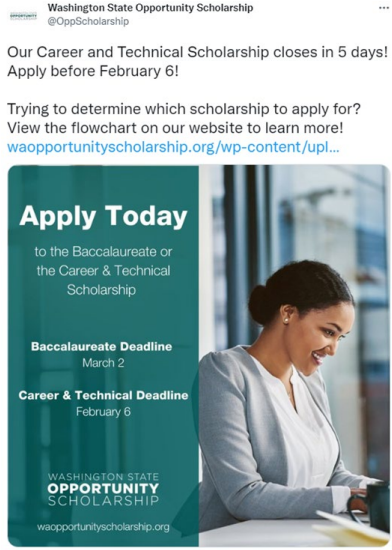
Instagram: [BaS Application Open](#)



LinkedIn: [WSOS Staff Interview Tips](#)



Twitter: [CTS Application Open](#)



OPERATIONS UPDATE
PROGRAM ADMINISTRATOR TRANSITION

On May 2, WA STEM, 501 Commons and WSOS began the process of sharing and transferring information to facilitate transition. The effort is broken into five workstreams (HR, IT, Finance & Accounting, Grants & Contracts and Other/Insurance) with each team meeting separately and as a group. We are in the discovery phase with the expectation of executing transition plans in mid-July through August 31. One significant body of work underway is related to health and retirement benefits for the WSOS team as we work to address gaps in coverage. 501 Commons and their brokers have been willing

partners in supporting our exploration of alternative paths. We anticipate that we'll begin evaluating plans in early June.

COVID-19 RESPONSE

Since April 5, WSOS has been piloting our hybrid workplace model. Team members have returned to the office two days per week with the option to come in more at their discretion. To facilitate the transition, the office space was improved by streamlining technology, creating touch-down work stations and improving the overall presentation. We've implemented a feedback mechanism to address real-time issues that arise. So far, staff feedback on the return has been generally positive with an appreciation for the in-person connection time and gratitude for the improvements made to technology. We will conduct a comprehensive survey mid-to late June to better understand our staff needs after 90 days in the hybrid model and adjust as necessary.

CULTURE & LEADERSHIP

In April, we introduced the WSOS team to a set of organization values aimed at supporting our culture and workplace competencies. We continue to engage the team for feedback and are exploring enhancements to existing policies to enhance the team member experience and support an inclusive, preferred workplace culture. In the coming months, we will prioritize the development of a people managers training program to ensure WSOS team members are having a more uniform experience across the organization.

STAFFING UPDATE

[Lindzey Lien](#) (she/them) joined WSOS on April 4 as one of our Awards Coordinators. Lindzey was born and raised in Washington and feels deeply connected to our mission at WSOS. In the last three years, she's been working for non-profit organizations advocating for income equality and access to education and the workforce for low-income families and people of color.

[Deborah Miranda](#) (she/her) joined WSOS on May 9 as one of our Awards Coordinators. Deborah initially joined us as temporary staff but wowed us with her incredible skills. She has played a pivotal role as the frontline representative of the Awards team providing Scholars and partners best-in-class customer service and ensuring that all of their correspondences are answered accurately and promptly.

[Nick Goodwin](#) (he/him) joined WSOS on May 11 as our CTS Program Manager. Nick was born and raised in Washington and is passionate about education access for students on the margins. He believes education can transform the lives of students and is excited to join an organization that aligns with his mission and values. Nick has a master's degree in Leadership in Higher Education from the University of Washington and has been working the past four years with YouthCare. In his free time, Nick loves to run, hike, watch sports and spend time with his fiancé.

[Juan Carlos Gomez](#) (he/him) joined WSOS on May 11 as our Senior Career Development Advisor. Juan Carlos was born and raised in Southeast Los Angeles and has been in Seattle since September 2019. He comes to us from the University of Washington's Office of Student Services in the College of Education. Juan Carlos has earned two master's degrees, both from the UW, in Information Management and Leadership in Higher Education. In his free time, Juan Carlos likes exploring different parts of Washington, cooking Mediterranean and Mexican food and, weather permitting, paddle boarding on Lake Union.

[Lyanne O'Connell](#) (she/her) joined WSOS as the new Awards Administration Director on May 16. Lyanne has dedicated her entire career to reducing barriers to higher education by assisting and supporting students in reaching their post-secondary goals. She joins us from the Seattle Colleges, where she has spent the past eight years, including the last three years as the Scholarship Director for the Seattle Colleges Foundation. Lyanne and her husband, Drew, enjoy spending time riding bikes, swimming, traveling, and having game nights with their two girls, Solonie (8) and Kylea (7).