

**WASHINGTON STATE OPPORTUNITY SCHOLARSHIP BOARD MEETING  
DECEMBER 12, 2022, 1-3 PM, AT MICROSOFT, OR MICROSOFT TEAMS  
MEETING MINUTES**

The Board of Directors of the Washington State Opportunity Scholarship (WSOS) convened on December 12, 2022 in person and via Microsoft Teams. The meeting was publicized as available to the public on the WSOS website.

**Board members in person:** Brad Smith (Chair), Diane Cecchettini, Jane Park, and Mike Wilson  
**Board members virtual:** Patrick Smith, Latisha Hill, Miller Adams, Gary Rubens

**Additional Attendees:** Gina Breukelman, Jane Broom, Jolenta Coleman-Bush, Aileen Miller, Eileen Moran, Nancy Long, Kimber Connors, Johnathan Luster, Jessica Monger, Javana Cross Polenska, Lyanne O'Connell, Dena Parmer, Aileen Tubo, Camara Harris-Weaver, Cesar Seguil, Debora Johnson Miranda, Genevieve Geiger, Joanna Moznette, Juan Carlos Gomez, Kendyl Puhan, Lauren Pack, Lindzey Lien, Mesa Herman, Nick Goodwin, Nick Khamphilom, Rachel Wyers, Sam Svilar, Tara Warming, Tori Campbell, Samira (Sahara) Adan

### **Meeting Called to Order**

Brad Smith, Chair, called the Board meeting to order at 1:06 pm.

### **Approval of Minutes**

Jane Park moved that the minutes of the June 8, 2022, Board meeting be approved. Mike Wilson seconded, and it carried unanimously.

### **Mission Moment: Scholar Opportunity Story**

Kimber Connors, WSOS executive director, introduced Genevieve Geiger, Graduate Scholarship program manager. Geiger introduced Samira (Sahara) Adan. Adan is a cohort one Graduate Scholar (GRD), studying to be a Family Nurse Practitioner (FNP) at Seattle University (SU). She is studying immigrant populations' access to health care and health screening. Adan shared that she is the first generation in her family to go to college. She is in her last year as a Doctor of Nursing Practitioner (DNP) and recently finished a rotation at Shelton Primary Care. She is interested in working at NeighborCare or International Community Health Services (ICHS) as an FNP. While volunteering at Somali Health Board, she saw the impacts linguistical barriers can have on the quality of patient care. When she applied to SU's DNP program, she faced financial challenges particularly because loan-taking is frowned upon in her Islamic background. Receiving WSOS helped give her more time to study rather than work. It made becoming an FNP more attainable because she feels less of the burden of taking on loans and working full-time.

Diane Cecchettini asked what preceptorships have worked well for her. Adan said this quarter she had 250 hours in primary care which was very interesting because she saw newborn to geriatric patients. Brad Smith asked if she was able to use WSOS to meet others in the health care community. Adan confirmed she was able to connect with other students. Connors asked what was the most surprising during her education and preceptor work. Adan said it is hard to find preceptor sites nearby and that some students travel over 200 miles. Cecchettini commented that this underscores the importance of WSOS supporting finding preceptors. Connors added that because WSOS can pay those preceptors to take on an Opportunity Scholar, some of the more reluctant preceptor sites are more willing to take this on. Brad Smith thanked Adan and said it is clear she has been a great recipient of the scholarship and wished her luck as she finishes school.

### **ED Corner**

Connors introduced Nancy Long, executive director for 501 Commons, who greeted the Board. Connors reviewed the strategic priorities and reminded the Board that teams have goals that they are working toward

under each. She overviewed the high-level categories of work each team was responsible for in the strategic plan then turned to spotlighting our current status.

The Awards team has been working hard this quarter to handle several very complex issues. Connors acknowledged Lyanne O'Connell, our new awards director, who has taken on a lot in her first eight months. O'Connell met with the College of Presidents about how we can better collaborate with different public institutions of higher education to streamline processes in collaboration with other financial aid programs. Another long-term project for the Awards team is thinking about the impact of WSOS from a financial aid perspective on the overall unmet needs that students are facing. The Board will hear more about this likely in 2024. Connors emphasized that the focus of Awards is to make sure our scholarship is accessible to applicants.

Patrick Smith asked why someone would put in the time to apply for the scholarship if they are not eligible. Connors said that one of the main reasons a student would have been ineligible in the past is that we haven't received an official copy of their transcript by the deadline. Sometimes schools would send them after the due date or not at all. We removed that barrier by allowing students to upload an unofficial copy of their transcript. Connors said the other place we lose students is that they do not realize they need to complete a FAFSA or WASFA to be eligible for WSOS which is a statutory requirement. We work hard to remind applicants at multiple stages they must complete this additional step. Connors emphasized we are working hard to reduce administrative barriers that make students ineligible.

Julie Sandler asked if we have seen any correlation between the drop in FAFSA completion and the number of ineligible students for WSOS. O'Connell said fortunately there has not been a correlation. We work hard to promote the FAFSA/WASFA deadlines to applicants.

Connors noted the Programs team focuses on improving persistence. The Career and Technical Scholarship (CTS) piloted a very small ambassador program last year, and it grew significantly this year. Half of CTS recipients who are eligible opted into that peer leadership model, which wasn't something we were sure would be of interest given the non-traditional age of CTS recipients. Programs team is also intentional about ensuring Scholars have access to career resources; despite some challenges in recruiting mentors, we were able to successfully pair every interested Scholar with an industry mentor this year.

The External Affairs team has seen strong earned media coverage. For the first time, *The Seattle Times* reached out to us for an article rather than us reaching out to them. We are starting to see some traction around brand awareness. Connors thanked Jane Broom and Microsoft for their help in making inroads. Additionally, we have seen growth in our user generated content on social media. We are watching what is going on with Twitter and the changing social media landscape. Brad Smith asked if we are going to short form video and joining TikTok. Connors said it is one of the things we are looking at especially for promotion purposes. The team is taking stock of what shifts we may need to make in the new year.

Connors said it has been a challenging year for the Development team with the director role vacant. We are hopeful that we will see some progress in the next year as our latest round of hiring has shown stronger candidates in the pool. Despite being so short staffed, the small but mighty team has been able to make progress, raising nearly \$12M in 2022. Development launched a successful first-ever annual fund. Connors and Miller Adams will host a Hot Topic Dinner later this month, like the one Jane Park hosted a couple of months ago. Connors thanked Adams for engaging such strong attendance with 17 confirmed RSVPs.

In Operations, our head count is still lower than we want. The Program Administrator transition is now complete but with some challenges in coming up to speed. Javania Cross Polenska has been leading our Management and Leadership Academy aimed at growing the skills of all people managers at WSOS. We had our first couple of sessions around delivering feedback, what it looks like and then practicing it in our leadership space.

Connors reviewed our key wins of the quarter. Our hiring woes are starting to level off, fundraising continues despite staffing challenges, Skills that Shine paired up every interested student with a mentor and the

compensation policy revisit is complete. Our challenges of the moment are building processes with 501 Commons (particularly the leave policy) and the strain unfilled roles puts on the team.

Connors introduced Jessica Monger, WSOS external affairs director, to provide an update on our promotion work. Monger reminded the Board that last year we saw a drop in scholarship applications. We know the higher education sector at large is facing an enrollment drop. We were down by about 14% across the whole year compared to a 24% drop in system-wide enrollment. During the 2021-22 academic year, we focused on a regional approach targeting specific areas of the state. Early indications show these strategies were successful: we saw a 167% increase in Baccalaureate (BaS) applications from the region where we focused (southwest Washington). We also targeted Black, Indigenous and People of Color (BIPOC) applicants, and that rate went up by 11%. We wanted to lean into those strategies harder for 2022-23. Thanks to a Boeing grant, we've been able to post and recruit for a new-to-WSOS position of promotion specialist and use a traditional paid advertising campaign in target areas. Despite not yet having this full-time role on the team, our renewed focus on promotion saw winter applications increase 30% year-over-year. Our regional approach worked: three of the top five colleges and two of the top four counties represented were in regions where we had a targeted focus. Our regional approach was to use radio and social media ads and to work directly with the community colleges in those areas. Monger emailed every single faculty and staff member to make sure they knew their program was eligible. In the new year with our added staff capacity, we will add on to existing partner events and already have ten scheduled for the beginning of the year. Additionally, we will work with our partners to make smart collateral that will work for their students.

Brad Smith asked about the broader trends post-pandemic in Washington state. Monger said that she had the opportunity to sit down with both chairs of the Higher Education committee and discuss this issue. We are still seeing enrollment numbers down, and there is still not a return to campus as hoped. We're hearing from the state and the Legislature that the money is there but students aren't opting in.

Brad Smith asked how we compare to the rest of the country. Monger said Washington is 49<sup>th</sup> in the nation with one of the lowest FAFSA completion rates despite having one of the strongest financial aid offerings nationwide. We also have one of the lowest rates of students who go directly from high school to pursue advanced education. There has been a lot of work done to try to close the gaps but not a lot of movement. The state is doing a lot of research to try to understand people's impressions of higher education so they can understand how messaging needs to change. Brad Smith said that it is ironic that we are one of the more generous states in the country, but we are really struggling compared to most of the country. Patrick Smith added that we are one of the states with the highest rates of education. Jane Broom added that for younger people, the cost of college was less of an issue. They are more concerned about the return on their time with less of a perceived benefit of a college education. Older students who are going back to school cited cost as the biggest concern; Broom said this is an opportunity for us to target people who are over 25 to get them back into college and credentialed. Brad Smith said it is concerning and there may be a need to have a more public conversation about the problem. Connors said that she recently presented with Mike Meotti, the executive director of the Washington Student Achievement Council (WSAC) and one of the things that they are really counting on is the launch of regional challenge grants. They are trying to infuse money into regional programs that are focused on higher education awareness FAFSA and WASFA completion and post-secondary access. Brad Smith said this is a good thing but does not address the root cause. He asked if there is anybody who's doing a good data analysis of the state of post-secondary credential pursuit in Washington state compared to the rest of the country. Broom said the Washington Roundtable is doing some work around this but is not sure if they will compare to other states. Brad Smith asked Broom to consider connecting the Washington Roundtable team with Microsoft's data science folks to help explore the issue.

Julie Sandler said that WSOS may want to engage with the National Association for College Admissions Counseling (NACAC) as well as the Washington Association for College Admissions Counseling to help promote WSOS and learn about the data. This is the consortium of both guidance counselors and post-secondary guidance counselors who work with high school-age students across the country and in the state. They do everything from post-secondary preparedness all the way through the application process. They have done some recent studies state by state comparing how these trends have evolved since the pandemic. A friend of Sandler's through another Board is involved with the organization, and she can make an introduction.

### **Eligible Programs Evergreen Model**

Lyanne O'Connell, WSOS awards administration director, introduced herself. For the last four years, we've been successful in identifying and creating a list of majors and programs that lead to in-demand careers in Washington state. The BaS eligible majors principles are that: 1) the occupation must be considered STEM or healthcare; 2) must be a high-demand field of work in Washington state; 3) must earn a living wage; 4) must need a bachelor's degree for entry; and 5) majors that lead to that occupation must be offered as a bachelor's degree from at least one Washington institution. CTS eligible program principles are very similar but (1) can also be an occupation that is considered STEM, health care or **trades** and (4 and 5) eligible programs must lead to an occupation that is offered from at least one Washington community or technical college or is an approved apprenticeship site. This list of majors is determined on an annual basis and available on our website for students to verify as they apply for scholarships. O'Connell shared the BaS and CTS eligible program principles have been the same for the past two years. She proposed the Board adopt this model as an evergreen approach to selecting future cohorts of BaS with a commitment that staff will update them if there are any changes to the operating principles though the measured used may change year to year depending on available data.

O'Connell then overviewed the BaS selection model (see the slide in preread titled "Board Vote: BaS Evergreen Selection Principles") that has been used for the past two years. As we have learned how our selection principles show up in action, we have landed on a model we are comfortable with and don't foresee making a lot of changes to year-over-year. O'Connell asked the Board to consider approving the selection principles for BaS on an evergreen basis. Connors said that in calling for an evergreen model vote, we are asking that we can use these principles for BaS until we decide to change it without bringing it back to the Board every year. Brad Smith said it makes good sense given that our model has stabilized in recent years.

Patrick Smith asked what the note on the slide that says "all points deducted above will be evenly distributed between GPA and the essays" means in practice. Connors explained that it has to do with the caps that you see on the limitation factors. For example, if we hit that five times as likely cap on the intended major, it would mean that students in the least competitive major would lose their ability to get selected for the scholarship altogether. Instead, by imposing the limitation factor, we would reduce the total points assigned to intended major to come below the five times threshold. If we removed three points from intended major, for example, those three points would then be distributed between GPA and essays.

Brad Smith asked if we have been hitting the caps recently. Cross Polenska said that we hit one of them last year for BaS. It is usually just a little bit of movement in one category which is typically "intended major". We've had a lot of conversations around computer science versus nursing, for example. It has resulted in just minor tweaks within five points of movement across the board. Patrick Smith asked if the redistribution applies to all of the candidates in that year. Cross Polenska affirmed that it does apply to all of the candidates.

**Board Action:** Cecchetti made a motion to adopt the recommended evergreen models for determining eligible programs for BaS and CTS as well as the proposed BaS evergreen selection principles. Park seconded the motion, and it carried unanimously.

### **Finance and Program Administrative Update**

Patrick Smith, Finance and Investment Committee Chair, reported on the most recent meeting. We received the Q3 quarterly performance report from Washington State Investment Board (WSIB). Our previous WSIB manager Chris Phillips retired, and this was the first meeting with our new manager, James Aber. The challenging investment environment continued in Q3 with our BaS and CTS accounts down 3.6 and 3.7%, respectively, for the quarter. In our October Board meeting, the Board approved some small changes to the asset allocation and that rebalancing has now been completed for the major accounts. We then received the program administrator update from Eileen Moran at 501 Commons. Due to shifting meeting schedules and the change of the program administrator, the dates of the financial reports are a little abnormal. We have an August and October update because Washington STEM did their final report as of August 31, 2022, and then the report from 501 Commons was on October 31. As of October 31, we have total assets of \$121M, down slightly from August, but up slightly over the same month from the previous year. Investment losses for the

quarter totaled \$3.16M and scholarship disbursements for the period were \$5.85M. Total liabilities were \$26.3M, down slightly from August 31 and up 4% from the same period in 2021. WSOS employees were paid their final payroll from Washington STEM as of August 31 in September, along with any accrued vacation. That was the one major difference in the payroll related liabilities. Net assets totaled \$94.7M, down slightly from August 31 and from the same period last year. Private revenue year-to-date totals \$3.8 M versus a budget of \$16M which looks quite shocking. We talked about this in the committee meeting. A big reason for that difference is the accounting treatment of Donor Advised Funds (DAF). The Ballmer pledge of \$10M is from the DAF so we cannot recognize that as revenue like we do with other pledges. We can only recognize it as revenue when we receive the cash. Fundraising has been lower due to the gaps in staffing but not to the extent this budget versus actual suggests at first glance. Investment losses for year-to-date total about \$13M. Personnel expenses remain under budget, now by \$388K mainly due to departures and hiring gaps. The program administration fee is a little over budget, but professional fees, conferences, other operating expenses remain under budget. On an operating expense standpoint, we have a favorable variance for the year-to-date.

The committee performed its annual self-evaluation. Overall, the feedback was positive, though we may make some changes to the flow of meetings to leave more time for strategic discussion and less on the reporting out of what was in the pre-read. They would like to receive more input and feedback from the Board. As the Chair of the committee, Patrick Smith committed to working with Connors on ways that we can get more of the information of what happens in Board meetings to that committee to help them feel engaged.

Patrick Smith said that the committee discussed the proposed 2023 budget. 2021 – 22 budget revenues were at historical highs. 2023 budgeted revenue remains high but not quite as high as the first two years of the campaign. Connors shared that the budget differs from campaign revenue targets mostly due to the differences in how revenue is recognized. Connors stated that we are measuring our campaign success based on when pledges are received. For example, when we received the Ballmer gift of \$10M, we're including that in our campaign total this year, although only \$2.5M of it is showing in our budget for this year (as Patrick Smith explained because of the DAF). Connors also called out is of the \$17.4M in budgeted revenue, about \$9.2M will be in state matching funds. Those are now considered a maintenance level item for the Legislature and therefore nearly certain. Even though we're in a difficult revenue year for the Legislature, WSOS isn't one of the things that they are likely to talk about. It gets written into the budget as a maintenance level rather than being a policy level ask that needs to get made by a legislator, which makes it more challenging. Brad Smith stated that for our purposes and maybe for the F&I Committee, that maybe we need another sheet that shows where we are on the campaign based on more of an accrual methodology. Patrick Smith agreed that this would be useful.

Patrick Smith said that in the budget, the scholarship expenses are down a little bit because of a shift in the modeling. Connors said it's mostly timing. When we were budgeting for this coming year, we were looking at spending at this meeting last year. We were trying to do our best guess on the scholarship liability for these increased cohort sizes. We worked with the finance team, but we were not through with the WSIB process, which refines the model. The budget for last year basically looked too big because we were using a simplified model and not the corrected model that has now gone through the WSIB process with the asset allocation. This is the right-sized liability related to those larger cohorts that are coming through the program.

Patrick Smith reviewed non-scholarship expenses. Salary COLA adjustments and the filling of open positions are driving the largest expense increase. We expect to see a meaningful decrease in program administration fees without a transition anticipated in 2023. The committee voted to recommend the proposed budget to this Board for approval.

**Board Action:** Patrick Smith made a motion to approve the recommended 2023 budget. Cecchettini seconded the motion, and it carried unanimously.

### **Executive Session**

The meeting went into Executive Session at 2:30 p.m. to evaluate the performance of a public employee and to obtain advice from legal counsel.

The open meeting reconvened at 3:03 p.m.

Park adjourned the meeting at 3:05 p.m.

Respectfully submitted,

Dena Parmer