

# WASHINGTON STATE OPPORTUNITY SCHOLARSHIP

## BOARD MEETING AGENDA MONDAY, DECEMBER 12, 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: 215 733 702#  
*To join in person:* Microsoft Campus, Building 34, Conf Room 3563 (20) CVP Private

**Meeting open to the public via conference line above.**

I.	<b>Meeting Called to Order</b>		<b>Brad Smith</b> Board Chair	1:00pm
II.	<b>Minutes from October 11, 2022, Meeting</b> » <i>Board Action:</i> Approve minutes	[Tab A]	<b>Brad Smith</b> Board Chair	1:00-1:05pm
III.	<b>Mission Moment: Opportunity Scholar Story</b>	[Tab B]	<b>Sahra Adan, RN</b> Opportunity Scholar	1:05-1:15pm
IV.	<b>ED Corner: Promotion Update</b>	[Tab C]	<b>Kimber Connors</b> Executive Director  <b>Jessica Monger</b> External Affairs Director	1:15-1:40pm
V.	<b>Evergreen Eligible Programs &amp; Selection Models</b> » <i>Board Action:</i> Approve evergreen eligible programs/majors models for CTS & BaS » <i>Board Action:</i> Approve evergreen selection model for BaS	[Tab D]	<b>Lyanne O'Connell</b> Awards Administration Director	1:40-2:00pm
VI.	<b>Finance &amp; Program Administrator Update</b> » <i>Board Action:</i> Adopt Committee-recommended 2023 budget	[Tab E]	<b>Patrick Smith</b> Finance & Investment Committee Chair	2:00-2:10pm
VII.	<b>Executive Session</b> » RCW 42.30.111(1)g to evaluate the performance of a public employee » RCW 42.30.110(1) to obtain advice from legal counsel		<b>Jane Park</b> Board Member  <b>Brad Smith</b> Board Chair	2:10-3:00pm
VIII.	<b>Closing</b>		<b>Brad Smith</b> Board Chair	3:00pm

### Upcoming Board Meetings

Tuesday, March 28, 2023  
Tuesday, June 20, 2023

### Attending in person?

When you arrive, Microsoft needs:

- **Vehicle registration-** license plate #
- **Covid requirements** – guests need just ONE of the following:
  - Proof of vaccination (a photo is acceptable)
  - Attest to having tested negative within the previous 7 days
  - Attest to having had Covid (and completely recovered prior to the visit)

# **Tab A**

**Minutes from the October 11, 2022, Board Meeting**

**WASHINGTON STATE OPPORTUNITY SCHOLARSHIP BOARD MEETING  
THURSDAY, OCTOBER 11, 2022, 1-3 PM, AT MICROSOFT, OR MICROSOFT TEAMS  
MEETING MINUTES**

The Board of Directors of the Washington State Opportunity Scholarship (WSOS) convened on October 11, 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 Cecchetti, Jane Park, and Mike Wilson  
**Board members virtual:** Patrick Smith, Latisha Hill, Miller Adams

**Additional attendees in person:** Gina Breukelman, Jane Broom, Kimber Connors, Aileen Miller, Johnathan Luster, Jessica Monger, Javana Cross Polenska, Lyanne O'Connell, Dena Parmer

**Attendees on Teams:** Eileen Moran, Nancy Long, Yoko Shimomura, Aileen Tubo, Camara Harris-Weaver, Cesar Seguil, Debora Johnson Miranda, Genevieve Geiger, Joanna Moznette, Juan Carlos Gomez, Kendyl Puhan, Lauren Pack, Lianda Abraham, Lindzey Lien, Mesa Herman, Nick Goodwin, Rachel Wyers, Sam Svilar, Tara Warming, Tori Campbell, Scholastic Boonabana

#### **Meeting Called to Order**

Brad Smith, Chair, called the Board meeting to order at 1:01 pm.

#### **Approval of Minutes**

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

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

Kimber Connors, WSOS executive director, introduced Nick Goodwin, WSOS CTS program manager. Goodwin noted Scholastic Boonabana, the Scholar to be highlighted in the Mission Moment, was not on the call yet because of her work schedule. Connors recommended we move to the ED Corner then return the Mission Moment once Boonabana had joined.

#### **ED Corner**

Connors reviewed WSOS strategic priorities which are to design scalable, statewide programs; build the brand; fund to 2030 and to be a preferred workplace. Connors then highlighted the goals for each team that advance the organization toward those strategic priorities. The Awards team is focused on ensuring scalable, statewide scholarship accessibility and financial aid impact for Opportunity Scholars. The Programs team is dedicated to achieving our two intended impacts: 1) to help students complete their programs or graduate on time; and 2) to attain a career in their field of study within Washington within nine months of graduation. They focus on students who are non-white, from rural areas and low-income families. The External Affairs team will build awareness of the WSOS brand. They are approaching this through earned media pieces, visible awareness in the community and having a presence on a variety of social media platforms. The Development team will fund WSOS to 2030 and beyond by bringing dollars and building donor loyalty. They need to acquire new donors from a variety of industries that benefit from WSOS. Finally, the Operations team's priorities are that WSOS is a preferred workplace. Staff should believe that their work advances our mission, recommend WSOS as a great place to work and recommend their supervisor to future employees. There must be strong people management at WSOS. Connors paused as Boonabana had joined the meeting.

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

Connors welcomed Boonabana. Boonabana moved to the US three years ago. She was pregnant and had her baby right before the pandemic hit. Her family was living in transitional housing. After two years at home, she applied to Bates Technical College for dental assisting. Due to her complicated legal status, she did not qualify for financial aid and did not qualify for most scholarships. She was determined to stay in school even though she did not know how she would pay for it. A counselor sent a link to apply for WSOS scholarship. She applied and was awarded. She was told about the Scholar Lead program for CTS, applied and was accepted. She enjoyed meeting other students and sharing information about WSOS because she believes everyone needs more financial support for college. She is on the dental assisting advisory board at her school, so she still gets the chance to tell others about the scholarship. She graduated and got a job at Bellevue Endodontics Associates which allowed her family to move into their own apartment. She said that nothing has changed her life like WSOS.

Brad Smith opened it up for questions. Diane Cecchetti asked about Boonabana's plans to continue her education. Boonabana wants to become a dental hygienist but needs to work for a few years to stabilize her family first. Mike Wilson was pleased to hear that the school counselor had heard of WSOS. He asked what the Board should do to help WSOS become more well-known throughout the state. Boonabana suggested connecting with more financial aid advisors and said that the Scholar Lead program is a great way to reach more students. Brad Smith said this was an inspirational moment and thanked Boonabana.

### **ED Corner**

Connors resumed by presenting outcomes that we are aiming for by the end of this academic year as we work toward those larger goals by the end of the 2025-26 academic year. On the Awards team, one of the things we are working on is improving the eligibility of applicants. A step that we're taking is hiring a promotional specialist who will build relationships across the state. We can do this due to a generous new grant from the Boeing team. Gina Breukelman commented that this funding came out of the last Board meeting's discussion about the need to promote WSOS more. Connors said that the Awards team is looking at the student experience, so we do not lose Scholars during the application process. We also are thinking about the increase process where students demonstrate that they have gotten into their high-demand major. We are looking at the impact of WSOS on the financial aid package of Scholars overall. We are reviewing how it's impacting scholars' experiences and how that has changed in the last 10 years. We want to make sure that we're offsetting the need for people to work while they're in school. We are celebrating that even with a transition to 501 Commons, all disbursements went out on time, and no student scholarships have been interrupted by the transition, which was important to us.

The Programs team is being intentional about focusing resources on students who are from rural areas, non-white or from low-income families. Recruiting mentors was harder this year due to burnout from both the mentor side and from students. Brad Smith asked how things feel in terms of difficulty, either on the mentor or mentee side compared to 6 or 12 months ago. Connors stated that there is still a lingering sense of overwhelm from the pandemic experience itself even as people are adjusting. The External Affairs team had strong growth in user-generated content and is working toward increased media coverage and speaking engagements. The promotion specialist will help build new relationships and partnerships around the state. Additionally, we are investing in some small regional champion grants. Development has had challenges with no director or frontline fundraisers. We've been trying to fill some sort of major giving position since January and have not had success. Connors is the single frontline fundraiser for the WSOS team. We've had strong returns in the grants program by hiring a grant writing consultant. We're launching our first annual fund appeal and launched our first impact report. The next impact report will come out in January. Latisha Hill asked if jobs are hybrid or if they have to be in Seattle. Connors responded that they have to be in the Seattle office two days a week and can be remote the other three days. Connors went on to talk about donor acquisition and events in the last quarter. Jane Park hosted a Hot Topic Dinner with

a great mix of people. Some already knew WSOS and others were just learning. We are hosting another Hot Topic Dinner with Miller Adams in the next month or two.

Javana Cross Polenska, WSOS deputy director, stated that we have 24 FTE and seven open positions. Three of the open positions were budgeted for this year and have not yet been filled. The retention issue seems to have slowed, but we still haven't had as strong of a hiring experience. We paused on reposting our development positions but intend to post again soon. Jane Broom stated that her team is in the middle of meeting with all 80 grantees around the region. She affirmed that this is retention and hiring challenge is consistent among every single nonprofit, regardless of sector. Brad Smith asked if it is more of a factor for nonprofits than public sector companies. Broom said it is especially tough where people have been on the frontline and feel burned out as there is fatigue, trauma and wage issues in addition to what the private sector is feeling.

Connors overviewed the key wins and challenges of the quarter which are outlined in the pre-read materials in the ED Corner section.

Polenska talked about the program transition and said that we stayed true to guiding principles. We have completed critical path items but still have work to do to optimize processes and practices. Park thanked WSOS staff for getting through the hardships of just getting back to where we were before the transition. Wilson added that we have positive leadership who maintain a positive attitude.

Connors asked for advice and discussion around the challenge of recruiting and retaining talent. We are struggling to hire for certain positions. Some WSOS staff have been poached for higher pay. Also, we get to the end of the hiring process and the candidate accepts a higher-paying job elsewhere. One of our values is that our people are our greatest asset which makes hiring and retention especially critical to our mission. Connors reviewed data about nonprofit turnover. WSOS compensation is competitive in the nonprofit sector (using benchmarks from market compensation surveys) yet still maintains spending a low percentage of its budget on operations items. Park asked if we are losing candidates to nonprofits or for-profits. Connors said that it has been a mix of both. Some get recruited to higher education or very large non-profits and some go to corporate. We are not losing people to smaller nonprofits. Brad Smith asked if the salary surveys for market compensation differentiate between the size of nonprofits. Polenska stated that it does look at the size and geographic areas. We look at a couple of years of Seattle specific data. Connors said we pulled another survey but we were surprised that there was very little movement on the survey. Breukelman said that we are not looking at benefits and that can make it hard to compare. Brad Smith asked if our benefits were competitive. Connors stated that they are very good which is common among nonprofits which tend to give good benefits but lower pay. Brad Smith said it is challenging that we're losing people to higher pay and that suggests a need to pay more. There is a low percentage that is going to operating expenses and suggests that this supports raising salaries. Brad Smith asked if we are looking at the right comparison group in the market surveys and questioned if we need to look beyond nonprofits. He asked if the development positions have all been lost to nonprofits. Connors affirmed that we lost them to large, higher education institutions or larger nonprofits. Broom said that pay is significantly different, and people are jumping around to grow in their careers. Park asked if we could pay more than market for specific positions that have been difficult to hire for. Polenska said if there are one-off exceptions it can turn into an equity issue. Park said there are certain times when you pay people more and the current situation is not sustainable for Connors.

Connors shared WSOS values. We are building an organization that is best-in-class and high performance. We set metrics and outcomes. We hold people accountable. There are many things beyond pay that Amy Coleman, lead of HR for Microsoft, talks about. The 5 Ps of employee performance are purpose, people, pride, perks and pay. Connors reviewed how WSOS supports strong purpose (with a compelling mission), people (with a community-centric and friendly culture), pride (with clear goals so individuals understand the role they play in achieving our mission) and perks (with

things like a work-from-home stipend to set up a home office). She believes pay is the one area where WSOS could be stronger.

Connors asked for input from the Board and Brad Smith opened it up for discussion. Cecchettini stated that we have flexibility in the data we use, and we should look at the compensation of leading non-profits. She said to be creative, and to push out thinking on non-financial incentives because culture is really important. Every year WSOS should share a summary of everything that employees get in pay and benefits so employees see the full picture. Breukelman commented that often when an organization is small, advancement happens outside of the organization. She asked if we could move people along the continuum internally. Park said we need to think about each position and who we are competing against for talent. Connors affirmed we need the right benchmarks for the various roles and what they are responsible for. Wilson said it boils down to pay and flexibility. He emphasized that inflation was 8.5% this year and needs to be accounted for. Brad Smith added that we have room to increase compensation if we need to and that Connors is in the best position to make that decision. We have to be confident we are comparing ourselves to the right organizations. If WSOS is continuing to get turned down for jobs with higher pay, Connors should use her judgment. He also encouraged her to think about the purpose side of this work. One of the benefits of WSOS is working with the students. We need to make sure we are doing everything we can to reconnect staff with students because this enables us to tap into the ready-made energy on the campuses. Connors thanked the Board for their input and asked them to reach out if they have more to add.

### **2023 Legislative Priorities**

Jessica Monger, WSOS external affairs director, said we are not bringing a bill to Olympia for the first time in 5 years which will allow us to focus on relationships. The state continues to grapple with the decrease in enrollment. The state's goal is that 70% of Washington residents will earn a post-secondary credential by the age of 26. The state has invested significantly in financial aid. WSAC is focused on distributing dollars to communities focusing on historically excluded communities such as low-income, students of color, foster, homeless youth, etc. There has been a significant investment by Career Connect Washington to expand career-connected learning programs. The forecast is down by \$500M. Lawmakers passed lots of new programs last session and now they need to figure out how to fund them in a resource-constrained environment. This will limit new programs and we will see cuts to some existing programs. The positive side is that jobs are up about 400,000 over the next five years. The downside is that there is a mismatch of credentials. For example, there are about 18,000 nursing related job openings. We are producing about 5,000 credentials. There are 20,000 unfilled computing jobs at any one time in Washington, a lot require a two-year credential and earn a living wage. We still do not have a lot of significant data in Washington state to understand the impacts of Covid. Nationally the data shows that there is a significant threat that our equity gaps are going to get larger. In Washington, FAFSA completion is one of the lowest in the nation, even though our financial aid is one of the best.

The silver lining is that WSOS was created out of the last recession and is tailored to lead in times like these. There is still strong job need, growth and opportunity. Healthcare workforce shortage and behavior health is still the top target for legislators. The work we have done is a great opportunity to talk about the benefit that WSOS can bring. There is extraordinary turnover in Olympia. All members of the house and half of the senate are up for election. We have lost some champions who have been with WSOS since the beginning. Now is an opportunity to build new relationships and champions for WSOS. 2023 priorities are all about relationship building and building the brand.

Cecchettini asked if we have had much success with tribal matching. Monger explained that resourced tribes have strong scholarships already, offering a full ride with no restrictions. Under-resourced tribes don't have the money to invest. There were talks of pooling money for those tribes pre-pandemic. Now is a good time to circle back to these discussions.

Adams asked if there is a plan in place for steps to build relationships and asked if the Board could help. Monger said our lobbyist team has been with us since the beginning, and they have great relationships. After elections, we will know who is

on the various committees. We're really going to target meeting with every single one of them between now and the session. We will circle back if we struggle to make connections on our own.

### **AY 2022-23 Programs**

Jonathan Luster, WSOS programs director, overviewed the academic year ahead. He said that peer mentorship leads to higher persistence rates which leads to higher graduation rates, demonstrating the Scholar Lead program works. In 2021-2022, scholars who used a mentor had a 96% persistence rate compared to 88% for those who did not. Skills that Shine will help Scholars build their networks before they graduate. Last academic year, 91% of scholars who participated in Skills that Shine said they felt more prepared to seek relevant work as a result of that program. Last academic year, we supported 1,573 scholars, which is about 60% of our eligible scholar population.

Luster reflected on academic year 2021-22 and how we are implementing learnings for 2022-23. Engagement has been challenging as we have talked about multiple times. We learned that Graduate (GRD) Scholars need minimal yet intentional programming. We have scaled Scholar Lead and Skills that Shine to be available for both Baccalaureate (BaS) and Career & Technical Scholarship (CTS) recipients. New programs and strategies include prioritizing historically excluded Scholars and GRD connection groups. We now have clear measures to help us understand success. Luster acknowledged and thanked the entire Programs team.

Brad Smith asked about the amount of on-campus activity that is expected in this academic year compared to before the pandemic. Luster said that things are not quite business-as-usual, but they are getting close as long as Covid numbers don't increase again this fall/winter. Brad Smith commented that WSOS should position itself with more in-person events to be top-of-mind for students and partners. Connors said that we are mapping out different events for next year and thinking creatively about that.

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

Patrick Smith, Finance and Investment (F&I) Committee Chair, reported that as of August 31, 2022, total assets were \$121.9M. This is down slightly from the last board meeting as of April 30, 2022, which was \$122.2M and a slight increase from the same month's end in 2021. The change in assets in that period was due to state match cash receipts of about \$8.35M, being matched on private receipts between the months of August 2021 and July 2022, once the state appropriations became available. Private receipts of \$3.69M during the period included Microsoft pledge payment of \$2.5M and Gary Rubens pledge payment of \$1M among others.

Our total liabilities for the period were \$26.5M. This is up over the April numbers due to scholarship commitments for the new cohorts for the new academic year. This yields total net assets of \$95.4M. This is a 10% decrease from the period ending April 2022. From the income statement, we have some new revenues. May and August include the receivables mentioned before. In addition, there was \$100,000 from Costco, \$50,000 from Boeing and \$50,000 from Central Washington University and a handful of others. In September, 501 Commons will pick up some of the revenues from the first Ballmer payment. The major difference is related to unrealized investment losses from the unfavorable market.

From the expense side, salaries and benefits are under budget for the year by \$321,000 from gaps in hiring and unexpected departures. Professional fees were under budget by about \$53,000 due to some of the PR campaign and website consulting budgeted for the full year that hasn't started yet. Those are offset by the overages on the legal side related to the program administrator transition. Travel and other operating expenses are also under budget due to not attending as many events because of Covid. Connors added that the balance on the budget versus actuals for private revenue notes that the Ballmer gift of \$10M can't be formally recognized even though it was included in the budget. This is because it is promised through a Donor Advised Fund (DAF) and accounting rules don't let you recognize it until it has been approved by the DAF. Patrick Smith explained it is just a timing difference. Smith presented the usual cash flow statement from inception to date. He asked if there were any questions. There were none.

Patrick Smith moved on to the requested Board action. He explained the Committee reviewed assumptions of WSIB's new proposed asset allocation model, and WSIB is quite comfortable with their recommendation. The F&I committee became comfortable with their recommendations after a rigorous discussion. He noted the decrease of amount to be held in cash a particular point of conversation. The F&I Committee voted that the Board accept WSIB's new recommended asset allocations. Adams asked when the new recommended allocations will become effective. Connors explained that the order of operations is that the WSOS Board has to approve and then the WSIB Board has to approve at their meeting in November. If the WSIB approves it would be implemented in short order after that meeting.

Connors said that the gift acceptance policy has very small administrative updates, changing references to Washington STEM to 501 Commons and striking reference to the specific policies around the named scholarship programs as we had talked about as a larger Board six months ago. She asked the Board consider a vote to accept both the changes to the gift acceptance policy and the adopt the new asset allocation approach. Brad Smith asked for questions but there were none.

**Board Action:** Cecchettini made a motion to adopt committee and WSIB recommended asset allocation and approve the updated gift acceptance policy, Park seconded the motion, and it carried unanimously.

Connors shared that Joelle Denny is stepping back from Boeing and the WSOS Board due to a health issue. We will reach out to her again to thank her for her time serving on the Board. If you would like to add a note of appreciation, that would be great. Connors will be working with Breukelman to fill this vacant position. Brad Smith affirmed that Denny has been such a great part of this Board and will be sincerely missed.

The meeting adjourned at 2:58 pm.

Respectfully submitted,

Dena Parmer

# **Tab B**

## **Mission Moment**

## SCHOLAR SPOTLIGHT



**SAHRA ADAN, RN**  
**Family Nurse Practitioner Program**  
**Seattle University**

### **ABOUT SAHRA**

Graduate Scholar Sahra is in the Family Nurse Practitioner (FNP) program at Seattle University and will graduate in June 2023. She currently works as a Registered Nurse (RN) at Valley Medical Center in Renton, WA. After she graduates, Sahra plans to pursue her career goal of becoming an FNP providing care for underserved and immigrant populations. Sahra is specifically interested in working to increase health screenings for these communities. She has volunteered with the Somali Health Board to provide preventative health screenings and plans to complete her DNP project on increasing cervical cancer screening among Somali women in King County.

### **IN HER OWN WORDS**

“I am passionate and dedicated to working with the immigrant populations that face difficulties accessing health care due to linguistic barriers and minimal health literacy.”

# **Tab C**

**ED Corner**

**PROGRAM UPDATE | DECEMBER 2022**

**INTRODUCTION**

Since the October 2022 Washington State Opportunity Scholarship (WSOS) Board meeting, the WSOS team has started to build systems with our new program administrator, 501 Commons, and provided ongoing support to thousands of Scholars in a strong start to the 2022-23 academic year.

**AWARDS ADMINISTRATION**

The Awards team is preparing to launch the 12<sup>th</sup> annual Baccalaureate Scholarship (BaS) application which will be open from early January to early March. The team also closed the Career & Technical Scholarship (CTS) Cohort 4 winter application with 614 eligible applicants. This was 27% higher than Cohort 3 winter eligible applicant pool. This increase is attributed to the dedicated support of the external affairs team’s targeted promotional efforts. A summary of the winter CTS and RJL recipients is available in these Board materials, Tab D.

Scholarship Highlights:

	BaS	CTS/RJI	GRD	Total
<b>Total Actual Disbursed (2012-Present)</b>	\$111,643,352	\$8,238,987	\$241,457	\$120,123,797
<b>Scholars Enrolled 2022-23</b>	3,089	898	26	4,013
<b>CTS Winter C4 Applications</b>		697		697
<b>New Scholars Selected-Winter</b>		584		584

During this time each year, the Awards team presents the BaS selection principles. For the past two years, we’ve made minimal changes to the model. The selection model focuses on selecting Scholars who are:

- Heading into high-demand careers across Washington state
- Likely to graduate with a degree in STEM or health care
- More likely to complete their degree or program if they receive a scholarship

As we have refined our approach in the decade since inception, we now feel confident requesting the Board vote on evergreen selection principles for the BaS program which the team can apply year-over-year without requiring additional discussion and formal action each December. If approved, we will continue to provide updates and visibility around the impact of the principles in the program update though we will no longer present at the meeting. See Tab D for additional details.

In addition, the Awards team will ask the Board to vote on an evergreen model for the Baccalaureate and Career & Technical eligible majors/program principles. We have created a solid set of principles that has effectively guided us in selecting students driven into majors that lead to high-demand careers in Washington and wish to formalize our approach on a go-forward basis.

We have fine-tuned the principles we propose we solidify as our evergreen model for selecting eligible majors (BaS) and programs (CTS).

The proposed principles for BaS are that majors must:

- Lead to occupation in STEM or health care
- Lead to high-demand field of work in Washington
- Lead to an occupation with a living wage
- Lead to an occupation that requires a bachelor's degree for entry
- Be offered as a bachelor's degree from at least one Washington institution

The principles for CTS are that programs must:

- Lead to an occupation in STEM, health care or the trades
- Lead to high-demand field of work in Washington
- Lead to an occupation with a living wage
- Be offered at one Washington's community or technical colleges or through an approved apprenticeship site

These principles focus on creating objective guidelines that the Awards team will use to identify majors and programs that align with statutory and Board intent on an annual basis without requiring additional Board approvals. If approved, we will continue to provide updates and visibility around the impact of the principles in the program update though we will no longer present at the meeting. See Tab D for additional details.

## SCHOLAR PROGRAMS

### BACCALAUREATE SUPPORT SERVICES

Since the beginning of the academic year, 74% of first- and second-year Scholars have reported engaging with their peer mentors through the Scholar Lead program. Scholar Leads have completed over 7,300 outreach efforts to their Scholars, which have included welcome calls, invites to campus events and general touchpoints. Our goal is that at least 80% of Scholars utilize their Scholar Lead by the end of the academic year as we know this program has a positive impact on Scholar persistence. When we asked the current Scholar Leads about one of their highlights so far, one wrote: *"I love touching base with the Scholars when I call them because it's nice to support them their first year and answer any questions they have, along with providing additional resources."*

Skills that Shine (StS) launched in October, and 272 Scholars have paired with a mentor. Our goal is that at least 50% of third-year Scholars complete this program. We'll be just shy of that goal as 272 Scholars reflects 49%; we also anticipate some attrition. Last academic year, 47% of third-year Scholars paired with a mentor, so it's promising to see an increase in engagement, albeit small. We're hopeful that we'll trend toward more engagement next academic year.

We continue to promote career development resources beyond mentorship to fourth- and fifth-year Scholars. On November 1, we hosted our first networking event with Benaroya Research Institute (BRI): 19 Scholars participated and learned from BRI employees about their scientific focus on the immune system as well as the STEM career pathways available there. Additionally, we have shared two Industry Insider opportunities to promote summer internships with Bristol Myers Squibb and Nintendo. We are also partnering again with a fellow community-based organization, Degrees of Change, to promote applications for their summer 2023 Seed

internships. Through their Seed program, they collaborate with local organizations to build high-quality, paid internships for Scholars.

### **CAREER AND TECHNICAL SUPPORT SERVICES**

We are in the first academic year of our scaled Scholar Lead program for CTS. There are 23 Scholar Leads supporting over 380 Scholars, which is 48% of our total CTS population. We are also hiring eight more Scholar Leads this month who will help support the new Scholars who accept our scholarship in each subsequent quarter this year. Like the BaS program, CTS Scholar Leads are a resource for their Scholars in sharing advice, building connections and encouraging students to take advantage of their campus services like academic and career advising.

For career development programming, 53 Scholars paired with a mentor as part of the fall cycle of StS. Based on mid-cycle assessment, 85% of Scholars have met with their mentor at least once. One mentee noted: *"I want to share that my mentor has been very supportive and has been answering most of my questions. We are set for the second meeting this month. Super amazing program that I highly recommend for anyone."*

Our goal was 90 matches, which means we didn't reach it with 53 pairings. Attrition was higher than we expected as 100 Scholars submitted an interest form during the summer. We're applying this lesson learned as well as others while we prepare for the spring cycle which will launch in April 2023.

We hosted our first CTS alumni career panel. We featured four alumni panelists from various fields and 27 Scholars attended. The students heard from panelists about their post-graduation experience, where they currently work and more. Among the 16 Scholars who provided feedback about the event, 88% agreed/strongly agreed that the panel provided helpful information as it pertains to their career development.

### **GRADUATE SCHOLAR SUPPORT SERVICES**

This fall, we hosted three events for GRD Cohorts 1 & 2. On November 7, staff from the Washington Department of Health, Office of Rural Health presented to the Scholars about loan repayment options for working in healthcare shortage areas and the state-run service for finding health professional jobs in rural areas of Washington. The presentation was well attended with 13/25 (52%) of the Scholars attending live and more who viewed the recording. A GRD Scholar from WSU-Spokane commented: *"This was an AMAZING and efficient presentation! I'll be using these contacts ASAP."*

On November 19, Scholars convened by specialty in connection groups. These groups are for Scholars to share resources, hear from leaders in their field and support each other in their goal to work in underserved and health professional shortage areas. Both groups had rich conversations sharing helpful information and how WSOS can help them succeed.

We've successfully transitioned the travel and clinical site stipend process to 501 Commons and are up and running with executing stipends. We continue to reach out to Scholars, clinical coordinators at the schools and the clinical sites to encourage stipend usage. The sites that take advantage of the stipend are smaller practices in both urban and rural areas of the state.

We're in the initial stages of exploring what GRD expansion might look like. We've investigated the need and impact for adding MSW (Master of Social Work) programs to our portfolio; it seems unlikely this will be strategic for WSOS based on other MSW support mechanisms that might be on the horizon in Washington state. We're now pursuing the possibility of the impact and need for us to support Pharm. D. (Doctor in Pharmacy) and Physician's Assistant (PA) programs. We will keep you connected to how this exploration unfolds.

## **DEVELOPMENT UPDATE REVENUE TARGETS**

As of November 21, we have raised \$43,595,031 of our \$75M campaign goal. This includes \$10,880,534 for CY22. Originally, we had targeted raising \$16M in CY22 and \$12M in CY23 toward the campaign; given our staffing challenges this year, we don't anticipate hitting our CY22 target but do feel hopeful we will reach \$12M by year-end. We are currently working on some active solicitations that we hope to close before the end of December. Regardless, we will adjust our CY23 target to reflect actual revenue from CY22 and stay on track for campaign success. Given that we did not have OpportunityTalks in this calendar year and have had long vacancies for all front-line fundraiser roles on our team, we're pleased to have still had such a strong revenue outcome for the year. A huge thank you to the small but mighty WSOS development team!

With our skeleton crew and support from the external affairs team, we were able to launch our first-ever annual appeal which has garnered more than \$60,000 in support. If you'd like to contribute to WSOS for calendar year 2022, you can do so by visiting:

<https://www.waopportunityscholarship.org/donate/>

## **CAMPAIGN MILESTONES**

Milli, the marketing and communications agency we retained to support in campaign branding, has completed some preliminary campaign concepts for our the WSOS Tomorrow, Today campaign. We welcome your feedback and will be seeking your thoughts individually by email. See Tab C for details.

This quarter, we hosted a successful Hot Topic Dinner at Jane Park's home where the discussion on mentorship was lively and engaging. In December, we'll be hosting another Hot Topic Dinner at the Rainier Club, hosted by Miller Adams. As our development team gets staffed up in 2023, we hope to host more of these dinners in collaboration with other Board members.

This past year we have continued to establish strong report with our community partners. To expand our volunteer base and support volunteer pipeline development, we hosted 11 lunch and learn sessions with corporate partners and engaged with roughly 140 employees between these events. Additionally, we were asked to host an event with DocuSign for their IMPACT events with their executive team. To expand opportunities for Scholars, we shared several internship opportunities with Scholars. For internships in 2022, we had 13 Opportunity Scholars who were selected into internship positions and had 4+ corporate partners commit to tracking WSOS Scholar Applicants. For 2023 internships, we have secured ways to track WSOS

applicants with 5 organizations for the upcoming application cycles. For 2023, we have heard from 3 of our largest partners that they are not moving forward with internship programming as part of their recession prevention. However, we have over 5 partners who have volunteered to host career panels, seminar series, and internship information sessions from fall of 2022 – through the fall of 2023.

Don't forget OpportunityTalks is scheduled for **April 28, 2023**, at the Sheraton Seattle. This will be our homecoming with our first in-person event since 2019. It promises to be a morning of inspiration and impact!

## **HIRING FOR THE DEVELOPMENT TEAM**

The development team has four roles actively posted for recruitment. We're seeing much stronger interest in these positions than we were seeing earlier in the year, in part due to changing market conditions. We also changed the advertised compensation levels in an effort to attract higher quality applicants. We hope to fill at least two of the four by the beginning of 2023.

## **EXTERNAL AFFAIRS UPDATE**

The annual legislative report has taken up much of our time and attention as we head towards our December 1 deadline. This year's report was simplified to showcase and focus on the data, moving spotlights on students and programming for publication in our annual report in the spring. The year's legislative report includes the results of an alumni survey as well as updated outcomes thanks to our partnership with the Washington State Education and Research Data Center (ERDC). Check back on our social media channels and website in late December to learn more.

In addition to ongoing work to fill the vacated marketing and communications manager position and recruit for a new specialist role focused on promoting our suite of scholarship programs, we are excited to begin using some beautiful new photos thanks to the hard work of our communications specialist Kendyl Puhan who executed a flawless photoshoot with more than 15 current Scholars. These recent photos plus an investment in collecting Scholar stories and quotes will prepare us as we pivot our focus to fundraising and event collateral needs in early 2023 and beyond.

## **MEDIA COVERAGE**

Media coverage from September - November included:

- Cesar Seguil (WSOS associate programs director) was featured on the Entre Hermanos Mucho Gusto Podcast | Oct. 6
- WSOS and the CTS application were featured in two Tri-Cities radio stations via Stephen's Media Group | Oct. 10
- WSOS and the CTS application were also featured on Townsquare Media radio in Yakima | Oct. 10
- Washington students leaving money on the table by forgetting the FAFSA | Washington State Governor's Office blog, Oct. 18
- Global Campus inducts first distinguished alumni | WSU Insider, Nov. 22

## SOCIAL MEDIA COVERAGE

As an organization, we are focused on growing followership rates on all channels. To do this, we are utilizing a content strategy that moves our followers through the customer journey from interest to trust to brand loyalty. The first step is to create a feed that fosters belonging. We want followers to know they belong in our community and consistently see content that adds value to their lives.

As such, success indicators include 1) an increase in content views (impressions), 2) an increase in shares and engagement with our content, and 3) an increase in followers, especially from our target communities, including scholars, legislators, business leaders, nonprofits, etc.

### 1) Impressions: number of times our content was viewed

Impressions/views this quarter

	Total impressions September - October 2022
Facebook*	26,378
Twitter	15,557
LinkedIn	9,470
Instagram*	5,633
<b>Total</b>	<b>44,237</b>

\*Reach is used for Instagram and Facebook

Note: We are aware and following the changes happening at Twitter. At the moment, we are continuing to use the platform because of the value it provides related to our legislative and promotional content. We are not planning to pay for any advertising on Twitter and will continue to monitor the situation, adjusting if necessary.

### 2) Shares & Engagement

Engagement Rate YOY

	October 2020	October 2021	October 2022
Facebook	3.73%	1%	7.51%
Twitter	1.19%	2.39%	2.96%
LinkedIn	6.57%	7.25%	3.9%
Instagram	--	13.22%**	3.46%

\*\*October 2021 was not tracked; this number is for November 2021.

Content Shares

	September - October 2022
Facebook	18
Twitter	16
LinkedIn	13
Instagram	65
<b>Total</b>	<b>112</b>

When Opportunity Scholars, [like Noah](#), were featured on our social media accounts, they reshared them with their own audiences. This shows they trust us with their stories and value WSOS.

Community members shared our posts 112 times. We received shares from Next Success, a partner of Workforce Southwest Washington, Washington Center for Nursing, McKinstry employees, the Washington Department of Health, Representative Drew Hansen, the Seattle Department of Education and Early Learning, the Washington State Board for Community and Technical Colleges (SBCTC), and the SBCTC Executive Director.

We aim to increase User Generated Content by 150% this year. Currently, we are 53% of the way towards our goal.

**3) Followership growth**

Year-over-year followership growth

	October 2019	October 2020	October 2021	October 2022	Percentage Growth from 2022-2023
Facebook	3,702	3,962	4,078	4,407	8%
Twitter	1,827	1,863	1,879	1,960	4%
LinkedIn	200	662	1,172	1,694	45%
Instagram	234	540	898	1,029	15%
<b>Total audience size</b>	<b>5,763</b>	<b>7,027</b>	<b>8,027</b>	<b>9,090</b>	<b>13%</b>

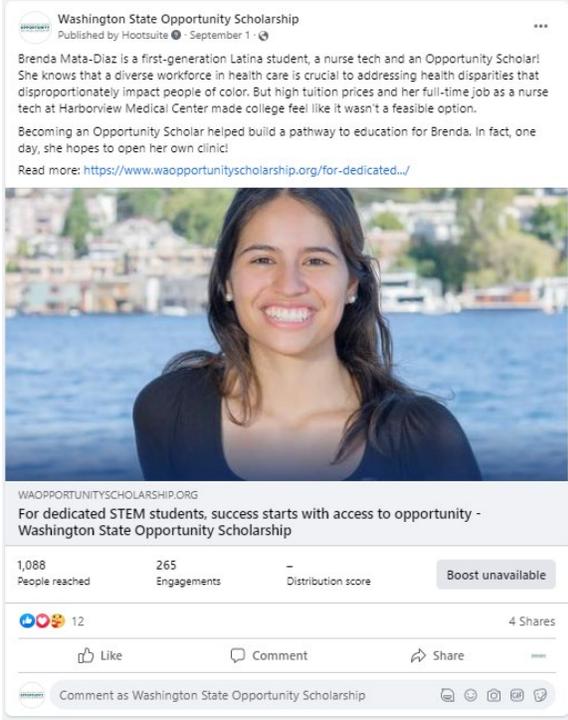
Followership growth, goals vs. actual

	Target % Growth for 2022-23 AY	Actual % Growth (as of October)
Facebook	5%	1.5%
Twitter	9%	1%
LinkedIn	45%	5%
Instagram	30%	2%
<b>Total audience size</b>	<b>16%</b>	<b>2%</b>

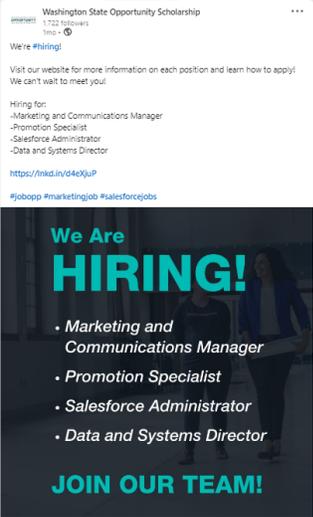
We had more than 25 students follow us on LinkedIn this quarter, along with some key leaders in our community. Leaders include the Microsoft TEALS program, NW Regional Equity Conference, the UW President, and leaders at WSAC and SBCTC.

**Top Performing Posts**

Facebook: [Brenda Mata-Diaz's story](#)



LinkedIn: [Hiring](#)



Instagram: [StS Mentorship](#)

**Right now, a Washington state student is waiting for a mentor.**

*Become a Skills that Shine mentor to a Career and Technical Scholarship student!*

Opportunity Scholar pictured: Irena

oppscholarship Right now, a Washington state student is waiting for a mentor. Someone like you!

As a Career and Technical Scholarship mentor you will build a relationship with an amazing Opportunity Scholar over a series of three meetings over the next three months!

Career and Technical Scholars are STEM, health care and trade students! Some of the most popular degrees support the health care, engineering, manufacturing, IT, and trade industries.

9w

View insights

Liked by nhuhnguyen and 20 others

SEPTEMBER 14

Add a comment... Post

Twitter: [FAFSA/WASFA Blog](#)

Washington State Opportunity Scholarship  
@OppScholarship

We're here to answer all your FAFSA and WASFA questions! ✓ ↓

Remember, completing the WASFA or the FAFSA each year is required to keep your WSOS funding!

waopportunitiescholarship.org  
Understanding the FAFSA and WASFA - Washington State Opportunity Scholar...  
Whether you're a FAFSA or WASFA user, it is important to understand your financial aid status. Your financial aid status is especially important because it ...

**OPERATIONS UPDATE**  
**COMPENSATION UPDATE**

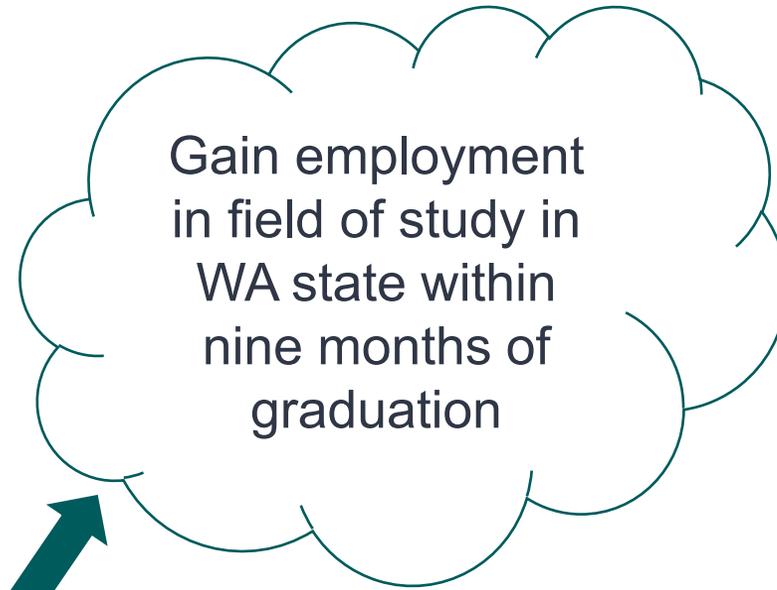
Over the past couple of months, the executive team conducted a review of its salaries and compensation policy to ensure WSOS remained competitive in the non-profit sector. Notable changes to compensation practices include annual reviews for merit increases, an increase in the minimum hourly rate and open positions posted using the salary mid-point for transparency. WSOS continues to set salaries using the 75<sup>th</sup> percentile as the benchmark. Staff salaries requiring adjustment to keep pace with the market were adjusted effective November 1, 2022. WSOS staff members have voiced their appreciation for the changes in policy and existing employee benefits (i.e. health and wellness, professional development, and We See You Program).



# ED CORNER

WASHINGTON STATE  
**OPPORTUNITY**  
SCHOLARSHIP

**INTENDED  
IMPACT #1**



**INTENDED  
IMPACT #2**

**THEORY OF CHANGE** | Scholarships + Continuum of Support Services

# STRATEGIC PRIORITIES

**Design scalable, statewide programs.**

**Build the brand.**

**Fund to 2030.**

**Be a preferred workplace.**



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																	

# Org Strategic Priorities: AY2022-23 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																
75%, 85% and 75% of BaS, CTS and GRD applicants, respectively, are eligible	-BaS : 90%, 85%, 65% Y1-Y2-Y3-Y4 with 44% increasing -CTS : 80%, 80% 75% Q1-Q2-Q3-Y2 -GRD : 100% Y1 to Y2	At least 30 earned media pieces	\$16M, \$12M in CY22, CY23, with 15   12 \$25K to \$1M gifts secured in CY22, CY23	Volunteer separation rate below 30%; average staff tenure of 28 months																
90% (85%) of BaS (CTS) Scholars complete renewal	At least 60% of historically excluded races/ethnicities, low-income & rural students participate in programming	15 (7) engagements for ED (Directors)	8%, 12% of donors loyal (5+ years) in CY22, CY23 with 41% CY22 to CY23	83% of staff agree: "I believe the work I do advances our mission"																
90% work fewer hours because of WSOS	50%, 20%, 70% of BaS, CTS and GRD participate in career resources	Social media audience size of 4,428 (FB), 2,109 (Twitter), 1,861 (LI) and 1,861 (IG)	60, 305 new donors acquired with 44, 55 from WA outside of Puget Sound in CY22, CY23	83% of staff agree: "I would recommend WSOS as a great place to work"																
90% attend full-time because of WSOS	90%, 85%, 89% of BaS, CTS and GRD career support participants report being more prepared	<b>Applicant targets:</b> <table border="1"> <thead> <tr> <th></th> <th>BaS</th> <th>CTS</th> <th>GRD</th> </tr> </thead> <tbody> <tr> <td>BIPOC</td> <td>85%</td> <td>58%</td> <td>40%</td> </tr> <tr> <td>First-gen</td> <td>61%</td> <td>61%</td> <td>55%</td> </tr> <tr> <td>From rural counties</td> <td>31%</td> <td>32%</td> <td>7%</td> </tr> </tbody> </table>		BaS	CTS	GRD	BIPOC	85%	58%	40%	First-gen	61%	61%	55%	From rural counties	31%	32%	7%	At least 8%, 9% (by #) of donors in CY22, CY23 from health care, (S)TEM	83% of staff agree: "I would recommend my supervisor to future employees"
	BaS	CTS	GRD																	
BIPOC	85%	58%	40%																	
First-gen	61%	61%	55%																	
From rural counties	31%	32%	7%																	

# Today's Snapshot

<p>Ensuring scalable, statewide scholarship accessibility and financial aid impact</p> <p><b>AWARDS</b></p>	<p>Ensuring scalable, statewide support services</p> <p><b>PROGRAMS</b></p>	<p>Build awareness of the WSOS brand</p> <p><b>EXTERNAL AFFAIRS</b></p>	<p>Fund to 2030 and beyond</p> <p><b>DEVELOPMENT</b></p>	<p>Be a preferred workplace</p> <p><b>OPERATIONS</b></p>
<p><b>Improving eligibility of applicants:</b></p> <ul style="list-style-type: none"> <li>Investing in promo specialist &amp; paid spots</li> <li>+27% applications for CTS winter!</li> </ul> <p>★★★★</p>	<p><b>Improving persistence:</b></p> <ul style="list-style-type: none"> <li>Half of CTS recipients participating in SL program</li> <li>7,300 touchpoints to BaS recipients in SL program</li> </ul> <p>★★★★</p>	<p><b>Media coverage/speaking engagements:</b></p> <ul style="list-style-type: none"> <li>Co-presenting with WSAC</li> <li>Paid spots; need greater staff capacity for more earned media focus</li> </ul> <p>★★★★☆</p>	<p><b>Campaign revenue:</b></p> <ul style="list-style-type: none"> <li>Under revenue target for CY22, but strong performance given lack of front-line fundraisers</li> </ul> <p>★★★★☆</p>	<p><b>Staffing:</b></p> <ul style="list-style-type: none"> <li>Headcount: 24 FTE</li> <li>Open: 7 FTE (3 new)</li> <li>New hires last Q: 2 FTE</li> <li>Hybrid model modified September 1</li> </ul> <p>★★☆☆</p>
<p><b>Successfully completing processes (increase, renewal):</b></p> <ul style="list-style-type: none"> <li>Partnering with higher ed and WSAC to assess processes</li> </ul> <p>★★★★</p>	<p><b>Closing opportunity gaps:</b></p> <ul style="list-style-type: none"> <li>Intentional focus on historically excluded groups for participation</li> </ul> <p>★★★★</p>	<p><b>Social media growth:</b></p> <ul style="list-style-type: none"> <li>Exciting growth in user generated content continues</li> <li>Twitter?</li> </ul> <p>★★★☆☆</p>	<p><b>Donor loyalty:</b></p> <ul style="list-style-type: none"> <li>\$60K+ in first-ever annual fund secured</li> <li>EOY stewardship cards going out</li> </ul> <p>★★★☆☆</p>	<p><b>Culture enhancements:</b></p> <ul style="list-style-type: none"> <li>Program administrator transition – staff kept whole, not without disruption</li> </ul> <p>★★★☆☆</p>
<p><b>Attend school full-time and work less:</b></p> <ul style="list-style-type: none"> <li>Assessing the impact of financial aid on overall experience</li> </ul> <p>★★★★</p>	<p><b>Improving career outcomes:</b></p> <ul style="list-style-type: none"> <li>Successfully enrolled 50 for CTS; 280 for BaS</li> <li>Skills that Shine program – recruitment challenges</li> <li>Designing other career dev opportunities</li> </ul> <p>★★★☆☆</p>	<p><b>Scholarship promotion:</b></p> <ul style="list-style-type: none"> <li>Investing in promo specialist</li> <li>Investing in regional champions</li> </ul> <p>★★★★</p>	<p><b>Donor acquisition:</b></p> <ul style="list-style-type: none"> <li>Hot Topic Dinners</li> <li>Insider Cocktail Party for February</li> <li>Not yet targeting by industry, region</li> </ul> <p>★★★☆☆</p>	<p><b>Leadership:</b></p> <ul style="list-style-type: none"> <li>Leadership &amp; management academy beginning</li> <li>Values guiding hiring</li> </ul> <p>★★★☆☆</p>

# Key wins of the quarter



- Hiring woes are starting to level off
- Fundraising continues despite staffing challenges
- Skills that Shine is off and running despite fatigue
- Compensation policy revisit is complete

# Challenges of the moment



- Program administration challenges continue as we build processes and systems with 501 Commons
- Unfilled roles continue to put pressure on the team

# Recall The Problem:

## Higher education enrollment and WSOS applications are down.

- **Context:**
  - In March 2022, we discussed lower WSOS application numbers from 2020-21 to 2021-22.
  - In June 2022 we did a deep dive to understand the problem and what we can do about it.
- **Broadly stated, the problem was defined as:**
  - Higher education enrollment and WSOS applications are both down.
  - However, CTS Cohort 4 fall decline from 700 applications to 400 (**57%**) far exceeded CTC enrollment decline (**23%**) and BaS applications **fell 30%** whereas statewide four-year public enrollment fell by just 7%
  - What's going on and how worried should we be?

# Recall the Problem:

Higher education enrollment and WSOS applications are down.

## Diving into the data, we learned:

- Spring CTS was not representative of the entire year as applications for the academic year were only down **14%** (compared to 24% for the SBCTC system)
  - Cohort 2 total applications = 1,945
  - Cohort 3 total applications = 1,650
- While cohort 10 BaS applications were down **30%**, two partner scholarship organizations reported decreases of **35%**

## Despite app decline, early testing of our strategies in 2021-22 were promising:

- Targeting SW WA = generated a **167% increase** in BaS applications from the region
- Targeting BIPOC applicants = **11% increase** in BIPOC CTS applicants

# What happened next?

- **We leaned into what we know works:**
  - Raised awareness of WSOS in specific geographic locations.
  - Built relationships with key stakeholders in targeted communities.
  - Focused on relationships that maintain or increase access for marginalized communities.
- Boeing grant allowed us to amplify our strategy and heavily invest in tactics.
- Currently in the final stages of hiring the organization's first-ever, full-time promotion specialist!
- Despite reduced staff, we implemented our tactics in our strategy, starting first with the CTS C4 winter application.

# Strategies proved effective with large applicant gains.

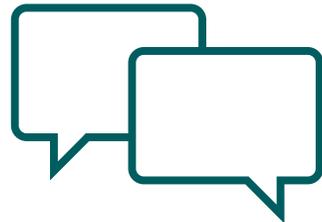
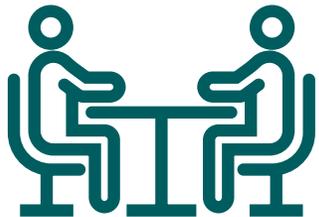
- CTS C4 winter applications **increased 30%** year-over-year (696 from 533).
- **% of eligible applicants increased by 4 points** to 89% from C3 totals (619 of 697 eligible).
- Application was significantly more competitive: 55% of applicants were selected (compared with 80% last cycle) .
- Maintained diversity of applicant pool, tracking close but slightly behind org goals for the AY.
- **Three of the top 5 colleges** represented in applicant pool were in our targeted regions:
  - Yakima Valley (9%), Clark College (8%) and Columbia Basin (5%)
  - Two of the top four counties represented were in targeted regions (Clark, Pierce)

## What worked?

- Connecting with students already in eligible programs.
- Increasing awareness of eligible programs on campus.
- Targeting ads by region, complementing relationship-building work.

# Looking ahead: Focus on relationship-building and replicate marketing efforts

- Build on relationships in established markets
- Focus on partners who work directly with target populations
- Tag on or amplify existing events
  - Statewide FAFSA/WASFA efforts
- Utilize partner expertise to develop collateral and support events
- Reinforce message through targeted paid and earned media



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## **Tab D**

### **Evergreen Eligible Programs & Selection Models**

## Evergreen Baccalaureate Scholarship Selection Guidelines

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

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

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

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

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

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

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

# ELIGIBLE PROGRAMS EVERGREEN MODEL

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# GOALS

- Vote on evergreen model for determining eligible programs
  - Successfully implemented last 4 years and continues to reach targeted majors that lead to in-demand careers
  - Creating an evergreen model allows Board to focus on other organization priorities

# BAS ELIGIBLE MAJORS PRINCIPLES

Principle	Current Measure
The occupation must be considered <b>STEM or health care.</b>	WA STEM's Labor Market Data
The occupation must <b>be a high-demand</b> field of work in Washington state.	Employment Security Dept. Of Washington State - Occupations In-Demand (OID)
The occupation must <b>earn a living wage.</b>	WA STEM's Labor Market Data
The occupation must <b>need a bachelor's degree for entry.</b>	WA STEM's Labor Market Data
Majors that lead to that occupation are <b>offered as a bachelor's degree from at least one Washington institution.</b>	National Center Education Statistics (NCES) / Integrated Postsecondary Education Data System (IPEDS)
	<i>*Update list annually on best available data</i>

# CTS ELIGIBLE PROGRAMS PRINCIPLES

Principle	Current Measure
<p>The occupation must be considered <b>STEM, health care or trade.</b></p>	<p>WA STEM's Labor Market Data</p>
<p>The occupation must <b>be a high-demand</b> field of work in Washington state.</p>	<p>Eligible for Opportunity Grant program or is specifically identified as high-demand by a local workforce expert</p>
<p>The occupation must <b>earn a living wage.</b></p>	<p>WA STEM's Labor Market Data</p>
<p>An eligible program that leads to that occupation is <b>offered at least one Washington community or technical college or is an approved apprenticeship site.</b></p>	<p>State Board of Community and Technical Colleges (SBCTC)</p>
	<p><i>*Update list annually on best available data</i></p>

# BOARD VOTE

BaS Eligible Major Principles	CTS Eligible Program Principles
The occupation must be considered <b>STEM, health care or trade.</b>	The occupation must be considered <b>STEM, health care or trade.</b>
The occupation must <b>be a high-demand</b> field of work in Washington state.	The occupation must <b>be a high-demand</b> field of work in Washington state.
The occupation must <b>earn a living wage.</b>	The occupation must <b>earn a living wage.</b>
An eligible program that leads to that occupation is <b>offered at least one Washington community or technical college or is an approved apprenticeship site</b>	An eligible program that leads to that occupation is <b>offered at least one Washington community or technical college or is an approved apprenticeship site.</b>
The occupation must be considered <b>STEM, health care or trade.</b>	

*\*Update list annually on best available data*

# BACCALAUREATE EVERGREEN SELECTION MODEL

WASHINGTON STATE  
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SCHOLARSHIP

# GOALS

- Vote on BAS Evergreen selection model
  - Successfully implemented last 2 years and continues to select strong cohorts who enroll in high demand STEM and health care programs and careers
  - Creating an evergreen model allows Board to focus on other organization priorities

# SELECTION PRINCIPLES

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

# BACCALAUREATE SELECTION MODEL OVERVIEW

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

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# BOARD VOTE: BAS EVERGREEN SELECTION PRINCIPLES

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

# **Tab E**

## **Finance & Program Administrator Update**

# WASHINGTON STATE **OPPORTUNITY** SCHOLARSHIP

## **FINANCE & INVESTMENT COMMITTEE MEETING AGENDA | DECEMBER 7, 2022 IN-PERSON OR REMOTE**

*To join virtually:* Click on the Microsoft Teams link in meeting invitation. Meeting ID: 273 066 651 366 Passcode: JCGk4E

*To join in person:* Pacific Tower 1200 12<sup>th</sup> Ave S Seattle, 98144 Suite 810 (enter building by the flagpole). Check the calendar invitation for directions and parking information.

I.	<b>Meeting Called to Order</b>		<b>Patrick Smith</b> Board Member Committee Chair	1:00p-1:05pm
II.	<b>Approval of Minutes from October 4 Meeting</b>	[Tab A]	<b>Patrick Smith</b> Board Member Committee Chair	1:05-1:10pm
III.	<b>WSIB Quarterly Performance Report</b>	[Tab B]	<b>James Aber</b> WSIB	1:10-1:30pm
IV.	<b>Program Administrator Report</b>	[Tab C]	<b>Eileen Moran</b> 501 Commons	1:30-1:50pm
V.	<b>Program Update</b> » <i>Committee Action:</i> Recommend adoption of 2023 budget	[Tab D]	<b>Kimber Connors</b> WSOS	1:50-2:20pm
VI.	<b>Executive Session, if needed</b>		<b>Patrick Smith</b> Board Member Committee Chair	2:20-2:30pm
VII.	<b>Meeting Adjourned</b>		<b>Patrick Smith</b> Board Member Committee Chair	2:30pm

### **Committee Questions for Consideration:**

- » Did anything arise when completing your evaluation that you want to share for the group to discuss?
- » Is there anything you didn't share in your evaluation you want the committee or Board to know?
- » Are there any red flags you anticipate the Board seeing as risks or outliers in the 2023 proposed budget?
- » Does the proposed increase in non-scholarship costs feel reasonable given our growth goals and one-time expenses?

### **Upcoming Committee Meetings**

Tuesday, March 21, 2023  
Tuesday, June 13, 2023

## **Tab A**

Approval of October 4, 2022 Minutes

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**FINANCE & INVESTMENT COMMITTEE MEETING MINUTES |  
OCTOBER 4, 2022**

**Members present via Microsoft Teams:** Bo Lee, Patrick Smith (Chair), Matt Rubright, Jess Peet, Julie Sandler, Elisa La Cava

**Members not present:** Jennifer Daquiz Hara, Joseph Walker, Brad Faulhaber

**Other participants present via Microsoft Teams:**

WSIB: Chris Phillips, Chris Hanak, Chris Green, Kristi Bromley, Li Gao

501 Commons: Nancy Long, Eileen Moran

WA STEM: Yoko Shimomura, Matt Poth, Blair Peterson

WSOS: Kimber Connors, Javana Polenska, Dena Parmer

Kimber Connors introduced Eileen Moran and Nancy Long. Moran is the controller and Long is the executive director for 501 Commons, the new program administrator. They gave their professional background.

**Meeting called to Order**

Patrick Smith called the meeting of the Washington State Opportunity Scholarship (WSOS) Finance and Investment Committee to order at 1:07pm.

**Approval of Minutes from June 1, 2022, Finance and Investment Committee**

**Committee Action:** Julie Sandler moved to approve the minutes of the June 1, 2022, meeting. Matt Rubright seconded the motion, and it carried unanimously.

**WSIB Quarterly Performance Report**

Chris Phillips, the Washington State Investment Board's (WSIB) Director of Institutional Relations and Public Affairs, delivered the quarterly performance report. All data is as of March 31, 2022. During the second quarter, the entire market (both stock and bonds) suffered from a broad loss of investor confidence across the board. Stocks took the brunt of the damage. The drivers were inflation, monetary policy reversals and geopolitical turmoil. The Baccalaureate Scholarship (BaS) and Career and Technical Scholarship (CTS) funds returned -6.5% and -6.6%, respectively, for the quarter. For the 12 months ending June 30, these funds saw a return of -10%. The Endowment fund (81% equities/19% fixed income) saw a return of -13.4% for the quarter and -14.8% for the 12 months ending June 30. Cash remains between 0 and 16 basis points. Market volatility has continued mixed into July and August. Preliminary reports show the BaS and CTS funds as +3% in July and -2%, respectively, in August. The Endowment fund is +6% in July and -3% in August. In early June, WSIB withdrew \$500,000 from the CTS fund allowing Washington STEM to wire the funds to its Key Bank account for the funding of summer scholarships.

Phillips closed with a summary from WSIB's Capital Markets review for the second quarter of 2022. It was the worst first half of a calendar year for more than 50 years. The global equity market was down 16.3% for the quarter and down 15% for the 12 months ending June 30, 2022. Fixed income indices shed nearly 4% for both periods. The following market challenges

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persisted from first to second quarter, fueling a decline of 16% and 4% for stock and bond markets, respectively:

1. Global tensions and tight energy supplies due to war in Ukraine;
2. Persistent elevated inflation (9% for the 12 months ending June 30), the largest yearly increase since November 1981;
3. Target funds rate increased by the Fed twice during the quarter, with the June increase of 0.75% being the largest since November 1994; and
4. GDP in the US falling during both quarters with unemployment remaining low.

Phillips opened the floor for any questions but heard none.

### **Strategic Asset Allocation Study**

Chris Green, WSIB Assistant Sr. Investment Officer, presented the strategic asset allocation study. WSIB usually conducts asset allocation studies for WSOS on a four-year cycle or as needed when there are significant program changes. The goal for today's presentation is to get the WSOS Finance & Investment Committee's support in moving the recommended asset class allocations for each scholarship fund forward.

Green outlined that strategic asset allocation describes the process of dividing a portfolio among asset classes such as bonds, stocks and cash. Asset allocation explains over 90% of the variation in pension fund returns, indicating its critical strategic importance. There are two main sets of assumptions in the study being presented today—cash flows for the WSOS programs, which are developed and approved by WSOS—and assumptions about how asset classes will perform in the future, which are based on WSIB's Capital Market Assumptions. WSIB constructs its Capital Market Assumptions—the estimated expected return, risk, and correlations for asset classes—every two years, with the last study in 2021. These assumptions are their best estimates for the next 15 years. The estimates are adopted by the WSIB Board and then used in all the asset allocation studies conducted. These estimates are then used to try and establish an asset allocation mix that maximizes the return for a target level of risk while meeting cash needs of the organization along the timeline provided in the cash flow model.

For the BaS fund, WSIB recommends lowering the cash target to 0% and increasing equity allocation by 5%. That will give the program a higher expected return which will help the program meet its cash flow needs as positive investment returns grow the account balance each year. While the BaS program does need liquidity from time to time, both the fixed income and equity options that WSIB would use for implementation are liquid and easy to redeem with sufficient notice. The recommendation for the CTS fund is the same, for the same reasons. Currently the Graduate Scholarship (GRD) fund is held entirely in cash. Initially, there was a question of whether GRD would qualify for the equity vehicle at Black Rock due to its smaller size, but that has been resolved. WSIB recommends the GRD fund have the same asset allocation as BaS and CTS.

The Endowment's time horizon and cash flow needs are not like the other programs. The Endowment fund has no anticipated outflows or inflows. Those assets can be invested with more of a growth focus, which means more goes into equities. No changes are recommended to the existing asset allocation for the Endowment fund.

For the BaS fund, Green explained the new allocation improves the probability of a non-zero account balance by 2035. This is driven by the higher expected return. The higher standard

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deviation does increase the chance of a 1-year negative return, or a 5-year negative return, but it's a small increase. WSIB recommends accepting a little more risk in the short-term if it improves the chances of the portfolio meeting its goals in the long-term.

Green highlighted that the probability of negative returns for the endowment is higher compared to that of the scholarship accounts. That comes from the higher equity allocation for endowment, which gives that portfolio higher volatility and hence a larger probability of returns below the expected return and below zero.

Matt Rubright asked if the 1- and 5-year negative return fit within a threshold that WSIB would expect or if this output is seen as a considerable risk. Green said it is normal to expect some negative output from each model reviewed in the short-term. Rubright asked if WSIB's process was to look at different models and then toggle those levers to get to what seems like the right adjusted risk and return. Green affirmed that this is correct. WSIB looks at probability of a non-zero account balance at program end-of-life as they do not want the programs to run out of money earlier than expected. Rubright said it would be helpful to put those numbers in context if this is the risk tolerance we should expect to see.

Jess Peet asked where fundraising fits in. Connors stated that the cash flow modeling applied for the asset allocation assumes success in raising \$75M through the campaign by the end of 2025 (of which we have already raised \$44.4M), but it assumes WSOS fails to set up a sustainable fundraising program thereafter. Connors described it as a conservative version of campaign success.

Julie Sandler commented that in times of market tumult, we are told to keep liquidity at hand. She noted the recommendation would decrease cash on hand from 5% to 0%. She asked if the state match monies are spent first and are fully liquid and if that plays a role in the recommendation. Green explained that the assumptions used from WSOS have changed since the initial studies were done which is mostly why the change is being recommended. Connors clarified that the original model was a sunset assumption (all cash outflows, no cash inflows), so we needed to keep more in cash to protect during market downturns. Now the assumptions are that we will see several million coming in each year over time resulting in less of a reliance on cash withdrawals from the portfolio each year. Green noted the WSOS Finance team needs to request cash withdrawals with adequate notice (seven days). When we had a cash allocation, we used to be able to fall back to cash to partially fulfill requests but now, requests will require liquidation of investments. Math Poth wrote in chat that state match dollars tend to get spent very quickly so there are barely any public dollars at WSIB in the BaS fund. There is a sizable amount in CTS public cash and that is being spent first. Sandler asked if WSOS is comfortable with the seven-day lead time for requests and the policy going to 0% with the macro. Chris Hanak noted there are a lot of policies that are 0% in cash, so this recommendation is not unusual. Connors said the majority of expenses are highly predictable because WSOS tracks when disbursements go out the door years in advance based on the scholarship model. 501 Commons needs to understand what the disbursement schedule is and predict when those large amounts are going out, but we know those months in advance. She affirmed confidence in a 0% cash allocation. Blair Peterson shared WSIB has already been running on a seven-day window for cash withdrawal requests, even before this recommendation, so he did not feel it would be a problem from the Finance team's perspective.

Bo Lee asked about tuition inflation adjustments in the model. Additionally, she asked why the Endowment fund was recommended to be at such a high equities allocation. Connors clarified

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there is no inflation built in on this model. There is no instruction from the WSOS Board to increase the scholarship amount offered, despite inflation. The focus for this round of funding and modeling is to maintain the amount of scholarship but to reach more students and extend the life of the scholarship. A change would have to come from the Board as a directive. Connors then described the endowment. When the statute was originally created there was a hope that the state match would go into the endowment and eventually the state would no longer need to match. The Attorney General's Office gave a formal opinion that we cannot invest those public funds as they retain their state-like nature. Now the endowment account only has interest earned on private funds that were directed there originally but since released. There is no current instruction on what to do with the endowment from the WSOS Board. Green added that the scholarships are not pegged to inflation, so we do not take inflation into account as we do this modeling. WSIB capital market assumptions use a 15-year estimate for inflation of 2.2%; the expected returns on these portfolios are all above that.

Elisa La Cava asked about the plan to spend all the money by 2035 and why the models would assume any cash left over after that time. Green said that returns are not a given so some remaining cash is to be expected. When modeling, WSIB is trying to give a reasonable probability of making it to 2035 without running out of money. Smith said that at the Board level they could decide to start giving away more money to adjust outcomes to align with 2035 as the time came closer. Connors affirmed that this is correct – cohort sizes or award amounts could be adjusted up or down to preserve or expend more cash than planned. Hanak said WSIB will be reviewing asset allocations in later stages of the program.

La Cava asked what would happen if we achieved the sustainable fundraising model goal. Green said this would require a new asset allocation study. Connors stated that the timing would align well because WSIB does a study every four years. We will know by then if we have set up a sustainable fundraising model and could adjust accordingly.

Peterson asked about the y-axis label accuracy on slide 24. Green reviewed and noted it should be labeled “probability of a non-zero account” and not the label “percentage of starting account value”. It was affirmed that the slide and data is correct, but the y-axis label is not.

Hearing no more questions, Green summarized WSIB's recommendations. If this Committee supports these recommendations, it will go to the WSOS Board on October 11, the WSIB Finance Committee on October 14 and the WSIB Board on November 17. Assuming approval by all, WSIB will begin implementation of the new policy on the next business day.

**Committee Action:** Smith asked if the Committee needs to take a formal action to accept or reject the recommendations. Connors affirmed. Peet moved to accept WSIB's recommendation on asset allocation on the various and Sandler seconded; it carried unanimously.

### **Program Administrator Report**

Matt Poth, Director of Finance at Washington (WA) STEM, presented financial statements through August 31, 2022. August is the final month with WA STEM serving as program administrator. The last report was as of April.

Poth reported that as of August 31, 2022, we have total assets of \$121.9M. This is a 0.3% decrease from April 30, 2022, and 0.5% increase from August 31, 2021. This is due to state match

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cash receipts of \$8.35M representing match on private receipts from August 2021 through July 2022 once state appropriations became available. We have private receipts of \$3.69M from multiple pledge payments and a payroll credit due to Employment Retention Credit from the third quarter of 2021. We received WSIB fund investment of \$2.7M to BaS and net \$1.4M to CTS between June-August to invest excess cash. This was offset by investment losses of ~\$1.74M between May-August 2022. Between May-August 2022, scholarship disbursements net of refunds of \$5.85M (BaS-\$4.25M, CTS/Regional Jobs Initiative (RJI)-\$1.44M, GRD-\$155K). There are unbilled state match/offset funds (nets to zero) but reflects the amount of private receipts of \$85.5K obtained as of August 31, 2022. This can't be sent to WSAC for the state match until July 1, 2023, when more appropriations will be disbursed. WA STEM will retain \$385K of appropriations so that 501 Commons can send in state match invoices for the City of Seattle DEEL grant because the appropriations were already made for that pool of money. Our total liabilities as of August 31 are \$26.5M which is a 58% increase since April 30 due to scholarship liability increases and 3% increase since August 31, 2022. This includes increases to liability before August disbursements for BaS Cohort 11 for \$12.18M, CTS Cohort 4 and RJI Cohort 3 for \$2.83M and GRD Cohort 2 for \$475K. These 2022 cohorts are larger as approved by the Board associated with the \$75M revenue campaign. Due to reasons listed above, there was a 10% decrease from April yielding total net assets of \$95.4M.

The pledge receivables net includes \$9M Gary Rubens; \$12.5M MSFT; \$2.5M Boeing; as of August 31. Ballmer Group pledged a \$10M grant, but it is through donor advised fund and it is not included as part of pledge receivable. They paid the first of four installments of \$2.5M in September 2022, which will be counted as revenue. The new revenues between May-August 2022 totals \$258K. This includes \$100K from Costco, \$50K from Boeing, \$50K from CWU (Castner), \$15K from Bamford Foundation, \$10K from Thomlinson-Hurley, \$5K from McKinstry Charitable Foundation, among others.

A few items of note in the difference between budget and actual: the budget had full \$10M in it related to the Ballmer gift, but that will be picked up as revenue at \$2.5M over four years starting 2022 in accordance with GAAP rules for donor advised fund gifts. Additionally, \$5M was budgeted as MSFT giving, but that revenue was received and recorded in 2021. Personnel expenses are under budget YTD by ~\$321K due to position gaps related to departures as well delays in hiring certain positions that were budgeted to start early in the year. Professional fees are under budget primarily due to predicted PR campaign consulting which was budgeted for full year but has not yet started (~\$53K) as well as website refresh consulting (\$10K) work which has not started. These were offset by \$22K in legal overages due to higher-than-expected Program Administrator (PA) transition costs. There are also some overages in recruitment and temporary support due to turnover and difficulty hiring positions. Scholar Leads and CTS Ambassador costs are on-track. Both travel and operating expenses are trending below budget for the year because we are still not back to normal levels of travel.

Regarding the program administrator transition, WA STEM sent \$600K of cash to 501 Commons dba WSOS on September 1, 2022, and also sent the \$2.5M Ballmer Group payment on September 13, 2022. The remaining ~\$300K of cash will be sent over to 501 Commons by the end of October 2022 to ensure all final payables are settled. All key documents have been sent to 501 Commons at this point. 501 Commons has control of WSIB accounts starting September 1, 2022. Connors thanked Poth and Peterson for their exemplary support over the years.

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**Program Update**

Connors provided a brief program update and reported back on the June conversation about ESG investing. Connors followed up with AGO to find out if WSOS can engage in values-based investing. WSIB as fund manager has a prudent investment standard which stipulates they must place profit above all else; WSOS cannot engage in ESG work with WSIB as their fund manager. Legal counsel also advised that the state component is murky. If WSOS had a different fund manager, it still isn't entirely clear if they could engage in values-based investing given the potentially political nature of it. Connors noted WSIB is working on a climate and DEI blueprint to be released in 2023. This might update the definition of the prudent investment standard to include some of these investment opportunities. Connors committed to circle back to the issue if there was an opportunity for WSOS to engage.

Connors reviewed the gift acceptance policy updates. Administrative changes were made to take out WA STEM and replace it with 501 Commons and their team's contacts. Additionally, the specific provisions defining named scholarship amounts were struck because of a Board discussion on the topic. There were no questions or concerns.

**Committee Action:** La Cava moved to approve the updates to the gift acceptance policy. Rubright seconded, and it carried unanimously.

Smith said there is no need to move into executive session and thanked WA STEM for their work on behalf of WSOS.

Meeting was adjourned by consensus at 2:26pm.

Respectfully submitted,

Dena Parmer

## **Tab B**

### WSIB Quarterly Performance Report

# WSOS INVESTMENT AND FINANCE COMMITTEE PERFORMANCE REVIEW – 3Q 2022

DECEMBER 7, 2022

James Aber  
Director of Institutional Relations



## WSOS INVESTMENT PROGRAM SUMMARY

- Global equity and fixed income both had downturns for the quarter with fixed income performing slightly better
  - BaS and CTS funds (5% cash/25% equity/70% fixed income) returned -3.7% and -3.6% respectively for the quarter
  - BaS and CTS returned -13.1% for the 12 months ending September 30
  - Endowment (78% equity/22% fixed income) returned -5.8% for the quarter and -19.0% for the one-year period
  - State-match cash return remained at zero for the quarter
- Global equity funds returned -6.6% for the quarter and -20.9% for the year
- Fixed income funds returned -3.0% for the quarter and -11.4% for the year
- Volatility remains persistent based on increased inflation, the Fed's repeated hikes in target interest rates, and investor sentiment related to geopolitical/political tensions
- WSOS transactions during Q3:
  - WSOS's asset allocation update was approved by WSIB's Board members on November 17; rebalance to the allocation completed during November
  - Early September: Rebalancing in the BaS fund allowed \$2.7 million of excess cash to be invested in the fund's target allocation of public equity and fixed income
  - Early September: Rebalancing in CTS fund allowed \$1.9 million of excess cash to be invested in the fund's target allocation of public equity and fixed income



# CAPITAL MARKETS SUMMARY

## REPORTED AS OF SEPTEMBER 30, 2022

- Equities and bonds turned sharply lower in August and September as global central banks reaffirmed their commitment to fighting inflation
- The Fed and other central banks raised interest rates in Q3
  - The Fed's target rate finished the quarter at 3.25%, up from 0.25% since January
- Economic data for Q3 indicates slowing global growth
  - GDP data confirmed the U.S. economy is in a technical recession
  - Other payroll and jobs data points to resilience
- Developed equity markets declined -6.1% or -20.32% for the past 12 months
- Bond market indices ended the quarter with negative returns
  - The broad Bloomberg U.S. Universal index returned -4.5% for the quarter
- The 10-year U.S. Treasury yield increased by 0.82% to 3.8% at quarter end – the highest month-end close since December 2009
- Oil prices slipped during Q3, closing below \$90 a barrel for the first time since December 2021



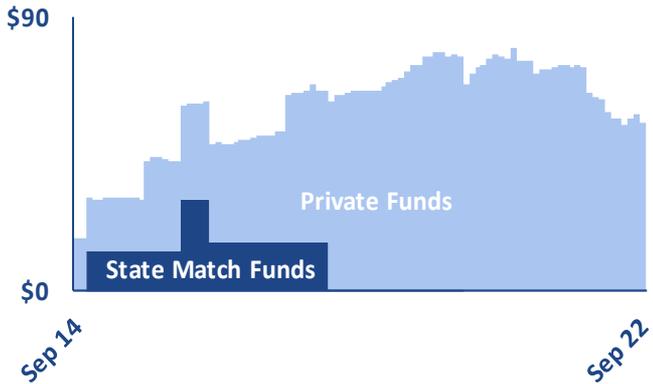
# WSOS GROWTH OF ASSETS

SEPTEMBER 30, 2022



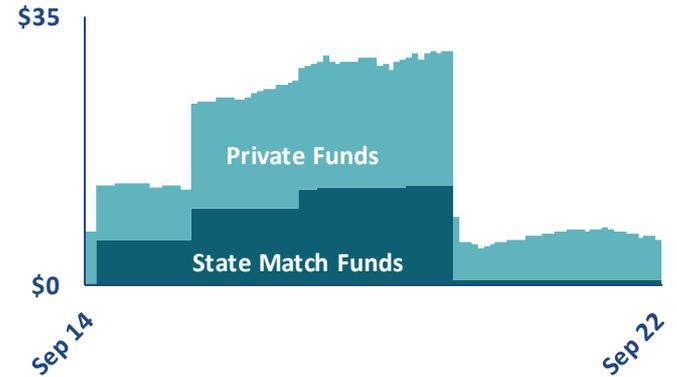
## BaS

- Total assets: \$54.9 million
- 100% private funds



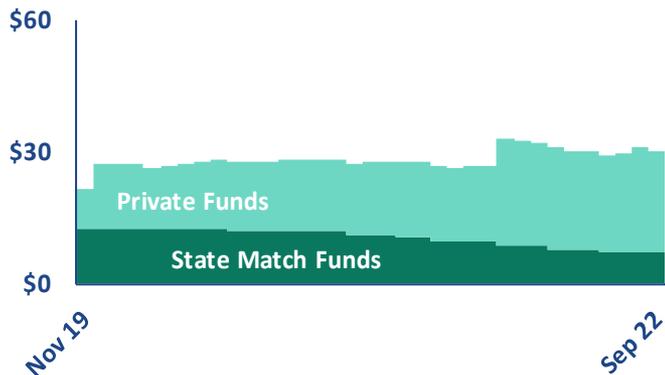
## Endowment

- Total assets: \$6.2 million
- 91% private funds and 9% state match funds



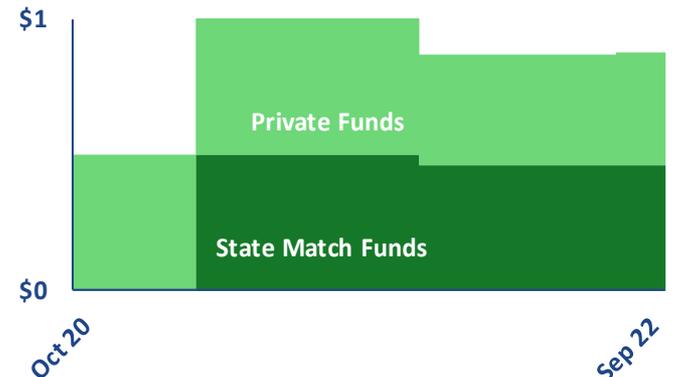
## CTS

- Total assets: \$29.1 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

SEPTEMBER 30, 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 5.30%	Fixed Income 21.76%	Cash 5.31%	Cash 100.00%
	Fixed Income 71.05%	Equity 78.24%	Fixed Income 70.98%	
	Equity 23.65%		Equity 23.72%	
	\$55,448,069	\$5,297,243	\$22,710,573	\$411,473
State Match	\$0	\$589,065	\$7,417,967	\$463,145

# FUND PERFORMANCE UPDATES

ALL COLUMNS SHOW PERFORMANCE CALCULATED AS OF SEPTEMBER 30, 2022

	Annualized				
	Qtr.	1 Year	3 Year	5 Year	Since Inception
<b>BaS</b>					
Private	-3.68%	-13.06%	0.20%	2.06%	3.53%
Private Benchmark	-3.71%	-13.43%	0.03%	1.96%	3.50%
State Match	0.00%	0.00%	0.22%	0.85%	0.65%
State Match Benchmark	0.46%	0.62%	0.60%	1.16%	0.86%
Private Funds Benchmark: 25% Equity, 70% Fixed Income, and 5% Cash. State Match Benchmark: 100% Cash					
<b>Endowment</b>					
Private	-5.81%	-19.04%	1.86%	3.16%	4.70%
Private Benchmark	-5.82%	-19.07%	2.99%	3.87%	5.08%
State Match	0.48%	0.66%	0.49%	1.02%	0.76%
State Match Benchmark	0.46%	0.62%	0.60%	1.16%	0.86%
Private Funds Benchmark: 80% Equity, 20% Fixed Income. State Match Benchmark: 100% Cash.					
<b>CTS</b>					
Private	-3.64%	-13.11%	N/A	N/A	-0.09%
Private Benchmark	-3.71%	-13.43%	N/A	N/A	-0.61%
State Match	0.48%	0.66%	N/A	N/A	0.42%
State Match Benchmark	0.46%	0.62%	N/A	N/A	0.52%
Private Funds Benchmark: 25% Equity, 70% Fixed Income, and 5% Cash. State Match Benchmark: 100% Cash.					
<b>GRD</b>					
Private	0.48%	0.66%	N/A	N/A	0.36%
Private Benchmark	0.46%	0.62%	N/A	N/A	0.35%
State Match	0.48%	0.66%	N/A	N/A	0.44%
State Match Benchmark	0.46%	0.62%	N/A	N/A	0.41%
Private Funds Benchmark: 100% Cash. State Match Benchmark: 100% Cash.					

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

## STRATEGY UPDATE – ASSET ALLOCATION

### WSOS Strategic Asset Allocation study completed in 2022

The Board approved the following asset allocation recommendations for the WSOS fund:

- Decreased the cash target to 0 percent from 5 percent and increased the public equity target to 30 percent from 25 percent for the Scholarship Account and Student Support Pathways Account
- Established the initial asset allocation for the Advanced Degrees Pathways Account at 30 percent public equity, 70 percent fixed income, and 0 percent cash, consistent with the other scholarship accounts
- Maintained the 80 percent public equity and 20 percent fixed income allocation for the Endowment Account
- The rebalancing for the Scholarship Account and the Student Support Pathways Account will occur by the end of November
  - For the Advanced Degrees Pathways Account, the rebalancing will occur by the end of the year

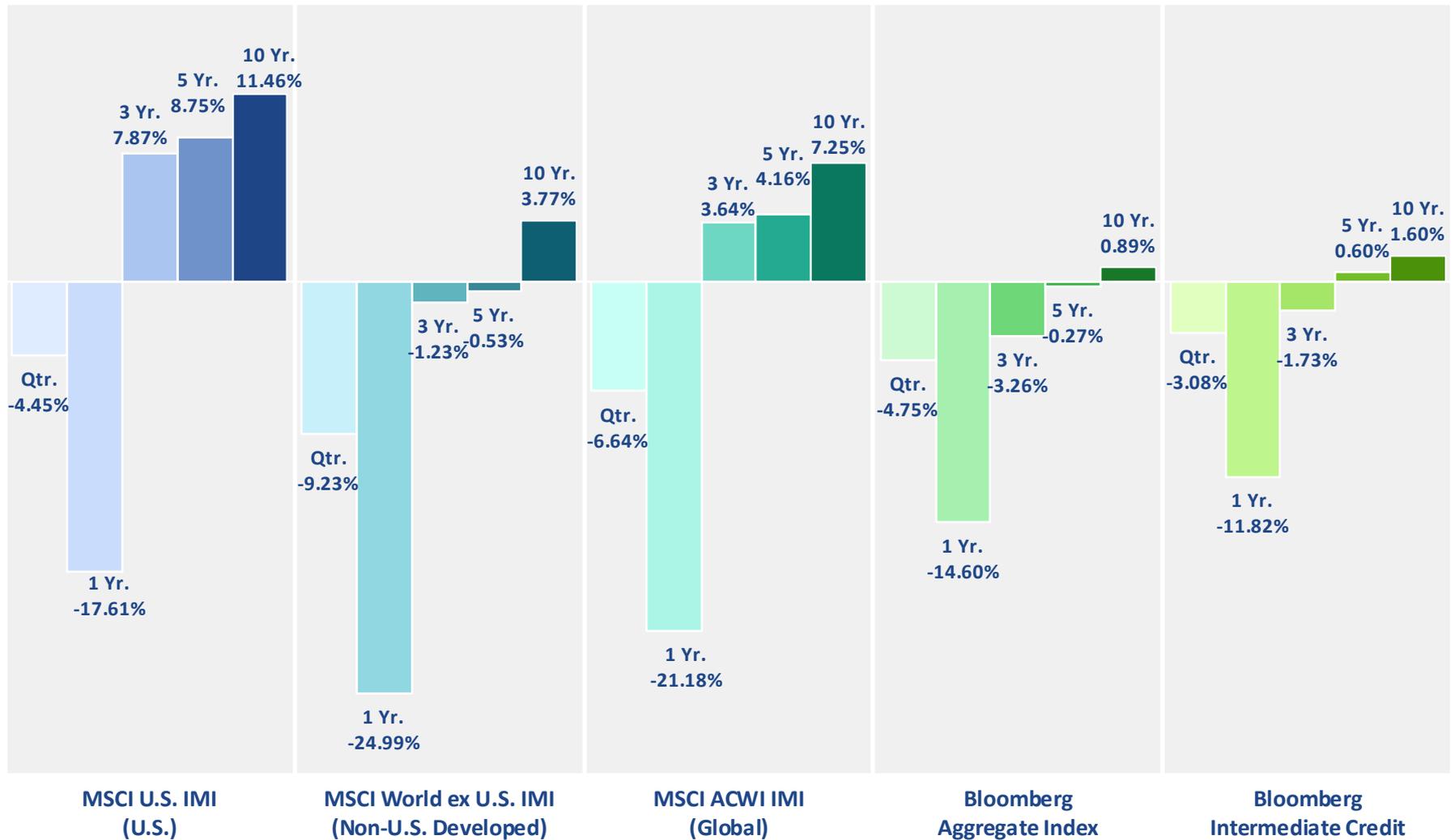
# FUND PERFORMANCE UPDATES

ALL COLUMNS SHOW PERFORMANCE CALCULATED AS OF SEPTEMBER 30, 2022

		Annualized			
	Qtr.	1 Year	3 Year	5 Year	Since Inception
<b>Equity</b>					
BaS	-6.56%	-20.92%	3.82%	4.74%	5.89%
Endowment	-6.55%	-20.94%	4.14%	4.60%	5.88%
CTS	-6.57%	-20.96%	N/A	N/A	2.88%
MSCI ACWI IMI w/ U.S. Gross	-6.57%	-20.97%	3.93%	4.46%	
<b>Fixed Income</b>					
BaS	-3.04%	-11.42%	-1.44%	0.87%	1.78%
Endowment	-3.04%	-11.41%	-1.43%	0.88%	1.78%
CTS	-3.04%	-11.37%	N/A	N/A	-1.60%
Bloomberg Intermediate Credit	-3.08%	-11.82%	-1.73%	0.60%	

# CAPITAL MARKETS AT A GLANCE

SEPTEMBER 30, 2022

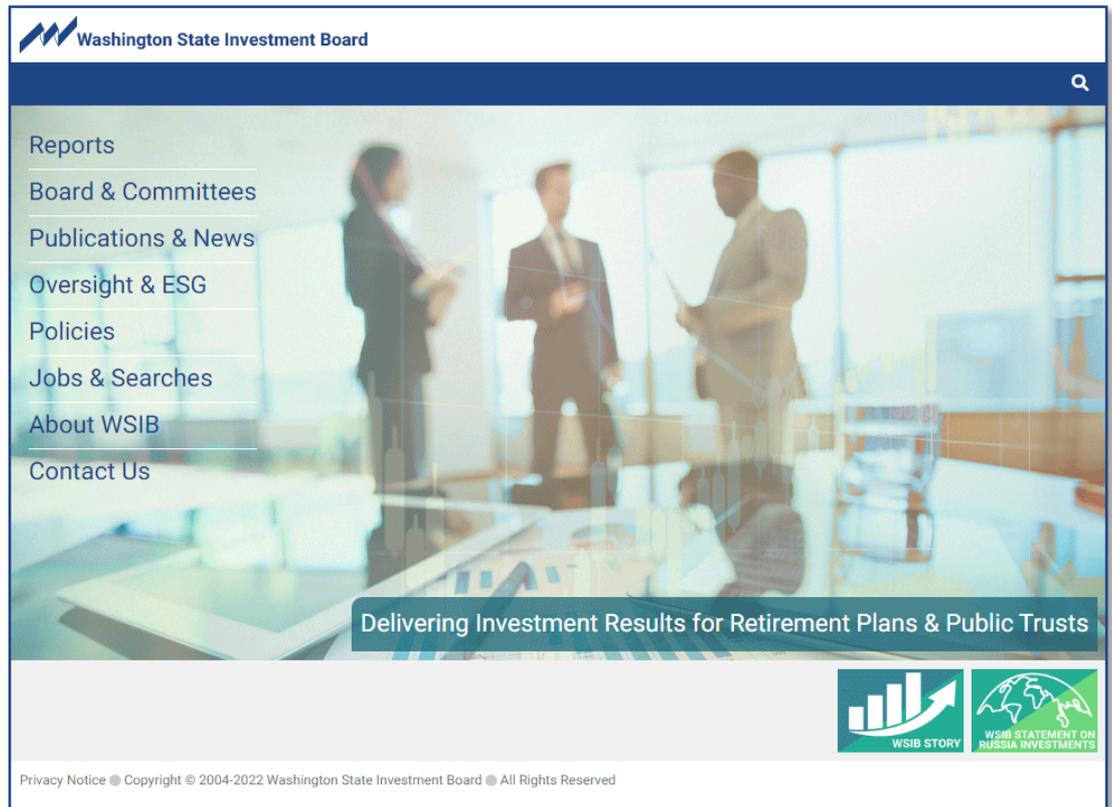


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WSIB STORY

WSIB STATEMENT ON RUSSIA INVESTMENTS

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## **Tab C**

Program Administrator Report

# FINANCE & PROGRAM ADMINISTRATOR UPDATE

October 31, 2022

WASHINGTON STATE  
**OPPORTUNITY**  
SCHOLARSHIP

# WSOS Balance Sheet

Washington State Opportunity Scholarship  
Comparative Balance Sheets  
October 31, 2022

	Comparison to Last Reported Period			Notes	Comparison to Same Period LFY		
	8/31/22	% Change	10/31/22		10/31/21	% Change	10/31/22
<b>Assets</b>							
Cash	1,076,992	407%	5,462,402	1	697,559	683%	5,462,402
Investments	96,537,525	-3%	93,374,434	2	109,183,013	-14%	93,374,434
Accounts Receivable	188,263	-4%	180,938	3	75	241151%	180,938
Pledges and Grants Receivable, net	23,989,134	-9%	21,915,334	3	9,843,260	123%	21,915,334
State match receivable, net	20,714	-100%	-	4	384,511	-100%	-
Unbilled State match revenue	85,553	5860%	5,099,027	4	214,596	2276%	5,099,027
Unbilled State match receivable, offset	(85,553)	5860%	(5,099,027)	4	(214,596)	2276%	(5,099,027)
Prepaid Expenses	75,119	-27%	54,494		52,676	3%	54,494
Property and equipment, net	16,449	5%	17,280		7,116	143%	17,280
<b>Total Assets</b>	<b>121,904,196</b>	<b>-1%</b>	<b>121,004,882</b>		<b>120,168,210</b>	<b>1%</b>	<b>121,004,882</b>
<b>Liabilities and Net Assets</b>							
Accounts Payable	141,770	16%	164,030		10,870	1409%	164,030
Payroll Related Liabilities	150,097	-98%	3,197	5	99,866	-97%	3,197
Scholarship Commitments Bacc., net	21,653,576	-1%	21,451,659	6	21,221,748	1%	21,451,659
Scholarship Commitments CTS, net	3,930,003	3%	4,035,009	6	3,500,709	15%	4,035,009
Scholarship Commitments RJI, net	206,064	0%	205,064	6	183,380	12%	205,064
Scholarship Commitments GRD, net	424,684	0%	424,684	6	152,126	179%	424,684
<b>Total Liabilities</b>	<b>26,506,194</b>	<b>-1%</b>	<b>26,283,643</b>		<b>25,168,699</b>	<b>4%</b>	<b>26,283,643</b>
<b>Net Assets</b>							
Temporarily Restricted Net Assets	95,398,002	-1%	94,721,239		94,999,511	0%	94,721,239
Permanently Restricted Net Assets	-	0%	-		-	0%	-
<b>Total Net Assets</b>	<b>95,398,002</b>	<b>-1%</b>	<b>94,721,239</b>		<b>94,999,511</b>	<b>0%</b>	<b>94,721,239</b>
<b>Total Liabilities and Net Assets</b>	<b>121,904,196</b>	<b>-1%</b>	<b>121,004,882</b>		<b>120,168,210</b>	<b>1%</b>	<b>121,004,882</b>

# WSOS Balance Sheet

## Notes:

1. Increase in cash between August and September primarily due to private receipts of \$5.1M, which included \$2.5M from Balmer, \$2.5M from Boeing, and \$100K for Bristol Myers Squibb. There was \$888K transferred from WA STEM to 501 Commons, including the final state match of \$20,718 paid from the last appropriation. There were a significant number of scholarship refunds in September and October: \$199k for BaS; \$139K CTS; and \$9k for RJI. Disbursements were \$167 for BaS, \$15K for CTS, and \$3K for RJI. There was no GRD activity.
2. Investment balance as of 10/31/22 includes WSIB BaS Scholarship \$55.99M, WSIB CTS Scholarship \$30.37M, WSIB Endowment \$6.14M, and WSIB GRD Scholarship \$876.7K. During the period of Sep - Oct, net investment losses across all accounts totaled ~\$3.16M.
3. Accounts receivable balance at 10.22 primarily made up of \$180K Employee Retention Credit related to Q3 2021, which we are awaiting payment on from the IRS. Pledges receivable is made up of \$12.5M from MSFT (to be paid in annual in \$2.5M installments), and \$9M pledge from Gary Rubens, \$385K from the City of Seattle, \$50K from Boeing, and \$41.2K from the WA Forest Protection Assoc. Note, Ballmer has also committed to \$10M, and we received the first \$2.5M in Sep. However, since it is being paid through a Donor Advised Fund, GAAP accounting does not allow us to record the revenue until funds are received, so it is not presented above.
4. After payment by WSAC of a portion of the August State Match invoices, WSAC depleted all matching funds for the FY ending 06.30.22. WSAC received additional appropriations at the beginning of their fiscal year starting 07.01.22 and we immediately invoiced for all private gifts from August 2021 through June 2022, as well as July 2022 as soon as we were able. We collected \$8.35M in state match receipts for those periods, and were able to also send an invoice for a portion of August receipts (the total balance of the state match receivable) before expending the appropriations for fiscal year starting 07.01.22, aside from some amounts retained to fund match on City of Seattle DEEL agreement of \$385K, and a small amount of RJI specific funds. \$85K in unbilled represents the portion of August receipts in excess of appropriations held at WSAC. New unbilled amounts of for Sep and Oct are \$2.5M and \$2.51M respectively, primarily for amounts paid by Boeing and Balmer.

# WSOS Balance Sheet (continued)

## Notes:

5. All WSOS employees were paid out final payroll through 8/31/22 in September, along with all accrued vacation days due to program administration change to 501 Commons. This small balance represents the retirement related liability.
6. Decrease in liabilities resulted from scholarship disbursements net of refunds of \$97.9K (BaS \$201.9K, CTS/RJI \$1.44M, GRD \$154K).

# WSOS Income Statement

## Washington State Opportunity Scholarship

### Income Statements

#### Actual vs. Budget

Ten Months Ending October 31, 2022

	Ten Months Ending October 31, 2022			December 31, 2022	
	Actual	Budget	Variance Fav (Unfav)	Notes	Annual Budget
<b>Revenue</b>					
Private	3,836,939	16,031,250	(12,194,311)	1	16,362,500
Public	8,551,718	8,469,345	82,373	2	8,469,345
Investment Dividends & Interest	148,601	37,500 *	111,101	3	45,000
Investment Unrealized/Realized Gains	(13,271,373)	3,884,794 *	(17,156,167)	3	4,661,752
Investment Fees	(41,889)	(51,617) *	9,728	3	(61,940)
<b>Total Revenue</b>	<b>(776,004)</b>	<b>28,371,272</b>	<b>(29,147,276)</b>		<b>29,476,657</b>
<b>Program Expense</b>					
Salaries and Benefits	2,152,361	2,540,309	387,948	4	3,185,747
Professional Fees - Program Admin fees	674,478	591,325	(83,153)	5	718,273
Professional Fees - Contractors & Lobbying	485,499	497,515	12,016	6	758,674
Conferences, Conventions & Meetings	36,773	165,018	128,245	7	190,221
Operating Expenses	172,000	268,512	96,512	8	323,622
	<b>3,521,111</b>	<b>4,062,679</b>	<b>541,568</b>		<b>5,176,537</b>
<b>Income (Loss) before Scholarship Exp</b>	<b>(4,297,115)</b>	<b>24,308,593</b>	<b>(28,605,708)</b>		<b>24,300,120</b>
<b>Scholarship Expense</b>	<b>15,370,692</b>	<b>17,973,627</b>	<b>2,602,935</b>	9	<b>20,740,426</b>
<b>Net Income (Loss)</b>	<b>(19,667,807)</b>	<b>6,334,966</b>	<b>(26,002,773)</b>		<b>3,559,694</b>

# WSOS Income Statement

## Notes:

1. New revenues between Sep and Oct totaled \$3.04M which included \$2.5M from Balmer, \$385K from City of Seattle, \$100K from Bristol Myers Squibb, \$41.2K for WA Forest Protection Assoc, \$5K from Kaiser, and \$8.5K from various individual donations. In April, 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. Budget expected additional cornerstone funding of ~\$15M, the Ballmer gift accounts for \$10M of that and the other \$5M from MSFT, which was actually 2021 revenue and grant received after budget prepared. See 12/31/21 reporting for revenue overage explaining much of difference.
2. Revenue Public: After appropriations were received in July 2022, WSOS was finally able to record state match revenue for the period of August 2021 - August 2022. WSOS expects similar delays going forward, and expects next appropriation to occur in July of 2023. For the period Sep - Oct, 2022 WSOS recorded no new revenue, as the appropriation is exhausted but for the \$385K for Promise Scholars. Additionally, WSOS recorded revenue related to Employee Retention Credit from 2021 of \$181K. The cash will be transferred to WSOS upon receipt.
3. Investment Returns: Actual YTD includes unrealized+realized losses of \$13M, interest & dividend income of \$148K and investment expense of \$42K. 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. Forecasting this difficult year for the markets was certainly unforeseen.
4. Personnel expenses are under budget by ~\$388K, the savings were due to position gaps related to departures (Baccalaureate Adviser, Senior Career Development Advisor, Awards Coordinator, Database Manager, Senior Development Director), 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 over budget, as the total cost of fees to be paid to WA STEM and to 501Commons were not fully known at time of budgeting.

# WSOS Income Statement (continued)

## Notes:

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 (~\$53K), as well as Website refresh consulting which was budgeted in February but which has not yet occurred (\$10K). These were offset by overages in legal of ~\$22K due to higher than expected legal costs during PA transition, as well as overages in recruitment and temporary support of \$8K and \$15K respectively due to turnover and difficulty in hiring open positions. BaS Scholar Lead and CTS Ambassador are on track to budget for the year, and represent \$108K and \$10K, respectively, of the professional fees actuals.
7. Conferences, Conventions, and Meetings costs were under budget for a few reasons, firstly, we budgeted for additional fundraising events outside of Opportunity Talks this year, but so far those haven't happened. Secondly, the WSOS office did not begin to open until March, while the budget expected return to office for the full year, and lastly, the way work is being done is more hybrid than before both internally and with our partners, which has led to less travel costs than would have been expected.
8. Operating Expenses costs were under budget likely related to covid quarantining measures which limited the need or amount of certain costs.
9. In August we recorded scholarship expense related to acceptance of new scholars for BaS, CTS/RJI, and GRD. Overall expense was under budget thru August, primarily due to differences in CTS/RJI expenses compared to budget. The primary reason for this difference was budgeted cost per student was higher than actual cost as our estimate during budgeting was based on data only through Fall of 2021. Now with data through Spring of 2022 we are seeing a lower trend in actual cost per student over the course of their scholarship. Secondly, we updated the liability model based on Steve Walker's recommendations to more accurately reflect what we have been seeing in our actual data, as previously the model used data from Tennessee Promise and SBCTC data sources, we our finding that our students look a little bit different than the students in those data sources; this change led to reduction in future liability related to already selected cohorts. The only additional scholarship expense in Sep – Oct was for GRD travel stipends (\$1,500).

# WSOS Cash Flow

## Cash Flow Summary

Inception-To-Date

October 31, 2022

	Inception - October 31, 2022				Comparison to August 31, 2022		
	Scholarship	Endowment	Notes	Total	Scholarship Variance	Endowment Variance	Total Variance
<b><u>CASH FLOW</u></b>							
<b>Cash Inflow:</b>							
Boeing	30,200,000	-		30,200,000	2,500,000	-	2,500,000
Balmer	2,500,000			2,500,000	2,500,000		2,500,000
Microsoft	37,500,000	-	1	37,500,000	-	-	-
Other Private	44,951,897	-	1	44,951,897	114,334	-	114,334
State Match	109,846,365	-	2	109,846,365	20,714	-	20,714
State Implementation Funds	500,000			500,000	-	-	-
Investment Income*	15,846,024	6,141,057	3	21,987,081	(2,937,047)	(227,661)	(3,164,708)
<b>Total Cash Inflows</b>	<b>241,344,286</b>	<b>6,141,057</b>		<b>247,485,343</b>	<b>2,198,001</b>	<b>(227,661)</b>	<b>1,970,340</b>
<b>Cash Outflow:</b>							
Scholarships	(119,962,673)	-	4	(119,962,673)	99,661	-	99,661
Program Expenses	(28,680,022)	(5,812)		(28,685,834)	(847,682)	-	(847,682)
<b>Total Cash Outflows</b>	<b>(148,642,695)</b>	<b>(5,812)</b>		<b>(148,648,507)</b>	<b>(748,021)</b>	<b>-</b>	<b>(748,021)</b>
<b>Net Cash Flow Inception-To-Date</b>	<b>92,701,591</b>	<b>6,135,245</b>		<b>98,836,836</b>	<b>1,449,980</b>	<b>(227,661)</b>	<b>1,222,319</b>
<b><u>Composition of Net Cash Flow</u></b>							
KeyBank Checking Account	5,462,402	-	5	5,462,402	4,385,410	-	4,385,410
Investment Accounts at WSIB and KeyBank	87,239,189	6,135,245	5	93,374,434	(2,935,430)	(227,661)	(3,163,091)
<b>Total</b>	<b>92,701,591</b>	<b>6,135,245</b>		<b>98,836,836</b>	<b>1,449,980</b>	<b>(227,661)</b>	<b>1,222,319</b>

# WSOS Cash Flow

## Notes:

1. Cash Inflow: Between Sep and Oct, WSOS received private receipts of \$5.1M, which included \$2.5M from Boeing, \$2.5M from Balmer, \$100K from Bristol Myers Squibb, and \$14 form small donors.
2. State - In the period between Sep and Oct, WSOS receive \$20.7K representing match on private receipts for August 2022. This is the final match until the next appropriation but for \$385K reserved for Promise Scholars.
3. Investment Income - September to October investment returns were made up of unrealized+realized losses of \$3.2M, interest & dividend income of \$63K and investment expense of \$8.2K.
4. Scholarship disbursements between September and October were \$448K (BaS \$403.5K, CTS/RJI \$44.5K, and GRD \$0K) and scholarship refunds totaled \$746K (\$418K Baccalaureate, \$328K CTS/RJI). GRD disbursements include ~\$1.5K related to travel and preceptor stipends.
5. Assets are maintained in Beneficial Checking and Money Market Accounts to meet short term cash needs, all excess dollars are invested in WSIB investment accounts to generate returns. 501 Commons took control of WSIB accounts starting 9/1/22. \$600K of cash sent to 501 Commons on 9/1/22, and another \$288K on 10/26/2022.

## **Tab D**

Program Update

**PROGRAM UPDATE | DECEMBER 2022**

**INTRODUCTION**

Since the October 2022 Washington State Opportunity Scholarship (WSOS) Board meeting, the WSOS team has started to build systems with our new program administrator, 501 Commons, and provided ongoing support to thousands of Scholars in a strong start to the 2022-23 academic year.

**AWARDS ADMINISTRATION**

The Awards team is preparing to launch the 12<sup>th</sup> annual Baccalaureate Scholarship (BaS) application which will be open from early January to early March. The team also closed the Career & Technical Scholarship (CTS) Cohort 4 winter application with 614 eligible applicants. This was 27% higher than Cohort 3 winter eligible applicant pool. This increase is attributed to the dedicated support of the external affairs team’s targeted promotional efforts. A summary of the winter CTS and RJL recipients is available in these Board materials, Tab D.

Scholarship Highlights:

	BaS	CTS/RJI	GRD	Total
<b>Total Actual Disbursed (2012-Present)</b>	\$111,643,352	\$8,238,987	\$241,457	\$120,123,797
<b>Scholars Enrolled 2022-23</b>	3,089	898	26	4,013
<b>CTS Winter C4 Applications</b>		697		697
<b>New Scholars Selected-Winter</b>		584		584

During this time each year, the Awards team presents the BaS selection principles. For the past two years, we’ve made minimal changes to the model. The selection model focuses on selecting Scholars who are:

- Heading into high-demand careers across Washington state
- Likely to graduate with a degree in STEM or health care
- More likely to complete their degree or program if they receive a scholarship

As we have refined our approach in the decade since inception, we now feel confident requesting the Board vote on evergreen selection principles for the BaS program which the team can apply year-over-year without requiring additional discussion and formal action each December. If approved, we will continue to provide updates and visibility around the impact of the principles in the program update though we will no longer present at the meeting. See Tab D for additional details.

In addition, the Awards team will ask the Board to vote on an evergreen model for the Baccalaureate and Career & Technical eligible majors/program principles. We have created a solid set of principles that has effectively guided us in selecting students driven into majors that lead to high-demand careers in Washington and wish to formalize our approach on a go-forward basis.

We have fine-tuned the principles we propose we solidify as our evergreen model for selecting eligible majors (BaS) and programs (CTS).

The proposed principles for BaS are that majors must:

- Lead to occupation in STEM or health care
- Lead to high-demand field of work in Washington
- Lead to an occupation with a living wage
- Lead to an occupation that requires a bachelor's degree for entry
- Be offered as a bachelor's degree from at least one Washington institution

The principles for CTS are that programs must:

- Lead to an occupation in STEM, health care or the trades
- Lead to high-demand field of work in Washington
- Lead to an occupation with a living wage
- Be offered at one Washington's community or technical colleges or through an approved apprenticeship site

These principles focus on creating objective guidelines that the Awards team will use to identify majors and programs that align with statutory and Board intent on an annual basis without requiring additional Board approvals. If approved, we will continue to provide updates and visibility around the impact of the principles in the program update though we will no longer present at the meeting. See Tab D for additional details.

## SCHOLAR PROGRAMS

### BACCALAUREATE SUPPORT SERVICES

Since the beginning of the academic year, 74% of first- and second-year Scholars have reported engaging with their peer mentors through the Scholar Lead program. Scholar Leads have completed over 7,300 outreach efforts to their Scholars, which have included welcome calls, invites to campus events and general touchpoints. Our goal is that at least 80% of Scholars utilize their Scholar Lead by the end of the academic year as we know this program has a positive impact on Scholar persistence. When we asked the current Scholar Leads about one of their highlights so far, one wrote: *"I love touching base with the Scholars when I call them because it's nice to support them their first year and answer any questions they have, along with providing additional resources."*

Skills that Shine (StS) launched in October, and 272 Scholars have paired with a mentor. Our goal is that at least 50% of third-year Scholars complete this program. We'll be just shy of that goal as 272 Scholars reflects 49%; we also anticipate some attrition. Last academic year, 47% of third-year Scholars paired with a mentor, so it's promising to see an increase in engagement, albeit small. We're hopeful that we'll trend toward more engagement next academic year.

We continue to promote career development resources beyond mentorship to fourth- and fifth-year Scholars. On November 1, we hosted our first networking event with Benaroya Research Institute (BRI): 19 Scholars participated and learned from BRI employees about their scientific focus on the immune system as well as the STEM career pathways available there. Additionally, we have shared two Industry Insider opportunities to promote summer internships with Bristol Myers Squibb and Nintendo. We are also partnering again with a fellow community-based organization, Degrees of Change, to promote applications for their summer 2023 Seed

internships. Through their Seed program, they collaborate with local organizations to build high-quality, paid internships for Scholars.

### **CAREER AND TECHNICAL SUPPORT SERVICES**

We are in the first academic year of our scaled Scholar Lead program for CTS. There are 23 Scholar Leads supporting over 380 Scholars, which is 48% of our total CTS population. We are also hiring eight more Scholar Leads this month who will help support the new Scholars who accept our scholarship in each subsequent quarter this year. Like the BaS program, CTS Scholar Leads are a resource for their Scholars in sharing advice, building connections and encouraging students to take advantage of their campus services like academic and career advising.

For career development programming, 53 Scholars paired with a mentor as part of the fall cycle of StS. Based on mid-cycle assessment, 85% of Scholars have met with their mentor at least once. One mentee noted: *"I want to share that my mentor has been very supportive and has been answering most of my questions. We are set for the second meeting this month. Super amazing program that I highly recommend for anyone."*

Our goal was 90 matches, which means we didn't reach it with 53 pairings. Attrition was higher than we expected as 100 Scholars submitted an interest form during the summer. We're applying this lesson learned as well as others while we prepare for the spring cycle which will launch in April 2023.

We hosted our first CTS alumni career panel. We featured four alumni panelists from various fields and 27 Scholars attended. The students heard from panelists about their post-graduation experience, where they currently work and more. Among the 16 Scholars who provided feedback about the event, 88% agreed/strongly agreed that the panel provided helpful information as it pertains to their career development.

### **GRADUATE SCHOLAR SUPPORT SERVICES**

This fall, we hosted three events for GRD Cohorts 1 & 2. On November 7, staff from the Washington Department of Health, Office of Rural Health presented to the Scholars about loan repayment options for working in healthcare shortage areas and the state-run service for finding health professional jobs in rural areas of Washington. The presentation was well attended with 13/25 (52%) of the Scholars attending live and more who viewed the recording. A GRD Scholar from WSU-Spokane commented: *"This was an AMAZING and efficient presentation! I'll be using these contacts ASAP."*

On November 19, Scholars convened by specialty in connection groups. These groups are for Scholars to share resources, hear from leaders in their field and support each other in their goal to work in underserved and health professional shortage areas. Both groups had rich conversations sharing helpful information and how WSOS can help them succeed.

We've successfully transitioned the travel and clinical site stipend process to 501 Commons and are up and running with executing stipends. We continue to reach out to Scholars, clinical coordinators at the schools and the clinical sites to encourage stipend usage. The sites that take advantage of the stipend are smaller practices in both urban and rural areas of the state.

We're in the initial stages of exploring what GRD expansion might look like. We've investigated the need and impact for adding MSW (Master of Social Work) programs to our portfolio; it seems unlikely this will be strategic for WSOS based on other MSW support mechanisms that might be on the horizon in Washington state. We're now pursuing the possibility of the impact and need for us to support Pharm. D. (Doctor in Pharmacy) and Physician's Assistant (PA) programs. We will keep you connected to how this exploration unfolds.

## **DEVELOPMENT UPDATE REVENUE TARGETS**

As of November 21, we have raised \$43,595,031 of our \$75M campaign goal. This includes \$10,880,534 for CY22. Originally, we had targeted raising \$16M in CY22 and \$12M in CY23 toward the campaign; given our staffing challenges this year, we don't anticipate hitting our CY22 target but do feel hopeful we will reach \$12M by year-end. We are currently working on some active solicitations that we hope to close before the end of December. Regardless, we will adjust our CY23 target to reflect actual revenue from CY22 and stay on track for campaign success. Given that we did not have OpportunityTalks in this calendar year and have had long vacancies for all front-line fundraiser roles on our team, we're pleased to have still had such a strong revenue outcome for the year. A huge thank you to the small but mighty WSOS development team!

With our skeleton crew and support from the external affairs team, we were able to launch our first-ever annual appeal which has garnered more than \$60,000 in support. If you'd like to contribute to WSOS for calendar year 2022, you can do so by visiting:

<https://www.waopportunityscholarship.org/donate/>

## **CAMPAIGN MILESTONES**

Milli, the marketing and communications agency we retained to support in campaign branding, has completed some preliminary campaign concepts for our the WSOS Tomorrow, Today campaign. We welcome your feedback and will be seeking your thoughts individually by email. See Tab C for details.

This quarter, we hosted a successful Hot Topic Dinner at Jane Park's home where the discussion on mentorship was lively and engaging. In December, we'll be hosting another Hot Topic Dinner at the Rainier Club, hosted by Miller Adams. As our development team gets staffed up in 2023, we hope to host more of these dinners in collaboration with other Board members.

This past year we have continued to establish strong report with our community partners. To expand our volunteer base and support volunteer pipeline development, we hosted 11 lunch and learn sessions with corporate partners and engaged with roughly 140 employees between these events. Additionally, we were asked to host an event with DocuSign for their IMPACT events with their executive team. To expand opportunities for Scholars, we shared several internship opportunities with Scholars. For internships in 2022, we had 13 Opportunity Scholars who were selected into internship positions and had 4+ corporate partners commit to tracking WSOS Scholar Applicants. For 2023 internships, we have secured ways to track WSOS

applicants with 5 organizations for the upcoming application cycles. For 2023, we have heard from 3 of our largest partners that they are not moving forward with internship programming as part of their recession prevention. However, we have over 5 partners who have volunteered to host career panels, seminar series, and internship information sessions from fall of 2022 – through the fall of 2023.

Don't forget OpportunityTalks is scheduled for **April 28, 2023**, at the Sheraton Seattle. This will be our homecoming with our first in-person event since 2019. It promises to be a morning of inspiration and impact!

## **HIRING FOR THE DEVELOPMENT TEAM**

The development team has four roles actively posted for recruitment. We're seeing much stronger interest in these positions than we were seeing earlier in the year, in part due to changing market conditions. We also changed the advertised compensation levels in an effort to attract higher quality applicants. We hope to fill at least two of the four by the beginning of 2023.

## **EXTERNAL AFFAIRS UPDATE**

The annual legislative report has taken up much of our time and attention as we head towards our December 1 deadline. This year's report was simplified to showcase and focus on the data, moving spotlights on students and programming for publication in our annual report in the spring. The year's legislative report includes the results of an alumni survey as well as updated outcomes thanks to our partnership with the Washington State Education and Research Data Center (ERDC). Check back on our social media channels and website in late December to learn more.

In addition to ongoing work to fill the vacated marketing and communications manager position and recruit for a new specialist role focused on promoting our suite of scholarship programs, we are excited to begin using some beautiful new photos thanks to the hard work of our communications specialist Kendyl Puhan who executed a flawless photoshoot with more than 15 current Scholars. These recent photos plus an investment in collecting Scholar stories and quotes will prepare us as we pivot our focus to fundraising and event collateral needs in early 2023 and beyond.

## **MEDIA COVERAGE**

Media coverage from September - November included:

- Cesar Seguil (WSOS associate programs director) was featured on the Entre Hermanos Mucho Gusto Podcast | Oct. 6
- WSOS and the CTS application were featured in two Tri-Cities radio stations via Stephen's Media Group | Oct. 10
- WSOS and the CTS application were also featured on Townsquare Media radio in Yakima | Oct. 10
- Washington students leaving money on the table by forgetting the FAFSA | Washington State Governor's Office blog, Oct. 18
- Global Campus inducts first distinguished alumni | WSU Insider, Nov. 22

## SOCIAL MEDIA COVERAGE

As an organization, we are focused on growing followership rates on all channels. To do this, we are utilizing a content strategy that moves our followers through the customer journey from interest to trust to brand loyalty. The first step is to create a feed that fosters belonging. We want followers to know they belong in our community and consistently see content that adds value to their lives.

As such, success indicators include 1) an increase in content views (impressions), 2) an increase in shares and engagement with our content, and 3) an increase in followers, especially from our target communities, including scholars, legislators, business leaders, nonprofits, etc.

### 1) Impressions: number of times our content was viewed

Impressions/views this quarter

	Total impressions September - October 2022
Facebook*	26,378
Twitter	15,557
LinkedIn	9,470
Instagram*	5,633
<b>Total</b>	<b>44,237</b>

\*Reach is used for Instagram and Facebook

Note: We are aware and following the changes happening at Twitter. At the moment, we are continuing to use the platform because of the value it provides related to our legislative and promotional content. We are not planning to pay for any advertising on Twitter and will continue to monitor the situation, adjusting if necessary.

### 2) Shares & Engagement

Engagement Rate YOY

	October 2020	October 2021	October 2022
Facebook	3.73%	1%	7.51%
Twitter	1.19%	2.39%	2.96%
LinkedIn	6.57%	7.25%	3.9%
Instagram	--	13.22%**	3.46%

\*\*October 2021 was not tracked; this number is for November 2021.

Content Shares

	September - October 2022
Facebook	18
Twitter	16
LinkedIn	13
Instagram	65
<b>Total</b>	<b>112</b>

When Opportunity Scholars, [like Noah](#), were featured on our social media accounts, they reshared them with their own audiences. This shows they trust us with their stories and value WSOS.

Community members shared our posts 112 times. We received shares from Next Success, a partner of Workforce Southwest Washington, Washington Center for Nursing, McKinstry employees, the Washington Department of Health, Representative Drew Hansen, the Seattle Department of Education and Early Learning, the Washington State Board for Community and Technical Colleges (SBCTC), and the SBCTC Executive Director.

We aim to increase User Generated Content by 150% this year. Currently, we are 53% of the way towards our goal.

**3) Followership growth**

Year-over-year followership growth

	October 2019	October 2020	October 2021	October 2022	Percentage Growth from 2022-2023
Facebook	3,702	3,962	4,078	4,407	8%
Twitter	1,827	1,863	1,879	1,960	4%
LinkedIn	200	662	1,172	1,694	45%
Instagram	234	540	898	1,029	15%
<b>Total audience size</b>	<b>5,763</b>	<b>7,027</b>	<b>8,027</b>	<b>9,090</b>	<b>13%</b>

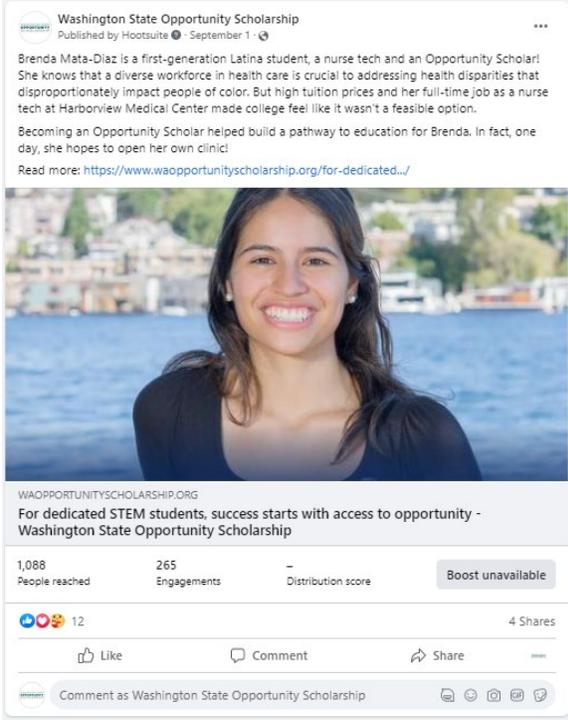
Followership growth, goals vs. actual

	Target % Growth for 2022-23 AY	Actual % Growth (as of October)
Facebook	5%	1.5%
Twitter	9%	1%
LinkedIn	45%	5%
Instagram	30%	2%
<b>Total audience size</b>	<b>16%</b>	<b>2%</b>

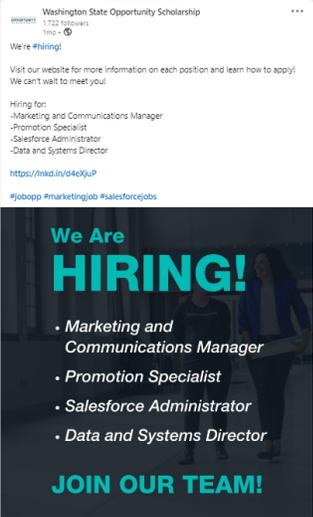
We had more than 25 students follow us on LinkedIn this quarter, along with some key leaders in our community. Leaders include the Microsoft TEALS program, NW Regional Equity Conference, the UW President, and leaders at WSAC and SBCTC.

**Top Performing Posts**

Facebook: [Brenda Mata-Diaz's story](#)



LinkedIn: [Hiring](#)



Instagram: [StS Mentorship](#)

**Right now, a Washington state student is waiting for a mentor.**

*Become a Skills that Shine mentor to a Career and Technical Scholarship student!*

Opportunity Scholar pictured: Irena

oppscholarship Right now, a Washington state student is waiting for a mentor. Someone like you!

As a Career and Technical Scholarship mentor you will build a relationship with an amazing Opportunity Scholar over a series of three meetings over the next three months!

Career and Technical Scholars are STEM, health care and trade students! Some of the most popular degrees support the health care, engineering, manufacturing, IT, and trade industries.

9w

View insights

Liked by nhuhnguyen and 20 others

SEPTEMBER 14

Add a comment... Post

Twitter: [FAFSA/WASFA Blog](#)

Washington State Opportunity Scholarship  
@OppScholarship

We're here to answer all your FAFSA and WASFA questions! ✓ ↓

Remember, completing the WASFA or the FAFSA each year is required to keep your WSOS funding!

waopportunitiescholarship.org  
Understanding the FAFSA and WASFA - Washington State Opportunity Scholar...  
Whether you're a FAFSA or WASFA user, it is important to understand your financial aid status. Your financial aid status is especially important because it ...

**OPERATIONS UPDATE**  
**COMPENSATION UPDATE**

Over the past couple of months, the executive team conducted a review of its salaries and compensation policy to ensure WSOS remained competitive in the non-profit sector. Notable changes to compensation practices include annual reviews for merit increases, an increase in the minimum hourly rate and open positions posted using the salary mid-point for transparency. WSOS continues to set salaries using the 75<sup>th</sup> percentile as the benchmark. Staff salaries requiring adjustment to keep pace with the market were adjusted effective November 1, 2022. WSOS staff members have voiced their appreciation for the changes in policy and existing employee benefits (i.e. health and wellness, professional development, and We See You Program).

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**PROGRAM UPDATE**

**12.07.2022**

# COMMITTEE ANNUAL SELF-EVALUATION

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SCHOLARSHIP

# COMMITTEE PURPOSE

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

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

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

# COMMITTEE RESPONSIBILITIES

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

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

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

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

# F&I COMMITTEE 2022 SELF-EVALUATION

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

**TAKE THE SURVEY**

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# DISCUSSION

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

# PROPOSED 2023 BUDGET

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# PROPOSED 2023 BUDGET

	2022	2023	
	Approved	Proposed	Variance
<b>REVENUES</b>	<b>24,831,845</b>	<b>17,414,999</b>	<b>-7,416,846</b>
<b>SCHOLARSHIP EXPENSES</b>	<b>20,740,426</b>	<b>16,970,412</b>	<b>-3,770,014</b>
<b>TOTAL NON-SCHOLARSHIP EXPENSES</b>	<b>5,176,537</b>	<b>5,642,428</b>	<b>465,891</b>
SCHOLAR LEAD STIPENDS	280,920	289,400	8,480
SALARIES, TAXES, BENEFITS	3,185,747	3,800,393	614,646
CONSULTING, PROFESSIONAL SERVICES & LOBBYING	477,754	480,184	2,430
PROGRAM ADMIN FEE	718,273	525,636	-192,637
ALL OTHER OPERATING COSTS	513,843	546,815	32,972

*Represents 90% programs; 10% operational spending.*

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 SCHOLARSHIP

# CAMPAIGN CONTINUES BUT AT SLOWER PACE.

- 2021 and 2022 budget revenues at historical highs
- 2023 revenue budget remains high but decreases (\$17.4M)
  - Differs from revenue targets in the campaign due to timing, DAFs, cash versus accrual basis
  - Includes new anticipated major gifts of ~\$5M by year-end
  - Includes state match of \$9.2M

*Reminder:* major giving & investment strategy means revenues don't equal expenses in most years at WSOS.

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# SCHOLARSHIP SPENDING ADJUSTED TO MATCH NEW COHORT MODEL.

- Significant increase on cohort sizes implemented in 2022-23
- Modeled 2022 budget based on adoption of Option C
- Model adjusted based on updated data

# NON-SCHOLARSHIP SPENDING WILL GROW BY ~\$465K.

- **Salaries + benefits (+\$614K)**
  - Anticipating 5% COLA (max of current policy) given Covid impacts on inflation
  - Two additional FTE represented
  - Compensation policy changes implemented
  - Moved professional development (~\$50k) to this line for better reporting
- **Program administration fee (-\$193K)**
  - Last year included budget of an 5% increase over current fee (not realized)
  - 2022 included transition costs which are not included in 2023
- **Interim support & inflation (+\$80K, +\$33K)**
  - Requesting \$80K to support hiring an interim during paid family leave
  - Costs broadly are up due to inflation

# DISCUSSION

- Are there any red flags you anticipate the Board seeing as risks or outliers in the 2023 proposed budget?
- Does the proposed increase in non-scholarship costs feel reasonable given our growth goals and one-time expenses?

# REQUESTED COMMITTEE ACTION

- Vote to recommend the WSOS Board adopt the 2023 proposed budget.

# EXECUTIVE SESSION

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**NEXT COMMITTEE MEETING**  
**Tuesday, March 21, 2023**