

**WASHINGTON STATE OPPORTUNITY SCHOLARSHIP BOARD MEETING  
TUESDAY, MARCH 3, 2020, 1-3 PM, MICROSOFT CAMPUS  
MEETING MINUTES**

The Board of Directors of the Washington State Opportunity Scholarship (WSOS) met on March 3, 2020, at the Microsoft headquarters in Redmond, Washington.

Board members: Miller Adams, Diane Cecchettini, Joelle Denney, Jane Park, Gary Rubens and Brad Smith; Mack Hogans, Julie Sandler and Mike Wilson by phone

Additional attendees: Jane Broom, Edwin Antonio, Gina Breukelman, Theresa Britschgi, Kimber Connors, Karyl Gregory, Sydney Parmis, Javana Cross Polenska, Dave Stolier and Steve Walker; Meg Chambers, Mesa Herman, Angela Jones, Jenna Magnotti, Jessica Monger, Hannah Olson, Cristal Rangel Peña, Stan Pichinevskiy, Keith Swenson, Aileen Tubo and Rachel Wyers by phone

**Meeting Called to Order**

Brad Smith called the Board Meeting to order at 1:00 pm.

**Approval of Minutes**

Jane Park moved that the minutes of the January 14, 2020 Board Meeting be approved. Diane Cecchettini seconded the motion, and it carried unanimously. Brad Smith expressed appreciation to Park for leading the last Board meeting in his absence.

**Mission Moment: Opportunity Scholar Story**

Kimber Connors, WSOS Executive Director, reported that WSOS Scholar Karina Neri was hoping to attend today's Board meeting but, unfortunately, she had unexpectedly scheduled to work. Sydney Parmis, WSOS Scholar Success Advisor, shared highlights of Neri's background and expressed great pleasure in having Neri as a Scholar Lead this year. Parmis then introduced WSOS Scholar Edwin Antonio who participated in our last Board meeting by phone. Antonio reported that he is a senior at UW and is double majoring in Chemical Engineering and Biochemistry. He spoke about his many activities and awards. He also shared his enthusiasm about being a Scholar Lead because of the tremendous growth he has seen in his mentees.

When asked by Park what his challenges have been, he stated that the academic advisors do not offer all the job options which are available to graduating students. Therefore, students need to do more research on their own. Smith asked about the difficulty of securing an academic advisor. Antonio stated that it is harder if you are not in your major. Joelle Denney asked Antonio for his best piece of advice for other Scholars. Antonio said, "Take a breath." Parmis reflected that Antonio goes above and beyond in his role as Scholar Lead. For example, he provides pizza for his mentees to increase attendance. Smith reflected on how inspiring it is to know that Scholars can do all that Antonio has accomplished.

**Baccalaureate (BaS) and Career & Technical Scholarship (CTS) Selection**

Steve Walker, WSOS Awards Administration Director, reported that WSOS hit a huge milestone when we selected our final 110 CTS Cohort 1 Scholars for the 2019-2020 academic program – its first full year of impact. He offered notable thanks to Mesa Herman, WSOS Scholar Awards Advisor, for her excellent work. Connors expressed special gratitude to Joelle Denney/Boeing and Gary Rubens/Rubens Family Foundation for their generous funding which made the CTS launch possible.

Walker reported first on the 2020 CTS spring selection results. He stated that there is a greater representation of health care applicants compared to health care job openings whereas there is under-representation of the same comparison with information technology (IT), engineering/manufacturing and trades.

Walker presented an overview of the 2019-2020 CTS applicants. The number of applicants per quarter reflected the expected greatest number for the fall quarter, then a gradual declining number for winter and spring. Walker noted this is representative of enrollees at community and technical colleges which tend to have the highest enrollment in fall term. The demographic summary included results on various factors for eligible applicants. The median family income (MFI) was \$15,410. Over 35% are age 30 and older and 39% are already in college or working versus 61% who are still in high school. Next year, the goal is to increase those in college and working to 50%. Gender data indicates that more women apply but more men are selected; this is due to the selection model preferencing higher demand fields which tended to have a greater proportion of male applicants. Our goal is to close the gender gap across all STEM and health care industries, and Walker shared there is more work to be done to target nontraditional applicants in all fields (e.g., more male applicants in health care and more female applicants in IT). In comparing Washington births versus selected Scholars, Walker shared how selected Scholars compared with the racial and ethnic diversity of the state.

Geographically, CTS applicants are represented in all 34 Community Technical Colleges (CTC) and in all 49 legislative districts. Walker noted that applicants are represented in only 30 of the 39 counties and the primary reason is the commuting distance to the nearest CTC. The cost and time to commute may overshadow the \$1,500 award. Gary Rubens suggested that WSOS over-promote in the 9 un-represented counties with online learning opportunities and identify targeted opportunities which would connect to relevant jobs in these specific counties. Walker noted he would follow up.

Denney asked what WSOS is doing to promote the CTS in high schools. Walker stated that we connect with high school counselors, the Washington STEM Regional Networks, Skills Centers, Workforce Development Councils, CTE Directors, science and math teachers, First Robotics and the Museum of Flight, among many other promotion partners.

Walker continued with a review of the BaS applicant pool leading to a Board vote on the 2020 selection criteria. He reported the impact of the BaS is quite notable: our Scholars are twice as likely to graduate in four years than their peers, and five years after college they earn twice as much as their family made when they applied. Thanks to the five-year pledge from the Rubens Family Foundation, BaS has funded up to 1862 Scholars over the past five years and that peak has ended. This year the scholarship is funding 750 Scholars. Walker noted there was a drop in applicants this year due to two reasons. First, about one quarter of the applicants shifted to applying for CTS. Second, the application window was cut in half, from two months to one month. The shortening of the application window was to align with college and other scholarship applications and accelerate notification; the hope is to notify Scholars they are selected before the May 1 college admission deadline to encourage students to choose a Washington-state college so they can receive WSOS. Walker shared WSOS had timed the roll-out of this change intentionally to coincide with the drop in selected Scholars. The goal is to increase the applicant pool next year. Connors highlighted Walker's creativity with increasing the percent of applicants who are eligible from 60% to 76% this year.

Walker presented the three selection goals: prioritize impact statewide in high-demand fields, select Scholars who are highly likely to complete their program and promote equity of access to higher education. He stated that the BaS selection model is based on the following criteria: intended major (prioritize jobs WA needs most), community opportunity (prioritize WA communities that need these jobs most), STEM essay (prioritize applicants most likely to graduate in STEM/HC), resiliency essay (prioritize applicants most likely to graduate), GPA (prioritize applicants most likely to graduate), family income (prioritize applicants least likely to graduate without our support) and first generation student (prioritize applicants least likely to graduate without our support).

Walker presented the recommended selection model for Cohort 9 with a comparison to the previous cohort. The percentages of these criteria would remain the same: intended major at 20%, resilience essay at 12.5% and GPA at 20%. Percent changes would include the following: community opportunity from 8% to 12% to elevate the statewide reach of the scholarship; STEM essay from 7.5% to 12.5% because it would attribute more importance to their sustained interest in their program through graduation; family income from 20% to 15% and first generation from 12% to 8%. Walker highlighted that the recommended changes were in response to the more competitive selection process with fewer seats available. The impact of these changes (when compared

with the last cohort) would increase the MFI from \$32,370 to \$35,680, decrease the percent of first-generation students from 77% to 71% and increase the number of counties represented from 32 to 34 (out of 39).

Smith noted that given the fewer number of scholarships available for this cohort, this recommended selection model works more effectively to fulfill the Legislature's intent of helping middle income families and targeting scholarships to the most in-demand jobs. He further noted that greater funding for the Washington College Grant this year helps students with tuition but the deal breaker is the cost of attendance. Smith expressed the value of these criteria which address the Scholars' likelihood to be successful, community need and socioeconomic diversity. Walker noted that the gender composition of the Cohort 9 would change from 54% to 52% women, 41% to 42% men and from 5% to 6% for those who did not identify their gender.

Miller Adams asked what WSOS is doing to increase the success of Scholars who are first generation students and from lower income families. He asked whether applicants from these backgrounds are more likely to score lower on essays and are disadvantaged in the application process. Walker responded by saying each Scholar is paired with a Scholar Lead, like Antonio, for their first two years and then with an industry mentor for their final two years which is aimed at supporting all Scholars, not just first-generation or low-income students. Walker acknowledged that students from low-income families might have lesser access to excellent K-12 education that might prepare them to write an excellent essay; however, Walker added that essays are not measured by punctuation, grammar or spelling and clarified that WSOS has statistically examined essay scores and found a statistically significant difference in the essay scores of applicants by first generation status or income.

Connors reported that a state representative was concerned that our BaS was not supporting more STEM educators. She highlighted the team had made a concerted effort to improve promotion efforts among potential STEM educator applicants and had seen a considerable increase in the number of eligible applicants. Park indicated she would have appreciated seeing additional success metrics.

**Board Action:** Cecchettini made a motion to accept the recommended BaS selection model with additional metrics to be included in next year's presentation. Denney seconded the motion, and it carried unanimously.

### **Advanced Health Care Design Thinking**

Diane Cecchettini presented with Connors. Connors presented the legislative history with HB 2143 which was passed in spring 2018 with a \$1M biannual state match cap. The legislation supports WSOS expanding to include advanced degrees in health care fields to address workforce shortages in medically underserved areas, with a specific focus in behavioral health. Britschgi reported the background research on best practices. Input was then gathered from industry, education, philanthropy, students, policy makers and other experts. WSOS staff built an initial program design based on feedback which forms the basis for today's update to the Board. Next steps include finalizing the program design proposal, securing a cornerstone partnership and gaining design approval from the Board. The goal is to bring this forward at the June 2020 Board meeting.

Connors identified four problems. First, there is a lack of health care providers with an advanced degree including dentists, physicians and nurse practitioners. Second, medically underserved areas struggle to attract talent because they are less well-resourced and are often located in rural areas. Third, the landscape review indicates that loan repayment programs exist but with varying levels of efficacy. Fourth, very few scholarship opportunities or other financial aid are available for pursuing advanced degrees. Especially for behavioral health, Cecchettini stated that it is important to know what other programs exist such as loan repayment and their level of efficacy.

Cecchettini stated the proposed target recipients would be nurse practitioners (ARNPs) who are seeking a Doctor of Nursing Practice - DNP. The rationale for these target recipients is as follows: (1) Nurse practitioners complete their coursework and clinical practicum in a relatively short period of time. (2) Unlike physicians whose residency can frequently take them out-of-state, in-state clinical practicums serve as a proxy for where graduates ultimately practice. (3) Nurse practitioners perform with largely the same independence as primary care physicians and can prescribe medications without physician oversight. (4) Clinics and hospitals can employ nurse practitioners for more affordable rates than primary care physician counterparts and bill their time to

insurance. Connors added that research shows nurse practitioners often have better patient health outcomes than physicians.

Cecchettini noted the specific components of the Advanced Health Care Scholarship. First, the maximum award is \$40,000 which would be split between years 2 and 3 of their DNP program. This amount would represent ~40% of their cost of attendance. Second, while the design is targeting those seeking a DNP, consideration is being given to those pursuing a MS track at Gonzaga or PLU. Third, providing support in the 2<sup>nd</sup> and 3<sup>rd</sup> year of the program coincides with the timing of their practicum selection. Focus will be on those recipients with an interest in medically underserved areas in WA. There is no repayment provision, however, the scholarship would involve a two-year service commitment post funding. Campuses which offer the programs proposed include Gonzaga, WSU, SPU, SU, UW and PLU. Fourth, the biennium cap is \$1M which represents \$1M maximum in private and public funding per year. The maximum capacity is 50 enrollees with 25 in each cohort. A possible pilot launch envisions six Scholars with \$120K in private dollars; \$240K with the state match.

Mike Wilson asked if the scholarship would address vacancies in the state. Connors affirmed that it would. Connors reported that WSOS would locate preceptor and practicum sites in medically underserved areas in WA. Wilson asked if we could use the money to offer a stipend to scholarship recipients so they could move to those underserved areas. Connors said she would have to work with Dave Stolier to affirm if that program element would align with statutory requirements. Wilson also asked if the 50 enrollees would be based on 50 new seats or 50 existing ones. Britschgi stated that we would not increase the number of new seats but increase the number of DNP seats pursuing a Behavioral Health/Psychiatry track and hope to refocus nurse practitioners to serving in rural or medically underserved areas.

Wilson observed that the income of a master's level graduate is the same as a doctoral level graduate so he questioned why WSOS would support doctoral candidates when cost to attend these programs is so much higher. Cecchettini stated it is because of the current situation which exists in WA: two colleges offer master's degrees and six offer doctorates. The industry is moving in a direction that will likely ultimately eliminate MSN programs altogether.

Connors presented two challenges of seeking a cornerstone partnership. First, we need to explore how the income requirement and the WA high school graduation requirement will impact eligible students. Second, health care industry partners are excited about our existing CTS and BaS programs. Consequently, there may need to be some legislative conversations next year around the eligibility change and seed funding for the program. Connors foresees a possible pilot launch this fall with the full launch in fall 2021 pending securing a cornerstone partnership. Park asked if we are responding to the current legislation and recommended a further examination of it. Smith noted that the fixed costs of the program are constant and reflected that all of today's design presentation and discussion calls for ongoing dialogue with the Legislature.

### **Finance & Program Administrator Update**

Connors enthusiastically reported that she can now go back to the Legislature to announce we have a funder for the Rural Jobs Initiative with a commitment of \$250K per year over the next four years for a total of \$1M.

Mack Hogans reported that the WSOS Finance & Investment Committee met last week and received the financial report from Washington STEM as well as the investment update from the Washington State Investment Board (WSIB) through 12/31/19. Hogans confirmed a strong balance sheet and indicates it remains that way despite some recent volatility. Hogans stated that assets total \$119M while liabilities equal \$33M. All variances are easily explained. Funds totaling \$108M are managed well by WSIB within current allocation parameters.

Connors reported that the target allocations of the new CTS Account were temporarily matched by WSIB to the BaS Account as a de-risking intermediate step. WSIB then completed a full asset allocation study for the new CTS fund. As a result of that study, WSIB recommended to the Committee that the CTS Account share the same allocations as the BaS Account due to their similar program structures. The WSOS Finance & Investment Committee formally voted to recommend approval of WSIB's recommendation.

**Board Action:** Denney made a motion to approve the CTS Account allocation with the same risk profile as the existing BaS Account. The motion was seconded by Park, and it carried unanimously.

**Executive Session**

The Board went into Executive Session at 2:42 pm. The public WSOS Board meeting resumed at 3:03 pm.

**Board Action:** Park made a motion that the Board: (1) approve a 1.6% COLA for the WSOS Executive Director, retroactive to 01/03/20, which sets her 2020 salary to \$167,640; (2) approve a 10% year-end bonus based on her 2019 total payroll, \$137,111.30, which is equal to \$13,711. In both bases, the WSOS Board will instruct Washington STEM to execute the changes. Cecchettini seconded the motion, and it carried unanimously.

The meeting adjourned at 3:05 pm.

Respectfully submitted,  
Karyl Gregory