

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

The Board of Directors of the Washington State Opportunity Scholarship (WSOS) convened on April 1, 2021, via Microsoft Teams and dial in only in alignment with the Governor's suspension of the Public Meetings Act due to COVID-19 precautions. As such, the meeting was publicized as available to the public on the WSOS website though no physical location was hosted.

Board members: Brad Smith (Chair), Miller Adams, Diane Cecchettini, Joelle Denney, Latisha Hill, Jane Park, Gary Rubens, Julie Sandler, Patrick Smith and Mike Wilson

Additional attendees: Lianda Abraham, Kate Banta-Green, Michelle Barreto, Gina Breukelman, Jane Broom, Tori Campbell, Meg Chambers, Kimber Connors, Karyl Gregory, Mesa Herman, Sue Ann Huang, Nicolas Khamphilom, Natalie Lamberjack, Barbara Maduell, Jenna Magnotti, Jessica Monger, Joanna Moznette, Brittany Nielsen, Hannah Olson, Cristal Rangel Peña, Javana Cross Polenska, Vanesa Contreras Rodriguez, Mary Saray, Yoko Shimomura, Dave Stolier, Sarah Szabo, Heidi Thomson, Aileen Tubo, Steve Walker, and Rachel Wyers

**Meeting Called to Order**

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

**Approval of Minutes**

Diane Cecchettini requested a modification to the December minutes to clarify an error where retention had been interchanged for attrition. With that correction included, she moved that the minutes of the December 17, 2020, Board meeting be approved. Mike Wilson seconded the motion, and it carried unanimously.

**Mission Moment: Opportunity Scholar Story**

Sue Ann Huang, WSOS CTS Manager, introduced Mary Saray, a CTS recipient in her third quarter of the Computer Programming and Web Development Associate of Applied Technology degree program at Clover Park Technical College (CPTC). Saray shared that she was born and raised in Tacoma with five siblings in a low-income family. She graduated from Henry Foss High School in 2009 and started her freshman year at CPTC but needed to take a pause due to some serious health issues. Saray worked as a Medical Records Clerk for six years prior to returning to CPTC. Saray participated in a WSOS Listening Session in February and is excited about participating in our industry mentorship pilot in April and May. Saray expressed her sincere gratitude for being selected.

In response to questions from Board members, Saray shared that a recent database assignment piqued her interest in distributed ledger technology and how the blockchain works. She recognizes that other facets of Applied Technology may also capture her focus in her remaining three quarters so she is unsure of her specific career path at this time.

Saray named the current courses she is taking, and indicated she has classes and labs each week. She started the program pre-COVID, so she had some previous online experience which definitely helped once the pandemic restrictions began. She has yet to meet her instructors in person, and the upcoming spring quarter will also be online. She shared that it has been challenging to wait for answers from her instructors, but she has learned to adapt.

Saray is planning to finish her AA and graduate at the end of winter 2022. She shared that she wants to give back to her community and be a beacon of light to others so they can have the motivation to go for their own dream regardless of their income level, age, gender or ethnicity.

### **Career & Technical Scholarship Support Services**

Javania Polenska, WSOS Deputy Director, reported on the delivery of our CTS support services. The goal this academic year has been to learn, test and scale our CTS support services using these three guiding questions: How do we increase accessibility to CTS for those Scholars who are furthest away from opportunity? What are the highest leverage point actions we can take to increase the likelihood of their program completion and job attainment? How do we get more Scholars to opt into campus-based and WSOS-initiated programming? We recognize that our CTS recipients are typically older, parents and working full-time during a global pandemic. Improving CTS access requires Scholars' increased representation, relationships and information. Scholars need to see people who look like themselves and have similar life experiences. They need to know the scholarship is available to them.

This year we have amplified issues and resources for Black, Indigenous and other Scholars of color (BIPOC). We have also increased communication with community-based organizations, hosted information sessions with community partners and improved visibility and access to WSOS content. Test programs are paying off, and we will continue to scale these efforts in 2021-22. We are also exploring increased promotional advertising. Joelle Denney asked how we are reaching high school students. Polenska reported that we are opening the application earlier in the fall and high school guidance counselors are actively involved. Wilson asked how we are connecting with People of Color clubs on campuses. Polenska stated that we have an intentional outreach program that includes targeting clubs that aim to serve BIPOC students. Latisha Hill asked if we are doing any work with unions across the state. Polenska advised that we engage people who look like our Scholars throughout our industry engagement program. Kimber Connors, WSOS executive director, added that we work directly with union leaders through our advocacy work.

Polenska reported that understanding our Scholars and their lived experiences, especially our marginalized populations, drives our program design. Connecting Scholars to the right resources is vital. The available resources at community and technical colleges varies by campus. In some cases, Scholars do not know how to navigate the campus resources that exist so that is where we step in with assistance. We are testing various outreach methods: listening sessions, resource guides focused on essential needs, a LinkedIn group, resume reviews, a two-month industry mentorship program and targeted outreach with personal invitations and phone calls. We are also in the very early stage of testing the concept of a CTS Scholar Ambassadors program. Finally, we solicit priority access for our CTS Scholars to internship opportunities from industry partners. We recognize that campus and WSOS-based programming is fighting for their share of mind. Through what we learn from testing a variety of approaches and supports, we will scale what works well in 2021-22 and iterate to great.

Brad Smith asked if a pattern has emerged. Polenska stated that we are not yet seeing any trends as this early pilot year has only provided a small sample of data. The only constant is that WSOS' supports are not yet in the Scholars' choice set so we need to focus on building visibility and buy-in. Jane Park asked if there was one support that we should lean into more than the others. Polenska identified the mentorship program which has demonstrated strong results and added that we are open to leaning into more than one proven approach. Connors added that the programs currently being tested are so varied that we will likely select only a handful of key support services to scale. The goal, Polenska indicated, is to provide Scholars with support services which are geared toward their academic success and ultimate job placement. Miller Adams asked for additional details on the listening sessions. Polenska stated that they were casual conversations with small groups of current recipients. Denney observed that we could better promote the scholarship to high school aged applicants by partnering with Boeing's Core Plus program. Connors committed to following up after the Board meeting.

### **Scholarship Selection Q&A**

Steve Walker, WSOS Awards Administration Director, presented a selection overview of BaS Cohort 10, CTS Cohort 2 and the inaugural Rural Jobs Initiative (RJI) Cohort. A full description of BaS, CTS and RJI selection factors and their impact is included in Tab D of the pre-read materials.

BaS Cohort 10 saw 3,146 applicants, of which we selected 750 Scholars based on Board-approved criteria. Those Selects have a median family income of \$37K. They represent 34 of 39 counties and 49 of 49 legislative districts. Cohort 10 Scholars with first generation status increased over Cohort 9 by 4%, the number of women increased by 1% to 55% and POC increased by 1%. The percentage of Scholars selected in each field corresponded closely to the respective share of job openings in that field across the state. Compared to Washington employment data, a higher percentage of female Scholars were selected in the following top three fields: computer science, engineering and health care. Using the same comparison to employment data, an even greater percentage of underrepresented Scholars by race/ethnicity were selected in the same three fields.

CTS Cohort 2 saw 1,926 applicants, of which 550 were selected. These Scholars have a median family income of \$16K and represent 33 of 34 colleges, 32 of 39 counties and 49 of 49 legislative districts. The top 5 colleges they are heading to encompass Spokane Community College, Bellingham Technical College, Bates Technical College, Everett Community College and South Seattle College. Compared to Washington employment data, a higher percentage of female Scholars were selected in these top five fields: accounting, health care, IT, manufacturing and trades. An even greater percentage of underrepresented Scholars by race/ethnicity were selected in the same five fields. In comparing Cohort 2 to Cohort 1, health care and accounting saw more selects, while trades, IT and manufacturing saw fewer selects. The proportion of first-generation recipients decreased by 11%, women were up by 12% and there was no change with BIPOC.

For RJI Cohort 1, 50 of 188 eligible applicants were selected; 36 of these 50 recipients were also selected for the CTS. To ensure an equitable geographic distribution of recipients, we included a “regional cap” that limited selects per eligible workforce development region to 1.5 times its share of the state’s rural population. RJI Cohort 1 Scholars have a median family income of \$13K, typically live more than 35 miles from campus, and represent 8 of 8 eligible regions and 11 of 14 eligible colleges. First generation status comprised 88% of the selected Scholars.

Adams asked if we were tracking single parent status before COVID, and Walker stated we were not. Patrick Smith asked why BaS includes both public and private institutions whereas CTS only includes public ones. Walker stated that there are excellent private institutions but the legislation for CTS only encompasses public ones at this time. Connors added that this has been a conversation among legislators but there is not a bipartisan appetite to change that restriction in the near term.

### **Fund to 2030: Feasibility Study Results**

Connors reported that Breakthrough Fundraising Group (BFG) was hired to conduct a feasibility study to assess our moving forward successfully in a \$100M campaign to shift from a sunset to a sustaining model. The \$100M goal would become \$200M with the Washington state match. Connors introduced Barbara Maduell, Kate Banta-Green and Natalie Lamberjack from BFG to share the results. Connors advised that the case statement is included in the pre-read materials. Additionally, cornerstone partners nor their peer prospects were included in the interview phase of the study.

Maduell thanked Connors and WSOS for the opportunity to collaborate on this feasibility study. Maduell reported that the BFG team workshopped a case statement with WSOS staff, interviewed 20 stakeholders to assess their interest and convened a Study Advisory Committee for their insights and feedback. Maduell then presented their final deliverables. From the 20 interviews conducted, four strengths were identified: outcomes warrant reinvestment through 2030 and beyond for the sustainable model; confidence holds strong in the WSOS Board and executive leadership; matching and flexible

funding distinguish WSOS from others; and general interest is high in supporting WSOS financially and as champions.

The following challenges will result from transitioning from a sunset model to a sustaining model: donors need engagement to consider significant investment; the Board is not yet activated for fundraising; and the infrastructure is not yet in place to broaden and deepen the base of supporters. Adams stated that he thought the Board was already at 100% commitment. Kate Banta-Green suggested that the commitment could be more financially meaningful. Brad Smith commented that this has never been the expectation of Board members. The goal of the Board's representation has always been from all levels of income. Connors confirmed that the focus has always been and will remain a request for Board members' connections for gaining industry partners, not for significant personal giving. Connors also affirmed that all Board members generously participate in the Challenge Fund each year.

Natalie Lamberjack presented two strategy recommendations. First, secure corporate, philanthropic partners who see WSOS providing strong impact as a full-service organization. Cornerstone partners would envision their six- and seven-digit donations as turnkey with clear benefits to our Scholars and to societal good. Engaging employees across all departments and utilizing a CRM will be pivotal in targeting the largest employers in our area. The OpportunityTalks Breakfast will continue as an important point of entry but should be used more strategically to engage and steward donors. Second, secure C-Suite individual gifts activated by corporate participation. Annual giving is the pipeline for major gifts with a case focus on student equity.

Banta-Green described the infrastructure needed: build the bench for year-round donor activity at a high investment level which extends beyond our annual OpportunityTalks Breakfast; provide high-touch support for Board members and other volunteers; and integrate a cohesive development strategy across all WSOS departments. This will require an increased cost for staffing because we have been largely dependent until now on just a few high-level donors. The strategy of acquiring more cornerstone partners will further reduce risk in maintaining the sustainable model.

Banta-Green continued with describing the Board's role: endorse and embrace the campaign messaging; partner with staff to open doors with your peer prospects; serve as thought leaders in community on mission-aligned topics to increase the visibility of the Board; and demonstrate commitment with a meaningful gift from yourself, your business or both.

Cecchetti noted that BFG's presentation was missing the excitement of all that WSOS brings to the table. Maduell reported that what differentiates WSOS was clearly communicated by each person interviewed. Every interviewee was impressed with WSOS' superb outcomes. Banta-Green added that all the interviewees were excited to offer financial support and assist with opening doors with their peer prospects. Brad Smith stated that WSOS is indeed fulfilling its legislative mandate. More people who have grown up in Washington and could not otherwise afford to go to college can do so now because of WSOS, and these graduates are landing high-demand STEM jobs. WSOS is achieving its mission well and to scale. WSOS is making a significant difference with both student equity and addressing Washington's workforce shortage. Lamberjack added that WSOS has the metrics to prove our program works.

Connors then addressed the next steps to be taken over the next 18+ months. To date, the messaging has been tested, an overarching strategy proposed and building infrastructure has begun. The messaging has been refined, and we are confident that it resonates. Over the next three months, important infrastructure changes will occur with hiring a permanent development director, utilizing a CRM for donor moves management and developing other processes. Final strategic recommendations for the campaign will be formalized building on what we learned from BFG but with our own unique model built in. Our understanding of the path to securing \$90M is growing, and we anticipate that it will likely involve our securing 7-figure gifts from 40-50 investors.

Over the next six months, we will engage in the cornerstone renewal phase with launching the donor database, onboarding the permanent development director, stewarding existing donors, confirming the re-commitment of two legacy cornerstones, exploring the likelihood of a third cornerstone renewal, prospecting research and donor qualification, and defining campaign phases, timeline and structure. We will make optimal use of the power and influence of the Board to connect with others. The Board's leadership will make this real.

Over the next 18+ months, we will confirm a third cornerstone renewal or new prospect, aim at securing 60%+ of the private goal in cornerstone support, seek Board participation as first supporters and connectors, identify "not yet known" prospects to grow from \$60M to \$85M, and lead to a formal public announcement that we have reached 85-90% of the goal pledged. We do not plan to make any changes to the scholarship model until the momentum of the campaign becomes evident.

Gary Rubens stated that Board members can engage with their time, financial resources and their knowledge. By leveraging their collective knowledge and networks, he anticipates a shorter timeframe than 18 months to realize the full campaign goal. Rubens formally announced that he would renew his status as a cornerstone partner. He requested templates be provided to the Board for making appropriate introductions about the campaign to their peer prospects.

Brad Smith stated that Microsoft is a big believer in WSOS, and indicated Microsoft is enthusiastic about returning as a cornerstone partner. He noted his disagreement with the strategy presented for the fundraising campaign and questioned why the interviews did not include cornerstone partners, like himself. Denney agreed. Connors expressed appreciation for their feedback and committed to following up to understand concerns and address them before moving forward.

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

Patrick Smith, new chair of the WSOS Finance & Investment Committee, reported that the WSOS Finance & Investment Committee met on March 10<sup>th</sup>. A full packet of the meeting materials is included in our Board meeting pre-read. Patrick Smith reported that a benchmark has been added to the Short-Term Investment Policy based on Key Bank's recommendation.

Patrick Smith reported total assets are \$115.3M which is a 0.5% decrease from the last reported period and a 3% decrease from one year ago. The decrease is due in large part to winter scholarship disbursements. Scholarship refunds received during Q4 2020 were \$365K; net scholarship disbursements were \$6.6M. Net investment earnings/gains for Q4 were \$5.4M. The unbilled RJI state match is \$506K. This should be available for state match mid-2021 when appropriations are available.

Our total liabilities as of 12/31/2020 are \$26M. This is a 13% decrease since 9/30/2020 and a 21% decrease since 9/30/19. The decrease since last quarter is largely explained by the scholarship disbursements.

Total net assets are \$89.3M which represents a 4% increase from the period ending 9/30/2020.

Pledge receivables, net include, among others, Gary Rubens's pledge of \$2.5M to be paid out this June.

The state match receivable includes accrual for match of all private dollars received Q4 2020.

Regarding the ongoing reconciliation of funds with the College Success Foundation (CSF), the remaining ~\$258K will require further assistance from CSF to fully support WSAC standards.

Some of the largest gifts received during the year were from Brad Smith and Kathy Surace-Smith for RJI: \$1M, Ballmer: \$500K, BECU Foundation: \$162.5K, Costco: \$100K, Boeing: \$110K, and others.

Actual YTD investment income includes unrealized/realized gains of \$9.86M.

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The Scholarship account totals \$104.3M. This excludes cash held in the primary checking account and money market at the time of reporting. The Endowment Account is \$6.6M and is all held at WSIB.

Patrick Smith reported that the Finance & Investment Committee meeting included a history of the asset allocation process and a review of the current allocation. Also, the Committee discussed exploring additional modeling with the investment returns. Brad Smith noted that the investment income line significantly outperformed the budget. Connors stated that the Committee plans to discuss various models of the investment income and what that might enable us to do.

Brad Smith commented that there are so many exciting things happening with our cash flow and each of our scholarship programs.

**Executive Session**

The Board went into Executive Session at 2:55 pm to evaluate the performance of a public employee.

The open meeting reconvened at 3:11 pm. Jane Park made a motion to increase the Executive Director's salary to \$175K plus an 8% bonus. Julie Sandler seconded the motion, and it carried unanimously.

The meeting adjourned at 3:13 pm.

Respectfully submitted,  
Karyl Gregory