

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

The Board of Directors of the Washington State Opportunity Scholarship (WSOS) convened on March 16, 2022, at the Microsoft Redmond Campus, via Microsoft Teams and dial in. As such, the meeting was publicized as available to the public on the WSOS website.

Board members present at Microsoft Redmond campus: Brad Smith (Chair), Diane Cecchettini, Joelle Denney, Jane Park, Julie Sandler, Patrick Smith.

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

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

Meeting Called to Order

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

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

Approval of Minutes

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

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

Mission Moment: Scholar Opportunity Story

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

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

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

Program Update & 2022 GRD Selection

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

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

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

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

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

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

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

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

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

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

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

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

\$75 Million Campaign Update

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

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

RFP Panel PA Recommendation

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

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

Finance & Program Administrator Update

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

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

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

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

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

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

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

Executive Session

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

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

Respectfully submitted,
Irina Grubic