

WASHINGTON STATE **OPPORTUNITY** SCHOLARSHIP

BOARD MEETING AGENDA **TUESDAY, JUNE 18, 2024 | 1:00-2:45 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 / Phone conference ID: 220 236 765#

To join in person: Microsoft Campus, Building 34

Meeting open to the public via conference line above.

I.	Meeting Called to Order		Brad Smith Board Chair	1:00pm
II.	Minutes from March 26, 2024, Meeting » <i>Board Action:</i> Approve minutes	[Tab A]	Brad Smith Board Chair	1:00 - 1:05pm
III.	Mission Moment: Opportunity Scholar Story	[Tab B]	Lisa Pool Opportunity Scholar	1:05 - 1:15 pm
IV.	Public Comment		Public	1:15 - 1:21pm
V.	ED Corner: WSOSF and ED Search	[Tab C]	Kimber Connors Executive Director	1:21- 2:05pm
VI.	FAFSA Update	[Tab D]	Lyanne O'Connell Awards Director	2:05 - 2:15pm
VII.	Campaign Update	[Tab E]	Camille Reynaud Managing Director of Advancement	2:15 - 2:35pm
VIII.	Finance & Program Administrator Update » <i>Board Action:</i> Reappoint Matt Rubright and Elisa La Cava to the committee; appoint Matt Wang	[Tab F]	Patrick Smith Finance & Investment Committee Chair	2:35 - 2:45pm
IX.	Closing		Brad Smith Board Chair	2:45pm

Upcoming Board Meetings

*Tuesday, July 23 (*meet ED finalist candidates and make offer*)
Wednesday, September 11, 2024
Wednesday, November 20, 2024

Attending in person? Check in at the front desk to get a nametag and give them your license plate number.

Tab A

Board Meeting Minutes

**WASHINGTON STATE OPPORTUNITY SCHOLARSHIP BOARD MEETING
TUESDAY, MARCH 26, 2024, 1:00 - 3 PM, MICROSOFT TEAMS MEETING MINUTES**

The Board of Directors of the Washington State Opportunity Scholarship (WSOS) convened on March 26, 2024, via Microsoft Teams. The meeting was publicized as available to the public on the WSOS website and made available in person on Microsoft's campus.

Board members present: Brad Smith (Chair), Diane Cecchettini, Gary Rubens, Ihssane Mounir, Jane Park, Julie Sandler, Miller Adams, PV Sivakumar, Beth Johnson

Additional attendees: Aileen Miller, Gina Breukelman, Jane Broom, Jolenta Coleman-Bush Kimber Connors, Camille Reynaud, Courtney Chen, Dena Parmer, Faye Alarcon, Genevieve Geiger, Hayley Schaefer, Jess Tholmer, Jessica Monger, Jessica Vilai, Joanna Moznette, Johnathan Luster, Kelly Stellrecht, Lindzey Lien, Lisa Magennis, Lyanne O'Connell, Niki Cramer, Nicolas Khamphilom, Sam Svilar, Tara Warming, Tori Cambell, Jordyn Warner

Meeting Called to Order

Brad Smith, Chair, called the Board meeting to order at 1:02 p.m.

Approval of Minutes

Diane Cecchettini moved that the minutes of the January 31, 2024, Board meeting be approved. Jane Park seconded the motion, and it carried unanimously.

Mission Moment

Hayley Schaefer, WSOS Associate Programs Director, introduced Jordyn Warner, who is a nursing student at UW Seattle and a Scholar Lead. Warner said she is a first-generation college student who was nervous to pursue higher education because of the cost. She said the scholarship provided a foundation for her and enabled her to lessen her work hours. Warner said she has thirteen scholars that she supports as a Scholar Lead.

Brad Smith asked if there were any questions. Cecchettini asked about Warner's career path. Warner said she wants to pursue a Doctor of Nursing Practice but first sees herself working in family medicine or women's health in Washington. She said that as a woman and student of color, she had seen discrimination in health care. Warner said she wants to advocate for patients. Miller Adams asked what Warner found most surprising about WSOS. Warner said she was surprised by how welcoming and low-stress the organization is. She said she has received a lot of support, resources, and information from WSOS staff. Warner said that as a first-generation student, there was a lot that she did not know about college, and she does not know where she would be without the mentors and support from WSOS. Brad Smith asked if Warner had any recommendations for the Board. Warner said communication is really important for students who don't know much about college. She said if she could choose one thing to change, it would be to have more outreach because so many students don't know anything about WSOS. Brad Smith thanked Warner for her presentation.

Public Comment

Brad opened it up for public comment, but no one had signed up.

ED Corner

Kimber Connors, WSOS Executive Director, reviewed the intended impacts and metrics that our staff work toward. She said the Awards team has proactively taken meaningful action steps to address the challenges students have faced across the nation with the financial aid application process. Connors said this is a result of the federal government rolling out a new and "improved" Free Application for Federal Student (FAFSA) that is tied to tax returns, but it has had multiple errors and issues. Connors said there have been promising conversations with the State Board of Community and Technical Colleges (SBCTC) that could lead to improved data on in which programs students are enrolled. Lyanne O'Connell, awards administration director, recognized that SBCTC owns a lot of the data at the state level, and instead of working with 34 different campuses, she wondered if we can get the necessary information from the state. Connors said we should know in the next few months if we can do this, and it will reduce administrative hoops for our CTS recipients. Connors said that the Programs team is responsible for ensuring we have scalable statewide support services. She said there has been strong engagement with the Scholar Lead program this year. Connors said the team has been identifying which mentees are not engaging with their Scholar Lead at midyear, and staff are reaching out to understand why Scholars are not accessing the support offered. Connors said this allows us to respond in real time instead of getting the

data at the end of the year. She said that the Programs team is conducting focus groups to see how we can provide better career services for students in the Community and Technical College space. Connors said that the External Affairs team is planning a road show for the new executive director to have a clear pathway in their first twelve months to build relationships with potential funders and other partners. She said that we have also been focusing on identifying quality speaking engagements for the new ED. Jessica Monger, external affairs director, worked with multiple people to get an agreement for WSOS to present to workforce deans from all the community colleges who are gathering for a council meeting in the Tri-Cities. Connors said Development has raised \$50.6M of the \$75M campaign goal. She said that they have put out 52 new sponsorship requests for OpportunityTalks. Many have declined, but it has been good to get our name out there, and we believe that there will be more who say yes to sponsorship in the years ahead. She reported that under the preferred workplace goal, we have hired a Finance Director who starts on April 1 who has experience as an auditor from a Big Four accounting firm and eight years as a CPA in the private sector. Connors said we have revamped and refined the Management and Leadership Academy for all people managers.

Connors highlighted key wins of the quarter, including: 1) submitting more sponsor requests than ever before – drawing in new donors; 2) enhancing how we engage mentees throughout the year, growing the impact of support services; 3) hiring a Finance Director; and 4) securing a search firm to find an excellent fit ED for WSOS.

Connors welcomed Beth Johnson, President and CEO of Coordinated Care at Centene Corporation to the Board. Connors said that we recently celebrated a \$1.3M gift from Coordinated Care, representing our single largest health care investment to date. She added that about one-third of our enrolled students pursue healthcare-related fields. Johnson said that she has over 35 years in the health care space and started out managing physician offices, then went to work for MultiCare when they were buying up physician practices. She said that she eventually moved to the health insurance side. Johnson said that Coordinated Care is part of the Centene organization, which is a Fortune 25 with a niche in Medicaid. She said they are looking at the way they support the health care workforce, particularly around behavioral health. Johnson said they hope to continue to grow that by providing scholarships. Brad Smith said that Johnson could help the Board understand the health care needs reflected in the Medicated population and what the undergraduates pursuing health care careers really need.

Connors shared our current challenges which are building the WSOS Foundation (WSOSF) while keeping the daily work moving forward. She said this is additionally challenging because we do not have a deputy director. Connors said that because that work will move to WSOSF, we did not replace Javania Cross Polenska when she left. Connors said another challenge has been understanding the legal issues at play. She said that Aileen Miller has been helpful understanding the complexities. Connors shared another challenge with the Free Application for Federal Student Aid (FAFSA), which has had many issues due to the updates made by the federal government. The Awards team has put in extra work to mitigate things that are outside of our control but are impacting our Scholars.

Connors shared that we have engaged Clover Search Works to manage the administrative part of the Executive Director search while WSOS will manage the candidate sourcing. Connors said that key informant interviews are in progress to inform top competencies to include in the job announcement. Clover Search Works sent a survey to the Board and to all staff to gather input. Clover conducted an outgoing ED interview with Connors, and they also did one with our former ED, Naria Santa Lucia, to inform the job announcement themes.

Connors shared that the Outreach Team (made up of herself, Camille Reynaud, and Johnathan Luster, all WSOS executive team staff), will soon host connector meetings to generate a list of potential candidates. (Connectors are people who know WSOS and can recommend people who may be a good fit as our next ED). Connors said the Outreach Team will then reach out to individuals on the potential candidate list individually to generate interest and assess fit.

Connors said the Search Committee would then come together to review all applicants. The proposed Search Committee is made up of Connors, Reynaud, Park, Patrick Smith, Mike Meotti from the Washington Student Achievement Council (WSAC), and Jolenta Coleman-Bush, a partner from Microsoft Philanthropies and WSOSF Board member. Connors said the Search Committee will go through a round of interviews in June with six to eight promising candidates. Jane Broom and Gina Breukelman, representatives of our founding cornerstone partners, will then do an interview with the top three candidates. The goal is to have two strong candidates meet with Brad Smith, Board Chair, and then present to the full Board at a special Board meeting. At that time, the Search Committee will make their recommendation based on what they heard throughout the process so that the Board's decision is not just based on the presentation by the candidates. Connors reviewed the timeline for hiring the new ED, which starts in March and will end with a presentation from two promising contenders at an abbreviated Board meeting in July. She said that today, we are seeking Board approval to allow the Search Committee to act in an advisory capacity to manage the job announcement and the interview process.

She added that they will be information gatherers and their recommendation will be brought before the Board but the Board retains all rights to select any candidate at any time.

Adams asked where the transition and position announcements will be distributed. Connors said our associate director of marketing and communications put together a three-week rollout announcing her departure and priming up the job announcement. She said an email would go out to everyone on our supporter list. Connors said we will also post a blog on our website and have several different social media posts. She said that this is modeled closely around the process when Santa Lucia exited the organization with the new addition of social media posts. To generate interest from new candidates, Connors said we will use the connector outreach to identify top prospects, but we will also use traditional approaches like posting the role on LinkedIn, Idealist, and other channels that particularly promote to diverse candidates.

PV Sivakumar asked when we anticipate the survey output to be available and if there is expected to be some offline alignment on the top characteristics that we are looking for in a candidate. Connors said Clover Search Works will put together a summary of what they heard from the job announcement with key themes from the survey as well as from the key informant interviews. She said that all the information would be shared in the first Search Committee meeting. Connors said that all applications and any requested materials about the search process will be available through a private source to Board members.

Brad Smith asked Connors to share her thoughts on what is needed for the ED of WSOS versus the ED of WSOSF. Connors said that the leader of the program should bring the qualities of a traditional CEO who would serve as the external face of the organization, skilled in strategy, thought leadership, and fundraising. Connors said the executive director of the WSOSF is more of a COO role, focused on the internal operations of HR, IT, and finance. Brad Smith said some might wonder why we have the CEO at one organization and the COO at another. He explained that the state of Washington passed a statute that divides it this way. He said that in the past, we have contracted with other organizations to be the program administrator. Brad Smith said that with the creation of WSOSF, we will have a much stronger ability to ensure that it is well-managed and done efficiently. Brad Smith said that he was surprised but not shocked when Connors expressed an interest in the director of the foundation and added that he is supportive of that.

Connors said that one of the duties that is expressly reserved for the WSOS Board via their resolution is the compensation of the executive director, and by law, we are required to include it in the job description. She shared that WSOS uses the Archbright Market survey for all staff other than the executive director. Connors said that the survey includes numbers for a CEO of a nonprofit vs a for-profit company. She said that it also looks at the budget size of an organization in Seattle and in other cities. Connors said that for internal jobs, we post the midpoint for the role using the market studies, but we use the 75th percentile as our mid-point. She added that we do not negotiate with individuals who are offered a position. Connors said that the number for the executive director role would be \$207K. When WSOS did post ranges on their roles, we would post 10% less than the midpoint through 5% over the midpoint. Connors said that rationale would lead to a range of \$186K - \$217K. She said that Clover, who does this with similar organizations, said they would recommend a range of \$200K - \$225K. Adams asked if Connors was suggesting they post the role using the range of \$186K - \$217K. Connors said she could support any of the three positions at the Board's direction. She stated she decided to post the midpoint rather than a range for internal roles to improve equity since white men are the most likely to negotiate while other candidates are more likely to leave money on the table due to systemic inequities.

Brad Smith clarified that the ask was for the Board to approve the composition and scope of the search committee and the ED compensation range or specific number. Adams asked if Connors is driving us toward a firm number. Connors said she made that decision when we hire staff at WSOS. She restated that from an equity perspective, she supports the set number. However, she understands the reasons to post a range including potentially attracting higher quality candidates and being more aligned with the norm for executive level roles. Connors said that either decision is defensible. Gary Rubens asked if the range includes an annual bonus. Connors said if the Board chooses to offer a bonus, it could stipulate that in addition to the compensation offer, there is an opportunity for a bonus up to a certain percentage, but that should be indicated in the Board's vote should they wish it to be clear in the announcement. Julie Sanders said negotiation around compensation could be a really interesting way to understand how this leader might approach sensitivity, influence, and multi-party dynamic skill sets that can help the Board see them in action before this becomes official. Sandler asked Connors to respond to whether she thinks this should inform our thinking. Connors stated that if negotiations for the salary raise red flags about a candidate, we did not do our job early on in the process. Brad Smith said we do not want to lose a candidate because we are too low, and he feels a range should start with a "two". He asked Park, as part of the search committee, what she thinks. Park said that last time, Clover suggested a salary based on the candidate's experience and the market, which was helpful. Brad Smith asked about authorizing the search committee to work with a range of \$200k-\$225k. Park said we don't have to publicize the number until April. Brad Smith said we should

not tie the Board or the search committee's hands by giving them a specific number. Park said we could work with Clover to find out what they see in the market for EDs and if most similar positions are posted with a range, then we could stick with the norm.

Connors asked Miller if this would satisfy the legal requirements of the Board to move forward with compensation that will be posted either as a range or an exact number between \$200K and \$225K to be determined by the Search Committee so we can move forward and allow us to post the job before the next Board meeting. Miller said the component where we are delegating authority to the search committee to set the salary would be subject to the Open Public Meetings Act and would need to be noticed and occur in a public meeting. She said the rest is advisory and not mandated to comply with that Act. Brad Smith asked to clarify that if the Board decides on a specific number, it needs to be done in an open and public meeting and this meeting meets those requirements. Miller said we could decide the number range right now but the delegation of the duty to the Search Committee would necessitate a future public meeting to make a determination of the final decision. Connors said that the suggested range closely encapsulates the real options and would work just as well as an exact number. Brad Smith said he is very sympathetic to the DEI concerns, but we are trying to recruit someone who will be comfortable negotiating in this way with donors to give millions of dollars and therefore would likely not be a concern in this case.

Board Action: Sandler made a motion to approve the composition and scope of the committee as reflected in slide 18 and approve the search committee to advertise the position with a range of \$200K - \$225K. Adams seconded the motion, and it carried unanimously.

Connors reviewed the responsibilities of the WSOS program ED and WSOSF ED. She said the WSOS ED, like the CEO, is accountable for program design and strategy, selecting and awarding scholars, government relations and external affairs, and fundraising. Connors said the WSOSF ED, functioning like a COO, is accountable for human resources and talent support, data, and systems, including IT, finances, and other operations. She said at our last meeting, we discussed the difference between talent support and development. Connors said the talent development lives on the program side, but the administrative support for this work comes from the foundation. She said that this Board oversees the program ED and work. Connors said that the Foundation board is made up of Gina Breukelman, Coleman-Bush, and Jess Peet, who is on the Finance and Investment Committee and WSOSF Board President.

Brad Smith asked if the WSOS ED would be on the Board of WSOSF. Connors said it is not currently stipulated as such but certainly could be. Broom said that we may want to consider having the WSOS ED serve as an ex-officio member of the WSOSF Board. Connors said it would be good for the WSOSF ED to sit in on the WSOS Board meeting and the WSOS ED to sit in on the WSOSF Board meetings so there is shared information and opportunity to ask questions. Broom said that this seems to be standard in similar relationships between school districts and school foundations. Brad Smith said that for this group, it is even more critical to the operations and the ED of both to be able to do their jobs. He asked if the Board needs to act to formalize this or if we can move forward and reflect on this. Connors said she needs the Board's approval to move forward to negotiate a contract for the program administrator relationship, and we could stipulate in the PA agreement that each is serving as an ex-officio member on the other Board.

Brad Smith asked if Connors would be working for the ED of WSOS programs. Connors said as WSOSF ED, she reports to the WSOSF Board, not the WSOS ED. However, she noted that WSOSF functionally cannot serve its mission if it is not serving the WSOS program well. Sandler said that WSOS is essentially WSOSF's one and only customer. Connors affirmed. Brad Smith clarified the WSOSF ED should be invited to WSOS Board meetings but should not be an ex-officio member. Adams said that history has informed us that we need a tight relationship between WSOS and its program administrator. Brad Smith said that clarity before we start WSOSF is important. Sandler proposed a scenario: if the head of HR and the new programs ED don't get along but Connors loves the head of HR, who gets to decide if that person is fired? Connors said that the WSOSF ED has the right to hire and fire people on the WSOSF team because that structure reports to the WSOSF Board. However, she said that the WSOSF ED would need to recognize that if the HR leader is not performing a job well for our only client, their performance was likely not up to par. Connors said there will be a statement in the program administrator contract that the WSOS ED will serve as an ex-officio member on the WSOSF Board and the WSOSF ED may attend the WSOS Board meetings as a guest but not an ex-officio member. Brad Smith said there is only one way this succeeds, and that is if there is an excellent relationship between the two executive directors.

Connors shared WSOSF's key activities to date which are getting the services agreement signed and the first payment to come in at the end of March; we have a timeline affirmed in writing with all parties for transition services; the finance director starts April 1, and the finance project plan is complete; the IT project plan is complete and will be led by our Data

and Systems director; we have engaged a consultant to support with the build of HRIS and HR systems; and the benefits brokers are engaged with a plan in place for a seamless transition of benefits for WSOS staff.

Connors talked about WSOSF's priorities for the next six months. She said HR has three priorities which are to make sure we are designing the best fit ongoing systems, to create a soft launch to hire the first FTE for the foundation slightly before September 1, and onboard legacy staff on September 1. Connors said the finance director's priorities are to stabilize our current financial function, build best-fit systems, and complete one-time only transition activities like notifying all of our vendors that they need new contracts that are signed and moved over. Connors said the IT priorities are to assess key areas of risk and mitigate them, find best fit for help desk support, asset management, staff training, onboarding, and offboarding through a managed services contract, and transition all services currently managed by 501 Commons. She said we had the greatest work disruption for staff during the last transition related to IT where our calendars did not work right for about four months, our emails took over two weeks to port over, and our files were not all available and a mess when they did come over. She said we are invested in making a smooth transition to minimize productivity loss, challenges, and frustrations for staff but recognize there will be bumps. Connors said in other operations, we need to make sure we are finalizing the creation of the legal entity and closing our first year of operations, create a calendar of all recurring "to-dos", and assess operations tasks that currently sit with the program that would be easiest to move over to WSOSF. Connors reviewed the timeline for all of this work which is on slide 25.

Board Action: Sandler made a motion to delegate authority to the WSOS staff designee to negotiate a contract for WSOSF to become the program administrator on September 1 and to approve Brad Smith the authority to sign the agreement on behalf of the Board. Cecchettini seconded the motion, and it carried unanimously.

Connors said that she attended an AI summit put on by Microsoft for non-profits around the world. She said that non-profits are slow to adopt new things. Connors said there are many possible internal applications such as email utility, creating drafts of documents, and meeting summaries. She said that Washington is one of the few states that has official guidelines for educators on how to use AI. WSOS had a discussion about the use of AI for essays. Several essay reviewers said that they suspected the essay was written by AI. Connors said we also talked about a chatbot and if using it to answer some of the questions we are asked over and over again, even though we have a FAQ page. Connors asked what ways we see AI impacting WSOS and what we should be thinking about to make sure we stay ahead of the curve.

Sandler said she is most excited about AI tools that help with day-to-day executive function and the things that many college students face for the first time when they are away from home. She said there are some really great tools that she could imagine us offering as a Scholar suite where part of our programming budget goes toward access to seats for tools like these. Sandler said the second area is career search and discovery. She said we could look at a Scholar portal that differentiates us programmatically. Connors asked Johnathan Luster to talk about a conversation we had through someone we met at Sandler's Hot Topic Dinner. She said there is a start-up company that is doing some really interesting things and offered us some free seats for Opportunity Scholars. Luster said there was an active conversation about enrolling WSOS recipients in an up-and-coming AI tool that helps young people build executive function skills.

Brad Smith said we are doing the right thing by asking questions rather than waiting to see what happens with others. He said there is both the use of AI for internal operations and also for externally facing services. Brad Smith said they gave a preview of Microsoft Cloud for nonprofits, and there are modules for donor services and tracking different things. He said that when you think about the public phase of a campaign to raise money, he believes it is a potential game-changer to be able to generate AI to identify more people, invite people to events, etc. He said it could also help with processing our scholarship applications and having a chatbot to support the Scholar experience. Brad Smith said one of the strengths of WSOS is the wrap-around services, and this could be a new dimension to this. Adams said he was surprised the state came out with guidelines so quickly. Brad Smith said districts and colleges are currently focused on making sure students don't use AI to cheat and that the guidelines are creating a guardrail around using AI too much and what is considered plagiarism. He said they are not looking at how it can be used in a new way to pursue curiosity and information. Brad Smith said it is a tool for curious people, and it can be used to pull strands rather than relying on it for writing an entire document. Broom said that Coleman-Bush hosted a train-the-trainer where every teacher in Washington state will get basic AI training. Broom said teachers see where there are gaps in support and believe that teachers will be one of the most important groups of folks that we work with because they know the kids and the issues that they are struggling with.

Park said she has recommended that some of the women entrepreneurs she mentors run their emails through AI and tell it to write them like a man. She said it removes tentative and apologetic language. Park said it made her think about communication, speeches, and emails and the impact this can have on gender equality. Brad Smith added that it is also a great tool for people for whom English is not their first language.

Awards Update

Luster said the Graduate Scholarship wants to increase the number of advanced health care professionals in our state around primary and behavioral health care in rural and medically underserved areas. He said last year, Cohort 3 had twelve primary care Scholars and 8 behavioral health Scholars. Luster said 3 out of twenty were in rural areas. He said the support services include travel stipends to try to incentivize going to medically underserved areas, and we also incentivize clinics to accept our students and give them stipends to host our students for practicum opportunities. Luster reviewed the scholarship selection principles and said we are proposing keeping the same criteria this year since last year's criteria met the intended outcomes we were seeking. He said initially, the selection model included selecting at least one applicant from each of the six participating schools. Luster proposed removing this as the only change to the selection criteria because it was effectively advantaging applicants who attend very small programs. He said that the legislative intent was to focus on behavioral health care. Luster said that there are fifteen points allocated for the program track. He said that those in primary care received 7.5 points and those in behavioral care received all 15 points because the legislative intent was to focus on both of these areas, but there was a strong need for behavioral health care workers. Luster said we haven't heard changes from the legislators, but we have been looking into workforce development needs, and it does seem like there is still an edge for behavior health. He said we recommend continuing to give an edge to behavioral health care but that it is very defensible if the Board decides to give all 15 points to both of those program tracks.

Cecchetti asked if the Board should give primary care no weight anymore and give the full 15 points because it is really an access-to-care issue. She said in clinical care, you have behavioral health patients who might have medical issues and vice versa. Cecchetti said that she recommends balancing the point allocation because of the access-to-care issue. Luster said if we had balanced the points for Cohort 3, we would have selected thirteen primary care and 7 behavioral health care Scholars. He said we are still hearing the greater need for behavioral health care workers, but that this has a relatively small impact on selection outcomes. Brad Smith asked for Cecchetti's recommendation. Cecchetti said she believes we need to get access to care in underserved communities. Brad Smith asked if that meant an equal number of points for primary and behavioral health care which Cecchetti affirmed.

Brad Smith said the other change Luster is asking for is the removal of selecting at least one applicant from each of the six participating schools. He asked how that change would have impacted Cohort 3. Luster said there is one program that has fewer than ten students who are eligible for our scholarship. He said that if one of the students applied, they would be given a seat even if there were more qualified students ahead of them, and that did happen with Cohort 3. Brad Smith asked the name of the institution, and Luster said it was Seattle Pacific University. Brad Smith asked how many of the twenty were from UW Seattle. Luster said it was 7 or 8. Brad Smith said we are asking the Board to vote to approve the 2024 GRD selection criteria, with the addition that the same number of points will be given to primary and behavioral health care Scholars.

Board Action: Cecchetti made a motion to approve the 2024 GRD selection criteria and the addition that the same number of points be given to primary and behavioral health scholars. Sandler seconded the motion, and it carried unanimously.

Career & Technical Scholarship Selection Model

O'Connell is asking the Board to approve evergreen selection principles for the Career & Technical Scholarship (CTS) and Rural Jobs Initiative (RJI). She reviewed the current selection principles. Brad Smith asked her to explain the two different scholarships for those who are new. O'Connell said that the CTS supports Scholars at community and technical colleges with up to \$1,500 per quarter to attend one of the state's 34 community or technical colleges. She said that we also have partnerships with apprenticeship programs through the Washington Student Achievement Council (WSAC). O'Connell said we recruit 1,275 students into the CTS program annually. She said we have an extension scholarship program called RJI that allows us to provide additional support to students who are in rural communities who are enrolled in programs that are high demand in their region. O'Connell said we recruit about 110 students each year and support them by providing up to \$3,500 their first quarter and up to \$2,000 per quarter until they complete the program. O'Connell said we are asking the Board to vote to maintain the same selection criteria as we have in the past several years and to maintain that selection formula until further notice.

Brad Smith asked if there was a motion.

Board Action: Park made a motion to approve evergreen selection principles for CTS and RJI. Adams seconded the motion, and it carried unanimously.

Financial Aid Update

O'Connell said that the Department of Education launched a new website for financial aid as well as created a new Free Application for Federal Student Aid (FAFSA) that students are required to complete to receive any federal, state, and/or institutional aid each year and also for scholarships like ours. She said that Washington has a financial aid form which was also updated. O'Connell said the changes included updates to a calculator that determines the need, a role-based application requiring each individual contributor to complete a separate form, and the Department of Education and the IRS partnered to directly transfer financial data into the FAFSA rather than entering the prior year's tax information line by line. She said the changes reduced the FAFSA from over 100 questions to 40 questions.

O'Connell said the changes, while well-intentioned, created a lot of challenges and delayed the actual launch of the application from October 1 to December 31. She said there were also a lot of issues creating accounts and completing the form. O'Connell said if your social security number ended with a zero, you could not save your form, if you were born in the year 2000, you weren't even allowed to start the form. She said the Department of Education forgot to include inflation in the calculator. O'Connell said that they did not release the FAFSA information to colleges to fix the issues. She listed off many more complex issues with the FAFSA and said that as of mid-March, they finally released one batch of data to colleges, which has had a snowball effect on the financial aid packages which impacts students' ability to choose a college because they do not know what their financial aid package will be. O'Connell said some colleges moved their decision day for students from May 1 to May 15 with some even moving it to June 1 to give students time to receive their financial aid packages to inform decisions. O'Connell said WSOS quickly responded by creating a page on our website for applicants that provides tips and resources and locations of FAFSA/WASFA sites throughout the state where students can receive resources and support. She said we included this in all our promotional material. O'Connell said we pushed out our deadline for students and created other tools to make the application process easier for them. O'Connell asked the Board if they had any suggestions on other things we should be doing to support applicants.

Sandler commended O'Connell for taking action quickly and proactively. She said this kind of fumble could not have happened at a worse time for a community that has been so impacted over the past few years as far as post-secondary credential attainment. Sandler said it is devastating to know there are students who have the perception they cannot afford a post-secondary degree being impacted. She said the fact that WSOS has been several steps ahead through this crisis over the past couple of months is commendable. Broom said there are several philanthropist groups, including the Gates Foundation, Ballmer, and a few others, who are going to be meeting. She asked if there are any ideas of what can be done from a philanthropic perspective, to let her or Coleman-Bush know.

Finance and Program Administrative Update

Patrick Smith is out of town and Connors said there were just two things that she wanted to talk through. She said slide 53 has a revised balance sheet. Connors said that Patrick Smith had mentioned at the last Board meeting that when the Finance and Investment (F&I) Committee met and compared 09/02/2022 to 09/02/2023, there was a very large variance, and there wasn't a strong explanation from the 501 Commons finance team. She said the Committee asked them to dig into it, and they found that in September of 2022, right after the transition from Washington STEM to 501 Commons, 501 Commons had not yet moved all of our financial information into their finance system. She said that when the materials were put together, it was drawn out of QuickBooks and MIP Abila for the period and analyzed in Excel. Connors said the liabilities that were not scholarship liabilities were counted twice, once under other liabilities and then again under scholarship liabilities. She said our scholarship liability was overstated by almost \$38M. Brad Smith said this is a mistake WSOSF will not replicate and commended the folks on the F&I Committee for spotting it.

Connors said that Mike Wilson asked a great question about the move to the WSOS Foundation, wanting to make sure that WSOS does not drift into spending too much on operations rather than focused on mission. She said that historically, WSOS's expense ratio is between 88-91% of our spending going to scholarships or support services that are directly related to our mission, with the remainder going to operations. Connors said Charity Navigator and other tools consider a 65-75% program expense ratio to be good for the nonprofit sector. She said we have far exceeded that which we should because so much of our money goes directly to scholarships, and we want to make sure we are performing better than average because of the state aspect. She said there was a great discussion with the F&I Committee, and that they will bring forward a resolution at a future meeting. Connors said that they wanted to recommend a range rather than a floor because we do not want to get so lean that we are making decisions that don't support a strong quality operation while also protecting donor and state funds.

Park asked if the 89 to 90% included support services like the cost of Scholar leads. Connors said it does. She said fundraising and management & general spending is what makes up the remainder of spending. Connors said that

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historically, we have looked at scholarship versus non-scholarship spending, but we have talked about rolling that together and presenting it differently for better clarity.

Park thanked Connors for everything she has done and said the next few months will probably be the hardest in her career as she works two full-time jobs and manages crises. Brad Smith said the Board sees the hard work that everyone is doing.

The meeting adjourned at 2:45pm

Respectfully submitted,

Dena Parmer

Tab B

Mission Moment: Opportunity Scholar Story

SCHOLAR SPOTLIGHT



LISA POOL

**Sterile Processing Lead Technician
Clover Park Technical College**

ABOUT LISA

Lisa Pool, a recent Career and Technical Scholar (CTS), completed her certificate program in Central Service/Sterile Processing at Clover Park Technical College in December. She currently works at Good Samaritan Hospital as a Sterile Processing Technician Lead. Committed to her education, she continues to be enrolled at Clover Park Technical College as she works towards her associate degree in business management. Eager to see what the future holds, she is interested in finding a management position at the hospital when she graduates. Since completing her certificate, Lisa has remained active in the WSOS community as a CTS Scholar Lead and Baccalaureate essay reviewer.

IN HER OWN WORDS

“This (WSOS) was lifechanging. Knowing that I had reliable money to count on every quarter was huge. I couldn’t have gone to college without it.”

Tab C

ED Corner Update

PROGRAM UPDATE | JUNE 2024

INTRODUCTION

Since the March 2024 Washington State Opportunity Scholarship (WSOS) Board meeting, completed select for a new cohort of Scholars, hosted a successful OpportunityTalks luncheon, and received the IRS letter of determination for the WSOS Foundation (WSOSF). It's been a busy quarter!

AWARDS ADMINISTRATION

The Awards team completed the selection of the 13th Baccalaureate Scholarship (BaS) cohort in April. This year, 2,453 applicants applied. In total, WSOS welcomes 1,275 new BaS Scholars, who all met the eligibility requirements of the program and were selected through the Board's approved model. Our Cohort 13 BaS recipients also include two Opportunity Scholars benefiting from our City of Seattle government partnership.

This year, the new Free Application for Federal Student Aid (FAFSA) created unprecedented challenges for WSOS applicants, as presented in the March Board meeting. These challenges required staff to make several adjustments, including extending the FAFSA completion deadline by one month, allowing students to submit screenshots of processed FAFSAs rather than relying on delayed reporting from the government, developing a conditional selection process, and relying on financial aid to verify FAFSA completion later in the process.

Due to students' unwavering challenges in completing the FAFSA this year, the team accepted applicants conditionally. These conditionally selected Scholars met all BaS eligibility criteria but we have not yet been able to verify a processed FAFSA. These students will be given up until their first disbursement to work with financial aid to complete their financial aid forms. To see the profiles of these recipients, reference the BaS selection overview documents included in the Board pre-read.

Scholarship Highlights

	BaS	CTS/RJI*	GRD**	Total
Total Actual Disbursed (2012 – Present)	\$129,136,748	\$17,342,609	\$896,229	\$147,375,586
Scholars Enrolled 2023-24	3,196	1,896	39	5,131

*Rural Jobs Initiative (RJI)

**Graduate Scholarship (GRD)

The Awards team continues aligning BaS and CTS with the Washington College Grant program as outlined in the WSOS statute. This year, Senate Bill 5904 passed, extending the time a student can receive WCG funding from five to six years starting in the 2024-25 academic year. This aligns the WCG program with the Department of Education's Pell Grant program, which thousands of students rely on annually. This change has extended the WSOS support timeframe from five to six years, allowing more students to complete their program with our support while staying within our funding maximums.

SCHOLAR PROGRAMS

The academic year 2023-24 has ended, and we are actively reviewing data and feedback from our Scholars. We will share more about the impact of our programming and a preview of programming for AY 2024-25 during the September meeting.

BACCALAUREATE SUPPORT SERVICES

Preliminary data show that 73% of first- and second-year Scholars engaged with their Lead, below our goal of 85%. Of those who engaged, 93% indicated that their Lead helped them navigate college, which

met our goal. We are pleased with this program's impact and continue to evaluate our engagement strategies to encourage participation. One Scholar Lead said: *"The best thing about my journey as a first-generation student and the Scholar Lead role is that I can utilize both experiences to share valuable advice about college with others and ignite a spark in them to persevere through their college journey."*

The Skills that Shine (StS) industry mentorship program ended in April with 303 pairings. We are still analyzing final completion data, and it seems we are on track to meet our goal that 50% of third-year Scholars will complete StS. Over 90% of Scholars said they would recommend StS to their peers, which exceeded our goal of 85%. Thank you to the Board members who served as mentors or helped us recruit!

We held 17 Industry Insider events during AY 2023-24. These events included on-site tours, virtual career panels, internship information sessions, and resume workshops. One Scholar let us know: *"I got my second internship with Fred Hutch as a result of the resources shared by WSOS."* On the end-of-year survey, 97% of Scholars agreed that WSOS's programming supported their career development.

CAREER AND TECHNICAL SUPPORT SERVICES

During AY 2023-24, 51% of new Scholars opted into the Scholar Lead program, below our goal of 55%. We also did not meet our engagement goals: 37% of Scholars reported that they engaged with their Lead (goal was 85%) and 75% agreed that their Lead helped them navigate college (goal was 85%). Among those who said they did not engage with their Lead, 44% indicated it was because they already felt they had a strong support system. This fall, we intend to conduct a holistic program review, as we want to evaluate whether a revamp of the CTS Scholar Lead program or other persistence support services might better serve CTS recipients than our current approach.

Although the Scholar Lead program isn't supporting our targeted number of Scholars, it's still helpful to note its positive impact. A Scholar who applied for and was offered a Scholar Lead role for AY 2024-25 indicated during their interview process just how meaningful their relationship with their own Lead has been. It was because of their Lead's encouragement that they applied for the Lead role, and now they'll be able to help others, too.

The job board has been a very popular resource. Throughout the year, the board has been viewed over 2,000 times by 630 unique users (approx. 51% of Scholars). Our goal in this pilot year was for 20% of Scholars to utilize this resource, so we are pleased with this outcome. In fact, we intend to pilot the job board for BaS next academic year due to its success for Career & Technical Scholars.

Lastly, 51 Scholars matched with a StS mentor, which exceeded our goal of 50. The most popular industries represented were health science and medical technology, information and communication technology, engineering, and architecture. Nearly 95% of Scholars report being satisfied with this program.

GRADUATE SCHOLAR SUPPORT SERVICES

We have adjusted the GRD Program Manager role based on three years of learning from the GRD Scholarship. This position has a stronger emphasis on the application, selection, and eligibility functions and now reports to the Awards Administration Director (Lyanne O'Connell). We have reduced the emphasis on support services, as GRD Scholars do not need as much support as we anticipated.

We will continue to offer select services that have had a high impact, such as the clinic stipends, travel stipends, and presentation by the Washington State Department of Health. During AY 2023-24, the stipends and Department of Health presentation accounted for 70% of the services that GRD Scholars utilized. A Scholar who utilized a GRD stipend had this to say about the scholarship overall: *This is my favorite scholarship ever and I am so so grateful. I love that it is not only a scholarship but also an educational opportunity."*

The application cycle for GRD Cohort 4 closed in May. Please refer to the “GRD Selection Overview” overview document included in the Board pre-read to see the profile of the applicant pool and selection.

DEVELOPMENT UPDATE

REVENUE TARGETS

As of June 3, 2024, we have raised \$50,836,854 of our \$75M campaign goal. We aim to secure the full \$75M by the end of 2025. For calendar year 2024, we’ve secured \$1,677,082. We secured two five-figure gifts (\$25,000 and \$30,000) from two major donors earlier this year.

DONOR RETENTION AND ACQUISITION

In addition to raising revenue, the goal of the campaign is to ensure stronger donor retention and to broaden our scope of supporters. Key metrics we’re tracking on these measures are below:

	YTD (as of 6/3/2024)	2024 CY Goal*
Donor retention 2023 to 2024	31%	42%
Increase donor base	174 new donors	425 new donors
Donors from underrepresented industries	50%	56%
Donors outside of Puget Sound	8	55

CAMPAIGN MILESTONES

This year we raised \$706,000 from OpportunityTalks, including \$202,000 in sponsorship from 19 partners. Three of these were new partners: KBA Construction Management, Seattle University, and Virginia Mason. Board members Jane Park and Patrick Smith hosted the event, and we heard from Scholar Alum, Braxton Goss about his experience as a Scholar Lead and his work at Puget Sound Energy. Board Chair Brad Smith and Governor Inslee shared the history, breadth and impact of WSOS. New Board Member Beth Johnson announced the \$1.3M investment from Coordinated Care and invited guests to give. We had over 700 guests in attendance, including 184 Opportunity Scholars and Alums. Next year’s OpportunityTalks date is confirmed! Please mark your calendars for Tuesday, April 1, 2025, at the Sheraton Grand Seattle.

The advancement team’s fundraising progress has been impeded by vacancies on the team. Two members from the team are leaving this month, which means we have three open roles. We are hiring a Major Gifts Officer, Events and Communications Officer, and Corporate Partnerships Manager. Our focus for the second half of the year is to recruit, hire, onboard, and build a sustainable fundraising team. This includes working closely with the Finance Director to build clear financial systems at the WSOS Foundation and supporting the incoming Executive Director to meet and connect with key partners and donors in their first quarter.

EXTERNAL AFFAIRS UPDATE

The legislative session closed for the year with WSOS receiving its full request for the state match in the final budget. We’re appreciative of the collaboration with the legislative staff team to streamline the process through which we receive this match each year. We anticipate turnover in the Legislature next year and will be focusing on strengthening existing and building new relationships.

With this academic year coming to a close, we’ve also closed out the scholarship promotion work for the year and have had a chance to take stock. For BaS Cohort 13, we saw an increase in total applicants as compared to Cohort 12. CTS Cohort 5 exceeded its winter and spring application goals. AY 2023-24’s in-person relationship approach revealed these findings: 1) identifying partners who have measurable goals

aligned to WSOS' values around diverse recruitment improves relationship building efforts; 2) outreach in the final week before the application closes with champion promotion partners yielded spikes in total applications across all programs (based on anecdotal observations in application completions in the final week); 3) being in person in select regions yielded VIP contacts. To build on these successes with more communities, we need more people assigned to support in the AY 2024-25 academic year. In-person promotion efforts will be faced head on as an organization-wide responsibility. To realize an even more successful promotion approach in AY 2024-25, we've designed a strategic plan inspired by our learnings to date.

DIGITAL MARKETING AND MEDIA COVERAGE

Org Outcomes	Beginning of academic year (July 2023)	As of May 31 2024	End of academic year goal (June 2024)	Progress towards goal
WSOS media mentions	0	15	30 earned media pieces	50% of goal
ED/Directors appearances in articles/panels/speaking	0	(3 for ED) (6 leadership)	15 for ED and 7 for other leadership	20% for ED and 85% for leadership
Facebook audience growth	4,455	4,492	4,583	98% of goal
Twitter (X) audience growth	1,972	1,997	1,997	100% of goal
LinkedIn audience growth	2,058	2,536	2,700	94% of goal
Instagram audience growth	1,234	1,287	1,240	100% of goal
TOTAL social media growth	9,602	10,312	10,520	98% of goal

Top Performing Posts

Facebook: [Melissa's story](#)



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LinkedIn: [ED Job Search](#)

Washington State Opportunity Scholarship
2,536 Followers
2w · 🌐

We're searching for our next Executive Director!

The primary role of the next Executive Director will be to inspire and build strong partnerships with communities so we can support even more Scholars across Washington state.

People with personal experience as a first-generation, under-resourced, or historically excluded student, like the majority of those WSOS serves, are especially encouraged to apply.

If you know someone who would be a great future leader of the WSOS program, send them this link!

Learn more: <https://lnkd.in/g5Br24Cz>

WSOS Executive Director Job Announcement • 8 pages
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EXECUTIVE DIRECTOR
JOB ANNOUNCEMENT

Opportunity Scholars pictured left to right: Luis, Reheema, Alisha, & Brian

Instagram: [Washington School Counselor Association conference](#)

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2024 WSCA CONFERENCE
PRE-CONFERENCE SPONSOR

Washington School Counselor Association

Washington School Counselor Association
CONFERENCE

March

OPERATIONS UPDATE

PROGRAM ADMINISTRATOR TRANSITION

WSOSF received its IRS letter of determination which was a critical step to ensuring the Foundation is allowed to accept tax-deductible contributions on behalf of WSOS and was in process for months. We have a draft of the program administrator contract between WSOS and WSOSF which is being actively reviewed by all parties. The goal is for signatures to be affixed no later than the end of July for a contract start date of September 1.

Through our services agreement, we've been building out key functions for WSOSF including identifying and building an HRIS (BambooHR), securing benefits bids for health, dental, vision, and other employee insurance programs, and submitting for 401(k) provider quotes. We anticipate all systems being up and running with the ability to make first payroll as of August 4, about one month prior to the actual planned transition date. Additionally, we've secured proposals from seven possible IT providers which we are assessing this month in the hopes of starting a contract on July 1. Finally, key financial systems have become operational in the last few months – we established bank accounts with JP Morgan Chase, selected Sage Intacct as our financial information system and are deep in implementation phase with a go live date of September 1, and engaged Clark Nuber in an internal audit to assure the accuracy of our financial statements before inheriting them with the program administrator transition.

ED SEARCH

We received about 80 applications for the position and conducted first-round conversations with about 40. The search committee, comprised of Jane Park, Patrick Smith, Mike Meotti, Jolenta Coleman-Bush, Camille Reynaud, and Kimber Connors is interviewing the top six candidates in early June and plans to send three semi-finalists for conversations with our founding cornerstone partners and Board Chair later this month. These three semi-finalists or two finalists will meet with staff and Scholars the second week of July for a meet and greet before two finalists present before the Board on July 23. The July 23 special Board meeting will include a presentation from the finalists, a presentation of a recommendation from the search committee, and a formal vote to make an offer to the successful candidate. We are hoping for a September 1 start date with transition support from Connors to the new executive director through the end of December. All Board members were provided with application materials from all candidates.

DATA AND SYSTEMS

In our drive to increase the accuracy of our application processing we've introduced some eligibility automations into our Scholar database for our CTS applications. This will save a lot of time and increase accuracy. Next steps are to create similar automations for the BaS and GRD applications, and to tackle automations for selection. On the Donor CRM side, we've begun investigating technical solutions to bring our Skills that Shine mentor matching processing in-house. We currently outsource that activity, and in bringing it in-house we will also build a more robust tracking mechanism for communications and activities with our mentors and mentees. While we are in the early stages of this project, we are optimistic that it will result in improvements for the mentor and mentee experience.

STAFFING UPDATE

Andy Valdez-Paper (he/him) joined the advancement team as Development Officer on April 15. Andy has over 6 years of experience in development at several local nonprofits, including FareStart, Shunpike, and ArtsWest. We are excited for him to bring his skills with building processes and systems to support.

Tiffany Reese (she/her) joined the Awards team as the Graduate Program Manager on May 20. Tiffany is originally from Seattle and brings a deep commitment to fostering educational equity and supporting underserved communities. She is a seasoned professional within the higher education and youth development sectors. Her passion for this work is rooted in her own background as a foster youth and a first-generation college student. We are excited to have her on our team.

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Baccalaureate Scholarship
Cohort 13 Selection Overview

This document describes the selection criteria for and profile of the thirteenth cohort of Baccalaureate Scholarship recipients. This cohort saw 2,453 applicants, of whom we selected 1,278 (1,275 in the general selection and 2 to fill City of Seattle seats and 1 to fill a Seattle Promise seat).

Baccalaureate Scholarship Results

Selection Criteria

Based on the Board’s directive, the selection criteria below were used:

Category	Factor	Target Allocation	Limitation Factor	Final Allocation
Equity of Access	Income	20%	Low-income applicants are no more than 3x as likely to be selected than middle-income applicants	20%
	First Generation Status	15%	First gen apps are no more than 4x as likely to be selected than non-first-generation applicants	15%
Economic Impact	Major field	25%	Highest demand field is no more than 5x as likely to be selected than the lowest demand field*	25%
	STEM Interest Essay	10%	Points reallocated from the top three criteria will be evenly divided between these criteria (half to GPA, half to the essays).	10%
Likelihood of Completion	Resilience Essay	10%		10%
	GPA	20%		20%

* Only fields with at least 100 eligible applicants were included in this calculation to ensure the selection status of any individual applicant did not have disproportionately large impacts on the entire selection pool.

Profile of Selected Scholars

These Scholars have a median family income of \$52,217. They represent 36 of 39 counties and 49 of 49 legislative districts. In terms of programs, the table below shows how the proportion of Scholars selected (% of Selects) compares to the share of job openings across the state led by industry (% of Job Openings).

Industry	% of Eligible Applicants	% of Selects	% of Job Openings
A/V Technology and Comms	1%	1%	2%
Biology	19%	15%	6%
Computer Science	26%	32%	42%
Education	3%	2%	5%

Engineering	16%	14%	8%
Environmental Sciences	7%	6%	15%
Health Care	26%	30%	20%
Physical Sciences	3%	1%	3%

The table below shares additional demographic data about Scholars by income, first-generation status, race/ethnicity, and gender. The acceptance rate reflects the percentage of eligible applicants who were selected.

Category	% of Eligible Applicants	% of Selects	Acceptance Rate
Income Category			
Low-income (bottom 5 eligible deciles)	48%	59%	92%
Middle-income (top 5 eligible deciles)	52%	41%	61%
First Generation			
Yes	53%	64%	92%
Associate degree only	10%	10%	80%
No	34%	22%	49%
Unknown	2%	2%	68%
Zero Parents	1%	2%	100%
Race / Ethnicity			
American Indian / Alaska Native	1%	1%	67%
Asian	16%	16%	78%
Black or African American	9%	10%	85%
Latinx	36%	38%	81%
Native Hawaiian or Other Pacific Islander	1%	1%	83%
Two or More Races	7%	7%	75%
White	26%	23%	66%
Did not report	4%	4%	67%
Gender			
Women	47%	49%	79%
Men	38%	37%	75%
Non-binary	6%	6%	62%
Did not report	9%	8%	76%

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 SCHOLARSHIP

GRD Scholarship
Cohort 4 Selection Overview

This document describes the selection criteria for and profile of the fourth Graduate Scholarship cohort. This application cycle brought 51 applications, of whom we selected 20.

Selection Criteria

Based on the Board’s directive, the selection criteria below were used:

Category	Factors	Weight
Financial Need	Income, Student Debt and past use of income-based programs (TANF, Medicaid etc.)	30%
Likelihood of Working in a MUA/HPSA (medically underserved area / health professional shortage area)	Essays	40%
	Letter of Recommendation	15%
Economic Impact	Program Track	15%

Profile of Selected Scholars

These Scholars have a median family income of approximately \$80,334 and represent 5 of the 6 eligible universities and 7 campuses. The universities they’re enrolled in are Gonzaga University, Seattle Pacific University, Seattle University, UW Seattle, WSU-Spokane, WSU-Tri-Cities, and WSU-Vancouver (There are no selects in this cohort from Pacific Lutheran University). In terms of programs there are 15 Scholars in a primary care track and 5 Scholars in the Psychiatric Mental Health Nurse Practitioner program track. Of the selected Scholars, 4 are from rural counties including Douglas, Franklin, and Yakima counties.

Below you’ll find information on the demographics of eligible applicants (n=33). The acceptance rate reflects the percent of eligible applicants who were selected.

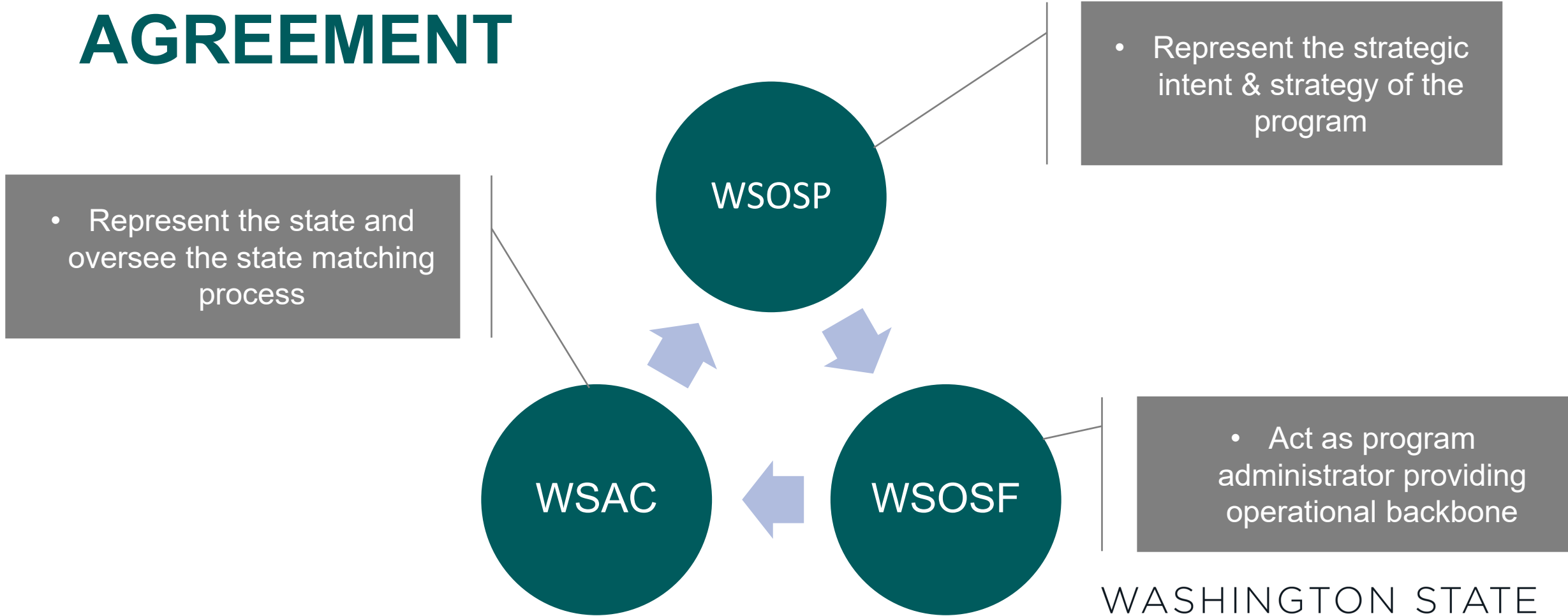
Category	% of Eligible Applicants	% of Selects	Acceptance Rate
Income Category			
Low-income Below 125% MFI	39%	40%	62%
Middle-income	24%	30%	75%
Exceeds 125%	36%	30%	50%
First Generation			
Yes	55%	65%	72%
Associate degree only	6%	0%	0%
No	36%	35%	58%
Unknown	0%	0%	0%
Zero Parents	3%	0%	0%

Race / Ethnicity			
American Indian / Alaska Native	0%	0%	0%
Asian	15%	5%	20%
Black or African American	9%	15%	100%
Latinx	18%	20%	67%
Native Hawaiian or Other Pacific Islander	0%	0%	0%
Two or More Races	6%	5%	50%
White	45%	45%	60%
Did not report	6%	10%	100%
Gender			
Women	70%	65%	57%
Men	12%	15%	75%
Non-binary	6%	5%	50%
Prefer not to say	3%	5%	100%
Did not report	9%	10%	67%

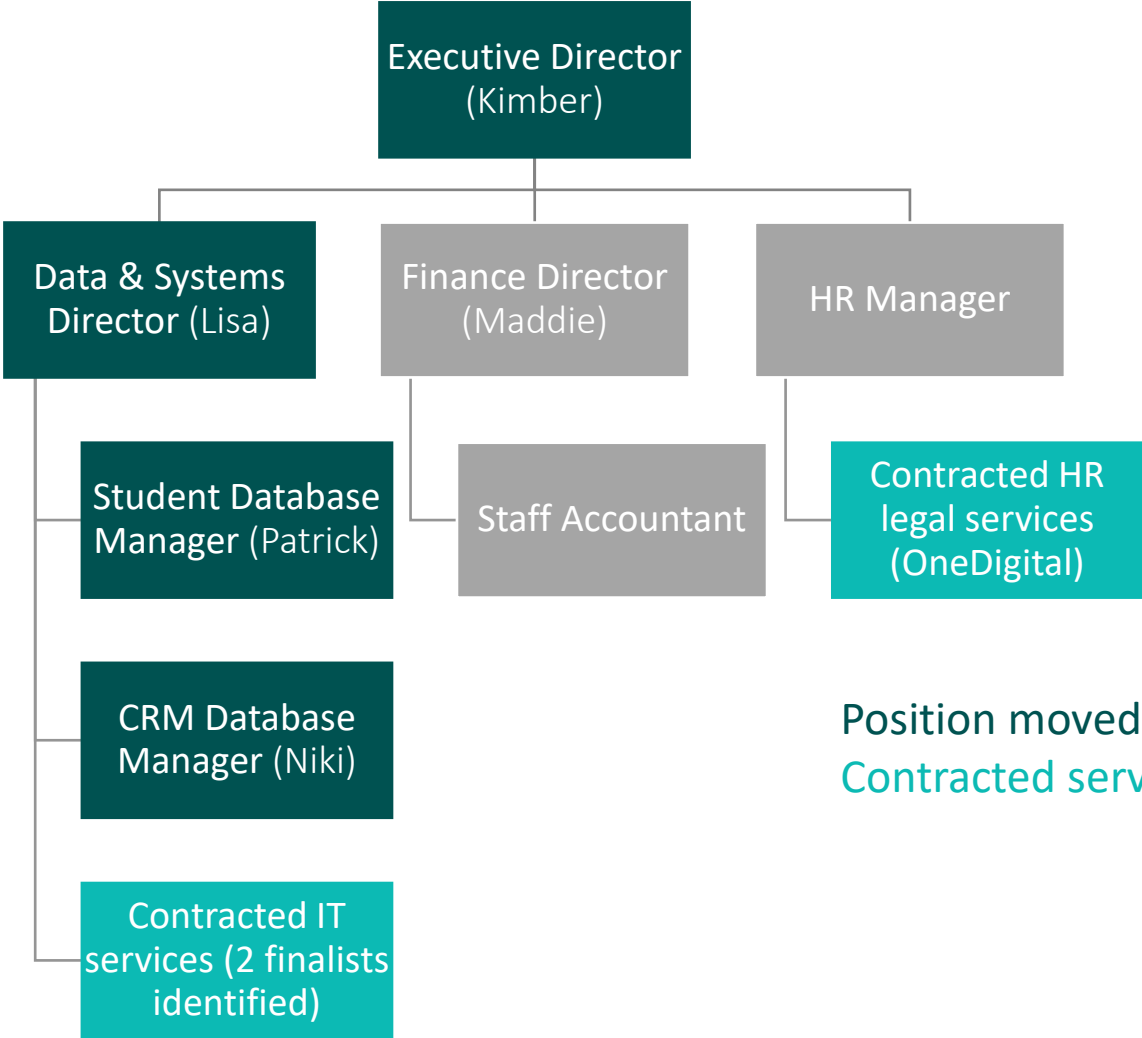
ED CORNER: WSOSF and the ED Search

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PROGRAM ADMINISTRATOR AGREEMENT



WSOSF PERSONNEL



Position moved from WSOSP to WSOSF
Contracted services, not FTE

KEY ACTIVITIES ARE UNDERWAY!

- **HR:**

- Handbook and other forms drafted, offer letters out to legacy employees, job descriptions updated
- Benefits broker engaged (Parker, Fleek, & Smith – various providers TBD)
- 401(k) broker engaged (Cutler – Empower as provider)
- HRIS build is in process, go-live date is August 3 (BambooHR)

KEY ACTIVITIES ARE UNDERWAY!

- **Finance:**
 - Engaged Clark Nuber for internal audit
 - Selected JP Morgan Chase as banking partner and secured services payment
 - Selected Sage Inacct as WSOSF's ERP system to go live September 1
 - Prioritizing collecting information to pay Scholar Leads and file disbursements

KEY ACTIVITIES ARE UNDERWAY!

- **IT & OTHER OPS:**

- Bids from 7 providers secured; 2 finalists identified, go-live date is July 1
- Minimizing identifiable data and completing a file clean-up prior to transition
- Researching VPN, password manager, other technology tools
- Securing necessary insurance for organization
- Submitting necessary filings (business registration with state and local entities, coordinating tax filing, etc.)

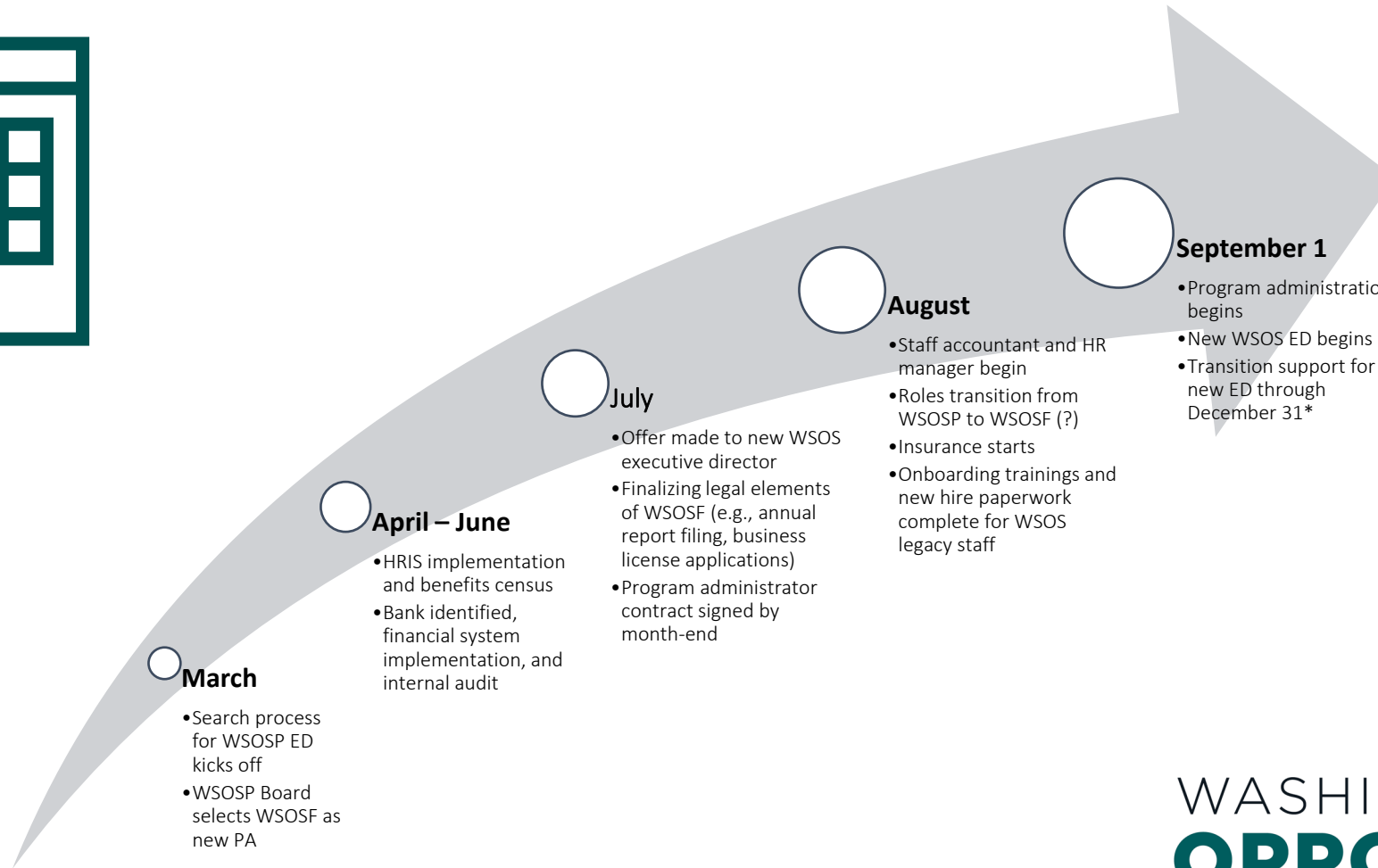
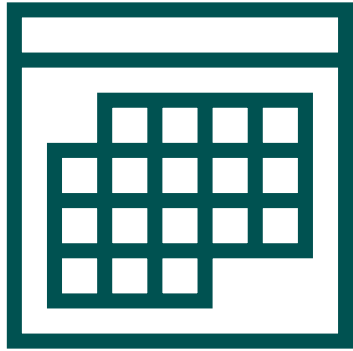
WSOS EXECUTIVE DIRECTOR SEARCH

- **Search Committee Convened**
 - Includes two Board members (Jane Park and Patrick Smith)
 - One representative from WSAC (Mike Meotti, executive director)
 - One representative from corporate partner (Jolenta Coleman-Bush, MSFT Philanthropies)
 - Two WSOS staff members (Camille Reynaud and Kimber Connors)
- *No authority has been delegated to this search committee; any Board member can raise up a candidate for consideration at any time. Please see your email for the complete package of all applicant materials and reach out to the search committee members with any questions or comments.*

WSOS EXECUTIVE DIRECTOR SEARCH

- **Search Process Well Underway**
 - Received ~80 applications
 - Completed screening conversations with ~40 applicants
 - Search committee identified top six for interviews (June 7 to June 11)
 - **Three candidates to advance to:**
 - Meetings with representatives from two founding cornerstone partners and the Board Chair (June 24 and 25)
 - Meet & greet with Scholars and staff (July 9)
 - **Two candidates to advance to:**
 - Presentation to the WSOS Board (July 23)
 - **Hopeful start date is September 1** with transition support from Kimber through December 31

TIMELINE



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Tab D

FAFSA Update

FREE APPLICATION FOR FEDERAL STUDENT AID
FAFSA UPDATE

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CURRENT STATE OF THE FAFSA IS STILL NOT IDEAL.

- Continued challenges for students and families with **mixed documentation**
- **Paper FAFSA form** processing will start at the end of June
- Students with **special circumstances** experiencing delays in making corrections to the FAFSA
- **Delays in creating financial aid packages** for all students
- Department of Education has **not committed** to releasing the 2025-26 FAFSA by October 2024

The most vulnerable students are most impacted.

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WE PERFORMED CONDITIONAL SELECTION.

- Conditional selects included students who met all eligibility criteria **except** we could not verify a processed FAFSA.
 - **BaS** – 366 conditional selects; 29% of total selects
 - **CTS** – 96 conditional selects; 15% of total selects

Final verification for all current and new Scholars will occur with the financial aid office before the first disbursement.

Tab E

Campaign Update

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TOMORROW, TODAY
CAMPAIGN UPDATE

OVERVIEW FOR TODAY

1. Campaign Goals & Strategies Refresh
2. Reality Check
3. Celebrations & Reasons for Hope
4. What's Next?

CAMPAIGN GOALS

1. **Raise \$75M** in private philanthropy between January 1, 2021, and December 31, 2025, to advance the mission, capacity and outcomes of WSOS.
2. **Amplify WSOS's brand, impact, and value proposition**, positioning WSOS as the most effective and well-known scholarship program in the state and a go-to organization for companies across Washington to support.
3. **Inspire and engage a deep bench of WSOS ambassadors** who care about, champion, and advocate for WSOS's mission throughout (and after) the campaign.
4. **Exponentially grow and diversify WSOS's base of support** and increase the number and types of donors, funders and corporate partners supporting the organization with their philanthropy.
5. **Build a high-performing and high-ROI fundraising program** that will, after December 31, 2030, be able to raise \$10M in revenue annually.

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TOP FUNDRAISING STRATEGIES

1. Implement **strong retention strategies** that mitigate donor attrition and promote donor retention / loyalty.
2. Implement **effective donor acquisition strategies** that grow the base of support at all levels, especially donors in the \$25k - \$1M range.
3. Provide **inspiring, tailored solicitations** that compel donors to increase their level and make meaningful major gifts to the campaign .
4. Develop **powerful engagement experiences** for both individuals and corporate prospects that show the mission in action and compel prospective donors to get involved and give generously.

REALITY CHECK: TWO THINGS GOT IN THE WAY OF PROGRESS.

- We planned our campaign before we knew there would be a **global pandemic.**
- **Hiring has been difficult** – fundraisers are leaving the profession in droves.

WE'RE BEHIND PACE.

- We need to raise **\$9.2M** before we publicly launch the campaign at **\$60M**.
- We had hoped to announce at 2024 OpportunityTalks, and we're not sure we'll get there by 2025 OpportunityTalks.
- We need to **build a solid fundraising team** to create a long-term, sustainable fundraising program at WSOS.

IT'S NOT ALL DOOM AND GLOOM.

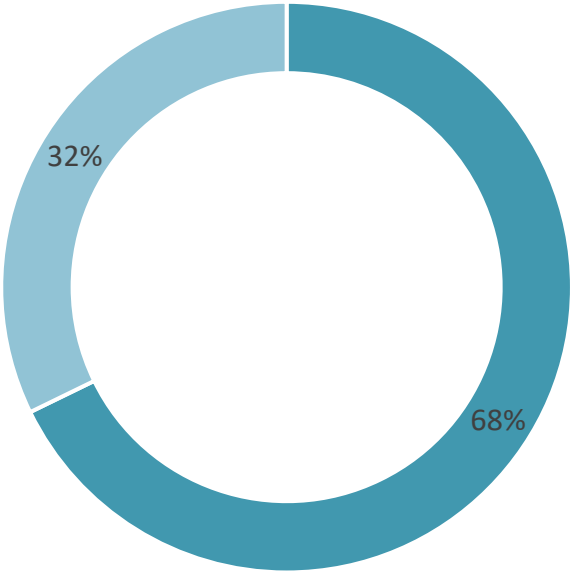
- Over the past two years, we've held campaign events with **100+ new supporters** and recruited **360+ new donors** to WSOS.
- Our suite of **campaign collateral** is finished and ready for solicitations (case for support, pledge, proposals).
- We've built **close partnerships with corporate partners** like Bristol Meyers Squibb and BECU Foundation.



CAMPAIGN PROGRESS

WE ARE IN THE FINAL THIRD OF THE CAMPAIGN.

- We've raised **\$50.8M** to date and are **68%** toward the \$75 Million goal.



■ Raised to date \$50,836,854 ■ Remaining to be raised \$24,163,146

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SCHOLARSHIP

WE'RE STILL CLOSING GIFTS

- **Recent notable gifts**

- \$1.3 Million gift from Coordinated Care
- \$600,000 gift from the Connell Family
- \$706,000 raised from OpportunityTalks
- 4 major gifts from individuals of \$25k+

- **Gifts in process**

- Two, \$5M+ major gift proposals
- Grant applications for Lowes Foundation, Clif Family Foundation, and other large foundations

WE HAVE ASSETS IN OUR CORNER.

- The incoming Executive Director will be the **new face of the public launch of the campaign**. It's a natural opportunity to build and rebuild partnerships and invigorate the campaign!
- We're hiring **new development team members** and reprioritizing to address capacity concerns.
- Development and Marketing and Communications team have combined and are **working closely to plan and align on priorities**.
- We have **effective engagement and stewardship practices** (annual impact report and end-of-year card donor acknowledgments) that were not previously in place.

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KEY ENGAGEMENT STRATEGIES THIS YEAR

- We hosted **OpportunityTalks with 700+ attendees** and built an **inaugural Honorary Committee** to engage new supporters.
- We've planned and implemented a **regional approach** for corporate and foundation fundraising outside of Puget Sound and are focusing on key industries.
- We're ramping up **foundations outreach** by connecting with community foundations, meeting with current funders, exploring project-based opportunities and utilizing key WSOS champions for introductions.

TOP STRATEGIES FOR NEXT 6 MONTHS

- 1. Build and retain the team:** Recruit, hire, and on-board three key roles for the Development team.
- 2. Deploy the Executive Director:** Coordinate a roadshow for the incoming ED to meet and connect with key partners and donors.
- 3. Streamline systems.** Maintain engagement and stewardship by more effectively leveraging our CRM and finance information system.

DISCUSSION

What can we do at WSOS to attract top-tier talent to the development team when fundraisers are leaving the profession all together?

Tab F

Finance & Program Update

WASHINGTON STATE **OPPORTUNITY** SCHOLARSHIP

FINANCE & INVESTMENT COMMITTEE MEETING AGENDA JUNE 12, 2024 REMOTE

To join: Click on the Microsoft Teams link in meeting invitation or dial in #: +1 332-249-0607 Phone Conf. ID: 329 783 184#

I.	Meeting Called to Order		Patrick Smith Board Member Committee Chair	1:00pm
II.	Approval of Minutes from March 6 Meeting	[Tab A]	Patrick Smith Board Member Committee Chair	1:00-1:05pm
III.	WSIB Quarterly Performance Report	[Tab B]	James Aber WSIB	1:05-1:25pm
IV.	Program Administrator Report	[Tab C]	Eileen Moran 501 Commons	1:25-1:45pm
V.	Program Update » <i>Committee Action:</i> Recommend WSOS Board appoint Matt Wang to the Committee	[Tab D]	Kimber Connors WSOS	1:45-2:15pm
VI.	Executive Session		Patrick Smith Board Member Committee Chair	2:15-2:30pm
VII.	Meeting Adjourned		Patrick Smith Board Member Committee Chair	2:30pm

Committee Questions for Consideration:

- » Is there anything in particular you encourage us to dig into during the Clark Nuber engagement?
- » In designing a financial system and associated policies and procedures from scratch, do you have any advice to ensure we aren't missing anything significant and that we are designing best-in-class practices along the way?

Upcoming Committee Meetings

September 5, 2024

November 14, 2024

Tab A

Approval of Minutes

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

**FINANCE & INVESTMENT COMMITTEE MEETING MINUTES |
WEDNESDAY, MARCH 6, 2024**

Members present via Microsoft Teams: Patrick Smith, Bo Lee, Elisa La Cava, Jess Peet, Joseph Walker, Julie Sandler, Matt Rubright

Members not present: Brad Faulhaber

Other Attendees on Teams: Kimber Connors, Dena Parmer, Eileen Moran, Chris Hanak, Aileen Liu

Meeting called to Order

Patrick Smith called the meeting of the Washington State Opportunity Scholarship (WSOS) Finance and Investment Committee to order at 1:02 p.m.

Approval of Minutes from November 30, 2023, Finance and Investment Committee

Committee Action: Jess Peet moved to approve the minutes of the November 30, 2023, meeting. Julie Sandler seconded the motion, and it was carried unanimously.

WSIB Quarterly Performance Report

James Aber, Washington State Investment Board's (WSIB) Director of Institutional Relations and Public Affairs, delivered the quarterly investment performance report and the market environment. All data is as of December 31, 2023.

Aber said equity and bond markets rallied significantly during the fourth quarter mainly on expectations of lower interest rates. He said the Baccalaureate Scholarship (BaS) and Career & Technical Scholarship (CTS) funds returned 7.3% and 7.4%, respectively, for the quarter and 11.5% and 11.6% for the 12 months ending December 31. Aber said the endowment fund (80% equities, 20% fixed income) saw even higher returns of 10.1% for the quarter and 18.9% for the 12-month period. He said the global equity funds returned 11.2% for the quarter and 21.9% for the year. Aber said WSIB did not complete any transactions during the fourth quarter.

Bo Lee asked why the endowment allocation is 80/20, but the slide says 92% in equities. Aileen Liu said she would have to take a deeper look, but they may have rebalanced it, and this is just a snapshot taken at the end. Liu said she would get back to the committee on the current ending allocation.

Aber said equity and fixed-income markets rallied significantly, and that was due to expectations that the Federal Reserve is going to start lowering interest rates in 2024 because the inflation reports came in lower than expected. He said developed markets continue to outperform emerging markets with a one-year return of almost 23%. Aber said there is an inverse relationship between bond prices and yields. He said that with expectations of lower yields, we saw the 10-year Treasury fall below 4%, which has not happened for quite some time. He said bonds finished out the quarter with a significantly large return of 6.8% for the year. Aber said it has been a year with significant ups and downs due to various factors including the Silicon Valley Bank and regional banking crisis. He said the markets continue to respond to economic reports.

Liu followed up on Lee's question about the endowment allocation. She said that there was a rebalance, and the endowment portfolio is once again at 80/20 in Q1. Lee asked if the 92% is referring to private and 8% state match. Chris Hanak said they do daily monitoring, and these numbers are not the audited numbers. He said the actual allocation at that point was about 18.8% fixed income and 81.2% equity. Smith added that he believes the slide is mislabeled because it breaks out the allocation in the pre-read materials, as Hanak explained. Hanak and Aber affirmed that the slide is mislabeled and committed to providing a correction next meeting.

WASHINGTON STATE **OPPORTUNITY** SCHOLARSHIP

Hanak followed up on a question from the Q4 meeting about a tracking error in the fixed-income portfolio. He said they ran it for a series of quarters, and with some minor exceptions, he said you can think of the tracking error as running in a band of 50 – 60 basis points. Hanak said it trends in the low 50s other than during Covid, when it moved up as high as 90 basis points. He said that from a tracking error standpoint, 50 – 60 points is the range.

Lee asked if there is an investment policy statement outlining all the parameters. She also asked how the rebalancing policy works. Smith asked Connors to send Lee the latest investment policy which was then provided as a [link](#) to the meeting chat. Liu addressed the rebalancing implementation by explaining that WSIB does not want to undo trading. She said they take advantage of cash flows as they come in and then will rebalance out of the overweight asset class if there are flows and into underweight asset classes. Hanak added that our policy is kept on the WSIB website. He said they do an asset allocation study every four years, and once it is approved by the board, it immediately goes into effect, and the new policy is posted. Hanak said they establish targets and ranges around those targets. He said rebalancing is not on a time schedule, but it happens as they reach the end of a range. Hanak said there is an order of operations, and they are looking to do it in the cheapest way to rebalance the portfolio. He said they look to use cash flows either into the fund or taken out of the fund when there are scholarship disbursements. Hanak said they will not rebalance if they are half a percentage above target.

Lee asked if the committee had considered any alternative investments. Hanak said the private asset classes that we are invested in require substantial scale also in terms of the type of funds used. He said that the big exposures we have to the private asset classes are in the large retirement fund that has seventeen different pensions. He said qualified pensions are the only ones eligible to be invested in and require scale and a private equity program Hanak added that it takes years to implement. He said that programs like WSOS are typically invested in public markets.

Lee asked if there is anything preventing us from looking at it from an investment policy standpoint. Hanak said there are a couple of things, including the time horizon for which the investments are being made. He said a lot of the private asset classes require a very long-time horizon, scale, and resources. Hanak said that the CTF portfolio has significant private assets and has \$160B in total. He said that if you look at private equity, real estate, and tangible assets programs, you will see that tangible assets are finally approaching their target after being an asset class for ten to twelve years. Hanak said it requires having dedicated staff to a longer-term investment strategy, which has to be developed over time, and they require significant scale. He said he is happy to follow up further on any questions the committee has.

Program Administrator Report

Eileen Moran, Finance Director for 501 Commons, presented financial statements through December 31, 2023.

Moran reviewed the balance sheet. She said cash went down, and we had one of our largest scholarship disbursements of the year during this period. Moran said we disbursed \$4.1M for BaS, \$2.2M for CTS, \$263K for GRD, and \$153K for RJI. She said cash donations came in from Costco for \$125K, a \$25K pledge payment from Pahlisch Homes, two private donations totaling \$15K, and \$15.7K from other smaller donations. She said we received refunds of \$413K for BaS and \$241K for CTS/GRD. She noted that the ending investment balances were \$57.8M for BaS, \$28.3M for CTS, \$7.4M for the endowment, and \$829K for GRD. Moran said we had net investment gains across all accounts, totaling about \$6.4M. She said there were no accounts receivable. Moran said pledges are primarily made up of the ending balances of \$10M from Microsoft, \$8M from Gary Rubens, and \$3M from Brad Smith. She invoiced WSAC for August 2022 – May 2023, and we received \$3.7M, which is being processed. Moran said we bill the City of Seattle as we consume the funds from carry-over from the prior appropriation. She billed \$80K and is waiting for WSAC to pay that out.

Joseph Walker asked if there were restrictions around the funds for the City of Seattle. Moran said the funds have to be used for specific Scholars at specific schools. She said that we would be able to get all

WASHINGTON STATE **OPPORTUNITY** SCHOLARSHIP

of the \$385K over time. Connors added that they are the only donor so far who's been allowed to control what we are allowed to do with not only their money but also the state match, which is why there's this complication in securing the state match from WSAC. Connor said that we are doubling down on promotion partnerships with the City of Seattle because there aren't enough applicants from the City of Seattle to use all the money that they gave us quickly. She added that we will eventually get all of the funds because we have into perpetuity to spend it down.

Matt Rubright asked about the timeline in which WSAC reviews and appropriates the funds and what that means for the remaining \$3M. Connors said it is usually weeks to a couple of months from when we submit the invoice to when they send us the funds. Moran said she has the balance of what we have left, and she will do another invoice before WSOS moves to the WSOS Foundation as its new administrator.

Peet asked about the spikiness in the state revenue match and asked if that was due to the billing cadence more than the actual match. Moran affirmed this and said she did not have time to do billing but is catching up now. Connors said that going forward, we will access the entirety of the funds before September 1, which is when we have our first large disbursement. She added that we should only see activity here in July and August because all of the state-appropriated dollars will be used in the beginning. Connors said as we accumulate private receipts, we will ask for the match in the next budget cycle. She said that Moran started with the largest donations that we received to get the money as quickly as possible.

Moran said that \$82K of payroll liabilities is due to accrued PTO, in addition to \$14K of FSA payable and \$14K of 401 payable. She said the change in liabilities is from recording \$2.2M in scholarship expenses. Moran said she updated the scholarship model, and the balance will go up, and disbursements will make the number go down again. Moran said we had scholarship disbursements of \$2.2M and refunds of \$5.8M.

Moran said the investment returns actual year to date include unrealized and realized gains of \$1.26M, interest dividend income of \$245.6K less \$35.8K of investment expenses. Moran said there were several slight variances in the budget to actuals. Moran said personnel expenses remain under budget due to unfilled positions, and conferences, conventions, and meetings are underspent due to a lack of spending on sponsorships. Moran said that office expenses are under budget because the money budgeted for the work-from-home quarterly stipend was moved out of that line to salaries and wages because it is a taxable stipend. She said scholarship expense is booked when the scholarship model is updated. Moran said she updated the scholarship model in September and in December.

Moran reviewed the cash flow statement and said that between October and December, WSOS received the earned retention tax credit of \$180K from Washington STEM which should have included interest that we did not receive. She said we will receive an additional \$13K for the interest from WA STEM. She said we received realized and unrealized gains of \$5.2M and \$245K from interest and dividend income and investment expenses of \$35.8K.

Moran asked when there is redundancy in the balance sheet and cash flow narrative, if she should skip it. Smith affirmed that she does not need to cover anything twice.

Moran reviewed the rolling 12-month cash flow and said we received \$41K in a pledge payment from Pacific Education Institute, \$25K from Pahlisch Homes, \$15K from Frontstream, \$15K from Parametrix, \$12.5K from Avista Foundation, \$10K from Diane Cecchettini, \$10K from Boeing, \$10K from Rajeev Singh, and \$200.8k from other small donors with a significant number of these resulting from OpportunityTalks donations. Moran said the investment income was made up of unrealized and realized gains of \$4.8M, interest and dividend of \$245.6K, and investment expenses of \$35.9K. She said the scholarship disbursements during the 12-month period were \$19.64M, and scholarship refunds totaled \$2.7M. Moran said that GRD disbursements include \$113.7K related to travel and preceptor stipends.

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Moran talked about the revisions to the balance sheet from the September 30 meeting due to errors in the dollar amounts of the scholarship commitments. She said that in September and October of 2022, the financials were maintained in QuickBooks, which did not allow her to pull balance sheets by company. She said she was able to keep P&L separate but not the balance sheets. In order to separate them, she had to do manual entries in Excel which resulted in an error she's now identified. She said the revised balance sheet for September 30, 2023, has been double-checked from more than one source, and it is now accurate.

Program Update

Connors thanked Sandler, who has been on the F&I Committee and is stepping back from this committee but staying on the Board. Sandler said she is excited about the capital campaign for WSOS. She said she is taking over as chair of the Washington Roundtable, which touches a lot of education policy work. Connors said that the charge from our charter is that we have at least seven members on the committee. She said that with Sandler's departure, we still have seven members, but we would like to add one or two more members in the next six months. Connors said we must have one member of the WSOS Board and one member from the WSOS Foundation Board, which we have with Smith and Peet. Connors said we are looking for people who have a combination of investment, finance, legal, accounting, banking, nonprofit governance, or higher education, so we have different voices in the room. She added that we do not have anyone with experience in academics or education or anyone with experience in government policy. Connors said that we should also have representation from outside of Puget Sound because Smith is the only representation right now. She said that we want to make sure our boards and committees are, to the best extent possible, a representation of the lived experience of our Scholar population, which is about seven in ten people of color and six in ten women.

Lee said she has some people in mind and asked how to connect with Connors. Sandler suggested that each committee member submit one name that Connors should get in contact with. Connors said that she would like committee members to have an initial conversation to gauge interest and availability and then introduce them to her.

Lee shared that she thinks the committee should celebrate in person this summer and is happy to take on the planning because most people have never met each other in person.

Connors discussed the reports that come from the Program Administrator and said that we have an opportunity to rethink what reporting looks like as we move to the WSOS Foundation. She said we need to showcase each quarter what is most helpful to facilitate discussions. Connors added that we hired a finance director who will start on April 1, and she will attend our next meeting. She said that she would like two or three members to meet with her to discuss reporting so she can begin to create some templates. Walker, Rubright, Smith, and Peet all volunteered to meet with the finance director in April.

Connors said the Board had a conversation about operational expenses during our last Board meeting. She said we want to make sure that we spend most of our dollars on scholarships or support services and keep the numbers low for operations. Connors said by starting our own foundation, there were concerns from the Board that we don't drift too far into operational spending since the original inspiration for having a program administrator was to realize economies of scale. She said the Board talked about the program expense ratio. She said Charity Navigator gives you a good rating if nonprofits spend at least 70% on programs; the Better Business Bureau Wise Giving Alliance recommends spending 65% or more on programs. Connors said that historically WSOS spends between 89-91% on scholarships and support services. She said the Board has asked this committee to talk through what would feel comfortable in terms of the amount that future budgets cap operational expenses.

Elisa La Cava asked if the percentage would change since we have had such a lean headcount for the past couple of years. Connors said that percentage is based on budget rather than actuals, and even if we were under by \$300K, the change is minimal when we are giving out \$18M in scholarships.

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Sandler asked if there is a different bar we need to set since such a big portion of our funding comes from taxpayer dollars. Connors said that is the reason we've never even been close to only spending 65-70% on programming. She said that the lowest we have ever been was 88%, but we tend to hover around 90%. Connors said that we get a lot of questions from legislators about this. She said we are seen as highly efficient with taxpayer dollars, and it is one of the biggest reasons there is so much love for WSOS.

Rubright asked if there is an opportunity cost due to operational expenses being so low. He said we could be missing an upside to things like additional fundraising and actual growth. Rubright said this needs to be taken into consideration. Connors agreed. Walker said the ROI on fundraising is pretty good and based on our experience with the finance provider over the past couple of years, we should leave money for necessary changes.

Peet noted that while the program administrator fee was up year-over-year, the planned costs were about flat as headcount currently under the program will transition under the program administrator.

Sandler asked if we need to separate private dollars from taxpayer dollars and set a different bar for taxpayer dollars. She said there is a qualitative and philosophical discussion around the two sources of primary revenue for WSOS. Sandler asked if we should set our own philosophical bar first and then pick the qualitative one after that. Connors said that everyone wants to pay for scholarships, not operations.

Walker asked if there are analogous programs elsewhere that the state is participating in that can serve as a subset benchmark for us. Connors said that the Washington Student Achievement Council administers the Washington College Grant, which is probably the most similar. She said their expense ratio is wrapped into all of the other things that WSAC does, not just the scholarship administration program. Connors said she would talk to WSAC and try to get more information about it.

Lee said it would be helpful to see where the money would be spent if we were to increase the budget for operations. Connors said that the amount we spend on scholarships is driven by the Board's decision of how much money we give each student and how many students we give scholarships to. She said that if they keep the scholarship amount and number of students flat, we'd see a slow decline in our program expense ratio since operations costs invariably go up with inflation while scholarship spending can remain relatively flat at the Board's discretion. Smith asked if this is just a program policy as he wanted to ensure this is not something that would be written in legislation. Connors affirmed that it would just be a policy that could be changed with Board approval. Smith said that this is a good trigger to initiate the conversation at the Board level to discuss why we may hit the threshold if we adopt something as a policy. He said we have options to change the threshold or increase the spending on scholarships and support services.

La Cava said she was unfamiliar with the 65-70% benchmark for nonprofits and that WSOS has been very efficient over the years. La Cava asked if sharing this metric with a potential major donor moves the needle. Connors said that it is strategically important, and it matters who you are talking to. She said that two major donors come to mind who ask about our program expense ratio. Connors said donors have been very pleased that so much of their donation goes directly to student scholarships and support. She said this gives us a competitive advantage in fundraising and because of this she would not advocate for being closer to 65-70%. Walker said that having a policy may strengthen it from a marketing angle.

Connors said we don't need this until the next budget cycle. She said she would like to write a resolution that describes our expense ratio policy and bring it back to a later meeting for discussion. She said that we could set a number, and if a budget was proposed with something different, it would require some form of action from the Board.

Smith said that based on Walker and Rubright's comments earlier, we should consider a range. He said if we find ourselves spending too much on services and not enough on operations, it could trigger a conversation about whether we are investing enough in WSOS's long-term future.

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Smith said that related to our earlier conversation on reporting, we could align how we format the income statement to make it very easy to get this right. He said the way the income statement is currently formatted; a naïve observer could look at scholarship expenses and operating expenses and calculate the ratio based on those numbers. Smith said that in operating expenses, we have included some program expenses. He said future income statements should be reporting revenues, scholarship and program expenses, and then operating expenses.

Smith said that before the meeting, he wrote down 85% on his preread, and as we think about Sandler's comments about public and private dollars, 85% spent on program expenses felt right. He said that we can discuss it at our next meeting to see if that is the appropriate program expense ratio.

Sandler said that as a scholarship organization, the direct value to our constituents is the exact dollar that we disburse, whereas an arts nonprofit gives value through an art show or theatrical production. She said this is another argument for why our program expense ratio needs to reflect closer to where we are. Smith said the lifetime value of the scholarship is what private donors wish to fund but is difficult to calculate with accuracy.

Connors said we need to select a bank for the WSOS Foundation by the end of March to accept and deposit the first services payment from the WSOS program. Connors said she reached out to WA STEM because they are familiar with our banking needs as a former program administrator. She asked what we should be thinking about in selecting a bank to work with. Connors said we should consider if we want to work with a bank in Washington State or if we want to prioritize working with a big five bank with a safety-in-size doctrine. She wondered if we should expect better service from a regional bank, knowing that we would be a bigger client, or if we would expect better service from a big bank that has a lot of customer service agents and possibly somebody who is assigned to us. Connors said we want to think about the fee structure given the size and number of transactions that WSOS engages in. She said we need to think about the riskiness of the bank's position and diversifications, especially after what we saw in Silicon Valley last spring. Connors said we need to consider the bank we choose and the design of a future sweeps policy because we want to make sure we understand when we move money between our different investment situations. Connors asked what else we should think about as we are selecting a bank to work with.

Lee asked if we know how many transactions are done and how many accounts we have. Connors said there is a small number of accounts because we have one for each scholarship program. She said we have a relatively small number of large transactions throughout the year; she said we send individual disbursements out to sixty-three campuses four times a year and payments to our 300 Scholar Leads three times a year. In addition to these large disbursements, regular smaller payments do occur to vendors and such. Those occur regularly but not in a large number.

Lee asked how much we transfer and the balance in the accounts. Connors said we have a simple cash management strategy. We use our known pledges and state match receipts as regular inflows and the scholarship model (to understand the large scholarship disbursements) and the budget (to understand the cadence of cash flows on operational spend). She said that the general large disbursements in the fall, winter, and spring all need about \$6-7M on hand. Connors said she would guess the balance is usually around \$1M-\$2M outside of those periods.

Rubright said there are a lot of moving pieces when you ask any of the institutions about the types of support you will receive, and certain thresholds mean you get dedicated support. He said if we model it after our investment thesis, the safety of the cash is most important and then the liquidity and the ability to access it and disburse it as we need to. Rubright said a third priority is the return piece. He recommends prioritizing the requirements and selection based on those three things rather than big or small, local or not.

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Lee said one thing that is nice about regional banks is that they invest back in our communities. She said that considering the size of the transfers, it is important to have a great banking team, so you don't have to call around to get help if there are issues with a transfer or something like that.

Walker said we should look for earned credit rates, which can help offset banking fees and balances held with the bank. He said the technology is also important because it will feed into your financials and ease of bookkeeping. Walker added that they should definitely have a sweep program into a government money market fund to solve the credit risk to the bank. He said this should be a minimum threshold to consider.

Connors thanked the committee for their input. She said that we need to choose a financial information system in the next two to three months. Connors said she had assumed we would choose MIP as our financial information system because that is what we used at WA STEM and 501 Commons. She said in further conversations with WA STEM, she was given other options that might be a better fit for WSOS. Connors asked for feedback as a follow up but said it is less pressing than selecting a bank.

Rubright and Lee both said they would be happy to help. Lee added that she is also happy to help with banking research.

Walker said if there is a short list of solutions that we are thinking about, that is another thing to check with the banks to see how their integration with US solutions is.

Lee reminded people about OpportunityTalks in May and said she is happy to share a table with other committee members.

Smith adjourned the meeting at 2:34 pm.

Respectfully submitted,

Dena Parmer

Tab B

WSIB Quarterly Performance Report

WSOS INVESTMENT AND FINANCE COMMITTEE PERFORMANCE REVIEW – 4Q 2023

MARCH 6, 2024

James Aber, Director of Institutional Relations



WSOS INVESTMENT PROGRAM SUMMARY

DECEMBER 31, 2023

- BaS and CTS funds (30% equity/70% fixed income) returned 7.3% and 7.4% respectively for the quarter
- BaS and CTS returned 11.5% and 11.6% respectively for the 12 months ending December 31
- Endowment (80% equity/20% fixed income) returned 10.1% for the quarter and 18.9% for the one-year period
- Global equity funds returned 11.2% for the quarter and 21.9% for the year
- Fixed income funds returned 5.7% for the quarter and 7.4% for the year
- Global equity and fixed-income markets rallied in the fourth quarter on expectations of lower interest rates over the coming year
- There were no WSOS transactions in 4Q 2023

CAPITAL MARKETS SUMMARY

DECEMBER 31, 2023

- Global markets enjoyed a very strong quarter as the U.S. Federal Reserve (Fed) indicated that interest rate cuts could be on the horizon in 2024
- U.S. inflation fell during the quarter from 3.7% in September to 3.4% in December
- The MSCI Developed World IMI index returned 11.5% in the fourth quarter, bringing the 1-year return to 22.9%
- Emerging markets trailed far behind the developed markets this quarter – the MSCI Emerging Markets IMI index returned 8.0%, which brought its 1-year return to 11.7%
- The Federal Open Market Committee kept its Target Rate Range unchanged at 5.25% to 5.50%
- The U.S. 10-year Treasury yield decreased by 0.7% to 3.9%
- With the fall in rates, fixed income returns were in positive territory for the quarter
- The Bloomberg Universal index returned 6.8% in Q4

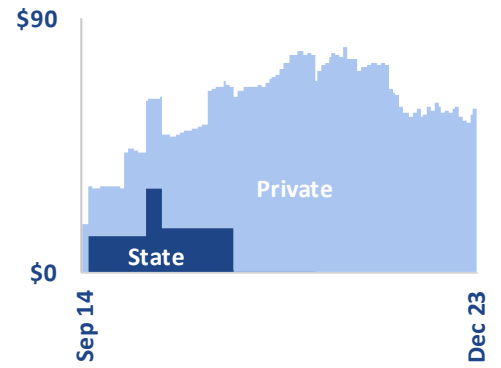
WSOS GROWTH OF ASSETS

DECEMBER 31, 2023



BaS (100% Private)

Private Total	\$57,756,116
Equity	\$17,103,407
Fixed Income	\$40,582,778
Cash	\$69,932
State Match	\$0



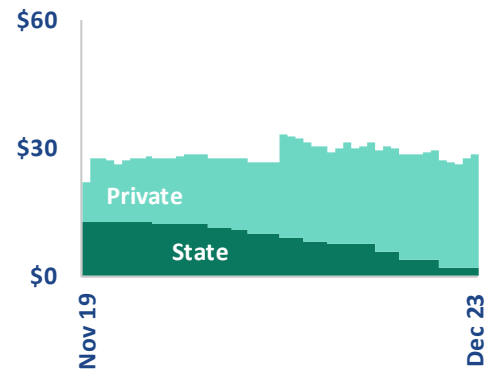
Endowment (92% Private / 8% State Match)

Private Total	\$6,824,729
Equity	\$5,554,752
Fixed Income	\$1,268,579
Cash	\$1,399
State Match	\$623,856



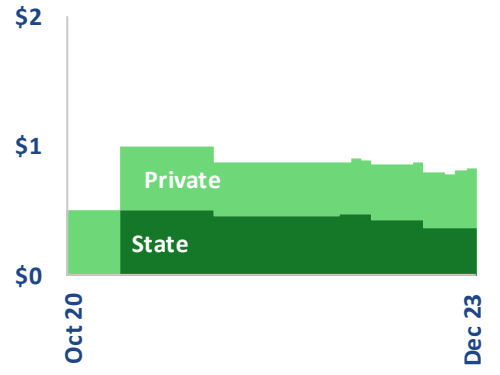
CTS (93% Private / 7% State Match)

Private Total	\$26,411,755
Equity	\$8,531,958
Fixed Income	\$17,762,969
Cash	\$116,829
State Match	\$1,862,662



GRD (56% Private / 44% State Match)

Private Total	\$463,308
Equity	\$153,133
Fixed Income	\$308,324
Cash	\$1,851
State Match	\$365,484



TOTAL MARKET VALUES AND ASSET ALLOCATION

DECEMBER 31, 2023



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
	Cash 0.12%		Cash 0.44%	Cash 0.40%
Private	Fixed Income 70.27%	Fixed Income 18.61%	Fixed Income 67.25%	Fixed Income 66.55%
	Equity 29.61%	Equity 81.39%	Equity 32.30%	Equity 33.05%
	\$57,756,116	\$6,824,729	\$26,411,755	\$463,308
State Match	\$0	\$623,856	\$1,862,662	\$365,484
Total	\$57,756,116	\$7,448,585	\$28,274,417	\$828,792

FUND PERFORMANCE UPDATES

ALL COLUMNS SHOW PERFORMANCE CALCULATED AS OF DECEMBER 31, 2023

		Annualized			
	Qtr.	1 Year	3 Year	5 Year	Since Inception
BaS					
Private	7.26%	11.47%	1.03%	5.14%	4.72%
Private Benchmark	7.31%	11.38%	0.95%	5.03%	4.68%
State Match	N/A	N/A	N/A	0.47%	0.56%
State Match Benchmark	1.39%	5.15%	2.21%	1.92%	1.40%
Private Funds Benchmark: 25% Equity, 70% Fixed Income, and 5% Cash. State Match Benchmark: 100% Cash					
Endowment					
Private	10.13%	18.91%	4.48%	9.32%	6.94%
Private Benchmark	10.12%	18.90%	4.44%	10.07%	7.28%
State Match	1.33%	5.01%	2.16%	1.79%	1.29%
State Match Benchmark	1.39%	5.15%	2.21%	1.92%	1.40%
Private Funds Benchmark: 80% Equity, 20% Fixed Income. State Match Benchmark: 100% Cash.					
CTS					
Private	7.39%	11.64%	1.15%	N/A	3.69%
Private Benchmark	7.31%	11.38%	0.95%	N/A	3.24%
State Match	1.33%	5.01%	2.16%	N/A	1.71%
State Match Benchmark	1.39%	5.15%	2.21%	N/A	1.82%
Private Funds Benchmark: 25% Equity, 70% Fixed Income, and 5% Cash. State Match Benchmark: 100% Cash.					
GRD					
Private	7.43%	11.74%	4.27%	N/A	4.03%
Private Benchmark	7.31%	11.38%	4.19%	N/A	3.97%
State Match	1.33%	5.01%	N/A	N/A	2.32%
State Match Benchmark	1.39%	5.15%	N/A	N/A	2.37%
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

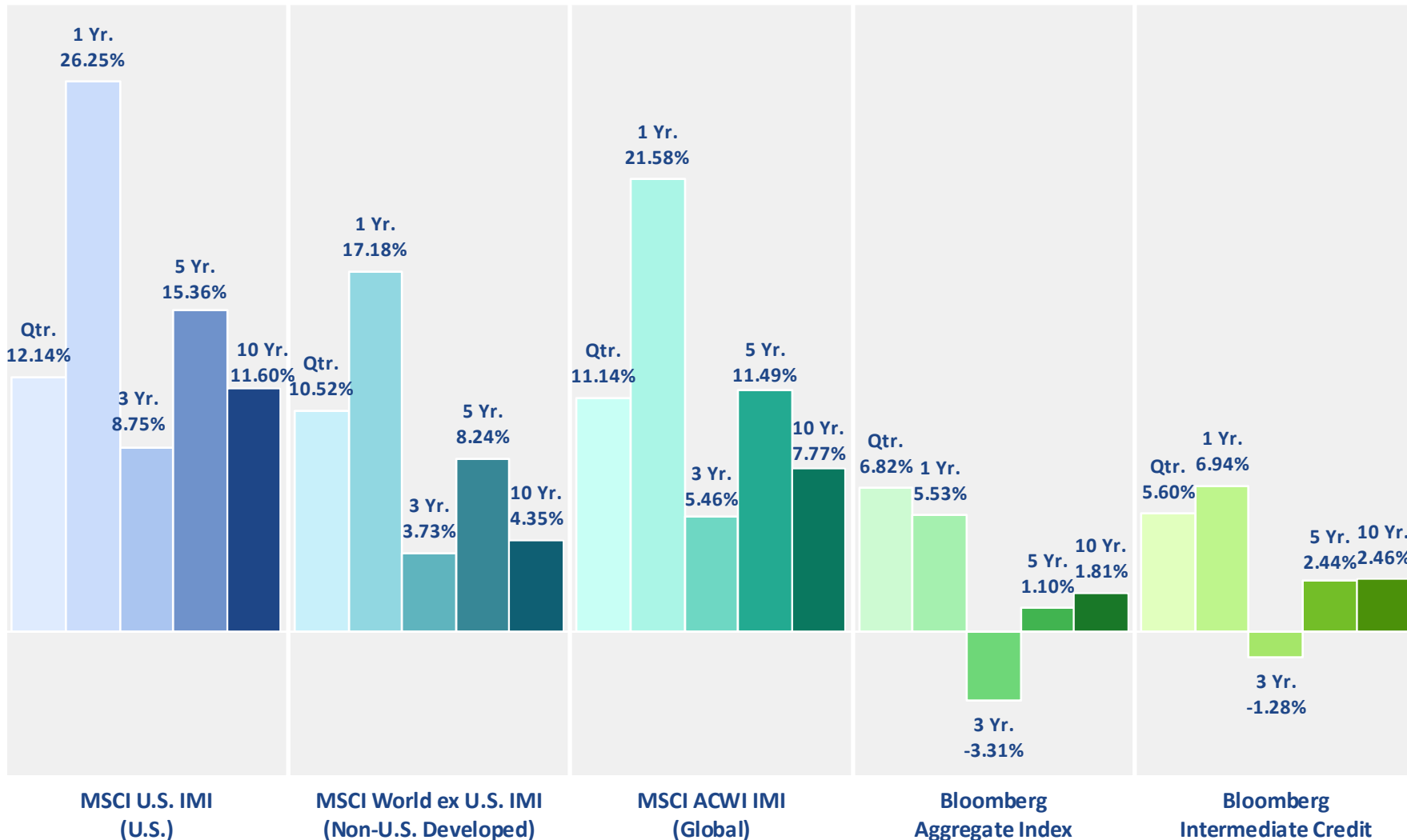
FUND PERFORMANCE UPDATES

ALL COLUMNS SHOW PERFORMANCE CALCULATED AS OF DECEMBER 31, 2023

	Annualized				
	Qtr.	1 Year	3 Year	5 Year	Since Inception
Equity					
BaS	11.19%	21.94%	5.75%	11.76%	8.45%
Endowment	11.19%	21.92%	5.74%	11.94%	8.44%
CTS	11.19%	21.89%	5.71%	N/A	9.59%
GRD	11.19%	21.89%	N/A	N/A	22.81%
MSCI ACWI IMI w/ U.S. Gross	11.23%	21.94%	5.74%	11.81%	
Fixed Income					
BaS	5.69%	7.35%	-1.11%	2.75%	2.61%
Endowment	5.69%	7.35%	-1.11%	2.76%	2.61%
CTS	5.69%	7.35%	N/A	N/A	1.26%
GRD	5.69%	7.34%	N/A	N/A	6.70%
Bloomberg Intermediate Credit	5.60%	6.94%	-1.28%	2.44%	

CAPITAL MARKETS AT A GLANCE

DECEMBER 31, 2023

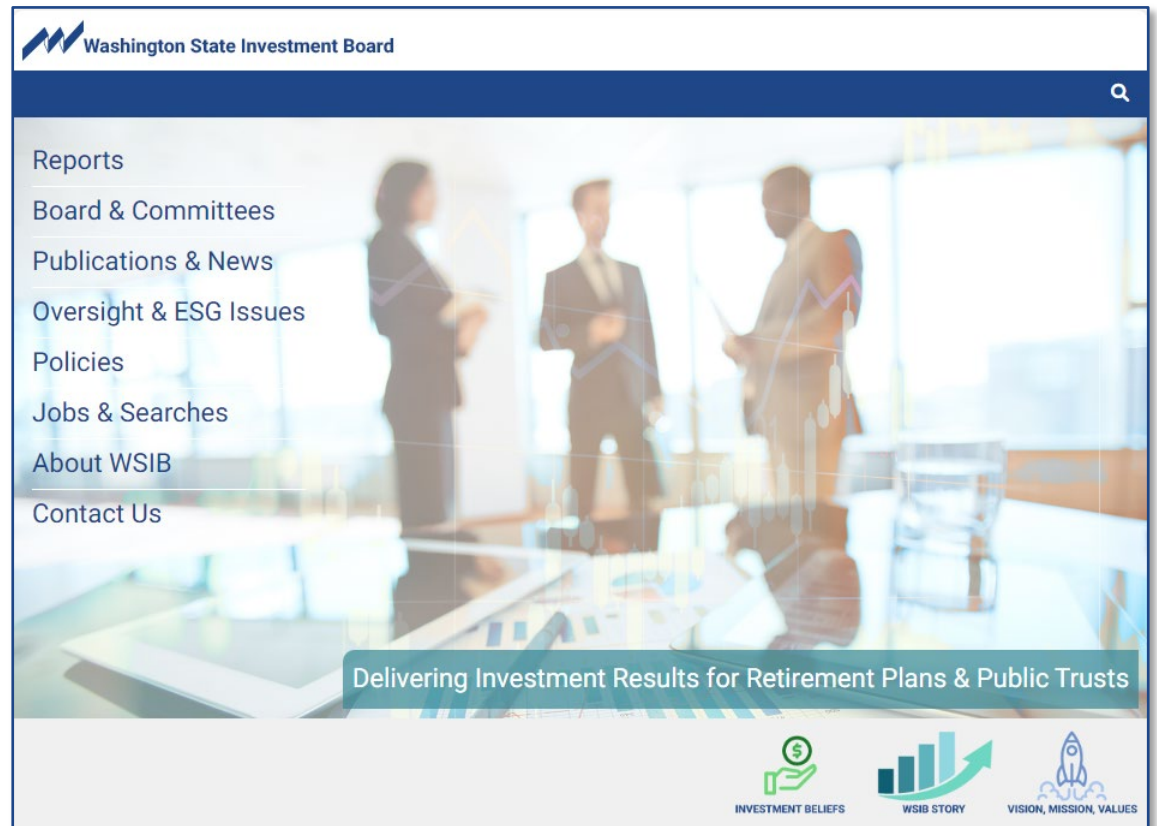


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WSOS INVESTMENT AND FINANCE COMMITTEE PERFORMANCE REVIEW – 1Q 2024

JUNE 12, 2024

James Aber, Director of Institutional Relations



WSOS INVESTMENT PROGRAM SUMMARY

MARCH 31, 2024

- BaS and CTS funds (30% equity/70% fixed income) returned 2.5% and 2.7% respectively for the quarter
- BaS and CTS returned 10.0% and 10.4% respectively for the 12 months ending March 31
- Endowment (80% equity/20% fixed income) returned 6.4% for the quarter and 19.2% for the one-year period
- Global equity funds returned 7.7% for the quarter and 22.7% for the year
- Fixed income funds returned 0.4% for the quarter and 5.0% for the year
- Global equity markets rallied and fixed-income markets pulled back during the first quarter as economic data remained strong and expectations of lower interest rates began to subside
- WSOS transactions during Q3
 - Mid-March – Graduate Advanced Degree Scholarship reallocated \$1,867 from the Private Cash Fund to the Private Fixed Income Fund

- Global equities posted strong quarterly returns on the back of resilient global economic data
- Most fixed income returns finished the quarter in negative territory as rates moved higher in anticipation of delayed rate cuts
- U.S. inflation ticked up slightly, rising to 3.5% year-over-year; meanwhile inflation in the eurozone continued to cool, falling to 2.4% in March
- The MSCI Developed World IMI index returned 8.4% in the first quarter, bringing its one-year return to 24.1%
- Emerging markets trailed developed markets this quarter
 - The MSCI Emerging Markets IMI returned 2.2%, bringing its one-year return to 9.8%
- The Federal Open Market Committee (Fed) held two meetings during the quarter and on both occasions held the Fed Target Rate Range unchanged at 5.25% to 5.50%
- U.S. interest rates moved marginally higher during the quarter as expectations of Fed rate cuts were pushed further out in 2024
 - The U.S. 10-year Treasury yield increased by 32 basis points to end the quarter at 4.20%
- Higher interest rates weighed on fixed income returns, with the Bloomberg Universal index posting a quarterly return of -0.5%

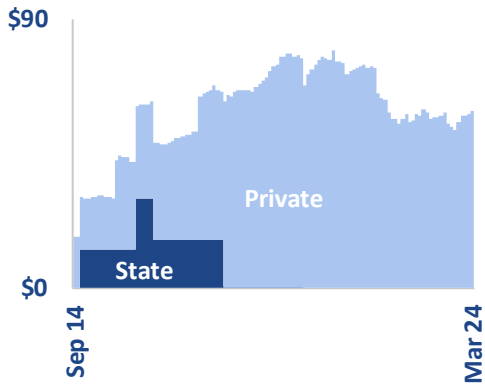
WSOS GROWTH OF ASSETS

MARCH 31, 2024



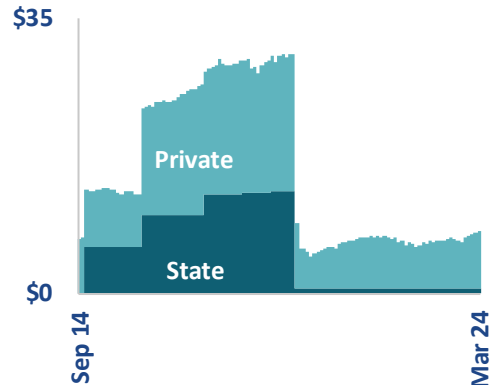
BaS (100% Private)

Private Total	\$59,222,647
Equity	\$18,426,361
Fixed Income	\$40,725,444
Cash	\$70,842
State Match	\$0



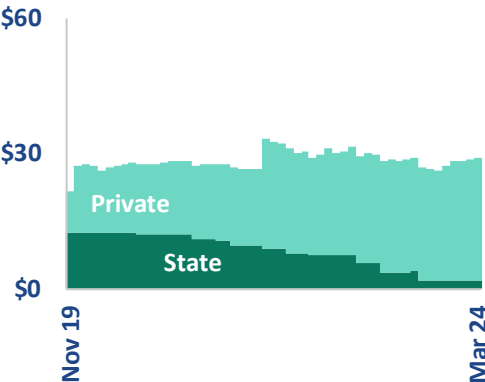
Endowment (92% Private / 8% State Match)

Private Total	\$7,258,845
Equity	\$5,984,390
Fixed Income	\$1,273,038
Cash	\$1,417
State Match	\$631,981



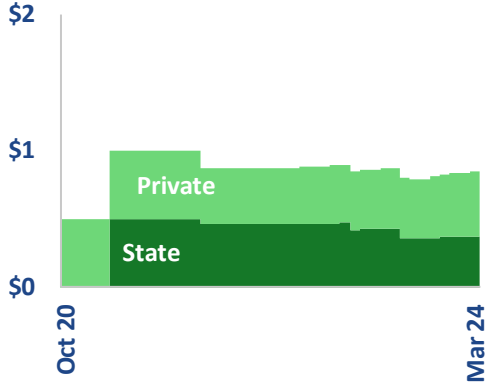
CTS (93% Private / 7% State Match)

Private Total	\$27,135,636
Equity	\$9,191,873
Fixed Income	\$17,825,413
Cash	\$118,350
State Match	\$1,886,921



GRD (56% Private / 44% State Match)

Private Total	\$476,258
Equity	\$164,975
Fixed Income	\$311,281
Cash	\$3
State Match	\$370,244



TOTAL MARKET VALUES AND ASSET ALLOCATION

MARCH 31, 2024



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 0.12%	Fixed Income 17.56%	Cash 0.44%	Cash 0.00%
	Fixed Income 68.77%	Equity 82.44%	Fixed Income 65.69%	Fixed Income 65.36%
	Equity 31.11%		Equity 33.87%	Equity 34.64%
	\$59,222,647	\$7,258,845	\$27,135,636	\$476,258
State Match	\$0	\$631,981	\$1,886,921	\$370,244
Total	\$59,222,647	\$7,890,826	\$29,022,557	\$846,502

FUND PERFORMANCE UPDATES

ALL COLUMNS SHOW PERFORMANCE CALCULATED AS OF MARCH 31, 2024

	Annualized				
	Qtr.	1 Year	3 Year	5 Year	Since Inception
BaS					
Private	2.54%	9.99%	2.07%	4.57%	4.88%
Private Benchmark	2.45%	9.88%	1.83%	4.40%	4.83%
State Match	N/A	N/A	N/A	0.35%	0.54%
State Match Benchmark	1.30%	5.35%	2.65%	2.06%	1.50%
Private Funds Benchmark: 25% Equity, 70% Fixed Income, and 5% Cash. State Match Benchmark: 100% Cash					
Endowment					
Private	6.36%	19.19%	5.32%	8.46%	7.45%
Private Benchmark	6.25%	19.04%	5.28%	9.19%	7.77%
State Match	1.30%	5.25%	2.60%	1.94%	1.39%
State Match Benchmark	1.30%	5.35%	2.65%	2.06%	1.50%
Private Funds Benchmark: 80% Equity, 20% Fixed Income. State Match Benchmark: 100% Cash.					
CTS					
Private	2.74%	10.41%	2.18%	N/A	4.12%
Private Benchmark	2.45%	9.88%	1.83%	N/A	3.63%
State Match	1.30%	5.25%	2.60%	N/A	1.91%
State Match Benchmark	1.30%	5.35%	2.65%	N/A	2.02%
Private Funds Benchmark: 25% Equity, 70% Fixed Income, and 5% Cash. State Match Benchmark: 100% Cash.					
GRD					
Private	2.71%	10.44%	5.20%	N/A	4.55%
Private Benchmark	2.45%	9.88%	5.03%	N/A	4.41%
State Match	1.30%	5.25%	2.60%	N/A	2.57%
State Match Benchmark	1.30%	5.35%	2.65%	N/A	2.61%
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

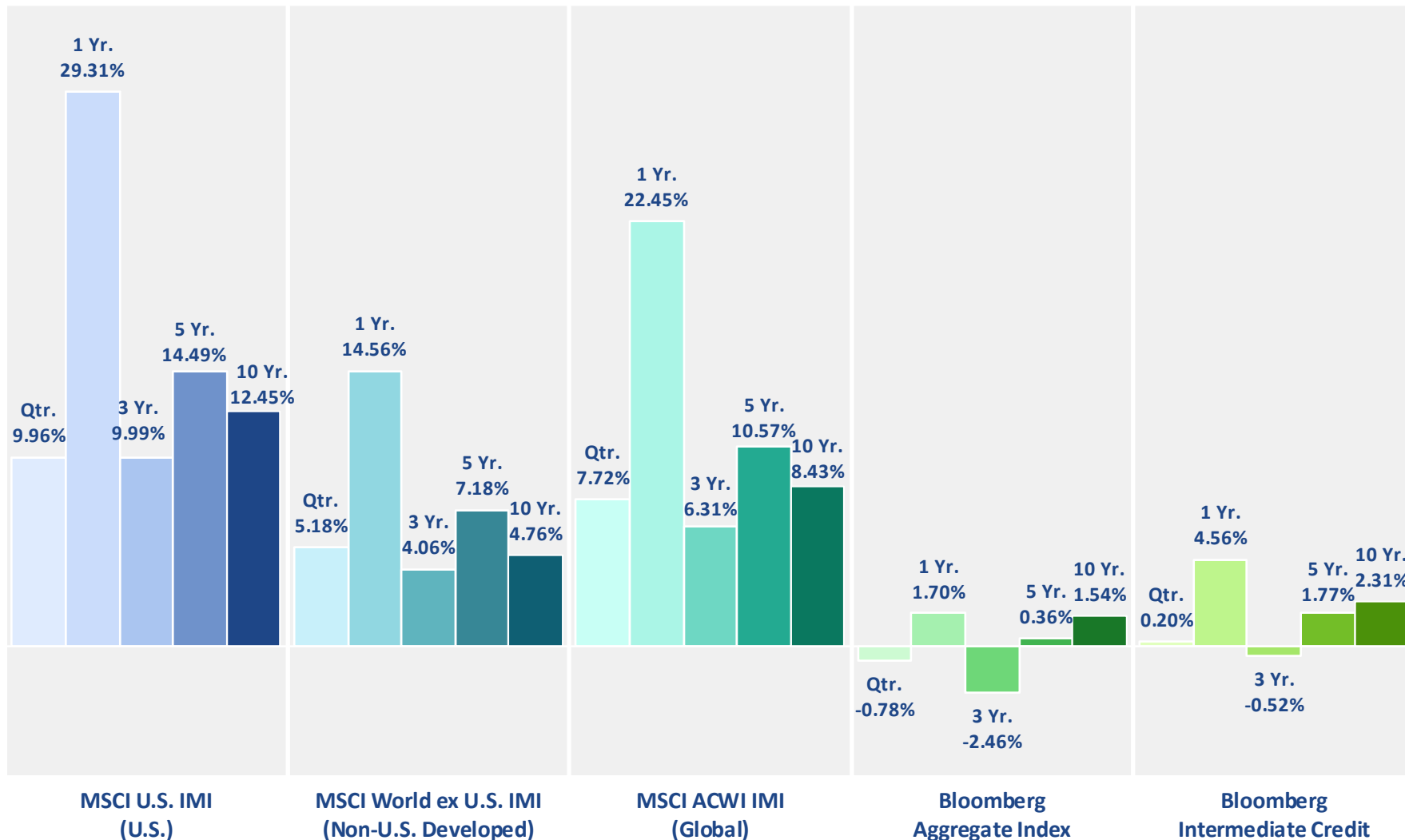
FUND PERFORMANCE UPDATES

ALL COLUMNS SHOW PERFORMANCE CALCULATED AS OF MARCH 31, 2024

		Annualized			
	Qtr.	1 Year	3 Year	5 Year	Since Inception
Equity					
BaS	7.73%	22.71%	6.59%	10.83%	9.08%
Endowment	7.73%	22.72%	6.58%	11.00%	9.07%
CTS	7.73%	22.69%	6.56%	N/A	10.92%
GRD	7.46%	22.37%	N/A	N/A	24.93%
MSCI ACWI IMI w/ U.S. Gross	7.79%	22.80%	6.60%	10.88%	
Fixed Income					
BaS	0.35%	5.02%	-0.12%	2.13%	2.58%
Endowment	0.35%	5.02%	-0.11%	2.14%	2.58%
CTS	0.35%	5.02%	-0.10%	N/A	1.27%
GRD	0.35%	5.02%	N/A	N/A	5.66%
Bloomberg Intermediate Credit	0.20%	4.56%	-0.52%	1.77%	

CAPITAL MARKETS AT A GLANCE

MARCH 31, 2024



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Tab C

Program Administrator Report

FINANCE & PROGRAM ADMINISTRATOR UPDATE

March 31, 2024

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

WSOS Balance Sheet

Washington State Opportunity Scholarship
Comparative Balance Sheets
March 31, 2024

	Comparison to Last Reported Period			Notes	Comparison to Same Period LFY		
	12/31/23	% Change	3/31/24		3/31/23	% Change	3/31/24
Assets							
Cash	2,171,709	40%	3,032,790	1	3,584,519	-15%	3,032,790
Investments	89,387,611	3%	92,062,234	2	92,608,970	-1%	92,062,234
Accounts Receivable	6,163	0%	6,275	3	183,234	0%	6,275
Pledges and Grants Receivable, net	19,891,109	-6%	18,701,369	3	19,134,182	-2%	18,701,369
State match receivable, net	-	-	-	4	-	0%	-
Unbilled State match revenue	8,397,157	-36%	5,340,312	4	5,795,246	-8%	5,340,312
Unbilled State match receivable, offset	(8,397,157)	-36%	(5,340,312)	4	(5,795,246)	-8%	(5,340,312)
Prepaid Expenses	111,183	21%	134,302		92,955	44%	134,302
Property and equipment, net	26,268	-7%	24,442		32,482	-25%	24,442
Total Assets	111,594,043	2%	113,961,412		115,636,342	-1%	113,961,412
Liabilities and Net Assets							
Accounts Payable	456,546	-26%	339,226		1,087,952	-69%	339,226
Payroll Related Liabilities	129,015	-6%	120,760	5	85,321	42%	120,760
Scholarship Commitments BaS., net	31,568,149	-8%	28,899,326	6	26,239,793	10%	28,899,326
Scholarship Commitments CTS, net	1,081,034	15%	1,239,259	6	2,478,165	-50%	1,239,259
Scholarship Commitments RJJ, net	444,146	-27%	322,146	6	804,305	-60%	322,146
Scholarship Commitments GRD, net	909,340	-5%	862,715	6	739,958	17%	862,715
Total Liabilities	34,588,230	-8%	31,783,432		31,435,494	1%	31,783,432
Net Assets							
Temporarily Restricted Net Assets	77,005,813	7%	82,177,980		84,200,848	-2%	82,177,980
Permanently Restricted Net Assets	-	0%	-		-	0%	-
Total Net Assets	77,005,813	7%	82,177,980		84,200,848	-2%	82,177,980
Total Liabilities and Net Assets	111,594,043	2%	113,961,412		115,636,342	-1%	113,961,412

WSOS Balance Sheet

Notes:

- 1 Increase in cash between January and March primarily due to the receipt of \$3.8M in state match dollars and Microsoft pledge payment of \$2.5M. There were several large private receipts during this quarter: \$97.8K from Central WA University Foundation. \$25K for BMS, \$15K from Parametrix, \$15K from Costco. There were a significant number of scholarship refunds between January and March: \$353.6k for BaS and \$428.9K CTS/RJI. Disbursements were \$2.6M for BaS, \$.5 for CTS/RJI, and \$84.7K for GRD.
- 2 Investment balance as of 3/31/2024 includes WSIB BaS Scholarship \$56.5M, WSIB CTS Scholarship \$27.6M, WSIB Endowment \$7.1M, and WSIB GRD Scholarship \$822K. During the period of Jan - Mar net investment gains across all accounts totaled ~\$2.7M.
- 3 Accounts receivable balance at 3.31.24 is an immaterial amount. Pledges receivable is primarily made up of \$7.5M from MSFT (to be paid in annual in \$2.5M installments), \$8M from Gary Rubens, \$3M from Bradford Smith and \$1.3M from Coordinated Health.
- 4 WSAC depleted all matching funds for the FY ending 06.30.23 but for the \$304.7K balance retained to fund match for the City of Seattle DEEL agreement. The new appropriation for FY ending 6.30.24 has been received by WSAC and some matching requests have been submitted and paid, and the remainder will be submitted in June. The decrease in unbilled state match receivable @ 3.31.24 is primarily resulting from the receipt of \$3.8M of state match dollars in March. Another \$1.2M was invoiced and the match dollars received in April; another \$242K was invoiced and submitted, but not yet paid; \$5.3M more is being invoiced currently, which will exhaust the appropriation but for the City of Seattle balance.
- 5 The payroll liabilities balance is primarily made up of accrued PTO, other payroll liabilities include L&I payable and 401K payable.
- 6 Scholarship liabilities have a net decrease due to having only a CTS adjustment of \$2.5M in the first quarter while having a net disbursement of \$5.2M for the first quarter.

WSOS Income Statement

Washington State Opportunity Scholarship

Income Statements

Actual vs. Budget

Three Months Ending March 31, 2024

	Three Months Ending March 31, 2024			December 31, 2024	
	Actual	Budget	Variance Fav (Unfav)	Notes	Annual Budget
Revenue					
Private	1,538,854	150,000	1,388,854	1	8,115,000
Public	3,810,666	-	3,810,666	2	-
Investment Dividends & Interest	54,701	11,700	43,001	3	46,800
Investment Unrealized/Realized Gains	2,636,055	642,000	1,994,055	3	2,568,000
Investment Fees	(8,103)	(7,050)	(1,053)	3	(28,200)
Total Revenue	8,032,173	796,650	7,235,523		10,701,600
Program Expense					
Salaries and Benefits	873,368	982,005	108,637	4	3,977,671
Professional Fees - Program Admin fees	137,976	237,975	99,999	5	907,934
Professional Fees - Contractors & Lobbying	161,561	247,170	85,609	6	665,368
Conferences, Conventions & Meetings	12,485	29,961	17,476	7	207,910
Operating Expenses	71,362	147,034	75,672	8	486,962
	1,256,752	1,644,145	387,393		6,245,845
Income (Loss) before Scholarship Exp	6,775,421	(847,495)	7,622,916		4,455,755
Scholarship Expense	1,603,254	1,969,831	366,577	9	18,991,228
Net Income (Loss)	5,172,167	(2,817,326)	7,989,493		(14,535,473)

WSOS Income Statement

NOTES:

- 1 New revenues between Jan and Mar totaled \$1.5M which included \$1.3M from Coordinated Health, \$97,8K from Central WA University Foundation, \$25K from Bristol Myers Squibb, \$19K from Jane Park and Burton Davis, \$15K from Providence St. Joseph Health, \$15K from Costco, \$10K from Floyd Snider and \$18.2K from small donors.
- 2 Revenue Public: The new appropriation occurred in June 2023. For the period Jan - Mar 2024 WSOS recorded \$3.8M in new revenue; \$80K of that amount was a claim against the \$385K from the City of Seattle that must be claimed as it is consumed. There remains \$304.7K from the City of Seattle to claim, and \$5.4M of state match dollars that should be received in the next quarter. This will be the full consumption of the appropriated balance from June 2023.
- 3 Investment Returns: Actual YTD includes unrealized realized losses of \$2.6M, interest & dividend income of \$54.7K and investment expense of \$8K. 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 against volatility makes for unforeseen variances. Comfortable gains were realized through March, but not as large as those forecasted based upon large returns during the budgeting process.
- 4 Personnel expenses are under budget by ~\$108K. Several positions remain vacant that were budgeted.
- 5 Program Admin Fee is under budget due to the new foundation not being billed in Jan and Feb as budgeted.
- 6 Professional Fees - Contractors & lobbying is under budget primarily due to a budgeted amount of \$50K for Camille becoming a subcontractor. This will not occur, and she remains an employee. There is also \$25k budgeted for accounting that is not yet consumed.
- 7 Conferences, Conventions, and Meetings costs are under budget due to travel costs.
- 8 Operating Expenses are under budget. Information technology expenses are under budget by \$35K because of timing. Many of these expenses are coded to prepaid expenses with smaller amounts expensed each month. Advertising is \$19k under budget. Office expenses are under budget by \$16K, mostly because of office supplies. Other categories in the expense line cumulatively contribute to the variance.
- 9 Scholarship Expense is booked when the liability is increased to cover expected disbursements during the year. There was an accrued expense made equal to the budgeted expense of \$2.5M reduced by scholarship refunds of \$896.7K.

WSOS Cash Flow

Cash Flow Summary

Inception-To-Date

March 31, 2024

	Inception - March 31, 2024				Comparison to December 31, 2023		
	Scholarship	Endowment	Notes	Total	Scholarship Variance	Endowment Variance	Total Variance
<u>CASH FLOW</u>							
Cash Inflow:							
Boeing	30,210,000	-		30,210,000	-	-	-
Ballmer	5,000,000			5,000,000	-	-	-
Microsoft	42,500,000	-	1	42,500,000	2,500,000	-	2,500,000
Rubens	2,020,235		1	2,020,235	-	-	-
Connell (stock donation)	700,000		1	700,000	-	-	-
Other Private	46,844,682	-	1	46,844,682	216,949	-	216,949
State Match	118,806,035	-	2	118,806,035	3,810,666	-	3,810,666
State Implementation Funds	500,000			500,000	-	-	-
Earned Retention Tax Credit	191,509			191,509	191,509		191,509
Investment Income*	30,418,362	7,896,638	3	38,315,000	2,214,045	442,241	2,656,286
Total Cash Inflows	277,190,823	7,896,638		285,087,461	8,933,169	442,241	9,375,410
Cash Outflow:							
Scholarships	(147,774,170)	-	4	(147,774,170)	(4,409,649)	-	(4,409,649)
Program Expenses	(37,272,957)	(5,812)		(37,278,769)	(1,416,055)	-	(1,416,055)
Total Cash Outflows	(185,047,127)	(5,812)		(185,052,939)	(5,825,704)	-	(5,825,704)
Net Cash Flow Inception-To-Date	92,143,696	7,890,826		100,034,522	3,107,465	442,241	3,549,706
<u>Composition of Net Cash Flow</u>							
Beneficial Checking Account	3,029,972	-	5	3,029,972	859,613	-	859,613
Investment Accounts at WSIB	89,113,724	7,890,826	5	97,004,550	2,247,852	442,241	2,690,094
Total	92,143,696	7,890,826		100,034,522	3,107,465	442,241	3,549,707

* Includes unrealized gains and losses.

WSOS Cash Flow

Notes:

- 1 Cash Inflow: Between Jan and Mar, WSOS received a Microsoft pledge payment as shown above, plus other private donations of \$217K, which included \$97.8K from Central WA University Foundation. \$25K for BMS, \$15K from Parametrix, \$15K from Costco, \$10K from Oracle, \$10K from Floyd Snider, \$10K from Nintendo, and \$34.2K from many small donors.
- 2 State - In the period between Jan and March, WSOS receive \$3.8M match on private receipts. The appropriation for 7.1.22 has been exhausted but for \$304,725 reserved for Promise Scholars. A new appropriation will be funded in July.
- 3 Investment Income - Jan through Mar investment returns were made up of unrealized realized gains of \$2.6M, interest & dividend income of \$43.8K and investment expense of \$23.6K
- 4 Scholarship disbursements between Jan and Mar were \$5.2M (BaS \$2.6M, CTS/RJI \$2.5M, and GRD \$84.7K) and scholarship refunds totaled \$782K (\$353.6K Baccalaureate, \$428.9K CTS/RJI). GRD disbursements include ~\$38K related to travel and preceptor stipends.
- 5 Assets are maintained in a Beneficial Checking Account to meet short term cash needs; all excess dollars are invested in WSIB investment accounts to generate returns.

WSOS 12-Month Cash Flow

Cash Flow Summary
 Twelve Month Period Ending
 December 31, 2023

CASH FLOW

Cash Inflow:

	Twelve Months Ending December 31, 2023			
	Scholarship	Endowment	Notes	Total
Ballmer	2,500,000			2,500,000
Microsoft	2,500,400		-	2,500,400
Rubens	1,020,235			1,020,235
Bristol Myers Squibb	150,000			150,000
Costco	125,000			125,000
BECU Foundation	123,000			123,000
Connell (stock donation)	700,000			700,000
Central WA University Foundation	50,000			50,000
Lamfrom	50,000			50,000
Other Private	357,146		- 1	357,146
State Match	5,149,004		- 2	5,149,004
Investment Income*	5,234,642	75,209	3	5,309,851
Total Cash Inflows	17,959,427	75,209		18,034,636

Cash Outflow:

Scholarships	(17,041,279)		- 4	(17,041,279)
Program Expenses	(4,809,172)		- 5	(4,809,172)
Total Cash Outflows	(21,850,451)			(21,850,451)
Net Cash Flow Jan 1, 2023 - Dec 31, 2023	(3,891,024)	75,209		(3,815,815)

WSOS 12-Month Cash Flow

Notes:

- 1 Cash Inflow: Other private receipts include \$41K from Pacific Education Institute, \$25K from Pahlisch Homes, \$15K via Frontstream, \$15K from Parametrix, \$12.5 from Avista Foundation, \$10K from Diane Cecchettini, \$10K for Boeing, \$10K from Rajeev Singh, and \$200.8K from small donors. There was a significant number of these contributions resulting from Opportunity Talks.
- 2 State - On Dec 12, WSOS received \$5.1M in receipts representing match on private receipts from August 2022 thru October 2022. Additional invoices totalling \$3.8M have been submitted and are currently under review by WSAC. These invoices are for November - May 2023. There remains \$385K reserved for Promise Scholars from the last appropriation; \$80K was invoiced and is under review.
- 3 Investment Income - Jan 2023 through December 2023 investment returns were made up of unrealized+realized gains of \$5.1M, interest & dividend income of \$252.8K and investment expense of \$55.9K.
- 4 Scholarship disbursements between Jan 2023 and December 2023 were \$19.64M (BaS \$12M, CTS/RJI \$7.17M, and GRD \$525.4K) and scholarship refunds totaled \$2.7M (\$1.4M Baccalaureate, \$1.3M CTS/RJI). GRD disbursements include ~\$113.7K related to travel and preceptor stipends.
- 5 Previously reported as \$1.087M in error. Revised cash GL and made update accordingly.

WSOS 12-Month Cash Flow

Cash Flow Summary

Twelve Month Period Ending

March 31, 2024

	Twelve Months Ending March 31, 2024			
	Scholarship	Endowment	Notes	Total
<u>CASH FLOW</u>				
Cash Inflow:	-	-		
Microsoft	2,500,000	-		2,500,000
Ballmer	2,500,000			2,500,000
Rubens	1,020,235			1,020,235
Connell (stock donation)	700,000			700,000
Other Private	1,024,597	-	1	1,024,597
State Match	8,959,670	-	2	8,959,670
Earned Retention Tax Credit	191,509			
Investment Income	14,449,444	2,311,608	3	16,761,052
Total Cash Inflows	31,345,455	2,311,608		33,465,554
Cash Outflow:	-	-		
Scholarships	(17,649,723)	-	4	(17,649,723)
Program Expenses	(4,789,526)	-		(4,789,526)
Total Cash Outflows	(22,439,249)	-		(22,439,249)
Net Cash Flow Apr 1, 2023 - Mar 31, 2024	8,906,206	2,311,608		11,026,305

WSOS 12-Month Cash Flow

Notes:

1

Cash Inflow: Between April 2023 and March 2024, WSOS received the Microsoft, Rubens and Connell pledge payments as shown above, plus other private donations of \$1M. Other private receipts include \$176K from Bristol Myers Squibb, \$123K from BECU Foundation, \$125K from Costco, \$98K from Central WA University Foundation, \$50K from Lanfrom Foundation, \$41K from WA Forest Protection Assoc, \$25K from Pahlisch Homes, \$30K from Parametrix, \$15K from Frontstream, \$12.5K from Avista Foundation, \$10K from Boeing, \$10K from Diane Cecchetti, \$10K from Floyd Snider, \$10K from Oracle, and \$285K from small donors.

2

State - For the period between April 2023 and March 2024, WSOS received \$8.96M in receipts representing match on private receipts. The new appropriation was funded in June 2023 and all match requests will be processed by June.

3

Investment Income - April 2023 through March 2024 investment returns were made up of unrealized realized gains of \$16.6M, interest & dividend income of \$191.1K and investment expense of \$33.9K (which includes \$20K for prepaid fees).

4

Scholarship disbursements between April 2023 and March 2024 were \$19.7M (BaS \$11.6M, CTS/RJI \$7.6M, and GRD \$562K) and scholarship refunds totaled \$3.2M (\$1.53M Baccalaureate, \$1.67M CTS/RJI). GRD disbursements include ~\$145.4K related to travel and preceptor stipends.

Tab D

Program Update

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP



MATT WANG

Pioneer Square Labs
PRINCIPAL

Matt joined PSL in August 2021, returning to Pacific Northwest after a seven-year hiatus from the region he considers home. He serves as a Principal at PSL and as Chief of Staff, working directly with Greg Gottesman across existing studio companies and helping to create new ones. He is especially interested in businesses that disrupt deeply entrenched industries. Prior to PSL, Matt was a Consultant with the Boston Consulting Group, where he focused on strategy for technology, logistics, and foodservice companies. Before joining BCG, Matt worked at DoorDash in new verticals and at Innosight, the strategy firm founded by Clayton Christensen. Outside of the office, Matt serves on the Associate Board of the Pacific Science Center. Matt holds a BA in Philosophy from the University of Chicago, where he also served as an associate for the university's Innovation Fund.

Source: <https://www.psl.com/team/matt-wang>

LinkedIn: [Matt Wang | LinkedIn](#)

MEMO

SUBJECT: WSOSF Bank of Record
FROM: Maddie Marvin, Finance Director
DATE: April 10, 2024

To create WSOSF, we need a banking institution. We have selected JP Morgan Chase Bank's Platinum Business Checking account and will establish an account there in April 2024. Outlined below are our key search criteria, selection process, and ultimate decision.

Selection Criteria: The intent of this project was to identify the bank best positioned to provide asset security, maximize returns, and grow operational efficiencies through a proactive and integrated banking relationship. Criteria for the search were guided by the WSOS F&I Committee's recommendations and the Board-approved WSOS Short-Term Investment Policy. The primary objectives, in priority order, are as follows: 1) protection of principal; 2) maintenance of adequate liquidity to meet operational demands; 3) maximization of return on investment at a prudent level of risk; and 4) generating operational returns in the form of efficiencies, customer service support, values alignment and systems integrations. We also considered the size and number of transactions over an average twelve-month period to inform the type of banking services required.

Search Process: Due to the first selection criteria (protection of principal), we focused our search on the largest banks by assets under management. A notable exception is Beneficial Bank which was briefly evaluated because it is currently used by WSOS' program administrator. Due to its small size, lack of systems integration and difficult service experiences from current WSOS users, Beneficial Bank was not considered a top contender. We next considered the top four largest banks and three mid-size banks (JP Morgan Chase, Bank of America, Wells Fargo, Citibank, US Bank, Capital One and BNY Mellon). Differentiating between these contenders was difficult. We sought advice from colleagues who have recently performed extensive bank evaluation projects for large corporations. Additionally, we collaborated with local branches to understand the service options available to WSOS; banks without a local office were difficult to get information from which made us question our ability to receive adequate support should they be selected.

Two of these banks rose to the top due to their responsive, transparent, and helpful representatives in local branch offices and competitive money market yields, solid treasury services, and low fees. Both JP Morgan Chase and US Bank offer:

1. High overall asset value (JPMC \$3.4T, USB \$0.7T in 2023)
2. Enhanced fraud protection services
3. Competitive money market sweep accounts yielding ~4.75%, CDs yielding ~5%
4. Checking accounts with minimal fees (\$0-\$40/month)
5. Corporate cards with 2% rewards and \$95-\$195 annual fees for all cards combined
6. Robust and integrated online tools for reporting and money management (bill payment, cash management, credit card rewards)

Decision: Selecting either US Bank or JP Morgan Chase would meet the top three selection criteria. JP Morgan Chase is known for innovative technology platforms, dedicated commitment to DEI both nationally and locally in Washington and knowledgeable customer service, giving it a slight edge over US Bank. As such, **we decided to pursue a banking relationship with JP Morgan Chase.**

MEMO

SUBJECT: WSOSF ERP System
FROM: Maddie Marvin, Finance Director
DATE: May 7, 2024

As part of creating WSOSF, the new Organization will need an ERP system. We have selected Sage Intacct and will begin implementation June 2024. Outlined below are our key search criteria, selection process, and ultimate decision.

Selection Criteria: This project's intent was to identify the ERP system best positioned to support WSOSF by improving reporting capability, integrating with other systems for operational efficiency and ability to scale with WSOS' growth. Criteria for the search were guided by needs of WSOS business users, industry best practice and reporting requirements. The primary objectives, in priority order, are as follows: 1) Not-for-profit customization; 2) Ability to handle a complex financial structure; 3) Customizable and easy-to-use reporting; 4) System integration and minimal manual data entry; 5) Customer service and other operational return in the form of efficiencies and 6) Cost relative to system benefits.

Search Process: We began our search on systems recommended by our previous program administrator (WA STEM), our auditors, Clark Nuber, our Banker at Chase and G2 Crowd ratings. The list of top 4 best reviewed systems according to G2 Crowd ratings included: NetSuite, Sage Intacct, QuickBooks and Acumatica. Two notable exceptions we also considered are Microsoft Dynamics and MIP. MIP was briefly evaluated because it is used by WSOS' current program administrator. Due to its small size, lack of systems integration and poor user experiences from current WSOS staff, MIP was not considered a top contender. MS Dynamics was analyzed despite not being in the top 5 because we use Microsoft products for so many of our other systems. Due to the customization required for not-for-profit-specific accounting, grant tracking and reporting requirements, it was not considered a top contender. QuickBooks was eliminated due to their small size and Acumatica was eliminated as it does not offer NFP-specific reporting and is catered toward construction management. Differentiating between the top two contenders, NetSuite & Sage Intacct was difficult as both were highly ranked and offer similar services.

Key Factors in our assessment included the following capabilities:

1. Report generation & dashboards
2. Budgeting
3. Accounts Payable processing
4. Reduction of manual data input
5. Compliance
6. Reconciliation
7. Customer support & training
8. Cost

Criteria Evaluation: Both NetSuite and Sage Intacct ranked closely in terms of functionality, meeting all eight key factors above. Sage's reporting and dashboarding surpassed NetSuite's, especially for grants. Sage also pulled ahead in compliance for not-for-profit accounting as well as AI capabilities being released this summer which automate flux analysis and outlier reporting. Clark Nuber, our internal auditors, and Chase, our banking partner, both recommended Sage Intacct for not-for-profit-focused software which was a strong endorsement given their intimate awareness of the financial function of

the organization. The final area where Sage stood out was the cost. They came in \$18,000 lower for implementation cost and \$7,000 lower for annual subscription cost. NetSuite's functions were overbuilt when compared with WSOS' needs which likely lead to higher cost. Since this additional functionality (such as inventory management) is not currently needed nor predicted as needed in the future, the additional cost is not an advisable investment.

Decision: Selecting Sage Intacct or NetSuite would meet all the criteria, improving reporting capability and operational efficiency at WSOSF. Sage is a system built for Finance & Accounting with one-third of their customers being not-for-profit, giving it a slight edge over NetSuite in addition to the key areas outlined above. As such, **we decided to pursue a Sage Intacct for WSOSF's ERP system. The timeline for implementation is June 2024 with a planned completion date of August 2024.**

PROGRAM UPDATE | JUNE 2024

INTRODUCTION

Since the March 2024 Washington State Opportunity Scholarship (WSOS) Board meeting, completed select for a new cohort of Scholars, hosted a successful OpportunityTalks luncheon, and received the IRS letter of determination for the WSOS Foundation (WSOSF). It's been a busy quarter!

AWARDS ADMINISTRATION

The Awards team completed the selection of the 13th Baccalaureate Scholarship (BaS) cohort in April. This year, 2,453 applicants applied. In total, WSOS welcomes 1,275 new BaS Scholars, who all met the eligibility requirements of the program and were selected through the Board's approved model. Our Cohort 13 BaS recipients also include two Opportunity Scholars benefiting from our City of Seattle government partnership.

This year, the new Free Application for Federal Student Aid (FAFSA) created unprecedented challenges for WSOS applicants, as presented in the March Board meeting. These challenges required staff to make several adjustments, including extending the FAFSA completion deadline by one month, allowing students to submit screenshots of processed FAFSAs rather than relying on delayed reporting from the government, developing a conditional selection process, and relying on financial aid to verify FAFSA completion later in the process.

Due to students' unwavering challenges in completing the FAFSA this year, the team accepted applicants conditionally. These conditionally selected Scholars met all BaS eligibility criteria but we have not yet been able to verify a processed FAFSA. These students will be given up until their first disbursement to work with financial aid to complete their financial aid forms. To see the profiles of these recipients, reference the BaS selection overview documents included in the Board pre-read.

Scholarship Highlights

	BaS	CTS/RJI*	GRD**	Total
Total Actual Disbursed (2012 – Present)	\$129,136,748	\$17,342,609	\$896,229	\$147,375,586
Scholars Enrolled 2023-24	3,196	1,896	39	5,131

*Rural Jobs Initiative (RJI)

**Graduate Scholarship (GRD)

The Awards team continues aligning BaS and CTS with the Washington College Grant program as outlined in the WSOS statute. This year, Senate Bill 5904 passed, extending the time a student can receive WCG funding from five to six years starting in the 2024-25 academic year. This aligns the WCG program with the Department of Education's Pell Grant program, which thousands of students rely on annually. This change has extended the WSOS support timeframe from five to six years, allowing more students to complete their program with our support while staying within our funding maximums.

SCHOLAR PROGRAMS

The academic year 2023-24 has ended, and we are actively reviewing data and feedback from our Scholars. We will share more about the impact of our programming and a preview of programming for AY 2024-25 during the September meeting.

BACCALAUREATE SUPPORT SERVICES

Preliminary data show that 73% of first- and second-year Scholars engaged with their Lead, below our goal of 85%. Of those who engaged, 93% indicated that their Lead helped them navigate college, which

met our goal. We are pleased with this program's impact and continue to evaluate our engagement strategies to encourage participation. One Scholar Lead said: *"The best thing about my journey as a first-generation student and the Scholar Lead role is that I can utilize both experiences to share valuable advice about college with others and ignite a spark in them to persevere through their college journey."*

The Skills that Shine (StS) industry mentorship program ended in April with 303 pairings. We are still analyzing final completion data, and it seems we are on track to meet our goal that 50% of third-year Scholars will complete StS. Over 90% of Scholars said they would recommend StS to their peers, which exceeded our goal of 85%. Thank you to the Board members who served as mentors or helped us recruit!

We held 17 Industry Insider events during AY 2023-24. These events included on-site tours, virtual career panels, internship information sessions, and resume workshops. One Scholar let us know: *"I got my second internship with Fred Hutch as a result of the resources shared by WSOS."* On the end-of-year survey, 97% of Scholars agreed that WSOS's programming supported their career development.

CAREER AND TECHNICAL SUPPORT SERVICES

During AY 2023-24, 51% of new Scholars opted into the Scholar Lead program, below our goal of 55%. We also did not meet our engagement goals: 37% of Scholars reported that they engaged with their Lead (goal was 85%) and 75% agreed that their Lead helped them navigate college (goal was 85%). Among those who said they did not engage with their Lead, 44% indicated it was because they already felt they had a strong support system. This fall, we intend to conduct a holistic program review, as we want to evaluate whether a revamp of the CTS Scholar Lead program or other persistence support services might better serve CTS recipients than our current approach.

Although the Scholar Lead program isn't supporting our targeted number of Scholars, it's still helpful to note its positive impact. A Scholar who applied for and was offered a Scholar Lead role for AY 2024-25 indicated during their interview process just how meaningful their relationship with their own Lead has been. It was because of their Lead's encouragement that they applied for the Lead role, and now they'll be able to help others, too.

The job board has been a very popular resource. Throughout the year, the board has been viewed over 2,000 times by 630 unique users (approx. 51% of Scholars). Our goal in this pilot year was for 20% of Scholars to utilize this resource, so we are pleased with this outcome. In fact, we intend to pilot the job board for BaS next academic year due to its success for Career & Technical Scholars.

Lastly, 51 Scholars matched with a StS mentor, which exceeded our goal of 50. The most popular industries represented were health science and medical technology, information and communication technology, engineering, and architecture. Nearly 95% of Scholars report being satisfied with this program.

GRADUATE SCHOLAR SUPPORT SERVICES

We have adjusted the GRD Program Manager role based on three years of learning from the GRD Scholarship. This position has a stronger emphasis on the application, selection, and eligibility functions and now reports to the Awards Administration Director (Lyanne O'Connell). We have reduced the emphasis on support services, as GRD Scholars do not need as much support as we anticipated.

We will continue to offer select services that have had a high impact, such as the clinic stipends, travel stipends, and presentation by the Washington State Department of Health. During AY 2023-24, the stipends and Department of Health presentation accounted for 70% of the services that GRD Scholars utilized. A Scholar who utilized a GRD stipend had this to say about the scholarship overall: *This is my favorite scholarship ever and I am so so grateful. I love that it is not only a scholarship but also an educational opportunity."*

The application cycle for GRD Cohort 4 closed in May. Please refer to the “GRD Selection Overview” overview document included in the Board preread to see the profile of the applicant pool and selection.

DEVELOPMENT UPDATE

REVENUE TARGETS

As of June 3, 2024, we have raised \$50,836,854 of our \$75M campaign goal. We aim to secure the full \$75M by the end of 2025. For calendar year 2024, we’ve secured \$1,677,082. We secured two five-figure gifts (\$25,000 and \$30,000) from two major donors earlier this year.

DONOR RETENTION AND ACQUISITION

In addition to raising revenue, the goal of the campaign is to ensure stronger donor retention and to broaden our scope of supporters. Key metrics we’re tracking on these measures are below:

	YTD (as of 6/3/2024)	2024 CY Goal*
Donor retention 2023 to 2024	31%	42%
Increase donor base	174 new donors	425 new donors
Donors from underrepresented industries	50%	56%
Donors outside of Puget Sound	8	55

CAMPAIGN MILESTONES

This year we raised \$706,000 from OpportunityTalks, including \$202,000 in sponsorship from 19 partners. Three of these were new partners: KBA Construction Management, Seattle University, and Virginia Mason. Board members Jane Park and Patrick Smith hosted the event, and we heard from Scholar Alum, Braxton Goss about his experience as a Scholar Lead and his work at Puget Sound Energy. Board Chair Brad Smith and Governor Inslee shared the history, breadth and impact of WSOS. New Board Member Beth Johnson announced the \$1.3M investment from Coordinated Care and invited guests to give. We had over 700 guests in attendance, including 184 Opportunity Scholars and Alums. Next year’s OpportunityTalks date is confirmed! Please mark your calendars for Tuesday, April 1, 2025, at the Sheraton Grand Seattle.

The advancement team’s fundraising progress has been impeded by vacancies on the team. Two members from the team are leaving this month, which means we have three open roles. We are hiring a Major Gifts Officer, Events and Communications Officer, and Corporate Partnerships Manager. Our focus for the second half of the year is to recruit, hire, onboard, and build a sustainable fundraising team. This includes working closely with the Finance Director to build clear financial systems at the WSOS Foundation and supporting the incoming Executive Director to meet and connect with key partners and donors in their first quarter.

EXTERNAL AFFAIRS UPDATE

The legislative session closed for the year with WSOS receiving its full request for the state match in the final budget. We’re appreciative of the collaboration with the legislative staff team to streamline the process through which we receive this match each year. We anticipate turnover in the Legislature next year and will be focusing on strengthening existing and building new relationships.

With this academic year coming to a close, we’ve also closed out the scholarship promotion work for the year and have had a chance to take stock. For BaS Cohort 13, we saw an increase in total applicants as compared to Cohort 12. CTS Cohort 5 exceeded its winter and spring application goals. AY 2023-24’s in-person relationship approach revealed these findings: 1) identifying partners who have measurable goals

aligned to WSOS’ values around diverse recruitment improves relationship building efforts; 2) outreach in the final week before the application closes with champion promotion partners yielded spikes in total applications across all programs (based on anecdotal observations in application completions in the final week); 3) being in person in select regions yielded VIP contacts. To build on these successes with more communities, we need more people assigned to support in the AY 2024-25 academic year. In-person promotion efforts will be faced head on as an organization-wide responsibility. To realize an even more successful promotion approach in AY 2024-25, we’ve designed a strategic plan inspired by our learnings to date.

DIGITAL MARKETING AND MEDIA COVERAGE

Org Outcomes	Beginning of academic year (July 2023)	As of May 31 2024	End of academic year goal (June 2024)	Progress towards goal
WSOS media mentions	0	15	30 earned media pieces	50% of goal
ED/Directors appearances in articles/panels/speaking	0	(3 for ED) (6 leadership)	15 for ED and 7 for other leadership	20% for ED and 85% for leadership
Facebook audience growth	4,455	4,492	4,583	98% of goal
Twitter (X) audience growth	1,972	1,997	1,997	100% of goal
LinkedIn audience growth	2,058	2,536	2,700	94% of goal
Instagram audience growth	1,234	1,287	1,240	100% of goal
TOTAL social media growth	9,602	10,312	10,520	98% of goal

Top Performing Posts

Facebook: [Melissa's story](#)



WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

LinkedIn: [ED Job Search](#)

Washington State Opportunity Scholarship
2,536 Followers
2w · 🌐

We're searching for our next Executive Director!

The primary role of the next Executive Director will be to inspire and build strong partnerships with communities so we can support even more Scholars across Washington state.

People with personal experience as a first-generation, under-resourced, or historically excluded student, like the majority of those WSOS serves, are especially encouraged to apply.

If you know someone who would be a great future leader of the WSOS program, send them this link!

Learn more: <https://lnkd.in/g5Br24Cz>

WSOS Executive Director Job Announcement • 8 pages
WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP **EXECUTIVE DIRECTOR**
JOB ANNOUNCEMENT

Opportunity Scholars pictured left to right: Luis, Reheema, Alisha, & Brian

Instagram: [Washington School Counselor Association conference](#)

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Washington School Counselor Association
March

OPERATIONS UPDATE

PROGRAM ADMINISTRATOR TRANSITION

WSOSF received its IRS letter of determination which was a critical step to ensuring the Foundation is allowed to accept tax-deductible contributions on behalf of WSOS and was in process for months. We have a draft of the program administrator contract between WSOS and WSOSF which is being actively reviewed by all parties. The goal is for signatures to be affixed no later than the end of July for a contract start date of September 1.

Through our services agreement, we've been building out key functions for WSOSF including identifying and building an HRIS (BambooHR), securing benefits bids for health, dental, vision, and other employee insurance programs, and submitting for 401(k) provider quotes. We anticipate all systems being up and running with the ability to make first payroll as of August 4, about one month prior to the actual planned transition date. Additionally, we've secured proposals from seven possible IT providers which we are assessing this month in the hopes of starting a contract on July 1. Finally, key financial systems have become operational in the last few months – we established bank accounts with JP Morgan Chase, selected Sage Intacct as our financial information system and are deep in implementation phase with a go live date of September 1, and engaged Clark Nuber in an internal audit to assure the accuracy of our financial statements before inheriting them with the program administrator transition.

ED SEARCH

We received about 80 applications for the position and conducted first-round conversations with about 40. The search committee, comprised of Jane Park, Patrick Smith, Mike Meotti, Jolenta Coleman-Bush, Camille Reynaud, and Kimber Connors is interviewing the top six candidates in early June and plans to send three semi-finalists for conversations with our founding cornerstone partners and Board Chair later this month. These three semi-finalists or two finalists will meet with staff and Scholars the second week of July for a meet and greet before two finalists present before the Board on July 23. The July 23 special Board meeting will include a presentation from the finalists, a presentation of a recommendation from the search committee, and a formal vote to make an offer to the successful candidate. We are hoping for a September 1 start date with transition support from Connors to the new executive director through the end of December. All Board members were provided with application materials from all candidates.

DATA AND SYSTEMS

In our drive to increase the accuracy of our application processing we've introduced some eligibility automations into our Scholar database for our CTS applications. This will save a lot of time and increase accuracy. Next steps are to create similar automations for the BaS and GRD applications, and to tackle automations for selection. On the Donor CRM side, we've begun investigating technical solutions to bring our Skills that Shine mentor matching processing in-house. We currently outsource that activity, and in bringing it in-house we will also build a more robust tracking mechanism for communications and activities with our mentors and mentees. While we are in the early stages of this project, we are optimistic that it will result in improvements for the mentor and mentee experience.

STAFFING UPDATE

Andy Valdez-Paper (he/him) joined the advancement team as Development Officer on April 15. Andy has over 6 years of experience in development at several local nonprofits, including FareStart, Shunpike, and ArtsWest. We are excited for him to bring his skills with building processes and systems to support.

Tiffany Reese (she/her) joined the Awards team as the Graduate Program Manager on May 20. Tiffany is originally from Seattle and brings a deep commitment to fostering educational equity and supporting underserved communities. She is a seasoned professional within the higher education and youth development sectors. Her passion for this work is rooted in her own background as a foster youth and a first-generation college student. We are excited to have her on our team.

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

PROGRAM UPDATE

06.12.2024

F&I MEMBER RECRUITMENT

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

RECRUITING NEW MEMBERS: Who we're looking for

From our Charter: “The Committee and its Chair will be appointed by the Board. It will be composed of no less than seven (7) members, including at least one (1) member of the WSOS Program Board and one (1) member of the WSOS Foundation Board. Remaining committee members shall be selected from **individuals in the regional business and governmental communities that evidence some combination of investment, finance, legal, accounting, banking, non-profit governance, and higher education experience.**”

- *Discussed last time that we have seven members and wanted to add 1-2 by September meeting.*

PROPOSED COMMITTEE MEMBER

MATT WANG

Pioneer Square Labs

PRINCIPAL



Matt's bio can be found in your pre-read materials.

REQUESTED COMMITTEE ACTION

- Vote to recommend Matt Wang for the F&I Committee to the WSOS Board.

WSOS FOUNDATION: Program Administrator Transition

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

WSOS EXECUTIVE DIRECTOR SEARCH

- **Search Committee Convened**
 - Includes two Board members (Jane Park and Patrick Smith); one representative from WSAC (Mike Meotti, executive director); one representative from corporate partner (Jolenta Coleman-Bush, MSFT Philanthropies); two WSOS staff members (Camille Reynaud and Kimber Connors)
- **Search Process Well Underway**
 - Received ~80 applications; performed initial screening conversations with ~40
 - Search committee identified top six for interviews (June 7 to June 11)
 - Three semi-finalists to advance to:
 - Meetings with representatives from two founding cornerstone partners and the Board Chair (June 24 and 25)
 - Meet & greet with Scholars and staff (July 9)
 - Two finalists to advance to:
 - Presentation to the WSOS Board (July 23)
- **Transition Timeline**
 - Target start date of September 1
 - Transition support from Kimber through December 31

KEY WSOSF FINANCE ACTIVITIES TO DATE

- **Stabilize current finance function:**
 - Engaged Clark Nuber for an internal audit of 501 Commons for calendar year 2023 to be initiated June 2024
- **Design best-fit, ongoing systems:**
 - Selected JP Morgan Chase Bank as WSOSF's primary banking partner
 - Selected Sage Intacct for WSOSF's ERP system to go live 9/1/24
 - Working with CliftonLarsonAllen on Sage implementation
 - Identified BambooHR as new HRIS tool including payroll functionality
- **One-time only transition tasks:**
 - Initiated ACH & W9 vendor document collection to pay Scholar Leads and colleges
 - Invoiced 501 Commons for WSOSF monthly program administrator fees (\$117K YTD)
 - Paid bills through Chase.com for core WSOSF systems (HRIS and ERP)
 - Working on transitioning corporate cards to Chase Bank

WSOSF TRANSITION ITEMS FOR Q3 & Q4

Redesign of financial reports for this committee:

- Met with a subgroup of folks in early April (**thank you!**); we're using the information provided to inform our design in the new finance information system. Stay tuned for more when WSOSF takes over on these quarterly presentations!

Program expense ratio range:

- Thanks for your feedback on the program expense ratio range; expect to see a resolution to approve the range (85% to 92%) when the budget comes forward (Q4 meeting).