

**WASHINGTON STATE OPPORTUNITY SCHOLARSHIP BOARD MEETING  
WEDNESDAY, APRIL 9, 2025, 1 P.M. – 3:00 P.M., MICROSOFT TEAMS AND WSOS OFFICE  
MEETING MINUTES**

The Washington State Opportunity Scholarship (WSOS) Board of Directors convened on April 9, 2025, via Microsoft Teams and the WSOS office. At least 24 hours in advance, the meeting was posted on the WSOS website for the public to view.

**Board members present:** Brad Smith (Chair), Patrick Smith, Julie Sandler, Jane Park, Miller Adams, Mike Wilson, Diane Cecchetti, and Ihssane Mounir

**Additional attendees:** John Clark, Jolenta Coleman-Bush, Johnathan Luster, Grace Park, Gina Breukelman, Jane Broom, Scott Armstrong, Meaghan Mugleston, Tiffany Reese, Jillian Luis, Jessica Monger, Lisa Magennis, Steve Walker, and as well as various other WSOS staff audience members via Teams

**Meeting Called to Order**

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

**Approval of Minutes**

Patrick Smith moved to approve the three Board meeting minutes. Jane Park seconded the motion, which was carried unanimously.

**New WSOS Executive Director Announcement**

Jane Park announced that Isabel Muñoz-Colón has accepted the offer to become the new Executive Director of WSOS. Her official start date will be June 9, 2025. Brad Smith noted that further discussion would continue during the “ED Corner” portion of the meeting. He then turned the floor over to Johnathan Luster to present the Mission Moment.

**Mission Moment**

Johnathan Luster introduced Tiffany Reese, Awards Manager, for the Graduate (GRD) Scholarship program. Reese presented the Scholar Spotlight, featuring Dr. Meagan Mugleston, a recent graduate of Gonzaga University (December 2024). Dr. Mugleston is a Family Nurse Practitioner currently serving at Sea Mar Health Clinic in Lakewood, WA—a medically underserved area. She is deeply committed to caring for vulnerable populations and plans to share her expertise by teaching a course at Gonzaga University. A veteran and mother, Dr. Mugleston, embodies the mission of WSOS. Reese expressed her excitement in introducing Dr. Mugleston.

In the meantime, due to technical difficulties connecting with Dr. Mugleston, Brad Smith proceeded to the Public Comment section.

Dr. Meagan Mugleston eventually joined the call, and the meeting returned to her presentation. She shared her personal and professional journey, emphasizing the vital support she received from WSOS throughout her educational path. Dr. Mugleston has worked as a Family Nurse Practitioner for eight years, primarily with NeighborCare Health, where she focused on treating patients with opioid use disorder. Her experience in this role sparked a growing interest in health care leadership and underscored the critical need for increased education around substance use disorders.

Motivated by this need, Dr. Mugleston pursued her Doctor of Nursing Practice degree, focusing on expanding provider capacity to treat opioid use disorder. She spoke candidly about balancing her academic pursuits with motherhood—her eldest son was three years old when she began the program, and she gave birth to her second son during her studies. Dr. Mugleston expressed deep gratitude for the WSOS Graduate Scholarship,

sharing that she would not have been able to continue her education without it, particularly due to the high cost of childcare.

She appreciated the opportunity to connect with other WSOS Scholars across different institutions and programs, noting the value of that community. Dr. Mugleston also shared that she secured her current role at Sea Mar Health Clinics through a connection made via WSOS and the Washington State Department of Health.

Brad Smith opened the floor for questions and noted that this was the first time WSOS had featured a Scholar who had completed a doctoral program. He asked Dr. Mugleston if she had any advice on how to better promote the WSOS program. Dr. Mugleston shared that she first heard about WSOS through a podcast that featured a WSOS advertisement, and she appreciated its broader, less targeted but larger outreach. She suggested expanding outreach efforts to include undergraduate nursing programs and organizations like Sea Mar Community Health Centers, where many nurses may be considering leadership roles or specialized doctoral programs. Brad Smith thanked Dr. Mugleston for sharing her story and insights.

### **Public Comment**

No comments from the public

### **ED Corner**

Brad Smith then turned the meeting over to Johnathan Luster to present the ED Corner. Luster highlighted efforts to update and refocus on WSOS's work, emphasizing the organization's theory of change to provide scholarships and a continuum of support services that transform student lives and strengthen Washington's economy. He noted that WSOS has been guided by four key strategic priorities. Luster also provided an overview of today's snapshot, offering an up-to-date look at program impact and progress.

Luster highlighted key wins from the quarter. He congratulated the Baccalaureate Scholarship (BaS) program for receiving over 3,000 applications, exceeding the target by 20%. He also celebrated the success of the OTalks Challenge Fund, which reached its \$25,000 fundraising goal. Additionally, Luster shared strong outcomes in mentee satisfaction, particularly within the BaS and Career & Technical Scholarship (CTS) programs under the Skills That Shine initiative. He also noted progress in reconciling outstanding invoices with 501 Commons, while clarifying that this does not signify the conclusion of WSOS's engagement with them. Luster then addressed current challenges. The ongoing delays in finalizing the 2022 and 2023 audits with 501 Commons remain a concern. He also acknowledged that the organization ended the calendar year 2024 behind in fundraising, with \$3 million in gifts, falling short of the \$4 million goal. The \$2.2 million state match is still uncertain during this legislative session, though it was an encouraging sign to see it included in both the House and the Governor's proposed budgets.

Luster then provided an update on the Executive Director search. He reminded the group that during the Q4 2024 Board meeting, the Board voted to retain him as Interim Executive Director through April 30, 2025, or until the new Executive Director begins. However, as Isabel Muñoz-Colón will not be able to start by April 30, there is a need to extend the interim period. Brad Smith proposed extending Luster's term as Interim Executive Director until June 30, 2025, or until the earlier date that Isabel begins her role.

**Board Action:** The Board approved the extension of Luster's interim appointment to align with the new Executive Director's start date. Jane Park introduced the motion, which was seconded by Julie Sandler and passed unanimously.

Luster also noted that Muñoz-Colón planned to join the call around 2:15 p.m. to briefly greet the Board and staff. Luster also reminded the Board that while Muñoz-Colón is aware her appointment was announced during the public session; she has yet to share the news of her new role with many of her current network and has requested discretion until she is able to do so.

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

Luster then turned the meeting over to Patrick Smith to provide the Finance & Program Administrator update. Smith informed the Board that the Finance & Investment Committee met on April 2, 2025. He began by reviewing the WSOS balance sheet, noting that in Q4, weaker equity returns, and interest rate fluctuations contributed to a \$1.5 million loss. During Q4, the scholarship liability was reduced by \$10.1 million—\$8 million in disbursements and \$2.1 million due to adjustments and corrections made to the Scholarship Model following the transition from 501 Commons. Patrick Smith also reported that audits for 2022 and 2023 are still pending. Additionally, he noted that WSOS has changed its fiscal year to now end on June 30. As a result, there will be a short financial period covering January through June 2025. While an audit will be conducted for this transitional period, it may be delayed until the completion of the outstanding audits from 501 Commons.

Patrick Smith then reviewed the Income Statement for the 12-month period ending December 31. He noted that private donations fell \$2 million short of the budgeted amount. However, the state's match came in ahead of projections, and investment income also exceeded expectations. As a result, WSOS ended the year \$7 million over budget overall and had a net income of \$ 11 million. Patrick Smith also went over the WSOS Cash Flow Statement, which shows the inception to date reporting.

Jane Park raised a question she's often asked—how much of WSOS's overall expenses are dedicated to program costs, and how that compares to scholarship disbursement. She noted that some program-related costs, such as Scholar Leads, are currently bundled within broader expense categories. Jane Park requested that future financial reports provide greater clarity by breaking out these components. Now that financials are managed in-house by the WSOS Foundation, Patrick Smith emphasized the importance of improving reporting in this area to better distinguish between administrative costs and direct Scholar services, ensuring transparency around how total spending supports Scholars.

Patrick Smith then transitioned to the Scholarship Roll Forward and invited Steve Walker to elaborate on the details. Walker highlighted that a \$2 million change in liability valuation was primarily due to corrections and adjustments. He explained that some errors and omissions were identified during the transition from 501 Commons, and those adjustments were now reflected in the financials. He referred to a slide showing all such adjustments, each marked "PPA" (Prior Period Adjustment), to help clarify the updates.

Brad Smith commented that the "Other" category under private donations appeared to include contributions from donors such as Ballmer or Rubens. He requested that the team review that category to ensure the classifications are accurate.

Patrick Smith then discussed the Scholarship Model review. He noted that while updates to the model are being considered, any revisions will likely be revisited after the new Executive Director is fully onboarded. He recommended that the topic be brought back for further discussion in Q4. No action was requested or taken at this time.

Patrick Smith then handed the discussion over to Johnathan Luster and Steve Walker to review the Graduate Scholarship cash forecast. Luster shared that, under the current financial outlook, and without new revenue or a revision to the undesignated fund allocation policy, the Graduate program only has sufficient funding to support Scholars selected through 2025. While he emphasized that this is not an immediate risk, it is a long-term concern that needs to be revisited during the Q4 meeting.

Brad Smith suggested that tracking pledges receivable could provide greater visibility into future revenue. In response, Patrick Smith noted that while the aggregate pledges are reflected on the balance sheet, individual pledge details are not currently tracked—but agreed that this information could be added to future reports.

Patrick Smith then presented proposed next steps, recommending that the Board vote on future cohort sizes and funding levels during the Q4 2025 meeting. This timing would allow the incoming Executive Director to assess the fundraising trajectory and help inform the strategy moving forward.

Patrick Smith reported that for the January–June 2025 budget period, WSOS has reduced expenses by 4% and is continuing to adopt cost-saving strategies in preparation for the 2025–26 budget. He also shared that the team is exploring a new, efficient opportunity: requiring colleges to bill WSOS directly for tuition. The goal is to expand this model across all partner institutions to streamline processes and reduce administrative burden.

Patrick Smith opened the discussion by asking the Board what additional information would be helpful now that WSOS has more robust financial forecasting tools, particularly in the context of reviewing the Scholarship Model. He encouraged the Board members to consider what data they might need, and what critical questions have not yet been asked. Brad Smith suggested that forecasting and the ability to track pledges would be valuable for long-term financial planning.

Patrick Smith acknowledged the progress made by the Finance & Investment Committee, noting the successful recruitment of strong new members and expressing optimism about reaching upcoming financial and strategic goals.

He then moved on to the Short-Term Investment Policy. Smith explained that the proposed policy is substantively identical to the existing one, with the primary change being updated as references to reflect the WSOS Foundation as the current Program Administrator.

**Board Action:** Patrick Smith moved to approve the updated Short-Term Investment Policy. Jane Park seconded the motion, and the Board unanimously approved it.

### **Program Administrator Update**

Steve Walker presented the Program Administrator update. On the HR front, he shared that Amy Crane has been hired and successfully onboarded. She is now leading HR functions and is currently focused on conducting a market compensation analysis. In Finance, the team is working on establishing updated scholarship and cash forecasting models to improve financial planning. WSOS has also transitioned to a new banking platform that provides enhanced security features. On the IT side, a custom system has been developed to support practicum management for the Graduate (GRD) program. Additionally, the team continues to prioritize cybersecurity, with 100% staff participation in security awareness training and an average score of 95%.

### **2025 GRD Selection Criteria**

Tiffany Reese presented a snapshot of the 2024 Graduate (GRD) cohort and reviewed the selection criteria used in the previous cycle. The GRD selection process identified 20 Scholars: 15 in primary care and 5 in behavioral health, with 13 pursuing Doctor of Nursing Practice (DNP) degrees and 7 pursuing Master of Science in Nursing (MSN) degrees. Reese reiterated that the guiding principle in GRD selection is to support Scholars who are likely to remain in Washington State and practice in Medically Underserved Areas (MUAs) or Health Professional Shortage Areas (HPSAs) upon completion of their programs. She also noted a change in participating institutions—Seattle Pacific University has discontinued its program, while Washington State University–Yakima has been added as a new partner.

Reese then opened the floor to questions. Patrick Smith asked how eligible programs are determined. Reese explained that the four core areas—Family Practice, Psychiatry, Geriatrics, and Pediatrics—were established at the outset of the GRD program. Smith asked whether the list of eligible programs could be revisited and expanded. Reese confirmed that such changes could be reviewed but emphasized that the final decision would require Board approval.

Patrick Smith shared that a new institution, Pacific Northwest University of Health Sciences in Yakima, is offering programs that focus on serving rural and underserved communities, specifically a Doctor of Osteopathy (DO) and a Doctor of Physical Therapy (DPT). He suggested the potential inclusion of these programs and offered to facilitate introductions. Luster confirmed that the team would review the opportunity further.

Gina Breukelman asked about eligibility versus scoring. Reese stated that the way we address is by looking at the essay portion. Scott Armstrong, who also serves on the Board of Delta Dental, shared that he is working with an institution to subsidize dental programs. He inquired about the extent to which WSOS coordinates with other organizations to maximize impact. Luster responded that while WSOS actively seeks partnership opportunities, collaborations sometimes do not materialize due to various external factors.

**Board Action:** Tiffany Reese recommended the approval of the 2025 Selection Criteria. Patrick Smith made a motion to approve the recommendation, which was seconded by Julie Sandler. The motion passed unanimously.

### **Baccalaureate Selection Model**

Jillian Luis, BaS Program Manager, introduced herself and presented an overview of the Baccalaureate Scholarship selection model. She reviewed the current selection rubric, which was last approved in 2022. Luis highlighted a key challenge in the existing process: some institutions do not assign traditional grades to students. In these cases, applicants are asked to request that their institution provide a grade, and then they must manually calculate a GPA. However, some institutions are unable to comply with this request, leading to the assignment of an average GPA baseline—a process Luis noted as inequitable. To address this, Luis proposed an amendment to the BaS selection model: the addition of a “no GPA weighting” category. Under this approach, applicants without a GPA would be scored out of 80 points rather than 100, with rankings adjusted accordingly.

Julie Sandler asked whether there are identifiable patterns among institutions that do not assign GPAs. Luis responded that these include charter schools, homeschool programs, and Evergreen State College, but there is no consistent institutional profile across these applicants. Patrick Smith asked if the 80-point system would be calculated as a percentage. Luis clarified that applicants without a GPA would be evaluated on an 80-point scale and then ranked accordingly.

Sandler followed up by asking whether having a GPA would confer an advantage. Luis acknowledged that modeling suggests a slight advantage may exist for GPA-holding applicants, but it is negligible due to the small population size. There was a discussion on the correlation between having a GPA and not having a GPA, and the other categories, and the possibility of bumping up other categories. Luis noted that, in the past, there had not been sufficient capacity to deeply analyze the data. However, with support from the Data & Systems team, WSOS now has more resources to evaluate and monitor outcomes more effectively in the future.

**Board Action:** Jane Park moved to adjust the selection scoring for candidates without a GPA by increasing the weighting of each of the STEM and Resilience essays by 10 points. This adjustment ensures that applicants without a GPA are still scored on a 100-point scale rather than being limited to 80 points. Jillian Luis and Lisa Magennis agreed that this approach was reasonable and aligned with the intent of equitable evaluation. Julie Sandler seconded the motion, and the Board unanimously approved it.

### **Career & Technical (CTS) Scholarship**

Jessica Monger presented the Career & Technical Scholarship (CTS) program update on behalf of Lyanne O’Connell. She began by reviewing the history and purpose of the CTS program, which was launched in 2019 to support recent high school graduates pursuing apprenticeships, certificates, associate degrees, and other high-demand career pathways. The program was designed to lead to living-wage employment within 12

months of graduation from a short-term program (two years or less). Originally, the program aimed for a 66% completion rate within two years for Scholars aged 25 or younger.

However, based on national data and emerging post-pandemic trends, Monger stated there was a strategic CTS pivot. National statistics show only 13% of students complete such programs within two years, and just 28% within four years. Compounding this challenge is a 25% decline in postsecondary enrollment since COVID, particularly in community colleges. FAFSA completion rates have also fallen sharply, placing Washington state 49th out of 50 nationwide.

As part of the pivot, CTS is now focusing more intentionally on students who are already enrolled in college. Additionally, statutory changes now allow students who graduated from out-of-state high schools to apply for the program. Monger also reviewed outcomes for current and past CTS Scholars. Since its launch, WSOS has served 3,623 CTS students. The program currently has a 41% completion rate within two years and a 59% completion rate within three years. The average age of Scholars is 32, compared to a statewide SBCTC average of 28. Among current participants, 72% are first-generation college students, and over 1,500 Scholars have completed credentials to date. The most common industries of employment include health care, skilled trades, information technology, and engineering. Monger also highlighted broader changes in the higher education and economic landscape that are shaping the future of the CTS program. She noted a significant decline in college enrollment between 2019 and 2022, largely due to the impacts of COVID-19. While there was a modest 2% increase in enrollment in 2023, many institutions continue to face financial challenges, including budget shortfalls and the rising cost of education, which has made college increasingly unaffordable for many students.

Monger emphasized that public investment in higher education is expected to decline, with government funding cuts likely on the horizon. In Washington State, 70% of new jobs will require some form of post-secondary education, yet current forecasts indicate a significant shortfall in the number of qualified individuals to meet that demand over the next decade. This trend further underscores the critical role of programs like CTS in supporting workforce development. Looking ahead, Monger invited the Board to help shape the future direction of CTS by asking: *What key priorities should we focus on? How should we define success?*

At 2:16 p.m., Brad Smith paused the discussion to welcome Isabel Muñoz-Colón, who had just joined the call. Muñoz-Colón expressed her deep gratitude to the Board, staff, and community partners and shared her excitement about the work ahead.

Brad Smith then pivoted the conversation back to broader national and state trends. The Board discussed the opportunity to better support mid-career professionals through CTS, emphasizing the importance of pipeline development, targeted outreach across a wider age range, stop-and-dropout rates, and collaboration with other organizations to reach adult learners more effectively.

Mike Wilson shared his perspective as a long-time member of the community college board in Spokane, noting that the CTS applicant population is distinct, with a median age of 28. He emphasized that many of these students are balancing significant obligations, such as parenting and employment, which impact their ability to complete educational programs. He underscored the importance of financial aid in both attracting and retaining these students through graduation.

Isabel Muñoz-Colón added that, over the past two years, many adult learners have paused in their pursuit of credentials. She noted that institutions across the state are recognizing this trend and are actively engaging in strategic discussions about how to re-engage these students amid the shifting educational and economic landscape. Patrick Smith requested a walkthrough of the currently approved apprenticeship programs at a future meeting, noting that time was running short for a full discussion.

Brad Smith proposed using the time between now and the September meeting to step back and evaluate how WSOS's programs fit together. He recommended that the September meeting be structured as a strategy

workshop, giving Muñoz-Colón time to get up to speed and enabling the Board to explore key questions around workforce trends, career attainment goals, and alignment across programs.

**Appropriation Advocacy Letter**

Monger provided an update regarding the \$2.2 million state match. She explained that the prior administrators inadvertently missed this funding, which was intended for fiscal year 2023. The correction is to have been addressed through a policy-level request, working directly with key budget decision-makers. However, given the current session's focus on addressing a broader budget deficit, the match remains at risk.

Monger shared that the \$2.2 million match has been included in both the House and Governor's proposed budgets, which is encouraging. However, if it is not secured during this session, the chances of success will diminish significantly over time. To improve the likelihood of approval, she recommended submitting three letters—one to the Governor requesting advocacy, and one each to the House and Senate, encouraging alignment in support of the match. She emphasized that the recommendation is for these letters to come from the WSOS Board, rather than solely from the Executive Director, to underscore unified leadership support and increase their impact.

**Final Board Vote Action:** Patrick Smith moved to authorize the Board to sign three advocacy letters in support of the \$2.2 million state match—one addressed to the Governor, one to the House, and one to the Senate. Jane Park seconded the motion. The motion passed unanimously.

**Executive Session:** At 2:45 p.m., Brad Smith, the Board Chair, announced that the Board was going into Executive Session until 3:00 p.m. to obtain advice from legal counsel. The open meeting was reconvened at 3:00 p.m., and no formal action was taken.

The Board meeting adjourned at 3:05 p.m.

Respectfully submitted,

Grace Park