

WASHINGTON STATE  
**OPPORTUNITY**  
SCHOLARSHIP

**BOARD MEETING**

**03.03.2020**

# AGENDA

1. Welcome
2. Approval of Minutes from 01.14.20 Board Meeting
3. Mission Moment: Opportunity Scholar Story
4. Baccalaureate and Career & Technical Scholarship Selection
5. Advanced Health Care Design Thinking
6. Finance and Program Administrator Update
7. Executive Session
8. Closing

# MISSION MOMENT

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# MISSION MOMENT: Scholar Spotlight



**SCHOLAR LEAD**

**KARINA NERI**

*Public Health, Education Communities and Organization*  
University of Washington Seattle

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# SELECTION: Baccalaureate and Career & Technical Scholarships

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# CTS SPRING 2020 SELECTION

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# SPRING 2020 SELECTION RESULTS

Intended Program	Percent of Applicants	Percent of Selects	Percent of Job Openings
Information Technology	12%	21%	22%
Engineering / Manufacturing	9%	11%	15%
Trades	20%	32%	42%
Health Care	57%	32%	16%

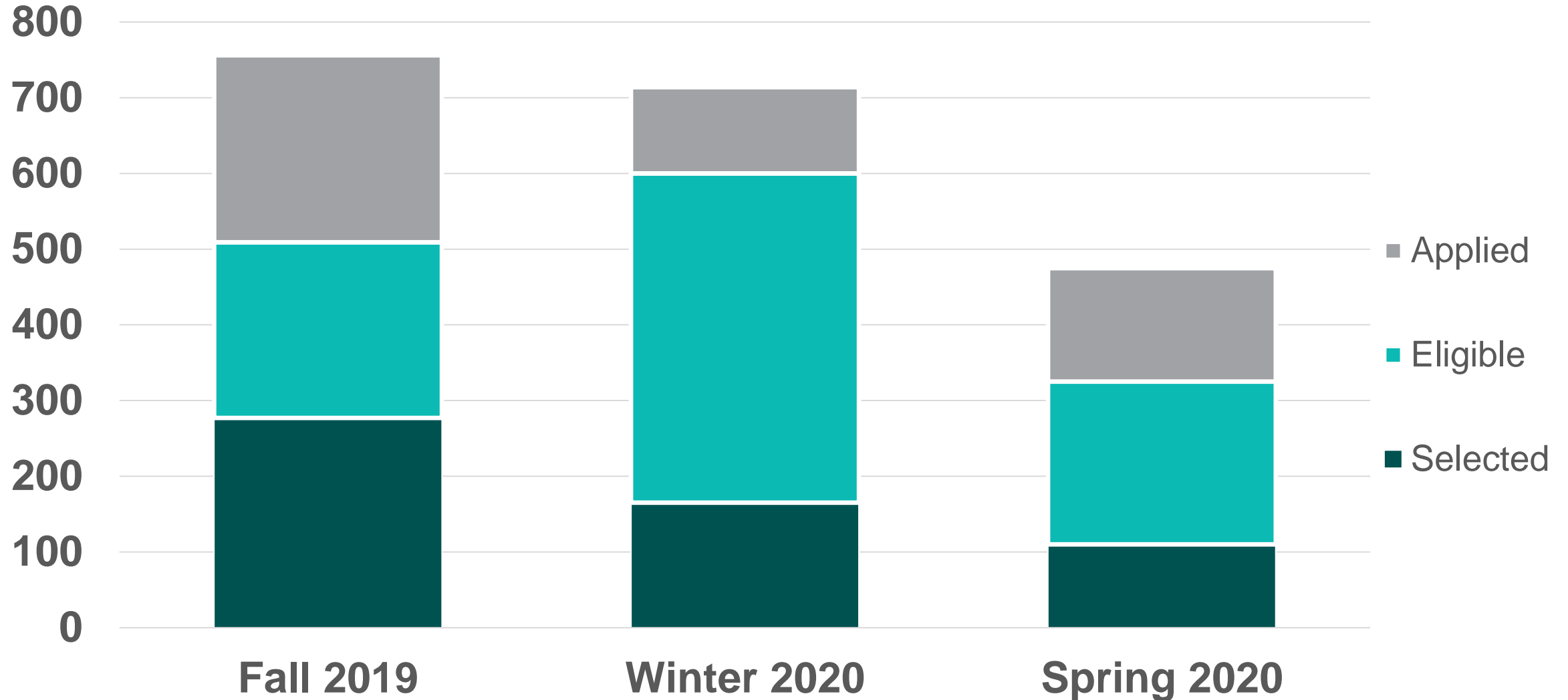
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# CTS 2019-2020 OVERVIEW

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# APPLICANTS BY QUARTER



# DEMOGRAPHIC SUMMARY

## MFI

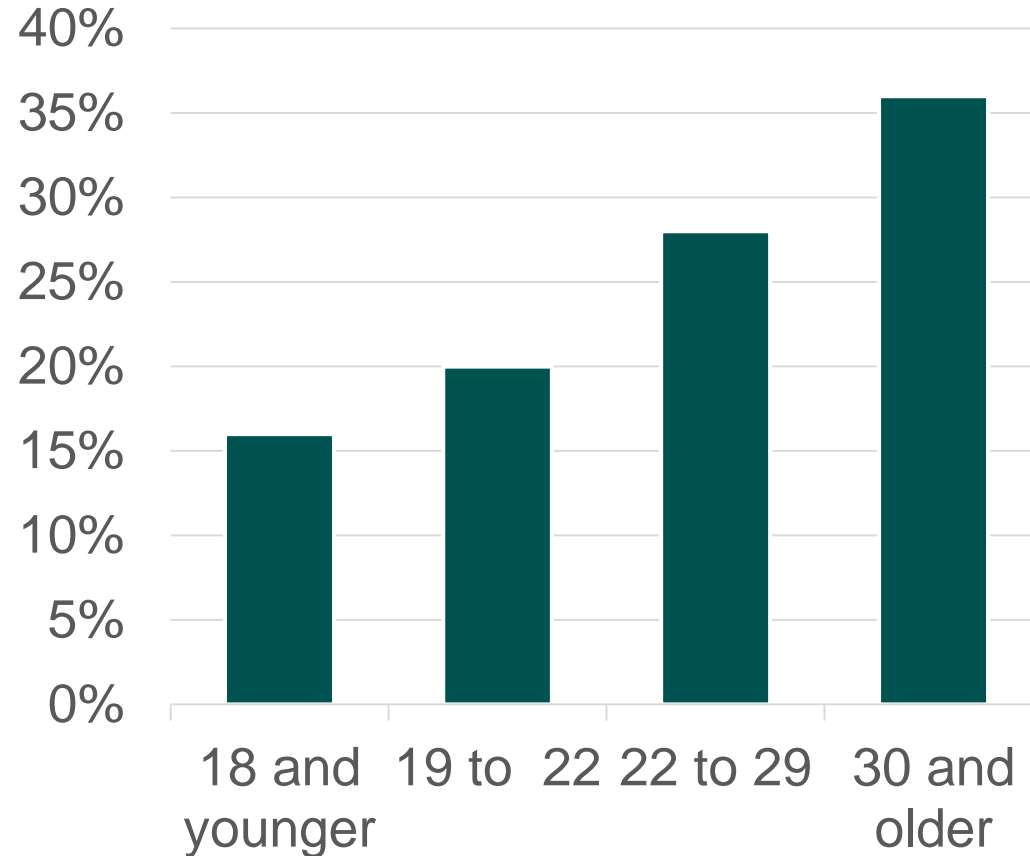
(Median Family Income)

**\$15,410**

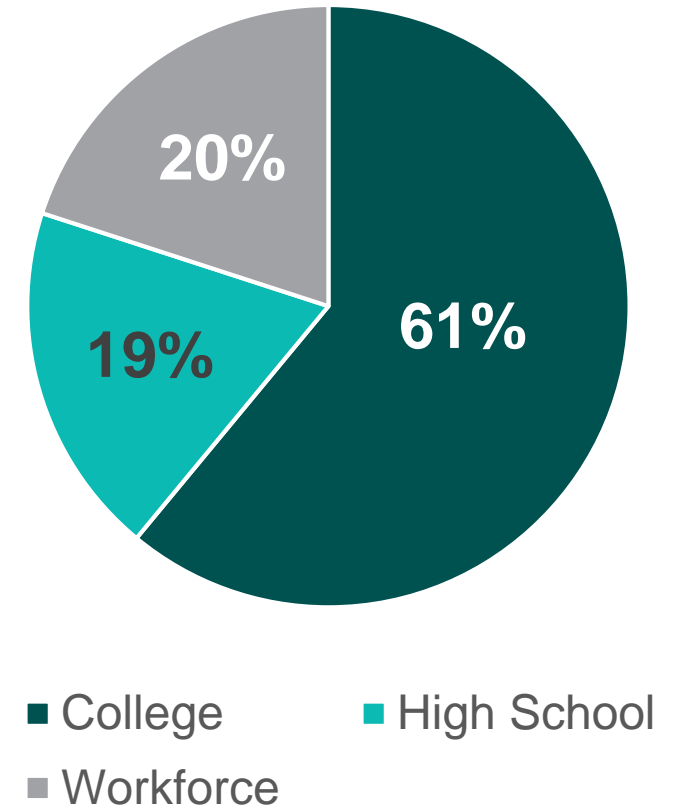
**Future  
Earnings**

**4x**  
current earnings

## Age

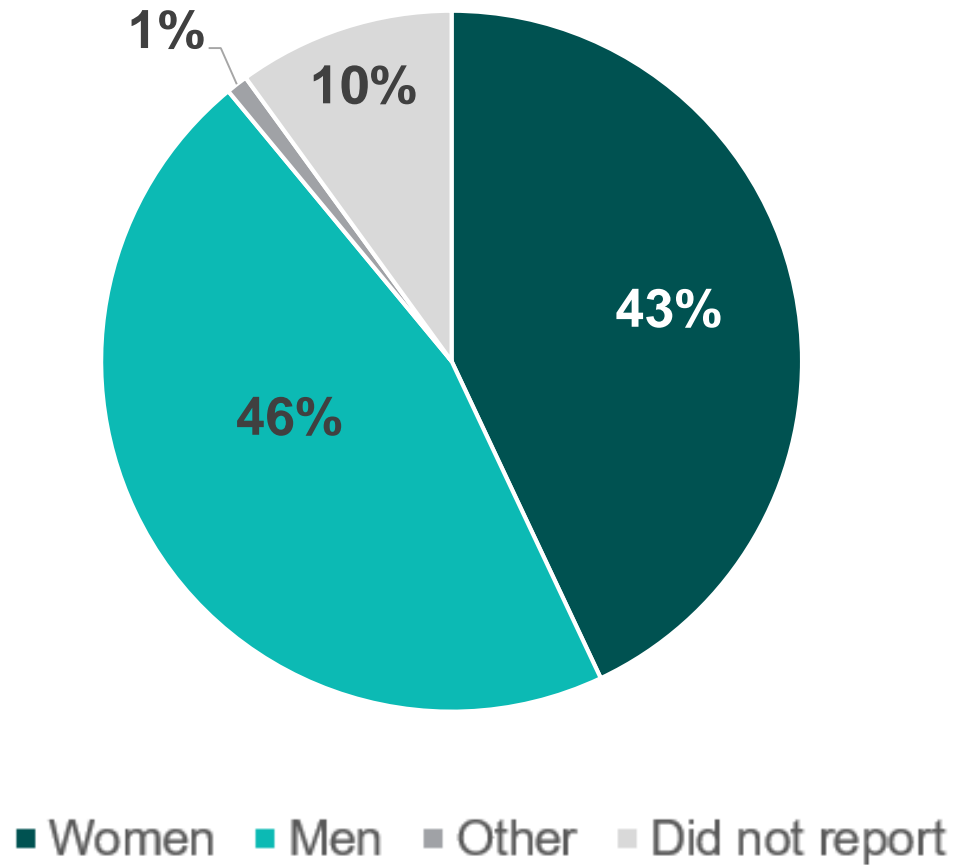


## Education Status

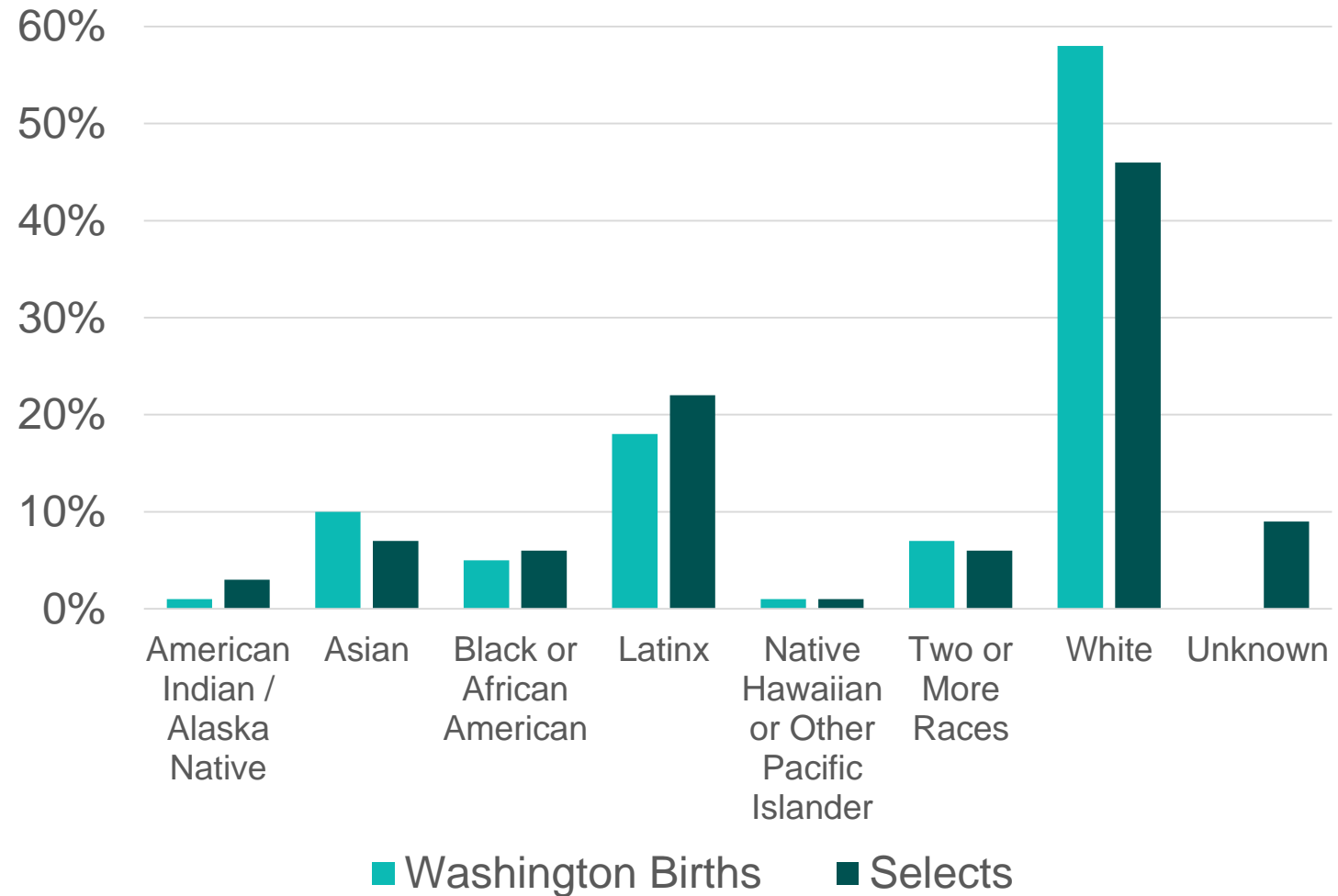


# DEMOGRAPHIC SUMMARY

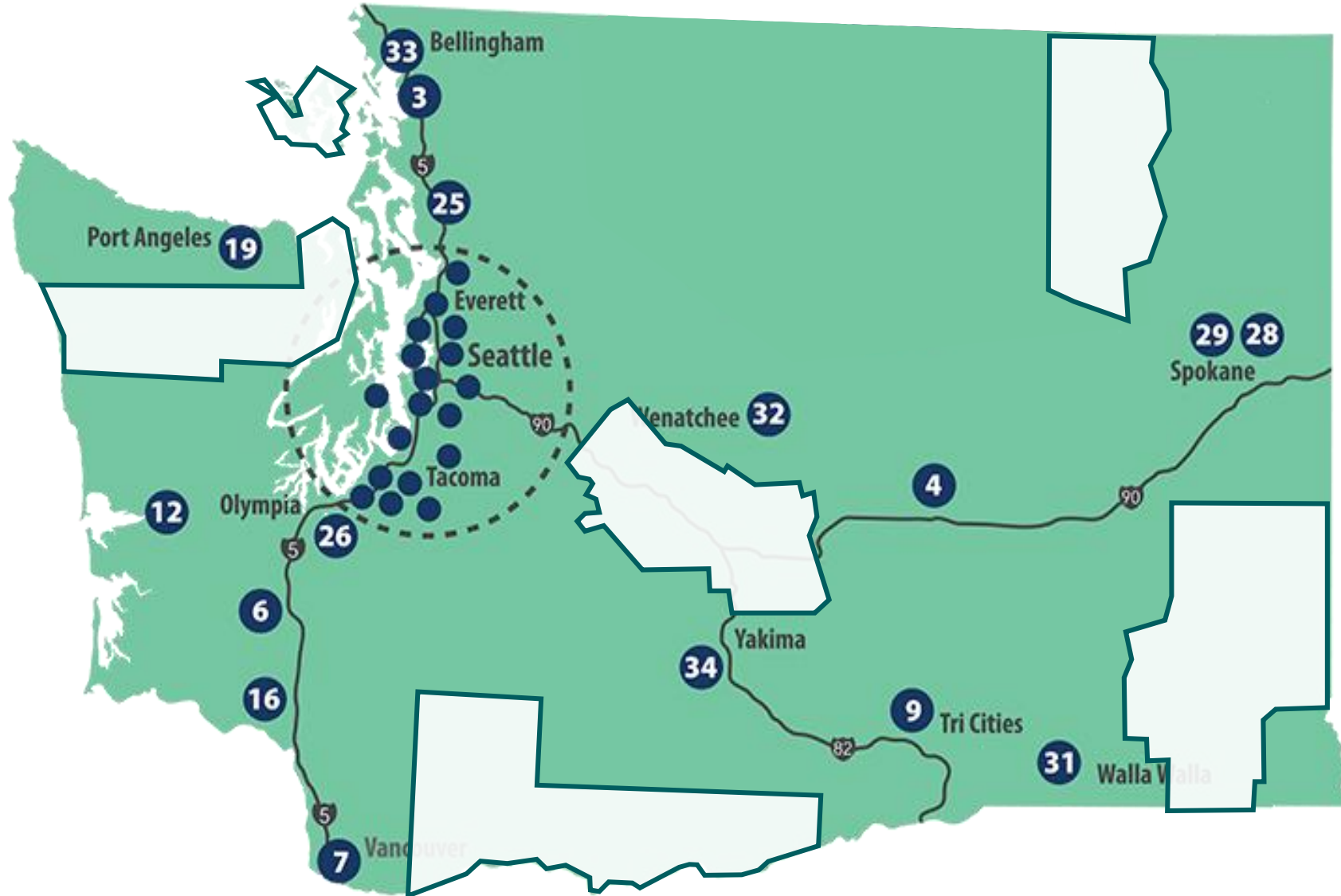
## Gender



## Race / Ethnicity



# GEOGRAPHIC DISTRIBUTION



**34 / 34**  
CTCs

**30 / 39**  
counties

**49 / 49**  
legislative  
districts

# REPRESENTATION BY INDUSTRY

Intended Program	Percent of Applicants	Percent of Selects	Percent of Job Openings
Information Technology	14%	26%	22%
Engineering / Manufacturing	11%	13%	15%
Trades	17%	27%	42%
Health Care	58%	34%	16%

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# 2020 BACCALAUREATE SCHOLARSHIP SELECTION

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# GOALS

- Review applicant pool
  - Vote on 2020 selection criteria

# BACCALAUREATE SCHOLARSHIP IMPACT

In college

**2x**

**more likely  
to graduate  
in 4 years**

5 years after college

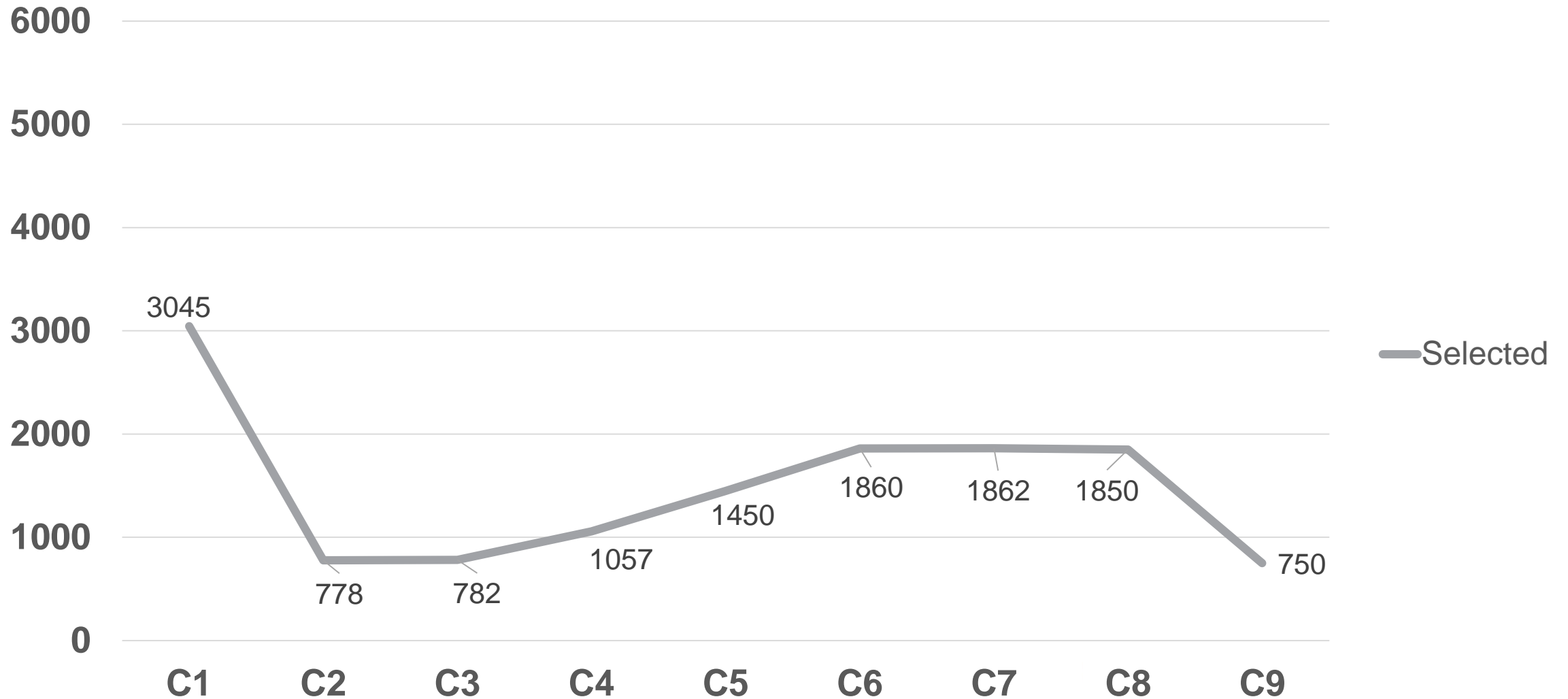
**Earn**

**2x**

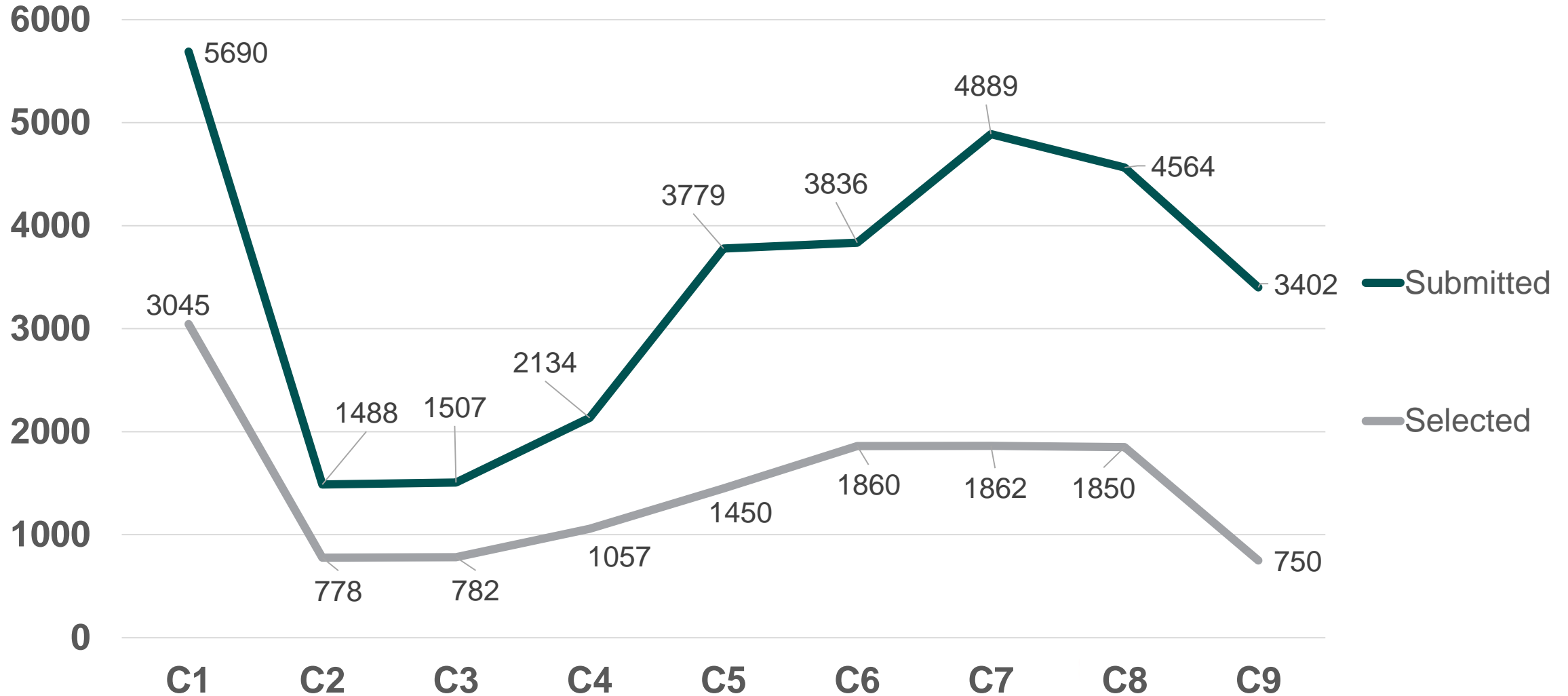
**more than  
their family**



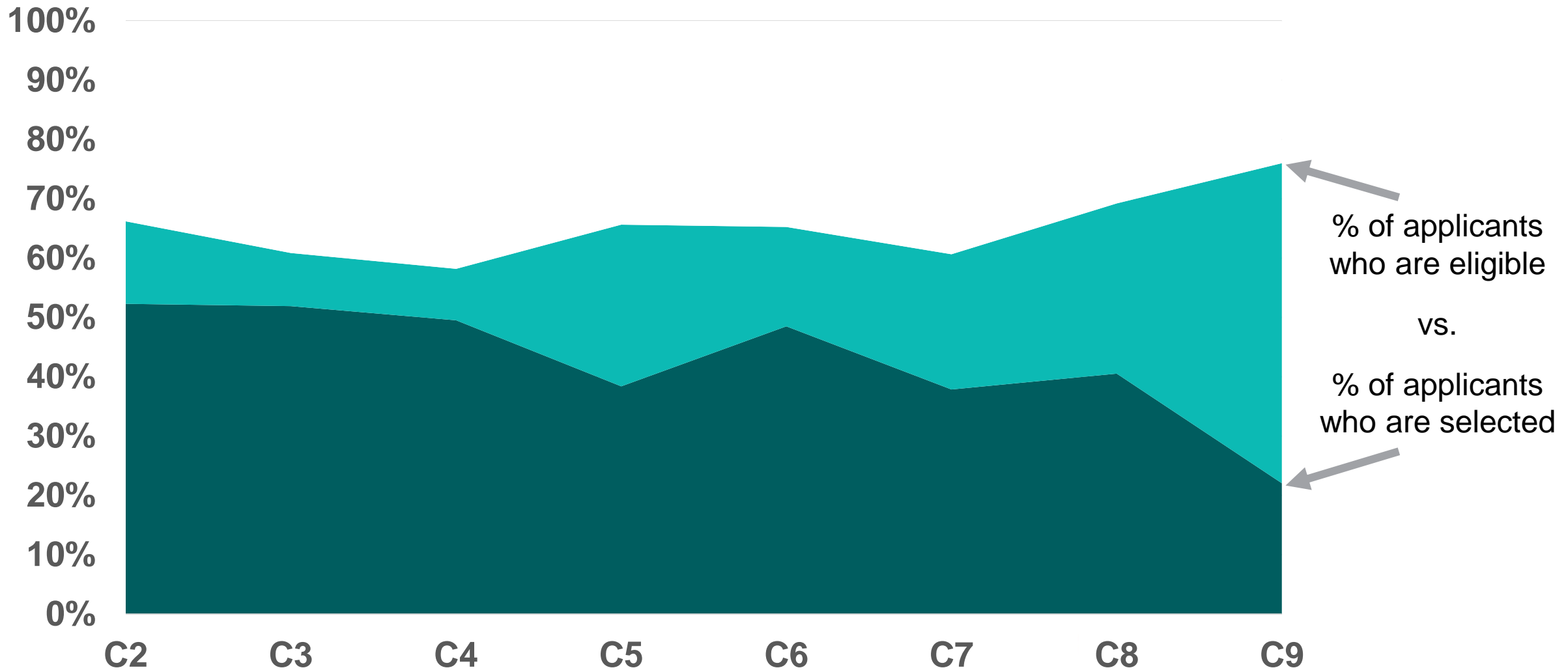
# RECIPIENTS OVER TIME



# APPLICANTS OVER TIME



# COMPETITIVENESS OVER TIME



# SELECTION GOALS

- Prioritize impact statewide in **high-demand fields**
- Select Scholars **highly likely to complete** their program
- Promote **equity of access** to higher education

# BACCALAUREATE SELECTION MODEL

Criteria	Measure	Purpose
Intended Major	Forecasted industry job demand	Prioritize the jobs WA needs most
Community Opportunity	Unemployment rate by zip code	Prioritize the communities that need these jobs the most
STEM Essay	Scored twice on 5 point scale, then normalized and averaged	Prioritize applicants most likely to graduate in STEM / HC
Resilience Essay	Scored twice on 5 point scale, then normalized and averaged	Prioritize applicants most likely to graduate from college
GPA	Most points for 4.0, least points for 2.75	Prioritize applicants most likely to graduate from college
Family Income	Most points for 0% MFI, least points for 125% MFI	Prioritize applicants least likely to graduate without our support
First Generation	Points to first generation applicants, with partial points if parents have a technical degree	Prioritize applicants least likely to graduate without our support

# BACCALAUREATE SELECTION MODEL

Criteria	Baseline (Baccalaureate C8)	Recommendation
Intended Major	20%	20%
Community Opportunity	8%	12%
STEM Essay	7.5%	12.5%
Resilience Essay	12.5%	12.5%
GPA	20%	20%
Family Income	20%	15%
First Generation	12%	8%

For discussion: Promoting STEM education

# IMPACT: DEMOGRAPHIC SUMMARY

Option	MFI <small>(Median Family Income)</small>	First Generation <small>To Earn a Bachelor's Degree</small>	Counties <small>Represented (of 39)</small>
Baseline	\$32,370	77%	32
Recommendation	\$35,680	71%	34

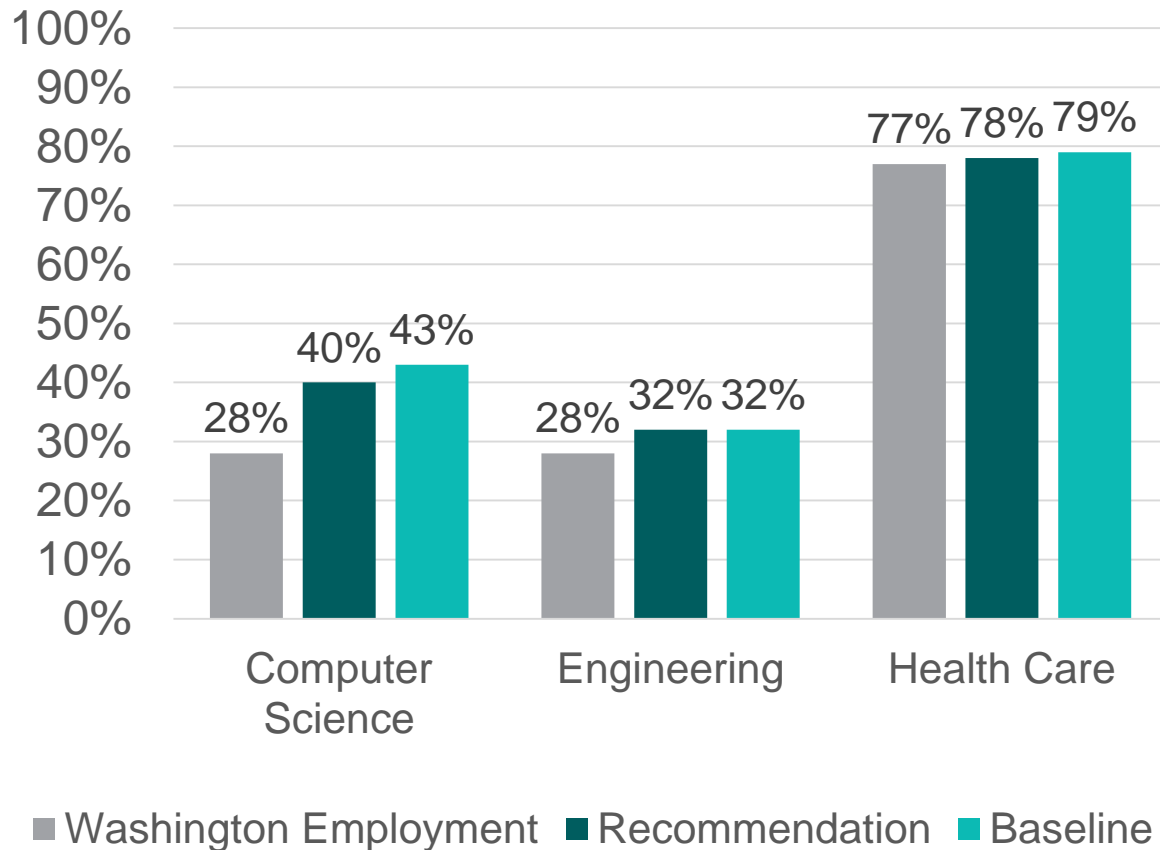
# IMPACT: INDUSTRY REPRESENTATION

Field	% Applicants	Baseline (BaS C8)	Recommendation	% Job Openings
A/V Technology	2%	0.5%	0.4%	6%
Biology	24%	17%	15%	8%
Computer Science	20%	39%	40%	39%
Education*	2%	0.5%	1%	5%
Engineering	20%	24%	24%	16%
Environmental Sciences	3%	0.4%	0.4%	4%
Health Services	11%	5%	5%	6%
Nursing	15%	14%	14%	11%
Physical Sciences	4%	1%	1%	3%

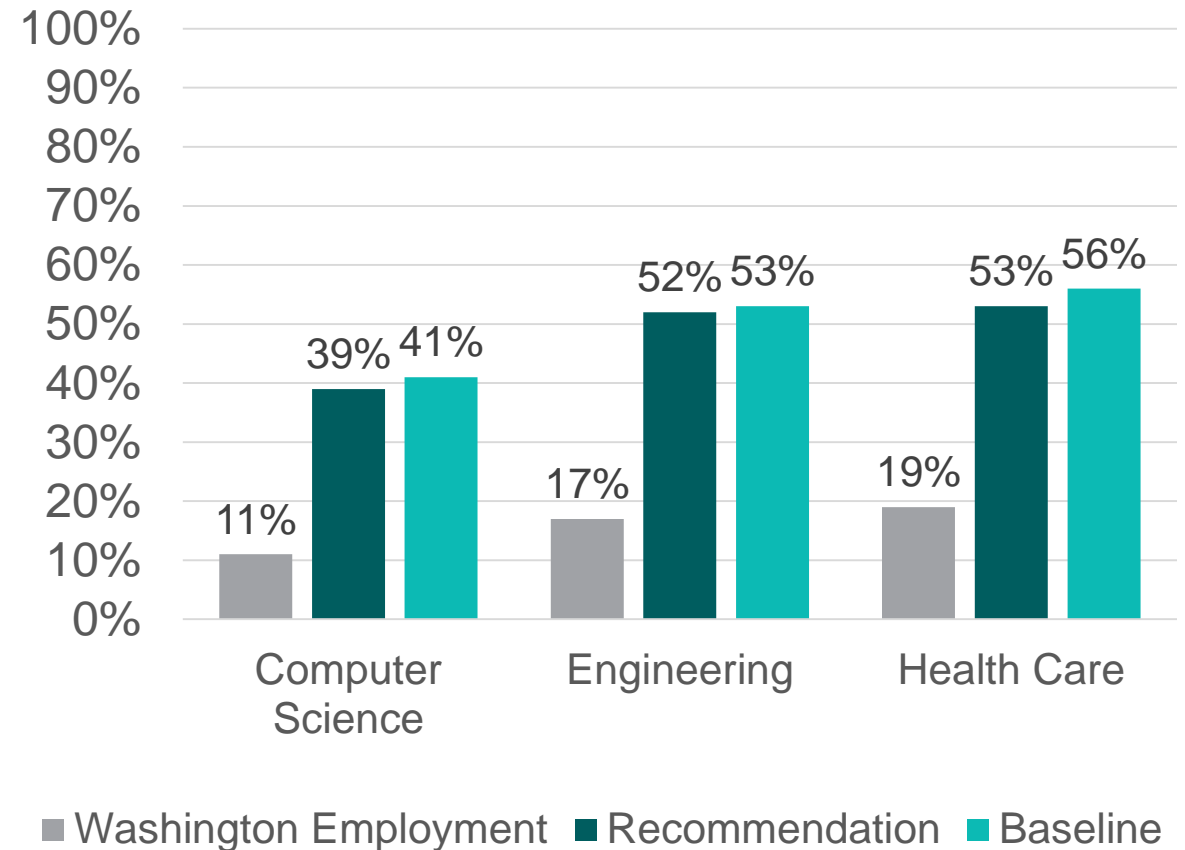


# IMPACT: INDUSTRY REPRESENTATION

## % Women by Industry



## % Underrepresented Race or Ethnicity by Industry



Washington employment data from Census Bureau 2018 ACS 1-year Estimate

# BACCALAUREATE SELECTION MODEL

Criteria	Baseline (Baccalaureate C8)	Recommendation
Intended Major	20%	20%
Community Opportunity	8%	12%
STEM Essay	7.5%	12.5%
Resilience Essay	12.5%	12.5%
GPA	20%	20%
Family Income	20%	15%
First Generation	12%	8%

For discussion: Promoting STEM education

# ADVANCED HEALTH CARE DESIGN THINKING

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# LEGISLATIVE HISTORY

- **HB 2143**
  - Passed spring 2018
  - \$1M biannual state match promised
  - Designated for advanced degrees in health care fields
  - Goal is to address workforce shortages in medically underserved areas, with a specific focus in behavioral health
  - Interest from the Legislature to hear back on progress

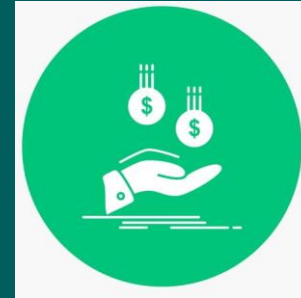
Background research on best practices



WSOS staff built initial program design based on feedback



Program design proposal finalization



Design approval from WSOS Board



Gathered input from industry, education, philanthropy, students, policy makers, other experts



Update to WSOS Board



Secure cornerstone partnership



March 2020

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# THE PROBLEM

- **Lack of health care providers with an advanced degree**
  - Talent gap persistent for dentists, physicians and nurse practitioners
- **Medically underserved areas struggle to attract talent**
  - Less well-resourced
  - Often in rural areas
- **Landscape review**
  - Loan repayment programs exist; varying levels of efficacy
  - Very few scholarship opportunities or other financial aid available to seek advanced degrees

# PROPOSED TARGET RECIPIENTS

Nurse practitioners (ARNPs) are registered nurses with graduate degrees (DNPs).

**Efficient & effective placement.**

Nurse practitioners complete their coursework and clinical practicum in a **relatively short period of time**. Unlike physicians whose residency can frequently take them out-of-state, **in-state clinical practicums serve as a proxy** for where graduates will ultimately practice.

**Capable providers.**

Nurse practitioners perform with **largely the same independence as primary care physicians**. Additionally, they **have prescriptive authority** and can prescribe medications as necessary without physician oversight.

**Affordable.**

Clinics and hospitals can employ nurse practitioners for **more affordable** rates than primary care physician counterparts.

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# INITIAL DESIGN: Advanced Health Care

	Advanced Health Care Scholarship Components
Scholarship Award Amount	<b>\$40,000 maximum award amount</b> \$20,000 per year for Year 2 and Year 3 in DNP; approx. ~40% of cost of attendance in programs
Targeted Awardees	<b>Seeking a Doctor of Nursing Practice (DNP)</b> <i>Note:</i> exploring MS track at Gonzaga, PLU Recent Bachelor's of Science in Nursing (BSN) completers <i>Particularly:</i> Opportunity Scholar alumni from nursing programs
Program Specifics	<b>2<sup>nd</sup> and 3<sup>rd</sup> year support</b> due to timing of practicum selection Focusing on recipients with an interest in <b>medically underserved areas</b> <b>No repayment provision;</b> will include commitment for service Campuses: Gonzaga, WSU, SPU, SU, UW and PLU
Scope	\$1M/biennium cap = \$1M in private + public funding max per year n=50 enrollees at max capacity; (n=25 per cohort) <b><i>Possible pilot launch: \$120K private + match = \$240k, pilot of n=6</i></b>



# SEEKING CORNERSTONE PARTNERSHIP

- **Challenges**

- Exploring how income requirement and WA high school graduation requirement will impact eligible students
- Health care industry partners are excited about existing programs (CTS, BaS)

- **Possible 2021 Legislative Conversations**

- Income/WA high school graduate eligibility change
- Program “seed” funding

- **Timeline**

- Possible pilot launch for fall 2020
- Possible launch in fall 2021

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**FINANCE & PROGRAM  
ADMINISTRATOR  
UPDATE  
12.31.2019**

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# WSOS Balance Sheet

## Comparative Balance Sheets

December 31, 2019

	Comparison to Last Reported Period			Notes	Comparison to Same Period LFY		
	9/30/19	% Change	12/31/19		12/31/18	% Change	12/31/19
<b>Assets</b>							
Cash	1,772,710	-34%	1,178,117	1	1,856,309	-37%	1,178,117
Investments	115,582,518	-3%	112,320,483	2	106,376,459	6%	112,320,483
Accounts Receivable	16,114	-76%	3,903		46,188	-92%	3,903
Pledges and Grants Receivable, net	5,019,245	0%	5,006,598	3	9,543,424	-48%	5,006,598
State match receivable, net	764,320	-72%	212,081	4	2,960,105		212,081
Prepaid Expenses	118,812	-34%	78,149		29,412	166%	78,149
Property and equipment, net	34,341	-8%	31,446		40,071	-22%	31,446
<b>Total Assets</b>	<b>123,308,060</b>	<b>-4%</b>	<b>118,830,777</b>		<b>120,851,968</b>	<b>-2%</b>	<b>118,830,777</b>
<b>Liabilities and Net Assets</b>							
Accounts Payable	64,628	26%	81,571		115,868	-30%	81,571
Payroll Related Liabilities	72,433	106%	149,054		128,314	16%	149,054
Scholarship Commitments Bacc., net	36,991,599	-16%	31,156,568	5	31,203,035	0%	31,156,568
Scholarship Commitments CTS, net	1,357,281	20%	1,630,131	5			1,630,131
					31,447,216		
<b>Total Liabilities</b>	<b>38,485,941</b>	<b>-14%</b>	<b>33,017,324</b>			<b>0%</b>	<b>33,017,324</b>
<b>Net Assets</b>							
Temporarily Restricted Net Assets	84,822,119	1%	85,813,453		64,404,751	243%	85,813,453
Permanently Restricted Net Assets	-	0%	-		25,000,000	-100%	-
<b>Total Net Assets</b>	<b>84,822,119</b>	<b>1%</b>	<b>85,813,453</b>		<b>89,404,751</b>	<b>-4%</b>	<b>85,813,453</b>
<b>Total Liabilities and Net Assets</b>	<b>123,308,060</b>	<b>-4%</b>	<b>118,830,777</b>		<b>120,851,968</b>	<b>-2%</b>	<b>118,830,777</b>

# WSOS Balance Sheet

## Notes:

1. Decrease in cash October to December largely due to net Scholarship disbursements of \$6.9M. These were offset by WSAC match of \$898K as well as \$324K of cash from donors (largest was Kaiser Permanente \$75K received on \$112K grant), balance augmented by liquidation of investments.
2. Investment balance as of 12/31/19 includes WSIB BaS Scholarship \$77.35M, WSIB CTS Scholarship \$27.37M, WSIB Endowment \$5.7M, KeyBank Capital BaS \$800K, and KeyBank Capital CTS \$1.1M. The KeyBank investment account (public dollars) provides cash needs first in order to fund scholarship demands.
3. Pledges and Grants Receivable, net, decreased slightly due to payments on small pledges. Balance includes Gary Rubens' pledge of \$5M, corporate \$37K, foundations \$2.5K, and other individuals of \$17K.
4. WSAC matched \$898K between Oct. and Dec., this was made up of match on 2019 private receipts of \$384K and resubmission from FY14, FY15, and FY17 of \$515K. Remaining accrual due to \$87K for December private receipts with the remaining balance related to resubmission.
5. In December we recorded adjustments to our Scholarship liabilities for the Baccalaureate and CTS programs of \$804K and \$613K, respectively. These increases were offset by disbursements between October and December for the Baccalaureate and CTS programs of \$6.31M and \$596K, respectively.

# WSOS Income Statement

## Actual vs. Budget

Twelve Months Ending December 31, 2019

	Twelve Months Ending December 31, 2019			December 31, 2019	
	Actual	Budget	Variance Fav (Unfav)	Notes	Annual Budget
<b>Revenue</b>					
Private	680,813	6,200,000	(5,519,187)	1	6,200,000
Public	5,246,462	15,700,000	(10,453,538)	2	15,700,000
Investment Income	11,925,770	2,917,200	9,008,570	3	2,917,200
<b>Total Revenue</b>	<b>17,853,045</b>	<b>24,817,200</b>	<b>(6,964,155)</b>		<b>24,817,200</b>
<b>Program Expense</b>					
Salaries and Benefits	1,933,930	1,898,633	(35,297)	4	1,898,633
Professional Fees - Program Admin fees	513,540	513,540	-		513,540
Professional Fees - Contractors & Lobbying	587,799	523,500	(64,299)	5	523,500
Conferences, Conventions & Meetings	211,334	233,045	21,711		233,045
Operating Expenses	298,580	239,800	(58,780)	6	239,800
	<b>3,545,183</b>	<b>3,408,518</b>	<b>(136,665)</b>		<b>3,408,518</b>
<b>Income (Loss) before Scholarship Exp</b>	<b>14,307,862</b>	<b>21,408,682</b>	<b>(7,100,820)</b>		<b>21,408,682</b>
<b>Scholarship Expense</b>	<b>17,899,160</b>	<b>24,338,506</b>	<b>6,439,346</b>	7	<b>24,338,506</b>
<b>Net Income (Loss)</b>	<b>(3,591,298)</b>	<b>(2,929,824)</b>	<b>(661,474)</b>		<b>(2,929,824)</b>

# WSOS Income Statement

## Notes:

1. Revenue Private: The 2019 Budget included \$1.2MM for 4-year scholarship and \$5MM for CTS/Pathways, divided evenly by quarter throughout the year. New revenues between October and December included Kaiser Permanente grant of \$112K, CWU Foundation of \$40K, as well as OTalks corporate gifts of ~\$20K, OTalks foundation and NFP gifts of ~\$21K, and OTalks individual gifts of ~\$158K.
2. Revenue Public: State Match revenues accrued based on \$346K of private receipts between October and December.
3. Investment income: Actual YTD includes unrealized+realized gains of \$11.44M, interest & dividend income of \$545K and investment expense of \$62K. Budget does not include forecasting gains/losses.
4. Salaries and benefits; Slightly over as CEO bonus paid in 2019 for 2018 was higher than 2018 accrual. Also, salary increases occurred.
5. Professional fees over primarily due to I.T. (\$18K), Communications (\$27K), and Recruitment (\$26K) with some savings scholar leads expense.
6. Operating Expenses-Actual expenses over budget with primary driver being printing costs, which were under budgeted for 2019.
7. Scholarship expense for CY 2019 was recorded in August with an adjustment in December. Budget was prepared based on prior Scholarship model, which has since been revised to be more accurate using average historical pay rate data. This led to a larger liability, and therefore expense, represented in the budget.

# WSOS Cash Flow

## Cash Flow Summary

Inception-To-Date

Dec. 31, 2019

	Inception - Dec. 31, 2019			
	<u>Scholarship</u>	<u>Endowment</u>	<u>Notes</u>	<u>Total</u>
<b><u>CASH FLOW</u></b>				
<b>Cash Inflow:</b>				
Boeing	25,110,000	-		25,110,000
Microsoft	35,000,000	-		35,000,000
Other Private	33,406,304	-	1	33,406,304
State	93,131,103	-	2	93,131,103
Investment Income*	15,561,875	5,709,724	3	21,271,599
<b>Total Cash Inflows</b>	<b>202,209,282</b>	<b>5,709,724</b>		<b>207,919,006</b>
<b>Cash Outflow:</b>				
Scholarships	(76,792,388)	-	4	(76,792,388)
Program Expenses	(17,622,206)	(5,812)		(17,628,018)
<b>Total Cash Outflows</b>	<b>(94,414,594)</b>	<b>(5,812)</b>		<b>(94,420,406)</b>
<b>Net Cash Flow Inception-To-Date</b>	<b>107,794,688</b>	<b>5,703,912</b>		<b>113,498,600</b>
<b><u>Composition of Net Cash Flow</u></b>				
KeyBank Checking Account	1,178,117	-	5	1,178,117
Investment Accounts at WSIB and KeyBank	106,616,571	5,703,912	6	112,320,483
<b>Total</b>	<b>107,794,688</b>	<b>5,703,912</b>		<b>113,498,600</b>

\* Includes unrealized gains and losses.

# WSOS Cash Flow

## Notes:

1. Cash Inflow: Other Private - \$324K received on cash basis between October and December.
2. State - Received \$898K from WSAC between October and December.
3. Investment Income - 2019 investment income includes unrealized/realized gains in BaS accounts of \$8.74M, CTS accounts of \$259K, and Endowment account of \$2.44M.
4. Scholarship disbursements were \$6.91M (\$6.31M Baccalaureate, \$596K CTS) between October and December 2019 and scholarship refunds totaled \$304K (\$241K Baccalaureate, \$63K CTS).
5. Assets are maintained in KeyBank Checking Account to meet short term cash needs, all excess dollars are invested in WSIB or KeyBank investment accounts to generate returns.
6. In Q4, a total of \$27.1MM of private donations were moved from both BaS Scholarship and Endowment accounts to CTS as instructed by donor-intent to fund that program.



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**NEXT BOARD MEETING**

**06.10.2020**