

# WASHINGTON STATE **OPPORTUNITY** SCHOLARSHIP

## **BOARD MEETING AGENDA WEDNESDAY, JUNE 10, 2020 | 1:00-3:00 P.M. VIRTUAL ONLY DUE TO COVID-19 GOVERNOR'S ORDER**

Click on the Microsoft Teams link in the meeting invitation or dial in: 1-425-616-0754 / passcode: 751 698 903#

**Meeting open to the public via conference line above.**

I.	<b>Meeting Called to Order</b>		<b>Brad Smith</b> Board Chair	1:00p
II.	<b>Approval of Minutes from March 3, 2020 Meeting</b>	[Tab A]	<b>Brad Smith</b> Board Chair	1:00-1:05p
III.	<b>Mission Moment: Opportunity Scholar Story</b>	[Tab B]	<b>Nikita Fisenko</b> Scholar Lead	1:05-1:10p
IV.	<b>COVID-19 and Program Update</b> <ul style="list-style-type: none"><li>» <i>Board Action:</i> Approve resolution for WorkSource funds to receive county treatment</li><li>» <i>Board Action:</i> Approve resolution directing undesignated funds</li></ul>	[Tab C]	<b>Kimber Connors</b> Executive Director	1:10-1:40
V.	<b>Career &amp; Technical Scholarship Selection</b> <ul style="list-style-type: none"><li>» <i>Board Action:</i> Approve selection model</li></ul>	[Tab D]	<b>Steve Walker</b> Awards Admin Director	1:40-2:00p
VI.	<b>Graduate Scholarship Program Design</b> <ul style="list-style-type: none"><li>» <i>Board Action:</i> Approve preliminary program design</li></ul>	[Tab E]	<b>Kimber Connors</b> Executive Director	2:00-2:15p
VII.	<b>Rural Jobs Program Design</b> <ul style="list-style-type: none"><li>» <i>Board Action:</i> Approve program design</li><li>» <i>Board Action:</i> Approve selection model</li><li>» <i>Board Action:</i> Approve resolution for Rural Jobs giving restricted to specific eligible counties/regions</li></ul>	[Tab F]	<b>Steve Walker</b> Awards Admin Director	2:15-2:45p
VIII.	<b>Finance &amp; Program Administrator Update</b> <ul style="list-style-type: none"><li>» <i>Board Action:</i> Vote to appoint Elisa La Cava and Matthew Rubright to Finance &amp; Investment Committee</li></ul>	[Tab G]	<b>Mack Hogans</b> Board Member, Finance & Investment Committee Chair	2:45-2:55p
IX.	<b>Closing &amp; Celebrating Mack Hogans</b>		<b>Brad Smith</b> Board Chair	2:55-3:00p

### **Important Dates**

- » **Upcoming Board Meetings - all meetings at Microsoft campus or by Teams from 1 to 3p**
  - Thursday, September 17, 2020
  - Thursday, December 17, 2020

# **Tab A**

**Minutes from the March 3, 2020 Board Meeting**

**WASHINGTON STATE OPPORTUNITY SCHOLARSHIP BOARD MEETING  
TUESDAY, MARCH 3, 2020, 1-3 PM, MICROSOFT CAMPUS  
MEETING MINUTES**

The Board of Directors of the Washington State Opportunity Scholarship (WSOS) met on March 3, 2020, at the Microsoft headquarters in Redmond, Washington.

Board members: Miller Adams, Diane Cecchettini, Joelle Denney, Jane Park, Gary Rubens and Brad Smith; Mack Hogans, Julie Sandler and Mike Wilson by phone

Additional attendees: Jane Broom, Edwin Antonio, Gina Breukelman, Theresa Britschgi, Kimber Connors, Karyl Gregory, Sydney Parmas, Javana Cross Polenska, Dave Stolier and Steve Walker; Meg Chambers, Mesa Herman, Angela Jones, Jenna Magnotti, Jessica Monger, Hannah Olson, Cristal Rangel Peña, Stan Pichinevskiy, Keith Swenson, Aileen Tubo and Rachel Wyers by phone

**Meeting Called to Order**

Brad Smith called the Board Meeting to order at 1:00 pm.

**Approval of Minutes**

Jane Park moved that the minutes of the January 14, 2020 Board Meeting be approved. Diane Cecchettini seconded the motion, and it carried unanimously. Brad Smith expressed appreciation to Park for leading the last Board meeting in his absence.

**Mission Moment: Opportunity Scholar Story**

Kimber Connors, WSOS Executive Director, reported that WSOS Scholar Karina Neri was hoping to attend today's Board meeting but, unfortunately, she had unexpectedly scheduled to work. Sydney Parmas, WSOS Scholar Success Advisor, shared highlights of Neri's background and expressed great pleasure in having Neri as a Scholar Lead this year. Parmas then introduced WSOS Scholar Edwin Antonio who participated in our last Board meeting by phone. Antonio reported that he is a senior at UW and is double majoring in Chemical Engineering and Biochemistry. He spoke about his many activities and awards. He also shared his enthusiasm about being a Scholar Lead because of the tremendous growth he has seen in his mentees.

When asked by Park what his challenges have been, he stated that the academic advisors do not offer all the job options which are available to graduating students. Therefore, students need to do more research on their own. Smith asked about the difficulty of securing an academic advisor. Antonio stated that it is harder if you are not in your major. Joelle Denney asked Antonio for his best piece of advice for other Scholars. Antonio said, "Take a breath." Parmas reflected that Antonio goes above and beyond in his role as Scholar Lead. For example, he provides pizza for his mentees to increase attendance. Smith reflected on how inspiring it is to know that Scholars can do all that Antonio has accomplished.

**Baccalaureate (BaS) and Career & Technical Scholarship (CTS) Selection**

Steve Walker, WSOS Awards Administration Director, reported that WSOS hit a huge milestone when we selected our final 110 CTS Cohort 1 Scholars for the 2019-2020 academic program – its first full year of impact. He offered notable thanks to Mesa Herman, WSOS Scholar Awards Advisor, for her excellent work. Connors expressed special gratitude to Joelle Denney/Boeing and Gary Rubens/Rubens Family Foundation for their generous funding which made the CTS launch possible.

Walker reported first on the 2020 CTS spring selection results. He stated that there is a greater representation of health care applicants compared to health care job openings whereas there is under-representation of the same comparison with information technology (IT), engineering/manufacturing and trades.

Walker presented an overview of the 2019-2020 CTS applicants. The number of applicants per quarter reflected the expected greatest number for the fall quarter, then a gradual declining number for winter and spring. Walker noted this is representative of enrollees at community and technical colleges which tend to have the highest enrollment in fall term. The demographic summary included results on various factors for eligible applicants. The median family income (MFI) was \$15,410. Over 35% are age 30 and older and 39% are already in college or working versus 61% who are still in high school. Next year, the goal is to increase those in college and working to 50%. Gender data indicates that more women apply but more men are selected; this is due to the selection model preferencing higher demand fields which tended to have a greater proportion of male applicants. Our goal is to close the gender gap across all STEM and health care industries, and Walker shared there is more work to be done to target nontraditional applicants in all fields (e.g., more male applicants in health care and more female applicants in IT). In comparing Washington births versus selected Scholars, Walker shared how selected Scholars compared with the racial and ethnic diversity of the state.

Geographically, CTS applicants are represented in all 34 Community Technical Colleges (CTC) and in all 49 legislative districts. Walker noted that applicants are represented in only 30 of the 39 counties and the primary reason is the commuting distance to the nearest CTC. The cost and time to commute may overshadow the \$1,500 award. Gary Rubens suggested that WSOS over-promote in the 9 un-represented counties with online learning opportunities and identify targeted opportunities which would connect to relevant jobs in these specific counties. Walker noted he would follow up.

Denney asked what WSOS is doing to promote the CTS in high schools. Walker stated that we connect with high school counselors, the Washington STEM Regional Networks, Skills Centers, Workforce Development Councils, CTE Directors, science and math teachers, First Robotics and the Museum of Flight, among many other promotion partners.

Walker continued with a review of the BaS applicant pool leading to a Board vote on the 2020 selection criteria. He reported the impact of the BaS is quite notable: our Scholars are twice as likely to graduate in four years than their peers, and five years after college they earn twice as much as their family made when they applied. Thanks to the five-year pledge from the Rubens Family Foundation, BaS has funded up to 1862 Scholars over the past five years and that peak has ended. This year the scholarship is funding 750 Scholars. Walker noted there was a drop in applicants this year due to two reasons. First, about one quarter of the applicants shifted to applying for CTS. Second, the application window was cut in half, from two months to one month. The shortening of the application window was to align with college and other scholarship applications and accelerate notification; the hope is to notify Scholars they are selected before the May 1 college admission deadline to encourage students to choose a Washington-state college so they can receive WSOS. Walker shared WSOS had timed the roll-out of this change intentionally to coincide with the drop in selected Scholars. The goal is to increase the applicant pool next year. Connors highlighted Walker's creativity with increasing the percent of applicants who are eligible from 60% to 76% this year.

Walker presented the three selection goals: prioritize impact statewide in high-demand fields, select Scholars who are highly likely to complete their program and promote equity of access to higher education. He stated that the BaS selection model is based on the following criteria: intended major (prioritize jobs WA needs most), community opportunity (prioritize WA communities that need these jobs most), STEM essay (prioritize applicants most likely to graduate in STEM/HC), resiliency essay (prioritize applicants most likely to graduate), GPA (prioritize applicants most likely to graduate), family income (prioritize applicants least likely to graduate without our support) and first generation student (prioritize applicants least likely to graduate without our support).

Walker presented the recommended selection model for Cohort 9 with a comparison to the previous cohort. The percentages of these criteria would remain the same: intended major at 20%, resilience essay at 12.5% and GPA at 20%. Percent changes would include the following: community opportunity from 8% to 12% to elevate the statewide reach of the scholarship; STEM essay from 7.5% to 12.5% because it would attribute more importance to their sustained interest in their program through graduation; family income from 20% to 15% and first generation from 12% to 8%. Walker highlighted that the recommended changes were in response to the more competitive selection process with fewer seats available. The impact of these changes (when compared

with the last cohort) would increase the MFI from \$32,370 to \$35,680, decrease the percent of first-generation students from 77% to 71% and increase the number of counties represented from 32 to 34 (out of 39).

Smith noted that given the fewer number of scholarships available for this cohort, this recommended selection model works more effectively to fulfill the Legislature's intent of helping middle income families and targeting scholarships to the most in-demand jobs. He further noted that greater funding for the Washington College Grant this year helps students with tuition but the deal breaker is the cost of attendance. Smith expressed the value of these criteria which address the Scholars' likelihood to be successful, community need and socioeconomic diversity. Walker noted that the gender composition of the Cohort 9 would change from 54% to 52% women, 41% to 42% men and from 5% to 6% for those who did not identify their gender.

Miller Adams asked what WSOS is doing to increase the success of Scholars who are first generation students and from lower income families. He asked whether applicants from these backgrounds are more likely to score lower on essays and are disadvantaged in the application process. Walker responded by saying each Scholar is paired with a Scholar Lead, like Antonio, for their first two years and then with an industry mentor for their final two years which is aimed at supporting all Scholars, not just first-generation or low-income students. Walker acknowledged that students from low-income families might have lesser access to excellent K-12 education that might prepare them to write an excellent essay; however, Walker added that essays are not measured by punctuation, grammar or spelling and clarified that WSOS has statistically examined essay scores and found a statistically significant difference in the essay scores of applicants by first generation status or income.

Connors reported that a state representative was concerned that our BaS was not supporting more STEM educators. She highlighted the team had made a concerted effort to improve promotion efforts among potential STEM educator applicants and had seen a considerable increase in the number of eligible applicants. Park indicated she would have appreciated seeing additional success metrics.

**Board Action:** Cecchettini made a motion to accept the recommended BaS selection model with additional metrics to be included in next year's presentation. Denney seconded the motion, and it carried unanimously.

### **Advanced Health Care Design Thinking**

Diane Cecchettini presented with Connors. Connors presented the legislative history with HB 2143 which was passed in spring 2018 with a \$1M biannual state match cap. The legislation supports WSOS expanding to include advanced degrees in health care fields to address workforce shortages in medically underserved areas, with a specific focus in behavioral health. Britschgi reported the background research on best practices. Input was then gathered from industry, education, philanthropy, students, policy makers and other experts. WSOS staff built an initial program design based on feedback which forms the basis for today's update to the Board. Next steps include finalizing the program design proposal, securing a cornerstone partnership and gaining design approval from the Board. The goal is to bring this forward at the June 2020 Board meeting.

Connors identified four problems. First, there is a lack of health care providers with an advanced degree including dentists, physicians and nurse practitioners. Second, medically underserved areas struggle to attract talent because they are less well-resourced and are often located in rural areas. Third, the landscape review indicates that loan repayment programs exist but with varying levels of efficacy. Fourth, very few scholarship opportunities or other financial aid are available for pursuing advanced degrees. Especially for behavioral health, Cecchettini stated that it is important to know what other programs exist such as loan repayment and their level of efficacy.

Cecchettini stated the proposed target recipients would be nurse practitioners (ARNPs) who are seeking a Doctor of Nursing Practice - DNP. The rationale for these target recipients is as follows: (1) Nurse practitioners complete their coursework and clinical practicum in a relatively short period of time. (2) Unlike physicians whose residency can frequently take them out-of-state, in-state clinical practicums serve as a proxy for where graduates ultimately practice. (3) Nurse practitioners perform with largely the same independence as primary care physicians and can prescribe medications without physician oversight. (4) Clinics and hospitals can employ nurse practitioners for more affordable rates than primary care physician counterparts and bill their time to

insurance. Connors added that research shows nurse practitioners often have better patient health outcomes than physicians.

Cecchettini noted the specific components of the Advanced Health Care Scholarship. First, the maximum award is \$40,000 which would be split between years 2 and 3 of their DNP program. This amount would represent ~40% of their cost of attendance. Second, while the design is targeting those seeking a DNP, consideration is being given to those pursuing a MS track at Gonzaga or PLU. Third, providing support in the 2<sup>nd</sup> and 3<sup>rd</sup> year of the program coincides with the timing of their practicum selection. Focus will be on those recipients with an interest in medically underserved areas in WA. There is no repayment provision, however, the scholarship would involve a two-year service commitment post funding. Campuses which offer the programs proposed include Gonzaga, WSU, SPU, SU, UW and PLU. Fourth, the biennium cap is \$1M which represents \$1M maximum in private and public funding per year. The maximum capacity is 50 enrollees with 25 in each cohort. A possible pilot launch envisions six Scholars with \$120K in private dollars; \$240K with the state match.

Mike Wilson asked if the scholarship would address vacancies in the state. Connors affirmed that it would. Connors reported that WSOS would locate preceptor and practicum sites in medically underserved areas in WA. Wilson asked if we could use the money to offer a stipend to scholarship recipients so they could move to those underserved areas. Connors said she would have to work with Dave Stolier to affirm if that program element would align with statutory requirements. Wilson also asked if the 50 enrollees would be based on 50 new seats or 50 existing ones. Britschgi stated that we would not increase the number of new seats but increase the number of DNP seats pursuing a Behavioral Health/Psychiatry track and hope to refocus nurse practitioners to serving in rural or medically underserved areas.

Wilson observed that the income of a master's level graduate is the same as a doctoral level graduate so he questioned why WSOS would support doctoral candidates when cost to attend these programs is so much higher. Cecchettini stated it is because of the current situation which exists in WA: two colleges offer master's degrees and six offer doctorates. The industry is moving in a direction that will likely ultimately eliminate MSN programs altogether.

Connors presented two challenges of seeking a cornerstone partnership. First, we need to explore how the income requirement and the WA high school graduation requirement will impact eligible students. Second, health care industry partners are excited about our existing CTS and BaS programs. Consequently, there may need to be some legislative conversations next year around the eligibility change and seed funding for the program. Connors foresees a possible pilot launch this fall with the full launch in fall 2021 pending securing a cornerstone partnership. Park asked if we are responding to the current legislation and recommended a further examination of it. Smith noted that the fixed costs of the program are constant and reflected that all of today's design presentation and discussion calls for ongoing dialogue with the Legislature.

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

Connors enthusiastically reported that she can now go back to the Legislature to announce we have a funder for the Rural Jobs Initiative with a commitment of \$250K per year over the next four years for a total of \$1M.

Mack Hogans reported that the WSOS Finance & Investment Committee met last week and received the financial report from Washington STEM as well as the investment update from the Washington State Investment Board (WSIB) through 12/31/19. Hogans confirmed a strong balance sheet and indicates it remains that way despite some recent volatility. Hogans stated that assets total \$119M while liabilities equal \$33M. All variances are easily explained. Funds totaling \$108M are managed well by WSIB within current allocation parameters.

Connors reported that the target allocations of the new CTS Account were temporarily matched by WSIB to the BaS Account as a de-risking intermediate step. WSIB then completed a full asset allocation study for the new CTS fund. As a result of that study, WSIB recommended to the Committee that the CTS Account share the same allocations as the BaS Account due to their similar program structures. The WSOS Finance & Investment Committee formally voted to recommend approval of WSIB's recommendation.

**Board Action:** Denney made a motion to approve the CTS Account allocation with the same risk profile as the existing BaS Account. The motion was seconded by Park, and it carried unanimously.

**Executive Session**

The Board went into Executive Session at 2:42 pm. The public WSOS Board meeting resumed at 3:03 pm.

**Board Action:** Park made a motion that the Board: (1) approve a 1.6% COLA for the WSOS Executive Director, retroactive to 01/03/20, which sets her 2020 salary to \$167,640; (2) approve a 10% year-end bonus based on her 2019 total payroll, \$137,111.30, which is equal to \$13,711. In both bases, the WSOS Board will instruct Washington STEM to execute the changes. Cecchettini seconded the motion, and it carried unanimously.

The meeting adjourned at 3:05 pm.

Respectfully submitted,  
Karyl Gregory

## **Tab B**

**Mission Moment: Opportunity Scholar Story**



## SCHOLAR SPOTLIGHT

### **NIKITA FISENKO**

**Registered Nursing**

**Washington State University Tri-Cities**

#### **ABOUT NIKITA**

Nikita is a fifth-year senior at the Washington State University Tri-Cities College of Nursing. He grew up in Uzbekistan in Central Asia, moving to the United States over a decade ago. Settling in the Tri-Cities, he later graduated from Richland High School. Nikita is a veteran Scholar Lead that has demonstrated leadership among his peers, encouraging and guiding others through the Nursing program. He has taken advantage of WSOS-hosted networking opportunities and participated in study abroad experiences to Costa Rica and Peru.

#### **IN HIS OWN WORDS**

“Since I have begun my Nursing studies, I have been provided guidance and support through the Washington State Opportunity Scholarship. This organization provided financial assistance, support and counseling especially during critical times... Since my partnership with WSOS, I also have served as a Scholar Lead. It granted me the opportunity to be a resource, leader, and, most importantly, a mentor to colleagues in the STEM fields. I am learning so much in my professional life and, in the next few months, I hope to become a Registered Nurse and start working in the fall for Kadlec Regional Medical Center. My dream is to become a doctor, and, in the next 5 years, I desire to finish a Doctorate of Nursing Practice.”

# **Tab C**

## **COVID-19 and Program Update**

## PROGRAM UPDATE | JUNE 2020

### INTRODUCTION

Since the March 2020 Washington State Opportunity Scholarship (WSOS) Board meeting, the WSOS team has been hard at work advancing our strategic priorities amidst the rapidly changing landscape of COVID-19. Thanks to the efforts of our staff, we've been able to shift Scholar programming online, compile coronavirus resources for Scholars, vet and select a feasibility study consultant, hire a Marketing & Communications Manager and build the program design for the Graduate Scholarship and Rural Jobs Initiative. While we've been conducting our work all online, we've still been as busy as ever!

### AWARDS ADMINISTRATION

The Awards team has been hard at work crafting the program design proposal for the Rural Jobs initiative to be shared with the Board. In building our recommendation, we collaborated closely with college, workforce and high school experts across the state as well as Scholars themselves to validate the needs of rural students and to design a scholarship that can make community and technical college accessible to them. Details of the proposed design are available in the executive summary included in the Board pre-read packet.

Additionally, the Awards team is in the process of onboarding our ninth cohort of Baccalaureate Scholars and recruiting the second cohort of Career and Technical Scholars. Just eight of the 750 selected Baccalaureate Scholars declined the scholarship (and then only largely because they plan to attend school out of state). Those who accepted are now completing their orientation. For the Career and Technical Scholarship, the team has adapted its recruitment to a time where counselors, teachers and community-based organizations do not have the exposure to students they count on to encourage applications. We have expanded our recruitment methods to make greater use of social media and relationships with communities and organizations most closely connected to prospective applicants.

So far in the 2019-20 academic year, our Baccalaureate Scholars have received \$16.1M and our Career and Technical Scholars have received \$1.5M. Looking ahead to the 2020-21 academic year, the team is watching for a potential decrease in returning Scholars due to the impacts of the coronavirus. Among currently enrolled college students nationwide, year-over-year FAFSA renewal rates are down approximately five percent. Community and technical college enrollments across the state are down 15% this spring, with comparable numbers expected for the fall. To encourage re-enrollment, our outreach has promoted new funding available from the state's Washington College Grant and the federal CARES Act. We have also encouraged immediate FAFSA / WASFA completion so Scholars know what baseline of aid they can count on before they decide whether to return.

### SCHOLAR SUPPORT SERVICES

#### SCHOLAR SUCCESS – NEAR-PEER MENTORING

The past few months have been a challenging time for our Scholars. As Scholars left their campuses in response to COVID-19, our team of Success Advisors and Scholars Leads responded by focusing on outreach and connection. We have proactively connected our Scholars to resources in their communities to help them address issues of food insecurity, homelessness, mental health and lack of health care. Scholar Leads continued to reach out to Scholars while off-campus to keep them connected to their campus community. Our Success Advisors also increased their usual cadence of outreach to Scholar Leads to ensure Leads have what they need for themselves and to support their mentees. The Scholar Lead peer mentoring model centers on connection and is flexible enough to be delivered virtually when necessary and appropriate. We were pleased to see this continuing support in action for our Scholars during this time of uncertainty.

As we close out the academic year, we also concluded the recruitment process for our 2020-21 Scholar Lead class. This spring, we reviewed more than 200 applications from motivated and enthusiastic Scholars and have extended offers to 134. We will spend the summer months refining our formal onboarding program for Scholar Leads, optimizing our student engagement tracking and enhancing the resources we provide based on feedback shared by this year's Scholars. We will also explore ways to ensure our Scholars feel connected to their community recognizing our programming may need to be delivered 100% virtually for all or part of the coming academic year.

#### **CAREER AND TECHNICAL SCHOLARSHIP SUPPORT SERVICES**

In May, Dr. Terrie Ashby-Scott (Spokane-based staff) transitioned from her role as Success Director to develop and manage our CTS student supports. Over the coming months, Terrie will be engaging with CTS stakeholders statewide as we seek to build a model that supports Scholars' persistence and career placement. We will define and build the services needed most by Scholars in partnership with the Scholars themselves and with campus resource allies at each of Washington's career and technical colleges. The intended outcome is to be additive rather than duplicative of existing on-campus supports. The student support design will be completed by the end of the summer. As the programming model takes shape, we may add an additional staff member on the west side of the state to support program execution. This position was included in the approved 2020 budget and will be filled this summer if needed, enabling the team to implement and execute the strategy at the start of the academic year.

#### **SCHOLAR PLACEMENT – INDUSTRY MENTORSHIP AND ENGAGEMENT**

The 2019-20 Skills that Shine (StS) mentorship program wrapped up in May with 95 percent of mentees submitting their final milestone. In response to the coronavirus, we cancelled the end-of-the-year networking event, OpportunityConnects, and instead facilitated several virtual connections between mentors and mentees. Some Scholars have had their internships cancelled or have struggled to find internships in today's market. Our team continues to support Scholars by making them aware of opportunities we learn about from our partners (via a private LinkedIn group and direct messaging) and providing resources through our Scholar Resource page for how they can continue to develop their skills even without an in-person, work-like experience. We continue to reinforce the importance of building and maintaining their networks and skilling up during this time. When we return to normal, we want our Scholars to be ready to engage in industry!

As we look ahead to the 2020-21 academic year, we are preparing to support more than 1,000 Scholars in the StS program. In addition to enhancing the online mentorship curriculum, we updated the StS matching platform which will be used to recruit hundreds of mentors across the state beginning in June. Mentors can be professionals with experience in the STEM or health care industry regardless of level or role. If you or anyone you know might be interested in volunteering and/or sharing this opportunity among their colleagues, please have them contact us at [skillsthatshine@waopportunitiescholarship.org](mailto:skillsthatshine@waopportunitiescholarship.org) or visit <http://waopportunitiescholarship.org/sts>.

This year, the team will scale the emerging Industry Insider program with the goal of securing at least 50 "priority access" career-building opportunities for Scholars. We will work with industry partners to earn a commitment from them to review resumes and interview our Scholars for work-site based opportunities. We also seek to secure a commitment from our industry partners to "reserve a seat" for a Scholar.

#### **GRADUATE SCHOLARSHIP**

We are excited to share our progress in actualizing the intent of House Bill 2143 by addressing health care professional shortages in WA, perhaps needed more than ever in light of COVID-19. Board members Diane Cecchetti and Mike Wilson as well as diverse stakeholders across the state informed the development of a Graduate Scholarship (GRD) strategy that leverages the current state match limit (\$1M/biennium cap in state match dollars) to support the training and placement of nearly 100 nurse

practitioners at clinics in target regions in the state. Details of the proposed design are available in the executive summary included in the Board pre-read packet.

Representatives from at least two major funders have been enthusiastic and provided us with positive feedback on our recommended tactics for addressing recognized barriers to the need. They and others are being approached about their possible interest in financially supporting the program launch. We aim to secure a cornerstone gift commitment prior to November so it may be included in our state match appropriation ask to the Legislature in spring 2021.

While we are seeking approval on the program design for the pilot at the June Board meeting, we anticipate the program launch in the 2021-22 academic year.

## **DEVELOPMENT UPDATE**

### **REVENUE TARGETS**

Despite the pandemic, WSOS is currently on target to meet our budgeted fundraising goals for 2020 which include named scholarship and grant revenues. Conversations with partners have assured us that their commitment to philanthropy is strong, despite challenging circumstances. We are actively pursuing new partnerships and have applied for first-time grants from Bank of America, Boeing and Avista Foundation. We will reassess our goal of \$1M for this year's OpportunityTalks campaign and will know more as we solidify our plan for the fall and winter.

### **OPPORTUNITYTALKS BREAKFAST 2020**

We know it is unlikely there will be appetite to bring together 1,000 people in a closed space this fall, especially given the potential for a resurgence of COVID-19 peaking in October or November. To mitigate the need to make decisions in crisis, we are proactively building a revamped OpportunityTalks giving campaign to replace the large-scale, in-person event. The specific details of the campaign are in development, but the campaign will likely include: a free, virtual event similar in program structure to our usual event plus several smaller, "exclusive" virtual events. We're actively exploring what other non-profits have been and are doing and seek to differentiate OpportunityTalks as a unique, creative experience. While there are challenges to this pivot, we're excited to leverage the opportunity to transition event sponsors to mission donors. The work we do in the months ahead to build state-wide awareness and engagement will serve as the foundation of our \$200M campaign.

More information on the plans for the virtual OpportunityTalks campaign will be shared as they are formalized. We look forward to having Board Chairman Brad Smith speak as well as hearing from this year's featured Scholar speaker, Edgar Santos Aquilar. Perhaps more than in any other year, the Challenge Fund will be an important incentive to support donations.

### **FEASIBILITY STUDY**

At the January 2020 meeting, the Board voted to "approve the budget as presented giving the Finance & Investment Committee the ability to approve up to \$50K for Development costs/external consultant". The Board made this decision to make available services of a third-party fundraising consultant to support the five-year plan to raise \$200M. Since that meeting, we have researched and interviewed nine consultants and received proposals from three short-listed companies with highly successful fundraising track records supporting Washington nonprofits. After a competitive review process, the Finance & Investment Committee was presented with the rationale and formally voted to accept a proposal from The Ostara Group to approve the additional \$50,000 in spending. This study will come at a particularly critical time as WSOS aims to launch a new fundraising campaign in the COVID-19 era.

A feasibility study is a planning tool to determine whether a fundraising campaign is viable for an organization. They are conducted prior to the launch of large initiatives such as capital campaigns or other comprehensive funding initiatives proposed by a nonprofit. The consultant interviews key

organization and community leaders identified by the nonprofit. These interviews help determine donor and prospective donor perceptions of an organization's reputation and the need for the proposed program or project. The outcome of this study is the creation of a detailed fundraising strategy based on direct feedback from key stakeholders.

We will work with the selected consultants to build COVID-19 considerations and questions into the feasibility study and give donors the opportunity to help maintain uninterrupted financial supports for students.

#### **CONNECTIONS LIST**

A Connections List will be sent electronically to each Board member, populated with names of individuals and companies where staff are seeking introductions. This will be particularly helpful to us in opening doors during a time when it is much more challenging for us to expand our network through organic means such as attending large-scale events. Please advise if you can open your network in support of our Scholars. Thank you in advance for your help!

#### **STAFFING UPDATE**

Thanks to the Board's budget approval in January, we are now in the final stages of hiring a Development Coordinator to support donor and gift data entry, donor reporting and acknowledgement. This role will also lead on our engagement with alumni. We are still actively recruiting for the newly created role of Philanthropy Advisor. The Philanthropy Advisor will manage the major donor portfolio including high net-worth individuals and foundation funders with interest and capacity to make large-scale gifts to WSOS. Please share the posting among your networks or promote to anyone you know would make a great addition to the WSOS team! Once filled, these two new positions will round out a five-person Development team which has an ambitious goal to raise \$200M over the next five years.

#### **EXTERNAL AFFAIRS UPDATE**

##### **2020 LEGISLATIVE SESSION UPDATE**

We accomplished both of our legislative goals before the close of the 2020 session. First, we secured a statutory language fix that gives us access to \$500,000 appropriated to WSOS without a private match for implementing our expansion into the career and technical space. We are actively working with WSAC to put a contract in place to release these funds, and we should receive the first \$250,000 before June 30. We also amended our statutory language so that we can match the private donor contribution to Rural Jobs using already-appropriated state dollars.

##### **PLANNING FOR POSSIBLE SPECIAL SESSION AND 2021**

Despite successes in the 2020 session, much remains uncertain as we look ahead. Because of the impacts of COVID-19, the Legislature faces a multi-billion dollar revenue shortfall. The Governor may call a special session ahead of January 2021 to address the ongoing impacts of the COVID-19 pandemic. If that happens, there is a possibility that funds that were appropriated but not yet received by WSOS may be returned to the general fund. Looking ahead, we anticipate severe state budget impacts during the 2021 session and recognize that our state match appropriations moving forward may be delayed. It is unlikely the Legislature would permanently halt our state matching but a delay of appropriations to the following biennium is probable.

While we wait to learn more from legislators and hope for the best, we are worst-case scenario planning. In partnership with WSIB, we confirmed that our Baccalaureate and Career and Technical Scholarships are financially stable if the match were to be suspended for two to three years. Fortunately, our scholarship model was built conservatively to withstand market downturns and delays in state matching, so we are on solid financial footing to continue supporting Scholars at our currently projected levels (550 in CTS and 750 in BaS each year) even if the state match delay were to become a reality.

We are working closely with our Finance team to submit state match and implementation dollar requests to WSAC as soon as permissible. Once we receive matching funds from WSAC, they can no longer be swept back to the general fund; therefore, we aim to submit our matching requests as soon as we are able to protect funding from a sweep-back should a special session occur.

In addition to financial planning, we are actively working on strategy and messaging to encourage legislators and the private sector to continue investing in WSOS as our role in Washington's economic recovery is critical. We know enrollment in higher education, particularly at community and technical colleges, often surges during an economic downturn, and we will build a message that conveys WSOS is a tool for restarting our economy in the industries where we need a workforce more than ever.

We will prioritize non-budget items as legislative priorities for 2021. For example, we are actively engaged in a statutory fix that would enable us to launch our Graduate Degree Scholarship program earlier than currently allowed. Without a change in statute, we are limited to launching the program in the fiscal year following the first state match appropriation (effectively delaying launch to fall 2022 at the earliest). We will pursue a fix in a possible special session this summer or during the regular session in January.

#### **TRIBAL, COUNTY, MUNICIPAL UPDATE**

Conversations are ongoing with two potential municipal partners as we discuss what a future partnership could look like. We are using these conversations to shape how we will target and engage future partners around the state and how to frame messaging during a time when local governments face great economic uncertainty.

As we have explored these partnerships, we discovered there is strong interest from WorkSource in using federal Workforce Investment Opportunity Act funds to support WSOS programs. Additionally, we are working to meet statutory requirements in the application of undesignated donor gifts and seek Board support in doing so. Please see the two Board Resolutions proposed for approval in the pre-read materials for more details.

#### **EXTERNAL RELATIONSHIP BUILDING**

To aid in the promotion of our tribal, county and municipal partnership program, we are also working on a larger relationship mapping exercise to ensure we develop strong partners in key regions around Washington state. Looking for gaps and opportunities to build relationships will help us build legislative champions in key regions, lay the foundation for tribal, county and municipal investment in support of the \$200M campaign and develop scholarship promotion champions in targeted communities around our state.

#### **STAFFING UPDATE**

We are pleased to introduce Brittny Nielsen, the new Marketing and Communications Manager. She is a strong writer with deep expertise across a broad range of communication mediums including web, social media, design, copy editing and more. She joins the WSOS team with experience in communication for area non-profits building support for housing, homeless youth, survivors of domestic violence and at-risk children. Her impact is already evident in the uptick in engagement on our social media shown in the section below!

Thanks to the Board's budget approval in January, the External Affairs team plans to hire two additional officer positions in the months ahead. The two officers will play a critical role in building a message platform that responds to the current economic downturn and infusing that message across WSOS communications. In addition, the two officers will support the increase in communication needs associated with the recent expansions of our scholarship programs and support services.



**SOCAL MEDIA COVERAGE (MARCH - MAY)**


**Twitter**

- 1,868 followers as of May 27, 2020
- Total impressions from March-May 2020: 23,624

**Top Tweet March-May 2020:**

Our top tweet this period was about the Rural Jobs Initiative.

**Tweet activity** ×



**WA Opp Scholarship** @OppScholarship  
 Do you live in rural WA? Want extra \$\$ for a trade, STEM or health care career & tech program? Eligible applicants will be identified for the NEW Rural Jobs initiative through our open scholarship application. No extra steps required- apply today! <https://bit.ly/3aY2RTx>  
<pic.twitter.com/zraH2YllsX>

**Promote your Tweet**  
 Your Tweet has 2,640 total impressions so far.  
 Get more impressions on this Tweet!

Promote your Tweet

Impressions	2,640
Total engagements	90
Media engagements	31
Detail expands	20
Link clicks	12
Retweets	11
Likes	11
Profile clicks	4
Replies	1

**Facebook**

- 3,918 Page Followers as of May 27, 2020 up 62% from April 2020
- Total reach from April 29, 2020-May 27, 2020: 14,242

**Top Post: May 13, 2020**

Our most engaging posts were related to the Rural Jobs Initiative and the Career and Technical Scholarship.



**LinkedIn**

Over the past 30 days, views of our page have gone up 142%. We have gained 46 new followers in the past 30 days, which is an increase of 142%. 17% of visitors are in the research field.

**Instagram**

We added a Linktree to our bio to make it easier for us to share multiple links at a time. We currently have 458 followers, a growth of 4% from April 2020, and we gained eight followers in the second week of May when we posted about CTS.

## **BOARD RESOLUTION:**

### **WORKSOURCE ENTITY CONTRIBUTIONS MAY RECEIVE SAME CONSIDERATION AS TRIBAL, COUNTY, MUNICIPAL CONTRIBUTIONS**

***Proposed to the Washington State Opportunity Scholarship Board of Directors  
June 10, 2020***

**Background.** In 2019, the Legislature passed the Workforce Education Investment Act, which amended the WSOS statute in relevant ways. First, it added a new definition in RCW 28B.145.010(12): the terms, “private sources,” private funds,” “private contributions,” or “private sector contributions” now include donations from tribes, municipalities and counties provided such donations do not include state dollars. Functionally, this authorized certain public entities (tribes, counties, municipalities) within the state to donate to WSOS and trigger state matching under RCW 28B.145.040 because such donations are considered private contributions. Second, the Legislature amended RCW 28B.145.030(2) to provide that when these public entities (tribes, municipalities, counties) contributed to WSOS, they could set “program rules” to limit to whom those funds could be directed (namely for the function of limiting the receipt of funds to residents in a particular county, for example).

We believe one of the Legislature’s intentions in making the aforementioned changes was to allow federal Workforce Innovation and Opportunity Act (WIOA) funds passed through WorkSource entities to be donated, generate a state match and ensure that any such donation is set aside for WorkSource participants. For reference, “WorkSource is a partnership of state and local government agencies... that offer employment services for job seekers and businesses”.<sup>1</sup>

**Problem statement.** The legislation as written clearly requires that only tribes, counties and municipalities as legal entities may set “program rules” for their donations. While some WorkSource entities exist as an extension of their county, others are legally separate 501(c)(3) entities. Because of their differing legal status, some WorkSource organizations can donate and set “program rules” while others can donate but cannot set “program rules”. This limits the ability of some WorkSource groups to participate because it does not allow them to restrict their funds to supporting participants within their service area.

**Proposed resolution.** Funds donated by WorkSource entities, regardless of their legal status, shall be subject to the treatment as defined by law for tribes, counties or municipalities, provided doing so does not contravene any other statutory requirements. The WSOS Board deems that enacting this resolution is in the best interests of carrying out the statutory intent of the program. The WSOS program may treat WorkSource contributions as if they were tribal, county or municipal funds so long as: 1) it is administratively feasible to deliver on “program rules” defined by the donors; 2) only “program rules” that do not contravene (with reasonable certainty) the existing eligibility criteria set forth in RCW 28B.145.010(8) are accepted; and 3) only “program rules” that do not artificially restrict otherwise eligible students from participating in the program are accepted.

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<sup>1</sup> <https://esd.wa.gov/about-employees/WorkSource-FAQ#:~:text=WorkSource%20is%20a%20partnership%20of,for%20job%20seekers%20and%20businesses.>

## **BOARD RESOLUTION:**

### **DIRECTING UNDESIGNATED DONOR GIFTS BETWEEN ACCOUNTS**

***Proposed to the Washington State Opportunity Scholarship Board of Directors  
June 10, 2020***

**Background.** Since inception, WSOS has by statute maintained both endowment and scholarship accounts. In 2018, the Legislature expanded the Opportunity Act to increase the types of degree programs WSOS can support through the Opportunity Scholarship program. In addition, the Legislature also created the Rural Jobs program.

As of today, the Opportunity Scholarship program includes the Baccalaureate Scholarship, the Career & Technical Scholarship and the Graduate Scholarship. Each maintain separate accounts. The “scholarship account” supports the baccalaureate degree program, the “pathways scholarship account” supports the career and technical program and the “advanced degrees pathway account” supports the graduate/advanced health care program. There is also an “endowment account” which is currently limited to supporting baccalaureate scholarships only. While the rural jobs program is independent from the Opportunity Scholarship program, all funds contributed to rural jobs are deposited into the pathways scholarship account but are legally earmarked for rural jobs program participants only.

**Problem statement.** According to the WSOS governing statute, “the board and the program administrator must work to maximize private sector contributions to these accounts to maintain a robust scholarship program while simultaneously building the endowment, and to determine the division between the accounts in the case of undesignated grants and contributions, taking into account the need for a long-term funding mechanism and the short-term needs of families and students in Washington” (RCW 28B.145.030). As the scholarship portfolio of the WSOS program has grown, there has arisen a need for direction from the Board about how undesignated donor gifts should be apportioned between the separate accounts. WSOS staff and the program administrator need delegated authority to direct funds received that are not specifically designated by the donor between each of these accounts and programs.

**Proposed resolution.** The WSOS Board delegates authority to the WSOS Executive Director to determine the appropriate allocation of undesignated gifts between the WSOS accounts provided that:

- Allocation proportions are in alignment with the scholarship model<sup>1</sup>
- Allocation proportions are reviewed at least annually in collaboration with the Finance & Investment Committee

This delegated authority shall only apply to undesignated gifts of \$500,000 or less. Undesignated gifts in excess of \$500,000 shall be temporarily deposited in the scholarship account. The Finance & Investment Committee will then make a recommendation to the WSOS Board but the WSOS Board shall retain the right to make the final decision about where such funds are applied between accounts and programs.

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<sup>1</sup> The scholarship model is regularly reviewed by the WSOS Finance & Investment Committee and the Washington State Investment Board to advise on cohort sizes and project future liability.

# COVID-19 & PROGRAM UPDATE

WASHINGTON STATE  
**OPPORTUNITY**  
SCHOLARSHIP

# COVID-19 Impacts

WASHINGTON STATE  
**OPPORTUNITY**  
SCHOLARSHIP

# FINANCIAL AWARDS

- **Onboarding Cohort 9 of Baccalaureate Scholars**
  - FAFSA / WASFA completion rates are down; dip in enrollment expected
    - *Action:* Encourage early completion
- **Recruiting for Cohort 2 of Career & Technical Scholarship**
  - Potential applicants out of school
    - *Action:* Social media, traditional media and online recruitment
  - Expected dip in enrollment in fall
    - *Action:* Increased recruitment focus



WASHINGTON STATE  
**OPPORTUNITY**  
SCHOLARSHIP

# SCHOLAR LEAD PROGRAM

- **Support for off-campus mentees**
  - Mentees and Scholar Leads have been moved off-campus and into a virtual model; facing challenges in meeting basic needs
    - *Action:* Increased outreach efforts from Advisors to Leads; increased outreach efforts from Leads to mentees
- **Recruiting for Scholar Leads for 2020-21**
  - Onboarding for new Scholar Leads will be entirely virtual
    - *Action:* No change as onboarding occurred virtually; refining curriculum based on Scholar feedback and building in support for Scholar Leads to be effective virtual mentors



WASHINGTON STATE  
**OPPORTUNITY**  
SCHOLARSHIP

# SCHOLAR CAREER DEVELOPMENT

- **Skills that Shine (StS)**
  - End-of-year in-person event was cancelled
    - *Action:* Facilitated virtual connections
  - Ramping up to 1,000 mentors being recruited for 2020-21
    - *Action:* Revamping recruitment efforts to rely on virtual methods
- **Internship & job hunting challenges**
  - Hiring freezes and work-like experiences cancelled
    - *Action:* Built resource page with career-building not dependent on work-site hiring; actively seeking opportunities within network to share via LinkedIn private group and direct messaging with Scholars and growing Industry Insider strategy

WASHINGTON STATE  
**OPPORTUNITY**  
SCHOLARSHIP



# PRIVATE FUND DEVELOPMENT

- **Private revenue targets**
  - Private fundraising
    - *Action:* Actively seeking multiple, smaller partnerships through grant applications; reaching out to connect with closely held partners; assessing feasibility of 2020 budget revenue target; launching feasibility study to test-case messaging and engage donors in current environment



WASHINGTON STATE  
**OPPORTUNITY**  
SCHOLARSHIP

# PRIVATE FUND DEVELOPMENT

- **OpportunityTalks campaign**

- OpportunityTalks in-person event will not occur
  - *Action:* Building a new OpportunityTalks campaign to creatively engage donors in “not just another virtual fundraiser”; leveraging this as an opportunity to pivot from event sponsors to mission donors

- **Connections List**

- In-person meetings with external parties is more challenging
  - *Action:* Prepared a “Connections List” for the Board and request engagement in opening conversations, even virtually, across the state



WASHINGTON STATE  
**OPPORTUNITY**  
SCHOLARSHIP

# STATE MATCH & LEGISLATIVE UPDATE

- **Public revenue expectations (state match)**
  - State faces multi-billion dollar revenue shortfall; special session may be called
    - *Action:* Acting quickly to access appropriated funds in case they are swept in a special session (implementation dollars and match); worst-case-scenario planning for a delayed match by re-examining the scholarship model and investment portfolio
- **Legislative priorities for 2021**
  - Budget asks will be unlikely to be successful
    - *Action:* Prioritizing asks for new programs (Rural Jobs & graduate program); actively working to pivot message and solidify champions; crafting legislative priorities with no budget impact

WASHINGTON STATE  
**OPPORTUNITY**  
SCHOLARSHIP

# Requested Board Resolutions

WASHINGTON STATE  
**OPPORTUNITY**  
SCHOLARSHIP

# REQUESTED BOARD ACTION

- Vote to formally adopt resolution allowing funds donated by WorkSource entities, regardless of their legal status, be subject to the treatment as defined by law for tribes, counties or municipalities.

WASHINGTON STATE  
**OPPORTUNITY**  
SCHOLARSHIP

# REQUESTED BOARD ACTION

- Vote to formally adopt resolution regarding how to allocate undesignated funds between programs and accounts.

# **Tab D**

## **Career & Technical Scholarship Selection**

# CTS 2020-21 SELECTION

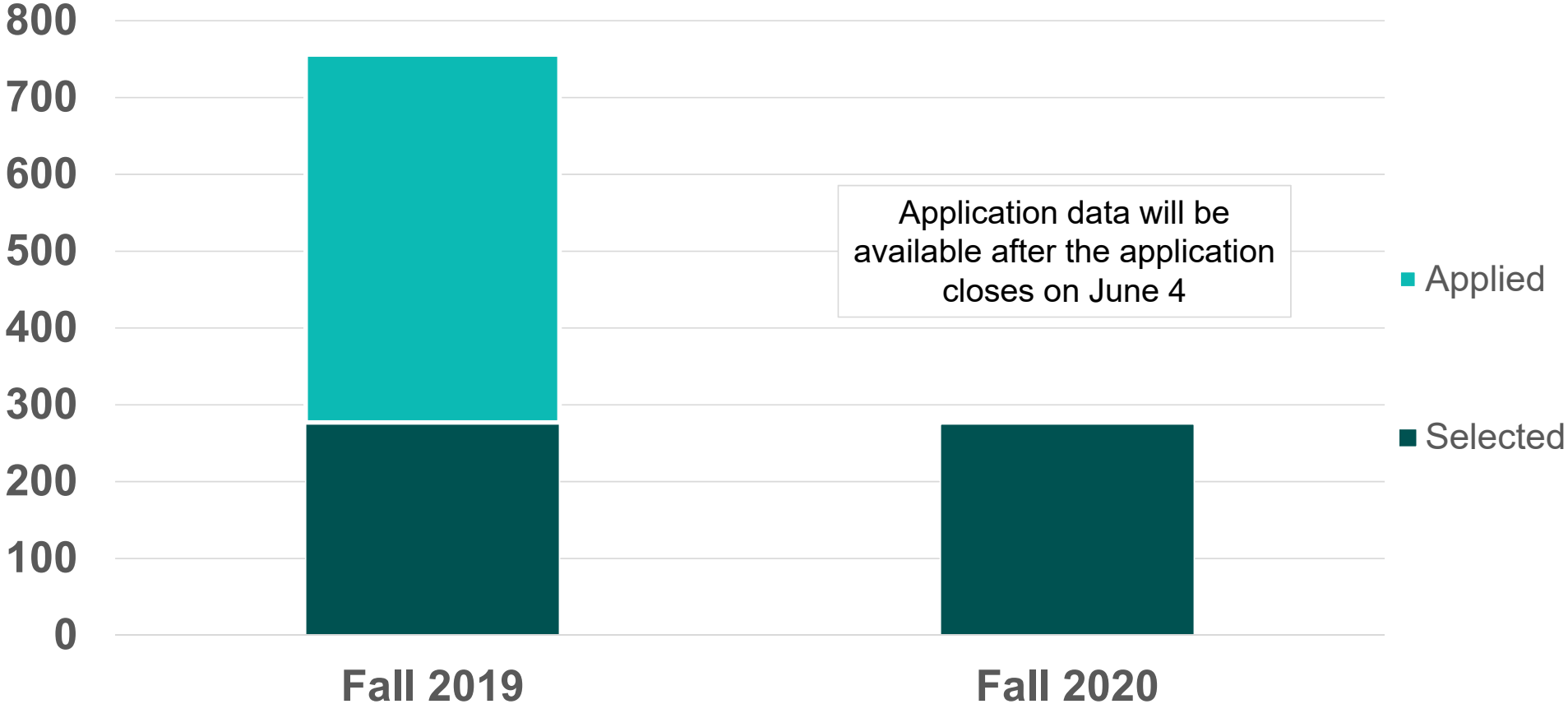
WASHINGTON STATE  
**OPPORTUNITY**  
SCHOLARSHIP



# GOAL

- Approve the 2020-21 selection model

# APPLICANTS BY YEAR



# DEMOGRAPHIC SUMMARY

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**MFI**

**Age**

**Education Status**

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Application data will be available after the application closes on June 4

# DEMOGRAPHIC SUMMARY

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**Gender**

**Race / Ethnicity**

Application data will be  
available after the application  
closes on June 4

# GEOGRAPHIC DISTRIBUTION

## Distance from Campus

Application data will be available after the application closes on June 4

-- / 34  
CTCs

-- / 39  
counties

-- / 49  
legislative  
districts

# REPRESENTATION BY INDUSTRY

Intended Program	Percent of Applicants	Percent of Selects	Percent of Job Openings
Information Technology			
Engineering / Manufacturing			
Trades			
Health Care			

Application data will be available after the application closes on June 4

# SELECTION GOALS

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

WASHINGTON STATE  
**OPPORTUNITY**  
SCHOLARSHIP

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# PROPOSED CTS SELECTION MODEL

Criteria	2019-20 Model	Recommendation
Program	45%	45%
Community Opportunity		
GPA	12.5%	--
Resilience Essay	12.5%	15%
First Generation	10%	15%
Single Parent	--	
Family Income	20%	20%

Option to cap a program and/or region at 2x representation or higher.



# **Tab C**

## **Graduate Scholarship Program Design**

## EXECUTIVE SUMMARY

### GRADUATE SCHOLARSHIP (GRD): Advanced Health Care

*Washington State Opportunity Scholarship (WSOS)*

#### **Background:**

In 2018, the Washington Legislature passed House Bill 2143, expanding the WSOS scholarship portfolio to include graduate scholarships in health care. The legislation includes a \$1M/biennium cap in state match dollars, effectively crafting the opportunity for a small pilot program. This legislative change was in direct response to the recognized need for health care professionals with advanced degrees to address health disparities - particularly experienced in remote and medically underserved areas. Stakeholders and research findings acknowledge that while there are programs in the state that seek to address barriers to ensuring accessible care statewide, the problem persists.

#### **Vision:**

The vision of the Graduate Scholarship (GRD) is to actualize the intent of HB 2143 by increasing the number of health care professionals providing physical and behavioral health care, particularly in communities designated as rural or medically underserved in Washington state. We invite graduate nursing students, higher education institutions and clinical training sites to partner with the Legislature and WSOS to launch critically needed clinicians into service across the state.

#### **Program Design & Strategy:**

The program design rests on four strategic pillars:

1. Target Nurse Practitioners. Based on guidance from the Washington State Hospital Association, Nurse Practitioners (NPs) are the ideal professional to address clinical needs statewide with both efficacy and efficiency. NPs can be trained relatively quickly in the state through either Master of Science (MSN) or Doctor of Nursing Practice (DNP) curricula, have prescriptive authority and are affordable (and billable) to the clinics that employ them.
2. Support Practicum Placement in Target Areas. Clinical practice is required for board certification and state licensure. There are systemic barriers that make practicum placement in target (rural and medically underserved) areas challenging. This is particularly problematic because practicum location plays an influential role in the ultimate placement of certified NPs. To address this, we will encourage practicum placement of NPs-in-training in target areas by offering financial compensation. This practicum remuneration will be provided to higher education institutions to disburse as incentives to compensate target clinics and preceptor hosts for their role in preparing the next generation of NPs.
3. Provide Significant Scholarship Support. WSOS financial aid will mitigate the cost of completing the NP training program during both coursework and the required practicum experience. Students training to become NPs face significant opportunity costs as they are already registered nurses who forgo work to advance their studies. The recommended scholarship award amount was determined through a consideration of opportunity cost, the average cost of DNP/MSN programs, and other cost of living considerations (namely, travel expenses to remote practicum sites).
4. Foster Relationships between Higher Education, Practicum Sites and Scholars. To address the unique needs of these students, we will leverage our experience in supporting thousands of undergraduates statewide through partnership with campuses. We will build relationships with higher education partners and practicum sites in target areas to establish consistent site coordination and maintenance.

## EXECUTIVE SUMMARY

The table below summarizes the key components of the program:

Investment	Award Amount
<b>Academic Scholarship</b>	<ul style="list-style-type: none"> <li>• \$2,500 one-time award, at the time of enrollment in GRD</li> <li>• \$4,500 per practicum term (120 clinical hours)<sup>1</sup></li> </ul>
<b>Travel Scholarship</b>	Up to \$1,000 per practicum term (120 hours)
<b>Practicum Remuneration</b>	\$3,600 per practicum term (120 hours)

The typical DNP participant would receive up to \$30,000 in direct scholarship support (academic + travel) while the typical MSN participant would receive up to \$8,000. The practicum remuneration for a typical DNP student, would be \$18,000 while the practicum remuneration for a typical MSN participant would be \$3,600. The difference in award amount between MSN and DNP participants is the result of the relatively longer academic program and clinical practicum for DNP students.

### Key Outcomes:

Launching a pilot of the GRD program will allow WSOS to test-case the proposed design. The success measures for the pilot include:

- *Launch:* Secure initial private investment of at least \$500,000 to launch Year 1 of pilot program
- *5-Year Pilot:* Secure an additional private investment of ~\$1.6M to grow program for Years 2 through 5
- *Academic retention:* 100% of Scholars graduate on time<sup>2</sup>
- *Predictor of job placement:* 100% of Scholars complete practicum at a target site
- *Job placement:* 80% of graduates are hired by clinics in target regions
- *Job retention:* 65% of graduates remain in WA target clinics for at least two years

The scope of the GRD pilot (2021-22, n=12 participants from Washington's six nursing schools) will enable WSOS to dedicate staff and WSOS programming to test our model. Our projected capacity within the current state biennium limits this program to supporting ~96 GRD Scholars over five years.

### Five-Year Budget:

Scholar Enrollment	2021-22	2022-23	2023-24	2024-25	2025-26	TOTAL
MSN	6	6	6	6	6	30
DNP	6	15	15	15	15	66
<b>TOTAL PROJECTED SCHOLAR ENROLLMENT</b>	<b>12</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>96</b>
Direct Scholarship Awards	192,000	417,000	417,000	417,000	417,000	1,860,000
Travel Scholarship Awards	36,000	81,000	81,000	81,000	81,000	360,000
Preceptor Remuneration	129,600	291,600	291,600	291,600	291,600	1,296,000
<b>TOTAL SCHOLARSHIP COSTS</b>	<b>357,600</b>	<b>789,600</b>	<b>789,600</b>	<b>789,600</b>	<b>789,600</b>	<b>3,516,000</b>
<b>Personnel</b>	<b>137,207</b>	<b>141,323</b>	<b>109,172</b>	<b>112,447</b>	<b>115,820</b>	<b>615,968</b>
<b>Non-personnel</b>	<b>18,876</b>	<b>19,442</b>	<b>18,540</b>	<b>19,096</b>	<b>19,669</b>	<b>95,624</b>
<b>TOTAL NON-SCHOLARSHIP COSTS</b>	<b>156,083</b>	<b>160,765</b>	<b>127,712</b>	<b>131,543</b>	<b>135,490</b>	<b>711,593</b>
<b>TOTAL PROJECT COST</b>	<b>513,683</b>	<b>950,365</b>	<b>917,312</b>	<b>921,143</b>	<b>925,090</b>	<b>4,227,593</b>
Half supported by Washington state	256,841	475,182	458,656	460,572	462,545	2,113,796
Half supported by donor	256,841	475,182	458,656	460,572	462,545	2,113,796

<sup>1</sup> For simplicity, we refer to a practicum "term" with the intended meaning of 120 clinical hours, not academic term type (quarter/semester).

<sup>2</sup> While 100% is aggressive, typical graduation rates for NP preparation programs exceed 90%.

## PROPOSED PROGRAM DESIGN

### GRADUATE SCHOLARSHIP (GRD): Advanced Health Care Washington State Opportunity Scholarship (WSOS)

#### Background:

In 2018, the Washington Legislature passed House Bill 2143 which expanded the WSOS scholarship portfolio. The expansion created a limited new program of WSOS, allowing graduate degrees in advanced health care to receive Opportunity Scholarship support. Specifically, the legislation aimed to *increase the number of advanced degrees in health professions that address health care professional shortages*. Proponents of the original bill were specifically supportive of targeting sites designated rural or medically underserved and particularly in service of behavioral health.

The Legislature made this move in recognition of an established state need for physical and behavioral health care professionals to address health disparities attributed to aging, mental health, addiction-related disorders, homelessness and poverty.<sup>i</sup> This need is particularly acute in rural or medically underserved areas where long vacancies in both primary and psychiatric care are common. These vacancies are attributed to structural challenges that affect the ability to recruit, educate, credential and retain a skilled workforce.<sup>ii</sup> Local shortages may be the result of maldistribution of health care workers rather than an insufficient supply in absolute terms; there are more than twice the number of general internal medicine, general pediatric, OB-GYN and psychiatric providers per capita in urban than in rural areas.<sup>iii</sup> Whatever the cause, the difficulty of rural and medically underserved areas in maintaining a strong health care workforce contributes to relatively poorer health among people in lower socioeconomic groups. The talent gap threatens the quality of Washington's health care system, limits access to health services, overtaxes current professionals and significantly impacts the stability of Washington's economy<sup>iv</sup>. Moreover, already stretched systems and communities are inordinately taxed as they struggle to respond to COVID-19.<sup>v</sup>

#### Vision:

The WSOS graduate scholarship (GRD) vision was developed in concert with stakeholders across the state and is informed by published research findings. *The vision of the GRD scholarship is to actualize the intent of HB 2143 by increasing the number of health care professionals providing physical and behavioral health care, particularly in communities designated as rural or medically underserved in Washington state.* WSOS will realize this vision by:

1. Engaging investors, the state, higher education partners and health care institutions to collaborate in novel ways.
2. Incentivizing rising professionals to serve in rural and medically underserved areas through a combination of scholarship funding, travel aid and support services.
3. Broadening the capacity of rural and medically underserved area clinics to host rising professionals in clinical practicum experiences.

When we look across the landscape, there are programs pursuing some of these aspects,<sup>vi</sup> but the proposed GRD vision uniquely encompasses all three.

## PROPOSED PROGRAM DESIGN

### Goals:

The goals of GRD are to: 1) Test case the engagement of higher education institutions, health care organizations and philanthropic investors in joining arms with the state of Washington to support an advanced health care scholarship; 2) Support the on-time completion of nearly 100 candidates pursuing doctorates or master's in nursing practice, both of which graduate Nurse Practitioners; and 3) Incentivize graduate nurses to train and ultimately serve in clinical positions in rural or medically underserved areas.

### Program Design & Strategy:

The strategy to support the GRD Scholarship design is built on four pillars:

#### 1. Target Nurse Practitioners

The original statute made available, in theory, any advanced health care degree path that addressed the health care professional shortages in our state. To maximize return on investment, we will target support to rising Nurse Practitioners (NPs). Like the Washington State Hospital Association,<sup>vii</sup> we believe NPs are the ideal professional to respond to both physical and behavioral health clinical needs, particularly in underserved areas where provider shortages are experienced most acutely. NPs:

- *Provide both independent primary and behavioral care.* NPs perform with largely the same independence as primary care physicians and psychiatric specialists to provide primary and mental health care.
- *Have prescriptive authority.* Unlike some behavioral health specialists (e.g., social workers), NPs have prescriptive authority to prescribe medications without physician oversight.<sup>viii</sup>
- *Are affordable and billable.* Clinics and hospitals can employ NPs for more affordable rates than primary care physician counterparts. Unlike some other behavioral health specialists, employers of NPs can be compensated by billing insurance.
- *Are prepared with expediency.* NPs complete their coursework and clinical practicum in a relatively short period of time. This accelerates the impact on talent shortages.
- *Participate in preceptorships that predict placement.* Physicians-in-training often complete a residency out-of-state and ultimately end up practicing where they complete their residency. In contrast, NPs often complete in-state clinical practicums which serve as a proxy for where graduates will ultimately practice.
- *Provide exceptional care for diverse populations.* Data indicates NPs tend to be more diverse than primary care physicians.<sup>ix</sup> Because NPs are more representative of the populations they serve, there is evidence they can be more successful in building relationships and providing excellent care for diverse populations.

Today, over 1,500 students are enrolled in Doctors of Nurse Practice (DNP) and Master of Science in Nursing (MSN) programs at six colleges in the state of Washington (Pacific Lutheran, Seattle Pacific University, Seattle University, University of Washington, Washington State University and Gonzaga University). These institutions offer training opportunities in seven Washington locations (Seattle, Spokane, Tacoma, Tri-Cities, Vancouver, Walla Walla and Yakima) and offer a variety of advanced practice specialty areas that lead to an array of needed clinicians including: Family Nurse Practice (FNP), Psychiatric Mental Health Nurse Practice



## PROPOSED PROGRAM DESIGN

(PMHNP), Adult-Gerontology Nurse Practice (AGNP-Primary Care and AGNP-Acute Care) and Pediatric Nurse Practice (PNP-Primary Care and PNP-Acute Care).

While there are both MSN and DNP pathways to achieving NP certification, the American Association of College Nursing (AACN) has recommended the standard for entry into the profession become the DNP pathway.<sup>ix</sup> As of 2020, there are only two MSN sites left in operation in Washington. As long as MSN models exist, these programs will be included in our model; however, we recognize the AACN recommendation may ultimately influence program availability.

### 2. Support Practicum Placement in Target Areas

Clinical experience is an essential component of nurse practitioner education. It relies heavily on the oversight of experienced health care professionals known as preceptors. Rural and medically underserved areas are more likely to attract recent graduate candidates when that candidate has just completed their preceptorship on site. As previously mentioned, target areas are also the location where health care provider shortages are most acute. As such, incentivizing NPs to complete their practicum in a rural or medically underserved area can influence where NPs will ultimately find employment in the most in-demand areas. According to project stakeholders and research, there are challenges associated with procuring practicum experiences in target areas:

- *Costs to the clinic.* There are financial implications imposed on a host clinic when a preceptor is engaged in high-quality mentorship; according to some stakeholder interviews, there is a perception that a preceptor is twenty percent less productive when mentoring a student. This results in lost billable hours and lost revenue which is particularly problematic for less well-resourced clinics in target areas.
- *Impact on the preceptor.* In most cases, the preceptor is not compensated for taking on mentorship of a student. According to stakeholder interviews, providing preceptor/site compensation has been growing in popularity and has had success in attracting nontraditional preceptorship sites to participate.<sup>x</sup> However, the lack of funding has limited the scope of its application.
- *Difficulty for the college.* Higher education institution partners report it can be difficult to secure preceptorship placements in rural areas.<sup>xi</sup> Because of this challenge, higher education sites report being more likely to seek placements with existing, urban-area partners. As a result, some colleges are less likely to enroll NPs who initially express interest in rural area preceptorships because they know they will struggle to place the student. Additionally, even if such a student is accepted to the program, there may not be a practicum site available when the preceptorship experience begins.
- *Student perceptions.* Students may fear increased emotional strain and/or financial hardship associated with serving in a rural or medically underserved community, and therefore may be less likely to elect a preceptorship in such an area.

These challenges make developing preceptorship sites in target areas difficult. As the legislative goal of this and all Opportunity Scholarship programs is to support workforce development in the most in-demand industries, overcoming this barrier is critical to program success. Therefore, a practicum remuneration will be offered to higher education partners who enroll GRD Scholars.

## PROPOSED PROGRAM DESIGN

The practicum remuneration is a critical aspect of the GRD strategy to ensure intended impact. While practicum remuneration is not currently a formal part of the tuition package for graduate nursing programs, providing funding for this program component is essential to degree attainment and is, in effect, a form of scholarship support. This trend is already underway at medical schools in WA and beyond to provide residency sites compensation for hosting medical students.

The GRD practicum remuneration will be disbursed directly to the higher education institution that hosts each Scholar; the institution will then be responsible for securing a rural or medically underserved area site for the Scholar and determining the exact structure of the compensation package with the host clinic.<sup>1</sup> In all cases, the majority of the remuneration funds will be disbursed to compensate the preceptor and/or clinic for hosting the GRD Scholar. Preceptorships that leverage rising tele-health or virtual simulations in support of rural or medically underserved areas in the post-COVID-19 era are eligible to receive remuneration funds.

The proposed amount for preceptor remuneration was determined through a review of the current landscape. Current models vary widely (if they exist, from \$4,000 to \$40,000 per year),<sup>vii</sup> and most models include no remuneration. The GRD Scholarship proposes a preceptor remuneration of \$3,600 per 120 hours of clinical time for the duration of each program's practicum. For the typical DNP program, this total preceptor remuneration will be \$18,000 over five terms;<sup>2</sup> for the typical MSN program, this total preceptor remuneration will be \$3,600 for one term.

### 3. Provide Significant Scholarship Support

The aim of WSOS financial aid is to mitigate the cost of completing the NP training program including both coursework and the required practicum experience. Determining the amount included a consideration of opportunity cost,<sup>3</sup> the average cost of DNP/MSN programs and other cost of living considerations such as travel expenses. The proposed financial support for GRD Scholars is two-pronged:

- *Direct scholarship support.* The amount of the award to be offered in scholarship dollars was determined through a consideration of opportunity cost and total program costs.<sup>4</sup> The proposed award will be comprised of: \$2,500 in the first year when students are completing coursework and negotiating their practicum site; \$4,500 per term (120 hours of clinical time) for the duration of each program's practicum. For the typical DNP program, this total scholarship amount will be \$25,000; for the typical MSN program, this total scholarship amount will be \$7,000.

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<sup>1</sup> For this service, it is likely the higher education institution will hold a management fee from the amount, not to exceed 10%.

<sup>2</sup> For simplicity, we refer to a practicum "term" with the intended meaning of 120 clinical hours, not academic term type (quarter/semester).

<sup>3</sup> Opportunity cost was defined as lost wages of NP students who could otherwise be working (and earning) as nurses during the time they are completing their program.

<sup>4</sup> Graduate nursing programs across the state vary considerably in duration and curriculum delivery service models resulting in a wide variety of costs between program sites.

## PROPOSED PROGRAM DESIGN

- *Additional travel scholarship.* Some Scholars may be offered a conditional travel scholarship depending on their practicum site. The amount of the travel scholarship will be determined using a rate of \$100/week when it typically takes a student ten weeks to complete a practicum term. Therefore, the typical DNP student would receive \$5,000 over the course of their practicum while the typical MSN student would receive \$1,000. If tele-health services become more prevalent and extensive travel becomes less necessary, we may re-examine this program element.

Given the assumptions above, the typical DNP participant would receive up to \$30,000 in direct scholarship support while the typical MSN participant would receive up to \$8,000.

#### 4. Foster Relationships between Higher Education, Practicum Sites and Scholars

To address the unique needs of rising NPs, we will leverage our experience in virtually advising thousands of undergraduates statewide and building relationships with campus partners. We will launch a WSOS-facilitated virtual community where Scholars can engage and learn together across shared themes (e.g., best practices in nursing in medically underserved areas, coping with socio-emotional challenges and career launch advising). Additionally, WSOS staff will build relationships with higher education partners and practicum sites in target areas to establish consistent site coordination and maintenance.

The exact design of virtual advising services will not be clear until after program launch as we have found program participants themselves to be the most critical partners in identifying their needs and how we can best meet them. Additionally, donors, our Board, and staff may need to be responsive to the changing landscape of health care education considering the impacts of COVID-19 on how health care training is provided.<sup>xii</sup> An evaluation will be conducted at the end of the pilot year to assess efficacy and modifications for future programming support.

#### **Pilot & Five-Year Outlook:**

It is important to note that when the Legislature expanded WSOS to include graduate degrees, they put a limit of a \$1M/biennium match on the program (in contrast to a \$50M/fiscal year limit on the other Opportunity Scholarship programs). This limited program cap is influential on the targeted and narrow strategy described above. Additionally, as this is an untested program, we recognize some donor partners may be hesitant to invest heavily until programmatic efficacy is proven.

The recommended design includes a small pilot in year 1 (2021-22, n=12 participants) growing to maximize the \$1M/biennium cap over the following two years. At maximum capacity within the current state biennium limits, this program would support n=96 GRD Scholars over five years. If the biennial cap were to be reached, the Legislature has expressed openness in the past to expanding this program. If the biennial cap were to be raised considerably, the vision for the program could grow to be inclusive of the other graduate programs that advance health care access across the state. However, given the impact of COVID-19 on state revenue, WSOS is proceeding with caution regarding its expectations of program growth over the next two years.



## PROPOSED PROGRAM DESIGN

### Key Outcomes:

The leading success measures of a GRD pilot are to:

- *Launch*: Secure initial private investment of at least \$500,000 to launch Year 1 of pilot program
  - n=12 Scholars; launched in 2021-22
- *5-Year Pilot*: Secure an additional private investment of ~\$1.6M for Years 2 through 5 of pilot program
  - n=96 Scholars served over five years
- *Academic retention*: 100% of Scholars graduate on time<sup>5</sup>
- *Predictor of job placement*: 100% of Scholars complete practicum at a target site
- *Job placement*: 80% of graduates are hired by WA target clinics
- *Job retention*: 65% of graduates remain in WA target clinics for at least two years

### Proposed Budget:

Scholar Enrollment	2021-22	2022-23	2023-24	2024-25	2025-26	TOTAL
MSN	6	6	6	6	6	30
DNP	6	15	15	15	15	66
<b>TOTAL PROJECTED SCHOLAR ENROLLMENT</b>	<b>12</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>96</b>
Direct scholarship awards	192,000	417,000	417,000	417,000	417,000	1,860,000
Travel scholarship awards	36,000	81,000	81,000	81,000	81,000	360,000
Preceptor Remuneration	129,600	291,600	291,600	291,600	291,600	1,296,000
<b>TOTAL SCHOLARSHIP COSTS</b>	<b>357,600</b>	<b>789,600</b>	<b>789,600</b>	<b>789,600</b>	<b>789,600</b>	<b>3,516,000</b>
<b>Personnel</b>						
Program design and execution	111,930	115,288	89,060	91,732	94,484	502,493
Application, selection & disbursement support	17,528	18,053	13,946	14,365	14,796	78,687
Fundraising & ongoing support	4,244	4,371	3,376	3,478	3,582	19,051
Promotion and external partnerships	3,506	3,611	2,789	2,873	2,959	15,737
<b>TOTAL PROJECTED PERSONNEL</b>	<b>137,207</b>	<b>141,323</b>	<b>109,172</b>	<b>112,447</b>	<b>115,820</b>	<b>615,968</b>
<b>Non-personnel</b>						
Consulting	5,600	5,768	4,456	4,589	4,727	25,140
Supplies	6,780	6,983	7,193	7,409	7,631	35,996
Travel	5,321	5,481	5,645	5,814	5,989	28,250
Other	1,175	1,210	1,247	1,284	1,322	6,238
<b>Total projected non-personnel</b>	<b>18,876</b>	<b>19,442</b>	<b>18,540</b>	<b>19,096</b>	<b>19,669</b>	<b>95,624</b>
<b>TOTAL NON-SCHOLARSHIP COSTS</b>	<b>156,083</b>	<b>160,765</b>	<b>127,712</b>	<b>131,543</b>	<b>135,490</b>	<b>711,593</b>
<b>TOTAL PROJECT COST</b>	<b>513,683</b>	<b>950,365</b>	<b>917,312</b>	<b>921,143</b>	<b>925,090</b>	<b>4,227,593</b>
Half supported by Washington state	256,841	475,182	458,656	460,572	462,545	2,113,796
Half supported by donor	256,841	475,182	458,656	460,572	462,545	2,113,796

<sup>5</sup> While 100% is aggressive, typical graduation rates for NP preparation programs exceed 90%.

## PROPOSED PROGRAM DESIGN

### Key Assumptions in Budget:

- Assumes a 3% inflation rate on non-scholarship costs year-over-year
- Assumes personnel time & consulting expenses decrease by 25% in Year 3 after initial program design work has been complete (assumption is that building the program will be more time-intensive than operating the program)

	DNP	MSN
<b>Practicum Scholarship Amount Per Term (120 Hours)</b>	\$ 4,500	\$ 4,500
<b>X Assumed Practicum Terms (Typical)</b>	5	1
<b>Practicum Scholarship Amount (Typical)</b>	\$ 22,500	\$ 4,500
<b>+ Coursework Scholarship</b>	\$ 2,500	\$ 2,500
<b>Total Direct Scholarship Per Scholar</b>	\$ 25,000	\$ 7,000
<b>Travel Scholarship Amount Per Term (120 Hours)</b>	\$ 1,000	\$ 1,000
<b>X Assumed Practicum Terms (Typical)</b>	5	1
<b>Travel Scholarship Amount (Typical)</b>	\$ 5,000	\$ 1,000
<b>Practicum Remuneration Amount Per Term (120 Hours)</b>	\$ 3,600	\$ 3,600
<b>X Assumed Practicum Terms (Typical)</b>	5	1
<b>Preceptor Remuneration Amount (Typical)</b>	\$ 18,000	\$ 3,600

### WSOS Staff Support:

- The **GRD Manager** (project lead) is responsible for:
  - Program curriculum, program execution, student support and higher education partner relationships
  - 100% FTE in Year 1-2; reduced by 25% in Years 3-5
- The **Programs Director** is responsible for:
  - Overall program design and strategy fidelity
  - 10% FTE in Year 1-2; reduced by 25% in Years 3-5
- The **Development Director** and team are responsible for:
  - Securing initial and ongoing investment for the program
  - ~3% FTE in Year 1-2; reduced by 25% in Years 3-5
- The **External Affairs Director** and team are responsible for:
  - Leading necessary advocacy efforts for legislative changes necessary; designing collateral to engage diverse stakeholders and prospective applicants
  - ~3% FTE in Year 1-2; reduced by 25% in Years 3-5
- The **Award Administration Director** and team are responsible for:
  - Application & selection design, disbursement of all program funds; program evaluation and recommendations; annual impact report to the Legislature
  - ~15% FTE in Year 1-2; reduced by 25% in Years 3-5

## PROPOSED PROGRAM DESIGN

### **Advanced Healthcare Strategy Stakeholders & Advisors**

Suzanne M. Allen, MD, Vice Dean for Academic, Rural and Regional Affairs at the UW School of Medicine

Sofia Aragon, JD, Executive Director at the Washington Center for Nursing

Bevan W. Briggs DNP, Interim Academic Director at WSU Tri-Cities College of Nursing

Heather Barr, RN at Neighborcare

Diane Cecchetti, Retired President and CEO at MultiCare Health System (WSOS Board Member)

Joanie Christian, Clinical Placement Coordinator at WSU College of Nursing

Liz Coleman, Health Workforce Policy Analyst at the Workforce Training and Education Coordinating Board

Bob Cooper, Policy Advisor at Evergreen Public Affairs

Dan Ferguson, Director at WA State Allied Health Center of Excellence

Renee Fullerton, Workforce Programs Manager, Department of Health

Nova Gottman, Deputy Director for External Affairs at Workforce Training and Education Coordinating Board

Lindsey Grad, Policy Advisor at SEIU 1199 (Behavioral Health)

Missy Hancock, Graduate Program Coordinator at Seattle University College of Nursing

Emily Henderson, Nurse Practitioner at Neighborcare

Anne Hirsch, Associate Dean of Academic Affairs, at UW School of Nursing

Chris Kaasa, Senior Policy Advisor at the Washington Association of Community & Migrant Health Centers

Louise Kaplan, Associate Professor & Associate Academic Director at WSU Vancouver College of Nursing

Janet Katz, Professor at WSU Health Sciences Spokane

Tamara Kelley, Advisor, Graduate Program at WSU Health Sciences Spokane College of Nursing

Julia King, Graduate Advisor at SPU School of Health Sciences

Frank Kohel, Program and Support Associate at the Washington Center for Nursing,

Katie Kolan, Director of Legislative and Regulatory Affairs at the Washington State Medical Association

Amanda Kost, Co-Director at UW School of Medicine Community-focused Urban Scholars Program (CUSP)

Nancy Lawton, Nurse Practitioner at Neighborcare Health

Brook Ledeboer, Director of Development, WSU Health Sciences Spokane

## PROPOSED PROGRAM DESIGN

Maura Little, Executive Director, Cambia Grove

Krista Loney, Director at Eastern Washington Area Health Education Center

Anne Mason, DNP Program Director, at WSU Health Sciences Spokane College of Nursing

Betsy Mau, Graduate Advisor, UW School of Nursing

Mary Moller, Associate Professor, Coordinator, PMH-DNP Program at PLU School of Nursing

Carol Moser, Executive Director at Greater Columbia Accountable Community of Health

Ky Ngo, First Year Resident, UW School of Medicine (WSOS alum)

Jiquanda Nelson, Sr. Manager, Equity, Inclusion & Diversity and Workforce Development at Kaiser Permanente of Washington

Marina Parr, Communications Director at Workforce Training and Education Coordinating Board

Davis Patterson, Research Assistant Professor at the UW Center for Health Workforce Studies

Julia O'Connor, Behavioral Health Policy Analyst at Workforce Training and Education Coordinating Board

Gerry Pollet, State Representative, 46th District & Professor at UW School of Public Health

Kathy Richardson, Graduate Program Coordinator and Assistant Professor at PLU School of Nursing

Majken Ryherd, Principal at Waypoint Consulting Group, LLC

Olena Rypich, Communications Director at the Washington Center for Nursing

Naria Santa Lucia, Sr. Dir. of Skills and Employability, Microsoft Philanthropies at Microsoft

J. Lee Schultz, Associate Director for Workforce Programs, WSAC

Oz Sener, Graduate Advisor, Seattle University College of Nursing

Rebecca Severson, Academic Advisor at Seattle University College of Nursing

Sue Skillman, Deputy Director at the UW Center for Health Workforce Studies

Amy Smith, Graduate Admissions Specialist, Gonzaga University School of Nursing

Kristen Swanson, Sean at Seattle University School of Nursing

Benjamin Stubbs, Research Scientist at the UW Center for Health Workforce Studies

Becky Thompson, Director of Student Financial Assistance, WSAC

Patrick Tufford, Director of Student and Academic Services, UW School of Nursing

Kate White Tudor, Policy Advisor at White Tudor LLC

Lisa Vickers, Clinical Faculty/Campus Director at WSU Yakima College of Nursing

Simeng Wang, Pediatric Nurse, Seattle Children's, UW DNP candidate (WSOS Scholar alum)

Lorie Wild, Dean & Professor, SPU School of Health Sciences

## PROPOSED PROGRAM DESIGN

Michael Wilson, Retired CEO at Providence Health Care Spokane (WSOS Board Member)

### End Notes

- <sup>i</sup> Gattman, N. E., McCarty, R.L., Balassa, A., & S. M. Skillman (2017). *Washington State Behavioral Health Workforce Assessment*. Olympia, WA: Washington Workforce Training and Education Coordinating Board. Retrieved from [https://depts.washington.edu/fammed/chws/wp-content/uploads/sites/5/2018/01/wa\\_bh\\_workforce\\_fr\\_dec\\_2017.pdf](https://depts.washington.edu/fammed/chws/wp-content/uploads/sites/5/2018/01/wa_bh_workforce_fr_dec_2017.pdf)
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- <sup>vii</sup> Whiteaker, C. (2017). *Investments to Make Behavioral Health Integration a Reality*. Seattle, WA: Washington State Hospital Association. Retrieved from <http://wsha.wpengine.com/wp-content/uploads/2017-IssueBrief-Mental-health-Budget.pdf> and Baker, J., Travers, J. L., Buschman, P. & J. A. Merrill. *An efficient nurse practitioner-led community-based service model for delivering coordinated care to persons with serious mental illness at risk for homelessness*. *J Am Psychiatr Nurses Assoc*, 24 (2) (2018), pp. 101-108
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# ADVANCED HEALTH CARE: Graduate Scholarship Program Design

WASHINGTON STATE  
**OPPORTUNITY**  
SCHOLARSHIP



# LEGISLATIVE HISTORY

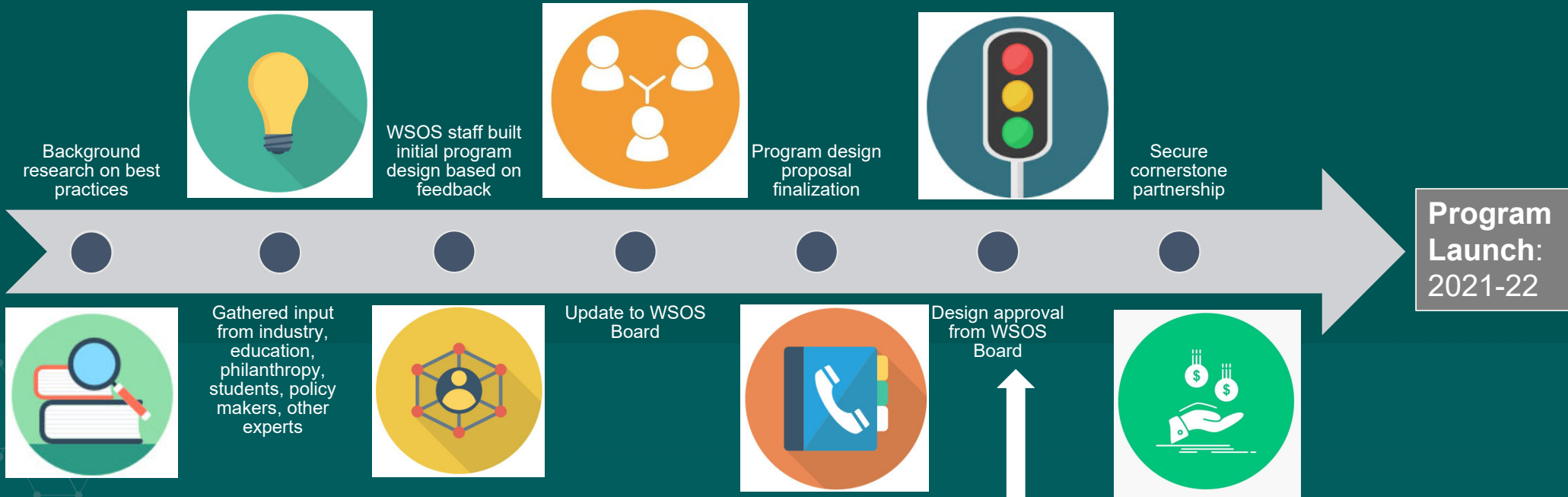
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- **HB 2143**
  - Passed spring 2018
  - \$1M biannual state match promised
  - Designated for advanced degrees in health care fields
  - Goal is to address workforce shortages particularly experienced in remote and medically underserved areas



WASHINGTON STATE  
**OPPORTUNITY**  
SCHOLARSHIP

# Pathways scholarship design process



June 2020

WASHINGTON STATE  
**OPPORTUNITY**  
SCHOLARSHIP



# VISION

The vision of the Graduate Scholarship (GRD) is to actualize the intent of HB 2143 by **increasing the number of health care professionals providing physical and behavioral health care, particularly in communities designated as rural or medically underserved in Washington state.**

WASHINGTON STATE  
**OPPORTUNITY**  
SCHOLARSHIP

# PROGRAM DESIGN PILLARS

## **Target nurse practitioners (NPs).**

- Address both behavioral and physical health
- Trained relatively quickly
- Have prescriptive authority
- Are affordable and billable to insurance

## **Support practicum placement in target areas.**

- Practicum required for board certification and state licensure
- Placement in target (rural and medically underserved) areas challenging
- Practicum location plays an influential role in the placement of certified NPs

## **Provide significant scholarship support.**

- NPs face significant opportunity costs
- May need to travel to remote practicum sites

## **Foster relationships between higher education, practicum sites and Scholars.**

- Leverage our experience
- Build relationships with higher education partners and practicum sites

# PROGRAM SPECIFICS

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- **Eligible Degree Programs**
  - Doctorate of Nursing Practice (DNP)
  - Master of Nursing Science (MSN)
- **Specialties**
  - Family Nursing Practice (FNP)
  - Psychiatric Mental Health (PMHNP)
  - Adult-Gerontology (AGNP-Primary Care & Acute Care)
  - Pediatric (PNP-Primary Care & Acute Care)
- **Focused on practicum in target areas**



WASHINGTON STATE  
**OPPORTUNITY**  
SCHOLARSHIP

# PROGRAM SPECIFICS

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- **Eligible Campuses**

- Gonzaga
- Washington State University (WSU)
- Seattle Pacific University (SPU)
- Seattle University (SU)
- University of Washington (UW)
- Pacific Lutheran University (PLU)

- **Locations**

- Seattle
- Spokane
- Tacoma
- Tri-Cities
- Vancouver
- Walla Walla
- Yakima



WASHINGTON STATE  
**OPPORTUNITY**  
SCHOLARSHIP

# AWARD DESIGN

	Scholarship Components
Academic Scholarship	<ul style="list-style-type: none"> <li>• Typical DNP: Award up to \$30,000</li> <li>• Typical MSN: Award up to \$8,000</li> </ul> <p>\$2,500 one-time award, at time of enrollment plus \$4,500 per practicum term (120 clinical hours)</p>
Travel Scholarship	<p><b>Up to \$1,000 per practicum term (120 hours)</b></p> <p>Available for those in remote practicum placements</p>
Practicum Remuneration	<p><b>\$3,600 per practicum term (120 hours)</b></p> <p>Paid to institution of higher education and then passed on to practicum hosts (site and provider) to incentivize placement in target areas</p>
Other Specifics	<p><b>2<sup>nd</sup> and 3<sup>rd</sup> year support</b> due to timing of practicum selection</p> <p>Focusing on recipients with an interest in <b>medically underserved areas</b></p> <p><b>No repayment provision;</b> will include commitment for service</p>

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**OPPORTUNITY**  
 SCHOLARSHIP

# REQUESTED BOARD ACTION

- Vote to formally approve preliminary program design in anticipation of seeking cornerstone investment.

WASHINGTON STATE  
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SCHOLARSHIP

# NEXT STEPS

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- **Seek Cornerstone Partnership**
  - Seeking commitment no later than November 2020
- **2021 Legislative Conversations**
  - Income/WA high school graduate eligibility change
  - Modifying limiting language that delays launch
  - Secure state match for cornerstone gift
- **Program Launch**
  - 2021-22 (fall 2021)



WASHINGTON STATE  
**OPPORTUNITY**  
SCHOLARSHIP

# **Tab F**

## **Rural Jobs Program Design**



## CAREER AND TECHNICAL SCHOLARSHIP (CTS): Rural Jobs Initiative

### Washington State Opportunity Scholarship (WSOS)

#### Background:

In 2018, the Washington Legislature authorized WSOS to support Washington residents pursuing professional-technical credentials through the Career and Technical Scholarship and the Rural Jobs initiative. Rural residents<sup>1</sup> face considerable barriers in accessing community and technical college, and rural communities struggle to attract and retain talent. The Rural Jobs initiative is designed to connect rural residents with the credentials they need to fill high-demand jobs in their local community.

#### Research & Findings:

WSOS staff connected with stakeholders statewide to learn more about the challenges facing rural students in accessing education opportunity and the difficulties for rural communities in filling their talent gap. We found:

- When students live an hour or more away from campus, they typically *cannot sustain the commute* for more than 1-2 consecutive quarters due to lost wages and unreliable transportation, childcare and weather. Additionally, community college students tend to be older and therefore are less likely to have the ability or desire to uproot and temporarily move closer to a community college campus.
- When remote rural residents earn a credential and do attend classes on campus, *they often move nearby the college permanently* if that's where they complete an apprenticeship or where the demand for that credential is highest.
- Remote, rural residents often *need one or more personal champions* who provide a spark of inspiration to 1) consider college as an option; and 2) help them navigate their first few quarters.

#### Program Design & Strategy:

The proposed program design for the Rural Jobs initiative will be nested within the Career and Technical Scholarship (CTS). In addition to the components of CTS, the Rural Jobs initiative will add layered support for rural students built on these three foundations:

1. Provide base scholarship funding in alignment with CTS. Like CTS participants, Rural Jobs recipients will receive a base scholarship of \$1,500 per quarter for the duration of their program to support their tuition and other cost-of-attendance related needs.
2. Partner with Local Workforce Development Leaders to Narrowly Define Eligible Programs. Working with local workforce development leaders, we will limit eligible programs in each region to those that: 1) are accessible to remote, rural residents by being locally-based, short-duration and/or online; and 2) lead to high-demand jobs in the communities with the least access to college. This limited eligible program list will encourage completion for rural students by either mitigating the time they will need to commute in order to complete the program or bringing college to them through an online model.
3. Provide additional funding to overcome gateway and ongoing barriers. Unlike CTS participants, Rural Jobs recipients will receive funding beyond the base scholarship to help overcome the unique challenges faced by rural students. Such barriers may include lack of reliable transportation, need for childcare or not having access to a computer and broadband for online coursework. Because overcoming these barriers often requires a one-time, up-front investment, Rural Jobs recipients will receive an additional \$2,000 in their first quarter in the program (for a total of up to \$3,500 in their first quarter). To sustain a commute for a two-quarter program or facilitate the transition to working online in

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<sup>1</sup> Eligible counties for Rural Jobs have the same meaning as "rural county" as defined in RCW 82.14.370. Alternatively, a county may be eligible if it shares a common border with Canada and has a population of over 125,000.

## EXECUTIVE SUMMARY

a longer-term program, Rural Jobs recipients will receive an additional \$1,000 in their second quarter (for a total of up to \$2,500 in their second quarter). In subsequent quarters, Rural Jobs recipients will receive an additional \$500 (for a total of up to \$2,000 per quarter thereafter).

### **Relationship Between the Career & Technical Scholarship and Rural Jobs Initiative:**

While Rural Jobs is an initiative of CTS, it operates statutorily from a separate financial account and has distinct selection criteria. To ensure these programs best complement each other and do not inadvertently disadvantage students in either program, we propose the following:

1. Applicants will not be required to complete a separate application to be eligible for Rural Jobs funding. They will be automatically considered for Rural Jobs when they apply for CTS.
2. If an applicant is selected through CTS and is eligible for Rural Jobs, we will cover the base scholarship (\$1,500 per quarter) with CTS funding and the remainder (\$2,000 for Q1, \$1,000 for Q2, \$500/Q thereafter) from Rural Jobs funding. If an insufficient number of CTS recipients are eligible for Rural Jobs, we will expand selection to include additional Rural Jobs recipients. The base scholarship and additional funds for these recipients will be paid for exclusively with Rural Jobs funding. Based on the restrictive programs that will be eligible, we estimate about half of the seats in each cohort will be supported with Rural Jobs funding exclusively while the other half share CTS and Rural Jobs funding.
3. By statute, the eligibility criteria for Rural Jobs is more limiting than for CTS. If a Rural Jobs recipient becomes ineligible for Rural Jobs but remains eligible for CTS, WSOS will transition the student into the CTS program to preserve the student's eligibility for base scholarship funding. This will require planning during selection for both CTS and Rural Jobs to preserve CTS funds to protect for the liability between the two programs and a formal vote to approve this use of funds by the WSOS Board of Directors.

### **Key Outcomes:**

The Rural Jobs initiative is designed to increase the number of Washington's rural residents who earn a professional-technical credential and use that credential to fill a high-demand job in their community. With the initial investment of \$2M (\$1M private funds plus \$1M state match), we aim to:

- Select ~400<sup>2</sup> rural recipients statewide over the next five years (50 in Cohort 1, then 85 in Cohorts 2-5)
- Support a graduation rate of at least 65%<sup>3</sup>
- Encourage 80% of graduates to work in their community
- Equitably distribute the benefit of this scholarship across the state's rural regions

### **Proposed Budget:**

Anticipating that the average program duration will be approximately 2 quarters, we expect the typical Rural Jobs graduate will receive \$6,000 (\$3,000 in base scholarship, \$3,000 in additional scholarship). The exact amount received per Scholar will be dependent on program length. The impact on Rural Jobs restricted funding will be heavily impacted by the proportion of applicants who receive dual CTS/Rural Jobs support (which have \$3,000 of base scholarship covered by CTS and only require \$3,000 in additional cash influx from Rural Jobs). The budget below anticipates that approximately 50% of Rural Jobs recipients will be CTS recipients. It further anticipates that non-scholarship costs will be approximately 14% of total disbursements.

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<sup>2</sup> The exact number of recipients will be determined after building the scholarship model that accounts for the length of eligible programs and the number of students who will share in CTS funds.

<sup>3</sup> Aligns with the target graduation rates for the Career and Technical Scholarship model, far exceeding typical community college rates where less than 2 out of 5 students complete their program.

# EXECUTIVE SUMMARY



Scholarship Costs	2020-21	2021-22	2022-23	2023-24	2024-25	TOTAL
CTS and Rural Jobs	75,000	129,000	126,000	129,000	126,000	585,000
Rural Jobs only	150,000	252,000	258,000	252,000	258,000	1,170,000
<b>TOTAL SCHOLARSHIP COSTS</b>	<b>225,000</b>	<b>381,000</b>	<b>384,000</b>	<b>381,000</b>	<b>384,000</b>	<b>1,755,000</b>
<b>TOTAL NON-SCHOLARSHIP COSTS</b>	<b>81,081</b>	<b>36,855</b>	<b>37,961</b>	<b>39,099</b>	<b>40,272</b>	<b>235,269</b>
<b>TOTAL PROJECT COST</b>	<b>306,081</b>	<b>417,855</b>	<b>421,961</b>	<b>420,099</b>	<b>424,272</b>	<b>1,990,269</b>

## Rural Jobs Strategy Advisors:

Marc Casale, CEO and Founder of Kinetic West, Career Connect Washington (Statewide)

Marty Cavalluzzi, President, Olympic College (Olympic Peninsula)

Kathy Covey, Chief Executive Officer, Blue Mountain Action Coalition (Southeast)

Dawn Cypriano-McAferly, Assistant Director | Passport to Careers, Washington Student Achievement Council (Statewide)

Erin Frasier, Workforce Education Policy Associate, State Board for Community & Technical Colleges (Statewide)

Elizabeth Guerra, Community Services Director, Blue Mountain Action Coalition (Southeast)

Peter Guzman, Workforce Education Policy Associate, State Board for Community & Technical Colleges (Statewide)

Kristi Hutchins, Counseling Office, Tonasket High School (North Central)

Sue Kane, Director of STEM Initiatives and Strategic Partnerships, North Central Educational Service District (North Central)

Kristi O'Neill, Career Connection Specialist, WorkSource Okanogan County (North Central)

Lucas Rucks, Dean of Workforce Education, Grays Harbor College (Pacific Mountain)

Becky Thompson, Director of Student Financial Assistance, Washington Student Achievement Council (Statewide)

Rod Van Alyne, Director of Eastern Washington Partnership Workforce Development, Rural Resources (Eastern WA)

Current Career and Technical Scholars from rural areas across the state

## **BOARD RESOLUTION:**

### **ALLOWING RURAL JOBS GIVING RESTRICTED TO PARTICULAR COUNTIES OR REGIONS**

***Proposed to the Washington State Opportunity Scholarship Board of Directors  
June 10, 2020***

**Background.** In 2018, the Legislature created the Rural Jobs program with a set of eligibility criteria that includes limiting who is eligible to receive funds to only residents of eligible rural counties. By law, eligible counties have the same meaning as “rural county” as defined in RCW 82.14.370. Alternatively, a county may be eligible if it shares a common border with Canada and has a population of over 125,000. In the statutory language, contributions made to the Rural Jobs program can be used for residents of any eligible county.

**Problem statement.** By law, the WSOS Board is granted the authority to select recipients for the Opportunity Scholarship and Rural Jobs program which limits the rights of donors to stipulate the use of their funds. As currently written, donors to the Rural Jobs program can restrict their giving to the Rural Jobs program generally but cannot restrict their giving only to recipients of their particular region or county. It is believed that the legislative intent of this program was to incentivize giving from private donors in rural areas of the state who would be encouraged to give should they be able to direct dollars to stay within their community.

**Proposed resolution.** In the event of a donation to the Washington State Opportunity Scholarship Rural Jobs program, the donor may indicate they wish their gift plus the associated state matching funds be allocated for the selection of rural recipients from stated eligible counties or workforce development regions, provided that the narrower definition of eligible recipients does not conflict with the statutorily defined eligibility criteria for the Rural Jobs program.

# RURAL JOBS INITIATIVE

WASHINGTON STATE  
**OPPORTUNITY**  
SCHOLARSHIP

# GOAL

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- Approve the following for the Rural Jobs Initiative:
    - Program design
    - Selection criteria
    - Resolution to allow donor restricted giving to specific eligible counties/regions
- 

**RURAL  
JOBS**

WASHINGTON STATE  
**OPPORTUNITY**  
SCHOLARSHIP  
A CAREER & TECHNICAL SCHOLARSHIP INITIATIVE

# LEGISLATIVE INTENT

- Increase the number of rural students who graduate with industry-recognized credentials for high-demand jobs in their community
- Identify high-demand jobs in partnership with local workforce development leaders



**RURAL  
JOBS**

WASHINGTON STATE  
**OPPORTUNITY**  
SCHOLARSHIP  
A CAREER & TECHNICAL SCHOLARSHIP INITIATIVE

# RURAL COMMUNITY NEEDS

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- **Geographic.** Students living far from campus usually cannot sustain a commute for more than 1-2 consecutive quarters
- **Financial.** Financial barriers to considering college include:
  - Access to a computer and broadband
  - Access to reliable transportation
  - Paying for required tools
- **Personal.** Students need someone who can inspire them to believe college is possible

**RURAL  
JOBS**

WASHINGTON STATE  
**OPPORTUNITY**  
SCHOLARSHIP  
A CAREER & TECHNICAL SCHOLARSHIP INITIATIVE



# PROPOSED PROGRAM DESIGN

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- 1. Provide base scholarship support aligning with CTS**
- 2. Partner with local workforce development leaders to narrowly define eligible programs**
  - Focus on the most accessible credentials that lead to high-demand work in remote, rural communities
- 3. Provide further funding to overcome gateway barriers**
  - Access to a computer and broadband
  - Access to reliable transportation
  - Paying for required tools

**RURAL  
JOBS**

WASHINGTON STATE  
**OPPORTUNITY**  
SCHOLARSHIP  
A CAREER & TECHNICAL SCHOLARSHIP INITIATIVE

# PROGRAM FUNDING MODEL

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- **CTS-aligned base funding: \$1,500 per quarter**
- **On top of base funding:**
  - \$2,000 in the first quarter
    - Start-up costs such as a laptop purchase and/or commuting
  - \$1,000 in the second quarter
    - Broadband and/or commuting
  - \$500 per quarter thereafter
    - Ongoing broadband access and/or commuting

**RURAL  
JOBS**

WASHINGTON STATE  
**OPPORTUNITY**  
SCHOLARSHIP  
A CAREER & TECHNICAL SCHOLARSHIP INITIATIVE

# RELATIONSHIP WITH CTS

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## Funding

- If a Rural Jobs recipient is selected for CTS, the base funding of \$1,500 per quarter will come from CTS funds
  - If a Rural Jobs recipient isn't selected for CTS, all funding will come from Rural Jobs funds
- 

## Selection

- If a Rural Jobs recipient becomes ineligible for Rural Jobs, they will still be a Career and Technical Scholar

**RURAL  
JOBS**

WASHINGTON STATE  
**OPPORTUNITY**  
SCHOLARSHIP  
A CAREER & TECHNICAL SCHOLARSHIP INITIATIVE

# KEY OUTCOMES

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- Select ~400 rural jobs recipients over the next 5 years
  - 2020-21: 50 recipients
  - 2021-22 through 2024-25: 85 recipients per year
- Support a graduation rate of at least 65%
- Encourage +80% of graduates to work in their community

**RURAL  
JOBS**

WASHINGTON STATE  
**OPPORTUNITY**  
SCHOLARSHIP  
A CAREER & TECHNICAL SCHOLARSHIP INITIATIVE

# REQUESTED BOARD ACTION

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- Vote to formally approve the proposed program design for Rural Jobs, including the funding implications as they relate to CTS selection.

**RURAL  
JOBS**

WASHINGTON STATE  
**OPPORTUNITY**  
SCHOLARSHIP  
A CAREER & TECHNICAL SCHOLARSHIP INITIATIVE

# PROPOSED SELECTION CRITERIA

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- **Focused programs.** Strengthen the pool of eligible applicants by narrowly defining eligible programs.
  - **Distance from campus.** Select among eligible applicants by adding distance from campus to the CTS criteria.
  - **Statewide benefit.** Balance selects across each region based on their proportion of remote rural residents.
- 

**RURAL  
JOBS**

WASHINGTON STATE  
**OPPORTUNITY**  
SCHOLARSHIP  
A CAREER & TECHNICAL SCHOLARSHIP INITIATIVE

# REQUESTED BOARD ACTION

---

- Vote to formally approve the selection criteria for Rural Jobs recipients for 2020-21.
- 

**RURAL  
JOBS**

WASHINGTON STATE  
**OPPORTUNITY**  
SCHOLARSHIP  
A CAREER & TECHNICAL SCHOLARSHIP INITIATIVE

# REQUESTED BOARD ACTION

---

- Vote to formally adopt resolution allowing donor restricted giving to specific eligible counties/regions.
- 

**RURAL  
JOBS**

WASHINGTON STATE  
**OPPORTUNITY**  
SCHOLARSHIP  
A CAREER & TECHNICAL SCHOLARSHIP INITIATIVE



# **Tab G**

## **Finance & Program Administrator Update**

WASHINGTON STATE  
**OPPORTUNITY**  
 SCHOLARSHIP

**FINANCE & INVESTMENT COMMITTEE  
 MEETING AGENDA  
 TUESDAY, JUNE 2, 2020 | 2:00-3:00 P.M.**

See the meeting invitation for the Zoom meeting link

I.	<b>Meeting Called to Order</b>		<b>Mack Hogans</b> Committee Chair Board Member	2:00p
II.	<b>Approval of Minutes from February 25 Meeting</b>	[Tab A]	<b>Mack Hogans</b> Committee Chair Board Member	2:00-2:05p
III.	<b>Proposed New Committee Members</b> » <i>Committee Action:</i> Recommend appointment of Elisa La Cava, Matt Rubright to F&I Committee	[Tab B]	<b>Kimber Connors</b> WSOS	2:05-2:15p
IV.	<b>Program Administrator Report</b>	[Tab C]	<b>Matt Poth</b> WA STEM	2:15-2:30p
V.	<b>WSIB Quarterly Performance Report</b>	[Tab D]	<b>Chris Phillips</b> WSIB	2:30-2:45p
VI.	<b>Finance &amp; Investment Committee Charter Updates</b> » <i>Committee Action:</i> Approve charter updates	[Tab E]	<b>Kimber Connors</b> WSOS	2:45-2:50p
VII.	<b>Program Update</b> » <i>Committee Action:</i> Approve \$50k budget increase to engage feasibility consultant	[Tab F]	<b>Kimber Connors</b> WSOS	2:50-2:55p
VIII.	<b>Executive Session</b>		<b>Mack Hogans</b> Committee Chair Board Member	2:55-3:00p

**UPCOMING MEETINGS:**

Tuesday, September 8, 2020 at 2-3p

Tuesday, December 8, 2020 at 2-3p

## **Tab A**

Approval of February 25, 2020 Minutes

**FINANCE & INVESTMENT COMMITTEE MEETING MINUTES |  
WEDNESDAY, FEBRUARY 25, 2020**

**Members present:** Mack Hogans (Committee Chair); Beau Damon, Brad Faulhaber, DeShay Gould, Manish Jain, Carolyn Kelly and Julie Sandler by phone

**Other participants:** Kimber Connors (WSOS Executive Director), Karyl Gregory (WSOS), Chris Hanak (WSIB), Matt Poth (Washington STEM) and Yoko Shimomura (Washington STEM); Chris Phillips (WSIB) by phone

Mack Hogans called the meeting of the Washington State Opportunity Scholarship (WSOS) Finance and Investment Committee to order at 2:03 pm and conducted a roll call with self-introduction of all participants and noted a quorum was present.

**Approval of Minutes from January 8, 2020 Finance and Investment Committee**

Carolyn Kelly moved to approve the minutes of the January 8, 2020 meeting with one correction – that she attended the meeting in person. Beau Damon seconded the motion, and it carried unanimously.

**Program Administrator Report**

Matt Poth, Director of Finance at Washington STEM, presented financial statements through 12/31/19. Total assets: 118.8M. This is a -4% decrease from 9/30/19 and -2% decrease from 12/31/18. This is due in large part to the winter scholarship disbursements for both Baccalaureate (BaS)(\$6.31MM) and CTS (\$596K) programs. This was offset in part due to investment earnings and gains in Q4 in both scholarship and endowment accounts (\$2.6MM). In Q4, ~\$0.9M was received in state match funds.

Total accrual-basis revenues for the twelve months ending 12/31/19 were \$17,853,045 with \$731,126 in contributed revenues, \$5,246,462 in state match revenues and \$11,925,770 in net investment returns (with a - \$50,313 adjustment based on balance of long-term pledge receivables for present value as required under U.S. GAAP). It was a strong year for investment returns with over \$11.4M in realized/unrealized gains.

Damon asked what was driving the budgeted revenue and Poth reported that he had budgeted \$5M for the BaS and \$250K for CTS in 2019. Investment income is not budgeted. Poth indicated he will get back to the Committee on the 2020 budget. Kimber Connors reported that a conservative amount was budgeted on state match funds for contributed revenues. It was built on actual pledges we expect to receive this year. Fortunately, there is no bad debt because pledges are fulfilled.

Our Total Liabilities as of 12/31/19 are \$33M which is a 5% increase since 12/31/18 and a -14% decrease since 9/30/19. The reduction since last quarter is explained by the scholarship payouts as reported above. The increase from last year is explained primarily by the existence of the CTS liability in 2019 vs. 2018. The second grouping of students from CTS Cohort 1 were awarded in December which is reflected in the Liabilities. The third and final group of Cohort 1 will not be awarded until Spring 2020, so those students are not listed within Liabilities. For BaS, the expected awarded in 2020 will be reduced to ~750 students from the higher cohort sizes over the last few years.

Yields Total Net Assets: \$85.8M which represents a 4% decrease from year end 12/31/18 due to reasons already presented.

On the expense side, actual program expenditures (excluding scholarship expense net of refunds) YTD for 12/31/19 were \$3,545,183. The budget for the same period is \$3,408,580, or over budget by \$137K. Personnel costs were slightly over budget by \$35K, Professional Fees by \$64K and Operating Expenses by \$59K. Personnel salary bumps and an executive director bonus that was not accrued continue to explain most of that overage with additional costs from launching CTS. The Professional Fees are over primarily due to I.T. (\$18K), Communications (\$27K), and Recruitment (\$26K, related to recruitment for the new executive director), with some savings in overall Temp Support (primarily the stipend paid to Scholar Leads).

The bottom line is a negative change in net assets of \$3,591,298 for the year. The cash balance as of 12/31/19 is \$1,178,117 and total investments held total \$112,320,483.

Poth further reported on the ongoing reconciliation of funds with the College Success Foundation. Of the original \$2.8MM outstanding, \$2.4MM has been collected as of year-end 2019. \$125K of the remaining balance has been invoiced to WSAC as of 12/31/19. The remaining ~\$250K needs more support for WSAC to match. This work will begin again in late Q1 once audit prep has been finished.

### **WSIB Quarterly Performance Report**

Chris Phillips, WSIB's Director of Institutional Relations and Public Affairs, reported the WSIB quarterly performance report for 4Q 2019 has been updated in both format and content based on the addition of the new Student Support Pathways (CTS) Account. The same performance and market value data is provided, but the formatting has been redone to improve readability with the addition of the new CTS account.

Summary points for the Scholarship Fund: The Scholarship Account posted a 2.7% return for the 4Q and nearly a 13% return for the 1-year period ending 12/31/19. In the single month of January 2020, this fund's performance was up 0.74%. We can expect negative movement in February as a result of COVID-19 market impacts. The return for the three-year period was just above 8%. The cash returns in the State Match accounts were 0.41% for 4Q and 2.1% for calendar 2019. The total market value of the Scholarship Account was \$77.4 million as of year-end 2019. The asset allocation was 69% Fixed Income / 26% Equity / 5% Cash as of year-end.

Summary points for the Endowment Fund: The Endowment Account saw a return of 2.3% for 4Q, and 17.3% for the 1-year period ending 12/31/19. In the single month of January 2020, this fund's performance was down 0.77%. The return for the three-year period was just above 9%. The total market value of the Endowment Account was \$5.7 million as of year-end 2019, which is down significantly from \$30.5 million in 3Q 2019. This is a result of the asset transfer into the new CTS account. The Endowment asset allocation remained at 80% Equity / 20% Fixed Income as of year-end. It is worth noting the Q4 performance of the Endowment account differs temporarily from its benchmark (80% equity / 20% fixed income) due to the temporary reallocation to a more conservative Scholarship Account target of 25% equity / 70% fixed income / 5% cash. This de-risking reallocation was done in advance of the transfer of assets to the new CTS account as a prudent precaution against the potential of market volatility.

Summary points for the Student Support Pathways Fund: This is the new account authorized by the Legislature. It represents the Career & Technical Scholarship (CTS) Fund which was set up during 4Q based on assets transferred from the Endowment Fund. Therefore, little historic performance is available at this time but will fill in over time. The Committee requested that all future references to this account be represented as the Student Support Pathways (CTS) Fund. The account shows a since-inception return of 1.72%, mostly from December 2019. The total market value of the CTS Fund was \$14.8 million as of year-end 2019. Quarterly fund performance will be provided going forward during 2020. The asset allocation is approximately 70% Fixed Income / 25% Equity / 5% Cash, along the same lines as the original Scholarship account.

Phillips reminded the Committee WSIB recently completed a full asset allocation study for the new CTS fund. He noted it would be discussed later in this meeting with a view to bringing forward a recommendation from the Committee to the WSOS Board for a vote at their next meeting on 3/3/20.

Hogans asked what the fund performance looks like for January. Phillips indicated he would send that data. Phillips reported no material changes to the bond characteristics since last quarter.

Hogans asked Phillips for WSIB's view of the COVID-19 impact on the market. Chris Hanak, from WSIB's Risk Management and Asset Allocation team, stated that the Coronavirus is a driving factor within the global market and its impact will be monitored closely.

Yoko Shimomura, Washington STEM's CFO, expressed appreciation for the new format of the WSIB financial reports.

### **WSIB Asset Allocation Update**

Hanak reported the new CTS program was funded last fall by a recharacterization of a \$12.5M gift invested in the Endowment Account and corresponding state match funds. The launch of the new program created the need for a strategic asset allocation study of the newly created CTS account. The risk allocation of the CTS account was temporarily set to match the BaS account in advance of strategic asset allocation study results due to the two programs' similar risk profiles. The projected timeline for the strategic asset allocation study envisions the WSOS Board voting on a recommendation from this Committee at their March meeting based on the outcome of today's discussion. The final step will be the vote by the WSIB Board at their meeting in April.

Components of the asset allocation study included defining suitable asset classes for inclusion based on risk, return, liquidity, diversification, and implementation considerations. As background, Patrick Martinell from WSIB conducted an asset allocation study of the BaS and Endowment Accounts in 2018. For quantitative inputs, Hanak and his team selected current WSIB capital market assumptions WSOS and Washington STEM staff provided two cash flow projections for analysis: the first anticipated conservative fundraising through 2032 and spending the account down by 2032 with a steady state in the number of scholarships (550 per year) while the other case anticipated significant fundraising through 2026 and tapered fundraising through 2035 with a higher number of scholarships. Both cases anticipated high payout rates during the program. State match funds would be held in cash and spent first with an assumption there could be a year delay in matching. The first case was most susceptible to near-term market downturns and therefore was selected as the most conservative for allocation modeling.

Hanak also provided a Scholarship and Endowment Accounts refresh for the 2018 strategic asset allocation study (related to the Baccalaureate scholarship). As of 1/31/20, the market value of the Scholarship Account is \$77.8M. Updated cash flow assumptions include modest changes to operating expenses and scholarship payout. More notable changes include spenddown of state match funding. The allocation was reviewed using updated cash flow projections and current capital market assumptions. With high liquidity needs, low expected return and a low tolerance for volatility, the conservative asset allocation already identified and in place is appropriate.

As of 1/31/20, the market value of the Endowment Account is \$5.1M, and there is no budgeted payout for the foreseeable future. All current funds are no longer restricted as they represent interest earned on the initial Boeing investment only. The allocation was reviewed using current WSIB capital market assumptions. With the current zero liquidity requirements, a perpetual time horizon, and the need to grow the account implies a higher risk/return target than the Scholarship and CTS Accounts.

Hanak presented his recommendation to the Committee to leave the target allocations for the CTS Account at current levels which were temporarily matched to the (Baccalaureate) Scholarship Account as a derisking intermediate step. The CTS and Scholarship Accounts will therefore share the same recommended allocations due to their similar program structures. In response to a question from Shimomura, Kimber Connors stated the assumption is that we will increase cohorts first rather than extend the length of the scholarship program though the decision on how to use excess funds ultimately lands with the Board.

Carolyn Kelly reflected that the results of the asset allocation study of the CTS Account validates the process that was done previously with the other two accounts. Brad Faulhaber asked if the asset allocation was more sensitive to the payout or to the capital market assumptions. Hanak stated that current fixed income yields are substantially lower than at the time of the 2018 asset allocation study. As a sensitivity analysis, the model was also run assuming 100 bps lower expected returns for fixed income and cash. The results estimated that the program was viable with the lower fixed income return assumption.

DeShay Gould stated that while the inputs could be changed, the approach is appropriate. Damon stated he is comfortable with the recommendation and expressed appreciation to WSIB for the robust asset allocation study. Julie Sandler stated her agreement with the recommendation.

Kelly made a motion to approve the CTS Account allocation with the same risk profile as the existing Scholarship Account because it provides reasonable efficiency for the portfolio and maintains the likelihood of achieving the cash flow forecast. The motion was seconded by Gould and it carried unanimously.

**Program Update**

Connors reminded the Committee of the 2020 budget they had recommended to the WSOS Board for approval. She reported the Board had a discussion about whether Development needed more funding. The Board approved the budget with the proviso that if an additional \$50K is needed for Development costs, the need can be brought to this committee for approval at our next meeting on June 2.

Connors stated that the Committee will be meeting again on Thursday and committee members can expect to receive the pre-read materials tomorrow. The agenda for the meeting is threefold: revisit the Charter, review the roles of a committee member, and engage in succession planning for excellent additions to this committee. A report on this meeting will be shared during the next full Committee meeting on June 2.

Hogans requested committee members carefully review the pre-read materials in preparation for Thursday's meeting. He expressed appreciation for the effort to help find quality new committee members to replace those who are going off the committee.

The meeting adjourned at 3:03 pm.

Respectfully submitted,  
Karyl Gregory

DRAFT

**Tab B**

Proposed New Committee Members



WASHINGTON STATE  
**OPPORTUNITY**  
SCHOLARSHIP

**ELISA LA CAVA**

Madrona Venture Group  
SENIOR ASSOCIATE



Elisa joined Madrona in 2018. Elisa focuses on sourcing and evaluating new investment opportunities that span the full breadth of Madrona's investment themes, as well as working with portfolio companies to develop strategies for growth and success. Elisa is particularly interested in intelligent applications, multi-sense interfaces, and fintech.

**Source:** <https://www.madrona.com/team-profiles/elisa-la-cava/>

**LinkedIn:** <https://www.linkedin.com/in/elisalacava/>

WASHINGTON STATE  
**OPPORTUNITY**  
SCHOLARSHIP

**MATT RUBRIGHT**

Early Stage Practice at Silicon Valley Bank  
VICE PRESIDENT  
Early & Growth Stage Relationships



Matt Rubright leads early stage client relationships based in Washington. Working with founders from inception through the first few rounds of institutional venture capital, he advises across a wide range of startup capital needs. Prior to SVB, Matt spent 6 years in management consulting working with large enterprise companies ranging from digital strategy to product management.

**Source:** <https://www.svb.com/profile/matt-rubright>

**LinkedIn:** <https://www.linkedin.com/in/matt-rubright-23385554/>

## **Tab C**

Program Administrator Report

# FINANCE & PROGRAM ADMINISTRATOR UPDATE

April 30, 2020

WASHINGTON STATE  
**OPPORTUNITY**  
SCHOLARSHIP

# WSOS Balance Sheet

April 30, 2020

	Comparison to Last Reported Period			Notes	Comparison to Same Period LFY		
	12/31/19	% Change	4/30/20		4/30/19	% Change	4/30/20
<b>Assets</b>							
Cash	1,178,117	-26%	877,132	1	3,331,747	-74%	877,132
Investments	112,320,483	-7%	104,841,026	2	109,838,783	-5%	104,841,026
Accounts Receivable	3,903	63%	6,343		41,674	-85%	6,343
Pledges and Grants Receivable, net	5,006,598	20%	5,989,069	3	7,008,222	-15%	5,989,069
State match receivable, net	212,081	56%	330,180	4	5,081,260		330,180
Prepaid Expenses	78,149	14%	89,346		94,054	-5%	89,346
Property and equipment, net	31,446	-12%	27,587		39,165	-30%	27,587
<b>Total Assets</b>	<b>118,830,777</b>	<b>-6%</b>	<b>112,160,683</b>		<b>125,434,905</b>	<b>-11%</b>	<b>112,160,683</b>
<b>Liabilities and Net Assets</b>							
Accounts Payable	81,571	-24%	61,968		87,135	-29%	61,968
Payroll Related Liabilities	149,054	-53%	69,944		74,949	-7%	69,944
Scholarship Commitments Bacc., net	31,156,568	-14%	26,870,392	5	27,269,050	-1%	26,870,392
Scholarship Commitments CTS, net	1,630,131	-6%	1,531,012	5			1,531,012
<b>Total Liabilities</b>	<b>33,017,324</b>	<b>-14%</b>	<b>28,533,316</b>		<b>27,431,134</b>	<b>4%</b>	<b>28,533,316</b>
<b>Net Assets</b>							
Temporarily Restricted Net Assets	85,813,453	-3%	83,627,367		73,003,771	235%	83,627,367
Permanently Restricted Net Assets		0%			25,000,000	-100%	
<b>Total Net Assets</b>	<b>85,813,453</b>	<b>-3%</b>	<b>83,627,367</b>		<b>98,003,771</b>	<b>-15%</b>	<b>83,627,367</b>
<b>Total Liabilities and Net Assets</b>	<b>118,830,777</b>	<b>-6%</b>	<b>112,160,683</b>		<b>125,434,905</b>	<b>-11%</b>	<b>112,160,683</b>

# WSOS Balance Sheet

## Notes:

1. Decrease in cash January and April largely due to net Scholarship disbursements of \$4.48M. These were offset by WSAC match of \$212K as well as \$330K of cash from donors (largest was BECU Foundation of \$162.5K), balance augmented by liquidation of investments (\$4MM from WSIB).
2. Investment balance as of 04/30/20 includes WSIB BaS Scholarship \$71.41M, WSIB CTS Scholarship \$27M, WSIB Endowment \$5.2M, KeyBank Capital BaS \$802K, and KeyBank Capital CTS \$425K. The KeyBank investment account (public dollars) provides cash needs first in order to fund scholarship demands.
3. Pledges and Grants Receivable, net, increased primarily due to Brad Smith pledge of \$1M in support of Rural Jobs (covers 4 years). Balance includes Gary Rubens' pledge of \$5M, Brad Smith pledge of \$1M, corporate \$2.5K, and other individuals of \$36K.
4. State match receivable includes accrual for match of all private dollars received from January to April. Due to timing and amount of appropriations this and any additional match from May and June will be invoiced to WSAC after July 1<sup>st</sup> when the new appropriations cycle begins.
5. In March we recorded adjustments to our Scholarship liabilities for the CTS programs of \$596K. This increase was offset by net disbursements between January and April for the Baccalaureate and CTS programs of \$3.9M and \$585K, respectively.

# WSOS Income Statement

## Actual vs. Budget

Four Months Ending April 30, 2020

	Four Months Ending April 30, 2020			Notes	December 31, 2020
	Actual	Budget	Variance Fav (Unfav)		Annual Budget
<b>Revenue</b>					
Private	1,303,283	341,120	962,163	1	1,705,599
Public	330,663	255,839	74,824		4,205,591
Investment Income	(2,802,898)	122,064	(2,924,962)	2	366,192
<b>Total Revenue</b>	<b>(1,168,951)</b>	<b>719,023</b>	<b>(1,887,974)</b>		<b>6,277,382</b>
<b>Program Expense</b>					
Salaries and Benefits	571,318	616,773	45,455	4	2,493,606
Professional Fees - Program Admin fees	171,180	171,180	-		530,540
Professional Fees - Contractors & Lobbying	76,402	78,340	1,938		617,500
Conferences, Conventions & Meetings	19,372	32,276	12,904	5	206,270
Operating Expenses	82,714	106,902	24,188	5	356,566
	<b>920,985</b>	<b>1,005,471</b>	<b>84,486</b>		<b>4,204,482</b>
<b>Income (Loss) before Scholarship Exp</b>	<b>(2,089,936)</b>	<b>(286,448)</b>	<b>(1,803,488)</b>		<b>2,072,900</b>
<b>Scholarship Expense</b>	<b>96,151</b>	<b>664,273</b>	<b>568,122</b>	6	<b>10,998,132</b>
<b>Net Income (Loss)</b>	<b>(2,186,086)</b>	<b>(950,721)</b>	<b>(1,235,365)</b>		<b>(8,925,232)</b>

# WSOS Income Statement

## Notes:

1. Revenue Private: The 2020 Budget included \$1M for 4-year scholarship and \$705K for CTS, divided evenly by quarter throughout the year. New revenues between January and April included a \$1M pledge from Brad Smith, \$162.5K from BECU Foundation, CWU Foundation Castner and Hanson donations of \$50K and \$10K, respectively, \$25K from the Coley Fund, \$25K from Jim Sinegal, and \$10K from Real Networks.
2. Revenue Public: State Match revenues accrued based on \$331K of private receipts between January and April.
3. Investment income: Actual YTD includes unrealized+realized losses of \$2.86M, interest & dividend income of \$81K and investment expense of \$20K. Budget does not include forecasting gains/losses.
4. Salaries and benefits; Slightly under as there was a delay in hiring new positions compared to what was expected in the budget.
5. Conferences, Conventions and Meetings, and Operating Expenses were both lower than budget due in part to Covid-19 quarantine measures as well as timing of expenses in the budget vs. actual.
6. Scholarship expense for CY 2020 for BaS will be recorded in August with any final adjustments in December. The CTS liability and adjustments are recorded in March, August, and December based on portion of students accepted into the program. The expense in the budget is net of anticipated refunds. In actuality, refunds are received throughout the year, so the difference between budget and actual is primarily due to this. CTS expense recorded in March was \$596K, and was related to final group of students in Cohort 1.



# WSOS Cash Flow

## Cash Flow Summary

Inception-To-Date

Apr. 30, 2020

### CASH FLOW

#### Cash Inflow:

	Inception - Apr. 30, 2020			
	Scholarship	Endowment	Notes	Total
Boeing	25,110,000	-		25,110,000
Microsoft	35,000,000	-		35,000,000
Other Private	33,736,484	-	1	33,736,484
State	93,343,228	-	2	93,343,228
Investment Income*	13,264,923	5,204,142	3	18,469,065
<b>Total Cash Inflows</b>	<b>200,454,635</b>	<b>5,204,142</b>		<b>205,658,777</b>

#### Cash Outflow:

Scholarships	(81,273,834)	-	4	(81,273,834)
Program Expenses	(18,660,973)	(5,812)		(18,666,785)
<b>Total Cash Outflows</b>	<b>(99,934,807)</b>	<b>(5,812)</b>		<b>(99,940,619)</b>

#### Net Cash Flow Inception-To-Date

<b>100,519,828</b>	<b>5,198,330</b>		<b>105,718,158</b>
--------------------	------------------	--	--------------------

### Composition of Net Cash Flow

KeyBank Checking Account	877,132	-	5	877,132
Investment Accounts at WSIB and KeyBank	99,642,696	5,198,330	5	104,841,026
<b>Total</b>	<b>100,519,828</b>	<b>5,198,330</b>		<b>105,718,158</b>

\*Include unrealized/realized gains.

# WSOS Cash Flow

## Notes:

1. Cash Inflow: Other Private - \$330K received on cash basis between January and April.
2. State - Received \$212K from WSAC between January and April.
3. Investment Income – 2020 investment income included unrealized/realized losses in BaS accounts of \$1.95M, CTS accounts of \$401K, and Endowment account of \$507K.
4. Scholarship disbursements were \$4.96M (\$4.29M Baccalaureate, \$678K CTS) between January and April 2020 and scholarship refunds totaled \$483K (\$390K Baccalaureate, \$93K 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.

**Washington State Opportunity Scholarship (WSOS)  
Statement of Cash Flows  
2020**

\*Note: State Match to WSAC reflected in A/R, net once invoice submitted.

	2020 Jan	2020 Feb	2020 Mar	2020 Apr	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2020 YTD
<b>OPERATING ACTIVITIES</b>									
Change in net assets	788,882	(1,418,837)	(6,012,583)	4,456,452	(6,642,538)	4,456,452	-	-	(2,186,086)
Adjustments to reconcile change in net assets to net cash used by operating activities-									
Add: Depreciation & Amortization	965	965	964	965	2,894	965	-	-	3,859
Add: Loss (Subtract: Gain) on disposal of fixed assets	-	-	-	-	-	-	-	-	-
Add: Loss (Subtract: Gain) on realized/unrealized investments	(654,360)	1,452,209	6,484,361	(4,482,754)	7,282,210	(4,482,754)	-	-	2,799,456
Add: Accretion of prepaid loan fees	-	-	-	-	-	-	-	-	-
Add: Loss on extinguishment of debt	-	-	-	-	-	-	-	-	-
Changes to balance sheet accounts:									
Accounts receivable, net	(1,090)	(1,114)	4,263	(4,499)	2,059	(4,499)	-	-	(2,440)
Prepaid expenses & other assets	(17,817)	12,230	(11,061)	5,451	(16,648)	5,451	-	-	(11,197)
Pledges receivable	(213,236)	6,290	(863,752)	88,226	(1,070,698)	88,226	-	-	(982,472)
State match receivable	-	212,081	(230,114)	(100,065)	(18,033)	(100,065)	-	-	(118,098)
Accounts payable	13,605	(1,122)	(19,558)	1,310	(7,075)	1,310	-	-	(5,765)
Scholarship commitments	(94,622)	(39,180)	(4,206,017)	(45,476)	(4,339,819)	(45,476)	-	-	(4,385,295)
Accrued expenses and other	(78,316)	(751)	(11,153)	(2,727)	(90,220)	(2,727)	-	-	(92,947)
Net Cash (used) provided by operations	(255,989)	222,771	(4,864,650)	(83,117)	(4,897,868)	(83,117)	-	-	(4,980,985)
<b>INVESTING ACTIVITIES</b>									
Purchases of property & equipment	-	-	-	-	-	-	-	-	-
Proceeds from sale of property & equipment	-	-	-	-	-	-	-	-	-
Proceeds from sale of investments	-	-	4,680,000	201,912	4,680,000	201,912	-	-	4,881,912
Purchases of investments	-	-	-	(201,912)	-	(201,912)	-	-	(201,912)
Proceeds from sale of subsidiary	-	-	-	-	-	-	-	-	-
Other investing activities	-	-	-	-	-	-	-	-	-
Net Cash (used) by investing activities	-	-	4,680,000	-	4,680,000	-	-	-	4,680,000
<b>FINANCING ACTIVITIES</b>									
Cash contributions and pledges collected for endowment purposes	-	-	-	-	-	-	-	-	-
Payments on capital leases	-	-	-	-	-	-	-	-	-
Net Cash (used) provided by financing activities	-	-	-	-	-	-	-	-	-
Cash Flow	(255,989)	222,771	(184,650)	(83,117)	(217,868)	(83,117)	-	-	(300,985)
Cash at Beginning of Period	1,178,117	922,128	1,144,899	960,249	1,178,117	960,249	877,132	877,132	1,178,117
Cash at End of Period	922,128	1,144,899	960,249	877,132	960,249	877,132	877,132	877,132	877,132

## **Tab D**

### WSIB Quarterly Performance Report



**Washington State  
Investment Board**

**WSOS Investment and Finance Committee  
Performance Review 1Q20  
June 2, 2020**



**Chris Phillips  
Director of Institutional Relations**



# WSOS Scholarship/Endowment Funds – Growth of Assets

March 31, 2020



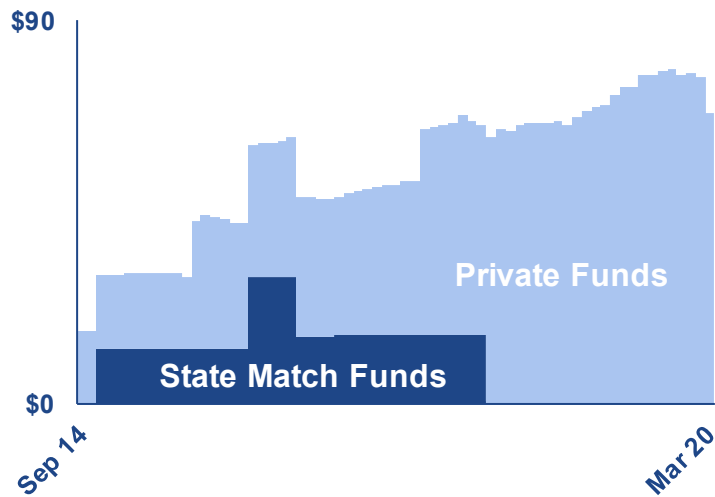
## Scholarship Account

- ▣ Total assets: \$68.0 million
- ▣ 100% private funds

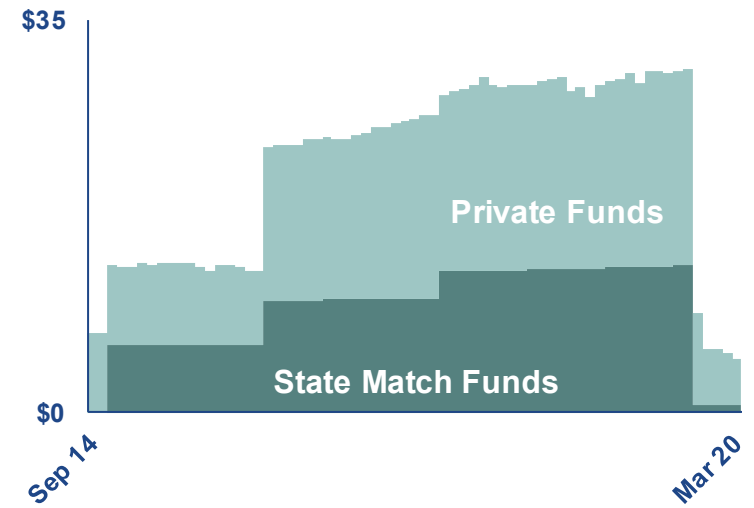
## Endowment Account

- ▣ Total assets: \$4.8 million
- ▣ 88% private funds and 12% state match funds

## Growth of Scholarship Assets



## Growth of Endowment Assets





# WSOS Scholarship/Endowment Funds – Growth of Assets

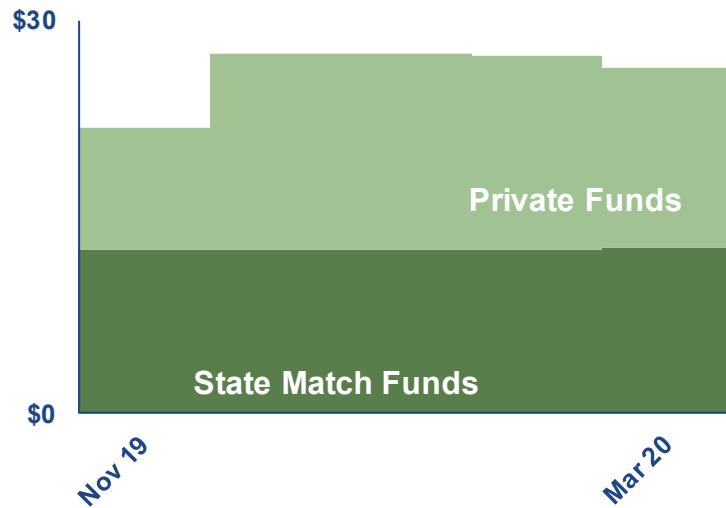
March 31, 2020



## Student Support Pathways (CTS) Account

- Total assets: \$26.3 million
- 52% private funds and 48% state match funds

## Growth of Student Support Pathways (CTS) Assets





# Market Values and Asset Allocation for Private Funds

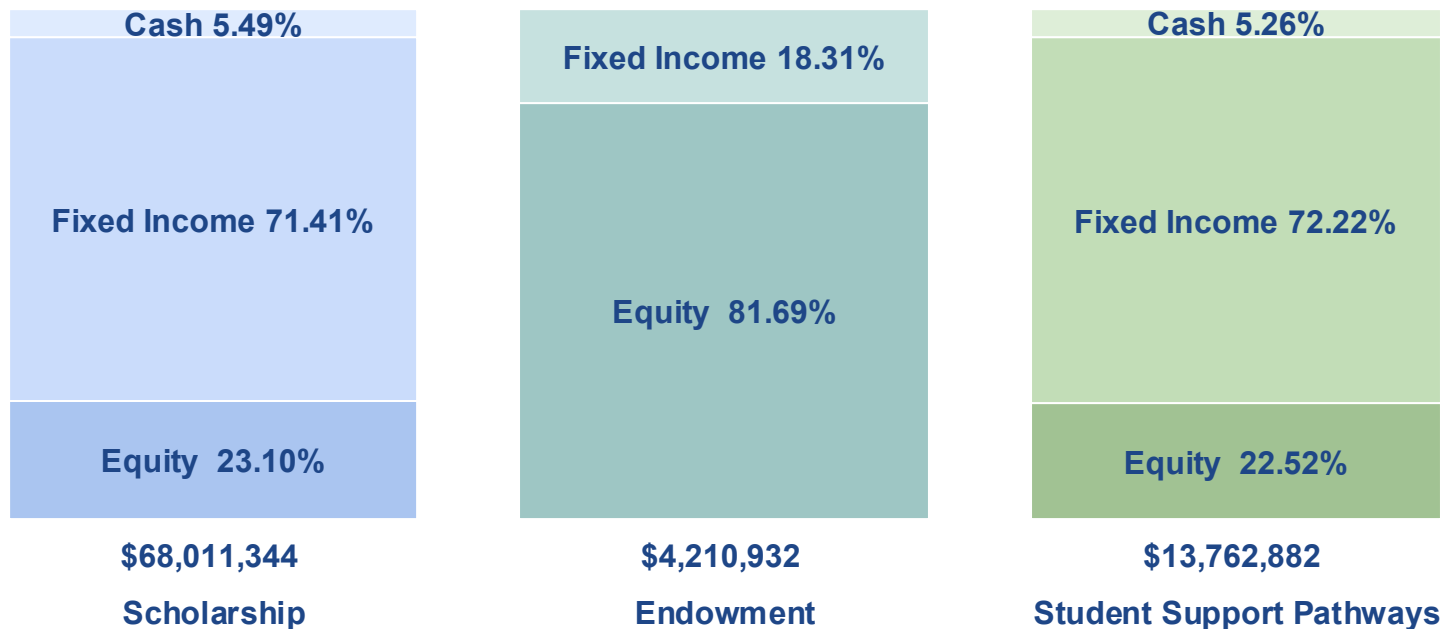
*March 31, 2020*

## 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







## Market Values for State Funds

*March 31, 2020*



### State Match Funds

- ▣ Both target and current allocations are 100% cash
- ▣ Cash is invested in a money market fund managed by BlackRock

### Market Values

Scholarship	\$10
Endowment	\$584,679
Student Support Pathways	\$12,557,894



# Fund Performance Updates

March 31, 2020

	1st Qtr. 2020	1 Year	3 Year	5 Year	Since Inception
<b>Scholarship</b>					
Private	-7.29%	-0.60%	3.87%	3.95%	4.13%
Private Benchmark	-7.47%	-0.62%	3.88%	3.99%	4.20%
State Match	0.26%	1.78%	1.56%	1.02%	0.95%
State Match Benchmark	0.58%	2.28%	1.85%	1.21%	1.13%
Private Funds Benchmark: 25% Equity, 70% Fixed Income, and 5% Cash. State Match Benchmark: 100% Cash					

<b>Endowment</b>					
Private	-17.77%	-12.80%	0.32%	2.20%	2.57%
Private Benchmark	-18.59%	-9.26%	1.64%	2.89%	3.22%
State Match	0.32%	1.84%	1.60%	1.04%	0.97%
State Match Benchmark	0.58%	2.28%	1.85%	1.21%	1.13%
Private Funds Benchmark: 80% Equity, 20% Fixed Income. State Match Benchmark: 100% Cash.					

<b>Student Support Pathways</b>					
Private	-7.30%	N/A	N/A	N/A	-5.71%
Private Benchmark	-7.47%	N/A	N/A	N/A	-6.46%
State Match	0.32%	N/A	N/A	N/A	0.46%
State Match Benchmark	0.58%	N/A	N/A	N/A	0.74%
Private Funds Benchmark: 25% Equity, 70% Fixed Income, and 5% Cash. State Match Benchmark: 100% Cash.					

Note: All program benchmarks use the MSCI ACWI IMI w/U.S. Gross, Bloomberg Barclays Intermediate Credit, and the 90 Day Tbill



## Fund Performance Updates

March 31, 2020

	1st Qtr. 2020	1 Year	3 Year	5 Year	Since Inception
<b>Equity</b>					
Scholarship	-22.35%	-12.55%	1.52%	2.93%	3.27%
Endowment	-21.89%	-9.53%	2.19%	3.45%	3.75%
Student Support Pathways	-22.35%	N/A	N/A	N/A	-18.19%
MSCI ACWI IMI w/ U.S. Gross	-22.37%	-12.45%	1.07%	2.77%	
<b>Fixed Income</b>					
Scholarship	-1.92%	3.66%	3.35%	3.02%	3.18%
Endowment	-1.92%	3.70%	3.36%	3.03%	3.19%
Student Support Pathways	-1.92%	N/A	N/A	N/A	-1.50%
BB Intermediate Credit	-2.35%	3.28%	3.11%	2.65%	



# Bond Fund Characteristics & Top 10 Issuers

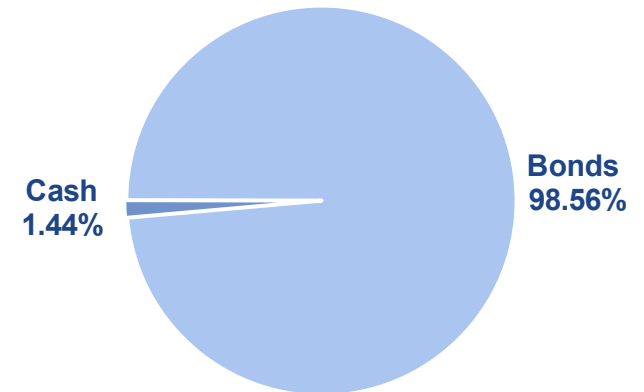
March 31, 2020

## Top 10 Issuers

Blackrock Inc.	1.92%
Laboratory Corp. Of America	1.19%
Banco Del Estado de Chile	1.16%
SP PowerAssets Ltd.	1.06%
Apple Inc.	1.02%
Asian Development Bank	1.01%
AbbVie Inc.	0.99%
Posco	0.98%
Standard Chartered Bank	0.98%
Macquarie Bank Ltd.	0.97%

## Asset Allocation and Market Value

Bond Fund	\$2,050,788,928
-----------	-----------------



## Characteristics

	Fund	Index
Average Maturity	5.1 years	4.8 years
Yield to Maturity	2.55%	2.35%
Modified Duration	4.53	4.16
Average Coupon	3.23%	3.46%
Number of Holdings	242	4,470



## Capital Markets at a Glance

*March 31, 2020*

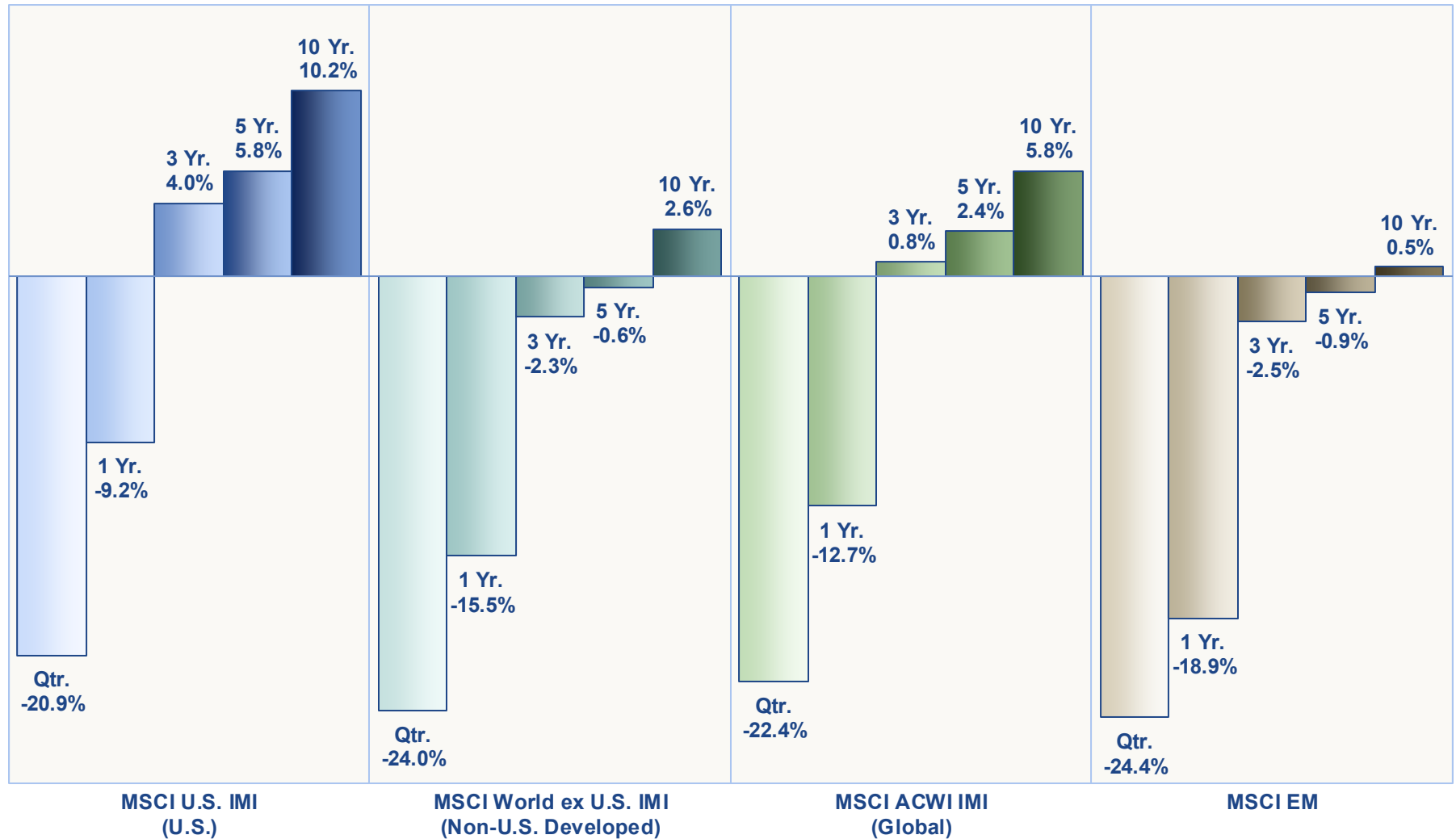


- ❑ A COVID-19 pandemic triggered an unprecedented global shock for investment markets in 1Q 2020
- ❑ Global developed markets declined -22.2% for the quarter and -14.2% in March alone
- ❑ Central banks applied monetary policies: The Fed lowered interest rates 50 bps on March 3; 75 bps on March 15, to target rate of 0.25%
- ❑ Governments enacted fiscal policies: Congress enacted a stimulus package worth an estimated 10% of GDP
- ❑ In fixed income, extremely low interest rates and wide credit spreads created mixed results
- ❑ U.S. Treasuries were up 8.2% for the quarter; high yield bonds dropped -12.7%; 10-year U.S. Treasury rate ended the quarter at 0.67%
- ❑ Oil, hit with diminished demand and disagreements over supply levels, saw a return -65.6% for the quarter



# Capital Markets at a Glance

March 31, 2020





## Contact Information



Web Site: <http://www.sib.wa.gov>

The screenshot shows the Washington State Investment Board website. The header includes the logo and the tagline "Investing with integrity, prudence, and skill". A search bar is located in the top right corner. The main content area features a large banner with the text "Delivering investment results for retirement plans & public trusts" and a background image of business silhouettes. To the left of the banner is a navigation menu with categories: INVESTING (Investment Overview, Fund Performance, Investment Reports), INFORMING (Board Info, Committees, WSIB Staff, News & Resources, Contact Us), ENGAGING (Responsible Investing, Corporate Governance, Risk), and EMPLOYING (Searches, Jobs). Below the banner are four boxes: "FEATURES" (Glossary, FAQ, Resources & Map, Directions & Map), "POPULAR PICKS" (IRR Report, Quarterly Report, Risk Framework, Policies), "NEED INFO?" (with question marks), and "WSIB STORY" (with an upward arrow).

### Address:

2100 Evergreen Park Drive SW

P.O. Box 40916

Olympia, WA 98504-0916

### Phone Number:

(360) 956-4600



## Washington State Opportunities Scholarship

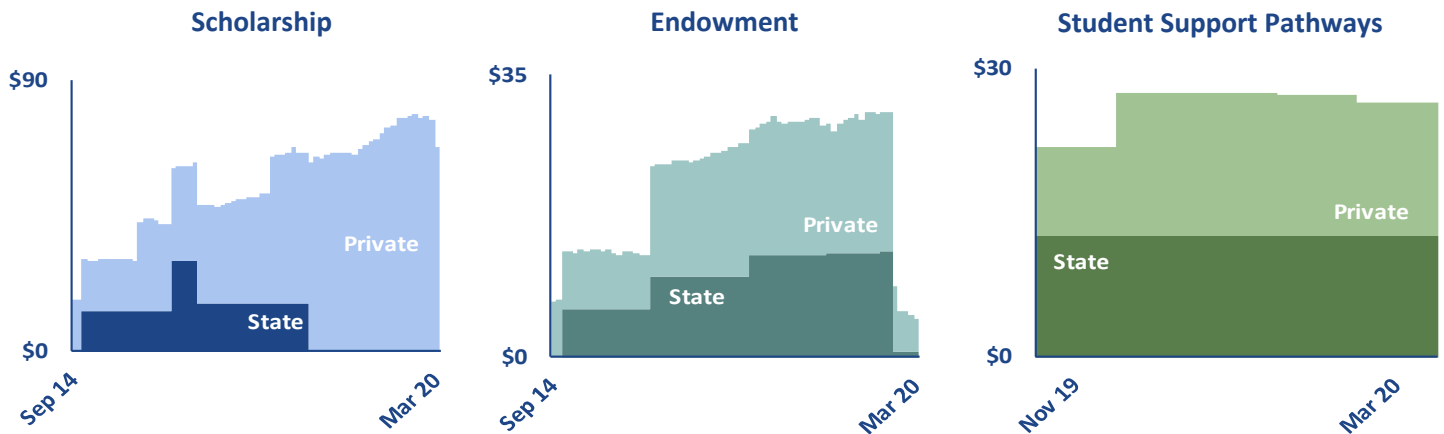
Quarterly Report – March 31, 2020

Portfolio Size, Allocation, and Assets Under Management ..... 2

Performance..... 3



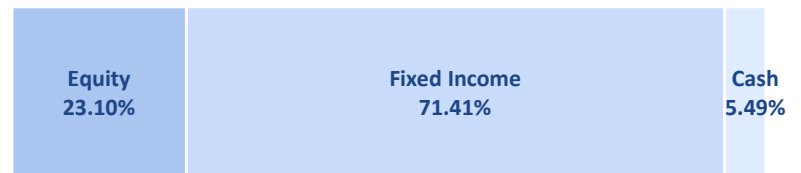
Private and State Match Assets Under Management (\$ Millions)



**Scholarship**

<b>Private Total</b>	<b>\$68,011,344</b>
Equity	\$15,713,642
Fixed Income	\$48,566,254
Cash	\$3,731,448
<b>State Match Total</b>	<b>\$10</b>
Cash	\$10

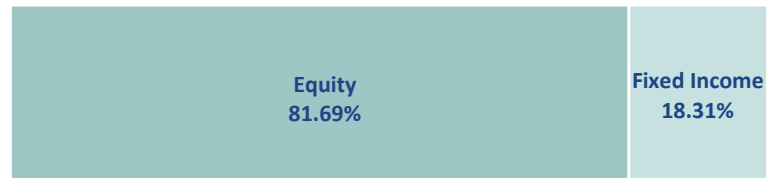
**Private Allocation**



**Endowment**

<b>Private Total</b>	<b>\$4,210,932</b>
Equity	\$3,439,896
Fixed Income	\$769,725
Cash	\$1,311
<b>State Match Total</b>	<b>\$584,679</b>
Cash	\$584,679

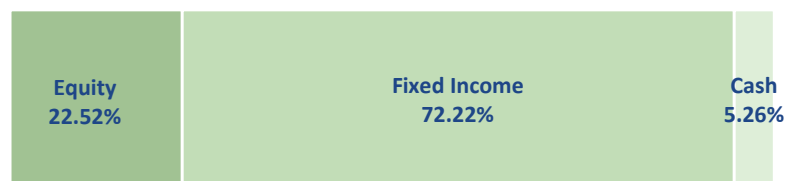
**Private Allocation**



**Student Support Pathways**

<b>Private Total</b>	<b>\$13,762,882</b>
Equity	\$3,099,261
Fixed Income	\$9,939,682
Cash	\$723,939
<b>State Match Total</b>	<b>\$12,557,894</b>
Cash	\$12,557,894

**Private Allocation**



**Total Returns**

	1st Qtr. 2020	1 Year	3 Year	5 Year	Since Inception
<b>Scholarship</b>					
Private	-7.29%	-0.60%	3.87%	3.95%	4.13%
Private Benchmark	-7.47%	-0.62%	3.88%	3.99%	4.20%
State Match	0.26%	1.78%	1.56%	1.02%	0.95%
State Match Benchmark	0.58%	2.28%	1.85%	1.21%	1.13%

<b>Endowment</b>					
Private	-17.77%	-12.80%	0.32%	2.20%	2.57%
Private Benchmark	-18.59%	-9.26%	1.64%	2.89%	3.22%
State Match	0.32%	1.84%	1.60%	1.04%	0.97%
State Match Benchmark	0.58%	2.28%	1.85%	1.21%	1.13%

<b>Student Support Pathways</b>					
Private	-7.30%	N/A	N/A	N/A	-5.71%
Private Benchmark	-7.47%	N/A	N/A	N/A	-6.46%
State Match	0.32%	N/A	N/A	N/A	0.46%
State Match Benchmark	0.58%	N/A	N/A	N/A	0.74%

**Equity and Fixed Income Returns**

	1st Qtr. 2020	1 Year	3 Year	5 Year	Since Inception
<b>Equity</b>					
Scholarship	-22.35%	-12.55%	1.52%	2.93%	3.27%
Endowment	-21.89%	-9.53%	2.19%	3.45%	3.75%
Student Support Pathways	-22.35%	N/A	N/A	N/A	-18.19%
MSCI ACWI IMI w/ U.S. Gross	-22.37%	-12.45%	1.07%	2.77%	

<b>Fixed Income</b>					
Scholarship	-1.92%	3.66%	3.35%	3.02%	3.18%
Endowment	-1.92%	3.70%	3.36%	3.03%	3.19%
Student Support Pathways	-1.92%	N/A	N/A	N/A	-1.50%
BB Intermediate Credit	-2.35%	3.28%	3.11%	2.65%	

Scholarship and Student Support Pathways Benchmarks: Private 25% MSCI ACWI IMI w/U.S. Gross & 70% Bloomberg Barclays Intermediate Credit & 5% 90 Day Tbill, State Match 90 Day Tbill

Endowment Benchmarks: Private 80% MSCI ACWI IMI w/U.S. Gross & 20% Bloomberg Barclays Intermediate Credit, State Match 90 Day Tbill

Since Inception for Scholarship and Endowment: Private 10/1/14, State Match 11/25/14

Since Inception for Student Support Pathways: Private and State Match 11/27/19

## **Tab E**

Finance & Investment Committee Charter Updates

### **Proposed Non-substantive Changes to Charter**

- Updating CSF to WA STEM; titles
- Changing language to match the statute for account names, etc.
- Small language tweaks

### **Proposed Substantive Changes to Charter**

- Aligning terms with the WSOS Board (term end days on August 30)
- Adding note that members who miss two or more consecutive meetings may have membership reviewed/revoked
- Updating cadence from three meetings a year to quarterly cadence as is normal practice
- Changing charter review from annual to once every three years
- Formalizing annual review of F&I performance

(Revised) DRAFT FOR BOARD APPROVAL

BOARD OF DIRECTORS

Washington State Opportunity Scholarship

CHARTER OF THE ~~INVESTMENT-FINANCE~~ and ~~FINANCE-INVESTMENT~~ COMMITTEE

~~September 2013~~ Revised January, June 2020

I. Introduction

The Opportunity Scholarship Act, RCW 28(b).145 (hereafter referred to as the "Act") was enacted by the Washington Legislature to assist low-income and middle income students with college tuition and to help meet the needs of Washington State employers to fill jobs in high employer demand fields. The Act established the Washington State Opportunity Scholarship Board, hereinafter referred to as the "Board" with members appointed by the Governor to provide oversight and guidance for the Opportunity Scholarship and Opportunity Expansion programs. In accordance with the Act, the Board has appointed ~~Washington STEM the College Success Foundation as its the~~ Program Administrator. The Act mandates the establishment of the Opportunity Scholarship Endowment ~~Fund-Account~~ (herein referred to as the "OSEAF") to receive contributions as an endowed scholarship fund. The Act also mandated the establishment of the Opportunity Scholarship ~~Fund-Account~~ (here in referred to as the OSAF) to pay for committed scholarships and ~~p~~Program ~~s~~Services approved by the Board. The Board is responsible for overseeing the investment of all funds contributed to the OSEAF and the OSAF. The contract among the Board, the State of Washington and the Program Administrator requires the management of the OSEAF and OSAF to achieve the maximum rate of return on the investment account in accordance with the prudent investor standard and the Uniform Prudent Management of Institutional Funds Act (UPMIFA), RCW 24.55.

II. Statement of Purpose

The Board shall set all broad investment and finance policies consistent with all laws, rules, and regulations and all subsequent amendments thereto. The Board shall appoint the ~~Investment Finance~~ and ~~Finance-Investment~~ Committee (hereafter "the Committee") to carry out these policies and monitor asset allocation and investment performance as well as the selection and evaluation of the portfolio Investment Manager(s).

Specifically, the purpose of the Committee is to assist the Board by:

- ~~(1)~~ ~~(1)~~ providing oversight of WSOS investment strategy and investment guidelines;
- ~~(2)~~ ~~(2)~~ providing oversight of WSOS financial matters; and
- ~~(3)~~ ~~(3)~~ performing such related functions as may be assigned to it by the Board.

III. Appointment Membership and Length of Service

~~A.~~ ~~A.~~ Appointment.

~~–~~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 two (2) members of the Board. Remaining committee

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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. The ~~Chair of the Board and the Chief Executive Officer and Chief Financial Officer~~ Chief Operating Officer and Director of Finance of the Program Administrator shall be *ex-officio* nonvoting members of the Committee and are not included in the count of seven (7) Committee members.

B. Decisions.

1. Any and all decisions made by the Committee require a majority vote of those members present and a quorum of more than 50% of the Committee members, including at least one (1) member of the Board being present and able to vote on any given action. A quorum is 50% of the *non ex-officio* members in attendance.
2. In the absence of a quorum, a lesser number may adjourn the meeting.

C. Membership and Length of Service.

1. Terms of service shall begin ~~July 1~~ September 1 of the initial year and will end on ~~June August 31~~ 9 of the concluding year. The term of committee membership is four (4) years, except as provided below to allow for staggered terms. Members who miss two or more consecutive meetings may have their membership status reviewed.
2. Whenever necessary to safeguard the continuity of the Committee, members may be appointed to initial terms of less than four (4) years. Committee members shall be eligible to serve two (2) subsequent four (4)-year terms after their initial term. Members whose terms expire may be eligible for reappointment to the Committee after a period of at least two (2) years separation from the Committee.

**IV. Rules for the Conduct of Meetings of the Committee**

A. Committee Policies and Procedures. The Committee shall have the power to adopt rules for the conduct of its business.

B. Chair.

1. The Committee Chair shall be appointed by the Chair of the Board and ratified by the Board. ~~Only Both Board members and non-Board members~~ are eligible to be Chair of the Committee.

C. Meetings.

1. The Committee ~~will hold not less than three (3) meetings each~~ shall meet quarterly in alignment with Board meeting cadence, year and such additional ~~Additional~~ meetings as the Committee Chair may as deemed necessary or appropriate (including telephone ~~ie~~ meetings) may be convened, if necessary.
2. The Committee Chair or any three members of the Committee may call special meetings of the Committee.<sup>27</sup>

3. Notice of the meetings of the Committee may be given by hand delivery, by deposit in the U.S. Mail, by express mail, by electronic facsimile, or by electronic mail.
4. Members of the Committee will be provided an agenda and pre-read materials in advance of each meeting.
5. The meetings of the Committee may be conducted in person, by video conference, or by telephone conference call.
6. If a majority of the Committee agrees, the Committee may conduct business via facsimile or electronic format without a meeting. The vote of a majority of the Committee by facsimile, electronic format, or other method as approved by the Committee Chair, shall constitute the action of the Committee.

D. Conflicts of Interest.

    -Direct conflicts of interest with members of the Committee should be avoided. In the event that the Committee considers managers, investments, or any business relationship with an organization with which a Committee member has any conflict or appearance of conflict, the Committee member shall recuse himself or herself from participating in any related portion of the Committee's deliberations. Committee members are under no obligation to provide any investment or business opportunity to the Committee.

**V. Responsibilities and Duties of the Committee**

A. The responsibilities and duties of the Committee shall include the following:

1. Review the investment policies and strategies and provide policy guidance to the Board as directed. Such guidance shall include but not be limited to:
  - a) Overall investment strategy and guidelines for the ~~OSA~~AF and ~~OSE~~AF investment portfolios;~~;~~
  - b) Evaluation of asset classes for investment;~~;~~
  - c) An assessment of risk in the portfolio and risk mitigation strategies;~~;~~
  - d) Selection of new investment managers;~~;~~
  - e) Termination of existing investment managers;~~;~~ and
  - f) Review of the performance of the investment funds and investment managers.
2. Review and make recommendations to the Board regarding financial matters. Such guidance shall include but not be limited to:
  - a) Review the ~~Program~~ proposed annual budget as presented for the upcoming fiscal year;~~;~~
  - b) Recommend the annual budget to the ~~B~~board for approval; ~~and~~
  - c) Monitor and report to the ~~B~~board on the Administrator's compliance with the adopted budget during the fiscal year.

## VI. Communications and Minutes

- A. The Committee Chair or designate will report orally or in writing to the Board on matters discussed at the most recent Committee meeting at each quarterly Board meeting.
- B. Minutes of each meeting of the Committee will be prepared. Draft minutes will be provided to all members for their review and, upon approval, will be made a part of the official record of the proceedings of the Board. If the Committee has not approved the minutes prior to the next full Board meeting, draft minutes will be provided to the Board. The Board will be informed subsequent to their meeting if any significant changes are made in the final version of the Committee minutes. The official record of the Board proceedings for any given Board meeting will incorporate the latest version of the Committee's minutes at the time the official record is published.

## VII. Resources and Authority

### A. ~~A.~~ Staff Support and the Retention of Outside Advisors and Consultants.

~~The~~ Committee may receive assistance in performing these duties from staff of the WSOS Program Administrator and external investment managers; however, the Committee has the ultimate responsibility to hire, retain, or dismiss all investment managers, consultants, custodian banks, and others who may provide services to the WSOS. ~~All of~~ the decisions of the Committee shall be promptly communicated in writing to the Chair of the Board for implementation.

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### B. ~~B.~~ Indemnification.

~~Members~~ of the Committee shall be indemnified for any and all liabilities and reasonable expenses incurred in connection with any claim, action, suit, or proceeding arising from present or past service for the WSOS, to the maximum extent allowed by law.

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### C. ~~C.~~ Expenses.

~~Expenses~~ of members in attending meetings of the Committee, including travel expenses to and from the place of meeting, will ~~not~~ be reimbursed by the WSOS but only if travel exceeds 100 miles from their residences.

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## VIII. Periodic Review

### A. Charter Review.

1. As part of its duties to assist the Board in providing oversight of the WSOS overall investment strategy and guidelines, the Committee may propose changes to this Charter.
2. The Committee will review and assess ~~at least annually~~ the adequacy of the Finance & Investment Committee Charter at least once every three years. The Committee will submit proposed revisions to the Board for its approval.

### B. Committee Performance.



1. The Committee will ~~at least~~ annually evaluate its own performance in the fourth quarter with respect to the requirements of the Investment-Finance and Finance-Investment Committee Charter ~~in such a manner as the Committee deems appropriate. This evaluation will be reported back to the Board during one of the quarterly Board meeting updates.~~

## **Tab F**

Program Update

## Feasibility Study Budget Increase Request

### Background

At the January 2020 WSOS Board meeting, the Board voted to “approve the budget as presented giving the Finance & Investment Committee the ability to approve up to \$50K for Development costs/external consultant”. The Board made this decision to make available services of a third-party fundraising consultant to support the six-year plan to raise \$200M.

Since that meeting, the WSOS Development Director has researched and interviewed nine consultants and received proposals from three short-listed companies with highly successful fundraising track records supporting Washington nonprofits. Each proposal highlighted the company’s strengths and expertise in development strategy work including feasibility study preparation, execution and reporting. The three candidate companies presented their proposals to the WSOS Executive Director and Development Director, and it is our recommendation that WSOS engage the services of The Ostara Group. We respectfully request the WSOS Finance & Investment Committee approve a budget increase of up to \$50,000 to support the engagement of The Ostara Group in conducting a feasibility study and providing follow-up campaign counsel.

### Feasibility Study Definition

A feasibility study is a planning tool to determine whether a fundraising campaign is viable for an organization. They are conducted prior to the launch of large initiatives such as capital campaigns or other comprehensive funding initiatives proposed by a nonprofit. The consultant interviews key organization and community leaders identified by the nonprofit. These interviews help determine donor and prospective donor perceptions of an organization’s reputation and the need for the proposed program or project. The outcome of this study is the creation of a detailed fundraising strategy based on direct feedback from key stakeholders.

### Goal

Conducting a feasibility study will provide critical information to create the strategic plan for WSOS to raise \$200M over the next six years (2020 – 2025). The purpose of raising these funds is to expand the number of students supported by WSOS through 2030 and explore the potential to create an endowment fund to support WSOS in perpetuity. If successful, WSOS will:

- Increase the number of Opportunity Scholars in the Baccalaureate program from 750 per year to 1,000;
- Increase the number of Opportunity Scholars in the Career & Technical program (including the Rural Jobs CTS initiative) from 550 per year to 1,000; and
- Launch and fund 100 Graduated Scholarship students over the next five years.

The Finance and Investment Committee is invited to review the following documents supporting our request to approve the expense to retain The Ostara Group as the fundraising consultant per the attached proposal.

### Timeline

If approved, WSOS will retain The Ostara Group in June of 2020, and the study will be conducted in summer/fall of 2020. Report results will be presented to the WSOS Board of Directors in fall/winter 2020. By conducting a feasibility study with a professional fundraising consultant, WSOS will be equipped to launch a large-scale, successful fundraising campaign beginning in early 2021.

### **Competitive Review Process**

WSOS sought the recommendations of Board members and trusted development leaders in the nonprofit community and reached out to firms and individuals to assess interest and fit. The following factors were considered in assessing fit:

- Ties/experience working in Washington with Washington donors
- Web presence/professional presence
- Recommendation from a trusted source
- Reputation in the fundraising community
- Work with significant organizations of similar budget and scope

Eight companies were screened via a phone interview and over 10 hours of conversations were held. Three companies, The Alford Group, Breakthrough Fundraising Group and The Ostara Group were invited to submit formal bid proposals with the stated budget of \$50,000. Of these, The Ostara Group offers the greatest scope of services at the best price and includes the ability to add on additional grant research support within budget. There is also an option to expand the contract to include ongoing campaign counsel over the early years of the campaign.

The following appendices outline the proposal assessment considerations, describe the recommendations gathered and provide a brief overview of the top three candidates.

## **Appendix A: Proposal Assessment Considerations**

### **Feasibility Study Partner Requirements**

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#### **Demonstrates/expresses understanding**

- What WSOS does; our mission, purpose and Washington focus
- Our financial and program goals
- Our needs and existing plans
- Key components of our program, history

#### **Areas of Expertise**

- Readiness assessments
- Create compelling case for support
- Feasibility studies
- Strategic planning
- Campaign counsel
- DonorPerfect, DonorSearch

#### **Other**

- Sense of fit and connection
- Network of funders we should know
- Expertise around new/unexplored funding opportunities for WSOS
- Demonstrated attitude of collaboration
- References

### **Proposal Presentation**

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#### **Written proposal**

- Identifies/demonstrates understanding of our challenges and opportunities
- Proposes specific strategies to be employed
- Outlines proposed timing
- Introduces consultants and their qualifications
- Provides level of detail appropriate to this stage of discussion/understanding of WSOS
- Affirms commitment and understanding of equity in their work

#### **Presentation**

- Demonstrates confidence and enthusiasm for campaign
- Provides positive preview of collaboration and expertise
- Affirms commitment and understanding of equity in their work

## **Appendix B: Eight Phone Screened Candidates**

### Recommendations

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Mack Hogans, Board Member

#### **Mathers Connect**

Diane Cecchettini, Board Member

#### **Martz & Lindy**

#### **The Briggs Group**

#### **The Alford Group**

Julie Pham, WTIA

#### **Devi Consults**

Janet Boguch, Wide Angle Coaching

#### **Breakthrough Northwest**

#### **The Ostara Group**

#### **Campbell & Company**

... and other fundraising peers who confirmed these recommendations.

## Appendix C: Three Finalists

### THE ALFORD GROUP

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#### 40 yr old Chicago company, local branch office, long time employees

- Feasibility Study: process as important as the data that is collected
  - 40 interviews; the 'right 40', leader, major donor, influencer
  - Engage people along the way; gauge potential support
  - Leadership group is the "Oversight Committee", meets 3 times:
    - i. 1 X affirm case, goal and process
    - ii. 1 X mid-point to hear "so far" from Alford
    - iii. 1 X final report
  - Key board members also those closely held partners, a little further removed, 1/3.1/3.1/3 ratio
  - Work closely with WSOS to create collateral, story, visuals
  - Alford comes back with a confident number for  $\frac{1}{4}$  –  $\frac{1}{2}$  of campaign goal
  - They are looking for feedback on WSOS' image, reputation, stated need, response to the goal, timing, would you support this and at what level?
  - Best interviews are with those who have some familiarity with who WSOS is
- Alford senior level team member; work in teams
- Report: What it will take to get to the goal
- Analytics: They will analyze our database, patterns of giving, longevity of donors, etc.
- Case Prospectus: what they call the Case for Support
- Guidebook and timeline: they create. Set up committee and 6 – 8 weeks later is 1<sup>st</sup> interview
- Committee is 12 – 15 people
- 1<sup>st</sup> year: Strategy and consultation
- Recommendation include findings, analysis, road map of what to do, goal, timeline, infrastructure to support the work
- 2<sup>nd</sup> year: Execute on specific recommendations
- Option: Campaign counsel for three years, usual timeline

## Appendix C: Three Finalists - continued

### BREAKTHROUGH FUNDRAISING GROUP

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**Two-person, local company, Barb Maduell would be lead. Rec'd by Janet Boguch, uses subcontractors as needed**

- Knew about the breakfast, most research on us I thought of all except Ostara who knows us well
- Worked briefly in 2015 on the Thrive/WA STEM/WSOS threesome
- COVID-19:
  - high net worth individuals have lost some income, but it isn't enough to matter
  - Tough for timing of sponsorship, challenge fund asks
  - Long time corporate funders may redirect support to immediate human needs
  - Be in touch with corporate sponsors, here's what we're doing to respond
    - Mission impact
    - Plan for our event as it gets closer
    - Share impact of event
    - Only communicate if there's something to say not just "getting in touch, checking in"
    - Share how students are being impacted
- Feasibility Study
  - Assemble small committee of individual and corporate partners
  - Looking for those who could make "catalytic" gifts
  - Test drive them as leaders for future campaign
  - Board members and others
  - 10 – 12 people



## Appendix C: Three Finalists - continued

### THE OSTARA GROUP

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**Local, Seattle company, WSOS has worked with Karen Hirsch of Ostara since 2015, JeeYoung Dobbs would be lead**

- Timing: 2 – 5 month process
- Internal view into org, discovery phase
- Key prospects, mapping connections, data analytics, case for support
- Setting up committee (1/3 closely held like BOD, 1/3 friends, 1/3 connectors we'd like to know); who to look to externally
- External: Feasibility study
  - a. Number of people: 20 -40
  - b. Educate as well as gauge gift range, interest
  - c. Ostara questions plus add our own
  - d. They do the interviews, no one from WSOS involved
  - e. Very honest feedback they find
  - f. Recommendations
- Strategy/ fundraising plan
- Branding the campaign, full service approach
- Cost: \$20K - \$30K (competitors likely \$50K - \$70K)
- Set scope of work, bill by the hour and track, don't do retainers
- Experience: 300+ nonprofits

COVID-19 opinion: situation is generating an urgency to support all nonprofits to help them get through next 3 – 4 months

DonorPerfect/Search: JeeYoung is an expert; advice and analytics

Option: Ostara continues as Campaign Counsel over the course of the plan

**Appendix C: Three Finalists - continued**

WASHINGTON STATE <b>OPPORTUNITY</b> SCHOLARSHIP										
<b>Feasability Study Partner Assessment</b> 1 = very low alignment with need; 5 = very high alignment with need										
Company	Quote	Strong Washington ties	Stated commitment to equity	Thorough proposal	Expertise in areas needed	Fundraising success with other orgs	Best use of budget	Add on services within budget	Totals	
The Alford Group	\$ 54,000.00	4	1	3	4	5	3	No	<b>20</b>	
Fundraising Group	\$ 56,874.00	5	3	5	5	4	3	No	<b>25</b>	
The Ostara Group	\$ 27,675.00	5	5	5	5	5	5	Yes	<b>30</b>	

**The Ostara Group**  
102 W Roy Street  
Seattle, WA 98119  
206.466.1495

[www.ostaragroup.com](http://www.ostaragroup.com)



Kimber Connors & Erin Ashley  
Washington State Opportunity Scholarship  
1414 31<sup>st</sup> Ave S, Ste 302  
Seattle, WA 98144

April 28, 2020

Dear Kimber and Erin,

Thank you for the opportunity to submit a proposal for campaign planning to WSOS.

Based on our conversation, I'm sharing with you a proposal that outlines the ways Ostara could support you and your team to strategically grow internal development capacity and campaign readiness, and strategically plan for your campaign.

This proposal includes a full campaign planning study process with a June start date with the goal of winding down campaign feasibility/planning activities in September 2020 and the planning study report being delivered in October.

The proposal outlines a full range of work that includes campaign readiness, campaign planning, prospect research and more. As requested, the proposal includes both an optional scope of work for grants assessment and campaign grants research, and a high-level outline of campaign counsel to give you an idea of what that work could look like. While we've included a five-month project as a starting place, know that the timeline will be adjusted based on your real-time needs and the final scope of work you land on.

I've also recommended a team of consultants; the team approach allows us to provide high levels of expertise on multiple topics and to bring diverse voices into the room. I've copied those consultants here and their individual roles are outlined in the proposal below. In addition to their professional expertise, Kyle, Karen, and I bring our own relevant experiences that I think you'll find meaningful. Our bios are listed below

and we're happy to answer any additional questions you may have about our experience and practice.

Please let us know if you have any questions. We always view a proposal as just one step in the conversation and look forward to continuing the discussion to ensure that the scope and focus of our partnership meets your needs.

Sincerely,

JeeYoung Dobbs, Director of Campaign Services  
The Ostara Group  
jeeyoung@ostaragroup.com  
206.715.2554



# Proposal for Campaign Services To Washington State Opportunity Scholarship April 28, 2020

## Project Details

### Your Situation

Created in 2011 through an innovative public-private partnership between businesses and the WA State legislature, Washington State Opportunity Scholarship (WSOS) provides scholarships for students from low-and middle-income backgrounds to earn degrees in STEM and STEM-related fields, as well as holistic support in career development through industry-specific mentorship and ongoing training. WSOS is on track to serve 20,000 scholars across Washington State by 2025.

Since 2011, WSOS has raised \$100 million in private dollars which has been matched by the state. Given the success of the program and outpouring of philanthropic enthusiasm, WSOS board of directors and staff leadership are committed to ensuring that the fund lives past 2025 and can continue to serve Washington State scholars for years to come. WSOS leadership envisions a fund that allows WSOS to expand programming and scholarship opportunities to thousands of additional scholars and truly transform the state's workforce development efforts by investing in people through education, mentorship, and innovative career pathways.

With commitment and encouragement from the board, WSOS is seeking a strategic partner to guide the organization through a campaign planning study to explore the viability of a ~\$100 million fundraising campaign by engaging current and prospective donors and additional community stakeholders in meaningful conversations rooted in values and possibility.

### Our Solution

From our work across the sector, we know that all successful campaigns have three common elements:

- *Community* – Individuals, foundations, businesses, and government willing to invest in a compelling campaign vision and goals
- *Leadership* – Engaged Board of Directors, staff, and volunteers
- *Core Assets* – Sustainable development operations

With these three campaign success elements as guides, The Ostara Group will serve as a thought and strategy partner, keeping you energized and on track to reach your goal. We will provide the planning, coaching, and training to ensure that both staff and volunteers have the tools and resources they need to succeed.

The Ostara Group submits this proposal to Washington State Opportunity Scholarship to work together to achieve the following objectives:

1. To engage internal and external stakeholders to help shape a compelling internal and external capital campaign case for support
2. To draft a compelling campaign case for support
3. To test the capital campaign case for support with key supporters
4. To develop a strategy for pursuing individual major donor support for the campaign
5. To develop a volunteer leadership structure for the campaign
6. To provide WSOS's board of directors strategic coaching on board best practices in supporting WSOS's fundraising and campaign efforts
7. To develop and implement a strategic campaign fundraising framework with special focus on building a sustained pipeline of support for the duration of the campaign

We will achieve the following deliverables during this project period:

- Campaign readiness and development assessment
- Campaign case for support
- Community conversations including one-on-one interviews, focus group, and donor survey
- Comprehensive planning study report and recommendations
- *Optional grants assessment and campaign grants research*

The Ostara Group will work closely with Washington State Opportunity Scholarship in the following areas:

## **PHASE I: CORE ASSETS**

### **Launch Discussion**

- Meet with staff and board to discuss likely timeline, process, and roles in participating in campaign effort, allow for clarifying questions, and build a shared understanding.

- Ostarra will also support staff and board in developing campaign scope, goal, and timeline.

### **Campaign Readiness & Development Assessment**

- Ostarra CEO & Founder Kyle Halmrast and Senior Consultant JeeYoung Dobbs will audit development activities, systems, and roles to determine unmet needs to manage a campaign
- Kyle and JeeYoung will review and analyze current donor pool and pyramid as well as giving trends over the past three years
- Ostarra will estimate campaign giving potential among current donors including initial range gift profile and the identification of initial prospective donors to engage in Phase II: Community Conversations
- JeeYoung will work with WSOS to train staff on DonorSearch functionality and best practices to integrate DonorSearch into major gift and campaign prospecting work
- As requested by WSOS, Ostarra can provide additional fee-based prospect research services including donor wealth and philanthropic screenings, data appends, screening analysis and recommendations around donor segment prioritization  
*The Ostarra Group's prospect research service fees available upon request*

### **Campaign Visioning Workshop**

Ostarra Director of Strategy & Facilitation Services Karen Hirsch will facilitate campaign visioning workshop with Board of Directors and other key partners to shape the overall campaign promise from a donor and community point-of-view and define the essential elements of the campaign case for support

### **Case Development**

Building on the ideas generated during the campaign visioning workshop, Karen will collaborate with staff, volunteer leaders and other key partners to develop a campaign case overview to test during Phase II of the study.

## **PHASE II: COMMUNITY CONVERSATIONS**

### **Leadership Briefing**

Kyle and JeeYoung will work with the Board of Directors and staff to engage 12 to 15 volunteer leaders, key potential campaign leaders and donors, partners, and other key opinion leaders in a special meeting. The focus will be on sharing campaign and project

plans, an early preview of the draft campaign case overview, and gathering input on who to engage in interviews and the online survey.

### **Stakeholder Conversations**

Kyle and JeeYoung will conduct 25-30 face-to-face interviews to gather individual and family input on the campaign plans, potential leaders and donors, and overall strengths and challenges for the campaign. These conversations will also serve to educate the WSOS's most engaged supporters about the vision and purpose of the campaign and build consensus about what a campaign would entail.

### **Focus Group**

From the WSOS board, key community stakeholders, and other select leadership, gather opinions from comments shared and aggregated with other information we gather to identify overall trends and conclusions that will affect the feasibility of the campaign.

### **Online Survey**

Senior Consultant JeeYoung Dobbs will engage additional WSOS stakeholders in an online survey to gather input on the campaign plans, potential leaders and donors, and overall strengths and challenges for the campaign.

## **PHASE III: STUDY SYNTHESIS**

### **Summary Report and Findings**

JeeYoung will facilitate the development of a comprehensive report that will include an overview of study findings, recommendations for an appropriate and realistic fundraising goal, potential major donors (individual and institutional), prospects for key campaign volunteer leadership roles, staffing, campaign timeline, and next steps.

Separate documentation will also help guide volunteer leaders on suggested next steps with Stakeholder Conversation participants.

Ostara will work with WSOS board and staff to navigate important next steps outlined in the proposal to prepare WSOS for a successful campaign.



*As requested by WSOS, we are including an optional grants component to this proposal. Please review the chart later in the proposal for more details on costs. Ostara's approach to Grants Assessment and Campaign Grants Research is below:*

### **Optional Grants Assessment & Campaign Grants Research**

- Ostara Consultant Ella Mahler will audit grant program strategy, prospects, and history, as well as conduct grant research for campaign prospects, and work to identify well-aligned prospective funders for WSOS, based on our own experience and knowledge and industry databases. Ella will organize information into an easy-to-use bank of information, called the Grants Prospect Matrix.
- Ostara will then build a strategic grant timeline that tracks all grant-related needs, including but not limited to proposals, reports, and strategic communications with funders for the next several months and provides a structure to use on an ongoing basis.
- Within the scope of the contract, Ella will provide strategic guidance on all grant-related pursuits, including but not limited to projecting grant revenue, building relationships with grant funders over time, using the new grant tracking tools, balancing campaign and annual grantwriting efforts, aligning grantseeking with other campaign and development activities, and etc.

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*As requested by WSOS, we are including an outline of scope of work for campaign counsel to be considered once the planning study phase is over. Please review the chart later in the proposal for more details on costs. Below is a high-level summary of Ostara's approach to campaign counsel for one full year, assuming official campaign efforts begin December 2020:*

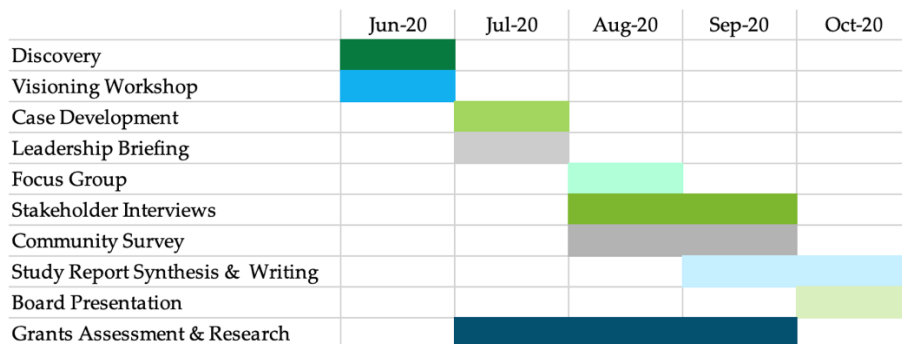
### ***Campaign Strategy & Counsel***

- Ostara CEO & Founder, Kyle Halmrast will facilitate trainings to WSOS's board of directors and/or campaign committee, offering leadership volunteers best practices in campaign fundraising.
- Offer "just in time" campaign strategy and coaching for WSOS's leadership volunteers and staff.
- Provide recommendations on a volunteer leadership structure that meets the short-term needs of the campaign and long-term needs of the organization.
- Senior Consultant JeeYoung Dobbs will participate in regular weekly and/or bi-weekly campaign strategy meetings with WSOS staff.

- Partner to implement an updated comprehensive campaign timeline with key benchmarks and fundraising goals for the current and upcoming phases of the campaign.
- Create campaign tools including gift tables, prospect tracking, moves management documents, donor communications including prospect briefings, pledge forms, etc.
- Provide campaign project management to WSOS staff and board leadership to ensure campaign activities are prioritized and prospects are actively engaged.
- Review WSOS’s annual development plan to ensure that campaign strategies and activities align and integrate with ongoing annual giving efforts.
- Advise on campaign communications, including the refinement of the case for support, help identify key constituencies, outline communication goals related to campaign milestones, and subsequent collateral materials.
- Advise and implement stewardship strategies for campaign prospects and donors, including quarterly updates, naming strategies, and events including house parties and other campaign event strategies.
- Guide staff and volunteers in determining appropriate donor recognition, including giving levels.
- Advise staff and volunteers on campaign ethics and best practices throughout the duration of the campaign.
- Assist in prospect research, including the identification and rating of new prospects for major and/or planned gifts and current donors who may be good candidates for upgrade gifts.
- Assist in segmentation of donor pool for public phase fundraising strategy.
- As requested, Ostara will provide top prospect solicitation strategy and coaching, including prospect research, briefing, meeting prep and strategy, as well as “visit role plays” with WSOS leadership as appropriate.

## Timeline

We will achieve **campaign planning study goals** between June through October 2020:



## Cost

The estimated cost of the campaign planning phase of this project is \$27,675, which we anticipate using as mapped out in the chart below. The breakdown by specific service is estimated. While total project costs will not exceed the total cost listed here, Ostara consultants may redistribute their hours across services however needed over the course of the project to meet goals.

Estimated costs for optional grants assessment, campaign grants research, and campaign counsel are also included.

### *Campaign Planning Study*

<b>Consultant</b>	<b>Hours</b>	<b>Hourly Rate</b>	<b>Sub-Total</b>
JeeYoung Dobbs, Director of Campaign Services (Project Lead) <i>Campaign Planning</i> <i>June - October 2020</i>	70	\$150	\$10,500
Kyle Halmrast, CEO & Founder <i>Campaign Planning</i> <i>June - October 2020</i>	55	\$225	\$12,375
Karen Hirsch, Director of Strategy & Facilitation <i>Campaign Case for Support</i> <i>June - August 2020</i>	32	\$150	\$4,800
<b>Total Project Costs:</b>			<b>\$27,675</b>

### *Optional Grants Assessment & Campaign Grants Research*

<b>Consultant</b>	<b>Hours</b>	<b>Hourly Rate</b>	<b>Sub-Total</b>
Ella Mahler, Consultant <i>Grants Assessment &amp; Campaign Grants</i> <i>Research</i> <i>July - September 2020</i>	40	\$110	\$4,400
<b>Total Project Costs:</b>			<b>\$4,400</b>

### *Post-Planning Study Campaign Counsel*

<b>Consultant</b>	<b>Hours</b>	<b>Hourly Rate</b>	<b>Sub-Total</b>
Kyle Halmrast, CEO & Founder <i>Campaign Counsel</i>	100	\$225	\$22,500

<i>December 2020 - December 2021</i>			
JeeYoung Dobbs, Director of Campaign Services <i>Campaign Counsel</i> <i>December 2020 - December 2021</i>	130	\$150	\$19,500
<b>Total Project Costs:</b>			<b>\$42,000</b>

Please note the following terms and conditions related to Ostara’s pricing structure:

**Projections.** Projected fees and costs are Ostara’s estimates based on the staffing assigned and objectives undertaken and are determined after careful discussion about the parameters of work to be performed under this Contract.

**Billable Hour Utilization.** Ostara is diligent in our scoping and proposal process. To that end, our clients should expect that Ostara will use 90% of the projected hours (at minimum) in the agreed upon timeframe for work.

**Expenses.** Expenses will be invoiced monthly and will include project-related meals, parking, printing, postage, tolls, and mileage for any travel outside of King County at 57.5 cents per mile, per IRS 2020 regulations.

**Billing for Additional Hours Worked.** If additional hours in excess of estimated and/or contracted hours are worked, and the hours worked are expressly authorized by the client in writing, Ostara reserves the right to bill for those hours worked by Ostara consultants as if they were negotiated at the outset of the Contract and the client agrees to pay for any such additional hours worked by Ostara per the terms of this Contract.

**Incremental-hour Billing Practice.** The Ostara Group bills each consultant at an hourly rate and bills in increments of 15 minutes.

## Our Process

### Custom-Built Change

Our process is to listen carefully to your needs and custom design a project to help you achieve your goals. We don’t believe one-size-fits-all; we will apply best practices to your unique circumstances in a way that fits your culture, mission, and experiences. We will center your work and the voice of the community you serve.

We work with nonprofits of all sizes and we are committed to your ultimate success. Ostara has a variety of consultants with different specialties and rates. We match you

with the consultant who is right for your project. We check in with you regularly, solicit feedback to inform project deliverables, and change course as needed to best serve your organization's needs.

### **With You, Not For You**

When working with Ostara consultants, you can expect collaborative, empathetic partners. We meet you where you are right now, creating tailored solutions that match what we hear from you. You will gain new perspective, skills, and tools as a result of partnering with Ostara. We have worked with hundreds of nonprofit leaders, we have been where you are, and we know what it is like to wear many hats, to face many conflicting pressures, and to want the very best outcomes for your community. We are here to help you do what you do best.

### **Communication, Travel, and Technology**

Ostara values face to face interaction as much as possible. We are also committed to environmental sustainability and to keeping costs within your budget. For this reason, we will utilize phone, email, and video conferencing for some of our interactions. You can expect regular face to face meetings, prompt email responses during business hours, and regular check-ins via phone, video, or in-person with us throughout the project. Let's have a conversation about what works best for you.

## **Who We Are**

### **Proposed Team**

Ostara's consultants have decades of knowledge on the front lines of nonprofit leadership and fundraising with some of the region's most effective and well-known nonprofit organizations. We have worked with more than 300 nonprofit organizations since we were founded in 2009. To view a representative list of our clients, please go to [www.ostaragroup.com](http://www.ostaragroup.com). Our expertise is rooted in the breadth of our experience as well as the collaborative nature of our work. We will bring the very best nonprofit practices to your organization.

### **JeeYoung Dobbs, Senior Consultant, Director of Campaign Services (Project Lead)**

With more than 15 years of experience in the nonprofit sector, JeeYoung brings extensive fundraising and capacity building expertise. Having held positions in annual giving, major gifts, and capital campaigns at organizations including Girl Scouts San Diego, Burke Museum of Natural History and Culture, Virginia Mason Foundation, KUOW Public Radio, and KEXP, JeeYoung is a skilled problem solver with deep

knowledge in all facets of fund development. She's held leadership roles in three capital campaigns, most recently as a major gifts officer for KEXP's \$15 million New Home Campaign in Seattle, WA.

At Ostara, JeeYoung manages campaign services and works with clients seeking to transform their community through extraordinary fundraising efforts. She has had the great fortune to work with organizations across the nonprofit sector including Ballard Food Bank, Frye Art Museum, MOHAI, New Beginnings, Pike Place Market Foundation, and more.

JeeYoung graduated with a BA English from Western Washington University and received her Certificate in Fundraising Management from the Lilly School of Fundraising at Indiana University. She volunteers with TeenTix, a youth development organization that empowers young people to become artists, advocates, and activists and is a member of Social Justice Fund NW's 2018 Immigration Justice Giving Project, a foundation working on the frontlines of social change throughout the Pacific Northwest.

#### **Kyle Halmrast, Founder & CEO**

Since founding Ostara in 2009, Mr. Halmrast and Ostara's consultants have assisted more than 300 nonprofits nationwide with expertise in capital campaign strategy and feasibility, interim development team services, organizational design, grant research and writing, social networking, board training, executive director coaching, strategic development planning and development program assessment.

Having held lead development roles in several of the Puget Sound region's most recognized non-profits, including University of Washington/UW Medicine, Woodland Park Zoo and the Sierra Club in the 20+ years he has been active in the non-profit sector, Kyle has expertise in all aspects of non-profit development, from board governance and training to complex capital/comprehensive/endowment campaign strategy and execution to strategic fundraising program assessment and tactical planning.

Additionally, Mr. Halmrast's work with more than 75 non-profit Boards has given him a unique perspective into the common challenges that Boards face around fundraising roles, governance, and organizational oversight, and how each distinctive Board can work with their organization to create a sustainable and successful relationship.

#### **Karen Hirsch, Partner, Director of Strategy and Facilitation Services**

Karen brings 30 years of experience in storytelling to her work at Ostara. Prior to Ostara, she directed award-winning documentaries and wrote content for local and national organizations including Woodland Park Zoo, Public Broadcasting System (PBS), MacArthur Foundation and Pyramid Communications to name a few.

At Ostara, Karen writes effective case statements for clients working in every corner of the nonprofit sector. Recent clients include: Pike Place Market Foundation, Bungie Foundation, Washington State Opportunity Scholarship, Rainier Valley Food Bank and the Merwin Conservancy.

As a public speaking coach, Karen helps people prepare speeches for major events, including fundraising events. She has worked with speakers from Washington State Opportunity Scholarship, Washington STEM and Microsoft.

Karen received her B.A. in English from Yale University and her Executive Master of Public Administration from the University of Washington's Evans School of Public Policy and Governance.

### **Ella Mahler, Consultant**

Ella jumped into nonprofits 10 years ago, immersing herself in the field full of dreamers, doers, leaders, and change-makers. As a dance artist, Ella began her fundraising career with contemporary arts organizations, where she honed skills in grant writing, donor relationships, and events. In 2013, she joined the The Ostara Group and has since worked with over 25 organizations – including ACT Theatre, Totem Star, Cancer Lifeline, Rainier Valley Food Bank, Bellevue Art Museum, and Northwest Center. She has helped her clients collectively secure nearly \$4 million dollars, grown first-time funders into multi-year partners, and has led grant strategies for capital campaigns – including the recent completion of the new University District Food Bank.

With her sharp skills in grant strategy and writing, Ella always sees the big picture ahead, while creating a detailed plan for how to get there. She builds customized tools to help target funders right for you, creates a timeline that keeps your goals on track, and showcases the unique change you make in our world. Additionally, her history as a fundraising generalist brings a comprehensive understanding of how grants, alongside other fundraising strategies, can best serve your organization.

### **Racial Equity Statement**

We acknowledge the power dynamic that exists in the nonprofit sector between the organizations that require funding to deliver their missions and the predominantly



white institutions and individuals who hold wealth and power. We acknowledge there is also a power dynamic between consultants and the people we consult with.

We work to support clients in navigating these dynamics, while placing their voices and perspectives at the center of our work.

As a company, we are working towards internal clarity about institutional racism. We are committed to addressing institutional racism within The Ostara Group and to advancing equity in the nonprofit sector in collaboration with our clients.

### **Our Mission, Vision, and Values**

Our mission is to build fundraising skills, organizational capacity, and effective leadership in the nonprofit sector. Our vision is a nonprofit sector filled with thriving organizations equipped to build a better world. We are a values-driven firm and conduct our work with these values in mind:

- **Community:** Empathy and compassion are fundamental to our work. We care about you and the people you serve.
- **Quality:** Client service is paramount to everything we do. We strive to make a lasting and positive impact
- **Integrity:** We value transparency and authenticity. We tell the truth, with sincerity and respect.
- **Leadership:** We advocate for leadership that serves the greater good. The principles of social justice and equity guide our work.
- **Possibility:** We foster an entrepreneurial spirit and act creatively to overcome challenges. We see obstacles as opportunities to improve systems and achieve goals.

### **Next Steps**

We would like to prioritize working with you and your team.

We are happy to have additional conversations with you about this proposal to arrive at a plan that feels right for everyone involved. When you are ready to move forward, please let us know and we will send over an electronic contract via DocuSign to an authorized signer at your organization. The DocuSign contract officially holds your spot in our schedules.

To read more about us or The Ostara Group, please visit [www.ostaragroup.com](http://www.ostaragroup.com).



We look forward to hearing from you and hope to have a chance to work together with you to further your mission!

## COVID-19 RESPONSE AND UPDATE

**Our Scholars are continuing to pursue their degrees in a new way.** Coursework on campuses across the state has transitioned to online learning. Additionally, many colleges are offering pass/fail grading for the spring term. We've been working closely with college partners to understand what campus services are impacted. The Scholar experience varies greatly depending on where they're enrolled – many colleges have closed their dining halls or on-campus housing; others have postponed or gone remote with graduation ceremonies; some are cancelling labs altogether while others are promoting virtual lab experiences. (If you want to learn more about what's happening on a particular campus, you can find a guide [here](#).) These changes have created a variety of challenges for Scholars from the severe (difficulties in meeting basic needs) to the more manageable (adjusting to life as a socially distanced young person).

**We're providing uninterrupted scholarship and support services.** We're coordinating with financial aid offices to ensure our dollars reach Scholars on time and in full. The federal government [issued a letter](#) regarding emergency aid funds provided for students in the Coronavirus Aid, Relief, and Economic Security (CARES) Act. WSOS has been working with the Washington Student Achievement Council (WSAC) to ensure that CARES Act emergency funds are not used to offset WSOS awards to ensure maximum aid reaches Scholars at this critical time. As you know, one of the most important aspects of WSOS is that the flexible funding can be used for up to cost of attendance, allowing Scholars to secure food, housing and other basic essentials.

We've also been evolving support services in alignment with the situation. We built and launched a [resource page](#) on our website to ensure Scholars know about supports that are available to them (both from WSOS and from community partners). We also moved peer and industry mentorship programs entirely virtual. Each of our Scholar Lead peer mentors is reaching out individually to all first- and second-year Scholars, and we've initiated staff-led communications for all other Scholars.

**Enrollment was steady this spring, but we may see a dip in enrollment in the fall.**

Overwhelmingly, we've heard spring enrollment numbers are relatively stable. However, campus partners fear there will be a higher-than-usual dropout rate this fall. Scholars may be less likely to return to school because of loss of summer employment (and income), the possibility of caring for a sick family member or complications from myriad other challenges. We're actively exploring options to expand our support, and we're surveying students to understand who is most likely to be impacted. We've seen this ourselves in a lower-than-projected number of applications for the fall for the Career & Technical Scholarship.

**Our newest cohort of baccalaureate Scholars is slated to start in the fall, as usual.** We've been reassuring our newest cohort of Scholars that the [guidance](#) from the Office of the Superintendent for Public Instruction (OSPI) indicates high schools are supporting current seniors in reaching graduation on time. Additionally, the Council of Presidents for the state institutions has issued a [joint statement](#) stating fall admissions for current seniors are secure. We're hearing this sentiment carries across the spectrum to independent and community/technical colleges.

**In addition to communicating with Scholars, we're staying in touch with external partners.** We've posted a [blog](#) on COVID-19 on our website and sent an [email appeal](#) to partners. We've also revamped our promotional materials to be more easily shared in virtual formats and have proactively reached out to promotion partners. Additionally, we have a series of social media posts we've been pushing out.

**The WSOS investment portfolio is well-positioned to address the market volatility.** Mack and I have been in contact with the team at the Washington State Investment Board (WSIB). The allocations approved by the WSOS Board were implemented knowing this type of market can arise, and our policy has flexibility for appropriate rebalancing during levels of high volatility. The WSIB team has been monitoring the situation daily. We're experiencing a real-time stress test for our portfolio, and the design of the asset allocation is behaving as expected. At this point, they recommend no action.

**We're planning for a delay in state match appropriations. Considering what legislative priorities make the most sense.** Due to the impacts of COVID-19, the state faces a revenue shortfall and an increase in state program spending. We recognize that there is a real possibility there may be a delay in receipt of state matching funds in the biennium ahead. To prepare, we met with the team at WSIB who assured us that even if we were to experience a delay in state matching, we are still on track to support 750 BaS students per year until 2025 and 550 CTS students per year until 2029.

**WSOS private revenues are expected to meet budget for 2020.** As of early June, we are still on track to meet our revenue budget of \$6.277M for 2020. This is due in large part to the nature of WSOS fundraising strategy whereby much of the funds to be received have already been pledged and will be matched by the state. The timing of the proposed fundraising feasibility study will be right for us to test out WSOS messaging in light of COVID-19.

You may have heard the Governor vetoed certain appropriations that were included in this year's budget sent for signature by the Legislature. Fortunately, the state match appropriations for WSOS were left intact. We've heard the Governor may call a special session to continue discussion about COVID-19 response. We'll work closely with our lobbyist team to ensure the state's investment in this program remains steadfast.

**OpportunityTalks 2020 is still in motion, but we're thinking ahead.** We were fortunate as an organization not to have our fundraising event suddenly cancelled during the Stay at Home order. However, public officials warn that the COVID-19 crisis may not be fully abated by the fall, and we might see a resurgence. To be proactive, we're planning a newly revamped OpportunityTalks campaign that will lead with novel, interactive fundraising ideas that don't rely on 1,000 people sitting shoulder-to-shoulder in a ballroom.

**We're rebuilding our messaging campaign to best position WSOS.** We're actively working on our messaging platform to transition from leading with "fueling WA's booming economy" to "a critical tool for economic recovery". If past trends hold true, we expect enrollment in higher education to jump right as the Legislature starts making cuts to higher ed funding. We hope to advance the message that investing in WSOS maximizes ROI – investing in general higher ed incentivizes students to enroll in college to avoid unemployment while investing in WSOS incentivizes students to enroll specifically in the high-demand programs our state needs most to restart the economy.

**We're taking care of our staff and honoring public health recommendations.** All staff have been working remotely since March 6. We were well-positioned for a smooth transition as we regularly work remotely with Scholars and staff across the state. All staff were given access to technology tools to set up a home office and are well-versed with video conferencing, web chat and other remote working tools. We have crafted a phased return-to-the-office plan in partnership with our HR and leadership teams that follows the Governor's phased approach for the state and honors our human-first approach to our staff.

Because of our secure financial position, we have not had to cut back on hours, trim salaries, or furlough or lay off any employees. The entire team is incredibly grateful for this stability. Additionally, we're still on track to hire the new positions included in the budget approved by the Board in January.

We know the strength of our staff is what underpins the impact of our work, and we're committed to extending flexibility and keeping everyone informed. Like many of you, we're facing the challenges of working at home with school-aged children underfoot and partners who are competing for internet bandwidth and quiet office space. We're practicing giving each other plenty of grace and sampling creative strategies for staying connected and productive. Now more than ever, I feel incredibly grateful to be part of a team of committed people who take care of each other and always center students as their north star.

**When we reach "the new normal", WSOS will have a critical role to play.** We expect that as the economy dips, we'll see a spike in the number of people seeking postsecondary education (as is usually true in times of recession). More than ever, Washington needs Opportunity Scholars. We need more front-line health care workers and scientists and researchers and technology innovators to keep our economy growing now and when Washington gets back to work.