

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP



BOARD MEETING

January 8, 2018

Removing barriers. Championing students. Launching professionals.

- I. Meeting Called to Order**
- II. Approval of 10/2/17 Board Meeting Minutes**
- III. WSOS Scholar Spotlight**
- IV. 2017 Legislative Report**
- V. WSOS 3.0 Implementation of Growth Options**
- VI. Activities Update**
- VII. Finance and Program Administrator Update**
- VIII. Executive Session**
- IX. Closing**

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WSOS Scholar Spotlight

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⁴**2017 Legislative Report**

2017 Application Cycle

Cohort 6

Cohort 6 Applicants

- **More than 3,800 applications** submitted
 - About **two-thirds met eligibility** requirements

Application Year	2012 Cohort 1	2013 Cohort 2	2014 Cohort 3	2015 Cohort 4	2016 Cohort 5	2017 Cohort 6
Submitted Applications	5,690	1,488	1,507	2,134	3,779	3,836
Eligible Applications	4,506	985	917	1,242	2,480	2,503
% of Submitted Applications Eligible	79% ¹	66%	61%	58%	66%	65%

¹ Eligibility requirements for eligible majors of study and term limit credits were not yet established in 2012.

Cohort 6 Eligible Applicants

- Represent **38¹ of 39** counties in Washington

- 30% from King County
- 12% from Pierce County
- 9% from Snohomish County
- 8% from Yakima County
- 8% from Spokane County
- 5% from Clark County

- Compare to: State population²

- 32% from King County
- 11% from Pierce County
- 10% from Snohomish County
- 3% from Yakima County
- 7% from Spokane County
- 6% from Clark County

¹ Ferry County, the third least populous in the state, is the county which had no eligible applicants.

² Proportions were calculated according to [OFM's April 2017](#) population estimates.

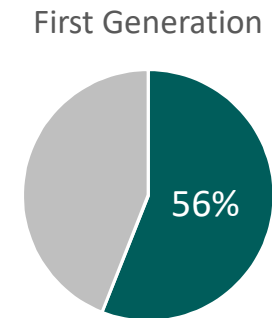
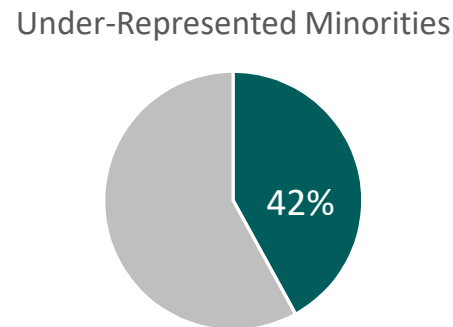
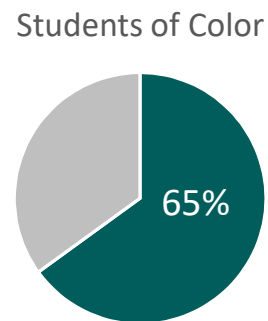
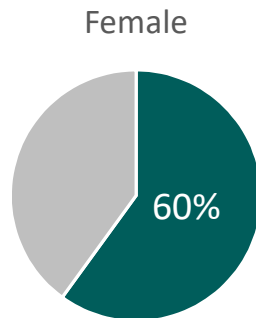
Cohort 6 Eligible Applicants

- Family Income

- Median: **\$48,000**
- Mean: **\$50,739**

- Compare to: Washington State Family Income

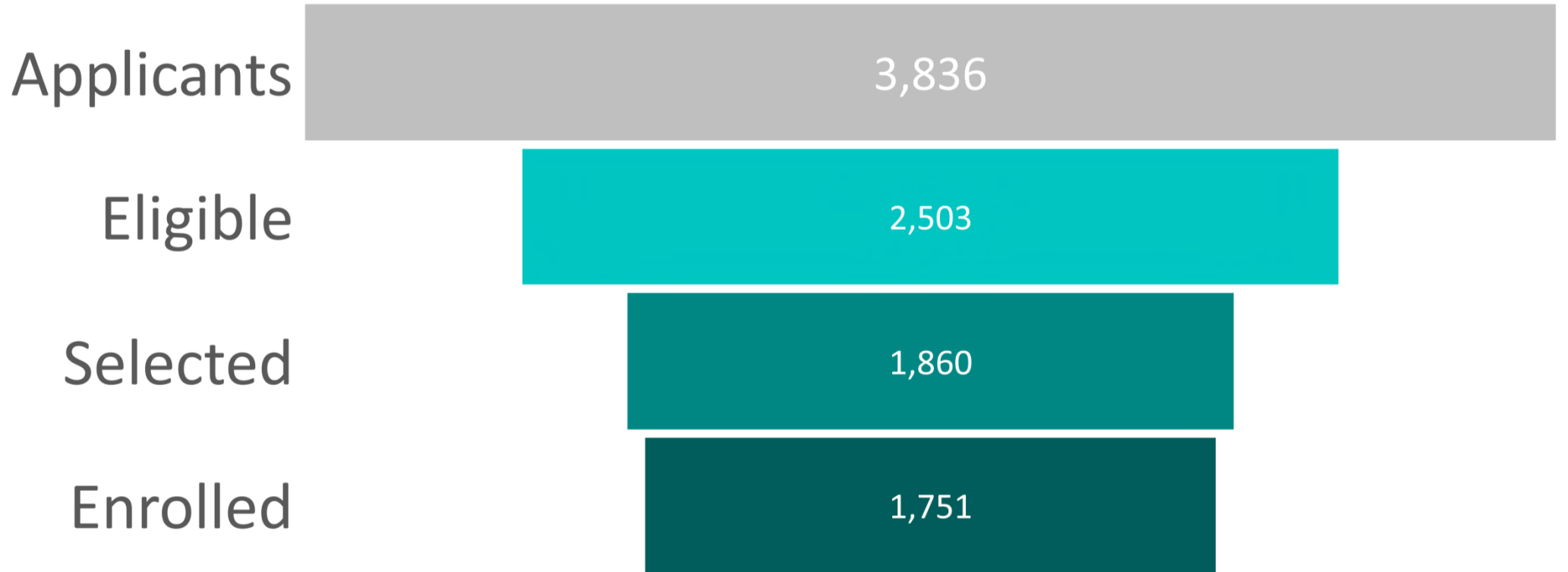
- Median: **\$65,500¹**



Compare to: the diversity of STEM workforce [here](#).

¹ Family income as [projected by OFM](#) for calendar year 2016.

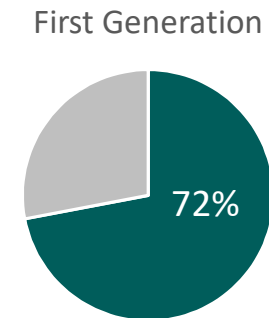
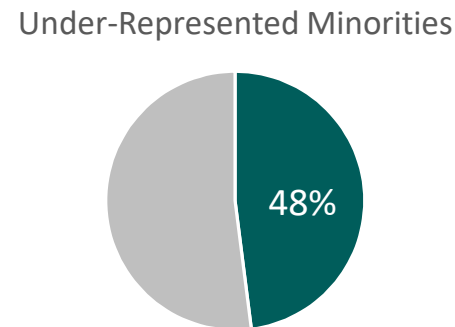
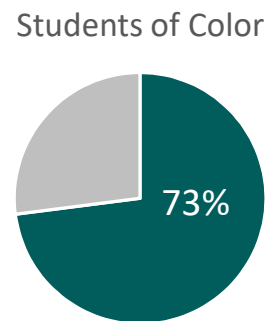
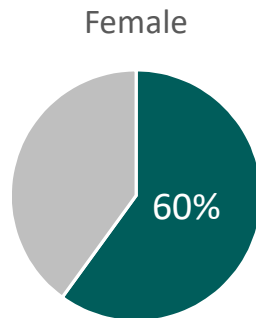
Cohort 6



5

Cohort 6 Enrolled Scholars 2017-18

- Family Income
 - Median: **\$38,678**
 - Mean: **\$42,198**
- Compare to: Washington State Family Income
 - Median: **\$65,500¹**



Compare to: the diversity of STEM workforce [here](#).

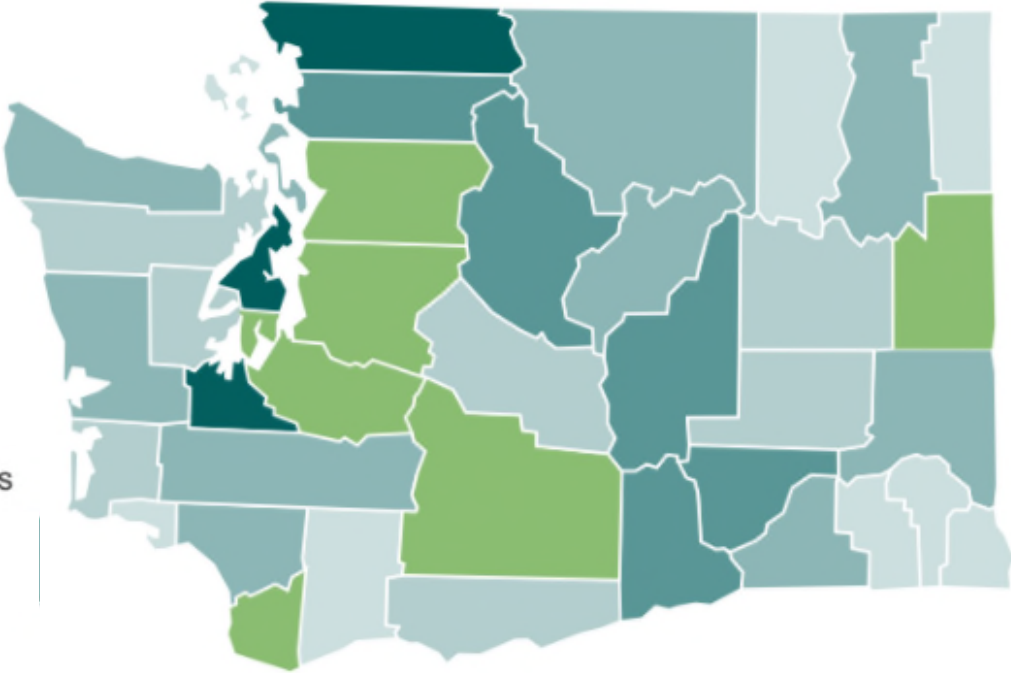
¹ Family income as [projected by OFM](#) for calendar year 2016.

Trends of Cohort Characteristics

Cohorts 1 – 6

State-Wide Representation

- More than 500 Scholars
- 200 to 499 Scholars
- 100 to 199 Scholars
- 50 to 99 Scholars
- 25 to 49 Scholars
- Fewer than 20 Scholars

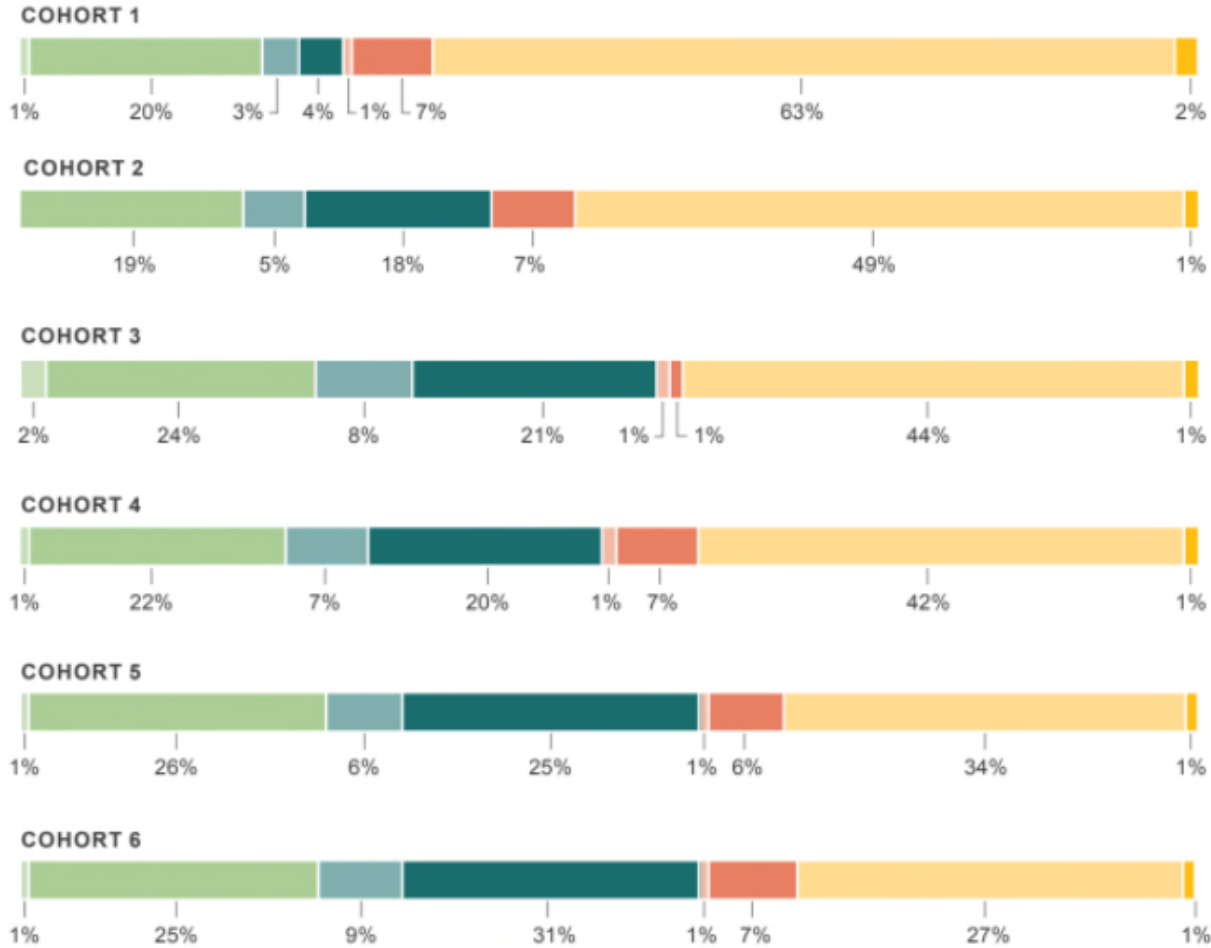


Scholar Enrollment Across Cohorts in 2017-18



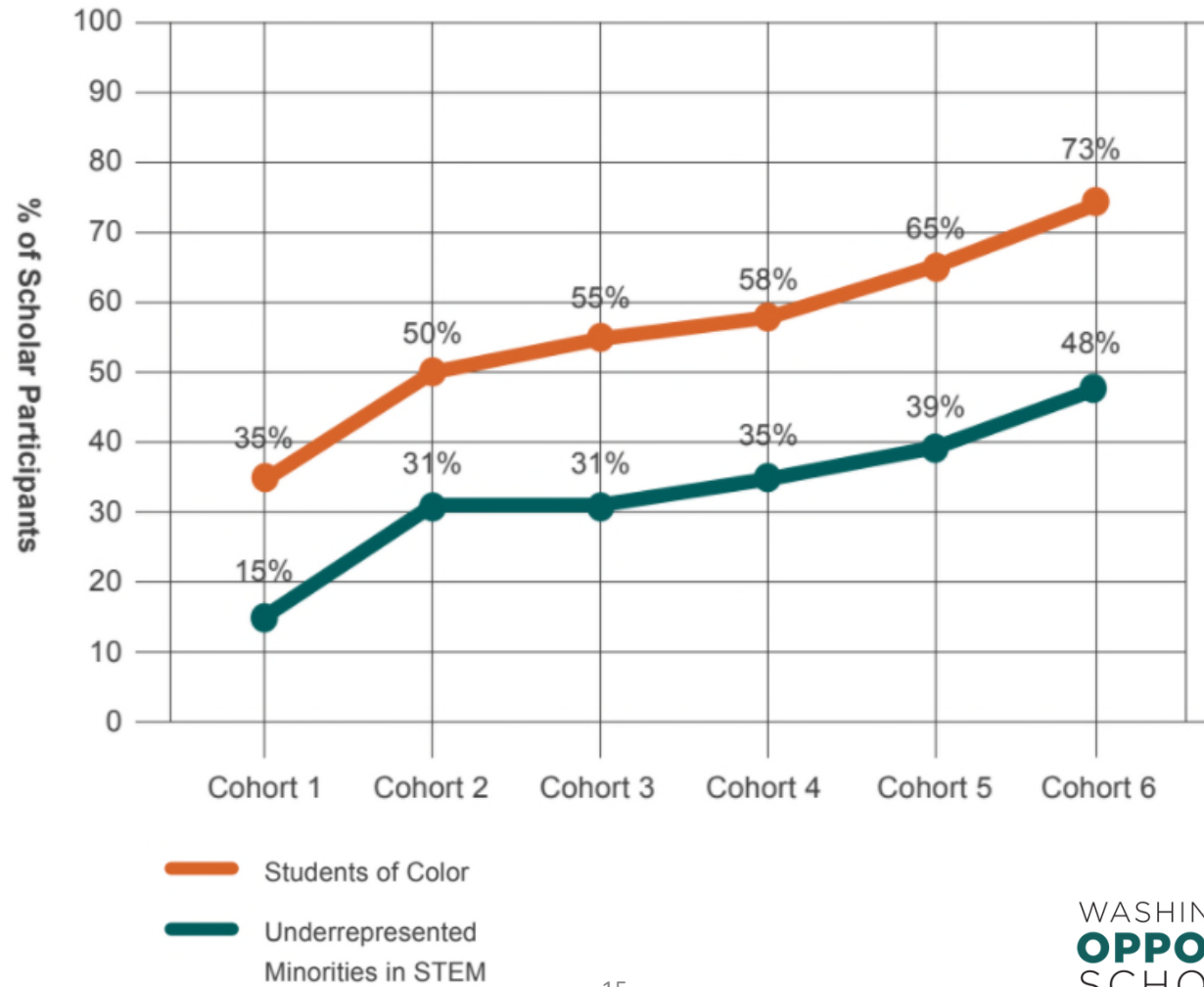
- 1 University of Washington Seattle
- 2 Washington State University Pullman
- 3 Eastern Washington University
- 4 Western Washington University
- 5 Central Washington University

Race or Ethnicity

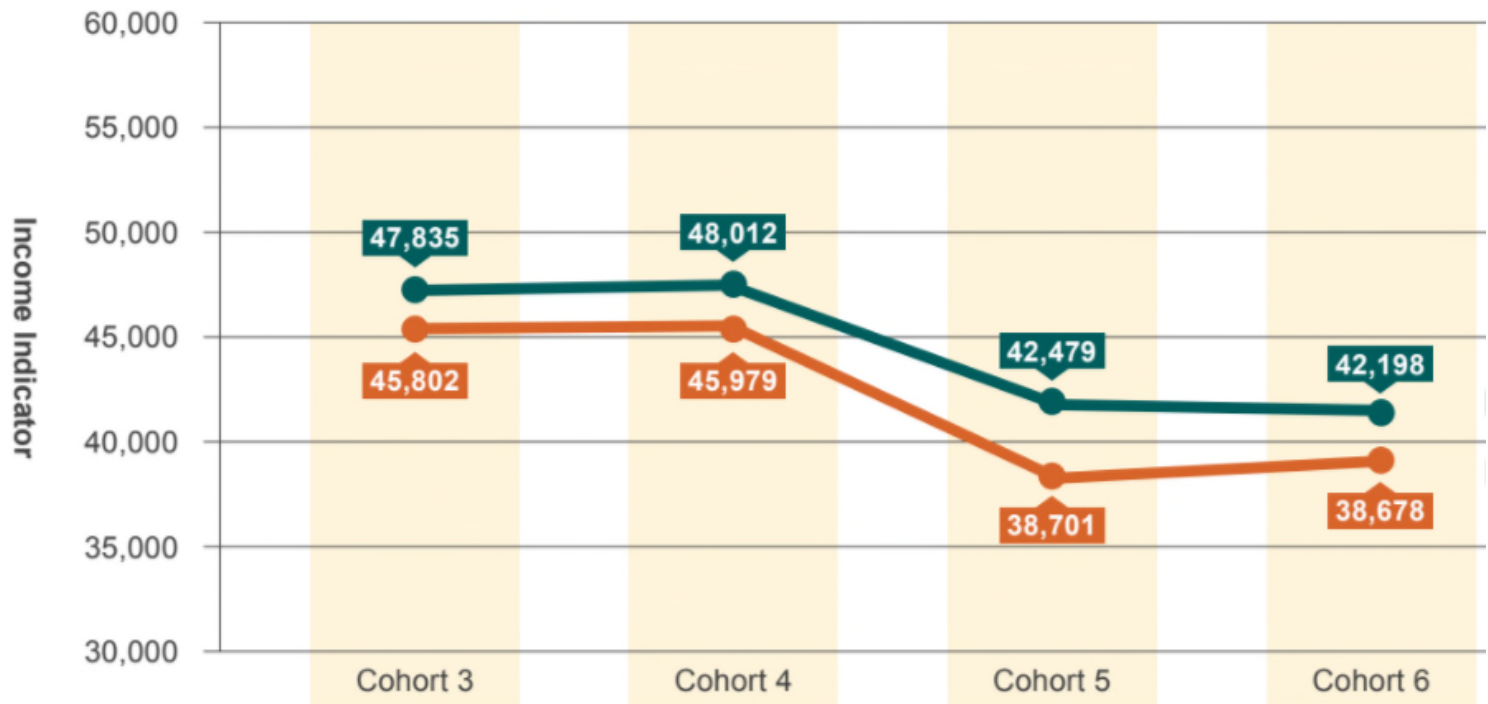


- American Indian or Alaska Native
- Asian
- Black or African American
- Hispanic/Latino of any race(s)
- Native Hawaiian or Other Pacific Islander
- Two or more races
- White
- Not reported

Race or Ethnicity



Family Income



* Family income at the time of selection

■ Mean Income
■ Median Income

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Outcomes

Graduates and Notable Achievements

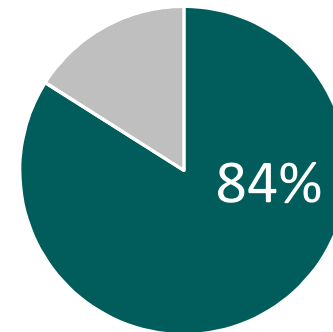
Retention & Graduation for Cohorts 1-5

	Total Participants	Graduated		Re-Enrolled		Graduated or Re-Enrolled	
	#	#	%	#	%	#	%
COHORT 1 (2012)	2,887	2,155	75%	1	-	2,156	75%
COHORT 2 (2013)	713	444	62%	62	9%	506	71%
COHORT 3 (2014)	734	190	26%	281	38%	471	64%
COHORT 4 (2015)	982	32	3%	666	68%	698	71%
COHORT 5 (2016)	1,352	8	1%	1,134	84%	1,142	84%
COHORT 6 (2017)	1,751	-	-	-	-	-	-
Total C1-C5 Participants	6,668	2,829	42%	2,144	32%	4,973	75%

Bachelor's Degrees Earned

- **2,829 Scholars** have earned **2,938 bachelor's degrees**
- Of bachelor's degrees earned:
 - 84% are in STEM or health care fields
 - 19% of degrees are in engineering
 - 18% of degrees are in biology
 - 17% of degrees are in health care
 - 9% of degrees are in computer science

Degrees in STEM Fields



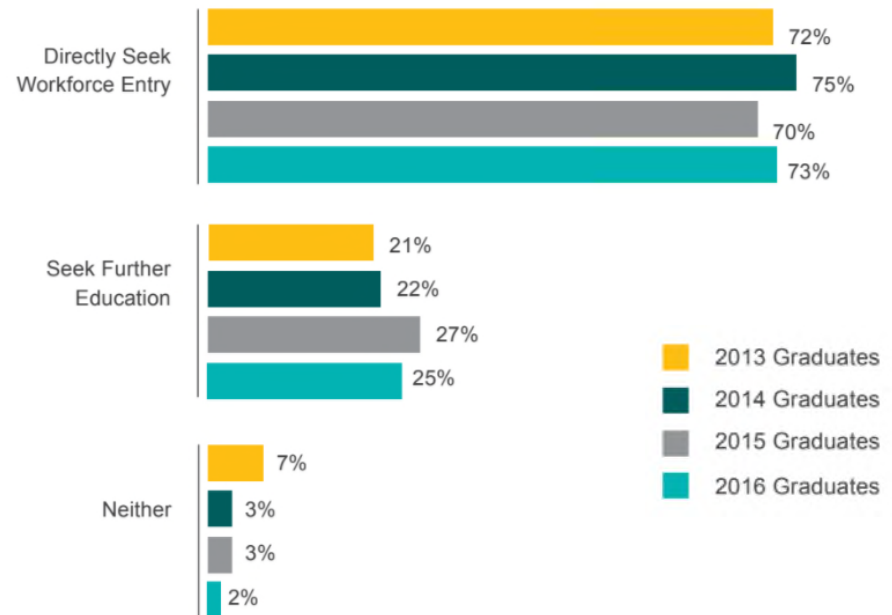
Graduates Outcomes

- **WSOS graduates** over the last four years, on average:

- **73%** seek direct workforce entry
- **24%** attend graduate school
- **4%** do neither

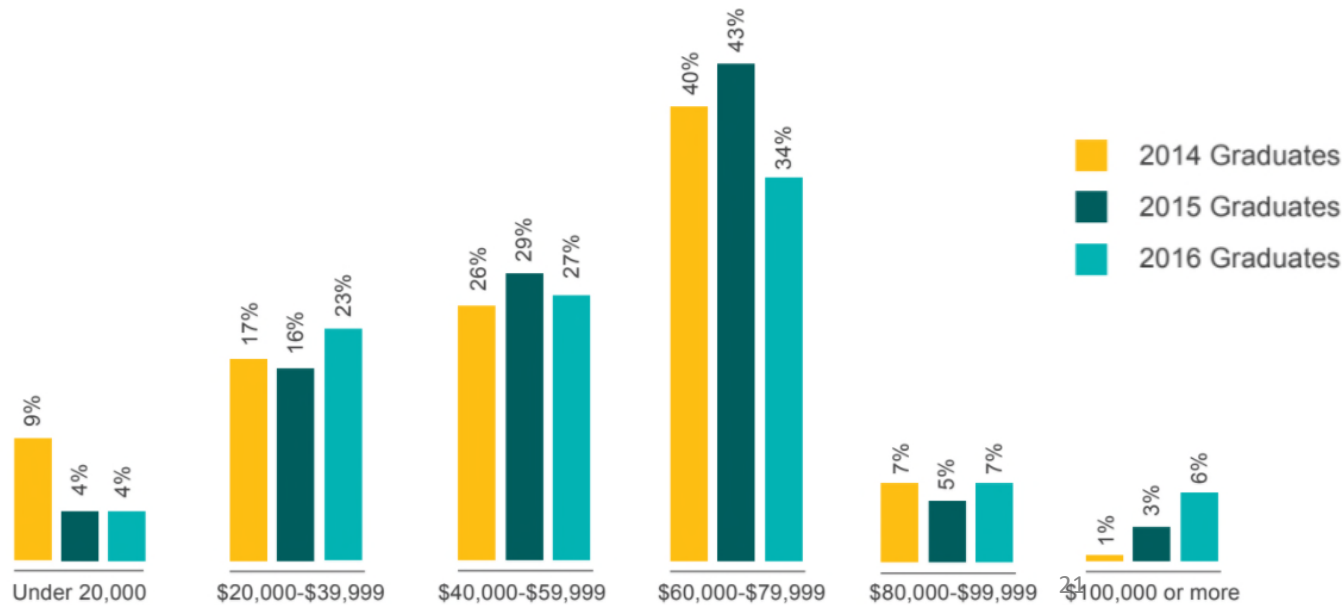
- **40%** of employed graduates received **two or more job offers** in their field of study.

- **Nine out of ten** graduates who sought work were employed within nine months.



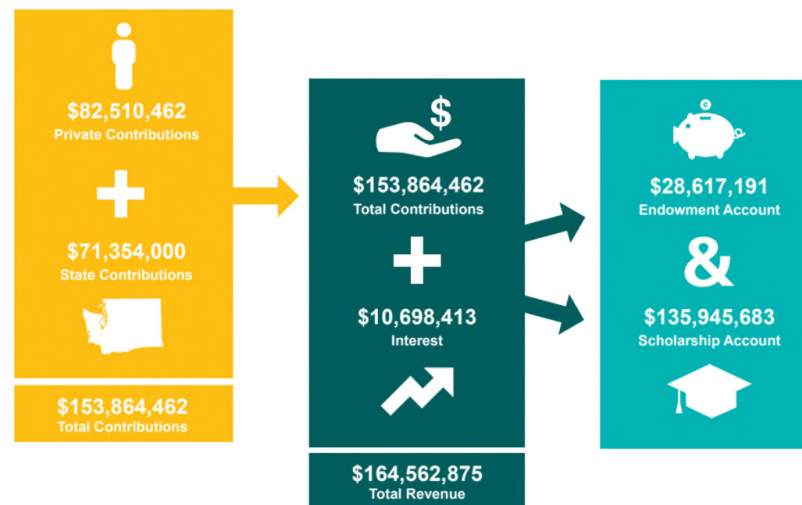
Graduates Outcomes

- **Most (61%) 2016 graduates employed full-time in their field of study earn between \$40,000 and \$79,000 per year.** The greatest proportion (34%) earn between \$60,000 and \$79,999.



Key Achievements

- Total enrollment 2017-18: **3,895**
- **Most (88%)** WSOS graduates across the first four cohorts, employed in their field of study **stayed in Washington state**.
- Scholarship dollars by year-end 2017-18: **Nearly \$50M**





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WSOS 3.0 Growth Options

Options & Recommendations to WSOS Board at October 2017 Board Meeting

Recommendation 1

Improve Scholar retention



Highest potential for impact in shortest time horizon. 2,250 more students retained at a cost of \$22.4M

Recommendation 2

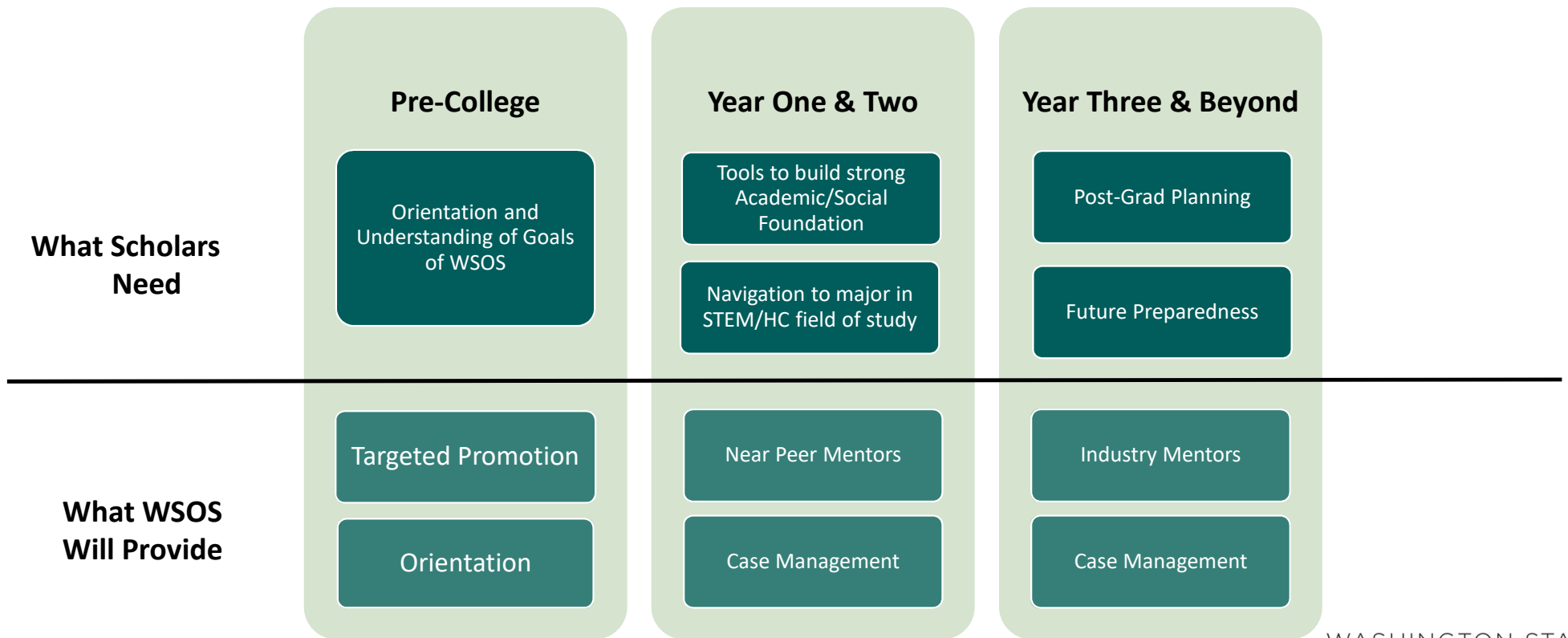
Extend to Fall Start 2025 (Cohort 14)



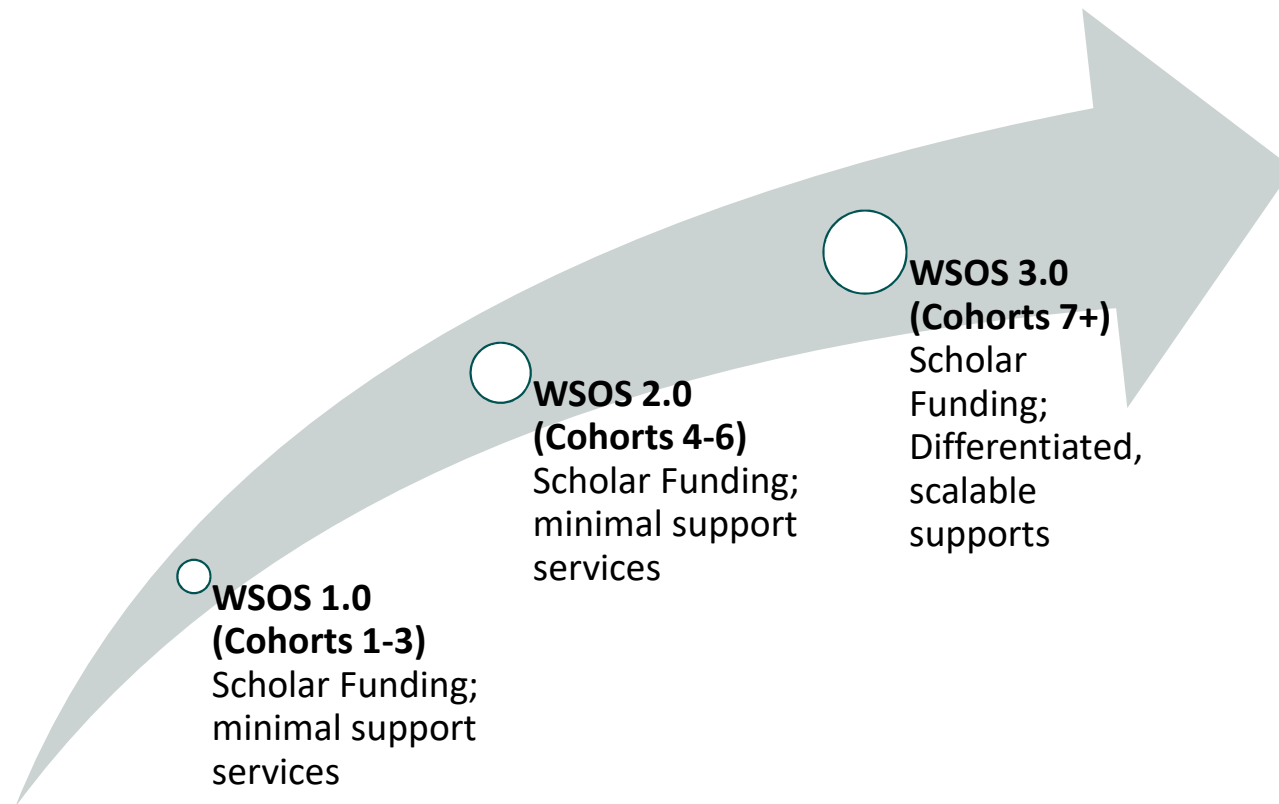
2,200 more students at a total cost of \$28.7M (may flex with retention)

WSOS Board voted to invest in improving Scholar retention and extending award until 2025

Scholar needs vary by year: we must provide full-cycle support



WSOS Scholar User-Experience Timeline



Hit Refresh: WSOS 3.0



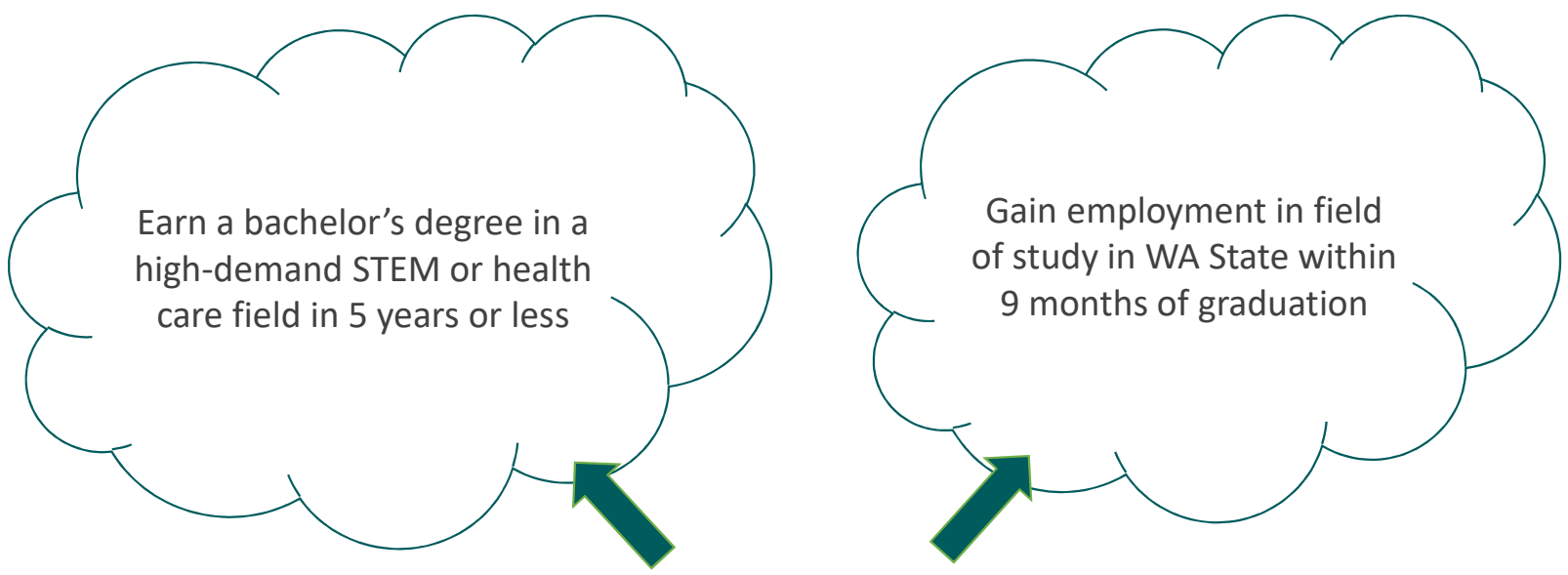
Key Themes

- Clarity about the intended impact
- Provide structures for team members to develop deeper functional expertise
- Scholar-facing services vs. capacity building activities
- Industry verticals vs. geographic focus

WSOS 3.0: Questions We Considered



What is our Intended Impact?

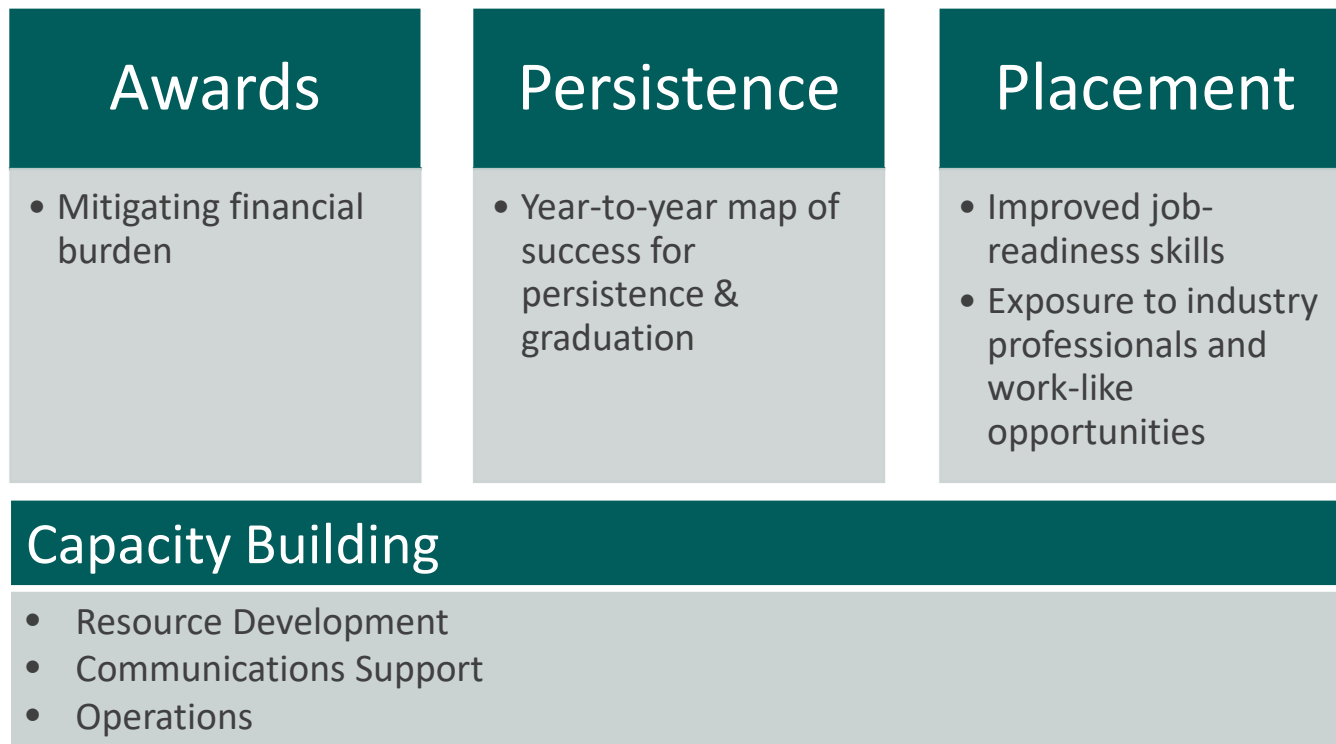


Earn a bachelor's degree in a high-demand STEM or health care field in 5 years or less

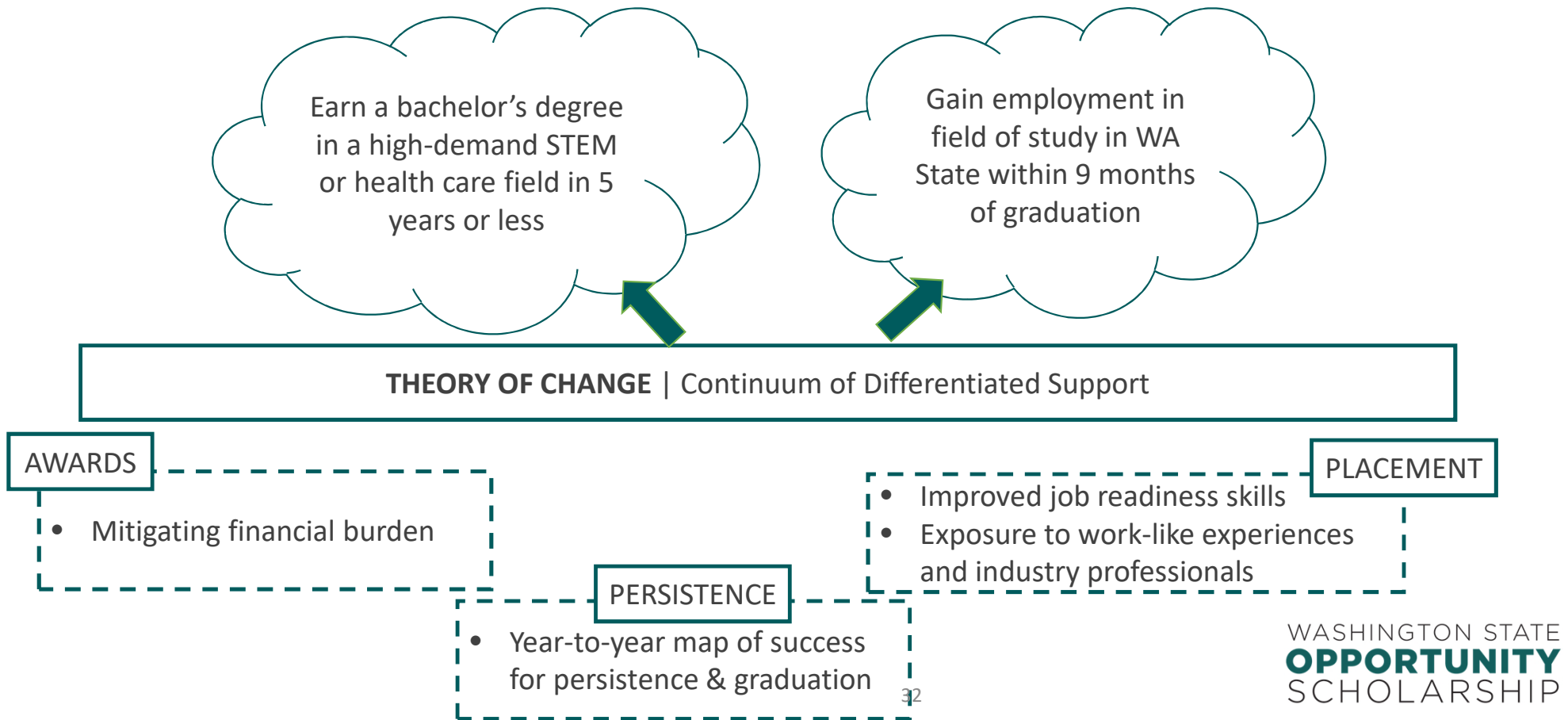
Gain employment in field of study in WA State within 9 months of graduation

THEORY OF CHANGE | Continuum of Differentiated Support

What is the organizational structure needed to support intended impacts?



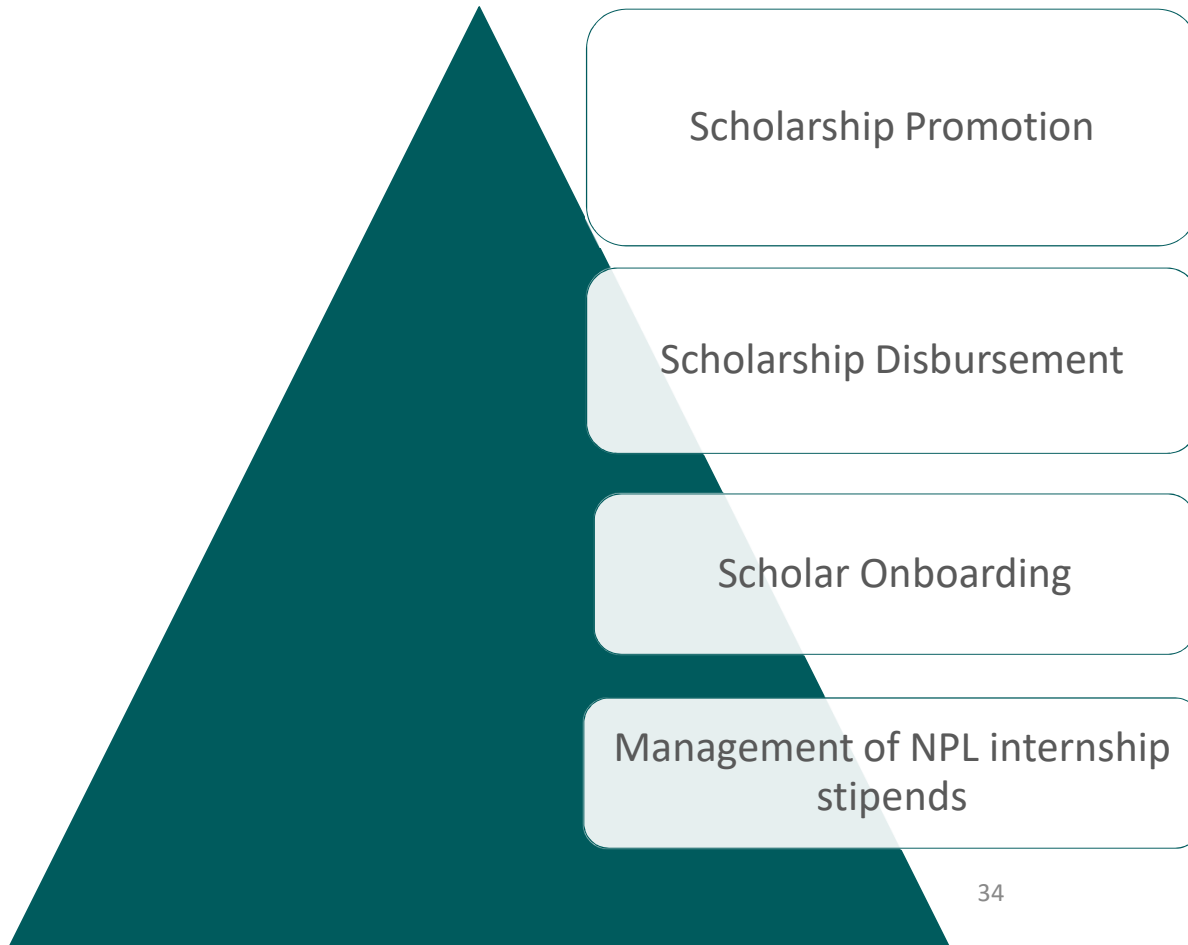
Theory of Change and Intended Impact





AWARDS STRATEGY

Awards Strategies





PERSISTENCE STRATEGY

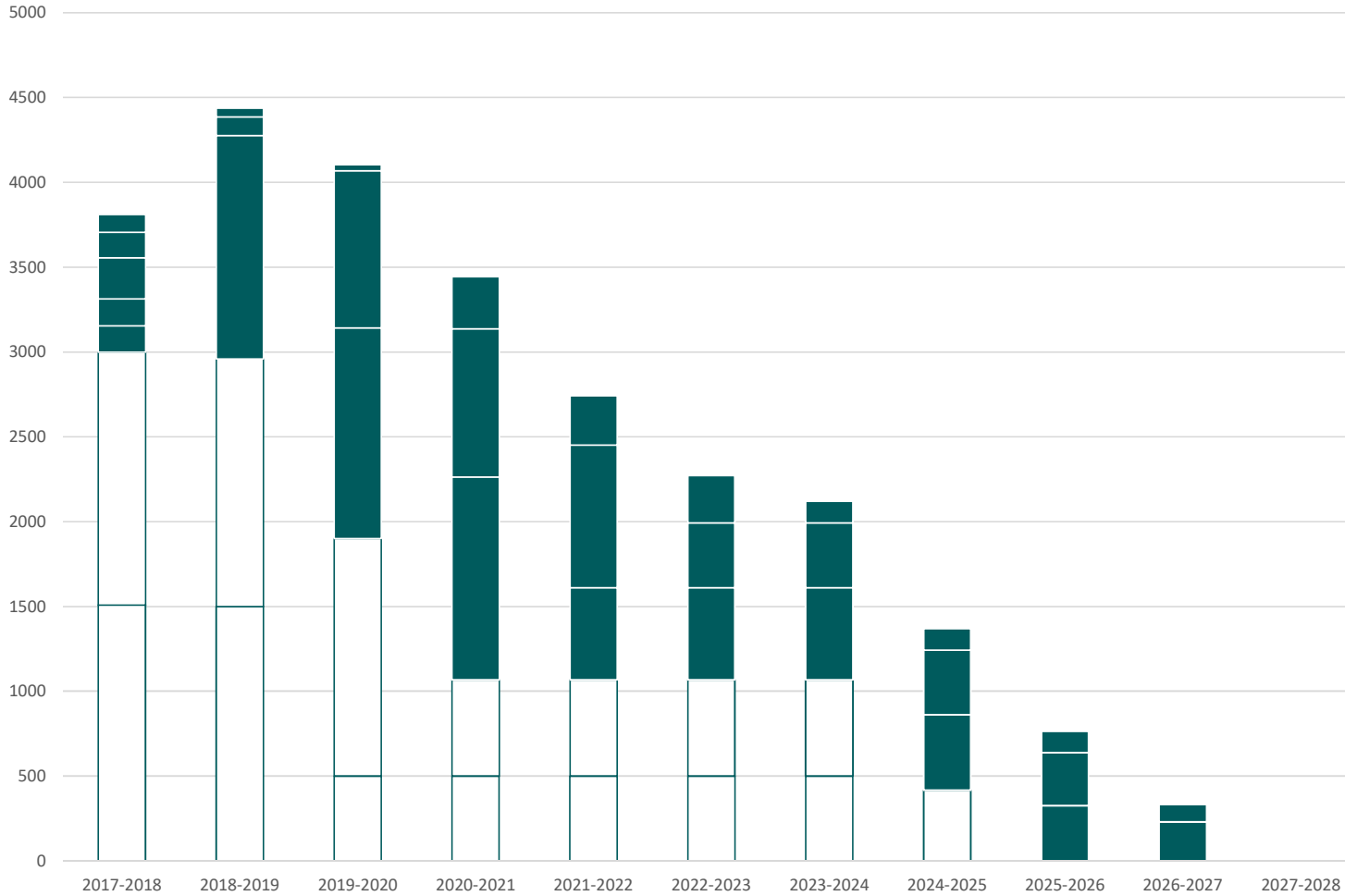
Persistence Strategies





PLACEMENT STRATEGY

WSOS Scholar Placement Populations
2017-2027



First two years:

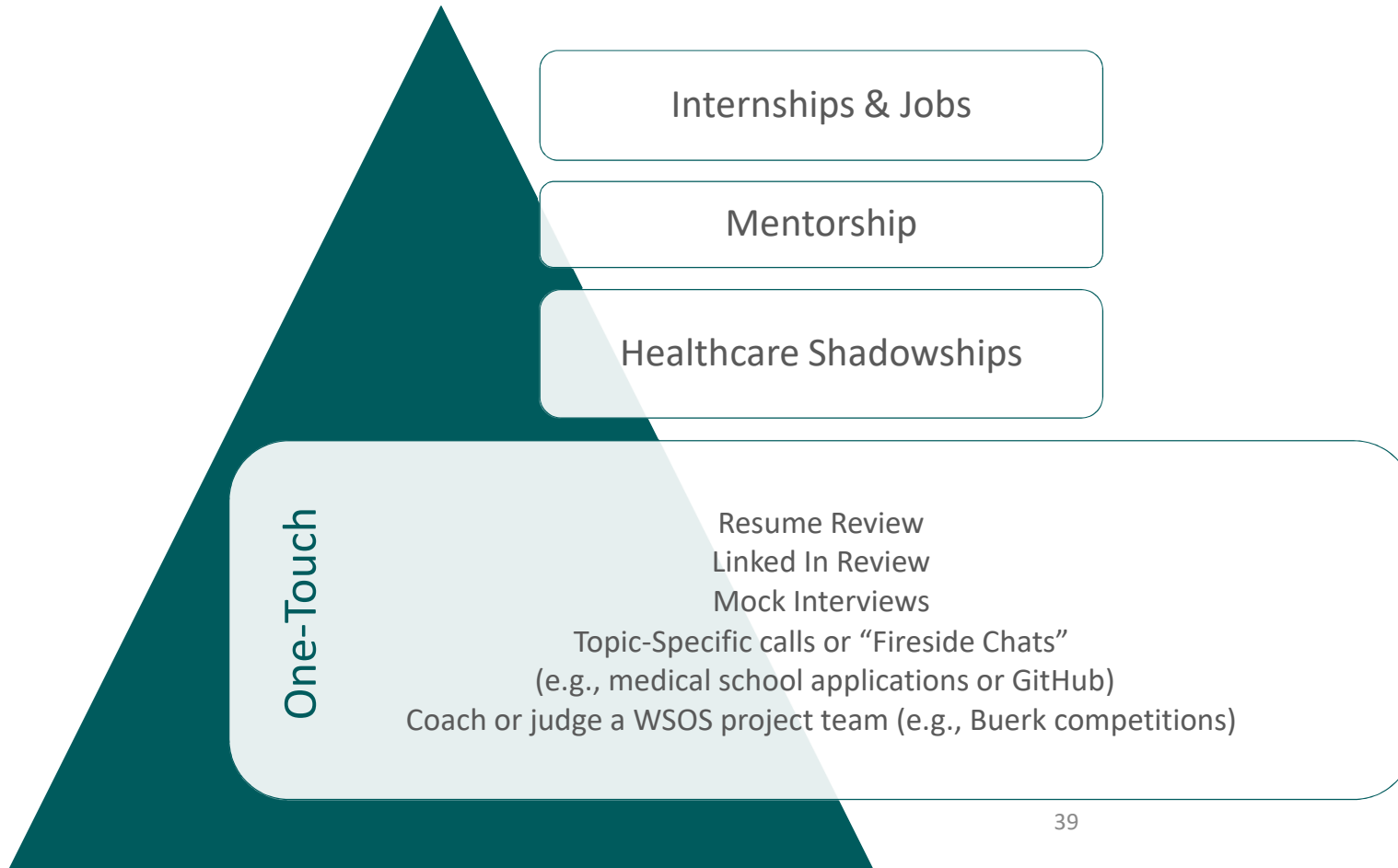
- Large “Persistence” caseload
- Smaller “Placement” caseload

Third year & beyond:

- Shrinking “Persistence” caseload
- Growing “Placement” caseload

*Graphic uses average year-over-year persistence rates provided in the Scholarship Model and the projected accepted cohort sizes through 2025.

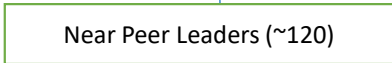
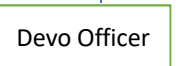
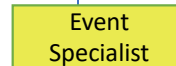
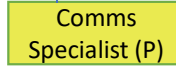
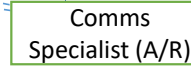
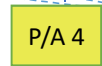
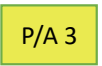
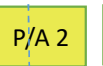
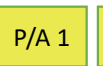
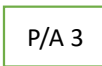
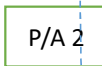
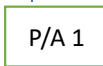
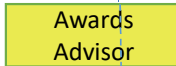
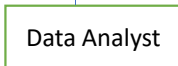
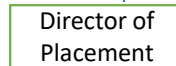
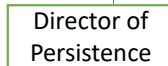
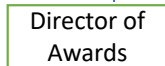
Placement Strategies



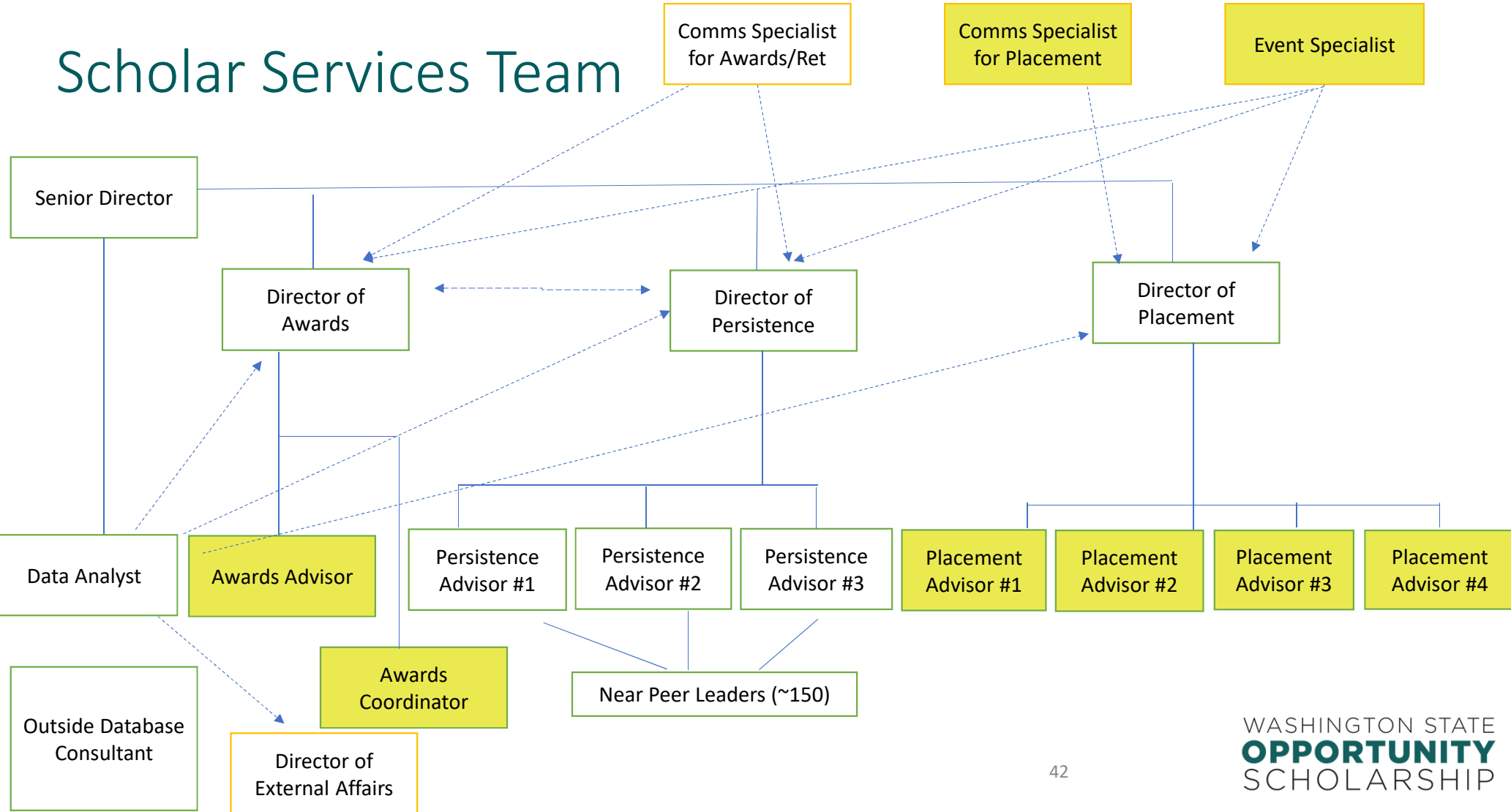


ORGANIZATIONAL CHART

WSOS 3.0 Staffing



Scholar Services Team



Scholar Services Team: Key Activities

Awards

- Promotion strategy
- Application content
- Selection, acceptance, increases, petitions & renewal processes
- Awarding (disbursements, refunds, reconciliation, NPL compensation)
- Client support for Scholars & colleges
- Website updating (re: eligibility, application)
- Scholar onboarding
- Scholar & School Portal content

Persistence

- Design & management of Near Peer Leader program:
 - Lead on developing milestones in conjunction with Awards
 - Incentives & disincentives for Scholar participation
 - Training for NPLs
 - Design & training of Advisors to support NPLs
 - Tracking progress in Scholar database

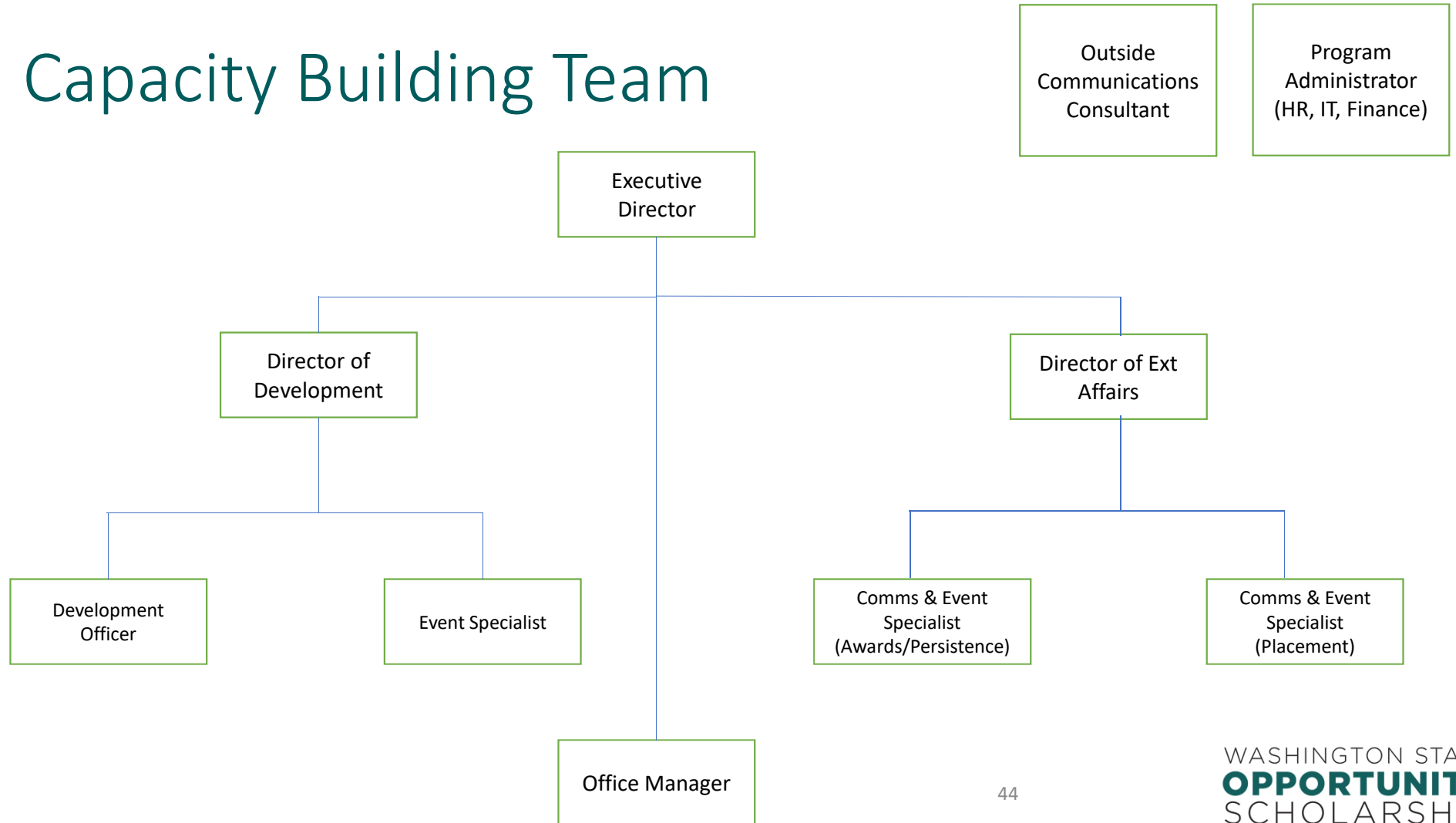
Placement

- Direct services
 - Office hours
 - Skills That Shine
 - Sounding Board
- Indirect services
 - Recruiting & communicating opportunities in the field
 - Building connections & awareness of Scholars in the field
 - Providing opportunities in professional societies

Data & Reporting

- Oversight of Scholar database
 - Support for Scholar/School Portals, all form design (application, surveys)
 - Auditing data integrity
- Dashboard development
- Ad hoc reporting
- Legislative Report content analysis
- Post Graduate Survey design, administration and reporting
- Support for tracking milestones

Capacity Building Team



Capacity Building Team: Key Activities

Fundraising

- Breakfast
- Oversight of events
- Annual giving
- Major gift for potential WSOS expansion to professional/technical & advanced health care degrees
- Lobbying and Government Advocacy

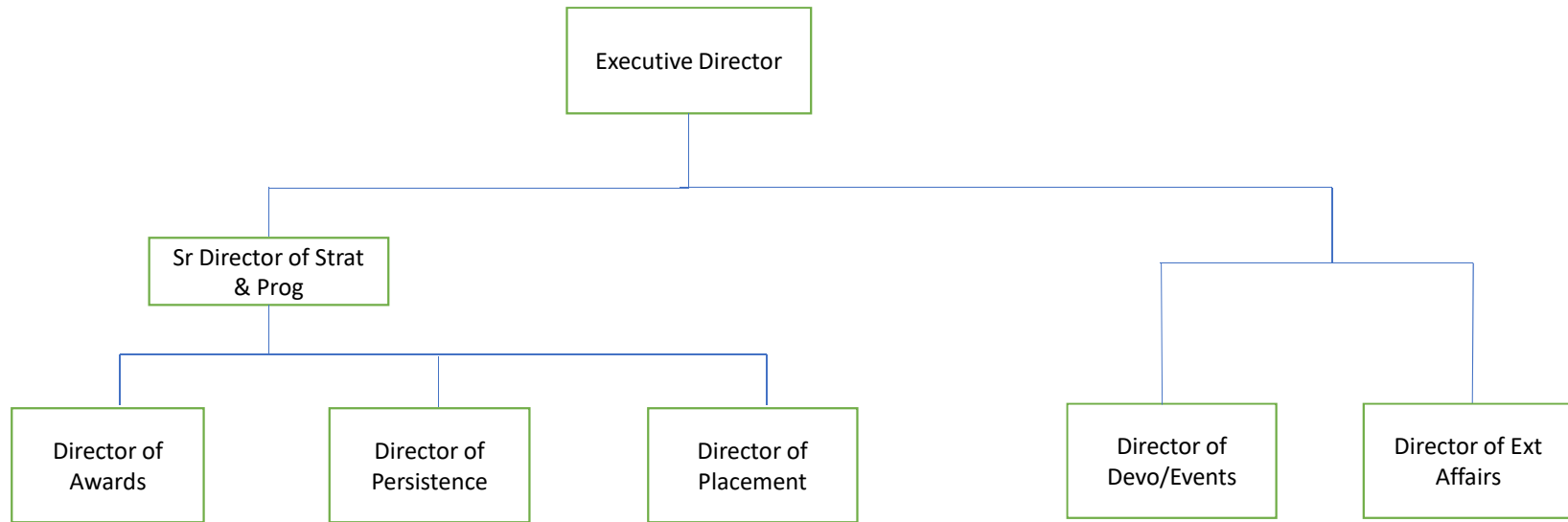
Communications

- Scholarship promotion/notification/onboarding
- Enrolled Scholar communications
- Social media
- Website
- Design of collateral (including Leg Report)
- Media
- Regional WSOS Roadshow

Operations

- Board Relations
- Management of Washington STEM relationship
- Office space, technology, asset management, etc.
- Meeting structure
- Professional development for staff
- Tech Support

Leadership Team



Looking to 2018

- Evaluation and longitudinal study
- Develop organizational core competencies
- Onboard new team members
- Leadership and professional development
- Focus on equity



2018 WSOS BUDGET

Proposed 2018 WSOS Budget

\$ IN THOUSANDS

	2017 Budget	2018 Budget	Variance
REVENUE	10,000	3,960	(6,040)
SCHOLARSHIP EXPENSE	21,247	24,071	2,824
Salaries, Taxes, and Benefits	1,225	1,922	697
Administrative Fee	377	419	42
Other	302	322	20
OPERATING EXPENSES	1,904	2,663	759
NEAR PEER MENTORING		189	189

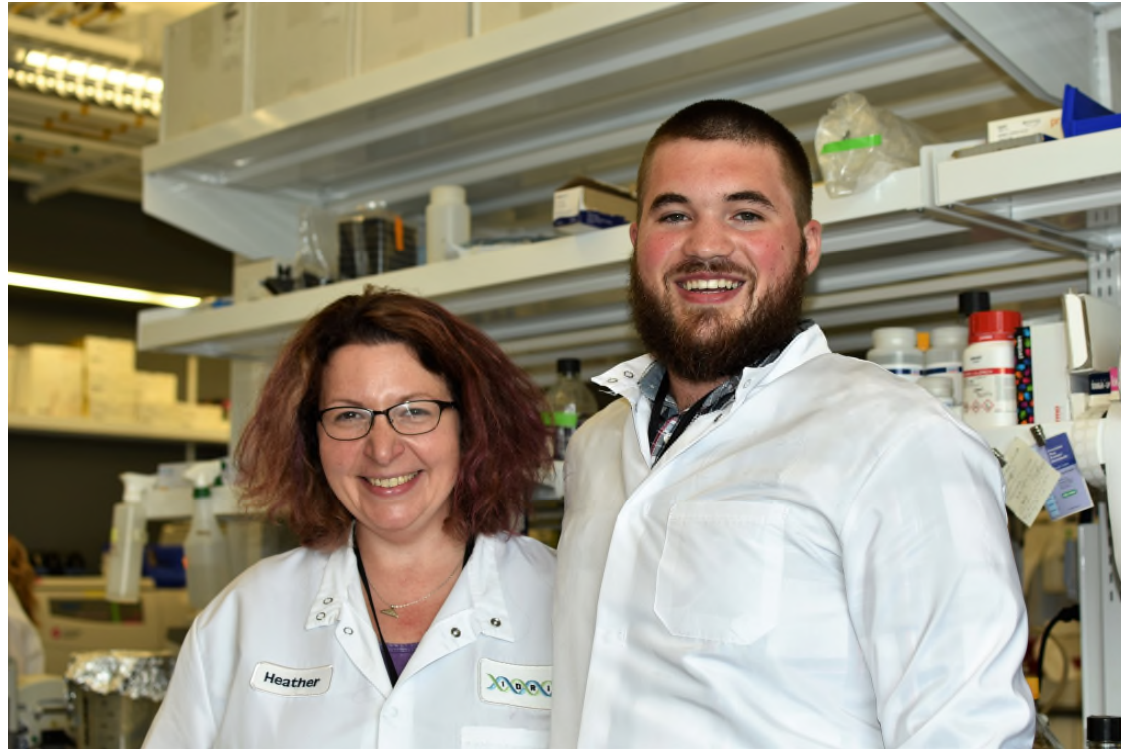
2018 WSOS Budget | Key Assumptions

- Revenue comprised of \$1.2 million event and other private gifts plus \$2.8 million investment income; state match revenue expected but not budgeted
- Personnel costs include addition of new positions aligned with program enhancements
- Payments to near peer mentors begin summer 2018 for first year of this program
- Renewal of Program Administration contract with estimated 10% increase starting July 2018

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Activities Update



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Media



naria santalucia @NariaSantaLucia · Nov 3

TY for a \$1M morning for the @OppScholarship yesterday! Shout out to @BradSmi, @OsmanSalahuddin, @garyrubens & Lyn Boyd for inspiring us!



8 25

Facebook

- » 3,262 page likes October 2, 2017
- » 3,338 page likes December 18, 2017 (+2%)
- » Total impressions (paid & organic): **4451**

Twitter

- » 1601 followers September 20, 2017
- » 1,668 followers December 18, 2017 (+4%)
- » Total impressions (paid & organic): **58,300**



Finance & Program Administrator Update
54
September 30, 2017

WSOS Balance Sheet

Comparative Balance Sheets
September 30, 2017

	Comparison to FYE			Notes	Comparison to Same Period LFY		
	6/30/17	% Change	9/30/17		9/30/16	% Change	9/30/17
Assets							
Cash	36,485,421	-94%	2,140,890	1	15,105,157	-86%	2,140,890
Investments	77,509,090	42%	109,879,985	2	73,225,744	50%	109,879,985
Accounts Receivable	1,573	0%	39,725		569,212	0%	39,725
Pledges and Grants Receivable	14,279,779	-8%	13,154,779	3	22,240,235	-41%	13,154,779
Prepaid Expenses	140,714	-47%	74,392		31,623	135%	74,392
Property and equipment, net	22,454	0%	24,302			0%	24,302
Total Assets	128,439,031	-2%	125,314,073		111,171,971		125,314,073
Liabilities and Net Assets							
Accounts Payable	75,396	-18%	61,522		626,654	-90%	61,522
Payroll Related Liabilities	1,332	301%	5,335		157,305	-97%	5,335
Scholarship Commitments	19,372,117	56%	30,290,993	4	29,459,382	3%	30,290,993
Total Liabilities	19,448,845	56%	30,357,849		30,243,341	0%	30,357,849
Net Assets							
Temporarily Restricted Net Assets	83,990,186	-17%	69,956,224		55,928,630	25%	69,956,224
Permanently Restricted Net Assets	25,000,000	0%	25,000,000		25,000,000	0%	25,000,000
Total Net Assets	108,990,186	-13%	94,956,224		80,928,630	17%	94,956,224
Total Liabilities and Net Assets	128,439,031	-2%	125,314,073		111,171,971	13%	125,314,073

WSOS Balance Sheet

Notes:

1. Decrease in Cash due to excess cash invested with KeyBank Capital and WSIB during Q3 2017 to earn higher returns. All investments were made per investment policy.
2. Investments balance as of 9/30/17 includes WSIB Scholarship \$64.3M, WSIB Endowment \$28.3M and KeyBank Capital \$17.3M.
3. Pledges and Grants Receivable decrease due to Microsoft pledge payment of \$1.125M during Q3 2017.
4. Scholarship Commitment liabilities increased due to accrual of the scholarship liability for Cohort 6 (academic start Fall 2017) based on scholarship model which has been updated for validated student data and assumptions based on most current data and experience.

WSOS Income Statement

Actual vs. Budget
Eight Months Ending September 30, 2017

	Eight Months Ending September 30, 2017			Notes	December 31, 2017
	Actual	Budget	Variance Fav (Unfav)		Annual Budget
Revenue					
Private	821,077	-	821,077	1	3,000,000
Public	1,047	-	1,047		7,000,000
Investment Income	5,422,394	-	5,422,394	2	-
Total Revenue	6,244,519	-	6,244,519		10,000,000
Program Expense					
Salaries and Benefits	827,574	890,128	62,555		1,224,570
Program	442,879	389,305	(53,574)		525,331
Professional Fees - WA STEM Admin fees	297,895	324,286	26,391		427,230
Professional Fees - Contractors	297,408	184,189	(113,219)	3	214,526
	1,865,756	1,787,908	(77,848)		2,391,657
Income (Loss) before Scholarship Exp	4,378,763	(1,787,908)	6,166,670		7,608,343
Scholarship Expense	15,508,058	21,247,310	5,739,252	4	21,247,310
Net Income (Loss)	(11,129,295)	(23,035,218)	11,905,923		(13,638,967)

WSOS Income Statement

Notes:

1. Revenue Private: Q3 2017 Contributions Revenue includes Costco \$50K, Boeing \$10K and Giuliani Foundation \$10K.
2. Investment income budgeted at zero. Actual-to-date includes \$5.04M in unrealized gains.
3. Professional Fees – Contractors Actual includes CSF transition fee of \$35K which was budgeted in admin fees. Other contracting work includes research and evaluation support for STS Mentoring Program, Post-Graduate survey, Data Transfer to WizeHive and Growth Options project.
4. Scholarship Expense based on accrual for Cohort 6 2017 Fall academic start made in August 2017, plus results of updated scholarship model. Budget was based on outdated model.

WSOS Cash Flow

Cash Flow Summary

Inception-To-Date
September 30, 2017

CASH FLOW

Cash Inflow:

Boeing	12,600,000	12,500,000	1	25,100,000
Microsoft	31,125,000	-	2	31,125,000
Other Private	26,271,137	-	3	26,271,137
State	58,854,000	12,500,000	4	71,354,000
Investment Income*	6,424,675	3,339,944	5	9,764,619
Total Cash Inflows	135,274,812	28,339,944		163,614,756

Cash Outflow:

Scholarships	(41,524,448)	-	6	(41,524,448)
Program Expenses	(10,063,621)	(5,812)		(10,069,433)
Total Cash Outflows	(51,588,069)	(5,812)		(51,593,881)

Net Cash Flow Inception-To-Date

83,686,743	28,334,132		112,020,875
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Composition of Net Cash Flow

KeyBank Checking Account	2,140,890	-	7	2,140,890
Investment Accounts at WSIB and KeyBank	81,545,853	28,334,132		109,879,985
Total	83,686,743	28,334,132		112,020,875

* Includes unrealized gains and losses.

WSOS Cash Flow

Notes:

1. Cash Inflow: Boeing - \$100K gift from Boeing reclassified from Other Private to Boeing based on reconciliation of total cash inflows from inception.
2. Cash Inflow: Microsoft - Received \$1.125M pledge payment in August.
3. Cash Inflow: Other Private - Donations totaled \$90K in Q3 2017 (Costco \$50K, Boeing \$10K and Giuliani Foundation \$10K).
4. Cash Inflow: State - \$2.5M of \$21M state match received April 2017 was transferred to Endowment in September 2017; \$1.016M was transferred out of Endowment-private to Scholarship-private. This was necessary based on reconciliation of the accounts transferred from previous Program Administrator. The increase is reflected in Scholarship-Other Private.
5. Investment Income - Includes net unrealized gains from inception of \$6.36M (Scholarship \$4.41M and Endowment \$1.95M).
6. Scholarship disbursements of \$4.8M net of refunds of \$93K in Q3.
7. WSOS KeyBank - Balance reduced from prior report due to funds being transferred and invested in Q3 2017 in accordance with new ST Investment Policy and guidance from the Finance Committee.

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