

WASHINGTON STATE
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SCHOLARSHIP



BOARD MEETING | January 10, 2019

- I. Meeting Called to Order
- II. Approval of 09/05/18 Board Meeting Minutes
- III. WSOS Scholar Spotlight
- IV. 2018 Legislative Report & Program Impact
- V. Pathways Scholarship Launch Proposal
- VI. Celebrating 2018 and Looking to 2019
- VII. Finance & Program Administrator Update
- VIII. Closing

WASHINGTON STATE **OPPORTUNITY** SCHOLARSHIP

Training the Next Generation of Scientists!



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IDRI teamed up with the Washington State Opportunity Scholarship program to host four summer interns in 2017.



Jasmine Fuerte-Stone, mentored by Sasha Larsen, PhD, and Jesse Erasmus, PhD
Development of a Microneutralization Assay for Rapid ZIKV Neutralizing Antibody Detection

Kyle Krieger, mentored by Heather Wescott, PhD
Validating Over Expression Plasmids

Chester Pham, mentored by Stacy Qi, PhD
Purification of Adjuvant

Sydney Russell, mentored by Alyssa Manning, PhD
Development of a Screen for Measuring Mammalian Macrophage Phagocytosis

WSOS Scholar Spotlight

WSOS Scholar Spotlight

Rebecca Darrow

Bioengineering

University of Washington





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SEE US ABOUT
COLLEGE SCHOLARSHIPS



2018 Legislative Report & Program Impact

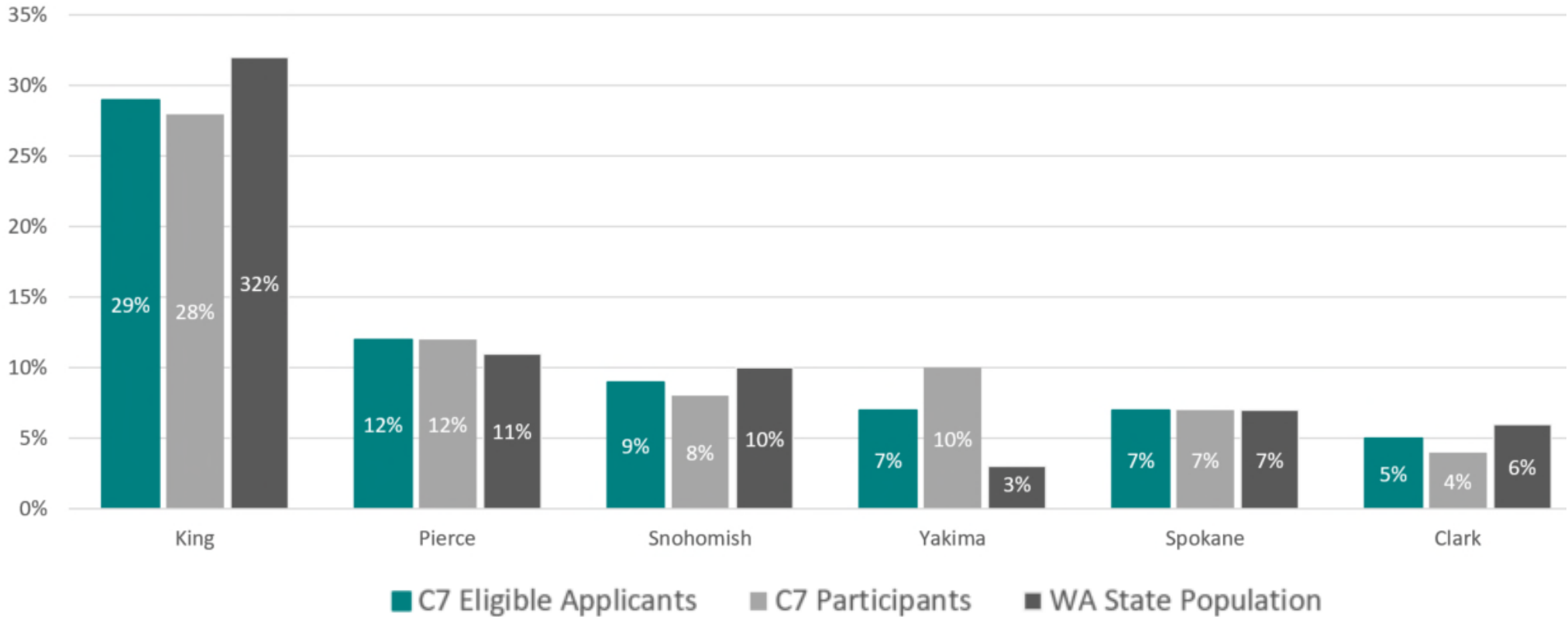
Cohort 7 Applicants

- **Nearly 4,900 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	2018 Cohort 7
Submitted Applications	5,690	1,488	1,507	2,134	3,779	3,836	4,889
Eligible Applications	4,506	985	917	1,242	2,480	2,503	2,966
% Eligible	79% ¹	66%	61%	58%	66%	65%	61%

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

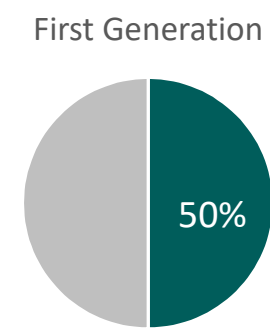
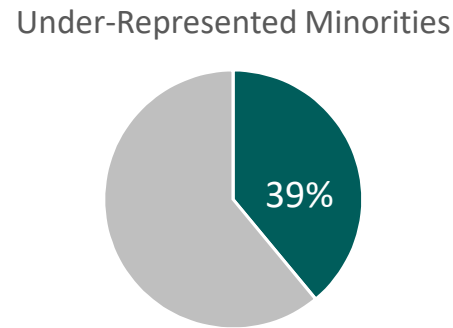
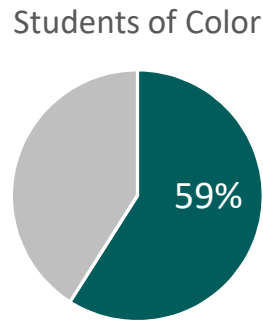
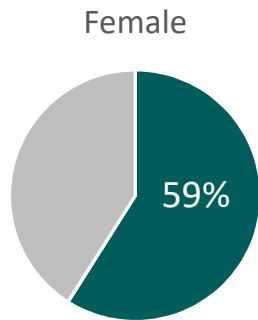
Top Six Counties



¹ There have been eligible and selected applicants from all 39 counties over time.

² Proportion of state population per county were calculated according to [OFM's April 2018](#) estimates.

Cohort 7 Eligible Applicants

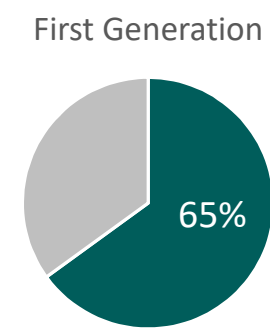
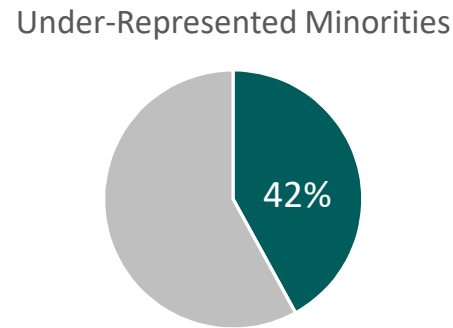
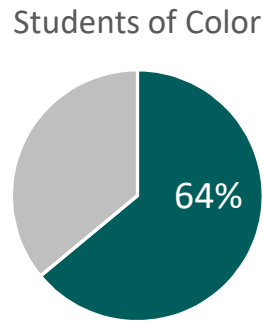
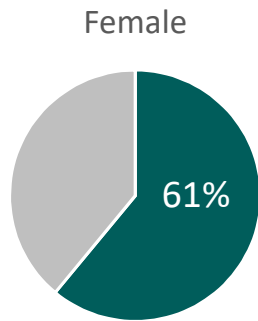


• Family Income

- C7 Eligible Applicants Median: **\$52,073**
- C7 Eligible Applicants Mean: **\$53,755**
- WA State Median: **\$68,550¹**

¹ Family income as [projected by OFM](#) for calendar year 2017.

Cohort 7 Participants 2018-19



• Family Income

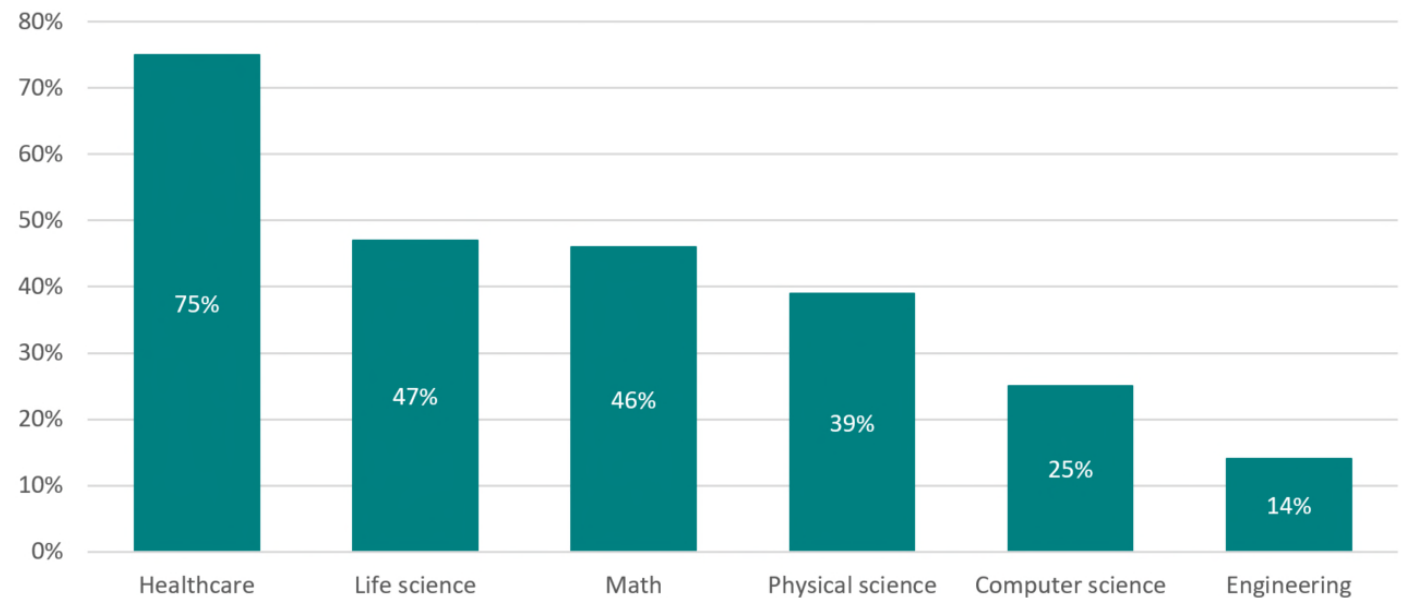
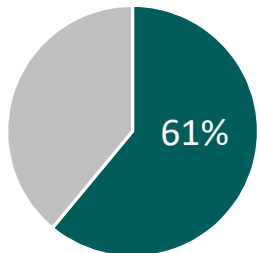
- C7 Participants Median: **\$42,303**
- C7 Participants Mean: **\$45,637**
- WA State Median: **\$68,550¹**

¹ Family income as [projected by OFM](#) for calendar year 2017.

Comparison Points¹: Gender

2016 STEM Workforce:
% Female by Work Sector

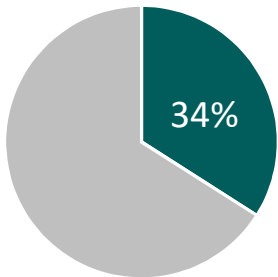
Female C7 Participants



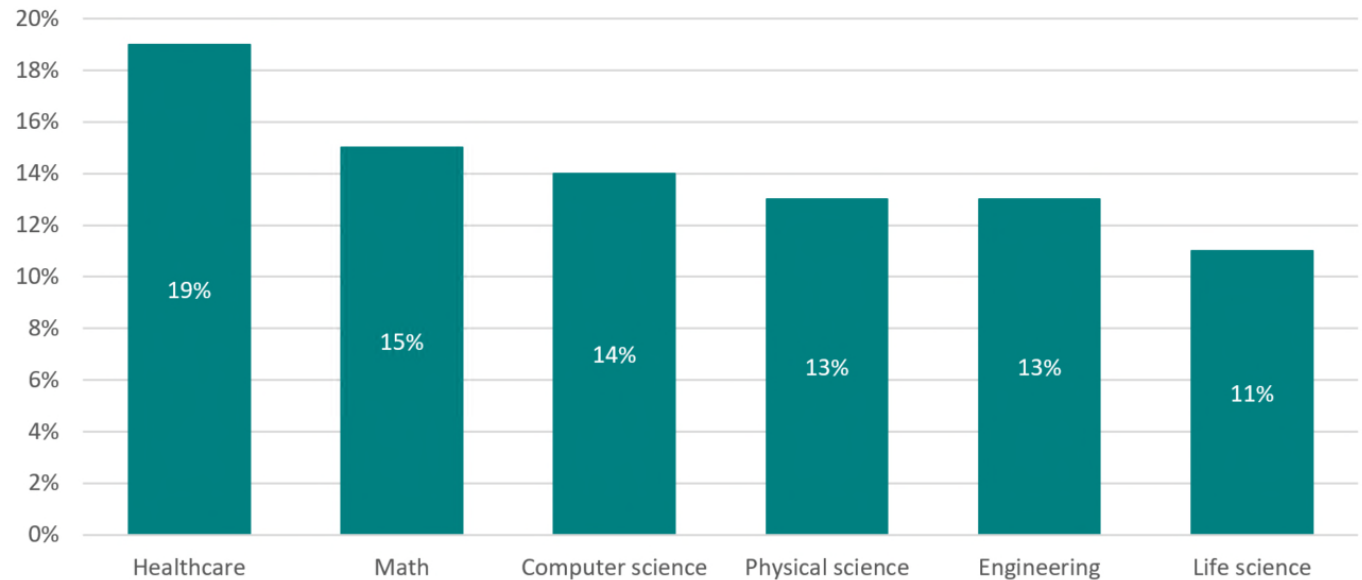
¹ Female representation in the 2016 STEM workforce by sector as calculated [January 2018 by Pew Research](#)

Comparison Points¹: Race or Ethnicity

Black or Hispanic C7 Participants



2016 STEM Workforce:
% Black or Hispanic by Work Sector

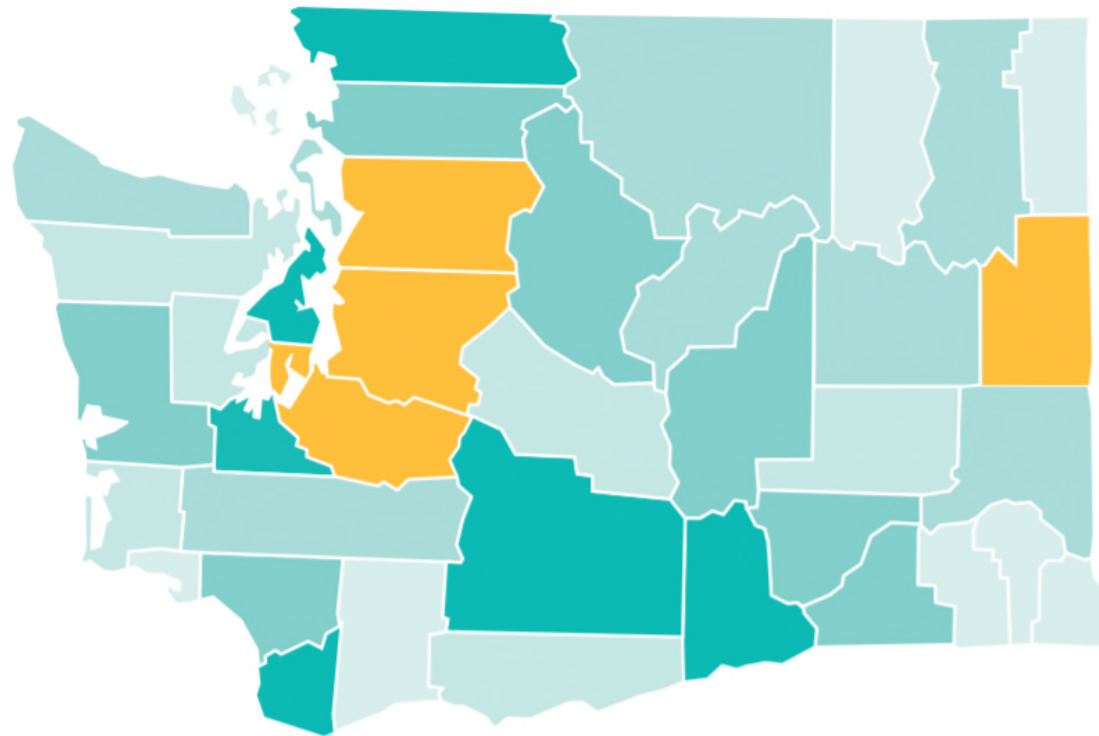


¹ Racial/ethnic representation in the 2016 STEM workforce by sector as calculated [January 2018 by Pew Research](#)

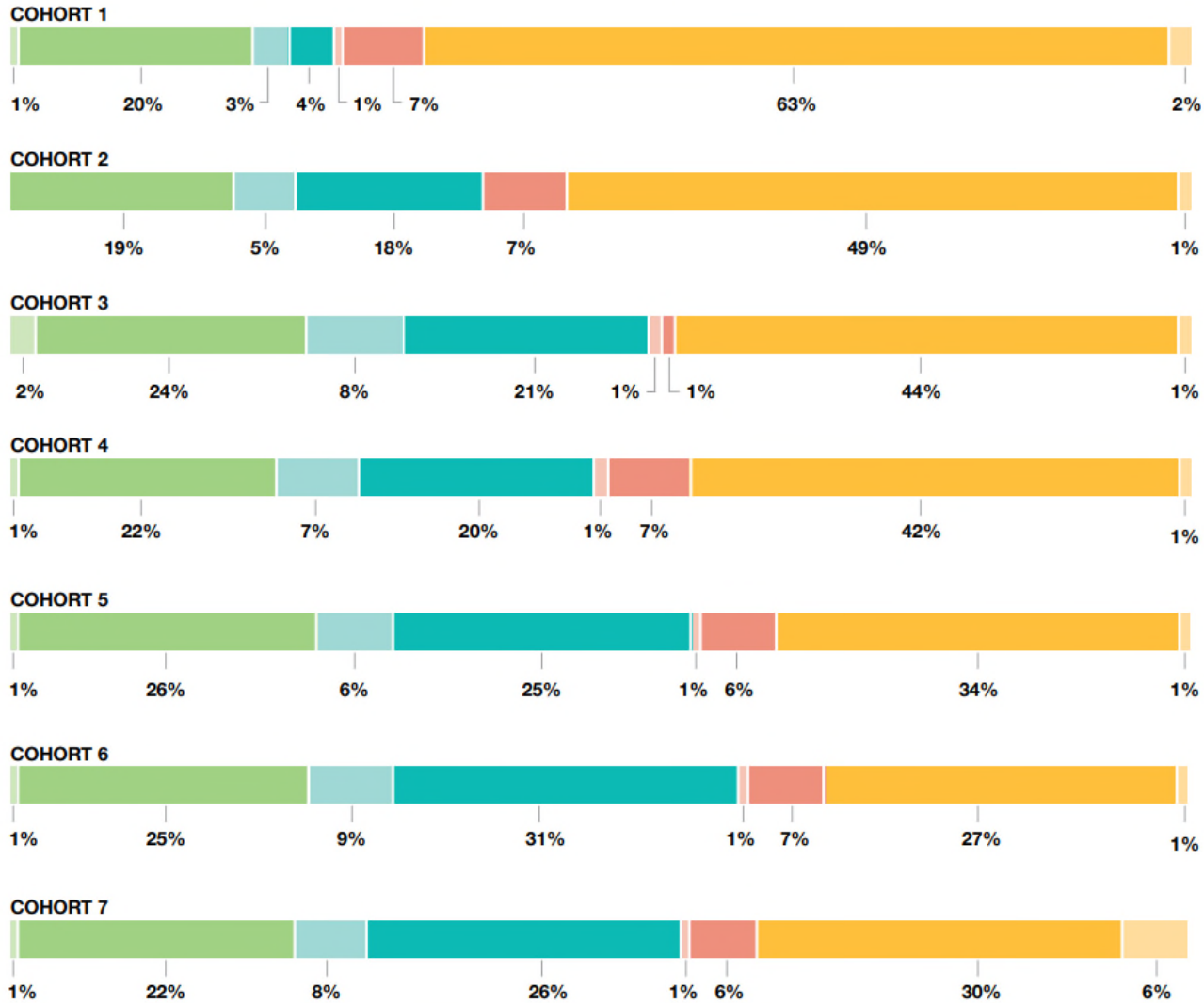
State-Wide Representation

Home County of Cohorts 1-7 Scholars

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

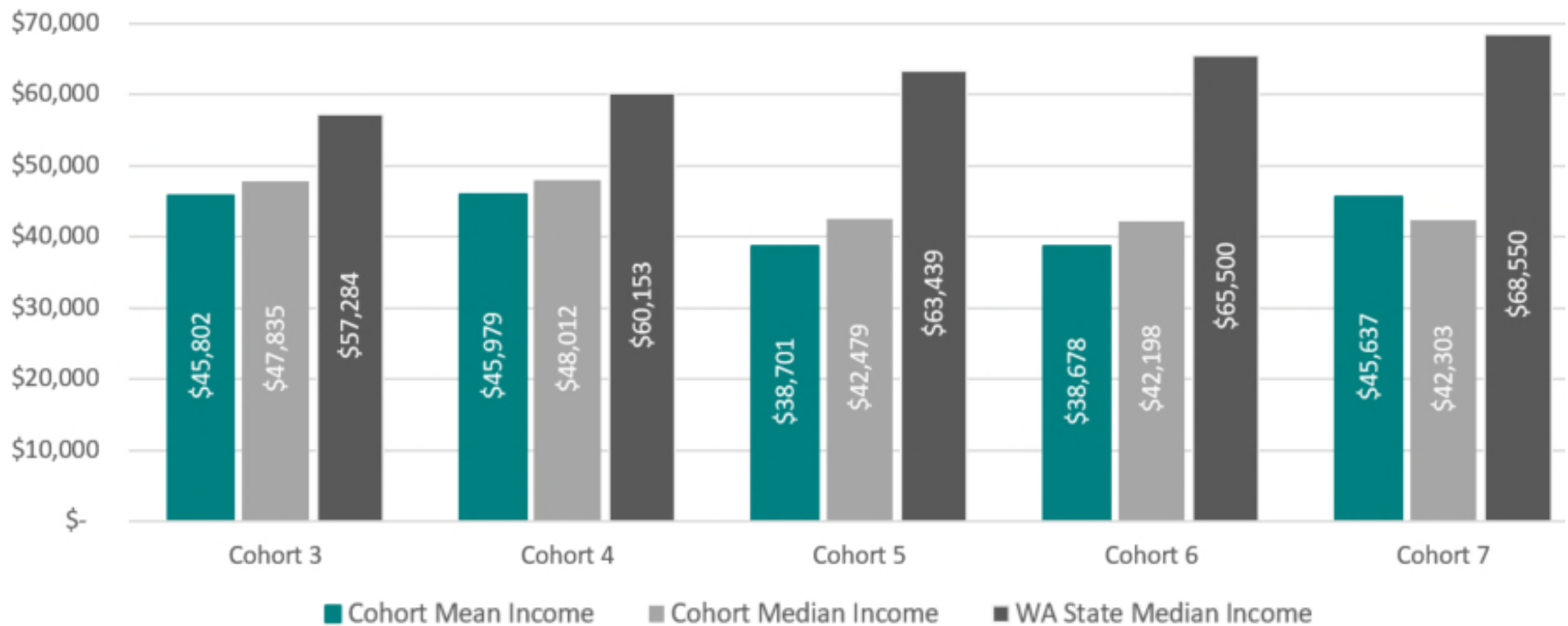


Race or Ethnicity



Family Income

Mean & Median Income Cohorts 3-7 Scholars



¹ Mean and median income for each cohort is as self-reported at the time of selection.

² WA state median income is as reported [by OFM](#) as of January 2019. Cohorts are compared with the median income of the calendar year previous to application year (e.g., 2017 median income is paired with Cohort 7).

Scholar Outcomes

Impact Study of 5 Years of Graduates

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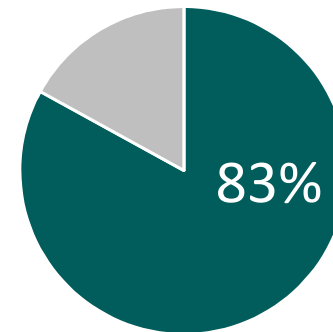
Impact Study: 5 Years of Graduates

- Administered in **September 2018** by independent contractor
- Of more than 3,300 graduates to date, a **random sample** (n=431) were sent the survey
- **About half** (51%, n=220) responded
- **No statistically significant differences** between respondents and other graduates by gender, race/ethnicity, family income at application, high school district, home county or primary field of study at graduation (therefore, generalizable findings)
- **Cohort 1 is under-represented** (by 10%) in the sample

Bachelor's Degrees Earned

- **3,387 Scholars** have earned **3,709 bachelor's degrees**
- **Of bachelor's degrees earned:**
 - **83% are in STEM or health care fields**
 - 20% of degrees are in engineering
 - 20% of degrees are in biology
 - 17% of degrees are in health care
 - 9% of degrees are in computer science

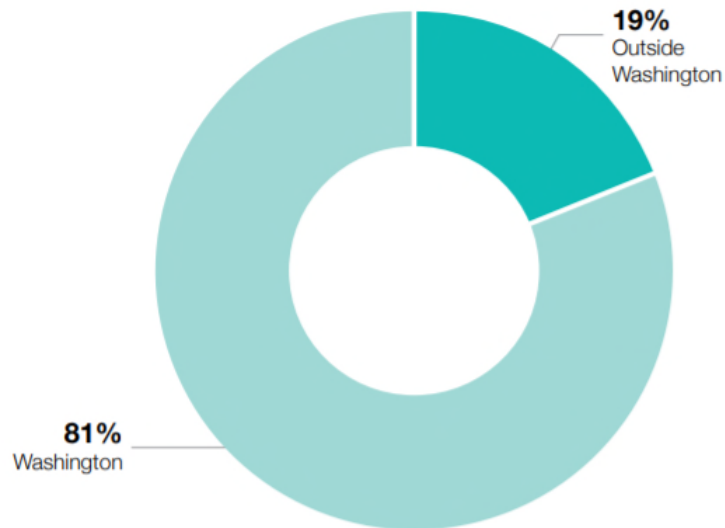
Degrees in STEM or HC Fields



Graduates Pursue Post-Bac Studies

- **About 1 in 10** WSOS graduates have earned a **post-graduate degree**.
 - **7%** have earned a **master's**
 - **2%** have earned a doctoral or **professional degree**
 - **Master's degrees** earned in:
 - Biology
 - Chemistry
 - Computer science
 - Education
 - Engineering
 - Mathematics
 - Information Technology
 - Neuroscience
 - Nursing
 - Physics
 - **Doctoral or professional degrees** earned in:
 - Optometry
 - Pharmacy
 - Physical Therapy

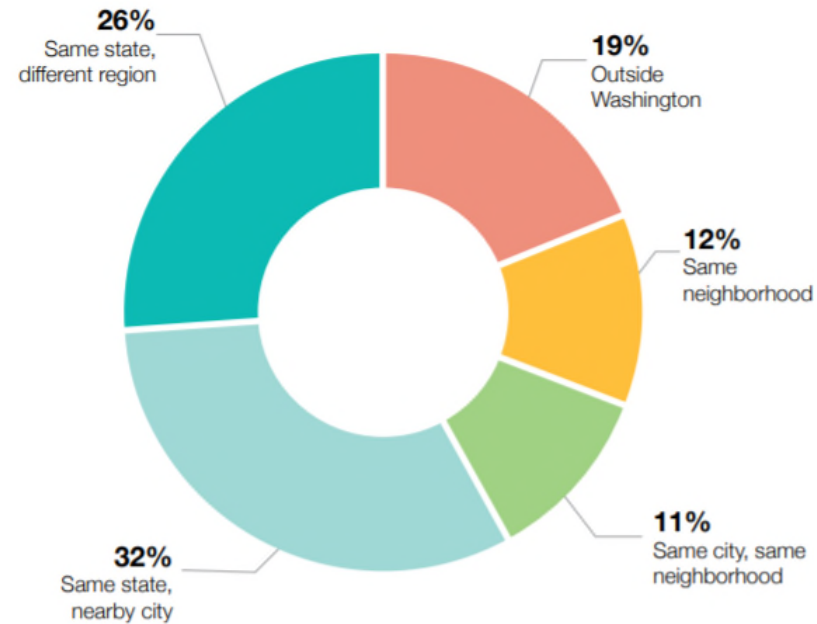
Graduates Stay in Washington



This is even higher for employed graduates, of whom **86% work in Washington.**

- Employed graduates **live across the state:**
 - Seattle (29%)
 - Tacoma (7%)
 - Spokane (6%)
 - Bellevue (5%)
 - Vancouver (3%)
 - Richland (3%).

Graduates Return to Their Hometowns...



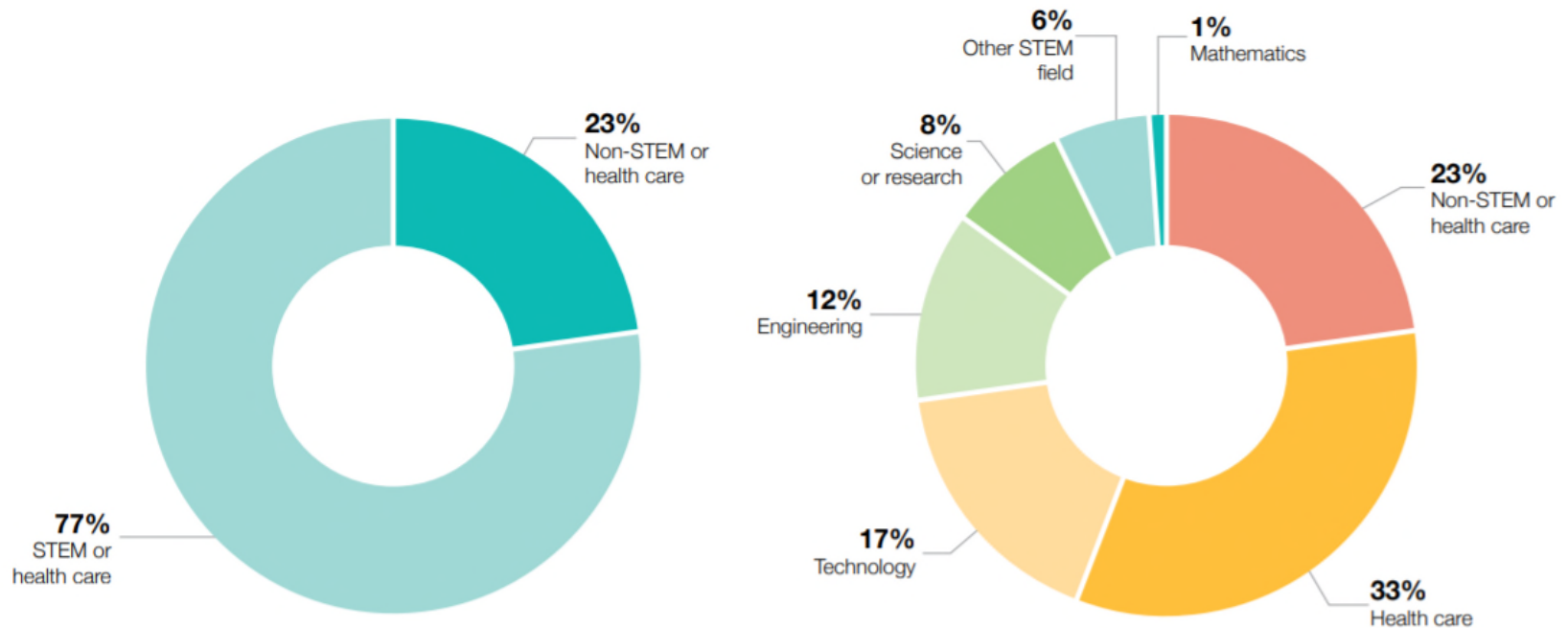
... and Give Back.

- **About 2 in 3** WSOS graduates **give back to their communities** through volunteering.
 - **64%** volunteer at least one hour per month
 - **35%** volunteer four or more hours per month
- **1 in 10** WSOS graduates are already **fostering innovation** through entrepreneurship.
 - **11%** have played a key role in a new program, organization or business

Graduates are Competitive Applicants

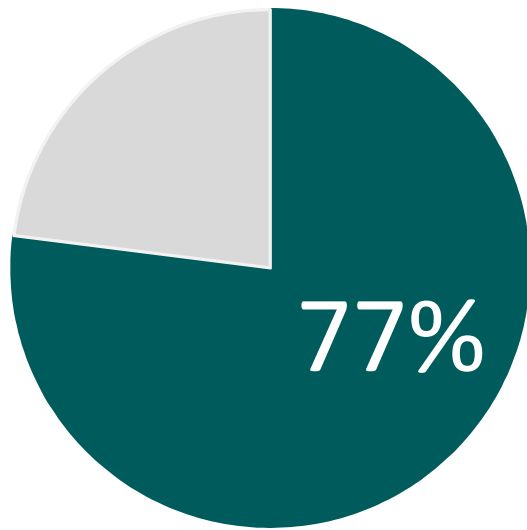
- Graduates **find work quickly.**
 - **79%** of employed graduates searched for a job for less than three months.
- Graduates **field multiple job offers.**
 - **51%** of employed graduates received at least one job offer they did not accept.

Employed Graduates Work in STEM or Health care



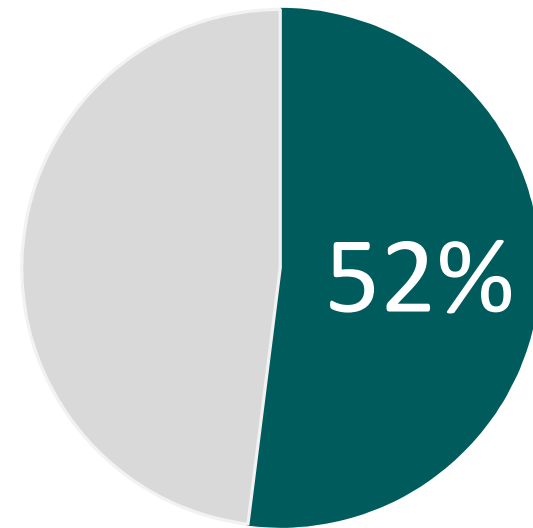
Employed Graduates Work in STEM or Health Care

WSOS Graduates



■ STEM ■ Non-STEM

STEM College Graduates¹



■ STEM ■ Non-STEM

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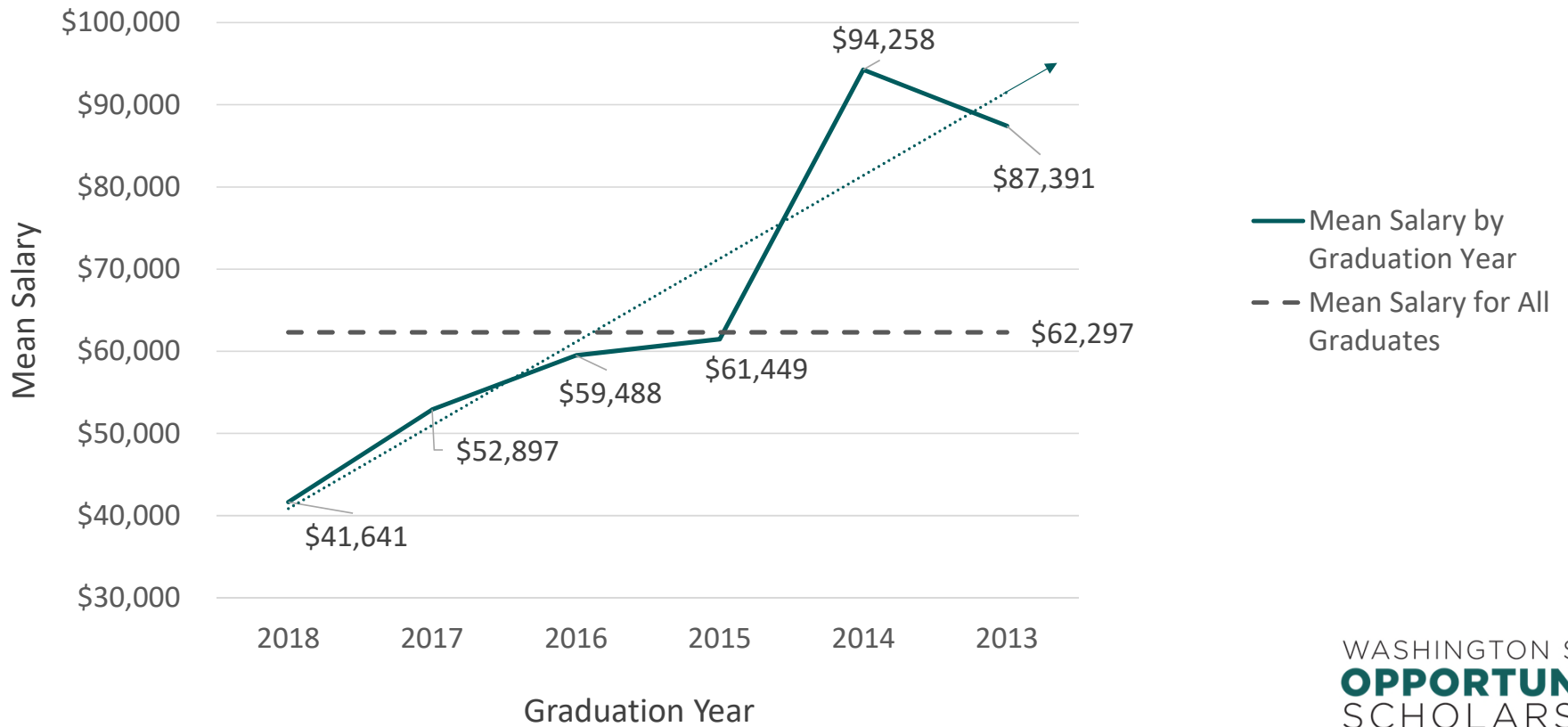
¹ As reported in [January 2018 by Pew Research](#)

Full-time, Employed Graduates Earn Family Wages...

- Median: **\$61,000**
- Mean: **\$62,297**



...and Earnings Increase Over Time.



Breaking the Cycle of Poverty

Opportunity Scholars

- **Full-time, Employed Graduates**
 - *Within 5 years of graduating...*
 - Personal Median Income: **\$61,000**
 - Personal Mean Income: **\$62,297**
- **Cohort 7 Participants**
 - *At time of application...*
 - Family Income Median: **\$42,303**
 - Family Income Mean: **\$45,637**

For Comparison

- Median annual earnings of full-time workers nationally, age 25 and older, in 2016 dollars:¹
 - STEM jobs: **\$71,000**
 - Non-STEM jobs: **\$43,000**
- WA State Median: **\$68,550**²

¹ As reported in [January 2018 by Pew Research](#)

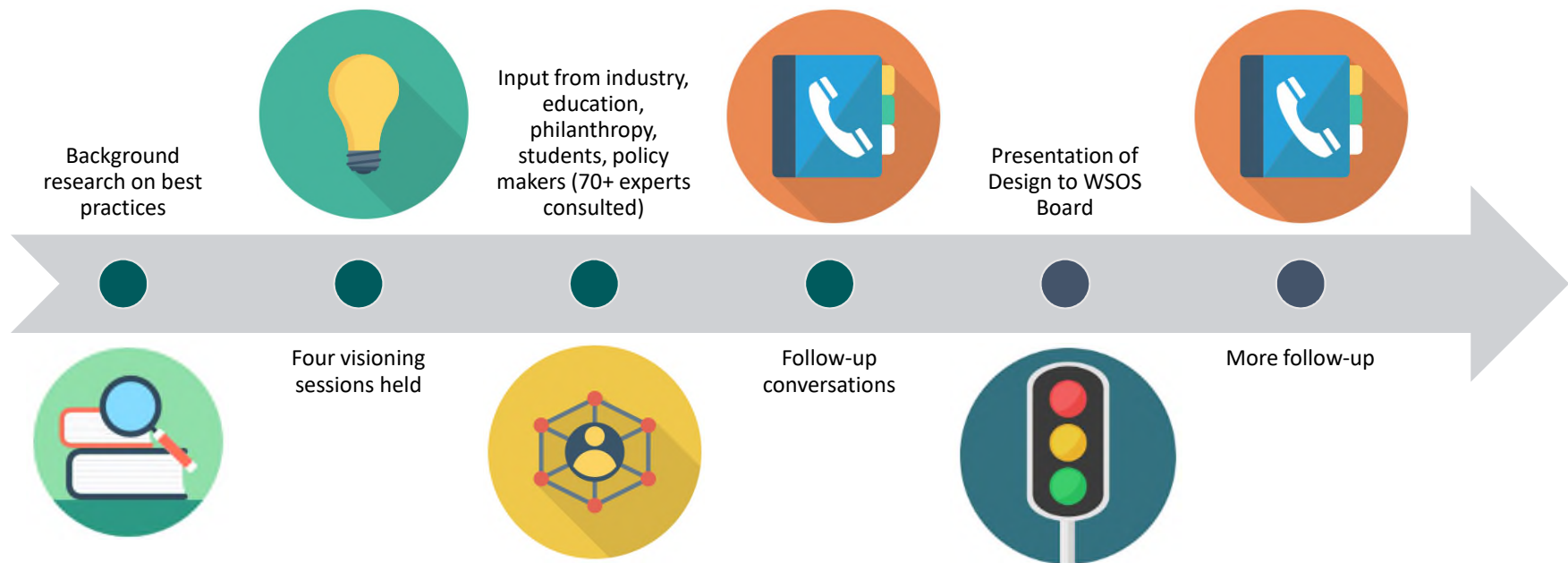
² Family income as [projected by OFM](#) for calendar year 2017



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Pathways Scholarship Launch Proposal

Pathways scholarship design process

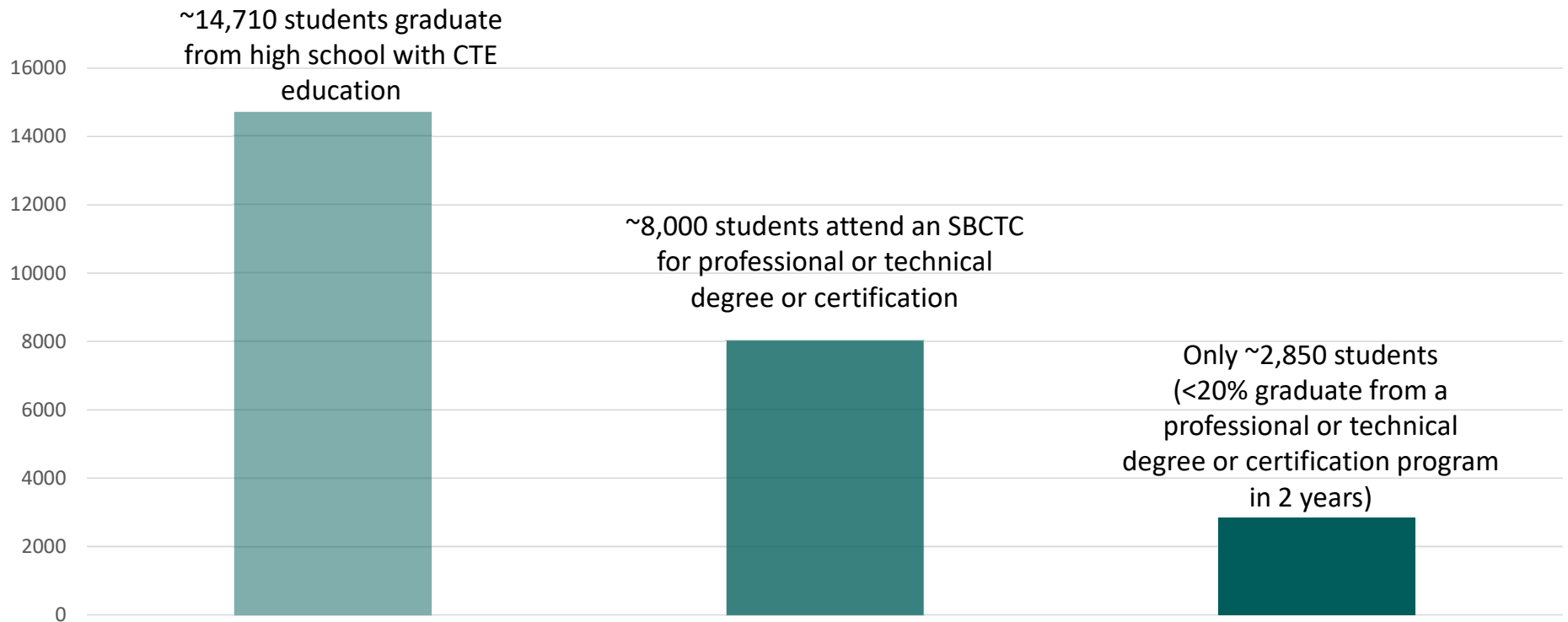


HUGE NEWS!

**RUBENS
FAMILY
FOUNDATION**

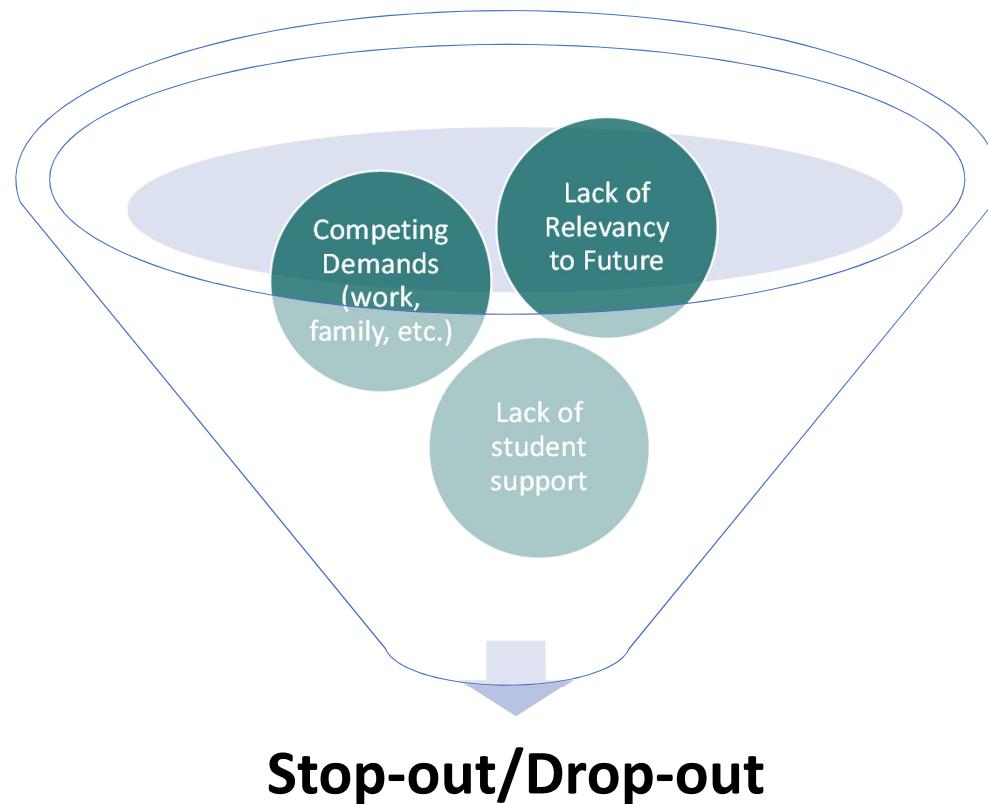


The problem

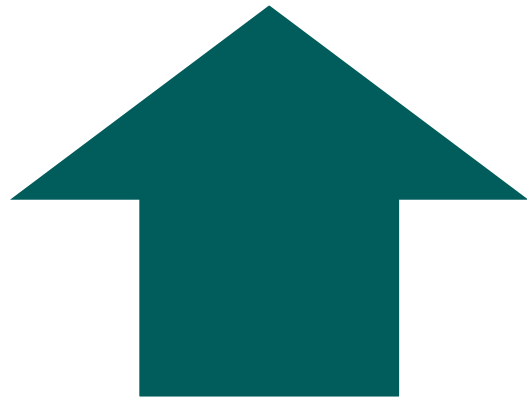


Not enough students are attending and completing high-demand professional and technical degree/certification programs

Frequently cited reasons for why students don't go and why students don't finish



Pathways scholarship is a big bet for Washington



50% increase in number of Washington students who graduate from an industry verified, regionally determined high-demand professional & technical degree program and are employed within nine months of graduation.



Decrease the # of students with demonstrated interest in CTE education who decline to immediately pursue a post-secondary degree or certification program.

How we will accomplish the big bet



Scholarship Dollars

\$1,500 per quarter/\$500 per month while enrolled

Support Services

Navigators to coach Pathways Scholars into job placement

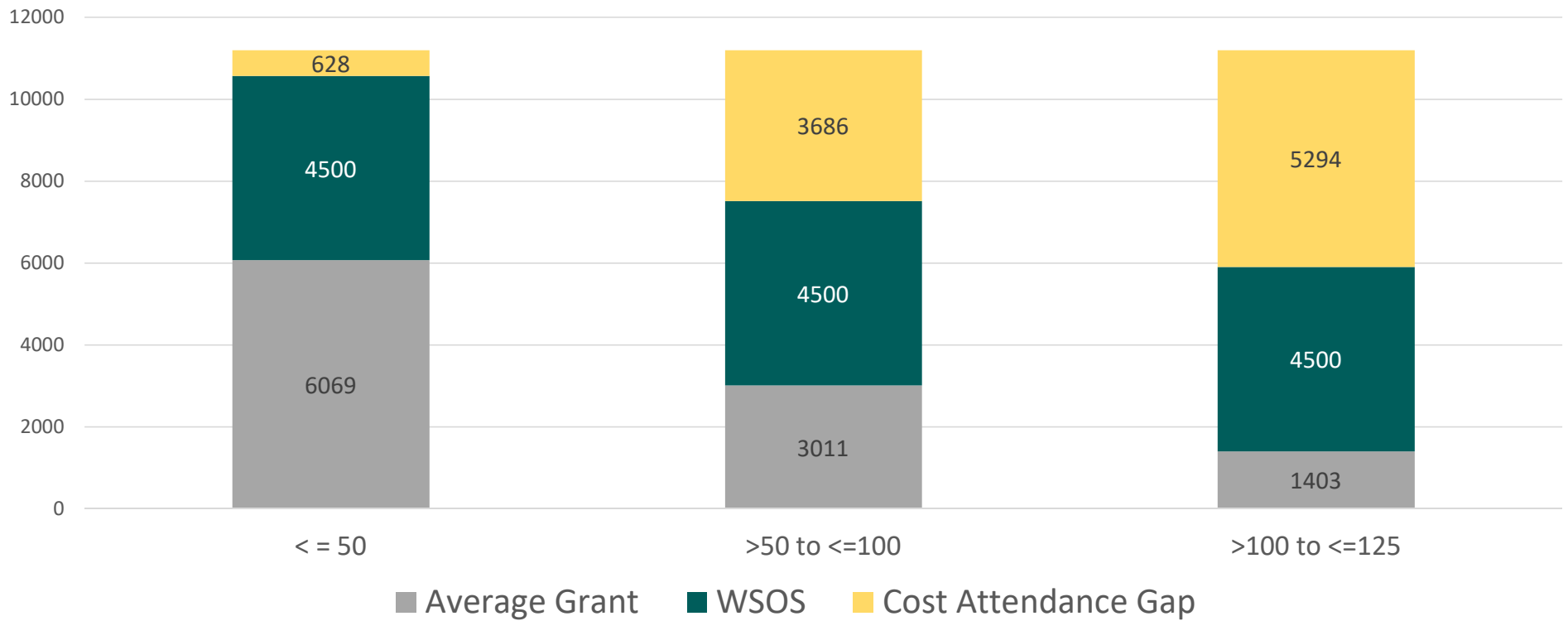
Targeted Eligible Programs

Data Driven Analysis of Eligible Degree/Certification Programs



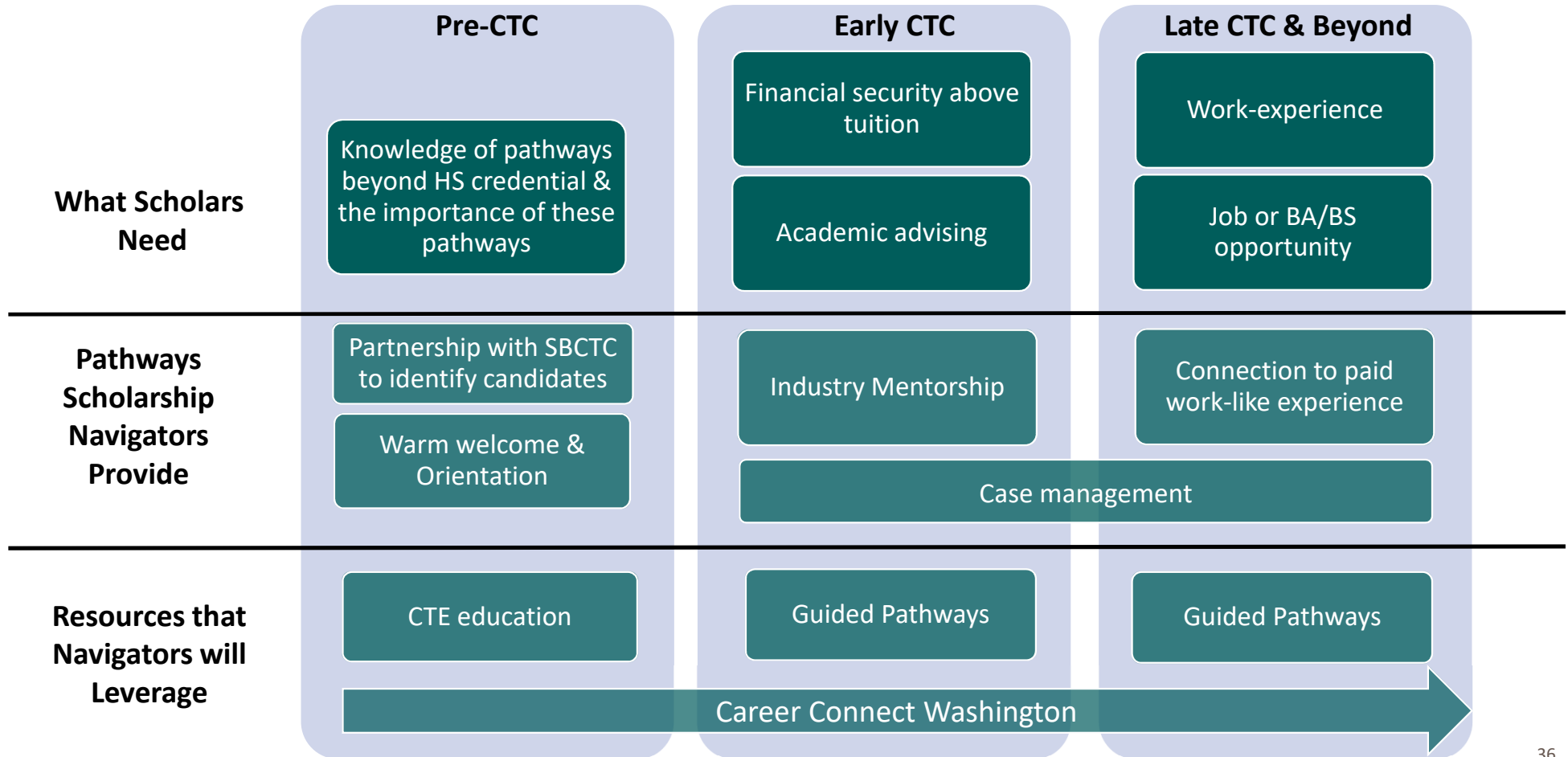
Financial impact on average Pathways Scholar is meaningful

Impact of Pathways Scholarship on Average Awardee





Pathways scholarship support services





Eligible degree/certification programs*

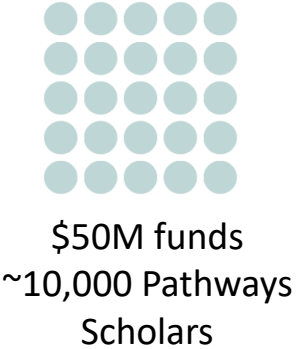
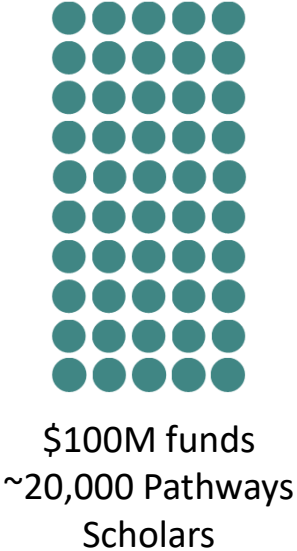


*see Draft Eligible Occupations list

Action requested: Pathways Scholarship Model for 2019-20

	Components
Scholarship Award Amount	<p>\$1,500 per quarter \$6,000 per year (\$4,500 per academic year) or \$500 per month while enrolled in school; approx. ~32% of non-tuition student budget per quarter</p>
Targeted Awardees	<p>Recent high school graduates Demonstrated interest in prof/tech career pathway (n < 4,562 per year)</p>
Degree Programs	<p>Regional high-demand degrees, differentiated by institution (verified by industry) Living wage and evergreen</p>
Support Services – Pathways Navigators	<p>\$500 per student Industry mentorship Case management support Assistance with securing paid work-like experiences Post-completion career placement counseling and navigation</p>
Target completion rate in 2 years or less	<p>66% (current SBCTC completion rate for 25 and younger is 16-24%)</p>

Modeling of Pathways Scholarship



A grayscale photograph of four scientists in a laboratory. Three men and one woman are wearing white lab coats and safety goggles. They are all smiling and making peace signs with their hands. The background shows laboratory equipment and shelves.

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Program Update & ⁴⁰2019 Goals and Budget

Celebrating 2018

- » Organizational Growth
- » Scholar Onboarding
- » Scholar Lead Program
- » Skills that Shine Refresh
- » Opportunity Talks 2018
- » Website, Social Media, Media



2019 WSOS Goals

- » Pathways Scholarship launched
- » Fundraising for Pathways, Opportunity and Advanced Health Care Scholarships
- » Advocacy – College Bound and WSOS & Municipal investments
- » Organizational Capacity Building and Strategic Synergies with Program Administrator Washington STEM



Proposed 2019 WSOS Budget

\$ IN THOUSANDS

	2018 Budget	2019 Budget	Variance
REVENUE	3,960	24,817	20,857
SCHOLARSHIP EXPENSE	24,071	24,339	268
Salaries, Taxes, and Benefits	1,922	1,895	(27)
Administrative Fee	419	514	95
Other	741	636	(105)
OPERATING EXPENSES	3,082	3,045	(37)
NEAR PEER MENTORING	189	360	171

2019 WSOS Budget | Key Assumptions

- Revenue comprised of event, investment income, private gifts and expected state match revenue
- Contingency included in personnel cost to account for support services for WSOS
- Decrease in salaries and “other” (program expenses) due to better information on actual expenses for WSOS support services expansion
- Increase in payments to near peer mentors as class sizes continue to grow



Finance & Program Administrator Update

45

September 30, 2018

WSOS Balance Sheet

Comparative Balance Sheets
September 30, 2018

	Comparison to Last Reported Period			Notes	Comparison to Same Period LFY		
	6/30/18	% Change	9/30/18		9/30/17	% Change	9/30/18
Assets							
Cash	2,983,127	65%	4,919,677	1	2,140,890	130%	4,919,677
Investments	112,231,254	-1%	111,178,014	2	109,879,985	1%	111,178,014
Accounts Receivable	38,492	64%	63,270		39,725	59%	63,270
Pledges and Grants Receivable, net	12,463,262	-24%	9,500,000	3	13,154,779	-28%	9,500,000
State match receivable, net	4,745,530	29%	6,110,986	4	-		6,110,986
Prepaid Expenses	120,621	-9%	109,498		74,392	47%	109,498
Property and equipment, net	40,122	1%	40,371		24,302	66%	40,371
Total Assets	132,622,408	-1%	131,921,816		125,314,073		131,921,816
Liabilities and Net Assets							
Accounts Payable	71,050	-6%	66,465		61,521	8%	66,465
Payroll Related Liabilities	57,576	10%	63,309		5,335	1087%	63,309
Scholarship Commitments, net	23,465,518	77%	41,531,784	5	30,290,993	37%	41,531,784
Total Liabilities	23,594,144	77%	41,661,558		30,357,849	37%	41,661,558
Net Assets							
Temporarily Restricted Net Assets	84,028,264	-22%	65,260,258		69,956,224	-7%	65,260,258
Permanently Restricted Net Assets	25,000,000	0%	25,000,000		25,000,000	0%	25,000,000
Total Net Assets	109,028,264	-17%	90,260,258		94,956,224	-5%	90,260,258
Total Liabilities and Net Assets	132,622,408	-1%	131,921,816		125,314,073	5%	131,921,816

WSOS Balance Sheet

Notes:

1. Increase in cash QoQ largely due to receipt of Rubens \$3M pledge payment late September. The total Q3 private receipts of \$3.14M was invested with WSIB Scholarship on 10/10/18.
2. Investments balance as of 9/30/18 includes WSIB Scholarship \$66.1M, WSIB Endowment \$29.8M and KeyBank Capital \$15.3M. Total investments lower QoQ due to funding of fall scholarship disbursements of \$5.7M, offset by investment earnings and new investments made.
3. WSOS received pledge payment from Rubens Family Foundation in amount of \$3M in September. Remaining balance includes Rubens (\$7M) and Microsoft (\$2.5M).
4. The Q1 2018 private receipts of \$1.78M was matched by WSAC in August. The state match accrual of Q3 private receipts (\$3.14M) was recorded in September. Note that \$3.59M was received from WSAC in October. The resubmitted amount of \$2.8M still outstanding as of 10/18.
5. The scholarship liability for Cohort 7 was recorded in August. The larger balance is reflective of increasing student selections. Scholarship disbursements totaled \$5.7M in Q3.

WSOS Income Statement

Actual vs. Budget

Nine Months Ending September 30, 2018

	Nine Months Ended September 31, 2018			Notes	December 31, 2018
	Actual	Budget	Variance Fav (Unfav)		Annual Budget
Revenue					
Private	377,404	900,000	(522,596)	1	1,200,000
Public	4,940,070	-	4,940,070	2	-
Investment Income	2,340,066	2,070,000	270,066	3	2,760,000
Total Revenue	7,657,540	2,970,000	4,687,540		3,960,000
Program Expense					
Salaries and Benefits	1,198,280	1,458,473	260,193	4	1,922,266
Professional Fees - Program Admin fees	333,604	307,788	(25,816)		418,788
Professional Fees - Contractors & Lobbying	323,307	147,075	(176,232)	5	190,700
Conferences, Conventions & Meetings	66,894	96,671	29,777		286,858
Operating Expenses	146,553	201,045	54,492	6	263,029
	2,068,637	2,211,052	142,414		3,081,641
Income (Loss) before Scholarship Exp	5,588,903	758,948	4,829,955		878,359
Scholarship Expense	23,275,471	24,143,050	867,579	7	24,071,050
Net Income (Loss)	(17,686,568)	(23,384,102)	5,697,534		(23,192,691)

WSOS Income Statement

Notes:

1. Revenue Private: Jan-Sep 2018 contribution revenue includes Hanson-\$50K, Castners-\$50K, Costco-\$50K, Seattle Foundation-\$25K, Battelle grant-\$25K and Sinegal Family Foundation-\$25K.
2. Revenue Public: Includes state match revenues of \$1.7M Q1, \$93K Q2 and \$3.14M in Q3. State Match revenues not budgeted.
3. Investment income: Actual YTD includes unrealized/realized gains of \$1.97M, interest & dividend income of \$422K and investment expense of <\$50K>.
4. Salaries and benefits: ~\$60K of variance relates to year-end payroll accruals (will catch-up in Dec '18). Rest of variance is related to true hiring savings.
5. Professional Fees – Actual expense over budget in part due to near-peer mentoring (\$72K), financial-based consultant time (\$21K), lobbying (\$27K) and I.T. (\$32K) related needs.
6. Operating Expenses – Actual expense very close to budget when excluding <\$54K> net credit to bad debt expense reversal from 2017.
7. Scholarship expense for CY 2018 was recorded in August after incorporating Cohort 7 student pool. Actual expense is net of scholarship refunds of \$496K.

WSOS Cash Flow

Cash Flow Summary

Inception-To-Date
September 30, 2018

CASH FLOW

Cash Inflow:

Boeing	12,610,000	12,500,000	1	25,110,000
Microsoft	32,500,000	-		32,500,000
Other Private	30,263,755	-	2	30,263,755
State	69,049,682	12,500,000	3	81,549,682
Investment Income*	9,914,044	4,788,234	4	14,702,278
Total Cash Inflows	154,337,481	29,788,234		184,125,715

Cash Outflow:

Scholarships	(54,837,721)	-	5	(54,837,721)
Program Expenses	(13,184,491)	(5,812)		(13,190,303)
Total Cash Outflows	(68,022,212)	(5,812)		(68,028,024)

Net Cash Flow Inception-To-Date

86,315,269	29,782,422		116,097,691
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Composition of Net Cash Flow

KeyBank Checking Account	4,919,677	-	6	4,919,677
Investment Accounts at WSIB and KeyBank	81,395,592	29,782,422		111,178,014
Total	86,315,269	29,782,422		116,097,691

* Includes unrealized gains and losses.

WSOS Cash Flow

Notes:

1. Cash Inflow: Boeing – Received \$10K Opportunity Talks donation in Q3.
2. Cash Inflow: Other Private – Rubens Family Foundation pledge payment of \$3M received in Q3.
3. State – Received \$1.77M from WSAC in August. Note that another \$3.59M was received in October (will be reflected in Q4 Cash Flow).
4. Investment Income – Includes net unrealized gains from inception of \$10.82M (Scholarship: \$7.61M and Endowment: \$3.21M). YTD 2018 the total gain is \$1.97M.
5. Scholarship disbursements were \$9M during the first nine months of 2018 and scholarship refunds totaled \$496K.
6. WSOS Cash in KeyBank – Received \$3M Rubens pledge late September. Q3 private donations invested with WSIB on 10/10/18. Furthermore, \$3.59M in state match funds were received in October. These dollars were subsequently invested in fixed income securities via KeyBank according to investment policies.

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