

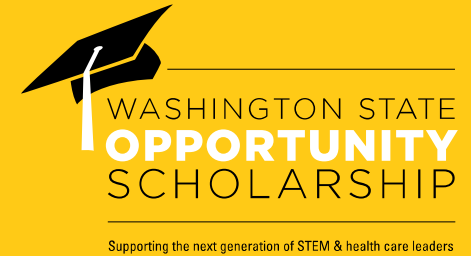


Supporting the next generation of STEM & health care leaders

BOARD MEETING | APRIL 13, 2017



Agenda



- I. Meeting Called to Order
- II. Approval of 12/12/16 Board Meeting Minutes
- III. Scholar Spotlight
- IV. Overview of Washington STEM & Transition Update
- V. Cohort 6 Scholar Selection
- VI. WSOS Activities Update, 2017 WSOS Budget & 2017 Priorities
- VII. Finance Update
- VIII. Closing & Adjourn

SCHOLAR SPOTLIGHT

Board Meeting | April 13, 2017



Meet our Scholar



Carly
Marshall



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OVERVIEW OF WASHINGTON STEM & TRANSITION UPDATE



April 13, 2017

WASHINGTON STEM TRANSITION UPDATE

Current Matters
WSOS Key Dates

CURRENT MATTERS

- **Due diligence on transferred balances**
- **Systems and data base conversions**
- **Updated model projecting scholarship liabilities, resulting in a \$7.5 million adjustment as of 1.31.17**
 - WSOS Program matters
 - Delay in issuance of Washington STEM audit report
- **Key matters with the State**
 - Program audit required in 2018 (cumulative results)
 - Requesting program extension in 2017 to two-year programs
- **WSOS Board support**
 - Request for cash reconciliation for program to date
 - Implications of adjustment to scholarship liabilities
- **Other transition: WSIB, AG, WSAC**

WSOS KEY DATES

February 1, 2017 | WSOS Employees Onboarded

February-March 2017 | Due diligence, finalize 1.31.17 numbers, data and systems conversions, cash transfer to Washington STEM; Clark Nuber to conduct procedures

Q2 2017 | Accounting system conversion

Q3 2017 | Complete system conversion, integrations

Q4 2017 | Annual Program report due to State

Q1 2018 | First audit of combined programs, with Form 990

Q2 2018 | Secure contract renewal; prepare for state audit of program

WASHINGTON STEM OVERVIEW

FUTURE READY WASHINGTON



Young Washingtonians have the technical and critical skills needed to thrive in today's jobs and create and excel in the unknown jobs of tomorrow as well as exemplify opportunity and create shared prosperity for our communities.

Washington STEM and our regional Networks and partners aspire to a Future Ready Washington.

Together, here's what we plan to achieve by 2025. >>

Our work is organized in four priority initiatives:



Computer Science



Career Connected Learning



Early Math



Science & Engineering

We advance this work by building partnerships, leveraging policy, and expanding innovation.

In all our work we focus on:



Equity

All students deserve the opportunities that come with being STEM ready. We focus our work and encourage networks to target gaps in gender, race, income, and geography.



Teaching Quality

Quality instruction can unlock so much student potential. We support professional development, standards implementation, resource dissemination in service of these objectives.

Increase STEM access, interest, and success for all students



STATE OF THE STEM NETWORK

10 REGIONAL NETWORKS	NETWORK OUTCOMES
<ul style="list-style-type: none"><li data-bbox="436 591 1035 954">□ Cross sector partnerships serving 57% of students in Washington with a disproportionate representation of low-income and students of color<li data-bbox="436 987 1035 1284">□ Regional Networks' health<ul style="list-style-type: none"><li data-bbox="520 1084 894 1122">□ 6 high functioning<li data-bbox="520 1143 930 1219">□ 3 additional support needed<li data-bbox="520 1240 835 1278">□ 1 restructuring	<ul style="list-style-type: none"><li data-bbox="1092 591 1612 688">□ Robust infrastructure - mature relationships<li data-bbox="1092 721 1612 818">□ Development of policy agenda<li data-bbox="1092 850 1692 948">□ Additional resources to support STEM programming<li data-bbox="1092 980 1625 1122">□ Increase in WSOS applications, Code.org, etc.<li data-bbox="1092 1154 1688 1357">□ Increased public awareness of the need for STEM literacy for all students

FUTURE READY: IMPACT THROUGH PARTNERSHIP

	OBJECTIVES	PARTNERS
Regional STEM Networks	<ul style="list-style-type: none"> • Support cross sector collaboration • Partner of innovation initiatives • Proof points of success • Advocate for policy agenda • Implement regional solutions • Scale effective practices 	<p>10 regional Networks and their membership of:</p> <ul style="list-style-type: none"> • K-12 • Higher education • Business associations • Extended learning providers • Larger regional employers
High Impact Statewide Partners	<ul style="list-style-type: none"> • Scale effective practices • Align advocacy efforts • Partner on innovation initiatives 	<p>Three types of statewide nonprofits:</p> <ul style="list-style-type: none"> • Intermediary associations (e.g. Thrive, SOWA) • Direct service program Providers (e.g. Code.org, WSOS) • Advocacy organizations (e.g. Roundtable, LEV)
Public-Private Partnership	<ul style="list-style-type: none"> • Incentivize system improvement • Support data collection • Ensure system accountability • Secure funding • Scale effective practices 	<p>Government agencies:</p> <ul style="list-style-type: none"> • Office of the Governor <ul style="list-style-type: none"> ○ WSAC ○ Workforce Training Board • OSPI • State universities and colleges • Educational service districts



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COHORT 6 SCHOLAR SELECTION



April 13, 2017

Cohort 6 Selection: The Need

Cohort 5

- 3,779 submitted applications
 - 77% increase from C4
- 2,317 preliminarily eligible
 - 61% of submitted applications
- 1,450 will be selected

Cohort 6

- 3,748 submitted applications
 - On par from C5
- 2,453 preliminarily eligible
 - 65% of submitted applications
- 1,850 will be selected



Factors for Consideration

Recommended Cohort 6 Model

- Major category of study
- GPA
- Family income
- First generation status
- Essay (tie-breaker only)



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Two-Part Formula

Category

- *Points assigned*
 - **Major:** # Job openings
 - **GPA:** Increments of 0.25
 - **Family Income:** Quartiles
 - **First Generation:** Yes/No
 - **Essay:** Scoring

Importance Rank

- *Used as a multiplier*
- Order of importance:
 1. Major
 2. GPA
 3. Family income
 4. First generation status
 5. Essay (tie-breaker only)



Recommended Selection Formula

EMPLOYMENT FIELD	MAJOR CATEGORIES INCLUDED	EMBED MAJOR: Proposed Weight for Category Majors
COMPUTER SCIENCE	COMPUTER & INFORMATION SCIENCES AND SUPPORT SERVICES	0.40
ENGINEERING	ENGINEERING; ENGINEERING TECHNOLOGIES & ENGINEERING-RELATED FIELDS	0.21
RESEARCH, SCIENCE, TECHNICAL	BIOLOGICAL & BIOMEDICAL SCIENCES; PHYSICAL SCIENCES	0.10
HEALTH PROFESSIONS	HEALTH PROFESSIONS & RELATED PROGRAMS	0.14
ALL OTHER ELIGIBLE, HIGH-DEMAND MAJORS	AGRICULTURE, AGRICULTURE OPERATIONS, AND RELATED SCIENCES; NATURAL RESOURCES & CONSERVATION; EDUCATION; MATHEMATICS & STATISTICS; MULTI/INTERDISCIPLINARY STUDIES	0.05



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Preliminary Outcomes: Gender

Gender	% of Cohort 6
Female	60%
Male	40%



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Preliminary Outcomes: Race

RACE/ETHNICITY	# of Selects	% of Selects
American Indian or Alaska Native	10	0.54%
Asian	459	24.81%
Black or African American	157	8.49%
Hispanic or Latino	561	30.32%
Native Hawaiian or Other Pacific Islander	18	0.97%
Not Reported	11	0.59%
Two or More Races	130	7.03%
White	504	27.24%
Grand Total	1850	100%



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Preliminary Outcomes: Major Categories

FIELD	Cohort 6
Computer Science	15%
Engineering	27%
Research, Science, Technical	20%
Health Professions	30%
All other eligible, high-demand majors	7%

Preliminary Outcomes: First Generation College

FIRST GEN	# of Selects	% of Selects
No	493	26.65%
Unknown	40	2.16%
Yes	1317	71.19%
Grand Total	1850	100.00%



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Preliminary Outcomes: Family Income

FAMILY INCOME QUARTILE	# of Selects	% of Selects
1	656	35.46%
2	654	35.35%
3	370	20.00%
4	170	9.19%
Grand Total	1850	100.00%



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ACTION NEEDED: APPROVAL OF COHORT 6 SELECTION MODEL



April 13, 2017

WSOS ACTIVITIES UPDATE, 2017 WSOS BUDGET & 2017 PRIORITIES

April 13, 2017



Activities Update: Scholarship Promotion



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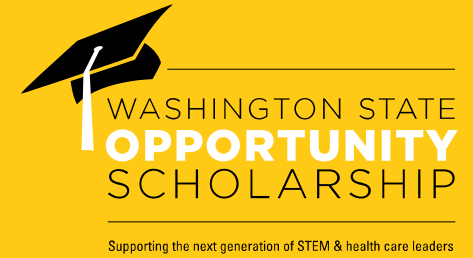


Activities Update: Support Services

- Retention
- Career Readiness
- Skills that Shine



Fund Development

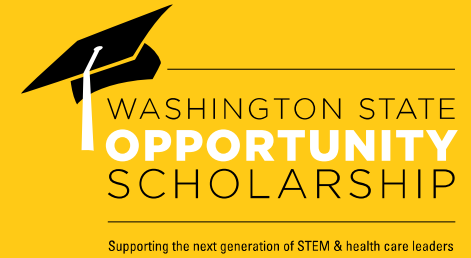


OPPORTUNITY
TALKS

Thursday, November 2, 2017
Sheraton Seattle
7:30 a.m.



Fund Development



geeks give back
brought to you by GeekWire Bank of America 

Media



Coverage Summary:

- **College of Engineering's STARS program wins \$2.2M to improve access for low-income students**
UW Today | Feb. 8, 2017
- **Led by Microsoft's Brad Smith, program gives out \$6M in STEM grants in Washington**
PSBJ | Feb. 9, 2017
- **Tech, science programs at 3 Washington universities win grants**
Seattle Times | Feb. 9, 2017
- **Deadline approaches for tech-related scholarships**
KOMO Radio | Feb. 21, 2017
- **Washington State Opportunity Scholarship grants CWU \$2.2 million for STEM recruitment**
The Observer | Feb. 23, 2017
- **CWU Awarded \$2.19 Million for STEM Teacher Preparation**
CWU | Feb. 24, 2017
- **Editorial: A pathway to careers for community college students**
The Daily Herald | Feb. 28, 2017
- **WWU awarded \$1.6 million to expand computer science degrees**
The Bellingham Business Journal | Mar. 9, 2017
- **Washington State STEM Education Foundation: STEM education offers competitive advantage**
Tri-City Herald | Mar. 23, 2017

Social Media



Key social media growth and impressions

January 1, 2017 – March 31, 2017

Facebook

- » 2,787 followers Jan. 1, 2017
- » 3,115 followers Mar. 31, 2017 **(+11%)**
- » Total impressions (paid & organic): **257,893**

Twitter

- » 1,446 followers Jan. 1, 2017
- » 1,506 followers Mar. 31, 2017 **(+4%)**
- » Total impressions (paid & organic): **30,376**

WA Opp Scholarship @OppScholarship · Feb 24

Today we're at the @uw Bio Resource Lab learning how to make paper with @OppScholarship Scholar Mayki.

#ifyoudontknownowyouknow



Brand Refresh



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WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP



LOG IN | SIGN UP

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SCHOLARSHIP/SUPPORTS

IMPACT

GET INVOLVED

WELCOME

We Have a New Look

We've updated our site to serve you better. Take a look around.

EXPLORE

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

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Advocacy Update



- Update on WSOS-led House (HB1452) and Senate (SB5261) Bills
- HB2143 – Advanced degrees for healthcare professional shortage areas
- Senate and House Budgets

2016 WSOS Short Budget

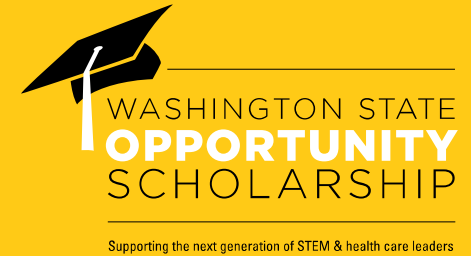
(\$ in thousands)



	FY2016 Budget (12 mos)	FY2016 Actual (7 mos)
REVENUE	22,000	24,797
Scholarship Expense	13,494	537
Salaries, Taxes, and Benefits	997	585
Administrative Fee	641	211
All other expenses	557	740
OPERATING EXPENSES*	2,195	1536

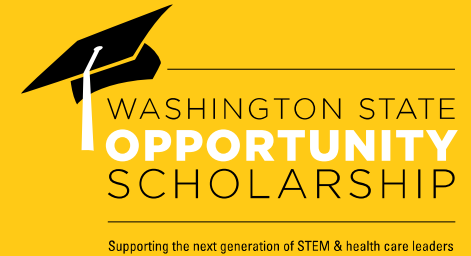
2017 WSOS Budget

(\$ in thousands)



	FY2016 Budget (cash)	2017 Budget (book)
REVENUE	22,000	10,000
Scholarship Expense	13,494	21,247
Salaries, Taxes, and Benefits	997	1,225
Administrative Fee	641	377
All other expenses	557	602
OPERATING EXPENSES*	2,195	2,204
Transition-one time		188

Future Priorities



- **By September 2017** - Explore programmatic implications of new adjusted scholar retention rates
- **2018** – Overall strategic planning for WSOS with assistance from Leading for Impact



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FINANCE UPDATE



April 13, 2017

WSOS Balance Sheet



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**Washington State Opportunity Scholarship
Comparative Balance Sheets
Period Ending January 31, 2017**

	Comparison to FYE			Notes	Comparison to Same Period LFY		
	06/30/2016	% Change	01/31/2017		01/31/2016	% Change	01/31/2017
Assets							
Cash	2,243,707	429%	11,864,179	1	9,222,066	29%	11,864,179
Investments	85,316,061	-13%	74,274,453	2	56,481,381	32%	74,274,453
Pledges and Grants Receivable	25,428,522	64%	41,782,734	3	47,716,088	-12%	41,782,734
Prepaid Expenses	48,175	-49%	24,378		-	0%	24,378
Total Assets	113,036,465	13%	127,945,744		113,419,535	13%	127,945,744
Liabilities and Net Assets							
Accounts Payable	448,490	-84%	70,197		138,593	-49%	70,197
Payroll Related Liabilities	131,958	-100%	-		103,812	-100%	-
Scholarship Commitments	36,937,798	-41%	21,790,028	4	23,382,056	-7%	21,790,028
Total Liabilities	37,518,246	-42%	21,860,225		23,624,460	-7%	21,860,225
Net Assets							
Temporarily Restricted Net Assets	51,480,899	55%	79,631,089		66,314,263	20%	79,631,089
Permanently Restricted Net Assets	24,037,319	10%	26,454,430		23,480,812	13%	26,454,430
Total Net Assets	75,518,219	40%	106,085,519		89,795,075	18%	106,085,519
Total Liabilities and Net Assets	113,036,465	13%	127,945,744		113,419,535	13%	127,945,744

WSOS Balance Sheet



Notes to the Financials:

1. Increase in Cash reflects a \$14M infusion of cash from WSIB to fund scholarships and operating expenses for FY 2017 minus scholarship payments.
2. \$14M drawdown from WSIB. See note 1 above.
3. \$21M State match invoice billed minus pledge payment from MSFT and Rubens Family Foundation.
4. \$7M Scholarship payments processed this academic year to date. A \$7.3M scholarship liability adjustment was made as a transition adjustment from CSF to WA STEM.

WSOS Income Statement



Washington State Opportunity Scholarship

Income Statements

Income Statement for the Seven (7) Months Ending January 31, 2017

	Seven Months Ended January 31, 2017			Notes	June 30, 2017
	Actual	Budget	Variance Fav (Unfav)		Annual Budget
Revenue					
Private	832,111	6,300,000	(5,467,889)	1	11,000,000
Public	21,000,000	-	21,000,000	2	21,000,000
Investment Income	2,965,582	-	2,965,582	3	-
Total Revenue	24,797,692	6,300,000	18,497,692		32,000,000
Expense					
Salaries and Benefits	584,705	602,830	18,125		997,426
Program Other Direct	613,330	413,556	(199,773)	4	610,013
Indirect Administrative Expenses	63,940	56,111	(7,829)		96,190
Professional Fees - CSF Admin Support	210,548	221,609	11,061		379,902
Professional Fees - Contractors	63,115	59,650	(3,465)		102,650
Total Expense	1,535,637	1,353,757	(181,880)		2,186,180
Net Income (Loss)	23,262,055	4,946,243	18,315,812		29,813,820
Scholarships					
Scholarship Expenses	(7,305,245)	7,341,404	14,646,649	5	13,493,962

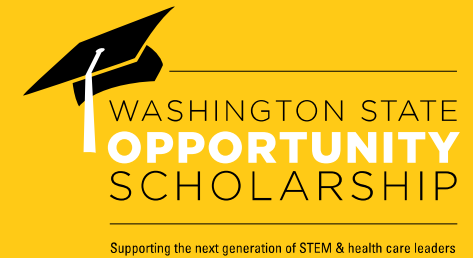
WSOS Income Statement



Notes to the Financials:

1. Private fundraising lagging the budgeted timetable.
2. Timing of State match invoice billed to WSAC.
3. Unrealized gains from investment held at WSIB. We don't budget or estimate gains and losses from investments.
4. (\$126,000) related to OpTalks, Skills that Shine; Prof Fees (\$82,000) related to WA STEM agreement, WizeHive contract and legal fees.
5. A \$7.3M scholarship liability adjustment was made as a transition adjustment from CSF to WA STEM.

WSOS Cash Flow



Cash Flow Summary

Inception-To-Date

January 31, 2017

	Inception - January 31, 2017		
	<u>Scholarship</u>	<u>Endowment</u>	<u>Total</u>
<u>CASH FLOW</u>			
Cash Inflow:			
Boeing	12,500,000	12,500,000	25,000,000
Microsoft	28,750,000		28,750,000
Other Private	19,285,851		19,285,851
State	40,354,000	11,016,414	51,370,414
Investment Income	2,984,976	1,495,776	4,480,752
Total Cash Inflows	103,874,827	25,012,190	128,887,017
Cash Outflow:			
Scholarships	(34,517,356)	-	(34,517,356)
Program Expenses	(8,193,240)	(41,346)	(8,234,586)
Total Cash Outflows	(42,710,596)	(41,346)	(42,751,942)
Net Cash Flow Inception-To-Date & Balance of Cash & Investments January 31, 2017	61,164,231	24,970,844	86,135,074
WSOS US Bank Account	11,860,622	-	11,860,622
Balance per WSIB January 31, 2017	49,303,609	24,970,844	74,274,452



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CLOSING & ADJOURN



April 13, 2017