

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

BOARD MEETING

06.10.2020

AGENDA

1. Welcome
2. Approval of Minutes from 03.03.20 Board Meeting
3. Mission Moment: Opportunity Scholar Story
4. COVID-19 and Program Update
5. Career & Technical Scholarship Selection
6. Graduate Scholarship Program Design
7. Rural Jobs Program Design
8. Finance & Program Administrator Update
9. Closing & Celebrating Mack Hogans

MISSION MOMENT

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MISSION MOMENT: Scholar Spotlight



SCHOLAR LEAD

NIKITA FISENKO

Registered Nursing

Washington State University Tri-Cities

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COVID-19 & PROGRAM UPDATE

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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



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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



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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

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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



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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



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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

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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.

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REQUESTED BOARD ACTION

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

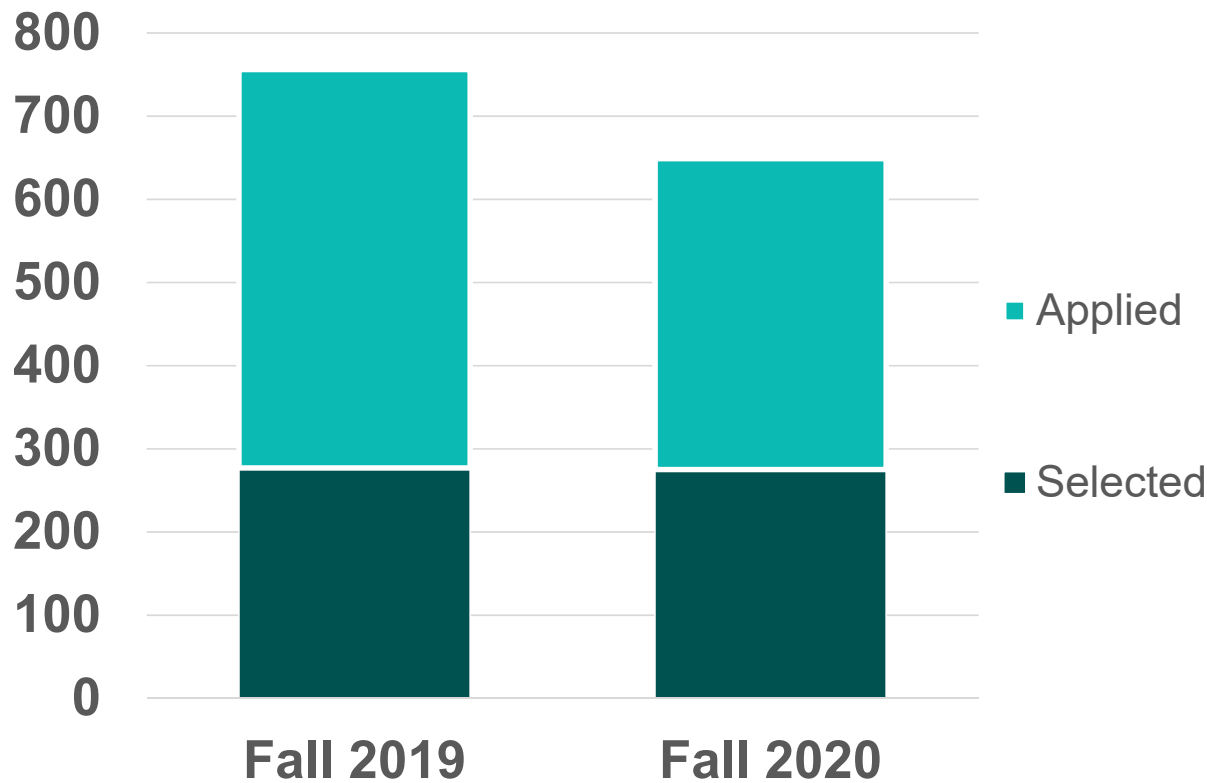
CTS 2020-21 SELECTION

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GOAL

- Approve the 2020-21 selection model

FEWER APPS FOR TWO REASONS



COVID-19

- Difficult for champions to reach applicants
- Uncertainty about the future

Registered Nurses

- Now support only through BaS (were 22% of apps)

APPLICATION HIGHLIGHTS

Highlight	Fall 2019		Fall 2020
Legislative districts	45/49	↑	49/49
High school applicants	16%	↑	34%
Applicants of color	43%	↑	47%
Women	59%	↓	49%
Women (excl. health care)	22%	↑	28%
Single parents	--		17%

SELECTION GOALS

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

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PROPOSED CTS SELECTION MODEL

Goal	Criteria	2019-20 Model	Recommendation
Economic Impact	Program	45%	50%
	Community Opportunity		
Predictor of Success	GPA	25%	--
	Resilience Essay		15%
Equity of Access	First Generation	10%	15%
	Single Parent	--	
Financial Access	Family Income	20%	20%

Option to cap enrollment by occupation and/or region at 1.5x representation or higher.

REQUESTED BOARD ACTION

- Vote to approve the selection criteria for Career & Technical Scholarship recipients for 2020-21.

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ADVANCED HEALTH CARE: Graduate Scholarship Program Design

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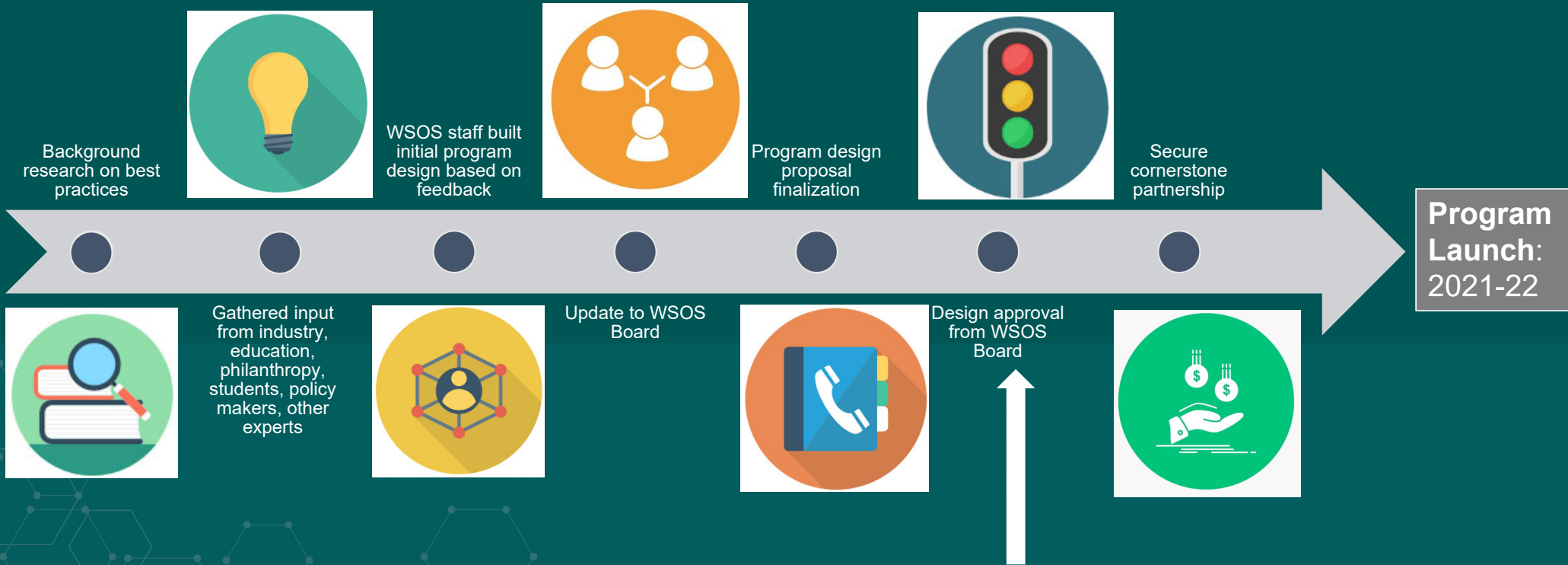
LEGISLATIVE HISTORY

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



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Pathways scholarship design process



June 2020

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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.**

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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

- **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**



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PROGRAM SPECIFICS

- **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



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AWARD DESIGN

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

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REQUESTED BOARD ACTION

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

NEXT STEPS

- **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)



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RURAL JOBS INITIATIVE

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GOAL

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

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JOBS**

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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



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JOBS**

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RURAL COMMUNITY NEEDS

- **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

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JOBS**

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PROPOSED PROGRAM DESIGN

- 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

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JOBS**

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PROGRAM FUNDING MODEL

- **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

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RELATIONSHIP WITH CTS

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

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KEY OUTCOMES

- 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

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REQUESTED BOARD ACTION

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

**RURAL
JOBS**

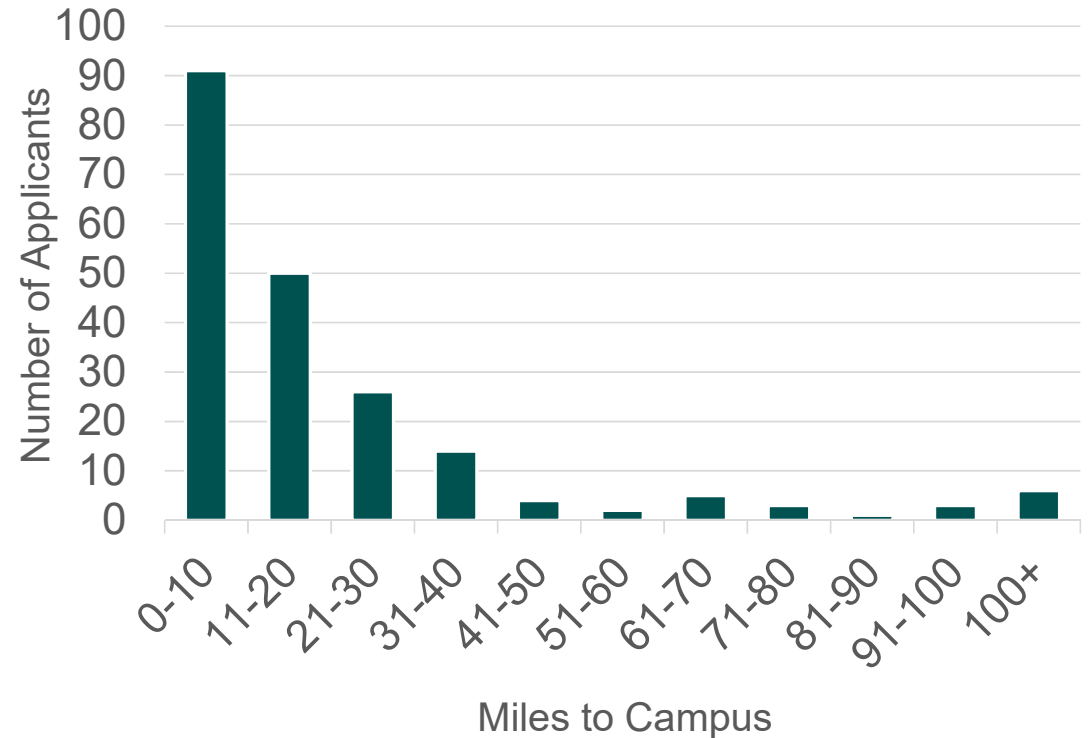
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RURAL JOBS APPLICANTS

Summary

- 205 apps eligible by income and geography
- More likely to be:
 - Latinx (30%) or white (59%)
 - Single parents (23%)

Distance from Campus



PROPOSED SELECTION CRITERIA

- **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.
-

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REQUESTED BOARD ACTION

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

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REQUESTED BOARD ACTION

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

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FINANCE & PROGRAM ADMINISTRATOR UPDATE 03.31.2020

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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
Assets							
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
Total Assets	118,830,777	-6%	112,160,683		125,434,905	-11%	112,160,683
Liabilities and Net Assets							
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
Total Liabilities	33,017,324	-14%	28,533,316		27,431,134	4%	28,533,316
Net Assets							
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%	
Total Net Assets	85,813,453	-3%	83,627,367		98,003,771	-15%	83,627,367
Total Liabilities and Net Assets	118,830,777	-6%	112,160,683		125,434,905	-11%	112,160,683

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
Revenue					
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
Total Revenue	(1,168,951)	719,023	(1,887,974)		6,277,382
Program Expense					
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
	920,985	1,005,471	84,486		4,204,482
Income (Loss) before Scholarship Exp	(2,089,936)	(286,448)	(1,803,488)		2,072,900
Scholarship Expense	96,151	664,273	568,122	6	10,998,132
Net Income (Loss)	(2,186,086)	(950,721)	(1,235,365)		(8,925,232)

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
Total Cash Inflows	200,454,635	5,204,142		205,658,777

Cash Outflow:

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

Net Cash Flow Inception-To-Date

100,519,828	5,198,330		105,718,158
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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
Total	100,519,828	5,198,330		105,718,158

*Include unrealized/realized gains.

Fund Performance Updates

March 31, 2020

	1st Qtr. 2020	1 Year	3 Year	5 Year	Since Inception
Scholarship					
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					

Endowment					
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.					

Student Support Pathways					
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

PROPOSED COMMITTEE MEMBERS

- **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.

- **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.

REQUESTED BOARD ACTION

- Vote to appoint Elisa La Cava and Matt Rubright to the WSOS Finance & Investment Committee.

**THANK YOU,
MACK!**



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NEXT BOARD MEETING
09.17.2020