

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

BOARD MEETING

12.17.2020

AGENDA

1. Welcome
2. Approval of Minutes from 09.17.20 Board Meeting
3. Mission Moment: Opportunity Scholar Story
4. Legislative Report
5. Program Update: 2020 in Review
6. Baccalaureate Selection Principles
7. Fund to 2030: Progress on \$200M
8. Finance & Program Administrator Update
9. Executive Session
10. Closing

WELCOME!



LATISHA HILL

Avista Corporation
SVP, Avista Development
VP Community & Economic Vitality

Latisha Hill is Senior Vice President, Avista Development and Vice President Community & Economic Vitality, Avista Corp, an electric and natural gas utility with operations in Washington, Idaho, Oregon, Montana, and Alaska. For more than twenty years, Hill has worked with communities across multiple states focused on revitalization, public safety, policy, and infrastructure. She has in-depth expertise in community and economic development.



PATRICK SMITH

B.T. Loftus Ranches, Inc.
CEO

Patrick Smith is a fourth-generation farmer and the CEO of Loftus Ranches, one of the nation's leading hop producers. Loftus Ranches and its affiliates produce hops, apples, peppers, pears, industrial hemp, and other crops in the Yakima Valley of central Washington State. Patrick's background is in finance, and he has extensive industry and nonprofit board experience.

REQUESTED BOARD ACTION

- Vote to approve minutes from September 17 meeting.

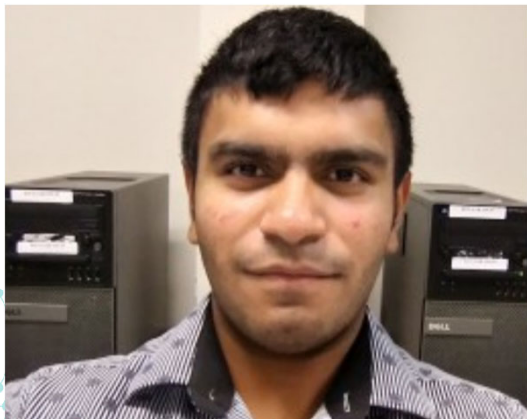
MISSION MOMENT

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MISSION MOMENT: Scholar Spotlight



SCHOLAR LEAD



RASHID MEHMOOD

Bachelor of Applied Science - Cybersecurity
Spokane Falls Community College

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2020 LEGISLATIVE REPORT

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NEW ADDITIONS IN 2020

- First full CTS cohort
 - First Rural Jobs recipients
 - Funding for GRD
 - Partnership to measure outcomes with ERDC
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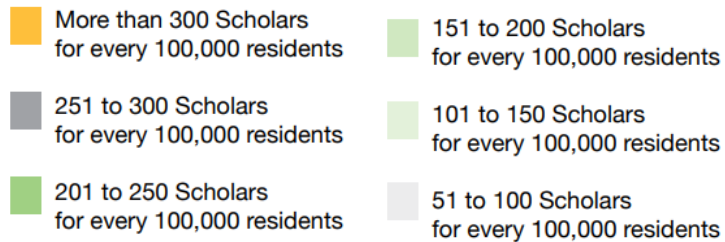
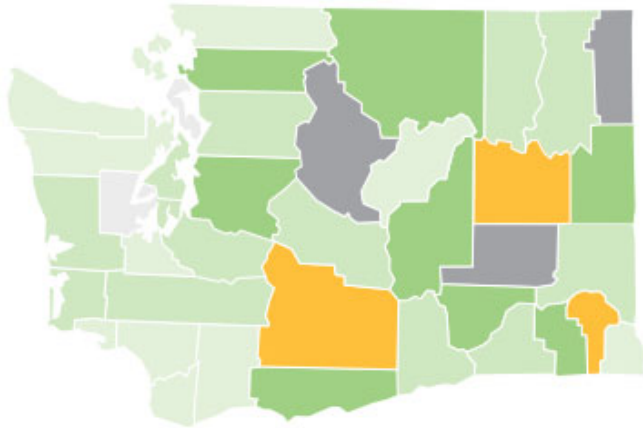
TOP-LEVEL HIGHLIGHTS

- **Geography:** We serve the entire state
 - **Economy:** We fill the jobs the state needs most
 - **Impact:** We transform the lives of our scholars
-

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BaS IMPACT

Geography



Economy

Top related WA industries

1. Information Technology
2. Health Care
3. Biology/Biomedical
4. Engineering

Top Cohort 9 fields

1. Information Technology (26%)
2. Engineering (23%)
3. Health Care (19%)
4. Biology/Biomedical (14%)

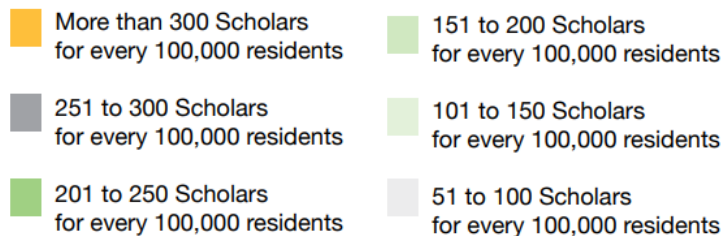
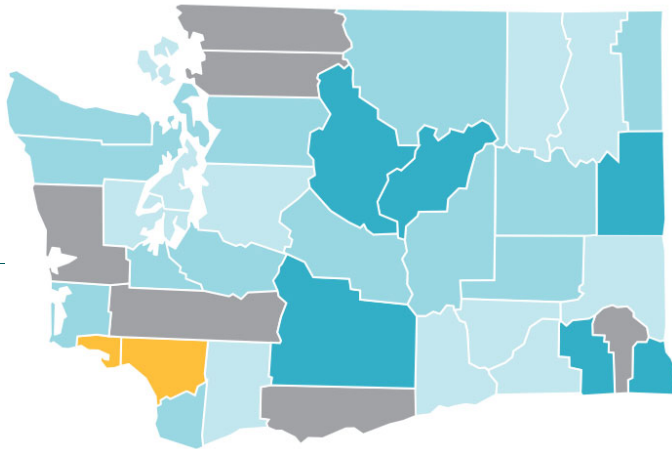
Scholars

2x
more likely to
graduate
in 4 years

Earn
2x
more than their
family

CTS IMPACT

Geography



Economy

Top related WA industries

1. Trades
2. Information Technology
3. Health Care
4. Engineering / Manufacturing

Top Cohort 1 fields

1. Health Care (33%)
2. Information Technology (28%)
3. Trades (25%)
4. Engineering / Manufacturing (13%)

Scholars

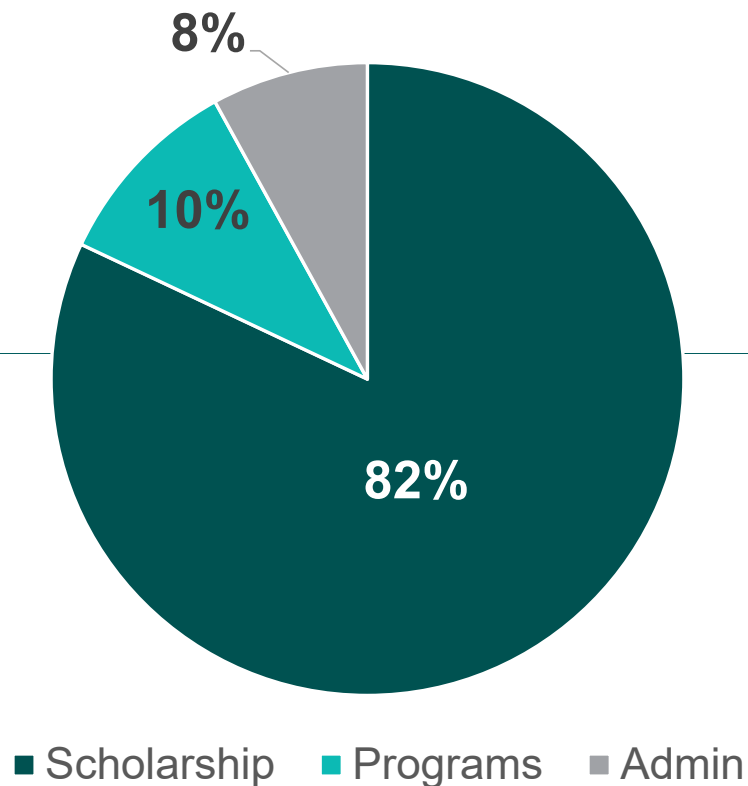
By March 2021, we will have selected:

- 1,100 CTS recipients
- 50 RJI recipients

~3x

Increase to family income (projected)

OPERATIONAL EXPENSES: 11/1/19-10/31/20



- **Scholarship** includes direct scholarship disbursements (\$17M, up from \$15M)
- **Programs** includes Awards, Programs and Ext Aff (\$2.2M, up from \$1.7M)
- **Admin** includes Development and Mgmt/General (\$1.7M, down from \$2M)

PROGRAM UPDATE: 2020 in Review

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5-YEAR STRATEGIC PRIORITIES

Develop Scalable, Statewide Programs

- Develop scalable programs for BaS, CTS and GRD
- Demonstrate impact across the state
- Focus on intended impact & theory of change
- Maintain Scholar-centric value

Build the Brand

- Build state-wide awareness of program & Scholars
- Demonstrate thought leadership & evidence of impact
- Build partnerships in new spaces (tribal, county, municipal, new employer partners)

Fund to 2030

- Define five-year fundraising strategy to raise next \$200M
- Fund scholarship model through 2030
 - Cohorts of 1,200 BaS
 - Cohorts of 1,200 CTS
 - 800+ served in RJJ
 - ~100 served in GRD pilot

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2020 WAS A YEAR WE'LL NOT SOON FORGET.

- **The Backdrop of 2020**

- ✓ COVID-19
- ✓ National reckoning on racism
- ✓ Contentious election year

- **Develop Scalable, Statewide Programs**

- ✓ Reorganize the programs team structure to align with service delivery.
- ✓ Launch CTS support services.
- ✓ Design & receive approval for Rural Jobs program.
- ✓ Design & receive approval for GRD program.
- ✓ Grow Skills that Shine to scale (from 250 to nearly 900 pairs).

X Finalize KPIs and dashboard for reporting at the Board level.

2020 WAS A YEAR WE'LL NOT SOON FORGET.

- **Fund to 2030**

- ✓ Expand FTE on development team.
- ✓ Draft internal development strategy.
- ✓ Launch feasibility study.
- ✓ Hit 2020 revenue targets which include \$1.5M in revenue above “normal year”.
- ✓ Ensure release of \$500K in implementation dollars.
- ✓ Secure Rural Jobs cornerstone partner.
- ✓ Secure GRD cornerstone partner.

X Secure returning commitment of one cornerstone partner for \$200M campaign.

X Secure tribal, county, municipal partnership with at least two initial funders.

- **Build the Brand**

- ✓ Expand FTE on external affairs team.
- ✓ Strategically fill two vacant Board of Directors positions.
- ✓ Launch Industry Insider pilot for 2020-21 academic year.
- ✓ Grow social media presence and engagement.
- ✓ Capitalize on virtual meetings for interim face-time with legislators.

X Develop white paper to poise for 2021 national visibility.

**LET'S MAKE 2021 A YEAR WE WON'T WANT
TO FORGET.**

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BACCALAUREATE SELECTION PRINCIPLES

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TODAY'S GOALS

- Review Baccalaureate selection principles
 - Approve selection principles for Baccalaureate Cohort 10
-

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PROPOSAL TO APPROVE

- To date, the Board has set the **BaS selection criteria based on live data** after the application closes each year
- Moving forward, **we propose approving selection principles in advance** that are more likely to remain consistent each year
 - Provides more **transparency** of how state dollars are spent
 - Clarifies the **values** that underlie our selection process
 - Creates a more **sustainable and efficient process** for the Board

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SELECTION PRINCIPLES

- Select Scholars who are heading into **high-demand careers** across Washington state
 - Select Scholars who are **likely to graduate with a degree in STEM or health care**
 - Select Scholars who are more **likely to complete their degree or program if they receive a scholarship**
-

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BACCALAUREATE SELECTION MODEL OVERVIEW

Factors	Purpose
Intended Major	Prioritize the jobs WA needs most
Community Opportunity	Prioritize the communities that need these jobs the most based on unemployment by zip
Family Income	Prioritize applicants least likely to graduate without our support
First Generation	Prioritize applicants least likely to graduate without our support
STEM Essay	Prioritize applicants most likely to graduate in STEM / HC
Resilience Essay	Prioritize applicants most likely to graduate from college
GPA	Prioritize applicants most likely to graduate from college

PROPOSED POINT ALLOCATIONS

Summary of changes

1. Increase intended major by 5 points
2. Redistribute community opportunity points across family income and first generation
3. Equalize weight of essays and GPA

Factors	2020 Weighting	2021 Proposal
Intended Major	20	25
Community Opportunity	12	0
Family Income	15	20
First Generation	8	15
STEM Essay	12.5	10
Resilience Essay	12.5	10
GPA	20	20

ENSURING SCHOLARSHIP ATTAINABILITY

- We recommend using **limitation factors** to ensure scholarship attainability
 - **Problem:** Let's say giving 20 points to income makes the scholarship unattainable to middle-income applicants.
 - **Solution:** Set a limitation factor to ensure that low-income applicants are not 3x more likely to be selected than middle-income applicants.
-

BOARD VOTE: BaS SELECTION PRINCIPLES

Factors	2020 Weighting	2021 Proposal	Limitation Factors
Intended Major	20	25	Applicants that select highest demand major should not be 5x more likely to be selected than those that select the lowest demand major
Community Opportunity	12	0	--
Family Income	15	20	Low-income applicants should not be 3x more likely to be selected than middle-income applicants.
First Generation	8	15	First-generation applicants should not be 4x more likely to be selected than non-first-generation applicants.
STEM Essay	12.5	10	<div style="border: 1px solid black; padding: 10px; text-align: center;"> <p>No limit. All points deducted from the factors above will be evenly distributed between GPA and the essays.</p> </div>
Resilience Essay	12.5	10	
GPA	20	20	

REQUESTED BOARD ACTION

- Vote to approve selection principles for Baccalaureate Cohort 10.

FUND TO 2030: PROGRESS ON \$200M

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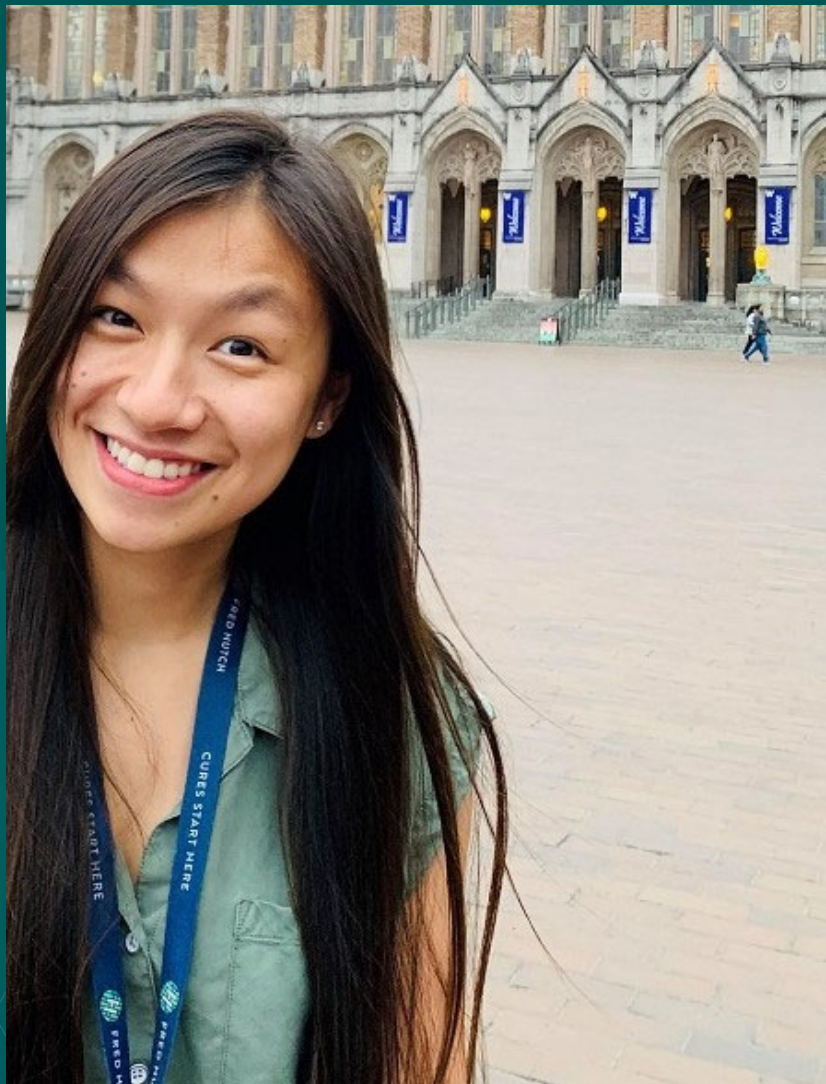
OPPORTUNITYTALKS 2020 WAS A BIG WIN.

- **1,092 registrations** compared to **790** in 2019
- **About 700 live viewers** and **2,045 unique video views** as of 12/07
- **74** virtual tables
- **490** individual donors
- **296** new donors
- **35** increased donors

Total \$ raised to date including state match: **\$826,807**

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Opportunity Scholar
MICHELLE TO



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EXPECT A HYBRID 2021 EVENT.

- **Goal:** Produce an online fundraiser to stream in addition to the in-person breakfast.
- **Rationale:** Create two ways to participate and invest in Scholars that broadens our audience.
- **Carry-forward from 2020:** Continue online peer-to-peer fundraising through mobile platform and go paperless for credit card donations for both in-person and virtual events.



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YOUR FEEDBACK MAKES A DIFFERENCE.

- What did you **miss** about an in-person event?
- What was a **gain** with the virtual event?
- Thinking about the start-to-finish promotion, communication and execution of this year's event, **what stands out to you?**



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REVENUES EXCEED BUDGET.

	Actual	Budget	Difference
Contributions	\$ 2,248,720	\$ 1,705,590	\$ 543,130
State Match Revenue	\$ 3,716,950	\$ 4,205,591	\$ (488,641)
*Outstanding (excess of current appropriations)	\$ 1,00,570		
Investment Income	\$ 3,884,579	\$ 424,000	\$ 3,460,579*
Other Income	\$ 312,500	\$ -	\$ 312,500
Investment Expense	\$ (53,130)	\$ (57,800)	\$ 4,670
	\$ 10,109,619	\$ 6,277,381	\$ 3,832,238
<i>As of October 31, 2020</i>			

**We do not include realized/unrealized gains in budget which explains most of the difference.*

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REVENUE KEY TAKEAWAYS

- Contributions outperformed budget by **\$540K**.
- State \$ (match + implementation funds) outperformed budget by **\$820K**.
- **...but we know these are still small compared to \$200M.**
- **Ambitious revenue goals in 2021** are based on major giving execution starting next year.



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\$100M CAMPAIGN GIFT CHART

Gift Size	# Needed	Category Total	% of Total	Running Total
Cornerstone Giving			50%	
\$ 20,000,000	1	\$ 20,000,000		\$ 20,000,000
\$ 15,000,000	2	\$ 30,000,000		\$ 50,000,000
Leadership Giving			33.5%	
\$ 5,000,000	3	\$ 15,000,000		\$ 65,000,000
\$ 2,500,000	5	\$ 12,500,000		\$ 77,500,000
\$ 1,000,000	6	\$ 6,000,000		\$ 83,500,000
Achievement Giving			6.5%	
\$ 500,000	7	\$ 3,500,000		\$ 87,000,000
\$ 250,000	8	\$ 2,000,000		\$ 89,000,000
\$ 100,000	10	\$ 1,000,000		\$ 90,000,000
Annual Giving & Sponsorships			10%	
Up to \$99,999	Many	\$ 10,000,000		\$ 100,000,000

Campaign gifts may be pledged over 5 years

EXISTING FUNDRAISING FALLS INTO ANNUAL AND ACHIEVEMENT GIVING.

- **Annual Giving: Up to \$99K**
 - Corporate and other small grants
 - OpportunityTalks campaign
 - Challenge Fund
 - Sponsorships
 - All other donations (pre- and post-event, day-of giving)
- **Achievement Giving: \$100K to \$500K**
 - Named scholarship program
 - Large grants

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OUR FUNDRAISING STRATEGY IS PIVOTING & WE'VE STAFFED UP.

- **Historically, fundraising has been event-based.**
 - Funding to cover yearly operating costs
- **There was no need for a major gifts program.**
 - Money in the bank to fund commitments through 2021, then 2025
 - Sunset model
 - Corporate partners have been biggest recurring donors
- **Our strategy has pivoted.**
 - We're not sunsetting
 - Adding expertise where it's needed now
 - What's in a name?

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MEET OUR NEW MAJOR GIFTS EXPERT!

Sarah Szabo, CFRE **Philanthropy Advisor**

Background and Experience

- The Center for Wooden Boats
- Town Hall Seattle
- Pacific Science Center

The First Three Months

- Meeting donors through OpportunityTalks
- Beginning donor stewardship practices
- Assessing donor database need and opportunity
- Building relationships driven by data

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WE'RE LAUNCHING A CYCLICAL APPROACH.

Five-Year Fundraising Cycle

- Ongoing support is the new message
- One WSOS: four impactful programs
- Pledges payable over five years
- Reduce reliance on cornerstone support by expanding our donor pool



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Annual Giving & Sponsorships			10%	
Up to \$99,999	Many	\$ 10,000,000		\$ 100,000,000
<i>Campaign gifts may be pledged over 5 years</i>				

OUR MAJOR GIVING APPROACH IS BASED IN BEST PRACTICES.

Lay the foundation.

- Feasibility study: widen the pool & test the message
- Transition to Salesforce: the tool we need to plan, track and evaluate

Build donor engagement.

- Make the ask: new and renewed support

Discover potential support.

- Identify and qualify prospects

Refill the pipeline.

- Opportunity Talks
- Eat, Drink, Talk Opportunity
- Mentor & alumni engagement

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WILL YOU HELP US?

Lay the foundation.

Build donor engagement.

Discover potential support.

Refill the pipeline.



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FINANCE & PROGRAM ADMINISTRATOR UPDATE 09.30.2020

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WSOS Balance Sheet

Comparative Balance Sheets
September 30, 2020

	Comparison to Last Reported Period			Notes	Comparison to Same Period LFY		
	7/31/20	% Change	9/30/20		9/30/19	% Change	9/30/20
Assets							
Cash	2,975,992	-63%	1,110,118	1	1,772,710	-37%	1,110,118
Investments	111,356,343	0%	111,282,060	2	115,582,518	-4%	111,282,060
Accounts Receivable	395	2%	404		16,114	-97%	404
Pledges and Grants Receivable, net	3,505,092	-27%	2,543,608	3	5,019,245	-49%	2,543,608
State match receivable, net	2,906,926	-73%	787,470	4	764,320	3%	787,470
Unbilled State match revenue	-	#DIV/0!	500,000	5	-	#DIV/0!	500,000
Unbilled State match receivable, offset	-	#DIV/0!	(500,000)	5	-	#DIV/0!	(500,000)
Prepaid Expenses	85,990	-23%	66,339		118,812	-44%	66,339
Property and equipment, net	24,692	-8%	22,762		34,341	-34%	22,762
Total Assets	120,855,430	-4%	115,812,761		123,308,060	-6%	115,812,761
Liabilities and Net Assets							
Accounts Payable	83,195	100%	166,038		64,628	157%	166,038
Payroll Related Liabilities	68,727	-2%	67,681		72,433	-7%	67,681
Scholarship Commitments Bacc., net	26,829,963	1%	27,023,364	6	36,991,599	-27%	27,023,364
Scholarship Commitments CTS, net	1,298,512	104%	2,647,539	6	1,357,281	95%	2,647,539
Total Liabilities	28,280,397	6%	29,904,622		38,485,941	-22%	29,904,622
Net Assets							
Temporarily Restricted Net Assets	92,575,033	-7%	85,908,139		84,822,119	1%	85,908,139
Permanently Restricted Net Assets	-	0%	-		-	0%	-
Total Net Assets	92,575,033	-7%	85,908,139		84,822,119	1%	85,908,139
Total Liabilities and Net Assets	120,855,430	-4%	115,812,761		123,308,060	-6%	115,812,761

WSOS Balance Sheet

Notes:

1. Decrease in cash between July and September primarily due to net scholarship disbursements of \$6.48M(\$5.6M BaS & \$891K CTS). These were offset by Brad/Kathy Smith pledge payment of \$1M (RJI), WSAC state match funds of \$2.89M, Costco payment \$100K, and scholarship refunds (\$156K).
2. Investment balance as of 9/30/20 includes WSIB BaS Scholarship \$76.92M, WSIB CTS Scholarship \$27.62M, WSIB Endowment \$5.88M, KeyBank Capital BaS \$809K, and KeyBank Capital CTS \$57K. The KeyBank investment account (public dollars) provides cash needs first in order to fund scholarship demands.
3. Pledges and Grants Receivable, net, decreased primarily due to pledge payment of \$1M by Brad & Kathy Smith. Balance includes Gary Rubens' pledge of \$2.5M, among other Opportunity Talks pledges.
4. State match receivable includes accrual for match of all private dollars received from August to September other than the \$500K that has not been appropriated for, as well as \$62,500 of implementation funds for Q3 of 2020. This includes match of half (\$500K) of the Smith gift of \$1M that has appropriation.
5. Total RJI contributions received in excess of state appropriations. Will record state match revenue in 2021 when appropriations are available.
6. In August BaS (\$4.9M) and CTS (\$2.33M) liabilities were recorded. Increase offset by disbursements.

WSOS Income Statement

Actual vs. Budget

Nine Months Ending September 30, 2020

	Nine Months Ending September 30, 2020			Notes	December 31, 2020
	Actual	Budget	Variance Fav (Unfav)		Annual Budget
Revenue					
Private	1,654,245	1,023,360	630,885	1	1,705,599
Public	3,932,049	3,523,355	408,694	2	4,205,591
Investment Income	4,486,127	274,644	4,211,483	3	366,192
Total Revenue	10,072,421	4,821,359	5,251,062		6,277,382
Program Expense					
Salaries and Benefits	1,430,508	1,630,775	200,267	4	2,493,606
Professional Fees - Program Admin fees	406,450	397,655	(8,795)		530,540
Professional Fees - Contractors & Lobbying	349,308	387,490	38,182	5	617,500
Conferences, Conventions & Meetings	23,601	93,321	69,720	5	206,270
Operating Expenses	208,789	240,442	31,653	5	356,566
	2,418,656	2,749,683	331,027		4,204,482
Income (Loss) before Scholarship Exp	7,653,765	2,071,676	5,582,089		2,072,900
Scholarship Expense	7,559,077	10,001,722	2,442,645	6	10,998,132
Net Income (Loss)	94,688	(7,930,046)	8,024,734		(8,925,232)

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 August and September totaled \$251K which included a \$100K from Boeing, \$100K from Costco, \$10K from Oracle, and some generous board gifts. The \$1MM Smith pledge payment was revenue earlier in the year.
2. Revenue Public: State Match revenues accrued based on \$712K of private receipts between August and September. State match of \$500K based on ½ of Smith gift excluded due to lack of current appropriations (future revenue in 2021).
3. Investment income: Actual YTD includes unrealized+realized gains of \$4.43M, interest & dividend income of \$106K and investment expense of \$48K. Budget does not include forecasting gains/losses.
4. Salaries and benefits; Under budget as there was a delay in hiring new positions compared to what was expected in the budget.
5. Professional Fees, Conferences, Conventions & Meetings, and Operating Expenses lower than budget primarily due to Covid-19 quarantine measures. In professional fees, Evaluation Consulting and IT Consulting are \$24K and \$25K under budget, respectively. For conferences, conventions & meetings expenses are under budget across most GLs, notably Meals (\$14K), Mileage (\$11K), Hotels (\$9K), Catering (\$9K), Registration Fees (\$7K), Airfare (\$5K), Other Travel Expenses including Taxis and Car Rentals (\$8K). Within operating expenses the largest differences were in Printing and Collateral (\$15K), Outreach (\$12K), Staff Professional Development (\$10K), and Computer Equipment (\$4K).
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. Also under budget due to incorrect melt rate used in developing budgeted expense. This is typically around 9%, on average.

WSOS Cash Flow

Cash Flow Summary

Inception-To-Date

September 30, 2020

	Inception - September 30, 2020			
	<u>Scholarship</u>	<u>Endowment</u>	<u>Notes</u>	<u>Total</u>
<u>CASH FLOW</u>				
Cash Inflow:				
Boeing	25,110,000	-		25,110,000
Microsoft	35,000,000	-		35,000,000
Other Private	37,525,369	-	1	37,525,369
State	96,487,323	-	2	96,487,323
Investment Income*	19,873,798	5,884,596	3	25,758,394
Total Cash Inflows	213,996,490	5,884,596		219,881,086
Cash Outflow:				
Scholarships	(87,467,262)	-	4	(87,467,262)
Program Expenses	(20,015,833)	(5,812)		(20,021,645)
Total Cash Outflows	(107,483,095)	(5,812)		(107,488,907)
Net Cash Flow Inception-To-Date	106,513,395	5,878,784		112,392,179
<u>Composition of Net Cash Flow</u>				
KeyBank Checking Account	1,110,118	-	5	1,110,118
Investment Accounts at WSIB and KeyBank	105,403,277	5,878,784	5	111,282,061
Total	106,513,395	5,878,784		112,392,179

WSOS Cash Flow

Notes:

1. Cash Inflow: Other Private - \$1.21M received on cash basis between August and September, primarily \$1M pledge payment from Brad & Kathy Smith and \$100K from Costco.
2. State - Received \$2.89M from WSAC between August and September. This is related for our Q1 and Q2 2020 state match invoices.
3. Investment Income - August to September investment income included unrealized/realized gains in BaS accounts of \$565K, CTS accounts of \$111K, and Endowment account of \$117K.
4. Scholarship disbursements were \$6.48M (\$5.59M Baccalaureate, \$891K CTS) between August and September 2020 and scholarship refunds totaled \$155K (\$122K Baccalaureate, \$33K 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.

REQUESTED BOARD ACTION

- Vote to approve update to short-term investment policy.

PROPOSED COMMITTEE CHAIR

PATRICK SMITH

B.T. Loftus Ranches, Inc.

CEO

Patrick Smith is a fourth-generation farmer and the CEO of Loftus Ranches, one of the nation's leading hop producers. Loftus Ranches and its affiliates produce hops, apples, peppers, pears, industrial hemp, and other crops in the Yakima Valley of central Washington State. Patrick's background is in finance, and he has extensive industry and nonprofit board experience.



PROPOSED COMMITTEE MEMBER

JOSEPH WALKER

Providence St. Joseph Health
SVP, CORPORATE TREASURER

Joseph Walker is Senior Vice President, Corporate Treasurer at Providence St. Joseph Health. Walker is an enterprising finance executive with a long track record of success in corporate finance and institutional investment management. He is known for constructing effective teams, efficient portfolios, and concise frameworks for solving complex problems.



REQUESTED BOARD ACTION

- Vote to appoint Patrick Smith as F&I Committee Chair and Joseph Walker as F&I Committee Member.

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

PROPOSED 2021 WSOS BUDGET

	2019 Budget	2020 Budget	2021 Proposed	2020 to 2021 Variance
TOTAL REVENUES	24,817	6,277	27,823	21,546
TOTAL SCHOLARSHIP EXPENSE	24,339	10,998	10,704	(294)
TOTAL NON-SCHOLARSHIP EXPENSES	3,404	4,202	4,371	169
SCHOLAR LEAD STIPENDS	360	360	260	(100)
SALARIES, TAXES, BENEFITS	1,895	2,490	2,731	241
PROGRAM ADMIN FEE (WA STEM)	514	530	574	44
ALL OTHER OPERATING COSTS	636	821	806	(15)

WASHINGTON STATE
OPPORTUNITY
 SCHOLARSHIP

KICKOFF OF \$200M CAMPAIGN IN 2021 LEADS TO EXPECTED REVENUE GROWTH.

- 2019 to 2020 revenues down (**\$24.8M to \$6.3M**)
 - Major gift payouts reached end of pledge cycles
 - State match realized when invoice submitted
- Fundraising to ramp up in earnest in 2021 (**\$6.3M to \$27.8M**)
 - First year with 5 FTE development team fully onboarded
- 2021 Budget includes securing two major cornerstones
 - Pledge to be secured in 2021
 - Payments and state match to begin in 2022
- Note new delay in state match revenue receipt due to statutory changes

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

SCHOLARSHIP SPENDING IS RELATIVELY STABLE.

- 2019 to 2020 decrease (**\$24.3M to \$11M**)
 - Last cohort of Rubens Scholars accepted & accrued in 2019
 - Adjustment to scholarship modeling to improve accuracy based on actuals
- 2020 to 2021 stability (**\$11M to \$10.7M**)
 - Cohort sizes are stabilized per scholarship model
 - If major gifts secured in 2021, likely increase in scholarship spending for 2022



WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

NON-SCHOLARSHIP SPENDING WILL GROW BY ~\$169K (4%).

- **Notable variances:**
 - **Scholar Lead stipends (-\$100K)**
 - Stable 2019 to 2020 due to larger cohorts in their second year
 - Decrease 2020 to 2021 due to smaller cohorts in first- and second-year
 - **Salaries + benefits (+\$241K or +9.7%)**
 - Significant increased 2019 to 2020 due to 6 new FTE, 1.6% COLA
 - Increase 2020 to 2021 due to being fully staffed 12 months, holding up to 3% COLA
 - **Administrative fee (+\$44K or +8.3%)**
 - Renegotiated next two years of contract; reasonable increase given growth of program & inflation
 - ~\$20K cyber security insurance now included in fee (realized savings = +4.5% admin fee)
 - **All other operating costs (-\$15K or -1.8%)**
 - Increased 2019 to 2020 due to expanded office space needs and equipment needs for new hires
 - Decreased 2020 to 2021 due to reduced staff travel first half of year
 - Modified approach to include WFE in post-COVID era (rent increase avoided; one-time costs realized)

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

REQUESTED BOARD ACTION

- Vote to approve 2021 proposed budget.

EXECUTIVE SESSION

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

NEXT BOARD MEETING
04.01.2021