

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

BOARD MEETING

06.10.2021

AGENDA

1. Welcome
2. Approval of Minutes from 4.1.21 Board Meeting
3. Mission Moment: Opportunity Scholar Story
4. Career & Technical Scholarship (CTS) Selection
5. Fund to 2030 Visioning
6. Graduate (GRD) Scholarship Update
7. Finance & Program Administrator Update
8. Executive Session
9. Closing

REQUESTED BOARD ACTION

- Vote to approve minutes from April 1 meeting.



MISSION MOMENT

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MISSION MOMENT: Scholar Spotlight



Hannia Larino

Biology

Tacoma Community College



SCHOLAR LEAD

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CTS SELECTION PRINCIPLES

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GOALS

- Review CTS and RJI selection principles
- Discuss support for high school applicants
- Approve 2021-22 selection principles for CTS and RJI

SELECTION PRINCIPLES

- Select Scholars who are heading into **high-demand, high-return jobs** across Washington state.
- Select Scholars who are **likely to graduate with a credential in STEM, health care or the trades.**
- Select Scholars who are **more likely to complete their credential or program if they receive a scholarship.**

PROPOSED POINT ALLOCATIONS

Summary of changes from 2020-21 to 2021-22

1. Align with BaS by dropping community opportunity factor (i.e. unemployment rate by zip code)
2. Specify division of points between first generation and single parent factors

Factors	2021-22 Proposal
High-Demand, High-Return Program	50
Community Opportunity	--
Family Income	20
First Generation	7.5
Single Parent	7.5
Resilience (Short Answer)	15
<i>Distance to Campus (RJI only)</i>	30

SUPPORTING HIGH SCHOOL APPLICANTS

- Two factors make it more challenging for high school applicants to receive CTS:
 - Expanded eligibility criteria
 - Single parent criteria
- **Discussion: To what extent do we want to prioritize the selection of high school applicants?**
 - Option A: Award additional points to HS applicants
 - Option B: Set aside a specific number of fall seats
 - Option C: No prioritization

BOARD VOTE: SELECTION PRINCIPLES

Factors	2021-22 Proposal	Limitation Factors
High-Demand, High-Impact Program	50	Applicants who select highest demand programs should not be 5x more likely to be selected than those who select the lowest demand programs.
Household Income	20	Low-income applicants should not be 3x more likely to be selected than middle-income applicants.
First Generation	7.5	First-generation applicants should not be 4x more likely to be selected than non-first-generation applicants.
Single Parent	7.5	First-generation applicants should not be 4x more likely to be selected than non-single parent applicants.
Resilience	20	No limit. All points deducted from the factors above will be redistributed to the short answer section.
<i>Distance to Campus (RJI only)</i>	30	<i>If the median distance to campus is less than 30 miles, increase the point allocation to a maximum of 40 pts.</i>

CTS college cap: The percent of recipients for each college should not exceed 5x of its share of CTS graduates

RJI regional cap: The percent of funds allocated to each region should not exceed 1.5x its share of rural residents

REQUESTED BOARD ACTION

- Vote to approve selection principles for CTS Cohort 3.
- Vote to approve selection principles for RJI Cohort 2.

FUND TO 2030 VISIONING

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What? So what? Now what?

- **What:** Where are we with the campaign?
- **So what:** Now that the campaign is live, how is the Board thinking about the strategic decision points ahead?
- **Now what:** What next steps do we need to take before the September Board meeting to keep our traction moving forward?

WHAT: The campaign

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Let's set the context with a quick timeline.

2011 WSOS created with the intention to sunset after a decade of impact.

2015 Early major fundraising efforts secure support for BaS cohorts through 2025.

2018 Board voted on a model for CTS that included a decade of cohorts to be funded through 2029.

2019 JLARC impact report demonstrates WSOS is a proven model.

2020 Board votes to begin exploring reinvigorated fundraising efforts to extend program.

The proposed \$100M goal is a simple model that makes the following assumptions:

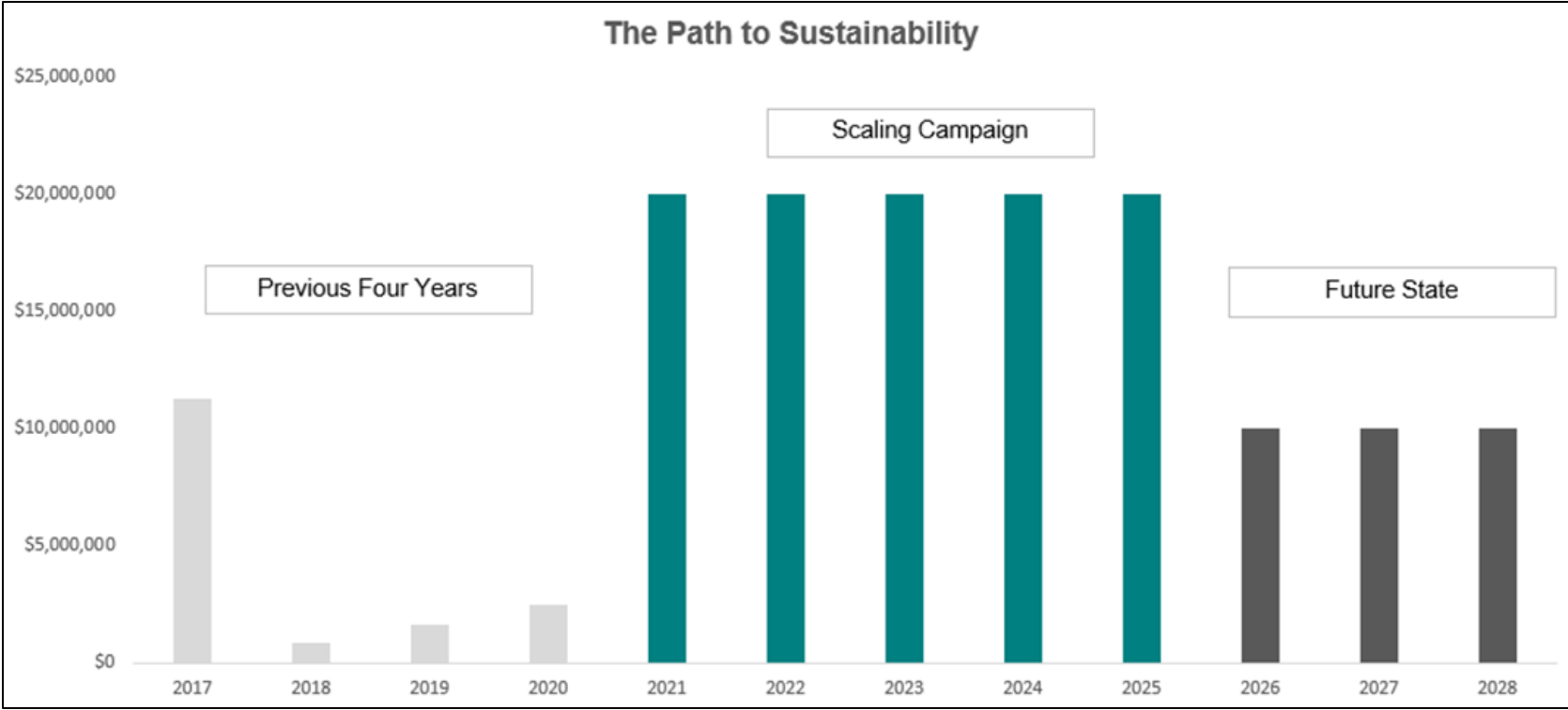
- Extend funding BaS from 2026 to 2030
- Extend funding CTS from 2029 to 2030
- Grow cohorts starting in 2022 to 1,200 each (CTS & BaS).
- Fund RJI at maximum of statutory cap to extend from 2025 to 2030.
- Fund GRD at maximum of statutory cap to extend from 2023 to 2030.*
- Assumes no change in amount funded nor significant programming changes.

**Statutory cap at the time was \$1M/biennium. This was raised during the 2021 legislative session to \$5M/biennium.*

There are five purposes of the campaign.

1. Raise **money**
2. Galvanize an **expanded and diversified donor base**
3. Grow state-wide **visibility** to amplify the mission
4. Build a high-performing yet lean fundraising **program**
5. Clarify and hone our **strategic direction**

The campaign will be a catalyst that results in a sustainable fundraising program.



Sample Gift Table

Table of Gifts				
Scaling Campaign Years: 2021 - 2025				
Gift Categories	Gift Amount	Number of Gifts Needed	Category Total	% of Total
Cornerstone Investor	\$20,000,000	1	\$20,000,000	
	\$15,000,000	1	\$15,000,000	
	\$10,000,000	1	\$10,000,000	
3 Principal Investors			\$45,000,000	45%
Leadership Level	\$5,000,000	4	\$20,000,000	
	\$2,500,000	4	\$10,000,000	
	\$1,000,000	10	\$10,000,000	
16 Leadership Gifts			\$40,000,000	40%
Achievement Level	\$500,000	10	\$5,000,000	
	\$250,000	6	\$1,500,000	
	\$100,000	10	\$1,000,000	
26 Achievement Level Gifts			\$7,500,000	8%
Annual Gift Level	\$50,000	60	\$3,000,000	
	\$25,000	50	\$1,250,000	
	\$10,000	95	\$950,000	
	\$5,000	60	\$300,000	
	\$1 - 4,999	Many	\$2,000,000	
265+ Annual Level Gifts			\$7,500,000	8%
CAMPAIGN TOTAL			\$100,000,000	

85% of the campaign revenue will likely come from approximately twenty 7- and 8-figure gifts the Cornerstone and Leadership level.

15% of the campaign revenue will come from 6-figure Achievement level gifts and Annual Fund gifts.



BREAKING NEWS!

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SO WHAT:

Strategic decision points

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Our goal today is to understand the Board's vision for the road ahead.

- **Goal:** Gauge the Board's perspective on possible strategic directions.

With reinvigorated fundraising efforts, we need clear strategic direction.

1. Extend the **timeline** for the scholarship.
2. Fund **more students**.
3. Increase the **award amount**.
4. Provide students with **expanded support services**.
5. Some **combination** of the above.

#1: Extend the timeline for the scholarship.

Consideration: The timeline for BaS and CTS are currently misaligned and slated to end in 2025 and 2029, respectively.

- *How much appetite is there to fund “more of the same” so that today’s middle school students will have access to the same opportunities as today’s high school students?*
- *What impacts would be felt if BaS and CTS were to expire on disparate timelines (e.g., operating costs related to funding CTS alone)?*

#2: Fund more students.

Consideration: Our current cohort sizes may be inadequate to move the needle on the talent gap.

- *How does the current scale of WSOS (BaS at 750 and CTS at 550) compare to the scope of the problem?*
- *How has the need for talent changed in the past decade? Have our changes in eligibility and selection criteria kept up with the times?*
- *What is the tipping point for WSOS in supporting enough students to make an impact but not so many students that we cannot appropriately support them to reaching graduation or realizing large increases in operating costs?*

#3: Increase the award amount.

Consideration: The higher education landscape has changed a lot since we set our award amount, particularly for BaS.

- *How has the higher education landscape changed in the past decade?*
- *How much unmet need do students have even after receiving WSOS and other scholarships like WA College Grant?*
- *How much does unmet need impact students' likelihood of program completion? How much additional funding would it take to significantly impact program completion likelihood?*

#4: Provide expanded support services

Consideration: WSOS could be doing more to provide students with access to industry and CTS services are still in development

- *How adequate is our current level of support services in BaS? What will it take to increase our support services for CTS? GRD and RJI?*
- *What opportunities are there for increased industry access to Opportunity Scholars for hiring?*

Discussion

1. Which strategy (or combination thereof) resonates with the Board the most?
2. What parameters would you like staff to consider if we were to create models of each of these for closer review?
 - Extend the **timeline** for the scholarship.
 - Fund **more students**.
 - Increase the **award amount**.
 - Provide students with **expanded support services**.

NOW WHAT: Next steps

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Are we aligned?

1. Do we have a shared understanding of the purpose, goals and high-level structure of the campaign?
2. Do we have Board affirmation we may move forward with a scaling campaign, using a working goal of \$75 to \$100 million?
3. Do we have a greenlight from the Board and will the Board help recruit WSOS Campaign Ambassadors to anchor and lead the campaign?
4. Do we have a shared understanding of what models the Board would like to see for the best allocation of future fundraising efforts?

REQUESTED BOARD ACTION

- Vote to approve \$75 to 100 million working goal.

GRADUATE (GRD) SELECTION PRINCIPLES

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Let's refamiliarize ourselves with the Graduate (GRD) scholarship.

Statutory Intent: Increase number of health care professionals providing physical and behavioral health care, particularly in communities designated as rural or medically underserved in Washington state.

Cohort One	12 Total (6 DNPs; 6 MSNs)
Eligible Colleges/Universities	Gonzaga University, Pacific Lutheran, Seattle Pacific University, Seattle University, UW Seattle, WSU (Spokane, Tri-Cities, Vancouver)
Eligible Program Tracks	Adult-Gerontology Nurse Practitioner, Family Nurse Practitioner, Psychiatric Mental Health, or Pediatric
Scholarship Amounts (Lifetime)	Up to \$25,000 DNP Scholar; Up to \$18,000 Preceptor Renumeration Up to \$7,000 MSN Scholar; Up to \$3,600 Preceptor Renumeration
Travel Stipends	Up to \$5,000 per DNP Scholar Up to \$1,000 per MSN Scholar

Since our last meeting, we increased our knowledge and capacity.

What's New

- Genevieve joined as the program manager
- Promotional material available
- MOUs being circulated
- GRD scholarship application June 15 go-live

What's Different

- Fewer MSN programs in the state
- Primary care focus
- Changes to pilot program size
- Travel stipend will be a stand-alone process



SCHOLARSHIP FOR NURSE PRACTITIONERS

WSOS builds pathways into high-demand Washington careers for Washington students.

The Graduate Scholarship (GRD) provides valuable financial aid and access to program incentives to students pursuing advanced degrees as Nurse Practitioners. The scholarship aims to increase the number of advanced health professionals providing healthcare in medically underserved areas. This Scholarship can be used to cover tuition, fees, and you can apply for a travel stipend when training at a remote site. Funding can be used for any eligible Nurse Practitioner degree programs (DNP and MSN) at six nursing schools in Washington state.

APPLICATION MILESTONE	APPLICATION DATES
Application Opens	June 14, 2021
Application Deadline	July 16, 2021
Unofficial Transcript Uploaded	July 16, 2021
FAFSA/WASFA Submitted	July 16, 2021

WHY WSOS?

Washington has one of the fastest growing state economies with more trade, health care and STEM jobs than we can fill. The Washington State Opportunity Scholarship aims to connect our state's leading industries with top Washington talent by reducing barriers to education and training. Working collaboratively with the state and industry partners, we launch low- and middle-income students into careers, maximizing the state's return on investment and ensuring Washington's robust economy can continue to thrive.

\$2,500	\$4,500	\$1,000*	\$3,600
The Scholarship award all GRD Scholars receive when enrolled.	The per term/120 clinical hours Scholarship award available to Scholars when training at practicum sites.	The per-term travel stipend available to Scholars when training at eligible, remote sites.	The per-term preceptor remuneration available to eligible sites who host GRD Scholars.

Our learnings have caused us to make two notable changes to the 2021-22 pilot.

Statutory Intent: Increase number of health care professionals providing physical and behavioral health care, particularly in communities designated as rural or medically underserved in Washington state.

Cohort One	8 Total (6 DNPs; 2 MSNs)
Eligible Colleges/Universities	Gonzaga University, Pacific Lutheran, Seattle Pacific University, Seattle University, UW Seattle, WSU (Spokane, Tri-Cities, Vancouver)
Eligible Program Tracks	Adult-Gerontology Nurse Practitioner, Family Nurse Practitioner, Psychiatric Mental Health, or Pediatric
Scholarship Amounts (Lifetime)	Up to \$25,000 per Scholar; Up to \$18,000 Preceptor Renumeration
Travel Stipends	Travel stipends to be granted during the 2021-22 academic year. Will request approval on selection process at September Board of Directors meeting

Today, we seek your approval of selection principles for the Graduate Scholarship.

- Consistent with our selection practice for the Baccalaureate and Career and Technical scholarships
- Benefits of following the practice:
 - 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

Selection Principles

- Select Scholars who are heading into **behavioral and primary health care fields** across Washington state
- Select Scholars who are **most likely to practice in Washington state post-program completion**
- Select Scholars who are **most likely to benefit from the financial support**

We seek to honor the statutory intent while aligning with our mission and values.

Factors	Point Allocation	Purpose
Program Track	20	Prioritize statutory intent to focus on behavioral and primary health care
Family Income	30	Prioritize applicants most likely to benefit from the financial support
Commitment Letter of Recommendation	20	Prioritize applicants most likely to practice in a medically underserved area in Washington state
Commitment Essays	30	

Additional Recommendation: Select at least one applicant from three of the six participating schools for Fall 2021

Do we have Board approval to make selection based on the principles outlined?

Factors	Point Allocation	Purpose
Program Track	20	Prioritize statutory intent to focus on behavioral and primary health care
Family Income	30	Prioritize applicants most likely to benefit from the financial support
Commitment Letter of Recommendation	20	Prioritize applicants most likely to practice in a medically underserved area in Washington state
Commitment Essays	30	

Additional Recommendation: Select at least one applicant from three of the six participating schools for Fall 2021

REQUESTED BOARD ACTION

» Vote to approve selection principles for GRD Cohort 1.

FINANCE & PROGRAM ADMINISTRATOR UPDATE

April 30, 2021

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WSOS Balance Sheet

Comparative Balance Sheets

April 30, 2021

	Comparison to Last Reported Period			Notes	Comparison to Same Period LFY		
	12/31/20	% Change	4/30/21		4/30/20	% Change	4/30/21
Assets							
Cash	518,940	58%	821,773	1	877,132	-6%	821,773
Investments	111,345,130	-3%	108,186,273	2	104,841,026	3%	108,186,273
Accounts Receivable	404	181%	1,136		6,343	-82%	1,136
Pledges and Grants Receivable, net	2,560,863	0%	2,553,671		5,989,069	-57%	2,553,671
State match receivable, net	734,155	-100%	-	3	330,180	-100%	-
Unbilled State match revenue	506,345	78%	899,490	3	-	0%	-
Unbilled State match receivable, offset	(506,345)	78%	(899,490)	3	-	0%	-
Prepaid Expenses	72,583	-14%	62,632		89,346	-30%	62,632
Property and equipment, net	19,868	-18%	16,251		27,587	-41%	16,251
Total Assets	115,251,943	-3%	111,641,736		112,160,683	0%	111,641,736
Liabilities and Net Assets							
Accounts Payable	126,863	-41%	74,298		61,968	20%	74,298
Payroll Related Liabilities	150,716	-40%	91,121	4	69,944	30%	91,121
Scholarship Commitments Bacc., net	22,609,625	-18%	18,507,299	5	26,870,392	-31%	18,507,299
Scholarship Commitments CTS, net	3,057,990	-17%	2,538,429	5	1,531,012	66%	2,538,429
Scholarship Commitments RJJ, net	55,479	-28%	39,799		-	100%	39,799
Total Liabilities	26,000,673	-18%	21,250,947		28,533,316	-26%	21,250,947
Net Assets							
Temporarily Restricted Net Assets	89,251,270	1%	90,390,789		83,627,367	7%	90,390,789
Permanently Restricted Net Assets	-	0%	-		-	0%	-
Total Net Assets	89,251,270	1%	90,390,789		83,627,367	8%	90,390,789
Total Liabilities and Net Assets	115,251,943	-3%	111,641,736		112,160,683	0%	111,641,736

WSOS Income Statement

Income Statements

Actual vs. Budget

Four Months Ending April, 2021

	Four Months Ending April, 2021			Notes	December 31, 2021
	Actual	Budget	Variance Fav (Unfav)		Annual Budget
Revenue					
Private	526,676	710,000	(183,324)	1	23,860,000
Public	215,193	217,811	(2,618)	2	3,850,000
Investment Dividends, Interest, & Fees	13,985	16,060 *	(2,075)	3	48,180
Investment Unrealized/Realized Gains	1,340,968	(35,596) *	1,376,564	3	1,720,387
Investment Fees	(21,344)	(21,600) *	256	3	(64,800)
Total Revenue	2,075,478	886,675	1,188,803		29,413,767
Program Expense					
Salaries and Benefits	660,647	665,188	4,541		2,730,772
Professional Fees - Program Admin fees	188,440	188,440	-		573,942
Professional Fees - Contractors & Lobbying	186,458	134,220	(52,238)	4	544,460
Conferences, Conventions & Meetings	1,991	7,417	5,426		235,506
Operating Expenses	76,322	84,427	8,105		286,275
	1,113,859	1,079,692	(34,167)		4,370,955
Income (Loss) before Scholarship Exp	961,620	(193,017)	1,154,637		25,042,812
Scholarship Expense	(177,900)	145,000	322,900	5	10,704,170
Net Income (Loss)	1,139,519	(338,017)	1,477,536		14,338,642

*Approved Budget only included dividends & interest, and fees based on F&I committee input we have added projected unrealized/realized gains as a budget line based on conservative base case model. See Note 3. for more information.

WSOS Cash Flow

Cash Flow Summary

Inception-To-Date

April 30, 2021

	Inception - April 30, 2021			
	Scholarship	Endowment	Notes	Total
<u>CASH FLOW</u>				
Cash Inflow:				
Boeing	25,110,000	-		25,110,000
Microsoft	35,000,000	-		35,000,000
Other Private	38,846,709	-	1	38,846,709
State Match	97,884,043	-	2	97,884,043
State Implementation Funds	437,500		2	437,500
Investment Income*	25,481,662	7,034,908	3	32,516,570
Total Cash Inflows	222,759,914	7,034,908		229,794,822
Cash Outflow:				
Scholarships	(98,524,030)	-	4	(98,524,030)
Program Expenses	(22,256,933)	(5,812)		(22,262,745)
Total Cash Outflows	(120,780,963)	(5,812)		(120,786,775)
Net Cash Flow Inception-To-Date	101,978,951	7,029,096		109,008,047
<u>Composition of Net Cash Flow</u>				
KeyBank Checking Account	821,773	-	5	821,773
Investment Accounts at WSIB and KeyBank	101,157,178	7,029,096	5	108,186,274
Total	101,978,951	7,029,096		109,008,047

* Includes unrealized gains and losses.

EXECUTIVE SESSION

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NEXT BOARD MEETING

09.16.2021