

WASHINGTON STATE
OPPORTUNITY
SCHOLARSHIP

BOARD MEETING

09.16.2021

AGENDA

1. Welcome
2. Approval of Minutes from 6.10.21 Board Meeting
3. Mission Moment: Opportunity Scholar Story
4. 2022 Legislative Priorities
5. Fundraising Campaign Update
6. Program Update
7. Finance & Program Administrator Update
8. Closing

REQUESTED BOARD ACTION

- Vote to approve the June 10 meeting minutes.



MISSION MOMENT

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MISSION MOMENT: Scholar Spotlight



SCHOLAR LEAD



SAORI HUNZIKER

Computer Science

Western Governors University

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2022 LEGISLATIVE PRIORITIES

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The landscape

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WSOS continues to align with generous WA financial aid and current workforce needs.

- WA students now have access to **more financial aid than ever** – but needs are still not fully met.
- Washington College Grant (WCG) **supports rather than supplants** the need for WSOS.
- Lawmakers seek ways to **increase access and remove barriers**, particularly in high-demand fields and for underserved students.

Communities left behind during inequitable economic recovery.

- Revenues are **\$1.8 billion more** than expected.
- The recovery has been **even slower in rural areas.**
- **BIPOC communities are overrepresented** in unemployment.
- Unemployment rate **~2x** higher for those with only a HS diploma versus bachelor degree.

COVID exacerbated barriers to credential attainment, placing WA goals at risk.

- WA has an ambitious **70% attainment** goal by 2030.
- ...but around **3 in 5 students experienced basic needs insecurity** in 2020, a notable increase since 2019.
- ...and **BIPOC students** are most likely to be impacted.
- Enrollments are **flat** and FAFSA/WASFA completions are **down**.

WSOS helps WA stay the course in credential attainment goals.

- There will be continual focus on **serving BIPOC** communities and programs for **credential attainment**.
- WSOS will likely be a **priority** for lawmakers.
- Democrats control all chambers, so **expect progressive issues** to take precedence.

Proposed 2022 priorities

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2022 Priorities: Fine-tune and align elements of the Opportunity Scholarship program.

- Add language to ensure state match for RJI is automatic.
- Replace minimum GPA requirement with Satisfactory Academic Progress.
- Replace income requirement for the Graduate Scholarship with a different measure of financial need.

2022 Priorities: Align WSOS and Washington College Grant

- Replace the restriction that we can only support Scholars up to a certain number of credits to using up to a certain number of terms.
- Add all apprenticeships eligible to receive WCG as eligible for WSOS.

We aim to position WSOS as a go-to policy solution for a more equitable COVID-19 recovery.

- Launch an effort to market our municipal/tribal matching opportunity as a tool for hyper-local workforce development
- Focus on our demonstrated impact
- Ensure lawmakers can reinvest in rather than replicate the WSOS model.

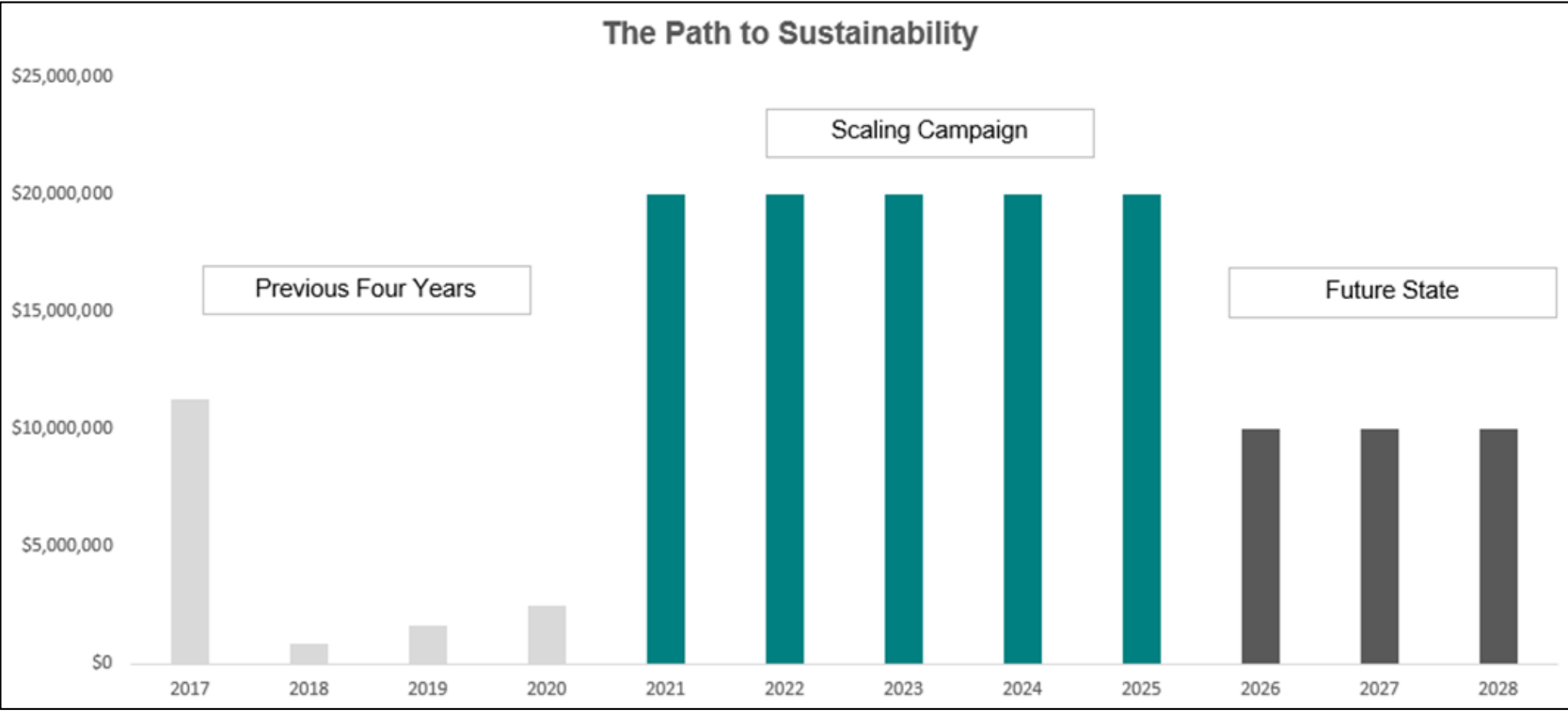
REQUESTED BOARD ACTION

- Vote to approve the 2022 legislative priorities.

FUNDRAISING CAMPAIGN UPDATE

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



Campaign success anchored by large gifts.

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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Timing of Announcements

- **Gary & Jennifer Rubens**
 - August – September
- **Boeing & Microsoft**
 - Media sit-down week before OpportunityTalks
- **Campaign public launch**
 - Once at least \$60M (80%) secured
- **Other possible cornerstone investors**
 - Conversations ongoing

We're building what we need for those who haven't yet bought tickets.



REQUESTED BOARD ACTION

- Vote that all funds received from January 1, 2021, through December 31, 2025, be part of a \$75M+ comprehensive campaign to extend and expand Opportunity Scholarship.

Discussion

With the commitments to date, we're positioned to make changes to the scholarship model now while we seek further partnership. With the increased investment already secured, we can:

- Extend the **timeline** for the scholarship.
- Fund **more students**.
- Increase the **award amount**.
- Provide students with **expanded support services**.

...and there are implications for what we're continuing to fundraise for.

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We need your help.

1. Provide feedback on case for support.
2. Be a sounding board for rising strategies in the campaign.
3. Vet campaign counsel proposals.
4. Recruit Campaign Ambassadors to anchor and lead the campaign.
5. Support 2022 budget request.
6. Open doors to partners across the state and across industries.



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PROGRAM UPDATE

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RFP PROCESS:

Transitioning to a new program administrator

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We're moving forward with an RFP to find a new program administrator (PA).

August-September 2021

Planning for RFP process complete.

October-November 2021

RFP and sample contract finalized.

December 2021

Selection panel finalized.

January-February 2022

RFP is live.

The transition to a new PA will be complete by December 2022.

Early March 2022

Panel convenes to select new PA.

March Board Meeting

Board votes to formally approve new PA.

June to September 2022

WA STEM remains PA. Transition contract in place with new PA.

September-December 2022

New PA administers. WA STEM under transition contract.

We're hearing interest from potential new PAs but also flagging challenges.

- **What complicates the RFP process this time around?**
 - With 27 FTE, we are larger than most orgs looking for fiscal sponsorship.
 - WSOS has established norms around things like compensation, benefits and hiring that may not align with new PA.
- **What makes the RFP process easier this time around?**
 - Planning already underway! Transition plan to be formalized in early 2022.
 - The planned overlap with WA STEM and new PA will create a smooth runway for us to handle the unforeseen.

The 2021 budget request will reflect some of these uncertainties.

- Program Administrator fee is not yet known for September 1 through December 31.
- The transition costs to support the move are thus far unknown.
- There are some fees that are currently covered by our PA that may or may not come with a new PA.
- There will be a PTO payout for all employees before we transition to the new PA.

Principles for the transition

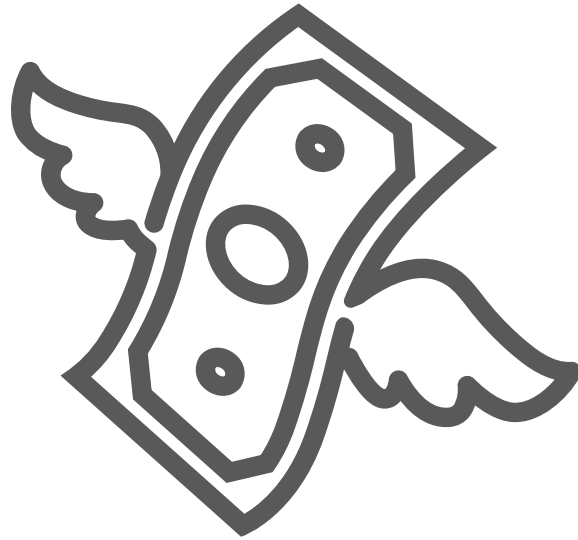
1. Provide **transparency** for the Board & staff
2. Keep **employees whole** in the transition
(benefits/salary/work environment)
3. Maintain the strong, collaborative relationship with **WA STEM**
4. Balance **maintaining our autonomy** while addressing areas where **we need stronger support**
5. Prioritize finding a **long-term fit**

PROGRAMMING IN REVIEW:

What's new in BaS, CTS and GRD

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We've invested more than \$100,000,000 in scholarships for high potential students!



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The renewal survey reveals Opportunity Scholars value WSOS.

- **95%** of BaS recipients say they are **more likely to graduate** because of WSOS.
- **96%** of CTS recipients say they are **more likely to complete their program** because of WSOS.
- **95%** of Scholar Lead mentees said their Lead helped them understand the **importance of connecting with an academic advisor**.
- **4 in 5** Skills that Shine mentees said they were connected with **career-related opportunities** they would not have found without the program.

Baccalaureate Scholarship support services are humming along and being refined.

- Scholar Lead program increasing the number of touchpoints between mentors and mentees
- Skills that Shine welcomes 1,000 mentor-mentee pairs this year – please help us recruit mentors!
- Aiming to grow our Industry Insider program with better access for Opportunity Scholars to work-like opportunities

Career and Technical Scholarship support services are growing.

- Grateful for a new \$80,000 grant from Boeing to support expanding services!
- CTS industry mentoring program will grow in AY2021-22: more industries and offered three times per year with n=30 per term
- CTS Ambassador program launching with recruitment in the fall & first supports up and running by January
- Other supports to continue (monthly newsletter, etc.)

First recipients of the GRD Scholarship have been selected!

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

Other Program Elements

Travel stipend for remote preceptor sites; practicum remuneration

We made a change to disbursement cadence & finalized the travel stipend.

Investment	Award Amount
Academic Scholarship	<ul style="list-style-type: none">• \$2,500 one-time award, at the time of enrollment in GRD• \$4,500 per practicum term (120 clinical hours)• Up to \$25,000 disbursed evenly across terms
Travel Stipend	Up to \$1,000 per practicum term (120 hours) \$500/term while in practicum at a remote site (>50 miles from home address), not to exceed \$2,500 per student
Practicum Remuneration	\$3,600 per practicum term (120 hours) <i>*disbursed based on credit hours</i>

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GRADUATE

VIRTUAL BREAKFAST:

OpportunityTalks on our tenth anniversary

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*Washington's
got Talent* 

Will you help us make a million dollar morning?

- **Make a pledge** to the Challenge Fund.
- **Register** for the breakfast.
- Become a **virtual table host!**
- **Invite your network** to join your table.
- Share the opportunity to **become a mentor.**

FINANCE & PROGRAM ADMINISTRATOR UPDATE

July 31, 2021

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WSOS Balance Sheet

Comparative Balance Sheets

July 31, 2021

	Comparison to Last Reported Period			Notes	Comparison to Same Period LFY		
	4/30/21	% Change	7/31/21		7/31/20	% Change	7/31/21
Assets							
Cash	821,773	256%	2,928,527	1	2,975,992	-2%	2,928,527
Investments	108,186,273	2%	109,903,671	2	111,356,343	-1%	109,903,671
Accounts Receivable	1,136	-98%	23		395	-94%	23
Pledges and Grants Receivable, net	2,553,671	294%	10,061,171	3	3,505,092	187%	10,061,171
State match receivable, net	-	-	3,435,153	4	2,906,926	18%	3,435,153
Unbilled State match revenue	899,490	-99%	6,345	4	-	-	6,345
Unbilled State match receivable, offset	(899,490)	-99%	(6,345)	4	-	-	(6,345)
Prepaid Expenses	62,632	7%	67,276		85,990	-22%	67,276
Property and equipment, net	16,251	-16%	13,683		24,692	-45%	13,683
Total Assets	111,641,736	13%	126,409,503		120,855,430	5%	126,409,503
Liabilities and Net Assets							
Accounts Payable	74,298	-21%	58,431		83,195	-30%	58,431
Payroll Related Liabilities	91,122	9%	99,379		68,727	45%	99,379
Scholarship Commitments Bacc., net	18,507,299	0%	18,472,288	5	26,829,963	-31%	18,472,288
Scholarship Commitments CTS, net	2,538,429	-15%	2,160,429	5	1,298,512	66%	2,160,429
Scholarship Commitments RJL, net	39,799	-34%	26,299		-	0%	26,299
Total Liabilities	21,250,947	-2%	20,816,827		28,280,397	-26%	20,816,827
Net Assets							
Temporarily Restricted Net Assets	90,390,789	17%	105,592,677		92,575,033	12%	105,592,677
Permanently Restricted Net Assets	-	0%	-		-	0%	-
Total Net Assets	90,390,789	17%	105,592,677		92,575,033	14%	105,592,677
Total Liabilities and Net Assets	111,641,736	13%	126,409,503		120,855,430	5%	126,409,503

WSOS Income Statement

Income Statements

Actual vs. Budget

Seven Months Ending July, 2021

	Seven Months Ending July, 2021			December 31, 2021	
	Actual	Budget	Variance Fav (Unfav)	Notes	Annual Budget
Revenue					
Private	10,593,367	9,440,000	1,153,367	1	23,860,000
Public	3,712,846	3,850,000	(137,154)	2	3,850,000
Investment Dividends, Interest, & Fees	24,089	28,105 *	(4,016)	3	48,180
Investment Unrealized/Realized Gains	3,390,915	620,507 *	2,770,408	3	1,720,387
Investment Fees	(36,106)	(37,800) *	1,694	3	(64,800)
Total Revenue	17,685,111	13,900,812	3,784,299		29,413,767
Program Expense					
Salaries and Benefits	1,315,600	1,360,384	44,784	4	2,730,772
Professional Fees - Program Admin fees	331,207	331,207	-		573,942
Professional Fees - Contractors & Lobbying	354,080	286,160	(67,920)	5	544,460
Conferences, Conventions & Meetings	3,956	32,033	28,077		229,075
Operating Expenses	121,203	147,747	26,544		292,706
	2,126,046	2,157,531	31,485		4,370,955
Income (Loss) before Scholarship Exp	15,559,066	11,743,281	3,815,785		25,042,812
Scholarship Expense	(782,342)	(50,000)	732,342	6	10,704,170
Net Income (Loss)	16,341,407	11,793,281	4,548,126		14,338,642

WSOS Cash Flow

Cash Flow Summary

Inception-To-Date

July 31, 2021

	Inception - July 31, 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	41,386,318	-	1	41,386,318
State Match	97,884,043	-	2	97,884,043
State Implementation Funds	500,000		2	500,000
Investment Income*	27,334,800	7,227,060	3	34,561,860
Total Cash Inflows	227,215,161	7,227,060		234,442,221
Cash Outflow:				
Scholarships	(98,346,099)	-	4	(98,346,099)
Program Expenses	(23,258,112)	(5,812)		(23,263,924)
Total Cash Outflows	(121,604,211)	(5,812)		(121,610,023)
Net Cash Flow Inception-To-Date	105,610,950	7,221,248		112,832,198
<u>Composition of Net Cash Flow</u>				
KeyBank Checking Account	2,928,527	-	5	2,928,527
Investment Accounts at WSIB and KeyBank	102,682,423	7,221,248	5	109,903,671
Total	105,610,950	7,221,248		112,832,198

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NEXT BOARD MEETING

12.16.2021