



MASON COUNTY
P R O M I S E

**Mason County Promise Zone Authority Board
Meeting Minutes**

April 25, 2018
1:00 PM

Location:

Lakeshore Resource Network
920 E. Tinkham Ave.
Ludington, MI 49431

Call to Order: The meeting was called to order at 1:04 PM by the Mason County Promise Zone Authority Board Chair, Mr. Jason Kennedy.

- A. **Roll Call:** All members, except Andrea Large, were present at roll call, with Jim McLean participating in the meeting via conference phone call. Andrea Large entered the meeting at 1:07 PM.
- B. **Approval of the Agenda:** The agenda was approved with two (2) agenda modifications. The Board amended the agenda to add the approval of the meeting minutes from the Board's meeting on April 20, 2018. This was added to the agenda directly following the approval of the agenda. Secondly, the Board approved the agenda with the addition of a discussion item pertaining to an errors and omissions policy to cover the Board. This was added to the agenda under "Any other business."

Motion - Knizacky, Support - Nash; Motion carried 10-0; 1 absent.

- C. **Approval of the Minutes:** The April 20, 2018 meeting minutes of the Mason County Promise Zone Authority Board were approved, as presented.

Motion: Schuyler, Support: McLean; Motion carried 10-0; 1 absent

- D. **Reading of Correspondence:** Chairman Kennedy read an e-mail correspondence submitted to the Board from Amy Pepper. The memo stated that the price of individual textbooks varies greatly, depending upon the subject matter, book format, among other factors. During the 2015 - 2016 academic year, the average price of a new textbook was \$80.00 at WSCC. During the 2016 - 2017 academic year, the average student who was taking

four (4) courses each semester spent an average of \$579.00 per year on required textbooks at WSCC. Federal Aid also currently allocates \$500 per semester for books. WSCC programs in nursing, criminal justice, and welding require especially cost intensive books and supplies.

E. **Limited Public Comment:** None

F. **Committee Work:**

- a. Preparation of the Promise Zone Development Plan (PZDP): Chair Kennedy introduced amendments, revisions, and deletions to the development plan that were made by recommendation of the Board at the April 20, 2018 meeting of the Board.
- The eligibility criteria was reviewed, discussed, and finalized to state the following:

In order for a student to be eligible to receive proceeds from the Mason County Promise scholarship, students must meet **all** of the following criteria:

1. Graduation and Residency Requirement:
 - a. Graduate with a diploma and reside within the boundaries of one of the following three school districts within Mason County: Mason County Central Schools, Mason County Eastern Schools, Ludington Area School District with a cumulative 2.00 Grade Point Average (GPA) or above; or,
 - b. Graduate from Gateway to Success Academy with a cumulative 2.00 Grade Point Average or above; or,
 - c. Obtain a GED and reside within the boundaries of Mason County; and,
 2. Federal Student Aid Application (FAFSA) Requirement:
 - a. Complete the federal student aid application using the Free Application for Federal Student Aid (FAFSA) each year that the student intends to use proceeds from the Promise scholarship.
 3. West Shore Community College Enrollment Requirement:
 - a. Enroll at the eligible partnering institution, West Shore Community College.
 4. Family Educational Rights and Privacy Act Release Requirement:
 - a. Complete Family Educational Rights and Privacy Act ("FERPA") release to the Mason County Promise Zone Authority Board and partnering institutions.
- The terms of the scholarship were reviewed, discussed, and finalized as outlined below:

Eligible students will receive funding for tuition and mandatory fees up to the cost of obtaining an Associate's degree or its equivalent at the prevailing West Shore Community College tuition rate. Pursuant to MCL 390.1667 Sec. 7 (2)(c), a student's scholarship amount will be the balance remaining for tuition and mandatory fees at West Shore Community College, after the student has applied for and accepted all federal and state grants for a given year. Proceeds from the Promise scholarship shall be paid directly to the partnering institution.

The Promise Zone Authority Board reserves the right to expand the list of qualifying institutions by majority vote of the authority board. Students must comply with the partnering institution's Standards of Academic Progress (SAP). Students must also comply with the Mason County Promise Scholarship Student Success Guidelines such as participation in; placement test preparation sessions, student orientation, educational plans or audits, check-in meetings with counseling or college staff, exam study sessions, and early warning intervention strategies.

Students will have a maximum of four years from the date of high school graduation, or from the date of issuance of a GED or its equivalent, to use Promise scholarship monies to cover a maximum of 60 attempted credits, the equivalent to an Associate's degree from West Shore Community College. Students must apply annually and provide a copy of their college transcript with the application. They must also supply notice of any financial aid awards for the next year of college attendance. The amount of the Promise scholarship may be adjusted each year based on any revised financial aid information provided.

Students must enroll in a minimum of nine (9) credit hours per fall and winter semester, so long as the credits are attempted subject to the four year time frame requirement.

- The following limitations according to statute were discussed and addressed:
 - MCL 390.1667 Sec. 7 (2)(b)(i): Proration - The Promise will not be prorated based upon the number of years that the student has resided in the Promise Zone.
 - MCL 390.1667 Sec. 7 (2)(b)(ii): Minimum Number of Years - The Promise will not be restricted based upon the number of years that a student has resided within or attended a high school within the zone for a minimum number of years.
 - MCL 390.1667 Sec. 7 (2)(b)(iii): College Grade Point Average (GPA) and Course Load - Students must meet Satisfactory Academic Progress (SAP), as determined by the partnering institution, and must enroll in at least nine (9) credit hours per semester, so long as the credits are attempted subject to the four year time frame requirement.

- MCL 390.1667 Sec. 7 (2)(b)(iv): Postsecondary Institutions: The Promise scholarship may be used for any program authorized by West Shore Community College, including, but not limited to: vocational or technical certificates or Associate degree programs that are authorized and approved by West Shore Community College.
 - MCL 390.1667 Sec. 7 (2)(b)(v): High School Grade Point Average - Students must have a cumulative 2.00 high school GPA to be eligible for the Promise.
 - MCL 390.1667 Sec. 7 (2)(b)(vi): Improving Student Progress - Students must comply with the Mason County Promise Scholarship Student Success Guidelines such as participation in: placement test preparation sessions, student orientation, educational plans or audits, check-in meetings with counseling or college staff, exam study sessions, and early warning intervention strategies.
 - MCL 390.1667 Sec. 7 (2)(b)(vii): Limitations - The Promise Zone provides a scholarship for all students who meet the eligibility criteria. Graduates from all high schools within the Promise Zone are eligible for the scholarship.
- The following extent of benefit language was stricken from the original draft of the Promise Zone Development Plan.

EXTENT OF BENEFITS:

~~For eligible students, the amount of the Promise scholarship that will be awarded to each student will be dependent upon the length of consecutive years of attendance at one of the qualifying public school districts, as listed above in the eligibility criteria for the Promise scholarship. Students who transition between schools within the county will count as having attended consecutive years at a qualifying institution for the purposes of determine the extent of the benefit earned by the student. Scholarship awards will be prorated as follows:~~

<u>Grade Span Enrolled and Attended</u>	<u>Percent of the Promise Scholarship Earned</u>
9th - 12th Grade	100% Funded
10th - 12th Grade	75% Funded
11th - 12th Grade	50% Funded
12th Grade	25% Funded

- Pursuant to MCL 390.1667 Sec. 7 (2)(d), the Board finalized the following language pertaining to the financial support for the Mason County Promise Zone:

The Promise scholarship will be funded through a combination of community support, gifts from private donors, corporate and foundation investments, federal or state financial aid available to Mason County students, and all other eligible sources. The Mason County Promise Zone Authority Board is charged with developing and implementing a plan to fund its Promise scholarship.

The minimum projected amount needed for the first two years of operation has been calculated using three (3) scenarios. Using the historical actuarial model, where 20% of the graduates from Mason County attend West Shore Community College, the minimum projected funding needed is \$135,448. Using a median actuarial model, where 50% of the graduates from Mason County attend West Shore Community College, the minimum projected funding needed is \$453,370. Using a model that allows all students with a grade point average at or above 2.00 in Mason County to attend West Shore Community College, where 90% of the graduates from Mason County attend West Shore Community College, the minimum projected funding needed is \$877,265. Each of these estimates is the funding needed to cover the cost of scholarships for two (2) years.

The first five years of operation under the scenario where all eligible students in Mason County (90% of the graduates) enroll at West Shore Community College is \$2,757,443. The Mason County Promise Zone Authority is confident that its fundraising plans will succeed in securing sufficient funds to pay these and subsequent costs as they are required. The fundraising plan is to seek the financial resources necessary to support the issuance of scholarships for the Class of 2018 and the Class of 2019 through privately earned donations. Future graduating classes will be issued scholarships through the capture of State Education Tax dollars and the tax increment financing structure that exists in state statute.

- Pursuant to MCL 390.1667 Sec. 7 (2)(e), the Board reviewed the actuarial model in Appendix A of the plan and the financial analysis, using information provided to the Board by the Michigan Department of Treasury and Mason County. The Board expressed concern with what was believed to be overstated growth estimates, so scenarios were developed with 1%, 2%, and 2.5% growth rates, in addition to the numbers provided by Treasury. Fabian Knizacky estimated the county's SET growth rate to be between 2% - 3% after the Consumer's Energy Pump Storage Facility upgrades are completed in the next two years.
- Pursuant to MCL 390.1667 Sec. 7 (2)(f), the Board reviewed and supported the following language pertaining to the evaluation plan and report:

Mason County Promise Zone Authority will develop an evaluation plan to measure the extent to which its scholarship and program services are impacting success among graduates from the Promise Scholarship program. This involves: (1)

establishing and implementing a strategic plan accompanied by benchmarks against which annual progress can be measured; (2) developing the capacity to keep and track relevant student data; (3) conducting an analysis of college attendance and persistence behaviors among Mason County graduates; and (4) establishing data-sharing partnerships with the partnering post-secondary institution; including a comprehensive report after four years, and every two years thereafter.

It is recognized by the Board that this written report must be provided to the Department of Treasury by October 31st each year. The report will include at a minimum: (i) The number of students receiving support, (ii) the number who have successfully completed certificate programs, Associate degree programs, or other acceptable credentialing programs at WSCC, (iii) the number who withdrew, (iv) the number who completed at least 23 credit hours and the average time it took to earn 24 credit hours, and (v) the six year graduation rate for recipients of the Promise.

Approval of the Mason County Promise Zone Development Plan and Actuarial Model: The Mason County Promise Zone Authority Board approved the Mason County Promise Zone Development Plan (PZDP) and the Actuarial Model by which the financial support and fundraising campaigns would be based upon for the PZDP.

The approval was based upon the acceptance and approval of all changes and modifications that were made to the original draft plan that was developed at the April 20, 2018 meeting of the Board, and revised during the April 25, 2018 meeting of the Board, as outlined above. The approval is subject to a final review of the Chair and Vice Chair to ensure that the submitted plan fully complies with all revisions and modifications that were made by the Board.

The Board's approval grants authority to the Board Chair to submit the Mason County Development Plan to the Michigan Department of Treasury, pursuant to MCL 390.1667 Sec. 7 (4).

Motion: Knizacky, Support: Nash; Motion carried 11-0.

- b. **Community Foundation for Mason County Fund Agreement:** The Board reviewed the fund agreement between the Mason County Promise Zone Authority Board and the Community Foundation for Mason County. Treasurer Knizacky expressed concern regarding the indemnification provision within the agreement, and Chair Kennedy shared that in reviewing the Muskegon Area Promise Fund Agreement with the Community Foundation, that this provision was not included in their agreement. Andrea Large will review the agreement with the Community Foundation's legal counsel to provide recommended solutions to the concerns raised. The approval of a resolution to support the signing of the Fund Agreement was tabled until further guidance can be provided to the Board.

- c. Fundraising Campaign - The Board developed and approved its fundraising plan to accomplish the financial promise as a part of the development plan approval above. Chair Kennedy shared a proposal by Jim McLean to include a fundraising Ad Hoc committee of the Board that is held responsible for the oversight of the fundraising campaign. Andrea Large expressed her interest in helping with fundraising, but stated that she did not feel that she should lead the campaign. Monica Schuyler expressed interest in helping fundraise; however, she did not want it to become a conflict with all of the other causes that she also fundraises for.

The Board approved a motion to appoint Monica Schuyler as the Fundraising Chair for the Board, with support from Andrea Large.

Motion: Knizacky, Support: Krieger; Motion carried 11-0.

- d. Next Steps: The Board discussed the development of bylaws to govern the operation of the Board, the development of an application process for students to complete, finalizing the details of the application process, and communicating the availability of scholarships to students. An Ad Hoc committee (Jason Kennedy, Dena Thurston, Ed Makowicki, Amy Pepper, and Jim McLean) was appointed to work with area principals and counselors on developing the scholarship application process. This Ad Hoc committee will meet on Thursday, May 3, 2018 at 1:00 PM at the Lakeshore Resource Network Building.

- G. **Set Next Meeting Date**: The Board set the next date and time of the Promise Zone Authority Board meeting as Monday, May 7, 2018 at 2:00 PM. The location of the meeting will be: Lakeshore Resource Network, 920 E. Tinkham Ave., Ludington, MI 49431.

H. **Any Other Business**:

- a. Errors and Omissions Policy: Fabian Knizacky shared that he was continuing to work with the Michigan Municipal Risk Management Authority to development recommendations for the Board to consider to address Jim McLean's concern regarding errors and omissions coverage for members of the Mason County Promise Zone Authority Board.

- I. **Limited Public Comment**: None

- J. **Adjournment**: The meeting was moved for adjournment at 3:38 PM by Monica Schuyler, and supported by Roger Nash. Motion carried: 11-0. The meeting was adjourned.

Respectfully Submitted,
Nick Krieger, Secretary
Mason County Promise Zone Authority Board