

April 24, 2020

On April 22, 2020 the Muskegon Area Promise Zone Authority (MAPZA) submitted a revised Promise Zone Development Plan necessary to amend the scholarship terms to ensure compliance with statutory requirements. Under PA 549 of 2008 as amended, the Department of Treasury (Treasury) has the responsibility to review a Promise Zone Development Plan to ensure it meets the standards required by law. In reviewing materials submitted by the MAPZA, Treasury finds:

- The MAPZA revised Promise Zone Development Plan amends the previously approved plan, from September 29, 2015.
- The MAPZA scholarship terms meet the standards as required by law.
- The MAPZA is reminded that, other than the capture of State Education Tax (SET) growth, no other funds will be provided by the state to meet the obligations of the MAPZA. The MAPZA commits to obtaining sufficient resources to fund the promise of financial assistance to eligible students even in the event of lower than anticipated SET growth.
- Treasury is responsible for verifying that the MAPZA has met and continues to meet the financial support promised in this plan before authorizing the release of captured SET money. In order to fulfill that responsibility, Treasury will periodically request information from the MAPZA to verify the financial support provided to eligible students.

The amendments to the MAPZA Development Plan dated April 22, 2020 have met the requirements of the law governing the establishment of Promise Zone Authorities and are approved.

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Acknowledgement Date: 4/21/20

Acknowledgment Comment: Per Request from Treasury on 2/21/20, a revision in “Scholarship Terms” is necessary. Treasury recommends using “Qualified Educational Expenses” in place of “tuition, books and fees” when defining any terms of the scholarship. A revision is found in the amendment below.

AMENDMENT: Muskegon Area Promise Scholarship Award

TERMS OF THE MUSKEGON AREA PROMISE SCHOLARSHIP

Promise Scholarships will fund educational opportunity at the partnering institutions of Muskegon Community College or Baker College of Muskegon.

Eligible students will receive funding for qualified educational expenses up to the cost of obtaining an associate degree or its equivalent at the prevailing Muskegon Community College tuition rate.

Promise Scholarships will be for an amount up to the cost of full time enrollment over three terms (Fall, Winter and Summer) per year. Subject to that maximum, a student’s scholarship amount will be the balance remaining for the qualified educational expenses after the student has applied for and accepted all federal, state and institutional grants for a given year. Monies will be paid directly to either partnering institution following an institutional invoice process.

Note: All other scholarship terms (SAP, four year eligibility period, and annual application/acceptance) remain in effect as written and approved in 2015.

FINANCIAL ANALYSIS FOR MUSKEGON AREA PROMISE SCHOLARSHIP AWARDS

The Muskegon Area Promise Zone Authority (MAPZA) estimates that Promise Scholarship Awards will require additional private funding for scholarships within the next five years totaling over \$2 million dollars.

MAPZA provides an annual scholarship based on prevailing rates to attend Muskegon Community College. The model now assumes 28% of Muskegon County students will graduate with a GPA of 3.5 or higher and greater than 40% of those graduates plan to attend either MCC or Baker College of Muskegon upon graduation from high school. Additionally, 33% would qualify for Federal Pell grants, 44% are eligible for Free and Reduced Lunch benefits and 55% will persist in college more than one year.

If as projected, future SET growth result in revenues that exceed the cost of the Promise Scholarship described in this plan, the MAPZA Board may consider modification to the scholarship as it strives for quality implementation.

THIS RESOLUTION WAS DULY ADOPTED ON **April 21, 2020** BY THE FOLLOWING VOTE:

AYES: All present (9 of 10 members)

NOES: None

ABSTAIN: None

ABSENT: Cindy Larsen

(COVID-19) electronic recording

Stephen K. Parker

Board Chairperson

(COVID-19) electronic recording

ATTEST

Cindy Larsen

Board Secretary