

**PROCEEDINGS
OF
THE PROMISE ZONE AUTHORITY BOARD OF DIRECTORS
GRAND RAPIDS, MICHIGAN**

OFFICIAL

**REGULAR BOARD MEETING
BOARD CHAMBERS/1331 MARTIN LUTHER KING JR STREET SE**

THURSDAY, JUNE 8, 2023

Meeting called to order at 2:30 p.m. by Treasurer Mayor Rosalynn Bliss.

ROLL CALL

Present: Mr. Cuevas, Mr. Faber, Mr. Huizenga, Ms. Johnson, Ms. Mr. McComb, Dr. Roby,
Ms. Sieger, Ms. Weatherall Neal, and Sub-Chairperson Mayor Bliss – 9.

Excused: Ms. Grant, Chair Mr. DeJonge – 2.

APPROVAL OF AGENDA

Chairperson Mayor Bliss asked for approval of the agenda.

Voice Vote: Carried.

Nays: 0.

APPROVAL OF MEETING MINUTES

Approval of Board of Directors Meeting Minutes – December 8, 2022

There were no concerns expressed by the board of directors concerning minutes submitted.

Motion by Mr. Cuevas, Supported by Ms. Seiger, to approve the December 8, 2022, board meeting minutes.

Voice Vote: Carried.

Nays: 0.

PUBLIC COMMENT

None.

ADDITIONAL INFORMATION ITEMS

Mayor Bliss provided there was information within the packet for the board of directors to please read concerning the Review of March 9 Meeting Minutes which are unofficial since there was a not a quorum of the board. She also noted the Reagan Marketing Update and Eligibility Appeal Approval. She advised if there are any questions to please reach out to Chair DeJonge.

DISCUSSION ITEMS

Grand Rapids Community College Updates

GRCC Enrollment and Activities

Ms. Ashlee Mishler shared an update on Summer 2023 semester enrollment. She reported there are 244 enrolled with 90 as a guest student status. Guest students attend other institutions during the fall and winter semesters. To date, there are approximately 350 students enrolled for fall 2023. There are around 180 from the Class of 2023 and working on getting them enrolled.

There were 41 graduates for the 2023 academic year with 7 graduates from a job training program. She expressed gratitude to everyone who was able to attend the reception celebrating the graduates. There was a video presentation highlighting the students, their appreciation for this scholarship opportunity and future plans. The technology was not working so Ms. Mishler would email the board of directors.

There was a soft launch of the mentor program and was impactful. In September, they are launching their mentorship program. Additional activities included hosting 10 Promise Zone high school orientations impacting 186 students. They hosted testing days at GRCC for students who need to complete placement testing. They also provided a survey to students registered during the fall or winter semesters 2022-23 who are not registered for the 2023-24 school year and gauge why and how they can support them. Summer workshops are underway to support students as they prepare for the 2023-24 years. They are also working on the welcome new students' event to take place in August.

Promise Zone Coordinator Update

Ms. Ashlee Mishler shared the Success Coordinators who have been busy in the schools' supporting students with their post-secondary planning. They have also celebrated students at Decision Days, met with families at parent/teacher conferences, and continued meeting with students to ensure their success for next steps. Over the summer, the coordinators will be working and are partnering with GRPS to offer support to summer school students and promoting post-secondary topics through activities targeted to middle and high school students.

Coordinators will also be supporting summer melt efforts and additional outreach opportunities for students. Additionally, the Promise Zone Coordinator Survey Results provided positive feedback. Ms. Mishler expressed her appreciation for these individuals and their efforts.

Bookstore Allocations – Allowable Items

Ms. Ashlee Mishler provided a list was created early on with what PZ students could purchase with the funds at the GRCC bookstore. There was no specificity in the development plan but was a conversation the board had to ensure it was a good use of the funds. The desire is to align the funds use to align with allowable purchases with financial aid funds. Data supports the students are not spending the full bookstore allocation. The recommendation is an increase in total allocation to expand on the allowable funds to include the purchase of laptops. The Promise Zone will monitor laptop purchases in order to ensure appropriate use of the funds. Virtual modalities and hybrid courses have created laptops to be an essential tool. They will align with the federal financial aid guidelines. There is not action needed by the board regarding this practice.

Response to Promise Zone Authority Legislation

Ms. Lisa Freiburger provided that The Michigan Promise Zone Association is considering advocating for passage of new Promise Zone legislation that would give Promise Zones additional flexibility to award scholarships that are considered part of Cost of Attendance and are wanting to recommend possible further changes at the same time. The Grand Rapids Promise Zone was asked for their opinion on 5 topic areas. A brief response was provided to each of the areas. She invited members to send her any concerns to what was provided. Ms. Freiburger covered each of the topics and the responses.

1. Membership of the PZA boards—Should there be any changes in how PZ boards are constituted--11 members, 2 appointed by majority legislative leaders, 9 by the CEO of the establishing entity, vacancies filled by the board, no more than 3 to be government officials, minimum of one from the public-school community?
 - We do not have a concern regarding board composition.
2. Promise of financial assistance—Should the PZ statute be clarified that financial assistance may include any and all expenses up to the Cost of Attendance at participating institutions?
 - We would agree that an expansion of allowable uses for Promise Zone funds to include the full Cost of Attendance would be helpful, understanding that a local development plan still governs what an individual promise zone board would like to fund.
3. Funding for college-based student success activities—Should current language authorizing expenditures to support college readiness activities be clarified to explicitly include college success programming such as coaching?
 - We would recommend consideration be given to adjusting 390.1667, Sec 7(2)(a) and for the last sentence to read "The proposed promise of financial assistance may also authorize

the expenditure of funds for educational improvement activities designed to increase readiness for postsecondary education at public eligible schools located in the promise zone, as well as to supplement learning support services provided to eligible students at their post-secondary school". These modifications would clarify that all eligible schools could receive these supports. It would also allow for additional services to be covered for eligible students at their post-secondary school as well, knowing that college success programming would be included in both educational improvement activities and supplemental learning support services.

4. Prohibition on PZ scholarship use outside of Michigan—Should the current prohibition be relaxed to allow use at HBCUs and other minority-serving institutions?

- Part of the goal when creating Promise Zones was to assist with keeping talent within the state. Allowing funding to be used outside of Michigan may not promote 12 that objective. Also, the funding of Promise Zones is through the Michigan tax capture, and we are unsure about asking for funds to be allowed to be used at post-secondary institutions outside of Michigan.

5. Cap on administrative expenses—Should this language be modified to clarify that it does not apply to both scholarship and program expenses such as college readiness and success activities and programs?

- We believe it would be better to leave the administrative costs section as is. It seems reasonable to assume as the language is currently written that program costs (success coaches, mentoring programs, tutoring support, etc.) would not be considered as administrative expenses

ACTION ITEMS

Approval of the 2023-24 Meetings Schedule

A board of director requested the meeting cadence change for the upcoming fiscal year for the Promise Zone Board of Directors meetings due to other commitments and obligations. The board determined the meetings will be moved to Monday. The schedule will be as follows:

- Monday, September 11, 2023 / 2:30 p.m. – 4:00 p.m.
- Monday, December 11, 2023 / 2:30 p.m. – 4:00 p.m.
- Monday, March 11, 2024 / 2:30 p.m. – 4:00 p.m.
- Monday, June 10, 2024 / 2:30 p.m. – 4:00 p.m.

Motion by Mrs. Weatherall Neal, Supported by Ms. Seiger, to approve the 2023-24 Meetings Schedule.

Voice Vote: Carried.

Nays: 0.

Board Members Appointments for David Faber, Teresa Weatherall-Neal, and J.C. Huizenga – Tom DeJonge

The Michigan Promise Zone Authority Act (Act 549 of 2008) establishes the term of office for Board members as four years, with no limit to the number of terms a Board member can serve. The Act also requires that the Board members initial term expirations are staggered 1-year, 2-year, 3-year, and 4-year terms. The first term for three board members is set to expire June 30, 2023. This includes David Faber, and state appointed members J.C. Huizenga, and Teresa Weatherall-Neal. Chairperson DeJonge has requested that the Board reaffirm David Faber's board term, which would expire on June 30, 2027. We are working with the respective state offices to confirm the other two appointments.

Chair Appointment

Motion by Ms. Neal, Supported by Mr. Cuevas, to reaffirm Mr. Tom DeJonge as Chair for the 2023-24 fiscal year.

Voice Vote: Carried.

Nays: 0.

Approval of the 22-23 Budget Amendment

The following information concerning adjustments made to the 2022-23 budget was provided to the board of directors:

- A decrease in the projected amount of tuition and fees for the 2022-23 academic year.
- A decrease in the number of books and materials spent.
- A decrease in Program Development and Evaluation as no initiatives are planned for the current year.
- A decrease in the Coordinators' salary and benefits due to only a partial year of employment.
- A decrease in the Peer Mentor Program due to only a partial year of employment and 2 students instead of 3.
- A decrease in the Community Mentorship Program due to minimal supplies needed for a partial program.
- A decrease in legal expenses due to minimal need.
- An increase in the audit expense.

Motion by Ms. Seiger, Supported by Mr. Cuevas, to approve the 2022-23 Budget Amendment.

Voice Vote: Carried.

Nays: 0.

Approval of the 2023-24 Budget

Revenue With the Grand Rapids Promise Zone entering its fourth year, the approximate \$2,200,000 of tax capture will be released on October 1 of this fiscal year. In addition, it is expected that interest income will be approximately \$68,000 due to current market trends. All gifts pledged have been received.

Tuition and Fees

It is projected that 566 students will enroll at Grand Rapids Community College during the 2023-24 academic year. Of those enrolled, we are assuming that 60% will be full-time and 40% will be part-time and based on past data, approximately 60% will be eligible for an average \$3,250 Pell award.

Books and Materials

Students who enroll full-time receive a \$1,000 allotment in the bookstore, while students who enroll part-time receive \$500. The table below outlines the detailed cost estimate with a 70% usage rate.

With some additional usage data, we have found that students are not utilizing the full bookstore allocation. With that in mind, we have decreased the proposed bookstore allotment to \$300,000.

Administration Fee

The administration budget includes the current MOU agreement that was approved in June 2022 for the Director and Associate Director of the Grand Rapids Promise Zone.

Marketing

Per the development plan, an initial \$40,000 was budgeted for the first year of marketing services with an annual 3% increase that is reflected in the budget for a total of \$43,710.

Program Development and Evaluation

We do not currently have plans for program development or evaluation for the coming year but foresee this is something we will want to consider for the future.

Student Success Framework and Design

The initial framework design has been completed. There should be no additional associated costs with this line item.

Student Success Initiatives

Based on the Student Success Framework that was approved by the board in 2022, we are continuing with our 4 Success Coordinators, Peer Mentors (student employees), and a community mentorship program for a total estimated cost of \$344,000.

Donor Recognition

The fundraising committee has honored the funders of the Promise Zone through the purchase of plaques and student artwork to be displayed. The project was completed in the 2021-22 fiscal year, and no further expenses are expected.

Legal

Based on past usage data, we have allocated \$1,000 for legal fees.

Audit

In accordance with the proposed fee summary from Plante Moran, \$15,000 has been budgeted for the 2023-24 fiscal year

Accounting & Insurance

Per previous accounting services MOU with Grand Rapids Public Schools, a total of \$4,200 has been budgeted for the 2023-24 fiscal year. Additional information for another 3-year contract renewal is found in the packet. In addition, \$2,000 has been budgeted for Directors and Officers Insurance coverage. Additional information about available coverage can be found in the packet.

Miscellaneous

Based on previous usage amounts, \$7,500 has been budgeted for the 2023-24 fiscal year and includes Michigan Promise Zone Association dues and other miscellaneous items.

Foundation Administration Fee

Per the MOU between the Grand Rapids Community College Foundation (GRCCF) and the Grand Rapids Promise Zone Authority, \$35,000 has been budgeted for the 2.25% GRCCF administrative fee

Motion by Mr. Cuevas, Supported by Mr. Huizenga, to approve the 2023-24 Budget Amendment.

Voice Vote: Carried.

Nays: 0.

Directors and Officers Coverage

Ms. Freiburger shared that two months ago, administration was requested to seek out quotes for Directors and Officers insurance. They worked with Gallagher for options and received several quotes. The recommendation is for a \$1,000,000 limit, \$500,000 indemnification with a \$1,011 annual premium from Travelers Causality and Surety Company of America. It is recommended they approve this. This would cover legal representation if it was needed beyond governmental immunity.

Motion by Mr. Cuevas, Supported by Mr. Huizenga, to approve D&O Coverage.

Voice Vote: Carried.

Nays: 0.

GRPS Accounting MOU

The Grand Rapids Promise Zone Authority Development plan references a direct partnership with Grand Rapids Public Schools to handle the accounting of Authority funds. To continue this partnership, the GRPZA will need to support the enclosed Memorandum of Understanding (MOU) prepared for consideration of another 3-year term and \$350 monthly fee.

Motion by Mr. Cuevas, Supported by Ms. Johnson, to approve the GRPS Accounting MOU.

Voice Vote: Carried.

Nays: 0.

Approval of Disbursements

Disbursements were presented as follows:

Paid Expenses 12/1/2022 through 2/28/2023

Grand Rapids Community College Tuition/Fees	\$ 344,370.34
Barnes & Noble -- GRCC Bookstore	71,098.95
Reagan Marketing	8,557.06
MCAN Dues	2,500.00
Total	<u>\$ 426,526.35</u>

Paid Expenses 3/1/2023 through 5/31/2023

Grand Rapids Community College Tuition/Fees	\$ 269,642.21
Barnes & Noble – GRCC Bookstore	1,420.53
Reagan Marketing	8,433.20
PNC – Bank Fees	65.23
Total	\$ 279,561.17

Motion by Ms. Seiger, Supported by Mr. Cuevas, to approve the GRPS Accounting MOU.

Voice Vote: Carried.

Nays: 0.

Upcoming Board Agenda Items

Mayor Bliss shared the Board of Directors will be receiving their Promise Zone Annual Board Report, Marketing Update, and Coordinator Summer Work Update at the next GRPZA meeting. She asked members if there were any reports they would like included, to please advise Chair DeJonge.

PUBLIC COMMENT

None.

Mayor Bliss left at 3:20 p.m.

BOARD MEMBERS' COMMENTS

Ms. Weatherall Neal thanked the community for their generosity. If it had not been for them, this opportunity may not have been possible for many students. She thanked Grand Rapids Community College's staff for their work, and everyone involved to make this a possibility.

Dr. Roby added this is a game-changer opening doors to other opportunities. She is compelled by the generosity of the community and the vision of this board and Ms. Weatherall Neal to make sure things go on beyond the high school experience. She hopes every young person takes

advantage of this to develop and grow a career. She was excited to celebrate the students who graduated and cannot help but get excited for this opportunity.

Ms. Johnson shared that Student Success Coordinators this is worth it and has someone there to help them and being invested in them.

Mayor Bliss agreed with all the comments and added that she is grateful to everyone in the community making this possible. She spoke about a conversation taking place to set a county-wide goal to ensure where 60 percent of adults in the county have some form of higher education or certification. She has been invited to be a part of this conversation. She also congratulated Mr. Cuevas on his recent addition.

Mr. Cuevas added this is a great opportunity and is grateful for the Promise Zone Scholarship and this is a promise of hope and a promise of opportunity.

ADJOURNMENT

Chairperson Mr. DeJonge adjourned the meeting at 3:20 p.m.

Secretary

Respectfully submitted by
Ms. Julie Anderson
Executive Assistant to the Superintendent
of Grand Rapids Public Schools