



NEWAYGO COUNTY AREA PROMISE SCHOLARSHIP

DEVELOPMENT PLAN

Submitted to Michigan Department of Treasury

Amendment January 2025

by the

Newaygo County Area Promise Zone Authority

PURPOSE

The Newaygo County Area Promise Zone Authority (the “NCAPZA”) makes a commitment to the young people of our community to provide the opportunity to earn at least a two-year associate degree tuition free. The Newaygo County Area Promise Scholarship (the “Promise Scholarship”) is an award promised to eligible high school graduates who reside in the Newaygo County Area Regional Educational Service Agency (NC RESA) service area and are either graduates of high schools within the NC RESA boundaries; or graduates of a homeschool program that has registered with NC RESA, meeting the same criteria as graduates from local high schools (the “Eligible Schools”).

The Promise Scholarship will promote post-secondary education and prepare students for future success in college and career choices.

NEWAYGO COUNTY AREA PROMISE SCHOLARSHIP

The Promise Scholarship will fund educational opportunity at board approved Eligible Institutions. Eligible students will receive a Promise Scholarship for qualified educational expenses as identified by Michigan Promise Zone Authority Act, MCL 390.1661 et seq. as amended (the “Promise Zone Act”), up to the cost of attendance.

At a minimum, the Promise Scholarship will cover the following qualified educational expenses after an eligible student has applied for and accepted all federal, state, and institutional grants:

1. For Eligible students attending Muskegon Community College: tuition and fees for up to 62 attempted credits or a maximum of three years.
2. For Eligible students attending a Newaygo County Area Promise Zone Authority Board (the “NCAPZA Board”)-approved four-year post-secondary Eligible Institution (currently Ferris State University) will receive up to \$5,000 per year for up to a maximum of five years or a maximum total of up to \$20,000 per student.

Additionally, at the discretion of the NCAPZA Board, the Promise Scholarship may also include the following qualified educational expenses:

1. Expenses for fees, books, supplies, and equipment required for courses of instruction at the Eligible Institution.
2. Other costs of attendance, including the cost of housing and food; transportation expenses; federal student loan fees; miscellaneous expenses, including a reasonable amount for the documented cost of a personal computer; allowance for childcare or other dependent care; costs related to a disability; costs of obtaining a license, certification, or a first professional credential; and reasonable costs for study abroad programs.

The NCAPZA Board will partner with the Eligible Schools to ensure the focus of the Promise Scholarship remains on student academic preparedness, compliance with Promise Scholarship eligibility criteria, and supporting access to and success in post-secondary opportunities.

ELIGIBILITY

To qualify for the Promise Scholarship, students must meet all the following criteria:

- Reside within the boundaries of the NC RESA service area.
- Graduate from an Eligible School.
- Achieve a minimum high school grade point average (GPA) of 2.5.
- Apply for federal student aid using the Free Application for Federal Student Aid (FAFSA) each year.
- Enroll at an Eligible Institution (defined below).
- Begin using the Promise Scholarship by the first semester one year following high school graduation.

TERMS OF THE NEWAYGO COUNTY AREA PROMISE SCHOLARSHIP

The Newaygo County Area Promise Scholarship will fund educational opportunities at Eligible Institutions.

Eligible students will receive a Promise Scholarship for qualified educational expenses as identified by the Promise Zone Act, up to the cost of attendance (see the Newaygo County Area Promise Scholarship section above for a detailed list of allowable qualified educational expenses). This ensures students can earn an associate degree or its equivalent at Muskegon Community College. Additionally, eligible students attending Ferris State University can receive up to \$5,000 annually for qualified educational expenses, for a maximum of five years, or up to \$20,000 per student. Promise Scholarships will cover qualified educational expenses, up to the full cost of attendance for full-time enrollment (Fall and Winter semester) per academic year. Summer semester will not be covered. Subject to that maximum, a student's Promise 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. Loans and student work-study awards will not be considered for these purposes. Monies will be paid directly to Eligible Institution.

To remain eligible, students must comply with the Eligible Institution's standards for *satisfactory academic progress*. Students attending Muskegon Community College must complete a minimum average of 24 semester credit hours per year. Students will have a maximum of three years to earn a maximum of up to 62 attempted credits, the equivalent to an associate degree from Muskegon Community College. If a student chooses to delay enrollment for one year after high school, they will have four years to complete the program. Students attending Ferris State University, will be eligible to receive \$5,000 annually while attending the institution for up to five years or a maximum award of \$20,000 per student.

Students must apply to renew their Promise Scholarship annually and submit a copy of their college transcript with each renewal application. Students 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 award information provided.

ELIGIBLE INSTITUTIONS

The Promise Scholarship may only be used at the following board-approved institutions (“Eligible Institution”):

- Muskegon Community College
- Ferris State University

EXTENT OF BENEFITS

For eligible students, the amount of the Promise Scholarship will be awarded on the basis of length of consecutive attendance at public or non-public schools or homeschool students and residence within the boundaries of the NC RESA. The Promise Scholarship awards will be 100% funded for all eligible students who have resided in the NC RESA service area and attended a Newaygo County Area school for grades 7-12, and have successfully graduated from an Eligible School, Proration for residency and years attending an Eligible School are as follows:

100% of Promise Scholarship awarded if a student resides and attends grades 7-12
90% of Promise Scholarship awarded if student resides and attends grades 8-12
80% of Promise Scholarship awarded if student resides and attends grades 9-12
60% of Promise Scholarship awarded if student resides and attends grades 10-12
40% of Promise Scholarship awarded if student resides and attends grades 11-12
20% of Promise Scholarship awarded if student resides and attends only grade 12

APPEALS

Students may appeal to the NCAPZA Board to defer use of the Promise scholarship, or to seek review of the denial of eligibility. Appeals must be made in writing to the NCAPZA Board in a manner and form prescribed by the Board. At a minimum, the appeal shall contain the student’s name, address, date of birth, and phone number; the basis for the appeal; and any other supporting documents. When all required materials are received, the NCAPZA Chairperson will place the appeal on the next meeting’s agenda and send copies of the appeal and all supporting documents to each Board member. The Board shall issue a written decision within 60 days of the date of the meeting at which the appeal was first considered. An appeal will be granted if the student seeking the appeal demonstrates good cause to the satisfaction of three-fourths of the

Board members serving. Good cause for granting an appeal may include, but is not limited to, moving into a Newaygo County school during high school, interruption of a student's continuous attendance, incapacitation due to illness, homelessness, death of an immediate family member, incarceration, military service, or family obligations such as birth or adoption of a child, or a divorce.

ADMINISTRATION

NC RESA and NCAPZA staff, in partnership with the board-approved Eligible Institutions, will provide ongoing monitoring, oversight, and assistance to the NCAPZA Board as it plans and implements the Promise scholarships or other educational improvement activities therein. Activities designed to increase the readiness or success of students for post-secondary education will be the responsibility of the Promise and include but are not limited to implementing career and college readiness activities and programming, adequate staffing, robust marketing, and success and career coaching

FINANCIAL SUPPORT FOR NEWAYGO COUNTY AREA PROMISE SCHOLARSHIP

The Promise scholarship will be funded through a combination of broad-based community support, major gifts from private donors, corporate and foundation investments and through federal or state financial aid available to Newaygo County students. The NCAPZA Board is charged with developing and implementing a plan to fund its Promise scholarship. The NCAPZA is confident its fund-raising plans will succeed in securing sufficient funds to pay these and subsequent costs as they are required.

REPORTING ON STUDENT SUCCESS

The NCAPZA is committed to the success of its students when they seek education and training after high school. To that end, the NCAPZA will prepare an annual report that will comply with the reporting requirements of Public Act 9 of 2016. This report will be submitted to the Michigan Department of Treasury by October 31 of each year beginning with a report on the 2016-17 academic year that will be submitted by October 31, 2017.

At minimum, this report will include the following:

1. The number of students who received financial assistance from the NCAPZA during the prior academic year.
2. The number of these students who successfully completed a certificate program, an associate degree or a bachelor's degree during the prior academic year.

3. The number of the students included in item 1 above who withdrew from their classes during the prior academic year.
4. For those students included in item 1 above and who have completed 23 or more semester credits during the prior academic year, the average time required to complete the equivalent of 24 semester credits.
5. The six-year post-secondary graduation rate for those students who received financial assistance from the NCAPZA subsequent to the adoption of Public Act 9 of 2016.

This annual report may include additional information relevant to the post-secondary outcomes of students who graduate from Eligible Schools.

Students who receive financial assistance from the NCAPZA will be required to provide the NCAPZA with access to the information needed to comply with the requirements of Public Act 9 of 2016.

FINANCIAL ANALYSIS FOR NEWAYGO COUNTY AREA PROMISE SCHOLARSHIP AWARDS

NCAPZA estimates that the total Promise scholarship awards will cost approximately \$232,800 for the first year of operation (2017) and \$382,491 for the second year of operation. The first five years of operation is estimated to cost a total of \$2,143,005. The analysis to support these estimates is presented in the attached actuarial chart.

BOARD APPROVAL OF THE PLAN

The NCAPZA Board approved this Development Plan at their regular meeting on Tuesday, November 8, 2016, with a unanimous vote of all members. The Minutes from the meeting indicating approval are in Attachment C.

The Newaygo County Area Promise Zone Authority voted unanimously on April 30, 2025 to accept the Amended and Revised Promise Zone Development Plan as presented.

Attachments A-C:

- A. Newaygo County Area PZA Actuarial Model for funding**
- B. Newaygo County Area PZA By-Laws**
- C. Newaygo County Area PZA Meeting minutes for adopting the NCAPZA Development Plan (to be added after board action)**