

## Hope Scholarship Board Meeting Minutes

315 70<sup>th</sup> Street, SE – 2<sup>nd</sup> Floor Conference Room  
Charleston, WV 25304

June 5, 2023

The meeting of the Hope Scholarship Board was called to order by Treasurer Riley Moore, Chair, on Monday, June 5 at 2:12 P.M. after determination that a quorum of members was present through a silent roll call. State Attorney General Designee, Steven Travis, and State Superintendent of Schools Designee, Dustin Lambert, attended the meeting in person. State Treasurer, Riley Moore, Chair, State Auditor's Designee Anthony Woods, the Chancellor of Higher Education's Designee, Brian Weingart, Director of the Herbert Henderson Office of Minority Affairs, Jill Upson and Parent Representatives Amanda Hoylman, Charlie Russell and Jonathan "Zak" Ritchie attended via Microsoft Teams.

The following West Virginia State Treasurer's Office (WVSTO) staff members attended the meeting in person: Steve Bohman, Sarah Canterbury, Amy Constable, James Fuerhoff, Jared Hunt, Lindsay Marchio, Michelle Penaloza, Michelle Storage, Christian White and Amy Willard.

The agenda for the meeting consisted of the following:

- I. Welcome – Introductions/Roll Call – Call to Order
- II. Approval of Minutes from the December 1, 2022, meeting
- III. Hope Scholarship Program update
- IV. Consideration of late applications for 23 – 24 school year
- V. Delegation of authority to approve or deny future late application requests to Hope Scholarship Board staff
- VI. Ratification of technology purchase limits in MyScholarShop
- VII. Delegation of authority to approve or deny future reimbursement requests to Hope Scholarship Board staff
- VIII. Procedure for suspected fraud
- IX. Future meetings
- X. Adjournment

## **II. Approval of Minutes**

The Chair indicated the first item on the agenda was the approval of the meeting minutes from December 1, 2022, which were distributed to the members prior to the meeting. The Chair asked if there were any additions or corrections to the minutes. None were heard. A motion to approve the minutes was made by Attorney General Designee, Steven Travis and was seconded by Zak Ritchie. Hearing no discussion, the Chair polled the members and the motion to approve the minutes was adopted.

## **III. Hope Scholarship Program Update**

The Chair indicated next order of business before the Board was a general update regarding the Hope Scholarship Program. The Chair recognized Deputy Treasurer of Savings, Amy Willard, to give the update.

Ms. Willard began with a personnel update. She announced Adam Shuemake had resigned as the Director of the Hope Scholarship Program, effective February 3, 2023. The new Executive Director of the Hope Scholarship Program, Michelle Penalosa began employment on March 6, 2023. Two additional Hope Scholarship positions were added based on the workload for the program. Amy Constable was hired as a Family Outreach Coordinator to focus on helping families with questions related to the program as well as application issues. Christian White was hired as the Education Service Provider Coordinator to focus on helping service providers with issues they are experiencing with EMA as well as provider recruitment. Ms. Willard indicated that she and her executive assistant, Elizabeth Liston, are still heavily involved but anticipate that the current level of commitment will no longer be needed as we move into the second year of the program and are no longer dealing with the additional complications created by the injunction during the first year of operations.

Ms. Willard then explained the process for funding applications for the 22-23 year, including sending surveys to awarded Hope Scholarship families, analyzing those responses and verifying students with the WVEIS public school enrollment data. Students who attended public school for part of the year during the injunction could only be funded at a prorated amount which require a custom calculation. This was a very time-consuming process and resulted in scholarship funds being sent throughout the spring instead of just all at one time by January 15 as originally contemplated. It also resulted in a large number of scholarships for the 22-23 year being declined by parents as they did not want to disrupt their child's education in the middle of the school year, which required the application status to be updated in EMA. There were also a number of WVEIS corrections that resulted in second payments for impacted students. Ms. Willard indicated that staff continued to receive 22-23 application request forms up through April 15, 2023 for students who were newly eligible for the program under the 45-day rule. This also presented challenges as we dealt with custom funding calculations and EMA system issues based on the timing of the submission of the applications.

Ms. Willard provided the 22-23 application counts as of 8:45 am on June 5, 2022: Awarded – 2379; Declined – 969; Eligible – 5; Ineligible – 603; In-Review – 1; On-Hold – 178; Submitted – 14; Total – 4149. She indicated that staff are working diligently with the application processing team to work through any applications still on-hold or in submitted status for a variety of reasons and hope to have that work complete within the next two weeks. EMA still needs to perform some system clean-up to mark on-hold students as ineligible and also some clean-up between Ineligible and Declined status for students who remained in public school for the 22-23 year. To date, we have sent funding for a total

of 2,317 students equaling \$9,076,597.14 and anticipate there will be one final batch of funding for the 22-23 year.

Ms. Willard provided application counts for the 23-24 school year, including renewal applications, as of the morning of June 5, 2023: Awarded – 5047; Declined – 14; Eligible – 52; Ineligible – 179; In-Review – 34; On-Hold – 595; Submitted – 500; Total – 6321. She indicated the EMA application processing team continues to work through the submitted applications and that we anticipate all applications will have been at least initially reviewed by July 1. The first scholarship payments for 23-24 will be available in student accounts within EMA by no later than August 15. The annual Hope Scholarship amount for the 23-24 year is \$4488.82, so the August 15 amount will be \$2,244.41.

Ms. Willard concluded her presentation with an update on the number of providers signed up to participate in the program. As of May 18, 2023, we had 147 participating schools and 142 other education service providers who had fully completed the registration process in the EMA portal. In addition, there are 57 vendors participating through the MyScholarShop e-commerce platform to sell goods and commodities such as curriculum, technology equipment and supplies.

The Chair asked if anyone had questions for Ms. Willard. Jill Upson asked for demographical information for the students awarded/funded for 2022 -2023 school year. Ms. Willard stated the Board staff will provide the basic data we have captured on the application process at the end of the school calendar year once all applications for the year are in their final status.

#### **IV. Consideration of Late Applications for the 23-24 School Year**

The Chair moved to the next order of business, which was consideration of late applications for the 23-24 school year. The application window for the 23-24 school year closed on May 15, 2023, but Board staff have received over 100 late application request forms for the Board's consideration for various reasons as outlined by the parents or guardians. Due to discussions involving student-specific requests, Chair requested a motion to enter into Executive Session.

Brian Weingart motioned to move into Executive session, Board member Charlie Russell seconded the motion. The Board entered into Executive Session at 2:24 P.M pursuant to West Virginia Code §6-9A-4(b)(12), which states a public entity may hold an executive session if there is discussion of "any matter which, by express provision of federal law or state statute or rule of court is rendered confidential, or which is not considered a public record within the meaning of the freedom of information act."

The Board returned to order at 2:40 P.M. The Chair announced no action was taken by the Board during the Executive Session.

Board Member, Charlie Russell made motion that Application Requests #1-17 be approved for further consideration of eligibility, that application requests #18-33 be delayed until further information is obtained for consideration of eligibility, and that application requests #34 – 120 be denied and that Board staff notify the applicants of the Board's decision. Brian Weingart second the motion. Hearing no discussion, the Chair polled the members and the motion carried.

## **V. Delegation of Authority to Approve or Deny Future Late Application Requests to Hope Scholarship Board Staff**

The Chair moved to the next order of business, the delegation of authority to approve or deny future late application requests to Hope Scholarship Board staff. The Chair recognized James Fuerhoff to give a presentation regarding the topic.

Mr. Fuerhoff presented the following recommended process to the Board for consideration:

### **Late Application Potential Processes**

An injunction was placed on the Hope Scholarship Program in early July prior to the start of the 2022-2023 school year. The injunction created tremendous uncertainty for parents and families and administrative hurdles for the Hope Scholarship Board and Board staff. Additionally, because the Hope Scholarship Program was in its first year of implementation, many families were not aware of the program's existence. For all these reasons, the Hope Scholarship Board exercised a great deal of leniency toward late application requests. However, now that the Program's legal challenges have been resolved and the Program is in its second year of implementation, Board staff recommend that late applications only be accepted under the following circumstances:

1. A student becomes eligible for the Hope Scholarship by enrolling in a public elementary or secondary school program in this state for 45 calendar days during an instructional term pursuant to W.Va. Code §18-31-2(5)(B) and W.Va. CSR §112-18-3.1.4.c.
2. An incoming kindergarten student becomes eligible for kindergarten under a county board of education's early entrance process after the regular application deadline.
3. Parent/guardian obtains legal custody or legal placement of an eligible student after the regular application deadline.
4. Documented events of bullying, physical or sexual abuse, health and medical conditions, or significant accidents or injuries prevented the timely filing of an application.
5. Documented EMA malfunctioning, malfunctioning of Board-administered IT resources, or Board procedural errors prevented the timely filing of an application.

Board staff would ask the Board to authorize staff to process late applications only when one or more of the four categories of extenuating circumstances are present.

However, many of the late application requests that the Board staff receive do not fall under the previous criteria. Board staff would ask the Board to authorize staff to deny the filing of late applications when any of the following conditions arise:

1. The parent/guardian was not aware of the application deadline

2. Internet/IT issues (unrelated to EMA)

3. Relocation

All other late application inquiries will be brought to the Board for its consideration and the opportunity to provide direction to Board staff.

The Chair asked if there were any questions for Mr. Fuerhoff and none were heard. Brian Weingart moved to adopt the late application process recommended by staff and to delegate authority for Board staff to process late application requests in accordance with that process. Jill Upson seconded the motion. Hearing no discussion, the Chair polled the members and the motion carried.

## **VI - Ratification of Technology Purchase Limits in MyScholarShop**

The Chair indicated the next order of business was the ratification of technology purchase limits in MyScholarShop. The Chair recognized Lindsay Marchio to give a presentation regarding this issue. Board Members were provided pages from the Hope Scholarship Parent Handbook. Pages 18 and 19 were presented to outline the purchase limitations.

Ms. Marchio indicated that the MyScholarShop platform utilized in the Hope Scholarship Program has built-in limits for technology purchases. Those limitations are as follows:

MyScholarShop has limitations on the purchase of certain technology equipment. Each of the following types of technology may only be purchased after two calendar years have passed since the date the item was originally purchased. For example: A student who purchases a laptop on February 1, 2023, will be eligible to purchase another laptop using scholarship funds on or after February 2, 2025. The student will still be eligible to purchase a desktop computer, tablet/reader, and monitor, provided there have been no prior purchases of those items within the previous 2 calendar years.

- Desktop computers
- Laptop computers
- Tablets / Readers
- Monitors

MyScholarShop only allows the purchase of single quantities of the following types of technology. Multiples of the following items in a single order or reimbursement will be denied:

- Headsets / Earbuds
- iPad pencils / Pointer devices
- Keyboards
- Mouse/Touchpads/Trackballs
- Printers

Ms. Marchio recommends that the Board ratify the MyScholarShop system limitations that have already been outlined in the Hope Scholarship Parent Handbook. The Chair asked if there were any questions for Lindsay and none were heard. Brian Weingart made a motion to ratify the

technology limited purchases in MyScholarShop. The motion was seconded by Jill Upson. Hearing no discussion, the Chair polled the members and the motion carried.

## **VII – Delegation of Authority to Approve or Deny Future Reimbursement Requests to Hope Scholarship Board Staff**

The Chair indicated the next order of business was the delegation of authority to approve or deny future reimbursement requests to the Hope Scholarship Board staff. The Chair recognized Amy Willard to give a presentation. Ms. Willard presented the reimbursement request process outlined below:

### **Reimbursement Request Proposed Process**

West Virginia's Hope Scholarship Program allows parents to purchase educational goods and services and pay tuition through an online portal, rather than functioning on a reimbursement model. This structure is consistent with the legislative intent behind the Hope Scholarship Act and was adopted into the Board's legislative rules. This structure is also operationally necessary, because of the Board's current staff, auditing, and technological resources. The Board's legislative rules state that the Board will only consider issuing reimbursements of Hope funds due to extenuating circumstances. Because of the recent injunction, the Hope Scholarship Board was required to reimburse students based on a broad scale finding of extenuating circumstances, since accounts and funds were completely unavailable to students until more than halfway through the school year. Students who relied on the funds had no choice but to pay their tuition and educational costs until the injunction was lifted and funds became available.

Now that the Program's recent legal challenges have been resolved and the Program is returning to normal functionality, Board staff recommend that reimbursement requests only be considered under the following extenuating circumstances:

1. Due to a documented disability or other special educational need, a student requires a particular educational service, curriculum, supply, or piece of equipment and a substantially similar service, supply, curriculum, or piece of equipment is not offered by an approved Hope Scholarship education service provider or vendor.
2. Documented EMA malfunctioning, malfunctioning of Board-administered IT resources, or Board procedural errors significantly prevented the ability to timely pay an approved Hope Scholarship education service provider or vendor, through no fault of the account holder, and timely payment was necessary to continue to receive said provider or vendor's services without disruption to the student's education.

Board staff would ask the Board to authorize staff to approve reimbursement requests only when one of these two extenuating circumstances is present. Any other reimbursement listing extenuating circumstances not outlined above will be brought to the Board for its consideration on a case-by-case basis and the opportunity to provide direction to Board staff.

Board staff would further ask the Board to authorize staff to deny reimbursement requests based on the following circumstances.

1. The student or account holder prefers a particular educational service, supply, curriculum, or piece of equipment that is not offered by an approved Hope Scholarship education service provider or vendor and Board staff determine that a substantially similar service, supply, curriculum, or piece of equipment is available from an approved provider or vendor.
2. The account holder chooses to pay out-of-pocket for a qualifying expense and later wishes to be reimbursed with Hope Scholarship funds, and the request clearly fails to indicate the existence of extenuating circumstances as determined by Board staff.

Ms. Willard reminded the Board that if this recommendation is adopted, Hope parents would have the ability to appeal any denied reimbursement requests.

The Chair asked if there were questions for Ms. Willard. Jill Upson asked how the volume of reimbursement requests being received and how many of them were outside of the proposed parameters. Ms. Willard indicated that staff have been receiving reimbursement requests outside of those previously approved due to the injunction against the program and that most would fall into the denial categories.

Charlie Russell made a motion to adopt the reimbursement processes recommended by Board staff and to delegate authority for Board staff to process reimbursement requests in accordance with that process. Brian Weingart seconded the motion. The Chair asked for discussion and Jill Upson indicated that she believed the reimbursement policy ties the hands of families. The Chair polled the members and the motion carried.

### **VIII – Procedures for Suspected Fraud**

The Chair indicated the next order of business is a discussion regarding procedures for addressing fraudulent account activity and any other serious violations of program requirements that may arise. As this discussion will involve discussion of specific Hope Scholarship students, the Chair requested a motion to enter into Executive Session. Jill Upson moved to enter into Executive Session and the motion was seconded by Charlie Russel. Hearing no discussion, the Chair polled the members and the motion carried.

The Board entered into Executive Session at 2:57 P.M pursuant to West Virginia Code §6-9A-4(b)(7), which states that a public agency may hold an executive session “to plan or consider an official investigation or matter relating to crime prevention or law enforcement.”

The Chair called the meeting back to order from Executive Session at 3:05 P.M. He announced no action was taken by the Board during the Executive Session.

Charlie Russell moved to direct Board staff to draft a proposed amendment to the Board’s procedural rules outlining procedures for the Board to address fraud and other serious violations of program requirements that may arise and to present the draft amendment at the next full meeting of the Board.

Anthony Wood seconded the motion. Hearing no discussion, the Chair polled the members and the motion carried.

## **IX - Future Meetings**

The Chair moved to next order of business on the agenda for future meetings. He announced the next meeting of the full Hope Scholarship Board will be announced later in accordance with the Open Meetings Act. He asked for discussion regarding future meetings and none was heard.

## **X – Adjournment**

The Chair asked if there was any other business to come before the Board. Hearing none, Jill Upson made a motion to adjourn the meeting and the motion was seconded by Charlie Russell. Hearing no discussion, the Chair polled the members and the motion carried. The meeting was adjourned at 3:07 P.M.

Minutes prepared by Michelle Penalosa

**Minutes approved by the Board on August 9, 2023**

  
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**Riley Moore, Treasurer**  
**Chair of Hope Scholarship Board**