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## Toledo Promise Scholarship Concept Study

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## ***W.E. Upjohn Institute for Employment Research***

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### Toledo Promise Scholarship Concept Study

submitted by

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to

The Toledo Community Foundation

FINAL REPORT – March 2009

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## **I. Introduction**

In October 2008, the W.E. Upjohn Institute for Employment Research was contracted to investigate the concept of a universal, location-based scholarship program for Toledo, Ohio, modeled along the lines of the Kalamazoo Promise. The study was commissioned by the Toledo Community Foundation, a public, charitable foundation with the mission of improving the quality of life in the region. In its Request for Proposals, issued in fall 2008, the community foundation noted that it not only acts as a responsive grant-maker, but also serves a “variety of other civic roles such as educator, catalyst or convener on key community issues.” It is in this capacity that the foundation is exploring the feasibility of moving beyond the over 100 individual and family scholarship funds it administers to a “Promise-type” scholarship method. While most scholarships housed at the Toledo Community Foundation (and elsewhere) are awarded based on merit, need, or special interest, a Promise-type scholarship is based on location. The universality of such a scholarship not only has implications for removing barriers to enrolling in college but also holds the potential to transform the school district, strengthen the preparedness of the area’s workforce, and improve the local economy.

Researchers from the Upjohn Institute visited Toledo in December and January to interview civic leaders and community members with a potential stake in such a project. Based on these meetings, as well as phone conversations with additional stakeholders, the Institute has identified several critical needs that could drive the development of a place-based scholarship program for Toledo. The model proposed here – one in which college scholarships are extended to all students who meet minimum enrollment and residency requirements within the Toledo Public Schools district – is a response to the needs identified by community members. The Institute’s recommendations about how such a program should be structured, as well as the costs associated with it, are presented in this document.

## **II. Background of Promise-type Programs**

### ***A. The Kalamazoo Promise and its initial impact***

Announced in November 2005, the Kalamazoo Promise guarantees full college scholarships to potentially every graduate of the Kalamazoo Public Schools (KPS). Behind the scholarship program, which is funded by a group of anonymous donors, is an economic development agenda that seeks to revitalize the city and the region through a substantial investment in public education. It is an unorthodox approach and one that has drawn widespread national media coverage and the attention of dozens of communities across the nation that are interested in emulating key aspects of the program.

The Kalamazoo Promise differs from most other scholarship programs in that the allocation of funds is based not on merit or need, but on place. Beginning with the class of 2006 and continuing in perpetuity, every KPS graduate who has been continuously enrolled in and resided in the district since Kindergarten will receive a scholarship covering 100 percent of tuition and mandatory fees at any of Michigan’s 44 public colleges or universities. Graduates who have attended a KPS school and lived in the district for four years receive a 65 percent scholarship,

with a sliding scale for those in between. There are almost no strings attached: students must maintain a 2.0 GPA in their college courses and make regular progress toward a degree.

Three years after its announcement, the scholarship program has yielded positive developments for the school district, students, families, and the broader community. The economic development impact of the program has not been as pronounced as its educational and social effects in part because economic decisions unfold over a longer time frame, but also because of economic weakness at the state, national and to a lesser degree, regional level. Among the positive developments thus far are the following:

- After falling by 20 percent between 1985 and 2005, enrollment in the Kalamazoo Public Schools has increased by 13.6 percent in the three years since the Kalamazoo Promise was announced. Approximately half of the new students have come from outside the county. The largest enrollment declines among neighboring schools were at a downtown charter school serving an inner-city population where enrollment fell by 22 percent the year after the Promise was announced (the school has since closed), and in several small neighboring districts, where enrollment fell by between 5 and 10 percent.
- Increased Kalamazoo Public Schools enrollment has translated into almost \$12 million in new funding for the district. (In Michigan, schools are funded almost exclusively through a state foundation grant of approximately \$7,500 per year per pupil.)
- Voter support for a school district capital millage in the months following the announcement of the Kalamazoo Promise made possible the construction of the first new school buildings in the district in 35 years, with a new elementary school opening in 2008 and a new middle school that will open in 2009.
- College scholarships have been utilized by 1,117 students from the first three graduating classes to receive the Kalamazoo Promise, or 80.1 percent of those eligible. A growing percentage of high-school graduates have used their scholarships to attend college immediately after graduation in each year since the program was announced. To the extent that scholarship funds replace households' college savings, they may have generated an increase in disposable income for local families.
- The availability of scholarship funding for all graduates has led the district's higher achieving students to attend more selective (and expensive) institutions than they had previously.<sup>1</sup> Enrollment of KPS graduates at the University of Michigan and Michigan State University has almost quadrupled in the three years since the program was announced, with 200 (or 24 percent) of current scholarship users now attending these competitive-admission schools.
- More than 60 percent of students receiving Kalamazoo Promise scholarships have opted to attend one of two local institutions of higher education, meaning that their scholarship

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<sup>1</sup> See Rodney J. Andrews, Stephen DesJardins, and Vimal Ranchhod, *The Effects of the Kalamazoo Promise on College Choice*, Working Paper, Center for Local, State, and Urban Policy at the University of Michigan, October 2008.

dollars and discretionary spending stay within the local economy. Of scholarship recipients currently enrolled in college, 33 percent attend Kalamazoo Valley Community College, a local two-year institution, and 29 percent attend Western Michigan University, a four-year research university located in Kalamazoo. Of the \$7.5 million in scholarship funds disbursed thus far, \$3.7 million, or almost half, has gone to local institutions.

- Tutoring, mentoring, and other support services for students have expanded dramatically since the announcement of the Kalamazoo Promise. For example, the number of children served by Big Brothers Big Sisters grew by 77 percent between 2005 and 2008; in the most recent school year over 59,000 hours of volunteer services were provided to students through the Kalamazoo Communities In Schools organization; and new tutoring and student support programs have been created at area churches and community organizations.
- The region's chief economic development entities have aligned themselves and their marketing efforts around a vision of Kalamazoo as the "Education Community." The Kalamazoo Promise has been used energetically to promote business investment in the region and recruit employees. Among the job-creation announcements in 2008, several employers mentioned the Kalamazoo Promise and the high-quality educational institutions in the community as reasons for their investment.
- The impact of the Kalamazoo Promise on home sales is inconclusive. Several developers announced their intention to build new homes after the program was announced, but a depressed real estate market has led to cutbacks in these initial plans. Early evidence that home sales and prices within the school district were outpacing the region has given way to declining prices and sales numbers throughout the region in light of the ongoing recession and credit crisis.

The longer-term potential of the Kalamazoo Promise includes higher lifetime earnings for the community's young people, a better-trained workforce to serve area businesses, and a school district with greater socioeconomic diversity (KPS currently has a low-income student population of 65 percent). Beyond its impact on human capital and the educational system, the Kalamazoo Promise is envisioned as a catalyst for economic growth and development. By creating incentives for current residents to remain in the district and new residents (especially those with children) to move in, the scholarship program is expected over time to bring about a tightening in the slack housing market and higher property values. The Promise also makes the community more attractive for businesses seeking to invest, expand, or relocate. Critical to the realization of these goals is the unlimited time frame of the Kalamazoo Promise and the alignment of diverse community stakeholders around a common vision.

### ***B. Other Promise-type programs***

Since the Kalamazoo Promise was announced, several other communities, including Pittsburgh, El Dorado (Arkansas), and Denver, have implemented programs that incorporate some of its key elements, and many more such programs are in the works. In June 2008, more than 200 representatives from eighty communities convened in Kalamazoo for the first annual PromiseNet

conference to learn from each other about the challenges and opportunities involved in creating a universal, place-based scholarship program. A second conference will take place June 24-26, 2009, in Denver.

Why has the model pioneered by the Kalamazoo Promise generated such an intense interest in replication? The answer lies in a set of challenges shared by many different kinds of communities. For decades, policymakers at all levels of government have experimented with diverse approaches to stimulating local economic development and increasing access to higher education. At the beginning of the 21<sup>st</sup> century, both goals are more important than ever. Cities, especially those in the industrial regions of the Northeast and Midwest, have struggled to maintain their vitality in the face of a wrenching economic transition characterized by corporate downsizing, job losses, population decline, and the hollowing out of the urban core. At the same time, the changing nature of employment in the United States and increased global competition has led to a growing understanding that higher education is essential for individual success in today's economy.

The Kalamazoo Promise represents an unprecedented joining of these two priorities – local economic development and increased educational attainment -- and suggests that the best strategies for achieving them may be one and the same. By supporting and encouraging higher education for local youth, communities not only increase the human capital of their residents but also position themselves more competitively in the global economy. The vitality of cities is part of this vision, as is an integrated strategy for regional economic development.

### **III. Toledo's Changing – and Challenging - Landscape**

The first step in identifying the ways in which a Promise-type program might help strengthen the community requires a scan of the main challenges facing the region. These include the condition of the local economy and the public school district that serves city residents.

#### ***A. Local economic restructuring and workforce issues***

When the greater Toledo area lost four of its seven Fortune 500 companies, Toledo lost a large percentage of its manufacturing base, as well as high-paying jobs in research and development. Similar to cities in neighboring industrialized states, Toledo's economic decline can be attributed to an overreliance on auto production, a vulnerability to international competition from offshore manufacturers, and sluggish population growth. Employment in Toledo peaked in the late 1990s and has been falling almost steadily since then.

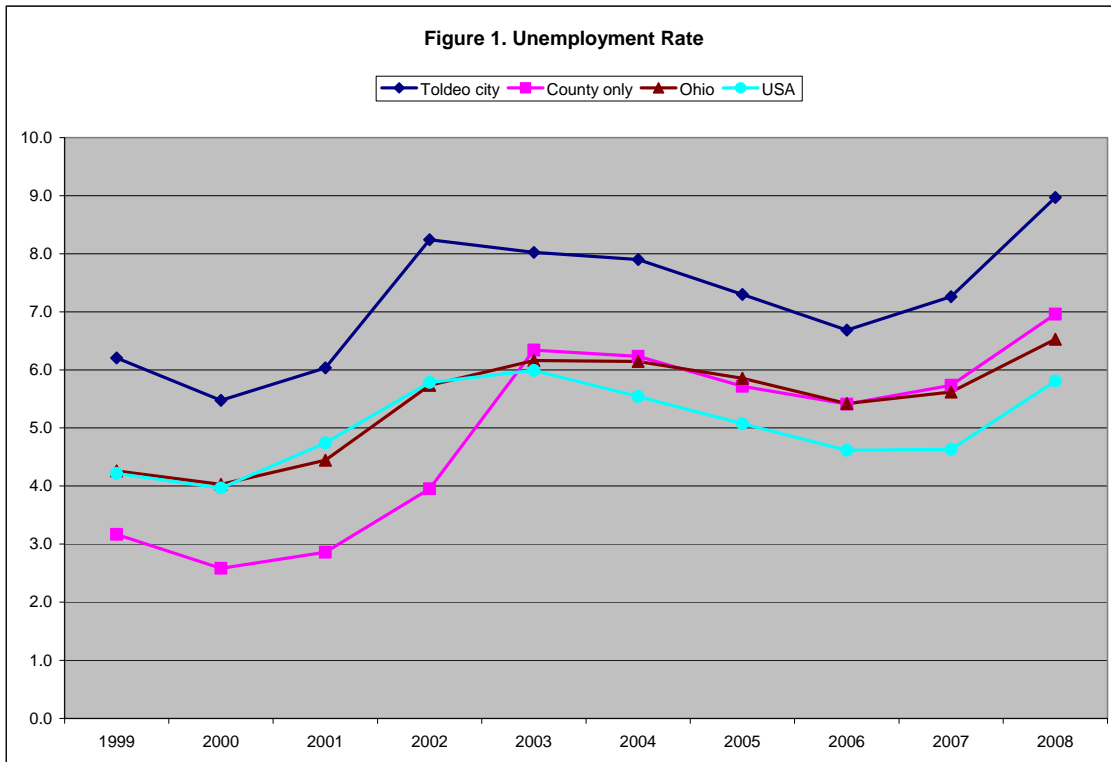
The manufacturing sector has been especially hard hit. According to an analysis by Moody's Economy.com, metro Toledo was home to 347,000 jobs in the first quarter of 2000 and 324,000 jobs in June 2008. Of the 23,000 jobs lost locally during those eight years, 20,000 were in the manufacturing sector.<sup>2</sup>

As Figure 1 shows, since 2003, unemployment in Lucas County and the state have tracked each other closely at levels exceeding the national rate. Unemployment in the city of Toledo continues

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<sup>2</sup> Meagan Ellis, Moody's economy.com, August 2008

to exceed county, state, and national averages by a sizeable margin. Unemployment in the City of Toledo was 9.8 percent in December 2008.<sup>3</sup>



Source: Bureau of Labor Statistics (BLS) Local Area Unemployment Statistics

### **B. Poverty and median household income**

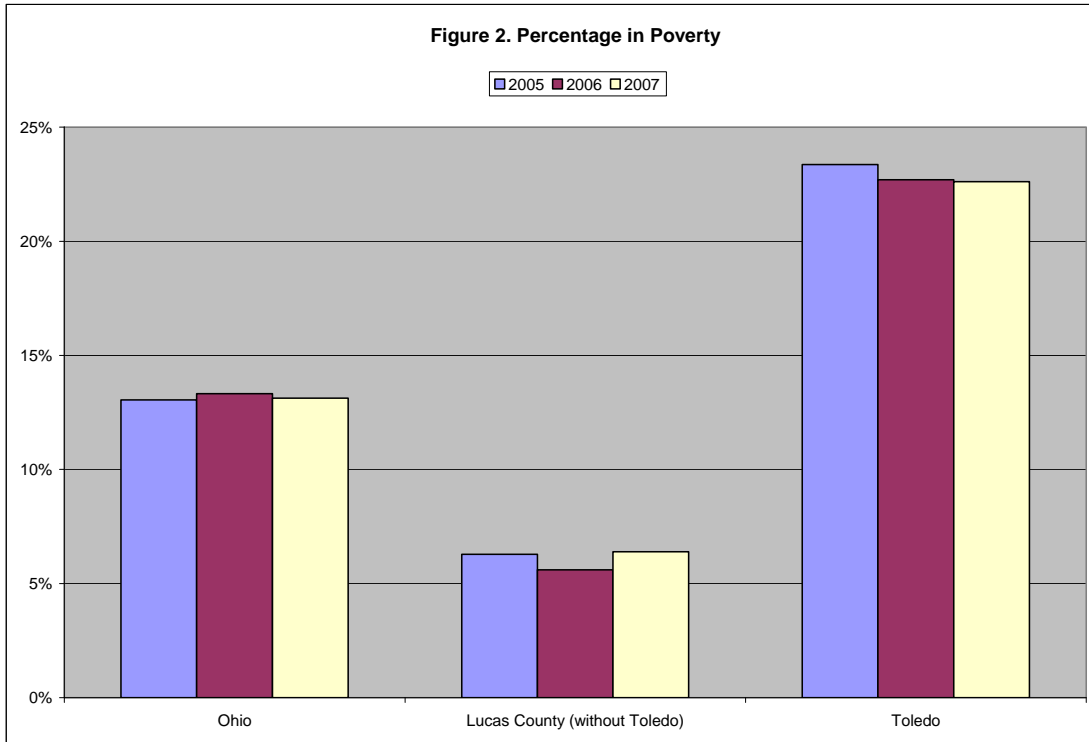
The job losses that have reduced the area's population and contributed to unemployment have also put downward pressure on median household income and increased poverty rates. Ohio has pockets of poverty statewide. In 2007, Ohio's poverty rate was 13.1 percent, ranking it 19th among states nationally and close to the national average. As Figure 2 shows, Toledo's poverty rate, at 22.6 percent, is well above the state and national averages.<sup>4</sup>

<sup>3</sup> [http://www.bls.gov/eag/eag.oh\\_toledo\\_msa.htm](http://www.bls.gov/eag/eag.oh_toledo_msa.htm)

<sup>4</sup> Economic Research Service, United States Department of Agriculture.

<http://www.ers.usda.gov/Data/Povertyrates/PovListpct.asp?st=OH&view=Percent&longname=Ohio>





Source: U.S. Census, American Community Survey, Chart #C17001

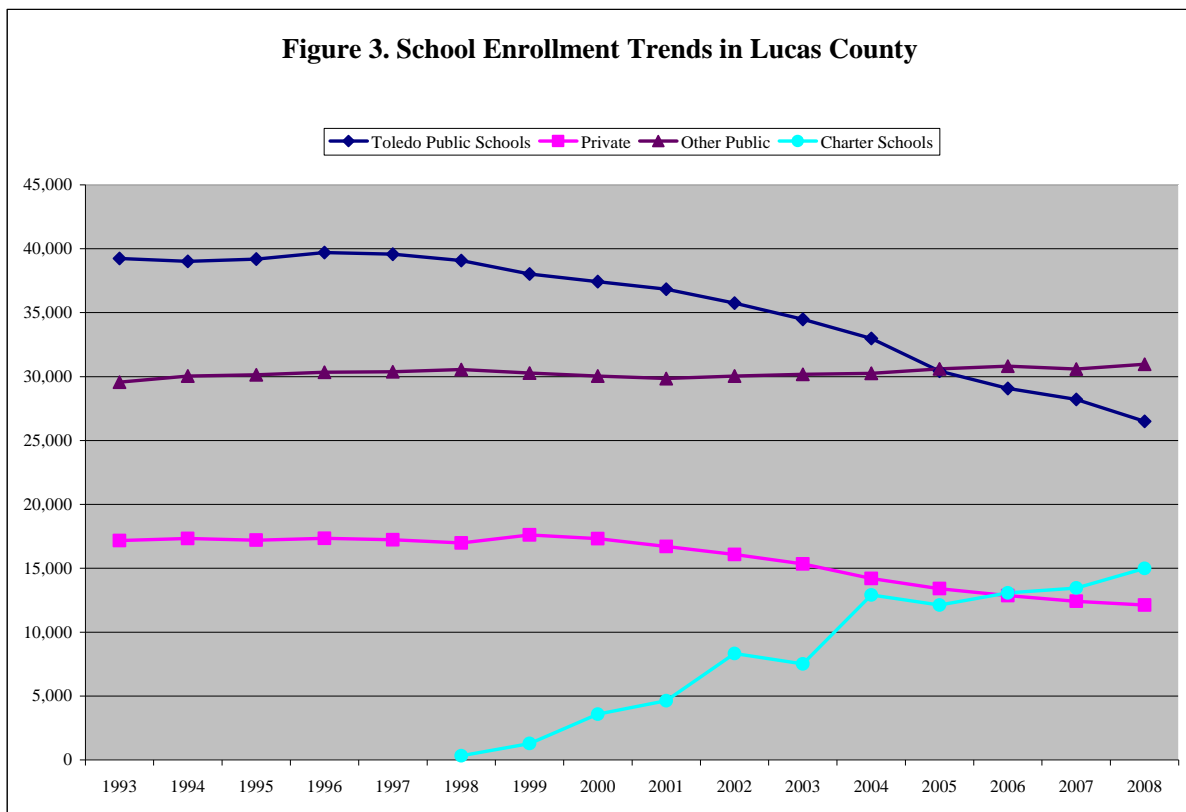
Toledo's median income level is also a challenge. According to the *Toledo Blade*, Toledo ranked 10<sup>th</sup> lowest of U.S. cities with populations of more than 250,000 in terms of median household income for 2007.

1. Detroit	\$28,097
2. Cleveland	\$28,512
3. Miami	\$29,075
4. Buffalo	\$29,706
5. Pittsburgh	\$32,363
6. Cincinnati	\$33,006
7. St. Louis	\$34,191
8. Newark, N.J.	\$34,452
9. Memphis	\$35,143
<b>10. Toledo</b>	<b>\$35,216</b>

The median income for Lucas County, which includes Toledo, was \$44,704 in 2007, up from \$42,296 in 2006. Median income in Toledo rose by about 0.5 percent compared to 2006, but with the nation's median household income growing by 1.9 percent, Toledo's gains were outpaced by the rest of the country as well as Lucas County.

### C. Declining Toledo Public Schools (TPS) enrollment

One of the most critical challenges facing the region – and one that largely motivates consideration of a Toledo Promise scholarship – is the precipitous decline in enrollment in the Toledo Public Schools (see Figure 3). Like districts throughout the nation, TPS experienced rapid decline between the mid-1970s and mid-1980s, as baby boomers exited the school-age population. The early and mid-1990s were a period of stability, with enrollment remaining in the 39,000-40,000 range for eight years. The sharp decline began in 1998, the same year charter schools were introduced in Ohio. Fall 2008 enrollment of 26,600 for TPS was down 1,649 from the previous academic year, bringing the total loss for the past ten years to over 12,000 – a drop of one-third. School officials, who have seen similar rates of decline in other urban school districts throughout the state, attribute the losses to the growth of charter schools, broadening use of private-school vouchers, and declining population overall in Toledo.



Source: Ohio Department of Education

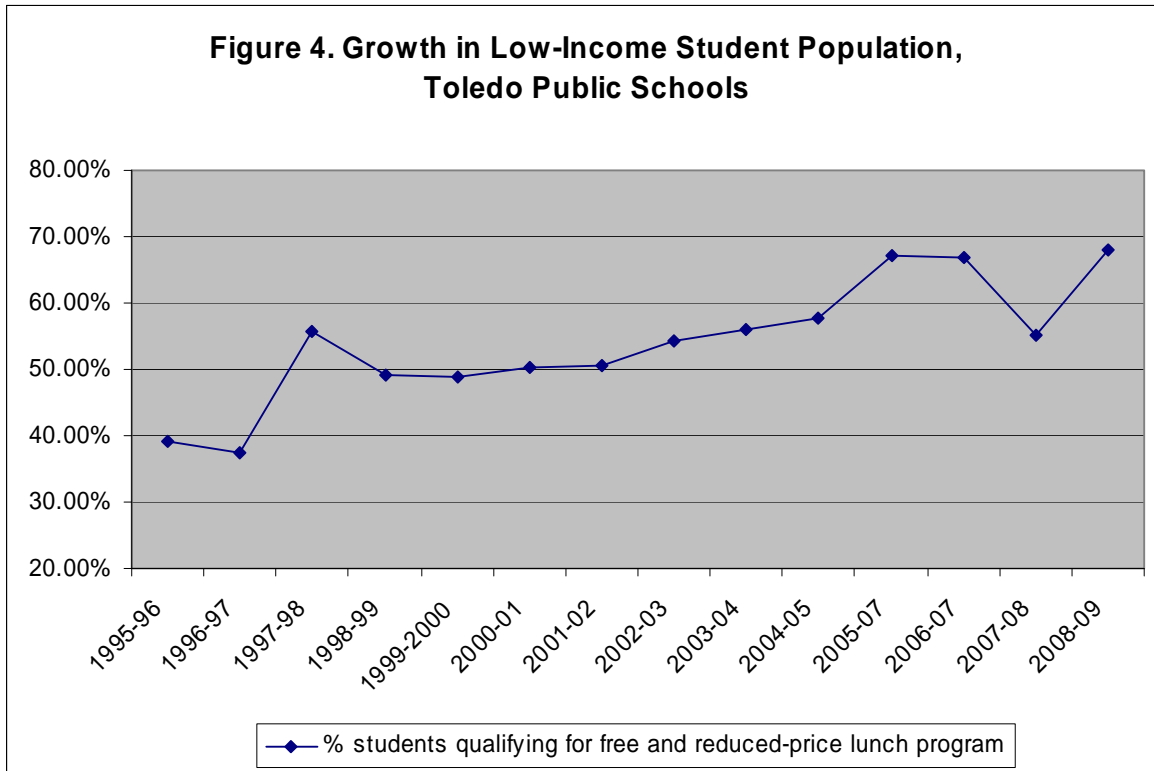
In Toledo’s case, the enrollment decline appears to be closely related to the growth in charter schools, which has been especially rapid in Lucas County (home to 33 charter schools, 29 of them in the city). In the ten years that TPS enrollment has fallen by 12,600 students, charter school enrollment has grown from zero to 15,000. The expansion of the state’s private-school voucher program has also contributed. Originally designed for students at schools in an “emergency” condition (as designated under No Child Left Behind), eligibility for the Ohio Educational Choice Scholarship, or EdChoice program, which provide tuition vouchers for

private schools, has expanded each year as the funds budgeted by the legislature have not been fully utilized. Private school enrollment in the county has been relatively steady despite the economic climate, probably due in part to the voucher program. Enrollment in the county's other public school districts has remained steady throughout this period. In 2008-09, 600 new TPS students opted to use vouchers to attend private school, while 1,000 new TPS students enrolled in charter schools. As our economic forecasts show (see Table 4), without action, enrollment in TPS will continue to fall.

Declining enrollment has created a self-reinforcing cycle of pressures on the district. As enrollment falls, school revenue (allocated on a per-pupil basis) declines, requiring cutbacks in services. (According to school officials, TPS expects a \$10-20 million deficit by the end of 2009.) Falling enrollment also leads to the closing of schools and teacher layoffs. School closings and service cutbacks can alienate district families further, reinforcing the decision to opt out of the district, either by relocating to a nearby suburban school district or moving to a charter school.

Along with the enrollment decline has come a growing concentration of low-income students in the school district (see Figure 4 below). Between 1995 and 2008, the low-income student population of the district, as measured by the percentage of students qualifying for the federal free and reduced-price lunch program, has risen almost steadily from a rate of just under 40 percent to close to 70 percent. (It should be noted that the low-income population is almost always under-reported due to a drop-off in utilization of free and reduced lunches at the high-school level.) This may be related to a pattern in which families opting out of the district are those with greater mobility and higher incomes, but it also reflects the poor economic climate.

Whatever the reason, the growing concentration of low-income students poses an added set of challenges for the district. Students from poor families usually begin school with lower levels of academic readiness (in part due to lower preschool attendance rates among low-income families), achieve lower test scores throughout their K-12 years, and are less likely to pursue a post-secondary education than children from middle-income backgrounds where at least one parent has attended college. High-poverty schools also have difficulty attracting and retaining high-quality teachers. And many low-income children have social and behavioral needs that require extra attention from teachers and other school personnel.



*Source:* Ohio Department of Education and Toledo Public Schools

*Note:* TPS personnel are examining the apparent anomaly in the economically disadvantaged rate for 2007-08, which may represent a computing error.

There are of course bright spots within the school district as well, two of which are noted here: First, thanks to funding from the state tobacco settlement, the district is in the process of rebuilding or rehabilitating its entire physical infrastructure. Under the \$800 million “Building for Success Program,” established in 1997, the state covers 77 percent of the cost of capital improvements, with local appropriations contributing the additional 23 percent. The building program for Toledo Public Schools is estimated to take 10-12 years and has the potential to improve educational opportunities for generations of students to come. In November 2008, voters approved a \$37 million bond issue renewal with a 58.3 percent yes vote; it will provide funds to put eight schools back into the building program. New and renovated facilities give the Toledo Public Schools an important competitive edge relative to charter schools and even suburban school districts, which tend to have newer buildings with greater “curb appeal.” They also allow for the provision of new technology to aid student learning.

Since 2004-05, TPS has participated in a small school initiative designed to transform large, comprehensive high schools into more focused learning communities with the goal of forging stronger relationships between students and educators. The experiment has been funded through a combination of resources provided by the Bill & Melinda Gates Foundation; the Ohio High School Transformation Initiative operated by KnowledgeWorks; the U.S. Department of Education, and state funds. Most of this funding is scheduled to expire at the end of the current

school year and the future of the small schools initiative remains in question. School personnel, students, teachers and parents have found both the design and the content successful and the small schools are credited with contributing to attendance and graduation-rate increases since the program was launched.

#### **IV. Community Assets**

The Toledo metropolitan region has some important assets that it can leverage in pursuit of a scholarship program and the community alignment effort that must accompany it. These include the following:

##### ***A. Diverse, local institutions of higher education***

The greater Toledo area is home to three post-secondary education institutions committed to workforce training and community asset development. These institutions include the University of Toledo, Owens Community College and Lourdes College. All three play important roles in economic development for the region and would be critical stakeholders in a Toledo Promise.

One of 13 state universities in Ohio, the **University of Toledo (UT)** is the third-largest in the state with an enrollment of over 20,000 students. UT offers more than 250 programs of study, including nearly 90 master's degree programs and more than 15 doctoral programs, through colleges in the arts and sciences, business administration, education, engineering, health and human services, law, medicine, nursing, and pharmacy. The university also operates the University of Toledo Medical Center. UT's merger with the Medical University of Ohio in 2006 was described by several interviewees as an important turning point in Toledo's recent history – one that transformed two average institutions into one exceptional, comprehensive research university, generating \$100 million in research funding and demonstrating the benefits of collaboration to the broader community.

**Owens Community College** originated as a technical college and became an accredited, comprehensive community college in 1994. Owens offers associate degrees that transfer to baccalaureate degrees in the arts and sciences and over 130 technical program areas in fields including biomedical equipment, computer-integrated manufacturing, and glass engineering. Owens students can earn the first two years of a bachelor's degree with a smooth transfer to any area four-year college or university. Owens serves approximately 21,000 students (not including non-credit or online enrollment), 5,600 of whom attend full time, at two campuses in Perrysburg and Findlay, and in downtown Toledo where the new Learning Center is located.

The private, Catholic **Lourdes College** seeks to prepare students for the world of work by integrating liberal learning with career education. Academic disciplines at Lourdes are organized into three schools: Arts and Sciences, Nursing, and Professional Studies. Class scheduling at Lourdes is targeted to the non-traditional working adult student. In 2004, Lourdes reduced its tuition rate by half, leading to a doubling of enrollment to the current level of 2,200. Lourdes provides extensive academic support services to students through its WIN Center, and has developed collaborative relationships with employers in the region to identify and serve workforce needs and connect its students with employment opportunities.

**Bowling Green State University** is also within commuting distance of Toledo. Established in 1910 to educate teachers, the university today offers more than 200 undergraduate programs and majors. Enrollment exceeds 20,000 students, with 7,000 students residing on campus.

### ***B. Newly created scholarship opportunities for TPS graduates***

Graduates of TPS who come from low-income families have two new scholarship opportunities to attend local institutions. In 2008, UT introduced the **University of Toledo Guarantee**, a scholarship program that enables academically qualified students with financial need from urban public school districts to attend UT at no cost. Beginning with the Class of 2009, the Toledo Guarantee will be available to Toledo Public School graduates as well as graduates of other metropolitan areas within Ohio. The scholarship offers 100 percent tuition and fee coverage to graduating high school students with a 3.0 grade point average who are also Pell Grant-eligible. The UT Guarantee is a “last dollar” scholarship that covers tuition and fees after federal and state grant dollars have been awarded.

Also beginning with the Class of 2009, Owens’ **Success Program**, available to all TPS graduates with financial need, will bridge the gap between the grant aid a student receives and the cost of attending Owens. Students must be enrolled in 12 or more credit hours each semester at Owens and be eligible for federal/state grant funding for low-income students. Recipients, who must enroll at Owens during the first fall semester following graduation, have three years to complete their associate’s degree.

### ***C. Growth in university-based research and development, and its connection to regional economic development efforts***

Many interviewees commented on the important economic contribution of research and entrepreneurial activities emanating from the University of Toledo. Some of this is related to the UT-Medical University of Ohio merger, which created a Health Science Campus that is home to University Medical Center hospitals and clinics and many of UT’s health-science research and education programs. UT’s role in the regional economy has expanded as the university has aligned its research more closely with the region’s economic development needs and actors. The university’s web site states that “The University of Toledo is actively involved in the Northwest Ohio region’s economic development efforts. Many centers and institutes have joined the economic development endeavors to help strengthen and grow the community in and around Toledo.” Examples include:

- The Science and Technology Corridor, which is designed to connect the region’s assets (including the university) in research, technology commercialization, location utilization, infrastructure availability, and enhanced workforce capabilities;
- The Center for Photovoltaics Innovation and Commercialization, a venue for the State of Ohio to expand its high technology research base in Ohio’s core competency of advanced manufacturing using advanced materials.
- Business incubation services, such as the Clean and Alternative Energy Incubator, which gives university spin-off businesses and alternative energy companies who want to collaborate with the university a venue for developing into stable, expanding businesses.

- Other research institutes and centers with relevance for the manufacturing industry, such as the Polymer and Thin Films Institute, Eitel Institute for Silicate Research, Edison Industrial Systems Center, and National Center for Tooling and Precision Products research.

The university collaborates with a host of regional economic development entities, including the Regional Growth Partnership, the Toledo Regional Chamber of Commerce, the Northwest Ohio Regional Economic Development Association (NORED), the Toledo Metropolitan Area Council of Governments (TMACOG), the Lucas County Improvement Corporation, the Toledo-Lucas County Port Authority, and the Ohio Department of Development.

The private sector-funded Regional Growth Partnership has taken the lead in marketing the area as home to an emerging solar industry that now employs 6,000 workers. Solar companies such as First Solar, Xunlight, and Calyxo USA, many of them emerging as start-ups from university-related research, are positioning the city as a hub for converting sunlight into energy, building on the region's historical leadership in the glass industry.

#### **D. *“Location, location, location”***

Toledo is situated at the center of a major market area; 43 percent and 47 percent, respectively, of U.S. and Canadian industrial markets are located within 500 miles of the city. A commercial transportation network consisting of a Great Lakes port, railroads, interstate highways, and two international airports provides access to this market area as well as points throughout the nation and the world. Toledo's location at the intersection of the nation's two longest interstate highways – I-80 running East-West and I-75 running North-South – underscores its potential as a continuing center for production and transportation.

The region's transportation needs are served by both Toledo Express in Toledo and Detroit Metropolitan Airport in nearby Romulus, Michigan. Toledo Express, served by seven airlines, carries passengers and is a major air freight center. Named one of the five best small airports in the Midwest, Toledo Express is the international hub for Burlington Air Express. It has recently begun a 4-year, \$22 million renovation project. Detroit Metropolitan Airport is within a 50-minute drive.

The Port of Toledo, on the Maumee River, is a 150-acre domestic and international shipping facility that includes a general cargo center, mobile cargo handling gear, and covered storage space. Designated as a Foreign Trade Zone, the complex affords shippers deferred duty payments and tax savings on foreign goods. Toledo-Lucas County Port Authority statistics show that the slowing economy has hurt Port activity, with cargo volume at Toledo's seaport declining by slightly more than 10 percent during 2008.

Toledo is served by four railroad systems that provide direct and interline shipping; Norfolk/Southern maintains piggyback terminal facilities in the city. More than 90 truck firms link Toledo with all major metropolitan areas in the United States and points throughout Canada.

## ***E. Cultural infrastructure and quality of life***

Toledo is home to an exceptionally strong array of not-for-profit cultural and educational institutions, a legacy of the tremendous wealth that once existed in the community and the ongoing commitment of philanthropists and civic leaders to preserving a high quality of life. Among the city's chief cultural and recreational amenities are:

- The Toledo Museum of Art, one of the top art museums in the nation and still the only one to provide free admission to the public year-round. Founded in 1901, the museum's permanent collection includes exceptional holdings in furniture, silver, tapestries, and paintings by world masters, as well as a medieval cloister and a French chateau. The Glass Pavilion, opened in 2006 and home to the museum's world-famous glass collection, received *Travel + Leisure's* 2007 Design Award for Best Museum.
- The Toledo Symphony Orchestra and the Toledo Ballet, both of which perform at the newly renovated, 900-seat Valentine Theatre downtown. The Toledo Opera Association, two community theater groups, and touring Broadway shows add to the diversity of the performing arts.
- The Toledo Center of Science & Industry (COSI), located on the downtown riverfront, a hands-on science learning center targeted to visitors of all ages.
- The Toledo Zoo, one of the nation's highest rated zoological parks, with state-of-the-art exhibits that house more than 4,000 animals.

Toledo also boasts two minor-league sports teams -- the Mud Hens, a baseball team affiliated with the Detroit Tigers, which plays at Fifth Third Field, named by *Newsweek* the best minor league ballpark in America, and a minor-league hockey team, the Toledo Walleye, that will begin play at the newly built Lucas County Arena, also located downtown, in the fall of 2009.

## **V. Feasibility of a Toledo Promise**

***A. Identification of critical issues.*** Our discussions with stakeholders revealed a broad consensus around three critical issues facing the community and related to the trends described above.

First, Toledo faces a **major cultural challenge** as its residents struggle to adapt to the decline of traditional employment opportunities and changing workforce needs. As Toledo's largest employers have retrenched, with severe cutbacks in the automotive industry in particular, it is no longer possible to pursue the career path followed by multiple generations of Toledo's young people: high-school graduation followed by secure, high-wage employment in an automotive plant or manufacturing facility. Instead, employers today require higher levels of education, skills, and training than that possessed by most high-school graduates, and much of the economic action has shifted to smaller, entrepreneurial businesses with more specialized workforce needs. Post-secondary education or technical training has become a necessity, not an option, although this message has not registered fully with local residents.

Second, **the revitalization of the Toledo Public Schools** is essential to the continued health of the city and the region. Without some kind of concerted action, the district will continue to decline, perpetuating a cycle of school closings, service cutbacks, enrollment decline, and a



growing concentration of low-income students. While the consequences of this dynamic are dire for the district's existing students and teachers, they also have troubling ramifications for the region overall. Declining urban school districts tend to be accompanied by worsening social conditions (e.g., rising poverty, deteriorating housing stock) in the urban areas they serve. In turn, weakness in a region's urban core contributes to weakness in the region overall, as poverty migrates from the core city to the inner-ring of suburbs and employers ultimately find it difficult to attract and retain a skilled workforce. An investment in the revitalization of TPS is thus critical for the future of the district itself as well as the future vitality of the City of Toledo and the greater Toledo region.

The availability of a Toledo Promise scholarship to every graduate of the Toledo Public Schools could provide the district with a powerful tool to use in marketing itself to families, thereby helping to stabilize enrollment. School officials report that area private schools have used the voucher program to recruit TPS students, while even charter schools of middling quality do a good job with their marketing. A Toledo Promise scholarship would support TPS efforts to improve academic achievement, attract and retain students, increase graduates' access to post-secondary education and training opportunities, and compete with charter and private schools that currently siphon off its most empowered students and families.

If the implementation of such a scholarship program were helpful in keeping middle-income families in the district, reversing the concentration of low-income students, its benefits would be even more far-reaching. The gains to be achieved from socioeconomic school integration, especially at the elementary level, are well established. "Mixed schools [defined as those with a poverty population no higher than 50 percent] improve poor children's academic achievement, high school graduation rates, and (most significantly) their access to further technical training, higher education, good jobs, and many other middle-class benefits," writes Myron Orfield, Executive Director of the Institute on Race and Poverty and Professor of Law at the University of Minnesota.<sup>5</sup> Related to the need to stabilize enrollment in the Toledo Public Schools is the need to attract and retain middle-income families at district schools.

A third critical need is to **strengthen the connection between local employment opportunities and the curriculum / career education offered in the schools**. Such a connection between business and schools is a "win-win" outcome for all involved. A comprehensive approach to career awareness, career development and career preparation will be necessary in developing a skilled workforce. When students ask, "Why am I studying math? Why science? Why English?" and teachers are able to provide concrete connections to real-world applications in their classroom, students can begin to understand the world of work and, over time, form a closer connection between school and education. Conversely, business representatives not only need to be involved in curriculum design and content, but education representatives need to create opportunities for continual business input. K-12 teachers could also benefit from spending time in business, manufacturing, industrial, or service settings as part of their professional development. Students similarly need these opportunities to develop self awareness, to understand work settings, to envision a career, and to choose the proper post-secondary

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<sup>5</sup> Myron Orfield, *Metropolitics: A Regional Agenda for Community and Stability*. Washington, DC: Brookings Institution Press, 2007. See also work by Richard Kahlenberg, available at <http://www.equaleducation.org>

experience to meet their career goals. Colleges and universities are critical connectors along this path to ensure that the K-12 curriculum aligns with post-secondary demands. (See Paths to Success diagram under Supplemental Materials.)

***B. Assessment of Community Capacity.*** Our next task was to consider the question of community readiness. Is there, or can there be developed:

- a common vision of the challenges facing Toledo,
- agreement on an education-based economic development strategy as most appropriate for addressing these challenges,
- support for such a strategy from key community stakeholders (or a plan for enlisting their support), and
- financial resources in the community to support the scholarship program.

It is too early in the process to answer these questions definitively; however, some preliminary thoughts are in order.

Stakeholders from a variety of backgrounds seem to share a common vision of the challenges facing Toledo and have expressed enthusiasm for a universal, place-based scholarship program as one strategy for surmounting them. Representative comments include the following:<sup>6</sup>

“This community has been so ensconced in one industry it can be equated to the old coal-mining towns of West Virginia or silver mining towns in Arizona. The one industry is automotive. Whole families are attached to one boat. When that boat goes down you’re going down with it.”

“There’s a complete misperception of what’s needed to succeed in the workforce today. People still have the idea that there is a high-paying job that I can have that does not require a degree.”

“Advanced manufacturing technology is beyond a K-12 education today... whether you get it immediately upon graduation from high school, or over a 10-year time frame, or in the military, on the job – you are going to need it in order to be able to compete.”

“A Toledo Promise would send the message that your economic future is tied to your education. It also would say a lot about the quality of a community. It says we have wonderful people here who care about our community. And it’s a powerful message: that every kid can go to college.”

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<sup>6</sup> These quotations come from a range of community stakeholders interviewed in December, January, and February.

“A Promise-type program would reduce concerns around mobility and give the district a competitive edge. It would help with school closings and might also improve student performance.”

“The Promise model is a basic tool for economic development and making the community better. The more educated our workforce can become, the better equipped they will be to contribute economically and be able to support their families.”

There is evidence to suggest that the financial resources could be obtained to support the kind of last-dollar program proposed in this report. Toledo’s wealthy individuals and foundations have shown a willingness historically to invest in the region’s exceptional cultural and educational institutions, and there is a committed corps of civic leaders who have devoted their energies to improving the area’s quality of life. It is likely that potential donors would understand that just as investments in museums or stadiums enhance the physical infrastructure of the region, an investment in a place-based scholarship program would enhance the area’s human capital, with long-term benefits to the educational system, business community, and citizens. One possibility worth exploring is whether seed money might be available from civic institutions to underpin the kind of challenge grant structure that has been effective in leveraging funds in other communities.

A Toledo Promise would have the advantage of building on existing scholarship programs and complementing them, rather than starting from scratch. The scholarship programs available to low-income students from the University of Toledo and Owens Community College, rising levels of federal Pell Grant funding, state funding, and a broad range of private scholarships administered through the community foundation provide a base on which a universal program could be built.

***C. Survey of potential models and best practices.*** While dozens of communities are at some stage of planning a location-based scholarship program, only a handful of true “Promise-type” programs are operational, including those in Kalamazoo and El Dorado (Arkansas). The Pittsburgh Promise closely resembles these programs; however, it has implemented an accelerating scale of GPA and attendance requirements that will restrict its usage (and, in our view, its impact). The Denver Scholarship Foundation is also sometimes grouped with these programs, but its scholarships are awarded only to students with demonstrated financial need while the support services offered through its Future Centers are available to all students.

There are many examples of more limited programs, such as those that cover tuition at a local community college, or those with specific economic development goals, such as Hammond, Indiana’s College Bound scholarship, available only to homeowners in the City of Hammond.

Several other communities are working to develop Promise-type programs, including La Crosse, Wisconsin, where the city, county, and school district are investigating the economic impact of a place-based universal scholarship. Other communities have run into roadblocks on their way to a similar goal. The use of public money seems especially controversial: in fall 2008, voters in Akron defeated the mayor’s proposal to fund a scholarship program through the privatization of the city’s sewer system, and in March 2009 voters in Davenport, Iowa, rejected the idea of using

a portion of a local sales tax option to fund a Promise program for city residents. In Flint, Michigan, a careful planning process ended with the conclusion that the financial resources for a long-term program would not be available in the current economic climate.

There are almost as many versions of Promise-type programs as there are programs themselves. The three tables that follow provide a simplified typology of programs categorized by student eligibility; eligible post-secondary institutions; and funding structures.

**Table 1. Student Eligibility Options**

<i>Category</i>	<i>Examples</i>
All residents	Davenport Promise (defeated by voters 3/3/09) <ul style="list-style-type: none"> <li>- Would have included public, parochial, private, and home-schooled students residing in the City of Davenport, as well as Davenport residents open-enrolled at other public school districts for first five years of program.</li> </ul>
All residents enrolled in public school district	Kalamazoo Promise <ul style="list-style-type: none"> <li>- Minimal residency/enrollment requirement of 4 years in Kalamazoo Public Schools.</li> </ul> El Dorado Promise <ul style="list-style-type: none"> <li>- Same enrollment/residency requirements as the Kalamazoo Promise.</li> </ul> Pittsburgh Promise <ul style="list-style-type: none"> <li>- Same enrollment/residency requirements as the Kalamazoo Promise.</li> <li>- Additional merit/conduct requirements: minimum GPA and attendance policy.<sup>7</sup></li> </ul>
Low-income public school students	Denver Scholarship Foundation <ul style="list-style-type: none"> <li>- Scholarship is limited to those students whose expected family contribution under the FAFSA is 2x the Pell Grant limit.</li> <li>- No residency requirement</li> </ul>
Specific category of students	College Bound (Hammond, IN) <ul style="list-style-type: none"> <li>- Scholarship is limited to children of homeowners in the City of Hammond.</li> </ul>

<sup>7</sup> The Pittsburgh Promise began in 2008 as a near-universal program with a high-school GPA requirement of 2.0. For the class of 2009, the minimum GPA requirement rose to 2.25 and an 85% high-school attendance requirement was instituted. For the class of 2010, the attendance requirement will rise to 90%.

**Table 2. Post-Secondary Attendance Options**

<i>Category</i>	<i>Examples</i>
Any public or private college or university	<p>El Dorado Promise</p> <ul style="list-style-type: none"> <li>- 2-year associate’s degree or 4-year bachelor’s degree only; no technical degrees or certificates</li> </ul>
Any public college or university in the state	<p>Kalamazoo Promise</p> <ul style="list-style-type: none"> <li>- Any public 2-year or 4-year institution in the state; includes technical degrees and certificate programs (even very short-term programs) as long as college credits can be assigned for them.</li> </ul> <p>Denver Scholarship Foundation</p> <ul style="list-style-type: none"> <li>- In-state public colleges &amp; universities, and not-for-profit, public technical colleges</li> </ul>
Any public college or university in the state PLUS local private institution(s)	<p>Pittsburgh Promise</p> <ul style="list-style-type: none"> <li>- Any publicly funded school or community college in the state, as well as private schools in Allegheny County that offer 2- or 4-year degree programs.</li> </ul> <p>La Crosse Promise (proposed)</p> <ul style="list-style-type: none"> <li>- Plans call for including local private college in addition to any state-funded 2- or 4-year institution.</li> </ul>
Local, public two-year institution	<p>Jackson Legacy (Jackson, MI)</p> <ul style="list-style-type: none"> <li>- Scholarship use limited to Jackson Community College.</li> </ul> <p>Ventura Promise (Ventura, CA)</p> <ul style="list-style-type: none"> <li>- Scholarship use limited to Ventura Community College.</li> </ul> <p>Peoria Promise (Peoria, IL)</p> <ul style="list-style-type: none"> <li>- Scholarship use limited to Illinois Central College.</li> </ul> <p>Many other programs with a similar structure.</p>

**Table 3. Funding Structure Options**

<i>Funding source</i>	<i>Examples</i>
Private	<p>Kalamazoo Promise</p> <ul style="list-style-type: none"> <li>- Funded by anonymous donors</li> <li>- Scholarship applied on a first-dollar basis</li> <li>- Funds can be used only for tuition &amp; mandatory fees</li> <li>- Scholarship covers any in-state public college or university with no maximum tuition cap</li> </ul> <p>El Dorado Promise</p> <ul style="list-style-type: none"> <li>- Funded with \$50 million contribution from local businessman</li> <li>- Scholarship applied on a first-dollar basis</li> <li>- If other scholarships are received, funds can be used to support other costs, including room, board, and books (as long as billed by the college)</li> <li>- Maximum scholarship amount is the highest annual resident tuition at an Arkansas public university (maximum for 2008-09 was \$6,505)</li> </ul> <p>Pittsburgh Promise</p> <ul style="list-style-type: none"> <li>- \$100 million challenge grant from University of Pittsburgh Medical Center over 1-year period; matches private contributions 2-to-3</li> <li>- Additional contributions from local foundations – as of March 2009, program had raised \$11.5 million of \$15 million target for fiscal year ending in June</li> <li>- Maximum scholarship amount is \$5,000; may double to \$10,000 for students who pass a state high-school graduation exam (not yet in place).</li> </ul> <p>Denver Scholarship Foundation</p> <ul style="list-style-type: none"> <li>- Initial challenge grant of \$50 million from local business owners; matches private contributions on a 1-to-1 basis</li> <li>- Maximum scholarship amount is \$5,000, although scholarships for 2009-10 for most students have been cut by 17-18% due to effect of recession of DSF endowment and donors</li> </ul>
Public	<p>Davenport Promise (defeated)</p> <ul style="list-style-type: none"> <li>- Proposed funding from allocation of a portion of the one-cent local sales tax option; defeated by margin of 60-40 in March 2009 election</li> </ul> <p>Akron Promise (defeated)</p> <ul style="list-style-type: none"> <li>- Proposed funding from privatization of Akron’s sewer system; defeated by margin of 62-38 in November 2008 election.</li> </ul>
Public/private hybrid	<p>Michigan Promise Zones</p> <ul style="list-style-type: none"> <li>- Legislation approved in January 2009</li> <li>- Requires local contribution from private donors</li> <li>- Authorizes creation of up to ten “Promise zones” located in areas with a high percentage of low-income children.</li> <li>- After two years, state will capture half of any increase in the State Education Tax collected in the Promise Zone above a certain initial amount and pay the captured tax to the promise zone authority for use in scholarship program.</li> </ul>

Analysis of the experiences of these programs thus far is of necessity incomplete. The Kalamazoo Promise has awarded scholarships to only three graduating classes, and the other programs are even newer. (The El Dorado Promise began with the Class of 2007, and the Pittsburgh Promise with the Class of 2008.) As mentioned earlier, enrollment in the Kalamazoo Public Schools is up almost 14 percent since the program was announced, with most gains coming in the first year. In El Dorado, district enrollment rose by over 4 percent in the two years since the Promise was announced, while the rate of El Dorado students attending college has increased markedly (from 60 percent prior to the Promise to 82 percent for the 2008 graduates). The enrollment impact of the Pittsburgh Promise is less positive; in the first year of the program, enrollment in the district continued to slide at the rate of the past few years. Observers attribute the seeming lack of impact of the scholarship program to families' concern over ongoing school closings and consolidation.

The anticipated economic development effects of such programs, which take longer to materialize, are even more difficult to assess at this early stage. Economic results in El Dorado have paralleled those in Kalamazoo, with the El Dorado Promise giving a boost to the community's economic development efforts. Three months after the Promise was announced, El Dorado voters passed a 1-cent sales tax, estimated to generate \$32 million over the next 8 years, to implement the city's strategic economic development plan. Later that year, voters approved a school millage increase to fund the construction of a new high school; the measure passed with 78 percent voter approval. Home sales were up 4.3 percent in 2007, despite the state's 8.8 percent decrease for the same period.

Some lessons from the design phase are already evident:

- To maximize a scholarship program's power as a catalyst for broader change, scholarships should not be limited by academic merit or financial need. It is the universality of the Kalamazoo Promise and El Dorado Promise (in contrast to many other targeted scholarship programs) that has generated strong support for their goals among diverse populations and made them tools for community transformation.
- Scholarship funding alone, no matter how generous, will be insufficient to bring about the economic or social transformation of a community. It is through the process of engagement and alignment that scholarship resources can be leveraged for deeper change. The financial resources necessary for a universal, place-based scholarship and the alignment of community stakeholders around the program's goals are both essential elements of a potentially transformative investment of this type.
- The introduction of a universal, place-based scholarship program can help strengthen a community's identity as an education-rich region and home to knowledge-intensive industry. This potential, however, is based not on immediate and tangible economic gains generated by the introduction of a scholarship program, but on the longer term alignment of the community around the linked goals of educational excellence, access to higher education, and economic competitiveness. Especially in light of the current economic crisis, expectation of gains from the program must be squarely focused on the medium and long term.

- Donor anonymity has had some important benefits for Kalamazoo in terms of putting power for implementing the program into the community’s hands. While similar arrangements are unlikely, a scholarship program’s effectiveness as a catalyst for change will be heightened if its donors and organizers create a leadership structure that is inclusive and represents “buy-in” from the broader community. Additionally, the potential for donors with specific agendas to hold their contribution hostage to program design elements should be avoided.
- A community’s response to scholarship funding will be maximized if it is able to build on existing institutional capacity to handle the challenges that will arise. While new resources will likely be needed, resources can be deployed most effectively if best practices piloted in other communities are adopted and existing organizations and networks relied upon for implementation.
- Establishing a streamlined administrative process and minimal requirements for a scholarship program will have substantial benefits. In Kalamazoo and El Dorado, simple requirements, an easy application process, and strong database management have resulted in a program with low overhead that maximizes the funds available to students. Other communities with programs that initially had a more complex structure have found the need to simplify them for administrative purposes.

## **VI. Scholarship Program Options and Recommendations**

The design of a scholarship program will depend on the critical issues sponsors seek to address. Our recommendations flow from the assumptions, outlined above, that the critical priorities for a Toledo Promise program are to facilitate a stronger culture of higher education throughout the region, rebuild the public school district that serves the urban core, and tighten connections between the K-16 educational system and the business community with the goal of better meeting regional workforce and economic development needs.

Among the key decisions to be made regarding the structure of a location-based scholarship program are the following. Our recommendations are included for each question.

***A. Income eligibility – means-tested or universal?*** Should scholarships be available only to the area’s more economically disadvantaged families or to every high-school graduate? A means-tested program limits the cost but lessens a program’s economic development impact and broad-based public support.

***Recommendation:*** Universal, place-based scholarship programs offer a substantial advantage over means-tested programs in attracting families into the public school district and meeting the community’s broader economic development goals. Universal programs offer benefits to students from diverse socioeconomic backgrounds and at different achievement levels.

- For students from middle-class homes who already plan to go to college, the availability of a Toledo Promise would alleviate much of the debt burden they and their families will



face and free up college savings for other purposes, including disposable income that is likely to be spent in the local economy.

- For middle-class students who may not be sure about college, a Toledo Promise would create a tangible incentive for them at least to consider post-secondary education, while encouraging full-time attendance and alleviating the need many college students have to work full time.
- For the children of working-class families who aspire to go to college but for whom the financial barriers are too high, a Toledo Promise would create a new set of opportunities, increasing students' awareness of college opportunities, reducing financial and other barriers to college access, and encouraging a college-going culture within and outside the schools.
- For low-income students, the Kalamazoo Promise opens up a new sense of possibility and hope – especially for younger children who may lack college-going role models in their own families but who would now spend their K-12 years in a school system that expects them to continue their education beyond high school.

Moreover, a universal program is most likely to generate the broad buy-in from individuals throughout the community that is necessary to reshape civic identity and spark cultural change. Scholarship programs designed to reward academic merit (e.g., statewide merit aid programs or U-T's Toledo Guarantee) or meet financial need (e.g., Pell Grants, Owens Success Program) are valued by those who are able to access them but do not generate the same kind of across-the-board enthusiasm.

***B. Funding structure - last-dollar or first-dollar?*** First-dollar programs that pay tuition before any other sources of aid are calculated have substantial advantages over last-dollar programs in terms of simplicity, ease of access, level of usage, the degree of effort needed to communicate about the program, and administrative costs. They are, however, substantially more costly than last-dollar programs that require students to apply for other sources of financial aid and use the scholarship to fill any remaining gap.

***Recommendation:*** We recommend a “middle-dollar” program where scholarship amounts are calculated after a student fills out his or her FAFSA form and receives notification of the amount of federal and state needs-based aid for which he or she qualifies. (A true last-dollar program would also require consideration of institutional aid from the college where the student is accepted and private scholarships for which the student may qualify. Administering such a system is even more cumbersome than the structure recommended here; moreover, these additional sources of aid are often needed for a student to cover room and board costs.)

Under such a structure, which is similar to that in place in Pittsburgh, the application process would work as follows:

- o A student would fill out his or her FAFSA form and receive an indication of the level of federal (Pell Grant) and state (Ohio College Opportunity Grant) grants for which he or she is eligible. (Other state aid, such as loan forgiveness programs for teachers or nurses, incentive payments for TANF recipients, and Student Choice grants to attend private colleges would not be included.)

- The Toledo Promise would calculate the remaining amount needed to cover the cost of tuition and mandatory fees at the school where the student has been accepted. Payments would be made directly to the post-secondary institution.
- If institutional aid (from the college itself) is awarded, it could be used for room and board, books, or other costs.
- Private scholarships could be pursued at the discretion of the applicant or required by the Toledo Promise program. (Some programs require students to apply for a given number of private scholarships as part of their scholarship application process.) We would recommend against such a requirement in the interest of keeping administrative tasks to a minimum and achieving as broad usage as possible.

**C. School eligibility.** Which of the Toledo area’s school districts and/or schools should be included in the program? Should only public schools be included, or should private/parochial and charter schools be covered as well? What about home-schooled students?

**Recommendation:** We recommend that a Toledo Promise focus exclusively on the Toledo Public Schools. One of the chief community concerns leading to consideration of a scholarship program is the dramatic enrollment decline in the region’s largest public school district, which serves virtually all of the City of Toledo. This enrollment decline has been hastened by the proliferation of charter schools and availability of state-funded vouchers to attend private schools. One of the main purposes of a Toledo Promise scholarship program would be to give TPS a competitive edge in marketing itself against charter schools, private schools, and surrounding suburban school districts. Including non-TPS students would dilute the impact of such a tool.

**D. Residency requirements.** Should a program include residency as well as attendance requirements, and what should the length of the requirement be? The Kalamazoo Promise and programs modeled on it require that students attend high school and reside within the district for at least four years prior to graduation in order to receive a scholarship. The level of the scholarship is scaled (from 65 to 100 percent) based on the length of a student’s residency and attendance in the district.

**Recommendation:** Because of TPS’s immediate enrollment challenges, we propose that the program begin with a shorter residency requirement under which the Toledo Promise would be available to all TPS students regardless of length of enrollment in the district. The initial residency requirement and scholarship amounts would range as follows for years 1-3 of the program, with the lowest level of funding being eliminated each year so that ultimately the enrollment requirement matches that of the Kalamazoo, El Dorado, and Pittsburgh Promises (with a minimum 4-year enrollment requirement preceding high-school graduation).

Length of Attendance.....	Benefit
K-12.....	100%
1-12.....	95%
2-12.....	95%
3-12.....	95%
4-12.....	90%
5-12.....	85%
6-12.....	80%
7-12.....	75%
8-12.....	70%
9-12.....	65%
10-12.....	60%
11-12.....	55%
12.....	50%

Whether a residency requirement should accompany the enrollment requirement (i.e., with scholarships available only to families that reside within the district) is another decision to be made. Because public school enrollment rather than declining urban population is the chief concern driving the creation of the Toledo Promise, we would recommend against such a requirement.

***E. Eligible post-secondary institutions.*** Most Promise-type programs limit attendance to public, in-state institutions, with some limited to regional or local schools such as area community colleges. Others allow students to use their scholarships to attend college out of state.

***Recommendation:*** We recommend that all publicly funded, accredited, post-secondary institutions in the State of Ohio be included, along with Lourdes College because of its local presence, role in local workforce development, and relatively low tuition rates. We would like to underscore the importance of including in the program one- and two-year courses of study as well as four-year degrees. The program’s goal should be framed not as getting a bachelor’s degree, but as making available to TPS graduates any kind of post-secondary training and/or education that is appropriate for them. We would go further to recommend that any certificate program offered by an accredited institution (as long as credits can be assigned to it and even if grades are pass/fail) be accepted as eligible for Toledo Promise funding.

***F. Student performance requirements.*** Universal scholarship programs, such as the Kalamazoo Promise, are explicitly designed to reach every high-school graduate regardless of academic attainment. Accordingly, the Kalamazoo Promise and the El Dorado Promise do not impose any performance requirements for high school (although a student’s choice about where to use his or her scholarship is limited by the post-secondary institutions to which he or she can gain admission). Once admitted, a student must remain in good standing – generally with a 2.0 cumulative GPA -- to continue receiving the scholarship. The scholarship can be reinstated if the student returns to good standing with a 2.0 G.P.A. or higher. The Pittsburgh Promise currently requires students to graduate from high school with a 2.5 GPA, up from a 2.0 GPA when the program was first announced, and has introduced attendance requirements beginning with the Class of 2009.

**Recommendation:** To maximize the impact of a Toledo Promise and simplify administration, student performance requirements should be limited to high-school graduation. Academic performance at the college or university level will need to be maintained to remain in good standing; the colleges and universities themselves set and monitor these standards, so Toledo Promise staff would not need to do so. Planners might consider implementing a “second-chance” provision (such as the one in place in Kalamazoo) that allows students to access their scholarship even after having lost it if they return to school and pay for their own tuition for one semester, making satisfactory academic progress.

**G. Service requirements.** Some programs have specified that students participate in community service or work study while in college. Others have proposed some kind of community service or extracurricular activity while in high school in order to qualify for the scholarship. In general, however, most programs avoid service requirements in the interest of administrative simplicity and to maximize usage.

**Recommendation:** As with student performance requirements, the impact of a Promise-type program will be maximized if it is used as widely as possible. Service requirements provide another potential limit on wide usage. Our recommendation is to limit service requirements to the expectation that Promise recipients will be willing to return to their high schools to mentor or interact with rising graduates, or that they will serve as mentors for incoming Promise recipients at their institutions of higher education. Such mentoring programs can be helpful in promoting the success of students; in our view they represent a legitimate expectation of “giving back” and do not constitute an onerous barrier to usage of the scholarship.

**H. College-access resources.** It is well understood that financial need is not the only barrier standing between high school and college. Students may come from families without any experience of college-going and, lacking a role model, may not believe that post-secondary education is a possible path for their own future. Without the support of a parent or a mentor, students may have difficulty navigating the college application and financial aid process. Without support from guidance counselors, students may not know which classes they need to take or what GPA they will need to gain admission to the college of their choice.

The Kalamazoo, El Dorado, and Pittsburgh Promise programs include no dedicated resources for improving college access, leaving this crucial task to the school district and outside support organizations. The Denver Scholarship Foundation took a different approach, allocating substantial funds to create Future Centers in each high school (see appendix for description). Other communities have developed similar strategies; for example, the Jackson Legacy has opened a college access storefront in the local mall that is open to everyone in the community.

There are many possible innovations within the school district itself that can help enhance college access; for example, in Greene County (NC), the College for Everyone program contracted with the national College Summit organization to train teachers and design a program to strengthen college access. Every high-school senior takes a class called “Senior Navigator” in which they research post-secondary options, write application essays, and apply for admission and financial aid. In Kalamazoo, beginning in 2008, every 10<sup>th</sup> grader is enrolled in a “College Awareness” class with similar goals.

**Recommendation:** Beyond stressing the importance of ensuring that students have the support they need to access information about colleges and apply for financial aid, we do not have any specific recommendations. One option would be to include funding for Future Centers within the resources to be raised by a Toledo Promise organization (we have included a rough estimate of Future Center costs below). A second option would be to integrate college access and support services into the high-school curriculum. A third option would be to create community-based college-access centers, perhaps building on Owens' Learning Center and the WIN Center at Lourdes College. Whatever the design, TPS would need to commit to addressing issues of college access that go beyond financial resources.

One valuable resource in this endeavor is the statewide Ohio College Access Network, a leader among national college-access organizations. Toledo's "Think College Now" initiative, which is affiliated with OCAN, began as a partnership with Lucas County School Districts, some Wood County School Districts, area Rotary Clubs, and local colleges and universities. It operates out of The Source in downtown Toledo, providing college awareness and access resources to area students. Community organizations also provide important sources of support for student success. The collaborative programs between TPS and the Boys and Girls Club and the New Schools, New Neighborhood Initiative could become homes for early tutoring, mentoring, and career awareness activities that contribute to student awareness of post-secondary options and help strengthen the college-going culture throughout the district.

**I. Scholarship duration and time frame for usage.** The Kalamazoo Promise is designed to last in perpetuity, while other programs are guaranteed for a minimum time frame. In terms of usage, Kalamazoo's system is the most flexible, giving graduates ten years in which to access their scholarship funding.<sup>8</sup> This flexibility opens many options for students, especially those who begin their post-secondary education in a two-year program but who may decide later on to return to school for a four-year degree. It does, however, increase the complexity of program administration, since students and scholarship usage must be tracked over a longer time frame. The El Dorado Promise provides up to five years of funding for students entering college immediately following high-school graduation (unless interrupted by military service). The Denver Scholarship program requires students to begin their post-secondary work within one year following high-school graduation and provides them with up to five consecutive years of funding if they are attending a four-year institution; it also permits half-time enrollment.

**Recommendation:** A program's time frame will depend on available funding; the ideal scenario is the creation of an endowment that will support a program continuing indefinitely. In the meantime (while an endowment is being built), we recommend a minimum guarantee of funding for 15-20 years to make it possible for families with Kindergarten-age children to enter the district knowing that scholarship funds will be available for them after graduation.

In terms of scholarship usage, the 10-year time frame in place in Kalamazoo is exceptionally generous and reflective of the long-term transformative goals of the program. Our recommendation is that Toledo adopt the more limited time frame in place in El Dorado,

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<sup>8</sup> Most recently, the Kalamazoo Promise rules were changed to allow any scholarship recipient attending the local community college to take classes part-time. Part-time attendance at other institutions is allowed on a case-by-case basis.

Pittsburgh, and Denver, where students have five or six years in which to utilize up to four years of funding. Immediate college entry can be encouraged, but requiring it may be overly restrictive, as some students will lack the drive or maturity to succeed at a post-secondary education immediately after graduation. We also recommend that a part-time option be available, at least for students attending Owens and Lourdes. This might make immediate entry to college more feasible and improve the prospects for student success.

Whatever the duration of the Toledo Promise, it should be communicated clearly so that residents and other community stakeholders understand the time frame they have for making decisions. It is also essential that the time frame be long enough for the full impact of the program to materialize.

***J. Management / administration of program.*** The management and administration of Promise-type programs varies widely in terms of where programs are housed and the size of staff. Some programs are established as separate 501(c)(3) organizations while others are based at school districts, community foundations, or educational foundations. Financial reporting requirements will vary depending on whether the scholarship program is an independent entity (and what kind) or whether it is part of an existing organization. Reporting requirements will also depend on the funding source – whether public, private, philanthropic or some combination. The size of staff needed for program administration, similarly, will vary depending on program structure. For example:

- The Kalamazoo Promise is a 501(c)(3) operating foundation with two staff members
- The Pittsburgh Promise is a supporting organization of The Pittsburgh Foundation, with a staff of five and financial and administrative oversight provided by a seven-member Board of Directors
- The Denver Scholarship Foundation is a 501(c)(3) public charity with a staff of 19 (13 of whom are Future Center personnel)

***Recommendation:*** There are multiple options for administering a Toledo Promise. One of the most cost-effective would be to create a separate nonprofit entity housed within an existing organization, such as the community foundation. Among the advantages of such an arrangement would be the foundation’s ability to serve as a fiscal agent, receiving and disbursing funds; the ability to accommodate staff without new, major facilities expenditures; and the foundation’s position as a neutral and independent party that is not affiliated with the school district, higher education institutions, or economic development actors. In addition, the foundation would be well positioned to coordinate a Toledo Promise scholarship with the existing scholarship funds it administers.

The Toledo Community Foundation’s RFP also asked for specific suggestions regarding existing software applications for administering a location-based scholarship program, information about standardized application processes, and options for evaluating the impact of a Toledo Promise. Because Promise-type programs are still in their infancy, little such standardized information exists. We will be glad to provide additional information once program structure is determined, and we encourage organizers to participate in the ongoing PromiseNet meetings to learn from other communities engaged in developing similar programs.

## VII. Anticipated Enrollment Impact and Cost Estimates

### A. Toledo Promise Scholarship

The cost of the proposed scholarship program will depend on the follow factors:

- Enrollment impact of the scholarship, including students residing in Toledo Public School district who transfer from their private, charter, or home-school environments and students who with their families move into the district due to the Promise.
- The percent of eligible graduates who take advantage of the scholarship and go to an Ohio state-funded two-year college or four-year university, or Lourdes College.
- The percent of scholarship students who complete their college education.
- The amount of federal and state financial aid that students receive in addition to the scholarship funding.

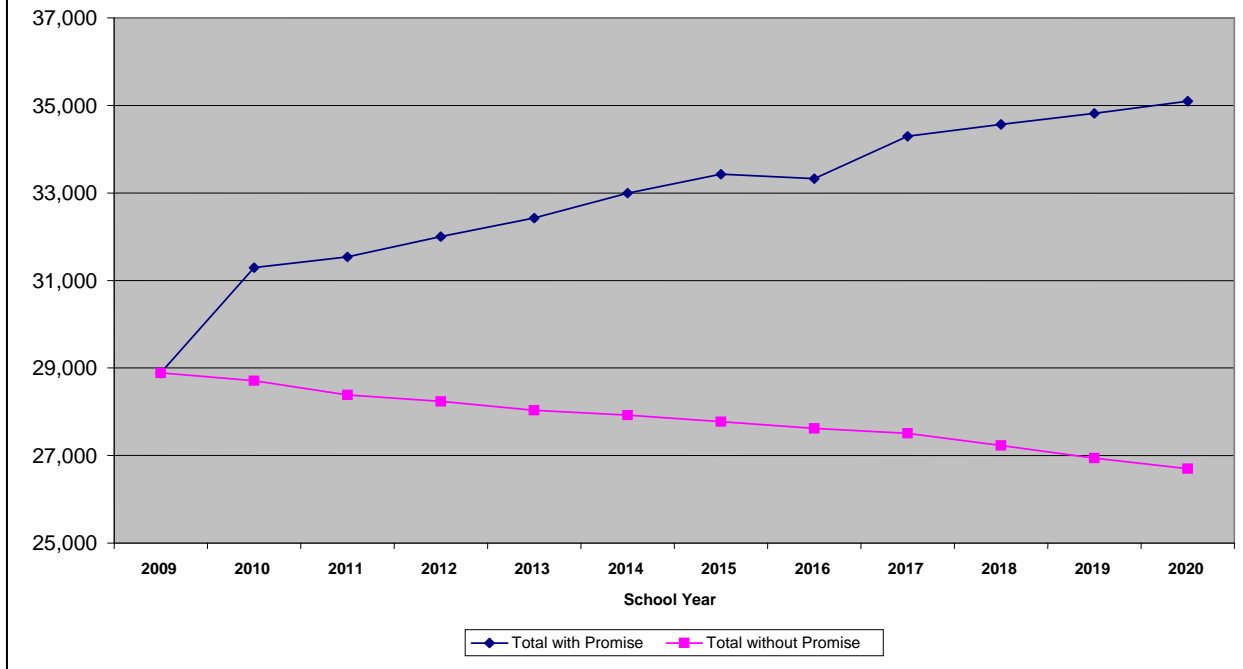
We estimate that if the scholarship were to be announced in the spring of 2009 for the following school year (2009-2010), the district's enrollment would increase by 2,583 students, as shown in Figure 5 and Table 4 below.<sup>9</sup> The enrollment impact of the scholarship is assumed to decrease in subsequent years following the pattern of the Kalamazoo Promise. In its first year, enrollment gains will occur in large part because of regional news coverage of the Toledo scholarship program; however, without an effective public awareness campaign, the impact of the scholarship will likely decline in subsequent years. If established, the scholarship is forecasted to increase total enrollment in the Toledo Public Schools by 8,400 more students in 2020 than would have been enrolled without the Promise.

According to school administrators and past surveys, approximately 50 percent of students in the Toledo Public School district attend a two- or four-year university or college. Unfortunately, national statistics suggest that a full 50 percent of the students attending two-year colleges do not return for their second year, and 30 percent of students beginning a four-year college or university program do not return for their second year; fewer than 50 percent complete their four-year degree. As shown in Table 5, we expect these rates to improve as more and more Toledo students become increasingly "college ready" thanks to a reduction in the financial barrier to attending college and the availability of support services through the Future Centers or a similar structure.

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<sup>9</sup> The forecasted 2,583 increase in student enrollment is the difference between our forecast of enrollment in the Toledo Public School with the enactment of the Promise and our status quo (without the Promise) forecast for enrollment. See Appendix for a more complete presentation.

**Figure 5. Enrollment in Toledo Public Schools with and without the Promise**



The final assumption we make in estimating the tuition cost of the Toledo Promise regards the outside funding that scholarship students would receive if the program were administered as a last-dollar program. According to the U.S. Department of Education, 56.3 percent of all students attending four-year public universities receive grant assistance for tuition that covers, on average, 82.4 percent of tuition and fees. For students attending two-year public colleges, 45.8 percent receive grant assistance that covers 100 percent of tuition.

Given these assumptions, the estimate of tuition costs of the proposed Toledo Promise is shown in Table 6. These estimates are based on the assumption that all high school sophomores, juniors, and seniors would be “grandfathered” into the program during its first three years. In other words, all students graduating from Toledo Public Schools during the first three years of the Promise would be eligible for the full Promise Scholarship regardless of their length of enrollment in the district. After the first three years, the Toledo Promise would impose the same residency requirements as the Kalamazoo Promise. The first column shows the estimated cost of a first-dollar program; annual costs in nominal terms under these conditions rise to \$25 million by 2020.<sup>10</sup> The estimated tuition grant and scholarship monies that students would be likely to receive would reduce this amount to \$8.1 million a year. If the program is administered as a

<sup>10</sup> In forecasting the annual cost of the Promise Scholarship we assumed a 2.5 percent annual rate of general inflation. However on top of that, we assumed that tuition would increase by an additional 2.0 percent during the forecast period.



“middle-dollar” scholarship, requiring only that students apply for federal and state grant aid by submitting the FAFSA, the cost would need to be adjusted.<sup>11</sup>

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<sup>11</sup> The estimate presented here is for a last-dollar program. Two adjustments would be needed to arrive at a cost estimate for of a true “middle-dollar” program of the kind recommended here – that is, a program whose benefits are calculated after federal and state needs-based aid has been awarded. First, private scholarship funding (including institutional aid from the college admitting the student) would need to be eliminated from the calculation, as it is included in the Department of Education’s data. Second, current programs available to TPS students with financial need through Owens’ Success Program and the University of Toledo Guarantee would need to be included because they will reduce the cost of a middle-dollar program (assuming these institutions would plan to continue these programs if a Toledo Promise were created).

**Table 4. Enrollment Forecast for the Toledo Public Schools with and without the Toledo Promise**

School Year	2009/2010	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Pre-K	350	380	419	459	497	564	557	543	544	538	532	526
K	2,454	2,669	2,681	2,692	2,704	2,715	2,726	2,686	2,747	2,758	2,768	2,778
Grade 1	2,424	2,630	2,647	2,658	2,669	2,680	2,691	2,653	2,712	2,722	2,732	2,743
Grade 2	2,102	2,539	2,550	2,566	2,577	2,587	2,598	2,561	2,618	2,628	2,638	2,648
Grade 3	2,179	2,274	2,523	2,534	2,549	2,560	2,570	2,536	2,590	2,600	2,610	2,619
Grade 4	2,195	2,344	2,267	2,510	2,521	2,536	2,546	2,513	2,566	2,576	2,585	2,595
Grade 5	2,142	2,447	2,437	2,358	2,607	2,617	2,632	2,602	2,653	2,664	2,674	2,683
Grade 6	2,060	2,361	2,516	2,505	2,426	2,678	2,688	2,665	2,714	2,725	2,735	2,745
Grade 7	2,062	2,148	2,288	2,435	2,425	2,349	2,590	2,563	2,614	2,625	2,635	2,644
Grade 8	2,222	2,262	2,209	2,350	2,499	2,489	2,412	2,619	2,665	2,680	2,690	2,700
Grade 9	3,343	3,320	3,242	3,166	3,366	3,578	3,563	3,420	3,799	3,813	3,834	3,849
Grade 10	2,011	2,380	2,256	2,204	2,153	2,287	2,429	2,392	2,346	2,577	2,587	2,601
Grade 11	1,825	1,745	1,925	1,826	1,784	1,744	1,851	1,935	1,956	1,898	2,082	2,090
Grade 12	1,519	1,791	1,576	1,735	1,648	1,611	1,575	1,634	1,770	1,763	1,712	1,874
<b>Total with Promise</b>	28,887	31,292	31,536	31,999	32,424	32,994	33,428	33,324	34,295	34,566	34,814	35,096
<b>Total without Promise</b>	28,887	28,709	28,383	28,236	28,032	27,919	27,773	27,617	27,506	27,226	26,937	26,695
<b>Difference</b>	0	2,583	3,153	3,762	4,393	5,074	5,655	5,708	6,789	7,340	7,877	8,401

**Table 5. College Attendance and Retention Assumptions**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Going to college</b>											
Owens State and other Com. Coll.	14.3%	14.6%	15.0%	15.3%	15.7%	16.0%	16.4%	16.7%	17.1%	17.4%	17.8%
U of Toledo	12.8%	13.2%	13.6%	14.0%	14.4%	14.8%	15.2%	15.6%	16.0%	16.4%	16.8%
OSU	2.4%	2.8%	3.2%	3.6%	4.0%	4.4%	4.8%	5.2%	5.6%	6.0%	6.4%
Lourdes	7.9%	8.3%	8.7%	9.1%	9.5%	9.9%	10.3%	10.7%	11.1%	11.5%	11.9%
Bowling Green	4.4%	4.8%	5.2%	5.6%	6.0%	6.4%	6.8%	7.2%	7.6%	8.0%	8.4%
Other State Universities	2.6%	3.0%	3.4%	3.8%	4.2%	4.6%	5.0%	5.4%	5.8%	6.2%	6.6%
Colleges & Universities not Eligible	5.6%	5.9%	6.2%	6.5%	6.8%	7.1%	7.4%	7.7%	8.0%	8.3%	8.6%
<b>Associate Degree</b>											
% completing the 2 yr. prog.	52.5%	53.0%	53.5%	54.0%	54.5%	55.0%	55.5%	56.0%	56.5%	57.0%	57.5%
<b>Bachelors</b>											
% completing.	45.5%	46.0%	46.5%	47.0%	47.5%	48.0%	48.5%	49.0%	49.5%	50.0%	50.5%

**Table 6. Estimated Tuition Scholarship Costs (nominal dollars)**

Starting School Year	Scholarship Payments (first dollar)	Estimated grant dollars received	Cost of a last-dollar program
2011	\$4,401,177	\$2,040,700	\$2,360,478
2012	\$7,441,977	\$3,530,968	\$3,911,009
2013	\$10,730,354	\$5,211,924	\$5,518,430
2014	\$13,587,655	\$6,812,357	\$6,775,298
2015	\$14,260,836	\$7,564,346	\$6,696,490
2016	\$14,957,383	\$8,476,774	\$6,480,609
2017	\$16,339,447	\$9,625,788	\$6,713,659
2018	\$18,500,997	\$11,191,272	\$7,309,725
2019	\$20,728,023	\$12,855,691	\$7,872,332
2020	\$22,836,242	\$14,511,892	\$8,324,350
2021	\$24,965,331	\$16,827,955	\$8,137,377

### ***B. Future Center Option***

Modeled on the approach of the Denver Scholarship Foundation (DSF), Future Centers could be established in the high schools as centralized sites for the delivery of academic and college access services. Denver’s Future Centers do not displace existing pre-collegiate service providers or school-based guidance counselors, but combine their work in a centralized location to allow for data sharing, easy access to resources for students and their parents, and access to a variety of pre-collegiate informational events. Each center has a full-time College and Financial Aid Adviser whose position is funded through DSF. Resources provided through the Future Centers include:

- Financial application forms and assistance in completing the Free Application for Federal Student Aid (FAFSA)
- Assessment and tracking of needs to connect students with appropriate services
- Scholarship nights
- College fair(s) in cooperation with high schools
- Access to national scholarships and scholarship application assistance
- College tours and visits
- Connections to other pre-collegiate programs
- College guidance services that match students with higher education institutions according to the students' interests

Each Future Center is staffed by a College and Financial Aid Adviser (see Supplemental Documents for a position description), a position paid for by the Denver Scholarship Foundation. Space and equipment are provided by the school district on an in-kind basis. Future Centers are usually located in a classroom and are equipped with computers, college access materials, and other supplies. The Denver Scholarship Foundation contributes an additional \$500 to each Future Center to cover miscellaneous costs.

### ***C. Program Administration***

Program administration costs range widely for Promise-type programs, from the single person who administered the Kalamazoo Promise during its first three years to the 20-person staff employed by the Denver Scholarship Foundation. For comparison purposes, here is preliminary financial information from these two programs:

- The Denver Scholarship Foundation in its first year (2006-07) awarded 170 scholarships totaling \$154,951, paid for laptop computers for 235 students worth \$210,000, and assisted 330 students in applying for and receiving \$1.3 million in scholarship money from other sources. Staff expenses for the first year (during which three high schools served as pilot sites) totaled \$112,000, with the program staffed by an executive director and a scholarship administrator.
- The Kalamazoo Promise in its first year (2005-06) awarded 318 scholarships totaling approximately \$2 million. Staff expenses for the first year were \$28,000, rising to \$64,000 in 2007. These expenses will be higher for 2008 since the vacant position of Kalamazoo Promise Director has now been filled. In its first three years of operation, the Kalamazoo Promise's anonymous donors contributed almost \$7.5 million to support scholarships for 1,117 graduates.

A Toledo Promise structured around a last-dollar scholarship model would require a larger staff than the more streamlined first-dollar approach used by the Kalamazoo Promise. It is difficult to find models on which to base the likely administrative cost of such a program. Denver's school district serves almost 74,000 students, but its scholarship program is needs-based, with eligibility determined through the FAFSA. In addition, scholarships are now awarded to those eligible at a flat rate based on the type of school the student attends. Most DSF staff works at Future Centers in the 13 high schools, although the organization does include a director, a deputy director, a scholarship program director, and a fund development professional. A reasonable assumption might be that the Toledo Promise would require a staff of two to administer a middle-dollar scholarship program. Additional staff capacity would be required for Future Center staffing, ongoing fund development and/or the administration of a true, last-dollar program.

Donors and organizers should consider including resources for evaluation in their program planning. Accurate and ongoing research-based assessments of a program's impact are essential both as feedback for the community and as an accountability measure for those charged with implementing change. Finally, marketing resources will be essential if the program is to be widely publicized throughout the region and nationally.

### ***D. Funding Sources and Strategies***

Challenge grants have been an effective structure in other communities, with one or more donors (either a wealthy individual or a local business) providing seed money that is then matched by others. Most communities are attempting to create endowments to fund their scholarship programs because of their value in signaling a long term commitment and ensuring sufficient funding; however, there is nothing about a scholarship program that requires an endowment.

Indeed, in Kalamazoo, the scholarship program is funded through a series of annual, rolling contributions by the donors based on the amount of dollars required. (Legal structures are in place committing the donors to continued funding.)

Toledo has been able to generate substantial philanthropic resources in the past, and there are grounds for optimism about the availability of funding for a Toledo Promise, although this optimism should be tempered at the moment by the recession and the prospect of continued economic contraction, which has reduced philanthropic resources in many communities. The city is home to both successful businesses and wealthy individuals. To move the fund development effort forward, organizers will need to tap into the self interest of the business community and ensure buy-in to the belief that a healthy public school district is essential to meeting their workforce needs. The supporters of such a vision are likely to be those with a long-term presence in the community or a commitment to a continued local presence, as the benefits of such investments are not immediate. The creation of some kind of advisory council or governing board of stakeholders that includes business, civic, and nonprofit leaders, as well as public officials, can be helpful in leveraging resources, ensuring accountability, and directing funding to where it is most needed.

## Appendix – Methodology

### I. Estimation of Benefits

#### *Estimation of the Number of Households Attracted into the Toledo Public School District by the Toledo Promise*

The factors influencing households' decisions to move include:

- Improved employment opportunities.
- Enhanced opportunities to generate greater earnings or buying power;
- Familial ties;
- Amenities in the region.

In this analysis we treat the Toledo Promise as a new and unique amenity to the area. The value of an area amenity is estimated by the amount of money a person would be willing to forego to live in the area because of the amenity's impact to his or her quality of life. In coastal areas the often heard statement is "the view of the bay is half the pay." In this case, the person would be willing to move or stay in the Toledo School District due to the Promise, even if his or her wages would be reduced, as long as the reduction is less than the value of the Promise. The model estimates that a 10 percent increase in the area's amenities (in this case, the net present value of the scholarship households have access to by living in the District) will generate a 0.9 percent change in population.

The next step is the estimation of the value of the Promise to residents living in the Toledo Public School District. This is a difficult task for a number of reasons. We first estimate the net present value (NPV) of the Promise to area households.<sup>12</sup> The NPV of the Toledo Promise for a family depends upon:

- The number and ages of the children in the household;
- The probability that the household will not move before the children graduate; According to the 2000 Census, on average, 3.4 percent of the nation's households move across county boundaries each year;
- The probability that the family's children will go to and stay in college;

On average, 3.4 percent of all people in the U.S. move from one county to another annually.<sup>13</sup> These moves are often work-related or reflect changes in the family structure, e.g. divorces or caring for elderly parents. For households in the Toledo Public School District this means that there is a chance that they will not be able to stay in the city to take advantage of the Toledo Promise. This fact lowers the estimated NPV of the scholarship. The next adjustment is to estimate the percent of all children that will go to college. Most parents of newborns fully expect

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<sup>12</sup> Net Present Value is a statistical technique used to estimate the value of an asset that occurs over time. In this case, the Promise would "free up" monies that would have been saved annually for college tuition. We use a 2.0 percent discount rate in this report. It is important to remember that the discount rate is not an adjustment for inflation but an indicator of time preference.

<sup>13</sup> 2000 Census. However, this could be an underestimation. According to the U.S. Census American Community Survey, 5.1 percent of all children between the ages of 5 and 17 moved from one county to another in 2006.

their children to go to college; however, these expectations likely change as the child grows up. We assume that 95 percent of the parents with children below the age of three believe their children will complete four years of college. As the academic abilities of the child are realized, it is likely that many parents will lower their expectations and hence lower the value of the Promise.

The next question to answer is how many households will move to the Toledo area due to the Promise. A careful literature search uncovered no previous research examining this specific scenario.

To estimate the number of people moving into the region due to the Toledo Promise, we argue, as stated above, that the Promise enhances the amenities of the Toledo Public School District. Our approach uses a regional forecast model built by Regional Economic Models, Incorporated (REMI), which is capable of generating an estimate<sup>14</sup> on the elasticity of migration due to changes in an area's amenities.

We first calculated the average estimated NPV of the Toledo Promise for households within each of the eight cities in the Toledo Public School District. This is then multiplied by the estimated number of households with children to derive the maximum amount of the Net Present Value, \$390 million, accruing to Toledo City residents due to the Promise. This represents approximately 7.4 percent of the City's total personal income in 2007. This will attract an estimated 2,271 households and 2,583 students into the Toledo Public School District during the first year of the Promise.<sup>15</sup>

The enrollment impact of the Kalamazoo Promise fell off dramatically after the first year, dropping 90 percent from an increase of 1,000 students during its first year to a growth of fewer than 100 students in its second year. Preliminary numbers suggest that the enrollment level could grow by 132 this year. We used an 80 percent fall-off rate in our evaluation of the Toledo Promise.

## **II. Estimation of Costs**

Clearly, the major expense of the Promise will be paying out the scholarships. As mentioned above, during its first year the Promise will attract 2,583 new students into the Toledo Public Schools. After the first year, we assume that the number of new students attracted into the school district will fall by 80 percent and remain fairly constant at that level.

The second major factor in determining the cost of the Toledo Promise depends upon both the graduate rate and the college readiness of the Toledo Public School students. The forecasted

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<sup>14</sup> Although the Upjohn Institute does not maintain a REMI model specific to the Toledo area, it can be used to produce an average elasticity migration response estimate, which is what we assume to be a reasonable response to the change in income expected through the Toledo Promise.

<sup>15</sup> Of course, not all of these households will "move" into the Toledo Public Schools. Many will simply transfer from their current private or charter school to take advantage of the Promise. Nevertheless, in our calculations we treat them as moves; households being attracted into the Toledo Public Schools due to the added amenity of the Promise.

percentages of graduates attending post-secondary institutions are based on discussions we have had with school administrators. The forecasted college drop-out rates reported above are based on statistics from the U.S. Department of Education. It is important to note that as student academic performance improves, the cost of the Promise will increase as well, as more students use the program. Furthermore, we forecast that student performance will improve because the Promise reduces the financial barriers of going to college.

The final step in determining the cost of the scholarship is to estimate the amount of grant/scholarship dollars, both public and private, that will be applied for and submitted by the students to the scholarship program. As of the 2003-04 school year, 56.3 percent of all students attending four-year public universities receive grant assistance for tuition that covers, on average, 82.4 percent of tuition and fees. For students attending two-year public colleges, 45.8 percent receive grant assistance that covers 100 percent of tuition.<sup>16</sup>

The estimate presented here is for a last-dollar program. Two adjustments would be needed to arrive at a cost estimate for of a true “middle-dollar” program of the kind recommended here – that is, a program whose benefits are calculated after federal and state needs-based aid has been awarded. First, private scholarship funding (including institutional aid from the college admitting the student) would need to be eliminated from the calculation, as it is included in the Department of Education’s data. Second, current programs available to TPS students with financial need through Owens’ Success Program and the University of Toledo Guarantee would need to be included because they will reduce the cost of a middle-dollar program (assuming these institutions would plan to continue these programs if a Toledo Promise were created).

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<sup>16</sup> U.S. Department of Education, National Center for Education Statistics.



## Supplemental Material. Denver Scholarship Foundation College Future Center Standards for Success

<i>The nine traditional high schools participating in the Denver Scholarship Foundation scholarship program will each have a Future Center designed and operated according to these standards for success. *</i>			
Standards for Success	Description		
Purpose and Goals	The Future Center is a post-secondary resource center that serves as the hub for students to achieve success during and beyond high school. The coordinators can provide expert college advising services to help students better understand their options and learn the academic requirements and programs offered by colleges across the country. The goal of the Future Center is to enhance the college going culture in Denver's public high schools.		
Infrastructure	<p>To ensure that the Future Centers are inviting, inspiring and useful for students and their parents and to maintain the highest levels of service provision and functionality, the Future Centers will meet the following infrastructure standards:</p> <p><b>Space:</b> Future Centers will be located in a classroom-sized space in the school, close in proximity to the counseling office if possible. The space should be made inviting and comfortable, possibly by installing carpeting or rugs and/or painting the walls</p> <p><b>Furniture:</b> Each Future Center will have bookshelves, filing cabinets (with locks), tables, chairs, a media cart, a computer desk/table and chair for each computer, display units (large dry-erase calendar, magazine racks, etc.), one desk for the coordinator and a desk or table for use by other service providers, and possibly lounge-area furnishings such as a couch and/or a group of comfortable chairs that comply with district regulations regarding soft furniture</p> <p><b>Technology/Communications:</b> Future Centers will have 8-10 Computers with high-speed Internet connections, a printer, copier, fax machine, telephone with long-distance access, and possibly an LCD projector</p> <p><b>Supplies:</b> Future Centers will be stocked with paper and mailing supplies (envelopes and stamps) that are provided by the school.</p> <p><b>Maintenance:</b> Each school will be responsible for maintaining its Future Center, including cleaning regularly, making necessary repairs to the room, furniture, and technology, replacing broken furniture and obsolete computers or other technology, and maintaining security.</p>		
Resources and Services	<p>Future Centers will offer comprehensive assistance with the college process by offering a wide variety of resources and services.</p> <table style="width: 100%; border: none;"> <tr> <td style="vertical-align: top; width: 50%;"> <p><b>The following resources will be available:</b></p> <ul style="list-style-type: none"> <li>• Career Information</li> <li>• College Applications</li> <li>• College Catalogues (In-State and Out-of-State)</li> <li>• College Planning Guides</li> <li>• FAFSA Forms and Information</li> <li>• Financial Aid Applications and Information</li> <li>• Internship Information</li> <li>• Peterson's Guides</li> <li>• Scholarship Applications and Information</li> <li>• Various online resources</li> <li>• Priority Financial Aid Deadlines for DSF-eligible schools</li> </ul> </td> <td style="vertical-align: top; width: 50%;"> <p><b>The following services will be offered/coordinated:</b></p> <ul style="list-style-type: none"> <li>• Assistance with completing applications for college admissions, financial aid and scholarships</li> <li>• Career exploration</li> <li>• Classroom presentations and workshops</li> <li>• College and scholarship search assistance</li> <li>• Coordination and scheduling of in-school college representative visits</li> <li>• Coordination and scheduling of field trips for on-campus college visits</li> <li>• One-on-one and small group sessions</li> <li>• Evening workshops such as FAFSA night</li> <li>• ACT preparation</li> </ul> </td> </tr> </table>	<p><b>The following resources will be available:</b></p> <ul style="list-style-type: none"> <li>• Career Information</li> <li>• College Applications</li> <li>• College Catalogues (In-State and Out-of-State)</li> <li>• College Planning Guides</li> <li>• FAFSA Forms and Information</li> <li>• Financial Aid Applications and Information</li> <li>• Internship Information</li> <li>• Peterson's Guides</li> <li>• Scholarship Applications and Information</li> <li>• Various online resources</li> <li>• Priority Financial Aid Deadlines for DSF-eligible schools</li> </ul>	<p><b>The following services will be offered/coordinated:</b></p> <ul style="list-style-type: none"> <li>• Assistance with completing applications for college admissions, financial aid and scholarships</li> <li>• Career exploration</li> <li>• Classroom presentations and workshops</li> <li>• College and scholarship search assistance</li> <li>• Coordination and scheduling of in-school college representative visits</li> <li>• Coordination and scheduling of field trips for on-campus college visits</li> <li>• One-on-one and small group sessions</li> <li>• Evening workshops such as FAFSA night</li> <li>• ACT preparation</li> </ul>
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Coordination of Services	To reduce overlap of services while ensuring that every student receives appropriate services, the Future Centers will be the main point of contact for all pre-collegiate programs and events in the schools. To facilitate effective coordination of services by the College and Financial Aid Advisor, all pre-collegiate programs operating in the school will have an agreement with the Future Center, meet regularly with the		

	<p>Coordinator and all other pre-collegiate service providers in the school, and provide or agree to:</p> <ul style="list-style-type: none"> <li>• A description of program services, outcomes, and guidelines for involvement</li> <li>• A list of participating students and details of their involvement with the program, updated once per semester</li> <li>• A list of involved program and school staff and details of their involvement</li> <li>• Advance notice when visiting the school or conducting events</li> <li>• Annual program evaluation and results</li> <li>• Electronic data sharing</li> <li>• Making contact with participating students at least monthly</li> </ul> <p>With the counseling staff, the College and Financial Aid Advisors will evaluate the lists of students served to identify under- and over-served students, and will take appropriate action to ensure all students receive services that meet their needs.</p> <p>College and Financial Aid Advisors will support the success of other pre-collegiate programs in the school by displaying materials, coordinating announcements of the various events taking place in the school, offering space and coordinating appointments for college representatives and pre-collegiate program staff to meet with students, and helping students get involved by referring them to appropriate program staff, but coordinators will not be responsible for actively recruiting participants for each program.</p>
Personnel	<p>Each Future Center will be staffed by one full-time coordinator, who is a college and financial aid expert, and volunteers. Various members of the school community will also have a role in the collective effort to make each Future Center successful.</p> <p><b>Center Coordinators:</b> Counselors and coordinators will partner to ensure that each student receives the benefit of college counseling and other services while avoiding duplication of services. Coordinators will attend counseling meetings at their school and will meet monthly with principals. See job description.</p> <p><b>Counselors:</b> College counseling will remain, first and foremost, a counselor’s responsibility. Counselors will also encourage students to use the centers as an additional resource and source of support. Outreach efforts to students/parents through classroom visits and evening workshops will be shared with the coordinators, as appropriate in each school. Counselors will participate in the hiring of coordinators and will provide feedback to DSF on their performance.</p> <p><b>Volunteers:</b> With help from DSF and the school’s Parent Liaison, Coordinators will recruit and train parent and college student volunteers to answer and make phone calls, schedule appointments, prepare and send mailings, deliver hall passes for student access to center, update scholarship information, maintain a student/parent sign-in sheet, contact parents to provide student updates or to encourage participation</p> <p><b>Teachers:</b> Teachers will know what resources and services are available through the Future Centers, encourage students to make use of them and provide student access to the centers through hall passes.</p> <p><b>Principal:</b> Principals will ensure that Future Centers are properly supplied and maintained, take part in the hiring of coordinators, and provide leadership for coordinators through monthly meetings and as needed, and provide feedback to DSF on coordinator performance. Through meetings and information sharing, principals will also connect coordinators with faculty/staff.</p> <p><b>District:</b> Facilities and technology professionals from the district will help set up and maintain the resource centers and the district will provide access to appropriate student data for evaluation and tracking purposes.</p> <p><b>Other Programs/Service Providers:</b> Agreements will describe the relationship between the Future Center and each Pre-collegiate Program as outlined above in Coordination of Services.</p>
Operating Hours and Calendar	<p>Each Future Center will be open for operation according to a regular schedule proposed by the Coordinator and approved by DSF and the principals, including:</p> <ul style="list-style-type: none"> <li>• School Days from 7:30 am to 4:00 pm, closed during one regularly scheduled class period per day</li> <li>• Periodic evening programs for post-secondary planning and information regarding colleges and financial aid</li> </ul>

	<ul style="list-style-type: none"> <li>• Occasional Saturdays, as approved and advertised at each school</li> </ul> <p>During operating hours, Future Centers will be staffed, by Coordinators and/or volunteers or other pre-collegiate program staff. In addition to regular operating hours, Coordinators will offer and/or participate with schools and counselors to offer:</p> <ul style="list-style-type: none"> <li>• At least two evening workshops per semester</li> <li>• Special events, workshops and walk-in sessions during the summer when the school is open for other purposes</li> </ul>
<p>Data and Evaluation</p>	<p>Evaluation to measure Future Center success and to identify opportunities to improve will involve ongoing data collection and analysis.</p> <p><b>To measure how effectively the Future Center serves the school population, the following will be analyzed:</b></p> <ul style="list-style-type: none"> <li>• Number of students and parents served by the Future Center</li> <li>• Which services/resources students use</li> <li>• Participation in Future Center events and workshops</li> <li>• Number of students served by other pre-collegiate programs</li> <li>• Relationships between pre-collegiate services and resources students use and their college application, acceptance, financial aid, and scholarship outcomes</li> <li>• Feedback from students and parents</li> </ul> <p><b>To measure Future Center impact on college access for the school population, the following will be analyzed and compared to baseline figures:</b></p> <ul style="list-style-type: none"> <li>• College-going rate</li> <li>• College persistence and completion rates</li> <li>• Number of students who apply to college and for financial aid and scholarships</li> <li>• Number of students who are accepted to college and are awarded scholarships</li> <li>• The colleges at which students are accepted and enrolled</li> <li>• Total value of scholarships awarded to students served</li> <li>• Total value of financial aid awarded to students served</li> <li>• Students' post-high school plans</li> <li>• GPA</li> </ul> <p>This data will be collected through:</p> <ul style="list-style-type: none"> <li>• Surveys collected for each student or parent visit to the Future Center that records the date, length of time, purpose, service(s) and/or resource(s) used, results, and suggestions</li> <li>• Coordinator and volunteer data tracking of services provided</li> <li>• Tracking of all applications students submit for college admission, financial aid, and scholarships and follow-up with students for results</li> <li>• Data provided by the school and/or school district</li> </ul> <p>Proper releases and permissions will be obtained  Coordinators will record the data in the DSF secure online student information tracking system</p>
<p>Budget</p>	<p>Major Future Center costs will be:</p> <ul style="list-style-type: none"> <li>• College trips, Infrastructure, Professional development, Staff, Supplies (general and content specific), Technology, Volunteer costs (for background check, recruitment, training, and coordination)</li> </ul> <p>Schools will cover the costs for maintenance and utilities</p>
<p>Communications and Outreach</p>	<p>In order to ensure that Future Center communications provide clear and timely messages about events, workshops, and important college information for students and parents:</p> <ul style="list-style-type: none"> <li>• Coordinators will announce events at least two weeks in advance verbally and in writing at school and by sending information home to parents</li> <li>• All written communications to parents will be made in English and Spanish</li> <li>• Coordinators and volunteers will try to reach parents by phone when necessary</li> </ul>

<b>Professional Development</b>	<p>Ongoing professional development to keep College and Financial Aid Advisors current on all aspects of college access and prepared to do their jobs effectively will include learning on the following topics:</p> <ul style="list-style-type: none"> <li>• Admissions</li> <li>• Career paths and exploration</li> <li>• Evaluation and data analysis</li> <li>• Financial Aid</li> <li>• Scholarship</li> </ul>
<b>Other Considerations</b>	<p>Students face other barriers to post-secondary education that we may address in the future. During the pilot year we will assess the needs for additional Future Center services. In the coming years the scope of the Future Center may expand to include:</p> <ul style="list-style-type: none"> <li>• Intervention/Drop-out prevention</li> <li>• Internship placement</li> <li>• Life skills training</li> <li>• Service-learning</li> <li>• Social services</li> <li>• Tutoring</li> </ul>
<b>Volunteers</b>	<p>The potential for volunteers to contribute to the success of the Future Centers is great. During the 2007-2008 school-year, we will assess the need for volunteer involvement and more clearly outline the role(s) volunteers will play in the Future Centers. We must consider:</p> <ul style="list-style-type: none"> <li>• Volunteer background checks involve a cost of up to \$50 per volunteer and are required by the District</li> <li>• Potential recruitment pools that include parents/members of school community, college students, and local business partners</li> <li>• DSF agreements with participating institutions could include plans for colleges to recruit volunteers for the Future Centers</li> </ul>
<b>Research</b>	<p>Best practices research and evaluation of other post-secondary education resource centers will provide valuable information for the design and implementation of the Future Centers. We will visit successful centers, such as those at Arapahoe and Cherry Creek High Schools, the MARC, and centers operated by High Horizons to learn about their offerings, standards, and outcomes.</p>

*\* (Students at the other high schools in DPS – magnet, alternative, and charter schools – will work with one College and Financial Aid Advisor, but will not have access to a Future Center on-site.)*

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## College and Financial Aid Advisor Position Description

**Position:** College and Financial Aid Advisor

**Reports to:** Assistant Director of Outreach, Denver Scholarship Foundation

**Application Deadline Is:** *Open Until Filled*

### **Position Summary:**

The Denver Scholarship Foundation (DSF) is seeking a positive and energetic College and Financial Aid Advisors (CFAA) to serve as a resource and guide for Denver Public School (DPS) students seeking a post-secondary education. DSF seeks to inspire and empower DPS students to achieve their post-secondary goals by providing the tools, knowledge and financial resources essential for success. To achieve this mission, DSF offers an innovative high school-based program that provides college, career and financial aid guidance to DPS high school students at each grade level. To promote the post-secondary success, DSF partners with Colorado technical schools, colleges, and universities. Each CFAA will have primary responsibility for students in one or more DPS schools. Early November start date anticipated.

### **Responsibilities:**

- Manage Montbello High School (MHS) Future Center
- Develop and maintain positive working relationships with school staff and administration, including principals, teachers, counselors and other service providers
- Deliver college access services and programs to all MHS students
- Raise student awareness and participation in the DSF scholarship program
- Monitor student eligibility for DSF scholarship and direct students to appropriate resources to help them satisfy eligibility requirements
- Serve as a financial aid, scholarship, and post-secondary education advisor to students and parents
- Coordinate other pre-collegiate programs within the school to reduce overlap of services and to ensure that every student receives appropriate services
- Maintain accurate and relevant student data to ensure ongoing analysis of student outcomes
- Assist with the implementation and coordination of an Individual Career and Academic Plan (ICAP) for each MHS student using DPS selected software
- Develop, coordinate, and deliver financial aid, Free Application for Federal Student Aid (FAFSA), and other workshops for students and parents
- Conduct one-on-one and small group advising sessions with students
- Conduct presentations at various outreach events including college fairs
- Plan and/or coordinate in-school college representative visits and campus visits
- Plan, coordinate and conduct summer activities, Saturday, and evening workshops
- Perform outreach to middle schools including awareness sessions for students, parents, and staff
- Other duties as assigned

**Qualifications and Requirements:**

- Bachelor's degree
- Three years experience in a related field
- Knowledge of higher education financing, student financial aid, and/or post-secondary education entrance processes
- Experience working with youth and a passion for helping students succeed
- Strong oral communication and writing skills; ability to communicate with sensitivity and work with diverse populations, comfort with public speaking
- Strong organization skills, detail oriented, accurate and timely with assigned tasks
- Ability to operate in a professional manner including proper attire, ethical behavior, and strict confidentiality with student/family information
- Ability to handle multiple tasks in a fast paced environment
- Ability to work independently as well as to cooperate as a team player
- Ability to facilitate effective collaboration and resolve conflict
- Demonstrated sensitivity to diversity
- Effectively use a variety of technology tools including database, various software programs, internet tools, and communication tools
- A sense of humor, tolerance for change, and a demonstrated ability to create a positive culture and sense of empowerment for students/families

**Preferred:**

- Master's degree
- Spanish fluency (oral and written)

**Salary:**

The Denver Scholarship Foundation is the employer independent from the Denver Public Schools. Compensation range for 12 month position is \$46,000-\$54,000 depending on education and prior experience level. A comprehensive benefit package is offered in addition to salary.

**Mental/Visual Demands and Physical Working Conditions:**

- Alert to monitoring student work and able to comply with DPS safety, and security procedures/policies
- Able to regularly operate technology including fax, copier, computer, telephone, and other communication tools as needed
- Access to reliable transportation to travel to off site meetings and professional development opportunities
- Some scheduled evening and weekend work required
- Physical demands may involve lifting materials and equipment up to 30 pounds