Policies for Place: *How to Make Sustainable Investments in Communities*

March 2024

W.E. UPJOHN INSTITUTE FOR EMPLOYMENT RESEARCH

About *Policies For Place*

The Policies for Place initiative at the Upjohn Institute brings together experts from around the country to study community-based strategies to create good jobs—and how to help people get and keep those good jobs.

This initiative represents a unique approach to helping people in distressed places.

- We focus on good jobs because research shows that helping residents get and keep good jobs is the key to broadly shared local prosperity.
- We recognize that effective policies are attuned to local conditions. While federal or state support is important, local leadership and cooperation are key.
- We provide recommendations for evidence-based, place-based policies that are tailored to the needs of individual communities.

Policies for Place

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Policies for Place: How to Make Sustainable Investments in Communities

Place matters. In the US, some cities and states are thriving, while others have been left behind. State and local policymakers have taken a leading role in designing policies and programs that aim to build resilient communities, develop skilled workforces, and create good jobs. But because resources are limited, it is crucial for policymakers to identify effective programs and put them on a sustainable financial footing. Which policies can state and local governments enact to maximize their impact within constrained budgets? And once implemented, how can these programs be sustained to create broadly shared prosperity – for today and far into the future?

How to Attract and Retain Talent in a Highly Mobile World

Boosting Communities that Have Been Left Behind

Brain Drain or **Brain Gain?**

Where University Alumni Locate

by Brad Hershbein

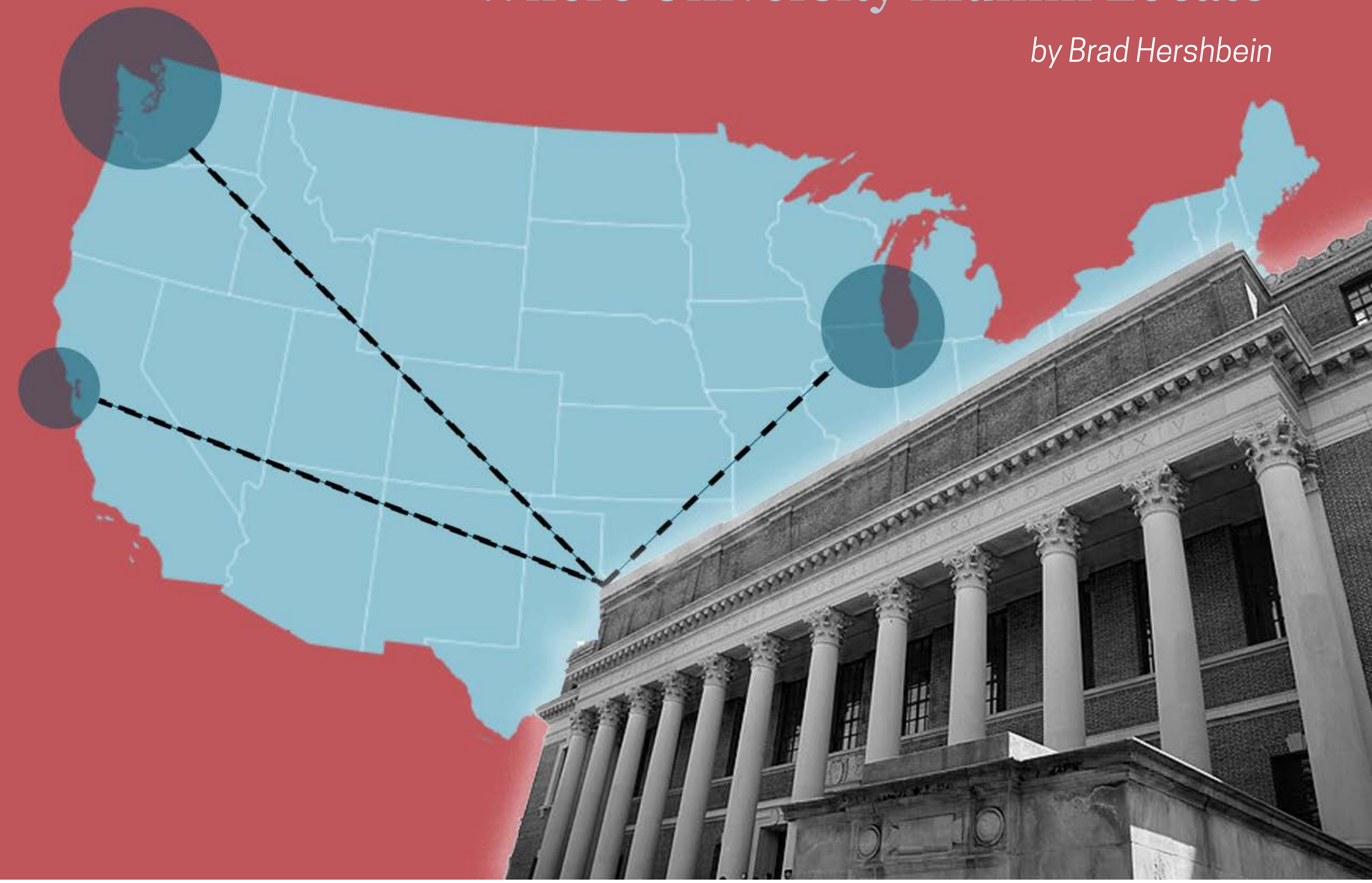


Illustration by Kathleen Bolter; photograph by Jiaqian AirplaneFan via Wikimedia.

The stakes for understanding the social returns to funding of colleges have never been higher. Public funding of colleges has not recovered to its level from 20 years ago, and some states are currently trying to cut programs that leaders doubt will lead to high-paying in-state jobs. Unfortunately, policy discussions around the funding of public higher education often happen without policymakers knowing how colleges help students move up economically or where those college graduates end up working and living. Even though the government collects data on which states undergraduates at each college come from, there are no publicly available data for where graduates of specific colleges end up after graduation. This information is vital for local economic and workforce development and for estimating the state and local return on public funding of higher education. For example, should a county spend more on its community college if graduates often leave the area for places with more job opportunities? Or could that money be better used to create jobs? Similarly, if a state wants more residents to attain higher education, should it give more money to its top research university or to a regional university more focused on teaching?

New Data to Understand the Mobility of College Graduates

My colleagues and I developed a new data set tracking the destinations of graduates for most colleges and universities in the United States. We draw upon information from the business networking site LinkedIn, which contains school-specific pages for almost every U.S. college. The social profiles created by LinkedIn users automatically sync alma maters and geographic locations to these college-specific pages, so there is no need to examine individual user pages. By scraping these data, we can identify the top 15–20 labor markets—akin to metropolitan areas—where alumni from each college are living, as well as the share residing in the same state as the college.

Of course, the data are not perfect. Not every college graduate creates a LinkedIn profile, and graduates occasionally stray from the truth when reporting the college(s) they attended. Thus, we check the quality of the data in several ways. For instance, we compare the school-specific alumni counts from LinkedIn with official graduate counts from the Department of Education's Integrated Postsecondary Education Data System (IPEDS). The comparison shows a very high correlation between the two measures and implies that LinkedIn captures about two-thirds of all graduates. We also vet the data against an experimental Census Bureau data product, the Post-Secondary Employment Outcomes, which provides state location and earnings data for graduates from a limited number of colleges in certain states. Again, our data match up quite closely with the government data source. We can even show that overrepresentation of graduates from certain majors, such as business, in the LinkedIn data does not significantly alter the location patterns we calculate. Our paper provides many more details on the construction of the data.

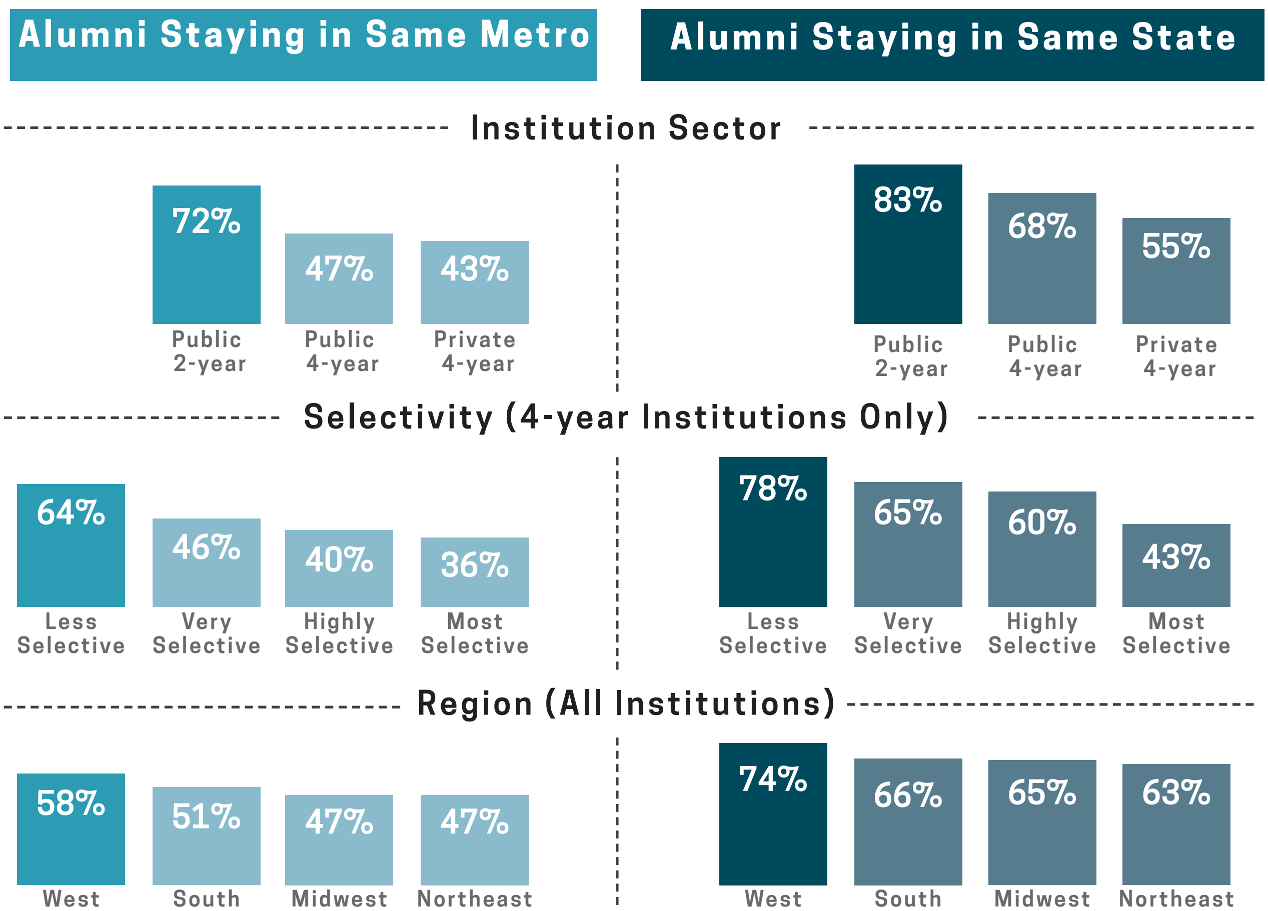
Interested users can freely access the data on college graduate labor markets at OpenICPSR.

The Type of College Matters

From the data, we can learn many things that were previously unknown. For instance, the average recent college graduate moves approximately 200 miles away from his or her college. However, these distances vary considerably across different types of colleges, and not always in expected ways. Over a quarter of community colleges see their alumni spread out over wider geographic areas than the typical public university.

Who's more likely to stay after graduation?

- **Alumni of 2-year public colleges**
- **Alumni of less selective schools**
- **Alumni of schools in the West**



NOTE: "Less selective" includes all categories below "Very selective," with special-purpose institutions (e.g., art and music schools) excluded. Institutions not located in a metro area are assigned the nearest one based on driving distance to the metro area's geographic center.
SOURCE: Authors' calculations; Conzelmann, Johnathan G. et al. "Grads on the go: Measuring college-specific labor markets for graduates." (2023).

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The share of alumni staying within the same metro area, or within the same state, varies across college sector, region of the country, and college selectivity. Although some of the patterns may not be surprising, we can measure them precisely for specific schools. For example, the University of Michigan (U-M), Eastern Michigan University (EMU), and Washtenaw Community College (WCC) are all located in the same county, but only 40 percent of U-M's graduates stay within Michigan, while 76 percent of EMU's alumni do, as do 80 percent of WCC's alumni.

Moreover, 71 percent of EMU's graduates locate in greater Detroit, as do 75 percent of WCC alumni. For U-M graduates, only 35 percent remain in the greater Detroit area, with large contingents heading to New York City (10 percent), Chicago (7 percent), and the California Bay Area (6 percent).

Where college graduates decide to live after graduating has large implications for their economic mobility, particularly those from lower-income backgrounds. Our data reveal that a college student starting from the lowest income bracket has a higher chance of moving to the top income bracket in that student's early career when the student's college sends more of its graduates to places with strong labor markets and high wages. This connection between alumni locations and economic mobility persists even when accounting for detailed characteristics of the college (including its location) and its student body.

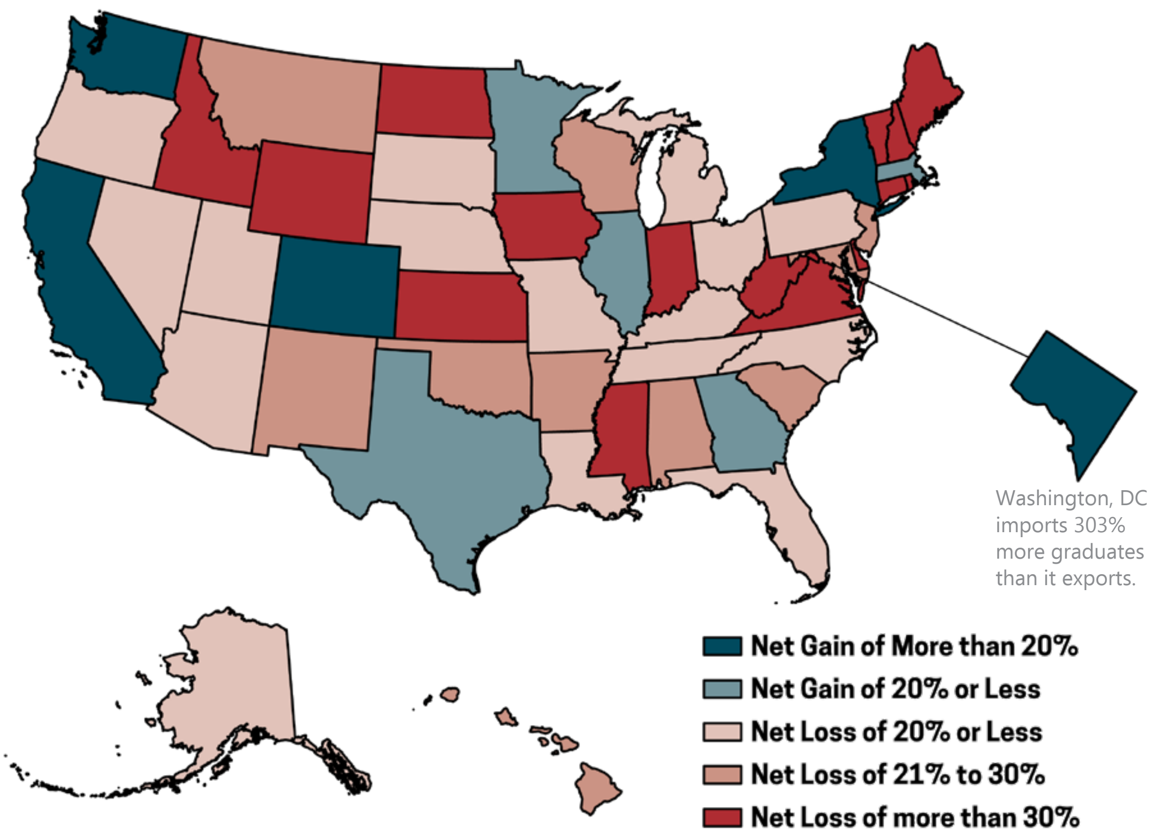
The Return on Investment for Retaining College Graduates

The labor markets that offer the greatest economic opportunity to graduates may be outside the local area or state that partly funds that college education. Consequently, some states may end up exporting many of their college graduates—resulting in a brain drain—while others import graduates educated in other states. Rural states are more likely to be net exporters, with more of their own college graduates leaving than students from outside the state flowing in. In contrast, states containing the bustling cities of Atlanta, Boston, Chicago, Denver, and Seattle import more graduates than their colleges produce.

> "A college student starting from the lowest income bracket has a higher chance of moving to the top income bracket when the student's college sends more of its graduates to places with strong labor markets and high wages."

DC, Colorado, New York, Washington, and California experience high levels of "brain gain" — importing far more college graduates than they export.

Net import rate of college graduates



NOTE: The graph focuses on alumni from bachelor's degree–granting institutions.
SOURCE: Conzelmann, Johnathan G. et al. "Grads on the Go: Measuring College-specific Labor Markets for Graduates." (2023).

We can combine the college-specific data on locations with government data on each college's expenditures to calculate a crude estimate of the return on state funds for each public bachelor's degree–granting college as the number of graduates retained in-state per $100,000 of state spending in appropriations and grants. On average, this return is 1.49, implying that about three graduates from the average college are produced and retained in-state for every $200,000 in state funds. The range, however, is considerable, with some colleges having a return of less than 1.00, while others have a return greater than 4.00. Interestingly, the return for state flagships, at 1.14, is substantially less than the return for moderately selective regional universities. Although the former have slightly higher graduation rates, they tend to cost more to educate graduates, who are also more likely to leave the state for farther-flung labor

Alumni of regional selective universities are more likely to stay and work close by, yielding a higher return on state funds.

Graduates retained in-state per $100,000 in state expenditures

NOTE: The chart is based on U.S. public four-year institutions. "Flagships" are the most selective, research-intensive institutions in each state. "Regional selective publics" are doctoral and master's institutions within the top three selectivity categories, excluding the "very high research activity" (R1) Carnegie classification. State expenditures include state appropriations and state grants from IPEDS.
SOURCE: Conzelmann, Johnathan G. et al. "Grads on the Go: Measuring College-specific Labor Markets for Graduates." (2023).

markets. Alumni of regional publics, especially those that have relatively high graduation rates, are more likely to stay and work close by, yielding a higher return on state funds. Considering that economic developers often view a job creation cost of $100,000 as reasonable, a public cost of roughly half that for an additional college-graduate worker seems like a steal.

Understanding where alumni of specific colleges work and live is critical for policymaking and economic development decisions. Our new dataset provides information on where each college's graduates end up living and working after graduation, a hurdle many analysts have struggled to surmount, but which can now be used to answer questions from educators, policymakers, researchers, and students.

Policy Recommendation

- States should spend more money on regional public universities with high graduation rates. Doing so will yield a greater return on investment than most other job creation schemes, especially tax breaks for large employers.

Remote Work's *Quiet* Impact on Rural Communities

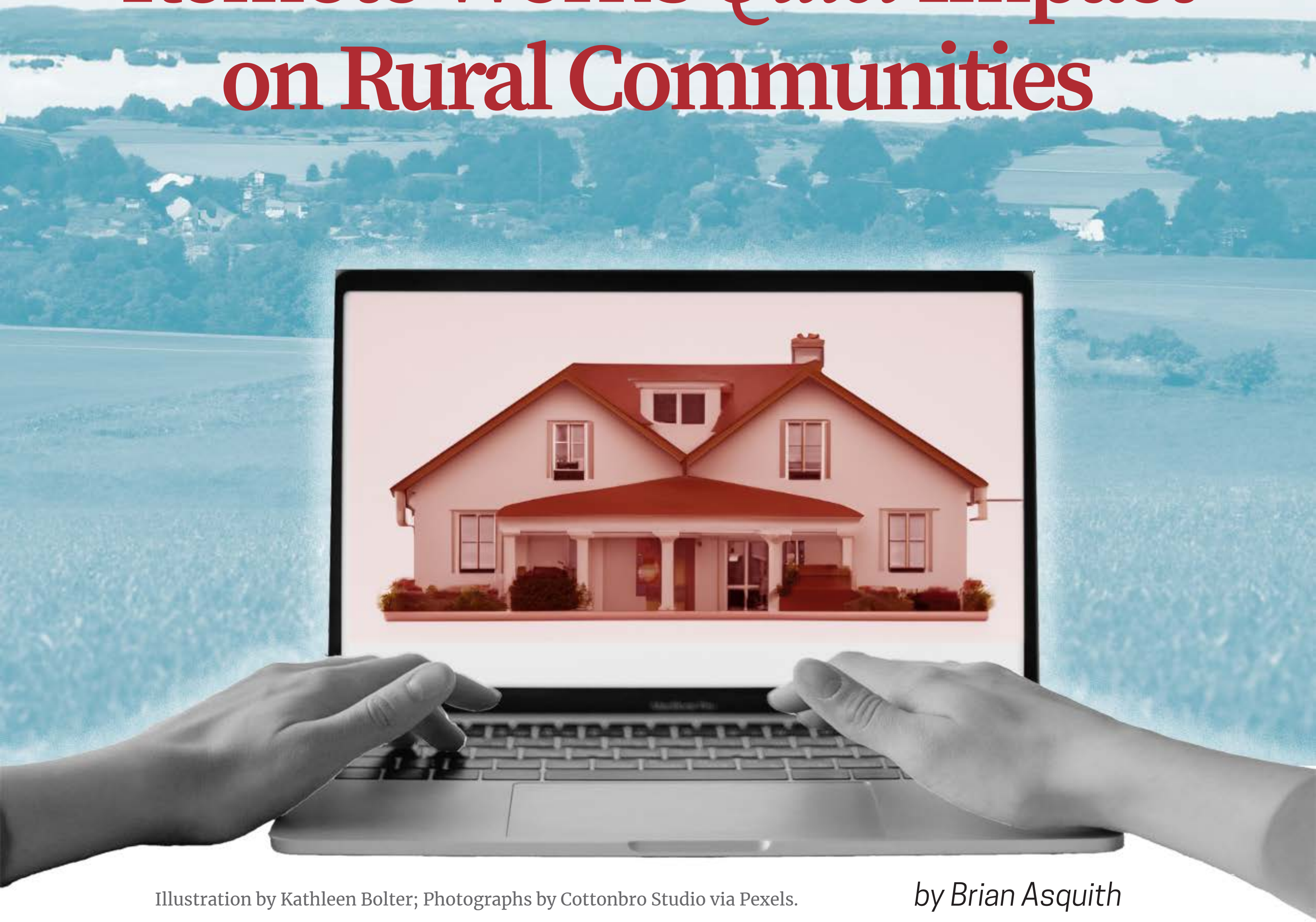


Illustration by Kathleen Bolter; Photographs by Cottonbro Studio via Pexels.

by Brian Asquith

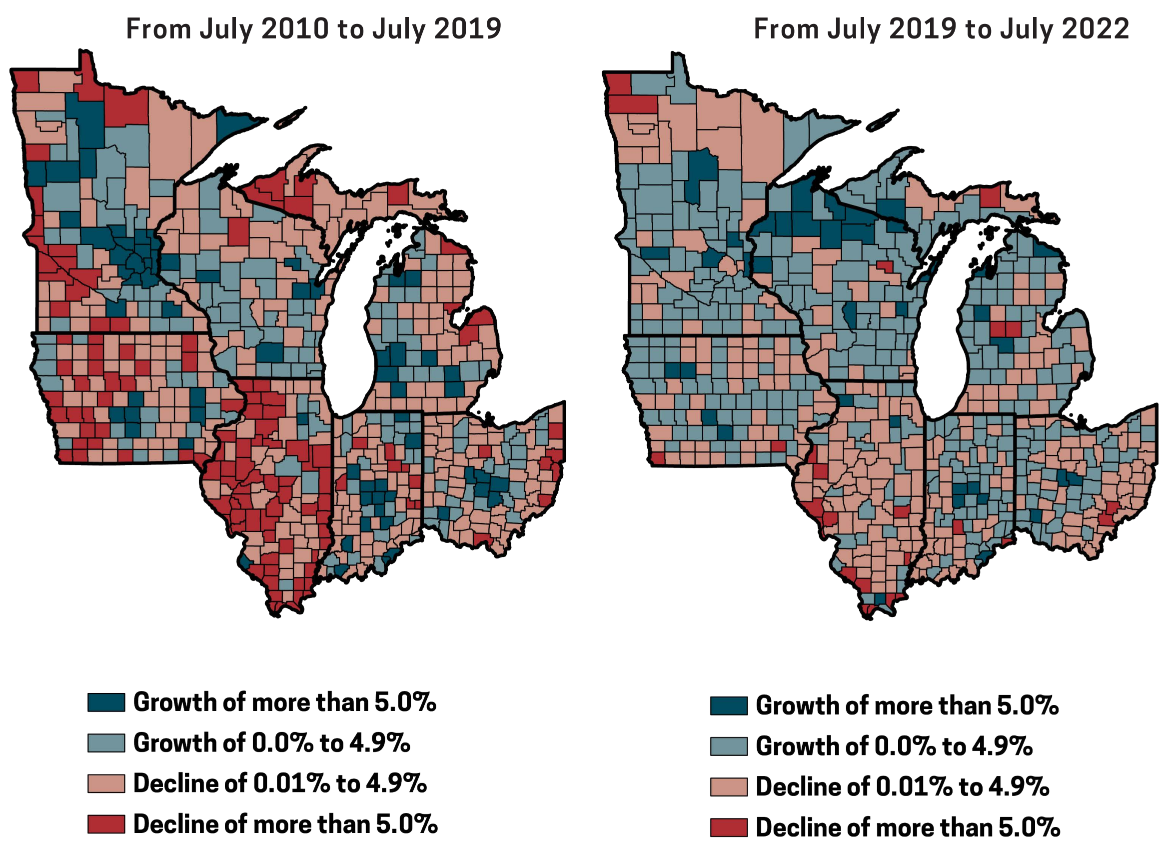
Since COVID forced millions to work from home, it's evident that remote work, at least part-time, has become firmly established. The declining demand for office space in central cities such as New York and San Francisco has drawn both scholarly and popular attention. However, more quietly, the trend of working from home has given many rural communities in the Midwest their first population boost in years.

Population Change Before and After the Pandemic

Between July 2010 and July 2019 (a period ending a few months before the pandemic), the population of most counties in the Midwest shrank. The few exceptions were in metro areas such as Columbus, Grand Rapids, Indianapolis, Des Moines, and Minneapolis–St. Paul. During this nine-year period, rural areas generally saw sustained population decline, as did many traditional manufacturing centers, such as Youngstown's Mahoning County and Flint's Genesee County.

Between July 2010 and July 2019 , the population of most counties in the Midwest shrank. However, from July 2019 to July 2022, some rural areas—particularly those near outdoor attractions—experienced a resurgence of population.

Percentage change in population



SOURCE: U.S. Census Bureau (2023).

However, from July 2019 to July 2022, the three-year period that spans the COVID-19 pandemic, some rural areas—particularly those near outdoor attractions—experienced a resurgence of population. For example, those areas close to the Great Lakes in northern Wisconsin, Michigan's Upper Peninsula and northern Lower Peninsula, and Minnesota's Iron Range have grown in population during this recent period. Meanwhile, rural areas in the farm belt of Indiana, Illinois, and Iowa, as well as Ohio's Appalachian counties, have continued to decline.

The Role of Remote Work

A key question for policymakers is, "How much of this change in growth can be attributed to remote workers?" For an answer, I look at the difference in the share of people working from home in 2019 compared to 2021 (the most recent year that has available data) in rural areas in the Midwest, and then compare this change in the work-from-home rate with the growth in population of these areas from 2019 to 2021.

There is a clear connection between a rise in the number of people working from home for every 1,000 residents and the growth in population. For every new person working from home per 1,000 residents, local population growth was 0.09 percentage points higher.

Even when we look only at rural areas that shrank in population between 2010 and 2019, 59 percent of these areas saw their populations subsequently increase between 2019 and 2021. In these communities, the relationship between more people working from home and population growth remains the same: for every new person working from home per 1,000 residents, local population was 0.085 percentage points higher.

During the pandemic, many remote workers probably moved to areas with natural attractions that were already popular among vacationers.

Among the factors that may be driving this growth are preexisting amenities that draw in outsiders. I look at how much housing in a county is used for seasonal or recreational purposes and the increase in people working from home in that county as a connected measure of how interested people were in spending time in a given county before the pandemic. Between 2019 and 2021, as the share of a county's housing set aside for seasonal or recreational use rises by 1 percentage point, there's an addition of 0.07 workers working from home for every 1,000 residents in that county.

These findings suggest that during the pandemic, many remote workers

Work-from-home and population growth tend to go together.

Relationship between work from home and population change in Midwestern non-metro counties (2019 to 2021)

SOURCE: U.S. Census Bureau (2023).

Vacation spots saw greater growth in work-from-home.

Relationship between seasonal housing share and work from home in Midwestern non-metro counties (2019 to 2021)

SOURCE: U.S. Census Bureau (2023).

probably moved to areas with natural attractions that were already popular among vacationers. Interestingly, this movement was not accompanied by a widespread shift of workers looking for cheaper housing throughout the entire region.

This relationship between working from home and population growth in nonmetro areas is something of a surprise. Research has shown that urban areas saw the greatest increases in working from home during the pandemic period. However, because more people with college degrees started working from home, and these educated individuals usually preferred to live in areas with lots of amenities even before the pandemic, it's not unexpected that the increase in working from home helped some rural areas with preexisting amenities attractive to nonresidents grow again instead of losing population.

Making Remote Workers a Community Asset

This type of surge in population growth is both an opportunity and a challenge for many smaller communities. Even before the pandemic, many rural and small-town communities struggled with housing shortages, particularly for seasonal workforce staff in resort areas. Traverse City, Michigan, for example, has seen both growth in start-up companies from the influx of new workers as well as strains on its local housing stock, particularly for lower-income workers. Traverse City has responded to the challenge by pioneering a new program aimed at creating "workforce" housing. This is specifically intended to provide affordable housing for people making between 80 and 120 percent of the area's median income. For a single person, in the case of Traverse City, that would be

Photograph by Public Domain at Wikimedia between $50,400 and $75,600 a year. Traverse City has agreed to accept two housing developments into its payment-in-lieu-of-taxes (PILOT) program, whereby these developments pay 10 percent of their net rental income to the city in place of paying property taxes, resulting in substantial savings to the developers and an increase in badly needed workforce housing for the area.

The example of Traverse City and other newly growing nonurban places offers tentative lessons for how rural and small-town areas can adapt to the new reality of a more mobile workforce. This is likely to capture policymakers' attention not just because many who work from home make above-median incomes, but also because many Midwestern states have seen lackluster population growth for some time and are in danger of shrinking. Michigan, for example, recently launched the Growing Michigan Together Council, composed of 28 civic, governmental, educational, and corporate leaders, whose goal is to develop strategies to grow the state's population. While incentives like relocation bonuses or tax credits for student debt payments may work, the experience of the pandemic also makes clear that one of the best ways to attract location-flexible workers is by having a strong mix of local amenities. State and local governments should thus work to ensure that their communities are nice places to live for all, which will pay dividends for new and old residents alike.

Policy Recommendations

- Address housing shortages by pioneering programs aimed at providing affordable housing.
- Explore strategies like incentives for relocation, tax credits for student debt payments, and other measures to attract location-flexible workers.
- Focus on developing a robust mix of local amenities to make communities attractive places to live for all residents.

Reimagining Business Incentives to DO MORE with LESS

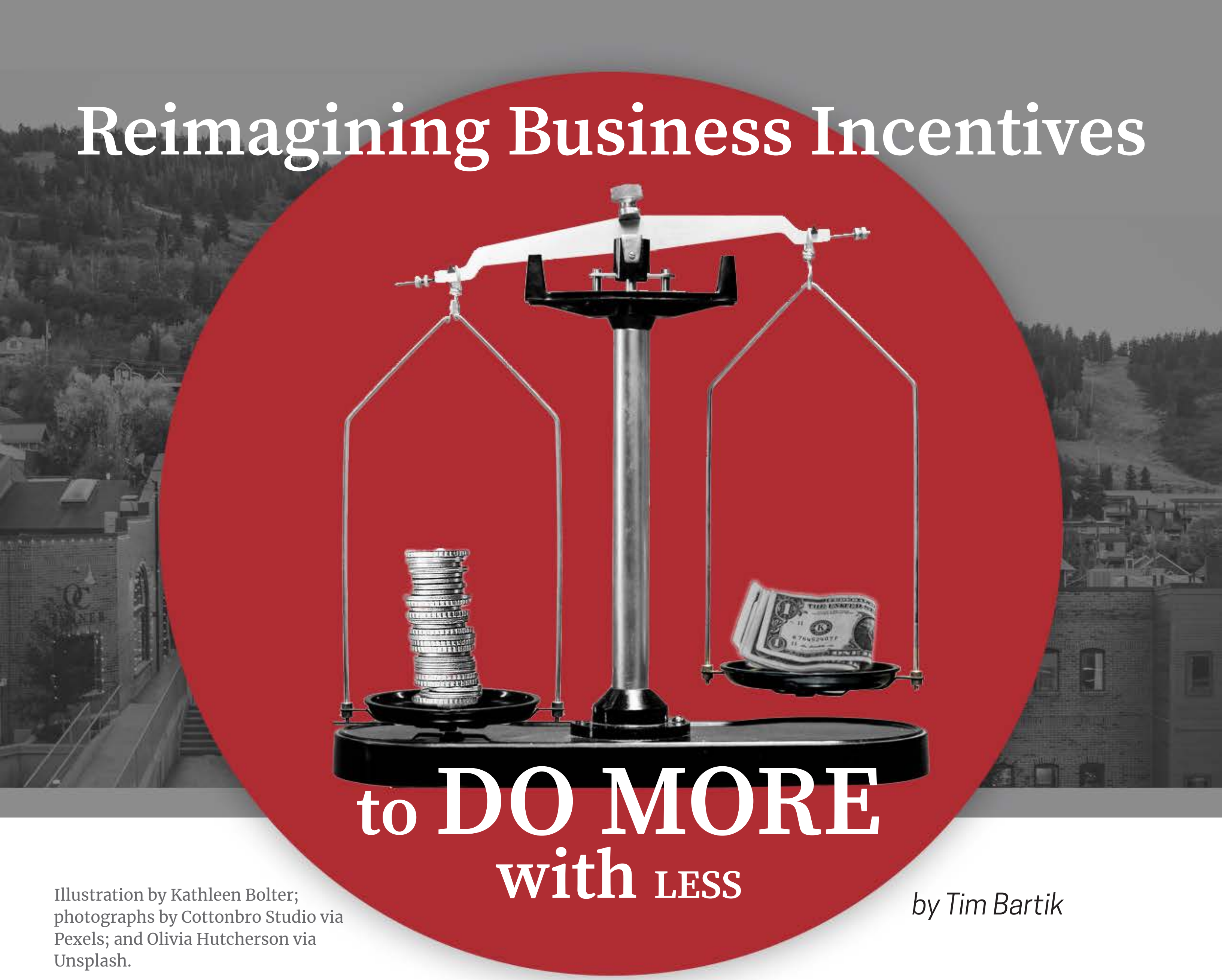
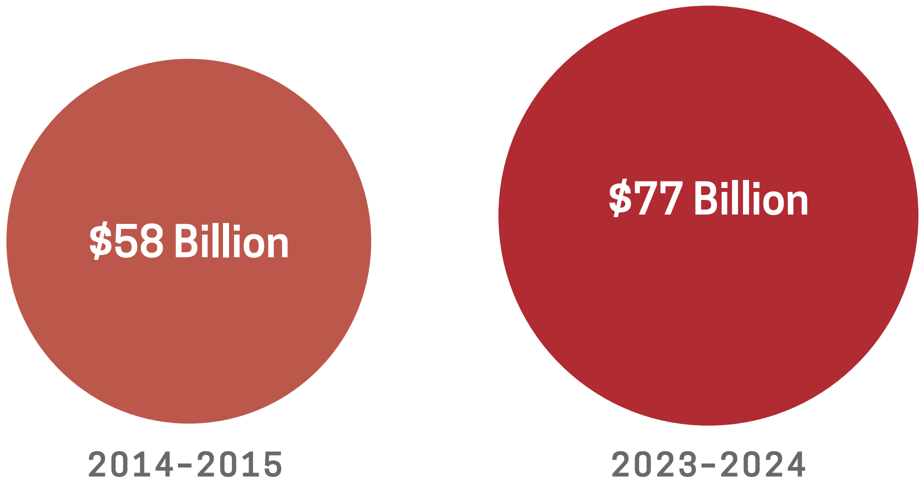


Illustration by Kathleen Bolter; photographs by Cottonbro Studio via Pexels; and Olivia Hutcherson via Unsplash.

by Tim Bartik

Current business-incentive policy trends are unsustainable and should be reformed. Over the past 30 years, states have expanded business incentives—policies that seek to encourage local job creation by providing individual businesses with either cash assistance, such as business tax breaks, or customized business services. In recent years, incentive policies have increasingly emphasized "industrial policies": in select industries, expensive cash incentives, sometimes exceeding $1 billion per deal, have been awarded to large firms. But future budget realities suggest incentives may need to be cut back. However, job creation continues to be valuable. Thus, states will need to reform incentives to achieve more benefits with less money. Higher benefit-cost ratios for incentives can be achieved by greater targeting of distressed areas and unemployed persons who need jobs the most, and by greater emphasis on "noncash" incentives that have lower costs per job created.

From 2014–2015 to 2023–2024, business incentives increased by about 30 percent after adjusting for inflation.



SOURCE: Incentive figures for 2015 use information from the Upjohn Institute's Panel Database on Incentives and Taxes for 2023–2024 are based on changes in real tax expenditures for economic development in the 10 largest states from 2014–2015 to the latest available fiscal year, which in most cases is 2023–2024.

The Rise of the Megadeal

Past research has shown that business incentives tripled in size as a proportion of business output from 1990 to 2015. However, from 2002 to 2015, state incentive trends were more mixed, with some states expanding incentives and other states cutting back.

Recently, state and local business incentives have again risen relative to the economy. From 2015 to 2023, incentives grew as a share of the economy by about 8 percent. Because the U.S. economy has also grown, total business incentives during this same period increased by about 30 percent after adjusting for inflation—from $58 billion in 2014–2015 to $77 billion in 2023–2024.

More and more, incentives are being used to offer big rewards per job for large projects in specific industries. These state and local "industrial policies" are influenced by the Biden administration's push to support clean energy and the semiconductor industry.

Megadeals have clearly increased—to an estimated $19 billion in 2022. At least eight of these deals had a total incentive offer exceeding $1 billion.

The amount that this works out to per job in some of these deals is unprecedented. In 2015, the median incentive deal was equivalent to about $50,000 per job in today's dollars. In 2017, the Foxconn incentive offer was considered extraordinarily high per job, at an estimated $277,000 per job in today's dollars. But in 2022, New York State struck a deal with Micron for a "megafab" plant, at $5.8 billion for 9,000 Micro jobs, or $644,000 per job. In Michigan, a 2019 megadeal for a Ford battery plant in Marshall provided over $1.7 billion in incentives for 2,500 Ford jobs, or almost $700,000 per job.

> "In Michigan, a 2019 megadeal for a Ford battery plant in Marshall provided over $1.7 billion in incentives for 2,500 Ford jobs, or almost $700,000 per job."

Among the industries targeted by these megadeals are the federally subsidized industries of semiconductors and clean energy (including electric vehicles). Since the CHIPS Act (Creating Helpful Incentives to Produce Semiconductors for America Fund), semiconductor manufacturers have announced planned domestic investments of over $166 billion. In electric vehicles, there have been at least 23 announced projects in the past three years, amounting to over $66 billion in investment and over $12 billion in planned state incentives.

States have also targeted the film and entertainment industries. For example, in Georgia, film credits will have an estimated cost of $944 million in fiscal year 2024, up over sixfold in real terms since 2015. Georgia's subsidy can be as large as 30 percent of production costs. In 2023, New York State increased the annual budget cap on its film tax credit from $430 million annually to $700 million. A New York State incentive program for musical and theatrical programs, started in 2021, was recently expanded to $300 million per year.

One trend in some of these megadeals is to offer various types of infrastructure support or training support services, not just cash. This trend is consistent with research suggesting that providing infrastructure and other services is more cost effective in creating jobs than simply providing cash. However, the majority of these deals still largely consist of tax breaks and other cash incentives. For example, the New York State Micron deal was 95 percent cash, 5 percent infrastructure and other community supports. The Michigan Ford deal was 57 percent cash, 43 percent infrastructure and site improvements.

Do These Megadeals Make Sense?

In analyzing the megadeal for the Ford plant in Marshall (Michigan), I found that this megadeal had a benefit-cost ratio of 1.8, but that was only due to three features of this project that increased its benefits. These three features are:

1) A very high multiplier, which increases job creation effects

2) A location in a moderately distressed county, which increases the impact of the job creation on the local employment rate and earnings per capita

3) A funding structure that reduces the likelihood of significant adverse effects on K–12 education spending, and thereby future earnings.

Therefore, for megadeals to make sense, they must be targeted at high-multiplier industries and distressed places, and their funding must not sacrifice important public services. For example, megadeals could be paid for by business tax revenues.

Expanding or even maintaining this current megadeal industrial policy will become increasingly difficult. Most states for the next few years are likely to have limited revenue growth. This tight budget situation makes it more difficult to afford current incentives policies without potentially harming valuable public services. States may need to make cutbacks. As they do so, states should reform incentives to increase their benefits relative to costs.

In a climate of state austerity, three incentive reforms should be considered.

Three features increase the benefits of the megadeal for the Ford plant in Marshall, Michigan.

INDUSTRY

This Ford project is estimated to have an unusually high multiplier: 4.38. This means for every 1 direct job created by Ford, another 3.38 jobs will be created indirectly in Michigan.

LOCATION

Calhoun County, where the Ford project is located, is moderately economically distressed. As a result, the new jobs at Ford and the resulting multiplier jobs will raise local employment rates and increase local per capita earnings.

FUNDING

This project's business incentives are unlikely to significantly undermine investments in public education.

SOURCE: Bartik, Timothy J. "Scoring SOAR." (2023).

Reforming Incentives

First, states should reform incentives to emphasize customized business services over merely handing out cash. Relative to cash incentives, customized business services can cost less than half as much per job created.

Second, states should target a much greater share of incentives on distressed local labor markets. Currently, the percentage of state economic development funding that is targeted at distressed places is typically less than 15 percent. But job creation provides greater benefits in a distressed local labor market. Because distressed places have higher unemployment, job creation boosts employment per capita three times as much in a distressed place compared to an average place.

Third, states should complement job creation policies with efforts to target the created jobs on the unemployed and underemployed. In a typical local labor market, only one-fifth of created jobs go to increase employment of the nonemployed; the remaining four-fifths increase in-migration.

One way to implement these three reforms: states could reallocate some of their incentive budgets to support block grants to local labor markets and neighborhoods that would target distressed areas or neighborhoods, as proposed in my 2022 report. Such block grants would provide customized business services in distressed local labor markets to create jobs through improving infrastructure, business real estate availability, customized job training, and business advice programs.

How could block grants work for distressed places?

Local Job Creation (LJC) Block Grant: focuses on providing public services to businesses to encourage job creation. This includes infrastructure development, customized job training, business advice programs, and land development to support business growth. The program prioritizes distressed local labor markets, providing more funds per capita to areas further below full prime-age employment. It also concentrates on services that enhance the competitiveness of export-based businesses and includes provisions to increase the proportion of new jobs going to nonemployed local residents, such as community benefit agreements, first-source hiring agreements, and customized job training programs.

Neighborhood Employment Opportunity (NEO) Block Grant: targets highly distressed neighborhoods. It provides services to improve residents' employability, including information on job openings, training funds, help with childcare, transportation assistance, and success coaches. The NEO program does not create jobs but increases residents' access to existing job opportunities.

SOURCE: Bartik, Timothy J. "How State Governments Can Target Job Opportunities to Distressed Places." (2022).

For the unemployed and underemployed in distressed neighborhoods, such block grants would help improve job access—broadly defined to include not only reliable used cars and job training, but also support services such as child care and job retention coaches.

In my 2022 report, I estimated that a block grant program for job creation and job access services in distressed places of about $30 billion per year, maintained over 10 years, would significantly reduce disparities in access to good jobs. This $30 billion per year is less than half of the $77 billion in resources we currently devote to (mostly) cash economic development incentives that are (mostly) untargeted. Such a reallocation would substantially amplify the overall impact of economic development policies on earnings per capita, specifically benefiting low- and middle-income groups that critically require enhanced access to good-quality jobs. This strategic reorientation of resources could significantly alleviate disparities and foster more inclusive economic growth across the nation.

Policy Recommendations

- Expand customized business services in distressed local labor markets to create jobs by improving infrastructure, ensuring the availability of business real estate, customizing job training, and providing business advice programs.
- Expand job access services to the residents of distressed neighborhoods by providing support for reliable transportation, job training, child care, and job retention coaches.
- Complement job creation policies with efforts to target jobs for the unemployed and underemployed.

ARPA's Small Community Quandary

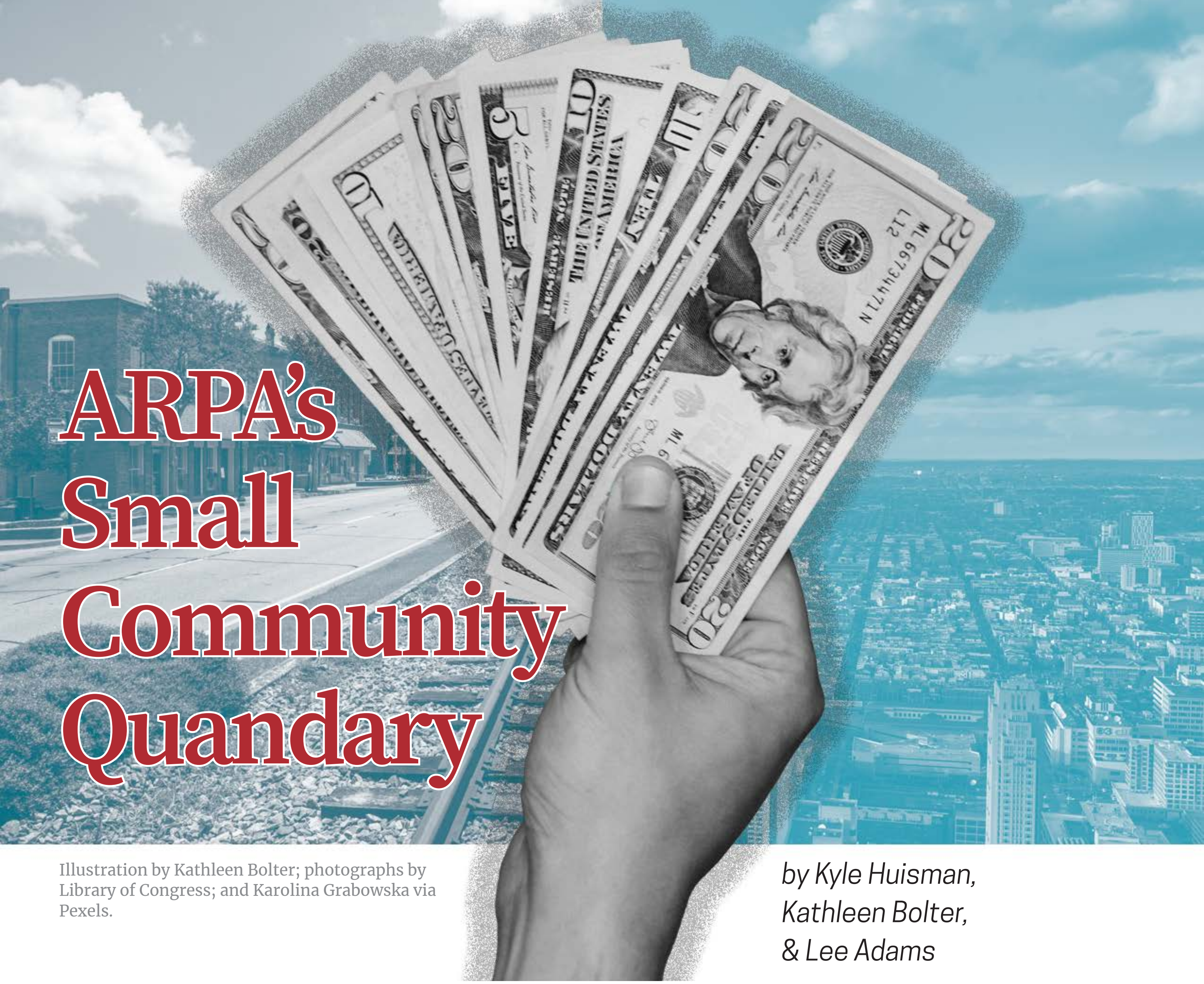


Illustration by Kathleen Bolter; photographs by Library of Congress; and Karolina Grabowska via Pexels.

by Kyle Huisman, Kathleen Bolter, & Lee Adams

On March 11, 2021, President Joe Biden signed a $1.9 trillion federal stimulus bill, [the American Rescue Plan Act (ARPA)](). Within that legislation, the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) allocated $350 billion to help state, local, and tribal governments handle the economic and public health impacts of the pandemic. The goal of the legislation was to allow local governments to continue providing public services by replacing lost revenue, and to enable communities to make investments that would promote sustained growth. This funding was intentionally flexible, so as to allow each community to respond to its own particular needs.

While the inclusion of small communities (those with a population below 50,000) to receive funding was laudable, the state-by-state formula-based funding model used by the U.S. Department of the Treasury (Treasury) for nonmetropolitan cities did little to address differences in local need for less populated areas. Because economic conditions in small communities were not considered when allocating SLFRF funds, in many states impoverished small communities received the same funding per capita as wealthier small communities. Additionally, because aid was distributed based on a state's nonmetro population, communities with similar levels of need received vastly different levels of funding depending on which state they were located in. Some states used their own ARPA money to develop programs to help close these divides, providing examples for how this issue could be addressed, absent federal intervention. This disparity in funding underscores the importance of considering local economic conditions when designing and allocating resources, to ensure that support is effectively targeted where it is needed most.

> "Because economic conditions in small communities were not considered when allocating SLFRF funds, in many states impoverished small communities received the same funding per capita as wealthier small communities."

Aid for Small Communities

One noteworthy aspect of SLFRF is that it included small communities at all. In contrast, the previous CARES Act (Coronavirus Aid, Relief, and Economic Security) provided direct funding only to local governments with populations of over 500,000. And while states were authorized to share their CARES allocations with smaller governments, a survey by the National League of Cities found that 29 percent of cities, towns, and villages—roughly 6,000 communities total—did not receive any funding from the CARES Act. Thus, ensuring that smaller communities had access to funding was an important part of the implementation of ARPA. After all, of the approximately 250 million Americans living in an incorporated town or county subdivision eligible to receive SLFRF funding, 81 percent live in communities with a population of under 500,000 people.

Inequities Caused by Formula Funding by State

The Treasury applied distinct formulas to allocate funds to the various levels of government eligible to receive SLFRF: state governments, county governments, metropolitan local governments, and smaller governments known as nonentitlement units (NEUs). NEUs consist of incorporated places, and in some states, minor civil divisions (such as townships), with a population under 50,000. While the Treasury classified some local governments with populations below 50,000 as metropolitan cities based on criteria from the Housing and Community Development Act of 1974, this represents a small proportion of cities (these small cities make up less than 10 percent of all "metropolitan cities").

The allocation of SLFRF funds to NEUs followed a formulaic approach. The Treasury calculated distribution state by state, providing each NEU within a state with an equal per capita share relative to its 2019 population, but with the exception that the allocation could not exceed 75 percent of an NEU's early 2020 budget. (Exceeding 75 percent was relatively uncommon.) This formula led to wealthier NEUs and more impoverished NEUs receiving almost equivalent levels of funding in most states. Additionally, the distribution of funding to nonurban counties was similarly based on population and not local need, meaning impoverished small communities in impoverished counties were deprived of resources at multiple levels.

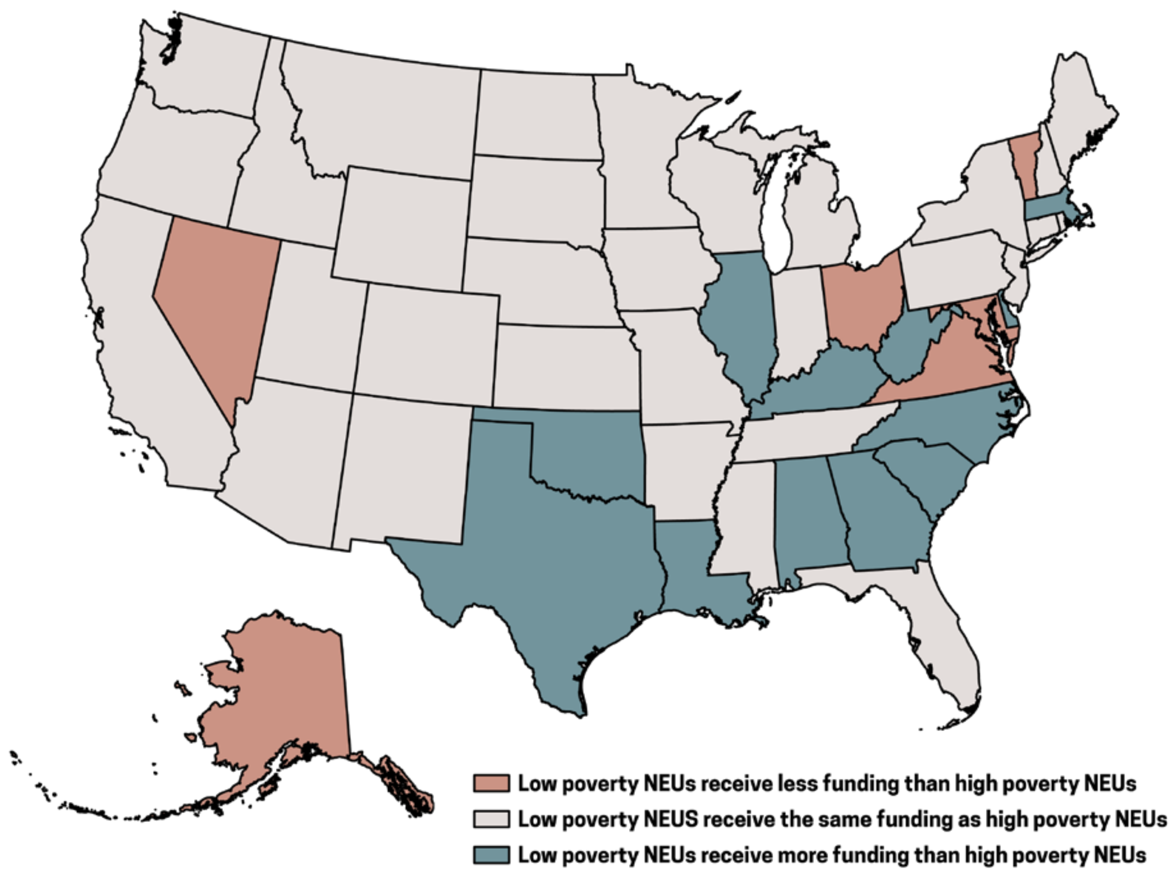
In 30 states, impoverished NEUs received the same amount of funding per capita as wealthier NEUs. In six states, they received even less than wealthier NEUs. In only 13 states did the highest-poverty small communities receive more per capita funding than the lowest-poverty communities. This variation in per capita funding between NEUs was primarily the result of the 75 percent budget cap. In the absence of this cap and other special circumstances, per capita allocations to NEUs within each state would always be the same—and in most cases, they are.

Additionally, as highlighted by Civilytics, the final legislation directed SLFRF funds based on the entire nonmetropolitan population of each state. This led to significant variations in funding per capita for NEUs, based on how local governments were organized within a state: namely, it favored states with a higher percentage of nonmetropolitan population in unincorporated areas. As a result, small communities with similar levels of need received widely different levels of per capita funding based on which state they were located in. Some might argue that this formula ensures that states with large unincorporated populations

Nonentitlement units (NEUs). NEUs consist of incorporated places, and in some states, minor civil divisions (such as townships), with a population under 50,000.

Because of the formulaic approach to providing aid, in 30 states, impoverished areas received the same amount of funding per capita as wealthier areas.

Funding difference between low poverty and high poverty NEUS



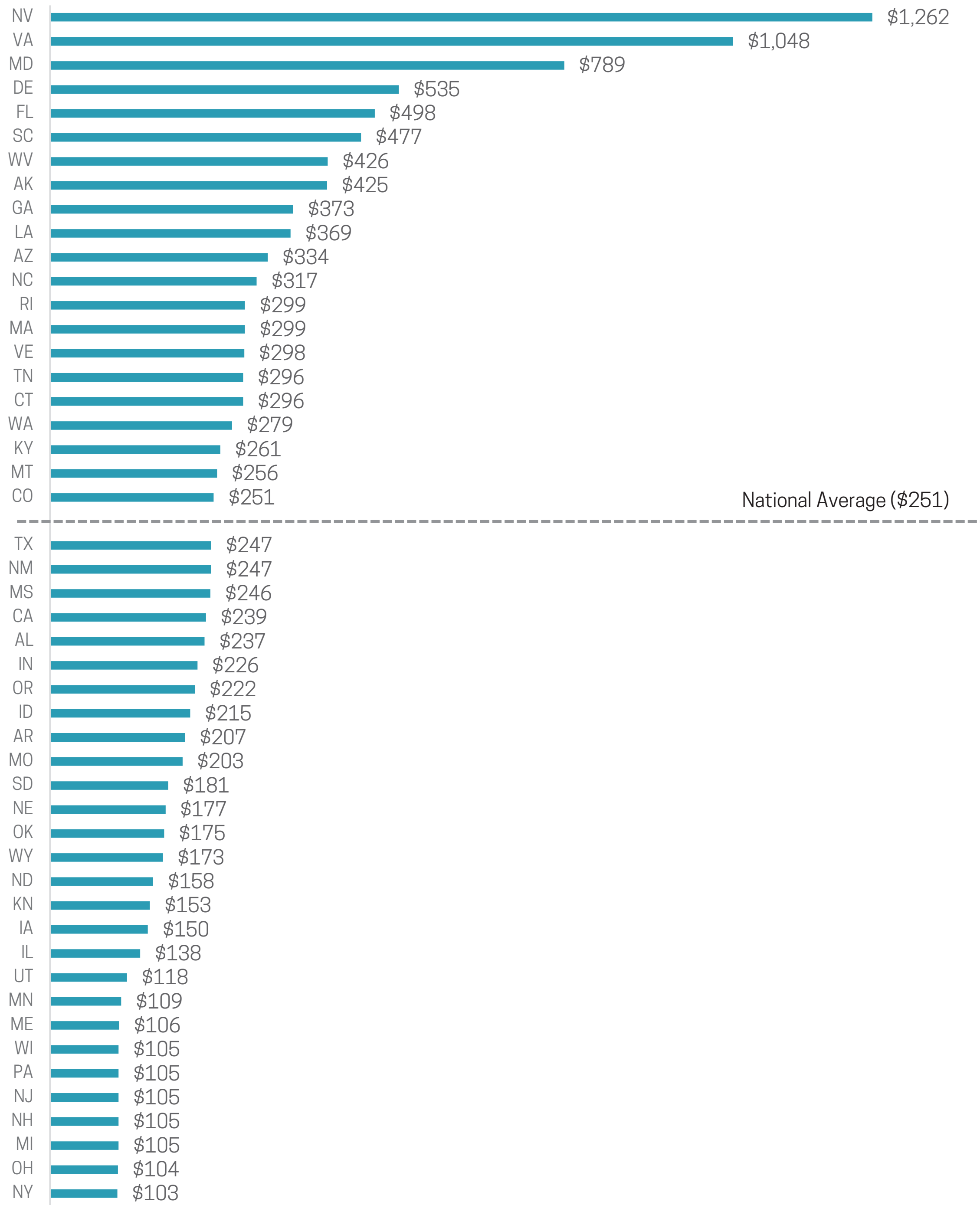
SOURCE: Author's calculations of U.S. Department of Treasury SLFRF funding data and 2019 ACS 5-year estimates.
NOTE: NEUs stand for nonentitlement units.

are not disadvantaged, but residents of unincorporated places may not always equally benefit from stimulus funds sent to governments in which they do not reside.

Our analysis shows the range in per capita funding between states to be quite wide. For example, because Nevada has a larger unincorporated population relative to its total nonmetropolitan population, impoverished NEUs, on average, received $1,200 per capita in funding from ARPA. Comparatively, an NEU with a similar level of need in Michigan received only $105 per capita in funding, simply because the state of Michigan has a larger population living in incorporated areas and county subdivisions eligible to receive SLFRF.

In states with a greater amount of unincorporated area, high-poverty NEUs received more funding per capita.

Average per capita aid received by highest poverty NEUs by state



SOURCE: Author's calculations of U.S. Department of Treasury SLFRF funding data and 2019 ACS 5-year estimates.
NOTE: NEUs stand for nonentitlement units.

A Need-Based Funding Model

A better model for distributing funding is one that takes local need into consideration. Interestingly, the Treasury did have a method for taking need into account, but applied it only to metropolitan cities and, in some cases, urban counties. Unlike with NEUs, funding to metropolitan cities was not allocated based entirely on population size. Instead, funding for metropolitan cities was based on a modified version of the Housing and Urban Development Department's Community Development Block Grant (CDBG) formula, which prioritizes higher levels of funding to areas with more need. As a result, metropolitan cities with high levels of poverty received over three times more funding per capita than wealthier metropolitan cities. Additionally, while there were still state-level differences in funding between metro areas of similar poverty levels, the gaps were only half as large as they were for NEUs.

Addressing issues of inequity in funding distribution is important in ensuring that all communities can thrive. Inequitable funding contributes to widening social and economic gaps between communities. When areas with greater need do not receive adequate resources, it makes it harder for such places to make investments in addressing challenges such as poverty, inadequate infrastructure, and limited access to essential services.

> "A better model for distributing funding is one that takes local need into consideration."

States Can Help Close the Gap

While the funding model used by the Treasury did not equitably distribute ARPA money, some states did step in to provide robust technical assistance to less-resourced, smaller local governments to enable them to utilize the funding available for local investment. For example, the Vermont legislature, realizing that a large percentage of ARPA allocations were going to wealthy areas of the state, created the Municipal Technical Assistance Program (MTAP) to help small towns access the $370 million in ARPA funds available to the state, which had to be spent by 2024. Many small towns in Vermont do not even have a city manager or administrator, and these areas have had a difficult time accessing federal stimulus funds. To address this, the MTAP distributed funds to 11 regional planning commissions scattered across the state. Staff at the regional commissions worked with local town officials to identify uses for the funds and assist with administrative work.

Additionally, the state of North Carolina used $50 million in state

SLFRF allocations to establish the Rural Transformation Grant Fund. The program distributes grants to communities to support projects aimed at attracting investment, improving amenities, and retaining businesses. Through the program, communities can also receive technical assistance and training provided by the North Carolina Department of Commerce to increase local government capacity. These initiatives underscore the importance of state-level interventions in ensuring that funding reaches communities with the greatest needs.

While ARPA was important because it included funding for small cities, some issues have arisen pertaining to how funding was dispersed. Policymakers should address these issues in future stimulus packages aimed at local governments. The Department of the Treasury's formula system for NEUs led to high-poverty small communities receiving the same funding as wealthier small communities. This system also resulted in disproportionately high per capita funding for NEUs in certain states where a significant portion of the nonmetropolitan population resides in unincorporated areas ineligible for SLFRF funds.

In future stimulus endeavors, policymakers could chart a more equitable course by addressing issues observed in ARPA's funding dispersion, ensuring that local need is a central consideration. State governments, recognizing their pivotal role, could intervene to provide essential technical assistance to the areas that need it most, fostering a more inclusive and effective approach to supporting local communities.

Policy Recommendations

- Develop a more nuanced allocation model for future stimulus funds, one that accounts for the specific needs of small communities, beyond just population size. For example, this might entail applying the CDBG formula, or something like it, to NEUs.
- Establish comprehensive technical assistance programs at the state level to aid smaller municipalities with limited administrative capacity.

Analyzing ARPA Data

To analyze the allocation of SLFRF funds, we used quarterly and annual SLFRF project spending data reported by the U.S. Department of the Treasury up to March 2023. The data encompass over 26,000 ARPA fund recipients, ranging from small villages and towns to large cities, counties, and states. While more than 29,000 local subcounty governments are theoretically eligible for SLFRF, only around 23,000 appear in the Spring 2023 annual reporting data. For our per capita expenditure analysis, we focused on the nearly 21,400 town and city governments (including consolidated city-county governments) for which we were able to merge Census Federal Information Processing System codes, thus enabling us to merge population and other demographics to the SLFRF data.

Next, we divided the communities in our sample into categories based on their populations and which Treasury formula they received funding under:

- NEUs
- Metropolitan government or consolidated city-county government with a population of less than 250,000
- Metropolitan government or consolidated city-county government with a population greater than 250,000

For our per capita analysis, we use the same 2019 census city and town population estimates that states used to allocate SLFRF funds to NEUs based on reference files. Additionally, we incorporate demographic data from the 2019 American Community Survey five-year estimates.

To create the poverty quartiles used in the analysis, we relied on a comparison data set of all incorporated places and county subdivisions theoretically eligible to receive SLFRF funding (of which there are over 29,000, compared to a little under 21,400 recipients in our data set). This data set was created using the same 2019 census city and town population files used by the Treasury to estimate local populations of SLFRF-eligible cities and towns. We used local household poverty estimates derived from the 2019 ACS five-year sample to divide the areas into four quantiles containing approximately 25 percent of the total population of the data set each. We then applied these cutoffs to the SLFRF recipient data. Each quantile contains roughly 25 percent of the data set population of both NEUs and metropolitan cities combined.

Sandwich Generation

Caring for Children AND Older Adults

by Gabrielle Pepin & Yulya Truskinovsky

Illustration by Kathleen Bolter; photographs by Pixabay and Nataliya Vaitkevich via Pexels; Gabriel Almanzar via Unsplash; and the Met Collection.

Child and adult care in the United States is notoriously expensive. In recent years, the average household with children spent 9 percent of its income on child care, with lower-income households spending over 20 percent of their income on care. At the same time, estimated lifetime out-of-pocket costs for adult long-term care services average $140,000. Thus, it is unsurprising that almost half of the 4 percent of "sandwich generation" adults—those caring for both adult parents and their own children—struggle to afford basic needs.

With little federal government action to address these costs, some states have responded to families' needs for help with caregiving. New Mexico made child care free for most families during 2023, and its residents voted to make universal prekindergarten a constitutional right. In Oklahoma, the Caring for Caregivers Tax Credit will provide family caregivers with up to $3,000 for out-of-pocket caregiving expenses beginning in 2024.

States and localities wishing to attract residents and foster inclusive growth should consider providing or expanding caregiving supports for both children and adults. There are several existing programs and opportunities for state and local governments to provide additional assistance. Policymakers who fail to seize the moment and extend resources to families with caregiving responsibilities risk losing workers and residents to more care-friendly areas.

Existing policies to support families with child and adult caregiving responsibilities are piecemeal and limited in scope.

"States and localities wishing to attract residents and foster inclusive growth should consider providing or expanding caregiving supports for both children and adults."

The Landscape for Child and Adult Caregiving Supports

Tax Benefits

The Child and Dependent Care Credit (CDCC) allows households to receive tax benefits for care expenses for a child under 13 or for a coresident spouse or dependent who is incapable of self-care. Claimants must work to qualify for annual benefits, which, for most taxpayers, max out at $600 each for up to two qualifying individuals. The CDCC has some drawbacks. First, low-income caregivers who do not owe taxes after deductions are ineligible for the credit. Second, taxpayers receive the credit only after they have filed their taxes, which might be long after they have spent money on care. Finally, the credit does not take into account the quality of care provided.

Despite these downsides, about half of states and New York City provide supplements to the federal credit, some of which are refundable, limited to low-income taxpayers, or more generous for child-care providers with higher quality ratings. These caveats have bite: only 12 percent of taxpayers with children claimed the federal CDCC during 2021;

claims rates were very low among taxpayers without children.

Dependent-care FSAs are another tax benefit for families with children under 13 or with a disabled coresident spouse or dependent. Employees who receive FSAs from their employers may set aside up to $5,000 of earnings before taxes for caregiving expenditures. The employer deducts this income from employees' paychecks, but employees are reimbursed for qualified spending. Unlike with the CDCC, the decision to set aside funds occurs before expenses are realized. Some 41 percent of civilian workers had access to dependent care FSAs as of 2023, although access was more common among employees working in large establishments and earning higher wages.

In-Kind Benefits and Additional Benefits for Adult Caregivers

Apart from tax-related advantages, numerous employees can also take advantage of family and sick leave. While the United States mandates unpaid family leave for employees who meet tenure and work-hour requirements at firms with at least 50 employees, it does not mandate paid family leave or paid or unpaid sick leave. In recent years, 13 states and several municipalities have introduced their own paid leave mandates, providing eligible workers with partial wage replacement up to a maximum weekly benefit. Some of these programs include job protection, although not all do. In 2023, 80 percent of civilian workers had access to paid sick leave, and 27 percent had access to paid family leave. Similar to dependent care FSAs, paid leave access

Key Tax Benefit Programs

Child and Dependent Care Credit: Nonrefundable federal tax credit based on income and out-of-pocket care expenses. Available to working households with a child younger than 13 years or a coresident spouse or dependent incapable of self-care. Worth up to $600 per qualifying individual for up to two qualifying individuals for most households. Some states supplement the federal credit with their own state care credits.

Dependent-care flexible spending account: Tax-preferred account that some employers offer. Employees may set aside up to $5,000 of earnings before taxes for care expenses. The employer deducts this income from employees' paychecks, but employees are reimbursed for care expenses. Available to working households with a child younger than 13 years or a coresident spouse or dependent incapable of self-care.

is more common among employees who work in large establishments and earn higher wages.

Supports for families providing care to somebody because of aging, chronic illness, or disability are targeted and not broadly available. For example, in addition to free medical care, the U.S. Department of Veterans Affairs provides nursing home services to veterans based on eligibility criteria (such as level of disability) and available resources. Eligible caregivers of veterans can access income support, training, and mental health services, among other supports. In many states, Medicaid home- and community-based services can be directed toward compensating family caregivers, but eligibility for this benefit is restricted to adults with limited financial resources and significant functional impairment. Demand for these services often exceeds availability of funds, resulting in significant wait-lists.

Additional Benefits for Families with Children

Turning to benefits targeted at families with children, Head Start is a means-tested federal preschool program aimed at kids aged three and four whose families have incomes at or below the federal poverty line. Its counterpart, Early Head Start, provides

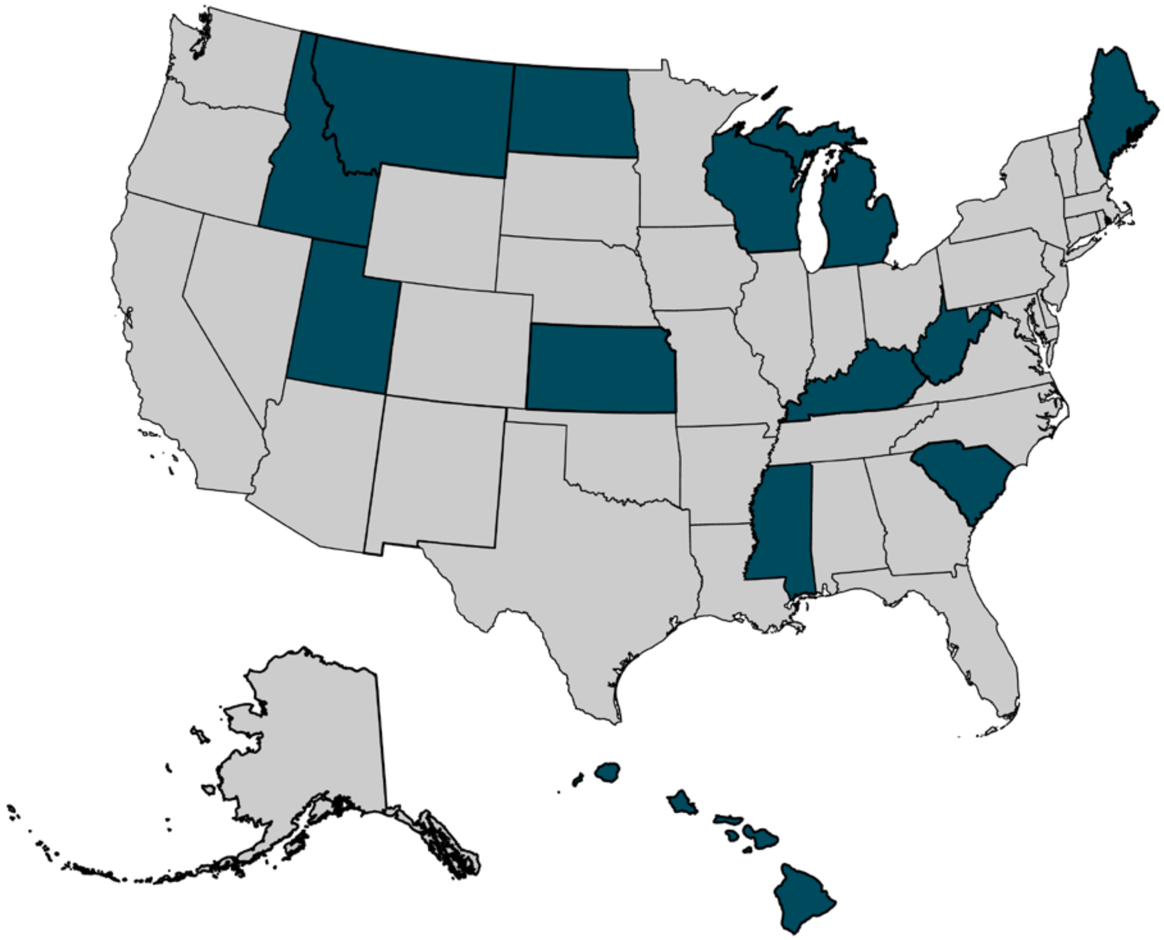
Key Programs for Adult Caregivers

Family and sick leave: Under the Family and Medical Leave Act of 1993, firms with at least 50 employees must offer eligible employees 12 weeks of job-protected unpaid leave for childbirth, adoption, or care of a child, spouse, or parent who has a serious health condition. In recent years, 13 states and several municipalities have implemented paid family and sick-leave mandates.

VA benefits: The U.S. Department of Veterans Affairs provides nursing home services to veterans based on eligibility criteria and available resources. Eligible caregivers of veterans also have access to income support, training, and mental-health services, among other supports.

Medicaid home and community-based services: Some states allow family caregivers to be compensated through Medicaid funds.

Only 13 states provided the federally recommended level of funding for child care subsidy programs



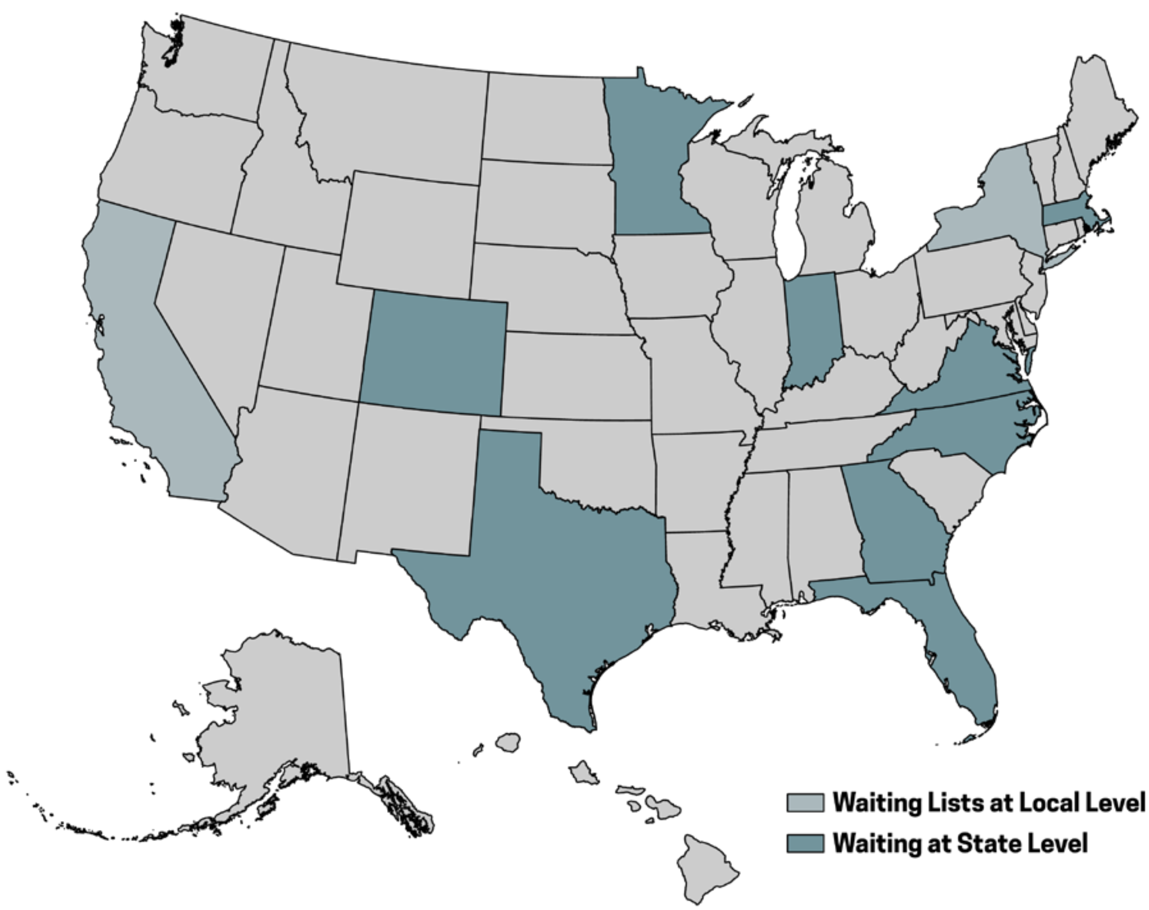
SOURCE: National Women's Law Center. Precarious Progress: State Childcare Assistance Policies 2022. (2023)

home visits and child care for pregnant women and children younger than age three who meet Head Start's income-eligibility criteria. Since the 1960s, both programs have assisted more than 38 million children. However, due to recent workforce shortages, eligible families now have limited access to these services.

Another source of child-care support for low-income working families comes from the federal Child Care and Development Fund Block Grant (CCDBG), which provides funding to states to administer child-care subsidy programs. As of Fiscal Year 2020, about 900,000 families received CCDBG subsidies each month. The rules for who qualifies and how people can get these benefits are quite different from state to state. Each state determines its own eligibility limits, work requirements, provider payment rates, and family copayment requirements, and these may change based on the quality ratings set by each state. Despite large funding increases due to the Covid-19 pandemic, low provider payment rates continued to result in few child-care slots during 2022: only 13 states met or exceeded the federally recommended provider payment level, and 11 states had waiting lists or froze intake of new children.

In addition to the federal subsidy program, some states run their own programs to reach more families. For instance, Minnesota offers child-care scholarships to high-need children attending providers that meet certain quality standards. Michigan's MI Tri-Share Child Care program targets

11 states had waiting lists or froze intake of new children for child-care subsidy programs in 2022.



SOURCE: SOURCE: National Women's Law Center. Precarious Progress: State Childcare Assistance Policies 2022. (2023)

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moderate-income families who do not qualify for federal subsidies and splits child-care costs equally among the employee, his or her employer, and the state. Most states fund preschool programs for four- and, in some cases, three-year-old children. Preschool programs expanded dramatically over the past several decades but contracted during the pandemic and have not yet fully recovered, in part due to difficulties with hiring and retaining teachers. While program expansions mean that more children have access to preschool, average spending per student, which is tied to program quality, has remained flat for the past 20 years. Universal schooling is available for all children beginning at age five, though school-aged children still typically require care in the afternoons and during the summer months.

How States and Localities Can Bridge the Gaps

As pandemic-related emergency relief funds for child-care providers dried up in late 2023, the Biden-Harris administration recently requested $16 billion from Congress to stabilize the child-care sector and make care more affordable for families. Nonetheless, support for child-care expenses is much broader than support for adult caregiving expenses. Hence, there is scope for states and localities to impact families' access to care and financial resources. Policy options available to states and localities include the following. (In deciding which policies to implement with limited funds, state and local policymakers should consider population demographics and existing supports available to their constituents, as well as unique challenges facing those constituents.)

Key Programs for Families with Children

Head Start/Early Head Start: Head Start is a means-tested federal preschool program for children aged three and four in families with incomes at or below the federal poverty level. Early Head Start is a means-tested child-care and home-visiting program for pregnant women and children younger than age three.

Subsidized child care: The Child Care and Development Block Grant provides funding to states to administer child-care subsidy programs for low-income working families. Some states also use their own funding to provide child-care scholarships to certain families or to share child-care costs with workers and employers.

Universal schooling: Available for children beginning at age five. Several states operate their own universal prekindergarten programs for four- and, in some cases, three-year-old children.

Given limited assistance for caregiving at the federal level, state and local governments wishing to attract and support families with caregiving responsibilities have a number of policy options at their disposal. Extending assistance to caregivers is a win-win for localities that wish to increase growth while improving caregivers' well-being.

Policy Recommendations

- Expand CCDBG subsidies to reach more families while offering provider payment rates that are sufficient to cover costs. Alternatively, offer state- or local-level child-care scholarships or subsidy programs targeting moderate-income families who do not qualify for federal subsidies. Tying subsidy amounts and provider payment rates to quality ratings would promote high-quality care.

- Offer state-funded universal full-day preschool with high-quality standards.

- Mandate paid family and sick leave with job protection. Extending eligibility to part-time workers would increase access among low-wage workers, who currently are the least likely to have access to paid leave.

- Increase funding for direct-care workers. For example, Michigan recently increased wages for Medicaid-funded home-care workers by $2 per hour.

- Offer state- or local-level refundable Child and Dependent Care Credits. If funds are limited, restrict eligibility to low- and moderate-income taxpayers who are most likely to benefit. Tying credit generosity to provider quality ratings would promote high-quality care.

- State and local governments can provide tax credits designed specifically for adult caregivers. These tax credits may not demand working or living together, because adult caregivers often depend on institutional care and typically have lower potential earnings in the future.

Tuition-Free College?

Promise Program Sustainability

Illustration by Kathleen Bolter; Photographs by Karolina Grabowska via Pexels; Roman Kraft and Donald Teel via Unsplash; and Schindlerdigital via Wikimedia.

by Michelle Miller-Adams

In September 2023, Pittsburgh Public Schools (PPS) students received a letter confirming that the Pittsburgh Promise—a place-based scholarship launched in 2008—would conclude in 2028. Even though the program's end had been signaled for years, the announcement was still met with shock and a fair amount of confusion. Why would PPS stop granting scholarships? It didn't: The Pittsburgh Promise is a private initiative not operated by the school district. Had it "worked"? It depends; the metrics by which the success of any Promise program can be judged are complex and multifaceted.

Most pressing, why would Pittsburgh's large business and foundation sector suddenly end its support for such a worthwhile endeavor? As it turns out, fundraising had been challenging for years, and the program is expensive to run.

The formal announcement of the end of the Pittsburgh Promise sent a shudder of unease through the College Promise community. Here was one of the nation's most mature Promise programs, in one of its biggest cities, calling it quits. What does this foretell for the more than 250 states, cities, and community colleges that have embraced place-based, tuition-free college?

Philanthropy's Role in Promise Programs

Like most other tuition-free college programs, the Pittsburgh Promise is funded by foundation, corporate, and individual contributions. It began with a $100 million "challenge grant" from UPMC, the University of Pittsburgh Medical Center, the area's largest employer, that asked the Pittsburgh Promise to raise $15 million a year over 10 years to unlock a $10 million annual UPMC contribution. Fund development was thus a priority from the beginning, and funds were spent as they were being raised. The amount and structure of the scholarship were revised periodically to accommodate financial projections, but as time went by, costs rose faster than its funders' ability and willingness to give. Beginning in 2015, program leaders began discussing its "sunset," possibly as early as 2022.

Pittsburgh Promise executive director Saleem Ghubril, who has served in the role since the program's launch, says the program "never was a perpetual fund. It was always a fundraising campaign that will raise and spend and raise and spend."

Still, the Pittsburgh Promise had longevity and scale: by the time it ends, 21 classes of high school graduates will have been served, with more than $250 million raised toward scholarships for 11,600 students. Its apparent conclusion nonetheless has upended many people's expectations.

> "Philanthropy has been critical to the emergence and diffusion of the place-based scholarship or Promise model. With philanthropic dollars have come the freedom to take risks and invest in ideas that sound promising but haven't yet been tested."

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The Role of Philanthropies

The role of philanthropy in Promise programs is as unique as the communities served.

The Kalamazoo Promise

For the Kalamazoo Promise, fund development came even before the program was announced, with a group of deep-pocketed anonymous donors creating the initiative and committing to funding it in perpetuity. There is no endowment; rather, the donors provide resources to the organization annually. As the Kalamazoo Promise has evolved, the nature of the philanthropic commitment has also changed, from paying for scholarships to investing in new approaches to connect Promise scholars to employment and deepen support for students at local institutions.

The El Dorado Promise

In Arkansas, the El Dorado Promise, one of the first programs to emulate the Kalamazoo Promise, was funded with a $50 million gift from Murphy Oil Corporation, the community's largest employer. Although the company's headquarters has moved out of state, it continues to support the program.

The Bearcat Advantage

Foundation funding is at the heart of many Promise programs. Local and community foundations have been deeply involved as partners in tuition-free college in many places. One of the most recent examples is the Bearcat Advantage, a generous scholarship for Battle Creek Public Schools' students funded by the W.K. Kellogg Foundation through its hometown programming.

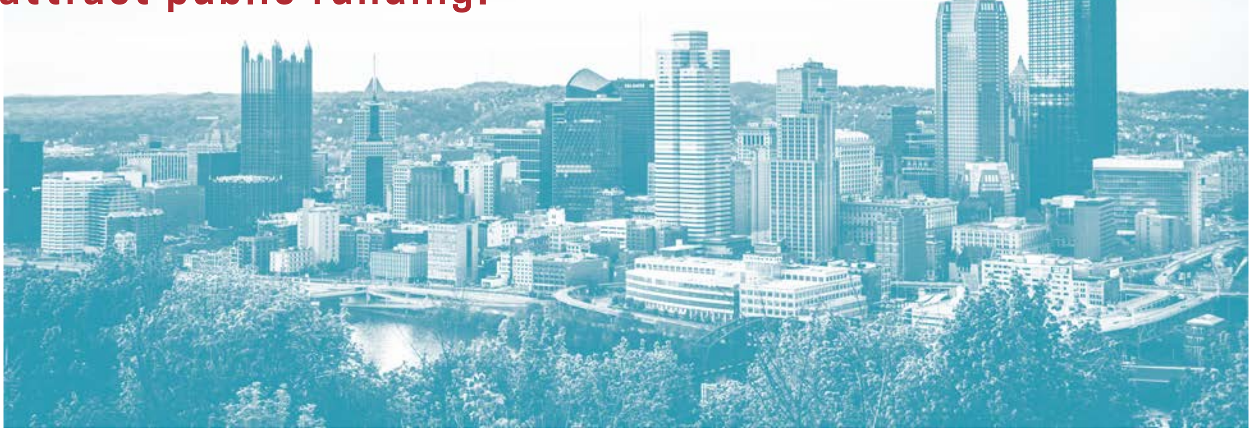
New philanthropic efforts mean the number of communities guaranteeing tuition for their graduates continues to increase. In one recent example, a pair of wealthy Chicago residents brought together education leaders and philanthropists to launch the ambitious Hope Chicago program in 2022 at five public high schools. They are seeking to raise $1 billion over the next decade to cover the full cost of college for participating students.

New Models for Promise Program Funding

While the Pittsburgh Promise was struggling to make its financial models work, a different approach was yielding a growing pool of resources. The Michigan Promise Zones, created by Governor Jennifer Granholm in 2009 and expanded by Governor Rick Snyder in 2017, use an innovative funding approach that blends local philanthropic resources with a tax-capture mechanism generally used for economic development purposes. Tax-increment financing (TIF) arrangements are based on property taxes: as property values rise, so do the tax revenues available for school funding, with a fraction of that increase dedicated to the Zones. Under this system, there is built-in potential for expansion without the need to continually fundraise.

Even as public funding models, especially for statewide Promise programs, expand, there will always be a role for philanthropy. Untested innovations are unlikely to attract public funding—and it has been difficult to leverage public funds for the support services that are essential to student success. Michigan Reconnect, a state-funded initiative providing tuition-free community college to any adult without a college degree, enjoys bipartisan support; however, public funding provides for only a tiny number of "navigators," whose job it is to help students select an appropriate postsecondary pathway. The Tennessee Promise is nearing its second decade of operation and, while it is publicly funded, ongoing innovation around student support depends on businesses and foundations. A key part of the early impact of the Columbus Promise has come from the involvement of an existing philanthropically funded nonprofit organization, I Know I Can, that helps students learn about and apply for the scholarship.

"There will always be a role for philanthropy as untested innovations are unlikely to attract public funding."



Photograph by Federated Art for Pexels

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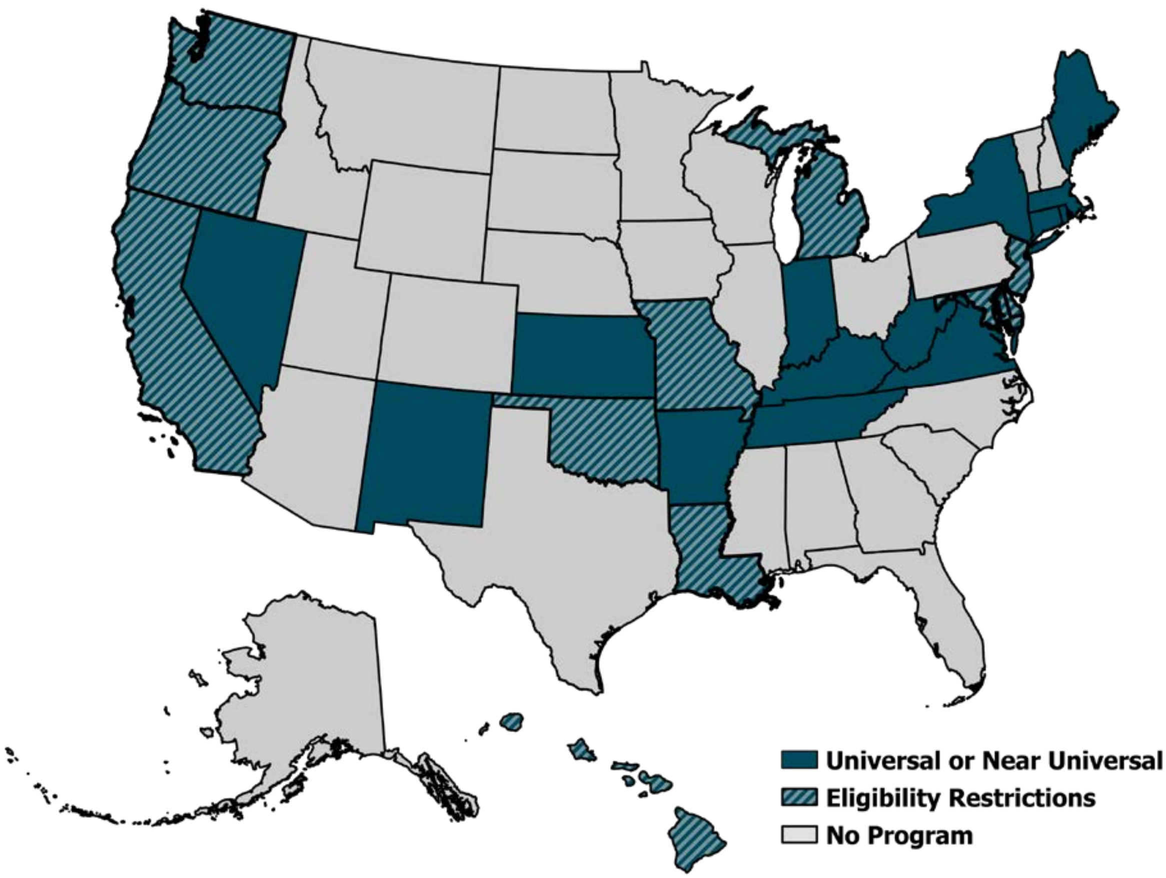
Building Philanthropic and Public-Sector Partnerships

Philanthropy has well-known limitations and drawbacks, and these apply to Promise programs as much as to any philanthropically funded initiative. The priorities of foundations and donors change over time, "solutions" can be mere Band-Aids masking deeper problems, measuring impact can be difficult, and unintended consequences abound. When it comes to the expense involved in higher education, even the largest foundations can't compete with the potential size and longevity of government programs.

There is a deeper reason for public support. Investments in higher education, including Promise programs that increase earnings and the vitality of low-income communities, have benefits that far exceed their costs. However, even with high social and economic returns, these programs are unlikely to pay for

Almost half the states have introduced tuition-free college (or "Promise") programs.



SOURCE: W.E. Upjohn Institute Promise Programs Database themselves, and certainly not in the short term. In addition, the provision of higher education is expensive, with costs certain to rise over time. Making a permanent commitment to a sizable investment that will generate benefits over the long term is beyond the scope of philanthropy and an appropriate arena for government funding.

That's why philanthropists should look for ways to share key lessons not just with other private donors, but also with state and local governments. Philanthropy can help build the Promise evidence base through investments in research and evaluation, which are relatively rare. If a philanthropic effort comes with a rigorous evaluation that demonstrates effectiveness, public-sector leaders will have greater confidence in scaling programs up.

Philanthropy can catalyze the work, seed new ideas, and help disseminate best practices. But if the benefits of tuition-free college—more equitable access to higher education, a better-prepared workforce, and stronger state, regional, and local economies—are to reach more places and people, the public sector must take up the baton from the philanthropies that helped pioneer this movement.

As Saleem Ghubril noted in the days following the September announcement, "The private sector cannot do this alone." Pittsburgh Public Schools officials concur; they say they will continue working with the Pittsburgh Promise until and beyond the 2028 end date, but they're looking to the public sector to "commit to a sustainable policy solution for funding postsecondary education in Pennsylvania."

Policy Recommendations

- Diversify funding sources, including exploring public-private partnerships, tax-capture mechanisms, and long-term public funding to create a more sustainable financial model for Promise programs.
- Encourage philanthropic organizations to continue to play a role in Promise programs by piloting innovations and disseminating best practices.
- Invest in research and evaluation of Promise programs to understand their impact, share successful practices, and guide effective policies for both public and private sectors.

The *Evolution* of Promise Scholarship Programs

by Bridget Timmeney & Alfonso Hernandez

Illustration by Kathleen Bolter; photographs by Andrea Piacquadio, Evg Kowalievska, Photolover Riga, and Dmitry Limonov via Pexels.

A wave of place-based, tuition-free scholarship programs were launched following the announcement of the Kalamazoo Promise in 2005. More than 220 place-based scholarships (or "Promise" programs) have since been created to support students on their postsecondary pathways. Over the past two decades, Promise programs' significant growth is reflected not just in their numbers, but also in their scope and purpose of programming. What was once a movement to equalize financial access to postsecondary training and education is now expanding to ensure student progression and completion. Additionally, program goals for recent high school graduates increasingly extend beyond degree and certificate attainment to also provide workforce connections and work-based experiences, with adult programs becoming an integral part of the mix.

Beyond Financial Assistance

Providing students with new financial resources is not always enough to change their paths after high school. Designers and administrators of Promise programs have learned that the greatest impact occurs when they combine new financial resources with proven forms of student support such as intrusive coaching, cohort-based first-year courses, integrated developmental coursework tutoring, priority registration, and career awareness and readiness coaching. Some programs accomplish this through intense collaboration with community partners, including higher education and business. Examples of this model include the Say Yes to Buffalo program, which partners deeply across many sectors, and the Columbus Promise, which partners with the local I Know I Can organization, an organization that works in partnership with the local public schools. Other programs, such as the Kalamazoo Promise, embed this type of support with internal staffing. Sometimes, such as in the case of the Richmond Promise, programs mix both approaches to reduce barriers and meet students' broader needs for success.

Students, especially first-generation or low-income college goers, need support in navigating both the academic and nonacademic challenges of college. Promise programs have drawn on evidence-based strategies for supporting students, such as academic and personal

What are Promise Scholarship Programs?

Promise programs vary widely by purpose and design, but a reasonable definition is that they are geographically bounded and often include an enrollment or residency requirement within a school district, city, or county. These requirements instill early awareness: families and youth know upon entering a Promise community that scholarships will be available to them in the future. Promise programs seek to transform places and individuals, and, as such, require community support across K–12 organizations, youth development, faith-based organizations, local philanthropy, governments, businesses, and higher education institutions. The efforts serve as a collective approach to individual and community development.

coaching, case management, and the use of predictive analytics to improve retention and completion. These strategies seek to reduce or eliminate hurdles students must overcome to enroll, persist, and complete college. One such model is the Accelerated Study in Associate Programs (ASAP) model, based at the City University of New York (CUNY), which has served as a model for some Promise programs' support components. CUNY ASAP offers personalized academic and career advising, a summer institute, cohort-style courses with convenient scheduling, and financial support (e.g., tuition/fee waivers, textbook assistance, and transportation). The program has nearly doubled three-year associate degree completion rates. The ASAP model has been replicated successfully (with modifications) in other locations, as well as with the Detroit Promise, where the replication generated mixed results.

As Promise programs expanded, stakeholders increasingly acknowledged the importance of comprehensive program design with these supports included in the funding structure. Without these more comprehensive components, programs were experiencing a growing population of Promise "stop outs"—students who start a postsecondary pathway but don't finish because of a variety of possible reasons: the need to work more hours interfering with school, child and family care needs, lack of academic and/or college knowledge preparedness, and lack of peer and/or institutional supports for navigation.

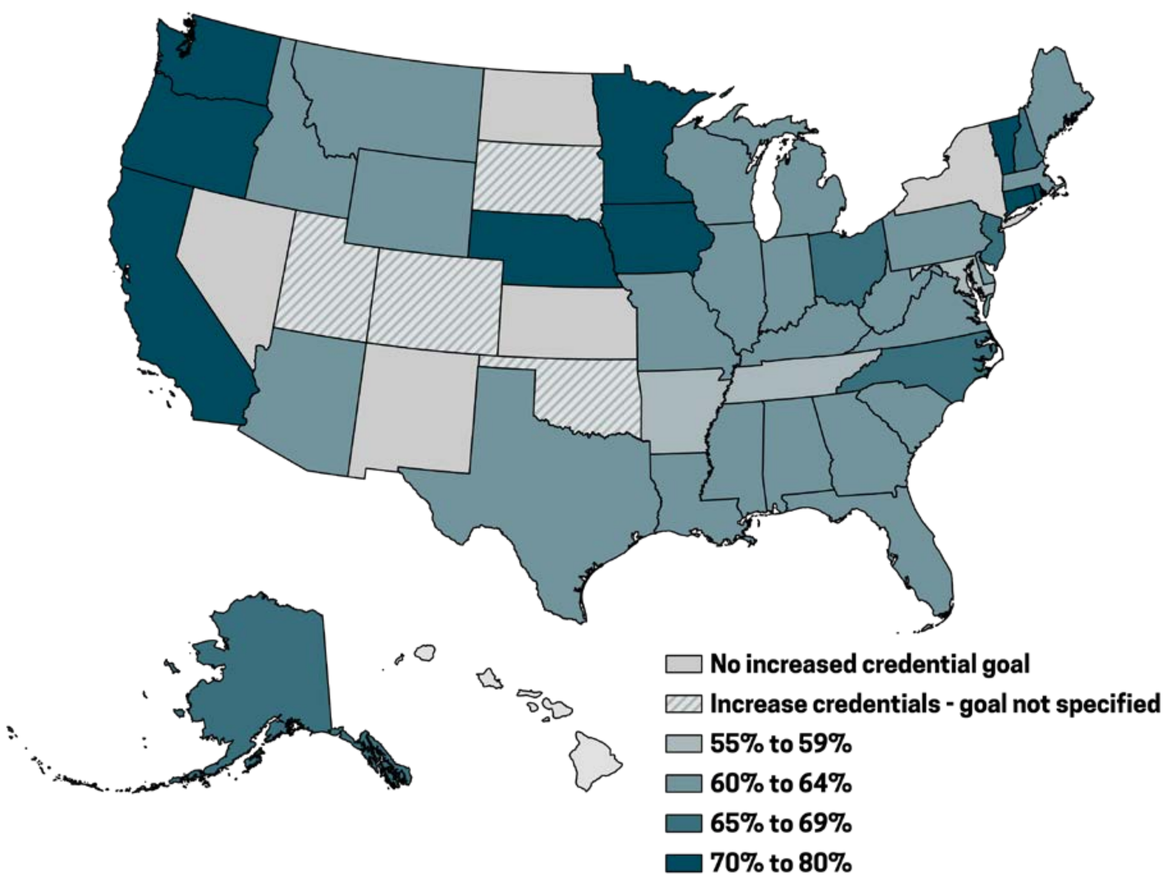
Building Workforce and Education Connections

Over time, Promise programs expanded their objectives beyond degree completion, prioritizing career development, internships, and job search assistance to promote economic mobility. Securing gainful employment remains a challenge for some Promise students, particularly for first-generation students and students of color; the absence of preexisting social networks and work experience can limit employment options, even for graduates with skills and credentials. Meanwhile, many businesses have expressed a genuine desire to diversify their workforce and consider Promise programs as representing a potential avenue, but they have faced difficulties in meaningfully engaging through conventional channels. Successful strategies to build workforce and education connections must address both the student needs and a diverse set of businesses.

The Kalamazoo Promise, for example, was originally launched in 2006, but its internship component, Higher Promise, did not start until 2022. The initiative connects students to high-quality, paid summer internships at regional businesses by matching student interest (and major) with businesses' needs. For the Higher Promise, it is about culture building. Higher Promise programming includes work readiness supports for students prior to and throughout the internship. Higher Promise scholars receive support in resume development and interview preparation at the outset. Then, as interns, they participate in a professional development course led by Kalamazoo Promise staff and community partners throughout the internship. This results in a project report and presentation at the end of the internship. Peer networking, summer

In response to an increasing demand for a skilled workforce, 45 states have set targets to boost the number of individuals statewide who have a post-secondary credential.

State defined baseline goals for the percent of a defined adult population* with a post-secondary credential



NOTE: States have different populations defined for credential attainment goals. For the majority of states the population defined is either "working age" or age 25-64.
SOURCE: Author's Calculations based on Lumina Foundation Strategy Lab's "States with Higher Education Attainment Goals" (2024).

social mixers, and being paired with a mentor are intended to help scholars grow professionally and to facilitate the development of a professional network. Meanwhile, business partners engage to grow talent locally with the aim of diversifying their workforce, and Kalamazoo Promise staff host business-focused workshops to share best practices in internships, diversity, and inclusion, with the goal of integrating interns most effectively in the work culture.

> "The evolution of Promise program design highlights the importance of adapting college success initiatives to meet the needs of students, employers, and local communities."

Adult Learners and Promise Programs

In response to an increasing demand for a skilled workforce, 45 states have set targets to boost the number of individuals statewide who have a credential. For example, Michigan's Department of Labor and Economic Opportunity established the "Sixty by 30" program, with the goal of boosting the percentage of working-age adults with a credential from 51.1 percent to 60 percent by 2030.

Promise programs are in a unique position to partner with these statewide initiatives by offering pathways for adults to enhance their skills and competitiveness in the job market. One example of such a collaboration is found in Tennessee, where TN Promise and TN Reconnect both provide financial resources toward degree attainment and a workforce network of community/industry partners that mentor students. While TN Promise focuses on guiding high school students through college and career exploration and placement, TN Reconnect—started four years after TN Promise—caters to adult learners who have not yet received a degree, offering tuition-free access to community or technical college and career guidance. According to a study published by the Tennessee Comptroller of the Treasury, compared to non-Reconnect students, Reconnect students are more likely to earn workforce-ready credentials for state-designated high-demand jobs. This suggests that combining financial assistance with career guidance may be a worthwhile strategy. Both programs are bolstered by Tennessee's "Drive to 55 Alliance," which includes partners from the private sector, community leaders, and nonprofits, who support both traditional and adult learners through mentorship, career exploration, and placement efforts.

The evolution of Promise program design highlights the importance of adapting college success initiatives to meet the needs of students, employers, and local communities. Although lack of money is a key challenge, it is hardly the only difficulty in connecting students—both students of traditional college age and adult learners—to greater economic opportunity through better jobs. As programs have grown to appreciate the importance of college navigation, career networks, work experiences, and local employer demand, they have pivoted to trying to build the partnerships needed to achieve these broader goals.

Policy Recommendations

- Promise programs can combine scholarships with other guidance and assistance to bolster student success. This can include academic and personal coaching, case management, and comprehensive assistance in addressing both academic and nonacademic challenges students face in college. However, these navigation supports come with a cost, which funders need to provide for as integral components of Promise programs.
- Promise programming has highlighted a broader need for tighter alignment between higher education and business and industry. A tighter connection which supports student learning, ties learning to industry standards and content and facilitates work-based learning is mutually beneficial. Promise programs increasingly recognize this need to provide career guidance and facilitate work experience and internship opportunities and increasingly serve as an important link between business, education and student needs.
- States are increasingly emphasizing the importance of credential attainment among adult learners. Some have developed Promise programs for adult learners that waive tuition and fees. States also are trying to redesign admission and support services to remove some of the barriers adults face in completing career-readiness programs.

Illustration by Kathleen Bolter; photographs by Christina Morillo, Armin Rimoldi, Stanley Morales, and Pixabay via Pexels; and Kenny Eliason via Unsplash.

3 Exciting Support Models to SUPERCHARGE Community College Outcomes

by Kathleen Bolter

The persistent issue of low completion rates in community colleges, particularly when compared to their four-year university counterparts, underscores the need for innovative and effective ways to raise these rates. Community colleges are tasked with serving all kinds of students, from dual-enrolled high-schoolers to recent high school graduates, to displaced workers needing to reskill, to senior citizens pursuing personal enrichment. The needs of these diverse types of students are different, and community colleges have limited resources with which to meet them, as they receive much less public funding per student than four-year institutions. Yet the returns to completing credentials at community college can be quite high, particularly in certain programs and for individuals from low-income backgrounds. Having more educated residents in an area can boost earnings not just for the educated individuals but other workers in the area as well.

But improving completion rates is a difficult challenge for community colleges to tackle on their own. For many students, it is not the academics that serve as barriers to completion, but rather life circumstances and understanding how to navigate the college bureaucracy.

Fortunately, several experiments over the past few years have validated a promising approach—that of providing wraparound services targeted to specific groups of community college students. The models highlighted below show different ways for structuring such programs, with an emphasis on programs with multiple funding streams to help balance program costs.

1

CUNY ASAP

Wraparound services for qualified full-time students

The City University of New York's (CUNY) Accelerated Study in Associate Programs (ASAP) is a comprehensive program designed to assist students pursuing associate degrees at various CUNY institutions, including community colleges.

CUNY ASAP offers a range of support, including the following:

- Financial resources such as tuition waivers for financially needy students, textbook assistance, and transit cards
- Structured academic pathways, including full-time enrollment with block-scheduled first-year courses and continuous enrollment in developmental education
- Direct support services like personalized advising, tutoring, and career development
- Early engagement opportunities to build a sense of community

The program's primary goal is to help students overcome barriers to graduation. A recent evaluation of the program showed that students participating in the program had a graduation rate of 53 percent within three years, compared to a graduation rate of only 25 percent for students of similar backgrounds not in the program. The program is relatively expensive, costing $3,990 more per student per year to operate, or about 60 percent higher than the cost of providing traditional college support services. It is funded jointly by the State of New York and City of New York.

2

Stay the Course

Case management for students with financial hardships

Launched at Tarrant County College's (TCC) Trinity River campus, Stay the Course was developed in a collaboration between Catholic Charities Fort Worth and the Wilson Sheehan Lab for Economic Opportunities at the University of Notre Dame. The program focuses on intensive case management with emergency financial assistance.

Stay the Course offers several supports:

- Tarrant County College students are paired with a social worker or "navigator," who provides comprehensive case management.
- Case management includes referrals to resources: access to tutors, child-care services, health services, and government programs and benefits such as SNAP (the Supplemental Nutrition Assistance Program), mentoring to build trust, and coaching to address unforeseen problems.
- Students can access emergency financial assistance for nonacademic expenses of up to $500 per semester, with a maximum of $1,500 over a three-year period.

A randomized control study of the program showed that the comprehensive case management program, combined with emergency financial aid, significantly increased persistence and degree completion, especially for women. Overall, the program tripled the likelihood that female students would earn an associate degree in three years. The program was estimated to cost $5,640 per student over three years of enrollment, and is funded by TCC in partnership with Catholic Charities Forth Worth.

3

One Million Degrees

Supportive services for low-income students

One Million Degrees is a Chicago-area nonprofit that offers comprehensive support to overcome financial, personal, academic, and professional barriers that may hinder students from graduating.

One Million Degrees offers support for students in the following ways:

- Students receive annual performance-based stipends—based on meeting program participation goals—of up to $1,000 to address financial needs and promote financial security. Monthly workshops include financial literacy training to assist students in managing their budgets.
- They also meet regularly with program coordinators, who offer academic guidance and support in addressing personal issues affecting school engagement.
- The program provides tutoring services and support for critical academic tasks, including course registration, financial aid documentation, and academic planning.
- Each student is matched with a mentor in their field of interest and attends professional development events and workshops.
- Coaches offer personalized support, job shadowing, and networking opportunities to help students achieve their career and personal goals.

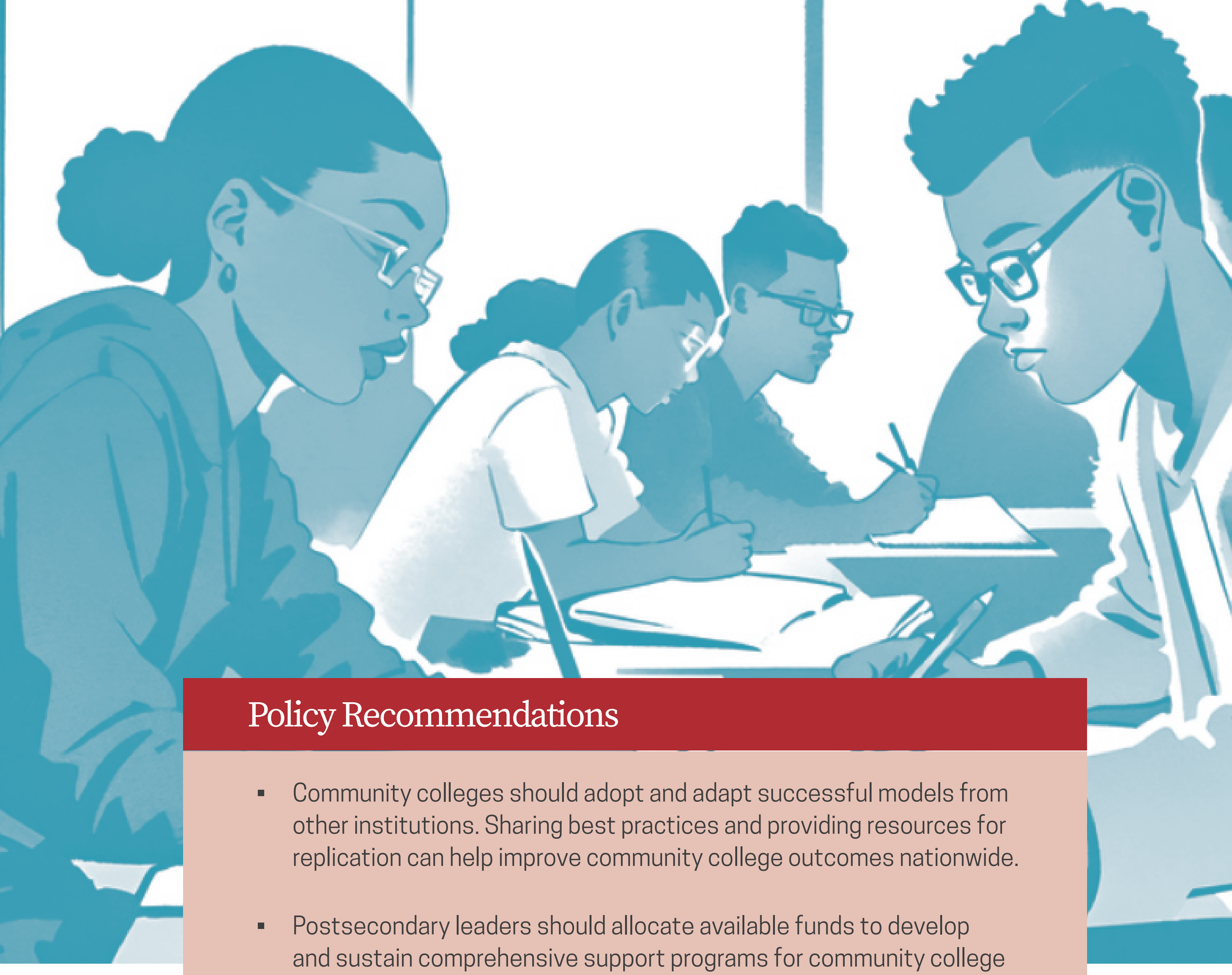
According to a recent randomized control study of the program, One Million Degrees boosted associate degree attainment by 18 percent, from 39 percent in the control group to 46 percent for program participants. Chicago City Colleges recently announced it will invest $5 million from 2023 to 2026, supplemented by more than $10 million in philanthropic support, to expand the program to the rest of the city's community colleges.

Expensive but Impactful

These models offer strategies for community colleges seeking to boost completion rates and provide their students with the resources and support they need to succeed. By emphasizing comprehensive services, personal mentoring, emergency aid, and academic guidance, these programs exemplify the potential for transformative change in the community college landscape, offering students a clearer path to academic success and meaningful credentials.

The implementation of such programs is not without financial challenges, as the initial costs can lead to "sticker shock" for communities considering their adoption. For example, replicating the CUNY ASAP program in Ohio demonstrated impressive results, including a 16 percentage point increase in associate degree attainment among program participants. Yet, despite the success, concerns over program costs led to only one of three pilot schools continuing its implementation.

Nevertheless, focusing solely on short-term costs may undercut the long-term benefits of these programs, as they begin to pay for themselves relatively quickly, driven by increased course enrollment, improved retention, and higher graduation rates. Compared to other initiatives, these programs have a high return on investment. Furthermore, having a growing pool of college graduates contributes to increased tax revenues, reduced public benefits spending, and greater civic engagement. All of this generates extended benefits for the entire community. In a landscape where education accessibility and opportunity are of paramount importance, these models represent potential avenues to enhance community



Policy Recommendations

- Community colleges should adopt and adapt successful models from other institutions. Sharing best practices and providing resources for replication can help improve community college outcomes nationwide.
- Postsecondary leaders should allocate available funds to develop and sustain comprehensive support programs for community college students.
- They should also encourage public-private partnerships to supplement funding for these programs, particularly with philanthropic and business support.
- Leaders need to engage in a longer-term view of the costs and benefits of comprehensive support programs, recognizing that the initial investment may yield significant long-term savings through increased tax revenues and reduced public-benefits expenditures.

Illustration by Kathleen Bolter; photographs by Anamul Rezwan, Andrea Piacquadio, Mikhail Nilov, and Pixabay via Pexels

Responsive Training
Driving Innovation Economies

by Iryna V. Lendel

The workforce has always been a crucial factor in driving innovation: people are a fundamental resource responsible for creating knowledge that can ultimately lead to breakthroughs. When we think of the workforce's role in innovation, we picture engineers, inventors, and highly skilled technicians in university labs and private research facilities. Inventive companies and industries, however, need many different skills and jobs, from skilled equipment operators to chief scientists. Forward-thinking regions realize the need for such breadth and focus on cultivating the essential skills, knowledge, and attitudes necessary for an innovative economy. Their goal is to make workforce training programs responsive to demand and aligned with the community's needs.

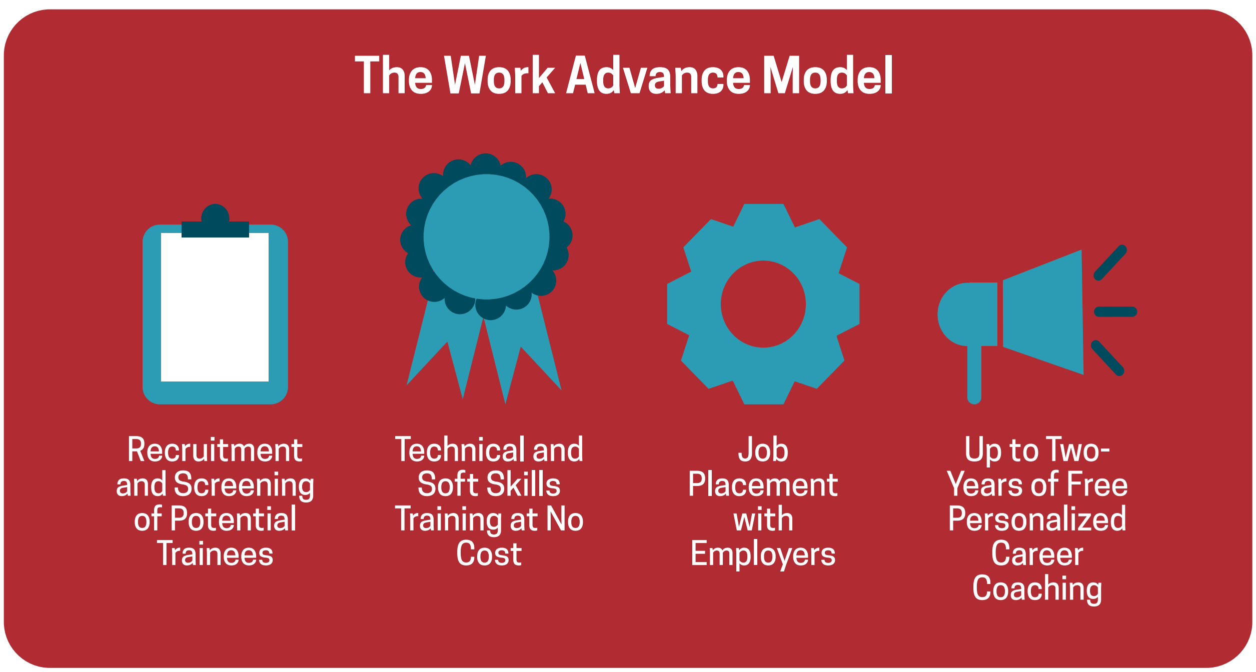
How Companies Can Help Build the Innovation Workforce

Ensuring communities are innovation-ready means getting companies more involved in workforce training through contributing to the design, monitoring quality, and even offering instruction. Companies need to invest resources in these training programs if they want skilled workers. As described below, several communities have adopted place-based models of comprehensive training efforts in partnership with employers.

Examples of these programs include the following:

The WorkAdvance Model

The WorkAdvance model was launched in 2011 by four organizations in multiple locations: Madison Strategies Group/ Tulsa Community WorkAdvance (New York City/Tulsa), Per Scholas (New York City), St. Nicks Alliance (New York City), and Towards Employment (Northeast Ohio). Each organization provides focused training in a specific sector, such as IT, manufacturing, professional services, or health care, and tries to meet the needs of both job seekers and employers. They receive funding through a combination of federal, state, and local government sources, as well as from private philanthropy. Many community-based workforce programs



highlight program logistics and details to encourage signing up for training among unemployed and low-wage working adults. Some providers offer free information sessions or open houses for applicants and their families, with the aim of gaining their trust and convincing them that the opportunity is not a scam and really is offered at no cost to the participants.

While each WorkAdvance program focuses on training in transferable and certifiable skills for different industries, the basic structure follows several core elements. First, the organization screens potential trainees before enrollment, ensuring they have the right work ethic and personality for the client businesses. The organizations next provide technical and soft-skills training at no cost to the trainee. They then facilitate specific matches between the trainees and employers. Finally, to increase employee retention, graduates receive one to two years of free, personalized career coaching. Depending on the strength of the program's implementation, the WorkAdvance model has been shown to increase earnings for participants both in the short and long term.

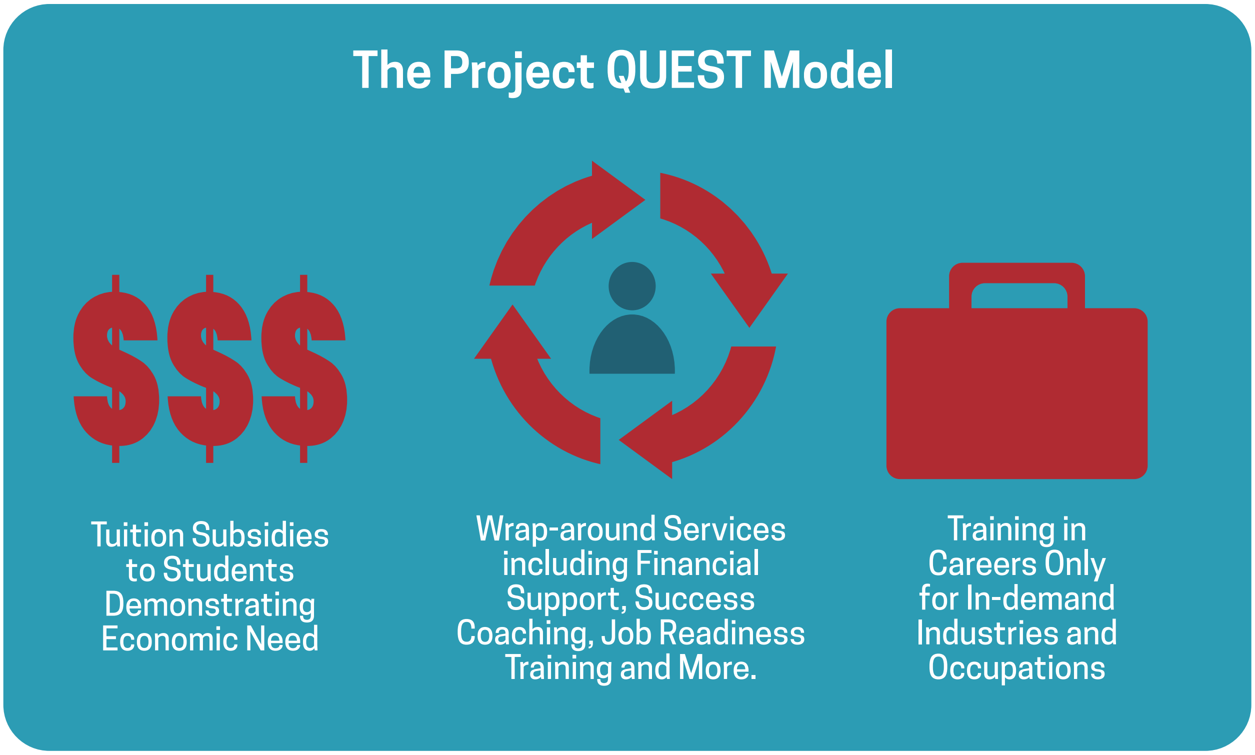
This model has thus emerged as a promising approach to workforce development for workers without college degrees, although many programs remain relatively small and can be difficult to scale up, as funding is an issue. The preemptive screening also means that some of the most vulnerable workers may not benefit from this approach.

Project QUEST

Project QUEST provides unemployed and working-poor residents of San Antonio with employment training and job placement services. Enrollees must demonstrate economic need by earning less than half of the median family income for the city. The program's funding comes primarily from San Antonio's general fund, with some support from private philanthropy. Through the utilization of its in-house Applicant Information Management system, QUEST tries to demonstrate its cost-effectiveness, documenting return on investment in employment training through increased tax revenue and reduced dependence on other city-funded social services.

The program provides tuition subsidies to participants while they are enrolled in associate degree or certificate programs at local community colleges. The supported programs are occupation-specific, selected by QUEST staff based on occupations that are in high demand in the San Antonio labor market and occupations that lead to family-supporting wages. QUEST also provides concomitant wraparound services, including rental assistance, scholarships, job interview preparation, money for books, and more.

Project QUEST has been adopted in other locations in Texas and Arizona under different names, including VIDA (Valley Initiative for Development and Advancement) in the Rio Grande Valley of Texas, Capital IDEA in Austin and



Houston, Project ARRIBA (Advanced Retraining and Redevelopment Initiative in Border Areas) in El Paso, and JobPath in Tucson, Arizona.

Since its inception, Project Quest has assisted San Antonians to pursue emerging careers in health care, manufacturing and trades, and information technology. Right now, the wraparound services of the project can include rental assistance, scholarships, job interview prep, funds for tuition and books, and more.

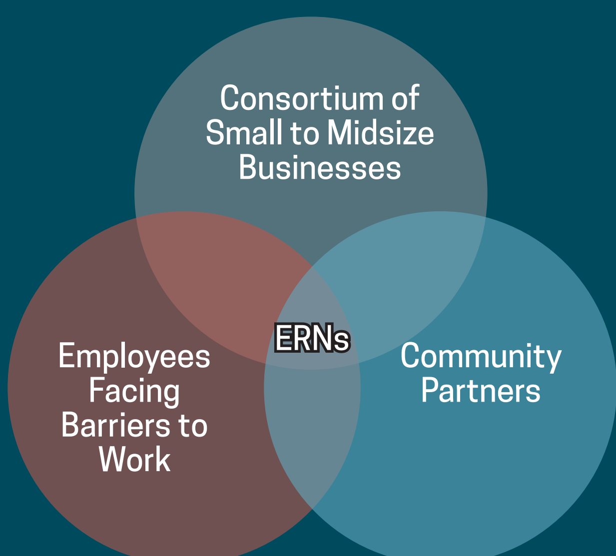
The core challenge that programs such as Project QUEST in San Antonio face is how to diffuse these models at scale. According to MIT Professor Paul Osterman, too many community college enrollees fail to complete their programs, and the job-training programs are small relative to the size of their labor markets. In addition, not all employers partnering in training take high-quality training programs seriously as a source of employees. Overall, he argues that the problem is threefold: 1) resources to support community colleges and training programs have been falling, 2) there are challenges in organizational reform in terms of adopting best practices and weeding out weak ones, and 3) stakeholders must learn how to build regional compacts of employers, governments, community colleges, and community groups that come together with a shared commitment to assemble a real skill development system in their region.

Employer Resource Networks

Employer Resource Networks (ERNs) are private-public associations whose purpose is to improve workforce retention through employee support and training. Each network consists of a consortium of small to midsize businesses that pool resources to provide various forms of assistance to entry-level (often lower-wage) employees. As of the end of 2022, there were 29 active ERNs in the following eight states: Indiana, Kentucky, Michigan, Minnesota, Ohio, New York, Pennsylvania, and Tennessee. Another six states had ERNs under development. Participation of businesses in ERNs has led to improved employee retention and lower hiring costs.

ERN design varies based on the specific needs identified by businesses and the workforce they aim to assist. This may involve having career coaches on-site at business locations, at easily accessible supported sites (such as in the midst of an office park or industrial park), or rotating across participating companies. Employees benefit from easy access to career coaches who help address attendance, transportation, child care, and health-related needs, often by connecting workers to other sources of assistance they may not have known about. Coaches also organize free tax-filing aid, financial literacy sessions, homeownership counseling, and additional training opportunities. This semipersonalized social casework

The Employer Resource Network (ERN) Model



ERNs provide success coaches who work with employees and direct them to resources that then help them to:

- Improve employment skills
- Overcome personal barriers
- Prepare for advancement opportunities

The issues addressed by the ERN are tailored to the specific needs identified by the businesses.

approach fosters greater attachment between workers and employers, aiming to reduce turnover and promote a stronger career ladder.

A diverse and adaptable workforce is essential for driving innovation within companies and industries. As businesses evolve and innovation reshapes industries, it's crucial to recognize the important role of the entire workforce, not just the most highly skilled individuals. Addressing labor shortages and fostering innovation demands a responsive training system aligned with the evolving needs of industries. Companies playing an active role in workforce training produce benefits not just for themselves but also contribute toward regional growth more broadly as workers gain versatile transferable skills and qualifications essential for thriving in an innovative economy. The place-based models of training get better traction with employers if they respond to specific shortages in regional sectors (i.e., demand-driven) and offer more than just pure training. A few aforementioned examples offer customized wraparound support services, such as soft-skills mentoring, transportation and day-care support, and other nontraining supports that can help job seekers overcome their challenges in finding and maintaining employment.

Policy Recommendations

- Encourage the development and implementation of local, demand-driven workforce training programs that involve collaboration between educational institutions, local governments, businesses, and community organizations.
- Make sure workforce training is effective. Effective workforce training is not just about classroom instruction; it often requires resources to facilitate ongoing conversations between training providers and employers to ensure the full set of needed skills are being taught. Resources that address worker challenges can pay for themselves in greater retention.
- Ensure that training programs focus not only on immediate skill acquisition but also on developing transferable credentials and skills that enhance workforce flexibility, allowing individuals to adapt to changing industry needs and secure employment opportunities.

Q+A

by Kyle Huisman

Interviews with members of our *Policies for Place* Advisory Network

Monique Stanton

President and CEO
Michigan League for Public Policy

Tell us about something interesting you are working on right now at the Michigan League for Public Policy.

The Michigan League for Public Policy (MLPP), in partnership with Michigan United, is currently developing a proactive policy agenda specifically aimed at aiding individuals with very-low-to-no income and integrating them into local community discussions, especially concerning place-making strategies. This initiative focuses on both urban and rural areas, recognizing the often-overlooked population experiencing deep levels of poverty.

> "GoFundMe should not be functioning as our national safety net."

The League is also actively collaborating with a coalition led by Mothering Justice to advocate for paid family leave. Having access to paid family leave during one of the most vulnerable times in an individual's life is crucial, particularly for hourly workers with low incomes and for women of color, who often serve as primary caretakers and lack access to such benefits.

Additionally, MLPP is exploring ways to improve the social safety net. GoFundMe should not be functioning as our national safety net. The League is considering recommendations to reform TANF and the cash assistance program, with the aim of helping people in crisis transition to more sustainable resources and opportunities, such as education and career pathways.
Some of our other recent areas of focus include advocating for the expansion of the Child Tax Credit and exploring Guaranteed Basic Income Pilots, like the Rx Kids program in Flint and the GBI project in Ann Arbor.

How did you become interested in place-based issues?

We can't do policy work without being interconnected to community. Thinking about place is essential. A big part of what we do at the League revolves around tax and budget, and we understand that the impact of policy decisions in these areas made at the state and federal level eventually flows down to local communities. It's also important to understand that many important decisions that affect community life, such as decisions made about libraries, downtowns, and local parks, are made at the local level. We want to make sure that we can help interconnect people and that people have a voice in those decisions.

How should states and localities be spending their money to promote place-based prosperity?

States and localities should prioritize equity, both economic and racial, in their spending to promote place-based prosperity. For example, an equitable school-funding formula is key to investing in communities. MLPP has been an advocate for policies reflected in some of the recent reforms to Michigan's school-funding formula, which increased state funding for high-poverty districts, districts with many English Learners, and districts having students with disabilities.

At the League, we have said for a long time that our state budget is a moral document, and what we choose to spend is a description of what our values are. So, are we valuing things like high-quality education? Are we using our resources to address equity? Are we making sure that children are truly getting the care that they need? These are the questions state and local policymakers need to consider in deciding how to allocate their resources.

Mary Donegan

Associate Professor In Residence
University of Connecticut

Tell us about some of the interesting sustainability-focused place-based policies the Connecticut Roundtable on Climate and Jobs has been working on.

The Connecticut Roundtable on Climate and Jobs is a coalition comprising individuals from environmental conservation groups, social justice organizations, religious institutions, and labor unions. Our aim is to facilitate a just and equitable transition to renewable energy.

In Connecticut, we've already had success in passing legislation to help secure a just transition to sustainable energy. The Roundtable wrote and helped enact State Senate Bill 999 in 2021. Previously, only natural gas plants in Connecticut were mandated to pay prevailing wages, run apprenticeship programs, and provide certain worker benefits. This bill extended these requirements to many types of renewable energy operations, including large-scale solar plants, thereby aiding workers in carbon-reliant industries in transitioning to sustainable-energy jobs.

"We need to figure out ahead of time how to balance the tensions between economic growth, equity, and the environment to ensure that the transition to sustainable energy benefits workers and promotes local prosperity."

Connecticut has many deindustrialized cities dotting its shoreline, but it also has excellent ports and is an ideal location for offshore wind. We are currently involved in efforts to ensure that as much of the manufacturing work for these projects as possible is done in Connecticut. We also want to ensure that the jobs created are union jobs, and that robust apprenticeship programs are set up in local communities to ensure that local people, particularly those who have historically been locked out of these types of jobs, benefit from the transition to renewables.

The Roundtable is also participating in projects to renovate Connecticut schools, focusing on cities with predominantly underrepresented and low-income populations. The objective is to create "carbon-free healthy schools," addressing air quality and energy efficiency issues highlighted during the pandemic. In this endeavor, the Roundtable supports community organizations leading these retrofitting projects. Additionally, we want to create apprenticeship programs to ensure that jobs created by the projects go to locals. The idea is to create an education-to-workforce pathway designed to promote opportunities for disadvantaged Connecticut residents.

How did you become interested in sustainability-focused place-based issues?

I came to work on place-based sustainability issues through my teaching career. As a teaching-track faculty member at the University of Connecticut, I sometimes teach classes beyond my comfort zone. This allows me to see links between research and policy that I may not have otherwise. One such class is called Sustainable Cities, in which I frequently encountered "straw-man tradeoffs" between labor interests and environmental goals. I wanted to demonstrate that advancing equity, labor, and environmental protection doesn't have to involve such trade-offs. Once my teaching headed in this direction, taking on an advocacy role quickly followed.

As a board member at the Roundtable, I leverage my research background to help dissect complex issues. Currently, we're addressing the challenge of multiple manufacturing companies looking for similar types of labor, yet reluctant to invest in training. I've drawn on older work I did with Nichola Lowe to figure out how we can apply lessons from the biotech industry in North Carolina to offshore wind power projects in Connecticut. I'm also able to use my writing skills to craft op-eds for the Roundtable.

How should states and localities be spending their money to promote sustainable, place-based prosperity?

It's hard to predict when the big pots of federal money will come, and the rules they will come with. When those pots do appear, states often must scramble to get the money. What I would like to see states do is set up rules for transitioning to sustainable energy before the money is there, under the assumption that federal funding will eventually be provided. We need to figure out ahead of time how to balance the tensions between economic growth, equity, and the environment to ensure that the transition to sustainable energy benefits workers and promotes local prosperity.

Edward Smith

Senior Policy Advisor
EducationCounsel LLC

Tell us about something interesting you are working on right now at EducationCounsel.

EducationCounsel is currently working with the D.C. Office of the Deputy Mayor to address the issue of absenteeism in the D.C. School District. We are analyzing the effectiveness of various strategies and interventions in the K–12 setting to reduce absenteeism. Part of our analysis includes reviewing each agency's unique approach to this issue. Our goal is to foster better collaboration and facilitate cross-agency learning. To this end, we support a task force led by the Office of the Deputy Mayor called "Every Day Counts." This task force unites representatives from relevant government agencies and external partners, including nonprofits and industry representatives. The aim is to advance a more unified approach to this challenge. Participating government agencies include the Child and Family Services Agency, Court Social Services Division, D.C. Public Charter School Board, D.C. Public Schools, and the Department of Behavioral Health.

One example of an intervention being tried by the city, as part of a broader category of family engagement strategies pursued by local leaders, is a "nudging" intervention. This involves [the schools] sending text alerts to parents when their student has an unexcused absence. Parents of frequently absent students also receive a letter detailing what their child has missed and offering resources to help get them back on track.

> "During the pandemic and recovery period there were a range of publicly—as well as privately—funded targeted local programs to promote prosperity. . . These programs can be foundational to human thriving."

How did you become interested in place-based issues?

My interest in place-based issues stemmed from my experiences in teaching and mentoring. Much of my policy analysis and evaluation work was at the national or state level, but I noticed there was space between those policies and the real-life conditions people face on the ground. Education, in particular, appeared highly relational and context-specific. I realized that community and environmental factors significantly affect teaching, learning, student success, and degree completion. Increasingly, I focused on how local actors could facilitate educational success and unite to overcome barriers students face. This has become a focal point of my career, and I'm grateful to continue this work at EducationCounsel.

How should states and localities be spending their money to promote place-based prosperity?

Two main points come to mind.

1. Data exchanges and data sharing are crucial. There's a need for ongoing investment in enhancing the robustness and impact of data-sharing agreements across sectors, particularly for underserved and marginalized communities. For example, systems that help stakeholders understand education trends, experiences, and outcomes across sectors, locales, and states, such as the Western Interstate Commission for Higher Education's Multistate Longitudinal Data Exchange, can help decision makers tackle some of our nation's most pressing developmental challenges.
2. During the pandemic and recovery period there were a range of publicly—as well as privately—funded targeted local programs to promote prosperity. I would like to see the most promising of these programs brought to scale and made permanent by state and federal leaders. These programs can be foundational to human thriving.

One such program I was involved with [when I was at the Kresge Foundation] eliminated metro transit fees for students living in the Los Angeles Community College district region. This program positively impacted student progression and degree completion and evolved into a two-year pilot funded by the city of L.A. using pandemic recovery funds. The program was expanded to include all students attending community college in the district and is still ongoing. I hope we will see more permanent efforts along these lines

Jennifer Iriti

Assistant Vice Chancellor for
Research Inclusion and Outreach
University of Pittsburgh

Tell us about something interesting you are working on right now as a research scientist at the University of Pittsburgh.

My colleagues and I are continuing our ongoing work with the Pittsburgh Promise. We are currently in the third year of evaluating an embedded coaching program in which coaches paid by the Promise, not Pittsburgh Public Schools, are embedded in specific high schools where significant shares of students do not reach the eligibility threshold for the Pittsburgh Promise. Coaches conduct one-on-one meetings with students and try to build relationships with them. These coaches not only help students with things like college applications, but they also connect students to financial and social support services, help them think through their postsecondary plans, and connect struggling students with tutors As evaluators, our goal is to determine whether the coaching program is providing the necessary actions and support systems to help these students fulfill eligibility requirements. We are also documenting outcomes and analyzing patterns in the data to understand the program's overall effectiveness. We are researchers, but we try to come at our work from a utility mindset by using data to help guide program improvements. For example, our data indicate that early on in the coaching program, the students receiving the most coaching time are often those who need it the least, as

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they are already on track to qualify for the Pittsburgh Promise. To address this, we used our data to assist coaches in identifying and focusing on the student groups who have the greatest need for support and targeting their time to those groups.

How did you become interested in place-based issues?

I became interested in the study of place-based issues after the establishment of the Pittsburgh Promise. Initially, the Heinz Endowments, an early investor and supporter of the program, recruited my colleagues and me to assess its impact on the behaviors and decisions of students, parents, and teachers. Later, the Pittsburgh Promise administrative leadership team decided they wanted continuous evaluation of the program, reflecting their dedication to data-driven decision making and program adaptations. Thus, my longstanding role as an evaluator for the Pittsburgh Promise is at the root of my focus on place-based policy issues.

How should states and localities be spending their money to promote place-based prosperity?

The costs of higher education have outpaced income increases in many places, making it increasingly difficult for young people to pursue postsecondary education. Leaders at the state and local level need to be proactive in addressing this. They need to consider the kinds of jobs that will emerge in their state over the next decade and the driving forces behind their economy. While policymakers often focus on short-term issues with immediate solutions, a shift toward the "long game" is crucial. This involves investing in an education system that is both robust and attuned to future workforce requirements. Such investment, though its benefits may not be apparent for years, is essential. If communities fail to proactively develop strong, sustainable, and accessible avenues for young people and others in the labor market to enhance their skills, they risk falling behind other regions that prioritize a long-term vision.

About the *Policies for Place* Advisory Network

The *Policies for Place* Advisory Network is an interdisciplinary group of experts in place-based policy. This network plays a pivotal role in ensuring that our research addresses key issues and generates meaningful outcomes. Additionally, advisors promote collaboration and facilitate connections with stakeholders, thereby enhancing the relevance and impact of our work. Members of the network help advance knowledge and drive positive change within the world of place-based policies.

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