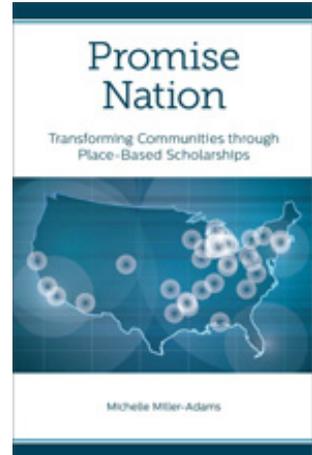


Upjohn Institute Press

What Is a Promise Scholarship Program?

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Chapter 1 (pp. 1-12) in:

Promise Nation: Transforming Communities through Place-Based Scholarships

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Kalamazoo, MI: W.E. Upjohn Institute for Employment Research, 2015

Chapter 1

What Is a Promise Scholarship Program?

Denver, Colorado—a booming city of 650,000 in the foothills of the Rocky Mountains; El Dorado, Arkansas—a company town of fewer than 20,000 located a few miles north of the Louisiana border; Kalamazoo, Michigan—a midsized city with a history of innovation in pharmaceuticals and medical technology; Pittsburgh, Pennsylvania—a city of 305,000 once known as “Steel City” and now rebounding from the loss of heavy industry. What do these four communities have in common? They are all leaders in a recent trend in college access that has spread rapidly across the United States. Place-based scholarships, often called “Promise” programs, have emerged in communities of all types and sizes, including those above, with about 50 in operation as of 2015. These four programs alone—the Kalamazoo Promise, Denver Scholarship Foundation, Pittsburgh Promise, and El Dorado Promise—have sent more than 15,000 students to college for free or close to it. The results are impressive.

- Following decades of decline, enrollment in the Kalamazoo Public Schools (KPS) grew 24 percent between 2005 and 2013. The availability of the Promise led to a reduction in suspensions, an increase in credits attempted, and, for African American students, a higher GPA. Recent data show a 33 percent increase in college completion among Kalamazoo students, with especially large benefits among minority and low-income students.¹
- The college enrollment rate for graduates of Denver Public Schools rose from 37 percent to 51 percent between 2007 and 2012. The college persistence rate has increased to 79 percent, while for low-income, minority students the college retention rate reached 80 percent in 2013.²

- The high school graduation rate in the Pittsburgh Public Schools rose from 63 percent to 72 percent in the six years after the Pittsburgh Promise was introduced in 2008, and the college enrollment rate increased from 58 percent to 68 percent.³
- For graduates of the El Dorado School District, the college enrollment rate increased from 65 percent to over 90 percent between 2006 and 2013; 91 percent of freshmen completed their first year of college. Years of declining enrollment in the El Dorado School District have been reversed, and the district is now growing.⁴

At a time of intense national debate over the costs and benefits of college, local communities are finding ways to make higher education affordable and improve student outcomes. But the agenda for Promise stakeholders goes beyond college access and school improvement, as Promise programs also seek to transform the communities in which they are rooted.

The Promise model has been spreading quickly, but efforts to collectively analyze these programs are limited (see Andrews [2013]; LeGower and Walsh [2014]; and Miller-Adams [2009b, 2015]). There are reasons why this is a challenging task. These initiatives originate from the grassroots, are only loosely connected to each other, and differ in some of their fundamental features. Yet they represent an important departure from historical patterns of student financial aid and an innovative approach to community and economic development. This volume takes a broad look at the emergence and development of place-based scholarships and provides a nontechnical audience with some analytical tools for understanding both the origins and impact of Promise programs.

In this chapter, I define a Promise program, which is harder than it sounds since the current place-based scholarship programs differ from each other in many ways, both large and small. In Chapter 2, I address how Promise programs fit into the larger landscape of financial aid,

economic development, and community change strategies, resolving some of the confusion that surrounds various “Promise”-named initiatives at the federal, state, and local levels. Chapter 3 explores the pathways through which the Promise model has expanded into new communities, a puzzling phenomenon given that the Promise movement lacks any central direction. Chapter 4 examines the two most critical design choices made by Promise stakeholders—which students are eligible for a scholarship and what institutions they can attend. While these decisions should relate to a community’s critical need, all too often they do not, yet it is these structural choices that will determine the impact of a given Promise program. Chapter 5 reviews existing research and draws some conclusions about the impact of Promise programs to date. The research agenda is far from complete, but the state of knowledge is growing rapidly, making it possible to take stock of what we know thus far about what, in fact, Promise programs can be expected to accomplish. Chapter 6 looks at the area of impact that is hardest to measure or assess—how Promise programs affect economic development. Here, a number of issues make it difficult to assign causality, but there are very real ways in which place-based scholarships affect the local economy. Chapter 7 offers some concluding thoughts on the future of the Promise movement, its staying power, and the key issues to which Promise communities must attend. Here’s a hint: It’s not just about the money.

KALAMAZOO POINTS THE WAY

In November 2005, Kalamazoo, Michigan, became home to an unprecedented experiment in education-based economic renewal when Dr. Janice Brown, the then superintendent of KPS, announced that a group of anonymous donors had created the Kalamazoo Promise, a scholarship program that guarantees in perpetuity generous college scholarships to every student who graduates from the district,

having met minimum enrollment and residency requirements. Behind the scholarship is an ambitious economic development agenda that seeks to revitalize the city and the region through a substantial investment in public education. The unorthodox approach drew widespread attention from national media and leaders in dozens of communities across the nation.⁵

The Kalamazoo Promise differs from most other scholarship programs in that the allocation of funds is based not on merit or need but on place.⁶ Beginning with the class of 2006, every KPS graduate who has been enrolled in and resided in the district since kindergarten receives a scholarship covering 100 percent of tuition and mandatory fees at in-state, postsecondary institutions. Graduates who have attended a KPS school and lived in the district for four years receive a scholarship covering 65 percent of these costs, with a sliding scale for those in between. Scholarships are awarded on a first-dollar basis, meaning that the scholarship amount is calculated before a student's other grant aid. Students eligible for additional aid, usually in the form of federal Pell Grants, can use their non-Promise aid to pay for room and board or other college costs. (Most students in KPS, with a low-income enrollment rate of about 70 percent, will be eligible for federal financial aid.) For the graduating classes of 2006 to 2014, the scholarship could be used at any one of Michigan's 43 public colleges or universities. For the class of 2015 and beyond, 15 private liberal arts colleges, all members of the Michigan Colleges Alliance, are included as postsecondary options. Recipients have 10 years after high school graduation in which to use their scholarship funding. There are almost no strings attached: students must maintain a 2.0 GPA in their college courses and make regular progress toward a degree in order to continue receiving the scholarship.

The results of the program have included surprises, some of which are positive for the local economy—almost two-thirds of scholarship recipients have chosen to attend a local postsecondary institution, and there has been a dramatic increase in college completion—others less so—it has been difficult to detect any positive impact for the

local housing market. But there is no bigger surprise than what has happened outside Kalamazoo. Spurred in part by extensive national media coverage and the reporting (and misreporting) of early positive results from the Kalamazoo Promise, communities in every part of the country have created their own place-based scholarship programs inspired by what is happening in Kalamazoo.

The first cities to announce their intentions to develop Promise-type programs did so only a few months after the introduction of the Kalamazoo Promise. These included Newton, Iowa, a company town adjusting to the imminent departure of the Maytag Corporation; Hammond, Indiana, a shrinking industrial city on the southern shore of Lake Michigan; and Flint, Michigan, the distressed former home to General Motors' main production facilities and the setting for Michael Moore's classic anticorporate documentary, *Roger and Me*. By the first anniversary of the Kalamazoo Promise announcement in November 2006, the floodgates had opened, with city after city announcing its own version of the program. Some of these plans have come to fruition, while others have not.⁷

Three of the programs mentioned above—the Denver Scholarship Foundation, the El Dorado Promise, and the Pittsburgh Promise—were created in the 2006–2007 period and represent some of the earliest Promise programs. They also underscore the difficulty of generalizing about this group of initiatives.

Although these programs were inspired by the Kalamazoo Promise, only one mirrors the fundamental premise of the Kalamazoo program: that all students should be eligible for a scholarship, receiving funding to attend any postsecondary institution to which they can gain admission. (Even very short-term career and technical programs offered by community colleges, as well as one apprenticeship program and a vocational training school for special needs students, are covered by the Kalamazoo Promise.) The El Dorado Promise adopted this universal approach as well as the first-dollar structure, providing even greater flexibility than the Kalamazoo Promise by allowing students to use their scholarships at any accredited two- or four-year,

public or private educational institution in the United States. (Tuition is capped at the highest annual resident tuition at an Arkansas public university.) In 2013, the El Dorado Promise further broadened student eligibility by removing the residency requirement, meaning that any student attending El Dorado Public Schools, regardless of whether he or she resides within the school district, is eligible for the scholarship.

The Denver and Pittsburgh programs both departed from the universal eligibility approach of the Kalamazoo and El Dorado scholarships, but they did so in different ways. Denver's is one of a handful of Promise scholarship programs that has a financial need component—in order to qualify, family income must fall within one-and-a-half times the Pell Grant limit (here, too, the school district's free and reduced-price lunch rate of over 70 percent means that a majority of students are indeed eligible). The program also funds undocumented students with lawful presence who are not eligible for federal aid. It requires a 2.0 high school GPA, or a C average, for receipt of a scholarship. The maximum amount of scholarship funding available is lower than that offered by the El Dorado or Kalamazoo programs; however, recipients are required to apply for at least three other scholarships in addition to completing the Free Application for Federal Student Aid (FAFSA), which means that substantial additional grant aid has been leveraged.

A large part of the Denver Scholarship Foundation budget goes to support Future Centers serving 21 of the district's high schools. These centers are one-stop shops for college awareness, financial aid, and the college application process, helping students access scholarship funding beyond that provided by the foundation itself.

The Pittsburgh Promise does not consider financial need, but it has stricter merit requirements than Denver's program, with eligibility for the scholarship contingent on a 2.5 GPA and 90 percent attendance rate in high school to qualify for full funding of up to \$7,500 a year for four years.⁸ (As with most Promise programs, the amount of the scholarship is prorated for the number of years a student has attended the school district.) There is a provision for students with

GPA's in the 2.0–2.5 range to receive support to attend the local community college and transition to full eligibility if they are successful in that environment. This merit-based model has been adopted by many other communities with some variations; the New Haven Promise, for example, requires a 3.0 GPA.

As of this writing, about half of the existing Promise programs have a merit component to eligibility, while half have opted for universal eligibility, as in Kalamazoo. Most Promise programs differ from Kalamazoo and El Dorado in another important respect: they are “last-dollar” programs, meaning that the Promise scholarship is awarded after other grant aid is calculated.

Many of the other communities that have launched Promise programs, including some that were announced in the very earliest days following the Kalamazoo Promise, limit use of the scholarship to local institutions. The Bay Commitment in Michigan, Ventura College Promise in California, and Garrett County Scholarship Program in Maryland are all examples of programs where students receive funding that can be used only at a local two-year institution.

Figure 1.1 shows the distribution of place-based scholarship programs as of 2015. This landscape is continually evolving, as new communities discover, plan, and implement Promise programs.⁹ (Appendix A includes details about selected programs, while the W.E. Upjohn Institute website provides a more detailed and continually updated database.)

Given the diversity of their structure, does it make sense to treat Promise programs as a group? I would argue that it does, for two reasons. First, these programs all embody a place-based approach to awarding scholarships. Financial aid in the United States is generally awarded on the basis of need or academic merit. Such scholarships go to the individual student without regard to which school he or she attends. Beginning with the Kalamazoo Promise in 2005, and continuing well into the future (many more Promise programs are in the works), dozens of communities have opted to create scholarship programs where the key determinant of eligibility is long-

Figure 1.1 Distribution of Place-Based Scholarship Programs, 2015





term attendance (and often residency) in a specific school district. This place-based model has existed in other forms, at a larger scale in statewide merit programs such as Georgia Hope, and at a smaller scale in scholarships extended to students at a single school or even a single grade within a school, such as the Tangelo Park and “I Have a Dream” programs.¹⁰ The notion of awarding scholarships based on school district attendance and residency is a new idea and one that has taken hold in communities of many different types and sizes. There is an early-awareness component as well, with students knowing when they start school in a given school district that they will be eligible for the scholarship years down the road. Finally, these programs are explicitly very long term—the Kalamazoo Promise has been set up to continue in perpetuity, whereas other programs aim to create sustainable endowments or guarantee that their scholarships will continue for several decades. The long-term sustainability of funding is critical to the success of such programs. Whether communities can build a sustainable funding model is a critical question; some statewide merit programs (including Michigan’s) have been eliminated because of state legislative action and economic conditions, raising skepticism about the viability of an ironclad, long-term guarantee.¹¹

The second reason Promise programs can and should be analyzed as a group has to do with their goals. In surveying the stated motivations for establishing place-based scholarship programs, three themes emerge. The most obvious goal of Promise programs, as well as most other scholarship initiatives, is to *increase access to postsecondary education*. Promise programs do this by reducing the financial barrier to higher education through the provision of grant funding rather than loans. They also further this goal by providing support services, such as Future Centers or other college awareness and readiness programs, to help students overcome the nonfinancial barriers to postsecondary education. A second stated goal of most Promise programs is to *build a college-going culture* in the school district and surrounding community. This involves the types of access and awareness programs mentioned above, as well as an increase in college prepared-

ness activities through, for example, early literacy initiatives, career awareness programs, expansion of advanced placement courses, and college visits. But it is the third category of goals that truly sets Promise programs apart from other scholarship initiatives and suggests that they should be viewed as a group: their emphasis on *local community and economic development*. Promise stakeholders have made it clear that these initiatives are not just about students and schools; they are also about transforming the communities in which these schools are located. In Chapter 6, I address the question of whether this is a realistic goal and what it means to say that a scholarship program can serve as a tool to promote community and economic development. For now, it is sufficient to note that most Promise stakeholders see their programs as tools to advance this larger agenda.

With these factors in mind, it is possible to arrive at a working definition, one that allows for the variations among these initiatives while acknowledging their common features: Promise programs seek to transform their communities by making a long-term investment in education through place-based scholarships. They all seek to expand access to and ensure success in higher education, deepen the college-going culture in both the K–12 system and community as a whole, and support local economic development.¹²

With a definition in hand, we can turn our attention to how such programs fit into the national landscape of college access, financial aid, and community transformation, the topics of Chapter 2.

Notes

1. For enrollment data, see Hershbein (2013). For achievement data, see Bartik and Lachowska (2012). For postsecondary outcomes data, see Bartik, Hershbein, and Lachowska (2015).
2. For details, see Pell Institute (2015) and the Denver Scholarship Foundation annual report: http://www.denverscholarship.org/sites/default/files/multi_file/subsection/download/DSF-13-14-AnnualReport-singlePage.pdf (accessed July 14, 2015).
3. See the Impact Dashboard of the Pittsburgh Promise: http://pittsburghpromise.org/about_dashboard.php (accessed July 14, 2015).

4. For more information, see the El Dorado Promise website: <http://www.eldoradopromise.com> and Ash and Ritter (2014).
5. For the full story of the introduction of the Kalamazoo Promise, see Miller-Adams (2009a).
6. For details, see the Kalamazoo Promise website: <http://www.kalamazoopromise.com>.
7. The Newton and Flint programs never got off the ground, although the College Bound program in Hammond continues to award scholarships to the children of homeowners in that community.
8. In July 2015, the Pittsburgh Promise reduced the level of the benefit it provides, lowering the annual maximum grant amount from \$10,000 a year, or a maximum of \$40,000, to \$7,500 a year, or a maximum of \$30,000. Equally important was a change in the costs covered, from the full cost of college to tuition and fees only. These changes were deemed necessary to be able to sustain the program's funding for the long term (see "Pittsburgh Promise Adjusts Program to Benefit More Pittsburgh Students" [2015]).
9. For example, as this book was going to press, basketball superstar LeBron James announced a scholarship for low-income students in partnership with the University of Akron that could benefit up to 2,300 Akron public school graduates (Schleis 2015).
10. The "I Have a Dream" model originated in 1981 when Dr. Eugene Lang promised to send every sixth grader at East Harlem's P.S. 121, the school he had attended 50 years earlier, to college for free provided they stayed in school through high-school graduation. The active "I Have a Dream" network currently comprises 16 affiliates operating 38 programs across the United States. See <http://www.ihaveadreamfoundation.org> for more information. Tangelo Park is a subdivision of Orlando, FL, where the Rosen Foundation Scholarship gives last-dollar support to any student going to college who resided in the subdivision for at least two years prior to graduation. The program dates from 1993.
11. In Kalamazoo, this is not a concern. On August 15, 2015, at a celebration of the tenth anniversary of the Kalamazoo Promise, Dr. Janice Brown read the first public statement made by the anonymous donors. In it, they pledged the following: "As donors, we are humbled and proud to commit that we will be with you for generations to come" (Mack 2015a).
12. Andrews (2013) defines a Promise program "as a local place-based scholarship program that offers near-universal access to funding for postsecondary education. Information about this funding reaches potential recipients well in advance of the decision to acquire post-secondary education" (p. 2).

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2015

WE*focus*
series

W.E. Upjohn Institute for Employment Research
Kalamazoo, Michigan

Library of Congress Cataloging-in-Publication Data

Miller-Adams, Michelle, 1959–

Promise nation : transforming communities through place-based scholarships /
Michelle Miller-Adams.

pages cm. — (WE focus series)

Includes bibliographical references and index.

ISBN 978-0-88099-504-7 (pbk. : alk. paper) — ISBN 0-88099-504-1 (pbk. : alk.
paper)

1. Scholarships—United States. 2. High school graduates—Scholarships,
fellowships, etc. 3. Business and education—United States. 4. Public-private sector
cooperation—United States. 5. Community and school—United States. I. Title.

LB2338.M54 2015

378.3'4—dc23

2015033544

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300 S. Westnedge Avenue
Kalamazoo, Michigan 49007-4686

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the sole responsibility of the author. They do not necessarily represent positions of
the W.E. Upjohn Institute for Employment Research.

Cover design by Carol A.S. Derks.

Index prepared by Diane Worden.

Printed in the United States of America.

Printed on recycled paper.