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What's New? What's Not? The Kalamazoo Promise in the Context of Other Scholarship Programs

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Town Hall Meeting on Education &
Michigan's Economic Future

Michelle Miller-Adams

January 17, 2007

Kalamazoo Promise: Basic Principles

- An economic development initiative with a scholarship program as its centerpiece
- *Place-based* – recipients must reside in the district and attend/graduate from Kalamazoo Public Schools (minimum of four years)
- *Universal* – every student who graduates & meets residency/attendance requirements is eligible
- *Generous* – covers 65% to 100% of tuition and fees for up to 4 years of college; indefinite duration (guaranteed at any point for at least the next 13 years)
- *Flexible* – may be used at any of 44 public colleges or universities in Michigan, including vocational education programs; may be used anytime within 10 years of graduation.

The scholarship field is huge, making generalizations difficult.

- In 2003-04, 1,276,000 undergraduates received private scholarships (excluding aid from government, employers, and colleges)*
- Average scholarship amount was \$1,982*
- Total amount of awards was \$2.53 billion*
- FastWeb, considered one of the most reliable scholarship web sites, includes in its database 1.3 million scholarships worth over \$3 billion.


* Source: National Center for Education Statistics (NCES), *National Postsecondary Student Aid Study (NPSAS)*

General trends in financial aid

- College costs at 4-year public schools are up about 25% from 5 years ago.
- Federal grant aid has declined in value.
 - No increase in Pell Grant in the past three years.
 - In 1985-86, Pell Grant covered 57% of average costs at a 4-year public school; now covers only 33%.
- Private (non-subsidized) student loans are growing.
 - Constituted 20% of all loans in 2005-06, up from 4% in 1995-96
- Shift from need- to merit-based aid
 - Need-based aid grew 47% between 1995-96 and 2003-04, while merit-based aid grew 212%
 - Merit grants as % of all aid: 35% in 1995-96 v. 54% in 2003-04

Merit-based aid

- Fourteen states have introduced broad merit scholarship programs since the early 1990s.
- Not means-tested; available to all who qualify
 - GPA cut-off, SAT/ACT scores, high school curriculum
- Funding comes from general funds, lottery revenues, or tobacco litigation settlement.
- Distribution of merit-based grants (both state and institutional) is skewed toward higher income students.



The goals of scholarship programs can vary widely.

- To increase access to college for low-income students
- To reward outstanding achievement, special talents, or certain values
- To increase college attendance rates among a given population
- To increase the percentage of a state's residents with college degrees
- To strengthen a community's economic vitality and quality of life

Scholarship funds may come from public sources...

- U.S. government
 - Federal Pell Grants & Supplemental Educational Opportunity Grants
 - Federal Academic Competitiveness Grant and National Science and Mathematics Access to Retain Talent (SMART) Grant
- State programs
 - Georgia HOPE Scholarships (funded by Georgia Lottery)
 - Oklahoma's Promise
 - Michigan Promise Grants (formerly Michigan Merit Scholarships)
- Municipal programs
 - College Bound (Hammond, IN - funded by casino tax revenues)

... or from private sources

■ Foundations

- ❑ Gates Millennium Scholars (Bill & Melinda Gates Foundation)
- ❑ Legacy Scholars (W.K. Kellogg Foundation)
- ❑ College for Everyone (Sen. John Edwards' Center for Promise & Opportunity)

■ Businesses

- ❑ Employer-sponsored scholarships

■ Individuals

- ❑ I Have a Dream Foundation
- ❑ Heyl Scholarships
- ❑ Kalamazoo Promise (donors are anonymous)



Scholarships awards are usually based on merit and/or need...

Merit-based

- Georgia's HOPE Scholarships
- Michigan Promise Grants

Need-based

- Pell Grants
- I Have a Dream Foundation

Merit & need-based

- Federal Academic Competitiveness and SMART Grants
- Oklahoma's Promise
- Gates Millennium Scholars
- Legacy Scholars

... but not always!

- College Bound (Hammond, IN)
 - home ownership requirement
- College for Everyone
 - residency and community service requirement
- Kalamazoo Promise
 - residency and KPS attendance requirement

*Grade point average? Not an issue. Family income?
Irrelevant. Behavioral problems? Not a problem.*

- Pittsburgh Post-Gazette, 12/14/06

Summary of scholarship programs

	<i>Public Funds</i>	<i>Private Funds</i>
<i>Merit-based</i>	HOPE Scholarships Michigan Promise Grants	Heyl Scholarships
<i>Need-based</i>	Federal Pell Grants	I Have a Dream Foundation
<i>Merit / need-based</i>	Oklahoma's Promise Federal Academic Competitiveness & SMART Grants	Gates Millennium Scholars Legacy Scholars
<i>Non-merit or need-based</i>	College Bound Newton Promise	College for Everyone Kalamazoo Promise

Programs vary in the services they provide...

- Early intervention services (literacy, mentoring)
 - I Have a Dream Foundation
 - Legacy Scholars
- Tuition plus support services (college prep, advice)
 - Oklahoma's Promise
 - College for Everyone
- Tuition coverage only
 - Gates Millennium Scholars
 - Georgia's HOPE Scholarships
 - Federal Pell Grants
 - Kalamazoo Promise

... and in their generosity.

- Full v. partial tuition coverage
 - Pell Grant (\$400-\$4,050/year) v. Kalamazoo Promise (full tuition & fees = \$9,030/year at the U-M)
- Number of years of support
 - College for Everyone (1 year immediately upon graduation) v. Kalamazoo Promise (4 years anytime within a 10-year period)
- Choice of schools
 - Legacy Scholars (Kellogg Community College) v. Kalamazoo Promise (any of 44 public colleges or universities)
- “First dollar” v. “last dollar”
 - Kalamazoo Promise v. everything else
 - tradeoff between simplicity and efficient utilization of funds



What's unique about the Kalamazoo Promise?

- Place-based economic development with educational opportunity as catalyst
- Anonymous donors, leading to community mobilization
- First-dollar scholarships in the interest of simplicity and ease of access
- Generosity & flexibility
- Universal access (within KPS)



Why such a powerful demonstration effect?

The Kalamazoo Promise suggests that two of the most important goals of individuals and communities in the 21st century do not compete with each other but are actually complementary and mutually reinforcing.

- 1) Need for higher education/skills in a global economy
- 2) Challenge of urban revitalization



Please contact me with comments, questions, or suggestions:

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