
7-1-2013

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Citation

Hershbein, Brad J. 2013. "A Second Look at Enrollment Changes after the Kalamazoo Promise." *Employment Research* 20(3): [1]-4. [https://doi.org/10.17848/1075-8445.20\(3\)-1](https://doi.org/10.17848/1075-8445.20(3)-1)

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JULY 2013

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Vol. 20, No. 3

Employment Research is published quarterly by the W.E. Upjohn Institute for Employment Research. Issues appear in January, April, July, and October.

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A Second Look at Enrollment Changes after the Kalamazoo Promise

The analysis in this article is drawn from a working paper that can be found on our Web site at http://research.upjohn.org/up_workingpapers/200/.

In November of 2005, the superintendent of the Kalamazoo Public Schools (KPS) district unveiled the Kalamazoo Promise, a scholarship that provides graduates of the district with up to 100 percent of tuition and fees at public colleges and universities in Michigan. Among the first place-based “universal” scholarships, so called because there are essentially no financial-need or academic requirements for eligibility beyond high school graduation, the Promise represents an interesting policy tool to strengthen local school systems and communities. Nearly two dozen other communities nationwide have since adopted some form of a Promise-type program, and many others are considering the idea. (For more information, see <http://www.upjohn.org/Research/SpecialTopics/KalamazooPromise>.)

This article focuses on how the Promise can influence local economic development by examining how it affected enrollment patterns in KPS in two different ways. First, it looks at the origins of students entering the district and the destinations of those who leave it. Because students coming from outside the district are more likely to represent

new families in the community, they have potentially greater impacts on the economy than students who are induced to switch from private or charter schools (but not residential locations), and this relates directly to the efficacy of a Promise-like scholarship program on local economic development. Second, it investigates how the Promise affected the socioeconomic composition of students entering and exiting the district. Student-level proxies for family income and scores from Michigan’s standardized exams, the Michigan Educational Assessment Program (MEAP), can illustrate which types of students (and their families) are most responsive to place-based scholarships.

Origins and Destinations

In an earlier paper, Bartik, Eberts, and Huang (2010) document that the Promise likely caused both a one-time surge in new entrants in 2006 and a longer-lasting reduction in the number of students leaving. Indeed, the number of new entrants was approximately 480, or 40 percent, higher in 2006 than averaged over 2003–2005 or subsequently. Table 1 shows that about three-fifths of these new students came from other districts in the state, and another quarter hailed from outside Michigan. Fewer than 20 percent were transfers from local charter or private schools. Thus, more than 80

Table 1 New Students to KPS, by Time Period and Reason

	New students in 2006, net of average of new students between 2003 and 2005	Percentage of total net new students
Other MI district	303	63
Outside of MI	122	25
Private	37	8
Charter	34	7
First school entry	-6	-1
Other	-10	-2
Total	480	100

NOTE: New students shown here are for grades 1–12.

SOURCE: Author’s calculations from KPS-provided data.

percent of the students entering KPS in 2006, over and above the average of the prior three years, were not local but physically moved into the district.

While data limitations preclude knowing the specific origins of the new students that came from out of state, it is possible to gauge the relative importance of nearby districts in contributing to the new entrants from within Michigan. Economic theory predicts that students in these districts would be most affected by the Promise, as their close proximity means that they are more likely to have heard about the Promise, moving would be less expensive, and their parents would generally not have to look for new jobs. As Michigan groups local school districts into intermediate school districts at roughly the county level, it makes sense to define nearby districts as those in the Kalamazoo Regional Educational Service Agency (KRESA).

Table 2 presents estimates from an econometric analysis that statistically correlates the new entrants to KPS from Michigan in 2006 with the eight other districts in KRESA. The numbers in the first column of the table represent the share of these new entrants that can be accounted for by each KRESA district. For example, Galesburg-Augusta, a district to the east of KPS, can account for just under 10 percent of the approximately 300 new students (net of previous trends) that entered KPS from elsewhere in Michigan in the fall of 2006. Some districts show a negative share, indicating that fewer students came to KPS from that district in 2006 than in previous years. The eight districts together comprise 88 percent of the net new in-state entrants to KPS the

year after the Promise was announced. This implies that roughly 270 of the 303 new students that came to KPS from Michigan (Table 1) came from within KRESA. Expressed differently, approximately 150–160, or one-third, of the 482 net new students to KPS in 2006 came from outside the county. These students and their families likely had a positive economic impact on the entire Kalamazoo area: parents of these students may have taken jobs throughout the metropolitan area, and increased demand for goods and services would extend beyond school district boundaries. They, along with the movers from within the county, almost certainly contributed to the local housing market as well.

The broader metropolitan area also benefited from the reduction in students leaving KPS after the Promise. The percentage of students leaving the district (in grades K–11) fell from 18 percent in the 2002–2004 period to 13

percent in the 2005–2009 period—this amounts to approximately 500 fewer students leaving each year. It is not quite as straightforward to figure out where these students would have gone had they in fact left as it is to understand the origins of new students entering in 2006; the administrative data record the destination of leaving students only for those who exit during the school year (a little under half of all exiting students do so). Of the 5-percentage-point decline in the exit rate, about one-quarter is from fewer students leaving for other Michigan districts midyear, one-twelfth is from fewer students leaving the state midyear, and three-fifths is from fewer students leaving between school years. For the students leaving for other Michigan districts and those leaving between years (a substantial share of whom probably stay within state), it is possible to perform the same accounting exercise with respect to the KRESA districts as for new students.

The second column of Table 2 shows the results for 2006, the first year after the Promise, and the third column shows the results over the subsequent four years. The patterns are starkly different. While about 80 percent of the decline in exits in 2006 is due to other districts in the county, this share falls to just over half during the next several years, with about a quarter due to Portage, the next largest district in KRESA. This means that in the immediate aftermath of the Promise, the

Table 2 Entries and Exits From Other Michigan Districts

	KRESA districts’ shares of new students to KPS from other Michigan districts in 2006	KRESA districts’ shares of exiting students from KPS to other Michigan districts in 2006	KRESA districts’ shares of exiting students from KPS to other Michigan districts in 2007–2010
Climax-Scotts	3.3	4.7	12.0
Comstock	82.2	99.9	19.4
Galesburg-Augusta	9.4	0.8	-0.8
Gull Lake	1.9	4.0	-5.2
Parchment	9.1	4.3	-6.4
Portage	-4.3	-18.1	24.8
Schoolcraft	-2.5	-1.9	15.5
Vicksburg	-11.2	-13.8	-6.2
All KRESA districts	87.9	79.9	53.1

NOTE: The numbers show how much of the Promise-induced change in students at KPS to or from other Michigan districts is due to other districts in Kalamazoo County (KRESA districts).

SOURCE: Author’s calculations from KPS-provided data.

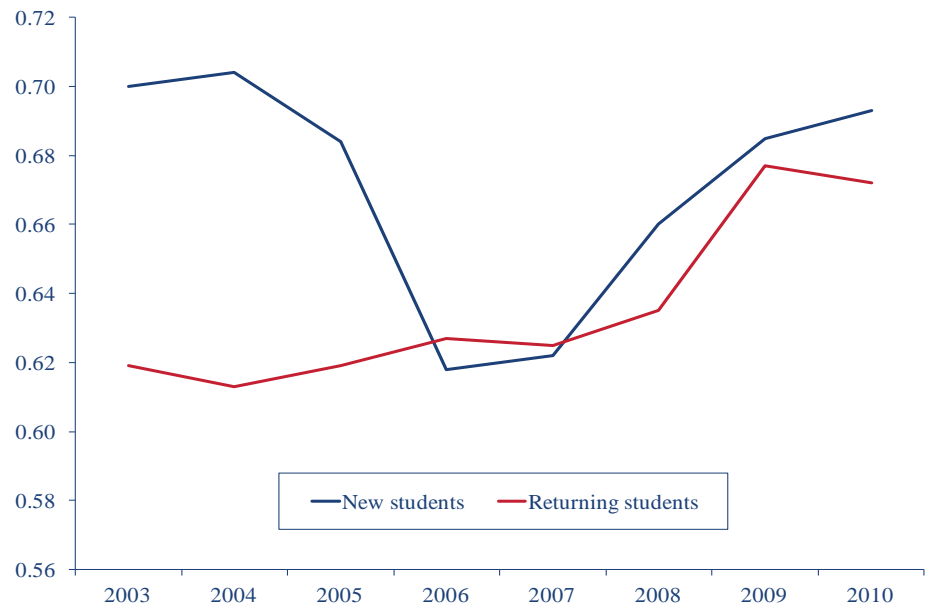
reduction in exiting students was chiefly due to those who would have gone to neighboring districts; over time, however, KPS became better at keeping students who would have left for destinations farther away in the state. Between these students and those less likely to leave the state, a conservative back-of-the-envelope calculation suggests that each year more than 250 students and their families are staying in KPS who would likely have left the metropolitan area without the Promise. After nearly eight years since the program’s announcement, that amounts to the families of 2,000 students.

Socioeconomic Composition

Because the benefit of the Promise is greater for students who go to four-year universities (and greater still for those who go to the more expensive and more selective universities, such as Michigan State University and the University of Michigan), and because the likelihood of attending selective four-year colleges rises sharply with family socioeconomic status, the Promise may have reduced the share of new students who come from lower socioeconomic backgrounds. The data available to study changes in the socioeconomic distribution of students entering and exiting KPS are limited, but one metric commonly used in the education literature is whether the student qualifies for the federal free or reduced-price lunch program. As in many urban school districts, a majority of KPS students are relatively low income and are served by this program—about 60 percent over the period 2003–2010. This average participation rate fluctuates with economic conditions (noticeably rising as the Great Recession began), but it is also affected by the flow of students into and out of the district.

Figure 1 presents time trends in the share of KPS students on free or reduced-price lunch, separately for entering and returning students. (The data have been adjusted to control for changes in grade, sex, and ethnicity, although this does not affect the patterns.) While new students in 2003–2005 were 6–8 percentage points more likely to be on the assisted lunch program than incumbent KPS students,

Figure 1 Fraction of KPS Students on Free or Reduced Price Lunch Program, by Year



SOURCE: Author’s calculations from KPS-provided data.

the rate fell sharply (and statistically significantly) in 2006 and the two series converged. Furthermore, additional evidence reveals that the reduction in the lunch rates for new students was strongest for grades K–2, the grades that carry the greatest potential benefit of the scholarship.

Students’ performance on the MEAP exam also changed the year after the Promise was announced. Whereas the math and reading scores of new students were 0.10–0.15 standard deviations below those of returning students in October 2005, this gap had all but closed the following year as new students improved considerably faster than incumbents. This relative gain continued in 2007 before widening again at the start of 2008. Because the exam is fielded at the beginning of the school year, before instruction can play a large role, these changes in performance are most likely due to new entrants being better prepared than new entrants previously.

The evidence indicates that the Promise attracted more socioeconomically and academically advantaged students than KPS had received beforehand, but that these effects were short lived. But what about exiting students? The same logic as for entering

students would imply that exiting students could be (relatively) poorer following the Promise announcement. On the other hand, students from more affluent families likely have more options (or stronger preferences) to choose higher-performing districts than their less economically fortunate peers, and the Promise may thus have had greater retention effects among relatively poorer students. The data suggest that the second explanation predominates. Although exiting students are 7–8 percentage points more likely to be on assisted lunch than continuing students before the Promise announcement, the rate for the former group falls sharply in the 2006–2007 and 2007–2008 school years, to a level below that of staying students. (Unfortunately, it is not possible to check whether the MEAP scores of exiters also changed, as the test was redesigned in 2005 and there are no comparable data beforehand.)

It is important to understand that these selection effects, on both new entrants and exiting students, were relatively modest. New students more closely resembled their incumbent peers, who still fall below the state average on MEAP scores and income proxies, rather than the even more highly disadvantaged previous cohorts. While

the Promise may have attracted students from a greater socioeconomic stratum, its effectiveness at keeping them is more subdued. Because exit rates fell overall, more of these types of students stayed in the district, although poorer students were even more likely to stay. These changes, however, were too small to affect the makeup of the student body as a whole, so composition is unlikely to play as significant a role as changes in the numbers of students entering or exiting, and their origins and destinations, on the effects of Promise-type programs.

Summary

Previous research has documented how the Kalamazoo Promise has increased enrollment in KPS, but researchers have paid less attention to the characteristics of students who were induced to enter—or stay—in the district. These dimensions are more subtle than changes in the volume of students or measures of their individual success, but they are equally important to understand for communities exploring the feasibility of place-based scholarships as a local economic development tool. In the short run, the Promise attracted 500 more new students to KPS than historical patterns would have predicted; they were less disadvantaged than in the past, and a third of them came from outside the metropolitan area. In the longer run, the Promise has helped keep nearly 2,000 students and their families from leaving the greater Kalamazoo area, with no noticeable impact on the socioeconomic characteristics of the district's enrollment.

Reference

Bartik, Timothy J., Randall W. Eberts, and Wei-Jang Huang. 2010. "The Kalamazoo Promise, and Enrollment and Achievement Trends in Kalamazoo Public Schools." Presented at the PromiseNet 2010 Conference, held in Kalamazoo, MI, June 16–18. <http://research.upjohn.org/confpapers/15> (accessed June 12, 2013).

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Marcy Whitebook

Preschool Teaching at a Crossroads

► *Why did the preschool teacher cross the road?*

► *To find a job in a kindergarten classroom.*

A chorus of economists, developmental scientists, and policymakers across the political spectrum are currently singing the praises of investments in early learning programs. The anticipated expansion of these programs will likely create a demand for preschool teachers, especially those who are trained and can deliver on the many promises of preschool. Will states be able to attract and retain the skilled workforce necessary for preschools of sufficient quality to level the educational playing field at kindergarten entry, let alone promote lifelong learning and well-being? As noted in a recently released study about Boston's public school prekindergarten program, preschool works to narrow the achievement gap when teachers are highly qualified *and* well-paid (Weiland and Yoshikawa 2013). Preschool success will rest to a large extent on getting teacher qualifications and compensation policies right. To date, policies addressing the former have been more promising than those focusing on the latter.

Two days after the 2013 State of the Union address in which President Obama made a rhetorical plea for universal preschool, he called for programs staffed by "highly qualified educated" teachers, saying, "This is not babysitting. This is teaching" (the White House 2013a). The president's comments were in line with a trend in policies directed toward raising preschool teacher qualifications. These policies reflect increasing evidence about the complex and critical needs of our country's developmentally, linguistically, and economically diverse population of young children. Rising teacher qualifications encompass changing expectations about what teachers of young children need to know in order to

facilitate children's learning and improve classroom practices.

Twenty-nine state-funded preschool programs currently require educators with a bachelor's degree, up from 22 states in 2001–2002 (Barnett et al. 2012). Similarly, the vast majority of these programs require specialized training in early childhood for lead teachers, now at 85 percent compared to 74 percent a decade ago. In the same vein, Congress increased educational expectations for teachers in federally funded Head Start programs in 2008 (Ewen 2008), and now more than half of Head Start teachers working with three- and four-year-olds have BA degrees (Schmit 2012). (See Figure 1.)

Policies to increase pay have received far less, if any, attention. Low pay remains the norm for teachers of young children (see Figure 2), even among those who have made a considerable investment in their own education and training. For example, in 2011–2012 Head Start teachers with bachelor's degrees earned an average annual income of \$30,722 per year and those with graduate degrees earned \$41,114 (Barnett et al. 2012). During this same period, the median annual earnings of those teaching kindergartners or older elementary school children were \$48,800 and \$51,660, respectively (who were not in special education classes) (Bureau of Labor Statistics 2012a).

Preschool teacher salaries vary tremendously, depending on how states structure their pre-K programs. A few states, such as New Jersey and Oklahoma, require comparable salaries for preschool teachers to those of teachers of older children, as also proposed by the White House (2013b). Most states' public pre-K programs are designed as