



**Redeeming America's Promise**

A plan to make college tuition free

[www.redeemingamericaspromise.org](http://www.redeemingamericaspromise.org)





## Step I: American Promise Scholarships

The American Promise Scholarship (APS) program would redirect existing Federal dollars to provide every academically qualified student from a lower or middle income family enough money to pay for tuition at either a two or four year college.

### The Issue

Recent polls overwhelmingly show Americans (94%) recognize the importance of having a certificate or degree beyond high school. But most Americans (77%) do not think that higher education is affordable. The problem is particularly acute for lower and even middle class families who see higher education as a key to improving the lives of their children, yet see cost as a huge barrier. A recent Urban Institute report indicates “people in households with incomes below \$25,000 are 86% more likely to worry about repaying their student loans” and 71% of people with incomes between \$25,000 and \$50,000 are more likely to worry, compared to high income families.

This legitimate worry is now a major factor in determining where students go to college. According to the 2013 survey of college freshmen analyzed by UCLA's Higher Education Research Institute (HERI), 45.9% of students indicated that the cost of attending their current institution was a “very important” factor in their choosing where to go to college. This is the highest percentage in the 10 years that such a question was asked – up nearly 15% since 2004. Similarly, nearly half (48.7%) of students reported that their current institution's financial aid offer was a “very important” factor in their decision to enroll at that campus – up from 33.7% in 2004. According to the UCLA researchers the data reveals “that college costs and financial aid packages are particularly salient for first-generation students. More than half (53.9%) of first-generation students indicated that the cost of attendance at their current institution was a ‘very important’ factor in their decision to enroll at that college,” compared to 43.8% of continuing generation students. Furthermore, “60% of first-generation students reported financial aid was a ‘very important’



consideration in deciding to enroll at their current institution,” compared to less than half (46%) of continuing generation students.

These are dangerous warning signs that our country’s historical commitment to education as a key component of the promise of upward economic mobility is being abandoned. America has always used the instrument of government to try and provide sufficient funds to those willing to undertake their studies seriously to acquire the skills and knowledge they needed to engage in economic, civic, and artistic pursuits without overburdening them financially either during their studies or after. Until now.

In every era, beginning with the Northwest Ordinance setting aside land for one room schoolhouses to the institution of mandatory, free primary education in all states at the time of the Civil War, no matter how great the challenges we faced, the country has made educational opportunity a lynchpin of American society. In the 20<sup>th</sup> Century, the expansion of educational opportunities continued as our growing Industrial Age economy required workers with a high school education for our factories and offices. Government funds in every state and community were set aside to provide a free, public high school education for boys and girls to respond to these new demands. Later in the century, after WWII, the GI Bill of Rights and then the Higher Education Act of 1965 were enacted to further encourage college enrollment, thereby establishing the educational foundation for our rapidly expanding middle class.

It is only in this century that we have asked a generation, Millennials, to self-finance the education they need, and our country needs, to be economically successful. This wrong-headed inter-generational and economically disastrous policy needs to end before America loses its global competitive edge for good.

## The Solution

*Create an American Promise Scholarship (APS) program, administered by the Department of Education, that would provide every academically qualified student from a lower or middle income family enough money to pay for tuition at either a two or four year college.*

The amount of the American Promise Scholarship (APS) would depend on whether the student attends a two or four year program. For a community college, the APS-2 would be worth \$2,500 per school year, an amount slightly less than the average community college tuition level of \$ 2,647. The Baccalaureate Degree APS or APS-4 would be worth as a national average \$8,500 per year, which is just under the current average list price for in state tuition at a public, four year college of \$8,893. Because states differ in what they charge for in-state students to attend their schools and vary their tuition between different types of higher education programs at their several colleges, states would be given flexibility by the federal government on what level they could set the value of an APS-4



scholarship, so long as the overall costs to the federal government did not exceed, as a national average, \$8500 per student accepted.

The value of either of the APS scholarships would be adjusted each year based on an index related both to the Consumer Price Index and increases in college costs. The current values and their relationship to average tuition costs in a given state would be communicated to students throughout their primary and secondary schooling experiences so they grow up knowing the opportunity to attend college is a real promise. The federal government would provide the scholarship money to students in the same way private scholarships are administered and coordinated with college financial aid offices.

States would have to maintain at least their current level of effort in support of higher education in order for the scholarship money to be useable at any of their public colleges or universities by their state's residents. Community colleges would be required to accept the scholarship money as the full amount for tuition that students or their parents would need to pay to attend full time for two years. Public four year institutions would have to accept the same condition for their in-state students to be able to use their scholarship for the cost of tuition. If a public institution's in-state rates were higher than that state's APS-4 scholarship level, the institution would need to make up the difference from sources other than the student's family. Private institutions would be eligible to accept APS students and receive their scholarship funds (of either \$2500 or \$8500) as well, so long as they were accredited either by the Accrediting Commission for Career Schools and Colleges (ACCSC) or the Accrediting Commission for Independent Colleges and Schools (ACICS) or met the standards for graduation and placement rates set by those accrediting bodies.

*Eligibility.* American Promise Scholarships would be available to students whose family incomes were no more than the highest level of income for which tuition tax credits are currently available (\$160,000 for two income families, tapering rapidly to zero benefit for families earning over \$180,000).

All students, from family's meeting the income criteria, who were accepted by an accredited institution of higher education would be entitled to the APS-2 scholarship provided they remain a full time student in good standing as defined for maintaining Pell Grant eligibility. Students in two year programs who earn a 2.5 GPA after their first year or two years of community college would be eligible to receive an APS-4 level scholarship upon their acceptance to a four year program for the remaining years of their college education.

To be eligible for the APS-4 scholarship, a student from a lower or middle income family would have to graduate high school with a 2.75 GPA and remain a student in good standing during their college career.



The amount of any individual APS scholarship would be reduced by the value of any Pell Grants awarded to the same student.

If a high school graduate elects to defer their college education for reasons other than service to country or community, they would remain eligible to apply for the same APS that they were eligible for at the time of their high school graduation, provided they enroll in college no more than ten years after they graduate from high school. Any time spent by a high school graduate in service of country or community would not be counted against this ten year limitation.

Students could choose to spread the total value of the APS-4 (\$34,000) over as many as six years, but no additional scholarship money would be paid to any student who fails to earn a degree after six years from the time of their initial enrollment. Similarly, community college students could take up to three years to earn a skill certificate or associate degree, but the total payment could not exceed \$5,000.

Any college or university that chose to accept an APS as full payment for the student's portion of their tuition could also apply for "tuition support" payments from the federal government for those students who are "first generation students", i.e. the first in their family to attend college. This would be a new program designed to reward such efforts in the way Race to the Top rewards innovation in K-12 education.

## Paying for our Plan

*It is our intention not to raise federal taxes to pay for this plan or to further burden future generations by financing these proposals by increasing the nation's overall debt.*

The single biggest savings in current expenditures will come from the substantially fewer number of families who will need to claim a tuition tax credit on their income tax returns. Families of those instate students who attend a public university and anyone who earns an APS-2 scholarship and attends community college should not have to incur any tuition costs. Since they won't have paid any tuition, the family will also not need to retroactively claim a tax deduction for such expenses. We estimate this shift will reduce the value of current federal expenditure tax credits by approximately \$25 billion.

Furthermore, without the need to pay tuition, many fewer students will apply for Pell Grants to assist in paying for a college education. If grant applications fell by half, it would save the government about \$17 billion, not including any administrative cost savings from not having to process as many applications. For those who do decide to apply for financial aid, recent advances in simplifying the FAFSA process can become the foundation for even more streamlining of the overall process, offering the possibility of additional savings in the transactional costs of getting students the money they need to go to college.



Additional money to pay for American Promise Scholarships can be found by reforming how and when colleges and universities receive payment for their Pell Grant students. Under regulations adopted in 2012, students who receive Pell Grants that are applied to tuition and do not finish the semester trigger two actions: 1) the school is to repay the "unused" portion of the tuition to the federal government and 2) the student has to repay 1/2 of the Pell money that was not used for tuition. While this allows the government to recoup some of the Pell Grant money, some of it is still wasted in the administrative complexities of having colleges return the "unused" portion of the tuition.

One way to avoid this cost, is to change the formula for distributing campus-based student aid funds to institutions for Pell Grants (and LEAP funds to states) so that in the future any appropriated funds would be distributed on the basis of the number of Pell Grant recipients who completed their course of study in the previous year from that institution or institutions within a state. This "look back" approach rather than the current "pay first" process would also help make federal student aid more effective in meeting the goal of increasing college completion and to narrow chronic equity gaps in these indices.

### **Making American Promise Scholarships a commitment to all future generations.**

Senator Pell's initial vision for the higher education grants that now bear his name was to make sure that economically disadvantaged students would know that they would be eligible to receive sufficient federal aid early in high school or even in grade school. While the Pell Grants program has helped more than a hundred million students in the four decades since it was enacted, it has never achieved this purpose, in part because current federal budget rules preclude promising aid years before students enroll. In order to help fulfill Senator Pell's vision it will be necessary to fund the APS program from the entitlement side of the federal government's budget, even though some of the current support for higher education comes from the discretionary spending side of the ledger. There is no other way to "promise" a given level of scholarship award in advance of graduation without taking this significant step in how such funds are accounted for on the federal government's books. Still the overall cost of the program, no matter where it is accounted for, should not increase the national debt younger generations will ultimately have to bear the burden of paying.



## Step II: Income Based Repayment Loans

Income-based repayment (IBR) loans would become the default option for financing student living expenses, such as room and board and books, with principal repayment amounts reduced upon graduation. IBR allows students to repay loans based on what they earn after they leave school, as opposed to a fixed amount.

### The Issue

Annual volume in the federal student loan programs has grown from \$1 billion in the 1970s to more than \$100 billion today, a tenfold increase in real terms. According to the Congressional Joint Economic Committee, outstanding student loans have increased from \$550 billion to over \$1 trillion. Two-thirds of recent bachelor degree recipients report having taken out student loans, with an average balance of more than \$26,000. In fact, student debt now exceeds credit card debt in America, creating a huge drag on the ability of young adults to buy a home and make the other expenditures associated with starting a family that have been so essential to our nation's sustained economic growth.

*Forbes* magazine recently reported that student loans currently have the highest delinquency rate among all forms of debt – higher than credit cards, mortgages and auto loans – and the only one that's been on the rise consistently since 2003. To make matters worse, most student loan debt cannot be discharged in bankruptcy.

The intricacies of the federal student loan program, with nine different repayment options, has exacerbated the problem. Currently, the majority of students participate in a standard repayment plan, which is amortized over 10 years. These students are required to begin repaying their loan within six months of graduation. Accordingly, such a plan works best for those lucky enough to land a well-paying job immediately upon graduation. For others, the full value of their degree takes longer to realize. IBR, therefore, insures postsecondary students that they will not be saddled with an unaffordable monthly payment upon graduation.



## The Solution

*Make Income Based Repayments the default option for financing the other costs of attending college, up to certain specified limits, with principal repayment amounts reduced upon graduation.* IBR loans would be limited to the amount needed to pay for education related expenses, up to \$10,000 per year, with no interest incurred while in school and repayments based on what the student earns after leaving school, as opposed to a fixed amount.

The cost of attending college extends beyond tuition to include living expenses while the student is in school and not working; textbooks, to the extent they are not free; and other related and appropriate educational expenses. These costs are very particular to the circumstances of each individual, depending on whether or not they are living at home, commuting to college, have parents who can afford to pay for a minimal level of such expenses, the locality of the institution, etc. Rather than institute another set of aid programs with the government auditing such expenses and creating new regulations to assure program integrity, our proposal would enable students, if they chose to do so, to borrow up to a set amount of money they could use to defray these expenses with repayments based on their income levels after they graduate.

**Eligibility.** Students pursuing a degree or certificate from home or through online courses alone would only be eligible to borrow a maximum of \$2,500 per year for their living expenses while so enrolled in an institution of higher education. For those students living away from home, loans would be made available on an annual basis, not to exceed \$10,000 per year.

These loans would be offered to all higher education students regardless of their American Promise Scholarship (APS) status, however APS scholars could not borrow money to pay for the cost of in-state resident tuition for which they have already been given a scholarship. For students attending a private college whose tuition level was greater than the APS, income based repayment loans could also be used to pay for this incremental amount beyond the value of the student's APS, so long as the total amount loaned did not exceed the annual cap.

The amount of the actual loan within these caps the student would be allowed to borrow would be certified by a college or university's office of financial aid, which would be charged with the duty to attempt to minimize the student's loan burden upon graduation. All income based repayment loans under this program would be provided by the federal government and current restrictions on direct lending by private entities would remain in force.



Students or their families could opt out of income based repayment loans in favor of traditional Stafford loan terms, but the caps on the amount of loans would be enforced regardless of the repayment method.

**Repayments.** IBR loans would be extended without interest during the time the borrower was a student in good standing in a two or four year certificate or degree program.

Any principal amounts owed by the student for an IBR loan would be repaid with interest starting in the year after graduation with the interest rate calculated according to the 2013 student loan reform legislation. The amount of each year's repayment would be tiered depending on the individual's (not their family's) IRS reported income each year after the individual is no longer enrolled as a full time student, with the percentage of income due rising as the graduate's income rises, until the loan and any accumulated interest is completely repaid. Students who wish to do so may pay off their loan balance, including accumulated interest, at any time.

Upon graduation, the principal amount of the loan would be reduced by 5% for each year of the degree or certificate program the student completed, provided the student completed their chosen field of study within six years of enrollment in a four year college or within three years for a two year program. Thus, if the student earned a Baccalaureate Degree, 20% of the principal amount loaned to her would be written off by the government. Similarly, 10% of the income based repayment loan would be written off for those earning an associate degree or skill certificate.

**Reward Military Service.** Our plan does not alter the existing Post-9/11 GI Bill benefits. Veterans needing to borrow money for living expenses over and above the monthly stipend provided to them would however be eligible for triple the principal write off upon graduation than for non-veterans. Sixty percent of the principal value of the loan would be written off for completing a four year degree program; 30% for completing a two year degree or certificate program. If the graduate pursues his or her military career upon completion of their higher education, the write offs they would be entitled to would be provided upon enlistment and no remaining loan repayments would be due while they are members of the armed forces.

**Reward Community Service.** Our proposal would create additional "Service Ribbon" benefits for those who serve their community through the Corporation for National and Community Service's (CNCS) three major programs – AmeriCorps, VISTA and National Civilian Community Corps (NCCC). Our proposal would increase the existing education benefits for such service to 80% of the level provided to veterans. If such volunteers also qualified for an American Promise Scholarship, the value of their Service Ribbon benefits would be deducted from the financial value of their APS.



APS scholars who graduate from college and serve their community through the U.S. government's CNCS programs would receive relief from their IBR loan principal in two stages. They would get the same level of loan relief at the time of graduation as other scholarship recipients. But those write offs would be doubled upon completion of at least two years of service to their community and no loan repayments would be required during the time they serve. In total, APS scholars who serve their community would have 40% of the principal value of their loan written off if they graduated from a four year college and 20% if they graduated with a two year degree or certificate.

There are other organizations that successfully deploy volunteers to improve the country's communities upon the student's completion of college. Organizations, such as Teach for America, could apply to the federal government to have two years of service under their auspices entitle their college graduate volunteers to similar relief from their student debt burdens as well.

## Paying for our Plan

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In addition to removing the burden of unaffordable debt repayments from young lives, making income based repayment loans the default option for those who do borrow will save money. By substituting scholarships as a way of paying for tuition for many students and limiting the amount of money that can be borrowed for living expenses and remedial courses, net annual savings of \$5 billion in reduced interest and default costs could be realized. However, it must be recognized that these savings would only partially offset the cost to the federal government of writing off portions of these loans upon graduation, let alone for community or military service.

The rest of the cost of writing off some of the principal amount of income based repayment loans could be paid for by having the federal government accept a much lower level of profit from its student loan operations than it currently enjoys. The Congressional Budget Office estimates these profits will amount to between \$14 billion and \$16 billion per year in the future. Our proposed system of partial loan principal reductions can be accommodated simply by reducing the federal government's profits on the business of loaning money to students.



## Step 3: State Funding

Incent states to make college more affordable by changing funding formulas, controlling costs, and moving to a “pay for performance” system for remedial education.

### The Issue

Since 1973, according to Center on Budget and Policy Priorities (CBPP) data, “average inflation-adjusted public college tuition has more than tripled, but median household income has barely changed, up merely 5 percent...The sharp tuition increases states have imposed since the recession have exacerbated the longer-term trend. Tuition was up 26.1 percent between the 2007-08 and 2012-13 school years.” Between 2007 and 2012, state appropriations per student for postsecondary education declined in 48 states. After adjusting for inflation, CBPP reports that “the average state is spending \$2,026 or 23 percent less per student than before the recession.”

Even more troubling is a Pell Institute for the Study of Opportunity in Higher Education analysis that indicates average state fiscal support for higher education will reach zero by 2059 based on current trends. Diminished state support exacerbates income inequality and hinders economic mobility. According to an article authored by Cornell University Professor Susan Mettler in the *Chronicle of Higher Education*, “college-going, once associated with opportunity, now engenders something that increasingly resembles a caste system: It takes Americans who grew up in different social strata and widens the divisions among them. The consequences are vast, including differences among graduates in employment rates and lifetime earnings, in health, and in civic engagement.”

One particularly troubling aspect of this caste system is the way states deal with students needing remedial education to acquire the skills they should have been taught in high school in order for them to be successful in college. Instead of fixing the problem at the K-12 level, most states burden community colleges with the responsibility to teach students who need these basic skills and who often end up borrowing the money to cover their tuition costs for courses that fail to produce the expected results. According to a Complete College America report, remediation has become “higher education’s ‘Bridge to Nowhere.’ This broken remedial bridge is travelled by some 1.7 million beginning students each year, most of whom will not reach their destination — graduation. It is estimated that states and students spent more than \$3 billion on remedial courses last year with very little student success to show for it.”



At the baccalaureate level, in state tuition currently pays for about 35% to 40% of the cost of public university education, and out of state students pay as much as half of the cost. In some states, particularly at more elite public universities, state appropriations have fallen to less than 10 percent of the overall revenues of a given institution, leading some institutions to think about leaving the state system altogether or changing their relationship with the state in order to have more flexibility on issues such as tuition levels and faculty salaries.

Meanwhile, income gains for lower and middle class families since the 1990's have all but disappeared, which makes asking them to pay an increased share of the cost of a college education problematic public policy, especially in an era of ever increasing rates of tuition. Now, as state revenues begin to recover from the impact of the Great Recession, it is time to have states step up to the plate and do their part to make college affordable.

## The Solution

*Encourage states to alter their funding formulas to increase affordability, improve performance and increase efficiency.*

States should establish the price of tuition based on the state's median family income and use normative costs, not cost plus, in their funding formulas. States should also eliminate tuition for remedial education and substitute a competitive marketplace as the delivery mechanism where government pays for demonstrated performance by any and all providers of such services.

Regardless of what one thinks about the current adequacy of state funding for higher education, we believe there is an urgent need to reconsider *how* states finance higher education as a means for improving the efficiency of the system. What is needed is a new financing arrangement that produces better, more equitable results. Such a system should include the following components:

First, tuition levels for in-state residents should be tied to general measures of ability to pay such as the state's median family income or gross domestic product (GDP) per capita. This would result in a pricing structure that is based more on what the average family can pay than on what public institutions say they need to operate. Higher cost and more-selective public institutions should be allowed to charge tuitions that are a higher percentage of median income than more open access institutions such as community colleges. American Promise Scholarship levels would become the maximum amount public institutions of higher education in a state could charge families on average for instate tuition, regardless of differential tuition rates within a state. However, to maximize their ability to operate effectively and their incentive to increase enrollments, all public institutions should be able to retain all of what they charge for student tuition.



Second, state funding formulas should be revised to drive more efficiency and better performance. State funding formulas should use normative costs – what it ‘ought’ to cost – rather than actual or average costs per student for allocating funds to public institutions to push back against cost plus inflationary pressures and establish expectations for productivity improvements on the part of each institution. Furthermore, at least a portion of state funding should be based on the numbers of graduates rather than number of students who are enrolled at a particular period of time to concentrate the attention of administrators on the need to make sure they have the capacity and support to make sure those they enroll complete their education.

Third, states should move to a performance-based system for remedial education in which students would not be charged tuition for the remedial courses they take. Instead, the providers of remediation would be paid a fee by federal, state, and local governments for doing so, with the providers who do the best job of increasing the competencies of these students getting the most reimbursement and the most business.

Remediation is probably the form of postsecondary education and training that might benefit most from the use of online and distance learning techniques. It is also an area in which for-profit and community-based providers may be able to provide the best service at the lowest cost.

Along with this change in who delivers remedial education, students who take such courses would not be charged for taking them and therefore would not be eligible to borrow to pay for them. Furthermore, since the course work should not be considered college material, American Promise Scholarships could not be used to pay for such courses. Student assistance programs, including American Promise Scholarships, should however be made available once the student completes their remedial education and demonstrates they can do college level work.

## Paying for our Plan

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Changes in funding formulas as suggested in our plan would not necessarily require additional state funding; instead they would encourage public institutions to find ways to be more efficient and more effective in how they spend state funds. Funding for state student aid would represent a reallocation of existing state funds, as would shifting some state funds to lower-cost institutions such as community colleges.



Revenue increases from more students paying more regulated tuition fees would become the primary mechanism for funding growth in public higher education enrollments, even as the state uses some of its rising revenue from a growing economy to further invest in higher education. While some states may choose to pay for these programs by raising taxes in order to meet their balanced budget constitutional obligations, the changes we are suggesting do not mandate such an outcome but rely instead on the innovation and creativity of political and academic leaders in the states.

Several sources might be used to pay for our recommended reforms in changing the remedial education marketplace. First, the remediation costs per student would be substantially reduced as providers would be reimbursed based on the reasonable costs of providing remedial courses rather than being allowed to charge inflated prices paid largely through student grants and loans. Second, any remaining increase to the cost of such education states might have to absorb should lead to a much greater emphasis in successfully teaching these skills in high school so that states don't have to incur what are, in effect, the duplicate costs of teaching these skills at the postsecondary level. Third, the cost to taxpayers for student loan default will be reduced as the category of borrowers currently most likely to default would no longer be asked to pay for remedial courses and therefore would not be taking out student loans to pay for them.



## Step IV: An Early Promise

Increase college enrollments and graduation rates by making an early promise to students to cover their costs of attending college, providing “first generation” students mentoring and counseling services until they graduate, and rewarding colleges for the number of “first generation” students they enroll and graduate.

### The Issue

Research has demonstrated that just providing additional money to students who could not otherwise afford to go to college is not sufficient to close the college graduation rate gap between students from lower income families and those from higher socio-economic backgrounds. Students need to understand early in their K-12 educational experience that college attendance is both expected and possible to achieve. Financial support, if required for their college attendance, should be certain and simple enough that it can be expressed to high school students as a “promise” or commitment, allowing them to focus on getting the grades necessary to be accepted in an institution of higher learning.

A report authored by Anthony Carnevale and Jeff Strohl of Georgetown University’s Center on Education and the Workforce, entitled “Separate and Unequal: How Higher Education Reinforces the Intergenerational Reproduction of White Racial Privilege,” documented the decline in educational access and equity in America from 1994 to 2009 for African-American and Latino youth. Rather than function to reverse gaps generated by inequities in K-12 education, housing and health, higher education is now serving as a “capstone” that exacerbates those other mechanisms. Today’s “postsecondary system mimics and magnifies the racial and ethnic inequality in educational preparation it inherits from the K-12 system and then projects this inequality into the labor market,” Carnevale says. If higher education is to return to its former role as the great equalizer that can balance, if not undo, inequities that separate segments of society, the current system will require fundamental changes in how it deals with all elements of American society.

The need to address this problem for families with no previous higher education experience is particularly urgent. These so-called “first generation students” lack easy access to the type of advice and counsel that students with parents who attended college receive in the course of their upbringing as well as at college. Since much of the success of a student goes beyond academic capability and deals instead with having the



necessary “know how” to successfully manage in a brand new environment and culture, this type of support must be provided in order to improve overall graduation rates.

Our nation’s promise of economic mobility for all requires that we take the bold steps necessary to address this issue using fact based, experiential data about how best to close the graduation gap between different levels of our society.

## The Solution

One promising experiment in addressing the problem of unequal high school graduation and college attendance rates is taking place in Kalamazoo, Michigan, as well as other cities and communities that have copied their approach. The Kalamazoo Promise offers a free college education at any of the state’s public universities to students who attend and graduate from its K-12 system. It has no grade-point average cutoffs or merit requirements. Similar to the eligibility requirements for our APS-2 plan, any student who graduates from the public-school system after at least four years qualifies. University of Pittsburgh professors, LeGower and Walsh compared the impact of such a universal benefit with other programs with some limits on eligibility and found that programs offering scholarships to all students regardless of merit, and to the widest range of colleges and universities, saw the biggest gains in enrollment. Their research published in a National Bureau of Economic Research [working paper](#), documented enrollment gains of about eight percent in Kalamazoo and other identical programs.

Our plan offers three additional ways, beyond American Promise Scholarships, for government to do its part in improving the attainment or rate of graduation of our most economically disadvantaged students.

**Opportunity and Responsibility Curriculum.** In recent years, federal, state and local governments have partnered to undertake a major reform of high school curriculums in many critical academic disciplines designed to graduate a more skilled and knowledgeable workforce. We recommend a similar, but voluntary effort be undertaken to acquaint every middle and high school student with an understanding of the opportunities that exist to attend college and the responsibilities, in terms of grades and conduct, which are required of students to take advantage of such opportunities.

The experiences of students participating in non-profit programs such as Bright Prospects that make it clear that the money needed to go to college will be available to them if they get good grades, regardless of their family’s income, offers evidence that such knowledge alters behavior. It has a proven track record of success in encouraging students to graduate from high school with good grades and get into college when they do.



Drawing from these successful experiences, as well as the results from the Kalamazoo Promise, we propose that educators at the local, state and federal levels develop a voluntary curriculum to educate students and their families about the array of college and career opportunities that are available. It should incorporate job fairs and career days that would explain what kind of education is required for each of the jobs being discussed. The curriculum should explain how K-12 course taking and academic proficiency can ensure that the student meets their college and career goals. It should also educate students and their families about the cost of postsecondary education and the various grants, aid programs and scholarship funds that are available to pay for that cost in that state for students with good grades. This curriculum should also cover the basics of what is involved in getting a college education, including trade and career oriented options, and what it takes to get accepted into each of them.

By beginning this conversation as early as the fifth grade, students would be given information that could dramatically impact their life's course and give them a sense of the possibilities that a good education can create. Combined with the guarantee of an American Promise Scholarship such a curriculum can raise the aspirations of all young Americans, especially those whose current family circumstances leaves them less informed and less hopeful.

**Promise Partnerships.** The federal government should encourage public/private partnerships designed to raise the aspirations and enhance the chances for success in college for those who are the first in their family to attend college. Such students lack the advice and counsel that students with at least one parent or guardian who has navigated the challenging waters of higher education would likely receive in the natural course of events. To equalize this playing field for "first generation students" federal funds would be used to match private contributions to a diverse set of non-profit organizations who in turn would agree to provide a range of mentoring and support services to such students while they are in college. To expand the availability of such partnerships, federal matching funds would also be available to states which establish these kinds of continuous intervention programs on their own.

**First Generation Student Enrollment Incentives.** States need to do more to encourage the enrollment and graduation of students from lower income families. A significant portion of state funds should be reserved for grants to help such students pay all of the costs of attending college without being burdened by student debt upon graduation. States should also pay public (and private non-profit) institutions a funding premium for the number of first generation students that they enroll and, more importantly, graduate.

To further encourage greater college completion rates among low income and minority students, a federal campus-based aid fund for "tuition support" should be established to reward colleges on the basis of the number of first generation students an institution enrolls and graduates.



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*It is our intention not to raise federal taxes to pay for this plan or to further burden future generations by financing these proposals by increasing the nation's overall debt.*

The cost of introducing an “Opportunity and Responsibility” curriculum in middle and high schools can easily be absorbed within existing state budgets as part of the overall Common Core initiative.

States that adopt our recommended state funding reforms should be the first to receive federal funds to establish Promise Partnerships. The cost of a federal government, “tuition support” plan can be implemented initially using the same “Race to the Top” approach that the Obama administration used to encourage states, and later school districts, to adopt proven ways to improve student performance.

The federal government currently spends over one billion dollars on support and mentoring programs such as Gear Up and TRIO. Studies have shown that such programs can be reconfigured to operate in both a more effective and efficient manner, allowing this same amount of money to provide more benefits to more students. If needed, additional funds to pay for these relatively low cost programs can be found by discontinuing federal government expenditures in other areas that are of a lesser priority than providing the knowledge and skills our younger generations need for them and our country to be successful.

