

Detroit Promise Zone Authority – Board of Directors  
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DETROIT PROMISE ZONE AUTHORITY

DEVELOPMENT PLAN

MARCH 2016

AMENDED: DECEMBER 2018

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# DETROIT PROMISE ZONE AUTHORITY

## Purpose

The Detroit Promise Zone Authority (DPZA) Board of Directors is proud to submit this Plan to initiate the Detroit Promise. The Detroit Promise is not only a mission for higher education but also a mission for workforce and economic development, an initiative to reduce joblessness and improve quality of life for residents of the City of Detroit.

### HIGHER EDUCATION

Today, three of every five children from families in the top income quartile earn a bachelor's degree by age 24, while for those in the bottom quartile the rate is one in four.<sup>1</sup> Data shows that programs that guarantee free college tuition for residents of a community or state improve high school and college performance among all income and ethnic groups.<sup>2</sup>

### WORKFORCE DEVELOPMENT, ECONOMIC DEVELOPMENT, AND JOBS

Performance of the new Tennessee Promise is encouraging. Enrollment in the state's community colleges increased by nearly 25%, and 20% in career/ technical schools, in just one year.<sup>3</sup> The DPZA Board of Directors will work to ensure the Detroit Promise will be a catalyst to increase the number of jobs in the City by demonstrating to new and existing employers that the City is vested in policies and programs to support its workforce.

### QUALITY OF LIFE

The DPZA Board of Directors is confident that young students' desire to succeed will increase when they understand that their educational aspirations need not be limited by the financial circumstances of their family.

On behalf of all the DPZA Board of Directors, I respectfully submit this Plan.



Penelope Bailer, Board Chair  
Detroit Promise Zone Authority

<sup>1</sup> Sandy Baum, *Inequality in College Completion: Why Can't We Focus on Real Problems Without Exaggerating Them?*, THE URBAN INSTITUTE, Feb. 24, 2015.

<sup>2</sup> See, e.g., Timothy J. Bartik and Marta Lachowska, *The Kalamazoo Promise*, EDUCATIONNEXT, Spring 2014.

<sup>3</sup> Ashley Smith, *Promise Provides Enrollment Boost*. INSIDE HIGHER ED, Nov. 24, 2015.

## Promise Terms

### FIRST CLASS TO UTILIZE SCHOLARSHIP

The first class to utilize the Detroit Promise Zone Authority (DPZA) Scholarship will be the Class of 2016. The estimated number of graduates from a City of Detroit high school is approximately 4,500 each year. Based upon historical data provided by Center for Educational Performance and Information (CEPI), close to 70% of high school graduates pursue some form of post-secondary education. The DPZA Scholarship will be made available to those eligible graduates within one (1) year of graduation. If deemed appropriate to meet workforce needs, DPZA will extend eligibility for up to five additional years.

### AMOUNT OF FINANCIAL ASSISTANCE

The DPZA is committed to providing a tuition-free path to an Associate degree. Eligible students will receive funding for tuition and mandatory fees<sup>4</sup> necessary to obtain an Associate degree from the eligible community colleges (identified in the Eligibility and Limitations section). The DPZA Scholarship is a “last dollar” scholarship used to cover tuition and other mandatory fees not covered by federal or state grant sources, and therefore students must apply for financial aid by completing the Free Application for Federal Student Aid (FAFSA), and accept all federal or state grants prior to the determination of eligibility for the DPZA Scholarship. If deemed appropriate to meet workforce needs, the DPZA will also extend eligibility to include select Pell-eligible technical certification programs

The DPZA Scholarship will cover, on a last dollar basis, tuition and fee payment for up to three (3) years, or the time required to earn an Associate degree, whichever is less.

The DPZA Board of Directors will partner with the Detroit Scholarship Fund to also fund and implement programs which increase student academic preparedness and create access to higher education opportunities including mentors and on-campus educational coaches.

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<sup>4</sup> Mandatory fees include those fees required to be paid by all students attending a particular college (e.g., Technology Enrollment fee which supports ongoing technical support), in addition to application fees, contact hour fees, and fees which are course specific (such as lab fees for science and computer classes).

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## Eligibility and Limitations

### ELIGIBLE HIGH SCHOOL GRADUATES

- The DPZA Scholarship will only be available to graduates who have spent the last two years (11<sup>th</sup> and 12<sup>th</sup> grades) enrolled in a high school within the City of Detroit, including traditional public, charter public, private, alternative, and parochial schools, and was a resident of the City of Detroit during that time period.
- As stated earlier, eligible graduates will have up to one (1) year after graduation to apply for the DPZA Scholarship.
- Students must gain admission to one of the community college participants, listed below:

### COMMUNITY COLLEGE PARTICIPANTS

Community College Participant	Main Campus Location	Website
Henry Ford College	Dearborn, MI	<a href="http://www.hfcc.edu">www.hfcc.edu</a>
Macomb Community College	Warren, MI	<a href="http://www.macomb.edu">www.macomb.edu</a>
Oakland Community College	Bloomfield Hills, MI	<a href="http://www.oaklandcc.edu">www.oaklandcc.edu</a>
Schoolcraft College	Livonia, MI	<a href="http://www.schoolcraft.edu">www.schoolcraft.edu</a>
Wayne County Community College District	Detroit, MI	<a href="http://www.wcccd.edu">www.wcccd.edu</a>

Note: Students may attend other satellite campuses of the CC participants.

### MINIMUM REQUIREMENTS WHILE IN COLLEGE

- Course load: Full-time (minimum 12 credit hours per semester)
- Satisfactory Academic Progress: at minimum, students must maintain appropriate course loads and grade point averages as defined by the college of attendance's satisfactory academic progress policy for financial aid purposes.

### COMPLETION OF FAFSA

Students must apply for financial aid by completing the Free Application for Federal Student Aid (FAFSA), and accept all federal or state grants prior to the determination of eligibility for the DPZA Scholarship.

## Maintaining Eligibility

### ATTENDANCE AND GRADE VERIFICATION

Upon verifying DPZA Scholarship eligibility and enrollment at one of the five community college participants identified above, the eligible graduate will then be considered a DPZA Scholarship Student. The DPZA Scholarship Student will be required to submit the following:

- 1) DSF Terms and Conditions Form – students indicate they have read and understood all of the terms and conditions of the scholarship, and that all of the information they have provided is complete and accurate.
- 2) Authorization for Release of Records Form – students give their Community College permission to share the relevant information with the DPZA/ DSF, including but not limited to academic, registration and contact records.

### TUITION AND FEE STATEMENT

To verify funds needed from the DPZA Scholarship each semester, a Financial Award Letter and/ or invoice identifying all sources and uses for tuition and enrollment from the Community College must be provided to the DPZA.

### EXCEPTION REQUEST AND APPEALS

Students may request an exception to the policies outlined in this Plan. The initial exception request must be made in writing to the Detroit Scholarship Fund (DSF) staff. At a minimum, the request shall contain the student's name, contact information, and basis for the appeal. The DSF staff will provide a written determination to the exception request within 30 days of receipt of all necessary documentation. If the request is not approved, a student may appeal to the DPZA Board of Directors. The appeal must be made in writing to the DPZA Board of Directors, in a manner and form prescribed by the Board, and provide any other supporting documentation requested by the Board. When all required materials are received, the DPZA Board of Directors will address the appeal at their next regularly scheduled meeting to occur within 45 days of receipt of all required materials, and notify the student of time and place of the meeting. The Board shall issue a written decision within five (5) days of the date of the meeting.

### REPORTING

The Promise Zone legislation requires student performance reporting by the DPZA. DPZA will be required to complete an annual report which will capture:

1. Number of students who received financial assistance from the DPZA;
2. The number of students who successfully completed a certificate program or an Associate degree;
3. The number of students included in Item 1 who withdrew from their classes during the prior academic year;

4. For those students included in Item 1 who have completed 24 or more semester credits, the average time required to complete the equivalent of 24 semester credits;
5. Six year post-secondary graduation rates for students who received financial assistance from DPZA.

## Financial Summary

### DETROIT SCHOLARSHIP FUND PARTNERSHIP

The DPZA will launch this effort in partnership with the Detroit Regional Chamber Foundation, to build off of the Detroit Scholarship Fund (DSF), which has been active since 2013. The DSF will mirror the DPZA Scholarship requirements as outlined in this Plan.

### ENROLLMENT ESTIMATES

The actuarial model depicts four-year projections. The model assumes 50% retention rates for students returning for their 2<sup>nd</sup> year of college, and 70% retention rates for those returning for their 3<sup>rd</sup> year (please see Exhibit A: Actuarial Model for further details). These aggressive rates (as compared to national averages) are expected due to support services starting in Summer 2016, including a total of two student access coaches at the two largest community college participants, Henry Ford and WCCCD, as well as replicating an Accelerated Study program which provides a rich array of supports for three full years – special seminars and block-scheduled classes, high-touch advising, and career services, which will be modeled after City University of New York’s (CUNY’s) Accelerated Study in Associate Programs (ASAP).

### COST ESTIMATES

The total tuition costs are based on a weighted average of the tuition and fees of the five eligible community colleges. Total costs are forecasted to increase based upon growth in enrollment and costs (see Exhibit A: Actuarial Model for further details).

### PELL/ TIP REVENUE

The DPZA projections assume between 70% and 80% of DPZA Scholarship recipients will receive a full Pell Award, which reflects the same proportion of students attending school in the City of Detroit that are economically disadvantaged.<sup>5</sup>

### STATE EDUCATION TAX REVENUE PROJECTIONS

The DPZA projections incorporate SET revenue projections as provided by the Office of Revenue and Tax Analysis, Department of Treasury, State of Michigan (February 2016). As State law requires successful operations for two years before receiving the SET revenue, the Actuarial Model assumes a base year of 2015, and disbursement of SET revenue to the DPZA to *potentially* occur in 2018 (assuming growth in SET over the base year), after operating successfully for two years.

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<sup>5</sup> Center for Educational Performance and Information/ MI School Data. 2010-2015.



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Note: In December 2018, the Detroit Promise Zone Authority voted to change the base year from 2015 to 2017.

## FUNDRAISING

The funds required to fulfill the Detroit Promise will be provided from a variety of sources, including the Detroit Scholarship Fund and fundraising by the DPZA.

## ACTUARIAL MODEL

Please see **Exhibit A**.

## DPZA Board of Directors Documents

Please see **Exhibit B** for the following Board of Director documents:

1. Resolution (with vote tally)
2. Board Policies
3. Meeting Minutes

# DETROIT PROMISE ZONE AUTHORITY

## Contact Information

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EXHIBIT A – ACTUARIAL MODEL

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## EXHIBIT B – BOARD DOCUMENTS