

FREQUENTLY ASKED QUESTIONS ABOUT THE SAGINAW PROMISE

What is the Saginaw Promise?

This is an exciting initiative, created by legislation signed into law by Governor Jennifer Granholm in early 2009. It is designed to serve as a catalyst for economic development and to support local efforts to promise a college education for all students who reside within the boundaries of the school district. Saginaw was designated a "Promise Zone" in April of 2009.

How many Promise Zones are there in Michigan?

There are 10 school districts that have been named Promise Zones by the Michigan Department of Treasury. In addition to the Saginaw School District, Promise Zone designations have been awarded to Baldwin Community Schools, Battle Creek Public Schools, Benton Harbor Area Schools, the Detroit Public Schools, Hazel Park Public Schools, Jackson Public Schools, Lansing Public Schools, the Muskegon Area Intermediate School District and the Pontiac Public Schools. Promise Zones are located in communities that meet or exceed the state's average poverty level for families with children under the age of 18. Over 125 communities were eligible to become Promise Zones.

Why is the Promise Zone concept important?

This is an opportunity to ensure that families of students who reside in the 10 Promise Zone communities, in Gov. Granholm's words, "have access to an affordable, first-class education beyond high school. The best paying jobs in the 21st century will require a high level of education and training. Each of these communities is interested in giving students access to education after high school that will allow them to compete for those jobs." Gov. Granholm said the Promise Zones help Michigan achieve its "two most important goals—diversifying our economy and doubling the number of college graduates in our state." She calls this a "powerful new tool" for communities to take charge of their economic futures.

What impact will the Promise Zone have on Saginaw?

"The promise of a college education for all has the power to transform communities across our state, replacing poverty and despair with opportunity and hope," says Lt. Governor John Cherry, who chaired the Commission on Higher Education and Economic Growth. "In addition to higher educational attainment levels, Promise Zones can spur investment, economic development and home ownership."

How will students benefit?

Every student who lives within the Saginaw School District (including the City of Saginaw, Zilwaukee and Kochville) would have the first two years of his or her tuition at any Michigan public college or university paid for by the Promise Zone. The State of Michigan would guarantee, or promise, to provide the tuition for years three and four, for those students who pursue a four-year degree.

How is this money raised?

Under the Michigan Promise Zone Act, local communities are responsible for raising the required funds for the first two years of tuition through private donations. For years three and four, the legislation allows the local Promise Zone communities to capture half of the growth of the State Education Tax collected in the Promise Zone.

Who will oversee this effort?

An 11-member Authority Board govern the Promise Zone. Nine members are appointed by the Superintendent of Schools; two are appointed by the state legislature (the Speaker of the House and Majority Leader of the Senate each appoint one member). Chief among the Authority Board's responsibilities is the preparation of a Promise Zone Development Plan, which must include a detailed fundraising campaign and a sustainability plan. The Development Plan must be certified by the Department of Treasury before the Promise Zone effort can proceed. The Authority must raise the required amount from businesses and the community to support the first two years of college tuition. The Authority also will set the eligibility criteria, establish the first year for the scholarships to be awarded, and oversee the entire effort.

How much money will be required to make the Promise a reality?

As you might imagine, a sizeable amount of money will be required to fund this effort in perpetuity. The exact amount will be known when the Authority completes its Development Plan. The Department of Treasury currently is working on actuarial tables for each Promise Zone to determine the cost.

How long does the local Promise Zone have to generate the funds?

There is no timetable included in the legislation but obviously the intent is to move as quickly as possible. Fundraising will be the determining factor. The plan developed by the Authority will establish deadlines and benchmarks.

Is this similar to the Kalamazoo Promise?

The concept is similar, with one major difference. The Michigan Promise Zone Act is based on the Kalamazoo Promise concept of providing access to college by paying the cost of tuition for all high school graduates who reside within the school district boundaries. The Kalamazoo Promise was funded up-front by private, anonymous donors. The money to fund the "promise" was there from the start. In Saginaw and

the other nine Promise Zones, the up-front money for the first two years must be raised from scratch.

How is the Saginaw Promise different from the City of Hope effort that began in Saginaw two years ago?

They are very similar in concept. The development of the City of Hope concept was based on the Kalamazoo Promise and began before the legislature passed the Michigan Promise Zone Act. It, too, has been an effort to restore economic vitality and growth in the community by providing funds to cover college tuition and mandatory fees to eligible students in the Saginaw School District. The difference is how the programs are funded in years three and four. The Michigan Promise Zone Act provides the means to fund the final two years through the growth of property tax revenue. The entire burden of funding the program is not borne by the local community. The City of Hope committee has done an exceptional job of laying the foundation locally for the Promise Zone Authority.