A Cautionary Analysis of Restrictive “Promise” Tuition Guarantees: The Case of the Kalamazoo Promise

IHELG Monograph 08-01

Alicia C. Dowd
Assistant Professor
Rossier School of Education
Center for Urban Education
University of Southern California
702C WPH, 3470 Trousdale Parkway
Los Angeles, CA 90089
(213) 821-1803
alicia.dowd@usc.edu

© 2008, Alicia C. Dowd, $5.00
University of Houston Law Center/Institute for Higher Education Law and Governance (IHELG)

The University of Houston Institute for Higher Education Law and Governance (IHELG) provides a unique service to colleges and universities worldwide. It has as its primary aim providing information and publications to colleges and universities related to the field of higher education law, and also has a broader mission to be a focal point for discussion and thoughtful analysis of higher education legal issues. IHELG provides information, research, and analysis for those involved in managing the higher education enterprise internationally through publications, conferences, and the maintenance of a database of individuals and institutions. IHELG is especially concerned with creating dialogue and cooperation among academic institutions in the United States, and also has interests in higher education in industrialized nations and those in the developing countries of the Third World.

The UHLC/IHELG works in a series of concentric circles. At the core of the enterprise is the analytic study of postsecondary institutions--with special emphasis on the legal issues that affect colleges and universities. The next ring of the circle is made up of affiliated scholars whose research is in law and higher education as a field of study. Many scholars from all over the world have either spent time in residence, or have participated in Institute activities. Finally, many others from governmental agencies and legislative staff concerned with higher education participate in the activities of the Center. All IHELG monographs are available to a wide audience, at low cost.

Programs and Resources

IHELG has as its purpose the stimulation of an international consciousness among higher education institutions concerning issues of higher education law and the provision of documentation and analysis relating to higher education development. The following activities form the core of the Institute’s activities:

Higher Education Law Library

Houston Roundtable on Higher Education Law

Houston Roundtable on Higher Education Finance

Publication series

Study opportunities

Conferences

Bibliographical and document service

Networking and commentary

Research projects funded internally or externally
A Cautionary Analysis of Restrictive “Promise” Tuition Guarantees:

The Case of the Kalamazoo Promise

Alicia C. Dowd

May 4, 2008

Alicia C. Dowd, Assistant Professor, Rossier School of Education, University of Southern California, Los Angeles, CA.

Correspondence concerning this article should be addressed to Alicia C. Dowd, Rossier School of Education, University of Southern California, 702C WPH, 3470 Trousdale Parkway, Los Angeles, CA 90089. Phone 213 821-1803. E-mail: alicia.dowd@usc.edu

Acknowledgments: Earlier versions of this paper were presented at the Association for the Study of Higher Education (ASHE) in Anaheim, CA, November 2006 and Louisville, KY, November 2007. Insightful comments by Steven DesJardins, Patricia McDonough, Michael Olivas, and Robert Shireman, panelists at the ASHE 2006 symposium Promises to Keep: Financial Aid, Equity, and the Case of the Kalamazoo Promise, contributed many insights to my thinking on this topic. I am thankful to Terrence Yu for valuable research assistance and to Shafiqa Ahmadi, Dominic Brewer, Estela Mara Bensimon, Michael Olivas, Robert Rhoads, and Kenneth Strike for helpful comments on previous drafts.
A Cautionary Analysis of Restrictive “Promise” Tuition Guarantees: 

The Case of the Kalamazoo Promise

Following the announcement of the Kalamazoo Promise in March 2006, a number of U.S. cities adopted college tuition guarantee programs that provide benefits to high school graduates contingent on duration of family residency. This article applies legal, policy, and critical race theory perspectives to argue against the use of residency restrictions. Residency restrictions create a discriminatory class of new residents and inequitably distribute quasi-public resources based on eligibility and award criteria that are not precisely tailored to achieve the stated economic development objectives. Use of a broader range of policy instruments is necessary to achieve the goals of Promise programs.

Key words: equity, efficiency, financial aid, economic development, education finance, residency
In 2007, among the finalists for a City Livability Award from the U.S. Conference of Mayors was a program called College Bound, a municipally funded college tuition guarantee program of the city of Hammond, Indiana (City livability awards). An unusual feature of Hammond’s College Bound is that a student’s eligibility for this public benefit depends on whether the student’s parent is a homeowner in the city, as well as the length of time the family owned the home. Only families who have been Hammond homeowners since the student was in the sixth grade are eligible for a 100% scholarship benefit. Families who have owned their home since the student was in tenth grade receive a reduced, 60% scholarship benefit, and those owning homes since the student was in the eleventh grade are not eligible (College Bound, ; Twenty questions).

In contrast to earlier tuition guarantee programs, which have provided a public “promise” of financial aid to economically disadvantaged students in order to equalize college access (Blanco, 2005, p. 7), the design of the Hammond program is informed by a new approach, popularized in the wake of the highly publicized Kalamazoo Promise, of Kalamazoo, Michigan (Media coverage, ; Promise in the news). This new generation of tuition guarantee programs is specifically intended to promote economic development. Wealthier, more highly educated families are particularly sought after by Promise cities, as they attempt to attract new residents who will increase property values by raising housing demand, improve school quality by enrolling their school-ready children, and increase the stock of human capital for business investment. As demonstrated by the appeal of the Hammond program to the Conference of Mayors, the exclusion of some city residents from participation—newer residents and poorer ones who cannot to afford to own a home—is not viewed as problematic.
The inherent unfairness of these terms is immediately noticeable when we consider that a sizeable minority of residents excluded from eligibility (approximately 35% of Hammond’s properties are not owner occupied, for example) will nevertheless pay taxes to support the program. In Hammond’s case, casino taxes, not property taxes, will be used to fund the million-dollar-a-year tuition guarantee—and to reduce property taxes as well (S. Brown, 2007; Twenty questions). For decades now, equity advocates have asserted the principle of fiscal neutrality in educational finance—that the schooling resources available to children should not depend on the wealth of their parents—and have attempted, through judicial and legislative means, to equalize the resources provided to students going to school in wealthy and poor communities (Odden & Picus, 2008; Satz, 2007; Verstegen, 1998). Yet, the Hammond College Bound, a public program that directs tax funding and educational resources to those residents in a community who are likely to be more affluent (homeowners) at the expense of those likely to be less affluent (casino gamblers) is held up as a model program by the nation’s mayors.

It is important to ask, how did we get here? The answer lies in large part to the introduction in the Fall of 2005 of the Kalamazoo Promise, which was, at that time, “an unprecedented experiment in economic development” (Miller-Adams, 2006). The Kalamazoo Promise has a “scholarship program as its centerpiece” to achieve economic goals (Miller-Adams, 2007). The program was launched in a surprise announcement by the school superintendent at the Kalamazoo Public Schools (KPS) board meeting after private negotiations with anonymous donors. Like other tuition guarantees, it guarantees eligible students who complete high school and enroll in college that their tuition and fees will be paid by the program.
The program’s uniqueness stemmed from a seemingly universal “college for all”
design paired with eligibility requirements that limited the award of full scholarships to
long-term residents. High school graduates who have lived in the KPS district and
attended district schools for at least twelve years receive full coverage of tuition and fees
at any public college or university in Michigan (The Kalamazoo Promise, 2006). Those
with fewer years in the system receive lesser coverage on a descending annual scale until
reaching a threshold at four years of KPS enrollment. Children entering Kalamazoo
schools in the tenth grade or later are not eligible for a Promise scholarship.

The Kalamazoo Promise, announced in March, 2006 received widespread,
celebratory coverage in the national print, radio, and television media (Boudette, 2006;
Media coverage, ; Miller-Adams, 2006; Promise in the news). The Wall Street Journal
held up the Kalamazoo program as a model for urban renewal, referring readers to it as a
“civics lesson” (Boudette, 2006; Media coverage). The use of education as an “engine”
for economic development was widely accepted (S. Brown, 2006; Didier, 2006; Mack,
2006a, 2006b; Miller-Adams, 2006, 2007), and the fact that the school board had not
been involved in determining the scholarship eligibility criteria was not raised as an issue.

Lost in all this news coverage was the fact that the Kalamazoo Promise, though
promoted in terms of a promise of free college tuition for all students, created a group of
second-class citizens within the schools. These students are ineligible for scholarships or
eligible only for reduced benefits due to their parents’ residential status. As I discuss
below, a number of Supreme Court cases establish that parents have the right to relocate
to a new state and to receive public benefits equal to those provided longer-term
residents. Similarly the Court has ruled that children are not responsible for their own
residency status and cannot be denied state benefits based on that status. Nevertheless, very soon similar place-based “Promise” programs were announced in over a dozen other towns and cities, with most seeking some mix of public and philanthropic support (Brandon, 2006; Communities with Promise programs). As of late January, 2008, however, only the Hammond program was funded by public dollars (Dooley, 2008).

As I will argue in this article, it would be inequitable and discriminatory to use public dollars to fund Promise programs with long-term residency requirements and award schedules based on duration of residency. The tiered eligibility criteria and payout system of the Kalamazoo Promise are not consistent with the principles of public finance equity. Though foundations have greater latitude in giving—and “kinship” scholarships for locals or likeminded individuals have existed as long as American higher education itself (Wilkinson, 2005)—as tax-protected charitable organizations they are expected to “do no harm” and to promote the public good. Therefore, the inequitable and discriminatory nature of restrictive residential Promise scholarships is also of concern in the design of philanthropically funded programs. This is particularly so because innovative foundation initiatives are often subsequently adopted in the public sector (Blanco, 2005), as the direct line from the Kalamazoo Promise to Hammond’s College Bound program shows. In addition, though philanthropically funded, Promise programs are civic initiatives. They are quasi-public in their use of organizational and marketing support from public officials and employees.

The restrictive residency criteria appear to be motivated, in part, by the desire to alleviate poverty in the urban core of economically depressed post-industrial cities. By requiring long-term residency, resources can be directed towards the largely African
American urban population, which has disproportionately high rates of poverty relative to the white population. In addition, the strategy is also intended to retain or attract middle-class residents. Promise advocates have not minced words in describing the types of families viewed as necessary inputs to achieve the desired economic renewal. News accounts specifically state that the programs are designed to attract “middle-class” (Davenport Promise, 2007) and “quality” families who are better educated and have the economic means to become home owners (S. Brown, 2006). The racialized facet of these views is revealed by a Kalamazoo Gazette article celebrating the fact that the Kalamazoo Promise had stemmed “white flight” from the city of Kalamazoo (Mack, 2006c).

Although motivated by good intentions, Promise scholarship eligibility criteria are poorly designed to achieve the stated program goals. The scholarship incentives are not well targeted for the purpose of retaining college graduates in the Promise city. For example, there are no additional benefits provided to graduates, whose college degrees will provide them with greater labor market mobility and greater incentive to move to higher paying urban areas. Demographic studies of poverty and racial segregation, discussed below, indicate that without more targeted educational and economic benefits Promise programs are as likely to contribute to gentrification, segregation, and greater economic inequality in the urban core as they are to improve the quality of life for long-term residents.

My objective in this article is to improve understanding of the inequitable aspects and potentially unintended negative consequences of Promise tuition guarantee programs that have restrictive residential selection criteria. In the following sections, I present the
details of the Kalamazoo Promise as a case study and then critique restrictive residency programs using legal, critical race theory, and policy perspectives.

The Case of the Kalamazoo Promise

Tiered Eligibility and Benefits  As noted above, the Kalamazoo Promise has served as a model program for other place-based tuition guarantees. Following the Kalamazoo program, by Spring 2008 tiered eligibility and scholarship award criteria contingent on duration of residency have been adopted in El Dorado, Arkansas; Peoria, Illinois; Hammond, Indiana; Garrett County, Maryland; Northport, Michigan; and Pittsburgh, Pennsylvania. Similar Promise proposals have been debated in many other cities including Davenport and Newton, Iowa, two cities whose proposals to use public funds to finance restrictive programs have failed to receive the endorsement of the necessary legislative bodies. The purpose of the residency requirements is ostensibly to provide a greater benefit to long-term residents, provide incentives for new residents to settle in the city for the long term, and avoid paying for individuals who would move to town just long enough to take advantage of the Promise, without actually settling in the city.

To be eligible for the full tuition benefits of the Kalamazoo Promise, students must complete all twelve years of schooling in the KPS system with continuous enrollment and graduate from a KPS high school. Such fully vested graduates are eligible for a tuition benefit equal to 100% of the cost of college tuition and fees at any of the 44 public postsecondary institutions in Michigan, which include community and technical colleges, state universities, and the flagship University of Michigan.\(^1\) As the number of

\(^1\) The Kalamazoo Promise tuition guarantee is provided for up to four years, or 130 credit hours towards a degree, and must be taken within 10 years of high school graduation. For continued eligibility, students
years of KPS enrollment declines, the value of the award relative to the costs of tuition and fees decreases annually in 5% increments to 65%, until the eligibility threshold is reached. Those who have attended KPS schools for only three years or less receive no benefit (College dollars for KPS students, 2006; The Kalamazoo Promise, 2006). The term of funding by the anonymous donors is said to be indefinite and, should it be discontinued in the future, guaranteed for any family resident at the time of discontinuation.

Program Participation Due to the residency restrictions, about 1 in 5 students in the first Kalamazoo high school graduating cohorts were ineligible. Among the 503 KPS high school graduates in 2006, 82% were eligible for either a full or partial tuition benefit from the Kalamazoo Promise, and 18% percent, or 74 students, received no benefit. Among those accepting the Promise scholarship in 2006, 75% received the full tuition benefit (Kalamazoo Promise summary, 2007). Of 363 participating graduates of the Class of 2006, the majority, 45%, enrolled at the local Kalamazoo Valley Community College. Another third also stayed close to home and enrolled at Western Michigan University in Kalamazoo. Ten percent enrolled at Michigan State University and only five percent enrolled at the University of Michigan (Research related to the Kalamazoo Promise). The value of the tuition benefit ranged in 2006-07 from $1,700 annually at a community college to $9,000 at the University of Michigan. A total of $2 million in

---

2 Some programs that followed the Kalamazoo Promise model shortened the duration of residency requirement. The Hammond College Bound program eligibility criteria require at least three years of residency and the Garrett County (MD) Commissioners Scholarship Program requires at least two.

3 Some students may have been ineligible due to a GPA below a C in high school. However, evaluation materials published on the Upjohn Institute indicate that the “most basic criterion” resulting in non participation is “the student must have lived in the Kalamazoo Public School District for at least all of high school.” (Kalamazoo Promise summary, 2007).
scholarships were awarded to Class of 2006 graduates enrolling in college in 2006-2007.
With the high level of local college enrollment, 60% of those dollars remained in the
Greater Kalamazoo community (A look at the Promise).

Community Response Although the Kalamazoo Promise was designed without
public participation by the community or school board, community leaders subsequently
"rallied" and created a community organization called The Promise of a Greater
Kalamazoo "to utilize the Promise as a community building catalyst" (Community report
card). Emphasizing education as the key to community building, the organization called
for community members to invest themselves in the success of the Kalamazoo Promise
by volunteering in the schools and other community organizations. Similarly schools
administrators and personnel have lent their support to the Promise effort by putting a
banner publicizing the program on the KPS system website. Under the KPS motto "every
child, every opportunity, every time!" a headline asking "Who benefits from the
Promise?" provides a link to the Promise at Kalamazoopublicschools.com. Western
Michigan University created a Promise office and web site to support the effort (The
Kalamazoo Promise and Western Michigan University). In addition, voters approved a
bond measure to build two new schools. Through these community and organizational
responses, the Kalamazoo Promise has taken on a quasi-public nature.

Indicators of Success Scorecards designed to track the effects of the program over
time developed by the Promise of a Greater Kalamazoo community organization and by
the Upjohn Institute include a range of indicators, including measures of academic
attainment (e.g. high school retention and graduation rates, state scores on the Adequate
Yearly Progress measures and the Michigan Education Assessment Program, college
application rates) and economic development (e.g. commercial enterprises, vacancy rates, tax revenues, employment rates, new housing). Immigration and out-migration will be tracked and “a key indicator of success will be whether people choose to live and work” in Kalamazoo (Community report card). From 2000 to 2004, in the years prior to the Promise, Kalamazoo County experienced in-migration of 24,440 and out-migration of 25,896 for a net population loss of 1,456 (Community report card).

Initial indicators suggest a positive effect of the program on eligible high school graduates. Participation in the program increased from the first to second year, and, as hoped for, new residents were attracted to the city. Home sales and property values increased at a time when the rest of the region experienced a real estate decline (Mack, 2006a; Miller-Adams, 2007). By September of 2006, the public schools experienced an enrollment gain of 10% (986 students), with new students coming from 88 Michigan communities, 32 states, and 9 foreign countries (A look at the Promise). Communities and schools near KPS lost students as locals shifted their residency inside the district (Mack, 2006d) and approximately 200 KPS district students who had previously been “released” to attend out-of-district schools returned to KPS schools.

Poverty, Race, and Immigration in Kalamazoo County

A news account in the program’s first year observed that the Promise “may be curbing ‘white flight’ (Mack, 2006c). After the program was announced, white enrollment at KPS rose by about 250 students, “the first increase in white enrollment since the 1980s,” and new students were “split about evenly between black and white” (Miller-Adams, 2006). In line with the Promise’s economic development goals, the reversal of white flight is viewed as desirable because white residents are more likely to
be middle class. Poverty affects African American residents of Kalamazoo County disproportionately. At the 2000 Census, African American families tended to be the poorest in the city, with a median family income of $26,358, an amount nearly half the white median income of $49,185. Though, a relatively small share of the population, Hispanic families also have relatively low incomes (a median of $35,500) and high rates of poverty. At the 2000 Census, there were 2,124 African American children under age 18 living in poverty, 52% of the total. In comparison 1,110 white children (27% of the total) and 344 Hispanic children (8.5% of the total) were in poverty.  

The indicators of success for the Kalamazoo Promise do not specifically target poverty, racial segregation, or income inequality, but these factors will certainly affect any long-term economic prospects for the city and county. Kalamazoo is racially segregated and poverty is concentrated in neighborhoods with a large proportion of African American residents. In 2000, of 60 Census tracts and subtracts in Kalamazoo County, only 12 had a population where less than 85% of the residents were white, with eleven of those in contiguously numbered tracts. Three tracts had large African American populations equal to 61%, 88%, and 85% of those living in the neighborhood; in several other tracts African Americans were 12% to 33% of the population.

Areas with clusters of Asian, South American, and Central American immigrants are also associated with higher poverty rates. In most of Kalamazoo County, the population of foreign-born immigrants did not exceed four percent in the majority of Census tracts. However in some neighborhoods, that figure was as high as eleven

---

4 Source: [www.umich.edu/cisrs/data/Poverty and Children.pdf](http://www.umich.edu/cisrs/data/Poverty and Children.pdf) and [www.umich.edu/cisrs/data/Poverty and Race.pdf](http://www.umich.edu/cisrs/data/Poverty and Race.pdf) and [www.umich.edu/cisrs/data/Income_A_2000_Median_KalCo.htm](http://www.umich.edu/cisrs/data/Income_A_2000_Median_KalCo.htm). Accessed May 3, 2006
percent. A small number of census tracts had clusters of Asian or Mexican immigrants (and others groups in much smaller numbers).

**New Residents and the Right to Public Benefits**

*Promise Resources as K-12 Schooling Resources* Promise dollars are awarded as college tuition scholarships, and therefore they have been viewed as higher educational resources. Yet, Promise resources should properly be viewed by donors and the public as resources utilized by students and their families in K-12 and postsecondary education. The very premise of tuition guarantee programs is that the Promise of “free” college tuition will motivate students from an early age to invest their time and effort in preparing for college. From a public policy perspective, the critical point of consumption of Promise dollars is during K-12 schooling. The public return to Promise investments will not be realized unless the tuition guarantee motivates students at the margin of college preparation to develop college aspirations, invest in becoming academically prepared for college, and make appropriate schooling choices. The promise of funds for college is specifically intended to change the ways students take advantage of K-12 resources and, in motivating students, to be complementary to the use of those resources. It is important to note this point because inequalities in funding that would not be acceptable in primary and secondary (K-12) schooling are common in the distribution of higher education resources.

My arguments below regarding the inequities of Promise programs are based on the interpretation that students consume Promise resources during their school years in ways that are in fact central to the educational purposes of the programs. Empirical

---

5 Author’s calculations using the U.S. Census Bureau’s American FactFinder. Data: Census 2000, Summary Files 1 and 3—Sample Data, Kalamazoo County, Michigan by Census Tract. Immigrants are defined by the variable “Percent of Persons Who Are Foreign Born.”
educational research, although not extensive or conclusive, supports the premise that tuition guarantees increase college aspirations and participation (Blanco, 2005; Heller, 2006; St. John, 2004). Research on the effects of financial aid on students’ collegiate aspirations suggests that, in fact, clear messages of affordability and academic potential do shape students’ interactions with teachers and peers in schools, enabling them to prepare for college in ways they would not have otherwise (Blanco, 2005). In addition, the perceptions of counselors of a student’s college potential influence the type of information counselors provide students about college admissions and financial aid (McDonough & Calderone, 2006).

This consumption of the tuition “guarantee” of Promise programs is critically necessary because, as Cohen, Raudenbush, and Ball (2003) have pointed out “resources are not self-acting.” An extensive body of research in sociocultural studies demonstrates persuasively that economic incentives must function in tandem with opportunities for school children to define their identity as college-going students (McDonough & Calderone, 2006; Nasir & Hand, 2006; Roth & Lee, 2007). Synthesizing theories and studies of learning, Roth and Lee explain that motivation, goals, opportunities, actions, and identity are inextricably related in the pursuit of any learning or behavioral outcome. They emphasize:

During the pursuit of the object [an outcome or goal], subjects not only produce outcomes but also produce|reproduce themselves (Wenger, 1998). By extension, the changed modes of participation in social practices—learning in a broad sense—presupposes both what we become and how we act as knowers. Whichever identities are salient for
an individual during a particular context exists in a complex dance with
one’s sense of agency and position within the social world. Besides
bringing about some change in the world, human agency also provides
others and self with resources for making attributions about the kind of
person one is.

The practical activity of attending school contributes to a young person’s identity as a
student. The conditions of and opportunities for college access, including the actions
students are called on to perform to prepare for college and their perceptions of their
chances of attending college, will define them as college-going students.

Students who are excluded from eligibility for Promise funding do not receive an
resource available in valuable ways to their peers, who have the opportunity to act on
those resources while in school. The “sense of agency and position within the social
world” of excluded students would rightfully be diminished. When new resident students
are excluded from Promise benefits, a valuable schooling resources, philanthropically
funded and promoted in public settings using public resources, is withheld. While it is
also true that some students are routinely excluded from receiving some higher education
benefits, including admission to preferred programs and colleges and various forms of
financial aid, these resources are allocated, not in an arbitrary manner based on duration
of residency, but on principles of merit, ability to benefit, and financial need.

The fact that students cannot initially become eligible for Promise benefits, as
allocated under the Kalamazoo model, except when they are minors, further supports my
interpretation of Promise funds as K-12 schooling resources. For any student, eligibility
rests entirely on the residential and school enrollment choices made for them by their
parents. As the Supreme Court decided in Plyler v. Doe in determining the rights of undocumented immigrant minors to free schooling, children are not “responsible for their own citizenship status” (Olivas, 2004, p. 444). For this reason, for example, administrators of Indiana’s 21st Century Scholars tuition guarantee program were forced by threat of legal action by the ACLU to revise program eligibility criteria to allow the participation of students whose parents are not U.S. citizens or legal residents ("Indiana relents," 2007). Excluding some students from eligibility and providing unequal benefits based on duration of the family’s residency discriminates against minors based on their parents’ residential status.6

Rulings Concerning the Treatment of New Residents The Supreme Court has ruled consistently that it is unconstitutional for states to reduce or withhold benefits for new residents. As Winchell (2002) explains, tracing the history of Supreme Court cases concerning residency and resident tuition status, the Court has invoked a person’s fundamental right to interstate travel in ruling against durational residency requirements for the provision of a number of different public benefits. These included waiting periods of one year for welfare benefits (decided in Shapiro v. Thompson, 1969), voter registration (Dunn v. Blumstein, 1972), and free medical care (Memorial Hospital v. Maricopa County, 1974).

A central aspect of the right to interstate travel is the right to “resettle, find a new job, and start a new life” fully expecting that one would be able to “take advantage of the benefits and services offered to the residents of that state” (Winchell, 2002, p. 1044). It

6 Addressing whether restrictive residency Promise criteria stem from anti-immigration sentiment is beyond the scope of this paper. Since the case of Plyler v. Doe established the rights of the undocumented to public K-12 schooling, I use the terms “newcomers” and “new residents,” rather than “immigrants” or “citizens,” in an inclusive manner. However, only 10 states allow undocumented students to enroll at in-state tuition rates (Olivas, 2007).
follows that parents have the right to move to a new state (and city), to be treated as citizens of that state, and to have their children treated as “civic equals” (Satz, 2007) in the school system. In fact, in Saenz v. Roe (1999), which concerned the level of welfare funding due recent residents, the Supreme Court emphasized that imposing a “discriminatory classification” on “new residents” was itself an unjustifiable penalty on those residents, irregardless of whether those individuals were actually seeking or were deterred from seeking welfare benefits (Winchell, 2002). In other words, it is not permissible to treat new residents as second-class citizens.

These rulings pertain to access to public higher education as well. Although states may give preferential access to public higher education to their own residents, for example through lower, resident tuition prices (Rizzo & Ehrenberg, 2004), they may not exclude new residents from those benefits or impose difficult administrative standards to establish residency while a student. In Vlandis v. Kline (1973), the Court overturned a statute that created an irreversible designation of “non-resident” for students who initially enrolled in a Connecticut postsecondary institution with out-of-state residency status. Such a “permanent and irrebuttable” classification was deemed unconstitutional because it removed the possibility of establishing bona fide residence in the state during the student’s entire period of college enrollment (Winchell, 2002, p. 1055).

When families move to a new school district, their children are immediately eligible to enroll in free, public schools. For higher education benefits, residency can typically be established in a state within a period of several months to a year, along with, as is sometimes required, a statement or demonstration of intent to establish domicile, or to make a state one’s “true, permanent, and fixed abode” (Olivas, 2004, p. 438).
The Limits of State Economic Interests and Fiscal Concerns Advocates of Promise tuition guarantees with durational residency requirements might argue that the eligibility restrictions are necessary to limit the number of participants and, thereby, the cost of the programs. In none of these prior cases, however, has the Court found arguments for restricting benefits based on a state’s fiscal or administrative concerns to be compelling. More generally, the Court has established that any statute affecting an individual’s constitutional rights “must be drawn with ‘precision,’ and must be ‘tailored’ to serve [its] legitimate objectives” (Winchell, 2002, p. 1048). In all of these cases, restrictive durational residency requirements have consistently failed that standard of precision.

Similarly, although the Promise award structures are designed to create incentives for long-term economic and residential investments in Promise cities, the Court has consistently ruled that the provision of fundamental state benefits can not be made dependant on the contributions of an individual or her family through the payment of taxes or other contributions over time. This view was specifically reasserted in an Alaska case concerning higher education subsidies. Zobel v. Williams (1982) ruled against the state’s plan to create a Permanent Fund with oil tax revenues and to disburse it to residents based on their length of residency (Olivas, 1988; Winchell, 2002). “The Court struck down the statute as unconstitutional, noting that ‘[t]he only apparent justification for the retrospective aspect of the program, [permanently] favoring established residents over new residents,’ is constitutionally unacceptable” (Winchell, p. 1057). Although states may (and do) charge lower tuition and fees to state residents based on the idea that their past contributions entitle them to greater subsidies, the “past contributions”
argument does not hold up when applied to new residents or to a differential distribution of benefits based on duration of residency.

Though brief waiting periods are permissible, with shorter periods allowable for more essential benefits, new residents are ultimately eligible for the same public benefits provided to longer-term residents. The long-term residency requirements of restrictive Promise programs, requiring two, three, or more years of residency for a partial benefit and twelve years to receive the full benefit, set an unusually long waiting period. Olivas (1988), citing the case of Andress v. Baxter (1983), in which a District Court allowed Alaska to require a waiting period of two years for financial aid eligibility (p. 281), points out that “the case represents the high water mark of durational requirements, and it is unlikely that a court would countenance more than a two-year requirement for any benefits-distribution plan based upon domicile” (p. 282).

Two factors relevant to Promise programs contributed to the favorable ruling in the Andress case, the first that the plan was “extremely generous” and the second that “the money could be used to attend schools in other states” (Olivas, 1988, p. 281). Either one or both of these factors might support a two-year waiting period for full Promise benefits. Many are quite generous and some, such as the El Dorado Promise, permit enrollment at colleges out of state. However, even beyond the waiting period for eligibility, Promise programs that have adopted the tiered benefit schedule introduced in Kalamazoo withhold equal benefits from new residents. The rationale for Promise waiting periods and the differentiated award structure has not been clearly articulated, because in the celebrations that have greeted their announcement, the restrictive nature of the residency requirements has received little attention.
The application of these cases, which concern state laws, to municipal or philanthropically sponsored programs is uncertain, particularly given the newness of municipal tuition guarantees and the fact that access to higher education is not a constitutional right. However, these rulings establish the principle that it is discriminatory to treat new residents unequally based on an economic rationale or loosely defined policy objectives. Further, the kind of economic development and fiscal concerns that ostensibly provide the rationale for the residency restrictions have consistently been deemed an illegitimate reason for treating new residents as a separate class of citizens.

In light of these legal standards, the lengthy residency requirements of the Kalamazoo model are extreme and create a discriminatory class of “non-resident” students for the sake of the scholarship distribution. It is clear that, through the case law discussed above, the Supreme Court has prohibited states from imposing lengthy waiting periods for the right to receive resident benefits and insisted on the provision of equal benefits to new residents. The restrictive residency requirements of Promise programs appear to violate the spirit, if not the letter, of these laws.

**Universal Access as a “Majoritarian Story”**

Discourse is the medium through which economic, social, and cultural processes transpire. It is problematic, however, when the ideologies manifest in discourse are opaque, when unjust discourses proliferate uncontested, and when discursive alternatives are not considered (Ayers, 2005, p. 529).

Ayers (2005) calls on educational researchers and others to use critical discourse analysis to interrogate the ideologies of educational programs, particularly those that
unquestioningly embrace neoliberal philosophies and treat the economic development
goals of education as a given. Critical discourse analysis sheds light on the contradictions
of Promise programs that exclude or provide partial benefits to new residents yet
represent themselves as providing a universal, “college for all” benefit. Kalamazoo
Promise materials (The Kalamazoo Promise), for example, state that the purpose of the
program is to “provide each Kalamazoo Public Schools graduate with the opportunity to
attend post-secondary education with up to a 100% tuition scholarship” (emphasis
added). Similarly, the Upjohn Institute, which has been designated as an evaluator of the
Kalamazoo Promise, describes the program as guaranteeing “full college scholarships to
potentially every graduate” (Miller-Adams, 2006, emphasis added). Paradoxically,
although a key strategy of the Kalamazoo Promise is to use the scholarship as an
incentive for in-migration and population growth, under the tiered eligibility
requirements of restrictive Promise programs, achieving the goal of full funding for every
high school graduate would entail having a graduating class where no student had entered
the school system over the past twelve years. Thus, the stated ideal of restrictive Promise
programs focused on economic development entails achieving a saturation of “quality”
families in the school district and a demographic steady-state without immigration,
whether intra-state, interstate, or international. As noted above, public accounts of
Promise programs have celebrated them for their potential to attract a stable middle class
and stem “white flight” (Davenport Promise, 2007; Mack, 2006c).

In a superficial sense, the Kalamazoo Promise is race-neutral, a position that is
consistent with the broader political climate in Michigan, which has banned affirmative
action. However, given that the residential and immigration patterns in Kalamazoo are
defined by race and ethnicity, the effects of the Promise on those patterns are unlikely to be race neutral. Though perhaps well intentioned, the focus on reversing “white flight” in order to raise the standards of living in economically depressed cities takes what critical race theorists might call a “majoritarian” perspective.

The expression “majoritarian” is applicable to conceptions of equal opportunity in schooling that are ahistorical and color-blind (Yosso, Parker, Solórzano, & Lynn, 2004). “Majoritarian stories” tend to cast racial issues in terms of black and white, rather than recognizing a more complex pattern of racial-economic interactions. For example, the Kalamazoo Promise data indicating the distribution of awards includes the categories of black and white, while Asians and Hispanics are aggregated in the category of “other” (Research related to the Kalamazoo Promise). Majoritarian stories make claims to race-neutrality and objectivity by treating the experiences of dominant groups as natural and normative. With residency requirements placed on participation, restrictive Promises create a group of second-class citizens who are ineligible for a benefit, yet describe that benefit (except in the fine print) as universal, in effect rendering ineligible students invisible. The majoritarian assumptions of Promise programs are reflected in the language of universality that treat long-term residency as normative.

The effort to normalize long-term residency is evident in FAQs about the Kalamazoo Promise, posted on the web site of Western Michigan University (WMU), which has established a Promise program office and provided a publicly funded administrator to support the program. WMU poses the question “Who is eligible?” in the following way: “Do only the students who have attended Kalamazoo Public Schools for their entire elementary and secondary school experience qualify for the scholarship?”
The answer, “no,” is qualified by the statement that “Students who have attended Kalamazoo Public Schools for only a portion of their K-12 schooling can also receive scholarship funds on a pro-rated basis.” *(Frequently asked questions)*. This opaque language is accompanied by an eligibility table where it is finally indicated that some students are not eligible at all. WMU’s framing of the question, convoluted as it is, sets long-term residency as the expected standard for eligibility. This is despite the fact that residency status for the receipt of in-state resident tuition at WMU can be established within one year, as is typical in most states (Olivas, 2004).

The “college for all” rhetoric surrounding Promise programs creates the potential for misinformation and misrepresentation. For example, Garrett College, a two-year public college in Maryland that has adopted a two-year minimum residency requirement for receipt of its Commissioners Scholarship Program describes the scholarship as providing “current Garrett County high school graduates equal access to postsecondary education and an equal opportunity for advancement” *(Commissioners Scholarship Program, 2008)*. Readers are referred to the scholarship program brochure for details, which explain the residency requirement. When the program was awarded the 2006 Outstanding Rural Economic Development Award of the Rural Maryland Council, the release praising the program indicated that it provided “*all* Garrett County graduating high school seniors with two years of tuition free education at Garrett College” *(2006 Rural Impact Awards, emphasis added)*. The language of the award creates a false sense of universalism, whereby it is acceptable to exclude new residents from eligibility yet still describe the program as serving all students.
The "Gift" of Promise Funding News accounts and a report of the Upjohn Institute (Miller-Adams, 2006), which is conducting an evaluation of the Kalamazoo Promise, have referred to philanthropic funding for Promise programs as a "gift," and one writer described a funder as an "angel donor" (Brecht, 2007). However, philanthropic giving is not a "gift" in the everyday sense. If philanthropies are recognized as nontaxable charitable organizations they have an obligation to expend money from their endowments to promote the public good. Higher education and philanthropy have a long and sensitive relationship (Wilkinson, 2005). The role of philanthropy in the development of "Negro" higher education was particularly controversial and suspect in the eyes of W.E.B. Du Bois, who cautioned against an uncritical acceptance of the philanthropic role.

"Education," DuBois wrote in 1946, "is not and should not be a private philanthropy: It is a public service and whenever it becomes a gift of the rich it is in danger" (cited in Gasmen, 2002, p. 495). A socialist, Du Bois felt that the riches of capitalist inequalities could not be accepted without a corrupting influence and a certain surrender in the fight for economic justice. Gasmen observed that Du Bois viewed philanthropy as a "Band-Aid solution" that did not address "the root causes of social ills" (p. 510). He held a particularly negative view of industrial philanthropists whose wealth had been amassed on the back of slave labor. He argued for a "new democratic conception of industry" that would restructure capitalist systems of power and racial oppression on a global basis (p. 515).

DuBois' words remind us that the great riches at the disposal of many philanthropic foundations have their genesis in capitalist economies that have enslaved
and discriminated against Blacks and others, as well as excluding them from enjoying the profits of their labor. In this light, the discourse of Promise programs require reinterpretation from the popular media’s description of “gifts” from “angel donors” to recognize the social obligation stewards of wealth have to promote the public good.

*Poverty, Segregation, and Economic Development*

As Ayers (2005) reminds us, economic development programs can promote economic growth while at the same time creating greater income inequality. The 1990s were a period of economic and employment growth in the United States and during that time poverty and racial-ethnic income inequality declined slightly (Lichter, Qian, & Crowley, 2006). However, during the early 2000s poverty was on the rise again, particularly in Midwestern and Southern metropolitan areas. With downturns in the manufacturing sector, Midwestern metropolitan areas faced heavy job losses and rising unemployment. As a result, poverty rates rose in 19 of 20 metropolitan areas and “six of ten cities with the largest poverty-rate increases were located in the Midwest” (Berube & Kneebone, 2006, p. 1). It is perhaps not surprising then that Promise tuition guarantee programs have had a special appeal in the Midwest and that program designers explicitly seek to stem out-migration, “white flight,” and “brain drain.” Migration dynamics have contributed to the increase in poverty rates as middle- and higher-income households became concentrated in suburbs and central cities became disproportionately home to African Americans, Hispanics, and the poor (p. 8).

A number of demographic studies, however, suggest that cities that adopt the Kalamazoo model will face a number of challenges in reducing poverty and promoting comprehensive economic development. Migration trends present a complex portrait of
racial and economic segregation, which suggests that the white middle class will not integrate into economically depressed neighborhoods in response to the college tuition incentive. A typical pattern of economic development in the U.S. concentrates income, jobs, and housing wealth on one side of a metropolitan area, “while economic stagnation prevails on the other side” (Berube & Kneebone, 2006, p. 12). Poverty is not restricted to inner cities because low-income families have spread into older, “first suburbs” adjacent to the urban core. It is newer suburbs more distant from urban centers that have been relatively sheltered from poverty. More highly educated individuals also concentrate in particular neighborhoods, creating segregation by educational attainment. The economic and cultural attractions of global cities have contributed to brain drain from non-metropolitan areas as college graduates cluster in cities that offer higher returns to a college degree (Domina, 2006a, 2006b).

In Southern states, the increase in poverty was affected by the growth of Latinos among the working poor in seasonal and construction jobs. While Latinas and Latinos are currently a small share of the population in the Midwest, the Hispanic population is growing. These demographic changes are evident in school enrollments, which show that the growth of the Hispanic population in “new settlement” states is occurring along racially and economically segregated lines (Fry, 2006). Hispanic new settlement states include states like Indiana (which saw a +118.6% increase in enrollments of Hispanic students), Iowa (+171.5%), Michigan (+73.2%), and Wisconsin (+92.8%) (Fry, 2006, Table B1), which have been drawn to Promise tuition guarantees as a policy tool to spur economic development.
To accommodate Hispanic population growth nationally, additional schools have been opened. However, new schools, which tend to be smaller and to have more affluent students, have primarily enrolled white students. Two-thirds of the Hispanic student growth was absorbed by existing, older schools. In schools with growing Hispanic enrollment, the average share of white students declined from 60% to 38% (Fry, 2006, p. 111). As Fry (2006) points out, after a decade of demographic transformation, “One fundamental characteristic remained essentially unchanged: A substantial majority of white students attended schools populated primarily by other whites, and relatively few attended schools populated primarily by minorities” (p. iii).

The impact of Hispanic population growth and migration is particularly large in small numbers of “Hispanic impacted” schools in each state. For example, in 20 schools in Michigan, the percentage share of Hispanic students increased from 17.5% to 41.3% (Fry, 2006, Table D9). Hispanic student enrollment growth is associated with larger percentages of students receiving free and reduced lunch, indicating a growing economic need in neighborhoods with Hispanic immigration.

All of these trends indicate that over time Promise cities are as likely to attract new residents who are poor—as they return from “first ring” suburbs or migrate from out of state—as to attract the expected influx of highly educated middle-class families. New middle-class residents are likely to reside in neighborhood enclaves distinguished by higher levels of educational attainment and economic status, and there may or may not be valuable “trickle down” or “spillover” effects from the contributions of this group to the quality of schools or to the economy in areas of the urban core with high poverty rates and concentrations of African American and Hispanic students. To effectively alleviate
poverty, Promise programs will require coordinated economic development efforts specifically targeted on those neighborhoods and residents. The rhetorical appeal of a universal Promise is challenged not only by the restrictive eligibility criteria that have been adopted, but by the prevailing patterns of urban investment and segregation. Perhaps reflecting this challenge, the key indicators for evaluating the impact of the Kalamazoo Promise do not include the reduction of poverty or income inequality among the measured goals (Scorecard: List of key indicators).

The Declining Equity and Efficiency of Restrictive Promise Programs

Principles of Educational Finance Although Promise programs with restrictive residency criteria may start from a point of relative equity, it is likely they will become increasingly inequitable over time. The most equitable Promise program would be found in a (hypothetical) city where all college bound high school graduates were children of long-term resident families with financial need. In addition, Promise programs are not efficient in their use of resources and the inefficiency of resource distribution is likely to grow if the programs are successful in attracting new middle-class residents. To see these contradictions and the potentially negative consequences of Promise programs from a public policy perspective, it is first useful to consider the principles of equity and efficiency at work in the present higher education finance system.

In education finance, equity is defined in two ways. Horizontal equity refers to the principle of providing equal funding to students with equal needs. Vertical equity refers to providing greater resources to students with greater educational needs. In combination, these principles of equity highlight the fact that equal resource distribution does not in itself constitute equity. Principles of efficiency in the investment of public resources
support the targeted use of funds to achieve desired social ends. As a result of these sometimes competing principles, the amount of public resources invested in individual college students is not equal; expenditures depend on student characteristics such as academic merit, ability to benefit, and financial need (For a review of equity and efficiency in higher education policy, see DesJardins, 2003; see also Dowd & Grant, 2006).

Under these principles it is considered fair to provide equal opportunity to all students to apply to selective colleges, for example, and to provide entrance only to those who have demonstrated the academic ability to benefit (Gutmann, 1987). "Means-tested" grant aid equitably reduces financial barriers to college enrollment for students from low-income families, providing greater funding to those with greater need. Publicly subsidized low-interest college loans are efficient in the sense of stimulating private investments in higher education to a level desirable for the public good, expressed in terms of economic development and the quality of civic and political life. Similarly "merit aid," which is grant aid awarded to students who meet above average academic criteria (Doyle, 2006; Heller, 2004), is viewed as efficient in stimulating student and family investments of time and effort in a young person’s education. Consistent with the fact that there are private and public returns to higher education, the finance system is based on a shared cost model of private and public investments (St. John, 2003).

There are commonplace trade-offs between equity and efficiency, such as when community college tuition rates are kept low to provide access to low-income and first generation students, and the children of affluent families who could afford to pay more (and who probably would in the absence of low-cost options) are also able to take
advantage of the higher level of public subsidies. Merit aid programs may be efficient in stimulating student investment in their studies and in stemming "brain drain," but the distribution of merit scholarship dollars goes disproportionately to middle- and upper-class white students (Heller, 2004), decreasing the overall equity of the public finance system. While it may be efficient to separate students by academic ability and special talents into hierarchically funded state systems of flagship universities, professional schools, state universities, and community colleges, access to the selective tiers of these systems is inequitably distributed.

_Horizontal Equity_ In a city where the vast majority of long-term residents who enroll their children in public schools are poor and all the newcomers enticed by a Promise program are relatively affluent, the disproportionate distribution of Promise scholarship awards to long-term residents would initially promote equity. Though inefficient in providing "free tuition" to a small number of students whose families could afford to pay, the funds would be targeted on families and students with financial need. Over time, however, the inequities of resource distribution will grow because the principles of both horizontal and vertical equity will increasingly be violated. The trade-off between equity and efficiency, perhaps initially acceptable, becomes untenable.

The principle of horizontal equity is violated when newer residents who have financial need equal to that of long-term residents are provided a lesser subsidy. As argued above, there is no democratic principle to support the treatment of new residents as less than civic equals. Supreme Court cases have rebuffed attempts to treat new residents unequally in the provision of public benefits, even in the face of real fiscal constraints or arguments to that effect. Social welfare programs that exclude some
residents must do so in ways precisely drawn to achieve their "legitimate objectives" (Winchell, 2002, p. 1048).

Given demographic trends, population changes in Promise cities, which are clustered in declining post-industrial areas of the Mid West, are likely to result in a situation where long-term residents are African American and new residents are white, due to migration from neighboring counties, or Hispanic, due to Hispanic population growth and migration on a national level. A compensatory argument (Howe, 1997) might be made to provide greater Promise funds to African American families relative to white families as compensation for slavery and the institutionalized racism of the pre-Civil Rights era, but what rationale exists to argue against providing awards of similar size to Latinos, who have faced similar histories of discrimination?

Such compensatory arguments could be made in a compelling way based on local histories of discrimination. These would include histories of the discriminatory hiring and compensation practices of the city’s major employers; discriminatory hiring and admissions practices of local and regional institutions of higher education; and the discriminatory siting of public colleges, such that institutions serving white students have received greater levels of public resources than Historically Black Colleges and Universities and institutions serving Mexican Americans, Puerto Ricans, and other Latino groups (M. C. Brown, II & Davis, 2001; Olivas, 2005). In addition, compensatory distribution of Promise funds could be based on recognition of "redlining" practices in real estate sales and municipal investment practices that contributed to the creation of high poverty neighborhoods. However, these types of compensatory arguments have not been made in promoting Promise programs or targeting their benefits, which under
compensatory strategies could be focused on the residents of particular Census tracts with high levels of African American poverty. More generally, compensatory arguments are out of favor, as seen in the University of Michigan's defense of affirmative action before the Supreme Court, which relied primarily on arguments about the benefits of diversity rather than the obligation to compensate for past social and economic injustices (Yosso et al., 2004).

*Vertical Equity and Efficiency* Particularly if Promise programs are effective in their goal of attracting new middle-class families with higher levels of parental education, the principle of vertical equity will also increasingly be violated over time. Due to the positive correlation between parental education, family income, and attendance at more selective and expensive institutions (Bowen, Kurzweil, & Tobin, 2005), the children of these new middle-class families are more likely to attend more expensive institutions, such as, in the case of the Kalamazoo Promise, the University of Michigan or Michigan State University. Given that selective college tuition costs are two to three times those of open access community colleges in most states, affluent families of Promise cities are likely to receive Promise awards of much higher value. New resident middle-class families who receive a 65% tuition award at the four-year eligibility threshold for their high school graduate to attend a selective college will receive a benefit of greater magnitude than less affluent, long-term resident families whose graduate attends a community college. The size of the premium paid to middle-class families to promote a "universal" benefit is therefore likely to grow over time, increasing the inefficiency of Promise programs because those families were just as likely to make investments in higher education in the absence of the Promise program.
These relationships will be disrupted only if Promise programs eliminate the existing positive correlation between selective (more expensive) college enrollment and socioeconomic status. If the costs of tuition and fees were the only barriers to college access, the “free tuition” Promise awards might be successful in doing so. However, there are other barriers that are not directly alleviated by Promise programs. These include the opportunity costs of lost wages, direct costs such as transportation and books that are not covered, and, perhaps most important, gaps between rich and poor in the academic achievements necessary to gain admission to selective colleges.

Promise programs would need to make substantial, direct investments in the quality of schooling in poor neighborhoods to overcome the advantages experienced by the children of college educated parents in selective college admissions. As seen in Kalamazoo, where school bond initiatives passed after the Promise was announced, long-term philanthropic tuition guarantees may stimulate public investments with the potential to increase the quality of schools in Promise cities. However, it is not clear that those investments will be targeted in the poorest neighborhood schools in a manner sufficient to overcome the advantages of parental education. The distribution of those new public resources will be subject to the same political processes that have placed white students disproportionately in new schools and minorities in older schools (Fry, 2006). Therefore, it is just as likely, without targeted interventions, that inequities in school quality will be reproduced.

The inequitable distribution of funds, with larger awards made to families with lesser financial need, is particularly likely when Promise programs are structured, as they are in several cities, as “last dollar” aid, with financially needy students receiving means-
tested aid from governmental sources before they receive Promise funds. Any low-income student whose tuition is fully covered by means-tested aid will receive zero dollars of Promise funding. New middle-class residents—or upper-class residents, though these are less likely to be attracted to public schools in Promise locales—who do not receive means-tested financial need will have their tuition covered entirely by Promise funds. While there are principles of equity that allow for unequal distribution of funds in the direction of poor students (i.e. “vertical equity”), there are none that support the unequal flow of funds in the direction of more affluent students, absent award conditions of merit or ability to benefit. Academic merit requirements are not placed on Promise scholarship awards, except at the most minimal levels (e.g. completion of a high school degree with a GPA of 2.0). As the principles of horizontal and vertical equity are both violated, the distribution of Promise funds is likely to become increasingly unprincipled over time with the arrival of new residents, whether they are relatively poor or affluent.

New residents, particularly those with children in public schools, are valuable to the economy of Promise cities. In many cities, each additional child in the school system brings an increase in the per capita schooling subsidy from the state. These increases in schooling subsidies help reduce the local property tax burden and provide funding for new teachers (see, e.g., Malin, 2007 who describes the potential increases in school subsidies and tax savings estimated for the Davenport Promise). Given residential and school segregation patterns (Domina, 2006a; Fry, 2006), new residents are likely to be segregated by race and income in the same manner as old residents.

If Promise cities follow typical patterns of economic development where jobs are found on one side and “economic stagnation prevails on the other” (Berube & Kneebone,
2006, p. 12), the parents of new resident families who are poor may be unable to find gainful employment, and, as a result be forced to move on before realizing any benefit from the Promise program. Further, if the quality of schooling differs by neighborhood, the children of new residents in poorer neighborhoods will be at greater risk of dropping out. Under these circumstances, the delayed reward structure of restrictive Promise programs will have attracted and made use of new residents in a highly unfair manner. The city benefits through the receipt of school subsidies, but new resident families may never receive any benefit whatsoever. New residents also face the risk that a Promise program will be discontinued before they can realize the benefits they sought. The Kalamazoo Promise, which initially set a thirteen-year guarantee on the program, now guarantees that if an end date is announced any student enrolled in the schools at the time of discontinuation will be eligible for the tuition benefit. However, not all Promise programs have this feature.

The unfair nature of this exchange is particularly troublesome when we recognize that high school graduates of families with financial need are eligible for means-tested aid at public and private institutions in most states. Families of first-generation college students may not be familiar enough with the financial aid system (see, e.g. Zarate & Pachon, 2006) to understand the value of Promise benefits relative to benefits available to them through federal, state, and institutional means-tested aid.

All of these propositions concerning the inequitable distribution of resources and outcomes can, and should, be tested empirically over time. However, the necessary data, disaggregated by race, ethnicity, and residency status, must be collected and made publicly available, a circumstance that will not come about without commitment to these
issues. In addition, the risks of unintended negative consequences are too great to wait and see what takes shape over the long term. This is particularly true because existing program designs are not well tailored to achieve their economic development objectives and could achieve greater equity and efficiency through use of a broader array of policy instruments.

*Poorly Tailored Incentives* The residency criteria of Promise programs serve to distribute differential benefits in an arbitrary and often inequitable manner. The graduated residential eligibility and award structure is intended to use Promise scholarships as a catalyst in an "unprecedented experiment in economic development" (Miller-Adams, 2006). However, it is not clear that Promise programs are well targeted on economic development goals. They are certainly not precisely "tailored to serve [their] legitimate objectives" (Winchell, 2002, p. 1048). Currently, the rhetoric of Promise programs and their program designs do not match up. Before excluding new residents from participation in Promise programs and distributing benefits in an inequitable manner, it is important to ask whether a broader range of policy instruments combined with truly universal eligibility could not be used just as effectively, or perhaps even more so, to achieve the same economic development goals, including the reduction of poverty.

For example, in Kalamazoo a disproportionately large number of children under the age of 18 living in poverty are African American (52%) and African American residents are highly concentrated in a several urban neighborhoods. Yet, the Kalamazoo Promise may not directly address these conditions because the boundaries of the KPS system extend beyond the urban core (Miller-Adams, 2007). New residents may opt to
live in other areas of the district entirely. As a result, the outcome may be gentrification in some areas and ongoing economic decline in others.

In order to create population growth and reverse net outmigration, Promise programs wish to retain old residents and attract new residents, two distinctly different populations who face a very different set of incentives under existing award structures. Long-term residents receive a windfall regardless of their past or future investments in education or the municipal economy. A primary, and important, incentive is created for students to invest time and effort in their studies, which they may in fact do. However, college graduates may subsequently be just as likely to move from the Promise city as to stay, as there are no additional incentives in place to induce them to stay.

Other financial aid policy instruments, including tax credits, tax deductions, tax protected college savings accounts, income-contingent loans, and loan forgiveness would be better matched to the economic development goals of Promise programs because they can be used to reward behavior after college graduation. Municipal taxes can also be targeted for economic development purposes. These strategies could be used, for example to reward study in science, technology, and business fields paired with internships in local companies. They might also reward college graduates who remain in the city and enter teaching, social service, or public law positions or start new businesses and employ workers. Tax credits could be targeted by Census tract on the areas of the city most in need of development.

To achieve the ideals of a universal Promise, program eligibility should be open to all residents of a city, with criteria for establishing residency the same as the requirements of the state in which the city is located. The awards should be differentiated
not based on duration of residency, but in ways necessary to create incentives for individual investments in education and economic development throughout the city, including high poverty neighborhoods. Philanthropic investments should also work in tandem with public funding to improve the quality of K-12 schooling. The Kalamazoo case illustrates that the philanthropic commitment can stimulate valuable public investments, both in monetary and human resources, as demonstrated by the school bond acts that were passed and the community effort to increase volunteerism in schools.

**Conclusion**

With a strikingly inequitable and discriminatory program design, Hammond, Indiana’s College Bound program makes home ownership a required qualification for participation in a publicly sponsored college access program. As I have argued above, Promise tuition guarantees with restrictive eligibility and award criteria based on duration of residency are similarly, if more subtly, inequitable. They discriminate against new residents by treating them as second-class citizens. Several Supreme Court rulings have found that withholding public welfare benefits from new residents in an arbitrary manner creates a discriminatory classification. Such discrimination does not serve to create precisely tailored incentives for economic development throughout Promise cities, although economic development may take place in certain areas that would experience gentrification.

Education, particularly higher education, is not a fundamental or constitutional right of all citizens of the United States. However, the distribution of both K-12 and higher education resources are governed by principles and legal statutes intended to promote the equity and efficiency of the use of those resources. While restrictive Promise
programs, such as the Kalamazoo Promise, may not be illegal, the manner in which they distribute resources violates the principles of horizontal and vertical equity, which are the foundation of educational finance systems in the U.S. I have argued that Promise resources are properly viewed as K-12 and higher education resources because students must consume them in the process of forming collegiate aspirations and preparing for college, a process that takes place during K-12 schooling.

This is an important distinction because from this perspective Promise funds are subject to the principles of equal distribution that govern school financing, which are stricter than those operating in higher education. I have noted that higher education resources are routinely distributed unequally in ways correlated with family income. This is an outcome of the positive correlation between income, academic preparation, and college enrollment, which affirmative action and college outreach policies have sought to mitigate.

Philanthropists have considerable leeway in making grants, but as DuBois has argued, philanthropy is not “a gift” and education in particular, as a public good essential to democracy, should never be viewed as a gift from the rich to the poor (cited in Gasmen, 2002, p. 495). Promise programs have become civic initiatives, attracting public resources and commitments. I have argued that they are quasi-public programs, and should be viewed as such. When Promise programs are described as universal, “college for all” programs, while at the same time excluding new residents, they can be viewed as disingenuous, “majoritarian stories” that treat long-term residency as normative and new residents as invisible.
It is not at all surprising that the current residents of Kalamazoo, Michigan, El Dorado, Arkansas or other Promise cities that have received philanthropic funding did not stand up and object to the exclusion of new residents from immediate eligibility for Promise funds. However, others, including school board members, elected officials, educational administrators, academics, foundation presidents and board members, and the media might have done so. As I have endeavored to show in this cautionary analysis of restrictive Promise tuition guarantees, the residency criteria that have been imposed are not well designed or well founded.
References


Mack, J. (2006c, October 5). KPS' Promise may be curbing "white flight". Kalamazoo Gazette.


