Tab 7

COLLEGE ACCESS
FOUNDATION
of California

Opportunities for Students

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November 20, 2008

Senator Barry Keene, Chair
California Student Aid Commission
10834 International Drive, Suite 100
Rancho Cordova, California 95670

Dear Senator Keene:

I understand that tomorrow's meeting of the California Student Aid Commission will include a presentation on a research project studying academic outcomes for students who receive scholarships through the California Cash for College program. I regret that I cannot attend the Commission meeting but I want to communicate the Foundation's strong support for Cash for College and our excitement about this important research effort.

For the past three years, College Access Foundation of California has supported college scholarships awarded at Cash for College workshops. These scholarships provide an additional incentive for students to attend the workshops. Our grants have supported over 2,000 scholarships for randomly selected students.

Over the next two years, the Foundation will significantly increase its support for scholarships in order to support a rigorous research project conducted by MDRC, Inc. The MDRC research will track enrollment, retention and graduation rates for students who receive scholarships and compare them to similar students who do not receive scholarships. It will also compare outcomes for students who receive scholarships of different amounts and durations and scholarships that impose various performance conditions.

In the course of this two-year study, more than 2,200 students will receive college scholarships supported by College Access Foundation. Just as importantly, the research study will generate extremely important data that will increase our understanding of the value of college scholarships. The MDRC research will be supported by the Bill and Melinda Gates Foundation, which recognizes the important national implications of this demonstration project.

This partnership represents an innovative investment of federal, state and private resources to increase financial aid for low-income California students and to powerfully inform all of us who support college access and opportunity. The research project would not be possible without the cooperation and commitment of the Cash for College program and its regional partners. For that reason, we want to express our deep appreciation to the California Student Aid Commission for your support.

Sincerely,

Julia I. Lopez
President and CEO

The National Performance-Based Scholarship Demonstration: An Opportunity for California

Briefing for the California Student Aid Commission

November 21, 2008

Tom Brock and Michelle Ware

mdrc

Briefing Outline

1. What's MDRC?
2. Research Findings from a Performance-Based Scholarship Program in Louisiana
3. Implications for California

What's MDRC?

- Nonprofit, social policy research organization, with offices in New York and Oakland, CA.
- Founded in 1974 as Manpower Demonstration Research Corporation.
- Dedicated to learning "what works" to improve the well-being of low-income people and communities.

MDRC's Postsecondary Education Research

- Broad objective: Learn how best to help low-income and underprepared students succeed in college
- Possible strategies:
  - Changes in curriculum and instruction
  - Improvements in advising and support services
  - Enhanced financial aid and scholarships
- For details: www.mdrc.org

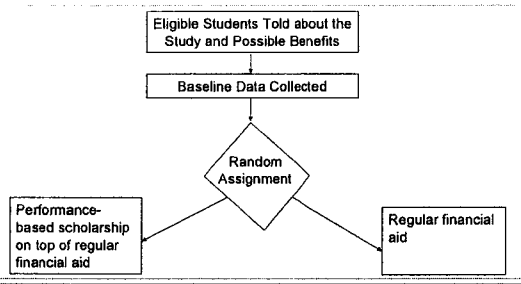
The Louisiana Opening Doors Program

- State's objective: to improve educational outcomes among low-income parents attending community college
- Working with MDRC, developed a "performance-based scholarship" funded through the welfare system
- Two colleges selected to run a pilot:
  - Delgado Community College
  - Louisiana Technical College-West Jefferson

How the Performance-Based Scholarship Worked

- $1000 for each of two semesters ($2,000 total) if students met two criteria:
  - They enrolled at least half-time
  - They maintained at least a "C" average
- Scholarships were paid in increments
  - $250 on enrolling at least half-time
  - $250 on passing midterms
  - $500 on passing courses
- Scholarships paid on top of Pell and other grants
- Program counselors monitored academic performance

Evaluation Used a Random Assignment Research Design



Why Random Assignment?

- "The Gold Standard" for evaluation
  - Ensures that students who receive the scholarship are the same as nonrecipients
  - Any subsequent differences in academic achievement or other outcomes can be attributed to the scholarship

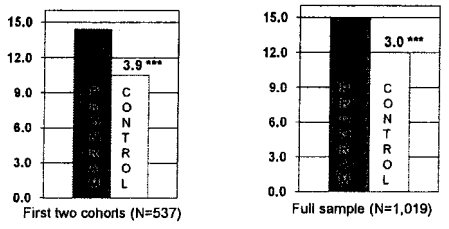
Characteristics of Students in the Study (n = 1,019)

- All parents (typically 2 children)
- Mostly women
- Most were working and going to school
- Average age: 25
- 85 percent African American; 10 percent white
- Nearly 80 percent sought an Associate's or Bachelor's degree; remainder sought to improve job skills

Academic Impacts of Scholarship after Two Semesters

	Program	Control	Impact
Registration			
First semester	82.2	76.8	5.5**
Second semester	64.8	49.8	15.0 ***
Number of credits attempted			
First semester	8.6	8.0	.0.6 **
Second semester	6.2	5.0	1.2 ***
Total credits earned			
First semester	5.9	4.6	1.2 ***
Second semester	3.9	2.8	1.1 ***

Impacts on Total Credits Earned after Seven Semesters*



*Due to Hurricane Katrina, most students had their schooling interrupted.

National Performance-Based Scholarship Demonstration

- Objective: See if variations of performance-based scholarships will improve student outcomes in other parts of the country
- Participating states and institutions:
  - 2 community colleges in New York City
  - 3 community colleges in Ohio
  - The University of New Mexico
  - California Cash for College

California's Involvement

- Funded by the College Access Foundation and the Bill and Melinda Gates Foundation
- Will build on existing program: California Cash for College
- Will lead to net increase of scholarship recipients

How the Study Will Work in California:

- Completely voluntary
- Interested students will be entered into a lottery:
  - About 500 students will receive current Cash for College scholarship
  - About 1,000 students will get a Performance-Based Scholarship
  - Control group will receive neither scholarship
- "Portable" design: students can use scholarship at any college or university they choose
- All students (program and control) will continue to receive Cal Grants and federal aid as usual

Major Research Questions:

- Do scholarships matter? That is, do they significantly affect academic outcomes for students who receive them?
- Do student outcomes improve if they are required to maintain minimum credit hours and GPA?
- Do different amounts or durations of scholarships lead to better outcomes?

Study Timeline

- Students will be enrolled in the study in 2009 and 2010
- Preliminary impact findings will be available in 2012
- Intended audience: State and federal policymakers, private donors to scholarship funds