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DOES FREE COLLEGE WORK? KALAMAZOO OFFERS SOME ANSWERS

Tuition subsidy in Kalamazoo, Mich., funded by anonymous donors, lifts enrollment sharply but graduation rates are mixed

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KALAMAZOO, Mich. – In 2005, caught in a spiral of urban decay and a falling population, Kalamazoo embarked on a bold experiment to save itself. It would give local students free college tuition.

The program, funded by anonymous donors who pay the bill each year, kicked off a free-college movement that has gained traction across the U.S. More than 300 cities and states have some variety of free-tuition program, although most aren't as generous. Many of the 2020 Democratic presidential contenders support some form of free college as part of their campaigns.

Thirteen years after Kalamazoo's program went into effect, some results are in. College enrollment has risen. Kalamazoo's economy is stronger. So is a sense of community in a city that once had nearly lost hope.

Yet city leaders have found the benefits of the Kalamazoo Promise, as the free college plan is known, go only so far. Just 38 percent of students who finished high school between 2006 and 2012 earned a college degree or certificate, according to the Upjohn Institute, a nonprofit research center that has studied the program. This was up only slightly from the 34 percent average for the three years before the program existed.

Among black students, just 23 percent from the classes of 2006 through 2012 earned a college credential, compared with 22 percent before the program.

The percentage of Kalamazoo residents living in poverty, at 31 percent, is higher than it was at the start of this century, when the share living in families at or below the federal poverty threshold stood at 24 percent, Census data show.

"It's like an onion," said Brad Hershbein of the Upjohn Institute. "You take away the outer layer – financial need. Once that's gone you see these other layers, or barriers, are left. The inner layers are problems you wouldn't have known are a big issue. "Among them are high rates of single-parent households, teen pregnancy and homelessness.

In Kalamazoo, a city of 77,000 two hours west of Detroit, factories supported the economy throughout the 1900s, producing Checker cabs, Gibson guitars, paper products and medical devices. General Motors had a plant on the outskirts of town. A local pharmaceutical company, Upjohn Co., was the inventor of the friable pill, or medicine that can dissolve in the stomach.

The population began to shrink in the 1970s as some white families headed for the suburbs and factories hurt by globalization closed or moved. GM shut its plant in the 1990s. Pfizer

Inc. bought Upjohn and downsized it. By the early 2000s, brick buildings downtown sat empty and schools suffered along with the tax base.

Spurring the free-college movement is anxiety over the cost of tuition, which has risen at more than double the inflation rate since 1990, while student debt has tripled since late 2006.

A handful of wealthy residents approached the public schools' superintendent at the time, Janice Brown, saying they wanted to turn the city's fortunes around through education. The thinking was free tuition for city students would lure families back, give households a financial boost, form a skilled workforce and reduce unemployment.

"They believed investing in higher education would make a really big bang," said Dr. Brown.

The donors, remaining anonymous, insisted that all students in the public schools be eligible. "It is not just a handout for the poor," she said.

The program, still in effect, covers 100 percent of tuition at any public college and 15 private colleges in the state for a child who began in the local school system in kindergarten. The subsidy is reduced on a sliding scale for those who enroll later, down to 65 percent of tuition for students who enter local schools in the ninth grade.

Students who accept the aid must maintain at least a 2.0 grade in three-quarters of classes to continue to receive the subsidy; they're not obligated to serve the city or live there after their college years.

Colleges where Kalamazoo students enroll send their tuition bills to Dr. Brown, who passes them on to the donors. Since the program took effect in June 2006, they have paid \$124 million in tuition subsidies for 5,735 students, according to its administrators.

Slightly more than half were from families with incomes low enough that the students received free or reduced-price lunch in high school, according to the Upjohn Institute.

Hundreds of families moved to Kalamazoo in the first year after the program began, most from within the region and other parts of Michigan but some from out of state. The school district's population jumped by about 1,000 students, or 10 percent, in the year after creation of the program.

Housing developers who had avoided the city started lining up permits to build. Schools got a financial boost, since their share of state funding depends partly on the number of students enrolled.

At the same time, some neighboring school districts lost students and funding, and a nearby charter school closed, under pressure from the move of families to Kalamazoo.

Sheri Welsh and Richard Welsh, Kalamazoo parents of two young children, had been looking to move to a bigger home in the suburbs. Instead, they stayed and spent \$30,000 – money they had set aside for tuition – upgrading their 1930s Tudor-style house in the city. Ms. Welsh expanded her executive-recruiting firm.

Their daughter, Alexis Welsh, graduated in 2012 near the top of her high-school class and went on to the University of Michigan, where the Promise program covered a total of \$40,000 in tuition.

"I am so, so thankful," said Ms. Welsh, now in graduate school at Idaho State University studying to be a physician assistant. "I would not have been able to go to the University of Michigan without it." She probably would have started at a nearby state college or a community college to save money, she said.

Ms. Welsh, now 24, has about \$54,000 in student debt, because the program didn't cover living expenses at Michigan or her graduate-school tuition. She believes the debt is manageable given what she'll earn as a physician assistant.

The free-tuition program also made Ms. Welsh feel attached to the Kalamazoo community, she said. She plans to move back to serve Spanish-speaking families.

Those receiving the most dollars from the program have been female, white and from middle- and upper-income families, according to the data from Upjohn. It said that was because those groups are far more likely to go to a four-year college, rather than a community college, and to graduate.

College enrollment has soared across all racial groups. Among all students who graduated from a Kalamazoo public high school from 2006 through 2017, 75 percent enrolled in college within six months, versus a national average of about 67 percent and only 58 percent in Kalamazoo before the program, according to the Upjohn Institute.

Ms. Moon said she had enrolled only because that was the message delivered by the Promise and her family. "A lot of what we're taught is 'go to college, go to college,' and not 'go to college for this reason,'" she said. She now works at a coffee shop making \$9.75 an hour.

The tuition program gives students 10 years to use their subsidies, and Ms. Moon is open to going back to college eventually. "I'd need to figure out why I would, other than just 'you need a degree to function,'" she said.

To help students like her, program administrators sent KVCC additional money to hire counselors several years ago. One of them, Monteze Morales, said that some of the students she counsels don't know what they want to study, or they may not have been prepared for college-level work. Others are single parents struggling to cover living expenses.

"They'll often say, 'I have to work, I'm homeless, I don't know what I'm doing,'" she said.

Ms. Morales meets with students individually several times a semester. Sometimes she tells them they need to open their syllabus, read their assigned books and show up on time. Other times, she puts them in touch with social services.

"The challenges that people bring with them to education because of poverty don't just go away because we say we're going to pay for college education," said Bob Jorth, the Kalamazoo Promise's executive director.

KVCC leaders say retention and graduation rates have improved since counselors were hired.

This year, the Promise's marketing has emphasized vocational college. Administrators hope marginal students will be less likely to drop out of such programs because they are shorter.

The change also responds to demand in the local economy. Labor Department data show unemployment in the area that includes Kalamazoo and nearby Portage stood at 3.1 percent in April, without seasonal adjustments, below the national average. The fastest job growth is in mining, logging and construction.

On a recent day, three manufacturing firms called the head of a program at KVCC that teaches trade skills asking if it had any students available to fill jobs.

Though its economy isn't as strong as nearby Grand Rapids, Kalamazoo is humming with activity, and residents say they're sure the Promise is one reason. Downtown is filled with restaurants, art stores and a wine bar. It was opened this year by a young couple, including a Promise recipient who dropped out of college.