THE PERFORMANCE-BASED SCHOLARSHIP DEMONSTRATION

PAYING IT FORWARD

A Technical Assistance Guide for Developing and Implementing Performance-Based Scholarships

Rashida Welbeck
Michelle Ware
Oscar Cerna
Ireri Valenzuela

FEBRUARY 2014

mdrc
BUILDING KNOWLEDGE TO IMPROVE SOCIAL POLICY

Paying It Forward

A Technical Assistance Guide for Developing and Implementing Performance-Based Scholarships

Rashida Welbeck
Michelle Ware
Oscar Cerna
Ireri Valenzuela

with
Alyssa Ratledge
Melissa Boynton

February 2014

Funders of the Performance-Based Scholarship Demonstration

Bill & Melinda Gates Foundation
College Access Foundation of California
Helios Education Foundation
Institute of Education Sciences, U.S. Department of Education
The Joyce Foundation
The Kresge Foundation
NYC Center for Economic Opportunity
The Ohio Department of Job and Family Services through the Ohio Board of Regents
Open Society Foundations
Robin Hood Foundation

Dissemination of MDRC publications is supported by the following funders that help finance MDRC's public policy outreach and expanding efforts to communicate the results and implications of our work to policymakers, practitioners, and others: The Annie E. Casey Foundation, The George Gund Foundation, Sandler Foundation, and The Starr Foundation.

In addition, earnings from the MDRC Endowment help sustain our dissemination efforts. Contributors to the MDRC Endowment include Alcoa Foundation, The Ambrose Monell Foundation, Anheuser-Busch Foundation, Bristol-Myers Squibb Foundation, Charles Stewart Mott Foundation, Ford Foundation, The George Gund Foundation, The Grable Foundation, The Lizabeth and Frank Newman Charitable Foundation, The New York Times Company Foundation, Jan Nicholson, Paul H. O'Neill Charitable Foundation, John S. Reed, Sandler Foundation, and The Stupski Family Fund, as well as other individual contributors.

The findings and conclusions in this report do not necessarily represent the official positions or policies of the funders.

For information about MDRC and copies of our publications, see our Web site: www.mdrc.org.

Copyright © 2014 by MDRC®. All rights reserved.

Overview

Difficulties in paying for college and in maintaining good academic performance are two major hurdles to college graduation for low-income students. In recent years, state and federal budgets for postsecondary education have been cut significantly, limiting the options policymakers, education leaders, and communities have to improve rates of college attendance and graduation. Even when tuition and fees are covered by state and federal financial aid, lack of resources to help pay for other costs of attendance (such as book and living expenses) can lead students to choose to work more at paid jobs, and as a result, study less or interrupt their studies. Additionally, many low-income students, particularly in community colleges, lack the foundational academic skills they need. Underpreparation for college-level work and limited resources may reinforce each other, contributing to the current stagnation in college graduation rates for low-income students.

Performance-based scholarships, which simultaneously address the financial and academic challenges that many low-income students face, is one strategy that may help boost rates of academic success and graduation for this population. A performance-based scholarship is need-based aid designed to help reduce the financial burden on a low-income student, while at the same time providing incentives for good academic progress. With these scholarships, students generally are given financial aid, often at multiple points during the semester, if they maintain a C average or better and earn a certain number of credits. The incentives that are built into the scholarships are intended to encourage students to focus on their studies, which should lead them to perform better in their classes in the short term. In the medium term, they should progress through their degree requirements more quickly, and, in the long term, this progress may help them graduate or transfer to four-year colleges.

This guide offers helpful information and tools for developing and implementing a performance-based scholarship program. Drawing on the research findings and experiences from two research demonstrations that tested the effectiveness of performance-based scholarships for different types of students in diverse academic settings, this guide provides details on:

- Alternative designs for performance-based scholarship programs used in several community colleges, a four-year college, and two portable scholarship programs, and
- Components needed to design, plan, and implement a performance-based scholarship program.

The intended audience for this guide are staff members of two- or four-year colleges and of government or nonprofit organizations that offer scholarships. The guide offers readers lessons, advice, and clear steps for adding performance components to an existing scholarship program or for developing a new one. Collectively, the information in this guide is intended to help scholarship providers to be more purposeful and efficient when making decisions about whom they choose as recipients, how the awards are offered, and what to expect from recipients. Rather than being prescriptive, the guide aims to help these providers make choices that best fit their circumstances and those of their students — choices that will ultimately result in strong implementation of a strategy designed to make it easier for students to meet their financial needs and succeed academically.

Contents

Overview iii
List of Exhibits vii
Preface ix
Acknowledgments xi

Chapter

I Introduction: Creating a Performance Based-Scholarship Program 1
About This Guide 2
Why Performance-Based Scholarships? 4
MDRC's Demonstrations on Performance-Based Scholarships 4
How Is This Guide Organized? 9

II Initial Steps and Foundational Elements 11
Assembling Key Stakeholders: Getting High-Level and Broad-Range Administrative Support 11
Funding Your Program 13
Creating a Budget 13
Partnerships 15

III Designing a Performance-Based Scholarship Program 17
Establishing the Program's Eligibility Criteria 17
Term Scholarship Amount and Program Duration 23
Establishing Requirements and Disbursement Points for Receiving the Scholarship 25
Disbursing Scholarships During Summer and Winter Academic Terms 28
Scholarship Portability for Programs Led by or in Partnership with Government and Nonprofit Organizations 29
Tools for Designing and Developing Your Program 29
Piloting Your Program 34

IV Implementing a Performance-Based Scholarship Program 35
Recruiting Students 35
Verifying Students' Eligibility for Each Disbursement 38
Process and Schedule for Disbursing the Scholarship to Students 40
Communicating with Students in the Program 43
Monitoring the Implementation of the Scholarship Program 44
Conclusion 45

Appendix

A Opening Doors and PBS Demonstration Program Highlights 47
B Logic Model Worksheet 53
C Disbursement Verification Template 57
D Example of Encouraging E-mails 61

References 69

Earlier MDRC Publications on the Performance-Based Scholarship Demonstration 71

List of Exhibits

Table

1	Design and Notable Effects of the Performance-Based Scholarships in Sites in the PBS Demonstration	7

Figure

1	Theory of Change for Performance-Based Scholarships	5
2	Logic Model for Performance-Based Scholarship Program: Pima Community College	31
3	Institution-Based Program Recruitment Flowchart	36

Box

1	Igniting the Potential for Future Scholarship Awards	3
2	How to Budget a Performance-Based Scholarship	15
3	CFC-PBS: A Statewide Public/Private Partnership Model	16
4	Interaction of Performance-Based Scholarships with Other Forms of Financial Aid	19
5	Typical Roles and Responsibilities of Program Staff	33

Preface

Although college graduation rates in the United States are slowly rising, many low-income students continue to struggle to stay enrolled. They tend to enter college academically underprepared and have more difficulty covering the cost of attendance. Could additional financial aid be used as an incentive for at-risk college students to improve their academic performance? In 2002, as part of the Opening Doors Demonstration, the Louisiana state government tried to answer this question. It partnered with MDRC to study the effects of allocating surplus Temporary Assistance for Needy Families (TANF) dollars to low-income parents as an incentive for them to persist in college and graduate. This type of financial aid became known as a performance-based scholarship.

After strongly positive results were found in Louisiana, in 2008 MDRC launched the Performance-Based Scholarship (PBS) Demonstration, in which it partnered with sites in seven states around the country that were also seeking to learn how to leverage financial aid dollars to incentivize academic success for low-income students. The PBS Demonstration's findings to date suggest that different approaches to implementing performance-based scholarships can help various kinds of students in different academic settings to succeed.

This guide offers practical advice and lessons for scholarship providers in different institutional settings about how to plan, develop, and implement a performance-based scholarship program. The information shared in this guide is based on the findings from the PBS and Opening Doors demonstrations as well as the experiences of colleges and government and nonprofit scholarship providers who worked in partnership with MDRC's staff to build performance-based scholarship programs. The guide is intended to be useful for scholarship providers, whether they are developing a new program or adding performance requirements to an established one.

At a time when financial resources are limited, it is more important than ever to be intentional about how scholarship dollars are awarded. Performance-based scholarships offer an efficient way to allocate financial aid to help close the need gap for low-income students, while signaling to students the importance of making strong academic progress. It is our hope that this guide will assist scholarship providers in stretching their resources to reach more students, while also helping students to graduate from college at higher rates.

Gordon L. Berlin
President

Acknowledgments

We are grateful for the generous contributions of the individuals and groups who played a role in the preparation of this technical assistance guide. First, we express sincere gratitude for the support of our funders, who made the production of this publication possible.

This guide reflects the experiences and the lessons learned by the staff at performance-based scholarship sites in Louisiana, New York, Ohio, New Mexico, California, Arizona, and Florida, who were committed to developing and implementing programs that put the needs of students first. Thank you for sharing your insights with us.

We especially thank our external reviewers: Deirdre Aherne at Hostos Community College, Despina Costopoulos and Alma Salazar from California Cash for College, Bonnie Legro at the Abell Foundation, Greg Ratliff at the Gates Foundation, Stephanie Sutton at Lorain County Community College, Frank Velazquez at Pima Community College, and Amy Weinstein at the National Scholarship Providers Association. They all offered perspective on what would be useful to include in this type of guide and helped us to strengthen it.

We owe deep gratitude to the many people at MDRC who read and reviewed this publication at its various stages of development. Specifically, we are grateful for comments from Margaret Bald, Gordon Berlin, Rob Ivry, Reshma Patel, Lashawn Richburg-Hayes, Colleen Sommo, Mary Visher, and Evan Weissman.

Finally, many thanks to MDRC's Publications Department team: Susan Blank edited the guide, and Stephanie Cowell and Carolyn Thomas prepared it for publication.

The Authors

I

Introduction: Creating a Performance-Based Scholarship Program

Financial concerns are among the many factors that make it difficult for low-income students to succeed in college.[1] College costs have increased dramatically over the last few decades. Even at community colleges, the most affordable postsecondary option, prices have more than doubled since 1976.[2] More than 80 percent of community college students have "demonstrated financial need,"[3] and even after receiving all available aid, many students still cannot meet the full cost of attendance. The issue is of such concern that in August 2013, President Barack Obama outlined a new agenda that included steps to make higher education more affordable.[4]

Community college students with financial need face an average gap of more than $5,000 per year in unmet need.[5] Private scholarships, which award over $6.6 billion to students annually, are one resource that might help students fill that gap.[6] Traditionally, scholarships are awarded to students with demonstrated past academic success — offered as merit-based aid — rather than to students with financial need who have not previously demonstrated academic success.

One new strategy to help students struggling with the cost of college is *performance-based scholarships*. Performance-based scholarships are need-based grants that a student can earn contingent on meeting certain academic benchmarks over the course of a term. This innovative scholarship design was tested in an experimental evaluation involving over 12,000 students from around the country. Findings show that this type of scholarship can be used to promote academic success for students who are not typically recipients of merit-based scholarship aid, including students who have struggled academically or face significant barriers to success in a college environment.[7] Thus, the purpose of this guide is to offer information on

[1]Bound, Lovenheim, and Turner (2009).

[2]Provasnik and Planty (2008).

[3]Demonstrated financial need is the difference between the total cost of attendance (COA) at a particular college and a student's expected family contribution (EFC) — a calculation according to federal guidelines of what a family is expected to contribute financially toward the cost of attending college.

[4]Obama (2013).

[5]*Unmet need* is defined as the gap between how much college costs and what students are actually able to afford given their incomes and levels of financial aid and scholarships. For more information about unmet need in community colleges, see The Institute for College Access and Success (2009).

[6]College Board Advocacy and Policy Center (2012).

[7]Patel, Richburg-Hayes, de la Campa, and Rudd (2013)

how performance-based scholarships can be effectively designed and implemented as a student-success strategy.

Performance-based scholarships incorporate four key features that distinguish them from other scholarships or grant aid programs. Specifically, performance-based scholarships are:

- **Predicated on students meeting basic conditions for enrollment** (such as the number of credits for part-time or full-time status) and grades in college courses (such as a grade point average — GPA — of 2.0 or better).
- **Paid directly to students**, allowing students to use the money in any way that will help them succeed academically (for example, to pay for transportation or child care, or to reduce work hours and increase study time).
- **Designed to supplement federal Pell Grants and other state and institution-based aid**, in order to help reduce financial need, especially for low-income students with few resources.
- **Based on students' current performance** rather than on strong performance in previous years. This program component opens the door for students who may not have had a strong enough academic record to have previously earned a scholarship.

Although performance-based scholarships are structured and targeted differently from traditional scholarships, they can be meaningful to students in different ways. See Box 1 for illustrations of how these scholarships can work from a student's perspective.

About This Guide

This guide has been developed based on lessons from MDRC's national Performance-Based Scholarship (PBS) Demonstration, a multistate study designed to evaluate whether performance-based scholarships are an effective way to improve academic outcomes among low-income college students. The guide also draws on a predecessor study to the PBS Demonstration — the study of performance-based scholarships as part of the Opening Doors Demonstration in Louisiana. Additional lessons are drawn from MDRC's technical assistance work with organizations such as the UNCF and the Abell Foundation to help them design and implement performance-based scholarship programs.

As the PBS Demonstration has gained recognition, MDRC has been asked to provide varying levels of technical assistance about performance-based scholarship programs to organizations, programs, and states. This guide offers information on how to develop and implement a program in different institutional contexts and for different student populations.

Box 1

Igniting the Potential for Future Scholarship Awards

Jason and Yemina are both parents who participated in the performance-based scholarship program at their local community college. Both belong to racial/ethnic minority groups: Jason is African-American and Yemina is Latina. The performance-based scholarship program they took part in offered students a scholarship over two semesters contingent on their meeting enrollment and academic benchmarks. Though their stories of how and when they decided to go to college differ, they share some key experiences related to their participation in this unique scholarship program. Overall, both Yemina and Jason felt that this program made them more self-assured students, inspired them to get better grades, and encouraged them to look for other opportunities to succeed.

The scholarship not only inspired Yemina, but it opened up an opportunity for her to invest more time in her education. As a single mother, Yemina had needed to work full time and could only enroll in college part time. After receiving the scholarship, she was able to reduce her hours at work and later stopped working altogether to focus more on her studies. With more time to devote to her classes, Yemina was able to attend English as a Second Language (ESL) tutoring sessions, which helped her to pass her English exam, the subject she found most challenging.

The scholarship opened Jason's mind to new opportunities that he would never have thought himself eligible for before he received the scholarship. While participating in this program, Jason not only met the minimum required GPA but was inspired to work hard and earn a 3.5 GPA so that he could become eligible for other scholarship programs. After getting his grades up, Jason paid closer attention to campus-wide e-mails informing students about scholarship opportunities. With a higher level of confidence as a student, Jason also pursued joining a national leadership program.

Who Is The Audience for This Guide?

This guide is designed for those who are involved in designing, developing, and implementing a scholarship program, an audience that includes individuals from both postsecondary educational institutions and scholarship-granting organizations. Additionally, this guide is for individuals at both kinds of institutions who may be looking for ways to more purposefully or efficiently allocate their institutions' existing scholarship funds. Whether you plan to revamp an existing scholarship program or want to develop a new program, this guide provides details on implementing a performance-based scholarship model that will best fit the needs of the students you want to serve.

Why Performance-Based Scholarships?

In 2011-2012, state governments provided $9.8 billion in grant aid for undergraduate students, while the federal government provided $34.5 billion in federal Pell Grant dollars.[8] Despite this support, many students around the country, especially those from low-income backgrounds, still face substantial costs associated with attending college that they cannot cover. Performance-based scholarships can help to fill some of the gap between students' level of need and the level of aid they receive. This type of scholarship may also offer students a meaningful incentive to stay in school and make progress toward a degree or certificate. Unlike merit-based scholarships, which typically reward high-achieving students who may succeed in college with or without some of the scholarship dollars that they receive, the performance-based scholarship may encourage persistence in college, enrollment in more credits in a given term, and strong performance while students are in college beyond what they may have achieved without having received the scholarships. Furthermore, performance-based scholarships offer financial aid in addition to any federal and state aid students would already receive. These scholarship dollars can help reduce the amount of loans in a student's financial aid award, thereby reducing student debt. All of these features of performance-based scholarships suggest that they have the potential to help students succeed in college. These potential benefits may, in turn, promote equity in these outcomes between low-income students and their more affluent counterparts.

MDRC's Demonstrations on Performance-Based Scholarships

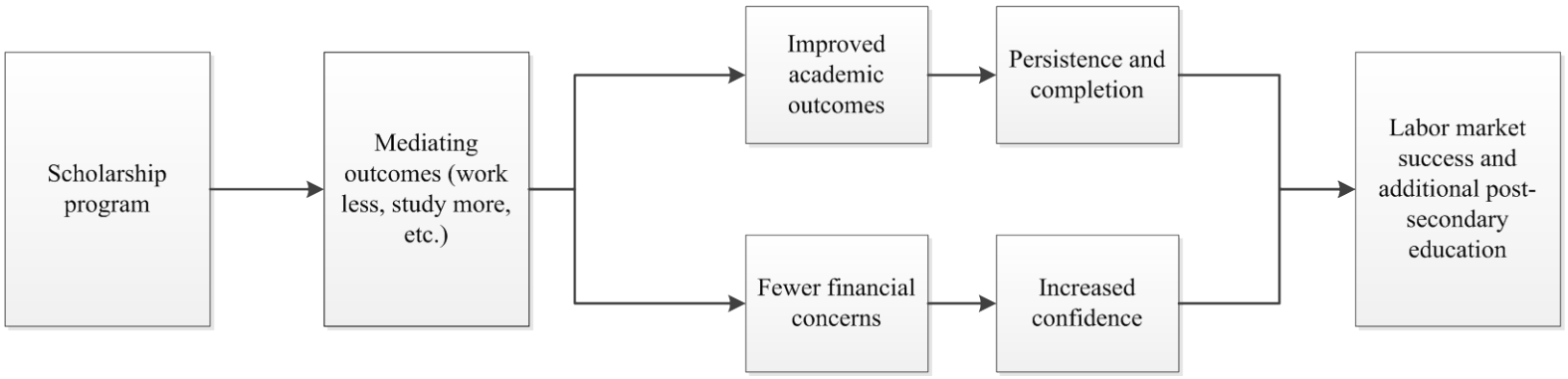
MDRC first evaluated a performance-based scholarship program at two community colleges in Louisiana as part of its Opening Doors Demonstration. The study measured the effect of additional aid and counseling on academic success. The Louisiana program offered performance-based scholarships of $1,000 to low-income parents for two semesters. Counselors met with students periodically and disbursed the scholarships. It was hypothesized that by conditioning additional financial aid on specific performance benchmarks, performance-based scholarships would incentivize students to focus more on their studies, which could lead them to perform better in their classes in the short term, earn more credits, persist from semester to semester, and ultimately earn degrees or certificates. Furthermore, if the effects on academic outcomes remained positive and strong, these scholarships could potentially have longer-term impacts on labor-market outcomes, including higher earnings. (See Figure 1 for a visual representation of the theory of change underlying performance-based scholarships.)

The original performance-based scholarship program in Louisiana increased rates of student retention in the second semester and increased credit accumulation in the first two

[8]College Board Advocacy and Policy Center (2012).

Figure 1

Theory of Change for Performance-Based Scholarships



semesters.[1] However, longer-term follow-up proved impossible in this study because of the devastation caused by Hurricane Katrina in 2005. The promising short-term results, however, inspired the launch of the national Performance-Based Scholarship (PBS) Demonstration in 2008. The goal of the Demonstration was to evaluate whether performance-based scholarships are effective in improving academic outcomes among low-income students in different geographical locations with different amounts of money over different durations of time.

MDRC worked with each of the PBS Demonstration sites in Ohio, New York, New Mexico, California, Arizona, and Florida to design programs that targeted and helped to address the needs of a specific population of students while adhering to the core components of performance-based scholarships. Details of each model can be found in Table 1. (See Appendix A for descriptions of the programs' operational highlights.) In Ohio, the program focused on low-income single parents, similar to the population served by the original Louisiana model, and offered both a full-time and a part-time award. The New York program targeted students not living at home (known as "independent" students) in need of developmental (remedial) education courses. In New Mexico, the program incentivized entering students to complete 15 units of credits per semester, a level that would keep students on track to graduate in four years. The program in California similarly targeted incoming freshmen but tested a statewide model with a portable scholarship that students could take to any degree-granting postsecondary institution in the country. The Arizona program was designed to improve the academic success of Latino males, while the Florida program encouraged students to move through a developmental math sequence in a specified time frame.

Both the Louisiana Opening Doors study and the national PBS Demonstration used random assignment research designs. Random assignment creates two groups of students that are similar in both observable and unobservable characteristics, allowing researchers to isolate the impact of the program being studied. In this case, one group of students, known as the *program group,* was offered the opportunity to receive a performance-based scholarship, while students in the other group — the *control group* — received only the college's usual services and whatever aid would normally be offered to them based on their levels of financial need. As a result of random assignment, differences in outcomes can be attributed with a high degree of confidence to the performance-based scholarship program. More than 12,000 students were randomly assigned in the PBS Demonstration.

Research Findings

Emerging findings from the PBS Demonstration sites are positive, yet modest. Research thus far shows that:

[1]Richburg-Hayes et al. (2009).

The Performance-Based Scholarship Demonstration

Table 1

Design and Notable Effects of the Performance-Based Scholarships in Each State

	Opening Doors Louisiana	Ohio	New York	New Mexico	California	Arizona	Florida
Eligible Population	Age 18 to 34 Parent Family income below 200% of poverty level	Age 18+ Parent Zero EFC[a]	Age 22 to 35 Live away from parents In need of develop-mental education Pell-eligible	Age 17 to 20 Freshmen Pell-eligible	Age 16 to 19 High school seniors applying for financial aid Below Cal Grant A/C Income Threshold[b]	Latino men Fewer than 45 credits earned EFC below 5,273	Age 18+ In need of developmental math EFC below 5,273
Maximum Scholarship per Term	$1,000	$600 (quarter schools) to $900 (semester schools)	$1,300	$1,000	$333 (quarter schools) or $500 (semester schools) to $1,000	$1,500	$600
Scholarship Duration	2 semesters	2 semesters or 3 quarters	2 semesters and 1 summer term[c]	4 semesters	1 term to 2 years	3 semesters	3 semesters and 1 summer term
Academic Benchmarks	Complete 6 or more credits with a "C" average or better	Part-time: 6 to 11 credits with "C" or better in each Full-time: 12 or more credits with "C" or better in each	6 or more credits with "C" or better in each	Complete 12 or more credits (1st semester) or 15 or more credits (later semesters) with a "C" average or better	Complete 6 or more credits with a "C" average or better	Part time: 6 to 11 credits with "C" or better in each Full time: 12 or more credits with "C" or better in each	Complete a sequence of math courses with a "C" or better in each course
Additional Service Criteria	Meet with adviser	None	None	Meet with adviser	None	Meet with adviser; complete tutoring/workshop requirements	Complete tutoring requirements
Sample Size	537	2,285	1,502	1,081	4,921	1,028	1,075
Notable Program Effects	Earned 3.7 more credits by end of second post-program year	Degree receipt at end of 2nd and 3rd year 3.6 and 3.5 percent-age points higher, respectively	Earned .9 more credits by end of first year	Earned 2.2 more credits by end of second year	Registration in second program term 3.8 percentage points higher	Earned 1.7 more credits by end of first year	College-level math course completion 5.9 percentage points higher after 3 semesters

NOTES: [a]The EFC (Expected Family Contribution) is the amount of money a family is expected to contribute to a student's education, as calculated according to federal guidelines. Students with an EFC between zero and 5,273 were eligible for Pell Grants in 2010-2011.

[b]The Cal Grant financial aid program is funded by the state of California. To qualify, students must fall below specified income/asset ceilings.

[c]Half of all New York scholarship recipients were eligible to receive a summer scholarship.

[d]Outcomes of only 537 of the 1,019 total study participants were analyzed, as Hurricane Katrina disrupted the follow-up period for the third and fourth cohorts.

[e]Although there were 5,160 study participants, undocumented immigrants were excluded from analysis due to concerns about data reliability.

- **The program can be implemented at a variety of institutions and with a diverse group of low-income student populations.** Institutions have successfully implemented processes to monitor students' progress and appropriately disburse scholarship funds. Student responses to surveys suggest that institutions were able to convey clear messages about scholarship requirements. A few institutions also used the programs to engage students in other services provided on campus, such as tutoring and advising.

- **Students in almost all of the program groups were more likely to meet the required academic benchmarks for earning a performance-based scholarship than students in the control groups.** In most sites, program group students received a performance-based scholarship for receiving a C or better in a required minimum number of credits. (In Florida, program group students received a scholarship for receiving a C or better in a certain math course). In general, the results suggest that if realistic, attainable academic benchmarks are set, more students will rise to the challenge. In all states except one, students who were eligible to receive the scholarship were more likely to meet the benchmark. (In New York, however, there was no difference between outcomes for the program and control groups.)

- **The program increased the number of credits earned at the end of the first year.** In most sites, by the end of the first year, students in the program groups earned more credits than students in the control groups — between 0.9 credits more in New York and 3.3 credits more in Louisiana. Since most courses in these settings are worth three or four credits, the intervention resulted in one-third to slightly more than one full course completed.

- **So far, the program does not appear to increase the proportion of students who persist in college.** That is, most of the programs have no statistically significant impacts on rates of returning to college in the second year. While there were large impacts on persistence in Louisiana, this pattern was not replicated in the PBS Demonstration sites, perhaps because of the changing economic times: While Louisiana's program took place during an economic boom, the PBS Demonstration sites' programs took place during the major recession that began in 2008, when students in both groups persisted at high rates.

- **The scholarships were effective for a variety of students, including groups that traditionally are at risk of performing poorly.** For example, the scholarships were effective for students who were parents and for stu-

dents who were first in their families to attend college. Subgroup analyses show that the program affected the number of credits earned by many groups of students and that it worked equally well across these groups. In other words, the program did not work better or worse for any particular type of student.

- **Some of the programs reduced students' levels of educational debt.** In two of the three locations where detailed information on financial aid packages is available, performance-based scholarship programs reduced levels of educational debt: In Ohio, there was an average reduction of $334 in loans incurred in the first year, and in New Mexico, there was an average reduction of $347 in the first year.

- **In Ohio, performance-based scholarships increased the proportion of students earning a degree or certificate.** In Ohio, the site with the longest follow-up period, the program has a statistically significant impact on the percentages of students who earned degrees. Two years after random assignment, 21 percent of program group students earned degrees compared with 17 percent of control group students, a difference of 3.6 percentage points. The impact continued into the third year, when 27 percent of program group students earned degrees compared with 23 percent of control group students, a difference of 3.5 percentage points. Ongoing research is examining whether these effects will be replicated at other sites.

See Appendix A for more program highlights and references to the associated published reports.

How Is This Guide Organized?

Following this introduction, the guide is divided into the following three chapters:

- **Chapter II: Initial Steps and Foundational Elements**
- **Chapter III: Designing a Performance-Based Scholarship Program**
- **Chapter IV: Implementing a Performance-Based Scholarship Program**

This guide is not meant to be prescriptive. Rather, it is meant to provide tools and lessons to help you think about how to approach a performance-based scholarship program tailored to fit your organization or institution and the students you intend to serve. Though this guide walks you through a number of activities that can be part of setting up a performance-based scholarship, this program can also fit nicely into systems already in place for other

scholarships or aid programs. If you are completely new to developing a scholarship program, you may need to do some significant upfront work designing and setting up systems for implementation. But the actual implementation of a performance-based scholarship can be a smooth and uncomplicated process for sites that choose a model that builds on institutional strengths and resources.

It may not be necessary for all audiences to read this guide from beginning to end. Based on where you are in the process of developing your program, you can consult the sections that offer the information you need.

II

Initial Steps and Foundational Elements

Before you begin designing your program, what will need to be in place? As with any new endeavor, you must take some initial steps to plan and prepare in order for your program to start with a solid foundation. This part of the guide will offer examples of the foundational steps that have been critical to all of MDRC's institutional, government, and nonprofit partners in setting up strong performance-based scholarship programs.

Key parts of the planning process are to determine:

- Whose support and involvement is needed to make sure the program will get off the ground successfully?
- What kind of staff and supporters do you need to design and implement your program?
- How will the program be supported financially?
- What kinds of partnerships, if any, are helpful to establish when you are developing a design and implementing your program?

Once you have answered these questions, you will be ready to begin designing your program. (Program design will be covered in Chapter III of this guide.)

Assembling Key Stakeholders: Getting High-Level and Broad-Range Administrative Support

When thinking about the right set of stakeholders to involve in early planning for your performance-based scholarship program, you should ask yourself, "Who needs to be in the room and included on e-mails in order to make this program take off? Who, if left out, would hinder this program from taking off?" As would be expected, the answer to these questions may differ greatly, depending on your organization or institution.

A good starting point for assembling key stakeholders is to identify a program "champion." In college or university settings, the champion of a performance-based scholarship program has typically been the vice president of student or academic affairs, the dean of students or academic services, or the director of financial aid or advising. If the champion is at the dean or director level, it will be important for this person to get the endorsement of more senior leaders in the early planning stage. In scholarship-granting organizations, the champion may be a mid- to senior-level program officer, manager, or director who is well positioned to

shepherd this type of scholarship program from infancy to maturity. In the PBS Demonstration, sites that did not have an influential champion or strong supporter in the senior leadership ranks struggled to maintain momentum.

The next step is for the champion to begin assembling other key leaders who are needed to make decisions on how the program will be funded and what, if any, internal or external partnerships are needed to advance the planning. These stakeholders should be both big-picture thinkers and people with valuable specific knowledge. If you are working in a postsecondary education setting, an initial convening of stakeholders should include individuals representing as many areas of the institution as possible. This broad representation can ensure that all parts of the institution that might be touched by the program are aware of it at its inception and have an opportunity to contribute to the planning process. Typically, these kinds of initial convenings have included representatives from enrollment services, financial services (usually the bursar), academic and student affairs (including financial aid personnel), and divisions or offices of institutional research. Once the broad group of stakeholders has had an opportunity to weigh in on the early planning decisions, a smaller planning committee can proceed to design the program and determine the level of staffing that will be needed.

Scholarship-granting organizations, such as foundations and nonprofit and government agencies that offer support to college students, may not need to have the broad group of initial planners described above in connection with a postsecondary education institution, especially if their size and their relevant departments are smaller in scale. However, scholarship-granting organizations should still have a diverse group of stakeholders. For example, they should include individuals with knowledge about how financial aid policies could affect the program in the settings in which it will be implemented, knowledge of sources of public data on students, and experience working with institutional research offices within postsecondary institutions.[1] The group should also include big-picture thinkers who can put funding and larger program interests in the context of overall organizational aims, such as programming that will help low-income parents graduate from college. The titles of staff involved in these groups will vary, but these stakeholders will likely be vice presidents, directors, and program officers. (See Chapter III for a discussion of developing a staffing plan as well as discussions of other program design considerations.)

[1]Having someone who is knowledgeable about accessing national student data sets and engaging with institutional research departments will help with identifying the right group of students to target for your scholarship program. Setting program eligibility criteria will be discussed in Chapter III.

Funding Your Program

Given that budgets are tight in many colleges and scholarship-granting organizations, funding a performance-based scholarship program may include looking for opportunities to incorporate performance requirements into existing scholarships as a means of stretching existing scholarship dollars. But if your organization's existing scholarship dollars — even if they are repurposed — are insufficient to fund a performance-based program, you can try to secure additional funds from other sources. Promising sources of new funds are:

- College foundations, which may have funds for scholarships. You may be able to propose restructuring existing scholarships with performance-based requirements.
- College departments, which may award scholarship funds and may be open to restructuring to include performance requirements.
- State funding, which may have provisions that can be reshaped to include performance requirements. Both Opening Doors Louisiana and the PBS Ohio site used allocations from the Temporary Assistance for Needy Families (TANF) program to support performance-based scholarship programs targeting low-income students.
- Foundations that focus on education and public charities, such as community foundations with program dollars allocated for students within your group of interest and geographic area.

Creating a Budget

Understanding the potential costs of your performance-based scholarship program and budgeting for those costs over time are essential program planning activities. The approaches taken during the PBS Demonstration may provide useful insights as you develop a budget.

Budget Template

Each site within the PBS Demonstration established budgets to cover the costs of scholarships and program operations. While these costs varied by site, MDRC's experience can provide a general guideline for what to include in a program budget and how to estimate projected costs.

The budget template developed for the PBS Demonstration includes two sections:

- **Program support***: Staff time, supplies, and materials required to operate the performance-based scholarship program during a set period (which for the Demonstration was the study period)*. The amount of financial resources

required to support program activities apart from the scholarship itself can vary greatly depending on your program design. Regardless of how many people and what level of resources you will be using, your budget should note how much redirected or in-kind support will be used in the program in addition to any new dollars allocated to support the program's operations. MDRC recommends breaking down these costs by line item.

- **Student scholarship budget projections:** *Funds needed for the student scholarships.* MDRC estimated student scholarship payments based on an estimate of initial enrollment in the program and level of participation (also referred to as the "take-up rate," the number of students who would earn each of the scholarship disbursements — see Box 2 for an example). For the PBS Demonstration, MDRC used the Louisiana site as a proxy for making initial estimates. You may want to use existing data on scholarship enrollments and earnings patterns from your institution or state to help you determine how to calibrate your budget. As you learn more about the actual levels of program enrollments and participation for your students, you can revise your budget accordingly. Given that your original figures are estimates, it may be useful to begin your program with a small pilot program. The pilot process can be very helpful in budgeting because it can help you get a better handle on take-up rates and the actual cost of the scholarship. (For more information on conducting a pilot, see Chapter III.)

For the PBS Demonstration, MDRC developed a budget template for each site to estimate costs over time. It is important to remember that while the Demonstration was limited to the length of the research study, your program will not have this constraint. Thus, you will need to consider which costs may decrease or increase over time as your program becomes more mature and stable. In the PBS Demonstration, even within a limited time frame, costs decreased as programs moved from a start-up phase to a steady state of operations, and costs increased when programs were modified or underwent staffing changes. For example, the role of the scholarship program coordinator became much more critical and extensive than one site had originally anticipated, and these unanticipated higher staffing costs needed to be incorporated into the program budget. To help anticipate potential increases or decreases in the cost of your program, it will be important to regularly check in with program staff to confirm whether student participation (scholarship take-up rates) and staff effort are higher, equal to, or lower than budget expectations.

Box 2

How to Budget a Performance-Based Scholarship

Consider a situation in which a scholarship provider plans to offer a $1,000 scholarship paid in two increments to 100 students. The first payment, earned by enrolling in 12 or more credits, will be $100. The second payment, earned by completing 12 credits with a 2.0 GPA, will be $900.

The scholarship provider expects that 90 percent of students will earn the first payment. The cost will be 90 students x $100 = $9,000.

The scholarship provider expects that 60 percent of students will earn the second payment. The cost will be 60 students x $900 = $54,000.

In total, the scholarship provider expects to pay out $63,000.

Compared with expectations for disbursements under a standard scholarship — that all 100 students will receive $1,000 for a total cost of $100,000 — the performance-based scholarship provider can expect to disburse less than the full award while also incentivizing students to succeed academically. Scholarship providers can make the most of this cost efficiency by offering scholarships to more students than they would normally serve. By conditioning payments on future performance, the provider can ensure that scholarship dollars go further and help more students.

Partnerships

Several of the sites implementing performance-based scholarship programs created key partnerships that supported their programs. The lessons from these sites may help you think about what is possible for your program. Overall, two types of partnerships were created:

- **Funding opportunities were created through statewide partnerships.** Both Louisiana and Ohio forged partnerships between public community colleges and state departments that resulted in the use of TANF funds to support their performance-based scholarship programs.
- **Some programs used existing partnerships to implement performance-based scholarships.** For example, the California program was implemented through an existing partnership operating outside of a particular institution. Program support was provided through this existing structure, allowing students to go to any college rather than having the program based at only one

school. (See Box 3 for additional details on the California public/private partnership.) In addition, the UNCF worked with a few colleges and universities within its institutional membership network to offer performance-based scholarships to students at those colleges.

As you think about your organization's strengths (for instance, access to scholarship dollars) and the areas in which it might benefit you to partner with another organization or institution (for instance, access to your student target group), you should explore opportunities to develop new partnerships in order to maximize the power and reach of your program.

Box 3

CFC-PBS: A Statewide Public/Private Partnership Model

The Cash for College Performance-Based Scholarship (CFC-PBS) program is an alternative model to institution-based performance-based scholarship programs. Cash for College, a California statewide financial aid assistance program, brings together high schools, colleges, communities, businesses, and local government organizations and agencies from across the state each spring to help low-income high school seniors successfully complete the college financial aid application process. As part of the program's recruitment strategies, Cash for College offers students the chance to qualify for a $1,000 scholarship if they attend a Cash for College workshop.

What makes Cash for College unique is its organizational structure, which consists of a public/private partnership co-led by the California Student Aid Commission and the Los Angeles Area Chamber of Commerce and its affiliate, UNITE-LA. Each organization plays a key role in the effective administration of Cash for College and the implementation of the performance-based scholarship program. Strategic planning and day-to-day operations are overseen by a statewide coordinator at the California Student Aid Commission, while UNITE-LA and the Los Angeles Area Chamber Commerce Foundation, the fiscal agent for Cash for College, implement specific aspects of the program, such as the verification and disbursement procedures of the Cash for College scholarship. In addition, the program relies on regional coordinators (individuals at high schools, colleges, and community organizations), who are responsible for coordinating workshops and recruiting and training volunteers.

In order to incorporate performance-based scholarships into Cash for College, MDRC worked closely with the Cash for College partners to establish eligibility and performance criteria for the program and to adapt existing scholarship notification, claiming, verification, and disbursement processes to support the performance-based payment structure. The program's leadership, already in place within Cash for College, made it possible to implement the CFC-PBS program across California, demonstrating the feasibility of embedding a performance-based scholarship in an existing statewide programmatic structure.

III

Designing a Performance-Based Scholarship Program

Whether you have a great deal of experience with scholarship programs or are new to the field, designing a performance-based scholarship will give you an opportunity to be intentional about the choices you make for all of the key program components. This intentionality will help you target the program to students who may most benefit from it. The process and steps discussed in this chapter should also help you design a program that will best serve the students you want to target. As you begin designing your program, you will need to:

- Determine the group of students who will be offered this scholarship;
- Establish the amount of the scholarship that will be offered and decide whether to divide it into multiple disbursements, and if so, how many;
- Decide on the requirements for earning each scholarship disbursement;
- Decide whether to disburse scholarships during all periods of the academic year;
- If you are in a position to do so, decide whether the scholarships can be portable from institution to institution; and
- Develop a set of tools for designing and developing your program.

Establishing the Program's Eligibility Criteria

It is important to consider who should be eligible for your performance-based scholarship program before deciding on its specific elements. As you begin the process of determining eligibility criteria, it will become apparent how other aspects of the program's design depend on which group of students you identify to be eligible. Also be prepared for the process of determining your criteria for eligibility to be iterative. As you make decisions on other aspects of the program, you may need to go back to the eligibility criteria and make adjustments to ensure that they fit well with other features of the program.

Basic Criteria for PBS Program Participants

As noted in Chapter I, early findings from the PBS Demonstration show that performance-based scholarship programs worked well for diverse groups of students, an indication that this type of program is replicable in different contexts and for different student populations. Each site in the Demonstration took a different path to determine the group of students who

would be offered the scholarship; however, students across all sites had two characteristics in common: demonstrated financial need and low rates of persistence/achievement.

Demonstrated financial need. In an ideal world, the level of financial aid that students receive would cover all of their college costs and living expenses. In reality, many students find that they do not have enough money to fully cover their educational expenses after subtracting their expected family contribution (EFC) — which measures the amount of money that a family is expected to be able to contribute toward the cost of attendance, according to federal guidelines — and any additional aid, including scholarships, from their total cost of attending the school they've chosen. This remaining amount of money is referred to as "unmet need." Here is a simple equation that shows how unmet need is calculated:

Unmet Need =
Total Cost of Attendance – Expected Family Contribution – Financial Aid Awarded

Many students cope with unmet need by working more during the school year, by taking out student loans beyond those already included in their financial aid packages, and by attempting to lower costs by taking fewer courses.[1] Research shows that unmet need leads many students to deviate from full-time, on-campus attendance, even though such intensity of engagement correlates strongly with academic success.[2] Students of color and low-income students are especially affected, as they are more likely than their peers to have unmet financial need and less likely to have the resources to address it.[3] Supplemental dollars — such as a performance-based scholarship — can potentially help reduce students' levels of unmet need enough to help them to make choices that support their academic goals, such as spending more time studying or taking additional classes. Reducing levels of unmet need may also reduce a student's financial stress, a change that, in theory, should help students focus more on their studies.

However, students who do not have any remaining unmet need may not be able to receive a scholarship because of federal and state regulations and institutional policies governing "over-awards," or aid to students that goes beyond their levels of unmet need.[4] When the New York program considered this issue in the course of trying to determine the right group of students to target, the program decided to narrow the target group to focus on students who live away from home (known as "independent students"), as long as these students met the other criteria. The reasoning was that these students have a higher cost of attendance and thus, on average, have higher levels of unmet need than dependent students. Even among this target

[1] Choitz and Reimherr (2013).
[2] Advisory Committee on Student Financial Assistance (2001).
[3] Palmer, Davis, Moore, and Hilton (2010).
[4] National Scholarship Providers Association (2013).

group, there were a few students who reached their maximum allowable amount of financial aid before all of the performance-based scholarship was applied. In these instances, the college reduced the amount of student loans these students were awarded, which meant that they took on less educational debt than they otherwise would have done. (See Box 4 for more information on the interaction of performance-based scholarships with other forms of financial aid.)

Box 4

Interaction with Other Forms of Financial Aid

Financial aid officers are well acquainted with the fact that students' financial aid packages cannot exceed the total cost of attendance calculation. If students are offered aid above the total cost of attendance, then additional aid cannot be added until another form of aid is substituted or displaced. When students faced this situation while participating in performance-based scholarship programs, colleges would typically reduce students' loans to make room for the performance-based scholarship, which, for many students, meant accruing less educational debt than they would have otherwise.

However, this same scenario could also have a negative effect. If a student does not earn a disbursement, he or she could end up with less money than anticipated. Therefore, it is critical that you and your team understand how the supplemental aid being offered to students in the form of a performance-based scholarship might interact with their financial aid packages. You will also need to explain to students how the performance-based scholarship might affect their other financial aid and what they should do if an overall reduction in aid occurs later in the semester. In the PBS Demonstration, financial aid directors worked with MDRC to make sure students had access to any loans that were displaced in the current semester, in the event that students did not meet the requirements to earn the full scholarship.

Institution-based programs can proactively minimize any negative aid displacement that could result from students' participation in a performance-based scholarship program. As has been the case at a number of PBS Demonstration sites, financial aid staff can play an active role in determining program eligibility criteria and confirm that the group of students who will be offered the program has enough remaining unmet need to receive the scholarship. If you are a scholarship provider, you might consider encouraging the colleges and universities students attend to develop agreements confirming that they will not reduce students' grant aid in the event of an aid overage.

In the PBS Demonstration, "demonstrated financial need" was determined by using Pell Grant eligibility, Cal Grant A eligibility (in California), or a maximum EFC, as defined by eligibility rules for Pell Grants, as proxies for financial need.[5] When developing your program, you can look at these kinds of measures. You can also consider using other information to determine financial need — for example, information on receipt of income taxes or public benefits or on whether a student has exhausted his or her eligibility for federal financial aid.[6]

Persistence and academic achievement challenges. Given the previously mentioned research findings and MDRC's mission to improve the lives of low-income people, all sites in the PBS Demonstration chose to offer scholarships to the kinds of students who had historically faced challenges in persisting and succeeding in college — particularly, low-income and lower-performing students. Emerging findings from the PBS Demonstration show that performance-based scholarships may indeed be effective at improving academic outcomes of low-income students. Other research also suggests that low-income and lower-performing students may be more likely to change their behavior in response to additional aid than other groups of students who typically have stronger academic outcomes.[7] Notably, because these types of students also face a higher risk of stopping or dropping out, a performance-based scholarship program targeting these students could yield a large return on investment. As you think about defining whom your program will target, MDRC recommends that you consider students who may have previously struggled to succeed academically in high school or college and who also have demonstrated financial need.

Developing More Refined Program Eligibility Criteria

PBS Demonstration sites narrowed their criteria further by analyzing available administrative data to determine which students could potentially benefit most from being offered a scholarship. Over time, the data review process was refined and amended to make it a more effective tool for identifying an appropriate group of students and for determining the right program eligibility criteria to target them. In your own planning, it is a good idea to review historical data on students' financial aid and transcripts and to ask yourself a key question: *What do my data say?* Doing so can help you understand trends among specific student populations that will, in turn, help you identify the group of students that would be most likely to benefit

[5]For instance, in Arizona and Florida, students needed an EFC of 5,273 or below to be eligible to participate — a level of expected family need that matched the EFC eligibility limits for Pell Grants for the academic years in which random assignment was conducted at those sites.

[6]Students are currently eligible for Pell Grants for only 12 semesters, after which they cannot receive further grants even if they are still enrolled in an undergraduate program.

[7]Baum et al. (2012).

from the offer of a performance-based scholarship. Below are some recommendations on what data to use and how to use them to help you determine your program's eligibility criteria.

Where to look? At a college or university, useful data may be available to you through the institutional research office or the admissions department. In addition, the financial aid department may keep reports on the types of students who have the highest levels of unmet financial need. Though available student-level data may be limited at scholarship-granting organizations, staff in these settings can examine data that either students or colleges have submitted in order to verify eligibility for awards from other scholarship programs that the organization offers. Examining these various data will allow the academic institutions and scholarship-granting organizations to pinpoint the characteristics of students who have the highest levels of financial need and who also may be struggling to meet the award requirements for that particular scholarship program. When student-level data are unavailable, group-level data that have no individual identifiers and that can be accessed from public data-reporting entities, such as the Integrated Postsecondary Education Data System (IPEDS), can be used, instead. For information on IPEDS, go to http://nces.ed.gov/ipeds/.

What to look for? As you examine data, you will want to identify groups that have demonstrated financial need (for example, the percentage receiving Pell Grants) and that tend to struggle with persistence and academic achievement. Some of the student characteristics that were considered when performance-based scholarship programs were developed include:

- **Students taking developmental (remedial) courses.** Students requiring developmental education courses face challenges in succeeding academically in college because they are underprepared for college-level work and must complete additional courses before receiving a degree.[8]

- **Students attending part time.** Part-time students are less likely to persist to degree attainment than students who attend full time.[9]

- **"Nontraditional" students**. Students over the age of 25, single parents, and emancipated minors are a few of the many categories of nontraditional students. These students tend to do more paid work than traditional students and are more likely to have additional responsibilities outside of school vying for their attention. Working a large number of hours each week can make it difficult to find sufficient time to study and do well academically.[10]

[8]Bailey, Jeong, and Cho (2010).
[9]Green and Radwin (2012).
[10]Choy (2002).

- **Gender.** Women now outpace men in rates of both college enrollment and degree completion.[11] In general, identifying the proportions of males and females in your data set may be valuable because men and women may face different barriers to finishing college.[12]

- **Racial/ethnic groups.** National trends indicate that students from specific racial/ethnic groups may be more likely to face financial and/or academic challenges than students from other racial/ethnic groups.[13]

As you review data on students who may be of interest to your performance-based scholarship program, you should answer the following questions:

- What percentage do not return from semester to semester and year to year?

- What percentage do not maintain a 2.0 grade point average?

- What percentage withdraw from two or more courses in a given semester?

MDRC's experience indicates that this type of in-depth data review is a valuable step to take to design a program that will serve students most in need of the scholarship help. Finally, while you may already have in mind a group or groups that you want to serve before you examine student data, it can still be of great value to test your assumptions by looking at how the groups of students that you have already identified have performed historically according to your data.

How can I make sure that my eligibility criteria will produce enough scholarship recipients? When offering a performance-based scholarship, MDRC has found that to ensure that a program will reach enough students to fill the program slots, the size of the eligible pool of students should be two to three times the number of scholarships offered. This guideline applied not only to programs in the PBS Demonstration, which included a research study, but also to programs that operated without research studies. Through the process of determining who will be eligible, you may find that after applying multiple eligibility criteria, the number of students who meet all the criteria is too small to recruit enough students to fill all of your scholarship slots. For instance, having four eligibility criteria — say, gender, income status, part-time enrollment status, and a specific major — will reduce the number of eligible students much more than having only two criteria — say, income status and part-time enrollment status.

[11]Green and Radwin (2012).
[12]Kleinfeld (2009).
[13]Aud, Fox, and KewalRamani (2010).

How to select a target population for whom the scholarship is an incentive, not a reward. MDRC's experiences in selecting the students for the PBS Demonstration indicate that if you want the program to truly act as an incentive, you must select a group for whom the program would be just strong enough — neither too high nor too low a bar — to incentivize the behavior you hope to change. Note that if you target students who would have met your benchmarks in the absence of a scholarship offer, the program is acting as a reward, not an incentive, for students to change their behavior. For example, in the New York study, control group members performed as well as program group members, suggesting that the benchmarks were not high enough to induce behavioral change. This suggests that the scholarship acted as a reward for the program students, who performed as they would have done without the scholarship.[14]

Term Scholarship Amount and Program Duration

Another important use of historical data will be to determine the right scholarship amount. These data will offer insights into how much aid students really need. To determine the amount and duration of your scholarship, you may want to examine data on and otherwise identify:

- The cost of living in a particular geographic area;
- The amount of unmet financial need of the students who are potential participants in the scholarship program;
- External financial responsibilities students may have to shoulder; and
- Other forms of aid that students would be receiving.

If you do not take steps to confirm the right scholarship amount, you increase the risk of setting the amount too low to change students' behavior or of setting it too high and spending more money than necessary to incentivize the behavior you hope to influence. Thus, taking the time to examine the kind of data just mentioned can help to increase your chances of developing a scholarship that is both effective and efficient.

Differential Amounts of Term Scholarship Awards

You can also use differential term scholarship amounts to promote the behavior you want to influence and to signal to students the kinds of behaviors you value over others. For example, in the PBS Demonstration, both the Arizona and Ohio programs offered different maximum amounts for term scholarships based on the number of credits that students enrolled

[14]Richburg-Hayes, Sommo, and Welbeck (2011); Patel and Rudd (2012).

in each semester. In Ohio, students who enrolled part time (6 to 11 credits) could earn half the amount that students who enrolled full time (12 or more credits) were eligible to earn. In Arizona, the differential between awards was larger. Students who enrolled part time could earn up to $200 per semester if they enrolled in and passed 6 to 11 units with a C or better, as opposed to $1,000 per semester if they enrolled in and passed 12 or more units with a C or better. The college's leaders hoped that the large differential in the maximum scholarship award would be enough to create a tipping point for students to change their enrollment status from part time to full time.[15]

Another option is to offer differential amounts by term, increasing the scholarship amount each term as an incentive to persist. Though none of the PBS or Opening Doors Demonstration sites offered differential amounts by semester, this approach may help to signal to students the high value you place on persistence, and depending on the size of the increase of the scholarship award, the approach may represent a meaningful enough increase in aid to help students remain enrolled.

Determining the Length of the Program in Relationship to the Total Scholarship Amount

You will also want to consider over how long a period of time the total scholarship amount will be offered, and you will want to determine whether the length of the program you select is consistent with the program's goals. Most of the PBS Demonstration sites gave some thought to the relationship between goals and program duration. For example, in Florida, decisions about duration reflected the program's goal of helping students pass the required developmental math courses. Historical data showed that many students who started in developmental math struggled to complete the required sequence and often delayed taking their math requirements in a timely fashion. Delaying these kinds of courses can exacerbate students' difficulty in getting through the math curriculum due to the "learning decay" that occurred between the last time they took math in high school and when they chose to take it in college. Bearing in mind the potential problems caused by delays, the Florida program offered students a performance-based scholarship over four consecutive terms, including a summer term. The goal was that students would complete the three required math courses in consecutive terms, with one term of leeway.

Other programs looked at key drop-off points typical of students who do not persist and purposely designed the scholarship to cover enough semesters to get past those critical points. Even if you think you know when these points are, it is best to look at enrollment patterns to see

[15]In addition to the academic award, both part-time and full-time students could earn up to a $500 award for participating in workshops and academic advising sessions.

where student enrollment seems to drop and where it levels off. Designing the scholarship to capture those specific time frames by offering it to students before and through the drop-off periods will make it more likely that your program will help students move toward earning their degrees or certificates.

Another important consideration is that even though the disbursements may take place over several semesters, awareness of the total scholarship amount offered through the program can motivate and inspire students to strive for success in each term. Imagine being a college student and learning that you have the opportunity to earn a $5,000 scholarship over two years. While that means only $1,250 per term in a standard two-semester school year, hearing that $5,000, a sizeable amount of money, is ultimately available to you could be a concrete incentive to earn the full award.

Establishing Requirements and Disbursement Points for Receiving the Scholarship

While the last section focused on how to set the overall scholarship amount and over what period of time to offer that amount, this section will discuss in greater detail how to determine the benchmarks for each disbursement and the specific dollar amounts tied to each benchmark. When thinking about your disbursement structure, you will need to answer the following questions:

- What will the benchmark be for each disbursement? Should there be service benchmarks — requirements for participation in college activities like tutoring, advising, or workshops — in addition to benchmarks for academic achievement and persistence?
- How many scholarship disbursements will be offered in one term?
- How much money will be tied to each benchmark?

Deciding on Program Benchmarks

By the time you are ready to create program benchmarks, you should have a clear sense of which students you want to serve and of their difficulties in achieving academically and persisting in college. You can consider your program's benchmarks the way a medical doctor might consider a prescribed course of action for a patient. Benchmarks like academic performance requirements and, in some cases, requirements for participation in service activities have the potential to treat the root causes of your students' difficulties.

But what should those benchmarks look like? In the PBS Demonstration, most sites offered disbursements for meeting academic benchmarks such as a 2.0 GPA in a minimum

number of credits earned in a term. Some sites felt that students needed to participate in activities such as advising, tutoring, and/or workshops in order to achieve academically, so they established service-participation benchmarks in addition to academic benchmarks. In general, in order to develop appropriate benchmarks, you should draw on your insights and experience with students and on your historical data on challenges that they may be facing.

Timing and Size of Scholarship Disbursements

As you determine the academic and persistence accomplishments you want to incentivize, you must also decide how many disbursements to make over the course of a given term. How many is too many? Too few? The answers to these questions will depend on the answers to another set of key questions about your program's goals and circumstances:

- What are the essential activities and markers of performance that could lead students in the program to achieve academically and stay enrolled?
- How easy or difficult will it be to collect data to verify that each disbursement requirement has been met?
- What dollar amount would be a sufficient incentive to meet the required benchmark for each disbursement?

The PBS Demonstration in New York provides one illustration of how a program answered these questions. All students enrolled in the New York program were eligible for a scholarship of up to $1,300 per semester for two semesters, with some students also able to earn one summer scholarship. (For more information on the summer or winter-term scholarships, see the next section of this chapter.) The fall and spring scholarships were divided into three disbursement points — each with a different dollar amount — that college staff thought might incentivize students to meet the benchmark for each disbursement. The disbursement amounts and criteria were as follows:

- **Initial:** $200 after registering for six or more credits
- **Midterm:** $450 upon continued midterm enrollment in six or more credits
- **Final:** $650 after receiving a grade of C or better (or a Pass in developmental courses) in at least six credits

In the PBS Demonstration sites with more than one disbursement, the initial disbursement was awarded to students soon after enrollment was confirmed, typically during the first weeks after the start of the semester. Having some initial money upfront can be quite meaningful to many students; that first disbursement can make the notion of the performance-based scholarship tangible and real. Students are able to use scholarship funds immediately to meet a

variety of financial needs, such as tuition, books and supplies, child care, or transportation, to help them stay enrolled and focus on their studies.[16] Also, the initial disbursement may encourage students to push ahead to meet the next benchmark(s) and earn additional scholarship funds.

One potential benefit of a midterm disbursement like the one used in New York is that it allows for an intermediate check on students' academic progress. However, the college using a midterm system must be able to consult data on that progress at the midterm point. At Hostos Community College and Borough of Manhattan Community College in the New York program, the ideal data source for determining eligibility for the second disbursements — students' midterm grades — was not available because the colleges lacked a centralized process for collecting and reporting grades at midterm independent of the scholarship program. However, the financial aid offices at these colleges provided census data, collected at the end of the fifth week of school, to confirm whether students were attending class at that point in the semester. If students were still in attendance at the time of the census, they would earn the second scholarship disbursement. If you choose to have a midterm disbursement, you will need to assess what data are available in the middle of the semester that would indicate that a student is making strong progress academically or is persisting.[17]

As you plan your own program, you may find that there are reasons to follow this pattern of bigger disbursements for meeting more challenging benchmarks. You may decide, for example, that because the benchmark of passing a class is more challenging than the one of just enrolling in the class, you will allocate a small award for enrolling in a class and then a large award for passing it. One advantage of offering increasingly greater scholarship award amounts for more difficult benchmarks is that the practice gives students signals about the achievements to which you assign the greatest value.

[16]Often, students do not receive their financial aid until a few weeks into the semester, after the tuition payment deadline has passed. But if they are able to set up a tuition payment plan that allows them to make tuition payments over time, earning a portion of the scholarship early in the semester can help them meet their financial obligations to their college or university.

[17]The program in New York produced small initial gains in credits earned and full-time enrollment by the end of the first year, but the program did not increase the proportion of students meeting the benchmarks in any term (Patel, Richburg-Hayes, de la Campa, and Rudd, 2013; Patel and Rudd, 2012). It is possible that benchmarks were set too low relative to what students were achieving prior to the start of the program. Since analysis of prior performance of the target group was not examined in detail in this early site, MDRC and the colleges missed an opportunity to determine whether the benchmarks that were set for the program were a good fit with past performance records of the targeted students. This example reinforces the importance of such analyses described earlier in this chapter in the subsection "Developing More Refined Eligibility Criteria."

Disbursing Scholarships During Summer and Winter Academic Terms

In the PBS and Opening Doors Demonstrations, scholarships were primarily disbursed during the spring and fall semesters. A variation to consider is to offer disbursements for a summer term, as two sites in the PBS Demonstration and the Opening Doors Louisiana site did, and/or for a winter intersession (a short term that is offered between the fall and spring semesters at some colleges).[18] Students often skip the summer and winter terms, as they are not considered traditional semesters, and students may not receive financial aid to take classes during these terms. In both Louisiana and New York, there are statistically significant impacts on summer enrollment for program students eligible to receive a scholarship in the summer; in New York, program group students eligible for a scholarship in the summer earned more summer credits than control group students.[19]

Besides offering a summer scholarship, another way to incorporate a summer option into your program is to allow students to recoup scholarship dollars they failed to earn during the regular school term. The New Mexico and the UNCF programs offered this option to students. If students missed part or all of the spring semester payment, they could potentially recoup the missed spring payment by fulfilling the spring requirements during the summer sessions — namely, by passing enough credits to push them over the 15-credit requirement for the scholarship. In the UNCF program, if students met the semester GPA requirement but missed the 15-credit requirement, they could take additional credits over the summer. If they met the GPA requirement in courses with the needed number of credits, they could retroactively earn the full spring award.

Winter intersession may be another opportunity to offer performance-based scholarships. While the winter intersession was not included in either the Opening Doors or PBS Demonstrations, your school or program may find that this shorter term is a good opportunity to encourage students to make faster progress toward earning their credentials.

If you are part of an institution with trimesters or are part of an organization intending to offer a scholarship program to students at an institution with trimesters, structuring a year-round scholarship program may work best for your students.

---

[18] In New York, a subset of performance-based scholarship students was eligible for a summer scholarship. In Florida, students were eligible for the scholarship for four terms, including one summer term.

[19] The New York program operated during years in which summer Pell Grants were being offered, which allowed qualified students to receive federal financial aid in the summer, in addition to fall and spring (three terms in total). Now that summer Pell Grants are no longer available, performance-based scholarships offered in the summer may influence students differently.

Scholarship Portability for Programs Led by or in Partnership with Government and Nonprofit Organizations

For a government organization or foundation and other scholarship-granting organizations, another decision is whether your program will be available exclusively to students at a particular institution or portable to wherever students choose to attend college. The biggest administrative difference between these two types of arrangements is where the responsibility lies for verifying whether students have earned a disbursement. The PBS Demonstration in California offered students a scholarship portable to any accredited institution they might choose to attend. However, it was students, rather than administrators, who were required to submit documents verifying that they had met the requirements for each disbursement. For the institution-based PBS Demonstration sites, all of the scholarships' administrative processes were handled internally by the institution students attended, eliminating the students' responsibility to do this. Considering how data will be collected is important for deciding whether to make your scholarship portable. (See Chapter IV for more details.)

A somewhat different approach to verification was used in the UNCF program. This program selected three UNCF institutions to participate in offering performance-based scholarships to their students. Though UNCF verified and disbursed the scholarship awards to students, staff working in the registrar's or other student-services offices at each institution were expected to send UNCF the data that verified eligibility for an award for each student in the program at their institution. This made it possible for students to continue earning the scholarship if they transferred to one of the other UNCF institutions that offered the performance-based scholarship program. (However, if students transferred to a nonparticipating institution, they could no longer continue earning the scholarship.)

Tools for Designing and Developing Your Program

This section will discuss three important tools that can be helpful for implementing performance-based scholarships: logic models, a staffing plan, and operating a pilot program. These tools can help you work through what kind of staffing and other resources will be needed to implement your design ideas.

Program Logic Models

To illustrate visually how performance-based scholarships would achieve the outcomes that program planners hypothesized that the program would generate, MDRC created *logic models* for each program in the PBS Demonstration. A logic model is a tool that can be used to graphically depict a program's theory of change (the theory of how the program will bring

about desired outcomes) through the use of text boxes and arrows connecting listings of the program's resources, activities, outputs, and intended outcomes.[20] Figure 2 shows an example of the logic model underlying the performance-based scholarship program in Arizona. Two key uses of the logic model over the life of your program are to promote:

- **Planning and early implementation.** A logic model can help program administrators and staff design and develop a program. Laying out a model allows these stakeholders to demonstrate how they think the program should work, what components should be put in place, and what assumptions can be made about how the program is expected to flow. By highlighting limitations on what can be expected from the resources, activities, and outputs, a logic model can also help to curtail overly ambitious expectations of funders, administrators, or staff about what outcomes the program can produce.

- **Assessment and improvement.** A logic model can also be useful for measuring and evaluating the effectiveness of the program over time. Program administrators can refer to the model to better understand which program components have and have not been successfully implemented. Administrators can also consult the model for ongoing documentation of whether short-, intermediate, and long-term outcomes have been achieved. Finally, a logic model can be the reference point for how a program and its components evolve over time and can help explain why certain components may need to be changed in order to improve delivery of the program's resources and activities to its participants.

To develop your own program logic model you can use MDRC's Logic Model Template (see Appendix B) and include many of the program characteristics that were discussed in the previous sections. The template includes the components (boxes) and flow paths (arrows) that were used when developing the PBS Demonstration logic models.

Developing a Staffing Plan

A thorough staffing plan summarizes the staffing needs for the program model you want to implement. Your plan should delineate basic program functions for which staff could be responsible, including:

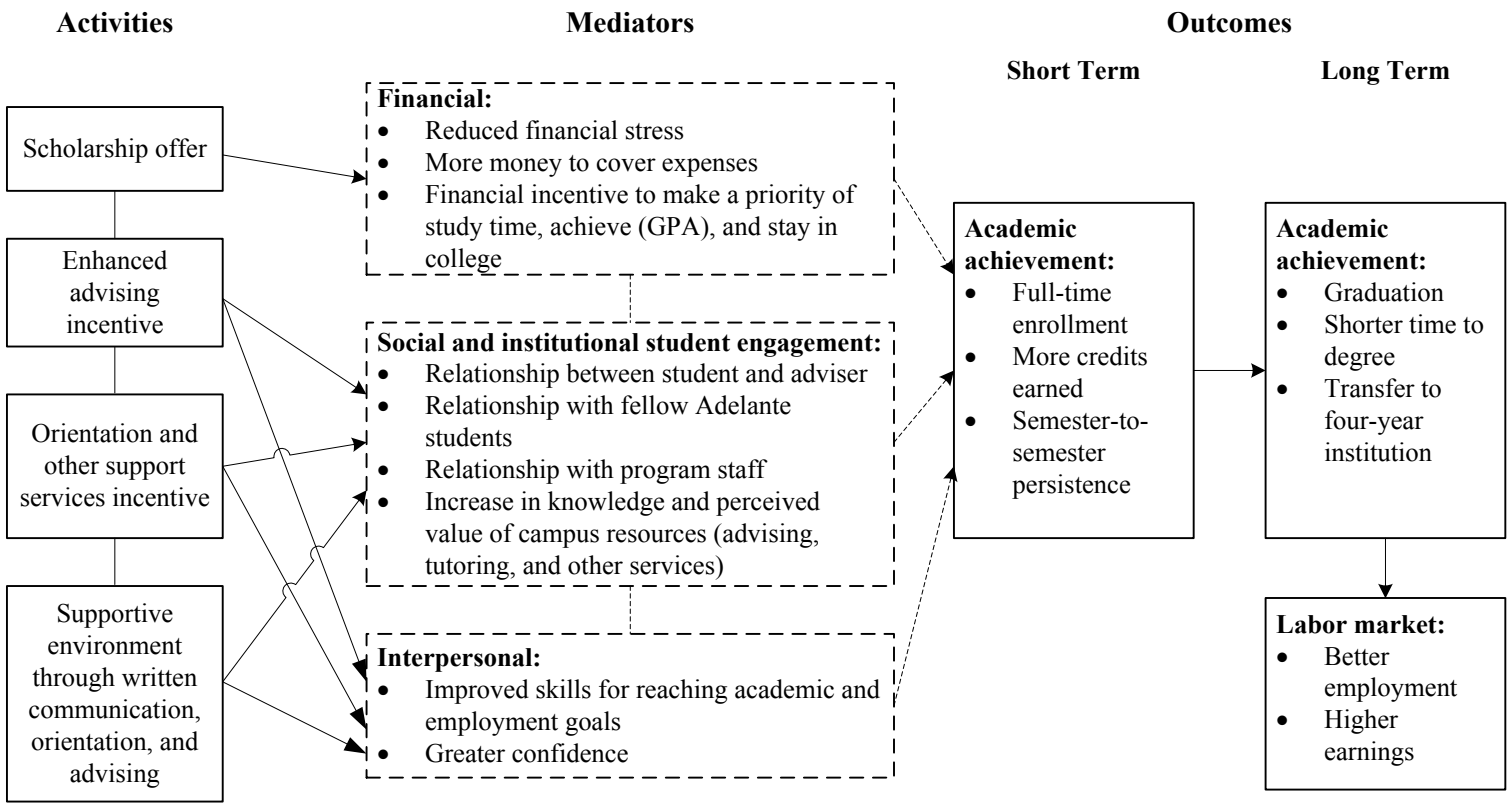
- Program planning and management;

- Outreach to and recruitment of students;

[20]W. K. Kellogg Foundation (2006); Frechtling (2007).

Figure 2

Logic Model for Performance-Based Scholarship Program: Pima Community College



31

- Verification of eligibility and release of disbursements;
- Developing and implementing processes for disbursing scholarship awards;
- Reconciliation of erroneous disbursements;
- Understanding and ensuring that the program takes into account relevant federal and state policies for packaging financial aid, including tax implications of scholarships (if applicable); and
- Administrative support.

The specific job titles of the individuals who will play these roles will be different in different settings depending on your organization type and your choice of a program model. Chapter IV, which offers details on the processes for implementing a performance-based scholarship, can help you to determine the right people for these roles. (See Box 5 for typical roles and responsibilities of program staff.) If you already have some of these staff functions in place for other scholarship programs, the staffing plan can still be helpful in identifying the important functions of implementing a performance-based scholarship for your organization.

You will not necessarily need a different person to take on each task; many tasks may be handled by the same person. Also, especially if you plan to develop a small program, there may be a number of ways to use existing staff to move the program forward. Some tasks may be taken on as small roles by people already working in specific departments, such as departments of financial aid and the registrar's office in educational institutions, and in offices of finance and information technology in scholarship-granting organizations. The use of existing staff in programs was a common practice in the PBS Demonstration. A champion of your program can play a critical role in facilitating these kinds of staffing arrangements, not only by helping to identify existing staff to work on the program but also by helping to ensure that staff members have the time needed to do so.

It is important to create the staffing plan while you are still in the program design and development phase rather than waiting until you are ready to implement the program. As you lay out a staffing plan, you may find that it is not possible to secure the kind of staffing or monitoring for the program model that you hope to implement because of resource constraints. (This may be the case for a model that requires a number of dedicated advisers or counselors, tutors, workshops, or off-campus events.) Thus, developing your staffing plan while you are still firming up your program design will allow you to refine the design to fit the realities of the resources actually available.

Box 5

Typical Roles and Responsibilities of Program Staff

Program Director

Program Directors were responsible for strategic planning, overseeing the day-to-day operations and serving as the main liaison to other offices supporting the performance-based scholarship program. The amount of time Program Directors devoted to the program varied by campus and size of the program but generally ranged between full time to half time.

Counselor/Adviser

Counselors/advisers served a role only in programs that incorporated an academic counseling component.* In these programs, attending counseling appointments was a benchmark students needed to meet to receive their scholarship payments. Counselors advised students on academic issues, explained and reviewed scholarship requirements, and in some instances verified disbursement eligibility and handed out scholarship checks during counseling appointments. The time devoted to the program ranged between part time and full time, depending upon the number of contacts a counselor was expected to make with students and the administrative tasks associated with the role.

Program Assistants/Specialists

Typically, in programs without counselors/advisers, Program Assistants/Specialists played substantial roles in explaining and reviewing scholarship requirements, verifying disbursement eligibility, and supporting or leading outreach and recruitment efforts. The amount of time devoted to the program varied by campus and by the size and complexity of the program. The time devoted to the program generally ranged between half time to full time.

Administrative Assistants

Administrative Assistants carried out a variety of tasks, including facilitating communication with students, logistical tasks, and day-to-day program support.

(continued)

---

*The decision to use a counselor — typically someone with a master's degree or higher — or an adviser was made by each institution. We use the term interchangeably here, although the qualifications and responsibilities often differ outside of a performance-based scholarship program.

Box 5 (continued)

In addition to the roles just listed, the roles shown in the table that follows were used in some programs and were the responsibilities of college staff who either had a portion of their time devoted to supporting the program, or whose day-to-day responsibilities included serving program students. Typically, these staff devoted half time or less to their program duties.

Program Role	Typical Title or Campus Role
Leadership and administrative support	Vice Chancellors, Vice Presidents
Tutoring	Tutors (working in tutoring labs or other facilities or divisions) on campus
Verification of financial eligibility and reconciliation of over-awards	Liaison (in the Financial Aid Office)
Management of scholarship award disbursement	Liaison (in Bursar's Office)

Piloting Your Program

A pilot program can be helpful for testing a new program model before rolling it out to the entire target population, especially when your program model includes multiple components or complex institutional relationships.

When a pilot is not feasible, phasing in the program across multiple semesters or years can also offer a learning opportunity to develop a model that can be improved in later iterations. For example, you might consider phasing in a scholarship at one campus at a time, paying close attention to implementation successes and challenges that emerge. Lessons learned in the first semester or year can (and should) be applied to the next iteration of the program. To make the most of the learning that can come out of the first year, consider building an internal assessment process into the implementation plan.

IV

Implementing a Performance-Based Scholarship Program

Now that you have decided on the design of your performance-based scholarship program, you are ready to plan its implementation. This part of the guide offers recommendations to give you a clear picture of what implementing a performance-based scholarship can entail. As you begin implementing your program, you will need to:

- Recruit students to participate in your program;
- Verify students' eligibility for scholarship disbursements;
- Schedule and release scholarship disbursements;
- Develop and implement a communications strategy for students; and
- Monitor the implementation of the program.

Recruiting Students

If you have ever managed a program in which you were expected to recruit college students to participate, you very likely know how difficult it can be to engage them. Getting students to participate in a scholarship opportunity and then to follow through to do what is required to earn the money can be challenging, particularly when you are targeting students who may not be traditional scholarship earners. This is not surprising if you put yourself in the place of the students. Imagine that you are a college student or prospective student who has never earned or even applied for a scholarship, and imagine that someone tells you that you have an opportunity to earn one without writing an essay, submitting previous grades, or getting letters of recommendation. You might have a hard time believing the offer is real and therefore might not take it seriously. Below are some recommendations for how you can overcome this reaction and manage the recruitment process to enroll enough students in your program.

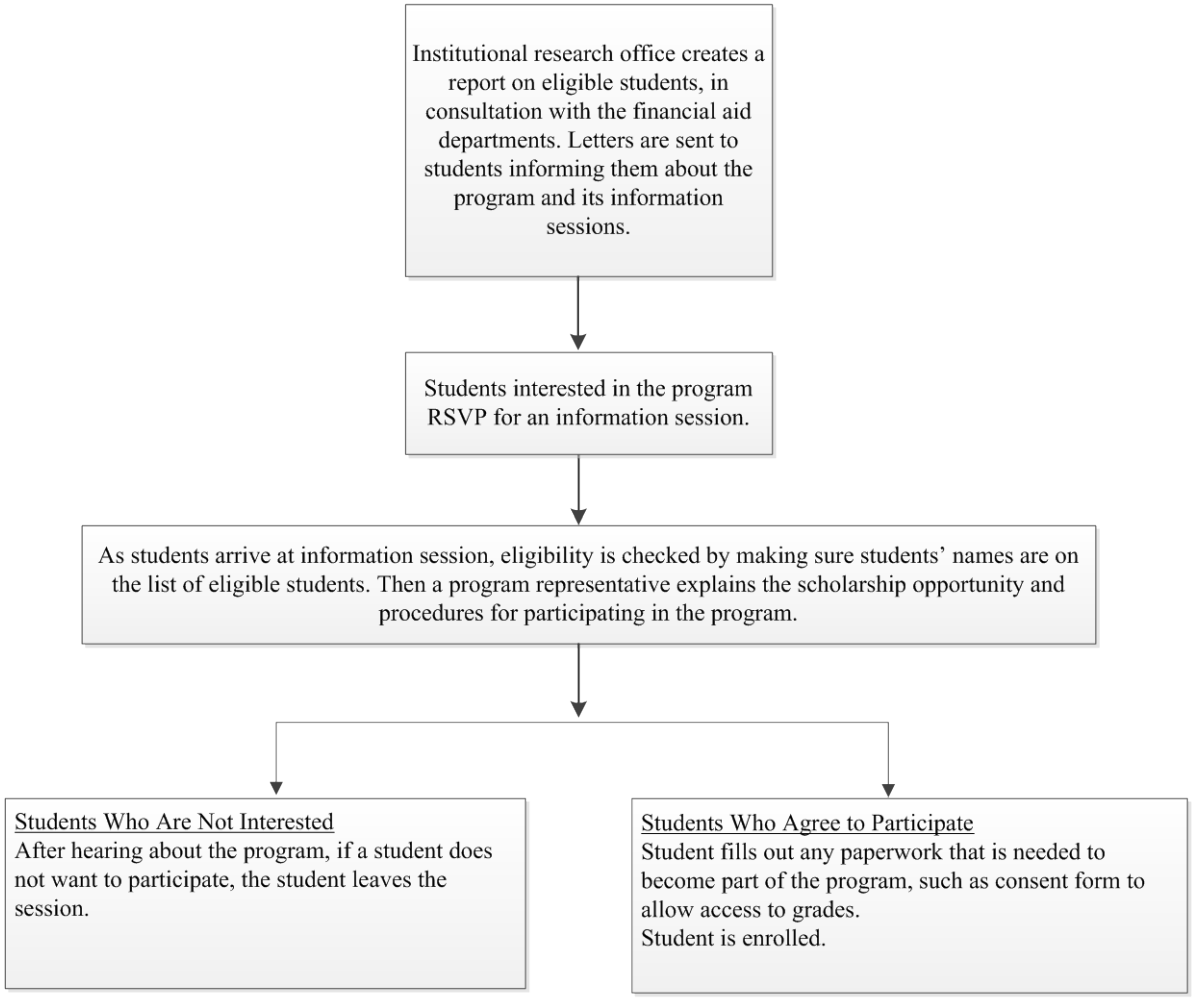
Recruitment Flowchart

A recruitment flowchart illustrates the recruitment processes from the point when students are identified as eligible for the program to the point when they are fully enrolled. (See Figure 3 for an example.) Flowcharts were used across all PBS Demonstration sites to track progress toward recruitment goals. The flowchart also helps ensure that the team involved in

Figure 3

Institution-Based Program Recruitment Flowchart

The following chart outlines the steps for identifying eligible students and enrolling them in a performance-based scholarship program. While there are multiple approaches to recruiting students, this flowchart depicts a strategy that was common in several PBS Demonstration sites.



NOTE: In accordance with the federal Family Educational Rights and Privacy Act (FERPA), if you are not a college or university and want to have access to students' grades or other academic records, your students must sign a waiver that will allow you to have access to these records. To ensure that your approach to obtaining access aligns with policies at the students' institutions, confirm with the institutions' scholarship offices.

recruitment collectively understands the process and how each person fits into it. You may wish to color-code different boxes in a recruitment flowchart to indicate where different staff members' roles come into play.

Recruitment Strategies

Thinking creatively about all the ways in which students can enroll in the college and potentially apply for a performance-based scholarship program can help in the development of recruitment strategies. Here are some approaches to get students' attention, ranging from highly intensive to more indirect and inexpensive:

- For programs based at colleges or universities that plan to target new students, the program recruitment team should think about all the pathways students might use to apply to the college and enroll in classes, such as orientation, individual advising, and online registration. Required in-person activities are typically great venues for introducing the program to students and signing them up. While scholarship-granting organizations, as opposed to colleges and universities, do not have direct access to the students they wish to serve, staff at these organizations can work directly with colleges and universities to set up information sessions with students at key points in the school-enrollment process or orientation period. This approach to recruitment may be particularly useful in settings where students generally do not respond to correspondence sent to them via mail or e-mail, but are more likely to attend required meetings on campus.

- If students do generally respond to mail or e-mail correspondence, you can use either of these forms of communication to send them a program participation form to complete and return to the program coordinator or manager. In a note that goes with the form, students can be told that program spaces are limited, so the students who return the form early are most likely to be granted access to the program. In instances when students enroll via mail or e-mail, you may also want to require that students come in for an orientation to make sure that they understand the requirements of the program by meeting face to face with a program representative.

- If you are recruiting continuing students at colleges or universities and plan to offer the scholarship to students who all must take certain courses, consider visiting the class or classes in which they are enrolled to give a short presentation during the semester before the program begins.

Verifying Students' Eligibility for Each Disbursement

Verifying that a student has earned a scholarship disbursement is a core activity in implementing a performance-based scholarship program. To ensure timely and accurate disbursements, it is important to put in place a clear and efficient process for verifying that students have met the required benchmarks.

This process typically involves reviewing data on a student's course and/or credit enrollments (information such as whether the student registered by a certain date, attended classes through the drop/add deadline, and carried a part-time or full-time courseload), on the student's grades or GPA, and, in the case of programs in which using certain services are a condition of receiving scholarships, data on whether students did use the services. When planning your verification process, you will need to answer the following questions:

- Where are the data for verification coming from?
- Who has access to these data?
- How are these data managed and structured?
- How will staff who are responsible for determining eligibility for disbursements get access to and use these data?
- Will any extensions be offered to students who have incomplete grades at the end of the semester?

Given that academic grades and data on course enrollments are systematically collected by institutions, if you are managing an institution-based program, you can develop protocols for acquiring, accessing, and reviewing data that make the most sense for your institution. For example, you will need to ensure that your program coordinator has access to the data required to verify eligibility for disbursements for all the students in the program.

However, if your program has a service component, there may be no existing system for getting data on service use, and thus you will need to ensure that a system is in place to track students' participation in those services. Failure to guarantee that this information will be collected accurately and consistently from all relevant offices and divisions can result in erroneous scholarship disbursements.

If you are not in a college or university setting, you may need to work with the institutions that students in your program attend in order to develop a system for the institutions to report students' eligibility for disbursements. If you plan to have students submit their own documentation that will allow you to verify their eligibility for disbursements, you will need to develop protocols for the request of documentation as well as methods for following up with

students if they do not submit documents correctly. Below are some examples of systems you can use to verify students' eligibility for disbursements:

Tracking Software to Collect Participation Data

Some colleges and universities rely on software or a management information system (MIS) to track students' use of services, including advising or tutoring. If your program includes service benchmarks, such software can be an effective tool for collecting data on service activities and can aid in the process of accurately monitoring and disbursing scholarship payments.

Some of the PBS Demonstration sites used such systems to track students' use of services. In Florida, the program used the "Who's Next?" MIS system.[1] This system kept track of each time a student visited the math tutoring center, allowing the program coordinator to create reports that showed the number of visits that each student in the program had made to the center. But this MIS tool did not give the program all the information it needed. Hillsborough Community College, the college that students in the program attended, still needed to pull data on course enrollment and grades from its central registration system and review these data separately in order to determine eligibility for each scholarship disbursement. The program in New Mexico also used a tracking system to determine eligibility for disbursements. University of New Mexico's system, called "AdvisorTrac," kept a record of the number and timing of adviser sessions.[2] Pima Community College, the home of the Arizona program, used two systems to track student participation in services tied to the scholarship disbursements. "AccuTrac" was used to track tutoring visits, while the "Q'Nomy" system tracked students' visits to advisers.[3]

If your institution does not have an MIS system in place for tracking participation in service activities, consider the costs of purchasing tracking software and whether it would be useful for other purposes.

---

[1] "Who's Next?" is a college counseling and advising tracking software created by Blue Eon Solutions, LLC. For more information, visit http://www.blueeonsolutions.com/WhosNext.aspx.

[2] "AdvisorTrac" is one of several customizable software platforms created by Red Rock Software Corporation, which allows users to do administrative tracking. For more information, visit http://www.advisortrac.net/.

[3] "AccuTrack" is academic and tutoring center management software created by Engineerica Systems, Inc. For more information, visit http://www.engineerica.com/accutrack. Q'Nomy is a company that has created a customer-flow management system, which is used in a variety of settings. For more information, visit http://www.qnomy.com/.

Using an Excel Template to Report Students' Eligibility

In some PBS Demonstration sites, the campus program coordinator prepared an Excel workbook with a spreadsheet for each semester that documented the credits and GPA earned for each student in the program and that also confirmed, based on students' performance, whether or not they had earned a scholarship disbursement. (See Appendix C for an example of this kind of template.) This approach required colleges and universities to use their enrollment and registration data management system to pull reports with student transcript data and then transfer that data into the spreadsheet template.

If you are in a scholarship-granting organization, you can also use this spreadsheet system to manage the verification process internally by having each institution that you work with fill in a template like the one found in Appendix C so that you have a centralized means of confirming disbursement eligibility before you release scholarship awards. You can also request transcripts to cross-check against the template for any errors or inconsistencies. Note that if you want to request access to student transcripts or other academic data, you must ensure that students sign a federal Family Educational Rights and Privacy Act (FERPA) wavier, which indicates that they give you permission to have access to these data. Asking students to sign this waiver can be part of the program application process.

An additional consideration is how you will handle instances in which students have earned an "Incomplete" for a course. This happened in many of the PBS Demonstration sites, and each site handled it in a way that best fit their institutional or organizational context. For example, in New York, the policy already in place at the participating colleges for fulfilling the requirements of "Incomplete" grades was applied to the program. Thus, if students' "Incompletes" made them ineligible to receive a disbursement at the time that payments were released, as long as they turned their "Incomplete" into a scholarship-eligible grade before the end of the following semester, they could recoup the missed disbursement from the previous semester.

Process and Schedule for Disbursing the Scholarship to Students

The bottom line for any scholarship program is to ensure that students receive the money they have earned in a timely fashion. Program directors and managers should carefully consider the procedures needed to make sure that disbursements are made accurately and expeditiously. In larger, more complex institutions, this may involve regular communication and cooperation among various managers, departments, or divisions, including the program coordinator, the financial aid or fiscal offices, the student-services offices working with the program (if applicable), and external partners, such as the scholarship-granting agency (if applicable). The level of communication needed largely depends on the complexity of the flow of information from the

point when students' eligibility for disbursements has been verified to the point when scholarship funds are actually released.

This section will offer recommendations on planning for disbursements based on lessons learned from the PBS Demonstration sites. As you read the section, keep in mind that for smaller programs or settings where existing scholarships are already in place, you may be able to incorporate the processes for scheduling and disbursing your performance-based scholarship into those systems.

Coordination Among Departments, Staff, and Other Financial Aid Programs

At some institutions, scholarship disbursements might be a direct exchange from program staff to student (for example, the program coordinator hands the student a check), while at others, multiple departments need to be involved in the process. For instance, the performance-based scholarship program in New Mexico developed a process for disbursement that began with its program advisers, who verified which students were eligible to receive the disbursement and sent the list of verified students to the financial aid office. The financial aid office then released the proper scholarship payment for each student to the bursar's office, which distributed the funds to students. Regardless of the number of entities that need to be involved, it is essential to have a standard process and schedule for disbursing the scholarship that everyone can understand and adhere to.

Although distributing scholarships may not be new to many institutions or organizations, implementing a performance-based scholarship may require existing disbursement processes to be modified, especially if you are moving from one disbursement to multiple disbursements in a term. Moreover, if your scholarship will have different types of benchmarks at key points in the semester that will trigger the disbursement of an award, it is important that all involved parties coordinate with one another in developing schedules for students meeting the benchmarks and for releasing the disbursements. Having relevant staff members work through the disbursement plan as a team will help to ensure that important information about appropriate timing and steps in the disbursement process is not overlooked, thus making it less likely that scheduling problems could delay or disrupt the process.

Timing of Disbursements

You will also need to make decisions about the timing of disbursements and about how that timing could affect students' ability to succeed academically. In the PBS Demonstration sites, the timing of scholarship disbursements was primarily designed to fit the natural timing of clearing a particular benchmark (for instance, after registration, after meeting with an adviser at key point in semester, or after the date when a cumulative census of enrollment had been taken).

The timing was also designed to reflect a general sense of when the money would be most helpful to students.

To design a program that has the capacity to provide funds when students need them, you should think not only about timing the disbursements for when you would expect a benchmark to be cleared, but also about timing them to correspond with when students typically must pay for school-related costs. For example, if there is a disbursement in the early part of the semester, you may want to time it so that students can use the money to buy textbooks. And if a disbursement is scheduled for the end of the semester, you may want to time it to be released before students are required to pay for the classes they are taking the following semester. Of course, in many instances logistical factors will influence the timing — for example, grades being unavailable in time to provide an end-of-term disbursement to students before the start of the following semester. But even when you need to take these kinds of logistical constraints into account, you should try to time scholarship disbursements in a way that will maximize your students' chances of success.

Determining the Method of Scholarship Disbursements

Another key decision point related to scholarship disbursement is determining the method of payment. The questions that you will need to answer include:

- Will students be receiving their disbursements via checks that are cut by your institution or organization?
- Will there be an option to make direct deposits into students' bank accounts or load them on their student ID cards?

Furthermore, it should be determined whether all scholarship recipients will receive their disbursements in the same way, or whether there will be options for disbursing the awards in the ways that particular students prefer.

Note that there are costs associated with selecting certain payment methods, such as postage for mailing checks or bank fees for making electronic disbursements into students' accounts. The accumulation of these additional costs may be a factor to weigh in developing your program's operational budget, especially when there are a large number of recipients receiving multiple disbursements over time.

However you choose to disburse scholarship payments, it is important to make sure that scholarship recipients will be able to differentiate your particular scholarship award from other forms of financial aid. The need to do so is particularly important if the institution's financial aid office is sending students their performance-based scholarship with a check that also includes other forms of financial aid, such as Pell Grant refunds, state grants, or loan reim-

bursements. In order for the program to truly work as an incentive, students must recognize when they have earned and received their performance-based scholarships.

Communicating with Students in the Program

Careful planning about how you will communicate with students is an important component of a performance-based scholarship program. Because the program seeks to encourage students to go beyond the level of effort they would have exerted in the absence of the scholarship, communicating clearly with students and maintaining their awareness of the program can be critical to the program's success. Consider this: How can a scholarship function as an incentive if students do not remember what they are supposed to do in order to earn it? This section of the guide, which draws on information about different and sometimes evolving strategies that have been used at different sites to communicate with students about the scholarships, focuses on the role of communications in helping students understand how the scholarships work.

Engaging Students Before the Start of the Program

If you recruit students before the end of the semester that precedes the one when the scholarship is in effect, you will want to consider ways to keep them engaged in the program so that when the new semester starts, they remember that they are in the program and how the incentive structure works. One way to engage early recruits is to send the students a letter and/or e-mail near the start of the semester that welcomes them to the program and reminds them of the requirements they must meet to receive the first disbursement. If several months have passed between registration and the program's official start, scheduling an orientation or program kick-off meeting at the beginning of the program semester may be an important step.

Communications with Students During the Program

If your program includes required activities for participating students, such as advising sessions or workshops, you can incorporate communication about the program into these events. Of course, some programs may be structured purely as a scholarship, with no direct engagement with students. But regardless of your program's design, you will want to think about ways to build in clear and regular communication with students. Some Demonstration sites used traditional forms of communication (e-mail, letters, phone calls, a Web site), while others used newer forms of communication (texting, Facebook, Webinars).

Over the course of the PBS Demonstration, MDRC's messaging strategy evolved. Early in the Demonstration, communications to students via e-mail and mailed letters were primarily informational; the messages were designed mainly to inform students whether they had met the benchmarks for a particular disbursement and to remind them of the requirements they needed to meet to earn each of the remaining disbursements. While some language in this

correspondence was intended to encourage students to keep going and meet the next disbursement benchmark, the messaging language was not as strong or directive as it could have been.

As the PBS Demonstration progressed and new sites were brought on, more refined, positive messaging techniques, as well as "loss-aversion" language, were used in addition to the informational language.[4] This refined correspondence drew on principles of behavioral economics and psychology to help improve students' responses to the letters and e-mails. For example, language was designed to encourage students to believe that they could be successful while also reminding them of what they could lose if they did not meet the scholarship benchmarks. In the UNCF program, MDRC staff drew on behavioral principles in composing encouraging e-mails that were sent to students throughout the semester. These e-mails were not used to inform students about whether they had earned scholarship disbursements, but were designed solely to help motivate them to be successful throughout the semester. The e-mails sometimes opened with an interesting fact, such as the vastness of the brain's capacity or the mind being a muscle, which then led into an encouraging reminder that the students could be successful in their studies.[5] When students were asked in focus groups what they thought about these e-mails, some said that they enjoyed reading them and that these communications helped remind them of the scholarship program. (See Appendix D for examples of encouraging e-mail language.)

Monitoring the Implementation of the Scholarship Program

Ongoing monitoring of your program allows you to stay informed both about whether it is being run as intended, and about how it may need to be modified to better achieve its goals. Some of the key questions to answer about monitoring your program include:

- Do all of the design components seem to be working as planned or do any of them need to be tweaked?
- Does the staffing structure seem to be working well or do there need to be modifications in roles or personnel?
- Are program activities occurring in a timely and efficient fashion?
- At what level are students participating and meeting the program benchmarks in order to earn the scholarships?

[4]"Loss aversion" is the tendency to strongly prefer avoiding losses over acquiring gains (Kahneman and Tversky, 1984).

[5]This type of encouragement is based on theories of self-theory and achievement, as discussed in Elliot and Dweck (2005).

- If a service component such as advising or tutoring is attached to program participation: What is the level of student engagement and satisfaction with these services as part of the scholarship program experience?

MDRC recommends designing a systematic way to monitor implementation. You can schedule, for instance, monthly or semi-monthly check-in meetings with key staff to confirm how the program is going. As the time for verification of eligibility for disbursements approaches, you may want to schedule additional check-in meetings to ensure that all disbursement-related processes are in place. These meetings can also serve as opportunities for the team members to address potential problems together before they have adverse effects on the roll-out of program disbursements or services linked to the scholarship.

Program staff may also choose to meet with scholarship recipients in order to get a better sense of how the scholarship and, if applicable, required student services have affected the students' academic and financial experiences in college. You can use this opportunity to gauge students' collective level of satisfaction with the program and make adjustments, if needed, in the program for current and future semesters. Scheduling regular e-mail or social-media communication with scholarship recipients can provide them with a convenient forum to ask questions or give feedback to the program coordinator or other staff.

After you have made at least one or two disbursements, your team should examine and discuss data on the take-up rates for scholarship disbursements (or data on the proportion of students meeting each benchmark). This process can help your team make informed decisions about refining your program's design. If you are finding that the vast majority of students are or are not earning a disbursement, these patterns may be a signal that should modify your criteria either for eligibility for the program, for the disbursement benchmarks, or for both sets of criteria, to better influence students' behavior in future semesters.

Conclusion

At a time when the cost of attending college is soaring and when available funding for college education has become more limited, there is a critical need for innovations in the way that the cost of education is supported. The PBS and Opening Doors Demonstrations have offered an innovative approach — performance-based scholarships — to address the need for both better access to college and higher rates of success once students enroll. As discussed earlier in this guide and summarized in Appendix A, findings from these studies have shown promise that this type of financial aid can help students in diverse settings overcome some of the hurdles they face as they pursue financial and academic success.

As you embark on developing your performance-based scholarship program, keep in mind that this program is intended to be adapted to fit the setting and context where it is being

developed. You should personalize your program to fit the particular needs of your institution or student population. MDRC hopes that you will be able to use the information in this guide that is relevant to your institution's circumstances and interests to help you develop and implement a strong performance-based scholarship program.

Appendix A

Opening Doors and PBS Demonstration Program Highlights

Opening Doors Demonstration: Louisiana

- After learning of research findings that showed positive effects on programs that offered financial incentives to welfare recipients to work, Louisiana's state government forged a partnership with MDRC to develop and study a similar program using Temporary Assistance for Needy Families (TANF) surplus funds to incentivize low-income parents to become successful in community college.

- Students were required to meet with an adviser in order to receive earned disbursements. While the advisers primarily confirmed students' eligibility for disbursements and did not offer much academic advice, students in the program reported that knowing that someone on campus knew their name and was monitoring their progress made them feel more attached to their college.

- A student survey found that compared with their nonprogram peers, students who earned the scholarship reported more positive feelings about themselves and their ability to accomplish their long-term goals. These students also reported that they had better social support at school and were more politically engaged.

- For more information, see Richburg-Hayes, Lashawn, Thomas Brock, Allen LeBlanc, Christina Paxson, Cecilia Elena Rouse, and Lisa Barrow. 2009. *Rewarding Persistence: Effects of a Performance-Based Scholarship Program for Low-Income Parents*. New York: MDRC.

Performance-Based Scholarship Demonstration: Ohio

- Impressed by the Louisiana performance-based scholarship program outcomes, Ohio's state legislature endorsed using surplus TANF funds in a similar manner to their use in the Louisiana program and established the TANF Education Awards Program (TEAP) for the 2006-2007 academic year.

- While the original TEAP program was defunded in the following year, MDRC, the Ohio Department of Job and Family Services, the Ohio Board of Regents, and three community colleges formed a partnership to reintroduce TEAP on a limited basis as part of the PBS Demonstration. Like the Louisiana program, TEAP offered a performance-based scholarship to low-income parents.

- The original TEAP program had multiple disbursements in one semester, but this disbursement structure had resulted in the reduction of eligibility for public benefits for some students. In order to avoid this unintended consequence of the timing of disbursements, the original TEAP disbursement structure was modified for the TEAP

program in the PBS Demonstration to feature only one end-of-semester disbursement.

- For more information, see Cha, Paulette, and Reshma Patel. 2010. *Rewarding Progress, Reducing Debt: Early Results from Ohio's Performance-Based Scholarship Demonstration for Low-Income Parents*. New York: MDRC.

Performance-Based Scholarship Demonstration: New Mexico

- The Vision Inspired Scholarship Through Academic Achievement (VISTA) program was offered to incoming low-income freshmen at the University of New Mexico, an open-enrollment four-year institution, for four consecutive semesters.
- VISTA provides students with enhanced academic advisement, requiring them to meet at least twice during the semester with a designated VISTA adviser to discuss their progress.
- The VISTA program was designed to incentivize and support students' progress toward the goal of graduation in four years. To promote this goal, students were required to earn a grade of C or better in their courses and to enroll in a total of 12 credits in the first semester and in a total of 15 credits in each subsequent semester for a total of four semesters.
- For more information, see Miller, Cynthia, Melissa Binder, Vanessa Harris, and Kate Krause. 2011. *Staying on Track: Early Findings from a Performance-Based Scholarship Program at the University of New Mexico*. New York: MDRC.

Performance-Based Scholarship Demonstration: New York

- The New York program wanted to offer the scholarship to students with high levels of financial need. To find these kinds of students, MDRC, Borough of Manhattan Community College (BMCC), and Hostos Community College identified independent students — students living on their own — who were over 22 years old. Many of these students were not eligible to receive the Tuition Assistance Program (TAP) state grant because it required full-time enrollment in the students' first semester. Because they were working or had other commitments, many of these students did not matriculate full time, thus making them ineligible for the TAP.
- The New York program had three disbursement points each semester: (1) after registration, (2) after six weeks into the semester, and (3) at the end of the semester. This program's midsemester disbursement was designed to encourage students to

stay on track with their classes at the point of the census or get back on track before the end of the semester.

- The experience of the New York program showed that where the program is housed can greatly affect how it is implemented. At BMCC, the PBS program was located in the financial aid office, where students in the program were served in the same way as any other students coming to inquire about a financial aid question. At Hostos, the program was managed by a coordinator in the student services office, who had an open-door policy and assisted students in a personal manner with issues both related and unrelated to the scholarship.

- For more information, see Patel, Reshma, and Timothy Rudd. 2012. *Can Scholarships Alone Help Students Succeed? Lessons from Two New York City Community Colleges*. New York: MDRC, and Richburg-Hayes, Lashawn, Colleen Sommo, and Rashida Welbeck. 2011. *Promoting Full-Time Attendance Among Adults in Community College: Early Impacts from the Performance-Based Scholarship Demonstration in New York*. New York: MDRC.

Performance-Based Scholarship Demonstration: Florida

- The Hillsborough Community College (HCC) performance-based scholarship program, known as the Mathematics Access Performance Scholarship (MAPS), incentivized students to take and succeed in a consecutive sequence of three math courses: the highest level of developmental math, a transitional algebra course, and the first level of college math.

- Given that students often avoided taking math and struggled to succeed when they did take the three courses, this program was intended to help them move beyond these requirements so that they could have a better chance of succeeding in college and graduating.

- To help students complete the courses, MAPS required them to participate in academically focused support services. For the first two courses in the sequence, students were required to complete a minimum number of hours and visits to HCC's Math Labs (math-focused tutoring centers) in order to earn the full scholarship payment. Students were able to choose their Math Lab activities from a menu of options, which included one-on-one tutoring, group sessions, and online instruction.

- An MDRC report on the Florida program will be published in 2014.

Performance-Based Scholarship Demonstration: California

- The Cash for College performance-based scholarship program (CFC PBS) provides an example of a large-scale portable scholarship. Students were able to take their scholarships to any accredited postsecondary institution in the country.
- The California program was a scholarship-only model. Scholarships ranged from $1,000 one-term scholarships to $4,000 two-year scholarships. Each term award included a disbursement after enrollment was confirmed and another disbursement after the performance criteria for the semester had been met. Students were not required to participate in specific student services activities to receive scholarships.
- The CFC PBS program was implemented through an existing state Cash for College Program, which had developed a statewide structure that provided a strong foundation for the development and implementation of the CFC-PBS Program. Communication, scholarship distribution, transcript verification, and tracking mechanisms already existed, and the performance-based scholarship program further refined other components of the program.
- An MDRC report on the California program will be published in 2014.

Performance-Based Scholarship Demonstration: Arizona

- The Adelante program targeted low-income Latino men, a particularly disadvantaged group with historically low college-completion rates, in order to help make college more affordable for them, to encourage them to succeed academically, and to increase their use of student services at Pima Community College.
- The structure of the performance-based scholarship at Pima, which called for differential amounts of scholarship money for part-time and full-time students, was designed to provide a sizeable incentive for students to attend full time. In addition to the scholarship being contingent on traditional benchmarks for academic performance, students were offered a scholarship for participating in advising, tutoring, academic workshops, and other support services at the college.
- Strong support from Pima's top leadership and buy-in for the program across the college's six campuses were critical to implementing Adelante, a program with a complex award structure, which included several payment amounts tied to multiple components.
- For more information, see Patel, Reshma, and Ireri Valenzuela. 2013. *Moving Forward: Early Findings from the Performance-Based Scholarship Demonstration in Arizona*. New York: MDRC.

Appendix B

Logic Model Worksheet

The Performance-Based Scholarships Logic Model Worksheet will help you think through the design and intended outcomes of your desired performance-based scholarship program. Please fill in the boxes on the worksheet in the following order: activities, outputs, outcomes, inputs, and assumptions. Below are definitions of each box that is in the worksheet:

Step 1: Activities- The components of the program.

Examples: payment frequency, distributing scholarships, support services

Step 2: Outputs- The desired result intended to immediately follow performance of program's activities

Examples: number of students who received a scholarship payment, number of students who participated in a particular service attached to the program

Step 3: Outcomes- short, medium, and long-term goals of the program.

Examples: full-time attendance (short-term), registration in next term/persistence (short &/medium term), higher participation in a particular service, increased credit accumulation (short, medium, &/long), graduation (long)

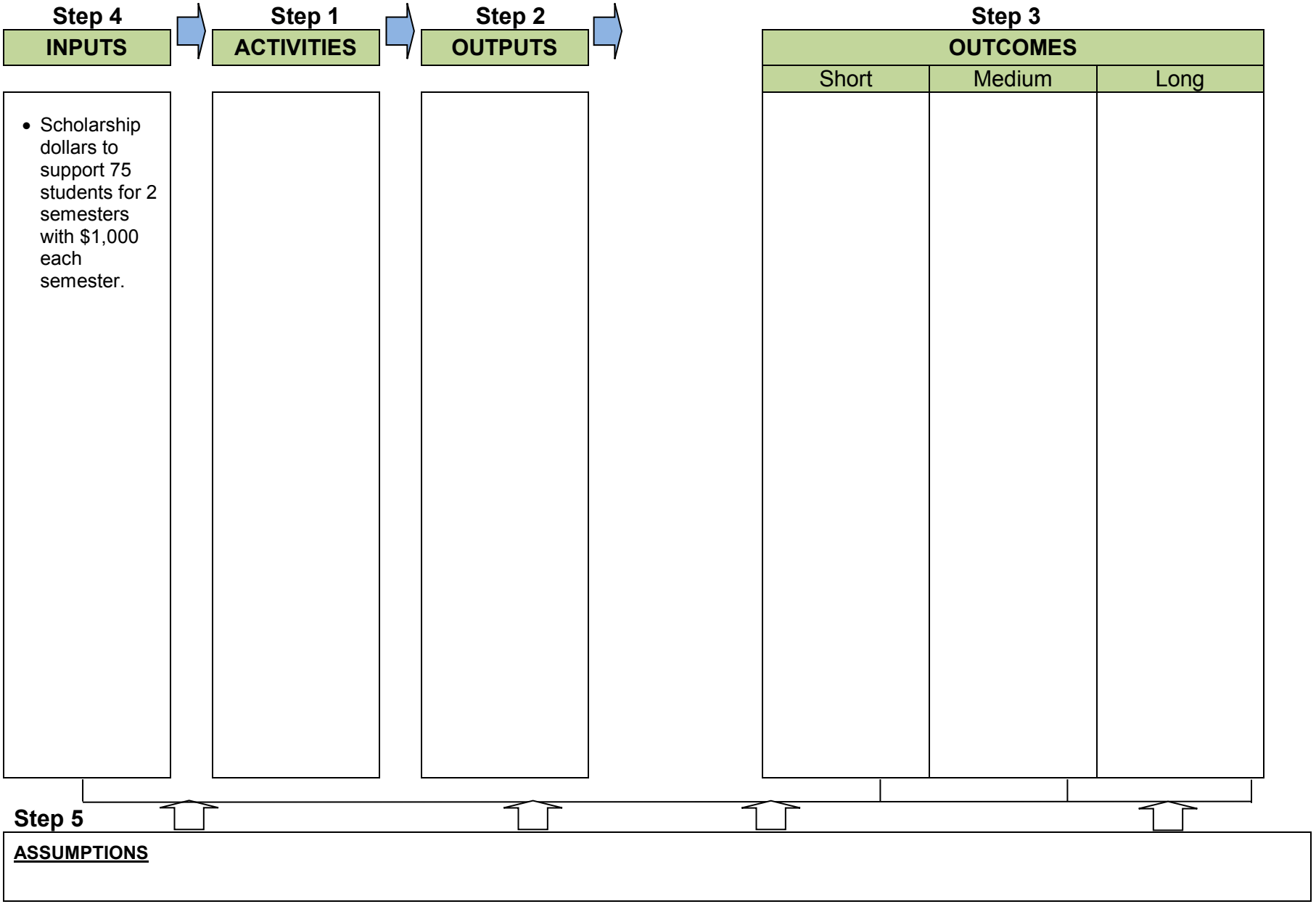
Step 4: Inputs- the resources or other supports that make the program activities possible.

Examples: funding, technical assistance, program support to hire a coordinator

Step 5: Assumptions- target student population, context, and external factors that interact with and influence the program.

Examples: low-income students, first-generation students

Performance-Based Scholarships LOGIC MODEL Worksheet (Table format)[1]



[1]This worksheet was developed based on the CSREES Logic Model Worksheet found at the University of Wisconsin Extension Program Development and Evaluation Web site: www.uwex.edu/ces/pdande/evaluation/evallogicmodelworksheets.html.

Appendix C

Disbursement Verification Template

Disbursement Verification Template

The first payment is $300. To receive this payment, students must be enrolled in 15+ credits through the add/drop period.
The second payment is $700. To earn this payment, students must enroll in 15+ credits with a GPA of at least 2.0.

INSTRUCTIONS:
- If a student is enrolled in 15 or more credits, "earned payment" column should be "Y"
- If a student is not enrolled in 15 or more credits, "earned payment" column should be "N"

Last Name	First Name	# of credits (through add/drop period)	Earned 1st Payment (Y/N)	Date Paid	Form of Payment	# credits earned	# credits failed	# credits withdrawn	GPA	Earned 2nd Payment (Y/N)	Date Paid	Form of Payment	Comments

Appendix D

Example of Encouraging E-mails

Schedule of Correspondence to Students in the UNCF PBS Program, Fall 2012

Term	Subject	Approximate date
Fall 2012	**First Award Notification (Letter & E-mail)**	September 20, 2012
	First Encouraging E-mail	October 1, 2012
	Second Encouraging E-mail	October 15, 2012
	Third Encouraging E-mail	November 26, 2012
	Fourth Payment Update E-mail	December 11, 2012
	Second Award Notification (Letter & E-mail)	January 4, 2012

(See below — one page per correspondence)

First Award Notification (Letter & E-mail)

[date]

Mr. [FirstName LastName]
Address

Congratulations! We at [X College/University] are pleased to announce that you have earned your first spring 2012 award. **A check for your first installment of $150 will be sent directly to you within two weeks of this letter.**

As you are aware, [name of program] is performance-based, which means that it is awarded based on future performance, not past academic achievement. As a participant, you have an opportunity to receive the remaining scholarship payments as performance benchmarks are met:

Semester Three — Fall 2012

First Award:	$150 upon enrolling in 15+ credits through the add/drop period
Second Award:	$850 upon successfully completing 15+ credits with a semester 2.5 GPA

Semester Four — Spring 2013

First Award:	$150 upon enrolling in 15+ credits through the add/drop period
Second Award:	$850 upon successfully completing 15+ credits with a semester 2.5 GPA

We will be in touch with you throughout the spring to check in on your progress in your courses. Should you have any questions, please contact [school contact name and email address].

Best wishes for a successful semester!

E-mail #1 — First Encouraging E-mail
Approximate send date: October 1, 2012 (Mon)

Greetings [program name] Scholar,

Did you know that your brain can have more ideas than the number of atoms in the known universe? Your intellectual capacity is growing every day. We hope you're enjoying your fall semester so far!

- As you know, you have been selected as a recipient of the [program name] scholarship. You were awarded $150 in the beginning of the semester for staying enrolled in 15+ credits through the add/drop period.

- **As long as you complete at least 15 credits and have a minimum 2.5 semester GPA, you will be awarded $850 at the end of the semester!**

- If you are unable to meet the benchmarks, you will not receive your payment.

You should be extremely proud of yourself as you work toward your goal to receive a college degree. Don't lose out on the opportunity to receive your full scholarship by missing any of these key benchmarks — this could be money in your pocket!

Sincerely,

[program contact]

E-mail #2 — Second Encouraging E-mail
Approximate send date: October 15, 2012 (Mon)

Dear [program name] Scholar,

Congrats — you are halfway through the semester! You'll face challenges along your road to success, but remember that the harder you work, the more successful you can be! Research shows that the amount of hours a student spends studying relates to the grade that he or she receives in the classroom.

- Remember that in order to receive your scholarship payment of $850, you must complete at least **15 credits** and have a minimum **2.5 semester GPA.**

- Unfortunately, if you are unable to meet the benchmarks, you will be unable to receive your payment.

We are excited about your progress and we know that you will meet your goal. Now, catch up on some much-needed post-midterm sleep!

Sincerely,

[program contact]

E-mail #3 — Third Encouraging E-mail
Approximate send date: November 26, 2012 (Mon)

Dear [program name] Scholar,

Hope you had a great Thanksgiving break. Can you believe that the semester is almost over? These last few weeks will go by quickly even though the workload might seem to escalate. Don't let it discourage you — you've made it this far and are bound to make it to the end! Remember that in order to receive your scholarship payment of $850 at the end of the semester, you must complete at least 15 credits and have a minimum 2.5 semester GPA.

Look out for a payment notification e-mail and letter after finals period in December. Happy Holidays!

Sincerely,

[program contact]

References

Advisory Committee on Student Financial Assistance. 2001. *Access Denied: Restoring the Nation's Commitment to Equal Educational Opportunity*. Washington, DC: U.S. Depart-ment of Education.

Aud, Susan, Mary Ann Fox, and Angela KewalRamani. 2010. "Status and Trends in Educational Racial and Ethnic Groups." Washington, DC: National Center for Education Statistics, Institute of Education Sciences, U.S. Department of Education.

Bailey, Thomas, Dong Wook Jeong, and Sung-Woo Cho. 2010. "Referral, Enrollment, and Completion in Developmental Education Sequences in Community Colleges." *Economics of Education Review* 29: 255-270.

Baum, Sandy, David W. Breneman, Matthew M. Chingos, Ronald G. Ehrenberg, Pamela Fowler, John Hayek, Donald E. Heller, Allison G. Jones, David A. Longanecker, Timothy J. Nesbitt, Judith Scott-Clayton, Sarah E. Turner, Jane V. Wellman, and Grover J. Whitehurst. 2012. *Beyond Need and Merit: Strengthening State Grant Programs*. Washington, DC: The Brookings Institution.

Bound, John, Michael Lovenheim, and Sarah Turner. 2009. *Why Have College Completion Rates Declined? An Analysis of Changing Student Preparation and Collegiate Resources*. Cambridge, MA: National Bureau of Economic Research.

Cha, Paulette, and Reshma Patel. 2010. *Rewarding Progress, Reducing Debt: Early Results from Ohio's Performance-Based Scholarship Demonstration for Low-Income Parents*. New York: MDRC.

Choitz, Vickie, and Patrick Reimherr. 2013. *Mind the Gap: High Unmet Financial Need Threatens Persistence and Completion for Low-Income Community College Students*. Washington, DC: Center for Law and Social Policy.

Choy, Susan. 2002. *Nontraditional Undergraduates*. Washington, DC: U.S. Department of Education, National Center for Education Statistics.

College Board Advocacy and Policy Center. 2012. *Trends in Student Aid 2012*. New York: College Board.

Elliot, Andrew, and Carol S. Dweck (eds.). 2005. *The Handbook of Competence and Motivation*. New York: Guilford.

Frechtling, Joy A. *Logic Modeling Methods in Program Evaluation*. 2007. San Francisco: Jossey-Bass.

Green, Caitlin, and David Radwin. 2012. *Characteristics of Associate's Degree Attainers and Time to Associate's Degree*. Washington, DC: U.S. Department of Education.

The Institute for College Access and Success. 2009. *Quick Facts About Financial Aid and Community Colleges 2007-08*. Oakland, CA.

Kahneman, Daniel, and Amos Tversky. 1984. "Choices, Values, and Frames." *American Psychologist* 39: 341-350.

Kleinfeld, Judith. 2009. "No Map to Manhood: Male and Female Mindsets Behind the College Gender Gap." *Gender Issues* 26, 3-4: 171-182.

Miller, Cynthia, Melissa Binder, Vanessa Harris, and Kate Krause. 2011. *Staying on Track: Early Findings from a Performance-Based Scholarship Program at the University of New Mexico*. New York: MDRC.

National Scholarship Providers Association. 2013. *Impact of Award Displacement on Students and their Families: Recommendations for Colleges, Universities, Policymakers and Scholarship Providers*. Boulder, CO.

Obama, Barack. 2013. Weekly Address: "Making Higher Education More Affordable for the Middle Class." Web site: http://www.whitehouse.gov/photos-and-video/video/2013/08/24/weekly-address-making-higher-education-more-affordable-middle-clas.

Palmer, Robert T., Ryan J. Davis, III, James L. Moore, and Adriel A. Hilton. 2010. "A Nation at Risk: Increasing College Participation and Persistence Among African American Males to Stimulate U.S. Global Competitiveness." *Journal of African American Males in Education* 1, 2: 105-124.

Patel, Reshma, Lashawn Richburg-Hayes, Elijah de la Campa, and Timothy Rudd. 2013. *Performance-Based Scholarships: What Have We Learned?* New York: MDRC.

Patel, Reshma, and Timothy Rudd. 2012. *Can Scholarships Alone Help Students Succeed? Lessons from Two New York City Community Colleges*. New York: MDRC.

Patel, Reshma, and Ireri Valenzuela. 2013. *Moving Forward: Early Findings from the Performance-Based Scholarship Demonstration in Arizona*. New York: MDRC.

Provasnik, Stephen, and Michael Planty. 2008. *Community Colleges: Special Supplement to The Condition of Education 2008. Statistical Analysis Report. NCES 2008-033*. Washington, DC: National Center for Education Statistics.

Richburg-Hayes, Lashawn, Thomas Brock, Allen LeBlanc, Christina Paxson, Cecilia Elena Rouse, and Lisa Barrow. 2009. *Rewarding Persistence: Effects of a Performance-Based Scholarship Program for Low-Income Parents*. New York: MDRC.

Richburg-Hayes, Lashawn, Colleen Sommo, and Rashida Welbeck. 2011. *Promoting Full-Time Attendance Among Adults in Community College: Early Impacts from the Performance-Based Scholarship Demonstration in New York*. New York: MDRC.

W.K. Kellogg Foundation. 2006. *Logic Model Development Guide*.

Earlier MDRC Publications on the Performance-Based Scholarship Demonstration

Moving Forward
Early Findings from the Performance-Based Scholarship Demonstration in Arizona
2013. Reshma Patel, Ireri Valenzuela with Drew McDermott

Performance-Based Scholarships: What Have We Learned?
Interim Findings from the PBS Demonstration
2013. Reshma Patel, Lashawn Richburg-Hayes, Elijah de la Campa, Timothy Rudd

Can Scholarships Alone Help Students Succeed?
Lessons from Two New York City Community Colleges
2012. Reshma Patel, Timothy Rudd

Performance-Based Scholarships
Emerging Findings from a National Demonstration
2012. Reshma Patel, Lashawn Richburg-Hayes

Does More Money Matter?
An Introduction to the Performance-Based Scholarship Demonstration in California
2012. Michelle Ware, Reshma Patel

Staying on Track
Early Findings from a Performance-Based Scholarship Program at the University of New Mexico
2011. Cynthia Miller, Melissa Binder, Vanessa Harris, Kate Krause

Promoting Full-Time Attendance Among Adults in Community College
Early Impacts from the Performance-Based Scholarship Demonstration in New York
2011. Lashawn Richburg-Hayes, Colleen Sommo, Rashida Welbeck

Rewarding Progress, Reducing Debt
Early Results from Ohio's Performance-Based Scholarship Demonstration for Low-Income Parents
2010. Paulette Cha, Reshma Patel

Paying for College Success
An Introduction to the Performance-Based Scholarship Demonstration
2009. Lashawn Richburg-Hayes, Paulette Cha, Monica Cuevas, Amanda Grossman, Reshma Patel, Colleen Sommo

---

NOTE: All MDRC publications are available for free download at www.mdrc.org.

About MDRC

MDRC is a nonprofit, nonpartisan social and education policy research organization dedicated to learning what works to improve the well-being of low-income people. Through its research and the active communication of its findings, MDRC seeks to enhance the effectiveness of social and education policies and programs.

Founded in 1974 and located in New York City and Oakland, California, MDRC is best known for mounting rigorous, large-scale, real-world tests of new and existing policies and programs. Its projects are a mix of demonstrations (field tests of promising new program approaches) and evaluations of ongoing government and community initiatives. MDRC's staff bring an unusual combination of research and organizational experience to their work, providing expertise on the latest in qualitative and quantitative methods and on program design, development, implementation, and management. MDRC seeks to learn not just whether a program is effective but also how and why the program's effects occur. In addition, it tries to place each project's findings in the broader context of related research — in order to build knowledge about what works across the social and education policy fields. MDRC's findings, lessons, and best practices are proactively shared with a broad audience in the policy and practitioner community as well as with the general public and the media.

Over the years, MDRC has brought its unique approach to an ever-growing range of policy areas and target populations. Once known primarily for evaluations of state welfare-to-work programs, today MDRC is also studying public school reforms, employment programs for ex-offenders and people with disabilities, and programs to help low-income students succeed in college. MDRC's projects are organized into five areas:

- Promoting Family Well-Being and Children's Development
- Improving Public Education
- Raising Academic Achievement and Persistence in College
- Supporting Low-Wage Workers and Communities
- Overcoming Barriers to Employment

Working in almost every state, all of the nation's largest cities, and Canada and the United Kingdom, MDRC conducts its projects in partnership with national, state, and local governments, public school systems, community organizations, and numerous private philanthropies.