



# Performance-Based Scholarships— Project Overview

**Michigan Student Success Network  
Lake Michigan College  
Quarterly Meeting - April 11, 2014**

# Overview

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- I. Overview of Performance-Based Scholarships
- II. Interim Findings
- III. Technical Assistance Guide

# What are Performance-Based Scholarships?

- Program
  - Need-based grants
  - Contingent on academic performance and/or student service participation
  - Paid directly to students
  - Paid in addition to other financial aid, such as Pell
- Research study

# Why have Performance-Based Scholarships?

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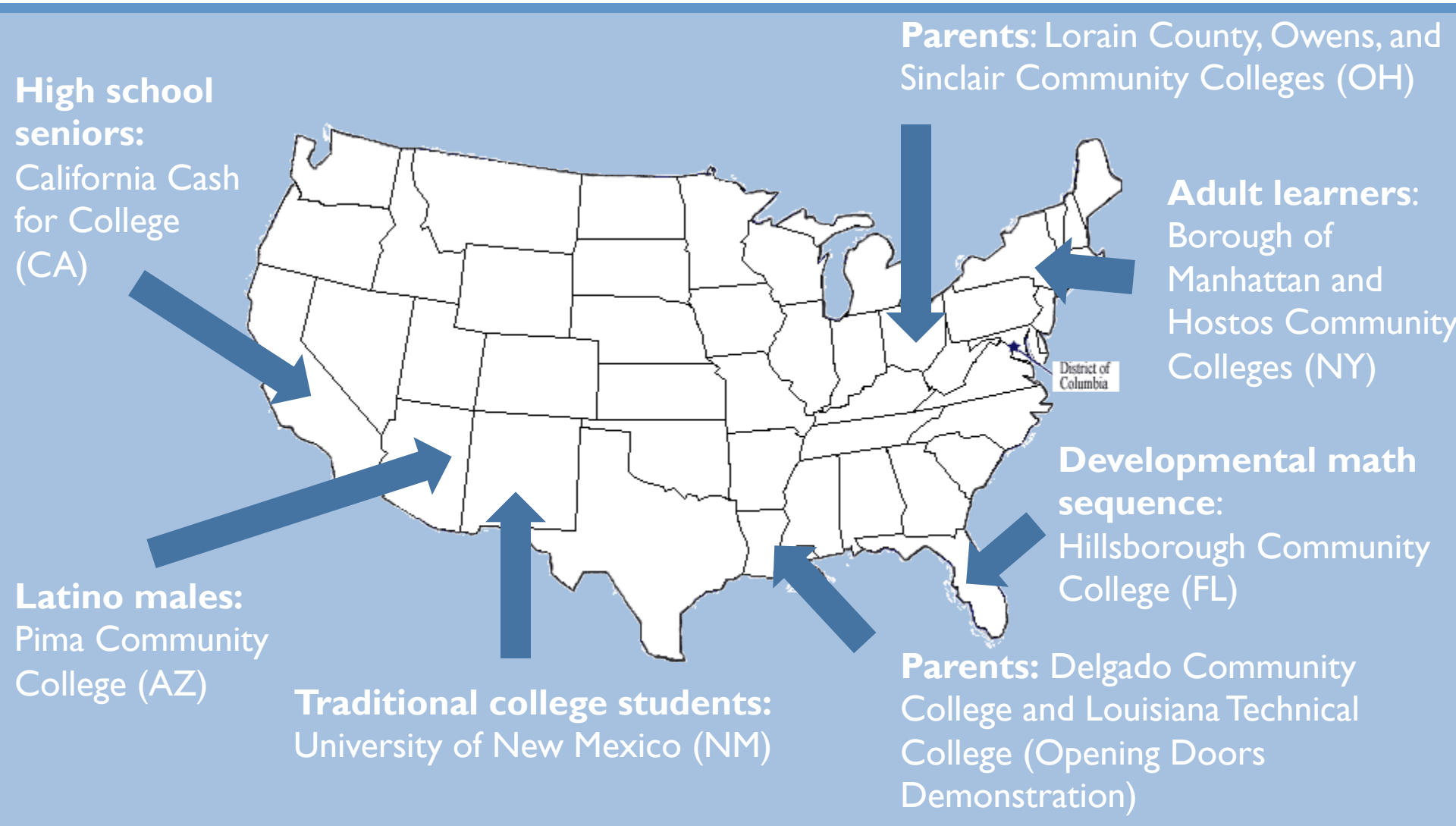
- Goals:
  - Address unmet financial need and make college more affordable
  - Improve student success
    - Incentivize behavior
    - Enable students to have more time on task

# Overview of the Performance-Based Scholarships (PBS) Demonstration

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- PBS evaluation started at one site:
  - In Louisiana (part of MDRC's Opening Doors Demonstration)
  - Promising early results

# Performance-Based Scholarship Programs



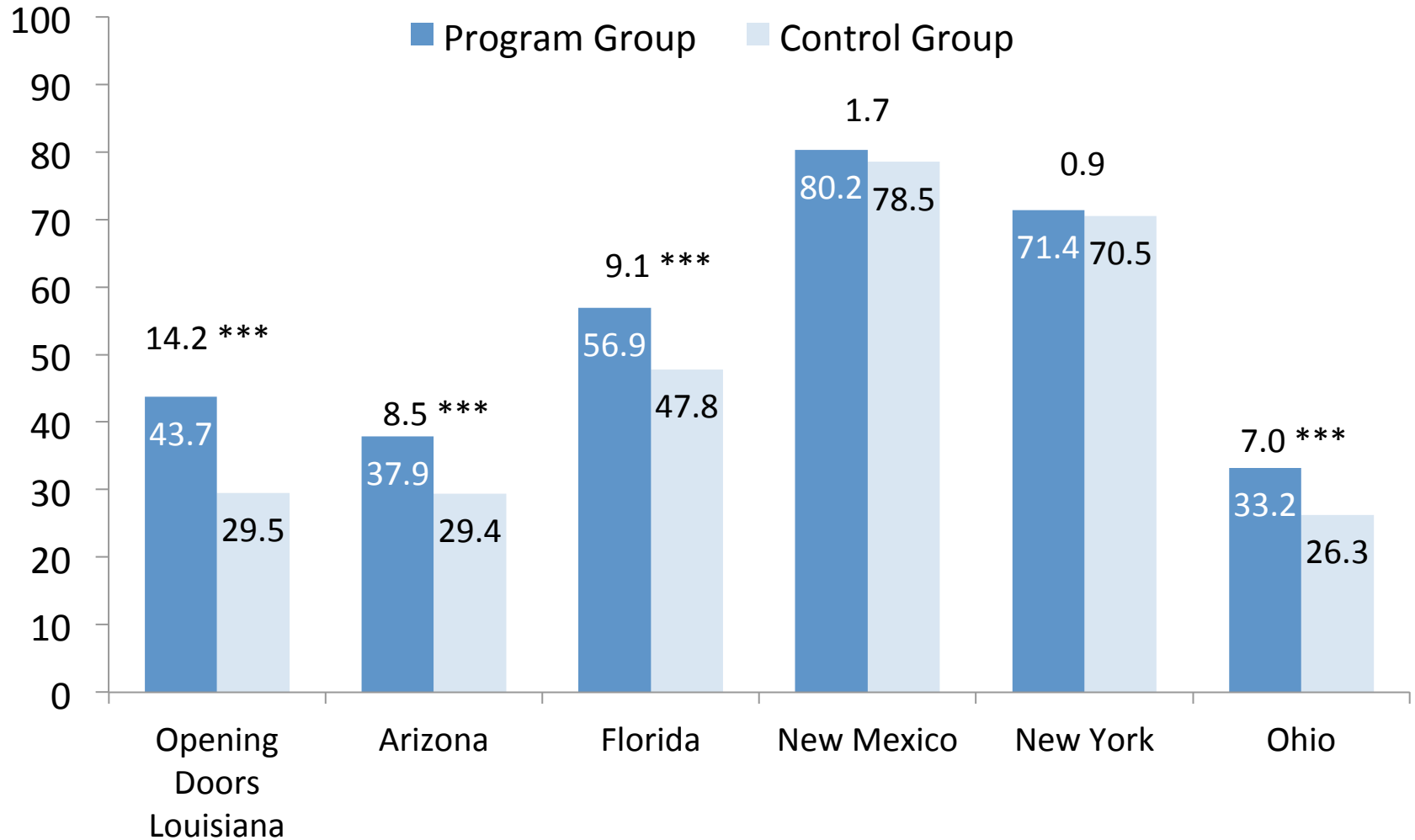
# Summary of Interim Findings

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Performance-based scholarships:

1. Can be implemented in a variety of settings
2. Help students meet academic benchmarks
3. Reduce educational debt in some settings
4. Increase credits earned in the first year
5. Show mixed results on persistence

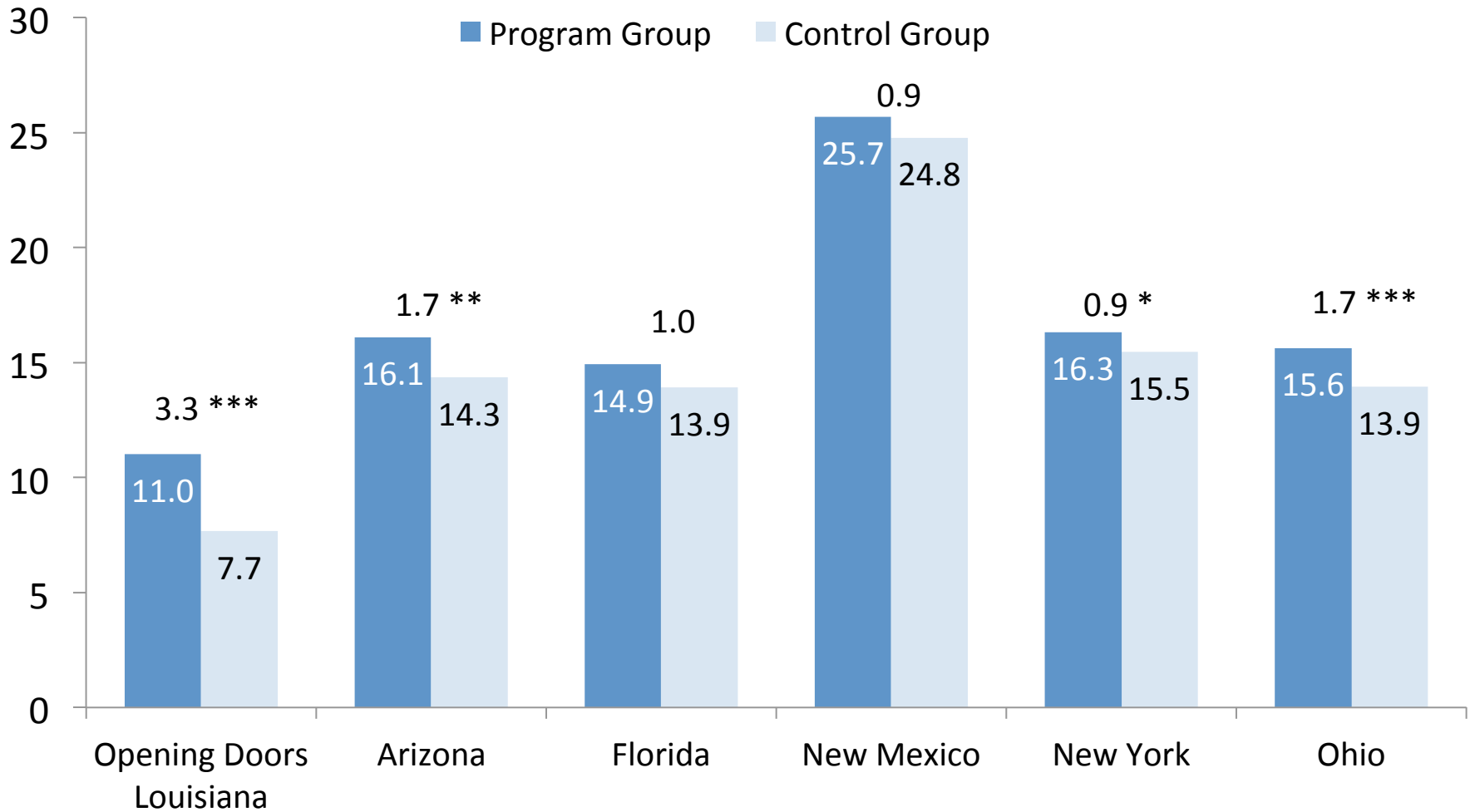
# 1<sup>st</sup> Term: Proportion Meeting End-of-Term Academic Benchmark



Statistical significance levels are indicated as:\*\*\* = 1 percent; \*\* = 5 percent; \* = 10 percent

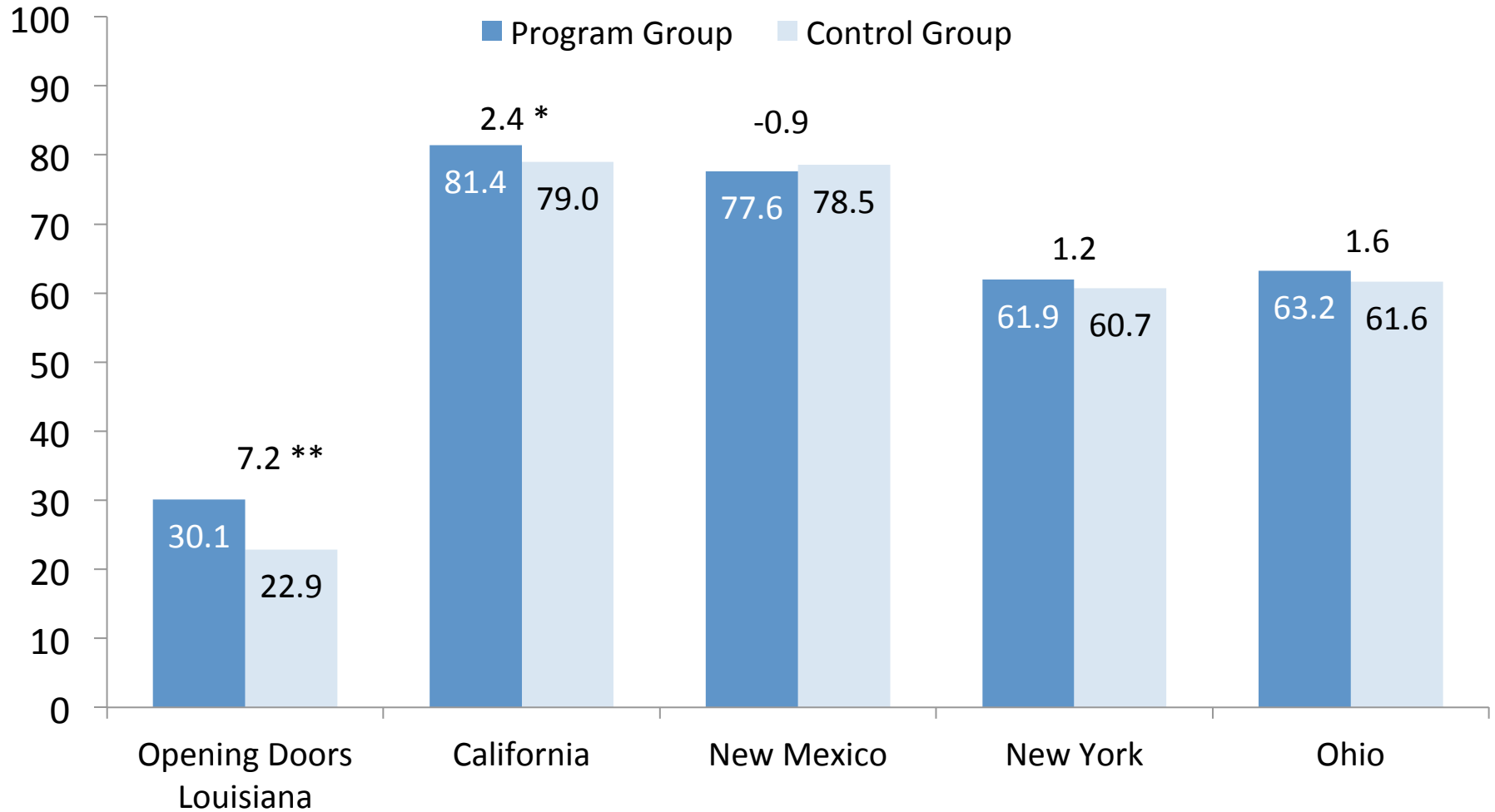


# 1<sup>st</sup> Year: Increase in Credits Earned



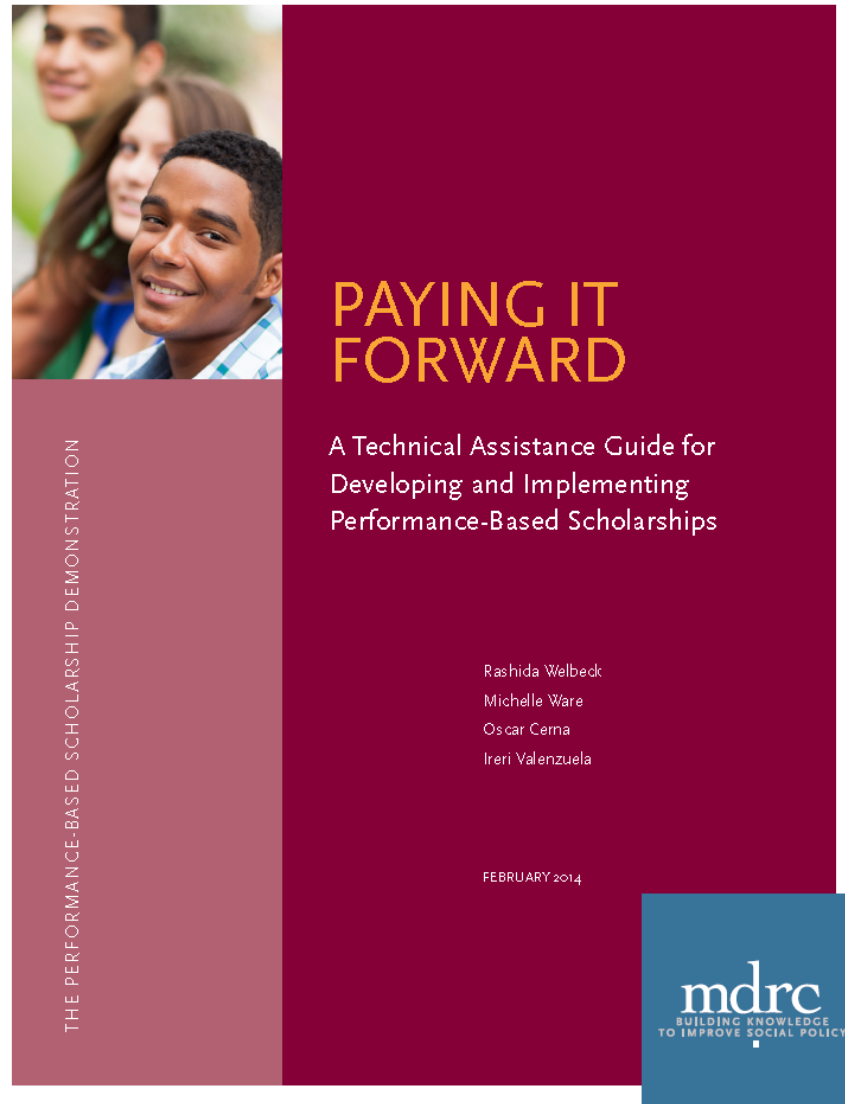
Statistical significance levels are indicated as:\*\*\* = 1 percent; \*\* = 5 percent; \* = 10 percent

# 2<sup>nd</sup> Year: Persistence



Statistical significance levels are indicated as:\*\*\* = 1 percent; \*\* = 5 percent; \* = 10 percent

# Technical Assistance Guide



# Technical Assistance Guide

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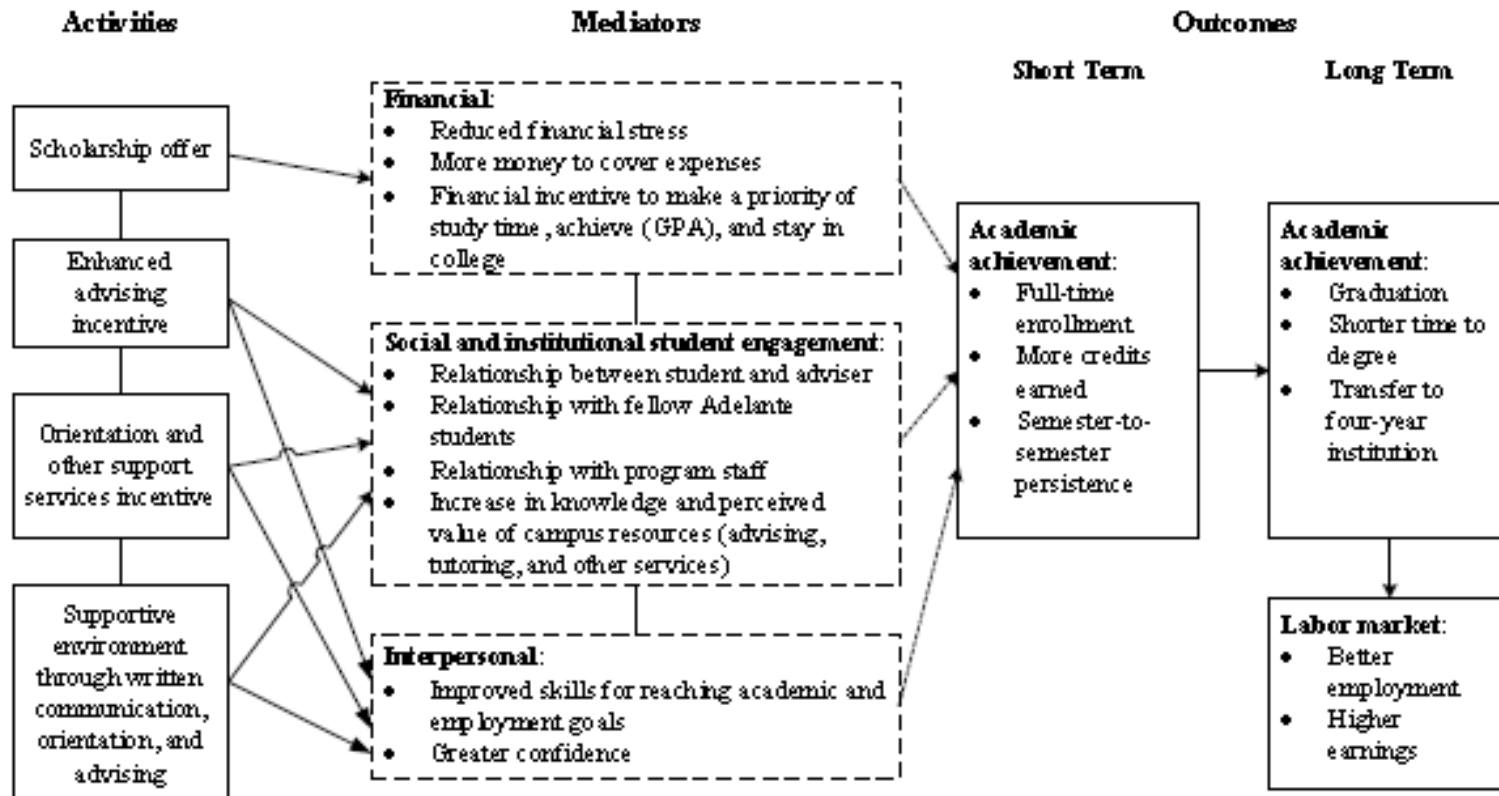
- Guidelines and tools for a performance-based scholarship program:
  - Initial Steps and Foundations
  - Designing the Program
  - Implementing the Program

# Creating a Logic Model

## The Performance-Based Scholarship Demonstration

Figure 2

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



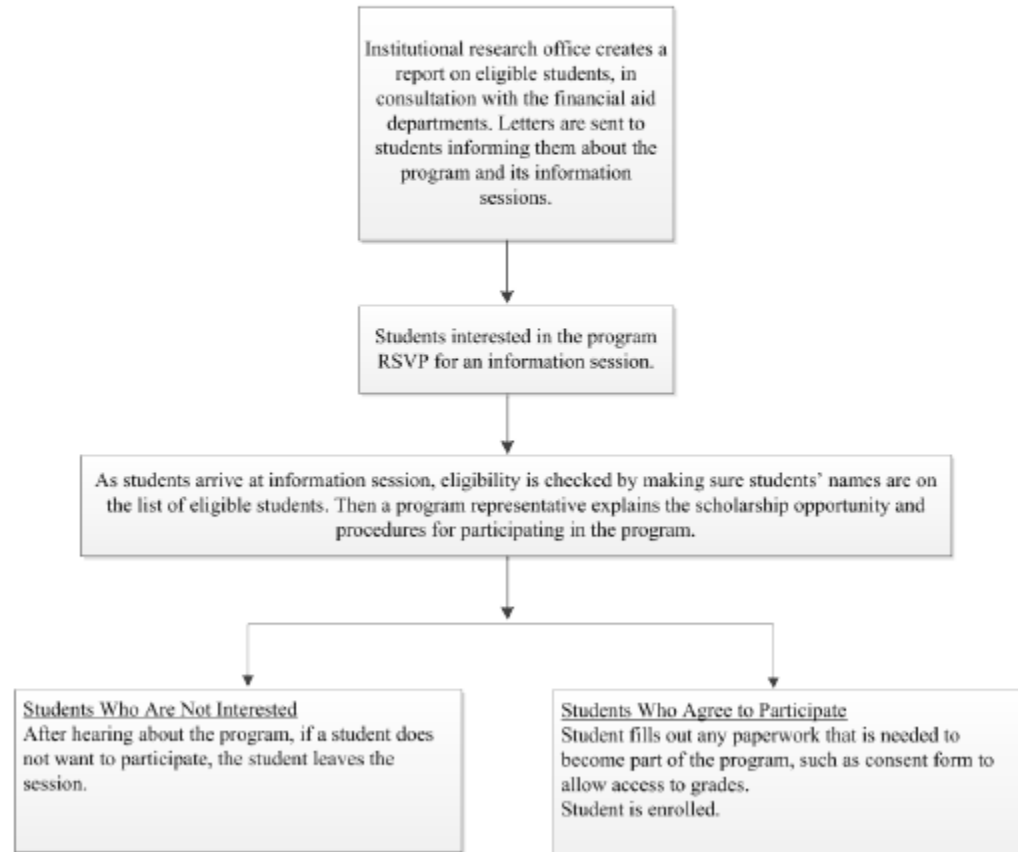
# Recruitment and student flow

## The Performance-Based Scholarship Demonstration

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.



# Creating a Budget

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  $\times$  \$100 = \$9,000.

The scholarship provider expects that 60 percent of students will earn the second payment. The cost will be 60 students  $\times$  \$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.

# 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



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# Questions and Discussion

# Contact Information

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