

Akron Scholarship Plan for the 21st Century

Background

All cities need an educated and skilled workforce to compete in a global marketplace. No longer is a high school diploma enough to secure a good paying job. The citizens of Akron have heavily invested in its K-12 students and buildings. Now it is time to invest in the education of students after high school.

Akron also needs to retain educated students in Akron after college, trade, or technical school graduation. The citizens of the City do not benefit from educating our youth if they move to another area of the state, country or world after graduation. The citizens of Akron need to benefit from the investment in its students.

The cost of a college education is now out of the reach of many high school graduates. Families with the highest income levels can afford to send their children to college, and students from families with the least financial resources are generally able to receive needs-based grants. However, there is a large group of families in the middle that cannot afford to send even one child to college. These students will not be able to compete for the best jobs or receive the training to open their own business.

Akron has a history of reinventing itself and adapting to changing market conditions. A transformation is occurring in Akron to assure we are competitive in a more high tech economy. The best way to ensure continued success is to provide each Akron student the ability to attend college or trade school without a financial burden.

The Akron Scholarship Plan for the 21st Century

The Akron Scholarship Plan for the 21st Century will provide a way for every qualified Akron high school graduate to attend the University of Akron or an approved Akron technical or trade school. This plan will use the up-front proceeds from the lease of the Akron sanitary sewer system to endow a scholarship program. After graduation, the goal is for students to live and work in Akron, thus continuing the growth of the Akron economy and providing a sustainable, long-term economic benefit to both students and our community.

Funding

The Akron Scholarship Plan for the 21st Century will be funded without imposing additional taxes by using the net proceeds from the lease of the City's sanitary sewer system. In addition, private contributions will be solicited to help fund the program. Also, the University of Akron, trade, and technical schools will provide discounted rates for this program. The scholarship fund will be held and managed by the Akron Community Foundation.

Hopefully, in the future our society will recognize the need to provide every student throughout the country an opportunity to receive education after high school. When the time comes that another source of funds is available, Akron residents should not continue this scholarship program. At that time, the Mayor shall make a recommendation to City Council for the reuse of that portion of the scholarship fund that is not needed. Upon passage by City Council, the proposed reuse must be approved by the voters of the City of Akron before any of the money may be used for any other purpose.

Rate Payer Protection

Because the scholarship program will be funded from the lease of a well-managed public asset, the citizens of Akron must be protected from any unreasonable rate increases, deterioration of service and quality, poor operations and maintenance, and environmental hazards. To assure these and other issues were addressed, a committee of Akron business and community leaders was appointed to study these concerns as well as the feasibility of leasing the sewer system. The committee found that the goal of providing scholarship funding can be achieved by means of a long-term lease of the Akron sanitary sewer system. The committee enthusiastically supports the scholarship program based on the protections contained in the attached report.

Scholarship Structure

The scholarship program will be available to Akron resident students who have attended Approved Akron Schools (Akron Public Schools and approved non-profit schools in Akron) and who are admitted as students to an accredited or approved college, university, trade or technical school. If grades 1-8 are completed in another district, a pro-rated scholarship will be available. Parochial high school graduates (who are Akron

residents) will also be able to participate. However, there will be an annual cap on the number of parochial school scholarships available equal to the average number of Akron resident graduating seniors in each school for the past several school years. Students enrolled in an Akron Public School sponsored charter school will also be eligible to participate in the program. Akron resident students who have been home schooled within the City of Akron from 1st through 8th grade will also be eligible if they complete grades 9-12 in an Approved Akron School. Graduates from private for-profit schools are not eligible.

These scholarships will be considered 'last dollar', meaning each student accepted into post-secondary education will need to complete a Federal and or State financial aid form (e.g. FAFSA) and submit it to the participating school of choice. Once the financial aid office in each school has determined the available Federal and State grants and other scholarships (athletic, PTA, Kiwanis, etc.) for the individual student, the scholarship program will pay the remaining tuition costs.

There is no GPA requirement to participate; however, each student must meet and maintain the academic requirements of the participating post-secondary institution. Graduate school tuition is not funded by this program at this time; however, if the endowment fund grows and there is sufficient revenue, graduate school scholarships can be considered later. Books and normal fees will be included in the program if the endowment contains sufficient funds.

Any time restrictions in the policies, rules and regulations shall be extended for Akron resident students serving in the military.

Repayment Requirements

Students who receive any scholarship funds under this program must pay the City's income tax for 30 years. If a recipient lives or works in Akron for 30 years, the scholarship money will never need to be repaid. A recipient whose income tax is not withheld by their employer because he or she does not live or work in Akron must still file an Akron Income Tax return annually and pay the equivalent of the Akron income tax, as amended from time to time. This tax is applied only to the income of the individual who received scholarship money. This payment assures that Akron residents who are investing in the students will receive a return on their investment. In most cases, the total payments spread over 30 years will be a better deal for the student than repaying a student loan over 10 years.

An appeal process will be set up for any student who has unusual circumstances that have not been covered by these rules.

Student Support

High school guidance counselors and post-secondary school counselors will assist students with timely completion of the Federal and State required financial aid forms and any other required forms. The participating post secondary schools will also sign a Memorandum of Understanding (MOU) committing to maximizing student services and success of the plan.

Program Administration

An Akron Scholarship Plan Board, which will include a citizen from each ward, will be appointed by the Mayor, with the consent of City Council, to oversee the management and operation of the Akron Scholarship Plan pursuant to policies, rules and regulations established by the Mayor and approved by City Council.

Evaluation

An independent organization shall be selected to conduct annual evaluations of the program results, including student success, housing and job market analysis, and population trends.