



2010 Scholarship Status Report

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Executive Summary- The College Bound Scholarship recently began its fifth year of operation. This year's status report is more comprehensive than in years past, as it includes a study, at the request of the Oversight and Exceptions Committee, of how students who received an exception have fared. It also provides data on the scholarship's first graduates from college; those that began the program during its inaugural year in 2006.

Overall, the program has now grown to 440 participants, and remains dedicated to three key principles:

- Increase home ownership
- Make education a priority
- Improve the quality of life within the City

The program has grown in recipients from its beginning in 2006 when 109 students received the scholarship. In 2007, 211 received the scholarship, including 132 new students and 79 returnees. In 2008, 295 students received the scholarship, comprised of 170 returnees (79 from 2006; 91 from 2007) and 125 new students. In 2009, 415 recipients received College Bound. Currently (2010), 440 students are receiving the scholarship, including 142 students who are new to the program. A list of students is attached to this report.

The amount of the scholarship remains at \$8,600.00 per year, or \$34,400.00 over four years. Students must meet the program's academic and residence criteria, or file for an exception to those guidelines. The program also generated more than 13,000 hours of community service, benefitting the City of Hammond and its residents.

The program continues to generate significant value to owning a home in Hammond, especially for families with more than one child. The average Hammond home is appraised at about \$100,000.00. Based on that value, a home with one child, adds 34% to its value. In 2010, 29 families had more than one son or daughter benefiting from the College Bound program, increasing value of the home average by 69%. More importantly, this number is a dramatic increase over 2008 and 2009, when 8 and 11 families had more than one member receiving the scholarship. This trend may be another definitive sign that College Bound is retaining families who live in Hammond, stemming a decades-long trend.

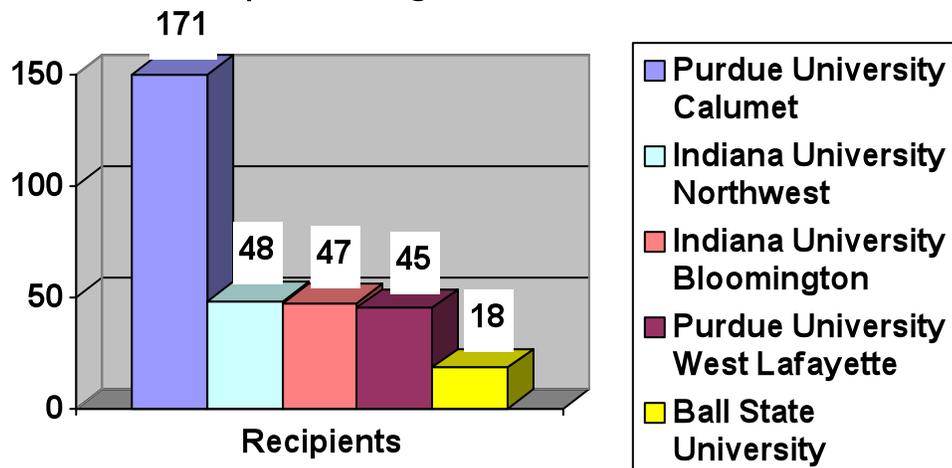
Data continues to indicate that the majority of students participating in the College Bound program have elected to stay at home while in school. Although 34 universities and colleges currently participate in the program, 241 students receiving College Bound (55%) attend a local college or university (Purdue University Calumet, Indiana University Northwest, Calumet College of St. Joseph, and Ivy Technical Community College). In fact, the number of students attending a local university increased over the past year, just as it did between 2008 and 2009, and 2009 and 2010. The largest percentage of recipients chose Purdue University Calumet, which draws 171 students, or 39% of all College Bound recipients.

2009 Recipients By College/University And Year of High School Graduation

College/University	2006 Recipients	2007 Recipients (Includes Returning 2006 Students)	2008 Recipients (Includes Returning 2006 & 2007 Students)	2009 Recipients (Includes Returning 2006, 2007 & 2008 Students)	2010 Recipients (Includes Returning 2007, 2008 & 2009 Students)
Art Institute of Indianapolis	0	0	0	0	1
Ancilla College	1	0	0	0	0
Anderson University	0	1	0	0	0
Ball State University	9	14	14	19	18
Bethel College	0	1	1	1	1
Butler University	1	1	3	5	5
Calumet College	4	7	8	12	12
DePauw University	0	0	1	1	1
Earlham College	0	0	0	0	1
Goshen College	0	0	0	0	1
Huntington University	1	1	1	0	1
Indiana University (Bloomington)	7	19	34	41	47
Indiana University Northwest	4	17	30	69	48
Indiana University, Purdue University of Indianapolis	4	4	4	18	16
Indiana University South Bend	0	1	2	4	3
Indiana State University	1	1	2	6	4
Indiana Tech	0	0	0	0	1
Indiana Wesleyan University	1	2	3	3	1
Ivy Tech Community College	1	3	2	7	12
Manchester College	2	3	3	6	4
Marian College	0	1	0	1	2
Oakland City University	1	1	0	0	0
Purdue University (West Lafayette)	17	26	43	54	45
Purdue University Calumet	37	83	113	131	171
Purdue University North Central	0	1	2	1	3
Rose Hulman	0	0	0	0	1
Saint Elizabeth University	0	0	0	1	1
Saint Joseph's	4	8	12	6	7

College					
Saint Mary's College	4	4	3	6	4
University Of Indianapolis	1	0	2	1	6
University Of Notre Dame	1	1	1	2	1
University of St. Francis	0	0	0	1	1
University of Southern Indiana	1	0	0	2	1
Wabash College	1	2	3	5	5
Valparaiso University	6	9	9	12	15
Totals	109	211	295	415	440

Most Popular College Bound Schools 2010



Class of 2006- During the program's inaugural year, a total of 109 students were awarded the scholarship out of 130 applicants. In 2007, however, the Oversight and Exceptions Committee approved 5 additional applicants from the Class of 2006 for various reasons. Including these additional awards, total awards to the Class of 2006 was 114 or a ratio of recipients to applicants of 84%. The total number of awards was in line with the original estimate of 110 applicants during the first year. Four awards were honorary since the student had received full funding from other sources for his/her college tuition.

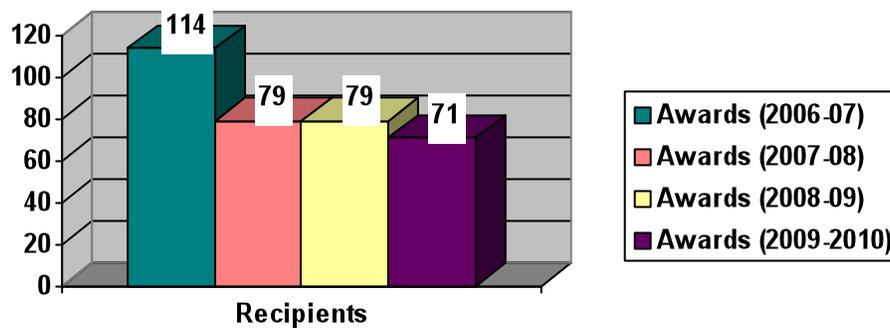
Of the Class of 2006 recipients, 79 received the scholarship in 2007, which reflected a retention rate of 73%. There was no change in the number of 2006 students who received the scholarship in 2008. In 2009, 71 students remained in their fourth and final year of college, or 65% of original award recipients.

Of the 71 students who received the scholarship in 2006, 27 graduated in May 2010, with 11 more scheduled to graduate within the next year. At first glance these numbers may seem low, but they actually exceed the 6 year graduation standard used by most colleges and institutions. The fact that 54% of students will complete studies in five

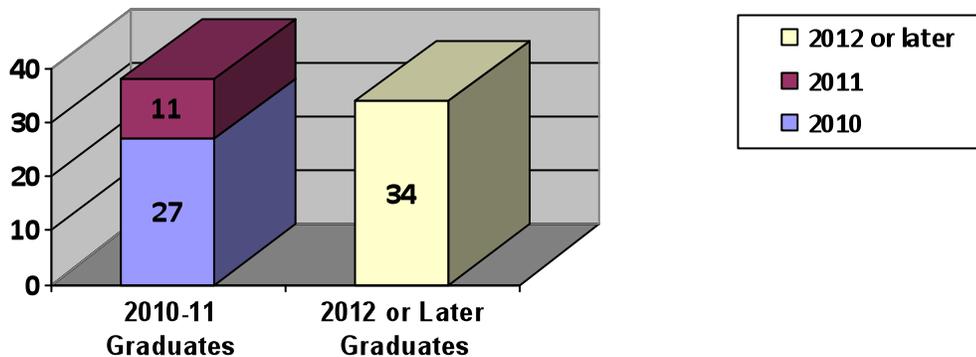
years or less is in line with the goal set by the US Department of Education which calls for 60% of students to complete a baccalaureate within six years by 2025. According to the National Center for Higher Education Management Systems, which prepared a report for the Indiana Commission for Higher Education, local six-year graduation rates were 24.4 percent at Indiana University Northwest, and 21.5 percent at Purdue University Calumet in Hammond. Since the majority of students receiving the scholarship from the Class of 2006 attended local colleges, College Bound may have contributed to accelerating degree completion amongst those students.

It is also important to note that the results of the Class of 2006 may not be illustrative of overall program results and impact. Class of 2006 students had no time to prepare for or work towards the scholarship, which was approved only two months before graduation.

Class of 2006

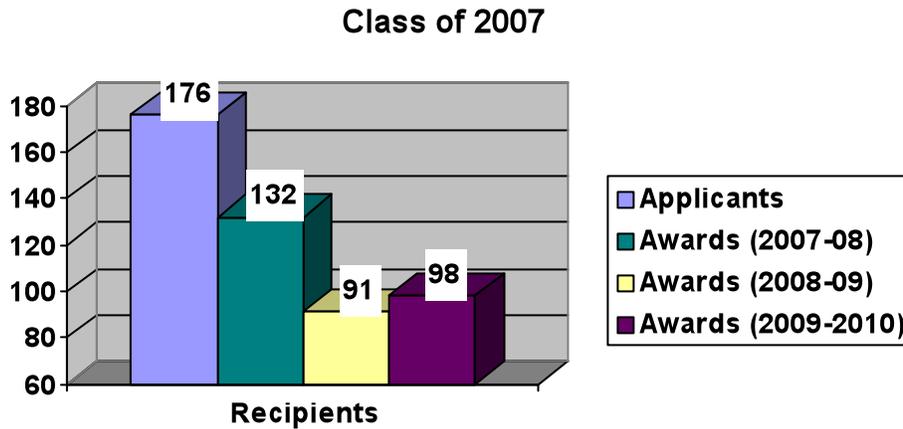


Class of 2006- College Completion



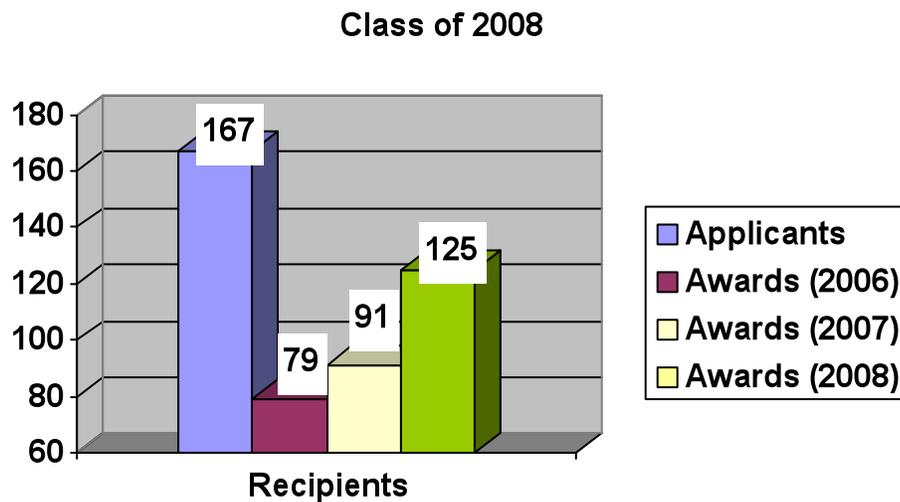
Class of 2007 Trends- The program grew to 176 applicants and 132 awards in 2007 while the number of honorary awards remained at 4. In comparison to the Class of 2006, applicants from the Class of 2007 increased by almost 35%, while awards grew by 21%. The increase was probably due to increased awareness of applicants and families of the College Bound Scholarship and its benefits. As of Fall 2008, 91 students from the Class of 2007 continued in the scholarship program, or a retention of 69%.

In 2009, however, 98 students received the scholarship from the Class of 2007 for the 2009 school year, showing an increase in students. The reason for the increase was due to a number of exceptions that were granted to students who either had previously been in the program and not met continuing eligibility standards, or to students who had not previously met enrollment standards only to later prove their ability to handle the rigors of a college education.



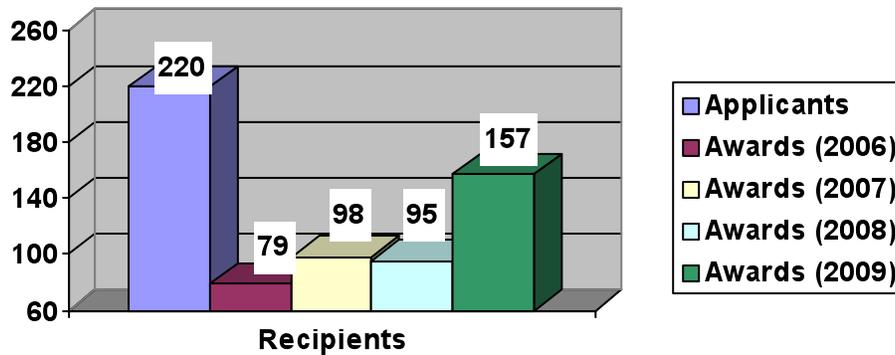
Class of 2008- The Class of 2008 received 125 awards out of 167 applications. Although at first glance the numbers appear to indicate a reduction, it must be noted that the graduating Class of 2008 was about 3% smaller on average (among Hammond high schools) than the Class of 2007.

In 2009, 91 students remained in the program, a reduction of about 27%, which is very comparable to the trends from other previous high school graduating classes. There also have been a number of students who have been given exceptions that allow them to return to or apply for the program providing that they improve their performance while in college. These students are not counted as current recipients.



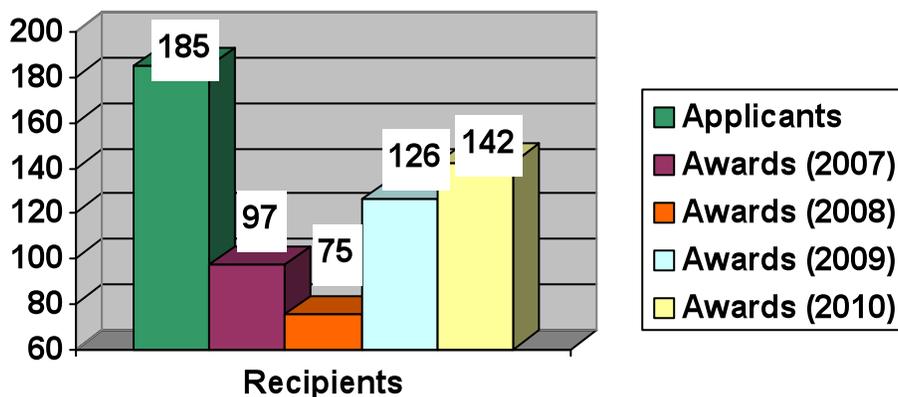
Class of 2009- The program made a record number of awards, and also received a record number of applications. Of the 220 applicants, 159 received the award. It should be noted however, that many of the students applying for the scholarship failed to meet the program's minimum academic requirements. So that the student might be eligible at a later date when their academic performance improved, students were encouraged to still apply. One school also indicated that they did not feel comfortable in denying students who applied even if the student did not meet eligibility.

Class of 2009



Class of 2010- The current year saw overall recipients increase to 440. At the same time, the number of new recipients decreased slightly from 159 in 2009 to 142 in 2010. A similar trend was reported between the Classes of 2007 & 2008 when overall graduating classes were smaller than the prior year.

Class of 2010



Exceptions Process- Since its inception, 228 applicants have requested an exception; with 128 of those requests granted. In keeping with the original intent of the program, all cases forwarded to the Exceptions Committee are provided without the student's: identity, race, ethnicity, sex, address, or the student's high school.

Although the specific reasons vary, and each request is handled on a case-by-case basis, requests can be classified by certain general characteristics. The largest number of exceptions has been filed due to academic performance followed by deadline issues. However, since 2008, the number of cases filed due to missing a deadline has dropped significantly.

Exceptions By Type/Reason	
Reason for Exception	Total Exceptions Filed
Residency Issues/home ownership	8
Not Attending An Indiana accredited college, or	3
Previously attended an out of state college	13
Academic Requirements	141
Did Not Meet Deadline; Given Wrong Deadline by School	33
Requested Funds Be Used For Other Than Tuition And Fees	4
Custodial Rights Issues	3
Other Issues (medical, given incorrect information regarding eligibility by school, citizenship, etc.) or failed to respond to requests for additional information	24
Total	229

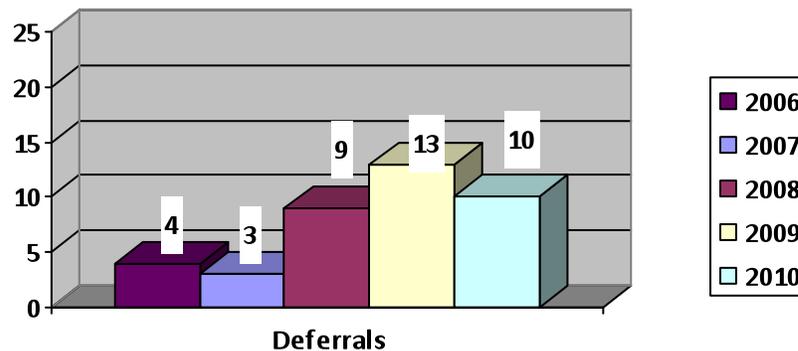
Exceptions Requested vs. Granted By Year					
	2006	2007	2008	2009	2010
Number of Exceptions	15	44	41	66	62
Exceptions Approved	6	21	26	46	29

As note, the primary reason for filing an exception is due to academic reasons, often in cases where the student missed the standard by a small margin. For example, many of the granted exceptions were granted where the student missed the SAT score by less than 5%. The other major factor for granting an exception has been due to legitimate health issues that impacted the student's performance. In these cases, documentation was provided from both the school and the student's physician regarding a medical condition.

The Exceptions Committee has continued the use of "approved deferrals" for many of those that do not meet the program's academic standards. A deferral allows a student to prove that they possess the ability to meet the challenges of a college education. In most cases, the student is asked to maintain a slightly higher grade point average (2.25 or 2.5 versus the normal 2.0, depending on the student's academic performance) for the

following year while not receiving the scholarship, in return for receiving the scholarship for the remaining years of schooling. Essentially, it allows a student to “prove” themselves.

Deferrals Granted



Although each exception is unique, some statistical evaluation can be conducted. For example, of the 99 exceptions granted prior to the current school year, 51 students remained in the College Bound program after one year. Of 30 deferred approvals approved between 2006 and 2009, only 8 of the students were able to prove themselves academically to join the program. Since the student did not receive the scholarship during that period, there was no financial loss incurred. On the other hand, 4 of 9 transfers from out-of-state schools did remain in College Bound.

The most likely students to remain in the program after receiving an exception are those who missed filing deadlines (10 of 13 students who missed deadlines remained in the program one year later), and those students who were granted an exception due to medical illness (7 of 11 students continued in the program one year later).

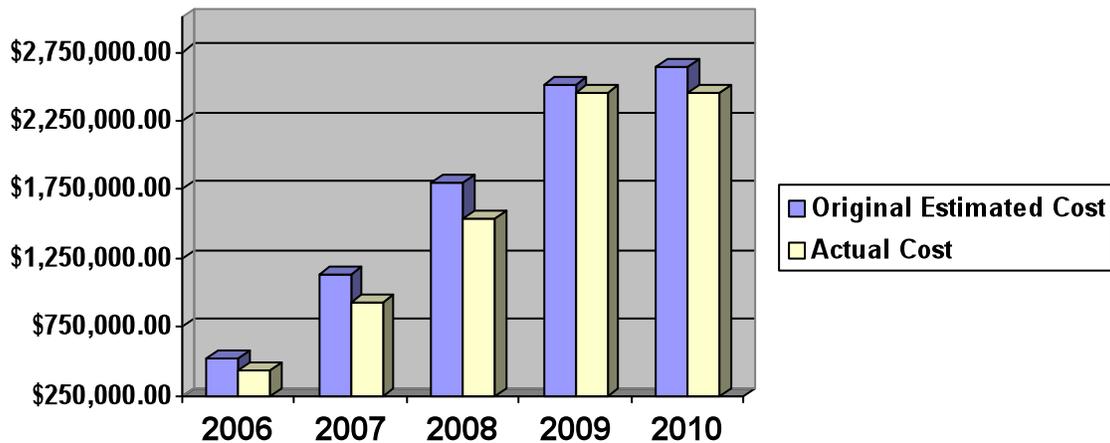
A list of exceptions granted from 2006-09 is attached to this report.

Cost- When the program was first announced, there was significant concern about the potential cost of College Bound, but after five years of experience it appears that those concerns are unfounded. With one semester of billing processed for the 2010 school year, it appears that the cost will once again fall below the original budget estimate of \$2.64 million. The estimated cost is \$2.46 million; about 9% less than anticipated.

Since its inception, the program has run slightly below original projections. In 2006, the cost of the program was \$433,448.70, almost \$90,000.00 less than the \$520,000 that had been estimated. In 2007, the actual cost was \$932,865.15, which was almost \$200,000.00 less than the \$1,135,000.00 that was predicted. For 2008, the cost for the year was \$1,534,417.00; about \$300,000.00 below projections. In 2009, the cost to the program was \$2,449,855.19, which once again was below original forecasts.

The program has been adjusted once, in 2009 by 5%. It appears that the 4% annual increase in tuition that was predicted in 2006 has not materialized, largely because of current economic conditions.

**Cost Comparison 2006-10
Estimated vs. Actual**



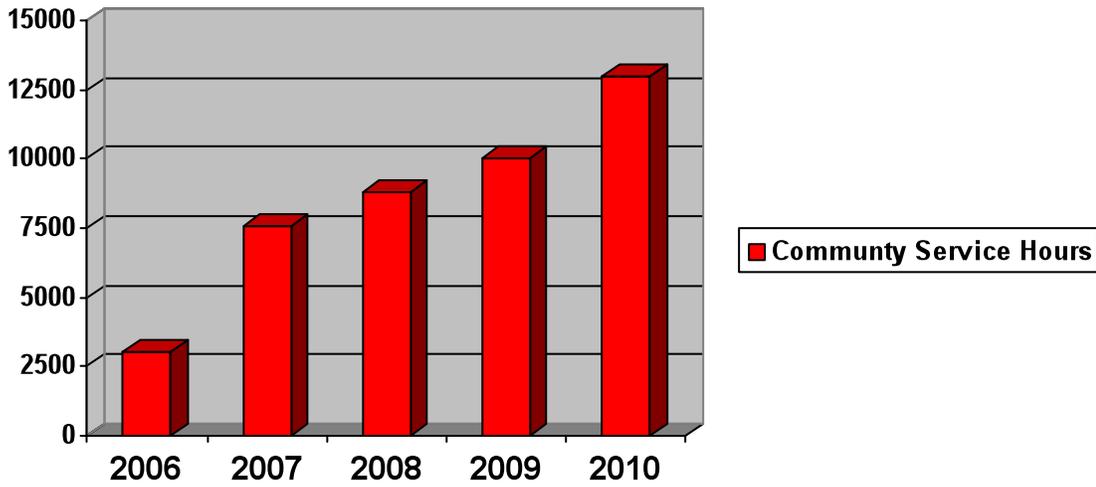
Community Service- One of the ways the program aids the City is through the community service hours provision. The amount of community service performed is dependent upon the amount a scholarship recipient receives.

College Bound Community Service	
Scholarship Amount Received	Hours of Community Service
Less than \$500.00	<i>To be Determined</i>
\$501.00 - \$2,000.00	8 Hours of Community Service
\$2,001.00 - \$3,500.00	16 Hours of Community Service
\$3,5001.00 - \$5,000.00	24 Hours of Community Service
\$5,001.00 - \$6,500.00	32 Hours of Community Service
\$6,5001.00 - \$8,600.00	40 Hours of Community Service

Amount is based per year

During the first year, the program generated just more than 3,000 hours. In 2010, the 415 recipients performed more than 13,000 hours of community service, or about 31 hours on average. The 2010 amount of community service is a 30% increase over hours performed in 2009. Such service is used throughout City government, providing students a firsthand perspective of local government, and the City with much needed assistance. Students are assigned to a variety of functions from office duties, to conducting traffic studies, assisting in the maintenance of City parks and properties, to working at special events and activities.

**Community Service Hours Performed
2006-2010**

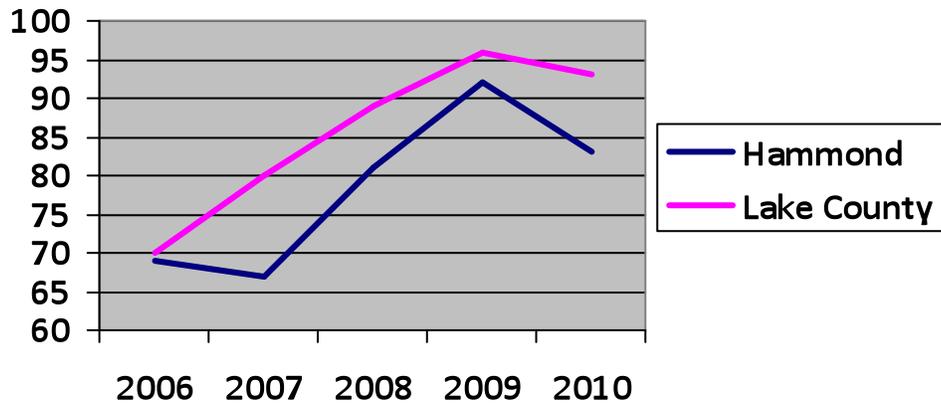


Population Stability/Increased Home Ownership- One of the reasons for the College Bound Program was to create stability and interest in ownership of single family housing in Hammond. Although there is no definitive data available to show whether or not homeowners have remained in Hammond because of College Bound, there is some information that at least can be reviewed to see if a trend exists.

Homesteads- The number of homesteads from 2005 through 2009 stayed relatively stagnant, fluctuating by 85 homesteads over five years. The Lake County Auditor's Office notes that the area has been significantly impacted by the home foreclosure crisis, and that the reduction appeared to be less than anticipated given the crisis. While no conclusion can be made based on a change that is less than $\frac{1}{2}$ of one percent (.005), it appears that in spite of the foreclosure crisis, the number of homesteads in Hammond remained relatively stable.

Average Sale Length- According to data from the Greater Northwest Indiana Association of REALTORS (GNIAR), Hammond homes continue to sell at a faster rate than the average for homes in Lake County. This trend was first reported in December 2006 by the Times of Northwest Indiana and has continued through 2010. Even with the mortgage crisis, single family homes on the market in Hammond sold at a faster rate than other communities. Although there is no way of confirming its impact, one contributing factor may very well be the College Bound program.

Comparison of Sales Duration Hammond vs. Lake County



Comparison of Sales Data			
	Average Days on Market/Average Calendar Days on Market	# of LISTINGS SOLD	
Hammond	2006	69/91	991
	2007	67/91	810
	2008	81/112	594
	2009	92/125	610
	2010	83/112	463
	2006-2010	77/103	3468

	Average Days on Market/Average Calendar Days on Market	# of LISTINGS SOLD	
Lake County	2006	70/98	6117
	2007	80/112	5251
	2008	89/126	4054
	2009	96/135	3715
	2010	93/130	2978
	2006-2010	83/117	22115

Source: Greater Northwest Indiana Association of REALTORS