



# OAKLAND PROMISE

K2C Early College  
Scholarships

Information for City Council

March 17, 2020

# Drivers of Oakland Promise

1. Help families build and acquire funds to pay for college
  - Program Distributed
  - Family-Owned
2. Build college-bound identity of students
3. Financial education for students & parents

# Building a Portfolio of Funds for College



## Portfolio of Funds for College\* (2-year, 4-year or CTE)

Family-owned 529 College Savings Account opened through the BB or K2C Programs (K2C families receive up to \$100 in saving incentives).

529 Plan seeded with \$500 for income-eligible infants in Oakland Promise Brilliant Baby).

Includes: FAFSA, Pell Grants, Dream Act App, EOPS and others.

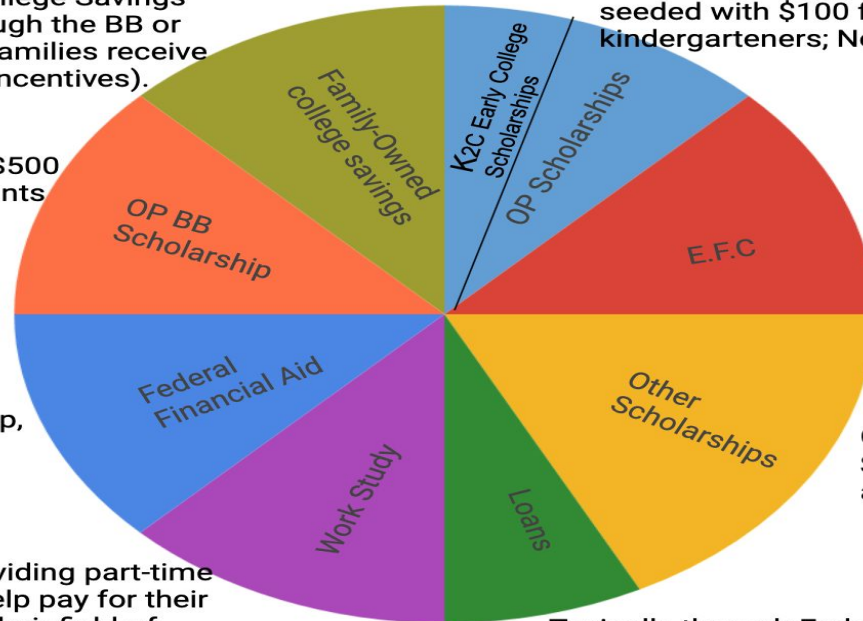
Federal programs providing part-time jobs for students to help pay for their education. Usually in their field of study.

K2C City Early College Scholarship funds seeded with \$100 for Oakland kindergarteners; Need-based OP scholarships

Expected Family Contribution: any form of financial support from parent/guardian.

College/Private Scholarships usually academically-based.

Typically through Federal or private lenders, only as needed.



\*The size of each segment is arbitrarily assigned in this graphical representation

# Best-Practices for Building Family Post-Secondary Assets

1. Program-Owned CSAs make accounts accessible to **all** children
  - With child SSN, 529 Plan can create sub-account (Brilliant Baby)
  - Without child SSN, third party program management software creates sub-accounts on omnibus account (K2C Early College Scholarships)
2. 529 Accounts allow for **investment growth**; bank saving account interest is nominal
3. Support families to open **family-owned** savings accounts for college
  - 529 Plans
  - Bank accounts

# Best-Practice Solutions to Support Family Savings for Children's Education

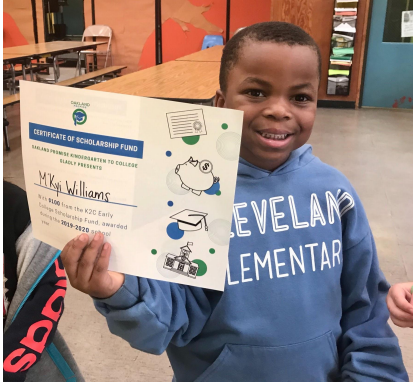
1. Creates savings option for families w/o parent SSN/ITN
  - Self-Help Federal Credit Union
2. Savings option for families who prefer no-growth accounts
  - Self-Help Federal Credit Union
3. How families make deposits
  - Electronic transfer
  - Cash deposits into Self-Help at this time; not 529 Plan
  - CSA field broadly seeks reforms to IRS Section 529 regulations that limit cash deposit into program-owned 529 Plans; and industry practices that don't support cash deposits to family-owned accounts

# Brilliant Baby College Account



- Who: MediCal eligible babies under one year of age
- How: Parents opt-in, sign their child up
- Financial partner: my529
- Account structure: my529 creates individual child accounts using child's SSN
- Funding: \$500 deposited into each child's account
- Investment: "Age-Based Moderate Risk" portfolio of Vanguard funds - growth accrues to child
- Ownership: Oakland Promise

# K2C Early College Scholarship: Held In A Qualified CSA



- Who: All OUSD & Charter-enrolled Kindergarteners from FY16-17 onwards and moving forward
- How: Automatic enrollment
- Financial partner: my529
- Account structure: Omnibus/Master Account at my529 create sub-accounts using VistaShare's OutcomeTracker software (Since without SSN cannot set up separate accounts.)
- Funding:
  - \$100 initial deposit to each student's subaccount - growth accrues to student (City)
  - Additional contributions based on use of philanthropic funds
- Investment: Determined by Oakland Promise Board - growth accrues to students
- Ownership: Oakland Promise

# 100% of Kindergarteners Receive the City-Funded OP K2C Early College Scholarship

**Every kindergarten** student in an Oakland Unified School District - district or charter - elementary school automatically receives a **\$100 college savings account/early college scholarship.**

- Use for 2-year, 4-year or career and technical education
- Families can check their scholarship [here](#)
- Certificate is [here](#)





# OP K2C Early College Scholarship - Family Portal

🔄 k2cfund.oaklandpromise.org



Return to main website



## Does your student have a K2C Early College Scholarship Fund?

Search to see if your student has the \$100 Early College Scholarship Fund from Oakland Promise Kindergarten to College (K2C).



Search your school

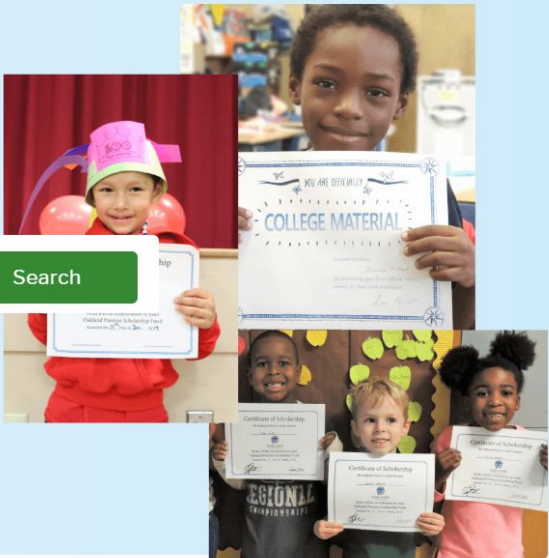


When was your student a Kindergar...



Search

These scholarships are largely funded by the City of Oakland. They are available to students who enrolled in kindergarten in an Oakland Public School starting in 2016-2017. Students will have the opportunity to use the \$100 at a 2- or 4-year college or technical school, no matter if they stay in Oakland or not after Kindergarten. This fund is separate from the college-savings accounts we help our families open. Read more about K2C's Early College Scholarship program [here](#). If you need any assistance or help using this form, please reach out to [k2c@oaklandpromise.org](mailto:k2c@oaklandpromise.org) or call us at [\(510\) 836-8900](tel:510.836.8900) for any questions.



# What Happens to Unused Funds Granted by the City?

1. 100% of City of Oakland funds are restricted to scholarships for eligible K2C Oakland students
2. Eligible for City Funded K2C Early College Scholarships = Each Oakland public student in Kindergarten cohort beginning 2016-2017 to 2020-2021
3. If students do not claim the Early College Scholarship contribution for post-secondary education, unclaimed funds will be redistributed to provide larger need-based scholarships to students in their same cohort

# Family-Owned Accounts: Part of K2C Program



K2C supports families to open their own savings account.



K2C deposits the first \$50 into your child's saving account

K2C deposits an additional \$50 if you save 6 times in the first year



You can earn up to \$100 in K2C incentives for your child's savings account!

# K2C Programming Builds College Student-Bound Identity

- *Every OUSD school is now - district and charter - is eligible to receive K2C programming.*
- Scale: began in 2016-17 with 18 schools, now at 61 out of 74 elementary schools
- K2C programming deepens our impact and includes:
  - Early College Scholarship awareness
  - Creating a college-going culture
    - College visuals
    - College field trips
    - College/career panels
  - Financial literacy
    - Facilitate post-secondary and financial literacy workshop for families
    - Tabling at key school events to educate about K2C resources



# Oakland Promise Scholarships



- Who: OUSD/charter High School Graduates
- How:
  - Currently designated HSs & competitive application.
  - Future: non-competitive & need-based
- Financial partner: Various Investments
- Account structure: None - checks to students
- Funding: OP raises scholarship funds privately
- Investment: Investment decisions by Oakland Promise Board - growth accrues to scholarship fund
- Ownership: Oakland Promise

# Oakland Promise is a 501(c)(3) Non-Profit

- As of July 1, 2019: East Bay College Fund, a 501(c)(3) non-profit, and Oakland Promise, a project under fiscal sponsorship of the Oakland Public Ed Fund, **merged through transfer of assets and adoption of name.**
  - Transfer of Oakland Promise (project of the Oakland Public Ed Fund) assets **to** East Bay College Fund
  - Submission of Amended and Restated Articles of Incorporation to Secretary of State indicating name change, stamped and received by State on June 27, 2019
  - Adoption of East Bay College Fund EIN
  - Filed a Fictitious Business Name (or DBA-Doing Business-As): East Bay College Fund dba Oakland Promise with Alameda County Clerk
  - Per IRS, business name change needs to be filed with 2019 IRS Form 990 tax return to be filed by May 15, 2020.
- EIN: 54-2103707
- Oakland Promise listed with Registry of Charitable Trusts with CA State Attorney General's Office

NCTO

A0830276

2504888  
CERTIFICATE OF AMENDED AND RESTATED --  
ARTICLES OF INCORPORATION  
OF  
EAST BAY COLLEGE FUND

FILED  
Secretary of State  
State of California  
JUN 27 2019

**Our amended articles of  
incorporation**

The undersigned certify that:

1. They are the Chair of the Board and the Secretary, respectively, of East Bay College Fund, a California nonprofit public benefit corporation (this "Corporation").
2. The Articles of Incorporation of this Corporation are hereby amended and restated as set forth in the attached Articles of Incorporation, which are incorporated by reference as it set forth in full in this certificate.

**AMENDED AND RESTATED**

**ARTICLES OF INCORPORATION**

One: The name of this corporation is:

OAKLAND PROMISE

Two: This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for charitable purposes.

Three: This corporation is organized exclusively for charitable purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986, as amended. Without limiting the foregoing, the specific purpose of this corporation is to support children of all ages who live or attend public school in Oakland, California to receive an education and graduate high school with the expectations, resources, and skills to complete college and be successful in the careers of their choice and to provide scholarships, mentoring and support to college-bound students.

Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any future United States internal revenue law) or (b) by a corporation


# See: State of CA Dept. of Justice Registry of Charitable Trust

Oakland Promise  
is a 501(c)(3)  
Non-Profit  
EIN: 54-2103707

Source:

rct.doj.ca.gov/Verification/Web/Details.aspx?result=e6ca0b49-12aa-4a5e-8f4b-c1cbb7697ca2

State of California  
Department of Justice



Office of the  
Attorney General

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## Registrant Details

Entity type: Corporate Class as registered with the Secretary of State or based on founding & registration documents.

Organization Name:	OAKLAND PROMISE	IRS FEIN:	542103707
Entity Type:	Public Benefit	SOS/FTB Corporate/Organization Number:	2504888
Registry Status:	Current	Renewal Due/Exp. Date:	5/15/2020
RCT Registration Number:	122080	Issue Date:	12/31/2005
Record Type:	Charity Registration	Effective Date:	12/31/2005
Date This Status:	2/28/2020	Date of Last Renewal:	

## Mailing Address

Street:	300 FRANK H OGAWA PLAZA SUITE 430
Street Line 2:	
City, State Zip:	OAKLAND CA 94612

## Filings & Correspondence

<a href="#">RRF-1 2011</a>	2011 RRF-1
<a href="#">IRS Form 990 2011</a>	2011 IRS Form 990
<a href="#">RRF-1 2010</a>	2010 RRF-1
<a href="#">IRS Form 990 2010</a>	2010 IRS Form 990
<a href="#">RRF-1 2009</a>	2009 RRF-1
<a href="#">IRS Form 990 2009</a>	2009 IRS Form 990
<a href="#">RRF-1 2012</a>	2012 RRF-1
<a href="#">IRS Form 990 2012</a>	2012 IRS Form 990
<a href="#">Miscellaneous Documents</a>	Miscellaneous Documents
<a href="#">RRF-1 2013</a>	2013 RRF-1
<a href="#">IRS Form 990 2013</a>	2013 IRS Form 990



# What Happens To Grant Funds if Oakland Promise Dissolves as a Non-Profit?

- Oakland Promise will follow the protocol for dissolving and distributing assets to another non-profit.
- Oakland Promise would need to transfer the restricted funds, held in the Omnibus Program College Saving Account to a non-profit with a similar mission and capacity to administer the K2C Program CSA account with linked sub-accounts for kindergarteners. The Governing Board of Oakland Promise would determine the organization to which this would be transferred; or
- If articulated in the grant agreement, the funds could be required to be returned to the City of Oakland.