College Promise –
A Pathway to Greater Equity in Opportunity?
Lessons from across the U.S.

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Executive Summary

Students throughout the United States are facing immense barriers to higher education. The increasing costs of attending college coupled with decades of decreasing public support have pushed students to take on large loans to finance higher education. Student loan debt is now the second highest consumer debt category, following only mortgage loan debt. The Federal Reserve Bank estimated that student loan debt would reach $1.49 trillion in the first quarter of 2019.¹

One response to this crisis is the implementation of College Promise programs. College Promise programs vary, but generally provide financial incentives in the form of fully or partially covered tuition and fees for particular groups of students who attend specified institutions of higher education. Growing in popularity, there are currently over 200 programs.

This brief provides an overview of Promise programs and a more in-depth examination of the Kalamazoo Promise, Georgia HOPE, and Tennessee Promise programs in order to assess how different design elements impact outcomes for students and communities.

Promise programs generally fall into two categories. First dollar programs guarantee a base grant sufficient to cover tuition and fees, allowing federal Pell grants and other awards students might receive to be used to cover living and other expenses. Last dollar programs “top off” any remaining tuition and fees remaining after applying other financial aid.

In general, first dollar Promise programs that are open to all regardless of academic merit or income appear to have the greatest impact on increasing college attainment, closing opportunity gaps across race and income, and improving local economies. Last dollar programs tend to provide more funding to moderate-income students above the cut off levels for need-based financial aid, and especially if combined with merit restrictions and other additional requirements, can exacerbate existing opportunity gaps. However, last dollar programs are also less expensive and can be designed with intensive mentoring and other supports to promote more equitable opportunity.
Background

Access to higher education is key to both community vibrancy and individual opportunity and economic security. In 2017, median individual yearly income for a high school graduate in Washington State was $32,246. Annual incomes increased to $37,871 for those with some college or an associate’s degree and to $57,143 for those with a bachelor’s degree. Higher earnings are also associated with greater access to workplace benefits and higher incomes in retirement.

In addition to the individual benefits, a college education has important spillover effects on society. Government investment in higher education is crucial to community well-being. It produces highly skilled workers, reduces income inequality and crime levels, improves the overall health of a population, creates a more economically competitive environment, and attracts high quality employers.

However, the rising costs of higher education have become a significant barrier for younger generations. Since the 1980s, Washington and other states have shifted a growing share of the tuition burden for public colleges and universities to students. Federal government tuition grants, such as Pell Grants, and student loan subsidies have failed to keep up. Although the United States has high post-secondary achievement levels in comparison to other wealthy countries, educational attainment in the U.S. is also growing at a slower rate. Based on these trends, an increasing number of countries will soon approach or surpass the U.S.

A growing number of states and cities have turned to Promise programs to increase educational attainment by guaranteeing students tuition-free and debt-free college.
Promise Program Design Elements

There are currently over 200 College Promise programs in the U.S., including 23 statewide programs. They include a number of policy approaches, depending on desired outcomes and available funding.

College Promise programs can be oriented to increase post-secondary institution attendance, improve the skills of the local labor force, retain and attract new families, attract employers and businesses, and support economic development. Funding can be from a mix of public and private sources. Some programs base eligibility on residency; others include academic merit, financial need, high school attendance, age at application, school disciplinary records, leadership potential, and/or absence of drug convictions. Some programs include requirements for renewal, including minimum community service hours, minimum GPA, and minimum credit hours taken. Additionally, some are institution-specific, while others are open to all two-year and four-year post-secondary institutions in a given area.

First Dollar vs Last Dollar Approaches

Scholarships fall under two classifications: first dollar or last dollar. The first dollar approach covers tuition and fees regardless of what other financial aid a student receives. This approach allows students to use other forms of aid that they may qualify for to pay for other college-related costs, such as housing, textbooks, childcare, and supplies.

The last dollar approach applies College Promise aid only to any remaining tuition and fees that may exist after applying all other sources of financial aid a student receives. In last dollar programs, the individual typically must cover living expenses and other costs related to college themselves. Last dollar programs end up providing less assistance to lower-income students who qualify for other forms of need-based aid, and can leave those students struggling to cover other necessary expenses.

Middle dollar programs fall in between, guaranteeing last dollar tuition coverage plus some additional amount of aid to meet other expenses.

Residency and High School Graduation Requirements

Most programs have a state or local residency and high school graduation requirement. This approach ensures that resident students alone benefit from free college tuition. It also makes the programs less costly for local taxpayers.

Institutional Restrictions

A large number of Promise programs provide aid to attend community or technical schools only, while older, more established programs tend to be open to four-year colleges and universities as well. The choice to restrict the eligible institutions to two-year community colleges addresses those who often face the largest opportunity gap — nontraditional and low-income students looking for technical training or a professional boost. Programs restricted to one or two years also cost less than those available for four years of higher education.
**Academic Merit**

Many programs require students to achieve a minimum GPA at high school graduation and/or throughout college. For some, a passing 2.0 GPA is sufficient and indicates good academic standing. For others, the academic requirement is much higher.

**Enrollment Intensity**

A large number of College Promise programs require students to attend post-secondary school full-time. The rationale is that students who enroll full-time are more likely to persist through college and graduate sooner than those who attend part-time. This requirement is especially common for programs that cover four-year institutions.

**Enrollment Timing**

For similar reasons, Promise programs often require students to apply within a limited period of time after graduating from high school. Students who enroll in college directly out of high school are more likely to graduate than those who delay entry into a post-secondary institution, according to some studies.

**Additional Requirements**

Additional requirements are becoming increasingly common, including good high school attendance records, lack of school disciplinary records, demonstration of leadership potential, and community service. The intention is to encourage well-rounded and highly motivated students who have “earned” the assistance.
Community Impact

College Promise programs often include the explicit goal of catalyzing the economic and social development of their communities. College Promise programs have the potential for:

a) Promoting a college-going culture  
b) Improving local high schools  
c) Attracting and retaining families  
d) Increasing the number of highly skilled workers in the local economy  
e) Improving economic indicators

The relatively simple message of “free college” can transform the attitudes and performance of students, teachers, and staff in high schools. This is especially true for students from low-income, marginalized, and nontraditional backgrounds. A 2011 study evaluating the impact of Kalamazoo Promise on school climate found that the program increased college-going expectations among students, and the level of encouragement students received from teachers, counselors, and principals. It also found fewer student suspensions and detentions.¹⁰

Promise programs have been associated with increased Advanced Placement course enrollment in Pittsburgh¹¹ and better performance in math and literacy standardized tests in El Dorado. In El Dorado, these gains have been especially strong for African-American students and students from low-income backgrounds.¹²

College Promise programs have also been shown to incentivize families and students to remain in a school district, while encouraging others to move in. A 2016 study of programs in Syracuse and Buffalo, NY found significantly reduced rates of outmigration from those communities for at least three years after the announcement of Promise. These reductions were particularly large among families with children.¹³ Other studies of multiple programs around the country have also found that they resulted in reduced outmigration, increases in overall population, increased economic activity, and stronger housing prices.¹⁴

The impact on the composition of a local labor force is much more difficult to determine. Even without Promise programs present, first-time college students tend to enroll in post-secondary institutions within their state, and students also tend to stay in the state within which they graduated. Programs that limit use of the scholarship to local institutions should, thus, benefit from these tendencies and retain the newly educated talent in the local economy.

On the other hand, evidence also suggests that people with college degrees have higher geographic mobility. In order to keep educated people within the state, the New York Excelsior Scholarship, announced in 2007, included a requirement for two-year residency in the state following the completion of a degree on the scholarship. Graduates who moved out-of-state within this period have their grant converted into a 10-year loan without interest. Studies showed this policy caused confusion and deterred many students from applying.¹⁵
Other programs have engaged with key businesses and partners to encourage mentorship, internships, and networking events to increase the likelihood that students remain in-state. New Haven Promise, for example, includes internship opportunities for the summer. The Pittsburgh Promise includes a grants program to local businesses that employ scholarship recipients. Features like these are alternative options to increase the chances that students will remain in-state following their graduation, contributing to local workforce development and economic vitality.
Comparing Three College Promise Programs

Kalamazoo Promise, Georgia HOPE, and Tennessee Promise are three College Promise programs that illustrate some of the variety in scope, approach, and requirements.

1. Kalamazoo is a city-based, first dollar program with few requirements. The program is restricted to graduates of Kalamazoo city high schools and allows attendance at most post-secondary institutions in the state of Michigan. This includes some private liberal arts colleges that have agreed to fund the difference in costs between their tuition and the tuition at a public university.\textsuperscript{16}

2. Georgia is a statewide first dollar program with strict academic requirements. This program is restricted to a list of eligible in-state public and private post-secondary institutions.\textsuperscript{17}

3. Tennessee Promise is a statewide last dollar program with community service and mentorship requirements. This program is restricted to eligible two-year post-secondary institutions.

The table below compares key features of these three programs, including design and requirement elements. An analysis of the impacts of these program elements on student and community outcomes follows.
**Key Features of Kalamazoo Promise, Georgia HOPE, and Tennessee Promise**

<table>
<thead>
<tr>
<th>Requirements</th>
<th>Kalamazoo Promise</th>
<th>Georgia HOPE</th>
<th>Tennessee Promise</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type of Aid Offered</strong></td>
<td>First dollar on a sliding scale, based on years in the Kalamazoo public school system</td>
<td>First dollar</td>
<td>Last dollar</td>
</tr>
<tr>
<td><strong>Institution Type</strong></td>
<td>Public and eligible private two- and four-year institutions in Michigan</td>
<td>Eligible private and public two- and four-year institutions in Georgia</td>
<td>Eligible private and public two-year community colleges and technical schools</td>
</tr>
<tr>
<td><strong>Educational Achievement</strong></td>
<td>None</td>
<td>Graduate from high school with a 3.0 GPA (with stricter requirements for some)</td>
<td>None</td>
</tr>
<tr>
<td><strong>Financial Need</strong></td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td><strong>High School Graduation</strong></td>
<td>Kalamazoo school district</td>
<td>List of eligible high schools depending on accreditation – both in-state and outside of the state</td>
<td>Tennessee high school or home school program</td>
</tr>
<tr>
<td><strong>Residency/Citizenship</strong></td>
<td>Must be a resident of the school district</td>
<td>U.S. citizen or eligible non-citizen, and legal resident of Georgia</td>
<td>Must be a resident of Tennessee and a U.S. citizen or eligible noncitizen</td>
</tr>
<tr>
<td><strong>Age/Time from High School Graduation</strong></td>
<td>A student may receive the scholarship until 10 years after graduation</td>
<td>A student may receive the scholarship until 7 years after graduation</td>
<td>Applicants restricted to high school seniors and people under 19 years old completing the GED</td>
</tr>
<tr>
<td><strong>Minimum GPA to Remain Eligible</strong></td>
<td>Maintain a 2.0 GPA</td>
<td>3.0 cumulative post-secondary GPA</td>
<td>Maintain a 2.0 GPA</td>
</tr>
<tr>
<td><strong>Full-time Attendance Requirement</strong></td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Community Service</strong></td>
<td>None</td>
<td>None</td>
<td>8 hours of community service prior to each semester of enrollment</td>
</tr>
<tr>
<td><strong>Additional Requirements</strong></td>
<td>None</td>
<td>None</td>
<td>Attend mandatory meetings with mentors</td>
</tr>
</tbody>
</table>
Kalamazoo Promise

The Kalamazoo Promise program is based in Kalamazoo, Michigan, and serves the ethnically diverse Kalamazoo school district. When the Promise program first launched, Black students made up 47 percent of the student population and Latinx students made up 8 percent. Additionally, 28 percent of the school-aged population lived in poverty. Surrounding school districts were primarily white and wealthier, with only 5 percent of the students being Black, 2 percent Latinx, and 8 percent of students living in poverty.18

Similar to many other Midwestern cities, Kalamazoo has employed various strategies to achieve growth and combat poverty in the past several decades following the decline of manufacturing industries. One of these methods is the Kalamazoo Promise program.

The Promise

In November 2005, Kalamazoo announced Kalamazoo Promise after receiving an $80 million donation from an anonymous group of donors.19 The donors had three specific goals:20

1. Increase confidence in the Kalamazoo Public Schools (KPS).
2. Improve educational achievement and attainment.
3. Improve the local economy and encourage community development by attracting families and businesses to the area.

Following implementation, The New York Times reported:21

“Kindergarten teachers put college pennants up in their classrooms. Elementary-school students talk about the differences between Michigan and Michigan State. Real estate agents hype homes within the school district. The name of a local peregrine falcon seen around the city? Promise.”

The Promise is a first dollar program that pays up to 100 percent of tuition and fees at any public college or university in Michigan, and the equivalent for some private colleges. The percentage covered depends on the length of time enrolled in a Kalamazoo Public School. Students who have been enrolled continuously in the district and are residents of Michigan are eligible for the program. The scholarship pays for up to 130 credits, which is a little more than what is needed to complete a bachelor’s degree. Full time enrollment is required except at Kalamazoo Valley Community College, where part-time enrollment is permitted. The application process is simple, consisting of a one-page form. The only other requirement for students to remain eligible is to maintain an overall GPA of 2.0. As such, the Kalamazoo Promise is one of the most generous and open place-based financial aid programs in the U.S., serving as an example for many other programs.

Outcomes

The W.E. Upjohn Institute for Employment Research has been following the progress of the Kalamazoo Promise closely, with support from the Lumina Foundation. Researchers from the Upjohn Institute used the unexpected announcement of the Promise as an opportunity to study the impact of aid on
students as a natural experiment, comparing students eligible to receive awards with similar students who were not eligible for awards.22

**Enrollment and Persistence**

Studies showed that the Kalamazoo Promise changed students’ perception of their ability to attend college and significantly increased college enrollment after high school graduation. Students, educators, and staff become more likely to promote college as a viable option. Eligible KPS high school graduates were 14 percent more likely to enroll in a post-secondary institution within six months of high school graduation between 2005 and 2013 than similar students before the implementation of the Promise.23 The likelihood of enrollment of Promise-eligible students at four-year colleges increased by 23 percent within the same period. This suggests that when financial constraints were removed, many Promise-eligible students chose to enroll at four-year colleges rather than two-year colleges.24

Additionally, Promise-eligible KPS students increased the number of credits they completed by just over three credits two years after high school graduation, and 6.6 additional credits four years after high school graduation.25 The increases were particularly strong among students who enrolled in four-year colleges.26 These changes were in part due to the significant decrease in the financial burden that often acts as a barrier to enrollment and persistence.

**Completion**

Promise-eligible students who attended post-secondary institutions were also more likely to graduate. The Promise increased credential achievements, including certificates, associate degrees, and bachelor’s degrees of Promise-eligible KPS students by an estimated 28 percent within six years of graduation. Attainment of bachelor’s degrees specifically rose by 25 percent.27

**Outcomes across Race, Gender, and Income**

Enrollment at four-year colleges within six months of high school graduation among low-income Promise-eligible KPS students increased by about 50 percent, twice the rate of increase for higher-income students.28 Additionally, 47 percent more low-income, eligible KPS students completed their bachelor’s degree within six years following the implementation of Promise. Higher-income students experienced a lower, but still impressive, 29 percent increase in bachelor’s completion within six years. Students of color attempted 5.4 more credits within two years of high school graduation, while white students experienced a minimal effect.29
Georgia HOPE Scholarship

The Georgia HOPE scholarship is one of the oldest Promise-style scholarship programs in the U.S. Established in 1993, Georgia HOPE is a merit-based, first dollar program funded by the state lottery.

Prior to the establishment of Georgia HOPE, college enrollment rates of 18- and 19-year-olds in Georgia was low relative to other southeastern states. As a result, Georgia HOPE initially generated excitement. However, the program faced various challenges in remaining popular, viable, and sustainable, including rising tuition costs, rising enrollment growth, and stagnant lottery revenues.

In 2008, Georgia’s legislature began restricting eligibility to students who had been Georgia residents for at least 24 months before application. Another change increased the requirements for homeschooled students, students who graduated from ineligible high schools, and GED students. In 2011, further legislation limited the HOPE scholarship by raising standards, reducing the number of scholarship recipients, restricting the scholarship to 90 percent of tuition, no longer covering books and fees, and not covering tuition increases following freshman year. More recently, Georgia policymakers have allowed lottery reserves to pile up while higher education students have been forced to take on higher loans, raising questions about priorities and the program’s future.

The Scholarship

Georgia launched the HOPE scholarship in 1993 with four goals:

1. Increase academic achievement in high school by rewarding academic excellence with free tuition at any Georgia post-secondary institution;
2. Increase the percentage of high school students who choose to attend college by reducing the costs;
3. Keep the highest achieving students in Georgia by providing them with a financial incentive to attend college in-state;
4. Improve and increase the skilled labor force of Georgia, thus improving the economy.

The scholarship is a merit-based, first dollar program that covers tuition for all eligible high school graduates at any eligible Georgia post-secondary institution. Students must meet the minimum 3.0 GPA academic requirement in high school to be eligible for the program. To remain eligible, students must maintain this average GPA throughout college. Initial iterations of the program also included an income cap to focus the scholarship on middle- and low- income students, although this cap was removed completely by 1995.

Outcomes

Several institutions and researchers have studied the impact of Georgia HOPE on enrollment, completion, and opportunity gaps in Georgia. This brief draws on four studies in particular. Studies conducted in 2006 and 2013 examined the scholarship’s impact on overall college enrollment, persistence, and completion. A 2000 study focused on which design elements of the scholarship...
benefited some groups over others. A 2011 study examined how changes to the scholarship have impacted these outcomes.

Enrollment

Georgia HOPE significantly increased the likelihood that 18- and 19-year olds would go to college and increased freshman enrollment by approximately 6 percent from 1993 to 1997. Four-year institutions, especially private colleges in the state, were the biggest beneficiaries of this increase. About two thirds of the increase was a result of students opting to stay in-state for college rather than newly deciding to attend college at all.

Additionally, the high academic requirements meant that the average SAT scores of freshmen enrolled in Georgia’s public colleges rose by almost 40 points after the implementation of HOPE, while scores in the rest of the U.S. rose only slightly. These effects were particularly strong among African Americans, and more specifically, among African-American girls.

Persistence and Completion

HOPE scholarship receipt induced students who had GPAs of 3.0 to persist and complete their college education in four years, in comparison to similar students that did not receive the scholarship. However, the scholarship’s merit requirements have made retention and completion a challenge for many. In the 1997-1998 academic year, 54 percent of freshmen could not make the 3.0 GPA requirement and lost their scholarship the following year.

The merit requirement effect is heightened when race and income are considered. At the University of Georgia, for example, Black students are twice as likely to lose their scholarship after freshman year as white students. Therefore, despite the greater enrollment rates of African-American students, these students are also more likely to lose their scholarship than other scholarship recipients.

Outcomes across Race, Gender, and Income

The 2000 study concluded that the HOPE scholarship favors middle- and high-income students as a result of the restrictive academic merit requirement and the state lottery funding of the program.

A strong relationship exists between wealth, parental education, and academic achievement and a student’s decision to go to college. The 2000 study found that there was an increase in the concentration of white students by 12.3 percentage points in Georgia’s universities between 1993 and 2000, but no such increase among Black students. Similarly, among higher-income families, enrollment and attendance increased by 11.4 percentage points, while there were no similar increases among low-income students. This is likely due to the academic requirements. The 2000 study found that in the high school graduating class of 1992, 21 percent of white students had a GPA of 3.5 or above, while only 4 percent of Black students did.

Funding the program solely through the state lottery also undermines equity across income and race. Lotteries are implicitly regressive taxes. Low-income households spend a higher proportion of their
income on lotteries, and therefore disproportionately fund the HOPE scholarship. According to various analyses, higher income and white households appear to experience the greatest gains from the scholarship. As a result, the scholarship has redistributed resources from low-income households and students of color to higher-income, white households. The removal of the income cap for recipients exacerbated this effect.\textsuperscript{41}

**Tennessee Promise**

Tennessee established the Tennessee Promise program in 2014, following the success of a smaller-scale program based in Knox County called Knox Achieves. The goal of the Tennessee Promise is to increase higher educational opportunities for Tennessee high school students by providing last dollar scholarships and mentorship guidance at eligible two-year Tennessee institutions.

Tennessee Promise was designed to address two problems: Tennessee’s low college graduation rates compared to surrounding states, and the lack of a skilled workforce for the changing economic environment. Tennessee Promise joined well-established scholarship programs, such as the state’s first dollar, merit-based HOPE program, and is funded, along with other programs, by the state lottery.\textsuperscript{42}

**Knox Achieves – The Predecessor**

Knox Achieves was a last dollar scholarship for high school students applying to community colleges and technical schools. It assigned students with a volunteer mentor who supported the student in their college application process, including filling out the FAFSA and other grant applications. Students were required to meet with their mentors regularly throughout their last year of high school and in the beginning of their community college careers. Students had to maintain their college enrollment status, while also staying in contact with mentors and completing an eight-hour community service project each semester. Businesses and civic leaders in Knox County exclusively provided funding for the program for three years. Following its establishment, Knox Achieves grew to cover 22 counties across the state, and eventually grew to the publicly funded Tennessee Promise program.

A comprehensive study of post-secondary outcomes in eastern Tennessee from 2006-2007 through 2010-2011 found that participation in the program was strongly associated with increased graduation rates from high school and increased enrollment in two-year programs. There was also a slight drop off in four-year college enrollment. Participating students also earned 6.8 more credits (about two classes). Most of this increase in the likelihood in enrolling in and graduating from a two-year program came from those who would otherwise not have enrolled in college, meaning that the scholarship had a greater impact on the college-going than the college-choice margin. This was particularly the case for women, students of color, and students from low-income backgrounds.

Additionally, those who received the least amount of money from the scholarship were also the ones who experienced the greatest gains. Typical of last dollar programs, these students were low-income students. This evidence suggests that a large aspect of the success of this program may have come from the mentorship component, which helped students navigate the college application process and
fill out financial aid forms so that they received Pell grants and other forms of aid, enabling them to attend post-secondary schools.43

Outcomes

Knox Achieves inspired and served as the model for Tennessee Promise. The Tennessee Promise provides students with last dollar funding at any eligible two-year institution. These students can then also choose to continue in a four-year university, having saved two years of university tuition. Tennessee Promise thus helps boost educational attainment and addresses the need in the economy for a trained workforce.44

Enrollment and Persistence

In its first year of operation in the 2015-16 school year, 16,206 students enrolled in higher educational institutions on Tennessee Promise scholarships. Community colleges in the state saw a 27.7 percent increase in freshman enrollment over the previous year, technical colleges a 20 percent increase, while the four-year University of Tennessee experienced a 5.5 percent decrease.45 The number of students enrolled on Promise scholarships has increased each year since, to over 18,000 in the fourth cohort of students. The impacts on Tennessee’s institutions of higher education have leveled off. From the fall of 2014 to the fall of 2017, freshman enrollment increased 21.8 percent at community colleges and 0.7 percent at the University of Tennessee.

Promise students continued in school from term-to-term and year-to-year at higher rates than those who did not qualify for Promise. The overall year-to-year persistence rates in Tennessee for Promise students was 63 percent, 5 percentage points higher than persistence rates for non-Promise students.

Completion

On average, Tennessee Promise students stayed well above the minimum 12 credit hours per semester and 2.0 cumulative GPA required to maintain eligibility.46 However, while persistence rates have been strong, some researchers have found a negative association between the restriction to two-year institutions and bachelor’s degree attainment.47

Outcomes across Race, Gender, and Income

Tennessee Promise appears to be closing opportunity gaps across race, gender, and income. Female applicants to two-year programs are growing at a faster rate than male applicants. Applications from and enrollment of African Americans and Latinx students have increased steadily, though they continue to be underrepresented among Tennessee Promise students, and students of color apply for the program at much higher rates than they enroll. First-generation college students comprise about 40 to 50 percent of all Tennessee Promise students. Additionally, the mean adjusted gross income of Promise students is falling, meaning more low-income students are enrolling in the Promise Program.48
Lessons from Promise Programs

The goals of Promise programs across the nation follow common themes:

- Reduce opportunity gaps in the community;
- Improve high school achievement by promoting a college-going culture;
- Improve college-going rates, persistence, and graduation rates;
- Improve the local economy by
  - Improving the skills of the local workforce
  - Reducing outmigration by retaining and attracting new families
  - Attracting new businesses and quality employers.

The experiences of communities nationwide can guide other states in designing Promise programs. The following are some key takeaways:

**First dollar programs are more likely to reduce opportunity gaps.**

First dollar programs cover tuition and fees regardless of other financial aid the student receives, while last dollar programs cover any tuition and fee costs not covered by other financial aid. As a result, middle- and high-income students receive more aid from last dollar Promise programs than do low-income students, who often qualify for other forms of financial aid. The first dollar approach allows students to cover additional costs with Pell grants or other financial aid, while last dollar programs leave individuals to cover living expenses on their own. Costs beyond tuition, such as housing, food, childcare, and textbooks, pose a greater barrier to low-income students than to middle- and high-income students.

From a direct public cost perspective, last dollar programs require less up-front investment. From an equity standpoint, however, this approach does less to support degree completion and opportunity for low-income students, and so does less to boost community health and economic development.

**Residency and local high school graduation requirements may be good for the local economy, but need careful implementation to ensure they do not widen opportunity gaps.**

Residency requirements can be helpful in reducing outmigration, attracting families into the community, and improving the local workforce. Kalamazoo Promise and other programs have certainly demonstrated community benefits from scholarships focused on local high school graduates. Some programs, such as the New York Excelsior programs, attempt to guarantee these benefits by imposing a post-secondary graduation residency requirement. This provision, instead, has deterred many from applying and caused confusion and financial strain upon graduation for many. Other programs have used the residency requirement as a cost-cutting tool. For example, in the wake of the recession, the Georgia HOPE scholarship program started restricting the program to students who had been Georgia residents for at least 24 months before the application date.
Inclusivity requires balancing multiple considerations. Legal state residency requirements can bar undocumented students from participating in Promise programs. Basing eligibility instead on graduation from an in-state or city high school may enable these students to participate. On the other hand, local high school graduation requirements can be detrimental for adult students who may have relocated and desire training for a new career.

**Enrollment timing requirements can come at the detriment of non-traditional students.**

Many programs are open only to students who recently graduated from high school. Among all higher education students, those who enroll immediately after graduation are more likely to persist and graduate within six years than those who delay entry into higher education. However, in addition to making Promise programs inaccessible to older students seeking career development and vocational training, such requirements also can pose barriers to students of color, from low-income families, or with care-giving responsibilities who are more likely to need to work and delay post-secondary enrollment. To address the lack of access to post-secondary institutions and financial aid for adult students, programs should be open or create specific sub-programs for adults and nontraditional students.

**Full-time attendance requirements can put adult and low-income students at a disadvantage.**

Full-time enrollment is a strong predictor of degree completion and persistence across higher education in general. However, only 60 percent of students enroll full-time at community colleges, and at some point before completing degrees or certificate requirements, 83 percent enroll part-time or take a break in attendance at least once. Requiring full-time attendance by students who need to work and provide for families can be counterproductive in closing opportunity gaps. A study of New York’s Excelsior scholarship program, for example, found that high credit requirements (that is, full-time enrollment) were the primary reason that students were rejected. Allowing for part-time attendance can ensure that opportunity gaps between traditional and nontraditional students do not grow.

**Requiring students to attend two-year institutions rather than four-year institutions can impact the college-choice margin more than the college-access margin.**

Some researchers argue that the two-year institution requirement affects the college choice margin (where and what school students choose to attend) more than the college access margin (whether or not students can attend school at all and their ability to attain a college degree). Several studies also indicate that institution-specific programs may encourage high-achieving, low-income students to enroll in less selective institutions than they could have otherwise enrolled in, resulting in lower bachelor’s degree completion rates. Other studies find that these results are overstated. They argue that students who would have otherwise enrolled in four-year colleges only represent a small minority of the community college
population.\footnote{53} A two-year institution limitation may be useful for rural, economically depressed towns that would benefit from strong community colleges that act both as training sites for a more skilled workforce and as community centers that boost social development.\footnote{54}

**Academic merit requirements can widen existing opportunity gaps.**

Additional requirements can vary in impact and should be considered with an equity lens to ensure that they do not impose greater barriers to students. Requirements, such as barring students with disciplinary records or high school attendance problems can exclude students of color who are more likely than white students to be suspended or otherwise disciplined for similar behaviors, those who hold jobs, and students with dependents. On the other hand, however, requiring students to participate in a mentorship program can help overcome barriers.

For example, the Tennessee Promise program employs a last dollar approach, which in many programs concentrates the gains among middle-class and high-income students. However, the evidence suggests that Tennessee Promise provides a particularly strong boost to college attendance for students from low-income backgrounds, even though they received little or no financial aid directly from the program. Rather, mentors during their senior year of high school provide assistance filling out the FAFSA, applying for other kinds of aid, and navigating the college application process, removing those barriers for first generation college students.
Conclusion

With college tuition high and rising, students today face a bleak decision: take on a large amount of debt or struggle to find a living wage job without a post-secondary degree or training. In this changing economy, many communities are also struggling to define a path to economic and social prosperity. The variety of College Promise programs around the country demonstrate that when thoughtfully designed, these programs can be highly successfully in promoting individual student success, reducing inequality and opportunity gaps, and revitalizing local economies.
Endnotes


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