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# How do Promise programs benefit states?

Lead author: Gresham Collom

*Statewide Promise programs are generally bipartisan efforts that may result in increased college enrollment and reduced student loan debt.*

**States enact Promise programs to create a better-educated workforce and make it easier for residents to obtain postsecondary degrees or credentials. Broadly accessible statewide Promise programs, whether for high school graduates or adults (or both), can increase college-going aspirations, raise FAFSA application rates, and lead to higher postsecondary enrollment. There is also some early evidence that they reduce student loan debt. Statewide Promise programs are found in both Democratic- and Republican-led states and generally enjoy high levels of bipartisan support.**

## Policy Considerations

- Meeting state workforce goals will be easier if Promise programs are open to a broad segment of the population and program rules are simple and easy to understand.
- Changing program rules from year to year will complicate messaging and may reduce program usage.
- Including both two-year and four-year postsecondary options benefits both students and the state, as bachelor's degrees have high returns when it comes to earnings.
- Statewide Promise programs can serve as catalysts for improving state higher-education policy.

## What We Know

Policymakers have implemented Promise programs primarily to meet the growing need for college-educated individuals in the workforce, to further attract and keep employers, and to improve state economies.<sup>1</sup> Some also aim to address the rising price of college and make higher education more accessible to historically marginalized groups. Statewide Promise programs often garner bipartisan support, especially when they are framed as workforce investment policies that fit into larger statewide economic priorities, and in some places the business community has been instrumental in their enactment.

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<sup>1</sup> Lumina Foundation. (n.d.) [A stronger nation report](#).

Currently, about half the states offer broadly inclusive Promise programs.<sup>2</sup>

These are distinct from a previous generation of statewide merit-based aid programs, some still in existence, that sought to keep talented high school students in state for college.<sup>3</sup> While these earlier programs focused on high-achieving students, offering them a free ride to four-year public institutions, statewide Promise programs represent a broader human capital investment strategy. Most do not have high school GPA requirements, and all but a few emphasize the community and technical college sectors.

Beyond workforce development, increased postsecondary education attainment serves state needs by

- helping attract and retain state residents while strengthening educational opportunities for their children;
- supporting employers through formal partnerships that take the place of workplace training; and
- reducing expenditures on Medicaid, unemployment, and other safety net programs.<sup>4</sup>

Research on statewide Promise programs is limited; however, existing research points to several immediate benefits. Creating Promise programs has direct, positive effects on high school students, including increases in FAFSA completion rates.<sup>5</sup> Access to a Promise program increases college-going intentions among high school students by an estimated 12.4%–21.8%, with even larger increases among low-income and minority students.<sup>6</sup> Research also reveals increases in college enrollment and decreases in the overall costs of attending college; the Tennessee Promise and Oregon Promise led to a jump in postsecondary enrollment, particularly at public institutions<sup>7</sup> and among Black/Hispanic students.<sup>8</sup> Promise programs may also decrease students' reliance on loans. One study conducted in Tennessee revealed a decline in student loan debt in over 40% of first-time student loan borrowers.<sup>9</sup>

Because of the relative newness of these programs, the complexity of statewide economies, and data-related challenges, little is known about the longer-term effects of statewide Promise programs, especially their impact on earnings and employment. Modeling of a hypothetical statewide Promise program for Illinois shows high returns through both enhanced earnings and fiscal flows;

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<sup>2</sup> Campaign for Free College Tuition. (2022). *Making public colleges tuition free: A briefing book for state leaders*. Campaign for Free College Tuition.

<sup>3</sup> Sjoquist, D. L., & Winters, J. V. (2012). *State Merit-based Financial Aid Programs and College Attainment* [Discussion Paper No. 6801] IZA.

<sup>4</sup> Oreopoulos, P., & Salvanes, K. G. (2011). *Priceless: The nonpecuniary benefits of schooling*. *Journal of Economic Perspectives*, 25(1), 159–184.

<sup>5</sup> Urquhart, Molly Osborne. (2020). *Tennessee currently leads the nation in FAFSA completion. Here's how they did it*. EdNC.

<sup>6</sup> Odle, T. K. (2022). *The power of "free" college: Reducing racial and socioeconomic inequalities in college expectations*. (EdWorkingPaper: 22-565). Annenberg Institute at Brown University.

<sup>7</sup> Bell, E. (2021). Estimating the spillover effects of the Tennessee Promise: Exploring changes in tuition, fees, and enrollment. *Journal of Financial Aid*, 50(1), Article 4; Gurantz, O. (2020). *What does free community college buy? Early impacts from the Oregon Promise*. *Journal of Policy Analysis and Management*, 39(1), 11–35; House, E., & Dell, M. (2020). *Keeping the promise: Early outcomes of Tennessee's tuition-free college initiative*. In Perna, L. W. and Smith, E. J. (Eds.), *Improving research-based knowledge of college promise programs* (pp. 151–172). American Educational Research Association.

<sup>8</sup> Nguyen, H. (2020). *Free college? Assessing enrollment responses to the Tennessee Promise program*. *Labour Economics* 66. Advance online publication; Gurantz, O. (2020). *What does free community college buy? Early impacts from the Oregon Promise*. *Journal of Policy Analysis and Management*, 39(1), 11–35.

<sup>9</sup> Odle, T. K., Lee, J. C., & Gentile, S. P. (2021). *Do Promise programs reduce student loans? Evidence from Tennessee Promise*. *Journal of Higher Education*. Advance online publication.

“ As a direct result of our investment in tuition-free college and career training for New Mexicans, higher education enrollment is on the rise for the first time in over a decade. ”

Gov. Michelle Lujan Grisham, [October 2022](#)

however, these returns exceed program costs only over the medium-term.<sup>10</sup> Research into the workforce impacts of a group of local Promise programs (the Kalamazoo Promise, Knox Achieves, and the Pittsburgh Promise) generated inconclusive results in terms of earnings.<sup>11</sup>

As with other categories of Promise programs, statewide Promise programs vary in terms of key design parameters, and these variations shape usage and impact. The Tennessee Promise, for example, is open to virtually all high school graduates, while a companion program, Tennessee Reconnect, is available to independent, typically older, students. There are very few eligibility requirements, and usage of the scholarship has been high.<sup>12</sup> In contrast, New York’s Excelsior Scholarship has a number of requirements, including stay-in-state provisions and credit minimums, that have suppressed usage.<sup>13</sup> The program has been criticized for limiting career prospects of students in the military, students pursuing graduate or professional school, and those with better career prospects outside the state.<sup>14</sup> Its structure also means that most of the benefits flow to middle- rather than low-income students.<sup>15</sup> The

Oregon Promise has changed its requirements along the way, injecting an element of uncertainty and increasing confusion around program benefits.

Several other design elements introduced in statewide Promise programs bear mention. Some Promise programs include field-of-study requirements for STEM or in-demand occupations. For example, the Arkansas Future Grant requires students to enroll in an approved STEM certificate or associate degree program. Similar requirements can be found in Indiana, Kentucky, and West Virginia.

Another important design decision is eligibility based on age. Most states limit Promise eligibility to recent high school graduates. Several states include older students either through a separate program targeted toward adults without degrees (e.g., Tennessee, Michigan), or by having no age limitations for program eligibility (e.g., New Mexico, Washington).

In general, having more eligibility requirements—whether high school GPA floors, credit minimums, stay-in-state rules, field-of-study limitations, mandatory mentoring, or community service requirements—will increase program complexity and

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<sup>10</sup> Bartik, T., Miller-Adams, M., Pittelko, B., & Timmeney, B. (2021). [Returns from statewide tuition-free college: Modeling an Illinois Promise](#). W.E. Upjohn Institute for Employment Research.

<sup>11</sup> Carruthers, C. K., Fox, W. F., & Jepsen, C. (2022). [What Knox achieved: Estimated effects of tuition-free community college on attainment and earnings](#). (Working paper); Hershbein, B. J., McMullen, I., Pittelko, B., & Timmeney, B. F. (2021). [Beyond degrees: Longer term outcomes of the Kalamazoo Promise](#). (Upjohn Institute Working Paper No. 21-350). W.E. Upjohn Institute for Employment Research.

<sup>12</sup> Collom, G. D. (2022). [A quasi-experimental investigation of adult student enrollment responses to the Tennessee Reconnect Grant](#). *Community College Journal of Research and Practice*.

<sup>13</sup> Quinlan, C. (2017, April 10). [There are a lot of strings attached to New York’s tuition-free plan](#). Think Progress.

<sup>14</sup> Billings, M. (2018, September 18). [Understanding the design of college promise programs, and where to go from here](#). Brookings Institution.

<sup>15</sup> Hodara, M., & Childress, L. (2021). [What were the reach and impact of the Oregon Promise financial aid program in its first two years?](#) (REL 2022–119). U.S. Department of Education, Institute of Education Sciences, National Center for Education Evaluation and Regional Assistance, Regional Educational Laboratory Northwest.

make it harder for students to access funding. They also increase the administrative burden on students and program administrators. Frequent changes in program rules, including student eligibility, benefit levels, or other requirements, will also make it more difficult for students to understand benefits and can undermine confidence in program terms.

The implementation of a statewide Promise program can serve as a platform for needed changes in higher-education policy at the state level. Such changes might include efforts to strengthen and clarify degree pathways and smooth transfer protocols across institutions, or changes to the nature of developmental (non-credit-bearing) coursework at community colleges. Further, states can expand on promise program policies to provide additional funding or support (such as completion grants and college coaching in Tennessee<sup>16</sup>) to students with increased financial need or hardship, or students otherwise considered at risk.

### Recommended Reading

Iriti, J., & Miller-Adams, M. (n.d). [Promising monitoring and evaluation framework](#). W.E. Upjohn Institute for Employment Research.

*This tool, developed with support from Lumina Foundation, proposes a theory of change for how Promise Programs change outcomes in a variety of areas and suggests potential indicators for program stakeholders to track. Indicators span three spheres, including Community and Economic Development. A list of indicators can be downloaded [here](#).*

Campaign for Free College Tuition. (2022, Revised). [Making public colleges tuition free: A briefing book for state leaders](#). Campaign for Free College Tuition.

*A compendium of existing statewide Promise programs and “how to” guide for state leaders covering best practices and steps needed to launch a statewide Promise program.*

Jones, T., Ramirez-Mendoza, J., and Jackson, V. (2018). [A promise worth keeping](#). The Education Trust.

*This report reviews statewide Promise programs through an equity lens and sets forth criteria states should adopt if they want their Promise programs to reach those students who struggle the most to pay for college.*

Quinton, Sophie. [‘Free college’ is increasingly popular—and complicated for states](#). The Pew Charitable Trusts.

*This news article summarizes voices from lawmakers and researchers who advocate for and those who are skeptical of promise programs.*

### State-Specific Studies

Burkander, K., Kent, D., & Callahan, K. (2019). [The case of Oregon Promise: An early adopter focused on broadening access](#). Research for Action.

*This report is an accessible evaluation of the Oregon Promise. It contains key statistics, as well as discussion of the specifics of the program. It also contains discussion of the effects the program has had so far, and issues that have arisen.*

Hodara, M., & Childress, L. (2021). [What were the reach and impact of the Oregon Promise financial aid program in its first two years?](#) U.S. Department of Education, Institute of Education Sciences, National Center for Education Evaluation and Regional Assistance, Regional Educational Laboratory Northwest.

*See also the [infographic summary](#) based on the same report. This report discusses the research on the effects of the Oregon Promise during its first two years of implementation. It discusses the demographics of students who attended, eligibility levels and requirements, and preliminary findings on college completion rates of students who started college during these first two years. It concludes with a section on the implication of these findings for policymakers.*

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<sup>16</sup> [ACT to amend Tennessee Code Annotated, Title 49 relative to completion grants for Tennessee Promise scholarship students, Senate Bill 0229](#) (n.d.).

“ Every Rhode Islander needs training or education to get a good job and deserves access to that education, regardless if they’re from a rich family or poor one. ”

Gov. Gina Raimondo - Rhode Island Promise

Institute of Education Sciences. (2021). [Oregon’s promise to cover the cost of community college tuition.](#) U.S. Department of Education, Institute of Education Sciences, National Center for Education Evaluation and Regional Assistance, Regional Educational Laboratory Northwest.

*This is a helpful infographic containing data on Oregon Promise student demographics, academic progress, and outcomes.*

Meehan, K., Hagood, S., Callahan, K., & Kent, D. (2019). [The case of Tennessee Promise: A uniquely comprehensive Promise program.](#) Research for Action.

*This report is an accessible evaluation of the Tennessee Promise. It contains key statistics, as well as discussion of the specifics of the program. It also contains evaluations based on feedback from students of specific aspects of the program.*

Podesta, K., Spires, L., & Wilson, P. (2022). [Tennessee Promise evaluation.](#) Tennessee Comptroller of the Treasury Office of Research and Education Accountability.

*This report is an evaluation of the Tennessee Promise program by the Tennessee Comptroller of the treasury. It discusses the details of the program, the demographics of who applies, and which colleges they attend, and student retention rates and credit accumulation.*

Scott-Clayton, J. E., Libassi, C. J., & Sparks, D. D. (2022). [The fine print on free college: Who benefits from New York’s Excelsior Scholarship?](#) Urban Institute.

*This report describes low and uneven take-up of New York’s Excelsior Scholarship among City University of New York students.*

Spires, L., Johnson, A., & Thibaul, J. (2022). [Tennessee Reconnect grant evaluation.](#) Tennessee Comptroller of the Treasury Office of Research and Education Accountability.

*This report is an evaluation of the Tennessee Reconnect grant by the Tennessee Comptroller of the treasury. It goes over the structure of the grant, the demographics of who applies, and the research on outcomes for students using the Tennessee Promise.*

Tennessee Higher Education Commission. (2021). [Tennessee Promise annual report.](#)

*An in-depth yearly report on the Tennessee Promise by THEC containing detailed statistics, a description of the program, and discussions of the demographics of Promise students and their educational outcomes.*