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What are the main cost components of a Promise program?

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The cost of Promise programs is highly variable, depending mainly on program design.

The cost of establishing and operating a Promise program will vary based on key design parameters, especially which institutions Promise recipients are permitted to attend and whether a scholarship is applied before or after other forms of grant aid. Most Promise program resources go toward scholarships; student support services are sometimes funded directly by the Promise program but more often are supported through partnerships. Staffing and administrative costs, the cost of marketing/outreach, and evaluation resources to assess program impact are other important cost components.

Policy Considerations

- Stakeholders can use cost estimator calculators (see Recommended Reading) to estimate the costs of different design choices, support services, and staffing levels for several years of the Promise program.
- Consider a pilot program in a program's initial years to ensure resources are sufficient to cover costs and meet demands for growth.
- Cost-sharing agreements with postsecondary or other college access partners can help support student services, staffing, and administrative expenses.
- Evaluation costs can be reduced by partnering with interested faculty, graduate students, or nonprofit organizations that have the capacity to carry out evaluations or write grants to support them.

What We Know

Promise programs vary in the benefits that they offer students. Typically, Promise programs include scholarships that cover tuition or tuition plus mandatory fees, but in a few cases they also cover other expenses such as room and board or books. Program costs will depend on key design decisions; the most important of these from a cost standpoint are which institutions Promise students can attend (with the two-year sector being markedly less expensive than four-year institutions), and when scholarship dollars are applied relative to other forms of grant aid (first-dollar, last-dollar, or middle-dollar).

In addition to scholarships, some Promise programs offer student support services. These may include student advising, academic coaching, career counseling, mentoring, community building activities, summer orientation or bridge programs, tutoring or study skills support, and workshops on specific topics to help students transition to college. The College Promise Campaign,¹ MDRC,² and WestEd³ have surveyed different Promise programs and found that the typical support services offered include academic advising and coaching, career counseling, and summer orientation and bridge programs. These support services are paid for either by the program or through a combination of philanthropic and external partnerships. In a survey by the College Promise Campaign that included 134 local and state Promise program respondents, about 70% of Promise programs offered some student support services and 25% reported that they contributed zero dollars to those services. For the 44 programs that provided information on the amount they spent on student support services, survey participants paid a median amount of \$150,000 and a mean amount of \$547,595. One program reported spending \$15 million.⁴

Cost-sharing agreements may allow for the Promise program to offer more services and resources to their students than the program may be able to afford on its own. If local college access programs

have overlapping missions, it may be beneficial for Promise programs to combine forces for student services and other programming to reduce costs. Promise programs may also want to partner with postsecondary foundations that can help them fundraise for scholarships and support services for students.

Promise programs also need to consider the costs of overhead and program administration. They need staff to advertise the program, its requirements, and benefits to eligible students and their families. Once students apply, Promise program staff must process applications to ensure that applicants meet the requirements, admit students into the program, and plan and implement programming for the Promise recipients. Promise programs may need to fundraise and solicit donations from the community to help fund the program. They may also need staff to collect data and analyze the program to provide evidence of its impact and to ensure that the program is meeting its goals. In the same survey by the College Promise Campaign, 70% of Promise programs reported that they had more than one full-time staff member with larger Promise programs employing more staff members than smaller Promise programs. More than half of survey respondents (54%) paid for all or part of their administrative and operational expenses with a median amount of \$140,000 per program.⁵

¹ College Promise Campaign. (2020). *College promises to keep: A playbook for achieving college Promise financial sustainability*. College Promise Campaign.

² Willard, J., Vasquez, A., & Lepe, M. (2019). *Designing for success: The early implementation of college Promise programs*. MDRC College Promise Success Initiative.

³ Rauner, M., Perna, L. W., & Kanter, M. J. (2018). *California College Promise: Program characteristics and perceptions from the field*. WestEd.

⁴ College Promise Campaign. (2020). *College promises to keep: A playbook for achieving college promise financial sustainability*. College Promise Campaign.

⁵ Only 70 Promise programs (or about half of the survey respondents) provided specific information on their administrative and operational expenses to calculate the median amount per program.

Recommended Reading

College Promise Campaign. (2020). [College promises to keep: A playbook for achieving college Promise financial sustainability](#). College Promise Campaign.

This Playbook includes sections on the costs associated with creating and administering a College Promise program. It also includes survey responses for 134 local and state Promise programs that were collected in 2018.

MDRC. (2018). [The College Promise Success Initiative calculator](#). MDRC.

This tool helps Promise program administrators cost out different Promise program designs including tuition, textbooks, student support services, administrative salaries, etc. It allows programs to select specific cost components, number of students served, program length, and estimated retention rates to calculate the total cost of the program per cohort or entering class.

WestEd. (n.d.) [College Promise cost estimator tool for California College Promise programs](#).

Specifically designed for Promise programs in California, this tool allows Promise program administrators to input student, institutional, and summer/intersession costs to estimate the total cost of the program per cohort. It allows programs to make assumptions about the Promise program based on its design, size, and eligibility criteria to estimate these costs.

The W.E. Upjohn Institute has published several cost-estimate studies for specific Promise programs. These include local programs such as [Buchanan Promise](#) (Michigan), [Rockford Promise](#) (Illinois), and [Toledo Promise](#) (Ohio), as well as statewide programs such as the [Illinois Tuition-Free College Program](#) and [Oregon Promise](#).