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# Scholarship design: Which institutions should be included?

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***Promise programs should designate eligible postsecondary institutions that offer good matches for different kinds of students and promote student success.***

**Promise programs run the gamut in terms of the number and type of postsecondary institutions students can attend. Statewide Promise initiatives limit usage to in-state colleges and universities, often emphasizing the less-expensive two-year sector. Promise programs devised by community colleges limit attendance to their own institution. The greatest variation is found in community-based programs, where the range of covered institutions runs from a single local community college to any accredited higher-ed institution in the nation—although such programs typically include only local or in-state institutions. While most Promise programs focus on public colleges and universities, a few have special arrangements with private colleges.**

## **Policy Considerations**

- Promise programs should be designed to encourage students to attend the institution that offers the best academic match.
- Stakeholders should consider institutions' graduation rates and ability to support student success and completion when designating eligible postsecondary choices.
- Be clear about goals and devise rules regarding eligible institutions in line with these goals; decisions about including two-year v. four-year or local v. statewide institutions should be driven by student needs and program goals, not just by available resources.
- It's best to start modestly and expand postsecondary choices, rather than the other way around.

## **What We Know**

In general, students will benefit from having a range of choices when it comes to types of institutions and covered programs (for example, two-year and four-year degrees, short-term credentials, and apprenticeships). But Promise stakeholders must also seek to direct students toward institutions and programs with strong records of student success and completion.

Cost considerations often drive the decision about which institutions should be included; a better approach is to connect this decision to stakeholder goals.

Most statewide Promise programs limit usage to the two-year public sector, often for cost reasons and because politically there are benefits to a relatively quick return on investment in the form of more educated workers. (There are a few exceptions, including New Mexico, New York, and Washington, which include four-year public options.) If focusing on this sector, state policymakers and higher-ed leaders should ensure there are strong transfer pathways for students wanting to matriculate to a four-year institution and that credits earned in a two-year setting will transfer to a four-year institution.

Community colleges launching Promise programs with their own funds will almost certainly restrict usage to their own institutions. Here, an analysis of institutional capacity and local workforce needs can help stakeholders focus on where additional resources may be needed and tighten the connection with the local economy.

Stakeholders designing community-based programs have more options. If generating degrees and credentials for local residents is the top priority, limiting usage to local institutions might make sense. If stakeholders are hoping to use a Promise program to attract or retain residents (for example, to increase local public school district enrollment or attach residents to a community for the long term), a generous program that includes both two- and four-year options is a better design choice.

Limiting institutional choice can also have unintended consequences. The two-year public sector is considerably less expensive than the four-year sector (either public or private),<sup>1</sup> and most Promise

programs do not in fact include four-year options. However, programs focused solely on two-year institutions run the risk of inducing some students to switch from four-year to two-year institutions, where completion rates are lower. (College quality affects completion rates for equivalent students, thus “undermatching”—attending an institution that is less selective than the one to which you could gain admission—is best avoided.<sup>2</sup>) Limiting postsecondary options will reduce costs but make it likely that fewer students will participate. Field of study requirements (such as restricting scholarship use to certain majors) have the side effect of creating administrative complexity that can undermine program success. The more “asterisks” that apply to rules about scholarship usage, the harder it is to send a clear message to prospective students. As a result, the students that stakeholders are trying to reach may not be aware of which specific programs qualify or may be confused about what happens if they switch majors later. Students are less likely to participate when this type of uncertainty prevails.

If resources are constrained, beginning with a more affordable Promise (such as one limited to community colleges) can help build college awareness without overextending stakeholders’ financial capacity. If a Promise program focuses exclusively on two-year institutions, ensuring robust FAFSA completion efforts and information availability around other scholarships can help students attend more selective institutions. (Some Promise programs, including the Detroit Promise, have negotiated directly with four-year institutions that offer scholarships out of their own resources to support

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<sup>1</sup> Ma, J., & Pender, M. (2021). *Trends in College Pricing and Student Aid 2021*. New York: College Board.

<sup>2</sup> Cohodes, S.R., & Goodman, J. S. (2014). *Merit aid, college quality, and college completion: Massachusetts’ Adams Scholarship as an in-kind subsidy*. *American Economic Journal: Applied Economics*, 6(4), 251–285.

some students.) If additional resources become available, adding four-year institutions to the range of choices should be considered. Beginning with more expansive postsecondary choices that prove financially unsustainable and then narrowing options can erode confidence in a Promise program.

Guidelines around where students can use their scholarship interact with the two other key design decisions—student eligibility and the form of the scholarship—to determine the nature of the incentive provided by a Promise program.

### Recommended Reading

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.*

College Promise Campaign. (2018). [Playbook: How to build a Promise](#). College Promise.

*A resource for city and county elected officials to build College Promise programs for their communities. It includes information on the steps needed to create a Promise program and provides planning documents from several existing Promise programs.*

Jones, T., Ramirez-Mendoza, J., & Jackson, V. (2018). [A promise worth keeping](#). 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.*

Miller-Adams, M. (2021). [The path to free college: In pursuit of access, equity, and prosperity](#). Harvard Education Press.

*This book provides a high-level analysis of the free-college movement and outlines how the design of free-college programs should relate to programmatic goals, whether those are driven by expanding college access, improving equity in college-going and attainment, or promoting a better-educated workforce.*

Miller-Adams, M. (2015). [Promise nation: Transforming communities through place-based scholarships](#). W.E. Upjohn Institute for Employment Research.

*This free e-book provides a brief overview of the place-based scholarship movement, summarizing key design decisions, the diffusion of the Promise idea from Kalamazoo to other communities and states, and the challenges that stopped some Promise programs before they began.*

Perna, L. W., Wright-Kim, J., & Leigh, E. W. (2020). [Is a college promise program an effective use of resources? Understanding the implications of program design and resource investments for equity and efficiency](#). AERA Open, 6(4), 1–15.

*This research article examines how program design and resource investments influence equity, efficiency, and outcomes for four last-dollar community college Promise programs.*

Willard, J., Vasquez, A., & Lepe, M. (2019). [Designing for Success: The early implementation of College Promise programs](#). MDRC.

*Includes guidelines for Promise program design derived from technical assistance MDRC provided to several Promise programs in their early stages.*