

State College Promise Landscape

BY ANDREW SMALLEY

To address workforce shortages, economic disruptions and shifting demographics, state policymakers have expanded and created new financial aid programs to help students pursue a postsecondary degree or credential of value. Among these initiatives are college promise programs, also known as free-college or free-tuition programs, that offer students the chance to attend college tuition-free.

All 50 states have at least one local or statewide program, according to College Promise, a national advocacy organization that supports promise programs. Several states have enacted statewide promise programs in recent years, and a variety of local philanthropy groups also support these efforts. As states consider expansion or modification of promise programs, the following approaches and examples offer a guide to how policymakers have addressed these programs in the past.

Policy Approaches

WHO IS ELIGIBLE?

As states design financial aid programs, including promise scholarships, structuring program eligibility can drive substantial shifts in policy outcomes. This process generally begins by determining which student populations will be served by the program. Broadly speaking, most promise programs target recent high school graduates from the state and impose a state residency or diploma requirement. The residency requirements sometimes exclude undocumented students. While the majority of programs aim to serve graduating high school students, in recent years several states have created or expanded a “reconnect” model that aims to serve adult learners, many of whom are returning to postsecondary education.

Many states also add additional academic performance requirements, such as GPA upon application or satisfactory academic progress either before the application or while enrolled in postsecondary



education. These features mean promise programs often resemble an extension of a state merit-based financial aid scholarship, although most states also have income caps and limitations that resemble needs-based scholarships. Some states also require full-time enrollment, community service or mentorship duties as conditions for the scholarship.

WHAT INSTITUTIONS CAN STUDENTS ATTEND?

The majority of statewide promise programs apply to community and technical colleges, not four-year universities. Community colleges continue to be an [important educational and economic engine](#), producing more than 1 million associate degrees in the 2021-22 school year. Yet, community college enrollment has fallen faster than enrollment at four-year institutions, declining by more than 16% since 2019, according to the National Student Clearinghouse. A 2020 [study](#), however, found that promise programs boosted first-time, full-time enrollments at community colleges.

While associate degrees tend to be shorter-term, workforce-targeted programs with strong return on investment for learners, bach-

elor's degrees still offer stronger economic returns. Learners with a bachelor's degree earn more than **\$19,000** more annually than students whose highest credential is an associate degree, according to the latest data from the Bureau of Labor Statistics. Additional data from [Third Way](#), shows that 95% of students who earn a bachelor's recoup the net cost of obtaining that degree, while just 79% of associate degree holders and 48% of certificate holders recoup those costs.

WHAT COSTS ARE COVERED?

In the **2022-23** school year, listed yearly tuition and fees totaled \$10,940 at public four-year institutions and \$3,860 at two-year institutions. Most statewide promise programs offer financial aid to cover these costs, yet many function as **last-dollar** programs in which scholarship funding is available only after other existing state and federal aid (including Pell grants) is applied. Leveraging existing financial aid programs offers cost-savings for last-dollar promise scholarships.

However, last-dollar funding offers students less financial aid and may limit the ability of students to cover additional costs of attendance. For many students, additional costs of attendance may equal or exceed tuition and fee expenses. Average **room and board** costs range from \$9,000-\$12,000 per year at public institutions. **Books and supplies** average \$1,200 per year. Transportation and child care costs can also strain student budgets. These additional costs, which individually are often less than \$1,000, are a **main cause** of low-income students failing to complete a degree or credential.

State Policy Examples

TENNESSEE



In 2014, legislators **created** the Tennessee Promise Scholarship, a last-dollar program that covers tuition and fees at community or technical colleges for recent high school graduates. The program was modeled after the Knox Achieves program and scaled statewide as **tnAchieves**. The tnAchieves model provides each student with a mentor who helps navigate the college admissions process and meet requirements to receive a scholarship. Students are also required to complete eight hours of community service before each semester they participate in the program.

Upon its launch in 2015, Tennessee Promise produced **significant increases** in the college-going rate for high school graduates, although some of these gains have been reduced due to enrollment declines during the COVID-19 pandemic. Despite the overall decline in college enrollment, Tennessee Promise had its **largest ever** cohort of students enroll in the fall of 2020. **Since 2015**, more than 123,000 students have received \$181 million in scholarship funding as part of Tennessee Promise. Over 15,000 promise students have transferred to a university, and over 31,000 have earned a credential or degree as part of the program. Students in tnAchieves have a first-year retention rate that is 12 percentage points higher, and a six-year graduation rate that is 14 points higher, than first-time, full-time students at community colleges.

The state has built on Tennessee Promise by **creating** the Tennessee Reconnect Program, which offers last-dollar grants to adults ages 23 and older who have not completed a degree or credential. The state also **created a pilot program** to support completion grants for promise students who experience financial hardships.

NEW YORK



In 2018, legislators approved the Excelsior Scholarship as part of the state **budget bill**. The **Excelsior Scholarship** is a last-dollar financial aid program that covers tuition at City University of New York (CUNY) and State University of New York (SUNY) schools for up to four years for students pursuing a bachelor's degree. The Excelsior Scholarship was the first statewide college promise program that included coverage of a four-year degree.

To be eligible, a student's family must earn less than \$125,000 in the prior tax year, the student must be enrolled full-time and be a state resident. The Excelsior Scholarship also stipulates that recipients must reside in the state for a time period equal to the duration of the award being received. If a student moves out of state and does not meet this requirement, the prorated scholarship amount is converted to a loan. This requirement has contributed to relatively low uptake for the program. An analysis from the [Urban In-](#)

stitute found that just 5% of first-time, first-year students at CUNY received an award in 2018, and just half of those students renewed their scholarship in the second year of study. The state also has the [Tuition Assistance Program](#), which provides need-based financial aid for many students who might otherwise qualify for the Excelsior Scholarship.

NEW MEXICO



In 2022, lawmakers [created](#) the [New Mexico Opportunity Scholarship](#), a last-dollar program that covers tuition and fees at public colleges and universities. The scholarship is available to students pursuing a certificate, associate degree or bachelor degree, and is renewable for up to 160 credit hours. The [scholarship](#) is open to both full- and part-time students, as well as incarcerated students as long as they meet [residency requirements](#). The Opportunity Scholarship works with the existing [New Mexico Lottery Scholarship](#), which is available to many recent high school graduates.

Early [data from the governor's office](#) shows that over 36,000 students received the Opportunity Scholarship in fall 2022. Enrollment in the spring semester increased by more than 6%, reversing declines from the previous seven years, and community college enrollment increased by 12%.

Additional Resources

- [MyPromise Tool](#), College Promise, 2023
- [Making Public College Tuition Free: A Briefing Book for State Leaders](#), Campaign for Free College Tuition, 2022
- [The Free College Handbook](#), W.E. Upjohn Institute for Employment Research



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