Program Administration Models

Michelle Miller-Adams and Bridget Timmeney
October 10, 2019

In this memo we identify five different models of program administration for place-based scholarship ("Promise") programs. It is important to distinguish two aspects of operating a Promise program. The first is where the financial resources for a program are located, and the second is where a program's administrative staff is based. While most Promise programs locate both these activities in the same place, others separate them.

1. ***Dedicated independent non-profit organization.*** The most prevalent model for Promise programs is to create a new (or repurpose an existing) nonprofit organization to house both financial resources and program administration staff. Examples of 501(c)(3) organizations created for the express purpose of granting scholarships include the Kalamazoo Promise, the Pittsburgh Promise, the New Haven Promise, and many others. The benefits of this model include independence and control for Promise stakeholders, while the costs include compliance with IRS regulations, including the creation of a board of trustees. Some other programs, including the El Dorado Promise, created a 501(c)(3) to manage the financial resources of the scholarship, although program staff is physically located within the local high school. This model works well when a school district is relatively small and there is only one high school. The Hazel Park Promise Zone is structured similarly, with financial flows directed through a 501(c)(3), but program staff based in the high school (and employed by the school district).

2. ***Community college.*** A second common model for Promise program administration is for it to be based at a community college. This approach is prevalent among the many programs that have been created by individual community colleges, most of them located in California. Examples include the Ventura Promise, based at Ventura College, or the MATC Promise, based at the Milwaukee Area Technical College. In cases like these, the college's foundation, which is itself a 501(c)(3), holds the financial resources for the scholarship, along with other scholarships it may disburse. In single-institution programs such as these, there may be very minimal program staff, with college personnel managing the program.

3. ***Community foundation.*** A third model involves basing a Promise program at a community foundation, as the Legacy Scholars is currently organized. Other programs that have taken a similar approach are the Challenge Scholars that serves one high school in Grand Rapids and is essentially a program of the Grand Rapids Community Foundation, and the Buchanan Promise in a small town in West Michigan whose funding comes from a bequest to the local community foundation.

4. ***Existing nonprofit organization***. A four model is to locate a Promise program within another nonprofit organization that shares the mission of the Promise program but may also be engaged in other activities. One example of this approach is the Detroit Promise, which is based at the Detroit Regional Chamber. In this case, the funds for the Detroit Promise are held by the Michigan Education Excellence Foundation (a 501c3 organization), which in turn is administered by the Chamber. The staff and leadership of the Detroit Promise are housed at the Chamber as well.

5. ***City-based programs***. A handful of Promise programs are run by cities, and in these cases the program is based within a city government. An example is the College Bound scholarship offered by the City of Hammond (Indiana).