



Tennessee Promise Annual Report 2018

THEC  TSAC

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Tennessee Student Assistance Corporation

Tennessee Higher Education Commission

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Table of Contents

Executive Summary.....	5
Introduction	6
Program Description	7
Tennessee Promise Applicants	9
Tennessee Promise Students.....	12
Tennessee Promise Outcomes.....	15
<i>Impact on Students</i>	15
<i>Retention and Completion</i>	17
<i>Impact on Institutions</i>	19
Program Finances.....	20
Recommendations and Conclusions	21
Appendix A: Glossary	22
Appendix B: Tennessee Promise Applicants by School District, Cohorts 1 through 3.....	23
Appendix C: First Enrollment of Tennessee Promise Students by Institution, Cohorts 1 and 2.....	26
Appendix D: Change in First-Time Freshmen Enrollment by Institution, Fall 2014 through Fall 2016	28

List of Tables

Table 1: Tennessee Promise Application Process, Cohorts 1 through 4.....	9
Table 2: Demographics for Tennessee Promise Applicants, Cohorts 1 through 3.....	10
Table 3: Demographics for Tennessee Promise Students, Cohorts 1 through 3.....	12
Table 4: Tennessee Promise Applicants and Tennessee Promise Students, Cohorts 1 through 3.....	13
Table 5: First Enrollment of Tennessee Promise Students by Sector, Cohorts 1 and 2.....	13
Table 6: Financial Aid for Tennessee Promise Students, Cohorts 1 and 2	14
Table 7: Average Credit Hours Attempted and Cumulative GPA for Tennessee Promise Students	16
Table 8: Success Rate for Tennessee Promise Students, Cohorts 1 and 2.....	17
Table 9: Students Maintaining Tennessee Promise Eligibility, Cohorts 1 and 2	18
Table 10: Degrees Awarded to Cohort 1 Students, Fall 2015 through Summer 2017	18
Table 11: Outcomes for Cohort 1 Students at Community College, Fall 2015 through Fall 2017.....	19
Table 12: Change in First-Time Freshmen Enrollment by Sector, Fall 2014 through Fall 2016.....	19
Table 13: Average Tennessee Promise Award Amount by Semester	20

List of Figures

Figure 1: Distribution of ACT Composite Scores for Tennessee Promise Applicants, Cohort 1	10
Figure 2: Distribution of ACT Composite Scores for Tennessee Promise Applicants, Cohort 2	11
Figure 3: Distribution of ACT Composite Scores for Tennessee Promise Applicants, Cohort 3	11
Figure 4: Tennessee’s FAFSA Filing Rate, 2014 through 2018.....	15
Figure 5: College-Going Rate of Tennessee High School Graduates, 2013 through 2017	16

Executive Summary

This report is prepared pursuant to T.C.A. § 49-4-708(e), which instructs the Tennessee Higher Education Commission (THEC) and the Tennessee Student Assistance Corporation (TSAC) to report annually on the impact of the Tennessee Promise program. In pursuit of the Drive to 55, Governor Bill Haslam's educational attainment goal, THEC and TSAC have implemented various programs and initiatives to encourage more Tennesseans to engage with higher education and to support students through the completion of a credential. Perhaps the most prominent of these efforts is the Tennessee Promise, signed into law by the Tennessee General Assembly in 2014.

The Tennessee Promise is a last-dollar scholarship that affords recent high school graduates the opportunity to complete an associate degree or certificate program free of tuition and mandatory fees at a public community college, a Tennessee College of Applied Technology (TCAT), or a public or private university with an eligible associate degree program. In its first year of implementation, over 57,000 public and private high school seniors across the state applied for the Tennessee Promise, and the number of applicants has increased in each subsequent year.

Tennessee's Free Application for Federal Student Aid (FAFSA) filing rate has increased substantially, and Tennessee has led the nation in FAFSA filing since the implementation of Tennessee Promise (in 2015, 2016, 2017, and 2018 to date). Further, the statewide college-going rate increased by 5.9 percentage points in the first year of Tennessee Promise implementation, from 58.4% to 64.3%, and has remained at this level since. As such, enrollment of first-time freshmen (FTF) grew from fall 2014 to fall 2015. Overall, there was an 11.8% increase in enrollment at public institutions across the state in this year, with community colleges experiencing a 27.7% increase and TCATs experiencing a 20% increase in FTF enrollment. Changes in FTF enrollment have largely leveled off in fall 2016 and fall 2017; though students continue to enroll at community colleges and TCATs at high rates, the proportion of students enrolled at each institution type has remained stable since fall 2015.

The first- to second-year success rate, which includes students who earned a credential or were still enrolled at a Tennessee public institution, was 65.8% for Cohort 1 and 76.9% for Cohort 2. The percent of Cohort 1 students maintaining Tennessee Promise eligibility from fall 2015 through fall 2016 was 40.7%. In some cases, students may have chosen not to maintain their eligibility because their tuition and mandatory fees were covered by other sources of aid. Overall, the success rate for Cohort 1 community college students is 52.2%, which includes students that earned an award (21.5%), are still enrolled (20.6%), or transferred to another institution (10.1%) by the conclusion of their fifth semester.

The early outcomes of Tennessee Promise are positive, and forthcoming data will provide further insight into the transfer patterns and workforce outcomes of Tennessee Promise students.

Introduction

This report is prepared pursuant to T.C.A. § 49-4-708(e), which instructs THEC and TSAC¹ to report annually on the impact of the Tennessee Promise program. Specifically, T.C.A. § 49-4-708(e) states:

TSAC and the Tennessee higher education commission shall provide assistance to the general assembly by researching and analyzing data concerning the scholarship program created under this part, including, but not limited to, student success and scholarship retention.

Following the Complete College Tennessee Act of 2010, Tennessee set an ambitious postsecondary attainment goal; Governor Haslam's Drive to 55 challenges the state to equip 55% of working-age Tennesseans with a high-quality postsecondary degree or certificate by 2025. Using 2016 data from the U.S. Census Bureau's American Community Survey, Lumina Foundation estimates that Tennessee's current postsecondary attainment rate is 40.7%, which includes an estimated 5% of state residents who hold a high-value postsecondary certificate.² Although Tennessee has made great strides toward its goal of 55% postsecondary attainment, much work remains to meet this goal in the next seven years.

In pursuit of the Drive to 55, THEC and TSAC have implemented various programs and initiatives to encourage Tennesseans to engage with higher education and support students through the completion of a credential. The most prominent and highly-publicized of these programs (and the focus of this report) is the Tennessee Promise, signed into law by the Tennessee General Assembly in 2014.³

¹ For more information about THEC and TSAC, please see the Glossary in Appendix A.

² More information about Lumina Foundation's educational attainment data is available at <http://strongernation.luminafoundation.org/report/2018/#nation>

³ T.C.A. § 49-4-708

Program Description

The Tennessee Promise is a last-dollar scholarship that affords recent high school graduates the opportunity to complete an associate degree or certificate program free of tuition and mandatory fees at a public community college, a TCAT,⁴ or a public or private university with an eligible associate degree program. As described in T.C.A. § 49-4-708(c)(1), students must enroll full-time at an eligible postsecondary institution in the fall semester immediately following high school graduation. This scholarship is intended to supplement existing financial aid; all other gift aid (including federal Pell grants, Tennessee Education Lottery Scholarships, and Tennessee Student Assistance Awards) must be applied first, and Tennessee Promise funds then cover the remaining balance of tuition and mandatory fees (if any).

In addition to providing financial aid, Tennessee Promise students are paired with a mentor to guide them through the postsecondary application and enrollment processes. The mentorship component is coordinated by three privately-funded partnering organizations across the state: (1) tnAchieves, which serves 84 counties; (2) the Ayers Foundation, which serves four counties; and (3) the Regional Economic Development Initiative, which serves seven counties. Students are required to complete eight hours of community service, coordinated by the partnering organizations, for each semester in which they enroll using Tennessee Promise.

To be eligible for Tennessee Promise, students must complete an application process that involves several steps. The 2017-18 application process and applicable deadlines are as follows:⁵

1. By November 1, 2017: Complete an online application for the Tennessee Promise program.
2. By January 26, 2018: File the FAFSA.
3. Spring 2018: Attend a mandatory meeting coordinated by the partnering organization. Meeting dates vary by high school.
4. Spring 2018: Apply to a community college or TCAT.
5. By July 1, 2018: Complete and report eight hours of community service to the partnering organization.
6. August 2018: Enroll full-time at a community college or TCAT.
7. Fall 2018: If selected, provide requested documentation to complete FAFSA verification.

To maintain Tennessee Promise eligibility, students must renew the FAFSA for each year they plan to receive the scholarship. Additionally, students enrolled at community colleges and universities must maintain a cumulative grade point average (GPA) of at least 2.0, while students enrolled at TCATs must maintain satisfactory academic progress (as determined by the institution). As mentioned above, students must complete eight hours of community service for each semester in which they enroll using Tennessee Promise. According to T.C.A. § 49-4-708(c)(8), a student is eligible to receive Tennessee

⁴ For more information about TCATs, please see the Glossary in Appendix A.

⁵ Archived student checklists outlining steps and dates in prior years' application processes are located on the Tennessee Promise website at <http://tnpromise.gov/students.shtml>

Promise funds until he or she has earned an associate degree or TCAT diploma or until the student has completed five semesters at an eligible postsecondary institution (whichever occurs first).

Because it is a last-dollar scholarship, the amount of the Tennessee Promise award is based on the other gift aid a student receives. First, the federal Pell grant is applied, followed by state gift aid (i.e., Tennessee Education Lottery Scholarship awards and the Tennessee Student Assistance Award). After all federal and state gift aid is applied to the student's total tuition and mandatory fees, the remaining balance is paid by Tennessee Promise. Some students maintain their Tennessee Promise eligibility by completing all requirements but do not receive any funding from Tennessee Promise, as their tuition and fees are covered by other sources of grant aid. These students are still considered Tennessee Promise students, even though they do not receive funding from Tennessee Promise.

Tennessee Promise Applicants

As described in the previous section, the Tennessee Promise application process involves several steps. **Table 1** displays the number of students who completed key steps in the application process for the first four cohorts of Tennessee Promise students (the high school graduating classes of 2015 through 2018). The number of Tennessee Promise applicants has increased each year since the program's inception and represents approximately 80% of all public and private high school seniors in the state. **Appendix B** displays the number of Tennessee Promise applicants by school district for the first three cohorts.

Table 1: Tennessee Promise Application Process, Cohorts 1 through 4

	Cohort 1	Cohort 2	Cohort 3	Cohort 4
Applied for Tennessee Promise	57,660	59,355	60,461	62,570
Filed the FAFSA	45,744	49,020	51,866	55,126
Completed community service	22,718	23,728	25,689	--
Enrolled at an eligible institution	16,206	17,172	17,782*	--

*Cohort 3 enrollment as of 04/30/2018. Institutions will continue to certify enrollment through 06/30/2018.

The substantial number of Tennessee Promise applicants in the program's first year and the growth in applicants each subsequent year can be largely attributed to the outreach efforts of THEC, TSAC, and many state partners. For example, TSAC staff hold Tennessee Promise application workshops and FAFSA workshops in nearly every county across the state as part of the annual FAFSA Frenzy campaign. FAFSA Frenzy events provide students with information about how to pay for college, including the many grants and scholarships available from the state. In support of FAFSA Frenzy, Governor Haslam proclaimed October 26, 2017 as TN Fall FAFSA Frenzy Day.⁶ On this day, volunteers from THEC, TSAC, nonprofit organizations, and higher education institutions across the state visited many high schools to help students and families complete the FAFSA before the Tennessee Promise deadline.

Table 2 presents demographic information for all Tennessee Promise applicants in Cohorts 1 through 3, including gender, race, and adjusted gross income (AGI).⁷

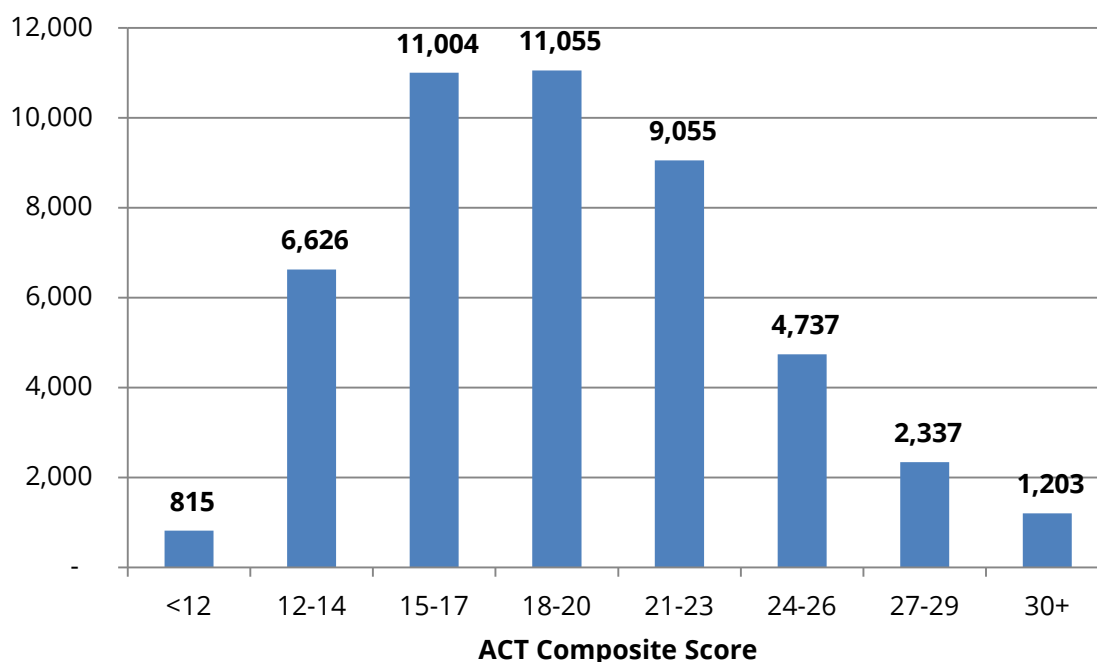
⁶ A copy of the Governor's Proclamation is available on the Secretary of State's website at <http://tnsos.net/publications/proclamations/files/1320.pdf>

⁷ AGI is available only for students who complete the FAFSA. AGI is available for 86.1% of students in Cohort 1, 86.6% of students in Cohort 2, and 88.9% of students in Cohort 3.

Table 2: Demographics for Tennessee Promise Applicants, Cohorts 1 through 3

	Cohort 1	Cohort 2	Cohort 3
Gender			
<i>Male</i>	50.2%	49.7%	49.9%
<i>Female</i>	49.8%	50.3%	50.1%
Race			
<i>White</i>	63.5%	62.8%	61.7%
<i>African-American</i>	22.0%	20.9%	20.7%
<i>Hispanic</i>	4.6%	4.7%	4.8%
<i>Asian/Pacific Islander</i>	1.3%	1.6%	1.4%
<i>Other</i>	2.0%	2.3%	2.3%
<i>Unknown</i>	6.6%	7.7%	9.2%
Median adjusted gross income	\$38,000	\$40,037	\$39,319
Total	57,660	59,355	60,461

Figures 1, 2, and 3 display the distribution of ACT composite scores for Tennessee Promise applicants in Cohorts 1 through 3.⁸ The average ACT score was 19.2 for Cohort 1 applicants, 20 for Cohort 2 applicants, and 19.8 for Cohort 3 applicants. Comparatively, the average ACT composite score was 19.4 for the class of 2015, 19.9 for the class of 2016, and 20.1 for the class of 2017. The average ACT score of incoming freshmen at community colleges was 18.8 in both fall 2015 and fall 2016 and 19 in fall 2017.

Figure 1: Distribution of ACT Composite Scores for Tennessee Promise Applicants, Cohort 1

⁸ The ACT data represent a student's highest ACT composite score. ACT scores are available for 81.2% of students in Cohort 1, 76.6% of students in Cohort 2, and 90.1% of students in Cohort 3.

Figure 2: Distribution of ACT Composite Scores for Tennessee Promise Applicants, Cohort 2

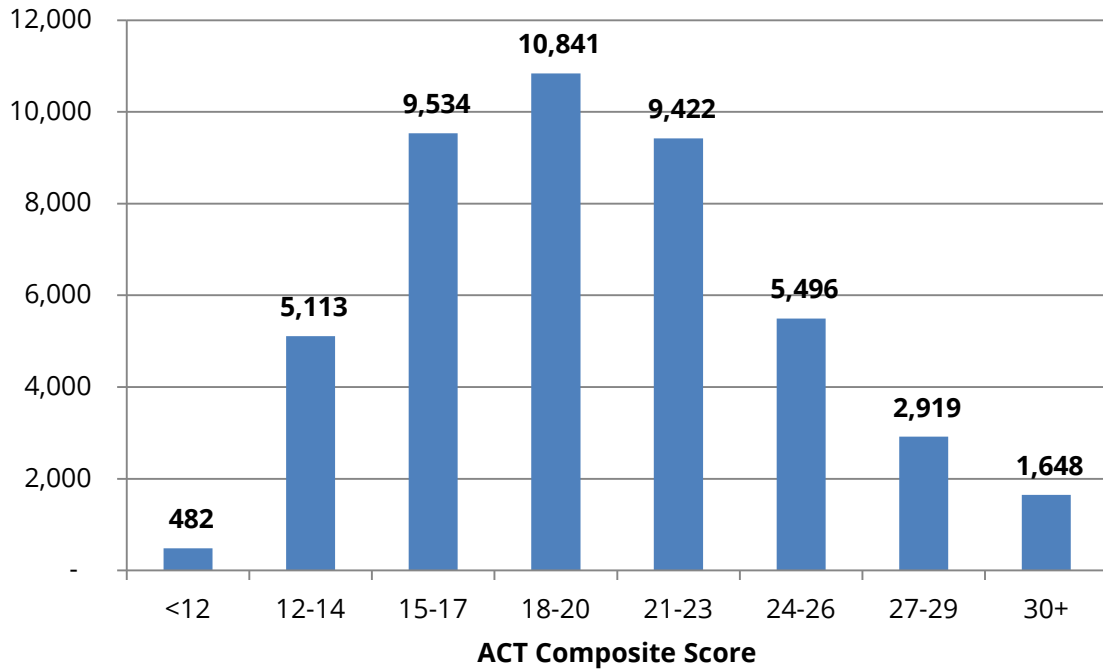
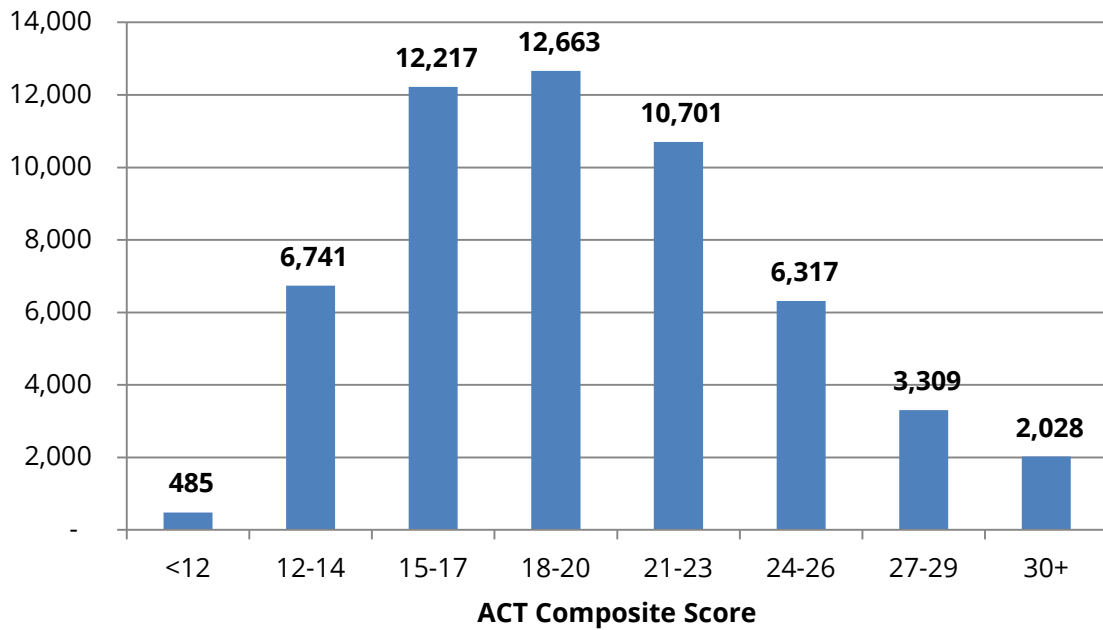


Figure 3: Distribution of ACT Composite Scores for Tennessee Promise Applicants, Cohort 3



Tennessee Promise Students

Table 3 provides demographic information for students in Cohorts 1 through 3 who enrolled using Tennessee Promise. Compared to all Tennesseans age 15 to 19, males, African-Americans, and Hispanics are underrepresented among Tennessee Promise students;⁹ this is consistent with higher education enrollment trends both within the state and across the nation. Also worth noting is that first generation students comprise 40-45% of Tennessee Promise students, and the median AGI for Tennessee Promise students is approximately \$55,000.

Table 3: Demographics for Tennessee Promise Students, Cohorts 1 through 3

	Cohort 1	Cohort 2	Cohort 3
Gender			
<i>Male</i>	47.7%	46.8%	46.7%
<i>Female</i>	52.3%	53.2%	53.3%
Race			
<i>White</i>	77.0%	72.9%	71.8%
<i>African-American</i>	12.0%	12.9%	13.3%
<i>Hispanic</i>	3.5%	3.7%	4.0%
<i>Asian/Pacific Islander</i>	1.1%	1.2%	1.2%
<i>Other</i>	1.7%	1.9%	1.7%
<i>Unknown</i>	4.7%	7.4%	8.0%
First generation	45.6%	42.4%	40.6%
Median adjusted gross income*	\$55,710	\$54,327	\$53,521
Total	16,206	17,172	17,819

*AGI is from the student's first FAFSA (2015-16 for Cohort 1, 2016-17 for Cohort 2, and 2017-18 for Cohort 3).

Table 4 provides a comparison of Tennessee Promise applicants to Tennessee Promise students for Cohorts 1 through 3.¹⁰ Though there is gender parity among applicants, female students are slightly overrepresented among Tennessee Promise students, which is consistent with national trends in higher education. Notably, African-American and Hispanic students are proportionally represented among applicants but are underrepresented among Tennessee Promise students. Certainly, many applicants may have decided to enroll at a Promise-ineligible institution (a four-year or out-of-state institution), but additional research is necessary to determine what happens to applicants when they exit the Tennessee Promise pipeline. Further, Tennessee Promise students tend to be slightly lower-achieving (in terms of ACT score) and have a higher median AGI compared to the pool of applicants.

⁹ Demographic information (age, gender, and race) for Tennessee's population (2016) is available on the Boyd Center for Business and Economic Research's website at <http://tndata.utk.edu/sdcpopulationprojections.htm>

¹⁰ Tennessee Promise applicants are those who submitted a Tennessee Promise application, while Tennessee Promise students are those who enrolled using Tennessee Promise and were certified eligible by an institution (including those who received \$0 from Tennessee Promise).

Table 4: Tennessee Promise Applicants and Tennessee Promise Students, Cohorts 1 through 3

	Cohort 1		Cohort 2		Cohort 3	
	Applicants	Students	Applicants	Students	Applicants	Students
Gender						
<i>Male</i>	50.2%	47.7%	49.7%	46.8%	49.9%	46.7%
<i>Female</i>	49.8%	52.3%	50.3%	53.2%	50.1%	53.3%
Race						
<i>White</i>	63.5%	77.0%	62.8%	72.9%	61.7%	71.8%
<i>African-American</i>	22.0%	12.0%	20.9%	12.9%	20.7%	13.3%
<i>Hispanic</i>	4.6%	3.5%	4.7%	3.7%	4.8%	4.0%
<i>Asian/Pacific Islander</i>	1.3%	1.1%	1.6%	1.2%	1.4%	1.2%
<i>Other</i>	2.0%	1.7%	2.3%	1.9%	2.3%	1.7%
<i>Unknown</i>	6.6%	4.7%	7.7%	7.4%	9.2%	8.0%
Average ACT score	19.2	18.8	20	19.1	19.8	19.3
Average unweighted high school GPA	2.77	2.85	2.67	2.69	2.64	2.68
Median adjusted gross income*	\$38,000	\$55,710	\$40,037	\$54,327	\$39,319	\$53,521
Total	57,660	16,206	59,355	17,172	60,461	17,819

*AGI is from the student's first FAFSA (2015-16 for Cohort 1, 2016-17 for Cohort 2, and 2017-18 for Cohort 3).

Table 5 displays the sector in which students first enrolled using Tennessee Promise. The destination of Tennessee Promise students has been consistent across the first two cohorts. In academic year (AY) 2015-16, 16,206 students in Cohort 1 enrolled using Tennessee Promise; in the following year, 17,172 students in Cohort 2 enrolled using Tennessee Promise. For both cohorts, approximately 80% of students enrolled at a community college, 12% at a TCAT, and the remainder at a public or private university.

Appendix C provides Tennessee Promise enrollment counts by institution.

Table 5: First Enrollment of Tennessee Promise Students by Sector, Cohorts 1 and 2

	Cohort 1		Cohort 2	
	Count	Percent	Count	Percent
Community college	13,368	82.5%	13,845	80.6%
TCAT	2,038	12.6%	2,029	11.8%
Private institution	423	2.6%	666	3.9%
APSU or TSU	377	2.3%	632	3.7%
Total	16,206	--	17,172	--

Table 6 provides financial aid information for students in Cohorts 1 and 2 who enrolled using Tennessee Promise. Nearly half of Tennessee Promise students received a Pell grant, and more than a third received the Tennessee Student Assistance Award (TSAA), a need-based state award.¹¹ Further, nearly half of

¹¹ Due to limited funding, the eligibility requirements for TSAA are more stringent than the eligibility requirements for a Pell grant. Consequently, fewer students qualify for and receive TSAA compared to Pell.

Tennessee Promise students received a state merit-based award through the Tennessee Education Lottery Scholarship (TELS) program, which includes HOPE, GAMS, Aspire, and Access.¹² Approximately 10% of Tennessee Promise students received the Wilder-Naifeh Technical Skills Grant, which is available to any student enrolled in a certificate or diploma program at a TCAT.¹³

Table 6: Financial Aid for Tennessee Promise Students, Cohorts 1 and 2

	Cohort 1	Cohort 2
Received Pell grant (any amount)	48.3%	46.6%
Received maximum Pell grant	28.3%	29.2%
Received TSAA	38.5%	34.2%
Received HOPE, GAMS, Aspire, or Access	49.5%	47.7%
Received Wilder-Naifeh Technical Skills Grant	12.7%	10.4%
Total	16,206	17,172

¹² For more information about the TELS program, please see the Glossary in Appendix A.

¹³ Table 5 displays students' institution of first enrollment. Table 6 displays students' eligibility for financial aid through their entire enrollment history. Consequently, it appears that the share of students receiving a Wilder-Naifeh Technical Skills Grant exceeds the share of students enrolled at a TCAT. This is due to students who begin at a community college or university, transfer to a TCAT, and then receive the Wilder-Naifeh Technical Skills Grant.

Tennessee Promise Outcomes

Impact on Students

Tennessee Promise has substantially impacted the statewide FAFSA filing rate, the college-going rate, and student outcomes (i.e., retention and completion). To remain eligible for Tennessee Promise, students must file the FAFSA each year. As a result, the FAFSA filing rate in Tennessee has increased over the last four years. Tennessee comprised 40% of all growth in FAFSA filing nationwide from 2014 to 2015 (the first year of Tennessee Promise implementation) and has had the highest FAFSA filing rate in the country in each subsequent year (in 2015, 2016, and 2017). Tennessee continues to lead the nation in FAFSA filing to date in the 2018 FAFSA cycle.

Figure 4 displays Tennessee’s FAFSA filing rate from 2014 through 2018. The first dashed line represents the implementation of Tennessee Promise (2015), and the second dashed line represents a change in the methodology for calculating the FAFSA filing rate.¹⁴ The increase in the FAFSA filing rate indicates the success of THEC and TSAC’s outreach efforts, as well as the work of K-12 administrators, teachers, and school counselors, to create a college-going culture in Tennessee.

Figure 4: Tennessee’s FAFSA Filing Rate, 2014 through 2018

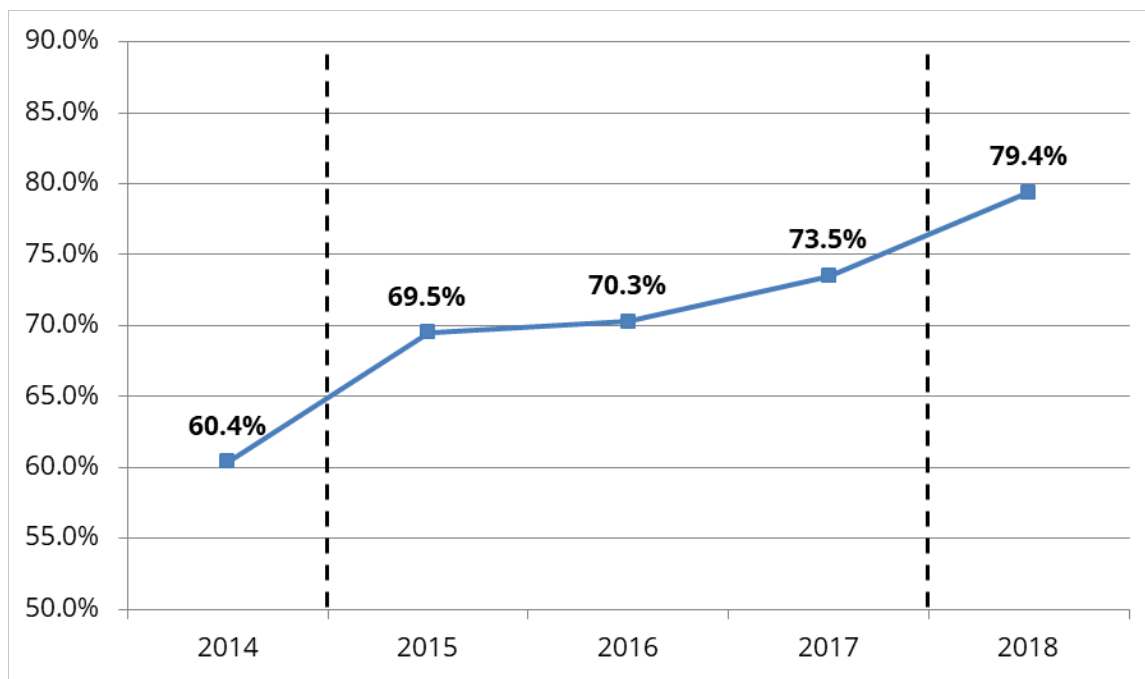


Figure 5 displays Tennessee’s college-going rate from 2013 through 2017. The college-going rate reflects the percent of public high school graduates who enroll at a postsecondary institution in the summer or fall semester immediately following high school graduation. In the first year of Tennessee Promise

¹⁴ Previously, the FAFSA filing rate included first-time filers 18 and younger. Beginning in 2018, the FAFSA filing rate includes first-time filers 19 and younger. Due to the change in methodology, the FAFSA filing rate for 2018 is not directly comparable to previous years.

implementation (2015), the statewide college-going rate increased by 5.9 percentage points, from 58.4% to 64.3%. This single-year increase represents approximately 4,000 new entrants into higher education.

Figure 5: College-Going Rate of Tennessee High School Graduates, 2013 through 2017

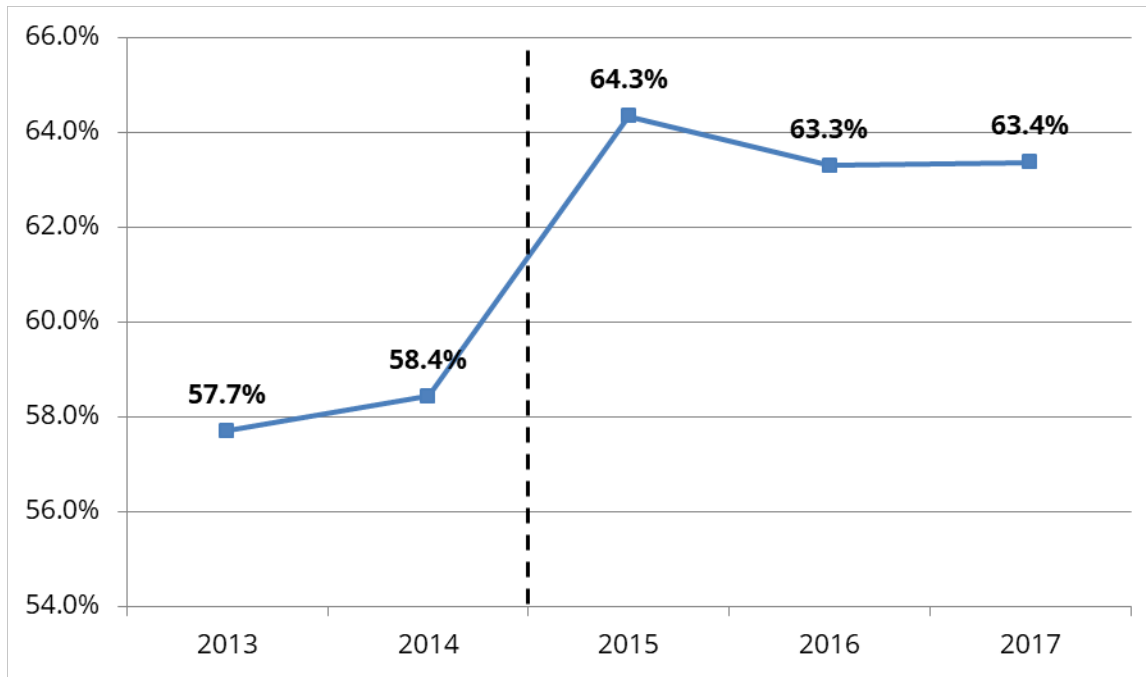


Table 7 provides the average attempted credit hours and average cumulative GPA for Tennessee Promise students in each semester from fall 2015 through fall 2017. TCATs operate on a clock hour system and award credit based on competencies rather than grades; therefore, the data in this table represent only students enrolled at community colleges and universities (public and private). On average, students are well above the minimum of 12 credit hours per semester and a 2.0 cumulative GPA required to maintain eligibility for Tennessee Promise. The average attempted credit hours in the summer semesters are lower, as summer enrollment is not required to maintain eligibility for Tennessee Promise.

Table 7: Average Credit Hours Attempted and Cumulative GPA for Tennessee Promise Students

Semester	Average Attempted Credit Hours	Average Cumulative GPA
Fall 2015	13.40	2.58
Spring 2016	13.43	2.48
Summer 2016	6.32	2.92
Fall 2016	13.56	2.65
Spring 2017	13.37	2.65
Summer 2017	6.15	2.92
Fall 2017	13.02	2.75

Retention and Completion

Table 8 displays the “success rate” of Cohort 1 students who were certified eligible by an institution in fall 2015 and Cohort 2 students who were certified eligible by an institution in fall 2016.¹⁵ This table shows the number and percent of students who enrolled in each subsequent semester as well as the number of students who received an award prior to that semester.¹⁶ For example, 60.7% of Cohort 1 students enrolled in fall 2016, and 5.1% completed a credential prior to fall 2016 (in fall 2015, spring 2016, or summer 2016), resulting in an overall success rate of 65.8%. The success rate for Cohort 2 students is higher; 72.1% of Cohort 2 students enrolled in fall 2017, and 4.8% completed a credential prior to fall 2017, resulting in an overall success rate of 76.9%.

Table 8: Success Rate for Tennessee Promise Students, Cohorts 1 and 2

	Cohort 1				Cohort 2			
	Still Enrolled	% Still Enrolled	Received Award	% with Award	Still Enrolled	% Still Enrolled	Received Award	% with Award
Fall 2015	16,155	--	--	--	--	--	--	--
Spring 2016	13,171	81.5%	124	0.8%	--	--	--	--
Fall 2016	9,806	60.7%	826	5.1%	17,186	--	--	--
Spring 2017	8,121	50.3%	1,417	8.8%	14,099	82.0%	118	0.7%
Fall 2017	5,492	34.0%	3,812	23.6%	12,386	72.1%	822	4.8%

Table 9 displays the count of students maintaining eligibility for the Tennessee Promise scholarship. Students in Cohorts 1 and 2 were certified eligible by an institution in fall 2015 and fall 2016 (respectively) and are tracked through spring 2017.¹⁷ It is important to note that students may have chosen not to maintain their eligibility because their tuition and mandatory fees were covered by other sources of aid. Of the 16,155 Cohort 1 students who were certified eligible in fall 2015, 67.6% maintained eligibility through spring 2016; 40.7% maintained eligibility through fall 2016; and 29.9% maintained eligibility through spring 2017. Maintenance of eligibility was similar for Cohort 2 students, as 68.7% maintained eligibility from fall 2016 to spring 2017.

¹⁵ The number of students certified eligible in fall 2015 and fall 2016, as shown in Table 8, differs from the number of students certified eligible in AY 2015-16 and AY 2016-17, as shown in Table 3. This is due to the different certification timeframe (fall only versus the entire academic year).

¹⁶ The success rate captures students who enrolled at any Tennessee public institution, including institutions that are ineligible for Tennessee Promise. Students who enrolled at a private or out-of-state institution are not captured in the success rate.

¹⁷ Institutions will continue certifying fall 2017 students through June 30, 2018, so fall 2017 is not included.

Table 9: Students Maintaining Tennessee Promise Eligibility, Cohorts 1 and 2

	Cohort 1			Cohort 2
	Spring 2016	Fall 2016	Spring 2017	Spring 2017
Certified eligible	10,920	6,572	4,827	11,811
Ineligible	5,235	4,348	1,745	5,375
<i>Academic progress not met</i>	3	662		13
<i>Completed program</i>	9	77	42	24
<i>Ineligible degree</i>	11	26	19	19
<i>Not enrolled</i>	608	275	126	584
<i>Not enrolled full-time</i>	929	201	263	954
<i>Verification incomplete</i>	17	228	4	20
<i>Other*</i>	3,658	2,879	1,291	3,761
Total	16,155	10,920	6,572	17,186

*Other includes the following ineligibility reasons: community service not performed, not a Tennessee resident, and received five semesters of aid.

Currently, THEC has completion data for Cohort 1 students through summer 2017 (as shown in **Table 10**). Completion data for fall 2017, the fifth and final semester of eligibility for Cohort 1 students, will be available to THEC in October 2018. However, the Tennessee Board of Regents (TBR)¹⁸ recently published the outcomes for Cohort 1 community college students through fall 2017 (as shown in **Table 11**). These data reflect the full five semesters of Tennessee Promise eligibility for Cohort 1 community college students.

Table 10 displays the count and percent of degrees awarded to Cohort 1 students from fall 2015 through summer 2017, according to THEC's most recent data. Thus far, 24% of Cohort 1 students have earned a credential, and these students have one semester of Tennessee Promise eligibility remaining (fall 2017).

Table 10: Degrees Awarded to Cohort 1 Students, Fall 2015 through Summer 2017

	Count	Percent
TCAT Certificate	373	2.3%
TCAT Diploma	1,138	7.0%
Certificate (<1 year)	494	3.0%
Certificate (1-2 years)	104	0.6%
Associate degree	1,782	11.0%
Bachelor's degree	--	--
No degree	12,315	76.0%
Total	16,206	

Table 11 displays the outcomes for Cohort 1 community college students from fall 2015 through fall 2017, according to TBR's most recent data. By the end of their fifth semester, 21.5% of Cohort 1 community college students received an award, the majority of which were associate degrees. Overall,

¹⁸ For more information about Tennessee Board of Regents, please see the Glossary in Appendix A.

the “success rate” for Cohort 1 community college students is 52.2%, which includes students that earned an award, are still enrolled, or transferred to another institution by the conclusion of their eligibility.

Table 11: Outcomes for Cohort 1 Students at Community Colleges, Fall 2015 through Fall 2017

	Count	Percent
Received an award	2,857	21.5%
<i>Associate degree</i>	2,424	18.2%
<i>Certificate(s)</i>	279	2.1%
<i>Associate degree and certificate</i>	154	1.2%
Still enrolled	2,739	20.6%
Transferred out	1,335	10.0%
Dropped or stopped out	6,356	47.8%
Total	13,287	

Impact on Institutions

Tennessee Promise has also impacted higher education institutions. **Table 12** displays the change in FTF enrollment by sector from fall 2014 (the year prior to Tennessee Promise) to fall 2016 (the second year of Tennessee Promise). Overall, there was an 11.8% increase in FTF enrollment from fall 2014 to fall 2015. TBR’s community colleges saw the largest growth in FTF, with a 27.7% increase. TCATs saw an increase of 20%. Both the University of Tennessee (UT)¹⁹ system and the locally governed institutions (LGIs)²⁰ experienced a decline in FTF enrollment (-5.5% and -5.6%, respectively) from fall 2014 to fall 2015.

FTF enrollment continued to increase through fall 2016. Between fall 2014 and fall 2016, FTF enrollment grew by 13.5% overall, with increases of 19.5% at community colleges and 32.3% at TCATs. FTF enrollment at the public universities has largely leveled off, with a 2.2% decline at the UT system and a 1.6% increase at the LGIs. **Appendix D** displays the change in FTF enrollment by institution from fall 2014 to fall 2016.

Table 12: Change in First-Time Freshmen Enrollment by Sector, Fall 2014 through Fall 2016

	Fall 2014	Fall 2015	Fall 2016	% Change, 2014-15	% Change, 2014-16
TCATs	8,691	10,432	11,500	+20.0%	+32.3%
Community colleges	17,379	22,190	20,770	+27.7%	+19.5%
Locally governed institutions	11,983	11,309	12,171	-5.6%	+1.6%
University of Tennessee	7,977	7,541	7,804	-5.5%	-2.2%
Total	46,030	51,472	52,245	+11.8%	+13.5%

¹⁹ For more information about the University of Tennessee system, please see the Glossary in Appendix A.

²⁰ For more information about the locally governed institutions, please see the Glossary in Appendix A.

Program Finances

Tennessee Promise awards are funded by the interest generated from the Tennessee Promise scholarship endowment fund²¹ and excess Tennessee Education Lottery funds. As stated in T.C.A. § 4-51-111(b)(3), a minimum of \$100 million must remain in a reserve account to fund Tennessee Education Lottery Scholarships (e.g., HOPE Scholarships). In 2014, over \$400 million remained in the reserve account, \$300 million of which was transferred into the Tennessee Promise trust.

Table 13 provides the average Tennessee Promise award amount from fall 2015 through summer 2017.²² The average amount for the winter semesters is substantially lower than the other semesters because winter is a payment term only used for TCATs. Since tuition at a TCAT is less than tuition at a community college and many students receive the Wilder-Naifeh Technical Skills Grant, the average award amount for TCAT students is lower than the average award amount for community college students. The total program cost in the first year of Tennessee Promise (2015-16) was \$15.2 million, and the total program cost for 2016-17 was \$25.2 million. In 2017-18, when the program is fully mature, the program is estimated to cost approximately \$30 million.

Table 13: Average Tennessee Promise Award Amount by Semester

	Average Tennessee Promise Award Amount (including \$0)	Average Tennessee Promise Award Amount (excluding \$0)
Fall 2015	\$521	\$985
Winter 2016	\$209	\$504
Spring 2016	\$557	\$927
Summer 2016	\$903	\$1,072
Fall 2016	\$576	\$1,035
Winter 2017	\$249	\$531
Spring 2017	\$619	\$1,011
Summer 2017	\$1,045	\$1,151

²¹ The Tennessee Promise scholarship endowment fund was created by T.C.A. § 49-4-708(d).

²² The average award amount (including \$0) reflects the average across all students who were certified eligible by an institution, even those who did not receive any funding from Tennessee Promise because they were fully funded by other grant aid. The average award amount (excluding \$0) reflects the average across only students who received funding from Tennessee Promise.

Recommendations and Conclusions

Partnerships across the state have been a crucial component of the success of Tennessee Promise. Support from Governor Bill Haslam, members of the Tennessee General Assembly, faculty and staff at postsecondary institutions and high schools, philanthropic organizations, and business leaders has been an asset in the program's first four years.

The early outcomes of Tennessee Promise indicate positive growth, in terms of students' application behavior and postsecondary enrollment. The FAFSA filing rate, college-going rate, and enrollment of first-time freshmen have all increased since the implementation of Tennessee Promise in 2014-15. Though the growth in these three metrics and the implementation of Tennessee Promise occurred simultaneously, determining whether the growth can be directly attributed to Tennessee Promise requires additional analyses, which THEC will complete in the coming year.

Overall, the "success rate" for Cohort 1 community college students is 52.2%, which includes students that earned an award (21.5%), are still enrolled (20.6%), or transferred to another institution (10.1%) by the conclusion of their fifth semester. As more data become available, THEC will report on additional outcomes of Tennessee Promise students, such as completion rates for all students, transfer behavior, and workforce outcomes. The preliminary outcomes of Tennessee Promise are positive, and forthcoming data will provide further insight into the impact of the program.

Appendix A: Glossary

Locally Governed Institution (LGI): There are six public universities in Tennessee that have a local governing board. These universities are collectively known as the locally governed institutions. The six institutions are as follows: Austin Peay State University, East Tennessee State University, Middle Tennessee State University, Tennessee State University, Tennessee Technological University, and the University of Memphis.

Tennessee Board of Regents (TBR): The Tennessee Board of Regents is one of the two public systems of higher education in Tennessee. The Tennessee Board of Regents governs 13 community colleges and 27 colleges of applied technology across the state.

Tennessee College of Applied Technology (TCAT): There are 27 colleges of applied technology that are governed by the Tennessee Board of Regents. The workforce development mission of the TCATs is to give Tennessee residents the opportunity to obtain technical skills and professional training necessary for advancement in the competitive job market.

Tennessee Education Lottery Scholarship (TELS): The Tennessee Education Lottery Scholarship program is a suite of scholarship and grant programs funded by state education lottery proceeds. These programs are intended to provide financial awards to offset costs associated with pursuing postsecondary education (e.g., HOPE, GAMS, Aspire, Access, and Wilder-Naifeh Technical Skills Grant, among others).

Tennessee Higher Education Commission (THEC): The Tennessee Higher Education Commission was created in 1967 by the Tennessee General Assembly to coordinate and foster unity within higher education. The Commission coordinates two systems of public higher education (the University of Tennessee and the Tennessee Board of Regents) and the six locally governed institutions (Austin Peay State University, East Tennessee State University, Middle Tennessee State University, Tennessee State University, Tennessee Technological University, and the University of Memphis).

Tennessee Student Assistance Corporation (TSAC): The Tennessee Student Assistance Corporation was created in 1974 by the Tennessee General Assembly to serve as the designated federal guaranty agency responsible for the administration of postsecondary educational loan programs. TSAC also administers other state and federal student assistance programs as authorized.

The University of Tennessee (UT): The University of Tennessee is one of the two public systems of higher education in Tennessee. The University of Tennessee Board of Trustees governs 3 universities (in Knoxville, Chattanooga, and Martin), the Health Science Center, the Space Institute, the Institute for Agriculture, and the Institute for Public Service.

Appendix B: Tennessee Promise Applicants by School District, Cohorts 1 through 3

School District	Cohort 1	Cohort 2	Cohort 3
Achievement School District	260	260	274
Alcoa	117	106	114
Anderson County	510	505	446
Arlington	275	451	427
Bartlett	201	218	272
Bedford County	480	506	492
Benton County	149	155	165
Bledsoe County	111	111	66
Blount County	508	528	604
Bradford	34	28	31
Bradley County	657	598	640
Bristol	262	266	309
Campbell County	374	367	424
Cannon County	144	137	121
Carter County	314	381	372
Cheatham County	342	383	402
Chester County	189	202	194
Claiborne County	297	318	303
Clay County	71	53	61
Cleveland	268	213	236
Cocke County	343	368	346
Coffee County	296	334	390
Collierville	199	273	330
Crockett County	184	199	174
Cumberland County	407	484	474
Davidson County	3,823	4,053	3,912
DeKalb County	125	111	118
Decatur County	92	88	131
Dickson County	481	475	543
Dyer County	238	262	268
Dyersburg	158	154	201
Elizabethton	155	178	172
Fayette County Public Schools	208	199	193
Fayetteville	72	64	76
Fentress County	71	69	86
Franklin County	336	370	400
Gibson County Special District	253	269	262
Giles County	250	248	309
Grainger County	223	263	235
Greene County	516	515	506

School District	Cohort 1	Cohort 2	Cohort 3
Greeneville	155	175	218
Grundy County	148	148	175
Hamblen County	603	590	591
Hamilton County	2,048	2,041	1,978
Hancock County	57	63	71
Hardeman County Schools	260	249	229
Hardin County	246	252	246
Hawkins County	453	510	580
Haywood County	200	193	195
Henderson County	308	306	340
Henry County	144	153	259
Hickman County	263	263	255
Hollow Rock – Bruceton	47	44	48
Houston County	57	80	56
Humboldt City Schools	76	49	74
Humphreys County	169	186	185
Huntingdon Special School District	70	65	49
Jackson County	108	99	100
Jefferson County	404	443	452
Johnson City	303	318	303
Johnson County	155	143	157
Kingsport	330	384	381
Knox County	3,270	3,452	3,440
Lake County	53	55	50
Lauderdale County	299	266	295
Lawrence County	443	450	440
Lenoir City	245	248	254
Lewis County	141	131	128
Lincoln County	243	269	291
Loudon County	177	163	188
Macon County	238	221	254
Madison County	869	864	799
Marion County	247	238	222
Marshall County	309	332	373
Maryville	243	251	296
Maury County	667	739	704
McKenzie	77	83	86
McMinn County	414	440	451
McNairy County	306	309	283
Meigs County	119	110	126
Milan	141	118	150
Millington	200	217	183
Monroe County	441	459	405
Montgomery County	1,480	1,582	1,565

School District	Cohort 1	Cohort 2	Cohort 3
Moore County	69	72	59
Morgan County	189	225	258
Oak Ridge	237	263	239
Obion County	245	262	242
Oneida	97	88	110
Overton County	211	222	210
Perry County	98	76	91
Pickett County	41	54	60
Polk County	176	187	129
Putnam County	525	512	513
Rhea County	267	244	327
Richard City	13	27	21
Roane County	447	480	471
Robertson County	568	591	689
Rutherford County	2,387	2,702	2,853
Scott County	174	168	177
Sequatchie County	142	155	147
Sevier County	837	833	893
Shelby County	6,505	6,116	6,213
Smith County	151	224	184
South Carroll	34	29	27
State	166	159	150
Stewart County	89	105	118
Sullivan County	738	699	769
Sumner County	1,803	1,991	1,990
Tipton County	799	826	749
Trenton	89	91	99
Trousdale County	74	82	95
Tullahoma	217	182	154
Unicoi County	173	149	192
Union City	90	83	35
Union County	187	173	191
Van Buren County	63	48	46
Warren County	428	424	478
Washington County	563	636	663
Wayne County	153	175	160
Weakley County	250	188	183
West Carroll Special District	65	66	77
White County	271	275	265
Williamson County	1,438	1,682	1,632
Wilson County	1,367	1,345	1,463
No District Listed	4,005	3,933	4,035
Total	57,660	59,355	60,461

Appendix C: First Enrollment of Tennessee Promise Students by Institution, Cohorts 1 and 2

Institution Name	Cohort 1	Cohort 2
Art Institute of Tennessee - Nashville	23	
Austin Peay State University	322	584
Baptist College of Health Sciences		*
Bethel University	24	29
Bryan College	24	18
Carson Newman University	27	53
Chattanooga State Community College	1,089	1,036
Christian Brothers University		*
Cleveland State Community College	442	505
Columbia State Community College	1,004	1,125
Cumberland University	61	232
Dyersburg State Community College	300	368
Hiwassee College	34	36
Jackson State Community College	690	757
John A. Guppton College	6	7
Johnson University	5	5
Lane College		*
LeMoyne-Owen College		19
Lincoln Memorial University	11	14
Martin Methodist College	99	117
Motlow State Community College	1,350	1,364
Nashville State Community College	1,151	1,047
Northeast State Community College	1,085	1,112
Pellissippi State Community College	1,756	1,797
Roane State Community College	997	1,004
South College	69	77
Southern Adventist University	14	20
Southwest Tennessee Community College	964	1,106
TCAT Athens	98	65
TCAT Chattanooga	95	119
TCAT Covington	21	23
TCAT Crossville	46	50
TCAT Crump	28	41
TCAT Dickson	127	135
TCAT Elizabethton	94	84
TCAT Harriman	62	79
TCAT Hartsville	75	90
TCAT Hohenwald	100	62
TCAT Jacksboro	39	35
TCAT Jackson	57	57

Institution Name	Cohort 1	Cohort 2
TCAT Knoxville	204	226
TCAT Livingston	97	90
TCAT McKenzie	33	40
TCAT McMinnville	51	32
TCAT Memphis	143	98
TCAT Morristown	140	147
TCAT Murfreesboro	107	101
TCAT Nashville	103	118
TCAT Newbern	39	54
TCAT Oneida	27	16
TCAT Paris	34	35
TCAT Pulaski	61	61
TCAT Ripley	13	5
TCAT Shelbyville	129	144
TCAT Whiteville	15	22
Tennessee State University	55	48
Trevecca Nazarene University	22	19
Tusculum College		6
Volunteer State Community College	1,444	1,452
Walters State Community College	1,096	1,172
Welch College	*	10
Total	16,206	17,172

*Individual cells containing five or fewer observations are suppressed, in accordance with FERPA requirements.

Appendix D: Change in First-Time Freshmen Enrollment by Institution, Fall 2014 through Fall 2016²³

	Fall 2014	Fall 2015	Fall 2016	% Change, 2014-15	% Change, 2014-16
Chattanooga State	1,609	1,966	1,733	22.2%	7.7%
Cleveland State	756	819	786	8.3%	4.0%
Columbia State	996	1,490	1,511	49.6%	51.7%
Dyersburg State	542	611	603	12.7%	11.3%
Jackson State	933	1,094	1,070	17.3%	14.7%
Motlow State	1,107	1,942	1,803	75.4%	62.9%
Nashville State	1,644	2,455	2,100	49.3%	27.7%
Northeast State	1,274	1,505	1,438	18.1%	12.9%
Pellissippi State	2,155	2,494	2,410	15.7%	11.8%
Roane State	1,225	1,371	1,313	11.9%	7.2%
Southwest Tennessee	2,211	2,473	2,257	11.8%	2.1%
Volunteer State	1,510	2,345	2,191	55.3%	45.1%
Walters State	1,417	1,625	1,555	14.7%	9.7%
Community College Total	17,379	22,190	20,770	27.7%	19.5%
Austin Peay State University	1,452	1,523	1,935	4.9%	33.3%
East TN State University	2,004	1,935	1,832	-3.4%	-8.6%
Middle TN State University	2,945	2,809	2,847	-4.6%	-3.3%
TN State University	1,406	1,406	1,300	0.0%	-7.5%
TN Technological University	1,853	1,576	1,562	-14.9%	-15.7%
University of Memphis	2,323	2,060	2,695	-11.3%	16.0%
UT Chattanooga	2,149	1,860	2,072	-13.4%	-3.6%
UT Knoxville	4,651	4,660	4,792	0.2%	3.0%
UT Martin	1,177	1,021	940	-13.3%	-20.1%
Public University Total	19,960	18,850	19,975	-5.6%	0.1%

²³ Enrollment data are from THEC's Fact Book, available at <https://www.tn.gov/thec/research/redirect-research/fact-book.html>