

Tennessee Student Assistance Corporation

Thursday, September 23, 2021

DECISION ITEM A

Changes to the Tennessee Student Assistance Award

Staff Recommendation

To increase award amounts of the Tennessee Student Assistance Award (TSAA) for the Community Colleges and Tennessee Colleges of Applied Technology in the 2022-23 academic year.

Background

Increasing award amounts for the Community Colleges and TCATs will align with several agency policy objectives:

- 1) Ensure more TSAA funding is awarded to those in need;
- 2) Assist students who have not taken advantage of Tennessee Promise and are not yet eligible for Tennessee Reconnect; and
- 3) Support the state's efforts to grow enrollment in workforce-ready credential programs.

Given recent declines in the TSAA take-up rate, recurring funds are available to provide for increased awards. Due to an anticipated higher take-up rate, TSAC will cease awarding earlier in the award cycle and re-evaluate expenditures after the award certification deadline. If necessary, additional awards will be made at that time to ensure the appropriation is spent and the reserve balance is brought in line with the board's intended 10% target of annual appropriations.

2021-2022 Increased EFC to 5846 (Full Pell Eligibility)

Additional students awarded by August 1, 2021 for the 2021-22 academic year = 7,871

Five-year average award = \$1,652

Possible Take-Up Rates	<u>50%</u>	<u>55%</u>	<u>60%</u>	<u>65%</u>
Additional Students Paid	3,936	4,329	4,723	5,116
Additional Expenditures	\$6.5M	\$7.2M	\$7.8M	\$8.5M

2022-2023 Increased Awards Amounts for Community College and TCAT Students

Estimated number of awards to community college students *	21,667
Average amount of increase to community college students (75% usage)	\$ 525
Total increase to community college students	\$11.3M

Estimated number of awards to TCAT students *	5,152
Average amount of increase to TCAT students (67% usage)	\$ 670
Total increase to TCAT students	\$ 3.5M

* Estimated number of recipients based on full expenditure of \$113 million program appropriation for the 2021-22 academic year