TENNESSEE INDEPENDENT COLLEGES AND UNIVERSITIES ASSOCIATION

OVERVIEW OF THE 2006-07 LOTTERY RECIPIENTS

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Foreword

The Tennessee Independent Colleges and Universities Association (TICUA) is pleased to present the results of our second study on the impact of the Tennessee Education Lottery Scholarship (TELS) program. This study highlights trends in participation and retention of lottery students attending TICUA campuses. Since the program’s inception, students attending TICUA member campuses have benefited from over $62 million in lottery scholarship awards.

In 2006-07, over 8,200 students attending TICUA member institutions received a lottery scholarship. Of that total, nearly 3,000 students were also given a supplemental lottery award based on academic performance or financial need. Last year, our institutions received over $32.4 million in lottery scholarships—$28 million of which was awarded to students receiving the HOPE base lottery award. Students from nearly every county in the state received a lottery scholarship to attend a TICUA institution.

We welcome your thoughts and comments on this publication.
2006-07 Highlights

Participation

- In 2006-07, students attending private colleges and universities received over $32.4 million in Tennessee Education Lottery Scholarship (TELS) awards.

- Of the total, over $28.8 million was distributed to students receiving the base HOPE award of $3,800 to attend a TICUA member institution.

- More than 8,200 students attending TICUA private colleges received the HOPE scholarship. Of those students, 25% also received the supplemental Aspire award (which is based on a student’s financial need) and 11% also received the General Assembly Merit Scholarship award (which is based on outstanding academic performance by a student).

- In 2006-07, the majority (87%) of the lottery award recipients attending private colleges and universities were white, while 6% were black, 2% were Hispanic, and 4% were not reported.

- Of all black students receiving the HOPE award to attend a private college or university, over 57% also benefited from the Aspire award (this award is given to students who come from a family income of $36,000 or less a year).

- Sixty-three percent of all HOPE base lottery scholarship recipients attending TICUA member institutions are female.

- In 2006-07, Tennessee students from nearly every county in the state received a HOPE scholarship to attend a TICUA private college or university.

- TICUA institutions continue to enroll proportionately higher levels of HOPE recipients when compared to the percentage of in-state undergraduates enrolled in higher education in Tennessee.

Retention

- From fall 2004 to fall 2006, HOPE recipients at TICUA member campuses were more likely to retain their scholarship awards than students attending public colleges and universities.

- Of the fall 2004 cohort, 58% of all student recipients at private colleges and universities retained their award two years later.

- Since fall 2004, about 2,100 students attending TICUA member campuses have lost their TELS award. The majority of the students lost their award because they could not maintain the grade point average qualification.

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1 Data excludes Trevecca Nazarene University and Vanderbilt University. Please refer to Methodology section on page 13 for additional information.
Overview of the 2006-07 Tennessee Education Lottery Scholarship

This report highlights student participation and retention in the Tennessee Education Lottery Scholarship (TELS) program with regard to students attending one of TICUA’s undergraduate institutions. This study spotlights data from the past year (academic year 2006-07) and, when available, includes data from academic years 2005-06 and 2004-05.

The first section of this report provides a brief history on the TELS program. Following this section, the report highlights the award distribution including information by gender, ethnicity, and county. The next section examines college participation patterns and how these patterns have changed since the enactment of the program. When data are available, information on students attending TICUA member institutions is compared to students attending other colleges and universities in Tennessee.

History

In 2004, the Tennessee General Assembly enacted the TELS program. The first cohort of college students benefiting from this program were students enrolling in college in fall 2004 as freshman and sophomores. This program will reach maturity in 2007-08.

The program was created to address several public policy objectives, including:

- Improving academic performance in high school through college scholarship incentives;
- Providing financial assistance to students to promote college access;
- Retaining the state’s best and brightest high school students by creating an incentive for remaining in the state to attend college;
- Enhancing and promoting economic and community development through workforce development.

The TELS program includes five distinct scholarship award types. Table 1 outlines by award type the various award amounts and eligibility criteria for academic year 2006-07.

<table>
<thead>
<tr>
<th>Award Requirements</th>
<th>HOPE (base award)</th>
<th>General Assembly Merit (GAMS)</th>
<th>Aspire (HOPE need-based)</th>
<th>Access Award</th>
<th>Wilder-Naifeh Technical Skills Grant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Award $ at 4-year</td>
<td>$3,800</td>
<td>$4,800</td>
<td>$5,300</td>
<td>$2,650</td>
<td>n/a</td>
</tr>
<tr>
<td>Award $ at 2-year</td>
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<td>$2,500</td>
<td>$2,500</td>
<td>$1,250</td>
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<tr>
<td>Award $ at TN Tech Centers</td>
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<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>$1,500</td>
</tr>
<tr>
<td>High School GPA</td>
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<td>3.75</td>
<td>3.00</td>
<td>2.75</td>
<td>n/a</td>
</tr>
<tr>
<td>ACT</td>
<td>or 21</td>
<td>and 29</td>
<td>or 21</td>
<td>and 18-20</td>
<td>n/a</td>
</tr>
<tr>
<td>Family Adjusted Gross Income</td>
<td>n/a</td>
<td>n/a</td>
<td>$36,000 or less</td>
<td>$36,000 or less</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Students attending TICUA member institutions are eligible to receive all of the award types, with the exception of the Wilder-Naifeh Technical Skills grant. This grant is awarded to students attending technical centers throughout the state.

Since the inception of the HOPE programs, several other scholarships have been created under the scope of these programs. These legislative programs include the Dual Enrollment Grant, Foster Child Grant, the HOPE scholarship for non-traditional students (for Tennessee residents 25 years or older enrolling in college for the first time), and a graduate scholarship for teachers returning to be certified in math or science.

**Allocation and Distribution**

The first section of this report focuses on TELS award distribution by award type for students attending TICUA member institutions. This section also highlights data on the distribution of TELS award recipients by gender, ethnicity, and county.

**Allocation by Award Type**

![Figure 1: Allocation by Award Type for TICUA Members Institutions, 2006-07]

In 2006-07, award dollars for the TELS program totaled $180 million. It is projected that the total award dollars for this program will reach $250 million next year (2007-08), when the program reaches maturity (Tennessee Student Assistance Corporation, July 2007).

In 2006-07, students attending TICUA member institutions benefited from over $32.4 million in TELS scholarship awards. The majority of the scholarship dollars, $28.8 million, were awarded to students receiving the HOPE award of $3,800. Last year, TICUA member campuses enrolled one in five Aspire award recipients: this award provides an additional $1,500 to the HOPE award of $3,800. The Aspire award provided $2.7 million in additional financial aid to low-income students attending private colleges and universities in Tennessee.
In 2006-07, more than 8,200 students attending TICUA member institutions received the HOPE scholarship. Of those students, 25% also received the Aspire award (based on financial need), and 11% also received the General Assembly Merit Scholarship (GAMS) award of $1,000 (based on outstanding academic performance). These percentages remained relatively stable from the year before (25% and 12% respectively).

Lipscomb University enrolled the most HOPE scholarship recipients for the second year in a row at 741, followed by Belmont University at 725, Carson-Newman College at 629, Union University at 573, and Maryville College at 534.

For academic year 2006-07, Carson-Newman College enrolled the most Aspire award recipients at 164 recipients, followed by Lee University at 157 recipients. TICUA member institutions with the most students receiving the GAMS award in 2006-07 included Lipscomb University at 130 recipients, followed by Belmont University at 120 recipients. For this same year, 11 TICUA member campuses enrolled a total of 20 Access grant recipients.

**Distribution by Gender**

In 2006-07, the majority (63%) of the HOPE recipients attending TICUA institutions were female. This figure remains slightly higher than the overall percentage of female students attending Tennessee’s public and private colleges in fall 2006 (at 58%).

An analysis of TICUA member institutions with more than 500 HOPE recipients in 2006-07 supports the trend of proportionately higher female enrollment in this program. At Belmont University approximately 68% of the HOPE recipients are female, while about 66% are female at Carson-Newman College. About 63% of lottery recipients at Lee University, Lipscomb University and Tusculum College are female.

The gender distribution of the HOPE awards is similar to the gender distribution of the Access grant and the two supplemental awards (GAMS and Aspire)—63% female and 37% male.
In 2006-07, the majority (87%) of students receiving the HOPE award attending private colleges and universities were white (7,165), while approximately 6% (536) were black, 2% were Asian or Pacific Islander, 1% were Hispanic and 4% were not reported. These enrollment percentages by ethnicity are different from fall 2006 undergraduate enrollment by ethnicity for TICUA member institutions. For instance, black students comprise 15% of overall undergraduate enrollment at TICUA member institutions, while reflecting 6% of the HOPE award recipients (TICUA, January 2007). According to the Tennessee Higher Education Commission, this trend is consistent with rates by ethnicity for similar broad-based merit aid programs in other states (Tennessee Higher Education Commission, 2006).

In 2006-07, TICUA member institutions enrolled 19% of all Aspire award recipients. In order to qualify for this award a student must receive the HOPE award and come from a
family income of $36,000 or less. The majority (77%) of students receiving the Aspire award attending private colleges and universities were white (1,598), while approximately 15% (305) were black, 3% were Asian or Pacific Islander, 2% were Hispanic and 4% were not reported.

Among black students receiving the HOPE award at TICUA institutions the majority also receive the Aspire award. Of the 536 black students receiving the HOPE award to attend a private college or university, over 57% also benefit from the Aspire award (which provides an additional award of $1,500). These students meet both the academic qualifications of the HOPE award and come from families making less than $36,000 a year.

**Distribution by County**

![Distribution of TELS Recipients Attending TICUA Institutions, 2006-07](image)

Data reports unique recipients. Data excludes Trevecca Nazarene University and Vanderbilt University. Source: TICUA Enrollment Reports, 2006-07.

In 2006-07, students from every county in the state except one (Clay) received a HOPE scholarship to attend a TICUA institution. A review of all HOPE awards by county level (see figure 5) indicates that the distribution of award recipients is similar to the distribution by population level. Shelby, the largest county in the state based on population, has 1,120 lottery recipients attending TICUA member institutions. The remaining top five counties with the highest HOPE recipients include Davidson (701 recipients), Knox (520 recipients), Williamson (442 recipients) and Hamilton (407 recipients). All of these counties are in the top five by population, except for Williamson which is ranked 9th in overall population. These counties enroll 39% of all HOPE award recipients attending TICUA member institutions, and represent 40% of the total state population (TICUA, 2007; U.S. Census Bureau, 2000).

**Award Allocation at Tennessee’s Public and Private Colleges and Universities**

This section highlights the award distribution of the HOPE scholarships by the higher education system. In 2006-07, nearly 50,000 HOPE scholarship awards—worth more than $180 million—were distributed to students attending Tennessee’s colleges and universities.
In 2006-07, an examination of award dollars by higher education sector reveals that 40% of scholarship award dollars were given to students attending Tennessee Board of Regents four-year institutions, followed by 30% to students attending the University of Tennessee system, 20% to students attending the independent colleges and universities, and 9% to students attending the state’s community and technical schools.

In addition, figure 6 highlights the number of HOPE recipients by higher education system. In 2006-07, approximately 37% of all HOPE recipients attended one of the Tennessee Board of Regents (4-year) institutions, while 28% attended an institution in the University of Tennessee system, 18% attended a four-year or two-year private college or university, and 16% attended a 2-year technical or community college.

TICUA member institutions enroll proportionately fewer Tennessee students than other higher education sectors in the state. Last fall, a little more than half (53%) of undergraduate students attending the TICUA member institutions were Tennessee residents, while 88% of undergraduate students attending the University of Tennessee institutions and 89% of undergraduate students attending the Tennessee Board of Regents four-year institutions were state residents.

Figure 6 also compares the percentage of HOPE recipients attending Tennessee’s colleges and universities with undergraduate enrollment. For instance, of the total 195,041 in-state undergraduates, the University of Tennessee system enrolled 16% of in-state undergraduates and 28% of HOPE recipients. TICUA member campuses enrolled 14% of in-state undergraduates and 18% of HOPE recipients. The Tennessee Board of Regents four-year institutions accounted for 32% of total undergraduate in-state enrollment and enrolled 37% of HOPE recipients. This analysis shows that four-year colleges and universities enroll proportionately higher levels of HOPE recipients when compared to their percentage of overall undergraduate in-state enrollment.
Two-year colleges are more likely to enroll a smaller proportion of HOPE recipients when compared to overall in-state undergraduate enrollment in postsecondary education. For example, the Tennessee Board of Regents two-year institutions account for 38% of total undergraduate in-state enrollment, and enroll 16% of all HOPE recipients.

**College Participation**

One of the primary goals of the TELS program is to increase the opportunity for Tennesseans to attend college by providing financial incentives to students based on academic performance. To gauge the impact of the TELS program on enrollment patterns, this section examines the trends of high school graduates in Tennessee and enrollment patterns of first-time freshmen at TICUA member institutions.

*Figure 7: Total High School Graduates in Tennessee, 2001-2006*

![Graph showing high school graduates trend from 2001-2006](image)


Figure 7 illustrates the trend of the number of students graduating from both public and private high schools in the state. College students could take advantage of the TELS award beginning in fall 2004. From fall 2003 to fall 2004, the number of students graduating from high school declined by 2%. At the same time, college participation at TICUA institutions for first-time freshman increased by 8%. These figures suggest that some of the enrollment growth in first-time freshman could be attributed to the enactment of the recent lottery program.
Figure 8 represents enrollment patterns for first-time freshman at TICUA member institutions serving undergraduate students. The greatest increase occurs between fall 2003 to fall 2004—fall 2004 was the first year students could take advantage of the lottery program. This data suggests that enactment of the lottery program could have impacted the fall 2004 first-time freshman enrollment figures at TICUA member institutions. The fall 2005 and fall 2006 enrollment patterns for first-time freshman did not sustain the growth that occurred in fall 2004.

Data also suggest a slight shift in the percentage of high school graduates enrolling in TICUA campuses immediately after high school. In 2002, 8.7% of Tennessee high school graduates enrolled in a TICUA member institution following high school. In 2004, 9.8% of recent high school graduates were enrolling in a TICUA institution immediately after graduation. In fall 2006, this figure remained relatively stable at 9.7%. These data reinforce the suggestion that the increases in in-state students enrolling in undergraduate education at TICUA member campuses could be a result of the lottery program.

Based on the first three years of the lottery program, the data reflect a greater increase in the number of students participating in TICUA member institutions than otherwise would have been anticipated. While there may be other reasons for this enrollment increase, the lottery scholarship program may have encouraged higher levels of enrollment.

Preliminarily, the data suggest that the lottery program is on target for the policy goal of increasing educational opportunity for Tennesseans by providing financial assistance to students to attend college based on good academic performance. In the coming years, it will be important to continue to track changes in high school graduates, enrollment by high school students in TICUA institutions, and first-time freshman enrollment in order to understand the impact of the lottery program.
Retention

Retention at TICUA Institutions

Figure 9: % of Fall 2004 Cohort of Students Retaining HOPE Awards

Data reports unique recipients attending four-year TICUA member institutions. Data excludes Trevecca Nazarene University and Vanderbilt University. Source: TICUA Enrollment Reports, 2004-07.

Between fall 2004 and fall 2005, 58% of all student recipients of the HOPE base award attending four-year TICUA member institutions retained their award. Of those students, approximately 49% retained their HOPE award two years later. The data in figure 9 reveal that students receiving the supplemental GAMS award were more likely to retain their award compared to low-income students receiving the supplemental Aspire award.

Scholarship retention of the fall 2004 cohort for the first two years of the program varies across TICUA member institutions, with an overall system retention rate of 49%. For the first two years of the program, Baptist College of Health Sciences had the highest retention rate of HOPE recipients between fall 2004 and fall 2006 at 63%. Fall 2004 HOPE recipients attending Belmont University, Bryan College, Johnson Bible College and Rhodes College retained their awards at a rate of 58%.
Retention at Tennessee Colleges and Universities

Figure 10: % of First-Time Freshman Retaining HOPE Awards, Fall 04-Fall 05

![Bar chart showing retention rates for first-time freshman recipients of the HOPE award from fall 2004 to fall 2005. Private college students receiving the TELS awards (HOPE base, GAMS and Aspire) showed the most success with retaining their award compared to other sectors of higher education in Tennessee.]

Source: The Tennessee Higher Education Commission, January 2007. Please note, this data varies slightly from TICUA retention rates because this data includes Vanderbilt University and Trevecca Nazarene University.

If we examine the fall 2005 cohort of first-time freshman receiving the TELS award, the trend remains the same. Students attending independent colleges continue to retain their award at higher rates compared to public colleges and universities.
Loss of the Award

Since fall 2004, approximately 2,155 HOPE recipients attending TICUA member institutions have lost their award. Of those who lost the award, 90% of the students lost their award because they did not maintain the grade point average qualification (GPA requirement is 3.0).

It is important to note that these figures do not include students who once received the HOPE scholarship to attend a TICUA member institution but are no longer enrolled. From fall 2004 to fall 2006, the data reveal that 1,619 students—students who at one time received the HOPE award to attend a TICUA member institution—were no longer enrolled. Unfortunately, the data cannot tell us if these students re-enrolled in a Tennessee public college or university or dropped out of school.

In 2005, the Tennessee General Assembly enacted a HOPE rule that would allow HOPE base award recipients who lost their award an opportunity to regain it. At this time, it is too early to gauge the impact this new rule will have on retention of the award.
Conclusion

This report captures the first three years of the TELS program and the early impact this program has had on student financial aid, college participation, and college retention. Initially, the data reveal that the TELS program has promoted college access through financial incentives. The evidence to support this point comes from a slight increase in the percentage of Tennessee high school students since fall 2004 enrolling in TICUA institutions, and the fact that TICUA institutions enroll proportionately higher levels of HOPE recipients when compared to the percentage of undergraduate in-state enrollment in higher education. In addition, data show that among black students receiving the HOPE award and attending TICUA institutions, the majority also receive the Aspire award (which is given to students who come from a family income of $36,000 or less). It remains unclear if this award will impact the overall completion rates of these students.

As far as award retention, the data finds that HOPE recipients at TICUA member campuses are more likely to retain their award than students attending public institutions. As this program reaches maturity, it will be important to track the changes in award retention from year to year in order to gauge the impact the TELS programs have had on students attending TICUA member institutions.
Methodology

We strive to make sure that the information contained in this publication is as accurate and current as possible. The information on the TELS program reflects data collected from TICUA member institutions from fall 2004 to spring 2007.

The majority of the data reported in this study were compiled by TICUA using fall and spring enrollment reports beginning in fall 2004. Data are collected in October and March of each year. TICUA makes every effort to report data accurately and in a timely manner. However, TICUA is limited to reporting data consistent with the enrollment and completions reporting requirements. Trevecca Nazarene University and Vanderbilt University are excluded from some of the data results in the report because these institutions do not report data consistent with TICUA’s reporting requirements.

This report focuses on TICUA member institutions who serve undergraduate students, since these are the students who are eligible to receive the lottery award. TICUA membership includes three professional schools (Meharry Medical College, Middle Tennessee School of Anesthesia, and Southern College of Optometry) and these schools are not included in this analysis.

This report will be updated annually for TICUA member campuses.
References


U.S. Census Bureau, Census 2000 Redistricting Data (Public Law 94-171) Summary File, Matrices PL1 and PL2.


TICUA Members

Aquinas College
Baptist College of Health Sciences
Belmont University
Bethel College
Bryan College
Carson-Newman College
Christian Brothers University
Crichton College
Cumberland University
Fisk University
Free Will Baptist Bible College
Freed-Hardeman University
Hiwassee College
John A. Gupton College
Johnson Bible College
King College
Lambuth University
Lane College
Lee University
LeMoyne-Owen College
Lincoln Memorial University
Lipscomb University
Martin Methodist College
Maryville College
Meharry Medical College
Memphis College of Art
Middle Tennessee School of Anesthesia
Milligan College
Rhodes College
Sewanee: The University of the South
Southern Adventist University
Southern College of Optometry
Tennessee Wesleyan College
Trevecca Nazarene University
Tusculum College
Union University
Vanderbilt University

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