# Table of Contents

Preface ................................................................................................................................. iv

2009-10 Highlights ........................................................................................................ vi

Overview of the 2009-10 Tennessee Education Lottery Scholarship ........................................ 1
  Program Overview ........................................................................................................... 1

Allocation and Distribution ............................................................................................... 3
  Allocation by Award Type .............................................................................................. 3
  Distribution by Gender ................................................................................................ 5
  Distribution by Ethnicity .............................................................................................. 6
  Distribution by County ................................................................................................. 8
  Distribution by Program Area ..................................................................................... 9
  Non-Traditional Student Awards ............................................................................... 9
  Award Allocation at Tennessee’s Public and Private Colleges and Universities .............. 12

College Participation ......................................................................................................... 14

Scholarship Renewal ......................................................................................................... 17
  Scholarship Renewal at TICUA Institutions ................................................................ 17
  Scholarship Renewal at Tennessee Colleges and Universities ...................................... 18
  Initial Qualifications and Scholarship Renewal .......................................................... 21
  Loss of the Award ........................................................................................................ 22
  Regain of the Award .................................................................................................... 22

Degree Completion ........................................................................................................... 23
  Incomplete Data .......................................................................................................... 23
  2004 Cohort Completions ......................................................................................... 23
  2005 Cohort Completions ......................................................................................... 23
  2006 Cohort Completions ......................................................................................... 24

Conclusion ........................................................................................................................ 26

Methodology .................................................................................................................... 27

Index of Tables and Figures ............................................................................................. 28

References ......................................................................................................................... 29
Preface

The Tennessee Independent Colleges and Universities Association (TICUA) is pleased to present the results of the 2010 study on the impact of the Tennessee Education Lottery Scholarship (TELS) program. The study highlights trends in participation and retention of TELS recipients attending TICUA campuses. Since the program’s inception, students attending TICUA member campuses have benefited from over $220 million in TELS awards.

In 2009-10, over 12,400 students attending TICUA member institutions received a TELS award. Of that total, more than 4,400 students also earned a supplemental award based on academic performance or financial need. Students at TICUA institutions received $51.5 million in lottery scholarships. Students from every county in the State received a TELS award to attend a Tennessee private college or university.

TICUA welcomes your thoughts and comments on this publication through email at research@ticua.org.
2009-10 Highlights

Program Participation

• In 2009-10, over 12,400 students attending Tennessee’s private colleges and universities received $51.5 million from the Tennessee Education Lottery Scholarship (TELS) program.

• Of those students, 23% also received the supplemental Aspire Award (based on a student’s financial need) and another 14% received the General Assembly Merit Scholarship (based on a student’s superior academic performance).

• Sixty-two percent of all TELS recipients attending TICUA member institutions were female.

• In 2009-10, the majority (82%) of the TELS recipients attending private colleges and universities were White, while 9% were Black, 2% Asian, 2% Hispanic and 4% did not report race or ethnicity.

• Of all Black students receiving the TELS Awards to attend a private college or university, nearly 50% also benefited from the Aspire Award, a need-based supplement.

• In 2009-10, students from every county in the State received a TELS award to attend a Tennessee private college or university.

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

Scholarship Retention

• From fall 2004 to fall 2009, first-time freshmen who were TELS recipients at TICUA member campuses were more likely to renew their scholarship awards than first-time freshmen attending public colleges and universities.

• Of the fall 2006 cohort, 45% of all TELS recipients at private colleges and universities retained their award three years later.

• Since fall 2005, about 6,600 students attending TICUA member campuses have lost their TELS award. The majority (80%) of these students lost their award because they did not maintain the required grade point average.

• By spring 2010, more than 844 students attending TICUA member campuses regained their TELS awards.
College Completion

- Since the inception of the lottery scholarship program, nearly 7,500 TELS recipients have graduated from private colleges and universities in Tennessee.

- Of the TICUA member institution first-time freshmen who first received a TELS award in 2005, 56% have graduated within 5 years.

- Of the TICUA member institution first-time freshmen who first received a TELS award in 2006, 43% have graduated within 4 years.
Overview of the 2009-10 Tennessee Education Lottery Scholarship

This report highlights student participation in and renewal of 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 2009-10) and includes data from academic years 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09.

The first section of this report provides a brief overview of the TELS program. Following the TELS section, the report highlights the award distribution including information by gender, ethnicity, county and major. The next section examines college participation patterns and ways 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. The final section examines college completion by TELS recipients.

Program Overview

In 2004, the Tennessee General Assembly enacted the TELS program to award scholarships to Tennessee college students. The first students benefiting from this program were students enrolling in college in the fall of 2004 as first-year and second-year students. This program reached maturity in the 2007-08 academic year with five cohorts of students participating in the program. The inaugural class of first-time freshmen began to graduate in 2008.

The State created the program to address several public policy objectives:

- 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 initially was comprised of five distinct award types. Table 1 outlines for the academic year 2009-10 scholarship amounts and eligibility criteria for the four award types for which students at TICUA institutions are eligible. The initial legislation authorized an additional scholarship known as the Wilder-Naifeh Technical Skills Grant, which provides money to students studying at the State’s technology centers.
Table 1
2009-10 TELS Program Award Amounts and Eligibility Criteria

<table>
<thead>
<tr>
<th></th>
<th>Tennessee HOPE Scholarship (base award)</th>
<th>General Assembly Merit Scholarship (HOPE with merit supplement)</th>
<th>Aspire Award (HOPE with need-based supplement)</th>
<th>Access Award</th>
</tr>
</thead>
<tbody>
<tr>
<td>Award amount at 4-year institutions</td>
<td>$4,000</td>
<td>$5,000</td>
<td>$5,500</td>
<td>$2,750</td>
</tr>
<tr>
<td>Award amount at 2-year institutions</td>
<td>$2,000</td>
<td>$3,000</td>
<td>$3,500</td>
<td>$1,750</td>
</tr>
<tr>
<td>High School GPA</td>
<td>3.00</td>
<td>3.75</td>
<td>3.00</td>
<td>2.75</td>
</tr>
<tr>
<td>ACT Score</td>
<td>or 21</td>
<td>and 29</td>
<td>or 21</td>
<td>and 18-20</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>
</tr>
</tbody>
</table>


The HOPE Scholarship is a broad-based award for students whose high school GPA is at least 3.0/4.0 scale or whose composite ACT score is at least 21. The General Assembly Merit Scholarship (GAMS) is a merit-based supplement to the base HOPE Scholarship earned by students with at least a 3.75 high school GPA and a composite score of at least 29 on the ACT. The Aspire Award is a need-based supplement to the base HOPE Scholarship granted to students whose families earn less than $36,000/year. The HOPE Access Grant provides a one-year scholarship to students from families earning less than $36,000/year with a high school GPA between 2.75 and 2.99 and a composite ACT score between 18 and 20.

The scholarship for non-traditional students (aged 25 or older) was modified during the 2008 legislative session. The modification enabled non-traditional students to become eligible for the lottery scholarship earlier in their academic career. This program is examined on pages 9-10.

In addition, the TELS program is comprised of several smaller scholarship programs including the Dual Enrollment Grant, Foster Child Grant, a graduate scholarship for teachers returning to be certified in math or science, scholarships for veterans of the War on Terror and the conflicts in Iraq and Afghanistan (Helping Heroes Grant) and rural health scholarships to increase the numbers of health service providers in underserved areas of the State. Since these programs do not have the scope of the original programs, they are not included in this analysis. In 2010, no changes were made to the lottery program, although with a projected deficit many changes were considered and the General Assembly established a summer study committee to consider ways to modify the program to match expenditures with the lottery revenues.
Allocation and Distribution

This section of the report focuses on Tennessee Education Lottery Scholarship (TELS) distribution by award type for students attending TICUA member institutions. The section highlights data on the distribution of TELS award recipients by gender, ethnicity, county and major. Additionally, the non-traditional student population of this program is examined. Finally, this section compares allocation of TELS awards by educational sector.

Allocation by Award Type

In 2009-10, award dollars for the TELS program totaled $283.9 million across all programs and all institutions (Tennessee Student Assistance Corporation, September 2010).

Since the inception, students at private colleges and universities have received nearly $220 million from the State through the TELS program. In 2009-10 alone, students attending TICUA member institutions benefited from $51.5 million in scholarships. Figure 1 shows the allocation amounts by award type. Students receiving the HOPE Scholarship received the majority of the scholarship dollars – $28.2 million. The Aspire Award provided $15.0 million in financial aid to low-income students attending private colleges and universities in Tennessee. Private college and university students received a total of over $8.1 million dollars from the General Assembly Merit Scholarship (GAMS).
Figure 2 shows the distribution of recipients by award type. In the fall semester of 2009, almost 11,800 lottery scholarships were awarded to students attending TICUA member institutions. The majority of students (62%) received only the HOPE award. Twenty-three percent of recipients received the Aspire Award in addition to the HOPE award and 14% received the supplemental GAMS award in addition to the HOPE award.

During the academic year 2009-10, Lipscomb University enrolled the most TELS recipients with 1,051 students followed by Belmont University with 1,031 students, Union University with 916, Carson-Newman College with 879, Vanderbilt University with 800 and Lee University with 792 (TSAC, September 2010).

For academic year 2009-10, Carson-Newman College enrolled the most Aspire Award recipients with 264, followed by Lipscomb University with 205. In all, TICUA member campuses enrolled 3,267 Aspire Award recipients – nearly one out of every five in the State (TSAC, September 2010).

TICUA member institutions with the most students receiving the GAMS in 2009-10 included Vanderbilt University with 439 recipients, Belmont University with 170 and Lipscomb University with 162 recipients. With 1,745 GAMS recipients, TICUA member
campuses enrolled nearly one-third of all GAMS recipients in the State (TSAC, September 2010).

For this same year, 21 TICUA member campuses enrolled 73 Access Grant recipients. This represents approximately 18% of all State Access Grant recipients (TSAC, September 2010).

Distribution by Gender
In 2009-10, the majority (62%) of the TELS recipients attending TICUA institutions were female, as seen in Figure 3. This figure remains slightly higher than the percentage of female undergraduate students attending Tennessee’s private colleges in fall 2009 (58%).

![Figure 3](image)

An analysis of TICUA member institutions with more than 500 TELS recipients in 2009-10 supports the trend of proportionately higher female enrollment in this program. Table 2 presents the number of male and female TELS recipients as a percentage of the total number of institutional recipients. Belmont University has the largest percentage of female recipients at 68.67%. All institutions with more than 500 recipients have more female than male recipients.
Table 2
Number and Percentage of Total Recipients For Men and Women For TICUA Member Institutions with more than 500 TELS Recipients

<table>
<thead>
<tr>
<th>Institution</th>
<th># Female</th>
<th>% Female</th>
<th># Male</th>
<th>% Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belmont University</td>
<td>664</td>
<td>68.67%</td>
<td>303</td>
<td>31.33%</td>
</tr>
<tr>
<td>Carson-Newman College</td>
<td>544</td>
<td>64.00%</td>
<td>306</td>
<td>36.00%</td>
</tr>
<tr>
<td>Christian Brothers University</td>
<td>324</td>
<td>55.96%</td>
<td>255</td>
<td>44.04%</td>
</tr>
<tr>
<td>Lee University</td>
<td>477</td>
<td>62.27%</td>
<td>289</td>
<td>37.73%</td>
</tr>
<tr>
<td>Lipscomb University</td>
<td>625</td>
<td>61.58%</td>
<td>390</td>
<td>38.42%</td>
</tr>
<tr>
<td>Maryville College</td>
<td>375</td>
<td>59.81%</td>
<td>252</td>
<td>40.19%</td>
</tr>
<tr>
<td>Union University</td>
<td>563</td>
<td>64.34%</td>
<td>312</td>
<td>35.66%</td>
</tr>
<tr>
<td>Vanderbilt University</td>
<td>399</td>
<td>50.70%</td>
<td>388</td>
<td>49.30%</td>
</tr>
</tbody>
</table>

The gender distribution of ASPIRE Award recipients skews slightly more female than TELS recipients as a whole, with 67% female and 33% male. GAMS recipients skew slightly less female than distribution of TELS recipients as a whole. GAMS recipients are 57% female and 44% male. Of the 66 Access Grant recipients, more women than men received the Access Grant: 64% of recipients are female and 36% male.

Distribution by Ethnicity
Figure 4

TICUA TELS Award Recipients by Ethnicity, Fall 2009

- White, not Hispanic: 82%
- Black or African-American: 8%
- Unknown/Unreported: 4%
- Asian: 2%
- Hispanic or Latino: 2%
- Other: 1%

Data reports unique recipients.
In 2009-10, the majority (82%) of students receiving the TELS Award attending private colleges and universities were White (10,241). Figure 4 shows the distribution of non-White TELS recipients: 9% (1,065) were Black, just more than 2% (280) were Asian, nearly 2% (213) were Hispanic or Latino, 1% identified as a category other than those and 4% did not report their ethnicity or race. As shown in Table 3, these recipient percentages by ethnicity are different from fall 2009 undergraduate enrollment by ethnicity for TICUA member institutions.

Table 3

<table>
<thead>
<tr>
<th>Race/Ethnicity</th>
<th>% Total HOPE Scholarship Recipients</th>
<th>% of Fall 2009 Undergraduate Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asian</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Black, not Hispanic</td>
<td>9%</td>
<td>16%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>White, not Hispanic</td>
<td>82%</td>
<td>69%</td>
</tr>
<tr>
<td>Unclassified</td>
<td>4%</td>
<td>6%</td>
</tr>
</tbody>
</table>

Figure 5

TICUA Aspire Award Recipients by Ethnicity, Fall 2009

Data reports unique recipients.
In 2009-10, TICUA member institutions enrolled 18% of all Aspire Award recipients. Figure 5 represents the distribution of Aspire Award Recipients at TICUA member schools by ethnicity. The majority (71%) of students receiving the Aspire Award attending private colleges and universities were White (1,959), while approximately 18% (490) were Black, 3% (87) were Asian and 2% (65) were Hispanic or Latino.

Approximately 50% of the Black students receiving the HOPE Scholarship to attend a private college or university also benefited from the Aspire Award.

The percentage of White students receiving GAMS to attend a private college is similar to those receiving the HOPE Scholarship – 83%. However, the distribution of scholarships among other racial and ethnic groups differs from the distribution of the HOPE Scholarship. Black students made up just over 2% of GAMS recipients, which is less than would be expected if the distribution were similar to the distribution of enrollment. Asians made up 5% and Hispanics/Latinos made up just more than 2% of GAMS recipients. These numbers are greater than would be expected based upon enrollment distribution. Another 7% of GAMS recipients did not report a racial or ethnic category.

Distribution by County

In 2009-10, students from every county in the State received a TELS award to attend a TICUA institution. A review of TELS recipients at TICUA member institutions by county level (see Figure 6) indicates that the distribution of award recipients is similar to the distribution by population level. Figure 7 presents data on the five counties with the most TELS recipients. Shelby, the most populous county in the State, has 1,614 TELS recipients attending TICUA member institutions. The next four counties with the highest TELS recipients include Davidson (1,235 recipients), Williamson (821 recipients), Knox (802 recipients) and Hamilton (599 recipients). Four of these counties are the top four by population. Williamson County ranks sixth in overall population. These five counties enroll 41% of all TELS scholarship recipients attending TICUA member institutions and also represent 40% of the total State population (US Census Bureau, 2009).
Distribution by Program Area
TELS recipients at TICUA member institutions who reported majors declared in a wide variety of fields. The top three majors for TELS recipients are similar to majors of TICUA students in general. Figure 8 presents the top three majors of TELS recipients. Fourteen percent of TELS recipients declared majors in the health professions, 12% in business related fields and 10% in education.

Non-Traditional Student Awards
In 2008, the State Legislature amended the rules relating to non-traditional students qualifying for the lottery scholarship. Under these new rules, students aged 25 or older, with a family income of less than $36,000 per year who are enrolling in college for the first time or have been away from college for more than two years and who successfully
completed 12 credit hours can gain eligibility for a lottery scholarship. Before 2008, a student was required to complete 24 credit hours. This change increased the number of non-traditional students receiving the scholarship.

![Figure 9](image)

**Figure 9**

*TICUA Non-Traditional TELS Recipients by Gender, 2009-10*

- Female: 77%
- Male: 23%

In the 2009-10 academic year, 2,668 students received the non-traditional student HOPE scholarship. Seventeen percent (461) of these students attended TICUA member schools. As seen in Figures 9 and 10, of the students studying at TICUA institutions, the vast majority are female (77%) and White (71%).
Figure 11 presents the age ranges of non-traditional students at TICUA member institutions. Most (69%) of the non-traditional recipients are between the ages of 25 and 39, with 21% between the ages of 25 and 29, 27% between the ages of 30 and 34 and 21% of the recipients 35 to 39.
Award Allocation at Tennessee’s Public and Private Colleges and Universities

This section highlights the award distribution of the HOPE Scholarships by higher education sector. In 2009-10, the State distributed more than 98,079 TELS awards—worth nearly $284 million—to students attending Tennessee’s public and private colleges and universities (Tennessee Student Assistance Corporation, 2010).

Figure 12
HOPE Dollars/Recipients/Undergraduate In-state Enrollment by Higher Education Sector, 2009-10

Data reports unique recipients for 2009-10 and enrollment figures are for fall 2009. Data Sources: Tennessee Student Assistance Corporation, 2010; Tennessee Higher Education Commission, 2010

Figure 12 compares distribution of award allocation, award recipients and in-state enrollment by education sector. In 2009-10, an examination of award dollars by higher education sector reveals that 41% of scholarship award dollars were given to students attending Tennessee Board of Regents (TBR) 4-year institutions, followed by 32% to students attending the University of Tennessee (UT) system, 18% to students attending the independent colleges and universities and 8% to students attending 2-year community colleges.

In 2009-10, approximately 38% of all TELS recipients attended one of the TBR 4-year institutions, while 29% attended an institution in the UT system, 17% a private college or university and 16% a 2-year community colleges.

TICUA member institutions enroll proportionately fewer Tennessee students than other higher education sectors in the State. Last fall, slightly more than half (56%) of undergraduate students attending TICUA member institutions were Tennessee residents, while 90% of undergraduate students attending UT institutions, 89% of undergraduate students attending TBR 4-year institutions and 93% of undergraduates attending one of
the State’s 2-year community colleges were State residents (Tennessee Higher Education Commission, 2010b).

Of the total 167,647 in-state undergraduates, TICUA member campuses enrolled 14% of in-state undergraduates and 17% of TELS recipients. This analysis shows that private colleges and universities enroll a proportionately higher level of TELS recipients when compared to the percentage of overall undergraduate in-state enrollments.
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, full-time freshmen at TICUA member institutions.

Figure 13

Total High School Graduates in Tennessee 2003-2008

<table>
<thead>
<tr>
<th>Academic Year</th>
<th>Total Graduates</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003-04</td>
<td>51,280</td>
</tr>
<tr>
<td>2004-05</td>
<td>53,252</td>
</tr>
<tr>
<td>2005-06</td>
<td>53,068</td>
</tr>
<tr>
<td>2006-07</td>
<td>55,553</td>
</tr>
<tr>
<td>2007-08</td>
<td>56,748</td>
</tr>
<tr>
<td>2008-09*</td>
<td>56,956*</td>
</tr>
</tbody>
</table>

*projected

Figure 13 illustrates an increase since 2003 in the number of students graduating from both public and private high schools in the State.

Figure 14

Enrollment Figures for First-Time Freshman at TICUA Member Institutions

<table>
<thead>
<tr>
<th>Academic Year</th>
<th># of FTF Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall 2001</td>
<td>9,189</td>
</tr>
<tr>
<td>Fall 2002</td>
<td>9,242</td>
</tr>
<tr>
<td>Fall 2003</td>
<td>9,407</td>
</tr>
<tr>
<td>Fall 2004</td>
<td>10,059</td>
</tr>
<tr>
<td>Fall 2005</td>
<td>10,423</td>
</tr>
<tr>
<td>Fall 2006</td>
<td>10,842</td>
</tr>
<tr>
<td>Fall 2007</td>
<td>11,087</td>
</tr>
<tr>
<td>Fall 2008</td>
<td>11,087</td>
</tr>
</tbody>
</table>

These figures include in-state and out-of-state students.
Source: IPEDS Enrollment Surveys, Fall 2001-Fall 2008, full-time first-time degree/certificate-seeking undergraduate (current year GRS cohort)
Figure 14 represents enrollment patterns for first-time, full-time freshman at TICUA member institutions serving undergraduate students. The greatest increase occurs between fall 2003 and fall 2004. It should be noted that fall 2004 was the first year students could take advantage of the TELS program.

From academic year 2003-04 to academic year 2004-05, the number of students graduating from high school rose by 4%. At the same time, college participation at TICUA institutions for first-time, full-time freshman increased by 8%. These figures suggest that the enactment of the TELS program contributed to some of the enrollment growth in first-time, full-time freshman.

**Figure 15**

Total Tennessee High School Graduates and In-State FTF enrollment at TICUA institutions

Sources: Western Interstate Commission on Higher Education, 2008 and IPEDS Enrollment Surveys, Fall 2001-Fall 2008, full-time first-time degree/certificate-seeking undergraduate (current year GRS cohort)

Figure 15 shows both the first-time, full-time student enrollment at TICUA institutions and number of Tennessee high school graduates. The trends indicate that since 2004 the rate of increase of enrollment at TICUA member institutions mirrors the rate of increase of Tennesseans graduating from high school.

These data suggest that enactment of the lottery program impacted the fall 2004 first-time, full-time freshman enrollment figures at TICUA member institutions. The years following fall 2004 show enrollment figures at least as high as the figure for 2004, sustaining the growth that occurred from 2003 to 2004.
Figure 16 shows a shift beginning in 2004 in the percentage of Tennessee high school graduates enrolling in TICUA campuses immediately after high school. Before the inception of the TELS program, about 42% of first-time freshman students at TICUA institutions were in-state. In 2004 that number increased to 45% and in 2006 it further increased to 47%. By fall of 2008, in-state and out-of-state student enrollments were nearly identical. (In-state students made up 49% of private college enrollments.)

In 2002, 6.4% of Tennessee high school graduates enrolled in a TICUA member institution immediately following high school. In 2004, this percentage rose slightly to 6.6%. In fall 2008, this figure rose to 8.8%. These numbers reinforce the connection between increases in in-state undergraduate enrollment at TICUA member institutions and the TELS program.

Based on the first five years of the TELS program, the data reflect a greater increase in the number of Tennessee students enrolling in TICUA member institutions than in past years. While there may be other reasons for this enrollment increase, the TELS program seems to have encouraged higher levels of in-state enrollment at TICUA member institutions. The data suggest that the TELS 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 to better understand the impact of the TELS program.
Scholarship Renewal

Scholarship Renewal at TICUA Institutions

Figure 17 presents the renewal rates for the 3,150 members of the fall 2005 cohort of students studying at TICUA member institutions who received TELS awards (base HOPE Scholarship, GAMS and Aspire Award). Between fall 2005 and fall 2006, 57% of all student recipients attending TICUA member institutions renewed their award. Of those students, approximately 44% still received the scholarship two years later and 43% continue to receive the scholarship entering their fourth year. Figure 17 also reveals that students receiving the supplemental GAMS were more likely to retain their award compared to students receiving the HOPE Scholarship or the supplemental Aspire Award.

Figure 17

The renewal rates of awards by the 2005 cohort through 2008 show a decline in the number of students retaining the award into their fourth year. This parallels the published rates of renewal for the program as a whole. The Tennessee Higher Education Commission indicates that the rate of renewal for the fall 2005 statewide cohort into the third year is 38% and into the fourth year is 40%. Analysis of future cohorts into their fourth years will provide a better understanding of scholarship renewal rates.
Figure 18 examines the scholarship renewal rates for the fall 2006 first-time freshmen cohort. Similar to the fall 2005 cohort, students who received the supplemental GAMS award show the highest rates of renewal. Although the one year renewal rates for the fall 2006 cohort were slightly lower than the fall 2005 cohort, the two and three year renewal rates were equal to or greater than the fall 2005 renewal rates. Generally, the renewal rates for both cohorts exhibit a similar pattern.

![Percentage of Fall 2006 Cohort Renewing TELS Awards](image)

Scholarship Renewal at Tennessee Colleges and Universities

Table 4 shows year one to year two renewal rates for first-time freshman TELS recipients for public 4-year, public 2-year and independent school students. Overall, independent college students showed the most success when compared to other sectors of higher education in Tennessee. The rates of renewal for students at independent colleges receiving the HOPE or ASPIRE awards are consistently higher than for students attending public schools. For three of the five years, including the last two, independent college students receiving the GAMS award renewed at rates similar to GAMS recipients at the State’s 4-year institutions. As so few students at independent colleges receive the ACCESS award, no conclusions can be made about the renewal rates for students receiving this award.

Overall, the 2008 cohort of students at independent institutions had a first year scholarship renewal rate of 61%, the highest of the three sectors presented. This has been a trend for each of the five years of the program.
Table 4
Scholarship Renewal Rates by Award Type and Initial Postsecondary Sector Attended
(TELS First-time Freshmen Fall 2004 through Fall 2008)

<table>
<thead>
<tr>
<th>Year 1 to Year 2 Lottery Renewal Rate:</th>
<th>2004 First-time Freshmen</th>
<th>N = 20,453</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HOPE</strong></td>
<td><strong>GAMS</strong></td>
<td><strong>ASPIRE</strong></td>
</tr>
<tr>
<td>Public 4-yr</td>
<td>52%</td>
<td>90%</td>
</tr>
<tr>
<td>Public 2-yr</td>
<td>42%</td>
<td>*73%</td>
</tr>
<tr>
<td>Independent</td>
<td>58%</td>
<td>91%</td>
</tr>
<tr>
<td>Total</td>
<td>51%</td>
<td>90%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year 1 to Year 2 Lottery Renewal Rate:</th>
<th>2005 First-time Freshmen</th>
<th>N = 19,807</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HOPE</strong></td>
<td><strong>GAMS</strong></td>
<td><strong>ASPIRE</strong></td>
</tr>
<tr>
<td>Public 4-yr</td>
<td>56%</td>
<td>90%</td>
</tr>
<tr>
<td>Public 2-yr</td>
<td>50%</td>
<td>*64%</td>
</tr>
<tr>
<td>Independent</td>
<td>63%</td>
<td>86%</td>
</tr>
<tr>
<td>Total</td>
<td>56%</td>
<td>89%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year 1 to Year 2 Lottery Renewal Rate:</th>
<th>2006 First-time Freshmen</th>
<th>N = 21,715</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HOPE</strong></td>
<td><strong>GAMS</strong></td>
<td><strong>ASPIRE</strong></td>
</tr>
<tr>
<td>Public 4-yr</td>
<td>55%</td>
<td>91%</td>
</tr>
<tr>
<td>Public 2-yr</td>
<td>46%</td>
<td>*50%</td>
</tr>
<tr>
<td>Independent</td>
<td>55%</td>
<td>85%</td>
</tr>
<tr>
<td>Total</td>
<td>53%</td>
<td>89%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year 1 to Year 2 Lottery Renewal Rate:</th>
<th>2007 First-time Freshmen</th>
<th>N = 22,787</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HOPE</strong></td>
<td><strong>GAMS</strong></td>
<td><strong>ASPIRE</strong></td>
</tr>
<tr>
<td>Public 4-yr</td>
<td>57%</td>
<td>90%</td>
</tr>
<tr>
<td>Public 2-yr</td>
<td>39%</td>
<td>*65%</td>
</tr>
<tr>
<td>Independent</td>
<td>59%</td>
<td>90%</td>
</tr>
<tr>
<td>Total</td>
<td>53%</td>
<td>90%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year 1 to Year 2 Lottery Renewal Rate:</th>
<th>2008 First-time Freshmen</th>
<th>N = 23,559</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HOPE</strong></td>
<td><strong>GAMS</strong></td>
<td><strong>ASPIRE</strong></td>
</tr>
<tr>
<td>Public 4-yr</td>
<td>56%</td>
<td>90%</td>
</tr>
<tr>
<td>Public 2-yr</td>
<td>46%</td>
<td>*84%</td>
</tr>
<tr>
<td>Independent</td>
<td>61%</td>
<td>90%</td>
</tr>
<tr>
<td>Total</td>
<td>55%</td>
<td>90%</td>
</tr>
</tbody>
</table>

Notes: *Indicates original cohort size for a given sector was less than 100.
Data varies slightly from TICUA computed retention rates because of difference in reporting periods between THEC and TICUA.
Source: Tennessee Higher Education Commission, January 2010
As seen in Figure 19, first-year renewal rates for first-time freshmen students at TICUA member institutions have remained stable over the first four years of the scholarship program. Students receiving the merit-based GAMS award exhibit the highest rates of first year renewal.

Data varies slightly from TICUA computed retention rates because of difference in reporting periods between THEC and TICUA.

Source: The Tennessee Higher Education Commission, January 2010
Initial Qualifications and Scholarship Renewal

Table 5 identifies the qualifications of 1-, 2- and 3-year scholarship renewal rates of first-time freshmen students for each of the last four years. The majority of students each year qualified for the award both through their ACT scores and high school GPA. Those students who qualified by both criteria also showed the highest renewal rates for the award after one, two and three years. Those students who qualified based on GPA alone had the next highest rates and those students who qualified solely because of ACT scores showed the lowest rates of scholarship renewal.

<table>
<thead>
<tr>
<th>Number of Students in Cohort</th>
<th>1-Year Renewal Rate</th>
<th>2-Year Renewal Rate</th>
<th>3-Year Renewal Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall 2005</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ACT Only</td>
<td>291</td>
<td>25%</td>
<td>15%</td>
</tr>
<tr>
<td>Both</td>
<td>2089</td>
<td>65%</td>
<td>52%</td>
</tr>
<tr>
<td>GPA Only</td>
<td>483</td>
<td>38%</td>
<td>22%</td>
</tr>
<tr>
<td>All Students</td>
<td>2885</td>
<td>56%</td>
<td>43%</td>
</tr>
<tr>
<td>Fall 2006</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ACT Only</td>
<td>272</td>
<td>19%</td>
<td>14%</td>
</tr>
<tr>
<td>Both</td>
<td>2190</td>
<td>65%</td>
<td>56%</td>
</tr>
<tr>
<td>GPA Only</td>
<td>488</td>
<td>38%</td>
<td>28%</td>
</tr>
<tr>
<td>All Students</td>
<td>2950</td>
<td>56%</td>
<td>47%</td>
</tr>
<tr>
<td>Fall 2007</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ACT Only</td>
<td>325</td>
<td>21%</td>
<td>15%</td>
</tr>
<tr>
<td>Both</td>
<td>2431</td>
<td>64%</td>
<td>57%</td>
</tr>
<tr>
<td>GPA Only</td>
<td>534</td>
<td>34%</td>
<td>26%</td>
</tr>
<tr>
<td>All Students</td>
<td>3290</td>
<td>55%</td>
<td>48%</td>
</tr>
<tr>
<td>Fall 2008</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ACT Only</td>
<td>355</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td>Both</td>
<td>2607</td>
<td>64%</td>
<td></td>
</tr>
<tr>
<td>GPA Only</td>
<td>659</td>
<td>34%</td>
<td></td>
</tr>
<tr>
<td>All Students</td>
<td>3621</td>
<td>54%</td>
<td></td>
</tr>
</tbody>
</table>

*Note: Information in this chart includes only students for whom both a high school GPA and ACT/SAT score were reported to TICUA.
Loss of the Award
Since fall 2004, approximately 6,598 TELS recipients attending TICUA member institutions have failed to retain the lottery scholarship (Table 6). Of those who lost awards, 80% of the students failed to maintain the GPA qualification and another 4% reached the maximum number of credit hours. The current GPA requirement is 2.75 until the student has earned 48 credit hours; the student must maintain either a 3.0 overall GPA at all subsequent checkpoints or a 3.0 semester GPA each semester.

It is important to note that these figures in Table 6 do not include students who once received TELS awards to attend a TICUA member institution but who are no longer enrolled at that institution. The data do not indicate if these students re-enrolled in a Tennessee or other state public college or university or dropped out of school.

<table>
<thead>
<tr>
<th>Loss Reason</th>
<th>Number of Students</th>
<th>% of Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cumulative Higher Education GPA</td>
<td>5,277</td>
<td>80%</td>
</tr>
<tr>
<td>Reached Maximum Cumulative Attempted TELS Credit Hours</td>
<td>281</td>
<td>4%</td>
</tr>
<tr>
<td>24 Attempted Hours (Hope Access grant only)</td>
<td>7</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>Enrollment Status Change Without Permission</td>
<td>85</td>
<td>1%</td>
</tr>
<tr>
<td>Non-continuous Enrollment</td>
<td>240</td>
<td>4%</td>
</tr>
<tr>
<td>Received Bachelor's Degree</td>
<td>183</td>
<td>3%</td>
</tr>
<tr>
<td>Maximum Time on TELS Reached.</td>
<td>50</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>Other / Unknown</td>
<td>475</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>6,598</strong></td>
<td></td>
</tr>
</tbody>
</table>

Regain of the Award
In 2005, the Tennessee General Assembly enacted a TELS program rule that allows HOPE Scholarship recipients who lost their award an opportunity to regain it. In the initial years of this regain provision more than 844 students attending TICUA member campuses regained the TELS award.
Degree Completion

Spring 2010 is the end of the sixth academic year since the TELS program began. Preliminary analysis suggests that TELS students will have significant completion rates. To date nearly 7,500 lottery scholarship recipients have earned an associate’s or bachelor’s degree at one of Tennessee’s independent colleges.

Incomplete Data
A complication in studying the 2004 cohort is that TICUA data from 2004-05 does not distinguish between first- and second-year students who received the awards. An additional concern with studying the completion rates of students attending TICUA member schools is that TICUA did not collect complete data from Vanderbilt University for this cohort.

Students who leave a TICUA member school are no longer tracked in the TICUA database. This creates a complication in determining completion rates for each cohort. Various possibilities account for these missing students. The database is limited to students who are enrolled in private colleges. Therefore, students who have transferred to institutions out of state or to Tennessee public institutions are no longer represented in the database. Further, students who chose for financial or personal reasons to drop out or stop out of college also are omitted from the database. Without knowing more about why students are no longer represented in the database, accurate completion rates cannot be determined.

2004 Cohort Completions
Based on the data available, completion rates were examined for the fall 2004 first-time, freshmen cohort. In the fall of 2004, an estimated 2,762 first-time freshmen students enrolled at private colleges and universities (excluding Vanderbilt University) with TELS awards. Through spring 2010, 54% or 1,484 of these students had earned a bachelor’s degree. Of those who earned a degree, 70% (1,029) had retained TELS awards for the duration of their college career. A review of data from spring 2010 shows that 72 students from the 2004 cohort were still enrolled and progressing toward a degree.

2005 Cohort Completions
A more in-depth analysis of the completions rate for the fall 2005 first-time freshmen cohort is possible, however this group has just finished its fifth year. A vast majority of the 3,150 first-time, freshmen students at TICUA member schools who first received the TELS award in fall 2005 received only the HOPE award (1,931 or 61%). An additional 805 received the HOPE award and the Aspire Grant and 414 received both the HOPE award and the merit supplement (GAMS). Figure 20 shows the number of degrees awarded to the first-time freshmen cohort of 2005 by award type. Of all the scholarship recipients, 1,768 (56%) had received a bachelor’s degree through spring 2010 (five-year graduation rate). Of the HOPE recipients, 1,047 or 54% had received a degree, 79 or 47% of Aspire award recipients had received a degree and 342 or 83% of GAMS recipients had received a degree. Of the fall 2005 first-time cohort, 111 were still enrolled through Spring 2010 but did not graduate in Spring 2010.
2006 Cohort Completions
To date, 1,401 of the 3,269 first-time freshmen students who first received TELS awards in fall 2006 have earned a bachelor’s degree. The four-year graduation rate for this cohort is 43%. This is similar to the four-year graduation rate of the 2005 cohort. Of the 2,024 students who received only the base HOPE award, 40% or 800 students have received a bachelor’s degree; 304 or 34% of students who received the HOPE and Aspire awards have earned a bachelor’s degree; and 297 or 78% of students who received both the HOPE and GAMS awards have earned a bachelor’s degree.
Conclusion

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

Regarding award renewal, the data indicate that TELS recipients at TICUA member campuses are more likely to renew their awards than students attending public institutions. As the TELS program continue, it will be important to track the changes in award renewal and college completion from year to year to gauge the impact the program has on students attending TICUA member institutions.
Methodology

TICUA strives to ensure 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 2010.

TICUA staff, using fall and spring enrollment reports beginning in fall 2004, compiled the majority of the data reported in this study. TICUA collects enrollment data twice a year in October and March. TICUA makes every effort to report data accurately and in a timely manner.

This report focuses on TICUA member institutions who serve undergraduate students, since only these students 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), which are not included in this analysis.

TICUA updates this report annually for TICUA member campuses.
Index of Tables and Figures

Table 1   TELS Program Award Amounts and Eligibility Criteria     Page 2
Table 2   Number and Percentage of Total Recipients For Men and Women For TICUA Member Institutions with More Than 500 TELS Recipients Page 6
Table 3   Race/Ethnicity of TICUA students and TICUA lottery recipients Page 6
Table 4   Scholarship Renewal Rates by Award Type and Initial Postsecondary Sector Attended Page 7
Table 5   1-, 2- and 3-Year Scholarship Renewal Rates by Initial Qualification Page 19
Table 6   Number and Percentage of Students Who Lost Scholarship By Reason Page 21

Figure 1  Allocation by Award Type for TICUA member institutions Page 3
Figure 2  Awards by Type for TICUA Member institutions Page 4
Figure 3  TICUA TELS recipients by Gender Page 5
Figure 4  TICUA TELS recipients by race/ethnicity Page 6
Figure 5  TICUA ASPIRE Recipients by ethnicity Page 7
Figure 6  Distribution of TELS Recipients Attending TICUA Institutions Page 8
Figure 7  Top Counties of TICUA TELS Award Recipients Page 9
Figure 8  Top Program Areas of TICUA TELS Award Recipients Page 9
Figure 9  TICUA Non-Traditional TELS Recipients by Gender Page 10
Figure 10 TICUA Non-Traditional TELS Recipients by Race/Ethnicity Page 11
Figure 11 TICUA Non-Traditional TELS Recipients by Age Page 11
Figure 12 HOPE Dollars/Recipients/Undergraduate In-state Enrollment by Higher Education Sector Page 12
Figure 13 Total High School Graduates in Tennessee Page 14
Figure 14 Enrollment Figures for First-Time Freshmen at TICUA Member Institutions Page 14
Figure 15 Total Tennessee High School Graduates and In-State FTF Enrollment at TICUA Institutions Page 15
Figure 16 Residence of First-Time Freshmen at TICUA Member Institutions Page 16
Figure 17 Percentage of Fall 2005 Cohort Renewing Scholarship Page 17
Figure 18 Percentage of Fall 2006 Cohort Renewing Scholarship Page 18
Figure 19 Year 1 to Year 2 Lottery Renewal Rates for First-Time Freshmen at Independent Colleges by Entering Cohort Year Page 20
Figure 20 Bachelor’s Degrees Awarded by Scholarship Type through Spring 2008 for 2005 First-Time, Full-Time Cohort Page 24
Figure 21 4- and 5-Year Graduation Rates for 2005 and 2006 Cohorts Page 24
References


TICUA Members
Aquinas College
Baptist College of Health Sciences
Belmont University
Bethel College
Bryan College
Carson-Newman College
Christian Brothers University
Cumberland University
Fisk University
Free Will Baptist Bible College
Freed-Hardeman University
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
Watkins College of Art, Design, & Film

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