

TICUA



TENNESSEE INDEPENDENT COLLEGES
AND
UNIVERSITIES ASSOCIATION

OVERVIEW OF THE 2008-09
TENNESSEE EDUCATION LOTTERY
SCHOLARSHIP RECIPIENTS

SEPTEMBER 2009

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Preface

The Tennessee Independent Colleges and Universities Association (TICUA) is pleased to present the results of the 2009 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 \$168 million in TELS awards.

In 2008-09, over 11,400 students attending TICUA member institutions received a TELS award. Of that total, almost 4,300 students also earned a supplemental award based on academic performance or financial need. Students at TICUA institutions received over \$46.9 million in TELS awards—\$41.8 million awarded to students receiving the base HOPE scholarship. 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.

2008-09 Highlights

Program Participation

- In 2008-09, students attending Tennessee's private colleges and universities received over \$46.9 million from the Tennessee Education Lottery Scholarship (TELS) program.
- Of that total, the State distributed over \$41.8 million to students receiving the HOPE Scholarship of \$4,000 to attend a TICUA member institution.
- More than 11,400 students attending Tennessee's private colleges received a TELS award. Of those students, 23% received the supplemental Aspire Award (based on a student's financial need) and another 14% received the General Assembly Merit Scholarship (based on student's superior academic performance).
- In 2008-09, the majority (84%) of the TELS recipients attending private colleges and universities were White, while 8% were Black, 3% were Asian or Pacific Islander, 2% were Hispanic, and 4% did not report race or ethnicity.
- Of all Black students receiving the TELS Awards to attend a private college or university, over 50% also benefited from the Aspire Award, a need-based supplement.
- Sixty-two percent of all TELS recipients attending TICUA member institutions were female.
- In 2008-09, Tennessee 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 2008, first-time freshmen who were TELS recipients at TICUA member campuses were more likely to retain their scholarship awards than first-time freshmen attending public colleges and universities.
- Of the fall 2005 cohort, 45% of all TELS recipients at private colleges and universities retained their award three years later.

- Since fall 2005, about 5,100 students attending TICUA member campuses have lost their TELS award. The majority (81%) of these students lost their award because they did not maintain the required grade point average.
- By spring 2009, more than 610 students attending TICUA member campuses regained their TELS awards.

College Completion

- In all, more than 5,200 TELS recipients have graduated from private colleges and universities in Tennessee.
- Of those TELS recipients who first received the TELS awards in 2004, 64% have graduated, whether they retained the scholarship or not, from private colleges and universities in Tennessee.
- Of those TELS recipients who have earned a degree at a private college or university, 75% retained the award through the duration of their collegiate career.

Overview of the 2008-09 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 2008-09) and, when available, includes data from academic years 2004-05, 2005-06, 2006-07 and 2007-08.

The first section of this report provides a brief overview of the TELS program. Following this 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 2008-09 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
2008-09 TELS Program Award Amounts and Eligibility Criteria

	Tennessee HOPE Scholarship (base award)	General Assembly Merit Scholarship (HOPE with merit supplement)	Aspire Award (HOPE with need-based supplement)	Access Award
Award amount at 4-year institutions	\$4,000	\$5,000	\$5,500	\$2,750
Award amount at 2-year institutions	\$2,000	\$3,000	\$3,500	\$1,750
High School GPA	3.00	3.75	3.00	2.75
ACT Score	<u>or</u> 21	<u>and</u> 29	<u>or</u> 21	<u>and</u> 18-20
Family Adjusted Gross Income	n/a	n/a	\$36,000 or less	\$36,000 or less

Source: The Tennessee Higher Education Commission, January 2009.

The HOPE Scholarship is a broad-based award for students whose high school GPA is at least 3.0 or whose composite ACT score is at least 21. 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 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 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.

An additional program 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.

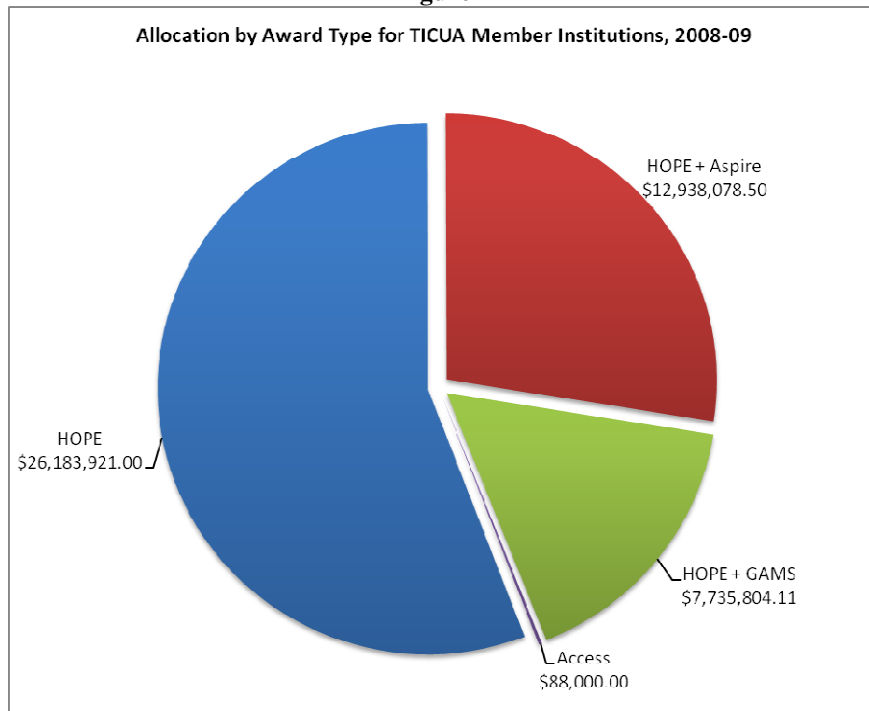
The TELS program is also comprised of several additional scholarship programs including the Dual Enrollment Grant, Foster Child Grant, and a graduate scholarship for teachers returning to be certified in math or science. In 2008, the Legislature added scholarships for veterans of the War on Terror and the conflicts in Iraq and Afghanistan (Helping Heroes Grant) as well as 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. During the 2009 legislative session, lawmakers made minor changes in the lottery statute to clarify eligibility requirements, but did not make substantive changes to the program.

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

Figure 1



Data reports unique awards.

In 2008-09, award dollars for the TELS program totaled \$259.9 million across all programs and all institutions (Tennessee Student Assistance Corporation, August 2009).

Since the inception, students at private colleges and universities have received \$168 million from the State through the TELS program. In 2008-09 alone, students attending TICUA member institutions benefited from nearly \$47 million in scholarships. Figure 1 shows the allocation amounts by award type. Students receiving the HOPE Scholarship received the majority of the scholarship dollars – \$26.1 million. The Aspire Award provided \$12.9 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 \$7.7 million dollars from the General Assembly Merit Scholarship (GAMS).

Figure 2

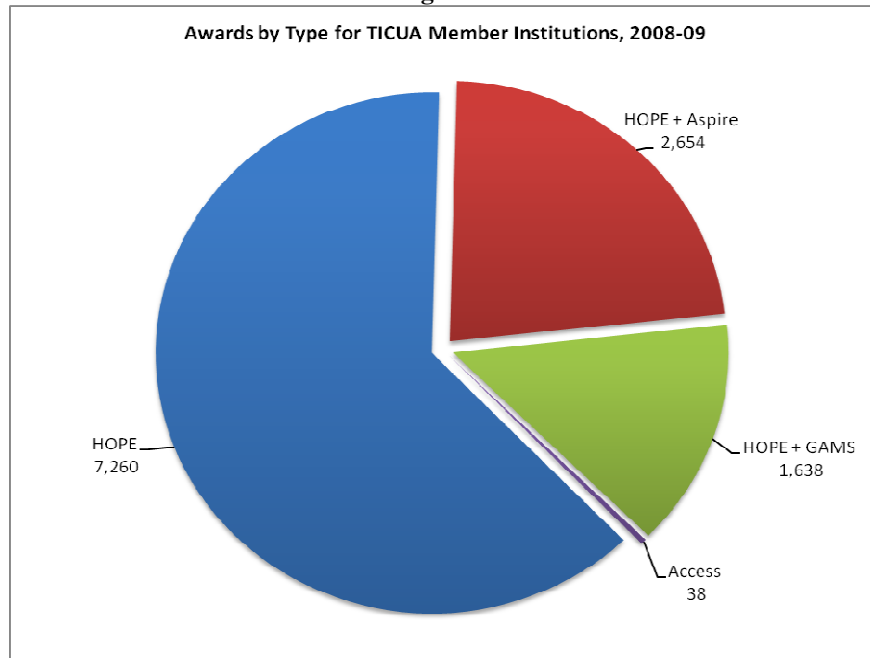


Figure 2 shows the distribution of recipients by award type. In 2008-09, almost 11,600 lottery scholarships were awarded to students attending TICUA member institutions. Of those awards, 23% were Aspire Awards, and 14% were GAMS. These percentages remained relatively stable from the year before (24% and 11% respectively). The majority of students received only the HOPE award.

Belmont University enrolled the most TELS recipients with 978 students, followed by Lipscomb University with 955, Carson-Newman College with 797, Vanderbilt University with 778, Union University with 741, Lee University with 676, and Maryville College with 651.

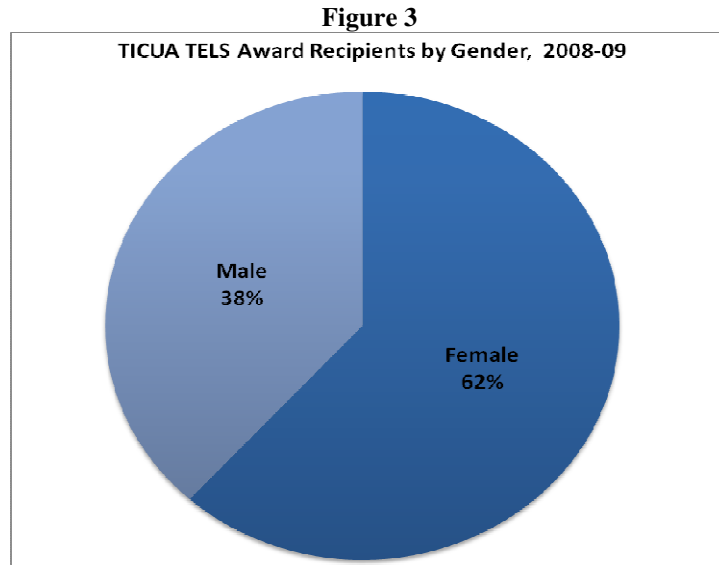
For academic year 2008-09, Carson-Newman College enrolled the most Aspire Award recipients with 202, followed by Maryville College with 172. In all, TICUA member campuses enrolled 2,654 Aspire Award recipients – nearly one out of every five in the State.

TICUA member institutions with the most students receiving the GAMS in 2008-09 included Vanderbilt University with 440 recipients, Lipscomb University with 166 recipients, followed by Belmont University with 155. With 1,638 GAMS recipients, TICUA member campuses enrolled nearly a third of all GAMS recipients in the State.

For this same year, 14 TICUA member campuses enrolled 38 Access Grant recipients. This was about 10% of all State Access Grant recipients.

Distribution by Gender

In 2008-09, the majority (62%) of the TELS recipients attending TICUA institutions were female, as seen in Figure 3. This figure remains slightly higher than the overall percentage of female students attending Tennessee’s public and private colleges in fall 2008 (59%).



An analysis of TICUA member institutions with more than 500 TELS recipients in 2008-09 supports the trend of proportionately higher female enrollment in this program. Table 2 presents the number of male and female TELS recipients and as a percentage of the total number of institutional recipients. Belmont University has the largest percentage of female recipients at 68%. Of institutions with more than 500 recipients, only Vanderbilt University has more male than female recipients.

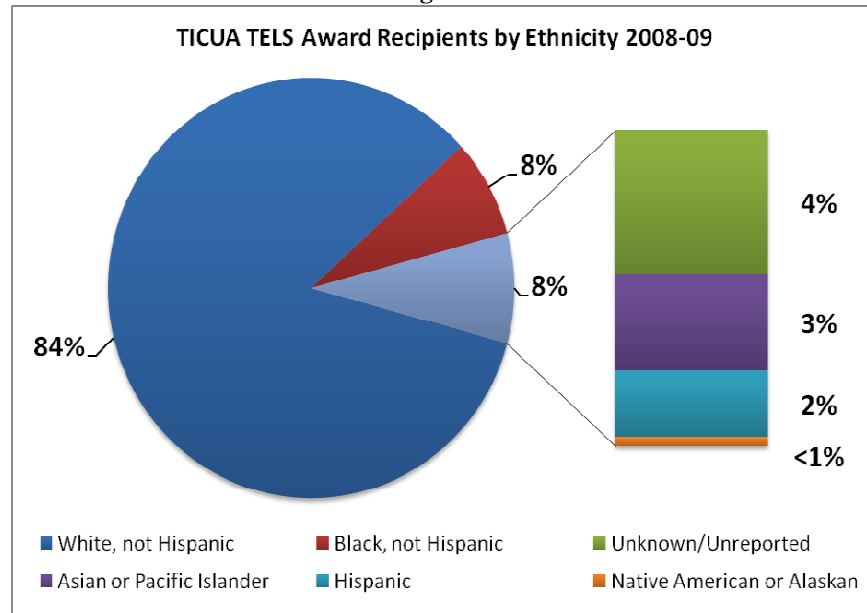
Table 2
Number and Percentage of Total Recipients For Men and Women For TICUA Member Institutions with more than 500 TELS Recipients

Institution	# of Women	% of Women	# of Men	% of Men
Belmont University	665	68.00%	313	32.00%
Carson-Newman College	514	64.82%	279	35.18%
Christian Brothers University	291	53.59%	252	46.41%
Lee University	420	62.22%	255	37.78%
Lipscomb University	565	59.16%	390	40.84%
Maryville College	391	60.06%	260	39.94%
Union University	469	63.38%	271	36.62%
Vanderbilt University	386	49.61%	392	50.39%

The gender distribution of ASPIRE Award recipients skews slightly more female than TELS recipients as a whole, with 66% female and 34% male. GAMS recipients skew slightly less female than distribution of TELS recipients as a whole. GAMS recipients are 57% female and 43% male. However, of the 38 Access Grant recipients, more men than women receive the Access Grant: 42.1% of recipients are female and 57.9% male.

Distribution by Ethnicity

Figure 4



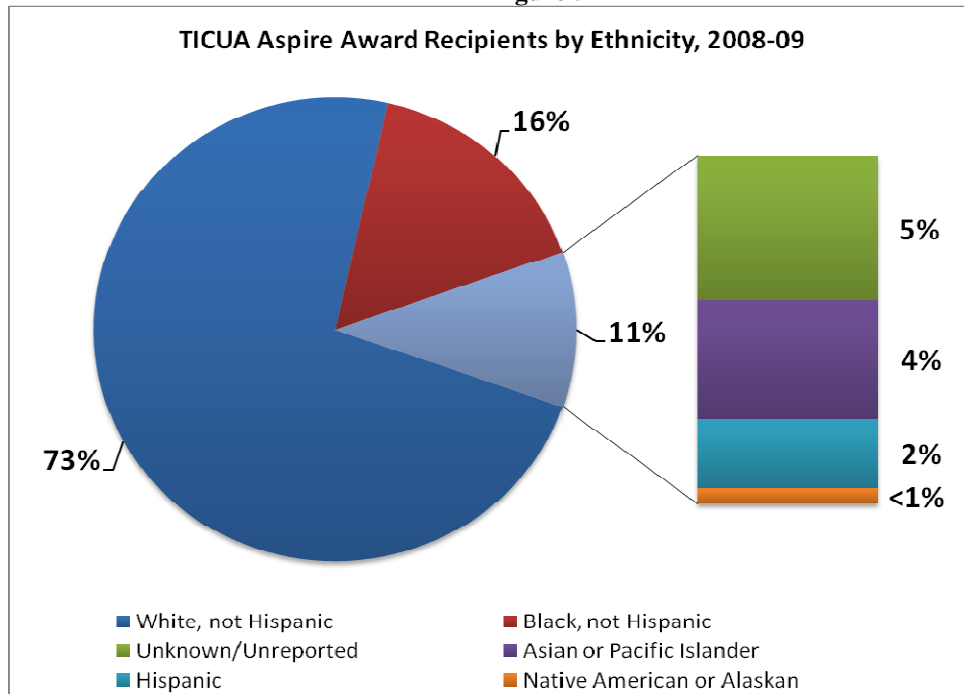
Data reports unique recipients.

In 2008-09, as shown in Figure 4, the majority (84%) of students receiving the TELS Award attending private colleges and universities were White (9,516), while approximately 8% (856) were Black, 3% were Asian or Pacific Islander, 1% was Hispanic and 4% did not report their ethnicity or race. As shown in Table 3, these recipient percentages by ethnicity are different from fall 2008 undergraduate enrollment by ethnicity for TICUA member institutions. For instance, Black students comprise 16% of overall undergraduate enrollment at TICUA member institutions, while reflecting 8% of TELS recipients (TICUA, January 2009). This trend is consistent, though less pronounced, in the State’s public institutions (Tennessee Higher Education Commission, 2009a and 2009b).

Table 3
RACE/Ethnicity of TICUA students and TICUA lottery recipients

Race/Ethnicity	% Total HOPE Scholarship Recipients	% of Fall 2008 Undergraduate Enrollment
Asian or Pacific Islander	3%	2%
Black, not Hispanic	8%	16%
Hispanic	2%	3%
Native American or Alaskan	<1%	<1%
Non-resident alien	<1%	3%
White, not Hispanic	84%	70%
Unknown/Unreported	4%	6%

Figure 5



Data reports unique recipients.

In 2008-09, TICUA member institutions enrolled 19% of all Aspire Award recipients. Figure 5 represents the distribution of Aspire Award Recipients by ethnicity. The majority (73%) of students receiving the Aspire Award attending private colleges and universities were White (1,939), while approximately 16% (426) were Black, 4% were Asian or Pacific Islander, 2% were Hispanic and 5% did not report their ethnicity or race.

Among Black students receiving the HOPE Scholarship at TICUA member institutions, a large percentage also receive the Aspire Award. Approximately 50% of the 856 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 – 86%. 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 1.5% of GAMS recipients, which is less than would be expected if the distribution were similar to the distribution of enrollment. Asian or Pacific Islander made up 5% and Hispanics made up just more than 1.5% of GAMS recipients. These numbers are greater than would be expected based upon enrollment distribution. Another 5.5% of GAMS recipients did not report a racial or ethnic category.

Distribution by County

Figure 6
Distribution of TELS Recipients Attending TICUA Institutions, 2008-09



In 2008-09, 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. Table 4 presents data on the five counties with the most TELS recipients. Shelby, the most populous county in the State, has 1,560 TELS recipients attending TICUA member institutions. The next four counties with the highest TELS recipients include Davidson (1,125 recipients), Williamson (761 recipients), Knox (695 recipients), and Hamilton (564 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).

Table 4
TELS Recipients by County
 Top 5 Counties

County	# of TELS Recipients	Population Rank
Shelby	1,560	1
Davidson	1,125	2
Williamson	761	6
Knox	695	3
Hamilton	564	4

Data Source: US Census Bureau, 2009

Distribution by Major

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. Table 5 presents the top three majors of TELS recipients. Fifteen percent of TELS recipients declared majors in the health professions, 13% in business related fields and 9% in education.

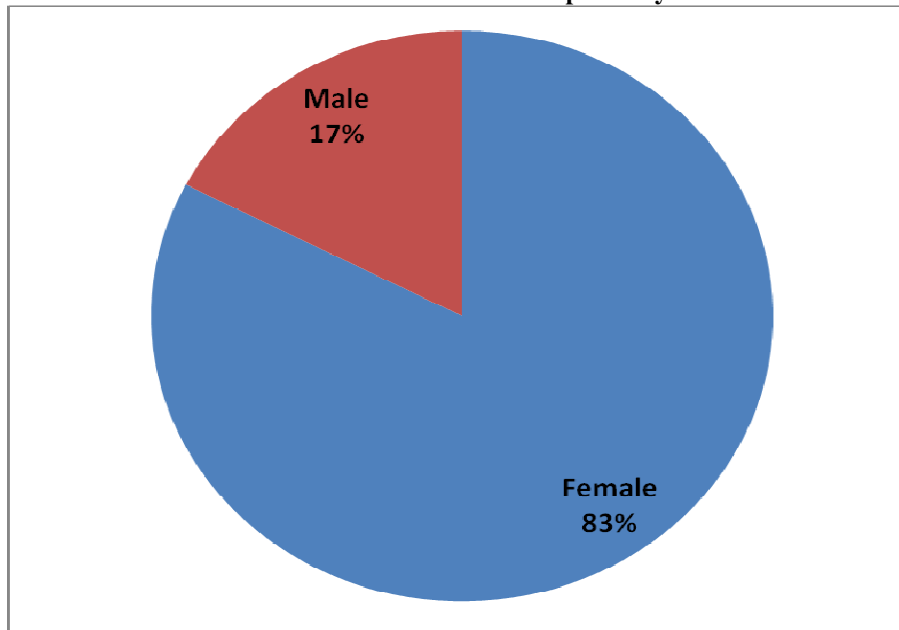
Table 5
Headcount and Percentages of TELS Recipients by Major

Majors	Headcount	Percentage
Health Professions	1,347	15%
Business and Related Majors	1,169	13%
Education	1,093	9%

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 7
TICUA Non-Traditional TELS Recipients by Gender



In the 2008-09 academic year, 1,463 students received the non-traditional student HOPE scholarship. Nearly 17% of these students attended TICUA member schools. As seen in Figures 7 and 8, of the students studying at TICUA institutions, the vast majority of them are female (83%) and are White (80%).

Figure 8
TICUA Non-Traditional TELS Recipients by Race/Ethnicity

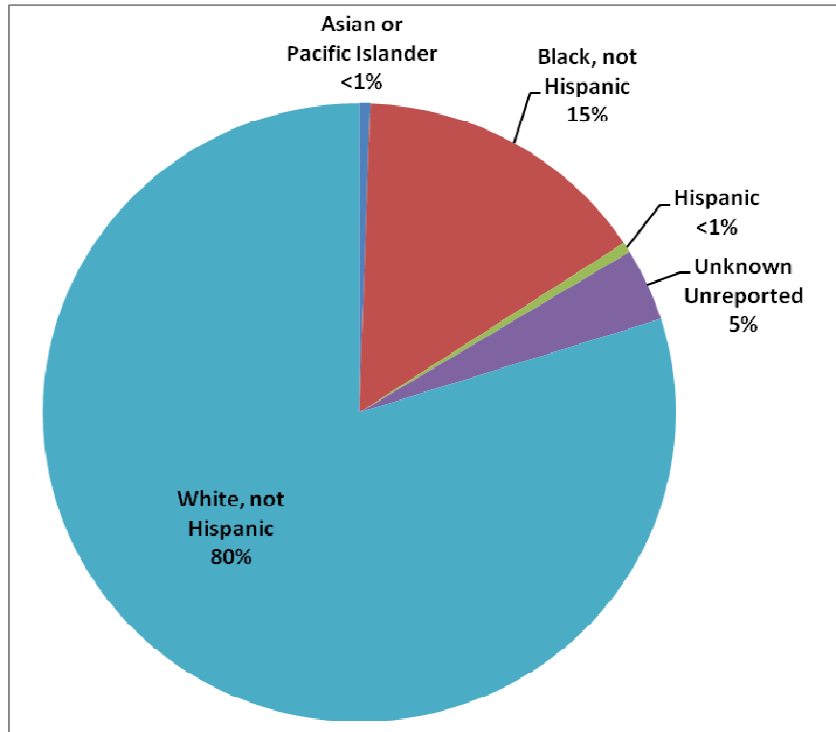
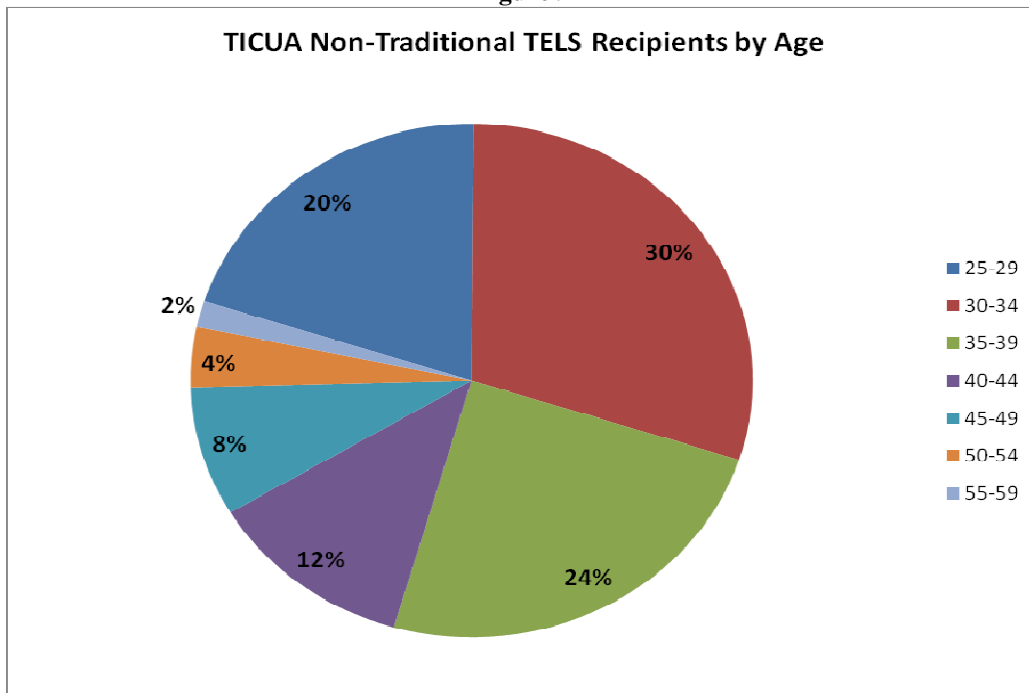


Figure 9 presents the age ranges of non-traditional students at TICUA member institutions. Most (74%) of the non-traditional recipients are spread between the ages of 25 and 39, with 20% between the ages of 25 and 29, 30% between the ages of 30 and 34, and 24% of the recipients between the ages of 35 and 39.

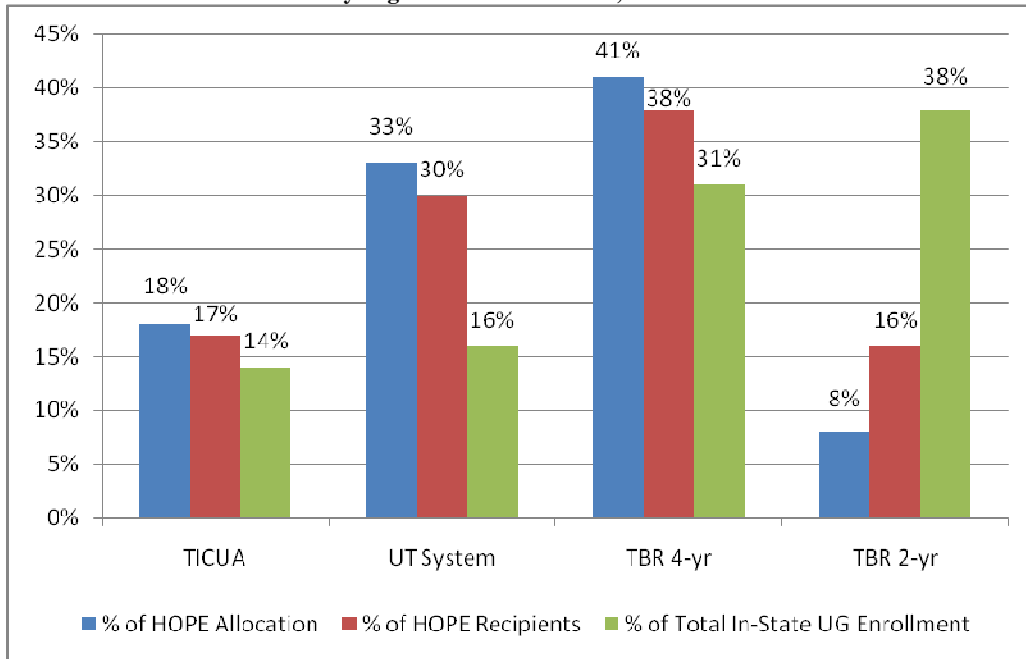
Figure 9



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 2008-09, the State distributed more than 89,000 TELS awards—worth more than \$259 million—to students attending Tennessee’s public and private colleges and universities (Tennessee Student Assistance Corporation, 2009).

Figure 10
HOPE Dollars/Recipients/Undergraduate In-state Enrollment
by Higher Education Sector, 2008-09



Data reports unique recipients for 2008-08 and enrollment figures are for fall 2008.
 Data Sources: Tennessee Student Assistance Corporation, 2009; Tennessee Higher Education Commission, 2009; Tennessee Independent Colleges and Universities Association, 2009

Figure 10 compares distribution of award allocation, award recipients, and in-state enrollment by education sector. In 2008-09, 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 33% to students attending the University of Tennessee (UT) system, 18% to students attending the independent colleges and universities, and 8% to students attending the State’s community and technical schools.

In 2008-09, approximately 38% of all TELS recipients attended one of the TBR 4-year institutions, while 30% attended an institution in the UT system, 17% attended a 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, slightly more than half (55%) of undergraduate students attending TICUA member institutions were Tennessee residents, while 89% of undergraduate students attending UT institutions and 89% of undergraduate students attending TBR 4-year institutions were State residents (Tennessee Higher Education Commission, 2008b).

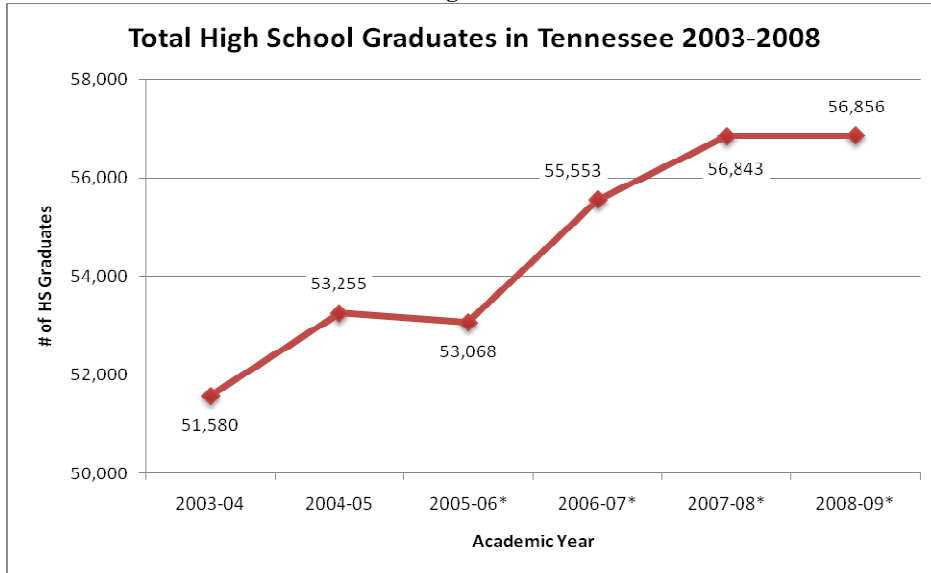
Approximately 3,916 (77%) of the 5,100 State residents enrolled as first-time, first-year students at TICUA member institutions received the HOPE Award. At 25 of the 31 undergraduate member institutions, more than two-thirds of these State residents received the scholarship.

Of the total 203,931 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 proportionately higher levels of TELS recipients when compared to their percentage of overall undergraduate in-state enrollment.

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 11

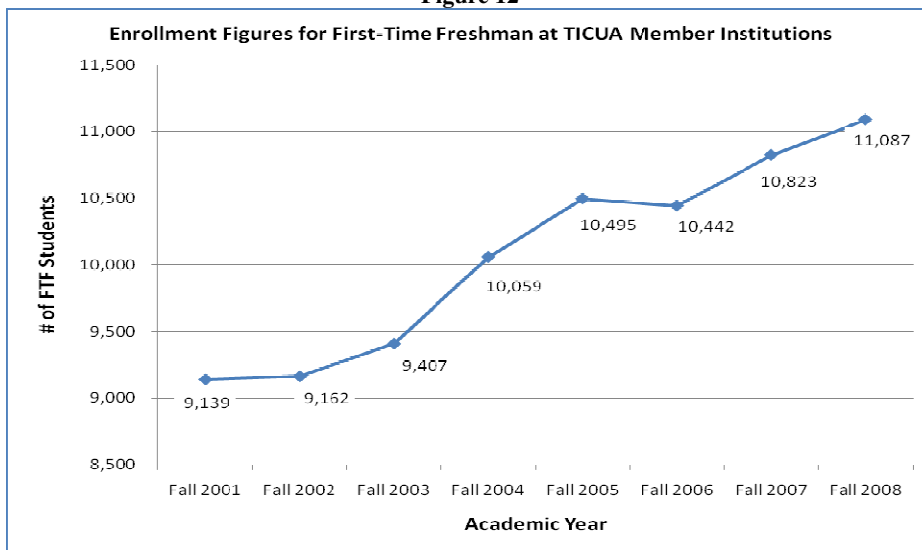


*estimated

Source: Western Interstate Commission on Higher Education, 2008

Figure 11 illustrates an increase in the number of students graduating from both public and private high schools in the State.

Figure 12



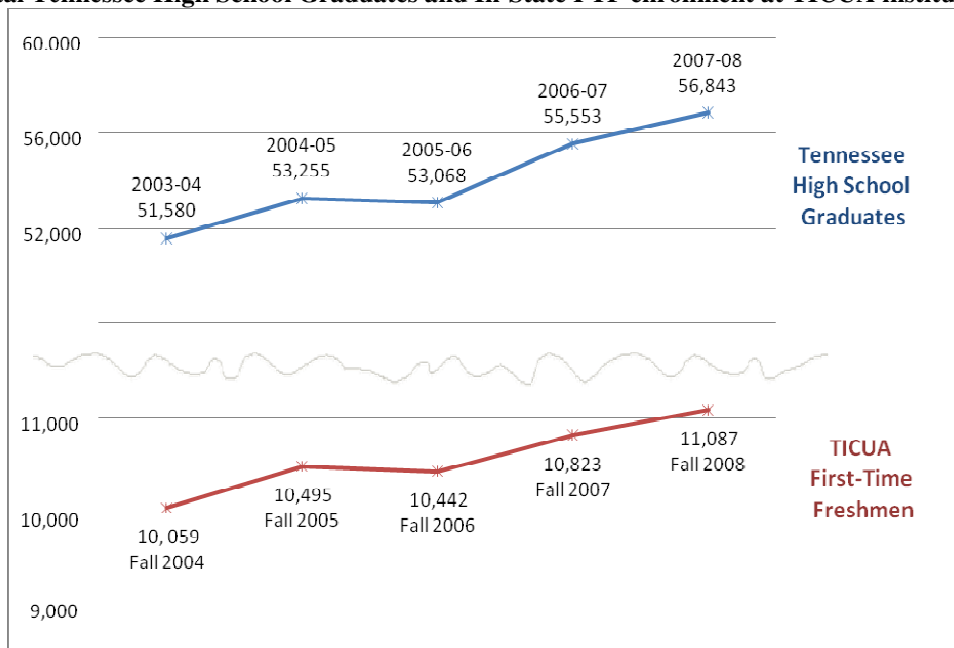
These figures include in-state and out-of-state students.

Source: IPEDS Enrollment Surveys, Fall 2001-Fall 2008, Full-time first-time degree/certificate-seeking undergraduate (current year GRS cohort)

Figure 12 represents enrollment patterns for first-time freshman at TICUA member institutions serving undergraduate students. The greatest increase occurs between fall 2003 and fall 2004. 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 freshman increased by 8%. These figures suggest that the enactment of the TELS program contributed some of the enrollment growth in first-time freshman.

Figure 13
Total Tennessee High School Graduates and In-State FTF enrollment at TICUA institutions

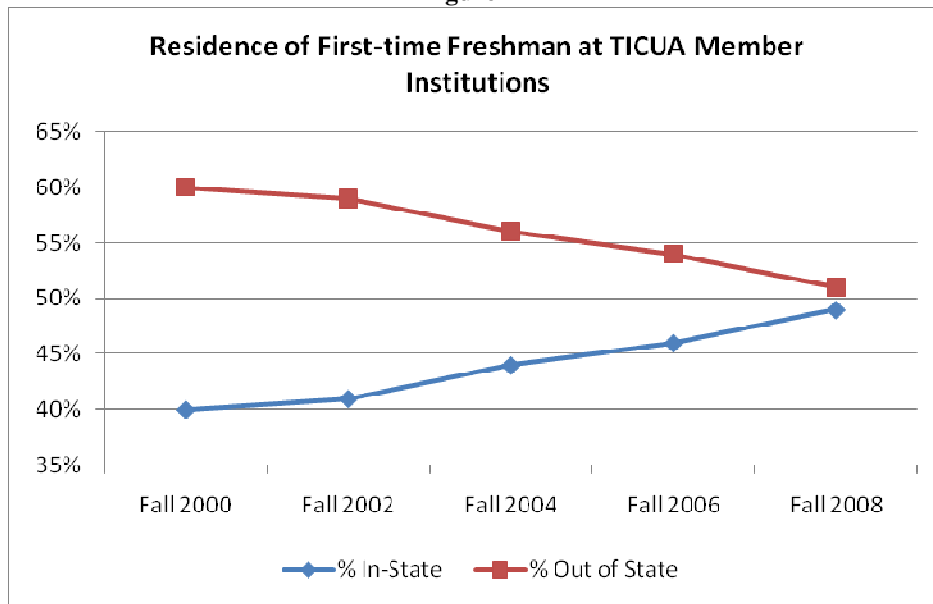


Sources: Western Interstate Commission on Higher Education, 2008 and IPEDS Enrollment Surveys, Fall 2001-Fall 2008, Full-time first-time degree/certificate-seeking undergraduate (current year GRS cohort)

Figure 13 shows both the first-time freshmen in-state enrollment at TICUA institutions and number of Tennessee high school graduates. The trends indicate that since 2004 the rate of increase of in-state 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 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 14



Data represents first-time freshmen students who graduated from high school in the past 12 months.
Source: IPEDS Residence and Migration of First-time Freshmen Surveys (Fall 1998, 2000, 2002, 2004, 2006, and 2008)

Figure 14 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 began, about 42% of students at TICUA institutions were from 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.)

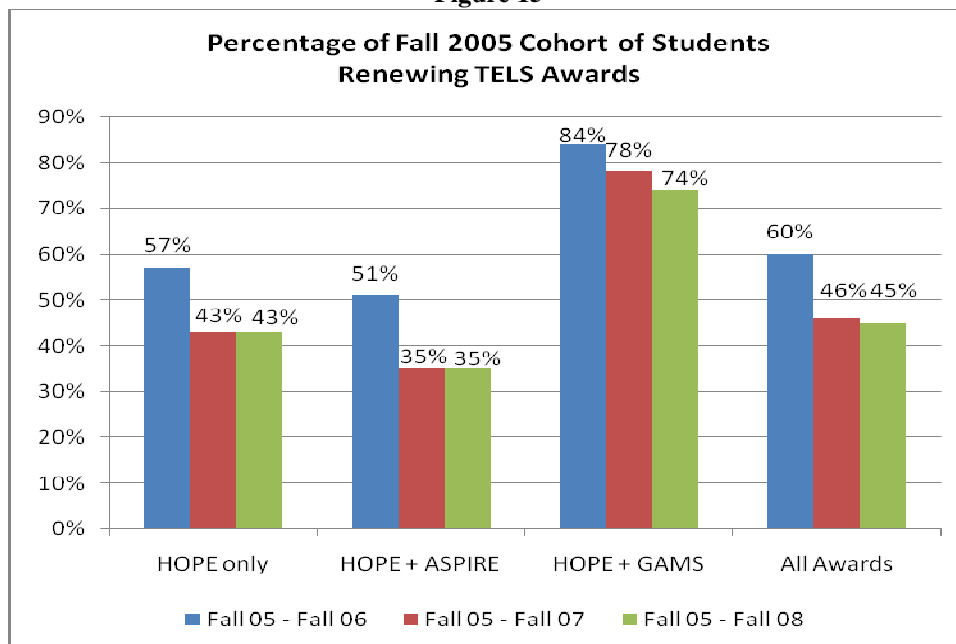
In 2002, 6.4% of Tennessee high school graduates enrolled in a TICUA member institution following high school. In 2004, this percentage rose slightly to 6.6% of recent high school graduates enrolling in a TICUA institution immediately after graduation. In fall 2008, this figure rose to 8.8%. These numbers 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 may have encouraged higher levels of in-state enrollment at TICUA member institutions. Preliminarily, 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 in order to understand the impact of the TELS program.

Scholarship Renewal

Scholarship Renewal at TICUA Institutions

Figure 15



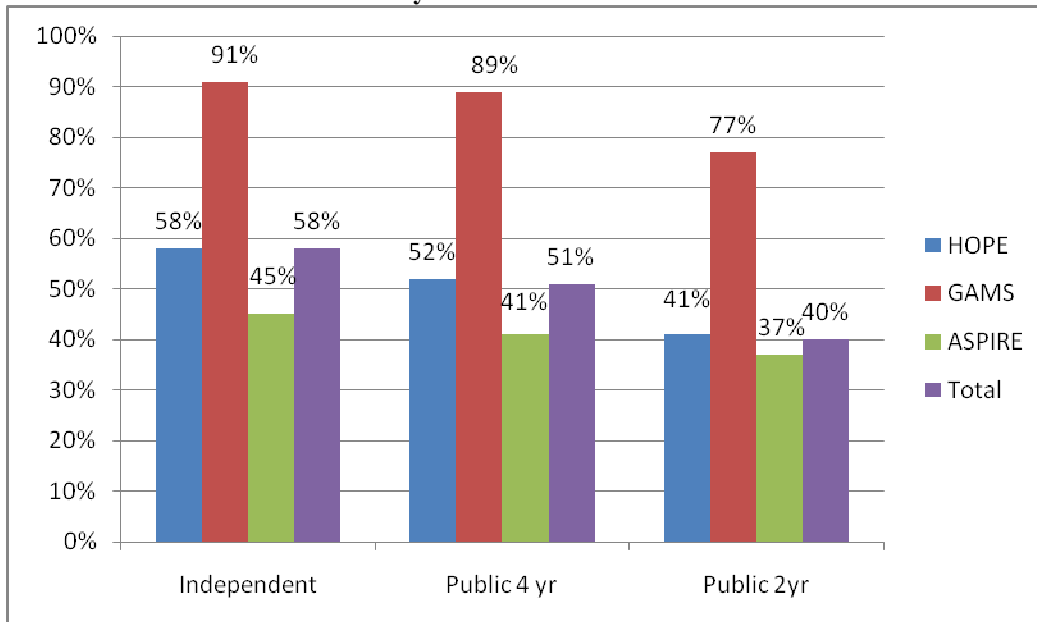
Data reports unique recipients attending 4-year TICUA member institutions.

Figure 15 presents the renewal rates for the 3,164 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, 60% of all student recipients attending TICUA member institutions retained their award. Of those students, approximately 46% still received the scholarship two years later and 45% continue to receive the scholarship entering their fourth year. Figure 15 also reveals that students receiving the supplemental GAMS were more likely to retain their award compared to students receiving the supplemental Aspire Award or the HOPE Scholarship.

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%. Changes in the legislation affecting renewal criteria went into effect for fall 2008. Analysis of future cohorts into their fourth years will provide a better understanding of scholarship renewal rates.

Retention at Tennessee Colleges and Universities

Figure 16
Year 1 to Year 2 Lottery Renewal Rate: 2004 First-Time Freshmen



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

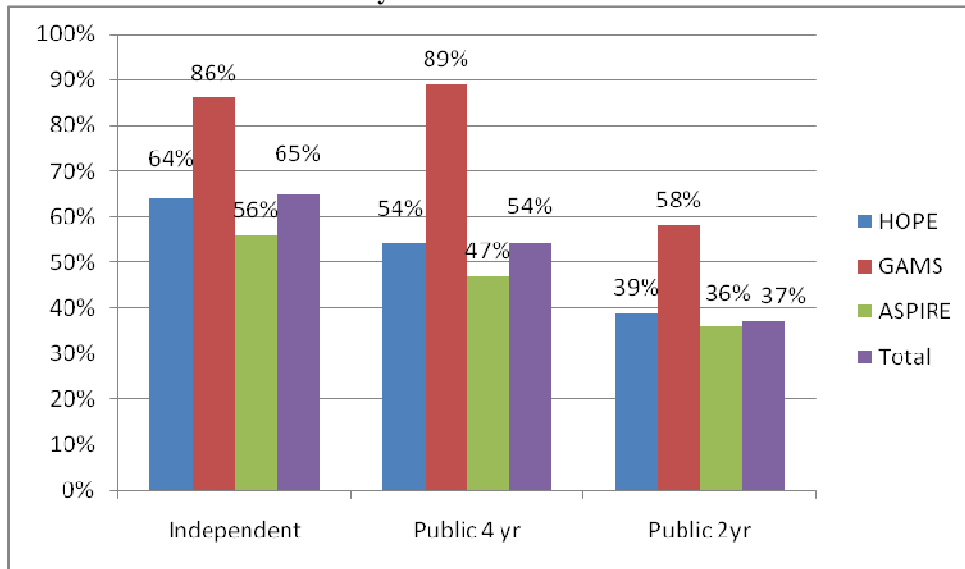
Source: The Tennessee Higher Education Commission, January 2009

Figure 16 shows retention rates for first-time freshman TELS recipients from fall 2004 to fall 2005. During this period, private college students receiving the TELS awards showed the most success with retaining their award compared to other sectors of higher education in Tennessee. Overall, independent institution students had a retention rate of 58%. Retention of the GAMS by independent institution students was highest at 91%.

Examining the retention rates for the fall 2005 cohort of first-time freshman receiving TELS awards (Figure 17), reveals that this general trend remains the same. However, while private college students receiving the GAMS continue to retain the award at greater rates than do students at public 2-year institutions, students at public 4-year institutions retained the GAMS at a greater rate than those students at independent institutions. Overall, students attending independent colleges continue to retain their awards at higher rates (65%) compared to students at public colleges and universities.

The general trend continues for the fall 2006 cohort of first-time freshman receiving TELS awards (Figure 18). Students at independent institutions had the highest total retention rate across all programs at 56%, followed by students at public 4-year institutions at 54%.

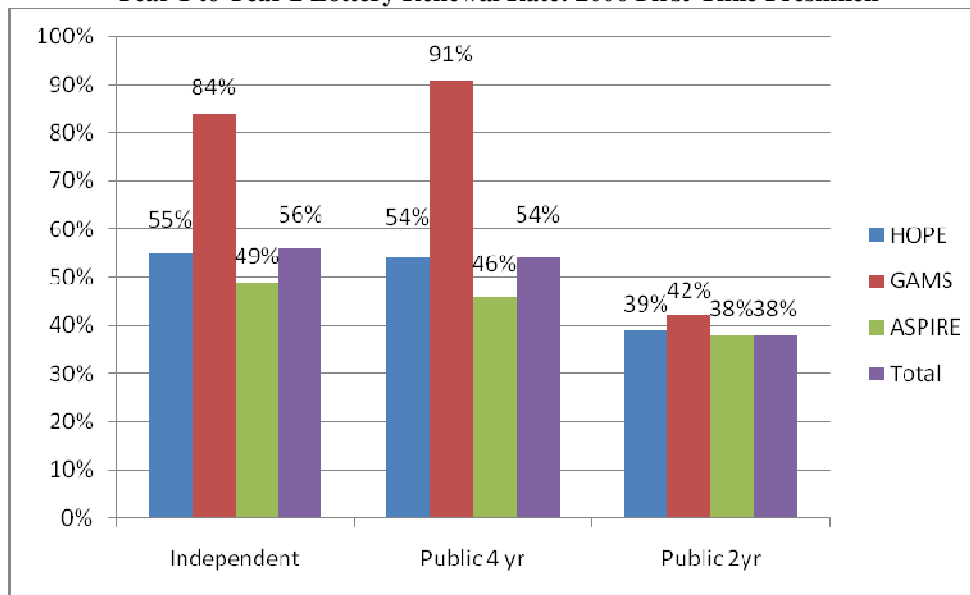
Figure 17
Year 1 to Year 2 Lottery Renewal Rate: 2005 First-Time Freshmen



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 2009

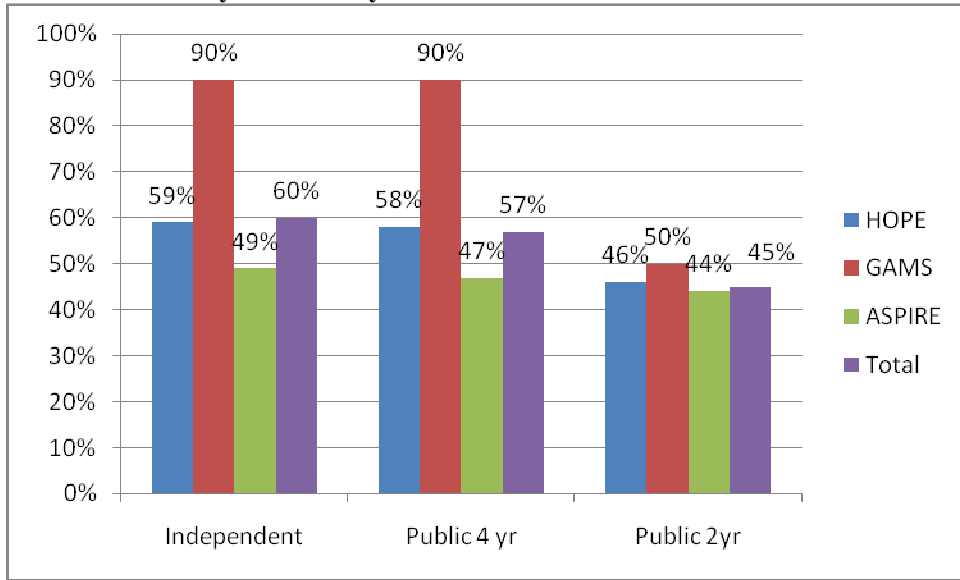
Figure 18
Year 1 to Year 2 Lottery Renewal Rate: 2006 First-Time Freshmen



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 2009

Figure 19
Year 1 to year 2 Lottery Renewal Rate: 2007 First-Time Freshmen

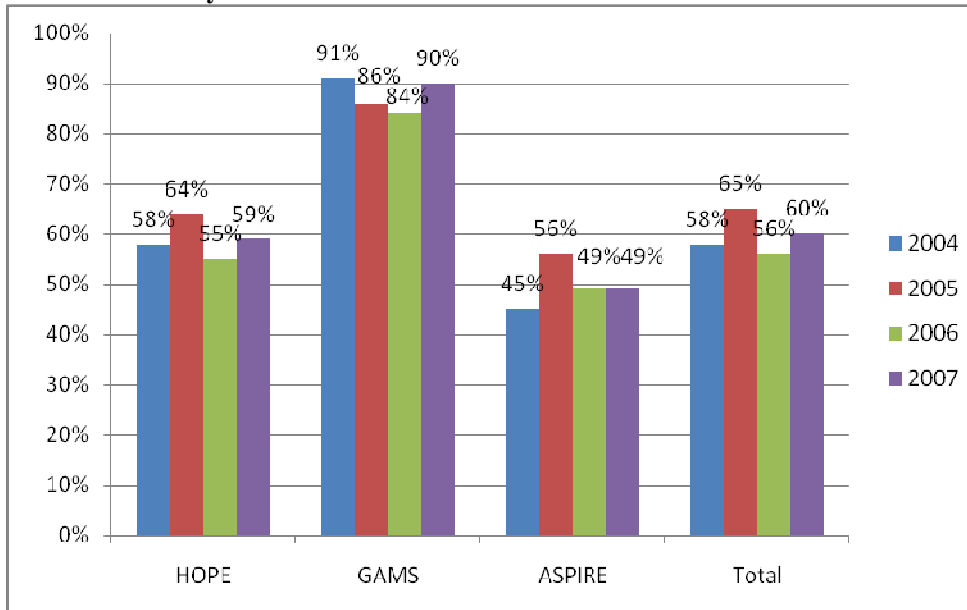


Data varies slightly from TICUA computed retention rates because of difference in reporting periods between THEC and TICUA.

Source: The Tennessee Higher Education Commission, January 2009

For the most recent group of first year students, those entering in fall 2007 (Figure 19), students at independent institutions have the greatest renewal rate into the following fall at 60%. The renewal rates for each scholarship type for students at public 4-year institutions is slightly less than those at the independent institutions, except the rates for GAMS students at TICUA and Public 4-year institutions are the same.

Figure 20
Year 1 to Year 2 Lottery Renewal Rates for First-Time Freshmen at TICUA Member Institutions



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 2009

As seen in Figure 20, first-year renewal rates for first-year 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.

Initial Qualifications and Scholarship Renewal

Table 6 identifies the qualifications of students who first received the TELS award in fall 2005 as first-year, full-time students. The majority of students (72%) qualified for the award both through their ACT scores and high school GPA. Those students who qualified by both criteria 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 6
Lottery Qualifications and Renewal Rates for Fall 2005 First-Time Freshmen**

Qualification	Initial Number of Students	Percent Qualifying	Number of Students Retained Fall 06	Number of Students Retained Fall 07	Number of Students Retained Fall 08	% of Students who Renewed Fall 06	% of Students who Renewed Fall 07	% of Students who Renewed Fall 08
ACT Only	206	11.0%	62	31	28	30.1%	15.0%	13.6%
Both ACT and GPA	1351	72.1%	855	651	654	63.3%	48.2%	48.4%
GPA Only	300	16.0%	107	70	84	35.7%	23.3%	28.0%
Grand Total	1874		1032	752	766	55.1%	40.1%	40.9%

For the 2005 first-time, full-time cohort, 849 students have lost TELS Awards through fall 2008. Their average high school GPA was 3.26 and their average ACT score was 22.9. The 1,032 students in this cohort who renewed their awards had slightly higher initial qualifications (3.53 and 23.2).

Table 7 identifies the qualifications of students who first received the TELS award in fall 2006 as first-year, full-time students. The majority of students (74%) qualified for the award both through their ACT scores and high school GPA. Again, those students who qualified by both criteria showed the highest renewal rates for the award over the next two 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 7
Lottery Qualifications and Renewal Rates for Fall 2006 First-Time Freshmen

Qualification	Initial Number of Students	Percent Qualifying	Number of Students Renewed Fall 07	Number of Students Renewed Fall 08	% of Students who Renewed Fall 07	% of Students who Renewed Fall 08
ACT Only	195	10.1%	39	72	20.0%	36.9%
Both ACT and GPA	1431	74.2%	895	720	62.5%	50.3%
GPA Only	295	15.3%	111	84	37.6%	28.5%
Grand Total	1930		1045	876	54.1%	45.4%

For the fall 2007 cohort of first-time freshmen students at independent institutions, 74% qualified for the TELS award based upon both GPA and standardized test score (Table 8). More than 16% qualified based on only GPA and an additional 10% earned the scholarship only because of their score on the standardized test.

Table 8
Lottery Qualifications and Renewal Rates for Fall 2007 First-time Freshmen

Qualification	Number of Students	Percentage of Students	Number of Students who Renewed in Fall 2008	% of Students who Renewed Fall 08
ACT Only	327	9.9%	67	20.5%
Both ACT and GPA	2,436	73.8%	1,561	64.1%
GPA Only	538	16.3%	183	34.0%
Grand Total	3,301		1811	54.9%

Those students who qualified in both categories had the highest scholarship retention rate, with more than 64% of students retaining the award in the fall of 2008. The retention rate for students who qualified only on high school GPA was slightly lower at 34%. Those students who qualified only on standardized tests scores had the lowest scholarship retention rate at 21%.

Loss of the Award

Since fall 2004, approximately 5,100 TELS recipients attending TICUA member institutions have failed to retain the lottery scholarship (Table 9). Of those who lost awards, 81% of the students failed to maintain the grade point average qualification (GPA requirement is 2.75 until the student has earned 48 credit hours; the student must maintain a 3.0 GPA at all subsequent checkpoints) and another 5% reached the maximum number of credit hours. During the 2008 legislative session, the General Assembly adjusted the retention requirements in terms of both retention GPA and maximum number of credit hours a student is eligible for the award.

It is important to note that these figures 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 public college or university or dropped out of school.

**Table 9
Number and Percentage of Students Who Lost Scholarship By Reason**

Reason for Loss	Number of Students	% of Students
Cumulative Higher Education GPA	4,182	81%
Reached Maximum Cumulative Attempted TELS Credit Hours	251	5%
24 Attempted Hours (Hope Access grant only)	6	0%
Enrollment Status Change Without Permission	58	1%
Non-continuous Enrollment	149	3%
Received Bachelor's Degree, but are still enrolled	103	2%
Maximum time on TELS Reached.	10	0%
Other / Unknown	403	8%
	5,162	

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 600 students attending TICUA member campuses regained the TELS award.

Degree Completion

As spring 2009 is the end of the fifth academic year since the TELS program began, it is not yet possible to determine six-year completion rates for the initial cohort. Preliminary analysis, however, suggests that the cohort will have significant completion rates.

Incomplete Data

A complication in studying the 2004 first-time, full-time 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. For instance, the TICUA database no longer tracks 1,566 students from the 2004 cohort. 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 of college are also 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

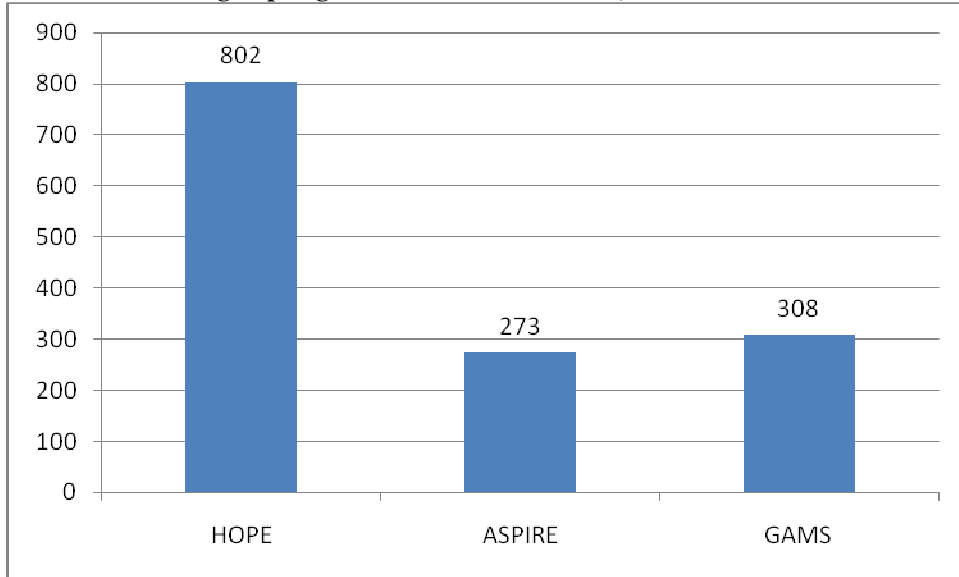
Based on the data available, completion rates were examined for the fall 2004 first-time, full-time cohort. In the fall of 2004, an estimated 2,775 first-time, full-time students enrolled at private colleges and universities (excluding Vanderbilt University) with TELS awards. Through spring 2009, 54% or 1,502 of these students had earned a bachelor's or associate's degree. Of those who have earned a degree, 70% (1,029) had retained TELS awards for the duration of their college career. A review of data from spring 2009 shows that 162 students from the 2004 cohort were still enrolled and progressing toward a degree. It is anticipated that six-year completion rates for the 2004 cohort will show that a substantial percentage of these students earned a college degree.

2005 Cohort Completions

A more in-depth analysis of the completions rate for the fall 2005 first-time, full-time cohort is possible, however this group has just finished its fourth year. A vast majority of the 3,164 first-time, first-year students at TICUA member schools who first received the TELS award in fall 2005 received only the HOPE award (1,943 or 61%). An additional 807 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 full-time, first-time freshmen cohort of 2005 by award type. Of all the scholarship recipients, 1,380 (44%) had received either a bachelor's or an associate's degree through spring 2009. Of the HOPE recipients, 802 or 41% had received a degree; 273 or 34% of Aspire award recipients had received a degree, and 308 or 74% of GAMS

recipients had received a degree. Of the Fall 2005 first-time, full-time cohort, 442 were still enrolled through Spring 2009 but did not graduate in Spring 2009.

Figure 20
Number of Bachelor's Degrees Awarded by Scholarship Type
Through Spring 2008 for 2005 First-Time, Full-Time Cohort



2006 Cohort Completions

To date, 54 first-time, full-time students who first received TELS awards in 2006 have earned a degree. More time is needed before completion rates for this cohort can be calculated.

Conclusion

This report captures the first five 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 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 Scholarship recipients when compared to the percentage of undergraduate in-state enrollment in higher education. In addition, data 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). It remains unclear if this award influences the overall completion rates of these students.

Regarding award retention, the data indicates that TELS recipients at TICUA member campuses are more likely to retain their awards than students attending public institutions. As this program continues, it will be important to track the changes in award retention and college completion from year to year in order to gauge the impact the TELS programs have had 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 2009.

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. However, TICUA is limited to reporting data consistent with the enrollment and completions reporting requirements.

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. In addition, Watkins College of Art, Design, and Film, which joined TICUA in Summer 2009, is not included fully in this analysis.

TICUA updates this report annually for TICUA member campuses.

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TICUA



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, and
Film***

* Watkins joined TICUA in Summer 2009

TICUA Staff

Dr. Claude O. Pressnell, Jr.
President

Dr. Susanna L. Baxter
Chief Operating Officer

Joan Chappell
Director of Administrative Services

C. Gregg Conroy
Executive Director
TICUA Benefit Consortium

Amy Heckman
Assistant Director of Technology
and Data Systems

Dr. Patrick Meldrim
Senior Director of Research
and Public Affairs

Darlene Thornton
Administrative Coordinator
TICUA Benefit Consortium

1031 17TH AVENUE, SOUTH • NASHVILLE, TN 37212-2201
TELEPHONE 615-242-6400 • FAX 615-242-8033

WWW.TICUA.ORG

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