

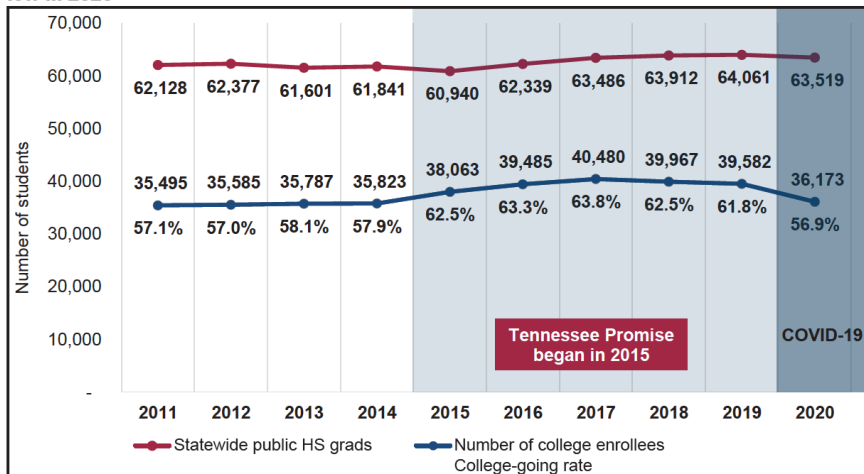
REFINE TN PROMISE

an opportunity to increase Tennessee's college-going and attainment rates

Program Strengths and Highlights

TN saw great gains in the year TN Promise was implemented. Our state led the nation in FAFSA completion with a 68% FAFSA completion rate. That was a 7.7% increase over 2014. Additionally, enrollment in students under the age 25 increased at community colleges by 7.2%. Our overall state college-going rate increased by 5.9% over the previous year. This overall increase includes students who enrolled at undergraduate institutions that are not Promise eligible, but the marketing of Promise and the increase in FAFSA completions likely helped students see college (regardless of the type of college) as affordable and attainable.

Exhibit 1: Tennessee's college-going rate has been declining since 2017, reaching a 10-year low in 2020



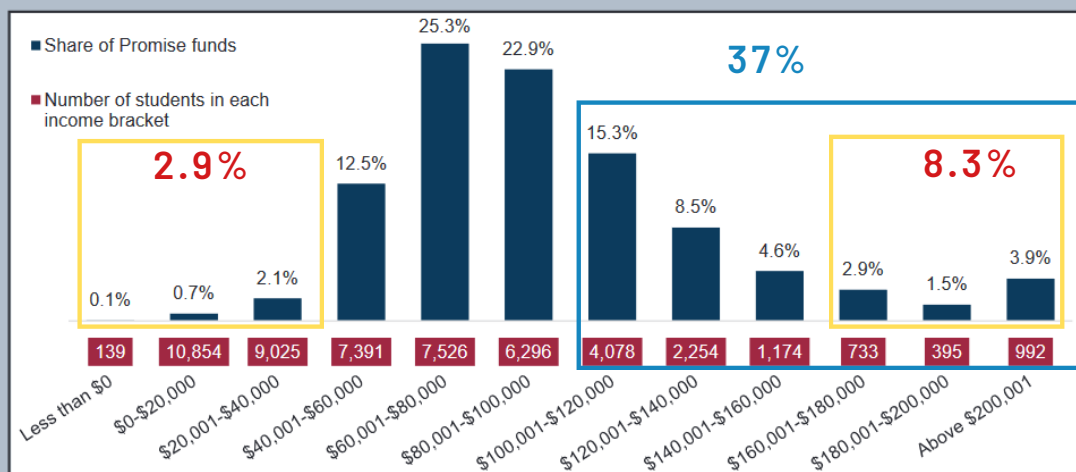
2020 State Comptroller's Office of Research and Education Accountability's Tennessee Promise Evaluation

To increase college-going and attainment rates in a sustainable way, we must target students who would not enroll in higher education without the support of the program.

REFINEMENTS TO SERVE MORE STUDENTS

1 Consider a Middle-Dollar Approach and Income Cap

Exhibit 2A: Distribution of Promise funds across adjusted gross income levels | 2015-2017



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students from household income levels equal to or less than \$40K. 37% went to students from household incomes greater than \$100K. Students with the greatest need receive the least amount of financial support; many receive none.

Because Promise is a last-dollar scholarship with no need requirement that covers only tuition and fees, we see this unique distribution of scholarship dollars, where low-income students do not financially benefit. Across the first three cohorts, we saw 8.3% of the funds go to students from households with income greater than \$160k. Because Pell Grants help cover tuition and fees for students on the left end of this spectrum, only 2.9% of the funding went to

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1 Consider a Middle-Dollar Approach and Income Cap (continued)

Middle-dollar scholarships guarantee a set amount of additional financial support beyond the cost of tuition. The extra amount can be applied to cover costs such as textbooks or living expenses. For example, after the cost of tuition has been covered by all other aid, the program guarantees every student an additional \$1,000 to help with additional expenses. Implementing an income cap, would ensure the financial health and sustainability of the program while providing Tennessee's low-income and middle-income families with financial assistance to afford higher education.

Nashville GRAD, at Nashville State Community College, provides an example of how funds beyond tuition and fees can lead to better course completion and retention. GRAD adds a layer of support to Promise by removing financial barriers beyond tuition and fees. GRAD financial assistance covers expenses on the front end such as technology, Wi-Fi assistance, textbooks, transportation, tools & supplies, & industry certification fees. When comparing TN Promise students participating in Nashville GRAD to those without the GRAD supports, Nashville GRAD participants persisted to the next term at a rate 10 percentage points higher than TN Promise only students. Additionally, TN Promise students participating in Nashville GRAD are 8.5 percentage point less likely to earn zero credit hours in their first term at NSCC compared to TN Promise students not participating in Nashville GRAD.

There are more requirements for Promise than for ANY OTHER Tennessee public scholarship.

Promise students must:

- 1.) attend a mandatory meeting,
- 2.) take classes full time,
- 3.) maintain a cumulative 2.0 GPA,
- 4.) refile the FAFSA annually, and
- 5.) complete 8 hours of community service each semester.

adapted from the 2020 State Comptroller's Office of Research and Education Accountability's Tennessee Promise Evaluation

Last-Dollar Scholarship	Middle-Dollar Scholarship
Scholarships awarded to students after all other grants and scholarships are applied	Scholarships awarded to students after other grants and scholarships are applied
If tuition and mandatory fees are met through other grants and aid, no scholarship dollars are given to cover other expenses such as books and supplies	If tuition and mandatory fees are met through other grants and aid, scholarship dollars are still awarded to cover other costs associated with attending college. May or may not be a set amount.
Last-dollar programs: Tennessee, Nevada	Middle-dollar programs: Arkansas, Oregon

2 Allow Part-Time Enrollment with Pro-Rated Scholarship

Earning to Learn, a research study by Vanderbilt University's Dr. Heinrich, states that 81% of part-time students work while enrolled in college. Working is especially common among community college students, first-generation students and students returning to college as adults. Nashville State GRAD advisors estimate 70% of GRAD students work 40+ hours a week. To increase student attainment rates, we must better serve students who are enrolled in college and working at the same time.

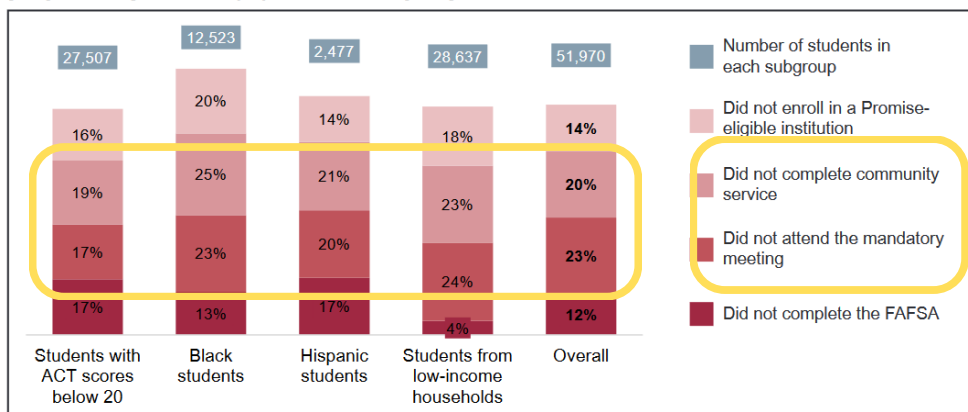
Ten of Tennessee's 13 community colleges have student bodies that are majority part-time students. Programs such as Nashville Flex at Nashville State Community College, funded by the Kresge Foundation, provides a layer of support beyond Promise and Reconnect, like GRAD, for part-time students and is seeing excellent results.

"A lot of places require you to work full time to get any sort of benefits, so I knew that I needed to be working full time. Full time school would be hard at the same time...I wanted to not just scrape by with the bare minimum... I kind of want to push it as much as I can without being full time..."
-Part-time Nashville Flex student at NSCC

"[It's] because of my kids. I'm a wife, I'm a mother, I'm a part time worker. So I put all that into consideration... So because of that, I try to limit myself to nine credits units... I don't [want] anything to affect my GPA, I want to maintain it the way it is."
- Part-time Nashville Flex student at NSCC

3 Limit the Number of Steps in the Process

Exhibit 2.15: Percent of Promise applicants in the third cohort who failed to complete each program requirement | by student subgroup



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OREA's July 2020 Tennessee Promise Evaluation found that attending the mandatory meeting and completing eight hours of community service were the two most common reasons why Promise applicants did not become eligible for the program. Low-income students face more barriers (transportation and work) to completing community service and attending the mandatory meeting, as they take place outside of school hours. Program adaptations during the pandemic further supported this finding.

Despite the COVID-19 pandemic, Promise cohort 6 (Class of 2020) was the largest to enroll in college since the program began in fall 2015. As noted in OREA's TN Promise 2022 Update, "Despite personal challenges experienced by students during the pandemic...moving the mandatory meeting online and waiving the community service requirement likely increased the number of Promise applicants and students who remained eligible for the program."