



Tennessee Education Lottery Scholarship Program

2021 Annual Report
Recipient Outcomes through Fall 2020

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Introduction

This report is prepared pursuant to T.C.A. §49-4-903(b), which directs the Tennessee Higher Education Commission (THEC) to:

“...provide assistance to the general assembly and to the Tennessee Student Assistance Corporation (TSAC) by researching and analyzing data concerning the scholarship and grant programs created under this part, including, but not limited to, student success and scholarship retention.”

The Tennessee Education Lottery Scholarship (TELS) program was designed to meet the unique needs of the State of Tennessee, while also incorporating the hallmark elements of existing merit-based aid programs in other states. Developed through a process involving elected officials and members of the academic community, the TELS program aims to address the following broad public policy objectives:

- Improve academic achievement in high school through scholarship incentive
- Provide financial assistance as a means of promoting access to higher education
- Retain the state’s “best and brightest” students in Tennessee colleges and universities
- Enhance and promote economic and community development through workforce training.

Tennessee Promise Scholarship Report

With the passage of Public Chapter 183 (2021), the Tennessee Education Lottery Scholarship Report and the Tennessee Promise Annual Report will combine into an omnibus report on student financial aid program participation and success. The combined report with updated data on the Tennessee Promise Scholarship will be released in October 2022. For data on Tennessee Promise participation through Cohort 6 (fall 2020) and on student success through Cohort 4 (fall 2018), please refer to the [2021 Tennessee Promise Annual Report](#).

COVID-19 Impact on TELS

Due to the COVID-19 pandemic, the Tennessee Student Assistance Corporation (TSAC) suspended various rules for determining initial or continuing eligibility for financial aid programs. TSAC policy requiring a qualifying score on an ACT exam taken prior to enrollment was also suspended to allow for incoming freshman to qualify using a score on an exam taken during fall 2020. TSAC also suspended policy to allow ACT residual exams offered by the institution attended to students who were unable to qualify on an ACT testing date. With the transition to pass/fail at many institutions, TSAC provided institutions flexibility in calculating a student’s postsecondary cumulative GPA when determining continuing eligibility for the HOPE Scholarship and other Tennessee Education Lottery programs. These temporary suspensions may correlate with shifts in renewal rates discussed in Section III of this report. More details on temporary rule suspensions for the HOPE Scholarship and other programs can be found at [TSAC's COVID-19 Campus & Financial Aid webpage](#).

Privacy Notice

Throughout this report, THEC complies with Family Educational Rights and Privacy Act (FERPA) requirements to protect students’ personally identifiable information. Therefore, when tables are presented, **individual cells containing fewer than 10 observations are suppressed**. The suppressed information is included in table total. Previous versions of this report suppressed cells with fewer than six observations.

CONTENTS

Data Sources, Technical Notes & Definitions	ii
Executive Summary	iii
Section I: Program Overview	2
Section II: Recipient Demographics	9
Section III: Scholarship Renewal & Non-Renewal Retention	13
Section IV: Five-Year Graduation Rates with TELS Intact	17
Section V: Six-Year Graduation Rates of TELS Recipients and Outcomes Over Time	19

Data Sources, Technical Notes & Definitions

Data Sources

- Unless otherwise noted, data contained within this report are from the Financial Aid System of Tennessee (FAST), the Tennessee Higher Education Commission (THEC) Student Information System (SIS), and the P20 Connect Data System. Data from the [TSAC annual TELS Year-End Reports](#) are used in Section I.
- The current report uses verified payments from FAST (previously TSAC's e*GRandS database) to determine all TELS recipients and is supplemented by THECSIS and P20 Connect data, where applicable (e.g., retention and graduation data). Due to improvements in data querying methods, data presented in this year's report may not compare to past reporting. This improvement resulted in the identification of additional first-time TELS recipients.
- The P20 Connect Data System is used as an additional source to match **retention and graduation data**. This is most relevant for students enrolled at Tennessee's Independent Colleges and Universities (TICUA institutions). Not all TICUA institutions participate in the P20 Connect, so this is not a complete picture of private school retention or completion.
 - Twenty-two private institutions currently submit data to P20 Connect: Aquinas College, Baptist Health Sciences University, Bethel University, Carson-Newman University, Christian Brothers University, Cumberland University, Fisk University, Freed-Hardeman University, Johnson University, King University, Lane College, Le Moyne-Owen College, Lee University, Lipscomb University, Maryville College, Milligan College, Rhodes College, Tennessee Wesleyan University, Trevecca Nazarene University, Tusculum University, Union University, and Welch College.

Technical Notes

- Students are identified by higher education sector and scholarship type **at college entry**, unless otherwise noted. Renewal, retention, and graduation rates are attributed to the higher education sector and scholarship program at college entry.
- Unless otherwise noted, all tables and figures include Locally Governed Institutions (LGIs), TBR Community Colleges, UT Campuses, and private institutions, and the HOPE Scholarship, General Assembly Merit Scholarship, Aspire Award, and HOPEAccess Grant programs. Future iterations of this report will include data for UT Southern, formerly Martin Methodist College, within the UT Campus sector.
- Statistics presented in this report exclude recipients of the Tennessee HOPE Nontraditional Scholarship beginning with their first term of HOPE Nontraditional award receipt onward.

Definitions

- The **six-year graduation rate** is defined as the percent of TELS first-time freshmen who attained either an associate or bachelor's degree **within six years** of enrollment regardless of scholarship status at graduation.
- The **graduation rate with TELS intact** is defined as the percent of TELS first-time freshmen who attained either **an associate or bachelor's degree within five years** of enrollment without losing scholarship eligibility (received a TELS award in the same term as their graduation). Previous iterations of this report captured students for this metric if they received a TELS award within the same academic year of graduation. Five years is the maximum time for which students can renew a scholarship.

Executive Summary

Updates to the TELS Report

This year's TELS Report provides a concise data snapshot of TELS recipients and their outcomes including narrative discussion on the current context. The report comprises five sections: (1) Program Overview, (2) Recipient Demographics, (3) Scholarship Renewal and Postsecondary Retention for Non-Renewals, (4) Five-Year Graduation Rates with TELS Intact, and (5) Six-Year Graduation Rates and Outcomes over Time. Subsequent versions of this report, per Public Chapter 183 (2021), will also include information on Tennessee Promise.

To complement this narrative report, THEC/TSAC has developed two interactive dashboards, which allow users to explore and disaggregate participation and outcomes data on Tennessee's HOPE Scholarship program.

- **TELS Participation Dashboard** provides a descriptive look into the first-time TELS recipients by term and over time. Users should refer to the TELS Participation Dashboard to learn more about the distribution of first-time TELS recipients by income, academic profile, and scholarship program participation. Users may refine the results of the dashboard by institutional sector, scholarship program, and recipient demographic group, including race, gender, and economic status.
- **TELS Student Success Dashboard** demonstrates the outcomes of first-time TELS recipients by cohort and over time. Users may refer to the TELS Student Success Dashboard to learn more about TELS scholarship renewal rates, retention rates, and graduation rates. As with the TELS Participation Dashboard, users may filter the data by institutional sector, scholarship program, and recipient demographic group.

The dashboards may be accessed via the [TELS Report landing page](#).

Overview and Key Takeaways

- **In 2020-2021, over 151,000 students received a Tennessee Education Lottery Scholarship (TELS), with awards totaling nearly \$399 million** (see Table 3). This reflects all TELS programs, including Tennessee Promise, Wilder-Naifeh, and the Dual Enrollment Grant, among others.
- **In fall 2020, 28,484 students enrolled as first-time HOPE Scholarship recipients** (see Table 5); 65% of which received the HOPE Scholarship, 25% received the Aspire Award, 9% received the General Assembly Merit Scholarship (GAMS), and about 1% received the HOPE Access Grant.
- **Echoing the decline in postsecondary enrollment during COVID-19, fewer first-time TELS recipients enrolled in fall 2020, and the demographic composition of the first-time recipients demonstrated some notable deviations when compared to earlier terms** (see Table 7). In fall 2020, female students represented a higher share of first-time recipients, as did students with at least one college-educated parent (i.e., not first generation) and students ineligible for a Federal Pell Grant.
- **19% fewer students with an adjusted gross income (AGI) of \$12,000 or below enrolled as first-time TELS recipients in fall 2020** (see Figure 3). Conversely, 40% of the first-time TELS recipients in fall 2020 had an AGI of \$96,000 and above, which represents an increase of 3 percentage points over the fall 2019 cohort (see Figure 2).

- **First-time TELS recipients in fall 2020 had an average high school GPA of 3.54 and an average ACT Composite score of 23** (see Table 8). Less the recipients of the HOPE Access Grant, 92% of first-time TELS recipients in fall 2020 had a high school GPA of at least 3.0, and 72% had at least an ACT Composite score of 21. Sixty-four percent of first-time TELS recipients met both the GPA and ACT Composite score requirements for the HOPE Scholarship (see Figure 4).
- **Seventy-nine percent of all first-time TELS recipients in fall 2019 (n=30,336) remained enrolled in postsecondary education in fall 2020, regardless of scholarship receipt** (see TELS Student Success Dashboard). Overall retention rates of first-time TELS recipients have remained steady over time and did not decline in fall 2020.
- **Sixty-three percent of first-time TELS recipients in fall 2019 renewed their scholarship eligibility (i.e., received a TELS award) in fall 2020** (see Table 9). Compared to the previous year (fall 2018 cohort receiving an award in fall 2019), the fall 2019 cohort's renewal rate increased by 7 percentage points. TSAC's relaxing of scholarship eligibility renewal eligibility requirements may explain this notable increase.
- **Forty-five percent of first-time TELS recipients in fall 2019 who did not renew their scholarship eligibility requirements in fall 2020 (i.e., did not receive a TELS award) remained enrolled in postsecondary education** (see Table 10). This represents a decline of 9 percentage points when compared to the prior year. As with the rise in renewal rates, the decrease in non-renewal retention rates may correlate with TSAC's temporary regulatory and policy suspensions.
- **Compared to the previous cohort, the fall 2014 cohort of first-time TELS recipients demonstrated an increase in all success metrics** (see Table 11):
 - 44% graduated within four years of enrolling
 - 59% graduated within five years of enrolling
 - 64% graduated within six years of enrolling
 - 33% graduated with their TELS eligibility intact.
- **Approximately 70% of the first-time TELS recipients in fall 2014 were either still enrolled or had earned a degree by the fifth year of TELS eligibility** (Figure 7).

Section One:

Program Overview



Program Overview

Table 1 below depicts the award amounts and the eligibility criteria to receive and maintain the Tennessee HOPE Scholarship, the General Assembly Merit Scholarship (GAMS), the Aspire Award, and the HOPE Access Grant as of the 2020-21 academic year. GAMS and the Aspire Award are supplements to the HOPE Scholarship. For all four scholarships, students apply by completing the Free Application for Federal Student Aid (FAFSA). For additional information on the scholarship eligibility requirements and award amounts, visit the [College Pays webpage](#). **Table 2** provides an abbreviated overview of the recent legislative history pertaining to Tennessee’s state-based financial aid programs. Of note, the 2021 session of Tennessee’s 112th General Assembly produced legislation affecting state-sponsored student financial aid and the statistical reporting thereof.

Table 1: Tennessee Education Lottery Scholarship (TELS) Criteria

Eligibility Criteria	HOPE	GAMS	Aspire	Access
Minimum High School GPA	3.00	3.75	3.00	2.75-2.99
Minimum ACT Composite	<u>or</u> 21	<u>and</u> 29	<u>or</u> 21	<u>and</u> 18-20
Family Adjusted Gross Income (AGI)	N/A	N/A	\$36,000 or less	\$36,000 or less
Postsecondary Retention GPA*	<i>Traditional Path</i> - Cumulative 2.75 at 24 & 48 hours, cumulative 3.0 at 72, 96, 120 hours			Cumulative 2.75 at 24 hours qualifies the student for HOPE
	<i>Provisional Path</i> - Cumulative 2.75-2.99 at 72, 96, 120 hours with 3.0 prior semester			

Award Amounts per Academic Year (Fall and Spring Only) as of Fall 2015

4-year: Freshman and Sophomore	\$3,500	\$5,000	\$5,000	\$2,500
4-year: Junior and Senior	\$4,500	\$6,000	\$6,000	N/A
2-year: Freshman and Sophomore	\$3,000	\$4,500	\$3,500	\$1,750

Notes: The above award amounts are limited to fall and spring terms, but awards are also available for summer terms. Amounts reported in [historical versions](#) of this report included summer terms. Refer to the historical reports for award amounts prior to fall 2015.

The provisional path applies to students who do not have a minimum 3.0 cumulative GPA at the end of the semester in which a student attempted 72 semester hours and any multiple of 24 semester hours thereafter. Under the provisional path, a student’s continued eligibility will be determined on a semester-by-semester basis, and the student must maintain full-time enrollment.

*TELS eligibility may be renewed for up to five years after initial enrollment or until the student earned a baccalaureate degree. The credit hour checkpoints correspond to 24=end of first year, 48=end of second year, 72=end of third year, 96=end of fourth year, 120=end of fifth year.

Table 2: Major Legislative Changes in TELS, 2015-2021

Legislative Changes
2015
Tennessee Promise and TCAT Reconnect take effect
Created Community College Reconnect Grant Pilot
HOPE base decreases to \$3,500 for freshmen and sophomores, increases to \$4,500 for juniors and seniors
HOPE award for full-time community college students increases to \$3,000
2016
Expanded eligibility criteria for the Community College Reconnect Grant Pilot
2017
Created Community College Reconnect Grant Program (Tennessee Reconnect)
Created Middle College Scholarship Program (took effect fall 2018)
2018
Tennessee Reconnect launched (takes effect fall 2018)
Middle College Scholarship launched
Eliminated Nontraditional HOPE at associate degree level
2019
Increased semester award for the Tennessee Middle College Scholarship from \$600 to \$1,000.
Expanded the Dual Enrollment Grant maximum from 8 courses to 10 courses (took effect fall 2020)
Created the Governor's Investment in Vocational Education (GIVE), which expands the Dual Enrollment Grant to 4 high-need CTE courses (took effect fall 2020)
2020
Financial aid application process streamlined with the passage of the Financial Aid Simplification for Tennesseans (FAST) Act. Effective July 1, 2021, the FAST Act also eliminated the 120-credit hour accrual terminating event for HOPE eligibility.
TSAC temporarily suspended several rules for the HOPE Scholarship, TN Promise, and TN Reconnect for the spring, summer, and fall 2020 semesters (as of this release). More information on these rule suspensions can be found at TSAC's COVID-19 Campus & Financial Aid webpage . Rule suspensions extended into 2021.
2021
The Tennessee Promise Annual Report consolidated with the Tennessee Education Lottery Scholarship Report. The first joint report will be released October 1, 2022.
Public Chapter 512 established a four-year pilot program to award completion grants to Tennessee Promise Scholarship students who have an immediate financial need or who are experiencing a financial hardship that may prevent the student from completing a postsecondary degree or credential. The pilot program will be repealed January 1, 2026.
Effective January 1, 2022, the Dual Enrollment Grant program will award in-state tuition and mandatory fees up to a maximum of the first four dual enrollment courses.
The Middle College Scholarship award increased from \$1,000/semester to \$1,250/semester.
William R. Moore College of Technology added as an eligible institution for the Dual Enrollment Grant.
Created an alternate path to HOPE eligibility for home school students by allowing the use of two dual enrollment courses with a 3.0 average GPA to serve as a proxy for the cumulative high school GPA.
Expanded the Helping Heroes grant by allowing TSAC to expand eligibility by military campaign through rule, removing the \$750,000 cap on expenditures, and removing the eight-year timeframe for completion.

Note: For additional legislative changes to TELS, please refer to [past reports](#), which provide summaries since 2004.

Table 3 provides a comprehensive overview of recipient counts and total awards for the full suite of TELS programs. GAMS and Aspire are supplemental awards to the HOPE Scholarship and are included in the subtotal with HOPE. With the exception of **Table 3** and **Table 4**, this report focuses exclusively on HOPE, GAMS, Aspire, and HOPE Access Grant (Access) programs. Readers interested in learning more about the TELS programs not highlighted in this report are encouraged to review the TELS Year-End Reports and archived scholarship reports available via the [TELS Program Data webpage](#).

Table 3: Scholarship Recipients and Dollars Awarded by Scholarship Program, 2018-19 to 2020-21

Scholarship Program	2018-19		2019-20		2020-21	
	Students	Dollars	Students	Dollars	Students	Dollars
HOPE	47,817	\$166,366,355	47,721	\$167,517,238	49,179	\$169,364,419
GAMS	8,228	\$40,298,209	8,704	\$42,545,301	9,080	\$44,507,415
Aspire	18,027	\$84,255,962	18,126	\$84,636,702	17,555	\$81,852,978
Subtotal (HOPE, GAMS, Aspire)	74,072	\$290,920,526	74,551	\$294,699,241	75,814	295,724,812
Tennessee Promise	15,341	\$28,836,007	16,082	\$32,344,785	16,633	\$30,449,206
Tennessee Reconnect	12,382	\$29,651,193	12,735	\$31,296,679	11,648	\$29,069,338
TCAT Reconnect	1,644	\$1,835,756	1,827	\$2,073,087	2,058	\$2,215,621
HOPE Access Grant	328	\$604,006	410	\$717,942	317	\$519,978
HOPE Non-Traditional	812	\$2,639,050	481	\$1,608,878	338	\$1,190,782
Wilder-Naifeh Grant	11,239	\$14,379,287	11,349	\$14,471,197	11,033	\$13,725,144
HOPE Foster Care Grant	87	\$572,824	105	\$582,586	75	\$458,828
Dual Enrollment Grant	30,937	\$23,060,224	33,417	\$24,835,948	31,210	\$24,427,561
Middle College Scholarship	149	\$163,200	246	\$459,000	260	\$459,000
Math & Science Teachers	1	\$2,000	4	\$8,000	1	\$2,000
Helping Heroes Grant	424	\$667,000	287	\$414,522	196	\$306,250
TN STEP UP	118	\$401,750	119	\$448,000	101	\$342,250
Total	147,534*	\$393,722,823	150,939*	\$403,959,865	151,024*	\$398,890,770

Source: [TSAC TELS year-end reports](#).

Notes: * Indicates a distinct count of individuals receiving award dollars from grant programs.

Totals represent a distinct count of students and are not always the sum of the numbers within the section.

Table 4 provides the count of recipients and the allocated total awards by institutional sector in Tennessee. **Table 4** is inclusive of the full suite of TELS programs. The representation of TELS recipients by institutional sector has remained largely consistent over time. Relative to prior years, TBR Community Colleges represented a smaller than usual share of both recipients and of award allocations, which is consistent with broader enrollment trends observed in this sector during COVID-19. For additional information on general enrollment data through fall 2020, see the [2020-2021 Tennessee Higher Education Fact Book](#).

Table 4: Distribution of Scholarship Recipients and Dollars by System, 2018-19 to 2020-21

Year	System	Students		Allocations	
		Number	Percent	Dollars	Percent
2018-19	UT System	21,686	15%	\$86,827,824	22%
	LGIs	30,900	21%	\$112,086,203	28%
	TBR 2-Year	58,803	40%	\$112,228,494	29%
	Independents	17,947	12%	\$60,987,465	15%
	TCATs	18,711	13%	\$19,591,464	5%
	Proprietary Institutions	659	<1%	\$2,001,373	1%
	Total*		147,534	100%	\$393,722,823
2019-20	UT System	21,941	15%	\$88,093,197	22%
	LGIs	31,521	21%	\$113,561,979	28%
	TBR 2-Year	60,091	40%	\$116,844,689	29%
	Independents	18,447	12%	\$61,858,376	15%
	TCATs	19,979	13%	\$20,656,569	5%
	Proprietary Institutions	925	1%	\$2,945,055	1%
	Total*		150,939	100%	\$403,959,865
2020-21	UT System	22,499	15%	\$91,702,289	23%
	LGIs	31,924	21%	\$113,136,180	28%
	TBR 2-Year	57,412	38%	\$108,367,292	27%
	Independents	18,587	12%	\$61,835,781	16%
	TCATs	19,512	13%	\$20,556,098	5%
	Proprietary Institutions	1,090	1%	\$3,293,130	1%
	Total*		151,024	100%	\$398,890,770

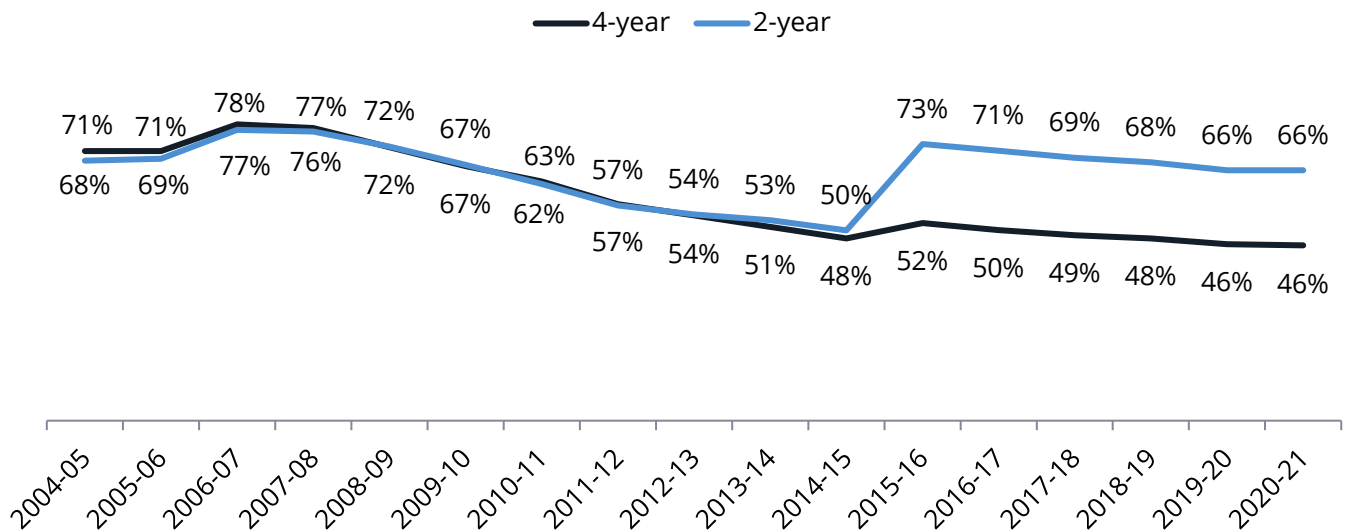
Source: [TSAC TELS year-end reports](#).

Notes: *Annual totals represent a distinct count of students and are not always the sum of the sector totals for the year. Due to rounding, totals may not sum to 100. Student and award totals are based on the suite of TELS programs summarized in Table 3. See [previous iterations](#) of this report for recipients and awards prior to 2018-19.

Figure 1 displays the maximum base HOPE award (not including GAMS or Aspire supplements; see **Table 1** for more information) as a percent of the average mandatory tuition and fees for Tennessee’s public community colleges and universities as reported in the annual [Tennessee Higher Education Fact Book](#). In 2020-21, public community colleges reported an average of \$4,553 in tuition and fees. For public universities, average tuition and fees were \$9,751. Effective 2015-16 and onward, the maximum base HOPE award is \$4,500 for four-year colleges and \$3,000 for two-year colleges per academic year.

Over the lifetime (2004-05 to 2020-21) of the TELS suite of programs, the maximum base HOPE award amount has increased by an average (i.e., compound annual growth rate) of 2.4% for 4-year colleges and by 4.2% for two-year colleges. Conversely, the tuition at Tennessee public colleges has grown by an average of 5.1% for public universities and by 4.4% for public community colleges.

Figure 1: Maximum HOPE Award Amount as a Percent of Average Tuition & Fees at Public Institutions, 2004-05 to 2020-21



Notes: This figure *does not* include the HOPE award or tuition and fees for the summer semester. The increase in maximum amount between 2014-15 and 2015-16 at community colleges is explained by the change in HOPE award amounts in 2015-16. *Average Tuition and Fees* is an unweighted average of resident tuition and fees for full-time undergraduate students at public institutions. Refer to Table 3.3 in in 2021 [Tennessee Higher Education Fact Book](#) (Table 4.3 in earlier reports) for more information. The average tuition and fees for public universities is inclusive of all six Locally Governed Institutions and three universities within the University of Tennessee System (Chattanooga, Knoxville, and Martin). Future reports will include University of Tennessee, Southern.

Tables 5 and 6 below depict the count and representative share of TELS recipients by program and by sector in fall 2020. **Table 5** highlights first-time recipients in fall 2020, and **Table 6** reports details for all TELS recipients. Compared to fall 2019, HOPE represented a greater share (roughly 2 percentage points) of both first-time and all TELS recipients, and the Aspire Award represented a smaller share. The overall count of first-time TELS recipients declined by over 1,800 students between fall 2019 and fall 2020, with the largest decline observed within the Aspire Award (overall) and within the TBR Community College sector.

Table 5: Distribution of First-Time Scholarship Recipients by System and Scholarship Program, Fall 2020

First-Time TELS Freshmen	System	Student Headcount				
		HOPE	GAMS	Aspire	Access	Total
Student Headcount	LGI Universities	5,089	697	2,209	91	8,086
	TBR Community Colleges	6,769	122	2,189	148	9,228
	UT Campuses	3,955	1,134	1,554	22	6,665
	Private Institutions*	2,723	633	1,107	42	4,505
	Total	18,536	2,586	7,059	303	28,484
Percent	LGI Universities	63%	9%	27%	1%	100%
	TBR Community Colleges	73%	1%	24%	2%	100%
	UT Campuses	59%	17%	23%	<1%	100%
	Private Institutions*	60%	14%	25%	1%	100%
	Total	65%	9%	25%	1%	100%

Notes: Percentages may not sum to 100% due to rounding.

*Private institutions are inclusive of proprietary and non-for-profit independent institutions. South College is the only HOPE-eligible proprietary institution.

Table 6: Distribution of All Scholarship Recipients by System and Scholarship Program, Fall 2020

First-Time TELS Freshmen	System	Student Headcount				
		HOPE	GAMS	Aspire	Access	Total
Student Headcount	LGI Universities	16,904	2,264	5,944	91	25,203
	TBR Community Colleges	11,406	199	3,596	150	15,351
	UT Campuses	13,068	3,653	3,912	22	20,655
	Private Institutions*	8,371	2,123	2,920	42	13,456
	Total	49,749	8,239	16,372	305	74,665
Percent	LGI Universities	67%	9%	24%	<1%	100%
	TBR Community Colleges	74%	1%	23%	1%	100%
	UT Campuses	63%	18%	19%	<1%	100%
	Private Institutions*	62%	16%	22%	<1%	100%
	Total	67%	11%	22%	<1%	100%

Notes: Students are only eligible for the HOPE Access Grant for 24 credit hours. Students then either become eligible for the traditional HOPE Scholarship or lose lottery eligibility. This accounts for the similarities in Access headcounts between Tables 6 and 7.

Percentages may not add up to 100% due to rounding.

This table shows student enrollment by system and scholarship type in fall 2020 and does not necessarily represent the institution of initial scholarship receipt.

*Private institutions are inclusive of proprietary and non-for-profit independent institutions. South College is the only HOPE-eligible proprietary institution.

Section Two:

Recipient Demographics



Recipient Demographics

This section of the report provides an overview of the demographic characteristics of the cohort of first-time TELS recipients and a comparison to the demographic profile of all TELS recipients in fall 2020. The majority of TELS recipients are female, White, and ineligible for a Federal Pell Grant or Tennessee Student Assistance Award (TSAA), which is consistent year to year. The majority of recipients also have at least one parent with an associate’s degree or higher. **Table 7** below provides a comparison of first-time TELS recipient demographic characteristics over time by gender, race/ethnicity, parental education, and eligibility for need-based financial aid. Compared to previous terms, the first-time TELS recipients in fall 2020 constituted higher proportions of female students (59%), students with at least one college-educated parent (68%), and Pell-ineligible students (57%). Contrasting the reduced share of Pell-eligible students, the share of TSAA-eligible students has increased over time, which may reflect recent expansions in TSAA eligibility.

Table 7: Demographic Profile of First-Time TELS Recipients
Fall 2018 - Fall 2020

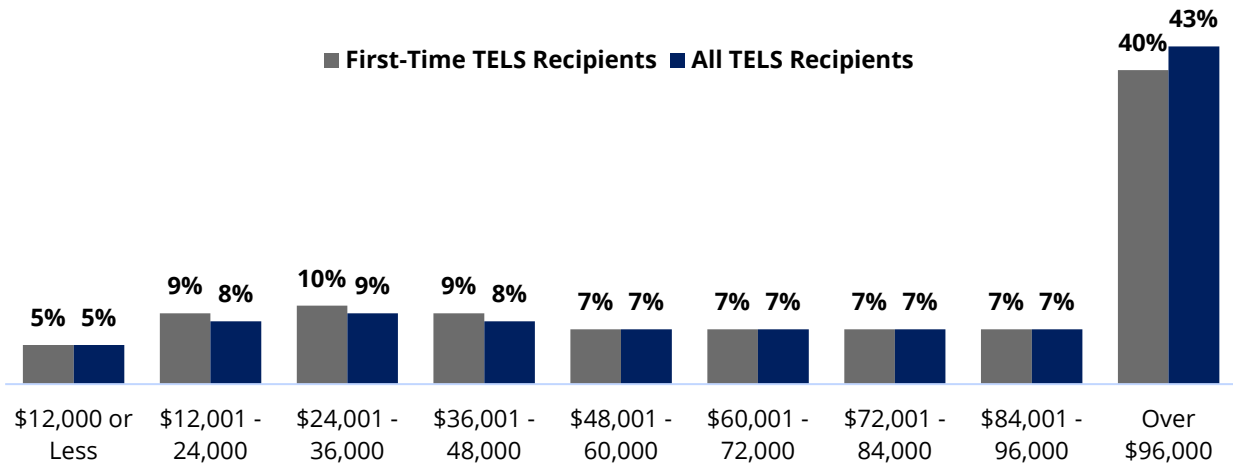
Recipient Demographic Categories		Fall 2018	Fall 2019	Fall 2020
Gender	<i>Female</i>	58%	58%	59%
	<i>Male</i>	42%	42%	41%
Race/Ethnicity	<i>Black, Not Hispanic</i>	13%	13%	12%
	<i>White, Not Hispanic</i>	78%	76%	76%
	<i>Hispanic</i>	4%	5%	6%
	<i>Other*</i>	5%	5%	5%
Parental Education	<i>Associate Degree or Higher</i>	67%	66%	68%
Aid Eligibility	<i>Federal Pell Grant</i>	46%	45%	43%
	<i>TN Student Assistance Award (TSAA)</i>	30%	33%	35%
Count of First-Time TELS Recipients		30,207	30,336	28,484

Notes: Table excludes students whose race/ethnicity or gender is unknown.
 **Other* category includes Alaskan Native, American Indian, Asian/Pacific Islander, and Multiracial.
 Pell and TSAA eligibility are based on the student’s first year of scholarship receipt.
 First generation is a measure of “College and Beyond” as reported on the Free Application for Federal Student Aid (FAFSA) and is based on the student’s first year of scholarship receipt.
 For more information on TSAA, Tennessee’s need-based grant for undergraduates, visit [TSAC’s TSAA webpage](#).

Figures 2 and 3 provide insight into the fall 2020 cohort by their adjusted gross income (AGI). In fall 2020, 40% of first-time TELS recipients had an AGI of \$96,000 or above. Historically, the uppermost AGI category has represented the largest share of first-time TELS recipients, though the share of first-time recipients in this category increased by 3 percentage points compared to the previous cohort (see the **TELS Participation Dashboard** for more information).

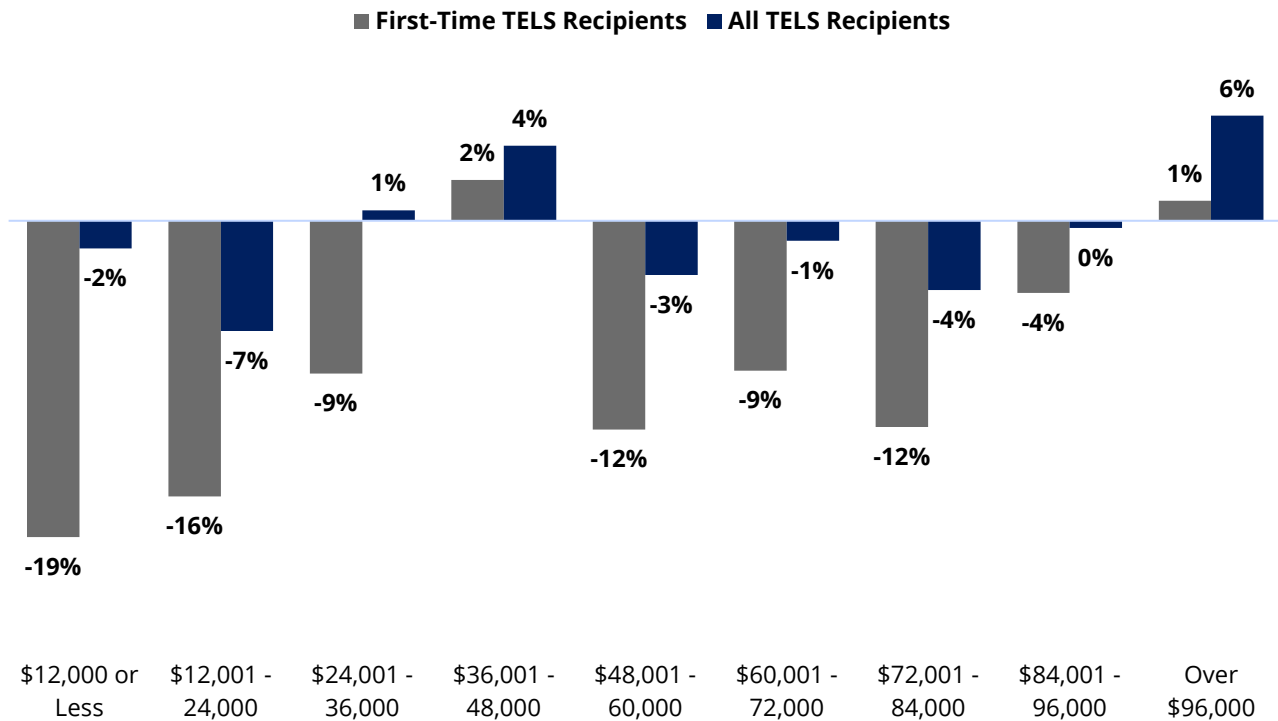
To further unpack this observation, **Figure 3** displays the change in headcount by AGI category for first-time TELS recipients between fall 2019 and fall 2020. Recipients with an AGI of \$96,000 or more increased by 1% (a growth of 120 students) between fall 2019 and fall 2020. Those with an AGI of \$12,000 or below decreased by 19% (a decline of 302 students), and those with an AGI of \$12,001-\$24,000 fell by 16% (a decline of 471 students). This decrease echoes the Aspire Award declines depicted in **Table 5** and discussed on page 7.

Figure 2: Lottery Scholarship by Family Adjusted Gross Income (AGI)
Fall 2020



Notes: Percentages may not sum to 100% due to rounding.
AGI as of fall 2020. For first-time recipients, AGI is representative of the cohort year rather than the most recent term of a student's record.

Figure 3: Change in First-Time and All TELS Recipient Headcount by Family Adjusted Gross Income (AGI),
Fall 2019 - Fall 2020



Notes: Change in first-time recipient headcounts between fall 2019 and fall 2020 are as follows:
 \$12,000 or Less = (302); 12,001-24,000= (471); 24,001-36,000 = (263); \$36,001- 48,000 = 53; 48,001-60,000 = (277);
 \$60,001-72,000 = (183); 72,001-84,000 = (261); 84,001-96,000 = (84); Over \$96,000=120
 The change in headcounts for all TELS recipients is available upon request.

Table 8 and **Figure 4** below depict the academic profile of first-time TELS recipients in fall 2020. On average, TELS recipients had a high school grade point average (GPA) of 3.54 (as measured on a 4.0 scale) and an average ACT Composite score of 23 (highest possible score of 36). Understanding that the GAMS supplement and the HOPE Access Grant carry different academic eligibility requirements from the HOPE Scholarship, the average high school GPA scores ranged from 2.87 to 3.94 by scholarship program and from 3.42 to 3.65 by system. The average ACT Composite score ranged from 18-31 by scholarship program and from 20-25 by system.

Specific to the HOPE Scholarship, 64% of first-time recipients in fall 2020 met both the high school GPA (3.0+) and ACT Composite score (21+) requirements, with 92% meeting at least the high school GPA requirement and 73% meeting at least the ACT Composite score requirement.

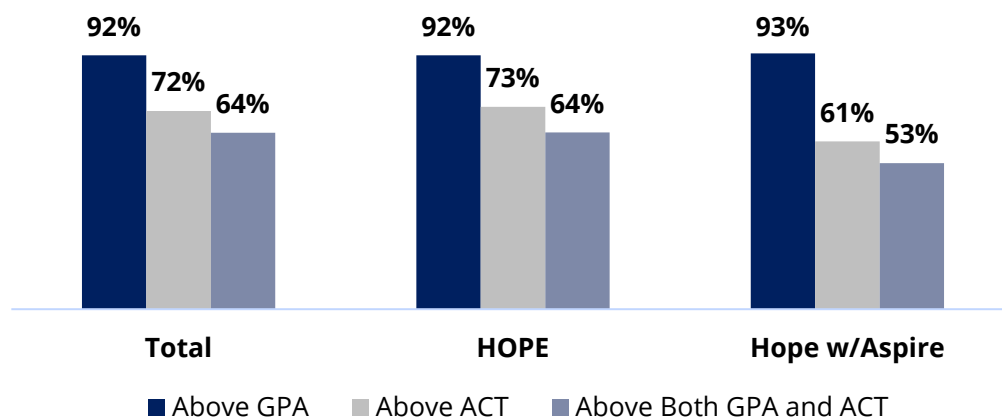
Table 8: Average High School GPAs and ACT Composite Scores of First-Time TELS Recipients by Postsecondary System and Scholarship Type, Fall 2020

		Average High School GPA	Average ACT Composite Score
Scholarship	HOPE	3.53	22
	HOPE w/GAMS	3.94	31
	Hope w/Aspire	3.48	21
	Hope Access	2.87	18
System	LGI Universities	3.55	23
	TBR Community Colleges	3.42	20
	UT Campuses	3.65	25
	Private Institutions	3.62	24
Total		3.54	23

Sources: FAST, THECSIS

Notes: Missing data on GPA/ACT from FAST are supplemented with data, where available, from THECSIS. Students with missing GPA or ACT scores are excluded. GPA or ACT values of 0 are treated as missing. Eligibility for the Tennessee HOPE Access Grant requires a GPA between 2.75-2.99 *and* an ACT of 18-20.

Figure 4: Share of First-Time TELS Recipients Achieving GPA and ACT Eligibility Thresholds (excluding HOPE Access), Fall 2020

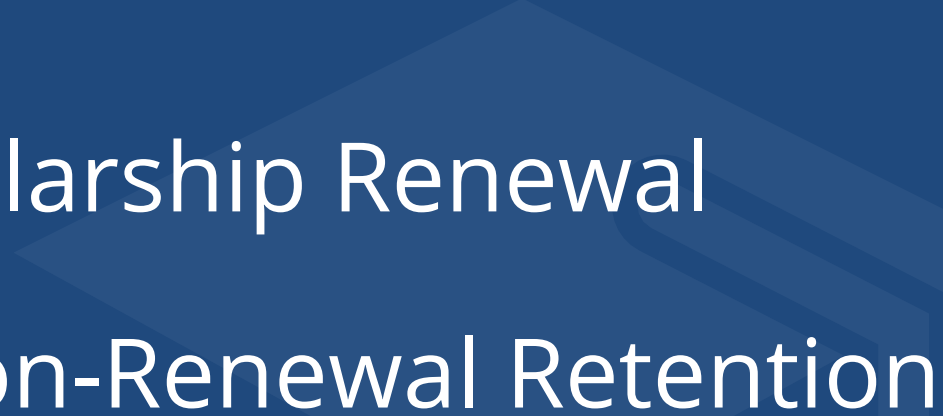


Sources: FAST, THECSIS

Notes: Students with missing GPA or ACT scores excluded. GPA or ACT values of 0 are treated as missing. The thresholds of 3.0 high school GPA and 21 ACT do not apply to the HOPE Access Grant, so this program is omitted from the figure. Because the high school GPA and ACT score requirements for HOPE w/ GAMS are higher than 3.0 and 21, respectively, 100% of recipients attained the above eligibility thresholds.

Section Three:

Scholarship Renewal & Non-Renewal Retention



Scholarship Renewal & Non-Renewal Retention

This section reports the share of first-time TELS recipients who renewed their scholarship eligibility for a second year (assessed fall to fall) and the share of first-time TELS recipients who did not renew their scholarship eligibility but remained enrolled in postsecondary education.

While the renewal rates and retention rates of non-renewing students of the fall 2019 cohort deviated from prior terms (see **Tables 9 and 11**), the overall retention rate of first-time TELS recipients has remained consistent year to year. See the **TELS Student Success Dashboard** for additional details on retention rates over time.

Renewal Requirements

TELS recipients are evaluated for scholarship renewal after every 24 attempted credit hours. At the 24- and 48-hour check points, students must have earned a cumulative postsecondary GPA of 2.75 or higher to remain eligible for the scholarship. Upon attempting 72 credit hours, a minimum cumulative GPA of 3.0 is required to remain eligible. Credit hour checks continue at each subsequent 24 credit hour check point, up to 120 credit hours.

T.C.A. §49-4-911 permits those with 72 or more credit hours to maintain eligibility if their cumulative GPA is less than 3.0 (i.e., via a provisional path), as long as they:

- Maintain a cumulative grade point average of at least 2.75.
- Earned a semester grade point average of at least 3.0 for the semester in which continuing eligibility was reviewed.
- Enrolled full-time in the semester when continuing eligibility was reviewed; and
- Will continue to enroll full-time in the subsequent semester.

The TELS award is available for up to five years or baccalaureate degree attainment, whichever comes first. Prior to July 1, 2021, TELS eligibility could terminate upon the accrual of 120 credit hours.

For the temporary suspensions to GPA eligibility requirements related to the COVID-19 pandemic, please refer to the “Note on COVID-19 Impact on TELS” on page ii or [TSAC’s COVID-19 Campus & Financial Aid webpage](#).

Table 9 below reports the share of first-time TELS recipients in fall 2019 who renewed their scholarship eligibility requirements in fall 2020 by their initial scholarship program and the sector of their initial postsecondary institution. The statistics reported in **Table 9** are based on scholarship payments made in fall 2020.

In total, 63% of TELS recipients renewed their eligibility for a second year, which is a noteworthy increase of 7 percentage points over the renewal rate of the fall 2018 cohort (56%). While the renewal rates vary by initial scholarship program, all TELS programs demonstrated an increase in renewals over last year. While TSAC’s suspension of eligibility maintenance requirements amid the COVID-19 pandemic might explain the increase in renewal rates, readers should not interpret this as causal evidence.

Not reflected in **Table 9**, scholarship renewal rates also vary substantially by student demographic groups. For the fall 2019 cohort, 67% of female students renewed compared to 58% of male students. While 65% of “White, Not Hispanic” students renewed their scholarship eligibility, only 56% of “Black, Not Hispanic” students did so. Likewise, students who were ineligible for a Federal Pell Grant demonstrated higher renewal rates compared to those who were Pell eligible (69% versus 56%). Readers are encouraged to explore the **interactive dashboards** accessible via the [TELS Report landing page](#) to learn more about the scholarship renewal rates over time and by student demographic groups.

Owing to the agency’s mission to increase the number of Tennesseans with a postsecondary credential, THEC/TSAC staff continue to investigate the shift in scholarship renewal rates and in the retention rates of non-renewing students (presented in **Table 10** on the following page) observed in the fall 2019 cohort.

Table 9: One-Year Scholarship Renewal Rates by Scholarship Program and System, First-Time TELS Recipients, Fall 2019

System		HOPE	GAMS	Aspire	Access	Total
LGI Universities	First-time TELS Freshmen	5,205	731	2,596	117	8,649
	Scholarship Renewal Rate	68%	93%	60%	21%	67%
TBR Community Colleges	First-time TELS Freshmen	6,741	94	2,943	199	9,977
	Scholarship Renewal Rate	53%	78%	44%	21%	50%
UT Campuses	First-time TELS Freshmen	4,221	1,089	1,510	33	6,853
	Scholarship Renewal Rate	72%	94%	64%	24%	74%
Private Institutions	First-time TELS Freshmen	2,836	665	1,311	45	4,857
	Scholarship Renewal Rate	72%	93%	58%	24%	70%
Total	First-time TELS Freshmen	19,003	2,579	8,360	394	30,336
	Scholarship Renewal Rate	64%	93%	55%	22%	63%

Complementing the share of first-time TELS recipients renewing their scholarship eligibility for a second year, **Table 10** below reports the share of first-time recipients who did not renew their scholarship eligibility but remained enrolled in postsecondary education. In total, 45% of the non-renewing students in fall 2019 were retained into fall 2020, which represents a 9 percentage-point decline from the fall 2018 cohort. Non-renewal retention rates were consistently lower across all student subgroups and scholarship programs. Given postsecondary education’s unprecedented circumstances amid the COVID-19 pandemic, including TSAC’s rule and policy suspensions, readers should not interpret the decline in non-renewal retention rates as causal evidence of scholarship maintenance on persistence. As with the growth in renewal rates, THEC/TSAC is committed to investigating the shifts observed in retention rates for non-renewing students.

Declines were also observed by each scholarship program and by institutional sector. Overall, 2,208 fewer non-renewing students from the fall 2019 cohort remained enrolled in postsecondary education as compared to the prior cohort (representing a 31% decline). Given the stable overall retention rate of first-time TELS recipients, this decline may be explained by the growth observed in scholarship renewals noted in **Table 9**. By scholarship program, the retention rate of non-renewing students initially receiving the HOPE Access Grant fell by 13 percentage points. The retention rates of non-renewing students from Locally Governed Institutions and TBR Community Colleges fell by 9 percentage points compared to the prior year.

Table 10: Fall-to-Fall Retention Rate for First-Time Scholarship Recipients Who Did Not Renew their Scholarship Eligibility in Year Two by Scholarship Program and System, Fall 2015 to Fall 2019

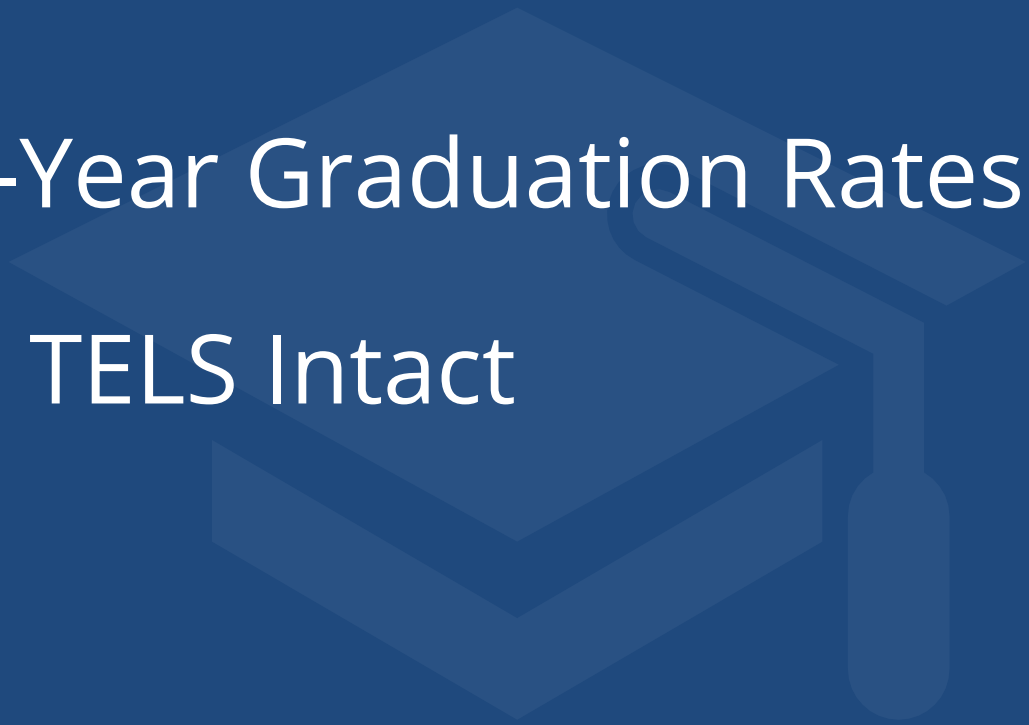
		First-Time TELS Recipients				
		Fall 2015	Fall 2016	Fall 2017	Fall 2018	Fall 2019
Non-Renewals	HOPE	8,276	7,903	8,054	8,479	6,831
	GAMS	167	218	285	249	185
	Aspire	3,671	4,189	4,538	4,232	3,761
	Access	292	282	333	254	309
Retention Rate	HOPE	59%	60%	57%	55%	47%
	GAMS	62%	61%	64%	57%	47%
	Aspire	55%	56%	50%	52%	42%
	Access	48%	47%	48%	52%	39%
Non-Renewals	LGI Universities	3,203	3,531	3,802	3,668	2,849
	TBR Community Colleges	5,558	5,126	5,362	5,275	4,982
	UT Campuses	2,290	2,367	2,385	2,490	1,814
	Private Institutions*	1,355	1,568	1,661	1,781	1,441
Retention Rate	LGI Universities	64%	63%	61%	60%	51%
	TBR Community Colleges	47%	49%	44%	45%	36%
	UT Campuses	75%	73%	74%	72%	64%
	Private Institutions*	54%	54%	50%	46%	39%
Total Retention Rate		57%	58%	55%	54%	45%

Notes: *Not all private institutions report to P20 Connect and those are captured here. This does not capture all private institutions. See the Technical Notes and Definitions section for a comprehensive listing of the private institutions reporting data to P20 Connect at the time of this report.

Retention is not limited to continued enrollment at the admitting/initial institution. Retention rates capture enrollment at any Tennessee public college or university (excluding Tennessee Colleges of Applied Technology) and at select private institutions.

Section Four:

Five-Year Graduation Rates with TELS Intact

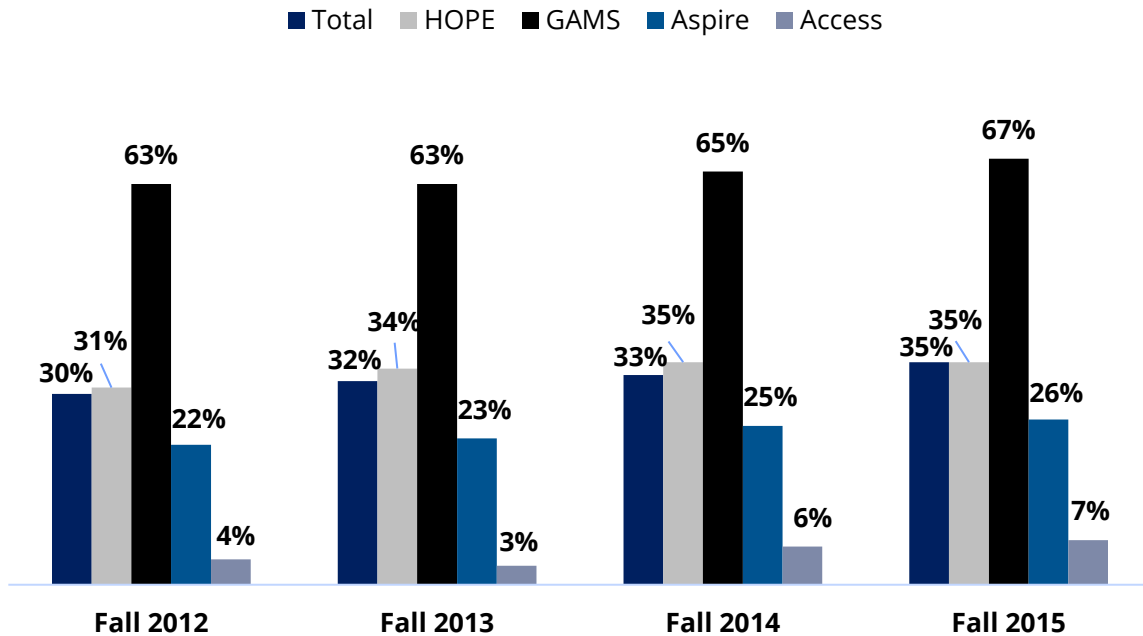


Five-Year Graduation Rates with TELS Intact

TELS eligibility may be renewed for up to five years or the completion of a baccalaureate degree, whichever comes first. **Figure 5** below reports the share of first-time TELS recipients, by their initial scholarship receipt, who graduated (i.e., earned an associate or bachelor’s degree) within five years of enrolling and who received a TELS award in the term in which they graduated. In previous TELS Reports, graduation with TELS intact was calculated based on TELS receipt in fall and degree earned within the same academic year. The change in method reflected in **Figure 5** represents a more precise calculation of students receiving a TELS award through graduation.

Not reflected in **Figure 5**, higher shares of female students graduated within five years with their TELS eligibility intact compared to male students (38% versus 30% of the fall 2015 cohort). Between racial groups, 37% of “White, Not Hispanic” students maintained scholarship eligibility through graduation, whereas only 20% of “Black, Not Hispanic” students did so. Based on Federal Pell Grant Eligibility in the student’s initial year of scholarship receipt, 41% who were ineligible graduated within five years with TELS intact compared to 26% of Pell-eligible students. To learn and explore more about the share of recipients who maintained scholarship eligibility through graduation, refer to the **interactive dashboards** and to **Table 11** on page 20.

Figure 5: Five-Year Graduation Rate with Scholarship Intact by Original Scholarship Program, Fall 2012 to Fall 2015



Note: Graduation rate data for all cohorts incorporates THEC’s Student Information System (SIS), P20 Connect, and National Student Clearinghouse to identify graduates.

Section Five:

6-Year Graduation Rates & Outcomes Over Time

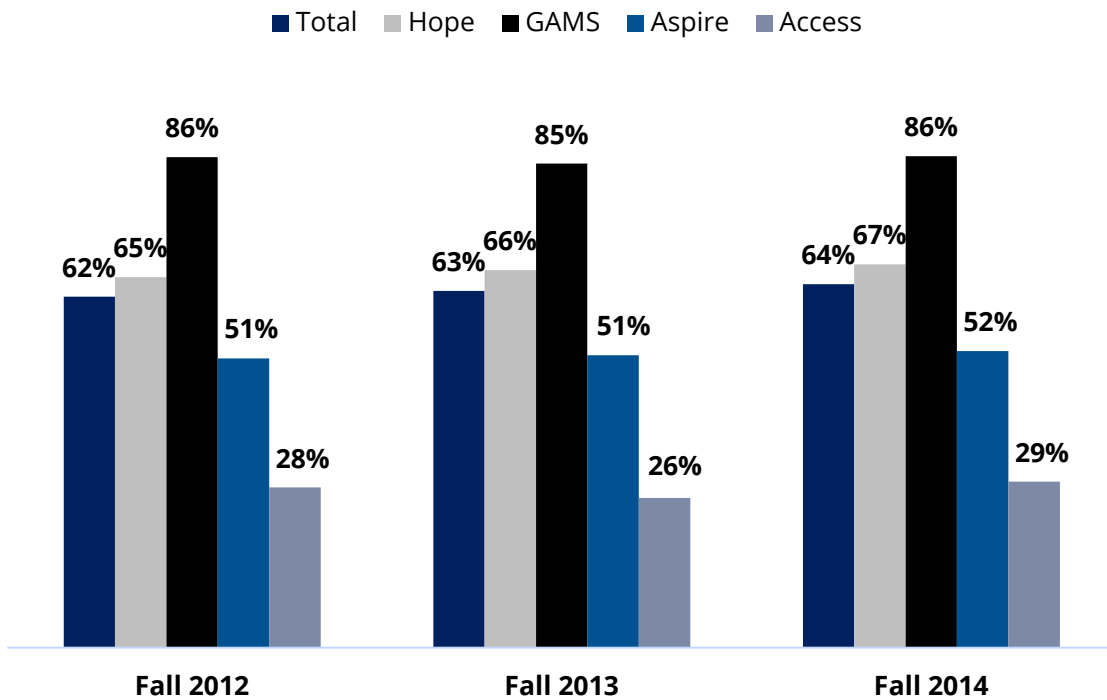


Six-Year Graduation Rates of TELS Recipients

Figure 6 provides the six-year graduation rates of first-time TELS recipients. Unlike the prior section, the rates presented below are not contingent on whether the student graduated with their scholarship intact. **Figure 6** includes the three most recent cohorts for which six-year outcomes may be assessed. For first-time recipients in fall 2014, these statistics represent the share of those students who earned an associate or bachelor's degree by the summer of 2020.

Table 11 on the following page provides a more comprehensive and holistic look into the outcomes of first-time TELS recipients over time, which includes the renewal and retention rates through year five, four-year graduation rates, five-year graduation rates, and six-year graduation rates.

Figure 6: Six-Year Graduation Rate by Scholarship Program,
First-Time Scholarship Recipients
Fall 2012 to Fall 2014



Note: For the purposes of this analysis, *graduated* includes students who lost their scholarship before attaining a degree.

Outcomes Over Time

Table 11: Scholarship Renewal, Postsecondary Retention, and Graduation Rates by
First-Time Scholarship Recipients, Fall 2014 to Fall 2019

Cohort Year	First-time TELS Recipients	Fall to Fall Cohort Scholarship Renewal Rates				Fall to Fall Cohort Retention Rates				Cohort Graduation Rates			
		Year 2	Year 3	Year 4	Year 5	Year 2	Year 3	Year 4	Year 5	within 4 years	on TELS within 5 years	within 5 years	within 6 years
2014	27,559	57%	48%	38%	6%	82%	72%	64%	30%	44%	33%	59%	64%
2015	28,513	56%	47%	37%	5%	81%	70%	60%	28%	46%	35%	59%	
2016	29,101	57%	47%	37%	5%	81%	69%	60%	27%	47%			
2017	30,227	56%	46%	37%		79%	68%	59%					
2018	30,207	56%	47%			79%	67%						
2019	30,336	63%				79%							

Notes: Scholarship renewals and retention rates are fall to fall. Retention means a student returned to higher education the following fall with or without the scholarship intact. Students are only eligible to receive a TELS scholarship for up to 5 years or the completion of a baccalaureate degree, whichever event occurs first. As a result, for the table, renewal and retention rates are not calculated past the fifth academic year. Renewal rates over time and six-year graduation rates are reported within the **interactive dashboards**. Fall to fall retention rates beyond Year 2 are not reported in the **interactive dashboards**.

The two figures below display the outcome trajectory for the fall 2014 cohort of first-time TELS recipients. **Figure 7** depicts the enrollment and renewal statuses for the first five years of TELS eligibility (degrees distinguished only for students who were not enrolled in a given year). **Figure 8** shows the share of first-time recipients earning an associate or bachelor's degree (i.e., graduating) within six years.

Figure 7: Renewal and Retention Through Year 5,
Fall 2014 First-Time TELS Recipients

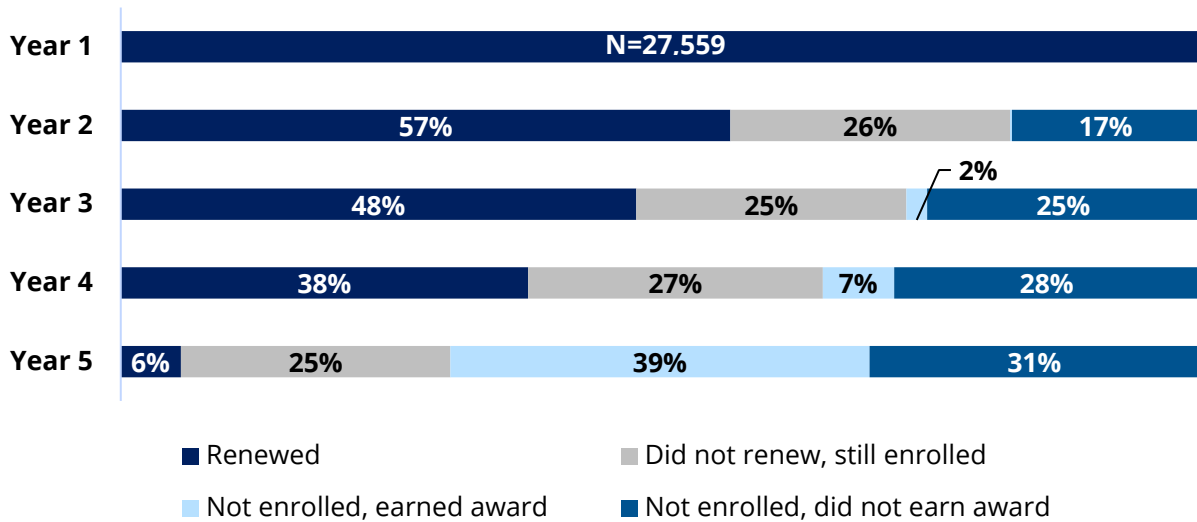
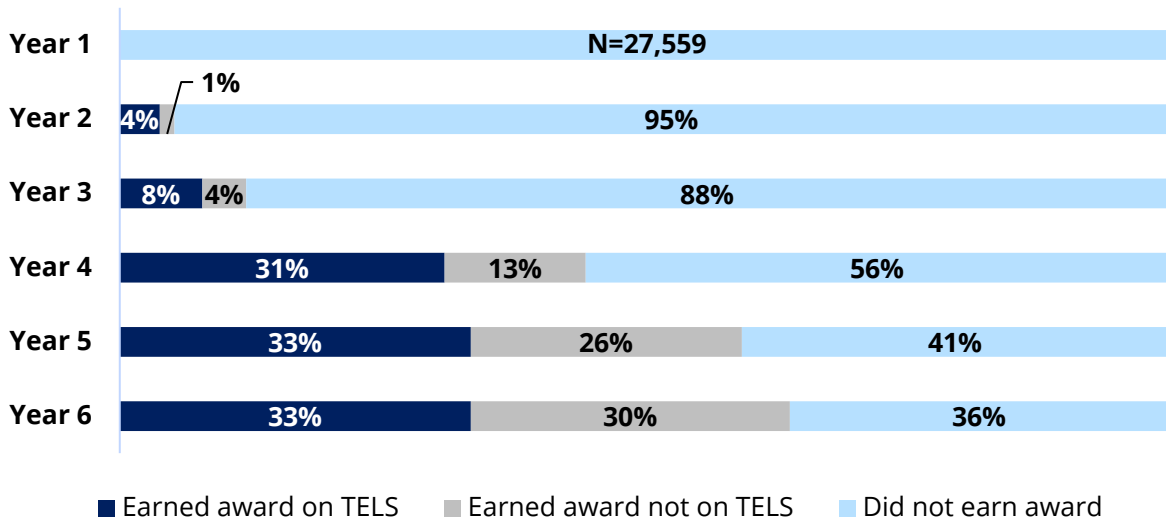


Figure 8: Awards Earned Through Year 6,
Fall 2014 First-Time TELS Recipients



Sources: THECSIS; FAST; P20 Connect; Student Tracker, National Student Clearinghouse

Notes: Scholarship renewal and college retention rates are fall to fall. Retention means a student returned to a higher education institution the following fall with or without the scholarship intact. Awards capture associate and bachelor's degrees. Students earning an associate degree may continue to be eligible for a TELS award for up to five years or the completion of a bachelor's degree, whichever occurs first.

Conclusion

This year's TELS Report provides an overview of the participation in and recipient outcomes of the HOPE Scholarship, GAMS, Aspire Award, and HOPE Access Grant. Beyond a summary of descriptive statistics, this year's report offers narrative insight into programmatic and contextual trends and changes. Relative to past TELS Reports, improvements in data querying methods identified additional first-time TELS recipients in this year's report and its supplemental materials, which include two interactive data dashboards.

Echoing broader enrollment trends in Tennessee postsecondary education observed in the first year of the COVID-19 pandemic, fewer students enrolled as first-time TELS recipients in fall 2020. The statistics presented in this report revealed that the decline in participation was most notable for lower income students and, correspondingly, for the Aspire Award. Regarding cohort outcomes, THEC/TSAC will continue to investigate the shifts in scholarship renewal rates and non-renewal retention rates in the context of TSAC's temporary financial aid policy suspensions. The overall retention rate of first-time TELS recipients remained constant through fall 2020. Moreover, the fall 2014 cohort demonstrated higher four-, five-, and six-year graduation rates than earlier cohorts.

To learn more about the students receiving TELS awards and their postsecondary outcomes, readers are highly encouraged to explore the **TELS Participation Dashboard** and **TELS Student Success Dashboard**, both of which are available on the [TELS Report landing page](#) along with a user's guide on how to explore and use the dashboards. Readers may also find additional resources on scholarship requirements, copies of historical reports, and links to TSAC's TELS Year-End reports on scholarship allocations across the entire suite of TELS programs and by institution.