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OFFICE OF RESEARCH AND EDUCATION ACCOUNTABILITY

**TENNESSEE PROMISE EVALUATION: EXECUTIVE SUMMARY**



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## Tennessee Promise Program Overview

In 2014, the General Assembly passed the Tennessee Promise Scholarship Act, providing recent high school graduates an opportunity to earn an associate degree, certificate, or technical diploma free of tuition and mandatory fees. To date, nine cohorts of Promise students have enrolled in eligible programs at postsecondary institutions. Tennessee high school students apply for Promise in the fall of their senior year. To become a Promise student, they must meet several requirements and enroll in an eligible institution the fall semester immediately following high school graduation. Students can receive the scholarship for up to five semesters or eight trimesters, or until they have earned a credential.

TCA 49-7-708(f) requires the Comptroller’s Office of Research and Education Accountability (OREA) to review, study, and determine the effectiveness of Tennessee Promise. This summary includes key conclusions and policy options from OREA’s full report.

Tennessee Promise Overview					
<b>Steps to become a Promise student</b>	Fill out a Tennessee Promise application in the fall of senior year	Attend mandatory meeting with partnering organization	File the Free Application for Federal Student Aid (FAFSA)	Complete and report eight hours of community service	Enroll in an eligible postsecondary program immediately following graduation
<b>Tennessee Promise by the numbers</b>	<b>429,859</b>	<b>123,204</b>	<b>23,923</b>	<b>2</b>	<b>8</b>
	Total applicants (cohorts 1-7)	Total enrolled Promise students (cohorts 1-7) <sup>A</sup>	Total awards to Promise students (cohorts 1-6) <sup>B</sup>	Partnering organizations – the Ayers Foundation Trust and tnAchieves	The number of community service hours Promise students must complete each semester <sup>C</sup>
	<b>59</b>	<b>\$186,555,370</b>	<b>\$1,062</b>	<b>\$361M</b>	<b>80.9</b>
	Total Promise-eligible institutions <sup>D</sup>	Total amount paid out for Promise scholarships since 2015	Average payment per Promise student (\$0 payments excluded)	The initial investment into the Promise endowment fund	Percent of Promise students enrolled at a community college

<sup>A</sup> Of this number, 8,245 students did not immediately enroll the fall semester after high school graduation due to leaves of absence or other appeals. The remaining 114,959 are those that immediately enrolled and comprise the population for which OREA conducted its analysis.

<sup>B</sup> OREA does not have complete data for the fall 2022 semester, but this figure includes the students in cohort 6 who earned a terminating award before their final semester of eligibility.

<sup>C</sup> Promise students may complete up to four hours of community service virtually.

<sup>D</sup> There are a total of 59 Promise-eligible institutions: 13 community colleges, two public universities, 19 private universities, and 25 Tennessee Colleges of Applied Technology (TCATs).

## Key Conclusions

### **Promise students earn more credits, are retained, and earn awards at higher rates than students who enroll at the same schools but are not Promise-eligible.**

At community colleges and Tennessee Colleges of Applied Technology (TCATs), Promise students earn more credits than non-Promise students. On average, around 46 percent of Promise students earn a minimum of 24 credits their first year at a community college compared with approximately 18 percent of non-Promise students. At TCATs, nearly 48 percent of Promise students earn a minimum of 1,170 clock hours (which is the equivalent of three full-time trimesters with allowed absences) compared with around 26 percent of non-Promise students.

Promise students are also retained at a higher rate than non-Promise students. The higher rate for Promise students held after controlling for race, gender, first-generation-to-attend-college status, and adjusted gross income (AGI). For example, Pell-eligible Promise students are retained at a higher rate than Pell-eligible students who do not participate in Promise.


Promise students earn awards at a higher rate than non-Promise students. At community colleges, the proportion of Promise students who earn an award within the Promise-eligible time frame of five semesters is 14.5 percentage points higher than for non-Promise students. At TCATs, the proportion is 14.4 percentage points higher. Similar to retention, Pell-eligible Promise students earn an award at a higher rate than Pell-eligible students who do not participate in Promise.

### **A Promise student at a community college may pay at least \$1,000 per year in out-of-pocket expenses. At TCATs, out-of-pocket expenses per year may reach \$3,100.**

Tennessee Promise pays for tuition and mandatory fees after all other gift aid is applied, but it does not cover other costs such as textbooks, supplies, tools, lab fees, and program-specific fees. Students are financially responsible for such costs.

Through interviews, surveys, and institution websites, OREA determined that a community college student may pay at least \$1,000 in out-of-pocket expenses per year for books, fees, and supplies not covered by the Tennessee Promise scholarship. Students at TCATs may pay up to \$3,100 per year for similar items.

In 2021, the General Assembly funded a \$1 million pilot program to provide completion grants for Pell-eligible Promise students who have an “immediate financial need . . . that may prevent the student from completing a postsecondary degree or credential.” The grants have helped students pay for books, supplies, and course-specific fees, which are not covered by Promise. (Completion grants may also be used for food, housing, and transportation-related costs.) Pell-eligible Promise students can apply for a grant through their partnering organization (tnAchieves or the Ayers Foundation) and request up to \$1,000 per semester or \$625 per trimester.



During the first year of the pilot, the Ayers Foundation Trust awarded over 150 grants and tnAchieves awarded over 1,100, depleting available funds within 10 weeks. In 2022, the General Assembly funded a completion grant expansion of \$14.5 million to tnAchieves for grants and to expand the organization's coaching initiative. By December 2022, tnAchieves had administered \$1.48 million of the \$1.6 million budgeted for the 2022-23 school year in completion grants to 2,855 students. The organization allocated \$1.3 million of the expansion money to coaching for the 2022-23 school year.

Affording postsecondary education may remain a challenge for some Promise students. As noted above, out-of-pocket expenses for community college students may be at least \$1,000 per year or up to \$3,100 per year for TCAT students. Pell-eligible students may request up to \$1,000 per semester or \$625 per trimester in completion grant funding, but if the maximum completion grant amount is used for tools or supplies, no funding remains to help pay for food, housing, and transportation-related costs that can also be barriers to staying in school and earning an award.

Promise students just above the Pell eligibility threshold are not eligible for completion grants but may have similar financial needs that can prevent them from continuing their education and completing their academic program.

## **While the Promise program is effective overall, enrollment, retention, and attainment gaps exist among students.**


Black students who attend Promise-eligible institutions are less likely to enroll as Promise students than their White peers. Of all students who apply for Promise and attend a Promise-eligible institution, but are not eligible for the Promise program, 56.5 percent are White and 32 percent are Black. Of all those who apply for Promise and enroll in an eligible institution as a Promise student, however, 75.9 percent are White and 14.4 percent are Black.

Promise participants have better outcomes than their non-Promise peers; therefore, closing this gap by increasing Black students' participation in Promise would help more students earn credits, stay in school, and earn a degree or credential.

Among other racial groups (Asian American and Pacific Islander, American Indian/Alaskan Native, multiracial, and Hispanic), the percentage who enroll as Promise students and those who enroll without Promise is similar.

There are racial disparities in retention and attainment among Promise students as well. Promise students who are Asian American and Pacific Islander (AAPI) are retained without an award throughout their first year of postsecondary education at the highest rate of any racial group at 70.2 percent. Promise students who are Hispanic had the second highest retention rate among racial groups at 61.4 percent. White Promise students were retained at just under 60 percent (59.8). American Indian and Alaskan Native, Black, and multiracial Promise students are retained at less than 55 percent.

Attainment data shows a similar gap. White students had the highest attainment rate, at 26.6 percent, of any racial group. Asian American and Pacific Islander (AAPI) students have an attainment rate of 22.9 percent. The attainment rate for Hispanic students was 19.2 percent. For Black and multiracial students, the attainment rate was around 12 percent.



Narrowing the racial gaps between application and enrollment, as well as throughout retention and credential attainment, would increase Tennessee's overall attainment rate and produce a more competitive workforce.

### **Female Promise students earn on-time awards at lower rates than male students, despite higher rates of fall-to-fall retention.**

Female Promise students are retained without an award, across all cohorts, at a rate of 62.1 percent. Male Promise students are retained without an award at a 55.8 percent rate, a difference of approximately 6.3 percentage points. However, female students earn an award on time at a rate lower than male students by 4.3 percentage points.

### **Most Promise students at community colleges do not complete a terminating degree within the program's five-semester limit. This is especially the case for nursing students.**

Approximately 78.5 percent of Promise students at community colleges did not earn a terminating degree within the five Promise-funded semesters, which equates to 64,408 students without an award and 17,685 students with an award. Some of these students go on to earn a degree after expiration of Promise eligibility. In the first four Promise cohorts, 3,467 students (6.3 percent of those cohorts) earned a terminating award one semester after their program eligibility expired. Another 3,857 students (7.1 percent of those cohorts) earned a terminating award two to four semesters after.

In interviews, community college officials indicated nursing students in particular have difficulty completing a degree within the Promise program's five-semester limit. Over 9 percent of late awards (673 degrees) in cohorts 1 through 4 were nursing related. In cohorts 1 through 6, nursing degrees made up 1 percent of terminating awards earned on time (183 degrees).

### **Approximately a quarter of high school students who apply for Promise successfully enroll at an eligible institution as a Promise student. For various reasons, the other three-quarters of high school students who apply do not become Promise students.**

Many students who apply for Promise do not intend to use the scholarship or enroll in a Promise-eligible institution. For example, students may attend high schools that strongly encourage them to complete the Promise application. Although they complete the application, these students may plan to attend an ineligible institution, join the workforce directly out of high school, or enlist in the military.

Other students, however, apply for Promise and go on to enroll in an eligible institution but never become Promise students for failure to meet a program requirement. For cohorts 1 through 7, there were nearly 23,000 such students. Students who do not participate in Promise are less likely to stay in school and earn an award.

Additionally, OREA learned of two emerging trends: homeschool students not applying for Promise and students without social security numbers applying but being unable to qualify for eligibility.

## **The most common reason applicants are not eligible for Promise is a failure to meet the initial community service deadline.**

Approximately 50 percent of students who applied did not receive Promise upon enrollment because they missed the community service requirement.<sup>E</sup> Students may overlook the requirement or assume Promise, like other scholarships, does not include a community service requirement. K-12 and postsecondary interviewees pointed out that no other public scholarship in Tennessee includes a community service requirement.

Students who do not overlook the requirement may still fail to meet it. A lack of transportation *very often* or *somewhat often* contributed to students not meeting the community service requirement and losing their Promise eligibility, according to roughly 77 percent of K-12 survey respondents.

Students who lose Promise and go on to attend a Promise-eligible institution are less likely than Promise students to stay in school, earn an award, and increase the state's attainment rate.

## **Work and family responsibilities contribute to students losing Promise.**

In interviews, postsecondary employees indicated that students struggle to balance school with work and family responsibilities. To remain eligible for Promise, students must maintain full-time enrollment and a minimum 2.0 GPA. Approximately 75 percent of postsecondary survey respondents indicated work-related pressures contribute to students falling below the 2.0 GPA requirement, and nearly 82 percent indicated the same for students dropping below full time.

Family responsibilities were also cited, as 71 percent of respondents indicated that family-related pressures contribute to students falling below the GPA requirement. Seventy-six percent indicated the same for students dropping below full time.

## **There is limited awareness of completion grants among postsecondary officials and students.**

The General Assembly funded the completion grant pilot program in 2021 to provide additional financial aid for eligible Promise students who have an “immediate financial need ... that may prevent the student from completing a postsecondary degree or credential.” Completion grants are administered by the Tennessee Promise partner organizations, tnAchieves and the Ayers Foundation Trust. Pell-eligible Promise students may request a completion grant to help pay for food, housing, transportation, books/supplies, and class-specific fees. Eligible Promise students can apply for up to \$1,000 per semester (or \$625 per trimester) through their partner organization's website.

Slightly over half of community college and TCAT officials indicated on OREA's survey, administered in October of 2022, that they were not aware of completion grants. Of those who were aware of the grants, however, three-quarters indicated that the grants help students cover additional costs.

<sup>E</sup> This number excludes the fall 2020 cohort (cohort 6) since the requirement was waived due to COVID-19. Up to four of the required eight hours of community service can be completed virtually via webinar.

## Reviews of partnering organizations are generally positive, with some concerns about mentorship quality.

In OREA's surveys of K-12 and postsecondary stakeholders, respondents were asked to rate their designated partnering organization's (the Ayers Foundation Trust or tnAchieves) assistance in a number of categories. Respondents rated the two organizations on how well they help students transition to college, maintain Promise eligibility, access academic resources, access community service opportunities, and address non-course related barriers to success, among other things.

Among K-12 respondents, on a scale of *excellent*, *fair*, *poor*, and *unsure*, the Ayers Foundation Trust received exclusively *excellent* and *fair* ratings (*excellent* being the highest possible rating); tnAchieves received ratings of *excellent* or *fair* from the majority of respondents.

At the postsecondary level, on a scale of *good*, *fair*, *poor*, and *unsure*, the majority of those that work with the Ayers Foundation Trust and tnAchieves rated both organizations as *good* or *fair*, (*good* being the highest possible rating). The proportion of *fair* ratings for tnAchieves was significantly greater than that for the Ayers Foundation Trust – tnAchieves received an average of 36.7 percent *good* ratings and 20.7 percent *fair* ratings, and the Ayers Foundation Trust received an average of 55.1 percent *good* ratings and 9.2 percent *fair* ratings.

Knowledge of the Promise program varies among tnAchieves mentors and, as a result, so does the quality of mentorship provided, according to both K-12 and postsecondary interviewees.

## Policy Options

The following policy options are drawn from this evaluation's key conclusions. Increased access to Promise, retention of Promise students, and higher credential attainment through the Promise program are all addressed. Some options would involve additional disbursements of Promise dollars and extending eligibility for the program. There may be tradeoffs between such options and the goal for Tennessee Promise to become financially self-sustaining.

1. To make the application process more efficient, the Tennessee Student Assistance Corporation and the Tennessee Board of Regents should explore ways to combine the Promise and college applications.
2. To improve affordability, the General Assembly could expand the reach of Tennessee Promise dollars or guarantee a minimum Promise payment.
3. To increase community college credential attainment, the General Assembly could extend Tennessee Promise eligibility for some or all community college students.
4. To increase the number of applicants who become Promise students, the General Assembly could eliminate the initial community service requirement.
5. To improve retention and completion for Promise students, the General Assembly could adjust the continuous, full-time enrollment requirement.
6. Tennessee Promise partnering organizations should consider providing more training to volunteer Promise mentors.



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