

Complete Tennessee Leadership Institute

A PROJECT OF SCORE & THE HUNT INSTITUTE

TENNESSEE'S HIGHER EDUCATION LANDSCAPE

COHORT 8, MEETING 1 | ISSUE BRIEF

Tennessee is recognized nationally as a leader in higher education improvement efforts. Though the state has many strong, student-focused policies in place, there is still much work to be done. It is critical for Tennessee higher education leaders to understand the landscape of the state's postsecondary system and the major postsecondary policy milestones in order to identify and pursue remaining opportunities for progress.

TENNESSEE HIGHER EDUCATION AT A GLANCE

As illustrated in Table 1, Tennessee's postsecondary

landscape includes four types of public institutions of higher education (IHEs) and several governing structures.

Tennessee is also home to dozens of private institutions of higher education. The [Tennessee Independent Colleges and Universities Association \(TICUA\)](#) promotes collaboration among the state's private colleges and universities. The [34 TICUA institutions](#) cooperate across public policy, cost containment, and professional development to better serve their students.

Table 1. Tennessee Public Institutions of Higher Education

<p>The Tennessee Higher Education Commission (THEC) is the coordinating agency across governing systems and boards, with 9 voting members appointed by the Governor and General Assembly. THEC is responsible for providing guidance to support student access and success across all IHEs. As part of THEC, the Tennessee Student Assistance Corporation (TSAC) administers the state financial aid programs across all IHEs.</p>	
Community Colleges	<ul style="list-style-type: none"> Community colleges are two-year, open-access public institutions offering a variety of certificate and associate degree opportunities. Community colleges are governed by the Tennessee Board of Regents (TBR) system, with a board appointed by the Governor and General Assembly. There are 13 community colleges in Tennessee.
Tennessee Colleges of Applied Technology (TCATs)	<ul style="list-style-type: none"> TCATs offer technical training for students to gain workforce-relevant skills and credentials. TCATs are governed by the Tennessee Board of Regents (TBR) system, with a board appointed by the Governor and General Assembly. There are 24 TCATs in Tennessee.
Locally Governed Institutions (LGIs)	<ul style="list-style-type: none"> LGIs are independent four-year public institutions in the state offering mainly bachelor's degrees. As LGIs operate independently, each institution is governed by separate autonomous boards. There are 6 LGIs in Tennessee.
University of Tennessee (UT) Campuses	<ul style="list-style-type: none"> UT campuses are four-year public state institutions offering a variety of bachelor's, master's, doctoral and professional degrees. UT campuses are governed by the University of Tennessee System board of trustees. There are 5 UT campuses in Tennessee.

Minority-Serving Institutions

Minority-Serving Institutions (MSIs) are leaders in serving students of color across the nation. MSIs enroll over 50 percent of all students of color in the United States. There are seven federally-funded MSI designations, each with unique designation

requirements based on the population of students served. Research shows that MSIs are drivers of economic mobility, as low-income students attending an MSI are two to three times more likely move from the lowest income quintile to the top income quintile than students at non-MSIs.

Table 2.

TENNESSEE IS HOME TO 12 MINORITY-SERVING INSTITUTIONS ACROSS 4 MSI DESIGNATIONS:		
NUMBER	MSI DESIGNATION	DESIGNATION REQUIREMENTS
2	Asian American and Native American Pacific Islander Serving Institutions (AANAPISIs)	Institutions who enroll at least 10 percent total full-time enrollment of Asian American and Native American Pacific Islander undergraduate students.
1	Hispanic-Serving Institutions (HSIs)	Institutions whose full-time undergraduate student population is at least 25 percent Hispanic. Institutions must also serve a higher proportion of low-income or first-generation students.
7	Historically Black Colleges and Universities (HBCUs)	Institutions developed with the primary purpose of education Black Americans. HBCUs are predominantly located in the southeast region of the United States.
2	Predominantly Black Institutions (PBIs)	Institutions whose full-time undergraduate student population is at least 40 percent Black. Institutions must also serve a higher proportion of low-income or first-generation students.

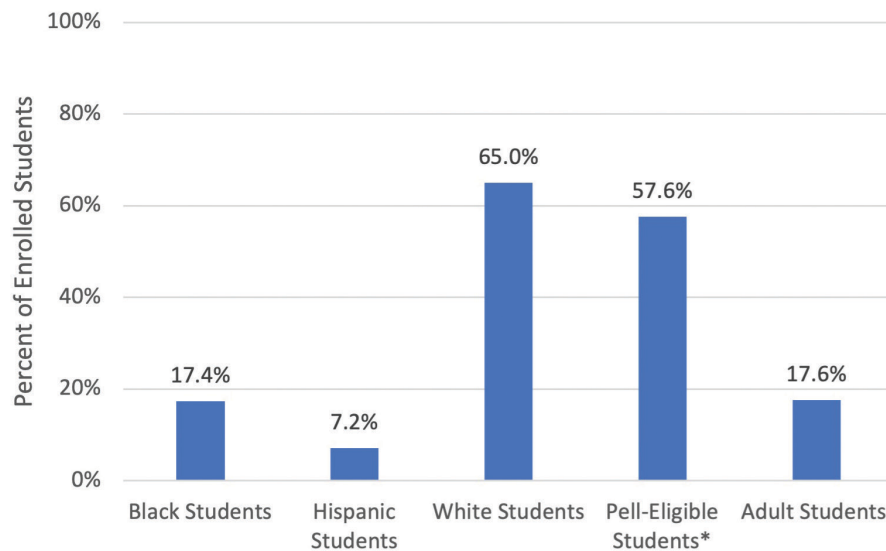
Data Source

Tennessee Students

Many college students do not fit the assumed mold of a recent high school graduate who is financially dependent on their family. Nationally, **37 percent** of students are 25 or older, **49 percent** are entirely financially independent, **40 percent** have a full-time job while in school, and **24 percent** have children or other dependents. Furthermore, **46 percent** of students are first-generation (defined as an undergraduate student whose parents do not have a bachelor's or higher degree). Many students pursuing higher education also face food and housing insecurity. A Center for Community College and Student Engagement survey found that 29 percent of respondents classified as food insecure, and 14 percent

classified as housing insecure. Many of these data points are unavailable at the state level, but Tennessee reports important enrollment data that offer insight into the state's student population. There are significant equity gaps between enrollment rates of different student groups – with Black and Hispanic students enrolling at much lower rates than White students. Relatedly, the college-going rate for Black and Hispanic high school graduates is 46.9 percent and 37.3 percent, respectively, compared to 58.8 percent for White high school graduates. Postsecondary enrollment and college-going rates are even lower for Black and Hispanic males. These gaps reflect systemic barriers to postsecondary access and highlight the need to create higher education systems that meet the needs of all students.

Figure 1. Tennessee Institutions Of Higher Education Serve A Variety Of Student Groups, Though Large Equity Gaps Remain



Source

*Pell-Eligible students qualify for the Federal Pell Grant, which is awarded to undergraduate students who display exceptional financial need. Pell-eligibility is used as a proxy for low-income in higher education data.

Note: Tennessee does not report the same enrollment data for TCATs, so that IHE type is excluded from this data. The chart includes community colleges, LGIs, and UT campuses.

As institutions serve different student groups, they cannot rely on a one-size-fits-all approach and often must implement multiple student support strategies. Institutions may offer a range of services including [co-requisite remediation](#), [coaching](#), [retention grants](#), and [meal share programs](#). Many institutions also seek to offer wraparound support services through a cohesive program or model, rather than having students address their varying needs through siloed supports. A study by the [University of Chicago Inclusive Economy Lab](#) found that participation in a Chicago-based non-profit's holistic support program significantly increased first-year retention, ultimately resulting in an 18 percent increase in three-year degree attainment. As another example, [MDRC's study](#) of the City University of New York's (CUNY) [Accelerated Study in Associate Programs \(ASAP\)](#) comprehensive program (designed to address financial burdens, inadequate support, and academic under preparedness) found significant impacts on retention leading to an 18 percentage point

impact on degree attainment – doubling the number of students graduating.

GUIDING QUESTIONS

01. Many student support services are costly. With limited funds, how should the state and institutions prioritize investments to address student need?
02. What strategies can encourage student participation in available support programs?

Tennessee Attainment Goals

National research released in 2013 revealed that [65 percent](#) of new job openings would require at least some higher education by 2020. However, Tennessee's [postsecondary attainment rate](#) a decade ago was only 33.8 percent - creating an urgency for action.

In 2013, Tennessee became one of the first states in the country to adopt a postsecondary attainment goal. The [Drive to 55](#) initiative established a statewide goal for at least 55 percent of Tennesseans ages 25 to 64 to hold a postsecondary degree or credential by 2025. Since the introduction of Drive to 55, Tennessee has made steady progress in postsecondary attainment – but still falls short of the 55 percent goal and trails the national average.

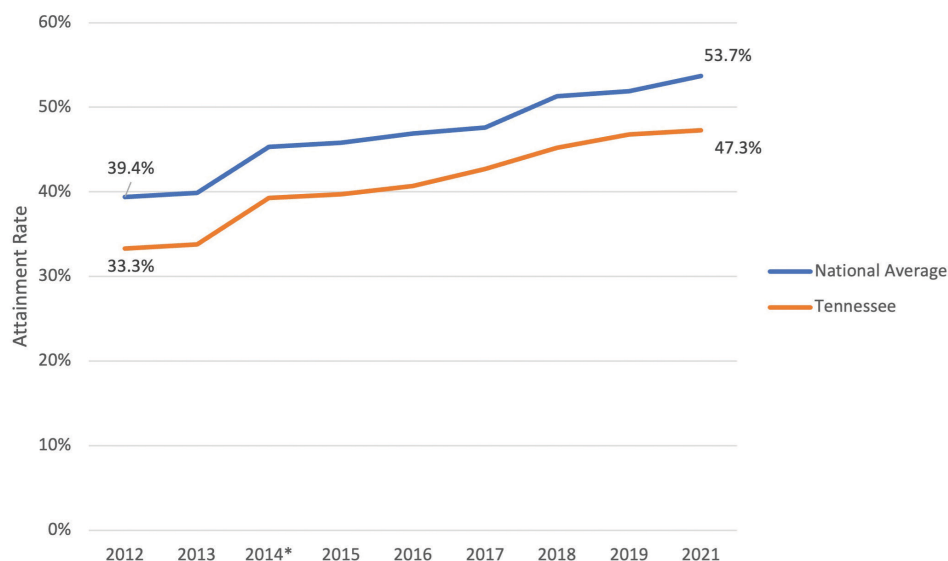
[Recent research](#) emphasizes that a postsecondary degree continues to pay off for Tennesseans. This 2023 study found a 14.5 percent return on investment (i.e., income difference between college-educated workers and high-school educated workers over the

course of the work life) for Tennesseans earning a bachelor's and a 9.5 percent return to those earning an associate degree. However, the research also highlights that returns vary based on a student's program of study. Not all students experience the same benefit from higher education. The findings emphasize the importance of continuing the state's commitment to postsecondary attainment, while ensuring students receive the information they need to make informed decisions about their higher education plans.

GUIDING QUESTIONS

01. What information do students need to make informed decision about higher education?
02. What parties are responsible for sharing that information?

Figure 2. Tennessee's Higher Education Attainment Rate Has Grown Consistently, But Still Trails The National Average



Source

*In 2014, Lumina began including workforce-relevant certificates in attainment rate.



TENNESSEE HIGHER EDUCATION POLICY MILESTONES

Complete College Tennessee Act

In 2010, the Tennessee General Assembly passed the [Complete College Tennessee Act \(CCTA\)](#). CCTA was a landmark policy including several important changes, but two primary CCTA levers transformed the state's higher education landscape.

- [Outcomes-based funding \(OBF\) formula](#): The OBF formula allocates funds to IHEs based on certain student outcomes, such as credit accumulation and the number of degrees earned. This shift made Tennessee [one of the only states](#) in the country that allocates the majority of state IHE funding based on student outcomes – which remains true today.
- [Tennessee Transfer Pathways \(TTPs\)](#): CCTA created a 60-hour block of courses that would be guaranteed for transfer between community colleges and universities if approved within a transfer pathway. The resulting TTPs are a statewide articulation agreement for certain programs intended to guarantee credit transfer for students transferring between a two- and four-year institution.

A DEEPER LOOK AT TENNESSEE'S OUTCOMES-BASED FUNDING (OBF) FORMULA

- Tennessee's OBF structure rewards IHEs for success in outcomes such as progression and completion.
- The outcomes are different for two-year and four-year institutions, and IHEs weight outcomes to align with their institutional mission. For example, one institution may tie more funding to short-term certificates earned, while another may tie more funding to associate's degrees earned.
- Outcomes are measured as a three-year average to prevent extreme changes in funding from year-to-year that would be difficult for IHEs to absorb.
- The formula includes premiums for certain student "focus populations" including adult students and low-income students. Through premiums, IHEs earn between 80 percent and 140 percent of bonus funds for supporting these students to persist and complete.

Tennessee Promise

In 2014, Tennessee prioritized access to higher education with the enactment of the [Tennessee Promise](#) – a last-dollar tuition scholarship for students attending a community or technical college immediately after graduating high school. Beyond scholarship dollars, the program offers one-on-one support and mentorship through two key partner organizations: tnAchieves and the Ayers Foundation Trust. With the introduction of Tennessee Promise, full-time first-time [community college enrollment jumped](#) from 17,246 students in Fall 2012 to 22,184 students in Fall 2015 – an increase of almost 29 percent. That growth slowed, and following the COVID-19 pandemic, first-time freshmen enrollment fell lower than 17,000 students for the first time since before the enactment of Promise. Still, TN Promise remains an important college access policy in the state.

UNDERSTANDING LAST-DOLLAR SCHOLARSHIPS

Last-dollar scholarship programs, such as Promise and Reconnect, first calculate all other state and federal grant aid a student receives (such as the HOPE scholarship and/or Pell Grant). The award amount is based on remaining financial need to cover the cost of tuition and fees after all other grant aid is applied. Costs beyond tuition and fees are not covered.

Focus on College and University Success Act

In 2016, the [Focus on College and University Success \(FOCUS\) Act](#) restructured Tennessee's systems of higher education governance. While the Tennessee Board of Regents previously governed the state's six public universities outside of the University of Tennessee systems, the FOCUS Act created independent university boards to assume management of their respective institutions. These six schools are now known as locally governed institutions (LGIs). The [FOCUS Act allowed](#) TBR to focus on the state's community and technical colleges and for LGI autonomous boards to better respond to their separate missions that are driven by geography, programming, and local workforce needs.

Tennessee Reconnect

In 2017, the state enacted the [Tennessee Reconnect](#) program – a last-dollar tuition scholarship for adult students attending a community or technical college who do not already have an associate's or bachelor's degree. Adults must be at least 23 or qualify as independent on the Free Application for Federal Student Aid (FAFSA) to qualify. The age requirement to receive the scholarship was originally 24, but [legislation](#) passed in 2022 lowered the minimum age to 23 to expand eligibility to additional students.

TENNESSEE FINANCIAL AID

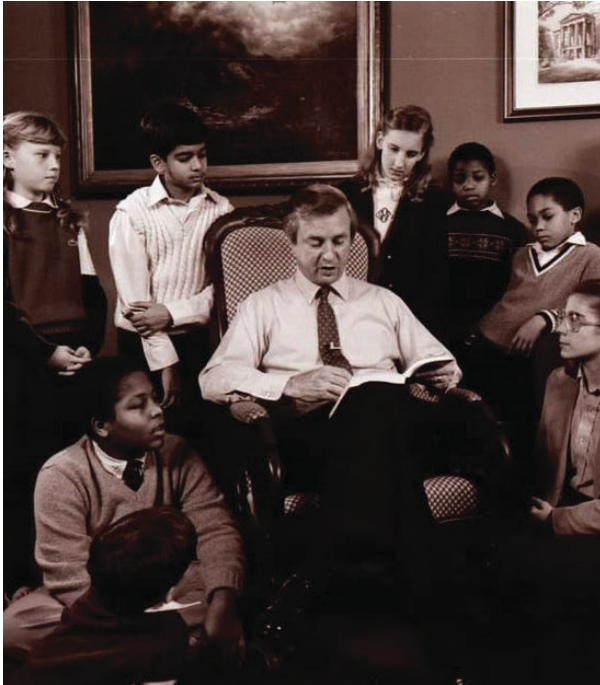
Tennessee offers a robust suite of state grant opportunities for students – most of which are funded through the state lottery. State law requires net proceeds from the lottery be used to provide financial assistance to Tennesseans for pursuing in-state postsecondary education, with its funding going toward both the Tennessee Promise and Tennessee Reconnect program. Beyond Promise and Reconnect, there exists a variety of [Tennessee Education Lottery Scholarships \(TELS\)](#) to support the state's students.

- **HOPE Scholarship:** The [HOPE Scholarship](#) is awarded to Tennessee high school graduates who have either a cumulative GPA of at least 3.0 or an ACT score of at least 21 and enroll at an eligible institution within 16 months of graduating high school. After an increase to the award through [legislation](#) passed in 2022, the scholarship covers up to \$1,600 per semester at two-year institutions, \$2,250 per semester for freshman and sophomores at four-year institutions, and \$2,850 per semester for juniors and seniors at four-year institutions. Award amounts are also available for summer enrollment.
- **Dual Enrollment Grant:** The [Dual Enrollment Grant](#) covers full tuition for up to 5 dual enrollment courses at two- and four-year institutions and up to 10 dual enrollment courses at technical colleges if students maintain a 2.0 GPA. The scholarship eligibility and amount details vary depending on the type of institution – for example, after [legislation](#) passed in 2022, ninth grade students became eligible to access dual enrollment courses at TCATs.
- **Middle College Scholarship:** The [Middle College Scholarship](#) offers financial support to high school juniors and seniors with at least a 3.0 cumulative GPA at the end of sophomore year who enroll in a community college middle college program. The award was previously \$2,500 per year, but increased to \$4,000 per year with [legislation](#) passed in 2022.
- **Wilder-Naifeh Technical Skills Grant:** The [Wilder-Naifeh Technical Skills Grant](#) offers students enrolled at a TCAT up to \$2,000 per year.

Tennessee also provides several aid opportunities outside of the lottery scholarship system. For example:

- **Tennessee Student Assistance Award:** The [Tennessee Student Assistance Award \(TSAA\)](#) is funded by the General Assembly and is notable because it is the state's primary need-based scholarship. TSAA provides grants to low-income undergraduate students enrolled at an eligible Tennessee postsecondary institution (including private institutions) who have not yet received a baccalaureate degree. Award amount varies by institution type, ranging from \$2,000 to \$4,000 per year.
- **Future Teacher Scholarship:** In 2023, the General Assembly passed the [Tennessee Future Scholarship Act](#). The Act launches a five-year pilot of a last-dollar tuition and fees scholarship for juniors and seniors enrolled in an eligible Tennessee educator preparation program (EPP). Recipients must be eligible for the HOPE Scholarship and agree to teach at least 4 years in Tennessee in a targeted setting, such as school districts or subject areas experiencing a critical teacher shortage.
- **Minority Teaching Fellows:** The [Minority Teaching Fellows Program](#) provides \$5,000 per year for minority junior or seniors enrolled in an eligible Tennessee EPP who possess at least a 2.5 cumulative grade point average. Recipients must agree to teach in a Tennessee public school for one year for each year the award is received.





Established in 2001, **The Hunt Institute** honors the legacy of James B. Hunt, Jr., the former governor of North Carolina who distinguished himself as an ardent champion of education.

The Hunt Institute brings together people and resources to inspire and inform elected officials and policymakers about key issues in education, resulting in visionary leaders who are prepared to take strategic action for greater educational outcomes and student success.

In 2016, The Hunt Institute became an independent, nonprofit entity and joined forces with Duke University's Sanford School of Public Policy to pursue research, educational partnerships, and events related to improving education policy.

Learn more at www.hunt-institute.org.



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The State Collaborative on Reforming Education (SCORE) is a nonpartisan nonprofit education policy and advocacy organization founded in 2009 by Senator Bill Frist, MD, former US Senate Majority Leader. SCORE advocates for changes that transform education, so Tennessee students develop the knowledge and skills to succeed in school, career, and life.

Every student in Tennessee deserves a high-quality education from kindergarten to career. With this belief in mind, SCORE has four goals for Tennessee focused on preparing students for success:

01. All students receive an excellent Public k-12 education
02. All students earn a credential or Postsecondary degree
03. All students are prepared for a Career that enables economic Independence
04. Across all goals, all students have Equitable opportunities for success

Learn more at www.tnscore.org



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