

TENNESSEE'S HIGHER EDUCATION LANDSCAPE

INTRODUCTION

Tennessee is recognized nationally as a leader in higher education improvement efforts committed to pursuing transformative change for students. Though the state has many strong, student-focused policies in place, there is still much work to be done. Further, the COVID-19 pandemic introduced another challenge that exacerbated many inequities the higher education system was already grappling with. It is important 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

INSTITUTIONS AND GOVERNANCE

Tennessee's postsecondary landscape includes four types of institutions of higher education (IHEs), three governing structures, and one overarching coordinating agency.

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.

Community Colleges

- 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)

- 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)

- 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

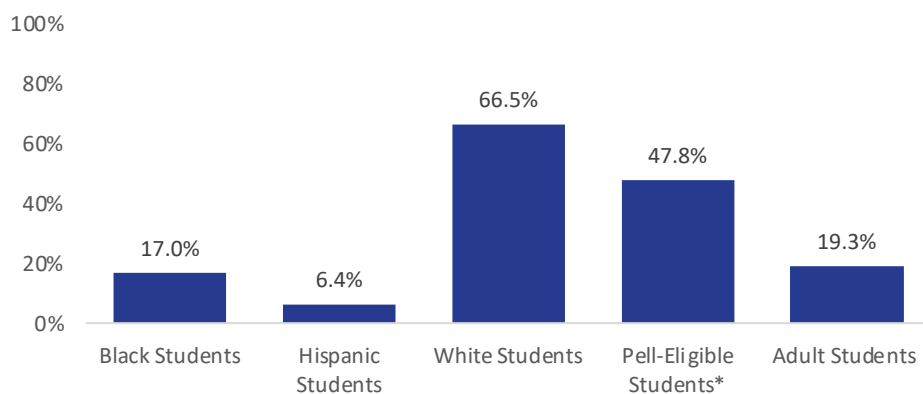
- The UT campuses are four-year public state institution offering mainly bachelor's degrees.
- UT campuses are governed by the **University of Tennessee System** board of trustees.
- There are **5 UT campuses** in Tennessee.



TODAY'S 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 (meaning they are the first in their family to navigate higher education) and many students struggle with food and housing insecurity. These data points are largely unavailable at the state level, but Tennessee does report important enrollment data that offers insight into the state's student population.

■ ENROLLMENT IN TENNESSEE INSTITUTIONS OF HIGHER EDUCATION



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.

THE COVID-19 PANDEMIC

In the spring of 2020, the COVID-19 pandemic created unprecedented challenges in education systems across the nation. Virtual instruction, quarantines, and the lack of usual in-person supports had a significant impact on student decisions about and experiences in higher education – particularly for students from historically underrepresented groups. For example, while student enrollment overall fell 18.4 percent at community colleges between Fall 2019 and Fall 2021, Black student enrollment fell by a staggering 30.5 percent. COVID-19 must remain a key contextual consideration when interpreting higher education data and policy for many years to come.

Community College First-Time Freshman Enrollment Declined During the Pandemic				
	Fall 2019	Fall 2020	Fall 2021	Percent Change Between 2019 and 2021
Black Student Enrollment	3,459	2,663	2,404	-30.5%
White Student Enrollment	13,967	12,171	11,507	-17.6%
Hispanic Student Enrollment	1,802	1,574	1,635	-9.3%
All Student Enrollment	20,756	17,799	16,928	-18.4%

Community college first-time freshman headcount, 2019-2021

Source



TENNESSEE HIGHER EDUCATION POLICY MILESTONES

COMPLETE COLLEGE TENNESSEE ACT (CCTA)

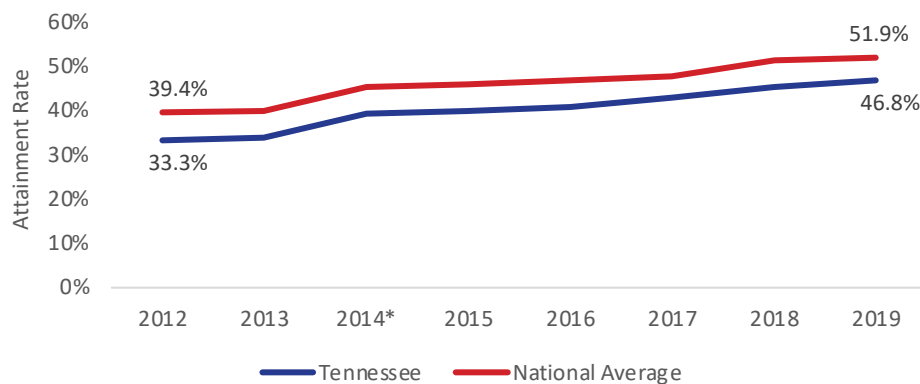
In 2010, the Tennessee General Assembly passed the [Complete College Tennessee Act \(CCTA\)](#). CCTA was a landmark policy including several important changes, but two CCTA levers were particularly transformative for the state's higher education landscape:

- **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 120 percent of bonus funds for supporting these students to persist and complete.

TENNESSEE'S HIGHER EDUCATION ATTAINMENT RATE HAS GROWN CONSISTENTLY, BUT STILL TRAILS THE NATIONAL AVERAGE



ATTAINMENT GOALS

National research since 2010 revealed that [65 percent](#) of new job openings would require at least some higher education adults. However, Tennessee's postsecondary attainment rate a decade ago was only 33.3 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 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. Release of new research to understand the role of higher education in the changing economy is anticipated in the next couple of years.



TENNESSEE PROMISE AND TENNESSEE RECONNECT

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**. 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 pre-Promise. Still, Promise remains an important college access policy in the state.

In 2017, the state also 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.

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.

OTHER TENNESSEE SCHOLARSHIPS

Tennessee's Education Lottery

Tennessee law requires net proceeds from the state lottery be used to provide financial assistance to Tennesseans for pursuing in-state postsecondary education. As such, there exists a variety of

Tennessee Education Lottery Scholarships (TELS) to support the state's students. TELS include the HOPE Scholarship, the Dual Enrollment Grant, the Middle College Scholarship, and the Wilder-Naifeh Technical Skills Grant – among others.

■ **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 Student Assistance Award (TSAA):** Funded by the General Assembly (not the lottery in this case), TSAA is awarded based on financial need – providing 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.

