

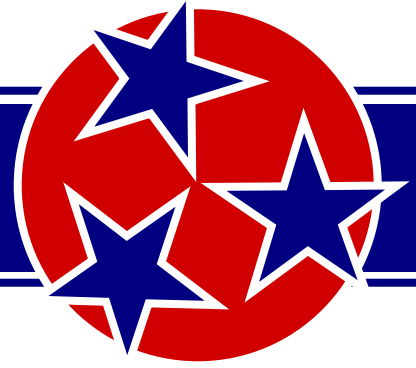
**DATE:** April 26, 2007

**SUBJECT:** Final Report and Recommendations of the THEC Lottery  
Scholarship Committee

**ACTION RECOMMENDED:** Approval

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**BACKGROUND INFORMATION:** Staff will present an overview of the final report and recommendations of the lottery scholarship committee, established at the January meeting to make recommendations for addressing scholarship retention rates and socioeconomic disparities in scholarship qualification and retention.



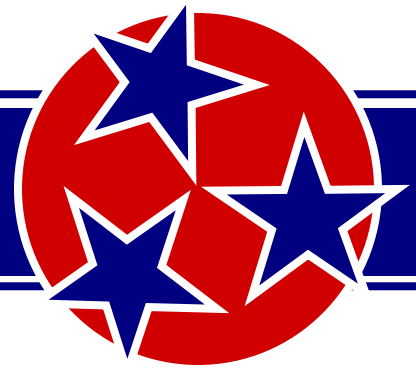
**TENNESSEE EDUCATION LOTTERY  
SCHOLARSHIP PROGRAM  
ANNUAL REPORT**

**Outcomes Through Fall 2006**

**Prepared by the Tennessee Higher Education Commission**

January 9, 2007

## COMMISSION OVERVIEW

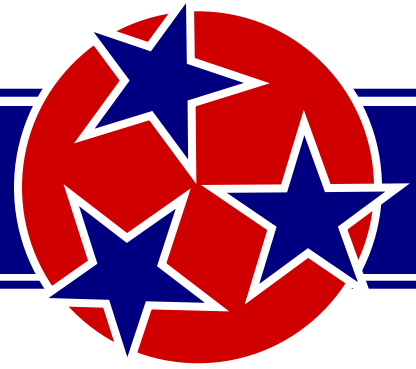


The Tennessee Higher Education Commission (THEC) was created in 1967 by the Tennessee General Assembly (TCA 49-7-202) for the purpose of coordinating and supporting the efforts of postsecondary institutions in the State of Tennessee. One of its statutory requirements is to create a master plan for the development of public higher education in Tennessee.

The mission for Tennessee's twenty-first century system of higher education is to:

- Elevate the overall educational attainment of citizens in the State through increased accessibility to mission-focused institutions, which deliver educational services on campus, as well as through a planned network of off-campus instruction, and
- Prepare citizens responsibly for success in the new century by providing high quality teaching and research in an environment that serves the needs of its consumers.

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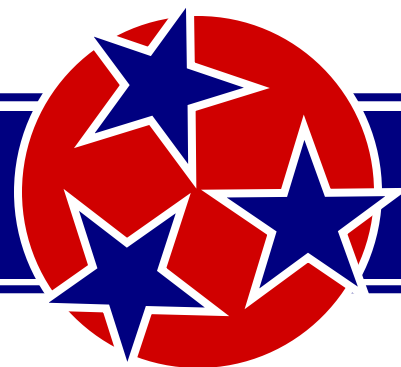
Eleanor Yoakum, Knoxville

Adam Green, UT Chattanooga

Sondra Wilson, Middle Tennessee State University

Gary Nixon, Executive Director, State Board of Education

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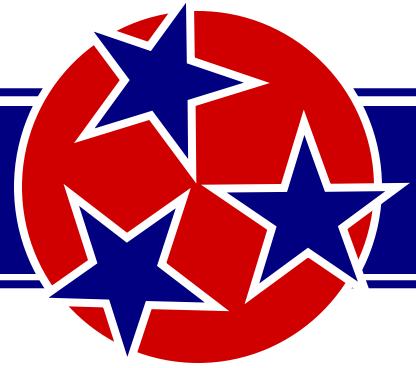
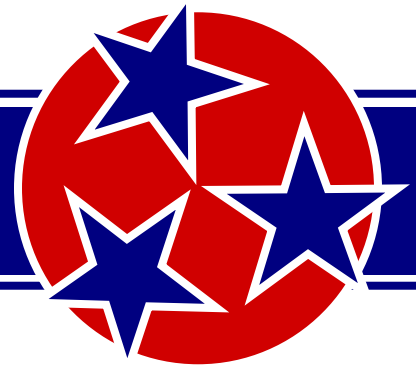


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## EXECUTIVE SUMMARY

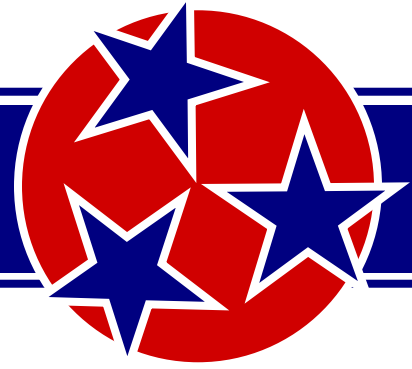


- **The 2005-06 academic year marked the second year of the Tennessee Education Lottery Scholarship (TELS) program.**
  - More than 56,000 students received lottery funded scholarships with total award allocations in excess of \$136,000,000
  - The Dual Enrollment Grant program was added and over 5,400 high school students participated
  - Over 10,000 students utilized the Wilder-Naifeh Technical Skills Grant program
  
- **Patterns of participation in the TELS program components that require the satisfaction of academic criteria (HOPE, ASPIRE, GAMS, and Access) do not mirror the overall public postsecondary enrollment demographics in Tennessee.**
  - In Fall 2006, African American students represented eight percent of these programs, compared to 19 percent overall within public postsecondary education
  - While female students account for 59 percent of public postsecondary headcount, they made up 61 percent of scholarship recipients in Fall 2006
  
- **There are racial and gender differences regarding the level of academic preparation for a TELS award.**
  - 59 percent of 2005 TELS first-time freshmen met both ACT and GPA requirements, 26 percent satisfied only the GPA standard, and 15 percent met only the ACT requirement
  - 62 percent of Caucasian awardees met both the GPA and ACT requirements compared to 37 percent of African American participants
  - African American awardees were most likely to meet the GPA requirement only (50 percent) and males were much more likely than females to qualify solely on the basis of ACT (23 to 9 percent)
  
- **Better academic preparation is associated with higher rates of TELS award retention.**
  - Fall 2005 freshmen who met both the GPA and ACT criteria retained their scholarship at a 66 percent rate
  - Those students within this cohort who qualified solely by GPA retained the award at a 43 percent rate

- Students who qualified by meeting only the ACT standard retained TELS at a 21 percent rate
- **Students from higher income groups retained their TELS award at higher rates.**
  - Students from families earning over \$96,000 retained their TELS award at a 63 percent rate
  - Those students coming from families making less than \$12,000 annually retained at a 42 percent rate
- **It is now possible to determine TELS retention rates for those students returning for their second and third years of college.**
  - For the TELS program as a whole, 48 percent of the entering freshmen from Fall 2004 retained their award in Fall 2005. This figure is consistent with the Fall 2005 entering freshman who retained at an overall rate of 50 percent with ACT standards that were 2 points higher
  - The scholarship retention rate for the Fall 2004 freshmen class was 36 percent by Fall 2006. In other words, 64 percent of this class had lost their award by this point
- **Many students who lose their TELS award remain in school.**
  - In addition to the 48.2 percent of Fall 2004 entering freshmen who kept their scholarship in Fall 2005, 33.4 percent of this cohort remained in school without an award, bringing the overall college retention rate to 81.6 percent
  - Those who returned to college after losing their TELS award tended to come from higher income families. 59 percent of the lowest income students returned compared to 76 percent of students within the highest income families – a difference of 17 percent
  - These gaps based on income persist even after controlling for academic preparation
- **For those students returning to school after their first year, whether they retained or lost their award impacts where they go to college the following year.**
  - Community colleges gained enrollment share among Fall 2004 TELS freshmen who lost award eligibility but stayed in school anyway; public four-year institutions lost enrollment share, particularly in the UT system
  - The expected net shifts in enrollment among sectors were observed among TELS freshmen who maintained award eligibility, as students who began in community colleges began to migrate into the state's public and independent four-year institutions



# PROGRAM OVERVIEW AND RECIPIENT DEMOGRAPHICS



## STATUTORY CHARGE

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. THEC shall report its findings annually to the education committee of the senate and the education committee of the house of representatives before the second Tuesday in January.”

The report is divided into three major sections:

- Program Overview and Recipient Demographics, which describes the program’s objectives, eligibility requirements, and size, and describes award recipients along several demographic dimensions;
- Scholarship Retention, which describes the rates at which freshman cohorts receiving various types of awards retained those awards one year later, focusing particularly on differences in scholarship retention across levels of family income and academic preparation; and
- College Retention, which longitudinally tracks the Fall 2004 entering freshman class into its second and third year of college for continued enrollment with or without the scholarship.

## PROGRAM OVERVIEW

The Tennessee Education Lottery Scholarship (TELS) program was designed to meet the unique needs of the state of Tennessee by 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; and
- enhance and promote economic and community development through workforce training.

The TELS program comprises five distinct scholarship awards, each with its own set of eligibility requirements (**Table 1**). The Wilder-Naifeh Technical Skills Grant was designed to address the final goal in the list above and is available to any state resident enrolled in a certificate or diploma program at a Tennessee Technology Center (TTC). All other lottery scholarships and awards require students to achieve a certain high school grade point average (GPA), standardized test score (ACT or SAT), or both.

While initial eligibility criteria differ by award, the renewal criteria remain consistent across all award types: a 2.75 cumulative GPA or better after 24 credit hours attempted and a 3.0 cumulative GPA or better for each subsequent 24 credit hours attempted. The award is available for up to five years or 120 hours of attempted coursework, whichever comes first.

**Table 1**  
**Tennessee Education Lottery Scholarship**  
**Initial Eligibility Criteria, 2006-07**

	<b>HOPE (base)</b>	<b>General Assembly Merit Scholarship</b>	<b>ASPIRE (HOPE with need supplement)</b>	<b>Access Award</b>	<b>Wilder-Naifeh Technical Skills Grant</b>
Amount (4-yr.)	\$3,800	\$4,800	\$5,300	\$2,650	N / A
Amount (2-yr.)	\$1,900	\$2,900	\$3,400	\$1,700	\$1,500
Minimum High School GPA	3.00	3.75	3.00	2.75	N / A
Minimum ACT Composite	<u>or</u> 21	<u>and</u> 29	<u>or</u> 21	<u>and</u> 18-20	N / A
Family Adjusted Gross Income	N / A	N / A	\$36,000 or less	\$36,000 or less	N / A

While the programs listed above account for the majority of students and funding in the lottery scholarship program, several other legislative initiatives passed since 2004 now serve as components of the overall program. These include the Dual Enrollment Grant, Foster Child Grant, and HOPE Scholarship for Non-Traditional Students (for Tennessee resident entering freshmen who are 25 years or older).

### Program Size and Scope

The TELS program has grown steadily since its inception in 2004-05 and will reach maturity in 2007-08. Monetarily, the program grew from expending \$93 million in its initial year to \$134 million in 2005-06. Enhanced by the addition of a Dual Enrollment Grant for high school students, the number of students served grew from 40,000 in the program's inaugural year to 56,000 in 2005-06 (**Table 2**).

**Table 2**

<b>Scholarship Recipients and Dollars Awarded 2004-05 and 2005-06<sup>1</sup></b>				
	2004-05		2005-06	
	Students	Dollars	Students	Dollars
HOPE (including GAMS & ASPIRE)	31,272	\$86,650,189	40,275	\$126,345,913
Access Award	108	\$152,560	265	\$490,294
Wilder-Naifeh Technical Skills Grant	8,815	\$6,613,273	10,023	\$7,860,163
Foster Child Grant <sup>2</sup>	n/a	n/a	30	\$88,245
Dual Enrollment Grant <sup>2</sup>	n/a	n/a	5,465	\$2,060,356
<b>Total</b>	<b>40,195</b>	<b>\$93,416,022</b>	<b>56,058</b>	<b>\$136,844,971</b>

1. Source: Tennessee Student Assistance Corporation year-end report of actual students served and dollars awarded.

2. Foster Care and Dual Enrollment grants did not become components of the TELS program until 2005-06.

It is estimated that the program will expend \$172 million in 2006-07 (the current year) and \$211 million in 2007-08, when the program reaches maturity.

Examining the distribution of TELS recipients by postsecondary system (**Table 3**), colleges and universities in the Tennessee Board of Regents (TBR) system enrolled the largest share of scholarship recipients, with 46 percent of the overall total. Just over one-fourth of recipients attended a TBR university, and 20 percent attended a community college. Students attending a University of Tennessee (UT) campus represented almost 22 percent of all scholarship recipients. More than 7,600 recipients, or 14 percent of all awardees, attended member institutions of the Tennessee Independent Colleges and Universities Association (TICUA).

**Table 3**

<b>Distribution of Scholarship Recipients and Dollars by System, 2005-06</b>				
	Students		Dollars	
	N	%	\$	%
UT System	12,065	21.5%	\$38,165,647	27.9%
TBR 4-Year	14,755	26.3%	\$50,493,573	36.9%
TBR 2-Year	10,961	19.6%	\$14,244,912	10.4%
Independents (TICUA)	7,677	13.7%	\$25,754,596	18.8%
Technology Centers	10,552	18.8%	\$8,039,913	5.9%
Private/Business	48	0.1%	\$146,330	0.1%
<b>Total</b>	<b>56,058</b>	<b>100.0%</b>	<b>\$136,844,971</b>	<b>100.0%</b>

Source: TSAC year-end report.

Because award amounts differ depending on the sector attended, the dollar share exceeds the student share in certain sectors -- UT, TBR universities, and independent institutions. The reverse is true of community colleges and technology centers.

## **RECIPIENT DEMOGRAPHICS**

The TELS program is nearing maturity. It currently contains four classes of Tennessee students and will contain five classes at full capacity. This section will examine lottery scholarship receipt by student gender, race/ethnicity, family income, and postsecondary sector attended. The analysis is limited to the General Assembly Merit Scholarship (GAMS), HOPE, ASPIRE, and Access awards. Currently, THEC does not have access to individual records for students receiving the Wilder-Naifeh Technical Skills Grant.

An analysis of this type enables one to understand how recipient demographics have changed since the program's inception in 2004. Two factors that influence these demographics are the initial composition of an incoming TELS class and the rates at which recipients retain their awards.

### *Scholarship Recipients by Gender*

As **Table 4** indicates, more female students than males receive TELS awards. This is consistent with females' representation within the Tennessee higher education population at large. During this same time period of 2004-2006, female students have comprised 59 percent of total headcount within Tennessee public postsecondary higher education.

**Table 4**

<b>Scholarship Recipients by Gender (All Award Types)</b>			
	Fall 2004	Fall 2005	Fall 2006
Females, First-Time Freshmen	56%	57%	57%
Males, First-Time Freshmen	44%	43%	43%
<hr/>			
Females, Total Recipients	58%	59%	61%
Males, Total Recipients	42%	41%	39%

- The percentage of first-time freshman recipients represented by females increased by one percentage point from 2004 to 2006.
- During this same time period, the percentage of total recipients represented by females rose by three percentage points, indicating that female students are retaining their awards at higher rates than males.
- The only program not to see an increase in female participation is the Access award, for recipients who do not quite meet the HOPE eligibility standards. Within this program, the female share dropped from 63 percent to 62 percent between 2004 and 2006. Access is a one-time award, and students who meet renewal criteria convert to the basic HOPE program.

*Scholarship Recipients by Race/Ethnicity*

African American students represent a smaller portion of scholarship recipients (8 percent) than they do within the public postsecondary population as a whole (19 percent). This gap has widened, as African American representation among TELS first-time freshmen and total recipients decreased from 2004 to 2006 (**Table 5**).

**Table 5**

<b>Scholarship Recipients by Race/Ethnicity (All Award Types)</b>			
	Fall 2004	Fall 2005	Fall 2006
African American First-Time Freshmen	12%	10%	11%
Caucasian First-Time Freshmen	83%	84%	83%
Other* First-Time Freshmen	5%	6%	6%
<hr/>			
African American Overall	10%	9%	8%
Caucasian Overall	85%	86%	87%
Other* Overall	5%	5%	5%

\* "Other" includes Native American, Asian, Hispanic, and multiple race students.

- For each fall term snapshot presented above, the percentage of total recipients represented by African American students is smaller than their first-time freshman share, indicating that this group is not retaining the scholarship at a rate comparable to other groups.
- The Caucasian percentage of first-time freshman recipients has remained at 83 percent. However, white students' percentage of total recipients has increased by two points, indicating that this group has maintained scholarship eligibility at a higher rate than students in other groups.
- The biggest discrepancy in award share pertains to the GAMS award, where Caucasians make up 95.5 percent of enrollment, compared to 3.8 percent for "other" and 0.8 percent for African American participants.
- The smallest gaps regarding racial participation are within the ASPIRE and Access programs, which are both income-contingent. African American students comprise 17 percent of the ASPIRE population, close to their share of Tennessee public postsecondary enrollment, which is 19 percent.

*Scholarship Recipients by Postsecondary Sector*

As the lottery program matures, there is a noticeable shift in participation toward the four-year college sector – particularly public universities. This change is not surprising since two-year schools have shorter degree programs than four-year schools and they are often a starting point where students take core course requirements prior to transfer. Additionally, as discussed later, students in four-year institutions tend to have higher scholarship retention rates than students at community colleges.

- While the public four-year sector’s share of freshman TELS recipients remained steady from Fall 2004 to Fall 2006 (at 63 percent), this sector gained five percentage points in its share of total recipients, from 62 to 67 percent (**Table 6**).
- Over this same period the public two-year sector’s share of all TELS recipients decreased from 21 to 15 percent.
- The independent sector’s share of scholarship recipients remained relatively steady, gaining one percentage point among freshmen and all recipients.

**Table 6**

<b>Scholarship Recipients by Postsecondary Sector (All Award Types)</b>			
	Fall 2004	Fall 2005	Fall 2006
<b>% of TELS first-time freshmen enrolling in:</b>			
Public 4-year institutions	63%	61%	63%
Public community colleges	22%	24%	21%
Independent institutions (TICUA)	15%	15%	16%
<b>% of TELS total recipients enrolling in:</b>			
Public 4-year institutions	62%	63%	67%
Public community colleges	21%	20%	15%
Independent institutions (TICUA)	17%	17%	18%

*Scholarship Recipients by Family Income*

The requirement that scholarship applicants complete a Free Application for Federal Student Aid (FAFSA) allows analysis of lottery recipients by family income. A unique element of Tennessee’s merit program is that recipients from families with adjusted gross income (AGI) of \$36,000 or less qualify for a need-based supplement. Students from families that meet this income criterion accounted for 24 percent of all TELS recipients in Fall 2006 (**Table 7**). Such students represent 38 percent of all ACT test-takers in Tennessee, and families in this income range are 48 percent of the state’s population as a whole.

- The share of freshman TELS recipients from families with annual income higher than \$96,000 has increased by three percentage points; however this group’s share of the overall total has increased by five points, indicating higher scholarship retention rates by this group.
- The overall share of award recipients has risen for students from the highest income bracket (23 to 28 percent). Not only have students in the highest income bracket increased as a percentage of freshman TELS recipients, but they also tend to retain their scholarships at a higher rate.

**Table 7**

Scholarship Recipients by Family Income (All Award Types)								
		First-Time Freshmen			All Recipients			
		Fall 2004	Fall 2005	Fall 2006	Fall 2004	Fall 2005	Fall 2006	
ASPIRE & Access	\$12,000 or less	6%	9%	9%	6%	7%	8%	
	\$12,001 - \$24,000	10%	9%	9%	9%	8%	7%	
	\$24,001 - \$36,000	11%	10%	11%	10%	10%	9%	
	\$36,001 - \$48,000	11%	10%	9%	11%	10%	9%	
	\$48,001 - \$60,000	11%	10%	10%	11%	11%	10%	
	\$60,001 - \$72,000	11%	10%	10%	11%	10%	10%	
	\$72,001 - \$84,000	10%	10%	10%	10%	10%	10%	
	\$84,001 - \$96,000	8%	8%	8%	8%	9%	9%	
\$96,001 and above	22%	24%	25%	23%	25%	28%		

Students from families with adjusted gross income of \$36,000 or less qualify for a need-based supplement under the ASPIRE and Access awards.

- Students from families with AGI between \$36,001 and \$96,000 experienced the largest loss in share, decreasing from 51 percent of all TELS recipients in Fall 2004 to 48 percent in Fall 2006.

#### *Scholarship Recipients by Academic Preparation*

The Fall 2005 first-time freshman class of TELS recipients is useful for analysis because these students began the program under current scholarship standards. **Table 8** shows the various ways in which this class qualified for awards: meeting the high school GPA standard, meeting the ACT standard, or both. Results are shown for each award type and are broken down by gender and race/ethnicity. **Appendix A** further disaggregates these results by the postsecondary sector attended.

*Student Preparation in Overall TELS Program.* Looking across all TELS award types, 59 percent of Fall 2005 first-time freshman recipients met both criteria for initial eligibility: the high school GPA *and* the ACT score.<sup>1</sup> Another 26 percent qualified based on high school GPA only, and 15 percent qualified only on the basis of their ACT score.<sup>2</sup>

- While Caucasian students were more likely to meet both criteria than were African American students (62 percent compared to 37 percent), African Americans were much more likely to qualify on the basis of high school GPA only (50 percent to 23 percent). Caucasians and African Americans were equally likely to have qualified by meeting only the ACT standard.
- Among students who qualified by meeting only one standard as opposed to both, females were more likely to qualify on the basis of high school GPA

<sup>1</sup> Put another way, if both criteria had been required, 41 percent of these recipients would have been ineligible.

<sup>2</sup> All General Assembly Merit Scholarship recipients satisfied both standards, commensurate with award criteria.

standard, while males were more likely to qualify on the basis of an ACT composite score.

- Examining scholarship qualification methods by race and gender, Caucasian females were the group most likely to meet both standards; African American females were the group most likely to qualify on the basis of high school GPA only; and African American males were the group most likely to qualify based on the ACT standard only.

*Student Preparation for HOPE.* Within the basic HOPE award, the percentage of Fall 2005 first-time freshmen meeting both initial eligibility criteria was the same as for the scholarship program overall – 59 percent. Another 24 percent qualified based on high school GPA only, and 17 percent qualified only on the basis of their ACT score.

- The percentage of Caucasian recipients who met both criteria exceeded the percentage of African American recipients meeting both criteria by 19 points (61 percent compared to 42 percent). Alternatively, 43 percent of African American recipients qualified by meeting the high school GPA requirement only, compared to 23 percent of Caucasians.

*Student Preparation for ASPIRE.* Within the need-based ASPIRE award, 50 percent of Fall 2005 first-time freshmen met both initial eligibility criteria. Another 36 percent qualified based on high school GPA only, and 17 percent qualified only on the basis of their ACT score.

- The percentage of Caucasian recipients who met both criteria exceeded the percentage of African American recipients meeting both criteria by 24 points (54 percent compared to 30 percent). Alternatively, African American recipients were nearly twice as likely as Caucasians to have qualified by meeting the high school GPA requirement only (58 percent to 30 percent).



**Table 8**  
**Academic Preparation:**  
**Qualification Standards Met by Fall 2005 First-Time Freshman TELS Recipients**

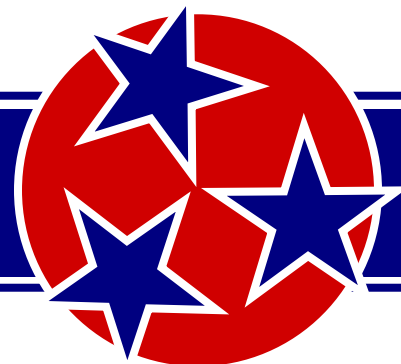
<b>Met Both High School GPA and ACT Standards</b>				
	All Programs	HOPE	GAMS*	ASPIRE
Total	59%	59%	100%	50%
Females	60%	62%	100%	50%
Males	57%	56%	100%	50%
African American	37%	42%	100%	30%
Caucasian	62%	61%	100%	54%
African American Females	38%	46%	100%	31%
African American Males	33%	35%	100%	30%
Caucasian Females	64%	63%	100%	55%
Caucasian Males	60%	58%	100%	53%

<b>Met High School GPA Standard Only</b>				
	All Programs	HOPE	GAMS*	ASPIRE
Total	26%	24%	N/A	36%
Females	31%	28%	N/A	41%
Males	19%	19%	N/A	27%
African American	50%	43%	N/A	58%
Caucasian	23%	23%	N/A	30%
African American Females	54%	47%	N/A	61%
African American Males	40%	34%	N/A	48%
Caucasian Females	27%	27%	N/A	35%
Caucasian Males	17%	18%	N/A	23%

<b>Met ACT Standard Only</b>				
	All Programs	HOPE	GAMS*	ASPIRE
Total	15%	17%	N/A	15%
Females	9%	10%	N/A	9%
Males	23%	25%	N/A	23%
African American	14%	15%	N/A	12%
Caucasian	15%	16%	N/A	15%
African American Females	8%	7%	N/A	8%
African American Males	27%	31%	N/A	22%
Caucasian Females	9%	10%	N/A	9%
Caucasian Males	23%	24%	N/A	25%

\* A 3.0 high school GPA and 21 ACT score are required to qualify for the GAMS.

## SCHOLARSHIP RETENTION



This section of the report presents lottery scholarship retention rates by award type and postsecondary sector. This analysis is followed by a closer examination of how scholarship retention varies by family income and the level of academic preparation in high school.

When reading the ensuing narrative, it is important to keep in mind the following distinction: for scholarship recipients who entered the program in Fall 2004, the program's inaugural year, the ACT composite score requirement was 19. By Fall 2005 the ACT standard was raised to 21, which is the current requirement.

While initial eligibility criteria differ from award to award, renewal criteria are consistent across all award types: a 2.75 cumulative GPA after 24 credit hours attempted and 3.0 cumulative GPA for each subsequent 24 credit hours, for up to five academic years.

### Scholarship Retention by Award Type and Sector

**Table 9** shows freshman to sophomore retention rates for two cohorts of scholarship recipients: students who entered as first-time freshmen in Fall 2004 and in Fall 2005. Retention rates vary widely by award type but have remained relatively stable for the larger programs. Given that the Fall 2005 freshmen entered under current eligibility criteria, the ensuing narrative focuses on these students' lottery scholarship retention rates as of Fall 2006.

#### *General Assembly Merit Scholarship Retention Rates*

The initial eligibility requirements for the GAMS award are the most rigorous of all TELS award types. Within the GAMS award:

- Fall 2005 freshmen retained awards the following fall at a rate of 87 percent, down three percentage points from the cohort prior.
- By sector, the rates were 89 percent for public universities, 86 percent for independent institutions affiliated with TICUA, and 53 percent for community colleges.

#### *HOPE Scholarship Retention Rates*

- Within the basic HOPE award, Fall 2005 freshmen retained awards the following fall at a rate of 50 percent, the same rate as for the cohort prior.

- By sector, the rates were 63 percent for independent institutions, 53 percent for public universities, and 36 percent for community colleges.

*ASPIRE Scholarship Retention Rates*

HOPE and ASPIRE carry the same initial eligibility requirements except that the family income of ASPIRE recipients must be below \$36,000 annually. Within this need-conscious award:

- Fall 2005 freshmen retained awards the following fall at a rate of 44 percent, up four points from the cohort prior.
- By sector, the rates were 56 percent for independent institutions, 46 percent for public universities, and 35 percent for community colleges.

**Table 9**  
**Scholarship Retention Rates by Award Type and Initial Postsecondary Sector**

<b>Fall 2004 First-Time Freshmen Who Retained Award Fall 2005</b>					
	HOPE N = 13,635	GAMS N = 1,069	ASPIRE N = 5,803	ACCESS N = 111	Grand Total N = 20,618
Public 4-Yr	51%	89%	41%	30%*	51%
Public 2-Yr	41%	77%*	36%	20%*	39%
Independent	58%	91%	45%	0%*	58%
Grand Total	50%	90%	40%	23%	49%
<b>Fall 2005 First-Time Freshmen Who Retained Award in Fall 2006</b>					
	HOPE N = 14,778	GAMS N = 1,250	ASPIRE N = 5,437	ACCESS N = 350	Grand Total N = 21,815
Public 4-Yr	53%	89%	46%	20%	53%
Public 2-Yr	36%	53%*	35%	11%	35%
Independent	63%	86%	56%	24%*	64%
Grand Total	50%	87%	44%	17%	50%

"N" indicates the size of the entering freshman cohort for each award type.

\* Indicates original cohort size for a given postsecondary sector was less than 100.

*Access Award Retention Rates*

The Access program provides a reduced award to needy students who did not quite meet the academic criteria in high school for ASPIRE. Though this is a one-time award, recipients who satisfy the requirements for postsecondary performance receive ASPIRE going forward. Within the Access program:

- Fall 2005 freshmen retained awards the following fall at a rate of 17 percent, down six points from the cohort prior.

- By sector, the rates were 24 percent for independent institutions, 20 percent for public universities, and 11 percent for community colleges.

Family Income and Scholarship Retention

As noted earlier, students are required to complete the FAFSA in order to qualify for a TELS award. Necessary for determining eligibility for need-contingent awards within the program, the requirement provides the added benefit of making family income data available for analysis on the relationship between family income and performance outcomes. In short, as family income rises, so does the likelihood of maintaining eligibility for a TELS award. This relationship proceeds in fairly linear fashion when looking across all award types. Within the General Assembly Merit Scholarship, retention rates are fairly consistent across all levels of family income, presumably because the academic requirements for initial eligibility for the GAMS award are sufficiently high to override the differential benefits of family income. Often, family income is a proxy for parental educational attainment, which may in turn affect students’ aspirations and the educational resources to which students are exposed in the home.

- Looking across all award types, there was a difference of 21 percentage points in award retention rates between the highest and lowest income group. Students from families earning over \$96,000 retained their awards at a 63 percent rate, compared to 42 percent for students from families earning \$12,000 and below (Table 10).

**Table 10  
Scholarship Retention Rates by Award Type and Family Income**

<b>Fall 2005 First-Time Freshmen Who Retained Award Fall 2006</b>					
	HOPE	GAMS	ASPIRE	Access	Grand Total
\$12,000 and below	Students who would qualify for these awards but have family income of \$36,000 or less receive ASPIRE.		43%	19%	42%
\$12,001 - \$24,000			46%	16%	44%
\$24,001 - \$36,000			50%	26%	49%
\$36,001 - \$48,000	51%	86%	By definition, participation in these programs requires family income of \$36,000 or less.		53%
\$48,001 - \$60,000	52%	89%			55%
\$60,001 - \$72,000	54%	87%			57%
\$72,001 - \$84,000	57%	85%			59%
\$84,001 - \$96,000	58%	93%			61%
over \$96,000	59%	91%			63%
Grand Total	56%	88%	47%	20%	55%

## High School Preparation and Scholarship Retention

High school preparation and performance are important predictors of college academic success. In short, students who perform better academically in high school tend to perform better at the postsecondary level. Grade point averages and ACT scores are widely accepted measures of secondary achievement. The TELS program acknowledges the importance of each of these academic indicators by requiring that students meet either the high school grade point average *or* ACT requirement to gain eligibility for most program awards. The fact that Tennessee requires students to meet one standard rather than both makes its merit scholarship more accessible than programs in many other states.

As mentioned previously, TELS students who enrolled as first-time freshmen in Fall 2005 did so under current standards for initial eligibility. In this section, scholarship retention rates for these students are presented based on the manner in which recipients qualified for the award.

**Table 11** shows the percentage of Fall 2005 first-time freshmen who retained their scholarship in Fall 2006. The table allows comparison of the retention rates associated with the manner in which students qualified for an award: meeting the high school GPA standard, meeting the ACT standard, or both. Results are shown for each award type and are broken down by gender and race/ethnicity. **Appendix B** further disaggregates these results by the postsecondary sector attended.

### *Overall TELS Retention Rates*

- Looking across all TELS award types, scholarship retention rates were highest for students who qualified on the basis of both academic criteria. Meeting the high school GPA standard was the next most advantageous way of qualifying for an award. Scholarship retention rates were lowest for students who met only the ACT standard.
- For Fall 2005 first-time freshmen who met both academic criteria for initial eligibility, the Fall 2006 scholarship retention rate for the TELS program overall was 66 percent: 88 percent for the General Assembly Merit Scholarship, 65 percent for basic HOPE, and 60 percent for the need-based ASPIRE.
- Scholarship retention rates were generally higher for females than for males. Looking at scholarship retention by race and gender, Caucasian females had the highest retention rates of any group.
- Scholarship retention rates were generally higher for Caucasian students than for African Americans, with one exception. Among students who qualified solely on the basis of ACT score, African Americans retained the scholarship at a higher rate.

### *HOPE Scholarship Retention Rates*

- Within the basic HOPE award, the scholarship retention rate was 65 percent for students who qualified by meeting both academic criteria, 43 percent for students who qualified solely on the basis of high school GPA, and 23 percent for students who qualified by ACT score alone.
- Retention rates ranged from a high of 68 percent for Caucasian females who met both the high school GPA and ACT standards to a low of 21 percent for Caucasian males who qualified on the basis of ACT score alone.

### *ASPIRE Scholarship Retention Rates*

- Within the need-conscious ASPIRE award, the scholarship retention rate was 60 percent for students who qualified by meeting both academic criteria, 39 percent for students who qualified solely on the basis of high school GPA, and 21 percent for students who qualified by ACT score alone.
- Retention rates ranged from a high of 64 percent for Caucasian females who met both the high school GPA and ACT standards to lows of 20-25 percent for students who qualified on the basis of ACT score alone.

**Table 11**  
**Scholarship Retention Rates of**  
**Fall 2005 TELS First-Time Freshmen by Qualifications Met**

<b>Met Both High School GPA and ACT Standards</b>				
	All Programs	HOPE	GAMS*	ASPIRE
Total	66%	65%	88%	60%
Females	69%	68%	90%	63%
Males	62%	60%	87%	55%
African American	58%	59%	N/A**	56%
Caucasian	67%	65%	89%	60%
African American Females	60%	63%	N/A**	57%
African American Males	52%	50%	N/A**	53%
Caucasian Females	69%	68%	90%	64%
Caucasian Males	63%	61%	88%	55%

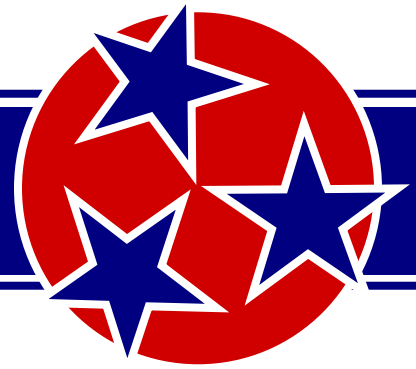
<b>Met High School GPA Standard Only</b>				
	All Programs	HOPE	GAMS*	ASPIRE
Total	42%	43%	N/A	39%
Females	44%	45%	N/A	41%
Males	38%	39%	N/A	34%
African American	37%	39%	N/A	36%
Caucasian	43%	45%	N/A	40%
African American Females	40%	42%	N/A	39%
African American Males	28%	30%	N/A	26%
Caucasian Females	45%	47%	N/A	42%
Caucasian Males	39%	41%	N/A	35%

<b>Met ACT Standard Only</b>				
	All Programs	HOPE	GAMS*	ASPIRE
Total	23%	23%	N/A	21%
Females	26%	28%	N/A	20%
Males	21%	21%	N/A	22%
African American	24%	26%	N/A	22%
Caucasian	23%	23%	N/A	21%
African American Females	26%	28%	N/A	25%
African American Males	23%	25%	N/A	20%
Caucasian Females	26%	28%	N/A	20%
Caucasian Males	21%	21%	N/A	22%

\* A 3.0 high school GPA and 21 ACT score are required to qualify for the GAMS.

\*\* Number of awardees was below 10.

## COLLEGE RETENTION



The previous section described rates at which students retain lottery scholarship awards. This section describes what becomes of students who lose their scholarship. The chapter is divided into three parts.

- Scholarship retention and college retention for Fall 2004 entering freshmen. Longitudinal tracking of TELS freshmen who entered college in Fall 2004 reveals:
  - The number of students from the original TELS freshman cohort who retained their scholarships into their second and third year of college -- Fall 2005 and Fall 2006, respectively.
  - The number from the original cohort who continued in college in spite of losing their award.

This results in a comprehensive picture of the scholarship retention and college retention rates for these students in what would normally be considered their sophomore and junior years of college.

- Postsecondary sector enrollment shifts among students who persist. For those students who stayed in school, a comparison of students who returned with and without the scholarship reveals enrollment shifts by postsecondary sector. Are students who remain in college after losing a scholarship tending to do so by down-shifting to less expensive institutions?
- Scholarship retainers and forfeiters who stay in school. Freshmen who retained their scholarship as sophomores are compared to those who lost their scholarship but returned to school anyway, revealing differences in family income and high school academic preparation between the two groups.

### Scholarship Retention and College Retention for Fall 2004 Entering Freshmen

For the ensuing analysis, the TELS entering freshman class of Fall 2004 was longitudinally tracked into the Fall semester of 2006, with a focus on two issues: (1) the cumulative scholarship retention two years after college matriculation and (2) continued enrollment by students who lost a scholarship. **Table 12** contains the results. Due to data limitations on non-TELS students in the independent sector, TICUA institutions are excluded from this analysis.

*Scholarship Retention Rates.* The rates at which Fall 2004 entering freshmen retained their TELS awards in Fall 2005 and 2006 are as follows:



- For the TELS program as a whole, 48 percent of the entering freshmen from Fall 2004 retained their award in Fall 2005. The scholarship retention rate for this class was 36 percent by Fall 2006. Given what is known about the scholarship retention patterns of the inaugural class of TELS recipients who entered the program as sophomores and are now in their senior year of college, it is anticipated that about 30 percent of Fall 2004 freshmen will retain their scholarship by Fall 2007.
- For GAMS, which carries the most stringent criteria for initial eligibility, the scholarship retention rate was 89 percent in Fall 2005 and 84 percent by Fall 2006.
- For basic HOPE, the scholarship received by most students within the program, the scholarship retention rate was 49 percent in Fall 2005 and 35 percent by Fall 2006.
- For the need-contingent ASPIRE, the second largest award within the program, the scholarship retention rate was 40 percent in Fall 2005 and 37 percent by Fall 2006.
- Access is a one-year award, and students who meet renewal criteria go forward in the program as recipients of the need-based ASPIRE award. Of Access starters, 25 percent retained in Fall 2005; nine percent by Fall 2006.

**Table 12**  
**Fall 2004 TELS First-Time Freshmen:**  
**Continued Enrollment in Subsequent Fall Terms, by Original Award Type**

	Fall 2004 First-Time Freshmen	Returned Fall 2005			Returned Fall 2006		
		With TELS	without TELS	Overall	with TELS	without TELS	Overall
HOPE	11,675	49.4%	34.7%	84.1%	36.4%	39.8%	76.2%
GAMS	721	89.0%	7.4%	96.4%	83.8%	10.3%	94.1%
ASPIRE	5,012	40.0%	34.1%	74.1%	26.0%	36.9%	62.9%
Access	101	24.8%	38.6%	63.4%	9.0%	38.0%	47.0%
Total	17,509	48.2%	33.4%	81.6%	35.2%	37.8%	73.0%

Note: Due to data limitations on non-TELS students in independent institutions, these results are for Tennessee public institutions only.

*College Retention Rates.* The following observations can be made about Fall 2004 entering freshmen who lost their lottery scholarships but remained in school in Fall 2005:

- Overall: In addition to the 48.2 percent of Fall 2004 entering freshmen who kept their scholarship in Fall 2005, an additional 33.4 percent who lost their award stayed in school, bringing the overall college retention rate to 81.6 percent.
- GAMS: In addition to the 89 percent of students who kept their scholarship, an additional 7.4 percent who lost the award stayed in school, bringing the overall

college retention rate to 96.4 percent. From the Demographics section of this report, it is apparent that GAMS recipients have the highest family income profile of all award types, and in light of their academic profile likely have other resources supporting college attendance.

- HOPE. In addition to the 49.4 percent of students who kept their scholarship, an additional 34.7 percent who lost the scholarship stayed in school, bringing the overall college retention rate to 84.1 percent.
- ASPIRE: In addition to the 40 percent of students who kept their scholarship, an additional 34.1 percent who lost the scholarship stayed in school, bringing the overall college retention rate to 74.1 percent.
- Access: In addition to the 24.8 percent of students who kept their scholarship, an additional 38.6 percent who lost the award stayed in school, bringing the overall college retention rate to 63.4 percent.

Summary observations about college retention rates (Table 12):

- Nearly all GAMS recipients are staying in school. The actual college retention rate for these students is likely even higher than the 94 percent reported for Fall 2006, but once students leave the scholarship program, THEC currently has no way of knowing if the student continued in a TICUA institution or some other college outside Tennessee's public higher education system.
- For students who entered college on an award other than GAMS, the percentages of students who lost the scholarship but remained enrolled anyway in Fall 2005 are remarkably similar, ranging from 34 to 39 percent. This indicates that the differences in college retention are coming primarily from students who lost their scholarship and dropped out (or stopped out) of school. Therefore, in the following section, students who lost their scholarship but stayed in school are compared to those who lost and left, to uncover differences in initial postsecondary sector attended, family income, and academic preparation.
- While there is virtually no drop-off in the college retention rate between Fall 2005 and Fall 2006 for GAMS students, there was attrition in that time period among students who began with all other types of awards, ranging from a decrease of eight percentage points for HOPE starters to 16 points for Access starters, suggesting that continuous enrollment becomes increasingly difficult for students who began their college careers in the need-contingent programs.

#### Postsecondary Sector Enrollment Shifts Among Students Who Persist

The foregoing narrative has described not only the rates at which students retain their scholarship, but the rates at which they remain in college if they lose their scholarship. Table 12 indicates that the majority of students who lose an award remain in college, but where do they go? How do their sector choices compare to those of students who retained their scholarship? To answer these questions, an examination was undertaken of changes

in the sector of enrollment for Fall 2004 first-time freshmen who either lost or retained the scholarship one year later (Fall 2005). **Table 13** contains the results. Once again, due to data limitations on non-TELS students in the independent sector dictated restricting this analysis to students who began at a public institution.

Among TELS freshmen in Tennessee’s public postsecondary system who lost their award after one year but returned to school anyway, the following shifts in enrollment share were observed:

- UT campuses lost the largest enrollment share among students who lost scholarship eligibility after one year, while TBR two-year institutions gained the largest share.
- This pattern is more pronounced for basic HOPE than it is for the need-conscious ASPIRE award.
- These results suggest that among students who lose their scholarship, there is a net shift in enrollment from the four-year to the two-year sector, likely due to a combination of financial and academic reasons.

**Table 13**

<b>Postsecondary Sector Enrollment Shifts: Fall 2004 TELS First-Time Freshmen who Began at a Public Institution, Lost Scholarship, but Remained Enrolled Fall 2005</b>					
<b>Fall 2004</b>	HOPE	GAMS	ASPIRE	Access	Grand Total
TBR 4-year	44%	36%	46%	32%	44%
TBR 2-year	23%	2%	28%	51%	24%
UT	34%	62%	26%	17%	32%
Grand Total	100%	100%	100%	100%	100%
<b>Fall 2005</b>	HOPE	GAMS	ASPIRE	Access	Grand Total
TBR 4-year	40%	36%	43%	32%	41%
TBR 2-year	31%	4%	34%	54%	32%
UT	28%	60%	23%	15%	27%
Grand Total	100%	100%	100%	100%	100%

Note: Due to data limitations on non-TELS students in independent institutions, results are for Tennessee public institutions only.

In contrast, the enrollment patterns for students who retained their award are as expected, as students begin to transfer out of the community colleges into the public and independent four-year sectors (**Table 14**). Among TELS public institution freshmen who retained their award after one year, the enrollment shifts by sector were as follows:

- TBR 4-year institutions gained the largest enrollment share among students who maintained scholarship eligibility after their first college year.

- Community colleges lost the largest enrollment share among award retainers. This is unsurprising since many students begin in the two-year sector with the intention of moving on to a four-year school.

**Table 14**

<b>Postsecondary Sector Enrollment Shifts: Fall 2004 TELS First-Time Freshmen who Began at a Public Institution, Retained Scholarship, and Remained Enrolled Fall 2005</b>					
<b>Fall 2004</b>	HOPE	GAMS	ASPIRE	Access	Grand Total
TBR 4-year	45%	38%	46%	44%	45%
TBR 2-year	21%	2%	30%	40%	21%
UT	34%	59%	25%	16%	34%
Grand Total	100%	100%	100%	100%	100%
<b>Fall 2005</b>	HOPE	GAMS	ASPIRE	Access	Grand Total
TBR 4-year	48%	39%	48%	48%	47%
TBR 2-year	16%	2%	26%	40%	17%
UT	34%	59%	25%	12%	34%
Independents	1%	1%	1%	0%	1%
Grand Total	100%	100%	100%	100%	100%

Scholarship Retainers and Forfeitters Who Stay in School

Not shown in earlier tables is the fact that students who remained in school after losing their TELS award tended to come from higher income families. Upon examining Fall 2005 TELS first-time freshmen who lost their scholarship, it was found that over three-fourths of such students from the highest family income group returned to school anyway. Among such students from the lowest income families, the returning-to-college rate was 59 percent, a difference of 17 percentage points (**Table 15**).

**Table 15**

<b>Fall 2005 TELS First-Time Freshmen Who Lost Scholarship But Remained Enrolled Fall 2006, by Family Income</b>					
	HOPE N = 5,131	GAMS N = 84	ASPIRE N = 2,367	Access N = 206	Grand Total N = 7,788
\$12,000 and below	Students who would qualify for these awards but have family income of \$36,000 or less receive ASPIRE.		60%	58%	59%
\$12,001 - \$24,000			60%	64%	60%
\$24,001 - \$36,000			60%	56%	60%
\$36,001 - \$48,000	63%	75%	By definition, participation in these programs requires family income of \$36,000 or less.		63%
\$48,001 - \$60,000	63%	45%			62%
\$60,001 - \$72,000	65%	83%			66%
\$72,001 - \$84,000	70%	50%			70%
\$84,001 - \$96,000	71%	71%			71%
over \$96,000	77%	63%			76%
Grand Total	69%	65%	60%	59%	66%

However, family income is not the only factor that affects a student's decision to remain in school after losing a lottery scholarship. A student's ability to do college-level work, as reflected in high school academic performance, also plays a role (**Table 16**).

- Among scholarship forfeiters, students in the top high school GPA quintile (3.81 and up) were nine percent more likely to return to school than were students from the bottom GPA quintile (74 percent to 65 percent).
- However, even after controlling for academic preparation (reflected in high school GPAs and ACT scores), family income does appear to make a difference in scholarship forfeiters' decisions on whether or not to remain continuously enrolled. Across all levels of high school GPA, there was a difference of 15 to 20 percentage points between students in the top and bottom income quartiles in terms of continued enrollment after losing the scholarship.
  - Within the low GPA group, 76 percent of the highest-income students remained enrolled without the scholarship, compared to 60 percent of the lowest-income students.
  - Within the middle GPA group, 81 percent of the highest-income students remained enrolled without the scholarship, compared to 65 percent of the lowest-income students.
  - Within the top GPA group, 83 percent of the highest-income students remained enrolled without the scholarship, compared to 68 percent of the lowest-income students.

**Table 16**  
**Fall 2005 TELS First-Time Freshmen Who Lost Scholarship But Remained Enrolled**  
**Fall 2006, by Family Income, High School GPA, and ACT Score**

**Across all levels of family income**

	3.0 or below	3.01-3.23	3.24-3.50	3.51-3.80	3.81 and up	Grand Total
20 or below	63%	68%	66%	71%	73%	67%
21	65%	74%	71%	67%	82%	68%
22-23	67%	75%	72%	74%	77%	71%
24-26	67%	70%	75%	78%	72%	72%
above 26	61%	73%	73%	82%	72%	72%
Grand Total	65%	71%	70%	74%	74%	69%

**Bottom family income quartile (\$31,859 and below)**

	3.0 or below	3.01-3.23	3.24-3.50	3.51-3.80	3.81 and up	Grand Total
20 or below	65%	65%	67%	65%	73%	66%
21	53%	66%	67%	56%	*85%	59%
22-23	59%	74%	65%	76%	65%	66%
24-26	56%	49%	63%	64%	67%	59%
above 26	57%	*67%	*37%	87%	61%	62%
Grand Total	60%	65%	65%	67%	68%	64%

**Second family income quartile (\$31,860 - \$60,640)**

	3.0 or below	3.01-3.23	3.24-3.50	3.51-3.80	3.81 and up	Grand Total
20 or below	40%	67%	60%	62%	63%	61%
21	65%	73%	64%	70%	*64%	68%
22-23	62%	70%	66%	64%	79%	66%
24-26	59%	78%	74%	76%	68%	69%
above 26	*50%	*60%	82%	68%	64%	66%
Grand Total	59%	69%	65%	67%	68%	65%

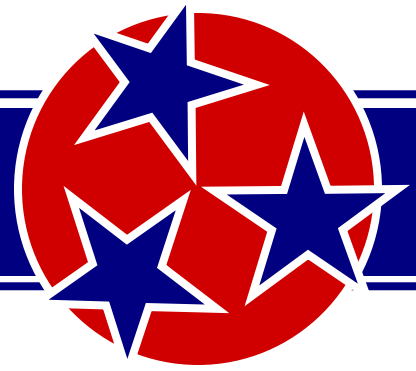
**Third family income quartile (\$60,641 - \$92,536)**

	3.0 or below	3.01-3.23	3.24-3.50	3.51-3.80	3.81 and up	Grand Total
20 or below	66%	69%	69%	75%	*80%	70%
21	68%	74%	77%	68%	*100%	71%
22-23	70%	71%	75%	73%	88%	73%
24-26	70%	74%	75%	85%	76%	76%
above 26	55%	*79%	80%	83%	75%	74%
Grand Total	68%	72%	73%	77%	81%	73%

**Top family income quartile (\$92,537 and above)**

	3.0 or below	3.01-3.23	3.24-3.50	3.51-3.80	3.81 and up	Grand Total
20 or below	78%	79%	74%	96%	*90%	81%
21	76%	84%	79%	80%	*83%	78%
22-23	74%	82%	80%	82%	*81%	78%
24-26	81%	77%	88%	88%	78%	83%
above 26	75%	79%	82%	90%	88%	83%
Grand Total	76%	80%	81%	88%	83%	80%

\* denotes "N" for the cell is less than 20



**High School Preparation Levels of Fall 2005 First-Time  
Freshman TELS Recipients, by Initial Postsecondary  
Sector**

**Appendix A**  
**High School Preparation of Fall 2005 First-Time Freshman TELS Recipients:**  
**Public University Sector**

<b>Met ACT and High School GPA Standards</b>				
	All Programs	HOPE	GAMS*	ASPIRE
Total	64%	64%	100%	55%
Females	66%	67%	100%	55%
Males	63%	61%	100%	56%
African American	38%	43%	100%	31%
Caucasian	69%	67%	100%	64%
African American Females	39%	47%	100%	32%
African American Males	34%	35%	100%	30%
Caucasian Females	71%	70%	100%	66%
Caucasian Males	66%	63%	100%	61%

<b>Met High School GPA Standard Only</b>				
	All Programs	HOPE	GAMS*	ASPIRE
Total	20%	19%	N/A	31%
Females	25%	22%	N/A	36%
Males	15%	14%	N/A	22%
African American	50%	42%	N/A	58%
Caucasian	16%	16%	N/A	20%
African American Females	54%	46%	N/A	61%
African American Males	40%	33%	N/A	49%
Caucasian Females	19%	19%	N/A	24%
Caucasian Males	12%	12%	N/A	15%

<b>Met ACT Standard Only</b>				
	All Programs	HOPE	GAMS*	ASPIRE
Total	15%	17%	N/A	14%
Females	9%	10%	N/A	9%
Males	23%	25%	N/A	22%
African American	13%	15%	N/A	11%
Caucasian	16%	17%	N/A	15%
African American Females	7%	6%	N/A	8%
African American Males	27%	32%	N/A	21%
Caucasian Females	10%	11%	N/A	9%
Caucasian Males	22%	25%	100%	23%

\* GAMS recipients must have at least a 3.0 gpa and 21 ACT



**Appendix A**  
**High School Preparation of Fall 2005 First-Time Freshman TELS Recipients:**  
**Community College Sector**

<b>Met ACT and High School GPA Standards</b>				
	All Programs	HOPE	GAMS*	ASPIRE
Total	37%	38%	100%	34%
Females	38%	40%	100%	33%
Males	36%	36%	100%	35%
African American	15%	13%	100%	16%
Caucasian	38%	39%	100%	36%
African American Females	15%	16%	100%	15%
African American Males	14%	9%	100%	22%
Caucasian Females	39%	41%	100%	35%
Caucasian Males	37%	37%	100%	36%

<b>Met High School GPA Standard Only</b>				
	All Programs	HOPE	GAMS*	ASPIRE
Total	44%	42%	N/A	49%
Females	51%	49%	N/A	56%
Males	34%	34%	N/A	37%
African American	65%	60%	N/A	69%
Caucasian	43%	42%	N/A	47%
African American Females	68%	64%	N/A	72%
African American Males	54%	53%	N/A	56%
Caucasian Females	50%	48%	N/A	54%
Caucasian Males	33%	33%	N/A	35%

<b>Met ACT Standard Only</b>				
	All Programs	HOPE	GAMS*	ASPIRE
Total	19%	19%	N/A	17%
Females	11%	12%	N/A	11%
Males	29%	30%	N/A	28%
African American	21%	27%	N/A	15%
Caucasian	18%	19%	N/A	17%
African American Females	17%	21%	N/A	14%
African American Males	32%	38%	N/A	22%
Caucasian Females	11%	11%	N/A	10%
Caucasian Males	29%	30%	N/A	29%

\* GAMS recipients must have at least a 3.0 gpa and 21 ACT

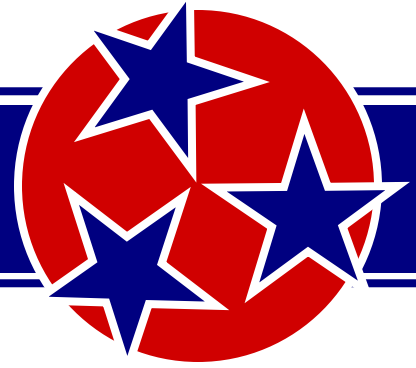
**Appendix A**  
**High School Preparation of Fall 2005 First-Time Freshman TELS Recipients:**  
**Independent College and University Sector**

<b>Met ACT and High School GPA Standards</b>				
	All Programs	HOPE	GAMS*	ASPIRE
Total	74%	73%	100%	61%
Females	77%	76%	100%	66%
Males	70%	70%	100%	54%
African American	50%	60%	100%	39%
Caucasian	76%	75%	100%	65%
African American Females	52%	62%	100%	43%
African American Males	45%	57%	100%	32%
Caucasian Females	79%	77%	100%	71%
Caucasian Males	72%	71%	100%	56%

<b>Met High School GPA Standard Only</b>				
	All Programs	HOPE	GAMS*	ASPIRE
Total	18%	17%	N/A	27%
Females	19%	19%	N/A	28%
Males	16%	15%	N/A	26%
African American	37%	31%	N/A	44%
Caucasian	16%	16%	N/A	25%
African American Females	41%	33%	N/A	49%
African American Males	31%	27%	N/A	35%
Caucasian Females	17%	18%	N/A	24%
Caucasian Males	15%	15%	N/A	25%

<b>Met ACT Standard Only</b>				
	All Programs	HOPE	GAMS*	ASPIRE
Total	9%	11%	N/A	9%
Females	5%	5%	N/A	6%
Males	15%	15%	N/A	20%
African American	13%	9%	N/A	16%
Caucasian	8%	9%	N/A	10%
African American Females	7%	5%	N/A	8%
African American Males	25%	17%	N/A	32%
Caucasian Females	4%	5%	N/A	5%
Caucasian Males	14%	14%	N/A	18%

\* GAMS recipients must have at least a 3.0 gpa and 21 ACT



**Fall 2006 Scholarship Retention by High School  
Preparation Level of Fall 2005 TELS Freshmen, by  
Initial Postsecondary Sector**

**Appendix B**  
**Fall 2006 Scholarship Retention by High School Preparation Level**  
**for Fall 2005 TELS Freshmen in Public University Sector**

<b>Those retaining an Award Who Met ACT and High School GPA Standards</b>				
	All Programs	HOPE	GAMS*	ASPIRE
Total	67%	65%	91%	62%
Females	70%	69%	92%	64%
Males	63%	60%	89%	58%
African American	57%	58%	83%	55%
Caucasian	68%	66%	91%	63%
African American Females	59%	62%	N/A	55%
African American Males	52%	47%	N/A	57%
Caucasian Females	71%	70%	92%	67%
Caucasian Males	64%	61%	89%	58%

<b>Met High School GPA Standard Only</b>				
	All Programs	HOPE	GAMS*	ASPIRE
Total	43%	46%	N/A	38%
Females	45%	48%	N/A	40%
Males	39%	42%	N/A	34%
African American	37%	39%	N/A	35%
Caucasian	46%	49%	N/A	40%
African American Females	39%	41%	N/A	38%
African American Males	29%	32%	N/A	27%
Caucasian Females	48%	51%	N/A	41%
Caucasian Males	42%	44%	N/A	36%

<b>Met ACT Standard Only</b>				
	All Programs	HOPE	GAMS*	ASPIRE
Total	24%	25%	N/A	22%
Females	28%	29%	N/A	22%
Males	23%	23%	N/A	22%
African American	21%	27%	N/A	14%
Caucasian	25%	25%	N/A	25%
African American Females	21%	22%	N/A	20%
African American Males	22%	29%	N/A	N/A
Caucasian Females	29%	30%	N/A	24%
Caucasian Males	24%	23%	N/A	25%

\* GAMS recipients must have at least a 3.0 gpa and 21 ACT

**Appendix B**  
**Fall 2006 Scholarship Retention by High School Preparation Level**  
**for Fall 2005 TELS Freshmen in Community College Sector**

<b>Met ACT and High School GPA Standards</b>				
	All Programs	HOPE	GAMS*	ASPIRE
Total	51%	52%	53%	48%
Females	53%	54%	60%	52%
Males	47%	49%	40%	42%
African American	46%	58%	83%	55%
Caucasian	51%	52%	53%	49%
African American Females	38%	44%	N/A	33%
African American Males	N/A	N/A	N/A	N/A
Caucasian Females	54%	54%	N/A	52%
Caucasian Males	47%	49%	N/A	43%

<b>Met High School GPA Standard Only</b>				
	All Programs	HOPE	GAMS*	ASPIRE
Total			N/A	
Females	40%	40%	N/A	39%
Males	35%	35%	N/A	34%
African American	28%	28%	N/A	28%
Caucasian	39%	39%	N/A	38%
African American Females	32%	32%	N/A	31%
African American Males	15%	18%	N/A	10%
Caucasian Females	40%	41%	N/A	40%
Caucasian Males	36%	37%	N/A	34%

<b>Met ACT Standard Only</b>				
	All Programs	HOPE	GAMS*	ASPIRE
Total	15%	14%	N/A	15%
Females	18%	20%	N/A	15%
Males	18%	20%	N/A	15%
African American	13%	13%	N/A	13%
Caucasian	15%	15%	N/A	15%
African American Females	22%	25%	N/A	18%
African American Males	N/A	N/A	N/A	N/A
Caucasian Females	18%	19%	N/A	15%
Caucasian Males	13%	12%	N/A	15%

\* GAMS recipients must have at least a 3.0 gpa and 21 ACT

**Appendix B**  
**Fall 2006 Scholarship Retention by High School Preparation Level**  
**for Fall 2005 TELS Freshmen in Independent Colleges and Universities**

<b>Met ACT and High School GPA Standards</b>				
	All Programs	HOPE	GAMS*	ASPIRE
Total	74%	74%	85%	67%
Females	78%	78%	87%	71%
Males	69%	68%	83%	59%
African American	67%	70%	N/A	66%
Caucasian	75%	74%	87%	66%
African American Females	75%	75%	N/A	78%
African American Males	48%	59%	N/A	36%
Caucasian Females	78%	78%	88%	70%
Caucasian Males	70%	68%	85%	59%

<b>Met High School GPA Standard Only</b>				
	All Programs	HOPE	GAMS*	ASPIRE
Total			N/A	
Females	57%	56%	N/A	59%
Males	41%	45%	N/A	33%
African American	57%	63%	N/A	53%
Caucasian	52%	53%	N/A	50%
African American Females	66%	74%	N/A	61%
African American Males	35%	38%	N/A	33%
Caucasian Females	58%	57%	N/A	59%
Caucasian Males	42%	47%	N/A	33%

<b>Met ACT Standard Only</b>				
	All Programs	HOPE	GAMS*	ASPIRE
Total	38%	38%	N/A	37%
Females	42%	45%	N/A	32%
Males	42%	45%	N/A	32%
African American	67%	50%	N/A	75%
Caucasian	36%	40%	N/A	25%
African American Females	N/A	N/A	N/A	N/A
African American Males	56%	20%	N/A	73%
Caucasian Females	36%	43%	N/A	13%
Caucasian Males	36%	38%	N/A	30%

\* GAMS recipients must have at least a 3.0 gpa and 21 ACT