



## Statewide College Completion Grant Pilot Program

**The Tennessee Business Roundtable supports SB229/HB6, legislation creating a four-year college completion grant state pilot program beginning in 2021-22.**

A core component of our Roundtable’s vision for Tennessee is to achieve our state’s “Drive to 55” objective—to equip at least 55% of working-age Tennesseans with a post-secondary credential by the year 2025. To achieve this objective, our state must find innovative ways to boost college completion rates, especially among Tennesseans pursuing post-secondary credentials leading to skilled, high-paying occupations in high demand among our state’s employers. One of the critical sources of these credentials is our state’s public community college system.

Today, however, far too many Tennesseans who are attempting credit hours leading to such credentials are not persisting to completion when they encounter practical financial barriers. Only 25% are graduating from our community colleges within 3 years, and even fewer low-income students and students of color are doing so. Half of our TN Promise students get a Pell grant, and more than a quarter of them get the maximum Pell Grant; both of these statistics indicate that most TN Promise students are in financial need even before they begin college. After they’ve started college, we increasingly hear that they’re facing short-term, low-dollar barriers to completion. Many find themselves short on cash needed to pay for books, supplies, transportation, and other resources they need to persist and complete credential coursework.

This bill offers a solution which directly targets that problem. Building off the successful Knox Promise grant program, this bill gets Tennessee actively involved in supporting college completion by creating a state pilot program to deliver “emergency grants” to TN Promise students who have an immediate financial need, or who are experiencing financial hardships that may prevent the student from completing a postsecondary degree or credential.

This proposed pilot completion grant pilot takes a targeted approach, is limited in duration, and includes a solid set of eligibility and accountability “guard rails”. It’s limited to TN Promise students – in whose success our state is already invested. It focuses on the TN Promise students who have demonstrated a commitment to their own success, by limiting eligibility to those already participating in college coaching initiative delivered by TN Promise partnering organizations. It requires robust data collection and annual reporting by THEC to ensure program effectiveness and effective oversight by this body. And it sunsets at the end of 2025.

The Knox Promise program, on which this proposed state pilot is based, has provided Knox County TN Promise students with these types of completion grants. That effort, which focuses on helping TN Promise students with help to cover non-tuition costs like books, supplies and transportation costs, is already proving that this type of intervention delivers measurable results. Data from Knox Promise, verified by the UT Boyd Center, shows that the persistence rate for students receiving their completion grants was over 20 percent higher than the statewide retention rate at Tennessee’s community colleges. In addition, students receiving such grants were more likely to earn their attempted credit hours than students who didn’t receive them.

We all recognize that Tennessee is in an increasingly-high-stakes competition with other states and countries for business investment and to attain the workforce productivity that drives our state's economy and communities ahead of others. The high opportunity cost for Tennessee of not increasing credential attainment among our community college students just got even higher: the effects of the COVID-19 pandemic are threatening to throttle their momentum through post-secondary study to completion and credentials. With our state now running a recurring revenue surplus estimated at over \$200 million annually, our state should not wait to put in motion targeted innovations of our own. Tennessee can't afford to fall behind.

One state that competes with Tennessee for jobs and business investment is already using this approach to boost persistence and completion for thousands of their students. Georgia State University's Panther Retention Grants program provides "micro-grants" that help students cover modest financial shortfalls and deter them from stopping their studies or dropping out. In 2018, more than 2,000 Georgia State students were brought back to the classroom—and kept on the path to attaining a college degree—through Georgia State's retention-grant program. Since the start of their program six years ago, Georgia State has awarded more than 12,000 retention grants, and more than 86 percent of the students who received them have gone on to graduate, most within two semesters.

If we mean what we say about wanting Tennessee to lead the nation in education and workforce development, and if we are serious about achieving our state's Drive to 55 objectives, we must support interventions that help young Tennesseans overcome real, documented barriers to college completion. Tennesseans expect their leaders to back up what we all say we want for our state by leading the creation of solutions like this one. They expect their elected officials to carefully invest their tax dollars in prudent, low-risk, targeted innovations that are highly likely to effectively address real challenges.

This proposed pilot program builds on a home-grown, proven approach. It's limited in scope and has appropriate accountability measures. In our view, it is a prudent approach that's a strong fit for our business community's workforce-development and fiscal expectations. For those reasons, the Tennessee Business Roundtable supports SB229/HB6, and urges the General Assembly to enact this innovative approach to improving college completion rates and achieving our Drive to 55 objectives.

*Adopted February 2021*