

Overview:

The Tennessee Education Lottery Scholarship (TELS) program, implemented in 2004, is Tennessee's statewide merit aid program. The TELS program provides financial aid to high school graduates on the basis of their ACT scores and high school GPAs.

In light of statewide financial aid programs in Tennessee, like Tennessee Promise, the Tennessee General Assembly is proposing to change the criteria students must meet to be eligible for a TELS award, in an effort to reduce costs to the state. A state legislator has introduced a bill that would increase the minimum ACT score required to earn a TELS award **from a 21 to a 23 or 24**. It is your job, as the Research and Strategy Analyst at THEC, to determine the following:

1. Does this proposal result in a net cost or net savings to the state? How large a cost or savings? Think about savings to *this program* versus savings to *the state*.
2. Who are the "winners" and "losers" as a result of this legislation – what subgroups of students would be impacted the most?

Using the dataset provided for this exercise (Data Task_Feb2023_TELS.xlsx) please follow the guidelines listed below and return your one-page memorandum to Paige Elliott (paige.elliott@tn.gov) **by 8am CST on Friday, February 17th**. Finalists for this position will be asked to present their findings (via Teams) to THEC staff during the week of February 20th or 27th.

Guidelines:

Your one-page summary should be typed, double spaced, in 12-point font. Graphs and tables are permitted (and encouraged) and should be included in an appendix, not in the summary itself – although graphs and tables can be referenced and discussed in the text.

About the TELS program:

- Students receive a TELS award if they earn *either* a 21 on the ACT *or* a 3.0 high school GPA. In this dataset, some students may have a value for only ACT or GPA.
- Please provide your estimate of the cost/savings to the state for *one year*, as we are not providing you with a longitudinal dataset.
- Treat any high school GPA values above 4.0 as 4.0.
- Students receive different scholarship amounts based on the type of scholarship they qualify for, the type of institution in which they enroll, their student level, and whether they are enrolled full- or part-time. The matrix provided on the third tab of the attached dataset displays these award amounts for freshman and sophomores.
- Community colleges in Tennessee are 2-year institutions; all other institution types are 4-year institutions.