



OFFICE OF RESEARCH AND EDUCATION ACCOUNTABILITY

SUPPORTING TENNESSEE VETERANS IN POSTSECONDARY EDUCATION: THE HELPING HEROES GRANT PROGRAM



MAY 2022



LANCE IVERSON
Legislative Research Analyst



JASON E. MUMPOWER
Comptroller of the Treasury

Introduction

In 2008, the General Assembly passed Public Chapter 1142, creating the Helping Heroes Grant program to provide higher education-related financial assistance to Tennessee citizens who are decorated, post 9/11 veterans. The grants, established in *Tennessee Code Annotated* 49-4-938 as part of the state's system of lottery-funded scholarships, are intended to offset the costs of postsecondary education for qualifying veterans.

Helping Heroes Grants are either \$500 per semester for part-time students (enrollment in 6 to 11 semester hours) or \$1,000 per semester for full-time students (enrollment in 12 or more semester hours). Qualifying veterans may use the grants as supplements to other sources of postsecondary financial aid. The Tennessee Student Assistance Corporation (TSAC) administers the Helping Heroes Grant program.

PC 1142 requires the Comptroller's Office to review and study the effectiveness of these grants in educating veterans, beginning in the fifth year of the grant's inception (academic year 2012-13) and every four years thereafter.

This brief represents the Comptroller's third review of Helping Heroes Grants.

Tennessee's lottery-funded grant system

The Tennessee Education Lottery, which began in January 2004, funds several postsecondary scholarships and grants for eligible Tennessee students. Originally, the Tennessee Education Lottery Scholarship Program consisted of three programs: HOPE (including the General Assembly Merit Scholarship and ASPIRE), the Access award, and the Wilder-Naifeh Technical Skills Grant. In subsequent years, the General Assembly has passed legislation authorizing the Tennessee Education Lottery to finance several additional programs. The Helping Heroes Grant program is one of those programs, authorized in 2008.

Methodology

This report focuses on the last four years of Helping Heroes Grant program operation (since the 2017-18 academic year) using data provided by the Tennessee Higher Education Commission (THEC) on the:

- demographic characteristics of Helping Heroes Grant recipients;
- number of credits accumulated by Helping Heroes Grant recipients; and
- Helping Heroes Grant payments received by participating institutions of higher education in Tennessee.

Qualifications for the Helping Heroes Grant

To qualify for a Helping Heroes Grant, a veteran must:

- be a Tennessee citizen and resident of Tennessee for one year immediately preceding the date of application;
- apply or reapply for a Helping Heroes Grant for any semester in which the student enrolls for 6 or more semester hours;
- be admitted to, and enroll in, an eligible postsecondary institution, seeking a certificate or an associate or bachelor's degree;
- be a former member of the armed forces who has received an honorable discharge, or a former or current member of a reserve or a Tennessee National Guard unit who was called into active military service;
- have been awarded:
 - the Iraq Campaign Medal;
 - the Afghanistan Campaign Medal;
 - the Global War on Terrorism Expeditionary Medal, on or after September 11, 2001; or
 - a service expeditionary medal to be specified by rule as the Inherent Resolve Campaign Medal;

- be in compliance with federal drug-free rules and laws for receiving financial assistance;
- not be in default on a federal Title IV educational loan or Tennessee educational loan;
- not owe a refund on a federal Title IV student financial aid program or a Tennessee student financial aid program;
- not be incarcerated; and
- have not yet received a bachelor's degree.

Grant recipients are not required to meet any academic standard at the time of their enrollment to qualify for the grant. Grant recipients may continue to receive the grant as long as they meet the qualifications until one of the following occurs:

- the student earns a bachelor's degree;
- the student receives the grant for the equivalent of eight full semesters (with part-time students accumulating half-semester); or
- the student is no longer maintaining "satisfactory academic progress" as determined by the institution attended.

TSAC rules provide grant recipients a means to appeal a postsecondary institution's decision to deny or revoke a Helping Heroes Grant. Institutions must maintain procedures and review panels and notify applicants and grant awardees about the process and time frame required to appeal. To date, no Helping Heroes Grant awardees or recipients have made any appeals.

Recent changes to the Helping Heroes Grant program

In 2020, Public Chapter 794 created the Financial Aid Simplification for Tennesseans (FAST) Act. Prior to the FAST Act, Helping Heroes Grant recipients were required to pay for a semester of school in advance and then successfully complete at least 6 credit hours before being reimbursed through Helping Heroes funds. Under the FAST Act, recipients receive the Helping Heroes Grant upon enrollment in at least 6 credit hours in a participating college or university.

The FAST Act also applied the "satisfactory academic progress" requirement to students receiving Helping Heroes Grants to maintain their grant eligibility. Satisfactory academic progress is a set of criteria used to determine whether a student can continue to receive financial aid. The U.S. Department of Education has guidelines for defining "satisfactory academic progress" but allows each institution to fully specify the criteria. Generally, standards for satisfactory academic progress include:

- a GPA minimum (e.g., recipients must maintain a 2.0 GPA);
- a course passage requirement for each semester (e.g., at least two-thirds of courses must be passed); and
- a maximum number of credits a student can attempt (e.g., a student can remain eligible only for the first 180 credits attempted toward a bachelor's degree, which typically requires 120 credits).

In 2021, Public Chapter 368 expanded eligibility for the Helping Heroes Grant to include veterans who have been awarded a service expeditionary medal. A new TSAC rule will go before the Government Operations Rule Review committee in 2022 to formally identify and recognize this service expeditionary medal as the Inherent Resolve Campaign Medal. PC 368 also removed the statutory cap of \$750,000 in total Helping Heroes Grant expenditures per year. The 2021 General Appropriations Act (PC 454) allocated \$30,300 in the first year and \$53,400 in all future years starting in fiscal year 2022-23 to fund this expansion of grant eligibility.

Grant amounts and uses

The Helping Heroes Grant is funded through the state's lottery scholarship program and is administered by TSAC. Public Chapter 1142 (2008) originally set a cap of 375 recipients per semester and \$750,000 in total grant expenditures per year. The General Assembly removed the cap on the number of recipients in 2009, and the cap on total annual expenditures was removed in 2021.

TSAC awards Helping Heroes Grants to qualified veterans. Grant awards are either \$500 per semester for part-time students (enrollment in 6 to 11 semester hours) or \$1,000 per semester for full-time students (enrollment in 12 or more semester hours). A student must continue to meet the Helping Heroes Grant requirements and reapply to TSAC each academic year to retain the grant. Grant recipients can use the funding to pay for tuition, fees, books, on-campus housing, and any expense that is considered part of the total cost of attending the higher education institution. Helping Heroes Grants can be used for remedial and developmental courses as well as distance education courses.

A student's Helping Heroes Grant will be reduced by the receipt of other financial aid sources only if the student's total aid exceeds the total cost of attendance at an eligible postsecondary institution. For example, if a student's total cost of attendance during a semester was \$4,568 and the student received \$4,600 in financial aid, of which \$1,000 was a Helping Heroes Grant, the \$32 difference would be deducted from the Helping Heroes Grant.

Most Helping Heroes Grant recipients attend locally governed institutions, which received \$1.23 million in grant funds between 2017 and 2021. Community colleges received \$393,024 during the same period, and the University of Tennessee System received \$213,000.^A

Exhibit 1: Most Helping Heroes funding was received by locally governed institutions

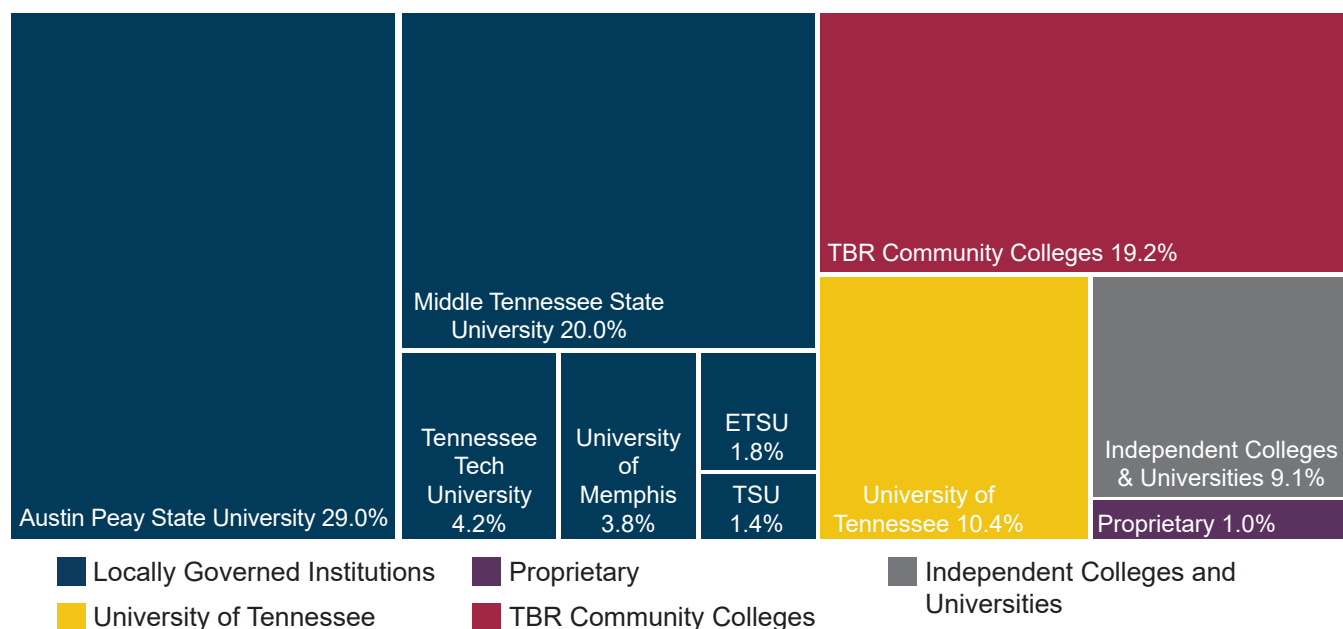
FY 2017-18 through FY 2020-21	
College/university system	Funds received
Locally governed institutions	\$1,230,000
TBR community colleges	\$393,024
University of Tennessee System	\$213,000
Independent colleges and universities	\$185,500
Proprietary institutions	\$21,000
Total	\$2,042,524

Source: Tennessee Higher Education Commission.

Austin Peay State University enrolled the most Helping Heroes Grant recipients between 2017 and 2021, receiving \$591,500 in grant funds. Middle Tennessee State University received the second highest amount of Helping Heroes Grant funds at \$409,500, followed by the University of Tennessee – Knoxville with \$160,000. Pellissippi State Community College received \$111,000 for its Helping Heroes students, the most of any community college.

^A See Appendix B for a list of Helping Heroes Grant awards by institution.

Exhibit 2: Approximately half of Helping Heroes funding was used at Austin Peay State University and Middle Tennessee State University



Notes: (1) Percentages displayed for individual locally governed institutions represent their percentage shares of total Helping Heroes Grants expenditures. (2) TBR refers to Tennessee Board of Regents; ETSU, East Tennessee State University; and TSU, Tennessee State University.

Source: Tennessee Higher Education Commission.

Demographics of Helping Heroes Grant recipients

The demographic makeup of Helping Heroes Grant recipients tracks with broader state and military demographics.

Each academic year from 2017 to 2021, the Helping Heroes Grant program awarded between 83 and 89 percent of grants to men and between 11 and 17 percent to women. In 2020, the gender balance of the total Department of Defense military force of 2,129,777 people was 18.7 percent female and 81.3 percent male.

In 2020-21, almost three-quarters of Helping Heroes Grant recipients (72 percent) were White. Fifteen percent of recipients were African American and 8 percent were Hispanic. This distribution almost exactly matches the racial demographics of Tennessee.

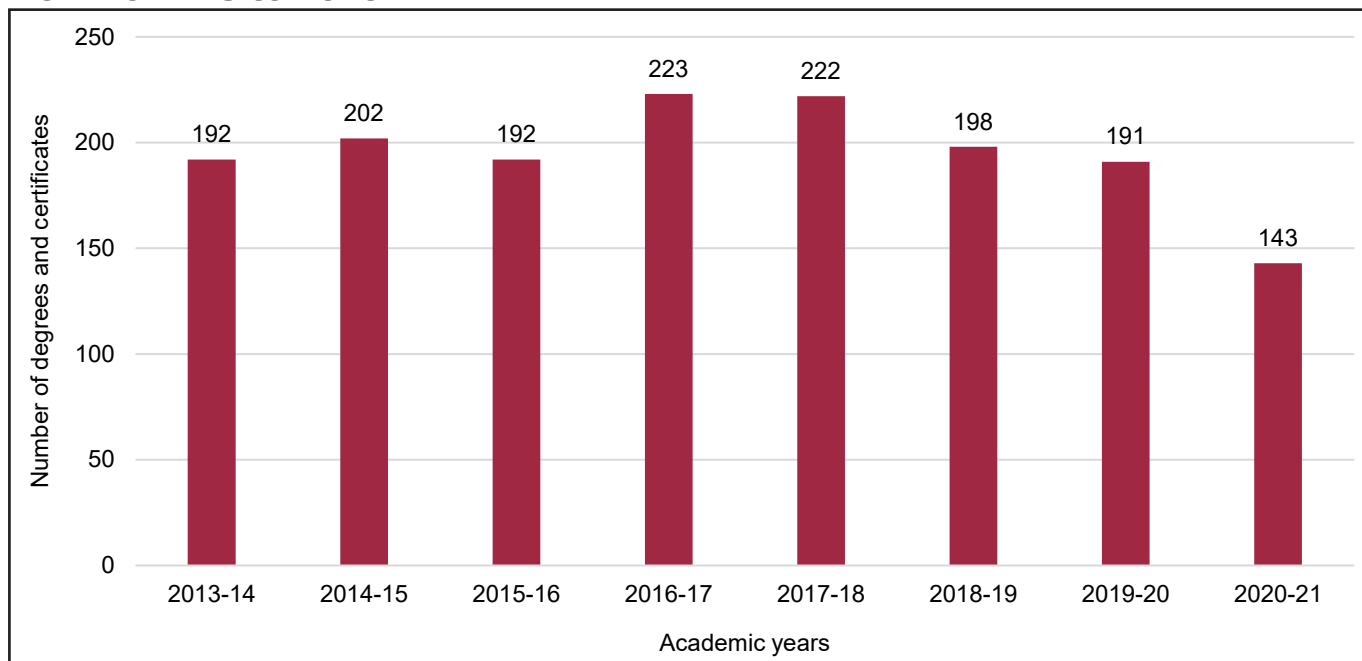
Conclusion

The number of Helping Heroes Grant recipients completing bachelor's degrees, associate degrees, and certificates has decreased since 2017 correlating with a general decrease in program participation.

From academic years 2013-14 through 2019-20, Helping Heroes Grant recipients consistently completed over 190 associate degrees, bachelor's degrees, and certificates annually. In academic years 2016-17 and 2017-18, the number of such awards completed was 223 and 222, respectively. In 2020-21, however, the number of awards had dropped to 143, a reduction of almost 36 percent from four years earlier.^B

^B Completion rates declined slightly at two-year institutions and held steady at four-year institutions between 2017 and 2021. The rate of completion for recipients who attended a two-year institution declined from 50.2 percent to 44.6 percent. For those who attended a four-year institution, the rate of completion held steady at around 83 percent over the time period.

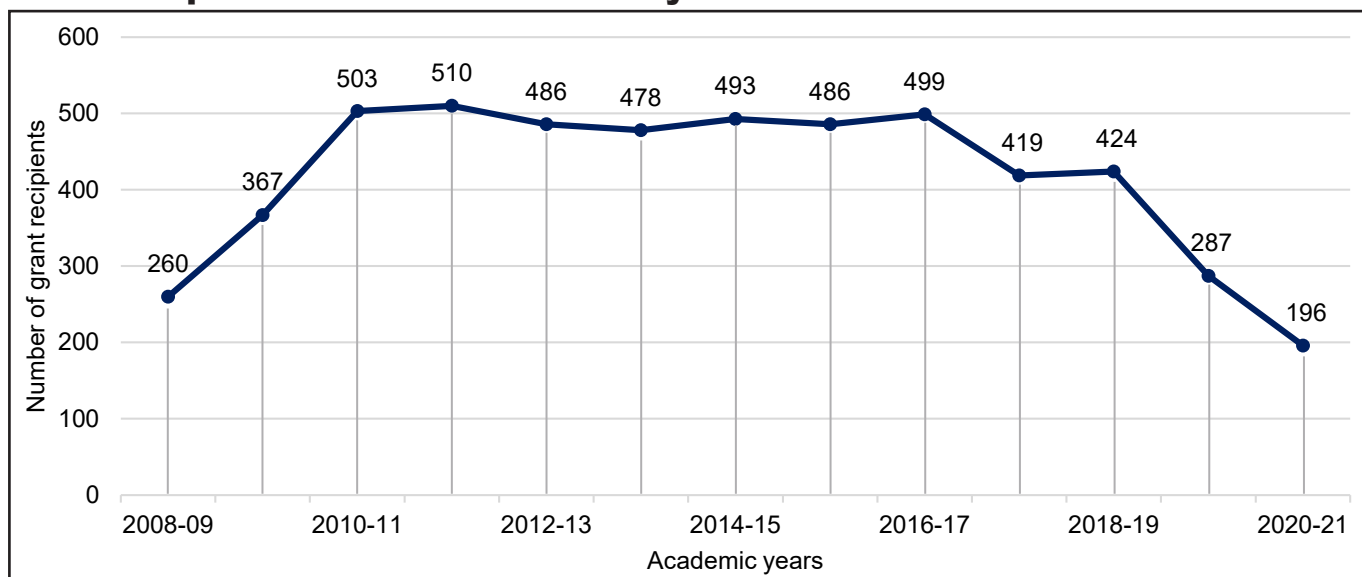
Exhibit 3: Among Helping Heroes Grant recipients, the number of bachelor's degrees, associate degrees, and certificates decreased by more than a third from 2017-18 to 2020-21



Source: Tennessee Higher Education Commission.

The decrease in awards is attributable to a general decrease in participation in the program since 2017. Since the 2018-19 academic year, the number of recipients has declined annually.

Exhibit 4: Since the 2018-19 academic year, the number of Helping Heroes Grant recipients has declined annually



Note: The total number of unique grant recipients since the inception of the Helping Heroes program is 5,408.

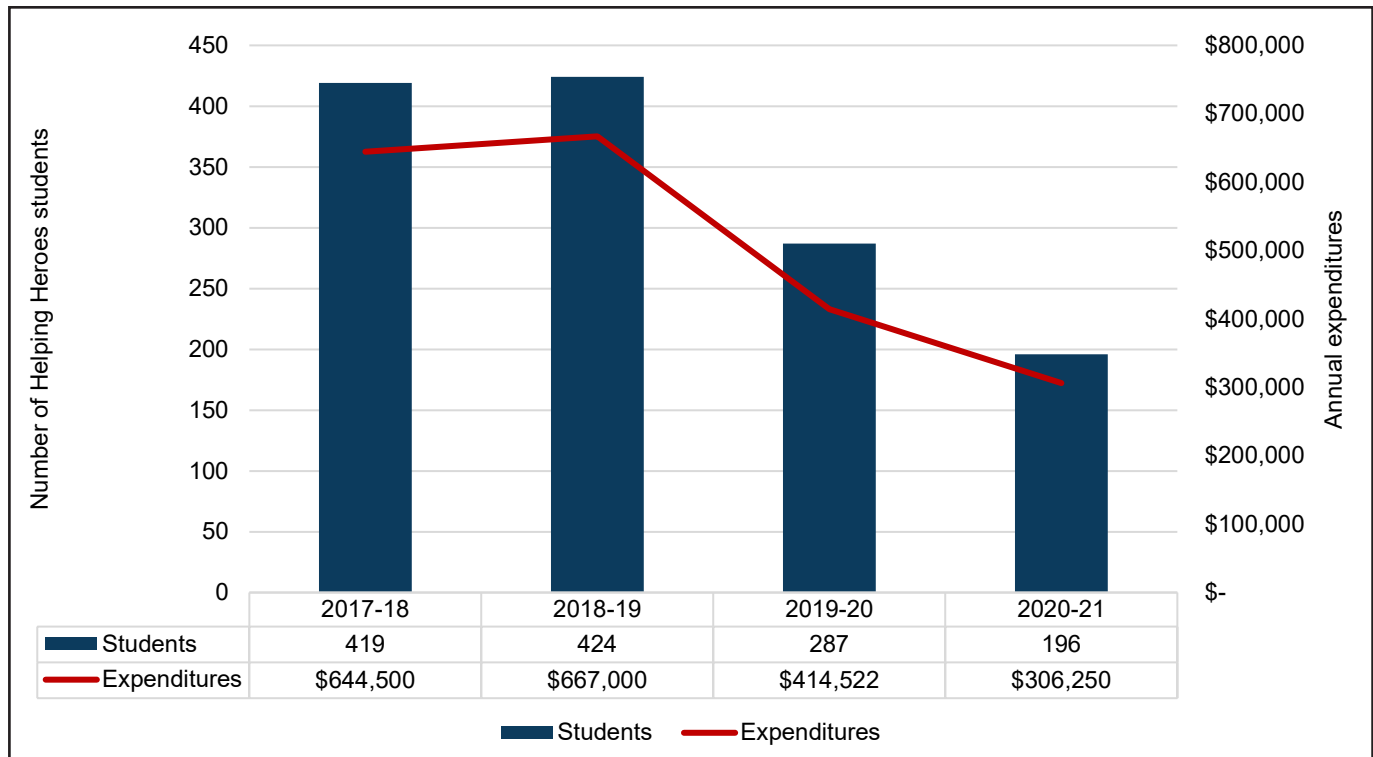
Source: Tennessee Student Assistance Corporation Board Report.

There were 499 grant recipients in academic year 2016-17 compared to 196 for 2020-21, a decrease of almost 61 percent over four years.

Reasons for the decrease include a reduction in qualified recipients (i.e., fewer individuals meet the military requirements) and the effects of the COVID-19 pandemic over the past two academic years (e.g., potential students may have not enrolled due to health concerns or work responsibilities).

Between academic years 2011-12 and 2016-17, Helping Heroes Grants averaged \$761,748 in annual expenditures and served an average of 492 students per year. The amount of annual expenditures was in general alignment with the budget for these grants. The program had a budget of \$780,300 in 2021, of which \$30,300 was included in the 2021 Appropriations Act for the expansion to include service expeditionary medal recipients.^C Between 2018 and 2021, however, the average annual expenditures were \$508,068, with an average of 332 students per year.^D

Exhibit 5: In the Helping Heroes Grant program, the number of participating students and the amount of grant expenditures have both declined since 2018-19



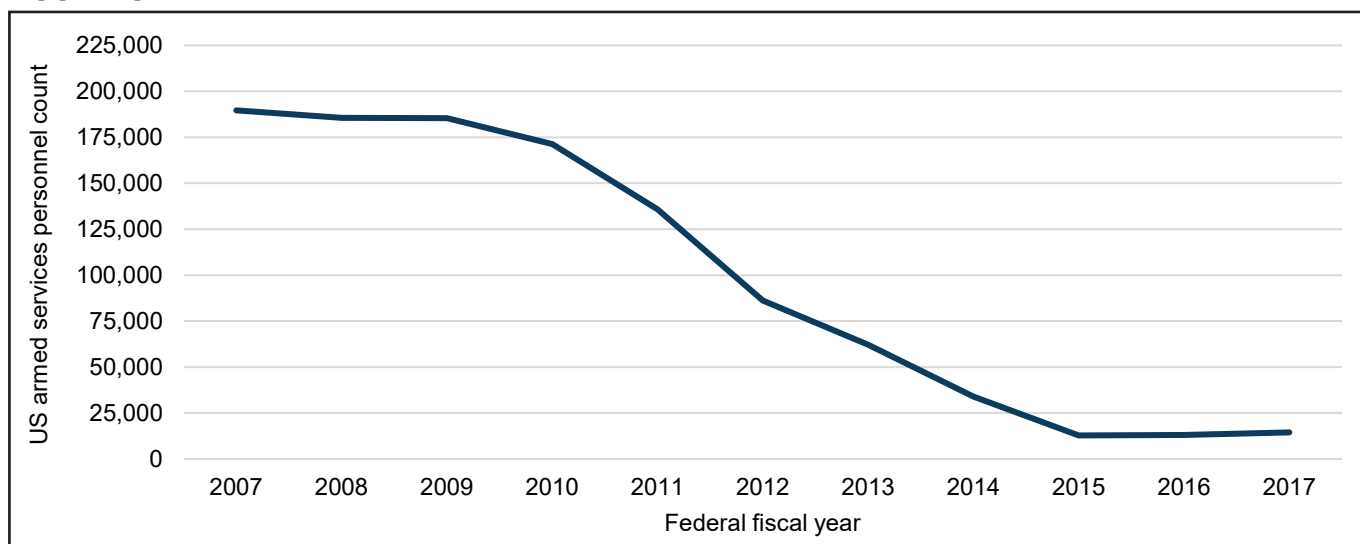
Source: Tennessee Student Assistance Corporation Board Report.

Twenty years removed from 9/11 and over a decade since peak levels of members of the armed services in the combat theaters of the Middle East, there are fewer qualifying veterans in the pool for potential grants. With fewer service members engaged in qualifying military activities, the number of Helping Heroes Grants has decreased.

^C See page 3 for more information on the 2021 Helping Heroes program expansion.

^D Between 2014 and 2017, the amount of Helping Heroes Grants awarded to veterans was \$2,998,904. However, over an equal number of years (FY 2018 – FY 2021), the total amount of Helping Heroes expenditures was \$2,032,272, a reduction of 32 percent compared to the prior four-year period. This reduction is in line with the decrease in students served over the period.

Exhibit 6: Reduction of U.S. Armed Forces in Afghanistan, Iraq, and Syria | 2007-2017



Notes: The federal fiscal year is October 1 through September 30. Data for U.S. Armed Forces not available after FY 2017.

Source: Congressional Research Service, February 22, 2021.

In 2021, the program's qualifications were broadened by the General Assembly to include veterans who have been awarded a service expeditionary medal. The General Assembly included \$53,400 of recurring money to finance this expansion.

Policy Options

The General Assembly may wish to consider increasing grant amounts for Helping Heroes Grant recipients or reducing the annual amount budgeted for the grants.

In 2021, \$306,250 in Helping Heroes grants were awarded out of a total budget of \$803,400.^E Grant amounts could be increased slightly or more substantially. For example, assuming the number of recipients holds steady, the grant could be increased by 2.5 times and remain within the budget. (See Exhibit 7.) This change assumes increased grant amounts would not result in a higher participation rate.

Exhibit 7: Helping Heroes Grant amounts could be increased and remain within the budget for the program

Current grant value policy \$500 for part-time student; \$1,000 for full-time		Potential grant value policy \$1,250 for part-time student; \$2,500 for full-time	
	Budget impact		Budget impact
FY 2022-23 budget	\$803,400	FY 2022-23 budget	\$803,400
Estimated expenditures at current grant amount [^]	(\$306,250)	Estimated expenditures at 2.5 times the current grant amount [^]	(\$765,625)
Estimated unspent funds	\$497,150	Estimated unspent funds	\$37,775

Note: [^]Estimated expenditures based on FY 2021.

Source: OREA analysis.

^E Although the statutory cap on expenditures was removed by PC 368 (2021), as detailed on page 3 of this report, this report uses \$803,400 as the "budget" for the Helping Heroes program. This amount is calculated based on the \$750,000 from PC 1142 (2008) and the \$53,400 from PC 368 (2021) that was specifically appropriated from Tennessee Lottery for Education Account recurring funds to be spent on Helping Heroes Grants.

The 2022 General Assembly considered bills increasing other Lottery for Education Account scholarship values, including the HOPE scholarship and Middle College Scholarship. An increase in the Helping Heroes Grant amount would correlate with these broader considerations. If this policy change were adopted, grant values would increase as detailed in Exhibit 8.

Exhibit 8: Helping Heroes Grants at the current value and raised by 2.5 times in value

Per semester scholarship description	Current grant	Increased 2.5 times
1/2 grant for a part-time student	\$500	\$1,250
Full grant for a full-time student	\$1,000	\$2,500

Source: OREA analysis.

Alternatively, the General Assembly could reduce the annual amount budgeted for the grants and authorize the transfer of funding made available by the reduced Helping Heroes Grants budget to other lottery-funded programs or the Tennessee Promise endowment.

The General Assembly may wish to consider authorizing Helping Heroes Grants for use at Tennessee Colleges of Applied Technology (TCATs).

Tennessee law presently does not allow for use of Helping Heroes Grants at TCATs. Allowing this grant to be expended on education at TCATs could allow for additional use of this grant by qualifying veterans.

The General Assembly may wish to encourage greater public awareness of Helping Heroes Grants.

More public outreach may lead to increased use of Helping Heroes Grants by qualifying veterans of the armed forces.

Appendix A: Helping Heroes Grant recipients' top 10 majors from 2017-2020 | by number and percent of students

Liberal Arts and Sciences was the most popular major for Helping Heroes Grant recipients from 2017-2020

Cohort year	Top 10 majors (including ties)	Students	Percent
2017 cohort	Liberal Arts & Sciences	48	21.62%
	Business Management & Administrative Services	29	13.06%
	Engineering	28	12.61%
	Health Professions & Related Services	17	7.66%
	Computer & Information Services	15	6.76%
	Protective Services & Public Affairs	14	6.31%
	Biological Sciences/Life Sciences	11	4.95%
	Social Sciences	10	4.50%
	Trades & Industrial	9	4.05%
	Physical Sciences	8	3.60%
2018 cohort	Liberal Arts & Sciences	33	16.67%
	Business Management & Administrative Services	31	15.66%
	Engineering	29	14.65%
	Health Professions & Related Services	14	7.07%
	Computer & Information Services	12	6.06%
	Protective Services & Public Affairs	11	5.56%
	Parks, Recreation, Leisure, & Fitness Studies	11	5.56%
	Social Sciences	10	5.05%
	Agriculture	9	4.55%
	Trades & Industrial	7	3.54%
2019 cohort	Liberal Arts & Sciences	39	20.42%
	Engineering	31	16.23%
	Business Management & Administrative Services	23	12.04%
	Health Professions & Related Services	22	11.52%
	Protective Services & Public Affairs	17	8.90%
	Trades & Industrial	11	5.76%
	Computer & Information Services	11	5.76%
	Parks, Recreation, Leisure, & Fitness Studies	9	4.71%
	Social Sciences	6	3.14%
	Agriculture	6	3.14%
2020 cohort	Liberal Arts & Sciences	41	28.67%
	Engineering	19	13.29%
	Business Management & Administrative Services	14	9.79%
	Health Professions & Related Services	12	8.39%
	Computer & Information Sciences	11	7.69%
	Protective Services & Public Affairs	8	5.59%
	Parks, Recreation, Leisure, & Fitness Studies	8	5.59%
	Social Sciences	5	3.50%
	Physical Sciences	5	3.50%
	Trades & Industrial	4	2.80%
	Biological Sciences/Life Sciences	4	2.80%
	Multi/Interdisciplinary Studies	4	2.80%

Note: Cohorts are defined as the first term in which the student receives the Helping Heroes Grant (e.g., students who enrolled in summer 2017, fall 2018, and spring 2018 are included in the 2017 cohort). Data reflects majors declared during the first term students received the Helping Heroes Grant.

Source: Tennessee Higher Education Commission.

Appendix B: Helping Heroes Grant awards by institution and academic year

	2017-18		2018-19		2019-20		2020-21	
<i>Independent/Four-year</i>	<i>Students</i>	<i>Grant Total</i>	<i>Students</i>	<i>Grant Total</i>	<i>Students</i>	<i>Grant Total</i>	<i>Students</i>	<i>Grant Total</i>
Belmont University	21	\$33,500	11	\$20,000	3	\$3,000	3	\$5,000
Bethel University	17	\$25,500	7	\$10,000	5	\$7,000	-	-
Bryan College	-	-	-	-	1	\$500	-	-
Carson Newman University	1	\$2,000	-	-	-	-	-	-
Christian Brothers University	4	\$8,000	2	\$2,000	-	-	-	-
Johnson University	1	\$1,000	-	-	1	\$2,000	1	\$2,000
King University	1	\$2,000	-	-	-	-	1	\$2,000
Lee University	1	\$500					1	\$1,000
Lincoln Memorial University	1	\$2,000	2	\$3,000	1	\$1,000	-	-
Lipscomb University	-	-	1	\$1,000	3	\$5,000	3	\$4,500
Martin Methodist College	-	-	-	-	1	\$2,000	1	\$1,000
Maryville College	7	\$10,500	3	\$5,000	-	-	-	-
Tennessee Wesleyan University	1	\$1,000	-	-	-	-	-	-
Trevecca Nazarene University	2	\$2,000	1	\$1,000	-	-	-	-
Tusculum College	2	\$2,500	3	\$5,000	3	\$4,000	-	-
Watkins Institute College of Art & Design	1	\$2,000	1	\$2,000	-	-	-	-
Subtotal	60	\$92,500	31	\$50,000	18	\$24,500	10	\$15,500
<i>Independent/Two-year</i>								
John A. Guppton College	-	-	-	-	-	-	-	-
<i>Proprietary Institutions</i>								
South College	2	\$4,000	3	\$3,000	5	\$9,000	3	\$4,000
Total – Private Institutions	62	\$96,500	34	\$53,000	23	\$33,500	13	\$19,500
<i>UT System</i>								
UT Chattanooga	11	\$14,000	7	\$11,500	3	\$3,500	2	\$3,000
UT Knoxville	31	\$52,000	31	\$53,500	20	\$26,500	16	\$30,000
UT Martin	3	\$6,000	4	\$7,000	4	\$7,000	1	\$1,000
Subtotal	45	\$72,000	42	\$72,000	27	\$37,000	19	\$34,000
<i>LGI's</i>								
Austin Peay State University	99	\$155,000	117	\$182,000	89	\$130,000	86	\$125,250
East Tennessee State University	6	\$8,500	12	\$18,500	3	\$4,500	2	\$4,000
Middle Tennessee State University	94	\$149,500	89	\$140,000	43	\$64,500	29	\$47,000
Tennessee State University	4	\$7,500	7	\$10,500	4	\$7,500	2	\$3,000
Tennessee Technological University	15	\$20,500	16	\$26,000	14	\$25,500	7	\$13,000
University of Memphis	18	\$27,000	14	\$20,500	12	\$20,500	4	\$6,500
Subtotal	236	\$368,000	255	\$397,500	165	\$252,500	130	\$198,750

	2017-18		2018-19		2019-20		2020-21	
<i>TBR/Two-year</i>	<i>Students</i>	<i>Grant Total</i>	<i>Students</i>	<i>Grant Total</i>	<i>Students</i>	<i>Grant Total</i>	<i>Students</i>	<i>Grant Total</i>
Chattanooga State	3	\$5,500	2	\$2,500	1	\$1,000	1	\$2,000
Cleveland State	1	\$1,000	1	\$2,000	2	\$3,000	-	-
Columbia State	1	\$1,500	1	\$1,000	-	-	-	-
Jackson State	2	\$2,000	4	\$6,500	-	-	-	-
Motlow State	3	\$3,000	4	\$7,000	7	\$8,500	1	\$2,000
Nashville State	10	\$13,500	22	\$32,500	17	\$21,500	3	\$3,500
Northeast State	11	\$13,500	15	\$24,000	14	\$17,000	7	\$13,000
Pellissippi State	28	\$40,000	24	\$33,500	15	\$21,000	13	\$16,500
Roane State	6	\$9,000	6	\$9,500	4	\$4,500	2	\$3,000
Southwest TN	3	\$3,500	4	\$5,000	5	\$4,500	4	\$5,500
Volunteer State	9	\$13,500	9	\$15,000	6	\$8,500	4	\$7,000
Walters State	2	\$2,000	4	\$6,000	2	\$2,000	2	\$1,500
Subtotal	79	\$108,000	96	\$144,500	73	\$91,500	37	\$54,000
Total – Public Institutions	360	\$548,000	393	\$614,000	265	\$381,022	186	\$286,750
Grand Total – All TN Institutions	419	\$644,500	424	\$667,000	287	\$414,522	196	\$306,250

Notes: (1) As of July 1, 2021, Martin Methodist College is now the University of Tennessee – Southern.

(2) As of December 9, 2020, Watkins College of Art is now the Watkins College of Art at Belmont University.

(3) All totals represent a distinct count of students and are not always a sum of the number in the section. Students can attend multiple institutions throughout an academic year, but these students are only counted once in the “Grand Total – All Institutions” number.

Source: Tennessee Student Assistance Corporation Board Report.

Office of Research and Education Accountability Staff

Director

◆ Russell Moore

Assistant Director

◆ Linda Wesson

Principal Legislative Research Analysts

◆ Kim Potts

Lauren Spires

Associate Legislative Research Analysts

Erin Brown

◆ Lance Iverson

◆ Anna Johnson

◆ Dana Spoonmore

Cassie Stinson

Jaymi Thibault

Publication Specialist

◆ Paige Donaldson

Program Coordinator

◆ Caitlin Kaufman

◆ Indicates staff who assisted with this project



Office of Research and Education Accountability

Russell Moore | *Director*
425 Rep. John Lewis Way N.
Nashville, Tennessee 37243
615.401.7866
www.comptroller.tn.gov/OREA/