

# TICUA Policy Update

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April 25, 2008

## House and Senate Await Answers From State Funding Board

Both the House and Senate have delayed action on bills impacting the Tennessee Education Lottery Scholarship programs until the State Funding Board comes out with its new revenue projections. The Board will meet on Tuesday, April 29, to receive data and then again on May 1<sup>st</sup> to provide revenue projections. Currently, the Senate has the lottery bills in the Finance, Ways, and Means Committee and the House is holding its bills in Education.

Action was taken, however, in House Education on bills that impact the now estimated \$480 million lottery reserve. The Helping Heroes Act, scholarship aid to assist US Afghan and Iraqi war veterans, passed onto House Finance as did the K-12 Energy Efficient Schools Initiative.

The bill to set aside \$200 million for the State's need-based aid program was amended to provide \$10 million for immediate expenditure and set aside \$190 million for the endowment. This was done to address the projected shortfall for this next year's recipients. It is hoped that the endowment earnings will begin to replace these funds in the 2009/2010 award cycle. Due to the amendment the bill was rolled for one week.

## THEC Passes Resolution to Keep Public Tuition Increases Below 10%

The Tennessee Higher Education Commission met yesterday and passed a resolution encouraging the public universities to keep their upcoming tuition increases below double digits. The Commission heard bleak testimony concerning the State's economic forecast but still encouraged the campuses to minimize their tuition increases. It was noted that if Governor Bredesen asks the higher education community to cut their budgets, the tuition increase resolution would have to be reconsidered. Normally public college and university tuition rates are set after the appropriation bill is passed by the General Assembly.

## Proprietary School Bill Amended in House Education

The House Education Committee amended Rep. Gary Odom's bill placing the reporting waiver back in the text. TICUA had objected to the removal of the waiver. As amended, TICUA members fall under the reporting waiver provision due largely to their regional accreditation status. The bill will be considered by the Committee this next week.