

***TICUA Policy Update***  
***May 10, 2007***

***Senate Education Approves Lottery Bill***

This past Tuesday the Senate Education Committee passed a lottery omnibus bill which will now be reviewed by the Senate Finance, Ways, and Means Committee. Some of the bill provisions include increasing the four-year amount to \$4,000, increasing the need-based supplement AGI requirement from \$36,000 to \$45,000, providing a \$1,000 supplement for students completing the Tennessee Scholars high school curriculum, increasing the dual enrollment grant to cover five courses, providing more lax requirements for non-traditional student eligibility, and increasing the two year residential campus award to \$4,000. The administrative concerns, such as eliminating the TELS GPA and adjusting the eligibility benchmarks, are being recommended to a study committee.

The full House Education Committee began their review of the lottery bills this week. Currently Chairman Les Winningham is attempting to roll all concerns into a very complex omnibus bill. Very few bills were taken off notice as a result of the Committee's work. Even the Committee members will not understand the impact of their decisions until the amendments are drafted for next week's Committee meeting.

***Lottery Revenue Projections Increased***

The Tennessee Lottery Corporation released a new estimate for the TELS programs this past week. The initial projection for additional recurring funds was \$33 million. The revised number increased to \$37 million. This means that the General Assembly can safely make improvements to the TELS in the amount of \$37 million before dipping into any reserve or excess funds. Responding to the revision, Senate Education Chair Jamie Woodson called for caution not wanting to spend the full amount but to leave room for further refinements in future years.

***TSAA Proposal Moving Ahead***

TICUA's proposal to use some of the excess lottery funds to supplement the Tennessee Student Assistance Award is moving in both the Senate and House. The Senate's lottery omnibus bill includes a provision to set aside \$200 million to use the interest income to supplement TSAA. The provision also reads that the account balance should remain at that level, basically providing an endowment-like income stream for the program.

Representative Tommie Brown has introduced a bill on the House side which calls for all interest income from lottery proceeds to be dedicated to supplementing the TSAA. The bill passed the House Subcommittee on Local Government this week and will now be referred to the full State and Local Government Committee.

## ***TBC Bill Headed for Governor's Desk***

Legislation drafted by TICUA and the Tennessee Department of Commerce and Insurance to redefine what constitutes a multiple employer welfare association is on its way to Governor Bredesen's desk for approval. The legislation changes the definition from 10 or more employers of like industry to two or more employers of like industry with at least 500 covered lives. This new definition provides greater flexibility for the TICUA Benefit Consortium (TBC) and creates a better fiscal indicator for the viability of such an agreement. The Governor is expected to sign the legislation.

The 2007-2008 premium rate increase for members of TBC was 2%. Over 800 employees of TICA member institutions currently receive healthcare benefits through the collaborative.