

TICUA Policy Update

April 10, 2008

House Considers Increasing Private College Reporting Requirements

Rep. Gary Odom introduced a series of bills to increase the consumer protection related to the State's proprietary institutions. However, one of the bills was amended which resulted in placing a series of reporting requirements on TICUA members. The day Rep. Odom was to have his bills heard by the House Education Special Initiatives Committee, Rep. Les Winningham changed the language of an amendment which eliminated a waiver option related to the reporting requirements. The elimination of the waiver resulted in mandating graduation and placement reporting by non-profit and public colleges and universities. TICUA immediately entered into negotiations with Odom and Winningham. Both Representatives agreed to work with TICUA toward a solution in the days to come.

Senate Passes Measures on Lottery Excess Reserve

The Senate Education Committee dealt with the many proposals that would spend down the excess reserve funds of the lottery scholarship programs. Proposals to set aside \$200 million as an endowment for the Tennessee Student Assistance Award and \$25 million for the "Helping Heroes Act" unanimously passed onto the Senate Finance, Ways, and Means (FWM) Committee. The "Helping Heroes Act" provides scholarship funds for honorably discharged veterans of the War on Terror, Afghanistan, and Iraqi conflicts.

The "Tennessee Back to Class Act" also passed out of Committee and would provide incentive scholarship aid to those who have 90 or more hours toward a bachelor's degree but have failed to graduate. The program would provide up to \$5,000 in assistance to encourage them to return to college and complete their degree. The bill's future is much less certain in the FWM Committee.

The one scholarship bill that failed to pass out of Committee is the "Tennessee Rural Health Act of 2008." The bill failed to move out on a vote of 4 in favor, 2 against, and 3 abstentions. The Act would have provided robust aid to students studying the health fields and are willing to work in underserved areas upon graduation. Although the vote did not kill the bill, its future is bleak.

The House has delayed consideration on all lottery bills for yet another week.

\$10 million Shortfall Looms Over TSAA

Last year the General Assembly appropriated a one-time \$10 million addition to the Tennessee Student Assistance Award in anticipation of the creation of a \$200 million endowment for the need-based aid program. The \$10 million supplemental appropriation passed but the endowment

did not. Consequently, if the program fails to receive another one-time appropriation of \$10 million there will be shortfall for the grant aid program in 2008-09. Provided the endowment measure passes this Session, it will begin to replace the nonrecurring appropriation for awards to be made in 2009-10. TICUA sent out an email notice to the Chairs of the Education and FWM committees making them aware of the potential loss of funding. In light of the current deficit revenue projections and the demands on the lottery excess reserve funds, it will be difficult to garner support for the additional aid for this year.