

TICUA Policy Update

April 30, 2010

Legislature Considering Governor's Budget

The Governor has submitted his budget to the legislature, but neither the House nor the Senate has acted upon it. The Senate Finance, Ways and Means Committee heard from Dave Goetz, Commissioner of the Department of Finance and Administration, during their meeting this week. Goetz stated that reduced tax revenues have resulted in a \$100M shortfall to this year's budget. The Governor's proposed budget has reductions equal to 21% in most areas (6-9% for higher education), while holding K-12 education, prisons and some other services harmless. K-12 enrollment growth is down, reducing some of the funding pressure. The Governor's budget includes removing the single article tax cap as a proposed solution to the difference between revenues and expenses. The Republican leaders do not favor this solution and they will be meeting this weekend to examine alternatives to make up for the declining revenues.

April tax revenues, however, appear to be exceeding previous projections. Legislators are anxious to hear the final numbers of the April performance from the State Funding Board. If these new figures are as optimistic as hoped, it could positively change the debate and result in a budget compromise sooner than later.

THEC Moves Forward on Implementing CCTA2010

The Tennessee Higher Education Commission has established a series of sub-committees to work toward implementing the recently passed Complete College Tennessee Act of 2010. Over 130 different individuals ranging from legislators to campus faculty are working on a successful implementation. The primary committees under the umbrella The Master Plan Steering Committee include the Academic Affairs, Formula Review, Performance Funding and the Adult Advisory Sub Group. Each of these committees has met numerous times over the past few weeks and it is anticipated that a final Master Plan will be submitted to the Commission for review at their July meeting.

Follow the progress of the committee work at http://www.state.tn.us/thec/complete_college_tn/complete_college_tn.html

Lottery Stabilization Task Force Has Yet to Meet

On March 26, 2010 Lt. Governor Ron Ramsey appointed a Lottery Stabilization Task Force to bring forth a recommendation on how lower the cost of the lottery scholarship program so that it better aligns with ticket sales revenue projections. It has been assumed that the House Speaker Kent Williams would take similar action but he has yet to do so. Consequently, the Task Force has not met. It is anticipated that the legislature will dip into the lottery reserves to keep the 2010-11 academic year scholarships at the current level. This would give time for the Task Force to engage in careful deliberation on how to best

cut the program expenditures. Once the state's budget is passed it is expected the work of the Task Force will begin and continue into the fall months.