

***TICUA Policy Update***  
***March 29, 2007***

***Senate Education Approves Select Higher Education Budgets***

This week the Senate Education Committee approved the operation budgets for the Tennessee Higher Education Commission, University of Tennessee, and the Tennessee Board of Regents. The Tennessee Student Assistance Corporation's budget was deferred until next week to coincide more closely with presentations concerning the lottery scholarship programs. Chairperson Woodson indicated that the committee will begin reviewing the lottery bills within the next couple of weeks.

During the hearing, Dr. Richard Rhoda, executive director of THEC, observed that the student population of the public higher education system grew by 2% in 2006-07, requiring an unrestricted budget of \$2.4 billion and \$800 million in restricted funding. The Committee approved 2007-08 budgets reflect taxpayer support of \$1.6 billion.

***TBC Bills Move Slowly in the House***

House Bill 2081, which exempts the TICUA Benefits Consortium (TBC) from premium taxes, was stalled in the House Industrial Impact Committee because of member's hesitancy to allow a refund on previously paid taxes. House bill sponsor Rep. Mark Maddox agreed to amend the bill by removing the refund but keeping the exemption from this point forward, however the committee failed to take action. The bill has been rolled for two weeks. The Senate version of the bill has been referred to the Senate Finance, Ways, and Means Committee.

House Bill 2082, which redefines the composition of a self-funded pool and exempts the TBC from mandated benefits, was amended to remove the latter provision. The House subcommittee adopted the amendment. Current procedural rules will not allow the bill to be considered until the week of April 9, 2007. The Senate version of this bill was approved by the full Senate on March 19, 2007.

***ECD Commissioner Calls for Better Educated Workforce***

Tennessee's Economic and Community Development Commissioner Matt Kisber testified before the House Education Committee calling for a better educated workforce in order for Tennessee to remain competitive in a global market. Kisber observed that new jobs are requiring more complex skills and higher education. "There are very few jobs available that don't require at least two years beyond high school," stated Kisber.

Kisber noted that those counties that do not have a university or college in its service area regularly fail to see the connection between economic development and higher education. He went on to encourage lively dialogue between college campuses and regional companies.