

# TICUA Policy Update

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January 22, 2010

## Legislature Passes Higher Education Reform

The Tennessee General Assembly passed Governor Phil Bredesen's higher education reform package during the final hours of the Special Session. The Complete College Tennessee Act of 2010 is largely based on a study completed by Stan Jones, founder of Complete College America and funded by the Gates and Lumina Foundations. Here are some of the key features of the new law:

- Makes significant changes to how public higher education develops its master plan. Universities must address the state's economic and development strategies in their goals and objectives. The state's funding formula will be recalibrated to focus on course completion and degree production rather than enrollment counts. An emphasis will be put upon the development of discreet mission statements for each public institution for higher education and producing degrees consistent with those statements. THEC will then be responsible for developing policies and formulae for fair and equitable distribution of funds consistent with these goals and plans.
- Tennessee's community colleges will be treated as a system. Rather than thirteen independent institutions, the state will immediately begin to develop uniformity among the community colleges.
- The Act creates a "university tract" in the community college curriculum. The tract will provide 41 hours of general education courses and 19 hours of pre-major specific courses. Whether or not a student completes all or portions of the tract, the courses will be transferred with equivalence to the public universities.
- If a student completes an AA or AS at a public community college they will be able to transfer to a public university with junior status.
- Instructs the public sector to complete the current work of developing a common course numbering system between the community colleges and the public universities.
- Creates an option for community college students who intend to pursue a four year degree and meet the university admission standards to be simultaneously enrolled at the community college and a four-year university.
- Requires that all remedial and developmental work be completed at the community colleges.

## **Uniform Prudent Management of Institutional Funds Act (UPMIFA)**

In 2007 the Tennessee General Assembly passed the Uniform Prudent Management of Institutional Funds Act (UPMIFA). One key aspect of the Act was to provide allowances for non-profits to utilize donor directed funds that, due to the restrictions, have not been able to be utilized for more than 20 years and has a value of less than \$25,000. Since then, however, other States have passed similar laws but with more generous provisions. In light of the recent economic challenges non-profits face and with the recent actions of many other states, it seems reasonable to realign Tennessee's UPMIFA law to provide greater latitude for the use of funds.

TICUA is working with Senator Doug Overby and Representative Craig Fitzhugh to amend the statute. The amendment would increase the value of the restricted fund to \$150,000 with an automatic provision to increase the amount annually by \$5,000. This would allow TICUA members greater discretion with their restricted endowment funds.

## **Data Liability**

TICUA is working with Senate Education Chair Dolores Gresham and Representative Beth Harwell to pass legislation that would legally protect private colleges and universities from lawsuits related to data loss by the state. TICUA members are currently required to submit to THEC student unit record data on those receiving the lottery scholarship. Currently, if the data are lost or misused by the state of Tennessee the affected students may not sue the state because of sovereign immunity but may have recourse with the member college or university. This bill would offer legal protection of the private colleges once the data are successfully transmitted to the state.

## **TICUA Seeks to Provide Members Access to State Negotiated Contracts**

Senator Ken Yager and Representative Jim Cobb have sponsored legislation that will enable the members of TICUA to have access to all state negotiated contracts. This would provide private colleges and universities yet another purchasing option. Currently, TICUA members are offered deep discounts on contracts negotiated through the TICUA Procurement Program and the national Coalition for College Cost Savings. It has been a longstanding goal of TICUA to assist members in reducing costs by offering exceptional pricing on products routinely purchased by its members. This bill, if passed, will provide TICUA members significant purchasing power on a wide array of products and services on campus.

## **Lottery Scholarships Threatened**

The most recent state funding board estimates indicate that the lottery scholarship programs will outpace revenue this upcoming year by between \$30 and \$43 million. Consequently, there are a number of proposals being discussed on how to cut the current program. One proposal is to save \$10 million by cutting the four-year university scholarships of freshman and sophomores by \$1,000 (from \$4,000 to \$3,000) and increase the community college scholarships by \$1,000 (from \$2,000 to \$3,000). Other proposals include a pro-rata reduction of all programs or even possibly cutting the private college students by 50%. TICUA has made it clear that we would be in favor of a reduction that is equitably

shared by all sectors but strongly opposes any proposal that would disproportionately cut students attending private colleges or shift funds from one sector to another.

TICUA has sent correspondence to all the higher education sectors asking for a meeting to review the fiscal impact of the various scholarship changes. The goal of such a meeting would be for the sectors to bring a consensus proposal to the Legislature for consideration. Without such a proposal, there will be little hope of any control over the process.

Numerous letters have been sent to the hill from key leaders associated with the private colleges and universities asking them to protect the lottery scholarship aid going to the independent college students. The letters have been effective in informing legislators about the issue and shoring up support for the independent college sector. Please continue to send letters and emails. You may use the TICUA Legislative Action Center for further correspondence.

## **TICUA Testifies Before Education Committees**

TICUA President Claude Pressnell testified before both the Senate and House Education Committees this week. Pressnell's comments focused on degree production and transfer students. He noted that Tennessee's private colleges and universities enroll 24% of the students while producing 32% of the college degrees in the state. Pressnell also noted that TICUA members have developed clear and precise articulation agreements with the state's community colleges that facilitate over 1,000 student transfers each year.

The PowerPoint presentation can be viewed by going to:  
<http://www.ticua.org/policy#GeneralAssemblyPresentation>

## **Education Chairs to Address TICUA Presidents**

Senate and House Education Chairs, Senator Dolores Gresham and Representative Harry Brooks have confirmed that they will meet with TICUA member presidents during the upcoming TICUA Annual Meeting to be held on Tuesday and Wednesday, February 16 and 17 in Nashville. They will join the presidents for a brief time during the President's Open Forum on Wednesday morning.

"Managing the Modern University" is this year's theme and features scholar Dr. Peter Lake. The event will also include a federal policy update by NAICU Vice President Sarah Flanagan, state policy update by TICUA President Claude Pressnell, and a Legislative Reception. Nearly 60 legislators are expected to attend the event. This year's meeting will be held in the conference facilities of Waller, Lansden, Dortch & Davis in the Nashville City Center which is located across the street from the Legislative Plaza.

Register today by going to [www.ticua.org/annual\\_meeting](http://www.ticua.org/annual_meeting)