

TICUA Policy Update
May 18, 2006

Lottery Bills Update

The omnibus bill carrying the majority of the lottery upgrade provisions passed the Senate Finance, Ways, & Means Committee this week. The bill will be heard in the Senate Chamber this next week. The bill contains a provision to increase the scholarship amounts to \$2,000 for two year colleges and to \$4,000 for four year colleges and universities. The House has placed the bill behind passage of the State budget. It is expected, however, that the full House will consider the bill next week as well.

An amendment to place the excess lottery revenue (now in excess of \$250 million) in the care of the Tennessee Student Assistance Corporation is scheduled to be attached to the lottery omnibus bill. The corpus of the reserve will be held for future use of the scholarship programs and the annual interest earned will be used to supplement the Aspire need-based supplement of the Hope Scholarship program.

The bill to expand the lottery foster care provision to students attending TICUA member institutions passed the House 98-0. In the Senate the bill passed the Finance, Ways, & Means Committee with a unanimous vote. Once the bill passes the Senate it will be sent to Governor Bredesen's desk for signature.

Lottery Scholarship Revenue Projected

Dr. Brian Noland of THEC briefed legislators this morning concerning the long-term price tag of the proposed lottery scholarship programs. According to Noland, if the scholarships are increased as proposed in the lottery omnibus bill, the program will need to dip into reserves by 2008 but can be sustained for over 35 years. Noland projects a fully mature program serving over 80,000 students at an annual cost in excess of \$280 million.

TBC Provision Threatened

Neither the House nor Senate is moving quickly on the bill that will provide tax and mandated benefit relief to the TICUA Benefit Consortium. Rep. Mark Maddox attempted to move the bill out of the House Budget Subcommittee today by stripping the tax refund provision. The bill, however, remained in committee and was placed behind consideration of the Governor's budget. Even with the refund stripped, the fiscal note indicates that there will be \$250,000 in decreased revenue to the State. It is anticipated that all fiscal notes not provided for in the Governor's amended budget will not pass.

The Senate Commerce Committee failed to hear the bill this week due to a lengthy debate on a bill dealing with electrical engineer inspectors. The Senate Committee is scheduled to consider the bill next Tuesday.

Online Nursing Program Makes Another Run at Approval

In a last ditch effort to allow a Virginia based non-accredited, low-performing nursing diploma program to operate in Tennessee, sponsors have amended the TN Board of Nursing sunset bill. In effect, the sponsors are attempting to circumvent the TN Board of Nursing and the Senate General Welfare Committee's negative vote by attaching its approval to operate on the TN Board of Nursing's authorization to continue to exist. If the bill is defeated, the online program will not be approved and TN Board of Nursing will go into wind down toward extinction.

The amended sunset bill has already passed the House. The Senate Government Operations Committee will consider the bill this next Tuesday. The online nursing provision continues to be opposed by TICUA, UT, TBR, the Tennessee Center for Nursing, and the Tennessee Nursing Association.