

# TICUA Policy Update

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March 18, 2010

## TICUA Bills Pass Both Chambers

Over the past couple of months TICUA has worked with key legislators to pass bills directly impacting its member colleges and universities. The three bills cover issues related to restricted funds, indemnification related to data sharing, and increasing access to low cost state negotiated contracts and services. All three bills have passed both the House and Senate with little or no opposition. The following is a more in-depth description of the new provisions:

### 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 have values 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 worked with Senator Doug Overbey and Representative Craig Fitzhugh to amend the statute. The Act now provides for an increased value of the restricted fund up to \$150,000 with an automatic escalator to increase the amount annually by \$5,000. The Act now allows TICUA members greater discretion with their restricted endowment funds.

### Data Indemnification

TICUA was pleased to work with Senate Education Chair Dolores Gresham and Representative Beth Harwell to pass legislation that legally protects 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. Before this bill was passed, if data were lost or misused by the state of Tennessee the affected students could not sue the state because of sovereign immunity but may have had recourse with the member college or university. The law now offers legal protection of the private colleges once the data are successfully transmitted to the state.

### TICUA Members Gain Access to State Negotiated Contracts

Senator Ken Yager and Representative Jim Cobb have successfully passed legislation that enables TICUA members to have access to all state negotiated contracts. This provides 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 new provision provides TICUA members significant purchasing power on a wide array of products and services on campus. TICUA COO, Dr. Susanna Baxter, will be working with state authorities to establish procedures for member campuses to begin purchasing goods and services through the state's contracts.

## **Over 1,200 Emails Sent for TSAA**

To date, over 1,200 thank you emails have been sent to members of the General Assembly to express their gratitude for the Tennessee Student Assistance Award (TSAA). Students from TICUA member institutions, as well as the public colleges and universities, are involved in the email campaign.

The TSAA is the state's only purely need-based aid program and serves about 25,000 students attending post-secondary institutions in Tennessee. Over 4,300 students receive \$4,000 grants through this program to attend TICUA member institutions. Governor Bredesen's budget calls for a \$3.2 million recurring improvement in the student aid program. His request, however, is by no means secure. The student emails are one of the most influential strategies for securing the additional funding.

Please encourage students who receive the TSAA to continue writing their emails of thanks today!