

TICUA Policy Update February 29, 2008

Credit Card Legislation

Once again members of the General Assembly are concerned about predatory practices of credit card companies on college students. Representative Mark Maddox and Senator Roy Herron have introduced legislation requiring “all public or private institutions of higher education shall develop policies regarding the marketing or merchandising of credit cards on institutional property to students, except as provided in newspapers, magazines, or similar publications or within any location of a financial services business regularly doing business on the institution's property.”

Based on a two year old email TICUA survey, member campuses already restrict banks and credit card companies access to students. Local banks were allowed, however, to be available during student registration to provide information about student banking services which may include a credit card. Predatory practices, however, were already banned.

Charter Schools

Representative Beth Harwell and Senator Jim Tracy have partnered to propose legislation that would provide the option to TICUA members to start charter schools. Currently, the statute prohibits private colleges and universities from partnering with their local communities in starting such an educational venture. Private colleges and universities would have to comply with State law in establishing and running such schools but, if the bill is passed, it would provide this additional route to considering establishing a lower school institution.

Higher Education Budget Hearing

The House Finance, Ways, and Means Committee held their annual higher education budget hearing this week. Leadership for the UT, TBR, THEC and TSAC operations were on hand to answer questions about the Governor Bredesen's proposed budget for 2008-2009. Robert Ruble, TSAC's Executive Director, indicated his support for Governor's proposal to set aside \$200 million of the lottery reserve as an endowment for the TSAA grant program. As well, the Governor has proposed lowering the lottery scholarship renewal GPA to 2.75 and directing all remaining recurring funds to the TSAA.

The Governor provides no additional higher education budget improvements. This will place the UT and TBR systems in a tough position to keep tuition increases low. Both John Peterson (UT) and Charles Manning (TBR) indicated that they would try to keep tuition increases below a double digit percentage increase by cutting other campus programs.

Student Loan Bill

Senator Roy Herron has introduced a bill to mandate how banks and colleges relate to one another. The bill has far reaching consequences in the areas of student loans, board relationships, professional development for financial aid officers, and sponsorships. The bill came as a result of the recent national spotlight on the student loan industry. TICUA has encouraged the Senator to delay consideration of the measure until Tennessee Attorney General Robert Cooper has completed his investigation of student loan industry. Senator Herron, however, indicated his desire to move ahead and has asked TICUA to propose new language for the bill. TICUA has drafted revisions with the assistance of Vanderbilt, THEC, TSAC, UT and TBR.

Lottery Bills Slowly Being Reviewed

The Senate Subcommittee on Recurring Lottery Revenue met again this week to complete their initial review of lottery bills. Although some bills have been combined and others have been taken eliminated, the vast majority have been reviewed favorably. The Subcommittee will meet again next week to evaluate the fiscal impact of their work thus far and then begin the hard work of determining which bills to recommend to the full committee for consideration.

The House Higher Education Subcommittee will begin their review of lottery bills next week.