

CHAPTER NO. 882**HOUSE BILL NO. 2865****By Representatives Winningham, Hagood, Maddox, Patton, Kent, Todd****Substituted for: Senate Bill No. 3077****By Senator McNally**

AN ACT to amend Tennessee Code Annotated, Section 4-3-308 and Title 49, Chapter 7, relative to higher education.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 49-7-202(c), is amended by deleting subdivision (c)(1) in its entirety and substituting instead the following:

(c)

(1) Develop a statewide master plan for future development of public higher education in Tennessee, which shall include the state technology centers. The commission shall make recommendations to the governing boards of the various institutions and the governor, as well as the general assembly, through the senate and house education committees, on the implementation of the master plan. The master plan shall be published in accordance with the rules, regulations, policies and procedures of the state publications commission. In developing the master plan, the commission shall engage regional and statewide constituencies to ensure that the document supports the development of a public agenda for higher education. In doing so, the commission shall establish a master plan that requires a broad degree of regional cooperation between post-secondary institutions with secondary institutions, and business, civic, and community leaders. To support this initiative, the commission shall develop county and regional profiles that frame planning objectives from a regional perspective. Master planning goals should include but not be limited to:

(A) Increasing educational attainment levels of Tennesseans;

(B) Improving retention and graduation rates of public universities;

(C) Creating improved linkages with regional economic and community development entities;

(D) Increasing degree production in areas central to the public agenda;

(E) Creating improved regional and statewide linkages with K-12 education to ensure that students are prepared for post-secondary education;

(F) Improving teacher education programs to ensure that graduates are prepared for the classroom;

(G) Increasing participation in adult literacy programs; and

(H) Broadening research and development initiatives in areas central to the public agenda.

SECTION 2. Tennessee Code Annotated, Section 49-7-202(c), is amended by deleting the first five (5) lines of subdivision (c)(2) and substituting instead the following:

(c)

(2) Develop policies and formulae or guidelines for fair and equitable distribution and use of public funds among the state's institutions of higher learning that is consistent with and furthers the goals of the statewide master plan, taking into account enrollment projections, recognizing institutional differences as well as similarities in function, service, academic programs, and levels of instruction. Additionally, such policies and formulae or guidelines shall also support and enhance regional collaboration and student access through financial aid, while being mindful of the funding capacity of the state;

SECTION 3. Tennessee Code Annotated, Section 49-7-202(c)(2)(A), is amended by adding new language at the end of the subdivision as follows:

The commission shall review and revise the current formulae and provide the senate and house education committees with a report on progress made during each session of the 104th General Assembly. The formulae shall be utilized to determine the higher education appropriations recommendation no later than the 2006-2007 fiscal year. The commission shall submit the revised higher education funding formula to the office of legislative budget analysis and the comptroller of the treasury no later than December 1 of each year. The office of legislative budget analysis and the comptroller of the treasury shall each provide comments on the higher education funding formula to the chairs of the education and finance, ways, and means committees.

SECTION 4. Tennessee Code Annotated, Section 49-7-202(c)(8), is amended by deleting the subdivision in its entirety and substituting instead the following language:

(c)

(8) Review and approve or disapprove all proposals by any existing higher education institution to establish a physical presence at any location other than its main campus, or to extend an existing location, which will be utilized for administrative purposes or to offer courses for which academic credit is offered. If the new location will create or expand a physical presence out of state, the higher education institution shall, through its governing board, file with the commission a notice of intent to initiate out of state instructional activity prior to the development of the proposal. The commission shall, no later than February 15 of each year, report to the chairs of the fiscal review and education committees of any such notices filed in the previous year and the status of that application. The commission shall develop policies and procedures governing

the process outlined in this subdivision. The provisions of this subdivision shall apply to state technology centers; and

SECTION 5. This act shall take effect July 1, 2004, the public welfare requiring it.

PASSED: May 20, 2004



JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES



JOHN S. WILDER
SPEAKER OF THE SENATE

APPROVED this 7th day of June 2004



PHIL BREDSEN, GOVERNOR