

This bill revises various provisions of present law governing higher education in this state.

#### STATEWIDE MASTER PLAN

Present law requires the Tennessee higher education commission (THEC) to develop a statewide master plan for future development of public higher education in this state (which includes the state technology centers). THEC must develop county and regional profiles that frame planning objectives from a regional perspective. Master planning goals include, but are not limited to: increasing educational attainment levels of Tennesseans; creating improved regional and statewide linkages with K-12 education to ensure that students are prepared for postsecondary education; and improving teacher education programs to ensure that graduates are prepared for the classroom.

This bill revises the above-described provisions to require THEC to construct a statewide master plan that directs higher education to be accountable for increasing the educational attainment levels of Tennesseans. This bill also requires THEC, in consultation with the respective governing boards, to approve institutional mission statements concurrent with the adoption of each revised statewide master plan. Each institutional mission statement must characterize the institution's distinctiveness in degree offerings and address institutional accountability.

This bill removes the requirement for THEC to develop county and regional profiles. This bill specifies that funding recommendations made by THEC must reflect the priorities of the approved master plan. The master plan must address the state's economic development, work force development, and research needs; ensure increased degree production within the state's capacity to support higher education; and use institutional mission differentiation to realize statewide efficiencies through institutional collaboration and minimized redundancy in degree offerings, instructional locations, and competitive research.

#### FUNDING PLANS

Under present law, THEC must 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 are consistent with and further the goals of the statewide master plan, taking into account enrollment projections, recognizing institutional differences as well as similarities in function, services, academic programs and levels of instruction. This bill deletes the requirement that the developed policies and formulae or guidelines "take into account enrollment projections, recognizing institutional differences as well as similarities in function, services, academic programs and levels of instruction." Under present law, the policies and formulae or guidelines must also support and enhance regional collaboration and student access through financial aid, while being mindful of the funding capacity of the state. This bill removes this requirement.

This bill clarifies that the policies and formulae or guidelines must provide for the consideration of, and THEC must review, the impact of tuition, maintenance fees and other charges assessed by each institution in determining the fair and equitable distribution of

funds.

This bill requires that the policies and formulae or guidelines result in an outcomes based model, and that the model emphasize outcomes across a range of variables that will be weighted to reinforce each institution's mission and provide incentives for productivity improvements consistent with the state's higher education master plan. The outcomes will include end of term enrollment for each term, student retention, timely progress toward degree completion and degree production and may also include, among other things, student transfer activity, research and student success, as well as compliance with transfer and articulation principles.

Under present law, the requests for appropriations must be reviewed by the commission after submission to the commission by the governing boards of the various institutions; the commission must determine whether the requests for appropriations conform to the formulae or guidelines developed by the commission; and after making the determination, the commission must transmit the requests for appropriations to the governor with recommendations for approval or modification. This bill removes these provisions.

Under present law:

(1) The provisions governing the development of policies and formulae or guidelines, as described above, apply to state technology centers, for the purposes of allowing the commission to study all expenditures made by state technology centers and to make any studies or recommendations based on those expenditures. Any recommendations made on operating appropriations for state technology centers must be made for the system of state technology centers as a whole and not for individual state technology centers; and

(2) THEC has no authority for recommending or not recommending individual area vocational-technical school operating budgets nor in approving or disapproving the transfer of any funds between area vocational-technical schools deemed necessary by the state board of regents to carry out the transfer of the governance of state technical institutes from the board of vocational education to the board of regents.

This bill deletes the provisions described above in (1) and adds that for fiscal years ending on or after June 30, 2013, THEC will have no authority for recommending individual community colleges operating budgets or in approving or disapproving the transfer of any funds between community colleges as may be determined necessary by the board of regents.

#### UNIVERSITY TRACT PROGRAM

Present law requires THEC to develop a university tract program within the University of Tennessee and the Tennessee board of regents systems consisting of 60 hours of instruction that can be transferred and applied toward the requirements for a bachelor's degree at the public universities. The tract must consist of general education courses and pre-major courses as prescribed by the commission.

Under present law, successful completion of the university tract program meets the academic requirement for transfer to a public university as a junior. THEC must direct the

board of regents and the University of Tennessee board of trustees to develop comprehensive plans and requirements for the establishment of tract programs for all majors and baccalaureate degree programs and to submit the plans and requirements to the commission. This bill deletes the provisions and instead specifies that the tract must consist of 41 hours of general education courses and 19 hours of pre-major courses instruction. This bill adds that an associate of science or associate of arts degree graduate from a Tennessee community college will be deemed to have met all general education and university parallel core requirements for transfer to a Tennessee public university as a junior. However, admission into a particular program, school or college within the university or into the University of Tennessee, Knoxville will remain competitive in accordance with generally applicable policies.

Under this bill, the 41 hour lower division general education core common to all Tennessee state colleges and universities will be fully transferable as a block to, and satisfy the general education core of, any public community college or university. A completed subject category, e.g., natural sciences, mathematics, etc., within the 41 hour general education core will also be fully transferable and satisfy that subject category of the general education core at any public community college or university. The 19 hour lower division AA/AS area of emphasis articulated to a baccalaureate major will be universally transferrable as a block satisfying lower division major requirements to any Tennessee university offering that degree program major.

Under present law, THEC must address any deficiencies in the articulation of major preparation courses between the community college system and the universities within the board of regents system and the University of Tennessee system by facilitating the universal articulation of lower division courses required for baccalaureate majors. The lower division transfer paths must be specified in sufficient manner and detail so that existing and future community college lower division courses may be articulated to the corresponding university courses or course descriptions. THEC must implement these universal articulation agreements beginning with the baccalaureate programs showing the highest transfer rates, with the goal of including all majors for which it is academically feasible. The board of regents and the University of Tennessee system also are accountable for the development and implementation of these universal articulation agreements and transfer procedures.

This bill rewrites the above-described provisions to instead require THEC, in consultation with the board of regents and the University of Tennessee board of trustees, to develop, and the board of regents and the University of Tennessee board of trustees to implement: a common course numbering system within the community colleges; and listings of course offerings that clearly identify courses that are not university parallel courses and therefore not designed to be transferable.

The above requirements of this bill regarding university tract programs must be fully implemented no later than the fall 2012 semester. Beginning with the fall 2010 semester and continuing until this requirement is fully implemented, prior to the beginning of each semester, THEC must report to the chairs of the education and finance, ways and means committees of both the house of representatives and the senate on the progress made toward completion of the 19 pre-major course blocks.

Under present law, THEC must annually report to the joint education oversight committee and the chairs of the finance, ways and means committees in both the house of representatives and the senate on the progress made toward full articulation between all public institutions. This bill removes the requirement to report to the joint education oversight committee.

#### DUAL ENROLLMENT

This bill requires THEC, in consultation with the board of regents and the University of Tennessee board of trustees, to develop policies under which any person who satisfies the admissions requirements of any two-year institution governed by the board of regents and any four-year institution governed by the board of regents or the University of Tennessee board of trustees, and who is admitted to both such institutions, may elect to enroll simultaneously in both institutions. These policies must be adopted and implemented by the board of regents and the University of Tennessee board of trustees no later than July 1, 2010.

#### REMEDIAL AND DEVELOPMENTAL INSTRUCTION

Under this bill, four-year institutions governed by the board of regents and the University of Tennessee board of trustees may not provide remedial or developmental instruction, as those terms are defined by THEC, to any student. However, any such four-year institution with a student needing remedial or developmental instruction may coordinate efforts with any two-year institution governed by the board of regents so that the two-year institution may provide the remedial or developmental instruction, provided that the student has been admitted and is enrolled in both institutions.

#### COMMUNITY COLLEGE SYSTEM

This bill requires the board of regents, in consultation with the THEC, to establish a comprehensive statewide community college system of coordinated programs and services to be known as the Tennessee community college system. This bill further requires the board to develop a plan to transition from the existing system of thirteen independently managed institutions to a comprehensive statewide community college system managed as a unified system. Such plan must identify any statutory changes needed to accomplish the transition.

As part of its plan, the board must identify and implement consolidation of services among institutions and standardization of processes between institutions in order to improve efficiency and effectiveness in all functional areas, including but not limited to student services, academic support and institutional support. The plan must also incorporate the use of block scheduling and cohort programming as a means of delivering educational programs within the Tennessee community college system. This bill requires the Tennessee community college system to pursue strategies to create mutually beneficial relationships with technology centers such that certificate programs may be offered at community college sites and community college courses may be offered at technology centers.

These requirements must be fully implemented no later than July 1, 2012.

#### UT/OAK RIDGE COLLABORATION

This bill authorizes the University of Tennessee to establish an academic unit of the University of Tennessee, Knoxville for interdisciplinary research and education in collaboration with the Oak Ridge National Laboratory and authorizes the chancellor of the University of Tennessee, Knoxville and the director of the Oak Ridge National Laboratory to enter into an agreement concerning collaboration in interdisciplinary research and education.

ON JANUARY 21, 2010, THE SENATE ADOPTED AMENDMENTS #2 AMD #11 AND PASSED SENATE BILL 7006, AS AMENDED.

AMENDMENT #2 revises various provisions of the bill as follows:

- (1) Requires THEC to engage public universities and colleges for input during the creation of the master plan;
- (2) Requires THEC to consider factors unique to community colleges in developing an outcomes based model;
- (3) Requires THEC to report any projected tuition increases for the next academic year to the office of legislative budget analysis and the comptroller of the treasury by December of each year;
- (4) Revises the bill's requirement that the university tract program consist of 41 hours of general education courses and 19 hours of pre-major courses instruction as prescribed by THEC, to require that such 19 hours consist of pre-major courses or elective courses that count toward a major. This amendment requires THEC to consider the views of chief academic officers and faculty senates of the respective campuses in prescribing such courses.
- (5) Requires THEC, by December 1, 2010, to submit to the chairs of the education and finance, ways, and means committees of both houses a side-by-side comparative analysis of the funds projected to be received by each public institution of higher education for the 2011-2012 fiscal year under both the revised funding formula and the old formula, as if the old formula was still in effect for the 2011-2012 fiscal year;
- (6) Requires the review committee established under present law by THEC to aid in development or revision of the higher education master plan and funding formulae to make the committee's annual report on its recommendations to the governor and to "the chairs of the education and finance, ways, and means committees of both houses" instead of "the select oversight committee on education" by November 1 of each year;
- (7) Declares that the University of Memphis, the University of Tennessee Center for the Health Sciences and St. Jude Children's Research Hospital are lead collaborators in the Memphis Research Consortium. The Memphis Research Consortium, a collaborative venture with other leading research and business entities in Memphis created to promote long-term economic development and job creation, will explore and develop strategies and plans for establishing and enhancing opportunities for research and development in industries including public health, medical devices, medical and healthcare, bio-based products and chemical manufacturing, logistics and supply chain, computational and computer sciences, and learning technologies and related fields. The University of

Memphis, the University of Tennessee Center for the Health Sciences, and other collaborators must report progress toward developing such strategies and plans to the standing committees on education by February 1, 2011;

(8) Specifies that the bill would not prohibit any institution from pursuing research and related activities that are consistent with the institution's mission;

(9) Makes certain revisions to the purposes of the provisions of the bill described above in UT/OAK RIDGE COLLABORATION; and

(10) Requires the board of regents and the department of labor and workforce development to develop a plan for the transfer of the administration of the adult basic education program from the department to the board of regents by December 1, 2010. The board of regents must report to the chairs of the education and finance, ways and means committees of both houses on the plan of transfer and any statutory changes needed to carry out the plan by December 1, 2010. \

AMENDMENT #11 adds a requirement that the commission engage technology centers, in addition to public universities and community colleges, for input during the creation of the master plan.

ON JANUARY 21, 2010, THE HOUSE SUBSTITUTED SENATE BILL 7006 FOR HOUSE BILL 7008, ADOPTED AMENDMENTS #8, 9, 10, AND 12, AS AMENDED, AND REFERRED SENATE BILL 7006 TO THE BUDGET SUBCOMMITTEE.

AMENDMENT #8 makes the following revisions to the bill, as amended:

(1) Requires THEC to develop the statewide master plan with input from "the board of regents and the University of Tennessee board of trustees" instead of "public universities, community colleges and technology centers";

(2) Adds that an institutional mission statement must additionally state the student characteristics of the institution including non-traditional and part-time students;

(3) Requires that the policies and formulae or guidelines for fair and equitable distribution and use of public funds, described above in FUNDING PLANS, be developed by THEC "in consultation with the board of regents and the University of Tennessee board of trustees";

(4) Requires that before any subsequent amendment or revision to the components of the policies and formula or guidelines for fair and equitable distribution and use of public funds would become effective, such amendment or revision must be submitted to the education and finance, ways, and means committees of each house for review and recommendation;

(5) Requires that the provisions of the bill regarding university tract programs be fully implemented by the "fall 2011 semester" instead of the "fall 2012 semester";

(6) Requires that the report of the review committee, established under present law by THEC and described in the above summary of Senate Amendment #2 in (6), be submitted by November 1 of each year, to the governor and to "the select oversight committee on education and the members of the senate and house education and finance committees" instead of "the chairs of the education and finance, ways, and means committees of both houses";

(7) Specifies that the bill's general prohibition, described above in REMEDIAL AND DEVELOPMENTAL INSTRUCTION, against four-year institutions governed by the board of

regents and the University of Tennessee board of trustees providing remedial or developmental instruction to a student would take effect after July 1, 2012;

(8) Rewrites the provisions of the bill, as amended by Senate Amendment #2 and described in (10) in the above summary of Senate Amendment #2, regarding the development of a plan for the transfer of the administration of the adult basic education program from the department of labor and workforce to the board of regents by December 1, 2010. Instead, this amendment requires the department and the board of regents to study the management of adult basic education. The department and board must jointly consult with various stakeholders including at least one LEA offering adult basic education services in each grand division. The department and the board must jointly report any findings and recommendations to the education and finance, ways, and means committees of each house by February 1, 2011;

(9) Requires the board of regents to explore the feasibility of creating a pilot program of residential facilities on community college campuses. The board must report its findings and recommendations to the education and finance, ways, and means committees of each house by February 1, 2011; and

(10) Requires the comptroller to audit THEC, the University board of trustees, and the board of regents by July 1, 2012. The audit must be submitted to the education committees of each house for review and recommendation. The audit must specifically focus on overlap in mission, cost inefficiencies, management practices, and the restructuring of higher education stipulated by the implementation of the bill.

AMENDMENT #9 specifies that the bill's general prohibition, described above in REMEDIAL AND DEVELOPMENTAL INSTRUCTION, against four-year institutions governed by the board of regents and the University of Tennessee board of trustees providing remedial or developmental instruction to a student would not take effect until after July 1, 2012.

AMENDMENT #10 removes the provision of the bill, as amended, regarding the study of the management of adult basic education by the department of labor and workforce development and the board of regents.

AMENDMENT #12, AS AMENDED, specifies that courses completed at any institution of higher education within the University of Tennessee or board of regents systems may be eligible for transfer, credit, or to support graduation and matriculation for at least 20 years following the completion of the course. This provision would not apply to courses completed in the health sciences, pure or applied sciences, computer science or technology, or medicine or the healing arts.

ON JANUARY 21, 2010, THE HOUSE FURTHER CONSIDERED SENATE BILL 7006, RECONSIDERED ITS ACTION IN ADOPTING AMENDMENT #12, AS AMENDED, WITHDREW AMENDMENT #12, ADOPTED AMENDMENTS #13 AND #14, AND PASSED SENATE BILL 7006, AS AMENDED BY AMENDMENTS #8, 9, 10, 13, AND 14.

AMENDMENT #13 makes the following revisions to the bill as amended:

(1) Reinstates the provisions of Senate Amendment #2 and #11 that require THEC to engage public universities, community colleges, and technology centers for input during the

creation of the master plan;

(2) Removes the provisions requiring the board of regents to explore the feasibility of creating a pilot program of residential facilities on community college campuses and report its findings and recommendations to the education and finance, ways, and means committees of each house by February 1, 2011, as described above in (9) in the summary of House Amendment #8; and

(3) Removes the provisions requiring the comptroller to audit THEC, the University of Tennessee board of trustees, and the board of regents by July 1, 2012, as described above in (10) in the summary of House Amendment #8.

AMENDMENT #14 authorizes the comptroller to audit THEC, the University of Tennessee board of trustees, and the board of regents by July 1, 2012. If such an audit is conducted, the audit must be submitted to the education committees of each house for review and recommendation and must specifically focus on overlap in mission, cost inefficiencies, management practices, and the restructuring of higher education stipulated by the implementation of the bill.