

SENATE BILL 2713

By Lundberg

AN ACT to amend Tennessee Code Annotated, Title 4,
Chapter 29 and Title 49, relative to higher
education.

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

SECTION 1. Tennessee Code Annotated, Section 49-4-201, is amended by deleting the section and substituting instead the following:

There is created a division within the Tennessee higher education commission, which shall be known as the Tennessee student assistance corporation, to administer student assistance programs authorized by law.

SECTION 2. Tennessee Code Annotated, Section 49-4-202, is amended by deleting the section and substituting instead the following:

(a) The governing board of directors for the Tennessee student assistance corporation is abolished on July 1, 2024.

(b) The Tennessee student assistance corporation shall be governed by the Tennessee higher education commission.

SECTION 3. Tennessee Code Annotated, Section 49-7-202(c), is amended by adding the following as a new subdivision:

(4) Integrate the Tennessee student assistance corporation into the commission's operations and thereafter oversee and manage the corporation.

SECTION 4. Tennessee Code Annotated, Section 49-7-202(o), is amended by deleting the subsection and substituting instead the following:

(o) The authority of the commission with regard to capital projects at institutions of higher education is limited to:

(1) Reviewing information submitted to the commission and the department of finance and administration by institutions of higher education for each proposed capital outlay project to verify that an institution's information related to economic and workforce impact, student impact, and credential and research production is reasonably supported by facts and data. The commission must provide the results of the commission's review to the department of finance and administration and the general assembly within twenty (20) business days of the commission's receipt of the information. The commission may develop and utilize a system to summarize the extent to which the information submitted by an institution is reasonably supported by facts and data, so long as the commission includes all metrics, rubrics, and summary results in the commission's submission to the department of finance and administration and the general assembly. The commission shall not submit a list to the department of finance and administration or the general assembly ranking proposed capital projects at institutions of higher education for any fiscal year; and

(2) Issuing guidelines for institutions of higher education to utilize in preparing the institution's master plan. The governing board of each institution is solely responsible for approving the master plan of an institution governed by the board. The commission may use the approved master plan of each institution in preparing the statewide master plan pursuant to subsection (d), but shall not require approval of an institution's master plan by the commission.

SECTION 5. Tennessee Code Annotated, Section 49-7-202(q), is amended by deleting the subsection and substituting instead the following:

(q)

(1) Each governing board of an institution of higher education shall annually report any academic program terminations to the education committee of the senate and the education administration committee of the house of representatives. A copy of each annual report must be filed with the commission.

(2)

(A) The authority of the commission to review, approve, or disapprove academic programs is limited to:

(i) Conducting a review of proposed new colleges or schools for the purpose of minimizing duplication and overlapping functions and services. The commission shall not require an institution to submit any reorganization of the institution's existing academic units to the commission for its review or approval; and

(ii) For the purpose of minimizing duplication and overlapping functions and services, conducting a review of:

(a) New associate degree offerings proposed by an institution that offers bachelor's degrees; and

(b) New bachelor's degree offerings proposed by an institution that offers associate degrees.

(B) The commission shall not determine the degrees, courses, or course content that may be offered by an institution, or monitor the programs offered by an institution. Only the governing board for the institution may determine the degrees, courses, or course content offered by the institution, or monitor the programs offered by the institution.

(3) An institution that seeks to establish a physical presence or offer courses for academic credit at a location other than the institution's primary

campus must first submit a proposal to do so to the commission for approval. The commission shall review and approve or disapprove each proposal made by an institution for purposes of this subdivision (q)(3). If the new location establishes or extends the institution's physical presence outside of this state, then the institution shall, through the institution's governing board, file with the commission a notice of intent to initiate out-of-state instructional activity prior to the institution's development of the proposal. The commission shall, no later than February 15 of each year, report to the chair of the education committee of the senate and to the chair of the education administration committee of the house of representatives of any such notices filed in the previous fiscal year and the status of the corresponding proposal. The commission shall develop the policies and procedures necessary to effectuate the process outlined in this subdivision (q)(3). This subdivision (q)(3) applies to Tennessee colleges of applied technology.

(4) Prior to undertaking a study or initiative that requires the commitment of institutional resources, the commission shall consult with any affected institutions to determine if the study or initiative is duplicative or overlaps with any studies, initiatives, efforts, or work being conducted at the institution and to confirm that the study or initiative justifies the use of institutional resources. The commission may make recommendations to institutions based on the results of any such study or initiative.

SECTION 6. Tennessee Code Annotated, Section 49-7-204, is amended by deleting the section and substituting instead the following:

(a)

(1) The commission is vacated on July 1, 2024, and reconstituted to consist of nineteen (19) members, to include thirteen (13) voting members and six (6) nonvoting ex officio members.

(2) The thirteen (13) voting members of the commission consist of:

(A) Three (3) members, one (1) representing each grand division of this state, to be appointed by the speaker of the house of representatives;

(B) Three (3) members, one (1) representing each grand division of this state, to be appointed by the speaker of the senate;

(C) Three (3) members, one (1) representing each grand division of this state, to be appointed by the governor;

(D) The comptroller of the treasury, or the comptroller's designee;

(E) The secretary of state, or the secretary's designee;

(F) The state treasurer, or the treasurer's designee; and

(G) One (1) student member, to be appointed by the governor.

(3) The six (6) nonvoting members of the commission consist of:

(A) The commissioner of economic and community development, or the commissioner's designee;

(B) The commissioner of labor and workforce development, or the commissioner's designee;

(C) The executive director of the state board of education, or the executive director's designee;

(D) The president of the University of Tennessee system, or the president's designee;

(E) The chancellor of the board of regents, or the chancellor's designee; and

(F) A representative of one (1) of the state universities listed in § 49-8-101(a)(2)(A). The representative serves a one-year term and must be appointed by the president of the respective state university. The state university representative position on the commission rotates amongst each of the state universities in the following order:

- (i) East Tennessee State University;
- (ii) Tennessee Technological University;
- (iii) Middle Tennessee State University;
- (iv) Tennessee State University;
- (v) Austin Peay State University; and
- (vi) The University of Memphis.

(b)

(1) The governor shall appoint the student member from a list of three (3) nominees selected and submitted by the commission no later than April 15. The student member serves a one-year term, beginning on July 1 of the year of appointment and ending the following June 30.

(2) The student member must remain enrolled in good standing at a public institution of higher education in this state for the duration of the student's term on the commission, except that a student member who graduates during the student's term on the commission may complete that term.

(3) The student member must be a resident of this state.

(4) The chancellor of the board of regents and the president of the University of Tennessee system may each submit the names of no more than

two (2) qualified candidates, and the president of each state university may submit the name of one (1) qualified candidate, to the commission for consideration each year. The names of all qualified candidates must be submitted to the executive director no later than November 15.

(5) The chancellor and presidents are encouraged to facilitate the participation of campus student government associations in the candidate selection process.

(6) A student who was appointed to serve as the student member of the commission prior to May 15, 2024, for a one-year term to begin on July 1, 2024, may serve the student member's term on the reconstituted commission. This section must not be construed to terminate the student member's position.

(c)

(1) In order to establish staggered terms of office, the terms of the initial members appointed pursuant to subdivisions (a)(2)(A)-(C) are as follows:

(A) The member appointed by the speaker of the house of representatives who represents the eastern grand division, the member appointed by the speaker of the senate who represents the western grand division, and the member appointed by the governor who represents the middle grand division each serve an initial one-year term beginning on July 1, 2024, and ending on June 30, 2025;

(B) The member appointed by the speaker of the house of representatives who represents the middle grand division, the member appointed by the speaker of the senate who represents the eastern grand division, and the member appointed by the governor who represents the

western grand division each serve an initial two-year term beginning on July 1, 2024, and ending on June 30, 2026; and

(C) The member appointed by the speaker of the house of representatives who represents the western grand division, the member appointed by the speaker of the senate who represents the middle grand division, and the member appointed by the governor who represents the eastern grand division each serve an initial three-year term beginning on July 1, 2024, and ending on June 30, 2027.

(2) Following the expiration of the initial terms prescribed in subdivision (c)(1), the term for all members appointed to serve on the commission pursuant to subdivisions (a)(2)(A)-(C) is three (3) years, beginning on July 1 and ending on June 30. The ex officio voting and nonvoting members of the commission remain members of the commission for so long as they hold their respective office.

(d)

(1) Members appointed pursuant to subdivisions (a)(2)(A)-(C) may be reappointed; provided, that a member shall not be reappointed if the member has previously served two (2) full three-year terms on the commission.

(2) A member of the commission who served a term on the commission prior to July 1, 2024, is not eligible for reappointment if the member has served more than six (6) years on the commission.

(e)

(1) Vacancies occurring on the commission must be filled by appointment of the respective appointing authority.

(2) Members appointed to fill a vacancy, except for a vacancy created by the expiration of a term, serve only the remainder of the unexpired term.

(3) A member appointed pursuant to subdivision (a)(2)(A), (B), or (C) vacates the member's position on the commission if, at any time, the member ceases to reside in the grand division in which the member resided at the time of the member's appointment to the commission.

(f)

(1) The commission shall, in accordance with this subsection (f), select a chair, first vice chair, second vice chair, and a secretary who each serve a one-year term in the respective position. The member who serves as secretary shall serve as the second vice chair in the immediately succeeding year. The member who serves as the second vice chair shall serve as first vice chair in the immediately succeeding year. The member who serves as first vice chair shall serve as chair in the immediately succeeding year. The positions identified in this subdivision (f)(1) must continue to rotate in this succession.

(2) For the initial term beginning on July 1, 2024, and ending on June 30, 2025, the chair shall be selected by and from the members appointed pursuant to subdivision (a)(2)(A), the first vice chair shall be selected by and from the members appointed pursuant to subdivision (a)(2)(B), the second vice chair shall be selected by and from the members appointed pursuant to subdivision (a)(2)(C), and the secretary shall be selected by and from the members serving pursuant to subdivisions (a)(2)(D)-(F).

(3) For all subsequent terms:

(A) The members who served as the first vice chair, second vice chair, and secretary in the immediately preceding year shall serve as the chair, first vice chair, and second vice chair in accordance with the succession prescribed in subdivision (f)(1); and

(B) The group of members responsible for selecting the secretary by and from the group's membership rotates in the following order:

(i) The members appointed pursuant to subdivision (a)(2)(A);

(ii) The members appointed pursuant to subdivision (a)(2)(B);

(iii) The members appointed pursuant to subdivision (a)(2)(C); and

(iv) The members serving pursuant to subdivisions (a)(2)(D)-(F).

(4)

(A) This subsection (f) does not extend the term of a member appointed pursuant to subdivision (a)(2)(A), (B), or (C) beyond the term for which the member was appointed pursuant to subsection (c).

(B) If a member selected to serve in one (1) or more of the positions identified in subdivision (f)(1), or if a selected member is unable to serve in the position for which the member is required to serve according to the succession prescribed in subdivision (f)(1), due to the expiration of the member's term or due to the member vacating the member's position on the commission, then the group of members who initially selected the member for one (1) or more of the positions identified in subdivision (f)(1) shall select a member by and from the group's membership to serve in the respective position. A member selected to serve in one (1) or more of the positions identified in subdivision (f)(1) is subject to the succession prescribed in subdivision (f)(1).

(g) Members of the commission shall not receive compensation for their services, but shall be reimbursed for travel expenses in accordance with the comprehensive travel regulations promulgated by the department of finance and administration and approved by the attorney general and reporter.

SECTION 7. For purposes of making appointments, Section 7 of this act takes effect upon becoming a law, the public welfare requiring it. For all other purposes, this act takes effect on July 1, 2024, the public welfare requiring it.