

**PUBLIC CHAPTER NO. 3
FIRST EXTRAORDINARY SESSION**

SENATE BILL NO. 7006

**By Kyle, Woodson, Gresham, McNally, Berke, Yager, Bunch, Herron, Tate,
Finney, Norris**

Substituted for: House Bill No. 7008

By Michael Turner, Ferguson, Lois DeBerry, Harry Brooks, Naifeh, Fitzhugh,
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AN ACT to amend Tennessee Code Annotated, Title 49, Chapter 7, Chapter 8, Chapter 9, relative to higher education.

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

SECTION 1. This act shall be known and may be cited as the "Complete College Tennessee Act of 2010".

SECTION 2. Tennessee Code Annotated, Section 49-7-202, is amended by deleting subdivision (c)(3)(C) in its entirety.

SECTION 3. Tennessee Code Annotated, Section 49-7-202, is amended by deleting subdivisions (c)(1) and (c)(2) in their entireties and by substituting instead the following language:

(1) Develop a statewide master plan for future development of public universities, community colleges and technology centers with input from the board of regents and the University of Tennessee board of trustees. The commission shall engage public universities, community colleges and technology centers for input during the creation of the master plan. The commission shall construct a statewide master plan that directs higher education to be accountable for increasing the educational attainment levels of Tennesseans. This master plan shall be reviewed and revised as deemed appropriate by the commission. This plan shall include, but not be limited to, the consideration of the following provisions:

(A) Addressing the state's economic development, workforce development and research needs;

(B) Ensuring increased degree production within the state's capacity to support higher education; and

(C) Using institutional mission differentiation to realize statewide efficiencies through institutional collaboration and minimized redundancy in degree offerings, instructional locations and competitive research;

(2) In consultation with the respective governing boards, approve institutional mission statements concurrent with the adoption of each revised statewide master plan. An institutional mission statement shall characterize the institution by stating its distinctiveness in degree offerings by level and focus and student characteristics including, but not limited to, non-traditional students and part-time students, and shall address institutional accountability for the quality of instruction, student learning and, where applicable, research and public service to benefit Tennessee citizens. Nothing contained in this act shall prohibit any institution from pursuing research and related activities that are consistent with the institution's mission;

(3) Make recommendations to the governing boards of the various institutions and the governor, as well as the general assembly, through the Education Committees of the Senate and the House of Representatives on the implementation of the master plan. Funding recommendations made by the commission shall reflect the priorities of the approved master plan. 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 to provide higher education opportunities to benefit Tennessee citizens. In doing so, the commission shall establish a master plan that requires a broad degree of regional cooperation between postsecondary institutions with secondary institutions and business, civic and community leaders;

(4) Develop, after consultation with the board of regents and the University of Tennessee board of trustees, 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. The policies and formulae or guidelines shall result in an outcomes-based model. In developing an outcomes-based model, the commission shall consider factors unique to community colleges. This model shall emphasize outcomes across a range of variables that shall be weighted to reinforce each institution's mission and provide incentives for productivity improvements consistent with the state's higher education master plan. These outcomes shall include end of term enrollment for each term, student retention, timely progress toward degree completion and degree production and may also include, but not necessarily be limited to, student transfer activity, research, and student success, as well as compliance with transfer and articulation principles in subsection (e) of this section;

(A) The policies and formulae or guidelines as are developed by the commission shall include provisions for capital outlay programs and operating expenses, and shall be utilized to determine the higher education appropriations recommendation. 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 commission shall also report any projected tuition increases for the next academic year 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 of both houses of the general assembly;

(B) Additionally, the policies and formulae or guidelines shall provide for the consideration of the impact of tuition, maintenance fees and other charges assessed by each institution in determining the fair and equitable distribution of public funds as required by this subdivision (4). The commission shall therefore review tuition, maintenance fees and other charges assessed by each institution and make recommendations to the governing boards of the various institutions regarding adjustments;

(C) In the implementation of this function, the commission, in cooperation with the Commissioner of Finance and Administration and the comptroller of the treasury, shall establish uniform standards of accounting, records and statistical reporting systems in accordance with accepted national standards, which standards shall be adhered to by the various institutions in preparing for submission to the commission statistical data and requests for appropriations;

(D) The commission shall have no authority for recommending individual technology centers' operating budgets nor in approving or disapproving the transfer of any funds between technology centers deemed necessary by the board of regents to carry out the provisions of Acts 1983, Ch. 181. For fiscal years ending on and after June 30, 2013, the commission shall 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;

(E) Before any subsequent amendment or revision to the formulae or guidelines for fair and equitable distribution and use of public funds among the state's institutions of higher education shall become effective, the amendment or revision shall be presented to the Education and Finance, Ways and Means Committees of the Senate and House of Representatives for review and recommendation;

SECTION 4. Tennessee Code Annotated, Section 49-7-202, is amended by deleting subsections (e) and (f) in their entireties and by substituting instead the following:

(e)(1) The commission shall develop a university tract program within the University of Tennessee and the Tennessee board of regents systems consisting of sixty (60) hours of instruction that can be transferred and applied toward the requirements for a bachelor's degree at the public universities. The tract shall consist of forty-one (41) hours of general education courses instruction and nineteen (19) hours of pre-major courses instruction, or elective courses instruction that count toward a major, as prescribed by the commission, which shall consider the views of

chief academic officers and faculty senates of the respective campuses. Courses in the university tract program shall transfer and apply toward the requirements for graduation with a bachelor's degree at all public universities.

(A) An associate of science or associate of arts degree graduate from a Tennessee community college shall be deemed to have met all general education and university parallel core requirements for transfer to a Tennessee public university as a junior. Notwithstanding this subdivision (A), admission into a particular program, school or college within the university; or into the University of Tennessee, Knoxville shall remain competitive in accordance with generally applicable policies.

(i) The forty-one (41) hour lower division general education core common to all state colleges and universities shall be fully transferable as a block to, and satisfy the general education core of, any public community college or university. A completed subject category (for example, natural sciences or mathematics) within the forty-one (41) hour general education core shall also be fully transferable and satisfy that subject category of the general education core at any public community college or university.

(ii) The nineteen (19) hour lower division AA/AS area of emphasis articulated to a baccalaureate major shall be universally transferable as a block satisfying lower division major requirements to any state university offering that degree program major.

(2) It is the legislative intent that community college students who wish to earn baccalaureate degrees in the state's public higher education system be provided with clear and effective information and directions that specify curricular paths to a degree. To meet the intent of this section, the commission, in consultation with the board of regents and the University of Tennessee board of trustees, shall develop, and the board of regents and the University of Tennessee board of trustees shall implement the following:

(A) A common course numbering system, taking into consideration efforts already undertaken, within the community colleges to address the requirements of subdivision (e)(1) of this section; and

(B) Listings of course offerings that clearly identify courses that are not university parallel courses and therefore not designed to be transferable under the provisions of subdivision (e)(1) of this section.

(3) The provisions of this subsection (e) shall be fully implemented no later than the fall 2011 semester. Beginning with the fall 2010 semester and continuing until this subsection is fully implemented, prior to the beginning of each semester, the commission shall 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 nineteen (19) pre-major course blocks provided in subsection (e)(1)(A)(ii) of this section.

(f) The commission shall have ongoing responsibility to update and revise the plans implemented pursuant to subsections (d) and (e) and report to the chairs of the Education and Finance, Ways and Means Committees in both the House of Representatives and the Senate no later than October 1 of each year on the progress made toward full articulation between all public institutions.

SECTION 5. Tennessee Code Annotated, Section 49-7-202(h), is amended by deleting the last sentence in its entirety and by substituting instead the following:

The committee shall prepare an annual report on its recommendations and shall make that report to the governor, the select oversight committee on education and the members of the Senate and House Education and Finance Committees by November 1 of each year.

SECTION 6. Tennessee Code Annotated, Section 49-7-202, is amended by adding the following language as a new subsection (g):

(g) Notwithstanding any law or rule to the contrary, the commission in consultation with the board of regents and the University of Tennessee board of trustees, shall 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 may be admitted to both such institutions. These policies shall be adopted and implemented by the board of regents and the University of Tennessee board of trustees no later than July 1, 2010.

SECTION 7. Tennessee Code Annotated, Title 49, Chapter 7, Part 1, is amended by adding the following language as a new section:

Section 49-7-147. Notwithstanding any law to the contrary, after July 1, 2012, four-year institutions governed by the board of regents and the University of Tennessee board of trustees shall not offer remedial or developmental courses, as those terms are defined by the higher education commission, to any student. However, any such four-year institution 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 courses.

SECTION 8. Tennessee Code Annotated, Section 49-8-101, is amended by adding the following language as a new subsection (c):

(c) Notwithstanding any provision of law to the contrary, the board of regents, in consultation with the Tennessee Higher Education Commission, shall establish a comprehensive statewide community college system of coordinated programs and services to be known as the Tennessee community college system.

(1) It is the legislative intent that the Tennessee community college system operate as a unified system with individual campuses, teaching centers and teaching sites as necessary to maximize the effectiveness of the system in enhancing student success and increasing the numbers of college degrees held by Tennesseans.

(2) In order to carry out the provisions of this subsection (c), the board shall develop a plan to transition from the existing system of thirteen (13) independently managed institutions to a comprehensive statewide community college system managed as a unified system. Such plan shall identify any statutory changes needed to accomplish the transition.

(3) As part of its plan, the board shall 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.

(4) The plan shall also incorporate the use of block scheduling and cohort programming as a means of delivering educational programs within the Tennessee community college system. Programs developed pursuant to this provision shall be developed in a manner that results in the opportunity for more rapid and significantly higher rates of program completion through structured degree programs that incorporate fixed course offerings that meet the requirements for the degree being offered on a pre-determined schedule.

(5) In carrying out the provisions of this subsection (c), the Tennessee community college system shall 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.

(6) The provisions of this subsection (c) shall be fully implemented no later than July 1, 2012.

SECTION 9. Tennessee Code Annotated, Title 49, Chapter 9, is amended by adding the following language as a new part:

Section 49-9-1501. The purpose of this part is to accomplish the following:

(1) Foster economic growth by significantly increasing the number of science, technology, engineering and mathematics doctoral students

produced at the University of Tennessee, Knoxville and other state universities;

(2) Accelerate the state's economic and workforce development efforts in the field of energy sciences and engineering;

(3) Support the continued development of clean energy technologies and jobs in Tennessee;

(4) Leverage for the purposes set forth herein the existing capabilities of the University of Tennessee, Knoxville and Oak Ridge National Laboratory;

(5) Elevate the status of the University of Tennessee, Knoxville as a top tier national research institution through expanded collaboration with the Laboratory;

(6) Encourage and facilitate the development of an interdisciplinary program in energy science and engineering at the University of Tennessee, Knoxville that shall provide students an opportunity to undertake transformative research activities;

(7) Promote and develop support for collaborative research and development by interdisciplinary teams of University of Tennessee, Knoxville, and other state university faculties and the Oak Ridge National Laboratory in energy-related fields;

(8) Foster and promote research in science, technology, engineering and mathematics that encourages entrepreneurial opportunities in Tennessee; and

(9) Expand the number of University of Tennessee, Knoxville graduate students conducting their graduate research and education at the Oak Ridge National Laboratory working with laboratory scientific staff and using the unique facilities of the laboratory.

Section 49-9-1502.

(a) The University of Tennessee is authorized to establish an academic unit of the University of Tennessee, Knoxville for interdisciplinary research and education in collaboration with the Oak Ridge National Laboratory.

(b) The chancellor of the University of Tennessee, Knoxville and the director of the Oak Ridge National Laboratory are authorized to enter into an agreement concerning collaboration in interdisciplinary research and education designed to accomplish the purposes of this part. The provisions of this agreement shall address matters including, but not limited to, the appointment and oversight of graduate students, the appointment of ORNL staff as faculty, and the development of interdisciplinary curricula between the two (2) institutions. Nothing in this

part shall limit in any way the authority of the United States Department of Energy with regard to the ownership and operation of Oak Ridge National Laboratory.

SECTION 10. Notwithstanding any law to the contrary, nothing in this part shall be deemed or construed to abrogate in any way the applicability of federal law relative to the Oak Ridge National Laboratory, its management and operation.

SECTION 11. Tennessee Code Annotated, Title 49, Chapter 8, is amended by adding the following language as a new part:

Section 49-8-1401.

(a) Recognizing the potential leverage and synergy that can be achieved by collaboration among the public and private entities, it is hereby declared 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.

(b) 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, shall 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. Such strategies and plans, and the development thereof, may include, but not be limited to, participation by other institutions of higher education, hospitals and other health services providers, organizations engaged in the promotion of public health, medical devices, medical and healthcare, bio-based products and chemical manufacturing, logistics and supply chain, computational and computer sciences, learning technologies, bioscience, and bioengineering and related business and research, as well as industrial and commercial enterprises engaged in business activities related to these areas.

(c) It is further declared to be the legislative intent that the University of Memphis, the University of Tennessee Center for the Health Sciences, and other collaborators shall report progress toward developing such strategies and plans to the standing committees on education no later than February 1, 2011.

SECTION 12. On or before December 1, 2010, the Tennessee Higher Education Commission shall submit to the chairs of the education and finance, ways and means committees of both houses of the general assembly 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 were still in effect for the 2011-2012 fiscal year.

SECTION 13. An audit of the Tennessee Higher Education Commission, the University of Tennessee board of trustees and the board of regents may be conducted by the comptroller of the treasury. If such audit is conducted, the audit shall specifically focus on overlap in mission, cost inefficiencies, management practices and the restructuring of higher education stipulated by the implementation of this act. If such audit is conducted, the audit shall be submitted to the Education Committees of the House of Representatives and the Senate for review and recommendation.

SECTION 14. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 15. This act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: January 21, 2010



RON RAMSEY
SPEAKER OF THE SENATE



KENT WILLIAMS, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 26th day of January 2010



PHIL BREDESEN, GOVERNOR