

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2676 - SB 2713

February 10, 2024

SUMMARY OF BILL: Abolishes the Governing Board of Directors for the Tennessee Student Assistance Corporation (TSAC) and moves TSAC under the governance of the Tennessee Higher Education Commission (THEC) as a new division.

Vacates and reconstitutes THEC to expand THEC from a total of 14 members to 19 members. Deletes a provision requiring THEC's meetings to be made available for viewing by the public via streaming video, accessible from THEC's website. Removes the requirement for THEC to meet at least four times each year.

Clarifies THEC's authority with regard to its review of capital projects at institutions of higher education and requires THEC to submit its review to the Department of Finance and Administration and the General Assembly within 20 business days of THEC's receipt of the information.

Limits THEC's authority from an approval of particular programs such as academic divisions, extension services, and adult education at institutions of higher education in relation to cost and relevance for the purposes of minimizing duplication and overlapping functions and services to conducting a review of such.

FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

Tennessee Student Assistance Corporation:

- TSAC Governing Board of Directors consists of 15 members. Some of those members will serve or are currently serving on the THEC board.
- Pursuant to Tenn. Code Ann. § 49-4-202(f), members of the TSAC board are entitled to reimbursement for travel expenses. Board members are not entitled to any other compensation.
- Based on information provided by TSAC, the board's expenditures for travel reimbursements were not significant as board members have declined travel reimbursements or participated remotely.
- The proposed legislation does not eliminate or reduce the purpose and duties of TSAC; therefore, eliminating TSAC's board and placing the duties of TSAC under THEC as a

HB 2676 - SB 2713

new division is not estimated to result in a significant impact on state government operations.

Tennessee Higher Education Commission:

- THEC currently consist of 10 appointed voting members and 4 nonvoting members.
- The reconstituted THEC would consist of 13 appointed voting members and 6 nonvoting members.
- Pursuant to Tenn. Code Ann. § 49-4-204 (f), members of the THEC board are entitled to reimbursement for travel expenses. Board members are not entitled to any other compensation.
- The reconstitution of THEC will continue member's entitlement to reimbursement for travel expenses only.
- Based on information provided by THEC, the members currently being reimbursed for travel will be the same appointed members and additional members will likely not qualify for such reimbursement as they will be within the Nashville area or will participate remotely. Therefore, there will not a be significant impact to THEC related to travel expenses.
- According to THEC the total cost of streaming meetings on their website is approximately \$1,200 annually. Based on information provided by THEC, it is reasonably assumed that meetings will continue to be streamed despite there no longer being a requirement to do so.
- Additionally, removing the requirement for THEC to meet at least four times each year could reduce expenditures; however, it reasonably estimated that THEC will not meet less then quarterly. Therefore, any impact is estimated to be not significant.
- THEC can submit its review of capital projects within the required 20 business days within existing resources.
- Limiting an approval of particular programs such as academic divisions, extension services, and adult education at institutions of higher education in relation to cost and relevance to conducting a review of such will decrease responsibilities of THEC. However, any such decrease is estimated to not result in significant decreases in expenditures associated with THEC operations.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

/lm