

SENATE BILL 2501

By Hensley

AN ACT to amend Tennessee Code Annotated, 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 49-7-1904(d)(1), is amended by deleting the language "in § 49-7-1904" and substituting instead the language "in § 49-7-1902".

SECTION 2. Tennessee Code Annotated, Section 49-7-1907, is amended by deleting subsection (b) and substituting instead the following:

(b)

(1)

(A) A student or employee of a public institution of higher education who believes that a violation of § 49-7-1903 has occurred may file a report of the alleged violation with the institution.

(B) An institution shall initiate an investigation into each report filed with the institution alleging a violation of § 49-7-1903 no later than five (5) days immediately following the date on which the report was filed, and must complete the investigation no later than thirty (30) days immediately following the date on which the report was filed.

(C)

(i) Each institution shall report the results of each investigation to the comptroller of the treasury no later than ten (10) days after the investigation is completed. The report must:

(a) Describe the general nature of the complaint;

(b) State whether the allegations in the complaint were substantiated by the institution's investigation; and

(c) Detail the corrective actions the institution is taking to prevent such violations in the future.

(ii) A report submitted to the comptroller must be redacted if necessary to ensure compliance with the federal Family Educational Rights and Privacy Act (FERPA) (20 U.S.C. § 1232g); § 10-7-504; and all other relevant privacy laws.

(D) If an institution needs additional time to complete its investigation, then the institution may request that the comptroller grant the institution an extension of the thirty-day period prescribed in subdivision (b)(1)(B); provided, that the comptroller shall not grant an institution an extension that exceeds sixty (60) days.

(2)

(A) If the comptroller finds that an institution has failed to timely investigate a report alleging a violation of § 49-7-1903, has failed to timely report the results of an investigation to the comptroller, or has failed to take the corrective actions reported to the comptroller, then the comptroller may direct the department of finance and administration to withhold state funds from the institution, in either the current or upcoming academic year, in the following amounts:

(i) For a second violation of this subsection (b) committed by the institution in one (1) academic year, two percent (2%) of the annual state funds generated by the institution in the outcomes-based funding formula;

(ii) For a third violation of this subsection (b) committed by the institution in one (1) academic year, four percent (4%) of the annual state funds generated by the institution in the outcomes-based funding formula;

(iii) For a fourth violation of this subsection (b) committed by the institution in one (1) academic year, six percent (6%) of the annual state funds generated by the institution in the outcomes-based funding formula;

(iv) For a fifth violation of this subsection (b) committed by the institution in one (1) academic year, eight percent (8%) of the annual state funds generated by the institution in the outcomes-based funding formula; and

(v) For a sixth violation of this subsection (b) committed by the institution in one (1) academic year, ten percent (10%) of the annual state funds generated by the institution in the outcomes-based funding formula.

(B) If funds are withheld pursuant to subdivision (b)(2)(A), then the funds must be withheld until the institution has remedied the violation by reporting the results of the institution's completed investigation, or by providing sufficient evidence, as determined by the comptroller, of the institution's implementation of the necessary corrective actions.

(C) The percentage of any funds withheld pursuant to subdivision (b)(2)(A) must be calculated by the department based on the amount of state funds generated by the institution in the outcomes-based funding formula for the previous academic year.

(3) If the comptroller receives more than ten (10) reports from an institution in any one (1) academic year pursuant to subdivision (b)(1)(C), then the comptroller shall report the same to the education committee of the senate and the education administration committee of the house of representatives.

(4) An individual is not required to file a report with the institution pursuant to subdivision (b)(1) before the individual may pursue any equitable or legal remedies that may be available to the individual in a court of competent jurisdiction as provided in § 49-7-1903.

SECTION 3. This act takes effect upon becoming a law, the public welfare requiring it.