

State of Arizona
House of Representatives
Forty-seventh Legislature
Second Regular Session
2006

HOUSE BILL 2816

AN ACT

AMENDING SECTIONS 15-1626 AND 15-1661, ARIZONA REVISED STATUTES; RELATING TO
UNIVERSITIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 15-1626, Arizona Revised Statutes, is amended to
3 read:
4 15-1626. General administrative powers and duties of board
5 A. The board shall:
6 1. Have and exercise the powers necessary for the effective governance
7 and administration of the institutions under its control. To that end, the
8 board may adopt, and authorize each university to adopt, such regulations,
9 policies, rules or measures as are deemed necessary and may delegate in
10 writing to its committees, to its university presidents, or their designees,
11 or to other entities under its control, any part of its authority for the
12 administration and governance of such institutions, including those powers
13 enumerated in section 15-1625, subsection B, paragraphs 2 and 4, paragraphs
14 3, 4, 7, 8, 10 and 11 of this subsection and subsection B of this
15 section. Any delegation of authority may be rescinded by the board at any
16 time in whole or in part.
17 2. Appoint and employ and determine the compensation of presidents
18 with such power and authority and for such purposes in connection with the
19 operation of the institutions as the board deems necessary.
20 3. Appoint and employ and determine the compensation of
21 vice-presidents, deans, professors, instructors, lecturers, fellows and such
22 other officers and employees with such power and authority and for such
23 purposes in connection with the operation of the institutions as the board
24 deems necessary, or delegate its authority pursuant to paragraph 1 of this
25 subsection.
26 4. Remove any officer or employee when the interests of education in
27 this state so require in accordance with its personnel rules and policies.
28 5. Fix tuitions and fees to be charged and differentiate the tuitions
29 and fees between institutions and between residents, nonresidents,
30 undergraduate students, graduate students, students from foreign countries
31 and students who have earned credit hours in excess of the credit hour
32 threshold, ~~except students whose chosen program requires for a degree~~
33 ~~additional credit hours above the credit hour threshold.~~ For the purposes of
34 this paragraph, the UNDERGRADUATE credit hour threshold is one hundred
35 fifty-five hours FOR STUDENTS WHO ENROLL IN A UNIVERSITY UNDER THE
36 JURISDICTION OF THE BOARD in fiscal year 2006-2007, one hundred fifty hours
37 FOR STUDENTS WHO ENROLL IN A UNIVERSITY UNDER THE JURISDICTION OF THE BOARD
38 in fiscal year 2007-2008 and one hundred forty-five hours FOR STUDENTS WHO
39 ENROLL IN A UNIVERSITY UNDER THE JURISDICTION OF THE BOARD after fiscal year
40 2007-2008. THE UNDERGRADUATE CREDIT HOUR THRESHOLD SHALL BE BASED ON THE
41 ACTUAL FULL-TIME EQUIVALENT STUDENT ENROLLMENT COUNTED ON THE TWENTY-FIRST
42 DAY AFTER CLASSES BEGIN FOR THE FALL SEMESTER OF 2005 AND EVERY FALL SEMESTER
43 THEREAFTER AND ANY BUDGET ADJUSTMENT BASED ON STUDENT ENROLLMENT SHALL OCCUR
44 IN THE FISCAL YEAR FOLLOWING THE ACTUAL FULL-TIME EQUIVALENT STUDENT
45 ENROLLMENT COUNT. THE UNDERGRADUATE CREDIT HOUR THRESHOLD SHALL NOT APPLY TO

1 DEGREE PROGRAMS THAT REQUIRE CREDIT HOURS ABOVE THE CREDIT HOUR THRESHOLD,
2 CREDITS EARNED IN THE PURSUIT OF UP TO TWO BACCALAUREATE DEGREES, CREDITS
3 EARNED IN THE PURSUIT OF UP TO TWO STATE REGULATED LICENSURES OR
4 CERTIFICATES, CREDITS EARNED IN THE PURSUIT OF TEACHING CERTIFICATION,
5 CREDITS TRANSFERRED FROM A PRIVATE INSTITUTION OF HIGHER EDUCATION, CREDITS
6 TRANSFERRED FROM AN INSTITUTION OF HIGHER EDUCATION IN ANOTHER STATE, CREDITS
7 EARNED AT ANOTHER INSTITUTION OF HIGHER EDUCATION BUT THAT ARE NOT ACCEPTED
8 AS TRANSFER CREDITS AT THE UNIVERSITY WHERE THE STUDENT IS CURRENTLY ENROLLED
9 AND CREDITS EARNED BY STUDENTS WHO ENROLL AT A UNIVERSITY UNDER THE
10 JURISDICTION OF THE BOARD MORE THAN TWENTY-FOUR MONTHS AFTER THE END OF THAT
11 STUDENT'S PREVIOUS ENROLLMENT AT A PUBLIC INSTITUTION OF HIGHER EDUCATION IN
12 THIS STATE. ON OR BEFORE OCTOBER 15 OF EACH YEAR, THE ARIZONA BOARD OF
13 REGENTS SHALL REPORT TO THE JOINT LEGISLATIVE BUDGET COMMITTEE THE NUMBER OF
14 STUDENTS WHO WERE ENROLLED AT UNIVERSITIES UNDER THE JURISDICTION OF THE
15 BOARD DURING THE PREVIOUS FISCAL YEAR WHO MET OR EXCEEDED THE UNDERGRADUATE
16 CREDIT HOUR THRESHOLD PRESCRIBED IN THIS PARAGRAPH. The amount of tuition,
17 registration fees and other revenues included in the operating budget for the
18 university adopted by the board as prescribed in paragraph 12 of this
19 subsection shall be deposited, pursuant to sections 35-146 and 35-147. All
20 other tuition and fee revenue shall be retained by each university for
21 expenditure as approved by the board. Except as provided in subsection H of
22 this section, the Arizona board of regents shall adopt rules to govern its
23 tuition and fee setting process that provide for the following:

24 (a) At least one public hearing at each university as an opportunity
25 for students and members of the public to comment upon any proposed increase
26 in tuition or fees.

27 (b) Publication of the notice of public hearing at least ten days
28 prior to the hearing in a newspaper of general circulation in Maricopa
29 county, Coconino county and Pima county. The notice shall include the date,
30 time and location of the public hearing.

31 (c) Public disclosure by each university of any proposed increases in
32 tuition or fees at least ten days prior to the public hearing.

33 (d) Final board action on changes in tuition or fees shall be taken by
34 roll call vote.

35 The procedural requirements of subdivisions (a), (b), (c) and (d) apply only
36 to those changes in tuition or fees that require board approval.

37 6. Pursuant to section 35-115, submit a budget request for each
38 institution under its jurisdiction that includes the estimated tuition and
39 fee revenue available to support the programs of the institution as described
40 in the budget request. The estimated available tuition and fee revenue shall
41 be based on the tuition and registration fee rates in effect at the time the
42 budget request is submitted with adjustments for projected changes in
43 enrollment as provided by the board.

1 7. Establish curriculums and designate courses at the several
2 institutions which in its judgment will best serve the interests of this
3 state.

4 8. Award such degrees and diplomas upon the completion of such courses
5 and curriculum requirements as it deems appropriate.

6 9. Prescribe qualifications for admission of all students to the
7 universities. The board shall establish policies for guaranteed admission
8 that assure fair and equitable access to students in this state from public,
9 private, charter and home schools. For the purpose of determining the
10 qualifications of honorably discharged veterans, veterans are those persons
11 who served in the armed forces for a minimum of two years and who were
12 previously enrolled at a university or community college in this state. No
13 prior failing grades received by the veteran at the university or community
14 college in this state may be considered.

15 10. Adopt any energy conservation standards promulgated by the
16 department of administration for the construction of new buildings.

17 11. Employ for such time and purposes as the board requires attorneys
18 whose compensation shall be fixed and paid by the board. Litigation to which
19 the board is a party and for which self-insurance is not provided may be
20 compromised or settled at the direction of the board.

21 12. Adopt annually an operating budget for each university equal to the
22 sum of appropriated general fund monies and the amount of tuition,
23 registration fees and other revenues approved by the board and allocated to
24 each university operating budget.

25 13. In consultation with the state board of education and other
26 education groups, develop and implement a program to award honors
27 endorsements to be affixed to the high school diplomas of qualifying high
28 school pupils and to be included in the transcripts of pupils who are awarded
29 endorsements. The board shall develop application procedures and testing
30 criteria and adopt testing instruments and procedures to administer the
31 program. In order to receive an honors endorsement, a pupil must demonstrate
32 an extraordinary level of knowledge, skill and competency as measured by the
33 testing instruments adopted by the board in mathematics, English, science and
34 social studies. Additional subjects may be added at the determination of the
35 board. The program is voluntary for pupils.

36 14. Require the publisher of each literary and nonliterary textbook
37 used in the universities of this state to furnish computer software in a
38 standardized format when software becomes available for nonliterary
39 textbooks, to the Arizona board of regents from which braille versions of the
40 textbooks may be produced.

41 15. Require universities that provide a degree in education to require
42 courses that are necessary to obtain a provisional structured English
43 immersion endorsement as prescribed by the state board of education.

44 B. The board shall adopt personnel rules. All nonacademic employees
45 of the universities are subject to these rules except for university

1 presidents, university vice-presidents, university deans, legal counsel and
2 administrative officers. The personnel rules shall be similar to the
3 personnel rules under section 41-783. The rules shall include provisions for
4 listing available positions with the department of economic security,
5 competitive employment processes for applicants, probationary status for new
6 nonacademic employees, nonprobationary status on successful completion of
7 probation and due process protections of nonprobationary employees after
8 discharge. The board shall provide notice of proposed rule adoption and an
9 opportunity for public comment on all personnel rules proposed for adoption.

10 C. The ~~Arizona~~ board ~~of regents~~ may employ legal assistance in
11 procuring loans for the institutions from the United States government. Fees
12 or compensation paid for such legal assistance shall not be a claim upon the
13 general fund of this state but shall be paid from funds of the institutions.

14 D. The board shall approve or disapprove any contract or agreement
15 entered into by the university of Arizona hospital with the Arizona health
16 facilities authority.

17 E. The board may adopt policies which authorize the institutions under
18 its jurisdiction to enter into employment contracts with nontenured employees
19 for periods of more than one year but not more than five years. The policies
20 shall prescribe limitations on the authority of the institutions to enter
21 into employment contracts for periods of more than one year but not more than
22 five years, including the requirement that the board approve the contracts.

23 F. The board may adopt a plan or plans for employee benefits which
24 allow for participation in a cafeteria plan that meets the requirements of
25 the United States internal revenue code of 1986.

26 G. The board may establish a program for the exchange of students
27 between the universities under the jurisdiction of the board and colleges and
28 universities located in the state of Sonora, Mexico. Notwithstanding
29 subsection A, paragraph 5 of this section, the program may provide for
30 in-state tuition at the universities under the jurisdiction of the board for
31 fifty Sonoran students in exchange for similar tuition provisions for up to
32 fifty Arizona students enrolled or seeking enrollment in Sonoran colleges or
33 universities. The board may direct the universities to work in conjunction
34 with the Arizona-Mexico commission to coordinate recruitment and admissions
35 activities.

36 H. Subsection A, paragraph 5, subdivisions (a), (b), (c) and (d) of
37 this section do not apply to fee increases that are set by individual
38 universities and that do not require approval by the Arizona board of regents
39 before the fee increase becomes effective.

40 Sec. 2. Section 15-1661, Arizona Revised Statutes, is amended to read:
41 15-1661. Annual appropriation; enrollment audit; expenditure;
42 balance; salaries

43 A. There shall be appropriated in the general appropriation bill for
44 each fiscal year a sum of monies not less than eighty-five one-hundredths of
45 one mill on the dollar of the assessed valuation of all taxable property in

1 the state for the improvement, support and maintenance of the institutions
2 under the Arizona board of regents' jurisdiction, including payment of
3 salaries, current expenses, purchase of equipment, making necessary repairs,
4 construction of new buildings, purchase of lands and in general for payment
5 of all such expenses connected with the management of the institutions under
6 the Arizona board of regents' jurisdiction. The department of revenue, upon
7 compiling the aggregate assessed valuation of all taxable property within
8 this state, shall compute the amount of monies so determined and certify such
9 amount over its seal to the department of administration and the state
10 treasurer.

11 B. The full-time equivalent student enrollment reported for the
12 previous fiscal year by each university shall be audited annually by the
13 auditor general. The auditor general shall report the results of the audit
14 to the staffs of the joint legislative budget committee and the governor's
15 office of strategic planning and budgeting on or before October 15 of each
16 year. Beginning in 2006, on or before July 21 of each year, each university
17 shall provide a certified report to the auditor general of the number of
18 full-time equivalent students calculated by the university. The university's
19 records used to calculate full-time equivalent student enrollment shall be
20 provided to the auditor general in an electronic format prescribed by the
21 auditor general. Beginning in 2006, each university shall submit to the
22 auditor general a summary of its full-time equivalent student enrollment
23 accounting policies and procedures, compilation procedures and source records
24 used for calculating full-time equivalent student enrollment. These
25 accounting policies and procedures, compilation procedures and source records
26 shall comply with policies developed on or before June 30, 2006 by the
27 Arizona board of regents, in consultation with the auditor general and
28 reviewed by the joint legislative budget committee. These policies shall
29 include minimum requirements for students enrolled in classes to qualify for
30 appropriations pursuant to this section, including requirements that the
31 class be a for-credit course that is necessary for the completion of a degree
32 and that the student enrolled in the course be physically present in this
33 state at the time the course is conducted. The basic actual full-time
34 equivalent student enrollment shall be counted on the twenty-first day after
35 the basic actual full-time equivalent student enrollment classes begin for
36 the fall semester, as published in the university catalogs. Class rosters
37 that reflect enrollment as of the twenty-first day shall be provided by the
38 registrar's office to each professor or instructor for every class section.
39 The class roster shall indicate the course number, course title, time,
40 instructor name and students enrolled. Each professor or instructor is
41 required to review the class roster and make additions or deletions as
42 necessary. On the twenty-first day class rosters, each professor or
43 instructor shall indicate as withdrawn each student who has formally
44 withdrawn from the course, and that student shall not be counted for state
45 aid purposes. The official twenty-first day rosters shall include a manual

1 signature and date or an electronic authorization and date by the professor
2 or instructor and shall include the following certification:

3 I hereby certify that the information contained in this
4 class roster accurately reflects those students who are
5 enrolled.

6 C. Students who have withdrawn or who have been withdrawn from classes
7 as of the twenty-first day shall not be counted for state aid purposes. A
8 record shall be maintained that identifies student withdrawals by date of
9 withdrawal, as of the twenty-first day and after the twenty-first day for the
10 entire semester.

11 D. Amounts appropriated as provided by subsection A shall be paid as
12 other claims against this state are paid.

13 E. The balance of appropriations as provided by subsection A at the
14 end of the fiscal year, if any, shall not revert to the general fund but
15 shall be carried forward for the continued use for which appropriated.

16 F. Monies appropriated to a university under the jurisdiction of the
17 Arizona board of regents for cost of living salary increases for university
18 employees shall be used to provide cost of living salary increases to all
19 university employees including graduate student assistants. If monies are
20 appropriated to a university for salary increases based on merit, the monies
21 shall be used to provide merit increases according to the merit pay plan
22 adopted by the Arizona board of regents.

23 G. The Arizona board of regents shall determine current actual
24 full-time equivalent student enrollment at each of the institutions under the
25 jurisdiction of the Arizona board of regents. Full-time equivalent student
26 enrollment shall be calculated by adding the following:

27 1. The total number of enrolled fall semester credit hours in
28 100-level credit courses and 200-level credit courses divided by fifteen.

29 2. The total number of enrolled fall semester credit hours in
30 300-level credit courses and 400-level credit courses divided by twelve.

31 3. The total number of enrolled fall semester credit hours in graduate
32 level credit courses divided by ten.

33 ~~H. The legislature shall not appropriate monies supporting any student
34 who is enrolled at an institution under the jurisdiction of the Arizona board
35 of regents who has earned credit hours in excess of the credit hour
36 threshold, except students whose chosen program requires for a degree
37 additional credit hours above the credit hour threshold. For the purposes of
38 this subsection, the credit hour threshold is one hundred fifty-five hours in
39 fiscal year 2006-2007, one hundred fifty hours in fiscal year 2007-2008 and
40 one hundred forty-five hours after fiscal year 2007-2008.~~

41 H. THE LEGISLATURE SHALL NOT APPROPRIATE MONIES SUPPORTING ANY STUDENT
42 WHO IS ENROLLED AT AN INSTITUTION UNDER THE JURISDICTION OF THE ARIZONA BOARD
43 OF REGENTS AND WHO HAS EARNED CREDIT HOURS IN EXCESS OF THE UNDERGRADUATE
44 CREDIT HOUR THRESHOLD, EXCEPT THAT THE UNDERGRADUATE CREDIT HOUR THRESHOLD
45 SHALL NOT APPLY TO STUDENTS WHO ARE ENROLLED IN A DEGREE PROGRAM THAT

1 REQUIRES CREDIT HOURS ABOVE THE CREDIT THRESHOLD. FOR THE PURPOSES OF THIS
2 SUBSECTION, THE UNDERGRADUATE CREDIT HOUR THRESHOLD IS ONE HUNDRED FIFTY-FIVE
3 HOURS FOR STUDENTS WHO ENROLL IN A UNIVERSITY UNDER THE JURISDICTION OF THE
4 BOARD IN FISCAL YEAR 2006-2007, ONE HUNDRED FIFTY HOURS FOR STUDENTS WHO
5 ENROLL IN A UNIVERSITY UNDER THE JURISDICTION OF THE BOARD IN FISCAL YEAR
6 2007-2008 AND ONE HUNDRED FORTY-FIVE HOURS FOR STUDENTS WHO ENROLL IN A
7 UNIVERSITY UNDER THE JURISDICTION OF THE BOARD AFTER FISCAL YEAR 2007-2008.
8 THE UNDERGRADUATE CREDIT HOUR THRESHOLD SHALL BE BASED ON THE ACTUAL
9 FULL-TIME EQUIVALENT STUDENT ENROLLMENT COUNTED ON THE TWENTY-FIRST DAY AFTER
10 CLASSES BEGIN FOR THE FALL SEMESTER OF 2005 AND EVERY FALL SEMESTER
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15 EARNED IN THE PURSUIT OF UP TO TWO STATE REGULATED LICENSURES AND
16 CERTIFICATES, CREDITS EARNED IN THE PURSUIT OF TEACHING CERTIFICATION,
17 CREDITS TRANSFERRED FROM A PRIVATE INSTITUTION OF HIGHER EDUCATION, CREDITS
18 TRANSFERRED FROM AN INSTITUTION OF HIGHER EDUCATION IN ANOTHER STATE, CREDITS
19 EARNED AT ANOTHER INSTITUTION OF HIGHER EDUCATION BUT THAT ARE NOT ACCEPTED
20 AS TRANSFER CREDITS AT THE UNIVERSITY WHERE THE STUDENT IS CURRENTLY ENROLLED
21 AND CREDITS EARNED BY STUDENTS WHO ENROLL AT A UNIVERSITY UNDER THE
22 JURISDICTION OF THE BOARD MORE THAN TWENTY-FOUR MONTHS AFTER THE END OF THAT
23 STUDENT'S PREVIOUS ENROLLMENT AT A PUBLIC INSTITUTION OF HIGHER EDUCATION IN
24 THIS STATE.