

REFERENCE TITLE: **universities; credit threshold**

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HB 2816

Introduced by

Representatives Burns J, Aguirre A, Burton Cahill, Hershberger, Huffman,
Knaperek, O'Halleran, Senator Arzberger: Representatives Alvarez,
Anderson, Barnes, Biggs, Brown, Burges, Chase, Downing, Garcia M, Jones,
Konopnicki, Lujan, Mason, McClure, McComish, McLain, Meza, Nelson, Paton,
Pierce, Prezelski, Reagan, Robson, Tully, Yarbrough, Senators Aboud,
Aguirre, Allen, Bee, Cannell, Flake, Gray, Hellon, Leff, Soltero, Waring

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 definition
6 A. The board shall:
7 1. Have and exercise the powers necessary for the effective governance
8 and administration of the institutions under its control. To that end, the
9 board may adopt, and authorize each university to adopt, such regulations,
10 policies, rules or measures as are deemed necessary and may delegate in
11 writing to its committees, to its university presidents, or their designees,
12 or to other entities under its control, any part of its authority for the
13 administration and governance of such institutions, including those powers
14 enumerated in section 15-1625, subsection B, paragraphs 2 and 4, paragraphs
15 3, 4, 7, 8, 10 and 11 of this subsection and subsection B of this
16 section. Any delegation of authority may be rescinded by the board at any
17 time in whole or in part.
18 2. Appoint and employ and determine the compensation of presidents
19 with such power and authority and for such purposes in connection with the
20 operation of the institutions as the board deems necessary.
21 3. Appoint and employ and determine the compensation of
22 vice-presidents, deans, professors, instructors, lecturers, fellows and such
23 other officers and employees with such power and authority and for such
24 purposes in connection with the operation of the institutions as the board
25 deems necessary, or delegate its authority pursuant to paragraph 1 of this
26 subsection.
27 4. Remove any officer or employee when the interests of education in
28 this state so require in accordance with its personnel rules and policies.
29 5. Fix tuitions and fees to be charged and differentiate the tuitions
30 and fees between institutions and between residents, nonresidents,
31 undergraduate students, graduate students, students from foreign countries
32 and students who have earned credit hours in excess of the credit hour
33 threshold, ~~except students whose chosen program requires for a degree~~
34 ~~additional credit hours above the credit hour threshold.~~ For the purposes of
35 this paragraph, the UNDERGRADUATE credit hour threshold is one hundred
36 fifty-five hours FOR INCOMING FRESHMAN STUDENTS WHO ENROLL IN A UNIVERSITY
37 UNDER THE JURISDICTION OF THE BOARD in fiscal year 2006-2007, one hundred
38 fifty hours FOR INCOMING FRESHMAN STUDENTS WHO ENROLL IN A UNIVERSITY UNDER
39 THE JURISDICTION OF THE BOARD in fiscal year 2007-2008 and one hundred
40 forty-five hours FOR INCOMING FRESHMAN STUDENTS WHO ENROLL IN A UNIVERSITY
41 UNDER THE JURISDICTION OF THE BOARD after fiscal year 2007-2008. THE
42 UNDERGRADUATE CREDIT HOUR THRESHOLD SHALL BE BASED ON THE ACTUAL FULL-TIME
43 EQUIVALENT STUDENT ENROLLMENT COUNTED ON THE TWENTY-FIRST DAY AFTER CLASSES
44 BEGIN FOR THE FALL SEMESTER OF 2006 AND EVERY FALL SEMESTER THEREAFTER AND
45 ANY BUDGET ADJUSTMENT BASED ON STUDENT ENROLLMENT SHALL OCCUR IN THE FISCAL

1 YEAR FOLLOWING THE ACTUAL FULL-TIME EQUIVALENT STUDENT ENROLLMENT COUNT. THE
2 UNDERGRADUATE CREDIT HOUR THRESHOLD SHALL NOT APPLY TO DEGREE PROGRAMS THAT
3 REQUIRE CREDIT HOURS ABOVE THE CREDIT HOUR THRESHOLD, POSTBACCALAUREATE
4 DEGREE PROGRAMS, STUDENTS WHO SIMULTANEOUSLY PURSUE TWO OR MORE DEGREES,
5 UNIVERSITY CREDITS EARNED WHILE A STUDENT IS ENROLLED IN A HIGH SCHOOL IN
6 THIS STATE, COMMUNITY COLLEGE CREDITS EARNED BY A STUDENT IF THOSE CREDITS
7 ARE NOT APPLIED TO THE STUDENT'S DEGREE PROGRAM WHEN THE STUDENT TRANSFERS TO
8 A UNIVERSITY UNDER THE JURISDICTION OF THE BOARD, TRANSFER CREDITS FROM A
9 UNIVERSITY IN ANOTHER STATE, STUDENTS WHO ARE ADMITTED WITH DEFICIENCIES TO A
10 UNIVERSITY UNDER THE JURISDICTION OF THE BOARD AND STUDENTS WHO ENROLL AT A
11 UNIVERSITY UNDER THE JURISDICTION OF THE BOARD MORE THAN TWENTY-FOUR MONTHS
12 AFTER THE END OF THAT STUDENT'S PREVIOUS ENROLLMENT AT A UNIVERSITY UNDER THE
13 JURISDICTION OF THE BOARD. The amount of tuition, registration fees and
14 other revenues included in the operating budget for the university adopted by
15 the board as prescribed in paragraph 12 of this subsection shall be
16 deposited, pursuant to sections 35-146 and 35-147. All other tuition and fee
17 revenue shall be retained by each university for expenditure as approved by
18 the board. Except as provided in subsection H of this section, the Arizona
19 board of regents shall adopt rules to govern its tuition and fee setting
20 process that provide for the following:

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

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

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

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

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

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

41 7. Establish curriculums and designate courses at the several
42 institutions which in its judgment will best serve the interests of this
43 state.

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

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

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

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

16 12. Adopt annually an operating budget for each university equal to the
17 sum of appropriated general fund monies and the amount of tuition,
18 registration fees and other revenues approved by the board and allocated to
19 each university operating budget.

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

31 14. Require the publisher of each literary and nonliterary textbook
32 used in the universities of this state to furnish computer software in a
33 standardized format when software becomes available for nonliterary
34 textbooks, to the Arizona board of regents from which braille versions of the
35 textbooks may be produced.

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

39 B. The board shall adopt personnel rules. All nonacademic employees
40 of the universities are subject to these rules except for university
41 presidents, university vice-presidents, university deans, legal counsel and
42 administrative officers. The personnel rules shall be similar to the
43 personnel rules under section 41-783. The rules shall include provisions for
44 listing available positions with the department of economic security,
45 competitive employment processes for applicants, probationary status for new

1 nonacademic employees, nonprobationary status on successful completion of
2 probation and due process protections of nonprobationary employees after
3 discharge. The board shall provide notice of proposed rule adoption and an
4 opportunity for public comment on all personnel rules proposed for adoption.

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

9 D. The board shall approve or disapprove any contract or agreement
10 entered into by the university of Arizona hospital with the Arizona health
11 facilities authority.

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

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

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

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

35 I. FOR THE PURPOSES OF THIS SECTION, "POSTBACCALAUREATE DEGREE
36 PROGRAM" MEANS A DEGREE PROGRAM ENROLLED IN BY A STUDENT WHO HAS PREVIOUSLY
37 EARNED A BACCALAUREATE DEGREE.

38 Sec. 2. Section 15-1661, Arizona Revised Statutes, is amended to read:
39 15-1661. Annual appropriation; enrollment audit; expenditure;
40 balance; salaries

41 A. There shall be appropriated in the general appropriation bill for
42 each fiscal year a sum of monies not less than eighty-five one-hundredths of
43 one mill on the dollar of the assessed valuation of all taxable property in
44 the state for the improvement, support and maintenance of the institutions
45 under the Arizona board of regents' jurisdiction, including payment of

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

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

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

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

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

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

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

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

25 1. The total number of enrolled fall semester credit hours in
26 100-level credit courses and 200-level credit courses divided by fifteen.

27 2. The total number of enrolled fall semester credit hours in
28 300-level credit courses and 400-level credit courses divided by twelve.

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

31 H. The legislature shall not appropriate monies supporting any student
32 who is enrolled **AS AN INCOMING FRESHMAN** at an institution under the
33 jurisdiction of the Arizona board of regents **IN FISCAL YEAR 2006-2007 AND** who
34 has earned credit hours in excess of the **UNDERGRADUATE** credit hour threshold,
35 except **THAT THE UNDERGRADUATE CREDIT HOUR THRESHOLD SHALL NOT APPLY TO**
36 students ~~whose chosen~~ **WHO ARE ENROLLED IN A DEGREE** program **THAT** requires ~~for~~
37 ~~a degree additional~~ credit hours above the credit hour threshold,
38 **POSTBACCALAUREATE DEGREE PROGRAMS, STUDENTS WHO SIMULTANEOUSLY PURSUE TWO OR**
39 **MORE DEGREES, UNIVERSITY CREDITS EARNED WHILE A STUDENT IS ENROLLED IN A HIGH**
40 **SCHOOL IN THIS STATE, COMMUNITY COLLEGE CREDITS EARNED BY A STUDENT IF THOSE**
41 **CREDITS ARE NOT APPLIED TO THE STUDENT'S DEGREE PROGRAM WHEN THE STUDENT**
42 **TRANSFERS TO A UNIVERSITY UNDER THE JURISDICTION OF THE BOARD, TRANSFER**
43 **CREDITS FROM A UNIVERSITY IN ANOTHER STATE, STUDENTS WHO ARE ADMITTED WITH**
44 **DEFICIENCIES TO A UNIVERSITY UNDER THE JURISDICTION OF THE BOARD AND STUDENTS**
45 **WHO ENROLL AT A UNIVERSITY UNDER THE JURISDICTION OF THE BOARD MORE THAN**

1 TWENTY-FOUR MONTHS AFTER THE END OF THAT STUDENT'S PREVIOUS ENROLLMENT AT A
2 UNIVERSITY UNDER THE JURISDICTION OF THE BOARD. THE UNDERGRADUATE CREDIT
3 HOUR THRESHOLD SHALL BE BASED ON THE ACTUAL FULL-TIME EQUIVALENT STUDENT
4 ENROLLMENT COUNTED ON THE TWENTY-FIRST DAY AFTER CLASSES BEGIN FOR THE FALL
5 SEMESTER OF 2006 AND EVERY FALL SEMESTER THEREAFTER AND ANY BUDGET ADJUSTMENT
6 BASED ON STUDENT ENROLLMENT SHALL OCCUR IN THE FISCAL YEAR FOLLOWING THE
7 ACTUAL FULL-TIME EQUIVALENT STUDENT ENROLLMENT COUNT. For the purposes of
8 this subsection, the credit hour threshold is one hundred fifty-five hours in
9 fiscal year 2006-2007, one hundred fifty hours in fiscal year 2007-2008 and
10 one hundred forty-five hours after fiscal year 2007-2008. FOR THE PURPOSES
11 OF THIS SUBSECTION, "POSTBACCALAUREATE DEGREE PROGRAM" MEANS A DEGREE PROGRAM
12 ENROLLED IN BY A STUDENT WHO HAS PREVIOUSLY EARNED A BACCALAUREATE DEGREE.