

PROPOSED AMENDMENT  
SENATE AMENDMENTS TO S.B. 1029  
(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 15-1427, Arizona Revised Statutes, is amended to  
3 read:

4 15-1427. Annual report

5 A. By November 1 of each year, each community college district shall  
6 make a report for the preceding fiscal year to the governor, the president of  
7 the senate, the speaker of the house of representatives and the joint  
8 legislative budget committee and shall provide a copy of this report to the  
9 secretary of state and the director of the Arizona state library, archives  
10 and public records.

11 B. The report shall contain the following information **REGARDING THE**  
12 **OPERATION OF THE DISTRICT:**

13 1. The state of progress of the community colleges operated under this  
14 chapter.

15 2. The courses of study included in the curriculums.

16 3. The number of professors and other instructional staff members  
17 employed.

18 4. The number of students registered and attending classes.

19 5. The number of full-time equivalent students enrolled during the  
20 year.

21 6. The total number of students not residing in the district.

22 7. The amount of receipts and expenditures.

23 ~~8. The number, short title and description of all credit courses and~~  
24 ~~noncredit courses offered.~~

25 ~~9. The enrollment for each credit and noncredit course for each of the~~  
26 ~~three previous years.~~

27 ~~10. For credit courses, the full-time enrollment student equivalent for~~  
28 ~~each course for each of the three previous years.~~

29 ~~11. The tuition for each credit and noncredit course.~~

~~12. The fees for each credit and noncredit course.~~

~~13. The number of credits offered for each course.~~

~~14. The percentage of students achieving the credits for the course.~~

~~15. Any new courses not offered in the previous year.~~

~~16. Any new courses not offered for credit in each of the previous three years.~~

~~17. For credit courses, the provisions of section 15-1410, subsection A, paragraph 1 used to determine if the course is offered for credit.~~

8. A GENERAL DESCRIPTION OF TUITION AND FEES CHARGED FOR CREDIT COURSES.

9. A GENERAL DESCRIPTION OF TUITION AND FEES CHARGED FOR NONCREDIT COURSES.

~~18.~~ 10. Such other information as the governor and the joint legislative budget committee deem proper.

C. THE REPORT SHALL CONTAIN THE FOLLOWING INFORMATION REGARDING DUAL ENROLLMENT PROGRAMS OPERATED PURSUANT TO SECTION 15-1821.01:

1. DOCUMENTATION OF COMPLIANCE WITH THE REQUIREMENTS PRESCRIBED IN SECTION 15-1821.01, PARAGRAPHS 3, 4 AND 5, INCLUDING A LIST OF THE MEMBERS OF THE FACULTY ADVISORY COMMITTEES OF EACH COMMUNITY COLLEGE.

2. TOTAL ENROLLMENTS LISTED BY LOCATION, BY HIGH SCHOOL GRADE LEVEL AND BY COURSE.

3. SUMMARY DATA ON THE PERFORMANCE OF STUDENTS ENROLLED FOR COLLEGE CREDIT IN COURSES OFFERED IN CONJUNCTION WITH HIGH SCHOOLS, INCLUDING COMPLETION RATES AND GRADE DISTRIBUTION.

4. A COPY OF EACH ADDENDUM TO INTERGOVERNMENTAL AGREEMENTS OR CONTRACTS EXECUTED PURSUANT TO SECTION 15-1821.01, PARAGRAPH 1.

5. SUMMARY DATA BY COMMUNITY COLLEGE DISTRICT AND BY INDIVIDUAL COMMUNITY COLLEGES ON THE NUMBER OF SCHOLARSHIPS OR GRANTS AWARDED TO STUDENTS.

6. ITEMIZED ACTUAL PROGRAM COSTS FOR EACH OF THE FOLLOWING:

(a) CURRICULUM DEVELOPMENT AND APPROVAL.

(b) TEXTBOOK COSTS.

(c) FACILITY AND EQUIPMENT COSTS.

(d) COUNSELING AND TUTORING COSTS.

(e) TEACHER TRAINING AND OBSERVATION COSTS.

1           7. SUCH OTHER INFORMATION AS THE GOVERNOR AND THE JOINT LEGISLATIVE  
2 BUDGET COMMITTEE DEEM PROPER.

3           Sec. 2. Repeal

4           Section 15-1447, Arizona Revised Statutes, is repealed.

5           Sec. 3. Section 15-1461, Arizona Revised Statutes, is amended to read:

6           15-1461. District budget; annual estimate; computation; notice;  
7                                   hearing; adoption

8           A. Not later than June 5, each district established pursuant to this  
9 chapter, and any other community college established prior to the enactment  
10 of this chapter, shall prepare a proposed budget for the budget year on a  
11 form which the auditor general prescribes to be transmitted to the district  
12 board. The proposed budget shall be accompanied by an estimate of the amount  
13 of funds needed for the ensuing year as determined by the district based on  
14 the proposed budget prepared by it.

15           B. The district shall establish and set forth in the proposed budget  
16 the per capita expenditure per full-time equivalent student, which shall be  
17 the total operational expenses.

18           C. The district shall establish and set forth in the proposed budget  
19 the per capita expenditure per full-time equivalent student, which shall be  
20 the total capital outlay expenses.

21           D. The number of basic full-time equivalent students shall be computed  
22 by dividing the total community college credit units by fifteen per semester  
23 and shall be based on regular day enrollment. The number of additional  
24 short-term full-time equivalent students shall be computed by dividing the  
25 total community college credit units from additional short-term classes by  
26 thirty. The number of skill center full-time equivalent students shall be  
27 computed by dividing the total number of clock hours in approved vocational  
28 training programs by six hundred forty.

29           E. The governing board of each district shall prepare a notice fixing  
30 a time not later than June 20 and designating a public place within each  
31 district at which a public hearing and special board meeting shall be held.  
32 THE GOVERNING BOARD OF EACH DISTRICT SHALL PUBLISH A NOTICE OF THE PUBLIC  
33 HEARING AND SPECIAL BOARD MEETING NOT LATER THAN FIFTEEN DAYS BEFORE THE  
34 MEETING. The governing board shall PUBLISH THE PROPOSED BUDGET ON ITS  
35 WEBSITE AND present the proposed budget for consideration of the residents  
36 and the taxpayers of the district at such meeting.

1           F. ~~The governing board of each district shall publish a copy of the~~  
2 ~~proposed budget prior to the meeting and, in addition, a notice of the public~~  
3 ~~hearing and special board meeting not later than fifteen days prior to the~~  
4 ~~meeting.~~ The proposed budget shall contain but need not be limited to the  
5 following information:

6           1. The estimated cost of all operational, capital outlay and debt  
7 service expenses.

8           2. The percentage of increase or decrease in each budget category as  
9 compared to each category of the budget for the current year.

10          3. The total amount of revenues by source that was necessary to meet  
11 the district's budget for the current year.

12          4. The total amount of revenues by source that will be necessary to  
13 meet the proposed district budget.

14          5. The total property tax levy of the district for the current year.

15          6. The levy for primary property taxes and the levy for secondary  
16 property taxes for the current year.

17          7. The primary property tax rate and secondary property tax rate for  
18 the current year.

19          8. The estimated amount of total property tax levies for the district  
20 and the primary property tax and secondary property tax components thereof  
21 necessary for the budget year.

22          9. The maximum amount of primary property tax dollars which the  
23 district is permitted to levy pursuant to title 42, chapter 17, article 2 for  
24 the budget year.

25          10. The amount of secondary property tax dollars which the district  
26 will levy for the budget year.

27          11. The amount of monies received from primary property taxation in the  
28 previous fiscal year in excess of the maximum allowable amount as calculated  
29 pursuant to title 42, chapter 17, article 2.

30           G. The governing board shall publish the proposed budget and the  
31 notice of the public hearing and special board meeting a second time not  
32 later than five days prior to the meeting. Publication shall be made in a  
33 newspaper of general circulation within the district. The cost of  
34 publication shall be a charge against the district. If a truth in taxation  
35 notice and hearing is required under section 15-1461.01, the district may  
36 combine the notice and hearing under this section with the truth in taxation  
37 notice and hearing.

1 H. If the district fails to publish the proposed budget, notice and  
2 statements required by subsection F of this section, the board of supervisors  
3 shall levy on the property in the district the lesser of the amount of  
4 primary property taxes which were levied for the district in the current year  
5 or the amount which would be produced by the primary property tax rate which  
6 was levied for the district in the current year.

7 I. At the time and place fixed in the notice, the members of the  
8 governing board shall hold the public hearing and present the proposed budget  
9 to the persons attending the hearing. Upon request of any person, the  
10 governing board shall explain the budget and any resident or taxpayer of the  
11 district may protest the inclusion of any item in the proposed budget.

12 J. Immediately following the public hearing the chairman shall call to  
13 order the special board meeting for the purpose of adopting the budget. The  
14 governing board shall adopt the budget making deductions from the budget as  
15 it sees fit but making no additions to the budget and shall enter the budget  
16 as adopted in its minutes. The governing board shall not adopt the budget if  
17 the property tax requirements of the budget, excluding amounts budgeted and  
18 levied for secondary property taxes, exceed the amounts authorized pursuant  
19 to title 42, chapter 17, article 2.

20 Sec. 4. Section 15-1466, Arizona Revised Statutes, is amended to read:  
21 15-1466. State aid; eligibility; limitations

22 A. Subject to legislative appropriation, the legislature shall  
23 determine and appropriate the amount of state aid each fiscal year to each  
24 district possessing the qualifications as prescribed in this chapter.

25 B. The state shall determine the amount of state aid, as prescribed in  
26 subsection ~~F~~ D of this section, appropriated to each district for the fiscal  
27 year prior to the fiscal year for which the state aid is being calculated.

28 ~~C. The state shall adjust the amount of state aid appropriated to each  
29 district as determined in subsection B of this section by the growth rate  
30 referenced by section 15-901, subsection B, paragraph 2. This amount shall  
31 be appropriated to the district except as provided in subsection D of this  
32 section.~~

33 ~~D. C. In addition to the state aid appropriated in subsection C of  
34 this section,~~ Each district qualified under this chapter shall have its state  
35 aid adjusted in an amount that reflects the growth **OR DECREASE** in the  
36 full-time equivalent student count of the district calculated as follows:

1           1. Calculate the growth OR DECREASE in the actual, audited full-time  
2 equivalent student count between the second and third most recent fiscal  
3 years prior to the fiscal year for which the state aid is being calculated  
4 for each district.

5           2. Calculate the average appropriation per full-time equivalent  
6 student for all districts by dividing the amount determined in subsection B  
7 of this section by the actual, audited full-time equivalent student count for  
8 all districts in the most recent fiscal year.

9           3. Multiply the amount calculated in paragraph 1 of this subsection by  
10 the average appropriation calculated in paragraph 2 of this subsection. This  
11 amount ~~shall be appropriated to the district for growth~~ EQUALS THE ADJUSTMENT  
12 REQUIRED PURSUANT TO THIS SECTION.

13           ~~E. State aid appropriated to each district shall be allocated and paid  
14 in accordance with subsection C of this section before any funding is  
15 allocated and paid in accordance with subsection D of this section.~~

16           ~~F. D.~~ D. The total amount appropriated to each district each fiscal year  
17 in accordance with ~~subsections C and D of~~ this section shall serve as the  
18 amount of state aid to be adjusted in the next fiscal year. A district is  
19 ~~not~~ eligible for growth funding pursuant to this section ~~unless the~~ ONLY FOR  
20 THE PORTION OF ITS most recent audited full-time student equivalent count  
21 THAT exceeds the ~~highest~~ audited full-time student equivalent count recorded  
22 ~~from and after fiscal year 2003-2004~~ FOR THE DISTRICT FOR THE MOST RECENT  
23 FISCAL YEAR IN WHICH AN ADJUSTMENT WAS PREVIOUSLY MADE PURSUANT TO SUBSECTION  
24 C OF THIS SECTION.

25           ~~G.~~ E. To be eligible for state aid, a district shall:

26           1. Be equipped with suitable buildings, equipment and campus.  
27           2. Have at least three hundred twenty full-time equivalent students  
28 attending in the district.

29           3. Have complied with all of the requirements of the district board  
30 including budgets and curriculum.

31           ~~H. Notwithstanding subsection E of this section, the legislature may  
32 allocate funding for growth in the full-time equivalent student count prior  
33 to or in combination with funding of the growth rate.~~

34           ~~I.~~ F. The total amount of state monies that may be spent in any  
35 fiscal year by a district for operating state aid shall not exceed the amount  
36 appropriated or authorized by section 35-173 for that purpose.  
37 Notwithstanding section 15-1444, this section shall not be construed to

1 impose a duty on an officer, agent or employee of this state to discharge a  
2 responsibility or to create any right in a person or group if the discharge  
3 or right would require an expenditure of state monies in excess of the  
4 expenditure authorized by legislative appropriation for that specific  
5 purpose, including any duties prescribed in an employment contract entered  
6 into pursuant to section 15-1444, subsection A, paragraph 6.

7 ~~F.~~ G. In addition to the formula to determine the state aid  
8 appropriations prescribed in this section, the state may pay additional  
9 amounts for state aid to a district based on requests included in the  
10 district's budget request.

11 ~~H.~~ H. This section does not entitle a community college operated by a  
12 qualified Indian tribe to state aid for community colleges pursuant to this  
13 chapter.

14 Sec. 5. Section 15-1466.01, Arizona Revised Statutes, is amended to  
15 read:

16 15-1466.01. Calculation of full-time equivalent student  
17 enrollment

18 In determining state aid under sections 15-1464 and 15-1466 the number  
19 of full-time equivalent students shall be calculated in the following manner:

20 1. For the basic actual full-time equivalent student enrollment, add  
21 the number of full-time equivalent students enrolled as of forty-five days  
22 after classes begin in the fall semester to the number of full-time  
23 equivalent students enrolled as of forty-five days after classes begin in the  
24 spring semester, not including additional short-term classes, and divide the  
25 sum by two.

26 2. For the additional short-term and open entry, open exit full-time  
27 equivalent student enrollments:

28 (a) Determine the total number of credit units for students enrolled in  
29 additional short-term and open entry, open exit classes for the fiscal year.

30 (b) Determine the total number of credit units for students who have  
31 completed the additional short-term and open entry, open exit classes for the  
32 fiscal year. Any student who has not completed the class by June 30 of each  
33 fiscal year shall not be eligible to be counted for state aid purposes until  
34 the following year.

35 (c) Add the amounts in subdivisions (a) and (b).

36 (d) Divide the amount determined in subdivision (c) by two.

37 (e) Divide the quotient obtained in subdivision (d) by thirty.

1 (f) The result in subdivision (e) is the additional short-term and open  
2 entry, open exit full-time equivalent student enrollments for the fiscal  
3 year.

4 3. For the skill center and adult basic education courses full-time  
5 equivalent student enrollment, divide by six hundred forty the total class  
6 attended clock hours of persons who complete vocational training. Any  
7 student who does not complete vocational training programs by June 30 of each  
8 fiscal year shall not be eligible to be counted for state aid purposes until  
9 the following year.

10 4. The total of basic actual, additional short-term and open entry,  
11 open exit and skill center full-time equivalent student enrollment shall be  
12 the basis of providing state aid. Beginning with the audit for the year  
13 ending June 30, 2003, the auditor general shall audit separately any  
14 full-time equivalent student enrollment where a student is enrolled in a  
15 course for both high school and college credit simultaneously, except for  
16 credit received at a private college or a college owned, operated or  
17 chartered by an Indian tribe, taking into consideration any relevant law,  
18 regulation or rule. The full-time equivalent student enrollment reported by  
19 each district for all basic actual, additional short-term and open entry,  
20 open exit classes and skill center and adult basic education courses shall be  
21 audited annually by the auditor general. The auditor general shall report  
22 the results of the audit to the staffs of the joint legislative budget  
23 committee and the governor's office of strategic planning and budgeting by  
24 October 15 of each year.

25 5. FOR A STUDENT WHO TAKES A COURSE FOR WHICH CREDIT IS AWARDED BY  
26 BOTH A COMMUNITY COLLEGE AND A HIGH SCHOOL, IN WHICH THE INSTRUCTOR IS AN  
27 EMPLOYEE OF THE HIGH SCHOOL AND IN WHICH THE CLASS IS BEING TAUGHT ON THE  
28 HIGH SCHOOL CAMPUS DURING THE NORMAL HIGH SCHOOL OPERATING HOURS, THE AMOUNT  
29 OF STATE AID THAT THE COMMUNITY COLLEGE WOULD OTHERWISE RECEIVE FOR THAT  
30 STUDENT SHALL BE REDUCED BY FIFTY PER CENT.

31 Sec. 6. Repeal

32 Section 15-1468, Arizona Revised Statutes, is repealed.

33 Sec. 7. Title 15, chapter 12, article 4, Arizona Revised Statutes, is  
34 amended by adding a new section 15-1468, to read:

35 15-1468. Equalization aid for community college districts

36 COMMUNITY COLLEGE DISTRICTS SHALL RECEIVE EQUALIZATION AID IN THE  
37 AMOUNTS DESIGNATED IN THE GENERAL APPROPRIATIONS ACT FOR THAT FISCAL YEAR.

1           Sec. 8. Section 15-1601, Arizona Revised Statutes, is amended to read:  
2           15-1601. State universities; location; faculty powers

3           A. The Arizona board of regents shall maintain state universities at  
4           Flagstaff in Coconino county, at Tempe in Maricopa county and at Tucson in  
5           Pima county, and the universities are respectively designated northern  
6           Arizona university, Arizona state university and the university of Arizona.  
7           The board shall maintain an Arizona state university campus in western  
8           Maricopa county designated as Arizona state university west campus, WHICH  
9           SHALL BE IDENTIFIED AS A SEPARATE BUDGET UNIT IN THE GENERAL APPROPRIATIONS  
10          ACT. The board shall maintain an Arizona state university campus in eastern  
11          Maricopa county designated as Arizona state university east campus, WHICH  
12          SHALL BE IDENTIFIED AS A SEPARATE BUDGET UNIT IN THE GENERAL APPROPRIATIONS  
13          ACT. The board may establish and maintain other colleges and universities  
14          subject to legislative authority. Subject to review by the joint committee  
15          on capital review, the board may establish new campuses that are separate  
16          from any location in existence on July 1, 2007. THE ARIZONA STATE UNIVERSITY  
17          CAMPUS AT TEMPE SHALL PROVIDE ADMINISTRATIVE SUPPORT FOR THE ARIZONA STATE  
18          UNIVERSITY CAMPUSES IN WESTERN MARICOPA COUNTY AND IN EASTERN MARICOPA  
19          COUNTY, AND THE CAMPUS AT TEMPE SHALL NOT OVERCHARGE THE OTHER CAMPUSES FOR  
20          PROVIDING ADMINISTRATIVE SUPPORT.

21          B. The universities shall have colleges, schools and departments and  
22          give courses of study and academic degrees as the board approves. Subject to  
23          the responsibilities and powers of the board and the university presidents,  
24          the faculty members of the universities, through their elected faculty  
25          representatives, shall share responsibility for academic and educational  
26          activities and matters related to faculty personnel. The faculty members of  
27          each university, through their elected faculty representatives, shall  
28          participate in the governance of their respective universities and shall  
29          actively participate in the development of university policy.

30          Sec. 9. Section 15-1626, Arizona Revised Statutes, is amended to read:  
31          15-1626. General administrative powers and duties of board

32          A. The board shall:

33                1. Have and exercise the powers necessary for the effective governance  
34                and administration of the institutions under its control. To that end, the  
35                board may adopt, and authorize each university to adopt, such regulations,  
36                policies, rules or measures as are deemed necessary and may delegate in  
37                writing to its committees, to its university presidents, or their designees,

1 or to other entities under its control, any part of its authority for the  
2 administration and governance of such institutions, including those powers  
3 enumerated in section 15-1625, subsection B, paragraphs 2 and 4, paragraphs  
4 3, 4, 8, 9, 11 and 12 of this subsection and subsection ~~B~~ C of this section.  
5 Any delegation of authority may be rescinded by the board at any time in  
6 whole or in part.

7 2. Appoint and employ and determine the compensation of presidents  
8 with such power and authority and for such purposes in connection with the  
9 operation of the institutions as the board deems necessary.

10 3. Appoint and employ and determine the compensation of  
11 vice-presidents, deans, professors, instructors, lecturers, fellows and such  
12 other officers and employees with such power and authority and for such  
13 purposes in connection with the operation of the institutions as the board  
14 deems necessary, or delegate its authority pursuant to paragraph 1 of this  
15 subsection.

16 4. Remove any officer or employee when the interests of education in  
17 this state so require in accordance with its personnel rules and policies.

18 5. Fix tuitions and fees to be charged and differentiate the tuitions  
19 and fees between institutions and between residents, nonresidents,  
20 undergraduate students, graduate students, students from foreign countries  
21 and students who have earned credit hours in excess of the credit hour  
22 threshold. For the purposes of this paragraph, the undergraduate credit hour  
23 threshold is one hundred fifty-five hours for students who attend a  
24 university under the jurisdiction of the board in fiscal year 2006-2007, one  
25 hundred fifty hours for students who attend a university under the  
26 jurisdiction of the board in fiscal year 2007-2008 and one hundred forty-five  
27 hours for students who attend a university under the jurisdiction of the  
28 board after fiscal year 2007-2008. The undergraduate credit hour threshold  
29 shall be based on the actual full-time equivalent student enrollment counted  
30 on the twenty-first day after classes begin for the fall semester of 2005  
31 THROUGH 2008 and ON THE FORTY-FIFTH DAY OF every fall AND SPRING semester  
32 thereafter, DIVIDED BY TWO, and any budget adjustment based on student  
33 enrollment shall occur in the fiscal year following the actual full-time  
34 equivalent student enrollment count. The undergraduate credit hour threshold  
35 shall not apply to degree programs that require credit hours above the credit  
36 hour threshold, credits earned in the pursuit of up to two baccalaureate  
37 degrees, credits earned in the pursuit of up to two state regulated

1 licensures or certificates, credits earned in the pursuit of teaching  
2 certification, credits transferred from a private institution of higher  
3 education, credits transferred from an institution of higher education in  
4 another state, credits earned at another institution of higher education but  
5 that are not accepted as transfer credits at the university where the student  
6 is currently enrolled and credits earned by students who enroll at a  
7 university under the jurisdiction of the board more than twenty-four months  
8 after the end of that student's previous enrollment at a public institution  
9 of higher education in this state. On or before October 15 of each year, the  
10 board shall report to the joint legislative budget committee the number of  
11 students who were enrolled at universities under the jurisdiction of the  
12 board during the previous fiscal year who met or exceeded the undergraduate  
13 credit hour threshold prescribed in this paragraph. The amount of tuition,  
14 registration fees and other revenues included in the operating budget for the  
15 university adopted by the board as prescribed in paragraph 13 of this  
16 subsection shall be deposited, pursuant to sections 35-146 and 35-147. All  
17 ~~other~~ tuition and fee revenue shall be ~~retained by each university for~~  
18 ~~expenditure as approved by the board, except that~~ APPROPRIATED BY THE  
19 LEGISLATURE. The universities shall not use any tuition or fee revenue to  
20 fund or support an alumni association.

21 6. Except as provided in subsection ~~H~~ J of this section, adopt rules  
22 to govern its tuition and fee setting process that provide for the following:

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

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

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

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

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

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

8           8. Establish curriculums and designate courses at the several  
9 institutions which in its judgment will best serve the interests of this  
10 state.

11           9. Award such degrees and diplomas upon the completion of such courses  
12 and curriculum requirements as it deems appropriate.

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

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

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

28           13. Adopt annually an operating budget for each university equal to the  
29 sum of appropriated general fund monies ~~and the amount of tuition,~~  
30 ~~registration fees~~ and other revenues approved by the board and allocated to  
31 each university operating budget.

32           14. In consultation with the state board of education and other  
33 education groups, develop and implement a program to award honors  
34 endorsements to be affixed to the high school diplomas of qualifying high  
35 school pupils and to be included in the transcripts of pupils who are awarded  
36 endorsements. The board shall develop application procedures and testing  
37 criteria and adopt testing instruments and procedures to administer the

1 program. In order to receive an honors endorsement, a pupil must demonstrate  
2 an extraordinary level of knowledge, skill and competency as measured by the  
3 testing instruments adopted by the board in mathematics, English, science and  
4 social studies. Additional subjects may be added at the determination of the  
5 board. The program is voluntary for pupils.

6 15. Require the publisher of each literary and nonliterary textbook  
7 used in the universities of this state to furnish computer software in a  
8 standardized format when software becomes available for nonliterary  
9 textbooks, to the Arizona board of regents from which braille versions of the  
10 textbooks may be produced.

11 16. Require universities that provide a degree in education to require  
12 courses that are necessary to obtain a provisional structured English  
13 immersion endorsement as prescribed by the state board of education.

14 17. Beginning July 1, 2007, acquire United States flags for each  
15 classroom that are manufactured in the United States and that are at least  
16 two feet by three feet and hardware to appropriately display the United  
17 States flags, acquire a legible copy of the Constitution of the United States  
18 and the Bill of Rights, display the flags in each classroom in accordance  
19 with title 4 of the United States Code and display a legible copy of the  
20 Constitution of the United States and the Bill of Rights adjacent to the  
21 flag.

22 18. To facilitate the transfer of military personnel and their  
23 dependents to and from the public schools of this state, pursue, in  
24 cooperation with the state board of education, reciprocity agreements with  
25 other states concerning the transfer credits for military personnel and their  
26 dependents. A reciprocity agreement entered into pursuant to this paragraph  
27 shall:

28 (a) Address procedures for each of the following:

29 (i) The transfer of student records.

30 (ii) Awarding credit for completed course work.

31 (iii) Permitting a student to satisfy the graduation requirements  
32 prescribed in section 15-701.01 through the successful performance on  
33 comparable exit-level assessment instruments administered in another state.

34 (b) Include appropriate criteria developed by the state board of  
35 education and the Arizona board of regents.

1           19. Require a university to publicly post notices of all of its  
2 employment openings, including the title and description, instructions for  
3 applying and relevant contact information.

4           ~~B.~~ B. THE BOARD SHALL NOT ALLOW ANY UNIVERSITY UNDER THE JURISDICTION OF  
5 THE BOARD TO REQUIRE ITS STUDENTS TO PURCHASE A MEAL PLAN OR LIVE IN  
6 ON-CAMPUS HOUSING.

7           ~~C.~~ C. The board shall adopt personnel rules. All nonacademic  
8 employees of the universities are subject to these rules except for  
9 university presidents, university vice-presidents, university deans, legal  
10 counsel and administrative officers. The personnel rules shall be similar to  
11 the personnel rules under section 41-783. The rules shall include provisions  
12 for listing available positions with the department of economic security,  
13 competitive employment processes for applicants, probationary status for new  
14 nonacademic employees, nonprobationary status on successful completion of  
15 probation and due process protections of nonprobationary employees after  
16 discharge. The board shall provide notice of proposed rule adoption and an  
17 opportunity for public comment on all personnel rules proposed for adoption.

18           ~~D.~~ D. IN CONJUNCTION WITH THE AUDITOR GENERAL, THE BOARD SHALL DEVELOP A  
19 UNIFORM ACCOUNTING AND REPORTING SYSTEM, WHICH SHALL BE REVIEWED BY THE JOINT  
20 LEGISLATIVE BUDGET COMMITTEE BEFORE FINAL ADOPTION BY THE BOARD. THE BOARD  
21 SHALL REQUIRE EACH UNIVERSITY TO COMPLY WITH THE UNIFORM ACCOUNTING AND  
22 REPORTING SYSTEM.

23           ~~E.~~ E. The board may employ legal assistance in procuring loans for  
24 the institutions from the United States government. Fees or compensation  
25 paid for such legal assistance shall not be a claim upon the general fund of  
26 this state but shall be paid from funds of the institutions.

27           ~~F.~~ F. The board shall approve or disapprove any contract or agreement  
28 entered into by the university of Arizona hospital with the Arizona health  
29 facilities authority.

30           ~~G.~~ G. The board may adopt policies which authorize the institutions  
31 under its jurisdiction to enter into employment contracts with nontenured  
32 employees for periods of more than one year but not more than five years.  
33 The policies shall prescribe limitations on the authority of the institutions  
34 to enter into employment contracts for periods of more than one year but not  
35 more than five years, including the requirement that the board approve the  
36 contracts.

1           ~~F.~~ H. The board may adopt a plan or plans for employee benefits which  
2 allow for participation in a cafeteria plan that meets the requirements of  
3 the United States internal revenue code of 1986.

4           ~~G.~~ I. The board may establish a program for the exchange of students  
5 between the universities under the jurisdiction of the board and colleges and  
6 universities located in the state of Sonora, Mexico. Notwithstanding  
7 subsection A, paragraph 5 of this section, the program may provide for  
8 in-state tuition at the universities under the jurisdiction of the board for  
9 fifty Sonoran students in exchange for similar tuition provisions for up to  
10 fifty Arizona students enrolled or seeking enrollment in Sonoran colleges or  
11 universities. The board may direct the universities to work in conjunction  
12 with the Arizona-Mexico commission to coordinate recruitment and admissions  
13 activities.

14           ~~H.~~ J. Subsection A, paragraph 6, subdivisions (a), (b), (c) and (d)  
15 of this section do not apply to fee increases that are set by individual  
16 universities and that do not require approval by the Arizona board of regents  
17 before the fee increase becomes effective.

18           Sec. 10. Section 15-1629, Arizona Revised Statutes, is amended to  
19 read:

20           15-1629. Annual report

21           Within ninety days after the close of each fiscal year the Arizona  
22 board of regents shall make a report for the fiscal year to the governor AND  
23 THE JOINT LEGISLATIVE BUDGET COMMITTEE. The report shall set forth the state  
24 of progress of the universities in their several colleges, schools and  
25 departments, the courses of study included in their curricula, the number of  
26 professors, other instructional faculty and staff members employed, the  
27 number of students registered and attending classes, the amount of receipts  
28 and expenditures and such other information as the board deems proper. THE  
29 REPORT SHALL INCLUDE A LIST OF INVITED PAID SPEAKERS AND ASSOCIATED COSTS FOR  
30 THOSE SPEAKERS AND THIS PORTION OF THE REPORT SHALL BE SUBMITTED  
31 ELECTRONICALLY.

1           Sec. 11. Section 15-1661, Arizona Revised Statutes, is amended to  
2 read:

3           15-1661. Annual appropriation; enrollment audit; expenditure;  
4                                   balance; salaries

5           A. There shall be appropriated in the general appropriation bill for  
6 each fiscal year a sum of monies not less than eighty-five one-hundredths of  
7 one mill on the dollar of the assessed valuation of all taxable property in  
8 the state for the improvement, support and maintenance of the institutions  
9 under the Arizona board of regents' jurisdiction, including payment of  
10 salaries, current expenses, purchase of equipment, making necessary repairs,  
11 construction of new buildings, purchase of lands and in general for payment  
12 of all such expenses connected with the management of the institutions under  
13 the Arizona board of regents' jurisdiction. The department of revenue, upon  
14 compiling the aggregate assessed valuation of all taxable property within  
15 this state, shall compute the amount of monies so determined and certify such  
16 amount over its seal to the department of administration and the state  
17 treasurer.

18           B. The full-time equivalent student enrollment reported for the  
19 previous fiscal year by each university shall be audited annually by the  
20 auditor general. The auditor general shall report the results of the audit  
21 to the staffs of the joint legislative budget committee and the governor's  
22 office of strategic planning and budgeting on or before October 15 of each  
23 year. ~~Beginning with the fall semester of 2006,~~ On or before the following  
24 July 21 of each academic year, each university shall provide **FOR THE PREVIOUS**  
25 **FALL SEMESTER** a certified report to the auditor general of the number of  
26 full-time equivalent students calculated by the university **AND A SEPARATE**  
27 **REPORT ONLY FOR THOSE STUDENTS WHO MEET THE RESIDENCY REQUIREMENTS PRESCRIBED**  
28 **IN SECTION 15-1802.** The university's records used to calculate full-time  
29 equivalent student enrollment shall be provided to the auditor general in an  
30 electronic format prescribed by the auditor general. Beginning in 2006, each  
31 university shall submit to the auditor general a summary of its full-time  
32 equivalent student enrollment accounting policies and procedures, compilation  
33 procedures and source records used for calculating full-time equivalent  
34 student enrollment. These accounting policies and procedures, compilation  
35 procedures and source records shall comply with policies developed on or  
36 before June 30, 2006 by the Arizona board of regents, in consultation with  
37 the auditor general and reviewed by the joint legislative budget committee.

1 These policies shall include a review and recommendations of the necessity of  
2 minimum requirements for students enrolled in classes to qualify for  
3 appropriations pursuant to this section, including requirements that the  
4 class be a for-credit course that is necessary for the completion of a degree  
5 and that the student enrolled in the course be physically present in this  
6 state at the time the course is conducted. The basic actual full-time  
7 equivalent student enrollment shall be counted on the twenty-first day after  
8 the basic actual full-time equivalent student enrollment classes begin for  
9 the fall semester, as published in the university catalogs. The Arizona  
10 board of regents shall also make recommendations of whether each professor or  
11 instructor should be required to review class rosters and make additions or  
12 deletions as necessary. If so, class rosters that reflect enrollment as of  
13 the twenty-first day shall be provided by the registrar's office to each  
14 professor or instructor for every class section. The class roster shall  
15 indicate the course number, course title, time, instructor name and students  
16 enrolled. On the twenty-first day class rosters, each professor or  
17 instructor shall indicate as withdrawn each student who has formally  
18 withdrawn from the course, and that student shall not be counted for state  
19 aid purposes. The official twenty-first day rosters shall include a manual  
20 signature and date or an electronic authorization and date by the professor  
21 or instructor and shall include the following certification:

22 I hereby certify that the information contained in this  
23 class roster accurately reflects those students who are enrolled.

24 C. THE ARIZONA BOARD OF REGENTS SHALL ALSO REPORT THE BASIC ACTUAL  
25 FULL-TIME EQUIVALENT STUDENT ENROLLMENT FOR ONLY THOSE STUDENTS WHO MEET THE  
26 RESIDENCY REQUIREMENTS PRESCRIBED IN SECTION 15-1802. THE BASIC ACTUAL  
27 FULL-TIME EQUIVALENT STUDENT ENROLLMENT FOR ONLY THOSE STUDENTS WHO MEET THE  
28 RESIDENCY REQUIREMENTS PRESCRIBED IN SECTION 15-1802 THAT IS REPORTED BY EACH  
29 UNIVERSITY FOR THE PREVIOUS FISCAL YEAR SHALL BE ANNUALLY AUDITED BY THE  
30 AUDITOR GENERAL.

31 ~~C.~~ D. Students who have withdrawn or who have been withdrawn from  
32 classes as of the twenty-first day shall not be counted for state aid  
33 purposes. A record shall be maintained that identifies student withdrawals  
34 by date of withdrawal, as of the twenty-first day and after the twenty-first  
35 day for the entire semester.

36 ~~D.~~ E. Amounts appropriated as provided by subsection A shall be paid  
37 as other claims against this state are paid.

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

4           ~~F.~~ G. Monies appropriated to a university under the jurisdiction of  
5 the Arizona board of regents for cost of living salary increases for  
6 university employees shall be used to provide cost of living salary increases  
7 to all university employees including graduate student assistants. If monies  
8 are appropriated to a university for salary increases based on merit, the  
9 monies shall be used to provide merit increases according to the merit pay  
10 plan adopted by the Arizona board of regents.

11           ~~G.~~ H. The Arizona board of regents shall determine current actual  
12 full-time equivalent student enrollment at each of the institutions under the  
13 jurisdiction of the Arizona board of regents. Full-time equivalent student  
14 enrollment shall be calculated by adding the following:

15           1. The total number of enrolled fall semester credit hours in  
16 100-level credit courses and 200-level credit courses divided by fifteen.

17           2. The total number of enrolled fall semester credit hours in  
18 300-level credit courses and 400-level credit courses divided by twelve.

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

21           ~~H.~~ I. The Arizona board of regents, in its annual budget request,  
22 shall not include funding for any student who is enrolled at an institution  
23 under the jurisdiction of the Arizona board of regents and who has earned  
24 credit hours in excess of the undergraduate credit hour threshold, except  
25 that the undergraduate credit hour threshold shall not apply to students who  
26 are enrolled in a degree program that requires credit hours above the credit  
27 threshold. For the purposes of this subsection, the undergraduate credit  
28 hour threshold is one hundred fifty-five hours for students who attend a  
29 university under the jurisdiction of the board in fiscal year 2006-2007, one  
30 hundred fifty hours for students who attend a university under the  
31 jurisdiction of the board in fiscal year 2007-2008 and one hundred forty-five  
32 hours for students who attend a university under the jurisdiction of the  
33 board after fiscal year 2007-2008. The undergraduate credit hour threshold  
34 shall be based on the actual full-time equivalent student enrollment counted  
35 on the twenty-first day after classes begin for the fall semester of 2005 and  
36 every fall semester thereafter and any budget adjustment based on student  
37 enrollment shall occur in the fiscal year following the actual full-time

1 equivalent student enrollment count. The undergraduate credit hour threshold  
2 shall not apply to credits earned in the pursuit of up to two baccalaureate  
3 degrees, credits earned in the pursuit of up to two state regulated  
4 licensures and certificates, credits earned in the pursuit of teaching  
5 certification, credits transferred from a private institution of higher  
6 education, credits transferred from an institution of higher education in  
7 another state, credits earned at another institution of higher education but  
8 that are not accepted as transfer credits at the university where the student  
9 is currently enrolled and credits earned by students who enroll at a  
10 university under the jurisdiction of the board more than twenty-four months  
11 after the end of that student's previous enrollment at a public institution  
12 of higher education in this state.

13 Sec. 12. Section 15-1682.03, Arizona Revised Statutes, as amended by  
14 Laws 2009, first special session, chapter 6, section 2, is amended to read:

15 15-1682.03. University capital improvement lease-to-own and  
16 bond fund; lease-to-own and bond capital  
17 improvement agreements

18 A. The university capital improvement lease-to-own and bond fund is  
19 established consisting of the monies provided by the Arizona board of regents  
20 pursuant to this section, monies deposited pursuant to section 5-522 and  
21 monies appropriated by the legislature. The board shall administer the fund.  
22 On notice from the board, the state treasurer shall invest and divest monies  
23 in the fund as provided by section 35-313, and monies earned from investment  
24 shall be credited to the fund. Monies in the fund are exempt from the  
25 provisions of section 35-190 relating to lapsing of appropriations.

26 B. Through revenues of the state university system, the board shall  
27 annually provide monies to the fund of at least twenty per cent of the  
28 aggregate annual payments of lease-to-own and bond agreements entered into by  
29 the board pursuant to this section.

30 C. The board shall distribute monies in the fund to make payments  
31 pursuant to lease-to-own and bond agreements entered into by the board  
32 pursuant to this section. The board may enter into lease-to-own and bond  
33 agreements for the purposes of building renewal projects ~~and new facilities~~.  
34 New lease-to-own and bond agreements entered into pursuant to this section  
35 shall not exceed one hundred sixty-seven million six hundred seventy-one  
36 thousand two hundred dollars in fiscal year 2008-2009 ~~and four hundred~~  
37 ~~million dollars in fiscal year 2009-2010~~. The board may enter into

1 lease-to-own and bond transactions up to a maximum of ~~eight hundred million~~  
2 ONE HUNDRED SIXTY-SEVEN MILLION SIX HUNDRED SEVENTY-ONE THOUSAND TWO HUNDRED  
3 dollars.

4 Sec. 13. Section 15-1821.01, Arizona Revised Statutes, is amended to  
5 read:

6 15-1821.01. Dual enrollment information

7 On a determination by a community college district governing board that  
8 it is in the best interest of the citizens of a district, the district  
9 governing board may authorize district community colleges to offer college  
10 courses that may be counted toward both high school and college graduation  
11 requirements at the high school during the school day subject to the  
12 following:

13 1. The community college district governing board and the governing  
14 board of the school district or organization of which the high school is a  
15 part shall enter into an agreement or contract. ~~Beginning in the 2008-2009~~  
16 ~~school year,~~ These intergovernmental agreements or contracts shall be based  
17 on a uniform format that has been cooperatively developed by the community  
18 college districts in this state. ~~The uniform format of the intergovernmental~~  
19 ~~agreements and contracts shall be submitted for review to the joint~~  
20 ~~legislative budget committee by December 31, 2007.~~ On or before August 1 of  
21 each year, the joint legislative budget committee shall notify each community  
22 college district to report on or before October 1 of each year a specified  
23 percentage of its initial intergovernmental agreements or contracts executed  
24 with school district governing boards or charter schools. Each of these  
25 agreements or contracts shall clearly specify the following:

26 (a) The financial provisions of the agreement or contract and the  
27 format for the billing of all services under the agreement or contract,  
28 including the amount that the community college received in full-time student  
29 equivalent funding pursuant to section 15-1466.01, the portion of the funding  
30 that is distributed to the school district governing board or charter school  
31 and any amount that is subsequently returned to the community college  
32 district by the school district governing board or charter school.

33 (b) Student tuition and financial aid policies, including if  
34 scholarships or grants are awarded to students in dual enrollment courses  
35 from the community college.

36 (c) The accountability provisions for each party to the agreement or  
37 contract.

1 (d) The responsibilities and services required of each party to the  
2 agreement or contract.

3 (e) The type of instruction that will be provided under the agreement  
4 or contract, including the titles of the courses to be offered.

5 (f) The quality of the instruction that will be provided under the  
6 agreement or contract.

7 2. Students shall be admitted to the community college under the  
8 policies adopted by each district, subject to the following:

9 (a) All students enrolled for college credit shall be high school  
10 juniors or seniors. All students in the course, including those not electing  
11 to enroll for college credit, shall satisfy the prerequisites for the course  
12 as published in the college catalog and shall comply with college policies  
13 regarding student placement in courses.

14 (b) A community college may waive the class status requirements  
15 specified in subdivision (a) of this paragraph for up to twenty-five per cent  
16 of the students enrolled by a college in courses provided that the community  
17 college has an established written criteria for waiving the requirements for  
18 each course. These criteria shall include a demonstration, by an examination  
19 of the specific purposes and requirements of the course, that freshman and  
20 sophomore students who meet course prerequisites are prepared to benefit from  
21 the college level course. All exceptions and the justification for the  
22 exceptions shall be reported as provided in paragraph 6 of this section.

23 3. The courses shall be previously evaluated and approved through the  
24 curriculum approval process of the district, shall be at a higher level than  
25 taught by the high school and shall be transferable to a university under the  
26 jurisdiction of the Arizona board of regents or be applicable to an  
27 established community college occupational degree or certificate program.  
28 Physical education courses shall not be available for dual enrollment  
29 purposes.

30 4. College approved textbooks, syllabuses, course outlines and grading  
31 standards that are applicable to the courses if taught at the community  
32 college shall apply to these courses and to all students in the courses  
33 offered pursuant to this section. The chief executive officer of each  
34 community college shall establish an advisory committee of full-time faculty  
35 who teach in the disciplines offered at the community college to assist in  
36 course selection and implementation in the high schools and to review and  
37 report at least annually to the chief executive officer whether the course

1 goals and standards are understood, the course guidelines are followed and  
2 the same standards of expectation and assessment are applied to these courses  
3 as though they were being offered at the community college. The advisory  
4 committee of full-time faculty shall meet at least three times each academic  
5 year.

6 5. Each faculty member shall meet the requirements established by the  
7 governing board pursuant to section 15-1444. The chief executive officer of  
8 each community college district shall establish an advisory committee of  
9 full-time faculty who teach in the disciplines offered at the community  
10 college district to assist in the selection, orientation, ongoing  
11 professional development and evaluation of faculty teaching college courses  
12 in conjunction with the high schools. The advisory committee of full-time  
13 faculty shall meet at least two times each academic year.

14 ~~6. Each community college district, on or before October 1, shall~~  
15 ~~annually provide a report to the joint legislative budget committee on the~~  
16 ~~courses offered in conjunction with high schools during the previous fiscal~~  
17 ~~year. In the case of a multicollege district, the multicollege district~~  
18 ~~shall provide a separate report for each college. This report shall include~~  
19 ~~the following:~~

20 ~~(a) Documentation of compliance with the requirements identified in~~  
21 ~~paragraphs 3, 4 and 5 of this section, including a listing of the members of~~  
22 ~~the faculty advisory committees at each community college as provided in~~  
23 ~~paragraphs 4 and 5 of this section.~~

24 ~~(b) The number of students in each course who did not meet the~~  
25 ~~criteria prescribed in paragraph 2 of this section.~~

26 ~~(c) The total enrollments listed by location, by high school grade~~  
27 ~~level, by course and by whether the program was academic or occupational.~~

28 ~~(d) Summary data on the performance of students enrolled for college~~  
29 ~~credit in courses offered in conjunction with high schools, including~~  
30 ~~completion rates and grade distribution.~~

31 ~~(e) Course level data on the performance of students enrolled for~~  
32 ~~college credit in courses offered in conjunction with high schools, including~~  
33 ~~completion rates, grade distribution and the number of students who received~~  
34 ~~remedial instruction for the course.~~

35 ~~(f) A copy of each addendum of an intergovernmental agreement or~~  
36 ~~contract executed pursuant to paragraph 1 of this section.~~

1           ~~(g) Summary data by community college district and by individual~~  
2 ~~community college on the number of scholarships or grants awarded to~~  
3 ~~students.~~

4           ~~(h) Itemized actual program costs including actual program costs for~~  
5 ~~each of the following:~~

6           ~~(i) Curriculum development and approval.~~

7           ~~(ii) Textbook costs.~~

8           ~~(iii) Facility and equipment costs.~~

9           ~~(iv) Counseling and tutoring costs.~~

10          ~~(v) Teacher training and observation costs.~~

11          ~~(i) Course level data delineating the entity that provided faculty,~~  
12 ~~the entity that provided the faculty pay and the amount paid to the faculty~~  
13 ~~member.~~

14          ~~7.~~ 6. Each community college district shall conduct tracking studies  
15 of subsequent academic or occupational achievement of students enrolled in  
16 courses offered pursuant to this section. The reports of the results of the  
17 tracking studies shall be submitted to the joint legislative budget committee  
18 on or before October 1 of each odd-numbered year, subject to the following:

19           (a) The tracking studies prescribed in this paragraph may involve  
20 statistically valid sampling techniques and shall include, at a minimum, the  
21 high school graduation rate, the number of students continuing their studies  
22 after graduation at a community college in this state or a university under  
23 the jurisdiction of the Arizona board of regents, the performance of the  
24 students in subsequent college courses in the same discipline or occupational  
25 field and the student's grade point average after one year at an Arizona  
26 community college or university as compared to the student's college grade  
27 point average for courses completed while still in high school.

28           (b) On receipt of the report of the tracking studies prescribed in  
29 this paragraph, the joint legislative budget committee may convene an ad hoc  
30 committee that includes community college academic officers, faculty and  
31 other experts in the field to review the manner in which these courses are  
32 provided. This committee may make recommendations to the joint legislative  
33 budget committee regarding desirable changes in this section or in the manner  
34 in which this section is being implemented. A copy of this report shall be  
35 provided to each district governing board.

36          ~~8.~~ 7. A school district shall ensure that a pupil is a full-time  
37 student as defined in section 15-901 and is enrolled in and attending a

1 full-time instructional program at a school in the school district before  
2 that pupil is allowed to enroll in a college course pursuant to this section,  
3 except that high school seniors who satisfy high school graduation  
4 requirements with less than a full-time instructional program shall be exempt  
5 from this paragraph.

6 Sec. 14. Section 15-1877, Arizona Revised Statutes, is amended to  
7 read:

8 15-1877. Scholarships and financial aid provisions

9 A. Any student loan program, student grant program or other financial  
10 assistance program established or administered by this state shall treat the  
11 balance in an account of which the student is a designated beneficiary as  
12 neither an asset of the parent of the designated beneficiary nor as a  
13 scholarship, a grant or an asset of the student for determining a student's  
14 or parent's income, assets or financial need.

15 B. Subsection A OF THIS SECTION applies to any state appropriated  
16 financial assistance program administered by a college or university in this  
17 state including the financial aid trust fund, established by section 15-1642,  
18 the leveraging educational assistance program established by section 1203 of  
19 the higher education act amendments of 1998 (P.L. 105-244; 112 Stat. 1581;  
20 20 United States Code section 1001) and the private postsecondary education  
21 student financial assistance program established by section 15-1854.

22 C. Subsections A and B OF THIS SECTION do not apply if any of the  
23 following conditions ~~exist~~ EXISTS:

24 1. Federal law requires all or a portion of the amount in an account  
25 to be taken into consideration in a different manner.

26 2. Federal benefits could be lost if all or a portion of the amount in  
27 an account is not taken into consideration in a different manner.

28 3. A specific grant establishing a financial assistance program  
29 requires that all or a portion of the amount in an account be taken into  
30 consideration.

31 D. A STUDENT IN THIS STATE IS NOT ELIGIBLE TO PARTICIPATE IN THE  
32 LEVERAGING EDUCATIONAL ASSISTANCE PROGRAM ESTABLISHED BY SECTION 1203 OF THE  
33 HIGHER EDUCATION ACT AMENDMENTS OF 1998 (P.L. 105-244; 112 STAT. 1581;  
34 20 UNITED STATES CODE SECTION 1001) UNLESS THE STUDENT MEETS ALL OF THE  
35 FOLLOWING CRITERIA:

36 1. THE STUDENT IS A RESIDENT OF THIS STATE.

1           2. THE STUDENT DEMONSTRATES FINANCIAL NEED UNDER THE CRITERIA  
2 ESTABLISHED FOR THE PROGRAM.

3           3. THE STUDENT IS ATTENDING, ON AT LEAST A HALF-TIME BASIS, AN  
4 APPROVED PROGRAM AT A PROPERLY ACCREDITED POSTSECONDARY EDUCATIONAL  
5 INSTITUTION IN THIS STATE.

6           Sec. 15. Section 41-1542, Arizona Revised Statutes, is amended to  
7 read:

8           41-1542. Governor's council on workforce policy; duties

9           A. The governor by executive order may establish a governor's council  
10 on workforce policy. If the governor establishes a governor's council on  
11 workforce policy, the council shall include at least the following members:

12           1. The director of the department of commerce or the director's  
13 designee.

14           2. The director of the department of economic security or the  
15 director's designee.

16           3. The superintendent of public instruction or the superintendent's  
17 designee.

18           4. One representative from a rural community college district who is  
19 appointed by the governor.

20           5. One representative from an urban community college district who is  
21 appointed by the governor.

22           6. One representative from organized labor who is appointed by the  
23 governor.

24           7. Representatives from large businesses who are appointed by the  
25 governor and who shall compose at least thirty per cent of the total  
26 membership of the council.

27           8. Representatives from small businesses who are appointed by the  
28 governor and who shall compose at least twenty-five per cent of the total  
29 membership of the council.

30           B. The governor's council on workforce policy that is established by  
31 executive order shall develop program guidelines for selection criteria and  
32 program operations. These guidelines shall include the following areas:

33           1. Project application procedures.

34           2. Categories of allowable and excluded project costs.

35           3. Limitations relating to partial or total project costs and interim  
36 and end of project reporting requirements.

1           4. Procedures to assure that both urban and rural economic interests  
2 are addressed.

3           5. Criteria to evaluate effective use of training monies.

4           6. Criteria to determine the annual qualifying wage rate per county so  
5 that the qualifying wage rate reflects current economic conditions and the  
6 needs of local businesses in the county.

7           C. The governor's council on workforce policy shall meet at least four  
8 times each year and shall submit a written annual report to the governor, the  
9 president of the senate, the speaker of the house of representatives and the  
10 joint legislative budget committee by ~~September~~ DECEMBER 1 of each year. This  
11 report shall include:

- 12           1. The qualifying wage rate per county.
- 13           2. The number of businesses recruited.
- 14           3. The number of approved applicants.
- 15           4. The number of persons hired.
- 16           5. The number of incumbent workers trained.
- 17           6. The racial and ethnic background of persons trained.
- 18           7. The number of persons trained by job skill category.
- 19           8. The average salaries paid.
- 20           9. The breakdown of full-time and part-time jobs.
- 21           10. The information on the efforts to leverage other training  
22 resources.

23           11. A summary of the information considered pursuant to section  
24 41-1543.

25           12. The number of grant applications denied due to either of the  
26 following:

- 27           (a) Insufficient available grant money.
- 28           (b) The inability to meet the qualifying wage requirements pursuant to  
29 subsection B, paragraph 6 of this section.

30           13. A summary of annual spending by state government on workforce  
31 development, including details on each state program that participates in  
32 workforce development in any state agency or community college. The report  
33 shall include:

34           (a) Actual expenditures from state, federal or other sources for the  
35 prior fiscal year, by fund, program and agency and in total.

36           (b) Estimated expenditures from state, federal or other sources for  
37 the current fiscal year, by fund, program and agency and in total.

1 (c) Federally mandated performance measure results by program,  
2 including measures for the previous two fiscal years and for the current  
3 fiscal year.

4 (d) Agency or statewide performance measure results as described in  
5 subsection E of this section by program, including measures for the previous  
6 two fiscal years and for the current fiscal year.

7 (e) A strategic plan that identifies:

8 (i) Each workforce development program in this state.

9 (ii) How the state programs met all performance measures in the  
10 previous fiscal year.

11 D. Each state agency and community college shall submit to the  
12 governor's council on workforce policy the information necessary to compile  
13 the report described in subsection C, paragraph 13 of this section by ~~August~~  
14 ~~NOVEMBER~~ 1 of each year.

15 E. The governor's council on workforce policy shall coordinate with  
16 state agencies and state community colleges to produce outcome-based  
17 performance measures for all state workforce development programs.

18 Sec. 16. Repeal

19 Laws 2008, chapter 287, section 39, as amended by Laws 2009, first  
20 special session, chapter 6, section 3, is repealed.

21 Sec. 17. Community colleges; capital outlay aid; suspension

22 Notwithstanding section 15-1464, Arizona Revised Statutes, or any other  
23 law, capital outlay state aid for community colleges is suspended for fiscal  
24 year 2009-2010.

25 Sec. 18. Community colleges; operating state aid

26 Notwithstanding section 15-1466, Arizona Revised Statutes, the fiscal  
27 year 2009-2010 appropriation for operating state aid for community colleges  
28 shall be the amount appropriated in the general appropriations act.

29 Sec. 19. Financial aid trust fund; required state match

30 Notwithstanding section 15-1642, subsection C, Arizona Revised  
31 Statutes, for fiscal year 2009-2010, each dollar raised pursuant to the  
32 surcharge on student registration assessed pursuant to section 15-1642,  
33 subsection A, Arizona Revised Statutes, may be matched by less than two  
34 dollars appropriated by the legislature.

