

State of Arizona
Senate
Forty-ninth Legislature
First Regular Session
2009

SENATE BILL 1029

AN ACT

AMENDING SECTION 15-1427, ARIZONA REVISED STATUTES; REPEALING SECTION 15-1447, ARIZONA REVISED STATUTES; AMENDING SECTIONS 15-1461, 15-1466, 15-1466.01, 15-1601, 15-1626 AND 15-1629, ARIZONA REVISED STATUTES; AMENDING SECTION 15-1661, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2009, FIRST SPECIAL SESSION, CHAPTER 6, SECTION 1; AMENDING SECTION 15-1682.03, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2009, FIRST SPECIAL SESSION, CHAPTER 6, SECTION 2; AMENDING SECTIONS 15-1821.01, 15-1877 AND 41-1542, ARIZONA REVISED STATUTES; REPEALING LAWS 2008, CHAPTER 287, SECTION 39, AS AMENDED BY LAWS 2009, FIRST SPECIAL SESSION, CHAPTER 6, SECTION 3; MAKING AN APPROPRIATION; RELATING TO HIGHER EDUCATION BUDGET RECONCILIATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

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.~~

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

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

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

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

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

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

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

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

43 ~~18.~~ 10. Such other information as the governor and the joint
44 legislative budget committee deem proper.

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

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

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

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

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

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

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

17 (a) CURRICULUM DEVELOPMENT AND APPROVAL.

18 (b) TEXTBOOK COSTS.

19 (c) FACILITY AND EQUIPMENT COSTS.

20 (d) COUNSELING AND TUTORING COSTS.

21 (e) TEACHER TRAINING AND OBSERVATION COSTS.

22 7. SUCH OTHER INFORMATION AS THE GOVERNOR AND THE JOINT LEGISLATIVE
23 BUDGET COMMITTEE DEEM PROPER.

24 Sec. 2. Repeal

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

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

27 15-1461. District budget; annual estimate; computation; notice;
28 hearing; adoption

29 A. Not later than June 5, each district established pursuant to this
30 chapter, and any other community college established prior to the enactment
31 of this chapter, shall prepare a proposed budget for the budget year on a
32 form which the auditor general prescribes to be transmitted to the district
33 board. The proposed budget shall be accompanied by an estimate of the amount
34 of funds needed for the ensuing year as determined by the district based on
35 the proposed budget prepared by it.

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

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

42 D. The number of basic full-time equivalent students shall be computed
43 by dividing the total community college credit units by fifteen per semester
44 and shall be based on regular day enrollment. The number of additional
45 short-term full-time equivalent students shall be computed by dividing the

1 total community college credit units from additional short-term classes by
2 thirty. The number of skill center full-time equivalent students shall be
3 computed by dividing the total number of clock hours in approved vocational
4 training programs by six hundred forty.

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

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

18 1. The estimated cost of all operational, capital outlay and debt
19 service expenses.

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

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

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

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

27 6. The levy for primary property taxes and the levy for secondary
28 property taxes for the current year.

29 7. The primary property tax rate and secondary property tax rate for
30 the current year.

31 8. The estimated amount of total property tax levies for the district
32 and the primary property tax and secondary property tax components thereof
33 necessary for the budget year.

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

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

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

42 G. The governing board shall publish the proposed budget and the
43 notice of the public hearing and special board meeting a second time not
44 later than five days prior to the meeting. Publication shall be made in a
45 newspaper of general circulation within the district. The cost of

1 publication shall be a charge against the district. If a truth in taxation
2 notice and hearing is required under section 15-1461.01, the district may
3 combine the notice and hearing under this section with the truth in taxation
4 notice and hearing.

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

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

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

24 Sec. 4. Section 15-1466, Arizona Revised Statutes, is amended to read:

25 15-1466. State aid; eligibility; limitations

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

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

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

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

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

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

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

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

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

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

22 1. Be equipped with suitable buildings, equipment and campus.

23 2. Have at least three hundred twenty full-time equivalent students
24 attending in the district.

25 3. Have complied with all of the requirements of the district board
26 including budgets and curriculum.

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

30 ~~I.~~ F. The total amount of state monies that may be spent in any
31 fiscal year by a district for operating state aid shall not exceed the amount
32 appropriated or authorized by section 35-173 for that purpose.
33 Notwithstanding section 15-1444, this section shall not be construed to
34 impose a duty on an officer, agent or employee of this state to discharge a
35 responsibility or to create any right in a person or group if the discharge
36 or right would require an expenditure of state monies in excess of the
37 expenditure authorized by legislative appropriation for that specific
38 purpose, including any duties prescribed in an employment contract entered
39 into pursuant to section 15-1444, subsection A, paragraph 6.

40 ~~J.~~ G. In addition to the formula to determine the state aid
41 appropriations prescribed in this section, the state may pay additional
42 amounts for state aid to a district based on requests included in the
43 district's budget request.

1 each district for all basic actual, additional short-term and open entry,
2 open exit classes and skill center and adult basic education courses shall be
3 audited annually by the auditor general. The auditor general shall report
4 the results of the audit to the staffs of the joint legislative budget
5 committee and the governor's office of strategic planning and budgeting by
6 October 15 of each year.

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

13 Sec. 6. Section 15-1601, Arizona Revised Statutes, is amended to read:

14 15-1601. State universities; location; faculty powers

15 A. The Arizona board of regents shall maintain state universities at
16 Flagstaff in Coconino county, at Tempe in Maricopa county and at Tucson in
17 Pima county, and the universities are respectively designated northern
18 Arizona university, Arizona state university and the university of Arizona.
19 The board shall maintain an Arizona state university campus in western
20 Maricopa county designated as Arizona state university west campus, WHICH
21 SHALL BE IDENTIFIED AS A SEPARATE BUDGET UNIT IN THE GENERAL APPROPRIATIONS
22 ACT. The board shall maintain an Arizona state university campus in eastern
23 Maricopa county designated as Arizona state university east campus, WHICH
24 SHALL BE IDENTIFIED AS A SEPARATE BUDGET UNIT IN THE GENERAL APPROPRIATIONS
25 ACT. The board may establish and maintain other colleges and universities
26 subject to legislative authority. Subject to review by the joint committee
27 on capital review, the board may establish new campuses that are separate
28 from any location in existence on July 1, 2007. THE ARIZONA STATE UNIVERSITY
29 CAMPUS AT TEMPE SHALL PROVIDE ADMINISTRATIVE SUPPORT FOR THE ARIZONA STATE
30 UNIVERSITY CAMPUSES IN WESTERN MARICOPA COUNTY AND IN EASTERN MARICOPA
31 COUNTY.

32 B. The universities shall have colleges, schools and departments and
33 give courses of study and academic degrees as the board approves. Subject to
34 the responsibilities and powers of the board and the university presidents,
35 the faculty members of the universities, through their elected faculty
36 representatives, shall share responsibility for academic and educational
37 activities and matters related to faculty personnel. The faculty members of
38 each university, through their elected faculty representatives, shall
39 participate in the governance of their respective universities and shall
40 actively participate in the development of university policy.

41 Sec. 7. Section 15-1626, Arizona Revised Statutes, is amended to read:

42 15-1626. General administrative powers and duties of board

43 A. The board shall:

44 1. Have and exercise the powers necessary for the effective governance
45 and administration of the institutions under its control. To that end, the

1 board may adopt, and authorize each university to adopt, such regulations,
2 policies, rules or measures as are deemed necessary and may delegate in
3 writing to its committees, to its university presidents, or their designees,
4 or to other entities under its control, any part of its authority for the
5 administration and governance of such institutions, including those powers
6 enumerated in section 15-1625, subsection B, paragraphs 2 and 4, paragraphs
7 3, 4, 8, 9, 11 and 12 of this subsection and subsection B of this section.
8 Any delegation of authority may be rescinded by the board at any time in
9 whole or in part.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

43 10. Prescribe qualifications for admission of all students to the
44 universities. The board shall establish policies for guaranteed admission
45 that assure fair and equitable access to students in this state from public,

1 private, charter and home schools. For the purpose of determining the
2 qualifications of honorably discharged veterans, veterans are those persons
3 who served in the armed forces for a minimum of two years and who were
4 previously enrolled at a university or community college in this state. No
5 prior failing grades received by the veteran at the university or community
6 college in this state may be considered.

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

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

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

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

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

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

36 17. Beginning July 1, 2007, acquire United States flags for each
37 classroom that are manufactured in the United States and that are at least
38 two feet by three feet and hardware to appropriately display the United
39 States flags, acquire a legible copy of the Constitution of the United States
40 and the Bill of Rights, display the flags in each classroom in accordance
41 with title 4 of the United States Code and display a legible copy of the
42 Constitution of the United States and the Bill of Rights adjacent to the
43 flag.

1 18. To facilitate the transfer of military personnel and their
2 dependents to and from the public schools of this state, pursue, in
3 cooperation with the state board of education, reciprocity agreements with
4 other states concerning the transfer credits for military personnel and their
5 dependents. A reciprocity agreement entered into pursuant to this paragraph
6 shall:

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

8 (i) The transfer of student records.

9 (ii) Awarding credit for completed course work.

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

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

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

18 B. The board shall adopt personnel rules. All nonacademic employees
19 of the universities are subject to these rules except for university
20 presidents, university vice-presidents, university deans, legal counsel and
21 administrative officers. The personnel rules shall be similar to the
22 personnel rules under section 41-783. The rules shall include provisions for
23 listing available positions with the department of economic security,
24 competitive employment processes for applicants, probationary status for new
25 nonacademic employees, nonprobationary status on successful completion of
26 probation and due process protections of nonprobationary employees after
27 discharge. The board shall provide notice of proposed rule adoption and an
28 opportunity for public comment on all personnel rules proposed for adoption.

29 C. IN CONJUNCTION WITH THE AUDITOR GENERAL, THE BOARD SHALL DEVELOP A
30 UNIFORM ACCOUNTING AND REPORTING SYSTEM, WHICH SHALL BE REVIEWED BY THE JOINT
31 LEGISLATIVE BUDGET COMMITTEE BEFORE FINAL ADOPTION BY THE BOARD. THE BOARD
32 SHALL REQUIRE EACH UNIVERSITY TO COMPLY WITH THE UNIFORM ACCOUNTING AND
33 REPORTING SYSTEM.

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

38 ~~D.~~ E. The board shall approve or disapprove any contract or agreement
39 entered into by the university of Arizona hospital with the Arizona health
40 facilities authority.

41 ~~E.~~ F. The board may adopt policies which authorize the institutions
42 under its jurisdiction to enter into employment contracts with nontenured
43 employees for periods of more than one year but not more than five years.
44 The policies shall prescribe limitations on the authority of the institutions
45 to enter into employment contracts for periods of more than one year but not

1 more than five years, including the requirement that the board approve the
2 contracts.

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

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

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

20 Sec. 8. Section 15-1629, Arizona Revised Statutes, is amended to read:

21 15-1629. Annual report

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

33 Sec. 9. Section 15-1661, Arizona Revised Statutes, as amended by Laws
34 2009, first special session, chapter 6, section 1, is amended to read:

35 15-1661. Annual appropriation; enrollment audit; expenditure;
36 balance; salaries

37 A. There shall be appropriated in the general appropriation bill for
38 each fiscal year a sum of monies not less than eighty-five one-hundredths of
39 one mill on the dollar of the assessed valuation of all taxable property in
40 the state for the improvement, support and maintenance of the institutions
41 under the Arizona board of regents' jurisdiction, including payment of
42 salaries, current expenses, purchase of equipment, making necessary repairs,
43 construction of new buildings, purchase of lands and in general for payment
44 of all such expenses connected with the management of the institutions under
45 the Arizona board of regents' jurisdiction. The department of revenue, upon

1 compiling the aggregate assessed valuation of all taxable property within
2 this state, shall compute the amount of monies so determined and certify such
3 amount over its seal to the department of administration and the state
4 treasurer.

5 B. The full-time equivalent student enrollment reported for the
6 previous fiscal year by each university shall be audited annually by the
7 auditor general. The auditor general shall report the results of the audit
8 to the staffs of the joint legislative budget committee and the governor's
9 office of strategic planning and budgeting on or before October 15 of each
10 year. ~~Beginning with the fall semester of 2006,~~ On or before ~~the following~~
11 July 21 of each academic year, each university shall provide **FOR THE PREVIOUS**
12 **FALL SEMESTER** a certified report to the auditor general of the number of
13 full-time equivalent students calculated by the university **AND A SEPARATE**
14 **REPORT ONLY FOR THOSE STUDENTS WHO MEET THE RESIDENCY REQUIREMENTS PRESCRIBED**
15 **IN SECTION 15-1802.** The university's records used to calculate full-time
16 equivalent student enrollment shall be provided to the auditor general in an
17 electronic format prescribed by the auditor general. Beginning in 2006, each
18 university shall submit to the auditor general a summary of its full-time
19 equivalent student enrollment accounting policies and procedures, compilation
20 procedures and source records used for calculating full-time equivalent
21 student enrollment. These accounting policies and procedures, compilation
22 procedures and source records shall comply with policies developed on or
23 before June 30, 2006 by the Arizona board of regents, in consultation with
24 the auditor general and reviewed by the joint legislative budget committee.
25 These policies shall include a review and recommendations of the necessity of
26 minimum requirements for students enrolled in classes to qualify for
27 appropriations pursuant to this section, including requirements that the
28 class be a for-credit course that is necessary for the completion of a degree
29 and that the student enrolled in the course be physically present in this
30 state at the time the course is conducted. The basic actual full-time
31 equivalent student enrollment shall be counted on the forty-fifth day after
32 the basic actual full-time equivalent student enrollment classes begin for
33 the fall and spring semesters, as published in the university catalogs, and
34 divided by two. The Arizona board of regents shall also make recommendations
35 of whether each professor or instructor should be required to review class
36 rosters and make additions or deletions as necessary. If so, class rosters
37 that reflect enrollment as of the forty-fifth 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. On the forty-fifth day class rosters,
41 each professor or instructor shall indicate as withdrawn each student who has
42 formally withdrawn from the course, and that student shall not be counted for
43 state aid purposes. The official forty-fifth day rosters shall include a
44 manual signature and date or an electronic authorization and date by the
45 professor 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. THE ARIZONA BOARD OF REGENTS SHALL ALSO REPORT THE BASIC ACTUAL
5 FULL-TIME EQUIVALENT STUDENT ENROLLMENT FOR ONLY THOSE STUDENTS WHO MEET THE
6 RESIDENCY REQUIREMENTS PRESCRIBED IN SECTION 15-1802. THE BASIC ACTUAL
7 FULL-TIME EQUIVALENT STUDENT ENROLLMENT FOR ONLY THOSE STUDENTS WHO MEET THE
8 RESIDENCY REQUIREMENTS PRESCRIBED IN SECTION 15-1802 THAT IS REPORTED BY EACH
9 UNIVERSITY FOR THE PREVIOUS FISCAL YEAR SHALL BE ANNUALLY AUDITED BY THE
10 AUDITOR GENERAL.

11 ~~G.~~ D. Students who have withdrawn or who have been withdrawn from
12 classes as of the forty-fifth day shall not be counted for state aid
13 purposes. A record shall be maintained that identifies student withdrawals
14 by date of withdrawal, as of the forty-fifth day and after the forty-fifth
15 day for the entire semester.

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

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

21 ~~F.~~ G. Monies appropriated to a university under the jurisdiction of
22 the Arizona board of regents for cost of living salary increases for
23 university employees shall be used to provide cost of living salary increases
24 to all university employees including graduate student assistants. If monies
25 are appropriated to a university for salary increases based on merit, the
26 monies shall be used to provide merit increases according to the merit pay
27 plan adopted by the Arizona board of regents.

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

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

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

36 3. The total number of enrolled fall and spring semester credit hours
37 in graduate level credit courses divided by ten.

38 ~~H.~~ I. The Arizona board of regents, in its annual budget request,
39 shall not include funding for any student who is enrolled at an institution
40 under the jurisdiction of the Arizona board of regents and who has earned
41 credit hours in excess of the undergraduate credit hour threshold, except
42 that the undergraduate credit hour threshold shall not apply to students who
43 are enrolled in a degree program that requires credit hours above the credit
44 threshold. For the purposes of this subsection, the undergraduate credit
45 hour threshold is one hundred fifty-five hours for students who attend a

1 university under the jurisdiction of the board in fiscal year 2006-2007, one
2 hundred fifty hours for students who attend a university under the
3 jurisdiction of the board in fiscal year 2007-2008 and one hundred forty-five
4 hours for students who attend a university under the jurisdiction of the
5 board after fiscal year 2007-2008. The undergraduate credit hour threshold
6 shall be based on the actual full-time equivalent student enrollment counted
7 on the forty-fifth day after classes begin for the fall and spring semesters
8 and any budget adjustment based on student enrollment shall occur in the
9 fiscal year following the actual full-time equivalent student enrollment
10 count. The undergraduate credit hour threshold shall not apply to credits
11 earned in the pursuit of up to two baccalaureate degrees, credits earned in
12 the pursuit of up to two state regulated licensures and certificates, credits
13 earned in the pursuit of teaching certification, credits transferred from a
14 private institution of higher education, credits transferred from an
15 institution of higher education in another state, credits earned at another
16 institution of higher education but that are not accepted as transfer credits
17 at the university where the student is currently enrolled and credits earned
18 by students who enroll at a university under the jurisdiction of the board
19 more than twenty-four months after the end of that student's previous
20 enrollment at a public institution of higher education in this state."

21 Sec. 10. Section 15-1682.03, Arizona Revised Statutes, as amended by
22 Laws 2009, first special session, chapter 6, section 2, is amended to read:

23 15-1682.03. University capital improvement lease-to-own and
24 bond fund; lease-to-own and bond capital
25 improvement agreements

26 A. The university capital improvement lease-to-own and bond fund is
27 established consisting of the monies provided by the Arizona board of regents
28 pursuant to this section, monies deposited pursuant to section 5-522 and
29 monies appropriated by the legislature. The board shall administer the fund.
30 On notice from the board, the state treasurer shall invest and divest monies
31 in the fund as provided by section 35-313, and monies earned from investment
32 shall be credited to the fund. Monies in the fund are exempt from the
33 provisions of section 35-190 relating to lapsing of appropriations.

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

38 C. The board shall distribute monies in the fund to make payments
39 pursuant to lease-to-own and bond agreements entered into by the board
40 pursuant to this section. The board may enter into lease-to-own and bond
41 agreements for the purposes of building renewal projects ~~and new facilities.~~
42 New lease-to-own and bond agreements entered into pursuant to this section
43 shall not exceed one hundred sixty-seven million six hundred seventy-one
44 thousand two hundred dollars in fiscal year 2008-2009 ~~and four hundred~~
45 ~~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. 11. 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.

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

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

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

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

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

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

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

24 4. College approved textbooks, syllabuses, course outlines and grading
25 standards that are applicable to the courses if taught at the community
26 college shall apply to these courses and to all students in the courses
27 offered pursuant to this section. The chief executive officer of each
28 community college shall establish an advisory committee of full-time faculty
29 who teach in the disciplines offered at the community college to assist in
30 course selection and implementation in the high schools and to review and
31 report at least annually to the chief executive officer whether the course
32 goals and standards are understood, the course guidelines are followed and
33 the same standards of expectation and assessment are applied to these courses
34 as though they were being offered at the community college. The advisory
35 committee of full-time faculty shall meet at least three times each academic
36 year.

37 5. Each faculty member shall meet the requirements established by the
38 governing board pursuant to section 15-1444. The chief executive officer of
39 each community college district shall establish an advisory committee of
40 full-time faculty who teach in the disciplines offered at the community
41 college district to assist in the selection, orientation, ongoing
42 professional development and evaluation of faculty teaching college courses
43 in conjunction with the high schools. The advisory committee of full-time
44 faculty shall meet at least two times each academic year.

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

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

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

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

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

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

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

24 ~~(g) Summary data by community college district and by individual~~
25 ~~community college on the number of scholarships or grants awarded to~~
26 ~~students.~~

27 ~~(h) Itemized actual program costs including actual program costs for~~
28 ~~each of the following:~~

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

30 ~~(ii) Textbook costs.~~

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

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

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

34 ~~(i) Course level data delineating the entity that provided faculty,~~
35 ~~the entity that provided the faculty pay and the amount paid to the faculty~~
36 ~~member.~~

37 ~~7.~~ 6. Each community college district shall conduct tracking studies
38 of subsequent academic or occupational achievement of students enrolled in
39 courses offered pursuant to this section. The reports of the results of the
40 tracking studies shall be submitted to the joint legislative budget committee
41 on or before October 1 of each odd-numbered year, subject to the following:

42 (a) The tracking studies prescribed in this paragraph may involve
43 statistically valid sampling techniques and shall include, at a minimum, the
44 high school graduation rate, the number of students continuing their studies
45 after graduation at a community college in this state or a university under

1 the jurisdiction of the Arizona board of regents, the performance of the
2 students in subsequent college courses in the same discipline or occupational
3 field and the student's grade point average after one year at an Arizona
4 community college or university as compared to the student's college grade
5 point average for courses completed while still in high school.

6 (b) On receipt of the report of the tracking studies prescribed in
7 this paragraph, the joint legislative budget committee may convene an ad hoc
8 committee that includes community college academic officers, faculty and
9 other experts in the field to review the manner in which these courses are
10 provided. This committee may make recommendations to the joint legislative
11 budget committee regarding desirable changes in this section or in the manner
12 in which this section is being implemented. A copy of this report shall be
13 provided to each district governing board.

14 ~~8-~~ 7. A school district shall ensure that a pupil is a full-time
15 student as defined in section 15-901 and is enrolled in and attending a
16 full-time instructional program at a school in the school district before
17 that pupil is allowed to enroll in a college course pursuant to this section,
18 except that high school seniors who satisfy high school graduation
19 requirements with less than a full-time instructional program shall be exempt
20 from this paragraph.

21 Sec. 12. Section 15-1877, Arizona Revised Statutes, is amended to
22 read:

23 15-1877. Scholarships and financial aid provisions

24 A. Any student loan program, student grant program or other financial
25 assistance program established or administered by this state shall treat the
26 balance in an account of which the student is a designated beneficiary as
27 neither an asset of the parent of the designated beneficiary nor as a
28 scholarship, a grant or an asset of the student for determining a student's
29 or parent's income, assets or financial need.

30 B. Subsection A **OF THIS SECTION** applies to any state appropriated
31 financial assistance program administered by a college or university in this
32 state including the financial aid trust fund, established by section 15-1642,
33 the leveraging educational assistance program established by section 1203 of
34 the higher education act amendments of 1998 (P.L. 105-244; 112 Stat. 1581;
35 20 United States Code section 1001) and the private postsecondary education
36 student financial assistance program established by section 15-1854.

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

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

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

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

1 D. A STUDENT IN THIS STATE IS NOT ELIGIBLE TO PARTICIPATE IN THE
2 LEVERAGING EDUCATIONAL ASSISTANCE PROGRAM ESTABLISHED BY SECTION 1203 OF THE
3 HIGHER EDUCATION ACT AMENDMENTS OF 1998 (P.L. 105-244; 112 STAT. 1581;
4 20 UNITED STATES CODE SECTION 1001) UNLESS THE STUDENT MEETS ALL OF THE
5 FOLLOWING CRITERIA:

- 6 1. THE STUDENT IS A RESIDENT OF THIS STATE.
- 7 2. THE STUDENT DEMONSTRATES FINANCIAL NEED UNDER THE CRITERIA
8 ESTABLISHED FOR THE PROGRAM.
- 9 3. THE STUDENT IS ATTENDING, ON AT LEAST A HALF-TIME BASIS, AN
10 APPROVED PROGRAM AT A PROPERLY ACCREDITED POSTSECONDARY EDUCATIONAL
11 INSTITUTION IN THIS STATE.

12 Sec. 13. Section 41-1542, Arizona Revised Statutes, is amended to
13 read:

14 41-1542. Governor's council on workforce policy; duties

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

- 18 1. The director of the department of commerce or the director's
19 designee.
- 20 2. The director of the department of economic security or the
21 director's designee.
- 22 3. The superintendent of public instruction or the superintendent's
23 designee.
- 24 4. One representative from a rural community college district who is
25 appointed by the governor.
- 26 5. One representative from an urban community college district who is
27 appointed by the governor.
- 28 6. One representative from organized labor who is appointed by the
29 governor.
- 30 7. Representatives from large businesses who are appointed by the
31 governor and who shall compose at least thirty per cent of the total
32 membership of the council.
- 33 8. Representatives from small businesses who are appointed by the
34 governor and who shall compose at least twenty-five per cent of the total
35 membership of the council.

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

- 39 1. Project application procedures.
- 40 2. Categories of allowable and excluded project costs.
- 41 3. Limitations relating to partial or total project costs and interim
42 and end of project reporting requirements.
- 43 4. Procedures to assure that both urban and rural economic interests
44 are addressed.

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

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

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

10 1. The qualifying wage rate per county.

11 2. The number of businesses recruited.

12 3. The number of approved applicants.

13 4. The number of persons hired.

14 5. The number of incumbent workers trained.

15 6. The racial and ethnic background of persons trained.

16 7. The number of persons trained by job skill category.

17 8. The average salaries paid.

18 9. The breakdown of full-time and part-time jobs.

19 10. The information on the efforts to leverage other training
20 resources.

21 11. A summary of the information considered pursuant to section
22 41-1543.

23 12. The number of grant applications denied due to either of the
24 following:

25 (a) Insufficient available grant money.

26 (b) The inability to meet the qualifying wage requirements pursuant to
27 subsection B, paragraph 6 of this section.

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

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

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

36 (c) Federally mandated performance measure results by program,
37 including measures for the previous two fiscal years and for the current
38 fiscal year.

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

42 (e) A strategic plan that identifies:

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

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

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

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

8 Sec. 14. Repeal

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

11 Sec. 15. Community colleges; capital outlay aid; suspension

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

15 Sec. 16. Community colleges; operating state aid

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

19 Sec. 17. Financial aid trust fund; required state match

20 Notwithstanding section 15-1642, subsection C, Arizona Revised
21 Statutes, for fiscal year 2009-2010, each dollar raised pursuant to the
22 surcharge on student registration assessed pursuant to section 15-1642,
23 subsection A, Arizona Revised Statutes, may be matched by less than two
24 dollars appropriated by the legislature.

25 Sec. 18. Medical student loans; private schools; fiscal year
26 2009-2010; retroactivity

27 A. Notwithstanding section 15-1723, Arizona Revised Statutes, the
28 board of medical student loans is not required to apportion fifty per cent of
29 the monies in the medical student loan fund in fiscal year 2009-2010.

30 B. This section is effective retroactively to from and after June 30,
31 2009.

32 Sec. 19. Community colleges; capital aid funding for fiscal
33 year 2009-2010; uses

34 Notwithstanding section 15-1464, subsection G, Arizona Revised
35 Statutes, for fiscal year 2009-2010, each community college district may use
36 any portion of its capital outlay funding for operating aid purposes.

37 Sec. 20. Arizona board of regents; support and maintenance;
38 appropriation; fiscal year 2010-2011

39 In addition to any other amounts appropriated to the Arizona board of
40 regents for fiscal year 2010-2011, the sum of \$100,000,000 is appropriated
41 from the state general fund to the Arizona board of regents to be distributed
42 for the support and maintenance of institutions under its jurisdiction in two
43 equal payments on or before August 1, 2010 and September 1, 2010. The
44 Arizona board of regents shall distribute the monies appropriated in this
45 section to the institutions under its jurisdiction in an equal amount to the

1 deferral pursuant to the general appropriations act enacted into law for
2 fiscal year 2009-2010.

3 Sec. 21. Conforming legislation

4 The legislative council staff shall prepare proposed legislation
5 conforming the Arizona Revised Statutes to the provisions of this act for
6 consideration in the forty-ninth legislature, second regular session.

7 Sec. 22. Effective date

8 Section 15-1466, Arizona Revised Statutes, as amended by this act, is
9 effective from and after June 30, 2010.