

State of Arizona
Senate
Fiftieth Legislature
First Regular Session
2011

SENATE BILL 1213

AN ACT

AMENDING SECTIONS 15-1401 AND 15-1402, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 12, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-1402.01; AMENDING SECTIONS 15-1403, 15-1407, 15-1409 AND 15-1481, ARIZONA REVISED STATUTES; AMENDING SECTION 15-1851, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 332, SECTION 24; AMENDING SECTION 15-1854, ARIZONA REVISED STATUTES; RELATING TO COMMUNITY COLLEGES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 15-1401, Arizona Revised Statutes, is amended to
3 read:

4 15-1401. Definitions

5 In this chapter, unless the context otherwise requires:

6 1. "Accredited" means accredited by a regional accrediting agency
7 recognized by the United States department of education or by the council on
8 postsecondary accreditation.

9 2. "Additional short-term classes" means those classes ~~which~~ THAT are
10 not in session on the forty-fifth day of the fall or spring semester, ~~which~~
11 THAT commence at various times during the fiscal year and ~~which~~ THAT are
12 offered over a period of less than sixteen weeks.

13 3. "Budget year" means the fiscal year for which the community college
14 district is budgeting and ~~which~~ THAT immediately follows the current year.

15 4. "Community college" means an educational institution that is
16 operated by a district board and that provides a program not exceeding two
17 years' training in the arts, sciences and humanities beyond the twelfth grade
18 of the public or private high school course of study or vocational education,
19 including terminal courses of a technical and vocational nature and basic
20 adult education courses.

21 5. "Current year" means the fiscal year in which the community college
22 district is operating.

23 6. "District" means a community college district that is established
24 pursuant to sections 15-1402 and 15-1403 ~~OR SECTION 15-1402.01~~ and that is a
25 political subdivision of this state and, unless otherwise specified, includes
26 provisional community college districts established pursuant to section
27 15-1409.

28 7. "District board" means the community college district governing
29 board.

30 8. "Full-time equivalent student" means student enrollment for fifteen
31 community college semester credit units per semester.

32 9. "Open entry, open exit classes" means those classes in which
33 students enter or exit based on mastery of specified competencies and ~~which~~
34 THAT commence at various times during the fiscal year.

35 10. "Operational expense budget" means the budget as adopted by the
36 district board pursuant to section 15-1461.

37 11. "Operational expenses" means the administration, instruction,
38 operation of community college plant, maintenance of community college plant,
39 fixed charges and contingencies incurred in the operation of a district
40 exclusive of all capital outlay items, special levies, auxiliary enterprise
41 funds, restricted funds and bond service items.

42 12. "Provisional community college district" means a community college
43 district organized pursuant to section 15-1409.

1 Sec. 2. Section 15-1402, Arizona Revised Statutes, is amended to read:
2 15-1402. Community college districts; requirements; exception

3 A. Community college districts may be organized under ~~the provisions~~
4 ~~of~~ this chapter for a single county, two or more contiguous counties or an
5 existing community college district and contiguous counties not part of any
6 community college district if the proposed district has a primary assessed
7 valuation, based on the valuation for the preceding year, of at least four
8 hundred forty-eight million, ~~seventeen thousand,~~ two hundred dollars and a
9 minimum population of forty thousand persons who are fifteen or more years of
10 age, as determined by the most recent federal census.

11 B. Beginning with fiscal year 1993-1994, the minimum primary assessed
12 valuation required to organize a community college district as provided in
13 subsection A **OF THIS SECTION** increases each year by the percentage change in
14 total primary assessed valuation for all of the districts with a population
15 of less than five hundred thousand persons according to the most recent
16 United States decennial census using actual primary assessed valuation
17 numbers from the prior two years.

18 **C. THE REQUIREMENTS OF THIS SECTION DO NOT APPLY TO COMMUNITY COLLEGE**
19 **DISTRICTS ORGANIZED PURSUANT TO SECTION 15-1402.01.**

20 Sec. 3. Title 15, chapter 12, article 1, Arizona Revised Statutes, is
21 amended by adding section 15-1402.01, to read:

22 15-1402.01. Alternative requirements for community college
23 districts

24 **A COUNTY THAT DOES NOT MEET THE REQUIREMENTS PRESCRIBED IN SECTION**
25 **15-1402 MAY ORGANIZE A COMMUNITY COLLEGE DISTRICT UNDER THIS CHAPTER IF ALL**
26 **OF THE FOLLOWING REQUIREMENTS HAVE BEEN MET:**

27 **1. A PROVISIONAL COMMUNITY COLLEGE DISTRICT HAS BEEN IN OPERATION IN**
28 **THAT COUNTY FOR AT LEAST FIVE YEARS IMMEDIATELY BEFORE THE FORMATION OF THE**
29 **PROPOSED COMMUNITY COLLEGE DISTRICT PURSUANT TO THIS SECTION.**

30 **2. THE MOST RECENT NUMBER OF FULL-TIME EQUIVALENT STUDENT ENROLLMENT**
31 **CALCULATED PURSUANT TO SECTION 15-1466.01 FOR THE PROVISIONAL COMMUNITY**
32 **COLLEGE DISTRICT IS AT LEAST NINE HUNDRED.**

33 **3. THE PROPOSED COMMUNITY COLLEGE DISTRICT IS ACTIVELY SEEKING**
34 **ACCREDITATION FROM A REGIONAL ACCREDITING AGENCY RECOGNIZED BY THE UNITED**
35 **STATES DEPARTMENT OF EDUCATION OR BY THE COUNCIL ON POSTSECONDARY**
36 **ACCREDITATION.**

37 **4. A MEMBER OF THE PUBLIC REQUESTS, OR THE GOVERNING BOARD SCHEDULES,**
38 **PUBLIC MEETINGS TO DISCUSS AND HEAR TESTIMONY ON THE CONVERSION OF THE**
39 **PROVISIONAL COMMUNITY COLLEGE DISTRICT TO AN INDEPENDENT COMMUNITY COLLEGE**
40 **DISTRICT.**

41 **5. AT THE NEXT REGULARLY SCHEDULED MEETING AFTER THE MEETING**
42 **PRESCRIBED IN PARAGRAPH 4 OF THIS SECTION, THE GOVERNING BOARD OF THE**
43 **PROVISIONAL COLLEGE DISTRICT ADOPTS A RESOLUTION TO FORM A COMMUNITY COLLEGE**
44 **DISTRICT PURSUANT TO THIS SECTION. NOTWITHSTANDING SECTION 42-17056, AFTER**
45 **THE PROVISIONAL COMMUNITY COLLEGE DISTRICT IS CONVERTED TO A COMMUNITY**

1 COLLEGE DISTRICT FORMED PURSUANT TO THIS SECTION THE GOVERNING BOARD MAY CALL
2 AN ELECTION ON A GENERAL ELECTION DATE OF THE BOARD'S CHOICE TO SEEK VOTER
3 APPROVAL TO INCREASE THE PROPERTY TAX RATE FOR THE PROVISIONAL COMMUNITY
4 COLLEGE DISTRICT. ONCE A PROPERTY TAX RATE IS APPROVED BY THE VOTERS THE
5 PROPERTY TAX RATE SHALL NOT BE INCREASED.

6 6. THE PROVISIONAL COMMUNITY COLLEGE DISTRICT HAS MAINTAINED A
7 REGIONAL ACCREDITATION AND OVERSIGHT RELATIONSHIP WITH ANOTHER COMMUNITY
8 COLLEGE DISTRICT UNTIL THE CONVERSION OF THE PROVISIONAL COMMUNITY COLLEGE
9 DISTRICT TO AN INDEPENDENT COMMUNITY COLLEGE DISTRICT.

10 Sec. 4. Section 15-1403, Arizona Revised Statutes, is amended to read:

11 15-1403. Procedure to form a district; exception

12 A. For the purpose of forming a district, not less than ten per cent
13 of the qualified electors in the territory included in the proposed district,
14 or where a district consists of more than one county not less than ten per
15 cent of the qualified electors in each county, shall petition the county
16 school superintendent for the establishment of the district. Where a
17 district consists of more than one county, the signatures of the qualified
18 electors on the petition shall be submitted to the county school
19 superintendent of the county of which the qualified electors are residents,
20 provided that the county school superintendent of the county with the larger
21 population, as determined by the most recent federal census, shall be the
22 custodian of the completed petition. The petition shall set forth the name
23 of the proposed district and its boundaries. The county school
24 superintendent shall verify the signatures thereon, provided that whenever a
25 proposed district consists of more than one county the county school
26 superintendent of the county with the least population shall verify the
27 signatures on the petition from ~~his~~ THAT county prior to submitting the
28 petition to the county school superintendent of the county with the larger
29 population.

30 B. The county school superintendent who is the custodian of the
31 completed petition shall transmit the petition to the county board of
32 supervisors, or if the district consists of more than one county, to the
33 county board of supervisors of the county with the largest population, which
34 shall determine whether the proposed district meets the minimum standards of
35 assessed valuation and population as provided in section 15-1402.

36 C. If the county board of supervisors determines that the proposed
37 district meets the minimum standards of assessed valuation and population
38 prescribed in subsection B of this section, the county, or counties, shall
39 call and conduct an election, as prescribed in this article. If the majority
40 of the votes cast in the proposed district, consisting of one county, ~~favours~~
41 FAVOR the formation of the district, such a district is deemed to be formed,
42 as provided in section 15-1404. Where the proposed district consists of more
43 than one county, there shall be a majority of the votes cast in each county
44 favoring the formation of the district before the district is deemed to be
45 formed, as provided in section 15-1404.

1 D. THIS SECTION DOES NOT APPLY TO COMMUNITY COLLEGE DISTRICTS
2 ORGANIZED PURSUANT TO SECTION 15-1402.01.

3 Sec. 5. Section 15-1407, Arizona Revised Statutes, is amended to read:
4 15-1407. Formation of new district by subdivision of existing
5 district; division of assets

6 A. If two or more contiguous counties have formed a community college
7 district, a new district may be formed in one or more of the counties by
8 dissolution of the existing district if each county in which a new district
9 is formed meets the requirements prescribed in section 15-1402. Except as
10 provided in this section, the procedures for dissolution of the district
11 shall be as prescribed in section 15-1403 for the formation of a district in
12 more than one county.

13 B. The election shall be held as provided in section 15-1404, except
14 that a majority of the qualified electors in each of the counties in the
15 existing district must approve the dissolution of the existing district and
16 the formation of the new district.

17 C. If a county is within a community college district ~~which~~ THAT is
18 dissolved pursuant to this section and the county does not meet the
19 requirements of section 15-1402 OR 15-1402.01, the county is no longer part
20 of an established community college district.

21 D. The district board of the existing district shall prepare a
22 projected list of assets for the existing district before the end of the
23 fiscal year in which the election is held. The district boards of the
24 existing DISTRICT and THE new district shall prepare a final statement of
25 assets for the existing district as of the end of the fiscal year in which
26 the election was held. The district boards of the existing district and the
27 new district shall set aside sufficient assets or provide other means to
28 satisfy the liabilities of the existing district and approve the final
29 division of all assets by September 15 of the year in which the new district
30 becomes operative.

31 Sec. 6. Section 15-1409, Arizona Revised Statutes, is amended to read:
32 15-1409. Provisional community college districts; formation;
33 governing board; powers and duties; issuance and
34 sale of bonds for capital outlay

35 A. A provisional community college district shall contract with an
36 existing community college district to provide instructional and student
37 services within the provisional community college district.

38 B. The minimum assessed valuation and population requirements
39 prescribed in section 15-1402 do not apply to provisional community college
40 districts.

41 C. A provisional community college district shall be formed and a
42 provisional community college district governing board shall be elected in
43 the same manner prescribed in sections 15-1403, 15-1404 and 15-1441, except
44 that the county board of supervisors by majority vote may adopt a resolution
45 to submit the question of the formation of a provisional community college

1 district and the approval of a proposed tax rate to fund the provisional
2 community college district directly to the qualified electors of the county
3 at a special or general election called for that purpose as prescribed in
4 section 16-204 and title 35, chapter 3, article 3. The resolution adopted by
5 the county board of supervisors shall include a statement that the primary
6 property tax levy limit for the provisional community college district shall
7 be no less than the levy limit of the most recently formed community college
8 district in this state.

9 D. Except as provided in this section, a provisional community college
10 district governing board has the same powers and duties specified in section
11 15-1444 for community college districts.

12 E. A provisional community college district shall not award degrees,
13 certificates or diplomas.

14 F. A provisional community college district is not eligible to receive
15 equalization aid pursuant to section 15-1468 or state contribution for
16 capital outlay for initial or additional campuses pursuant to section
17 15-1463.

18 G. The state aid eligibility requirements prescribed in section
19 15-1466, subsection ~~G~~ E, paragraphs 1 and 2 do not apply to provisional
20 community college districts.

21 H. Notwithstanding any other law, the same student shall not be
22 counted twice as a full-time equivalent student in both a provisional
23 community college district and a community college district. Notwithstanding
24 any other law, beginning with the fiscal year after the year in which the
25 provisional community college district is formed and has established its
26 primary tax rate, a district that provides services in a provisional district
27 pursuant to section 15-1470 shall no longer count these students in the
28 district's full-time equivalent student count.

29 I. If a provisional community college district is converted into a
30 community college district by the formation of a community college district
31 pursuant to section 15-1402 OR 15-1402.01, the provisional community college
32 district is dissolved and any equipment, property, personnel, liabilities and
33 assets are transferred to the community college district.

34 J. If a provisional community college district is formed in a county
35 that provides reimbursement for the attendance of nonresident state students
36 pursuant to section 15-1469, that county shall continue to provide
37 reimbursement payments to community college districts for the remainder of
38 the fiscal year in which the provisional community college district is
39 formed, provided that the county board of supervisors adopts a levy that is
40 at least equal to the sum of the reimbursement payments and the amount of the
41 community college services provided in the fiscal year immediately before the
42 formation of the provisional community college district.

43 K. The board of supervisors of a county that has formed a provisional
44 community college district by majority vote may enter into an
45 intergovernmental agreement to loan monies to the governing board of the

1 provisional community college district in an amount that does not exceed two
2 hundred thousand dollars. Any loan pursuant to this subsection shall be
3 repaid from the next scheduled collection of property taxes to fund the
4 provisional community college district. The annual interest charges on any
5 loan pursuant to this subsection shall not exceed five per cent.

6 L. A provisional community college district may issue bonds for
7 capital outlay purposes in the same manner prescribed in section 15-1465 for
8 community college districts. The governing board of the provisional
9 community college district is solely responsible for determining the
10 encumbrance and approval of the expenditure of the proceeds of the bonds
11 issued pursuant to this subsection and shall not delegate or transfer this
12 authority to any other entity.

13 Sec. 7. Section 15-1481, Arizona Revised Statutes, is amended to read:

14 15-1481. Definitions

15 In this article, unless the context otherwise requires:

16 1. "Acquire" includes purchase, erect, build, construct, reconstruct,
17 repair, replace, extend, better, furnish, equip, develop, improve and
18 embellish.

19 2. "Board" means the governing board of a community college district
20 or its successors, but does not include provisional community college
21 districts as prescribed in section 15-1409.

22 3. "Bonds" means any bonds issued pursuant to this article.

23 4. "Federal agency" means the housing and home finance agency, the
24 United States of America or any of its officers or agencies designated or
25 created to make grants or loans of monies for public construction work.

26 5. "Institution" means any community college district that is
27 organized in this state pursuant to section 15-1402 OR 15-1402.01, but does
28 not include provisional community college districts as prescribed in section
29 15-1409.

30 6. "Project" means one or more classrooms, student or faculty
31 residence halls, dormitories, dining halls, student union buildings, field
32 houses, stadia and other revenue producing buildings located at the
33 institution, together with sites for the buildings, and ~~including~~ INCLUDES
34 equipment, furnishings, heating, lighting and other service facilities in
35 connection with the buildings.

36 Sec. 8. Section 15-1851, Arizona Revised Statutes, as amended by Laws
37 2010, chapter 332, section 24, is amended to read:

38 15-1851. Commission for postsecondary education; purpose;
39 report; members; terms; powers and duties;
40 compensation; quorum; immunity; definition

41 A. The commission for postsecondary education is established and shall
42 administer the applicable programs identified under section 1203 of the
43 higher education act amendments of 1998 (P.L. 105-244), including the
44 leveraging educational assistance partnership program, the federal family
45 education loan program and the Paul Douglas teacher scholarships program, and

1 shall supervise the state guarantee agency under the higher education act
2 amendments of 1998.

3 B. In addition to the responsibilities prescribed in subsection A of
4 this section, the commission shall:

5 1. Provide a forum to public and private postsecondary education
6 institutions for discussion of issues of mutual interest, including the
7 following:

8 (a) The postsecondary needs of unserved and underserved individuals in
9 this state.

10 (b) The resources of public and private institutions, organizations
11 and agencies that are located in this state and that are capable of providing
12 postsecondary education opportunities.

13 (c) Enrollment demand and public policy options to meet statewide
14 needs for postsecondary education services.

15 (d) Cooperative comprehensive instructional and capital planning.

16 2. Provide reports pursuant to this subsection on discussions of
17 issues of mutual interest.

18 3. Coordinate and promote collaborative studies on issues of mutual
19 interest to public and private postsecondary education institutions.

20 4. Compile and disseminate information to the public regarding
21 postsecondary education opportunities in this state.

22 5. Prepare an annual report that summarizes the results of the
23 commission's activities prescribed in this section and section 15-1852. The
24 annual report shall be submitted to the speaker of the house of
25 representatives, the president of the senate, the governor and the Arizona
26 state library, archives and public records by December 28.

27 6. Administer the mathematics, science and special education teacher
28 student loan program established by chapter 13, article 11 of this title.

29 C. The commission consists of the executive director of the Arizona
30 board of regents, the executive director of the state board for private
31 postsecondary education and the following additional members who shall be
32 appointed by the governor pursuant to section 38-211:

33 1. Two members who hold senior executive or managerial positions in a
34 university under the jurisdiction of the Arizona board of regents.

35 2. Two members who hold senior executive or managerial positions in a
36 community college district, one representing a community college district in
37 a county with a population of five hundred thousand persons or more and one
38 representing a community college district in a county with a population of
39 less than five hundred thousand persons.

40 3. Two members who hold senior executive or managerial positions in
41 private postsecondary institutions of higher education that are licensed
42 under title 32, chapter 30, that are located in this state, that offer
43 bachelor or higher degrees and that are accredited by a regional
44 accreditation agency approved by the United States department of education.

1 4. Two members who hold senior executive or managerial positions in
2 private postsecondary institutions of higher education that are licensed
3 under title 32, chapter 30, that are located in this state, that offer
4 vocational education programs and that are accredited by a national
5 accreditation agency approved by the United States department of education.

6 5. One member who holds a senior executive or managerial position in a
7 private cosmetology school that is licensed under title 32, chapter 5, that
8 is located in this state, that offers cosmetology programs approved by the
9 board of cosmetology and that is accredited by a national accreditation
10 agency approved by the United States department of education.

11 6. One member who holds a senior executive or managerial position in
12 an institution that is licensed under title 32, chapter 23 or under 14 Code
13 of Federal Regulations part 147, that offers vocational education programs at
14 the postsecondary level, that is located in this state and that is not an
15 institution that is qualified under any other category.

16 7. One member who has held a senior executive or managerial level
17 position in commerce or industry in this state for at least three years
18 before the member's appointment and who is not qualified to serve under any
19 other category.

20 8. Two members who hold senior executive or managerial positions in
21 the high school education system in this state.

22 9. One member who is an owner, operator or administrator of a charter
23 school in this state.

24 D. Members of the commission appointed pursuant to subsection C,
25 paragraphs 1 through 9 of this section shall serve four year terms. Appointed
26 members of the commission shall be residents of this state. Appointed members
27 of the commission at all times during their terms shall continue to be
28 eligible for appointment under the category that they were appointed to
29 represent. Terms of appointed members of the commission begin on the third
30 Monday in January. No appointed member of the commission may serve more than
31 two consecutive terms.

32 E. The executive director of the Arizona board of regents and the
33 executive director of the state board for private postsecondary education
34 serve as members of the commission during their respective terms of office
35 and are not eligible to vote with respect to the commission's review of any
36 postsecondary institution.

37 F. Members appointed pursuant to subsection C, paragraphs 1 through 9
38 of this section are eligible to receive compensation pursuant to section
39 38-611 for each day spent in the performance of commission duties and may be
40 reimbursed for expenses properly incurred in connection with the attendance
41 at meetings or hearings of the commission.

42 G. The governor shall appoint a chairman from among the members of the
43 commission who shall serve a one year term that begins on the third Monday in
44 January.

1 H. A majority of the members of the commission constitute a quorum for
2 the transaction of commission business. The vote of a majority of the quorum
3 constitutes authority for the commission to act.

4 I. Members of the commission are immune from personal liability with
5 respect to all actions that are taken in good faith and within the scope of
6 the commission's authority.

7 J. For the purposes of this section, "community college district"
8 means a community college district that is established pursuant to sections
9 15-1402 and 15-1403 OR SECTION 15-1402.01 and that is a political subdivision
10 of this state.

11 Sec. 9. Section 15-1854, Arizona Revised Statutes, is amended to read:
12 15-1854. Private postsecondary education student financial
13 assistance program; fund; definition

14 A. A private postsecondary education student financial assistance
15 program is established. The commission shall develop, implement and
16 administer the program. A student who obtains an associate degree from a
17 community college district or from a community college under the jurisdiction
18 of an Indian tribe in this state that meets the same accreditation standards
19 as a community college district and who registers for enrollment as a
20 full-time student in a baccalaureate program at a private, nationally or
21 regionally accredited four year degree granting college or university
22 chartered in this state is eligible to submit an application to the
23 commission for participation in the program. The commission shall establish
24 eligibility criteria for the program, including financial need and academic
25 merit, shall develop application forms, procedures and deadlines and shall
26 select qualifying students each year for participation in the program.
27 Participating students shall receive an award in an amount of up to two
28 thousand dollars annually not to exceed two years or four thousand dollars to
29 be used to pay all or a portion of the tuition and fees charged at the
30 private, accredited four year college or university.

31 B. A private postsecondary education student financial assistance fund
32 is established consisting of legislative appropriations. The commission
33 shall administer the fund. Monies in the fund are exempt from the provisions
34 of section 35-190 relating to lapsing of appropriations. The commission
35 shall make awards for payment of tuition at eligible colleges or universities
36 to students who are selected to participate in the private postsecondary
37 education student financial assistance program pursuant to subsection A of
38 this section.

39 C. The commission shall develop a program evaluation procedure in
40 order to determine the effectiveness of the private postsecondary education
41 student financial assistance program in shifting students who would have
42 otherwise attended a public four year college or university to private four
43 year degree granting colleges or universities.

1 D. A student who fails to receive a baccalaureate degree within a
2 three year period of receipt of the program award shall reimburse the private
3 postsecondary education student financial assistance fund for all awards
4 received pursuant to subsection A of this section. On receipt of supporting
5 documentation from the student, for good cause shown the commission may
6 provide for extensions of the three year period to obtain a baccalaureate
7 degree.

8 E. For the purposes of this section, "community college district"
9 means a community college district that is established pursuant to sections
10 15-1402 and 15-1403 [OR SECTION 15-1402.01](#) and that is a political subdivision
11 of this state.