

REFERENCE TITLE: higher education vouchers

State of Arizona
House of Representatives
Fiftieth Legislature
Second Regular Session
2012

HB 2181

Introduced by
Representatives Crandell: Barton

AN ACT

AMENDING SECTIONS 15-1466 AND 15-1661, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 14, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-1826; MAKING AN APPROPRIATION; RELATING TO POSTSECONDARY EDUCATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 15-1466, Arizona Revised Statutes, is amended to
3 read:
4 15-1466. State aid; eligibility; limitations
5 A. Subject to legislative appropriation, the legislature shall
6 determine and appropriate the amount of state aid each fiscal year to each
7 district ~~possessing the qualifications as prescribed in this chapter.~~
8 ~~B. The state shall determine the amount of state aid, as prescribed in~~
9 ~~subsection D of this section, appropriated to each district for the fiscal~~
10 ~~year prior to the fiscal year for which the state aid is being calculated.~~
11 ~~C. Each district qualified under this chapter shall have its state aid~~
12 ~~adjusted in an amount that reflects the growth or decrease in the full-time~~
13 ~~equivalent student count of the district calculated as follows:~~
14 ~~1. Calculate the growth or decrease in the actual, audited full-time~~
15 ~~equivalent student count between the second and third most recent fiscal~~
16 ~~years prior to the fiscal year for which the state aid is being calculated~~
17 ~~for each district.~~
18 ~~2. Calculate the average appropriation per full-time equivalent~~
19 ~~student for all districts by dividing the amount determined in subsection B~~
20 ~~of this section by the actual, audited full-time equivalent student count for~~
21 ~~all districts in the most recent fiscal year.~~
22 ~~3. Multiply the amount calculated in paragraph 1 of this subsection by~~
23 ~~the average appropriation calculated in paragraph 2 of this subsection. This~~
24 ~~amount equals the adjustment required pursuant to this section.~~
25 ~~D. The total amount appropriated to each district each fiscal year in~~
26 ~~accordance with this section shall serve as the amount of state aid to be~~
27 ~~adjusted in the next fiscal year. A district is eligible for growth funding~~
28 ~~pursuant to this section only for the portion of its most recent audited~~
29 ~~full-time student equivalent count that exceeds the audited full-time student~~
30 ~~equivalent count recorded for the district for the most recent fiscal year in~~
31 ~~which an adjustment was previously made pursuant to subsection C of this~~
32 ~~section. EQUAL TO A VOUCHER AMOUNT OF _____ PER FULL-TIME~~
33 ~~EQUIVALENT STUDENT.~~
34 ~~E. B.~~ B. To be eligible for state aid, a district shall:
35 1. Be equipped with suitable buildings, equipment and campus.
36 2. Have at least three hundred twenty full-time equivalent students
37 attending in the district.
38 3. Have complied with all of the requirements of the district board,
39 including budgets and curriculum.
40 ~~F. C.~~ C. The total amount of state monies that may be spent in any
41 fiscal year by a district for operating state aid shall not exceed the amount
42 appropriated or authorized by section 35-173 for that purpose.
43 Notwithstanding section 15-1444, this section shall not be construed to
44 impose a duty on an officer, agent or employee of this state to discharge a
45 responsibility or to create any right in a person or group if the discharge

1 or right would require an expenditure of state monies in excess of the
2 expenditure authorized by legislative appropriation for that specific
3 purpose, including any duties prescribed in an employment contract entered
4 into pursuant to section 15-1444, subsection A, paragraph 6.

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

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

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

13 15-1661. Annual appropriation; enrollment audit; expenditure;
14 balance; salaries

15 A. There shall be appropriated in the general appropriation bill for
16 each fiscal year a sum of monies ~~not less than eighty five one hundredths of~~
17 ~~one mill on the dollar of the assessed valuation of all taxable property in~~
18 ~~the state for the improvement, support and maintenance of the institutions~~
19 ~~under the Arizona board of regents' jurisdiction, including payment of~~
20 ~~salaries, current expenses, purchase of equipment, making necessary repairs,~~
21 ~~construction of new buildings, purchase of lands and in general for payment~~
22 ~~of all such expenses connected with the management of the institutions under~~
23 ~~the Arizona board of regents' jurisdiction. The department of revenue, upon~~
24 ~~compiling the aggregate assessed valuation of all taxable property within~~
25 ~~this state, shall compute the amount of monies so determined and certify such~~
26 ~~amount over its seal to the department of administration and the state~~
27 ~~treasurer.~~ EQUAL TO A VOUCHER AMOUNT OF _____ PER RESIDENT FULL-TIME
28 EQUIVALENT STUDENT.

29 B. The full-time equivalent student enrollment reported for the
30 previous fiscal year by each university shall be audited annually by the
31 auditor general. The auditor general shall report the results of the audit
32 to the staffs of the joint legislative budget committee and the governor's
33 office of strategic planning and budgeting on or before October 15 of each
34 year. On or before July 21 of each academic year, each university shall
35 provide for the previous fall semester a certified report to the auditor
36 general of the number of full-time equivalent students calculated by the
37 university and a separate report only for those students who meet the
38 residency requirements prescribed in section 15-1802. The university's
39 records used to calculate full-time equivalent student enrollment shall be
40 provided to the auditor general in an electronic format prescribed by the
41 auditor general. ~~Beginning in 2006,~~ Each university shall submit to the
42 auditor general a summary of its full-time equivalent student enrollment
43 accounting policies and procedures, compilation procedures and source records
44 used for calculating full-time equivalent student enrollment. These
45 accounting policies and procedures, compilation procedures and source records

1 shall comply with policies developed on or before June 30, 2006 by the
2 Arizona board of regents, in consultation with the auditor general and
3 reviewed by the joint legislative budget committee. These policies shall
4 include a review and recommendations of the necessity of minimum requirements
5 for students enrolled in classes to qualify for appropriations pursuant to
6 this section, including requirements that the class be a for-credit course
7 that is necessary for the completion of a degree and that the student
8 enrolled in the course be physically present in this state at the time the
9 course is conducted. The basic actual full-time equivalent student
10 enrollment shall be counted on the forty-fifth day after the basic actual
11 full-time equivalent student enrollment classes begin for the fall and spring
12 semesters, as published in the university catalogs, and divided by two. The
13 Arizona board of regents shall also make recommendations of whether each
14 professor or instructor should be required to review class rosters and make
15 additions or deletions as necessary. If so, class rosters that reflect
16 enrollment as of the forty-fifth day shall be provided by the registrar's
17 office to each professor or instructor for every class section. The class
18 roster shall indicate the course number, course title, time, instructor name
19 and students enrolled. On the forty-fifth day class rosters, each professor
20 or instructor shall indicate as withdrawn each student who has formally
21 withdrawn from the course, and that student shall not be counted for state
22 aid purposes. The official forty-fifth day rosters shall include a manual
23 signature and date or an electronic authorization and date by the professor
24 or instructor and shall include the following certification:

25 I hereby certify that the information contained in this
26 class roster accurately reflects those students who are
27 enrolled.

28 C. The Arizona board of regents shall also report the basic actual
29 full-time equivalent student enrollment for only those students who meet the
30 residency requirements prescribed in section 15-1802. The basic actual
31 full-time equivalent student enrollment for only those students who meet the
32 residency requirements prescribed in section 15-1802 that is reported by each
33 university for the previous fiscal year shall be annually audited by the
34 auditor general.

35 D. Students who have withdrawn or who have been withdrawn from classes
36 as of the forty-fifth day shall not be counted for state aid purposes. A
37 record shall be maintained that identifies student withdrawals by date of
38 withdrawal, as of the forty-fifth day and after the forty-fifth day for the
39 entire semester.

40 E. Amounts appropriated as provided by subsection A **OF THIS SECTION**
41 shall be paid as other claims against this state are paid.

42 F. The balance of appropriations as provided by subsection A **OF THIS**
43 **SECTION** at the end of the fiscal year, if any, shall not revert to the
44 general fund but shall be carried forward for the continued use for which
45 appropriated.

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

8 H. The Arizona board of regents shall determine current actual
9 full-time equivalent student enrollment at each of the institutions under the
10 jurisdiction of the Arizona board of regents. Full-time equivalent student
11 enrollment shall be calculated by adding the following:

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

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

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

18 I. The Arizona board of regents, in its annual budget request, shall
19 not include funding for any student who is enrolled at an institution under
20 the jurisdiction of the Arizona board of regents and who has earned credit
21 hours in excess of the undergraduate credit hour threshold, except that the
22 undergraduate credit hour threshold shall not apply to students who are
23 enrolled in a degree program that requires credit hours above the credit
24 threshold. For the purposes of this subsection, the undergraduate credit
25 hour threshold is ~~one hundred fifty five hours for students who attend a~~
26 ~~university under the jurisdiction of the board in fiscal year 2006-2007, one~~
27 ~~hundred fifty hours for students who attend a university under the~~
28 ~~jurisdiction of the board in fiscal year 2007-2008 and~~ one hundred forty-five
29 hours for students who attend a university under the jurisdiction of the
30 board ~~after fiscal year 2007-2008~~. The undergraduate credit hour threshold
31 shall be based on the actual full-time equivalent student enrollment counted
32 on the forty-fifth day after classes begin for the fall and spring semesters
33 and any budget adjustment based on student enrollment shall occur in the
34 fiscal year following the actual full-time equivalent student enrollment
35 count. The undergraduate credit hour threshold shall not apply to credits
36 earned in the pursuit of up to two baccalaureate degrees, credits earned in
37 the pursuit of up to two state regulated licensures and certificates, credits
38 earned in the pursuit of teaching certification, credits transferred from a
39 private institution of higher education, credits transferred from an
40 institution of higher education in another state, credits earned at another
41 institution of higher education but that are not accepted as transfer credits
42 at the university where the student is currently enrolled and credits earned
43 by students who enroll at a university under the jurisdiction of the board
44 more than twenty-four months after the end of that student's previous
45 enrollment at a public institution of higher education in this state.

1 Sec. 3. Title 15, chapter 14, article 2, Arizona Revised Statutes, is
2 amended by adding section 15-1826, to read:

3 15-1826. Student vouchers; eligibility; funding

4 A. THE ARIZONA BOARD OF REGENTS SHALL ISSUE A VOUCHER TO ANY STUDENT
5 WHO MEETS THE REQUIREMENTS PRESCRIBED IN THIS SECTION. EACH STUDENT WHO IS
6 ISSUED A VOUCHER PURSUANT TO THIS SECTION MAY USE THE VOUCHER FOR THE PAYMENT
7 OF TUITION AND FEES AT ANY ACCREDITED PUBLIC OR PRIVATE POSTSECONDARY
8 EDUCATION INSTITUTION IN THIS STATE.

9 B. TO QUALIFY FOR A VOUCHER PURSUANT TO THIS SECTION, A STUDENT SHALL
10 SATISFY ALL OF THE FOLLOWING REQUIREMENTS:

11 1. SUBMIT A VOUCHER APPLICATION TO THE ARIZONA BOARD OF REGENTS.

12 2. DECLARE AN ACADEMIC MAJOR.

13 3. MEET UNIVERSITY COURSE PLACEMENT REQUIREMENTS, WHICH THE ARIZONA
14 BOARD OF REGENTS SHALL ENSURE ARE ALIGNED STATEWIDE FOR ALL HIGHER EDUCATION
15 INSTITUTIONS IN THIS STATE.

16 4. OBTAIN A PASSING SCORE ON A PLACEMENT TEST FOR ENTRY INTO DEGREE
17 FULFILLING COURSES THAT USES THE SAME CUT-SCORE FOR ALL HIGHER EDUCATION
18 INSTITUTIONS IN THIS STATE.

19 C. FUNDING FOR THE VOUCHERS ISSUED PURSUANT TO THIS SECTION SHALL BE
20 DETERMINED AS FOLLOWS:

21 1. TO THE EXTENT PRACTICABLE, THE ARIZONA BOARD OF REGENTS SHALL
22 ENSURE THAT THE AVERAGE ANNUAL VOUCHER AMOUNT IS EQUIVALENT TO THE AVERAGE
23 IN-STATE TUITION RATE OF THE UNIVERSITIES UNDER THE JURISDICTION OF THE
24 ARIZONA BOARD OF REGENTS, EXCEPT THAT THE ARIZONA COMMERCE AUTHORITY MAY
25 RECOMMEND PRO-RATED VOUCHER AMOUNTS FOR STUDENTS BASED ON THE JOBS NEEDED IN
26 THIS STATE.

27 2. THE POSTSECONDARY INSTITUTION SHALL RECEIVE FIFTY PER CENT OF THE
28 TOTAL VOUCHER AMOUNT FOR EACH STUDENT WHEN THAT STUDENT ENROLLS FOR THAT
29 SEMESTER AND SHALL RECEIVE THE REMAINING FIFTY PER CENT ON THE STUDENT'S
30 SUCCESSFUL ACADEMIC COMPLETION OF THAT SEMESTER.

31 3. ANY SCHOLARSHIP, GRANT OR TUITION ASSISTANCE PROVIDED BY THE
32 UNIVERSITY OR COMMUNITY COLLEGE DISTRICT SHALL BE SUBTRACTED FROM THE AMOUNT
33 OF THE VOUCHER.

34 D. TO MAINTAIN ELIGIBILITY FOR A VOUCHER PURSUANT TO THIS SECTION, A
35 STUDENT SHALL SATISFY ALL OF THE FOLLOWING REQUIREMENTS:

36 1. BE A FULL-TIME STUDENT AT A POSTSECONDARY INSTITUTION IN THIS STATE
37 WHO IS ENROLLED IN COURSES THAT TOTAL AT LEAST TWELVE CREDIT HOURS DURING
38 EACH OF AT LEAST TWO ACADEMIC SEMESTERS DURING THE ACADEMIC YEAR.

39 2. CONTINUOUSLY SATISFY THE ENROLLMENT GUIDELINES, THE MINIMUM GRADE
40 POINT AVERAGE AND COURSE COMPLETION REQUIREMENTS DETERMINED BY THE
41 POSTSECONDARY INSTITUTION.

42 E. A STUDENT IS NOT ELIGIBLE TO RECEIVE A VOUCHER PURSUANT TO THIS
43 SECTION FOR MORE THAN FOUR ACADEMIC YEARS.

1 F. THE POSTSECONDARY INSTITUTION SHALL NOTIFY THE ARIZONA BOARD OF
2 REGENTS IF A STUDENT CHANGES THE STUDENT'S ACADEMIC MAJOR. THE ARIZONA BOARD
3 OF REGENTS MAY DISCONTINUE A VOUCHER THAT WAS PREVIOUSLY ISSUED TO A STUDENT
4 AFTER THAT STUDENT CHANGES THE STUDENT'S ACADEMIC MAJOR.

5 Sec. 4. Appropriation; Arizona board of regents; vouchers

6 A. The sum of \$_____ is appropriated from the state general fund
7 in fiscal year 2012-2013 to the Arizona board of regents for the cost of
8 vouchers issued to students pursuant to this act.

9 Sec. 5. Conforming legislation

10 The legislative council staff shall prepare proposed legislation
11 conforming the Arizona Revised Statutes to the provisions of this act for
12 consideration in the fifty-first legislature, first regular session.