

REFERENCE TITLE: **universities; fixed tuition rates.**

State of Arizona  
House of Representatives  
Fifty-first Legislature  
First Regular Session  
2013

## **HB 2602**

Introduced by  
Representatives Campbell, Gallego, Mendez, Wheeler: Alston, Dalessandro,  
Gonzales, McCune Davis, Otondo

**AN ACT**

**AMENDING SECTION 15-1626, ARIZONA REVISED STATUTES; AMENDING TITLE 15,  
CHAPTER 13, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION  
15-1626.01; RELATING TO UNIVERSITIES.**

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:  
2 Section 1. Section 15-1626, Arizona Revised Statutes, is amended to  
3 read:  
4 15-1626. General administrative powers and duties of board  
5 A. The board shall:  
6 1. Have and exercise the powers necessary for the effective governance  
7 and administration of the institutions under its control. To that end, the  
8 board may adopt, and authorize each university to adopt, such regulations,  
9 policies, rules or measures as are deemed necessary and may delegate in  
10 writing to its committees, to its university presidents, or their designees,  
11 or to other entities under its control, any part of its authority for the  
12 administration and governance of such institutions, including those powers  
13 enumerated in section 15-1625, subsection B, paragraphs 2 and 4, paragraphs  
14 3, 4, 8, 9, 11 and 12 of this subsection and subsection B of this section.  
15 Any delegation of authority may be rescinded by the board at any time in  
16 whole or in part.  
17 2. Appoint and employ and determine the compensation of presidents  
18 with such power and authority and for such purposes in connection with the  
19 operation of the institutions as the board deems necessary.  
20 3. Appoint and employ and determine the compensation of  
21 vice-presidents, deans, professors, instructors, lecturers, fellows and such  
22 other officers and employees with such power and authority and for such  
23 purposes in connection with the operation of the institutions as the board  
24 deems necessary, or delegate its authority pursuant to paragraph 1 of this  
25 subsection.  
26 4. Remove any officer or employee when the interests of education in  
27 this state so require in accordance with its personnel rules and policies.  
28 5. Fix tuitions and fees to be charged and differentiate the tuitions  
29 and fees between institutions and between residents, nonresidents,  
30 undergraduate students, graduate students, students from foreign countries  
31 and students who have earned credit hours in excess of the credit hour  
32 threshold. For the purposes of this paragraph, the undergraduate credit hour  
33 threshold is one hundred forty-five hours for students who attend a  
34 university under the jurisdiction of the board. The undergraduate credit  
35 hour threshold shall be based on the actual full-time equivalent student  
36 enrollment counted on the forty-fifth day of every fall and spring semester,  
37 divided by two, and any budget adjustment based on student enrollment shall  
38 occur in the fiscal year following the actual full-time equivalent student  
39 enrollment count. The undergraduate credit hour threshold shall not apply to  
40 degree programs that require credit hours above the credit hour threshold,  
41 credits earned in the pursuit of up to two baccalaureate degrees, credits  
42 earned in the pursuit of up to two state regulated licensures or  
43 certificates, credits earned in the pursuit of teaching certification,  
44 credits transferred from a private institution of higher education, credits  
45 transferred from an institution of higher education in another state, credits

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

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

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

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

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

28 (d) A LIMIT ON ANY INCREASES IN TUITION ADOPTED BY THE BOARD AS  
29 PRESCRIBED IN SECTION 15-1626.01.

30 ~~(d)~~ (e) A ROLL CALL VOTE OF ANY final board action on changes in  
31 tuition or fees ~~shall be taken by roll call vote.~~

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

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

42 8. Establish curriculums and designate courses at the several  
43 institutions that in its judgment will best serve the interests of this  
44 state.

1           9. Award such degrees and diplomas on the completion of such courses  
2 and curriculum requirements as it deems appropriate.

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

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

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

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

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

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

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

41           17. Acquire United States flags for each classroom that are  
42 manufactured in the United States and that are at least two feet by three  
43 feet and hardware to appropriately display the United States flags, acquire a  
44 legible copy of the Constitution of the United States and the Bill of Rights,  
45 display the flags in each classroom in accordance with title 4 of the United

1 States Code and display a legible copy of the Constitution of the United  
2 States and the Bill of Rights adjacent to the flag.

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

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

10 (i) The transfer of student records.

11 (ii) Awarding credit for completed course work.

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

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

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

20 20. In consultation with the community college districts in this state,  
21 develop and implement common equivalencies for specific levels of achievement  
22 on advanced placement examinations and international baccalaureate  
23 examinations in order to award commensurate postsecondary academic credits at  
24 community colleges and public universities in this state.

25 21. On or before August 1 of each year, report to the joint legislative  
26 budget committee the graduation rate by university campus during the previous  
27 fiscal year. The board shall also report the retention rate by university  
28 campus and by class, as determined by date of entry during the previous  
29 fiscal year.

30 B. The board shall adopt personnel policies for all employees of the  
31 board and the universities.

32 C. In conjunction with the auditor general, the board shall develop a  
33 uniform accounting and reporting system, which shall be reviewed by the joint  
34 legislative budget committee before final adoption by the board. The board  
35 shall require each university to comply with the uniform accounting and  
36 reporting system.

37 D. The board may employ legal assistance in procuring loans for the  
38 institutions from the United States government. Fees or compensation paid  
39 for such legal assistance shall not be a claim on the general fund of this  
40 state but shall be paid from funds of the institutions.

41 E. The board shall approve or disapprove any contract or agreement  
42 entered into by the university of Arizona hospital with the Arizona health  
43 facilities authority.

44 F. The board may adopt policies that authorize the institutions under  
45 its jurisdiction to enter into employment contracts with nontenured employees

1 for periods of more than one year but not more than five years. The policies  
2 shall prescribe limitations on the authority of the institutions to enter  
3 into employment contracts for periods of more than one year but not more than  
4 five years, including the requirement that the board approve the contracts.

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

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

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

22 J. On or before July 1, 2012, the Arizona board of regents, in  
23 collaboration with the universities under its jurisdiction, shall adopt a  
24 performance funding model. The performance funding model shall use  
25 performance metrics that include the increase in degrees awarded, the  
26 increase in completed student credit hours and the increase in externally  
27 generated research and public service funding. The funding formula may give  
28 added weight to degrees related to science, technology, engineering and  
29 mathematics and other high-value degrees that are in short supply or that are  
30 essential to this state's long-term economic development strategy.

31 K. The Arizona board of regents shall use the performance funding  
32 model adopted pursuant to subsection J of this section in developing and  
33 submitting budget requests for the universities under its jurisdiction.

34 Sec. 2. Title 15, chapter 13, article 2, Arizona Revised Statutes, is  
35 amended by adding section 15-1626.01, to read:

36 15-1626.01. Fixed tuition rates; definitions

37 A. FOR ELIGIBLE UNDERGRADUATE STUDENTS WHO FIRST ENROLL IN A  
38 UNIVERSITY UNDER THE JURISDICTION OF THE ARIZONA BOARD OF REGENTS AFTER THE  
39 2012-2013 ACADEMIC YEAR AND WHO NOTIFY THE UNIVERSITY THAT THE STUDENT WILL  
40 PARTICIPATE IN THIS SECTION, THE TUITION CHARGED TO THAT STUDENT DURING THE  
41 FOUR CONTINUOUS ACADEMIC YEARS FOLLOWING THE STUDENT'S INITIAL ENROLLMENT  
42 SHALL NOT EXCEED THE AMOUNT THAT THE STUDENT WAS CHARGED AT THE TIME THE  
43 STUDENT FIRST ENROLLED AT THAT UNIVERSITY. THE UNIVERSITY MAY EXTEND THE  
44 FOUR-YEAR TIME PERIOD PRESCRIBED IN THIS SUBSECTION IF THE UNIVERSITY  
45 DETERMINES THAT A PARTICULAR UNDERGRADUATE PROGRAM REQUIRES MORE THAN FOUR

1 YEARS TO COMPLETE. THE UNIVERSITY SHALL PROVIDE UNDERGRADUATE STUDENTS A  
2 FIXED TUITION RATE FOR A TIME PERIOD OF EIGHT CONSECUTIVE FALL AND SPRING  
3 SEMESTERS BEGINNING WITH THAT STUDENT'S FIRST SEMESTER OF ENROLLMENT.

4 B. ELIGIBLE UNDERGRADUATE STUDENTS WHO FIRST ENROLLED IN A UNIVERSITY  
5 UNDER THE JURISDICTION OF THE ARIZONA BOARD OF REGENTS BEFORE THE 2012-2013  
6 SCHOOL YEAR AND WHO ARE STILL ENROLLED AT THAT UNIVERSITY ON THE EFFECTIVE  
7 DATE OF THIS SECTION SHALL BE ELIGIBLE FOR A SIMILAR FIXED TUITION RATE AS  
8 THAT PRESCRIBED IN SUBSECTION A OF THIS SECTION BASED ON THE RATE OF THE MOST  
9 RECENT SEMESTER OF ATTENDANCE.

10 C. IF A STUDENT HAS NOT COMPLETED THE STUDENT'S DEGREE AT THE END OF  
11 THE EIGHTH SEMESTER, BEGINNING WITH THE NINTH SEMESTER, THE STUDENT SHALL BE  
12 SUBJECT TO A TUITION INCREASE THAT IS EQUIVALENT TO THE RATE PAID BY STUDENTS  
13 WHO ENTERED THE UNIVERSITY ONE ACADEMIC YEAR AFTER THE DATE OF THAT STUDENT'S  
14 INITIAL ENROLLMENT. THIS INCREASED FIXED RATE SHALL BE APPLIED ONLY TO THE  
15 NINTH AND TENTH SEMESTERS OF ENROLLMENT. IF THE STUDENT IS STILL ENROLLED IN  
16 AN UNDERGRADUATE PROGRAM AT THAT UNIVERSITY AFTER A TENTH SEMESTER, THAT  
17 STUDENT SHALL PAY THE PREVAILING RATE IN EFFECT FOR NEW STUDENTS WHO ENROLL  
18 AT THAT UNIVERSITY FOR THE FIRST TIME DURING THAT ACADEMIC YEAR.

19 D. A STUDENT MAY REQUEST AN EXTENSION TO THE MAXIMUM DURATIONS  
20 PRESCRIBED IN THIS SECTION IF UNUSUAL OR EXTENUATING CIRCUMSTANCES EXISTED  
21 THAT PROHIBITED THE STUDENT FROM EARNING A DEGREE BY THE END OF THE EIGHT OR  
22 ELEVEN SEMESTER PERIOD. AN EXTENSION REQUEST SUBMITTED PURSUANT TO THIS  
23 SUBSECTION MUST BE MADE BEFORE THE END OF THE LAST SEMESTER IN WHICH THAT  
24 FIXED TUITION PLAN EXPIRES.

25 E. CLASSES TAKEN IN SUMMER AND WINTER SESSIONS SHALL NOT BE INCLUDED  
26 IN THE EIGHT OR ELEVEN SEMESTER CALCULATION. IF A STUDENT BEGINS ENROLLMENT  
27 IN A SUMMER OR WINTER SESSION, THE STUDENT SHALL RECEIVE THE FIXED TUITION  
28 RATE OF THE SUBSEQUENT FALL OR SPRING SEMESTER, AND THE CALCULATION OF THE  
29 STUDENT'S EIGHT ELIGIBLE SEMESTERS WILL BEGIN WITH THAT FALL OR SPRING  
30 SEMESTER.

31 F. NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, THE TIME FOR  
32 THE FIXED TUITION RATE FOR STUDENTS WHO ARE MEMBERS OF THE MILITARY AND WHO  
33 ARE CALLED INTO ACTIVE DUTY SHALL BE TOLLED DURING THE PERIOD OF ACTIVE DUTY  
34 SERVICE. STUDENTS WHO ARE MEMBERS OF THE MILITARY AND WHO ARE CALLED INTO  
35 ACTIVE DUTY SHALL REENROLL AT THE UNIVERSITY WITHIN TWELVE MONTHS AFTER THE  
36 OFFICIAL END OF THEIR ACTIVE DUTY ASSIGNMENT IN ORDER TO RETAIN THEIR  
37 ORIGINAL FIXED TUITION LEVEL.

38 G. STUDENTS WHO ENROLL AS PART-TIME, DEGREE SEEKING UNDERGRADUATES  
39 SHALL PAY A PRORATED PER-CREDIT AMOUNT BASED ON THE FIXED TUITION RATE  
40 PRESCRIBED IN THIS SECTION FOR FULL-TIME STUDENTS, AS DETERMINED BY THE  
41 ARIZONA BOARD OF REGENTS. PART-TIME STUDENTS SHALL BE SUBJECT TO THE SAME  
42 EIGHT CONSECUTIVE SEMESTER REQUIREMENT PRESCRIBED FOR FULL-TIME STUDENTS.

43 H. FOR THE PURPOSES OF THIS SECTION:

44 1. "ELIGIBLE STUDENT" MEANS AN UNDERGRADUATE STUDENT AT A UNIVERSITY  
45 UNDER THE JURISDICTION OF THE ARIZONA BOARD OF REGENTS AND DOES NOT INCLUDE

1 STUDENTS ENROLLED IN LAW SCHOOLS, POSTGRADUATE STUDENTS, STUDENTS WHO ARE NOT  
2 PURSUING A DEGREE, VISITING STUDENTS AND HIGH SCHOOL STUDENTS TAKING COLLEGE  
3 LEVEL COURSES.

4 2. "TUITION" MEANS ACTUAL TUITION CHARGED AND DOES NOT INCLUDE FEES,  
5 SURCHARGES, ROOM AND BOARD OR OTHER CHARGES THAT A STUDENT MAY INCUR AS PART  
6 OF THE STUDENT'S EDUCATIONAL EXPENSES WHILE ATTENDING A UNIVERSITY UNDER THE  
7 JURISDICTION OF THE ARIZONA BOARD OF REGENTS.