

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

State of Arizona
House of Representatives
Fifty-first Legislature
Second Regular Session
2014

HB 2244

Introduced by
Representative Campbell

AN ACT

AMENDING SECTION 15-1626, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 13, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-1626.02; 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 definition
6 A. The board shall:
7 1. Have and exercise the powers necessary for the effective governance
8 and administration of the institutions under its control. To that end, the
9 board may adopt, and authorize each university to adopt, such regulations,
10 policies, rules or measures as are deemed necessary and may delegate in
11 writing to its committees, to its university presidents, or their designees,
12 or to other entities under its control, any part of its authority for the
13 administration and governance of such institutions, including those powers
14 enumerated in section 15-1625, subsection B, paragraphs 2 and 4, paragraphs
15 3, 4, 8, 9, 11 and 12 of this subsection and subsection B of this section.
16 Any delegation of authority may be rescinded by the board at any time in
17 whole or in part.
18 2. Appoint and employ and determine the compensation of presidents
19 with such power and authority and for such purposes in connection with the
20 operation of the institutions as the board deems necessary.
21 3. Appoint and employ and determine the compensation of
22 vice-presidents, deans, professors, instructors, lecturers, fellows and such
23 other officers and employees with such power and authority and for such
24 purposes in connection with the operation of the institutions as the board
25 deems necessary, or delegate its authority pursuant to paragraph 1 of this
26 subsection.
27 4. Remove any officer or employee when the interests of education in
28 this state so require in accordance with its personnel rules and policies.
29 5. Fix tuitions and fees to be charged and differentiate the tuitions
30 and fees between institutions and between residents, nonresidents,
31 undergraduate students, graduate students, students from foreign countries
32 and students who have earned credit hours in excess of the credit hour
33 threshold. For the purposes of this paragraph, the undergraduate credit hour
34 threshold is one hundred forty-five hours for students who attend a
35 university under the jurisdiction of the board. The undergraduate credit
36 hour threshold shall be based on the actual full-time equivalent student
37 enrollment counted on the forty-fifth day of every fall and spring semester,
38 divided by two, and any budget adjustment based on student enrollment shall
39 occur in the fiscal year following the actual full-time equivalent student
40 enrollment count. The undergraduate credit hour threshold shall not apply to
41 degree programs that require credit hours above the credit hour threshold,
42 credits earned in the pursuit of up to two baccalaureate degrees, credits
43 earned in the pursuit of up to two state regulated licensures or
44 certificates, credits earned in the pursuit of teaching certification,
45 credits transferred from a private institution of higher education, credits

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

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

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

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

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

30 (d) A LIMIT ON ANY INCREASES IN TUITION ADOPTED BY THE BOARD AS
31 PRESCRIBED IN SECTION 15-1626.02.

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

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

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

1 8. Establish curriculums and designate courses at the several
2 institutions that in its judgment will best serve the interests of this
3 state.

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

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

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

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

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

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

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

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

44 17. Acquire United States flags for each classroom that are
45 manufactured in the United States and that are at least two feet by three

1 feet and hardware to appropriately display the United States flags, acquire a
2 legible copy of the Constitution of the United States and the Bill of Rights,
3 display the flags in each classroom in accordance with title 4 of the United
4 States Code and display a legible copy of the Constitution of the United
5 States and the Bill of Rights adjacent to the flag.

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

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

13 (i) The transfer of student records.

14 (ii) Awarding credit for completed ~~course-work~~ COURSEWORK.

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

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

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

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

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

33 B. The board shall adopt personnel policies for all employees of the
34 board and the universities.

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

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

1 E. The board shall approve or disapprove any contract or agreement
2 entered into by the university of Arizona hospital with the Arizona health
3 facilities authority.

4 F. The board may adopt policies that authorize the institutions under
5 its jurisdiction to enter into employment contracts with nontenured employees
6 for periods of more than one year but not more than five years. The policies
7 shall prescribe limitations on the authority of the institutions to enter
8 into employment contracts for periods of more than one year but not more than
9 five years, including the requirement that the board approve the contracts.

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

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

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

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

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

39 L. On or before November 1 of each year, the Arizona board of regents
40 shall submit to the joint legislative budget committee and the governor's
41 office of strategic planning and budgeting a report on university debt and
42 obligations, including:

- 43 1. Long-term notes and obligations.
- 44 2. Certificates of participation and other obligations pursuant to any
45 lease-purchase agreements.

1 3. Revenue bonds.

2 4. Bonds issued pursuant to section 15-1682.03.

3 M. The report issued pursuant to subsection L of this section shall
4 contain, for the most recent fiscal year:

5 1. The aggregate level of outstanding principal and the principal and
6 interest payments, by type of debt or obligation.

7 2. An itemization, by campus and project, of the amount of yearly
8 principal and interest to be paid in the most recent and the next five fiscal
9 years.

10 N. For the purposes of this section, "university debt and obligations"
11 means debt and obligations, the principal and interest of which are paid in
12 whole or in part with university monies.

13 Sec. 2. Title 15, chapter 13, article 2, Arizona Revised Statutes, is
14 amended by adding section 15-1626.02, to read:

15 15-1626.02. Fixed tuition rates; definitions

16 A. FOR ELIGIBLE UNDERGRADUATE STUDENTS WHO FIRST ENROLL IN A
17 UNIVERSITY UNDER THE JURISDICTION OF THE ARIZONA BOARD OF REGENTS AFTER THE
18 2013-2014 ACADEMIC YEAR AND WHO NOTIFY THE UNIVERSITY THAT THE STUDENT WILL
19 PARTICIPATE IN THIS SECTION, THE TUITION CHARGED TO THAT STUDENT DURING THE
20 FOUR CONTINUOUS ACADEMIC YEARS FOLLOWING THE STUDENT'S INITIAL ENROLLMENT MAY
21 NOT EXCEED THE AMOUNT THAT THE STUDENT WAS CHARGED AT THE TIME THE STUDENT
22 FIRST ENROLLED AT THAT UNIVERSITY. THE UNIVERSITY MAY EXTEND THE FOUR-YEAR
23 TIME PERIOD PRESCRIBED IN THIS SUBSECTION IF THE UNIVERSITY DETERMINES THAT A
24 PARTICULAR UNDERGRADUATE PROGRAM REQUIRES MORE THAN FOUR YEARS TO COMPLETE.
25 THE UNIVERSITY SHALL PROVIDE UNDERGRADUATE STUDENTS A FIXED TUITION RATE FOR
26 A TIME PERIOD OF EIGHT CONSECUTIVE FALL AND SPRING SEMESTERS BEGINNING WITH
27 THAT STUDENT'S FIRST SEMESTER OF ENROLLMENT.

28 B. ELIGIBLE UNDERGRADUATE STUDENTS WHO FIRST ENROLLED IN A UNIVERSITY
29 UNDER THE JURISDICTION OF THE ARIZONA BOARD OF REGENTS BEFORE THE 2013-2014
30 SCHOOL YEAR AND WHO ARE STILL ENROLLED AT THAT UNIVERSITY ON THE EFFECTIVE
31 DATE OF THIS SECTION ARE ELIGIBLE FOR A SIMILAR FIXED TUITION RATE AS THAT
32 PRESCRIBED IN SUBSECTION A OF THIS SECTION BASED ON THE RATE OF THE MOST
33 RECENT SEMESTER OF ATTENDANCE.

34 C. IF A STUDENT HAS NOT COMPLETED THE STUDENT'S DEGREE AT THE END OF
35 THE EIGHTH SEMESTER, BEGINNING WITH THE NINTH SEMESTER, THE STUDENT IS
36 SUBJECT TO A TUITION INCREASE THAT IS EQUIVALENT TO THE RATE PAID BY STUDENTS
37 WHO ENTERED THE UNIVERSITY ONE ACADEMIC YEAR AFTER THE DATE OF THAT STUDENT'S
38 INITIAL ENROLLMENT. THIS INCREASED FIXED RATE MAY BE APPLIED ONLY TO THE
39 NINTH AND TENTH SEMESTERS OF ENROLLMENT. IF THE STUDENT IS STILL ENROLLED IN
40 AN UNDERGRADUATE PROGRAM AT THAT UNIVERSITY AFTER A TENTH SEMESTER, THAT
41 STUDENT SHALL PAY THE PREVAILING RATE IN EFFECT FOR NEW STUDENTS WHO ENROLL
42 AT THAT UNIVERSITY FOR THE FIRST TIME DURING THAT ACADEMIC YEAR.

43 D. A STUDENT MAY REQUEST AN EXTENSION TO THE MAXIMUM DURATIONS
44 PRESCRIBED IN THIS SECTION IF UNUSUAL OR EXTENUATING CIRCUMSTANCES EXISTED
45 THAT PROHIBITED THE STUDENT FROM EARNING A DEGREE BY THE END OF THE EIGHT OR

1 ELEVEN SEMESTER PERIOD. AN EXTENSION REQUEST SUBMITTED PURSUANT TO THIS
2 SUBSECTION MUST BE MADE BEFORE THE END OF THE LAST SEMESTER IN WHICH THAT
3 FIXED TUITION PLAN EXPIRES.

4 E. CLASSES TAKEN IN SUMMER AND WINTER SESSIONS MAY NOT BE INCLUDED IN
5 THE EIGHT OR ELEVEN SEMESTER CALCULATION. IF A STUDENT BEGINS ENROLLMENT IN
6 A SUMMER OR WINTER SESSION, THE STUDENT MUST RECEIVE THE FIXED TUITION RATE
7 OF THE SUBSEQUENT FALL OR SPRING SEMESTER, AND THE CALCULATION OF THE
8 STUDENT'S EIGHT ELIGIBLE SEMESTERS BEGINS WITH THAT FALL OR SPRING SEMESTER.

9 F. NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, THE TIME FOR
10 THE FIXED TUITION RATE FOR STUDENTS WHO ARE MEMBERS OF THE MILITARY AND WHO
11 ARE CALLED INTO ACTIVE DUTY SHALL BE TOLLED DURING THE PERIOD OF ACTIVE DUTY
12 SERVICE. STUDENTS WHO ARE MEMBERS OF THE MILITARY AND WHO ARE CALLED INTO
13 ACTIVE DUTY SHALL REENROLL AT THE UNIVERSITY WITHIN TWELVE MONTHS AFTER THE
14 OFFICIAL END OF THEIR ACTIVE DUTY ASSIGNMENT IN ORDER TO RETAIN THEIR
15 ORIGINAL FIXED TUITION LEVEL.

16 G. STUDENTS WHO ENROLL AS PART-TIME, DEGREE-SEEKING UNDERGRADUATES
17 SHALL PAY A PRORATED PER-CREDIT AMOUNT BASED ON THE FIXED TUITION RATE
18 PRESCRIBED IN THIS SECTION FOR FULL-TIME STUDENTS, AS DETERMINED BY THE
19 ARIZONA BOARD OF REGENTS. PART-TIME STUDENTS ARE SUBJECT TO THE SAME EIGHT
20 CONSECUTIVE SEMESTER REQUIREMENT PRESCRIBED FOR FULL-TIME STUDENTS.

21 H. FOR THE PURPOSES OF THIS SECTION:

22 1. "ELIGIBLE STUDENT" MEANS AN UNDERGRADUATE STUDENT AT A UNIVERSITY
23 UNDER THE JURISDICTION OF THE ARIZONA BOARD OF REGENTS AND DOES NOT INCLUDE
24 STUDENTS ENROLLED IN LAW SCHOOLS, POSTGRADUATE STUDENTS, STUDENTS WHO ARE NOT
25 PURSUING A DEGREE, VISITING STUDENTS AND HIGH SCHOOL STUDENTS TAKING
26 COLLEGE-LEVEL COURSES.

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