

REFERENCE TITLE: ABOR; statutory revisions

State of Arizona  
House of Representatives  
Fifty-second Legislature  
First Regular Session  
2015

## **HB 2206**

Introduced by  
Representative Boyer

AN ACT

AMENDING SECTIONS 15-1626, 15-1647, 15-1648, 15-1661, 15-1822, 15-1851,  
35-113 AND 41-751, ARIZONA REVISED STATUTES; RELATING TO THE ARIZONA BOARD OF  
REGENTS.

(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16 Any delegation of authority may be rescinded by the board at any time in  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~~ TWENTY-FIRST day of every fall and  
38 spring semester, divided by two, and any budget adjustment based on student  
39 enrollment shall occur in the fiscal year following the actual full-time  
40 equivalent student enrollment count. The undergraduate credit hour threshold  
41 shall not apply to degree programs that require credit hours above the credit  
42 hour threshold, credits earned in the pursuit of up to two baccalaureate  
43 degrees, credits earned in the pursuit of up to two state regulated  
44 licensures or certificates, credits earned in the pursuit of teaching  
45 certification, credits transferred from a private institution of higher

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

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

32 The procedural requirements of subdivisions (a), (b), (c) and (d) 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~~ COURSEWORK.

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) of  
19 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. The Arizona board of regents, in collaboration with the  
23 universities under its jurisdiction, shall adopt a performance funding model.  
24 The performance funding model shall use performance metrics that include the  
25 increase in degrees awarded, the increase in completed student credit hours  
26 and the increase in externally generated research and public service funding.  
27 The funding formula may give added weight to degrees related to science,  
28 technology, engineering and mathematics and other high-value degrees that are  
29 in short supply or that are essential to this state's long-term economic  
30 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 L. On or before November 1 of each year, the Arizona board of regents  
35 shall submit to the joint legislative budget committee and the governor's  
36 office of strategic planning and budgeting a report on university debt and  
37 obligations, including:

- 38 1. Long-term notes and obligations.
- 39 2. Certificates of participation and other obligations pursuant to any  
40 lease-purchase agreements.
- 41 3. Revenue bonds.
- 42 4. Bonds issued pursuant to section 15-1682.03.

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

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

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

6           N. The board may enter into an intergovernmental agreement pursuant to  
7 section 15-1747 to manage universities under its jurisdiction subject to the  
8 terms of the reciprocity agreement.

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

12           Sec. 2. Section 15-1647, Arizona Revised Statutes, is amended to read:  
13 15-1647. Distribution of licensing and patent income; Arizona  
14 state university; report

15           A. Notwithstanding any other law, Arizona state university shall  
16 distribute the gross or net income derived from the licensing and other  
17 revenues derived from patents including anticancer, antiviral, antifungal or  
18 antimicrobial drug discoveries or inventions, including up-front payments,  
19 royalties and any other subsequent or eventual revenue attributable to  
20 commercialization.

21           B. The distribution of income received pursuant to subsection A ~~OF~~  
22 ~~THIS SECTION~~ shall be detailed by Arizona state university in an audited  
23 annual report. Arizona state university shall specify the expenditures and  
24 actual expenses in the audited annual report. The report shall be  
25 distributed annually to the ~~president~~ CHAIR of the Arizona board of regents,  
26 the governor, the president of the senate, the speaker of the house of  
27 representatives, ~~AND~~ the secretary of state ~~and the department of library,~~  
28 ~~archives and public records.~~

29           Sec. 3. Section 15-1648, Arizona Revised Statutes, is amended to read:  
30 15-1648. Technology and research initiative fund; purpose

31           A. The technology and research initiative fund is established  
32 consisting of revenues transferred to the fund pursuant to section 42-5029,  
33 subsection E, paragraph 2. The Arizona board of regents shall administer the  
34 fund. The monies in the fund are continuously appropriated to the Arizona  
35 board of regents for distribution pursuant to this section and are exempt  
36 from the provisions of section 35-190 relating to lapsing of appropriations.

37           B. The board shall adopt rules to administer the technology and  
38 research initiative fund in accordance with this section. The board may  
39 allocate up to twenty ~~per cent~~ PERCENT of the monies in the fund to be used  
40 for capital projects relating to new economy initiatives, including debt  
41 service, for the universities under its jurisdiction, pursuant to ~~chapter 13,~~  
42 article 5 of this ~~title~~ CHAPTER.

43           C. The Arizona board of regents shall receive requests from the  
44 individual universities and shall determine the amount and duration of each  
45 award. The criteria for the evaluation of each request shall be as follows:

- 1           1. The award must be related to one of the following:  
2           (a) A specific academic or research field.  
3           (b) ~~Designed to expand~~ THE EXPANSION OF access to baccalaureate or  
4 ~~post-baccalaureate~~ POSTBACCALAUREATE education for time-bound and place-bound  
5 students.  
6           (c) ~~To implement~~ THE IMPLEMENTATION OF recommendations of the Arizona  
7 partnership for the new economy or the governor's task force on higher  
8 education.
- 9           2. The award may be used to develop new and existing programs that  
10 will prepare students to contribute in high technology industries located in  
11 this state.
- 12           3. The award may be used in conjunction with matching financial  
13 assistance from private industry.
- 14           4. The Arizona board of regents shall give preference to requests that  
15 are developed in conjunction with private industry, private entities or  
16 federal agencies.
- 17           D. The Arizona board of regents shall submit a report to the governor,  
18 the president of the senate and the speaker of the house of representatives  
19 ~~on September 1~~ BEFORE OCTOBER 1 of each year on the technology and research  
20 award program and shall transmit a copy to the secretary of state ~~and the~~  
21 ~~director of the Arizona state library, archives and public records~~. The  
22 report shall include a description of the amount and duration of each new  
23 award distributed and a description of the purpose and goals for each award.  
24 For existing awards, the Arizona board of regents shall use a detailed set of  
25 performance measures to determine the overall effectiveness of each award.
- 26           Sec. 4. Section 15-1661, Arizona Revised Statutes, is amended to read:  
27 15-1661. Annual appropriation; enrollment audit; expenditure;  
28 balance; salaries
- 29           A. There shall be appropriated in the general appropriation bill for  
30 each fiscal year a sum of monies not less than eighty-five one-hundredths of  
31 one mill on the dollar of the assessed valuation of all taxable property in  
32 the state for the improvement, support and maintenance of the institutions  
33 under the Arizona board of regents' jurisdiction, including payment of  
34 salaries, current expenses, purchase of equipment, making necessary repairs,  
35 construction of new buildings, purchase of lands and in general for payment  
36 of all such expenses connected with the management of the institutions under  
37 the Arizona board of regents' jurisdiction. The department of revenue, upon  
38 compiling the aggregate assessed valuation of all taxable property within  
39 this state, shall compute the amount of monies so determined and certify such  
40 amount over its seal to the department of administration and the state  
41 treasurer.
- 42           B. The full-time equivalent student enrollment reported for the  
43 previous fiscal year by each university shall be audited annually by the  
44 auditor general. The auditor general shall report the results of the audit  
45 to the staffs of the joint legislative budget committee and the governor's

1 office of strategic planning and budgeting on or before October 15 of each  
2 year. On or before July 21 of each academic year, each university shall  
3 provide for the previous fall semester a certified report to the auditor  
4 general of the number of full-time equivalent students calculated by the  
5 university and a separate report only for those students who meet the  
6 residency requirements prescribed in section 15-1802. The university's  
7 records used to calculate full-time equivalent student enrollment shall be  
8 provided to the auditor general in an electronic format prescribed by the  
9 auditor general. ~~Beginning in 2006,~~ Each university shall submit to the  
10 auditor general a summary of its full-time equivalent student enrollment  
11 accounting policies and procedures, compilation procedures and source records  
12 used for calculating full-time equivalent student enrollment. These  
13 accounting policies and procedures, compilation procedures and source records  
14 shall comply with policies developed ~~on or before June 30, 2006~~ by the  
15 Arizona board of regents, in consultation with the auditor general and  
16 reviewed by the joint legislative budget committee. These policies shall  
17 include a review and recommendations of the necessity of minimum requirements  
18 for students enrolled in classes to qualify for appropriations pursuant to  
19 this section, including requirements that the class be a for-credit course  
20 that is necessary for the completion of a degree and that the student  
21 enrolled in the course be physically present in this state at the time the  
22 course is conducted. The basic actual full-time equivalent student  
23 enrollment shall be counted on the ~~forty-fifth~~ TWENTY-FIRST day after the  
24 basic actual full-time equivalent student enrollment classes begin for the  
25 fall and spring semesters, as published in the university catalogs, and  
26 divided by two. The Arizona board of regents shall also make recommendations  
27 of whether each professor or instructor should be required to review class  
28 rosters and make additions or deletions as necessary. If so, class rosters  
29 that reflect enrollment as of the ~~forty-fifth~~ TWENTY-FIRST day shall be  
30 provided by the registrar's office to each professor or instructor for every  
31 class section. The class roster shall indicate the course number, course  
32 title, time, instructor name and students enrolled. On the ~~forty-fifth~~  
33 TWENTY-FIRST day class rosters, each professor or instructor shall indicate  
34 as withdrawn each student who has formally withdrawn from the course, and  
35 that student shall not be counted for state aid purposes. The official  
36 ~~forty-fifth~~ TWENTY-FIRST day rosters shall include a manual signature and  
37 date or an electronic authorization and date by the professor or instructor  
38 and shall include the following certification:

39 I hereby certify that the information contained in this  
40 class roster accurately reflects those students who are  
41 enrolled.

42 C. The Arizona board of regents shall also report the basic actual  
43 full-time equivalent student enrollment for only those students who meet the  
44 residency requirements prescribed in section 15-1802. The basic actual  
45 full-time equivalent student enrollment for only those students who meet the

1 residency requirements prescribed in section 15-1802 that is reported by each  
2 university for the previous fiscal year shall be annually audited by the  
3 auditor general.

4 D. Students who have withdrawn or who have been withdrawn from classes  
5 as of the ~~forty-fifth~~ TWENTY-FIRST day shall not be counted for state aid  
6 purposes. A record shall be maintained that identifies student withdrawals  
7 by date of withdrawal, as of the ~~forty-fifth~~ TWENTY-FIRST day and after the  
8 ~~forty-fifth~~ TWENTY-FIRST day for the entire semester.

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

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

15 G. Monies appropriated to a university under the jurisdiction of the  
16 Arizona board of regents for cost-of-living salary increases for university  
17 employees shall be used to provide cost-of-living salary increases to all  
18 university employees, including graduate student assistants. If monies are  
19 appropriated to a university for salary increases based on merit, the monies  
20 shall be used to provide merit increases according to the merit pay plan  
21 adopted by the Arizona board of regents.

22 H. The Arizona board of regents shall determine current actual  
23 full-time equivalent student enrollment at each of the institutions under the  
24 jurisdiction of the Arizona board of regents. Full-time equivalent student  
25 enrollment shall be calculated by adding the following:

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

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

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

32 I. The Arizona board of regents, in its annual budget request, shall  
33 not include funding for any student who is enrolled at an institution under  
34 the jurisdiction of the Arizona board of regents and who has earned credit  
35 hours in excess of the undergraduate credit hour threshold, except that the  
36 undergraduate credit hour threshold shall not apply to students who are  
37 enrolled in a degree program that requires credit hours above the credit  
38 threshold. For the purposes of this subsection, the undergraduate credit  
39 hour threshold is ~~one hundred fifty-five hours for students who attend a~~  
40 ~~university under the jurisdiction of the board in fiscal year 2006-2007, one~~  
41 ~~hundred fifty hours for students who attend a university under the~~  
42 ~~jurisdiction of the board in fiscal year 2007-2008 and~~ one hundred forty-five  
43 hours for students who attend a university under the jurisdiction of the  
44 board ~~after fiscal year 2007-2008~~. The undergraduate credit hour threshold  
45 shall be based on the actual full-time equivalent student enrollment counted

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

16 Sec. 5. Section 15-1822, Arizona Revised Statutes, is amended to read:  
17 15-1822. Report; academic performance of high school graduates

18 A. On or before ~~October 31~~ JANUARY 1 OF EACH YEAR, each community  
19 college district and the Arizona board of regents shall submit a report to  
20 the president of the senate, the speaker of the house of representatives, the  
21 superintendent of public instruction and the state board of education and  
22 shall provide a copy of this report to the secretary of state ~~and the~~  
23 ~~director of the Arizona state library, archives and public records,~~ on the  
24 academic performance of the preceding year's graduates from high schools in  
25 this state enrolled in institutions under their jurisdiction during the year  
26 ending on June 30 of the current calendar year. The report shall include for  
27 each school at least A SUMMARY OF the following:

28 1. The number of graduates of the school who were enrolled in the  
29 institution during the reporting period.

30 2. Information about the academic performance of graduates of the  
31 school in mathematics and English courses.

32 B. On or before September 1 OF EACH YEAR, each institution under the  
33 jurisdiction of the Arizona board of regents shall submit to the Arizona  
34 board of regents in the form specified by the Arizona board of regents the  
35 information that the Arizona board of regents needs to compile the report  
36 required under this section.

37 C. The superintendent of public instruction shall provide each high  
38 school in this state with a copy of the portion of the report that is  
39 applicable to its graduates.

40 Sec. 6. Section 15-1851, Arizona Revised Statutes, is amended to read:  
41 15-1851. Commission for postsecondary education; purpose;

42 report; members; terms; powers and duties;  
43 compensation; quorum; immunity; definition

44 A. The commission for postsecondary education is established and shall  
45 administer the applicable programs identified under section 1203 of the

1 higher education act amendments of 1998 (P.L. 105-244), including the  
2 leveraging educational assistance partnership program, the federal family  
3 education loan program and the Paul Douglas teacher scholarships program, and  
4 shall supervise the state guarantee agency under the higher education act  
5 amendments of 1998.

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

8 1. Provide a forum to public and private postsecondary education  
9 institutions for discussion of issues of mutual interest, including the  
10 following:

11 (a) The postsecondary needs of unserved and underserved individuals in  
12 this state.

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

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

18 (d) Cooperative comprehensive instructional and capital planning.

19 2. Provide reports pursuant to this subsection on discussions of  
20 issues of mutual interest.

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

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

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

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

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

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

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

43 3. Two members who hold senior executive or managerial positions in  
44 private postsecondary institutions of higher education that are licensed  
45 under title 32, chapter 30, that are located in this state, that offer

1 bachelor or higher degrees and that are accredited by a regional  
2 accreditation agency approved by the United States department of education.

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

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

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

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

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

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

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

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

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

1 G. The governor shall appoint a chairman from among the members of the  
2 commission who shall serve a one-year term that begins on the third Monday in  
3 January.

4 H. A majority of the members of the commission constitute a quorum for  
5 the transaction of commission business. The vote of a majority of the quorum  
6 constitutes authority for the commission to act.

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

10 J. For the purposes of this section, "community college district"  
11 means a community college district that is established pursuant to sections  
12 15-1402 and 15-1403 or section 15-1402.01 and that is a political subdivision  
13 of this state.

14 Sec. 7. Section 35-113, Arizona Revised Statutes, is amended to read:

15 35-113. Submission of budget estimates

16 Every year for annual budget units and biennially in even-numbered  
17 years for biennial budget units, the head of each budget unit, not later than  
18 September 1 or at a later date not to exceed thirty days after September 1 if  
19 approved by the director of the governor's office of strategic planning and  
20 budgeting, shall submit to the governor, with five copies, estimates of the  
21 financial requirements and of receipts, including appropriated and  
22 nonappropriated monies in no less detail than the state general fund, of the  
23 budget unit for the next two ensuing fiscal years for biennial budget units  
24 and for the next fiscal year for annual budget units. The estimates shall be  
25 on the forms and in the manner prescribed by the governor with explanatory  
26 data that may be required, together with additional information the head of  
27 the budget unit desires to submit. The governor may require biennial budget  
28 units to submit budget estimates more often than every two years. The  
29 ~~estimate~~ ESTIMATES so submitted shall bear the approval of the administrative  
30 head of the budget unit. THE ARIZONA BOARD OF REGENTS SHALL SUBMIT THE  
31 INFORMATION REQUIRED BY THIS SECTION ON OR BEFORE OCTOBER 1 OF EACH YEAR.

32 Sec. 8. Section 41-751, Arizona Revised Statutes, is amended to read:

33 41-751. Annual report and recommendations

34 A. The director shall prepare a report on state personnel and the  
35 operation of the state personnel system.

36 B. The report shall include:

37 1. Information concerning all state employees, including employees of  
38 all executive, legislative and judicial branch agencies. All state agencies  
39 shall provide any information requested by the director to prepare the annual  
40 report.

41 2. Information concerning turnover, including the number of employees  
42 separating from state employment and the reasons for separation.

43 3. Information concerning the compensation during the preceding year  
44 and the coming year of state employees and the compensation of other public  
45 employees and private employees.

- 1           4. An advisory recommendation on state employees' salaries. In  
2 establishing the recommendation, the director shall consider the relative  
3 levels of duties and responsibilities of the various classes of positions,  
4 rates paid for comparable positions elsewhere and other relevant factors.  
5 Salary recommendations are not required for elected officials. The director  
6 shall make advisory salary recommendations for specific positions in the  
7 governor's office, the legislature and the courts if requested by the  
8 respective administrative heads of these units of state government.
- 9           5. The overtime pay of all state agencies.
- 10          6. Other information as determined by the director.
- 11          C. The annual report and recommendations shall be presented to the  
12 governor and the legislature on or before September 1 of each year. The  
13 director shall provide a copy of the report to the secretary of state.
- 14          D. The Arizona board of regents, the department of public safety, the  
15 judicial department and the Arizona state schools for the deaf and the blind  
16 shall each prepare and submit an annual report on their personnel as  
17 prescribed in this section. **THE ARIZONA BOARD OF REGENTS' REPORT SHALL BE**  
18 **PRESENTED TO THE GOVERNOR AND THE LEGISLATURE ON OR BEFORE OCTOBER 1 OF EACH**  
19 **YEAR IN PLACE OF THE FIVE-YEAR STRATEGIC PLAN REQUIRED BY SECTION 35-122,**  
20 **SUBSECTION B.** The report shall include:
- 21           1. Information concerning the number of employees affected by and  
22 reasons for turnover of their employees.
- 23           2. Information concerning the compensation during the preceding year  
24 and the coming year of their employees and the compensation of other public  
25 employees and private employees.
- 26           3. An advisory recommendation on the salary plan and adjustments for  
27 their employees. In establishing the salary plan, they shall consider the  
28 relative levels of duties and responsibilities of the various classes of  
29 positions, rates paid for comparable positions elsewhere and other relevant  
30 factors.
- 31           4. The overtime pay for their employees.