

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

# HOUSE BILL 2679

AN ACT

AMENDING SECTION 5-568, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-244.01; AMENDING SECTIONS 15-1464, 15-1466, 15-1854, 15-1855 AND 42-5031.01, ARIZONA REVISED STATUTES; RELATING TO BUDGET RECONCILIATION FOR HIGHER EDUCATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 5-568, Arizona Revised Statutes, is amended to  
3 read:

4 5-568. Disposition of unclaimed prize money

5 Unclaimed prize money for the prize on a winning ticket or share shall  
6 be retained for the person entitled to the prize for one hundred eighty days  
7 after the drawing in which the prize was won in the case of a drawing prize  
8 and for one hundred eighty days after the announced end of the game in  
9 question in the case of a prize determined in any manner other than by means  
10 of a drawing. If a claim is not made for the money within the applicable  
11 period, **THE MONEY SHALL BE TRANSFERRED IN THE FOLLOWING AMOUNTS:**

12 1. ~~Seventy per cent~~ **FIFTY-FIVE PERCENT** of the prize money shall be  
13 held in the state lottery prize fund for use as additional prizes in future  
14 games ~~and~~.

15 2. Thirty ~~per cent~~ **PERCENT** shall be transferred monthly to the court  
16 appointed special advocate fund established by section 8-524.

17 3. **FIFTEEN PERCENT SHALL BE TRANSFERRED MONTHLY TO THE TRIBAL COLLEGE  
18 DUAL ENROLLMENT PROGRAM FUND ESTABLISHED BY SECTION 15-244.01. THE AMOUNT  
19 TRANSFERRED MAY NOT EXCEED ONE HUNDRED SIXTY THOUSAND DOLLARS IN ANY FISCAL  
20 YEAR.**

21 Sec. 2. Title 15, chapter 2, article 2, Arizona Revised Statutes, is  
22 amended by adding section 15-244.01, to read:

23 15-244.01. Tribal college dual enrollment program fund

24 **THE TRIBAL COLLEGE DUAL ENROLLMENT PROGRAM FUND IS ESTABLISHED  
25 CONSISTING OF MONIES DEPOSITED PURSUANT TO SECTION 5-568, OTHER MONIES  
26 APPROPRIATED BY THE LEGISLATURE AND GIFTS, GRANTS, DEVISES AND OTHER  
27 CONTRIBUTIONS OF MONEY OR PROPERTY FROM ANY LAWFUL PUBLIC OR PRIVATE SOURCE.  
28 THE DEPARTMENT OF EDUCATION SHALL ADMINISTER THE FUND. THE DEPARTMENT SHALL  
29 DISTRIBUTE MONIES IN THE FUND TO PROVIDE CHOICE AND ACCESS TO HIGHER  
30 EDUCATION FOR HIGH SCHOOL STUDENTS IN THIS STATE BY COMPENSATING TRIBAL  
31 COLLEGES FOR TUITION AND FEES THAT ARE WAIVED TO ALLOW HIGH SCHOOL STUDENTS  
32 TO ATTEND CLASSES AT TRIBAL COLLEGE CAMPUSES, INCLUDING CLASSES THAT ARE  
33 PROVIDED ELECTRONICALLY BY THE TRIBAL COLLEGE TO HIGH SCHOOL STUDENTS.  
34 MONIES IN THE FUND ARE SUBJECT TO LEGISLATIVE APPROPRIATION. ON NOTICE FROM  
35 THE DEPARTMENT, THE STATE TREASURER SHALL INVEST AND DIVEST MONIES IN THE  
36 FUND AS PROVIDED BY SECTION 35-313, AND MONIES EARNED FROM INVESTMENT SHALL  
37 BE CREDITED TO THE FUND.**

38 Sec. 3. Section 15-1464, Arizona Revised Statutes, is amended to read:

39 15-1464. State aid per capita distribution for science,  
40 technology, engineering and mathematics and  
41 workforce programs; fund; appropriation; report;  
42 exception

43 A. In addition to the appropriation prescribed in section 15-1463,  
44 subsection A, this state shall pay to each community college district state

1 aid for science, technology, engineering and mathematics and workforce  
2 programs in the following manner:

3 1. For fiscal year 1992-1993 for a community college district ~~which~~  
4 THAT had less than five thousand actual full-time equivalent students  
5 according to the most recent fiscal year actual full-time equivalent student  
6 count, the amount determined by multiplying the number of actual full-time  
7 equivalent students according to the most recent fiscal year actual full-time  
8 equivalent student count by two hundred seven dollars.

9 2. For fiscal year 1992-1993 for a community college district ~~which~~  
10 THAT had five thousand or more actual full-time equivalent students according  
11 to the most recent fiscal year actual full-time equivalent student count, the  
12 amount determined by multiplying the number of actual full-time equivalent  
13 students according to the most recent fiscal year actual full-time equivalent  
14 student count by one hundred fifty-eight dollars.

15 3. Beginning with fiscal year 1993-1994, the legislature shall adjust  
16 by the growth rate for common and high school districts as provided by law,  
17 subject to appropriation, the amount of state aid to community college  
18 districts as provided in paragraphs 1 and 2 of this subsection.

19 B. The basis for computing full-time equivalent students for the  
20 science, technology, engineering and mathematics and workforce programs per  
21 capita distribution shall be on the same basis as the computation prescribed  
22 in section 15-1466.01.

23 C. In addition to the formula to determine the appropriations  
24 prescribed in section 15-1463, subsection A and subsection A of this section,  
25 this state may pay additional amounts for science, technology, engineering  
26 and mathematics and workforce programs to a community college district based  
27 on requests from the district.

28 D. Appropriations for science, technology, engineering and mathematics  
29 and workforce programs made pursuant to subsections A and C of this section  
30 and section 15-1463 shall be made to an account designated as the science,  
31 technology, engineering and mathematics and workforce programs fund. Monies  
32 in the fund shall be used for science, technology, engineering and  
33 mathematics and workforce programs purposes, and the expenditures may  
34 include:

35 1. Partnerships with businesses and educational institutions.

36 2. Additional faculty for improved and expanded classroom instruction  
37 and course offerings.

38 3. Technology, equipment and technology infrastructure for advanced  
39 teaching and learning in classrooms or laboratories.

40 4. Student services such as assessment, advisement and counseling for  
41 new and expanded job opportunities.

42 5. The purchase, lease or lease-purchase of real property, for new  
43 construction, remodeling or repair of buildings or facilities on real  
44 property.

1 E. At the beginning of each fiscal year, the district board shall  
2 present to the department of administration a claim for the annual amount  
3 appropriated by the legislature and assigned to the district for science,  
4 technology, engineering and mathematics and workforce programs purposes. The  
5 department of administration shall draw a warrant in payment of the claim and  
6 shall transmit the warrant to the state treasurer who shall disburse the  
7 funds to the district for science, technology, engineering and mathematics  
8 and workforce programs purposes, to be expended as provided by law. If no  
9 community college exists, the department shall establish a fund for new  
10 future community college districts to be disbursed as needed.

11 F. Notwithstanding subsection E of this section, a community college  
12 district may request the state treasurer to disburse the monies to the local  
13 government investment pool for deposit into the district's account as  
14 established in section 35-326.

15 G. Each district has the option of using up to twenty ~~per-cent~~ PERCENT  
16 of its total science, technology, engineering and mathematics and workforce  
17 programs aid appropriation for operating aid purposes or taking this same  
18 amount out of the district's total operating state aid appropriation and  
19 using it for science, technology, engineering and mathematics and workforce  
20 programs purposes.

21 H. On or before December 1 of every even-numbered year, each community  
22 college district shall submit a report of its science, technology,  
23 engineering and mathematics and workforce programs plan activities and the  
24 expenditures authorized in this section to the governor, president of the  
25 senate, speaker of the house of representatives, joint legislative budget  
26 committee and Arizona commerce authority. The report shall include the  
27 purpose and goals for which the science, technology, engineering and  
28 mathematics and workforce programs monies were expended by each district with  
29 a general accounting of the expenditures. Each community college district  
30 shall transmit a copy of this report to the secretary of state.

31 I. A COMMUNITY COLLEGE DISTRICT THAT IS LOCATED IN A COUNTY WITH A  
32 POPULATION OF SEVEN HUNDRED FIFTY THOUSAND PERSONS OR MORE IS NOT ELIGIBLE TO  
33 RECEIVE STATE AID FOR SCIENCE, TECHNOLOGY, ENGINEERING AND MATHEMATICS AND  
34 WORKFORCE PROGRAMS AS PRESCRIBED IN SUBSECTION A OF THIS SECTION.

35 Sec. 4. Section 15-1466, Arizona Revised Statutes, is amended to read:  
36 15-1466. State aid; eligibility; limitations

37 A. Subject to legislative appropriation, the legislature shall  
38 determine and appropriate the amount of state aid each fiscal year to each  
39 district possessing the qualifications as prescribed in this chapter.

40 B. The state shall determine the amount of state aid, as prescribed in  
41 subsection D of this section, appropriated to each district for the fiscal  
42 year prior to the fiscal year for which the state aid is being calculated.

43 C. Each district qualified under this chapter shall have its state aid  
44 adjusted in an amount that reflects the growth or decrease in the full-time  
45 equivalent student count of the district calculated as follows:

- 1           1. Calculate the growth or decrease in the actual, audited full-time  
2 equivalent student count between the second and third most recent fiscal  
3 years prior to the fiscal year for which the state aid is being calculated  
4 for each district.
- 5           2. Calculate the average appropriation per full-time equivalent  
6 student for all districts by dividing the amount determined in subsection B  
7 of this section by the actual, audited full-time equivalent student count for  
8 all districts in the most recent fiscal year.
- 9           3. Multiply the amount calculated in paragraph 1 of this subsection by  
10 the average appropriation calculated in paragraph 2 of this subsection. This  
11 amount equals the adjustment required pursuant to this section.
- 12           D. The total amount appropriated to each district each fiscal year in  
13 accordance with this section shall serve as the amount of state aid to be  
14 adjusted in the next fiscal year. A district is eligible for growth funding  
15 pursuant to this section only for the portion of its most recent audited  
16 full-time student equivalent count that exceeds the audited full-time student  
17 equivalent count recorded for the district for the most recent fiscal year in  
18 which an adjustment was previously made pursuant to subsection C of this  
19 section.
- 20           E. To be eligible for state aid, a district shall:
- 21           1. Be equipped with suitable buildings, equipment and campus.
- 22           2. Have at least three hundred twenty full-time equivalent students  
23 attending in the district.
- 24           3. Have complied with all of the requirements of the district board,  
25 including budgets and curriculum.
- 26           4. BE LOCATED IN A COUNTY WITH A POPULATION OF LESS THAN SEVEN HUNDRED  
27 FIFTY THOUSAND PERSONS.
- 28           F. The total amount of state monies that may be spent in any fiscal  
29 year by a district for operating state aid shall not exceed the amount  
30 appropriated or authorized by section 35-173 for that purpose.  
31 Notwithstanding section 15-1444, this section shall not be construed to  
32 impose a duty on an officer, agent or employee of this state to discharge a  
33 responsibility or to create any right in a person or group if the discharge  
34 or right would require an expenditure of state monies in excess of the  
35 expenditure authorized by legislative appropriation for that specific  
36 purpose, including any duties prescribed in an employment contract entered  
37 into pursuant to section 15-1444, subsection A, paragraph 6.
- 38           G. In addition to the formula to determine the state aid  
39 appropriations prescribed in this section, the state may pay additional  
40 amounts for state aid to a district based on requests included in the  
41 district's budget request.
- 42           H. This section does not entitle a community college operated by a  
43 qualified Indian tribe to state aid for community colleges pursuant to this  
44 chapter.

1           Sec. 5. Section 15-1854, Arizona Revised Statutes, is amended to read:  
2           15-1854. Private postsecondary education student financial  
3                                   assistance program; fund; definition

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

21           B. A private postsecondary education student financial assistance fund  
22 is established consisting of legislative appropriations. The commission  
23 shall administer the fund. Monies in the fund are exempt from the provisions  
24 of section 35-190 relating to lapsing of appropriations. The commission  
25 shall make awards for payment of tuition at eligible colleges or universities  
26 to students who are selected to participate in the private postsecondary  
27 education student financial assistance program pursuant to subsection A of  
28 this section.

29           C. The commission shall develop a program evaluation procedure in  
30 order to determine the effectiveness of the private postsecondary education  
31 student financial assistance program in shifting students who would have  
32 otherwise attended a public four-year college or university to private  
33 four-year degree granting colleges or universities.

34           D. A student who fails to receive a baccalaureate degree within a  
35 three-year period of receipt of the program award shall reimburse the private  
36 postsecondary education student financial assistance fund for all awards  
37 received pursuant to subsection A of this section. On receipt of supporting  
38 documentation from the student, for good cause shown the commission may  
39 provide for extensions of the three year period to obtain a baccalaureate  
40 degree.

41           E. THE COMMISSION MAY USE MONIES COLLECTED FROM STUDENTS PURSUANT TO  
42 THIS SECTION FOR THE PURPOSES OF ADMINISTERING THE LOAN PROGRAMS ESTABLISHED  
43 BY THIS ARTICLE AND SECTION 15-1855.

44           ~~E.~~ F. For the purposes of this section, "community college district"  
45 means a community college district that is established pursuant to sections

1 15-1402 and 15-1403 or section 15-1402.01 and that is a political subdivision  
2 of this state.

3 Sec. 6. Section 15-1855, Arizona Revised Statutes, is amended to read:  
4 15-1855. Postsecondary education grant program; fund; program  
5 termination; definition

6 A. The commission ~~on~~ FOR postsecondary education shall develop,  
7 implement and administer a postsecondary education grant program. The  
8 commission shall develop application forms, procedures and deadlines and  
9 shall select eligible students each year for participation in the  
10 postsecondary education grant program. The commission may establish  
11 partnerships with qualifying schools for the administration of the  
12 postsecondary education grant program. Participating full-time students  
13 shall receive a grant in an amount of two thousand dollars annually for a  
14 maximum of four calendar years to be used to pay all or a portion of the  
15 following:

- 16 1. The tuition charged at a qualifying school.
- 17 2. The cost of books required for classes at a qualifying school.
- 18 3. The fees charged at a qualifying school.

19 B. The amount of a grant awarded to a participating part-time student  
20 enrolled at least half-time for the academic year as defined in 20 United  
21 States Code section 1088 shall be prorated in accordance with the part-time  
22 status of the student.

23 C. Employees of private postsecondary institutions and family members  
24 of employees of private postsecondary institutions are not eligible to  
25 receive a postsecondary education grant pursuant to this section if the  
26 employee or family member is eligible for tuition reimbursement or a tuition  
27 waiver as a benefit of employment.

28 D. A student who has a baccalaureate degree from any postsecondary  
29 educational institution is not eligible to receive postsecondary education  
30 grant monies pursuant to this section.

31 E. Students who provide satisfactory proof to the commission that the  
32 student has met each of the following criteria are eligible to submit an  
33 application for consideration by the commission for a grant under the  
34 postsecondary education grant program:

35 1. The student either:

36 (a) Is currently a resident of this state and has been a resident of  
37 this state for at least the past twelve months.

38 (b) Is a member of the military service of the United States stationed  
39 in this state or the spouse or dependent of a member of the military service  
40 of the United States stationed in this state.

41 2. The student has met the qualifications adopted by the commission.  
42 The commission shall adopt minimum qualifications that are comparable to the  
43 admissions standards established by the Arizona board of regents for Arizona  
44 public universities.

1           3. The student registers for enrollment as a student in a  
2           baccalaureate program at a nationally or regionally accredited private  
3           postsecondary educational institution in this state that awards four year  
4           baccalaureate degrees.

5           4. The student has provided high school transcripts as proof of  
6           graduation if the student has graduated from a public or private high  
7           school. If high school records no longer exist for a student or after every  
8           reasonable effort has been made to obtain official records, the student may  
9           submit a letter certified by the high school from which the student graduated  
10          or the original high school diploma.

11          5. The student has completed and submitted a free application for  
12          federal student aid.

13          6. The student is a citizen or legal resident of the United States or  
14          is otherwise lawfully present in the United States.

15          7. If the student is eligible to apply for monies from the private  
16          postsecondary education student financial assistance fund established by  
17          section 15-1854, the student shall apply for and receive monies from the  
18          private postsecondary education student financial assistance fund before the  
19          student is eligible to apply for a grant from the postsecondary education  
20          grant fund established by this section.

21          F. The postsecondary education grant fund is established consisting of  
22          legislative appropriations. The commission shall administer the fund.  
23          Monies in the fund are continuously appropriated and are exempt from the  
24          provisions of section 35-190 relating to lapsing of appropriations. The  
25          commission shall make awards for payment of tuition at qualifying schools to  
26          students who are selected to participate in the postsecondary education grant  
27          program pursuant to subsection A of this section.

28          G. If the amount of monies available for postsecondary education  
29          grants in any fiscal year is insufficient to provide grants to all eligible  
30          applicants, the commission shall award grants to eligible students in the  
31          order in which the applications were received by the commission, except that  
32          priority shall be given to qualifying students who received a grant in the  
33          previous fiscal year and who are still in good academic standing at the same  
34          qualifying school. The commission shall maintain a waiting list for all  
35          other applicants.

36          H. A student who fails to receive a baccalaureate degree within a  
37          five-year period of receipt of the program award shall reimburse the  
38          postsecondary education grant fund for all awards received pursuant to  
39          subsection A of this section. On receipt of supporting documentation from  
40          the student, for good cause shown the commission may provide for extensions  
41          of the five year period to obtain a baccalaureate degree. **THE COMMISSION MAY**  
42          **CONTRACT WITH A THIRD-PARTY VENDOR FOR THE PURPOSE OF COLLECTING LOAN**  
43          **REPAYMENTS FROM STUDENTS PURSUANT TO THIS SECTION.**

44          I. The commission shall submit an annual report to the governor, the  
45          president of the senate, the speaker of the house of representatives and the

1 joint legislative budget committee that includes a detailed description of  
2 the amount of monies distributed under the postsecondary education grant  
3 program during the previous fiscal year and that includes the total number of  
4 qualified applicants for grants, the total number of grants awarded, the  
5 qualifying schools attended by grant recipients and the total number of  
6 qualified applicants who were placed on the waiting list. The commission  
7 shall provide a copy of this report to the secretary of state and the  
8 director of the Arizona state library, archives and public records.

9 J. If the commission is notified by a qualifying school that a student  
10 who has received a postsecondary education grant is no longer in good  
11 academic standing at the qualifying school, the commission shall immediately  
12 discontinue the grant and the student shall reimburse the postsecondary  
13 education grant fund for any unused portion or any unlawfully used portion of  
14 a grant received pursuant to subsection A of this section.

15 K. The commission shall develop a marketing strategy that is designed  
16 to provide information about the postsecondary education grant program to all  
17 high school students in this state.

18 L. The program established by this section ends on July 1, 2016  
19 pursuant to section 41-3102.

20 M. For the purposes of this section, "qualifying school" means a  
21 nationally or regionally accredited private postsecondary educational  
22 institution in this state that offers four year baccalaureate degrees.

23 Sec. 7. Section 42-5031.01, Arizona Revised Statutes, is amended to  
24 read:

25 42-5031.01. Distribution of revenues for Indian tribal  
26 postsecondary educational institutions:  
27 definition

28 A. Subject to subsection C of this section, each month the state  
29 treasurer shall transmit to the treasurer or other designated depository of  
30 each qualifying Indian tribe the amount of transaction privilege tax revenues  
31 received pursuant to this article in the preceding month from all sources  
32 located on the Indian reservation established for the qualifying Indian tribe  
33 as determined pursuant to section 42-5029, subsection A, paragraph 3.

34 B. The monies distributed pursuant to this section are for the  
35 exclusive purpose of supporting the maintenance, renewal and capital expenses  
36 of one or more community college campuses in this state that are owned,  
37 operated or chartered by each qualifying Indian tribe on its own Indian  
38 reservation. Before receiving any monies under this section, a qualifying  
39 Indian tribe shall enter into an initial compact with this state on or before  
40 September 1, ~~2012~~ 2017, signed by the governor, to account for the use of  
41 monies distributed pursuant to this section. The compact shall:

42 1. Be for a term of at least ten years. After a hearing and review of  
43 the compact by the joint legislative budget committee held during the last  
44 year of the compact's term, a compact may be renewed for an additional term  
45 of up to ten years.

1           2. Require the monies to be used primarily for capital needs,  
2 including maintenance and renewal of existing facilities at designated  
3 community college campuses on the qualifying Indian tribe's own reservation  
4 in this state.

5           3. Provide for audits by the auditor general of the use of the  
6 monies. The auditor general shall submit copies of each audit to the joint  
7 legislative budget committee.

8           4. If necessary, provide for reimbursement to the department of  
9 revenue of costs associated with implementing this section, not to exceed one  
10 hundred fifty thousand dollars, from revenues that would otherwise be paid to  
11 the qualifying Indian tribe pursuant to this section.

12           C. Notwithstanding subsection A of this section, the state treasurer  
13 shall not transmit in any fiscal year more than the sum of the following  
14 amounts:

15           1. With respect to a single community college, one million seven  
16 hundred fifty thousand dollars or more than ten ~~per-cent~~ PERCENT of  
17 transaction privilege tax revenues received pursuant to this article from all  
18 sources located on the reservation, whichever is less.

19           2. With respect to an additional technical college located on the same  
20 Indian reservation, eight hundred seventy-five thousand dollars or more than  
21 five ~~per-cent~~ PERCENT of transaction privilege tax revenues received pursuant  
22 to this article from all sources located on the reservation, whichever is  
23 less.

24           D. For the purposes of this section, "qualifying Indian tribe" means  
25 an Indian tribe that owns, operates and charters any community college or  
26 postsecondary educational institution located on its own reservation in this  
27 state.

28           Sec. 8. Financial aid trust fund; required state match

29           Notwithstanding section 15-1642, subsection C, Arizona Revised  
30 Statutes, for fiscal year 2015-2016, each dollar raised pursuant to the  
31 surcharge on student registration fees assessed pursuant to section 15-1642,  
32 subsection A, Arizona Revised Statutes, may be matched by less than two  
33 dollars appropriated by the legislature.

34           Sec. 9. Community college districts; state aid for science,  
35 technology, engineering and mathematics and workforce  
36 programs

37           Notwithstanding section 15-1464, Arizona Revised Statutes, state aid  
38 for science, technology, engineering and mathematics and workforce programs  
39 for community college districts for fiscal year 2015-2016 is as specified in  
40 the general appropriation act.