

State of Arizona
Senate
Fifty-second Legislature
First Regular Session
2015

CHAPTER 16
SENATE BILL 1477

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
45 aid for science, technology, engineering and mathematics and workforce
46 programs in the following manner:

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

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

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

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

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

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

33 1. Partnerships with businesses and educational institutions.

34 2. Additional faculty for improved and expanded classroom instruction
35 and course offerings.

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

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

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

43 E. At the beginning of each fiscal year, the district board shall
44 present to the department of administration a claim for the annual amount
45 appropriated by the legislature and assigned to the district for science,
46 technology, engineering and mathematics and workforce programs purposes. The

1 department of administration shall draw a warrant in payment of the claim and
2 shall transmit the warrant to the state treasurer who shall disburse the
3 funds to the district for science, technology, engineering and mathematics
4 and workforce programs purposes, to be expended as provided by law. If no
5 community college exists, the department shall establish a fund for new
6 future community college districts to be disbursed as needed.

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

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

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

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

31 Sec. 4. Section 15-1466, Arizona Revised Statutes, is amended to read:
32 15-1466. State aid; eligibility; limitations

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

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

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

42 1. Calculate the growth or decrease in the actual, audited full-time
43 equivalent student count between the second and third most recent fiscal
44 years prior to the fiscal year for which the state aid is being calculated
45 for each district.

1 2. Calculate the average appropriation per full-time equivalent
2 student for all districts by dividing the amount determined in subsection B
3 of this section by the actual, audited full-time equivalent student count for
4 all districts in the most recent fiscal year.

5 3. Multiply the amount calculated in paragraph 1 of this subsection by
6 the average appropriation calculated in paragraph 2 of this subsection. This
7 amount equals the adjustment required pursuant to this section.

8 D. The total amount appropriated to each district each fiscal year in
9 accordance with this section shall serve as the amount of state aid to be
10 adjusted in the next fiscal year. A district is eligible for growth funding
11 pursuant to this section only for the portion of its most recent audited
12 full-time student equivalent count that exceeds the audited full-time student
13 equivalent count recorded for the district for the most recent fiscal year in
14 which an adjustment was previously made pursuant to subsection C of this
15 section.

16 E. To be eligible for state aid, a district shall:

17 1. Be equipped with suitable buildings, equipment and campus.

18 2. Have at least three hundred twenty full-time equivalent students
19 attending in the district.

20 3. Have complied with all of the requirements of the district board,
21 including budgets and curriculum.

22 4. BE LOCATED IN A COUNTY WITH A POPULATION OF LESS THAN SEVEN HUNDRED
23 FIFTY THOUSAND PERSONS.

24 F. The total amount of state monies that may be spent in any fiscal
25 year by a district for operating state aid shall not exceed the amount
26 appropriated or authorized by section 35-173 for that purpose.
27 Notwithstanding section 15-1444, this section shall not be construed to
28 impose a duty on an officer, agent or employee of this state to discharge a
29 responsibility or to create any right in a person or group if the discharge
30 or right would require an expenditure of state monies in excess of the
31 expenditure authorized by legislative appropriation for that specific
32 purpose, including any duties prescribed in an employment contract entered
33 into pursuant to section 15-1444, subsection A, paragraph 6.

34 G. In addition to the formula to determine the state aid
35 appropriations prescribed in this section, the state may pay additional
36 amounts for state aid to a district based on requests included in the
37 district's budget request.

38 H. This section does not entitle a community college operated by a
39 qualified Indian tribe to state aid for community colleges pursuant to this
40 chapter.

41 Sec. 5. Section 15-1854, Arizona Revised Statutes, is amended to read:

42 15-1854. Private postsecondary education student financial
43 assistance program; fund; definition

44 A. A private postsecondary education student financial assistance
45 program is established. The commission shall develop, implement and
46 administer the program. A student who obtains an associate degree from a

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

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

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

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

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

38 ~~E.~~ F. For the purposes of this section, "community college district"
39 means a community college district that is established pursuant to sections
40 15-1402 and 15-1403 or section 15-1402.01 and that is a political subdivision
41 of this state.

42 Sec. 6. Section 15-1855, Arizona Revised Statutes, is amended to read:
43 15-1855. Postsecondary education grant program; fund; program
44 termination; definition

45 A. The commission ~~or~~ FOR postsecondary education shall develop,
46 implement and administer a postsecondary education grant program. The

1 commission shall develop application forms, procedures and deadlines and
2 shall select eligible students each year for participation in the
3 postsecondary education grant program. The commission may establish
4 partnerships with qualifying schools for the administration of the
5 postsecondary education grant program. Participating full-time students
6 shall receive a grant in an amount of two thousand dollars annually for a
7 maximum of four calendar years to be used to pay all or a portion of the
8 following:

9 1. The tuition charged at a qualifying school.

10 2. The cost of books required for classes at a qualifying school.

11 3. The fees charged at a qualifying school.

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

16 C. Employees of private postsecondary institutions and family members
17 of employees of private postsecondary institutions are not eligible to
18 receive a postsecondary education grant pursuant to this section if the
19 employee or family member is eligible for tuition reimbursement or a tuition
20 waiver as a benefit of employment.

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

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

28 1. The student either:

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

31 (b) Is a member of the military service of the United States stationed
32 in this state or the spouse or dependent of a member of the military service
33 of the United States stationed in this state.

34 2. The student has met the qualifications adopted by the commission.
35 The commission shall adopt minimum qualifications that are comparable to the
36 admissions standards established by the Arizona board of regents for Arizona
37 public universities.

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

42 4. The student has provided high school transcripts as proof of
43 graduation if the student has graduated from a public or private high
44 school. If high school records no longer exist for a student or after every
45 reasonable effort has been made to obtain official records, the student may

1 submit a letter certified by the high school from which the student graduated
2 or the original high school diploma.

3 5. The student has completed and submitted a free application for
4 federal student aid.

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

7 7. If the student is eligible to apply for monies from the private
8 postsecondary education student financial assistance fund established by
9 section 15-1854, the student shall apply for and receive monies from the
10 private postsecondary education student financial assistance fund before the
11 student is eligible to apply for a grant from the postsecondary education
12 grant fund established by this section.

13 F. The postsecondary education grant fund is established consisting of
14 legislative appropriations. The commission shall administer the fund.
15 Monies in the fund are continuously appropriated and are exempt from the
16 provisions of section 35-190 relating to lapsing of appropriations. The
17 commission shall make awards for payment of tuition at qualifying schools to
18 students who are selected to participate in the postsecondary education grant
19 program pursuant to subsection A of this section.

20 G. If the amount of monies available for postsecondary education
21 grants in any fiscal year is insufficient to provide grants to all eligible
22 applicants, the commission shall award grants to eligible students in the
23 order in which the applications were received by the commission, except that
24 priority shall be given to qualifying students who received a grant in the
25 previous fiscal year and who are still in good academic standing at the same
26 qualifying school. The commission shall maintain a waiting list for all
27 other applicants.

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

36 I. The commission shall submit an annual report to the governor, the
37 president of the senate, the speaker of the house of representatives and the
38 joint legislative budget committee that includes a detailed description of
39 the amount of monies distributed under the postsecondary education grant
40 program during the previous fiscal year and that includes the total number of
41 qualified applicants for grants, the total number of grants awarded, the
42 qualifying schools attended by grant recipients and the total number of
43 qualified applicants who were placed on the waiting list. The commission
44 shall provide a copy of this report to the secretary of state and the
45 director of the Arizona state library, archives and public records.

1 J. If the commission is notified by a qualifying school that a student
2 who has received a postsecondary education grant is no longer in good
3 academic standing at the qualifying school, the commission shall immediately
4 discontinue the grant and the student shall reimburse the postsecondary
5 education grant fund for any unused portion or any unlawfully used portion of
6 a grant received pursuant to subsection A of this section.

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

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

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

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

17 42-5031.01. Distribution of revenues for Indian tribal
18 postsecondary educational institutions;
19 definition

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

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

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

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

42 3. Provide for audits by the auditor general of the use of the
43 monies. The auditor general shall submit copies of each audit to the joint
44 legislative budget committee.

45 4. If necessary, provide for reimbursement to the department of
46 revenue of costs associated with implementing this section, not to exceed one

1 hundred fifty thousand dollars, from revenues that would otherwise be paid to
2 the qualifying Indian tribe pursuant to this section.

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

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

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

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

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

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

25 Sec. 9. Community college districts; state aid for science,
26 technology, engineering and mathematics and workforce
27 programs

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

APPROVED BY THE GOVERNOR MARCH 12, 2015.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 12, 2015.