

State of Arizona
Senate
Fifty-second Legislature
Second Regular Session
2016

SENATE BILL 1322

AN ACT

AMENDING SECTIONS 15-1444, 15-1445, 15-1466.01 AND 15-1471, ARIZONA REVISED STATUTES; REPEALING SECTION 15-1474, ARIZONA REVISED STATUTES; REPEALING LAWS 2009, CHAPTER 59, SECTION 3; REPEALING LAWS 2010, CHAPTER 117, SECTION 19; RELATING TO COMMUNITY COLLEGE DISTRICT FINANCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 15-1444, Arizona Revised Statutes, is amended to
3 read:
4 15-1444. General powers and duties of district governing boards
5 A. Except as otherwise provided, the district board shall:
6 1. Maintain each community college for a period of not less than eight
7 months in each year and, if the funds of the district are sufficient,
8 maintain each community college for a longer period.
9 2. Adopt policies in a public forum to offer programs that meet the
10 educational needs of the population served by the community college.
11 3. Enforce the courses of study prescribed by the district board.
12 4. Visit each community college under its jurisdiction and examine
13 carefully into its management, conditions and needs.
14 5. Exclude from each community college all books, publications or
15 papers of a sectarian, partisan or denominational character intended for use
16 as textbooks.
17 6. Appoint and employ a chancellor or chancellors, vice-chancellors, a
18 president or presidents, vice-presidents, deans, professors, instructors,
19 lecturers, fellows and such other officers and employees it deems necessary.
20 The district board may enter into employment contracts with chancellors,
21 vice-chancellors and presidents for a duration of more than one year but not
22 more than five years.
23 7. Determine the salaries of persons it appoints and employs.
24 8. Remove any officer or employee if in its judgment the interests of
25 education in this state require the removal.
26 9. Award degrees, certificates and diplomas on the completion of
27 courses and ~~curriculum~~ CURRICULA as it deems appropriate.
28 10. Appoint or employ, if it deems necessary, police officers who shall
29 have the authority and power of peace officers. The police officers who have
30 received a certificate from the Arizona peace officer standards and training
31 board are eligible for membership in and benefits under either title 38,
32 chapter 5, article 2 or the public safety personnel retirement system under
33 title 38, chapter 5, article 4.
34 11. Determine the location within the district of a community college
35 and purchase, receive, hold, make and take leases of, sell and convey real or
36 personal property for the benefit of the community colleges under its
37 jurisdiction.
38 12. Obtain insurance or be self-insured, or a combination of insurance
39 and self-insurance, against loss, to the extent it is determined necessary on
40 community college buildings of the district. The local district shall have
41 an insurable interest in the buildings.
42 B. The district board may:
43 1. Administer trusts declared or created for the district and receive
44 by gift or devise and hold in trust or otherwise property wheresoever

1 located, and if not otherwise provided, dispose of the property for the
2 benefit of the district.

3 2. Lease real property, as lessor or as lessee. If a district is the
4 lessee, the lease may contain an option to purchase the property. The
5 district board may adopt policies as are deemed necessary and may delegate in
6 writing to the chancellor or president of the district, or their designees,
7 all or any part of its authority to lease property under this paragraph. Any
8 delegation by the district board pursuant to this paragraph may be rescinded
9 in whole or in part at any time by the district board.

10 3. Sue and be sued.

11 4. Contract. The district board may adopt such policies as are deemed
12 necessary and may delegate in writing to the chancellor or president of the
13 district, or their designees, all or any part of its authority to contract
14 under this paragraph. Any delegation of authority under this paragraph may
15 be rescinded by the district board at any time in whole or in part.

16 5. Construct, remodel and repair buildings.

17 6. In conjunction with other districts, establish policies for
18 procurement of goods and services.

19 7. Provide a plan or plans for employee benefits, which may include
20 optional retirement programs pursuant to section 15-1451, subsection A, which
21 allow for participation in a cafeteria plan that meets the requirements of
22 the United States internal revenue code of 1986.

23 8. Accept grants or donations of monies from the United States, ~~or~~
24 from any of its agencies, departments or officers, FROM THIS STATE, POLITICAL
25 SUBDIVISIONS OF THIS STATE, FROM TRIBAL GOVERNMENTS, SCHOOL DISTRICTS,
26 SPECIAL TAXING DISTRICTS or from persons, corporations, foundations or
27 associations. A district board shall deposit the monies into a specific fund
28 or account and a district board shall administer the monies in accordance
29 with the purpose of the grant or donation with specific policies or
30 restrictions as described or stipulated in the grant or donation. In the
31 case of personal property granted or donated to or for the benefit of a
32 community college district, a district board shall immediately transfer
33 possession and ownership of the property to the designated district. MONIES
34 RECEIVED PURSUANT TO THIS PARAGRAPH ARE NOT CONSIDERED LOCAL REVENUES FOR THE
35 PURPOSES OF ARTICLE IX, SECTION 21, CONSTITUTION OF ARIZONA.

36 9. Enter into intergovernmental agreements or contracts pursuant to
37 section 11-952.01 for participation in programs offered by public agency
38 pools or separately contract with a trustee or board of trustees that
39 provides a common self-insurance program with pooled funds and risks pursuant
40 to section 15-382, subsection B, paragraph 2. The district board is not
41 required to engage in competitive procurement in order to make the decision
42 to participate in these programs.

43 10. Name a building or a group of buildings that is located on a
44 community college campus on behalf of a person or entity that has made a

1 significant contribution of monies or other property to the community college
2 or the community college district.

3 11. Enter into research and development agreements, royalty agreements,
4 development agreements, licensing agreements and profit-sharing agreements
5 concerning the research, development, production, storing or marketing of new
6 products developed or to be developed through community college district
7 research. MONIES RECEIVED PURSUANT TO THIS PARAGRAPH ARE NOT CONSIDERED
8 LOCAL REVENUES FOR THE PURPOSES OF ARTICLE IX, SECTION 21, CONSTITUTION OF
9 ARIZONA.

10 12. Enter into an intergovernmental agreement pursuant to section
11 15-1747 to participate in a reciprocity agreement subject to the terms of the
12 reciprocity agreement.

13 13. ENGAGE IN ENTREPRENEURIAL AND COMMERCIAL ACTIVITIES. MONIES
14 RECEIVED PURSUANT TO THIS PARAGRAPH NOT CONSIDERED LOCAL REVENUES FOR THE
15 PURPOSES OF ARTICLE IX, SECTION 21, CONSTITUTION OF ARIZONA.

16 14. COLLECT AUXILIARY FEES, INCLUDING CAFETERIA FEES, FOOD SERVICE
17 FEES, BOOKSTORE FEES AND DORMITORY FEES. MONIES RECEIVED PURSUANT TO THIS
18 PARAGRAPH ARE NOT CONSIDERED LOCAL REVENUES FOR THE PURPOSES OF ARTICLE IX,
19 SECTION 21, CONSTITUTION OF ARIZONA.

20 15. PROVIDE GOODS AND SERVICES PURSUANT TO A CONTRACT WITH A POLITICAL
21 SUBDIVISION OF THIS STATE OR WITH A TRIBAL GOVERNMENT. MONIES RECEIVED
22 PURSUANT TO THIS PARAGRAPH ARE NOT CONSIDERED LOCAL REVENUES FOR THE PURPOSES
23 OF ARTICLE IX, SECTION 21, CONSTITUTION OF ARIZONA.

24 C. If a district acquires real or personal property, whether by
25 purchase, exchange, condemnation, gift or otherwise, the district shall pay
26 to the county treasurer any taxes on the property that were unpaid as of the
27 date of acquisition, including penalties and interest. The lien for unpaid
28 delinquent taxes, penalties and interest on property acquired by the
29 district:

30 1. Is not abated, extinguished, discharged or merged in the title to
31 the property.

32 2. Is enforceable in the same manner as other delinquent tax liens.

33 D. In a district whose boundaries encompass a vehicle emissions
34 control area as defined in section 49-541, the district board shall require
35 all out-of-county and out-of-state students to sign an affidavit at the time
36 of course registration that the student's vehicle meets the requirements of
37 section 49-542. The district board on property under its jurisdiction within
38 a vehicle emissions control area shall prohibit the parking of those vehicles
39 that fail to comply with section 49-542.

40 E. A community college district and a joint technical education
41 district governing board may enter into agreements for the provision of
42 administrative, operational and educational services and facilities.

43 F. Each district may establish a program for the exchange of students
44 between the community colleges under its jurisdiction and colleges and
45 universities located in Sonora, Mexico. The program may provide for in-state

1 tuition for Sonora students at the community colleges under the jurisdiction
2 of the district in exchange for similar tuition provisions for Arizona
3 students enrolled or seeking enrollment in Sonora colleges and universities.
4 The community colleges may work in conjunction with the Arizona-Mexico
5 commission in the governor's office to coordinate recruitment and admissions
6 activities to provide for in-state tuition for up to fifty Sonora students at
7 the community colleges under the jurisdiction of the district in exchange for
8 similar tuition provisions for up to fifty total Arizona students enrolled or
9 seeking enrollment in Sonora colleges and universities.

10 G. Each district shall facilitate transfer articulation coordination
11 pursuant to section 15-1824.

12 Sec. 2. Section 15-1445, Arizona Revised Statutes, is amended to read:
13 15-1445. Administrative powers and duties of district governing
14 boards

15 A district board shall:

16 1. Adopt policies for the government of the community colleges under
17 its jurisdiction.

18 2. In conjunction with other district boards, set standards for the
19 establishment, development, administration, operation and accreditation of
20 community colleges in the district.

21 3. Fix tuitions and graduate the tuitions and fees between
22 institutions and between residents, nonresidents and students from foreign
23 countries. The district board may waive tuitions and fees and graduate
24 tuitions and waivers for an employee or the spouse or dependent child of an
25 employee of the district, or for a nonresident student enrolled in the
26 district if the district board determines the waiver is in the best interest
27 of this state and the student.

28 4. In conjunction with other district boards, submit to the economic
29 estimates commission before January 10 of each year the estimated number of
30 full-time equivalent students for the district as prescribed in section
31 15-1466.01.

32 5. Establish ~~curriculums~~ CURRICULA and designate courses that in its
33 judgment will best serve the interests of this state.

34 6. Determine academic classes that qualify as open entry, open exit
35 classes and prescribe policies for the operation of open entry, open exit
36 classes.

37 7. In conjunction with other district boards and the state board of
38 education, review and adopt, within the scope of the statutory definitions of
39 vocational and ~~technological~~ TECHNICAL education, program and staff standards
40 with modifications as necessary for courses taught in community colleges.
41 The district board shall base the standards on vocational and ~~technological~~
42 TECHNICAL competence.

43 8. In conjunction with other district boards, establish qualifications
44 of the instructional staff that, at a minimum, shall be equal to those
45 required to meet accreditation guidelines and establish standards of

1 vocational and ~~technological~~ TECHNICAL competence required to instruct in
2 occupational as well as academic subjects.

3 9. In conjunction with other district boards, prescribe guidelines
4 providing for the transferability between community college district
5 vocational and ~~technological~~ TECHNICAL education programs and in conjunction
6 with the state board of education prescribe guidelines for the
7 interrelationship of secondary programs and postsecondary programs.

8 10. In conjunction with other district boards, prescribe the manner in
9 which the self-evaluation of vocational and ~~technological~~ TECHNICAL education
10 programs is conducted as provided in section 15-1452.

11 11. If requested by the state board of education, assist in the
12 preparation, publication and distribution of an annual state plan and a
13 comprehensive ~~five-year~~ FIVE-YEAR state plan.

14 12. In conjunction with other district boards and the state board of
15 education, develop a process to determine program funding priorities for
16 state aid purposes. Each district board shall submit state aid
17 recommendations to the legislature. The recommendations shall be based on
18 the process and on existing cost studies of vocational and ~~technological~~
19 TECHNICAL education in this state.

20 13. In conjunction with other district boards, prescribe qualifications
21 for admission to community colleges for honorably discharged veterans who
22 served on active duty in the armed forces for a minimum of one year and who
23 were previously enrolled at a community college or university in this
24 state. For the purpose of determining the qualifications, the district board
25 may not consider prior failing grades received by the veteran at a community
26 college or university in this state.

27 14. Require the publisher of each literary and nonliterary textbook
28 used in the community colleges of the district to furnish computer software
29 in a standardized format, when software becomes available for nonliterary
30 textbooks, to the district board from which braille versions of the textbook
31 may be produced.

32 15. Identify students simultaneously enrolled in a course for both high
33 school and college credit by using the same student level data element
34 required by section 15-1042, subsection A. The auditor general shall have
35 access to this information when certifying the full-time equivalent student
36 enrollment pursuant to section 15-1466.01, **SUBSECTION A**, paragraph 4.

37 16. ~~Beginning July 1, 2007, purchase~~ **ACQUIRE** United States flags that
38 are manufactured in the United States and that are at least two feet by three
39 feet and hardware to appropriately display the United States ~~flag and~~
40 ~~purchase~~ **FLAGS, ACQUIRE** a legible copy of the Constitution of the United
41 States and the Bill of Rights that is manufactured in the United States, ~~and~~
42 display the flags in each classroom in accordance with title 4 of the United
43 States Code and display a legible copy of the Constitution of the United
44 States and the Bill of Rights adjacent to the flag.

~~each district for all basic actual, additional short term and open entry, open exit classes and skill center and adult basic education courses shall be audited annually by the auditor general. The auditor general shall report the results of the audit to the staffs of the joint legislative budget committee and the governor's office of strategic planning and budgeting by October 15 of each year.~~

5. For a student who takes a course for which credit is awarded by both a community college and a high school, in which the instructor is an employee of the high school and in which the class is being taught on the high school campus during the normal high school operating hours, the amount of state aid that the community college would otherwise receive for that student shall be reduced by fifty ~~per cent~~ PERCENT.

B. FOR THE PURPOSES OF CALCULATING THE DISTRICT EXPENDITURE LIMITATION PRESCRIBED IN ARTICLE IX, SECTION 21, CONSTITUTION OF ARIZONA, AND PURSUANT TO SECTION 41-563, THE NUMBER OF FULL-TIME EQUIVALENT STUDENTS SHALL BE CALCULATED IN THE FOLLOWING MANNER:

1. DETERMINE THE TOTAL OF BASIC ACTUAL, ADDITIONAL SHORT-TERM AND OPEN ENTRY, OPEN EXIT AND SKILL CENTER FULL-TIME EQUIVALENT STUDENTS AS PRESCRIBED IN SUBSECTION A OF THIS SECTION.

2. DETERMINE THE NUMBER OF FULL-TIME EQUIVALENT STUDENTS INCLUDED IN PARAGRAPH 1 OF THIS SUBSECTION WHO WERE ENROLLED IN CAREER AND TECHNICAL EDUCATION COURSES THAT HAVE BEEN APPROVED BY THE DEPARTMENT OF EDUCATION IN ACCORDANCE WITH THE CARL D. PERKINS CAREER AND TECHNICAL EDUCATION IMPROVEMENT ACT OF 2006.

3. MULTIPLY THE AMOUNT DETERMINED IN PARAGRAPH 2 OF THIS SUBSECTION BY 0.3.

4. ADD THE AMOUNTS IN PARAGRAPHS 1 AND 3 OF THIS SUBSECTION. THIS SUM IS THE FULL-TIME EQUIVALENT STUDENT ENROLLMENT FOR THE PURPOSE OF THE EXPENDITURE LIMITATION.

C. THE FULL-TIME EQUIVALENT STUDENT ENROLLMENT REPORTED BY EACH DISTRICT FOR ALL BASIC ACTUAL, ADDITIONAL SHORT-TERM AND OPEN ENTRY, OPEN EXIT CLASSES AND SKILL CENTER AND ADULT BASIC EDUCATION COURSES PURSUANT TO SUBSECTION A OF THIS SECTION SHALL BE AUDITED ANNUALLY BY THE AUDITOR GENERAL. THE AUDITOR GENERAL SHALL AUDIT SEPARATELY ANY FULL-TIME EQUIVALENT STUDENT ENROLLMENT IN WHICH A STUDENT IS ENROLLED IN A COURSE FOR BOTH HIGH SCHOOL AND COLLEGE CREDIT SIMULTANEOUSLY, EXCEPT FOR CREDIT RECEIVED AT A PRIVATE COLLEGE OR A COLLEGE THAT IS OWNED, OPERATED OR CHARTERED BY AN INDIAN TRIBE, TAKING INTO CONSIDERATION ANY RELEVANT LAW, REGULATION OR RULE. BEGINNING WITH THE AUDIT FOR THE YEAR ENDING JUNE 30, 2016, THE AUDITOR GENERAL SHALL AUDIT SEPARATELY THE CALCULATION OF FULL-TIME EQUIVALENT STUDENT ENROLLMENT IN SUBSECTION B OF THIS SECTION FOR THE PURPOSE OF THE EXPENDITURE LIMITATION FOR USE PURSUANT TO SECTION 41-563. THE AUDITOR GENERAL SHALL REPORT THE RESULTS OF THE AUDIT TO THE STAFFS OF THE JOINT LEGISLATIVE BUDGET COMMITTEE, THE GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND

1 BUDGETING AND THE ECONOMIC ESTIMATES COMMISSION ON OR BEFORE OCTOBER 15 OF
2 EACH YEAR.

3 D. PURSUANT TO SECTION 15-1445, PARAGRAPH 4, A COMMUNITY COLLEGE
4 DISTRICT MAY SUBMIT TO THE ECONOMIC ESTIMATES COMMISSION ONE OF THE FOLLOWING
5 ESTIMATES OF FULL-TIME EQUIVALENT STUDENT ENROLLMENT:

6 1. THE MOST RECENT AUDITED FULL-TIME EQUIVALENT STUDENT ENROLLMENT
7 COUNT CALCULATED PURSUANT TO SUBSECTION B OF THIS SECTION.

8 2. THE AVERAGE OF THE FIVE MOST RECENT AUDITED FULL-TIME EQUIVALENT
9 STUDENT ENROLLMENT COUNTS CALCULATED PURSUANT TO SUBSECTION B OF THIS
10 SECTION.

11 3. A FULL-TIME EQUIVALENT STUDENT ENROLLMENT COUNT THAT EXCEEDS THE
12 MOST RECENT AUDITED FULL-TIME EQUIVALENT STUDENT ENROLLMENT COUNT CALCULATED
13 PURSUANT TO SUBSECTION B OF THIS SECTION BY UP TO FIVE PERCENT IF THE ACTUAL
14 FULL-TIME EQUIVALENT STUDENT ENROLLMENT COUNT AS OF FORTY-FIVE DAYS AFTER
15 CLASSES BEGIN IN THE CURRENT FALL SEMESTER EXCEEDS THE ACTUAL FULL-TIME
16 EQUIVALENT STUDENT ENROLLMENT COUNT AS OF FORTY-FIVE DAYS AFTER CLASSES BEGAN
17 IN THE FALL SEMESTER OF THE PREVIOUS YEAR.

18 Sec. 4. Section 15-1471, Arizona Revised Statutes, is amended to read:
19 15-1471. Expenditure limitations; overrides

20 A. A district board, on the approval of a majority of the qualified
21 electors in the district voting at a regularly scheduled election on the
22 first Tuesday after the first Monday in November, may authorize expenditures
23 in excess of the district expenditure limitation prescribed pursuant to
24 article IX, section 21, Constitution of Arizona. The excess expenditures
25 authorized shall be a specified percentage of the expenditure limitation.
26 The impact of the authorization shall appear on the ballot and in publicity
27 pamphlets in the same manner as prescribed in section 41-563.03.

28 B. In the resolution requesting the voters to approve expenditures in
29 excess of the district expenditure limitation prescribed pursuant to article
30 IX, section 21, Constitution of Arizona, the district board shall state the
31 number of years in which the authority to expend in excess of the limitation
32 otherwise prescribed is to be in effect. The district board shall not
33 request authority from the voters for a period of less than two years nor
34 more than seven years.

35 C. Any authorization of expenditures made pursuant to this section
36 shall be used in determining a modified expenditure limitation ~~which~~ THAT is
37 equal to the expenditure limitation prescribed pursuant to article IX,
38 section 21, Constitution of Arizona, increased by the specified percentage,
39 beginning with the fiscal year immediately following the approval of the
40 qualified electors of the district. The district board shall not authorize
41 expenditures in excess of the modified expenditure limitation in subsequent
42 fiscal years unless subsequent approval for additional excess expenditures is
43 received as provided in subsection A of this section.

44 D. A DISTRICT BOARD, BY AN AFFIRMATIVE VOTE OF TWO-THIRDS OF THE
45 MEMBERS OF THE BOARD, MAY REFER TO THE VOTERS IN THE DISTRICT A PERMANENT

1 CHANGE IN THE BASE LIMIT USED TO DETERMINE THE DISTRICT EXPENDITURE
2 LIMITATION PRESCRIBED PURSUANT TO ARTICLE IX, SECTION 21, CONSTITUTION OF
3 ARIZONA. A PERMANENT CHANGE IN THE BASE LIMIT MAY BE AUTHORIZED ON THE
4 APPROVAL OF A MAJORITY OF THE QUALIFIED ELECTORS IN THE DISTRICT VOTING AT A
5 REGULARLY SCHEDULED ELECTION ON THE FIRST TUESDAY AFTER THE FIRST MONDAY IN
6 NOVEMBER. THE IMPACT OF THE AUTHORIZATION SHALL APPEAR ON THE BALLOT AND IN
7 PUBLICITY PAMPHLETS IN THE SAME MANNER AS PRESCRIBED IN SECTION 41-563.03.

8 E. IN THE RESOLUTION REQUESTING THE VOTERS TO APPROVE A PERMANENT
9 CHANGE IN THE BASE LIMIT USED TO DETERMINE THE DISTRICT EXPENDITURE
10 LIMITATION PRESCRIBED PURSUANT TO ARTICLE IX, SECTION 21, CONSTITUTION OF
11 ARIZONA, THE DISTRICT BOARD SHALL STATE ALL OF THE FOLLOWING:

12 1. THE CURRENT BASE LIMIT USED TO DETERMINE THE DISTRICT EXPENDITURE
13 LIMITATION.

14 2. THE PROPOSED BASE LIMIT TO BE USED TO DETERMINE THE DISTRICT
15 EXPENDITURE LIMITATION.

16 3. THE INCREASE IN EXPENDITURE LIMITATION CAPACITY GENERATED BY A
17 CHANGE IN THE BASE LIMIT FOR THE MOST RECENT CALCULATED EXPENDITURE
18 LIMITATION.

19 4. A RATIONALE FOR THE REQUEST TO AUTHORIZE A PERMANENT CHANGE IN THE
20 BASE LIMIT USED IN THE CALCULATION OF THE EXPENDITURE LIMITATION.

21 F. ANY AUTHORIZATION OF A PERMANENT CHANGE IN THE BASE LIMIT PURSUANT
22 TO SUBSECTION D OF THIS SECTION SHALL BE USED IN DETERMINING AN EXPENDITURE
23 LIMITATION PRESCRIBED PURSUANT TO ARTICLE IX, SECTION 21, CONSTITUTION OF
24 ARIZONA, BEGINNING WITH THE FISCAL YEAR IMMEDIATELY FOLLOWING THE APPROVAL OF
25 THE PERMANENT CHANGE BY THE QUALIFIED ELECTORS OF THE DISTRICT.

26 Sec. 5. Repeal

27 Section 15-1474, Arizona Revised Statutes, is repealed.

28 Sec. 6. Repeal

29 Laws 2009, chapter 59, section 3 is repealed.

30 Sec. 7. Repeal

31 Laws 2010, chapter 117, section 19 is repealed.

32 Sec. 8. Community college district: full-time equivalent
33 submissions: repeal

34 A. Notwithstanding section 15-1466.01, subsection D, Arizona Revised
35 Statutes, as added by this act, a community college district may submit to
36 the economic estimates commission the average of the ten most recent audited
37 full-time equivalent student enrollment counts.

38 B. This section is repealed from and after June 30, 2019.