

State of Arizona
Senate
Fifty-third Legislature
First Regular Session
2017

SENATE BILL 1528

AN ACT

AMENDING SECTIONS 15-1464 AND 15-1466, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 13, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-1650.03; AMENDING TITLE 15, CHAPTER 13, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-1655; 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 15-1464, Arizona Revised Statutes, is amended to
3 read:

4 **15-1464. State aid per capita distribution for science,**
5 **technology, engineering and mathematics and**
6 **workforce programs; fund; appropriation; report;**
7 **exception**

8 A. In addition to the appropriation prescribed in section 15-1463,
9 subsection A, this state shall pay to each community college district
10 state aid for science, technology, engineering and mathematics and
11 workforce programs in the following manner:

12 1. For fiscal year 1992-1993 for a community college district that
13 had less than five thousand actual full-time equivalent students according
14 to the most recent fiscal year actual full-time equivalent student count,
15 the amount determined by multiplying the number of actual full-time
16 equivalent students according to the most recent fiscal year actual
17 full-time equivalent student count by two hundred seven dollars.

18 2. For fiscal year 1992-1993 for a community college district that
19 had five thousand or more actual full-time equivalent students according
20 to the most recent fiscal year actual full-time equivalent student count,
21 the amount determined by multiplying the number of actual full-time
22 equivalent students according to the most recent fiscal year actual
23 full-time equivalent student count by one hundred fifty-eight dollars.

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

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

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

37 D. Appropriations for science, technology, engineering and
38 mathematics and workforce programs made pursuant to subsections A and C of
39 this section and section 15-1463 shall be made to an account designated as
40 the science, technology, engineering and mathematics and workforce
41 programs fund. Monies in the fund shall be used for science, technology,
42 engineering and mathematics and workforce programs purposes, and the
43 expenditures may include:

44 1. Partnerships with businesses and educational institutions.

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

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

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

7 5. The purchase, lease or lease-purchase of real property, for new
8 construction, remodeling or repair of buildings or facilities on real
9 property.

10 E. At the beginning of each fiscal year, the district board shall
11 present to the department of administration a claim for the annual amount
12 appropriated by the legislature and assigned to the district for science,
13 technology, engineering and mathematics and workforce programs
14 purposes. The department of administration shall draw a warrant in
15 payment of the claim and shall transmit the warrant to the state treasurer
16 who shall disburse the ~~funds~~ MONIES to the district for science,
17 technology, engineering and mathematics and workforce programs purposes,
18 to be expended as provided by law. If no community college exists, the
19 department shall establish a fund for new future community college
20 districts to be disbursed as needed.

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

25 G. Each district has the option of using up to twenty percent of
26 its total science, technology, engineering and mathematics and workforce
27 programs aid appropriation for operating aid purposes or taking this same
28 amount out of the district's total operating state aid appropriation and
29 using it for science, technology, engineering and mathematics and
30 workforce programs purposes.

31 H. On or before December 1 of every even-numbered year, each
32 community college district shall submit a report of its science,
33 technology, engineering and mathematics and workforce programs plan
34 activities and the expenditures authorized in this section to the
35 governor, president of the senate, speaker of the house of
36 representatives, joint legislative budget committee and Arizona commerce
37 authority. The report shall include the purpose and goals for which the
38 science, technology, engineering and mathematics and workforce programs
39 monies were expended by each district with a general accounting of the
40 expenditures. Each community college district shall transmit a copy of
41 this report to the secretary of state.

42 I. ~~A community college district that is located in a county with a
43 population of seven hundred fifty thousand persons or more is not eligible
44 to receive state aid for science, technology, engineering and mathematics
45 and workforce programs as prescribed in subsection A of this section.~~

1 Sec. 2. Section 15-1466, Arizona Revised Statutes, is amended to
2 read:

3 **15-1466. State aid; eligibility; limits**

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

7 B. The state shall determine the amount of state aid, as prescribed
8 in subsection D of this section, appropriated to each district for the
9 fiscal year ~~prior to~~ BEFORE the fiscal year for which the state aid is
10 being calculated.

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

14 1. Calculate the growth or decrease in the actual, audited
15 full-time equivalent student count between the second and third most
16 recent fiscal years ~~prior to~~ BEFORE the fiscal year for which the state
17 aid is being calculated for each district.

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

22 3. Multiply the amount calculated in paragraph 1 of this subsection
23 by the average appropriation calculated in paragraph 2 of this subsection.
24 This amount equals the adjustment required pursuant to this section.

25 D. The total amount appropriated to each district each fiscal year
26 in accordance with this section shall serve as the amount of state aid to
27 be adjusted in the next fiscal year. A district is eligible for growth
28 funding pursuant to this section only for the portion of its most recent
29 audited full-time student equivalent count that exceeds the audited
30 full-time student equivalent count recorded for the district for the most
31 recent fiscal year in which an adjustment was previously made pursuant to
32 subsection C of this section.

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

34 1. Be equipped with suitable buildings, equipment and campus.
35 2. Have at least three hundred twenty full-time equivalent students
36 attending in the district.

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

39 ~~4. Be located in a county with a population of less than seven
40 hundred fifty thousand persons.~~

41 F. The total amount of state monies that may be spent in any fiscal
42 year by a district for operating state aid shall not exceed the amount
43 appropriated or authorized by section 35-173 for that purpose.
44 Notwithstanding section 15-1444, this section ~~shall~~ DOES not ~~be construed~~
45 ~~to~~ impose a duty on an officer, agent or employee of this state to

1 discharge a responsibility or ~~to~~ create any right in a person or group if
2 the discharge or right would require an expenditure of state monies in
3 excess of the expenditure authorized by legislative appropriation for that
4 specific purpose, including any duties prescribed in an employment
5 contract entered into pursuant to section 15-1444, subsection A,
6 paragraph 6.

7 G. In addition to the formula to determine the state aid
8 appropriations prescribed in this section, ~~the~~ THIS state may pay
9 additional amounts for state aid to a district based on requests included
10 in the district's budget request.

11 H. This section does not entitle a community college operated by a
12 qualified Indian tribe to state aid for community colleges pursuant to
13 this chapter.

14 Sec. 3. Title 15, chapter 13, article 2, Arizona Revised Statutes,
15 is amended by adding section 15-1650.03, to read:

16 15-1650.03. Arizona board of regents; resident undergraduate
17 students; cost study; annual cost containment
18 report

19 A. ON OR BEFORE DECEMBER 15, 2017 AND EVERY FIVE YEARS THEREAFTER,
20 THE ARIZONA BOARD OF REGENTS SHALL CONDUCT AND COMPLETE A COMPREHENSIVE
21 COST STUDY TO DETERMINE THE ACTUAL COST OF EDUCATING A FULL-TIME RESIDENT
22 UNDERGRADUATE STUDENT AT EACH UNIVERSITY UNDER THE JURISDICTION OF THE
23 BOARD. THE BOARD SHALL SUBMIT THE COST STUDY TO THE GOVERNOR, THE
24 PRESIDENT OF THE SENATE, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND
25 THE JOINT LEGISLATIVE BUDGET COMMITTEE AND SHALL PROVIDE A COPY TO THE
26 SECRETARY OF STATE. THE COST STUDY SHALL INCLUDE A DETAILED BREAKDOWN OF
27 THE COSTS ASSOCIATED WITH EDUCATING A FULL-TIME RESIDENT UNDERGRADUATE
28 STUDENT AND SHALL INCLUDE AT LEAST THE FOLLOWING:

29 1. THE USE OF INSTRUCTIONAL FEES AT EACH UNIVERSITY, INCLUDING
30 DIFFERENTIATING BETWEEN MANDATORY FEES, PROGRAM FEES AND COURSE FEES.

31 2. DIFFERENTIATED COSTS BETWEEN PROGRAMS OF STUDY, INCLUDING
32 DIFFERENTIAL TUITION AND PROGRAM AND COURSE FEES.

33 3. THE COSTS OF FACULTY AND ADMINISTRATION DIFFERENTIATED BETWEEN
34 THE AMOUNT OF TIME NEEDED TO INSTRUCT STUDENTS AND TO CONDUCT RESEARCH.

35 4. A BREAKDOWN OF WHERE TUITION DOLLARS ARE ALLOCATED, INCLUDING
36 THE AMOUNT THAT IS NOT DIRECTLY ATTRIBUTABLE TO INSTRUCTIONAL COSTS.

37 5. AN ANALYSIS OF THE MARGINAL COST AND THE AVERAGE COST OF A
38 STUDENT DEPENDING ON THE TYPE OF PROGRAM IN WHICH THE STUDENT IS ENROLLED,
39 INCLUDING ONLINE PROGRAMS.

40 B. ON OR BEFORE JULY 1, 2018 AND EACH YEAR THEREAFTER, THE ARIZONA
41 BOARD OF REGENTS SHALL SUBMIT A COMPREHENSIVE UNIVERSITY COST CONTAINMENT
42 REPORT FOR EACH UNIVERSITY UNDER THE JURISDICTION OF THE BOARD TO THE
43 GOVERNOR, THE PRESIDENT OF THE SENATE, THE SPEAKER OF THE HOUSE OF
44 REPRESENTATIVES AND THE JOINT LEGISLATIVE BUDGET COMMITTEE AND SHALL
45 PROVIDE A COPY TO THE SECRETARY OF STATE. THE REPORT SHALL DEMONSTRATE

1 THE ACTIONS TAKEN BY EACH UNIVERSITY TO CONTAIN THE INCREASED COST OF
2 ATTENDANCE FOR FULL-TIME RESIDENT UNDERGRADUATE STUDENTS AND SHALL INCLUDE
3 AT LEAST THE FOLLOWING:

4 1. HISTORICAL DATA ON TUITION AND FEE LEVELS AND PERCENTAGE
5 INCREASES, INCLUDING AUXILIARY FEES AND HOUSING AND MEAL PLAN FEES, AT
6 EACH UNIVERSITY FOR AT LEAST THE PAST TWENTY YEARS, AND WHAT THOSE
7 INCREASES WERE USED FOR AT EACH UNIVERSITY SINCE AT LEAST 2009.

8 2. THE GROWTH AND COST OF THE FACULTY AND ADMINISTRATION AT EACH
9 UNIVERSITY.

10 3. ACTIONS TAKEN BY EACH UNIVERSITY TO CONTAIN COSTS AT THE
11 UNIVERSITY AND THE SAVINGS ASSOCIATED WITH THOSE ACTIONS.

12 4. THE ALLOCATION OF FACULTY RESOURCES BASED ON THE TIME NEEDED TO
13 INSTRUCT STUDENTS AND TO CONDUCT OTHER RESEARCH ACTIVITIES.

14 5. THE RETURN ON INVESTMENT FOR DIVERTING TUITION DOLLARS TO
15 NONINSTRUCTIONAL PURPOSES.

16 6. THE ABILITY TO REDUCE UNNECESSARY COURSEWORK FOR EDUCATIONAL
17 PROGRAMS.

18 7. THE DEVELOPMENT OF NEW, NONTRADITIONAL AND LESS EXPENSIVE
19 EDUCATION PROGRAMS.

20 Sec. 4. Heading change

21 The article heading of title 15, chapter 13, article 3, Arizona
22 Revised Statutes, is changed from "TEACHER TRAINING SCHOOLS" to "TEACHER
23 TRAINING".

24 Sec. 5. Title 15, chapter 13, article 3, Arizona Revised Statutes,
25 is amended by adding section 15-1655, to read:

26 15-1655. Arizona teacher academy; tuition waiver; report

27 A. FOR THE 2017-2018 ACADEMIC YEAR, UNIVERSITIES UNDER THE
28 JURISDICTION OF THE ARIZONA BOARD OF REGENTS SHALL IMPLEMENT AN ARIZONA
29 TEACHER ACADEMY TO INCENTIVIZE ARIZONA RESIDENT STUDENTS TO ENTER THE
30 TEACHING PROFESSION AND TO COMMIT TO TEACH IN ARIZONA PUBLIC SCHOOLS. THE
31 ARIZONA BOARD OF REGENTS, IN CONSULTATION WITH UNIVERSITIES UNDER THE
32 JURISDICTION OF THE BOARD, SHALL DEVELOP:

33 1. METRICS TO ASSESS THE EFFICACY OF THE ACADEMY.

34 2. A MARKETING AND PROMOTION PLAN TO RECRUIT STUDENTS FOR THE
35 ACADEMY.

36 B. THE ARIZONA TEACHER ACADEMY MAY INCLUDE NEW OR EXISTING TEACHER
37 PREPARATION PROGRAM PATHWAYS THAT ARE STUDENT-FOCUSED AND THAT EMPLOY
38 PROVEN, RESEARCH-BASED MODELS OF BEST PRACTICES ALREADY BEING IMPLEMENTED.
39 EACH UNIVERSITY MAY DEVELOP A PORTFOLIO OF TEACHER PREPARATION PROGRAMS TO
40 OFFER AS PART OF THE ACADEMY. PROGRAMS OFFERED AS PART OF THE ACADEMY
41 SHALL INCLUDE ACCELERATED MODELS FOR:

42 1. HIGH-DEMAND TEACHER SPECIALIZATIONS, INCLUDING SCIENCE,
43 TECHNOLOGY, ENGINEERING AND MATHEMATICS.

44 2. INDIVIDUALS SEEKING POSTBACCALAUREATE COURSEWORK THAT RESULTS IN
45 PROFESSIONAL CERTIFICATION.

1 C. EACH UNIVERSITY SHALL DEVELOP FORMALIZED PARTNERSHIPS WITH
2 PUBLIC SCHOOLS IN THIS STATE TO BUILD COMMITMENTS FOR TEACHER EMPLOYMENT
3 ON COMPLETION OF THE ARIZONA TEACHER ACADEMY. THE TARGETED DEPLOYMENT OF
4 TEACHERS WHO HAVE COMPLETED THE ACADEMY SHALL BE BASED ON THE NEEDS OF
5 EACH SCHOOL SYSTEM AND THE COMMUNITY THAT IS BEING SERVED AS WELL AS THE
6 INDIVIDUAL SKILLS OF EACH TEACHER.

7 D. EACH UNIVERSITY SHALL PROVIDE EACH FULL-TIME STUDENT ENROLLED IN
8 THE ARIZONA TEACHER ACADEMY AN ANNUAL WAIVER FOR ALL TUITION AND FEES
9 ASSOCIATED WITH THE STUDENT'S PROGRAM OF STUDY, SUBJECT TO THE FOLLOWING:

10 1. IF THE STUDENT DOES NOT SUCCESSFULLY COMPLETE THE ACADEMIC YEAR
11 IN GOOD ACADEMIC STANDING, THE STUDENT SHALL REIMBURSE THE UNIVERSITY FOR
12 THE TOTAL AMOUNT OF THE WAIVER FOR TUITION AND FEES THE STUDENT RECEIVED
13 FOR THAT YEAR.

14 2. FOR EACH ACADEMIC YEAR THAT THE STUDENT SUCCESSFULLY COMPLETES
15 AND FOR WHICH THE STUDENT RECEIVES A WAIVER FOR ALL TUITION AND FEES, THE
16 STUDENT MUST AGREE TO TEACH FOR ONE FULL SCHOOL YEAR IN A PUBLIC SCHOOL IN
17 THIS STATE.

18 3. IF THE STUDENT DOES NOT FULFILL THE STUDENT'S AGREEMENT TO TEACH
19 IN A PUBLIC SCHOOL, THE STUDENT MUST REIMBURSE THE UNIVERSITY FOR THE
20 PROPORTIONAL AMOUNT OF THE WAIVER FOR TUITION AND FEES THAT THE STUDENT
21 RECEIVED THAT CORRESPONDS TO THE NUMBER OF SCHOOL YEARS THE STUDENT AGREED
22 TO TEACH BUT DID NOT TEACH IN A PUBLIC SCHOOL IN THIS STATE.

23 4. IF THE STUDENT IS PHYSICALLY OR MENTALLY UNABLE TO FULFILL THE
24 REQUIREMENTS OF THE ACADEMY, THE UNIVERSITY SHALL ASSESS THE STUDENT'S
25 ABILITY TO REPAY THE FINANCIAL ASSISTANCE RECEIVED AND SHALL MAKE A
26 DETERMINATION ON ANY TERMS OF REPAYMENT.

27 E. ON OR BEFORE JULY 1, 2018 AND EACH YEAR THEREAFTER, THE ARIZONA
28 BOARD OF REGENTS SHALL REPORT TO THE GOVERNOR, THE PRESIDENT OF THE SENATE
29 AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, AND SUBMIT A COPY TO THE
30 SECRETARY OF STATE, ON ALL OF THE FOLLOWING:

31 1. THE TOTAL NUMBER OF STUDENTS ENROLLED IN THE ARIZONA TEACHER
32 ACADEMY OF EACH UNIVERSITY.

33 2. THE PERCENTAGE OF STUDENTS WHO COMPLETED EACH YEAR OF THE
34 ACADEMY AND WHO PLAN TO CONTINUE TO THE SUBSEQUENT YEAR, DELINEATED BY
35 EACH TEACHER PREPARATION PROGRAM OFFERED BY EACH UNIVERSITY AS PART OF THE
36 ARIZONA TEACHER ACADEMY.

37 3. THE NUMBER OF TEACHERS WHO COMPLETED A PROGRAM OF STUDY THROUGH
38 THE ARIZONA TEACHER ACADEMY.

39 4. THE NUMBER OF TEACHERS CURRENTLY TEACHING IN A PUBLIC SCHOOL IN
40 THIS STATE AS PART OF AN AGREEMENT FOR RECEIVING A FULL TUITION AND FEE
41 WAIVER.

42 5. THE NUMBER OF STUDENTS WHO HAVE DEFAULTED ON THEIR AGREEMENT AND
43 WHO ARE IN REPAYMENT AGREEMENTS.

1 Sec. 6. Financial aid trust fund; required state match;
2 reduction

3 Notwithstanding section 15-1642, subsection C, Arizona Revised
4 Statutes, for fiscal year 2017-2018, each dollar raised pursuant to the
5 surcharge on student registration fees assessed pursuant to section
6 15-1642, subsection A, Arizona Revised Statutes, may be matched by less
7 than two dollars appropriated by the legislature.

8 Sec. 7. Community college districts; state aid for science,
9 technology, engineering and mathematics and
10 workforce programs

11 Notwithstanding section 15-1464, Arizona Revised Statutes, as
12 amended by this act, state aid for science, technology, engineering and
13 mathematics and workforce programs for community college districts for
14 fiscal year 2017-2018 is as specified in the general appropriations act.

15 Sec. 8. Community college districts: operating state aid:
16 eligibility; limits

17 Notwithstanding section 15-1466, Arizona Revised Statutes, as
18 amended by this act, operating state aid for community college districts
19 for fiscal year 2017-2018 is as specified in the general appropriations
20 act.