

REFERENCE TITLE: higher education; budget reconciliation; 2018-2019.

State of Arizona
House of Representatives
Fifty-third Legislature
Second Regular Session
2018

HB 2662

Introduced by
Representative Mesnard (with permission of Committee on Rules)

AN ACT

AMENDING SECTIONS 15-1650.03, 15-1655, 15-1681 AND 15-1682.02; ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 14, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-1809.01; AMENDING SECTIONS 41-793 AND 42-17056, ARIZONA REVISED STATUTES; APPROPRIATING MONIES; 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 15-1650.03, Arizona Revised Statutes, is amended
3 to read:

4 15-1650.03. Arizona board of regents; resident undergraduate
5 students; cost study; annual cost containment
6 report

7 A. On or before December 15, 2017 and every five years thereafter,
8 the Arizona board of regents shall conduct and complete a comprehensive
9 cost study to determine the actual cost of educating a full-time resident
10 undergraduate student at each university under the jurisdiction of the
11 board. The board shall submit the cost study to the governor, the
12 president of the senate, the speaker of the house of representatives and
13 the joint legislative budget committee and shall provide a copy to the
14 secretary of state. The cost study shall include a detailed breakdown of
15 the costs associated with educating a full-time resident undergraduate
16 student and shall include at least the following:

17 1. The use of instructional fees at each university, including
18 differentiating between mandatory fees, program fees and course fees.

19 2. Differentiated costs between programs of study, including
20 differential tuition and program and course fees.

21 3. The costs of faculty and administration differentiated between
22 the amount of time needed to instruct students and to conduct research.

23 4. A breakdown of where tuition dollars are allocated, including
24 the amount that is not directly attributable to instructional costs.

25 5. An analysis of the marginal cost and the average cost of a
26 student depending on the type of program in which the student is enrolled,
27 including online programs.

28 B. On or before ~~July~~ SEPTEMBER 1, 2018 and each year thereafter,
29 the Arizona board of regents shall submit a comprehensive university cost
30 containment report for each university under the jurisdiction of the board
31 to the governor, the president of the senate, the speaker of the house of
32 representatives and the joint legislative budget committee and shall
33 provide a copy to the secretary of state. The report shall demonstrate
34 the actions taken by each university to contain INCREASES IN the ~~increased~~
35 cost of attendance for full-time resident undergraduate students and shall
36 include at least the following:

37 1. Historical data on tuition and MANDATORY fee levels ~~and~~
38 ~~percentage increases, including auxiliary fees~~ and AVERAGE ON-CAMPUS
39 housing and meal plan fees, ~~at THE LARGEST CAMPUS FOR each university for~~
40 ~~at least the past twenty years, and what those increases were used for at~~
41 ~~each university since at least 2009~~ DURING THE PREVIOUS FISCAL YEAR AND
42 FISCAL YEARS 1999, 2004, 2009 AND 2014.

43 ~~2. The growth and cost of the faculty and administration at each~~
44 ~~university.~~

2. THE NUMBER OF FTES AND TOTAL SALARIES OF UNIVERSITY EMPLOYEES DIFFERENTIATED BETWEEN FACULTY, CLASSIFIED STAFF AND ADMINISTRATORS AT EACH UNIVERSITY DURING THE PREVIOUS FISCAL YEAR AND FISCAL YEARS 1999, 2004, 2009 AND 2014.

3. Actions taken by each university to contain costs at the university and the savings associated with those actions.

4. The allocation of faculty resources AT EACH UNIVERSITY based on the time needed to instruct students and to conduct other research activities.

~~5. The return on investment for diverting tuition dollars to noninstructional purposes.~~

~~6. The ability to reduce unnecessary coursework for educational programs.~~

~~7. The development of new, nontraditional and less expensive education programs.~~

5. THE NUMBER OF CREDIT HOURS REQUIRED FOR A BACCALAUREATE DEGREE FOR THE PREVIOUS ACADEMIC YEAR AND THE 2003-2004 ACADEMIC YEAR FOR THE TEN DEGREE PROGRAMS THAT HAD THE LARGEST INCREASE IN CREDIT HOURS REQUIRED FOR A BACCALAUREATE DEGREE BETWEEN THE 2003-2004 ACADEMIC YEAR AND THE 2017-2018 ACADEMIC YEAR, AND BETWEEN THE PREVIOUS TWO ACADEMIC YEARS.

6. DETAILED INFORMATION ON NONTRADITIONAL OR LOWER-COST DEGREE OPTIONS THAT EACH UNIVERSITY CURRENTLY OFFERS, HAS RECENTLY DEVELOPED OR IS PURSUING.

Sec. 2. Section 15-1655, Arizona Revised Statutes, is amended to read:

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

~~A. For the 2017-2018 academic year,~~ Universities under the jurisdiction of the Arizona board of regents shall implement an Arizona teacher academy to incentivize Arizona resident students to enter the teaching profession and to commit to teach in Arizona public schools. The Arizona board of regents, in consultation with universities under the jurisdiction of the board, shall develop:

1. Metrics to assess the efficacy of the academy.

2. A marketing and promotion plan to recruit students for the academy.

B. The Arizona teacher academy may include new or existing teacher preparation program pathways that are student-focused and that employ proven, research-based models of best practices already being implemented. Each university may develop a portfolio of teacher preparation programs to offer as part of the academy. Programs offered as part of the academy shall include accelerated models for:

1. High-demand teacher specializations, including science, technology, engineering and mathematics.

2. Individuals seeking postbaccalaureate coursework that results in 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 to each full-time student who is
8 enrolled in the Arizona teacher academy an annual waiver for all tuition
9 and fees associated with the student's program of study, subject to the
10 following:

11 1. If the student does not successfully complete the academic year
12 in good academic standing, the student shall reimburse the university for
13 the total amount of the waiver for tuition and fees the student received
14 for that year.

15 2. For each academic year that the student successfully completes
16 and for which the student receives a waiver for all tuition and fees, the
17 student must agree to teach for one full school year in a public school in
18 this state.

19 3. If the student does not fulfill the student's agreement to teach
20 in a public school, the student must reimburse the university for the
21 proportional amount of the waiver for tuition and fees that the student
22 received that corresponds to the number of school years the student agreed
23 to teach but did not teach in a public school in this state.

24 4. If the student is physically or mentally unable to fulfill the
25 requirements of the academy, the university shall assess the student's
26 ability to repay the financial assistance received and shall make a
27 determination on any terms of repayment.

28 E. On or before July 1, 2018 and each year thereafter, the Arizona
29 board of regents shall report to the governor, the president of the senate
30 and the speaker of the house of representatives, and submit a copy to the
31 secretary of state, on all of the following:

32 1. The total number of students enrolled in the Arizona teacher
33 academy of each university.

34 2. The percentage of students who completed each year of the
35 academy and who plan to continue to the subsequent year, delineated by
36 each teacher preparation program offered by each university as part of the
37 Arizona teacher academy.

38 3. The number of teachers who completed a program of study through
39 the Arizona teacher academy.

40 4. The number of teachers currently teaching in a public school in
41 this state as part of an agreement for receiving a full tuition and fee
42 waiver.

43 5. The number of students who have defaulted on their agreement and
44 who are in repayment agreements.

1 Sec. 3. Section 15-1681, Arizona Revised Statutes, is amended to
2 read:

3 15-1681. Definitions

4 In this article, unless the context otherwise requires:

5 1. "Acquire" includes to purchase, lease, lease-purchase, erect,
6 build, construct, reconstruct, raze, remodel, repair, replace, alter,
7 extend, expand, better, equip, furnish, develop, improve and embellish a
8 project, and the acquisition, preparation and development of a site or
9 sites therefor.

10 2. "Board" means the Arizona board of regents or its successor.

11 3. "Bonds" means any bonds issued pursuant to this article.

12 4. "Component unit" means an entity for which the nature and
13 significance of its relationship with the board or institution is such
14 that exclusion would cause the board's or institution's financial
15 statements to be misleading or incomplete.

16 5. "Federal agency" means the United States of America, the
17 president of the United States of America, the department of housing and
18 urban development or such other agency or agencies of the United States of
19 America as may be designated or created to make loans or grants, or both.

20 6. "Indirect or third party financing":

21 (a) Means an agreement between the board or an institution and a
22 component unit of an institution, a nonprofit organization or a private
23 developer in which the component unit, organization or developer pays for,
24 issues bonds for or enters into lease or lease-purchase agreements for:

25 (i) Capital projects on the property of an institution.

26 (ii) Capital projects intended to house any institution activities.

27 (iii) Capital projects in which the board or institution guarantees
28 revenues to the component unit, organization or developer or debt service
29 payments on behalf of the component unit, organization or developer.

30 (iv) Capital projects, which may eventually become state assets.

31 (b) Does not include a project that is intended to be commercial in
32 nature, ~~and~~ if the majority of the project's business is anticipated to
33 come from the nonuniversity population.

34 7. "Institution" means the university of Arizona, Arizona state
35 university and northern Arizona university or any other college or
36 university under the jurisdiction and control of the board or its
37 successor.

38 8. "Project" means and includes buildings, structures, areas and
39 facilities ~~which~~ **THAT**, as determined by the board, are required by or
40 necessary for the use or **OPERATIONAL OR FINANCIAL** benefit of each of such
41 institutions, including, without limiting the generality of the foregoing,
42 student, faculty or staff housing facilities, residence halls, dormitories
43 and apartments; student union and recreational buildings and stadiums;
44 other facilities for student, faculty or staff services; any facility or
45 building leased to the United States of America; parking garages and

1 areas; offices, classrooms, laboratories, dining halls and food service
2 facilities, libraries, auditoriums, or parts thereof, or additions or
3 extensions thereto; heating, lighting and other utility service facilities
4 in connection therewith, or parts thereof, or additions or extensions
5 thereto; whether heretofore acquired and now or hereafter used for any or
6 all of the purposes aforesaid, or as may be hereafter acquired under this
7 article, with all equipment and appurtenant facilities; or any one, or
8 more than one, or all of the foregoing, or any combination thereof, for
9 any institution, including sites therefor.

10 9. "System of building facilities" means such A project or projects
11 as the board by resolution shall collectively designate to be included in
12 a system of building facilities at each institution, either:

13 (a) Hereafter acquired for each of such institutions under the
14 terms of this article.

15 (b) Heretofore acquired for each of such institutions prior to May
16 17, 1974 under the terms of any other law and now located on the campus of
17 each of such institutions, whether unencumbered by or encumbered by a
18 pledge of and lien on the income and revenues derived from the operation
19 thereof for the payment of any bonds theretofore issued by the board for
20 the acquisition thereof.

21 (c) As provided in both subdivisions (a) and (b) of this paragraph.

22 (d) Any combination of as provided in subdivisions (a), (b) and (c)
23 of this paragraph.

24 Sec. 4. Section 15-1682.02, Arizona Revised Statutes, is amended to
25 read:

26 15-1682.02. Indirect and third party financing: review:
27 reporting

28 A. The board may secure indirect or third party financing for any
29 project if the following conditions are met:

30 1. The term of the indirect or third party financing does not
31 exceed the earlier of forty years or the useful life of the capital
32 improvements.

33 2. The project for which indirect or third party financing is
34 secured is reviewed by the joint committee on capital review. Private
35 entities are not required to divulge proprietary information to the
36 committee for review.

37 B. For a project that is to be developed on board LAND, ~~or~~
38 institutional land, ~~OR ON OTHER LAND IF A UNIVERSITY OR ITS COMPONENT~~
39 ~~UNIT DERIVES FINANCIAL BENEFIT AS A PARTY TO A LEASE AGREEMENT OR OTHER~~
40 ~~CONTRACT THAT IS RELATED TO THE DEVELOPMENT OR USE OF THE PROJECT,~~ that is
41 intended to be commercial in nature and if the majority of the project's
42 business is anticipated to come from the nonuniversity population, the
43 board or institution shall report ~~on the scope, purpose and estimated cost~~
44 ~~of the project~~ to the joint committee on capital review at least two
45 months before the anticipated execution of an agreement. A private entity

1 is not required to divulge proprietary information to the joint committee
2 on capital review. The joint committee on capital review may provide
3 recommendations to the board or a university on the reported project.

4 C. THE REPORT PRESCRIBED IN SUBSECTION B OF THIS SECTION SHALL
5 INCLUDE AT LEAST THE FOLLOWING INFORMATION:

6 1. THE SCOPE, PURPOSE, ESTIMATED COST, PROPOSED FINANCING
7 ARRANGEMENT AND PROJECT TIMELINE.

8 2. A DESCRIPTION OF THE OWNERSHIP ARRANGEMENT OF THE LAND AND ALL
9 IMPROVEMENTS DURING AND ON COMPLETION OF ANY LEASE PERIOD OR PURCHASE
10 AGREEMENT.

11 3. AN ACCOUNT OF ANY FINANCIAL RISK ASSUMED BY THE BOARD OR THE
12 UNIVERSITY AND ITS COMPONENT UNITS AS A RESULT OF THE PROJECT.

13 4. THE ANTICIPATED REVENUES TO THE BOARD OR THE UNIVERSITY AND ITS
14 COMPONENT UNITS, INCLUDING LEASE OR RENT PAYMENTS, PAYMENTS IN LIEU OF
15 TAXES OR ANY OTHER FINANCIAL GAINS RESULTING FROM THE PROJECT.

16 5. A DESCRIPTION OF AND THE ESTIMATED VALUE OF ANY TAX REBATES
17 ASSOCIATED WITH DEVELOPMENT OF THE PROJECT.

18 6. THE PLANNED USE OF ANY REVENUES GENERATED FOR THE BOARD OR THE
19 UNIVERSITY AND ITS COMPONENT UNITS RESULTING FROM THE PROJECT.

20 7. THE PROJECTED ASSESSED VALUE AND SQUARE FOOTAGE OF THE PROPERTY
21 AND IMPROVEMENTS.

22 8. ANY PAYMENTS TO A MUNICIPALITY, SCHOOL DISTRICT OR OTHER PUBLIC
23 ENTITY TO BE MADE AS PART OF THE PROJECT AGREEMENT BY THE BOARD, THE
24 UNIVERSITY OR ITS COMPONENT UNITS OR THE PRIVATE ENTITY.

25 D. FOR THE PURPOSES OF SUBSECTIONS B AND C OF THIS SECTION,
26 "PROJECT" HAS THE SAME MEANING PRESCRIBED IN SECTION 15-1681 BUT ALSO
27 INCLUDES BUILDINGS, AREAS, STRUCTURES AND FACILITIES NECESSARY FOR THE USE
28 OR OPERATIONAL OR FINANCIAL BENEFIT OF A UNIVERSITY COMPONENT UNIT.

29 Sec. 5. Title 15, chapter 14, article 1, Arizona Revised Statutes,
30 is amended by adding section 15-1809.01, to read:

31 15-1809.01. Tuition waiver scholarships; persons in foster
32 care; requirements; definition

33 A. THE ARIZONA BOARD OF REGENTS SHALL PROVIDE A TUITION WAIVER
34 SCHOLARSHIP AT ANY UNIVERSITY UNDER THE JURISDICTION OF THE ARIZONA BOARD
35 OF REGENTS AND EACH COMMUNITY COLLEGE DISTRICT SHALL PROVIDE A TUITION
36 WAIVER SCHOLARSHIP AT ANY COMMUNITY COLLEGE IN THAT DISTRICT TO A PERSON
37 WHO MEETS ALL OF THE FOLLOWING CONDITIONS:

38 1. RESIDES IN THIS STATE.

39 2. WAS OR IS CURRENTLY IN FOSTER CARE IN ARIZONA FOR A CUMULATIVE
40 PERIOD OF SIX MONTHS OR MORE.

41 3. EITHER:

42 (a) IS CURRENTLY IN FOSTER CARE AND IS AT LEAST THIRTEEN YEARS OF
43 AGE.

44 (b) WAS IN FOSTER CARE WHEN THE PERSON WAS AT LEAST THIRTEEN YEARS
45 OF AGE.

1 (c) WAS ADOPTED FROM FOSTER CARE AND THE ADOPTION WAS FINALIZED
2 WHEN THE PERSON WAS AT LEAST THIRTEEN YEARS OF AGE.

3 4. IS UNDER TWENTY-SIX YEARS OF AGE.

4 5. IS EITHER A UNITED STATES CITIZEN OR A NONCITIZEN WHO IS
5 LAWFULLY PRESENT IN THIS COUNTRY.

6 6. HAS TOTAL PERSONAL ASSETS, NOT INCLUDING SCHOLARSHIPS OR GRANTS
7 RECEIVED BY THE PERSON, THAT ARE WORTH LESS THAN TEN THOUSAND DOLLARS.

8 7. IS ACCEPTED INTO OR ENROLLED IN A UNIVERSITY UNDER THE
9 JURISDICTION OF THE ARIZONA BOARD OF REGENTS OR A COMMUNITY COLLEGE UNDER
10 THE JURISDICTION OF A COMMUNITY COLLEGE DISTRICT.

11 8. HAS COMPLETED AND SUBMITTED TO THE UNITED STATES DEPARTMENT OF
12 EDUCATION A FREE APPLICATION FOR FEDERAL STUDENT AID BEFORE EACH YEAR IN
13 WHICH THE PERSON RECEIVES A TUITION WAIVER SCHOLARSHIP PURSUANT TO THIS
14 SECTION.

15 9. REMAINS IN GOOD STANDING WITH THE POLICIES ESTABLISHED BY THE
16 UNIVERSITY OR COMMUNITY COLLEGE AT WHICH THE PERSON IS ENROLLED.

17 B. A TUITION WAIVER SCHOLARSHIP PROVIDED BY A COMMUNITY COLLEGE
18 PURSUANT TO THIS SECTION MAY BE REDUCED BY THE AMOUNT OF ANY OTHER FEDERAL
19 AID SCHOLARSHIP OR PUBLIC GRANT AND ANY OTHER PUBLIC AID RECEIVED BY THAT
20 PERSON FROM OR THROUGH THE COMMUNITY COLLEGE AT WHICH THE PERSON IS
21 ENROLLED, EXCEPT THAT A TUITION WAIVER SCHOLARSHIP MAY NOT BE REDUCED BY
22 THE AMOUNT OF FEDERAL GRANTS RECEIVED BY THE PERSON FROM THE DEPARTMENT OF
23 CHILD SAFETY UNDER THE ARIZONA EDUCATION AND TRAINING VOUCHER PROGRAM.

24 C. A TUITION WAIVER SCHOLARSHIP PROVIDED BY A UNIVERSITY PURSUANT
25 TO THIS SECTION MAY NOT BE REDUCED BY THE AMOUNT OF ANY OTHER FEDERAL AID
26 SCHOLARSHIP OR PUBLIC GRANT OR ANY OTHER PUBLIC AID RECEIVED BY THAT
27 PERSON FROM THE DEPARTMENT OF CHILD SAFETY UNDER THE ARIZONA EDUCATION AND
28 TRAINING VOUCHER PROGRAM OR THROUGH THE UNIVERSITY AT WHICH THE PERSON IS
29 ENROLLED.

30 D. FOR THE PURPOSES OF THIS SECTION, "TUITION" MEANS TUITION AND
31 MANDATORY FEES CHARGED BY A UNIVERSITY OR COMMUNITY COLLEGE.

32 Sec. 6. Section 41-793, Arizona Revised Statutes, is amended to
33 read:

34 41-793. Building systems; capital improvement plans

35 A. The department of administration, the Arizona board of regents
36 and the department of transportation shall each be considered as a
37 separate building system. Subject to approval by the joint committee on
38 capital review, the director of the department of administration shall
39 establish additional building systems for the purpose of computing and
40 funding building renewal. Subject to approval by the joint committee on
41 capital review, each building system shall designate an agency that is
42 responsible for computing building renewal needs for each fiscal year
43 pursuant to the formula approved by the committee and for allocating
44 appropriated building renewal monies within the building system.

1 B. The agency responsible for each building system established
2 pursuant to subsection A of this section shall prepare each year a capital
3 improvement plan that contains proposals for state spending on land
4 acquisition, capital projects, energy systems, energy management systems
5 and building renewal for the building system. Copies of the plan shall be
6 submitted to the governor no later than October 15. Each plan shall
7 include:

8 1. A detailed list of all land acquisition and capital projects
9 that are recommended to be undertaken or continued for the building system
10 during the next fiscal year, an explanation as to the need for each
11 acquisition or project, the effect of the recommended acquisition or
12 capital project on the future operating expenses of this state,
13 recommendations as to the priority of recommended acquisitions or capital
14 projects and the means of financing those acquisitions or projects.

15 2. Forecasts as to the requirements for land acquisition and
16 capital projects for the building system during the two fiscal years
17 following the fiscal year provided for in paragraph 1 of this subsection
18 and for any additional periods as may be necessary or desirable for an
19 adequate presentation of the capital projects and a schedule for the
20 planning and implementation or construction of those capital projects.

21 3. A report on the status of all ongoing or recently completed land
22 acquisitions and capital projects for the building system, with a summary
23 of monies expended for each acquisition or project.

24 4. A report on the condition, maintenance and utilization of all
25 buildings within the building system that were inspected during the prior
26 fiscal year.

27 5. A report on the building renewal activities undertaken during
28 the past fiscal year, including the specific purposes for which monies
29 were expended, proposed activities for the current fiscal year and a
30 prioritized schedule of renewal projects proposed for the following fiscal
31 year.

32 6. The amount of appropriation required in the following fiscal
33 year for building renewal as determined by the building renewal formula
34 set forth in section 41-793.01.

35 C. On or before June 1 of each year or thirty days after the state
36 legislature adjourns its regular session sine die, whichever is later,
37 each state agency under the department of administration building system
38 and not later than August 1 of each year each agency under the Arizona
39 board of regents building system shall provide to the agency responsible
40 for its building system:

41 1. A detailed list of land acquisition and capital projects the
42 agency seeks to undertake or continue in the next fiscal year, an
43 explanation as to the need for each acquisition or project, the effect of
44 the acquisitions or capital projects on future operating expenses of this
45 state, including energy systems and energy management systems, and other

1 relevant supporting data requested by the agency responsible for the
2 building system.

3 2. Forecasts as to the requirements for land acquisition or capital
4 projects of the agency for the two fiscal years following the fiscal year
5 provided for in paragraph 1 of this subsection and for any additional
6 periods as may be necessary or desirable for the adequate presentation of
7 the capital projects and a schedule for the planning and implementation or
8 construction of those capital projects.

9 3. A report on all ongoing or recently completed land acquisitions
10 and capital projects of the agency ~~AND ITS COMPONENT UNITS~~, with a summary
11 of monies expended for each acquisition or project, and energy consumption
12 and expenditure information.

13 4. Any other information requested by the agency responsible for
14 the building system.

15 D. EACH UNIVERSITY UNDER THE JURISDICTION OF THE ARIZONA BOARD OF
16 REGENTS IN COMPLYING WITH SUBSECTION C OF THIS SECTION SHALL REPORT ALL
17 PROPERTY LEASES IN EFFECT IN WHICH THE UNIVERSITY OR ITS COMPONENT UNIT IS
18 A PARTY. THE REPORT SHALL INCLUDE AT LEAST THE FOLLOWING INFORMATION:

19 1. THE USE, ACREAGE, SQUARE FOOTAGE AND PARCEL NUMBER OF EACH
20 LEASED PROPERTY, AS APPLICABLE.

21 2. THE TOTAL ANNUAL LEASE OR RENT PAYMENTS, PAYMENTS IN LIEU OF
22 TAXES OR ANY OTHER PAYMENTS MADE TO OR FROM THE BOARD, UNIVERSITY OR
23 COMPONENT UNIT UNDER THE AGREEMENT DURING THE PRIOR FISCAL YEAR.

24 3. A SEPARATE LIST THAT CONTAINS THE STATUS OF ALL OF ITS PROJECTS
25 REVIEWED BY, APPROVED BY OR REPORTED TO THE JOINT COMMITTEE ON CAPITAL
26 REVIEW THAT HAVE NOT YET BEEN COMPLETED. THE PROJECTS LISTED SHALL
27 INCLUDE THIRD PARTY AND COMMERCIAL PROJECTS REPORTED OR REVIEWED PURSUANT
28 TO SECTION 15-1682.02.

29 ~~D.~~ E. Each state agency in complying with subsection C, paragraph
30 1 of this section and the agency responsible for each building system in
31 complying with subsection B, paragraph 1 of this section should give
32 priority to fire and life safety projects.

33 ~~E.~~ F. The agency responsible for a building system shall inspect
34 the condition, maintenance and utilization of each building within the
35 building system not less than once every four fiscal years and shall
36 report its findings pursuant to subsection B of this section. For
37 purposes of complying with this requirement, the agency responsible for
38 each building system shall inspect approximately fifty ~~percent~~ PERCENT of
39 its buildings within the first two years of the ~~four-year~~ FOUR-YEAR cycle.
40 The agency shall inspect the other fifty ~~percent~~ PERCENT of the buildings
41 in the remaining two years of the ~~four-year~~ FOUR-YEAR cycle.

42 ~~F.~~ G. The governor shall prescribe standard forms in accordance
43 with ~~the provisions of~~ this section to be used by state agencies in
44 preparing and submitting capital improvement plans. The forms prescribed

shall be ~~so~~ constructed so as to allow each building system to adequately provide information pertinent to its manner of operation.

~~G.~~ H. Each plan, forecast and report required for two or more fiscal years in this section shall be delineated separately for each year.

Sec. 7. Section 42-17056, Arizona Revised Statutes, is amended to read:

42-17056. Initial base levy limit if no primary property taxes were levied in the preceding tax year; subsequent levy amount

A. If a county, city, town or community college district did not levy primary property taxes in the preceding tax year, the governing body shall submit a proposed amount to be raised by primary property taxes for approval of the voters.

B. The election shall be held on the third Tuesday in May before the beginning of the fiscal year in as nearly as practicable the same manner as prescribed by title 35, chapter 3, article 3. The ballot shall state that if the amount is approved by the voters, it will be the base for determining levy limitations for the county, city, town or district for subsequent fiscal years.

C. If a majority of the qualified electors voting approve the proposed levy amount for primary property taxes, the levy applicable for the county, city, town or district for the next fiscal year shall be an amount not exceeding the approved amount.

D. On acceptance by the voters, the governing body shall send a copy of the approved resolution to the property tax oversight commission.

E. If the proposed levy amount is not approved, the county, city, town or community college district shall not levy a primary property tax for that year.

F. AT LEAST TWENTY BUT NOT MORE THAN THIRTY-FIVE YEARS AFTER THE DATE OF AN INITIAL APPROVAL PURSUANT TO THIS SECTION, A COMMUNITY COLLEGE DISTRICT WITH A PRIMARY PROPERTY TAX LEVY THAT WAS INITIALLY ESTABLISHED PURSUANT TO THIS SECTION MAY RESUBMIT A PROPOSED AMOUNT TO BE RAISED BY PRIMARY PROPERTY TAXES FOR APPROVAL BY THE VOTERS. THE PROPOSED AMOUNT MUST BE LESS THAN OR EQUAL TO TWO TIMES THE OTHERWISE AUTHORIZED LEVY AMOUNT FOR THE SAME YEAR. THE ELECTION SHALL BE CONDUCTED AS PRESCRIBED IN SUBSECTION B OF THIS SECTION. IF A MAJORITY OF THE QUALIFIED ELECTORS VOTING:

1. APPROVE THE PROPOSED LEVY AMOUNT, THE LEVY APPLICABLE FOR THE DISTRICT FOR:

(a) THE FIRST TAX YEAR FOLLOWING APPROVAL PURSUANT TO THIS PARAGRAPH MUST BE LESS THAN OR EQUAL TO THE PREVIOUSLY APPROVED AMOUNT PLUS ONE-THIRD OF THE DIFFERENCE BETWEEN THE PREVIOUSLY APPROVED AMOUNT AND THE AMOUNT APPROVED PURSUANT TO THIS PARAGRAPH.

(b) THE SECOND TAX YEAR FOLLOWING APPROVAL PURSUANT TO THIS PARAGRAPH MUST BE LESS THAN OR EQUAL TO THE PREVIOUSLY APPROVED AMOUNT PLUS TWO-THIRDS OF THE DIFFERENCE BETWEEN THE PREVIOUSLY APPROVED AMOUNT AND THE AMOUNT APPROVED PURSUANT TO THIS PARAGRAPH.

(c) THE THIRD TAX YEAR FOLLOWING APPROVAL PURSUANT TO THIS PARAGRAPH AND EACH SUBSEQUENT TAX YEAR MUST BE LESS THAN OR EQUAL TO THE AMOUNT APPROVED PURSUANT TO THIS PARAGRAPH.

2. DISAPPROVE THE PROPOSED LEVY AMOUNT, THE DISTRICT SHALL LEVY A PRIMARY PROPERTY TAX BASED ON THE PREVIOUSLY AUTHORIZED LEVY AND MAY NOT RESUBMIT ANOTHER PROPOSED AMOUNT UNTIL AT LEAST TWO YEARS AFTER THE PROPOSED LEVY AMOUNT WAS DISAPPROVED.

~~F.~~ G. This section does not apply to community college tuition financing districts formed pursuant to section 15-1409, except that the property tax oversight commission shall set a property tax levy limit that is not less than the amount required pursuant to section 15-1409, subsection C.

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

Notwithstanding section 15-1642, subsection C, Arizona Revised Statutes, for fiscal year 2018-2019, each dollar raised pursuant to the surcharge on student registration fees assessed pursuant to section 15-1642, subsection A, Arizona Revised Statutes, may be matched by less than two dollars appropriated by the legislature.

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

Notwithstanding section 15-1464, Arizona Revised Statutes, state aid for science, technology, engineering and mathematics and workforce programs for community college districts for fiscal year 2018-2019 is as specified in the general appropriations act.

Sec. 10. Community college districts; operating state aid; eligibility; limits

Notwithstanding section 15-1466, Arizona Revised Statutes, operating state aid for community college districts for fiscal year 2018-2019 is as specified in the general appropriations act.

Sec. 11. Retroactivity

Section 15-1809.01, Arizona Revised Statutes, as added by this act, applies retroactively to from and after June 30, 2018.