

State of Arizona
House of Representatives
Fifty-fourth Legislature
First Regular Session
2019

CHAPTER 266
HOUSE BILL 2750

AN ACT

AMENDING SECTIONS 15-1444 AND 15-1642, ARIZONA REVISED STATUTES; REPEALING SECTION 15-1647, ARIZONA REVISED STATUTES; AMENDING SECTION 15-1655, ARIZONA REVISED STATUTES, AS ADDED BY LAWS 2017, CHAPTER 310, SECTION 5; REPEALING SECTION 15-1655, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2018, CHAPTER 281, SECTION 3; AMENDING SECTIONS 15-1670 AND 35-146, 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 15-1444, Arizona Revised Statutes, is amended to
3 read:

4 15-1444. General powers and duties of district governing
5 boards

6 A. Except as otherwise provided, the district board shall:

7 1. Maintain each community college for a period of not less than
8 eight months in each year and, if the funds of the district are
9 sufficient, maintain each community college for a longer period.

10 2. Adopt policies in a public forum to offer programs that meet the
11 educational needs of the population served by the community college.

12 3. Enforce the courses of study prescribed by the district board.

13 4. Visit each community college under its jurisdiction and examine
14 carefully into its management, conditions and needs.

15 5. Exclude from each community college all books, publications or
16 papers of a sectarian, partisan or denominational character intended for
17 use as textbooks.

18 6. Appoint and employ a chancellor or chancellors,
19 vice-chancellors, a president or presidents, vice presidents, deans,
20 professors, instructors, lecturers, fellows and such other officers and
21 employees it deems necessary. The district board may enter into
22 employment contracts with chancellors, vice-chancellors and presidents for
23 a duration of more than one year but not more than five years.

24 7. Determine the salaries of persons it appoints and employs. A
25 DISTRICT MAY NOT COMPENSATE AN EMPLOYEE FOR WORK PERFORMED ON BEHALF OF AN
26 ELECTED EMPLOYEE REPRESENTATIVE ORGANIZATION AND MAY NOT PROVIDE MORE
27 FAVORABLE TERMS AND CONDITIONS OF EMPLOYMENT TO ANY EMPLOYEE BECAUSE THAT
28 INDIVIDUAL BELONGS TO AN ELECTED EMPLOYEE REPRESENTATIVE ORGANIZATION.

29 8. Remove any officer or employee if in its judgment the interests
30 of education in this state require the removal.

31 9. Award degrees, certificates and diplomas on the completion of
32 courses and curricula as it deems appropriate.

33 10. Appoint or employ, if it deems necessary, police officers who
34 shall have the authority and power of peace officers. The police officers
35 who have received a certificate from the Arizona peace officer standards
36 and training board are eligible for membership in and benefits under
37 either title 38, chapter 5, article 2 or the public safety personnel
38 retirement system under title 38, chapter 5, article 4.

39 11. Determine the location within the district of a community
40 college and purchase, receive, hold, make and take leases of, sell and
41 convey real or personal property for the benefit of the community colleges
42 under its jurisdiction.

43 12. Obtain insurance or be self-insured, or a combination of
44 insurance and self-insurance, against loss, to the extent it is determined

1 necessary on community college buildings of the district. The local
2 district shall have an insurable interest in the buildings.

3 B. The district board may:

4 1. Administer trusts declared or created for the district and
5 receive by gift or devise and hold in trust or otherwise property
6 wheresoever located, and if not otherwise provided, dispose of the
7 property for the benefit of the district.

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

16 3. Sue and be sued.

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

23 5. Construct, remodel and repair buildings.

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

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

30 8. Accept grants or donations of monies from the United States or
31 any of its agencies, departments or officers, this state, political
32 subdivisions of this state, tribal governments, school districts, special
33 taxing districts, persons, corporations, foundations or associations. The
34 district board shall deposit the monies into a specific fund or account
35 and shall administer the monies in accordance with the purpose of the
36 grant or donation with specific policies or restrictions as described or
37 stipulated in the grant or donation. In the case of personal property
38 granted or donated to or for the benefit of a community college district,
39 the district board shall immediately transfer possession and ownership of
40 the property to the designated district. Monies received pursuant to this
41 paragraph are not considered local revenues for the purposes of article
42 IX, section 21, Constitution of Arizona.

43 9. Enter into intergovernmental agreements or contracts pursuant to
44 section 11-952.01 for participation in programs offered by public agency
45 pools or separately contract with a trustee or board of trustees that

1 provides a common self-insurance program with pooled funds and risks
2 pursuant to section 15-382, subsection B, paragraph 2. The district board
3 is not required to engage in competitive procurement in order to make the
4 decision to participate in these programs.

5 10. Name a building or a group of buildings that is located on a
6 community college campus on behalf of a person or entity that has made a
7 significant contribution of monies or other property to the community
8 college or the community college district.

9 11. Enter into research and development agreements, royalty
10 agreements, development agreements, licensing agreements and
11 profit-sharing agreements concerning the research, development,
12 production, storing or marketing of new products developed or to be
13 developed through community college district research. Monies received
14 pursuant to this paragraph are not considered local revenues for the
15 purposes of article IX, section 21, Constitution of Arizona.

16 12. Enter into an intergovernmental agreement pursuant to section
17 15-1747 to participate in a reciprocity agreement subject to the terms of
18 the reciprocity agreement.

19 13. Engage in entrepreneurial and commercial activities. Monies
20 received pursuant to this paragraph are not considered local revenues for
21 the purposes of article IX, section 21, Constitution of Arizona.

22 14. Collect auxiliary fees, including cafeteria fees, food service
23 fees, bookstore fees and dormitory fees. Monies received pursuant to this
24 paragraph are not considered local revenues for the purposes of article
25 IX, section 21, Constitution of Arizona.

26 15. Provide goods and services pursuant to a contract with a
27 political subdivision of this state or with a tribal government. Monies
28 received pursuant to this paragraph are not considered local revenues for
29 the purposes of article IX, section 21, Constitution of Arizona.

30 C. If a district acquires real or personal property, whether by
31 purchase, exchange, condemnation, gift or otherwise, the district shall
32 pay to the county treasurer any taxes on the property that were unpaid as
33 of the date of acquisition, including penalties and interest. The lien
34 for unpaid delinquent taxes, penalties and interest on property acquired
35 by the district:

36 1. Is not abated, extinguished, discharged or merged in the title
37 to the property.

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

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

1 E. A community college district and a career technical education
2 district governing board may enter into agreements for the provision of
3 administrative, operational and educational services and facilities.

4 F. Each district may establish a program for the exchange of
5 students between the community colleges under its jurisdiction and
6 colleges and universities located in Sonora, Mexico. The program may
7 provide for in-state tuition for Sonora students at the community colleges
8 under the jurisdiction of the district in exchange for similar tuition
9 provisions for Arizona students enrolled or seeking enrollment in Sonora
10 colleges and universities. The community colleges may work in conjunction
11 with the Arizona-Mexico commission in the governor's office to coordinate
12 recruitment and admissions activities to provide for in-state tuition for
13 up to fifty Sonora students at the community colleges under the
14 jurisdiction of the district in exchange for similar tuition provisions
15 for up to fifty total Arizona students enrolled or seeking enrollment in
16 Sonora colleges and universities.

17 G. Each district shall facilitate transfer articulation
18 coordination pursuant to section 15-1824.

19 Sec. 2. Section 15-1642, Arizona Revised Statutes, is amended to
20 read:

21 15-1642. Financial aid trust fund; aid to students with
22 verifiable financial need; endowment

23 A. The Arizona board of regents may establish a financial aid trust
24 fund for the purposes of providing immediate aid to students with
25 verifiable financial need, including students who are underrepresented in
26 the population of university students or who by virtue of their special
27 circumstances present unique needs for financial aid, and creating an
28 endowment for future financial aid. Subject to the ~~limitations~~ LIMITS
29 provided in subsection B, paragraph 3 OF THIS SECTION, the board may
30 assess a surcharge ~~upon~~ ON registration fees paid by students for deposit
31 in the fund. THE FUND SHALL ALSO CONSIST OF MONIES DEPOSITED PURSUANT TO
32 SECTION 15-1670, SUBSECTION F.

33 B. The board shall adopt rules to govern the financial aid trust
34 fund, including the following:

35 1. Twenty-five ~~per cent~~ PERCENT of the monies received each year
36 shall be placed in the trust fund as a permanent endowment. The remaining
37 monies received shall be used for immediate aid for students with
38 verifiable financial need. At least fifty ~~per cent~~ PERCENT of the
39 immediate aid monies shall be used for grant aid.

40 2. The immediate aid monies shall be distributed to the
41 universities on a pro rata basis based on relative student contributions
42 to the fund.

43 3. The surcharge on student registration shall not exceed one ~~per~~
44 ~~cent~~ PERCENT of the registration fee for students taking more than six
45 credit surcharge hours. The surcharge hours for students taking fewer

1 than seven credit hours shall equal one-half the surcharge assessed
2 students taking more than six credit hours.

3 C. Each dollar raised pursuant to the surcharge on student
4 registration shall be matched by ~~two dollars~~ \$2 appropriated by the
5 legislature.

6 D. The board shall report every three years to the legislature on
7 the status of the financial aid trust fund. The report shall include the
8 use to which the monies have been put and the impact of such use.

9 E. Fund monies shall only be used in university assistance programs
10 approved by the board and such monies shall be in addition to, and not in
11 replacement of, existing state or institutional financial aid monies.
12 Assistance may be provided to full-time or part-time students. Monies
13 appropriated by this state shall not be used to provide assistance to
14 students who are not residents of this state.

15 Sec. 3. Repeal

16 Section 15-1647, Arizona Revised Statutes, is repealed.

17 Sec. 4. Section 15-1655, Arizona Revised Statutes, as added by Laws
18 2017, chapter 310, section 5, is amended to read:

19 15-1655. Arizona teachers academy; tuition and fees
20 scholarships; fund; annual report; definitions

21 A. ~~For the 2017-2018 academic year, universities under the~~
22 ~~jurisdiction of the Arizona board of regents~~ ELIGIBLE POSTSECONDARY
23 INSTITUTIONS shall implement an Arizona ~~teacher~~ TEACHERS academy to
24 incentivize ~~Arizona resident~~ students to enter the teaching profession and
25 to commit to teach in Arizona public schools. The Arizona board of
26 regents, in consultation with ~~universities under the jurisdiction of the~~
27 ~~board~~ ELIGIBLE POSTSECONDARY INSTITUTIONS, shall develop AND IMPLEMENT
28 CENTRALIZED ADMINISTRATIVE PROCESSES FOR THE ACADEMY, INCLUDING:

29 ~~1. Metrics to assess the efficacy of the academy.~~

30 ~~2.~~ 1. A marketing and promotion plan to recruit students for the
31 academy.

32 2. DATA COLLECTION AND REPORTING.

33 3. TRACKING POSTGRADUATION SERVICE REQUIREMENTS.

34 4. COORDINATING INDUCTION SERVICES.

35 5. DISTRIBUTING MONIES IN THE ARIZONA TEACHERS ACADEMY FUND BETWEEN
36 ELIGIBLE POSTSECONDARY INSTITUTIONS.

37 6. COLLECTING REIMBURSEMENT FROM INDIVIDUALS WHO FAIL TO MEET
38 SERVICE OBLIGATIONS.

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

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

3 2. CRITICAL NEED AREAS, INCLUDING LOW-INCOME PUBLIC SCHOOLS, PUBLIC
4 SCHOOLS LOCATED ON INDIAN RESERVATIONS AND RURAL PUBLIC SCHOOLS.

5 ~~2.~~ 3. Individuals seeking postbaccalaureate coursework that
6 results in professional certification.

7 C. Each ~~university~~ ELIGIBLE POSTSECONDARY INSTITUTION shall develop
8 formalized partnerships with public schools in this state to build
9 commitments for teacher employment on completion of the Arizona ~~teacher~~
10 TEACHERS academy. The targeted deployment of teachers who have completed
11 the academy shall be based on the needs of each school system and the
12 community that is being served as well as the individual skills of each
13 teacher.

14 D. Each ~~university~~ ELIGIBLE POSTSECONDARY INSTITUTION shall provide
15 TO each full-time student WHO IS enrolled in the Arizona ~~teacher~~ TEACHERS
16 academy an annual ~~waiver~~ SCHOLARSHIP OF "\$10,000 PER YEAR FOR A MAXIMUM OF
17 TWO ACADEMIC YEARS OR FOUR SEMESTERS FOR GRADUATE UNIVERSITY STUDENTS,
18 \$5,000 PER YEAR FOR A MAXIMUM OF FOUR ACADEMIC YEARS OR EIGHT SEMESTERS
19 FOR UNDERGRADUATE UNIVERSITY STUDENTS, \$3,000 PER YEAR FOR A MAXIMUM OF
20 TWO ACADEMIC YEARS OR FOUR SEMESTERS FOR COMMUNITY COLLEGE STUDENTS for
21 ~~att~~ tuition and fees associated with the student's program of study AND
22 \$2,500 ONETIME FOR TEACHERS SEEKING NATIONAL BOARD CERTIFICATION, AFTER
23 ALL OTHER FINANCIAL GIFTS, AID OR GRANTS RECEIVED BY THAT STUDENT OR
24 TEACHER. SCHOLARSHIPS UNDER THIS SUBSECTION ARE subject to ALL OF the
25 following:

26 1. If the student does not successfully complete the academic year
27 in good academic standing, the student shall reimburse the ~~university~~
28 ARIZONA BOARD OF REGENTS for the total amount of the ~~waiver~~ SCHOLARSHIP
29 for tuition and fees the student received for that year.

30 2. For each academic year that the student successfully completes
31 and for which the student receives a ~~waiver~~ SCHOLARSHIP for all tuition
32 and fees, the student must agree to teach for one full school year in a
33 public school in this state. FOR STUDENTS TEACHING AND RECEIVING THE
34 SCHOLARSHIP CONCURRENTLY, THE COMMITMENT PERIOD BEGINS AFTER GRADUATION
35 FROM THE ARIZONA TEACHERS ACADEMY. FOR TEACHERS SEEKING A NATIONAL BOARD
36 CERTIFICATION, THE TEACHING COMMITMENT IS ONE ADDITIONAL YEAR AFTER
37 COMPLETING THE REQUIREMENTS OF THE NATIONAL BOARD CERTIFICATION PROGRAM.

38 3. IF THE SCHOLARSHIP DOES NOT COVER REMAINING TUITION AND FEE
39 COSTS AFTER OTHER AID RECEIVED, THE ELIGIBLE POSTSECONDARY INSTITUTION MAY
40 NOT CHARGE STUDENTS THE REMAINING DIFFERENCE. IF THE SCHOLARSHIP AMOUNT
41 EXCEEDS TUITION AND FEE COSTS AT AN ELIGIBLE POSTSECONDARY INSTITUTION,
42 THE INSTITUTION MAY USE THE REMAINING AMOUNT TO SUPPORT ARIZONA TEACHERS
43 ACADEMY COSTS.

1 ~~3.~~ 4. If the student does not fulfill the student's ~~agreement~~
2 OBLIGATION to teach in a public school, the student must reimburse the
3 ~~university~~ ARIZONA BOARD OF REGENTS for the proportional amount of the
4 ~~waiver~~ SCHOLARSHIP for tuition and fees that the student received that
5 corresponds to the number of school years the student agreed to teach but
6 did not teach in a public school in this state.

7 ~~4.~~ 5. If the student is physically or mentally unable to fulfill
8 the requirements of the ARIZONA TEACHERS academy, the ~~university~~ ARIZONA
9 BOARD OF REGENTS shall ~~assess~~ ESTABLISH A PROCESS FOR ASSESSING the
10 student's ability to repay the financial assistance received and shall
11 make a determination on any terms of repayment.

12 6. THE ARIZONA BOARD OF REGENTS SHALL ESTABLISH A PROCESS FOR
13 DEFERRING SERVICE OR REPAYMENT BASED ON FACTORS ADOPTED BY THE BOARD.

14 E. STUDENTS ENROLLED IN A NONEDUCATION PROGRAM IN THE ARIZONA
15 TEACHERS ACADEMY MUST COMPLETE ONE OR MORE TEACHER PREPARATION COURSES TO
16 ENSURE THE LIKELIHOOD THAT THE STUDENT WILL TRANSITION INTO A
17 POSTBACCALAUREATE PROGRAM TO RECEIVE A TEACHING CERTIFICATION FOLLOWING
18 GRADUATION.

19 F. THE ARIZONA TEACHERS ACADEMY FUND IS ESTABLISHED CONSISTING OF
20 LEGISLATIVE APPROPRIATIONS MADE FOR THE PURPOSE OF ADMINISTERING THE
21 ARIZONA TEACHERS ACADEMY. MONIES IN THE FUND ARE CONTINUOUSLY
22 APPROPRIATED AND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING
23 TO THE LAPSING OF APPROPRIATIONS. THE ARIZONA BOARD OF REGENTS SHALL
24 ADMINISTER THE FUND AND SHALL ESTABLISH CRITERIA FOR DISTRIBUTING MONIES
25 IN THE FUND TO ELIGIBLE POSTSECONDARY INSTITUTIONS EACH FISCAL YEAR TO
26 FUND THE COSTS OF THE ACADEMY. MONIES IN THE FUND MAY BE USED ONLY FOR:

27 1. REIMBURSING ARIZONA TEACHERS ACADEMY SCHOLARSHIPS THAT COVER THE
28 BALANCE OF TUITION AND FEES FOR UNDERGRADUATE, GRADUATE AND
29 POSTBACCALAUREATE STUDENTS ENROLLED IN THE ARIZONA TEACHERS ACADEMY AFTER
30 ALL OTHER GIFTS AND AID RECEIVED.

31 2. SUPPORT FOR TEACHERS WHO ARE CURRENTLY EMPLOYED IN A PUBLIC
32 SCHOOL IN THIS STATE AND WHO ARE SEEKING A NATIONAL BOARD CERTIFICATION.

33 3. INDUCTION SERVICES FOR ARIZONA TEACHERS ACADEMY GRADUATES.

34 4. IMPLEMENTING A MARKETING AND PROMOTION PLAN TO RECRUIT AND
35 RETAIN STUDENTS IN THE ARIZONA TEACHERS ACADEMY AND ADMINISTERING THE
36 ARIZONA TEACHERS ACADEMY. ANNUAL EXPENDITURES FOR MARKETING, PROMOTING
37 AND ADMINISTRATING THE ARIZONA TEACHERS ACADEMY MAY NOT EXCEED THREE
38 PERCENT OF THE MONIES IN THE FUND EACH FISCAL YEAR.

39 G. MONIES REMAINING IN THE ARIZONA TEACHERS ACADEMY FUND AT THE END
40 OF EACH FISCAL YEAR MAY BE USED BY ELIGIBLE POSTSECONDARY INSTITUTIONS FOR
41 ARIZONA TEACHERS ACADEMY COSTS IN THE NEXT FISCAL YEAR.

42 H. ON OR BEFORE AUGUST 1 OF EACH FISCAL YEAR, THE STATE GENERAL
43 FUND APPROPRIATION FOR THE ARIZONA TEACHERS ACADEMY FOR THE CURRENT FISCAL
44 YEAR SHALL BE REDUCED BY THE AMOUNT OF MONIES REMAINING IN THE ARIZONA
45 TEACHERS ACADEMY FUND AT THE END OF THE PRIOR FISCAL YEAR.

1 I. ON OR BEFORE MARCH 1, 2020 AND EACH YEAR THEREAFTER, THE ARIZONA
2 BOARD OF REGENTS SHALL REPORT TO THE JOINT LEGISLATIVE BUDGET COMMITTEE
3 AND THE GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING ON ALL OF
4 THE FOLLOWING:

5 1. THE TOTAL NUMBER OF STUDENTS ENROLLED IN THE ARIZONA TEACHERS
6 ACADEMY BY ELIGIBLE POSTSECONDARY INSTITUTION IN THE CURRENT ACADEMIC
7 YEAR.

8 2. THE NUMBER OF ARIZONA TEACHERS ACADEMY GRADUATES RECEIVING
9 INDUCTION SERVICES IN THE CURRENT ACADEMIC YEAR.

10 3. THE ESTIMATED AMOUNT OF MONIES COMMITTED FROM THE ARIZONA
11 TEACHERS ACADEMY FUND IN THE CURRENT FISCAL YEAR.

12 ~~E.~~ J. On or before ~~July 1, 2018~~ SEPTEMBER 1, 2019 and each year
13 thereafter, the Arizona board of regents shall report to the governor, the
14 president of the senate and the speaker of the house of representatives,
15 and SHALL submit a copy to the secretary of state, on all of the
16 following:

17 1. The total number of students enrolled in the Arizona ~~teacher~~
18 TEACHERS academy ~~of~~ AT each ~~university~~ ELIGIBLE POSTSECONDARY INSTITUTION
19 BY YEAR OF COLLEGE ENROLLMENT AND THE NUMBER OF TEACHERS RECEIVING A
20 SCHOLARSHIP THROUGH THE ARIZONA TEACHERS ACADEMY FOR NATIONAL BOARD
21 CERTIFICATION.

22 2. The percentage of students who completed each year of the
23 academy and who plan to continue to the subsequent year, delineated by
24 each teacher preparation program offered by each ~~university~~ ELIGIBLE
25 POSTSECONDARY INSTITUTION as part of the Arizona ~~teacher~~ TEACHERS academy.

26 3. The number of teachers who completed a program of study through
27 the Arizona ~~teacher~~ TEACHERS academy BY EACH ELIGIBLE POSTSECONDARY
28 INSTITUTION.

29 4. The number of teachers currently teaching in a public school in
30 this state as part of an agreement for receiving ~~a full tuition and fee~~
31 ~~waiver~~ AN ARIZONA TEACHERS ACADEMY SCHOLARSHIP.

32 5. THE NUMBER OF GRADUATES RECEIVING INDUCTION SERVICES.

33 ~~5.~~ 6. The number of students who have defaulted on their ~~agreement~~
34 OBLIGATION and who are in repayment agreements.

35 7. THE NUMBER OF STUDENTS WHO HAVE DEFERRED REPAYMENT AGREEMENTS.

36 8. THE NUMBER OF STUDENTS WHO HAVE COMPLETED REPAYMENT AGREEMENTS.

37 9. THE METHODOLOGY FOR DISTRIBUTING ANY MONIES APPROPRIATED FOR THE
38 ARIZONA TEACHERS ACADEMY TO EACH ELIGIBLE POSTSECONDARY INSTITUTION AND
39 THE AMOUNTS DISTRIBUTED TO EACH.

40 10. THE AMOUNT OF UNUSED MONIES IN THE ARIZONA TEACHERS ACADEMY
41 FUND FROM THE PRIOR FISCAL YEAR.

42 K. FOR THE PURPOSES OF THIS SECTION:

43 1. "ELIGIBLE POSTSECONDARY INSTITUTIONS" MEANS UNIVERSITIES UNDER
44 THE JURISDICTION OF THE ARIZONA BOARD OF REGENTS AND COMMUNITY COLLEGES IN
45 THIS STATE THAT OFFER POSTBACCALAUREATE PROGRAMS THAT LEAD TO TEACHER

1 CERTIFICATION AND THAT HAVE ENTERED INTO AN AGREEMENT WITH THE ARIZONA
2 BOARD OF REGENTS RELATIVE TO THESE POSTBACCALAUREATE PROGRAMS.

3 2. "TUITION AND FEES" MEANS TUITION, MANDATORY FEES AND PROGRAM
4 FEES THAT ARE ASSOCIATED WITH A PROGRAM IN THE ARIZONA TEACHERS ACADEMY
5 LEADING TO TEACHER CERTIFICATION AND THAT ARE CHARGED BY AN ELIGIBLE
6 POSTSECONDARY INSTITUTION.

7 Sec. 5. Repeal

8 Section 15-1655, Arizona Revised Statutes, as amended by Laws 2018,
9 chapter 281, section 3, is repealed.

10 Sec. 6. Section 15-1670, Arizona Revised Statutes, is amended to
11 read:

12 15-1670. Appropriations for university research
13 infrastructure facilities; university transfers;
14 annual report; definitions

15 ~~A. In fiscal years 2007-2008 through 2016-2017, the following sums~~
16 ~~are appropriated each year from the state general fund to the respective~~
17 ~~universities for lease-purchase capital financing for research~~
18 ~~infrastructure projects:~~

19 ~~1. \$14,472,000 to Arizona state university.~~

20 ~~2. \$14,253,000 to the university of Arizona.~~

21 ~~3. \$5,900,000 to northern Arizona university.~~

22 ~~B.~~ A. In fiscal years 2017-2018 through 2030-2031, the following
23 sums are appropriated from the state general fund to Arizona state
24 university for lease-purchase capital financing for research
25 infrastructure projects:

26 1. In fiscal year 2017-2018, \$13,481,000.

27 2. In fiscal year 2018-2019, \$13,478,700.

28 3. In fiscal year 2019-2020, \$13,456,300.

29 4. In fiscal year 2020-2021, \$13,458,700.

30 5. In fiscal year 2021-2022, \$13,451,900.

31 6. In fiscal year 2022-2023, \$13,462,100.

32 7. In fiscal year 2023-2024, \$13,468,200.

33 8. In fiscal year 2024-2025, \$13,459,300.

34 9. In fiscal year 2025-2026, \$13,453,900.

35 10. In fiscal year 2026-2027, \$13,450,100.

36 11. In fiscal year 2027-2028, \$13,436,200.

37 12. In fiscal year 2028-2029, \$13,430,800.

38 13. In fiscal year 2029-2030, \$13,423,500.

39 14. In fiscal year 2030-2031, \$13,428,800.

40 ~~C.~~ B. In fiscal years 2017-2018 through 2030-2031, the following
41 sums are appropriated from the state general fund to the university of
42 Arizona for lease-purchase capital financing for research infrastructure
43 projects:

44 1. In fiscal year 2017-2018, \$14,249,300.

45 2. In fiscal year 2018-2019, \$14,251,000.

- 1 3. In fiscal year 2019-2020, \$14,250,200.
- 2 4. In fiscal year 2020-2021, \$14,251,500.
- 3 5. In fiscal year 2021-2022, \$14,248,900.
- 4 6. In fiscal year 2022-2023, \$14,252,500.
- 5 7. In fiscal year 2023-2024, \$14,255,300.
- 6 8. In fiscal year 2024-2025, \$14,247,300.
- 7 9. In fiscal year 2025-2026, \$14,248,400.
- 8 10. In fiscal year 2026-2027, \$14,251,300.
- 9 11. In fiscal year 2027-2028, \$14,254,100.
- 10 12. In fiscal year 2028-2029, \$14,251,500.
- 11 13. In fiscal year 2029-2030, \$14,252,500.
- 12 14. In fiscal year 2030-2031, \$14,255,800.

13 ~~D.~~ C. In fiscal years 2017-2018 through 2030-2031, the following
14 sums are appropriated from the state general fund to northern Arizona
15 university for lease-purchase capital financing for research
16 infrastructure projects:

- 17 1. In fiscal year 2017-2018, \$5,896,500.
- 18 2. In fiscal year 2018-2019, \$5,896,200.
- 19 3. In fiscal year 2019-2020, \$5,899,500.
- 20 4. In fiscal year 2020-2021, \$4,879,500.
- 21 5. In fiscal year 2021-2022, \$5,039,800.
- 22 6. In fiscal year 2022-2023, \$5,301,500.
- 23 7. In fiscal year 2023-2024, \$5,302,900.
- 24 8. In fiscal year 2024-2025, \$4,885,500.
- 25 9. In fiscal year 2025-2026, \$4,884,500.
- 26 10. In fiscal year 2026-2027, \$4,884,300.
- 27 11. In fiscal year 2027-2028, \$4,894,000.
- 28 12. In fiscal year 2028-2029, \$4,888,400.
- 29 13. In fiscal year 2029-2030, \$4,892,000.
- 30 14. In fiscal year 2030-2031, \$4,889,300.

31 ~~E.~~ D. Lease-purchase financing agreements under subsections A,
32 B, ~~AND C~~ ~~and D~~ of this section:

- 33 1. Must be entered into before July 1, 2006.
- 34 2. Are subject to the requirements of section 15-1682.01.

35 ~~F.~~ E. The appropriations under subsections A, B, ~~AND C~~ ~~and D~~ of
36 this section constitute continuing year-to-year appropriations but do not
37 constitute an obligation of the legislature or this state to continue the
38 appropriation in any fiscal year. The annual appropriation is a current
39 expense of this state in the fiscal year in which it occurs and is not a
40 general obligation indebtedness of this state or of any university. If
41 the appropriation is discontinued in any fiscal year, this state and the
42 university are relieved of any subsequent obligation pursuant to this
43 section.

1 ~~6.~~ F. Beginning in fiscal year ~~2007-2008~~ 2018-2019 and in each
2 subsequent fiscal year for which an appropriation is made pursuant to
3 subsections A, B, ~~AND C and D~~ of this section, FOR EACH INDIVIDUAL
4 LICENSURE AGREEMENT, ROYALTY AGREEMENT OR AGREEMENT FOR THE SALE OR
5 TRANSFER OF INTELLECTUAL PROPERTY DEVELOPED BY A UNIVERSITY THAT IS
6 ENTERED INTO BY THE UNIVERSITY OR A COMPONENT UNIT OF THE UNIVERSITY AND
7 FOR WHICH THE NET INCOME FOR THE INDIVIDUAL AGREEMENT REACHES \$1,000,000
8 OVER ITS CUMULATIVE LIFETIME, each university shall ~~deposit~~ TRANSFER TO
9 THE STATE TREASURER not later than October 1 ~~with the state treasurer in~~
10 ~~the state general fund~~ FOLLOWING THE CLOSE OF THE FISCAL YEAR an amount
11 equal to:—

12 1. ~~Twenty percent of the income from licensure and royalty payments~~
13 ~~received by the university during the preceding fiscal year.~~

14 2. ~~Twenty-five percent of the income received by the university~~
15 ~~during the preceding fiscal year from the sale or transfer of intellectual~~
16 ~~property developed by the university.~~

17 H. ~~Notwithstanding subsection G of this section, for each licensure~~
18 ~~agreement, royalty agreement or agreement for the sale or transfer of~~
19 ~~intellectual property developed by a university that is entered into by~~
20 ~~the university or a component unit of the university from and after April~~
21 ~~30, 2017, the university shall deposit not later than October 1 with the~~
22 ~~state treasurer in the state general fund:~~

23 1. ~~For the first three years of the licensure or royalty agreement,~~
24 ~~an amount equal to twenty percent of the net income from licensure and~~
25 ~~royalty payments for the agreement received by the university or any~~
26 ~~component unit of the university during the preceding fiscal year.~~

27 2. ~~For each year after the first three years of the licensure or~~
28 ~~royalty agreement, an amount equal to twenty percent of the gross revenues~~
29 ~~from licensure and royalty payments for the agreement received by the~~
30 ~~university or any component unit of the university during the preceding~~
31 ~~fiscal year.~~

32 3. ~~An amount equal to twenty-five percent of the gross revenues~~
33 ~~received by the university or any component unit of the university during~~
34 ~~the preceding fiscal year from the sale or transfer of intellectual~~
35 ~~property developed by the university. TWENTY PERCENT OF THE CUMULATIVE NET~~
36 ~~INCOME EXCEEDING THE \$1,000,000 THRESHOLD MINUS AMOUNTS DEPOSITED IN~~
37 ~~PREVIOUS YEARS. THE STATE TREASURER SHALL DEPOSIT THE MONIES RECEIVED~~
38 ~~FROM THE UNIVERSITIES PURSUANT TO THIS SUBSECTION IN THE FINANCIAL AID~~
39 ~~TRUST FUND ESTABLISHED PURSUANT TO SECTION 15-1642.~~

40 I. G. When calculating THE CUMULATIVE NET income pursuant to
41 subsection ~~G~~ F of this section ~~and net income and gross revenues pursuant~~
42 ~~to subsection H of this section, each university shall calculate amounts~~
43 ~~received in the prior fiscal year and may not include cumulative losses~~
44 ~~from other fiscal years. When calculating net income and gross revenues~~
45 ~~pursuant to subsection H of this section, the university may not reduce~~

1 its required deposits from any agreements due to net income OR EXPENSES
2 associated with other projects.

3 ~~g.~~ H. The amount transferred TO THE STATE TREASURER in each fiscal
4 year ~~for deposit in the state general fund~~ by each university ~~from sources~~
5 ~~listed in subsections G and H~~ PURSUANT TO SUBSECTION F of this section
6 shall not exceed the amount appropriated in that fiscal year under
7 subsection A, B, ~~OR C~~ ~~or D~~ of this section and section 15-1671,
8 subsections B and C, respectively.

9 ~~k.~~ I. On or before October 1 of each year, each university shall
10 report to the joint legislative budget committee the total amount of
11 income, ~~net income and gross revenues~~ AND THE TOTAL AMOUNT OF NET INCOME
12 the university received in the preceding fiscal year from each category of
13 income that is subject to deposit pursuant to subsection ~~G or H~~ F of this
14 section.

15 ~~l.~~ J. For the purposes of this section:

16 1. "Component unit of the university":

17 (a) Means an entity that is legally separate from, but related to,
18 the university and whose primary purpose is to support the university.

19 (b) Includes a university foundation and an entity that contracts
20 with the university to manage technology transfer activities.

21 2. "NET INCOME" MEANS PAYMENTS RECEIVED FROM INDIVIDUAL LICENSURE
22 AND ROYALTY AGREEMENTS AND THE SALE OR TRANSFER OF INTELLECTUAL PROPERTY
23 DEVELOPED BY THE UNIVERSITY, NET OF EXPENSES RELATED TO INDIVIDUAL
24 AGREEMENTS. FOR THE PURPOSES OF THIS PARAGRAPH, "EXPENSES RELATED TO
25 INDIVIDUAL AGREEMENTS" INCLUDES ANY OF THE FOLLOWING:

26 (a) REVENUE SHARES PAID TO INVENTORS AND INVENTORS' LABORATORIES IN
27 SUPPORT OF THEIR RESEARCH ACTIVITIES.

28 (b) EXPENSES RELATED TO PURSUING, MAINTAINING OR PROTECTING
29 INTELLECTUAL PROPERTY.

30 (c) EXPENSES RELATED TO COMMERCIALIZING, LICENSING OR LITIGATING
31 INTELLECTUAL PROPERTY.

32 (d) CONTRACTUALLY REQUIRED DISTRIBUTIONS TO THIRD PARTIES.

33 (e) REIMBURSEMENT HOLDS RELATED TO FUTURE CONTRACTUAL
34 REIMBURSEMENTS.

35 (f) OPERATIONAL MANAGEMENT FEES.

36 ~~2.~~ 3. "Research infrastructure" means installations and facilities
37 for continuance and growth of scientific and technological research
38 activities at the university.

39 Sec. 7. Section 35-146, Arizona Revised Statutes, is amended to
40 read:

41 35-146. Deposit of receipts by budget units

42 A. All monies received by any officer or employee of any budget
43 unit shall be promptly remitted to the state treasurer, and ~~no~~ monies
44 shall NOT be held, used or deposited in any personal or special bank

1 account temporarily or otherwise by any agent or employee except as
2 expressly provided by this chapter.

3 B. All monies received by the state treasurer shall be credited to
4 the state general fund, unless otherwise prescribed by law.

5 C. ALL REVENUES INCLUDED IN THE OPERATING BUDGET ADOPTED BY THE
6 ARIZONA BOARD OF REGENTS FOR EACH UNIVERSITY AS PRESCRIBED IN SECTION
7 15-1626, SUBSECTION A SHALL BE RETAINED BY EACH UNIVERSITY. TUITION AND
8 FEES SHALL BE DEPOSITED IN SUBACCOUNTS AS PRESCRIBED IN SECTION 15-1626,
9 SUBSECTION A.

10 Sec. 8. Financial aid trust fund: required state match:
11 reduction

12 Notwithstanding section 15-1642, subsection C, Arizona Revised
13 Statutes, for fiscal year 2019-2020, each dollar raised pursuant to the
14 surcharge on student registration fees assessed pursuant to section
15 15-1642, subsection A, Arizona Revised Statutes, may be matched by less
16 than \$2 appropriated by the legislature.

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

20 Notwithstanding section 15-1464, Arizona Revised Statutes, state aid
21 for science, technology, engineering and mathematics and workforce
22 programs for community college districts for fiscal year 2019-2020 is as
23 specified in the general appropriations act.

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

26 Notwithstanding section 15-1466, Arizona Revised Statutes, operating
27 state aid for community college districts for fiscal year 2019-2020 is as
28 specified in the general appropriations act.

APPROVED BY THE GOVERNOR MAY 31, 2019.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 31, 2019.