

REFERENCE TITLE: university employees; tenure; retirement eligibility

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

# HB 2003

Introduced by  
Representative Finchem

AN ACT

AMENDING SECTION 15-1626, ARIZONA REVISED STATUTES; RELATING TO THE  
ARIZONA BOARD OF REGENTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 15-1626, Arizona Revised Statutes, is amended to  
3 read:

4 15-1626. General administrative powers and duties of board:  
5 definition

6 A. The board shall:

7 1. Have and exercise the powers necessary for the effective  
8 governance and administration of the institutions under its control. To  
9 that end, the board may adopt, and authorize each university to adopt,  
10 such regulations, policies, rules or measures as are deemed necessary and  
11 may delegate in writing to its committees, to its university presidents,  
12 or their designees, or to other entities under its control any part of its  
13 authority for the administration and governance of such institutions,  
14 including those powers enumerated in section 15-1625, subsection B,  
15 paragraphs 2 and 4, paragraphs 3, 4, 8, 9, 11 and 12 of this subsection  
16 and subsection B of this section. Any delegation of authority may be  
17 rescinded by the board at any time in whole or in part.

18 2. Appoint and employ and determine the compensation of presidents  
19 with such power and authority and for such purposes in connection with the  
20 operation of the institutions as the board deems necessary.

21 3. Appoint and employ and determine the compensation of  
22 ~~vice-presidents~~ VICE PRESIDENTS, deans, professors, instructors,  
23 lecturers, fellows and such other officers and employees with such power  
24 and authority and for such purposes in connection with the operation of  
25 the institutions as the board deems necessary, or delegate its authority  
26 pursuant to paragraph 1 of this subsection.

27 4. Remove any officer or employee when the interests of education  
28 in this state so require in accordance with its personnel rules and  
29 policies.

30 5. Fix tuitions and fees to be charged and differentiate the  
31 tuitions and fees between institutions and between residents,  
32 nonresidents, undergraduate students, graduate students, students from  
33 foreign countries and students who have earned credit hours in excess of  
34 the credit hour threshold. For the purposes of this paragraph, the  
35 undergraduate credit hour threshold is one hundred forty-five hours for  
36 students who attend a university under the jurisdiction of the board. The  
37 undergraduate credit hour threshold shall be based on the actual full-time  
38 equivalent student enrollment counted on the forty-fifth day of every fall  
39 and spring semester, divided by two, and any budget adjustment based on  
40 student enrollment shall occur in the fiscal year following the actual  
41 full-time equivalent student enrollment count. The undergraduate credit  
42 hour threshold shall not apply to degree programs that require credit  
43 hours above the credit hour threshold, credits earned in the pursuit of up  
44 to two baccalaureate degrees, credits earned in the pursuit of up to two  
45 state regulated licensures or certificates, credits earned in the pursuit

1 of teaching certification, credits transferred from a private institution  
2 of higher education, credits transferred from an institution of higher  
3 education in another state, credits earned at another institution of  
4 higher education but that are not accepted as transfer credits at the  
5 university where the student is currently enrolled and credits earned by  
6 students who enroll at a university under the jurisdiction of the board  
7 more than twenty-four months after the end of that student's previous  
8 enrollment at a public institution of higher education in this state. On  
9 or before October 15 of each year, the board shall report to the joint  
10 legislative budget committee the number of in-state students and  
11 out-of-state students who were enrolled at universities under the  
12 jurisdiction of the board during the previous fiscal year and who met or  
13 exceeded the undergraduate credit hour threshold prescribed in this  
14 paragraph. The amount of tuition and fees included in the operating  
15 budget for the university adopted by the board as prescribed in paragraph  
16 13 of this subsection shall be subject to legislative appropriation and  
17 deposited in a separate tuition and fees subaccount for each university.  
18 All other tuition and fee revenue shall be retained by each university for  
19 expenditure as approved by the board in a separate local tuition and fees  
20 subaccount for each university. This subaccount shall consist of only  
21 tuition and fees. The universities shall not use any tuition or fee  
22 revenue to fund or support an alumni association.

23 6. Adopt rules to govern its tuition and academic fee setting  
24 process that provide for the following:

25 (a) At least one public hearing at each university as an  
26 opportunity for students and members of the public to comment on any  
27 proposed increase in tuition or fees.

28 (b) Publication of the notice of public hearing at least ten days  
29 before the hearing in a newspaper of general circulation in Maricopa  
30 county, Coconino county and Pima county. The notice shall include the  
31 date, time and location of the public hearing.

32 (c) Public disclosure by each university of any proposed increases  
33 in tuition or fees at least ten days before the public hearing.

34 (d) A roll call vote of any final board action on changes in  
35 tuition, including tuition rate changes for online programs, or academic  
36 fees.

37 (e) Public disclosure by the board and each university of any final  
38 board action on changes in tuition or academic fees.

39 7. Pursuant to section 35-115, submit a budget request for each  
40 institution under its jurisdiction that includes the estimated tuition and  
41 fee revenue available to support the programs of the institution as  
42 described in the budget request. The estimated available tuition and fee  
43 revenue shall be based on the tuition and registration fee rates in effect  
44 at the time the budget request is submitted with adjustments for projected  
45 changes in enrollment as provided by the board.

1           8. Establish curricula and designate courses at the several  
2 institutions that in its judgment will best serve the interests of this  
3 state.

4           9. Award such degrees and diplomas on the completion of such  
5 courses and curriculum requirements as it deems appropriate.

6           10. Prescribe qualifications for admission of all students to the  
7 universities. The board shall establish policies for guaranteed admission  
8 that ensure fair and equitable access to students in this state from  
9 public, private and charter schools and homeschools. For the purpose of  
10 determining the qualifications of honorably discharged veterans, veterans  
11 are those persons who served in the armed forces for a minimum of two  
12 years and who were previously enrolled at a university or community  
13 college in this state. No prior failing grades received by the veteran at  
14 the university or community college in this state may be considered.

15           11. Adopt any energy conservation standards adopted by the  
16 department of administration for the construction of new buildings.

17           12. Employ for such time and purposes as the board requires  
18 attorneys whose compensation shall be fixed and paid by the board.  
19 Litigation to which the board is a party and for which self-insurance is  
20 not provided may be compromised or settled at the direction of the board.

21           13. Adopt annually an operating budget for each university equal to  
22 the sum of appropriated general fund monies and the amount of tuition and  
23 fees approved by the board and allocated to each university operating  
24 budget.

25           14. In consultation with the state board of education and other  
26 education groups, develop and implement a program to award honors  
27 endorsements to be affixed to the high school diplomas of qualifying high  
28 school pupils and to be included in the transcripts of pupils who are  
29 awarded endorsements. The board shall develop application procedures and  
30 testing criteria and adopt testing instruments and procedures to  
31 administer the program. In order to receive an honors endorsement, a  
32 pupil must demonstrate an extraordinary level of knowledge, skill and  
33 competency as measured by the testing instruments adopted by the board in  
34 mathematics, English, science and social studies. Additional subjects may  
35 be added at the determination of the board. The program is voluntary for  
36 pupils.

37           15. Require the publisher of each literary and nonliterary textbook  
38 used in the universities of this state to furnish to the Arizona board of  
39 regents computer software in a standardized format when software becomes  
40 available for nonliterary textbooks from which braille versions of the  
41 textbooks may be produced.

42           16. Require universities that provide a degree in education to  
43 require courses that are necessary to obtain a provisional structured  
44 English immersion endorsement as prescribed by the state board of  
45 education.

1           17. Acquire United States flags for each classroom that are  
2 manufactured in the United States and that are at least two feet by three  
3 feet and hardware to appropriately display the United States flags,  
4 acquire a legible copy of the Constitution of the United States and the  
5 Bill of Rights, display the flags in each classroom in accordance with  
6 title 4 of the United States Code and display a legible copy of the  
7 Constitution of the United States and the Bill of Rights adjacent to the  
8 flag.

9           18. To facilitate the transfer of military personnel and their  
10 dependents to and from the public schools of this state, pursue, in  
11 cooperation with the state board of education, reciprocity agreements with  
12 other states concerning the transfer credits for military personnel and  
13 their dependents. A reciprocity agreement entered into pursuant to this  
14 paragraph shall:

15           (a) Address procedures for each of the following:

16           (i) The transfer of student records.

17           (ii) Awarding credit for completed coursework.

18           (iii) Permitting a student to satisfy the graduation requirements  
19 prescribed in section 15-701.01 through the successful performance on  
20 comparable exit-level assessment instruments administered in another  
21 state.

22           (b) Include appropriate criteria developed by the state board of  
23 education and the Arizona board of regents.

24           19. Require a university to publicly post notices of all of its  
25 employment openings, including the title and description, instructions for  
26 applying and relevant contact information.

27           20. In consultation with the community college districts in this  
28 state, develop and implement common equivalencies for specific levels of  
29 achievement on advanced placement examinations and international  
30 baccalaureate examinations in order to award commensurate postsecondary  
31 academic credits at community colleges and public universities in this  
32 state.

33           21. On or before August 1 of each year, report to the joint  
34 legislative budget committee the graduation rate by university campus  
35 during the previous fiscal year. The board shall also report the  
36 retention rate by university campus and by class, as determined by date of  
37 entry during the previous fiscal year.

38           B. The board shall adopt personnel policies for all employees of  
39 the board and the universities. THE PERSONNEL POLICIES SHALL PROHIBIT A  
40 UNIVERSITY EMPLOYEE FROM OBTAINING TENURE OR CONTINUED STATUS AS A TENURED  
41 EMPLOYEE AT THAT UNIVERSITY AFTER THE EMPLOYEE REACHES THE NORMAL  
42 RETIREMENT DATE UNDER THE ARIZONA STATE RETIREMENT SYSTEM PURSUANT TO  
43 TITLE 38, CHAPTER 5, ARTICLE 2 OR AN OPTIONAL RETIREMENT PROGRAM PURSUANT  
44 TO SECTION 15-1628, WHICHEVER APPLIES TO THAT EMPLOYEE.

1 C. In conjunction with the auditor general, the board shall develop  
2 a uniform accounting and reporting system, which shall be reviewed by the  
3 joint legislative budget committee before final adoption by the board.  
4 The board shall require each university to comply with the uniform  
5 accounting and reporting system.

6 D. The board may employ legal assistance in procuring loans for the  
7 institutions from the United States government. Fees or compensation paid  
8 for such legal assistance shall not be a claim on the STATE general fund  
9 ~~of this state~~ but shall be paid from funds of the institutions.

10 E. The board shall approve or disapprove any contract or agreement  
11 entered into by the university of Arizona hospital with the Arizona  
12 industrial development authority.

13 F. The board may adopt policies that authorize the institutions  
14 under its jurisdiction to enter into employment contracts with nontenured  
15 employees for periods of more than one year but not more than five years.  
16 The policies shall prescribe limitations on the authority of the  
17 institutions to enter into employment contracts for periods of more than  
18 one year but not more than five years, including the requirement that the  
19 board approve the contracts.

20 G. The board may adopt a plan or plans for employee benefits that  
21 allow for participation in a cafeteria plan that meets the requirements of  
22 the United States internal revenue code of 1986.

23 H. The board may establish a program for the exchange of students  
24 between the universities under the jurisdiction of the board and colleges  
25 and universities located in the state of Sonora, Mexico. Notwithstanding  
26 subsection A, paragraph 5 of this section, the program may provide for  
27 in-state tuition at the universities under the jurisdiction of the board  
28 for fifty Sonoran students in exchange for similar tuition provisions for  
29 up to fifty Arizona students enrolled or seeking enrollment in Sonoran  
30 colleges or universities. The board may direct the universities to work  
31 in conjunction with the Arizona-Mexico commission to coordinate  
32 recruitment and admissions activities.

33 I. The Arizona board of regents, in collaboration with the  
34 universities under its jurisdiction, shall adopt a performance funding  
35 model. The performance funding model shall use performance metrics that  
36 include the increase in degrees awarded, the increase in completed student  
37 credit hours and the increase in externally generated research and public  
38 service funding. The funding formula may give added weight to degrees  
39 related to science, technology, engineering and mathematics and other  
40 high-value degrees that are in short supply or that are essential to this  
41 state's long-term economic development strategy.

42 J. The Arizona board of regents shall use the performance funding  
43 model adopted pursuant to subsection I of this section in developing and  
44 submitting budget requests for the universities under its jurisdiction.

1           K. On or before November 1 of each year, the Arizona board of  
2 regents shall submit to the joint legislative budget committee and the  
3 governor's office of strategic planning and budgeting a report on  
4 university debt and obligations, including:

- 5           1. Long-term notes and obligations.
- 6           2. Certificates of participation and other obligations pursuant to  
7 any lease-purchase agreements.
- 8           3. Revenue bonds.
- 9           4. Bonds issued pursuant to section 15-1682.03.
- 10          5. Commercial paper issued pursuant to section 15-1696.

11          L. The report issued pursuant to subsection K of this section shall  
12 contain, for the most recent fiscal year:

- 13          1. The aggregate level of outstanding principal and the principal  
14 and interest payments, by type of debt or obligation.
- 15          2. An itemization, by campus and project, of the amount of yearly  
16 principal and interest to be paid in the most recent and the next five  
17 fiscal years.

18          M. The board may enter into an intergovernmental agreement pursuant  
19 to section 15-1747 to manage universities under its jurisdiction subject  
20 to the terms of the reciprocity agreement.

21          N. For the purposes of this section, "university debt and  
22 obligations" means debt and obligations, the principal and interest of  
23 which are paid in whole or in part with university monies.