State of Arizona  
Senate  
Fifty-fourth Legislature  
First Regular Session  
2019

SB 1518

Introduced by  
Senators Carter: Bowie, Brophy McGee, Contreras, Gonzales, Navarrete, Peshlakai, Pratt; Representatives Bolding, Shope, Udall

AN ACT

AMENDING SECTION 15-1661, ARIZONA REVISED STATUTES; RELATING TO THE ARIZONA BOARD OF REGENTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)
Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 15-1661, Arizona Revised Statutes, is amended to read:

15-1661. Annual appropriation; enrollment audit; expenditure; balance; salaries

A. There shall be appropriated in the general appropriation bill for each fiscal year a sum of monies not less than eighty-five one-hundredths of one mill on the dollar of the assessed valuation of all taxable property in the state for the improvement to improve, support and maintenance of the institutions under the Arizona board of regents' jurisdiction, including payment of salaries AND current expenses, purchase of equipment, making necessary repairs, construction of new buildings, purchase of lands and in general for payment of all such expenses connected with the management of the institutions under the Arizona board of regents' jurisdiction. The department of revenue, upon compiling the aggregate assessed valuation of all taxable property within this state, shall compute the amount of monies so determined and certify such amount over its seal to the department of administration and the state treasurer.

B. The full-time equivalent student enrollment reported for the previous fiscal year by each university shall be audited annually by the auditor general. The auditor general shall report the results of the audit to the staffs of the joint legislative budget committee and the governor's office of strategic planning and budgeting on or before October 15 of each year. On or before July 21 of each academic year, each university shall provide for the previous fall semester a certified report to the auditor general of the number of full-time equivalent students calculated by the university and a separate report only for those students who meet the residency requirements prescribed in section 15-1802. The university's records used to calculate full-time equivalent student enrollment shall be provided to the auditor general in an electronic format prescribed by the auditor general. Beginning in 2006, each university shall submit to the auditor general a summary of its full-time equivalent student enrollment accounting policies and procedures, compilation procedures and source records used for calculating full-time equivalent student enrollment. These accounting policies and procedures, compilation procedures and source records shall comply with policies developed on or before June 30, 2006 by the Arizona board of regents, in consultation with the auditor general and reviewed by the joint legislative budget committee. These policies shall include a review and recommendations of the necessity of minimum requirements for students enrolled in classes to qualify for appropriations pursuant to this section, including requirements that the class be a for-credit course that is necessary for completing a degree and that the
student enrolled in the course be physically present in this state at the
time the course is conducted. The basic actual full-time equivalent
student enrollment shall be counted on the forty-fifth day after the basic
actual full-time equivalent student enrollment classes begin for the fall
and spring semesters, as published in the university catalogs, and divided
by two. The Arizona board of regents shall also recommend whether each professor or instructor should be required to
review class rosters and make additions or deletions as necessary. If so,
class rosters that reflect enrollment as of the forty-fifth day shall be
provided by the registrar's office to each professor or instructor for
every class section. The class roster shall indicate the course number,
course title, time, instructor name and students enrolled. On the
forty-fifth day class rosters, each professor or instructor shall indicate
as withdrawn each student who has formally withdrawn from the course, and
that student shall not be counted for state aid purposes. The official
forty-fifth day rosters shall include a manual signature and date or an
electronic authorization and date by the professor or instructor and shall
include the following certification:

I hereby certify that the information contained in this
class roster accurately reflects those students who are
enrolled.

C. The Arizona board of regents shall also report the basic actual
full-time equivalent student enrollment for only those students who meet
the residency requirements prescribed in section 15-1802. The basic
actual full-time equivalent student enrollment for only those students who
meet the residency requirements prescribed in section 15-1802 that is
reported by each university for the previous fiscal year shall be annually
audited by the auditor general.

D. Students who have withdrawn or who have been withdrawn from
classes as of the forty-fifth day shall not be counted for state aid
purposes. A record shall be maintained that identifies student
withdrawals by date of withdrawal, as of the forty-fifth day and after the
forty-fifth day for the entire semester.

E. Amounts appropriated as provided by subsection A of this section
shall be paid as other claims against this state are paid.

F. The balance of appropriations as provided by subsection A of
this section at the end of the fiscal year, if any, shall not revert
to the state general fund but shall be carried forward for the continued
use for which appropriated.

G. Monies appropriated to a university under the jurisdiction of
the Arizona board of regents for cost-of-living salary increases for university employees shall be used to provide cost-of-living
salary increases to all university employees, including
graduate student assistants. If monies are appropriated to a university
for salary increases based on merit, the monies shall be used to provide

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merit increases according to the merit pay plan adopted by the Arizona board of regents.

H. The Arizona board of regents shall determine current actual full-time equivalent student enrollment at each of the institutions under the jurisdiction of the Arizona board of regents. Full-time equivalent student enrollment shall be calculated by adding the following:

1. The total number of enrolled fall and spring semester credit hours in 100-level credit courses and 200-level credit courses divided by fifteen.

2. The total number of enrolled fall and spring semester credit hours in 300-level credit courses and 400-level credit courses divided by twelve.

3. The total number of enrolled fall and spring semester credit hours in graduate-level GRADUATE-LEVEL credit courses divided by ten.

I. The Arizona board of regents, in its annual budget request, shall not include funding for any student who is enrolled at an institution under the jurisdiction of the Arizona board of regents and who has earned credit hours in excess of the undergraduate credit hour threshold, except that the undergraduate credit hour threshold shall not apply to students who are enrolled in a degree program that requires credit hours above the credit threshold. For the purposes of this subsection, the undergraduate credit hour threshold is one hundred fifty-five hours for students who attend a university under the jurisdiction of the board in fiscal year 2006-2007, one hundred fifty hours for students who attend a university under the jurisdiction of the board in fiscal year 2007-2008 and one hundred forty-five hours for students who attend a university under the jurisdiction of the board after fiscal year 2007-2008. The undergraduate credit hour threshold shall be based on the actual full-time equivalent student enrollment counted on the forty-fifth day after classes begin for the fall and spring semesters and any budget adjustment based on student enrollment shall occur in the fiscal year following the actual full-time equivalent student enrollment count. The undergraduate credit hour threshold shall not apply to credits earned in the pursuit of PURSUING up to two baccalaureate degrees, credits earned in the pursuit of PURSUING up to two state-regulated STATE-REGULATED licensures and certificates, credits earned in the pursuit of PURSUING teaching certification, credits transferred from a private institution of higher education, credits transferred from an institution of higher education in another state, credits earned at another institution of higher education but that are not accepted as transfer credits at the university where the student is currently enrolled and credits earned by students who enroll at a university under the jurisdiction of the board more than twenty-four months after the end of that student's previous enrollment at a public institution of higher education in this state.
J. The following sums in the following fiscal years are appropriated from the State General Fund to the Arizona Board of Regents to distribute to universities under the jurisdiction of the Board to fund resident student tuition costs:
   1. In Fiscal Year 2019-2020, $102,738,300.
   2. In Fiscal Year 2020-2021, $205,476,600.
   3. In Fiscal Year 2021-2022, $308,214,900.

K. In addition to the other requirements prescribed in this section:
   1. In Fiscal Year 2022-2023, a sum equal to the product of the following is appropriated from the State General Fund to the Arizona Board of Regents to distribute to universities under the jurisdiction of the Board to fund resident student tuition costs:
      (a) $7,900.
      (b) The basic actual full-time equivalent student enrollment for only those students who meet the residency requirements prescribed in Section 15-1802, as reported pursuant to subsections B and C of this section for the immediately preceding fiscal year.
   2. In Fiscal Year 2023-2024 and each fiscal year thereafter, a sum equal to the product of the following is appropriated from the State General Fund to the Arizona Board of Regents to distribute to universities under the jurisdiction of the Board to fund resident student tuition costs:
      (a) The amount prescribed in paragraph 1, subdivision (a) of this subsection, increased each year by a minimum growth rate of either two percent or the change in the GDP price deflator, as defined in section 41-563, from the second preceding calendar year to the calendar year immediately preceding the budget year, whichever is less, except that the amount appropriated may not be reduced below the amount appropriated for Fiscal Year 2021-2022.
      (b) The basic actual full-time equivalent student enrollment for only those students who meet the residency requirements prescribed in Section 15-1802, as reported pursuant to subsections B and C of this section for the immediately preceding fiscal year.