State of Arizona  
Senate  
Fifty-fifth Legislature  
Second Regular Session  
2022

CHAPTER 21  
SENATE BILL 1321  
AN ACT  
AMENDING TITLE 15, CHAPTER 13, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-1657; AMENDING TITLE 15, CHAPTER 13, ARTICLE 6, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 15-1702, 15-1703 AND 15-1704; REPEALING TITLE 15, CHAPTER 13, ARTICLE 11, ARIZONA REVISED STATUTES; REPEALING TITLE 15, CHAPTER 14, ARTICLES 4 AND 5, ARIZONA REVISED STATUTES; REPEALING SECTION 41-3027.02, ARIZONA REVISED STATUTES; APPROPRIATING MONIES; RELATING TO POSTSECONDARY EDUCATION.

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

Section 1. Title 15, chapter 13, article 3, Arizona Revised Statutes, is amended by adding section 15-1657, to read:

15-1657. Arizona teacher student loan program; requirements; fund; definitions

A. The Arizona teacher student loan program is established to support the recruitment of teachers in public schools in this state. The Arizona Board of Regents may grant forgivable loans to qualified students from the Arizona teacher student loan fund established by this section to defray the costs of tuition, instructional materials and mandatory fees of qualified students who are pursuing either a teaching degree or a teaching certificate through an alternative teacher certification program at a qualifying postsecondary institution and who meet the qualifications to receive these loans. A qualified student who is in an alternative teacher certification program after obtaining a bachelor's degree is eligible for a loan issued pursuant to this section. Loans shall be granted in an amount and on such terms and conditions as determined by the Arizona Board of Regents and shall be distributed on a first-come, first-served basis.

B. The loans issued under this section shall be used to cover the costs of tuition and mandatory fees for each loan recipient and may also defray the cost of instructional materials, but shall exclude all grants, scholarships and tuition benefits such as military, tribal and employee grants, scholarships and benefits.

C. A qualified student who does not successfully complete the academic year in good academic standing shall reimburse the Arizona Board of Regents for the total amount of the loan the qualified student received for that year under this section.

D. For each academic year that the qualified student successfully completes and for which the qualified student receives a loan under this section, the qualified student must agree to teach for one full school year in a public school in this state. For qualified students who are teaching and receiving a loan under this section concurrently, the commitment period begins after graduation. If a qualified student enrolls in a summer term, that term may not be included in the calculation of the qualified student's postgraduation public service commitment.

E. If the qualified student does not fulfill the qualified student's obligation to teach in a public school as prescribed in this section, the qualified student shall reimburse the Arizona Board of Regents for the proportional amount of the loan the qualified student received that corresponds to the number of school years the qualified student agreed to teach but did not teach in a public school in this state.

F. The Arizona Board of Regents shall establish a process for deferring service or repayment based on factors adopted by the board.
S.B. 1321

G. THE ARIZONA TEACHER STUDENT LOAN FUND IS ESTABLISHED. THE ARIZONA BOARD OF REGENTS SHALL ADMINISTER THE FUND. ALL MONIES APPROPRIATED TO CARRY OUT THE PURPOSES OF THIS SECTION SHALL BE DEPOSITED IN THE FUND AND ALL PAYMENTS OF PRINCIPAL AND INTEREST THAT ARE RECEIVED BY THE ARIZONA BOARD OF REGENTS SHALL BE DEPOSITED, PURSUANT TO SECTIONS 35-146 AND 35-147, IN THE FUND. MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED FOR USE BY THE ARIZONA BOARD OF REGENTS AND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPING OF APPROPRIATIONS. THE ARIZONA BOARD OF REGENTS MAY RETAIN UP TO TEN PERCENT OF THE AMOUNT DEPOSITED EACH FISCAL YEAR IN THE FUND AND MAY USE THE INTEREST DEPOSITED IN THE FUND FOR THE PURPOSES OF ADMINISTERING THE LOAN PROGRAM ESTABLISHED BY THIS SECTION, INCLUDING LOAN REPAYMENT RESPONSIBILITIES. ON NOTICE FROM THE ARIZONA BOARD OF REGENTS, THE STATE TREASURER SHALL INVEST AND DIVEST MONIES IN THE FUND AS PROVIDED BY SECTION 35-313, AND MONIES EARNED FROM INVESTMENT SHALL BE CREDITED TO THE FUND.

H. FOR THE PURPOSES OF THIS SECTION:
1. "QUALIFIED STUDENT" MEANS A STUDENT WHO MEETS ALL OF THE FOLLOWING CRITERIA:
   (a) IS A RESIDENT OF THIS STATE.
   (b) IS A CITIZEN OR LEGAL RESIDENT OF THE UNITED STATES OR IS OTHERWISE LAWFULLY PRESENT IN THE UNITED STATES.
   (c) ATTENDS A QUALIFYING POSTSECONDARY INSTITUTION.
2. "QUALIFYING POSTSECONDARY INSTITUTION" MEANS A REGIONALLY OR NATIONALLY ACCREDITED PRIVATE POSTSECONDARY EDUCATIONAL INSTITUTION IN THIS STATE.

Sec. 2. Heading change
The article heading of title 15, chapter 13, article 6, Arizona Revised Statutes, is changed from "ARIZONA PROMISE PROGRAM" to "FINANCIAL AID".

Sec. 3. Title 15, chapter 13, article 6, Arizona Revised Statutes, is amended by adding sections 15-1702, 15-1703 and 15-1704, to read:
15-1702. Arizona board of regents; state higher education agency; state scholarship grant agency
A. THE ARIZONA BOARD OF REGENTS SHALL SERVE AS THE STATE HIGHER EDUCATION AGENCY AS IDENTIFIED IN 20 UNITED STATES CODE SECTION 1003(22) AND AS THE STATE SCHOLARSHIP GRANT AGENCY TO EXCHANGE DATA ELECTRONICALLY WITH THE UNITED STATES DEPARTMENT OF EDUCATION IN THE STUDENT AID INTERNET GATEWAY.
B. THE ARIZONA BOARD OF REGENTS SHALL ADMINISTER THE APPLICABLE PROGRAMS AS IDENTIFIED IN THIS ARTICLE AND AS ESTABLISHED BY THE HIGHER EDUCATION AMENDMENTS OF 1998 (P.L. 105-244; 112 STAT. 1581) FOR THE STATE HIGHER EDUCATION AGENCY AND THE STATE SCHOLARSHIP GRANT AGENCY.
15-1703. Arizona leveraging educational assistance program; grants; criteria

A. THE ARIZONA LEVERAGING EDUCATIONAL ASSISTANCE PROGRAM IS ESTABLISHED TO PROVIDE STUDENT FINANCIAL ASSISTANCE IN THE FORM OF NEED-BASED GRANTS TO ELIGIBLE STUDENTS TO ATTEND POSTSECONDARY EDUCATIONAL INSTITUTIONS IN THIS STATE. THE ARIZONA BOARD OF REGENTS SHALL ADMINISTER THE PROGRAM.

B. A STUDENT IS ELIGIBLE TO PARTICIPATE IN THE ARIZONA LEVERAGING EDUCATIONAL ASSISTANCE PROGRAM ESTABLISHED BY THIS SECTION IF THE STUDENT MEETS ALL OF THE FOLLOWING CRITERIA:

1. IS A RESIDENT OF THIS STATE.
2. DEMONSTRATES FINANCIAL NEED UNDER THE CRITERIA ESTABLISHED BY THE ARIZONA BOARD OF REGENTS FOR THE PROGRAM.
3. IS ATTENDING, ON AT LEAST A HALF-TIME BASIS, AN APPROVED PROGRAM AT A PROPERLY ACCREDITED POSTSECONDARY EDUCATIONAL INSTITUTION IN THIS STATE.

C. A PARTICIPATING POSTSECONDARY EDUCATIONAL INSTITUTION MAY RECEIVE MATCHING MONIES FROM THE POSTSECONDARY EDUCATIONAL FUND ESTABLISHED BY SECTION 15-1704 TO PROVIDE ELIGIBLE STUDENTS WITH FINANCIAL ASSISTANCE IN THE FORM OF NEED-BASED GRANTS. TO BE ELIGIBLE TO RECEIVE STATE MATCHING MONIES, EACH PARTICIPATING POSTSECONDARY EDUCATIONAL INSTITUTION, PUBLIC OR PRIVATE, SHALL PROVIDE AN AMOUNT OF MATCHING MONIES THAT EQUALS THE AMOUNT OF MONIES PROVIDED TO THE INSTITUTION BY THIS STATE FROM THE POSTSECONDARY EDUCATIONAL FUND.

D. THE ARIZONA BOARD OF REGENTS MAY REQUIRE PARTICIPATING POSTSECONDARY EDUCATIONAL INSTITUTIONS TO REPORT ON THE USE OF MONIES DISTRIBUTED UNDER THIS SECTION, INCLUDING THE NUMBER OF GRANTS PROVIDED AND THE DEMOGRAPHICS OF STUDENTS RECEIVING THE GRANTS.

15-1704. Postsecondary educational fund; exemption; use of monies

A. THE POSTSECONDARY EDUCATIONAL FUND IS ESTABLISHED. THE ARIZONA BOARD OF REGENTS SHALL ADMINISTER THE FUND, WHICH CONSISTS OF THE FOLLOWING:

1. MONIES APPROPRIATED BY THE LEGISLATURE.
2. MONIES RECEIVED FROM STATE AGENCIES AND POLITICAL SUBDIVISIONS OF THIS STATE.
3. MONIES RECEIVED FROM THE UNITED STATES GOVERNMENT, INCLUDING MONIES RECEIVED FROM THE UNITED STATES DEPARTMENT OF EDUCATION.
4. GIFTS, GRANTS AND DONATIONS RECEIVED FROM ANY PRIVATE SOURCE.
5. MONIES RECEIVED FROM A POSTSECONDARY EDUCATIONAL INSTITUTION THROUGH A PROGRAM PARTICIPATION AGREEMENT.
6. MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED AND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPING OF APPROPRIATIONS.
C. MONIES IN THE POSTSECONDARY EDUCATIONAL FUND SHALL BE USED FOR THE FOLLOWING PURPOSES:
   1. PROVIDING MATCHING MONIES AS PRESCRIBED IN SECTION 15-1703, SUBSECTION C.
   2. ADMINISTRATIVE EXPENSES NECESSARY FOR THE ARIZONA BOARD OF REGENTS TO ADMINISTER THE PROGRAMS IDENTIFIED IN THIS ARTICLE AND TO SERVE AS THE STATE HIGHER EDUCATION AGENCY AND THE STATE SCHOLARSHIP GRANT AGENCY.

Sec. 4. Repeal; transfer of monies
A. Title 15, chapter 13, article 11, Arizona Revised Statutes, is repealed.
B. Title 15, chapter 14, articles 4 and 5, Arizona Revised Statutes, are repealed.
C. Section 41-3027.02, Arizona Revised Statutes, is repealed.
D. All unexpended and unencumbered monies remaining in the Arizona teacher student loan fund established by section 15-1784, Arizona Revised Statutes, as repealed by subsection A of this section, are transferred to the Arizona teacher student loan fund established by section 15-1657, Arizona Revised Statutes, as added by this act, on the effective date of this section.
E. All unexpended and unencumbered monies remaining in the postsecondary education fund established by section 15-1853, Arizona Revised Statutes, as repealed by subsection B of this section, are transferred to the postsecondary educational fund established by section 15-1704, Arizona Revised Statutes, as added by this act, on the effective date of this section.

Sec. 5. Succession
A. As provided by Laws 2021, chapter 410 and this act, the Arizona board of regents succeeds to the authority, powers, duties and responsibilities of the commission for postsecondary education.
B. This act and Laws 2021, chapter 410 do not alter the effect of any actions that were taken or impair the valid obligations of the commission for postsecondary education in existence before January 1, 2022.
C. Administrative rules and orders that were adopted by the commission for postsecondary education are repealed.
D. All administrative matters, contracts and judicial and quasi-judicial actions, whether completed, pending or in process, of the commission for postsecondary education on January 1, 2022 are transferred to and retain the same status with the Arizona board of regents.
E. All indicia of qualification and authority that were issued by the commission for postsecondary education retain their validity for the duration of their terms of validity as provided by law.
F. All equipment, records, furnishings and other property, all data and investigative findings, all obligations and all appropriated monies that remain unexpended and unencumbered on January 1, 2022 of the commission for postsecondary education are transferred to the Arizona board of regents.

G. All personnel who are under the state personnel system and employed by the commission for postsecondary education are transferred to comparable positions and pay classifications in the respective administrative units of the Arizona board of regents on January 1, 2022.

Sec. 6. Retroactivity

This act applies retroactively to from and after December 31, 2021.