State of Arizona
House of Representatives
Fifty-fifth Legislature
First Regular Session
2021

HOUSE BILL 2523

AN ACT

AMENDING SECTIONS 15-1401 AND 15-1444, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 12, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-1444.01; RELATING TO COMMUNITY COLLEGES.

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

Section 1. Section 15-1401, Arizona Revised Statutes, is amended to read:

15-1401. Definitions
In this chapter, unless the context otherwise requires:

1. "Accredited" means accredited by a regional accrediting agency recognized by the United States department of education or by the council on postsecondary accreditation.

2. "Additional short-term classes" means those classes that are not in session on the forty-fifth day of the fall or spring semester, that commence at various times during the fiscal year and that are offered over a period of less than sixteen weeks.

3. "Budget year" means the fiscal year for which the community college district is budgeting and that immediately follows the current year.

4. "Community college" means an educational institution that is operated by a district board and that provides a program of not exceeding two years' training in the arts, sciences and humanities beyond the twelfth grade of the public or private high school course of study or vocational education, including terminal courses of a technical and vocational nature and basic adult education courses.

5. "Community college tuition financing district" means a district that is organized pursuant to section 15-1409.

6. "Current year" means the fiscal year in which the community college district is operating.

7. "District" means a community college district that is established pursuant to sections 15-1402 and 15-1403 or section 15-1402.01 and that is a political subdivision of this state and, unless otherwise specified, includes community college tuition financing districts established pursuant to section 15-1409.

8. "District board" means the community college district governing board.

9. "Full-time equivalent student" means student enrollment for fifteen community college semester credit units per semester.

10. "Open entry, open exit classes" means those classes in which students enter or exit based on mastery of specified competencies and that commence at various times during the fiscal year.

11. "Operational expense budget" means the budget as adopted by the district board pursuant to section 15-1461.

12. "Operational expenses" means the administration, instruction, operation of community college plant, maintenance of community college plant, fixed charges and contingencies incurred in the operation of a district, exclusive of excluding all capital outlay items, special levies, auxiliary enterprise funds, restricted funds and bond service items.
13. "Provisional community college district" means a community college district THAT WAS organized pursuant to section 15-1409 AND THAT BEGAN OPERATIONS BEFORE JANUARY 1, 2015.

Sec. 2. Section 15-1444, Arizona Revised Statutes, is amended to read:

15-1444. General powers and duties of district boards
A. Except as otherwise provided, the EACH district board shall:
   1. Maintain each community college UNDER ITS JURISDICTION for a period of not less than AT LEAST eight months in each year and, if the funds MONIES of the district are sufficient, maintain each community college for a longer period.
   2. Adopt policies in a public forum to offer programs that meet the educational needs of the population served by the community college.
   3. Enforce the courses of study prescribed by the district board.
   4. Visit each community college under its jurisdiction and examine carefully into its management, conditions and needs.
   5. Exclude from each community college all books, publications or papers of a sectarian, partisan or denominational character intended for use as textbooks.
   6. Appoint and employ a chancellor or chancellors, vice-chancellors VICE CHANCELLORS, a president or presidents, vice presidents, deans, professors, instructors, lecturers, fellows and such other officers and employees it deems necessary. The district board may enter into employment contracts with chancellors, vice-chancellors VICE CHANCELLORS and presidents for a duration of more than one year but not more than five years.
   7. Determine the salaries of persons it appoints and employs. A district may not compensate an employee for work performed on behalf of an elected employee representative organization and may not provide more favorable terms and conditions of employment to any employee because that individual belongs to an elected employee representative organization.
   8. Remove any officer or employee if in its judgment the interests of education in this state require the removal.
   9. Award degrees, certificates and diplomas on the completion of courses and curricula as it deems appropriate.
   10. Appoint or employ, if it deems necessary, police officers who shall have the authority and power of peace officers. The police officers who have received a certificate from the Arizona peace officer standards and training board are eligible for membership in and benefits under either title 38, chapter 5, article 2 or the public safety personnel retirement system under title 38, chapter 5, article 4.
   11. Determine the location within the district of a community college and purchase, receive, hold, make and take leases of, sell and convey real or personal property for the benefit of the community colleges under its jurisdiction.
12. Obtain insurance or be self-insured, or a combination of
insurance and self-insurance, against loss, to the extent it is determined
necessary on community college buildings of the district. The local
district shall have an insurable interest in the buildings.

B. The district board may:
1. Administer trusts declared or created for the district and
receive by gift or devise and hold in trust or otherwise property
wheresoever located, and if not otherwise provided, dispose of the
property for the benefit of the district.
2. Lease real property, as lessor or as lessee. If a district is
the lessee, the lease may contain an option to purchase the property. The
district board may adopt policies as are deemed necessary and may delegate
in writing to the chancellor or president of the district, or their
designees, all or any part of its authority to lease property under this
paragraph. Any delegation by the district board pursuant to this
paragraph may be rescinded in whole or in part at any time by the district
board.
3. Sue and be sued.
4. Contract. The district board may adopt such policies as are
deemed necessary and may delegate in writing to the chancellor or
president of the district, or their designees, all or any part of its
authority to contract under this paragraph. Any delegation of authority
under this paragraph may be rescinded by the district board at any time in
whole or in part.
5. Construct, remodel and repair buildings.
6. In conjunction with other districts, establish policies for
procurement of PROCURING goods and services.
7. Provide a plan or plans for employee benefits, which may include
optional retirement programs pursuant to section 15-1451, subsection A,
which allow for participation in a cafeteria plan that meets the
requirements of the United States internal revenue code of 1986.
8. Accept grants or donations of monies from the United States or
any of its agencies, departments or officers, this state, political
subdivisions of this state, tribal governments, school districts, special
taxing districts, persons, corporations, foundations or associations. The
district board shall deposit the monies into a specific fund or account
and shall administer the monies in accordance with the purpose of the
grant or donation with specific policies or restrictions as described or
stipulated in the grant or donation. In the case of personal property
granted or donated to or for the benefit of a community college district,
the district board shall immediately transfer possession and ownership of
the property to the designated district. Monies received pursuant to this
paragraph are not considered local revenues for the purposes of article
IX, section 21, Constitution of Arizona.
9. Enter into intergovernmental agreements or contracts pursuant to section 11-952.01 for participation in programs offered by public agency pools or separately contract with a trustee or board of trustees that provides a common self-insurance program with pooled funds and risks pursuant to section 15-382, subsection B, paragraph 2. The district board is not required to engage in competitive procurement in order to make the decision to participate in these programs.

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

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

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

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

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

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

16. FOR A COMMUNITY COLLEGE IN A COUNTY WITH A POPULATION OF SEVEN HUNDRED FIFTY THOUSAND PERSONS OR LESS, OFFER FOUR-YEAR BACCALAUREATE DEGREES THAT ARE ACCREDITED BY A REGIONAL ACCREDITATION AGENCY APPROVED BY THE UNITED STATES DEPARTMENT OF EDUCATION.

17. FOR A COMMUNITY COLLEGE IN A COUNTY WITH A POPULATION OF MORE THAN SEVEN HUNDRED FIFTY THOUSAND PERSONS, OFFER FOUR-YEAR BACCALAUREATE DEGREES THAT ARE ACCREDITED BY A REGIONAL ACCREDITATION AGENCY APPROVED BY THE UNITED STATES DEPARTMENT OF EDUCATION AS FOLLOWS:

(a) FOR THE FIRST FOUR YEARS THAT A COMMUNITY COLLEGE OFFERS FOUR-YEAR BACCALAUREATE DEGREES, THE COMMUNITY COLLEGE MAY NOT OFFER MORE THAN TEN PERCENT OF ITS TOTAL NUMBER OF DEGREE AND CERTIFICATION OFFERINGS FOR FOUR-YEAR BACCALAUREATE DEGREES. FOR THE FIFTH AND SUBSEQUENT YEARS THAT A COMMUNITY COLLEGE OFFERS FOUR-YEAR BACCALAUREATE DEGREES, THE
COMMUNITY COLLEGE MAY NOT OFFER MORE THAN FIFTEEN PERCENT OF ITS TOTAL NUMBER OF DEGREE AND CERTIFICATION OFFERINGS FOR FOUR-YEAR BACCALAUREATE DEGREES.

(b) TUITION PER CREDIT HOUR FOR THE THIRD AND FOURTH YEARS OF A FOUR-YEAR BACCALAUREATE PROGRAM MAY NOT EXCEED ONE HUNDRED FIFTY PERCENT OF THE TUITION PER CREDIT HOUR OF ANY OTHER DISTRICT PROGRAM.

C. If a district acquires real or personal property, whether by purchase, exchange, condemnation, gift or otherwise, the district shall pay to the county treasurer any taxes on the property that were unpaid as of the date of acquisition, including penalties and interest. The lien for unpaid delinquent taxes, penalties and interest on property acquired by the district:
   1. Is not abated, extinguished, discharged or merged in the title to the property.
   2. Is enforceable in the same manner as other delinquent tax liens.

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

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

F. Each district may establish a program for the exchange of students between the community colleges under its jurisdiction and colleges and universities located in Sonora, Mexico. The program may provide for in-state tuition for Sonora students at the community colleges under the jurisdiction of the district in exchange for similar tuition provisions for Arizona students enrolled or seeking enrollment in Sonora colleges and universities. The community colleges may work in conjunction with the Arizona-Mexico commission in the governor’s office to coordinate recruitment and admissions activities to provide for in-state tuition for up to fifty Sonora students at the community colleges under the jurisdiction of the district in exchange for similar tuition provisions for up to fifty total Arizona students enrolled or seeking enrollment in Sonora colleges and universities.

G. Each district shall facilitate transfer articulation coordination pursuant to section 15-1824.
Sec. 3. Title 15, chapter 12, article 3, Arizona Revised Statutes, is amended by adding section 15-1444.01, to read:

15-1444.01. Baccalaureate degree programs; reporting requirements

A. Each community college that offers a baccalaureate degree program pursuant to section 15-1444, subsection B, paragraph 16 or 17 must meet both of the following:
   1. All applicable regional accreditation requirements.
   2. All applicable state licensure requirements.

B. When approving a baccalaureate degree program pursuant to section 15-1444, subsection B, paragraph 16 or 17, the district board shall make its determination based on all of the following criteria:
   1. Whether the community college can demonstrate both:
      (a) Workforce need for the baccalaureate degree program in the region served by the community college.
      (b) Student demand for the baccalaureate degree program.
   2. A financial analysis that shows the short-term and long-term impacts to initiate and sustain the baccalaureate degree program, including all of the following:
      (a) The source of monies.
      (b) Facilities requirements.
      (c) Faculty.
      (d) Personnel.
      (e) Administrative costs.
   3. Whether the baccalaureate degree program would unnecessarily duplicate the degree programs offered by other institutions of higher education in this state.
   4. The ability of the community college to support the baccalaureate degree program with student enrollment and the adequacy of the community college's facilities, faculty, administration, libraries and other resources.

C. Before a community college is authorized to offer a baccalaureate degree program under section 15-1444, subsection B, paragraph 16 or 17, the community college must submit a report to the district board that includes all of the following:
   1. The name of proposed academic program.
   2. The academic department offering the program.
   3. Whether the instructional modality would be immersion or online, or both.
   4. The total credit hours necessary to complete the degree.
   5. The proposed inception term.
   6. A brief program description.
   7. A learning outcomes and assessment plan, including:
      (a) Concepts.
      (b) Competencies.
(c) ASSESSMENT METHODS AND MEASURES.

8. THE PROJECTED ENROLLMENT BY YEAR FOR THE FIRST THREE YEARS.

9. EVIDENCE OF MARKET DEMAND FOR THE DEGREE.

10. SIMILAR PROGRAMS OFFERED AT OTHER INSTITUTIONS OF HIGHER EDUCATION IN THIS STATE.

11. THE NEW RESOURCES REQUIRED, INCLUDING A LONG-TERM PLAN FOR FACULTY RECRUITMENT THAT INDICATES THE ABILITY TO PAY THE INCREASED SALARIES OF DOCTORAL FACULTY AND IDENTIFIES RECRUITMENT STRATEGIES FOR NEW FACULTY.

D. EACH COMMUNITY COLLEGE OFFERING A BACCALAUREATE DEGREE PROGRAM PURSUANT TO SECTION 15-1444, SUBSECTION B, PARAGRAPH 16 OR 17 SHALL SUBMIT A REPORT TO THE JOINT LEGISLATIVE AUDIT COMMITTEE ON OR BEFORE OCTOBER 1 OF THE FIFTH YEAR AFTER OFFERING BACCALAUREATE DEGREE PROGRAM. THE REPORT SHALL REVIEW THE FIRST FIVE YEARS OF THE BACCALAUREATE DEGREE PROGRAM AT THE COMMUNITY COLLEGE AND SHALL INCLUDE ALL OF THE FOLLOWING:

1. THE NUMBER OF:
   (a) BACCALAUREATE DEGREE PROGRAMS IMPLEMENTED AT THE COMMUNITY COLLEGE.
   (b) APPLICANTS TO EACH BACCALAUREATE DEGREE PROGRAM.
   (c) PERSONS WHO ARE ADMITTED INTO EACH BACCALAUREATE DEGREE PROGRAM.
   (d) PERSONS WHO ARE ENROLLED IN EACH BACCALAUREATE DEGREE PROGRAM.
   (e) PERSONS WHO RECEIVED DEGREES FROM EACH BACCALAUREATE DEGREE PROGRAM.

2. THE COSTS OF EACH BACCALAUREATE DEGREE PROGRAM, INCLUDING COST PER DEGREE AND THE FUNDING SOURCES THAT WERE USED TO FINANCE THESE PROGRAMS.

3. CURRENT TRENDS IN WORKFORCE DEMANDS THAT REQUIRE FOUR-YEAR DEGREES IN EACH SPECIFIC BACCALAUREATE DEGREE PROGRAM OFFERED.

4. CURRENT COMPLETION AND CONTINUATION RATES, IF AVAILABLE, FOR EACH COHORT OF STUDENTS PARTICIPATING IN EACH BACCALAUREATE DEGREE PROGRAM.

5. INFORMATION ON THE IMPACT OF EACH BACCALAUREATE DEGREE PROGRAM ON UNDERSERVED AND UNDERRAPPARED STUDENTS.

6. THE EXTENT TO WHICH EACH BACCALAUREATE DEGREE PROGRAM FULFILLS IDENTIFIED WORKFORCE NEEDS FOR NEW BACCALAUREATE DEGREE PROGRAMS.

7. INFORMATION ON THE PLACES OF EMPLOYMENT OF STUDENTS AND THE SUBSEQUENT JOB PLACEMENT OF GRADUATES OF EACH BACCALAUREATE DEGREE PROGRAM.

8. THE COSTS TO STUDENTS OF EACH BACCALAUREATE DEGREE PROGRAM, THE AMOUNT OF FINANCIAL AID OFFERED AND STUDENT DEBT LEVELS OF GRADUATES OF EACH BACCALAUREATE DEGREE PROGRAM.

9. TIME-TO-DEGREE RATES AND COMPLETION RATES FOR EACH BACCALAUREATE DEGREE PROGRAM.
E. EACH COMMUNITY COLLEGE DISTRICT THAT OFFERS A BACCALAUREATE DEGREE PROGRAM SHALL INCLUDE ALL OF THE FOLLOWING IN ITS ANNUAL REPORT REQUIRED BY SECTION 15-1427:

1. THE TOTAL NUMBER OF STUDENTS PURSING A BACCALAUREATE DEGREE AT THE COMMUNITY COLLEGE DISTRICT PURSUANT TO THIS SECTION.
2. THE TOTAL NUMBER OF BACCALAUREATE DEGREES COMPLETED AT THE COMMUNITY COLLEGE DISTRICT.
3. WORKFORCE DATA SHOWING DEMAND OF THE BACCALAUREATE DEGREE PROGRAMS BEING OFFERED AT THE COMMUNITY COLLEGE DISTRICT.
4. THE AVERAGE COST OF TUITION PER CREDIT HOUR FOR THE BACCALAUREATE DEGREES BEING OFFERED AT THE COMMUNITY COLLEGE DISTRICT.

Sec. 4. Legislative findings and intent

The legislature finds and declares:
1. Four-year degrees are of increasing importance in enabling individuals to qualify for and obtain jobs.
2. It is a priority in this state to afford the citizens in this state, particularly those in rural areas of this state, greater access to higher education.
3. Community colleges can help fill the gaps in this state's higher education system by granting baccalaureate degrees in order to meet the growing demand for a skilled workforce.
4. It is therefore in the interest of this state to grant community colleges the ability to seek authorization to offer four-year baccalaureate degrees.
5. Baccalaureate programs offered under this act do not otherwise alter the role and mission of a public community college.