

Senate Engrossed

higher education; budget reconciliation; 2021-2022

State of Arizona
Senate
Fifty-fifth Legislature
First Regular Session
2021

CHAPTER 410

SENATE BILL 1825

AN ACT

AMENDING TITLE 3, CHAPTER 1, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 3-127; AMENDING TITLE 15, CHAPTER 13, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 15-1647 AND 15-1650.05; AMENDING SECTION 15-1671, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 13, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 6; AMENDING SECTION 15-1781, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 13, ARTICLE 11, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-1781.01; AMENDING TITLE 15, CHAPTER 14, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-1851.01; REPEALING SECTIONS 15-1854 AND 15-1855, ARIZONA REVISED STATUTES; AMENDING SECTION 15-1877, ARIZONA REVISED STATUTES; REPEALING LAWS 2008, CHAPTER 287, SECTION 39, AS AMENDED BY LAWS 2009, FIRST SPECIAL SESSION, CHAPTER 6, SECTION 3; 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. Title 3, chapter 1, article 3, Arizona Revised Statutes,
3 is amended by adding section 3-127, to read:

4 3-127. Agricultural workforce development program; rules;
5 apprentices; costs; annual report; definitions

6 A. THE UNIVERSITY OF ARIZONA COOPERATIVE EXTENSION OFFICE SHALL
7 ESTABLISH THE AGRICULTURAL WORKFORCE DEVELOPMENT PROGRAM TO PROVIDE
8 INCENTIVES TO FOOD-PRODUCING AGRICULTURAL ORGANIZATIONS TO HIRE
9 APPRENTICES BY PARTIALLY REIMBURSING APPRENTICESHIP COSTS.

10 B. THE DIRECTOR OF THE UNIVERSITY OF ARIZONA COOPERATIVE EXTENSION
11 OFFICE SHALL ADOPT RULES TO CARRY OUT THIS SECTION. AT A MINIMUM, THE
12 RULES SHALL DO ALL OF THE FOLLOWING:

13 1. ESTABLISH QUALIFICATIONS FOR FOOD-PRODUCING AGRICULTURAL
14 ORGANIZATIONS TO PARTICIPATE IN THE PROGRAM, INCLUDING NEED AND THE
15 ABILITY TO EFFECTIVELY SUPERVISE APPRENTICES AND PROVIDE THE APPRENTICES
16 WITH MEANINGFUL WORK EXPERIENCE THAT IS FOCUSED ON AGRICULTURAL FOOD
17 PRODUCTION.

18 2. PROVIDE A PREFERENCE FOR FOOD-PRODUCING AGRICULTURAL
19 ORGANIZATIONS OWNED OR OPERATED BY FARMERS AND RANCHERS WHO ARE LOCATED IN
20 RURAL OR TRIBAL AREAS OR WHO ARE HISTORICALLY UNDERSERVED.

21 3. REQUIRE PARTICIPATING FOOD-PRODUCING AGRICULTURAL ORGANIZATIONS
22 TO PAY APPRENTICES AN HOURLY WAGE RATE THAT IS AT LEAST THE MINIMUM WAGE
23 ESTABLISHED BY THIS STATE PURSUANT TO SECTION 23-363.

24 4. ESTABLISH CRITERIA FOR PARTICIPATING FOOD-PRODUCING AGRICULTURAL
25 ORGANIZATIONS TO SELECT QUALIFIED APPRENTICES, INCLUDING REQUIRED
26 EDUCATIONAL EXPERIENCE AND THE ABILITY TO PERFORM MEANINGFUL WORK.

27 5. ESTABLISH THE PROCESS AND TIME FRAME FOR SELECTING QUALIFIED
28 FOOD-PRODUCING AGRICULTURAL ORGANIZATIONS AND QUALIFIED APPRENTICES.

29 6. ESTABLISH ACCOUNTING REQUIREMENTS FOR TRACKING APPRENTICESHIP
30 COSTS.

31 7. ESTABLISH THE PROCESS FOR PARTICIPATING FOOD-PRODUCING
32 AGRICULTURAL ORGANIZATIONS TO SEEK REIMBURSEMENT.

33 8. SEEK INPUT FROM COMMUNITY STAKEHOLDERS TO ESTABLISH AND
34 ADMINISTER THE PROGRAM.

35 C. SUBJECT TO LEGISLATIVE APPROPRIATION, THE COOPERATIVE EXTENSION
36 OFFICE MAY REIMBURSE A PARTICIPATING FOOD-PRODUCING AGRICULTURAL
37 ORGANIZATION UP TO THE AMOUNT OF THE ACTUAL COST TO THE FOOD-PRODUCING
38 AGRICULTURAL ORGANIZATION TO EMPLOY AN APPRENTICE. BASED ON THE ANNUAL
39 LEGISLATIVE APPROPRIATION FOR THE PROGRAM, THE DIRECTOR SHALL DETERMINE
40 THE NUMBER OF APPRENTICESHIPS TO APPROVE, THE AMOUNT OF REIMBURSEMENT PER
41 APPRENTICESHIP AND WHETHER A PARTICIPATING FOOD-PRODUCING AGRICULTURAL
42 ORGANIZATION MAY BE REIMBURSED FOR MORE THAN ONE APPRENTICESHIP IN THE
43 SAME FISCAL YEAR.

D. THE COOPERATIVE EXTENSION OFFICE MAY USE UP TO TEN PERCENT OF THE MONIES APPROPRIATED FOR THE PROGRAM FOR THE ADMINISTRATIVE COSTS OF THIS SECTION.

E. ON OR BEFORE DECEMBER 1 EACH YEAR, THE COOPERATIVE EXTENSION OFFICE SHALL SUBMIT A REPORT REGARDING THE EFFECTIVENESS OF THE PROGRAM IN ACHIEVING THE PROGRAM'S PURPOSE TO THE GOVERNOR, THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND PROVIDE A COPY OF THIS REPORT TO THE SECRETARY OF STATE.

F. FOR THE PURPOSES OF THIS SECTION:

1. "ACTUAL COST" MEANS THE WAGES PAID TO AN APPRENTICE, A REASONABLE ALLOCATION OF FIXED OVERHEAD EXPENSES AND ALL INCIDENTAL COSTS DIRECTLY RELATED TO THE APPRENTICESHIP.

2. "AGRICULTURAL ORGANIZATION" MEANS A BUSINESS, NONPROFIT ORGANIZATION, COMMUNITY COLLEGE OR STATE UNIVERSITY PROGRAM RELATED TO AGRICULTURE.

3. "HISTORICALLY UNDERSERVED":

(a) MEANS A BEGINNING FARMER OR RANCHER, A SOCIALLY DISADVANTAGED FARMER OR RANCHER OR A VETERAN FARMER OR RANCHER AS DEFINED IN 7 UNITED STATES CODE SECTION 2279.

(b) INCLUDES OTHER LIMITED-RESOURCE FARMERS OR RANCHERS.

Sec. 2. Title 15, chapter 13, article 2, Arizona Revised Statutes, is amended by adding sections 15-1647 and 15-1650.05, to read:

15-1647. Water rights adjudication; cooperative extension; establishment; assistance; annual report

A. A UNIVERSITY UNDER THE JURISDICTION OF THE ARIZONA BOARD OF REGENTS MAY OFFER PRO BONO ASSISTANCE TO CLAIMANTS WHO ARE SMALL LANDOWNERS IN THE GENERAL STREAM ADJUDICATION OF WATER RIGHTS FILED PURSUANT TO TITLE 45, CHAPTER 1, ARTICLE 9 AND WHO ARE NOT REPRESENTED BY COUNSEL. A UNIVERSITY THAT OFFERS ASSISTANCE PURSUANT TO THIS SUBSECTION MAY REPRESENT A CLAIMANT IN THE ADJUDICATION UNTIL THAT CLAIMANT PROCEEDS TO AN EVIDENTIARY HEARING OR TO SOME OTHER CONTESTED PROCEEDING THAT IS SIMILAR TO A TRIAL. IF THE CLAIMANT HAS NOT SETTLED THE CLAIM, THE UNIVERSITY MAY NOT REPRESENT THAT CLAIMANT AT AN EVIDENTIARY OR SIMILARLY CONTESTED HEARING.

B. ANY UNIVERSITY THAT OFFERS ASSISTANCE PURSUANT TO SUBSECTION A OF THIS SECTION SHALL COOPERATE AND COORDINATE WITH THE FACULTY OF A COOPERATIVE EXTENSION IN THIS STATE THAT HAS A PROGRAM TO SUPPORT THE ECONOMIC VITALITY OF RURAL COMMUNITIES AND THE USE OF NATURAL RESOURCES IN THOSE RURAL COMMUNITIES.

C. ON OR BEFORE NOVEMBER 15 OF EACH YEAR, A UNIVERSITY THAT OFFERS ASSISTANCE PURSUANT TO SUBSECTION A OF THIS SECTION SHALL SUBMIT A WRITTEN REPORT OF THE UNIVERSITY'S ASSISTANCE ACTIVITIES TO THE GOVERNOR, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE PRESIDENT OF THE SENATE AND SHALL PROVIDE A COPY OF THIS REPORT TO THE SECRETARY OF STATE.

1 15-1650.05. COVID-19 vaccine: face covering: testing: mandate
2 prohibition: exceptions

3 A. EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE ARIZONA BOARD
4 OF REGENTS, A PUBLIC UNIVERSITY OR A COMMUNITY COLLEGE MAY NOT REQUIRE
5 THAT A STUDENT OBTAIN A COVID-19 VACCINATION OR SHOW PROOF OF RECEIVING A
6 COVID-19 VACCINATION OR PLACE ANY CONDITIONS ON ATTENDANCE OR
7 PARTICIPATION IN CLASSES OR ACADEMIC ACTIVITIES, INCLUDING MANDATORY
8 TESTING OR FACE COVERING USAGE, IF THE PERSON CHOOSES NOT TO OBTAIN A
9 COVID-19 VACCINATION OR DISCLOSE WHETHER THE PERSON HAS BEEN VACCINATED
10 AGAINST COVID-19, UNLESS THE VACCINATION OR OTHER MANDATE IS REQUIRED BY
11 THE LAWS OF THIS STATE.

12 B. A HEALTH CARE INSTITUTION MAY REQUIRE A STUDENT WHO PARTICIPATES
13 IN A CLINICAL SETTING AT THE HEALTH CARE INSTITUTION TO PROVIDE PROOF OF
14 COVID-19 VACCINATION AND BE SUBJECT TO REGULAR HEALTH SCREENINGS AND
15 TESTING AS DETERMINED BY THE HEALTH CARE INSTITUTION. FOR THE PURPOSES OF
16 THIS SUBSECTION, "HEALTH CARE INSTITUTION" INCLUDES A HOSPITAL, A NURSING
17 CARE INSTITUTION, A RESIDENTIAL CARE INSTITUTION, AN INTERMEDIATE CARE
18 FACILITY FOR INDIVIDUALS WITH INTELLECTUAL DISABILITIES AND A GROUP HOME
19 OR OTHER MEDICAL FACILITY LICENSED PURSUANT TO TITLE 36.

20 C. A PUBLIC UNIVERSITY MAY REQUIRE TESTING ONLY IF A SIGNIFICANT
21 COVID-19 OUTBREAK OCCURS IN A SHARED STUDENT HOUSING SETTING THAT POSES A
22 RISK TO THE STUDENTS OR STAFF. THE UNIVERSITY MUST RECEIVE APPROVAL FROM
23 THE DEPARTMENT OF HEALTH SERVICES BEFORE IMPLEMENTING THE TESTING
24 REQUIREMENT.

25 D. THIS SECTION DOES NOT APPLY TO STUDENTS WHO ARE ENGAGED IN
26 RESEARCH OR TESTING THAT INVOLVES A LIVE COVID-19 VIRUS.

27 Sec. 3. Section 15-1671, Arizona Revised Statutes, is amended to
28 read:

29 15-1671. University infrastructure capital financing; capital
30 infrastructure funds; appropriations; uses;
31 review; definitions

32 A. A capital infrastructure fund is established for each
33 university. Monies in each capital infrastructure fund are continuously
34 appropriated for the purposes of this section. Each university shall
35 administer its own capital infrastructure fund. Monies in the capital
36 infrastructure funds are exempt from the provisions of section 35-190
37 relating to lapsing of appropriations.

38 B. In fiscal year 2018-2019, the following amounts are appropriated
39 from the state general fund for deposit in the capital infrastructure fund
40 of each university:

- 41 1. \$11,927,400 to Arizona state university.
- 42 2. \$10,551,700 to the university of Arizona.
- 43 3. \$4,520,900 to northern Arizona university.

44 C. In fiscal years 2019-2020 through 2042-2043, an amount is
45 appropriated annually from the state general fund for deposit in the

1 capital infrastructure fund of each university. The amount appropriated
2 each fiscal year is equal to the amount appropriated pursuant to this
3 section in the preceding fiscal year, adjusted by a growth rate of either
4 two percent or the change in the ~~GDP~~ IMPLICIT price deflator ~~as defined in~~
5 ~~section 41-563~~, FOR THE GROSS DOMESTIC PRODUCT REPORTED BY THE UNITED
6 STATES DEPARTMENT OF COMMERCE from the SECOND QUARTER OF THE second
7 preceding calendar year to the SECOND QUARTER OF THE calendar year
8 immediately preceding the fiscal year, whichever is less, but not below
9 the amount appropriated in the preceding fiscal year. Each annual
10 appropriation amount is a current expense of this state in the fiscal year
11 in which it occurs and is not a general obligation indebtedness of this
12 state or of any university.

13 D. In each fiscal year in which monies are appropriated pursuant to
14 this section, each respective university shall also deposit from its own
15 funds to its capital infrastructure fund a matching amount equal to the
16 amount of general fund monies used for paying debt service on debt
17 financing for capital projects pursuant to subsection E of this section.

18 E. Each university shall use the monies in its capital
19 infrastructure fund, from whatever source, exclusively for either the
20 costs of, or paying debt service on debt financing for, capital projects.
21 Monies from the capital infrastructure funds established by this section
22 may not be used:

23 1. For any project reviewed by the joint committee on capital
24 review before April 15, 2017.

25 2. For the construction, use, furnishing, improvement, operation,
26 marketing, promotion or maintenance of a facility that is used primarily
27 by a professional sports franchise.

28 3. To pay for operating expenditures.

29 F. The Arizona board of regents shall not issue total debt
30 financing for which debt service is paid with monies pursuant to this
31 section in a principal amount of more than ~~one billion dollars~~
32 \$1,000,000,000.

33 G. Each university shall report the required information relating
34 to its capital infrastructure fund in the budget estimate filed by the
35 university pursuant to section 35-113.

36 H. Before SPENDING any ~~expenditure of~~ monies in the capital
37 infrastructure fund for any capital project not paid with debt financing,
38 each university shall submit the scope, purpose and estimated cost of the
39 project for review by the joint committee on capital review pursuant to
40 section 41-1252.

41 I. Before SPENDING any ~~expenditure of~~ monies in the capital
42 infrastructure fund for any capital project paid with debt financing, each
43 university shall submit the scope, purpose and estimated cost of the
44 project to the joint committee on capital review pursuant to section

1 15-1682.01 or 15-1683. The project may not proceed until the committee
2 approves the project by a majority vote of a quorum of members.

3 J. The joint committee on capital review must hear and review a
4 project submitted under subsection H of this section and hear and approve
5 or disapprove a project submitted under subsection I of this section not
6 later than the committee's second meeting after the project is submitted
7 to the committee.

8 K. The Arizona board of regents, on behalf of each university under
9 its jurisdiction, may enter into or issue debt financings and may
10 additionally secure, pledge for or make payment on such debt financings in
11 whole or in part from monies in the capital infrastructure fund of that
12 university. Debt service payments funded with monies from a university's
13 capital infrastructure fund shall be included in the calculation of that
14 university's debt service limit as prescribed by section 15-1683.

15 L. The Arizona board of regents, on behalf of each university under
16 its jurisdiction, may refund any debt financing paid with monies pursuant
17 to this section. The refunding debt financing must be secured from the
18 same source of revenues as the debt financing authorized by this section.
19 The refunding debt financing may be issued at or before maturity of the
20 debt financing being refunded. Refunding debt financing issued as
21 provided by this subsection:

22 1. Must be submitted by the board for review by the joint committee
23 on capital review. The committee must hear and review a refunding debt
24 financing submitted pursuant to this subsection not later than the
25 committee's second meeting after the refunding debt financing is submitted
26 to the committee.

27 2. Is not subject to the ~~one billion dollar limitation~~
28 \$1,000,000,000 LIMIT prescribed by subsection F of this section.

29 M. For the purposes of this section:

30 1. "Capital project" or "project" means any building, structure,
31 infrastructure or facility that, as determined by the university, is
32 required by or necessary for the use or benefit of the university,
33 including appurtenant equipment and utilities. Capital project does not
34 include a project that is intended to be commercial in nature and for
35 which the majority of the project's business is anticipated to come from
36 the nonuniversity population.

37 2. "Debt financing" means a lease-purchase or lease-to-own
38 agreement, subject to section 15-1682.01, the issuance of bonds or the
39 entering into of bond agreements pursuant to article 5 of this chapter by
40 the Arizona board of regents on behalf of a university under the board's
41 jurisdiction.

42 3. "Debt service" means the principal of and interest and premium,
43 if any, on long-term indebtedness, when due, and the costs of registrars,
44 trustees, underwriters and other agents necessary to handle debt
45 instruments and the costs of credit enhancement or liquidity support.

1 4. "Infrastructure" means nonbuilding improvements that directly
2 support the operation of a building, structure or facility such as utility
3 systems, roadway systems, external lighting systems, irrigation systems,
4 sidewalks and parking lots.

5 Sec. 4. Title 15, chapter 13, Arizona Revised Statutes, is amended
6 by adding article 6, to read:

7 ARTICLE 6. ARIZONA PROMISE PROGRAM

8 15-1701. Arizona promise program; eligibility requirements;
9 award; fund; definitions

10 A. ELIGIBLE POSTSECONDARY INSTITUTIONS SHALL IMPLEMENT AN ARIZONA
11 PROMISE PROGRAM TO PROVIDE FINANCIAL ASSISTANCE TO STUDENTS WHO MEET THE
12 CRITERIA PRESCRIBED IN THIS SECTION AND WHO ARE PURSUING STUDIES IN THIS
13 STATE LEADING TO A BACCALAUREATE DEGREE.

14 B. EXCEPT AS OTHERWISE PROVIDED BY LAW, TO BE ELIGIBLE TO
15 PARTICIPATE IN THE ARIZONA PROMISE PROGRAM AND TO QUALIFY FOR AN AWARD
16 UNDER THIS SECTION, A STUDENT SHALL MEET ALL OF THE FOLLOWING
17 REQUIREMENTS:

18 1. QUALIFY FOR IN-STATE STUDENT STATUS AS PRESCRIBED IN SECTION
19 15-1802.

20 2. HAVE GRADUATED FROM A HIGH SCHOOL IN THIS STATE WITH A MINIMUM
21 2.5 CUMULATIVE GRADE POINT AVERAGE ON A 4.0 SCALE FOR ALL WORK ATTEMPTED
22 IN GRADES NINE THROUGH TWELVE.

23 3. SATISFY THE ADMISSION STANDARDS AS DETERMINED BY AN ELIGIBLE
24 POSTSECONDARY INSTITUTION.

25 4. COMPLETE AND SUBMIT THE FREE APPLICATION FOR FEDERAL STUDENT AID
26 AND MEET THE ELIGIBILITY CRITERIA FOR THE FEDERAL PELL GRANT.

27 5. SECURE ADMISSION TO, AND BE ENROLLED IN, AN ELIGIBLE
28 POSTSECONDARY INSTITUTION FOR AT LEAST FULL-TIME STATUS AS DETERMINED BY
29 FEDERAL STUDENT FINANCIAL AID GUIDELINES.

30 C. TO RETAIN ELIGIBILITY WHILE PURSUING THE PROGRAM OF HIGHER
31 LEARNING IN WHICH THE STUDENT IS ENROLLED, THE STUDENT SHALL MEET ALL OF
32 THE FOLLOWING REQUIREMENTS:

33 1. MAINTAIN SATISFACTORY ACADEMIC PROGRESS AS REQUIRED FOR
34 ELIGIBILITY FOR FEDERAL STUDENT FINANCIAL AID.

35 2. COMPLETE AND SUBMIT THE FREE APPLICATION FOR FEDERAL STUDENT
36 AID.

37 3. MAINTAIN AT LEAST FULL-TIME STATUS AS DETERMINED BY FEDERAL
38 STUDENT FINANCIAL AID GUIDELINES.

39 4. COMPLY WITH THE STANDARDS RELATED TO MAINTENANCE OF ELIGIBILITY
40 AS ADOPTED BY THE GOVERNING BOARD OF THE ELIGIBLE POSTSECONDARY
41 INSTITUTION.

42 D. EACH ELIGIBLE POSTSECONDARY INSTITUTION SHALL PROVIDE TO EACH
43 ELIGIBLE STUDENT AN AWARD UP TO THE ACTUAL COST OF IN-STATE TUITION AND
44 FEES, EXCEPT THAT AN AWARD PROVIDED PURSUANT TO THIS SECTION SHALL BE
45 REDUCED BY THE AMOUNT OF ANY OTHER FEDERAL AID SCHOLARSHIPS OR PUBLIC

1 GRANTS AND ANY OTHER FINANCIAL GIFTS, GRANTS OR AID RECEIVED BY THAT
2 PERSON.

3 E. AN AWARD UNDER THIS SECTION MAY BE AWARDED FOR A MAXIMUM OF
4 EIGHT ACADEMIC SEMESTERS OR THEIR EQUIVALENT.

5 F. AN AWARD UNDER THIS SECTION SHALL BE AWARDED TO ALL ELIGIBLE
6 APPLICANTS WITHOUT LIMIT OTHER THAN THE AMOUNT OF MONIES AVAILABLE FOR THE
7 ARIZONA PROMISE PROGRAM AND THE NUMBER OF ELIGIBLE APPLICANTS. IF
8 APPROPRIATED MONIES ARE INSUFFICIENT TO PROVIDE AWARDS FOR ALL ELIGIBLE
9 APPLICANTS, THE ARIZONA BOARD OF REGENTS SHALL GUARANTEE THE AWARD FOR
10 APPLICANTS WHO ENROLL IN A UNIVERSITY UNDER THE JURISDICTION OF THE
11 ARIZONA BOARD OF REGENTS.

12 G. THE ARIZONA PROMISE PROGRAM FUND IS ESTABLISHED CONSISTING OF
13 LEGISLATIVE APPROPRIATIONS AND ANY OTHER MONIES FOR THE PURPOSE OF
14 ADMINISTERING THE ARIZONA PROMISE PROGRAM AND DISTRIBUTING AWARD MONIES.
15 THE ARIZONA BOARD OF REGENTS SHALL ADMINISTER THE FUND, INCLUDING
16 DEVELOPING AND IMPLEMENTING CENTRALIZED ADMINISTRATIVE PROCESSES FOR
17 DISTRIBUTING MONIES IN THE FUND TO ELIGIBLE POSTSECONDARY INSTITUTIONS
18 EACH FISCAL YEAR. THE ARIZONA BOARD OF REGENTS MAY ACCEPT AND SPEND
19 FEDERAL MONIES AND PRIVATE GRANTS, GIFTS, CONTRIBUTIONS AND DEVISES,
20 INCLUDING PRIVATE, PHILANTHROPIC, PUBLIC AND OTHER SOURCES OF MONIES, TO
21 ASSIST IN CARRYING OUT THE PURPOSES OF THIS SECTION. MONIES IN THE FUND
22 ARE CONTINUOUSLY APPROPRIATED AND ARE EXEMPT FROM THE PROVISIONS OF
23 SECTION 35-190 RELATING TO LAPSLING OF APPROPRIATIONS. MONIES IN THE FUND
24 MAY BE USED FOR ANY OF THE FOLLOWING:

25 1. REIMBURSING ARIZONA PROMISE PROGRAM AWARDS THAT COVER THE
26 BALANCE OF TUITION AND FEES FOR ELIGIBLE PARTICIPANTS ENROLLED IN AN
27 ELIGIBLE POSTSECONDARY INSTITUTION AFTER ALL OTHER GIFTS AND AID RECEIVED.

28 2. ADMINISTERING THE ARIZONA PROMISE PROGRAM, INCLUDING HIRING AND
29 RETAINING ADDITIONAL PERSONNEL. THE ADMINISTRATION OF THE PROGRAM INCLUDES
30 DATA COLLECTION, REPORTING, TRACKING AND ANALYZING THE PROGRAM.

31 3. DESIGNING AND IMPLEMENTING A MARKETING AND PROMOTION PLAN FOR
32 THE ARIZONA PROMISE PROGRAM.

33 H. ANNUAL EXPENDITURES FOR MARKETING, PROMOTING AND ADMINISTERING
34 THE ARIZONA PROMISE PROGRAM MAY NOT EXCEED THREE PERCENT OF THE MONIES IN
35 THE FUND EACH FISCAL YEAR.

36 I. MONIES REMAINING IN THE ARIZONA PROMISE PROGRAM FUND AT THE END
37 OF EACH FISCAL YEAR MAY BE USED BY ELIGIBLE POSTSECONDARY INSTITUTIONS FOR
38 ARIZONA PROMISE PROGRAM COSTS IN THE NEXT FISCAL YEAR.

39 J. FOR THE PURPOSES OF THIS SECTION:

40 1. "ELIGIBLE POSTSECONDARY INSTITUTIONS" MEANS UNIVERSITIES UNDER
41 THE JURISDICTION OF THE ARIZONA BOARD OF REGENTS.

42 2. "TUITION AND FEES" MEANS TUITION, MANDATORY FEES AND PROGRAM
43 FEES THAT ARE ASSOCIATED WITH A PROGRAM IN THE ELIGIBLE POSTSECONDARY
44 INSTITUTION AND THAT ARE CHARGED BY AN ELIGIBLE POSTSECONDARY INSTITUTION.

1 Sec. 5. Section 15-1781, Arizona Revised Statutes, is amended to
2 read:

3 **15-1781. Definitions**

4 In this article, unless the context otherwise requires:

5 1. "Commission" means the commission for postsecondary education.

6 2. "Low-income school" means a public school in this state at which
7 sixty percent or more of the students are eligible for free or reduced
8 price lunches under the national school lunch and child nutrition acts
9 (42 United States Code sections 1751 through 1785).

10 3. "Qualified applicant" or "qualified student" means an Arizona
11 resident who is a citizen or legal resident of the United States or who is
12 otherwise lawfully present in the United States, who attends a qualifying
13 postsecondary institution and, if attending a university under the
14 jurisdiction of the Arizona board of regents, who qualifies for in-state
15 tuition pursuant to section 15-1802.

16 4. "Qualifying postsecondary institution" means a regionally or
17 nationally accredited ~~public or~~ private postsecondary educational
18 institution in this state.

19 5. "Rural school" means a public school in this state that is
20 located in a county with a population of less than three hundred thousand
21 persons.

22 Sec. 6. Title 15, chapter 13, article 11, Arizona Revised Statutes,
23 is amended by adding section 15-1781.01, to read:

24 **15-1781.01. Definition of commission for postsecondary**
25 **education**

26 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES, "COMMISSION
27 FOR POSTSECONDARY EDUCATION" MEANS THE ARIZONA BOARD OF REGENTS.

28 Sec. 7. Title 15, chapter 14, article 5, Arizona Revised Statutes,
29 is amended by adding section 15-1851.01, to read:

30 **15-1851.01. Definition of commission for postsecondary**
31 **education**

32 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES, "COMMISSION
33 FOR POSTSECONDARY EDUCATION" AND "COMMISSION" MEAN THE ARIZONA BOARD OF
34 REGENTS.

35 Sec. 8. **Repeal**

36 Sections 15-1854 and 15-1855, Arizona Revised Statutes, are
37 repealed.

38 Sec. 9. Section 15-1877, Arizona Revised Statutes, is amended to
39 read:

40 **15-1877. Scholarships and financial aid provisions**

41 A. Any student loan program, student grant program or other
42 financial assistance program established or administered by this state
43 shall treat the balance in an account of which the student is a designated
44 beneficiary as neither an asset of the parent of the designated

1 beneficiary nor as a scholarship, a grant or an asset of the student for
2 determining ~~THE~~ student's or parent's income, assets or financial need.

3 B. Subsection A **OF THIS SECTION** applies to any state appropriated
4 financial assistance program administered by a college or university in
5 this state, including the financial aid trust fund, established by
6 section 15-1642, ~~AND~~ the leveraging educational assistance program
7 established by section 1203 of the higher education act amendments of 1998
8 (P.L. 105-244; 112 Stat. 1581; 20 United States Code section 1001). ~~and~~
9 ~~the private postsecondary education student financial assistance program~~
10 ~~established by section 15-1854.~~

11 C. Subsections A and B **OF THIS SECTION** do not apply if any of the
12 following conditions ~~exist~~ **EXISTS**:

13 1. Federal law requires all or a portion of the amount in an
14 account to be taken into consideration in a different manner.

15 2. Federal benefits could be lost if all or a portion of the amount
16 in an account is not taken into consideration in a different manner.

17 3. A specific grant establishing a financial assistance program
18 requires that all or a portion of the amount in an account be taken into
19 consideration.

20 Sec. 10. **Repeal**

21 Laws 2008, chapter 287, section 39, as amended by Laws 2009, first
22 special session, chapter 6, section 3, is repealed.

23 Sec. 11. **Private postsecondary education student financial**
24 **assistance fund; private postsecondary education**
25 **grant fund; transfer of monies**

26 A. All unexpended and unencumbered monies in the private
27 postsecondary education student financial assistance fund established by
28 section 15-1854, subsection B, Arizona Revised Statutes, as repealed by
29 this act, are transferred to the postsecondary education fund established
30 by section 15-1853, Arizona Revised Statutes, on the effective date of
31 this act.

32 B. All unexpended and unencumbered monies in the private
33 postsecondary education grant fund established by section 15-1855, Arizona
34 Revised Statutes, as repealed by this act, are transferred to the
35 postsecondary education fund established by section 15-1853, Arizona
36 Revised Statutes, on the effective date of this act.

37 Sec. 12. **Financial aid trust fund; required state match;**
38 **reduction**

39 Notwithstanding section 15-1642, subsection C, Arizona Revised
40 Statutes, for fiscal year 2021-2022, each dollar raised pursuant to the
41 surcharge on student registration fees assessed pursuant to section
42 15-1642, subsection A, Arizona Revised Statutes, may be matched by less
43 than \$2 appropriated by the legislature.

1 Sec. 13. Community college districts: state aid for science,
2 technology, engineering and mathematics and
3 workforce programs

4 Notwithstanding section 15-1464, Arizona Revised Statutes, state aid
5 for science, technology, engineering and mathematics and workforce
6 programs for community college districts for fiscal year 2021-2022 is as
7 specified in the general appropriations act.

8 Sec. 14. Community college districts; operating state aid;
9 eligibility; limits

10 Notwithstanding section 15-1466, Arizona Revised Statutes, operating
11 state aid for community college districts for fiscal year 2021-2022 is as
12 specified in the general appropriations act.

13 Sec. 15. Return to work program; community college enrollment
14 incentive; scholarship reimbursement; eligibility;
15 application; data sharing

16 A. The department of economic security shall establish a return to
17 work program for reimbursement of community colleges as provided in this
18 section to provide incentives to low-wage workers to enroll in community
19 college while working. The department shall use monies appropriated for
20 fiscal year 2021-2022 to reimburse community colleges for scholarships
21 provided to eligible workers.

22 B. A worker is eligible for a scholarship subject to reimbursement
23 pursuant to this section if the worker is all of the following:

24 1. Receiving unemployment benefits on May 15, 2021 or has filed for
25 unemployment benefits in this state on or before May 15, 2021. In
26 determining whether an individual meets this requirement:

27 (a) An individual who files an initial unemployment benefits claim
28 after May 15, 2021 is not eligible for the scholarship reimbursement even
29 if the person files for weeks before the benefit week that ends on May 15,
30 2021.

31 (b) An individual must receive benefits for the benefit week that
32 ends May 8, 2021 or May 15, 2021, although the individual's benefit
33 payment may be issued in a later week.

34 2. Not receiving unemployment benefits at the time of applying for
35 a scholarship and agrees to maintain employment of at least twenty hours
36 per week while receiving the scholarship.

37 3. Able to demonstrate financial need as determined by the free
38 application for federal student aid.

39 4. Enrolled in the community college for at least six credit hours
40 per semester.

41 C. A worker who wishes to receive a scholarship subject to
42 reimbursement pursuant to this section shall apply to a community college
43 and shall submit a free application for federal student aid. The
44 community college shall apply all other scholarships and gifts of aid a

1 worker receives in determining the amount of a scholarship subject to
2 reimbursement pursuant to this section.

3 D. The department shall establish a process for community colleges
4 to verify student eligibility for the scholarship. The department shall
5 allocate monies for reimbursement of scholarships on a first-come,
6 first-served basis.

7 E. A scholarship subject to reimbursement pursuant to this section
8 may be awarded to an eligible worker for up to six credit hours per
9 semester and for up to two years or four academic semesters.

10 F. The department may enter into a data sharing agreement with a
11 community college to receive a list of applicants who are eligible for a
12 scholarship on a schedule determined by the department.

13 G. This section is repealed from and after June 30, 2024.

14 Sec. 16. Conforming legislation

15 The legislative council staff shall prepare proposed legislation
16 conforming the Arizona Revised Statutes to the provisions of section
17 15-1851.01, Arizona Revised Statutes, as added by this act, for
18 consideration in the fifty-fifth legislature, second regular session.

19 Sec. 17. Effective date: applicability

20 A. Section 3-127, Arizona Revised Statutes, as added by this act,
21 is effective from and after December 31, 2021.

22 B. Section 15-1671, Arizona Revised Statutes, as amended by this
23 act, is effective from and after June 30, 2022 and applies to fiscal years
24 beginning from and after June 30, 2022.

25 C. Section 15-1781, Arizona Revised Statutes, as amended by this
26 act, applies to loans granted pursuant to the Arizona teacher student loan
27 program established by section 15-1782, Arizona Revised Statutes, on or
28 after the effective date of this act, except that a student attending a
29 public postsecondary educational institution who received a loan through
30 the Arizona teacher student loan program before the effective date of this
31 act may continue in the program until the student completes the student's
32 eligible studies under the program.

33 D. Sections 15-1781.01 and 15-1851.01, Arizona Revised Statutes, as
34 added by this act, are effective from and after December 31, 2021.

APPROVED BY THE GOVERNOR JUNE 30, 2021.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 30, 2021.