



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
First Regular Session

House: APPROP DP 7-6-0-0

HB 2897: higher education; budget reconciliation; 2021-2022.

Sponsor: Representative Bowers, LD 25

House Engrossed

Overview

Contains budget reconciliation provisions relating to Higher Education needed for implementing the FY 2022 budget.

History

The Arizona Legislature adopts a budget for each fiscal year (FY) that contains general appropriations. [Article IV, Section 20, Part 2](#), Constitution of Arizona, requires the *General Appropriations Act* (feed bill) to contain only appropriations for the different state departments, state institutions, public schools and interest on public debt. Statutory changes necessary to reconcile the appropriations made in the feed bill and other changes are drafted into separate bills known as *Budget Reconciliation Bills* (BRBs). These BRBs are prepared according to subject area.

Provisions

Agricultural Workforce Development Program (AWDP)

1. Directs the University of Arizona Cooperative Extension Office (Office) to establish the AWDP to provide incentives to food-producing agricultural organizations (organizations) to hire apprentices by partially reimbursing apprenticeship costs. (Sec. 1)
2. Requires the Director of the Office to adopt rules that:
 - a) Establish qualifications for organizations to participate in the AWDP;
 - b) Provide a preference for organizations owned or operated by farmers and ranchers located in rural or tribal areas or who are historically underserved;
 - c) Require participating organizations to pay apprentices at least the statutory hourly minimum wage;
 - d) Establish criteria for participating organizations to select qualified apprentices;
 - e) Establish the process and time frame for selecting qualified organizations and apprentices;
 - f) Establish accounting requirements for tracking apprenticeship costs;
 - g) Establish the process for participating organizations to seek reimbursement; and
 - h) Seek input from community stakeholders to establish and administer the AWDP. (Sec. 1)
3. Allows the Office to reimburse a participating organization up to the amount of the actual cost to employ an apprentice, subject to legislative appropriation. (Sec. 1)
4. Instructs the Director, based on the annual legislative appropriation for the AWDP, to determine:
 - a) The number of apprenticeships to approve;
 - b) The amount of reimbursement per apprenticeship; and
 - c) Whether a participating organization may be reimbursed for more than one apprenticeship in the same fiscal year. (Sec. 1)

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5. Permits the Office to use up to 10% of appropriated monies for the AWDP for administrative costs. (Sec. 1)
6. Mandates the Office submit a report, by December 1 annually, regarding the effectiveness of the AWDP in achieving its purpose to the Governor, the President of the Senate and the Speaker of the House of Representatives. (Sec. 1)
7. Defines *actual cost*, *agricultural organization* and *historically underserved*. (Sec. 1)
8. Delays the effective date of the AWDP to January 1, 2022. (Sec. 17)

Water Rights Adjudication Law Clinic

9. Authorizes a university under the jurisdiction of the Arizona Board of Regents (ABOR) to offer pro bono assistance to claimants who are small landowners in the general stream adjudication of water rights who are not represented by counsel. (Sec. 2)
10. Allows a university that offers assistance to represent a claimant in the adjudication until the claimant proceeds to an evidentiary hearing or to some other contested proceeding that is similar to a trial.
 - a) Prohibits a university from representing a claimant at an evidentiary or similarly contested hearing if the claimant has not settled the claim. (Sec. 2)
11. Requires a university that offers assistance to cooperate and coordinate with the faculty of an Arizona cooperative extension that has a program to support the economic vitality of rural communities and the use of natural resources in those rural communities. (Sec. 2)
12. Mandates, by November 15 annually, a university that offers assistance to submit a written report on the university's assistance activities to the Governor, the President of the Senate and the Speaker of the House of Representatives. (Sec. 2)

Arizona Promise Program (APP)

13. Instructs eligible postsecondary institutions (institutions) to implement an APP to provide financial assistance to students who:
 - a) Meet prescribed criteria; and
 - b) Are pursuing studies in Arizona leading a baccalaureate degree. (Sec. 4)
14. Provides that to be eligible to participate in the APP and qualify for an award, a student must:
 - a) Qualify for in-state student status;
 - b) Have graduated from an Arizona high school with a minimum grade point average of 2.5;
 - c) Satisfy the institution's admission standards;
 - d) Complete and submit the free application for federal student aid (FAFSA) and meet federal Pell Grant eligibility criteria; and
 - e) Be admitted to and enrolled in an institution for at least full-time status. (Sec. 4)
15. Outlines requirements that a student must meet to retain eligibility for the APP while enrolled. (Sec. 4)
16. Requires each institution to provide each eligible student an award up to the actual cost of in-state tuition and fees, except the award must be reduced by the amount of any other federal aid scholarships, public grants and any other financial gifts, grants or aid received by the student. (Sec. 4)
17. Limits awards to a maximum of eight academic semesters or their equivalent. (Sec. 4)
18. States that awards are to be awarded to all eligible applicants without limit, other than the amount of monies available for the APP and the number of eligible applicants. (Sec. 4)

19. Stipulates that if appropriated monies are insufficient to provide awards for all eligible applicants, ABOR must guarantee the award for those who enroll in a university under its jurisdiction. (Sec. 4)
20. Establishes the APP Fund that consists of legislative appropriations and any other monies.
 - a) States that APP Fund monies are continuously appropriated and exempt from lapsing. (Sec. 4)
21. Instructs ABOR to:
 - a) Administer the APP Fund; and
 - b) Develop and implement a centralized administrative process for distributing APP Fund monies to eligible institutions. (Sec. 4)
22. Allow APP Fund monies to be used for:
 - a) Reimbursing awards;
 - b) APP administration; and
 - c) Designing and implementing a marketing and promotion plan. (Sec. 4)
23. Restricts annual expenditures for marketing, promoting and administering the APP to no more than 3% of APP Fund monies each fiscal year. (Sec. 4)
24. Allows institutions to use monies remaining in the APP Fund at the end of each fiscal year for costs in the next fiscal year. (Sec. 4)
25. Defines *eligible postsecondary institutions* and *tuition and fees*. (Sec. 4)

COVID-19 Vaccination and Testing

26. Prohibits ABOR, a public university or a community college from:
 - a) Requiring that a student obtain a COVID-19 vaccination or show proof of receiving a COVID-19 vaccination; or
 - b) Placing conditions on attendance or participation in classes or academic activities, including mandatory testing or face covering usage, if a person chooses not to obtain a COVID-19 vaccination or disclose whether they have been vaccinated against COVID-19. (Sec. 2)
27. Excludes students engaged in research or testing involving a live COVID-19 virus. (Sec. 2)
28. Allows a health care institution to require a student who participates in a clinical setting at a health care institution to provide proof of COVID-19 vaccination and be subject to regular health screenings and testing. (Sec. 2)
29. Stipulates that a public university may require testing only if a significant COVID-19 outbreak occurs in a shared student housing setting that poses a risk to students or staff.
30. Requires the public university, prior to mandating testing, to receive approval from the Arizona Department of Health Services. (Sec. 2)
31. Defines *health care institution*. (Sec. 2)

Commission for Postsecondary Education (Commission)

32. Transfers, on January 1, 2022, the duties, powers and responsibilities of the Commission to ABOR. (Sec. 6, 7)
33. Repeals the following:
 - a) Private Postsecondary Education Student Financial Assistance Program (PPESFA Program);
 - b) PPESFA Program Fund;
 - c) Private Postsecondary Education Grant Program (PPEG Program); and

- d) PPEG Program Fund. (Sec. 8)
- 34. Transfers all unexpended and unencumbered monies in the PPESFA Program Fund and PPEG Program Fund to the Postsecondary Education Fund. (Sec. 11)
- 35. Instructs Legislative Council Staff to prepare proposed legislative conforming the Arizona Revised Statutes to the transfer of the duties, powers and responsibilities of the Commission to ABOR to be considered in the 55th Legislature, Second Regular Session. (Sec. 16)

Arizona Teacher Student Loan Program (ATSLP)

- 36. Alters the definition of *qualifying postsecondary institution*, regarding the ATSLP, by removing *public postsecondary education institution*. (Sec. 5)
- 37. Applies the change of definition to *qualifying postsecondary institution* to loans granted on or after the effective date of this act.
 - a) Provides that a student attending a *public postsecondary educational institution* who received a loan through the ATSLP before the effective date of this act may continue in the ATSLP until the student completes their eligible studies. (Sec. 17)

Return to Work Program (RTW Program)

- 38. Instructs the Arizona Department of Economic Security (DES) to establish an RTW Program to provide incentives to low-wage workers to enroll in community college while working. (Sec. 15)
- 39. Requires DES to use monies appropriated in FY 2022 to reimburse community colleges for scholarships provided to eligible workers. (Sec. 15)
- 40. Details that a worker is eligible for a scholarship subject to reimbursement if the worker:
 - a) Receives unemployment benefits on May 15, 2021 or has filed for unemployment benefits by May 15, 2021 and receive benefits for the benefit week that ends May 8 or May 15, 2021
 - b) Is not receiving unemployment benefits at the time of applying for a scholarship and agrees to maintain employment of at least 20 hours per week while receiving the scholarship;
 - c) Demonstrates financial need as determined by the FAFSA; and
 - d) Is enrolled in the community college for at least six credit hours per semester (Sec. 15)
- 41. States that an individual who files an initial unemployment benefits claim after May 15, 2021 is not eligible for scholarship reimbursement. (Sec. 15)
- 42. Directs a worker who wishes to receive a scholarship subject to reimbursement to apply at a community college and submit a FAFSA. (Sec. 15)
- 43. Mandates a community college apply all other scholarships and gifts of aid a worker receives when determining the amount of a scholarship subject to reimbursement. (Sec. 15)
- 44. Requires DES to establish a process for community colleges to verify student eligibility for a scholarship. (Sec. 15)
- 45. Directs DES to allocate monies for reimbursement of scholarships on a first-come, first-served basis. (Sec. 15)
- 46. Allows a scholarship subject to reimbursement to be awarded to an eligible worker for up to six credit hours per semester and for up to two years or four academic semesters. (Sec. 15)
- 47. Permits DES to enter into a data sharing agreement with a community college to receive a list of applicants who are eligible for a scholarship on a schedule determined by DES. (Sec. 15)
- 48. Repeals the RTW Program on July 1, 2024. (Sec. 15)

Financial Aid Trust Fund

49. Continues to allow, for FY 2022, each dollar raised pursuant to the surcharge on student registration fees to be matched by less than \$2 appropriated by the Legislature. (Sec. 12)

Community College Funding

50. Specifies that STEM Aid and Operating State Aid for community college districts for FY 2022 is as specified in the General Appropriations Act. (Sec. 13, 14)

Miscellaneous

51. Repeals session law that requires ABOR to allocate \$376,000,000 in bond proceeds to the construction of the University of Arizona Phoenix Biomedical campus. (Sec. 10)
52. Specifies that if the amounts appropriated in FYs 2022-2043 to each university's capital infrastructure fund are adjusted by the change in the implicit price deflator, the change is for the gross domestic product reported by the United States Department of Commerce from the second quarter of the second preceding calendar year to the second quarter of the calendar year immediately preceding the fiscal year. (Sec. 3)
- a) Applies the change to fiscal years beginning and after July 1, 2022. (Sec. 17)
53. Makes technical changes. (Sec. 3, 9)
54. Makes conforming changes. (Sec. 6, 9)

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