higher education; 2022-2023.

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

SENATE BILL 1731

AN ACT

AMENDING SECTION 15-1469, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 13, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-1650.06; AMENDING TITLE 15, CHAPTER 14, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-1809; AMENDING SECTION 42-17203, ARIZONA REVISED STATUTES; APPROPRIATING MONIES; RELATING TO HIGHER EDUCATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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Be it enacted by the Legislature of the State of Arizona: Section 1. Section 15-1469, Arizona Revised Statutes, is amended to read:

15-1469. <u>Attendance of nonresident state students; payment of</u> cost by county of residence and state

- A. The district may admit students from any part of this state that is not a part of an established community college district on the same conditions as residents.
- B. The county of the student's residence AND THIS STATE shall reimburse the district as provided in this subsection AND SUBSECTION C OF THIS SECTION. The TOTAL amount of reimbursement to each community college district from each county that is not a part of an organized community college district AND FROM THIS STATE shall be determined as follows:
- 1. For students attending classes within the established community college district:
- (a) Determine the number of full-time equivalent students attending classes within the district from the county for the year preceding the current year.
- (b) Determine the operational expenses of the district for the current year, excluding direct and indirect costs of noncredit courses and direct and indirect costs of $\frac{300}{300}$ 300-LEVEL and $\frac{400}{100}$ 400-LEVEL community college baccalaureate degree courses.
- (c) Determine the amount of state aid the district received for the current year as provided in section 15-1466.
- (d) Subtract the amount of state aid received for the current year determined in subdivision (c) of this paragraph from the amount of operational expenses for the current year determined in subdivision (b) of this paragraph.
- (e) Determine the number of full-time equivalent students enrolled in the district for the current year.
- (f) Divide the amount determined in subdivision (d) of this paragraph by the number of full-time equivalent students determined in subdivision (e) of this paragraph.
- (g) Multiply the amount determined in subdivision (f) of this paragraph by the average number of full-time equivalent students for the county determined as provided in subdivision (a) of this paragraph. The resulting amount is the TOTAL amount of reimbursement to the district
- from THIS STATE AND FROM the county for the budget year for students attending classes within the established community college district. BEGINNING IN THE 2022-2023 FISCAL YEAR, THIS AMOUNT SHALL BE PAID TO THE DISTRICT AS PRESCRIBED IN SUBSECTION C OF THIS SECTION.
- 2. For students attending classes offered by the district within the county pursuant to section 15-1470, the amount specified in the intergovernmental agreement is the amount of reimbursement to the district

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from the county for the budget year for students attending classes within the county.

- C. BEGINNING IN THE 2022-2023 FISCAL YEAR, THE AMOUNT CALCULATED PURSUANT TO SUBSECTION B, PARAGRAPH 1 OF THIS SECTION SHALL BE PAID TO THE DISTRICT AS FOLLOWS:
- 1. THE COUNTY THAT IS NOT A PART OF AN ORGANIZED COMMUNITY COLLEGE DISTRICT SHALL REIMBURSE THE DISTRICT FOR THE BUDGET YEAR FOR STUDENTS ATTENDING CLASSES WITHIN THE ESTABLISHED COMMUNITY COLLEGE DISTRICT IN AN AMOUNT THAT IS CALCULATED AS FOLLOWS:
- (a) DIVIDE THE AMOUNT OF THE PRIMARY PROPERTY TAX LEVY OF THE DISTRICT FROM THE PRIOR YEAR BY THE NUMBER OF FULL-TIME EQUIVALENT STUDENTS ENROLLED IN THE DISTRICT FOR THE CURRENT YEAR AS DETERMINED IN SUBSECTION B, PARAGRAPH 1, SUBDIVISION (e) OF THIS SECTION.
- (b) MULTIPLY THE AMOUNT CALCULATED PURSUANT TO SUBDIVISION (a) OF THIS PARAGRAPH BY THE NUMBER OF FULL-TIME EQUIVALENT STUDENTS ATTENDING CLASSES WITHIN THE DISTRICT FROM THE COUNTY FOR THE YEAR PRECEDING THE CURRENT YEAR AS DETERMINED IN SUBSECTION B, PARAGRAPH 1, SUBDIVISION (a) OF THIS SECTION.
- 2. AN AMOUNT THAT IS EQUAL TO THE AMOUNT CALCULATED PURSUANT TO SUBSECTION B, PARAGRAPH 1 OF THIS SECTION MINUS THE AMOUNT THAT IS CALCULATED PURSUANT TO PARAGRAPH 1 OF THIS SUBSECTION SHALL BE PAID TO THE DISTRICT FROM THE STATE GENERAL FUND.
- C. D. On or before May 15 of each year, the staff of the joint legislative budget committee shall:
- 1. Determine the TOTAL amount of reimbursement to each district from each county AND THIS STATE pursuant to subsection B, paragraph 1 of this section AND THE AMOUNTS THAT EACH COUNTY AND THIS STATE MUST PAY TO EACH DISTRICT UNDER SUBSECTION C OF THIS SECTION.
- 2. Notify the board of supervisors of each county of the amount it $\frac{1}{2}$ MUST reimburse to each district pursuant to subsection $\frac{1}{2}$ C, paragraph 1 of this section for the budget year.
- 3. Notify each community college district THAT IS eligible to receive reimbursement of the amount of reimbursement from each county AND THIS STATE pursuant to subsection B, paragraph 1 AND SUBSECTION C of this section for the budget year.
- D. E. On or before November 15 and May 15 of each year, the board of supervisors shall draw warrants on the county treasurer in favor of the community college district for half of the amount due pursuant to subsection B, PARAGRAPH 2 OR SUBSECTION C, PARAGRAPH 1 of this section. The board of supervisors shall:
- 1. Pay monies from the county general fund or levy a community college reimbursement levy pursuant to section 42-17203 for the amount of reimbursement pursuant to an intergovernmental agreement for extension courses as provided in section 15-1470.

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- 2. Pay monies from the county general fund or levy a community college reimbursement levy pursuant to section 42-17203 for the amount of reimbursement pursuant to subsection $\frac{8}{100}$ C, paragraph 1 of this section.
- F. F. Notwithstanding subsection D E of this section, a county and a community college district may specify by intergovernmental agreement that the amount of reimbursement due from the county be reduced by the value of in-kind contributions made by the county to the district.
- **F.** G. For the purposes of subsection B, paragraph 1 of this section, full-time equivalent students are determined in the same manner prescribed by section 15-1466.01.
- Sec. 2. Title 15, chapter 13, article 1, Arizona Revised Statutes, is amended by adding section 15-1650.06, to read:

15-1650.06. <u>Arizona veterinary loan assistance program; fund;</u>
<u>annual report; rules; definitions</u>

- A. THE ARIZONA VETERINARY LOAN ASSISTANCE PROGRAM IS ESTABLISHED WITHIN THE ARIZONA BOARD OF REGENTS.
- B. THE ARIZONA VETERINARY LOAN ASSISTANCE FUND IS ESTABLISHED CONSISTING OF LEGISLATIVE APPROPRIATIONS. THE BOARD SHALL ADMINISTER THE FUND. MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED AND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS. THE BOARD SHALL USE MONIES IN THE FUND FOR THE PURPOSES PRESCRIBED IN THIS SECTION AND MAY RETAIN UP TO THREE PERCENT OF THE MONIES DEPOSITED IN THE FUND FOR COSTS ASSOCIATED WITH ADMINISTERING THE PROGRAM.
- C. A PERSON WHO OBTAINS A DOCTOR OF VETERINARY MEDICINE DEGREE FROM A VETERINARY COLLEGE AFTER JANUARY 1, 2023 AND WHO SIGNS AN AGREEMENT PURSUANT TO SUBSECTION D OF THIS SECTION MAY APPLY TO THE BOARD TO PARTICIPATE IN THE PROGRAM.
- D. TO PARTICIPATE IN THE PROGRAM, THE BOARD SHALL REQUIRE AN APPLICANT TO SIGN AN AGREEMENT TO BOTH:
- 1. REMAIN AND WORK AS A FULL-TIME VETERINARIAN IN THIS STATE FOR THE FOLLOWING FOUR YEARS.
- 2. WORK IN ONE OF THE FOLLOWING PRACTICE AREAS FOR AT LEAST TWO OF THE FOUR YEARS:
- (a) AGRICULTURAL PRACTICE IN AN AREA DESIGNATED BY THE UNITED STATES DEPARTMENT OF AGRICULTURE AS HAVING A SHORTAGE.
 - (b) A NONPROFIT, COUNTY OR MUNICIPAL SHELTER.
- E. AT THE CONCLUSION OF THE FOUR-YEAR COMMITMENT DESCRIBED IN SUBSECTION D OF THIS SECTION, THE BOARD SHALL DETERMINE WHETHER THE VETERINARIAN SATISFIED THE TERMS OF THE AGREEMENT DESCRIBED IN SUBSECTION D OF THIS SECTION. IF THE BOARD DETERMINES THAT THE VETERINARIAN SATISFIED THE TERMS OF THE AGREEMENT DESCRIBED IN SUBSECTION D OF THIS SECTION, THE BOARD SHALL DISTRIBUTE TO THE VETERINARIAN FROM THE ARIZONA VETERINARY LOAN ASSISTANCE FUND AN AMOUNT THAT IS EQUAL TO THE AMOUNT OF THE VETERINARIAN'S OUTSTANDING VETERINARY COLLEGE EDUCATIONAL LOAN BALANCE

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OR \$100,000, WHICHEVER IS LESS. THE BOARD SHALL DISTRIBUTE MONIES FROM THE FUND SUBJECT TO THE AVAILABILITY OF MONIES AND LEGISLATIVE APPROPRIATION AND ON A FIRST-COME, FIRST-SERVED BASIS. FOR THE PURPOSES OF THIS SUBSECTION, "EDUCATIONAL LOAN BALANCE" MEANS THE BALANCE OF THE PRINCIPAL, INTEREST AND RELATED EXPENSES OF THE EDUCATIONAL LOAN.

- F. ON OR BEFORE OCTOBER 1 OF EACH YEAR, THE BOARD SHALL COMPILE A REPORT THAT DETAILS HOW THE ARIZONA VETERINARY LOAN ASSISTANCE FUND MONIES ARE BEING SPENT AND SHALL SUBMIT THIS REPORT TO THE GOVERNOR, THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES. THE BOARD SHALL SUBMIT A COPY OF THIS REPORT TO THE SECRETARY OF STATE.
- $\mbox{ G. }$ THE BOARD MAY ADOPT RULES FOR THE PURPOSES OF CARRYING OUT THIS SECTION.
 - H. FOR THE PURPOSES OF THIS SECTION:
 - 1. "BOARD" MEANS THE ARIZONA BOARD OF REGENTS.
- 2. "VETERINARIAN" HAS THE SAME MEANING PRESCRIBED IN SECTION 32-2201.
- 3. "VETERINARY COLLEGE" HAS THE SAME MEANING PRESCRIBED IN SECTION 32-2201.
- Sec. 3. Title 15, chapter 14, article 1, Arizona Revised Statutes, is amended by adding section 15-1809, to read:

15-1809. Spouses of military veterans tuition scholarship fund; tuition scholarships; eligibility; rules

- A. THE SPOUSES OF MILITARY VETERANS TUITION SCHOLARSHIP FUND IS ESTABLISHED CONSISTING OF LEGISLATIVE APPROPRIATIONS. THE ARIZONA BOARD OF REGENTS SHALL ADMINISTER THE FUND. MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED AND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS. SUBJECT TO AVAILABLE MONIES, THE ARIZONA BOARD OF REGENTS SHALL USE THE MONIES IN THE FUND TO AWARD TUITION SCHOLARSHIPS TO ANY PERSON WHO MEETS ALL OF THE FOLLOWING REQUIREMENTS:
- 1. ENROLLS IN A UNIVERSITY UNDER THE JURISDICTION OF THE ARIZONA BOARD OF REGENTS OR IN A COMMUNITY COLLEGE AS DEFINED IN SECTION 15-1401.
- 2. IS THE SPOUSE OF AN HONORABLY DISCHARGED VETERAN OF THE ARMED FORCES OF THE UNITED STATES. FOR THE PURPOSES OF PROVING THAT THE PERSON'S SPOUSE IS AN HONORABLY DISCHARGED VETERAN OF THE ARMED FORCES OF THE UNITED STATES AS REQUIRED BY THIS PARAGRAPH:
- (a) THE PERSON SHALL SUBMIT PROOF OF THE HONORABLE DISCHARGE OR GENERAL DISCHARGE UNDER HONORABLE CONDITIONS OF THE PERSON'S SPOUSE.
- (b) THE ARIZONA DEPARTMENT OF VETERANS' SERVICES SHALL VERIFY THAT THE PERSON IS THE SPOUSE OF AN HONORABLY DISCHARGED VETERAN.
- 3. IS ENTITLED TO CLASSIFICATION AS AN IN-STATE STUDENT UNDER SECTION 15-1802.
- 4. IS A RESIDENT OF THIS STATE AT THE TIME OF APPLYING FOR A TUITION SCHOLARSHIP AND CONTINUES TO BE A RESIDENT OF THIS STATE WHILE RECEIVING A TUITION SCHOLARSHIP UNDER THIS SECTION.

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- 5. COMPLETES AND SUBMITS THE FREE APPLICATION FOR FEDERAL STUDENT AID FOR EACH YEAR THAT THE PERSON RECEIVES A TUITION SCHOLARSHIP UNDER THIS SECTION.
- 6. COMPLIES WITH THE STANDARDS OF SATISFACTORY ACADEMIC PROGRESS AS ESTABLISHED BY THE UNIVERSITY OR COMMUNITY COLLEGE IN WHICH THE PERSON ENROLLS.
- 7. COMPLETES A FAMILY EDUCATIONAL RIGHTS AND PRIVACY ACT OF 1974 (P.L. 93-380; 88 STAT. 57) RELEASE FORM FOR EACH UNIVERSITY OR COMMUNITY COLLEGE IN WHICH THE PERSON IS ENROLLED TO AUTHORIZE THE RELEASE OF PERSONALLY IDENTIFIABLE INFORMATION REQUIRED TO DETERMINE CONTINUED TUITION SCHOLARSHIP ELIGIBILITY UNDER THIS SECTION.
- B. A PERSON WHO MEETS THE REQUIREMENTS PRESCRIBED IN SUBSECTION A OF THIS SECTION MAY APPLY TO THE ARIZONA BOARD OF REGENTS FOR A TUITION SCHOLARSHIP FROM THE FUND IN A MANNER PRESCRIBED BY THE ARIZONA BOARD OF REGENTS. SUBJECT TO AVAILABLE MONIES, THE ARIZONA BOARD OF REGENTS SHALL AWARD AN ELIGIBLE PERSON A TUITION SCHOLARSHIP THAT IS EQUAL TO THE AMOUNT OF TUITION AND MANDATORY FEES CHARGED BY THE UNIVERSITY OR COMMUNITY COLLEGE IN WHICH THE PERSON IS ENROLLED, REDUCED BY THE AMOUNT OF ANY FEDERAL AID SCHOLARSHIPS OR PUBLIC GRANTS AND ANY OTHER FINANCIAL GIFTS, GRANTS OR AID RECEIVED BY THAT PERSON. THE ARIZONA BOARD OF REGENTS SHALL VERIFY THAT THE PERSON SATISFIES THE REQUIREMENTS PRESCRIBED IN SUBSECTION A OF THIS SECTION BEFORE AWARDING A TUITION SCHOLARSHIP. IF THE ARIZONA BOARD OF REGENTS DETERMINES THAT A PERSON NO LONGER SATISFIES THE REQUIREMENTS PRESCRIBED IN SUBSECTION A OF THIS SECTION, THE ARIZONA BOARD OF REGENTS MAY NOT AWARD A SUBSEQUENT TUITION SCHOLARSHIP FROM THE FUND UNTIL THE PERSON SUBMITS DOCUMENTATION SHOWING THAT THE PERSON SATISFIES ALL REQUIREMENTS PRESCRIBED IN SUBSECTION A OF THIS SECTION.
- C. A TUITION SCHOLARSHIP PROVIDED PURSUANT TO THIS SECTION SHALL BE:
 - 1. LIMITED TO NOT MORE THAN FOUR ACADEMIC YEARS OR EIGHT SEMESTERS.
- 2. USED ONLY FOR A CERTIFICATE, AN ASSOCIATE DEGREE OR A BACCALAUREATE DEGREE.
- 3. USED ONLY TO PAY TUITION AND MANDATORY FEES AT A UNIVERSITY UNDER THE JURISDICTION OF THE ARIZONA BOARD OF REGENTS OR AT A COMMUNITY COLLEGE AS DEFINED IN SECTION 15-1401.
- D. TUITION SCHOLARSHIPS UNDER THIS SECTION SHALL BE AWARDED ON A FIRST-COME, FIRST-SERVED BASIS. IF THERE ARE INSUFFICIENT MONIES IN THE FUND, THE ARIZONA BOARD OF REGENTS MAY NOT AWARD A TUITION SCHOLARSHIP TO AN ELIGIBLE PERSON UNDER THIS SECTION.
- E. THE ARIZONA BOARD OF REGENTS MAY ADOPT RULES FOR THE PURPOSES OF ADMINISTERING THIS SECTION.

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Sec. 4. Section 42-17203, Arizona Revised Statutes, is amended to read:

42-17203. County levy for community college; election

- A. A county that is not in an organized community college district may conduct an election to authorize a property tax levy for community college purposes that is not within the limitation on primary property taxes that is otherwise prescribed by section 42-17051.
- B. In order to levy taxes for community college purposes in excess of the limitations otherwise prescribed on primary property tax, the board of supervisors of a county that is not in an organized community college district shall adopt a resolution by an affirmative vote of at least two-thirds of its membership requesting the voters to approve a community college reimbursement levy and setting the time and place for the election.
- C. The board shall submit the questions to the qualified electors at an election held on the first Tuesday following the first Monday in November as prescribed by section 16-204, subsection 8, paragraph 1, subdivision (d) F. Except as otherwise provided in this section, the election shall be held according to the provisions applying to bond issuance elections in title 35, chapter 3, article 3.
- D. In the resolution requesting the voters to approve the levy and setting the time and place for the election, the board shall state:
- 1. The estimated maximum dollar amount of secondary property taxes that could be collected in the first year if the voters approve the levy for payment of tuition under section 15-1469, subsection $\frac{8}{12}$ C, paragraph 1.
- 2. The estimated secondary property tax rate that will be levied if the voters approve the levy.
- 3. The estimated decrease of the primary property tax rate if the voters approve the levy for the payment of tuition under section 15-1469, subsection $\frac{1}{100}$ C, paragraph 1.
- 4. That the amount of community college reimbursement levy will vary from year to year to pay tuition under section 15-1469, subsection C, paragraph 1.
- . The maximum dollar amount of secondary property taxes that could be collected in the first year if the voters approve the levy for payment of tuition under section 15-1469, subsection B, paragraph 2 or to establish a campus in the county that is affiliated with a community college district as provided in subsection E of this section.
- 6. The maximum growth rate that will be allowed for secondary property taxes collected in each subsequent year if the voters approve the levy for payment of tuition under section 15-1469, subsection B, paragraph 2 or to establish a campus in the county that is affiliated with a community college district as provided in subsection E of this section.

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- E. The board may use monies it collects under this section to either:
- 1. Reimburse the costs of students pursuant to section 15-1469, subsection B, paragraphs 1 and 2 as approved by the voters.
- 2. Establish a campus in the county that is affiliated with a community college district.
- F. If the levy is approved by the voters for purposes of reimbursement pursuant to section 15-1469, the maximum amount of taxes that the board may levy for any year in which the authority is in effect is the amount of reimbursement pursuant to section 15-1469, subsection B C, paragraph 1 and any portion of the reimbursement as specified in the resolution pursuant to subsection D, paragraphs 5 and 6 of this section as approved by the board of supervisors.
- G. The board of supervisors shall levy the tax in the same manner as county property taxes as provided in section 42-17151. If an unexpended balance of the monies collected pursuant to this section remains after satisfying the requirements of subsection E of this section, the board shall use the balance to reduce the community college levy under this section in the following year. If the balance exceeds the requirements for the following year, the board shall use the balance to reduce any other property tax authorized by law to be collected by the county.
 - H. The amounts collected pursuant to this section:
- 1. Shall not be included in the levy limitation pursuant to section 42-17051 for any subsequent year.
 - 2. Shall be collected from a levy of secondary property taxes.
- 3. Except as provided in this section, are exempt pursuant to article IX, section 19, subsection (5), Constitution of Arizona, from levy limitations.
 - Sec. 5. Department of administration; conveyance of real property housing the mining, mineral and natural resources educational museum to university of Arizona; continued operation, management and maintenance

Notwithstanding section 37-803, subsection B, paragraph 1, Arizona Revised Statutes, the department of administration shall convey title and fee ownership of the real property and improvements on the real property currently housing the mining, mineral and natural resources educational museum to the university of Arizona for nominal consideration not more than thirty days after the effective date of this section. The university of Arizona shall operate, manage and maintain the mining, mineral and natural resources educational museum at the location consistent with title 27, chapter 1, article 1, Arizona Revised Statutes.

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Sec. 6. <u>Joint legislative budget committee</u>: <u>recalculation</u>: <u>fiscal year 2022-2023</u>

Notwithstanding section 15-1469, Arizona Revised Statutes, as amended by this act, within ten days after the effective date of this section, the staff of the joint legislative budget committee shall:

- 1. Revise the calculation computed pursuant to section 15-1469, subsection D, paragraph 1, Arizona Revised Statutes, as amended by this act, for the 2022-2023 fiscal year.
- 2. Notify the board of supervisors of each county of the revised amount it must reimburse to each district pursuant to section 15-1469, subsection C, paragraph 1, Arizona Revised Statutes, as added by this act, for the 2022-2023 fiscal year.
- 3. Notify each community college district that is eligible to receive reimbursement of the revised amount of reimbursement from each county and this state pursuant to section 15-1469, subsection B, paragraph 1, Arizona Revised Statutes, as amended by this act, and section 15-1469, subsection C, Arizona Revised Statutes, as added by this act, for the 2022-2023 fiscal year.

Sec. 7. Financial aid trust fund: required state match: reduction

Notwithstanding section 15-1642, subsection C, Arizona Revised Statutes, for fiscal year 2022-2023, each dollar raised pursuant to the surcharge on student registration fees assessed pursuant to section 15-1642, subsection A, Arizona Revised Statutes, may be matched by less than \$2 appropriated by the legislature.

Sec. 8. Community college districts; state aid for science, technology, engineering and mathematics and workforce programs

Notwithstanding section 15-1464, subsection A, paragraph 3, Arizona Revised Statutes, state aid for science, technology, engineering and mathematics and workforce programs for community college districts for fiscal year 2022-2023 is as specified in the general appropriations act.

Sec. 9. <u>Community college districts; operating state aid;</u> <u>eligibility; limits</u>

Notwithstanding section 15-1466, Arizona Revised Statutes, operating state aid for community college districts for fiscal year 2022-2023 is as specified in the general appropriations act.

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