



ARIZONA STATE SENATE
Fifty-Sixth Legislature, First Regular Session

FACT SHEET FOR S.B. 1727

higher education; 2023-2024.

Purpose

Makes session law changes relating to higher education necessary to implement the FY 2024 state budget.

Background

The Arizona Constitution prohibits substantive law from being included in the general appropriations, capital outlay appropriations and supplemental appropriations bills. However, it is often necessary to make statutory and session law changes to effectuate the budget. Thus, separate bills called budget reconciliation bills (BRBs) are introduced to enact these provisions. Because BRBs contain substantive law changes, the Arizona Constitution provides that they become effective on the general effective date, unless an emergency clause is enacted.

S.B. 1727 contains the budget reconciliation provisions for changes relating to higher education.

Provisions

Spouses and Dependents of Law Enforcement Officers Tuition Scholarship Fund

1. Establishes the Spouses and Dependents of Law Enforcement Officers Tuition Scholarship Fund (Scholarship Fund), administered by the Arizona Board of Regents (ABOR) and consisting of legislative appropriations.
2. Requires ABOR, in FYs 2024 through 2027 and subject to available monies, to use Scholarship Fund monies to award tuition scholarships to the spouse of a law enforcement officer or a dependent of a law enforcement officer who is younger than 27 years old who enrolls in:
 - a) an Arizona public university;
 - b) a community college;
 - c) a career and technical education program that is offered to adults or an associate degree program offered by a career and technical education district (CTED); or
 - d) a licensed Arizona private postsecondary educational institution.
3. Allows an eligible individual to apply to ABOR for a Scholarship Fund tuition scholarship in a manner prescribed by ABOR and requires ABOR to verify that the individual satisfies the eligibility requirements before awarding a tuition scholarship.
4. Requires ABOR to award an eligible individual, on a first-come, first-served basis, a tuition scholarship that is equal to the tuition and mandatory fees charged by the university, community college or CTED in which the individual is enrolled, reduced by any federal aid scholarships, public grants or other financial gifts, grants or aid received by that individual.

5. Caps a Scholarship Fund tuition scholarship to an eligible individual enrolled in a private postsecondary educational institution at the remainder of the average in-state tuition and fees charged by public universities, reduced by any other gifts and aid awarded to that individual.
6. Prohibits ABOR from awarding a tuition scholarship, if:
 - a) there are insufficient Scholarship Fund monies; or
 - b) an applicant is not charged to attend a CTED program.
7. Limits a Scholarship Fund tuition scholarship to not more than four academic years or eight semesters and limits tuition scholarship uses to:
 - a) a CTED program certificate or license, a private vocational program, an associate degree or a baccalaureate degree; and
 - b) pay tuition and mandatory fees at a CTED, a qualifying private postsecondary educational institution, a public Arizona university or community college.
8. Allows ABOR to rely on a copy of a law enforcement officer's commission card and a current employment verification letter from the law enforcement officer's employer to establish that an individual is a law enforcement officer.
9. Prohibits ABOR from distributing additional Scholarship Fund monies to an individual who ABOR determines no longer satisfies eligibility requirements until the individual submits documentation showing that the individual satisfies all requirements.
10. Allows ABOR to adopt rules to administer the Scholarship Fund.
11. Specifies that Scholarship Fund monies are continuously appropriated and exempt from lapsing.
12. Requires ABOR, by March 1, 2024, and each subsequent year, to report to the Joint Legislative Budget Committee and the Governor's Office of Strategic Planning and Budgeting:
 - a) the total number of students who received a tuition scholarship, by eligible postsecondary institution, in the current academic year;
 - b) the total amounts awarded and average amounts awarded, by eligible postsecondary institution, in the current academic year;
 - c) the total number of students who received a tuition scholarship and graduated or completed a program of study, by eligible postsecondary institution; and
 - d) each law enforcement agency that employs a law enforcement officer whose spouse or dependent, or both, receives a tuition scholarship.
13. Defines *law enforcement officer* as an individual who is currently employed as either a peace officer, as statutorily defined, or a correctional officer.

Arizona Area Health Education System

14. Requires ABOR to distribute monies appropriated for primary care residency programs in FY 2024 to the Arizona Area Health Education System to establish a program for qualifying community health centers, rural health clinics and tribal health facilities that:
 - a) supports and expands the number of primary care residency positions;

- b) provides support and technical assistance for starting or expanding primary care residency programs in rural areas and health professional shortage areas;
 - c) facilitates information and resource sharing; and
 - d) provides training and technical assistance, including preceptor training and development, continuing education, medical library access and other functions, to support the success of qualifying community health center, rural health clinic and tribal health facility primary care residency programs.
15. Authorizes the Arizona Area Health Education System to use up to \$500,000 of the monies distributed for primary care residency programs in FY 2024 to support a collaborative of qualifying community health centers', rural health clinics' and tribal health facilities' primary care residency programs.
16. Defines *primary care* as family medicine, internal medicine, pediatrics, pediatric internal medicine, psychiatry, obstetrics and gynecology, geriatrics or general surgery.
17. Defines *tribal health facility* as an outpatient health facility that is operated by an Indian tribe and that is authorized to provide services according to the federal Indian Self-Determination and Education Assistance Act.

Miscellaneous

18. Directs, retroactive to July 1, 2023, the State Treasurer in FY 2024 to:
- a) on notice from ABOR, invest and divest monies in the Arizona Veterinary Loan Assistance Fund and the Spouses of Military Veterans Tuition Scholarship Fund; and
 - b) credit monies earned from investment to the respective fund.
19. Repeals, on January 1, 2025, the requirements on the State Treasurer investing and divesting the specified fund monies.
20. Continues, for FY 2024, to allow the required state match to be less than two dollars for each dollar raised by the surcharge on student registration fees pursuant to the Arizona Financial Aid Trust Fund.
21. Specifies that operating state aid for community college districts (CCD) in FY 2024 is as prescribed in the FY 2024 General Appropriations Act.
22. Specifies that state aid for CCD science, technology, engineering and mathematics and workforce development programs in FY 2024 is as prescribed in the FY 2024 General Appropriations Act.
23. Becomes effective on the general effective date, with a retroactive provision as noted.