HB 2239

Introduced by
Representatives Aguilar: De Los Santos, Hernandez A, Hernandez L,
Hernandez M, Longdon, Ortiz, Peshlakai, Sun

AN ACT

AMENDING TITLE 15, CHAPTER 13, ARTICLE 6, ARIZONA REVISED STATUTES, BY
ADDING SECTION 15-1705; RELATING TO FINANCIAL AID.

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

Section 1. Title 15, chapter 13, article 6, Arizona Revised Statutes, is amended by adding section 15-1705, to read:

15-1705. Private scholarships; financial aid awards; prohibitions; definitions

A. Beginning in the 2024-2025 school year and notwithstanding any other law, an eligible postsecondary institution may not:

1. Reduce a student's gift aid because the student receives or is designated to receive a private scholarship award, except that the student's gift aid may be reduced by up to the amount by which the gift aid exceeds the student's actual cost of attendance.

2. Consider a student's private scholarship awards when determining the financial aid award, including gift aid, for that student.

B. An eligible postsecondary institution may consult with students and the providers of private scholarships to identify instances when private scholarships and gift aid are limited to specific purposes.

C. For the purposes of this section:

1. "Cost of attendance" includes the cost of tuition and fees, books and supplies, living expenses and transportation expenses and any other costs used to calculate a student's financial need for the purposes of student aid programs under title IV of the Higher Education Act of 1965 (P.L. 89-329; 79 Stat. 1219; 20 United States Code sections 1070 through 1099d).

2. "Eligible postsecondary institution" means a university under the jurisdiction of the Arizona Board of Regents or a community college as defined in section 15-1401.

3. "Gift aid" means all financial aid that is designated for a student's postsecondary educational expenses and that is not a loan or work study program.

4. "Private scholarship award":
   (a) means financial assistance that is awarded to students by a private company, private foundation, nonprofit organization or charity.
   (b) does not include financial assistance that is awarded by a university foundation or government entity.

5. "Student" means a person who both:
   (a) qualifies for in-state student status as prescribed in section 15-1802.
   (b) is enrolled in an associate or baccalaureate degree program offered by an eligible postsecondary institution.

Sec. 2. Short title
This act may be cited as the "Arizona Ban on Scholarship Displacement Act of 2023".