

REFERENCE TITLE: ABOR; university presidents; compensation

State of Arizona
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HB 2187

Introduced by
Representatives Kolodin: Carter N, Chaplik, Fink, Heap, Marshall, Peña,
Pingerelli

AN ACT

AMENDING SECTION 15-1626, ARIZONA REVISED STATUTES; RELATING TO THE ARIZONA BOARD OF REGENTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 15-1626, Arizona Revised Statutes, is amended to
3 read:

4 15-1626. General administrative powers and duties of board;
5 definition

6 A. The ARIZONA board OF REGENTS shall:

7 1. Have and exercise the powers necessary for the effective
8 governance and administration of the institutions under its control. To
9 that end, the board may adopt, and authorize each university to adopt,
10 such regulations, policies, rules or measures as are deemed necessary and
11 may delegate in writing to its committees, to its university presidents,
12 or their designees, or to other entities under its control any part of its
13 authority ~~for the administration to administer and governance of govern~~ GOVERN
14 such institutions, including those powers enumerated in section 15-1625,
15 subsection B, paragraphs 2 and 4, paragraphs 3, 4, 8, 9, 11 and 12 of this
16 subsection and subsection B of this section. THE BOARD MAY RESCIND any
17 delegation of authority ~~may be rescinded by the board~~ at any time in whole
18 or in part.

19 2. Appoint and employ and determine the compensation of presidents
20 with such power and authority and for such purposes in connection with the
21 operation of the institutions as the board deems necessary, EXCEPT THAT
22 THE ANNUAL COMPENSATION OF A PRESIDENT MAY NOT EXCEED TWENTY TIMES THE
23 AMOUNT OF THE ANNUAL SALARY TO WHICH MEMBERS OF THE LEGISLATURE ARE
24 ENTITLED PURSUANT TO SECTION 41-1103.

25 3. Appoint and employ and determine the compensation of
26 ~~vice-presidents~~ VICE PRESIDENTS, deans, professors, instructors,
27 lecturers, fellows and such other officers and employees with such power
28 and authority and for such purposes in connection with the operation of
29 the institutions as the board deems necessary, or delegate its authority
30 pursuant to paragraph 1 of this subsection.

31 4. Remove any officer or employee when the interests of education
32 in this state so require in accordance with its personnel rules and
33 policies.

34 5. Fix tuitions and fees to be charged and differentiate the
35 tuitions and fees between institutions and between residents,
36 nonresidents, undergraduate students, graduate students, students from
37 foreign countries and students who have earned credit hours in excess of
38 the credit hour threshold. For the purposes of this paragraph, the
39 undergraduate credit hour threshold is one hundred forty-five hours for
40 students who attend a university under the jurisdiction of the board. The
41 undergraduate credit hour threshold shall be based on the actual full-time
42 equivalent student enrollment counted on the forty-fifth day of every fall
43 and spring semester, divided by two, and any budget adjustment based on
44 student enrollment shall occur in the fiscal year following the actual
45 full-time equivalent student enrollment count. The undergraduate credit

1 hour threshold shall not apply to degree programs that require credit
2 hours above the credit hour threshold, credits earned in the pursuit of up
3 to two baccalaureate degrees, credits earned in the pursuit of up to two
4 state regulated licensures or certificates, credits earned in the pursuit
5 of teaching certification, credits transferred from a private institution
6 of higher education, credits transferred from an institution of higher
7 education in another state, credits earned at another institution of
8 higher education but that are not accepted as transfer credits at the
9 university where the student is currently enrolled and credits earned by
10 students who enroll at a university under the jurisdiction of the board
11 more than twenty-four months after the end of that student's previous
12 enrollment at a public institution of higher education in this state. On
13 or before October 15 of each year, the board shall report to the joint
14 legislative budget committee the number of in-state students and
15 out-of-state students who were enrolled at universities under the
16 jurisdiction of the board during the previous fiscal year and who met or
17 exceeded the undergraduate credit hour threshold prescribed in this
18 paragraph. The amount of tuition and fees included in the operating
19 budget for the university adopted by the board as prescribed in paragraph
20 13 of this subsection shall be subject to legislative appropriation and
21 deposited in a separate tuition and fees subaccount for each university.
22 All other tuition and fee revenue shall be retained by each university for
23 expenditure as approved by the board in a separate local tuition and fees
24 subaccount for each university. This subaccount shall consist of only
25 tuition and fees. The universities shall not use any tuition or fee
26 revenue to fund or support an alumni association.

27 6. Adopt rules to govern ~~its~~ THE BOARD'S tuition and academic fee
28 setting process that provide for the following:

29 (a) At least one public hearing at each university as an
30 opportunity for students and members of the public to comment on any
31 proposed increase in tuition or fees.

32 (b) Publication of the notice of public hearing at least ten days
33 before the hearing in a newspaper of general circulation in Maricopa
34 county, Coconino county and Pima county. The notice shall include the
35 date, time and location of the public hearing.

36 (c) Public disclosure by each university of any proposed increases
37 in tuition or fees at least ten days before the public hearing.

38 (d) A roll call vote of any final board action on changes in
39 tuition, including tuition rate changes for online programs, or academic
40 fees.

41 (e) Public disclosure by the board and each university of any final
42 board action on changes in tuition or academic fees.

43 7. Pursuant to section 35-115, submit a budget request for each
44 institution under ~~its~~ THE BOARD'S jurisdiction that includes the estimated
45 tuition and fee revenue available to support the programs of the

1 institution as described in the budget request. The estimated available
2 tuition and fee revenue shall be based on the tuition and registration fee
3 rates in effect at the time the budget request is submitted with
4 adjustments for projected changes in enrollment as provided by the board.

5 8. Establish curricula and designate courses at the several
6 institutions that in ~~its~~ THE BOARD'S judgment will best serve the
7 interests of this state.

8 9. Award such degrees and diplomas on the completion of such
courses and curriculum requirements as ~~it~~ THE BOARD deems appropriate.

10 10. Prescribe qualifications for admission of all students to the
11 universities. The board shall establish policies for guaranteed admission
12 that ensure fair and equitable access to students in this state from
13 public, private and charter schools and homeschools. For the purpose of
14 determining the qualifications of honorably discharged veterans, veterans
15 are those persons who served in the armed forces for a minimum of two
16 years and who were previously enrolled at a university or community
17 college in this state. ~~No~~ Prior failing grades received by the veteran at
18 the university or community college in this state may NOT be considered.

19 11. Adopt any energy conservation standards adopted by the
20 department of administration for the construction of new buildings.

21 12. Employ for such time and purposes as the board requires
22 attorneys whose compensation shall be fixed and paid by the board.
23 Litigation to which the board is a party and for which self-insurance is
24 not provided may be compromised or settled at the direction of the board.

25 13. Adopt annually an operating budget for each university equal to
26 the sum of appropriated STATE general fund monies and the amount of
27 tuition and fees approved by the board and allocated to each university
28 operating budget.

29 14. In consultation with the state board of education and other
30 education groups, develop and implement a program to award honors
31 endorsements to be affixed to the high school diplomas of qualifying high
32 school pupils and to be included in the transcripts of pupils who are
33 awarded endorsements. The board shall develop application procedures and
34 testing criteria and adopt testing instruments and procedures to
35 administer the program. In order to receive an honors endorsement, a
36 pupil must demonstrate an extraordinary level of knowledge, skill and
37 competency as measured by the testing instruments adopted by the board in
38 mathematics, English, science and social studies. Additional subjects may
39 be added at the determination of the board. The program is voluntary for
40 pupils.

41 15. Require the publisher of each literary and nonliterary textbook
42 used in the universities of this state to furnish to the Arizona board of
43 regents computer software in a standardized format when software becomes
44 available for nonliterary textbooks from which braille versions of the
45 textbooks may be produced.

1 16. Require universities that provide a degree in education to
2 require courses that are necessary to obtain a provisional structured
3 English immersion endorsement as prescribed by the state board of
4 education.

5 17. Acquire United States flags for each classroom that are
6 manufactured in the United States and that are at least two feet by three
7 feet and hardware to appropriately display the United States flags,
8 acquire a legible copy of the Constitution of the United States and the
9 Bill of Rights, display the flags in each classroom in accordance with
10 title 4 of the United States Code and display a legible copy of the
11 Constitution of the United States and the Bill of Rights adjacent to the
12 flag.

13 18. To facilitate the transfer of military personnel and their
14 dependents to and from the public schools of this state, pursue, in
15 cooperation with the state board of education, reciprocity agreements with
16 other states concerning the transfer credits for military personnel and
17 their dependents. A reciprocity agreement entered into pursuant to this
18 paragraph shall:

19 (a) Address procedures for each of the following:
20 (i) The transfer of student records.
21 (ii) Awarding credit for completed coursework.
22 (iii) Permitting a student to satisfy the graduation requirements
23 prescribed in section 15-701.01 through the successful performance on
24 comparable exit-level assessment instruments administered in another
25 state.

26 (b) Include appropriate criteria developed by the state board of
27 education and the Arizona board of regents.

28 19. Require a university to publicly post notices of all of ~~THE~~ THE
29 UNIVERSITY'S employment openings, including the title and description,
30 instructions for applying and relevant contact information.

31 20. In consultation with the community college districts in this
32 state, develop and implement common equivalencies for specific levels of
33 achievement on advanced placement examinations and international
34 baccalaureate examinations in order to award commensurate postsecondary
35 academic credits at community colleges and public universities in this
36 state.

37 21. On or before August 1 of each year, report to the joint
38 legislative budget committee the graduation rate by university campus
39 during the previous fiscal year. The board shall also report the
40 retention rate by university campus and by class, as determined by date of
41 entry during the previous fiscal year.

42 B. The board shall adopt personnel policies for all employees of
43 the board and the universities.

1 C. In conjunction with the auditor general, the board shall develop
2 a uniform accounting and reporting system, which shall be reviewed by the
3 joint legislative budget committee before final adoption by the board.
4 The board shall require each university to comply with the uniform
5 accounting and reporting system.

6 D. The board may employ legal assistance in procuring loans for the
7 institutions from the United States government. Fees or compensation paid
8 for such legal assistance shall not be a claim on the **STATE** general fund
9 ~~of this state~~ but shall be paid from funds of the institutions.

10 E. The board shall approve or disapprove any contract or agreement
11 entered into by the university of Arizona hospital with the Arizona
12 industrial development authority.

13 F. The board may adopt policies that authorize the institutions
14 under its jurisdiction to enter into employment contracts with nontenured
15 employees for periods of more than one year but not more than five years.
16 The policies shall prescribe ~~Limitations~~ **LIMITS** on the authority of the
17 institutions to enter into employment contracts for periods of more than
18 one year but not more than five years, including the requirement that the
19 board approve the contracts.

20 G. The board may adopt a plan or plans for employee benefits that
21 allow for participation in a cafeteria plan that meets the requirements of
22 the United States internal revenue code of 1986.

23 H. The board may establish a program for the exchange of students
24 between the universities under the jurisdiction of the board and colleges
25 and universities located in the state of Sonora, Mexico. Notwithstanding
26 subsection A, paragraph 5 of this section, the program may provide for
27 in-state tuition at the universities under the jurisdiction of the board
28 for fifty Sonoran students in exchange for similar tuition provisions for
29 up to fifty Arizona students enrolled or seeking enrollment in Sonoran
30 colleges or universities. The board may direct the universities to work
31 in conjunction with the Arizona-Mexico commission to coordinate
32 recruitment and admissions activities.

33 I. The Arizona board of regents, in collaboration with the
34 universities under its jurisdiction, shall adopt a performance funding
35 model. The performance funding model shall use performance metrics that
36 include the increase in degrees awarded, the increase in completed student
37 credit hours and the increase in externally generated research and public
38 service funding. The funding formula may give added weight to degrees
39 related to science, technology, engineering and mathematics and other
40 high-value degrees that are in short supply or that are essential to this
41 state's long-term economic development strategy.

42 J. The Arizona board of regents shall use the performance funding
43 model adopted pursuant to subsection I of this section in developing and
44 submitting budget requests for the universities under its jurisdiction.

1 K. On or before November 1 of each year, the Arizona board of
2 regents shall submit to the joint legislative budget committee and the
3 governor's office of strategic planning and budgeting a report on
4 university debt and obligations, including:

5 1. Long-term notes and obligations.
6 2. Certificates of participation and other obligations pursuant to
7 any lease-purchase agreements.

8 3. Revenue bonds.
9 4. Bonds issued pursuant to section 15-1682.03.

10 5. Commercial paper issued pursuant to section 15-1696.

11 L. The report issued pursuant to subsection K of this section shall
12 contain, for the most recent fiscal year:

13 1. The aggregate level of outstanding principal and the principal
14 and interest payments, by type of debt or obligation.

15 2. An itemization, by campus and project, of the amount of yearly
16 principal and interest to be paid in the most recent and the next five
17 fiscal years.

18 M. The board may enter into an intergovernmental agreement pursuant
19 to section 15-1747 to manage universities under its jurisdiction subject
20 to the terms of the reciprocity agreement.

21 N. For the purposes of this section, "university debt and
22 obligations" means debt and obligations, the principal and interest of
23 which are paid in whole or in part with university monies.

24 Sec. 2. Existing contracts; applicability

25 This act applies to all employment contracts entered into or renewed
26 after the effective date of this act.