

Senate Engrossed

~~CTEDs, state universities, intergovernmental agreements~~
(now: CTEDs; postsecondary institutions; intergovernmental agreements)

State of Arizona
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2025

CHAPTER 72
SENATE BILL 1525

AN ACT

AMENDING SECTIONS 15-393 AND 15-1626, ARIZONA REVISED STATUTES; RELATING TO CAREER TECHNICAL EDUCATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 15-393, Arizona Revised Statutes, is amended to
3 read:

4 15-393. Career technical education district governing board;
5 report; definitions

6 A. The management and control of a career technical education
7 district are vested in the career technical education district governing
8 board, including the content and quality of the courses offered by the
9 district, the quality of teachers who provide instruction on behalf of the
10 district, the salaries of teachers who provide instruction on behalf of
11 the district and the reimbursement of other entities for the facilities
12 used by the district. This section does not restrict a school district
13 from offering any career and technical education course that does not
14 qualify for funding as a career technical education course or career
15 technical education district program. Unless the governing boards of the
16 school districts participating in the formation of the career technical
17 education district vote to implement an alternative election system as
18 provided in subsection B of this section, the career technical education
19 board consists of five members elected from five single member districts
20 formed within the career technical education district. The single member
21 district election system shall be submitted as part of the plan for the
22 career technical education district pursuant to section 15-392 and shall
23 be established in the plan as follows:

24 1. The governing boards of the school districts participating in
25 the formation of the career technical education district shall define the
26 boundaries of the single member districts so that the single member
27 districts are as nearly equal in population as is practicable, except that
28 if the career technical education district lies in part in each of two or
29 more counties, at least one single member district may be entirely within
30 each of the counties comprising the career technical education district if
31 this district design is consistent with the obligation to equalize the
32 population among single member districts.

33 2. The boundaries of each single member district shall follow
34 election precinct boundary lines, as far as practicable, in order to avoid
35 further segmentation of the precincts.

36 3. A person who is a registered voter of this state and who has
37 been a resident of the single member district for at least one year
38 immediately preceding the date of the election is eligible for election to
39 the office of career technical education board member from the single
40 member district. The terms of office of the members of the career
41 technical education board shall be as prescribed in section 15-427,
42 subsection B. An employee of a career technical education district or the
43 spouse of an employee shall not hold membership on a governing board of a
44 career technical education district by which the employee is employed. A
45 member of one school district governing board or career technical

1 education district governing board is ineligible to be a candidate for
2 nomination or election to or serve simultaneously as a member of any other
3 governing board, except that a member of a governing board may be a
4 candidate for nomination or election for any other governing board if the
5 member is serving in the last year of a term of office. A member of a
6 governing board shall resign the member's seat on the governing board
7 before becoming a candidate for nomination or election to the governing
8 board of any other school district or career technical education district,
9 unless the member of the governing board is serving in the last year of a
10 term of office. Members of a career technical education district
11 governing board are subject to the conflict of interest requirements
12 prescribed in section 38-503.

13 4. Nominating petitions shall be signed by the number of qualified
14 electors of the single member district as provided in section 16-322.

15 B. The governing boards of the school districts participating in
16 the formation of the career technical education district may vote to
17 implement any other alternative election system for the election of career
18 technical education district board members. If an alternative election
19 system is selected, it shall be submitted as part of the plan for the
20 career technical education district pursuant to section 15-392, and the
21 implementation of the system shall be as approved by the United States
22 justice department.

23 C. Career technical education districts are subject to the
24 following provisions of this title:

25 1. Chapter 1, articles 1, 2, 3, 4, 5 and 6.

26 2. Sections 15-208, 15-210, 15-213 and 15-234.

27 3. Articles 2, 3 and 5 of this chapter.

28 4. Section 15-361.

29 5. Chapter 4, articles 1, 2 and 5.

30 6. Chapter 5, articles 1 and 3.

31 7. Sections 15-701.01, 15-722, 15-723, 15-724, 15-727, 15-728,
32 15-729 and 15-730.

33 8. Chapter 7, article 5.

34 9. Chapter 8, articles 1, 3 and 4.

35 10. Sections 15-828 and 15-829.

36 11. Chapter 9, article 1, article 6, except for section 15-995, and
37 article 7.

38 12. Sections 15-941, 15-943.01, 15-953 and 15-973.

39 13. Sections 15-1101 and 15-1104.

40 14. Chapter 10, articles 2, 3, 4 and 8.

41 D. Notwithstanding subsection C of this section, the following
42 apply to a career technical education district:

43 1. A career technical education district may issue bonds for the
44 purposes specified in section 15-1021 and in chapter 4, article 5 of this
45 title to an amount in the aggregate, including the existing indebtedness,

1 not exceeding one percent of the net assessed value of the full cash value
2 of the property within the career technical education district. For the
3 purposes of this paragraph, "full cash value" and "net assessed value"
4 have the same meanings prescribed in section 42-11001.

5 2. The number of governing board members for a career technical
6 education district shall be as prescribed in subsection A of this section.

7 3. The student count for the first year of operation of a career
8 technical education district as provided in this article shall be
9 determined as follows:

10 (a) Determine the estimated student count for career technical
11 education district classes that will operate in the first year of
12 operation. This estimate shall be based on actual registration of pupils
13 as of March 30 scheduled to attend classes that will be operated by the
14 career technical education district. The student count for the school
15 district of residence of the pupils registered at the career technical
16 education district shall be adjusted. The adjustment shall cause the
17 school district of residence to reduce the student count for the pupil to
18 reflect the courses to be taken at the career technical education
19 district. The school district of residence shall review and approve the
20 adjustment of its own student count as provided in this subdivision before
21 the pupils from the school district can be added to the student count of
22 the career technical education district.

23 (b) The student count for the new career technical education
24 district shall be the student count as determined in subdivision (a) of
25 this paragraph.

26 (c) For the first year of operation, the career technical education
27 district shall revise the student count to the actual average daily
28 membership as prescribed in section 15-901, subsection A, paragraph 1 for
29 students attending classes in the career technical education district. A
30 career technical education district shall revise its student count, the
31 base support level as provided in section 15-943.02, the revenue control
32 limit as provided in section 15-944.01 and the district additional
33 assistance as provided in section 15-962.01 before May 15. A career
34 technical education district that overestimated its student count shall
35 revise its budget before May 15. A career technical education district
36 that underestimated its student count may revise its budget before May 15.

37 (d) After March 15 of the first year of operation, the school
38 district of residence shall adjust its student count by reducing it to
39 reflect the courses actually taken at the career technical education
40 district. The school district of residence shall revise its student
41 count, the base support level as provided in section 15-943, the revenue
42 control limit as provided in section 15-944 and the district additional
43 assistance as provided in section 15-962.01 prior to May 15. A district
44 that underestimated the student count for students attending the career
45 technical education district shall revise its budget before May 15. A

1 district that overestimated the student count for students attending the
2 career technical education district may revise its budget before May 15.

3 (e) The procedures for implementing this paragraph shall be as
4 prescribed in the uniform system of financial records.

5 For the purposes of this paragraph, "school district of residence" means
6 the school district that included the pupil in its average daily
7 membership for the year before the first year of operation of the career
8 technical education district and that would have included the pupil in its
9 student count for the purposes of computing its base support level for the
10 fiscal year of the first year of operation of the career technical
11 education district if the pupil had not enrolled in the career technical
12 education district.

13 4. A student includes any person enrolled in the career technical
14 education district without regard to the person's age or high school
15 graduation status, except that:

16 (a) A student in a kindergarten program or in any of grades one
17 through eight who enrolls in courses offered by the career technical
18 education district shall not be included in the career technical education
19 district's student count or average daily membership.

20 (b) A student in a kindergarten program or in any of grades one
21 through eight who is enrolled in career and technical education courses
22 shall not be funded in whole or in part with monies provided by a career
23 technical education district, except that a pupil in grade eight may be
24 funded with monies generated by the \$.05 qualifying tax rate authorized in
25 subsection F of this section.

26 (c) A student who has graduated from high school or received a
27 general equivalency diploma or who is over twenty-one years of age shall
28 not be included in the student count of the career technical education
29 district for the purposes of chapter 9, articles 3, 4 and 5 of this title.

30 5. A career technical education district may operate for more than
31 one hundred eighty days per year, or less, with the equivalent number of
32 hours of instruction.

33 6. A career technical education district may use the carryforward
34 provisions of section 15-943.01.

35 7. A school district that is part of a career technical education
36 district shall use any monies received pursuant to this article to
37 supplement and not supplant base year career and technical education
38 courses, and directly related equipment and facilities, except that a
39 school district that is part of a career technical education district and
40 that has used monies received pursuant to this article to supplant career
41 and technical education courses that were offered before the first year
42 that the school district participated in the career technical education
43 district or the first year that the school district used monies received
44 pursuant to this article or that used the monies for purposes other than
45 for career and technical education courses shall use one hundred percent

1 of the monies received pursuant to this article to supplement and not
2 supplant base year career and technical education courses. Each
3 applicable school district shall provide a report to the career technical
4 education board and the department of education outlining the required
5 maintenance of effort and how monies were used to supplement and not
6 supplant base year career and technical education courses and directly
7 related equipment and facilities.

8 8. A career technical education district shall use any monies
9 received pursuant to this article to enhance and not supplant career and
10 technical education courses and directly related equipment and facilities.

11 9. A career technical education district or a school district that
12 is part of a career technical education district or a charter school shall
13 only include pupils in grades nine through twelve and pupils in the school
14 year immediately following graduation in the calculation of student count
15 or average daily membership if the pupils are enrolled in courses that are
16 approved jointly by the governing board of the career technical education
17 district and each participating school district or charter school for
18 satellite courses taught within the participating school district or
19 charter school, or approved solely by the career technical education
20 district for centrally located courses. Funding may be provided for not
21 more than four years for the same student. Student count and average
22 daily membership from courses that are not part of an approved program for
23 career and technical education shall not be included in student count and
24 average daily membership of a career technical education district.

25 10. A career technical education district may build, maintain and
26 provide housing facilities and support services for students who are in
27 foster care or who meet the definition of unaccompanied youth as defined
28 in the McKinney-Vento homeless assistance act (P.L. 100-77; 101 Stat. 482;
29 42 United States Code section 11434a).

30 E. The career technical education board shall appoint a
31 superintendent as the executive officer of the career technical education
32 district.

33 F. Taxes may be levied for the support of the career technical
34 education district as prescribed in chapter 9, article 6 of this title,
35 except that a career technical education district shall not levy a
36 property tax pursuant to law that exceeds \$.05 per \$100 assessed valuation
37 except for bond monies pursuant to subsection D, paragraph 1 of this
38 section. Such taxes shall be obtained from a levy of taxes on the taxable
39 property used for secondary tax purposes.

40 G. The schools in the career technical education district are
41 available to all persons who reside in the career technical education
42 district and to pupils whose school district of residence within this
43 state is paying tuition on behalf of the pupils to a district of
44 attendance that is a member of the career technical education district,

1 subject to the rules for admission prescribed by the career technical
2 education board.

3 H. The career technical education board may collect tuition for
4 adult students and the attendance of pupils who are residents of school
5 districts that are not participating in the career technical education
6 district pursuant to arrangements made between the governing board of the
7 school district and the career technical education board.

8 I. The career technical education board may accept gifts, grants,
9 federal monies, tuition and other allocations of monies to erect, repair
10 and equip buildings and for the cost of operating the schools of the
11 career technical education district.

12 J. One member of the career technical education board shall be
13 selected chairperson. The chairperson shall be selected annually on a
14 rotation basis from among the participating school districts. The
15 chairperson of the career technical education board shall be a voting
16 member.

17 K. A career technical education board ~~and a community college~~
18 ~~district~~ may enter into agreements to provide for administrative,
19 operational and educational services and facilities **WITH EITHER:**

20 1. A COMMUNITY COLLEGE DISTRICT.

21 2. A UNIVERSITY UNDER THE JURISDICTION OF THE ARIZONA BOARD OF
22 REGENTS ONLY IF THE COMMUNITY COLLEGE DISTRICT, IF ANY, FOR EACH COUNTY IN
23 WHICH THE CAREER TECHNICAL EDUCATION DISTRICT IS LOCATED IS NOT ABLE TO
24 OFFER THE COURSE OR PROGRAM IN THE NEXT SCHOOL YEAR. FOR THE PURPOSES OF
25 THIS PARAGRAPH, A COMMUNITY COLLEGE DISTRICT IS NOT ABLE TO OFFER A COURSE
26 OR PROGRAM IF BOTH OF THE FOLLOWING APPLY:

27 (a) ON OR BEFORE NOVEMBER 1 OF EACH YEAR, THE CAREER TECHNICAL
28 EDUCATION BOARD NOTIFIES THE PRESIDENT OR CHANCELLOR OF THE COMMUNITY
29 COLLEGE DISTRICT IN WRITING THAT THE CAREER TECHNICAL EDUCATION DISTRICT
30 SEEKS TO OFFER ONE OR MORE COURSES OR PROGRAMS, OR BOTH, THAT ARE:

31 (i) NOT OFFERED THROUGH AN EXISTING AGREEMENT BETWEEN THE CAREER
32 TECHNICAL EDUCATION BOARD AND THE COMMUNITY COLLEGE DISTRICT.

33 (ii) ARE AVAILABLE THROUGH A UNIVERSITY UNDER THE JURISDICTION OF
34 THE ARIZONA BOARD OF REGENTS.

35 (b) THE PRESIDENT OR CHANCELLOR OF THE COMMUNITY COLLEGE DISTRICT
36 **EITHER:**

37 (i) NOT LATER THAN THIRTY DAYS AFTER THE PRESIDENT OR CHANCELLOR
38 RECEIVES THE NOTICE PURSUANT TO SUBDIVISION (a) OF THIS PARAGRAPH,
39 NOTIFIES THE SUPERINTENDENT OF THE CAREER TECHNICAL EDUCATION DISTRICT IN
40 WRITING THAT NO COMMUNITY COLLEGE DISTRICT IS ABLE TO OFFER THE COURSE OR
41 PROGRAM IN THE NEXT SCHOOL YEAR.

42 (ii) FAILS TO RESPOND TO THE SUPERINTENDENT OF THE CAREER TECHNICAL
43 EDUCATION DISTRICT WITHIN THIRTY DAYS AFTER THE PRESIDENT OR CHANCELLOR OF
44 THE COMMUNITY COLLEGE DISTRICT RECEIVES THE NOTICE PURSUANT TO SUBDIVISION
45 (a) OF THIS PARAGRAPH.

1 L. Any agreement between the governing board of a career technical
2 education district and another career technical education district, a
3 school district, a charter school, **A UNIVERSITY** or a community college
4 district shall be in the form of an intergovernmental agreement or other
5 written contract. The auditor general shall modify the uniform system of
6 financial records and budget forms in accordance with this subsection.
7 The intergovernmental agreement or other written contract shall completely
8 and accurately specify each of the following:

9 1. The financial provisions of the intergovernmental agreement or
10 other written contract and the format for the billing of all services.

11 2. The accountability provisions of the intergovernmental agreement
12 or other written contract.

13 3. The responsibilities of each career technical education
14 district, each school district, each charter school, **EACH UNIVERSITY** and
15 each community college district that is a party to the intergovernmental
16 agreement or other written contract.

17 4. The type of instruction that will be provided under the
18 intergovernmental agreement or other written contract, including
19 individualized education programs pursuant to section 15-763.

20 5. The quality of the instruction that will be provided under the
21 intergovernmental agreement or other written contract.

22 6. The transportation services that will be provided under the
23 intergovernmental agreement or other written contract and the manner in
24 which transportation costs will be paid.

25 7. The amount that the career technical education district will
26 contribute to a course and the amount of support required by the school
27 district, the charter school, **THE UNIVERSITY** or the community college.

28 8. That the services provided by the career technical education
29 district, the school district, the charter school, **THE UNIVERSITY** or the
30 community college district be proportionally calculated in the cost of
31 delivering the service.

32 9. That the payment for services shall not exceed the cost of the
33 services provided.

34 10. That the career technical education district will provide the
35 following minimum services for all member districts:

36 (a) Professional development of career and technical teachers in
37 the career technical education district who are teaching programs or
38 courses at a satellite campus.

39 (b) Ongoing evaluation and support of satellite campus programs and
40 courses to ensure quality and compliance.

41 11. An itemized listing of other goods and services that are
42 provided to the member district and that are paid for by the retention of
43 satellite campus student funding.

44 M. A member school district or charter school may not submit
45 requests to approve or add satellite campus career technical education

1 district programs or courses directly to the career and technical
2 education division of the department of education but shall submit all
3 appropriate application documentation and materials for programs or
4 courses to the career technical education district. On approval from the
5 career technical education board, a career technical education district
6 shall only submit requests to approve or add satellite campus career
7 technical education district programs or courses directly to the career
8 and technical education division of the department of education, which
9 shall determine whether the criteria prescribed in section 15-391,
10 paragraphs 2 and 4 have been met. If the career and technical education
11 division of the department of education determines that a course does not
12 meet the criteria for approval as a career technical education course, the
13 governing board of the career technical education district may appeal this
14 decision to the state board of education acting as the state board of
15 vocational education.

16 N. Notwithstanding any other law, the average daily membership for
17 a pupil who is enrolled in a career technical education course and who
18 does not meet the criteria specified in subsection P, Q or R of this
19 section shall be 0.25 for each course, except the sum of the average daily
20 membership shall not exceed the limits prescribed by subsection D, P, Q or
21 R of this section, as applicable.

22 O. If a career and technical education course or program is
23 provided on a satellite campus, the sum of the average daily membership,
24 as provided in section 15-901, subsection A, paragraph 1, for that pupil
25 in the school district or charter school and career technical education
26 district shall not exceed 1.25. The school district or charter school and
27 the career technical education district shall determine the apportionment
28 of the average daily membership for that pupil between the school district
29 or charter school and the career technical education district. A pupil
30 who attends a course or program at a satellite campus and who is not
31 enrolled in the school district or charter school where the satellite
32 campus is located may generate the average daily membership of up to 0.25
33 for one hundred fifty instructional hours of enrollment for instruction
34 received during any hour of the day, during any day of the week and at any
35 time between July 1 and June 30 of each fiscal year pursuant to this
36 subsection if the pupil is enrolled in a school district that is a member
37 district in the same career technical education district.

38 P. The sum of the average daily membership of a pupil who is
39 enrolled in both the school district and career technical education course
40 or career technical education program provided by a community college **OR**
41 **UNIVERSITY** pursuant to subsection K of this section or at a centralized
42 campus shall not exceed 1.75. The average daily membership for a pupil
43 who is enrolled in a career technical education course or career technical
44 education program provided by a community college **OR** **UNIVERSITY** shall be
45 0.25 for the accumulation of every three community college **OR** **UNIVERSITY**

1 credits for which a student is enrolled in career technical education
2 courses. The member school district and the career technical education
3 district shall determine the apportionment of the average daily membership
4 and student enrollment for that pupil between the member school district
5 and the career technical education district, except that the amount
6 apportioned shall not exceed 1.0 for either entity. Notwithstanding any
7 other law, the average daily membership for a pupil who is in grade nine,
8 ten, eleven or twelve or in the school year immediately following
9 graduation and who is enrolled in a course that meets for at least one
10 hundred fifty minutes per class period at a centralized campus shall be
11 0.75. To qualify for funding pursuant to this subsection, a centralized
12 campus shall offer programs and courses to all eligible students in each
13 member district of the career technical education district. Students in
14 an approved career technical education program may generate an average
15 daily membership of up to 1.75 for instruction received during any hour of
16 the day, during any day of the week and at any time between July 1 and
17 June 30 of each fiscal year. Average daily membership shall not be
18 calculated on the one hundredth day of instruction for the purposes of
19 this section. Average daily membership shall be calculated by dividing
20 the instructional hours of enrollment by six hundred hours, except that:

21 1. At least one hundred fifty hours and less than three hundred
22 hours equals 0.25 average daily membership.

23 2. At least three hundred hours and less than four hundred fifty
24 hours equals 0.5 average daily membership.

25 3. At least four hundred fifty hours and less than six hundred
26 hours equals 0.75 average daily membership.

27 4. At least six hundred hours equals 1.0 average daily membership.

28 Q. The average daily membership for a pupil who is in grade nine,
29 ten, eleven or twelve or in the school year immediately following
30 graduation and who is enrolled in a course that meets for at least one
31 hundred fifty minutes per class period at a leased centralized campus
32 shall not exceed 0.75. Students in an approved career technical education
33 program provided by a leased centralized campus may generate an average
34 daily membership for instruction received during any hour of the day,
35 during any day of the week and at any time between July 1 and June 30 of
36 each fiscal year. Average daily membership shall be calculated by
37 dividing the instructional hours of enrollment by six hundred hours,
38 except that:

39 1. At least one hundred fifty hours and less than three hundred
40 hours equals 0.25 average daily membership.

41 2. At least three hundred hours and less than four hundred fifty
42 hours equals 0.5 average daily membership.

43 3. At least four hundred fifty hours and less than six hundred
44 hours equals 0.75 average daily membership.

45 4. At least six hundred hours equals 1.0 average daily membership.

1 R. The sum of the average daily membership, as provided in section
2 15-901, subsection A, paragraph 1, of a pupil who is enrolled in both the
3 school district and in career technical education courses provided at a
4 leased centralized campus shall not exceed 1.75 if all of the following
5 conditions are met:

6 1. The course qualifies as a career technical education course.
7 2. The course is offered to all eligible students in each member
8 district of the career technical education district and enrolls students
9 from multiple high schools.

10 3. The career technical education district program in which the
11 course is included addresses a specific industry need and has been
12 developed in cooperation with that industry, or the leased facility is a
13 state or federal asset that would otherwise be unused or underutilized.

14 4. The lease is established at fair market value if the lease is
15 executed for a facility located on the site of a member district and was
16 approved by the joint committee on capital review, except that a lease
17 that was executed or renewed before December 31, 2012 is not subject to
18 approval by the joint committee on capital review.

19 S. A student who is enrolled in an accommodation school may be
20 treated as a student of the school district in which the student
21 physically resides for the purposes of enrollment in a career technical
22 education district and shall be included in the calculation of average
23 daily membership for either the career technical education district or the
24 accommodation school, or both.

25 T. Notwithstanding any other law, the student count for a career
26 technical education district shall be equivalent to the career technical
27 education district's average daily membership. Students in an approved
28 career technical education program provided by a satellite campus,
29 centralized campus or leased centralized campus may generate an average
30 daily membership subject to the limits prescribed by subsections D, N, O,
31 P, Q and R of this section, as applicable, for instruction received during
32 any hour of the day, during any day of the week and at any time between
33 July 1 and June 30 of each fiscal year. Average daily membership shall
34 not be calculated on the one hundredth day of instruction for the purposes
35 of this section. The department may not restrict the instructional time
36 by limiting the particular days of the week or time of the fiscal year for
37 instruction to occur.

38 U. A school district or charter school may not prohibit or
39 discourage students who are enrolled in that school district or charter
40 school from attending courses offered by a career technical education
41 district, including requiring students to generate a full 1.0 average
42 daily membership or to enroll in more courses than are needed to graduate
43 before enrolling in and attending programs or courses offered by a career
44 technical education district.

1 V. The governing board of the career technical education district
2 may contract with any charter school that is located within the boundaries
3 of the career technical education district to allow that charter school to
4 offer career and technical education courses or programs as a satellite
5 campus.

6 W. Beginning in 2020 and every five years thereafter, the career
7 and technical education division of the department of education shall
8 review career technical education district programs and career technical
9 education courses to ensure compliance, quality and eligibility. Any
10 program or course deemed to not meet the requirements set forth by law
11 shall not be funded for the current school year and shall be removed from
12 the approved program and course list for the purposes of funding. The
13 career and technical education division may establish a staggered schedule
14 for reviewing each career technical education district.

15 X. Notwithstanding subsection D, paragraphs 4 and 9 and subsections
16 P, Q and R of this section, for a student in grade nine, funding shall be
17 provided pursuant to this section only if the student reaches the fortieth
18 day of grade eleven enrolled in an approved career technical education
19 program and meets the requirements prescribed in subsection Z of this
20 section. At that time funding shall be provided for that student for
21 grade nine and for any subsequent year in which the student is eligible
22 for funding pursuant to this section.

23 Y. On or before September 1 of each year, the office of economic
24 opportunity in collaboration with the department of education shall
25 compile an in-demand regional education list of the approved career
26 technical education programs that lead to a career path in high demand
27 with median-to-high-wage jobs in that region. The office of economic
28 opportunity shall incorporate industry feedback as part of developing the
29 in-demand regional educational list. The office of economic opportunity
30 shall submit the in-demand regional education list to the Arizona career
31 and technical education quality commission for review and approval.

32 Z. Notwithstanding subsection D, paragraphs 4 and 9 and subsections
33 P, Q and R of this section, for a student in grade nine or in the school
34 year immediately following graduation, funding shall be provided pursuant
35 to this section only if the student is enrolled in a program that was
36 included on the in-demand regional education list compiled pursuant to
37 subsection Y of this section for that student's region for the year in
38 which the student began the program.

39 AA. For the purposes of this section:

40 1. "Base year" means the complete school year in which voters of a
41 school district elected to join a career technical education district.

42 2. "Centralized campus" means a facility that is owned and operated
43 by a career technical education district to offer career technical
44 education district programs or career technical education courses.

1 3. "Lease" means a written agreement in which the right to occupy
2 or use real property is conveyed from one person or entity to another
3 person or entity for a specified period of time.

4 4. "Leased centralized campus" means a facility that is leased and
5 operated by a career technical education district to offer career
6 technical education district programs or career technical education
7 courses.

8 5. "Satellite campus" means a facility that is owned or operated by
9 a school district or charter school to offer career technical education
10 district programs or career technical education courses.

11 Sec. 2. Section 15-1626, Arizona Revised Statutes, is amended to
12 read:

13 15-1626. General administrative powers and duties of board;
14 definition

15 A. The board shall:

16 1. Have and exercise the powers necessary for the effective
17 governance and administration of the institutions under its control. To
18 that end, the board may adopt, and authorize each university to adopt,
19 such regulations, policies, rules or measures as are deemed necessary and
20 may delegate in writing to its committees, to its university presidents,
21 or their designees, or to other entities under its control any part of its
22 authority for the administration and governance of such institutions,
23 including those powers enumerated in section 15-1625, subsection B,
24 paragraphs 2 and 4, paragraphs 3, 4, 8, 9, 11, ~~and~~ 12 **AND 22** of this
25 subsection and subsection B of this section. Any delegation of authority
26 may be rescinded by the board at any time in whole or in part.

27 2. Appoint and employ and determine the compensation of presidents
28 with such power and authority and for such purposes in connection with the
29 operation of the institutions as the board deems necessary.

30 3. Appoint and employ and determine the compensation of
31 vice-presidents, deans, professors, instructors, lecturers, fellows and
32 such other officers and employees with such power and authority and for
33 such purposes in connection with the operation of the institutions as the
34 board deems necessary, or delegate its authority pursuant to paragraph 1
35 of this subsection.

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

39 5. Fix tuitions and fees to be charged and differentiate the
40 tuitions and fees between institutions and between residents,
41 nonresidents, undergraduate students, graduate students, students from
42 foreign countries and students who have earned credit hours in excess of
43 the credit hour threshold. For the purposes of this paragraph, the
44 undergraduate credit hour threshold is one hundred forty-five hours for
45 students who attend a university under the jurisdiction of the board. The

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

32 6. Adopt rules to govern its tuition and academic fee setting
33 process that provide for the following:

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

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

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

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

3 7. Pursuant to section 35-115, submit a budget request for each
4 institution under its jurisdiction that includes the estimated tuition and
5 fee revenue available to support the programs of the institution as
6 described in the budget request. The estimated available tuition and fee
7 revenue shall be based on the tuition and registration fee rates in effect
8 at the time the budget request is submitted with adjustments for projected
9 changes in enrollment as provided by the board.

10 8. Establish curricula and designate courses at the several
11 institutions that in its judgment will best serve the interests of this
12 state.

13 9. Award such degrees and diplomas on the completion of such
14 courses and curriculum requirements as it deems appropriate.

15 10. Prescribe qualifications for admission of all students to the
16 universities. The board shall establish policies for guaranteed admission
17 that ensure fair and equitable access to students in this state from
18 public, private and charter schools and homeschools. For the purpose of
19 determining the qualifications of honorably discharged veterans, veterans
20 are those persons who served in the armed forces for a minimum of two
21 years and who were previously enrolled at a university or community
22 college in this state. No prior failing grades received by the veteran at
23 the university or community college in this state may be considered.

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

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

30 13. Adopt annually an operating budget for each university equal to
31 the sum of appropriated general fund monies and the amount of tuition and
32 fees approved by the board and allocated to each university operating
33 budget.

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

1 15. Require the publisher of each literary and nonliterary textbook
2 used in the universities of this state to furnish to the Arizona board of
3 regents computer software in a standardized format when software becomes
4 available for nonliterary textbooks from which braille versions of the
5 textbooks may be produced.

6 16. Require universities that provide a degree in education to
7 require courses that are necessary to obtain a provisional structured
8 English immersion endorsement as prescribed by the state board of
9 education.

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

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

24 (a) Address procedures for each of the following:

25 (i) The transfer of student records.

26 (ii) Awarding credit for completed coursework.

27 (iii) Permitting a student to satisfy the graduation requirements
28 prescribed in section 15-701.01 through the successful performance on
29 comparable exit-level assessment instruments administered in another
30 state.

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

33 19. Require a university to publicly post notices of all of its
34 employment openings, including the title and description, instructions for
35 applying and relevant contact information.

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

42 21. On or before August 1 of each year, report to the joint
43 legislative budget committee the graduation rate by university campus
44 during the previous fiscal year. The board shall also report the

1 retention rate by university campus and by class, as determined by date of
2 entry during the previous fiscal year.

3 22. ENTER INTO AN AGREEMENT WITH ONE OR MORE CAREER TECHNICAL
4 EDUCATION DISTRICT GOVERNING BOARDS PURSUANT TO SECTION 15-393, SUBSECTION
5 K IF THE AGREEMENT, IN THE BOARD'S JUDGMENT, WILL SERVE THE INTERESTS OF
6 THIS STATE.

7 B. The board shall adopt personnel policies for all employees of
8 the board and the universities.

9 C. In conjunction with the auditor general, the board shall develop
10 a uniform accounting and reporting system, which shall be reviewed by the
11 joint legislative budget committee before final adoption by the board.
12 The board shall require each university to comply with the uniform
13 accounting and reporting system.

14 D. The board may employ legal assistance in procuring loans for the
15 institutions from the United States government. Fees or compensation paid
16 for such legal assistance shall not be a claim on the general fund of this
17 state but shall be paid from funds of the institutions.

18 E. The board shall approve or disapprove any contract or agreement
19 entered into by the university of Arizona hospital with the Arizona
20 industrial development authority.

21 F. The board may adopt policies that authorize the institutions
22 under its jurisdiction to enter into employment contracts with nontenured
23 employees for periods of more than one year but not more than five years.
24 The policies shall prescribe limitations on the authority of the
25 institutions to enter into employment contracts for periods of more than
26 one year but not more than five years, including the requirement that the
27 board approve the contracts.

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

31 H. The board may establish a program for the exchange of students
32 between the universities under the jurisdiction of the board and colleges
33 and universities located in the state of Sonora, Mexico. Notwithstanding
34 subsection A, paragraph 5 of this section, the program may provide for
35 in-state tuition at the universities under the jurisdiction of the board
36 for fifty Sonoran students in exchange for similar tuition provisions for
37 up to fifty Arizona students enrolled or seeking enrollment in Sonoran
38 colleges or universities. The board may direct the universities to work
39 in conjunction with the Arizona-Mexico commission to coordinate
40 recruitment and admissions activities.

41 I. The Arizona board of regents, in collaboration with the
42 universities under its jurisdiction, shall adopt a performance funding
43 model. The performance funding model shall use performance metrics that
44 include the increase in degrees awarded, the increase in completed student
45 credit hours and the increase in externally generated research and public

1 service funding. The funding formula may give added weight to degrees
2 related to science, technology, engineering and mathematics and other
3 high-value degrees that are in short supply or that are essential to this
4 state's long-term economic development strategy.

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

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

12 1. Long-term notes and obligations.

13 2. Certificates of participation and other obligations pursuant to
14 any lease-purchase agreements.

15 3. Revenue bonds.

16 4. Bonds issued pursuant to section 15-1682.03.

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

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

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

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

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

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

APPROVED BY THE GOVERNOR APRIL 18, 2025.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 21, 2025.