Senate Engrossed

FILED
MICHELE REAGAN
SECRETARY OF STATE

State of Arizona
Senate
Fifty-second Legislature
First Regular Session
2015

CHAPTER 16

SENATE BILL 1477

AN ACT

AMENDING SECTION 5-568, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-244.01; AMENDING SECTIONS 15-1464, 15-1466, 15-1854, 15-1855 AND 42-5031.01, ARIZONA REVISED STATUTES; RELATING TO BUDGET RECONCILIATION FOR HIGHER EDUCATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Section 5-568, Arizona Revised Statutes, is amended to read:

5-568. Disposition of unclaimed prize money

Unclaimed prize money for the prize on a winning ticket or share shall be retained for the person entitled to the prize for one hundred eighty days after the drawing in which the prize was won in the case of a drawing prize and for one hundred eighty days after the announced end of the game in question in the case of a prize determined in any manner other than by means of a drawing. If a claim is not made for the money within the applicable period, THE MONEY SHALL BE TRANSFERRED IN THE FOLLOWING AMOUNTS:

1. ~~Seventy per cent~~ FIFTY-FIVE PERCENT of the prize money shall be held in the state lottery prize fund for use as additional prizes in future games ~~and~~.

2. Thirty ~~per cent~~ PERCENT shall be transferred monthly to the court appointed special advocate fund established by section 8-524.

3. FIFTEEN PERCENT SHALL BE TRANSFERRED MONTHLY TO THE TRIBAL COLLEGE DUAL ENROLLMENT PROGRAM FUND ESTABLISHED BY SECTION 15-244.01. THE AMOUNT TRANSFERRED MAY NOT EXCEED ONE HUNDRED SIXTY THOUSAND DOLLARS IN ANY FISCAL YEAR.

Sec. 2. Title 15, chapter 2, article 2, Arizona Revised Statutes, is amended by adding section 15-244.01, to read:

15-244.01. Tribal college dual enrollment program fund

THE TRIBAL COLLEGE DUAL ENROLLMENT PROGRAM FUND IS ESTABLISHED CONSISTING OF MONIES DEPOSITED PURSUANT TO SECTION 5-568, OTHER MONIES APPROPRIATED BY THE LEGISLATURE AND GIFTS, GRANTS, DEVISES AND OTHER CONTRIBUTIONS OF MONEY OR PROPERTY FROM ANY LAWFUL PUBLIC OR PRIVATE SOURCE. THE DEPARTMENT OF EDUCATION SHALL ADMINISTER THE FUND. THE DEPARTMENT SHALL DISTRIBUTE MONIES IN THE FUND TO PROVIDE CHOICE AND ACCESS TO HIGHER EDUCATION FOR HIGH SCHOOL STUDENTS IN THIS STATE BY COMPENSATING TRIBAL COLLEGES FOR TUITION AND FEES THAT ARE WAIVED TO ALLOW HIGH SCHOOL STUDENTS TO ATTEND CLASSES AT TRIBAL COLLEGE CAMPUSES, INCLUDING CLASSES THAT ARE PROVIDED ELECTRONICALLY BY THE TRIBAL COLLEGE TO HIGH SCHOOL STUDENTS. MONIES IN THE FUND ARE SUBJECT TO LEGISLATIVE APPROPRIATION. ON NOTICE FROM THE DEPARTMENT, THE STATE TREASURER SHALL INVEST AND DIVEST MONIES IN THE FUND AS PROVIDED BY SECTION 35-313, AND MONIES EARNED FROM INVESTMENT SHALL BE CREDITED TO THE FUND.

Sec. 3. Section 15-1464, Arizona Revised Statutes, is amended to read:

15-1464. State aid per capita distribution for science, technology, engineering and mathematics and workforce programs; fund; appropriation; report; exception

A. In addition to the appropriation prescribed in section 15-1463, subsection A, this state shall pay to each community college district state

aid for science, technology, engineering and mathematics and workforce programs in the following manner:

1. For fiscal year 1992-1993 for a community college district ~~which~~ THAT had less than five thousand actual full-time equivalent students according to the most recent fiscal year actual full-time equivalent student count, the amount determined by multiplying the number of actual full-time equivalent students according to the most recent fiscal year actual full-time equivalent student count by two hundred seven dollars.

2. For fiscal year 1992-1993 for a community college district ~~which~~ THAT had five thousand or more actual full-time equivalent students according to the most recent fiscal year actual full-time equivalent student count, the amount determined by multiplying the number of actual full-time equivalent students according to the most recent fiscal year actual full-time equivalent student count by one hundred fifty-eight dollars.

3. Beginning with fiscal year 1993-1994, the legislature shall adjust by the growth rate for common and high school districts as provided by law, subject to appropriation, the amount of state aid to community college districts as provided in paragraphs 1 and 2 of this subsection.

B. The basis for computing full-time equivalent students for the science, technology, engineering and mathematics and workforce programs per capita distribution shall be on the same basis as the computation prescribed in section 15-1466.01.

C. In addition to the formula to determine the appropriations prescribed in section 15-1463, subsection A and subsection A of this section, this state may pay additional amounts for science, technology, engineering and mathematics and workforce programs to a community college district based on requests from the district.

D. Appropriations for science, technology, engineering and mathematics and workforce programs made pursuant to subsections A and C of this section and section 15-1463 shall be made to an account designated as the science, technology, engineering and mathematics and workforce programs fund. Monies in the fund shall be used for science, technology, engineering and mathematics and workforce programs purposes, and the expenditures may include:

1. Partnerships with businesses and educational institutions.

2. Additional faculty for improved and expanded classroom instruction and course offerings.

3. Technology, equipment and technology infrastructure for advanced teaching and learning in classrooms or laboratories.

4. Student services such as assessment, advisement and counseling for new and expanded job opportunities.

5. The purchase, lease or lease-purchase of real property, for new construction, remodeling or repair of buildings or facilities on real property.

E. At the beginning of each fiscal year, the district board shall present to the department of administration a claim for the annual amount appropriated by the legislature and assigned to the district for science, technology, engineering and mathematics and workforce programs purposes. The department of administration shall draw a warrant in payment of the claim and shall transmit the warrant to the state treasurer who shall disburse the funds to the district for science, technology, engineering and mathematics and workforce programs purposes, to be expended as provided by law. If no community college exists, the department shall establish a fund for new future community college districts to be disbursed as needed.

F. Notwithstanding subsection E of this section, a community college district may request the state treasurer to disburse the monies to the local government investment pool for deposit into the district's account as established in section 35-326.

G. Each district has the option of using up to twenty ~~per cent~~ PERCENT of its total science, technology, engineering and mathematics and workforce programs aid appropriation for operating aid purposes or taking this same amount out of the district's total operating state aid appropriation and using it for science, technology, engineering and mathematics and workforce programs purposes.

H. On or before December 1 of every even-numbered year, each community college district shall submit a report of its science, technology, engineering and mathematics and workforce programs plan activities and the expenditures authorized in this section to the governor, president of the senate, speaker of the house of representatives, joint legislative budget committee and Arizona commerce authority. The report shall include the purpose and goals for which the science, technology, engineering and mathematics and workforce programs monies were expended by each district with a general accounting of the expenditures. Each community college district shall transmit a copy of this report to the secretary of state.

I. A COMMUNITY COLLEGE DISTRICT THAT IS LOCATED IN A COUNTY WITH A POPULATION OF SEVEN HUNDRED FIFTY THOUSAND PERSONS OR MORE IS NOT ELIGIBLE TO RECEIVE STATE AID FOR SCIENCE, TECHNOLOGY, ENGINEERING AND MATHEMATICS AND WORKFORCE PROGRAMS AS PRESCRIBED IN SUBSECTION A OF THIS SECTION.

Sec. 4. Section 15-1466, Arizona Revised Statutes, is amended to read:

15-1466. State aid; eligibility; limitations

A. Subject to legislative appropriation, the legislature shall determine and appropriate the amount of state aid each fiscal year to each district possessing the qualifications as prescribed in this chapter.

B. The state shall determine the amount of state aid, as prescribed in subsection D of this section, appropriated to each district for the fiscal year prior to the fiscal year for which the state aid is being calculated.

C. Each district qualified under this chapter shall have its state aid adjusted in an amount that reflects the growth or decrease in the full-time equivalent student count of the district calculated as follows:

1. Calculate the growth or decrease in the actual, audited full-time equivalent student count between the second and third most recent fiscal years prior to the fiscal year for which the state aid is being calculated for each district.

2. Calculate the average appropriation per full-time equivalent student for all districts by dividing the amount determined in subsection B of this section by the actual, audited full-time equivalent student count for all districts in the most recent fiscal year.

3. Multiply the amount calculated in paragraph 1 of this subsection by the average appropriation calculated in paragraph 2 of this subsection. This amount equals the adjustment required pursuant to this section.

D. The total amount appropriated to each district each fiscal year in accordance with this section shall serve as the amount of state aid to be adjusted in the next fiscal year. A district is eligible for growth funding pursuant to this section only for the portion of its most recent audited full-time student equivalent count that exceeds the audited full-time student equivalent count recorded for the district for the most recent fiscal year in which an adjustment was previously made pursuant to subsection C of this section.

E. To be eligible for state aid, a district shall:

1. Be equipped with suitable buildings, equipment and campus.

2. Have at least three hundred twenty full-time equivalent students attending in the district.

3. Have complied with all of the requirements of the district board, including budgets and curriculum.

4. BE LOCATED IN A COUNTY WITH A POPULATION OF LESS THAN SEVEN HUNDRED FIFTY THOUSAND PERSONS.

F. The total amount of state monies that may be spent in any fiscal year by a district for operating state aid shall not exceed the amount appropriated or authorized by section 35-173 for that purpose. Notwithstanding section 15-1444, this section shall not be construed to impose a duty on an officer, agent or employee of this state to discharge a responsibility or to create any right in a person or group if the discharge or right would require an expenditure of state monies in excess of the expenditure authorized by legislative appropriation for that specific purpose, including any duties prescribed in an employment contract entered into pursuant to section 15-1444, subsection A, paragraph 6.

G. In addition to the formula to determine the state aid appropriations prescribed in this section, the state may pay additional amounts for state aid to a district based on requests included in the district's budget request.

H. This section does not entitle a community college operated by a qualified Indian tribe to state aid for community colleges pursuant to this chapter.

Sec. 5. Section 15-1854, Arizona Revised Statutes, is amended to read:

15-1854. Private postsecondary education student financial assistance program; fund; definition

A. A private postsecondary education student financial assistance program is established. The commission shall develop, implement and administer the program. A student who obtains an associate degree from a community college district or from a community college under the jurisdiction of an Indian tribe in this state that meets the same accreditation standards as a community college district and who registers for enrollment as a full-time student in a baccalaureate program at a private, nationally or regionally accredited four year degree granting college or university chartered in this state is eligible to submit an application to the commission for participation in the program. The commission shall establish eligibility criteria for the program, including financial need and academic merit, shall develop application forms, procedures and deadlines and shall select qualifying students each year for participation in the program. Participating students shall receive an award in an amount of up to two thousand dollars annually not to exceed two years or four thousand dollars to be used to pay all or a portion of the tuition and fees charged at the private, accredited four year college or university.

B. A private postsecondary education student financial assistance fund is established consisting of legislative appropriations. The commission shall administer the fund. Monies in the fund are exempt from the provisions of section 35-190 relating to lapsing of appropriations. The commission shall make awards for payment of tuition at eligible colleges or universities to students who are selected to participate in the private postsecondary education student financial assistance program pursuant to subsection A of this section.

C. The commission shall develop a program evaluation procedure in order to determine the effectiveness of the private postsecondary education student financial assistance program in shifting students who would have otherwise attended a public four-year college or university to private four-year degree granting colleges or universities.

D. A student who fails to receive a baccalaureate degree within a three-year period of receipt of the program award shall reimburse the private postsecondary education student financial assistance fund for all awards received pursuant to subsection A of this section. On receipt of supporting documentation from the student, for good cause shown the commission may provide for extensions of the three year period to obtain a baccalaureate degree.

E. THE COMMISSION MAY USE MONIES COLLECTED FROM STUDENTS PURSUANT TO THIS SECTION FOR THE PURPOSES OF ADMINISTERING THE LOAN PROGRAMS ESTABLISHED BY THIS ARTICLE AND SECTION 15-1855.

~~E.~~ F. For the purposes of this section, "community college district" means a community college district that is established pursuant to sections

15-1402 and 15-1403 or section 15-1402.01 and that is a political subdivision of this state.

Sec. 6. Section 15-1855, Arizona Revised Statutes, is amended to read:

15-1855. Postsecondary education grant program; fund; program termination; definition

A. The commission ~~on~~ FOR postsecondary education shall develop, implement and administer a postsecondary education grant program. The commission shall develop application forms, procedures and deadlines and shall select eligible students each year for participation in the postsecondary education grant program. The commission may establish partnerships with qualifying schools for the administration of the postsecondary education grant program. Participating full-time students shall receive a grant in an amount of two thousand dollars annually for a maximum of four calendar years to be used to pay all or a portion of the following:

1. The tuition charged at a qualifying school.

2. The cost of books required for classes at a qualifying school.

3. The fees charged at a qualifying school.

B. The amount of a grant awarded to a participating part-time student enrolled at least half-time for the academic year as defined in 20 United States Code section 1088 shall be prorated in accordance with the part-time status of the student.

C. Employees of private postsecondary institutions and family members of employees of private postsecondary institutions are not eligible to receive a postsecondary education grant pursuant to this section if the employee or family member is eligible for tuition reimbursement or a tuition waiver as a benefit of employment.

D. A student who has a baccalaureate degree from any postsecondary educational institution is not eligible to receive postsecondary education grant monies pursuant to this section.

E. Students who provide satisfactory proof to the commission that the student has met each of the following criteria are eligible to submit an application for consideration by the commission for a grant under the postsecondary education grant program:

1. The student either:

(a) Is currently a resident of this state and has been a resident of this state for at least the past twelve months.

(b) Is a member of the military service of the United States stationed in this state or the spouse or dependent of a member of the military service of the United States stationed in this state.

2. The student has met the qualifications adopted by the commission. The commission shall adopt minimum qualifications that are comparable to the admissions standards established by the Arizona board of regents for Arizona public universities.

3. The student registers for enrollment as a student in a baccalaureate program at a nationally or regionally accredited private postsecondary educational institution in this state that awards four year baccalaureate degrees.

4. The student has provided high school transcripts as proof of graduation if the student has graduated from a public or private high school. If high school records no longer exist for a student or after every reasonable effort has been made to obtain official records, the student may submit a letter certified by the high school from which the student graduated or the original high school diploma.

5. The student has completed and submitted a free application for federal student aid.

6. The student is a citizen or legal resident of the United States or is otherwise lawfully present in the United States.

7. If the student is eligible to apply for monies from the private postsecondary education student financial assistance fund established by section 15-1854, the student shall apply for and receive monies from the private postsecondary education student financial assistance fund before the student is eligible to apply for a grant from the postsecondary education grant fund established by this section.

F. The postsecondary education grant fund is established consisting of legislative appropriations. The commission 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 commission shall make awards for payment of tuition at qualifying schools to students who are selected to participate in the postsecondary education grant program pursuant to subsection A of this section.

G. If the amount of monies available for postsecondary education grants in any fiscal year is insufficient to provide grants to all eligible applicants, the commission shall award grants to eligible students in the order in which the applications were received by the commission, except that priority shall be given to qualifying students who received a grant in the previous fiscal year and who are still in good academic standing at the same qualifying school. The commission shall maintain a waiting list for all other applicants.

H. A student who fails to receive a baccalaureate degree within a five-year period of receipt of the program award shall reimburse the postsecondary education grant fund for all awards received pursuant to subsection A of this section. On receipt of supporting documentation from the student, for good cause shown the commission may provide for extensions of the five year period to obtain a baccalaureate degree. THE COMMISSION MAY CONTRACT WITH A THIRD-PARTY VENDOR FOR THE PURPOSE OF COLLECTING LOAN REPAYMENTS FROM STUDENTS PURSUANT TO THIS SECTION.

I. The commission shall submit an annual report to the governor, the president of the senate, the speaker of the house of representatives and the

joint legislative budget committee that includes a detailed description of the amount of monies distributed under the postsecondary education grant program during the previous fiscal year and that includes the total number of qualified applicants for grants, the total number of grants awarded, the qualifying schools attended by grant recipients and the total number of qualified applicants who were placed on the waiting list. The commission shall provide a copy of this report to the secretary of state and the director of the Arizona state library, archives and public records.

J. If the commission is notified by a qualifying school that a student who has received a postsecondary education grant is no longer in good academic standing at the qualifying school, the commission shall immediately discontinue the grant and the student shall reimburse the postsecondary education grant fund for any unused portion or any unlawfully used portion of a grant received pursuant to subsection A of this section.

K. The commission shall develop a marketing strategy that is designed to provide information about the postsecondary education grant program to all high school students in this state.

L. The program established by this section ends on July 1, 2016 pursuant to section 41-3102.

M. For the purposes of this section, "qualifying school" means a nationally or regionally accredited private postsecondary educational institution in this state that offers four year baccalaureate degrees.

Sec. 7. Section 42-5031.01, Arizona Revised Statutes, is amended to read:

42-5031.01. <u>Distribution of revenues for Indian tribal postsecondary educational institutions; definition</u>

A. Subject to subsection C of this section, each month the state treasurer shall transmit to the treasurer or other designated depository of each qualifying Indian tribe the amount of transaction privilege tax revenues received pursuant to this article in the preceding month from all sources located on the Indian reservation established for the qualifying Indian tribe as determined pursuant to section 42-5029, subsection A, paragraph 3.

B. The monies distributed pursuant to this section are for the exclusive purpose of supporting the maintenance, renewal and capital expenses of one or more community college campuses in this state that are owned, operated or chartered by each qualifying Indian tribe on its own Indian reservation. Before receiving any monies under this section, a qualifying Indian tribe shall enter into an initial compact with this state on or before September 1, ~~2012~~ 2017, signed by the governor, to account for the use of monies distributed pursuant to this section. The compact shall:

1. Be for a term of at least ten years. After a hearing and review of the compact by the joint legislative budget committee held during the last year of the compact's term, a compact may be renewed for an additional term of up to ten years.

2. Require the monies to be used primarily for capital needs, including maintenance and renewal of existing facilities at designated community college campuses on the qualifying Indian tribe's own reservation in this state.

3. Provide for audits by the auditor general of the use of the monies. The auditor general shall submit copies of each audit to the joint legislative budget committee.

4. If necessary, provide for reimbursement to the department of revenue of costs associated with implementing this section, not to exceed one hundred fifty thousand dollars, from revenues that would otherwise be paid to the qualifying Indian tribe pursuant to this section.

C. Notwithstanding subsection A of this section, the state treasurer shall not transmit in any fiscal year more than the sum of the following amounts:

1. With respect to a single community college, one million seven hundred fifty thousand dollars or more than ten ~~per cent~~ PERCENT of transaction privilege tax revenues received pursuant to this article from all sources located on the reservation, whichever is less.

2. With respect to an additional technical college located on the same Indian reservation, eight hundred seventy-five thousand dollars or more than five ~~per cent~~ PERCENT of transaction privilege tax revenues received pursuant to this article from all sources located on the reservation, whichever is less.

D. For the purposes of this section, "qualifying Indian tribe" means an Indian tribe that owns, operates and charters any community college or postsecondary educational institution located on its own reservation in this state.

Sec. 8. Financial aid trust fund; required state match

Notwithstanding section 15-1642, subsection C, Arizona Revised Statutes, for fiscal year 2015-2016, 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 two dollars appropriated by the legislature.

Sec. 9. Community college districts; state aid for science, technology, engineering and mathematics and workforce programs

Notwithstanding section 15-1464, Arizona Revised Statutes, state aid for science, technology, engineering and mathematics and workforce programs for community college districts for fiscal year 2015-2016 is as specified in the general appropriation act.

APPROVED BY THE GOVERNOR MARCH 12, 2015.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 12, 2015.

Passed the House March 7, 2015,

by the following vote: 33 Ayes,

26 Nays, 1 Not Voting

Speaker of the House

Jim Drake

Chief Clerk of the House

Passed the Senate March 7, 2015,

by the following vote: 16 Ayes,

13 Nays, 1 Not Voting

President of the Senate

Susan Craves
Assistant

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

9th day of March, 2015,

at 2:44 o'clock P. M.

Secretary to the Governor

Approved this 12th day of

March, 2015,

at 5:47 o'clock P M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 12th day of March, 2015,

at 601 o'clock P. M.

Secretary of State

S.B. 1477