Senate Engrossed

FILED

MICHELE REAGAN

SECRETARY OF STATE

State of Arizona
Senate
Fifty-third Legislature
First Regular Session
2017

CHAPTER 310

SENATE BILL 1528

AN ACT

AMENDING SECTIONS 15-1464 AND 15-1466, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 13, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-1650.03; AMENDING TITLE 15, CHAPTER 13, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-1655; 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 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 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 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~~ MONIES 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 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. 2. Section 15-1466, Arizona Revised Statutes, is amended to read:

15-1466. State aid; eligibility; limits

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~~ BEFORE 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~~ BEFORE 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~~ DOES 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~~ THIS 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. 3. Title 15, chapter 13, article 2, Arizona Revised Statutes, is amended by adding section 15-1650.03, to read:

15-1650.03. Arizona board of regents; resident undergraduate students; cost study; annual cost containment report

A. ON OR BEFORE DECEMBER 15, 2017 AND EVERY FIVE YEARS THEREAFTER, THE ARIZONA BOARD OF REGENTS SHALL CONDUCT AND COMPLETE A COMPREHENSIVE COST STUDY TO DETERMINE THE ACTUAL COST OF EDUCATING A FULL-TIME RESIDENT UNDERGRADUATE STUDENT AT EACH UNIVERSITY UNDER THE JURISDICTION OF THE BOARD. THE BOARD SHALL SUBMIT THE COST STUDY TO THE GOVERNOR, THE PRESIDENT OF THE SENATE, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE JOINT LEGISLATIVE BUDGET COMMITTEE AND SHALL PROVIDE A COPY TO THE SECRETARY OF STATE. THE COST STUDY SHALL INCLUDE A DETAILED BREAKDOWN OF THE COSTS ASSOCIATED WITH EDUCATING A FULL-TIME RESIDENT UNDERGRADUATE STUDENT AND SHALL INCLUDE AT LEAST THE FOLLOWING:

1. THE USE OF INSTRUCTIONAL FEES AT EACH UNIVERSITY, INCLUDING DIFFERENTIATING BETWEEN MANDATORY FEES, PROGRAM FEES AND COURSE FEES.

2. DIFFERENTIATED COSTS BETWEEN PROGRAMS OF STUDY, INCLUDING DIFFERENTIAL TUITION AND PROGRAM AND COURSE FEES.

3. THE COSTS OF FACULTY AND ADMINISTRATION DIFFERENTIATED BETWEEN THE AMOUNT OF TIME NEEDED TO INSTRUCT STUDENTS AND TO CONDUCT RESEARCH.

4. A BREAKDOWN OF WHERE TUITION DOLLARS ARE ALLOCATED, INCLUDING THE AMOUNT THAT IS NOT DIRECTLY ATTRIBUTABLE TO INSTRUCTIONAL COSTS.

5. AN ANALYSIS OF THE MARGINAL COST AND THE AVERAGE COST OF A STUDENT DEPENDING ON THE TYPE OF PROGRAM IN WHICH THE STUDENT IS ENROLLED, INCLUDING ONLINE PROGRAMS.

B. ON OR BEFORE JULY 1, 2018 AND EACH YEAR THEREAFTER, THE ARIZONA BOARD OF REGENTS SHALL SUBMIT A COMPREHENSIVE UNIVERSITY COST CONTAINMENT REPORT FOR EACH UNIVERSITY UNDER THE JURISDICTION OF THE BOARD TO THE GOVERNOR, THE PRESIDENT OF THE SENATE, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE JOINT LEGISLATIVE BUDGET COMMITTEE AND SHALL PROVIDE A COPY TO THE SECRETARY OF STATE. THE REPORT SHALL DEMONSTRATE

THE ACTIONS TAKEN BY EACH UNIVERSITY TO CONTAIN THE INCREASED COST OF ATTENDANCE FOR FULL-TIME RESIDENT UNDERGRADUATE STUDENTS AND SHALL INCLUDE AT LEAST THE FOLLOWING:

1. HISTORICAL DATA ON TUITION AND FEE LEVELS AND PERCENTAGE INCREASES, INCLUDING AUXILIARY FEES AND HOUSING AND MEAL PLAN FEES, AT EACH UNIVERSITY FOR AT LEAST THE PAST TWENTY YEARS, AND WHAT THOSE INCREASES WERE USED FOR AT EACH UNIVERSITY SINCE AT LEAST 2009.

2. THE GROWTH AND COST OF THE FACULTY AND ADMINISTRATION AT EACH UNIVERSITY.

3. ACTIONS TAKEN BY EACH UNIVERSITY TO CONTAIN COSTS AT THE UNIVERSITY AND THE SAVINGS ASSOCIATED WITH THOSE ACTIONS.

4. THE ALLOCATION OF FACULTY RESOURCES BASED ON THE TIME NEEDED TO INSTRUCT STUDENTS AND TO CONDUCT OTHER RESEARCH ACTIVITIES.

5. THE RETURN ON INVESTMENT FOR DIVERTING TUITION DOLLARS TO NONINSTRUCTIONAL PURPOSES.

6. THE ABILITY TO REDUCE UNNECESSARY COURSEWORK FOR EDUCATIONAL PROGRAMS.

7. THE DEVELOPMENT OF NEW, NONTRADITIONAL AND LESS EXPENSIVE EDUCATION PROGRAMS.

Sec. 4. Heading change

The article heading of title 15, chapter 13, article 3, Arizona Revised Statutes, is changed from "TEACHER TRAINING SCHOOLS" to "TEACHER TRAINING".

Sec. 5. Title 15, chapter 13, article 3, Arizona Revised Statutes, is amended by adding section 15-1655, to read:

15-1655. Arizona teacher academy; tuition waiver; report

A. FOR THE 2017-2018 ACADEMIC YEAR, UNIVERSITIES UNDER THE JURISDICTION OF THE ARIZONA BOARD OF REGENTS SHALL IMPLEMENT AN ARIZONA TEACHER ACADEMY TO INCENTIVIZE ARIZONA RESIDENT STUDENTS TO ENTER THE TEACHING PROFESSION AND TO COMMIT TO TEACH IN ARIZONA PUBLIC SCHOOLS. THE ARIZONA BOARD OF REGENTS. IN CONSULTATION WITH UNIVERSITIES UNDER THE JURISDICTION OF THE BOARD, SHALL DEVELOP:

1. METRICS TO ASSESS THE EFFICACY OF THE ACADEMY.

2. A MARKETING AND PROMOTION PLAN TO RECRUIT STUDENTS FOR THE ACADEMY.

B. THE ARIZONA TEACHER ACADEMY MAY INCLUDE NEW OR EXISTING TEACHER PREPARATION PROGRAM PATHWAYS THAT ARE STUDENT-FOCUSED AND THAT EMPLOY PROVEN, RESEARCH-BASED MODELS OF BEST PRACTICES ALREADY BEING IMPLEMENTED. EACH UNIVERSITY MAY DEVELOP A PORTFOLIO OF TEACHER PREPARATION PROGRAMS TO OFFER AS PART OF THE ACADEMY. PROGRAMS OFFERED AS PART OF THE ACADEMY SHALL INCLUDE ACCELERATED MODELS FOR:

1. HIGH-DEMAND TEACHER SPECIALIZATIONS, INCLUDING SCIENCE, TECHNOLOGY, ENGINEERING AND MATHEMATICS.

2. INDIVIDUALS SEEKING POSTBACCALAUREATE COURSEWORK THAT RESULTS IN PROFESSIONAL CERTIFICATION.

C. EACH UNIVERSITY SHALL DEVELOP FORMALIZED PARTNERSHIPS WITH PUBLIC SCHOOLS IN THIS STATE TO BUILD COMMITMENTS FOR TEACHER EMPLOYMENT ON COMPLETION OF THE ARIZONA TEACHER ACADEMY. THE TARGETED DEPLOYMENT OF TEACHERS WHO HAVE COMPLETED THE ACADEMY SHALL BE BASED ON THE NEEDS OF EACH SCHOOL SYSTEM AND THE COMMUNITY THAT IS BEING SERVED AS WELL AS THE INDIVIDUAL SKILLS OF EACH TEACHER.

D. EACH UNIVERSITY SHALL PROVIDE EACH FULL-TIME STUDENT ENROLLED IN THE ARIZONA TEACHER ACADEMY AN ANNUAL WAIVER FOR ALL TUITION AND FEES ASSOCIATED WITH THE STUDENT'S PROGRAM OF STUDY, SUBJECT TO THE FOLLOWING:

1. IF THE STUDENT DOES NOT SUCCESSFULLY COMPLETE THE ACADEMIC YEAR IN GOOD ACADEMIC STANDING, THE STUDENT SHALL REIMBURSE THE UNIVERSITY FOR THE TOTAL AMOUNT OF THE WAIVER FOR TUITION AND FEES THE STUDENT RECEIVED FOR THAT YEAR.

2. FOR EACH ACADEMIC YEAR THAT THE STUDENT SUCCESSFULLY COMPLETES AND FOR WHICH THE STUDENT RECEIVES A WAIVER FOR ALL TUITION AND FEES, THE STUDENT MUST AGREE TO TEACH FOR ONE FULL SCHOOL YEAR IN A PUBLIC SCHOOL IN THIS STATE.

3. IF THE STUDENT DOES NOT FULFILL THE STUDENT'S AGREEMENT TO TEACH IN A PUBLIC SCHOOL, THE STUDENT MUST REIMBURSE THE UNIVERSITY FOR THE PROPORTIONAL AMOUNT OF THE WAIVER FOR TUITION AND FEES THAT THE STUDENT RECEIVED THAT CORRESPONDS TO THE NUMBER OF SCHOOL YEARS THE STUDENT AGREED TO TEACH BUT DID NOT TEACH IN A PUBLIC SCHOOL IN THIS STATE.

4. IF THE STUDENT IS PHYSICALLY OR MENTALLY UNABLE TO FULFILL THE REQUIREMENTS OF THE ACADEMY, THE UNIVERSITY SHALL ASSESS THE STUDENT'S ABILITY TO REPAY THE FINANCIAL ASSISTANCE RECEIVED AND SHALL MAKE A DETERMINATION ON ANY TERMS OF REPAYMENT.

E. ON OR BEFORE JULY 1, 2018 AND EACH YEAR THEREAFTER, THE ARIZONA BOARD OF REGENTS SHALL REPORT TO THE GOVERNOR, THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, AND SUBMIT A COPY TO THE SECRETARY OF STATE, ON ALL OF THE FOLLOWING:

1. THE TOTAL NUMBER OF STUDENTS ENROLLED IN THE ARIZONA TEACHER ACADEMY OF EACH UNIVERSITY.

2. THE PERCENTAGE OF STUDENTS WHO COMPLETED EACH YEAR OF THE ACADEMY AND WHO PLAN TO CONTINUE TO THE SUBSEQUENT YEAR, DELINEATED BY EACH TEACHER PREPARATION PROGRAM OFFERED BY EACH UNIVERSITY AS PART OF THE ARIZONA TEACHER ACADEMY.

3. THE NUMBER OF TEACHERS WHO COMPLETED A PROGRAM OF STUDY THROUGH THE ARIZONA TEACHER ACADEMY.

4. THE NUMBER OF TEACHERS CURRENTLY TEACHING IN A PUBLIC SCHOOL IN THIS STATE AS PART OF AN AGREEMENT FOR RECEIVING A FULL TUITION AND FEE WAIVER.

5. THE NUMBER OF STUDENTS WHO HAVE DEFAULTED ON THEIR AGREEMENT AND WHO ARE IN REPAYMENT AGREEMENTS.

Sec. 6. Financial aid trust fund; required state match; reduction

Notwithstanding section 15-1642, subsection C, Arizona Revised Statutes, for fiscal year 2017-2018, 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. 7. Community college districts; state aid for science, technology, engineering and mathematics and workforce programs

Notwithstanding section 15-1464, Arizona Revised Statutes, as amended by this act, state aid for science, technology, engineering and mathematics and workforce programs for community college districts for fiscal year 2017-2018 is as specified in the general appropriations act.

Sec. 8. Community college districts; operating state aid; eligibility; limits

Notwithstanding section 15-1466, Arizona Revised Statutes, as amended by this act, operating state aid for community college districts for fiscal year 2017-2018 is as specified in the general appropriations act.

APPROVED BY THE GOVERNOR MAY 12, 2017.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 12, 2017.

Passed the House May 4, 2017,

by the following vote: 35 Ayes,

24 Nays, 1 Not Voting

Speaker of the House

Chief Clerk of the House

Passed the Senate May 4, 2017,

by the following vote: 19 Ayes,

11 Nays, 0 Not Voting

President of the Senate

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

8th day of May, 2017,

at 11:25 o'clock A. M.

Secretary to the Governor

Approved this 12th day of

May, 2017,

at 8:21 o'clock A. M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 12 day of May, 2017,

at 3:14 o'clock P M.

Secretary of State

S.B. 1528