STATE OF ARIZONA
OFFICE OF THE GOVERNOR

DOUGLAS A. DUCEY
GOVERNOR

EXECUTIVE OFFICE

April 30, 2018

The Honorable Michele Reagan
Secretary of State
1700 W. Washington, 7th Floor
Phoenix, AZ 85007

Dear Secretary Reagan:

I am transmitting to you the following bills from the Fifty-third Legislature, 2nd Regular Session, which I signed on April 30, 2018:

SB 1211 sentence; life imprisonment; parole eligibility (Burges)
SB 1263 reviser's technical corrections; 2018 (Yarbrough)
HB 2575 license; nonoperating identification; homeless veterans (Bolding)

Sincerely,

Douglas A. Ducey
Governor
State of Arizona

cc: Senate Secretary
Chief Clerk of the House of Representatives
Arizona News Service

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House Engrossed Senate Bill

FILED

MICHELE REAGAN

SECRETARY OF STATE

State of Arizona
Senate
Fifty-third Legislature
Second Regular Session
2018

CHAPTER 270

SENATE BILL 1263

AN ACT

AMENDING SECTION 15-701, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2017, CHAPTER 137, SECTION 4, CHAPTER 194, SECTION 2 AND CHAPTER 210, SECTION 3; REPEALING SECTION 15-701, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2017, CHAPTER 67, SECTION 2; AMENDING SECTION 15-701.01, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2015, CHAPTER 1, SECTION 1, CHAPTER 127, SECTION 1 AND CHAPTER 145, SECTION 1; REPEALING SECTION 15-701.01, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2017, CHAPTER 210, SECTION 4; AMENDING SECTION 15-1626, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2016, CHAPTER 238, SECTION 1 AND CHAPTER 372, SECTION 4; REPEALING SECTION 15-1626, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2016, CHAPTER 130, SECTION 1; AMENDING SECTION 20-1106, ARIZONA REVISED STATUTES, AS ADDED BY LAWS 1954, CHAPTER 64, ARTICLE 11, SECTION 6; REPEALING SECTION 20-1106, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2017, CHAPTER 263, SECTION 1; AMENDING SECTION 41-3801, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2014, CHAPTER 215, SECTION 196; REPEALING SECTION 41-3801, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2017, CHAPTER 184, SECTION 1; RELATING TO MULTIPLE, DEFECTIVE AND CONFLICTING LEGISLATIVE DISPOSITION OF STATUTORY TEXT.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Purpose

1. Section 15-701, Arizona Revised Statutes, was amended by Laws 2017, chapter 67, section 2, chapter 137, section 4, chapter 194, section 2 and chapter 210, section 3. However, the chapter 67 version did not reflect the previous valid version of the section. In order to comply with article IV, part 2, section 14, Constitution of Arizona, this act amends section 15-701, Arizona Revised Statutes, as amended by Laws 2017, chapter 137, section 4, chapter 194, section 2 and chapter 210, section 3 to incorporate the amendments made by Laws 2017, chapter 67 and repeals the chapter 67 version.

2. Section 15-701.01, Arizona Revised Statutes, was amended by Laws 2017, chapter 210, section 4. However, this version did not reflect the previous valid version of the section. In order to comply with article IV, part 2, section 14, Constitution of Arizona, this act amends section 15-701.01, Arizona Revised Statutes, as amended by Laws 2015, chapter 1, section 1, chapter 127, section 1 and chapter 145, section 1 to incorporate the amendments made by Laws 2017, chapter 210 and repeals the chapter 210 version.

3. Section 15-1626, Arizona Revised Statutes, was amended by Laws 2016, chapter 130, section 1, chapter 238, section 1 and chapter 372, section 4. The chapter 130 version could not be blended because of the delayed effective date. In order to combine these versions, this act amends the Laws 2016, chapter 238 and chapter 372 version of section 15-1626, Arizona Revised Statutes, to incorporate the amendments made by Laws 2016, chapter 130 and repeals the chapter 130 version.

4. Section 20-1106, Arizona Revised Statutes, was amended by Laws 2017, chapter 263, section 1. However, this version did not reflect the previous valid version of the section. In order to comply with article IV, part 2, section 14, Constitution of Arizona, this act amends section 20-1106, Arizona Revised Statutes, as added by Laws 1954, chapter 64, section 6, to incorporate the amendments made by Laws 2017, chapter 263 and repeals the chapter 263 version.

5. Section 41-3801, Arizona Revised Statutes, was amended by Laws 2017, chapter 184, section 1. However, this version did not reflect the previous valid version of the section. In order to comply with article IV, part 2, section 14, Constitution of Arizona, this act amends section 41-3801, Arizona Revised Statutes, as amended by Laws 2014, chapter 215, section 196, to incorporate the amendments made by Laws 2017, chapter 184 and repeals the chapter 184 version.

Sec. 2. Section 15-701, Arizona Revised Statutes, as amended by Laws 2017, chapter 137, section 4, chapter 194, section 2 and chapter 210, section 3, is amended to read:

15-701. Common school; promotions; requirements; certificate; supervision of eighth grades by superintendent of high school district; high school admissions; academic credit; definition

A. The state board of education shall:

1. Prescribe a minimum course of study, as defined in section 15-101 and incorporating the academic standards adopted by the state board of education, to be taught in the common schools.

2. Prescribe competency requirements for the promotion of pupils from the eighth grade and competency requirements for the promotion of pupils from the third grade incorporating the academic standards in at least the areas of reading, writing, mathematics, science and social studies. The competency requirements for the promotion of pupils from the third grade shall include the following:

(a) A requirement that a pupil not be promoted from the third grade if the pupil obtains a score on the reading portion of the statewide assessment that ~~demonstrates that the pupil's reading falls far below the third grade level or the equivalent~~ DOES NOT DEMONSTRATE SUFFICIENT READING SKILLS as established by the board. A pupil may not be retained if data regarding the pupil's performance on the statewide assessment is not available before the ~~start~~ END of the ~~following~~ CURRENT academic year. A pupil who is not retained due to the unavailability of test data must receive EVIDENCE-BASED intervention and remedial strategies pursuant to subdivision (c) of this paragraph if the third grade assessment data subsequently ~~demonstrates that the pupil's reading ability falls far below the third grade level or the equivalent~~ DOES NOT DEMONSTRATE SUFFICIENT READING SKILLS.

(b) A mechanism to allow a school district governing board or the governing body of a charter school to promote ~~a pupil~~ from the third grade ~~who obtains a score on the reading portion of the statewide assessment that demonstrates that the pupil's reading falls far below the third grade level for any of the following~~ A PUPIL WHO DOES NOT DEMONSTRATE SUFFICIENT READING SKILLS PURSUANT TO SUBDIVISION (a) OF THIS PARAGRAPH IF THE PUPIL:

(i) ~~A good cause exemption if the pupil~~ Is an English learner or a limited English proficient student as defined in section 15-751 and has had fewer than two years of English language instruction.

(ii) ~~A pupil who~~ Is in the process of a special education referral or evaluation for placement in special education, ~~a pupil who~~ has been diagnosed as having a significant reading impairment, including dyslexia, or ~~a pupil who~~ is a child with a disability as defined in section 15-761 if the pupil's individualized education program team and the pupil's

parent or guardian agree that promotion is appropriate based on the pupil's individualized education program.

(iii) HAS DEMONSTRATED OR SUBSEQUENTLY DEMONSTRATES SUFFICIENT READING SKILLS OR ADEQUATE PROGRESS TOWARDS SUFFICIENT READING SKILLS OF THE THIRD GRADE READING STANDARDS AS EVIDENCED THROUGH A COLLECTION OF READING ASSESSMENTS APPROVED BY THE STATE BOARD OF EDUCATION, WHICH INCLUDES AN ALTERNATIVE STANDARDIZED READING ASSESSMENT APPROVED BY THE STATE BOARD.

~~(iii)~~ (iv) ~~A pupil who~~ Receives intervention and remedial services during the summer or subsequent school year pursuant to subdivision (c) of this paragraph and demonstrates sufficient progress ~~may be promoted from the third grade~~ based on guidelines issued pursuant to subsection B, paragraph ~~5~~ 6 of this section.

(c) EVIDENCE-BASED intervention and remedial strategies developed by the state board of education for pupils who are not promoted from the third grade. A school district governing board or the governing body of a charter school shall offer ~~at least~~ MORE THAN one of the intervention and remedial strategies developed by the state board of education. The parent or guardian of a pupil who is not promoted from the third grade and the pupil's teacher and principal may choose the most appropriate intervention and remedial strategies that will be provided to that pupil. The intervention and remedial strategies developed by the state board of education shall include:

(i) A requirement that the pupil be assigned ~~to a different teacher~~ for EVIDENCE-BASED reading instruction BY A DIFFERENT TEACHER WHO WAS DESIGNATED IN THAT TEACHER'S MOST RECENT PERFORMANCE EVALUATION IN ONE OF THE TOP TWO PERFORMANCE CLASSIFICATIONS PURSUANT TO SECTION 15-203, SUBSECTION A, PARAGRAPH 38.

(ii) Summer school reading instruction.

(iii) In the next academic year, intensive reading instruction that occurs before, during or after the regular school day, or any combination of before, during and after the regular school day.

(iv) SMALL GROUP AND TEACHER-LED EVIDENCE-BASED READING INSTRUCTION, WHICH MAY INCLUDE COMPUTER-BASED OR online reading instruction.

(d) A REQUIREMENT THAT A SCHOOL DISTRICT GOVERNING BOARD OR CHARTER SCHOOL GOVERNING BODY THAT PROMOTES A PUPIL PURSUANT TO SUBDIVISION (b) OF THIS PARAGRAPH PROVIDE ANNUAL REPORTING TO THE DEPARTMENT OF EDUCATION ON OR BEFORE OCTOBER 1 THAT INCLUDES INFORMATION ON THE TOTAL NUMBER OF PUPILS SUBJECT TO THE RETENTION PROVISIONS OF SUBDIVISION (a) OF THIS PARAGRAPH, THE TOTAL NUMBER OF STUDENTS PROMOTED PURSUANT TO SUBDIVISION (b) OF THIS PARAGRAPH, THE TOTAL NUMBER OF PUPILS RETAINED IN GRADE THREE AND THE INTERVENTIONS ADMINISTERED PURSUANT TO SUBDIVISION (c) OF THIS PARAGRAPH.

3. Provide for universal screening of pupils in preschool programs, kindergarten programs and grades one through three that is designed to identify pupils who have reading deficiencies pursuant to section 15-704.

4. Develop EVIDENCE-BASED intervention and remedial strategies pursuant to paragraph 2, subdivision (c) of this subsection for pupils in kindergarten programs and grades one through three who are identified as having reading deficiencies pursuant to section 15-704.

5. Distribute guidelines for the school districts to follow in prescribing criteria for the promotion of pupils from grade to grade in the common schools. These guidelines shall include recommended procedures for ensuring that the cultural background of a pupil is taken into consideration when criteria for promotion are being applied.

B. School districts and charter schools shall provide annual written notification to parents of pupils in kindergarten programs and first, second and third grades that a pupil ~~who obtains a score on the reading portion of the statewide assessment that demonstrates the pupil is reading far below the third grade level~~ WHO DOES NOT DEMONSTRATE SUFFICIENT READING SKILLS PURSUANT TO SUBSECTION A OF THIS SECTION will not be promoted from the third grade. ~~If the school has determined that the pupil is substantially deficient in reading before the end of grade three, the school district or charter~~ School DISTRICTS AND CHARTER SCHOOLS SHALL IDENTIFY EACH PUPIL WHO IS AT RISK OF READING BELOW GRADE LEVEL IN KINDERGARTEN AND GRADES ONE, TWO AND THREE, BASED ON LOCAL OR STATEWIDE ASSESSMENTS, AND shall provide to the parent of that pupil a ~~separate~~ SPECIFIC written notification of the reading deficiency that includes the following information:

1. A DESCRIPTION OF THE PUPIL'S SPECIFIC INDIVIDUAL NEEDS.

~~1.~~ 2. A description of the current reading services provided to the pupil.

~~2.~~ 3. A description of the available supplemental instructional services and supporting programs that are designed to remediate reading deficiencies. Each school district or charter school shall offer ~~at least~~ MORE THAN one EVIDENCE-BASED intervention strategy and ~~at least~~ MORE THAN one remedial strategy DEVELOPED BY THE STATE BOARD OF EDUCATION for pupils with reading deficiencies. The notification shall list the intervention and remedial strategies offered and shall instruct the parent ~~or guardian~~ to choose, IN CONSULTATION WITH THE PUPIL'S TEACHER, the ~~strategy~~ MOST APPROPRIATE STRATEGIES that will be PROVIDED AND implemented for that child.

~~3.~~ 4. Parental strategies to assist the pupil to attain reading proficiency.

~~4.~~ 5. A statement that the pupil will not be promoted from the third grade if the pupil ~~obtains a score on the reading portion of the statewide assessment that demonstrates the pupil is reading far below the third grade level~~ DOES NOT DEMONSTRATE SUFFICIENT READING SKILLS PURSUANT

TO SUBSECTION A, PARAGRAPH 2, SUBDIVISION (a) OF THIS SECTION, unless the pupil is exempt from mandatory retention in grade three or the pupil qualifies for an exemption pursuant to subsection A, PARAGRAPH 2, SUBDIVISION (b) of this section.

~~5.~~ 6. A description of the school district or charter school policies on midyear promotion to a higher grade.

C. Pursuant to the guidelines that the state board of education distributes, the governing board of a school district shall:

1. Prescribe curricula that include the academic standards in the required subject areas pursuant to subsection A, paragraph 1 of this section.

2. Prescribe criteria for the promotion of pupils from grade to grade in the common schools in the school district. These criteria shall include accomplishment of the academic standards in at least reading, writing, mathematics, science and social studies, as determined by district assessment. Other criteria may include additional measures of academic achievement and attendance.

D. The governing board may prescribe the course of study and competency requirements for promotion that are in addition to or higher than the course of study and competency requirements the state board prescribes.

E. A teacher shall determine whether to promote or retain a pupil in grade in a common school on the basis of the prescribed criteria. The governing board, if it reviews the decision of a teacher to promote or retain a pupil in grade in a common school as provided in section 15-342, paragraph 11, shall base its decision on the prescribed criteria.

F. A governing board may provide and issue certificates of promotion to pupils whom it promotes from the eighth grade of a common school. Such certificates shall be signed by the principal or superintendent of schools. Where there is no principal or superintendent of schools, the certificates shall be signed by the teacher of an eighth grade. The certificates shall admit the holders to any high school in the state.

G. Within any high school district or union high school district, the superintendent of the high school district shall supervise the work of the eighth grade of all schools employing no superintendent or principal.

H. A school district shall not deny a pupil who is between the ages of sixteen and twenty-one years admission to a high school because the pupil does not hold an eighth grade certificate. Governing boards shall establish procedures for determining the admissibility of pupils who are under sixteen years of age and who do not hold eighth grade certificates.

I. The state board of education shall adopt rules to allow common school pupils who can demonstrate competency in a particular academic course or subject to obtain academic credit for the course or subject without enrolling in the course or subject.

J. A school district may conduct a ceremony to honor pupils who have been promoted from the eighth grade.

K. For the purposes of this section, "dyslexia" means a condition that:

1. Is neurological in origin.

2. Is characterized by difficulties with accurate or fluent word recognition and by poor spelling and decoding abilities, including difficulties that typically result from a deficit in the phonological component of language that is often unexpected in relation to other cognitive abilities and to the provision of effective classroom instruction.

3. May include secondary consequences such as problems with reading comprehension and reduced reading experience that may impede the growth of vocabulary and background knowledge.

Sec. 3. Repeal

Section 15-701, Arizona Revised Statutes, as amended by Laws 2017, chapter 67, section 2, is repealed.

Sec. 4. Section 15-701.01, Arizona Revised Statutes, as amended by Laws 2015, chapter 1, section 1, chapter 127, section 1 and chapter 145, section 1, is amended to read:

15-701.01. High school; graduation; requirements; community college or university courses; transfer from private schools; academic credit

A. The state board of education shall:

1. Prescribe a minimum course of study, as defined in section 15-101 and incorporating the academic standards adopted by the state board of education, for the graduation of pupils from high school.

2. Prescribe competency requirements for the graduation of pupils from high school incorporating the academic standards in at least the areas of reading, writing, mathematics, science and social studies. The academic standards prescribed by the state board of education in social studies shall include personal finance. This paragraph does not allow the state board of education to establish a required separate personal finance course for the purpose of the graduation of pupils from high school. Beginning in the 2016-2017 school year, the competency requirements for social studies shall include a requirement that, in order to graduate from high school or obtain a high school equivalency diploma, a pupil must correctly answer at least sixty of the one hundred questions listed on a test that is identical to the civics portion of the naturalization test used by the United States citizenship and immigration services. A district school or charter school shall document on the pupil's transcript that the pupil has passed a test that is identical to the civics portion of the naturalization test used by the United States citizenship and immigration services as required by this section.

3. Develop and adopt competency tests pursuant to section 15-741. English language learners who are subject to article 3.1 of this chapter are subject to the assessments prescribed in section 15-741.

B. The governing board of a school district shall:

1. Prescribe curricula that include the academic standards in the required subject areas pursuant to subsection A, paragraph 1 of this section.

2. Prescribe criteria for the graduation of pupils from the high schools in the school district. These criteria shall include accomplishment of the academic standards in at least reading, writing, mathematics, science and social studies, as determined by district assessment. Other criteria may include additional measures of academic achievement and attendance. Pursuant to the prescribed graduation requirements adopted by the state board of education, the governing board may approve a rigorous computer science course that would fulfill a mathematics course required for graduation from high school. The governing board may approve a rigorous computer science course only if the rigorous computer science course includes significant mathematics content and the governing board determines the high school where the rigorous computer science course is offered has sufficient capacity, infrastructure and qualified staff, including competent teachers of computer science. The school district governing board or charter school governing body may determine the method and manner in which to administer a test that is identical to the civics portion of the naturalization test used by the United States citizenship and immigration services. A pupil who does not obtain a passing score on the test that is identical to the civics portion of the naturalization test may retake the test until the pupil obtains a passing score.

C. The governing board may prescribe the course of study and competency requirements for the graduation of pupils from high school that are in addition to or higher than the course of study and competency requirements that the state board prescribes.

D. The governing board may prescribe competency requirements for the passage of pupils in courses that are required for graduation from high school.

E. A teacher shall determine whether to pass or fail a pupil in a course in high school ~~as provided in section 15-521, paragraph 4~~ on the basis of the competency requirements, if any have been prescribed. The governing board, if it reviews the decision of a teacher to pass or fail a pupil in a course in high school as provided in section 15-342, paragraph 11, shall base its decision on the competency requirements, if any have been prescribed.

F. Graduation requirements established by the governing board may be met by a pupil who passes courses in the required or elective subjects at a community college or university, if the course is at a higher level

than the course taught in the high school attended by the pupil or, if the course is not taught in the high school, the level of the course is equal to or higher than the level of a high school course. The governing board shall determine if the subject matter of the community college or university course is appropriate to the specific requirement the pupil intends it to fulfill and if the level of the community college or university course is less than, equal to or higher than a high school course, and the governing board shall award one-half of a Carnegie unit for each three semester hours of credit THAT the pupil earns in an appropriate community college or university course. If a pupil is not satisfied with the decision of the governing board regarding the amount of credit granted or the subjects for which credit is granted, the pupil may request that the state board of education review the decision of the governing board, and the state board shall make the final determination of the amount of credit to be given the pupil and for which subjects. The governing board shall not limit the number of credits that is required for high school graduation and that may be met by taking community college or university courses. For the purposes of this subsection:

1. "Community college" means an educational institution that is operated by a community college district as defined in section 15-1401 or a postsecondary educational institution under the jurisdiction of an Indian tribe recognized by the United States department of the interior.

2. "University" means a university under the jurisdiction of the Arizona board of regents.

G. A pupil who transfers from a private school shall be provided with a list that indicates those credits that have been accepted and denied by the school district. A pupil may request to take an examination in each particular course in which credit has been denied. The school district shall accept the credit for each particular course in which the pupil takes an examination and receives a passing score on a test designed and evaluated by a teacher in the school district who teaches the subject matter on which the examination is based. In addition to the above requirements, the governing board of a school district may prescribe requirements for the acceptance of the credits of pupils who transfer from a private school.

H. If a pupil who was previously enrolled in a charter school or school district enrolls in a school district in this state, the school district shall accept credits earned by the pupil in courses or instructional programs at the charter school or school district. The governing board of a school district may adopt a policy concerning the application of transfer credits for the purpose of determining whether a credit earned by a pupil who was previously enrolled in a school district or charter school will be assigned as an elective or core credit.

I. A pupil who transfers credit from a charter school, A school district or Arizona online instruction shall be provided with a list that

indicates which credits have been accepted as ~~an~~ elective ~~credit~~ CREDITS and which credits have been accepted as ~~a~~ core ~~credit~~ CREDITS by the school district or charter school. Within ten school days after receiving the list, ~~a~~ THE pupil may request to take an examination in each particular course in which core credit has been denied. The school district or charter school shall accept the credit as a core credit for each particular course in which the pupil takes an examination and receives a passing score on a test~~,~~ THAT IS aligned to the competency requirements adopted pursuant to this section~~,~~ AND THAT IS designed and evaluated by a teacher in the school district or charter school who teaches the subject matter on which the examination is based. If a pupil is enrolled in a school district or charter school and that pupil also participates in Arizona online instruction between May 1 and July 31, the school district or charter school shall not require proof of payment as a condition of the school district or charter school accepting credits earned from the online course provider.

J. The state board of education shall adopt rules to allow high school pupils who can demonstrate competency in a particular academic course or subject to obtain academic credit for the course or subject without enrolling in the course or subject.

K. Pupils who earn a Grand Canyon diploma pursuant to article 6 of this chapter are exempt from the graduation requirements prescribed in this section. Pupils who earn a Grand Canyon diploma are entitled to all the rights and privileges of persons who graduate with a high school diploma issued pursuant to this section, including access to postsecondary scholarships and other forms of student financial aid and access to all forms of postsecondary education. Notwithstanding any other law, a pupil who is eligible for a Grand Canyon diploma may elect to remain in high school through grade twelve and shall not be prevented from enrolling at a high school after the pupil becomes eligible for a Grand Canyon diploma. A pupil who is eligible for a Grand Canyon diploma and who elects not to pursue one of the options prescribed in section 15-792.03 may only be readmitted to that high school or another high school in this state pursuant to policies adopted by the school district of readmission.

Sec. 5. <u>Repeal</u>

Section 15-701.01, Arizona Revised Statutes, as amended by Laws 2017, chapter 210, section 4, is repealed.

Sec. 6. Section 15-1626, Arizona Revised Statutes, as amended by Laws 2016, chapter 238, section 1 and chapter 372, section 4, is amended to read:

15-1626. <u>General administrative powers and duties of board; definition</u>

A. The board shall:

1. Have and exercise the powers necessary for the effective governance and administration of the institutions under its control. To

that end, the board may adopt, and authorize each university to adopt, such regulations, policies, rules or measures as are deemed necessary and may delegate in writing to its committees, to its university presidents, or their designees, or to other entities under its control~~,~~ any part of its authority for the administration and governance of such institutions, including those powers enumerated in section 15-1625, subsection B, paragraphs 2 and 4, paragraphs 3, 4, 8, 9, 11 and 12 of this subsection and subsection B of this section. Any delegation of authority may be rescinded by the board at any time in whole or in part.

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

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

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

5. Fix tuitions and fees to be charged and differentiate the tuitions and fees between institutions and between residents, nonresidents, undergraduate students, graduate students, students from foreign countries and students who have earned credit hours in excess of the credit hour threshold. For the purposes of this paragraph, the undergraduate credit hour threshold is one hundred forty-five hours for students who attend a university under the jurisdiction of the board. The undergraduate credit hour threshold shall be based on the actual full-time equivalent student enrollment counted on the forty-fifth day of every fall and spring semester, divided by two, and any budget adjustment based on student enrollment shall occur in the fiscal year following the actual full-time equivalent student enrollment count. The undergraduate credit hour threshold shall not apply to degree programs that require credit hours above the credit hour threshold, credits earned in the pursuit of up to two baccalaureate degrees, credits earned in the pursuit of up to two state regulated licensures or certificates, credits earned in the pursuit of teaching certification, credits transferred from a private institution of higher education, credits transferred from an institution of higher education in another state, credits earned at another institution of higher education but that are not accepted as transfer credits at the university where the student is currently enrolled and credits earned by students who enroll at a university under the jurisdiction of the board more than twenty-four months after the end of that student's previous enrollment at a public institution of higher education in this state. On

or before October 15 of each year, the board shall report to the joint legislative budget committee the number of in-state students and out-of-state students who were enrolled at universities under the jurisdiction of the board during the previous fiscal year who met or exceeded the undergraduate credit hour threshold prescribed in this paragraph. The amount of tuition~~, registration~~ AND fees ~~and other revenues~~ included in the operating budget for the university adopted by the board as prescribed in paragraph 13 of this subsection shall be SUBJECT TO LEGISLATIVE APPROPRIATION AND deposited~~, pursuant to sections 35-146 and 35-147~~ IN A SEPARATE TUITION AND FEES SUBACCOUNT FOR EACH UNIVERSITY. All other tuition and fee revenue shall be retained by each university for expenditure as approved by the board~~, except that~~ IN A SEPARATE LOCAL TUITION AND FEES SUBACCOUNT FOR EACH UNIVERSITY. THIS SUBACCOUNT SHALL CONSIST OF ONLY TUITION AND FEES. The universities shall not use any tuition or fee revenue to fund or support an alumni association.

6. Except as provided in subsection I of this section, adopt rules to govern its tuition and fee setting process that provide for the following:

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

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

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

(d) A ROLL CALL VOTE OF ANY final board action on changes in tuition or fees ~~shall be taken by roll call vote~~.

The procedural requirements of subdivisions (a), (b), (c) and (d) of this paragraph apply only to those changes in tuition or fees that require board approval.

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

8. Establish ~~curriculums~~ CURRICULA and designate courses at the several institutions that in its judgment will best serve the interests of this state.

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

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

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

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

13. Adopt annually an operating budget for each university equal to the sum of appropriated general fund monies and the amount of tuition~~, registration~~ AND fees ~~and other revenues~~ approved by the board and allocated to each university operating budget.

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

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

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

17. Acquire United States flags for each classroom that are manufactured in the United States and that are at least two feet by three feet and hardware to appropriately display the United States flags, acquire a legible copy of the Constitution of the United States and the Bill of Rights, display the flags in each classroom in accordance with

title 4 of the United States Code and display a legible copy of the Constitution of the United States and the Bill of Rights adjacent to the flag.

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

(a) Address procedures for each of the following:

(i) The transfer of student records.

(ii) Awarding credit for completed ~~course work~~ COURSEWORK.

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

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

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

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

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

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

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

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

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

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

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

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

I. Subsection A, paragraph 6, subdivisions (a), (b), (c) and (d) of this section do not apply to fee increases that are set by individual universities and that do not require approval by the Arizona board of regents before the fee increase becomes effective.

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

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

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

1. Long-term notes and obligations.

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

3. Revenue bonds.

4. Bonds issued pursuant to section 15-1682.03.

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

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

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

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

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

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

Sec. 7. Repeal

Section 15-1626, Arizona Revised Statutes, as amended by Laws 2016, chapter 130, section 1, is repealed.

Sec. 8. Section 20-1106, Arizona Revised Statutes, as added by Laws 1954, chapter 64, article 11, section 6, is amended to read:

20-1106. Capacity to contract for insurance; minors

A. Any person of competent legal capacity may contract for insurance.

B. A minor ~~not less than~~ WHO IS AT LEAST fifteen years of age as of ~~his~~ THE MINOR'S nearest birthday may CONTRACT, notwithstanding ~~his~~ THE MINOR'S minority, ~~contract~~ for life or disability insurance on ~~his~~ THE MINOR'S own life or body, for ~~his~~ THE MINOR'S own benefit or for the benefit of ~~his~~ THE MINOR'S father or mother, spouse, child, brother, sister or grandparents.

C. A MINOR WHO IS AT LEAST SIXTEEN YEARS OF AGE AS OF THE MINOR'S NEAREST BIRTHDAY, WHO IS A FOSTER CHILD AS DEFINED IN SECTION 8-501 OR A YOUTH PARTICIPATING IN THE INDEPENDENT LIVING PROGRAM PURSUANT TO SECTION 8-521 AND WHO HAS COMPLETED A DRIVER EDUCATION PROGRAM MAY CONTRACT, NOTWITHSTANDING THE MINOR'S MINORITY, FOR MOTOR VEHICLE LIABILITY INSURANCE THAT SATISFIES THE REQUIREMENTS OF SECTION 28-4009 AND THAT COVERS THE MINOR.

D. ~~The~~ A minor ~~shall~~ DESCRIBED IN SUBSECTION B OR C OF THIS SECTION, notwithstanding ~~his~~ THE MINOR'S minority, SHALL be deemed competent to exercise all rights and powers with respect to or under any contract of life or disability insurance on ~~his~~ THE MINOR'S own life or body OR CONTRACT OF MOTOR VEHICLE LIABILITY INSURANCE PURSUANT TO THIS SECTION, as though of full legal age, and may surrender ~~his~~ THE MINOR'S

interest ~~therein~~ IN THE CONTRACT and give a valid discharge for any benefit accruing or money payable ~~thereunder~~ UNDER THE CONTRACT. The minor ~~shall not~~, by reason of his minority, ~~be entitled to~~ MAY NOT rescind, avoid or repudiate the contract, nor ~~to~~ rescind, avoid or repudiate any exercise of a right or privilege ~~thereunder~~ UNDER THE CONTRACT, except that the minor, not otherwise emancipated, ~~shall~~ MAY not be bound by any unperformed agreement to pay, by promissory note or otherwise, any premium on such an insurance contract.

Sec. 9. Repeal

Section 20-1106, Arizona Revised Statutes, as amended by Laws 2017, chapter 263, section 1, is repealed.

Sec. 10. Section 41-3801, Arizona Revised Statutes, as amended by Laws 2014, chapter 215, section 196, is amended to read:

41-3801. Human rights committee on persons with developmental disabilities

A. The human rights committee on persons with developmental disabilities is established in the department of economic security to promote the rights of clients who are receiving developmental disabilities services from the department pursuant to title 36, chapter 5.1.

B. The committee shall be organized pursuant to this section and the requirements of section 41-3804.

C. The director of the department of economic security may establish additional committees for each district office established pursuant to section 41-1961 or to oversee the activities of any service provider.

D. Each human rights committee established pursuant to this section shall consist of at least seven and not more than fifteen members appointed by the director of the department of economic security with expertise in at least one of the following areas:

1. Psychology.
2. Law.
3. Medicine.
4. Education.
5. Special education.
6. Social work.
7. CRIMINAL JUSTICE.

E. Each human rights committee shall include at least two parents of children who receive services from the division of developmental disabilities.

F. THE DIVISION OF DEVELOPMENTAL DISABILITIES SHALL PROVIDE TO EACH HUMAN RIGHTS COMMITTEE INFORMATION REGARDING INCIDENTS OF:

1. POSSIBLE ABUSE OR NEGLECT OR VIOLATIONS OF RIGHTS.
2. PHYSICAL ABUSE, SEXUAL ABUSE AND OTHER ABUSE.
3. ACCIDENTAL INJURY.
4. MISSING CLIENTS.

5. BEHAVIORAL EMERGENCY MEASURES.

6. MEDICATION ERRORS, INCLUDING THEFT OF MEDICATION OR MISSING MEDICATION.

7. DEATH.

8. SUICIDE ATTEMPTS.

9. HOSPITALIZATIONS.

10. INCARCERATIONS.

11. THEFT OF CLIENT PROPERTY OR MONEY.

12. PROPERTY DESTRUCTION.

Sec. 11. Repeal

Section 41-3801, Arizona Revised Statutes, as amended by Laws 2017, chapter 184, section 1, is repealed.

Sec. 12. Retroactivity

A. Sections 2, 3, 4, 5, 8, 9, 10 and 11 of this act apply retroactively to from and after August 8, 2017.

B. Sections 6 and 7 of this act apply retroactively to from and after June 30, 2018.

APPROVED BY THE GOVERNOR APRIL 30, 2018

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 30, 2018

Passed the House April 18, 2018,

by the following vote: 59 Ayes,

0 Nays, 1 Not Voting

Speaker of the House
Pro Tempore

Jim Drake
Chief Clerk of the House

Passed the Senate March 1, 2018,

by the following vote: 30 Ayes,

0 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

_____ day of _____, 20____,

at _____ o'clock _____ M.

Secretary to the Governor

Approved this _____ day of

_____, 20_____,

at _____ o'clock _____ M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this _____ day of _____, 20____,

at _____ o'clock _____ M.

Secretary of State

S.B. 1263

SENATE CONCURS IN HOUSE AMENDMENTS AND FINAL PASSAGE

Passed the Senate April 24, 2018

by the following vote: 29 Ayes,

0 Nays, 1 Not Voting

President of the Senate

Susan Craves

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

24th day of April, 2018

at 10:49 o'clock A. M.

Secretary to the Governor

Approved this 30th day of

April 2018

at 3:45 o'clock P. M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 30 day of April, 2018

at 6:04 o'clock P. M.

Michele Reagan

Secretary of State

S.B. 1263