

State of Arizona
Senate
Forty-eighth Legislature
First Regular Session
2007

SENATE BILL 1095

AN ACT

AMENDING SECTIONS 15-1601, 15-1626, 15-1681, 15-1682, 15-1682.02 AND 15-1725, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 13, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 11; AMENDING SECTIONS 15-1821.01 AND 15-1854, ARIZONA REVISED STATUTES; RELATING TO HIGHER EDUCATION BUDGET RECONCILIATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 15-1601, Arizona Revised Statutes, is amended to
3 read:

4 15-1601. State universities; location; faculty powers

5 A. The Arizona board of regents shall maintain state universities at
6 Flagstaff in Coconino county, at Tempe in Maricopa county and at Tucson in
7 Pima county, and the universities are respectively designated northern
8 Arizona university, Arizona state university and the university of Arizona.
9 The board shall maintain an Arizona state university campus in western
10 Maricopa county designated as Arizona state university west campus. The
11 board shall maintain an Arizona state university campus in eastern Maricopa
12 county designated as Arizona state university east campus. The board may
13 establish and maintain other colleges and universities subject to legislative
14 authority. SUBJECT TO REVIEW BY THE JOINT COMMITTEE ON CAPITAL REVIEW, THE
15 BOARD MAY ESTABLISH NEW CAMPUSES THAT ARE SEPARATE FROM ANY LOCATION IN
16 EXISTENCE ON JULY 1, 2007.

17 B. The universities shall have colleges, schools and departments and
18 give courses of study and academic degrees as the board approves. Subject to
19 the responsibilities and powers of the board and the university presidents,
20 the faculty members of the universities, through their elected faculty
21 representatives, shall share responsibility for academic and educational
22 activities and matters related to faculty personnel. The faculty members of
23 each university, through their elected faculty representatives, shall
24 participate in the governance of their respective universities and shall
25 actively participate in the development of university policy.

26 Sec. 2. Section 15-1626, Arizona Revised Statutes, is amended to read:
27 15-1626. General administrative powers and duties of board

28 A. The board shall:

29 1. Have and exercise the powers necessary for the effective governance
30 and administration of the institutions under its control. To that end, the
31 board may adopt, and authorize each university to adopt, such regulations,
32 policies, rules or measures as are deemed necessary and may delegate in
33 writing to its committees, to its university presidents, or their designees,
34 or to other entities under its control, any part of its authority for the
35 administration and governance of such institutions, including those powers
36 enumerated in section 15-1625, subsection B, paragraphs 2 and 4, paragraphs
37 3, 4, 8, 9, 11 and 12 of this subsection and subsection B of this section.
38 Any delegation of authority may be rescinded by the board at any time in
39 whole or in part.

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

43 3. Appoint and employ and determine the compensation of
44 vice-presidents, deans, professors, instructors, lecturers, fellows and such
45 other officers and employees with such power and authority and for such

1 purposes in connection with the operation of the institutions as the board
2 deems necessary, or delegate its authority pursuant to paragraph 1 of this
3 subsection.

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

6 5. Fix tuitions and fees to be charged and differentiate the tuitions
7 and fees between institutions and between residents, nonresidents,
8 undergraduate students, graduate students, students from foreign countries
9 and students who have earned credit hours in excess of the credit hour
10 threshold. For the purposes of this paragraph, the undergraduate credit hour
11 threshold is one hundred fifty-five hours for students who attend a
12 university under the jurisdiction of the board in fiscal year 2006-2007, one
13 hundred fifty hours for students who attend a university under the
14 jurisdiction of the board in fiscal year 2007-2008 and one hundred forty-five
15 hours for students who attend a university under the jurisdiction of the
16 board after fiscal year 2007-2008. The undergraduate credit hour threshold
17 shall be based on the actual full-time equivalent student enrollment counted
18 on the twenty-first day after classes begin for the fall semester of 2005 and
19 every fall semester thereafter and any budget adjustment based on student
20 enrollment shall occur in the fiscal year following the actual full-time
21 equivalent student enrollment count. The undergraduate credit hour threshold
22 shall not apply to degree programs that require credit hours above the credit
23 hour threshold, credits earned in the pursuit of up to two baccalaureate
24 degrees, credits earned in the pursuit of up to two state regulated
25 licensures or certificates, credits earned in the pursuit of teaching
26 certification, credits transferred from a private institution of higher
27 education, credits transferred from an institution of higher education in
28 another state, credits earned at another institution of higher education but
29 that are not accepted as transfer credits at the university where the student
30 is currently enrolled and credits earned by students who enroll at a
31 university under the jurisdiction of the board more than twenty-four months
32 after the end of that student's previous enrollment at a public institution
33 of higher education in this state. On or before October 15 of each year, the
34 board shall report to the joint legislative budget committee the number of
35 students who were enrolled at universities under the jurisdiction of the
36 board during the previous fiscal year who met or exceeded the undergraduate
37 credit hour threshold prescribed in this paragraph. The amount of tuition,
38 registration fees and other revenues included in the operating budget for the
39 university adopted by the board as prescribed in paragraph 13 of this
40 subsection shall be deposited, pursuant to sections 35-146 and 35-147. All
41 other tuition and fee revenue shall be retained by each university for
42 expenditure as approved by the board, except that the universities shall not
43 use any tuition or fee revenue to fund or support an alumni association.

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

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

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

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

10 (d) Final board action on changes in tuition or fees shall be taken by
11 roll call vote.

12 The procedural requirements of subdivisions (a), (b), (c) and (d) OF THIS
13 PARAGRAPH apply only to those changes in tuition or fees that require board
14 approval.

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

22 8. Establish curriculums and designate courses at the several
23 institutions which in its judgment will best serve the interests of this
24 state.

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

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

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

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

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

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

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

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

20 17. Beginning July 1, 2007, ~~purchase~~ ACQUIRE United States flags for
21 each classroom that are manufactured in the United States and that are at
22 least two feet by three feet and hardware to appropriately display the United
23 States ~~flag and purchase~~ FLAGS, ACQUIRE a legible copy of the Constitution of
24 the United States and the Bill of Rights, ~~and~~ display the flags in each
25 classroom in accordance with title 4 of the United States Code and display a
26 legible copy of the Constitution of the United States and the bill of rights
27 adjacent to the flag.

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

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

35 (i) The transfer of student records.

36 (ii) Awarding credit for completed course work.

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

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

42 19. REQUIRE A UNIVERSITY TO PUBLICLY POST NOTICES OF ALL OF ITS
43 EMPLOYMENT OPENINGS, INCLUDING THE TITLE AND DESCRIPTION, INSTRUCTIONS FOR
44 APPLYING AND RELEVANT CONTACT INFORMATION.

1 B. The board shall adopt personnel rules. All nonacademic employees
2 of the universities are subject to these rules except for university
3 presidents, university vice-presidents, university deans, legal counsel and
4 administrative officers. The personnel rules shall be similar to the
5 personnel rules under section 41-783. The rules shall include provisions for
6 listing available positions with the department of economic security,
7 competitive employment processes for applicants, probationary status for new
8 nonacademic employees, nonprobationary status on successful completion of
9 probation and due process protections of nonprobationary employees after
10 discharge. The board shall provide notice of proposed rule adoption and an
11 opportunity for public comment on all personnel rules proposed for adoption.

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

16 D. The board shall approve or disapprove any contract or agreement
17 entered into by the university of Arizona hospital with the Arizona health
18 facilities authority.

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

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

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

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

42 Sec. 3. Section 15-1681, Arizona Revised Statutes, is amended to read:

43 15-1681. Definitions

44 In this article, unless the context otherwise requires:

1 1. "Acquire" includes to purchase, lease, lease-purchase, erect,
2 build, construct, reconstruct, raze, remodel, repair, replace, alter, extend,
3 expand, better, equip, furnish, develop, improve and embellish a project, and
4 the acquisition, preparation and development of a site or sites therefor.

5 2. "Board" means the Arizona board of regents or its successor.

6 3. "Bonds" means any bonds issued pursuant to this article.

7 4. "COMPONENT UNIT" MEANS AN ENTITY FOR WHICH THE NATURE AND
8 SIGNIFICANCE OF ITS RELATIONSHIP WITH THE BOARD OR INSTITUTION IS SUCH THAT
9 EXCLUSION WOULD CAUSE THE BOARD'S OR INSTITUTION'S FINANCIAL STATEMENTS TO BE
10 MISLEADING OR INCOMPLETE.

11 ~~4.~~ 5. "Federal agency" means the United States of America, the
12 president of the United States of America, the department of housing and
13 urban development or such other agency or agencies of the United States of
14 America as may be designated or created to make loans or grants, or both.

15 ~~5.~~ 6. "Indirect ~~debt~~ OR THIRD PARTY financing":

16 (a) Means an agreement between the board or an institution and a
17 COMPONENT UNIT OF AN INSTITUTION, A nonprofit organization or A private
18 developer in which the COMPONENT UNIT, organization or developer PAYS FOR,
19 issues bonds FOR or enters into lease or lease-purchase agreements for:

20 (i) Capital projects on the property of an institution. ~~—~~

21 (ii) Capital projects intended to house any institution activities.

22 ~~or~~
23 (iii) Capital projects in which the board or institution guarantees
24 revenues to the COMPONENT UNIT, ORGANIZATION OR developer or debt service
25 payments on behalf of the COMPONENT UNIT, organization or developer.

26 (iv) CAPITAL PROJECTS, WHICH MAY EVENTUALLY BECOME STATE ASSETS.

27 (b) DOES NOT INCLUDE A PROJECT THAT IS INTENDED TO BE COMMERCIAL IN
28 NATURE AND IF THE MAJORITY OF THE PROJECT'S BUSINESS IS ANTICIPATED TO COME
29 FROM THE NONUNIVERSITY POPULATION.

30 ~~6.~~ 7. "Institution" means the university of Arizona, Arizona state
31 university and northern Arizona university or any other college or university
32 under the jurisdiction and control of the board or its successor.

33 ~~7.~~ 8. "Project" means and includes buildings, structures, areas and
34 facilities which, as determined by the board, are required by or necessary
35 for the use or benefit of each of such institutions, including, without
36 limiting the generality of the foregoing, student, faculty or staff housing
37 facilities, residence halls, dormitories and apartments; student union and
38 recreational buildings and stadiums; other facilities for student, faculty or
39 staff services; any facility or building leased to the United States of
40 America; parking garages and areas; offices, classrooms, laboratories, dining
41 halls and food service facilities, libraries, auditoriums, or parts thereof,
42 or additions or extensions thereto; heating, lighting and other utility
43 service facilities in connection therewith, or parts thereof, or additions or
44 extensions thereto; whether heretofore acquired and now or hereafter used for
45 any or all of the purposes aforesaid, or as may be hereafter acquired under

1 this article, with all equipment and appurtenant facilities; or any one, or
2 more than one, or all of the foregoing, or any combination thereof, for any
3 institution, including sites therefor.

4 ~~8-~~ 9. "System of building facilities" means such project or projects
5 as the board by resolution shall collectively designate to be included in a
6 system of building facilities at each institution, either:

7 (a) Hereafter acquired for each of such institutions under the terms
8 of this article.

9 (b) Heretofore acquired for each of such institutions prior to May 17,
10 1974 under the terms of any other law and now located on the campus of each
11 of such institutions, whether unencumbered by or encumbered by a pledge of
12 and lien on the income and revenues derived from the operation thereof for
13 the payment of any bonds theretofore issued by the board for the acquisition
14 thereof.

15 (c) As provided in both subdivisions (a) and (b) OF THIS PARAGRAPH.

16 (d) Any combination of as provided in subdivisions (a), (b) and (c) OF
17 THIS PARAGRAPH.

18 Sec. 4. Section 15-1682, Arizona Revised Statutes, is amended to read:
19 15-1682. Powers

20 The board shall have power for each institution, as defined in this
21 article, to:

22 1. Acquire, if authorized by the legislature, any project or projects,
23 or any combination thereof, and to secure indirect ~~debt~~ OR THIRD PARTY
24 financing for or own, operate and maintain the same and establish, own,
25 operate and maintain a system of building facilities.

26 2. Acquire by purchase, contract, lease-purchase, lease or gift, and
27 hold or dispose of, real or personal property or rights or interest therein.

28 3. Accept grants, subsidies or loans of monies from a federal agency,
29 or others, upon such terms and conditions as may be imposed, and to pledge
30 the proceeds of grants, subsidies or loans of monies received or to be
31 received from the United States of America or any agency or instrumentality
32 thereof, or others, pursuant to agreements entered into between such board
33 and the United States of America, or any agency or instrumentality thereof,
34 or others.

35 4. Borrow monies and issue bonds to acquire any one project, or more
36 than one, or any combination thereof, if authorized by the legislature, and
37 to refund bonds heretofore or hereafter issued to acquire any project or
38 projects, or to refund any such refunding bonds, or for any one, or more than
39 one, or all of such purposes, or any combination thereof, and to provide for
40 the security and payment of such bonds and for the rights of the holders
41 thereof.

42 5. Make contracts and leases and execute all instruments and perform
43 all acts and do all things necessary or convenient to carry out the powers
44 granted in this article.

1 6. Retain in its treasury:

2 (a) All monies received from the sale of all bonds issued under this
3 article.

4 (b) All fees, tuitions, rentals and other charges from students,
5 faculty, staff members and others using or being served by, or having the
6 right to use or the right to be served by, or to operate, any project.

7 (c) All fees for student activities and student services and all other
8 fees, tuitions and charges collected from students matriculated, registered
9 or otherwise enrolled at and attending each institution pledged under the
10 terms of any resolution authorizing bonds pursuant to this article.

11 (d) All rentals from any facility or building leased to the United
12 States of America.

13 Sec. 5. Section 15-1682.02, Arizona Revised Statutes, is amended to
14 read:

15 15-1682.02. Indirect and third party financing; review;
16 reporting

17 A. The board may secure indirect ~~debt~~ OR THIRD PARTY financing for any
18 project if the following conditions are met:

19 1. The term of the indirect ~~debt~~ OR THIRD PARTY financing does not
20 exceed the earlier of forty years or the useful life of the capital
21 improvements.

22 2. The project for which indirect ~~debt~~ OR THIRD PARTY financing is
23 secured is reviewed by the joint committee on capital review. Private
24 entities are not required to divulge proprietary information to the committee
25 for review.

26 B. FOR A PROJECT THAT IS TO BE DEVELOPED ON BOARD OR INSTITUTIONAL
27 LAND, THAT IS INTENDED TO BE COMMERCIAL IN NATURE AND IF THE MAJORITY OF THE
28 PROJECT'S BUSINESS IS ANTICIPATED TO COME FROM THE NONUNIVERSITY POPULATION,
29 THE BOARD OR INSTITUTION SHALL REPORT ON THE SCOPE, PURPOSE AND ESTIMATED
30 COST OF THE PROJECT TO THE JOINT COMMITTEE ON CAPITAL REVIEW AT LEAST TWO
31 MONTHS BEFORE THE ANTICIPATED EXECUTION OF AN AGREEMENT. A PRIVATE ENTITY IS
32 NOT REQUIRED TO DIVULGE PROPRIETARY INFORMATION TO THE JOINT COMMITTEE ON
33 CAPITAL REVIEW. THE JOINT COMMITTEE ON CAPITAL REVIEW MAY PROVIDE
34 RECOMMENDATIONS TO THE BOARD OR A UNIVERSITY ON THE REPORTED PROJECT.

35 Sec. 6. Section 15-1725, Arizona Revised Statutes, is amended to read:

36 15-1725. Medical student loan fund

37 A. The medical student loan fund is established. All monies
38 appropriated to carry out ~~the provisions of~~ sections 15-1723 and 15-1724
39 shall be deposited in the fund, and all payments of principal and interest
40 received by the board shall be deposited, pursuant to sections 35-146 and
41 35-147, in the fund. Monies in the fund are ~~subject to legislative~~
42 ~~appropriation~~ CONTINUOUSLY APPROPRIATED FOR USE BY THE BOARD.

43 B. Monies in the medical student loan fund are exempt from the
44 provisions of section 35-190 relating to lapsing of appropriations.

1 Sec. 7. Title 15, chapter 13, Arizona Revised Statutes, is amended by
2 adding article 11, to read:

3 ARTICLE 11. MATHEMATICS, SCIENCE AND SPECIAL EDUCATION
4 TEACHER STUDENT LOAN PROGRAM

5 15-1781. Definition of board

6 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES, "BOARD" MEANS
7 THE ARIZONA BOARD OF REGENTS.

8 15-1782. Mathematics, science and special education teacher
9 student loans; requirements; report

10 A. BEGINNING WITH THE SPRING SEMESTER OF SCHOOL YEAR 2007-2008, THE
11 BOARD MAY GRANT LOANS FROM THE MATHEMATICS, SCIENCE AND SPECIAL EDUCATION
12 TEACHER STUDENT LOAN FUND ESTABLISHED BY SECTION 15-1784 TO DEFRAY IN-STATE
13 TUITION, INSTRUCTIONAL MATERIALS AND MANDATORY FEES OF THE EDUCATION OF
14 STUDENTS WHO ARE PURSUING A TEACHING DEGREE AT A UNIVERSITY UNDER THE
15 JURISDICTION OF THE BOARD AND WHO ARE DEEMED QUALIFIED BY THE BOARD TO
16 RECEIVE THESE LOANS. LOANS SHALL BE GRANTED ON SUCH TERMS AND CONDITIONS AS
17 MAY BE IMPOSED BY THE BOARD AND SHALL BE DISTRIBUTED ON A FIRST COME, FIRST
18 SERVED BASIS.

19 B. THE BOARD SHALL GRANT LOANS TO QUALIFIED APPLICANTS WHO ARE
20 CLASSIFIED AS IN-STATE STUDENTS FOR TUITION PURPOSES PURSUANT TO SECTION
21 15-1802 AND AGREE TO PROVIDE INSTRUCTION IN THE AREAS OF MATHEMATICS, SCIENCE
22 OR SPECIAL EDUCATION IN A PUBLIC SCHOOL IN THIS STATE.

23 C. THE LOANS GRANTED BY THE BOARD SHALL BE SUFFICIENT TO FULLY COVER
24 THE COSTS OF RESIDENT TUITION AND MANDATORY FEES FOR EACH LOAN RECIPIENT AND
25 MAY ALSO DEFRAY THE COST OF INSTRUCTIONAL MATERIALS. IF AN APPLICANT
26 QUALIFIES FOR FEDERAL FINANCIAL AID AND RECEIVES FEDERAL GRANT AID, THE LOAN
27 AMOUNT SHALL BE LIMITED TO THE AMOUNT OF TUITION AND MANDATORY FEES NOT
28 COVERED BY THE FEDERAL GRANT AID AND MAY INCLUDE A STIPEND FOR INSTRUCTIONAL
29 MATERIALS.

30 D. THE BOARD SHALL ADOPT POLICIES FOR SCREENING QUALIFIED APPLICANTS
31 BASED ON ABILITY, CHARACTER AND FINANCIAL NEED.

32 E. THE BOARD SHALL GRANT LOANS ON THE TERMS AND CONDITIONS THE BOARD
33 IMPOSES. THE BOARD SHALL ESTABLISH PROCEDURES FOR THE TIMELY REPAYMENT OF
34 LOANS PLUS INTEREST AT A RATE DETERMINED BY THE BOARD. THE BOARD IS
35 RESPONSIBLE FOR THE COLLECTION OF LOANS THAT ARE IN DEFAULT.

36 F. THE BOARD MAY DELEGATE AUTHORITY TO ADMINISTER THE LOANS PURSUANT
37 TO THIS ARTICLE TO AN INSTITUTION UNDER THE JURISDICTION OF THE BOARD. IF THE
38 BOARD DELEGATES AUTHORITY, STUDENTS PURSUING A TEACHING DEGREE AT EACH
39 INSTITUTION UNDER THE JURISDICTION OF THE BOARD SHALL BE EQUALLY ELIGIBLE TO
40 PARTICIPATE. THE BOARD SHALL RETAIN RESPONSIBILITY OF MAKING INITIAL PUBLIC
41 NOTICE OF THE AVAILABILITY OF THE LOANS AND COLLECT THE APPLICATION FORMS
42 DIRECTLY FROM EACH QUALIFIED APPLICANT. THE BOARD SHALL FORWARD THE
43 APPLICATIONS TO THE INSTITUTION SELECTED TO ADMINISTER THE LOANS.

44 G. ON OR BEFORE DECEMBER 1 OF EACH YEAR, THE ARIZONA BOARD OF REGENTS
45 SHALL SUBMIT AN APPROVED REPORT TO THE GOVERNOR, THE SPEAKER OF THE HOUSE OF

1 REPRESENTATIVES AND THE PRESIDENT OF THE SENATE. THE BOARD SHALL PROVIDE A
2 COPY OF THIS REPORT TO THE SECRETARY OF STATE AND THE DIRECTOR OF THE ARIZONA
3 STATE LIBRARY, ARCHIVES AND PUBLIC RECORDS. THE REPORT SHALL INCLUDE THE
4 NUMBER OF APPLICANTS, THE NUMBER OF LOAN RECIPIENTS AND THE UNIVERSITY THE
5 LOAN RECIPIENT ATTENDS AND TEACHER RETENTION DATA. THE BOARD SHALL COLLECT
6 AND MAINTAIN DATA ON THE RETENTION OF MATHEMATICS, SCIENCE AND SPECIAL
7 EDUCATION TEACHERS WHO RECEIVED LOANS PURSUANT TO THIS ARTICLE. THE BOARD
8 SHALL COLLECT THIS DATA FOR AT LEAST FIVE YEARS AFTER EACH LOAN RECIPIENT
9 COMPLETES THE RECIPIENT'S SERVICE COMMITMENT.

10 15-1783. Mathematics, science and special education teacher
11 student loans; interest; obligations; repayment;
12 authority of attorney general

13 A. EACH APPLICANT WHO IS APPROVED FOR A LOAN BY THE BOARD MAY BE
14 GRANTED A LOAN FOR A PERIOD OF UP TO FIVE YEARS.

15 B. THE BOARD SHALL, ON BEHALF OF THIS STATE, ENTER INTO A WRITTEN
16 CONTRACT WITH THE STUDENT. THE CONTRACT SHALL SET FORTH THE METHODS AND TERMS
17 OF REPAYMENT BY THE LOAN RECIPIENT TO THIS STATE AND SHALL BE ON TERMS AND
18 CONDITIONS AND IN A FORM PROVIDED BY THE BOARD. THE CONTRACT SHALL PROVIDE
19 FOR THE FOLLOWING:

20 1. THE LOAN RECIPIENT SHALL BEGIN THE SERVICE COMMITMENT PROVIDING
21 INSTRUCTION IN THE AREAS OF MATHEMATICS, SCIENCE OR SPECIAL EDUCATION IN A
22 PUBLIC SCHOOL IN THIS STATE WITHIN ONE CALENDAR YEAR AFTER ATTAINING A
23 BACHELOR'S DEGREE AT AN ACCREDITED UNIVERSITY IN THIS STATE. THE SERVICE
24 COMMITMENT SHALL BE FULL TIME AS DETERMINED BY THE BOARD AND REQUIRES ONE
25 YEAR OF SERVICE FOR EACH YEAR OF LOAN SUPPORT PLUS ONE ADDITIONAL YEAR OF
26 SERVICE.

27 2. IF THE LOAN RECIPIENT ENGAGES IN POSTGRADUATE STUDIES WITHOUT A
28 LAPSE OF MORE THAN ONE CALENDAR YEAR FOLLOWING THE COMPLETION OF THE LOAN
29 RECIPIENT'S BACHELOR'S DEGREE AT AN ACCREDITED UNIVERSITY IN THIS STATE, THE
30 LOAN RECIPIENT SHALL BEGIN THE SERVICE COMMITMENT REQUIRED UNDER PARAGRAPH 1
31 WITHIN ONE CALENDAR YEAR AFTER COMPLETING POSTGRADUATE STUDIES.

32 3. IF THE LOAN RECIPIENT IS INDUCTED INTO MILITARY SERVICE, OR FOR ANY
33 OTHER CAUSE BEYOND THE LOAN RECIPIENT'S CONTROL DEEMED SUFFICIENT BY THE
34 BOARD IS UNABLE TO BEGIN THE SERVICE COMMITMENT REQUIRED UNDER PARAGRAPH 1
35 WITHIN ONE CALENDAR YEAR AFTER COMPLETING A BACHELOR'S DEGREE AND ANY
36 GRADUATE STUDIES, THE LOAN RECIPIENT SHALL BEGIN THE SERVICE COMMITMENT
37 REQUIRED UNDER PARAGRAPH 1 WITHIN ONE CALENDAR YEAR AFTER COMPLETING THE
38 REQUIRED MILITARY SERVICE OR THE TERMINATION OF ANY OTHER CAUSE.

39 4. IF THE LOAN RECIPIENT FULFILLS THE SERVICE COMMITMENT REQUIRED
40 UNDER PARAGRAPH 1 IN A PUBLIC SCHOOL IN THIS STATE OR WHILE COMPLETING
41 MILITARY SERVICE RESULTING FROM INDUCTION, THE LOAN RECIPIENT'S INDEBTEDNESS
42 TO THIS STATE MAY BE DISCHARGED IN ONE OF THE FOLLOWING WAYS:

43 (a) ONE YEAR OF FULL-TIME SERVICE REQUIRED UNDER PARAGRAPH 1 FOR EACH
44 YEAR OF LOAN SUPPORT PLUS ONE ADDITIONAL YEAR OF SERVICE.

1 (b) REPAYMENT TO THIS STATE OF THE TOTAL LOAN AMOUNT FOR EACH YEAR OF
2 SUPPORT WITH INTEREST AT THE RATE PRESCRIBED IN SUBSECTION C.

3 5. IF THE LOAN RECIPIENT FAILS TO COMPLETE THE REQUIRED COURSE OF
4 STUDY, IF THE COURSE OF STUDY IS INTERRUPTED BY ONE ACADEMIC YEAR OR MORE FOR
5 A CAUSE OR CAUSES NOT RESULTING FROM INDUCTION INTO MILITARY SERVICE OR ANY
6 OTHER CAUSE BEYOND THE LOAN RECIPIENT'S CONTROL DEEMED SUFFICIENT BY THE
7 BOARD OR IF THE LOAN RECIPIENT FAILS TO FULLY DISCHARGE THE SERVICE
8 COMMITMENT REQUIRED UNDER PARAGRAPH 1, EXCEPT FOR DELAYS RESULTING FROM AN
9 EXCUSABLE CAUSE AS PRESCRIBED IN THIS SECTION, THE AMOUNT OF THE LOAN NOT
10 REPAYED OR FULLY DISCHARGED SHALL BE DUE AND PAYABLE WITH INTEREST AT THE RATE
11 PRESCRIBED IN SUBSECTION C. THE BOARD MAY EXTEND THE TIME OF PAYMENT OVER A
12 PERIOD NOT EXCEEDING FIFTEEN YEARS AND SHALL NOT REQUIRE PAYMENT OF INTEREST
13 DURING THE EXISTENCE OF ANY EXCUSABLE CAUSE AS PRESCRIBED IN THIS SECTION.

14 6. IF THE LOAN RECIPIENT DOES NOT BEGIN THE SERVICE COMMITMENT
15 REQUIRED UNDER PARAGRAPH 1 WITHIN THE TIME PRESCRIBED IN THIS SECTION BUT
16 PAID AN AGREED PART OF THE LOAN, THE BOARD MAY ALLOW THE LOAN RECIPIENT TO
17 DISCHARGE THE BALANCE OF THE OBLIGATION BY SUBSEQUENT TEACHING IN THIS STATE.

18 7. IF THE LOAN RECIPIENT DIES DURING THE PERIOD OF THE LOAN
19 RECIPIENT'S EDUCATION OR PRACTICE AS A TEACHER, THE LOAN RECIPIENT'S
20 OBLIGATION TO THIS STATE UNDER THIS ARTICLE CEASES.

21 C. THE LOAN RECIPIENT SHALL REPAY THE FULL AMOUNT BORROWED AT AN
22 INTEREST RATE OF AT LEAST SEVEN PER CENT.

23 D. ON RECEIPT OF SUPPORTING DOCUMENTATION, THE BOARD FOR GOOD CAUSE
24 SHOWN MAY DEFER THE LOAN RECIPIENT'S SERVICE COMMITMENT OR REPAYMENT
25 OBLIGATION OR MAY ENTER INTO REPAYMENT ARRANGEMENTS WITH THE LOAN RECIPIENT
26 OR ALLOW SERVICE THAT IS EQUIVALENT TO FULL-TIME SERVICE IF THE BOARD
27 DETERMINES THAT THIS ACTION IS JUSTIFIED AFTER A REVIEW OF THE INDIVIDUAL'S
28 CIRCUMSTANCES. AT THE DISCRETION OF THE BOARD, THE BOARD MAY ALLOW SERVICE
29 BY TEACHING IN ANOTHER AREA OF RECOGNIZED NEED IN THIS STATE THAT IS NOT
30 SPECIFIED IN THE STUDENT'S CONTRACT, BUT ONLY FOLLOWING PRIOR WRITTEN
31 APPROVAL BY THE BOARD.

32 E. THE ATTORNEY GENERAL MAY COMMENCE WHATEVER ACTIONS ARE NECESSARY TO
33 ENFORCE THE CONTRACT AND ACHIEVE REPAYMENT OF LOANS PROVIDED BY THE BOARD
34 PURSUANT TO THIS ARTICLE.

35 15-1784. Mathematics, science and special education teacher
36 student loan fund

37 A. THE MATHEMATICS, SCIENCE AND SPECIAL EDUCATION TEACHER STUDENT LOAN
38 FUND IS ESTABLISHED. ALL MONIES APPROPRIATED TO CARRY OUT THE PURPOSES OF
39 SECTIONS 15-1782 AND 15-1783 SHALL BE DEPOSITED IN THE FUND, AND ALL PAYMENTS
40 OF PRINCIPAL AND INTEREST THAT ARE RECEIVED BY THE BOARD SHALL BE DEPOSITED,
41 PURSUANT TO SECTIONS 35-146 AND 35-147, IN THE FUND.

42 B. MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED FOR USE BY THE
43 BOARD.

1 C. ON NOTICE FROM THE BOARD, THE STATE TREASURER SHALL INVEST AND
2 DIVEST MONIES IN THE FUND AS PROVIDED BY SECTION 35-313, AND MONIES EARNED
3 FROM INVESTMENT SHALL BE CREDITED TO THE FUND.

4 15-1785. Program termination

5 THE PROGRAM ESTABLISHED BY THIS ARTICLE ENDS ON JULY 1, 2017 PURSUANT
6 TO SECTION 41-3102.

7 Sec. 8. Section 15-1821.01, Arizona Revised Statutes, is amended to
8 read:

9 15-1821.01. Dual enrollment information

10 On a determination by a community college district governing board that
11 it is in the best interest of the citizens of a district, the district
12 governing board may authorize district community colleges to offer college
13 courses that may be counted toward both high school and college graduation
14 requirements at the high school during the school day subject to the
15 following:

16 1. The community college district governing board and the governing
17 board of the school district or organization of which the high school is a
18 part shall enter into an agreement or contract that, at a minimum, shall
19 address the responsibility of the community college and of the high school
20 for payment for facilities, personnel and other costs, and the manner in
21 which the college tuition is to be paid by or on behalf of each student shall
22 be clearly stated.

23 2. Students shall be admitted to the community college under the
24 policies adopted by each district, subject to the following:

25 (a) All students enrolled for college credit shall be high school
26 juniors or seniors. All students in the course, including those not electing
27 to enroll for college credit, shall satisfy the prerequisites for the course
28 as published in the college catalog and shall comply with college policies
29 regarding student placement in courses.

30 (b) A community college may waive the class status requirements
31 specified in subdivision (a) of this paragraph for up to twenty-five per cent
32 of the students enrolled by a college in courses provided that the community
33 college has an established written criteria for waiving the requirements for
34 each course. These criteria shall include a demonstration, by an examination
35 of the specific purposes and requirements of the course, that freshman and
36 sophomore students who meet course prerequisites are prepared to benefit from
37 the college level course. All exceptions and the justification for the
38 exceptions shall be reported as provided in paragraph 6 of this section.

39 3. The courses shall be previously evaluated and approved through the
40 curriculum approval process of the district, shall be at a higher level than
41 taught by the high school and shall be transferable to a university under the
42 jurisdiction of the Arizona board of regents or be applicable to an
43 established community college occupational degree or certificate program.
44 Physical education courses shall not be available for dual enrollment
45 purposes.

1 4. College approved textbooks, syllabuses, course outlines and grading
2 standards that are applicable to the courses if taught at the community
3 college shall apply to these courses and to all students in the courses
4 offered pursuant to this section. The chief executive officer of each
5 community college shall establish an advisory committee of full-time faculty
6 who teach in the disciplines offered at the community college to assist in
7 course selection and implementation in the high schools and to review and
8 report at least annually to the chief executive officer whether the course
9 goals and standards are understood, the course guidelines are followed and
10 the same standards of expectation and assessment are applied to these courses
11 as though they were being offered at the community college. The advisory
12 committee of full-time faculty shall meet at least three times each academic
13 year.

14 5. Each faculty member shall meet the requirements established by the
15 governing board pursuant to section 15-1444. The chief executive officer of
16 each community college district shall establish an advisory committee of
17 full-time faculty who teach in the disciplines offered at the community
18 college district to assist in the selection, orientation, ongoing
19 professional development and evaluation of faculty teaching college courses
20 in conjunction with the high schools. The advisory committee of full-time
21 faculty shall meet at least two times each academic year.

22 6. Each community college district, on or before September 1, shall
23 annually provide a report to the joint legislative budget committee on the
24 courses offered in conjunction with high schools during the previous fiscal
25 year. In the case of a multicollege district, the multicollege district
26 shall provide a separate report for each college. This report shall include
27 the following:

28 (a) Documentation of compliance with the requirements identified in
29 paragraphs 3, 4 and 5 of this section.

30 (b) The number of students in each course who did not meet the
31 criteria prescribed in paragraph 2 of this section.

32 (c) The total enrollments listed by location, by high school grade
33 level, by course and by whether the program was academic or occupational.

34 (d) Summary data on the performance of students enrolled for college
35 credit in courses offered in conjunction with high schools, including
36 completion rates and grade distribution.

37 (e) A copy of each agreement or contract executed pursuant to
38 paragraph 1 of this section.

39 7. Each community college district shall conduct tracking studies of
40 subsequent academic or occupational achievement of students enrolled in
41 courses offered pursuant to this section. The ~~report~~ **REPORTS** of the results
42 of the ~~first tracking study shall be submitted to the joint legislative~~
43 ~~budget committee on or before September 1, 2003 and subsequent reports~~
44 **STUDIES** shall be submitted to the joint legislative budget committee on or

1 before September 1 of each odd-numbered year ~~thereafter~~, subject to the
2 following:

3 (a) The tracking studies prescribed in this paragraph may involve
4 statistically valid sampling techniques and shall include, at a minimum, the
5 high school graduation rate, the number of students continuing their studies
6 after graduation at a community college in this state or a university under
7 the jurisdiction of the Arizona board of regents, the performance of the
8 students in subsequent college courses in the same discipline or occupational
9 field and the student's grade point average after one year at an Arizona
10 community college or university as compared to the student's college grade
11 point average for courses completed while still in high school.

12 (b) On receipt of the report of the tracking studies prescribed in
13 this paragraph, the joint legislative budget committee ~~shall~~ MAY convene an
14 ad hoc committee that includes community college academic officers, faculty
15 and other experts in the field to review the manner in which these courses
16 are provided. This committee may make recommendations to the joint
17 legislative budget committee regarding desirable changes in this section or
18 in the manner in which this section is being implemented. A copy of this
19 report shall be provided to each district governing board.

20 8. A school district shall ensure that a pupil is a full-time student
21 as defined in section 15-901 and is enrolled in and attending a full-time
22 instructional program at a school in the school district before that pupil is
23 allowed to enroll in a college course pursuant to this section, except that
24 high school seniors who satisfy high school graduation requirements with less
25 than a full-time instructional program shall be exempt from this paragraph.

26 Sec. 9. Section 15-1854, Arizona Revised Statutes, is amended to read:

27 15-1854. Private postsecondary education student financial
28 assistance program; private postsecondary education
29 student financial assistance fund; definition

30 A. A private postsecondary education student financial assistance
31 program is established. The commission shall develop, implement and
32 administer the program. A student who obtains an associate degree from a
33 community college district or from a community college under the jurisdiction
34 of an Indian tribe in this state that meets the same accreditation standards
35 as a community college district and who registers for enrollment as a
36 full-time student in a baccalaureate program at a private, nationally or
37 regionally accredited four year degree granting college or university
38 chartered in this state is eligible to submit an application to the
39 commission for participation in the program. The commission shall establish
40 eligibility criteria for the program including financial need and academic
41 merit, shall develop application forms, procedures and deadlines and shall
42 select qualifying students each year for participation in the program.
43 Participating students shall receive an award in an amount of up to ~~one~~ TWO
44 thousand ~~five hundred~~ dollars annually for not to exceed two years and ~~three~~

1 FOUR thousand dollars to be used to pay all or a portion of the tuition and
2 fees charged at the private, accredited four year college or university.

3 B. A private postsecondary education student financial assistance fund
4 is established consisting of legislative appropriations. The commission
5 shall administer the fund. Monies in the fund are exempt from the provisions
6 of section 35-190, relating to lapsing of appropriations. The commission
7 shall make awards for payment of tuition at eligible colleges or universities
8 to students who are selected to participate in the private postsecondary
9 education student financial assistance program pursuant to subsection A OF
10 THIS SECTION.

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

16 D. A student who fails to receive a baccalaureate degree within a
17 three year period of receipt of the program award shall reimburse the private
18 postsecondary education student financial assistance fund for all awards
19 received pursuant to subsection A OF THIS SECTION.

20 E. For the purposes of this section, "community college district"
21 means a community college district THAT IS established pursuant to sections
22 15-1402 and 15-1403 AND that is a political subdivision of this state.

23 Sec. 10. Arizona board of regents; downtown Phoenix campus plan
24 review

25 On or before October 1, 2007, the Arizona board of regents shall submit
26 for review to the joint legislative budget committee its operational and
27 capital plans for the Arizona state university downtown Phoenix campus.
28 These plans shall include at least the following:

29 1. Detail on expenditures to date by the Arizona board of regents, its
30 institutions and its partners.

31 2. Detailed five-year operational and capital budgets, including
32 information on the expected sources of all monies.

33 3. A five-year description of enrollment, capacity growth and
34 graduation expectations by subject area.

35 4. The contributions and financing arrangements of all partners
36 contributing to the capital plan, as well as the legal and financial
37 relationships of the Arizona board of regents and its institutions to these
38 partners.

39 Sec. 11. Retroactivity

40 Section 15-1601, Arizona Revised Statutes, as amended by this act,
41 applies retroactively to from and after June 30, 2007.