

State of Arizona
House of Representatives
Forty-eighth Legislature
Second Regular Session
2008

HOUSE BILL 2260

AN ACT

AMENDING SECTION 15-1626, ARIZONA REVISED STATUTES; RELATING TO STUDENT FUNDING FOR UNIVERSITIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 15-1626, Arizona Revised Statutes, is amended to
3 read:
4 15-1626. General administrative powers and duties of board
5 A. The board shall:
6 1. Have and exercise the powers necessary for the effective governance
7 and administration of the institutions under its control. To that end, the
8 board may adopt, and authorize each university to adopt, such regulations,
9 policies, rules or measures as are deemed necessary and may delegate in
10 writing to its committees, to its university presidents, or their designees,
11 or to other entities under its control, any part of its authority for the
12 administration and governance of such institutions, including those powers
13 enumerated in section 15-1625, subsection B, paragraphs 2 and 4, paragraphs
14 3, 4, 8, 9, 11 and 12 of this subsection and subsection B of this
15 section. Any delegation of authority may be rescinded by the board at any
16 time in whole or in part.
17 2. Appoint and employ and determine the compensation of presidents
18 with such power and authority and for such purposes in connection with the
19 operation of the institutions as the board deems necessary.
20 3. Appoint and employ and determine the compensation of
21 vice-presidents, deans, professors, instructors, lecturers, fellows and such
22 other officers and employees with such power and authority and for such
23 purposes in connection with the operation of the institutions as the board
24 deems necessary, or delegate its authority pursuant to paragraph 1 of this
25 subsection.
26 4. Remove any officer or employee when the interests of education in
27 this state so require in accordance with its personnel rules and policies.
28 5. Fix tuitions and fees to be charged and differentiate the tuitions
29 and fees between institutions and between residents, nonresidents,
30 undergraduate students, graduate students, students from foreign countries
31 and students who have earned credit hours in excess of the credit hour
32 threshold. For the purposes of this paragraph, the undergraduate credit hour
33 threshold is one hundred fifty-five hours for students who attend a
34 university under the jurisdiction of the board in fiscal year 2006-2007, one
35 hundred fifty hours for students who attend a university under the
36 jurisdiction of the board in fiscal year 2007-2008 and one hundred forty-five
37 hours for students who attend a university under the jurisdiction of the
38 board after fiscal year 2007-2008. The undergraduate credit hour threshold
39 shall be based on the actual full-time equivalent student enrollment counted
40 on the twenty-first day after classes begin for the fall semester of 2005 and
41 every fall semester thereafter and any budget adjustment based on student
42 enrollment shall occur in the fiscal year following the actual full-time
43 equivalent student enrollment count. The undergraduate credit hour threshold
44 shall not apply to degree programs that require credit hours above the credit
45 hour threshold, credits earned in the pursuit of up to two baccalaureate

1 degrees, credits earned in the pursuit of up to two state regulated
2 licensures or certificates, credits earned in the pursuit of teaching
3 certification, credits transferred from a private institution of higher
4 education, credits transferred from an institution of higher education in
5 another state, credits earned at another institution of higher education but
6 that are not accepted as transfer credits at the university where the student
7 is currently enrolled and credits earned by students who enroll at a
8 university under the jurisdiction of the board more than twenty-four months
9 after the end of that student's previous enrollment at a public institution
10 of higher education in this state. On or before October 15 of each year, the
11 board shall report to the joint legislative budget committee the number of
12 students who were enrolled at universities under the jurisdiction of the
13 board during the previous fiscal year who met or exceeded the undergraduate
14 credit hour threshold prescribed in this paragraph. The amount of tuition,
15 registration fees and other revenues included in the operating budget for the
16 university adopted by the board as prescribed in paragraph 13 of this
17 subsection shall be deposited, pursuant to sections 35-146 and 35-147. All
18 other tuition and fee revenue shall be retained by each university for
19 expenditure as approved by the board, except that the universities shall not
20 use any tuition or fee revenue to fund or support an alumni association.

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

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

26 (b) Publication of the notice of public hearing at least ten days
27 ~~prior to~~ BEFORE the hearing in a newspaper of general circulation in Maricopa
28 county, Coconino county and Pima county. The notice shall include the date,
29 time and location of the public hearing.

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

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

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

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

1 8. Establish curriculums and designate courses at the several
2 institutions which in its judgment will best serve the interests of this
3 state.

4 9. Award such degrees and diplomas ~~upon~~ ON the completion of such
5 courses and curriculum requirements as it deems appropriate.

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

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

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

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

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

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

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

44 17. Beginning July 1, 2007, acquire United States flags for each
45 classroom that are manufactured in the United States and that are at least

1 two feet by three feet and hardware to appropriately display the United
2 States flags, acquire a legible copy of the Constitution of the United States
3 and the Bill of Rights, display the flags in each classroom in accordance
4 with title 4 of the United States Code and display a legible copy of the
5 Constitution of the United States and the bill of rights adjacent to the
6 flag.

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

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

14 (i) The transfer of student records.

15 (ii) Awarding credit for completed course work.

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

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

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

24 B. The board shall adopt personnel rules. All nonacademic employees
25 of the universities are subject to these rules except for university
26 presidents, university vice-presidents, university deans, legal counsel and
27 administrative officers. The personnel rules shall be similar to the
28 personnel rules under section 41-783. The rules shall include provisions for
29 listing available positions with the department of economic security,
30 competitive employment processes for applicants, probationary status for new
31 nonacademic employees, nonprobationary status on successful completion of
32 probation and due process protections of nonprobationary employees after
33 discharge. The board shall provide notice of proposed rule adoption and an
34 opportunity for public comment on all personnel rules proposed for adoption.

35 C. The board may employ legal assistance in procuring loans for the
36 institutions from the United States government. Fees or compensation paid
37 for such legal assistance shall not be a claim ~~upon~~ ON the general fund of
38 this state but shall be paid from funds of the institutions.

39 D. The board shall approve or disapprove any contract or agreement
40 entered into by the university of Arizona hospital with the Arizona health
41 facilities authority.

42 E. The board may adopt policies which authorize the institutions under
43 its jurisdiction to enter into employment contracts with nontenured employees
44 for periods of more than one year but not more than five years. The policies
45 shall prescribe limitations on the authority of the institutions to enter

1 into employment contracts for periods of more than one year but not more than
2 five years, including the requirement that the board approve the contracts.

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

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

16 H. NO LATER THAN SEPTEMBER 1, 2008, THE ARIZONA BOARD OF REGENTS SHALL
17 CONDUCT OR CONTRACT WITH ANOTHER ENTITY TO CONDUCT A FINANCIAL ANALYSIS OF
18 EACH UNIVERSITY UNDER ITS JURISDICTION TO DETERMINE THE AMOUNT OF STATE
19 FUNDING PROVIDED TO EACH UNIVERSITY PER FULL-TIME EQUIVALENT STUDENT. IF THE
20 FINANCIAL ANALYSIS PRESCRIBED IN THIS SUBSECTION IS CONDUCTED BY THE BOARD,
21 THE ANALYSIS SHALL BE REVIEWED AND ANALYZED BY AN INDEPENDENT ACCOUNTING FIRM
22 OR BY THE AUDITOR GENERAL. THE HIGHEST LEVEL OF STATE FUNDING PER FULL-TIME
23 EQUIVALENT STUDENT DETERMINED IN THE FINANCIAL ANALYSIS SHALL BE CLASSIFIED
24 AS THE CORE SUPPORT LEVEL AND THE BOARD SHALL REPORT THIS AMOUNT TO THE JOINT
25 LEGISLATIVE BUDGET COMMITTEE. BEGINNING IN FISCAL YEAR 2009-2010, EACH
26 UNIVERSITY THAT RECEIVES STATE FUNDING PER FULL-TIME EQUIVALENT STUDENT IN AN
27 AMOUNT THAT IS LESS THAN THE CORE SUPPORT LEVEL SHALL SUBMIT A FIVE-YEAR
28 EQUALIZATION PLAN TO THE BOARD. EQUALIZATION PLANS SUBMITTED PURSUANT TO
29 THIS SUBSECTION SHALL DEMONSTRATE THE AMOUNT OF STATE FUNDING THAT WOULD NEED
30 TO BE INCREMENTALLY APPROPRIATED EACH FISCAL YEAR TO EQUALIZE WITHIN FIVE
31 YEARS THE STATE FUNDING PER FULL-TIME EQUIVALENT STUDENT FOR THAT UNIVERSITY
32 WITH THE CORE SUPPORT LEVEL. BEGINNING IN FISCAL YEAR 2009-2010, EACH
33 UNIVERSITY THAT SUBMITS AN EQUALIZATION PLAN TO THE BOARD SHALL SUBMIT TO THE
34 BOARD A BUDGET REQUEST FOR EQUALIZATION ASSISTANCE FOR THAT FISCAL YEAR. THE
35 BOARD SHALL REQUEST A SEPARATE LINE ITEM APPROPRIATION FOR EQUALIZATION
36 ASSISTANCE FOR EACH AFFECTED UNIVERSITY UNDER ITS JURISDICTION IN THE BUDGET
37 ESTIMATE SUBMITTED PURSUANT TO SECTION 35-113. THE BOARD SHALL RECOMPUTE THE
38 CORE SUPPORT LEVEL ON OR BEFORE AUGUST 1 OF EACH FISCAL YEAR AND SHALL
39 REQUIRE UNIVERSITIES TO SUBMIT ANY CORRESPONDING ADJUSTMENTS TO EXISTING
40 EQUALIZATION PLANS BEFORE AUGUST 15 OF EACH YEAR.

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