

PROPOSED AMENDMENT
SENATE AMENDMENTS TO S.B. 1029
(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 15-1427, Arizona Revised Statutes, is amended to
3 read:

4 15-1427. Annual report

5 A. By November 1 of each year, each community college district shall
6 make a report for the preceding fiscal year to the governor, the president of
7 the senate, the speaker of the house of representatives and the joint
8 legislative budget committee and shall provide a copy of this report to the
9 secretary of state and the director of the Arizona state library, archives
10 and public records.

11 B. The report shall contain the following information **REGARDING THE**
12 **OPERATION OF THE DISTRICT:**

13 1. The state of progress of the community colleges operated under this
14 chapter.

15 2. The courses of study included in the curriculums.

16 3. The number of professors and other instructional staff members
17 employed.

18 4. The number of students registered and attending classes.

19 5. The number of full-time equivalent students enrolled during the
20 year.

21 6. The total number of students not residing in the district.

22 7. The amount of receipts and expenditures.

23 ~~8. The number, short title and description of all credit courses and~~
24 ~~noncredit courses offered.~~

25 ~~9. The enrollment for each credit and noncredit course for each of the~~
26 ~~three previous years.~~

27 ~~10. For credit courses, the full-time enrollment student equivalent for~~
28 ~~each course for each of the three previous years.~~

29 ~~11. The tuition for each credit and noncredit course.~~

~~12. The fees for each credit and noncredit course.~~

~~13. The number of credits offered for each course.~~

~~14. The percentage of students achieving the credits for the course.~~

~~15. Any new courses not offered in the previous year.~~

~~16. Any new courses not offered for credit in each of the previous three years.~~

~~17. For credit courses, the provisions of section 15-1410, subsection A, paragraph 1 used to determine if the course is offered for credit.~~

8. A GENERAL DESCRIPTION OF TUITION AND FEES CHARGED FOR CREDIT COURSES.

9. A GENERAL DESCRIPTION OF TUITION AND FEES CHARGED FOR NONCREDIT COURSES.

~~18.~~ 10. Such other information as the governor and the joint legislative budget committee deem proper.

C. THE REPORT SHALL CONTAIN THE FOLLOWING INFORMATION REGARDING DUAL ENROLLMENT PROGRAMS OPERATED PURSUANT TO SECTION 15-1821.01:

1. DOCUMENTATION OF COMPLIANCE WITH THE REQUIREMENTS PRESCRIBED IN SECTION 15-1821.01, PARAGRAPHS 3, 4 AND 5, INCLUDING A LIST OF THE MEMBERS OF THE FACULTY ADVISORY COMMITTEES OF EACH COMMUNITY COLLEGE.

2. TOTAL ENROLLMENTS LISTED BY LOCATION, BY HIGH SCHOOL GRADE LEVEL AND BY COURSE.

3. SUMMARY DATA ON THE PERFORMANCE OF STUDENTS ENROLLED FOR COLLEGE CREDIT IN COURSES OFFERED IN CONJUNCTION WITH HIGH SCHOOLS, INCLUDING COMPLETION RATES AND GRADE DISTRIBUTION.

4. A COPY OF EACH ADDENDUM TO INTERGOVERNMENTAL AGREEMENTS OR CONTRACTS EXECUTED PURSUANT TO SECTION 15-1821.01, PARAGRAPH 1.

5. SUMMARY DATA BY COMMUNITY COLLEGE DISTRICT AND BY INDIVIDUAL COMMUNITY COLLEGES ON THE NUMBER OF SCHOLARSHIPS OR GRANTS AWARDED TO STUDENTS.

6. ITEMIZED ACTUAL PROGRAM COSTS FOR EACH OF THE FOLLOWING:

(a) CURRICULUM DEVELOPMENT AND APPROVAL.

(b) TEXTBOOK COSTS.

(c) FACILITY AND EQUIPMENT COSTS.

(d) COUNSELING AND TUTORING COSTS.

(e) TEACHER TRAINING AND OBSERVATION COSTS.

1 7. SUCH OTHER INFORMATION AS THE GOVERNOR AND THE JOINT LEGISLATIVE
2 BUDGET COMMITTEE DEEM PROPER.

3 Sec. 2. Repeal

4 Section 15-1447, Arizona Revised Statutes, is repealed.

5 Sec. 3. Section 15-1461, Arizona Revised Statutes, is amended to read:

6 15-1461. District budget; annual estimate; computation; notice;
7 hearing; adoption

8 A. Not later than June 5, each district established pursuant to this
9 chapter, and any other community college established prior to the enactment
10 of this chapter, shall prepare a proposed budget for the budget year on a
11 form which the auditor general prescribes to be transmitted to the district
12 board. The proposed budget shall be accompanied by an estimate of the amount
13 of funds needed for the ensuing year as determined by the district based on
14 the proposed budget prepared by it.

15 B. The district shall establish and set forth in the proposed budget
16 the per capita expenditure per full-time equivalent student, which shall be
17 the total operational expenses.

18 C. The district shall establish and set forth in the proposed budget
19 the per capita expenditure per full-time equivalent student, which shall be
20 the total capital outlay expenses.

21 D. The number of basic full-time equivalent students shall be computed
22 by dividing the total community college credit units by fifteen per semester
23 and shall be based on regular day enrollment. The number of additional
24 short-term full-time equivalent students shall be computed by dividing the
25 total community college credit units from additional short-term classes by
26 thirty. The number of skill center full-time equivalent students shall be
27 computed by dividing the total number of clock hours in approved vocational
28 training programs by six hundred forty.

29 E. The governing board of each district shall prepare a notice fixing
30 a time not later than June 20 and designating a public place within each
31 district at which a public hearing and special board meeting shall be held.
32 THE GOVERNING BOARD OF EACH DISTRICT SHALL PUBLISH A NOTICE OF THE PUBLIC
33 HEARING AND SPECIAL BOARD MEETING NOT LATER THAN FIFTEEN DAYS BEFORE THE
34 MEETING. The governing board shall PUBLISH THE PROPOSED BUDGET ON ITS
35 WEBSITE AND present the proposed budget for consideration of the residents
36 and the taxpayers of the district at such meeting.

1 F. ~~The governing board of each district shall publish a copy of the~~
2 ~~proposed budget prior to the meeting and, in addition, a notice of the public~~
3 ~~hearing and special board meeting not later than fifteen days prior to the~~
4 ~~meeting.~~ The proposed budget shall contain but need not be limited to the
5 following information:

6 1. The estimated cost of all operational, capital outlay and debt
7 service expenses.

8 2. The percentage of increase or decrease in each budget category as
9 compared to each category of the budget for the current year.

10 3. The total amount of revenues by source that was necessary to meet
11 the district's budget for the current year.

12 4. The total amount of revenues by source that will be necessary to
13 meet the proposed district budget.

14 5. The total property tax levy of the district for the current year.

15 6. The levy for primary property taxes and the levy for secondary
16 property taxes for the current year.

17 7. The primary property tax rate and secondary property tax rate for
18 the current year.

19 8. The estimated amount of total property tax levies for the district
20 and the primary property tax and secondary property tax components thereof
21 necessary for the budget year.

22 9. The maximum amount of primary property tax dollars which the
23 district is permitted to levy pursuant to title 42, chapter 17, article 2 for
24 the budget year.

25 10. The amount of secondary property tax dollars which the district
26 will levy for the budget year.

27 11. The amount of monies received from primary property taxation in the
28 previous fiscal year in excess of the maximum allowable amount as calculated
29 pursuant to title 42, chapter 17, article 2.

30 G. The governing board shall publish the proposed budget and the
31 notice of the public hearing and special board meeting a second time not
32 later than five days prior to the meeting. Publication shall be made in a
33 newspaper of general circulation within the district. The cost of
34 publication shall be a charge against the district. If a truth in taxation
35 notice and hearing is required under section 15-1461.01, the district may
36 combine the notice and hearing under this section with the truth in taxation
37 notice and hearing.

1 H. If the district fails to publish the proposed budget, notice and
2 statements required by subsection F of this section, the board of supervisors
3 shall levy on the property in the district the lesser of the amount of
4 primary property taxes which were levied for the district in the current year
5 or the amount which would be produced by the primary property tax rate which
6 was levied for the district in the current year.

7 I. At the time and place fixed in the notice, the members of the
8 governing board shall hold the public hearing and present the proposed budget
9 to the persons attending the hearing. Upon request of any person, the
10 governing board shall explain the budget and any resident or taxpayer of the
11 district may protest the inclusion of any item in the proposed budget.

12 J. Immediately following the public hearing the chairman shall call to
13 order the special board meeting for the purpose of adopting the budget. The
14 governing board shall adopt the budget making deductions from the budget as
15 it sees fit but making no additions to the budget and shall enter the budget
16 as adopted in its minutes. The governing board shall not adopt the budget if
17 the property tax requirements of the budget, excluding amounts budgeted and
18 levied for secondary property taxes, exceed the amounts authorized pursuant
19 to title 42, chapter 17, article 2.

20 Sec. 4. Section 15-1466, Arizona Revised Statutes, is amended to read:
21 15-1466. State aid; eligibility; limitations

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

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

28 ~~C. The state shall adjust the amount of state aid appropriated to each~~
29 ~~district as determined in subsection B of this section by the growth rate~~
30 ~~referenced by section 15-901, subsection B, paragraph 2. This amount shall~~
31 ~~be appropriated to the district except as provided in subsection D of this~~
32 ~~section.~~

33 ~~D. C. In addition to the state aid appropriated in subsection C of~~
34 ~~this section,~~ Each district qualified under this chapter shall have its state
35 aid adjusted in an amount that reflects the growth **OR DECREASE** in the
36 full-time equivalent student count of the district calculated as follows:

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

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

9 3. Multiply the amount calculated in paragraph 1 of this subsection by
10 the average appropriation calculated in paragraph 2 of this subsection. This
11 amount ~~shall be appropriated to the district for growth~~ EQUALS THE ADJUSTMENT
12 REQUIRED PURSUANT TO THIS SECTION.

13 ~~E. State aid appropriated to each district shall be allocated and paid
14 in accordance with subsection C of this section before any funding is
15 allocated and paid in accordance with subsection D of this section.~~

16 ~~F. D.~~ D. The total amount appropriated to each district each fiscal year
17 in accordance with ~~subsections C and D of~~ this section shall serve as the
18 amount of state aid to be adjusted in the next fiscal year. A district is
19 ~~not~~ eligible for growth funding pursuant to this section ~~unless the~~ ONLY FOR
20 THE PORTION OF ITS most recent audited full-time student equivalent count
21 THAT exceeds the ~~highest~~ audited full-time student equivalent count recorded
22 ~~from and after fiscal year 2003-2004~~ FOR THE DISTRICT FOR THE MOST RECENT
23 FISCAL YEAR IN WHICH AN ADJUSTMENT WAS PREVIOUSLY MADE PURSUANT TO SUBSECTION
24 C OF THIS SECTION.

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

26 1. Be equipped with suitable buildings, equipment and campus.
27 2. Have at least three hundred twenty full-time equivalent students
28 attending in the district.

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

31 ~~H. Notwithstanding subsection E of this section, the legislature may
32 allocate funding for growth in the full-time equivalent student count prior
33 to or in combination with funding of the growth rate.~~

34 ~~I. F.~~ F. The total amount of state monies that may be spent in any
35 fiscal year by a district for operating state aid shall not exceed the amount
36 appropriated or authorized by section 35-173 for that purpose.
37 Notwithstanding section 15-1444, this section shall not be construed to

1 impose a duty on an officer, agent or employee of this state to discharge a
2 responsibility or to create any right in a person or group if the discharge
3 or right would require an expenditure of state monies in excess of the
4 expenditure authorized by legislative appropriation for that specific
5 purpose, including any duties prescribed in an employment contract entered
6 into pursuant to section 15-1444, subsection A, paragraph 6.

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

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

14 Sec. 5. Section 15-1466.01, Arizona Revised Statutes, is amended to
15 read:

16 15-1466.01. Calculation of full-time equivalent student
17 enrollment

18 In determining state aid under sections 15-1464 and 15-1466 the number
19 of full-time equivalent students shall be calculated in the following manner:

20 1. For the basic actual full-time equivalent student enrollment, add
21 the number of full-time equivalent students enrolled as of forty-five days
22 after classes begin in the fall semester to the number of full-time
23 equivalent students enrolled as of forty-five days after classes begin in the
24 spring semester, not including additional short-term classes, and divide the
25 sum by two.

26 2. For the additional short-term and open entry, open exit full-time
27 equivalent student enrollments:

28 (a) Determine the total number of credit units for students enrolled in
29 additional short-term and open entry, open exit classes for the fiscal year.

30 (b) Determine the total number of credit units for students who have
31 completed the additional short-term and open entry, open exit classes for the
32 fiscal year. Any student who has not completed the class by June 30 of each
33 fiscal year shall not be eligible to be counted for state aid purposes until
34 the following year.

35 (c) Add the amounts in subdivisions (a) and (b).

36 (d) Divide the amount determined in subdivision (c) by two.

37 (e) Divide the quotient obtained in subdivision (d) by thirty.

1 (f) The result in subdivision (e) is the additional short-term and open
2 entry, open exit full-time equivalent student enrollments for the fiscal
3 year.

4 3. For the skill center and adult basic education courses full-time
5 equivalent student enrollment, divide by six hundred forty the total class
6 attended clock hours of persons who complete vocational training. Any
7 student who does not complete vocational training programs by June 30 of each
8 fiscal year shall not be eligible to be counted for state aid purposes until
9 the following year.

10 4. The total of basic actual, additional short-term and open entry,
11 open exit and skill center full-time equivalent student enrollment shall be
12 the basis of providing state aid. Beginning with the audit for the year
13 ending June 30, 2003, the auditor general shall audit separately any
14 full-time equivalent student enrollment where a student is enrolled in a
15 course for both high school and college credit simultaneously, except for
16 credit received at a private college or a college owned, operated or
17 chartered by an Indian tribe, taking into consideration any relevant law,
18 regulation or rule. The full-time equivalent student enrollment reported by
19 each district for all basic actual, additional short-term and open entry,
20 open exit classes and skill center and adult basic education courses shall be
21 audited annually by the auditor general. The auditor general shall report
22 the results of the audit to the staffs of the joint legislative budget
23 committee and the governor's office of strategic planning and budgeting by
24 October 15 of each year.

25 5. FOR A STUDENT WHO TAKES A COURSE FOR WHICH CREDIT IS AWARDED BY
26 BOTH A COMMUNITY COLLEGE AND A HIGH SCHOOL, IN WHICH THE INSTRUCTOR IS AN
27 EMPLOYEE OF THE HIGH SCHOOL AND IN WHICH THE CLASS IS BEING TAUGHT ON THE
28 HIGH SCHOOL CAMPUS DURING THE NORMAL HIGH SCHOOL OPERATING HOURS, THE AMOUNT
29 OF STATE AID THAT THE COMMUNITY COLLEGE WOULD OTHERWISE RECEIVE FOR THAT
30 STUDENT SHALL BE REDUCED BY FIFTY PER CENT.

31 Sec. 6. Repeal

32 Section 15-1468, Arizona Revised Statutes, is repealed.

33 Sec. 7. Title 15, chapter 12, article 4, Arizona Revised Statutes, is
34 amended by adding a new section 15-1468, to read:

35 15-1468. Equalization aid for community college districts

36 COMMUNITY COLLEGE DISTRICTS SHALL RECEIVE EQUALIZATION AID IN THE
37 AMOUNTS DESIGNATED IN THE GENERAL APPROPRIATIONS ACT FOR THAT FISCAL YEAR.

1 Sec. 8. Section 15-1601, Arizona Revised Statutes, is amended to read:

2 15-1601. State universities; location; faculty powers

3 A. The Arizona board of regents shall maintain state universities at
4 Flagstaff in Coconino county, at Tempe in Maricopa county and at Tucson in
5 Pima county, and the universities are respectively designated northern
6 Arizona university, Arizona state university and the university of Arizona.
7 The board shall maintain an Arizona state university campus in western
8 Maricopa county designated as Arizona state university west campus, WHICH
9 SHALL BE IDENTIFIED AS A SEPARATE BUDGET UNIT IN THE GENERAL APPROPRIATIONS
10 ACT. The board shall maintain an Arizona state university campus in eastern
11 Maricopa county designated as Arizona state university east campus, WHICH
12 SHALL BE IDENTIFIED AS A SEPARATE BUDGET UNIT IN THE GENERAL APPROPRIATIONS
13 ACT. The board may establish and maintain other colleges and universities
14 subject to legislative authority. Subject to review by the joint committee
15 on capital review, the board may establish new campuses that are separate
16 from any location in existence on July 1, 2007. THE ARIZONA STATE UNIVERSITY
17 CAMPUS AT TEMPE SHALL PROVIDE ADMINISTRATIVE SUPPORT FOR THE ARIZONA STATE
18 UNIVERSITY CAMPUSES IN WESTERN MARICOPA COUNTY AND IN EASTERN MARICOPA
19 COUNTY, AND THE CAMPUS AT TEMPE SHALL NOT OVERCHARGE THE OTHER CAMPUSES FOR
20 PROVIDING ADMINISTRATIVE SUPPORT.

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

30 Sec. 9. Section 15-1626, Arizona Revised Statutes, is amended to read:

31 15-1626. General administrative powers and duties of board

32 A. The board shall:

33 1. Have and exercise the powers necessary for the effective governance
34 and administration of the institutions under its control. To that end, the
35 board may adopt, and authorize each university to adopt, such regulations,
36 policies, rules or measures as are deemed necessary and may delegate in
37 writing to its committees, to its university presidents, or their designees,

1 or to other entities under its control, any part of its authority for the
2 administration and governance of such institutions, including those powers
3 enumerated in section 15-1625, subsection B, paragraphs 2 and 4, paragraphs
4 3, 4, 8, 9, 11 and 12 of this subsection and subsection ~~B~~ C of this section.
5 Any delegation of authority may be rescinded by the board at any time in
6 whole or in part.

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

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

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

18 5. Fix tuitions and fees to be charged and differentiate the tuitions
19 and fees between institutions and between residents, nonresidents,
20 undergraduate students, graduate students, students from foreign countries
21 and students who have earned credit hours in excess of the credit hour
22 threshold. For the purposes of this paragraph, the undergraduate credit hour
23 threshold is one hundred fifty-five hours for students who attend a
24 university under the jurisdiction of the board in fiscal year 2006-2007, one
25 hundred fifty hours for students who attend a university under the
26 jurisdiction of the board in fiscal year 2007-2008 and one hundred forty-five
27 hours for students who attend a university under the jurisdiction of the
28 board after fiscal year 2007-2008. The undergraduate credit hour threshold
29 shall be based on the actual full-time equivalent student enrollment counted
30 on the twenty-first day after classes begin for the fall semester of 2005
31 THROUGH 2008 and ON THE FORTY-FIFTH DAY OF every fall AND SPRING semester
32 thereafter, DIVIDED BY TWO, and any budget adjustment based on student
33 enrollment shall occur in the fiscal year following the actual full-time
34 equivalent student enrollment count. The undergraduate credit hour threshold
35 shall not apply to degree programs that require credit hours above the credit
36 hour threshold, credits earned in the pursuit of up to two baccalaureate
37 degrees, credits earned in the pursuit of up to two state regulated

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

21 6. Except as provided in subsection ~~H~~ J 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 any proposed increase
25 in tuition or fees.

26 (b) Publication of the notice of public hearing at least ten days
27 prior to 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 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.

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

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

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

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

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

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

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

32 14. In consultation with the state board of education and other
33 education groups, develop and implement a program to award honors
34 endorsements to be affixed to the high school diplomas of qualifying high
35 school pupils and to be included in the transcripts of pupils who are awarded
36 endorsements. The board shall develop application procedures and testing
37 criteria and adopt testing instruments and procedures to administer the

1 program. In order to receive an honors endorsement, a pupil must demonstrate
2 an extraordinary level of knowledge, skill and competency as measured by the
3 testing instruments adopted by the board in mathematics, English, science and
4 social studies. Additional subjects may be added at the determination of the
5 board. The program is voluntary for pupils.

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

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

14 17. Beginning July 1, 2007, acquire United States flags for each
15 classroom that are manufactured in the United States and that are at least
16 two feet by three feet and hardware to appropriately display the United
17 States flags, acquire a legible copy of the Constitution of the United States
18 and the Bill of Rights, display the flags in each classroom in accordance
19 with title 4 of the United States Code and display a legible copy of the
20 Constitution of the United States and the Bill of Rights adjacent to the
21 flag.

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

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

29 (i) The transfer of student records.

30 (ii) Awarding credit for completed course work.

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

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

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

4 ~~B.~~ B. THE BOARD SHALL NOT ALLOW ANY UNIVERSITY UNDER THE JURISDICTION OF
5 THE BOARD TO REQUIRE ITS STUDENTS TO PURCHASE A MEAL PLAN OR LIVE IN
6 ON-CAMPUS HOUSING.

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

18 ~~D.~~ D. IN CONJUNCTION WITH THE AUDITOR GENERAL, THE BOARD SHALL DEVELOP A
19 UNIFORM ACCOUNTING AND REPORTING SYSTEM, WHICH SHALL BE REVIEWED BY THE JOINT
20 LEGISLATIVE BUDGET COMMITTEE BEFORE FINAL ADOPTION BY THE BOARD. THE BOARD
21 SHALL REQUIRE EACH UNIVERSITY TO COMPLY WITH THE UNIFORM ACCOUNTING AND
22 REPORTING SYSTEM.

23 ~~E.~~ E. The board may employ legal assistance in procuring loans for
24 the institutions from the United States government. Fees or compensation
25 paid for such legal assistance shall not be a claim upon the general fund of
26 this state but shall be paid from funds of the institutions.

27 ~~D.~~ F. The board shall approve or disapprove any contract or agreement
28 entered into by the university of Arizona hospital with the Arizona health
29 facilities authority.

30 ~~E.~~ G. The board may adopt policies which authorize the institutions
31 under its jurisdiction to enter into employment contracts with nontenured
32 employees for periods of more than one year but not more than five years.
33 The policies shall prescribe limitations on the authority of the institutions
34 to enter into employment contracts for periods of more than one year but not
35 more than five years, including the requirement that the board approve the
36 contracts.

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

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

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

18 Sec. 10. Section 15-1629, Arizona Revised Statutes, is amended to
19 read:

20 15-1629. Annual report

21 Within ninety days after the close of each fiscal year the Arizona
22 board of regents shall make a report for the fiscal year to the governor AND
23 THE JOINT LEGISLATIVE BUDGET COMMITTEE. The report shall set forth the state
24 of progress of the universities in their several colleges, schools and
25 departments, the courses of study included in their curricula, the number of
26 professors, other instructional faculty and staff members employed, the
27 number of students registered and attending classes, the amount of receipts
28 and expenditures and such other information as the board deems proper. THE
29 REPORT SHALL INCLUDE A LIST OF INVITED PAID SPEAKERS AND ASSOCIATED COSTS FOR
30 THOSE SPEAKERS AND THIS PORTION OF THE REPORT SHALL BE SUBMITTED
31 ELECTRONICALLY.

1 Sec. 11. Section 15-1661, Arizona Revised Statutes, is amended to
2 read:

3 15-1661. Annual appropriation; enrollment audit; expenditure;
4 balance; salaries

5 A. There shall be appropriated in the general appropriation bill for
6 each fiscal year a sum of monies not less than eighty-five one-hundredths of
7 one mill on the dollar of the assessed valuation of all taxable property in
8 the state for the improvement, support and maintenance of the institutions
9 under the Arizona board of regents' jurisdiction, including payment of
10 salaries, current expenses, purchase of equipment, making necessary repairs,
11 construction of new buildings, purchase of lands and in general for payment
12 of all such expenses connected with the management of the institutions under
13 the Arizona board of regents' jurisdiction. The department of revenue, upon
14 compiling the aggregate assessed valuation of all taxable property within
15 this state, shall compute the amount of monies so determined and certify such
16 amount over its seal to the department of administration and the state
17 treasurer.

18 B. The full-time equivalent student enrollment reported for the
19 previous fiscal year by each university shall be audited annually by the
20 auditor general. The auditor general shall report the results of the audit
21 to the staffs of the joint legislative budget committee and the governor's
22 office of strategic planning and budgeting on or before October 15 of each
23 year. ~~Beginning with the fall semester of 2006,~~ On or before the following
24 July 21 of each academic year, each university shall provide **FOR THE PREVIOUS**
25 **FALL SEMESTER** a certified report to the auditor general of the number of
26 full-time equivalent students calculated by the university **AND A SEPARATE**
27 **REPORT ONLY FOR THOSE STUDENTS WHO MEET THE RESIDENCY REQUIREMENTS PRESCRIBED**
28 **IN SECTION 15-1802.** The university's records used to calculate full-time
29 equivalent student enrollment shall be provided to the auditor general in an
30 electronic format prescribed by the auditor general. Beginning in 2006, each
31 university shall submit to the auditor general a summary of its full-time
32 equivalent student enrollment accounting policies and procedures, compilation
33 procedures and source records used for calculating full-time equivalent
34 student enrollment. These accounting policies and procedures, compilation
35 procedures and source records shall comply with policies developed on or
36 before June 30, 2006 by the Arizona board of regents, in consultation with
37 the auditor general and reviewed by the joint legislative budget committee.

1 These policies shall include a review and recommendations of the necessity of
2 minimum requirements for students enrolled in classes to qualify for
3 appropriations pursuant to this section, including requirements that the
4 class be a for-credit course that is necessary for the completion of a degree
5 and that the student enrolled in the course be physically present in this
6 state at the time the course is conducted. The basic actual full-time
7 equivalent student enrollment shall be counted on the twenty-first day after
8 the basic actual full-time equivalent student enrollment classes begin for
9 the fall semester, as published in the university catalogs. The Arizona
10 board of regents shall also make recommendations of whether each professor or
11 instructor should be required to review class rosters and make additions or
12 deletions as necessary. If so, class rosters that reflect enrollment as of
13 the twenty-first day shall be provided by the registrar's office to each
14 professor or instructor for every class section. The class roster shall
15 indicate the course number, course title, time, instructor name and students
16 enrolled. On the twenty-first day class rosters, each professor or
17 instructor shall indicate as withdrawn each student who has formally
18 withdrawn from the course, and that student shall not be counted for state
19 aid purposes. The official twenty-first day rosters shall include a manual
20 signature and date or an electronic authorization and date by the professor
21 or instructor and shall include the following certification:

22 I hereby certify that the information contained in this
23 class roster accurately reflects those students who are enrolled.

24 C. THE ARIZONA BOARD OF REGENTS SHALL ALSO REPORT THE BASIC ACTUAL
25 FULL-TIME EQUIVALENT STUDENT ENROLLMENT FOR ONLY THOSE STUDENTS WHO MEET THE
26 RESIDENCY REQUIREMENTS PRESCRIBED IN SECTION 15-1802. THE BASIC ACTUAL
27 FULL-TIME EQUIVALENT STUDENT ENROLLMENT FOR ONLY THOSE STUDENTS WHO MEET THE
28 RESIDENCY REQUIREMENTS PRESCRIBED IN SECTION 15-1802 THAT IS REPORTED BY EACH
29 UNIVERSITY FOR THE PREVIOUS FISCAL YEAR SHALL BE ANNUALLY AUDITED BY THE
30 AUDITOR GENERAL.

31 ~~C.~~ D. Students who have withdrawn or who have been withdrawn from
32 classes as of the twenty-first day shall not be counted for state aid
33 purposes. A record shall be maintained that identifies student withdrawals
34 by date of withdrawal, as of the twenty-first day and after the twenty-first
35 day for the entire semester.

36 ~~D.~~ E. Amounts appropriated as provided by subsection A shall be paid
37 as other claims against this state are paid.

1 ~~E.~~ F. The balance of appropriations as provided by subsection A at
2 the end of the fiscal year, if any, shall not revert to the general fund but
3 shall be carried forward for the continued use for which appropriated.

4 ~~F.~~ G. Monies appropriated to a university under the jurisdiction of
5 the Arizona board of regents for cost of living salary increases for
6 university employees shall be used to provide cost of living salary increases
7 to all university employees including graduate student assistants. If monies
8 are appropriated to a university for salary increases based on merit, the
9 monies shall be used to provide merit increases according to the merit pay
10 plan adopted by the Arizona board of regents.

11 ~~G.~~ H. The Arizona board of regents shall determine current actual
12 full-time equivalent student enrollment at each of the institutions under the
13 jurisdiction of the Arizona board of regents. Full-time equivalent student
14 enrollment shall be calculated by adding the following:

15 1. The total number of enrolled fall semester credit hours in
16 100-level credit courses and 200-level credit courses divided by fifteen.

17 2. The total number of enrolled fall semester credit hours in
18 300-level credit courses and 400-level credit courses divided by twelve.

19 3. The total number of enrolled fall semester credit hours in graduate
20 level credit courses divided by ten.

21 ~~H.~~ I. The Arizona board of regents, in its annual budget request,
22 shall not include funding for any student who is enrolled at an institution
23 under the jurisdiction of the Arizona board of regents and who has earned
24 credit hours in excess of the undergraduate credit hour threshold, except
25 that the undergraduate credit hour threshold shall not apply to students who
26 are enrolled in a degree program that requires credit hours above the credit
27 threshold. For the purposes of this subsection, the undergraduate credit
28 hour threshold is one hundred fifty-five hours for students who attend a
29 university under the jurisdiction of the board in fiscal year 2006-2007, one
30 hundred fifty hours for students who attend a university under the
31 jurisdiction of the board in fiscal year 2007-2008 and one hundred forty-five
32 hours for students who attend a university under the jurisdiction of the
33 board after fiscal year 2007-2008. The undergraduate credit hour threshold
34 shall be based on the actual full-time equivalent student enrollment counted
35 on the twenty-first day after classes begin for the fall semester of 2005 and
36 every fall semester thereafter and any budget adjustment based on student
37 enrollment shall occur in the fiscal year following the actual full-time

1 equivalent student enrollment count. The undergraduate credit hour threshold
2 shall not apply to credits earned in the pursuit of up to two baccalaureate
3 degrees, credits earned in the pursuit of up to two state regulated
4 licensures and certificates, credits earned in the pursuit of teaching
5 certification, credits transferred from a private institution of higher
6 education, credits transferred from an institution of higher education in
7 another state, credits earned at another institution of higher education but
8 that are not accepted as transfer credits at the university where the student
9 is currently enrolled and credits earned by students who enroll at a
10 university under the jurisdiction of the board more than twenty-four months
11 after the end of that student's previous enrollment at a public institution
12 of higher education in this state.

13 Sec. 12. Section 15-1682.03, Arizona Revised Statutes, as amended by
14 Laws 2009, first special session, chapter 6, section 2, is amended to read:

15 15-1682.03. University capital improvement lease-to-own and
16 bond fund; lease-to-own and bond capital
17 improvement agreements

18 A. The university capital improvement lease-to-own and bond fund is
19 established consisting of the monies provided by the Arizona board of regents
20 pursuant to this section, monies deposited pursuant to section 5-522 and
21 monies appropriated by the legislature. The board shall administer the fund.
22 On notice from the board, the state treasurer shall invest and divest monies
23 in the fund as provided by section 35-313, and monies earned from investment
24 shall be credited to the fund. Monies in the fund are exempt from the
25 provisions of section 35-190 relating to lapsing of appropriations.

26 B. Through revenues of the state university system, the board shall
27 annually provide monies to the fund of at least twenty per cent of the
28 aggregate annual payments of lease-to-own and bond agreements entered into by
29 the board pursuant to this section.

30 C. The board shall distribute monies in the fund to make payments
31 pursuant to lease-to-own and bond agreements entered into by the board
32 pursuant to this section. The board may enter into lease-to-own and bond
33 agreements for the purposes of building renewal projects ~~and new facilities.~~
34 New lease-to-own and bond agreements entered into pursuant to this section
35 shall not exceed one hundred sixty-seven million six hundred seventy-one
36 thousand two hundred dollars in fiscal year 2008-2009 ~~and four hundred~~
37 ~~million dollars in fiscal year 2009-2010.~~ The board may enter into

1 lease-to-own and bond transactions up to a maximum of ~~eight hundred million~~
2 ONE HUNDRED SIXTY-SEVEN MILLION SIX HUNDRED SEVENTY-ONE THOUSAND TWO HUNDRED
3 dollars.

4 Sec. 13. Section 15-1821.01, Arizona Revised Statutes, is amended to
5 read:

6 15-1821.01. Dual enrollment information

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

13 1. The community college district governing board and the governing
14 board of the school district or organization of which the high school is a
15 part shall enter into an agreement or contract. ~~Beginning in the 2008-2009~~
16 ~~school year,~~ These intergovernmental agreements or contracts shall be based
17 on a uniform format that has been cooperatively developed by the community
18 college districts in this state. ~~The uniform format of the intergovernmental~~
19 ~~agreements and contracts shall be submitted for review to the joint~~
20 ~~legislative budget committee by December 31, 2007.~~ On or before August 1 of
21 each year, the joint legislative budget committee shall notify each community
22 college district to report on or before October 1 of each year a specified
23 percentage of its initial intergovernmental agreements or contracts executed
24 with school district governing boards or charter schools. Each of these
25 agreements or contracts shall clearly specify the following:

26 (a) The financial provisions of the agreement or contract and the
27 format for the billing of all services under the agreement or contract,
28 including the amount that the community college received in full-time student
29 equivalent funding pursuant to section 15-1466.01, the portion of the funding
30 that is distributed to the school district governing board or charter school
31 and any amount that is subsequently returned to the community college
32 district by the school district governing board or charter school.

33 (b) Student tuition and financial aid policies, including if
34 scholarships or grants are awarded to students in dual enrollment courses
35 from the community college.

36 (c) The accountability provisions for each party to the agreement or
37 contract.

1 (d) The responsibilities and services required of each party to the
2 agreement or contract.

3 (e) The type of instruction that will be provided under the agreement
4 or contract, including the titles of the courses to be offered.

5 (f) The quality of the instruction that will be provided under the
6 agreement or contract.

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

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

14 (b) A community college may waive the class status requirements
15 specified in subdivision (a) of this paragraph for up to twenty-five per cent
16 of the students enrolled by a college in courses provided that the community
17 college has an established written criteria for waiving the requirements for
18 each course. These criteria shall include a demonstration, by an examination
19 of the specific purposes and requirements of the course, that freshman and
20 sophomore students who meet course prerequisites are prepared to benefit from
21 the college level course. All exceptions and the justification for the
22 exceptions shall be reported as provided in paragraph 6 of this section.

23 3. The courses shall be previously evaluated and approved through the
24 curriculum approval process of the district, shall be at a higher level than
25 taught by the high school and shall be transferable to a university under the
26 jurisdiction of the Arizona board of regents or be applicable to an
27 established community college occupational degree or certificate program.
28 Physical education courses shall not be available for dual enrollment
29 purposes.

30 4. College approved textbooks, syllabuses, course outlines and grading
31 standards that are applicable to the courses if taught at the community
32 college shall apply to these courses and to all students in the courses
33 offered pursuant to this section. The chief executive officer of each
34 community college shall establish an advisory committee of full-time faculty
35 who teach in the disciplines offered at the community college to assist in
36 course selection and implementation in the high schools and to review and
37 report at least annually to the chief executive officer whether the course

1 goals and standards are understood, the course guidelines are followed and
2 the same standards of expectation and assessment are applied to these courses
3 as though they were being offered at the community college. The advisory
4 committee of full-time faculty shall meet at least three times each academic
5 year.

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

14 ~~6. Each community college district, on or before October 1, shall~~
15 ~~annually provide a report to the joint legislative budget committee on the~~
16 ~~courses offered in conjunction with high schools during the previous fiscal~~
17 ~~year. In the case of a multicollege district, the multicollege district~~
18 ~~shall provide a separate report for each college. This report shall include~~
19 ~~the following:~~

20 ~~(a) Documentation of compliance with the requirements identified in~~
21 ~~paragraphs 3, 4 and 5 of this section, including a listing of the members of~~
22 ~~the faculty advisory committees at each community college as provided in~~
23 ~~paragraphs 4 and 5 of this section.~~

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

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

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

31 ~~(e) Course level data on the performance of students enrolled for~~
32 ~~college credit in courses offered in conjunction with high schools, including~~
33 ~~completion rates, grade distribution and the number of students who received~~
34 ~~remedial instruction for the course.~~

35 ~~(f) A copy of each addendum of an intergovernmental agreement or~~
36 ~~contract executed pursuant to paragraph 1 of this section.~~

1 ~~(g) Summary data by community college district and by individual~~
2 ~~community college on the number of scholarships or grants awarded to~~
3 ~~students.~~

4 ~~(h) Itemized actual program costs including actual program costs for~~
5 ~~each of the following:~~

6 ~~(i) Curriculum development and approval.~~

7 ~~(ii) Textbook costs.~~

8 ~~(iii) Facility and equipment costs.~~

9 ~~(iv) Counseling and tutoring costs.~~

10 ~~(v) Teacher training and observation costs.~~

11 ~~(i) Course level data delineating the entity that provided faculty,~~
12 ~~the entity that provided the faculty pay and the amount paid to the faculty~~
13 ~~member.~~

14 ~~7.~~ 6. Each community college district shall conduct tracking studies
15 of subsequent academic or occupational achievement of students enrolled in
16 courses offered pursuant to this section. The reports of the results of the
17 tracking studies shall be submitted to the joint legislative budget committee
18 on or before October 1 of each odd-numbered year, subject to the following:

19 (a) The tracking studies prescribed in this paragraph may involve
20 statistically valid sampling techniques and shall include, at a minimum, the
21 high school graduation rate, the number of students continuing their studies
22 after graduation at a community college in this state or a university under
23 the jurisdiction of the Arizona board of regents, the performance of the
24 students in subsequent college courses in the same discipline or occupational
25 field and the student's grade point average after one year at an Arizona
26 community college or university as compared to the student's college grade
27 point average for courses completed while still in high school.

28 (b) On receipt of the report of the tracking studies prescribed in
29 this paragraph, the joint legislative budget committee may convene an ad hoc
30 committee that includes community college academic officers, faculty and
31 other experts in the field to review the manner in which these courses are
32 provided. This committee may make recommendations to the joint legislative
33 budget committee regarding desirable changes in this section or in the manner
34 in which this section is being implemented. A copy of this report shall be
35 provided to each district governing board.

36 ~~8.~~ 7. A school district shall ensure that a pupil is a full-time
37 student as defined in section 15-901 and is enrolled in and attending a

1 full-time instructional program at a school in the school district before
2 that pupil is allowed to enroll in a college course pursuant to this section,
3 except that high school seniors who satisfy high school graduation
4 requirements with less than a full-time instructional program shall be exempt
5 from this paragraph.

6 Sec. 14. Section 15-1877, Arizona Revised Statutes, is amended to
7 read:

8 15-1877. Scholarships and financial aid provisions

9 A. Any student loan program, student grant program or other financial
10 assistance program established or administered by this state shall treat the
11 balance in an account of which the student is a designated beneficiary as
12 neither an asset of the parent of the designated beneficiary nor as a
13 scholarship, a grant or an asset of the student for determining a student's
14 or parent's income, assets or financial need.

15 B. Subsection A OF THIS SECTION applies to any state appropriated
16 financial assistance program administered by a college or university in this
17 state including the financial aid trust fund, established by section 15-1642,
18 the leveraging educational assistance program established by section 1203 of
19 the higher education act amendments of 1998 (P.L. 105-244; 112 Stat. 1581;
20 20 United States Code section 1001) and the private postsecondary education
21 student financial assistance program established by section 15-1854.

22 C. Subsections A and B OF THIS SECTION do not apply if any of the
23 following conditions ~~exist~~ EXISTS:

24 1. Federal law requires all or a portion of the amount in an account
25 to be taken into consideration in a different manner.

26 2. Federal benefits could be lost if all or a portion of the amount in
27 an account is not taken into consideration in a different manner.

28 3. A specific grant establishing a financial assistance program
29 requires that all or a portion of the amount in an account be taken into
30 consideration.

31 D. A STUDENT IN THIS STATE IS NOT ELIGIBLE TO PARTICIPATE IN THE
32 LEVERAGING EDUCATIONAL ASSISTANCE PROGRAM ESTABLISHED BY SECTION 1203 OF THE
33 HIGHER EDUCATION ACT AMENDMENTS OF 1998 (P.L. 105-244; 112 STAT. 1581;
34 20 UNITED STATES CODE SECTION 1001) UNLESS THE STUDENT MEETS ALL OF THE
35 FOLLOWING CRITERIA:

36 1. THE STUDENT IS A RESIDENT OF THIS STATE.

1 2. THE STUDENT DEMONSTRATES FINANCIAL NEED UNDER THE CRITERIA
2 ESTABLISHED FOR THE PROGRAM.

3 3. THE STUDENT IS ATTENDING, ON AT LEAST A HALF-TIME BASIS, AN
4 APPROVED PROGRAM AT A PROPERLY ACCREDITED POSTSECONDARY EDUCATIONAL
5 INSTITUTION IN THIS STATE.

6 Sec. 15. Section 41-1542, Arizona Revised Statutes, is amended to
7 read:

8 41-1542. Governor's council on workforce policy; duties

9 A. The governor by executive order may establish a governor's council
10 on workforce policy. If the governor establishes a governor's council on
11 workforce policy, the council shall include at least the following members:

12 1. The director of the department of commerce or the director's
13 designee.

14 2. The director of the department of economic security or the
15 director's designee.

16 3. The superintendent of public instruction or the superintendent's
17 designee.

18 4. One representative from a rural community college district who is
19 appointed by the governor.

20 5. One representative from an urban community college district who is
21 appointed by the governor.

22 6. One representative from organized labor who is appointed by the
23 governor.

24 7. Representatives from large businesses who are appointed by the
25 governor and who shall compose at least thirty per cent of the total
26 membership of the council.

27 8. Representatives from small businesses who are appointed by the
28 governor and who shall compose at least twenty-five per cent of the total
29 membership of the council.

30 B. The governor's council on workforce policy that is established by
31 executive order shall develop program guidelines for selection criteria and
32 program operations. These guidelines shall include the following areas:

33 1. Project application procedures.

34 2. Categories of allowable and excluded project costs.

35 3. Limitations relating to partial or total project costs and interim
36 and end of project reporting requirements.

1 4. Procedures to assure that both urban and rural economic interests
2 are addressed.

3 5. Criteria to evaluate effective use of training monies.

4 6. Criteria to determine the annual qualifying wage rate per county so
5 that the qualifying wage rate reflects current economic conditions and the
6 needs of local businesses in the county.

7 C. The governor's council on workforce policy shall meet at least four
8 times each year and shall submit a written annual report to the governor, the
9 president of the senate, the speaker of the house of representatives and the
10 joint legislative budget committee by ~~September~~ DECEMBER 1 of each year. This
11 report shall include:

- 12 1. The qualifying wage rate per county.
- 13 2. The number of businesses recruited.
- 14 3. The number of approved applicants.
- 15 4. The number of persons hired.
- 16 5. The number of incumbent workers trained.
- 17 6. The racial and ethnic background of persons trained.
- 18 7. The number of persons trained by job skill category.
- 19 8. The average salaries paid.
- 20 9. The breakdown of full-time and part-time jobs.
- 21 10. The information on the efforts to leverage other training
22 resources.

23 11. A summary of the information considered pursuant to section
24 41-1543.

25 12. The number of grant applications denied due to either of the
26 following:

- 27 (a) Insufficient available grant money.
- 28 (b) The inability to meet the qualifying wage requirements pursuant to
29 subsection B, paragraph 6 of this section.

30 13. A summary of annual spending by state government on workforce
31 development, including details on each state program that participates in
32 workforce development in any state agency or community college. The report
33 shall include:

34 (a) Actual expenditures from state, federal or other sources for the
35 prior fiscal year, by fund, program and agency and in total.

36 (b) Estimated expenditures from state, federal or other sources for
37 the current fiscal year, by fund, program and agency and in total.

1 (c) Federally mandated performance measure results by program,
2 including measures for the previous two fiscal years and for the current
3 fiscal year.

4 (d) Agency or statewide performance measure results as described in
5 subsection E of this section by program, including measures for the previous
6 two fiscal years and for the current fiscal year.

7 (e) A strategic plan that identifies:

8 (i) Each workforce development program in this state.

9 (ii) How the state programs met all performance measures in the
10 previous fiscal year.

11 D. Each state agency and community college shall submit to the
12 governor's council on workforce policy the information necessary to compile
13 the report described in subsection C, paragraph 13 of this section by ~~August~~
14 ~~NOVEMBER~~ 1 of each year.

15 E. The governor's council on workforce policy shall coordinate with
16 state agencies and state community colleges to produce outcome-based
17 performance measures for all state workforce development programs.

18 Sec. 16. Repeal

19 Laws 2008, chapter 287, section 39, as amended by Laws 2009, first
20 special session, chapter 6, section 3, is repealed.

21 Sec. 17. Community colleges; capital outlay aid; suspension

22 Notwithstanding section 15-1464, Arizona Revised Statutes, or any other
23 law, capital outlay state aid for community colleges is suspended for fiscal
24 year 2009-2010.

25 Sec. 18. Community colleges; operating state aid

26 Notwithstanding section 15-1466, Arizona Revised Statutes, the fiscal
27 year 2009-2010 appropriation for operating state aid for community colleges
28 shall be the amount appropriated in the general appropriations act.

29 Sec. 19. Financial aid trust fund; required state match

30 Notwithstanding section 15-1642, subsection C, Arizona Revised
31 Statutes, for fiscal year 2009-2010, each dollar raised pursuant to the
32 surcharge on student registration assessed pursuant to section 15-1642,
33 subsection A, Arizona Revised Statutes, may be matched by less than two
34 dollars appropriated by the legislature.

