

State of Arizona  
Senate  
Fiftieth Legislature  
First Regular Session  
2011

# SENATE BILL 1618

AN ACT

AMENDING SECTIONS 15-1444, 15-1445, 15-1472, 15-1626, 15-1642 AND 15-1831,  
ARIZONA REVISED STATUTES; RELATING TO BUDGET RECONCILIATION FOR HIGHER  
EDUCATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 15-1444, Arizona Revised Statutes, is amended to  
3 read:

4 15-1444. General powers and duties of district governing boards

5 A. Except as otherwise provided, the district board shall:

6 1. Maintain each community college for a period of not less than eight  
7 months in each year and, if the funds of the district are sufficient,  
8 maintain each community college for a longer period.

9 2. Adopt policies in a public forum to offer programs that meet the  
10 educational needs of the population served by the community college.

11 3. Enforce the courses of study prescribed by the district board.

12 4. Visit each community college under its jurisdiction and examine  
13 carefully into its management, conditions and needs.

14 5. Exclude from each community college all books, publications or  
15 papers of a sectarian, partisan or denominational character intended for use  
16 as textbooks.

17 6. Appoint and employ a chancellor or chancellors, vice-chancellors, a  
18 president or presidents, vice-presidents, deans, professors, instructors,  
19 lecturers, fellows and such other officers and employees it deems  
20 necessary. The district board may enter into employment contracts with  
21 chancellors, vice-chancellors and presidents for a duration of more than one  
22 year but not more than five years.

23 7. Determine the salaries of persons it appoints and employs.

24 8. Remove any officer or employee if in its judgment the interests of  
25 education in this state require the removal.

26 9. Award degrees, certificates and diplomas on the completion of  
27 courses and curriculum as it deems appropriate.

28 10. Appoint or employ, if it deems necessary, police officers who shall  
29 have the authority and power of peace officers. The police officers who have  
30 received a certificate from the Arizona peace officer standards and training  
31 board are eligible for membership in and benefits under either title 38,  
32 chapter 5, article 2 or the public safety personnel retirement system under  
33 title 38, chapter 5, article 4.

34 11. Determine the location within the district of a community college  
35 and purchase, receive, hold, make and take leases of, sell and convey real or  
36 personal property for the benefit of the community colleges under its  
37 jurisdiction.

38 12. Obtain insurance or be self-insured, or a combination of insurance  
39 and self-insurance, against loss, to the extent it is determined necessary on  
40 community college buildings of the district. The local district shall have  
41 an insurable interest in the buildings.

42 B. The district board may:

43 1. Administer trusts declared or created for the district and receive  
44 by gift or devise and hold in trust or otherwise property wheresoever

1 located, and if not otherwise provided, dispose of the property for the  
2 benefit of the district.

3 2. Lease real property, as lessor or as lessee. If a district is the  
4 lessee, the lease may contain an option to purchase the property. The  
5 district board may adopt policies as are deemed necessary and may delegate in  
6 writing to the chancellor or president of the district, or their designees,  
7 all or any part of its authority to lease property under this paragraph. ~~A  
8 district board shall not delegate the authority to execute a lease that  
9 exceeds one hundred thousand dollars per year.~~ Any delegation by the  
10 district board pursuant to this paragraph may be rescinded in whole or in  
11 part at any time by the district board.

12 3. Sue and be sued.

13 4. Contract. The district board may adopt such policies as are deemed  
14 necessary and may delegate in writing to the chancellor or president of the  
15 district, or their designees, all or any part of its authority to contract  
16 under this paragraph. Any delegation of authority under this paragraph may  
17 be rescinded by the district board at any time in whole or in part.

18 5. Construct, remodel and repair buildings.

19 6. In conjunction with other districts, establish policies for  
20 procurement of goods and services.

21 7. Provide a plan or plans for employee benefits, which may include  
22 optional retirement programs pursuant to section 15-1451, subsection A, which  
23 allow for participation in a cafeteria plan that meets the requirements of  
24 the United States internal revenue code of 1986.

25 8. Accept grants or donations of monies from the United States, or  
26 from any of its agencies, departments or officers, or from persons,  
27 corporations, foundations or associations. A district board shall deposit  
28 the monies into a specific fund or account and a district board shall  
29 administer the monies in accordance with the purpose of the grant or donation  
30 with specific policies or restrictions as described or stipulated in the  
31 grant or donation. In the case of personal property granted or donated to or  
32 for the benefit of a community college district, a district board shall  
33 immediately transfer possession and ownership of the property to the  
34 designated district.

35 9. Enter into intergovernmental agreements or contracts pursuant to  
36 section 11-952.01 for participation in programs offered by public agency  
37 pools or separately contract with a trustee or board of trustees that  
38 provides a common self-insurance program with pooled funds and risks pursuant  
39 to section 15-382, subsection B, paragraph 2. The district board is not  
40 required to engage in competitive procurement in order to make the decision  
41 to participate in these programs.

42 10. Name a building or a group of buildings that is located on a  
43 community college campus on behalf of a person or entity that has made a

1 significant contribution of monies or other property to the community college  
2 or the community college district.

3 11. Enter into research and development agreements, royalty agreements,  
4 development agreements, licensing agreements and profit-sharing agreements  
5 concerning the research, development, production, storing or marketing of new  
6 products developed or to be developed through community college district  
7 research.

8 C. If a district acquires real or personal property, whether by  
9 purchase, exchange, condemnation, gift or otherwise, the district shall pay  
10 to the county treasurer any taxes on the property that were unpaid as of the  
11 date of acquisition, including penalties and interest. The lien for unpaid  
12 delinquent taxes, penalties and interest on property acquired by the  
13 district:

14 1. Is not abated, extinguished, discharged or merged in the title to  
15 the property.

16 2. Is enforceable in the same manner as other delinquent tax liens.

17 D. In a district whose boundaries encompass a vehicle emissions  
18 control area as defined in section 49-541, the district board shall require  
19 all out-of-county and out-of-state students to sign an affidavit at the time  
20 of course registration that the student's vehicle meets the requirements of  
21 section 49-542. The district board on property under its jurisdiction within  
22 a vehicle emissions control area shall prohibit the parking of those vehicles  
23 that fail to comply with section 49-542.

24 E. A community college district and a joint technical education  
25 district governing board may enter into agreements for the provision of  
26 administrative, operational and educational services and facilities.

27 F. Each district may establish a program for the exchange of students  
28 between the community colleges under its jurisdiction and colleges and  
29 universities located in Sonora, Mexico. The program may provide for in-state  
30 tuition for Sonora students at the community colleges under the jurisdiction  
31 of the district in exchange for similar tuition provisions for Arizona  
32 students enrolled or seeking enrollment in Sonora colleges and universities.  
33 The community colleges may work in conjunction with the Arizona-Mexico  
34 commission in the governor's office to coordinate recruitment and admissions  
35 activities to provide for in-state tuition for up to fifty Sonora students at  
36 the community colleges under the jurisdiction of the district in exchange for  
37 similar tuition provisions for up to fifty total Arizona students enrolled or  
38 seeking enrollment in Sonora colleges and universities.

39 G. Each district shall facilitate transfer articulation coordination  
40 pursuant to section 15-1824.

41 Sec. 2. Section 15-1445, Arizona Revised Statutes, is amended to read:  
42 15-1445. Administrative powers and duties of district governing  
43 boards

44 A district board shall:

- 1           1. Adopt policies for the government of the community colleges under  
2 its jurisdiction.
- 3           2. In conjunction with other district boards, set standards for the  
4 establishment, development, administration, operation and accreditation of  
5 community colleges in the district.
- 6           3. Fix tuitions and graduate the tuitions and fees between  
7 institutions and between residents, nonresidents and students from foreign  
8 countries. The district board may waive tuitions and fees and graduate  
9 tuitions and waivers for an employee or the spouse or dependent child of an  
10 employee of the district, or for a nonresident student enrolled in the  
11 district if the district board determines the waiver is in the best interest  
12 of this state and the student.
- 13           4. In conjunction with other district boards, submit to the economic  
14 estimates commission before January 10 of each year the estimated number of  
15 full-time equivalent students for the district as prescribed in section  
16 15-1466.01.
- 17           5. Establish curriculums and designate courses that in its judgment  
18 will best serve the interests of this state.
- 19           6. Determine academic classes that qualify as open entry, open exit  
20 classes and prescribe policies for the operation of open entry, open exit  
21 classes.
- 22           7. In conjunction with other district boards and the state board of  
23 education, review and adopt, within the scope of the statutory definitions of  
24 vocational and ~~technological~~ TECHNICAL education, program and staff standards  
25 with modifications as necessary for courses taught in community colleges.  
26 The district board shall base the standards on vocational and ~~technological~~  
27 TECHNICAL competence.
- 28           8. In conjunction with other district boards, establish qualifications  
29 of the instructional staff that, at a minimum, shall be equal to those  
30 required to meet accreditation guidelines and establish standards of  
31 vocational and ~~technological~~ TECHNICAL competence required to instruct in  
32 occupational as well as academic subjects.
- 33           9. In conjunction with other district boards, prescribe guidelines  
34 providing for the transferability between community college district  
35 vocational and ~~technological~~ TECHNICAL education programs and in conjunction  
36 with the state board of education prescribe guidelines for the  
37 interrelationship of secondary programs and postsecondary programs.
- 38           10. In conjunction with other district boards, prescribe the manner in  
39 which the self-evaluation of vocational and ~~technological~~ TECHNICAL education  
40 programs is conducted as provided in section 15-1452.
- 41           11. If requested by the state board of education, assist in the  
42 preparation, publication and distribution of an annual state plan and a  
43 comprehensive five year state plan.

1           12. In conjunction with other district boards and the state board of  
2 education, develop a process to determine program funding priorities for  
3 state aid purposes. Each district board shall submit state aid  
4 recommendations to the legislature. The recommendations shall be based on  
5 the process and on existing cost studies of vocational and ~~technological~~  
6 TECHNICAL education in this state.

7           13. In conjunction with other district boards, prescribe qualifications  
8 for admission to community colleges for honorably discharged veterans who  
9 served on active duty in the armed forces for a minimum of one year and who  
10 were previously enrolled at a community college or university in this  
11 state. For the purpose of determining the qualifications, the district board  
12 may not consider prior failing grades received by the veteran at a community  
13 college or university in this state.

14           14. Require the publisher of each literary and nonliterary textbook  
15 used in the community colleges of the district to furnish computer software  
16 in a standardized format, when software becomes available for nonliterary  
17 textbooks, to the district board from which braille versions of the textbook  
18 may be produced.

19           15. Identify students simultaneously enrolled in a course for both high  
20 school and college credit by using the same student level data element  
21 required by section 15-1042, subsection A. The auditor general shall have  
22 access to this information when certifying the full-time equivalent student  
23 enrollment pursuant to section 15-1466.01, paragraph 4.

24           16. ~~Beginning July 1, 2007, purchase~~ ACQUIRE United States flags that  
25 are manufactured in the United States and that are at least two feet by three  
26 feet and hardware to appropriately display the United States ~~flag and~~  
27 ~~purchase~~ FLAGS, ACQUIRE a legible copy of the Constitution of the United  
28 States and the Bill of Rights that is manufactured in the United States, ~~and~~  
29 display the flags in each classroom in accordance with title 4 of the United  
30 States Code and display a legible copy of the Constitution of the United  
31 States and the Bill of Rights adjacent to the flag.

32           Sec. 3. Section 15-1472, Arizona Revised Statutes, is amended to read:

33           15-1472. Community college district workforce development  
34                                   accounts; reports

35           A. Each community college district shall establish a separate  
36 workforce development account to receive only tax revenues authorized  
37 pursuant to section 42-5029, subsection E, paragraph 3. Each community  
38 college district board shall approve the expenditure of these monies in  
39 accordance with section 15-1461 and consistent with subsection B of this  
40 section.

41           B. Monies received pursuant to subsection A of this section shall be  
42 expended for workforce development and job training purposes. These  
43 expenditures may include:

44           1. Partnerships with businesses and educational institutions.

1           2. Additional faculty for improved and expanded classroom instruction  
2 and course offerings.

3           3. Technology, equipment and technology infrastructure for advanced  
4 teaching and learning in classrooms or laboratories.

5           4. Student services such as assessment, advisement and counseling for  
6 new and expanded job opportunities.

7           5. The purchase, lease or lease-purchase of real property, for new  
8 construction, remodeling or repair of buildings or facilities on real  
9 property.

10          C. The state treasurer shall transfer monies under this section into  
11 each district's workforce development account by the fifteenth day of each  
12 month. The state treasurer shall also allocate and distribute any pooled  
13 interest earnings earned from revenues authorized in section 42-5029,  
14 subsection E, paragraph 3 to each district in accordance with the method  
15 prescribed in subsection D, paragraph 2 of this section.

16          D. Revenues authorized for community college districts in section  
17 42-5029, subsection E, paragraph 3 shall be distributed by the state in the  
18 following manner:

19           1. For thirteen fiscal years beginning in fiscal year 2001-2002 the  
20 state treasurer shall allocate one million dollars per fiscal year for the  
21 purpose of bringing this state into compliance with the matching capital  
22 requirements prescribed in section 15-1463. The state treasurer shall  
23 distribute the monies authorized in this subsection to each district in the  
24 order in which each campus qualified for funding pursuant to section 15-1463.

25           2. After the monies have been paid each year to the eligible ~~district~~  
26 ~~DISTRICTS~~ pursuant to paragraph 1 of this subsection, the state treasurer  
27 shall distribute monies from the workforce development fund to each community  
28 college district in the following manner:

29           (a) Each district shall receive the sum of two hundred thousand  
30 dollars.

31           (b) After each district has received the payments prescribed in  
32 subdivision (a), the remainder of monies in the fund shall be distributed to  
33 each district according to each district's full-time equivalent student  
34 enrollment percentage of the total ~~state-wide~~ STATEWIDE audited full-time  
35 equivalent student enrollment in the preceding fiscal year prescribed in  
36 section 15-1466.01. The percentage distribution under this subdivision shall  
37 be adjusted annually on October 1 of each year.

38          E. Revenues received by community college districts shall not be used  
39 by the legislature to supplant or reduce any state aid authorized in this  
40 chapter or supplant any proceeds from the sale of bonds authorized in this  
41 article and article 5 of this chapter.

42          F. Monies received under this section shall not be considered to be  
43 local revenues for purposes of article IX, section 21, Constitution of  
44 Arizona.

1           ~~G. Each community college district shall submit a workforce~~  
2 ~~development plan by April 1 of each year to the department of commerce. The~~  
3 ~~plan shall outline the purpose and goals for which workforce development~~  
4 ~~monies are to be expended by the district.~~

5           H. G. Each community college district or community college that is  
6 owned, operated or chartered by a qualifying Indian tribe on its own Indian  
7 reservation shall submit a report once every two years of its workforce  
8 development plan activities and the expenditures authorized in this section  
9 to the governor, president of the senate, speaker of the house of  
10 representatives, joint legislative budget committee and department of  
11 commerce by December 1 of every even-numbered year. The report shall include  
12 the purpose and goals for which the workforce development monies were  
13 expended by each district or community college together with a general  
14 accounting of the expenditures authorized in subsection B of this section. A  
15 copy of the final report shall also be provided to the secretary of state ~~and~~  
16 ~~the director of the Arizona state library, archives and public records.~~ For  
17 the purposes of this subsection, "qualifying Indian tribe" has the same  
18 meaning prescribed in section 42-5031.01.

19           Sec. 4. Section 15-1626, Arizona Revised Statutes, is amended to read:

20           15-1626. General administrative powers and duties of board

21           A. The board shall:

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

39 14. In consultation with the state board of education and other  
40 education groups, develop and implement a program to award honors  
41 endorsements to be affixed to the high school diplomas of qualifying high  
42 school pupils and to be included in the transcripts of pupils who are awarded  
43 endorsements. The board shall develop application procedures and testing  
44 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 textbooks  
9 to the Arizona board of regents from which braille versions of the textbooks  
10 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. Acquire United States flags for each classroom that are  
15 manufactured in the United States and that are at least two feet by three  
16 feet and hardware to appropriately display the United States flags, acquire a  
17 legible copy of the Constitution of the United States and the Bill of Rights,  
18 display the flags in each classroom in accordance with title 4 of the United  
19 States Code and display a legible copy of the Constitution of the United  
20 States and the Bill of Rights adjacent to the flag.

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

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

28 (i) The transfer of student records.

29 (ii) Awarding credit for completed course work.

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

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

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

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

43 21. ON OR BEFORE AUGUST 1 OF EACH YEAR, REPORT TO THE JOINT LEGISLATIVE  
44 BUDGET COMMITTEE THE GRADUATION RATE BY UNIVERSITY CAMPUS DURING THE PREVIOUS

1 FISCAL YEAR. THE BOARD SHALL ALSO REPORT THE RETENTION RATE BY UNIVERSITY  
2 CAMPUS AND BY CLASS, AS DETERMINED BY DATE OF ENTRY DURING THE PREVIOUS  
3 FISCAL YEAR.

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

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

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

24 E. The board shall approve or disapprove any contract or agreement  
25 entered into by the university of Arizona hospital with the Arizona health  
26 facilities authority.

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

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

36 H. The board may establish a program for the exchange of students  
37 between the universities under the jurisdiction of the board and colleges and  
38 universities located in the state of Sonora, Mexico. Notwithstanding  
39 subsection A, paragraph 5 of this section, the program may provide for  
40 in-state tuition at the universities under the jurisdiction of the board for  
41 fifty Sonoran students in exchange for similar tuition provisions for up to  
42 fifty Arizona students enrolled or seeking enrollment in Sonoran colleges or  
43 universities. The board may direct the universities to work in conjunction

1 with the Arizona-Mexico commission to coordinate recruitment and admissions  
2 activities.

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

7 Sec. 5. Section 15-1642, Arizona Revised Statutes, is amended to read:  
8 15-1642. Financial aid trust fund; aid to students with  
9 verifiable financial need; endowment

10 A. The Arizona board of regents may establish a financial aid trust  
11 fund for the purposes of providing immediate aid to students with verifiable  
12 financial need, including students who are underrepresented in the population  
13 of university students or who by virtue of their special circumstances  
14 present unique needs for financial aid, and creating an endowment for future  
15 financial aid. Subject to the limitations provided in subsection B, paragraph  
16 3, the board may assess a surcharge upon registration fees paid by students  
17 for deposit in the fund.

18 B. The board shall adopt rules to govern the financial aid trust fund,  
19 including the following:

20 1. Twenty-five per cent of the monies received each year shall be  
21 placed in the trust fund as a permanent endowment. The remaining monies  
22 received shall be used for immediate aid for students with verifiable  
23 financial need. At least fifty per cent of the immediate aid monies shall be  
24 used for grant aid.

25 2. The immediate aid monies shall be distributed to the universities  
26 on a pro rata basis based on relative student contributions to the fund.

27 3. The surcharge on student registration shall not exceed one per cent  
28 of the registration fee for students taking more than six credit surcharge  
29 hours. The surcharge hours for students taking fewer than seven credit hours  
30 shall equal one-half the surcharge assessed students taking more than six  
31 credit hours.

32 ~~C. Each dollar raised pursuant to the surcharge on student~~  
33 ~~registration shall be matched by two dollars appropriated by the legislature.~~

34 ~~D.~~ C. The board shall report every three years to the legislature on  
35 the status of the financial aid trust fund. The report shall include the use  
36 to which the monies have been put and the impact of such use.

37 ~~E.~~ D. Fund monies shall only be used in university assistance  
38 programs approved by the board, and such monies shall be in addition to, and  
39 not in replacement of, existing ~~state or~~ institutional financial aid monies.  
40 Assistance may be provided to full-time or part-time students. Monies  
41 appropriated by this state shall not be used to provide assistance to  
42 students who are not residents of this state.

1           Sec. 6. Section 15-1831, Arizona Revised Statutes, is amended to read:  
2           15-1831. Information on persons who have completed vocational  
3           programs; definitions

4           A. The center for vocational education shall:

5           1. By the end of each calendar year publish and distribute a report of  
6 the placement rates and average salaries earned by persons completing  
7 vocational programs in this state during the prior fiscal year. This report  
8 may include information on a program which would be a vocational program  
9 except that it was not completed by at least twenty-five persons during the  
10 fiscal year.

11          2. Establish an advisory committee consisting of representatives of  
12 both public and private institutions which offer vocational programs. The  
13 advisory committee shall advise the center in the implementation of this  
14 section.

15          3. Prescribe the format in which institutions which offer vocational  
16 programs shall provide the information necessary to produce the report  
17 prescribed in paragraph 1 of this subsection.

18          ~~B. The governing board of each community college district shall:~~

19          ~~1. Transmit to the center for vocational education the following~~  
20 ~~information within thirty days of the end of the fiscal year:~~

21          ~~(a) The social security number of each person who completed a~~  
22 ~~vocational program during the previous fiscal year.~~

23          ~~(b) Such information as the center may require in order to conduct a~~  
24 ~~follow up survey of a sample of persons who have completed vocational~~  
25 ~~programs.~~

26          ~~2. Make available to students prior to or at the time of registration~~  
27 ~~the report distributed by the center for vocational education as prescribed~~  
28 ~~in this section.~~

29          ~~C.~~ B. In this section, unless the context otherwise requires:

30          1. "Center for vocational education" means the center for vocational  
31 education at a university under the jurisdiction of the Arizona board of  
32 regents designated by the board.

33          2. "Vocational program" means a program **THAT IS** completed by at least  
34 twenty-five persons during the fiscal year and ~~which~~ **THAT** is one of the  
35 following:

36          (a) Operated by a community college district organized pursuant to  
37 chapter 12 of this title and designated as a vocational program, including  
38 vocational programs operated by a skill center.

39          (b) A private vocational program **THAT IS** licensed pursuant to section  
40 32-3021 ~~which~~ **AND THAT** does not provide a baccalaureate degree.

41          Sec. 7. Community colleges; capital outlay aid; suspension

42          Notwithstanding section 15-1464, Arizona Revised Statutes, or any other  
43 law, capital outlay state aid for community colleges is suspended for fiscal  
44 year 2011-2012.

1           Sec. 8. Community colleges; capital aid funding for fiscal year  
2                           2011-2012; uses

3           Notwithstanding section 15-1464, subsection G, Arizona Revised  
4 Statutes, for fiscal year 2011-2012, each community college district may use  
5 any portion of its capital outlay funding for operating aid expenses.

6           Sec. 9. Community colleges; operating state aid

7           Notwithstanding section 15-1466, Arizona Revised Statutes, the fiscal  
8 year 2011-2012 appropriation for operating state aid for community colleges  
9 shall be the amount appropriated in the general appropriation act.

10          Sec. 10. Medical student loans; private schools; fiscal year  
11                           2011-2012; retroactivity

12          A. Notwithstanding section 15-1723, subsection A, Arizona Revised  
13 Statutes, the board of medical student loans is not required to apportion  
14 fifty per cent of the monies in the medical student loan fund for students  
15 attending private medical schools in fiscal year 2011-2012.

16          B. This section is effective retroactively to from and after June 30,  
17 2011.