



ARIZONA STATE SENATE
Fifty-Fifth Legislature, First Regular Session

AMENDED
FACT SHEET FOR S.B. 1825

higher education; budget reconciliation; 2021-2022

Purpose

Makes statutory and session law changes relating to higher education necessary to implement the FY 2022 state budget.

Background

The Arizona Constitution prohibits substantive law from being included in the general appropriations, capital outlay appropriations and supplemental appropriations bills. However, it is often necessary to make statutory and session law changes to effectuate the budget. Thus, separate bills called budget reconciliation bills (BRBs) are introduced to enact these provisions. Because BRBs contain substantive law changes, the Arizona Constitution provides that they become effective on the general effective date, unless an emergency clause is enacted.

S.B. 1825 contains the budget reconciliation provisions for changes relating to higher education.

Provisions

Agricultural Workforce Development Program (Effective January 1, 2022)

1. Requires the University of Arizona cooperative extension office (cooperative extension office) to establish the Agricultural Workforce Development Program (Development Program) to provide incentives to food-producing agricultural organizations to hire apprentices by partially reimbursing apprenticeship costs.
2. Allows, subject to legislative appropriation, the cooperative extension office to reimburse a participating food-producing agricultural organization up to the actual cost of employing an apprentice.
3. Requires the Director of the cooperative extension office (Director) to adopt rules for the Development Program that, at a minimum, establish:
 - a) qualifications for food-producing agricultural organizations to participate in the Development Program, including need, the ability to supervise apprentices and the ability to provide meaningful, food production-focused work experience;
 - b) preferences for food-producing agricultural organizations owned or operated by farmers and ranchers located in rural areas, tribal areas or historically underserved areas;
 - c) a requirement that participating food-producing agricultural organizations pay apprentices an hourly wage rate that is at least the Arizona minimum wage rate;

- d) criteria for participating food-producing agricultural organizations to select qualified apprentices, including required educational experience and work ability;
 - e) the process and time frame for selecting qualified apprentices;
 - f) accounting requirements for tracking apprenticeship costs;
 - g) the process for participating food-producing agricultural organizations to seek reimbursement; and
 - h) a directive to seek input from community stakeholders to establish and administer the Development Program.
4. Requires the Director to determine, based on the annual legislative appropriation, the number of approved apprenticeships, the reimbursement amount per apprenticeship and if a participating food-producing agricultural organization may be reimbursed for more than one apprenticeship per fiscal year.
 5. Allows the cooperative extension office to use up to ten percent of appropriated monies on Development Program administrative costs.
 6. Requires the cooperative extension office to submit, by December 1 of each year, an efficacy report to the Governor, the President of the Senate (President) and the Speaker of the House of Representatives (Speaker), and provide a copy to the Secretary of State.
 7. Defines *actual cost* as the wages paid to an apprentice, a reasonable allocation of fixed overhead expenses and all incidental costs directly related to the apprenticeship.
 8. Defines *agricultural organization* as a business, nonprofit organization, community college or state university program related to agriculture.
 9. Defines *historically underserved* as a beginning farmer or rancher, a socially disadvantaged farmer or rancher or a veteran farmer or rancher, including other limited-resource farmers and ranchers.

Water Rights Adjudication

10. Allows a university under the Arizona Board of Regents (ABOR) jurisdiction to offer pro bono assistance to claimants in the general stream adjudication of water rights if the claimants are:
 - a) small landowners; and
 - b) not represented by counsel.
11. Allows a participating university to represent a claimant in the adjudication until the claimant proceeds to an evidentiary hearing or to some other contested proceeding that is similar to a trial.
12. Prohibits the university from representing the claimant at an evidentiary or similarly contested hearing if the claimant has not settled the claim.
13. Requires the participating university to cooperate and coordinate with the faculty of a cooperative extension in Arizona with a program to support the economic vitality of rural communities and the use of natural resources in those communities.

14. Requires a participating university, by November 15 of each year, to submit a report of assistance activities to the Governor, the President and the Speaker, and provide a copy to the Secretary of State.

Arizona Promise Program (Promise Program)

15. Directs eligible postsecondary institutions to implement a Promise Program to provide financial assistance to students who:
 - a) are pursuing studies in Arizona leading to a baccalaureate degree;
 - b) qualify for in-state student status;
 - c) graduate from an Arizona high school with a minimum cumulative grade point average of 2.5 on 4.0 scale for all work attempted in grades 9 through 12;
 - d) satisfy admission standards determined by an eligible postsecondary institution;
 - e) complete and submit the Free Application for Federal Student Aid (FAFSA) and meet eligibility criteria for the Federal Pell Grant; and
 - f) secure admission to, and be enrolled in, an eligible postsecondary institution for at least full-time status as determined by federal financial aid guidelines.
16. Requires students, to retain eligibility for the Promise Program, to:
 - a) maintain satisfactory academic progress required for federal financial aid eligibility;
 - b) complete and submit a FAFSA;
 - c) maintain at least full-time status determined by federal financial aid guidelines; and
 - d) comply with standards related to maintenance of eligibility adopted by the postsecondary institution governing board.
17. Requires each eligible postsecondary institution to provide eligible students an award up to the actual cost of in-state tuition and fees, reduced by the amount of other federal aid scholarships, public grants and other gifts, grants or aid received by the student.
18. Limits an award for up to eight academic semesters or the equivalent.
19. Requires an award be granted to all eligible applicants, subject only to the amount of available monies and the number of eligible applicants.
20. Specifies that if appropriated monies are insufficient to provide awards for all eligible applicants, ABOR must guarantee an award to applicants enrolled in a university under its jurisdiction.
21. Establishes the Arizona Promise Program Fund (Program Fund) consisting of legislative appropriations and any other monies to administer the Promise Program and distribute award monies.
22. Requires ABOR to administer the Program Fund and develop and implement centralized administrative processes for distributing monies in the Program Fund to eligible postsecondary institutions each fiscal year.
23. Allows ABOR to accept and spend federal monies, private grants, gifts and contributions and philanthropic, public, private or other sources of money for the Promise Program.

24. Allows monies in the Program Fund to be used for:
 - a) reimbursing Promise Program awards that cover the balance of tuition and fees, after other gifts and aid are received, for eligible participants;
 - b) administering the Promise Program, including hiring and retaining personnel, collecting data, reporting, tracking and analyzing the Promise Program; and
 - c) designing and implementing a marketing and promotion plan for the Promise Program.
25. Prohibits annual expenditures for marketing, promoting and administering the Promise Program from exceeding three percent of the monies in the Program Fund each fiscal year.
26. Allows monies remaining in the Program Fund at the end of each fiscal year to be used for Promise Program costs in the next fiscal year.
27. Specifies that Program Fund monies are continuously appropriated and exempt from lapsing.
28. Defines *eligible postsecondary institutions* as universities under the jurisdiction of ABOR.
29. Defines *tuition and fees* as tuition, mandatory fees and program fees associated with a program in the eligible postsecondary institution and that are charged by an eligible postsecondary institution.

Community College Enrollment Incentive Program

30. Directs the Department of Economic Security (DES) to establish a program to provide incentives to low-wage workers to enroll in community colleges while working.
31. Requires DES to use monies appropriated in FY 2022 to reimburse community colleges for scholarships provided to eligible workers.
32. Deems a worker eligible for a scholarship if the worker:
 - a) was receiving unemployment benefits on or filed for unemployment benefits on or before May 15, 2021, as specified;
 - b) is not receiving unemployment benefits at the time of applying for a scholarship and agrees to maintain employment of at least 20 hours per week while receiving the scholarship;
 - c) is able to demonstrate financial need as determined by the FAFSA; and
 - d) is enrolled in the community college for at least six credit hours per semester.
33. Specifies that an individual who files an initial unemployment benefits claim after May 15, 2021, is not eligible for the scholarship, even if filing occurs for weeks before the benefit week ending May 15, 2021.
34. Specifies that an eligible individual must receive benefits for the week that ends May 8, 2021, or May 15, 2021, although the benefit payment may be issued in a later week.
35. Directs a worker wishing to receive a scholarship to apply to a community college and submit a FAFSA.
36. Requires a community college to apply all other scholarships and gifts of aid a worker receives in determining the scholarship amount.

37. Directs DES to establish a process for community colleges to verify student eligibility for the scholarship.
38. Requires DES to allocate scholarship monies on a first-come, first-served basis.
39. Allows a scholarship to be awarded to an eligible worker for up to six credit hours per semester and for up to two years or four academic semesters.
40. Allows DES to enter a data sharing agreement with a community college to receive a list of eligible scholarship applicants on a schedule determined by DES.
41. Repeals the Community College Enrollment Incentive Program on July 1, 2024.

Postsecondary Education Modifications

42. Transfers, effective January 1, 2022, statutory duties of the Commission for Postsecondary Education (Commission) and the Arizona Teacher Student Loan Program to ABOR.
43. Directs Legislative Council staff to prepare proposed legislation conforming statute to the transfer of Commission duties to ABOR to be considered in the 55th Legislature, Second Regular Session.
44. Repeals the Private Postsecondary Education Student Financial Assistance Program, the Private Postsecondary Education Grant Program and related program funds.
45. Transfers all unexpected and unencumbered monies in the Private Postsecondary Education Student Financial Assistance Fund and the Private Postsecondary Education Grant Fund to the Postsecondary Education Fund on the effective date.
46. Deems students attending public postsecondary educational institutions not qualified to participate in the Arizona Teacher Student Loan Program.
47. Specifies that students attending a public postsecondary institution who received a loan through the Arizona Teacher Student Loan Program before the effective date may continue in the program until completion of eligible studies.

COVID-19 Vaccination

48. Prohibits ABOR, public universities and community colleges from:
 - a) requiring students to obtain or show proof of receiving a COVID-19 vaccination; or
 - b) placing any conditions on attendance or participating in classes or academic activities, including mandatory testing or face covering usage, if the person chooses not to obtain or disclose receiving the COVID-19 vaccination, unless otherwise required.
49. Specifies that a public university may require testing only upon a significant COVID-19 outbreak in a shared student housing setting that poses a risk to students or staff.
50. Requires a public university to receive approval from the Department of Health Services (DHS) prior to implementing a testing requirement.

51. Exempts students engaged in research or testing involving a live COVID-19 virus from vaccination and testing restrictions.
52. Allows a health care institution to require a student participating in a clinical setting at the institution to provide proof of receiving the COVID-19 vaccination and be subject to regular health screenings, as determined.
53. Defines *health care institution* to include a hospital, a nursing care institution, a residential care institution, an intermediate care facility for individuals with intellectual disability, a group home or other licensed medical facility.

Miscellaneous

54. Calculates, effective July 1, 2022, and each fiscal year after, the adjusted growth rate of the amount appropriated to the university Capital Infrastructure Fund as the change in the implicit price deflator for the gross domestic product reported by the U.S. Department of Commerce from the second quarter of the second preceding calendar year to the second quarter of the immediately preceding calendar year.
55. Repeals session law relating to the allocation of bond proceeds for the construction of the University of Arizona Phoenix Biomedical Campus.
56. Reduces, for FY 2022, the required state match to less than two dollars for each dollar raised by the surcharge on student registration fees assessed pursuant to the Arizona Financial Aid Trust Fund.
57. Specifies operating state aid for community college districts in FY 2022 is as prescribed in the General Appropriations Act.
58. Specifies state aid for community college district science, technology, engineering and mathematics and workforce development programs in FY 2022 is as prescribed in the General Appropriations Act.
59. Makes technical and conforming changes.
60. Becomes effective on the general effective date, except as otherwise noted.

Amendments Adopted by the Committee of the Whole

1. Prohibits ABOR, public universities or community colleges from:
 - a) requiring students to obtain or show proof of receiving a COVID-19 vaccination; or
 - b) placing any conditions on attendance or participation in classes or academic activities, including testing or face coverings, if the student chooses not to obtain or disclose receiving the COVID-19 vaccination, unless otherwise required.
2. Prohibits a public university from requiring testing unless a significant COVID-19 outbreak occurs in a shared student housing setting and testing approval is received for DHS.
3. Exempts students engaged in research or testing involving a live COVID-19 virus from vaccination and testing restrictions.
4. Allows a specified health care institution to require a student participating in a clinical setting to provide proof of receiving the COVID-19 vaccination and be subject to health testing.

5. Modifies eligibility and retention requirements for the Promise Program to:
 - a) require students to maintain full-time status, rather than half-time status;
 - b) remove the requirement to establish financial need under the National School Lunch and Child Nutrition Acts for free or reduced-price lunches; and
 - c) remove the requirement that a student meet the retention and completion criteria established by the eligible postsecondary institution for which the student is enrolled.
6. Allows a Promise Program award to be used for courses or units taken in excess of the degree completion requirements.
7. Modifies the Community College Enrollment Incentive Program eligibility requirements as follows:
 - a) requires an eligible worker to be receiving or have filed for unemployment benefits on or before May 15, 2021, rather than May 13, 2021;
 - b) deems individuals filing initial unemployment benefit claims after May 15, 2021 ineligible;
 - c) requires an eligible worker to be receiving benefits for benefit week ending May 8, 2021, or May 15, 2021;
 - d) prohibits an eligible worker from receiving unemployment at the time of application, rather than requiring them to be working an average of 20 hours per week; and
 - e) requires an eligible worker to demonstrate financial need, rather than meet specific income requirements.
8. Directs DES, rather than the community colleges, to establish a process to determine Incentive Program eligibility and a data sharing agreement schedule.
9. Repeals session law relating to the allocation of bond proceeds for the construction of the University of Arizona Phoenix Biomedical Campus.
10. Makes a technical correction to transfer the Arizona Teacher Student Loan Program from the Commission on Postsecondary Education to ABOR.

Senate Action

APPROP 5/25/21 DP 6-4-1

Prepared by Senate Research

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JO/JP/gs