

House Engrossed
higher education; 2022-2023

State of Arizona
House of Representatives
Fifty-fifth Legislature
Second Regular Session
2022

HOUSE BILL 2864

AN ACT

AMENDING SECTION 15-1469, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 13, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-1650.06; AMENDING TITLE 15, CHAPTER 14, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-1809; AMENDING SECTION 42-17203, ARIZONA REVISED STATUTES; APPROPRIATING MONIES; RELATING TO 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 15-1469, Arizona Revised Statutes, is amended to
3 read:

4 15-1469. Attendance of nonresident state students; payment of
5 cost by county of residence and state

6 A. The district may admit students from any part of this state that
7 is not a part of an established community college district on the same
8 conditions as residents.

9 B. The county of the student's residence AND THIS STATE shall
10 reimburse the district as provided in this subsection AND SUBSECTION C OF
11 THIS SECTION. The TOTAL amount of reimbursement to each community college
12 district from each county that is not a part of an organized community
13 college district AND FROM THIS STATE shall be determined as follows:

14 1. For students attending classes within the established community
15 college district:

16 (a) Determine the number of full-time equivalent students attending
17 classes within the district from the county for the year preceding the
18 current year.

19 (b) Determine the operational expenses of the district for the
20 current year, excluding direct and indirect costs of noncredit courses and
21 direct and indirect costs of ~~300~~ 300-LEVEL and ~~400-level~~ 400-LEVEL
22 community college baccalaureate degree courses.

23 (c) Determine the amount of state aid the district received for the
24 current year as provided in section 15-1466.

25 (d) Subtract the amount of state aid received for the current year
26 determined in subdivision (c) of this paragraph from the amount of
27 operational expenses for the current year determined in subdivision (b) of
28 this paragraph.

29 (e) Determine the number of full-time equivalent students enrolled
30 in the district for the current year.

31 (f) Divide the amount determined in subdivision (d) of this
32 paragraph by the number of full-time equivalent students determined in
33 subdivision (e) of this paragraph.

34 (g) Multiply the amount determined in subdivision (f) of this
35 paragraph by the average number of full-time equivalent students for the
36 county determined as provided in subdivision (a) of this paragraph.

37 The resulting amount is the TOTAL amount of reimbursement to the district
38 from THIS STATE AND FROM the county for the budget year for students
39 attending classes within the established community college district.
40 BEGINNING IN THE 2022-2023 FISCAL YEAR, THIS AMOUNT SHALL BE PAID TO THE
41 DISTRICT AS PRESCRIBED IN SUBSECTION C OF THIS SECTION.

42 2. For students attending classes offered by the district within
43 the county pursuant to section 15-1470, the amount specified in the
44 intergovernmental agreement is the amount of reimbursement to the district

1 from the county for the budget year for students attending classes within
2 the county.

3 C. BEGINNING IN THE 2022-2023 FISCAL YEAR, THE AMOUNT CALCULATED
4 PURSUANT TO SUBSECTION B, PARAGRAPH 1 OF THIS SECTION SHALL BE PAID TO THE
5 DISTRICT AS FOLLOWS:

6 1. THE COUNTY THAT IS NOT A PART OF AN ORGANIZED COMMUNITY COLLEGE
7 DISTRICT SHALL REIMBURSE THE DISTRICT FOR THE BUDGET YEAR FOR STUDENTS
8 ATTENDING CLASSES WITHIN THE ESTABLISHED COMMUNITY COLLEGE DISTRICT IN AN
9 AMOUNT THAT IS CALCULATED AS FOLLOWS:

10 (a) DIVIDE THE AMOUNT OF THE PRIMARY PROPERTY TAX LEVY OF THE
11 DISTRICT FROM THE PRIOR YEAR BY THE NUMBER OF FULL-TIME EQUIVALENT
12 STUDENTS ENROLLED IN THE DISTRICT FOR THE CURRENT YEAR AS DETERMINED IN
13 SUBSECTION B, PARAGRAPH 1, SUBDIVISION (e) OF THIS SECTION.

14 (b) MULTIPLY THE AMOUNT CALCULATED PURSUANT TO SUBDIVISION (a) OF
15 THIS PARAGRAPH BY THE NUMBER OF FULL-TIME EQUIVALENT STUDENTS ATTENDING
16 CLASSES WITHIN THE DISTRICT FROM THE COUNTY FOR THE YEAR PRECEDING THE
17 CURRENT YEAR AS DETERMINED IN SUBSECTION B, PARAGRAPH 1, SUBDIVISION (a)
18 OF THIS SECTION.

19 2. AN AMOUNT THAT IS EQUAL TO THE AMOUNT CALCULATED PURSUANT TO
20 SUBSECTION B, PARAGRAPH 1 OF THIS SECTION MINUS THE AMOUNT THAT IS
21 CALCULATED PURSUANT TO PARAGRAPH 1 OF THIS SUBSECTION SHALL BE PAID TO THE
22 DISTRICT FROM THE STATE GENERAL FUND.

23 ~~C.~~ D. On or before May 15 of each year, the staff of the joint
24 legislative budget committee shall:

25 1. Determine the TOTAL amount of reimbursement to each district
26 from each county AND THIS STATE pursuant to subsection B, paragraph 1 of
27 this section AND THE AMOUNTS THAT EACH COUNTY AND THIS STATE MUST PAY TO
28 EACH DISTRICT UNDER SUBSECTION C OF THIS SECTION.

29 2. Notify the board of supervisors of each county of the amount it
30 ~~shall~~ MUST reimburse to each district pursuant to subsection ~~B~~ C,
31 paragraph 1 of this section for the budget year.

32 3. Notify each community college district THAT IS eligible to
33 receive reimbursement of the amount of reimbursement from each county AND
34 THIS STATE pursuant to subsection B, paragraph 1 AND SUBSECTION C of this
35 section for the budget year.

36 ~~D.~~ E. On or before November 15 and May 15 of each year, the board
37 of supervisors shall draw warrants on the county treasurer in favor of the
38 community college district for half of the amount due pursuant to
39 subsection B, PARAGRAPH 2 OR SUBSECTION C, PARAGRAPH 1 of this section.
40 The board of supervisors shall:

41 1. Pay monies from the county general fund or levy a community
42 college reimbursement levy pursuant to section 42-17203 for the amount of
43 reimbursement pursuant to an intergovernmental agreement for extension
44 courses as provided in section 15-1470.

1 OR \$100,000, WHICHEVER IS LESS. THE BOARD SHALL DISTRIBUTE MONIES FROM
2 THE FUND SUBJECT TO THE AVAILABILITY OF MONIES AND LEGISLATIVE
3 APPROPRIATION AND ON A FIRST-COME, FIRST-SERVED BASIS. FOR THE PURPOSES
4 OF THIS SUBSECTION, "EDUCATIONAL LOAN BALANCE" MEANS THE BALANCE OF THE
5 PRINCIPAL, INTEREST AND RELATED EXPENSES OF THE EDUCATIONAL LOAN.

6 F. ON OR BEFORE OCTOBER 1 OF EACH YEAR, THE BOARD SHALL COMPILE A
7 REPORT THAT DETAILS HOW THE ARIZONA VETERINARY LOAN ASSISTANCE FUND MONIES
8 ARE BEING SPENT AND SHALL SUBMIT THIS REPORT TO THE GOVERNOR, THE
9 PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.
10 THE BOARD SHALL SUBMIT A COPY OF THIS REPORT TO THE SECRETARY OF STATE.

11 G. THE BOARD MAY ADOPT RULES FOR THE PURPOSES OF CARRYING OUT THIS
12 SECTION.

13 H. FOR THE PURPOSES OF THIS SECTION:

14 1. "BOARD" MEANS THE ARIZONA BOARD OF REGENTS.

15 2. "VETERINARIAN" HAS THE SAME MEANING PRESCRIBED IN SECTION
16 32-2201.

17 3. "VETERINARY COLLEGE" HAS THE SAME MEANING PRESCRIBED IN SECTION
18 32-2201.

19 Sec. 3. Title 15, chapter 14, article 1, Arizona Revised Statutes,
20 is amended by adding section 15-1809, to read:

21 15-1809. Spouses of military veterans tuition scholarship
22 fund; tuition scholarships; eligibility; rules

23 A. THE SPOUSES OF MILITARY VETERANS TUITION SCHOLARSHIP FUND IS
24 ESTABLISHED CONSISTING OF LEGISLATIVE APPROPRIATIONS. THE ARIZONA BOARD
25 OF REGENTS SHALL ADMINISTER THE FUND. MONIES IN THE FUND ARE CONTINUOUSLY
26 APPROPRIATED AND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING
27 TO LAPSING OF APPROPRIATIONS. SUBJECT TO AVAILABLE MONIES, THE ARIZONA
28 BOARD OF REGENTS SHALL USE THE MONIES IN THE FUND TO AWARD TUITION
29 SCHOLARSHIPS TO ANY PERSON WHO MEETS ALL OF THE FOLLOWING REQUIREMENTS:

30 1. ENROLLS IN A UNIVERSITY UNDER THE JURISDICTION OF THE ARIZONA
31 BOARD OF REGENTS OR IN A COMMUNITY COLLEGE AS DEFINED IN SECTION 15-1401.

32 2. IS THE SPOUSE OF AN HONORABLY DISCHARGED VETERAN OF THE ARMED
33 FORCES OF THE UNITED STATES. FOR THE PURPOSES OF PROVING THAT THE
34 PERSON'S SPOUSE IS AN HONORABLY DISCHARGED VETERAN OF THE ARMED FORCES OF
35 THE UNITED STATES AS REQUIRED BY THIS PARAGRAPH:

36 (a) THE PERSON SHALL SUBMIT PROOF OF THE HONORABLE DISCHARGE OR
37 GENERAL DISCHARGE UNDER HONORABLE CONDITIONS OF THE PERSON'S SPOUSE.

38 (b) THE ARIZONA DEPARTMENT OF VETERANS' SERVICES SHALL VERIFY THAT
39 THE PERSON IS THE SPOUSE OF AN HONORABLY DISCHARGED VETERAN.

40 3. IS ENTITLED TO CLASSIFICATION AS AN IN-STATE STUDENT UNDER
41 SECTION 15-1802.

42 4. IS A RESIDENT OF THIS STATE AT THE TIME OF APPLYING FOR A
43 TUITION SCHOLARSHIP AND CONTINUES TO BE A RESIDENT OF THIS STATE WHILE
44 RECEIVING A TUITION SCHOLARSHIP UNDER THIS SECTION.

1 5. COMPLETES AND SUBMITS THE FREE APPLICATION FOR FEDERAL STUDENT
2 AID FOR EACH YEAR THAT THE PERSON RECEIVES A TUITION SCHOLARSHIP UNDER
3 THIS SECTION.

4 6. COMPLIES WITH THE STANDARDS OF SATISFACTORY ACADEMIC PROGRESS AS
5 ESTABLISHED BY THE UNIVERSITY OR COMMUNITY COLLEGE IN WHICH THE PERSON
6 ENROLLS.

7 7. COMPLETES A FAMILY EDUCATIONAL RIGHTS AND PRIVACY ACT OF 1974
8 (P.L. 93-380; 88 STAT. 57) RELEASE FORM FOR EACH UNIVERSITY OR COMMUNITY
9 COLLEGE IN WHICH THE PERSON IS ENROLLED TO AUTHORIZE THE RELEASE OF
10 PERSONALLY IDENTIFIABLE INFORMATION REQUIRED TO DETERMINE CONTINUED
11 TUITION SCHOLARSHIP ELIGIBILITY UNDER THIS SECTION.

12 B. A PERSON WHO MEETS THE REQUIREMENTS PRESCRIBED IN SUBSECTION A
13 OF THIS SECTION MAY APPLY TO THE ARIZONA BOARD OF REGENTS FOR A TUITION
14 SCHOLARSHIP FROM THE FUND IN A MANNER PRESCRIBED BY THE ARIZONA BOARD OF
15 REGENTS. SUBJECT TO AVAILABLE MONIES, THE ARIZONA BOARD OF REGENTS SHALL
16 AWARD AN ELIGIBLE PERSON A TUITION SCHOLARSHIP THAT IS EQUAL TO THE AMOUNT
17 OF TUITION AND MANDATORY FEES CHARGED BY THE UNIVERSITY OR COMMUNITY
18 COLLEGE IN WHICH THE PERSON IS ENROLLED, REDUCED BY THE AMOUNT OF ANY
19 FEDERAL AID SCHOLARSHIPS OR PUBLIC GRANTS AND ANY OTHER FINANCIAL GIFTS,
20 GRANTS OR AID RECEIVED BY THAT PERSON. THE ARIZONA BOARD OF REGENTS SHALL
21 VERIFY THAT THE PERSON SATISFIES THE REQUIREMENTS PRESCRIBED IN SUBSECTION
22 A OF THIS SECTION BEFORE AWARDING A TUITION SCHOLARSHIP. IF THE ARIZONA
23 BOARD OF REGENTS DETERMINES THAT A PERSON NO LONGER SATISFIES THE
24 REQUIREMENTS PRESCRIBED IN SUBSECTION A OF THIS SECTION, THE ARIZONA BOARD
25 OF REGENTS MAY NOT AWARD A SUBSEQUENT TUITION SCHOLARSHIP FROM THE FUND
26 UNTIL THE PERSON SUBMITS DOCUMENTATION SHOWING THAT THE PERSON SATISFIES
27 ALL REQUIREMENTS PRESCRIBED IN SUBSECTION A OF THIS SECTION.

28 C. A TUITION SCHOLARSHIP PROVIDED PURSUANT TO THIS SECTION SHALL
29 BE:

30 1. LIMITED TO NOT MORE THAN FOUR ACADEMIC YEARS OR EIGHT SEMESTERS.

31 2. USED ONLY FOR A CERTIFICATE, AN ASSOCIATE DEGREE OR A
32 BACCALAUREATE DEGREE.

33 3. USED ONLY TO PAY TUITION AND MANDATORY FEES AT A UNIVERSITY
34 UNDER THE JURISDICTION OF THE ARIZONA BOARD OF REGENTS OR AT A COMMUNITY
35 COLLEGE AS DEFINED IN SECTION 15-1401.

36 D. TUITION SCHOLARSHIPS UNDER THIS SECTION SHALL BE AWARDED ON A
37 FIRST-COME, FIRST-SERVED BASIS. IF THERE ARE INSUFFICIENT MONIES IN THE
38 FUND, THE ARIZONA BOARD OF REGENTS MAY NOT AWARD A TUITION SCHOLARSHIP TO
39 AN ELIGIBLE PERSON UNDER THIS SECTION.

40 E. THE ARIZONA BOARD OF REGENTS MAY ADOPT RULES FOR THE PURPOSES OF
41 ADMINISTERING THIS SECTION.

1 Sec. 4. Section 42-17203, Arizona Revised Statutes, is amended to
2 read:

3 42-17203. County levy for community college; election

4 A. A county that is not in an organized community college district
5 may conduct an election to authorize a property tax levy for community
6 college purposes that is not within the limitation on primary property
7 taxes that is otherwise prescribed by section 42-17051.

8 B. In order to levy taxes for community college purposes in excess
9 of the limitations otherwise prescribed on primary property tax, the board
10 of supervisors of a county that is not in an organized community college
11 district shall adopt a resolution by an affirmative vote of at least
12 two-thirds of its membership requesting the voters to approve a community
13 college reimbursement levy and setting the time and place for the
14 election.

15 C. The board shall submit the questions to the qualified electors
16 at an election held on the first Tuesday following the first Monday in
17 November as prescribed by section 16-204, subsection ~~B, paragraph 1,~~
18 ~~subdivision (d)~~ F. Except as otherwise provided in this section, the
19 election shall be held according to the provisions applying to bond
20 issuance elections in title 35, chapter 3, article 3.

21 D. In the resolution requesting the voters to approve the levy and
22 setting the time and place for the election, the board shall state:

23 1. The estimated maximum dollar amount of secondary property taxes
24 that could be collected in the first year if the voters approve the levy
25 for payment of tuition under section 15-1469, subsection ~~B~~ C,
26 paragraph 1.

27 2. The estimated secondary property tax rate that will be levied if
28 the voters approve the levy.

29 3. The estimated decrease of the primary property tax rate if the
30 voters approve the levy for the payment of tuition under section 15-1469,
31 subsection ~~B~~ C, paragraph 1.

32 4. That the amount of community college reimbursement levy will
33 vary from year to year to pay tuition under section 15-1469, subsection
34 ~~B~~ C, paragraph 1.

35 5. The maximum dollar amount of secondary property taxes that could
36 be collected in the first year if the voters approve the levy for payment
37 of tuition under section 15-1469, subsection B, paragraph 2 or to
38 establish a campus in the county that is affiliated with a community
39 college district as provided in subsection E of this section.

40 6. The maximum growth rate that will be allowed for secondary
41 property taxes collected in each subsequent year if the voters approve the
42 levy for payment of tuition under section 15-1469, subsection B, paragraph
43 2 or to establish a campus in the county that is affiliated with a
44 community college district as provided in subsection E of this section.

1 E. The board may use monies it collects under this section to
2 either:

3 1. Reimburse the costs of students pursuant to section 15-1469,
4 subsection B, paragraphs 1 and 2 as approved by the voters.

5 2. Establish a campus in the county that is affiliated with a
6 community college district.

7 F. If the levy is approved by the voters for purposes of
8 reimbursement pursuant to section 15-1469, the maximum amount of taxes
9 that the board may levy for any year in which the authority is in effect
10 is the amount of reimbursement pursuant to section 15-1469, subsection
11 ~~B~~ C, paragraph 1 and any portion of the reimbursement as specified in the
12 resolution pursuant to subsection D, paragraphs 5 and 6 of this section as
13 approved by the board of supervisors.

14 G. The board of supervisors shall levy the tax in the same manner
15 as county property taxes as provided in section 42-17151. If an
16 unexpended balance of the monies collected pursuant to this section
17 remains after satisfying the requirements of subsection E of this section,
18 the board shall use the balance to reduce the community college levy under
19 this section in the following year. If the balance exceeds the
20 requirements for the following year, the board shall use the balance to
21 reduce any other property tax authorized by law to be collected by the
22 county.

23 H. The amounts collected pursuant to this section:

24 1. Shall not be included in the levy limitation pursuant to section
25 42-17051 for any subsequent year.

26 2. Shall be collected from a levy of secondary property taxes.

27 3. Except as provided in this section, are exempt pursuant to
28 article IX, section 19, subsection (5), Constitution of Arizona, from levy
29 limitations.

30 Sec. 5. Department of administration; conveyance of real
31 property housing the mining, mineral and natural
32 resources educational museum to university of
33 Arizona; continued operation, management and
34 maintenance

35 Notwithstanding section 37-803, subsection B, paragraph 1, Arizona
36 Revised Statutes, the department of administration shall convey title and
37 fee ownership of the real property and improvements on the real property
38 currently housing the mining, mineral and natural resources educational
39 museum to the university of Arizona for nominal consideration not more
40 than thirty days after the effective date of this section. The university
41 of Arizona shall operate, manage and maintain the mining, mineral and
42 natural resources educational museum at the location consistent with title
43 27, chapter 1, article 1, Arizona Revised Statutes.

1 Sec. 6. Joint legislative budget committee; recalculation;
2 fiscal year 2022-2023

3 Notwithstanding section 15-1469, Arizona Revised Statutes, as
4 amended by this act, within ten days after the effective date of this
5 section, the staff of the joint legislative budget committee shall:

6 1. Revise the calculation computed pursuant to section 15-1469,
7 subsection D, paragraph 1, Arizona Revised Statutes, as amended by this
8 act, for the 2022-2023 fiscal year.

9 2. Notify the board of supervisors of each county of the revised
10 amount it must reimburse to each district pursuant to section 15-1469,
11 subsection C, paragraph 1, Arizona Revised Statutes, as added by this act,
12 for the 2022-2023 fiscal year.

13 3. Notify each community college district that is eligible to
14 receive reimbursement of the revised amount of reimbursement from each
15 county and this state pursuant to section 15-1469, subsection B,
16 paragraph 1, Arizona Revised Statutes, as amended by this act, and section
17 15-1469, subsection C, Arizona Revised Statutes, as added by this act, for
18 the 2022-2023 fiscal year.

19 Sec. 7. Financial aid trust fund; required state match;
20 reduction

21 Notwithstanding section 15-1642, subsection C, Arizona Revised
22 Statutes, for fiscal year 2022-2023, each dollar raised pursuant to the
23 surcharge on student registration fees assessed pursuant to section
24 15-1642, subsection A, Arizona Revised Statutes, may be matched by less
25 than \$2 appropriated by the legislature.

26 Sec. 8. Community college districts; state aid for science,
27 technology, engineering and mathematics and
28 workforce programs

29 Notwithstanding section 15-1464, subsection A, paragraph 3, Arizona
30 Revised Statutes, state aid for science, technology, engineering and
31 mathematics and workforce programs for community college districts for
32 fiscal year 2022-2023 is as specified in the general appropriations act.

33 Sec. 9. Community college districts; operating state aid;
34 eligibility; limits

35 Notwithstanding section 15-1466, Arizona Revised Statutes, operating
36 state aid for community college districts for fiscal year 2022-2023 is as
37 specified in the general appropriations act.