

REFERENCE TITLE: conforming legislation; postsecondary education
commission

State of Arizona
Senate
Fifty-fifth Legislature
Second Regular Session
2022

SB 1321

Introduced by
Senator Shope

AN ACT

AMENDING TITLE 15, CHAPTER 13, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-1657; AMENDING TITLE 15, CHAPTER 13, ARTICLE 6, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 15-1702, 15-1703 AND 15-1704; REPEALING TITLE 15, CHAPTER 13, ARTICLE 11, ARIZONA REVISED STATUTES; REPEALING TITLE 15, CHAPTER 14, ARTICLES 4 AND 5, ARIZONA REVISED STATUTES; REPEALING SECTION 41-3027.02, ARIZONA REVISED STATUTES; APPROPRIATING MONIES; RELATING TO POSTSECONDARY EDUCATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 15, chapter 13, article 3, Arizona Revised
3 Statutes, is amended by adding section 15-1657, to read:

4 15-1657. Arizona teacher student loan program; requirements;
5 fund; definitions

6 A. THE ARIZONA TEACHER STUDENT LOAN PROGRAM IS ESTABLISHED TO
7 SUPPORT THE RECRUITMENT OF TEACHERS IN PUBLIC SCHOOLS IN THIS STATE. THE
8 ARIZONA BOARD OF REGENTS MAY GRANT FORGIVABLE LOANS TO QUALIFIED STUDENTS
9 FROM THE ARIZONA TEACHER STUDENT LOAN FUND ESTABLISHED BY THIS SECTION TO
10 DEFRAY THE COSTS OF TUITION, INSTRUCTIONAL MATERIALS AND MANDATORY FEES OF
11 QUALIFIED STUDENTS WHO ARE PURSUING EITHER A TEACHING DEGREE OR A TEACHING
12 CERTIFICATE THROUGH AN ALTERNATIVE TEACHER CERTIFICATION PROGRAM AT A
13 QUALIFYING POSTSECONDARY INSTITUTION AND WHO MEET THE QUALIFICATIONS TO
14 RECEIVE THESE LOANS. A QUALIFIED STUDENT WHO IS IN AN ALTERNATIVE TEACHER
15 CERTIFICATION PROGRAM AFTER OBTAINING A BACHELOR'S DEGREE IS ELIGIBLE FOR
16 A LOAN ISSUED PURSUANT TO THIS SECTION. LOANS SHALL BE GRANTED IN AN
17 AMOUNT AND ON SUCH TERMS AND CONDITIONS AS DETERMINED BY THE ARIZONA BOARD
18 OF REGENTS AND SHALL BE DISTRIBUTED ON A FIRST-COME, FIRST-SERVED BASIS.

19 B. THE LOANS ISSUED UNDER THIS SECTION SHALL BE USED TO COVER THE
20 COSTS OF TUITION AND MANDATORY FEES FOR EACH LOAN RECIPIENT AND MAY ALSO
21 DEFRAY THE COST OF INSTRUCTIONAL MATERIALS, BUT SHALL EXCLUDE ALL GRANTS,
22 SCHOLARSHIPS AND TUITION BENEFITS SUCH AS MILITARY, TRIBAL AND EMPLOYEE
23 GRANTS, SCHOLARSHIPS AND BENEFITS.

24 C. A QUALIFIED STUDENT WHO DOES NOT SUCCESSFULLY COMPLETE THE
25 ACADEMIC YEAR IN GOOD ACADEMIC STANDING SHALL REIMBURSE THE ARIZONA BOARD
26 OF REGENTS FOR THE TOTAL AMOUNT OF THE LOAN THE QUALIFIED STUDENT RECEIVED
27 FOR THAT YEAR UNDER THIS SECTION.

28 D. FOR EACH ACADEMIC YEAR THAT THE QUALIFIED STUDENT SUCCESSFULLY
29 COMPLETES AND FOR WHICH THE QUALIFIED STUDENT RECEIVES A LOAN UNDER THIS
30 SECTION, THE QUALIFIED STUDENT MUST AGREE TO TEACH FOR ONE FULL SCHOOL
31 YEAR IN A PUBLIC SCHOOL IN THIS STATE. FOR QUALIFIED STUDENTS WHO ARE
32 TEACHING AND RECEIVING A LOAN UNDER THIS SECTION CONCURRENTLY, THE
33 COMMITMENT PERIOD BEGINS AFTER GRADUATION. IF A QUALIFIED STUDENT ENROLLS
34 IN A SUMMER TERM, THAT TERM MAY NOT BE INCLUDED IN THE CALCULATION OF THE
35 QUALIFIED STUDENT'S POSTGRADUATION PUBLIC SERVICE COMMITMENT.

36 E. IF THE QUALIFIED STUDENT DOES NOT FULFILL THE QUALIFIED
37 STUDENT'S OBLIGATION TO TEACH IN A PUBLIC SCHOOL AS PRESCRIBED IN THIS
38 SECTION, THE QUALIFIED STUDENT SHALL REIMBURSE THE ARIZONA BOARD OF
39 REGENTS FOR THE PROPORTIONAL AMOUNT OF THE LOAN THE QUALIFIED STUDENT
40 RECEIVED THAT CORRESPONDS TO THE NUMBER OF SCHOOL YEARS THE QUALIFIED
41 STUDENT AGREED TO TEACH BUT DID NOT TEACH IN A PUBLIC SCHOOL IN THIS
42 STATE.

43 F. THE ARIZONA BOARD OF REGENTS SHALL ESTABLISH A PROCESS FOR
44 DEFERRING SERVICE OR REPAYMENT BASED ON FACTORS ADOPTED BY THE BOARD.

1 G. THE ARIZONA TEACHER STUDENT LOAN FUND IS ESTABLISHED. THE
2 ARIZONA BOARD OF REGENTS SHALL ADMINISTER THE FUND. ALL MONIES
3 APPROPRIATED TO CARRY OUT THE PURPOSES OF THIS SECTION SHALL BE DEPOSITED
4 IN THE FUND AND ALL PAYMENTS OF PRINCIPAL AND INTEREST THAT ARE RECEIVED
5 BY THE ARIZONA BOARD OF REGENTS SHALL BE DEPOSITED, PURSUANT TO SECTIONS
6 35-146 AND 35-147, IN THE FUND. MONIES IN THE FUND ARE CONTINUOUSLY
7 APPROPRIATED FOR USE BY THE ARIZONA BOARD OF REGENTS AND ARE EXEMPT FROM
8 THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS.
9 THE ARIZONA BOARD OF REGENTS MAY RETAIN UP TO TEN PERCENT OF THE AMOUNT
10 DEPOSITED EACH FISCAL YEAR IN THE FUND AND MAY USE THE INTEREST DEPOSITED
11 IN THE FUND FOR THE PURPOSES OF ADMINISTERING THE LOAN PROGRAM ESTABLISHED
12 BY THIS SECTION, INCLUDING LOAN REPAYMENT RESPONSIBILITIES. ON NOTICE
13 FROM THE ARIZONA BOARD OF REGENTS, THE STATE TREASURER SHALL INVEST AND
14 DIVEST MONIES IN THE FUND AS PROVIDED BY SECTION 35-313, AND MONIES EARNED
15 FROM INVESTMENT SHALL BE CREDITED TO THE FUND.

16 H. FOR THE PURPOSES OF THIS SECTION:

17 1. "QUALIFIED STUDENT" MEANS A STUDENT WHO MEETS ALL OF THE
18 FOLLOWING CRITERIA:

19 (a) IS A RESIDENT OF THIS STATE.

20 (b) IS A CITIZEN OR LEGAL RESIDENT OF THE UNITED STATES OR IS
21 OTHERWISE LAWFULLY PRESENT IN THE UNITED STATES.

22 (c) ATTENDS A QUALIFYING POSTSECONDARY INSTITUTION.

23 2. "QUALIFYING POSTSECONDARY INSTITUTION" MEANS A REGIONALLY OR
24 NATIONALLY ACCREDITED PRIVATE POSTSECONDARY EDUCATIONAL INSTITUTION IN
25 THIS STATE.

26 Sec. 2. Heading change

27 The article heading of title 15, chapter 13, article 6, Arizona
28 Revised Statutes, is changed from "ARIZONA PROMISE PROGRAM" to "FINANCIAL
29 AID".

30 Sec. 3. Title 15, chapter 13, article 6, Arizona Revised Statutes,
31 is amended by adding sections 15-1702, 15-1703 and 15-1704, to read:

32 15-1702. Arizona board of regents; state higher education
33 agency; state scholarship grant agency

34 A. THE ARIZONA BOARD OF REGENTS SHALL SERVE AS THE STATE HIGHER
35 EDUCATION AGENCY AS IDENTIFIED IN 20 UNITED STATES CODE SECTION 1003(22)
36 AND AS THE STATE SCHOLARSHIP GRANT AGENCY TO EXCHANGE DATA ELECTRONICALLY
37 WITH THE UNITED STATES DEPARTMENT OF EDUCATION IN THE STUDENT AID INTERNET
38 GATEWAY.

39 B. THE ARIZONA BOARD OF REGENTS SHALL ADMINISTER THE APPLICABLE
40 PROGRAMS AS IDENTIFIED IN THIS ARTICLE AND AS ESTABLISHED BY THE HIGHER
41 EDUCATION AMENDMENTS OF 1998 (P.L. 105-244; 112 STAT. 1581) FOR THE STATE
42 HIGHER EDUCATION AGENCY AND THE STATE SCHOLARSHIP GRANT AGENCY.

1 15-1703. Arizona leveraging educational assistance program:
2 grants; criteria

3 A. THE ARIZONA LEVERAGING EDUCATIONAL ASSISTANCE PROGRAM IS
4 ESTABLISHED TO PROVIDE STUDENT FINANCIAL ASSISTANCE IN THE FORM OF
5 NEED-BASED GRANTS TO ELIGIBLE STUDENTS TO ATTEND POSTSECONDARY EDUCATIONAL
6 INSTITUTIONS IN THIS STATE. THE ARIZONA BOARD OF REGENTS SHALL ADMINISTER
7 THE PROGRAM.

8 B. A STUDENT IS ELIGIBLE TO PARTICIPATE IN THE ARIZONA LEVERAGING
9 EDUCATIONAL ASSISTANCE PROGRAM ESTABLISHED BY THIS SECTION IF THE STUDENT
10 MEETS ALL OF THE FOLLOWING CRITERIA:

11 1. IS A RESIDENT OF THIS STATE.

12 2. DEMONSTRATES FINANCIAL NEED UNDER THE CRITERIA ESTABLISHED BY
13 THE ARIZONA BOARD OF REGENTS FOR THE PROGRAM.

14 3. IS ATTENDING, ON AT LEAST A HALF-TIME BASIS, AN APPROVED PROGRAM
15 AT A PROPERLY ACCREDITED POSTSECONDARY EDUCATIONAL INSTITUTION IN THIS
16 STATE.

17 C. A PARTICIPATING POSTSECONDARY EDUCATIONAL INSTITUTION MAY
18 RECEIVE MATCHING MONIES FROM THE POSTSECONDARY EDUCATIONAL FUND
19 ESTABLISHED BY SECTION 15-1704 TO PROVIDE ELIGIBLE STUDENTS WITH FINANCIAL
20 ASSISTANCE IN THE FORM OF NEED-BASED GRANTS. TO BE ELIGIBLE TO RECEIVE
21 STATE MATCHING MONIES, EACH PARTICIPATING POSTSECONDARY EDUCATIONAL
22 INSTITUTION, PUBLIC OR PRIVATE, SHALL PROVIDE AN AMOUNT OF MATCHING MONIES
23 THAT EQUALS THE AMOUNT OF MONIES PROVIDED TO THE INSTITUTION BY THIS STATE
24 FROM THE POSTSECONDARY EDUCATIONAL FUND.

25 D. THE ARIZONA BOARD OF REGENTS MAY REQUIRE PARTICIPATING
26 POSTSECONDARY EDUCATIONAL INSTITUTIONS TO REPORT ON THE USE OF MONIES
27 DISTRIBUTED UNDER THIS SECTION, INCLUDING THE NUMBER OF GRANTS PROVIDED
28 AND THE DEMOGRAPHICS OF STUDENTS RECEIVING THE GRANTS.

29 15-1704. Postsecondary educational fund; exemption; use of
30 monies

31 A. THE POSTSECONDARY EDUCATIONAL FUND IS ESTABLISHED. THE ARIZONA
32 BOARD OF REGENTS SHALL ADMINISTER THE FUND, WHICH CONSISTS OF THE
33 FOLLOWING:

34 1. MONIES APPROPRIATED BY THE LEGISLATURE.

35 2. MONIES RECEIVED FROM STATE AGENCIES AND POLITICAL SUBDIVISIONS
36 OF THIS STATE.

37 3. MONIES RECEIVED FROM THE UNITED STATES GOVERNMENT, INCLUDING
38 MONIES RECEIVED FROM THE UNITED STATES DEPARTMENT OF EDUCATION.

39 4. GIFTS, GRANTS AND DONATIONS RECEIVED FROM ANY PRIVATE SOURCE.

40 5. MONIES RECEIVED FROM A POSTSECONDARY EDUCATIONAL INSTITUTION
41 THROUGH A PROGRAM PARTICIPATION AGREEMENT.

42 B. MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED AND ARE EXEMPT
43 FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF
44 APPROPRIATIONS.

1 C. MONIES IN THE POSTSECONDARY EDUCATIONAL FUND SHALL BE USED FOR
2 THE FOLLOWING PURPOSES:

3 1. PROVIDING MATCHING MONIES AS PRESCRIBED IN SECTION 15-1703,
4 SUBSECTION C.

5 2. ADMINISTRATIVE EXPENSES NECESSARY FOR THE ARIZONA BOARD OF
6 REGENTS TO ADMINISTER THE PROGRAMS IDENTIFIED IN THIS ARTICLE AND TO SERVE
7 AS THE STATE HIGHER EDUCATION AGENCY AND THE STATE SCHOLARSHIP GRANT
8 AGENCY.

9 Sec. 4. Repeal; transfer of monies

10 A. Title 15, chapter 13, article 11, Arizona Revised Statutes, is
11 repealed.

12 B. Title 15, chapter 14, articles 4 and 5, Arizona Revised
13 Statutes, are repealed.

14 C. Section 41-3027.02, Arizona Revised Statutes, is repealed.

15 D. All unexpended and unencumbered monies remaining in the Arizona
16 teacher student loan fund established by section 15-1784, Arizona Revised
17 Statutes, as repealed by subsection A of this section, are transferred to
18 the Arizona teacher student loan fund established by section 15-1657,
19 Arizona Revised Statutes, as added by this act, on the effective date of
20 this section.

21 E. All unexpended and unencumbered monies remaining in the
22 postsecondary education fund established by section 15-1853, Arizona
23 Revised Statutes, as repealed by subsection B of this section, are
24 transferred to the postsecondary educational fund established by section
25 15-1704, Arizona Revised Statutes, as added by this act, on the effective
26 date of this section.

27 Sec. 5. Succession

28 A. As provided by Laws 2021, chapter 410 and this act, the Arizona
29 board of regents succeeds to the authority, powers, duties and
30 responsibilities of the commission for postsecondary education.

31 B. This act and Laws 2021, chapter 410 do not alter the effect of
32 any actions that were taken or impair the valid obligations of the
33 commission for postsecondary education in existence before January 1,
34 2022.

35 C. Administrative rules and orders that were adopted by the
36 commission for postsecondary education are repealed.

37 D. All administrative matters, contracts and judicial and
38 quasi-judicial actions, whether completed, pending or in process, of the
39 commission for postsecondary education on January 1, 2022 are transferred
40 to and retain the same status with the Arizona board of regents.

41 E. All indicia of qualification and authority that were issued by
42 the commission for postsecondary education retain their validity for the
43 duration of their terms of validity as provided by law.

1 F. All equipment, records, furnishings and other property, all data
2 and investigative findings, all obligations and all appropriated monies
3 that remain unexpended and unencumbered on January 1, 2022 of the
4 commission for postsecondary education are transferred to the Arizona
5 board of regents.

6 G. All personnel who are under the state personnel system and
7 employed by the commission for postsecondary education are transferred to
8 comparable positions and pay classifications in the respective
9 administrative units of the Arizona board of regents on January 1, 2022.

10 Sec. 6. Retroactivity

11 This act applies retroactively to from and after December 31, 2021.