REFERENCE TITLE: ABOR; reporting requirements; revisions

State of Arizona Senate Fifty-sixth Legislature First Regular Session 2023

SB 1179

Introduced by Senator Bennett

AN ACT

AMENDING SECTIONS 15-1626, 15-1648, 15-1661 AND 15-1821, ARIZONA REVISED STATUTES; RELATING TO THE ARIZONA BOARD OF REGENTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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Be it enacted by the Legislature of the State of Arizona: Section 1. Section 15-1626, Arizona Revised Statutes, is amended to read:

15-1626. <u>General administrative powers and duties of board;</u> definition

- A. The ARIZONA board OF REGENTS shall:
- 1. Have and exercise the powers necessary for the effective governance and administration of the institutions under its control. To that end, the board may adopt, and authorize each university to adopt, such regulations, policies, rules or measures as are deemed necessary and may delegate in writing to its committees, to its university presidents, or their designees, or to other entities under its control any part of its authority for the administration TO ADMINISTER and governance of GOVERN such institutions, including those powers enumerated in section 15-1625, subsection B, paragraphs 2 and 4, paragraphs 3, 4, 8, 9, 11 and 12 of this subsection and subsection B of this section. THE BOARD MAY RESCIND any delegation of authority may be rescinded by the board at any time in whole or in part.
- 2. Appoint and employ and determine the compensation of presidents with such power and authority and for such purposes in connection with the operation of the institutions as the board deems necessary.
- 3. Appoint and employ and determine the compensation vice-presidents VICE PRESIDENTS, deans, professors, instructors. lecturers, fellows and such other officers and employees with such power and authority and for such purposes in connection with the operation of the institutions as the board deems necessary, or delegate its authority pursuant to paragraph 1 of this subsection.
- 4. Remove any officer or employee when the interests of education in this state so require in accordance with its personnel rules and policies.
- 5. Fix tuitions and fees to be charged and differentiate the tuitions and fees between institutions and between residents. nonresidents, undergraduate students, graduate students, students from foreign countries and students who have earned credit hours in excess of the credit hour threshold. For the purposes of this paragraph, the undergraduate credit hour threshold is one hundred forty-five hours for students who attend a university under the jurisdiction of the board. undergraduate credit hour threshold shall be based on the actual full-time equivalent student enrollment counted on the forty-fifth TWENTY-FIRST day of every fall and spring semester, divided by two, and any budget adjustment based on student enrollment shall occur in the fiscal year following the actual full-time equivalent student enrollment count. The undergraduate credit hour threshold shall not apply to degree programs that require credit hours above the credit hour threshold, credits earned in the pursuit of up to two baccalaureate degrees, credits earned in the

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- 6. Adopt rules to govern its THE BOARD'S tuition and academic fee setting process that provide for the following:
- (a) At least one public hearing at each university as an opportunity for students and members of the public to comment on any proposed increase in tuition or fees.
- (b) Publication of the notice of public hearing at least ten days before the hearing in a newspaper of general circulation in Maricopa county, Coconino county and Pima county. The notice shall include the date, time and location of the public hearing.
- (c) Public disclosure by each university of any proposed increases in tuition or fees at least ten days before the public hearing.
- (d) A roll call vote of any final board action on changes in tuition, including tuition rate changes for online programs, or academic fees.
- (e) Public disclosure by the board and each university of any final board action on changes in tuition or academic fees.
- 7. Pursuant to section 35-115, submit a budget request for each institution under $\frac{1}{1}$ THE BOARD'S jurisdiction that includes the estimated tuition and fee revenue available to support the programs of the institution as described in the budget request. The estimated available

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tuition and fee revenue shall be based on the tuition and registration fee rates in effect at the time the budget request is submitted with adjustments for projected changes in enrollment as provided by the board.

- 8. Establish curricula and designate courses at the several institutions that in $\frac{\text{its}}{\text{its}}$ THE BOARD'S judgment will best serve the interests of this state.
- 9. Award such degrees and diplomas on the completion of such courses and curriculum requirements as it THE BOARD deems appropriate.
- 10. Prescribe qualifications for admission of all students to the universities. The board shall establish policies for guaranteed admission that ensure fair and equitable access to students in this state from public, private and charter schools and homeschools. For the purpose of determining the qualifications of honorably discharged veterans, veterans are those persons who served in the armed forces for a minimum of two years and who were previously enrolled at a university or community college in this state. No Prior failing grades received by the veteran at the university or community college in this state may NOT be considered.
- 11. Adopt any energy conservation standards adopted by the department of administration for the construction of new buildings.
- 12. Employ for such time and purposes as the board requires attorneys whose compensation shall be fixed and paid by the board. Litigation to which the board is a party and for which self-insurance is not provided may be compromised or settled at the direction of the board.
- 13. Adopt annually an operating budget for each university equal to the sum of appropriated general fund monies and the amount of tuition and fees approved by the board and allocated to each university operating budget.
- 14. In consultation with the state board of education and other education groups, develop and implement a program to award honors endorsements to be affixed to the high school diplomas of qualifying high school pupils and to be included in the transcripts of pupils who are awarded endorsements. The board shall develop application procedures and testing criteria and adopt testing instruments and procedures to administer the program. In order to receive an honors endorsement, a pupil must demonstrate an extraordinary level of knowledge, skill and competency as measured by the testing instruments adopted by the board in mathematics, English, science and social studies. Additional subjects may be added at the determination of the board. The program is voluntary for pupils.
- 15. Require the publisher of each literary and nonliterary textbook used in the universities of this state to furnish to the Arizona board of regents computer software in a standardized format when software becomes available for nonliterary textbooks from which braille versions of the textbooks may be produced.

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- 16. Require universities that provide a degree in education to require courses that are necessary to obtain a provisional structured English immersion endorsement as prescribed by the state board of education.
- 17. Acquire United States flags for each classroom that are manufactured in the United States and that are at least two feet by three feet and hardware to appropriately display the United States flags, acquire a legible copy of the Constitution of the United States and the Bill of Rights, display the flags in each classroom in accordance with title 4 of the United States Code and display a legible copy of the Constitution of the United States and the Bill of Rights adjacent to the flag.
- 18. To facilitate the transfer of military personnel and their dependents to and from the public schools of this state, pursue, in cooperation with the state board of education, reciprocity agreements with other states concerning the transfer credits for military personnel and their dependents. A reciprocity agreement entered into pursuant to this paragraph shall:
 - (a) Address procedures for each of the following:
 - (i) The transfer of student records.
 - (ii) Awarding credit for completed coursework.
- (iii) Permitting a student to satisfy the graduation requirements prescribed in section 15-701.01 through the successful performance on comparable exit-level assessment instruments administered in another state.
- (b) Include appropriate criteria developed by the state board of education and the Arizona board of regents.
- 19. Require a university to publicly post notices of all of its THE UNIVERSITY'S employment openings, including the title and description, instructions for applying and relevant contact information.
- 20. In consultation with the community college districts in this state, develop and implement common equivalencies for specific levels of achievement on advanced placement examinations and international baccalaureate examinations in order to award commensurate postsecondary academic credits at community colleges and public universities in this state.
- 21. On or before August 1 of each year, report to the joint legislative budget committee the graduation rate by university campus during the previous fiscal year. The board shall also report the retention rate by university campus and by class, as determined by date of entry during the previous fiscal year.
- B. The board shall adopt personnel policies for all employees of the board and the universities.
- C. In conjunction with the auditor general, the board shall develop a uniform accounting and reporting system, which shall be reviewed by the

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joint legislative budget committee before final adoption by the board. The board shall require each university to comply with the uniform accounting and reporting system.

- D. The board may employ legal assistance in procuring loans for the institutions from the United States government. Fees or compensation paid for such legal assistance shall not be a claim on the STATE general fund of this state but shall be paid from funds of the institutions.
- E. The board shall approve or disapprove any contract or agreement entered into by the university of Arizona hospital with the Arizona industrial development authority.
- F. The board may adopt policies that authorize the institutions under its jurisdiction to enter into employment contracts with nontenured employees for periods of more than one year but not more than five years. The policies shall prescribe limitations LIMITS on the authority of the institutions to enter into employment contracts for periods of more than one year but not more than five years, including the requirement that the board approve the contracts.
- G. The board may adopt a plan or plans for employee benefits that allow for participation in a cafeteria plan that meets the requirements of the United States internal revenue code of 1986.
- H. The board may establish a program for the exchange of students between the universities under the jurisdiction of the board and colleges and universities located in the state of Sonora, Mexico. Notwithstanding subsection A, paragraph 5 of this section, the program may provide for in-state tuition at the universities under the jurisdiction of the board for fifty Sonoran students in exchange for similar tuition provisions for up to fifty Arizona students enrolled or seeking enrollment in Sonoran colleges or universities. The board may direct the universities to work in conjunction with the Arizona-Mexico commission to coordinate recruitment and admissions activities.
- I. The Arizona board of regents, in collaboration with the universities under its jurisdiction, shall adopt a performance funding model. The performance funding model shall use performance metrics that include the increase in degrees awarded, the increase in completed student credit hours and the increase in externally generated research and public service funding. The funding formula may give added weight to degrees related to science, technology, engineering and mathematics and other high-value degrees that are in short supply or that are essential to this state's long-term economic development strategy.
- J. The Arizona board of regents shall use the performance funding model adopted pursuant to subsection I of this section in developing and submitting budget requests for the universities under its jurisdiction.
- K. On or before November 1 of each year, the Arizona board of regents shall submit to the joint legislative budget committee and the

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governor's office of strategic planning and budgeting a report on university debt and obligations, including:

- 1. Long-term notes and obligations.
- 2. Certificates of participation and other obligations pursuant to any lease-purchase agreements.
 - 3. Revenue bonds.
 - 4. Bonds issued pursuant to section 15-1682.03.
 - 5. Commercial paper issued pursuant to section 15-1696.
- L. The report issued pursuant to subsection K of this section shall contain, for the most recent fiscal year:
- 1. The aggregate level of outstanding principal and the principal and interest payments, by type of debt or obligation.
- 2. An itemization, by campus and project, of the amount of yearly principal and interest to be paid in the most recent and the next five fiscal years.
- M. The board may enter into an intergovernmental agreement pursuant to section 15-1747 to manage universities under its jurisdiction subject to the terms of the reciprocity agreement.
- N. For the purposes of this section, "university debt and obligations" means debt and obligations, the principal and interest of which are paid in whole or in part with university monies.
- Sec. 2. Section 15-1648, Arizona Revised Statutes, is amended to read:

15-1648. <u>Technology and research initiative fund; purpose;</u> annual report

- A. The technology and research initiative fund is established consisting of revenues transferred to the fund pursuant to section 42-5029, subsection E, paragraph 2 and section 42-5029.02, subsection A, paragraph 2. The Arizona board of regents shall administer the fund. The monies in the fund are continuously appropriated to the Arizona board of regents for distribution pursuant to this section and are exempt from the provisions of section 35-190 relating to lapsing of appropriations.
- B. The ARIZONA board OF REGENTS shall adopt rules to administer the technology and research initiative fund in accordance with this section. The board may allocate up to twenty percent of the monies in the fund to be used for capital projects relating to new economy initiatives, including debt service, for the universities under its jurisdiction, pursuant to article 5 of this chapter.
- C. The Arizona board of regents shall receive requests from the individual universities and shall determine the amount and duration of each award. The criteria for the evaluation of EVALUATING each request shall be ARE as follows:
 - 1. The award must be related to one of the following:
 - (a) A specific academic or research field.

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- (b) The expansion of access to baccalaureate or postbaccalaureate education for time-bound and place-bound students.
- (c) The implementation of recommendations of the Arizona partnership for the new economy or the governor's task force on higher education.
- 2. The award may be used to develop new and existing programs that will prepare students to contribute in high technology industries located in this state.
- 3. The award may be used in conjunction with matching financial assistance from private industry.
- 4. The Arizona board of regents shall give preference to requests that are developed in conjunction with private industry, private entities or federal agencies.
- D. The Arizona board of regents shall submit a report to the governor, the president of the senate and the speaker of the house of representatives on or before September OCTOBER 1 of each year on the technology and research award program and shall transmit a copy to the secretary of state. The report shall include a description of the amount and duration of each new award distributed and a description of the purpose and goals for each award. For existing awards, the Arizona board of regents shall use a detailed set of performance measures to determine the overall effectiveness of each award.
- Sec. 3. Section 15-1661, Arizona Revised Statutes, is amended to read:

15-1661. <u>Annual appropriation; enrollment audit; expenditure;</u> <u>balance; salaries</u>

- A. There shall be appropriated in the general appropriation APPROPRIATIONS bill for each fiscal year a sum of monies not less than eighty-five one-hundredths OF AT LEAST 85/100 of one mill on the dollar of the assessed valuation of all taxable property in the state for the improvement, support and maintenance of the institutions under the Arizona board of regents' jurisdiction, including payment of PAYING salaries. AND current expenses, purchase of PURCHASING equipment, making necessary repairs, construction of CONSTRUCTING new buildings, purchase of PURCHASING lands and in general for payment of PAYING all such expenses connected with the management of the institutions under the Arizona board of regents' jurisdiction. The department of revenue, upon ON compiling the aggregate assessed valuation of all taxable property within this state, shall compute the amount of monies so determined and certify such THAT amount over its seal to the department of administration and the state treasurer.
- B. The full-time equivalent student enrollment reported for the previous fiscal year by each university shall be audited annually by the auditor general. The auditor general shall report the results of the audit to the staffs of the joint legislative budget committee and the

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governor's office of strategic planning and budgeting on or before October 15 of each year. On or before July 21 of each academic year, each university shall provide for the previous fall semester a certified report to the auditor general of the number of full-time equivalent students calculated by the university and a separate report only for those students who meet the residency requirements prescribed in section 15-1802. university's records used to calculate full-time equivalent student enrollment shall be provided to the auditor general in an electronic format prescribed by the auditor general. Beginning in 2006, Each university shall submit to the auditor general a summary of its full-time student enrollment accounting policies and procedures, compilation procedures and source records used for calculating full-time equivalent student enrollment. These accounting policies and procedures, compilation procedures and source records shall comply with policies developed on or before June 30, 2006 by the Arizona board of regents, in consultation with the auditor general and reviewed by the joint legislative budget committee. These policies shall include a review and recommendations of the necessity of minimum requirements for students enrolled in classes to qualify for appropriations pursuant to this section, including requirements that the class be a for-credit course that is necessary for the completion of COMPLETING a degree and that the student enrolled in the course be physically present in this state at the time the course is conducted. The basic actual full-time equivalent student enrollment shall be counted on the forty-fifth TWENTY-FIRST day after the basic actual full-time equivalent student enrollment classes begin for the fall and spring semesters, as published in the university catalogs, and divided by two. The Arizona board of regents shall also make recommendations of RECOMMEND whether each professor or instructor should be required to review class rosters and make additions or deletions as necessary. If so, class rosters that reflect enrollment as of the forty-fifth TWENTY-FIRST day shall be provided by the registrar's office to each professor or instructor for every class section. The class roster shall indicate the course number, course title, time, instructor name and students enrolled. On the forty-fifth TWENTY-FIRST day class rosters, each professor or instructor shall indicate as withdrawn each student who has formally withdrawn from the course, and that student shall not be counted for state aid purposes. The official forty-fifth TWENTY-FIRST day rosters shall include a manual signature and date or an electronic authorization and date by the professor or instructor and shall include the following certification:

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

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- C. The Arizona board of regents shall also report the basic actual full-time equivalent student enrollment for only those students who meet the residency requirements prescribed in section 15-1802. The basic actual full-time equivalent student enrollment for only those students who meet the residency requirements prescribed in section 15-1802 that is reported by each university for the previous fiscal year shall be annually audited by the auditor general.
- D. Students who have withdrawn or who have been withdrawn from classes as of the forty-fifth TWENTY-FIRST day shall not be counted for state aid purposes. A record shall be maintained that identifies student withdrawals by date of withdrawal, as of the forty-fifth TWENTY-FIRST day and after the forty-fifth TWENTY-FIRST day for the entire semester.
- E. Amounts appropriated as provided by subsection A OF THIS SECTION shall be paid as other claims against this state are paid.
- F. The balance of appropriations as provided by subsection A OF THIS SECTION at the end of the fiscal year, if any, shall DOES not revert to the STATE general fund but shall be carried forward for the continued use for which appropriated.
- G. Monies appropriated to a university under the jurisdiction of the Arizona board of regents for cost of living COST-OF-LIVING salary increases for university employees shall be used to provide cost of living COST-OF-LIVING salary increases to all university employees, including graduate student assistants. If monies are appropriated to a university for salary increases based on merit, the monies shall be used to provide merit increases according to the merit pay plan adopted by the Arizona board of regents.
- H. The Arizona board of regents shall determine current actual full-time equivalent student enrollment at each of the institutions under the jurisdiction of the Arizona board of regents. Full-time equivalent student enrollment shall be calculated by adding the following:
- 1. The total number of enrolled fall and spring semester credit hours in 100-level credit courses and 200-level credit courses divided by fifteen.
- 2. The total number of enrolled fall and spring semester credit hours in 300-level credit courses and 400-level credit courses divided by twelve.
- 3. The total number of enrolled fall and spring semester credit hours in graduate level GRADUATE-LEVEL credit courses divided by ten.
- I. The Arizona board of regents, in its annual budget request, shall not include funding for any student who is enrolled at an institution under the jurisdiction of the Arizona board of regents and who has earned credit hours in excess of the undergraduate credit hour threshold, except that the undergraduate credit hour threshold shall DOES not apply to students who are enrolled in a degree program that requires credit hours above the credit threshold. For the purposes of this

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subsection, the undergraduate credit hour threshold is one hundred fifty-five hours for students who attend a university under the jurisdiction of the board in fiscal year 2006-2007, one hundred fifty hours for students who attend a university under the jurisdiction of the board in fiscal year 2007-2008 and one hundred forty-five hours for students who attend a university under the jurisdiction of the board after fiscal year 2007-2008. The undergraduate credit hour threshold shall be based on the actual full-time equivalent student enrollment counted on the forty-fifth TWENTY-FIRST day after classes begin for the fall and spring semesters, and any budget adjustment based on student enrollment shall occur in the fiscal year following the actual full-time equivalent student enrollment count. The undergraduate credit hour threshold shall DOES not apply to credits earned in the pursuit of up to two baccalaureate degrees, credits earned in the pursuit of up to two state regulated STATE-REGULATED licensures and certificates, credits earned in the pursuit of teaching certification, credits transferred from a private institution of higher education, credits transferred from an institution of higher education in another state, credits earned at another institution of higher education but that are not accepted as transfer credits at the university where the student is currently enrolled and credits earned by students who enroll at a university under the jurisdiction of the board more than twenty-four months after the end of that student's previous enrollment at a public institution of higher education in this state.

Sec. 4. Section 15–1821, Arizona Revised Statutes, is amended to read:

15-1821. Special admission of students under eighteen years of age: enrollment information; policies: rules

A. Each community college district board shall adopt policies that require community colleges under its jurisdiction to admit students under age eighteen YEARS OF AGE who have not yet attained a high school diploma or high school certificate of equivalency and who meet the established requirements of the courses for which they enroll. The Arizona board of regents shall adopt rules that require the universities under its jurisdiction to admit students under age eighteen YEARS OF AGE who have not yet attained a high school diploma or high school certificate of equivalency and who meet the established requirements of the courses for which they enroll.

- B. The policies and rules as provided in subsection A of this section shall include the following provisions:
- 1. A student under age eighteen YEARS OF AGE shall not be denied admission because of age, lack of a high school diploma or high school certificate of equivalency, grade in school, lack of permission of school officials or lack of concurrent enrollment in a public or private school, if the student has achieved at least a specified score on a college entrance examination.

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- 2. A community college or university that admits a student pursuant to paragraph 1 of this subsection may limit the number of semester credit hours in which the student may enroll to no less than six semester credit hours.
- 3. A student admitted to a community college or university pursuant to paragraph 1 of this subsection is not guaranteed admission to a specific degree program or to all courses offered by the community college or university.
- C. Each community college district and the Arizona board of regents shall provide all high schools in this state with information that describes the policies and rules, as appropriate, the types of courses available and other information related to the enrollment of students under the age of eighteen YEARS OF AGE. Each unified or high school district school shall make this information available to all students in at least grades nine through twelve.
- D. On or before November 15 of each year, the Arizona board of regents shall submit a report to the president of the senate, the speaker of the house of representatives and the state board of education and shall provide a copy of this report to the secretary of state on students under eighteen years of age who had not yet attained a high school diploma or high school certificate of equivalency and who were enrolled in a university course or a program for university credit during the time period of September of the previous fiscal year through August of the current fiscal year. The annual report shall include at least the following:
 - 1. The number of students who were enrolled.
- 2. A general narrative of the types of courses or programs in which the students were enrolled.
 - 3. The rules adopted pursuant to subsection A of this section.
- E. On or before September 30 of each year, each institution under the jurisdiction of the Arizona board of regents shall submit to the Arizona board of regents in the form specified by the Arizona board of regents the information that the Arizona board of regents needs to compile the report required in subsection D of this section.

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