

REFERENCE TITLE: higher education; increased costs; restrictions

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HB 2673

Introduced by
Representatives Aguilar: Austin, Blattman, Contreras P, Crews, Gutierrez,
Hernandez M, Ortiz, Sandoval, Seaman, Stahl Hamilton, Villegas

AN ACT

AMENDING SECTION 15-1626, ARIZONA REVISED STATUTES; RELATING TO THE
ARIZONA BOARD OF REGENTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 15-1626, Arizona Revised Statutes, is amended to
3 read:

4 15-1626. General administrative powers and duties of board;
5 definition

6 A. The ARIZONA board OF REGENTS shall:

7 1. Have and exercise the powers necessary for the effective
8 governance and administration of the institutions under its control. To
9 that end, the board may adopt, and authorize each university to adopt,
10 such regulations, policies, rules or measures as are deemed necessary and
11 may delegate in writing to its committees, to its university presidents,
12 or their designees, or to other entities under its control any part of its
13 authority ~~for the administration~~ TO ADMINISTER and ~~governance of~~ GOVERN
14 such institutions, including those powers enumerated in section 15-1625,
15 subsection B, paragraphs 2 and 4, paragraphs 3, 4, ~~8~~, 9, 10, ~~11~~ and 12 AND
16 13 of this subsection and subsection B of this section. THE BOARD MAY
17 RESCIND any delegation of authority ~~may be rescinded by the board~~ at any
18 time in whole or in part.

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

22 3. Appoint and employ and determine the compensation of
23 ~~vice-presidents~~ VICE PRESIDENTS, deans, professors, instructors,
24 lecturers, fellows and such other officers and employees with such power
25 and authority and for such purposes in connection with the operation of
26 the institutions as the board deems necessary, or delegate its authority
27 pursuant to paragraph 1 of this subsection.

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

31 5. Fix tuitions and fees to be charged and differentiate the
32 tuitions and fees between institutions and between residents,
33 nonresidents, undergraduate students, graduate students, students from
34 foreign countries and students who have earned credit hours in excess of
35 the credit hour threshold. For the purposes of this paragraph, the
36 undergraduate credit hour threshold is one hundred forty-five hours for
37 students who attend a university under the jurisdiction of the board. The
38 undergraduate credit hour threshold shall be based on the actual full-time
39 equivalent student enrollment counted on the forty-fifth day of every fall
40 and spring semester, divided by two, and any budget adjustment based on
41 student enrollment shall occur in the fiscal year following the actual
42 full-time equivalent student enrollment count. The undergraduate credit
43 hour threshold shall not apply to degree programs that require credit
44 hours above the credit hour threshold, credits earned in the pursuit of up
45 to two baccalaureate degrees, credits earned in the pursuit of up to two

1 state regulated licensures or certificates, credits earned in the pursuit
2 of teaching certification, credits transferred from a private institution
3 of higher education, credits transferred from an institution of higher
4 education in another state, credits earned at another institution of
5 higher education but that are not accepted as transfer credits at the
6 university where the student is currently enrolled and credits earned by
7 students who enroll at a university under the jurisdiction of the board
8 more than twenty-four months after the end of that student's previous
9 enrollment at a public institution of higher education in this state. On
10 or before October 15 of each year, the board shall report to the joint
11 legislative budget committee the number of in-state students and
12 out-of-state students who were enrolled at universities under the
13 jurisdiction of the board during the previous fiscal year and who met or
14 exceeded the undergraduate credit hour threshold prescribed in this
15 paragraph. The amount of tuition and fees included in the operating
16 budget for the university adopted by the board as prescribed in paragraph
17 ~~13~~ 14 of this subsection shall be subject to legislative appropriation and
18 deposited in a separate tuition and fees subaccount for each university.
19 All other tuition and fee revenue shall be retained by each university for
20 expenditure as approved by the board in a separate local tuition and fees
21 subaccount for each university. This subaccount shall consist of only
22 tuition and fees. The universities shall not use any tuition or fee
23 revenue to fund or support an alumni association.

24 6. Adopt rules to govern ~~its~~ THE BOARD'S tuition and academic fee
25 setting process that provide for the following:

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

29 (b) Publication of the notice of public hearing at least ten days
30 before the hearing in a newspaper of general circulation in Maricopa
31 county, Coconino county and Pima county. The notice shall include the
32 date, time and location of the public hearing.

33 (c) Public disclosure by each university of any proposed increases
34 in tuition or fees at least ten days before the public hearing.

35 (d) A roll call vote of any final board action on changes in
36 tuition, including tuition rate changes for online programs, or academic
37 fees.

38 (e) Public disclosure by the board and each university of any final
39 board action on changes in tuition or academic fees.

40 7. ENSURE THAT CHANGES IN TUITION OR FEES PURSUANT TO PARAGRAPH 5
41 OR 6 OF THIS SUBSECTION, IN ANY FISCAL YEAR IN WHICH THE LEGISLATURE
42 APPROPRIATES SUFFICIENT MONIES TO FUND AT LEAST FIFTY PERCENT OF THE
43 TUITION AND MANDATORY FEES CHARGED TO RESIDENT STUDENTS, DO NOT:

44 (a) INCREASE THE TUITION OR MANDATORY FEES TO BE CHARGED TO A
45 RESIDENT UNDERGRADUATE STUDENT IF THE PERCENTAGE INCREASE RELATIVE TO THE

1 PRIOR YEAR EXCEEDS THE OVER-THE-YEAR PERCENTAGE CHANGE IN THE METROPOLITAN
2 PHOENIX CONSUMER PRICE INDEX, OR ITS SUCCESSOR INDEX, AS PUBLISHED BY THE
3 UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS, OR ITS
4 SUCCESSOR AGENCY.

5 (b) INCREASE THE TUITION OR MANDATORY FEES TO BE CHARGED TO AN
6 UNDERGRADUATE STUDENT DURING THE FIRST FOUR CONSECUTIVE YEARS OF THE
7 STUDENT'S ENROLLMENT IN A UNIVERSITY UNDER THE JURISDICTION OF THE BOARD.

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

15 ~~8.~~ 9. Establish curricula and designate courses at the several
16 institutions that in ~~its~~ THE BOARD'S judgment will best serve the
17 interests of this state.

18 ~~9.~~ 10. Award such degrees and diplomas on the completion of such
19 courses and curriculum requirements as ~~it~~ THE BOARD deems appropriate.

20 ~~10.~~ 11. Prescribe qualifications for admission of all students to
21 the universities. The board shall establish policies for guaranteed
22 admission that ensure fair and equitable access to students in this state
23 from public, private and charter schools and homeschools. For the purpose
24 of determining the qualifications of honorably discharged veterans,
25 veterans are those persons who served in the armed forces for a minimum of
26 two years and who were previously enrolled at a university or community
27 college in this state. ~~no~~ Prior failing grades received by the veteran at
28 the university or community college in this state may NOT be considered.

29 ~~11.~~ 12. Adopt any energy conservation standards adopted by the
30 department of administration for the construction of new buildings.

31 ~~12.~~ 13. Employ for such time and purposes as the board requires
32 attorneys whose compensation shall be fixed and paid by the board.
33 Litigation to which the board is a party and for which self-insurance is
34 not provided may be compromised or settled at the direction of the board.

35 ~~13.~~ 14. Adopt annually an operating budget for each university
36 equal to the sum of appropriated STATE general fund monies and the amount
37 of tuition and fees approved by the board and allocated to each university
38 operating budget.

39 ~~14.~~ 15. In consultation with the state board of education and
40 other 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
43 awarded endorsements. The board shall develop application procedures and
44 testing criteria and adopt testing instruments and procedures to
45 administer the program. In order to receive an honors endorsement, a

1 pupil must demonstrate an extraordinary level of knowledge, skill and
2 competency as measured by the testing instruments adopted by the board in
3 mathematics, English, science and social studies. Additional subjects may
4 be added at the determination of the board. The program is voluntary for
5 pupils.

6 ~~15.~~ 16. Require the publisher of each literary and nonliterary
7 textbook used in the universities of this state to furnish to the Arizona
8 board of regents computer software in a standardized format when software
9 becomes available for nonliterary textbooks from which braille versions of
10 the textbooks may be produced.

11 ~~16.~~ 17. Require universities that provide a degree in education to
12 require courses that are necessary to obtain a provisional structured
13 English immersion endorsement as prescribed by the state board of
14 education.

15 ~~17.~~ 18. Acquire United States flags for each classroom that are
16 manufactured in the United States and that are at least two feet by three
17 feet and hardware to appropriately display the United States flags,
18 acquire a legible copy of the Constitution of the United States and the
19 Bill of Rights, display the flags in each classroom in accordance with
20 title 4 of the United States Code and display a legible copy of the
21 Constitution of the United States and the Bill of Rights adjacent to the
22 flag.

23 ~~18.~~ 19. To facilitate the transfer of military personnel and their
24 dependents to and from the public schools of this state, pursue, in
25 cooperation with the state board of education, reciprocity agreements with
26 other states concerning the transfer credits for military personnel and
27 their dependents. A reciprocity agreement entered into pursuant to this
28 paragraph shall:

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

30 (i) The transfer of student records.

31 (ii) Awarding credit for completed coursework.

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

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

38 ~~19.~~ 20. Require a university to publicly post notices of all of
39 ~~its~~ THE UNIVERSITY'S employment openings, including the title and
40 description, instructions for applying and relevant contact information.

41 ~~20.~~ 21. In consultation with the community college districts in
42 this state, develop and implement common equivalencies for specific levels
43 of achievement on advanced placement examinations and international
44 baccalaureate examinations in order to award commensurate postsecondary

1 academic credits at community colleges and public universities in this
2 state.

3 ~~21.~~ 22. On or before August 1 of each year, report to the joint
4 legislative budget committee the graduation rate by university campus
5 during the previous fiscal year. The board shall also report the
6 retention rate by university campus and by class, as determined by date of
7 entry during the previous fiscal year.

8 B. The board shall adopt personnel policies for all employees of
9 the board and the universities.

10 C. In conjunction with the auditor general, the board shall develop
11 a uniform accounting and reporting system, which shall be reviewed by the
12 joint legislative budget committee before final adoption by the board.
13 The board shall require each university to comply with the uniform
14 accounting and reporting system.

15 D. The board may employ legal assistance in procuring loans for the
16 institutions from the United States government. Fees or compensation paid
17 for such legal assistance shall not be a claim on the STATE general fund
18 ~~of this state~~ but shall be paid from funds of the institutions.

19 E. The board shall approve or disapprove any contract or agreement
20 entered into by the university of Arizona hospital with the Arizona
21 industrial development authority.

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

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

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

42 I. The Arizona board of regents, in collaboration with the
43 universities under its jurisdiction, shall adopt a performance funding
44 model. The performance funding model shall use performance metrics that
45 include the increase in degrees awarded, the increase in completed student

1 credit hours and the increase in externally generated research and public
2 service funding. The funding formula may give added weight to degrees
3 related to science, technology, engineering and mathematics and other
4 high-value degrees that are in short supply or that are essential to this
5 state's long-term economic development strategy.

6 J. The Arizona board of regents shall use the performance funding
7 model adopted pursuant to subsection I of this section in developing and
8 submitting budget requests for the universities under its jurisdiction.

9 K. On or before November 1 of each year, the Arizona board of
10 regents shall submit to the joint legislative budget committee and the
11 governor's office of strategic planning and budgeting a report on
12 university debt and obligations, including:

- 13 1. Long-term notes and obligations.
- 14 2. Certificates of participation and other obligations pursuant to
15 any lease-purchase agreements.
- 16 3. Revenue bonds.
- 17 4. Bonds issued pursuant to section 15-1682.03.
- 18 5. Commercial paper issued pursuant to section 15-1696.

19 L. The report issued pursuant to subsection K of this section shall
20 contain, for the most recent fiscal year:

- 21 1. The aggregate level of outstanding principal and the principal
22 and interest payments, by type of debt or obligation.
- 23 2. An itemization, by campus and project, of the amount of yearly
24 principal and interest to be paid in the most recent and the next five
25 fiscal years.

26 M. The board may enter into an intergovernmental agreement pursuant
27 to section 15-1747 to manage universities under its jurisdiction subject
28 to the terms of the reciprocity agreement.

29 N. For the purposes of this section, "university debt and
30 obligations" means debt and obligations, the principal and interest of
31 which are paid in whole or in part with university monies.