

REFERENCE TITLE: student activity fees; conscience exemption

State of Arizona  
Senate  
Fifty-sixth Legislature  
Second Regular Session  
2024

## **SB 1040**

Introduced by  
Senators Kern: Hoffman, Wadsack; Representatives Heap, Hendrix, Jones,  
Kolodin, McGarr, Parker B, Parker J

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, 11 and 12 of this  
16 subsection and subsection B of this section. THE BOARD MAY RESCIND any  
17 delegation of authority ~~may be rescinded by the board~~ at any time in whole  
18 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 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 (f) AN EXEMPTION FROM THE REQUIREMENT TO PAY STUDENT ACTIVITY FEES  
41 IF THE PAYMENT OF THE STUDENT ACTIVITY FEES WOULD VIOLATE THE STUDENT'S  
42 CONSCIENCE OR IF THE STUDENT MEETS THE REQUIREMENTS PRESCRIBED IN THIS  
43 SUBDIVISION. FOR THE PURPOSES OF THIS SUBDIVISION, "STUDENT ACTIVITY  
44 FEES" MEANS ANY FEE THAT IS CHARGED TO STUDENTS BY A PUBLIC UNIVERSITY AND  
45 THAT IS USED TO SUPPORT AND FACILITATE THE EXPRESSION AND ACTIVITIES OF

1 STUDENTS OR STUDENT ORGANIZATIONS. AT A MINIMUM, ALL OF THE FOLLOWING  
2 PERSONS ARE ENTITLED TO THE EXEMPTION ADOPTED UNDER THIS SUBDIVISION:

3 (i) A STUDENT WHO IS A VETERAN AND WHO RECENTLY RETURNED FROM  
4 SERVICE.

5 (ii) A STUDENT WHO WAS RECENTLY MARRIED OR WHO RECENTLY BECAME A  
6 PARENT AND WHO DOES NOT PARTICIPATE IN STUDENT ACTIVITIES.

7 (iii) A STUDENT WHO OBJECTS TO THE STUDENT ACTIVITY FEES ON  
8 RELIGIOUS OR MORAL GROUNDS.

9 (iv) A STUDENT WHO DEMONSTRATES FINANCIAL HARDSHIP.

10 (v) A STUDENT WHO IS ON CAMPUS ONLY PART TIME.

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

18 8. Establish curricula and designate courses at the several  
19 institutions that in ~~its~~ THE BOARD'S judgment will best serve the  
20 interests of this state.

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

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

32 11. Adopt any energy conservation standards adopted by the  
33 department of administration for the construction of new buildings.

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

38 13. Adopt annually an operating budget for each university equal to  
39 the sum of appropriated STATE general fund monies and the amount of  
40 tuition and fees approved by the board and allocated to each university  
41 operating budget.

42 14. In consultation with the state board of education and other  
43 education groups, develop and implement a program to award honors  
44 endorsements to be affixed to the high school diplomas of qualifying high  
45 school pupils and to be included in the transcripts of pupils who are

1 awarded endorsements. The board shall develop application procedures and  
2 testing criteria and adopt testing instruments and procedures to  
3 administer the program. In order to receive an honors endorsement, a  
4 pupil must demonstrate an extraordinary level of knowledge, skill and  
5 competency as measured by the testing instruments adopted by the board in  
6 mathematics, English, science and social studies. Additional subjects may  
7 be added at the determination of the board. The program is voluntary for  
8 pupils.

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

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

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

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

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

33 (i) The transfer of student records.

34 (ii) Awarding credit for completed coursework.

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

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

41 19. Require a university to publicly post notices of all of ~~its~~ **THE**  
42 **UNIVERSITY'S** employment openings, including the title and description,  
43 instructions for applying and relevant contact information.

1           20. In consultation with the community college districts in this  
2 state, develop and implement common equivalencies for specific levels of  
3 achievement on advanced placement examinations and international  
4 baccalaureate examinations in order to award commensurate postsecondary  
5 academic credits at community colleges and public universities in this  
6 state.

7           21. On or before August 1 of each year, report to the joint  
8 legislative budget committee the graduation rate by university campus  
9 during the previous fiscal year. The board shall also report the  
10 retention rate by university campus and by class, as determined by date of  
11 entry during the previous fiscal year.

12           B. The board shall adopt personnel policies for all employees of  
13 the board and the universities.

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

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

23           E. The board shall approve or disapprove any contract or agreement  
24 entered into by the university of Arizona hospital with the Arizona  
25 industrial development authority.

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

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

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

1 I. The ~~Arizona~~ board ~~of regents~~, in collaboration with the  
2 universities under its jurisdiction, shall adopt a performance funding  
3 model. The performance funding model shall use performance metrics that  
4 include the increase in degrees awarded, the increase in completed student  
5 credit hours and the increase in externally generated research and public  
6 service funding. The funding formula may give added weight to degrees  
7 related to science, technology, engineering and mathematics and other  
8 high-value degrees that are in short supply or that are essential to this  
9 state's long-term economic development strategy.

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

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

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

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

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

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

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