

Senate Engrossed

ABOR; administrative powers; delegation; limitation

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

SENATE BILL 1306

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17 delegation of authority ~~may be rescinded by the board~~ at any time in whole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. ANY DELEGATION OF AUTHORITY DOES NOT LIMIT OR OTHERWISE
19 AFFECT THE BOARD'S RESPONSIBILITY TO FAITHFULLY EXECUTE ALL OF THE BOARD'S
20 DUTIES.

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

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

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

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

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

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

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

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

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

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

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

42 7. Pursuant to section 35-115, submit a budget request for each
43 institution under ~~its~~ THE BOARD'S jurisdiction that includes the estimated
44 tuition and fee revenue available to support the programs of the
45 institution as described in the budget request. The estimated available

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

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

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

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

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

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

24 13. Adopt annually an operating budget for each university equal to
25 the sum of appropriated STATE general fund monies and the amount of
26 tuition and fees approved by the board and allocated to each university
27 operating budget.

28 14. In consultation with the state board of education and other
29 education groups, develop and implement a program to award honors
30 endorsements to be affixed to the high school diplomas of qualifying high
31 school pupils and to be included in the transcripts of pupils who are
32 awarded endorsements. The board shall develop application procedures and
33 testing criteria and adopt testing instruments and procedures to
34 administer the program. In order to receive an honors endorsement, a
35 pupil must demonstrate an extraordinary level of knowledge, skill and
36 competency as measured by the testing instruments adopted by the board in
37 mathematics, English, science and social studies. Additional subjects may
38 be added at the determination of the board. The program is voluntary for
39 pupils.

40 15. Require the publisher of each literary and nonliterary textbook
41 used in the universities of this state to furnish to the Arizona board of
42 regents computer software in a standardized format when software becomes
43 available for nonliterary textbooks from which braille versions of the
44 textbooks may be produced.

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

5 17. Acquire United States flags for each classroom that are
6 manufactured in the United States and that are at least two feet by three
7 feet and hardware to appropriately display the United States flags,
8 acquire a legible copy of the Constitution of the United States and the
9 Bill of Rights, display the flags in each classroom in accordance with
10 title 4 of the United States Code and display a legible copy of the
11 Constitution of the United States and the Bill of Rights adjacent to the
12 flag.

13 18. To facilitate the transfer of military personnel and their
14 dependents to and from the public schools of this state, pursue, in
15 cooperation with the state board of education, reciprocity agreements with
16 other states concerning the transfer credits for military personnel and
17 their dependents. A reciprocity agreement entered into pursuant to this
18 paragraph shall:

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

20 (i) The transfer of student records.

21 (ii) Awarding credit for completed coursework.

22 (iii) Permitting a student to satisfy the graduation requirements
23 prescribed in section 15-701.01 through the successful performance on
24 comparable exit-level assessment instruments administered in another
25 state.

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

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

31 20. In consultation with the community college districts in this
32 state, develop and implement common equivalencies for specific levels of
33 achievement on advanced placement examinations and international
34 baccalaureate examinations in order to award commensurate postsecondary
35 academic credits at community colleges and public universities in this
36 state.

37 21. On or before August 1 of each year, report to the joint
38 legislative budget committee the graduation rate by university campus
39 during the previous fiscal year. The board shall also report the
40 retention rate by university campus and by class, as determined by date of
41 entry during the previous fiscal year.

42 B. The board shall adopt personnel policies for all employees of
43 the board and the universities.

44 C. In conjunction with the auditor general, the board shall develop
45 a uniform accounting and reporting system, which shall be reviewed by the

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

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

8 E. The board shall approve or disapprove any contract or agreement
9 entered into by the university of Arizona hospital with the Arizona
10 industrial development authority.

11 F. The board may adopt policies that authorize the institutions
12 under its jurisdiction to enter into employment contracts with nontenured
13 employees for periods of more than one year but not more than five years.
14 The policies shall prescribe ~~limitations~~ LIMITS on the authority of the
15 institutions to enter into employment contracts for periods of more than
16 one year but not more than five years, including the requirement that the
17 board approve the contracts.

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

21 H. The board may establish a program for the exchange of students
22 between the universities under the jurisdiction of the board and colleges
23 and universities located in the state of Sonora, Mexico. Notwithstanding
24 subsection A, paragraph 5 of this section, the program may provide for
25 in-state tuition at the universities under the jurisdiction of the board
26 for fifty Sonoran students in exchange for similar tuition provisions for
27 up to fifty Arizona students enrolled or seeking enrollment in Sonoran
28 colleges or universities. The board may direct the universities to work
29 in conjunction with the Arizona-Mexico commission to coordinate
30 recruitment and admissions activities.

31 I. The Arizona board of regents, in collaboration with the
32 universities under its jurisdiction, shall adopt a performance funding
33 model. The performance funding model shall use performance metrics that
34 include the increase in degrees awarded, the increase in completed student
35 credit hours and the increase in externally generated research and public
36 service funding. The funding formula may give added weight to degrees
37 related to science, technology, engineering and mathematics and other
38 high-value degrees that are in short supply or that are essential to this
39 state's long-term economic development strategy.

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

43 K. On or before November 1 of each year, the Arizona board of
44 regents shall submit to the joint legislative budget committee and the

1 governor's office of strategic planning and budgeting a report on
2 university debt and obligations, including:
3 1. Long-term notes and obligations.
4 2. Certificates of participation and other obligations pursuant to
5 any lease-purchase agreements.
6 3. Revenue bonds.
7 4. Bonds issued pursuant to section 15-1682.03.
8 5. Commercial paper issued pursuant to section 15-1696.
9 L. The report issued pursuant to subsection K of this section shall
10 contain, for the most recent fiscal year:
11 1. The aggregate level of outstanding principal and the principal
12 and interest payments, by type of debt or obligation.
13 2. An itemization, by campus and project, of the amount of yearly
14 principal and interest to be paid in the most recent and the next five
15 fiscal years.
16 M. The board may enter into an intergovernmental agreement pursuant
17 to section 15-1747 to manage universities under its jurisdiction subject
18 to the terms of the reciprocity agreement.
19 N. For the purposes of this section, "university debt and
20 obligations" means debt and obligations, the principal and interest of
21 which are paid in whole or in part with university monies.