Senate Engrossed House Bill

FILED

JANICE K. BREWER
SECRETARY OF STATE

State of Arizona
House of Representatives
Forty-eighth Legislature
First Regular Session
2007

CHAPTER 265

HOUSE BILL 2791

AN ACT

AMENDING SECTIONS 15-1601, 15-1626, 15-1681, 15-1682, 15-1682.02, 15-1725, 15-1808, 15-1854 AND 42-5031.01, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 13, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 11; REPEALING LAWS 2002, CHAPTER 330, SECTION 53; RELATING TO HIGHER EDUCATION BUDGET RECONCILIATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Section 15-1601, Arizona Revised Statutes, is amended to read:

15-1601. State universities; location; faculty powers

A. The Arizona board of regents shall maintain state universities at Flagstaff in Coconino county, at Tempe in Maricopa county and at Tucson in Pima county, and the universities are respectively designated northern Arizona university, Arizona state university and the university of Arizona. The board shall maintain an Arizona state university campus in western Maricopa county designated as Arizona state university west campus. The board shall maintain an Arizona state university campus in eastern Maricopa county designated as Arizona state university east campus. The board may establish and maintain other colleges and universities subject to legislative authority. SUBJECT TO REVIEW BY THE JOINT COMMITTEE ON CAPITAL REVIEW, THE BOARD MAY ESTABLISH NEW CAMPUSES THAT ARE SEPARATE FROM ANY LOCATION IN EXISTENCE ON JULY 1, 2007.

B. The universities shall have colleges, schools and departments and give courses of study and academic degrees as the board approves. Subject to the responsibilities and powers of the board and the university presidents, the faculty members of the universities, through their elected faculty representatives, shall share responsibility for academic and educational activities and matters related to faculty personnel. The faculty members of each university, through their elected faculty representatives, shall participate in the governance of their respective universities and shall actively participate in the development of university policy.

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

15-1626. General administrative powers and duties of board

A. The board 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 and governance of 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. 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 of 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 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 twenty-first day after classes begin for the fall semester of 2005 and every fall semester thereafter 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 pursuit of up to two state regulated licensures or 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. On or before October 15 of each year, the board shall report to the joint legislative budget committee the number of students who were enrolled at universities under the jurisdiction of the board during the previous fiscal year who met or exceeded the undergraduate credit hour threshold prescribed in this paragraph. The amount of tuition, registration fees and other revenues included in the operating budget for the university adopted by the board as prescribed in paragraph 13 of this subsection shall be deposited, pursuant to sections 35-146 and 35-147. All other tuition and fee revenue shall be retained by each university for expenditure as approved by the board, except that the universities shall not use any tuition or fee revenue to fund or support an alumni association.

6. Except as provided in subsection H of this section, adopt rules to govern its tuition and 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 upon any proposed increase in tuition or fees.

(b) Publication of the notice of public hearing at least ten days prior to 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 prior to the public hearing.

(d) Final board action on changes in tuition or fees shall be taken by roll call vote.

The procedural requirements of subdivisions (a), (b), (c) and (d) OF THIS PARAGRAPH apply only to those changes in tuition or fees that require board approval.

7. Pursuant to section 35-115, submit a budget request for each institution under its 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 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 curriculums and designate courses at the several institutions which in its judgment will best serve the interests of this state.

9. Award such degrees and diplomas upon the completion of such courses and curriculum requirements as it deems appropriate.

10. Prescribe qualifications for admission of all students to the universities. The board shall establish policies for guaranteed admission that assure fair and equitable access to students in this state from public, private, charter and home schools. 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 be considered.

11. Adopt any energy conservation standards promulgated 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, registration fees and other revenues 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 computer software in a standardized format when software becomes available for nonliterary textbooks, to the Arizona board of regents from which braille versions of the textbooks may be produced.

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. Beginning July 1, 2007, ~~purchase~~ 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 ~~flag and purchase~~ FLAGS, ACQUIRE a legible copy of the Constitution of the United States and the Bill of Rights, ~~and~~ 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 course work.

(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 EMPLOYMENT OPENINGS, INCLUDING THE TITLE AND DESCRIPTION, INSTRUCTIONS FOR APPLYING AND RELEVANT CONTACT INFORMATION.

B. The board shall adopt personnel rules. All nonacademic employees of the universities are subject to these rules except for university presidents, university vice-presidents, university deans, legal counsel and administrative officers. The personnel rules shall be similar to the personnel rules under section 41-783. The rules shall include provisions for listing available positions with the department of economic security, competitive employment processes for applicants, probationary status for new nonacademic employees, nonprobationary status on successful completion of probation and due process protections of nonprobationary employees after discharge. The board shall provide notice of proposed rule adoption and an opportunity for public comment on all personnel rules proposed for adoption.

C. 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 upon the general fund of this state but shall be paid from funds of the institutions.

D. The board shall approve or disapprove any contract or agreement entered into by the university of Arizona hospital with the Arizona health facilities authority.

E. The board may adopt policies which 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 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.

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

G. 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.

H. Subsection A, paragraph 6, subdivisions (a), (b), (c) and (d) of this section do not apply to fee increases that are set by individual universities and that do not require approval by the Arizona board of regents before the fee increase becomes effective.

Sec. 3. Section 15-1681, Arizona Revised Statutes, is amended to read:

15-1681. <u>Definitions</u>

In this article, unless the context otherwise requires:

1. "Acquire" includes to purchase, lease, lease-purchase, erect, build, construct, reconstruct, raze, remodel, repair, replace, alter, extend, expand, better, equip, furnish, develop, improve and embellish a project, and the acquisition, preparation and development of a site or sites therefor.

2. "Board" means the Arizona board of regents or its successor.

3. "Bonds" means any bonds issued pursuant to this article.

4. "COMPONENT UNIT" MEANS AN ENTITY FOR WHICH THE NATURE AND SIGNIFICANCE OF ITS RELATIONSHIP WITH THE BOARD OR INSTITUTION IS SUCH THAT EXCLUSION WOULD CAUSE THE BOARD'S OR INSTITUTION'S FINANCIAL STATEMENTS TO BE MISLEADING OR INCOMPLETE.

~~4.~~ 5. "Federal agency" means the United States of America, the president of the United States of America, the department of housing and urban development or such other agency or agencies of the United States of America as may be designated or created to make loans or grants, or both.

~~5.~~ 6. "Indirect ~~debt~~ OR THIRD PARTY financing":

(a) Means an agreement between the board or an institution and a COMPONENT UNIT OF AN INSTITUTION, A nonprofit organization or A private developer in which the COMPONENT UNIT, organization or developer PAYS FOR, issues bonds FOR or enters into lease or lease-purchase agreements for:

(i) Capital projects on the property of an institution. ~~,~~

(ii) Capital projects intended to house any institution activities. ~~or~~

(iii) Capital projects in which the board or institution guarantees revenues to the COMPONENT UNIT, ORGANIZATION OR developer or debt service payments on behalf of the COMPONENT UNIT, organization or developer.

(iv) CAPITAL PROJECTS, WHICH MAY EVENTUALLY BECOME STATE ASSETS.

(b) DOES NOT INCLUDE A PROJECT THAT IS INTENDED TO BE COMMERCIAL IN NATURE AND IF THE MAJORITY OF THE PROJECT'S BUSINESS IS ANTICIPATED TO COME FROM THE NONUNIVERSITY POPULATION.

~~6.~~ 7. "Institution" means the university of Arizona, Arizona state university and northern Arizona university or any other college or university under the jurisdiction and control of the board or its successor.

~~7.~~ 8. "Project" means and includes buildings, structures, areas and facilities which, as determined by the board, are required by or necessary for the use or benefit of each of such institutions, including, without limiting the generality of the foregoing, student, faculty or staff housing facilities, residence halls, dormitories and apartments; student union and recreational buildings and stadiums; other facilities for student, faculty or staff services; any facility or building leased to the United States of America; parking garages and areas; offices, classrooms, laboratories, dining halls and food service facilities, libraries, auditoriums, or parts thereof, or additions or extensions thereto; heating, lighting and other utility service facilities in connection therewith, or parts thereof, or additions or extensions thereto; whether heretofore acquired and now or hereafter used for any or all of the purposes aforesaid, or as may be hereafter acquired under

this article, with all equipment and appurtenant facilities; or any one, or more than one, or all of the foregoing, or any combination thereof, for any institution, including sites therefor.

~~8.~~ 9. "System of building facilities" means such project or projects as the board by resolution shall collectively designate to be included in a system of building facilities at each institution, either:

(a) Hereafter acquired for each of such institutions under the terms of this article.

(b) Heretofore acquired for each of such institutions prior to May 17, 1974 under the terms of any other law and now located on the campus of each of such institutions, whether unencumbered by or encumbered by a pledge of and lien on the income and revenues derived from the operation thereof for the payment of any bonds theretofore issued by the board for the acquisition thereof.

(c) As provided in both subdivisions (a) and (b) OF THIS PARAGRAPH.

(d) Any combination of as provided in subdivisions (a), (b) and (c) OF THIS PARAGRAPH.

Sec. 4. Section 15-1682, Arizona Revised Statutes, is amended to read:

15-1682. Powers

The board shall have power for each institution, as defined in this article, to:

1. Acquire, if authorized by the legislature, any project or projects, or any combination thereof, and to secure indirect ~~debt~~ OR THIRD PARTY financing for or own, operate and maintain the same and establish, own, operate and maintain a system of building facilities.

2. Acquire by purchase, contract, lease-purchase, lease or gift, and hold or dispose of, real or personal property or rights or interest therein.

3. Accept grants, subsidies or loans of monies from a federal agency, or others, upon such terms and conditions as may be imposed, and to pledge the proceeds of grants, subsidies or loans of monies received or to be received from the United States of America or any agency or instrumentality thereof, or others, pursuant to agreements entered into between such board and the United States of America, or any agency or instrumentality thereof, or others.

4. Borrow monies and issue bonds to acquire any one project, or more than one, or any combination thereof, if authorized by the legislature, and to refund bonds heretofore or hereafter issued to acquire any project or projects, or to refund any such refunding bonds, or for any one, or more than one, or all of such purposes, or any combination thereof, and to provide for the security and payment of such bonds and for the rights of the holders thereof.

5. Make contracts and leases and execute all instruments and perform all acts and do all things necessary or convenient to carry out the powers granted in this article.

6. Retain in its treasury:

(a) All monies received from the sale of all bonds issued under this article.

(b) All fees, tuitions, rentals and other charges from students, faculty, staff members and others using or being served by, or having the right to use or the right to be served by, or to operate, any project.

(c) All fees for student activities and student services and all other fees, tuitions and charges collected from students matriculated, registered or otherwise enrolled at and attending each institution pledged under the terms of any resolution authorizing bonds pursuant to this article.

(d) All rentals from any facility or building leased to the United States of America.

Sec. 5. Section 15-1682.02, Arizona Revised Statutes, is amended to read:

15-1682.02. Indirect and third party financing; review; reporting

A. The board may secure indirect ~~debt~~ OR THIRD PARTY financing for any project if the following conditions are met:

1. The term of the indirect ~~debt~~ OR THIRD PARTY financing does not exceed the earlier of forty years or the useful life of the capital improvements.

2. The project for which indirect ~~debt~~ OR THIRD PARTY financing is secured is reviewed by the joint committee on capital review. Private entities are not required to divulge proprietary information to the committee for review.

B. FOR A PROJECT THAT IS TO BE DEVELOPED ON BOARD OR INSTITUTIONAL LAND, THAT IS INTENDED TO BE COMMERCIAL IN NATURE AND IF THE MAJORITY OF THE PROJECT'S BUSINESS IS ANTICIPATED TO COME FROM THE NONUNIVERSITY POPULATION, THE BOARD OR INSTITUTION SHALL REPORT ON THE SCOPE, PURPOSE AND ESTIMATED COST OF THE PROJECT TO THE JOINT COMMITTEE ON CAPITAL REVIEW AT LEAST TWO MONTHS BEFORE THE ANTICIPATED EXECUTION OF AN AGREEMENT. A PRIVATE ENTITY IS NOT REQUIRED TO DIVULGE PROPRIETARY INFORMATION TO THE JOINT COMMITTEE ON CAPITAL REVIEW. THE JOINT COMMITTEE ON CAPITAL REVIEW MAY PROVIDE RECOMMENDATIONS TO THE BOARD OR A UNIVERSITY ON THE REPORTED PROJECT.

Sec. 6. Section 15-1725, Arizona Revised Statutes, is amended to read:

15-1725. Medical student loan fund

A. The medical student loan fund is established. All monies appropriated to carry out ~~the provisions of~~ sections 15-1723 and 15-1724 shall be deposited in the fund, and all payments of principal and interest received by the board shall be deposited, pursuant to sections 35-146 and 35-147, in the fund. Monies in the fund are ~~subject to legislative appropriation~~ CONTINUOUSLY APPROPRIATED FOR USE BY THE BOARD.

B. Monies in the medical student loan fund are exempt from the provisions of section 35-190 relating to lapsing of appropriations.

1 Sec. 7. Title 15, chapter 13, Arizona Revised Statutes, is amended by
2 adding article 11, to read:
3 ARTICLE 11. MATHEMATICS, SCIENCE AND SPECIAL EDUCATION
4 TEACHER STUDENT LOAN PROGRAM
5 15-1781. Definition of board
6 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES, "BOARD" MEANS
7 THE ARIZONA BOARD OF REGENTS.
8 15-1782. Mathematics, science and special education teacher
9 student loans; requirements; report
10 A. BEGINNING WITH THE SPRING SEMESTER OF SCHOOL YEAR 2007-2008, THE
11 BOARD MAY GRANT LOANS FROM THE MATHEMATICS, SCIENCE AND SPECIAL EDUCATION
12 TEACHER STUDENT LOAN FUND ESTABLISHED BY SECTION 15-1784 TO DEFRAY IN-STATE
13 TUITION, INSTRUCTIONAL MATERIALS AND MANDATORY FEES OF THE EDUCATION OF
14 STUDENTS WHO ARE PURSUING A TEACHING DEGREE AT A UNIVERSITY UNDER THE
15 JURISDICTION OF THE BOARD AND WHO ARE DEEMED QUALIFIED BY THE BOARD TO
16 RECEIVE THESE LOANS. LOANS SHALL BE GRANTED ON SUCH TERMS AND CONDITIONS AS
17 MAY BE IMPOSED BY THE BOARD AND SHALL BE DISTRIBUTED ON A FIRST COME, FIRST
18 SERVED BASIS.
19 B. THE BOARD SHALL GRANT LOANS TO QUALIFIED APPLICANTS WHO ARE
20 CLASSIFIED AS IN-STATE STUDENTS FOR TUITION PURPOSES PURSUANT TO SECTION
21 15-1802 AND AGREE TO PROVIDE INSTRUCTION IN THE AREAS OF MATHEMATICS, SCIENCE
22 OR SPECIAL EDUCATION IN A PUBLIC SCHOOL IN THIS STATE.
23 C. THE LOANS GRANTED BY THE BOARD SHALL BE SUFFICIENT TO FULLY COVER
24 THE COSTS OF RESIDENT TUITION AND MANDATORY FEES FOR EACH LOAN RECIPIENT AND
25 MAY ALSO DEFRAY THE COST OF INSTRUCTIONAL MATERIALS. IF AN APPLICANT
26 QUALIFIES FOR FEDERAL FINANCIAL AID AND RECEIVES FEDERAL GRANT AID, THE LOAN
27 AMOUNT SHALL BE LIMITED TO THE AMOUNT OF TUITION AND MANDATORY FEES NOT
28 COVERED BY THE FEDERAL GRANT AID AND MAY INCLUDE A STIPEND FOR INSTRUCTIONAL
29 MATERIALS.
30 D. THE BOARD SHALL ADOPT POLICIES FOR SCREENING QUALIFIED APPLICANTS
31 BASED ON ABILITY, CHARACTER AND FINANCIAL NEED.
32 E. THE BOARD SHALL GRANT LOANS ON THE TERMS AND CONDITIONS THE BOARD
33 IMPOSES. THE BOARD SHALL ESTABLISH PROCEDURES FOR THE TIMELY REPAYMENT OF
34 LOANS PLUS INTEREST AT A RATE DETERMINED BY THE BOARD. THE BOARD IS
35 RESPONSIBLE FOR THE COLLECTION OF LOANS THAT ARE IN DEFAULT.
36 F. THE BOARD MAY DELEGATE AUTHORITY TO ADMINISTER THE LOANS PURSUANT
37 TO THIS ARTICLE TO AN INSTITUTION UNDER THE JURISDICTION OF THE BOARD. IF THE
38 BOARD DELEGATES AUTHORITY, STUDENTS PURSUING A TEACHING DEGREE AT EACH
39 INSTITUTION UNDER THE JURISDICTION OF THE BOARD SHALL BE EQUALLY ELIGIBLE TO
40 PARTICIPATE. THE BOARD SHALL RETAIN RESPONSIBILITY OF MAKING INITIAL PUBLIC
41 NOTICE OF THE AVAILABILITY OF THE LOANS AND COLLECT THE APPLICATION FORMS
42 DIRECTLY FROM EACH QUALIFIED APPLICANT. THE BOARD SHALL FORWARD THE
43 APPLICATIONS TO THE INSTITUTION SELECTED TO ADMINISTER THE LOANS.
44 G. ON OR BEFORE DECEMBER 1 OF EACH YEAR, THE ARIZONA BOARD OF REGENTS
45 SHALL SUBMIT AN APPROVED REPORT TO THE GOVERNOR, THE SPEAKER OF THE HOUSE OF

REPRESENTATIVES, THE PRESIDENT OF THE SENATE AND THE JOINT LEGISLATIVE BUDGET COMMITTEE. THE BOARD SHALL PROVIDE A COPY OF THIS REPORT TO THE SECRETARY OF STATE AND THE DIRECTOR OF THE ARIZONA STATE LIBRARY, ARCHIVES AND PUBLIC RECORDS. THE REPORT SHALL INCLUDE THE NUMBER OF APPLICANTS, THE NUMBER OF LOAN RECIPIENTS, THE UNIVERSITY EACH LOAN RECIPIENT ATTENDS, THE NAME OF SCHOOL AT WHICH EACH LOAN RECIPIENT IS EMPLOYED, THE NUMBER OF GOOD CAUSE REPAYMENT EXCEPTIONS GRANTED BY THE BOARD, THE REASON FOR EACH GOOD CAUSE EXCEPTION GRANTED AND TEACHER RETENTION DATA. THE BOARD SHALL COLLECT AND MAINTAIN DATA ON THE RETENTION OF MATHEMATICS, SCIENCE AND SPECIAL EDUCATION TEACHERS WHO RECEIVED LOANS PURSUANT TO THIS ARTICLE. THE BOARD SHALL COLLECT THIS DATA FOR AT LEAST FIVE YEARS AFTER EACH LOAN RECIPIENT COMPLETES THE RECIPIENT'S SERVICE COMMITMENT.

15-1783. Mathematics, science and special education teacher student loans; interest; obligations; repayment; authority of attorney general

A. EACH APPLICANT WHO IS APPROVED FOR A LOAN BY THE BOARD MAY BE GRANTED A LOAN FOR A PERIOD OF UP TO FIVE YEARS.

B. THE BOARD SHALL, ON BEHALF OF THIS STATE, ENTER INTO A WRITTEN CONTRACT WITH THE STUDENT. THE CONTRACT SHALL SET FORTH THE METHODS AND TERMS OF REPAYMENT BY THE LOAN RECIPIENT TO THIS STATE AND SHALL BE ON TERMS AND CONDITIONS AND IN A FORM PROVIDED BY THE BOARD. THE CONTRACT SHALL PROVIDE FOR THE FOLLOWING:

1. THE LOAN RECIPIENT SHALL BEGIN THE SERVICE COMMITMENT PROVIDING INSTRUCTION IN THE AREAS OF MATHEMATICS, SCIENCE OR SPECIAL EDUCATION IN A PUBLIC SCHOOL IN THIS STATE WITHIN ONE CALENDAR YEAR AFTER ATTAINING A BACHELOR'S DEGREE AT AN ACCREDITED UNIVERSITY IN THIS STATE. THE SERVICE COMMITMENT SHALL BE FULL TIME AS DETERMINED BY THE BOARD AND REQUIRES ONE YEAR OF SERVICE FOR EACH YEAR OF LOAN SUPPORT PLUS ONE ADDITIONAL YEAR OF SERVICE.

2. IF THE LOAN RECIPIENT ENGAGES IN POSTGRADUATE STUDIES WITHOUT A LAPSE OF MORE THAN ONE CALENDAR YEAR FOLLOWING THE COMPLETION OF THE LOAN RECIPIENT'S BACHELOR'S DEGREE AT AN ACCREDITED UNIVERSITY IN THIS STATE, THE LOAN RECIPIENT SHALL BEGIN THE SERVICE COMMITMENT REQUIRED UNDER PARAGRAPH 1 WITHIN ONE CALENDAR YEAR AFTER COMPLETING POSTGRADUATE STUDIES.

3. IF THE LOAN RECIPIENT IS INDUCTED INTO MILITARY SERVICE, OR FOR ANY OTHER CAUSE BEYOND THE LOAN RECIPIENT'S CONTROL DEEMED SUFFICIENT BY THE BOARD IS UNABLE TO BEGIN THE SERVICE COMMITMENT REQUIRED UNDER PARAGRAPH 1 WITHIN ONE CALENDAR YEAR AFTER COMPLETING A BACHELOR'S DEGREE AND ANY GRADUATE STUDIES, THE LOAN RECIPIENT SHALL BEGIN THE SERVICE COMMITMENT REQUIRED UNDER PARAGRAPH 1 WITHIN ONE CALENDAR YEAR AFTER COMPLETING THE REQUIRED MILITARY SERVICE OR THE TERMINATION OF ANY OTHER CAUSE.

4. IF THE LOAN RECIPIENT FULFILLS THE SERVICE COMMITMENT REQUIRED UNDER PARAGRAPH 1 IN A PUBLIC SCHOOL IN THIS STATE OR WHILE COMPLETING MILITARY SERVICE RESULTING FROM INDUCTION, THE LOAN RECIPIENT'S INDEBTEDNESS TO THIS STATE MAY BE DISCHARGED IN ONE OF THE FOLLOWING WAYS:

(a) ONE YEAR OF FULL-TIME SERVICE REQUIRED UNDER PARAGRAPH 1 FOR EACH YEAR OF LOAN SUPPORT PLUS ONE ADDITIONAL YEAR OF SERVICE.

(b) REPAYMENT TO THIS STATE OF THE TOTAL LOAN AMOUNT FOR EACH YEAR OF SUPPORT WITH INTEREST AT THE RATE PRESCRIBED IN SUBSECTION C.

5. IF THE LOAN RECIPIENT FAILS TO COMPLETE THE REQUIRED COURSE OF STUDY, IF THE COURSE OF STUDY IS INTERRUPTED BY ONE ACADEMIC YEAR OR MORE FOR A CAUSE OR CAUSES NOT RESULTING FROM INDUCTION INTO MILITARY SERVICE OR ANY OTHER CAUSE BEYOND THE LOAN RECIPIENT'S CONTROL DEEMED SUFFICIENT BY THE BOARD OR IF THE LOAN RECIPIENT FAILS TO FULLY DISCHARGE THE SERVICE COMMITMENT REQUIRED UNDER PARAGRAPH 1, EXCEPT FOR DELAYS RESULTING FROM AN EXCUSABLE CAUSE AS PRESCRIBED IN THIS SECTION, THE AMOUNT OF THE LOAN NOT REPAID OR FULLY DISCHARGED SHALL BE DUE AND PAYABLE WITH INTEREST AT THE RATE PRESCRIBED IN SUBSECTION C. THE BOARD MAY EXTEND THE TIME OF PAYMENT OVER A PERIOD NOT EXCEEDING FIFTEEN YEARS AND SHALL NOT REQUIRE PAYMENT OF INTEREST DURING THE EXISTENCE OF ANY EXCUSABLE CAUSE AS PRESCRIBED IN THIS SECTION.

6. IF THE LOAN RECIPIENT DOES NOT BEGIN THE SERVICE COMMITMENT REQUIRED UNDER PARAGRAPH 1 WITHIN THE TIME PRESCRIBED IN THIS SECTION BUT PAID AN AGREED PART OF THE LOAN, THE BOARD MAY ALLOW THE LOAN RECIPIENT TO DISCHARGE THE BALANCE OF THE OBLIGATION BY SUBSEQUENT TEACHING IN THIS STATE.

7. IF THE LOAN RECIPIENT DIES DURING THE PERIOD OF THE LOAN RECIPIENT'S EDUCATION OR PRACTICE AS A TEACHER, THE LOAN RECIPIENT'S OBLIGATION TO THIS STATE UNDER THIS ARTICLE CEASES.

C. THE LOAN RECIPIENT SHALL REPAY THE FULL AMOUNT BORROWED AT AN INTEREST RATE OF AT LEAST SEVEN PER CENT.

D. ON RECEIPT OF SUPPORTING DOCUMENTATION, THE BOARD FOR GOOD CAUSE SHOWN MAY DEFER THE LOAN RECIPIENT'S SERVICE COMMITMENT OR REPAYMENT OBLIGATION OR MAY ENTER INTO REPAYMENT ARRANGEMENTS WITH THE LOAN RECIPIENT OR ALLOW SERVICE THAT IS EQUIVALENT TO FULL-TIME SERVICE IF THE BOARD DETERMINES THAT THIS ACTION IS JUSTIFIED AFTER A REVIEW OF THE INDIVIDUAL'S CIRCUMSTANCES. AT THE DISCRETION OF THE BOARD, THE BOARD MAY ALLOW SERVICE BY TEACHING IN ANOTHER AREA OF RECOGNIZED NEED IN THIS STATE THAT IS NOT SPECIFIED IN THE STUDENT'S CONTRACT, BUT ONLY FOLLOWING PRIOR WRITTEN APPROVAL BY THE BOARD.

E. THE ATTORNEY GENERAL MAY COMMENCE WHATEVER ACTIONS ARE NECESSARY TO ENFORCE THE CONTRACT AND ACHIEVE REPAYMENT OF LOANS PROVIDED BY THE BOARD PURSUANT TO THIS ARTICLE.

15-1784. <u>Mathematics, science and special education teacher student loan fund</u>

A. THE MATHEMATICS, SCIENCE AND SPECIAL EDUCATION TEACHER STUDENT LOAN FUND IS ESTABLISHED. ALL MONIES APPROPRIATED TO CARRY OUT THE PURPOSES OF SECTIONS 15-1782 AND 15-1783 SHALL BE DEPOSITED IN THE FUND, AND ALL PAYMENTS OF PRINCIPAL AND INTEREST THAT ARE RECEIVED BY THE BOARD SHALL BE DEPOSITED, PURSUANT TO SECTIONS 35-146 AND 35-147, IN THE FUND.

B. MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED FOR USE BY THE BOARD.

C. ON NOTICE FROM THE BOARD, THE STATE TREASURER SHALL INVEST AND DIVEST MONIES IN THE FUND AS PROVIDED BY SECTION 35-313, AND MONIES EARNED FROM INVESTMENT SHALL BE CREDITED TO THE FUND.

15-1785. Program termination

THE PROGRAM ESTABLISHED BY THIS ARTICLE ENDS ON JULY 1, 2017 PURSUANT TO SECTION 41-3102.

Sec. 8. Section 15-1808, Arizona Revised Statutes, is amended to read:

15-1808. Tuition waiver of child or spouse of peace officer, correctional officer, fire fighter, emergency paramedic or national guard member killed in the line of duty; disabled national guard member; definitions

A. The board of regents, after verification by the Arizona peace officers memorial board, by the Arizona fire fighters and emergency paramedics memorial board, ~~or~~ by the adjutant general of the national guard OR BY THE ARIZONA DEPARTMENT OF VETERAN'S SERVICES that a person is a child or a spouse of a peace officer, correctional officer, fire fighter, emergency paramedic, ~~or~~ national guard member OR MEMBER OF THE UNITED STATES ARMED FORCES who was a resident of the state of Arizona OR STATIONED IN ARIZONA and who was killed in the line of duty or who died from injuries suffered in the line of duty while traveling to or from duty, shall provide the person who qualifies under subsection B of this section and who otherwise meets the qualifications for admission with a tuition waiver scholarship at any university under the jurisdiction of the board. A district as defined in section 15-1401, after verification by the Arizona peace officers memorial board, by the Arizona fire fighters and emergency paramedics memorial board, ~~or~~ by the adjutant general of the national guard OR BY THE ARIZONA DEPARTMENT OF VETERAN'S SERVICES that a person is the child or the spouse of a peace officer, correctional officer, fire fighter, emergency paramedic, ~~or~~ national guard member OR MEMBER OF THE UNITED STATES ARMED FORCES who was a resident of Arizona OR STATIONED IN ARIZONA and who was killed in the line of duty or who died from injuries suffered in the line of duty while traveling to or from duty, shall provide the person who qualifies under subsection B of this section and who otherwise meets the qualifications for admission with a tuition waiver scholarship at any community college under the jurisdiction of the board.

B. The tuition waiver scholarships shall be limited to children who are thirty years of age or younger or a spouse who has not remarried and shall be limited for a spouse or for any one child to no more than sixty-four credit hours at Arizona community colleges and a total number of credits including any transfer credits from an Arizona community college equal to the number of credits required for a baccalaureate degree at Arizona universities for that student's initially declared course of study.

C. A member of the Arizona national guard who received a purple heart citation on or after September 11, 2001 or a former member of the Arizona

national guard who was medically discharged from the Arizona national guard due to an injury or disability suffered during status under title 10, United States Code, in weekend training status, in annual training status or in response to a state of emergency declared by the governor is eligible for a tuition waiver scholarship provided for in this section.

D. For the purposes of this section:

1. "Correctional officer" means a person, other than an elected official, who is employed by this state or a county, city or town and who is responsible for the supervision, protection, care, custody or control of inmates in a state, county or municipal correctional institution, including counselors but excluding secretarial, clerical and professionally trained personnel.

2. "Emergency paramedic" means a person who has been trained in an emergency paramedic training program certified by the director of the department of health services or in an equivalent training program and who is certified by the director of the department of health services to render services pursuant to section 36-2205.

3. "Fire fighter" means a professional fire fighter who is a member of a state, federal, tribal, city, county, district or private fire department.

4. "Peace officers" means sheriffs of counties, constables, marshals, police officers of cities and towns, commissioned personnel of the department of public safety and police officers appointed by community college district governing boards or the Arizona board of regents~~,~~ who have received a certificate from the Arizona peace officer standards and training board, and other state, federal, tribal, city or county officers vested by law with a duty to maintain public order and make arrests.

Sec. 9. Section 15-1854, Arizona Revised Statutes, is amended to read:

15-1854. Private postsecondary education student financial assistance program; private postsecondary education student financial assistance fund; definition

A. A private postsecondary education student financial assistance program is established. The commission shall develop, implement and administer the program. A student who obtains an associate degree from a community college district or from a community college under the jurisdiction of an Indian tribe in this state that meets the same accreditation standards as a community college district and who registers for enrollment as a full-time student in a baccalaureate program at a private, nationally or regionally accredited four year degree granting college or university chartered in this state is eligible to submit an application to the commission for participation in the program. The commission shall establish eligibility criteria for the program including financial need and academic merit, shall develop application forms, procedures and deadlines and shall select qualifying students each year for participation in the program. Participating students shall receive an award in an amount of up to ~~one~~ TWO thousand ~~five hundred~~ dollars annually for not to exceed two years and ~~three~~

FOUR thousand dollars to be used to pay all or a portion of the tuition and fees charged at the private, accredited four year college or university.

B. A private postsecondary education student financial assistance fund is established consisting of legislative appropriations. The commission shall administer the fund. Monies in the fund are exempt from the provisions of section 35-190~~,~~ relating to lapsing of appropriations. The commission shall make awards for payment of tuition at eligible colleges or universities to students who are selected to participate in the private postsecondary education student financial assistance program pursuant to subsection A OF THIS SECTION.

C. The commission shall develop a program evaluation procedure in order to determine the effectiveness of the private postsecondary education student financial assistance program in shifting students who would have otherwise attended a public four year college or university to private four year degree granting colleges or universities.

D. A student who fails to receive a baccalaureate degree within a three year period of receipt of the program award shall reimburse the private postsecondary education student financial assistance fund for all awards received pursuant to subsection A OF THIS SECTION.

E. For the purposes of this section, "community college district" means a community college district THAT IS established pursuant to sections 15-1402 and 15-1403 AND that is a political subdivision of this state.

Sec. 10. Section 42-5031.01, Arizona Revised Statutes, is amended to read:

42-5031.01. Distribution of revenues for Indian tribal postsecondary educational institutions; definition

A. Subject to subsection C of this section, each month the state treasurer shall transmit ~~each month~~ to the treasurer or other designated depository of ~~a~~ EACH qualifying Indian tribe the amount of transaction privilege tax revenues received pursuant to this article in the preceding month from all sources located on the Indian reservation established for the qualifying Indian tribe as determined pursuant to section 42-5029, subsection A, paragraph 3.

B. The monies distributed pursuant to this section are for the exclusive purpose of supporting the maintenance, renewal and capital expenses of one or more community colleges in this state that are owned, operated or chartered by ~~the~~ EACH qualifying Indian tribe on its own Indian reservation. Before receiving any monies under this section, a qualifying Indian tribe shall enter into a compact with this state, signed by the governor, to account for the use of monies distributed pursuant to this section. The compact shall:

1. Be for a term of at least ten years. AFTER A HEARING AND REVIEW OF THE COMPACT BY THE JOINT LEGISLATIVE BUDGET COMMITTEE HELD DURING THE LAST YEAR OF THE COMPACT'S TERM, A COMPACT MAY BE RENEWED FOR AN ADDITIONAL TERM OF UP TO TEN YEARS.

2. Require the monies to be used primarily for capital needs including maintenance and renewal of existing facilities at designated community college campuses on the qualifying Indian tribe's own reservation in this state.

3. Provide for audits by the auditor general of the use of the monies. THE AUDITOR GENERAL SHALL SUBMIT COPIES OF EACH AUDIT TO THE JOINT LEGISLATIVE BUDGET COMMITTEE.

4. If necessary, provide for reimbursement to the department of revenue of costs associated with implementing this section, not to exceed one hundred fifty thousand dollars, from revenues that would otherwise be paid to the qualifying Indian tribe pursuant to this section.

C. Notwithstanding subsection A of this section, the state treasurer shall not transmit IN ANY FISCAL YEAR more than one million seven hundred ~~and~~ fifty thousand dollars ~~in any fiscal year~~ OR MORE THAN ONE-TENTH OF TRANSACTION PRIVILEGE TAX REVENUES RECEIVED PURSUANT TO THIS ARTICLE FROM ALL SOURCES LOCATED ON THE RESERVATION, WHICHEVER IS LESS.

D. For THE purposes of this section, "qualifying Indian tribe" means an Indian tribe that owns, operates and charters any community college or postsecondary educational institution located on its own reservation in this state.

Sec. 11. Repeal

Laws 2002, chapter 330, section 53 is repealed.

Sec. 12. Arizona board of regents; downtown Phoenix campus plan review

On or before October 1, 2007, the Arizona board of regents shall submit for review to the joint legislative budget committee its operational and capital plans for the Arizona state university downtown Phoenix campus. These plans shall include at least the following:

1. Detail on expenditures to date by the Arizona board of regents, its institutions and its partners.

2. Detailed five-year operational and capital budgets, including information on the expected sources of all monies.

3. A five-year description of enrollment, capacity growth and graduation expectations by subject area.

4. The contributions and financing arrangements of all partners contributing to the capital plan, as well as the legal and financial relationships of the Arizona board of regents and its institutions to these partners.

Sec. 13. Retroactivity

Section 15-1601, Arizona Revised Statutes, as amended by this act, applies retroactively to from and after June 30, 2007.

APPROVED BY THE GOVERNOR JUNE 25, 2007.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 25, 2007.