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#### COMMITTEE ON APPROPRIATIONS

### HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1618

(Reference to Senate engrossed bill)

Strike everything after the enacting clause and insert:

"Section 1. Section 15-1444, Arizona Revised Statutes, is amended to read:

#### 15-1444. General powers and duties of district governing boards

- A. Except as otherwise provided, the district board shall:
- 1. Maintain each community college for a period of not less than eight months in each year and, if the funds of the district are sufficient, maintain each community college for a longer period.
- 2. Adopt policies in a public forum to offer programs that meet the educational needs of the population served by the community college.
  - 3. Enforce the courses of study prescribed by the district board.
- 4. Visit each community college under its jurisdiction and examine carefully into its management, conditions and needs.
- 5. Exclude from each community college all books, publications or papers of a sectarian, partisan or denominational character intended for use as textbooks.
- 6. Appoint and employ a chancellor or chancellors, vice-chancellors, a president or presidents, vice-presidents, deans, professors, instructors, lecturers, fellows and such other officers and employees it deems necessary. The district board may enter into employment contracts with chancellors, vice-chancellors and presidents for a duration of more than one year but not more than five years.
  - 7. Determine the salaries of persons it appoints and employs.
- 8. Remove any officer or employee if in its judgment the interests of education in this state require the removal.
- 9. Award degrees, certificates and diplomas on the completion of courses and curriculum as it deems appropriate.
- 10. Appoint or employ, if it deems necessary, police officers who shall have the authority and power of peace officers. The police officers who have received a certificate from the Arizona peace officer standards and training board are eligible for membership in and benefits under either title 38, chapter 5, article 2 or the public safety personnel retirement system under title 38, chapter 5, article 4.
- 11. Determine the location within the district of a community college and purchase, receive, hold, make and take leases of, sell and convey real or

personal property for the benefit of the community colleges under its jurisdiction.

- 12. Obtain insurance or be self-insured, or a combination of insurance and self-insurance, against loss, to the extent it is determined necessary on community college buildings of the district. The local district shall have an insurable interest in the buildings.
  - B. The district board may:
- 1. Administer trusts declared or created for the district and receive by gift or devise and hold in trust or otherwise property wheresoever located, and if not otherwise provided, dispose of the property for the benefit of the district.
- 2. Lease real property, as lessor or as lessee. If a district is the lessee, the lease may contain an option to purchase the property. The district board may adopt policies as are deemed necessary and may delegate in writing to the chancellor or president of the district, or their designees, all or any part of its authority to lease property under this paragraph. A district board shall not delegate the authority to execute a lease that exceeds one hundred thousand dollars per year. Any delegation by the district board pursuant to this paragraph may be rescinded in whole or in part at any time by the district board.
  - 3. Sue and be sued.
- 4. Contract. The district board may adopt such policies as are deemed necessary and may delegate in writing to the chancellor or president of the district, or their designees, all or any part of its authority to contract under this paragraph. Any delegation of authority under this paragraph may be rescinded by the district board at any time in whole or in part.
  - 5. Construct, remodel and repair buildings.
- 6. In conjunction with other districts, establish policies for procurement of goods and services.
- 7. Provide a plan or plans for employee benefits, which may include optional retirement programs pursuant to section 15-1451, subsection A, which allow for participation in a cafeteria plan that meets the requirements of the United States internal revenue code of 1986.
- 8. Accept grants or donations of monies from the United States, or from any of its agencies, departments or officers, or from persons, corporations, foundations or associations. A district board shall deposit the monies into a specific fund or account and a district board shall administer the monies in accordance with the purpose of the grant or donation with specific policies or restrictions as described or stipulated in the grant or donation. In the case of personal property granted or donated to or

for the benefit of a community college district, a district board shall immediately transfer possession and ownership of the property to the designated district.

- 9. Enter into intergovernmental agreements or contracts pursuant to section 11-952.01 for participation in programs offered by public agency pools or separately contract with a trustee or board of trustees that provides a common self-insurance program with pooled funds and risks pursuant to section 15-382, subsection B, paragraph 2. The district board is not required to engage in competitive procurement in order to make the decision to participate in these programs.
- 10. Name a building or a group of buildings that is located on a community college campus on behalf of a person or entity that has made a significant contribution of monies or other property to the community college or the community college district.
- 11. Enter into research and development agreements, royalty agreements, development agreements, licensing agreements and profit-sharing agreements concerning the research, development, production, storing or marketing of new products developed or to be developed through community college district research.
- C. If a district acquires real or personal property, whether by purchase, exchange, condemnation, gift or otherwise, the district shall pay to the county treasurer any taxes on the property that were unpaid as of the date of acquisition, including penalties and interest. The lien for unpaid delinquent taxes, penalties and interest on property acquired by the district:
- 1. Is not abated, extinguished, discharged or merged in the title to the property.
  - 2. Is enforceable in the same manner as other delinquent tax liens.
- D. In a district whose boundaries encompass a vehicle emissions control area as defined in section 49-541, the district board shall require all out-of-county and out-of-state students to sign an affidavit at the time of course registration that the student's vehicle meets the requirements of section 49-542. The district board on property under its jurisdiction within a vehicle emissions control area shall prohibit the parking of those vehicles that fail to comply with section 49-542.
- E. A community college district and a joint technical education district governing board may enter into agreements for the provision of administrative, operational and educational services and facilities.
- F. Each district may establish a program for the exchange of students between the community colleges under its jurisdiction and colleges and

universities located in Sonora, Mexico. The program may provide for in-state tuition for Sonora students at the community colleges under the jurisdiction of the district in exchange for similar tuition provisions for Arizona students enrolled or seeking enrollment in Sonora colleges and universities. The community colleges may work in conjunction with the Arizona-Mexico commission in the governor's office to coordinate recruitment and admissions activities to provide for in-state tuition for up to fifty Sonora students at the community colleges under the jurisdiction of the district in exchange for similar tuition provisions for up to fifty total Arizona students enrolled or seeking enrollment in Sonora colleges and universities.

- G. Each district shall facilitate transfer articulation coordination pursuant to section 15-1824.
  - Sec. 2. Section 15-1472, Arizona Revised Statutes, is amended to read:

## 15-1472. <u>Community college district workforce development</u> accounts; reports

- A. Each community college district shall establish a separate workforce development account to receive only tax revenues authorized pursuant to section 42-5029, subsection E, paragraph 3. Each community college district board shall approve the expenditure of these monies in accordance with section 15-1461 and consistent with subsection B of this section.
- B. Monies received pursuant to subsection A of this section shall be expended for workforce development and job training purposes. These expenditures may include:
  - 1. Partnerships with businesses and educational institutions.
- 2. Additional faculty for improved and expanded classroom instruction and course offerings.
- 3. Technology, equipment and technology infrastructure for advanced teaching and learning in classrooms or laboratories.
- 4. Student services such as assessment, advisement and counseling for new and expanded job opportunities.
- 5. The purchase, lease or lease-purchase of real property, for new construction, remodeling or repair of buildings or facilities on real property.
- C. The state treasurer shall transfer monies under this section into each district's workforce development account by the fifteenth day of each month. The state treasurer shall also allocate and distribute any pooled interest earnings earned from revenues authorized in section 42-5029, subsection E, paragraph 3 to each district in accordance with the method prescribed in subsection D, paragraph 2 of this section.

- D. Revenues authorized for community college districts in section 42-5029, subsection E, paragraph 3 shall be distributed by the state in the following manner:
- 1. For thirteen fiscal years beginning in fiscal year 2001-2002 the state treasurer shall allocate one million dollars per fiscal year for the purpose of bringing this state into compliance with the matching capital requirements prescribed in section 15-1463. The state treasurer shall distribute the monies authorized in this subsection to each district in the order in which each campus qualified for funding pursuant to section 15-1463.
- 2. After the monies have been paid each year to the eligible district DISTRICTS pursuant to paragraph 1 of this subsection, the state treasurer shall distribute monies from the workforce development fund to each community college district in the following manner:
- (a) Each district shall receive the sum of two hundred thousand dollars.
- (b) After each district has received the payments prescribed in subdivision (a), the remainder of monies in the fund shall be distributed to each district according to each district's full-time equivalent student enrollment percentage of the total state wide STATEWIDE audited full-time equivalent student enrollment in the preceding fiscal year prescribed in section 15-1466.01. The percentage distribution under this subdivision shall be adjusted annually on October 1 of each year.
- E. Revenues received by community college districts shall not be used by the legislature to supplant or reduce any state aid authorized in this chapter or supplant any proceeds from the sale of bonds authorized in this article and article 5 of this chapter.
- F. Monies received under this section shall not be considered to be local revenues for purposes of article IX, section 21, Constitution of Arizona.
- G. Each community college district shall submit a workforce development plan by April 1 of each year to the department of commerce. The plan shall outline the purpose and goals for which workforce development monies are to be expended by the district.
- H. G. Each community college district or community college that is owned, operated or chartered by a qualifying Indian tribe on its own Indian reservation shall submit a report once every two years of its workforce development plan activities and the expenditures authorized in this section to the governor, president of the senate, speaker of the house of representatives, joint legislative budget committee and department of commerce by December 1 of every even-numbered year. The report shall include

the purpose and goals for which the workforce development monies were expended by each district or community college together with a general accounting of the expenditures authorized in subsection B of this section. A copy of the final report shall also be provided to the secretary of state and the director of the Arizona state library, archives and public records. For the purposes of this subsection, "qualifying Indian tribe" has the same meaning prescribed in section 42-5031.01.

- Sec. 3. 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 forty-five hours for students who attend a university under the jurisdiction of the board. The undergraduate credit hour threshold shall be based on the actual full-time equivalent student

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enrollment counted on the forty-fifth day of every fall and spring semester, divided by two, and any budget adjustment based on student enrollment shall occur in the fiscal year following the actual full-time equivalent student enrollment count. The undergraduate credit hour threshold shall not apply to degree programs that require credit hours above the credit hour threshold, credits earned in the pursuit of up to two baccalaureate degrees, credits earned in the 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 I 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 on 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 that in its judgment will best serve the interests of this state.
- 9. Award such degrees and diplomas on the completion of such courses and curriculum requirements as it 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. Acquire United States flags for each classroom that are manufactured in the United States and that are at least two feet by three feet and hardware to appropriately display the United States flags, acquire a legible copy of the Constitution of the United States and the Bill of Rights, display the flags in each classroom in accordance with title 4 of the United States Code and display a legible copy of the Constitution of the United States and the Bill of Rights adjacent to the flag.
- 18. To facilitate the transfer of military personnel and their dependents to and from the public schools of this state, pursue, in cooperation with the state board of education, reciprocity agreements with other states concerning the transfer credits for military personnel and their dependents. A reciprocity agreement entered into pursuant to this paragraph shall:
  - (a) Address procedures for each of the following:
  - (i) The transfer of student records.
  - (ii) Awarding credit for completed 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.
- 20. In consultation with the community college districts in this state, develop and implement common equivalencies for specific levels of achievement on advanced placement examinations and international baccalaureate

examinations in order to award commensurate postsecondary academic credits at community colleges and public universities in this state.

- 21. ON OR BEFORE AUGUST 1 OF EACH YEAR, REPORT TO THE JOINT LEGISLATIVE BUDGET COMMITTEE THE GRADUATION RATE BY UNIVERSITY CAMPUS DURING THE PREVIOUS FISCAL YEAR. THE BOARD SHALL ALSO REPORT THE RETENTION RATE BY UNIVERSITY CAMPUS AND BY CLASS, AS DETERMINED BY DATE OF ENTRY DURING THE PREVIOUS FISCAL YEAR.
- B. The board shall adopt personnel 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. In conjunction with the auditor general, the board shall develop a uniform accounting and reporting system, which shall be reviewed by the joint legislative budget committee before final adoption by the board. The board shall require each university to comply with the uniform accounting and reporting system.
- D. The board may employ legal assistance in procuring loans for the institutions from the United States government. Fees or compensation paid for such legal assistance shall not be a claim on the general fund of this state but shall be paid from funds of the institutions.
- E. The board shall approve or disapprove any contract or agreement entered into by the university of Arizona hospital with the Arizona health facilities authority.
- F. The board may adopt policies that authorize the institutions under its jurisdiction to enter into employment contracts with nontenured employees for periods of more than one year but not more than five years. The policies shall prescribe limitations on the authority of the institutions to enter into employment contracts for periods of more than one year but not more than five years, including the requirement that the board approve the contracts.
- G. The board may adopt a plan or plans for employee benefits that allow for participation in a cafeteria plan that meets the requirements of the United States internal revenue code of 1986.

- H. The board may establish a program for the exchange of students between the universities under the jurisdiction of the board and colleges and universities located in the state of Sonora, Mexico. Notwithstanding subsection A, paragraph 5 of this section, the program may provide for in-state tuition at the universities under the jurisdiction of the board for fifty Sonoran students in exchange for similar tuition provisions for up to fifty Arizona students enrolled or seeking enrollment in Sonoran colleges or universities. The board may direct the universities to work in conjunction with the Arizona-Mexico commission to coordinate recruitment and admissions activities.
- I. 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. 4. Section 15-1831, Arizona Revised Statutes, is amended to read: 15-1831. <u>Information on persons who have completed vocational programs; definitions</u>
  - A. The center for vocational education shall:
- 1. By the end of each calendar year publish and distribute a report of the placement rates and average salaries earned by persons completing vocational programs in this state during the prior fiscal year. This report may include information on a program which would be a vocational program except that it was not completed by at least twenty-five persons during the fiscal year.
- 2. Establish an advisory committee consisting of representatives of both public and private institutions which offer vocational programs. The advisory committee shall advise the center in the implementation of this section.
- 3. Prescribe the format in which institutions which offer vocational programs shall provide the information necessary to produce the report prescribed in paragraph 1 of this subsection.
  - B. The governing board of each community college district shall:
- 1. Transmit to the center for vocational education the following information within thirty days of the end of the fiscal year:
- (a) The social security number of each person who completed a vocational program during the previous fiscal year.
- (b) Such information as the center may require in order to conduct a follow up survey of a sample of persons who have completed vocational programs.

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- 2. Make available to students prior to or at the time of registration the report distributed by the center for vocational education as prescribed in this section.
  - C. B. In this section, unless the context otherwise requires:
- 1. "Center for vocational education" means the center for vocational education at a university under the jurisdiction of the Arizona board of regents designated by the board.
- 2. "Vocational program" means a program THAT IS completed by at least twenty-five persons during the fiscal year and  $\frac{\text{which}}{\text{THAT}}$  is one of the following:
- (a) Operated by a community college district organized pursuant to chapter 12 of this title and designated as a vocational program, including vocational programs operated by a skill center.
- (b) A private vocational program THAT IS licensed pursuant to section 32-3021 which AND THAT does not provide a baccalaureate degree.

#### Sec. 5. <u>Community colleges: capital outlay aid: suspension</u>

Notwithstanding section 15-1464, Arizona Revised Statutes, or any other law, capital outlay state aid for community colleges is suspended for fiscal year 2011-2012.

### Sec. 6. <u>Community colleges: capital aid funding for fiscal year</u> 2011-2012; uses

Notwithstanding section 15-1464, subsection G, Arizona Revised Statutes, for fiscal year 2011-2012, each community college district may use any portion of its capital outlay funding for operating aid expenses.

#### Sec. 7. Community colleges; operating state aid

Notwithstanding section 15-1466, Arizona Revised Statutes, the fiscal year 2011-2012 appropriation for operating state aid for community colleges shall be the amount appropriated in the general appropriation act.

# Sec. 8. <u>Medical student loans; private schools; fiscal year</u> 2011-2012; retroactivity

- A. Notwithstanding section 15-1723, subsection A, Arizona Revised Statutes, the board of medical student loans is not required to apportion fifty per cent of the monies in the medical student loan fund for students attending private medical schools in fiscal year 2011-2012.
- B. This section is effective retroactively to from and after June 30, 2011.

#### Sec. 9. Financial aid trust fund; required state match

Notwithstanding section 15-1642, subsection C, Arizona Revised Statutes, for fiscal year 2011-2012, each dollar raised pursuant to the surcharge on student registration assessed pursuant to section 15-1642,

subsection A, Arizona Revised Statues, may be matched by less than two dollars appropriated by the legislature."

3 Amend title to conform

and, as so amended, it do pass

JOHN KAVANAGH Chairman

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