

FARNSWORTH E FLOOR AMENDMENT  
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2271  
(Reference to printed bill)

1 Page 1, between lines 1 and 2, insert:

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 board shall:

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16 Any delegation of authority may be rescinded by the board at any time in  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

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

21 3. Appoint and employ and determine the compensation of  
22 vice-presidents, deans, professors, instructors, lecturers, fellows and such  
23 other officers and employees with such power and authority and for such

1 purposes in connection with the operation of the institutions as the board  
2 deems necessary, or delegate its authority pursuant to paragraph 1 of this  
3 subsection.

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

6 5. Fix tuitions and fees to be charged and differentiate the tuitions  
7 and fees between institutions and between residents, nonresidents,  
8 undergraduate students, graduate students, students from foreign countries  
9 and students who have earned credit hours in excess of the credit hour  
10 threshold. For the purposes of this paragraph, the undergraduate credit hour  
11 threshold is one hundred forty-five hours for students who attend a  
12 university under the jurisdiction of the board. The undergraduate credit  
13 hour threshold shall be based on the actual full-time equivalent student  
14 enrollment counted on the forty-fifth day of every fall and spring semester,  
15 divided by two, and any budget adjustment based on student enrollment shall  
16 occur in the fiscal year following the actual full-time equivalent student  
17 enrollment count. The undergraduate credit hour threshold shall not apply to  
18 degree programs that require credit hours above the credit hour threshold,  
19 credits earned in the pursuit of up to two baccalaureate degrees, credits  
20 earned in the pursuit of up to two state regulated licensures or  
21 certificates, credits earned in the pursuit of teaching certification,  
22 credits transferred from a private institution of higher education, credits  
23 transferred from an institution of higher education in another state, credits  
24 earned at another institution of higher education but that are not accepted  
25 as transfer credits at the university where the student is currently enrolled  
26 and credits earned by students who enroll at a university under the  
27 jurisdiction of the board more than twenty-four months after the end of that  
28 student's previous enrollment at a public institution of higher education in  
29 this state. On or before October 15 of each year, the board shall report to  
30 the joint legislative budget committee the number of in-state students and  
31 out-of-state students who were enrolled at universities under the  
32 jurisdiction of the board during the previous fiscal year who met or exceeded

1 the undergraduate credit hour threshold prescribed in this paragraph. The  
2 amount of tuition, registration fees and other revenues included in the  
3 operating budget for the university adopted by the board as prescribed in  
4 paragraph 13 of this subsection shall be deposited, pursuant to sections  
5 35-146 and 35-147. All other tuition and fee revenue shall be retained by  
6 each university for expenditure as approved by the board, except that the  
7 universities shall not use any tuition or fee revenue to fund or support an  
8 alumni association.

9 6. Except as provided in subsection I of this section, adopt rules to  
10 govern its tuition and fee setting process that provide for the following:

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

14 (b) Publication of the notice of public hearing at least ten days  
15 prior to the hearing in a newspaper of general circulation in Maricopa  
16 county, Coconino county and Pima county. The notice shall include the date,  
17 time and location of the public hearing.

18 (c) Public disclosure by each university of any proposed increases in  
19 tuition or fees at least ten days prior to the public hearing.

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

22 The procedural requirements of subdivisions (a), (b), (c) and (d) of this  
23 paragraph apply only to those changes in tuition or fees that require board  
24 approval.

25 7. Pursuant to section 35-115, submit a budget request for each  
26 institution under its jurisdiction that includes the estimated tuition and  
27 fee revenue available to support the programs of the institution as described  
28 in the budget request. The estimated available tuition and fee revenue shall  
29 be based on the tuition and registration fee rates in effect at the time the  
30 budget request is submitted with adjustments for projected changes in  
31 enrollment as provided by the board.

1           8. Establish curriculums and designate courses at the several  
2 institutions that in its judgment will best serve the interests of this  
3 state.

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

6           10. Prescribe qualifications for admission of all students to the  
7 universities. The board shall establish policies for guaranteed admission  
8 that assure fair and equitable access to students in this state from public,  
9 private and charter schools and homeschools. For the purpose of determining  
10 the qualifications of honorably discharged veterans, veterans are those  
11 persons who served in the armed forces for a minimum of two years and who  
12 were previously enrolled at a university or community college in this state.  
13 No prior failing grades received by the veteran at the university or  
14 community college in this state may be considered.

15           11. Adopt any energy conservation standards promulgated by the  
16 department of administration for the construction of new buildings.

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

21           13. Adopt annually an operating budget for each university equal to the  
22 sum of appropriated general fund monies and the amount of tuition,  
23 registration fees and other revenues approved by the board and allocated to  
24 each university operating budget.

25           14. In consultation with the state board of education and other  
26 education groups, develop and implement a program to award honors  
27 endorsements to be affixed to the high school diplomas of qualifying high  
28 school pupils and to be included in the transcripts of pupils who are awarded  
29 endorsements. The board shall develop application procedures and testing  
30 criteria and adopt testing instruments and procedures to administer the  
31 program. In order to receive an honors endorsement, a pupil must demonstrate  
32 an extraordinary level of knowledge, skill and competency as measured by the

1 testing instruments adopted by the board in mathematics, English, science and  
2 social studies. Additional subjects may be added at the determination of the  
3 board. The program is voluntary for pupils.

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

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

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

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

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

26 (i) The transfer of student records.

27 (ii) Awarding credit for completed course work.

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

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

1           19. Require a university to publicly post notices of all of its  
2           employment openings, including the title and description, instructions for  
3           applying and relevant contact information.

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

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

14          B. The board shall adopt personnel policies for all employees of the  
15          board and the universities.

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

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

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

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

1 into employment contracts for periods of more than one year but not more than  
2 five years, including the requirement that the board approve the contracts.

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

6 H. The board may establish a program for the exchange of students  
7 between the universities under the jurisdiction of the board and colleges and  
8 universities located in the state of Sonora, Mexico. Notwithstanding  
9 subsection A, paragraph 5 of this section, the program may provide for  
10 in-state tuition at the universities under the jurisdiction of the board for  
11 fifty Sonoran students in exchange for similar tuition provisions for up to  
12 fifty Arizona students enrolled or seeking enrollment in Sonoran colleges or  
13 universities. The board may direct the universities to work in conjunction  
14 with the Arizona-Mexico commission to coordinate recruitment and admissions  
15 activities.

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

20 J. The Arizona board of regents, in collaboration with the  
21 universities under its jurisdiction, shall adopt a performance funding  
22 model. The performance funding model shall use performance metrics that  
23 include the increase in degrees awarded, the increase in completed student  
24 credit hours and the increase in externally generated research and public  
25 service funding. The funding formula may give added weight to degrees  
26 related to science, technology, engineering and mathematics and other  
27 high-value degrees that are in short supply or that are essential to this  
28 state's long-term economic development strategy.

29 K. The Arizona board of regents shall use the performance funding  
30 model adopted pursuant to subsection J of this section in developing and  
31 submitting budget requests for the universities under its jurisdiction.

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

- 5 1. Long-term notes and obligations.
- 6 2. Certificates of participation and other obligations pursuant to any  
7 lease-purchase agreements.
- 8 3. Revenue bonds.
- 9 4. Bonds issued pursuant to section 15-1682.03.
- 10 5. COMMERCIAL PAPER ISSUED PURSUANT TO SECTION 15-1696.

11 M. The report issued pursuant to subsection L of this section shall  
12 contain, for the most recent fiscal year:

- 13 1. The aggregate level of outstanding principal and the principal and  
14 interest payments, by type of debt or obligation.
- 15 2. An itemization, by campus and project, of the amount of yearly  
16 principal and interest to be paid in the most recent and the next five fiscal  
17 years.

18 N. The board may enter into an intergovernmental agreement pursuant to  
19 section 15-1747 to manage universities under its jurisdiction subject to the  
20 terms of the reciprocity agreement.

21 O. For the purposes of this section, "university debt and obligations"  
22 means debt and obligations, the principal and interest of which are paid in  
23 whole or in part with university monies.

24 Renumber to conform

25 Page 1, after line 43, insert:

26 "Sec. 3. Section 15-1683, Arizona Revised Statutes, is amended to  
27 read:

28 15-1683. Issuance of bonds

29 A. The board shall have power, and is hereby authorized from time to  
30 time, to issue bonds:

- 31 1. To acquire any one project, or more than one, or any combination  
32 thereof, for such institution, if both of the following conditions are met:



1 (a) As of the date of issuance of bonds or certificates of  
2 participation for any institution, projected debt service on bonds and  
3 certificates of participation then outstanding and proposed to be issued for  
4 such institution, as shown in the most recent capital improvement plan  
5 reported to the board, may not exceed, in any fiscal year shown in such  
6 capital improvement plan, more than eight per cent of such institution's  
7 total projected expenditures and mandatory transfers. The calculation of  
8 compliance with this condition shall be as set forth in and approved by the  
9 board in its adopted capital improvement plan for such institution. PROJECTED  
10 DEBT SERVICE IN THE CAPITAL IMPROVEMENT PLAN FOR ANY PROJECT FINANCED WITH  
11 COMMERCIAL PAPER SHALL BE CALCULATED BASED ON THE PROJECTED DEBT SERVICE ON  
12 THE PERMANENT FINANCING FOR THE PROJECT OR FOR PROJECTS THAT ARE NOT EXPECTED  
13 TO BE REPLACED WITH PERMANENT FINANCING THE PROJECTED DEBT SERVICE SHALL BE  
14 BASED ON AN ASSUMED FINANCING TERM OF THIRTY YEARS.

15 (b) The project to be acquired with the proceeds of the bonds is  
16 reviewed by the joint committee on capital review.

17 2. To refund bonds heretofore and hereafter issued to acquire any  
18 project or projects for such institution as hereinafter provided for.

19 3. To refund any such refunding bonds.

20 4. For any one, or more than one, or all of such purposes, or any  
21 combination thereof.

22 B. All bonds shall be authorized by resolution of the board and may be  
23 issued in one or more series, may bear such date or dates, may be in such  
24 denomination or denominations, may mature at such time or times not exceeding  
25 the earlier of forty years from the respective dates thereof or the useful  
26 life of the capital improvements, may mature in such amount or amounts, may  
27 bear interest at such rate or rates as shall be determined by the board,  
28 payable at such time or times, may be in such form, either coupon or  
29 registered as to principal only or as to both principal and interest, may  
30 carry such registration privileges, including the conversion of a fully  
31 registered bond to a coupon bond or bonds and the conversion of a coupon bond  
32 to a fully registered bond, may be executed in such manner, may be made

payable in such medium of payment, at such place or places within or without the state, and may be subject to such terms of redemption prior to their expressed maturity, with or without premium, as such resolution or other resolutions may provide. All bonds issued under this article shall be sold as the board shall determine. Such resolution may provide that one of the officers of the board shall sign such bonds manually and that the other signatures may be printed, lithographed, engraved or otherwise reproduced thereon. The coupon bonds shall be fully negotiable within the meaning of the uniform commercial code, title 47.

Renumber to conform

Page 2, line 3, strike ": annual report"

Line 6, strike ", TO PAY ANY" insert "OR COSTS AND"; after "EXPENSES" insert "RELATED TO A CAPITAL PROJECT"

Line 17, after "PLEGGED" insert "WITHOUT VIOLATING ARTICLE 9, SECTION 5, CONSTITUTION OF ARIZONA"

Page 3, strike lines 19 through 23

Renumber to conform

Line 25, after "DAYS" insert ", AND AT NO TIME SHALL THE OUTSTANDING PRINCIPAL AMOUNT OF COMMERCIAL PAPER BE MORE THAN TWENTY-FIVE PERCENT OF A UNIVERSITY'S TOTAL DEBT CAPACITY AS REPORTED TO THE BOARD PURSUANT TO SECTION 15-1683, SUBSECTION A, PARAGRAPH 1"

Strike lines 26 through 31

Amend title to conform

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