



Bill Number: S.B. 1552

Fann Floor Amendment

Reference to: printed bill

Amendment drafted by: Leg Council

FLOOR AMENDMENT EXPLANATION

1. Expands the Arizona Teachers Academy (Academy) to include graduate students and teachers seeking national board certification and allows Arizona Teachers Academy Fund monies to be used for reimbursement of their support.
2. Requires the Academy teaching commitment for teachers seeking national board certification to be one additional year after completing the national board certification program's requirements.
3. Replaces the current requirement that universities deposit outlined licensure, royalty and intellectual property agreement monies in the state General Fund with a requirement that universities transfer, for deposit into the Arizona Financial Aid Trust Fund (AFAT), 20 percent of an agreement's cumulative net income exceeding \$1,000,000, less amounts deposited in previous years.
4. Caps the fiscal year amount each university must transfer for deposit into the AFAT at the amount appropriated to that university for research infrastructure projects and capital infrastructure.
5. Prohibits a university from reducing its required deposits due to net income or expenses associated with other projects when calculating the cumulative net income from the outlined agreements.
6. Requires each university to annually report to the Joint Legislative Budget Committee the total income and net income the university received from a licensure, royalty or intellectual property agreement in the preceding fiscal year.
7. Removes the statutory requirement that Arizona State University distribute gross net income from outlined patents and detail the distribution and expenditures in an audited annual report to outlined entities.
8. Makes technical and conforming changes.

Amendment explanation prepared by Laura Benitez

5/24/19

FANN FLOOR AMENDMENT
SENATE AMENDMENTS TO S.B. 1552
(Reference to printed bill)

1 Page 4, between lines 18 and 19, insert:

2 "Sec. 2. Section 15-1642, Arizona Revised Statutes, is amended to
3 read:

4 15-1642. Financial aid trust fund; aid to students with
5 verifiable financial need; endowment

6 A. The Arizona board of regents may establish a financial aid trust
7 fund for the purposes of providing immediate aid to students with
8 verifiable financial need, including students who are underrepresented in
9 the population of university students or who by virtue of their special
10 circumstances present unique needs for financial aid, and creating an
11 endowment for future financial aid. Subject to the ~~limitations~~ LIMITS
12 provided in subsection B, paragraph 3 OF THIS SECTION, the board may assess
13 a surcharge ~~upon~~ ON registration fees paid by students for deposit in the
14 fund. THE FUND SHALL ALSO CONSIST OF MONIES DEPOSITED PURSUANT TO SECTION
15 15-1670, SUBSECTION F.

16 B. The board shall adopt rules to govern the financial aid trust
17 fund, including the following:

18 1. Twenty-five ~~per cent~~ PERCENT of the monies received each year
19 shall be placed in the trust fund as a permanent endowment. The remaining
20 monies received shall be used for immediate aid for students with
21 verifiable financial need. At least fifty ~~per cent~~ PERCENT of the
22 immediate aid monies shall be used for grant aid.

23 2. The immediate aid monies shall be distributed to the universities
24 on a pro rata basis based on relative student contributions to the fund.

25 3. The surcharge on student registration shall not exceed one ~~per~~
26 ~~cent~~ PERCENT of the registration fee for students taking more than six
27 credit surcharge hours. The surcharge hours for students taking fewer than

1 seven credit hours shall equal one-half the surcharge assessed students
2 taking more than six credit hours.

3 C. Each dollar raised pursuant to the surcharge on student
4 registration shall be matched by ~~two dollars~~ \$2 appropriated by the
5 legislature.

6 D. The board shall report every three years to the legislature on
7 the status of the financial aid trust fund. The report shall include the
8 use to which the monies have been put and the impact of such use.

9 E. Fund monies shall only be used in university assistance programs
10 approved by the board and such monies shall be in addition to, and not in
11 replacement of, existing state or institutional financial aid monies.
12 Assistance may be provided to full-time or part-time students. Monies
13 appropriated by this state shall not be used to provide assistance to
14 students who are not residents of this state.

15 Sec. 3. Repeal

16 Section 15-1647, Arizona Revised Statutes, is repealed."

17 Renumber to conform

18 Page 5, line 18, after the first "OF" insert "\$10,000 PER YEAR FOR A MAXIMUM OF
19 TWO ACADEMIC YEARS OR FOUR SEMESTERS FOR GRADUATE UNIVERSITY STUDENTS,"

20 Line 19, after "YEARS" insert "OR EIGHT SEMESTERS"; after the first "FOR"
21 insert "UNDERGRADUATE"; strike "AND" insert a comma

22 Line 20, after "YEARS" insert "OR FOUR SEMESTERS"

23 Line 21, after "study" insert "AND \$2,500 ONE TIME FOR TEACHERS SEEKING
24 NATIONAL BOARD CERTIFICATION"

25 Line 22, after "STUDENT" insert "OR TEACHER"

26 Line 33, after the period insert "FOR TEACHERS SEEKING A NATIONAL BOARD
27 CERTIFICATION, THE TEACHING COMMITMENT IS ONE ADDITIONAL YEAR AFTER
28 COMPLETING THE REQUIREMENTS OF THE NATIONAL BOARD CERTIFICATION PROGRAM."

29 Page 6, line 22, after "UNDERGRADUATE" insert ", GRADUATE"

30 Between lines 24 and 25, insert:

31 "2. SUPPORT FOR TEACHERS WHO ARE CURRENTLY EMPLOYED IN A PUBLIC
32 SCHOOL IN THIS STATE AND WHO ARE SEEKING A NATIONAL BOARD CERTIFICATION."

1 Renumber to conform

2 Page 6, line 34, strike "STATE TREASURER"

3 Line 35, strike "SHALL REDUCE THE AMOUNT OF MONIES APPROPRIATED" insert "STATE
4 GENERAL FUND APPROPRIATION"

5 Line 36, strike "IN THE GENERAL APPROPRIATIONS ACT"; after "YEAR" insert
6 "SHALL BE REDUCED"

7 Page 7, line 12, after "ENROLLMENT" insert "AND THE NUMBER OF TEACHERS RECEIVING
8 A SCHOLARSHIP THROUGH THE ARIZONA TEACHERS ACADEMY FOR NATIONAL BOARD
9 CERTIFICATION"

10 After line 45, insert:

11 "Sec. 6. Section 15-1670, Arizona Revised Statutes, is amended to
12 read:

13 15-1670. Appropriations for university research infrastructure
14 facilities; university transfers; annual report;
15 definitions

16 ~~A. In fiscal years 2007-2008 through 2016-2017, the following sums~~
17 ~~are appropriated each year from the state general fund to the respective~~
18 ~~universities for lease-purchase capital financing for research~~
19 ~~infrastructure projects:~~

20 ~~1. \$14,472,000 to Arizona state university.~~

21 ~~2. \$14,253,000 to the university of Arizona.~~

22 ~~3. \$5,900,000 to northern Arizona university.~~

23 ~~B:~~ A. In fiscal years 2017-2018 through 2030-2031, the following
24 sums are appropriated from the state general fund to Arizona state
25 university for lease-purchase capital financing for research infrastructure
26 projects:

27 1. In fiscal year 2017-2018, \$13,481,000.

28 2. In fiscal year 2018-2019, \$13,478,700.

29 3. In fiscal year 2019-2020, \$13,456,300.

30 4. In fiscal year 2020-2021, \$13,458,700.

31 5. In fiscal year 2021-2022, \$13,451,900.

32 6. In fiscal year 2022-2023, \$13,462,100.

1 7. In fiscal year 2023-2024, \$13,468,200.

2 8. In fiscal year 2024-2025, \$13,459,300.

3 9. In fiscal year 2025-2026, \$13,453,900.

4 10. In fiscal year 2026-2027, \$13,450,100.

5 11. In fiscal year 2027-2028, \$13,436,200.

6 12. In fiscal year 2028-2029, \$13,430,800.

7 13. In fiscal year 2029-2030, \$13,423,500.

8 14. In fiscal year 2030-2031, \$13,428,800.

9 ~~C.~~ B. In fiscal years 2017-2018 through 2030-2031, the following
10 sums are appropriated from the state general fund to the university of
11 Arizona for lease-purchase capital financing for research infrastructure
12 projects:

13 1. In fiscal year 2017-2018, \$14,249,300.

14 2. In fiscal year 2018-2019, \$14,251,000.

15 3. In fiscal year 2019-2020, \$14,250,200.

16 4. In fiscal year 2020-2021, \$14,251,500.

17 5. In fiscal year 2021-2022, \$14,248,900.

18 6. In fiscal year 2022-2023, \$14,252,500.

19 7. In fiscal year 2023-2024, \$14,255,300.

20 8. In fiscal year 2024-2025, \$14,247,300.

21 9. In fiscal year 2025-2026, \$14,248,400.

22 10. In fiscal year 2026-2027, \$14,251,300.

23 11. In fiscal year 2027-2028, \$14,254,100.

24 12. In fiscal year 2028-2029, \$14,251,500.

25 13. In fiscal year 2029-2030, \$14,252,500.

26 14. In fiscal year 2030-2031, \$14,255,800.

27 ~~D.~~ C. In fiscal years 2017-2018 through 2030-2031, the following
28 sums are appropriated from the state general fund to northern Arizona
29 university for lease-purchase capital financing for research infrastructure
30 projects:

31 1. In fiscal year 2017-2018, \$5,896,500.

32 2. In fiscal year 2018-2019, \$5,896,200.

1 3. In fiscal year 2019-2020, \$5,899,500.

2 4. In fiscal year 2020-2021, \$4,879,500.

3 5. In fiscal year 2021-2022, \$5,039,800.

4 6. In fiscal year 2022-2023, \$5,301,500.

5 7. In fiscal year 2023-2024, \$5,302,900.

6 8. In fiscal year 2024-2025, \$4,885,500.

7 9. In fiscal year 2025-2026, \$4,884,500.

8 10. In fiscal year 2026-2027, \$4,884,300.

9 11. In fiscal year 2027-2028, \$4,894,000.

10 12. In fiscal year 2028-2029, \$4,888,400.

11 13. In fiscal year 2029-2030, \$4,892,000.

12 14. In fiscal year 2030-2031, \$4,889,300.

13 ~~F.~~ D. Lease-purchase financing agreements under subsections A,
14 ~~B,~~ ~~AND C~~ ~~and D~~ of this section:

15 1. Must be entered into before July 1, 2006.

16 2. Are subject to the requirements of section 15-1682.01.

17 ~~F.~~ E. The appropriations under subsections A, ~~B,~~ ~~AND C~~ ~~and D~~ of
18 this section constitute continuing year-to-year appropriations but do not
19 constitute an obligation of the legislature or this state to continue the
20 appropriation in any fiscal year. The annual appropriation is a current
21 expense of this state in the fiscal year in which it occurs and is not a
22 general obligation indebtedness of this state or of any university. If the
23 appropriation is discontinued in any fiscal year, this state and the
24 university are relieved of any subsequent obligation pursuant to this
25 section.

26 ~~G.~~ F. Beginning in fiscal year ~~2007-2008~~ 2018-2019 and in each
27 subsequent fiscal year for which an appropriation is made pursuant to
28 subsections A, ~~B,~~ ~~AND C~~ ~~and D~~ of this section, ~~FOR EACH INDIVIDUAL~~
29 ~~LICENSURE AGREEMENT, ROYALTY AGREEMENT OR AGREEMENT FOR THE SALE OR~~
30 ~~TRANSFER OF INTELLECTUAL PROPERTY DEVELOPED BY A UNIVERSITY THAT IS ENTERED~~
31 ~~INTO BY THE UNIVERSITY OR A COMPONENT UNIT OF THE UNIVERSITY AND FOR WHICH~~
32 ~~THE NET INCOME FOR THE INDIVIDUAL AGREEMENT REACHES \$1,000,000 OVER ITS~~

1 CUMULATIVE LIFETIME, each university shall ~~deposit~~ TRANSFER TO THE STATE
2 TREASURER not later than October 1 ~~with the state treasurer in the state~~
3 ~~general fund~~ FOLLOWING THE CLOSE OF THE FISCAL YEAR an amount equal to:

4 ~~1. Twenty percent of the income from licensure and royalty payments~~
5 ~~received by the university during the preceding fiscal year.~~

6 ~~2. Twenty-five percent of the income received by the university~~
7 ~~during the preceding fiscal year from the sale or transfer of intellectual~~
8 ~~property developed by the university.~~

9 ~~H. Notwithstanding subsection G of this section, for each licensure~~
10 ~~agreement, royalty agreement or agreement for the sale or transfer of~~
11 ~~intellectual property developed by a university that is entered into by the~~
12 ~~university or a component unit of the university from and after April 30,~~
13 ~~2017, the university shall deposit not later than October 1 with the state~~
14 ~~treasurer in the state general fund:~~

15 ~~1. For the first three years of the licensure or royalty agreement,~~
16 ~~an amount equal to twenty percent of the net income from licensure and~~
17 ~~royalty payments for the agreement received by the university or any~~
18 ~~component unit of the university during the preceding fiscal year.~~

19 ~~2. For each year after the first three years of the licensure or~~
20 ~~royalty agreement, an amount equal to twenty percent of the gross revenues~~
21 ~~from licensure and royalty payments for the agreement received by the~~
22 ~~university or any component unit of the university during the preceding~~
23 ~~fiscal year.~~

24 ~~3. An amount equal to twenty-five percent of the gross revenues~~
25 ~~received by the university or any component unit of the university during~~
26 ~~the preceding fiscal year from the sale or transfer of intellectual~~
27 ~~property developed by the university. TWENTY PERCENT OF THE CUMULATIVE NET~~
28 ~~INCOME EXCEEDING THE \$1,000,000 THRESHOLD MINUS AMOUNTS DEPOSITED IN~~
29 ~~PREVIOUS YEARS. THE STATE TREASURER SHALL DEPOSIT THE MONIES RECEIVED FROM~~
30 ~~THE UNIVERSITIES PURSUANT TO THIS SUBSECTION IN THE FINANCIAL AID TRUST~~
31 ~~FUND ESTABLISHED PURSUANT TO SECTION 15-1642.~~

1 ~~F.~~ G. When calculating THE CUMULATIVE NET income pursuant to
2 subsection ~~G~~ F of this section ~~and net income and gross revenues pursuant~~
3 ~~to subsection H of this section, each university shall calculate amounts~~
4 ~~received in the prior fiscal year and may not include cumulative losses~~
5 ~~from other fiscal years. When calculating net income and gross revenues~~
6 ~~pursuant to subsection H of this section~~, the university may not reduce its
7 required deposits from any agreements due to net income OR EXPENSES
8 associated with other projects.

9 ~~F.~~ H. The amount transferred TO THE STATE TREASURER in each fiscal
10 year ~~for deposit in the state general fund~~ by each university ~~from sources~~
11 ~~listed in subsections G and H~~ PURSUANT TO SUBSECTION F of this section
12 shall not exceed the amount appropriated in that fiscal year under
13 subsection A, B, ~~C~~ OR C ~~or D~~ of this section and section 15-1671,
14 subsections B and C, respectively.

15 ~~F.~~ I. On or before October 1 of each year, each university shall
16 report to the joint legislative budget committee the total amount of
17 income, ~~net income and gross revenues~~ AND THE TOTAL AMOUNT OF NET INCOME
18 the university received in the preceding fiscal year from each category of
19 income that is subject to deposit pursuant to subsection ~~G or H~~ F of this
20 section.

21 ~~F.~~ J. For the purposes of this section:

22 1. "Component unit of the university":

23 (a) Means an entity that is legally separate from, but related to,
24 the university and whose primary purpose is to support the university.

25 (b) Includes a university foundation and an entity that contracts
26 with the university to manage technology transfer activities.

27 2. "NET INCOME" MEANS PAYMENTS RECEIVED FROM INDIVIDUAL LICENSURE
28 AND ROYALTY AGREEMENTS AND THE SALE OR TRANSFER OF INTELLECTUAL PROPERTY
29 DEVELOPED BY THE UNIVERSITY, NET OF EXPENSES RELATED TO INDIVIDUAL
30 AGREEMENTS. FOR THE PURPOSES OF THIS PARAGRAPH, "EXPENSES RELATED TO
31 INDIVIDUAL AGREEMENTS" INCLUDES ANY OF THE FOLLOWING:

1 (a) REVENUE SHARES PAID TO INVENTORS AND INVENTORS' LABORATORIES IN
2 SUPPORT OF THEIR RESEARCH ACTIVITIES.

3 (b) EXPENSES RELATED TO PURSUING, MAINTAINING OR PROTECTING
4 INTELLECTUAL PROPERTY.

5 (c) EXPENSES RELATED TO COMMERCIALIZING, LICENSING OR LITIGATING
6 INTELLECTUAL PROPERTY.

7 (d) CONTRACTUALLY REQUIRED DISTRIBUTIONS TO THIRD PARTIES.

8 (e) REIMBURSEMENT HOLDS RELATED TO FUTURE CONTRACTUAL
9 REIMBURSEMENTS.

10 (f) OPERATIONAL MANAGEMENT FEES.

11 ~~2.~~ 3. "Research infrastructure" means installations and facilities
12 for continuance and growth of scientific and technological research
13 activities at the university."

14 Renumber to conform

15 Amend title to conform

KAREN FANN

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05/23/2019
10:45 PM
C: tdb