

REFERENCE TITLE: **university funding equalization plans**

State of Arizona
House of Representatives
Forty-ninth Legislature
Second Regular Session
2010

HB 2311

Introduced by
Representatives Hendrix, Nichols

AN ACT

AMENDING SECTION 15-1626, ARIZONA REVISED STATUTES; RELATING TO UNIVERSITIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 15-1626, Arizona Revised Statutes, is amended to
3 read:
4 15-1626. General administrative powers and duties of board
5 A. The board shall:
6 1. Have and exercise the powers necessary for the effective governance
7 and administration of the institutions under its control. To that end, the
8 board may adopt, and authorize each university to adopt, such regulations,
9 policies, rules or measures as are deemed necessary and may delegate in
10 writing to its committees, to its university presidents, or their designees,
11 or to other entities under its control, any part of its authority for the
12 administration and governance of such institutions, including those powers
13 enumerated in section 15-1625, subsection B, paragraphs 2 and 4, paragraphs
14 3, 4, 8, 9, 11 and 12 of this subsection and subsection B of this section.
15 Any delegation of authority may be rescinded by the board at any time in
16 whole or in part.
17 2. Appoint and employ and determine the compensation of presidents
18 with such power and authority and for such purposes in connection with the
19 operation of the institutions as the board deems necessary.
20 3. Appoint and employ and determine the compensation of
21 vice-presidents, deans, professors, instructors, lecturers, fellows and such
22 other officers and employees with such power and authority and for such
23 purposes in connection with the operation of the institutions as the board
24 deems necessary, or delegate its authority pursuant to paragraph 1 of this
25 subsection.
26 4. Remove any officer or employee when the interests of education in
27 this state so require in accordance with its personnel rules and policies.
28 5. Fix tuitions and fees to be charged and differentiate the tuitions
29 and fees between institutions and between residents, nonresidents,
30 undergraduate students, graduate students, students from foreign countries
31 and students who have earned credit hours in excess of the credit hour
32 threshold. For the purposes of this paragraph, the undergraduate credit hour
33 threshold is ~~one hundred fifty five hours for students who attend a~~
34 ~~university under the jurisdiction of the board in fiscal year 2006-2007, one~~
35 ~~hundred fifty hours for students who attend a university under the~~
36 ~~jurisdiction of the board in fiscal year 2007-2008 and~~ one hundred forty-five
37 hours for students who attend a university under the jurisdiction of the
38 board ~~after fiscal year 2007-2008~~. The undergraduate credit hour threshold
39 shall be based on the actual full-time equivalent student enrollment counted
40 on the ~~twenty-first day after classes begin for the fall semester of 2005~~
41 ~~through 2008 and on the~~ forty-fifth day of every fall and spring semester
42 ~~thereafter~~, divided by two, and any budget adjustment based on student
43 enrollment shall occur in the fiscal year following the actual full-time
44 equivalent student enrollment count. The undergraduate credit hour threshold
45 shall not apply to degree programs that require credit hours above the credit

1 hour threshold, credits earned in the pursuit of up to two baccalaureate
2 degrees, credits earned in the pursuit of up to two state regulated
3 licensures or certificates, credits earned in the pursuit of teaching
4 certification, credits transferred from a private institution of higher
5 education, credits transferred from an institution of higher education in
6 another state, credits earned at another institution of higher education but
7 that are not accepted as transfer credits at the university where the student
8 is currently enrolled and credits earned by students who enroll at a
9 university under the jurisdiction of the board more than twenty-four months
10 after the end of that student's previous enrollment at a public institution
11 of higher education in this state. On or before October 15 of each year, the
12 board shall report to the joint legislative budget committee the number of
13 students who were enrolled at universities under the jurisdiction of the
14 board during the previous fiscal year who met or exceeded the undergraduate
15 credit hour threshold prescribed in this paragraph. The amount of tuition,
16 registration fees and other revenues included in the operating budget for the
17 university adopted by the board as prescribed in paragraph 13 of this
18 subsection shall be deposited, pursuant to sections 35-146 and 35-147. All
19 other tuition and fee revenue shall be retained by each university for
20 expenditure as approved by the board, except that the universities shall not
21 use any tuition or fee revenue to fund or support an alumni association.

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

24 (a) At least one public hearing at each university as an opportunity
25 for students and members of the public to comment ~~upon~~ ON any proposed
26 increase in tuition or fees.

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

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

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

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

38 7. Pursuant to section 35-115, submit a budget request for each
39 institution under its jurisdiction that includes the estimated tuition and
40 fee revenue available to support the programs of the institution as described
41 in the budget request. The estimated available tuition and fee revenue shall
42 be based on the tuition and registration fee rates in effect at the time the
43 budget request is submitted with adjustments for projected changes in
44 enrollment as provided by the board.

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

4 9. Award such degrees and diplomas ~~upon~~ ON the completion of such
5 courses 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, charter and home schools. For the purpose of determining the
10 qualifications of honorably discharged veterans, veterans are those persons
11 who served in the armed forces for a minimum of two years and who were
12 previously enrolled at a university or community college in this state. No
13 prior failing grades received by the veteran at the university or community
14 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
33 testing instruments adopted by the board in mathematics, English, science and
34 social studies. Additional subjects may be added at the determination of the
35 board. The program is voluntary for pupils.

36 15. Require the publisher of each literary and nonliterary textbook
37 used in the universities of this state to furnish computer software in a
38 standardized format when software becomes available for nonliterary
39 textbooks, ~~to the Arizona board of regents from which braille versions of~~
40 the textbooks may be produced.

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

44 17. ~~Beginning July 1, 2007,~~ Acquire United States flags for each
45 classroom that are manufactured in the United States and that are at least

1 two feet by three feet and hardware to appropriately display the United
2 States flags, acquire a legible copy of the Constitution of the United States
3 and the Bill of Rights, display the flags in each classroom in accordance
4 with title 4 of the United States Code and display a legible copy of the
5 Constitution of the United States and the Bill of Rights adjacent to the
6 flag.

7 18. To facilitate the transfer of military personnel and their
8 dependents to and from the public schools of this state, pursue, in
9 cooperation with the state board of education, reciprocity agreements with
10 other states concerning the transfer credits for military personnel and their
11 dependents. A reciprocity agreement entered into pursuant to this paragraph
12 shall:

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

14 (i) The transfer of student records.

15 (ii) Awarding credit for completed course work.

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

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

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

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

35 C. In conjunction with the auditor general, the board shall develop a
36 uniform accounting and reporting system, which shall be reviewed by the joint
37 legislative budget committee before final adoption by the board. The board
38 shall require each university to comply with the uniform accounting and
39 reporting system.

40 D. The board may employ legal assistance in procuring loans for the
41 institutions from the United States government. Fees or compensation paid
42 for such legal assistance shall not be a claim ~~upon~~ ON the general fund of
43 this state but shall be paid from funds of the institutions.

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

4 F. The board may adopt policies ~~which~~ THAT authorize the institutions
5 under its jurisdiction to enter into employment contracts with nontenured
6 employees for periods of more than one year but not more than five years.
7 The policies shall prescribe limitations on the authority of the institutions
8 to enter into employment contracts for periods of more than one year but not
9 more than five years, including the requirement that the board approve the
10 contracts.

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

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

24 I. ON OR BEFORE SEPTEMBER 1, 2010, THE ARIZONA BOARD OF REGENTS SHALL
25 CONDUCT OR CONTRACT WITH ANOTHER ENTITY TO CONDUCT A FINANCIAL ANALYSIS OF
26 EACH UNIVERSITY UNDER ITS JURISDICTION TO DETERMINE THE AMOUNT OF STATE
27 FUNDING PROVIDED TO EACH UNIVERSITY PER FULL-TIME EQUIVALENT STUDENT. IF
28 THIS FINANCIAL ANALYSIS IS CONDUCTED BY THE BOARD, THE ANALYSIS SHALL BE
29 REVIEWED AND ANALYZED BY AN INDEPENDENT ACCOUNTING FIRM OR THE AUDITOR
30 GENERAL. THE HIGHEST LEVEL OF STATE FUNDING PER FULL-TIME EQUIVALENT STUDENT
31 DETERMINED IN THE FINANCIAL ANALYSIS SHALL BE CLASSIFIED AS THE CORE SUPPORT
32 LEVEL, AND THE BOARD SHALL REPORT THIS AMOUNT TO THE JOINT LEGISLATIVE BUDGET
33 COMMITTEE. BEGINNING IN FISCAL YEAR 2011-2012, EACH UNIVERSITY THAT RECEIVES
34 STATE FUNDING PER FULL-TIME EQUIVALENT STUDENT IN AN AMOUNT THAT IS LESS THAN
35 THE CORE SUPPORT LEVEL SHALL SUBMIT A FIVE-YEAR EQUALIZATION PLAN TO THE
36 BOARD. EQUALIZATION PLANS SUBMITTED PURSUANT TO THIS SUBSECTION SHALL
37 DEMONSTRATE THE AMOUNT OF STATE FUNDING THAT WOULD NEED TO BE INCREMENTALLY
38 APPROPRIATED EACH FISCAL YEAR TO EQUALIZE WITHIN FIVE YEARS THE STATE FUNDING
39 PER FULL-TIME EQUIVALENT STUDENT FOR THAT UNIVERSITY WITH THE CORE SUPPORT
40 LEVEL. BEGINNING IN FISCAL YEAR 2011-2012, EACH UNIVERSITY THAT SUBMITS AN
41 EQUALIZATION PLAN TO THE BOARD SHALL SUBMIT TO THE BOARD A BUDGET REQUEST FOR
42 EQUALIZATION ASSISTANCE FOR THAT FISCAL YEAR. THE BOARD SHALL REQUEST A
43 SEPARATE LINE ITEM APPROPRIATION FOR EQUALIZATION ASSISTANCE FOR EACH
44 AFFECTED UNIVERSITY UNDER ITS JURISDICTION IN THE BUDGET ESTIMATE SUBMITTED
45 PURSUANT TO SECTION 35-113. THE BOARD SHALL RECOMPUTE THE CORE SUPPORT LEVEL

1 ON OR BEFORE AUGUST 1 OF EACH FISCAL YEAR AND SHALL REQUIRE UNIVERSITIES TO
2 SUBMIT ANY CORRESPONDING ADJUSTMENTS TO EXISTING EQUALIZATION PLANS ON OR
3 BEFORE AUGUST 15 OF EACH YEAR.

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