

REFERENCE TITLE: higher education; budget reconciliation; 2021-2022.

State of Arizona
House of Representatives
Fifty-fifth Legislature
First Regular Session
2021

HB 2897

Introduced by
Representative Bowers (with permission of Committee on Rules)

AN ACT

AMENDING TITLE 3, CHAPTER 1, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 3-127; AMENDING TITLE 15, CHAPTER 13, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 15-1647 AND 15-1650.05; AMENDING SECTION 15-1671, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 13, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 6; AMENDING SECTION 15-1781, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 14, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-1851.01; REPEALING SECTIONS 15-1854 AND 15-1855, ARIZONA REVISED STATUTES; AMENDING SECTION 15-1877, ARIZONA REVISED STATUTES; APPROPRIATING MONIES; RELATING TO BUDGET RECONCILIATION FOR HIGHER EDUCATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 3, chapter 1, article 3, Arizona Revised Statutes,
3 is amended by adding section 3-127, to read:

4 3-127. Agricultural workforce development program; rules;
5 apprentices; costs; annual report; definitions

6 A. THE UNIVERSITY OF ARIZONA COOPERATIVE EXTENSION OFFICE SHALL
7 ESTABLISH THE AGRICULTURAL WORKFORCE DEVELOPMENT PROGRAM TO PROVIDE
8 INCENTIVES TO FOOD-PRODUCING AGRICULTURAL ORGANIZATIONS TO HIRE
9 APPRENTICES BY PARTIALLY REIMBURSING APPRENTICESHIP COSTS.

10 B. THE DIRECTOR OF THE UNIVERSITY OF ARIZONA COOPERATIVE EXTENSION
11 OFFICE SHALL ADOPT RULES TO CARRY OUT THIS SECTION. AT A MINIMUM, THE
12 RULES SHALL DO ALL OF THE FOLLOWING:

13 1. ESTABLISH QUALIFICATIONS FOR FOOD-PRODUCING AGRICULTURAL
14 ORGANIZATIONS TO PARTICIPATE IN THE PROGRAM, INCLUDING NEED AND THE
15 ABILITY TO EFFECTIVELY SUPERVISE APPRENTICES AND PROVIDE THE APPRENTICES
16 WITH MEANINGFUL WORK EXPERIENCE THAT IS FOCUSED ON AGRICULTURAL FOOD
17 PRODUCTION.

18 2. PROVIDE A PREFERENCE FOR FOOD-PRODUCING AGRICULTURAL
19 ORGANIZATIONS OWNED OR OPERATED BY FARMERS AND RANCHERS WHO ARE LOCATED IN
20 RURAL OR TRIBAL AREAS OR WHO ARE HISTORICALLY UNDERSERVED.

21 3. REQUIRE PARTICIPATING FOOD-PRODUCING AGRICULTURAL ORGANIZATIONS
22 TO PAY APPRENTICES AN HOURLY WAGE RATE THAT IS AT LEAST THE MINIMUM WAGE
23 ESTABLISHED BY THIS STATE PURSUANT TO SECTION 23-363.

24 4. ESTABLISH CRITERIA FOR PARTICIPATING FOOD-PRODUCING AGRICULTURAL
25 ORGANIZATIONS TO SELECT QUALIFIED APPRENTICES, INCLUDING REQUIRED
26 EDUCATIONAL EXPERIENCE AND THE ABILITY TO PERFORM MEANINGFUL WORK.

27 5. ESTABLISH THE PROCESS AND TIME FRAME FOR SELECTING QUALIFIED
28 FOOD-PRODUCING AGRICULTURAL ORGANIZATIONS AND QUALIFIED APPRENTICES.

29 6. ESTABLISH ACCOUNTING REQUIREMENTS FOR TRACKING APPRENTICESHIP
30 COSTS.

31 7. ESTABLISH THE PROCESS FOR PARTICIPATING FOOD-PRODUCING
32 AGRICULTURAL ORGANIZATIONS TO SEEK REIMBURSEMENT.

33 8. SEEK INPUT FROM COMMUNITY STAKEHOLDERS TO ESTABLISH AND
34 ADMINISTER THE PROGRAM.

35 C. SUBJECT TO LEGISLATIVE APPROPRIATION, THE COOPERATIVE EXTENSION
36 OFFICE MAY REIMBURSE A PARTICIPATING FOOD-PRODUCING AGRICULTURAL
37 ORGANIZATION UP TO THE AMOUNT OF THE ACTUAL COST TO THE FOOD-PRODUCING
38 AGRICULTURAL ORGANIZATION TO EMPLOY AN APPRENTICE. BASED ON THE ANNUAL
39 LEGISLATIVE APPROPRIATION FOR THE PROGRAM, THE DIRECTOR SHALL DETERMINE
40 THE NUMBER OF APPRENTICESHIPS TO APPROVE, THE AMOUNT OF REIMBURSEMENT PER
41 APPRENTICESHIP AND WHETHER A PARTICIPATING FOOD-PRODUCING AGRICULTURAL
42 ORGANIZATION MAY BE REIMBURSED FOR MORE THAN ONE APPRENTICESHIP IN THE
43 SAME FISCAL YEAR.

D. THE COOPERATIVE EXTENSION OFFICE MAY USE UP TO TEN PERCENT OF THE MONIES APPROPRIATED FOR THE PROGRAM FOR THE ADMINISTRATIVE COSTS OF THIS SECTION.

E. ON OR BEFORE DECEMBER 1 EACH YEAR, THE COOPERATIVE EXTENSION OFFICE SHALL SUBMIT A REPORT REGARDING THE EFFECTIVENESS OF THE PROGRAM IN ACHIEVING THE PROGRAM'S PURPOSE TO THE GOVERNOR, THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND PROVIDE A COPY OF THIS REPORT TO THE SECRETARY OF STATE.

F. FOR THE PURPOSES OF THIS SECTION:

1. "ACTUAL COST" MEANS THE WAGES PAID TO AN APPRENTICE, A REASONABLE ALLOCATION OF FIXED OVERHEAD EXPENSES AND ALL INCIDENTAL COSTS DIRECTLY RELATED TO THE APPRENTICESHIP.

2. "AGRICULTURAL ORGANIZATION" MEANS A BUSINESS, NONPROFIT ORGANIZATION, COMMUNITY COLLEGE OR STATE UNIVERSITY PROGRAM RELATED TO AGRICULTURE.

3. "HISTORICALLY UNDERSERVED":

(a) MEANS A BEGINNING FARMER OR RANCHER, A SOCIALLY DISADVANTAGED FARMER OR RANCHER OR A VETERAN FARMER OR RANCHER AS DEFINED IN 7 UNITED STATES CODE SECTION 2279.

(b) INCLUDES OTHER LIMITED-RESOURCE FARMERS OR RANCHERS.

Sec. 2. Title 15, chapter 13, article 2, Arizona Revised Statutes, is amended by adding sections 15-1647 and 15-1650.05, to read:

15-1647. Water rights adjudication; cooperative extension; establishment; assistance; annual report

A. A UNIVERSITY UNDER THE JURISDICTION OF THE ARIZONA BOARD OF REGENTS MAY OFFER PRO BONO ASSISTANCE TO CLAIMANTS WHO ARE SMALL LANDOWNERS IN THE GENERAL STREAM ADJUDICATION OF WATER RIGHTS FILED PURSUANT TO TITLE 45, CHAPTER 1, ARTICLE 9 AND WHO ARE NOT REPRESENTED BY COUNSEL. A UNIVERSITY THAT OFFERS ASSISTANCE PURSUANT TO THIS SUBSECTION MAY REPRESENT A CLAIMANT IN THE ADJUDICATION UNTIL THAT CLAIMANT PROCEEDS TO AN EVIDENTIARY HEARING OR TO SOME OTHER CONTESTED PROCEEDING THAT IS SIMILAR TO A TRIAL. IF THE CLAIMANT HAS NOT SETTLED THE CLAIM, THE UNIVERSITY MAY NOT REPRESENT THAT CLAIMANT AT AN EVIDENTIARY OR SIMILARLY CONTESTED HEARING.

B. ANY UNIVERSITY THAT OFFERS ASSISTANCE PURSUANT TO SUBSECTION A OF THIS SECTION SHALL COOPERATE AND COORDINATE WITH THE FACULTY OF A COOPERATIVE EXTENSION IN THIS STATE THAT HAS A PROGRAM TO SUPPORT THE ECONOMIC VITALITY OF RURAL COMMUNITIES AND THE USE OF NATURAL RESOURCES IN THOSE RURAL COMMUNITIES.

C. ON OR BEFORE NOVEMBER 15 OF EACH YEAR, A UNIVERSITY THAT OFFERS ASSISTANCE PURSUANT TO SUBSECTION A OF THIS SECTION SHALL SUBMIT A WRITTEN REPORT OF THE UNIVERSITY'S ASSISTANCE ACTIVITIES TO THE GOVERNOR, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE PRESIDENT OF THE SENATE AND SHALL PROVIDE A COPY OF THIS REPORT TO THE SECRETARY OF STATE.

1 15-1650.05. COVID-19 vaccine; requirement prohibited

2 THE ARIZONA BOARD OF REGENTS AND ANY UNIVERSITY UNDER THE
3 JURISDICTION OF THE ARIZONA BOARD OF REGENTS MAY NOT REQUIRE THE FACULTY
4 AND STAFF OF THE UNIVERSITY OR STUDENTS ATTENDING THE UNIVERSITY TO
5 RECEIVE A VACCINE FOR THE PREVENTION OF COVID-19.

6 Sec. 3. Section 15-1671, Arizona Revised Statutes, is amended to
7 read:

8 15-1671. University infrastructure capital financing; capital
9 infrastructure funds; appropriations; uses;
10 review; definitions

11 A. A capital infrastructure fund is established for each
12 university. Monies in each capital infrastructure fund are continuously
13 appropriated for the purposes of this section. Each university shall
14 administer its own capital infrastructure fund. Monies in the capital
15 infrastructure funds are exempt from the provisions of section 35-190
16 relating to lapsing of appropriations.

17 B. In fiscal year 2018-2019, the following amounts are appropriated
18 from the state general fund for deposit in the capital infrastructure fund
19 of each university:

- 20 1. \$11,927,400 to Arizona state university.
21 2. \$10,551,700 to the university of Arizona.
22 3. \$4,520,900 to northern Arizona university.

23 C. In fiscal years 2019-2020 through 2042-2043, an amount is
24 appropriated annually from the state general fund for deposit in the
25 capital infrastructure fund of each university. The amount appropriated
26 each fiscal year is equal to the amount appropriated pursuant to this
27 section in the preceding fiscal year, adjusted by a growth rate of either
28 two percent or the change in the ~~GDP~~ IMPLICIT price deflator ~~as defined in~~
29 ~~section 41-563,~~ FOR THE GROSS DOMESTIC PRODUCT REPORTED BY THE UNITED
30 STATES DEPARTMENT OF COMMERCE from the SECOND QUARTER OF THE second
31 preceding calendar year to the SECOND QUARTER OF THE calendar year
32 immediately preceding the fiscal year, whichever is less, but not below
33 the amount appropriated in the preceding fiscal year. Each annual
34 appropriation amount is a current expense of this state in the fiscal year
35 in which it occurs and is not a general obligation indebtedness of this
36 state or of any university.

37 D. In each fiscal year in which monies are appropriated pursuant to
38 this section, each respective university shall also deposit from its own
39 funds to its capital infrastructure fund a matching amount equal to the
40 amount of general fund monies used for paying debt service on debt
41 financing for capital projects pursuant to subsection E of this section.

42 E. Each university shall use the monies in its capital
43 infrastructure fund, from whatever source, exclusively for either the
44 costs of, or paying debt service on debt financing for, capital projects.

1 Monies from the capital infrastructure funds established by this section
2 may not be used:

3 1. For any project reviewed by the joint committee on capital
4 review before April 15, 2017.

5 2. For the construction, use, furnishing, improvement, operation,
6 marketing, promotion or maintenance of a facility that is used primarily
7 by a professional sports franchise.

8 3. To pay for operating expenditures.

9 F. The Arizona board of regents shall not issue total debt
10 financing for which debt service is paid with monies pursuant to this
11 section in a principal amount of more than ~~one billion dollars~~
12 \$1,000,000,000.

13 G. Each university shall report the required information relating
14 to its capital infrastructure fund in the budget estimate filed by the
15 university pursuant to section 35-113.

16 H. Before SPENDING any ~~expenditure of~~ monies in the capital
17 infrastructure fund for any capital project not paid with debt financing,
18 each university shall submit the scope, purpose and estimated cost of the
19 project for review by the joint committee on capital review pursuant to
20 section 41-1252.

21 I. Before SPENDING any ~~expenditure of~~ monies in the capital
22 infrastructure fund for any capital project paid with debt financing, each
23 university shall submit the scope, purpose and estimated cost of the
24 project to the joint committee on capital review pursuant to section
25 15-1682.01 or 15-1683. The project may not proceed until the committee
26 approves the project by a majority vote of a quorum of members.

27 J. The joint committee on capital review must hear and review a
28 project submitted under subsection H of this section and hear and approve
29 or disapprove a project submitted under subsection I of this section not
30 later than the committee's second meeting after the project is submitted
31 to the committee.

32 K. The Arizona board of regents, on behalf of each university under
33 its jurisdiction, may enter into or issue debt financings and may
34 additionally secure, pledge for or make payment on such debt financings in
35 whole or in part from monies in the capital infrastructure fund of that
36 university. Debt service payments funded with monies from a university's
37 capital infrastructure fund shall be included in the calculation of that
38 university's debt service limit as prescribed by section 15-1683.

39 L. The Arizona board of regents, on behalf of each university under
40 its jurisdiction, may refund any debt financing paid with monies pursuant
41 to this section. The refunding debt financing must be secured from the
42 same source of revenues as the debt financing authorized by this section.
43 The refunding debt financing may be issued at or before maturity of the

1 debt financing being refunded. Refunding debt financing issued as
2 provided by this subsection:

3 1. Must be submitted by the board for review by the joint committee
4 on capital review. The committee must hear and review a refunding debt
5 financing submitted pursuant to this subsection not later than the
6 committee's second meeting after the refunding debt financing is submitted
7 to the committee.

8 2. Is not subject to the ~~one billion dollar limitation~~
9 \$1,000,000,000 LIMIT prescribed by subsection F of this section.

10 M. For the purposes of this section:

11 1. "Capital project" or "project" means any building, structure,
12 infrastructure or facility that, as determined by the university, is
13 required by or necessary for the use or benefit of the university,
14 including appurtenant equipment and utilities. Capital project does not
15 include a project that is intended to be commercial in nature and for
16 which the majority of the project's business is anticipated to come from
17 the nonuniversity population.

18 2. "Debt financing" means a lease-purchase or lease-to-own
19 agreement, subject to section 15-1682.01, the issuance of bonds or the
20 entering into of bond agreements pursuant to article 5 of this chapter by
21 the Arizona board of regents on behalf of a university under the board's
22 jurisdiction.

23 3. "Debt service" means the principal of and interest and premium,
24 if any, on long-term indebtedness, when due, and the costs of registrars,
25 trustees, underwriters and other agents necessary to handle debt
26 instruments and the costs of credit enhancement or liquidity support.

27 4. "Infrastructure" means nonbuilding improvements that directly
28 support the operation of a building, structure or facility such as utility
29 systems, roadway systems, external lighting systems, irrigation systems,
30 sidewalks and parking lots.

31 Sec. 4. Title 15, chapter 13, Arizona Revised Statutes, is amended
32 by adding article 6, to read:

33 ARTICLE 6. ARIZONA PROMISE PROGRAM

34 15-1701. Arizona promise program; eligibility requirements;
35 award; fund; definitions

36 A. ELIGIBLE POSTSECONDARY INSTITUTIONS SHALL IMPLEMENT AN ARIZONA
37 PROMISE PROGRAM TO PROVIDE FINANCIAL ASSISTANCE TO STUDENTS WHO MEET THE
38 CRITERIA PRESCRIBED IN THIS SECTION AND WHO ARE PURSUING STUDIES IN THIS
39 STATE LEADING TO A BACCALAUREATE DEGREE.

40 B. EXCEPT AS OTHERWISE PROVIDED BY LAW, TO BE ELIGIBLE TO
41 PARTICIPATE IN THE ARIZONA PROMISE PROGRAM AND TO QUALIFY FOR AN AWARD
42 UNDER THIS SECTION, A STUDENT SHALL MEET ALL OF THE FOLLOWING
43 REQUIREMENTS:

1 1. QUALIFY FOR IN-STATE STUDENT STATUS AS PRESCRIBED IN SECTION
2 15-1802.

3 2. ESTABLISH FINANCIAL NEED. TO ESTABLISH FINANCIAL NEED UNDER
4 THIS PARAGRAPH, AN APPLICANT SHALL MEET THE ECONOMIC ELIGIBILITY
5 REQUIREMENTS ESTABLISHED UNDER THE NATIONAL SCHOOL LUNCH AND CHILD
6 NUTRITION ACTS (42 UNITED STATES CODE SECTIONS 1751 THROUGH 1793) FOR FREE
7 OR REDUCED-PRICE LUNCHES.

8 3. HAVE GRADUATED FROM A HIGH SCHOOL IN THIS STATE WITH A MINIMUM
9 2.5 CUMULATIVE GRADE POINT AVERAGE ON A 4.0 SCALE FOR ALL WORK ATTEMPTED
10 IN GRADES NINE THROUGH TWELVE.

11 4. SATISFY THE ADMISSION STANDARDS AS DETERMINED BY AN ELIGIBLE
12 POSTSECONDARY INSTITUTION.

13 5. COMPLETE AND SUBMIT THE FREE APPLICATION FOR FEDERAL STUDENT AID
14 AND MEET THE ELIGIBILITY CRITERIA FOR THE FEDERAL PELL GRANT.

15 6. SECURE ADMISSION TO, AND BE ENROLLED IN, AN ELIGIBLE
16 POSTSECONDARY INSTITUTION FOR AT LEAST HALF-TIME STATUS AS DETERMINED BY
17 FEDERAL STUDENT FINANCIAL AID GUIDELINES.

18 C. TO RETAIN ELIGIBILITY WHILE PURSUING THE PROGRAM OF HIGHER
19 LEARNING IN WHICH THE STUDENT IS ENROLLED, THE STUDENT SHALL MEET ALL OF
20 THE FOLLOWING REQUIREMENTS:

21 1. MEET THE REQUIREMENTS FOR RETENTION AND DEGREE OR CERTIFICATE
22 COMPLETION AS ESTABLISHED BY THE ELIGIBLE POSTSECONDARY INSTITUTION IN
23 WHICH THE STUDENT IS ENROLLED.

24 2. MAINTAIN SATISFACTORY ACADEMIC PROGRESS AS REQUIRED FOR
25 ELIGIBILITY FOR FEDERAL STUDENT FINANCIAL AID.

26 3. COMPLETE AND SUBMIT THE FREE APPLICATION FOR FEDERAL STUDENT
27 AID.

28 4. MAINTAIN AT LEAST HALF-TIME STATUS AS DETERMINED BY FEDERAL
29 STUDENT FINANCIAL AID GUIDELINES.

30 5. COMPLY WITH THE STANDARDS RELATED TO MAINTENANCE OF ELIGIBILITY
31 AS ADOPTED BY THE GOVERNING BOARD OF THE ELIGIBLE POSTSECONDARY
32 INSTITUTION.

33 D. EACH ELIGIBLE POSTSECONDARY INSTITUTION SHALL PROVIDE TO EACH
34 ELIGIBLE STUDENT AN AWARD UP TO THE ACTUAL COST OF IN-STATE TUITION AND
35 FEES, EXCEPT THAT AN AWARD PROVIDED PURSUANT TO THIS SECTION SHALL BE
36 REDUCED BY THE AMOUNT OF ANY OTHER FEDERAL AID SCHOLARSHIPS OR PUBLIC
37 GRANTS AND ANY OTHER FINANCIAL GIFTS, GRANTS OR AID RECEIVED BY THAT
38 PERSON.

39 E. AN AWARD UNDER THIS SECTION MAY NOT BE USED FOR COURSES OR OTHER
40 POSTSECONDARY UNITS TAKEN IN EXCESS OF THE REQUIREMENTS FOR THE COMPLETION
41 OF A BACCALAUREATE PROGRAM.

42 F. AN AWARD UNDER THIS SECTION MAY BE AWARDED FOR A MAXIMUM OF
43 EIGHT ACADEMIC SEMESTERS OR THEIR EQUIVALENT.

G. AN AWARD UNDER THIS SECTION SHALL BE AWARDED TO ALL ELIGIBLE APPLICANTS WITHOUT LIMIT OTHER THAN THE AMOUNT OF MONIES AVAILABLE FOR THE ARIZONA PROMISE PROGRAM AND THE NUMBER OF ELIGIBLE APPLICANTS. IF APPROPRIATED MONIES ARE INSUFFICIENT TO PROVIDE AWARDS FOR ALL ELIGIBLE APPLICANTS, THE ARIZONA BOARD OF REGENTS SHALL GUARANTEE THE AWARD FOR APPLICANTS WHO ENROLL IN A UNIVERSITY UNDER THE JURISDICTION OF THE ARIZONA BOARD OF REGENTS.

H. THE ARIZONA PROMISE PROGRAM FUND IS ESTABLISHED CONSISTING OF LEGISLATIVE APPROPRIATIONS AND ANY OTHER MONIES FOR THE PURPOSE OF ADMINISTERING THE ARIZONA PROMISE PROGRAM AND DISTRIBUTING AWARD MONIES. THE ARIZONA BOARD OF REGENTS SHALL ADMINISTER THE FUND, INCLUDING DEVELOPING AND IMPLEMENTING CENTRALIZED ADMINISTRATIVE PROCESSES FOR DISTRIBUTING MONIES IN THE FUND TO ELIGIBLE POSTSECONDARY INSTITUTIONS EACH FISCAL YEAR. THE ARIZONA BOARD OF REGENTS MAY ACCEPT AND SPEND FEDERAL MONIES AND PRIVATE GRANTS, GIFTS, CONTRIBUTIONS AND DEVICES, INCLUDING PRIVATE, PHILANTHROPIC, PUBLIC AND OTHER SOURCES OF MONIES, TO ASSIST IN CARRYING OUT THE PURPOSES OF THIS SECTION. MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED AND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS. MONIES IN THE FUND MAY BE USED FOR ANY OF THE FOLLOWING:

1. REIMBURSING ARIZONA PROMISE PROGRAM AWARDS THAT COVER THE BALANCE OF TUITION AND FEES FOR ELIGIBLE PARTICIPANTS ENROLLED IN AN ELIGIBLE POSTSECONDARY INSTITUTION AFTER ALL OTHER GIFTS AND AID RECEIVED.

2. ADMINISTERING THE ARIZONA PROMISE PROGRAM, INCLUDING HIRING AND RETAINING ADDITIONAL PERSONNEL. THE ADMINISTRATION OF THE PROGRAM INCLUDES DATA COLLECTION, REPORTING, TRACKING AND ANALYZING THE PROGRAM.

3. DESIGNING AND IMPLEMENTING A MARKETING AND PROMOTION PLAN FOR THE ARIZONA PROMISE PROGRAM.

I. ANNUAL EXPENDITURES FOR MARKETING, PROMOTING AND ADMINISTERING THE ARIZONA PROMISE PROGRAM MAY NOT EXCEED THREE PERCENT OF THE MONIES IN THE FUND EACH FISCAL YEAR.

J. MONIES REMAINING IN THE ARIZONA PROMISE PROGRAM FUND AT THE END OF EACH FISCAL YEAR MAY BE USED BY ELIGIBLE POSTSECONDARY INSTITUTIONS FOR ARIZONA PROMISE PROGRAM COSTS IN THE NEXT FISCAL YEAR.

K. FOR THE PURPOSES OF THIS SECTION:

1. "ELIGIBLE POSTSECONDARY INSTITUTIONS" MEANS UNIVERSITIES UNDER THE JURISDICTION OF THE ARIZONA BOARD OF REGENTS.

2. "TUITION AND FEES" MEANS TUITION, MANDATORY FEES AND PROGRAM FEES THAT ARE ASSOCIATED WITH A PROGRAM IN THE ELIGIBLE POSTSECONDARY INSTITUTION AND THAT ARE CHARGED BY AN ELIGIBLE POSTSECONDARY INSTITUTION.

Sec. 5. Section 15-1781, Arizona Revised Statutes, is amended to read:

15-1781. Definitions

In this article, unless the context otherwise requires:

1 1. "Commission" means the commission for postsecondary education.

2 2. "Low-income school" means a public school in this state at which
3 sixty percent or more of the students are eligible for free or reduced
4 price lunches under the national school lunch and child nutrition acts
5 (42 United States Code sections 1751 through 1785).

6 3. "Qualified applicant" or "qualified student" means an Arizona
7 resident who is a citizen or legal resident of the United States or who is
8 otherwise lawfully present in the United States, who attends a qualifying
9 postsecondary institution and, if attending a university under the
10 jurisdiction of the Arizona board of regents, who qualifies for in-state
11 tuition pursuant to section 15-1802.

12 4. "Qualifying postsecondary institution" means a regionally or
13 nationally accredited ~~public or~~ private postsecondary educational
14 institution in this state.

15 5. "Rural school" means a public school in this state that is
16 located in a county with a population of less than three hundred thousand
17 persons.

18 Sec. 6. Title 15, chapter 14, article 5, Arizona Revised Statutes,
19 is amended by adding section 15-1851.01, to read:

20 15-1851.01. Definition of commission for postsecondary
21 education

22 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES, "COMMISSION
23 FOR POSTSECONDARY EDUCATION" AND "COMMISSION" MEAN THE ARIZONA BOARD OF
24 REGENTS.

25 Sec. 7. Repeal

26 Sections 15-1854 and 15-1855, Arizona Revised Statutes, are
27 repealed.

28 Sec. 8. Section 15-1877, Arizona Revised Statutes, is amended to
29 read:

30 15-1877. Scholarships and financial aid provisions

A. Any student loan program, student grant program or other financial assistance program established or administered by this state shall treat the balance in an account of which the student is a designated beneficiary as neither an asset of the parent of the designated beneficiary nor as a scholarship, a grant or an asset of the student for determining ~~a~~ THE student's or parent's income, assets or financial need.

37 B. Subsection A OF THIS SECTION applies to any state appropriated
38 financial assistance program administered by a college or university in
39 this state, including the financial aid trust fund, established by
40 section 15-1642, AND the leveraging educational assistance program
41 established by section 1203 of the higher education act amendments of 1998
42 (P.L. 105-244; 112 Stat. 1581; 20 United States Code section 1001). and
43 ~~the private postsecondary education student financial assistance program~~
44 ~~established by section 15-1854.~~

1 C. Subsections A and B OF THIS SECTION do not apply if any of the
2 following conditions ~~exist~~ EXISTS:

3 1. Federal law requires all or a portion of the amount in an
4 account to be taken into consideration in a different manner.

5 2. Federal benefits could be lost if all or a portion of the amount
6 in an account is not taken into consideration in a different manner.

7 3. A specific grant establishing a financial assistance program
8 requires that all or a portion of the amount in an account be taken into
9 consideration.

10 Sec. 9. Private postsecondary education student financial
11 assistance fund; private postsecondary education
12 grant fund; transfer of monies

13 A. All unexpended and unencumbered monies in the private
14 postsecondary education student financial assistance fund established by
15 section 15-1854, subsection B, Arizona Revised Statutes, as repealed by
16 this act, are transferred to the postsecondary education fund established
17 by section 15-1853, Arizona Revised Statutes, on the effective date of
18 this act.

19 B. All unexpended and unencumbered monies in the private
20 postsecondary education grant fund established by section 15-1855, Arizona
21 Revised Statutes, as repealed by this act, are transferred to the
22 postsecondary education fund established by section 15-1853, Arizona
23 Revised Statutes, on the effective date of this act.

24 Sec. 10. Financial aid trust fund; required state match;
25 reduction

26 Notwithstanding section 15-1642, subsection C, Arizona Revised
27 Statutes, for fiscal year 2021-2022, each dollar raised pursuant to the
28 surcharge on student registration fees assessed pursuant to section
29 15-1642, subsection A, Arizona Revised Statutes, may be matched by less
30 than \$2 appropriated by the legislature.

31 Sec. 11. Community college districts; state aid for science,
32 technology, engineering and mathematics and
33 workforce programs

34 Notwithstanding section 15-1464, Arizona Revised Statutes, state aid
35 for science, technology, engineering and mathematics and workforce
36 programs for community college districts for fiscal year 2021-2022 is as
37 specified in the general appropriations act.

38 Sec. 12. Community college districts; operating state aid;
39 eligibility; limits

40 Notwithstanding section 15-1466, Arizona Revised Statutes, operating
41 state aid for community college districts for fiscal year 2021-2022 is as
42 specified in the general appropriations act.

Sec. 13. Return to work program; community college enrollment incentive; scholarship reimbursement; eligibility; application; data sharing

A. The department of economic security shall establish a return to work program as provided in this section to provide incentives to low-wage workers to enroll in community college while working. The department shall use monies appropriated for fiscal year 2021-2022 to reimburse community colleges for scholarships provided to eligible workers.

B. A worker is eligible for a scholarship subject to reimbursement pursuant to this section if the worker is all of the following:

1. Receiving unemployment benefits on May 13, 2021.
2. Working an average of at least twenty hours per week at the time of applying for a scholarship and agrees to maintain employment of at least twenty hours per week while receiving the scholarship.
3. Employed with an income of less than \$25 per hour.
4. Enrolled in the community college for at least six credit hours per semester.

C. A worker who wishes to receive a scholarship subject to reimbursement pursuant to this section shall apply to a community college and shall submit a free application for federal student aid. The community college shall apply all other scholarships and gifts of aid a worker receives in determining the amount of a scholarship subject to reimbursement pursuant to this section.

D. A community college shall prequalify a worker with the department to determine whether the worker is eligible and monies are available for reimbursement of the scholarship. The department shall allocate monies for reimbursement of scholarships on a first-come, first-served basis.

E. A scholarship subject to reimbursement pursuant to this section may be awarded to an eligible worker for up to six credit hours per semester and for up to two years or four academic semesters.

F. The department may enter into a data sharing agreement with a community college to receive a list of applicants who are eligible for a scholarship.

G. This section is repealed from and after June 30, 2024.

Sec. 14. Conforming legislation

The legislative council staff shall prepare proposed legislation conforming the Arizona Revised Statutes to the provisions of section 15-1851.01, Arizona Revised Statutes, as added by this act, for consideration in the fifty-fifth legislature, second regular session.

Sec. 15. Effective date; applicability

A. Section 3-127, Arizona Revised Statutes, as added by this act, is effective from and after December 31, 2021.

1 B. Section 15-1671, Arizona Revised Statutes, as amended by this
2 act, is effective from and after June 30, 2022 and applies to fiscal years
3 beginning from and after June 30, 2022.

4 C. Section 15-1781, Arizona Revised Statutes, as amended by this
5 act, applies to loans granted pursuant to the Arizona teacher student loan
6 program established by section 15-1782, Arizona Revised Statutes, on or
7 after the effective date of this act, except that a student attending a
8 public postsecondary educational institution who received a loan through
9 the Arizona teacher student loan program before the effective date of this
10 act may continue in the program until the student completes the student's
11 eligible studies under the program.

12 D. Section 15-1851.01, Arizona Revised Statutes, as added by this
13 act, is effective from and after December 31, 2021.