higher education; budget reconciliation; 2021-2022.

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

HOUSE BILL 2897

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 13, ARTICLE 11, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-1781.01; 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; REPEALING LAWS 2008, CHAPTER 287, SECTION 39, AS AMENDED BY LAWS 2009, FIRST SPECIAL SESSION, CHAPTER 6, SECTION 3; APPROPRIATING MONIES; RELATING TO BUDGET RECONCILIATION FOR HIGHER EDUCATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

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

3-127. <u>Agricultural workforce development program; rules;</u> apprentices; costs; annual report; definitions

- A. THE UNIVERSITY OF ARIZONA COOPERATIVE EXTENSION OFFICE SHALL ESTABLISH THE AGRICULTURAL WORKFORCE DEVELOPMENT PROGRAM TO PROVIDE INCENTIVES TO FOOD-PRODUCING AGRICULTURAL ORGANIZATIONS TO HIRE APPRENTICES BY PARTIALLY REIMBURSING APPRENTICESHIP COSTS.
- B. THE DIRECTOR OF THE UNIVERSITY OF ARIZONA COOPERATIVE EXTENSION OFFICE SHALL ADOPT RULES TO CARRY OUT THIS SECTION. AT A MINIMUM, THE RULES SHALL DO ALL OF THE FOLLOWING:
- 1. ESTABLISH QUALIFICATIONS FOR FOOD-PRODUCING AGRICULTURAL ORGANIZATIONS TO PARTICIPATE IN THE PROGRAM, INCLUDING NEED AND THE ABILITY TO EFFECTIVELY SUPERVISE APPRENTICES AND PROVIDE THE APPRENTICES WITH MEANINGFUL WORK EXPERIENCE THAT IS FOCUSED ON AGRICULTURAL FOOD PRODUCTION.
- 2. PROVIDE A PREFERENCE FOR FOOD-PRODUCING AGRICULTURAL ORGANIZATIONS OWNED OR OPERATED BY FARMERS AND RANCHERS WHO ARE LOCATED IN RURAL OR TRIBAL AREAS OR WHO ARE HISTORICALLY UNDERSERVED.
- 3. REQUIRE PARTICIPATING FOOD-PRODUCING AGRICULTURAL ORGANIZATIONS TO PAY APPRENTICES AN HOURLY WAGE RATE THAT IS AT LEAST THE MINIMUM WAGE ESTABLISHED BY THIS STATE PURSUANT TO SECTION 23-363.
- 4. ESTABLISH CRITERIA FOR PARTICIPATING FOOD-PRODUCING AGRICULTURAL ORGANIZATIONS TO SELECT QUALIFIED APPRENTICES, INCLUDING REQUIRED EDUCATIONAL EXPERIENCE AND THE ABILITY TO PERFORM MEANINGFUL WORK.
- 5. ESTABLISH THE PROCESS AND TIME FRAME FOR SELECTING QUALIFIED FOOD-PRODUCING AGRICULTURAL ORGANIZATIONS AND QUALIFIED APPRENTICES.
- 6. ESTABLISH ACCOUNTING REQUIREMENTS FOR TRACKING APPRENTICESHIP COSTS.
- 7. ESTABLISH THE PROCESS FOR PARTICIPATING FOOD-PRODUCING AGRICULTURAL ORGANIZATIONS TO SEEK REIMBURSEMENT.
- 8. SEEK INPUT FROM COMMUNITY STAKEHOLDERS TO ESTABLISH AND ADMINISTER THE PROGRAM.
- C. SUBJECT TO LEGISLATIVE APPROPRIATION, THE COOPERATIVE EXTENSION OFFICE MAY REIMBURSE A PARTICIPATING FOOD-PRODUCING AGRICULTURAL ORGANIZATION UP TO THE AMOUNT OF THE ACTUAL COST TO THE FOOD-PRODUCING AGRICULTURAL ORGANIZATION TO EMPLOY AN APPRENTICE. BASED ON THE ANNUAL LEGISLATIVE APPROPRIATION FOR THE PROGRAM, THE DIRECTOR SHALL DETERMINE THE NUMBER OF APPRENTICESHIPS TO APPROVE, THE AMOUNT OF REIMBURSEMENT PER APPRENTICESHIP AND WHETHER A PARTICIPATING FOOD-PRODUCING AGRICULTURAL ORGANIZATION MAY BE REIMBURSED FOR MORE THAN ONE APPRENTICESHIP IN THE SAME FISCAL YEAR.

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- 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. <u>Water rights adjudication: cooperative extension:</u>
 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.

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15-1650.05. <u>COVID-19 vaccine: face covering: testing: mandate prohibition: exceptions</u>

- A. EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE ARIZONA BOARD OF REGENTS, A PUBLIC UNIVERSITY OR A COMMUNITY COLLEGE MAY NOT REQUIRE THAT A STUDENT OBTAIN A COVID-19 VACCINATION OR SHOW PROOF OF RECEIVING A COVID-19 VACCINATION OR PLACE ANY CONDITIONS ON ATTENDANCE OR PARTICIPATION IN CLASSES OR ACADEMIC ACTIVITIES, INCLUDING MANDATORY TESTING OR FACE COVERING USAGE, IF THE PERSON CHOOSES NOT TO OBTAIN A COVID-19 VACCINATION OR DISCLOSE WHETHER THE PERSON HAS BEEN VACCINATED AGAINST COVID-19, UNLESS THE VACCINATION OR OTHER MANDATE IS REQUIRED BY THE LAWS OF THIS STATE.
- B. A HEALTH CARE INSTITUTION MAY REQUIRE A STUDENT WHO PARTICIPATES IN A CLINICAL SETTING AT THE HEALTH CARE INSTITUTION TO PROVIDE PROOF OF COVID-19 VACCINATION AND BE SUBJECT TO REGULAR HEALTH SCREENINGS AND TESTING AS DETERMINED BY THE HEALTH CARE INSTITUTION. FOR THE PURPOSES OF THIS SUBSECTION, "HEALTH CARE INSTITUTION" INCLUDES A HOSPITAL, A NURSING CARE INSTITUTION, A RESIDENTIAL CARE INSTITUTION, AN INTERMEDIATE CARE FACILITY FOR INDIVIDUALS WITH INTELLECTUAL DISABILITIES AND A GROUP HOME OR OTHER MEDICAL FACILITY LICENSED PURSUANT TO TITLE 36.
- C. A PUBLIC UNIVERSITY MAY REQUIRE TESTING ONLY IF A SIGNIFICANT COVID-19 OUTBREAK OCCURS IN A SHARED STUDENT HOUSING SETTING THAT POSES A RISK TO THE STUDENTS OR STAFF. THE UNIVERSITY MUST RECEIVE APPROVAL FROM THE DEPARTMENT OF HEALTH SERVICES BEFORE IMPLEMENTING THE TESTING REQUIREMENT.
- D. THIS SECTION DOES NOT APPLY TO STUDENTS WHO ARE ENGAGED IN RESEARCH OR TESTING THAT INVOLVES A LIVE COVID-19 VIRUS.
- Sec. 3. Section 15-1671, Arizona Revised Statutes, is amended to read:

15-1671. <u>University infrastructure capital financing; capital infrastructure funds; appropriations; uses; review; definitions</u>

- A. A capital infrastructure fund is established for each university. Monies in each capital infrastructure fund are continuously appropriated for the purposes of this section. Each university shall administer its own capital infrastructure fund. Monies in the capital infrastructure funds are exempt from the provisions of section 35-190 relating to lapsing of appropriations.
- B. In fiscal year 2018-2019, the following amounts are appropriated from the state general fund for deposit in the capital infrastructure fund of each university:
 - 1. \$11,927,400 to Arizona state university.
 - 2. \$10,551,700 to the university of Arizona.
 - 3. \$4,520,900 to northern Arizona university.
- C. In fiscal years 2019-2020 through 2042-2043, an amount is appropriated annually from the state general fund for deposit in the

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capital infrastructure fund of each university. The amount appropriated each fiscal year is equal to the amount appropriated pursuant to this section in the preceding fiscal year, adjusted by a growth rate of either two percent or the change in the GDP IMPLICIT price deflator as defined in section 41-563, FOR THE GROSS DOMESTIC PRODUCT REPORTED BY THE UNITED STATES DEPARTMENT OF COMMERCE from the SECOND QUARTER OF THE second preceding calendar year to the SECOND QUARTER OF THE calendar year immediately preceding the fiscal year, whichever is less, but not below the amount appropriated in the preceding fiscal year. Each annual appropriation amount is a current expense of this state in the fiscal year in which it occurs and is not a general obligation indebtedness of this state or of any university.

- D. In each fiscal year in which monies are appropriated pursuant to this section, each respective university shall also deposit from its own funds to its capital infrastructure fund a matching amount equal to the amount of general fund monies used for paying debt service on debt financing for capital projects pursuant to subsection E of this section.
- E. Each university shall use the monies in its capital infrastructure fund, from whatever source, exclusively for either the costs of, or paying debt service on debt financing for, capital projects. Monies from the capital infrastructure funds established by this section may not be used:
- 1. For any project reviewed by the joint committee on capital review before April 15, 2017.
- 2. For the construction, use, furnishing, improvement, operation, marketing, promotion or maintenance of a facility that is used primarily by a professional sports franchise.
 - 3. To pay for operating expenditures.
- F. The Arizona board of regents shall not issue total debt financing for which debt service is paid with monies pursuant to this section in a principal amount of more than $\frac{1}{2}$ one $\frac{1}{2}$ $\frac{1}{2}$,000,000,000.
- G. Each university shall report the required information relating to its capital infrastructure fund in the budget estimate filed by the university pursuant to section 35-113.
- H. Before SPENDING any expenditure of monies in the capital infrastructure fund for any capital project not paid with debt financing, each university shall submit the scope, purpose and estimated cost of the project for review by the joint committee on capital review pursuant to section 41-1252.
- I. Before SPENDING any expenditure of monies in the capital infrastructure fund for any capital project paid with debt financing, each university shall submit the scope, purpose and estimated cost of the project to the joint committee on capital review pursuant to section

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15-1682.01 or 15-1683. The project may not proceed until the committee approves the project by a majority vote of a quorum of members.

- J. The joint committee on capital review must hear and review a project submitted under subsection H of this section and hear and approve or disapprove a project submitted under subsection I of this section not later than the committee's second meeting after the project is submitted to the committee.
- K. The Arizona board of regents, on behalf of each university under its jurisdiction, may enter into or issue debt financings and may additionally secure, pledge for or make payment on such debt financings in whole or in part from monies in the capital infrastructure fund of that university. Debt service payments funded with monies from a university's capital infrastructure fund shall be included in the calculation of that university's debt service limit as prescribed by section 15-1683.
- L. The Arizona board of regents, on behalf of each university under its jurisdiction, may refund any debt financing paid with monies pursuant to this section. The refunding debt financing must be secured from the same source of revenues as the debt financing authorized by this section. The refunding debt financing may be issued at or before maturity of the debt financing being refunded. Refunding debt financing issued as provided by this subsection:
- 1. Must be submitted by the board for review by the joint committee on capital review. The committee must hear and review a refunding debt financing submitted pursuant to this subsection not later than the committee's second meeting after the refunding debt financing is submitted to the committee.
- 2. Is not subject to the one billion dollar limitation \$1,000,000,000 LIMIT prescribed by subsection F of this section.
 - M. For the purposes of this section:
- 1. "Capital project" or "project" means any building, structure, infrastructure or facility that, as determined by the university, is required by or necessary for the use or benefit of the university, including appurtenant equipment and utilities. Capital project does not include a project that is intended to be commercial in nature and for which the majority of the project's business is anticipated to come from the nonuniversity population.
- 2. "Debt financing" means a lease-purchase or lease-to-own agreement, subject to section 15-1682.01, the issuance of bonds or the entering into of bond agreements pursuant to article 5 of this chapter by the Arizona board of regents on behalf of a university under the board's jurisdiction.
- 3. "Debt service" means the principal of and interest and premium, if any, on long-term indebtedness, when due, and the costs of registrars, trustees, underwriters and other agents necessary to handle debt instruments and the costs of credit enhancement or liquidity support.

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- 4. "Infrastructure" means nonbuilding improvements that directly support the operation of a building, structure or facility such as utility systems, roadway systems, external lighting systems, irrigation systems, sidewalks and parking lots.
- Sec. 4. Title 15, chapter 13, Arizona Revised Statutes, is amended by adding article 6, to read:

ARTICLE 6. ARIZONA PROMISE PROGRAM

15-1701. <u>Arizona promise program; eligibility requirements;</u> <u>award; fund; definitions</u>

- A. ELIGIBLE POSTSECONDARY INSTITUTIONS SHALL IMPLEMENT AN ARIZONA PROMISE PROGRAM TO PROVIDE FINANCIAL ASSISTANCE TO STUDENTS WHO MEET THE CRITERIA PRESCRIBED IN THIS SECTION AND WHO ARE PURSUING STUDIES IN THIS STATE LEADING TO A BACCALAUREATE DEGREE.
- B. EXCEPT AS OTHERWISE PROVIDED BY LAW, TO BE ELIGIBLE TO PARTICIPATE IN THE ARIZONA PROMISE PROGRAM AND TO QUALIFY FOR AN AWARD UNDER THIS SECTION, A STUDENT SHALL MEET ALL OF THE FOLLOWING REQUIREMENTS:
- 1. QUALIFY FOR IN-STATE STUDENT STATUS AS PRESCRIBED IN SECTION 15-1802.
- 2. HAVE GRADUATED FROM A HIGH SCHOOL IN THIS STATE WITH A MINIMUM 2.5 CUMULATIVE GRADE POINT AVERAGE ON A 4.0 SCALE FOR ALL WORK ATTEMPTED IN GRADES NINE THROUGH TWELVE.
- 3. SATISFY THE ADMISSION STANDARDS AS DETERMINED BY AN ELIGIBLE POSTSECONDARY INSTITUTION.
- 4. COMPLETE AND SUBMIT THE FREE APPLICATION FOR FEDERAL STUDENT AID AND MEET THE ELIGIBILITY CRITERIA FOR THE FEDERAL PELL GRANT.
- 5. SECURE ADMISSION TO, AND BE ENROLLED IN, AN ELIGIBLE POSTSECONDARY INSTITUTION FOR AT LEAST FULL-TIME STATUS AS DETERMINED BY FEDERAL STUDENT FINANCIAL AID GUIDELINES.
- C. TO RETAIN ELIGIBILITY WHILE PURSUING THE PROGRAM OF HIGHER LEARNING IN WHICH THE STUDENT IS ENROLLED, THE STUDENT SHALL MEET ALL OF THE FOLLOWING REQUIREMENTS:
- 1. MAINTAIN SATISFACTORY ACADEMIC PROGRESS AS REQUIRED FOR ELIGIBILITY FOR FEDERAL STUDENT FINANCIAL AID.
- 2. COMPLETE AND SUBMIT THE FREE APPLICATION FOR FEDERAL STUDENT AID.
- 3. MAINTAIN AT LEAST FULL-TIME STATUS AS DETERMINED BY FEDERAL STUDENT FINANCIAL AID GUIDELINES.
- 4. COMPLY WITH THE STANDARDS RELATED TO MAINTENANCE OF ELIGIBILITY AS ADOPTED BY THE GOVERNING BOARD OF THE ELIGIBLE POSTSECONDARY INSTITUTION.
- D. EACH ELIGIBLE POSTSECONDARY INSTITUTION SHALL PROVIDE TO EACH ELIGIBLE STUDENT AN AWARD UP TO THE ACTUAL COST OF IN-STATE TUITION AND FEES, EXCEPT THAT AN AWARD PROVIDED PURSUANT TO THIS SECTION SHALL BE REDUCED BY THE AMOUNT OF ANY OTHER FEDERAL AID SCHOLARSHIPS OR PUBLIC

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GRANTS AND ANY OTHER FINANCIAL GIFTS, GRANTS OR AID RECEIVED BY THAT PERSON.

- E. AN AWARD UNDER THIS SECTION MAY BE AWARDED FOR A MAXIMUM OF EIGHT ACADEMIC SEMESTERS OR THEIR EQUIVALENT.
- F. 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.
- G. 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 DEVISES, 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.
- H. 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.
- I. 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.
 - J. 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.

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

15-1781. Definitions

In this article, unless the context otherwise requires:

- 1. "Commission" means the commission for postsecondary education.
- 2. "Low-income school" means a public school in this state at which sixty percent or more of the students are eligible for free or reduced price lunches under the national school lunch and child nutrition acts (42 United States Code sections 1751 through 1785).
- 3. "Qualified applicant" or "qualified student" means an Arizona resident who is a citizen or legal resident of the United States or who is otherwise lawfully present in the United States, who attends a qualifying postsecondary institution and, if attending a university under the jurisdiction of the Arizona board of regents, who qualifies for in-state tuition pursuant to section 15-1802.
- 4. "Qualifying postsecondary institution" means a regionally or nationally accredited public or private postsecondary educational institution in this state.
- 5. "Rural school" means a public school in this state that is located in a county with a population of less than three hundred thousand persons.
- Sec. 6. Title 15, chapter 13, article 11, Arizona Revised Statutes, is amended by adding section 15-1781.01, to read:

15-1781.01. <u>Definition of commission for postsecondary education</u>

IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES, "COMMISSION FOR POSTSECONDARY EDUCATION" MEANS THE ARIZONA BOARD OF REGENTS.

Sec. 7. Title 15, chapter 14, article 5, Arizona Revised Statutes, is amended by adding section 15–1851.01, to read:

15-1851.01. <u>Definition of commission for postsecondary education</u>

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

Sec. 8. Repeal

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

Sec. 9. Section 15-1877, Arizona Revised Statutes, is amended to read:

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

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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.

- B. Subsection A OF THIS SECTION applies to any state appropriated financial assistance program administered by a college or university in this state, including the financial aid trust fund,— established by section 15-1642,— AND the leveraging educational assistance program established by section 1203 of the higher education act amendments of 1998 (P.L. 105-244; 112 Stat. 1581; 20 United States Code section 1001). and the private postsecondary education student financial assistance program established by section 15-1854.
- C. Subsections A and B OF THIS SECTION do not apply if any of the following conditions exist EXISTS:
- 1. Federal law requires all or a portion of the amount in an account to be taken into consideration in a different manner.
- 2. Federal benefits could be lost if all or a portion of the amount in an account is not taken into consideration in a different manner.
- 3. A specific grant establishing a financial assistance program requires that all or a portion of the amount in an account be taken into consideration.

Sec. 10. Repeal

Laws 2008, chapter 287, section 39, as amended by Laws 2009, first special session, chapter 6, section 3, is repealed.

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Sec. 11. Private postsecondary education student financial assistance fund; private postsecondary education grant fund; transfer of monies
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- A. All unexpended and unencumbered monies in the private postsecondary education student financial assistance fund established by section 15-1854, subsection B, Arizona Revised Statutes, as repealed by this act, are transferred to the postsecondary education fund established by section 15-1853, Arizona Revised Statutes, on the effective date of this act.
- B. All unexpended and unencumbered monies in the private postsecondary education grant fund established by section 15-1855, Arizona Revised Statutes, as repealed by this act, are transferred to the postsecondary education fund established by section 15-1853, Arizona Revised Statutes, on the effective date of this act.

Sec. 12. Financial aid trust fund; required state match; reduction

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

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Sec. 13. Community college districts: state aid for science.

technology, engineering and mathematics and workforce programs

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

Sec. 14. <u>Community college districts; operating state aid; eligibility; limits</u>

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

Sec. 15. 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 for reimbursement of community colleges 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 15, 2021 or has filed for unemployment benefits in this state on or before May 15, 2021. In determining whether an individual meets this requirement:
- (a) An individual who files an initial unemployment benefits claim after May 15, 2021 is not eligible for the scholarship reimbursement even if the person files for weeks before the benefit week that ends on May 15, 2021.
- (b) An individual must receive benefits for the benefit week that ends May 8, 2021 or May 15, 2021, although the individual's benefit payment may be issued in a later week.
- 2. Not receiving unemployment benefits 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. Able to demonstrate financial need as determined by the free application for federal student aid.
- 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

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 worker receives in determining the amount of a scholarship subject to reimbursement pursuant to this section.

- D. The department shall establish a process for community colleges to verify student eligibility for 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 on a schedule determined by the department.
 - G. This section is repealed from and after June 30, 2024.

Sec. 16. <u>Conforming legislation</u>

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. 17. Effective date: applicability

- A. Section 3-127, Arizona Revised Statutes, as added by this act, is effective from and after December 31, 2021.
- B. Section 15-1671, Arizona Revised Statutes, as amended by this act, is effective from and after June 30, 2022 and applies to fiscal years beginning from and after June 30, 2022.
- C. Section 15-1781, Arizona Revised Statutes, as amended by this act, applies to loans granted pursuant to the Arizona teacher student loan program established by section 15-1782, Arizona Revised Statutes, on or after the effective date of this act, except that a student attending a public postsecondary educational institution who received a loan through the Arizona teacher student loan program before the effective date of this act may continue in the program until the student completes the student's eligible studies under the program.
- D. Sections 15-1781.01 and 15-1851.01, Arizona Revised Statutes, as added by this act, are effective from and after December 31, 2021.

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