

NAU OFFICE OF GOVERNMENT AFFAIRS

2015 LEGISLATIVE WRAP-UP

(52nd Legislature, 1st Regular Session)

The 2015 legislative session began on January 12, 2015. In what was the fastest legislative session since 1968, the Legislature passed a state budget in early March and completed all of its work in just 81 days, adjourning sine die on April 3, 2015.

There were 1,163 bills and 89 memorials and resolutions introduced in the 2015 legislative session – a slight decrease from last year. Of these, 324 were signed by the Governor and enacted into law with various effective dates, 20 bills were vetoed, and 36 resolutions/memorials were filed with the Arizona Secretary of State.

The general appropriations act (SB 1469) and bills signed with an emergency clause are effective upon signature of the Governor. The general effective date for most bills is July 3, 2015.

FY16 Budget Overview

Highlights for the Arizona University System include:

- **Budget Reductions**
 - The FY 16 state budget reduces state appropriations to the university system by \$99M. This reduction was allocated to the universities based on enrollment and breaks down as follows:
 - Arizona State University – \$53.2M
 - Northern Arizona University – \$17.3M
 - University of Arizona – \$28.4M
- **Miscellaneous Items**
 - The budget “rollover” of \$200M for the university system is continued.
 - The universities are required to continue to fund the state longitudinal data system for K-12 via a \$6 per student fee (SB 1476).

Final Disposition of ABOR/University Priority Bills

ABOR and the universities proposed several pieces of legislation in a regulatory reform package to help streamline university operations and obtain increased operational efficiency. The political atmosphere at the Capitol prevented the majority of these policy changes from reaching the Governor's desk.

HB 2206 – ABOR, statutory revisions (Boyer)

HB 2206 sought to modify the requirements for submittal of the ABOR technology and research award program annual report and consolidate several university reporting dates. The bill also changed all statutory references to the “executive director” of ABOR to the “president” of ABOR. Political issues outside the content of the bill itself prevented the bill's passage. **(Held in Senate Rules)**.

HB 2364 – universities; funding revisions (Thorpe)

Codified the performance funding model as a statutory funding formula and eliminated the requirement that the universities remit a portion of tuition collections to the State Treasurer for appropriation by the Legislature. The latter policy change was included in the Executive’s budget recommendations. (Held in the House on 3rd Read).

HB 2484 – income; licensing; patents; repeal (Shope)

This bill repealed the requirement that Arizona State University distribute income derived from licensing and patents on specified drugs. This law is unique as it is the only reference to a specific technology transfer in statute. All other technology transfer matters are addressed in ABOR policy. (Held in Senate Committees).

SB 1117 – online instruction; state approved charter authorizers (Ward)

This legislation allows all state approved charter authorizers, including Arizona’s public universities, to sponsor charter schools that are Arizona Online Instruction course providers or online schools. (Signed by the Governor 4/1/15).

SB 1378/SB 1462 (Dial/Ward) – Allowed ABOR to obtain lines of credit for cash management or liquidity purposes and issue commercial paper to provide short-term financing options. SB 1378 was initially introduced in the Senate but held in Senate Rules. The universities gained support for the policy to move forward and introduced a strike everything amendment in the House of Representatives on SB 1462. This bill was scheduled for final votes in both chambers before the last minute chaos of the session lead to its demise along with several other unrelated pieces of legislation. (Held on House 3rd Read).

ABOR and the universities took the position of support on the following pieces of legislation.

HB 2022 – NOW: tuition waiver scholarship; university; revision (Brophy McGee)

Statute provides that foster children receive tuition waivers to the state’s public universities. HB 2022 makes a technical revision to this law changing the age criteria to clarify that those under the age of 23 are eligible to receive a tuition waiver. (Signed by the Governor 3/26/15).

HB 2091 – veterans; in-state tuition (Borelli)

HB 2091 is an emergency measure conforming state statute to federal law as it pertains to in-state tuition eligibility for veterans. (Signed by the Governor 3/26/15).

Notable Bills Signed by the Governor

HB 2001 – income tax brackets; inflation index (Olson)

Requires the Arizona Department of Revenue to adjust the income dollar amounts in each tax bracket in accordance with the annual change in the Metropolitan Phoenix Consumer Price Index. The Joint Legislative Budget Committee estimates the fiscal impact to the state General Fund is approximately \$15.4 million in FY 2017 and \$24.7 million in FY 2018, with the amount of reduced

revenues expected to increase in each subsequent year that tax brackets are increased for inflation. (Signed by the Governor 3/30/15).

HB 2064/SB 1029 – graduation requirement; civics test (Montenegro)

Beginning in the 2016-2017 school year, HB 2064 requires all Arizona students to pass the United States Citizenship and Immigration Services naturalization test with a 60% or higher in order to graduate from high school. (Signed by the Governor 1/15/15).

HB 2066 – public school tax credit; testing (Mesnard)

Allows the Public School Tax Credit to be used for standardized testing fees, testing preparation courses and materials and career and technical industry certification assessments. (Signed by the Governor 3/23/15).

HB 2090 – military relief fund; amount (Borelli)

Increases the amount that the Military Family Relief Advisory Committee can issue to eligible recipients from the Military Family Relief Fund for financial assistance to qualifying families of service members from \$10,000 to \$20,000. (Signed by the Governor 4/6/15).

HB 2185 – NOW: alternative teacher development program (Boyer)

HB 2185 continues the alternative teacher development plan through 2020. The program, administered by the State Board of Education, identifies, trains, and places highly qualified individuals into low-income schools by using a teaching intern certification and a qualified service provider. (Signed by the Governor 4/7/15).

HB 2240 – national guard members; tuition waivers (Cardenas)

Conditional on the availability of monies to offset the costs to the public institutions of higher education, establishes a tuition waiver program from qualifying National Guard members. The tuition waiver program is delayed for two years and is effective in FY 2018 only if the President of the Arizona Board of Regents notifies the Director of Legislative Council that the above condition is met. (Signed by the Governor 4/13/15).

HB 2658 – federal lands; transfer; study committee (Barton)

Establishes the Transfer of Federal Lands Study Committee to examine processes to transfer, manage, and dispose of federal lands within Arizona. (Signed by the Governor 4/9/15).

SB 1191 – graduation; passing test score' moratorium (Ward)

An emergency measure prohibiting the requirement that a pupil obtain a passing score on a standardized test during specified school years in order to graduate from high school. (Signed by the Governor 2/20/15).

SB 1300 – law enforcement offices; body cameras (Kavanagh)

Establishes a committee to study the use of body cameras by local law enforcement agencies. The committee includes a faculty member who is a professor of criminal justice at an Arizona public university to be appointed by the Governor. (Signed by the Governor 4/1/15).

Notable Bills Vetoed by the Governor

HB 2176 – Now: federal land relinquishment; payments (Thorpe)

The bill required the Arizona Attorney General (AG) to annually request the U.S. government to relinquish, by January 1, 2022, all constitutionally nonenumerated federal land within this state. Subject to legislative appropriation, the AG was also required to initiate proceedings against the federal government to force the relinquishment of those lands. In his veto letter, Governor Ducey indicated that while he is concerned about the amount of federal land in Arizona he would rather review recommendations set forth by a planning committee (established by HB 2658) prior to making decisions on how to proceed.

HB 2566 – state computers; sensitive electronic data (Thorpe)

HB 2566 required state budget units to establish a robust password system for all state computers, starting July 1, 2016. The Arizona Department of Administration was also required to establish an encryption standard for budget units on or before July 1, 2018. In his veto letter, the Governor indicated that such standards already exist and the administration is already working to expand the state's security coverage. (Vetoed by the Governor 4/9/15).

SB 1445 – public records; police officers names (Kavanagh)

SB 1445 would have limited the release of the name of a peace officer who is involved in a use of deadly physical force incident for 60 days. In his veto letter, the Governor indicated that the legislation as written may have unintended consequences. He further explained that leaving these types of decisions in the hands of the police chiefs allows for the best decisions to be made on behalf of their individual departments. (Vetoed by the Governor 3/30/15).

Notable Legislation that Failed to Pass

University Related Measures

HB 2033 – university research infrastructure projects; appropriations (Robson)
HB 2165 – NOW: veteran education; fund; advisory committee (Borelli)
HB 2104 – lottery game; veteran's assistance; fund (Borelli)
HB 2261 – university admissions; CTE; fine arts (Bowers)
HB 2474 – postsecondary institutions; sexual consent policies (Mendez)
HB 2486 – university admission requirements; foreign language (Bolding)
HB 2631 – veteran education; tuition grants; cemeteries (Thorpe)
HB 2654 – state student loans; waivers (Rivero)
SB 1067 – university research infrastructure projects; appropriations. (Dial)
SB 1268 – trust land; universities; designated trustee (Dial)
SCR 1008 – postsecondary education; tuition; classification; status (Quezada)

State Budget Related Measures

HB 2060 – state budget; consensus forecast (Mesnard)
HB 2183 – proposition 105; disclosure; ballot measures (Boyer)
HB 2623 – state agencies; budget submission (Olson)
HCR 2001 – constitutional amendments; sixty percent approval (Lovas)
HCR 2030 – ballot measures; spending increase; requirements (Finchem)

SB 1442 – state budget; estimates; hearing; notice (Smith)

Measures Related to Academic Standards and K-12 Education

HB 2050 – board of education removal; senate (Townsend)

HB 2077 – study committee; school district funding (Petersen)

HB 2180 – schools; menu of assessments (Boyer)

HB 2184 – state board of education; members (Boyer)

HB 2190 – common core; replacement (Finchem)

HB 2246 – statewide assessments; parental opt-out (Ackerley)

SB 1068 – additional classroom time for kindergartners (Dial)

SB 1305 – continuous improvement; academic standards committee (Ward)

SB 1306 – schools; data privacy (Ward)

SB 1458 – schools; academic standards; tests (Ward)

SB 1464 – student, teacher data collections; prohibition (Burgess)

Miscellaneous Measures

HB 2320 – firearms; permit holders; public places (Barton)

SB 1020 – energy conservation; public buildings (Ableser)

SB 1291 – firearms; state preemption; penalties (Smith)

SB 1331 – electronic data; metadata; prohibited collection (Ward)