



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
Second Regular Session

Senate: ED DP 8-0-0-0 | 3rd Read 28-1-1-0

House: ED DP 10-0-0-0

SB 1321: conforming legislation; postsecondary education commission

Sponsor: Senator Shope, LD 8

Caucus & COW

Overview

Conforms statute to the transfer of the Arizona Commission for Postsecondary Education (ACPE) to the Arizona Board of Regents (ABOR). Makes changes to the Arizona Teacher Student Loan Program (Loan Program), Arizona Leveraging Educational Assistance Program (AzLEAP) and Postsecondary Educational Fund (Fund).

History

[Laws 2021, Chapter 410](#) made numerous changes to ACPE and related programs. These changes include:

- 1) Transferring the authority, duties and powers of ACPE to ABOR on January 1, 2022;
- 2) Repealing the Private Postsecondary Education Student Financial Assistance Program, Private Postsecondary Education Grant Program and related funds; and
- 3) Instructing Legislative Council staff to prepare conforming legislation for consideration in the 55th Legislature, Second Regular Session.

Prior to this transfer, ACPE was responsible for overseeing the Loan Program, AzLEAP and the Postsecondary Educational Fund.

The Loan Program supports the recruitment of public school teachers in Arizona. Forgivable loans (not to exceed \$7,000 per academic year) may be issued for up to three years to eligible students. Students who receive a loan must agree to provide instruction in mathematics, science or special education in an Arizona public school or provide instruction in an Arizona public school that is low-income, rural or located on an Indian reservation ([A.R.S. § 15-1782](#)).

AzLEAP establishes a state and institutional partnership to provide financial assistance (not to exceed \$2,500 per academic year) in the form of need-based grants to low-income, undergraduate students ([A.R.S. § 15-1856](#)).

Currently, the Fund consists of legislative appropriations and monies received other government entities. Fund monies may only be used for specifically designated purposes ([A.R.S. § 15-1853](#)).

Provisions

ACPE and ABOR

1. Terminates ACPE and repeals statutes relating to the ACPE. (Sec. 4)
2. Maintains that ABOR succeeds to the authority, powers, duties and responsibilities of ACPE. (Sec. 5)
3. States any actions and valid obligations of ACPE that were taken or existed before January 1, 2022 are not altered or impaired. (Sec. 5)
4. Transfers the following from ACPE to ABOR on January 1, 2022:
 - a) Administrative matters, contracts and judicial and quasi-judicial actions;

- b) Property, data, investigative findings, obligations and unexpended and unencumbered monies;
 - c) Employed personnel who are under the state personnel system. (Sec. 5)
5. Retains the validity of all ACPE-issued indicia of qualification and authority for the duration of their term of validity. (Sec. 5)
 6. Repeals ACPE-adopted administrative rules and orders. (Sec. 5)

Loan Program

7. Repeals and reestablishes the Loan Program in statute. (Sec. 1, 4)
8. Transfers all unexpended and unencumbered monies remaining in the repealed Loan Program Fund to the reestablished Loan Program Fund. (Sec. 4)
9. Requires a qualified student who does not successfully complete the academic year in good academic standing to reimburse ABOR for the total loan amount received. (Sec. 1)
10. Provides a qualified student must agree to teach for one full school year in an Arizona public school for each academic year they successfully complete and receive a loan. (Sec. 1)
11. Specifies the commitment period begins after graduation for a qualified student who is teaching and receiving a loan concurrently. (Sec. 1)
12. Excludes, if a qualified student enrolls in a summer term, the summer term from the calculation of a qualified student's postgraduation public service commitment. (Sec. 1)
13. Requires a qualified student who does not fulfill their obligation to teach in a public school to reimburse ABOR a proportional amount of the loan received. (Sec. 1)
14. Instructs ABOR to establish a process for deferring service or repayment based on ABOR-adopted factors. (Sec. 1)
15. Exempts Loan Program Fund monies from lapsing. (Sec. 1)

AzLEAP

16. Repeals and reestablishes AzLEAP in statute. (Sec. 3, 4)
17. Details the purposes of AzLEAP. (Sec. 3)
18. Allows a participating postsecondary educational institution to receive matching monies from the Fund to provide eligible students with financial assistance in the form of need-based grants. (Sec. 3)
19. Requires participating postsecondary educational institutions to provide matching monies equal to the monies provided by the state to the institution from the Fund. (Sec. 3)
20. Authorizes ABOR to require participating postsecondary educational institutions to report on the use of monies distributed under AzLEAP. (Sec. 3)

Fund

21. Repeals and reestablishes the Fund in statute. (Sec. 3, 4)
22. Adds the Fund consists of monies received from a postsecondary educational institution through a program participation agreement. (Sec. 3)
23. Transfers all unexpended and unencumbered monies from the repealed Fund to the reestablished Fund. (Sec. 4)
24. States Fund monies are continuously appropriated and exempt from lapsing. (Sec. 3)

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25. Allows Fund monies to be used to provide matching monies for AzLEAP and administrative expenses necessary for ABOR to administer outlined programs. (Sec. 3)

Miscellaneous

26. Designates ABOR as the state higher education agency as identified by federal law and as the state scholarship grant agency. (Sec. 3)

27. Requires ABOR to administer applicable programs according to statute and as established by federal law for the state higher education agency and the state scholarship grant agency. (Sec. 3)

28. Repeals statute deeming a person ineligible for state financial aid unless the person has registered with the selective service system if required by federal law. (Sec. 4)

29. Contains a retroactivity clause of January 1, 2022. (Sec. 5)