



ARIZONA STATE SENATE
Fifty-Seventh Legislature, First Regular Session

FACT SHEET FOR S.B. 1694

higher education; withholding state monies

Purpose

Deems an Arizona higher education institution ineligible from receiving state monies and prohibits the State Treasurer, the Arizona Board of Regents (ABOR) and the Arizona Department of Administration (ADOA) from distributing state monies to a higher education institution in a fiscal year that the higher education institution offers one or more courses on diversity equity and inclusion (DEI).

Background

ABOR exercises the powers necessary for the effective governance and administration of the institutions under its control. ABOR must establish curricula and designate courses for its institutions that ABOR believes will best serve the Arizona's interests. ABOR must submit a budget request for each institution under its jurisdiction and annually adopt an operating budget for each public university equal to the sum of the appropriated state General Fund monies and the amount of tuition and fees approved by ABOR and allocated to each public university operating budget ([A.R.S. § 15-1626](#)).

A community college district (CCD) governing board maintains each college under its jurisdiction, offers programs that meet the educational needs of the community and enforces the prescribed course of study. Subject to legislative appropriation, the Legislature must determine and appropriate an amount of state aid each fiscal year to each qualifying CCD. The State Treasurer disburses one-fourth of the annual amount of state aid appropriations to CCDs in the first month of each quarter for the support and maintenance of the CCD (A.R.S. §§ [15-1444](#); [15-1466](#); and [15-1467](#)).

The FY 2025 state budget appropriates from the state General Fund: 1) \$54,807,100 to ABOR; 2) \$377,793,800 to Arizona State University; 3) \$127,680,100 to Northern Arizona University; 4) \$334,703,700 to the University of Arizona; and 5) \$88,532,600 to Arizona community colleges ([Laws 2024, Ch. 209](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Deems an Arizona higher education institution ineligible to receive state monies in any fiscal year in which the higher education institution offers one or more courses on DEI.
2. Prohibits the State Treasurer, ABOR and ADOA from distributing state monies to any higher education institution in a fiscal year in which the higher education institution offers one or more courses on DEI.

3. Defines *course on diversity, equity and inclusion* as any course that includes material or instruction in the course description, overview, objectives, proposed student learning outcomes, examinations or graded assignments that:
 - a) relates contemporary American society to critical theory, whiteness, systemic racism, institutional racism, anti-racism, microaggressions, systemic bias, implicit bias, unconscious bias, intersectionality, gender identity, social justice, cultural competence, allyship, race-based reparations, race-based equity, gender-based equity, race-based inclusion or gender-based inclusion;
 - b) promotes the idea that racially neutral or colorblind laws, policies or institutions perpetuate oppression, injustice, race-based privilege, including white supremacy and privilege, or inequity by failing to actively differentiate on the basis of race, sex or gender;
 - c) promotes the differential treatment of any individual or group of individuals based on race or ethnicity in contemporary American society; or
 - d) promotes the idea that a student is biased on account of the student's race or sex.
4. Specifies that *course on diversity, equity and inclusion* does not include a course that identifies or discusses historical movements, ideologies or instances of racial hatred or race-based discrimination in the course materials or instruction, including slavery, Indian removal, the Holocaust and Japanese American internment, unless the materials or instruction include prohibited activities.
5. Defines *higher education institution* as a public university or Arizona community college.
6. Becomes effective on the general effective date.

Prepared by Senate Research

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