



ARIZONA STATE SENATE
Fifty-Sixth Legislature, Second Regular Session

AMENDED
FACT SHEET FOR S.B. 1742

higher education; 2024-2025.

Purpose

Makes session law changes relating to higher education necessary to implement the FY 2025 state budget.

Background

The Arizona Constitution prohibits substantive law from being included in the general appropriations, capital outlay appropriations and supplemental appropriations bills. However, it is often necessary to make statutory and session law changes to effectuate the budget. Thus, separate bills called budget reconciliation bills (BRBs) are introduced to enact these provisions. Because BRBs contain substantive law changes, the Arizona Constitution provides that they become effective on the general effective date, unless an emergency clause is enacted.

S.B. 1742 contains the budget reconciliation provisions for changes relating to higher education.

Provisions

Arizona Community Colleges Promise Program

1. Establishes the Arizona Community Colleges Promise Program Fund (Promise Program Fund), administered by the Arizona Board of Regents (ABOR) and consisting of legislative appropriations.
2. Specifies that Promise Program Fund monies are continuously appropriated and exempt from lapsing.
3. Directs ABOR to distribute 20 percent of the Promise Program Fund monies appropriated each fiscal year equally among all community college districts (CCDs)
4. Directs ABOR to distribute 80 percent of the Promise Program Fund monies appropriated each fiscal year proportionately among all CCDs based on each CCD's full-time equivalent student enrollment (FTSE) count relative to the statewide audited FTSE count for the preceding year.
5. Requires each CCD, if monies are appropriated to the Promise Program Fund, to establish and administer a Community College Promise Program Scholarship Fund (Scholarship Fund) consisting of Promise Program Fund monies, grants, gifts and contributions and devices.
6. Determines that a student is eligible for an initial Scholarship Fund financial aid award if the student:
 - a) qualifies for resident student status;
 - b) satisfies the CCD's admission standards;

- c) completes and submits the Free Application for Federal Student Aid (FAFSA) and meets the income eligibility criteria for a federal Pell Grant; and
 - d) is admitted and enrolled in the community college.
7. Determines that, to maintain eligibility after receiving an initial Scholarship Fund financial aid reward, a student must:
 - a) annually complete and submit the FAFSA;
 - b) maintain enrollment at a community college;
 - c) maintain satisfactory academic progress; and
 - d) comply with the standards relating to maintenance of eligibility adopted by the CCD.
8. Allows Scholarship Fund monies to be used for providing financial assistance to eligible students.
9. Requires each CCD governing board or community college to establish a policy or guidelines outlining qualified expenses for which a student may use monies from a Scholarship Fund financial aid award.
10. Specifies that the policies or guidelines developed by a CCD governing board or community college:
 - a) must allow an award recipient to use the monies for any cost of attending the community college; and
 - b) may not require the monies to be used only for tuition.
11. Requires a CCD to reduce a student's Scholarship Fund financial aid reward by the amount of any other federal aid scholarship, public grant or public aid as outlined.
12. Specifies that a Scholarship Fund financial aid award amount may not be reduced by the amount of federal grants received by the student from the Department of Child Safety for the Arizona Education and Training Voucher Program.
13. Stipulates that, if insufficient Scholarship Fund monies are available to provide financial assistance to eligible students, the CCD must consider, when establishing scholarship priorities:
 - a) socioeconomic factors that pose barriers to student success, as determined by the CCD;
 - b) a student's community engagement, including participation in community service projects; and
 - c) additional factors as determined by the CCD.
14. Allows each CCD to use up to 10 percent of Scholarship Fund monies for administrative expenses and student support services.
15. Specifies that Scholarship Fund monies are exempt from lapsing.
16. Defines *community college*, *district* and *district board*.

Spouses and Dependents of Law Enforcement Officers Tuition Scholarship Fund Repeal

17. Repeals, on July 1, 2025, the Spouses and Dependents of Law Enforcement Officers Tuition Scholarship Fund (Tuition Fund) and ABOR's requirements in administering the Tuition Fund.
18. Transfers, on July 1, 2025, all unexpended and unencumbered monies from the Tuition Fund to the state General Fund.

Miscellaneous

19. Continues, for FY 2025, to allow the required state match to be less than two dollars for each dollar raised by the surcharge on student registration fees pursuant to the Arizona Financial Aid Trust Fund.
20. Specifies that operating state aid for CCDs in FY 2025 is as prescribed in the FY 2025 General Appropriations Act.
21. Specifies that state aid for CCD science, technology, engineering and mathematics and workforce development programs in FY 2025 is as prescribed in the FY 2025 General Appropriations Act.
22. Becomes effective on the general effective date.

Amendments Adopted by Committee of the Whole

1. Establishes the Promise Program Fund and directs ABOR to administer Promise Program Fund monies to each CCD as outlined.
2. Requires, if monies are appropriated to the Promise Program Fund, each CCD to establish and administer a Scholarship Fund as outlined to provide financial assistance to eligible students.
3. Outlines requirements for a student to be eligible to receive an initial financial aid award and to maintain eligibility for a financial aid award.
4. Requires a CCD to reduce a student's financial aid award by the amount of any other federal scholarship or public grant received by the student as outlined.
5. Directs a CCD, if insufficient Scholarship Fund monies are available, to consider outlined topics when establishing scholarship priorities.
6. Outlines administrative requirements for CCDs relating to the Scholarship Fund.
7. Defines *community college*, *district* and *district board*.

Amendments Adopted by Additional Committee of the Whole

1. Removes, from the factors that a CCD must consider when establishing scholarship priorities if there are insufficient monies to provide financial aid to all students, the requirement to consider whether the student is a first-generation college student.
2. Makes technical and conforming changes.

FACT SHEET – Amended

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Senate Action

APPROP 6/12/24 DP 6-5-0

Prepared by Senate Research

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