



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
Second Regular Session

Senate: APPROP DP 6-5-0-0

SB 1742: higher education; 2024-2025.

**Sponsor: Senator Kavanagh (with permission of committee on Rules), LD 3
Substituted for [HB 2904](#)**

Overview

Contains provisions relating to higher education needed to implement the FY 2025 budget.

History

The Arizona Legislature adopts a budget for each fiscal year (FY) that contains general appropriations. [Article IV, Section 20, Part 2](#) of the Constitution of Arizona requires the General Appropriations Act (feed bill) to contain only appropriations for the different state departments, state institutions, public schools and interest on public debt. Statutory changes necessary to reconcile the appropriations made in the feed bill and other changes are drafted into separate budget bills. These bills are prepared according to subject area.

Provisions

Arizona Community Colleges Promise Program (Permanent Law) (Sec. 1)

1. Establishes the Arizona Community College Promise Program Fund (Arizona Promise Fund) that is administered by the Arizona Board of Regents (ABOR) and consists of legislative appropriations.
2. States Arizona Promise Fund monies are continuously appropriated and exempt from lapsing.
3. Directs ABOR to distribute:
 - a) 20% of Arizona Promise Fund monies appropriated each fiscal year proportionately among all CCDs; and
 - b) 80% of Arizona Promise Fund monies appropriated each fiscal year proportionately among the community college districts (CCDs) based on each CCD's full-time equivalent student enrollment (FTSE) relative to the preceding year's statewide audited FTSE.
4. Requires each CCD, if monies are appropriated to the Arizona Promise Fund, to establish a Community College Promise Scholarship Fund (CCD Promise Fund) that consists of Arizona Promise Fund monies, grants, gifts and contributions and devises.
5. Specifies that CCD Promise Fund monies are continuously appropriated and may be used to provide financial assistance to eligible students.
6. Allows each CCD to use up to 10% of monies it receives from the Arizona Promise Fund for administrative expenses and student support services.

<input type="checkbox"/> Prop 105 (45 votes) <input type="checkbox"/> Prop 108 (40 votes) <input type="checkbox"/> Emergency (40 votes) <input type="checkbox"/> Fiscal Note
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7. Directs a CCD, if there are insufficient CCD Promise Fund monies to provide financial assistance to all eligible students and when considering scholarship priorities, to consider:
 - a) socioeconomic factors that pose barriers to student success;
 - b) a student's community engagement; and
 - c) additional factors determined by the CCD.
8. Deems a student eligible for an initial CCD Promise Fund financial aid award if they:
 - a) qualify for resident student status;
 - b) satisfy the community college's admission standards;
 - c) submit the Free Application for Federal Student Aid (FAFSA) and meet federal Pell grant income eligibility criteria; and
 - d) are admitted to and enrolled in the community college.
9. Stipulates that to maintain eligibility after receiving an initial CCD Promise Fund financial award, a student must:
 - a) annually submit the FAFSA;
 - b) maintain enrollment at a community college and satisfactory academic progress; and
 - c) comply with the maintenance of eligibility standards adopted by the CCD, CCD board or community college.
1. Instructs each CCD board or community college to establish a policy or guidelines outlining qualified expenses for the use of financial aid award monies that:
 - a. allow a recipient to use the monies for any cost of attending the community college; and
 - b. do not require the monies to be used only for tuition.
2. Reduces a student's CCD Promise Fund financial aid award by any other federal aid scholarship, public grant and public aid the student receives from or through the community college, except the award is not reduced by the federal grants the student receives from the Arizona Education and Training Voucher Program.
3. Defines *community college*, *district* and *district board*.

Miscellaneous

4. As session law, repeals the Spouses and Dependents of Law Enforcement Officers Tuition Scholarship Fund on July 1, 2025, and transfers all unexpended and unencumbered monies to the state General Fund. (Sec. 2)
5. As session law for FY 2025, allows each dollar raised by the surcharge on student registration fees assessed pursuant to the Arizona Financial Aid Trust Fund to be matched by less than \$2 appropriated by the Legislature. (Sec. 3)
6. As session law for FY 2025, declares science, technology, engineering and mathematics and workforce programs state aid and operating state aid CCDs are as specified in the General Appropriations Act. (Sec. 4, 5)
7. Makes conforming changes. (Sec. 2)