

## Weekly Legislative Briefing for period ending 02 28 10

By Tom Finnerty

### Unemployment Insurance Extension Stalls in U.S. Senate.

Unless Congress acts quickly, DES will be notifying 82,000 Arizonans receiving long-term unemployment that the program has not been renewed.

Senate Majority Leader Reid tried to move a simple 30-day extension to buy time, but is being blocked by objections from Senator Jim Bunning (KY).

### BUDGET

*Senate President Bob Burns has suspended all Standing Committee hearings for the week of March 1. No House committees will meet this week. Rumor has it that the budget process is likely to take two weeks, not one.*

The postponement allows members to give full attention to the issue Arizonans want addressed: Completion of state budgets for FY 2010 and FY 2011.

What happened to the Stealth budget proposed by Representatives Bill Konopnicki, Lucy Mason, Chad Campbell, Matt Heinz, and David Lujan? Not seriously considered and defeated in committee on 3-2 votes.

The Arizona Republic reported February 23, that Gov. Jan Brewer's proposed cuts to health care would drain an estimated \$2.7 billion in state and federal funding from Arizona's economy and result in the loss of 42,000 jobs, according to an analysis by economists at Arizona State University.

Brewer's proposal, which could be voted on as early as next week, includes:

- Asking voters to reduce the number of people eligible for the Arizona Health Care Cost Containment System, saving \$765 million in costs to the state's general fund while giving up \$1.5 billion in federal matching dollars. AHCCCS, the state's version of Medicaid, is open to everyone at or below the federal poverty level (annual income of \$20,000 for a family of 4)
- Eliminating KidsCare, which provides health care to nearly 63,000 Arizona children whose parents make less than 200 percent of the federal poverty level but too much money to qualify for AHCCCS. The program costs the state \$23 million but brings in \$96.5 million in federal money.
- Eliminating the graduate medical-education program, which draws medical students to the state. Cost to the state is \$13.3 million with \$24 million in federal matching funds.

- Eliminating support for hospitals providing a disproportionate share of services to uninsured patients. The program cost the state \$7.8 million but it brought in \$15.1 million in federal money.

*The health-care industry is one of the few job sectors in Arizona that is growing; it added 6,400 jobs last year. The cuts would result in the direct loss of 19,600 jobs in the health-care industry and the loss of an additional 22,400 jobs from industries that rely on health-care spending in some way, said Tim James, an economist who co-authored the analysis, conducted by the Seidman Research Institute at ASU's W.P. Carey School of Business.*

Over time, the cuts and lost jobs would slow the state's growth in population and in disposable income, James said. The study was paid for by the Arizona Hospital and Healthcare Association, a trade group representing hospitals.

### **The May 18 election on the Sales tax increase.**

120 pro-con arguments have been filed for the temporary one-cent sales tax hike with about two dozen of them being paid for (\$75 per filing if filed via the internet) by the Governor's tax increase campaign committee.

### **MUSICAL CHAIRS?**

Senator Jack Harper (R-Surprise) has been named Chair of the Senate Finance Committee.

David Braswell (R-Dist. 6) has been appointed by the Maricopa Board of Supervisors to replace Pamela Gorman who resigned to run for John Shadegg's congressional seat.

Senator Ed Bunch (R-Dist. 7) has replaced Senator Waring who resigned to run for John Shadegg's congressional seat. Bunch has been named to the Finance Committee, replacing Majority Whip Steve Pierce. He has promised not to run for election in November. Both Reps Nancy Barto and Ray Barnes are expected to try for this Senate seat.

Sam Crump (R-Dist 6) has also resigned to run for John Shadegg's seat and has been replaced by Amanda Reeve