



What's happening April 11, 2009

This is another week of nothing visible happening at the Legislature although the Governor's office continues to push for its five point plan for balancing the budget while the Legislative leadership remains in denial. On Friday the Governor announced she had given up on working with the leadership.

The Governor and President Burns and Speaker Adams made separate presentations seeking public support for their positions last Thursday in Tempe at a forum sponsored by the Greater Phoenix Economic Council (GPEC). Also presenting were educators and economists. The eight hundred in attendance were asked to complete a questionnaire registering their opinion on a number of budget-related issues included a tax increase – sales tax vs. income tax. GPEC announced that this would be the first in a series of forums with the goal of involving Arizonans in determining the future direction of the state.

Both sides stressed the horror of the \$3.2-\$3.6 billion budget deficit for 2010. Governor Brewer is standing by her five point plan that includes a temporary tax increase (reportedly a one percent increase in the state sales tax). President Burns and Speaker Adams are promoting a plan that relies on more cuts to safety net programs and the sale of state assets and adamantly oppose any tax increase.

A group brought together by the state universities (Fiscal Alternatives Choices Team or FACT) is pushing a concept that includes an initial increase in the income tax followed, after a period of time, with a decrease. They claim it is revenue neutral over the period. However, these recommendations do not appear to be on the radar screen of either the governor or Legislative leadership.

Meanwhile, as reported last week under the Legislative leadership's plan, DES can lose \$500 million in federal funds if the funding for TANF (Temporary Assistance for Needy Families) drops below 10 percent of its present level.

Losses of stimulus funding that could occur without action by the Legislature:

\$1.6 billion in stimulus funding for AHCCCS unless there is a minor legislative change related to eligibility. (AHCCCS roles continue to grow and are directly related to job loss).

\$97 million to extend unemployment benefits an additional 13 weeks to more than 30,000 of our neighbors who have lost their jobs will be lost.

The Legislature is not living up to its responsibilities. The Governor's program hits the state hard, but it keeps the state afloat without destroying the its critical safety net.

There are no committee meetings or floor action scheduled for the next week. While your two State representatives and one State senator wait on word about the budget, this is an opportune time for you to communicate with them!

To find your elected representatives, go to www.azleg.gov and click on "How do I find my Legislators?" E-mail or call and leave a message:

Tell them that the Leadership plan is short-sighted and the wrong way to go!

Good news reported by the Republic.

The federal government will send \$8.26 million to Arizona to help people pay for food, housing and other necessities as part of the Obama administration's effort to revive the economy.

The U.S. Department of Health and Human Services announced plans Friday to make \$1 billion available to help get people through economic hardships. The money goes through a federal grant program and is distributed by state community groups. The money will go to the Arizona agencies via the state Department of Economic Security.

The \$1 billion augments the federal government's Community Services Block Grant program, which supports job-training, housing-assistance, food and financial-literacy programs. The funds were allocated as part of federal recovery spending and add to the block-grant program's annual budget of about \$700 million.