



What's Up in the Legislature

(February 1, 2009)

2009 State Budget Signed

Governor Jan Brewer signed the budget-cutting bills for 2008-2009 on Saturday for a total of \$1.6 billion. In order to balance the budget a combination of cuts (\$600 million), savings and transfers (\$500 million) and anticipated federal stimulus (\$500 million) were employed. *State agencies and departments must absorb these cuts with only 5 months remaining in the '09 fiscal year.*

According to the Arizona Republic, Governor Brewer intervened on behalf of health and welfare issues. The Legislature gave her \$8.8 million for behavioral health services, \$2 million for services for the elderly, \$1 million for homeless programs along with other programs for a total of \$18 million. Restored programs were funded from environmental programs.

Last Wednesday, a letter from SVdP President Joe Riley was hand delivered to all members of the State Legislature asking that KidsCare, General Assistance, lottery proceeds for homeless services and the AZ Housing Trust Fund be spared. (The letter has been posted on www.stvincentdepaul.net under Voice of the Poor.

Vote on the Budget Bills:

The vote in the Senate was 16-12 with 2 not voting. In the House the vote was 34-22, with 3 not voting and 1 seat vacant (Gallardo). It was a party line vote in both instances.

It was assumed that Pamela Gorman, Majority Whip, voted against the budget cuts because they were not as big as she would have liked. However, the Republic reported that in reality she thought she was voting on an amendment and not the final bill. The Republic also reported that Senators Carolyn Allen and Jay Tibshraeny voted against the massive cuts to education. Representative Chad Campbell, Jr. missed three of the votes.

AHCCCS and other safety net programs have been heavily hit. (There is a partial list of budget reductions and fund transfers at the end of this commentary). While KidsCare itself escaped the axe man, KidsCare Parents was chopped leaving 9400 adults without

healthcare. General Assistance (GA) (a program to assist 1400 disabled adults waiting for approval for federal disability) was eliminated. First Things First, the new program passed by initiative for early childhood education and health care is expecting to lose its interest earnings (\$14 million) for this year and next. This will imperil the program by cutting infrastructure funding for educational outreach recommended by local communities statewide.

Legislators did not cut everything. They gave \$1.6 million to Maricopa County Sheriff Joe Arpaio. The funding is to target human smuggling and illegal immigration and is the same amount Governor Napolitano yanked from Arpaio last year after he began his controversial series of immigration sweeps.

Reductions and transfer of funds for fiscal 2008-2009:

Sec.3 Appropriation reductions for \$138 million (Departments will have to determine how to operate with the following reductions)

- Arizona health care cost containment system (AHCCCS) - **\$24,931,100**
- Notwithstanding any other law, **\$29,497,100** is reduced from federal 44 title XIX expenditure authority in fiscal year 2008-2009.
- Department of economic security (DES) - **\$83,301,400**

Sec. 4 Transfer of fund monies to the State General Fund from these agency programs:

AHCCCS (Arizona Health Care Cost Containment System)

AHCCCS fund 2120 - \$1,963,300.

Intergovernmental services fund - \$1,147,700.

Third party collections - \$195,700.

DES (Department of Economic Security)

Children and family services training fund - \$182,100.

Domestic violence shelter fund - \$667,500.

Long-term care system fund - **\$6,872,100.**

Spinal and head injuries trust fund - \$439,100.

Arizona training program at Phoenix fund - \$1,450,400.

Industries for the blind fund - \$266,600.

DHS (Department of Health)

Child fatality review fund - \$186,900.

Emergency medical services operating fund - \$377,600.

Environmental lab licensure revolving fund - \$115,400.

Indirect cost fund - \$1,129,900.

Newborn screening program fund - \$1,334,500.

Nursing care institution protection fund - \$353,700.

Substance abuse services fund - \$204,300.

Arizona Department of Housing

Housing program fund - \$2,906,300

Housing trust fund - **\$17,562,000**

Sec. 5.Budget Reductions The following agencies shall reduce expenditures in the stated amounts:

Department of Health Services:

Emergency medical services operating fund - \$299,200.

Indirect cost fund - \$453,800.

Newborn screening program fund - \$340,300.

Substance abuse services fund - \$125,000.

Department of Housing:

Housing program fund - \$227,500.

Housing trust fund - **\$3,229,500.**

Sec. 6. Expenditure reductions; personnel expense

Arizona health care cost containment system - \$1,746,400.

Department of economic security - \$5,121,700.

Monday the Legislature will start working on cutting the 2009-2010 budget by approximately \$3.4 billion.