



Children's Action Alliance

A Voice for Arizona's Children since 1988

HOW GOVERNOR BREWER'S BUDGET RECOMMENDATION IMPACTS KIDS

February 1, 2012

Governor Brewer's budget proposal continues most of the past cuts to children's health, education, and security. KidsCare and child care remain frozen. There is no state funding for full-day Kindergarten or preschool and no inflation funding for K-12 schools. Grandparents raising grandkids continue to get no help and the poorest mothers and children continue to be left behind.

Her budget uses current year funds to pay off some debt early, to upgrade some technology, and to build new prison beds. She also proposes investments in specific areas of behavioral health, early reading, and child protective services. Her proposal offers no plan for balancing the budget in future years -- no proposal to meet state priorities as the temporary sales tax expires and new tax cuts kick in. Ongoing revenues remain below ongoing expenditures -- even with the budget cuts in place.

The dollar amounts shown are proposed increases or (decreases) from current funding in the Fiscal Year 2012 budget.

Health Care

- \$(15.2) million Less money for KidsCare as the enrollment freeze continues and fewer and fewer kids are covered.
- \$681.9 million Additional funds for caseload growth in AHCCCS, DES and behavioral health services.
- \$(533.0) million Savings from enrollment freeze for adult-without-minor-child coverage (Prop 204) and other provisions of the Medicaid Reform Plan.
- \$27.8 million Rate increases for certain AHCCCS providers.

Child Protective Services

- \$400,000 4 new management positions to oversee critical areas.
- \$2.3 million 28 new investigative specialist positions (former law enforcement professionals).
- \$1.0 million Funding to promote 175 CPS specialists to improve retention of experienced staff. (CPS has 1,043 caseworker positions)
- 0- No new funds to reduce caseloads or to provide in-home support or support for foster parents and the children in their care.
- \$17.0 million Funding for more families adopting children with special needs.

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- 0- Continues to turn away qualified, working parents from child care financial assistance.

Education

- 0- No increase in funding per student to keep up with growing costs.
- \$50.0 million Adds funds for schools to hire reading specialists and implement curriculum to help young students get on track to pass third grade reading standards. Amounts range from less than \$500 in the smallest districts to up to \$3 million in the largest.
- (\$125.1) million Reduces funding for local school districts due to lower enrollment and higher local property tax revenues.
- \$82.4 million Increases state funding for charter school enrollment increases.
- \$200.0 million Increases funding for soft capital – books, computers, and other in-class supplies.
- \$40.0 million Proposes a new statewide system for an inventory of school assets and limited state funding based on a maintenance schedule.
- \$100.0 million Proposes a new formula for funding school construction that limits state funding, increases local property taxes, and ignores the geographic boundaries for local school districts.
- \$5.1 million Supports the statewide data system for public preschools, elementary and secondary schools, and postsecondary education established in state law in 2011.
- \$4.6 million Restores state funding for adult education (GED classes) to allow Arizona to draw in federal Workforce Investment Act funds.

Juvenile Corrections

- (\$3.8) million Reduces funding associated with savings from the closing of the Catalina Mountain facility.

WHAT ELSE IS HAPPENING IN THE BUDGET?

Higher Education

- \$10.0 million Establishes scholarships for students enrolling in certain community college programs.

Behavioral Health

- \$38.7 million Adds funding for specific services for people with serious mental illnesses who do not qualify for Medicaid.

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Prisons

- \$50.0 million Authorizes construction of 500 new state prison beds and 2,000 new private prison beds, all to be opened in 2014. Operating costs for the new beds are not yet counted.
- \$9.3 million Funds 153 new Correctional Services Officer positions, with an additional 153 positions intended for the following fiscal year.

State Employee Salary Increases

- \$53.7 million Total Funds Funds a 5% pay increase for state employees outside of the university system. Merit system employees who are not sworn law enforcement officers would be eligible for the increase only if they agree to leave the merit system and become exempt.

Tourism

- \$7.0 million Restores \$7 million from the state general fund for assistance to the tourism industry.

Computer System Replacements/Upgrades

- \$106.3 million Replaces the state's accounting system.
- \$7.1 million Upgrades the Department of Revenue's computer system.

Buying Back Capitol

- \$106.0 million In fiscal 2010, several state buildings were mortgaged. The Governor proposes paying off the mortgage on the state capitol early, leaving the money sitting in a fund until 2019.

Fund Sweeps

- \$15.2 million Sweeps more dollars from more than 200 special purpose funds. The sources for these funds range from licensing fees paid by professionals to gasoline taxes intended for highway construction. The budget includes \$109.2 million to continue fund sweeps occurring in FY 12.