



Children's Action Alliance

A Voice for Arizona's Children since 1988

HOW GOVERNOR BREWER'S BUDGET RECOMMENDATION IMPACTS KIDS

January 19, 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.

Health Care

- Less money for KidsCare as the enrollment freeze continues and fewer and fewer kids are covered.
- Additional funds for caseload growth in AHCCCS and behavioral health services.
- Rate increases for certain AHCCCS providers.
- Less money for adult coverage as the enrollment freeze for adults without children at home continues.

Child Protective Services

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

Child Care

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

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Education

- No increase in funding per student to keep up with growing costs.
- Adds funds for schools to hire reading specialists and implement curriculum to help young students get on track to pass third grade reading standards.
- Reduces funding for local school districts due to lower enrollment and higher local property tax revenues.
- Increases state funding for charter school enrollment increases.
- Increases funding for soft capital – books, computers, and other in-class supplies.
- Proposes a new statewide system for an inventory of school assets and limited state funding based on a maintenance schedule.
- 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.
- Supports the statewide data system for public preschools, elementary and secondary schools, and postsecondary education established in state law in 2011.
- Restores state funding for adult education (GED classes) to allow Arizona to draw in federal Workforce Investment Act funds.

Juvenile Corrections

- Reduces funding associated with savings from the closing of the Catalina Mountain facility.

WHAT ELSE IS HAPPENING IN THE BUDGET?

Higher Education

- Establishes scholarships for students enrolling in certain community college programs.

Behavioral Health

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

Prisons

- 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.
- Funds 153 new Correctional Services Officer positions, with an additional 153 positions intended for the following fiscal year.

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State Employee Salary Increases

- 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.

Commerce/Tourism

- Continues \$31.5 million per year general fund appropriation to the Arizona Commerce Authority.
- Restores \$7 million from the state general fund for assistance to the tourism industry.

Computer System Replacements/Upgrades

- Replaces the state's accounting system.
- Upgrades the Department of Revenue's computer system.

Buying Back Capitol

- 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.

Continued Fund Sweeps

- Continues \$109.2 million in fund sweeps 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 construct