Some things about March in Arizona are certain. The sun will shine, spring training games will make adults want to skip work to enjoy baseball, wildflowers will bloom, and state legislators will disagree on budget priorities.

This year is no exception. As spring fills the air, the Capitol is increasingly filled with quiet complaints that a state budget proposal is nowhere to be seen (more on that in the budget update below). There is no shortage of non-budget work to keep legislators busy, however, and committee hearings stretched into long evenings throughout this week as policy committees took action on a wide variety of topics.

Legislators voted for more reporting on the drug and alcohol treatments available for inmates, requiring the Department of Corrections to submit an annual summary of the programs. They sought to give state and local governments more ability to determine what is designated as protected sites and monuments under The Antiquities Act, extend the length of terms in office for state senators, and increased reporting to gauge where and how federal dollars are distributed to governments and programs in Arizona. They approved proposals to require background checks for individuals the governor appoints to serve in medical, judicial, or financial oversight positions, and to protect Spanish speakers from those who incorrectly present themselves as attorneys.

The House moved closer to approving more liberty to student journalists, and the Senate gave courts more ability to decide when to suspend the driver’s license of a parent that is behind on child support payments. Former U.S. Congressman and Presidential candidate Ron Paul visited the Capitol to support a tax break for gold and silver, and calls for a U.S. Constitutional convention moved forward.

There are approximately 500 bills still eligible for consideration this year – 44% of the total introduced in the early weeks of the legislative session. Almost 300 of those bills still require at least one committee hearing; with only two weeks scheduled for committee hearings, legislators will work long days and difficult decisions as they rush to seek support for their proposals.

**Budget Update**

This week House Speaker J.D. Mesnard (R-Chandler) defended himself and his caucus from complaints that their budget process was slowing progress toward a state budget agreement. Members of the Senate and some Capitol observers have expressed frustration that the House is following a budget process that has been out of style in recent years – a process that relies on subcommittees to provide a more thorough analysis of state funding priorities.
Mesnard said his pledge to provide more input and involvement in the budget process was one reason he was elected to serve as Speaker, and said the process better informed discussions since legislative leaders could better understand the priorities of the legislators whose support will be needed to achieve a budget agreement.

Both the House and Senate continue their separate budget development processes as they identify the priorities that must be negotiated when they begin budget meetings with the Governor.

As state leaders work on budget priorities, several big unknown factors will impact how much funding will be available to address those priorities. Proposition 206, the voter-approved minimum wage increase, will have a significant impact on state revenues but a specific amount is not yet known. The Arizona Association of Providers for People with Disabilities calculates costs associated with the new minimum wage to be more than $72 million; schools and businesses are also facing increased costs.

Federal health care changes are another unknown that has direct and significant ties to state resources. Legislative budget staff has estimated that federal action on the Affordable Care Act and programs like Medicaid will impact state dollars by up to $1.4 billion. Governor Ducey joined a coalition of Republican governors who are fighting to protect federal funding of Medicaid benefits, and other state leaders are closely following federal health care proposals to determine how they will impact funding for Arizona. Business and healthcare representatives joined the discussion this week, calling for support for state programs.

A state budget is always a complicated project, but with high-dollar uncertainties like these the task becomes even more challenging.

Newborn Screening Expansion Nears Governor’s Desk

The House Committee on Health unanimously approved an increase to fees for Arizona’s newborn screening tests this week, moving Governor Ducey’s hopes for an expanded screening closer to the finish line. SB 1368 raises the fee from $30 to $36 – an increase that will require support from two-thirds of the legislature since it increases state revenues.

The Governor and the bill’s sponsor, Senator Sylvia Allen (R-Snowflake), believe the increase is merited since it will expand the screening to include testing for Severe Combined Immunoodeficiency (SCID) – an expansion that has been recommended by experts. The proposal is supported by a wide range of health care and child advocacy organizations. It now moves to the full House for consideration; House approval would send the bill to the Governor’s desk.
Senate Stalls Divisive Parking Proposal

An attempt to compartmentalize accessible parking spaces hit a roadblock this week, when Senator Bob Worsley (R-Mesa) stopped progress on a bill that has drawn significant opposition from individuals with disabilities. **HB 2408** seeks to designate some accessible parking only for individuals who use wheelchairs—a step that can reduce parking for individuals with disabilities that do not use wheelchairs. Representative David Stringer (R-Prescott) said he introduced the bill after hearing from a wheelchair user who could not park his van because other cars with parking placards were using the designated spaces. But opponents of the measure say the bill is unnecessary, will negatively impact all individuals with disabilities, and places divides between various types of disabilities.

The bill passed the House last month on a largely party-line vote of 33-25 and was scheduled to move through the Senate Committee on Transportation & Technology on Tuesday. But after opposition and testimony from individuals with disabilities, Senator Worsley held the bill without a vote. The committee has two more weeks to resume consideration of the bill, but it is not on the agenda for next week.

Progress Slows on Controversial ADA Bills

Neither the House nor Senate took action this week on proposals to address the recent ADA “drive-by” lawsuit problem, and thus far no action is scheduled on the bills next week.

**SB 1198**, which requires a delay and specified notification before a lawsuit could be filed for an ADA violation—a step that small businesses believe will prevent harassing lawsuits, but opponents say will lead to more hardship for people with disabilities and impose barriers that other groups do not face when enforcing their civil rights. The bill passed the Senate last week but is not scheduled for a hearing in the House Committee on Judiciary & Public Safety.

**HB 2504**, a compromise proposal that would authorize a court to impose a sanction on a plaintiff if an action or series of actions are brought for the primary purpose of getting payment from the defendant, has not moved to the full House for a vote. It was unanimously approved by a committee last month.

Partisan Divide Continues as Debate on TANF Benefits Moves Forward

The 2017 legislative session started with bipartisan tones of agreement when Governor Ducey’s State of the State speech recommended a restoration of two-year benefits under the Temporary Assistance for Needy Families (TANF) program. But that agreement has turned to sharply partisan debate as the Governor’s proposal moves through the legislative process.

The divide occurred when House Republicans approved an amendment that implemented stricter compliance measures for TANF recipients, requiring more fraud prevention, additional job search evidence, and stronger penalties for misuse of TANF dollars. House Democrats criticized the shift away
from a bipartisan approach, the Governor’s office responded with strong statements against Democrats’ position on the issue, and the bill became a lightning rod of debate as it moved to the Senate.

This week, the proposal moved through the Senate Committee on Health & Human Services on strictly party lines. Advocacy groups for low-income individuals spoke against the bill in its amended form, asking legislators to emphasize education rather than penalties for TANF recipients who misuse their benefits.

But the committee rejected an opportunity to pursue the graduated system of sanctions requested by numerous advocacy groups, failing to pass an amendment offered by Senator Katie Hobbs (D-Phoenix) despite promises that the change would restore support from Democrats in the House and Senate.

Senator David Bradley (D-Tucson) said the altered form of the bill saddened him. If the state’s goal was to reduce the number of people receiving TANF benefits, he observed, “we succeeded.” But Bradley argued the amount saved from reduction of TANF enrollment is “equivalent to a rounding error” in the DES budget each year, and a removal of TANF benefits makes low-income individuals show up elsewhere – like courts and hospitals. “It seems ludicrous to me to continue to hammer way and reduce the resources to people who desperately need them,” Bradley stated as he voted against the bill.

Senator Debbie Lesko (R-Peoria) and other Republican members of the committee criticized the Democrats’ opposition, praising the bill for extending resources to those who need it and protecting those who follow the rules while using state programs to get a hand up. 

HB 2372 passed on a vote of 5-2, and now awaits a hearing in the Senate Committee on Appropriations.

On the Bright Side...

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