

While things have slowed down at the state Capitol this summer, there is still plenty of excitement in Arizona politics. The country's attention turned to Arizona this week as U.S. Senator John McCain announced his [fight with brain cancer](#). His health problems were one factor in the Senate's inability to find a path forward on health care changes. While Congressional leaders determine their next steps, [Governor Ducey](#) and many [legislators and business representatives](#) will continue to keep a close watch on how federal proposals impact Arizona's Medicaid funding and services.

There are many reasons to stay engaged in actions at the federal government. A [White House commission](#) recently fueled a high-profile and passionate debate about whether Arizona should provide the information on voter registration in the state. Secretary of State Michele Reagan opted to [refuse the request](#), citing concern about voter privacy. The issue is not over, though, as federal officials call for more state information and privacy groups closely monitor government actions on the issue.



Closer to home, there is an empty seat in the state legislature after Representative Jesus Rubalcava (D-Gila Bend) resigned this week. Elected precinct committee officials and the Maricopa County Board of Supervisors will select his replacement. Last week, a court began consideration of [a case](#) that will determine whether the legislature's recent changes to the requirements for citizen initiatives can continue. Opponents of the changes have also turned to citizen initiatives: at least [one of the groups trying to undo legislative action by ballot initiatives](#) say they are on track to get the signatures required to put the issue

before voters in the November 2018 election, though leaders of a similar effort [admitted their failure](#) to obtain the necessary support. Leaders of [an initiative](#) to reverse the legislative expansion of Empowerment Scholarship Accounts say they are also pursuing the support they need to advance their proposal. The groups have until August 8 to collect the more than 75,000 required signatures from registered voters.

In policy news this month, Arizona employees [got more sick time](#) due to implementation of a proposal approved by voters last November, the Auditor General [recommended improvements](#) to the state's program that grants free university and community college tuition to those in foster care programs, and the Department of Health Services [began releasing data](#) it receives through its new requirement for reporting suspected opioid overdoses and deaths. The Department of Health Services (DHS) also received a long-awaited [analysis](#) of independent health oversight boards that is likely to renew the discussion about whether the boards should remain independent or be under the umbrella of DHS. Neither the Governor nor DHS has signaled how they intend to use the information provided in the independent analysis.

Budget Update

There was good news for state revenues this month in a [report](#) from legislative budget staff. Revenues in the month of May totaled more than \$725 million – 6.7% above May of last year, and \$45.8 million higher than the enacted budget predicted. Most of the growth was generated by an increase in individual income tax, though sales tax revenues also grew.

Panel Starts Work to Change the U.S. Constitution

Several legislators recently returned to the Capitol to start the work of the [Balanced Budget Amendment Planning Convention Committee](#). The six-member panel is charged with planning Arizona's participation in a constitutional convention to consider adding budget limitations to the U.S. Constitution, and began its work with a focus on the logistical details necessary to fulfil their goals – including invitations and meeting space. The Arizona Planning Convention is scheduled for September 12 at noon, at the Arizona State Capitol.

Arizona participation in a constitutional convention was authorized by the legislature this year, after years of debate on the issue. For a convention to occur, however, 34 states must join the call to reopen the Constitution for amendment. As some states may rescind the call they previously approved (sometimes many years ago), the likelihood of reaching that required participation is unclear.

AHCCCS Waiver Application on Hold

In 2015, the legislature directed AHCCCS to submit a federal waiver to seek new limits – including caps and work requirements – to AHCCCS recipients. AHCCCS began that process, holding public forums around the state to obtain feedback. As the Medicaid system hangs in limbo awaiting federal action, however, AHCCCS has paused progress on the waiver and missed a March 30th submission deadline that was enacted in the 2015 legislation.

Neither the Governor nor House Speaker J.D. Mesnard (R-Chandler) is concerned about the missed deadline. Both point to a hope that this administration will look more favorably on state flexibility for imposing restrictions on Medicaid benefits, and the Governor's office said it might take more time to review the public input received during the AHCCCS waiver process.