



Arizona House of Representatives

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Speaker of the House Andy Tobin

From Speaker of the House Andy Tobin, R-Prescott (Dist. 01)

Date: Thursday, May 15, 2014

2014 LEGISLATIVE WRAP UP

The Second Regular Session of the Fifty-first Legislature had many public policy achievements. I believe it is important that we share these successes with you, many of which, unfortunately, did not receive the attention they deserve.

The Legislature appropriated \$9.2 million for the construction of a new State veterans home in Yuma in the 2015 budget. This effort along with a veterans home completed in Tucson in 2011 highlights the Legislature's commitment to keeping Arizona one of the friendliest states for veterans. The Yuma home will provide services to the 20,000 veterans living in southwestern Arizona.

The Legislature created and passed harsher penalties for human trafficking and crimes associated with child prostitution. This legislation keeps Arizona at the forefront of protecting those most vulnerable in our society by punishing the perpetrators that organize and promote these despicable crimes.

In addition, the Legislature increased funding to the Department of Public Safety with the intention of funding pay increases for our public safety officers. A pay raise has been long overdue and is needed to retain and reward these officers for the courage and sacrifice they demonstrate each day on the job.

Together with my fellow legislators and the Governor, much has been accomplished. There is still more work to be done and I take comfort knowing the legislative accomplishments listed below keep Arizona on a fiscally stable path, broaden opportunities for everyone and protect those in need.

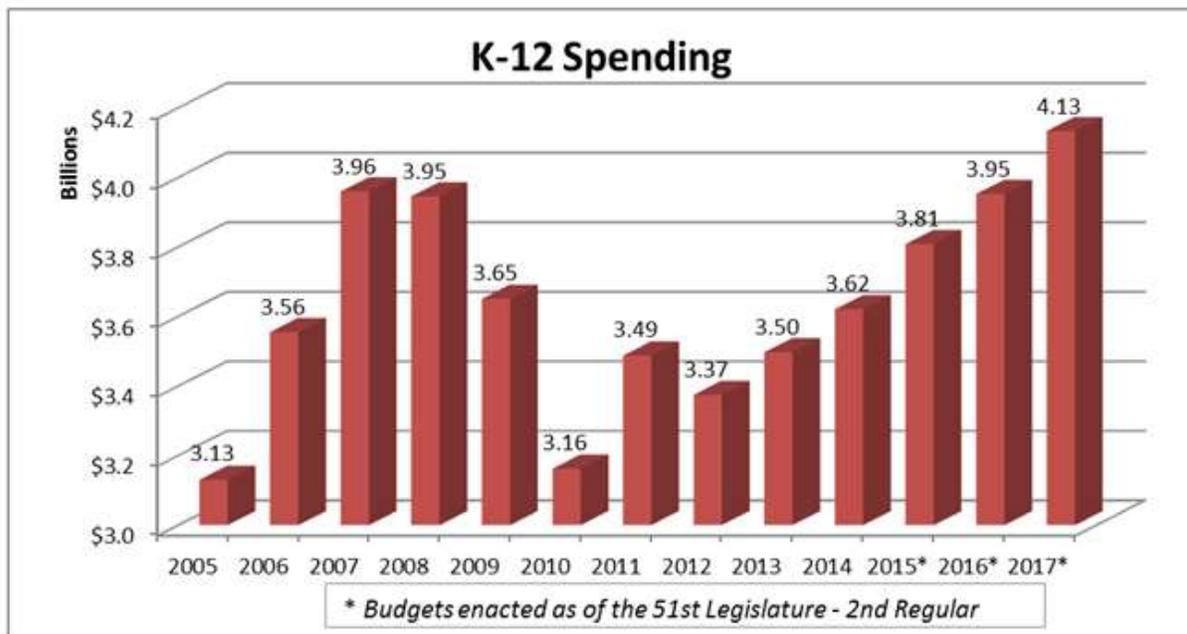
God bless you and thank you for the opportunity to serve,

Andy Tobin

K-12 Education

For fiscal year 2015, the General Fund budget increases education funding by an additional \$189 million, which excludes a 2014 supplemental of \$47 million. In total, more than \$235 million was added to K-12 education for the year. This increase followed restoration of more than \$200 million for education in fiscal years 2013 and 2014. With the adoption of the 2015 budget, the K-12 education portion of the General Fund budget is only \$150 million lower than its 2007 peak of \$3.96 billion which was reached under the previous administration.

RESTORING K-12 FUNDING FY 2015 \$150M BELOW 2007 PEAK OF \$3.96



Notes: Figures do not include funding for capital improvements and all-day K.

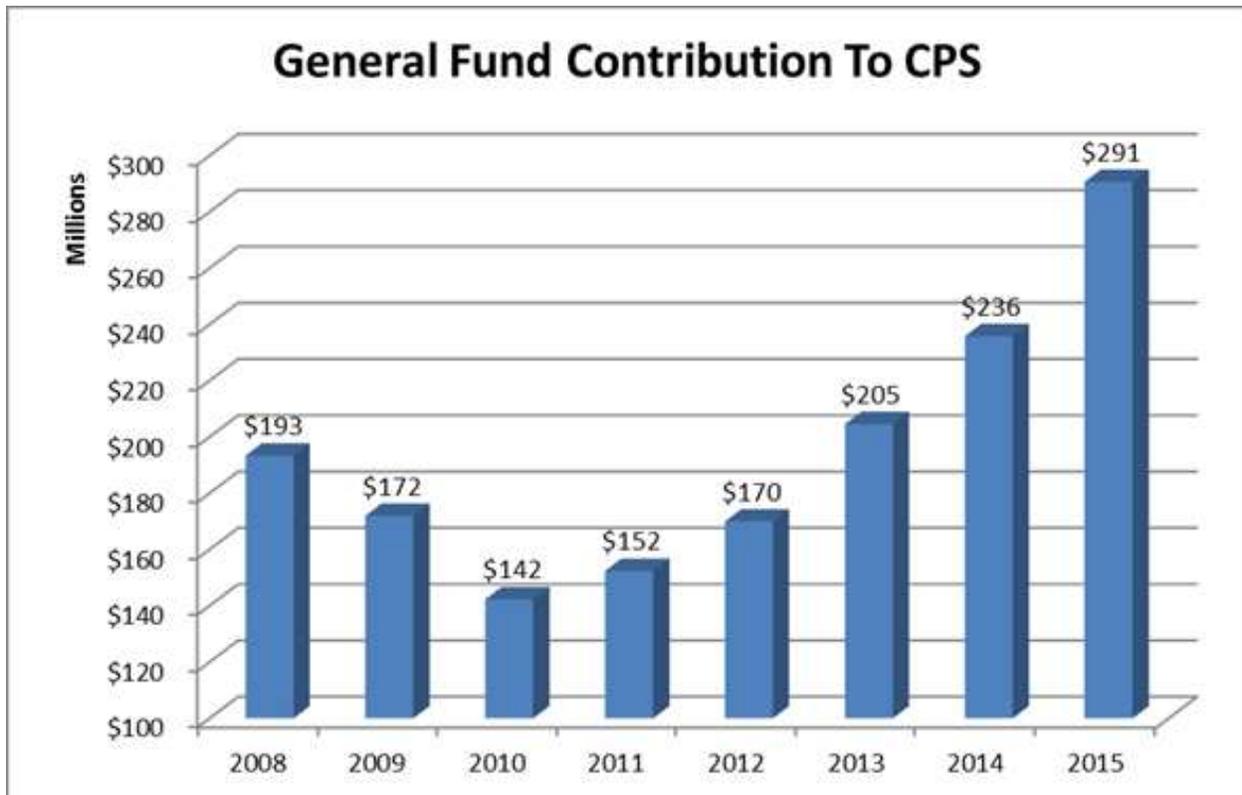
Higher Education

The 2015 budget provided additional funding to Arizona State University (ASU) and Northern Arizona University (NAU) of \$27.5 million to bring their funding in line with University of Arizona (UofA). The additional funding marks the third year of a five-year plan to achieve parity among the three universities, bringing the plan to its completion two years early. In addition, the 2015 budget appropriates \$3.5 million for U of A's Cooperative Extension Program, adding 28 full-time employees, and \$6.2 million for Community College STEM education (science, technology, engineering and math). On top of this, the budget allocated additional operating funds for each university:

- Arizona State University: \$2 million
- University of Arizona: \$2 million
- Northern Arizona University: \$500,000

Child Protective Service

The safety of Arizona’s children has been, is and will remain a main focus and responsibility of the Legislature. The Office of Child Welfare Investigations (OCWI) which uncovered the 6,500 uninvestigated cases began operations in January . The portion contributed by the General Fund, as shown below, to Child Protective Services (CPS) has increased each year since fiscal year 2010, and exceeds by nearly \$100 million the high point reached during the previous administration.



Notes: Figures compiled by JLBC from CPS and related source documents. DES reported to JLBC fiscal year 2010 General Fund spending at \$175 million, not \$142 million, but the lower figure was chosen to keep source documents consistent. The General Fund figures are from the DES’s budget submittal. 2015 General Fund figures include \$5 million for replacement of computer system (CHILDS), and \$20 million for establishing independent agency outside of DES.

The General Fund contribution to CPS shown above provides for the cost of operating CPS, funding for OCWI, as well as funding for general support services which includes programs that help families stay together. Child Protective Services is funded through a mix of federal and state dollars.

Tax Policy/Commerce/Work Force

HB 2272 – Renews the angel investment tax credit to help business startups attract angel investor capital.

HB 2377 – Indexes the tax brackets for inflation in TY 2015. Arizona does not currently adjust our tax brackets for inflation.

SB 1413 – Creates an exemption for electricity sold to manufacturing or smelting operation from TPT and use tax. Arizona is one of the few states that taxes electricity on manufacturers.

SB 1484 – Creates a corporate and individual tax credit for investment in new renewable energy resources if the power will be used primarily for manufacturing. Taxpayers can get up to \$5 Million in credit with a program cap of \$10 Million.

Human Trafficking (HB 2454)

This legislation broadens and clarifies the penalties associated with human trafficking and child prostitution, so that the harshest penalties are imposed on perpetrators of these kinds of crimes and Arizona remains at the forefront of the fight against human trafficking. Specifically, it broadens the definition of human trafficking to include racketeering and increases penalties for drawing a child into prostitution. Prior to this legislation, victims were treated like the criminals who coerced them into prostitution. It also prescribes an additional aggravating circumstance to the crime of child prostitution if the victim came from a shelter for runaway youth, foster children, homeless persons or abused persons. Finally, this legislation establishes the human trafficking victim assistance fund.

Victims' Rights (HB 2626)

Establishes the Victims' Rights Enforcement Fund and prescribes an additional \$2 assessment collected by the courts for criminal offenses and certain civil penalties. The legislation gives nonprofit organizations additional resources to provide legal services to crime victims, and helps victims of crime protect their constitutional rights.

Commerce with Mexico

In March 2014, a delegation made its second trip to Mexico City to broaden Arizona's economic ties with Mexican businesses and government officials – the first bipartisan trip occurred in September 2013. The March trip included state university officials, Arizona Chamber of Commerce & Industry, Arizona Commerce Authority, officials from the tourism and technology sectors as well as city of Phoenix officials, who are collaborating to re-open a trade office in Mexico City. The FY 2015 budget appropriates \$300,000 to create a trade and investment office in Mexico City, Arizona's largest trading partner. Over the last 10 years Arizona's commerce with Mexico has more than doubled, reaching more than \$14 billion as of 2013, according to the US Census Bureau.

Veterans Homes (2015 Budget)

The 2015 budget appropriates \$9.2 million to assist in the construction of a 60 to 90 bed Veterans Home in Yuma. By placing a State veteran's home in Yuma, the Arizona Department of Veterans' Services will be able to further advance its plan to provide services to the estimated 20,000 veterans in and around the Yuma region. This home follows the new Tucson State veteran facility opened Nov. 11, 2011.

Currently, there are only two veterans facilities in Arizona – one in Phoenix and one in Tucson. The Arizona Department of Veterans Services had considered building such a home in Flagstaff, Kingman or Yuma – eventually deciding Yuma needed the facility the most.

DPS Increase (2015 Budget)

An increase of \$3.3 million was appropriated to the Department of Public Safety in the 2015 budget and carried through budget years 2016 and 2017, for a total increase of nearly \$10 million of the next three years.

Highway User Revenue Fund (2015 Budget)

The 2015 budget marks the beginning of the restoration of the nearly \$120 million in HURF revenues that have been diverted in previous years. Communities, especially rural ones, can expect additional funding in 2015 to perform deferred road maintenance and needed improvements. Specifically, the 2015 budget restores \$30 million to HURF and an additional \$30 million in 2016. By 2017, the budget restores \$60 million to HURF, for \$120 million over the three-year period. Rural communities are particularly sensitive to HURF, and \$120 million over the next three years will help communities rebuild their infrastructure and will create jobs in rural areas of Arizona.

Breast Cancer Notification (SB 1225)

Breast cancer is the second leading cause of cancer death in females in the United States, according to a report published by the Arizona Department of Health Services. Nationwide, breast cancer kills nearly 40,000 women annually. In Arizona, more than 3,500 women are diagnosed with breast cancer each year. Beginning October 1, 2014, health care facilities that perform mammography examinations are required to include a notice to women stating the accuracy of test results is reduced as tissue density increases. SB 1225 heightens early detection efforts, when the cancer is likely to be smaller and confined to the breast. Since 1989 early detection efforts have helped to save more than 2.8 million women.

Teenage Suicide Prevention (HB 2605)

This bill allows certified teachers and administrators to count suicide awareness and prevention training programs as continuing education credits. In Arizona, suicide is the second leading cause of death for people ages 10-19. Educators play an important role in recognizing the warning signs and knowing what to do to support students and their families.

Cancer treatment costs (HB 2078)

Beginning Jan. 1, 2016, insurers who provide coverage for cancer treatment medications will be required to charge the same copayment, deductible or coinsurance amount for patient-administered cancer medications as it charges for medications administered by a health care professional. Although cancer drugs taken orally and administered by the patient can be as effective as other cancer drugs administered by a health care professional, patients have been paying more out of pocket for them. Moreover, patient-administered cancer drugs allow a patient to remain at home rather than going to a hospital or clinic for every treatment.

Terminal Patient Right to Try Act (HCR 2005)

If approved by the voters at the ballot this November, terminally-ill patients will have access to experimental drugs that have not yet been fully vetted by the Food and Drug Administration. It also prohibits a state agency from taking action against a physician or health care institution that prescribes an experimental drug in accordance with standard medical practices.

End