Legislative Report - December
Respectfully submitted by Julie Horwin

AEA Government Relations and Legislative Task Force met on Saturday, Nov. 15, 4-6 PM in Phoenix.

The following are from hand-outs and notes taken at that meeting. Information is from **Jennifer Daily, AEA Lobbyist**.

<u>What we have to work with:</u>
House
35 Republicans, 25 Democrats
Republican Leadership: Adams, McComish & Tobin
Democratic Leadership: Lujan, Sinema & Chad Campbell
Senate
18 Republicans, 12 Democrats
Republican Leadership: Burns, Chuck Gray, Gorman
(Newbies & Burns has no bone to pick with AEA. Doesn't like closed door sessions - where deals are made in the dark. This has somewhat worked in the past for AEA - so we will see if more "open air debate works for AEA.)
Democratic Leadership: Garcia, Rios & Lopez

Governor Napolitano leaves AZ to become Secretary of Homeland Security
Current fiscal year runs July 1 – June 30. We're already at a $1.2 billion budget deficit in the **current** budget. So it needs to be cut $1.2 just to balance.
Gov. Napolitano may call a *Special Session* with the **current** legislature (not those just elected in 08 General Election.)
Chances are she will do this once she has cut a deal with the current Republican Leadership. That is theory. Seems that most at state leg. want to do this sooner rather than later so options don't close because all agencies continue to spend what they have now, which makes things worse.

New leadrship means brand new Committee Chairs. Specifically, the Ed committee, Ways and Means Committee and ASRS Committee.

Also, the meeting days for Education may change. In past, Mondays in House and in Senate. That may change. For instance, it could be Monday in House and Thursday in Senate.

On the Horizon for the 2009 Arizona Legislative Session

The last legislative session left a bitter taste in many legislators' mouths. There was **party infighting** and cries that the legislative process itself was not being respected and adhered to. Sen. Burns is a big proponent of using the Appropriations and Ways and Means Committees to work the Budget Bills.

Legislators will have one ugly mess to deal with come January. The state's budget deficit is currently predicted to be nearly ***$1 billion*** in the red this fiscal year (runs from July 1, 2008 to June 30, 2009). Thus, legislators and the governor will grapple with closing a nearly $1 billion hole in the budget during the current school year. Unfortunately, things don't look any brighter for the next fiscal year (fiscal year 2010: July 1, 2009 through June 30, 2010). Some of the legislative analysts predict an unprecedented **$3 billion deficit** for this next fiscal year—approximately 30% of the entire state budget. Ouch!

Arizona finds itself in this mess largely due to the structural deficit created by legislators and the governor in the 2006 state budget **which included numerous tax cuts**. The AEA opposed this budget, and the State has now found itself in a horrible situation being unable to keep up with the state's growth based on the funding available to the state's general fund.

Unfortunately, we have already heard grumbling by fiscal conservatives. They believe government has grown too big and needs to be drastically reduced. As the state's education budget makes up 48% of state expenditures, it is anticipated that our schools will be facing the chopping block early. Education will have to fight tooth and nail in order to retain its woefully inadequate funding level while other vital needs like funding for English Learner Programs, expanding the Career Ladder Program statewide, and basic school capital needs still have to be addressed.

Here are big budget-related issues that will be in play during the 2009 legislative session.

***Flores*/English Language Learners**

The U.S. District Court will hold a ten-day trial beginning November 3. This trial will examine a number of issues relating to English Language Learners (ELL), and Judge Collins will rule on the following:

- The calculation of incremental costs and funding ELL program costs (specifically if the structured English immersion models are rationally funded).
- The State's obligation under Prop 203 (English immersion) and the Consent Order of June 30, 2000 (this includes a requirement for the State Board and Arizona Department of Education to adopt rules for English language instruction, compensatory instruction and monitoring by the Department).
- Whether the offsets from desegregation funds and local property taxes are permissible.

- Determining if the January 2000 judgment has been satisfied. This ruling found that the funding level provided by the state for ELL was "arbitrary and capricious" and failed to provide enough teachers, teachers' aides, classrooms, materials and tutoring for these students.

Judge Collins is expected to rule shortly after the conclusion of this trial, thus, the Arizona Legislature will have to comply with a major court order when the session begins on January 12.
Flores: Monday. Nov 4. T Hogan presented 4 different school districts and they testified about why the current program is not working. State has to defend money gave and requirements. Court will resume on Monday, Nov 17.

During last legislative session, the legislature appropriated approximately $40 million in funds for ELL programs. School district superintendents put the true costs of implementing the ELL Task Force's four-hour immersion requirement to be in the $300 million range. Unfortunately, the state is well short of funding this amount.
So, given the budget deficit, and federal judge perhaps telling the state to bump up money for ELL– so then what?

Arizona's School Tax
Some legislative candidates are campaigning to repeal Arizona's school tax. The Arizona Chamber of Commerce will likely have this issue as its top legislative priority. This school tax is assessed on businesses and homeowners and was temporarily suspended in 2006 when Arizona had a budget surplus of over $1.4 billion. Arizona now has one of the largest state budget deficits in the country. If this tax is permanently repealed, our schools will lose approximately $250 million in revenue every year. This tax is collected by the counties and goes directly to fund school district equalization assistance relieving the state general fund from that amount of obligation. The cost to the average Arizona homeowner is only $5 to $8 per month. If this tax is eliminated, Arizona schools will really be in a world of hurt. Considering the budget deficit coupled with the needs of our under funded public schools, it is fiscally irresponsible to repeal this important and stable source of revenue.

AEA and the 2009 Legislative Session
The AEA will work pro-actively with legislators and the governor to make necessary changes to restore the fiscal health of the state and preserve key funding for education. AEA's Government Relations & Legislative Action Task Force will meet after the election to work on the AEA's legislative agenda and forward it to the AEA Board of Directors for consideration and approval.

This will no doubt be a rough legislative session. The AEA and all its members must be united in its mission to "keep the promise of quality public education." We must stay engaged far after the elections and work with policy makers to move Arizona forward. This means holding legislators accountable for their campaign promises to invest in education. Having one voice that says loud and clear that cuts to education are not

acceptable and that an investment in public education will lead to economic growth is vital. This is not just for our interests, it's for our future.

AIMS Task Force

As part of the fiscal year 2009 budget deal the legislature created an AIMS Task Force. The State Board of Education appointed the members to the Task Force, and the first meeting has occurred.

Per the enacting legislation, the Task Force must:

1. Examine the experiences and outcomes of other states that have adopted tests that are required for the graduation of pupils from high school and that incorporate a national college admission and placement examination.
2. Develop methodologies, models and other recommendations for the initial Arizona assessment of achievements test.
3. Examine whether the Arizona assessment of achievements test should be a high-stakes test that high school pupils must pass in order to graduate from high school.

The Task Force must submit a report containing findings and recommendations by June 30, 2009. The AEA will closely monitor the actions of this Task Force over the coming months. For more information and a list of the meeting dates go to: http://www.ade.az.gov/AIMSTaskforce/

A note on the Voucher situation: Supreme Court ruled against the constitutionality of the the voucher for special ed. And foster kids for private school vouchers. So, Tom Horne used state aid money to foot the bill. That will most likely come back this year.