



THE VOTER

THE LEAGUE OF WOMEN VOTERS OF CENTRAL YAVAPAI COUNTY

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March 2012

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EYE ON THE LEGISLATURE

LEAGUE OF WOMEN VOTERS® OF CENTRAL YAVAPAI COUNTY
MARCH GENERAL MEETING

Saturday, March 10, 2012

9:00 A.M. – 11:30 A.M.

Las Fuentes Resort Village
1035 Scott Drive Prescott, Arizona

Join us for a discussion on what's happening in the Legislature!

Guest Speaker: Mary Jo Pitzl

Legislative Reporter, Arizona Republic
and a frequent guest reporter on Friday night's
"Arizona Horizon" on PBS

Mary Jo Pitzl will be with us to discuss bills, take questions
about legislative activity and lead the discussion.

Come prepared and ask your questions!

The League of Women Voters is a nonpartisan political organization
encouraging informed and active participation in government. It influences
public policy through education and advocacy.

LWVCYC Website: <http://goo.gl/HxKph>

President's Message



There is lots of election year activity at the State level, and you all should have received the recent copy of the State League newsletter, "Arizona Voter". Be sure to read the consensus statement on Updating the Executive Branch Position because this will be a topic of future legislation and resolutions, and revisions to the Executive Branch may become a ballot issue.

The legislative scene is hard to follow, particularly when the Legislature does not afford adequate public notice or public participation in its deliberations. However, the League continues to be a presence at the Legislature since many of the issues are ones on which the State or National League has a position. If you have any questions about

legislation, please contact Gini McGirr at ginilwv@aol.com

We will have an informative March 10 meeting with Mary Jo Pitzl from the Arizona Republic presenting "Eye on the Legislature." April 14 is the annual meeting, and you should be receiving your packet in the middle of March. A speaker has been invited to follow the annual meeting, but confirmation of their attendance is uncertain. We should know who that person will be at the March meeting.

See you in a couple of weeks.

Vicky McLane

Don't Miss our March 10 meeting
"Eye on the Legislature"
with Mary Jo Pitzl from
the Arizona Republic

Mary Jo Pitzl is lead legislative and political reporter on the AZ Republic. Her fresh outlook and calm evaluation of the legislature has entranced many of her readers and also viewers of her frequent appearances on Journalists' Roundtable on Channel 8 Arizona Horizon.

LWVCYC is indeed privileged that she has agreed to speak to us at our traditional "Legislative Update" meeting. Please tell your friends and invite them to come with you to our public meeting on March 10 at 9 AM at Las Fuentes.

Mary Jo has been with the Arizona Republic since shortly after her graduation from the University of Nebraska in 1980 with majors in journalism and French. While at UNL, she was a staff member on the student newspaper, The Daily Nebraskan, and was recognized as an outstanding student leader by her selection as a member of Mortar Boards honorary. She also sang in the University Chorale and was a member of Tassels, the pep club.

Originally an environmental reporter, Mary Jo has now been covering the legislature for 6 years. She loves to get away to hike and backpack in varied locations. She is an enthusiastic supporter of neighborhood preservation in her F Q Story Historical Neighborhood. She has served as Treasurer of First Amendment Funding, an Arizona corporation, since 1987.



Local representative carries most district bills

Taken from 2/16/2012 The Daily Courier by [Joanna Dodder Nellans](#)

With two of the three Legislative District One elected officials now in the top leadership positions of their respective chambers, Rep. Karen Fann is carrying most of the bills originating from this district.

Among the most prominent of Fann's 17 bills are those dealing with unemployment benefits, large-scale rainwater harvesting, state parks funding and fireworks. Five deal with workers' compensation.

"My job is to manage the Senate, not promote my views," New Senate President Steve Pierce, said, explaining why he had not introduced any bills.

House Speaker Andy Tobin, R-Paulden, has sponsored eight bills. Five of them propose changes to the Arizona Independent Redistricting Commission alongside alternative congressional and legislative district maps.

Tobin and Pierce may end up with their names on budget bills later. Like Fann, they have set aside "placeholder" bills that appear to be technical corrections but actually are there in case they're needed later for something else.

While Tobin and Pierce have limited numbers of bills, they claim that their influence in leadership positions helps this district in other ways, as they have the power to stop any bills they believe will do more harm than good.

Please note that this story was from Feb. 16, so the legislature's website should be consulted for current status of bills. To keep track of these bills' progress, go online to azleg.gov and type in the bill number at the top right corner of the home page.

Following are lists of the Tobin and Fann bills outside of the placeholders.

TOBIN

- **House Bill 2832** - Requires hospitals to allow doctors in good standing to have staff privileges at their hospitals, whether or not the doctors own outpatient surgical centers that compete with the hospitals.
- **HB2710**, House Concurrent Resolutions 2051-2053, and House Resolution 2005 - alternative redistricting maps and proposed revisions to the Arizona Independent Redistricting Commission, including increasing the commission from five to 12 members under his HCR2051.
- **HR2006** - Supports basing and training the Marine Corps F-35 Joint Strike Fighter squadron at the Yuma Marine Corps Air Station. Committee passed.
- **HR2008** - Supports the nation of Israel, noting that Israel is a trade partner with Arizona and it spends some of its U.S. military aid on Arizona defense contractors.

FANN

- **HB2184** - A strike-everything amendment to this technical corrections bill allows fire districts to maintain the same revenues as last year by increasing their tax rates through 2014, under certain conditions.
- **HB2356** - Outlaws ingredients in a popular illegal drug called "bath salts." Companion bill to Sen. Linda Gray's SB1043. The governor signed it into law, and an emergency clause makes it effective immediately.
- **HB2357** - Adds six extra hours of continuing education requirements for designated and managing real estate brokers so they can keep up with new issues such as types of sales. Requested by local Realtor. Passed committee.

- **HB2358** - Adds penalties for people who don't pay tolls at toll roads. A 2009 bill allowing the creation of toll roads through public-private partnerships didn't include such penalties, Fann said.
- **HB2359** - Clarifies that certain psychiatric facilities don't need to comply with hospital building codes.
- **HB2360** - Exempts flood control districts from liability for plans to reduce flooding problems. The Coconino County Flood Control District requested this bill so it could reduce flooding in Doney Park after the 2010 Schultz wildfire without having to take on the liability that goes with federal monetary aid, Fann said.
- **HB2361** - Allows local governments in counties with certain populations to ban the sale of fireworks.
- **HB2362** - Allows state parks to keep all the money they get through fees and concessions by prohibiting the Legislature from sweeping money from those funds as it has done in the past. Those sweeps led to temporary closures of some parks until local residents and governments helped them out.
- **HB2363** - Creates a 28-member legislative committee to study issues related to large-scale rainwater harvesting. Yavapai County Supervisor Carol Springer and other Prescott-area officials would like the state to give water-use credits to local developers and governments for harvesting rainwater at sites where impermeable soils prevent the water from getting into aquifers. This would be a major change in Arizona water law, and Arizona would be the first to allow credits for such water. Some water officials are concerned the bill would negatively impact surface water rights. A similar bill didn't get approval last year.
- **HB2365** - Requires workers' compensation claims to meet American College of Occupational and Environmental Medicine guidelines. Doctors who disagree can appeal.
- **HB2368** - Omnibus bill makes numerous minor changes to workers' compensation laws
- **HB2519** - For purposes of unemployment insurance, this bill says people have effectively refused a job offer if they test positive for illegal drugs or refuse a drug test. Also makes several minor changes to unemployment insurance laws.
- **HB 2675** cosponsor - places a \$2,000 fee on university students.

Held in committee.

- **HB2366** - Would allow doctors to share employee medical examination results with governments, insurance companies and employers when those employees are getting workers' compensation. Fann said she dropped this bill because another legislator has introduced a similar bill.
- **HB2367** - Allows workers' compensation insurance companies to set up medical provider networks and require injured workers to use in-network doctors.
- **HB2518** - Amends an existing law to extend the expiration date of theme park districts from the year 2016 to a total of 25 years, allows more than one bond issue, and reduces bond issue collateral from 50 percent to 20 percent of the issue. This would help Williams create a theme park.
- **HCR 2030** - Allows the state to deny workers' compensation for an injury to a worker whose use of alcohol, medical marijuana or illegal drugs was a substantial contributing cause to the injury. This is a proposed constitutional amendment so it would require voter approval. Fann said she is holding this bill because it's unclear whether the courts would allow it. A past court ruling concluded the state must prove the alcohol or drug use was the only reason for the injury, if the state wants to deny workers' compensation, she said.



START READING!
Materials for May 12 LWVUS Study and Consensus:
The Impact of Privatizing Government Services

Materials and other resources are posted at www.lvw.org/member-resources/privatization.

Our May meeting will focus on the Privatization Study by the National League.

The purpose of this study is to identify those parameters and policy issues to be considered in connection with proposals to transfer federal, state or local government services, assets and/or functions to the private sector. It will review the stated goals and the community impact of such transfers, and identify strategies to ensure transparency, accountability, and preservation of the common good.

This Voter and the next two Voters will have background information for this study supplied by the national league. In this Voter we provide you with an article: "Privatization: The Public Policy Debate".

PRIVATIZATION: THE PUBLIC POLICY DEBATE

Executive Summary

The purpose of this article is to provide a description of the evolution of the public policy known as "Privatization." Privatization is a movement to deregulate private industry and transfer many government services, assets and functions to the private sector.

Claims and Concerns

Those promoting privatization claim that:

- the private sector can provide increased efficiency, better quality and more innovation in services than the government;
- a smaller government will reduce costs to the taxpayer; and
- less regulation will provide a better environment for business, thus creating more jobs.

Those concerned about privatization suggest the following.

- Profits: The mandate to make a profit will endanger public safety and reduce services available to the general public.
- Costs: There will be increased costs to consumers.
- Transparency and Accountability: Private companies will lack transparency, adequate oversight and accountability.
- Corruption: There will be increased corruption between government and for-profit, private companies.
- National Defense: Privatizing sectors such as ports, utilities and defense can result in foreign control and will put the country at risk in the event of war.
- Inequality: The scale of privatized programs will result in chronic high unemployment, low wages and abusive labor practices, leading to growing inequality between the wealthy and poor.

Larger than the United States

The privatization movement is an international movement. Outside the United States, prominent divestitures of government assets have included Russia's natural gas (Gazprom), Bolivia's municipal water system in Cochabamba and the United Kingdom's British Rail. Inside the United States, privatization has taken the form of deregulation, e.g., the deregulation of the financial services industry; redistribution of the taxes "burden," e.g., efforts to reduce individual taxes on capital gains and inheritances, and reductions of corporate taxes; and privatization, the shifting of government programs to the private sector, e.g., the prisons and highways.

History

In the 1970s, disillusioned with the Progressive Era vision, leadership in the increasingly global private sector became more active, asserting that burgeoning tax rates and government regulations of industry were inhibiting free trade. Efforts were launched to dismantle many Progressive programs such as restrictions on financial lending, elimination of worker's compensation, elimination of control over food and environmental safety, and a revamping of the tax system by eliminating progressive taxes and replacing it with a flat tax.

Competing Theories

Milton Friedman: The intellectual inspiration behind the public policies to privatize in the United States has come from the Public Choice and Property Rights schools of thought. Prominent leaders advocating these theories include Milton Friedman, the Chicago School of Economics, and Fredrick Von Hayek whose book, *Road to Serfdom*, warned of the growing welfare state. The basic assumptions include:

- Democratic political systems have inherent tendencies toward government growth and excessive budgets.
- Expenditure growth is due to self-interested coalitions of voters, politicians, and bureaucrats.
- Public enterprises necessarily perform less efficiently than private enterprises.
- The more individuals stand to gain from tending to their property, the better it will be tended.

John Maynard Keynes: **The dominant economic theory after WWII was that of John Maynard Keynes.** Keynes believed that to break a depression, the government needed to stimulate demand. It was necessary to get money into the hands of consumers to jumpstart growth. Businesses would not borrow and build if no demand was in sight, no matter how low the interest rates might go. Keynesian theories were later refuted by economist Milton Friedman and this dispute is at the core of the ongoing debate regarding how to break the current recession/depression.

Privatization in Practice

The key strategies as to how to downsize government and transfer programs to the private sector are described as:

- Privatization by attrition
Cessation of public programs and disengagement of government from specific kinds of responsibilities. Example might be the U.S. postal system.
- Transfer of assets
Direct sale or lease of public land, infrastructure, and enterprises. Examples might be federal and state parks, state-owned liquor stores and the proposed privatization of public libraries.

- Contracting out (public/private partnerships) or vouchers
Instead of directly producing some service, the government may finance private services, for example through contracting out or vouchers. Examples might be charter schools, prisons.
- Deregulation
Deregulation of entry into activities previously treated as public monopolies. Examples might be utilities, water, waste management, air traffic control and ports.

Role of Government

The public agenda of privatization requires a close examination of the proper relationship between government, business and civil society. What should the role of government be in protecting the environment, helping the poor, defending the nation, providing justice, ensuring democracy, protecting public health, ensuring public safety, providing education, promoting a thriving economy, and ensuring safe work environments and a living wage? Our country must seek a pragmatic balance between social and economic returns.

PRIVATIZATION: THE PUBLIC POLICY DEBATE

What Is the Role of Government?

The purpose of this article is to provide a description of the evolution of the public policy known as “Privatization.” Privatization is a movement to deregulate private industry and transfer many government services, assets and functions to the private sector. We, as citizens of the United States, have been experiencing the growing effects of the privatization movement since the 1980s. Privatization efforts have been tried (with varying degrees of success) on federal, state and local levels. Federal efforts include Social Security/Medicare, student loans, military services and interstate highways. On the state and local level, agencies responsible for social services, transportation, mental health and public health care, corrections, and education have all seen remarkable increases in privatization activities since 1988.¹ On a local city and neighborhood level, efforts are prominent to privatize public libraries, parks, court services and roads/bridges.

The pace of the movement to privatize has escalated since 2008. The current economic recession and the trend in government over the years to reduce taxes have increased government budget deficits. The current recession (the largest since the Great Depression) is resulting in business failures, high unemployment, and a loss of tax revenues for federal, state and local governments. Whether the current financial situation is directly related to the deregulation of the financial services sector is the subject of great debate. Regardless of the causes, the revenue losses have added to the drive to downsize government by privatizing functions, services and assets. Although saving money through greater efficiencies may appear to be the primary reason for such a push to downsize government at this moment, there are other forces and philosophies behind the move to privatize that have been active since the early 1970s and have gained significant momentum since the 1980s.

This is a good time to take measure of privatization’s impact on our citizenry: what is working and what is not. The United States has more than 30 years of privatization efforts to evaluate. It is important to think about the lessons learned within the greater framework of this public policy debate.

The Idea

Milton Friedman, the Chicago School of Economics, stated the goals of privatization as a public policy agenda to reduce the size of government, deregulate business and reduce taxes.²

Claims and Concerns

Those promoting privatization of government services, assets and functions claim that the private sector will provide increased efficiency, better quality and innovation in services. Proponents claim privatized services will provide a cost savings to those being served (public consumers of the services) as well as to the government no longer responsible for providing the services or maintaining the assets. Many suggest that the government has overextended itself into sectors that could well be covered by private, for-profit companies. Some claim that privatizing government programs like interstate highways, trains or the postal service will mean that large expenses will be taken off the government books, thus providing relief to taxpayers. Advocates believe that private firms have better incentives to control costs and respond more effectively to competition.

Those concerned with the public policy of privatization say that the private sector mandate to make a profit can endanger public safety and reduce services available to the general public (particularly in poor and rural areas). They are concerned that there will be increased costs to consumers through fees and tolls and increased costs to government through poorly written contracts. They are concerned that the private sector will increase profit margins and include expenses like high executive salaries and corporate debt loads (interest on debt) that consumers and tax payers will have to pick up. There is also a concern that private companies will lack transparency, adequate oversight and accountability. How do individuals complain to a corporation if they feel abused by high prices when there are no or limited alternatives? There is a fear of increased corruption between government and for-profit private companies as the lines between government and business professionals become blurred. There also is a concern that privatizing strategic sectors such as ports, utilities and defense to foreign-controlled multinational corporations will put the country at risk in the event of war. There is concern that the strategy to privatize large sectors of government services and functions will result in chronic high unemployment, low wages and abusive labor practices, especially during economic downturns. There is also a concern that the privatization policies will result in growing inequality between the wealthy and poor, thereby losing the revered American middleclass.

Larger than the United States

The privatization movement is an international movement. David Linowes, chair of the 1987 President's Commission on Privatization, explains that outside the United States, it is known as the privatization movement and involves outright divestiture of government properties. In the United States, it has meant deregulation and tax reduction.³

Outside the United States

Countries with significant state corporations are encouraged to divest these businesses to the private sector. Prominent divestitures in the news have included Russia's natural gas (Gazprom), Bolivia's municipal water system in Cochabamba and the United Kingdom's British Rail. As an incentive, lenders have been known to require that governments reduce the size of the public sector through privatization and deregulate industries engaged in international trade as conditions for loans⁴.

In the United States

The deregulation of the financial services industry would be a notable example in the news⁴ and examples of tax reductions would be the significant reductions in corporate taxes over the last 20 years, as well as efforts to reduce individual taxes on capital gains and inheritances. Linowes states that the tax reductions of the 1980s were intended to reduce the government influence over private sector activity.

However with today's financial downturn, the focus in the United States is increasingly on downsizing government by privatization of assets, services and functions. The loss of taxes from the economic downturn and from tax cuts are jointly adding to the deficit imbalance which is creating a political crisis. Current recommendations under consideration for privatization include roads, bridges,

prisons, schools, parks, health, tax collections, postal service, Amtrak, social welfare services, public health services and Worker's Compensation, to name a few. In the United States, pressure is coming from international lenders, most recently via bond rating companies threatening to downgrade U.S. bonds. A lower bond rating generally requires paying higher interest rates to lenders. This, in turn, should increase the government deficit unless taxes can be raised or cuts can be made in other areas.

History

The Chair of President Reagan's Privatization Commission provides some background. "The Privatization movement was developed mainly in reaction to the Progressive movement of the early Twentieth Century. In the Progressive Era, while other nations were most likely to nationalize an industry, the United States was more likely to subject the industry to systematic government regulations."⁵

In the 1970s, disillusioned with the Progressive Era vision, leadership in the increasingly global private sector became more active, asserting that burgeoning tax rates and government regulations of industry were inhibiting free trade. Leaders expressed their skepticism about a "planned market" where the government plays a prominent role regulating businesses. They agreed with economist Milton Friedman's broader philosophical view, that free markets were the solution to many problems – health care, product safety, banking failures and financial speculation. Linowes reminds us that the Progressive movement policies were themselves a reaction against the Social Darwinism (survival of the fittest) and *laissez-faire*, free market theories prevalent in the late 19th century.

Though many large corporations and leading financial institutions may advocate a return to *laissez-faire*, free market policies, there are other perspectives on the unregulated boom/bust economies of the late 1800s. It was a time of great instability. There were multiple economic depressions including the panic of 1893, where millions of Americans lost their life savings and homes due to bank failures and foreclosures. These were times of corruption in government witnessed by the railroad scandals and banking failures. These were times of unacceptable labor conditions where men in the steel mills worked 12 hours a day, seven days a week, 363 days a year; where workers maimed at work were dismissed with no compensation for themselves or their families; and where children put in 12-hour days in textile factories and coal mines under appalling work conditions. These were times when diseases – malaria, cholera and TB – were common due to government inaction, and times of unsafe food due to unregulated food industries. And these were times of massive business failures and unemployment.⁶

These unstable times were followed by the catastrophic events of World War I, the Great Depression and World War II.

At the onset of these troubled times, those advocating progressive policies began to create a much stronger role for government in the well-being of its citizens by regulating business and the economy. To protect the aged, Social Security was initiated. To protect the public health, businesses were regulated (a prime example was the meatpacking industry that disgorged offal upstream of major cities). Public education was strengthened to provide an informed citizenry and a productive workforce. Programs were established to protect labor, such as workers' compensation, and laws were passed to limit the workday and provide a minimum wage. Additionally, programs were created to help the unemployed in economic downturns.

High inflation and the banking failures in the late 1800s and early 1900s led to the creation of the Federal Reserve in 1913. Although called the Federal Reserve, the new central bank (not a government bank) was an association of private bankers with limited government input. It had the power to minimize inflation by managing the amount of currency in circulation. But banks continued to fail as depositors withdrew their savings and the country fell into the Great Depression. In 1933, President Franklin Delano Roosevelt created the Federal Deposit Insurance Commission (FDIC) to encourage depositors to trust

banks. Along with the ability to control inflation, the Federal Reserve was challenged by the U.S. government to maintain “full employment,” aware that policies to limit inflation carried the risk of high unemployment.⁷

In the 1980s, however, advocates for *laissez faire*, free market policies were growing increasingly influential. In September 1987, the President’s Commission on Privatization was created. The Commission's purpose was “to review the appropriate division of responsibilities between the federal government and the private sector and to identify those government programs that are not ‘properly’ the responsibility of the federal government or that can be performed more efficiently by the private sector.” The Commission in 1988 recommended a broad spectrum of government activities that could be transferred to the private sector. These included low-income housing, housing finance (Fannie Mae and Freddie Mac), federal loan programs, air traffic control, educational choice (voucher programs and charter schools), U.S. Postal service, military commissaries, prisons, federal asset sales such as Amtrak and the Naval Petroleum Reserves, Medicare, international development programs, and urban mass transit.⁸

Theories Supporting Privatization

Yale Law Professor Paul Starr explains that the normative theories, justifying privatization as a direction for public policy, have drawn their inspiration from several different schools of thought on what constitutes a “good society.”⁹

“Property Rights” and “Public Choice”

The intellectual inspiration behind contemporary privatization in the United States has come from the “Public Choice” and “Property Rights” schools of thought. Prominent leaders advocating these theories include Milton Friedman of the Chicago School of Economics and Fredrick Von Hayek, whose book, *Road to Serfdom*, warned of the growing welfare state.

Starr’s basic assumptions include:

- Democratic political systems have inherent tendencies toward government growth and excessive budgets.
- Expenditure growth is due to self-interested coalitions of voters, politicians and bureaucrats.
- Public enterprises necessarily perform less efficiently than private enterprises.

The broader philosophical view is that government social programs and regulations, inflationary spending aside, were almost always detrimental to the efficient workings of an economy. In 1962, Milton Friedman, in his book, *Capitalism and Freedom*, provided an intellectual map for a reversal of the progressive policies of the nation. Friedman urged the U.S. government to eliminate Social Security, progressive income taxes, free public high schools, the minimum wage, housing and highway subsidies, and health care, even for the elderly, noting that an unregulated market place would take care of these problems. Friedman believed that if individuals were given the choice, free of government rules and regulations, of where to work, where to invest their retirement funds, where to send their children to school, where to buy their healthcare and where to rent or buy their homes, competition to supply the best goods or services would result in a greater number of cheaper and higher-quality options. He postulated that with reduced government and lower taxes, the poor would be better off, inequality would be minimized, and discrimination eliminated.

Friedman sought as well to discredit the Keynesian economic theories advocating government intervention to manage the economy during financial crises. Keynes had suggested that even if interest rates and prices fall, business may not invest because of lack of demand for their goods. Thus, he advocated for government spending to kickstart the process and stated that, with an expanding economy, the deficit resulting from the spending would quickly be replaced.¹⁰

Privatization in Practice

Professor Starr describes four types of government policies intended to bring a shift from the public sector to the private sector: attrition, transfer of assets, contracting out, and deregulation.

- Attrition

Attrition results from cessation of public programs and disengagement of government from specific kinds of responsibilities. Restriction of publicly produced services in availability or quality may lead to a shift by consumers toward privately-produced substitutes. Or, government may let the service run down by drastically reducing their budgets. An example might be the U.S. Postal Service.

- Transfer of assets

Such transfer may occur with the direct sale or lease of public land, infrastructure and enterprises. Examples might be federal and state parks, state-owned liquor stores and the proposed privatization of public libraries.

- Contracting out (public/private partnerships) or vouchers

Instead of directly producing some service, the government may finance private services, for example through contracting out or vouchers. Examples might be charter schools or prisons.

- Deregulation

Deregulation may be the result of deregulating entry into activities previously treated as public monopolies. Examples might include utilities, water, waste management, air traffic control and ports.

These four policies vary in the degree to which they move ownership, finance and accountability out of the public sector. The spectrum runs from total privatization (as in government disengagement from some policy domain) to partial privatization (public/private partnerships or vouchers, such as for school or housing). In the case of partial privatization, the government may continue to finance but not operate services, or it may continue to own but not manage assets. Partial privatization may dilute government control and accountability without eliminating them. Examples might be detention centers for juveniles or welfare services.

What is the Role of Government?

In rethinking the proper relationship of government, business and civil society, fundamental political and economic questions arise. What should the role of government be in protecting the environment, helping the poor, defending the nation, providing justice, ensuring democracy, protecting public health, ensuring public safety, providing education, promoting a thriving economy, ensuring safe work environments and a living wage. Our country must seek a pragmatic balance between social and economic returns.

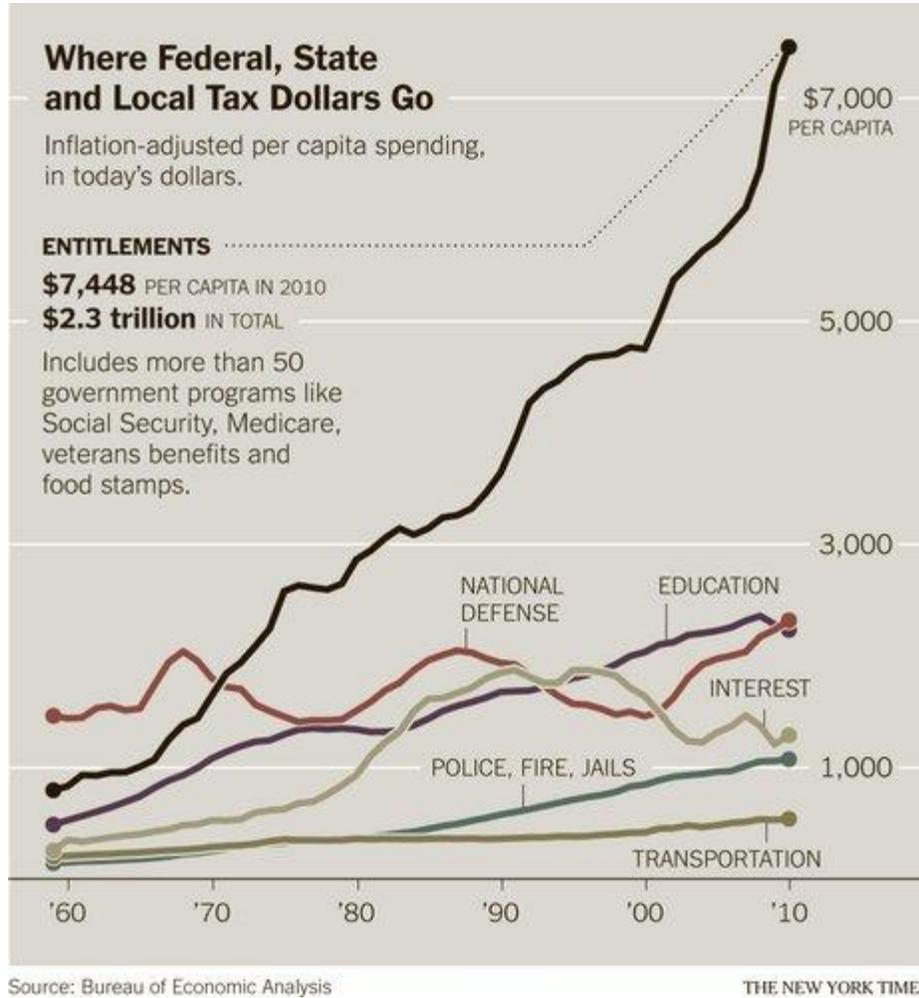
League Principles at Work

When League members and friends contribute to the community in ways that demonstrate League Principles, we like to recognize them in the VOTER column "League Principles at Work." You can find the Principles on the inside back cover off your membership handbook. If you wish to suggest a League member to recognize for his or her service to the community, please contact Betsy Barnes at betsybarnes@cablone.net.

Even Critics of Safety Net Increasingly Depend on It

By [Binyamin Appelbaum](#) And [Robert Gebeloff](#)

Published: February 11, 2012 New York Times



The share of Americans' income that comes from government benefit programs, like Medicare, Medicaid and Social Security, more than doubled over the last four decades, rising from 8 percent in 1969 to 18 percent in 2009.

In Yavapai County, per capita transfer income was \$7,864, with federal transfer payments providing 26.14% of all county income. This ranged as high as 43.73% in Apache County, to as low as 16.41% in Maricopa County.

Dozens of benefits programs provided an average of \$6,583 for each man, woman and child in the county in 2009, a 69 percent increase from 2000 after adjusting for inflation. In Chicago, and across the nation, the government now provides almost \$1 in benefits for every \$4 in other income.

Older people get most of the benefits, primarily through [Social Security](#) and Medicare, but aid for the rest of the population has increased about as quickly through programs for the disabled, the unemployed, veterans and children.

The government safety net was created to keep Americans from abject poverty, but the poorest households no longer receive a majority of government benefits. A secondary mission has gradually become primary: maintaining the middle class from childhood through retirement. The share of benefits flowing to the least affluent households, the bottom fifth, has declined from 54 percent in 1979 to 36 percent in 2007, according to a Congressional Budget Office analysis published last year.

More Arizona Tax Dollars May Be Diverted To Private School Scholarships

Taken from [Howard Fischer Capitol Media Services](#) , 2/18/12

State legislators have approved creating an entirely new program to provide a dollar-for-dollar tax credit for donations to organizations that provide scholarships to help students go to private or parochial schools. The new program would be in addition to an existing credit that provides a tax credit of up to \$503 for donations to scholarship organizations.

A separate provision of the legislation eases accountability requirements for schools that want to accept scholarships for students. Eliminated would be the mandate that schools annually test their students using a standardized exam and publish an aggregate of the test scores, as private and charter schools must.

In 2010, the most recent year figures were available, the credits - the amount not paid to the state treasury - totaled \$43.2 million. Gov. Jan Brewer vetoed a prior effort to increase the amount individuals could donate, saying the state could not afford further losses.

These new scholarships would be available only to those who initially switch from public schools. 800 students would have to leave public schools to make up for the anticipated loss of tax revenues, based on average state expenditure of \$5000 per student.

AZ Legislature Approves Budget With More Cuts To Public Education

Taken from Mary Jo Pitzl – 2/21/12 [azcentral.com](#)

Budget committees in the House and Senate unveiled their the \$8.66 billion plan for fiscal 2013 on Presidents Day, a state holiday, and approved it less than a day later, thus avoiding public scrutiny. The 10-bill budget package passed largely on party line votes, with Republicans in support and Democrats opposed.

The plan is at odds with priorities outlined by Gov Brewer in her State of the State speech in January. Technically, the budget must be approved by July 1, but Brewer has signaled she's in no rush, until her concerns are addressed. Lawmakers hope to end the session by mid-April, as many are seeking re-election in newly redrawn districts and wish to begin fundraising.

The legislative plan cuts K-12 spending by \$28 million from this year's levels and rebuffs Brewer's call for \$50 million for a reading remediation program. The money would help students meet a mandate to read proficiently by third grade, or be held back. their plan contains no money for school construction,

In fact, the lawmakers' plan rejects many of Brewer's initiatives, from \$100 million for school construction or maintenance -- lawmakers propose nothing -- to \$105 million to replace an out-of-date computer system that underpins state government's [financial](#) network -- for which lawmakers recommend \$39 million. it continues cuts to the funds that provide classroom supplies and furniture,

Brewer proposed to put \$7 million into tourism, arguing it would pay immediate dividends with increased travel. The legislative plan instead recommends eliminating the Office of Tourism.

Arizona program cuts put strain on families

From story by **Mary K. Reinhart** – 2/25/12 azcentral.com

Over the past four years, Arizona lawmakers faced with huge budget deficits have balanced the state's budget in part by cutting more than \$300 million from programs that help struggling families before they reach the point where they abandon, abuse or neglect their children. Studies show many of the programs cut since 2008 work to improve parenting, strengthen families and reduce the incidence of child abuse and neglect, often by helping parents to provide safe, nurturing, stable homes.

For many families, help paying for food and utilities or finding substance-abuse treatment can provide the stability they need to stay afloat. But families in severe cases need a myriad of services -- like job training, housing and child care -- to become self-sufficient.

Legislators cut child-care assistance, health care for the poor and support for domestic-violence shelters and the homeless, among other things. They said government had grown too big, and the state's fiscal crisis forced their hand.

Child-welfare advocates contend the reductions to programs that assist low-income families have put more children at risk of abuse, abandonment and neglect and perpetuated a generational cycle of violence and mistreatment because these families have fewer places to turn in a crisis.

The number of children coming into the foster-care system has increased by 20 percent since March 2008, partly because of the economy and lack of services to offer families, according to state officials and service providers. At the same time, the demand for family-support services, such as child care and housing, has increased.

Most Child Protective Services cases have their roots in poverty, substance abuse, mental illness, domestic violence or a combination of those factors. Roughly two-thirds of CPS reports -- including those that result in children being removed from their families -- involve neglect, not abuse.

Child-welfare experts and current and former CPS workers say the most effective, cost-efficient way to reduce child maltreatment and improve the safety of children is to help their families.

Over the years, studies from Rutgers University to Nobel economist James Heckman to the Federal Reserve Bank of Minneapolis, have shown a significant return on investment: For every \$1 spent on early-childhood and family-support services, the government could save from \$4 to \$25 on things like incarceration and public assistance later in life.

Child Protective Services struggled to cope with caseloads even before the economy took a dive, but budget cuts made the situation worse as the need for services grew. DES laid off more than 700 employees -- including 159 CPS workers -- after the state's human-services agency took large cuts in February 2009. The agency also reduced or eliminated funding for domestic-violence shelters, emergency rent and utility payments, food banks, substance-abuse treatment, job training, parenting programs and interventions to prevent family homelessness.

By January 2010, more budget cuts created an ever-growing waiting list for child-care subsidies, reduced cash assistance to families with children and made Arizona the only state to cap enrollment in its children's health-insurance program, KidsCare. Brewer used \$26 million in federal stimulus funds to restore 2009 program cuts for families already in the system and rehire all of the CPS workers. But longtime child-welfare administrators say the damage had been done because they couldn't recover the workforce and waiting lists for services already had piled up.



2012 *Calendar of Events*

Tuesday, February 28

Republican Presidential Preference Primary

Saturday, March 10

Eye on the Legislature, with Mary Jo Pitzl

Wednesday, March 14

LWVCYC Board, 5:30 PM

Saturday, April 14

Annual Meeting and Talk on Alternative Energy

Tuesday, April 17

LWVCYC Board, 5:30 PM

Saturday, May 12

LWVUS Study and Consensus: The impact of privatizing government services on local communities

To be arranged

LWVCYC Board Retreat

Week of July 30

Possible Candidate Forum

Tuesday, August 28

Primary Election

Tuesday, November 6

General Election

State League Nominating Committee

The Arizona State League is seeking nominees to serve in the following positions:

- Treasurer
- 2nd VP – Membership
- Voter Editor
- PR person
- Voter service

If you are interested in being nominated for any of these positions, please contact Mary Gresham immediately at mfgresham1@yahoo.com.

SCHOLARSHIPS, SCHOLARSHIPS

Our scholarship fund is available to new and not so new members.

If you know someone who would like to join the league and pay the membership dues with the help of the scholarship fund let her/him know.

Alice Harris, Membership

A copy of the policy is available at the membership table.

**IMPORTANT WEBSITE
REFERENCES**

LWVUS Website
www.lwv.org

LWVAZ Website
www.lwvaz.org

LWVCYC Website
<http://centralvavapai.az.lwvnet.org/>
OR: <http://goo.gl/HxKph>

We recommend that you check these out monthly, or more often. Lots of good information! Bookmark them to save on typing, or go to lwvaz.org, where there are links to click on. Or Google LWVCYC!

Our website includes current and past VOTERS, and other great material.

Reminder – Members are always welcome to attend Board meetings. Regular meeting times will be on the calendar.

To request placement of an item on the Board agenda and/or to receive the Board agenda packet, contact the LWVCYC President a week in advance.

LWV MEMBERSHIP REGISTRATION

2011-2012

Dues cover membership through June 30, 2012.
Membership in the LWV is open to any person 18 and over who subscribes to the purposes and policies of the LWVUS.
Dues for 2011-2012 cover payment for local (\$15.30), state (\$10), and national (\$29.70) memberships.

Name: _____

Address: _____

City/Zip: _____

Phone: _____ Fax: _____

Email: _____

Note type of membership, and make check to “LWVCYC”:

_____ \$55/Yr Individual Membership

_____ \$82.50/Yr Household Membership

Plus suggested donation:

\$_____ Contribution to League (not tax deductible)

\$_____ *Contribution to Education Fund (tax deductible)

*Donations to the LWVAZ Education Fund must be made by separate check, to preserve tax deductibility. This supports our Webpage and Voter Service activities. Thank you!

Both new and renewal members, please include this form with your check.

New: _____ Renewal: _____

OR

Be a “Friend” of LWVCYC:

_____ \$50/Yr Individual or _____ \$75/Yr Household
(open to businesses and individuals)

Please mail this form and all checks to:

**LWVCYC
PO Box 11538 Prescott, AZ 86304-1538**