

## FY 2021 Arizona State Budget Summary – Majority Budget Comparisons

Preliminary Analysis by House Democratic Staff as of 1/25/20

### **Highlights - FY 2021 Proposed Budget Plan (changes from prior year)**

This document compares the budget proposals from the Governor, the Senate Majority and the House Majority. It is not meant to be an exhaustive list of every item in each of the respective plans; but offers a side-by-side illustration of key elements of the Senate and House relative to the Governor.

#### Overall Budget Framework, Tax Cuts and Debt

Issue	Governor	Senate	House
Overall Spending	\$12.3 billion (includes \$25 million Rainy Day Fund Deposit)	\$12.2 billion	\$12.3 billion
Key Supplementals	\$35 million for SFB Building Grants \$24 million for AHCCCS Formula \$4.8 million for fire suppression costs \$2.6 million for PPE	\$6.6 million for SFB Building Grants \$2.6 million for PPE	\$6.6 million for SFB Building Grants \$2.6 million for PPE
Tax Cuts	Eliminates tax on veterans' pension benefits; \$(45) million general fund impact	\$(75) million for ongoing tax changes (unspecified); \$(50) million for one-time tax changes (unspecified)	\$(100) million for ongoing tax changes (unspecified); \$(50) million for one-time tax changes (Example – bonus depreciation)
Debt Pay Off Scenarios	None specified	Retires \$80 million in state debt (associated with Kingman Prison Series 2016) which would reduce annual debt service payments by \$17.5 million annually. The actual realized interest savings would be approximately \$3 million.	
Miscellaneous Issues	-	Includes a \$50 million one-time deposit into PSPRS for relief to DPS for unfunded liabilities.	\$100 million for K-12 Rollover in '23. Reserves \$51 million ongoing for a "box"; Reserves \$149 million one-time for a "box"
Health Insurance Trust Fund	\$26.2 million one-time	\$22 million one-time	\$22 million one-time

**K-12 Funding**

<b>Issue</b>	<b>Governor</b>	<b>Senate</b>	<b>House</b>
Required Inflation and Student Enrollment Growth	\$156 million	\$151 million	JLBC January Baseline
K-12 Additional Assistance	Full Restoration	Full Restoration	Full Restoration
Final Phase-In of 20x2020 Plan	Yes	Yes	Yes
Funding for Building Renewal Grants	\$35 million FY20 supplemental; \$107.5 million total for FY21	\$6.6 million FY20 supplemental; \$108 million total for FY21	\$6.6 million FY20 supplemental; \$100 million total for FY21
Elimination of Teacher Certification Fees	-	\$2.3 million	-
School Safety Grants (Counselors and SROs)	\$38 million	\$15 million + \$4.3 million for AHCCCS behavioral health	\$15 million
ESA Program Administration	\$961,000 from OF – 5 FTEs	\$1 million from OF – 13 FTEs	\$1 million from OF
Special Education	-	\$5 million	-
Gifted Education	-	\$2 million	-
Dyslexia	-	2 FTEs	-
<b>Other Key Issues</b>			
<b><i>Project Rocket</i></b>	\$43.6 million	-	-
Expand Results-Based Funding	\$34.7 million	-	-
College Credit by Examination Incentive Program (CCEIP)	\$2.1 million	-	-
Waive College Placement Exam Fees	\$1.2 million	-	-
New School Construction Calculation	\$6.3 million	-	-
Teacher Investigations Unit	\$430,000 to ADE	\$600,000 to SBE	\$600,000 to ADE

### Higher Education

Issue	Governor	Senate	House
Universities – Operating Dollars and Capital Improvements	\$35 million ongoing	\$35 million one-time	\$35 million one-time
Universities – Arizona Teacher's Academy	\$1 million for marketing and outreach	Silent; \$1 million earmarked as ongoing for "Counselor's Scholarship"	\$5 million ongoing for "Counselor's Scholarship" (Reimbursement)
Universities – New Economy Initiative (Workforce Development)	\$35 million	-	-
Universities – Grant Proposals (State Match)	\$10 million	-	-
Community Colleges – Restore STEM and Workforce Programs Aid for Maricopa, Pima and Pinal	\$11.1 million: Maricopa, Pima and Pinal	\$11 million: Maricopa, Pima (and probably Pinal)	-
Rural Community College Assistance	\$6.5 million one-time + \$4.1 million one-time for "Technology Corridor" (via Commerce Authority)	\$19 million	\$18 million one-time (distribution TBD)
Miscellaneous Higher Education	-	\$500,000 one-time for student tuition recovery (private)	\$2.5 million for Universities – ASU Open Source Textbook Development

### Transportation and Infrastructure

Issue	Governor	Senate	House
Transportation Infrastructure	See below	\$95 million one-time from "Other Funds"	\$95 million one-time (Highway Safety Fee)
Gila River Bridge: I-10 Expansion	\$28 million	-	-
Smart Highways Corridor	\$49.7 million + \$9.2 million from State Highway Fund	-	-
Rural Broadband Grants	\$10 million one-time	-	-
Tonto Creek Bridge	Sent a letter to the Federal Government	-	-

### Natural Resources

Issue	Governor	Senate	House
DEQ - WQARF	\$15 million one-time	"Other Funds" ongoing	\$10 million ongoing + \$5M OF ongoing
Wildland Fire Claims	Status Quo? Agency can borrow \$20 million from Rainy Day Fund to cover costs	\$20 million deposit – Firefighting Revolving Fund	-
Game and Fish – Fish Hatcheries	\$3 million one-time (OF)	\$3 million one-time (OF)	-
Fire Suppression Funding	\$1.5 million	\$1.5 million	-
Agriculture – Plant Services	-	\$1 million	-
Land Department – Superstition Vista Drainage Study	\$500,000 OF – Development Study	\$500,000 OF	-
Forestry – Firefighting School	-	\$100,000	-
Firefighter Cancer	-	TBD	-

**Healthcare and Human Services**

<b>Issue</b>	<b>Governor</b>	<b>Senate</b>	<b>House</b>
Provider Rate Increases: DES DD DES AAA AHCCCS EPD	\$5 million for DES DD \$1.5 million for DES AAA	\$15 million for DES DD \$1 million for DES AA \$7.5 million for AHCCCS EPD	\$15 million for DES DD \$1 million for DES AA \$7.5 million for AHCCCS EPD
Veteran's Home – Northwest AZ	-	\$19 million one-time	TBD (Additional Info)
DCS Adoption Subsidies	\$8.3 million for caseload growth \$2.7 million for DD adoption rate inc. \$3 million for adoption incentives for sibling groups (blend of GF and OF above)	\$6.4 million for caseload growth \$1.6 million for DD adoption rate inc. (\$16 million total with OF)	\$6.4 million for caseload growth \$1.6 million for adoption rate inc. (presumably similar to Senate)
DES Childcare Assistance (Federal Grant)	\$22.3 million from federal CCDF block grant (incentive bonuses for quality child care facilities, unranked facilities certification, continue suspending waitlist)	TBD - OF	TBD - OF
Homelessness Funding	-	\$10 million one-time (Homelessness grants)	\$10 million one-time (Homelessness/Housing BRB Reforms/Grant, 50% SMI to AHCCCS)
DHS – Suicide Prevention	\$400,000 – Suicide Mortality Review Team	\$5 million	\$400,000 – Suicide Mortality Review Team
DHS – Alzheimer's Research	\$2 million one-time (PDRF)	\$2 million one-time (OF)	-
DHS – Long-term Care Facility Inspectors	-	\$1 million	\$1 million
DVS – Veteran's Benefit Counselors	\$416,000 – 6 FTEs	\$474,000 – 6 FTEs	-
DHS – Newborn Screening	\$1 million (OF)	\$300,000 one-time (OF)	-

**Criminal Justice and Law Enforcement**

<b>Issue</b>	<b>Governor</b>	<b>Senate</b>	<b>House</b>
Salary Increases: ADC, DJC and DPS	\$37 million for COs (~5%) \$1.2 million for DJC COs (6.45%)	\$40 million for COs (8%) \$1.4 million for DJC COs (8%) \$11.3 million for DPS Troopers (5%)	\$39 million for COs (~8%) \$1.4 million for DJC COs (8%)
Corrections - Locks and Building Renewal	\$48.3 million for Lewis & Yuma (blend of funds) \$26.7 million for building renewal	\$30 million (FY21 Locks Set Aside)	\$30 million (FY21 Locks Set Aside)
DJC – County Cost Share	\$8.5 million ongoing for permanent repeal	\$8.5 million one-time for offset of Maricopa and Pima counties	\$8.5 million ongoing for permanent repeal
Recidivism Reduction	\$8.1 million from Medical Marijuana Fund (for counseling and substance abuse treatment)	\$7.2 million (\$5 million for substance abuse, \$2.2 million for education and reentry planning)	\$8 million Medical Marijuana Fund + \$8 million Counties – Reentry Planning Services (HB 2422)
Corrections Retention	\$5.8 million for Corporal Position	\$5.1 million for Corporal Position	\$5.1 million for Corporal Position/Supervisor Pay Raise
CO Educational Stipend	-	\$1.2 million	\$1.2 million (Only General Ed., Crim. Justice, Public Admin.)
DPS – Trooper Safety Equipment	\$1.8 million one-time for helmets and vests	\$2.9 million one-time	\$1.1 million - Counties/DPS – Border Security Equipment, Software Services (HB 2415)
Courts – Court Appointed Special Advocate Expansion (CASA)	\$464,000 OF	\$464,000 OF	-
DEMA – Joint Cyber Task Force	\$372,000 ongoing + \$259,000 one- time (equipment)	\$500,000 ongoing + \$259,000 one- time (equipment)	-
Automobile Theft Authority	-	\$1.5 million grants (OF)	-
Retirement Rate Increases	\$1.9 million for Judiciary - CORP	\$8.7 million for Corrections \$1.9 million for Judiciary – CORP \$5.3 million for PSPRS	\$8.7 million for Corrections \$1.9 million for Judiciary – CORP \$1.4 million for DPS Retirement