

YELLOW SHEET REPORT

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Tuesday, May 25, 2021

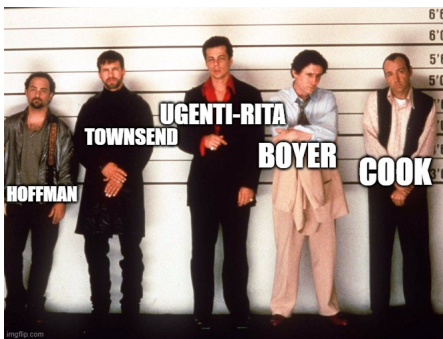
NEWS NOTES AND GOSSIP

IF UGENTI-RITA DOESN'T BALK, IT'S NOT A BUDGET

Lawmakers held their first budget hearings today, and after some tweaking, some arm-twisting and some legislative maneuvering, the budget bills cleared their first hurdles. Still, GOP divisions were on full display as J Hoffman voted against all budget proposals in House Appropriations and Ugenti-Rita didn't show up for Senate Appropriations out of spite. Ugenti-Rita last night noted that after she had told legislative leaders that she couldn't support the "excessive spending" in the budget and she planned to vote against it, Fann added Gray to the committee to ensure it had enough votes. "What message is Sen. Prez sending by appointing Sen. Gray to Approps to negate my vote?" she tweeted last night. Ugenti-Rita went on to spend much of the night tweeting about dead bills that the budget revives, and then didn't show up to the meeting this morning. Cook went off in House Appropriations this afternoon, telling committee members that he plans to sink the flat tax proposal over concerns about how it will affect rural Arizona. "Until I get the answers and I feel comfortable about the people ... that I represent in Arizona and this state, I'm not voting for this bill," he said. Hoffman, who is leading a group of Republicans who want to see more spending cuts plus funding for election security measures before supporting the budget, said railbirds have long been aware of his problems with the budget. "I think anybody who's seen *Yellow Sheet* or has been around here knows that we are in negotiations on some of the items in the budget," he said as he voted on the first bill, adding that he liked much of it but wanted to make it better before it reaches the floor. Hoffman said as he voted against the main feed bill that, based on a conversation with Toma, he's hopeful that Republicans will reach a deal and "produce a better budget by the time this comes to the floor" on Wednesday.



THE USUAL SUSPECTS CREATE THE USUAL PROBLEMS



Among the other potential problems plaguing the proposal are a handful of lawmakers who still want their pet issues addressed in the budget. Boyer told our reporter he asked legislative leaders and the Ninth Floor to meet with the League of Arizona Cities and Towns to discuss the flat tax plan and how to accomplish a tax cut without cutting city budgets – but the GOP leaders didn't bite. The Ninth Floor told him the League could talk to staff, but Boyer said an issue of this magnitude should bring Ducey, Bowers, Fann and League director Tom Belshe to the same negotiating table. Besides his beef with the tax cut, Boyer said he appreciates the additional money for universities in the introduced budget, but he's still not

ready to vote for it. "I'm grateful that they added a little bit to university funding," he said. "I'm open to talking to leadership about what the appropriate ongoing number is." Cook said he's disappointed that the higher education BRB doesn't include a provision to let smaller community colleges receive accreditation. "It's beyond me why it's not in this bill," he said. Cook said he expects to have the votes on the floor for an amendment if lawmakers don't add the policy to the bill before that point.

A 2021 BUDGET MUST INCLUDE A MASK FIGHT

Townsend, meanwhile, threatened to kill the K-12 BRB in Senate Appropriations today, tweeting that she couldn't support its provision allowing school boards to set mask policies. (That sparked a wave of support from like-minded Republicans.) But after leaders pulled Townsend aside and told her there wasn't time to draft an amendment for committee, she relented, saying she'll take her fight to the floor. Hoffman and Kaiser said they would back a floor amendment to ban mask requirements in schools. "Seeing my kids in masks disturbs me," Kaiser said. "It's not healthy for them." (There's no evidence wearing masks harms children, and the studies Townsend has held up as damning evidence that masks in general are harmful are dubious at best – though there is some evidence that certain masks that use graphene might have adverse health effects ([YS, 5/19/20](#)) ([YS, 4/13](#)).) Kaiser accused local school boards of acting arrogantly and not listening to parents who oppose mask requirements. "I believe in local control too, but I'm not about to let local control decide what's best for my kids medically," he said. "I should decide that."



HAVE HORSES WILL TRADE

At the same time, legislative leaders are hearing a handful of non-budget bills that will help draft reluctant Republicans onto the pro-budget side. To appease Boyer, Senate Appropriations heard Lieberman's H2282 (small business assistance grants), with a striker to define anti-Semitism. Boyer spent weeks trying to attach the language to A Hernandez's H2241 (schools; instruction; Holocaust; genocides), even though Jewish groups who otherwise supported adding the definition to state law wanted to keep it separate from the less controversial bill about Holocaust education. And after weeks of stalling in the House, S1452 (Arizona empowerment scholarships accounts; revisions) finally got scheduled for a vote today. The controversial proposal to expand the number of children who can use the funds to help pay for private school tuition got another chance at life after 21 House Republicans wrote to Bowers on Monday asking for it to be included in the budget discussions, casting it as a way of helping students impacted by Covid-related school closures. "The party of Lincoln freed the slaves," they wrote. "School choice is a critical modern-day civil rights issue."

HAS ANYONE CONSIDERED AUDITING HER 2018 RACE INSTEAD?

Republican lawmakers are also taking aim at Hobbs' authority with budget provision to strip some of her powers and instead offer Brnovich sole authority over election lawsuits after Hobbs filed a series of Bar complaints against Brnovich and his employees. The provision also bars Hobbs from hiring outside counsel except for one in-house attorney. The restrictions would lapse on June 30, 2023, after both of their terms are up, making it clear this is a Hobbs-specific provision. Part of the discussion that came up during the budget hearings today was the revelation that Hobbs has filed more than a dozen Bar complaints against Brnovich and staff, sparking lawmakers to add the provision. Katie Connors, Brnovich's spokeswoman, said the language is necessary because it would clear up confusion "created by the Secretary of State about who speaks for Arizona in court." She also mentioned the Bar complaints. "The Secretary of State's decision to file politically-motivated bar complaints against AGO lawyers and target their professional standing and reputation has fundamentally altered the historical track record of the offices working together despite differing political affiliations," she said. "The assistant attorneys general have steadfastly adhered to their statutory and ethical obligations. Their livelihoods should not be threatened for political purposes."

THE LAW OF INTENDED CONSEQUENCES

The far-reaching provision would not just affect Hobbs, but could have further implications for the Clean Elections Commission as well. Tom Collins, the executive director, said it is written in a way that would “supersede” the voter-approved Clean Elections Act. “It does this primarily by designating the Attorney General as ‘the... sole authority in all election litigation to direct the defense of election law,’” Collins said in an email. Clean Elections has express authority to intervene in cases where the constitutionality of the act is in question, but the provision would hand that authority to the AG’s Office instead. “While the bill may be aimed at Secretary Hobbs, it seeks to inflict clear legal damage on the Clean Elections Act. It does so by attempting to preempt the role of defending Clean Elections that the voters granted to the Commission,” Collins said.



ANY DAY WE CAN MENTION AZERBAIJAN IS A GOOD DAY



Among the odder small-dollar line items in the budget is a \$250,000 allocation to UA’s Kazakhstan studies program – a request that came after a handful of lawmakers took all expenses paid trips to the former Soviet Republic country in 2019. Cobb told our reporter she was among those who went on the trip – but don’t call it a junket. “I know everybody calls those junkets – that was not a junket. We worked our tails off,” she said. Cobb said that back in 1996, Kazakhstan was Arizona’s top trading partner (due in large part to the aerospace industry), but that relationship has slipped significantly. “It was beating out Mexico and Canada – it took the top

spot,” she said. “Unfortunately, after that, it never picked back up again.” She said that \$250,000 appropriation to UA will help foster friendships and develop trade opportunities with Arizona and the US right as China is trying to build a major trade corridor through the country. Cobb said Bowers, Rios, Carroll and Toma, at least, attended the trip. (All disclosed it on their financial disclosure statements ([LINK](#)). The financial statements do not require lawmakers to disclose who paid for the trip, and Cobb told our reporter she doesn’t actually know who paid for the trip. The budget also includes \$250,000 of funding for ASU’s Eastern European Cultural Collaboration, which Cobb said is a similar idea – building trade, specifically with Romania. It’s not the first time junkets have been translated into policy. Starting in 2012, Azerbaijan heavily invested in flying lawmakers overseas to visit their country, showering them with gifts. In exchange, lawmakers passed a series of resolutions supporting the country ([LINK](#)).

MAYBE THEY CAN JOIN UP WITH GALLEGOS

Education groups have a plan to launch a veto referendum if the flat tax gets approved. David Lujan, the president of Children’s Action Alliance, wrote an email to members of several other education groups involved in the 2020 voter-approved Proposition 208, to rally the troops and prepare to start a veto referendum after the legislative session. They would have 90 days after *sine die* to collect 118,823 signatures, which Lujan said is doable given there’s broad opposition for the large tax cut. “Should the legislature move forward and pass the terrible flat tax proposal that is currently on the table, the Prop 208 coalition ... is considering the option of a referendum to prevent the flat tax from going into effect,” Lujan

wrote in the May 24 email obtained by our reporter. The coalition includes Children's Action Alliance, Arizona Center for Economic Progress, Arizona Education Association, Stand for Children and Arizona Interfaith Network. Lujan acknowledged in the email that they must move quickly, so he planned a June 3 discussion with the groups via Zoom to figure out a game plan to collect the signatures necessary to get on the 2022 ballot ([LINK](#)).

NEW COMPANY, SAME CRAP

Wake TSI is out as a contractor at the Arizona audit after not renewing its contract that expired on May 14 when the audit was initially supposed to conclude. *Arizona Republic's* Jen Fifield and Andrew Oxford got the scoop today, confirming the Pennsylvania-based company was out – in its place: Scottsdale-based technology company StratTech Solutions ([LINK](#)). New media contact and former AZGOP chair Randy Pullen told *The Republic* that Wake TSI is out.

"They didn't want to come back," he said. Pullen also said StratTech Solutions had been involved in the audit since the beginning, helping set up technology for the hand count – though this is the first anyone in the press corps has heard about them and the company name is not mentioned anywhere in the Senate's contract with Cyber Ninjas. It's unclear whether StratTech Solutions has been involved in other hand counts, audits or elections – or why Wake decided not to renew its contract. A StratTech employee referred our reporter to a Cyber Ninjas spokesman, who did not return a request for comment. Our reporter put in a records request with the Senate for any new contract it or Cyber Ninjas has with the company. Pullen did not return a request for comment before our deadline.



A MONTH IN, THEY'RE TRYING TO GET THIS ALL TOGETHER



Since taking the gig as the audit's new spokesman, Pullen has been difficult for reporters to reach – perhaps because he was in Cabo San Lucas, Mexico, when he started. A railbird last night sent our reporter pictures that Pullen's wife had posted of their Mexican getaway, and former Secretary of State Ken Bennett told a pool reporter yesterday that Pullen was in Mexico over the weekend and may have had service issues crossing back into the US. In an interview with *12 News's* Brahm Resnik, Fann said the

media line was not up and running on Monday in part because Pullen was out of the country and also because some vendors went home during the weeklong break. "Mr. Pullen was gone out of the country for a few days, and we have been doing some regroup – some of the vendors went home to be with their families for a few days that they have not seen in six weeks," Fann said. "So, we are here, and we're trying to get this all together."

·WAKE UP CALL·

Passing \$12.8B budget means appeasing several Republicans

Arizona Capitol Times

GOP leaders in the House and Senate introduced a \$12.8 billion spending plan Monday afternoon with high hopes of passing it by Wednesday — but finding the votes to pass it will prove difficult.

Bill to restrict marijuana advertising dies in Senate

Capitol Media Services

State lawmakers refused Monday to place restrictions on advertising marijuana that don't exist for liquor and, to a great extent, for tobacco products.

Feds OK new Arizona tribal casino and sports betting deal

Associated Press

Gambling on sporting events and online fantasy sports betting became legal in Arizona on Monday, along with a host of new gambling options at tribal casinos, after the U.S. Department of the Interior approved an updated tribal gaming compact with the state.

\$12.8 billion Arizona budget that slashes taxes introduced

Associated Press

A \$12.8 billion spending plan for the coming budget year that slashes income taxes by 25% over three years and shields the wealthy from having to directly pay a new surcharge to boost education spending was introduced in the Arizona House on Monday.

The Gila River Indian Community innovates for a drought-ridden future

High Country News

A riverbed that has been parched since the end of the 19th century — a portion of the historic lifeblood of the Gila River Indian Community — is now coursing again with water, luring things like cattails and birds back to its shores.

'Powell Pipeline' study gets major support from Legislature

Casa Grande Dispatch

A plan to transfer Mississippi floodwaters into the Colorado River system, once broad speculation, is now seen as a realistic proposal that Arizona state officials want to investigate.

Arizona's Still Trying to Figure Out How to Bring Racial Minorities Into Its Marijuana Program

Phoenix New Times

The state published new draft rules for the voter-mandated marijuana social equity program last week that expand eligibility requirements for Arizona's remaining 26 dispensary licenses.

Group led by 'kraken' lawyer Sidney Powell hired the firm recounting AZ's election to probe a PA election

Arizona Mirror

A nonprofit organization run by former Trump campaign attorney Sidney Powell, who filed a series of lawsuits last year attempting to overturn presidential election results in Arizona and other states, contracted the company that's now counting 2.1 million ballots from Maricopa County to conduct an election audit in a rural Pennsylvania county, according to records obtained by the *Arizona Mirror*.

Long After Trump's Loss, a Push to Inspect Ballots Persists

New York Times

Efforts to review 2020 ballots in Georgia and Arizona reflect the staying power of Donald Trump's falsehoods, and Democrats fear that the findings could be twisted by Republicans.

The reason Maricopa County will eat the Cyber Ninjas' lunch

Arizona Republic (Opinion, EJ Montini)

Truth will not convince the Trump cult. We know that already. But they won't be able to dispute it.

Why won't Arizona Republicans call out Marjorie Taylor Greene's Holocaust 'lunacy'?

Arizona Republic (Opinion, Elvia Diaz)

Rep. Marjorie Taylor Greene likened COVID-19 restrictions to the Holocaust. Why aren't Arizona and national GOP leaders speaking up?

Ram through a massive tax break for the rich at the last minute? That's so Arizona

Arizona Republic (Opinion, Elvia Diaz)

Arizona Gov. Ducey started ramming through the Legislature a budget proposal to cut \$1.5 billion in tax collections – a huge gift for his rich pals.

•PRESS RELEASES•

American Oversight Receives New Audit Records

Washington, DC -- On Monday afternoon, the Arizona State Senate agreed to produce the emails of Senate President Karen Fann, [requested by American Oversight](#) as part of the watchdog's investigation of the partisan audit of 2020 election results in Maricopa County. American Oversight has already received [54 pages of emails](#) documenting Senator Fann's extensive involvement in the preparations for the audit.

The [first records released](#) show Fann's extensive involvement in setting up the audit, including emails with a reporter from right-wing outlet One America News Network (OAN) and with the CEO of Cyber Ninjas, the cybersecurity firm hired by the Arizona Senate to conduct the audit.

[The documents](#) and a [full summary of their contents are available here](#).

American Oversight is pursuing a [separate public records lawsuit](#), filed last week, to compel the release of additional documents related to the audit. The first hearing in that case will take place this Thursday, May 27, at 10:00 a.m. MST and is expected to set a schedule for the next stage of the litigation.

American Oversight will continue to pursue oversight of the audit and other partisan efforts aimed at pushing false narratives about election fraud. [Follow the investigation of the audit here](#).

PRESS ADVISORY: TODAY: Arizona Elected Officials, Educators, and Parents to Highlight How Biden's American Families Plan Will Jumpstart Education Outcomes and Help Women Return to Work

PHOENIX – **TODAY at 4:00 pm PDT**, State Senator Rebecca Ríos (D, 27) and longtime public school educator and advocate Beth Lewis will join Arizona Democratic Party Chair Raquel Terán for a press call to discuss how President Biden's proposed universal preschool and affordable child care policies will jumpstart children's education outcomes and help Arizona women return to the workforce.

In his American Families Plan, President Joe Biden aims to provide the critical early childhood education infrastructure for low- and middle-income families to get back on their feet after the pandemic. The proposal includes \$200 billion for universal preschool for every 3- and 4-year-old in America and a push to make quality child care more affordable and accessible.

In conjunction, these American Families Plan initiatives would allow parents who have left the workforce over the course of the pandemic – predominantly women – to more easily return to work.

The press call will be conducted via Zoom webinar. Click here to [RSVP](#).

WHAT: Press call on how Biden's American Families Plan will give Arizona kids a head start in school and parents the flexibility to return to the workforce.

WHEN: Tuesday, May 25th at 4:00 – 4:30 pm PDT

WHO:

- **Raquel Terán**, Arizona Democratic Party Chair
- **Rebecca Ríos**, Arizona State Senator (District 27)
- **Beth Lewis**, longtime public school teacher and advocate

RSVP: Please RSVP [here](#) for Zoom dial-in information, which will be sent on the morning of the press call.

Release: ADP Statement on One Year Anniversary of George Floyd's Murder

PHOENIX -- The following statement can be attributed to Raquel Terán, Chair of the Arizona Democratic Party. "Today marks one year since the murder of George Floyd. He was a father, brother, and friend to many and his murder unjustly ripped him away from his family and community. Americans across the country came together in solidarity to raise their voices against his murder. We hope that Republicans will remember these demands for justice and join Democrats in sending the George Floyd Justice in Policing Act to President Joe Biden's desk. Arizona Democrats send our condolences to Mr. Floyd's family on this difficult day."

AFP-AZ Leads Over 50 Small Businesses in Coalition Letter Supporting Tax Relief

Phoenix, AZ – Americans for Prosperity-Arizona (AFP-AZ) today led a coalition of over 50 small businesses across the state urging legislators in a letter to support a tax reform proposal that would lower Arizona's income tax rate to one flat rate of 2.5% with a cap of 4.5%.

[View Full Letter Here](#)

In the letter, the coalition writes:

"This tax reduction would especially benefit Arizona small business owners. After the passage of Proposition 208 this past November, many small business owners will be burdened with a state income tax nearly double to years prior. In a recent poll, 62% of Arizonans said it was "very important" to reduce the income tax rate to allow small businesses to pay less in taxes so they can use the money to grow and create jobs. Considering Arizona small business employ at least 43.7% of the private workforce, Arizona small business owners need the 2.5% flat rate with the cap in order to use their profits to grow and create more jobs for the Arizona economy."

The coalition letter is part of AFP-AZ's sustained work to support efforts to reduce the tax burden on Arizona families and small businesses. It follows a [six-figure ad and grassroots campaign](#) AFP-AZ recently announced, as well as a [survey](#) AFP-AZ commissioned that found the vast majority of surveyed Arizonans support decreasing the personal income tax rate.

Leader Bolding Statement on 'Irresponsible' Republican Budget Plan

PHOENIX— House Democratic Leader Reginald Bolding released the following statement regarding a proposed Republican budget plan that includes an unsustainable and permanent \$2.9 billion flat tax plan that cuts taxes for the wealthy and will reduce shared revenues with cities and towns used for public safety.

"This budget plan ignores the pressing needs of our state, like children's healthcare, teacher pay, affordable housing, rural infrastructure and workforce development in order to give the wealthiest Arizonans a massive and permanent tax cut. The flat tax is an irresponsible and unsustainable giveaway that will force cities and towns to cut public safety budgets as their shared state revenues plummet in future years. Any aspect of the budget plan that Democrats could support is endangered because a permanent flat tax will put future revenues in a vise whether our state continues to grow or our economy experiences even a slight slowdown. Arizona has the resources and opportunity to fully fund our education system, restore and recover from the pandemic and prepare our fast-growing state's workforce for a 21st century economy. Instead, Republicans are choosing to reward donors and special interests while pursuing cheap punitive political attacks against our Democratic Secretary of State and Superintendent of Public Instruction. We can do much better than this."

6 new cases, 29,426 recoveries, and one more death related to COVID-19

WINDOW ROCK, Ariz. – On Tuesday, the Navajo Department of Health, in coordination with the Navajo Epidemiology Center and the Navajo Area Indian Health Service, reported six new COVID-19 positive cases for the Navajo Nation and one more death. The total number of deaths is now 1,302 as of Tuesday. Reports indicate that 29,426 individuals have recovered from COVID-19. 272,660 COVID-19 tests have been administered. The total number of positive COVID-19 cases is now 30,785, including one delayed reported case.

Navajo Nation COVID-19 positive cases by Service Unit:

- Chinle Service Unit: 5,596
- Crownpoint Service Unit: 2,959
- Ft. Defiance Service Unit: 3,663
- Gallup Service Unit: 4,883

- Kayenta Service Unit: 2,729
- Shiprock Service Unit: 5,212
- Tuba City Service Unit: 3,738
- Winslow Service Unit: 1,986

* 19 residences with COVID-19 positive cases are not specific enough to place them accurately in a Service Unit. On Tuesday, the state of Arizona reported 500 new cases, Utah reported 185, and New Mexico reported 186 cases.

“The Navajo Nation is working hard to get as many of our people vaccinated for COVID-19 as possible. We are currently in “Yellow Status” and we are making progress, but we need more of our people to get vaccinated to get us closer to our goal of community immunity. Together, we are overcoming the pandemic one day at a time, but we have to remain cautious and be mindful that there are variants in our communities that continue to pose risks for us all.

Please continue to wear masks in public, wash your hands often, practice social distancing, avoid large in-person gatherings, and limit travel as much as possible,” said Navajo Nation President Jonathan Nez.

Health care facilities across the Navajo Nation continue to administer COVID-19 vaccines during drive-thru events or by appointment. If you would like to receive the vaccine, please contact your health care provider for more information for your Service Unit.

“We are in this together and we are emerging from the COVID-19 pandemic day by day, but we must remain diligent and keep pushing forward. The vaccines are playing a big part in protecting our people and reducing the impacts of the virus. Please remain diligent and keep praying for our people, our frontline workers, and our communities,” said Vice President Myron Lizer.

For more information, including helpful prevention tips, and resources to help stop the spread of COVID-19, visit the Navajo Department of Health's COVID-19 website: <http://www.ndoh.navajo-nsn.gov/COVID-19>. For COVID-19 related questions and information, call (928) 871-7014.

“QUOTE OF THE DAY”

“I know everybody calls those junkets – that was not a junket. We worked our tails off.”

- Cobb, on a free trip to Kazakhstan in 2019 that translated into a \$250,000 appropriation for UA’s Kazakhstan studies program