CAA begins 2002 with a relentless commitment to protect the progress we have made together for children and families over the past few years. With the economic and budgetary challenges ahead, the need to strengthen families and give children a foundation for the future is greater than ever. We share with you the passion and energy not to give up, not to delay, not to hold back, but to continue to work for public policy changes that open doors of opportunity for children throughout Arizona. These are our priorities for the 2002 legislative session:

**BALANCE THE STATE BUDGET FOR SECURE AND STABLE FAMILIES**

While the economic downturn squeezes state revenues, the demand for many vital health and human services actually increases substantially. Budget cuts in these areas will only make it harder for families in the tough times ahead. We will fight to prevent budget cuts to child care, Child Protective Services, the Healthy Families and Health Start prevention programs, KidsCare, job training, Family Builders and other community support services for struggling parents. While we support a full examination of spending priorities, we also support a full examination of tax credits and tax exemptions to determine whether they fit the state’s current budgetary situation.

**PROTECT CHILDREN IN “BOOT CAMPS”**

A 14-year-old boy died this summer of heat exposure and drowning while in the care of an unlicensed, private boot camp. This camp was determined to be exempt from licensing requirements. CAA supports removing this exemption so that all programs that provide care or treatment for children must be licensed by a state agency.

**CREATE A STATEWIDE BOARD FOR SCHOOL READINESS**

Arizona has state boards for K-12 education, community colleges, and universities, but no state entity has the responsibility for early childhood issues. We support the creation of a new state board for school readiness with the responsibility for policy, planning and coordination so that more Arizona children start school ready to learn.

**INDEX CHILD CARE SUBSIDIES TO KEEP UP WITH INFLATION**

The state conducts a thorough market rate survey of actual child care costs every two years. However, legislative action is needed before subsidy rates can be increased. As a result, our subsidy rates lag behind the true costs of child care. Today, subsidy rates are based on the costs of child care reported in 1998. This means that child care centers can’t afford to pay their teachers the salaries of animal care workers and telemarketers. It means that teacher qualifications are low and turnover is high. And it means that many parents who are in desperate need of child care will not be able to afford it. We support legislation to index the subsidy rates to keep pace with market rates each time a market rate survey is conducted. (Continued on Page 5)
Whose Budget Is It Anyway?

As I write, the Arizona legislature is meeting in special session to address a $1.6 billion deficit over the next two years. CAA staff members continue to resistively sift through reams of paper and numbers to determine what's at stake in various budget proposals and to figure out how best to make our arguments not to reduce services for kids and families.

I have an impulse to shout out of my office door: "The state budget is not the Governor's budget and it isn't the legislature's budget. The state budget belongs to all of us!" The Arizona budget is indeed the people's budget, and it should reflect the values and priorities of the people of Arizona. These values -- such as strong families, hard work, protecting and caring for our kids, and preventing damaged lives -- are at risk of being undermined through proposed reversals of the small but important gains made over the past decade.

Some of these gains are on the legislative chopping block include staff and programs that protect children against the scourge of child abuse and neglect, child care help for working families, programs that provide job skills for parents so they can find work, and inspectors to make sure kids are safe in child care centers.

This potential reversal of gains made for kids is penny wise and pound foolish. It does not reflect the values of most Arizonans. It will make it harder for families in the tough times ahead. And, it flies in the face of what we know helps kids and families succeed.

Even before the horrific events of September 11th, Arizona's revenue picture didn't look good. Problems associated with Arizona's inadequate tax and revenue base are neither new nor unknown.

Albert Einstein defined insanity as doing the same thing over and over and expecting different results. Surely we need to examine our spending to determine what's most important and what's working. But, isn't it also time that we look at options to increase our revenue base, such as heading for school construction, tapping the Rainy Day Fund, eliminating some tax credits and exemptions, and expanding the tax base in order to meet Arizona's growing population and needs?

Please look at the CAA website at www.azchildren.org to get the latest in developments on the budget. If the budget is indeed the people's budget, I urge every one of you to contact your elected officials and ask them to go beyond rhetoric and to vote for kids and families.

Carol Foner

People Who Care

JAIMIE P. GUTIERREZ

Jaime Gutierrez's dedication to helping children began in 1971 when he took his first job as a juvenile probation officer. During seven years at the Pima County Juvenile Court Center, Jaime held a variety of positions that enabled him to work with families, community and neighborhood organizations and local school districts in order to establish and strengthen juvenile prevention programs.

Jaime served as an Arizona State Senator for 14 years and was elected to several leadership positions, including Minority Whip and Assistant Minority Leader. He served on a number of interim legislative committees dealing with juvenile delinquency and dependency matters, thus establishing his reputation both as an advocate for children's issues and as an expert in confronting fiscal challenges. For the past eight years, Jaime has been affiliated with the University of Arizona and currently serves as Associate Vice President in the Office of Community Relations.

In addition to serving as a board member for Children's Action Alliance, Jaime is a board member of the Community Food Bank and the Hispanic Women's Corporation and is actively involved in many other community organizations.

Jaime is convinced that children and families in Arizona face increasing challenges and pressure, especially because many working families, often headed by a single parent or caregiver, live from paycheck to paycheck. His extensive political experience is invaluable to CAA as we champion children in the policy process.

Finding Justice for Youth in Adult Prisons

Marco is a troubled youth who was arrested at 13 for molesting his younger sister. Despite a court-appointed psychiatrist's assurances that Marco would benefit from treatment and did not pose a threat to other children, he was tried and convicted as an adult shortly before his 15th birthday. He will serve five years in an adult prison.

Headlines scream about similar cases for weeks. Although Arizona juveniles are committing fewer and less serious crimes, public policy has leaned toward more punitive and less rehabilitative approaches for children. Children's Action Alliance, with support from the John D. and Catherine T. MacArthur Foundation, has formed a committee to study these trends and recommend a juvenile justice policy agenda.

Among issues the committee is examining are:

• how decisions to try juveniles as adults are made;
• access to educational, health and mental health services for children in the adult system;
• the cost-effectiveness of re-creating specialized services for juveniles in the adult system; and,
• innovative strategies to use the best tools from each system to protect public safety and build promising futures for youth.

The committee, co-chaired by Derrick Johnson and Alice Snell, will make recommendations to the CAA Board of Directors in March. For more information on CAA's work in juvenile justice, please visit our website at www.azchildren.org.
Hope Through The Eyes of a Child

Hope and patriotism marked the beginning of the third annual Through the Eyes of the Child gala to benefit CAA on September 15, 2001. Eddie Basha's poignant remembrance of the lives lost in the September 11 terrorist attacks and a powerful rendition of "God Bless America" by three high school students set the tone for an evening that was full of hope and promise that children offer to our state.

The evening focused entirely on children and included a youth art auction, classical music performances by Mohave Middle School's advanced string ensemble, and a stunning finale by youth from the Arizona Dance Company.

Executive Director Carol Kamin expressed the resolve of Children's Action Alliance "to persevere for the sake of our children, to have the sensitivity to learn life's lessons, and the sensitivity to share ourselves with others who need us."

Later in the evening, CAA board member Steve Lynn presented Louise Thomas of Tucson with the Horace steel Child Advocacy Award to honor her selfless dedication to improving the lives of children.

"Our voices must communicate to our policy makers the need for more specific funding and innovative programs which will better prepare and change the course of children's lives," Louise said as she accepted the award.

The gala raised more than $85,000 in support of CAA's research, education, and advocacy efforts on behalf of Arizona's children and families.

COUNT PRESCHOOL AND FULL-DAY KINDERGARTEN STUDENTS IN SCHOOL CAPITAL COSTS

Research has repeatedly shown that quality preschool and full-day kindergarten programs promote educational success, particularly for students in struggling families. But the Students First law makes it very difficult for schools to provide space for these programs because these students are not counted in the formula for school space and capital funding. We support policy changes that will remove barriers that prevent schools from providing quality preschool and full-day kindergarten programs.

EXPAND UNEMPLOYMENT INSURANCE BENEFITS

Arizona has among the lowest unemployment insurance benefits in the nation (only Mississippi and Alabama have lower weekly payments), and our coverage reaches fewer unemployed workers than any state except Louisiana. These policies affect the income and well-being of hundreds of thousands of families every year. Arizona's unemployment insurance trust fund has a $1 billion balance. Given the size of our economy and workforce, this is more than what is needed to last through a typical recession and far higher than most states. The tax paid by employers for unemployment insurance has decreased by more than 25 percent since 1990. We support legislation to improve unemployment insurance policies to help more families.

Passing this agenda will be particularly difficult given the economic uncertainties and shrinking state revenues. However, with the continued support of action and protection of public programs, business leaders, community and religious leaders, and voters, the voices that believe that the doors of opportunity must be opened for all of Arizona's children will be heard.

For more information about these legislative priorities, or to track their progress during the legislative session, please visit our website at www.azchildren.org.

Protecting Arizona's Family Coalition

Children's Action Alliance is one of 60 health and human service organizations statewide that formed a coalition to protect Arizona's vulnerable families from becoming victims of the state's budget battles.

The Coalition's first order of business was to host a press conference and rally at the state Capitol on November 13, the day the state legislature began a special session to slash $1.6 billion from the state budget over the next two years. The Coalition is maintaining a daily presence at the Capitol to remind Arizona's elected leaders of the impact their budget decisions have in the lives of Arizonans.
Kit and Communications Boost KidsCare and AHCCCS

Hundreds of people and organizations throughout Arizona have been working to help parents get health coverage for their children.

With support from the Robert Wood Johnson Foundation, the Southern Arizona KidsCare Council initiated a campaign to help parents put children's health insurance at the top of their back-to-school lists. The month-long campaign was launched in August with a press conference in Tucson, then continued with television and radio ad promoting KidsCare and AHCCCS health insurance for six weeks.

Our efforts were successful. News coverage from the event reached about 624,000 people! In addition, volunteers, businesses, schools, and community organizations joined efforts to continue outreach to uninsured families throughout southern Arizona.

The summer was busy with other initiatives to ensure children's health coverage. CAA used the lessons learned during three years of outreach to design and pilot a regular school kit. The kit includes information about KidsCare and AHCCCS eligibility, a step-by-step review of the applications, ideas for incorporating outreach activities into regular school trips, and recruiting volunteers, and materials in English and Spanish that can be customized to suit the school's individual needs.

We used the kit to present workshops in Prescott, Coolidge, Bicebe, Holbrook, Yuma, Tucson and Phoenix. In total, more than 200 school nurses, staff members and volunteers were trained in easy, effective ways to let parents know about KidsCare and AHCCCS and help enroll their children in public health insurance programs.

Parents Tell Us What Works

To help build on successful outreach, CAA also sponsored focus groups and surveys of parents. We explored the barriers that keep parents from enrolling their children in KidsCare and AHCCCS through focus groups in Yuma, Tucson and Phoenix and through a statewide telephone survey. We found that parents still don't know about KidsCare and many more don't believe their children can qualify. We also heard loud and clear that parents care desperately about their children and they want to do anything but being able to take their kids to the doctor and dentist.

The focus groups and survey findings told us that parents will be likely to enroll their children in health programs when they have specific information about the benefits, the income qualifications, and the low costs. Parents are thrilled to hear that KidsCare covers doctor and dentist visits, vision care, and well-child checks at a cost that is never higher than $30 per month. Parental assistance is invaluable in helping parents complete the application process.

Everything we've learned from these projects over the past six months will help us to improve our efforts to reduce the rate of uninsured children and give children a healthier foundation.

Kit and Communications Boost KidsCare and AHCCCS

The work of Children's Action Alliance is done by a hundred of individuals, organizations, businesses and foundations. We gratefully acknowledge your contribution toward making Arizona a leader in children’s health care. Listed below are those who have contributed $35 or more between October 1, 2000, and September 30, 2001. Without you, there would be no voice.

Donations can be made on our web site at: www.azchildren.org.

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Publications Available from Children’s Action Alliance

(Available February 2002, $12.)

NEW! Amigos, No Enemigos - Pamphlet for organizations that provide information and referral to families that are new to the United States. Includes all information in Spanish.

NEW! KidsCare School Outreach Tool Kit - Comprehensive guide, including customized materials, for providing information and enrollment assistance for state-sponsored health insurance programs to parents and children at schools. All materials also are provided in Spanish.

KIDSCOUNT 2001 - Ranks Arizona compared to 49 other U.S. states on ten indicators of child well-being.

Make Kids Count: Giving Babies a Smart Beginning - Report detailing how Arizona is missing the “prime time” of brain growth for infants and toddlers.

Hours of Risk or Opportunity? The State of School-Age Care in Arizona - A preliminary look at the demand and supply of after-school programs.

The Right Start - Two volumes that rank states and cities on health risks and family factors affecting children from birth.

Make Kids Count: Closing the Gap in Children’s Health Care Coverage - Description of health care programs in Arizona and suggestions to further shrink the number of uninsured children.

You Earned It! Your Kids Deserve It! - Brochure for parents about children’s health insurance, child care subsidies, tax credits and free school lunches. Also available in Spanish.

To order a publication, please visit our website at www.azchildren.org, or call Liz Barker at (602) 266-0707.

Mark your calendars for CAA’s Annual Meeting and the presentation of the 2002 Champion for Children Award on March 7, 2002!

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