State budget decisions promise to be the main event again during the 2004 legislative session. With legislative elections coming up in November, advocates, community organizations, and voters will be speaking out and watching the legislative action closely to see who's for kids and who's just kidding.

**KIDS PROGRAMS RESCUED LAST YEAR**

The original legislative budget proposal last year included dramatic budget cuts to most state programs and the complete elimination of KidsCare health insurance for children in working families, the Healthy Families child abuse prevention program, the Early Childhood Block Grant for preschool and other early education services, and the Family Literacy program for parents and young children. Thanks to the dedicated leadership of Governor Napolitano and many legislators, along with the voices of thousands of concerned citizens across the state and one-time federal funds, the budget ultimately adopted for fiscal year 2004 preserved these critical programs.

**BUDGET DEFICIT REMAINS**

But all of these state services that promote health, safety, and education for Arizona families are at risk again as lawmakers face a budget deficit for next fiscal year ranging from $500 million to $1 billion. Although the economy is getting stronger and state revenues are picking up, projected tax dollars will not be enough to maintain the existing services from state government. Why? We face a continuing deficit due to the impact of more than a decade of tax cuts and to the growing and changing needs of Arizona's families. It is up to all of us to build a budget that recognizes more than 20,000 new students in public schools, 1,900 more state prison inmates, 165,000 more adults and children needing AHCCCS health insurance, and 22,000 more mothers and children needing TANF cash assistance.

Budget issues for children and families that need particular attention include:

**Child Protective Services:** The number of children in foster care grew by 18% between fiscal years 2002 and 2003. The special session on CPS appropriated $10.3 million to address this issue, but if caseloads continue to grow at this rate it is clear that more funds will be needed during fiscal year 2004 just to maintain current staff levels and services. The legislature appropriated half-year funding for fiscal year 2004 to increase the rates paid to foster parents, to raise the salaries of CPS staff, and to hire additional staff to reduce caseloads. This funding will have to be increased in fiscal year 2005 to pay for a full year of improvements.

**Child Care Subsidies:** Due to funding shortfalls, Arizona began refusing child care subsidies to eligible working families in March 2003. Today, no new families can get child care subsidies unless they are receiving welfare or are involved in the CPS system. More than 7,500 children have been turned away, leaving their parents with painful choices between quitting their jobs, patching together

(please see BUDGET on page 5)
COMMENTARY

The Power of Goodwill, Common Sense and Cooperation

Last October, when Governor Napolitano called a special session on Child Protective Services (CPS), there were gasps from many quarters. The Republicans complained that she hadn’t found a consensus before “the call.” The Democrats complained that she hadn’t let them in on her decisions early enough. And people like me - the “advocates” - complaining because, well, our job is to complain.

But, despite all of these complaints, and despite serious and fundamental differences among key legislators, because of your hard work and commitment to move forward, a good bill was passed almost unanimously by both chambers and enthusiastically signed by Governor Napolitano.

The bill will provide a total of $17 million to the Department of Economic Security, the agency responsible for CPS. About $10 million will be used toward plugging part of a deficit this year so services and staff won’t have to be cut, and about $7 million will be used to move us forward by:

> Hiring additional staff so caseloads are reduced and staff have the time and support to investigate 100% of reports of abuse and neglect;
> Raising the salaries of the underpaid CPS staff to help reduce the unacceptably high turnover rate;
> Increasing foster home parent payments that haven’t been increased since 1996;
> Providing additional funds for residential drug treatment programs.

(See the article on page 4 for more information.)

But the real accomplishment was that Arizona’s policy leaders figured out a way to place their own interests aside, study and debate the program and funding needs, and finally arrive at a compromise; a compromise that has the potential to strengthen struggling families before their children need to be placed in foster care, protects children from the ravages of abuse and neglect, and finds for every child in foster care a permanent place to call home.

I say “potential” because the challenge ahead is enormous. With a large state budget deficit, a Democratic governor and a Republican legislature, and with sharp divisions within the parties themselves, the needs of kids and families usually get lost in the heat of ideological and partisan wrangling. But somehow, during this special session, our leaders did the right thing together.

So, today, as we enter a new year and a new legislative session, I will think of the accomplishments of the eight weeks of the special session. I will think of our brave governor who created the opportunity for good. I will think of the hard working members of both the House and the Senate who spent hours and hours trying to understand a difficult system and who fused together an important consensus. I will think of all of you who, through your letters, phone calls, and e-mails never gave up and helped give your legislators the courage of their convictions. And, with your help, we at CAA will think hard about how best to make this combination of common sense and good will prevail so that the needs of kids and their families remain paramount in the halls of power.

B O A R D  P R O F I L E

People Who Care

SUSAN H. NAVRAN

When Susan Navran joined the CAA Board of Directors last summer, the organization gained not just an experienced corporate attorney, but also a woman who understands the value of giving back to the community and protecting our state’s children.

Susan is Senior Vice President, Corporate Services and General Counsel for Blue Cross/Blue Shield of Arizona. As such, Susan oversees the company’s legal, human resources, internal audit and quality services departments, and is responsible for the legal affairs of the company. She has worked for Blue Cross/Blue Shield of Arizona since 1995. Prior to that, she was a shareholder in the firm of Sacks Tierney P.A., where she specialized in health-care related matters.

"The work CAA does is of paramount importance to securing a safe and happy future for the children of Arizona and their families," said Navran. "I have always admired the work of CAA and was honored when I was asked to become part of its board."

"Susan brings a great passion and energy to our organization," said CAA Executive Director Carol Kamin. "Her background in corporate law and her commitment to helping make a difference in the lives of Arizona’s children will be a great asset to us."

CAA Elects New Officers to Board of Directors

CAA has elected a new slate of officers for 2004, filling a vice presidential vacancy created when David Bodney assumed the organization’s presidency after the death of Jacques Steiner last summer.

David Bodney will continue as President in 2004 and Steve Lynn assumes the role of Vice President. Other Executive Committee members are Secretary Steve Roman; Treasurer Nora Hanna; Past President Nadine Mathis Basha; Development Committee Chairman Martin Latz; and At-Large Members Amando Flores and Brenda Sperduti.

In Memoriam - Jacques Steiner

Tireless Leader Leaves Lasting Mark on Arizona

CAA and all of Arizona lost a tenacious and courageous leader who touched the lives of thousands of children throughout the state with the passing of CAA Board President Jacques Steiner in August.

Jacque was a founding board member of CAA, and served 14 years in the Arizona Legislature (1976-1990). She earned a reputation as a champion of children’s issues. Jacque was active in the Arizona Cactus-Pine Girl Scout Council, Arizona Town Hall, Arizona Historical Society and countless other community organizations.

Jacque earned the Horace Steele Child Advocacy Award from CAA in 1991, the Volunteer Child Advocate of the Year by the National Association of Children Advocates (now Voices for America’s Children) in 1998, and was the Valley Leadership Woman of the Year in 1999.

As a lasting tribute to Jacque’s memory, CAA has created the Jacque Steiner Public Leadership Award for Children, which will be presented annually to public officials who have improved the lives and life chances of Arizona’s children. Representative Pete Herschberg (R-26) and Senator Robert Cannell (D-24), co-chairmen of The Children’s Caucus in the Arizona State Legislature, received the inaugural award at CAA’s Through the Eyes of A Child gala in October.

Return completed form to: Children’s Action Alliance
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Be An Advocate!

You can help Children’s Action Alliance make a difference in improving the lives of children and their families by joining our E-Mail Alert Network or by making a tax-deductible donation. Simply complete this form and return it to CAA and you will be kept up-to-date on breaking issues and informed on what you can do to help our advocacy efforts.

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SPECIAL LEGISLATIVE SESSION BRINGS HELP TO ABUSED AND NEGLECTED CHILDREN

Too many headlines have told too many real-life horror stories of children injured or murdered by caregivers after Child Protective Services (CPS) had been alerted to problems. And the warning signs go much deeper than headlines:

- Child Protective Services has a staff turnover rate over 17%.
- For every 3 children needing foster care, there are only 2 foster beds available.
- One third of the CPS cases that are substantiated are closed immediately with no follow-up.

Governor Napolitano called the legislature into special session last October to confront these issues (and several others). It was a long and controversial session, dealing with the emotional issues of how to spend state tax dollars and when government should intervene with parents to protect children.

Ultimately, HB 2034 became law, establishing many solid reforms to CPS policy. The bill also provides much of the funding required to keep up with the growing number of children needing foster care, to reduce CPS caseloads, to improve the recruitment and retention of CPS staff and foster families, and to expand in-home services to families (see Commentary on page 2).

All of these efforts are designed to protect children from abuse and neglect and to find safe, nurturing, and permanent families for every child. Passing the legislation was a great accomplishment that required much education and cooperation. But that is only the beginning. It is up to advocates, voters, policymakers, business leaders, and community agencies to keep focused on these challenges. We have the responsibility to implement the reforms effectively, track and evaluate the results, and sustain the funding to do the job well.

For more information about HB 2034, see CAA’s website at wwwصارم.ورث.ت.غ

2004 LEGISLATIVE SESSION: ARIZONANS READY FOR ACTION

In October, CAA became the first state partner to receive a grant from FosterCare Results, a national education and outreach initiative funded by The Pew Charitable Trusts. The initiative will work through the Children and Family Research Center at the School of Social Work, University of Illinois at Urbana-Champaign, at the national level and in selected states. With a wide range of communication strategies, the initiative will enhance awareness of federal financing mechanisms for abused and neglected children and improve juvenile court practices.

CAA will educate opinion leaders in Arizona and bring together juvenile courts, community volunteers and child welfare agencies to continue to improve our systems and enhance safety and opportunity for our state’s children.

CHILDREN’S ACTION ALLIANCE EXPRESSES GREAT APPRECIATION AND ADMIRATION FOR THE CHAMPIONS FOR CHILDREN WHO LED THE WAY TO STRONGER STATE CPS POLICIES AND NEEDED FUNDING TO PROTECT CHILDREN FROM ABUSE AND NEGLECT

Governor Janet Napolitano
Representative Pete Hershberger
Representative Linda Lopez
Representative John Loredo
Representative Tom O’Halloran
Senator Mark Anderson
Senator President Ken Bennett
Senator Bill Borders
Senator Pat Pinto

CAAs Symposium Keeps Focus on Protecting Children

CAA is hosting FosterCare Results: Strengthening Connections Between CPS, the Courts and the Community. Tuesday, January 27, 2004, at the Hyatt Regency Phoenix, 122 N. 2nd Street.

The symposium features Jess McDonald and The Honorable Sidote, Nancy Sahyers, co-directors of the national FosterCare Results initiative, and David Berns, director of Arizona’s Department of Economic Security.

Event sponsors include FosterCare Results, the Arizona Supreme Court Administrative Office of the Courts, the Arizona Department of Economic Security, and the Arizona Family Resource Center.

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Event sponsors include FosterCare Results, the Arizona Supreme Court Administrative Office of the Courts, the Arizona Department of Economic Security, and the Arizona Family Resource Center.

Increased state funds are needed to stop turning families away and to replace one-time federal funds.

Health Coverage for Parents (called HIFA Parents): This health coverage for working parents is scheduled to sunset June 2004, leaving nearly 11,000 dependent children uninsured and resulting in the loss of millions more dollars in federal funds that support other health programs. The parents’ health coverage should be renewed with an appropriation of state dollars.

Costs for Families for KidsCare and AHCCCS: The legislature has directed the AHCCCS agency to establish new costs for families enrolled in KidsCare and AHCCCS health coverage. Higher monthly premiums for KidsCare and co-pays for doctor visits and prescription drugs for AHCCCS have already gone into effect. Additional premium increases, annual enrollment fees, and co-payments are planned for 2004. These policy changes will increase the rate of uninsured children and adults without saving health care dollars. The costs are unaffordable to many families, impose higher administrative costs to health plans and the state agency, push up the AHCCCS costs per enrollee over time, and lead to a loss in federal funds. The policy should be changed to minimize costs to eligible families.

BUDGETS MAKE A DIFFERENCE

Children’s Action Alliance will work with community organizations, parents, teachers, employers, and religious leaders to make sure lawmakers recognize that these budget issues are more than numbers on a page. These issues affect the lives of Arizona families every single day and shape the future of our state.
WHY DO STATE BUDGETS GO UP?

Some legislative leaders have proclaimed that state spending would just stop growing, we wouldn't have a deficit at all. But the fact is that there are a myriad of demographic and policy realities that drive state budget growth - and many of these realities do not march in lock-step with overall population growth and inflation.

The population of certain geographical areas grows faster than the general population. For example, K-12 spending is almost half of state general fund expenditures. When the student population grows faster than the general population, the budget must also grow faster, just to maintain public education as is. Other population segments also grew rapidly. From 1992, the state prison population grew almost twice as fast as Arizona's total population. During those same years, the number of people qualifying for health coverage through AHCCCS and KidsCare grew four times faster than overall population growth. (See chart)

Inflation is not a factor. The cost of health care services and out of pocket expenses for insurance rose by some 400% during the same period.

Neoma Johnson

Donors

The work of the Children’s Alliance is made possible through the support of hundreds of individuals, organizations, businesses and foundations. We gratefully acknowledge your support toward our mission in strengthening the voice for Arizona’s children. Listed below are those who have contributed $35 or more between October 1, 2012, and September 30, 2013. Without you, there would be no voice.

Arizona and the rest of the nation have made a priority effort to make health care coverage available to uninsured children in working families. If the state budget had been frozen in 1998, Arizona would have lost the opportunity to cover more than 50,000 children each year with KidsCare.

Good government, like good business, is about responding to change and shaping our capacity to thrive with changing trends. Sometimes, this requires spending more state tax dollars.

“THROUGH THE EYES OF A CHILD” GALA CELEBRATES KIDS

More than 350 child advocates, business leaders, and elected officials gathered at The Wyndham butterfly in Tempe, for the fifth annual Through the Eyes of a Child gala. The event raised more than $90,000, funds that will help CCA continue to work on behalf of all of Arizona’s children and families.

CCA honored the work of The Children’s Caucus, a 13-member bipartisan group of legislators that formed in January to fight for children and families. CAA Executive Director Carol Kamin presented the inaugural Janice Steiner Public Leadership Award for Children to Caucus co-chairs, Representative Pete Hersberger (R-26) and Senator Robert Canfield (D-24). Eddie Basha presented the Horace Steel Child Advocacy Award to William J. Post, chairman of the board of Arizona Public Service Co., for his efforts to improve the lives of Arizona’s children and families. Post is pictured with Carol Kamin and CAA President David, post. CAA honored the 2002 Arizona School Readiness Task Force and launched the Greater Phoenix Business Leadership Coalition in 2001, urging businesses to work together to strengthen industries and improve the overall quality of life for children and families.

Stephen and Elizabeth Hanlon

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PUBLICATIONS

NEW! Measuring School Readiness: How Do We Know When We’re on Track? - Presents five key indicators to measure Arizona’s progress in school readiness.

NEW! Budget Guide - Answers key questions about trends and issues in Arizona’s state budget.

NEW! Child Care Subsidies Work for Arizona - Facts about child care subsidies and why they are vital to working families struggling to make ends meet.

UPDATED! Reliable Revenues for Responsible Budgets - Describes a series of policy options to strengthen Arizona’s tax system and generate revenues to meet growing needs.

Smart Beginnings (Spanish) - A series of pamphlets (ages newborn to 3 years) with 10 simple steps parents can take every day to help their babys learn.

Prosecuting Juveniles in the Adult Criminal Justice System - Presents key issues and recommendations to improve public safety and youth success.

Unemployment Insurance: Arizona Stories - Chronicles real-life stories of Arizona families from all walks of life who are struggling to survive when parents lose their jobs.

KIDSCOUNT 2003 Data Book - Ranks Arizona compared to other states on ten indicators of conditions for children.

For a complete list of CAA publications or to order a publication, please visit our website at www.azchildren.org, or call us at 602-266-0707.

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