Budget negotiations were long and tense this legislative session as lawmakers faced a $1 billion budget deficit. In January, Governor Napolitano proposed a budget that sustained critical services for children and families. Her $6.7 billion proposal added no new programs, but increased funding to keep up with inflation and growing numbers of children.

In contrast, Republican legislative leaders proposed a budget that attacked a wide variety of services for children and families. In addition to dramatic cuts in most programs, the legislative proposal completely eliminated KidsCare health insurance for children in working families, the Healthy Families child abuse prevention program, the $19.5 million Early Childhood Block Grant for preschool and other early education services, and the Family Literacy program for parents and young children.

Months of heated negotiations followed as most lawmakers in both parties were not willing to slice deep into the muscle, bone and heart of families at the very time when unemployment was at an eight-year high. Thanks to the participation of thousands of concerned citizens across the state, some strong and passionate champions for children in the legislature, and strong leadership from the Governor, the fiscal year 2004 budget finally signed into law goes a long way toward protecting critical services.

**PREVENTION THROUGH SUCCESS BY SIX**

Since 1994, Arizona has benefited from a modest package of prevention efforts designed to help struggling parents give their kids a healthy and smart beginning in life. Health Start, Healthy Families, and Family Literacy have improved children’s health, increased parental employment, promoted early learning, and strengthened parenting skills. In the long run, these are the very efforts that succeed in boosting family income, lowering the school drop-out rate, and cutting adult and juvenile crime.

Lawmakers passed a budget that continues Healthy Families and Family Literacy at current levels. Unfortunately, they eliminated Health Start, the $2.2 million prenatal outreach program that links pregnant women in poor neighborhoods with health care and parenting support.

**PROTECTING CHILDREN FROM ABUSE AND NEGLECT**

At a time when horrifying tragedies of children left to suffer terrible abuse and neglect are fresh in our minds, the legislative budget actually cut the very services that protect children. In addition to so-called "lump sum cuts" to the Department of Economic Security, the legislative budget reduced by millions of dollars the very funds that are used to help kids and families caught up in the overwhelmed Child Protective Services system and to help kids get out of foster care into permanent homes.

(Please see BUDGET on page 5)
COMMENDARY
STANDING UP FOR KIDS

The state budget is a reflection of Arizona’s values and priorities. On Tuesday, June 17, 2003, Governor Janet Napolitano made it absolutely clear that Arizonans value quality education, giving kids a healthy start in life, and protecting children against the ravages of abuse and neglect. And she made it clear that she will fight against elected officials and other interest groups who are out of sync with these values.

The budget the state legislature sent to the governor in early June was dramatically better than the original “legislative leadership” budget proposal that had short-sighted and draconian cuts and reductions such as the elimination of KidsCare health coverage, preschool and other early education programs, and many community programs that work to prevent damaged lives. Many courageous legislators of both parties fought successfully to adopt a budget that reversed some of the damaging cuts.

But the governor knew that even with these improvements, fundamental and essential children’s programs were cut for kids and families who need them the most. She knew that, particularly today, when horrific tragedies of children left to suffer terrible abuse and neglect are becoming everyday news, the legislative budget actually cut the very services that protect these kids.

In addition to the so-called “lump sum reductions” to the Department of Economic Security that oversees Child Protective Services, the legislative budget actually reduced by millions of dollars the very funds that are used to help kids and families caught up in this overwhelmed CPS system and cut services that help kids get out of foster care into permanent homes.

So, Governor Napolitano did exactly what she told Arizonans she would do when she ran for governor: She used her leadership to stand up for kids. She used her leadership to clearly state that Arizona will never move forward if we continue to leave our most vulnerable children behind.

Her line-item vetoes of state budget cuts to the Department of Economic Security as well as to the Department of Health Services restored $28.5 million and directed those dollars to the beleaguered Child Protective Services system and to much needed health care services. This action gave substance to Governor Napolitano’s promise to make the well-being of children and their protection the top priority of her administration.

Our governor is listening to the voters. Arizona voters have said in a clear voice, through both the ballot and polls, that they are ready to support candidates who put the education, health and protection of children above all else. Governor Napolitano has put into action those values.

Carol Kamin
Carole Assum
Cari Kamin is Executive Director of Children’s Action Alliance.

Save the Date!
Through the Eyes of a Child Set for October 18
Through the Eyes of a Child . . . And All That Jazz, a premier fundraising gala and youth art auction benefiting Children’s Action Alliance is set for Saturday, Oct. 18, 2003, at The Wyndham Buttes Resort in Tempe. Please join us as we celebrate everything that is glorious about childhood. Festivities will begin at 6:30 p.m. The Cabaret-themed evening will include the opportunity to bid on artwork from budding young artists and to enjoy performances from some of the state’s most talented young jazz groups. Also, William Post, Chairman of the Board and CEO of Pinnacle West, will be presented with the Horace Steele Child Advocacy Award for his commitment to improving the lives of Arizona’s children. CAA is soliciting sponsors and underwriters for the event. Tickets also are on sale. For information, please call Carolyn McBurney at 480-329-8998.

BOARD PROFILES
People Who Care

FRED DUVAL

CAA’s newest member of its board of directors is a man who knows about the power of advocacy and persuasion.

Fred DuVal, who was elected to CAA’s board this spring, was a candidate for Arizona’s District One Congressional seat in 2002 and brings a strong political background to the organization. He served as Deputy Assistant for Intergovernmental Affairs at the White House under President Bill Clinton from 1997-2000, during which time he played a key role in developing the Children’s Health Insurance Program, the Elementary and Secondary Education Act, and a number of other children’s issues.

Fred is president of DuVal and Associates political consulting firm and represents clients throughout the country.

“I firmly believe in the causes and issues of Children’s Action Alliance,” says Fred. “Any political consultant or candidate knows and understands the important role of advocacy in shaping public policy. Throughout my career, I have supported an endless number of programs that help children and families, and I am thrilled to have the opportunity to bring that experience to CAA.”

In his position at The White House, Fred played active roles in the multi-state lawsuit against tobacco companies, the Welfare-to-Work legislation and a number of environmental initiatives. He also was co-chair of the White House Inter-agency Task Force on Responsible Fatherhood.

CAA is proud to welcome Fred to its board.

INSIDE CAA

CAA recently welcomed seven new staff members to its outstanding team of professionals.

Judy Wahruf, Ph.D., has been appointed to a second deputy director position at CAA. Judy will oversee child welfare, early care and education and health policy programs, as well as expanding CAA’s development efforts. Most recently, Judy was senior program officer at the Flinn Foundation.

Lorie Mayer is the new senior program associate for health policy. She manages the Covering Kids and Families Project supported by the Robert Wood Johnson Foundation to increase the number of Arizonans with health insurance. Prior to joining CAA, Lorie was regional director of government affairs for the March of Dimes.

Tony Alba has joined CAA as senior program associate for communications. He is responsible for media relations, publications and community relations outreach efforts. Tony has been practicing public relations in the Valley for 20 years, and came to CAA from the Boys & Girls Clubs of the East Valley.

Kristin Borns has been named program associate and is responsible for conducting research and coordinating CAA’s advocacy training program. Kristin began her professional career with the Arizona Office of the Auditor General where she was school district senior auditor before joining CAA.

Doris Dejwalski is CAA’s new administrative assistant and will maintain the organization’s data base. Doris previously was data base manager for the Jewish Social Services Agency in Maryland. She lived in Africa for 24 years before that.

Erica Williams has been hired as receptionist and is the voice that greets callers to CAA. Erica rejoined the work force with CAA after giving birth to her son Anthony (now age 2) and taking time off to finish her education.
Arizona's Unemployment Benefits Remain at the Bottom

Children’s Action Alliance was pleased to join with the Arizona Chamber of Commerce, the Greater Phoenix Chamber of Commerce, and many other business and social services organizations to try to strengthen Arizona’s flimsy unemployment insurance system.

Unemployment insurance benefits (UI) are vital to keep families out of complete financial crisis when parents are temporarily out of work and to keep money circulating through our economy when times are tough. At a maximum of $205 per week, Arizona has the lowest UI benefits in the entire nation. UI taxes paid by employers are also extremely low, less than half the national average.

To increase benefits in a fiscally responsible way without harming employers, Senator Carolyn Allen sponsored legislation (SB1009) to raise benefits to a maximum of $340 per week (by 2005). This bill also included some simplifications for employers as well as a UI tax cut for employers who seldom, if ever, lay off workers.

The bill handily passed the Senate 22-6, but encountered opposition in the House from Republican leadership. Representative Russell Pearce insisted on a series of amendments supported by the National Federation of Independent Business and the Arizona Retailer’s Association to restrict access to UI benefits in a variety of ways. While no official estimates were available, the amendments likely would have prevented several thousand Arizonans from receiving benefits.

Even with these amendments, Children's Action Alliance and the Chambers of Commerce continued to support the bill because of the tens of thousands of families who would be helped by the benefit increase. Labor unions, however, opposed the bill after it had passed both houses because of the new restrictions. Governor Napolitano responded to their concerns and vetoed the bill.

The power of Representative Pearce and the lack of a workable compromise leave Arizona the worst in the nation on UI benefits. Thousands of unemployed families will struggle to make ends meet despite a well-funded, dedicated UI trust fund and business support to increase benefits.

Child Protective Services: Change is On The Way

Children’s Action Alliance took the lead this legislative session to champion a small bill that will make a big difference for kids. Sponsored by Representative Pete Hershberger (R-D 26), and supported by the Children’s Caucus, HB 2133 will allow Child Protective Services (CPS) to substantiate a report of abuse or neglect even when the individual who caused the abuse cannot be identified. It also requires CPS to specifically record when a family cannot be located to complete a child abuse investigation.

Prior to the passage of this law, CPS would classify reports in both of these circumstances as “unsubstantiated.” This classification could be used to inaccurate care histories and confuse the report would come to the attention of CPS, it was possible that the report would not be taken as seriously as necessary. Governor Napolitano signed the bill into law and we look forward to working with DES on the implementation.

More changes will be coming to CPS in the future. Governor Napolitano appointed a CPS Commission in January and CAA has joined many other public and private agency representatives and community advocates in developing recommendations to improve the protection of children from abuse and neglect. Once the recommendations are presented, the real work comes in setting priorities and moving forward with implementation. We look forward to working with the Governor, the legislature, and other community organizations to move from recommendation to reality.

(Budget, continued from Page 1)

Boldly acting on her commitment to make the well-being of children and their protection the top priority of her administration, Governor Napolitano used her line item veto to restore many of these funds. She directed that $16 million in restored funds be used to address the urgent need to help abused and neglected children. Even with these restored funds, the need outweighs the resources and we face real challenges in meeting the demand for child protective services to improve.

SCHOOL READINESS

Many legislators, especially members of the Children’s Caucus (see story on page 7) fought to maintain funding for the Early Childhood Block Grant. These funds are allocated to school districts around the state, with about $10 million used for preschool programs for disadvantaged children and another $10 million used for all-day Kindergarten and education programs for first through third grade. The preservation of these funds keeps Arizona from stepping backwards as we work to make sure all children start kindergarten ready to succeed.

Unfortunately, school readiness will suffer in another area of the budget. An estimated 4,500 children in working families will be turned away from child care subsidies due to a $10 million cut. The budget law directs the Department of Economic Security to exclude children through a “waiting list” and/or reduce the eligibility for child care programs to manage this budget cut. As a result, some children will be left home alone or in unsafe circumstances while their parents are at work and more child care centers will be unable to hire and retain qualified teachers to provide quality early education.

CHILDREN’S HEALTH

Voters throughout Arizona rallied with lawmakers to continue the KidsCare health insurance coverage for children in low-income working families as well as coverage for thousands of parents. The legislature designed the budget, however, to keep thousands of children uninsured by requiring AHCCCS to charge parents higher premiums, new enrollment fees, and new copayments for doctor’s visits and prescriptions. Research and experience from around the country show that these costs reduce the use of effective health care and increase administrative costs. For every $3 collected from low-income parents, Arizona must send $2 back to the federal treasury. As a result, these fees will do little to balance the budget but will increase administrative costs, health care costs, and the number of uninsured children.

For more detailed budget information, visit the Legislative Action page of CAA’s web site at www.azchildren.org.
Children’s Caucus Shows Legislative Influence

In January, 19 state legislators announced the creation of a new bipartisan Children’s Caucus at the legislature. The Caucus includes state senators and representatives from both parties, co-chaired by Representative Pete Hershberger (R-District 26 in Tucson) and Senator Robert Cannon (D-District 24 in Yuma). In launching the Caucus Hershberger said, “I have a vision where all Arizona’s children grow up in a safe, healthy environment with an opportunity to obtain a quality education. This Caucus enables us to work together on state policies that will help bring that vision to life.”

The Caucus members pledged to protect state funding for children and families as their number one priority. In keeping with that commitment, the Children’s Caucus rejected the original legislative budget proposal (called the Burns-Pearce proposal at the time) as totally unacceptable. That proposal would have completely eliminated a wide variety of services for children and families, including KidsCare health coverage, the Healthy Families prevention program, and preschool and early childhood programs.

The Children’s Caucus fought hard to sustain funding for those programs and others. As budget negotiations heated up in June, Senator Cannon said, “While many of the conditions facing kids and families are beyond the control of legislators, the way we use tax dollars can make a big difference in the health, education, and security of our children and in our future.”

In addition to protecting state funding, Caucus members succeeded in adopting legislation that improves the way Child Protective Services completes investigations (see story on HB 2133 on page 5) and allows more children to get needed services.

School Readiness Takes Center Stage
How can we enhance and expand Head Start to serve more poor young children in Arizona communities? What can we do to streamline the licensing and monitoring of child care providers that is now divided among three state agencies? How can we pay for the early education programs Arizona needs? What is an early care and education system, anyway?

The new Arizona School Readiness Board is confronting these issues head on. The Board, created by Executive Order last August, is chaired by Nadine Mathis Bash, a long time champion of quality early childhood education and past president of the Board of Directors of Children’s Action Alliance. The 34-member Board, including leaders in business, education, philanthropy, and community organizations, is working to develop a coordinated, efficient, and cost-effective delivery system for early childhood programs in the State of Arizona.

Governor Napolitano also has charged the Board with developing short-term goals to quickly expand all day kindergarten and quality preschool programs in the state’s most needy school districts. The Board is expected to present recommendations to the governor by October. With more than 530,000 babies and children younger than six throughout the state and more than 4 in 10 babies born each year facing enormous risks, action on these recommendations could dramatically reshape Arizona’s future.
Publications Available from Children’s Action Alliance

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

NEW! 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 in the economic downturn.

NEW! What is the Need for School-Age Care? - examines lessons from two Arizona communities about measuring and meeting the need for after-school programs.

NEW! Transitions: Building Better Lives for Youth Leaving Foster Care - presents findings and recommended action steps based on interviews with youth leaving foster care to live on their own when they turn 18.

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

The Family Friendly 2004 State Budget Guide: What We Should Expect During Tough Times - explains the state budget and highlights five key components of a good budget.

KIDS COUNT 2003 Data Book - ranks Arizona compared to other states on ten indicators of conditions for children.

Growing Arizona - presents findings and recommendations from the Arizona School Readiness Task Force to help more children start school ready to learn.

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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