



LEGISLATIVE REPORT: January 29, 2010

Budget News

Word came this week of a likely Call from the Governor for a Special Session beginning Monday.

We've known that LTAF revenues were in jeopardy since the Governor's budget release two weeks ago. Now, we hear that as part of her budget packet for next week, she and the Legislature will go ahead and propose to extend the Lottery so that those dollars are a continuous source of collateral for state borrowing. Unfortunately, this extension is rumored to permanently repeal all or some of the current Lottery beneficiary buckets – including LTAF – and that the dollars will be used to pay off the *state* debt that is accumulating during the budget crisis.

It goes without saying that we are hearing from jurisdictions all over the State about how this revenue loss will lead to the collapse of local transit funding. During this time of great need, local general fund dollars will not be able to cover this loss. In many cases, these dollars help cities and towns cover federal match requirements. Losing LTAF I and II will put millions of federal funding dollars in jeopardy. These federal funds make regional transit possible in many parts of Arizona and help seniors; the disabled; and others access critical services and specialized transport equipment they would otherwise be without.

The time to advocate for your local LTAF dollars will be short. Your legislators and the Governor must hear from you now about *how* these dollars will impact your community and the citizens of Arizona. It is your job to help them understand the direct impact. Please go beyond reporting the dollar figure and describe the types of services and routes that are in jeopardy.

We know Arizona is in a crisis. But forfeiting programs that support our future is not the answer. We know we will have to make compromises in services to citizens. Those compromises should be as short-lived as possible.

For those of you who have not yet had the opportunity to see the Governor's analysis of our current economic situation and the state revenue shortfalls, you can find a summary document of her budget and a longer but informative Power Point on the Governor's home page – www.azgovernor.gov

This information will help you understand the Governor's perspective. We must now help her understand the impact of these proposed changes to the LTAF funding and to encourage a discussion of how these important Lottery programs will continue to be funded.

Lastly, we should all be mindful that the Governor's plan to help Arizona climb out of this hole includes a Sales Tax referral. It is likely that the Legislature will entertain a Sales Tax Referral next week that would go on the ballot with the Lottery extension.