



ARIZONA

LEGISLATIVE PRIORITIES

2024

PHX EAST VALLEY PARTNERSHIP

2024 KEY LEGISLATIVE PRIORITIES

Each year, the PHX East Valley Partnership convenes a diverse group of entities and their representatives to design a relevant and actionable legislative policy priority document. The ultimate purpose of this product is to communicate our region's top-level priorities to our legislators and to authorize ongoing engagement as these issues are deliberated.

For the 2024 Legislative session, the following summary presents the issues of highest importance, broadest impact and requiring the most urgent attention by our leaders.

DETAILS OF OUR PRIORITIES

As a regional coalition of business, community, education and government leaders, members of the PHX East Valley Partnership have identified the following priorities for Arizona's 2024 legislative session. From all-day kindergarten to improved teacher pay and long-term funding strategies for transportation improvements, the East Valley Partnership will advocate on issues that fortify our region's outstanding quality of life and serve as magnets for companies of all sizes interested in doing business here.

1. EDUCATION FUNDING AND PRIORITIES

Our communities value education as both a preeminent asset and a bridge to our future. The region's economic and population growth demand continued vigilance by the Governor and Legislature to ensure that our educational institutions, and the families they serve, have the resources they need to succeed. Our key values are quality, choice, transparency and workforce relevance. We ask our leaders to work to grow and enhance our world-class system of education from preschool and K-12 to community colleges and universities, including the development of a long-term solution to the Aggregate Expenditure Limit constraints on funds appropriated to education.

2. COMPETITIVENESS INITIATIVES

During the last three years, Arizona and the PHX East Valley have experienced significant growth stemming from the reshoring of advanced manufacturing. This could be a long-term trend that would substantially redefine our economic foundation for the better, if we navigate it correctly. The two top priorities are managing the impact of air quality regulations on the Valley's economy, and continuing the Arizona Commerce Authority which is scheduled for sunset review in the upcoming session.

3. STATE, COUNTY AND LOCAL GOVERNMENT SERVICES

Our region enjoys intelligent, measured and visionary leadership among its local government leaders. The relationship between state policy and local government implementation is inextricably linked. As state leaders address expected budget shortfalls in the session ahead, they should protect state shared revenues and not undermine the revenue system that provides essential health and public safety services.

4. TRANSPORTATION/INFRASTRUCTURE FUNDING/ WATER POLICIES

Our region is fortunate to experience continued growth and investment. This puts enormous pressure on both state and municipal leaders to effectively invest in community infrastructure and to manage those funds strategically and responsibly. Continued prosperity also requires intelligent stewardship of our water resources and strong leadership relative to Colorado River Basin State conservation negotiations. Our transportation infrastructure is the foundation of how goods, services and people move to markets. Our energy infrastructure must continue to grow while remaining sustainable, reliable, resilient, and affordable.

5. HEALTH CARE AND HUMAN SERVICES

Our region's growth puts a particular burden on the healthcare, human services, and housing resources available to our citizens. We continue to call for increased focus on growing our health professions and continuing to invest in projects and priorities to improve the availability of affordable housing.

6. EARLY CHILDHOOD SERVICES AND EDUCATION

The ability of our families to find affordable, safe and quality childcare has reached a crisis level in Arizona and the nation. Our childcare systems were challenged prior to the pandemic and are now at a breaking point. We will support the efforts of First Things First and other advocates to increase the State's financial support of childcare providers and to adopt additional strategies to advance quality and affordable early education services for families.

EDUCATION FUNDING AND PRIORITIES

To prepare and support our future workforce, it is essential that a long-term solution to the education funding challenges that exist in Arizona, be developed and implemented. Meaningful discussion on several interrelated funding topics need to be started.

These include:

- All day kindergarten funding options.
- Strategies that will lead to increased wages, improve working conditions and enhance professional development for teachers.
- A focus on building the pipeline of computer science and information technology skilled students.
- Enhanced opportunities for rigorous coursework and work-based learning to connect students to pathways for college and career.
- School Safety Strategies that help prevent future tragedies, including support for local school resource officers and/or counseling positions.
- K-12 Education and Community College – Aggregate Expenditure Limit – As a result of the accumulated investments directed to K-12 education over the last several years – by the governor, legislative budget decisions, the renewal and expansion of Prop 301, there is – again – an imminent risk that those funds will not be able to be spent.
- A provision in the Arizona constitution limits the total spending by school districts to the 1980 spending level, with an annual adjustment for changes in student count, cost of living and a 10% multiplier. The expenditure limit may be overridden by a two-thirds vote of both houses of the Arizona Legislature.
- Significant bipartisan commitments to investing in K-12 education have taken place during the last five years. The Partnership urges the Legislature to pass an override of the aggregate expenditure limit, and to consider a referral to the 2024 ballot to reset the baseline spending amount in consideration of the changes to Arizona's educational framework, increased competition for qualified people to serve as educators. Increasing/resetting the expenditure limit is entirely consistent with the policy decisions that have received overwhelming support in both the Legislature and at the ballot box.

ARIZONA BOARD OF REGENTS (ABOR)/UNIVERSITY

Based on Arizona Board of Regents recommendations to support resident students, cut costs and streamline processes for our three State universities, we support plans to:

- Allow public universities' ability to maximize the value of land and other capital assets in their portfolios.
- Build on the strengths of the state's public university system to ensure access for qualified students, world-class research and workforce preparation with

an enterprise model of operations. The model would recognize and advance each university and its differentiated mission, reduce regulation, improve operational flexibility and minimize the cost of doing business, recognizing that universities are important drivers of economic development, including retention, expansion, and the formation of new business entrepreneurs.

- Approve of ABOR's state budget request for \$153 million for fiscal year 2025 to support its Arizona Healthy Tomorrow initiative. The Arizona Healthy Tomorrow initiative involves a coordinated expansion of healthcare education across the three state universities in order to address persistent and projected healthcare workforce needs in Arizona, and the acceleration of leadership and discovery in bioscience, life science and research.
- Build on recent ABOR investment successes through initiatives that increase low-income resident college going through the Arizona Promise Program scholarship, grow Arizona's highly qualified K-12 teacher workforce through the Arizona Teachers Academy and support the universities with state-of-the-art learning facilities through building space renovations and repairs.

ARIZONA BOARD OF REGENTS (ABOR)/UNIVERSITY ISSUES

Based on Arizona Board of Regents recommendations to support resident students, cut costs and streamline processes for our three state universities, the Partnership supports:

- Public universities' ability to maximize the value of land and other capital assets in their portfolios.
- Building on the strengths of the state's public university system to ensure access for qualified students, world-class research and workforce preparation with an enterprise model of operations. The model would recognize and advance each university and its differentiated mission, reduce regulation, improve operational flexibility and minimize the cost of doing business, recognizing that universities are important drivers of economic development, including retention, expansion, and the formation of new business entrepreneurs.
- Approval of ABOR's \$153 million state budget request for fiscal year 2025 to support its Arizona Healthy Tomorrow initiative. The Arizona Healthy Tomorrow initiative involves a coordinated expansion of healthcare education across the three state universities to address persistent and projected healthcare workforce needs in Arizona, and the acceleration of leadership and discovery in bioscience, life science and research.
- Build on recent ABOR investment successes through initiatives that increase low-income resident college going through the Arizona Promise Program scholarship, grow Arizona's highly qualified K-12 teacher workforce through the Arizona Teachers Academy and support New Economy curricula at the universities with state-of-the-art learning facilities through building space renovations and repairs.

MARICOPA COUNTY COMMUNITY COLLEGE DISTRICT (MCCCD)

- Fund the expansion of Pre-K through 12 teacher preparation programs, including support for high school teachers to gain qualifications to provide college-level instruction.
- Endorse full ongoing funding of the statutory STEM workforce development formula for community colleges to support the growth of high demand occupational areas.
- Support funding for MCCCD to enhance wrap-around basic need supports for students beyond tuition (such as food, housing transportation, and childcare), increase enrollment, bolster short-term workforce driven credential programs, and drive workforce reskilling and recovery efforts.
- Support expanded scholarship opportunities and incentives for community college students, such as the Arizona Promise-type scholarship, adult basic education, short-term training to up-and re-skill, early-college, dual enrollment and Career and Technical Education (CTE).
- Maintain the recently adopted statute allowing baccalaureate degrees at community colleges, including the maintenance of local decision-making and local governance of these programs.
- Protect and expand local district authority and governance in the administration of the colleges, including the ability to pursue revenue-generating strategies, and policy that supports and protects students, staff, and faculty both academically and professionally.
- Support efforts to expand opportunities for high school students to enroll in community college courses through early college, co-enrollment, and dual enrollment partnership, including policy and budgetary incentives to enhance the early college instructor pipeline.
- Maintain primacy of community colleges as providers of high school equivalency programs and support increased funding of those programs.
- Support the November 2024 ballot proposition which will modernize the outdated expenditure limitation formula to better align with the actual costs of programs.
- Expand the Arizona Teacher's Academy to include the MCCCD bachelor's degree programs.

EAST VALLEY INSTITUTE OF TECHNOLOGY(EVIT)/CTED

- Support Arizona career and technical education districts ("CTEDs") and programs by allowing for additional flexibility on instructional models and methods of delivery to promote work-based instruction that serves the needs of secondary students and future employers.

- Preserve the newly adopted statute allowing CTED's to offer associate degrees for in-demand industries to increase the pipeline of qualified workers in these critical jobs.
- Expand the recently enacted access to CTE funding for 9th-graders to more accurately reflect the relevant time necessary for students to complete the preparation for nationally recognized industry certifications.

COMPETITIVE INITIATIVES

The Partnership endorses continued efforts to improve Arizona's competitive position with other states.

This includes:

- Funding of the Arizona Department of Tourism (ADT) at FY24 levels.
- Supporting efforts to integrate workforce development programs and reinvigorate job training program to help companies attract and retain a competitive workforce.
- Endorsing the development and implementation of a statewide non-discrimination policy that includes gender identity and sexual orientation.
- Maintaining policies that promote the security, reliability and resilience of utility infrastructure, and that encourage low and stable energy prices for the benefit of customers and economic development.

STATE, COUNTY, AND LOCAL GOVERNMENT SERVICES

State/County/Local government legislative initiatives that are priorities include:

- Supporting legislative efforts to replace revenue for cities and towns for the loss of funds from the statutory elimination of the Residential Rental Tax.
- Advocating for housing measures that have a direct impact on the creation of attainable housing and oppose blanket by-right zoning proposals that undermine local control.
- Sustaining Arizona cities, towns and counties efforts to protect state shared revenue streams and to preserve local autonomy.
- Providing ongoing support for the Arizona Commission on the Arts annual request that will be included in the governor's proposed budget.
- Ensuring that changes to the construction sales tax system creates a sustainable policy that maintains state and local revenues and provides simplicity for the construction industry.
- Supporting expanded opportunities for counties and municipalities to receive partial reimbursement from construction sales tax for the building of necessary infrastructure for advanced manufacturers who meet the required statutory qualifications as a job attraction tool.

TRANSPORTATION/INFRASTRUCTURE FUNDING/WATER POLICIES

Arizona and its political subdivisions have a well-earned national reputation for developing and implementing progressive water management policies. At the same time, Arizona and its cities have garnered national attention for retaining businesses, landing new employers and serving as a hotbed for new and innovative companies.

Due to the rapid growth in population and economic development in the East Valley, we support policies that assist communities to have access to and secure long-term sustainable and fiscally responsible water resources that contribute to an assured water supply and reduce groundwater dependence.

Specific requests include:

- Continuing the ongoing negotiations regarding future Colorado River operating rules (Reconsultation) and the pursuit of larger contributions from other Colorado River Basin states to conserve additional Colorado River water.
- Supporting the distribution of federally appropriated funds to projects that provide durable, long-term water savings on the Colorado River.
- Maintaining the protection of the Arizona State Aviation Fund.
- Continuing to advocate for appropriate investments in infrastructure and land use planning decisions that will enhance the continued development of the Phoenix-Mesa Gateway Airport area, including support of the extension of the Military Reuse Zone (MRZ) tax program, which expires in October of 2026.
- Encouraging state leaders to develop a comprehensive strategy to modernize funding sources to build, operate, and maintain transportation infrastructure and to take advantage of federal funding opportunities.

HEALTH CARE AND HUMAN SERVICES

In collaboration with healthcare leaders in our region, the following priorities have been identified:

- **Workforce Policies.** Advocate for healthcare workforce policies that address the unprecedented worker shortages across the industry and build a high-quality health professions pipeline to meet the demands of Arizona communities for years to come. Support solutions that leverage Arizona's existing healthcare workforce in areas of training, retention and recruitment opportunities to mitigate statewide healthcare workforce shortages.
- **Healthcare Professionals.** Support efforts to train and recruit physicians, nurses and other health professionals through increased fellowships and restoration of state funding for Graduate Medical Education (GME), which provides funding for provider residencies to draw down federal matching funds. Support efforts to modernize the federal system for funding GME so that the funds are allocated more fairly among the states.
- **Arizona's Medical Schools.** Advocate for continued state support of Arizona's

public medical schools, along with resources and policies that support all of Arizona's medical schools in developing the talent pipeline and addressing statewide workforce needs.

- **Attainable Housing.** Support coordinated care with attainable housing which can reduce acute care costs for all residents.
- **Early Childhood Programs.** Support policies that favor supportive and safe environments in homes, schools and communities that ensure the best possible development of all children in Arizona. Early childhood policy should advance quality, accessible and affordable early childhood services, including childcare and education, to strengthen Arizona's young children, families, and communities.

VOTING RIGHTS

Voting Rights Process: Ballot integrity and voting rights attracted substantial attention from the Arizona Legislature last year, with more than 100 measures introduced that would have the impact of changing who receives ballots, how and when those ballots can be voted, and how the ballots are verified and counted, among other things. The Partnership strongly supports efforts to ensure that Arizona elections be conducted in a secure and modern fashion. We oppose measures that would make it more difficult for qualified Arizona citizens to vote, including measures that would eliminate early voting, add redundant methods of verification that do not contribute to ballot security, or would have the effect of creating inequitable barriers to voting.

For more information or to join the PHX East Valley Partnership's Advocacy and Government Relations Committee, contact John Lewis, president and CEO, at jlewis@phxeastvalley.com or Mike Hutchinson, executive vice president, at mhutchinson@phxeastvalley.com.



The PHX East Valley Partnership is a 501(c)(6) nonpartisan coalition of civic, business, education and political leaders dedicated to the economic development and promotion of the East Valley of Greater Phoenix. The Partnership advocates in economic development, education, transportation and infrastructure, health care and other important areas. For more information, visit phxeastvalley.com.

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