

Report of the
EIGHTY-NINTH ARIZONA TOWN HALL
“ARIZONA’S RAPID GROWTH AND DEVELOPMENT:
PEOPLE AND THE DEMAND FOR SERVICES”

Grand Canyon, Arizona
October 29 – November 1, 2006

Arizona faces unprecedented challenges and opportunities in seeking to meet the needs and demands of the state’s rapidly growing and changing population. Explosive population growth, including 40% growth from 1990 to 2000, stretches existing human service resources at the same time that economic and demographic shifts are changing the mix of demands on human services, ranging from education and workforce development, to public safety and health care, to the arts, culture and recreation. Arizona stands at a critical juncture in seeking to rise to the challenges of rapid growth in ways that serve to preserve, foster and promote the type of state in which we want to live and raise our families.

The changing face of Arizona and its people raises fundamental questions for the future of the state. How can we best educate our children to maximize and realize their potential, and to prepare them for the workplaces of the future? How do we ensure the availability of ongoing training, affordable housing and a positive work environment to retain skilled workers? What

The changing face of Arizona and its people raises fundamental questions for the future of the state.

approaches work best to combat and reduce the state’s high crime rate? How will the state provide affordable health care to meet the needs of its rapidly growing population, including both the prenatal to age five group and the Baby Boomer generation, which is more active due to medical advances and can be a major contributor to the life of Arizona communities? What role should the public and private sectors play in promoting the arts, culture and recreation? Underlying each

of these questions are considerations of financial constraints and public tax policy: What is the appropriate blend of taxation/reallocation strategies to guarantee sufficient, fair and predictable sources of support for the human services that Arizona residents and visitors demand, while minimizing the negative impacts and economic distortions from taxation? The ways in which we answer these and related questions will determine in profound ways the face of Arizona’s future.

On October 29, 2006, the 89th Arizona Town Hall convened at the Grand Canyon and considered these issues over the ensuing three days. The conclusions and recommendations contained in this report represent the consensus reached by the 143 Town Hall participants. Although not every participant would agree with every conclusion or recommendation, this report reflects the significant degree of consensus reached at the 89th Arizona Town Hall regarding the implications of Arizona’s rapid growth and development for the state’s provision of human services.

MEASURING THE EFFECTS OF DEMOGRAPHIC AND ECONOMIC CHANGES ON THE DEMAND FOR HUMAN SERVICES

Accurate Measurement and Forecasting of Dynamic Demographics

Arizona’s ability to adequately serve the needs of its diverse and dynamic populations depends to a large extent on the state’s success at accurately measuring and forecasting demographic and economic trends, locally, regionally, nationally and globally. Different demographic groups, such as the youth, the elderly, and non-English speakers, present vastly different demands for human services. Fast-changing demographic shifts and a large “undocumented” population make it difficult for Arizona to develop reliable mechanisms for accurate forecasting. Thus, while we must forecast, we also must measure and adjust based on reliable, actual data. Yet, we cannot afford to simply wait and respond to problems as they arise. “Deferred maintenance” of human capital only increases long-run costs in the form of joblessness, lost opportunities for new investments, increased crime rates, health concerns and squandered human potential. Lost economic opportunities, in turn, depress state and local tax collections, exacerbating the difficulty in meeting human service needs.

Arizona’s ability to adequately serve the needs of its diverse and dynamic populations depends to a large extent on the state’s success at accurately measuring and forecasting demographic and economic trends

Arizona has not done an adequate job of predicting and planning for future population shifts and demographic changes. Instead, the state’s leaders too often have pursued largely ad-hoc and reflexive approaches to existing problems, without adequate long-term strategies built to address foreseeable future needs. As a result, the state has struggled to adequately predict and meet the needs of its expanding and diverse population. Gaps in education, job training and economic attainment can lead to social friction and reduce the quality of life for all by creating groups of “have nots” who do not share a sense of ownership in the community. Gaps in available and affordable health care affect everyone, but especially our most vulnerable citizens who become isolated in their communities and a greater financial burden on the health care system.

Existing institutions, such as universities, should be tapped to provide more accurate population and demographic projections, working in conjunction with key players in the public and private sectors to prepare and plan for these changes. A fundamental consideration is the difference in human service demands in rural versus urban areas and among different communities, as defined regionally, economically, culturally and across generations. We cannot expect a “one size fits all” approach to render desirable results. Nor can we afford to focus resources in Arizona’s largest urban areas at the expense of rural communities and peoples. In addition, we must develop ways to measure the cost-effectiveness of the services provided, and a willingness to modify or abandon traditional services and programs that cannot be justified by the results obtained. Because different communities present different demands—and different abilities to pay for these services — successful long-range planning must integrate diverse perspectives, including

Because different communities present different demands... successful long-range planning must integrate diverse perspectives

those of Native Americans and other ethnic and racial groups, those of various economic sectors, and those of people from both metropolitan and rural areas, recognizing that local-grown approaches often work best as they are tailored to local needs.

Economic Diversification and Development

Arizona is fertile ground for small business creation and entrepreneurship. Yet, Arizona’s economy historically has been excessively dependent on a few key sectors, such as the traditional mining and agriculture, construction, tourism and “exportable,” low-wage retail and service industries. This dependence often has caused the state’s economy to be held hostage to outside economic forces, including global outsourcing, recessions and commodity price fluctuations.

The state must diversify its economy to compete globally with a focus on economic sectors that are less susceptible to recession and other forces beyond our control. While there is no optimal mix, desirable industries for future growth include logistics; clean, light manufacturing; high technology; arts and cultural-based businesses; export-oriented businesses; corporate headquarters; knowledge-based industries; solar and other renewable energies; biomedical technologies; diseases of the aging; and small, entrepreneurial businesses. We cannot ignore the high growth rate of traditional service jobs and the implications of their historically low wages. We also must address the low pay of teachers, public safety employees and other professionals, such as nurses and others in health care system support jobs who significantly impact Arizona’s quality of life.

The state must diversify its economy to compete globally with a focus on economic sectors that are less susceptible to recession and other forces beyond our control.

Economic development can, and must, vary from region to region, and often is highly sensitive to tax policies and available infrastructure. At the same time, however, state and local leaders in both the private and public sectors should seek to foster coordination and collaboration with one another so that local governments are not caught in a cycle of ever-higher-stakes tax breaks and other financial incentives to attract business investment.

Among Arizona’s assets for economic development are the state’s rapid growth rate, abundant resources such as solar energy, proximity to Mexico, more favorable business conditions than California, desirable climate and general quality of life. To be successful in the 21st century, Arizona is committed to diversifying its economy to grow a knowledge-driven component. A knowledge-driven component requires a focus and commitment to the highest quality workforce in the nation — based on the most outstanding educational system.

To be successful in the 21st century, Arizona is committed to diversifying its economy to grow a knowledge-driven component.

Impediments to Arizona’s economic growth include limited water resources in certain areas of the state, real and perceived deficiencies in education and workforce training, real and perceived deficiencies in arts and cultural offerings, and tax disincentives. Important challenges include better workforce training, attraction of high-skill jobs that pay livable compensation, and the

provision of affordable, quality child care. Non-profit organizations and business development groups are expected and encouraged to continue to play a key role in promoting and guiding the course of Arizona's economic development.

Arizona should work to protect and leverage its existing economic strengths and assets, including the military bases and related services and industries, other federal government employment, the state's outstanding universities and community colleges, and the traditional industries such as construction, ranching, tourism, agriculture and mining.

Workforce Training and Retention

Arizona, especially in rural areas, faces significant challenges in attracting, training and retaining workers for core services and for industries targeted for future growth. Solutions depend on collaboration between schools, community colleges, universities, industry, government and nonprofits. As with other human services, proper workforce training, education and development depend on long-range planning with an eye toward the future needs of both businesses and their employees.

Businesses and nonprofits should continue and expand their efforts at working with high schools, colleges and universities to identify the needs of business and assist in the education of the current and next generation of workers, with career development curricula tailored to meet employers' current and future needs. Such collaboration must recognize that, for many workers, a traditional four-year university education may be poorly suited for the actual needs of employers and employees. Indeed, for many positions in current and future economic growth sectors, associate degrees, skills certificates and targeted career and technical education serve as a superior substitute for less-targeted general four-year degrees. Yet, this message often is not heard, and students may be unaware of the types of workers who are in high demand and what preparation is necessary to fill those jobs.

Businesses and nonprofits should continue and expand their efforts at working with high schools, colleges and universities to identify the needs of business and assist in the education of the current and next generation of workers

Collaboration between industry and educational institutions should extend to early grades as well, and should include efforts to identify and encourage outstanding students, to inform students of career opportunities in various fields, and to seek to keep the most highly qualified workers in Arizona by providing scholarships, mentorships, on-the-job training and other opportunities. At the same time, the state should increase access to baccalaureate degrees, both within and outside major metropolitan areas.

Businesses also should recognize, however, that their ability to attract and retain workers depends significantly on factors beyond just the wages and benefits they provide. Affordable housing; tuition incentives; access to financial aid; public safety; quality of schools for workers' children; affordable, available, quality child care; and cultural opportunities are all key factors in workforce development and retention. Where these amenities are lacking, employee turnover may present significant costs. Employers, in turn, may under-invest in the human capital of their workers if they do not expect lasting commitments from their employees. Thus, a wide array of

human services, extending well beyond traditional workforce-training services, can play a role in workforce development and retention and, hence, in overall economic development.

... a wide array of human services, extending well beyond traditional workforce-training services, can play a role in workforce development and retention and... in overall economic development.

Arizona's ability to fill its rapidly expanding workforce needs in such core service areas as public safety, education and health care likely will require both the training and promoting of our current unskilled workforce as well as the successful recruitment of qualified applicants from Arizona, other states and globally. Thus, again, the quality of life issues that make Arizona a desirable place to live and raise a family must remain in the forefront of considerations for attracting and retaining high-quality workers.

The Critical Role of Post-Secondary Educational Institutions

Institutions of post-secondary education play a vital role in Arizona that extends well beyond simply educating students. They contribute to regional cultural identities. They provide a source of arts and cultural opportunities, especially in rural communities, and thus add significantly to a community's quality of life. Expenditures in post-secondary education are an investment that often lasts for generations, as parents who go on to college or university tend to instill the value of education in their children, who also are thus more likely to attain post-secondary degrees and, therefore, to earn significantly higher wages.

Institutions of post-secondary education play a vital role in Arizona that extends well beyond simply educating students.

Challenges to post-secondary education in Arizona are many. Arizona should increase career and technical opportunities for high school students. This can be accomplished by high school districts partnering with trade schools, community colleges and private enterprise, with both state and corporate funding. Such partnerships should reduce the high school drop-out rate and allow trade schools and community colleges to continue to provide a crucial role in workforce development. In addition, we must provide for "seamless transitions" from community colleges to four-year institutions, and overcome "turf wars" to encourage collaboration and synergies between different universities and other educational institutions. Financial challenges are numerous, and include the need to increase compensation to better retain the most qualified professors, making post-secondary education more affordable for students, and expanding educational offerings for high-demand jobs such as in health care and the skilled trades.

There is wide and growing interest in expanding the offerings of existing institutions to provide educational opportunities and advanced degrees for non-traditional students, such as by the enhancement of night or weekend courses, or by internet-based, distance learning. There is strong interest in promoting increased collaboration between businesses, colleges and universities, to provide scholarship programs, reduce the "brain drain" of Arizona's best students and graduates, and to better align higher educational curricula to the workforce needs of employers. Community colleges also should be given the opportunity to increase their capacity,

both for “traditional” and for “non-traditional” students. State-funded financial aid for community colleges will help achieve this objective.

Meeting the Health Care Needs of a Changing Population

Arizona faces tremendous challenges in meeting the physical, mental and behavioral health care needs of its residents. These challenges are expected to grow considerably in light of the state’s explosive population growth, shortages of health care facilities and workers, especially in rural areas, and the demographic “barbell bulges” of young children and aging Baby Boomers entering the latter decades of life. With the elderly living longer lives due to medical advances, they consume significantly more health care resources in the form of expensive end-of-life care, often provided at taxpayer expense.

Arizona faces tremendous challenges in meeting the physical, mental and behavioral health care needs of its residents.

Other contributors to the high costs of health care in Arizona include excessive use of emergency room treatments in place of primary care, high costs of prescription drugs, uncompensated health care services for the uninsured, high costs of malpractice insurance, and large segments of the population in ill health caused by poor nutrition, lack of exercise, substance abuse and obesity-related illnesses.

A key concern is the “affordability gap” for those in Arizona who do not qualify for Arizona’s Health Care Cost Containment System (AHCCCS), the state-run Medicaid health program, yet who cannot afford health insurance and therefore tend to forego preventive and primary care. Efforts should be made to develop programs to assist small employers with providing health care coverage for workers through such proposals as financial incentives, government-funded premium sharing and risk pool programs. Also troublesome is the “access gap” between urban residents, who generally have a wide range of health care options available, and the rural residents for whom choices often are extremely limited and who often pay more for health insurance.

Efforts to improve health care in Arizona should begin with preventive measures.

Efforts to improve health care in Arizona should begin with preventive measures, aimed first at young children. Healthy lifestyles, including exercise, proper nutrition and avoidance of substance abuse, should be taught to all children. Private schools and post-secondary institutions should follow the lead of public preK-12 schools by banning the sale of junk food and soda on school campuses and increasing the availability of healthy alternatives. Expanded community outreach programs should promote regular visits to community health clinics, (which need to be expanded in number), because they provide the most efficient use of health care dollars, and offer preventive care that may avoid the need for more costly crisis care later. Community planning also should encourage more walkable and bikeable neighborhoods. In addition, behavioral and mental health services should be expanded and properly funded to meet current and projected needs. Collaboration should be improved between consumers of services, families, service providers, public safety officers and the criminal justice system.

TOWN HALL RECOMMENDATIONS

In addition to encouraging more students, including multilingual students, to pursue careers in health care, Arizona should evaluate and promote the adequacy and timeliness of fees being paid under Medicare, Medicaid and other programs, to ensure that hospitals and health care providers are not being “priced out” of their practices and businesses. Strategies to reduce the high costs of malpractice insurance, including investigating tort and insurance reform, should be implemented to attract and retain health care providers. Policies such as student loan forgiveness or other incentives should be considered to encourage more health care providers to practice in rural and under-served areas. Communities also should look to qualified international health care workers to fill local needs. We must vigorously pursue the whole spectrum of strategies to contain costs and increase access to health services including use of physicians’ assistants, nurse practitioners, mobile services, medical transportation services, telemedicine, electronic health records and home health care services

Educating Arizona’s Children

Arizona’s preK-12 public school districts are challenged by changing demographics, inadequate funding and a complex, sometimes contradicting, set of accountability measures from federal and state sources and local expectations. Although the national data comparisons are being questioned, currently the state’s high school graduation rate is labeled the worst in the

It is imperative that the governor, legislature and educational community prioritize providing long-term solutions to correct deficiencies and move our state to a position of educational leadership internationally.

nation. It is imperative that the governor, legislature and educational community prioritize providing long-term solutions to correct deficiencies and move our state to a position of educational leadership internationally.

Insufficient funding of the educational system has led to low teachers’ salaries and crowded classrooms that make it difficult to compete for and to retain the best quality teachers. The challenge of attracting and retaining hard to find educators in specific high need areas should be addressed through the use of recruitment and retention incentives. An increased number of quality teachers and smaller class sizes will result in the recognition and response to the individual learning needs of students.

Students from low-income families face particular difficulties in obtaining the education that often is necessary for them to rise out of poverty. For example, low income families often have less residential stability. When they move from one school district to another, they often have trouble enrolling their children due to lack of documentation such as school transcripts and vaccination records. Working multiple jobs also makes it more difficult for low-income parents to take an active supportive role in their children’s education. Other obstacles stem from the large numbers of students learning English as a second language. While some preK-12 schools in Arizona provide an excellent education, the challenge is to bring all schools up to a successful level regardless of the socioeconomic and ethnic makeup of their students.

While some preK-12 schools in Arizona provide an excellent education, the challenge is to bring all schools up to a successful level regardless of the socioeconomic and ethnic makeup of their students.

TOWN HALL RECOMMENDATIONS

Increased funding for teachers' salaries is a clear priority. A common sentiment, as reflected in both the concern with low teachers' salaries and the perception of low standards for teachers, is that the teaching profession is not adequately respected in Arizona. Standards for teachers to be judged to be eligible to enter and remain in classrooms should be at their highest level and supported by ongoing professional development and mentoring programs. Better efforts should be made for reciprocity of teachers coming from other states as well as aligning their qualifications to Arizona's high standards. In addition, qualified professionals from other fields wishing to enter the teaching profession should be highly encouraged and educationally supported to make the transition according to the same high standards.

Specific challenges facing the educational system in Arizona include lack of funding; lack of qualified teachers and staff; lack of adequate, objective criteria to evaluate progress; special needs of English language learner students; lack of parental involvement; lack of proper nutrition and health care for students; and lack of consensus regarding what should be done.

Specific challenges facing the educational system in Arizona include lack of funding; lack of qualified teachers and staff; lack of adequate, objective criteria to evaluate progress; special needs of English language learner students; lack of parental involvement; lack of proper nutrition and health care for students; and lack of consensus

regarding what should be done. Arizona's high prevalence of charter schools offers an alternative to traditional public schools, but raises concerns regarding the lack of objective and uniform criteria by which to judge school achievement.

Improvements should begin with programs for children ages 0–3, with an increased focus on early childhood development and education, and for classes to teach and assist parents of young children. The continuum of education should continue into workforce placement, with an emphasis on technical, social and character skills as well as critical thinking skills necessary to obtain meaningful jobs with good wages. Schools should recognize and encourage the contributions of non-English speakers while vigorously increasing efforts to help these students achieve proficiency in the English language. Teachers should recognize and respond to the individual learning needs of students. Current testing systems are not providing the information needed to ensure our students are educated to true national and international standards. These tests should inspire teachers to enhance their teaching methods to ensure the students are successfully prepared as citizens, employees and leaders in our state. Efforts to increase family participation in the classroom and to tap unused resources of other volunteers (such as retirees with a wealth of life experiences) should be explored and encouraged.

Keeping Arizonans Safe

Arizona's primary public safety concerns include recidivism, substance abuse and funding for public safety employees. Other important issues are illegal immigration, domestic violence, child abuse and internet crime. Arizona's crime rate places it among the worst states in the nation. Drugs, including methamphetamines, pass easily into the United States. Drug users account for a major share of those involved in criminal activities such as theft, larceny and crimes of violence.

TOWN HALL RECOMMENDATIONS

Public safety must be recognized and approached comprehensively as a criminal justice system encompassing law enforcement, courts, prosecutors and public defenders. Approaches to public safety issues must consider the impact on all segments of the criminal justice system.

Approaches to public safety issues must consider the impact on all segments of the criminal justice system.

Solutions require collaboration both across local, state, tribal and federal jurisdictions and across areas of functional responsibility to ensure that the criminal justice system remains sufficiently responsive in all areas to effectively implement recommended solutions. Collaboration within the state could be facilitated by interoperable communications technologies, use of

uniform codes, and operational coordination. The federal government must accept responsibility for the costs associated with combating and prosecuting crimes caused by ineffective border enforcement policies.

Significant improvements to public safety can be achieved by concerted efforts of regular citizens. Neighborhood watch programs can be effective at thwarting property crimes. Community educational programs and outreach efforts in problem areas should focus on prevention of domestic violence, offer education and assistance for those at-risk of abusing alcohol or drugs, teach anti-bullying programs to kids, offer productive alternatives to gang membership and provide parenting skills classes. Timely and appropriate intervention and treatment of persons with mental illness and substance abuse problems can reduce crime rates and foster more cost-effective alternatives to incarceration for these individuals.

Significant improvements to public safety can be achieved by concerted efforts of regular citizens.

High recidivism rates of offenders is a serious concern. State funding should be made available so that Arizona’s correction system, including county jails, probation and social service systems, can provide real opportunities for diversion and rehabilitation with a curriculum to include treatment for drug and alcohol abuse, literacy and mental health programs, teaching of parenting and coping skills, job skills training and re-entry programs. Other considerations should include alternatives to incarceration and increasing judicial discretion.

Arts, Culture and Recreational Opportunities

Arts, culture and recreational opportunities add to the vitality of communities and help to create a sense of place. These amenities contribute immeasurably to quality of life and thus help to promote economic development by attracting employers seeking to relocate to a place where they can recruit top quality employees. Arizona’s indigenous and diverse cultures are an undervalued Arizona asset that needs to be recognized and promoted as a powerful component of tourism and local public interest.

Involvement in the arts brings significant benefits, especially for at-risk students who otherwise lack interest in school. Involvement in the arts teaches discipline, self-esteem, communication skills, creative thinking, team play and a sense of accomplishment. Students who participate in the arts tend to perform better in school and on standardized tests. Arts

curricula are a critical component of educational offerings and should be preserved and strengthened through dedicated funding in the public schools.

There is support for increased public funding of the arts in Arizona through a dedicated statewide source.

There is support for increased public funding of the arts in Arizona through a dedicated statewide source. This will provide the stability that will ensure quality arts opportunities for all Arizona students. Local governments also should promote and support the arts and cultural opportunities, from theaters to libraries, museums, galleries, historic preservation, and public displays of sculpture and other visual art. Government can further foster the arts through funding set-asides associated with public buildings and other construction projects. Businesses and non-profit organizations, too, should take a larger role in promoting and supporting the arts. Funding for the arts in Arizona and its cities currently lags far below that of comparable cities and other states.

Recreational opportunities in Arizona provide a vast array of activities, from enjoyment of the state's vast outdoor natural resources to high school, college and professional sports. Spectator sports are a significant contributor to Arizona's draw as a tourist destination. The Heritage Fund provides funding for recreation statewide and should be protected. Arizona should emphasize preservation of open space and pristine areas for the enjoyment of future Arizonans.

THE POLITICS OF PROVIDING HUMAN SERVICES

Encouraging Long-Term Planning

Arizona's ability to provide necessary human services is hampered by the failure of state officials to take a long-term approach to planning and allocating funding for these services. The short-term focus of elected leaders places undue emphasis on immediate gratification and political gain, in the form of tax cuts or highly visible spending on legislators' pet projects for chosen constituencies, at the expense of long-term investments in key areas such as education. Legislators too often seek publicity by pursuing high profile issues to attract undue media

Expanding the planning horizon in Arizona will require true leadership, education of voters and elected officials, non-governmental coalitions and the removal of existing obstacles to implementing a longer term perspective.

attention to the detriment of less glamorous efforts to tackle more fundamental, difficult and more important issues. Expanding the planning horizon in Arizona will require true leadership, education of voters and elected officials, non-governmental coalitions and the removal of existing obstacles to implementing a longer term perspective.

Obstacles to long-term planning in Arizona include term limits; inflexible funding formulas; excessive political partisanship (caused in part by "safe" legislative districts that reward political polarization); unfunded mandates on state and local governments; perverse incentives for governmental departments to spend their entire budget to prevent budget cuts in subsequent years; and a lack of sufficient leadership, vision and courage by all stakeholders. The

combination of term limits and short terms of office has served to reduce institutional knowledge and long-term perspectives among state legislators, and therefore to strengthen the influence of lobbyists and bureaucrats. Insufficient salaries and the negativity of the campaign process for state legislators may discourage the best candidates from seeking office.

The state must fundamentally reassess, not merely “tweak,” existing and future funding formulas, such as that for preK-12 education, that have proven inadequate for long-term funding needs and insufficiently responsive to changing demographics. Statewide planning efforts must recognize and respond to the unique needs of local communities. The initiative process requires a thorough and careful review to ensure that ballot measures do not become a means for special interest groups to buy ballot access for measures that impede the state’s ability to effectively serve broader constituencies. For example, the state should consider reforms to provide better tracking of initiative funding and to regulate or prohibit paid signature-gatherers. Fundamentally, voters and elected officials must be made to recognize that the fervor for cutting taxes in Arizona has undermined the state’s ability to effectively provide the services that enhance quality of life and promote economic development and healthy communities.

The state must fundamentally reassess... existing and future funding formulas... that have proven inadequate for long-term funding needs and insufficiently responsive to changing demographics..

Weathering Economic Downturns

Governmental revenues in Arizona have been extremely volatile and subject to significant fluctuations caused by economic cycles. Yet, effective long-term planning and provision of human services require more stable and predictable revenue streams. Human services are hit especially hard by revenue shortages, in part because economic downturns cause both increases in demand for services and reductions of the revenues from which the services traditionally have been funded.

Arizona has not made appropriate use of its budget stabilization fund to ensure adequate support for critical services. The state legislature should continue to fully finance the budget stabilization fund (rainy day fund), and should resist, even during economic boom times, indulging in tax cuts that undermine the state’s ability to meet demand for services in more lean years. We also must consider asking our legislators to increase taxes in some areas. Existing tax codes should not be considered sacrosanct. To the contrary, the state should regularly and

...the state should regularly and carefully review existing taxes, as well as tax-exemptions, rebates and credits, to ensure that their benefits to the state outweigh their negative effects.

carefully review existing taxes, as well as tax-exemptions, rebates and credits, to ensure that their benefits to the state outweigh their negative effects. But such reviews must proceed from a long-term perspective that recognizes and plans — even during periods of economic expansion — for the inevitable downturns to come. Such reviews also should include a realistic assessment of potential future tax sources, such as taxes on services or internet sales,

user fees or development impact fees for human service programs and facilities that, in the interests of fairness, revenue stability and good government, should be given serious

consideration. In order to avoid dramatic fluctuations in tax revenue, consideration should be given to a shift in the balance between property and sales tax. An across-the-board “no new taxes” approach precludes valuable debate over how to best adapt the state’s existing tax policies to changes in the modern economy.

The private sector, including businesses, philanthropists, non-profits and faith-based organizations, should play a larger role in the provision of human services through public/private partnerships. For example, employers should be challenged to explore ways to provide important human services. Services such as child care, affordable housing and transportation help employers retain their workforce and support their bottom line. These private sector organizations can serve to leverage public funding with grant support and other revenue sources that may be less volatile. They often serve, in addition, to recruit and provide volunteer human resources that can help to maximize the cost-effectiveness of public dollars spent.

Understanding the Relationship Between Government Revenues and Services

Developing and maintaining support for adequate government funding of human services depends on successfully educating voters and politicians about the linkages between these services and the various “bottom line” measures of the state’s overall performance. Because large segments of the voting population are motivated to a considerable degree by considerations of self-interest, it is incumbent on those who support and promote human services to educate the public about how these services result in generalized benefits to Arizona that often reach far beyond their direct beneficiaries.

Leaders should encourage a community-minded approach to governmental services and a “culture of stewardship” that recognizes that the entire state benefits

Improvements in early childhood education, for example, bring significant benefits in the form of economic development, improved health, decreased crime and reduced welfare dependency. Other forms of timely investments in human capital, such as health and wellness education and treatment for alcohol or drug abuse, can pay for themselves many times over by the avoidance of such crisis-level costs as emergency room treatments and incarceration. Leaders should

encourage a community-minded approach to governmental services and a “culture of stewardship” that recognizes that the entire state benefits, if indirectly, by smart investments in the people of Arizona. At the same time, however, it must be recognized that government is not the solution to all ills, and that the answer to many social problems begins with personal responsibility.

Efforts to cultivate a “culture of stewardship” may be complicated by the largely transitory nature of the Arizona population and the *de facto* segregation of many members of distinct demographic groups, such as the poor and the elderly. Again, education is key. The public should be made more aware of what services their government provides, what sources of funding — whether taxes, fees or fines — are necessary to run government, and the correlation between the public’s willingness to pay and the government’s ability to provide the services that its people demand. In short, members of the public should be made better aware of the multitude of sources of public revenues, and of what they and others get in exchange for their tax dollars.

The public should be made more aware of what services their government provides, ... and the correlation between the public's willingness to pay and the government's ability to provide the services that its people demand.

Better public involvement in efforts to assess demands for, and delivery of, human services, will help to improve public support and to clarify the connections between government revenues and human services. Such increased public involvement is also

a necessary counterpart to the special interests whose voices are already effectively conveyed to public officials.

Coordinating Efforts to Provide Human Services

Arizona should promote better intergovernmental and regional collaboration in the delivery of human services. Better cooperation between and among various governmental entities and the private sector, including nonprofits, can increase efficiency by reducing redundancies, establishing economies of scale, and enabling the synergistic sharing of “best practices” and other lessons learned. Yet, such collaboration is often thwarted by provincialism, entrenched interests, and the vast distances between many communities within the state.

While state government can play a critical role as a clearinghouse of information, technologies and funding, local entities should take the lead in efforts at increased regional and intergovernmental coordination, to ensure responsiveness to local needs and to increase local “buy-in” by those who work most directly with the service consumers. Local governments can build upon collaborative efforts already underway, including councils of governments (COGs), regional planning authorities and cooperative approaches of law enforcement agencies. In some cases, however, increased cooperation may require formal structures and state-level mandates to overcome local bureaucratic inertia and the tendency toward turf battles between cities, towns and counties in overlapping service areas.

One suggestion is to support on-going efforts to facilitate and coordinate the provision of human services with resources, incentives and commitment to effective collaboration and meaningful outcomes. Another approach, perhaps complementary, would be to encourage facilitated mediation between organizations that now compete against one another, to help them overcome historic patterns and mindsets of competition and to realize the potential benefits of increased cooperation. Even where formal collaboration is not feasible, increased communications between various service providers can bring significant benefits to those served.

The Importance of Long-Term Planning

Arizona should develop a long-term plan for providing human services. The plan would serve as a blueprint for evaluating conflicting demands on limited resources, a benchmark against which public officials could be held accountable, a force for stability and progress, and a source of motivation to the public and private sectors.

Arizona should develop a long-term plan for providing human services. The plan would serve as a blueprint for evaluating conflicting demands on limited resources

TOWN HALL RECOMMENDATIONS

An effective plan must set forth clear goals, delineate steps toward achieving those goals, establish benchmarks, and regularly assess progress. It must be tied to realistic budgetary considerations and cost/benefit analyses. The plan should focus on timelines, priorities, and allocation of specific public resources, with considerations of who benefits, who pays, and who should pay.

The state's current, explosive population growth makes timing of the essence in developing a plan, but also underscores the inherent limitations of planning far into the future during times of dynamic change. Thus, an effective planning process cannot be merely theoretical, but must be grounded in reliable data, must be correlated with other comprehensive plans for infrastructure, land use and development, and must include an emphasis on continual measurement, adjustment and adaptation. Human service needs should be planned for and incorporated into municipal and county general and comprehensive plans. A template should be created to project the demand for human services based on projected population growth and demographic changes.

Human service needs should be planned for and incorporated into municipal and county general and comprehensive plans.

The planning process should include significant input from various stakeholders, including business leaders, human service providers, relevant interest groups, nonprofits and foundations, representatives of the general public, and officials of local, state and tribal governments. The public input process should be derived from existing, tested and effective models, such as the process by which the Arizona Department of Transportation and councils of government work with stakeholders to plan for future infrastructure projects. It also is important to build upon what has already been accomplished and the expertise already developed in related areas, such as under the Growing Smarter initiative and the work of the Governor's Growth Cabinet. Growing Smarter legislation should be expanded to add two new elements — "vision" and "human services" — to general and comprehensive plans. For example, the Growing Smarter program should include assessment of human services impacts in the areas of workforce development, education, public safety, health care, social services and arts and culture when municipalities amend their general plans. The plan should rely on lessons learned from other states that have experienced similar rapid growth, to import best practices, and avoid mistakes, based on the benefit of others' experience.

* * * *

TOWN HALL RECOMMENDATIONS

MAJOR OBJECTIVES FOR THE PROVISION OF HUMAN SERVICES IN ARIZONA

At the conclusion of two days of focused discussion on issues related to the provision of human services during a time of rapid population growth, participants in each of the five Town Hall discussion panels were asked to rank their priorities for Arizona with respect to education; workforce development; health care; public safety; the arts, culture and recreation; other human services not previously listed; and funding for all of these services. The results of these five panels' were then synthesized into the following seven sets of priorities. Although these priorities are listed separately by categories, many of the subjects and priorities are interrelated. For example, mental health issues might be relevant to discussions of education, health care, workforce development or public safety. These priorities, therefore, are intended to be considered in conjunction with one another, as integral parts of a broader consideration of how to best meet the human service needs of Arizona's dynamic and growing population.

SYNTHESIS OF ALL FIVE TOWN HALL PANELS' PRIORITIES

Workforce Development

1. Create partnerships between educational institutions and businesses to better align education with workforce needs.
2. Increase access to career and technical education.
3. Have a Joint Technological Educational District (JTED) in each county.

Education

1. Reform the formula for funding education and increase teacher pay.
2. Align educational curriculum and standards to better meet workforce needs and the global economy of the 21st century.
3. Develop individual education plans for students.

Health Care

1. Access to quality, affordable health care for everyone in Arizona.
2. Provide incentives for healthy lifestyles, prevention and wellness.
3. Tort reform.

TOWN HALL RECOMMENDATIONS

Public Safety

1. Establish programs to reduce recidivism.
2. Increase substance abuse prevention and treatment measures
3. Ensure adequate funding and incentives to aid in the recruitment and retention of public safety employees.

Arts, Culture and Recreation

1. Ensure adequate funding for arts, culture and recreation in preK-12 schools.
2. Include arts, culture and recreation in economic development activities.
3. Increase collaboration among government, nonprofit organizations, schools and private entities.

Additional Services

1. Affordable child care.
2. Services to an aging population.
3. Poverty.

Supporting Revenue Sources

1. Capture share of federal money.
2. Tax reform.
3. Public-private partnerships.

TOWN HALL PARTICIPANTS

TOWN HALL PRESENTING SPONSOR



REPORT COMMITTEE

Mark Hummels, Attorney; Osborn Maledon, P.A., Phoenix
— *Report Chairman*

John Craiger, Attorney; Associate, Quarles & Brady, L.L.P., Phoenix

Shelley Cutts, Attorney; Assistant Attorney General for Arizona, Phoenix

David W. Garbarino, Attorney; Mohr, Hackett, Pederson, Blakley & Randolph, P.C., Phoenix

Gregory Gnepper, Attorney; Associate, Gammage & Burnham, Phoenix

Rebecca Goldberg, Attorney; Associate, Salmon, Lewis & Weldon, P.L.C., Phoenix

PANEL CHAIRS

Sandra A. Day, Attorney; Shareholder, Day Kavanaugh P.C., Mesa

John I. Hudson, Commissioner, Arizona Power Authority;
Lt. Gen., U.S. Marine Corps (Ret.), Yuma

Ivan D. Johnson, Vice President, Community Relations & TeleVideo, Cox Communications,
Phoenix

Gordon Lewis, Attorney; Ptr., Jones, Skelton & Hochuli, P.L.C., Phoenix

Kevin Olson, Attorney; Ptr., Steptoe & Johnson, L.L.P. Phoenix

TOWN HALL RESOURCE CONSULTANT

David Camacho, Special Assistant to the President, Northern Arizona University, Flagstaff

TOWN HALL SPEAKERS

The Honorable Janet Napolitano, Governor of Arizona, Phoenix

Gerald L. O'Donnell, Chief Public Information Officer, Denver Regional Office, U. S. Census
Bureau, Denver Colorado

John Parr, Principal & Co-Founder, Civic Results, Denver Colorado

TOWN HALL PARTICIPANTS

DINNER SPONSOR



Wells Fargo Bank, N.A.

PLENARY SESSION PRESIDING CHAIRMAN

L. J. (Chip) U'Ren, Chairman of the Board, Arizona Town Hall; Associate General Manager, Operations, Information & Human Resources Services, Salt River Project, Phoenix

LIST OF PARTICIPANTS

Penelope Acosta, Director, Account Services, Molina-Lopez Advertising, Phoenix
Caroline Alcaida, Program Director, Head Start, Colorado River Indian Tribes, Parker
Cindy Aldridge, President, Information Solutions, Inc.; City Councilmember, Lake Havasu City
Phillip A. Austin, Attorney; Law Office of Phillip A. Austin, Mesa
Kerry Ballard, Vice Mayor; Ret. School Resource Teacher, Snowflake
Lee Basnar, Columnist, Sierra Vista Herald; Author, Sierra Vista
Ellie F. Bauer, Artist; Business Partner, Alcora Marble, Clarkdale
Derek Bechtel, Development Director, Boy Scouts of America Grand Canyon Council, Phoenix
Martha Bennett, President, Bennett and Company, Lake Havasu City
Duane Black, Executive Vice President & C.O.O., SunCor Development Company, Tempe
Kerry Blume, President, United Way of Northern Arizona, Flagstaff
Ted B. Borek, Judge, Pima County Superior Court (Div. 24), Tucson
George R. Bosworth, Jr., Executive Director, Urban Land Institute Arizona District Council, Phoenix
Norm Botsford, President & C.E.O., University Physicians Healthcare, Tucson
Glennie Bradshaw, Secretary & Treasurer, American Graphics, Lake Havasu City
Sharon Bronson, Member, Pima County Board of Supervisors (Dist. 3), Tucson
Janice Brundage, Psychologist; Owner, Madera Counseling Center, Tucson
Patrick Call, Chairman, Cochise County Board of Supervisors (Dist. 1), Sierra Vista
John Cantrell, Architect; Director of Design, The Orcutt/Winslow Partnership, Phoenix
Gloria Chavez, Teacher, Adams Elementary School, Mesa Unified School Dist., Mesa
Cris Ciasca, Chief Financial Officer & Human Resources Director, YMCA of Metropolitan Tucson
W. Mark Clark, President & C.E.O., CODAC Behavioral Health Services of Pima County, Inc., Tucson
Mich Coker, Attorney; Snell & Wilmer L.L.P, Tucson

TOWN HALL PARTICIPANTS

Brent F. Cooper, Chief of Police, Flagstaff

Terry Cooper, Graham County Manager, Safford

Leo Corbet, Ret. President, Nebraska Nutrients Inc.; Attorney, Phoenix

Richard V. Dahl, Managing Broker, Northern Arizona Century 21 Metro Alliance, Sedona

Sandra A. Day, Attorney; Shareholder, Day Kavanaugh P.C., Mesa

Jim Demarais, Director of Operations, Avondale Elementary School District #44, Avondale

Richard de Uriarte, Editorial Writer, The Arizona Republic, Phoenix

Dianna Yazzie Devine, President & C.E.O., Native American Connections, Phoenix

George Diaz, Jr., Sr. Public Affairs Representative, Pinnacle West Capital Corporation,
Phoenix

Trinity Donovan, City Councilmember; Vice President, Valley of the Sun United Way,
Chandler

Kevin E. Driesen, Regional Administrator, Southern Az. Region, Arizona Health Care Cost
Containment System (AHCCCS), Tucson

Landis Elliott, Development Director, The Bade Companies, Peoria

Marcia B. Ellis, City Councilmember; Founder & Director Emeritus, West Valley Arts Council,
Litchfield Park

Stephen O. Evans, Trustee, Equity Residential; Ret. Chairman & C.E.O., Evans Withycombe
Residential, Paradise Valley

Susan Evans, Director, Yuma County Library District, Yuma

Maurice Flores, Superintendent, Kingman Unified School District #20, Kingman

Troy P. Foster, Attorney; Ptr., Lewis and Roca, L.L.P., Phoenix

Debra Friedman, Dean, College of Public Programs, Arizona State University, Phoenix

Glenn Garrett, Owner, G & J Restaurant Corp., Oro Valley

Mitchell Gelber, Psychologist, Prescott

Trish Georgeff, Deputy Director, Maricopa County Department of Human Services, Phoenix

Stanley M. Gibson, Mayor, Globe

Rufus Glasper, Chancellor, Maricopa Community Colleges, Tempe

Gail E. Grace, President & C.E.O., Camelback Community Bank, Phoenix

Judy Gresser, Western Regional Manager, Arizona Community Foundation; President,
Papa-San Rice Bowl, Inc., Yuma

Ruben D. Griffith, General Manager, Phelps Dodge Mining Co., Safford

Frank J. Grimmelmann, Chairman, TGG Holdings; President, F.J. Grimmelmann & Assoc.,
Inc., Anthem

Kathy Haake, Vice President & Manager, Human Resources, Salt River Project, Phoenix

John Hagen, Economic Development Director, City of Surprise

Joshua Hall, Vice President, Land America Transnation Title, Show Low

Bruce Hallin, Manager, Business Development – Water, Salt River Project, Phoenix

Tom Hammarstrom, Executive Director, Arizona Peace Officer Standards & Training, Phoenix

TOWN HALL PARTICIPANTS

Ginny Handorf, Executive Vice President, People Systems Inc.; Town Councilmember and Former Mayor, Pinetop-Lakeside

Kate Hanley, Executive Director, Tempe Community Council, Tempe

John Hansen, Chief Operating Officer, Laron Inc., Kingman

Ellen Hargis, President & C.E.O., Volunteer Center of Southern Arizona, Tucson

William C. Harris, President & C.E.O., Science Foundation Arizona, Phoenix

John L. Hay, Attorney; Gust Rosenfeld, Phoenix

Rory C. Hays, Attorney (sole practitioner), Phoenix

Joe Herrick, Executive Director, Tucson Utility Contractors Association, Tucson

Mari Helen High, President, Arizona Women's Political Caucus Tucson Chapt.; Ret. School Administrator, Tucson

Patricia Hill, Program Manager, Arizona Municipal Water Users Association, Phoenix

Dana Hlavac, Attorney; Mohave County Public Defender, Kingman

Kim Holaway, Town Councilmember; Ret. Administrator, Marana Unified School Dist, Eagar

John I. Hudson, Commissioner, Arizona Power Authority; Lt. Gen., U.S. Marine Corps (Ret.), Yuma

Osaro Ighodaro, Associate Dean, Student Affairs, Scottsdale Community College, Scottsdale

Mario S. Jauregui, Owner & Managing Ptr., San Luis Trading & Logistics, San Luis

Ivan D. Johnson, Vice President, Community Relations & TeleVideo, Cox Communications, Phoenix

Steve Kiefer, Associate Director, Center for Workforce Development, Maricopa Community College Dist., Tempe

John E. Kitagawa, Rector, St. Phillip's in the Hills Episcopal Church, Tucson

Zinkenyu (Kenya) Knight, Student, Arizona State University Polytechnic Campus, Chandler

Ellen Kretsch, Executive Director, Globe-Miami Regional Chamber of Commerce & Economic Development Corp., Globe

Gordon Lewis, Attorney; Ptr., Jones, Skelton & Hochuli, P.L.C., Phoenix

Tammy A. Linn, Executive Director, United Way of Yavapai County, Prescott

Joyce Lopez-Powell, Vice President, Western Maricopa County Community Mobilization, Emerging Issues & Services, Valley of the Sun United Way, Phoenix

Gary J. Magrino, Owner, Multi Tech Transportation; Chairman, Greater Yuma Port Authority, Yuma

Joan Marrs, Community Education Director, Catalina Foothills School District, Tucson

Robert Anthony Marshall, Student (Psychology), Arizona State University West Campus, Phoenix

Jeff Masters, District Vice President, Hughes-Calihan, Phoenix

Melissa Matt, Student (Recreation/Tourism), Arizona State University West Campus, Phoenix

John C. Maynard, Member, Santa Cruz County Board of Supervisors, Rio Rico

Mark Mazon, Court Administrator, Phoenix Municipal Court, Phoenix

Laura McBride, Community Relations & Grants Manager, The Arizona Republic, Phoenix

TOWN HALL PARTICIPANTS

Carol McGorray, Town Councilmember; Ret. Educator, Marana

Jackie A. Meck, General Manager, Buckeye Water Conservation & Drainage District, Buckeye

Mandy Roberts Metzger, President, The Diablo Trust; Partner, Metzger Keene, L.L.C., Flagstaff

Ross Meyer, Student (Economics); President, Associated Students, Arizona State University, Tempe

Benjamin H. Miller, Manager, Real Estate & Investments, Miller Bros., L.L.C, Sedona

Chiedza Mutsaka, Student, Phoenix College, Phoenix

Mike Normand, Transportation Services & Planning Manager, City of Chandler

Christine Nowaczyk, Senior Vice President, Corporate Banking, Bank of Arizona, Phoenix

Kevin Olson, Attorney; Ptr., Steptoe & Johnson, L.L.P., Phoenix

Jerry Owen, Community Development Director, Town of Payson

Steve B. Peru, Coconino County Manager, Flagstaff

Roger Pfeuffer, Superintendent, Tucson Unified School District, Tucson

Dick Powell, Owner, Powell Feed & Supply; City Councilmember, Casa Grande

Kathryn (Casey) Prochaska, Chair, Yuma County Board of Supervisors (Dist. 3), Yuma

Michael Proctor, Associate Dean, External Relations, College of Agriculture & Life Sciences, University of Arizona, Tucson

Darcy Renfro, Policy Advisor, Economic Development & Higher Education, Office of the Governor, Phoenix

Patricia V. Richardson, Interior Designer & Consultant, Casa Linda Designs, L.L.C., Tucson

Don L. Roberts, Superintendent, Willcox Unified School District, Willcox

Kent D. Rollins, President, University Medical Center Foundation, Tucson

Adrian Romero, Student (Journalism), Scottsdale Community College, Scottsdale

Linda B. Rosenthal, Member, Maricopa Community College Dist. Governing Bd.; Volunteer, Phoenix

Terri Sue Rossi, Sr. Policy Analyst, Central Arizona Project, Phoenix

Tonya Rowell, Biology Coordinator, Scottsdale Community College, Scottsdale

Alex Ruiz, Vice President & Branch Manager, The Foothills Bank, Yuma

Robert A. Salvatore, Business Broker, Dorado Realty; Consultant, Integrated Marketing Solutions, Tucson

Jose Sanchez, Chairman, Gila County Board of Supervisors (Dist. 2), Globe

Shirley Sandelands, President, League of Women Voters; Ret. High School Educator (Illinois), Tucson

Carol Sanger, Executive Director, Upper San Pedro Partnership, Hereford

Susan Silva, Real Estate Broker; Owner, White Mountain Kachina Realty, Springerville

Virginia B. Skinner, Development Director, Association of Arizona Food Banks, Phoenix

David Snider, Member, Pinal County Board of Supervisors; Ret. City Library Director, Casa Grande

Andrea Somerville, Associate Pastor, Sun City Church of the Nazarene; Attorney, Surprise

TOWN HALL PARTICIPANTS

Amy St. Peter, Human Services Manager, Maricopa Association of Governments, Phoenix
Rosemary Stoltenberg, Ret. Community Volunteer, Teacher & Counselor, Tubac
Marie A. Sullivan, President & C.E.O., Arizona Women's Education & Employment, Inc., Phoenix
Thomas T. Tamura, Ret.; Former Principal Deputy Asst. Secretary of Energy for Human Resources and Administration, U.S. Department of Energy (Washington D.C.), Goodyear
Carlos Tapia, Student; President, Student Government, Pima Community College - West, Tucson
Alberta C. Tippeconnic, Assistant Director, Inter Tribal Council of Arizona, Phoenix
Teri Traaen, General Manager, Human Resources, City of Scottsdale
Warren Austin Turner, Ret. President & C.E.O., Sun Health Corp.; Former Arizona State Senator, Waddell
Patti S. Davis Tussey, Executive Director, Human Resources, Cave Creek Unified School District, Cave Creek
Robert Van Wyck, Attorney; Chief Bar Counsel, State Bar of Arizona, Phoenix
Diane Vick, Mayor; Human Resources & Inventory Control Manager, Copper Canyon Nissan, Bullhead City
Rodney Wacker, Managing Partner, MAP, Phoenix
C. Jason Waggoner, Student (Business); Senator, Associated Students, Northern Arizona University; IT Intern, Unisource Gas, Flagstaff
Marla Weston, Chair, Health Care Institute, Arizona Hospital & Health Care Association, Phoenix
Matthew Wiener, Producing Artistic Director, Actors Theater, Phoenix
Vicki A. Wilkinson, Rancher, Running W Ranch, Inc., Chino Valley
Eileen S. Willett, Presiding Judge, Maricopa County Juvenile Court, Phoenix
Mitchell H. Williams, Student, Phoenix College; Courier, Laveen
Leon Wilmot, Chief Deputy, Yuma County Sheriff's Office, Yuma
Mark Winkleman, State Land Commissioner, Arizona State Land Dept., Phoenix