

**Report of the
97TH ARIZONA TOWN HALL
“Arizona’s Government: The Next 100 Years”**

**Grand Canyon, Arizona
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As Arizona approaches its Centennial anniversary of statehood, we as Arizonans rightly look back on the last 100 years with a sense of pride in what has been accomplished. We have built a strong and growing community, whose people have transformed Arizona into a vibrant state composed of diverse communities, industries, and interests. One of the measures of the success of our state is a representative government founded on the principles of individual rights, citizen involvement, and civic responsibility.

But we also look back with the knowledge that it was just a starting point and that there is much work left to do. Looking forward to our next 100 years, now is the time to take stock of what is not currently working and to develop solutions. It is also the time to consider what values should continue to animate our government and to bring our government in line with those values.

It is in this spirit that the participants of the 97th Arizona Town Hall, a diverse cross-section of Arizona residents from various communities and walks of life, met for three days of facilitated discussions designed to seek a consensus on how best to structure Arizona’s government for the next 100 years. This report captures the consensus and proposals that emerged from those discussions. Although not every Town Hall participant agrees with every conclusion and recommendation herein, this report reflects the overall consensus achieved by the 97th Arizona Town Hall. We therefore offer these conclusions and recommendations, mindful of the words of Margaret Mead: “Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it is the only thing that ever has.”

I. Defining an Effective Framework

A. Historical Factors

Arizona was admitted to the Union in 1912, and from its inception Arizona’s state government structure was rooted in the values of both the individualism of the “Old West” and the idealism of the Progressive Era. With many early Arizonans having trekked across the country to start a new life, one of early Arizonans’ primary concerns was the protection of personal freedoms, independence, and individual rights. This was borne out by the adoption of Article II of the Arizona Constitution, which provides an extensive Declaration of Rights. Arizona also became one of the first states to grant women the right to vote, an issue that was raised at Arizona’s Constitutional Convention. A strong emphasis was placed on the value of public education, as the Constitution states that education “shall be as nearly free as possible.”

Finally, early Arizonans were particularly suspicious both of the undue influence of big business and the corruption of big government. Thus, they provided for “direct democracy” safeguards through the initiative and referendum processes.

We still hold many of the same values on which our state was founded. For instance, there remains broad agreement that we need a strong public education system. However, there is similar agreement that our state government has lost sight of this value over time. Our state public education system is plagued by many challenges, including underfunding, and our state needs to have a well-educated workforce with young people prepared to enter and complete post-secondary education.

In many other ways, we are not the same state we were in 1912. Arizona was a much smaller, rural, and agricultural state, focused on the “Five C’s” – Copper, Cattle, Cotton, Citrus, and Climate. In 2010, Arizona has a substantial urban population and a need to incorporate the values of an increasingly diverse population. Modern Arizona must concern itself with a broader scope of issues, which include immigration, transportation, protecting vulnerable populations, international and interstate commerce, water rights, and diversifying our state’s economy. Arizona government must also balance the needs of a growing population with the challenges of increasing budget shortfalls.

In light of these demands, some of the “direct democracy” safeguards do not necessarily serve to advance our values in the way first envisioned. For instance, the presence of initiative and referendum processes has allowed the Legislature to pass the responsibility for making decisions down to the people rather than dealing with important issues themselves. These processes are also susceptible to influence by out-of-state interest groups. Finally, initiatives can present serious budget problems given the limits on discretionary spending.

There are still benefits to these processes; for instance, there can be high quality initiatives, and this form of “pure democracy” allows the voice of the people to be clearly heard. However, the initiatives and referenda proposed to the electorate have increased in their complexity, in turn increasing the possibility of confusion at the polls. Additionally, the absence of serious public education about proposed measures, initiatives, and referenda do not provide the time necessary for the thoughtful and deliberative process desired by Arizonans.

B. The Role of Government

Although government cannot be all things to all people, the point of government is to do things that we cannot do individually or with cooperation among private parties. In the end, the goal of government is to work to promote the public good, serving as a catalyst, an innovator, and a facilitator. This requires both proper planning for the raising of sufficient revenues through responsible tax policies and the allocation of those revenues to serve the values and needs of Arizonans. In doing so, state government needs to be more proactive in developing long-term goals and strategies for the use of tax revenues, rather than being reactive to the crises of the day. Moving forward, Arizona will need to make difficult choices about how best to meet these values and needs.

State government should not simply help Arizona grow, but to grow “smart.” One of the most critical missions for state government is to attract businesses and other private enterprises to Arizona. While the government should strive not to conflict with private efforts to bring businesses and jobs to Arizona, there are a number of things the government can do to provide a foundation for private sector growth and diversification of Arizona’s economy. Included among them is incentivizing private enterprises. Arizona needs tools for attracting private enterprise, including options used in other states such as “tax increment financing” or a “deal closing fund,” which may require amendment of the Arizona Constitution’s Gift Clause to permit such incentives.

The government can also do a great deal of good in the areas of public safety, energy policy, environmental protection, the preservation and utilization of natural resources, and public health. The state’s revenue-sharing structure permits cities and counties to develop local solutions to best serve local needs. A responsible tax policy needs to ensure adequate and stable local government funding.

The creation and maintenance of high-quality infrastructure is another sort of investment state government can make to promote the public good. Specifically, the state has an important role in providing leadership for developing, keeping current, and implementing a comprehensive transportation infrastructure plan, which is vital to all segments of the population. Safely maintaining and modernizing all modes of transportation for people and goods is an important objective. The state needs public transportation systems to meet the needs of individual communities with respect to increasing mobility and promoting economic development. Arizona also must promote and support the advancement of current and future technological infrastructure, especially as it relates to communications. Moreover, Arizona’s desert environment places a premium on securing Arizona’s water resources over the next 100 years, which is vital to our state’s growth.

Above all, the recognized key to Arizona’s future is education. State government should treat education as an investment to be made, rather than a cost or a burden. Thus, we need to commit to provide sufficient and appropriate funding to support education at all levels, including early childhood development, K-12, career and technical training, and higher education.

II. The Structure of Government: The Constitution and the Three Branches

A. The Constitution

The Arizona Constitution has many virtues. Its structure provides for the separation of powers between three coequal branches of government, laying out an effective system of checks and balances. Our Constitution has also created a “fourth branch of government” in the Arizona Corporation Commission, which regulates the rates and services of public utilities. The Commission’s jurisdiction in these areas is exclusive of the other branches, serving as yet another check and balance in the structure of Arizona’s government. Finally, the state Constitution is the key document enumerating the inviolable individual rights of Arizonans, providing a guarantee of such rights independent of federal interpretations of the Bill of Rights in the United States Constitution.

Although the Constitution's enumeration of individual rights is one of its strengths, its inclusion of a variety of provisions on specific issues, which are better left to state statutes, is one of its weaknesses. Ultimately, Arizona's Constitution should focus on the structure of government and the protection of individual rights, rather than the details of implementation.

There are specific constitutional provisions that should be reconsidered. Many of the funding provisions in the state Constitution provide unnecessary hurdles to the optimal structure and operation of state government. For instance, the constitutional debt limit of \$350,000 is inefficient, untenable, and unpoliced. The debt limit should either be raised substantially or eliminated altogether – but if we are going to have a debt limit, the government should be held to it. Similarly, the supermajority requirement for raising revenues can hinder the Legislature from making the difficult revenue choices that need to be made. Thus, the supermajority requirement for raising revenues should be abolished.

The question of how best to adopt changes to our Constitution is difficult and invites a wide variety of different viewpoints. On the one hand, the current initiative and referendum processes, Arizona's traditional options for amending the Constitution, have their benefits. They permit citizens to focus on a specific constitutional question, and they provide a direct link for the public to become policy makers and to enact the laws they want.

However, “direct democracy” can have its drawbacks. For example, “direct democracy,” in this context, can result in an inordinately large number of constitutional amendments on policy minutiae that would be better left to state statutes. This is proved true in Arizona, where we have had more than 100 amendments in fewer than 100 years. Moreover, these processes can lead to proposals that are not necessarily well thought out or even well written.

If Arizona desires to continue to use initiative and referendum processes to amend the Constitution, there should be changes to the process itself. For instance, Arizona could adopt a requirement of a supermajority vote in the Legislature to refer constitutional amendments to the people. Except in emergencies, a further idea would be to require bringing an issue to the voters in two separate elections. However, many of the participants believed that this proposal for two separate elections is unworkable and burdensome, unnecessarily requiring two separate sets of electors to vote on the proposal. Nonetheless, it needs to be at least somewhat more difficult to amend the Constitution.

For initiatives and referenda affecting statutes rather than the Constitution, sunset clauses would be an effective means of allowing voters to revisit issues that might have unintended consequences at different times or in different circumstances.

Constitutional amendments should be effected through modified initiative and referendum processes that permit well thought-out, well-vetted, and well-debated proposals on key constitutional issues to be put to the people.

B. The Executive Branch

Arizona's Executive Branch is strong in a number of ways. The presence of a line-item veto permits the Governor to reduce the general level of spending and also to eliminate

certain spending cuts that may otherwise be politically unpopular. Another strength of the system is having an independently-elected Attorney General. Indeed, the presence of a number of separate elected statewide offices gives Arizona the advantage of having a broad statewide perspective in executive leadership.

However, there are a number of ways in which the Executive Branch could be improved. For many of the administrative and technical positions, elections can do more harm than good. Positions like the Superintendent of Public Instruction, State Treasurer, and the Mine Inspector should be appointed, not elected. Moreover, such appointments should be based upon merit and meeting baseline qualifications, not unlike Arizona's merit selection system for judges. The office of Secretary of State should also be reformed, either by making the position appointed or by apportioning those duties to other agencies. However, elections should continue to be administered by an independently-elected official.

In that vein, although Arizonans have recently rejected a proposition to create the office of Lieutenant Governor, that decision should be revisited. Arizona needs a Lieutenant Governor to ensure continuity in the Executive Branch when the Governor can no longer serve. This is not an illusory problem; it has happened five times in Arizona's history. Twice this resulted in transferring control of the Executive from one party to the other, which entailed an instantaneous and dramatic shift in policy priorities. There is also a concern that the Secretary of State (currently next in line), whose responsibilities include overseeing elections and other administrative functions, will necessarily be faced with having to set an agenda for the state without the executive experience to do so. Thus, a Lieutenant Governor should not just serve as the next-in-line or simply be a re-named Secretary of State. Rather, the office should entail substantive responsibilities to both assist the Executive Branch and prepare the Lieutenant Governor for assuming office, if necessary.

Among these responsibilities, the state, led by the Governor and Lieutenant Governor, should engage in long-term and strategic planning. As stated earlier, economic development and tax policy planning are essential to Arizona's growth. Assuming responsibility for such planning is one of the greatest opportunities for the Executive Branch to take on a greater leadership role in the next 100 years.

C. The Legislative Branch

Although there are a number of opportunities for improvement, the Legislature does have some strengths. The fact that it is a citizen legislature creates many challenges, but it also furthers Arizona's original ideals of a citizen government.

One of the strengths of Arizona's Legislature has been the ongoing efforts to increase openness and accessibility to the public. For example, both committee meetings and the open sessions of both bodies of the Legislature are able to be viewed over the internet. This increases the opportunity for Arizonans to stay informed about the day-to-day actions of the Legislature.

Another strength is bicameralism, which provides a layer of checks and balances within the legislative body and results in slowing the process down, which in turn results in

more deliberative thought on bills. Additionally, Arizona's Legislature benefits from an experienced body of professional staff and the Arizona Legislative Council, who support its efforts.

There are at least three specific ways in which Arizona's Legislature can be improved. First, legislative pay needs to be significantly increased, including sufficient per diem travel and lodging rates for the counties outside of Maricopa County. This will encourage a broader base of citizens to seek election to the Legislature and permit a broader cross-section of citizens to serve, rather than simply those who can afford to do so. Additionally, increases in salaries in the Legislative Branch should extend to legislative staff to ensure that we are able to hire and retain the highest quality people.

Second, more needs to be done to increase institutional knowledge and decrease partisan bickering. One of the best ways to do this is to extend the length of terms, permitting legislators the opportunity to gain greater experience with the process of governing and to develop relationships across the political spectrum. In furtherance of this goal, term limits should be abolished. Additionally, staggering the terms of legislators, so that fewer legislators will be up for reelection in any given year, will also increase the number of "veteran" legislators.

Third, Arizona's legislative session needs to be lengthened. One hundred days is not sufficient time to govern a modern state facing complicated issues. As it currently stands, there are far too many bills introduced for legislators to adequately and deliberately consider and vote on them all in the time currently allotted.

More broadly, the Legislature needs to be more transparent. For instance, strike everything amendments may sometimes be necessary, but we need to limit them to ensure greater transparency in the legislative process. Also, there needs to be greater transparency in the budget process, with more open lines of communication between the Legislative and Executive Branches as to federal and state funding. Transparency can be further increased by revising the Open Meeting Law to include the legislative process as appropriate, and to provide a 72-hour notice period between a proposed final budget and its final adoption by the Legislature.

Further, our Legislature needs to be more responsive to Arizona's changing political climate. Arizona's growing number of Independents is not adequately served by a large number of uncompetitive or "safe" districts. Therefore, fair and competitive redistricting is essential to make the Legislature more responsive. Greater responsiveness will in turn increase citizens' trust in the Legislature.

D. The Judicial Branch

Arizona's Judicial Branch is not only the best structured of the three branches of government, but it is also one of the best state judiciaries in the nation. This is mostly owing to the effects of merit selection, which produces high-quality, skilled judges who are independent of the interests that would otherwise fund judicial elections. There is widespread recognition of the effectiveness of the merit selection system, and it should be expanded to

include all Arizona courts. The Judicial Performance Review process plays a critical role in merit selection and educating citizens and is yet another strength of Arizona's Judicial Branch. Other strengths include an emphasis on transparency, both in the courts themselves and in the agencies subject to the Judiciary's jurisdiction (such as probation services and juvenile detention centers), as well as the Judiciary's oversight of attorney and judicial discipline.

Nevertheless, there is still room for improvement. The current efforts of the Judicial Performance Review Commission and the Supreme Court to educate the citizenry about judges and the judicial system, including merit selection and retention, should be expanded and enhanced. Additionally, the mandatory retirement age of 70 should be abolished.

Further, for our Judiciary to retain its high quality and preserve its independence, we must provide the Judiciary with a more stable funding mechanism to accommodate the more than 11,000 cases filed every business day.

To help manage the ever-growing volume of cases, the Judiciary often relies upon Justices of the Peace. While Justices of the Peace need not be trained lawyers, they should be provided with greater legal education and training to maintain the high quality Arizonans expect from the Judiciary.

Finally, in order to continue to increase access to the judicial system, efforts need to be made to inform Arizonans about how the Judiciary works. A better informed citizenry will not only help to maintain the independence and quality for which Arizona's Judiciary is nationally known, but it will be especially helpful to litigants seeking to represent themselves.

III. Coordination Among Governments

While Arizona's state government does coordinate in some ways with local, regional, federal, and tribal governments, there is much room for improvement. Both state and local governments are mutually dependent on shared resources, and thus it is essential that they be able to work together collaboratively to ensure both economic development and proper resource allocation. In difficult economic times, this relationship becomes especially strained because of the overall lack of revenue. As an old proverb puts it, "When the watering hole dries up, the animals look at each other differently." In the same way, when revenues dry up, state and local governments must compete for the same scarce resources.

Unfunded mandates contribute to an adversarial relationship between all levels of government. There is a tendency to push responsibilities down to the next level of government without any thought as to how it will affect these other jurisdictions.

The state's habit of "sweeping" funds from local governments creates the same problem. The state needs to understand that revenue sharing is a two-way street. Local governments must have the flexibility to both collect and spend the revenues they have raised to fund the unique priorities of their communities. The state Legislature must ensure revenue sharing with local governments and address the concern of unfunded mandates. Rather than looking to local governments as a source for raising revenues for state priorities, the state should explore its own structural reforms regarding revenue collections.

Overall, there is a lack of transparency in the legislative process, especially in budgeting. This is exacerbated by the difficulty citizens and communities have in keeping track of legislative actions. The Legislature can give and take away funding without sufficient public scrutiny. With this in mind, the Legislature needs to better inform Arizonans about how tax dollars are spent. This could be accomplished by a 72-hour waiting period before action can be taken on a budget proposal, or by having a hearing in every legislative district on the proposed budget. Another problem is that not all state representatives are perceived to serve the interests of their constituents, especially in rural communities. This can be compounded by the inherent difficulty communities outside of Maricopa County have in keeping track of legislative action. One solution is to require the legislative process to comply with the Open Meeting Law, as applicable. Additionally, expanding technological access to both legislative sessions and actions—for instance, by making the most current information available on demand—would increase accountability at the state level.

However, accountability also requires citizens to be proactive in engaging the Legislature and other elected officials, and not just during election season. We need to have a unifying vision in order to make progress on these fronts. Change starts small, with conversations around the water cooler, and should extend to deploying the resources of governmental agencies and non-governmental organizations to further the dialogue among the different levels of government.

Interactions between state and tribal governments, though having improved somewhat in recent years as the Indian gaming industry has developed, remain complicated by a number of factors. For instance, these relationships remain informal, which can at times be awkward. The relationship can become especially difficult in light of the unique and complex issues of jurisdiction, sovereignty, and comity that exist between state and tribal governments. There has often been a lack of effective dialogue between these governmental entities. A better tribal liaison program will enable more effective communication, cooperation, and partnerships between the tribal and state governments.

Interactions between the state government and the federal government, at this point, are adversarial. There is a lack of an effective dialogue between the state and federal governments, which ultimately serves no one. For Arizona, this can result in limitations on access to federal programs and funds which could benefit the state. One possible solution is to develop a stronger relationship between the federal government and Arizona's local governments, including strengthening and expanding the roles of intergovernmental liaisons. There is a need for Arizona to have an active voice in Washington D.C. to ensure that Arizona is not just a "donor state."

State law also impacts how local, regional, and tribal governments interact with one another. For example, as a function of state law, there may be some overlap between some municipal, county, and tribal governments as to their functions and roles. This should be reviewed with a goal of increasing efficiency and lessening unnecessary competition over scarce resources.

In conducting this evaluation, we should keep in mind that various parts of our state are inherently different. For instance, rural and urban counties are not alike, and state law

should not always treat them the same or compel them to be run in the same way. Any structural reforms need to be undertaken with a clear understanding of the needs of the various regional, local, and tribal communities impacted to create individualized solutions for individualized problems.

Arizona should work to coordinate all levels of government to streamline the process of attracting new business and investment to the state. The Governor's Arizona Commerce Authority should be given statutory recognition and must work in cooperation with existing regional organizations to foster a healthy business environment and attract new business to the state.

One of the key priorities of the Arizona Constitution is to have a quality public pre-K-12 education system and strong public colleges and universities that are as nearly free as possible. But Arizona has an unequal funding formula for schools, with some entities having the ability to raise revenues and others not. This funding formula impacts the interests that local and regional governments have in this key Arizona priority. State government should examine new funding models for education, including a dedicated revenue source.

IV. Citizen Participation in Government

A. Civic Engagement is Essential

Citizen participation in Arizona's government is critical to its success. The more people who are engaged in the governing process, the more responsive the system will be to our needs. As a society, we need to develop mechanisms to attract all citizens to, and educate them about, the civic process.

This includes education on both governance and elections, which should take place on a non-partisan basis and should begin at an early age, but certainly no later than in a high school civics course, which should be mandatory. This is especially important in light of today's extremely partisan political climate. Thus, a mere civics course is not enough; efforts specifically focused on young people should also include outreach in the form of rallies, youth commissions, and social media. Civic education should continue after people enter the work force, and employers can play an important role in bringing employees together to learn about issues and to set up voter registration drives.

But knowledge without involvement accomplishes nothing. In addition to traditional means of civic engagement, like serving on a jury, all citizens need to be made aware of the numerous opportunities to become more involved, including through state and local boards, commissions, and task forces. We also need to encourage and foster non-partisan civic engagement through the use of non-governmental organizations. Our state would also be better served by more knowledgeable and better-informed leaders at all levels of government. We should not rely on "on the job training" for elected officials who must make decisions about many complex issues. Town Hall should engage with foundations, universities, colleges, and civic organizations to develop a certificate program that will train future leaders on the organization and functions of government, public finance, election laws, and other topics that will prepare citizens to become more effective leaders. To further civic engagement in the

legislative process, we should establish an online system that enables people to register and participate in legislative committee hearings without the need for a physical presence at the capitol.

Participation should be encouraged across all demographic groups, and citizens should take individual responsibility to educate themselves on civic involvement. With that in mind, there needs to be a strong emphasis on the development and practice of a culture of mutual respect which seeks to build consensus for the public good, through civic engagement and civil dialogue.

B. The Election System

Arizona's election system is out of sync with the values of our state's voters and does not meet our needs. Our system struggles with low voter turnout, which results from a number of factors, including the disillusionment of the voters, a lack of transparency in the process, and a general lack of sufficient factual information about candidates and issues. And the candidates themselves do not make things any easier, engaging in ongoing partisan bickering and spending millions of dollars on negative advertising that provides little to no information and only increases cynicism about the process.

Our system is also unresponsive to the needs and interests of an emerging plurality of registered Independents, who find themselves drawn to register as Independents due to the polarization of the two-party system.

Although voter registration is roughly evenly divided between Democrats, Independents, and Republicans, most legislative districts, as they currently stand, fail to yield truly competitive races. Arizona's Independent Redistricting Commission has failed to create competitive districts. Moving forward, the Independent Redistricting Commission should find a way to meet the requirements of the Voting Rights Act while also ensuring the creation of fewer districts which are non-competitive.

Arizonans passed the Clean Elections Act in the hopes of improving voter turnout, increasing candidate participation, and decreasing special interest influence. However, the Clean Elections system has largely failed to live up to its stated goals and should be repealed or reformed.

Arizona should continue its efforts to reform its elections process with new and creative ideas. In so doing, Arizona should look to both local communities and other states across the nation for ideas about increasing voter accessibility to both election information and to the electoral process itself. We should explore other primary election models to increase participation and competitiveness, such as a top-two primary. Access to the process requires proper accommodations be made for persons with disabilities. An important means of accomplishing this is through the better use of technology.

In fact, Arizona has the opportunity to become a pioneer in the use of technology in voting. In doing so, however, Arizona should be mindful to ensure that voters are not left on the other side of a "digital divide." Thus, in addition to considering internet voting, Arizona should also consider an all mail-in voting system similar to what was recently implemented

by many of our cities and towns. However, any voting reform needs to be mindful of the differences in education and skills of the voters so as not to inadvertently disenfranchise anyone.

Regardless of the mechanism, for Arizona's election system to meet our needs going forward, voters must have access to more information about what they are voting on. Thus, technological innovation in educating voters, in concert with more traditional means, like high school civic courses, should be used to inform voters about candidates and issues.

V. Getting There: Setting Priorities and Taking Actions

In light of the above conclusions, and to better serve the values and needs of Arizona, the participants of the 97th Arizona Town Hall offer the following recommendations for how best to improve Arizona's Government for the next 100 years:

Electing the Best People

Arizonans are best served by public servants of the highest quality. Accordingly, our highest priorities for improving the election system should be to:

- Abolish Term Limits. Legislators need the opportunity to gain greater experience with the process of governing and to develop relationships across the political spectrum. Terms should be extended and staggered to increase institutional knowledge consistent with redistricting every ten years.
- Create Competitive Districts. Legislators need to be more responsive to Arizona's changing political climate, including the increasing number of registered Independents. The Arizona Town Hall, its participants, and its alumni should immediately and regularly share our consensus belief in the importance of competitive districts with key decision makers throughout the current redistricting process, including the commissioner screening and selection process, the solicitation of public input, and the drafting and creation of districts statewide.

Other priorities include:

- Reform or Repeal the Clean Elections Law. The Clean Elections system is fraught with problems. It should be reformed or repealed.
- Increase Legislative Salaries. Professional salaries will encourage a broader base of more qualified lawmakers to seek election. Legislative pay should be increased, including per diem travel and lodging (and other associated costs) for the counties outside of Maricopa.

Empowering Government to Solve Problems

In order for a state of Arizona's size and needs to flourish, our state government must seek out "best practices" for good government. To that end, our highest priorities should be to:

- Eliminate the Supermajority Requirement to Raise Revenue. Having a supermajority requirement to raise revenues hinders the Legislature in being able to raise necessary funds, especially in difficult times when it would be politically unpopular to do so. Thus, the supermajority requirement for raising revenues should be abolished.
- Expand Merit Selection. Merit selection produces high-quality, skilled judges who are judicially independent. Thus, merit selection should be extended to all counties and include all Arizona courts.
- Review Arizona's Tax Structure. A reexamination of Arizona's tax structure is needed. The review should examine the ability of the state to raise revenue as well as the mechanisms in place relating to state, local, county, and municipal shared revenue. A review of the tax structure is necessary to provide a balanced, stable fiscal system without volatility as we move into the next 100 years.
- Develop and Implement Long-Term and Strategic Planning Processes for Arizona. Both long-term and strategic planning processes for Arizona need to take into consideration, among other things, the key issues of education, taxes and revenue, energy, water, and economic development, and cross-cutting issues like technology. Legislation should be introduced establishing a strategic planning commission (or like planning body) for Arizona, incorporating representatives of the Executive, Legislature, Judiciary, county and municipal governments, regional government, tribes, special administrative districts, including school districts, and the private sector. Among other duties, the Commission should provide, on an annual basis, information toward enhancing the relative competitive position of Arizona.

Other priorities include:

- End Unfunded Mandates and Legislative "Sweeps." Unfunded mandates and the "sweeping" of local and dedicated funds create an adversarial relationship between state and local governments. Local governments must be assured of the funds necessary to meet the needs of their citizens. Likewise, other constituencies and units of government who pay into dedicated funds should be able to depend on those funds. Thus, these practices must be ended, and a stable revenue sharing system must be ensured.
- Reform and Reorganize the Executive Branch. Arizonans do not need to directly elect certain administrative positions. The Mine Inspector,

Superintendent of Public Instruction, and Treasurer should be appointed by the Governor and confirmed by the Senate. These appointments should be merit-based and focused on qualification, rather than political affiliation. In addition, the duties of various Executive Branch departments should also be reorganized to improve efficiency.

- Raise or Eliminate the Debt Limit. The constitutional debt limit of \$350,000 is unworkable for a state of Arizona's size and needs. Thus, the debt limit should either be raised substantially or eliminated altogether.
- Establish a Stable Funding Source for the Judiciary. To maintain the quality and independence of the Judiciary, we need to establish a stable funding mechanism for it.

Improving Direct Democracy

There is one key priority for improving the tools used for amending the Arizona Constitution:

- Reform the Constitutional Amendment Processes. The initiative and referendum processes permit citizens to engage in "direct democracy" while focused on a specific constitutional question, and they should not be abandoned in favor of constitutional conventions. However, these processes can result in an inordinately large number of constitutional amendments on issues that often would be better left to state statutes. Thus, measures should be implemented to assure that constitutional amendments have received due consideration.

Refocusing Government's Priorities

What Arizona hopes to achieve in the next 100 years depends upon the priorities we set for ourselves and our government. Going forward, our highest priorities should be:

- Education. Maintaining a strong public education system is a value Arizonans have held since statehood, but our current education system is underfunded and needs curriculum reform. While education is a cost in the present, it is also an investment for our future. Thus, we need to recommit to this value, make it a top priority for our government, and provide for and protect funding to support all levels of education in the state, while also addressing teacher, administrator, and student accountability and updating curricula to ensure student success. Our state's education system developed over many years, and it is large and complex. In order to assure the state is more effective in providing for the education of Arizonans, we should consider whether reforms to the structure and funding of the state's current system would enhance our ability to meet the constitutional goal for education.

- Economic Development. One of the most important things governments do is promote the growth of the state's economy by supporting existing businesses and attracting new businesses and other private enterprises using a broad inventory of economic development tools. An emphasis on economic development helps to create jobs and increase revenues. Government's efforts to diversify the economy will help provide stability in jobs and revenues through both expansions and contractions in the economy. To become more competitive, Arizona needs to recruit business in a seamless, coordinated, and united manner, and in a way that includes the coordinated efforts of the Executive Branch, the private sector, the appropriate regional and local governments, universities, community colleges, and school districts. Tools available to all other states, including tax increment financing, are also necessary to make Arizona more competitive. Thus, a focus on promoting economic development should continue to be a top priority going forward.

Other priorities include:

- Transparency in Decision-Making. Increasing the transparency of the governmental process furthers Arizona's rich tradition of valuing accountability in government and protecting individual rights. Moving forward, we should make every reasonable effort to make government more transparent and accessible, especially by using the latest technologies to connect all the people to their government, revising the Open Meeting Law to include the legislative process as appropriate, and providing a 72-hour notice period between a proposed final budget and its final adoption by the Legislature.
- Coordination Among Governments. There are serious problems in the way that state government currently works with local, regional, tribal, and federal governments. These relationships are inherently complex, and they are made even more difficult given overlaps in responsibility and authority, as well as the problems of shared and scarce financial resources. Governments must prioritize working together to achieve the common good for all of the diverse interests from across the state.
- Promoting Civic Involvement. Civic engagement goes beyond simply paying taxes and reporting for jury duty. It should be encouraged by governments in a nonpartisan way in both public and private forums, and it should begin as early as possible in the education of the current and coming generations of Arizonans. Governments must make promoting an effective, informed, and civil discourse within Arizona a key priority. Town Hall should engage with foundations, universities, colleges, and civic organizations to develop a program that will train future leaders on the organization and functions of government.

What Should We Do?

The responsibility for good government does not just reside in the halls of the capitol: ultimately, we the people are the government. It is therefore the role of every Arizonan to be involved in the communities in which they live. Citizens must be educated about important public policy issues and motivated to take action.

In order to do this, and to avoid having the recommendations of this report become just another “Strategic Plan on the Shelf,” we, the individual members of the Arizona Town Hall, should commit to taking specific actions to effect needed change. First and foremost, we need to educate others about the consensus reached at this Town Hall. This can be accomplished by word of mouth, by speaking to groups with which we are affiliated, or by taking the time to write an article for our local newspaper. Additionally, groups of Town Hall members could come together to organize community forums, outreach programs to foundations and other non-profits, and perhaps even a “Mini Town Hall.” Our student participants are uniquely equipped to carry the Town Hall’s message back to their colleges and universities, in order to further involve younger Arizonans in bringing about needed change.

But education is only part of our responsibility. We must take direct political action. Participants need to contact their local, regional, and state representatives and express their support for these recommendations. It is also critical to register to vote, to volunteer in registering other voters, and ultimately to vote for those officials who support these necessary proposals. If the opportunity presents itself, we should also be prepared to directly place these recommendations before our governmental leaders, such as by speaking during the open portion of local governmental meetings, or even by working on drafting specific legislation.

In addition, citizens must be willing to run for public office and show real courage in representing our constituents to get things done, rather than worrying about reelection.

Finally, many of the proposals in this report require legislative action. Some will not likely receive initial support from elected officials and the public, both because they change things and because they may, taken alone, seem to limit rights and take away power. To achieve success, therefore, we believe a broad-based, well-organized, and well-financed effort to effect these changes is necessary. We recommend that those existing organizations that are focused on the state’s future, together with Arizona Town Hall representatives, other interested citizens, and professionals of all types (including marketing professionals, lawyers, and others, all prepared to work pro bono), join together to organize this effort.

“A crisis is a terrible thing to waste,” and Arizona, in 2010, is in a crisis. The collapse of our economy, the budget catastrophe facing state and local governments, and an underfunded and underperforming public education system are some of the symptoms of the underlying disorder. With Arizona’s Centennial in 2012, the time for action is now, and we must take action in an expeditious manner. This is necessary to ensure that our government reflects the aspirations and proud spirit of the people of Arizona. We strongly recommend that the proposals in this Town Hall report be widely-disseminated and then implemented to ensure that our next 100 years are even better than our first.