

While You Were Working

A Government Relations Update from the Arizona Farm Bureau

April 10, 2020

ABOUT-FACE: STATE REVENUE PROJECTIONS PAINT A GRIM PICTURE

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At the beginning of the legislative session, we all strapped in to see how the state's policy the beginning of the legislative session, we all strapped in to see how the



what happens.” That doesn't bode well for action on them, if and when the legislature reconvenes.

Will the Legislature really come back?

state's policy makers would fight over how to spend a projected \$1 billion surplus in state income. The economy was humming along at record pace and an election was heating up, which meant just about everyone had a pet project that they were working to turn into a budget priority.

Then, a global pandemic broke loose.

This week, Arizona's Financial Advisory Committee presented its revised revenue forecasts for the remainder of FY '20 and FY '21. Unsurprisingly, they were exceedingly depressing. What was projected to be a record surplus has plummeted into a currently projected \$1.1 billion shortfall. Closure of restaurants, cutting short of spring training and all other sports, and a sudden decline in all other tourism has wreaked havoc on state sales tax collections. In all, we're looking at the potential for a 25 percent decrease in the state's general fund revenues.

But the only thing certain about this projection is its uncertainty. Without knowing when COVID-19 cases will peak or start to decline or how long the re-opening of businesses will take, it's still impossible to make these predictions with any level of certainty. The FAC itself tempered its numbers with a margin of error of plus-or-minus \$500 million. In fact, economist Elliot Pollack went as far as to say that the best way to treat this information is to “just ignore it and see

By all reports, yes – but it won't be the date they originally planned. April 13 (i.e., Monday) was the target date for re-opening, but legislative leadership officially announced this week that they would not be coming back after Easter. While they didn't give a potential alternative date of return, leadership and other lawmakers have consistently expressed the desire to get back to work to put Arizona's economy on the path to recovery – whatever that might look like.

What about federal relief?

No news isn't always good news, and that was the case this week as we waited for, but did not receive, additional guidance on how USDA will be distributing almost \$24 billion in relief for the agricultural sector. In an AFBF conference call this week, USDA officials stated that they are working diligently to sort through the myriad of requests sent in by ag interests, including the Farm Bureau. And while they're not ready to endorse any plan or release any details now, USDA understands the need to act with urgency.

So, all of that to say, we're still operating under a significant level of uncertainty in the age of COVID-19. But Farm Bureau is still doing all we can to find answers for our members. Keep checking our COVID-19 resources page for up-to-date information and links, and as always, let your AZFB staff know if there's anything we can help you with in the meantime!



Election 2020: It's Starting to get Real

With the exit of Bernie Sanders from the Presidential race earlier this week, we can officially say that we're looking at a Trump vs. Biden face off in November. But that wasn't the only big political news of the week: we now also know exactly who's running for the Arizona legislature.



Petitions were due to the Secretary of State's office on Monday, April 6, and by Tuesday, we knew who had collected enough signatures to qualify for the ballot. We have some contentious races, familiar faces, and plenty of campaign watching to keep us busy until November.

When it comes to the Senate, there are a handful of races where we can already call a winner, so long as no one launches a successful legal challenge or write-in campaign. In legislative districts 1, 3, 5, 7, 9, 13, 16, 19, and 30, the current incumbent is the only candidate who turned in a petition. The House is much more contentious, with legislative district 5 being the only district without a contested primary. In legislative district 1, where there are two open House seats up for grabs, six Republican candidates and one Democrat candidate have thrown their hats into the ring, including a familiar face: Judy Burgess, who was previously a Senator representing district 22.

Other races we're keeping a close eye on include the House race in legislative district 4. The two incumbent Democrats are being challenged by Republican Joel John, a Farm Bureau member and owner/operator of an irrigation technology company in Buckeye. This is the first time since 2014 that a Republican has run for the House in that district, but the competition is fierce: he's up in November against the current House Minority Leader, Charlene Fernandez.

Legislative district 6 is another one where the competition is fierce, both on the House and the Senate sides. With one open seat in the house, vacated by Rep. Bob Thorpe, incumbent Walt Blackman and returning candidate Brenda Barton, former House agriculture committee chair, are up against Democrat Coral Evans, the current Mayor of Flagstaff. In the Senate, Republican incumbent Sylvia Allen is facing a primary challenger in Wendy Rogers, a frequent flyer in Arizona's Congressional races and a notoriously fire-and-brimstone kind of campaigner.

Legislative district 8 is another one where we may see a much more contentious race than normal. The House primary will be contested by three Republicans: incumbent David Cook, challenger Neal Carter, and current Senator Pratt, who has termed out and is running for the House (swapping seats with Representative TJ Shope, who is running for the Senate). While there's no primary challenge in the Senate, Republican Shope will be up against another familiar face in November: Barbara McGuire, who held the LD8 Senate seat from 2013-2017.

And finally, in legislative district 13, the stage is set for a primary challenge between Republican incumbents Tim Dunn and Joanne Osborn and yet another familiar face: Steve Montenegro, who served as a representative for district 13 from 2013 to 2017, followed by a brief stint in the Senate before he stepped down to run for Congress (a race in which he was ultimately defeated by Debbie Lesko).

Quarantine or no quarantine, the election must go on - and we will keep you informed of all the latest political news at every step of the way!