

While You Were Working

A PUBLICATION OF THE ARIZONA FARM BUREAU GOVERNMENT RELATIONS TEAM

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Federal Update

- Updates to the Paycheck Protection Program and Coronavirus Food Assistance Program
- Inauguration
- Executive Orders and Legislation



Money On Our Minds

Chelsea McGuire, Government Relations Director

The second week of the legislative session got off to a bit. Reporters and legislative staff have already seen at least three combined COVID-19 diagnoses. While no legislators have, as of yet, announced that they have tested positive for COVID, several have been exposed and are self-isolating until they receive negative COVID tests. On Tuesday, there were enough people away from the Capitol that the House did not have a quorum to conduct business. This threw a wrench in committee agendas, because the body was unable to actually assign bills to the committees in the first place.

Speaking of which, committees are still either entirely virtual or a hybrid of virtual and in-person. Most testimony is taking place virtually, but if you have never registered for the “Request to Speak” system for participating in committees, you are still required to register at a computer located on Capitol grounds.

In other words, we are all still working out some kinks.

Because of the COVID craziness and the Monday holiday, the committee work for this week was a bit lighter than anticipated. But we did hear, as expected, presentations from the Governor’s office explaining the details of the [Governor’s budget proposal](#).

As a refresher, there is only one thing that the Arizona Legislature is constitutionally required to do: pass a State budget. In recent sessions, that task is kicked off by the Governor releasing his budget proposal, which is then considered the “starting point” for the respective chambers’ budget bills. After all, the Governor will ultimately have to sign the budget passed by the Legislature, so it makes sense for them to come up with something that’s at least relatively close to what the Governor proposes.

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Money On Our Minds (Continued)

Good News

After predictions of a nearly \$1 billion budget deficit thanks to COVID-related economic downturns, the Office of Strategic Planning and Budgeting (OSPB) now estimates that revenue collections are on [track to exceed prior year numbers by 20 percent](#). Those rosy projections are supporting the largest budget in state history, topping out at \$12.6 billion.

What's in it?

The Governor's budget is relatively light when it comes to Farm Bureau's natural resources priorities, but it does contain some welcome proposals regarding forest health. The AZ Healthy Forest Initiative would spend \$18.5 million in FY22 and expand that funding into FY23. It would fund 72 additional DOC rehabilitation crews and fund grants to increase forest thinning capacity from the current 500 acres to closer to 5,000 acres per year.

The budget also allocates \$10 million to a major AZFB priority: rural broadband expansion. The money would build on existing programs that provide matching grant funding to underserved rural communities to fund broadband infrastructure development.

What's not?

Democrat lawmakers were quick to criticize the lack of state funding allocated for continued and additional COVID relief. Other than the \$50 million originally set aside for State-funded COVID programs, of which just over \$4 million remains to be spent, there is not a specific allocation of state general fund dollars for COVID programs. Instead, the budget details how federal COVID relief funding was allocated and distributed, and calls for tax reform measures to spur a faster and more equitable economic recovery.

What's next?

Now we wait to see how swiftly the respective legislative chambers move to draft and release their own budget proposals. There's always big talk of a budget early on in the session, but rarely does such talk pan out. It's far more likely that we won't see a House or Senate budget until several months into the session, once leadership has had more time to gauge member priorities and cut deals that will secure enough votes to pass a budget without fail.

Ag Fest Virtual Kickoff: Register Today!

On Tuesday, January 26 from 12 pm to 1 pm, Arizona Farm Bureau will be hosting a free **Virtual Legislator Roundtable** moderated by Stefanie Smallhouse, Arizona Farm Bureau President, to kick off our centennial celebration and show our legislators how much we care about Arizona agriculture. [Register today!](#)

Don't miss the opportunity to hear from this great panel:

- Senator Sine Kerr (Natural Resources, Energy & Water Committee Chairman)
- Representative Tim Dunn (Agriculture Committee Chairman)
- Representative Gail Griffin (Natural Resources, Energy & Water Committee Chairman)