

# Tucson Weekly

## The Skinny

by [Jim Nintzel](#)

### THERE WILL BE BLOOD

When Gov. **Jan Brewer** delivered her first State of the State speech on Monday, Jan. 11, expectations were quite low—so some audience members thought she did a pretty good job, despite her tendency to screw up the timing on most of her good lines.

The folks who liked the speech were mostly Republicans who appreciated her shots at the Obama administration and the lefty loons who were running California into the ground. Given that Brewer began to win back some of her GOP base, the speech was a success.

The Democrats who got slapped around—such as Attorney General **Terry Goddard**—didn't feel as charitable toward Brewer, which is no surprise. Democratic lawmakers were grouching that Brewer wasn't offering anything new in the speech.

It's certainly true that Brewer made only a passing reference to her ongoing efforts to persuade the Legislature to pass a referendum that would ask voters to temporarily increase the sales tax by 1 cent per dollar. (By the way, the clock is ticking on getting that proposal together for the May ballot, so if it's gonna happen, it has to happen soon.)

Instead of focusing on that tax hike, our governor—who is already seeing plenty of opponents coming out the woodwork to run against her—promised to deliver a lot of future tax cuts, which has Democrats wondering why they should help her approve a plan that hits the poor and middle-class with a higher sales tax while wealthy Arizonans will be getting a break on their income and corporate taxes.

Brewer was blunt in her assessment of the problem facing Arizona: The state has to find a way to bridge a \$5 billion budget shortfall over the next 18 months. All of the easy solutions have been exhausted, so it's down to either cutting more spending or raising taxes.

Brewer unveiled a key piece of her agenda to balance the budget: taking away state-provided health insurance from hundreds of thousands of low-income Arizonans. Brewer says the state can't afford Healthy Arizona 2, a proposition approved by voters in 2000 that allowed anyone who earned up to the federal poverty level (which is now \$22,050 for a family of four) to qualify for coverage through AHCCCS.

Before Healthy Arizona 2 passed, people were only eligible for AHCCCS if they were below one-third of the federal poverty level.

As the economy has tanked and people have lost their jobs, the number of people on AHCCCS has climbed to more than 1.2 million. And because it's a voter-approved measure, lawmakers can't tinker with it, which makes it one of the untouchable expenses of state government.

Voters would have to approve any rollback of the program, which could be a tough sell at a time when people are wondering if they're going to be the next one on the unemployment line.

Come Friday, Brewer will release her budget proposal. From what we hear, it's gonna slash and burn through state government like Sherman through Georgia.

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## **AND SPEAKING OF BLOOD ...**

As we predicted, the Tucson City Council rejected the idea of a 2 percent tax on residential rental payments during a lengthy meeting last Tuesday, Jan. 5.

They also shot down the idea of laying off public-safety employees and told City Manager **Mike Letcher** to look into cutting outside-agency funding for groups like TREO (Tucson Regional Economic Opportunities), the Tucson Pima Arts Council and Access Tucson.

We're going to press too early to know if that 60 percent cut in outside-agency funding will stick at this week's meeting, but supporters of the various agencies were out in force to persuade council members to chop a little less.

Access Tucson boosters said that a cut that deep would kill the public-access TV station, while Pima County Interfaith Council supporters, including former Tucson Mayor **George Miller**, floated the unlikely suggestion that the city cut the pay of city workers by 10 percent to avoid the deep cuts to outside agencies, including JobPath, a program supported by the PCIC. *(An earlier version of this column incorrectly said that the Pima County Interfaith Council administered JobPath.)*

Letcher dropped a memo one day before this week's meeting updating the council on his plans to once again force city workers to take unpaid furlough days rather than cut their pay outright.

We think a permanent pay cut, as much as it would suck for city employees, is a smarter long-term solution to the city's problems, since it won't have to be renegotiated every year.

Letcher's latest proposal closes the budget gap in the current fiscal year to about \$1 million. We also hear that Letcher is quietly letting council members know that they need to make decisions now—or he'll start taking whatever action he can on his own.

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