



Protecting individual rights and promoting limited government aren't just buzzwords. Those are the constitutional obligations of our elected officials. The Arizona Constitution explains this clearly in Article II, Section 2. With 100 Ideas for 100 Days, the Goldwater Institute provides elected officials at all levels of government a stable of ideas that will help them in that purpose.

DAYS

-• ideas

Arizona's legislative session is supposed to last only 100 days, but since it has a tendency to run a little longer than that, this year we are offering 152 ideas that will help close the state's unprecedented budget deficit, get the government back to basics, and allow entrepreneurs to create new jobs to help pull us out of recession.



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This year we're capitalizing on the start of a new decade with our "Top 10 for 2010." These top ideas range from fundamental tax reform to policies the legislature can refer to the ballot and let voters decide this year. Each idea in this book can be enacted independently of any other and will put our state one step closer in the quest to "protect and maintain individual rights."

A note to readers: To aid legislators, this book is organized according to legislative committee names. Each section begins with ideas that are new to the list this year. Legislators looking for budget reduction ideas should keep an eye out for the cost saver sign. To have an idea included in next year's book, or for a briefing on any of these ideas, please contact Starlee Rhoades (srhoades@goldwaterinstitute.org) or the contact person listed with the idea.

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Top 10 for 2010

Allow Arizonans to purchase any health insurance policy offered in the United States. **Read:** "Health Care Choice: Giving Arizonans More Health Insurance Options"

Pass a constitutional amendment giving authority to the State Treasurer to determine future revenue estimates within which the budget must be balanced and give the Treasurer authority to certify budgets as balanced. **Contact:** Dr. Byron Schlomach, bschlomach@goldwaterinstitute.org

Lower the state's annual health insurance premium increases by converting state employee health insurance benefits to Health Savings Accounts (HSAs) and highdeductible insurance plans. **Read:** "Saving with Systemic Change"

Reassert legislative control over energy policy by doing away with the Arizona
Corporation Commission's Renewable Energy Standards Rules, which will cost Arizona utility customers billions.
Read: "Miller v. Arizona Corporation Commission"

Adopt a comprehensive K–12 improvement package modeled after the 1999 Florida reforms, which dramatically improved performance on national tests and have helped narrow the achievement gap. **Read:** "Demography Defeated: Florida's K–12 Reforms and Their Lessons for the Nation"

Create a personal-use tax credit to allow parents to deduct the cost of private school tuition on their taxes. **Read:** "Fortune Favors the Bold: Reforms for Results in K–12 Education"

Afford citizens enhanced protection against local government overreaches by enacting a statute that gives non-charter cities the option to adopt a Local Liberty Charter committing cities to principles of limited government. **Read:** "A New Charter for American Cities: 10 Rights to Restrain Government and Protect Freedom"

Promote price competition in electricity and increased electrical capacity by amending the state constitution to repeal the Arizona Corporation Commission's power to regulate electricity rates and entry into the business of generating, distributing, and selling electricity. **Read:** "Opening the Grid: How to Recharge Arizona's Electricity System for the 21st Century"

Keep Arizona regionally competitive and encourage job creation by lowering the corporate income tax rate to the same rate as the individual income tax, 4.54 percent or lower. **Read:** "Corporate Tax Reform: How to Woo Business without Spending a Dime"

Eliminate the capital gains portion of the Arizona income tax, especially on investment gains made within the state, in order to attract greater investment. **Read:** "How to Restructure Arizona's Tax Code: A Smarter, Flatter Tax Plan to Create Jobs"

Appropriations

Revise appropriations bill drafting rules to show total authorized spending by each agency, without reference to past spending or without indicating the amount of a budget reduction.

Contact: Dr. Byron Schlomach, bschlomach@goldwaterinstitute.org

Refer to the ballot an initiative that clearly enforces strict pay-as-you-go budgeting requirements to balance the state budget. **Read:** "Court Decisions Share Blame for Arizona's Budget Deficit"

Convene a budget realignment commission to determine state funding priorities, placing the highest priorities on functions that (1) cannot be accomplished except through state government, (2) have true public benefits that accrue to all, and (3) unambiguously result in benefits that outweigh costs. **Contact:** Dr. Byron Schlomach, bschlomach@goldwaterinstitute.org

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Eliminate all corporate subsidies within state agencies, such as commodity development and promotion within the Department of Agriculture and job training grants within the Department of Commerce. **Contact:** Dr. Byron Schlomach, bschlomach@goldwaterinstitute.org



Conform the state budget to the debt limit and special law requirements of the Arizona Constitution. Read: "The Fiscal Illusion"



Enact a zero-based budgeting rule so that spending in each department and agency is justified each year. **Read:** "42 Ideas for a Free and Prosperous Arizona"



Eliminate needless and duplicative spending. Read: "It All Adds Up: Unnecessary Spending in the Arizona Budget"

Lower the state constitutional limit on how much of the state's economy the state government can consume from 7.41 percent to 6 percent. **Contact:** Dr. Byron Schlomach, bschlomach@goldwaterinstitute.org

Enforce the laws prohibiting the use of fund sweeps when the state is in a "trustee" relationship with the fund. **Contact:** Clint Bolick, (602) 462-5000



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End boom and bust budget cycles by enacting a constitutional expenditure limit that restricts budget growth to the rate of population growth and inflation. Read: "Tax and Expenditure Limitations: What Arizona Can Learn from Other States"





Allow private tourism and travel companies to assume the full responsibility of promoting Arizona as a tourist destination and eliminate public funds for the Office of Tourism.

Read: "Arizona Can Offer Oasis for Tourists"



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Allow consumers of art to fund artistic creativity and activities, and eliminate public funds for the Arizona Commission on the Arts. Read: "Artsy-Fartsy: Government Should Not Subsidize the Arts"

Commerce & Economic Development

Create jobs by replacing occupational licensing with occupational registration combined with either bonding or insurance requirements or enhanced penalties for fraud and negligence, which would allow for prosecution of wrongful conduct through simplified and expedited legal proceedings. **Contact:** Nick Dranias, ndranias@goldwaterinstitute.org

Protect entrepreneurs from excessive regulation, and enforce the state constitution's equal privileges and immunities clause by prohibiting political subdivisions from regulating the right to earn an honest living through a harmless occupation. **Contact:** Nick Dranias, ndranias@goldwaterinstitute.org

Create an "Economic Liberty Act" to establish that state agencies and local governments can only enact regulations limiting entry into a trade or business if they can demonstrate that the regulation is closely related to a legitimate government interest. **Read:** "Burdensome Barriers: How Excessive Regulations Impede Entrepreneurship in Arizona"

16 Simplify the regulatory climate to make it easier to start a new business. **Read:** "Burdensome Barriers: How Excessive Regulations Impede Entrepreneurship in Arizona"

Education

Adopt a comprehensive K–12 improvement package modeled after the 1999 Florida reforms, which dramatically improved performance on national tests and have helped narrow the achievement gap. **Read:** "Demography Defeated: Florida's K–12 Reforms and Their Lessons for the Nation"

Require students to pass the U.S. Citizenship exam as either a condition of graduation or to advance to the ninth grade. **Read:** "Freedom from Responsibility: A Survey of Civic Knowledge Among Arizona

High School Students"

Direct more money into the classroom by eliminating district bureaucracy in favor of school-based management. Read: "Saving with Systemic Change"



Prohibit any further lowering of AIMS cut scores by the State Board of Education. **Read:** "May the Farce Be with You"

32 Make all student testing data available to qualified researchers, with appropriate restrictions on student identities to protect privacy, that is searchable by district, school, grade level, and teacher. **Contact:** Dr. Matthew Ladner, mladner@goldwaterinstitute.org

Require the Arizona Department of Education to disclose accurate, comprehensive figures on public education expenditures. **Read:** "A Guide to Understanding State Funding of Arizona Public School Students"

Bring transparency to current spending on programs for children from birth through age five by requiring an independent body, such as the Office of the Auditor General, to track the amount of federal, state, and local spending on child care, preschool, and kindergarten programs in Arizona.

Read: "Assessing Proposals for Preschool and Kindergarten: Essential Information for Parents, Taxpayers and Policymakers"

35 Remedy the lack of information available on the effect of the more than \$400 million spent annually on early education programs by requiring an impact assessment of all current expenditures on student learning. **Read:** "Assessing Proposals for Preschool and Kindergarten: Essential Information for Parents, Taxpayers and Policymakers"

36 Implement savings accounts that offer the same tax incentives for K-12 education savings that are currently available for higher education. **Read:** "Saving for School: How Arizona Could Help Families Save for Their Children's K-12 and College Educations"

37 Create alternative routes to the certification of both teachers and principals that is outside the standard education college path. **Read:** "Cash Cow Stampede"

Measure teacher effectiveness by assessing how much each student learns during a school year, and reward teachers accordingly. **Read:** "School Choice + Merit Pay = Qualified Teachers"

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Do not consolidate school districts. Read: "Competition or Consolidation? The School District Consolidation Debate Revisited"

Change the deadline for a taxpayer to make a tax credit contribution to a student tuition organization from December 31 to April 15. Read: "Extra Credit"





Identify the core academic programs at Arizona public universities, and focus growth in these areas. Read: "The Privately Financed Public University: A Case Study of the

University of Michigan"



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Align tuition at Arizona universities more closely with the actual cost of education.

Read: "The Privately Financed Public University: A Case Study of the University of Michigan"



Increase the self-sufficiency and private funding of Arizona universities. **Read:** "The Privately Financed Public University: A Case Study of the University of Michigan"



Require public university students who need remedial education to receive remediation at less-expensive community colleges. Contact: Tom Patterson, (602) 462-5000



Expand existing Arizona Postsecondary Education Grant (PEG) and Private Postsecondary Education Student Financial Assistance Program (PFAP) programs and offer all college-bound students access to their portion of state funding as a grant that can be redeemed at any public or private Arizona college or university. **Read:** "Cash for College: Bringing Free-Market Reform to Higher Education"

Government



Require government offices to make public records available in an electronic format whenever the records are maintained electronically. Contact: Carrie Ann Sitren, csitren@goldwaterinstitute.org



Require government offices to contact the requestor of a public record within 72 hours of receiving the request to explain how it will respond and set a prompt time frame for fulfilling the request. **Contact:** Carrie Ann Sitren, csitren@goldwaterinstitute.org

58 Preserve the intentions of our state founders by amending the constitution to only allow ballot measures that restrict the power of government. **Contact:** Nick Dranias, ndranias@goldwaterinstitute.org

Frotect due process of law by prohibiting the use of photo radar to issue traffic citations unless immediate notice is given of the infraction so that drivers are able to defend themselves effectively. **Contact:** Nick Dranias, ndranias@goldwaterinstitute.org

b Prohibit cities from conditioning approval for real estate development on the establishment of homeowner's associations or private covenants, conditions, and restrictions.

Contact: Nick Dranias, ndranias@goldwaterinstitute.org



Enhance fiscal responsibility by amending the state constitution to prevent the Governor from using the line-item veto to increase spending or negate spending reductions. **Contact:** Nick Dranias, ndranias@goldwaterinstitute.org

Prevent excessive taxation by enacting a state constitutional amendment that limits the state's taxing authority to raising revenue for functions without which the state would cease to exist as a governmental body. **Contact:** Nick Dranias, ndranias@goldwaterinstitute.org

Strengthen checks and balances in state government by prohibiting the legislature from delegating power to make general law to the executive branch or any administrative agency.
Contact: Nick Dranias, ndranias@goldwaterinstitute.org

Subject all administratively created rules, policies, and regulations at any level of government to referendum. Contact: Nick Dranias, ndranias@goldwaterinstitute.org

75 Require the state and its subdivisions to carry the burden of proving beyond a reasonable doubt that any law challenged in court is constitutional. **Contact:** Nick Dranias, ndranias@goldwaterinstitute.org

Promote free speech by prohibiting local laws that restrict harmless, non-obscene signs placed on private property. Contact: Nick Dranias, ndranias@goldwaterinstitute.org

Safeguard the ability for private philanthropy to care for their community, their fellow citizens, and the well-being of society by passing legislation protecting the privacy of private foundations, their boards, and the causes they support. Contact: Starlee Rhoades, srhoades@goldwaterinstitute.org



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Reinstate the Privatization Review Board and give it teeth by modeling it after similar boards in Florida and Utah. Contact: Dr. Byron Schlomach, bschlomach@goldwaterinstitute.org



Stop backdoor electioneering by banning expenditures of public funds on billboards and broadcast advertisements that feature an elected official or an unelected official seeking elected office.

Read: "Shameless Self-Promotion: How Politicians Use Your Money to Get Re-elected"



Prohibit government entities and agencies from expending money or using public resources to engage in direct or indirect lobbying with the judicial, legislative, or executive branches of state government. **Read:** "Your Tax Dollars at Work: The Implications of Taxpayer-funded Lobbying"

Increase transparency by requiring individual, online posting of all expenditures made by local and county governments, school and special districts, and any other taxpayersupported government entity. **Read:** "Piercing the Fog: A Call for Greater Transparency in State and

Local Government"



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Eliminate state-run regulatory boards overseeing industries that could be regulated by private associations specializing in certification, such as the American Board of Nursing Specialties, the American Board of Perianesthesia Nursing Certification, and the American Board of Opticianry. **Read:** "42 Ideas for a Free and Prosperous Arizona"



Prohibit governmental entities from competing with the private leisure industry by owning, subsidizing, or providing bonding authority for golf courses, hotels, fitness clubs, and amusement parks. Read: "Golf, Anyone?"

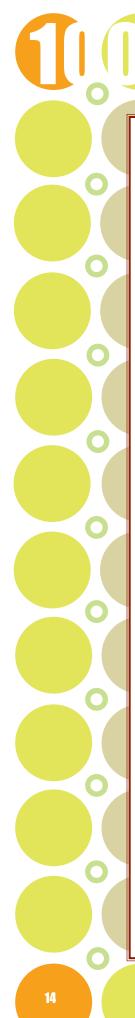


Enforce fiscal responsibility by mandating "managed competition," requiring government agencies to allow both private businesses and government departments to compete to furnish public services. Read: "A New Charter for American Cities: 10 Rights to Restrain Government and Protect Freedom"

- Assert state sovereignty by requiring public officials to demand that federal agencies 85 coordinate federal policies and regulations with less-restrictive state and local ones. Read: "A New Charter for American Cities: 10 Rights to Restrain Government and Protect Freedom"
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Encourage legislative control and oversight of federal funds and mandates that are currently controlled predominantly by the Governor's office. **Contact:** Dr. Byron Schlomach, bschlomach@goldwaterinstitute.org

- Require the state Treasurer's office to detail cash inflows and outflows for each state 87 agency, including breakdowns by program. **Contact:** Dr. Byron Schlomach, bschlomach@goldwaterinstitute.org
- Pass a constitutional amendment giving authority to the state Treasurer to determine 88 future revenue estimates within which the budget must be balanced, and give the Treasurer authority to certify budgets as balanced. **Contact:** Dr. Byron Schlomach, bschlomach@goldwaterinstitute.org
- Create an online, interactive map of state and local government entities, their 89 jurisdictions, and comprehensive information about governance and taxes for any address in the state.



Pass a constitutional amendment, and call for an Enabling Act change, allowing for intergovernmental transfers of State Trust Lands when the land will be used strictly for public purposes (e.g., highway construction). **Contact:** Dr. Byron Schlomach, bschlomach@goldwaterinstitute.org



Use public-private partnerships to finance state-owned infrastructure—not just highways, but also state parks, office buildings, hospitals, and school buildings. **Contact:** Dr. Byron Schlomach, bschlomach@goldwaterinstitute.org



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Reduce the number of special districts in Arizona that function as independent, unelected government bodies with the power to tax. **Contact:** Dr. Byron Schlomach, bschlomach@goldwaterinstitute.org

Advance the date by which signatures to place initiatives on the ballot must be submitted in order to allow for careful signature certifying and judicial review. **Read:** "Initiative Signature Verification Process Makes a Mockery of Rule of Law"

Reiterate that the Arizona Secretary of State may not certify any ballot measure determined to have fewer than the constitutionally required number of valid signatures. **Read:** "Initiative Signature Verification Process Makes a Mockery of Rule of Law"



Eliminate the Arizona Department of Racing and State Boxing Commission, allowing self-regulation in those sports akin to that found in football, baseball, and other sports.

Read: "42 Ideas for a Free and Prosperous Arizona"



Resist the urge to gamble with taxpayer funds in risky venture industries. **Read:** "No Venturers in State Venture Fund"



Allow the free market to prevail in automobile sales by allowing new cars to be purchased from sources besides auto dealers. **Read:** "Bright Idea #53: Anybody Need a Ride?"



Reform state laws prohibiting corporate subsidies so that they apply to all counties and unequivocally prohibit all government subsidies to corporations. Read: "Regifting the Gift Clause: How the Arizona Constitution Can End Corporate Subsidies"



Decline participation in federal programs that increase costs to the state, and fight for the right to opt out of paying for federal programs in which we choose not to participate. **Read:** "Arizona's Struggle for Sovereignty: The Consequences of Federal Mandates"

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Restore free speech by referring to the ballot the repeal of the Clean Elections Act. **Read:** "Campaign Promises: A Six-Year Review of Arizona's Experiment with Taxpayer-financed Campaigns"

Barring repeal of the entire Clean Elections Act, streamline administrative rules and policies. **Read:** "New No-Fly Zone"



Promote fiscal responsibility by closing the special district loophole that allows cities and counties to evade the state constitution's property tax and spending limitations. **Read:** "Stop the Special District Shell Game"

Health & Human Services

Allow Arizonans to purchase any health insurance policy offered in the United States. **Read:** "Health Care Choice: Giving Arizonans More Health Insurance Options"

Make all health-related out-of-pocket expenses state income tax deductible. **Read:** "Get Same Tax Break as Your Boss"



Establish and enforce asset tests for Medicaid and State Children's Health Insurance Program (SCHIP) recipients. Contact: Dr. Byron Schlomach, bschlomach@goldwaterinstitute.org



Reduce Medicaid costs by capping the number of annual visits for routine care, limiting access to emergency rooms to true emergencies, limiting care more strictly to a basic set of services, and diverting a portion of Medicaid funding to HSAs for recipients to allow for some level of cost-sharing between taxpayers and recipients. **Read:** "Saving with Systemic Change"

Broaden the scope of practice for pharmacists to allow for limited prescribing. **Contact:** Dr. Byron Schlomach, bschlomach@goldwaterinstitute.org



Contact: Dr. Byron Schlomach, bschlomach@goldwaterinstitute.org

Require the Governor's office and state agencies to post on the Internet detailed information on all federal funds received, state matching fund requirements, and current and historical Arizona Health Care Cost Containment System (AHCCCS), Department of Economic Security (DES), and Department of Health Services (DHS) caseloads. **Contact:** Dr. Byron Schlomach, bschlomach@goldwaterinstitute.org

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Require DES to experiment with using private contractors to provide reemployment services. Read: "Getting Back to Work: Reforming Unemployment Insurance to Increase Employment"



Resist increasing the maximum unemployment insurance benefit, which would increase the average duration of unemployment. **Read:** "Getting Back to Work: Reforming Unemployment Insurance to Increase Employment"



Lower the state unemployment tax floor and raise the tax ceiling. **Read:** "Getting Back to Work: Reforming Unemployment Insurance to Increase Employment"

Public Health, Entitlement, & Retirement Reform



Lower the state's annual health insurance premium increases by converting state employee health insurance benefits to HSAs and high-deductible insurance plans.

Read: "Saving with Systemic Change"



Begin a transition toward defined-contribution retirement benefits for all government employees. **Read:** "Saving with Systemic Change"



Reduce the more than \$3 billion of the state budget related to personnel costs by capping the number of state employees at one-half of I percent of the state's population.

Read: "Saving with Systemic Change"



Require more accurate liability evaluations of government retirement funds by basing valuations of liabilities on risk-adjusted expected rates of return, instead of short-term historical stock market averages that are often inflated during economic expansions. **Contact:** Dr. Byron Schlomach, bschlomach@goldwaterinstitute.org



Keep Arizona from falling further behind other states in getting welfare recipients back to work by ending the loopholes that allow the state to disregard Temporary Assistance for Needy Families (TANF) transition-to-work requirements that were part of the 1996 federal welfare reform efforts. **Contact:** Dr. Byron Schlomach, bschlomach@goldwaterinstitute.org

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Classify all state employees as "uncovered" to make it easier to eliminate unnecessary positions and to fire underperforming employees. **Contact:** Dr. Byron Schlomach, bschlomach@goldwaterinstitute.org

Public Safety

Consider sentencing reform for non-violent offenders that includes work-release and restitution to victims to lower costs for the Department of Corrections. **Contact:** Dr. Byron Schlomach, bschlomach@goldwaterinstitute.org

Promote public safety by requiring law enforcement agencies to employ transparent performance benchmarks identifying desired crime rates, crime clearance rates, public complaint rates, and response times.

Read: "A New Charter for American Cities: 10 Rights to Restrain Government and **Protect Freedom**"

Tax Reform, Ways & Means

Eliminate the capital gains portion of Arizona's income tax, especially on investment gains made within the state, in order to attract greater investment. **Read:** "How to Restructure Arizona's Tax Code: A Smarter, Flatter Tax Plan to Create lobs"



Keep Arizona regionally competitive and encourage job creation by lowering the corporate income tax rate to the same rate as the individual income tax, 4.54 percent or lower.

Read: "Corporate Tax Reform: How to Woo Business without Spending a Dime"



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Create a single assessment ratio for primary and secondary property taxes for all classes of property. Contact: Dr. Byron Schlomach, bschlomach@goldwaterinstitute.org

Eliminate Government Property Lease Excise Tax (GPLET) breaks, a form of corporate welfare that drains local government and school districts of millions of dollars each year. **Read:** "It's Time to End the Government Property Lease Excise Tax"



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Eliminate targeted tax breaks for favored industries. **Read:** "Handouts for the Favored Few"

Lower the assessment ratio for business property to the residential rate of 10 percent or less. **Read:** "42 Ideas for a Free and Prosperous Arizona"

Eliminate the protectionist use tax, which penalizes businesses for using out-of-city or out-of-state suppliers. **Read:** "When You're Hot, You're Hot"

Prohibit publicly subsidized sports stadiums and their specialty taxes. **Read:** "Lawsuit Challenges Vacation Taxes"

Consider replacing the current Arizona tax system with either a flat-rate income tax or with a sales tax on all final goods and services. **Read:** "How to Restructure Arizona's Tax Code: A Smarter, Flatter Tax Plan to Create Jobs"

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Conform the state tax code to federal depreciation rules. **Read:** "42 Ideas for a Free and Prosperous Arizona"

Restore inflation indexing of the personal income tax code. **Read:** "42 Ideas for a Free and Prosperous Arizona"

Repeal the statute allowing certain school districts to levy school tax overrides without voter approval, ostensibly to comply with mandates from the U.S. Department of Education Office of Civil Rights. **Read:** "Permission Required"

Transportation & Infrastructure



Require cities to open their transit markets to private van or bus services. **Contact:** Dr. Byron Schlomach, bschlomach@goldwaterinstitute.org





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The Goldwater Institute was founded in 1988 with Barry Goldwater's blessing as an independent, nonpartisan organization. The Goldwater Institute does not retain lobbyists, engage in partisan political activity, or support or oppose specific legislation, but adheres to its educational mission to help policymakers and citizens better understand the consequences of government policies. Consistent with a belief in limited government, the Goldwater Institute is supported entirely by the generosity of its members.

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