ARIZONA IDEAS

Policies from A-Z for a Livable and Competitive State
Dedication

Twenty-five years ago, Marvin and June Morrison had an idea. Arizona would be better able to deal with the myriad challenges that accompany rapid growth if an objective research organization were available to help state leaders make good public policy choices. The Morrisons’ generosity enabled Arizona State University to establish just such a resource — Arizona’s first “think tank” — named Morrison Institute for Public Policy. Marvin, June, their sons, and other family members already had a substantial record of public service in their hometown of Gilbert and throughout the state when they made Morrison Institute a gift to all Arizonans, present and future. Since its inception in 1982, Morrison Institute for Public Policy has produced hundreds of research studies and provided policy advice to leaders and residents nearly everywhere in Arizona. This report, Arizona Ideas, was possible, in part, because of the Institute’s long institutional memory and continuous interaction with state and local policy makers. It seems a fitting tribute, therefore, that a report that recognizes Arizona’s efforts to make the state more livable, attractive, and competitive would be dedicated to Marvin and June Morrison, who knew Arizona had this creative spirit all along.
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Arizonans’ support for the council-manager form of city government reflects a no-nonsense approach that seeks to reward merit and focus on people rather than politics.

Out There with Arts and Culture
By design, Arizonans are increasingly taking advantage of arts and culture’s unique contributions to tourism, education, and communities’ sense of place.

Planning for Economic Growth
Arizona’s business and government leaders joined forces to forge a statewide strategic plan that left a legacy of public-private cooperation for economic development.

Quiet Roads
Technology allows old tires to be recycled for freeway and highway paving that also smoothes the way for more peaceful neighborhoods and lower road maintenance costs.

Rivers in the Desert
Public policies point to the re-valuing of Arizona’s waterways after a century of development.

School Choice
Charter schools are the centerpiece of Arizona’s polices for supporting education choices for students.

Transportation for a Region
Fueled by the public’s calls for action, leaders cooperated on a regional transportation plan.

University Science and Technology Investments
With the passage of Proposition 301, Arizonans said “yes” to investments in science and technology research as a springboard to an increasingly competitive knowledge economy.

Very Important Chips
Semiconductors and their forerunners have played a major part in the creation of “high tech” sectors in Arizona’s economy. In turn, public policies helped create an environment friendly to technology.

Walk on the Arizona Trail
An Arizona hiker’s dream is close to becoming an 800-mile reality, as public and private organizations and volunteers construct the Utah-to-Mexico Arizona Trail.

Xeriscape
Backed by city ordinances and municipal associations, xeriscaping is widely promoted and often required in Arizona, resulting in water-wise stewardship that works to reduce consumption and celebrate the desert environment.

Yours, Mine, and Ours: Regional Economic Development
Regional economic development organizations work to replace competition with cooperation to attract new firms.

Zeal for State Trust Land
Arizona has held on to most of the state trust land awarded it at statehood. The millions of acres still available remain a valuable resource for the state.

THE BABY STATE’S SELF IMAGE

Selected Data Sources and References

Morrison Institute for Public Policy
ARIZONA IDEAS: Policies from A-Z
Arizona Ideas does us all a great service. It makes us stop our whirlwind of daily activity to appreciate once again the power of ideas as the basis for public policy. Arizona Ideas tells us a lot about our past, explains some of our present, and pushes us to continue to plan for the future.

Many other publications — including several by Morrison Institute for Public Policy — have contributed to Arizona’s development by comparing our state to others. Arizona Ideas is different. It tells about the state on its own terms in a novel way. This volume highlights how innovation and new ideas have made the state a better, more livable, and more competitive place than it might have been.

Early childhood scholar Loris Malaguzzi has written extensively about the roots of creativity. He noted that “creativity seems to emerge from multiple experiences… including a sense of freedom to venture beyond the known.” This publication brings together ideas that stem from a potent combination of broad experiences, strong personalities, and willingness to go beyond the tried and true. Many have stood the test of time. Others have provided a platform without which we would not be where we are today. Still others are works in progress.

Public policy is a process, and any process must start with an idea. I urge you to read Arizona Ideas to learn more about our state and reconfirm the power of ideas to help us envision and create a bright future for all Arizonans.

Janet Napolitano
Governor, State of Arizona
Ideas and Public Policies For Livability and Competitiveness

Throughout history, ideas and innovations have been as important to the quality of places as they have been to the development of new inventions and modern economies. From the Roman aqueducts to 18th century governing bodies to institutions that teach workers 21st century skills, places benefit when public leaders are creative.

Business circles are abuzz these days with cries for more innovation because CEOs say it is what will keep the U.S. on top in the global economy. Just as creative activities can enhance a company’s profitability, a state or region will be more competitive as it becomes a more desirable place to live and work. In short, innovations in public policy can improve quality of place and competitiveness at the same time.

Arizonans could cite many public policies that arguably have made a positive difference in the state. In an A-Z format, this publication highlights a wide variety of ideas that have served the state in one way or another. This is not to say that the 26 discussed here were perfectly implemented or are without flaws. Each of the following entries is ripe for a “yes, but…” response because of ongoing debates about many of them, the continuing negative status in various areas, or memories of how conflicting views and politics scuttled even better ideas. The entries here often represent just a first step on the rough road to achieving the entire outcome desired by Arizonans. In addition, public issues have become more complex, while residents’ and leaders’ interests have splintered — and been affected by a highly partisan environment.

In How Arizona Compares: Real Numbers and Hot Topics, Morrison Institute for Public Policy noted that Arizona was “just fair” when compared with other states across ten policy areas. Arizona Ideas offers readers another look at Arizona — one in which creativity shines through. This publication is a highly unusual — some would say risky — take on public policy. It invites readers to focus on ideas that have increased the state’s livability or are likely to in the future.

The New Importance of Livability

Livability is a concept that is increasingly discussed in public policy circles. It has a larger context than the more common term, “quality of life,” although the two concepts certainly intersect. Quality of life typically invokes a more personal interpretation: How does this issue affect the quality of my life? Is my community safe? Is the air I breathe clean? Do I get good public services? Livability, on the other hand, is broader and less personal, but more tied to place: Does a locale (neighborhood, city, metropolitan region, or state) have the fundamental ingredients for people, as a whole, to prosper?

Multifaceted and wide screen, livability is what scholar Dowell Myers calls, “an ensemble concept.” Livability embodies the many tangible and intangible inputs that shape residents’ day-to-day existence. Livability takes into account what gives a place distinction, what is worth protecting, and what needs improving. Most important, perhaps, is that a place’s livability is affected directly by public policy decisions.

Vast amounts of academic literature and popular reports in disciplines ranging from architecture and economics
to planning and public affairs describe livability, quality of place, quality of life, and their variants. Arizona Ideas starts where many of those reports leave off. This publication illustrates how ideas on many subjects contribute to livability and how they turn into public policy initiatives. Arizona Ideas presents instances when innovation, and, occasionally, downright stubbornness, served to address complex public problems. In the aggregate, the report demonstrates that the public policy process, so derided at times, can and has produced outcomes that have improved Arizona’s livability.

From Livability to Competitiveness

Arizona Ideas includes notions large and small, homegrown and borrowed, current and historical. From A-Z, every one — whether originally born here or adapted from elsewhere — contributes to the state’s competitive position.

Livability and competitiveness are complex concepts. And the policies that enhance them are interrelated. For example, “Very Important Chips” describes the start of the state’s high tech focus more than 50 years ago. The seeds for many of today’s most competitive industries were planted during World War II. However, they would not have borne the semiconductor fruit they have if Arizona had not also acted to ensure an adequate water supply for manufacturing operations. Similarly, on face value, one might think that Arizona’s “Dark Skies” policy, which seeks to reduce the impact of outdoor lighting, was established only to protect the environment. In fact, this idea helped build astronomy institutions that, in turn, spawned Arizona’s highly competitive optics industry. “Yours, Mine, and Ours” describes an innovative policy approach to regional economic development, yet it also exemplifies how cooperation directly benefits people’s livelihoods and, at the same time, helps pay for vital public services. “Out There with Arts and Culture” notes the links arts and culture have with both tourism and community development — that highlight a sense of place and enhance quality of life. The connections among the policies highlighted in this report are endless and diverse. What the A-Z ideas share is their contribution to Arizona’s livability and its competitiveness. As such, they help Arizona’s residents and businesses reach their goals.

Looking at an Arizona Idiosyncrasy

Arizona Ideas also explores the roots of Arizona’s tradition of self-criticism — some call it a sense of insecurity or inferiority in comparison to other places — that often surfaces in discussions of public policy. This observation has provoked considerable debate, but few would deny that this perspective exists. It is time to debate this idiosyncrasy out in the open and find better ways of moving the state ahead.

Good ideas are easier to talk about than to implement. For the 26 selected for this report, Arizona’s leaders and residents worked through the tumultuous public policy making process and achieved something of lasting value. The entries tell stories of efforts to act in the public interest, of political processes that turned policy choices into public programs, of people determined to innovate, and of myriad ways to make a place better.

The national organization Partners for Livable Communities says that livability essentially is the “equitable distribution of the good life.” In public policy circles, the good life, livability, and competitiveness can and should be synonymous.

How the A-Z Ideas Were Selected

Morrison Institute for Public Policy set out to look at the state in terms of its ideas, instead of issues, comparisons, or problems. To begin, a broad review of policies, programs, and choices over the state’s history was done to produce a long list of interesting ideas. Then, each was rated according to two criteria.

- Had the public policy or set of policies affected many people in Arizona or the entire state?
- Was the idea original to Arizona or specifically or significantly adapted to our circumstances?

Considering the numerous possibilities, this publication could have gone from A-Z far more than once. The 26 covered in Arizona Ideas then are simply examples of notions that have become or inspired public policy over time.
President Lyndon Baines Johnson signed Medicaid into law in 1965, creating a state-federal health care program for low income Americans. But Arizona declined to sign on and continued its county-based system of indigent health care. State leaders avoided the national program primarily because of concerns about high costs and big bureaucracies. By 1972, Arizona was the only state in the nation not participating in Medicaid. Ironically, it was the high cost of the county programs that finally forced Arizona’s policy makers to face the need for change.

In 1975, Arizona’s then-14 counties spent $59 million on health care services for poor residents. By 1980, the figure had ballooned to $123 million — with costs projected to
be $250 million by 1985. Joining Medicaid would offer some solutions, but Arizona’s traditional disdain for large-scale federal programs made it difficult for leaders to agree on a program that could deliver the required services and control costs. Finally, a new competitive “managed care” approach emerged. As described by Arizona State University professor John Stuart Hall, “The development of the Arizona Health Care Cost Containment System (AHCCCS) was the byproduct of a strongly held belief by the leadership in the state legislature and the governor that to accomplish both cost containment and quality care in an indigent health care program, it was necessary to create a public/private partnership to administer a pre-paid, capitated system.” As a result, AHCCCS “mainstreamed” Medicaid recipients into private medical practices instead of providing services through public agencies; low income consumers got health care choices as well as services, and Arizona got lower costs compared to other states.

The AHCCCS of 2006 is quite different from that of 1982, but it still contracts with private health plans, paying them a fixed amount for each person covered. Now taking full advantage of national resources, federal dollars covered 69% of Arizona’s nearly $4.4 billion total expenditures in 2005. AHCCCS also uses state and county dollars, plus some revenue from the state tax on tobacco products. AHCCCS’ services and eligibility have also expanded over time to serve a variety of needs unmet by the original program. In 1995, a phase-in of behavioral health services began. In 1998, “KidsCare” (formally the State Children’s Health Insurance Program) was included. In 2000, Arizona voters earmarked tobacco settlement funds to expand adult eligibility levels to 100% of the federal poverty level. In 2003, parents of KidsCare recipients became eligible for coverage. Some AHCCCS programs now serve small businesses and working adults who cannot afford health insurance.

While AHCCCS still does not go far enough for many health care advocates, it remains a model for public/private managed care, costing about 15% less than the national average. Comparative reports from The Nelson A. Rockefeller Institute of Government at the State University of New York, Albany have called AHCCCS the “gold standard” in public health care services. All this because as one Phoenix physician put it, “We were so far behind we got ahead.”

<table>
<thead>
<tr>
<th>AHCCCS PROGRAMS</th>
<th>ENROLLMENT*</th>
<th>EXPENDITURES (MILLIONS)</th>
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<td>Acute Care</td>
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<td>KidsCare</td>
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<td>Arizona Long Term Care System</td>
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<td>** Total</td>
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The development of Salt River Project and the Central Arizona Project serve as prime examples of the successes of engineering and government enterprise in the 20th century. These two massive water projects, icons of western growth and development, did more than reclaim the desert for human settlement. Because Salt River Project (SRP) and Central Arizona Project (CAP) required civic single-mindedness to turn the vision of reliable water supplies into reality, their activities also shaped Arizona’s economy and political culture.
The innovations are evident in everything from new road construction techniques (imagine building the Apache Trail to the Roosevelt Dam site in 1903) to technology for pushing water uphill through the 336 miles of the CAP canal. In turn, government dollars and organization replaced failed private efforts to build irrigation and water storage systems. The western reclamation projects of the first half of the 20th century would have been impossible without the addition of federal dollars and programs to the stick-to-itiveness of local boosters.

SRP, for example, is a hybrid public-private entity — a state political subdivision that provides electricity and a private corporation that supplies water. Roosevelt Dam was the first multi-use water project: Hydro-generated electricity helped build a dam to control flooding and supply irrigation. Sales of the new energy resource accelerated repayment of the federal construction loan and supported the development of Arizona’s economy. Water and electricity have made SRP a “power house” in more ways than one. It currently supplies electricity to approximately 860,000 customers and is the largest water supplier in metro Phoenix.

In 1993, completion of CAP marked the fulfillment of decades of dreams. Colorado River water delivered by CAP provides approximately a fifth of the state’s total water needs — specifically in Maricopa, Pinal, and Pima counties. It also supplies the resources to settle decades of water wrangling between the state and Native American tribes. Getting CAP done required years of concerted lobbying on Capitol Hill and several trips to the U.S. Supreme Court. Congressional authorization in 1968, led by Senator Carl Hayden and Representatives John Rhodes and Morris Udall and supported by all of Arizona’s delegation, marked the zenith of the state’s legendary clout in Congress.

SRP and CAP bookend a never-to-be-repeated era of federal endeavor. Roosevelt Dam is the first of the water projects that could be said to have “won the West,” while Central Arizona Project stands out as the last effort of that kind. Arizonans will always pay close attention to water. SRP and CAP are two of the most visible and historic parts of Arizona’s water portfolio.

Photo Credit: Arizona Historical Society, AHS.0478.00026.
Carl Hayden, campaigning in 1911 for a seat in Congress, noted Arizonans’ eagerness to shape their new state government. “The people want their own kind of government,” Hayden, who went on to serve in Congress for 60 years, told reporters. “They want to be the dictators.”

They worked to make it so. Arizona’s constitution, adopted in 1911, reflected the Progressive Movement’s belief in citizen empowerment and mechanisms for keeping government close to the people. The resulting devices include the initiative, referendum, and recall, the election of many administrative officials, and the limiting of various elected official terms to two years. Arizona also decided on a part-time “citizen legislature.”

Initiatives allow citizens to use petitions to make their own laws or amend the constitution, effectively bypassing their elected representatives. Referenda let citizens reject laws passed by the legislature. The legislature may also “refer” items to the ballot. Recalls enable voters to force an elected official either to resign or stand for a special election. Early leaders expected the referendum and recall to help citizens get rid of bad laws or bad lawmakers and the initiative to help maneuver around elected officials who refused to act in the public interest. The constitution even specified that local governments also must honor initiatives and referenda.
Initiatives and referenda have been popular in Arizona, particularly in recent years. During the 1990s alone, groups organized 155 statewide initiatives, of which 20% made it to the ballot. Of these, 13 passed, including the Clean Elections Act of 1998. Other successful ballot measures include Proposition 301 (2000), which increased state sales taxes to fund public education; and Proposition 303 (2002), which expanded the number of working poor eligible for the Arizona Health Care Cost Containment System.

Since adopting the constitution, the state has made other moves in pursuit of “empowering the people.” Arizona endorsed suffrage for women early on, although the state was slow to protect the rights of minority voters. Indeed, the right of Native American Arizonans to vote in the state was not affirmed by the Arizona Supreme Court until 1948. In 1992, long before a federal law emerged on the issue, Arizona voters approved “motor voter” registration, allowing citizens to sign up to vote while acquiring or renewing driver’s licenses. That same year, voters limited the number of terms legislators could serve in office, with the hope, in part, of increasing competition for House and Senate seats. Arizona also implemented vote-by-mail and early-voting systems in the 1990s to increase convenience and accessibility. In 1998, voters adopted a “semi-open” primary system to allow independent voters to cast ballots in the partisan primary of their choice. That same year, the Arizona Clean Elections Act initiative passed, which set up a public campaign-financing system. The measure was intended to increase participation in the electoral process, reduce the influence of special interests, and expand competition among candidates. Clean Elections, however, have been challenged in court by some opponents for its funding mechanisms and questioned in other quarters for its failures. It has not, for example, turned the tide on Arizona’s record of low voter turnout or met expectations on increasing competition. Some commentators say that Clean Elections has done little to encourage voters, candidates, and a broad spectrum of both.

The direct democracy tools, have been controversial — for example Proposition 200 in 2004 requiring proof of citizenship for voting has been divisive — and they have been used in ways early leaders would not have approved. Yet, a look at the past shows that Arizona’s early leaders wanted citizens to lead as well.

Photo Credit: Arizona Department of Library, Archives, and Public Records.
For millennia, our ancestors navigated the night by following the bright stars and planets. Today, many people can barely find a star because of glare from big-city lights. Arizona, however, still possesses a healthy measure of dark skies thanks in large part to the state’s long-time devotion to astronomy and a recent desire to protect darkness as a competitive asset. To preserve its appeal to astronomers, policies to reduce light pollution have been implemented throughout Arizona. The state legislature, all 15 counties, and 31 cities have enacted outdoor lighting codes. In addition, Tucson is home to the International Dark-Sky Association (IDA), an organization of astronomers and stargazing enthusiasts whose mission is to help preserve dark skies throughout the world.

The modern scientific and economic interest in astronomy in Arizona began in 19th-century Flagstaff. Astronomer Percival Lowell settled there after journeying west from his Boston home in search of a place suitable for an observatory to study Mars. In 1894, he built Arizona’s first observatory on what is now known as “Mars Hill.” The Lowell Observatory, still operating today, gained
worldwide visibility for a series of dramatic discoveries — notably the first sighting of Pluto and the first evidence that the universe is expanding. But by the mid-20th century, even small Flagstaff (with a population of only about 25,000) was releasing enough artificial light into the atmosphere to threaten good “seeing” by observatory telescopes.

So Flagstaff acted, and kept acting. In 1953, it passed the nation’s first ordinance governing outdoor lights, which it has updated several times since. In 2001, Flagstaff became the world’s first city to earn IDA’s “International Dark Sky Community” award for “exceptional commitment” to preserving dark skies. The city’s dark sky advocates believe everyone wins when communities increase the quality, not quantity, of their outdoor lighting: Night vision is improved, energy and natural resources are saved, safety is maintained, and the nighttime visual environment is protected.

Also protected is Arizona’s competitive advantage as an area well-suited to the pursuit of astronomy.

The Arizona optics industry today includes more than 180 companies and contributes some $650 million to the state’s economy. Dating back to the early 1940s, but getting a big boost during the 1960s space race, the industry traces its roots back to Steward Observatory at The University of Arizona and the needs of astronomers. Two current examples are the $13 million VERITAS telescope array, being built for the Kitt Peak National Observatory by ten international academic institutions; and the Discovery Channel Telescope, a $35 million project set for completion in 2009 southeast of Flagstaff under the auspices of the Lowell Observatory.

However, the location of a few astronomy facilities unfortunately has provoked disputes with some Native American groups. Lawsuits and public opposition have forced institutions and tribal governments and organizations to negotiate through many differences. With compromises in place and technological innovations in the pipeline, dark skies and astronomy will continue to be an economic plus by contributing to Arizona’s leadership in an important field.
Everybody agrees kids should go to school. But what should they learn there? Arizona was among the first states to develop clear standards for determining what should be taught and learned — and now monitored and tested.

In 1990, Arizona lawmakers directed the Arizona Department of Education (ADE) to identify the “minimum course of study competencies for excellence in essential skills.” At about the same time, the federal statute known as “Goals 2000” began offering money for states and school districts to develop strong academic standards. In 1995, the state legislature moved beyond “essential skills” to a mandate for academic standards — what K-12 students should know and be able to do in reading, writing, arts, English, mathematics, science, and social studies/history.

The task of writing the standards was a massive undertaking by hundreds of Arizonans working in state-appointed teams of teachers, scholars, subject experts, and parents. Their hard work paid off: As noted in Education Week’s 2004 “Quality Counts” survey, “Arizona is one of seven states that have clear and specific standards in English, mathematics, science, and social studies/history in elementary, middle, and high school.”
But standards are just half of the achievement equation. The state’s accountability system, which tracks how students are doing, supplies the other half. In 2000, Proposition 301 provided ADE with funds to develop “a system to measure school performance based on student achievement, including student performance on the AIMS test.” The LEARNS Achievement Profile (Leading Education in Arizona through the Reporting and Notification System) is the result. Also in 2000, the U.S. Congress passed the No Child Left Behind Act, requiring states to track performance of public schools and school districts. ADE now has a dual system that evaluates performance of public schools, school districts, and charter schools based on test results that generally reflect the state’s academic standards. To use this information to improve results, Arizona began producing “school report cards” from the Arizona LEARNS Achievement Profiles. Although it does not reward high performers, the department assists schools with low ratings and imposes sanctions on those that are consistently “under performing” or “failing.”

Arizona’s assessment system gets high marks nationally for the variety of approaches used to gauge student achievement. Appraisals of the connection between tests and standards, however, show mixed results, since the process of aligning subjects and tests is still underway. Still, Arizona now has accepted statewide metrics for determining what students and teachers should do and where they must do better. The information critical to increasing academic achievement is in hand and already helping teachers and schools to move Arizona’s students ahead. Increasing academic accomplishment among all students is the “end” that all these “means” are meant to achieve.
Arizona’s millions of forested acres may be less celebrated than its desert vistas, but they are equally cherished by residents and visitors. The state can tally over 11 million acres of national forests and 4 million more acres of non-federal forested land, including the world’s largest contiguous ponderosa pine forest.

Arizona’s arid climate and cycles of drought, fire, disease, and insect infestation have made the state fertile ground for academic forest expertise. Just as important, the state’s officials, experts, and residents are breaking new ground in community planning for forest health.

In 2003, Governor Janet Napolitano established the Forest Health Advisory Council and Governor’s Forest Health Oversight Council as mechanisms for improving Arizona’s forests. The Forest Health Advisory Council’s mission focuses on, among other things, principles for restoration efforts, monitoring projects, and evaluating...
sustainable options for small-diameter trees compatible with forest health and economic development goals. The Forest Health Oversight Council has recommended and guided steps forward in community education, planning, and capacity building, as well as fund development. Related state legislation has included a fuel tax discount for trucks that haul forest products and temporary tax breaks for some businesses to thin overgrown forests.

In addition, the federal Healthy Forests Restoration Act of 2003 gives funding priority to thinning projects identified through collaborative “community wildfire protection plans.” Arizona has taken the community idea to heart: As of June 2005, 64 of 158 communities deemed to be at risk of severe wildfire had been included in a plan. These community processes have attracted representatives of federal, state, municipal and tribal agencies, and have produced agreements on the location of thinning projects and the protection of homes and property.

One example is the federally funded White Mountain Stewardship Project, one of the nation’s largest forest restoration initiatives, which will treat 5,000 to 25,000 acres per year over ten years on the Apache-Sitgreaves National Forest. The project is expected to enhance the local economy by commercializing previously unmarketable small trees. The win-win approach to forest health and community protection offers ideas for other natural resource areas and the myriad of challenges faced by all states.
**GROUNDWATER MANAGEMENT**

The 1980 Groundwater Management Act settled some water disputes, preserved a precious resource, and shaped Arizona’s modern pattern of urban development.

The state’s water history features grand ideas, larger-than-life personalities, and innovations born of necessity. But water is a current issue as well as a source of stories from a colorful past. Today, approximately 40% of Arizona’s water comes from under the ground.

The key to managing this precious resource is Arizona’s 1980 Groundwater Management Act (GMA). Most public policy observers regard the GMA as one of the most significant pieces of legislation in Arizona history. The GMA is inextricably linked to the development of the Central Arizona Project (CAP), which delivers Colorado River water to Maricopa, Pinal, and Pima counties.

By the 1970s, decades of groundwater pumping had depleted many of Arizona’s underground reserves. At the same time, plans for the development of the Central Arizona Project were underway as well. The U.S. Interior Department demanded that federal CAP funding be contingent on Arizona controlling its groundwater use.

Arizona had to act. As University of Arizona scholar Thomas Sheridan has written, Governor Bruce Babbitt “brought together the main interest groups — mines, farmers, cities, and water companies — and coaxed, cajoled, and threatened them through a series of marathon meetings that lasted for more than two years.”
The result was legislation to control overdraft (when pumping outstrips replenishment), allocate limited resources, and foster groundwater renewal. The act created the Arizona Department of Water Resources to administer four Active Management Areas (AMAs) where overdraft was most acute — the Phoenix area, Pinal County, the Prescott region, and metro Tucson. In 1994, a fifth district, Santa Cruz AMA, spun off from the Tucson AMA. The GMA’s rules and regulations apply only in the active management areas, although many are calling for similar policies throughout the state.

Municipalities within AMAs comply with a variety of conservation requirements, including restrictions on the amount and type of water used in roadway medians and elsewhere. Most significantly, the GMA stipulates that new developments have a 100-year “assured water supply” or locate within the service area of an AMA with an existing certificate. New state rules issued in 1995 require developments to use predominantly renewable water supplies: lakes, effluent, and rivers, including Colorado River water delivered via the CAP.

New developments without ready access to renewable water supplies can still comply with the Assured Water Supply through membership in the Central Arizona Groundwater Replenishment District. Despite this arrangement, groundwater use currently still outpaces replenishment. The state’s goal is to create a balance between the water withdrawn yearly and the natural and artificial “recharge” in the Phoenix, Prescott, and Tucson AMAs by 2025.

A significant side effect of the GMA has been to shape Arizona’s urban development by encouraging growth in areas with, or near, existing infrastructure, thus forming the state’s concentrated pattern of metro development. Most important, however, the GMA has given official recognition to the need to conserve precious groundwater while ensuring that responsible growth can occur.
Arizona is one of 40 states to raise revenue through a state lottery. Approved by voters in 1980, lottery dollars support such efforts as the Local Transportation Assistance Fund, County Assistance Fund, Mass Transit Fund, Court Appointed Special Advocate Fund, and Commerce and Economic Development Commission. However, as a result of a citizens’ initiative, beneficiaries of Arizona's lottery also include wildlife and wild places, historic places, archaeological sites, parks, and trails.

In 1990, Arizona voters made it clear that they had no desire to gamble with their state’s heritage. By a nearly two-to-one margin, they set aside up to $20 million per...
year in state lottery funds for often under-funded state parks, historic preservation projects, and wildlife programs. Led by the Arizona Heritage Alliance, a coalition of outdoor sports enthusiasts, historic preservationists, and environmentalists, the effort enjoyed support from many prominent Arizonans including Governor Bruce Babbitt, Senator Barry Goldwater, and Representative Morris Udall.

The Heritage Fund stands out in part because of the diversity of programs it supports. Funds have been used to maintain trails, acquire and maintain habitat for endangered species, preserve historic and archeological sites, create and improve community and state parks, and provide environmental education. Since it began, the Heritage Fund has received over $200 million.

Ironically, the fund is sometimes itself threatened with extinction. Legislators have repeatedly considered redirecting its resources, and during the budget crisis of 2003 agreed to a one-time diversion of $10.2 million to other uses. Aside from the money used to administer programs, Heritage Fund dollars are distributed via competitive grants. In FY 2005, the fund received $21.1 million, including interest earnings and distributed $20.7 million for programs.

By creating the Heritage Fund and protecting it from being “raided,” Arizonans have shown they want to protect the state’s stunning natural areas, rich habitats, and diverse cultural resources. The Heritage dollars provide resources to benefit today’s residents and support programs to educate the next generation of Arizona stewards.

<table>
<thead>
<tr>
<th>ARIZONA GAME &amp; FISH HERITAGE FUND PROGRAMS FY 2005*</th>
<th>EXPENDITURES (000’S)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition</td>
<td>$3,920</td>
</tr>
<tr>
<td>Identification, Inventory, Acquisition, Protection and Management of Sensitive Species and Habitats</td>
<td>$5,282</td>
</tr>
<tr>
<td>Habitat Evaluation</td>
<td>$2,008</td>
</tr>
<tr>
<td>Urban Wildlife</td>
<td>$2,540</td>
</tr>
<tr>
<td>Environmental Education</td>
<td>$558</td>
</tr>
<tr>
<td>Public Access</td>
<td>$621</td>
</tr>
<tr>
<td>Total</td>
<td>$14,929</td>
</tr>
</tbody>
</table>

* Includes carry forward from FY 2004.
Source: Arizona Game and Fish Department.

<table>
<thead>
<tr>
<th>ARIZONA STATE PARKS FY 2005*</th>
<th>EXPENDITURES (000’S)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parks Acquisition and Development</td>
<td>$1,696</td>
</tr>
<tr>
<td>Trails</td>
<td>$591</td>
</tr>
<tr>
<td>Historic Preservation</td>
<td>$1,031</td>
</tr>
<tr>
<td>Local, Regional, and State Parks</td>
<td>$2,440</td>
</tr>
<tr>
<td>Total</td>
<td>$5,758</td>
</tr>
</tbody>
</table>

* Includes carry forward from FY 2004.
Source: Arizona State Parks.

<table>
<thead>
<tr>
<th>POLICY ISSUES</th>
<th>POLICY IDEAS</th>
<th>POLICY PRODUCTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heritage Fund</td>
<td>Use state lottery funds to support programs</td>
<td>Arizona Heritage Fund</td>
</tr>
<tr>
<td>Lack of funds for park, wildlife, and cultural and historic resources supported by the public</td>
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</tbody>
</table>
Nobody wants taxpayer dollars to support two public programs when one would suffice. At the same time, experience shows that increasingly complex public needs are best met by comprehensive, coordinated responses. Thus, public administration now looks everywhere for ways to combine, cooperate, and collaborate. In Arizona, two examples — one more 30 years old and one just about two years old — stand out.

In 1971, eight different Arizona public entities administered federal and state welfare, unemployment, and social programs. In 1972, the Arizona Legislature created the Arizona Department of Economic Security (DES) "to provide an integration of direct services to people of this state in a pattern that would reduce duplication
of administrative efforts, services, and expenditures.” The three decades since have included many ups and downs because social issues changed over time and the promise of integration went largely unfulfilled. Some recent observers have even suggested breaking the department into pieces again. However, others have reinforced the idea of integration as they have reorganized to better advance DES’ mission to “promote the safety, well-being, and self-sufficiency of children, adults, and families.”

In 2005, the search for a better structure took a similar turn in Tucson with the debut of TREO (Tucson Regional Economic Opportunities, Inc). This new nonprofit organization merged the economic development programs of government, the private sector, and higher education across city and county boundaries. TREO now does the work formerly done by the Greater Tucson Economic Council, City of Tucson, and Pima County to further business and community development throughout greater Tucson. With Arizona’s growing population, streamlined public administration — whether in social services or economic development — plays an important part in the state’s ability to build and maintain a vibrant economy.

<table>
<thead>
<tr>
<th>THEN AND NOW: CREATING THE ARIZONA DEPARTMENT OF ECONOMIC SECURITY</th>
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<tbody>
<tr>
<td>THEN: 8 SEPARATE AGENCIES</td>
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<tr>
<td>Employment Security Commission and State Employment Service</td>
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<tr>
<td>Unemployment Compensation and Administrative Service divisions</td>
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<tr>
<td>Apprenticeship Council</td>
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<tr>
<td>State Office of Manpower Planning</td>
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<tr>
<td>State Office of Economic Opportunity</td>
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<tr>
<td>State Department of Public Welfare</td>
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<tr>
<td>Division of Vocational Rehabilitation</td>
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<tr>
<td>State Department of Mental Retardation</td>
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<tr>
<td>NOW: 1 AGENCY</td>
</tr>
<tr>
<td>Department of Economic Security</td>
</tr>
<tr>
<td>Division of Aging &amp; Community Services</td>
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<tr>
<td>Division of Benefits and Medical Eligibility</td>
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<tr>
<td>Division of Child Support Enforcement</td>
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<tr>
<td>Division of Children, Youth &amp; Families</td>
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<tr>
<td>Division of Developmental Disabilities</td>
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<tr>
<td>Division of Employment &amp; Rehabilitation Services</td>
</tr>
<tr>
<td>Division of Business and Technology Services</td>
</tr>
<tr>
<td>Division of Employee Services and Support</td>
</tr>
<tr>
<td>Division of Policy and Program Development Evaluation</td>
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</table>

Source: Arizona Department of Economic Security.

<table>
<thead>
<tr>
<th>POLICY ISSUES</th>
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<tbody>
<tr>
<td>Integration of Public Agencies</td>
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<tr>
<td>Duplicative, fragmented public services</td>
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<tr>
<td>Costly administration</td>
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</tbody>
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<table>
<thead>
<tr>
<th>POLICY IDEAS</th>
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</thead>
<tbody>
<tr>
<td>Consolidation of public agencies</td>
</tr>
<tr>
<td>Public-private sector cooperation</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>POLICY PRODUCTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arizona Department of Economic Security</td>
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<tr>
<td>TREO</td>
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</tbody>
</table>
Despite its importance, jury duty seems to rank low on most people’s list of civic duties. Indeed, the increasing difficulty of finding enough citizens to participate has prompted a national jury reform movement in which Arizona has played a leading part.

Arizona’s jury reform efforts began in 1993, led primarily by now-retired Maricopa County Superior Court Judge Michael Dann. The Arizona Supreme Court Committee on More Effective Use of Juries, composed of former jurors, jury administrators, attorneys, judges, and scholars, was charged with examining jury and trial practices and suggesting improvements. Major concerns included the lack of broad community representation in jury pools, the passive nature of jury service, and the public’s low priority for jury service. The committee produced Jurors: The Power of 12 with 55 recommendations for reforming the state’s jury system. The
committee reported “unacceptably low levels of juror comprehension of the evidence” as one of the motivating factors in urging the Supreme Court to adopt its jury reform recommendations.

Change came quickly. In 1996, jurors were authorized to question witnesses during trials. In addition, jurors now may take notes and study photographs and case summaries. An emphasis on simple language — in contrast to “legalese” — was another departure from the past. In 2004, jurors who serve more than ten days and are not compensated by their employers may be eligible for assistance from the Arizona Lengthy Trial Fund.

Legal experts believe Arizona’s innovations will catch on with even more states, as recent studies have shown few drawbacks to new procedures. Two field experiments on jury note taking, for example, found that it increased juror satisfaction without affecting attention or providing an advantage to one side or the other.

Jury reform is just one way of making service more attractive to citizens. Technology is being used to make jury service more convenient for citizens. For example, prospective Superior Court jurors may obtain information and change their service date online at the court’s web site.

Jury reform may not be a headline issue, but how this critical part of the justice system functions makes a difference in one of the fundamental areas of public policy and government.

“What’s so innovative about the Arizona jury reform experience is what happens inside the courtroom… the opening up of the jury system, the movement from the jurors in their passive role to a much more active role in the trial. It’s been a grand experiment.”

— Gordon Griller, former administrator of Maricopa County Superior Court
Arizona’s economy was once dependent on what could be grown on or extracted from the land. Those days are long gone. Arizona, like states and nations around the globe, is now racing to compete in a rapidly changing global knowledge economy and assuming:

- Advances in science and technology will create wealth at an even faster rate than in the past 50 years.
- Innovation has joined human and natural resources and investment as a critical ingredient for economic growth.
- Competitiveness will depend increasingly on public and private research capacity.
- Skilled, flexible, and creative workers are at the heart of innovation and prosperity.

Military investments in Arizona during World War II and the start of an electronics industry in the 1950s laid the foundation for today’s growing knowledge economy. Today Arizona is strongest in such knowledge economy fields as advanced communications, aerospace, and high tech manufacturing. Promising industries include biosciences and "sustainable systems." But developing a strong knowledge economy is an evolving process, not a one-time event. Many actions in many areas add up to competitiveness.
The following investments are representative of Arizona’s ideas for a dynamic knowledge economy.

Arizona voters passed Proposition 301 in 2000 to improve K-12 education, increase community college occupational capacity, and expand university science and technology research.

“P-20” is shorthand for education from preschool through graduate education. Governor’s P-20 Council is working to align education with the economy for all ages.

In 2002, Flinn Foundation led a broad public-private process that created the Arizona Biosciences Roadmap, which laid out how Arizona could place in the emerging field of biosciences, and launched numerous complementary actions. In turn, Governor Jane Hull appointed the Arizona BioInitiative Task Force in 2002 to help convince the Inter-national Genomics Consortium and the Translational Genomics Research Institute to make Phoenix their home. The state’s foundations, businesses, and governments pledged $90 million to secure what many have called Arizona’s most important economic investments in a generation.

The state’s three universities have created the Arizona Biomedical Collaborative to bring together interdisciplinary research in biotechnology and biosciences and to complement medical expertise at The University of Arizona and its Phoenix medical school campus.

In 2004, SCF Arizona, the state’s workers’ compensation insurance firm, was the first investor in the Knowledge Economy Capital Fund, a “fund of funds” expected to gather $100 million for investments in knowledge economy firms and initiatives.

In 2006, public and private sector leaders joined together to create Science Foundation Arizona. This private, non-profit organization will invest in science and technology research and engage in a variety of strategies to boost Arizona’s global competitiveness.

“Sustainable systems” or products and services that relate to such areas as renewable energy and environmental quality have been identified as areas with high potential for Arizona. The Arizona Water Institute capitalizes on the expertise of the state’s universities to assist communities with water issues, but it also is expected to transfer new water-related technologies and products to the marketplace.

All Arizonans have a stake in a leading-edge knowledge economy because of the prosperity created by such firms and jobs. Arizona’s future economy will take off from today’s ideas.

**Knowledge Economy**

<table>
<thead>
<tr>
<th>POLICY ISSUES</th>
<th>POLICY IDEAS</th>
<th>POLICY PRODUCTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coping with economic change</td>
<td>Support for science and technology research</td>
<td>Package to support TGen</td>
</tr>
<tr>
<td>Lack of competitiveness</td>
<td>Targeted public and private support for industries</td>
<td>Arizona Biomedical Collaborative</td>
</tr>
<tr>
<td>Need for innovation</td>
<td>Improving education at all levels</td>
<td>Proposition 301</td>
</tr>
<tr>
<td></td>
<td>Expanding occupation training</td>
<td>Arizona P-20 Council</td>
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<tr>
<td></td>
<td>University research collaboration</td>
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</table>
Academic research has shown repeatedly that those children who lack experience with books because their parents cannot read well start school at a disadvantage. At the same time, low literacy levels limit parents’ employment opportunities. A negative cycle of narrow opportunity and limited achievement is one of a variety of factors that traps families in poverty. A common sense approach to breaking the cycle focuses on helping parents improve their reading skills, which in turn leads to better employment options and encourages higher achievement among their children.

This concept is at the heart of Arizona Family Literacy and its work with the state’s neediest parents and children. What started as a community-based effort in the early 1990s has become a standard part of adult education services statewide. Initiated by state lawmakers in 1994 as part of Healthy Families, Family Literacy, Health Start, the legislation was reauthorized in 1998.
Administered by the Arizona Department of Education, Family Literacy serves the most disadvantaged families of any publicly funded pre-school program. Targeted to poor families with at least one child under age eight in which the parents have the lowest levels of literacy, Family Literacy combines early childhood education, adult basic education, parenting skills, parent-child literacy activities, community service, and home-based instruction. The program helps make youngsters ready for and comfortable in school, while giving parents the skills to improve their jobs. Federal programs, including Workforce Investment Act, Head Start, and No Child Left Behind, augment Arizona’s Family Literacy efforts. But the need remains great, and even with state and federal funds, Family Literacy can serve only a small fraction of the families who qualify.

Family Literacy is just one part of a growing commitment in Arizona to “school readiness” and early childhood education. For example, Governor Napolitano has spearheaded the drive for voluntary state-funded all-day kindergarten and it is spreading across Arizona. In fact, the Arizona Legislature appropriated dollars in 2007 to complete the funding of all-day kindergarten statewide. The governor-appointed Arizona School Readiness Board has created a broad plan to improve child care, recruit early childhood education professionals, improve children’s access to health care, and assist low income families with the cost of child care.

Family Literacy, all-day kindergarten, and school readiness go to some of the “root causes” of poor achievement and workforce deficiencies. They exemplify the long-term investments in the state’s future that will yield dividends for individuals, families, employers, and the state as a whole.
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<th>POLICY ISSUES</th>
<th>POLICY IDEAS</th>
<th>POLICY PRODUCTS</th>
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<tbody>
<tr>
<td><strong>A</strong> AHCCCS</td>
<td>Indigent health care put counties in fiscal crisis Balance between health care cost and quality</td>
<td>Managed care Competition among providers</td>
</tr>
<tr>
<td><strong>B</strong> Basic to Arizona: Salt River Project and Central Arizona Project</td>
<td>Stable, secure water supplies for growth and development</td>
<td>Large-scale &quot;reclamation&quot; projects to store and deliver water</td>
</tr>
<tr>
<td><strong>C</strong> Citizen-Led Government</td>
<td>Prevention of special interest influence on government Citizen-controlled government</td>
<td>Direct democracy Short terms for most officials Frequent elections Citizen empowerment Convenience for citizens</td>
</tr>
<tr>
<td><strong>D</strong> Dark Skies Over Arizona</td>
<td>Protection of an environmental feature that is an economic asset</td>
<td>Outdoor lighting standards and guidelines</td>
</tr>
<tr>
<td><strong>E</strong> Education Standards and Accountability</td>
<td>Greater student achievement Monitoring progress</td>
<td>Statewide academic K-12 learning standards Accountability system to monitor improvement</td>
</tr>
<tr>
<td><strong>F</strong> Forest Health</td>
<td>Prevention of losses from wildfires Restoring forest health</td>
<td>Community collaboration for preparation Broad-based resident participation Involve academic experts in advising communities Support small-diameter logging</td>
</tr>
<tr>
<td><strong>G</strong> Groundwater Management</td>
<td>Stable water supply for population and economic growth Settlement of conflicting claims Prevention of environmental problems</td>
<td>Development of management areas and requirement of 100 years of water for new developments Replenishing groundwater Settle major water disputes</td>
</tr>
<tr>
<td><strong>H</strong> Heritage Fund</td>
<td>Lack of funds for park, wildlife, and cultural and historic resources supported by the public</td>
<td>Use state lottery funds to support programs</td>
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<tr>
<td><strong>I</strong> Integration of Public Agencies</td>
<td>Duplicative, fragmented public services Costly administration</td>
<td>Consolidation of public agencies Public-private sector cooperation</td>
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<tr>
<td><strong>J</strong> Jury Reform</td>
<td>Decreasing representation in jury pools Need to increase the number of citizens willing to serve on juries</td>
<td>Make service easier and more rewarding</td>
</tr>
<tr>
<td><strong>K</strong> Knowledge Economy</td>
<td>Coping with economic change Lack of competitiveness Need for innovation</td>
<td>Support for science and technology research Targeted public and private support for industries Improving education at all levels Expanding occupation training University research collaboration</td>
</tr>
<tr>
<td><strong>L</strong> Literacy for Families</td>
<td>Negative effects of low adult literacy on children’s achievement Limited school readiness among low income children</td>
<td>Parent and child literacy programs Helping parents to help children Parents as teachers</td>
</tr>
<tr>
<td><strong>M</strong> Master Planned Communities</td>
<td>Quality development Accommodating rapid growth</td>
<td>Support for master planning</td>
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<tr>
<td>POLICY ISSUES</td>
<td>POLICY IDEAS</td>
<td>POLICY PRODUCTS</td>
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<tr>
<td><strong>N</strong> Non-Partisan Local Government</td>
<td>Strong local governments</td>
<td>Non-partisan, council-manager governance</td>
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<td></td>
<td>Prevention of proliferation of cities and competition</td>
<td>Approval of new cities by existing municipalities</td>
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<tr>
<td><strong>O</strong> Out There with Arts and Culture</td>
<td>Tourism and economic development</td>
<td>Arizona Highways</td>
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<td></td>
<td>Essential building blocks for arts and culture</td>
<td>Arizona Arts Trust Fund</td>
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<td></td>
<td>Creating a sense of place in communities</td>
<td>Arizona ArtShare</td>
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<td>Public art as infrastructure</td>
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<tr>
<td><strong>P</strong> Planning for Economic Growth</td>
<td>Lack of economic competitiveness</td>
<td>Arizona Strategic Plan for Economic Development</td>
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<td><strong>Q</strong> Quiet Roads</td>
<td>Longevity and durability of freeway surfaces</td>
<td>Quiet Pavement project</td>
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<tr>
<td></td>
<td>Disruption of neighborhoods</td>
<td>Assuming use of quiet paving</td>
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<tr>
<td><strong>R</strong> Rivers in the Desert</td>
<td>Environmental preservation and restoration</td>
<td>Rio Salado</td>
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<td></td>
<td>Center city revitalization</td>
<td>Rio Nuevo</td>
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<td></td>
<td>Urban amenities</td>
<td>City and county ordinances protecting washes</td>
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<td><strong>S</strong> School Choice</td>
<td>Student achievement</td>
<td>Open enrollment</td>
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<td></td>
<td>Equal opportunity</td>
<td>Tuition tax credits</td>
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<td></td>
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<td>Charter schools</td>
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<td>Alternative schools</td>
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<td>Magnet schools</td>
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<td><strong>T</strong> Transportation for a Region</td>
<td>Inadequate state funding for freeways in Maricopa County</td>
<td>Asking voters for sales tax for transportation</td>
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<td></td>
<td>Regional transportation demand</td>
<td>Regional planning among elected officials</td>
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<tr>
<td><strong>U</strong> University Science and Technology Investments</td>
<td>Competitiveness in a knowledge economy</td>
<td>Proposition 301 in 1985</td>
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<td>University facility funding</td>
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<td>“Angel investors’” tax credit</td>
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<td><strong>V</strong> Very Important Chips</td>
<td>Competitive regional and state economies</td>
<td>Support for major manufacturers and related firms</td>
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<td></td>
<td>Creation and retention of high wage jobs</td>
<td>Quality of life</td>
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<td></td>
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<td>Favorable business climate</td>
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<td><strong>W</strong> Walk on the Arizona Trail</td>
<td>Support for recreation and tourism</td>
<td>University and industry partnerships</td>
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<td></td>
<td>Appreciation of Arizona’s diverse environment</td>
<td>Water management</td>
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<td>Tax incentives</td>
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<td><strong>X</strong> Xeriscape</td>
<td>Water conservation</td>
<td>Municipal xeriscape ordinances</td>
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<td>Public information campaigns</td>
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<td>Classes for homeowners and professional landscapers</td>
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<tr>
<td><strong>Y</strong> Yours, Mine, Ours: Regional Economic Development</td>
<td>Municipal competition for economic development</td>
<td>Greater Phoenix Economic Council</td>
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<td></td>
<td>Need for greater economic diversity</td>
<td>TCEO</td>
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<td></td>
<td>Desire for economic leadership</td>
<td>Greater Flagstaff Economic Council</td>
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<td></td>
<td>Lack of long-term competitiveness</td>
<td>Yuma Economic Development Council</td>
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<td><strong>Z</strong> Zeal for State Trust Land</td>
<td>State trust land in path of urban growth and effects on development</td>
<td>Urban Lands Act</td>
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<td></td>
<td>Maximizing the value of state trust land</td>
<td>2006 statewide ballot initiative</td>
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<td></td>
<td>Outdated state trust land processes</td>
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Source: Morrison Institute for Public Policy, 2006.
Some of the nation’s earliest master planned communities are in Arizona. Ready-made, full-service communities have given certainty to planners and residents alike.

Start with a westward shift of population and vast tracts of inexpensive land. Stir in municipalities’ desire for growth and economic development. Add arriving residents’ demand for housing and amenities. Finish with a developer-friendly style of city planning. That is Arizona’s recipe for master planned communities — a development form long associated with the state.

Development innovators from the builders of Litchfield Park to John F. Long and Del E. Webb and others have done much to make master planned communities an enduring feature of Arizona’s metropolitan areas. The Goodyear Tire & Rubber Company began Litchfield Park in the 1930s to have a quality community for employees,
while Long was a “community builder” who saw parks and schools as important to the “good life” as housing. Webb’s Sun City pioneered the “active adult” community. In fact, master planned communities appealed to buyers because of the opportunity to live, work, and play close to home. A house came with a ready-made lifestyle in a ready-made community, complete with hospitals, office parks, golf courses, recreation, and shopping.

For example, the 1960s start of Sun City was the precursor to Ahwatukee and development of Green Valley outside of Tucson in the 1970s. Ahwatukee’s sibling Mountain Park Ranch, the West Valley’s Arrowhead Ranch, Scottsdale’s McCormick Ranch, and Mesa’s Dobson Ranch debuted in the 1980s. The 1990s brought the Foothills, DC Ranch, Estrella Mountain, Civano, and McDowell Mountain Ranch to the attention of new and established residents alike, while more retirement communities opened in the West Valley.

As one commentator said, “Maybe the best thing about master planned communities is that they are not some government version of utopia, but a private sector innovation.” Still, these mega-projects depend heavily upon public policies that help solve water issues, provide facilitate the development of services. In turn, master planned communities supply certainty on appearance, assets, and tax base to cities and counties. In contrast, the certainty of master planned communities also has often been the basis for the “business as usual” style that has left many worrying about the quality of urban growth.

Today, master planned communities such as DMB’s Verrado at the White Tank Mountains, Vistancia in greater Phoenix’s northwest corner, and Saddlebrook northwest of Tucson are carrying on the tradition. These and many more are continuing the “community building” favored by past development leaders. Drawing from small-town culture and design, Civano, Verrado, and Vistancia are moving master planning into the 21st century and creating the next generation of a type of development deeply rooted in Arizona.
In the end, the quality of a democracy rests neither on the grandeur of its rhetoric nor the nobility of its ideals, but on the ethical standards implicit in its mundane daily mechanics. That’s why the ubiquity of the non-partisan council-manager government — used by 81 of Arizona’s 89 cities and towns — stands out in the state’s public policy history. Like the state’s constitution, this aspect of municipal governance is rooted in the early 20th-century Progressive Movement; also like the state’s constitution, it continues to help keep government open to public scrutiny.

Good-government advocates in Arizona and elsewhere set up council-manager governments — administrations without ties to political parties — to prevent the development of city political “machines” that gained infamy in older cities and to keep special interests from gaining
control of city services. By combining non-partisan elected councils with appointed professional managers who would be responsible for service delivery, they hoped that municipal governments would be more likely to serve the people rather than the powerful.

It seems to have worked. In fact, scholars rank the council-manager system as a major American contribution to political theory. For one thing, it affords each council member a stronger voice in policy, which in turn increases citizens’ influence on their representatives. For another, it provides for decision making by the entire elected body, thereby reducing the power of special interests. Finally, it places city services under the authority of a professional manager who, though appointed by and answerable to the council, remains more likely to make decisions based on efficiency and merit rather than politics.

Acceptance of the council-manager form in nearly all Arizona municipalities has made local governments quite uniform across the state. Experts say it has also played a role in the emergence of well-run, well-respected municipalities that often win national and international awards. Phoenix, for example, won the 1993 Carl Bertelsmann Prize, a prestigious international award recognizing the best-run city government in the world. Phoenix is also a four-time All-America City winner. Tempe and Mesa have also earned All-America City honors, and Scottsdale was voted the Most Livable City by the U.S. Conference of Mayors in 1993, among other awards.

**Strength in Low Numbers**

Another noteworthy feature of Arizona local governments is simply that there are so few of them. Back in the 1950s, Maricopa County residents realized that the coming population boom would bring pressure to form many new local governments. Inhabitants and leaders of the Maryvale and Sunnyslope areas west and north of Phoenix wanted to become their own cities, but others feared more municipalities would spawn wasteful competition among jurisdictions — as had happened in the Los Angeles region. In 1961, the Arizona Legislature mandated that current cities had to consent to the creation of a new municipality nearby. Thus Maryvale, Sunnyslope, and other areas became part of the City of Phoenix through annexation. Today, with regional action increasingly necessary on so many issues, fewer governments have, indeed, turned out to have been a good idea.

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**Non-Partisan Local Government**

- Strong local governments
- Prevention of proliferation of cities and competition
- Separation of policy and politics from operational responsibility
- Limiting incorporations
- Non-partisan, council-manager governance
- Approval of new cities by existing municipalities
By design, Arizonans are increasingly taking advantage of arts and culture’s unique contributions to tourism, education, and communities’ sense of place.

Arts and culture contribute in one way or another to nearly all areas of public policy. Increasingly, however, arts and culture stands out in three vital areas: how tourists learn about and experience the state, how residents of all ages have access to a broad range of opportunities to learn, share experiences, and be entertained, and how artists serve communities’ economies and sense of place.

For example, Arizona Highways has used photographs by some of the state and nation’s leading artists to carry the message of Arizona’s beauty and unique mix of cultures around the world. Originally, though, Arizona Highways was an inspiration born of practicality. Roads were something of a novelty to Arizona in the 1920s. Automobiles were rare — too rare for job security in the Highway Department. To rev up the engines of state tourism, staff members came up with the idea of promoting Arizona through a magazine about its growing highway system. Arizona Highways began to take its current form as an art-quality photography magazine in the late 1930s, and soon became known for its innovations. Since 1938, the magazine has not carried
paid advertising. In 1946, the magazine became the first national publication to present an all-color issue. Its effect on the state — which continues today — includes supporting the state's $30 billion tourism industry.

Critics often fault elected officials with not thinking beyond the next election, but the development of the Arizona Arts Trust Fund and Arizona ArtShare show otherwise. In 1988, state leaders agreed that augmenting state-level grant funds for arts and culture organizations would be a wise investment. New money to expand grant programs was found in an idea new to Arizona but rooted in the fact that there are many connections between businesses and the arts. A $15 fee on corporate registrations goes to the Arizona Arts Trust Fund, which is administered by the Arizona Commission on the Arts. The approximately $1 million generated annually is distributed competitively across the state by the commission. In 1996, state officials, business leaders and arts advocates designed the Arizona Arts Endowment Fund — known now as Arizona ArtShare. The public-private endowment, managed by the Arizona Commission on the Arts and the Arizona Community Foundation, has had a multi-faceted impact on arts and culture. One part is modeled after the National Arts Stabilization capacity-building program and strengthens arts organizations' financial foundations. ArtShare also assists teachers, school districts, and arts organizations to implement high quality arts education programs that meet the state standards for what K-12 students should know and be able to do in visual art, music, dance, drama, and literature. Finally, before ArtShare, almost no Arizona arts organizations had active endowment programs. Now many do with millions of dollars targeted to ensure strength in the future. The Arizona Legislature completed the public contribution to ArtShare in 2006.

In Arizona, “public art” means art, design, and landscape architecture that make communities more distinctive and livable. It is integral to how communities look and feel. By the 1970s, many towns and cities nationwide, including Tucson, had passed public art ordinances to ensure that 1% of public capital improvement funds purchased public art. Phoenix adopted such an ordinance in 1986, but the recently created Phoenix Arts Commission blazed a new trail by connecting practicing artists with targeted projects right from the beginning. With artists working alongside engineers and architects, everything from canal banks to wastewater treatment plants took on a decidedly artistic look that said "Phoenix." The idea spread quickly and has since become a state model and a national influence.

In these instances and more, Arizona’s embrace of creative approaches to supporting arts and culture has helped develop a local sense of place and models for other cities and states.

Photo Credit: Marilyn Szabo.
The late-1980s recession hit Arizona hard. Times were tough and the state’s economy needed more than a booster shot of optimism. New direction came from business leaders active in the Phoenix Futures Forum, Enterprise Network, a Phoenix-based organization of entrepreneurs, and other organizations. This group — soon aided by the Arizona Department of Commerce, Arizona Legislature, and other economic development organizations and many businesspeople — pushed the creation of the first-ever statewide economic development plan. The result was the 1991 Arizona Strategic Plan for Economic Development (ASPED).
Two aspects of ASPED put Arizona on the leading edge of economic development nationally:

• **Acceptance of “Clusters” and “Foundations”**
  Arizona was one of the first states in the U.S. to adopt the cluster model for economic development. Harvard University’s Michael Porter helped develop and popularize the concept that economies were built on “clusters” (geographic concentrations of interdependent firms in related industries that attract other firms and create value) and supported by “foundations” such as human resources, transportation, and tax and regulatory systems. Economic growth was a matter of strengthening clusters and improving the supporting foundations.

• **Inclusive Public Process and Public-Private Financing**
  Alan Hald, Enterprise Network leader and MicroAge founder, a host of other business leaders, and many public institutions created a statewide process that was open to everyone who wanted a voice in creating a better economic future. Local public meetings, statewide “town halls,” and a wide variety of working groups made ASPED an inclusive process. With both successes and tough lessons, ASPED provided a touchstone for future public processes and private sector leadership. Some of today’s highly visible groups such as the Arizona Technology Council are descendants of ASPED cluster groups. After the completion of the plan, GSPED, the Governor’s Strategic Plan for Economic Development, was created in the Arizona Department of Commerce to keep implementation moving and to lead — along with the private sector — the many initiatives contained in ASPED.

ASPED earned substantial recognition for Arizona, including awards from the Southern Growth Policy Board, National Council for Urban Economic Development, and Council of Governors’ Policy Advisors. It set the stage for more public-private endeavors to increase Arizona’s competitiveness and embrace new approaches to economic growth.
Imagine old tires broken up so much that the dark mixture looks like ground coffee. When these “grounds” are mixed with regular asphalt and laid down as pavement, the new “rubberized asphalt” reduces noise by approximately 50%. Since 75% of freeway noise comes from the rubber meeting the road, it seems only fitting to reduce it with worn-out tires.

Quiet roads have gained widespread popularity in part because substantial freeway construction in Maricopa County has highlighted the technology. However, putting “crumb rubber” in asphalt is not a new idea.
The City of Phoenix used ground tires as an ingredient in its “chip sealing” from the mid-1960s to the end of the 1980s. City workers noticed that the asphalt mixture was long lasting and required little maintenance.

In 1988, the Arizona Department of Transportation (ADOT) began using asphalt rubber friction courses — i.e., rubberized pavement — on highways as a preservation, rather than a noise reduction, technique. The old-tire component reduced cracking and had adequate skid resistance and excellent durability. The rubber additive also had important side benefits: 1) It reduces noise; 2) It provides an alternative to putting used tires in landfills; and 3) It retains less heat than traditional materials. Considering that approximately 2 million tires are discarded annually just in Maricopa County, a use for the cast-offs is a boon. In addition, tires in landfills easily catch fire, creating another environmental hazard. Cooler roads also help mitigate the “heat island effect” that is making Arizona’s urban areas warmer.

Granted, retrofitting freeways with rubberized asphalt is relatively costly. Many have questioned why new freeways were not built with the quiet paving. According to ADOT, the Federal Highway Administration (FHA) did not approve of the rubberized asphalt for noise reduction until very recently. With freeway construction heavily dependent on federal funds even with state dollars in the mix, local road-building plans had to follow the rules. In 2003, however, ADOT and FHA began a program to document the pros and cons of rubberized asphalt.

ADOT and Maricopa Association of Governments are now well into the implementation of the $34 million Quiet Pavement project to resurface approximately 115 miles of urban freeways. With more than 3,100 miles of highways across the state covered with rubberized asphalt, quiet roads are becoming the rule rather than the exception. Those who live close to freeways and those who drive on them say they are thankful for a little more peace and quiet.

**Quiet Road Facts**

- 15 million old tires recycled to date
- 1,500 used per lane per mile
- 50% reduction in freeway noise

Source: Arizona Department of Transportation.

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**Policy Issues**

- Longevity and durability of freeway surfaces
- Disruption of neighborhoods

**Policy Ideas**

- Use of rubberized asphalt in freeway construction and resurfacing

**Policy Products**

- “Quiet Pavement” project
- Assuming use of quiet paving
The modern story of Arizona’s waterways is mostly one of human efforts to control the desert’s most valuable resource. But in recent years, attitudes toward desert rivers and washes have begun to change from “just use it” to a desire to restore drained waterways, preserve washes as natural areas, and create urban amenities from areas that also serve as flood control. Scottsdale’s Indian Bend Wash is one of the most well-known examples of this idea.

Throughout the state, reinvigorating desert water flows is now a strategy for quality of life and economic revitalization, as well as environmental rebirth. In addition, continued population growth has spurred a new sense of urgency to protect the state’s few untouched waterways. Recent examples of waterway initiatives include:
Phoenix’s Rio Salado Project has been called “one of the most effective displays of federal and local teamwork throughout the West.” Since it opened to the public in November 2005, the restored 595-acre riparian habitat in the Salt River is a recreation destination and an environmental education center. The dividing eyesore between north and south Phoenix has gotten a new lease on life and is expected to bring the communities on both sides of the river closer together.

Tempe Town Lake reflects another approach to revitalizing the Salt River. More than two million people a year boat, fish, and attend special events at the lake between downtown Tempe and Papago Park. Town Lake is a major reason why new downtown residences, office complexes, and the Tempe Performing Arts Center are under construction.

Downtown Tucson will soon celebrate the rebirth of the Santa Cruz River as part of the multifaceted Rio Nuevo Project. The city, Pima County, and U.S. Army Corps of Engineers are recreating the desert environment of more than a century ago to complement downtown housing, historic preservation, and a reinterpretation of the Tucson Presidio.

The Agua Fria River is the site for a project to combine flood control with recreation and environmental restoration. The Flood Control District of Maricopa County is leading an effort to put water back in the Agua Fria River. Modeled after the Indian Bend Wash in Scottsdale, the Agua Fria corridor will feature trails and parks to serve the burgeoning West Valley population.

Fossil Creek in Gila County began to flow freely again in June 2005. APS decommissioned its dam after using it for decades as a source of hydropower, originally to fuel mining operations in Jerome. An alliance among the utility, environmental organizations, and the Yavapai-Apache Nation made the transformation possible.

The San Pedro River, Arizona’s only free-flowing river, is the subject of intense, sometimes controversial, preservation efforts. The Upper San Pedro Partnership, a consortium of 21 local, state, and federal agencies and organizations, works to meet local water needs while protecting the river and surrounding habitat.

Flowing water will always be scarce in Arizona. But thanks to these and other efforts, future generations of residents and visitors will be able to enjoy, and to employ, this precious natural resource.

The "school choice" movement recently celebrated its first 50 years. Advocates trace the idea back to the thinking of free market economist Milton Friedman. In the mid-1950s, he introduced "choice" as a way to provide educational opportunity for all students — black and white, rich and poor. The idea captured little attention until the 1970s, however, and did not gain broad acceptance until the 1990s.

School choice advocates generally believe:

- Parents should be able to choose their children’s schools.
- Every child should have access to high quality schools, public or private.
- Competition, including charter schools, will lead to greater opportunities and achievement.

Charter schools are the centerpiece of Arizona’s policies for supporting education choices for students and their parents.
In 1994, the Arizona Legislature authorized the State Board of Education, the State Board of Charter Schools, and local districts to “charter” schools. That same year, the Arizona Department of Education adopted an “open enrollment” policy, allowing parents and students to request to attend any public school in the state. Individual districts responded to the call for choice with alternative and magnet schools to serve students’ needs better and differentiate schools from one another. In 1997, Arizona extended its commitment with the nation’s first state school choice tax credit. The Arizona Legislature approved a dollar-for-dollar state tax credit for individuals and married couples who donated to “school tuition organizations” that then provide private school scholarships for students. A corporate tuition tax credit was adopted in 2006.

But charter schools stand out as Arizona’s school choice centerpiece. Charter schools, operated by both for-profit and nonprofit organizations, receive public funds and are accountable for the requirements of their charter, academic performance, and fiscal management. However, these entities have greater decision making authority in areas such as curriculum and personnel than “regular” public schools. In 2005, Arizona counted over 500 charter schools, more than any other state except California. The schools can be found statewide, and educate approximately 10% of Arizona’s approximately one million K-12 students.

Charter schools reflect a wide range of educational approaches and, over time, performance levels have varied. For example, charter Tempe Preparatory Academy often leads the state’s schools in performance, while Community High School in Lake Havasu City is one of the schools closed due to insufficient enrollment or an inadequate academic program. Despite charter schools’ growing pains and continuing controversy about their viability and success, however, opportunities for students and parents continue to expand.

Charter schools and other mechanisms have made school choice a significant feature of Arizona’s education landscape. After more than a decade, the once unusual idea of putting parents’ desires on par with educators’ outlooks has become a routine expectation.
TRANSPORTATION FOR A REGION

Fueled by the public’s calls for action, leaders cooperated on a regional transportation plan.

In 1985, the Yes on Proposition 300 Committee celebrated a winning initiative campaign for freeway funding. Maricopa County voters had approved a sales tax increase of half a cent for 20 years to speed up freeway building in fast-growing metro Phoenix. But the successful campaigners did more than get out the vote for transportation. The seasoned strategists made a major contribution to the growth of regional cooperation in greater Phoenix. Passage of Proposition 400 in 2004 built on the achievements of nearly 20 years before.

Freeway construction and regional transportation were hot topics in metro Phoenix as far back as 1960. While transportation needs were unmistakable, many residents and leaders (particularly The Arizona Republic publisher Eugene Pulliam) opposed freeways because “Phoenix would become like Los Angeles if freeways were built.” In 1973, voters rejected a plan to build the Papago Freeway/Red Mountain Freeway from Phoenix to Mesa.
But “Los Angeles-style” traffic enveloped the region even without freeways as more and more people moved to the area. By 1985, Maricopa County voters were ready to tax themselves to finance a comprehensive freeway system.

Proposition 300 backers expected the tax to raise $6 billion to build 231 miles of freeway. Unfortunately, inaccurate cost projections and a drop in tax revenues due to the economic downturn of the late 1980s and early 1990s crippled the plan. Less than 60 freeway miles had been built by 1994. County voters were asked for further funds. When a proposal to bail out the Proposition 300 plan was voted down in 1994, Governor Fife Symington stepped in with mechanisms to continue construction of the freeways. By eliminating some of the most costly and controversial segments and utilizing innovative financing, the region’s freeway system could be largely completed.

The 1985 proposition allocated some money to study mass transit in metro Phoenix. However, when voters soundly defeated the 1989 ValTrans proposal for regional rail and other services and the 1994 plan for roads and transit, individual cities were left to address transit on their own. A patchwork of solutions resulted, with Glendale, Phoenix, Mesa, and Tempe voting tax increases to fund local transit and Chandler and Scottsdale defeating similar measures. A comprehensive, countywide transit solution was still lacking.

After a lot of planning by the Maricopa Association of Governments and intense negotiations among municipalities, elected officials from across metropolitan Phoenix signed on to a regional transportation plan that was placed on the ballot as Proposition 400. Voters passed the $16 billion measure, which is based on extending the half-cent sales tax. The package features construction of roads and freeways and transit development, including support for the light rail line into Mesa, Glendale, and Paradise Valley. The Committee to Pass 400 hailed the result as a step forward for transportation and regional cooperation. As Phoenix Mayor Phil Gordon noted after its passage: “We had to come together as a region and make sure every place benefited…Problems don’t have boundaries and neither should our thinking.”
The economic mantra of Arizona’s leaders these days is “sci-tech,” which is shorthand for the many types of investments being made in university science and technology research. The goal is to guide the state’s economic development, improve its competitiveness, and produce high skill, high wage knowledge economy jobs. These current investments build on years of efforts to strengthen the state’s high technology industries and connect innovative companies with university researchers, support systems, and students.

Leading thinkers on economic competitiveness have long acknowledged the strong links between top research universities and vibrant technology-based economies. The event that galvanized Arizona’s current sci-tech strategy was passage of Proposition 301 in 2000. The statewide ballot measure established a 20-year-long 0.6% state sales tax for the benefit of educational institutions. Most of the revenue goes to improving K-12 schools, but approximately 13% has been set aside for cutting-edge university research. The university share flows through the
Technology and Research Initiative Fund, administered by the Arizona Board of Regents.

Over the life of Proposition 301, almost $1 billion will be invested in university science and technology research. The dollars come with a requirement to establish and annually report on specific performance measures. This type of funding — performance based and targeted for university research, economic development, and production of high skill workers all at the same time — had never before been created in Arizona.

But more funding is only the start of a far-reaching productive strategy. To put this money to work and leverage it with federal and industrial grants, new laboratories and support systems are required to complete the environment conducive to significant discoveries and novel technologies. Another major step forward was taken in 2002 with the approval of major research infrastructure investments at Arizona’s universities. Despite a major budget shortfall, state legislators agreed to guarantee over $400 million in new bonding authority so Arizona’s universities could construct over a million square feet of state-of-the-art research facilities.

One of the lessons learned from other regions is that new economic strategies take time, especially those based on scientific research. But while Arizonans accepted a long time line for research results when they approved Proposition 301, progress has been made.

Proposition 301-supported research at Arizona’s universities has already attracted over $300 million in outside grants for research from 2001 to 2005. Among the grants are federal awards of $15 million to find a vaccine for pneumonia, $14 million for research on forest health, $1 million to develop optics capable of detecting hazardous materials in public places, and $10 million for research on ways to assure a safe and secure water supply. During the same time period, more than 130 patents were awarded for new discoveries and inventions developed by Proposition 301 researchers.

Proposition 301 has also enabled the state’s universities to attract and retain researchers, generate attention for the state’s expanding research portfolios, and graduate hundreds of skilled scientists and workers necessary for a dynamic knowledge economy.

The funding and expectations have also supported collaborative research efforts between universities and such institutions as the Translational Genomics Institute in Phoenix, Mayo Clinic, Veterans’ Administration, and U.S. Food and Drug Administration. The funds have fostered a new emphasis on the commercialization of university-based discoveries, a process that figures as one of the fundamental catalysts for stimulating economic growth.

As almost any Arizona economic leader will say, there is still a long way to go for the state to be in the top tier of science and technology research. But, as they would also say, every journey starts with a single step.
Very Important Chips

Semiconductors and their forerunners have played a major part in the creation of “high tech” sectors in Arizona’s economy. In turn, public policies helped create an environment friendly to technology.

“Very Important Chips” refers to the impact of the semiconductor manufacturing industry in Arizona and the public policies that have supported it. The industry is part of more than 50 years of state economic history and remains “Arizona’s most important technology sector.”

Known at the time as an agriculture and mining state, the Phoenix and Tucson areas experienced economic booms during World War II with the establishment of military bases and defense industries. But the end of the war spelled economic trouble as wartime industries began to shut down or threatened to do so. In response, political and business leaders set out to bring more manufacturing jobs to the state. Advocates for the growing tourism industry were prominent among those
expressing a preference for clean, smoke- and pollution-free industries that would have minimum impact on the natural environment.

As it happened, international events helped. The dawn of the Cold War and the build up to the Korean War created work for electronics manufacturers. In the late 1940s, Phoenix caught the attention of one of these — the Motorola Company founded in Chicago by Paul V. Galvin in 1928. In 1949, Motorola R&D leader Dan Noble created a small research and development operation in Phoenix that was devoted to military electronics and soon enough semiconductors. In 1956, Burr-Brown began in Tucson and played a part in technology from vacuum tubes to transistors to semiconductors.

Motorola, Burr-Brown, and other companies served as catalysts for other firms. By the 1950s, the list of companies engaged wholly or in part in electronics in Arizona included Motorola, AiResearch, General Electric, Goodyear Air Craft, Kaiser Aircraft and Electronics, and Sperry. In the early 1980s, Intel, the world’s largest producer of computer chips, joined the list. Semiconductor manufacturing is only part of the “chip” story. Research and development and myriad services related to the field have also spurred economic growth. In addition, the sector has encouraged a broader “high tech” industry.

Today semiconductor manufacturing employs more than 24,000 Arizonans. Defense electronics accounts for 8,100 more workers. Semiconductors also figure prominently in the state’s high tech exports, which totaled $6.4 billion in 2004 and accounted for almost half of all state exports. These numbers would most likely not have gotten so large without some of Arizona’s ideas. For example, semiconductors would not have continued to thrive without the many public policies related to water supply and management. Tax policies have played a part. In addition, Arizona’s universities and community colleges responded to calls for more skilled workers and tailored programs to the electronics and semiconductor industries. Various communities over time have embarked on “quality of life” initiatives from downtown redevelopment to expansion of arts, culture, and libraries to be more attractive to technology firms and their employees. Regional and state economic development efforts have targeted these firms. In 2005, the Arizona Legislature passed the “sales factor” tax incentive to encourage Intel to choose Chandler for another “fab,” which the global firm did.

Over half a century, strong connections have grown between the public and the private sectors to support not just “very important chips,” but to nurture a wide variety of technology-based firms.
Nearly one out of five American adults say they like to hike. For these established adventurers, and the many more who discover the great outdoors every year, Arizona has a monumental challenge — more than 800 miles of hiking from the border with Utah to the border with Mexico. The state-supported Arizona Trail is part of a national trails movement, but it started as one backpacker’s idea.

Flagstaff schoolteacher Dale Shewalter envisioned a continuous thread stitching together many of the state’s unique habitats and natural wonders. In 1985, after scouting the length of Arizona for such a route, Shewalter convinced the Arizona State Parks Board to endorse his project. Three years later, four national forests in Arizona provided funding for work to begin. Appropriately, Shewalter became the Arizona Trail’s first
“steward.” In 1988, builders completed the initial seven-mile segment on the Kaibab Plateau. Today, less than two decades later, the trail is approximately 90% complete.

What Shewalter didn’t foresee, however, is how the trail would stitch together more than just landscapes. It also connects a dizzying variety of people and institutions, from major corporations and government agencies to trail volunteers and recreational groups. The official Arizona Trail Partners — land managers who formally agreed to cooperate on the trail — include four counties, one city, two state agencies, one private corporation, and ten federal entities. In addition, the nonprofit Arizona Trail Association, formed in 1994 to help coordinate trail construction and maintenance, consists of hundreds more volunteers, outdoor organizations, and public and private donors.

While the work of improving and maintaining the trail will go on, the basic route is approaching completion. But this marks just another beginning: The next step already underway is to gain Congressional recognition as a National Scenic Trail alongside the Appalachian, Pacific Crest, American Discovery, and seven others.

Ten other states boast trans-state trails, but Gary Werner, executive director of the Partnership for National Scenic and Historic Trails, says the Arizona Trail offers greater diversity than any comparable route in the U.S. So far, it traverses 12 different life zones and climbs from 1,700 feet to 9,600 feet in elevation. Along the way, it crosses seven mountain ranges, four rivers, five lakes, three national parks, four national forests, and two towns.

The Arizona Trail provides a backbone that links dozens of other state trail systems. For anyone who wants to walk, it offers one very long trek and a unique view of Arizona’s many landscapes.
Values have changed in Arizona. In earlier times, newcomers who wanted to “make the desert bloom” looked most often to non-native crops and landscape plants. This practice may have made Arizona feel more like “back home,” but it also increased water consumption. In fact in the 1950s and 1960s, “desert landscaping” was not in vogue. It was often a pejorative term that meant just colored gravel and a cactus or two. But in the last 30-40 years, Arizonans have changed their outlooks and, with the help of many expert landscape architects, designers, and contractors, the state has evolved a sophisticated palette of plant alternatives and ideas about landscapes. Of course, much more remains to be done for landscaping and water use to be in complete harmony with nature, but as a result of public choices and public policies, landscapes are becoming “xeriscapes.” The word combines “xeros,” which means “dry” in Greek, and landscape. The result refers to specific principles of landscape design, planting — with an emphasis on native plants — and maintenance to
reduce water consumption and yard trimmings. Since approximately half of household water use is for landscapes, reducing outside water use is a key conservation technique. In 1981, the Denver Water Department coined the term “xeriscape” in response to a drought. Since then, Arizona and a number of other Western states have adopted the policies and practices created in Colorado.

The City of Tucson enacted a xeriscape ordinance in 1991, which applied to new multifamily, commercial, and industrial development. The ordinance requires the use of drought-tolerant plants and limits those not suited to the environment. In addition, landscaped areas must be designed “to take advantage of storm water runoff and the use of water-conserving irrigation systems is required.” In turn, the City of Phoenix outlines minimum landscaping standards for multi-family dwellings, which include incorporating waterless features and drought-resistant vegetation. Many other Arizona cities have taken similar steps, coordinated by the Arizona Municipal Water Users Association.

These cities also work to educate homeowners about water conservation. For example, Tucson’s water department, in cooperation with the Pima County Cooperative Extension Office, offers workshops on how to use native plants and desert-adapted plants in landscaping. Phoenix residents can take advantage of irrigation and landscaping workshops offered by the city’s water department in conjunction with Desert Botanical Gardens. Residents can also order free literature on xeriscaping from the city’s website.

Xeriscape principles are a strategy that everyone can participate in and public policies supporting them are continuing to spread. As Arizona cities have shown with reductions in per capita water consumption, xeriscaping results in more sustainable habitats and more ecologically conscious inhabitants who are willing to live and work with the arid land, rather than replace it.

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YOURS, MINE, AND OURS: REGIONAL ECONOMIC DEVELOPMENT

Regional economic development organizations work to replace competition with cooperation to attract new firms.

In 1989, Paul Wiggs, Chairman of the Greater Phoenix Economic Council’s strategic planning committee, explained why the new organization represented a sharp departure from the past: “This is the first time in the history of the Valley that we’ve been able to successfully develop and approve a Valley-wide marketing plan that addresses the economic development needs of each area of metropolitan Phoenix.”

At the time, Arizonans were still responding to critiques from the 1987 Peirce Report — prepared by a team of local and national urban experts and led by urban journalist Neal Peirce — and Barron’s Jonathan Laing. The Peirce Report, which was sponsored and published by The Arizona Republic, noted the shallowness of a sense of community and regional leadership, as well as the divisive competition among municipalities. Now known simply as “the Barron’s article,”
“Phoenix Descending: Is BoomTown USA Going Bust?” questioned the staying power of the region’s real estate economy. Arizona business and political leaders saw it was time to break with the past and put together a cooperative regional effort to promote long-term economic growth. Along with the Greater Phoenix Economic Council (GPEC), Arizona business and political leaders created the Arizona Economic Council in 1989 to help coordinate developmental efforts on a statewide basis.

GPEC is a public/private partnership — a cooperative effort of Maricopa County, 16 municipalities, and more than 120 private sector business partners from a variety of industries. The nonprofit entity markets the region, helps firms to locate here, and works to improve the competitiveness of the entire area. GPEC reports that, thus far, the organization has helped bring some 350 companies into metropolitan Phoenix and — with them — close to 60,000 jobs. Inevitably, problems of coordination and cooperation still pop up, but GPEC has reduced both over time. Similar organizations have also emerged in the Flagstaff, Yuma, and Tucson metropolitan areas.

Historically, competition among economic development agencies was fierce. Greater Phoenix Economic Council, Tucson’s TREO, Greater Flagstaff Economic Council, and Yuma Economic Development Council have enabled local governments, businesses, and supporting organizations to channel their economic development efforts through a single organization.

Throughout Arizona, the streamlined, coordinated regional approach to economic development has reduced duplication, and thus helps all regions to better compete in the global economy.

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Yours, Mine, and Ours: Regional Economic Development
As the federal government organized Western territories or admitted them to the union, large tracts of land were set aside for specific purposes — most often to fund education. Of Arizona’s original 10.9 million acres of state trust land, a little over 9 million acres remains. Arizona still has a larger percentage of its original federal land grant than any of the 22 states receiving them. Arizona’s trust land comprises approximately 13% of the state’s total land and about 40% of total state land not federally or Indian-owned.

The Arizona State Land Department manages the state trust land for 14 beneficiaries, the largest of which is K-12 public schools. The Land Department must manage the land for the “highest and best use.” Arizona’s state trust lands have generated over $1.5 billion, which is the largest permanent trust fund created without oil and gas reserves in the U.S.

Traditionally, Arizona had leased much of the land for grazing, logging, farming, and mining. By the late 1970s, however, Governor Bruce Babbitt recognized that some state trust lands were in the path of growth and their release could influence...
urban development patterns. He appointed a task force that identified parcels of land with development potential and recommended legislation that created a system for planning and releasing state trust land for urban uses. The 1981 Urban Lands Act (ULA) was based on the assumption that planning and zoning of state land in advance of “disposition” would increase its value and allow the State of Arizona to receive “retail” value for it.

Not long after its passage, the Land Department used the ULA to convince private sector developers to spend millions of their own dollars to plan approximately 20,000 acres of state trust land. The state put in funds to plan 5,000 more. This emphasis on planning and infrastructure development helped make the state trust land, as well as adjacent properties, more desirable and, thus, more valuable.

One example of the success of the planning approach is Desert Ridge, a master planned community in north Phoenix. Record prices for state trust land in this community have been attributed in large part to the planning done years before. A similar planning process is being used for Lost Dutchman Heights, a large parcel of state trust land in Apache Junction.

Arizona’s trust lands allow the state the opportunity not only to generate revenues for schools, but to guide the development of urban areas. Other Western states have also reshaped trust land management policies to adjust to urban growth, but Arizona was among the first to act and, to some extent, provided a model.

Changes to the Arizona Constitution have been proposed to implement reforms needed to provide more flexibility to the Land Department, supply sufficient resources for more planning, create a Board of Trustees for governance, and set aside some 600,000 acres for preservation. These changes would build on the experiences of the past and, for the first time, set land aside for open space. Voters will decide the statewide initiative measure in 2006.
THE BABY STATE’S SELF IMAGE

Clearly, Arizonans have put lots of ideas into practice, and there are still plenty more where those came from.

Big ideas. Small ideas. Ideas that work. Ideas that don’t.
Innovative ideas that will move on to other places or problems.
Ideas borrowed from elsewhere, yet changed to fit Arizona’s issues and preferences.
Ideas rooted in political philosophies or even in political expediency.
Ideas that spring full blown onto the ballot and are approved by the electorate.

We think of ourselves as a conservative place that likes market solutions and believes in self reliance. But we also have a strong populist tradition and a deep faith in the “will of the people.” Sometimes we grudgingly admit a role for government in addressing problems (like accepting tax increment financing), and sometimes we wholeheartedly embrace collective schemes to manage society (like our handling of water resources). Sometimes we avoid conventional solutions (like Medicaid) only to create other bureaucracies (AHCCCS) out of necessity. It is hard to find a consistent philosophy among Arizona ideas that reach implementation or influence public policy. However, certain threads run through how Arizona views itself, and how that mindset affects public discourse.

Self image is a tricky thing. Too weak, and it can lead to paralyzing indecision or hopeless resignation; too strong, to the mistakes of arrogant hubris. The right blend is fragile, poised at a barely stable balance. Places have self images, formed from the aggregate attitude of the people who live and visit, and especially write about what they see.

For example, in late 2003, two Dallas Morning News reporters visited metropolitan Phoenix. They were engaged in a statistical comparison of western cities — the kind of list making we so love in Arizona. But for Dallas, their exercise was novel. Dallas, imbued with the certainty that seems to infect Texans in general, had not ever really compared itself to “peer cities.” The story which resulted from the visit came out on April 18, 2004 and opened with: “Dallas calls itself ‘the city that works.’ Dallas is wrong. By almost any measure that counts — crime, school quality, economic growth — Dallas looks bad. It’s not that City Hall is lying. City Hall seems not to know.” Dallas’ residents were shocked at how badly their place fared. Metro Phoenix residents who read the Dallas report were, by contrast, surprised at how good our region looked.

Arizona at times exhibits an obsessive need to produce evidence of our glaring deficiencies:
“Worst dropout rate in the nation”
“45th for child well being”
“41st in per capita spending on higher education”

We’re in the bottom ten for spending on public schools; percent of eligible citizens who vote; and per capita healthcare spending. But wait, there’s more: we are in the top ten for highway fatalities; persons without
health insurance; serious property crime; imprisonment rate; and births to teen parents. It’s not like we bury the bad statistics. We prominently parade our failings instead.

So why the hair shirt of statistics and comparisons? Why do Arizonans so conspicuously bash their state’s performance and public policy? Some of it is doubtless historical. We are, after all, called the “Baby State,” not exactly a nickname resonant with machismo. Youngest of the lower 48, and wedged with our sister New Mexico between Texas and California, Arizona exists in a geography of insecurity. Because of a constantly changing population base, Arizona lacks the collective memory of past glories and deep political roots. On top of political immaturity, the climate reinforces the fragile nature of a civilization built in a place so hot and dry that it feels like people were not meant to live here.

To get a significant toehold for a population base took relentless boosterism by past generations of pioneering entrepreneurs determined to bring people to live in the desert.

Arizona became a place relatively late. As a result, we have a less mature economy than our neighbors, and an urban form built on automobiles and mass-produced real estate development. But on top of that, those who live here, and who want to make the place better, are themselves consciously driven toward relentless criticism. Arizona’s most consistent belief is the value of critical self-analysis.

In order to get the attention of an arguably out-of-touch state legislature, many groups have adopted a polished technique of comparative shame. It is hard to pick out an exact date when this political strategy began, but at least some of it dates to the early 1980s. In 1983, the legendary report A Nation at Risk was released. It was intended to shock and shame the U.S. into realizing that it was losing competitive advantage as its education system slipped in performance to fall behind much of the developed world. Many Arizona groups adopted and perfected the ploy.

Whatever the origins of our tendency to self-criticism, we keep at it with enthusiasm because of faith in a corollary phenomenon: the belief that we can do better. If you think you are forever consigned to be at the bottom of the list, you do not publicize it. Because of our belief in the future, we read even the most negative of statistics with optimism. We will differ over ideas for solutions, but we all believe that our position can improve.

The ideas presented in this report are examples of Arizona-based notions that grew into public policy-based initiatives and homegrown answers to problems. From our contrary populism, chronic insecurity, constant reinvention, and critical self-analysis, we do hatch interesting schemes. So let’s pause long enough to think about these and remember the spirit that created Arizona’s experiments. Then let’s get back to the self-analysis that will make Arizona a better place.
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