



# Canyon Connections

## December 2022

Canyon Connections is a newsletter from the nonpartisan think tank the Grand Canyon Institute (GCI), giving you the latest on the research and data surrounding important policy issues in Arizona.

### School Vouchers



After spending nearly two decades chipping away at the divide between public and private education, mainly by way of empowerment scholarship accounts (ESAs) and school tuition organizations (STOs), Arizona lawmakers finally brought the wall down in the form of HB 2853, which established universal eligibility for the ESA program. There were 31,750 applicants for the program, leading to the total cost for the expansion being \$180M. Added to the \$250M dollar-for-dollar tax credit donations for STOs and \$190M for students with disabilities taking part in ESAs, the total cost of private school subsidies stands in excess of \$600M.

Research by GCI has repeatedly shown that these taxpayer subsidies significantly benefit wealthier families more so than poorer families. Private schools receiving scholarships have no academic standard, fiscal standards, or accountability requirements. They are also not required to publish any data about their academic outcomes or the population that they serve, making it very difficult for parents to differentiate high-quality schools from those with spiffy marketing and for policymakers and the public to know where taxpayer dollars are going. Lawmakers should limit scholarships to families in need and require schools that receive them to meet minimum academic standards.

#### Research Spotlight



**Half of voucher applicants from wealthier communities, total state**

**private subsidy reaches \$600 M**  
45% of ESA applicants come from zip codes in the top quartile of household income, compared to 32% from zip codes with less than the state's median income.



**What the data say about ESAs**

To understand the impact of universal ESAs, GCI looked at the data. Wealthy families experience the greatest expansion of school choice; utilization of private schools will overwhelm existing space, likely harming academic outcomes.



**Charters and vouchers pushed state dollars to wealthier areas**

Building on GCI's previous research into charter schools, which contributed to the legislature implementing reforms, its next paper will show that charters and vouchers drove dollars to richer areas instead of poorer areas.



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# Unemployment Insurance



During the first few months of the COVID-19 pandemic, 600,000 Arizonans filed for unemployment insurance (UI) benefits, 17% of the state's workforce. Yet Arizona's UI benefits were among the least generous in the country, costing its economy billions of dollars and slowing its recovery. Last year, Arizona raised UI benefits for the first time in 17 years, benefiting 70,000 people in the first year alone. Yet the state must continue to improve equity and accessibility for the UI system and explore ways to improve financial resiliency during times of economic hardship.

## GCI Impact



### Unemployment insurance reform

Starting in 2019, GCI released a series of research papers examining Arizona's UI program, arguing before COVID that its UI system was not ready for a recession and then finding the economic losses resulting from low benefit levels during the shutdown. In 2021, GCI worked with lawmakers to enact the first increases to UI benefit levels in 17 years.

## Research Spotlight



### Ensuring equitable access to unemployment insurance

GCI received a grant from the Families and Workers Fund to collaborate with community organizations to study how the current design of Arizona's UI system harms accessibility, especially for those from disadvantaged communities. The findings will inform solutions to make the delivery of UI benefits more equitable.

# Reimagining Safe Communities



## School Safety

Research by GCI on school resource officer effectiveness and efforts by districts to reimagine school safety identified several best practices that districts should follow. Phoenix Union High School District's governing board passed a resolution that GCI's report shall serve as a guiding document for their Student Safety Committee.



## Public Safety

GCI is partnering with several organizations to understand the scope and frequency of police responses to specific issues that disproportionately impact marginalized communities. The project aims to identify if, and to what degree, human-services-based response options are a viable alternative to reduce reliance on traditional police and medical responses to meet community needs.



## Capital Punishment

After an eight-year hiatus, Arizona executed three people in 2022. There are now 17 people on death row who have exhausted their appeals process. GCI is analyzing capital punishment in the state, building upon national research that finds the death penalty to be more costly than life imprisonment and influenced not just by the crime itself but by race and quality of counsel.

## Preventative Dental



About 1.5 million Arizonans aged 18–64 are on Medicaid and only receive coverage for emergency dental services but not for exams, teeth cleaning, and cavity fillings. Many cannot afford to regularly visit the dentist leading to higher instances of gum disease and tooth decay, in many cases prompting visits to the emergency room to seek care. Preliminary research by GCI finds that delaying oral care until emergency procedures are required has significant economic costs along with implications for the quality of life of these individuals.

## Workforce Development



The influx of technology and automated systems significantly increases the need for workers with post-secondary education. More and more lower-skilled jobs are facing obsolescence, putting downward pressure on the wages of less-educated workers in similar occupations. This is the case in the transportation sector; GCI released a report last May that found that 54% of jobs in this sector are at a high risk of automation. While the legislature heeded GCI's calls to increase community college funding, more must be done to prepare the state's workforce for the future.

## Housing



Once lauded as a bargain, an influx of demand and shortage of supply has led to a spike in housing costs in Phoenix Metro, with affordable housing units being especially scarce. The state is currently short roughly 270,000 housing units, with rents increasing almost 30% in 2021 currently sitting at \$1,537 and expected to rise to \$2,475 if demand continues to outpace supply. Lawmakers must implement solutions, including streamlining permit processes, zoning more areas for residential high-density development, incentivizing low-income rentals, and increasing contributions to the Housing Trust Fund.

## Water



The Colorado River Compact turned 100 this year. Yet the region is experiencing a once-in-1,200-year drought; Compact states signed a Drought Contingency Plan in 2019 but levels continue to drop, risking a 33% cut in allocations. Arizona is over-reliant on water from the Colorado River, which comprises one-third of its supply, and groundwater, currently being used at unsustainable levels. Agriculture accounts for 74% of water use, and 70% of residential use happens outdoors for landscaping, parks, and pools. Lawmakers must revisit water pricing and regulations to ensure sustainable use.

## GCI Board and Staff



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