

Canyon Connections

November 2023

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 public policy issues in Arizona.

A Year of Research for the Greater Good

GCI's focus during 2023 was on producing research that helps Arizona understand how its most financially vulnerable residents interact with its economy and how they are served by their government. Holiday travelers may take the smiles that they receive from Sky Harbor workers for granted as they rush to catch their flights, yet half of those workers struggled to afford food sometime in the last year and those on Medicaid would not be able to receive coverage for preventative dental care. These findings by GCI are already being used in policy discussions for how Arizona can better support those in need.

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**. GCI found that a **limited adult medical benefit** would **cost the state \$32 million** per year but would pull in **\$71 million federal dollars** annually. **Every \$1 invested by the state** to improve dental health **yields \$4 in additional economic activity**.

Sky Harbor image credit: O'Hara, 2021

Worker Power

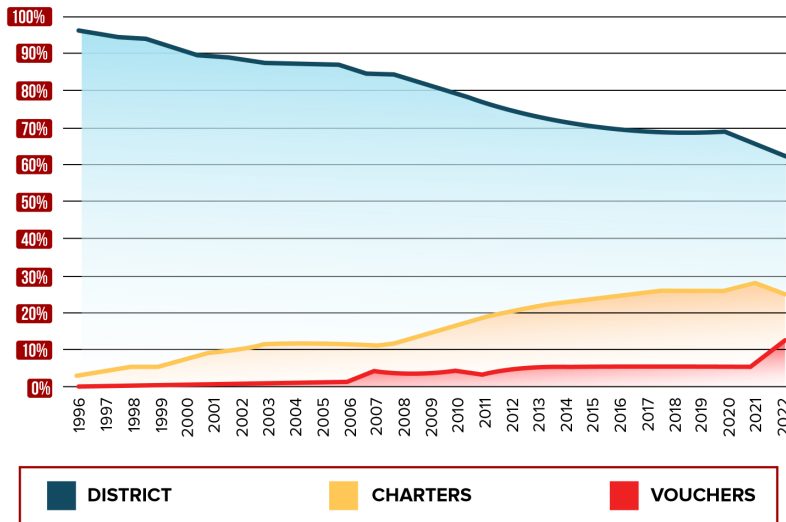


SSP America and **HMSHost** are the **main food and beverage concessionaires** at **Sky Harbor International Airport**. GCI was contracted by **UNITE HERE, Local 11**, which represents workers at those companies to explore the challenges they face in making ends meet. **60% of these airport employees working** at least **30 hours** **earn less than \$800 a week**. **Half of these workers ran out of food** sometime in the last 12 months and **were not able to afford more**. These issues are **particularly concentrated among Black and Latino workers** at the airport.

Looking Forward: Vouchers and Choice

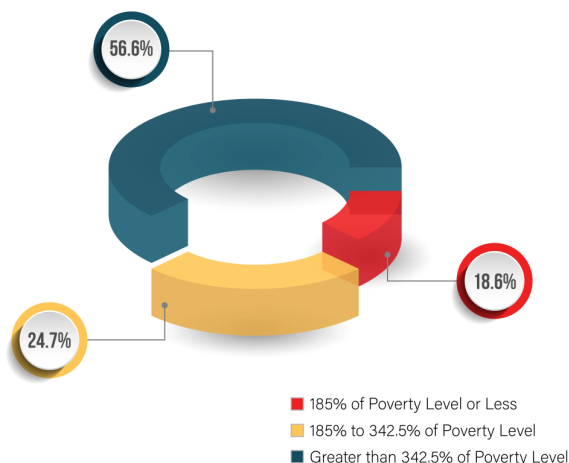
Arizona is a little over one year out from its largest-in-the-nation universal voucher expansion, with enrollment in the universal empowerment scholarship account (ESA) **program** ballooning to **45,157 students** as of September 2023. **Universal applicants** are beginning to crowd out other ESA participants, comprising **three-out-of-every-four recipients**, with most others applying for disability eligibility. ESA users are **more likely to be in grades K–6**, with **Kindergartners accounting for a disproportional 12%** of scholarship recipients, further **exacerbating public school enrollment declines** as these students attend private or home schools.

Share of State Education Expenditures (2023)



This concentration of ESA students in lower grade levels marks a shift in the long term trend of how state spending on education is split. For nearly three decades, districts, which previously accounted for nearly all of spending, saw their share steadily decline as charters grew in popularity. While school tuition organization (STO) scholarships were introduced in 1997, it wasn't until 2007 that they accounted for a relevant share of state spending. Even after the expansion to four STO voucher programs in 2009 and the introduction and subsequent additions to the ESA program, vouchers only accounted for a single-digit percentage of state education spending. However, **with the expansion of universal ESAs, vouchers saw a sharp proportional increase, accounting for 11% of state education spending in 2022.**

Distribution of Scholarships by Income Level (2023)



Forthcoming research by GCI finds that **most students who receive voucher funding** come from **families who earn greater than 342.5% of the poverty level**. **Only one-in-five recipients** come from a household income of **less than 185% of the poverty level**. The hundreds of millions of new education dollars spent by the state are going not to the most vulnerable learners but instead to those from wealthy families.

Arizona parents should have the right to decide where and how their children are educated, yet this does not mean that the taxpayer must subsidize every option. Arizona currently has 2,000 district schools and 700 charter schools; **seeking to extend state funding to families who** chose to **enroll at one of the 400 private schools or homeschool** their child **does not meaningfully expand school choice, it instead squanders valuable education monies** badly needed elsewhere.

Grand Canyon Institute Status Report

“There is nothing permanent except change”, with this in mind, the Grand Canyon Institute is announcing changes to our Board of Directors and research staff. GCI is proud to **welcome Kate Garcia and Patty Johnson**, who were **appointed to the Board of Directors in July and September**, respectively. Both Kate and Patty bring a wealth of experience and enthusiasm to their board role, and we look forward to their contributions throughout their upcoming terms.

New GCI Board Members



Kate Garcia



Patty Johnson

Board members **Susan Gerard and Linda Mazon Gutierrez both resigned from the Board in December 2022** after many years of dedicated service. Susan and Linda had both served on the Board of Directors since its inception in 2011 and were instrumental in helping GCI achieve its mission of providing fact-based research and education to Arizona.

Roberta L. Voss and Tim Hill announced their resignation from the Board in September, each for exciting new opportunities. We know that their new organizations are lucky to have them in service, and we wish them all the very best.

Jason Moore, who joined GCI in July 2021, was appointed to serve as Treasurer, replacing Roberta. Jason has been serving on the Finance Committee since joining GCI and we are proud to have him oversee our fiscal future.

GCI is also very proud to announce the expansion of our research team. **Laura Rethmann and Janica Murphy formally joined GCI as research associates**. Their diverse experience and expertise have already contributed to current research projects which GCI looks forward to publishing soon.

New GCI Staff



Laura Rethmann



Janica Murphy

We want you to join us in welcoming each of these stellar individuals to GCI and saluting our outstanding former board members for their years of services and dedication. GCI would not be the strong, non-partisan research organization that it is today without the collaboration and connections between our Board and staff, and certainly not without the support of our valued donors. **Please continue to support GCI and let's keep in touch**—be sure to visit our website or check out our social media outlets that include, LinkedIn, Facebook, and Twitter!



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www.grandcanyoninstitute.org | P.O. Box 1008, Phoenix, Arizona 85001-1008 | (602) 595-1025

GCI Board and Staff



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