



2009 Judicial Conference Open Plenary **Session Economic Issues Summit**

Remarks by Governor Jan Brewer
Camelback Inn
Thursday, June 18, 2009

Thank you very much, Chief Justice McGregor.

It is indeed an honor to be here this afternoon, not only to speak with you about some of the serious issues facing our state, but, especially, to be able to publicly acknowledge what Ruth McGregor has meant to Arizona and its justice system.

As you know, in March, Chief Justice McGregor notified me of her intention to retire from the bench. I accepted her decision with regret, because, like all of you, I know what she has contributed to Arizona, with sound judgment, fairness, balance, and, above all, an extraordinary sense of how the law should be applied.

When Governor Jane Dee Hull appointed her to the High Court in 1998, she was the first woman to be appointed since Lorna Lockwood's term ended in 1975. I think I can safely say, she was appointed not because she was a woman, though that certainly has its merits. Rather, she was appointed because of her judicial skills, on display throughout her career, extending through her service as a law clerk to U.S. Supreme Court Justice Sandra Day O'Connor through her service on the Arizona Court of Appeals, to the Supreme Court.

Ruth, you will be missed – by all of us.

I should also recognize the election of Justice Rebecca Berch as the next Chief Justice of the Arizona Supreme Court. The legacy of excellence continues, and I look forward to working with Chief Justice Berch on judicial matters.

I have no doubt that the Commission on Appellate Court Appointments will soon forward a list of nominees who will continue the legacy of excellence forged by Ruth McGregor and her colleagues who have joined her on the bench since statehood.

And, speaking of the Merit Selection process, please allow me this opportunity to set the record straight. While my preference would be the federal model of appointing judges, I unequivocally support merit selection in Arizona, and I will not lead any effort to change it. It has worked, it has been successful, and my proof is the quality of the people who now wear the black robes in Arizona – you.

You are on the court's front lines, and have exhibited great skill and patience through these difficult times, dealing with the effects of the recession, many of which have led to disputes which have ended up in your own courtrooms.

Before I turn the program over to Eileen Klein, Director of the Governor's Office of Strategic Planning and Budgeting, let me first set the stage for her and remind you all about my 5-point plan that I shared with the Legislature on March 4, 2009.

First, I am proposing structural budget reform, encompassing changes to the Budget Stabilization Fund -- or "Rainy Day Fund" -- extending revenue forecasts beyond the current budget cycle, increasing fiscal year ending cash balances, and reducing the rate of spending growth.

Secondly, I am proposing the Legislature send to the voters in the November 2010 election a referendum to require that any initiative or referendum measure that passed between 1998 and 2004 and that enacted a mandatory expenditure of State revenues for any purpose, established a fund for any specific purpose, or allocated funding for any specific purpose, would be subject to a vote of the people to ensure that the measure provided for an increased source of revenues – independent of, and with no detrimental impact on – the General Fund.

Thirdly, my 2010 budget recommendation cuts State spending by an additional \$600 million while protecting critical funding to education, health care, and public safety.

Fourthly, after considering every option, my plan calls for a temporary tax increase of one percent for 36 months in the State's current transaction privilege tax, or sales tax. (You might have heard about THAT one.)

Finally, my plan calls for a state tax structure that promotes job growth and sustainability, capital formation, investment in Arizona, and revenue stability. The first step in providing tax relief to Arizona homeowners and businesses is the phased repeal of the State equalization tax, with permanent repeal occurring proportionately over a three-year period beginning in 2010.

Eileen will explain some of the details about where we are, and where we go from – or, more accurately, where we'd like to go from here.

Thank you again for the opportunity to be with you this afternoon, and now I will turn the program back to Chief Justice McGregor.