Board of Supervisors

Patrick G. Call
Chairman
District 1

Ann English
Vice-Chairman
District 2

Richard R. Searle
Supervisor
District 3

Michael J. Ortega
County Administrator

James E. Vlahovich
Deputy County Administrator

Katie A. Howard
Clerk

AGENDA FOR SPECIAL BOARD MEETING
Monday, February 28, 2011 at 1:30 p.m.
BOARD OF SUPERVISORS EXECUTIVE CONFERENCE ROOM
1415 MELODY LANE, BUILDING G, BISBEE, AZ 85603

ANY ITEM ON THIS AGENDA IS OPEN FOR DISCUSSION AND POSSIBLE ACTION

ROLL CALL
Members of the Cochise County Board of Supervisors will attend either in person or by telephone, video or internet conferencing.

PRESENTATION

Presentation by Stefanie Smallhouse, Executive Director of the Arizona Natural Resource Conservation Districts Association, regarding Cochise County exercising Coordination with Federal Agencies.

CONSENT

County Sheriff

1. Adopt Resolution 11-06 authorizing the Sheriff's Office to submit proposals to the Governor's Office of Highway Safety for consideration in Arizona's 2011/2012 Highway Safety Plan and appointing Sheriff Larry Dever, or his designee, as Cochise County's appointed agent to conduct negotiations, and to execute and submit all documents in connection with such grants.

Facilities

2. Approve a Supplemental Agreement 001 to FAA Lease No. DTFA08-03-L-22502 for construction of a new platform for the Remote Communication Outlet (RCO) antennas at the Bisbee/Douglas International Airport (BDI)

ACTION

Board of Supervisors

3. Adopt Resolution 11-07 making it clear that coordination will now be sought as to the planning process and management action implementation by Federal and State agencies administering lands and/or resources and/or conducting activities within Cochise County.

4. Authorize the County Administrator to submit a request for public records to the Bureau of Land Management (BLM) under the Federal Freedom of Information Act (FOIA) regarding the establishment of policies relating to water use on BLM owned/controlled land within Cochise County.

Cochise Aging and Social Services

5. Approve Resolution 11-08 to approve the policy/procedure for the establishment of a County Merit Award System Board and establishment of such Board.

Fleet & Heavy Fleet

6. Approve the establishment of a Merit Award policy and procedure for Fleet and Heavy Fleet Departments.

STATE & FEDERAL LEGISLATION

7. Discussion and possible action regarding legislative bills listed on the attached Legislative Policy Committee meeting agenda.

Pursuant to the Americans with Disabilities Act (ADA), Cochise County does not, by reason of a disability, exclude from participation in or deny benefits or services, programs or activities or discriminate against any qualified person with a disability. Inquiries regarding compliance with ADA provisions, accessibility or accommodations can be directed to Chris Mullinax, Safety/Loss Control Analyst at (520) 432-9720, FAX (520) 432-9716, TDD (520) 432-8360, 1415 Melody Lane, Building F, Bisbee, Arizona 85603.

Special Board of Supervisors Meeting

Date:	02/28/2011		
Presentation re: Coordination Status			
Submitted By:	Katie Howard, Board of Supervisors		
Department:	Board of Supervisors		
Presentation:	PowerPoint		
NAME of PRESENTER:	Stephanie Smallhouse	**TITLE of PRESENTER:**	
ORGANIZATION NAME of PRESENTER:	State Resource Conservation Service		

Agenda Item Text:

Presentation by Stefanie Smallhouse, Executive Director of the Arizona Natural Resource Conservation Districts Association, regarding Cochise County exercising Coordination with Federal Agencies.

Background:

The Board of Supervisors recently took a position of requesting formal coordination by the USFWS and BLM on the Spikedace and Loach Minnows and land use policies respectively. Ms. Smallhouse is the Executive Director of the Arizona Natural Resource Conservation Districts Association. She will give the Board an overview of the Coordination concept and outline the success the Conservation Districts have had exercising this effort in the past.

Because this is a presentation, no action is recommended.

To BOS Staff: Document Disposition/Follow-Up:

Staff will continue to exercise coordination as an avenue for assuring consistency between Cochise County land use policies and those proposed by the Federal Government.

Consent 1.

Special Board of Supervisors Meeting **County Sheriff**

Date: 02/28/2011

Adopt Resolution authorzing the Sheriff's Office to submit projects to GOHS and naming the Sheriff as agent

Submitted By: Katie Howard, Board of Supervisors

Department: County Sheriff

Presentation:	No A/V Presentation	**Recommendation:**	Approve
Document Signatures:	BOS Signature Required	**# of ORIGINALS Submitted for Signature:**	1
NAME of PRESENTER:	Rod Rothrock	**TITLE of PRESENTER:**	Chief Deputy
Docket Number (If applicable):			
Mandated Function?:	Not Mandated	**Source of Mandate or Basis for Support?:**	

Agenda Item Text:

Adopt Resolution 11-06 authorizing the Sheriff's Office to submit proposals to the Governor's Office of Highway Safety for consideration in Arizona's 2011/2012 Highway Safety Plan and appointing Sheriff Larry Dever, or his designee, as Cochise County's appointed agent to conduct negotiations, and to execute and submit all documents in connection with such grants.

Background:

This is a routine event requested by the Governor's Office of Highway Safety (GOHS). Approval of this resolution will permit the Sheriff's Office to submit grant proposals to the GOHS for consideration in the 2011/2012 HIghway Safety Plan. The requested resolution also appoints Sheriff Dever, or his designee, as the County's agent to conduct negotiations with GOHS, and to execute and submit all documents and/or other instruments in connection with any awarded grant from GOHS. There are no costs associated with this resolution and to date there have been matching funds or costs associated with grants awarded by GOHS. Funding from GOHS pays the overtime for officers to participate in DUI Task Force deployments and other related public safety events.

Department's Next Steps (if approved):

If approved, the signed Resolution will be forwarrded to the Governor's Office of Highway Safety.

Impact of NOT Approving/Alternatives:

If the Resolution is not approved, the Sheriff's Office grant or proposal submissions will not be considered for the upcoming Highway Safety Plan. Therefore, there would be no funding to pay overtime associated with the DUI Task Force and other associated enforcement and public safety events.

To BOS Staff: Document Disposition/Follow-Up:

Upon approval please provide the Sheriff's Office with a copy of the executed Resolution.

Attachments

Resolution

RESOLUTION 11-

PERTAINING TO THE SUBMISSION OF PROJECTS FOR CONSIDERATION IN ARIZONA'S 2011/2012 HIGHWAY SAFETY PLAN

WHEREAS, the Governor's Office of Highway Safety is seeking proposals from state and local agencies for projects relating to all aspects of highway safety; and

WHEREAS, the County of Cochise, through the Cochise County Sheriff's Office, is interested in submitting projects to be considered for funding in the form of reimbursable grants from the National Traffic Safety Administration,

NOW, THEREFORE, BE IT RESOLVED by the Cochise County Board of Supervisors, Arizona as follows:

1. That approval of the submission of projects for consideration in Arizona's 2011/2012 Highway Safety Plan is granted.

2. That the Cochise County Sheriff, Larry Dever, or his designee, is appointed agent for the County of Cochise to conduct all negotiations and to execute and submit all documents and any other necessary or desirable instruments in connection with such grant.

PASSED AND ADOPTED by the Board of Supervisors, Cochise County, Arizona, this _____ day of _______________, 2011.

____
Patrick G. Call, Chairman
Cochise County Board of Supervisors

ATTEST:

____
Katie Howard,
Clerk of the Board

APPROVED AS TO FORM:

____
Terry Bannon,
Civil Deputy County Attorney

Consent 2.

Special Board of Supervisors Meeting **Facilities**

Date: 02/28/2011

Approve supplemental lease agreement DTFA08-03-L-22502 with the FAA to construct a new platform for existing RCO antenna at BDI

Submitted By: Lynn Hu, Facilities

Department: Facilities

Presentation:	No A/V Presentation	**Recommendation:**	
Document Signatures:		**# of ORIGINALS Submitted for Signature:**	
NAME of PRESENTER:	LH Hamilton	**TITLE of PRESENTER:**	Director
Mandated Function?:		**Source of Mandate or Basis for Support?:**	

Agenda Item Text:

Approve a Supplemental Agreement 001 to FAA Lease No. DTFA08-03-L-22502 for construction of a new platform for the Remote Communication Outlet (RCO) antennas at the Bisbee/Douglas International Airport (BDI)

Background:

The FAA wishes to move the Remote Communication Outlet (RCO) antennas from the existing wooden platform and install them on frangible tilt down tubular models which will improve flight safety, and coverage of the RCO while improving the VOR coverage by minimizing the reflections from the existing antenna platform. The proposed RCO location is south of the VORTAC site approximately 200'. The proposed site is not on any published departure or arrival radial, the antennas will be below the VORTAC height, parallel to the taxiway, mounted on frangible towers. Modeling reflects that there will be significant improvement in RCO coverage as well as improvements in flight safety with the removal of the wooden platform.

Department's Next Steps (if approved):

BOS to sign addendum and when received by FAA, they will begin construction of the new platform

Impact of NOT Approving/Alternatives:

Flight safety could be compromised and the stability of the existing platform may cause problems for the antenna.

To BOS Staff: Document Disposition/Follow-Up:

Please sign two copies of the addendum and return to Lynn Hu for submittal to FAA.

Fiscal Impact

Fiscal Year:

One-time Fixed Costs? ($$$):

Ongoing Costs? ($$$):

County Match Required? ($$$):

A-87 Overhead Amt? (Co. Cost Allocation $$$):

Source of Funding?:

Fiscal Impact & Funding Sources (if known):

Attachments

Original FAA Contract
Addendum
Executive Summary
DUG RCO Lease

Succeeds DTFA08-84-L-10827

FEDERAL AVIATION ADMINISTRATION

OCT 04 2004

U.S. Department
of Transportation

Lease No.: DTA08-03-L-22502
Facility: Douglas, Arizona
VORTAC

LEASE

Between

County of Cochise

and

THE UNITED STATES OF AMERICA

This Lease, made and entered into this 21 day of Sept in the year 2004 by and between **County of Cochise**

whose address is:

Facilities Management
1415 Melody Lane Bldg C
Bisbee, Arizona 85603

for itself and its administrators, successors, and assigns hereinafter referred to as Lessor and the UNITED STATES OF AMERICA, hereinafter called the Government:

WITNESSETH: The parties hereto for the consideration hereinafter mentioned covenant and agree as follows:

1. PREMISES

The Lessor hereby leases to the Government the following described property, hereinafter referred to as the premises, viz.:

Please see legal description, page 1A.

Lease No.: DTFA08-03-L-22502

Lease Plot
Legal Description
Douglas VORTAC

A parcel of land 120.0 feet x 100.0 feet located in the NW ¼ of the SE ¼ of Section 33, Township 22 South, Range 27 East, Gila and Salt River Base and Meridian, Cochise County, Arizona, more particularly described as follows:

From a rock marking that corner common to Sections 34 and 35, T22S, R27E, and Sections 2 and 3, T23S, R27E, proceed N 72° 27' 23" W a distance of 7,505.56 feet to ½" diameter steel pin marking the True Point of Beginning; said Point of Beginning being further described as being located 467.0 feet South of the center line of Runway 8L/26R and 789.3 East of Runway 17R/35L; thence proceed South (0°00') a distance of 100.0 feet to a ½" diameter steel; thence West (0°00) a distance of 120.0 feet to a ½" diameter steel pin; then North (0°00') a distance of 100.0 feet to a ½" diameter steel pin; then East (0°00) a distance of 120.0 feet to the True Point of Beginning, containing 0.27 acres, more or less. (Above described land being part of the same land as described in a Quitclaim Deed from the United States of America, War Assets Administration, to the county of Cochise, Arizona, dated May 13, 1944, and recorded May 23, 1944, at 9:00 a.m. in Docket 25, Pages 540 through 559, County Records of Cochise County, Arizona, to which instrument and its record reference is here made for all purposes.)

Antenna
Legal Description

The location of the antenna center is as follows: From a rock marking that corner common to Sections 34 and 35, T22S, R27E, and Sections 2 and 3, T23S, R27E, proceed N 72° 37' 23" W a distance of 7505.56 feet to a ½" diameter steel pin marking the True Point of Beginning of the leased property; thence South (0°00') a distance of 33 feet; thence West (0°00') a distance of 33.0 feet to a point known as the antenna center.

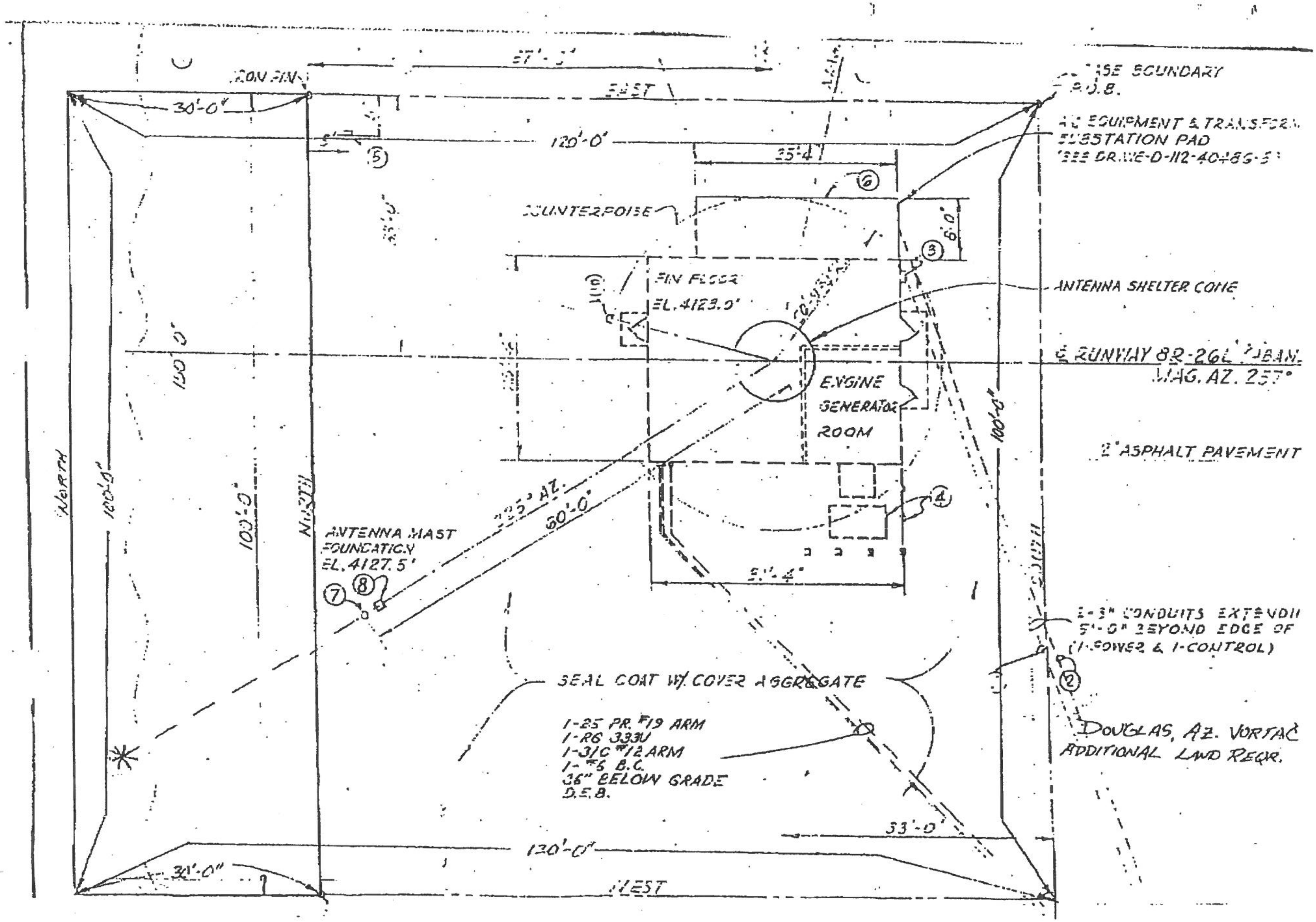
IRON PIN
EAST
120'-0"
25'-4"
COUNTERPOISE
FIN FLOOR EL. 4123.0'
ENGINE GENERATOR ROOM
100'-0"
NORTH
ANTENNA MAST FOUNDATION EL. 4127.5'
60'-0"
SEAL COAT W/ COVER AGGREGATE
1-25 PR. #19 ARM
1-R6 333U
1-3/C #12 ARM
1-#6 B.C.
36" BELOW GRADE
D.E.B.
33'-0"
30'-0"
WEST
LEASE BOUNDARY P.O.B.
AC EQUIPMENT & TRANSFORM SUBSTATION PAD
ANTENNA SHELTER CONE
℄ RUNWAY 8R-26L
MAG. AZ. 257°
2" ASPHALT PAVEMENT
2-3" CONDUITS EXTEND 5'-0" BEYOND EDGE OF (1-POWER & 1-CONTROL)
DOUGLAS, AZ. VORTAC
ADDITIONAL LAND REQR.

Exhibit "A"

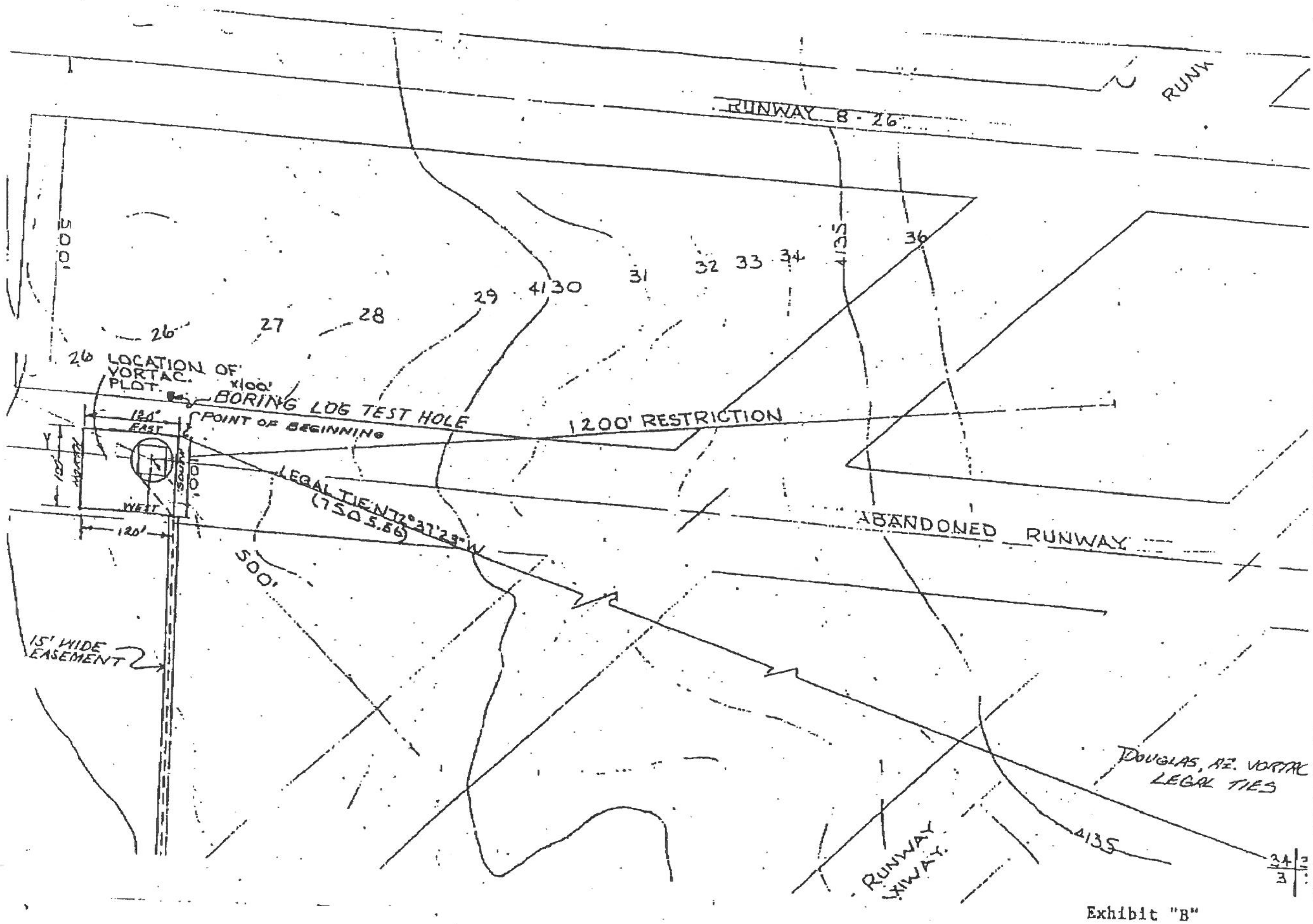
RUNWAY 8 - 26
RUNW
500'
26
26
27
28
29
4130
31
32 33 34
4135
36
LOCATION OF VORTAC. PLOT.
x100'
BORING LOG TEST HOLE
POINT OF BEGINNING
1200' RESTRICTION
120'
EAST
NORTH
SOUTH
WEST
100'
LEGAL TIE N72°37'23"W (7505.86)
500'
ABANDONED RUNWAY
15' WIDE EASEMENT
DOUGLAS, AZ. VORTAC LEGAL TIES
4135
RUNWAY XIWAY.
34 3

Exhibit "B"

(a) Together with a right-of-way for ingress to and egress from the premises; a right-of-way for establishing and maintaining a pole line or pole lines for extending electric power and/or telecommunication lines to the premises; and a right-of-way for subsurface power, communication and/or water lines to the premises; all rights-of-way to be over the said lands and adjoining lands of the Lessor, and unless herein described otherwise, to be by routes reasonably determined to be the most convenient to the Government.

(b) And the right of grading, conditioning, and installing drainage facilities, and seeding the soil of the premises, and the removal of all obstructions from the premises which may constitute a hindrance to the establishment and maintenance of Government facilities.

(c) And the right to make alterations, attach fixtures, and erect additions, structures, or signs, in or upon the premises hereby leased, which alterations, fixtures, additions, structures or signs so placed in or upon, or attached to the said premises shall be and remain the property of the Government, and may be removed upon the date of expiration or termination of this lease, or within ninety (90) days thereafter, by or on behalf of the Government, or its grantees, or purchasers of said alterations, fixtures, additions, structures, or signs.

(d). The Lessor hereby agrees, as protection to proper operation of the VORTAC facility by the United States of America, to prohibit and refrain from the erection of any structure, buildings, tower, metallic fences, pole or pole lines, or the growth of trees and high shrubs on property of the Lessor within 1,200 feet of the center of the VORTAC antenna. The Lessor also agrees not to alter or allow the alteration of any existing fencing, drainage ditches, buildings or structures, within this 1,200-foot obstruction restriction area, without prior FAA approval. The Lessor further agrees not to park vehicles or equipment within 400 feet of the center of the antenna located on his property.

2. TERM

For the term beginning October 1, 2004 and ending September 30, 2005. This lease may, at the option of the Government, be renewed from year to year and otherwise upon the terms and conditions herein specified. The Government's option shall be deemed exercised and the lease renewed each year for one (1) year unless the Government gives the Lessor thirty (30) days written notice that it will not exercise its option before this lease or any renewal thereof expires; PROVIDED, that no renewal shall extend this lease beyond the 30th day of September 2024.

3. CONSIDERATION

The Government shall pay the Lessor no monetary consideration in the form of rental, it being mutually agreed that the rights extended to the Government herein are in consideration of the obligations assumed by the Government in its establishment, operation and maintenance of facilities upon the premises hereby leased.

4. NON-RESTORATION

It is hereby agreed between the parties, that upon termination of its occupancy, the Government shall have no obligation to restore and/or rehabilitate, either wholly or partially, the property which is the subject matter of this lease. It is further agreed that the Government may abandon in place any or all of the structures and equipment installed in or located upon said property by the Government during its tenure. Such abandoned equipment shall become the property of the Lessor. Notice of abandonment will be conveyed by the Government to the Lessor in writing.

5. INTERFERENCE WITH GOVERNMENT OPERATIONS

The Lessor agrees not to erect or allow to be erected any structure or obstruction of whatsoever kind or nature on the site or adjoining land within the airport boundaries that may interfere with the proper operation of the facilities installed by the Government under the terms of this Lease unless consent hereto shall first be secured from the Government in writing.

6. FUNDING RESPONSIBILITY FOR GOVERNMENT FACILITIES

The Lessor agrees that any relocation, replacement, or modification of any existing or future Government facilities covered by this Lease during its term or any renewal thereof made necessary by airport improvements or changes which in the Government's opinion interfere with the technical and/or operational characteristics of the Government facilities will be at the expense of the Lessor, except, when such improvements or changes are made at the written request of the Government. In the event such relocations , replacements, or modifications are necessitated due to causes not attributable to either the Lessor or the Government, funding responsibility shall be determined by the Government.

7. HAZARDOUS SUBSTANCE CONTAMINATION

The Government agrees to remediate, at its sole cost, all hazardous substance contamination on the leased premises that is found to have occurred as a direct result of the installation, operation, and/or maintenance of the Government's facilities. The Lessor agrees to remediate, at its sole cost, any and all other hazardous substance contamination found on the leased premises. The Lessor also agrees to save and hold the Government harmless for any and all costs, liabilities and/or claims by third parties that arise out of hazardous contamination found on the leased premises not directly attributable to the installation, operation and/or maintenance of the Government's facilities.

8. QUIET ENJOYMENT

The Lessor warrants that they have good and valid title to the premises, and rights of ingress and egress, and warrants and covenants to defend the Government's use and enjoyment of said premises against third party claims.

9. HOLDOVER

If after the expiration of the lease, the Government shall retain possession of the premises, the lease shall continue in force and effect on a month to month basis. This period shall continue until the Government has signed a new lease with the Lessor, acquired the property in fee or vacated the leased premises.

10. OFFICIALS NOT TO BENEFIT

No member of or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this contract, or to any benefit arising from it. However, this clause does not apply to this contract to the extent that this contract is made with a corporation for the corporation's general benefit.

11. COVENANT AGAINST CONTINGENT FEES

The Contractor warrants that no person or agency has been employed or retained to solicit or obtain this contract upon an agreement or understanding for a contingent fee, except a bona fide employee or agency. For breach or violation of this warranty, the Government shall have the right to annul this contract without liability or, in its discretion, to deduct from the contract price or consideration, or otherwise recover the full amount of the contingent fee.

12. ANTI-KICKBACK

The Anti-Kickback Act of 1986 (41 U.S.C. 51-58) (the Act), prohibits any person from (1) Providing or attempting to provide or offering to provide any kickback; (2) Soliciting, accepting, or attempting to accept any kickback; or (3) Including, directly or indirectly, the amount of any kickback in the contract price charged by a prime Contractor to the United States or in the contract price charged by a subcontractor to a prime Contractor or higher tier subcontractor.

13. PROTEST AND DISPUTES

All contract disputes arising under or related to this contract or protests concerning awards of contracts shall be resolved under this clause, and through the Federal Aviation Administration (FAA) Dispute Resolution System. Judicial review, where available, will be in accordance with 49 U.S.C. 46110 and shall apply only to final agency decisions. The decision of the FAA shall be considered a final agency decision only after a contractor or offeror has exhausted their administrative remedies for resolving a contract dispute under the FAA Dispute

Resolution System. Protests must be filed with the Office of Dispute Resolution within 5 calendar days of the date that the protester was aware, or should reasonably have been aware, or should reasonably have been aware, of the agency action or inaction which forms the basis of the protest. Unless otherwise stated in this contract, a contract dispute by the contractor against the government shall be submitted to the Contracting Officer within 1 year after the accrual of the contract dispute. Information relating to submitting a protest or dispute will be provided by the Contracting Officer, upon request.

14. LESSOR'S SUCCESSORS

The terms and provisions of this lease and the conditions herein bind the Lessor and the Lessor's heirs, executors, administrators, successors, and assigns.

15. NOTICES

All notices/correspondence shall be in writing, and shall be addressed as follows (or to such other address as either party may designate from time to time by notice or correspondence to the other):

TO LESSOR: County of Cochise
Facilities Management
1415 Melody Lane Bldg C
Bisbee, Arizona 85603

TO GOVERNMENT: Department of Transportation
Federal Aviation Administration
Real Estate & Utilities Team, AWP-54B
P.O. Box 92007
Los Angeles, CA 90009-2007

16. The following are attached and made a part hereof: None
Exhibits "A & B" are added to the lease.

17. The following changes were made in this lease prior to its execution:
Article 1(d) was added to the lease.

This lease supersedes Lease No. DTFA08-84-L-10827, which expires by limitation on September 30, 2004.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR:

By: Patrick Call

Title: CHAIRMAN
COCHISE COUNTY
BOARD OF SUPERVISORS

THE UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

By: Cheryl M Thompson

Title: Contracting Officer, Real Estate & Utilities Team, AWP-54B

Date: September 24, 2004

U.S. Department of Transportation Federal Aviation Administration **SUPPLEMENTAL LEASE AGREEMENT**	SUPPLEMENTAL AGREEMENT NO. 001	DATE
	TO LEASE NO. **DTFA08-03-L-22502**	

ADDRESS OF PREMISES:

Bisbee-Douglas International Airport

6940 N. Terminal Rd.

Douglas,AZ 85607

THIS AGREEMENT, made and entered into this date by and between:

The County of Cochise

whose address is : **1415 Melody Lane**

Bisbee,AZ 85603

hereinafter called the Lessor, and the UNITED STATES OF AMERICA, hereinafter called the Government:

WHEREAS, the parties hereto desire to amend the above Lease.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended, as follows:

1. PREMISES

   The following Legal description is added to the property, hereinafter referred to as the premises, viz.:

   RCO Tower Lease Plot – Legal Description:

A parcel of land 40' X 60' located in the NW ¼ of the SE ¼ of Section 33, Township 22 South, Range 27 East, Gila and Salt River Base and Meridian, Cochise County, Arizona, more particularly described as follows:

DUG 1: N 31° 28' 19.5" W 109° 36' 07.6"
DUG 2: N 31° 28' 18.9" W 109° 36' 07.5"
DUG 3: N 31° 28' 18.8" W 109° 36' 07.2"
DUG 4: N 31° 28' 19.5" W 109° 36' 07.2"

Consisting of 0.055 acres, more or less.

All other terms and conditions of the lease shall remain in force and effect.

Important: Lessor ☒ is, ☐ is not required to sign this document and return ___ copies to the issuing office. Return receipt requested.

IN WITNESS WHEREOF, the parties subscribed their names as of the above date

LESSOR: .

BY______________________________ ______________________________

(Signature) (Title)

IN THE PRESENCE OF (witnessed by:)

______________________________ ______________________________

(Signature) (Address)

UNITED STATES OF AMERICA

BY______________________________ ________ Contracting Officer ________

(Signature) (Official Title)

Executive Summary Form

Recommendation: Approve a Supplemental Agreement 001 to FAA Lease No. DTFA08-03-L-22502 for construction of a new platform for the VHF Omnidirectional Range/Tactical Aircraft Control (VORTAC) at the Bisbee/Douglas International Airport (BDI).

Background (Brief): The FAA wishes to move the Remote Communication Outlet (RCO) antennas from the existing wooden platform and install them on frangible tilt down tubular models which will improve flight safety, and coverage of the RCO while improving the VOR coverage by minimizing the reflections from the existing antenna platform. The proposed RCO location is south of the VORTAC site approximately 200'. The proposed site is not on any published departure or arrival radial, the antennas will be below the VORTAC height, parallel to the taxiway, mounted on frangible towers. Modeling reflects that there will be significant improvement in RCO coverage as well as improvements in flight safety with the removal of the wooden platform.

Fiscal Impact & Funding Sources: None

Next Steps/Action Items/Follow-up: BOS to sign addendum and when received by FAA, they will begin construction of the new platform

Impact of <u>Not</u> Approving: Flight safety could be compromised.

Debbie Christin:

The project we discussed is to move the RCO antennas from the existing wooden platform and install them on frangible tilt down tubular models which will improve flight safety, and coverage of the RCO while improving the VOR coverage by minimizing the reflections from the existing antenna platform. The proposed RCO location is south of the VORTAC site approximately 200'. The proposed site is not on any published departure or arrival radial, the antennas will be below the VORTAC height, parallel to the taxiway, mounted on frangible towers. Modeling reflects that there will be significant improvement in RCO coverage as well as improvements in flight safety with the removal of the wooden platform.

I have Contacted Cochise County who owns the Bisbee Douglas airport where the VORTAC and RCO are located and they are amicable to adding this plot to our existing no cost lease. My contact is Lyn Hu whose email and phone are: lhu@cochise.az.gov (520) 432-9732.

Below are the approximate boundaries of our 40' x 60' proposed site:

DUG 1: N 31° 28' 19.5" W 109° 36' 07.6"
DUG 2: N 31° 28' 18.9" W 109° 36' 07.5"
DUG 3: N 31° 28' 18.8" W 109° 36' 07.2"
DUG 4: N 31° 28' 19.5" W 109° 36' 07.2"

If there is anything I can do to facilitate moving this project along, please contact me.

Thank you,

Craig Walker
Southern Arizona Nav/Com/Esu Coordinator
520-670-6406 Office
520-237-1392 Cell

Action 3.

Special Board of Supervisors Meeting **Board of Supervisors**

Date: 02/28/2011

Resolution regarding Coordination Status

Submitted By: Katie Howard, Board of Supervisors

Department: Board of Supervisors

Presentation:	No A/V Presentation	**Recommendation:**	
Document Signatures:		**# of ORIGINALS Submitted for Signature:**	
NAME of PRESENTER:	Mike Ortega	**TITLE of PRESENTER:**	County Administrator
Mandated Function?:		**Source of Mandate or Basis for Support?:**	

Agenda Item Text:

Adopt Resolution 11-07 making it clear that coordination will now be sought as to the planning process and management action implementation by Federal and State agencies administering lands and/or resources and/or conducting activities within Cochise County.

Background:

The Resolution is a follow-up to previous letters sent regarding Spikedace & Loach Minnows but also establishes Cochise County's position regarding coordination on all relevant issues with pertinent agencies.

Note: Resolution to be attached on Monday, 2/28/11.

Department's Next Steps (if approved):

Send fully executed Resolution to appropriate state and federal agencies.

Impact of NOT Approving/Alternatives:

Cochise County will have no formal position on coordination.

To BOS Staff: Document Disposition/Follow-Up:

Send fully executed Resolution to appropriate state and federal agencies.

Action 4.

Special Board of Supervisors Meeting — **Board of Supervisors**

Date: 02/28/2011

FOIA Request regarding Spikedace & Loach Minnows

Submitted By: Katie Howard, Board of Supervisors

Department: Board of Supervisors

Presentation:	No A/V Presentation	**Recommendation:**	
Document Signatures:		**# of ORIGINALS Submitted for Signature:**	
NAME of PRESENTER:	Mike Ortega	**TITLE of PRESENTER:**	County Administrator
Mandated Function?:		**Source of Mandate or Basis for Support?:**	

Agenda Item Text:

Authorize the County Administrator to submit a request for public records to the Bureau of Land Management (BLM) under the Federal Freedom of Information Act (FOIA) regarding the establishment of policies relating to water use on BLM owned/controlled land within Cochise County.

Background:

Staff recommends the Board authorize the County Administrator to submit a request for public records to the BLM under the FOIA regarding the establishment of policies relating to water use on BLM owned/controlled land within Cochise County.

The BLM made a decision to restrict water use by entities using BLM land within Cochise County, specifically along the San Pedro River some time ago. County Staff became aware of this policy decision at a public meeting as a BLM staff member made the comment in passing during the meeting.

The intent of this FOIA is to understand the process used by BLM to establish this policy and potentially ask for them to revisit the change in policy using coordination as an avenue for assuring consistency with Cochise County land use policies.

A copy of the FOIA is attached for your perusal.

Department's Next Steps (if approved):

Staff will submit the FOIA to BLM and wait for a reply. Once the info or response is received, a copy will be forwarded to the BOS.

Impact of NOT Approving/Alternatives:

No FOIA will be submitted.

To BOS Staff: Document Disposition/Follow-Up:

Send FOIA Request to BLM

Fiscal Impact

Fiscal Year:

One-time Fixed Costs? ($$$):

Ongoing Costs? ($$$):

County Match Required? ($$$):

A-87 Overhead Amt? (Co. Cost Allocation $$$):

Source of Funding?:

Fiscal Impact & Funding Sources (if known):

No impact known, although there may be some printing costs associated with this request.

Attachments

FOIA BLM Spikedace

Bureau of Land Management
Arizona State Office
Linda Johnson
FOIA/PA Coordinator
One N. Central Avenue, Suite 800
Phoenix, Arizona
85004-4427

Dear FOIA Officer:

This is a request under the Freedom of Information Act (5 U.S.C. 552).

Request that a copy of the following document(s) be provided to Cochise County:

- Documentation, internal and external, including email of BLM activities within the past three years concerning the Endangered Species Act listing status of the Spikedace and Loach Minnow.

- Documentation, internal and external, including email of BLM activities within the past three years concerning the designation of critical habitat for the Spikedace and Loach Minnow.

- Copies of documents including email exchanged with private interests including environmental organizations during the past three years on the listing status and critical habitat designation of the Spikedace and Loach Minnow.

In order to help you determine my status for the purpose of assessing fees, you should know that Cochise County is a local government with land use management authority over lands contiguous with and surrounding BLM lands and a government with a coordinating role in land use management activities of federal activities within Cochise County.

Cochise County request a waiver of fees for this request because disclosure of the requested information is in the public interest because it is likely to contribute significantly to the public understanding of the operations or activities of the county government and BLM

Please contact the County Administrator, Mr. Mike Ortega at the address below, via email at mortega@cochise.az.gov or by phone at (520) 432- 9200 for further discussion of this request.

Sincerely,

Patrick G. Call
Supervisor District 1
Chairman

Special Board of Supervisors Meeting **Cochise Aging & Social Services**

Date: 02/28/2011

Adopt Resolution to Approve Merit System Award Board Policy and Appointment of Board

Submitted By: Katie Howard, Board of Supervisors

Department: Cochise Aging & Social Services

Presentation:	No A/V Presentation	**Recommendation:**	Approve
Document Signatures:	BOS Signature NOT Required	**# of ORIGINALS Submitted for Signature:**	0
NAME of PRESENTER:	Mary Gomez	**TITLE of PRESENTER:**	Director of CASS
Mandated Function?:		**Source of Mandate or Basis for Support?:**	

Docket Number (If applicable):

Agenda Item Text:

Approve Resolution 11-08 to approve the policy/procedure for the establishment of a County Merit Award System Board and establishment of such Board.

Background:

As per the recommendation of the Arizona Auditor General, to make any merit award distribution compliant with A.R.S. 38-614, the Board of Supervisors is required to appoint a Merit System Award Board to oversee the operations and distribution of any merit awards. This item was originally on the BOS agenda for the 2/15/11 meeting, but was removed so that the Resolution could be drafted as attached.

Department's Next Steps (if approved):

Present recommendations to the members of a Merit System Award Board. Merit System Award Board will review and make its own recommendations to the BOS at a future meeting

Impact of NOT Approving/Alternatives:

Loss of opportunity to award employees for ideas and procedures resulting in cost-savings to the county or in an improvement of County operations in the public interest.

To BOS Staff: Document Disposition/Follow-Up:

None.

Fiscal Impact

Fiscal Year:	2011
One-time Fixed Costs? ($$$):	$92,575.00
Ongoing Costs? ($$$):	$0
County Match Required? ($$$):	$0
A-87 Overhead Amt? (Co. Cost Allocation $$$):	$0
Source of Funding?:	

Fiscal Impact & Funding Sources (if known):

All funding for CHS proposal to come from SRF 508.

Attachments

Resolution 11-__

ARS 38 614

RESOLUTION 11-__

APPOINTMENT OF THREE MEMBERS TO THE COCHISE COUNTY MERIT SYSTEM REVVIEW BOARD

WHEREAS, pursuant to A.R.S § 38-614, the Board of Supervisors may adopt rules and regulations to provide merit awards for county employees; and

WHEREAS, these rules and regulations shall include granting a merit award for any of the following: An adopted procedure or idea which eliminates or reduces county expenditures, improves operations in the public interest or the performance of a special act or service in the public interest; and

WHEREAS, prior to the implementation of employees merit awards, the Board of Supervisors must first appoint a Merit System Review Board whose purpose is to establish a policy for the operation of the merit award system and oversee suggestions and recommend for approval all merit awards with the concurrence of the department head for whom the employee works; and

WHEREAS, the Board of Supervisors shall establish and may fund a special merit award fund consisting of non-appropriated monies in the department where the cost savings is realized and at the end of the fiscal year may transfer all or part of these monies accumulated in the merit award fund to the general fund; and

WHEREAS, the Merit System Review Board must comply with all statutory provisions set forth in A.R.S. §38-614 regarding qualifying criteria and monetary limits and shall certify to the Board of Supervisors the names of employees recommended for a merit award and the amount of the award of which the Board of Supervisors has final approval; and

WHEREAS, the Merit System Review Board shall be equal to the number of Supervisors with each Supervisor appointing one member to serve on the Merit System Review Board,

THEREFORE, BE IT RESOLVED that the County Board of Supervisors hereby appoints Michael Ortega, County Administrator, Jim Vlahovich, Deputy County Administrator, and Julie Morales, Human Resources Director to the Merit Award System Board.

FURTHER, BE IT RESOLVED that each board member shall serve in this capacity until such time that the Board of Supervisors replaces any one or all of them with other appointed member(s) at the sole discretion of the Board of Supervisors or until such time as the Cochise County Merit Award system is discontinued. In the event of the discontinuance of the Merit Award system, this Merit Award System Board is immediately dissolved.

PASSED AND ADOPTED this day of February, 2011.

____
Patrick G. Call, Chairman
Cochise County Board of Supervisors

ATTEST:	**APPROVED AS TO FORM:**
__________________________	_____________________________
Katie Howard, Clerk of the Board	Terry Bannon, Civil Deputy County Attorney

38-614. Merit awards; county employees; merit award system board; special merit award fund

A. A county board of supervisors may adopt rules and regulations to provide merit awards for county employees. The rules and regulations shall include granting a merit award for any of the following:

1. An adopted procedure or idea which resulted in eliminating or reducing county expenditures or improving operations in the public interest.

2. The performance of a special act or service in the public interest.

B. If the board of supervisors permits merit awards it shall appoint a merit award system board to establish policy for the operation of the merit award system, review all suggestions and recommend for approval all merit awards with the concurrence of the head of the department in which the cost savings is realized. The size of the merit award system board shall be equal to the number of supervisors for that county. Each supervisor shall appoint one member to serve on the merit award system board.

C. The board of supervisors shall approve all merit awards.

D. No merit award may exceed two thousand five hundred dollars.

E. The board of supervisors shall establish and may fund for the purpose of this section a special merit award fund consisting of identified measurable dollar savings transferred from appropriated and nonappropriated monies in the department where the cost saving is realized.

F. The board of supervisors may at the end of each fiscal year transfer all or part of the monies accumulated in the special merit award fund to the county general fund.

G. The merit award system board shall certify to the board of supervisors the names of persons recommended for merit awards and the amounts of the awards. On final approval by the board of supervisors of the names and the amounts of the merit awards, the county finance director shall draw a warrant on the county treasury. The county treasurer shall pay the warrant from the special merit award fund.

H. All county employees are eligible for merit awards, except that the qualifying criteria prescribed in subsection A are not met as a result of the employee's regular employment duties and an award is not considered extra compensation.

Action 6.

Special Board of Supervisors Meeting **Board of Supervisors**

Date: 02/28/2011

Approval of Fleet and Heavy Fleet Merit Award Program

Submitted By: Katie Howard, Board of Supervisors

Department: Cochise Aging & Social Services

Presentation:	No A/V Presentation	**Recommendation:**	Approve
Document Signatures:	BOS Signature NOT Required	**# of ORIGINALS Submitted for Signature:**	0
NAME of PRESENTER:	Ruben Miranda & Gayland Davis	**TITLE of PRESENTER:**	Fleet and Heavy Fleet Directors
Mandated Function?:		**Source of Mandate or Basis for Support?:**	

Docket Number (If applicable):

Agenda Item Text:

Approve the establishment of a Merit Award policy and procedure for Fleet and Heavy Fleet Departments.

Background:

Fleet and Heavy Fleet have entered into agreements to provide fleet maintenance services for public safety vehicles for several law enforcement/ public safety agencies in the County, thus ensuring the public is well served by having regularly maintained and reliable vehicles. These agreements also allow these agencies to forego establishing a department specifically to perform these services, thereby eliminating an additional tax payer burden. These agencies currently include:

- City of Bisbee Police / Fire / Public Works / Emergency Generators
- San Jose Fire Department
- Naco Fire Department
- Tombstone Marshals Office
- Chiricahua National Monument Law Enforcement
- Ft. Huachuca Military Police

The Fleet and Heavy Fleet Department Directors are proposing that some of the additional revenue generated through these agreements be used to establish a Merit Award Fund for the employees in those departments. (Please see attached back-up information for specifics).

Department's Next Steps (if approved):

If policy/procedure is approved, the Department Directors would prepare recommendations to present to the Merit Award System Board.

Impact of NOT Approving/Alternatives:

Loss of opportunity to award employees for ideas and procedures resulting in cost-savings to the county or in an improvement of County operations in the public interest.

To BOS Staff: Document Disposition/Follow-Up:

None.

Fiscal Impact

Fiscal Year:	2011
One-time Fixed Costs? ($$$):	12,047
Ongoing Costs? ($$$):	$0
County Match Required? ($$$):	$0
A-87 Overhead Amt? (Co. Cost Allocation $$$):	$0
Source of Funding?:	

Fiscal Impact & Funding Sources (if known):

General fund from Fleet and Heavy Fleet from revenue derived through IGAs. See attached backup documents for Fleet & Heavy Fleet.

Fiscal Year:	
One-time Fixed Costs? ($$$):	
Ongoing Costs? ($$$):	
County Match Required? ($$$):	
A-87 Overhead Amt? (Co. Cost Allocation $$$):	
Source of Funding?:	

Fiscal Impact & Funding Sources (if known):

Payments to employees would be made from a portion of revenues received form the aforementioned programs. (See attachment).

Attachments

MERIT AWARD BACK UP INFO

2-1-2011

Merit Award Program
Light Fleet Back Up Info:

- Total additional Light Fleet revenue generated through IGA agreements 2-1-2009 thru 6-30-2010 = $12,451
- Total IGA overhead 2-1-2009 thru 6-31-10 = $3,927
- Total IGA revenue funds available to employee merit award fund & general fund =$8,524 ($12,451-$3,927): reflects completed work and paid receipts from 2/1/2009 thru 6/30/2010
- Split remaining monies between General Fund and Merit Award Fund
    - Total IGA revenue funds to be paid to General Fund = $4,262
    - Total IGA revenue funds available for the Light Fleet Employee Merit Award Fund = $4,262
- Light Fleet Funding Source = 109-1770-341-900
- Light Fleet Distributions (Base & Merit) to10 employees:
- Base funds available= $2,131 ($4,262 /2)
- Proposed base funds to be distributed to 10 employees = $ 2,131
  $213 to ten employees.
- Merit funds available = $2,131
- Proposed merit funds to be distributed to 10 employees = $2,116
  $244 to six employees.
  $163 to four employees.
- Total proposed employee distribution Light Fleet = $ 4,246

Merit Award Program
Heavy Fleet Back Up Info:

- Total additional Heavy Fleet revenue generated through IGA agreements 5/1/2009 thru 6-31-2010 = $20,877
- Total IGA overhead 5-1-2009 thru 6-31-10 = $4,116
- Total IGA revenue funds available to employee merit award fund & general fund =$16,760 ($20,877-$4,116): reflects completed work and paid receipts from 5/1/2009 thru 6/30/2010
- Split remaining monies between General Fund and Merit Award Fund
    - Total IGA revenue funds to be paid to General Fund = $8,380
    - Total IGA revenue funds available for the Heavy Fleet Employee Merit Award Fund = $8,380
- Total IGA revenue funds to be paid to general fund = $8,380
- Total IGA revenue funds available for the Heavy Fleet Employee Merit Award Fund =$8,380
- Heavy Fleet Funding Source = 600-1745-341-900
- Heavy Fleet Distributions (Base & Merit) to10 Heavy Fleet employees.
- Base funds available= $4,190 ($8,380 /2)
- Proposed base funds to be distributed to10 employees = $4,190
  $419 to ten employees.
- Merit funds available = $4,190
- Proposed merit funds to be distributed to 9 employees= $3,613
  $429 to five employees.
  $367 to four employees.
- Total proposed employee distribution Heavy Fleet = $7,803

Special Board of Supervisors Meeting

Date: 02/28/2011

State & Federal Legislation

Submitted By: Katie Howard, Board of Supervisors

Department: Board of Supervisors

Presentation:	No A/V Presentation	**Recommendation:**	
Document Signatures:		**# of ORIGINALS Submitted for Signature:**	
NAME of PRESENTER:	Mike Ortega	**TITLE of PRESENTER:**	County Administrator
Mandated Function?:		**Source of Mandate or Basis for Support?:**	

Agenda Item Text:

Discussion and possible action regarding legislative bills listed on the attached Legislative Policy Committee meeting agenda.

Background:

Update on State & Federal Legislation

Department's Next Steps (if approved):

n/a

Impact of NOT Approving/Alternatives:

n/a

To BOS Staff: Document Disposition/Follow-Up:

n/a

Attachments

LPC_AGENDA211watts

LPCagnda22511watts

2.16 CSA email re AHCCCS

2.15 Ltr to The Honorable Janice Brewer

Editorial

PR competitiveness (2-14-11)

Arizona Competitiveness Package - 2-11-2011

Second Special SessionProclamation (50th Legislature 2011) .doc

County Supervisors
ASSOCIATION
of arizona
1905 W. Washington St., Ste. 100, Phoenix, AZ 85009
(602) 252-5521 fax: (602) 253-3227

COUNTY SUPERVISORS ASSOCIATION
BOARD OF DIRECTORS
AGENDA
February 17, 2011
Boardrooms A and B
County Supervisors Association
1905 W. Washington St.
Phoenix, AZ

10:00 a.m. Call to Order / Pledge / Prayer ~ *President David Tenney*

1) Approval of Minutes of the January 20, 2011, Board of Directors Meeting; the February 4, 2011, Legislative Policy Committee meeting; and the February 11, 2011, Legislative Policy Committee meeting

2) Presentation of the Future of the Navajo Generating Station Project ~ *William Auberle, En3 Professionals, LLC*

3) Legislative Policy Committee Discussion
   - ❖ State Budget Report
   - ❖ Pension Reform Update
     - o HB 2726 public retirement systems; plan design (*Adams*)
     - o Senate Proposal *TBD*
   - ❖ Arizona Commerce Authority; Business Incentives (HB 2001 / SB 1001, Second Special Session)
   - ❖ CSA Legislative Package
   - ❖ Legislative Bills of Interest
     - o HB 2103 homemade food products; regulation; exception (*Kavanagh*)
     - o HB 2379 incarceration costs; municipal court warrants (*Ash*)
     - o HB 2397 SE: taxes; sale of trust lands (*Jones*)
     - o HB 2650 county employees; merit system; exemption (*Burges*)
     - o SB 1379 SE: fireworks (*Antenori*)

4) SRS Action Team Meeting Update

5) NACo Report
   - ❖ Legislative Conference, March 4-10, 2011
   - ❖ National County Government Month (April, 2011)

6) County Managers Association Report

7) County Caucus Reports

8) Other Business

9) Adjourn

Attendance may occur by teleconference or videoconference

The County Supervisors Association Board of Directors may vote to order an executive session for the purposes of discussion on any of the agenda items. A.R.S. § 38-431.03(A)(1), (3), (4), and (5).

Navajo Generating Station Project

William Auberle, P.E. BCEE

EN 3 PROFESSIONALS, LLC | energy environment engineering

Background

- Constructed in 1970s - Central Arizona Project
- Owners: SRP, APS, TEP, LADWP, NV Energy, USBOR
- Clean Air Act
- U.S. Environmental Protection Agency
  - SO2, NOx, Mercury, HAPs, and Carbon Dioxide(GHGs)

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Goals

- Develop a broad-based agreement on plans for emissions reductions
- Involve all interested parties

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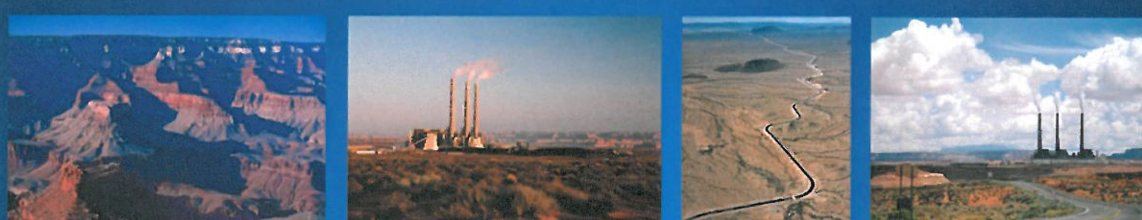
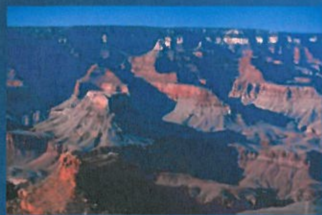
Process

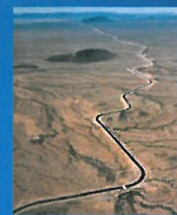


- Contact interested parties identified by EPA
- Regular meetings of stakeholders' group
- Identification of negotiating parties
- Areas of agreement and areas of compromise
- Develop plan and submit to EPA

EN 3 PROFESSIONALS, LLC | energy environment engineering

Stakeholders






- Navajo Nation and Hopi Tribe
- U.S. Department of Interior
  - BOR, BIA, NPS, FWS, BLM
- Central Arizona Project (CAWCD) and customers
  - Phoenix, Tucson, Scottsdale, Mesa,...
  - GRIC, Ak-Chin, T.O., SRPIC, ...
  - Irrigation districts & water companies
- Residents, miners, plant workers
- Environmental groups and non-profits
- Peabody Energy

EN3 PROFESSIONALS, LLC energy environment engineering

Schedule

- March 31, 2011 Agreement (framework)
- April Outreach to all interested parties
- Submit to USEPA and others

EN3 PROFESSIONALS, LLC energy environment engineering

EN3 PROFESSIONALS, LLC | *energy environment engineering*

Home | About Us | Services | Projects | Clients

- All Projects
- Navajo Generating Station Project

Navajo Generating Station Project

EN3 is seeking to achieve a widely-accepted agreement among the many parties having an interest in the reduction of emissions from the Navajo Generating Station in Page, Arizona. This agreement is expected to serve as a foundational document for a Best Available Retrofit Technology (BART) determination by USEPA and as a basis for other potential actions by plant owners, public agencies and interested parties. Nitrogen oxides, particulate matter, and hazardous air pollutant emissions from NGS Units 1, 2, & 3 are being addressed.

References:

EN3-NGS Project Overview & Schedule

Engagement of Auberle & EN3 – Oct 16 2010

Navajo Generating Station Website (SRP)

Federal Register Notice

EPA Docket R09-OAR-2009-0598

NGS/SCR and Baghouse Capital Cost Estimate Report

Questions? Comments? Contact us.

www.en3pro.com

EN3 PROFESSIONALS, LLC | *energy environment engineering*

County Supervisors ASSOCIATION

Executive Budget Recommendation
Impacts to Counties
January 18, 2011

The Governor released her budget recommendation on January 14, 2011. The proposal addresses the FY2011 deficit largely through one-time measures. The proposal addresses the FY2012 deficit mainly through budget cuts to healthcare and education. The cuts to the healthcare assume the federal government will approve a waiver that will allow the state to reduce eligibility to the AHCCCS system. An initial review of the Governor's plan identified the following impacts to counties:

- Increases shift of HURF from cities and counties to fund operations at DPS. The county share of the impact increases by $7.8 million, from $13.1 million in FY2011 to $20.9 million in FY2012.
- Increases county share of SVP patients at the Arizona State Hospital from 25 percent in FY2011 to 50 percent in FY2012. County impact estimated at 5.1 million.
- Diverts ACJC grants to DPS Public Safety Equipment fund from State Aid to County Attorneys and State Aid to Indigent Defense Fund. Estimated county impact $2.2 million.
- Continues mandated county transfers from the state, but lowers aggregate payment from $34.6 million to $21 million.
- Continues 100 percent county cost share of Restoration to Competency patients at the Arizona State Hospital.
- Continues county share of JP salaries at 80.75 percent.
- Continues Maricopa County funding Superior Court judges' salaries. Estimated county impact $8.25 million.
- **Note:** in addition to the cost shifts and resource transfers, last year certain counties lost important long-time revenue streams (*i.e.*, the County Assistance Fund and the Prop. 204 hold harmless appropriation).

Proposed State Spending Limit
The Governor also proposes placing in statute a state spending limit based on a 10-year average of revenues. The limit would constrain expenditures and utilize surplus revenues for the following purposes:

- Debt reduction (projected to provide $1.9 billion by FY2020 to retire debt
- Rollover reduction
- Budget Stabilization Fund deposits
- One-time capital projects
- Tax rebates

Additional Budget Reform Proposals (Constitutional)
- Executive authority to reduce appropriations under certain economic conditions
- Line item reduction authority
- Budget Stabilization Fund set at 15 percent of General Fund revenues

Summary of Adams' Retirement Plan Reform

Pension Design Reform 2011

Current Law	Reform
ASRS Return to Work: >20hrs/20wks Rule – resume active status. True change in position – can collect pension. Another system – can collect pension. Terminated employment for 12 months and return – can collect pension. Returns to work as teacher after 12 months – can collect pension.	**Return to Work Changes** HB2027 (July 2012 effective date). Alternative Contribution Rate charged to ASRS employer when hiring retired ASRS member, after 12 months.
ASRS Normal Retirement Eligibility: Age 65 Age 62 and 10-yrs of service Any combination of age and service totaling 80 points or 85 points, if hired post July 2011.	**Change Normal Retirement Eligibility** (Hired post July 2011 effective date). Age 65 Age 62 and 10-yrs of service. *Remove point system
4-Systems Permanent Benefit Increases (COLAs): Up to a 4% increase contingent on variables within each system.	**Repeal COLAs** (General effective date). Repeal all COLAs in each system
EORP Normal Retirement Eligibility: Age 65 and 5-yrs of service Age 62 and 10-yrs of service 20 or more yrs of service regardless of age.	**Change Normal Retirement Eligibility** (Hired post Jan 2012 effective date). Age 65 and 5-yrs of service Age 62 and 10-yrs of service
EORP Early Retirement Eligibility: Any age and 5-yrs of service.	**No Early Retirement** (Hired post Jan 2012 effective date). No early retirement eligibility
EORP Retirement Multiplier: 4% × member's average yearly salary × yrs of service.	**Change Retirement Calculation** (Hired post Jan 2012 effective date). Graded multiplier (%) scale based on years of service: 10 to 19.99-yrs: 2.1% 20 to 24.99-yrs: 2.15% 25 to 29.99-yrs: 2.2% 30+ yrs: 2.3%
PSPRS - DROP: After member attains 20-yrs of service, the member can elect to DROP up to 5-yrs. No member or employer contributions are paid to system during that period, member contributions go to member account plus interest.	**Repeal DROP** Repeal DROP (effective Jan 2012). If you are not in DROP by date, you cannot DROP. Members in DROP by date may continue to DROP.

3-PSPRS Systems Employee/Employer Contributions: **Members Fixed:** **Employer:** PSPRS – 7.65% 20.89% avg CORP – 7.96% 8.75% avg (dispatcher) – 8.41% EORP – 7% 17.42%(st/county) 29.79%(city)	**Increase Member Contributions** (July 2011 effective date). Increase member contribution rates by $1/5^{th}$ each year for 5-yrs with corresponding employer decreases until matching contribution rate is achieved.
Salary Benefit Calculation (PSPRS, CORP, EORP): Highest average salary paid during *3* consecutive yrs within the last 10-yrs of service. PSPRS is within last 20-years of service	**Smooth Salary Calculation** (Hired post Jan 2012 effective date). Highest average salary paid during ***5*** consecutive yrs within the last 10-yrs of service. PSPRS is within last 20-years of service.
Refund of Contributions (PSPRS, CORP, EORP): From 5 to10-yrs of service, members are refunded a graduated portion of the employer contributions up to 100%, if member has 10-yrs of service.	**No Employer Refunds** (Hired post Jan 2012 effective date). Terminated members will no longer receive double their contributions.
Normal Retirement Eligibility (PSPRS & CORP): **PSPRS** 20-yrs of service at any age Age 62 and 15-yrs of service **CORP** 20-yrs of service at any age Age 62 and 10-yrs of service Any combination of age and service totaling 80 points. If dispatcher, 25-yrs at any age.	**Change Normal Retirement Eligibility** (Hired post Jan 2012 effective date). **PSPRS** 25-yrs of service Age 62 and 15-yrs of service **CORP** 25-yrs of service Age 62 and 10-yrs of service

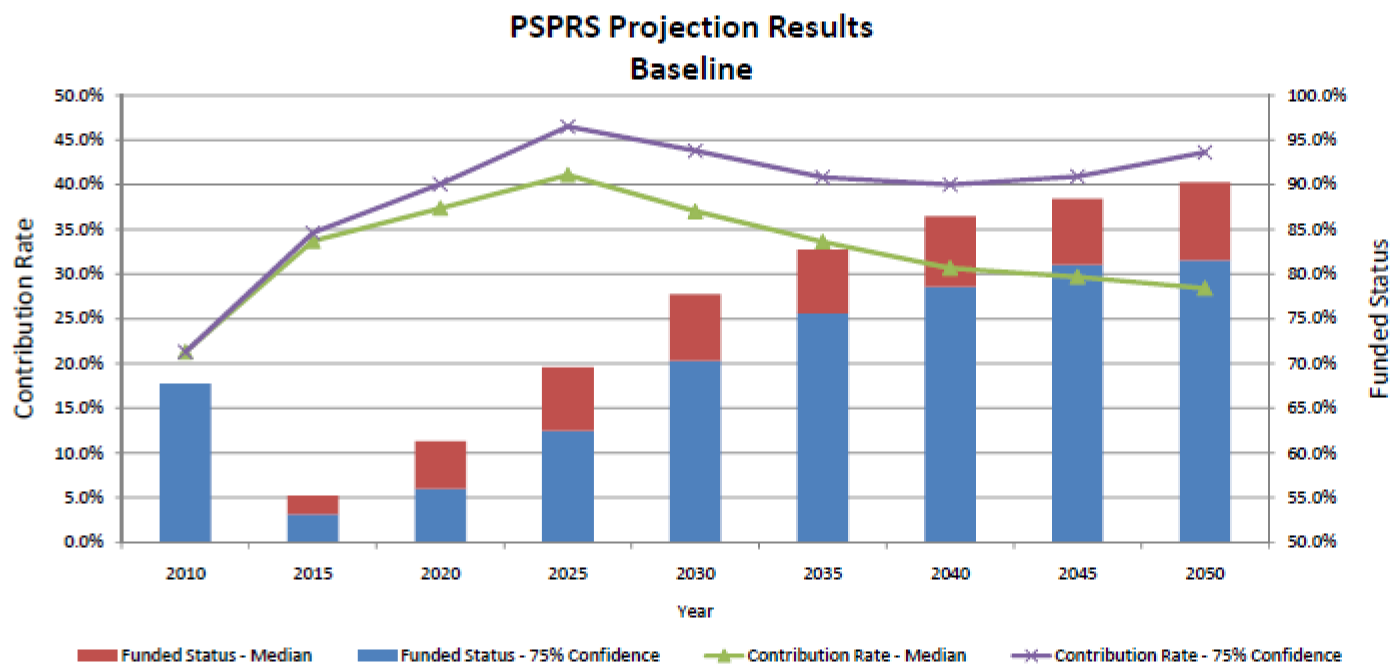
*** Requires a Study of Defined Contribution Plan feasibility and cost. The Board of Investment will complete the Study by Dec 31, 2011.**

End.

Public Safety Personnel Retirement System
Corrections Officer Retirement Plan
Elected Officials' Retirement Plan

HB 2726 – Actuarial Impact on PSPRS, CORP and EORP

Version Date 2-15-11



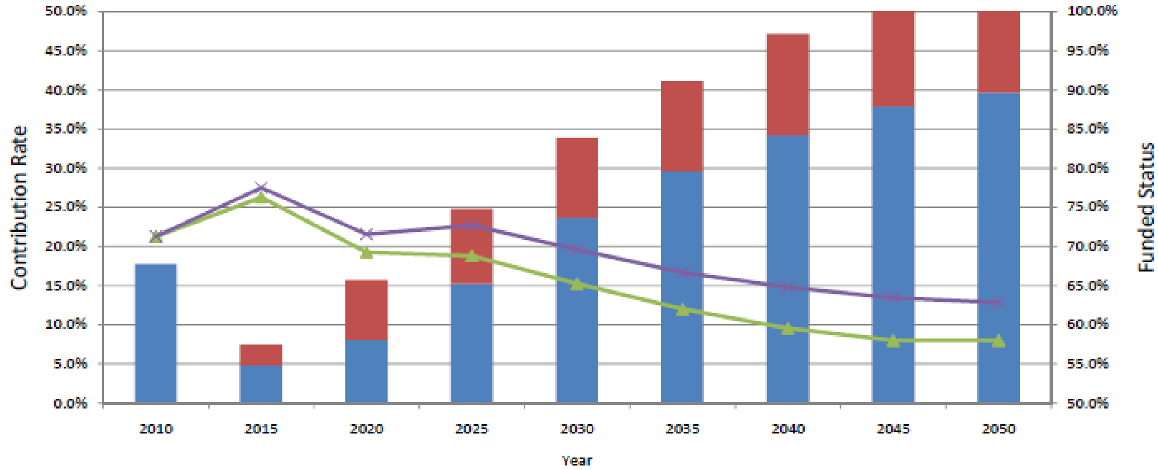
Contribution Rates	**2010**	**2015**	**2020**	**2025**	**2030**	**2035**	**2040**	**2045**	**2050**
5th Percentile	21.3%	38.4%	48.4%	58.0%	66.1%	63.2%	68.5%	89.8%	89.7%
25th Percentile	21.3%	34.6%	40.1%	46.5%	43.8%	40.8%	40.0%	40.9%	43.6%
Median	21.3%	33.7%	37.4%	41.1%	37.0%	33.6%	30.7%	29.7%	28.4%
75th Percentile	21.3%	32.8%	34.6%	35.5%	29.9%	23.6%	18.6%	12.5%	5.2%
95th Percentile	21.3%	25.9%	14.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Funded Rate	**2010**	**2015**	**2020**	**2025**	**2030**	**2035**	**2040**	**2045**	**2050**
5th Percentile	67.7%	50.3%	49.7%	54.7%	62.6%	66.8%	70.3%	70.8%	72.1%
25th Percentile	67.7%	53.1%	56.0%	62.5%	70.3%	75.6%	78.6%	81.1%	81.5%
Median	67.7%	55.2%	61.3%	69.6%	77.7%	82.7%	86.4%	88.4%	90.2%
75th Percentile	67.7%	57.3%	66.1%	76.4%	84.8%	90.9%	95.0%	99.5%	103.4%
95th Percentile	67.7%	59.9%	74.2%	87.5%	99.0%	111.9%	127.8%	144.0%	158.9%

Baseline:

Current benefit provisions for existing actives and new hires
Current COLA program

PSPRS Projection Results : Alternate 26 – HB 2726



Contribution Rates	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	21.3%	32.1%	26.3%	30.6%	30.6%	26.1%	24.8%	24.6%	24.6%
25th Percentile	21.3%	27.5%	21.6%	22.7%	19.6%	16.7%	14.8%	13.4%	12.8%
Median	21.3%	26.3%	19.3%	18.8%	15.2%	12.0%	9.5%	8.0%	8.0%
75th Percentile	21.3%	24.7%	17.2%	14.4%	9.7%	8.0%	8.0%	8.0%	8.0%
95th Percentile	21.3%	17.6%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%

Funded Rate	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	67.7%	51.2%	50.6%	55.2%	62.8%	67.4%	72.4%	74.1%	74.6%
25th Percentile	67.7%	54.9%	58.1%	65.3%	73.7%	79.6%	84.2%	87.9%	89.7%
Median	67.7%	57.4%	65.7%	74.8%	83.9%	91.2%	97.1%	102.0%	107.4%
75th Percentile	67.7%	60.9%	72.8%	85.8%	97.1%	107.8%	115.6%	130.2%	145.0%
95th Percentile	67.7%	66.4%	85.8%	105.7%	122.7%	152.6%	185.8%	215.9%	245.8%

Alternate 26:

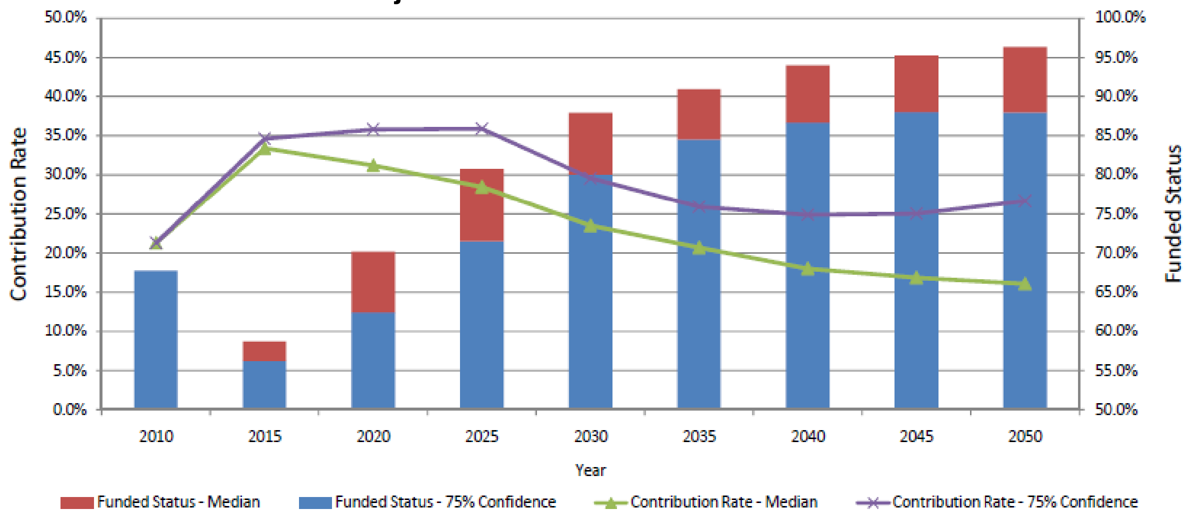
Existing actives

- Additional 4% of pay member contributions for first 4 years, thereafter contributions are split 50/50 between employer and member; no maintenance c effort provisions; member minimum is 7.65%; employer minimum is 8% of pa
- No DROP
- No COLA.
- All other benefit provisions the same as current benefit provisions

New hires

- 5 year final average compensation.
- No employer match on refunds.
- Normal retirement after 25 years of service or age 62 with 15 years of service.
- Additional 4% of pay member contributions for first 4 years, thereafter contributions are split 50/50 between employer and member; no maintenance of effort provisions; member minimum is 7.65%; employer minimum is 8% of pay
- No DROP
- 2.5% multiplier, reduced 4% per year of service below 25 years
- Maximum benefit is 80% of FAC.
- No COLA
- All other benefit provisions the same as current benefit provisions

PSPRS Projection Results : Alternate 14c – HB 2199



Contribution Rates	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	21.3%	39.3%	45.2%	52.4%	52.8%	45.2%	46.0%	59.5%	69.0%
25th Percentile	21.3%	34.6%	35.8%	35.9%	29.6%	25.9%	24.9%	25.0%	26.7%
Median	21.3%	33.4%	31.2%	28.5%	23.5%	20.7%	18.0%	16.9%	16.1%
75th Percentile	21.3%	31.8%	27.4%	22.6%	16.9%	12.5%	8.8%	3.7%	0.0%
95th Percentile	21.3%	26.6%	10.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Funded Rate	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	67.7%	52.6%	55.2%	61.5%	69.0%	73.9%	77.7%	77.5%	77.3%
25th Percentile	67.7%	56.2%	62.5%	71.5%	80.1%	84.5%	86.6%	88.0%	87.9%
Median	67.7%	58.7%	70.2%	80.8%	87.9%	90.9%	94.0%	95.2%	96.3%
75th Percentile	67.7%	62.2%	76.6%	88.7%	95.6%	99.7%	103.1%	107.0%	110.9%
95th Percentile	67.7%	67.5%	86.6%	99.7%	112.0%	127.5%	145.2%	172.1%	189.1%

<u>Alternate 18a:</u>

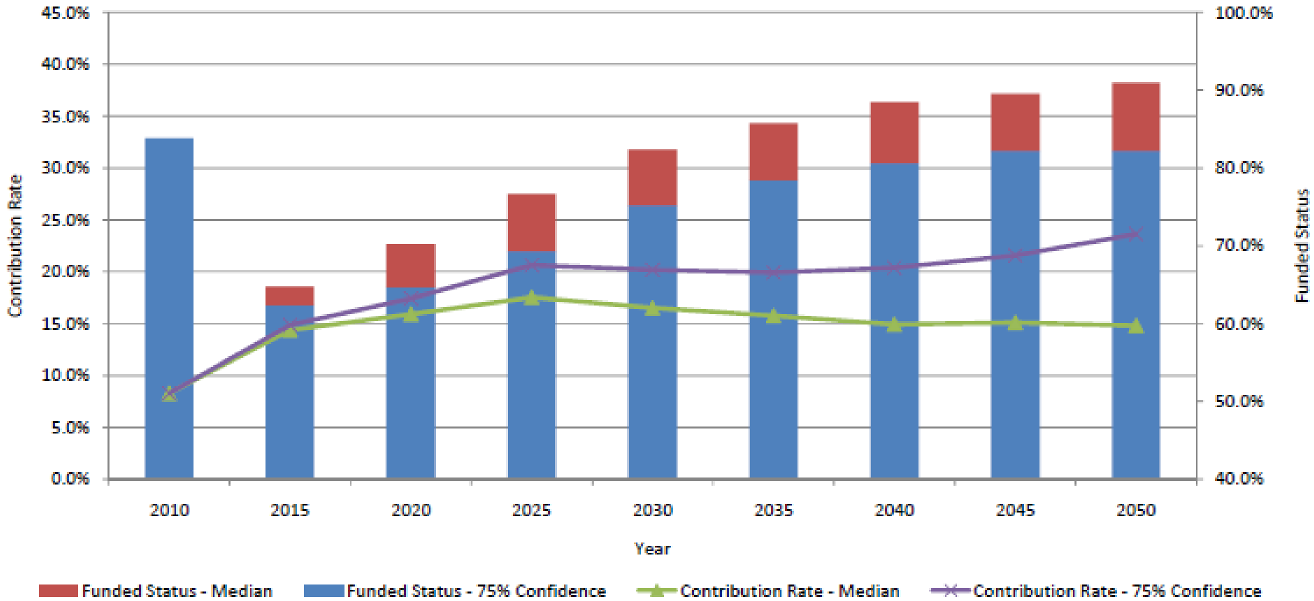
Existing actives

- 5 year Final Average Compensation for existing actives and new hires
- Restrictive COLA program based on Market Value of Assets
- Additional 4% of pay member contributions, phased in over 4 years
- Employee Contributions on DROP payroll
- Interest rate on the DROP account tied to actual return of the fund (minimum 2%; maximum 8%)
- All other benefit provisions are the same as current provisions

New hires

- Permanent compound COLA tied to CPI, not to exceed 2% per year
- All other benefit provisions the same as current actives

CORP Projection Results
Baseline

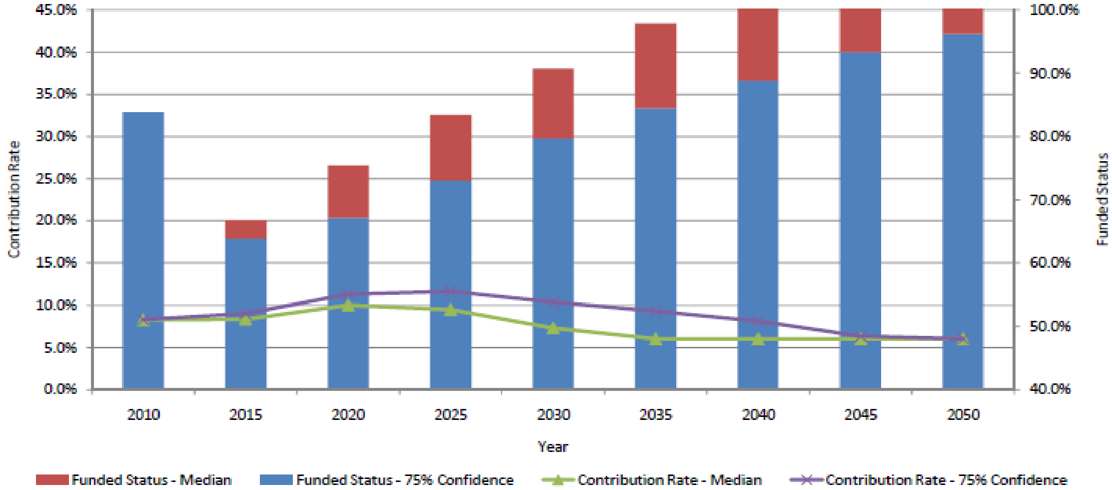


Contribution Rates	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	8.3%	17.1%	21.9%	27.1%	32.7%	31.8%	35.7%	48.2%	48.0%
25th Percentile	8.3%	14.9%	17.4%	20.6%	20.2%	19.9%	20.4%	21.6%	23.6%
Median	8.3%	14.4%	15.9%	17.5%	16.5%	15.8%	14.9%	15.1%	14.8%
75th Percentile	8.3%	13.9%	14.3%	14.5%	12.3%	10.2%	8.0%	5.1%	1.5%
95th Percentile	8.3%	10.4%	3.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Funded Rate	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	83.8%	59.2%	58.1%	61.1%	66.9%	69.8%	72.5%	72.1%	72.9%
25th Percentile	83.8%	62.4%	64.6%	69.3%	75.2%	78.4%	80.7%	82.2%	82.2%
Median	83.8%	64.7%	70.2%	76.7%	82.4%	85.7%	88.4%	89.5%	91.0%
75th Percentile	83.8%	67.1%	75.3%	83.7%	89.7%	94.2%	97.2%	101.1%	104.2%
95th Percentile	83.8%	70.3%	84.0%	96.4%	106.3%	117.7%	134.5%	153.3%	163.2%

<u>Baseline:</u>
Current benefit provisions for existing actives and new hires
Current COLA program

CORP Projection Results : Alternate 2 – HB 2726



Contribution Rates	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	8.3%	11.6%	13.9%	16.1%	16.6%	14.7%	14.5%	14.8%	15.0%
25th Percentile	8.3%	9.0%	11.3%	11.6%	10.4%	9.3%	8.1%	6.3%	6.0%
Median	8.3%	8.3%	10.0%	9.5%	7.3%	6.0%	6.0%	6.0%	6.0%
75th Percentile	8.3%	7.4%	8.9%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
95th Percentile	8.3%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%

Funded Rate	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	83.8%	59.7%	59.3%	62.7%	68.0%	71.9%	76.2%	76.9%	78.2%
25th Percentile	83.8%	63.9%	67.1%	73.1%	79.7%	84.5%	88.8%	93.4%	96.2%
Median	83.8%	66.7%	75.4%	83.4%	90.7%	97.9%	107.5%	116.0%	126.8%
75th Percentile	83.8%	70.7%	83.1%	95.1%	109.1%	124.7%	136.1%	153.2%	173.2%
95th Percentile	83.8%	76.9%	97.3%	120.9%	142.2%	176.9%	218.6%	258.4%	291.4%

Alternate 2:

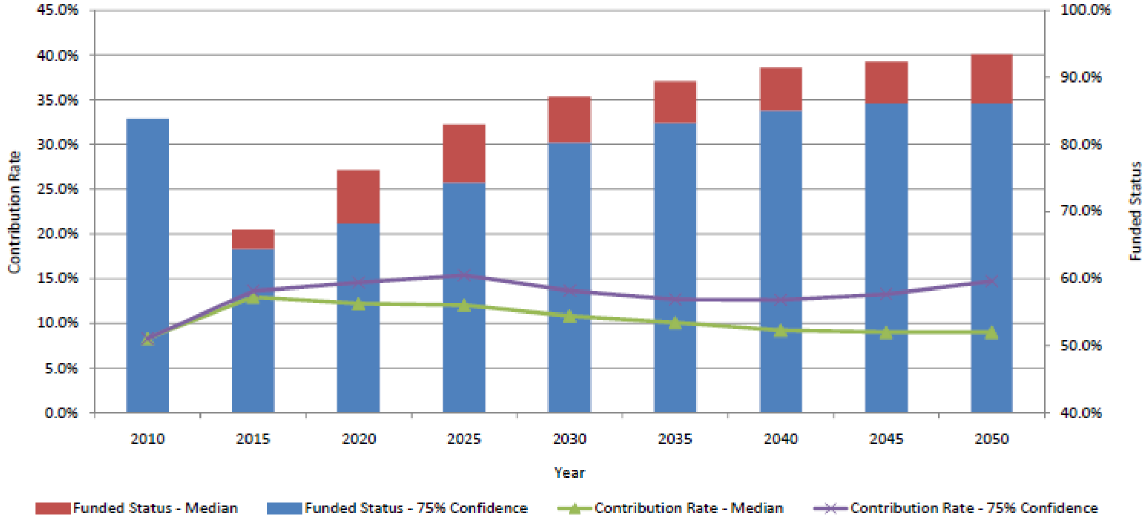
Existing actives

- Additional 4% of pay member contributions for first 4 years, thereafter contributions are split 50/50 between employer and member; no maintenance (effort provisions; member minimum is 8.41%; employer minimum is 6% of pa
- Dispatch member contributions is 0.45% less than non-dispacher contributions until the plan becomes 100% funded.
- No COLA.
- All other benefit provisions the same as current benefit provisions.

New hires

- 5 year final average compensation.
- No employer match on refunds.
- Normal retirement after 25 years of service or age 62 with 10 years of service.
- Additional 4% of pay member contributions for first 4 years, thereafter contributions are split 50/50 between employer and member; no maintenance of effort provisions; member minimum is 8.41%; employer minimum is 6% of pay.
- 2.5% multiplier for all years of service.
- No COLA
- All other benefit provisions the same as current benefit provisions.

CORP Projection Results : Alternate 1 – HB 2200



Contribution Rates	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	8.3%	16.3%	19.7%	24.2%	25.5%	23.7%	25.7%	34.4%	38.6%
25th Percentile	8.3%	13.6%	14.6%	15.4%	13.7%	12.7%	12.6%	13.3%	14.7%
Median	8.3%	12.9%	12.2%	12.0%	10.8%	10.1%	9.2%	9.0%	9.0%
75th Percentile	8.3%	12.0%	10.4%	9.3%	7.5%	5.8%	4.3%	2.0%	0.0%
95th Percentile	8.3%	8.9%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Funded Rate	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	83.8%	60.3%	60.4%	64.0%	69.2%	73.0%	76.0%	75.9%	76.3%
25th Percentile	83.8%	64.4%	68.2%	74.3%	80.3%	83.2%	85.1%	86.1%	86.1%
Median	83.8%	67.3%	76.2%	83.0%	87.1%	89.4%	91.5%	92.4%	93.4%
75th Percentile	83.8%	71.3%	82.2%	89.9%	94.4%	97.6%	100.0%	103.3%	106.6%
95th Percentile	83.8%	76.4%	91.5%	101.7%	111.7%	125.3%	141.1%	163.1%	173.3%

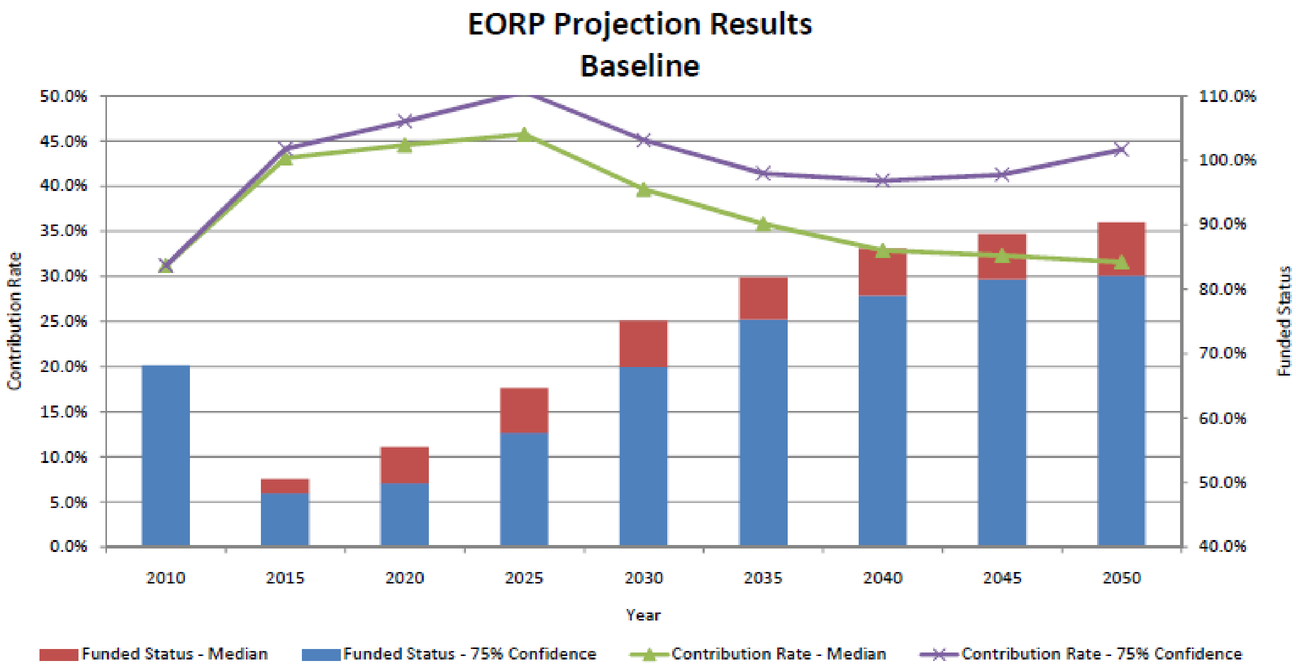
<u>Alternate 1:</u>

Existing actives

- 5 year Final Average Compensation
- Restrictive COLA program based on Market Value of Assets
- Additional 0.5% of pay member contributions
- All other benefit provisions are the same as current provisions

New hires

- Normal retirement at age 52.5 with 25 years of service
- All other benefit provisions the same as current actives



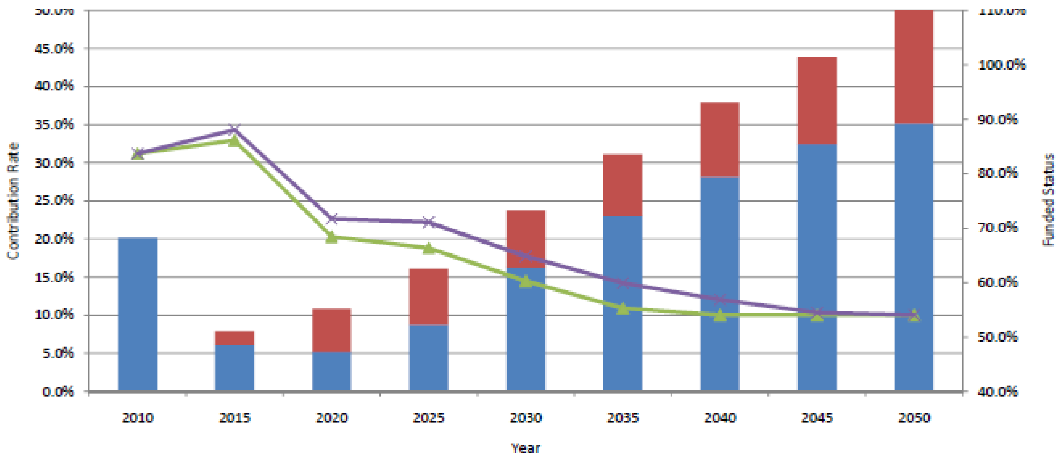
Contribution Rates	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	31.2%	48.3%	55.1%	60.1%	63.0%	59.5%	64.9%	85.7%	91.0%
25th Percentile	31.2%	44.1%	47.2%	50.5%	45.1%	41.4%	40.6%	41.3%	44.1%
Median	31.2%	43.1%	44.5%	45.7%	39.6%	35.8%	32.9%	32.3%	31.6%
75th Percentile	31.2%	42.2%	41.9%	41.0%	34.1%	27.8%	23.6%	18.4%	12.8%
95th Percentile	31.2%	37.0%	26.5%	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Funded Rate	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	68.2%	45.4%	43.5%	49.6%	60.8%	66.8%	71.3%	71.8%	73.0%
25th Percentile	68.2%	48.4%	49.9%	57.7%	67.9%	75.3%	79.1%	81.5%	82.1%
Median	68.2%	50.6%	55.5%	64.7%	75.1%	81.8%	86.3%	88.6%	90.4%
75th Percentile	68.2%	52.9%	60.6%	71.9%	82.3%	89.5%	93.8%	98.3%	102.0%
95th Percentile	68.2%	56.0%	69.4%	82.4%	94.0%	106.4%	117.3%	130.6%	145.8%

<u>**Baseline:**</u>

Current benefit provisions for existing actives and new hires
Current COLA program

EORP Projection Results : Alternate 5 – HB 2726



Contribution Rates	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	31.2%	39.9%	27.9%	28.8%	25.1%	20.5%	18.6%	18.1%	17.6%
25th Percentile	31.2%	34.3%	22.6%	22.2%	17.7%	14.2%	12.0%	10.3%	10.0%
Median	31.2%	32.9%	20.3%	18.8%	14.5%	10.9%	10.0%	10.0%	10.0%
75th Percentile	31.2%	30.9%	18.1%	14.8%	10.1%	10.0%	10.0%	10.0%	10.0%
95th Percentile	31.2%	22.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%

Funded Rate	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	68.2%	44.9%	39.7%	42.6%	52.6%	60.8%	68.7%	72.0%	74.5%
25th Percentile	68.2%	48.5%	47.3%	52.3%	62.7%	72.2%	79.4%	85.5%	89.3%
Median	68.2%	51.1%	55.2%	62.5%	73.3%	83.6%	93.0%	101.4%	110.9%
75th Percentile	68.2%	54.8%	62.7%	74.6%	87.3%	100.1%	112.9%	129.2%	150.2%
95th Percentile	68.2%	60.4%	77.0%	95.5%	114.4%	145.9%	182.0%	219.9%	251.7%

Alternate 5:

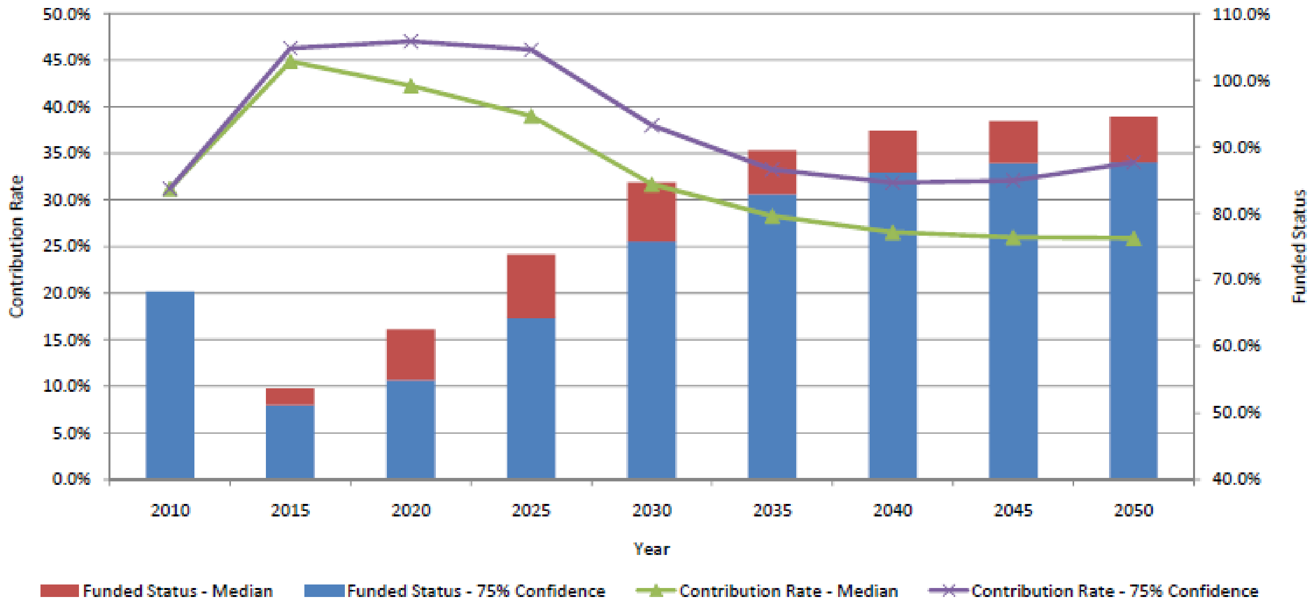
Existing actives

- Additional 4% of pay member contributions for first 4 years, thereafter contributions are split 50/50 between employer and member; no maintenanc of effort provisions; member minimum is 7%; employer minimum is 10% o
- No COLA
- All other benefit provisions the same as current benefit provisions.

New hires

- 5 year final average compensation
- No employer match on refunds
- Normal retirement at age 65 with 5 years of service or age 62 with 10 years of service.
- Multiplier is 2.1% if 19.99 years of service or less; 2.15% for service between 20.0 and 24.99 years; 2.20% for service 25.0 and 29.99 years; 2.30% for 30 years of service or more.
- No early retirement
- Additional 4% of pay member contributions for first 4 years, thereafter contributions are split 50/50 between employer and member; no maintenance of effort provisions; member minimum is 7%; employer minimum is 10% of pay.
- No COLA
- All other benefit provisions the same as current benefit provisions.

EORP Projection Results : Alternate 2 – HB 2198



Contribution Rates	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	31.2%	52.0%	57.2%	60.9%	57.6%	49.8%	50.3%	70.3%	76.9%
25th Percentile	31.2%	46.3%	47.0%	46.1%	38.0%	33.3%	31.9%	32.1%	34.0%
Median	31.2%	44.9%	42.2%	39.0%	31.7%	28.3%	26.5%	26.0%	25.9%
75th Percentile	31.2%	42.9%	37.8%	32.0%	26.2%	22.1%	19.1%	15.8%	12.2%
95th Percentile	31.2%	35.2%	21.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Funded Rate	2010	2015	2020	2025	2030	2035	2040	2045	2050
5th Percentile	68.2%	47.5%	47.6%	54.4%	65.6%	72.6%	77.3%	77.4%	78.5%
25th Percentile	68.2%	51.2%	54.9%	64.3%	75.8%	82.9%	86.1%	87.6%	87.7%
Median	68.2%	53.7%	62.6%	73.8%	84.6%	89.4%	92.5%	93.8%	94.5%
75th Percentile	68.2%	57.4%	69.8%	83.3%	92.0%	96.8%	100.1%	103.1%	106.1%
95th Percentile	68.2%	63.0%	81.6%	94.9%	104.5%	115.7%	126.7%	137.3%	152.3%

Alternate 2:

Existing actives

- 5 year Final Average Compensation
- Restrictive COLA program based on Market Value of Assets
- Additional 4.0% of pay member contributions, phased in over 4 years
- All other benefit provisions are the same as current provisions

New hires

- Normal retirement at age 65 with 5 years of service, or age 62 with 10 years of service
- All other benefit provisions the same as current actives

*** Reflected in HB2001/SB1001 (2nd Special Session) ***

Arizona Competitiveness Package

Legislative Agenda:

Repeal the 50+ statutory mandates and functions of the Department of Commerce.
Enact the proposed Competitiveness Package below.

1. Arizona Commerce Authority

Focus: Business attraction, retention and expansion in key base industries: aerospace and defense, renewable energy and science-technology.

Governance: 17 private sector voting members and ex-officio members, including the Senate President and the Speaker of the House.

Funding: Growth in payroll withholdings (not a new tax - utilizing existing withholdings). Annual operations ($10M) and Deal Closing Fund ($25M) will be funded from incremental growth of payroll withholdings.

2. Arizona Competes – Deal Closing Fund

Purpose: Make Arizona competitive to attract global high-impact base industry projects that provide stable, high-wage jobs.

Funds for deal closing would only be utilized in highly competitive situations and only for projects with a substantial economic and fiscal impact to a state and community.

Why: Arizona will join the top-third of states with closing funds. Nineteen states including Texas, Florida, Virginia and North Carolina have aggressive programs. This will replace our inactive Commerce and Economic Development Commission (CEDC) deal closing fund

Safeguards: Funds provided to projects must be **performance-based** and result in a **net benefit** to the state; consistent with the statutory gift clause.

An economic impact analysis by an independent third party will be conducted on all projects to determine potential return on investment benefits to the State.

All funds will be awarded with contractual provisions for performance and “claw-back” of funds for non-performing projects.

3. Arizona Job Training Program

Reauthorize the existing Job Training Program, a job-specific reimbursable grant program that supports the design and delivery of customized training plans for employers creating new jobs or increasing the skill and wage levels of current employees. **This program is recognized as one of the best program models in the nation.**

4. Quality Jobs Tax Credit

Replace Arizona's **expiring** Enterprise Zone Program with a new Quality Jobs Tax Credit for new job creation statewide. This tax credit is performance based on **net new** job creation with discreet eligibility qualifications for urban and rural businesses as follows:

Area	Definition	Minimum # of Net New Jobs and Capital Investment	Qualified job
Metro	Counties with a population of 750,000 or more, excluding municipalities of 50,000 or less	25 Jobs $5M	100% of median county wage and 65% of health insurance costs
Rural	Counties with a population of less than 750,000, and municipalities of less than 50,000 within counties of more than 750,000.	5 Jobs $1M	100% of median county wage and 65% of health insurance costs

Tax credit for each new qualified job created is $3,000 per year for three years and is limited to 400 jobs per employer per year. Credits can be carried forward for five years. The program is capped at 10,000 jobs per year.

Currently, 38 States offer job tax credits. This program will increase Arizona's competitiveness ranking from number 9 to number 3 in the Mountain West.

5. 100% Sales Factor

Three factors are currently employed to determine the percentage of corporate income that is subject to taxation in the state of Arizona – payroll, property value, and sales. Companies may elect to employ the 80% Sales Factor formula, which assigns a higher apportionment to the in-state sales factor to calculate state taxes. This reduces taxes for export based companies, while encouraging capital investment and employment growth.

Under proposed legislation, the electable sales factor for multi state corporations would be **increased incrementally from 80% to 100%** between FY 2015 and FY 2018.

This change would make Arizona one of 18 states that have a 100 percent sales factor. **Our competitiveness ranking will jump from 19 to one of the most competitive nationally**.

6. Corporate Income Tax

Reduce the corporate tax rate from 6.97% to 4.9% between FY 2015 and FY 2018.

This change would improve Arizona's national ranking from 24 to number 5 nationally, and from 6 to number 3 in the Mountain West.

7. Property Tax Reform

1) Enhance accelerated depreciation schedules for personal property by an additional 5% for prospective acquisitions of commercial personal property initially placed on the tax rolls on or after 2012.

2) Increase the exemption on personal property using the Employment Cost Index.

3) Reduce the business property tax (class 1) assessment ratio incrementally from 20% to 18% by 2016.

4) Reduce the agricultural (class 2) assessment ratio from 16% to 15% in 2016.

5) Adjust the homeowner rebate to offset the impact on owner-occupied homes (class 3) and reform the homeowner rebate process to ensure that class 3 includes only primary residences.

8. Small Business Capital Investment/Capital Gains

This program encourages investors to investment in Arizona small businesses. The proposed legislation would extend this program for five more years and will include the following:

- **Eliminate** capital gains tax on income derived from investments in qualified small businesses, as certified by the Arizona Commerce Authority.
- **Expand** eligibility criteria to increase the number of qualified small businesses.

This unique program advances Arizona's competitive position in encouraging small business growth.

9. R&D Tax Credit

The state currently provides a tax credit for investments in research and development in excess of expenditures from the previous year. The existing program provides a state tax credit between 15% and 24% of qualified R&D expenses, depending on the level of the increase.

Proposed legislation would enhance the tax credit by 10% if increased R&D expenditures were made in cooperation with an Arizona university. The enhancement to the program is capped at $10 million in tax credits per year, which would represent an increase in $100 million of research conducted in partnership with our public universities.

Arizona would be among the top three states with tax credits to encourage such private sector/public research university collaboration.

LPC Bills for Consideration

CSA Board of Directors Meeting

February 17, 2011 (10:00 a.m.)

Bill Number	Short Title	Description	Comment
		Legislative Bills for Discussion	
HB 2001	ARIZONA COMMERCE AUTHORITY; BUSINESS INCENTIVES (Adams)	Makes numerous changes pertaining to tax credits and tax reductions for businesses and replacing the Dept of Commerce with the Arizona Commerce Authority. Corporate income tax rates are gradually reduced in approximately 0.5% increments to 4.9% from 6.968%, beginning in fiscal 2014. The sales factor percentage (used optionally by some corporations to compute income tax liability) is gradually increased over four years to 100% from 80%, beginning in fiscal 2014. The assessment ratio of Class One (commercial) and Class Two (agricultural) property is gradually decreased beginning in tax year 2013. The amount of business personal property exempt from taxation is increased to $79,000 from $67,000, beginning in 2011. Companies engaged in manufacturing will get a further tax break through a reclassification of their personal property to a category with an assessment ratio of 10% rather than the current 20%. A jobs training program, terminated in 2009, is reinstated. Subject to a program cap of $900 million, businesses that hire new personnel in positions that meet certain qualifications receive a $3000 tax credit each year for three years for each new hire (to a max per business of 400 new employees). A fund to incentivize certain types of new businesses to move to Arizona is established and funded in part by Lottery revenue and in part by from the withholding taxes assessed on new jobs. The small business investment credit program is changed to make more small businesses qualify.	House Cow Approved
SB 1001	ARIZONA COMMERCE AUTHORITY; BUSINESS INCENTIVES (Pearce)	Makes numerous changes pertaining to tax credits and tax reductions for businesses and replacing the Dept of Commerce with the Arizona Commerce Authority. Corporate income tax rates are gradually reduced in approximately 0.5% increments to 4.9% from 6.968%, beginning in fiscal 2014. The sales factor percentage (used optionally by some corporations to compute income tax liability) is gradually increased over four years to 100% from 80%, beginning in fiscal 2014. The assessment ratio of Class One	Senate Cow Approved

		(commercial) and Class Two (agricultural) property is gradually decreased beginning in tax year 2013. The amount of business personal property exempt from taxation is increased to $79,000 from $67,000, beginning in 2011. Companies engaged in manufacturing will get a further tax break through a reclassification of their personal property to a category with an assessment ratio of 10% rather than the current 20%. A jobs training program, terminated in 2009, is reinstated. Subject to a program cap of $900 million, businesses that hire new personnel in positions that meet certain qualifications receive a $3000 tax credit each year for three years for each new hire (to a max per business of 400 new employees). A fund to incentivize certain types of new businesses to move to Arizona is established and funded in part by Lottery revenue and in part by from the withholding taxes assessed on new jobs. The small business investment credit program is changed to make more small businesses qualify.	
HB 2103	HOMEMADE FOOD PRODUCTS; REGULATION; EXCEPTION (Kavanagh)	Rules relating to food or drink sold at the retail level must exempt food that is prepared in the kitchen of a private home for commercial purposes if it is not potentially hazardous and is packaged with a label clearly stating the address and contact information of the maker, listing the contents, and disclosing that the product was prepared without government inspection.	Held by House Commerce
HB 2379	INCARCERATION COSTS; MUNICIPAL COURT WARRANTS (Ash)	Municipalities must pay the costs of incarceration in a county jail for a person arrested on a warrant issued by the municipal court.	Passed by House Judiciary
HB 2397	SE: TAXES; SALE OF TRUST LANDS (Jones)	State trust lands are subject to taxation only if the lands are improved at the time of sale or if after the sale but before a patent is issued the State Land Dept permits improvements on the land (previously, all state trust land sold was subject to taxation in the same manner as other lands). The Dept is prohibited from issuing a patent until the purchaser pays all taxes.	Referred to House Energy Natural Resources
HB 2650	COUNTY EMPLOYEES; MERIT SYSTEM; EXEMPTION (Burges)	County administrative positions may be removed from the merit system if requested by an elected county officer.	Passed House Government
HB 2726	PUBLIC RETIREMENT SYSTEMS; PLAN DESIGN (Adams)	Various changes to the plan design of all four state retirement systems, including: changing eligibility criteria for normal retirement; repealing COLAs; eliminating early retirement and reducing retirement calculators for members of the Elected Officials Retirement System (EORP); eliminating the Deferred Retirement	Held by House Employment Regulatory Affairs

		Option Plan election and increasing member contributions for members of the Public Safety Personnel Retirement System (PSPRS); eliminating refunds of contributions made by members of EORP, PSPRS and the Corrections Officers Retirement Plan (CORP) who terminate after completing five but before ten years of service. The salary on which the retirement benefit is based for members of EORP, PSPRS and CORP is changed to the highest average salary during a five-year period (currently, during a three-year period). Many changes are retroactive to July 1, 2011, and thus are effective for new hires as of that date.	
SB 1379	SE: FIREWORKS (Antenori)	Minor change in Title 41 (state government) pertaining to conduct of notaries public.	Referred to Senate Government Reform

CSA Legislative Agenda			
HB 2197	CHARTER SCHOOLS; AGE RESTRICTED COMMUNITIES (Lesko)	The statute governing the placement of charter schools is amended to prohibit a charter school from being located in an age-restricted community in an unorganized territory. Emergency clause.	Passed by House, transmitted to Senate
HB 2231	PUBLIC DEFENDERS; PROBATE COURT; REIMBURSEMENT (Goodale)	If a court appoints a public defender, investigator, physician, psychologist or nurse to provide services for an incapacitated person who dies, the county is authorized to make a charge for reasonable compensation against the estate of the deceased. Reimbursed monies are to be deposited in the same fund from which the expenditure was made.	Referred to House Judiciary
HB 2236	POLITICAL SUBDIVISIONS; SHARING REVENUE INFORMATION (Goodale)	The Dept of Revenue's liability setoff program can be used to satisfy taxpayer debts to political subdivisions. The department is authorized to provide information on an individual's reported income to a county, municipality, or state agency for the purpose of determining eligibility for a program or benefit.	Passed by House Ways and Means with amendment
HB 2285	INMATE CREDIT; IMPRISONMENT; FINE REDUCTION (McLain)	A person imprisoned for nonpayment of a fine may receive credit toward payment of up to $60, increased from $10, for each day of imprisonment.	Assigned to House Military Affairs and Public Safety
HB 2318	TRANSPORTATION AUTHORITIES; REGIONAL & PUBLIC (Jones)	Community college districts and Indian nations may become members of intergovernmental public transportation authorities. Modifies the definition of county for the purposes of regional transportation authorities to eliminate language requiring a minimum population of 200,000 persons.	Passed by House Transportation

HB 2319	COUNTIES; PRIMITIVE ROADS; MAINTENANCE (Jones)	County boards of supervisors may spend public monies for maintenance of public roads and streets that have been designated as primitive roads (defined elsewhere in statute). Effective October 1, 2011.	Passed by House Transportation
SB 1174	CHARTER SCHOOLS; AGE RESTRICTED COMMUNITIES (Crandall)	Charter schools cannot be established or operated in an age restricted community located in unorganized territory. Emergency clause.	Passed by Senate Education, Rules
SB 1186	2011 TAX CORRECTION ACT (Yarbrough)	Clarifies that confidential information relating to any tax collected by the Department of Revenue (DOR) on behalf of a county may be shared with that county.	Passed in Senate, Referred to House Ways and Means
SB 1278	COUNTY ASSESSOR; PERMANENT RETRIEVAL FUND (Allen)	Eliminates the termination date of December 31, 2011, for the county assessor's property information storage and retrieval conversion and maintenance fund. Counties with less than 750,000 persons are authorized to establish the fund (increased from counties with less than 500,000 persons).	Passed by Senate Finance
SB 1362	FLOOD CONTROL STRUCTURES (Antenori)	In a county with a population of less than 3 million persons (all but Maricopa), county flood control districts are authorized to construct, maintain and operate bridges over watercourses that are impassable to emergency vehicle traffic for 14 or more days per year.	Passed by Senate Water, Land Use and Rural Development and Rules
SB 1427	FLOOD CONTROL DIST; CONTRUCTION PROJECTS (Nelson)	In counties with a population of 250,000 or less, regular county employees are authorized to undertake construction projects with an estimated cost of up to $250,000.	Referred to Senate Natural Resources and Transportation
SB 1428	COUNTIES; EMPLOYMENT OF CONTRACTORS; BIDS (Nelson)	In counties with a population of 250,000 or less, regular county employees are authorized to construct certain public works without advertising for bids, if the total cost of the work does not exceed $250,000 in FY2011-2012, adjusted annually each FY by the change in the GDP price deflator.	Referred to Senate Government Reform

TO: Members of the National Forest Counties and Schools Coalition

FROM: Bob Douglas, Executive Director
National Forest Counties and Schools Coalition

RE: Progress Report - Reauthorization of Secure Rural Schools and Communities Act (SRSCA)

As most of you know, we are in the second year of a two year campaign to achieve a long-term reauthorization of SRSCA. The Partnership for Rural America (PFRA) Campaign is an initiative established by the NFCSC Board over one year ago to achieve the sole goal of reauthorizing SRSCA before it expires in 2011.

Yesterday President Obama released his 2012 budget proposal. And, the good news is that the President proposes a five year extension of SRSCA. The not so good news is that the President's proposal calls for 2012 to be funded at approximately the same level as 2011 and then a ramping down over the next four years of 20% in 2013, 10% in 2014, 25% in 2015, and a final 25% in 2016.

While these details seem ominous, it is important to first focus on the victory we have achieved by even being in the President's budget, and as a multiple year extension. It has taken a monumentally difficult effort by a nationwide team to achieve this truly significant goal. This is a huge first step!

That same team bolstered by our growing grassroots strength in over 35 states will now be needed over the next year as we work with Congress and with the Administration to craft legislation to achieve our goal of long-term and consistent SRSCA funding for the forest counties and schools of America. Together we can succeed as we have before. Stay tuned for further information.

For more information about the National Forest Counties and Schools Coalition, please visit our website or the website of the Partnership for Rural America Campaign.

www.forestco.net<http://www.forestco.net> www.partnershipforruralamerica.org<http://www.partnershipforruralamerica.org>

Jim French, President
Bob Douglas, Executive Director
Jackie Douglas, Administrative Assistant National Forest Counties & Schools Coalition P.O. Box 8551 – Red Bluff, CA 96080
530-527-0666 / FAX - 530-529-4120
forestco@forestco.net<mailto:forestco@forestco.net>
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County Supervisors
ASSOCIATION
of arizona

1905 W. Washington St., Ste. 100, Phoenix, AZ 85009
(602) 252-5521 Fax: (602) 253-3227
David Tenney, Navajo County
Supervisor, President
Craig A. Sullivan, Executive Director

ARIZONA
ASSOCIATION OF
COUNTIES

1910 WEST JEFFERSON, PHOENIX, AZ 85009
602 / 252-6563 FAX: 602 / 254-0969
TIM CARTER, YAVAPAI COUNTY
SCHOOL SUPERINTENDENT, PRESIDENT
NICOLE W. STICKLER, EXECUTIVE DIRECTOR

February 3, 2011

To Arizona Delegates:

The Arizona Association of Counties and the County Supervisors Association of Arizona have partnered once again to host a breakfast meeting with U. S. Senators John McCain and Jon Kyl. As members of the Arizona county leaders who will join us in Washington, D.C. next month, the two organizations would like to invite you to attend this breakfast during the National Association of Counties Legislative Conference.

The breakfast will take place at 8:00 a.m. on Tuesday, March 8, 2011, at the U.S. Capitol Building (*room SVC 203-02*). Please plan to arrive to the U.S. Capitol Building between 7:20 a.m. and 7:45 a.m. to allow time for all participants to clear security.

Please mark your calendars to attend this co-hosted event. We'll have a great time socializing, with plenty of good food. CSA and AACo look forward to seeing you at the conference and to your participation in this event.

Please RSVP your attendance to either Penny Adams at CSA at PennyA@countysupervisors.org or Sue Anderson at AACo at SAnderson@azcounties.org.

Sincerely,

Craig A. Sullivan
CSA Executive Director

Nicole W. Stickler
AACo Executive Director

Maricopa County Legislative Reception

Honoring Federal and County Partnerships

March 8, 2011, Tuesday

Location: 101 Constitution Ave NW, 9th Floor, Washington, DC 20001 (adjacent to the Senate side of Capitol)

Time: 5:30-7:00 p.m.

R.S.V.P: Please R.S.V.P. by March 2, 2011 mhenders@mail.maricopa.gov or 602-506-2798

NATIONAL COUNTY GOVERNMENT MONTH
April • 2011

Sponsored by the National Association of Counties

This Year's Theme is:

"Serving Our Veterans, Armed Forces and Their Families"

National County Government Month is an excellent opportunity for county officials to raise public awareness and understanding about the roles and responsibilities of counties and to highlight essential county services and effective programs.

With this year's theme of "Serving Our Veterans, Armed Forces and Their Families," counties can show their residents the essential role counties play in honoring veterans and military personnel for their service, in providing essential services, healthy living and employment programs in sensible and cost-effective ways.

National County Government Month was expanded to a full month to provide counties more opportunity to plan and participate.

Also, register to win the National County Government Month Award to receive two free registrations at any NACo conference. Click here for more information.

For more information, visit NACo NCGM website. Click here for an idea handbook.

Ideas To Get the Word Out:

- Establish a National County Government Month planning committee
- Decide how extensive your activities will be
- Issue a Proclamation
- Contact the media after deciding what events or activities will be held

Suggestions To Make It Happen:

- Address county issues important to veterans, members of the armed forces and military families. consider best practices and policies held by the county in: 1) physical and mental health, substance abuse, suicide prevention; 2) housing and homelessness; 3) employment services and access to employment; and 4) justice system, including law enforcement, courts and probation.
- Open House of the County: open house at the county courthouse and administration building; tours of county facilities; informational displays in malls, libraries and fairs; hold public outreach events at community centers
- Give Them the Facts: types of health services the county provides, housing assistance services the county provides, employment programs the county provides, the number of military families benefitting from county government services, all county services available for veterans and military families; how many patients were served last year at county hospitals or clinics, how many health department inspections were conducted last year, how many vaccinations were administered last year, how many healthcare professionals are employed in the county, how many emergency room visits were made last year, how many inmates were provided healthcare services last year. Also, highlight the traditional county services and infrastructure owned and maintained by the county. How many bridges, miles of road and highways are owned and maintained by the county, how many calls were responded to by the sheriff, police and fire departments, how many building permits were reviewed and approved, building inspections conducted in the last year, how many documents were filed with the county clerks office, how many inmates were held in the county jail, how many public requests for information were responded to, and how many children and senior citizens received county services last year
- School Involvement: plan visits to various schools by elected county officials; plan a career day at local high schools; select a high school student to be "county official" for the day; promote a contest
- Media Coverage: keep the media updated; prepare news advisories and news releases; plan activities that have news value; ask newspapers to list a schedule of that week's upcoming events; ask television and radio stations to run public service announcements; use local cable to get the message out about your county's accomplishments and National County Government Month

County Supervisors Association of Arizona

1905 W. Washington St., Ste. 100, Phoenix, AZ 85009
(602) 252-5521 fax: (602) 253-3227

COUNTY SUPERVISORS ASSOCIATION
LEGISLATIVE POLICY COMMITTEE
AGENDA
February 25, 2011
Teleconference 1-866-228-9900
Access Code 326208#
Web link
County Supervisors Association
1905 W. Washington St.
Phoenix, AZ

10:00 a.m. Call to Order ~ *President David Tenney*

A) State Budget Update

B) Legislative Bills for Discussion and Consideration
1) SB 1609 retirement systems; plan design (*Yarbrough*)
2) HB 2726 public retirement systems; plan design (*Adams*)
3) SB 1307 public right-of-way; political signs (*Allen*)
4) SB 1490 food service workers; authorized presence (*Gould*)
5) SB 1278 county assessors; permanent retrieval fund (*Allen*)

C) Update of CSA-sponsored Bills
1) HB 2197 charter schools; age restricted communities (*Lesko*)
SB 1174 charter schools; age restricted communities (*Crandall*)
2) HB 2231 public defenders; probate court; reimbursement (*Goodale*)
HB 2372 conservatorships; guardianships; county reimbursement (*Ash*)
3) HB 2236 political subdivisions; sharing revenue information (*Goodale*)
4) HB 2285 inmate credit; imprisonment; fine reduction (*McLain*)
5) HB 2318 transportation authorities; regional and public (*Jones*)
6) HB 2319 counties; primitive roads; maintenance (*Jones*)
7) SB 1186 2011 tax correction act (*Yarbrough*)
8) SB 1278 county assessor; permanent retrieval fund (*Allen*) (*Co-sponsored with AACo*)
9) SB 1362 flood control structures (*Antenori*)
10) SB 1427 flood control dist; construction projects (*Nelson*)
11) SB 1428 counties; employment of contractors; bids (*Nelson*)

D) Other Business

E) Next Meeting Date and Time (*Friday, March 11, 10:00 a.m.*)

F) Adjourn

LPC Bills for Consideration

CSA Legislative Policy Committee Meeting

February 25, 2011 (9:00 a.m.)

Bill Number	Short Title	Description	Comment
		Legislative Bills for Discussion	
SB 1609	RETIREMENT SYSTEMS; PLANS; PLAN DESIGN (YARBROUGH)	Makes various changes in retirement plans to reduce costs to employers and to the plans. For the Elected Officials Retirement Plan (EORP) many of the changes take effect for any person elected, re-elected or retained on or after Jan 1, 2012. All members of EORP and PSPRS must make contributions to their retirement plan according to a schedule established in this act. An alternate contribution rate is established for retired members of any of the plans who return to work. Permanent increases in retirement benefits are limited. Much more. Severability. Some provisions are effective retroactive to June 29 or June 30, 2011.	Amended by Senate Finance
HB 2726	RETIREMENT SYSTEMS; PLAN DESIGN (ADAMS)	Various changes to the plan design of all four state retirement systems, including: changing eligibility criteria for normal retirement; repealing COLAs; eliminating early retirement and reducing retirement calculators for members of the Elected Officials Retirement System (EORP); eliminating the Deferred Retirement Option Plan election and increasing member contributions for members of the Public Safety Personnel Retirement System (PSPRS); eliminating refunds of contributions made by members of EORP, PSPRS and the Corrections Officers Retirement Plan (CORP) who terminate after completing five but before ten years of service. The salary on which the retirement benefit is based for members of EORP, PSPRS and CORP is changed to the highest average salary during a five-year period (currently, during a three-year period). Many changes are retroactive to July 1, 2011, and thus are effective for new hires as of that date.	Passed by House Employment and Regulatory Affairs
SB 1307	PUBLIC RIGHT-OF-WAY; POLITICAL SIGNS (ALLEN)	For a period beginning 60 days before a primary election and ending 15 days following the general election, governmental jurisdictions cannot remove, alter or cover a political sign placed in a public right-of-way owned or controlled by the jurisdiction, unless the sign is placed in a location that is hazardous to public safety, obstructs clear vision in the area, interferes with the requirements of the Americans with Disabilities Act, or is larger than 16 square feet.	Passed by Senate Judiciary, Rules

SB 1490	FOOD SERVICE WORKERS; AUTHORIZED PRESENCE (GOULD)	Counties are prohibited from issuing a food service worker card to an individual who does not provide documentation of citizenship or alien status.	Passed by Senate Rules, on Senate Consent Calendar
SB 1278	COUNTY ASSESORS; PERMANENT RETRIEVAL FUND (ALLEN)	Eliminates the termination date of December 31, 2011, for the county assessor's property information storage and retrieval conversion and maintenance fund. Counties with less than 750,000 persons are authorized to establish the fund (increased from counties with less than 500,000 persons).	Retained on Senate COW Calendar

CSA Legislative Agenda			
HB 2197	CHARTER SCHOOLS; AGE RESTRICTED COMMUNITIES (Lesko)	The statute governing the placement of charter schools is amended to prohibit a charter school from being located in a age restricted community in an unorganized territory. Emergency clause.	Assigned to Senate Education
HB 2231	PUBLIC DEFENDERS; PROBATE COURT; REIMBURSEMENT (Goodale)	If a court appoints a public defender, investigator, physician, psychologist or nurse to provide services for an incapacitated person who dies, the county is authorized to make a charge for reasonable compensation against the estate of the deceased. Reimbursed monies are to be deposited in the same fund from which the expenditure was made.	Held by Sponsor
HB 2372	CONSERVATORSHIPS; GUARDIANSHIPS; COUNTY REIMBURSEMENT (Ash)	If a county pays for specified services for conservatorships or guardianships from the county general fund, the county is authorized to charge the estate for reasonable compensation.	Passed by House Banking and Insurance, Rules
HB 2236	POLITICAL SUBDIVISIONS; SHARING REVENUE INFORMATION (Goodale)	The Dept of Revenue's liability setoff program can be used to satisfy taxpayer debts to political subdivisions. The department is authorized to provide information on an individual's reported income to a county, municipality, or state agency for the purpose of determining eligibility for a program or benefit.	Passed by House Ways and Means, Caucus and Rules
HB 2285	INMATE CREDIT; IMPRISONMENT; FINE REDUCTION (McLain)	A person imprisoned for nonpayment of a fine may receive credit toward payment of up to $60, increased from $10, for each day of imprisonment.	Assigned to House Military Affairs and Public Safety
HB 2318	TRANSPORTATION AUTHORITIES; REGIONAL & PUBLIC	Community college districts and Indian nations may become members of intergovernmental public transportation authorities. Modifies the definition of county for the purposes of regional transportation authorities to eliminate	Passed by House Transportation

	(Jones)	language requiring a minimum population of 200,000 persons.	
HB 2319	COUNTIES; PRIMITIVE ROADS; MAINTENANCE (Jones)	County boards of supervisors may spend public monies for maintenance of public roads and streets that have been designated as primitive roads (defined elsewhere in statute). Effective October 1, 2011.	Passed by House Transportation
SB 1174	CHARTER SCHOOLS; AGE RESTRICTED COMMUNITIES (Crandall)	Charter schools cannot be established or operated in an age restricted community located in unorganized territory. Emergency clause.	Passed by Senate Education, Rules, Caucus
SB 1186	2011 TAX CORRECTION ACT (Yarbrough)	Clarifies that confidential information relating to any tax collected by the Department of Revenue (DOR) on behalf of a county may be shared with that county.	Passed by House Ways and Means
SB 1278	COUNTY ASSESSOR; PERMANENT RETRIEVAL FUND (Allen)	Eliminates the termination date of December 31, 2011, for the county assessor's property information storage and retrieval conversion and maintenance fund. Counties with less than 750,000 persons are authorized to establish the fund (increased from counties with less than 500,000 persons).	Passed by Senate Finance, Rules, Caucus
SB 1362	FLOOD CONTROL STRUCTURES (Antenori)	In a county with a population of less than 3 million persons (all but Maricopa), county flood control districts are authorized to construct, maintain and operate bridges over watercourses that are impassable to emergency vehicle traffic for 14 or more days per year.	Passed by Senate Water, Land Use and Rural Development, Caucus, Rules
SB 1427	FLOOD CONTROL DIST; CONTRUCTION PROJECTS (Nelson)	In counties with a population of 250,000 or less, regular county employees are authorized to undertake construction projects with an estimated cost of up to $250,000.	Referred to Senate Water, Land Use and Rural Development
SB 1428	COUNTIES; EMPLOYMENT OF CONTRACTORS; BIDS (Nelson)	In counties with a population of 250,000 or less, regular county employees are authorized to construct certain public works without advertising for bids, if the total cost of the work does not exceed $250,000 in FY2011-2012, adjusted annually each FY by the change in the GDP price deflator.	Referred to Senate Government Reform

From: Anabel Abarca [mailto:anabela@countysupervisors.org]
Sent: Wednesday, February 16, 2011 5:30 PM
To:
Subject: HHS Secretary Kathleen Sebelius Responds To Governor Brewer Waiver Request

Supervisors and Professional Staff,

In 2000, voters approved a ballot measure known as Proposition 204, which expanded coverage for people who earn up to 100 percent of the federal poverty level. The proposition allows the state to use "available funds" and tobacco company settlement money to pay for the coverage. Governor Brewer has repeatedly stated that the state cannot afford the coverage due to the budget deficit. In early February of this year, Governor Brewer requested a waiver from the Department of Health and Human Services to drop coverage for 250,000 Arizona citizens from the Arizona Health Care Cost Containment System (AHCCCS) in an effort reduce an estimated $1.2 billion budget deficit.

This week, U.S. Health and Human Services Secretary Kathleen Sebelius responded to Governor Brewer's request for the waiver. The letter, which details several options for reducing AHCCCS costs, informs the state that eliminating this coverage would not constitute a violation of "maintenance-of-effort" agreements with the federal government.

Previously, it was thought that dropping coverage for this group would have violated this agreement and caused the state to lose all matching funds from the federal government for AHCCCS. According to the letter, the agreement, which ends on September 30, 2011, does not need to be renewed and a waiver is not needed. At this time, it is not clear if cutting this funding will violate Proposition 204. Lawsuits from groups and individuals could still be filed against the state to require the state to maintain coverage.

CSA will continue to monitor and update as more information is available. Should you have any questions, please do not hesitate to contact us.
For more information, see article below.

Anabel

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Sebelius: Arizona doesn't need waiver to cut 250,000 people from AHCCCS

By Jeremy Duda- *Arizona Capitol Times*

Published: February 15, 2011 at 7:14 pm

Arizona officials who spent nearly a year railing against the federal government for not allowing the state to cut its Medicaid rolls got some startling news Tuesday: Federal permission isn't necessary for the state to drop 250,000 people from the Arizona Health Care Cost Containment System.

In a letter to Gov. Jan Brewer on Tuesday, U.S. Health and Human Services Secretary Kathleen Sebelius said Arizona could simply choose to not renew the agreement under which the feds provide matching funds for 250,000 childless adults in the system, known by the initials AHCCCS. The end of the agreement would effectively allow Arizona to drop those patients from AHCCCS on Sept. 30, when the agreement expires.

However, the news from the federal government does not mean Arizona has a clear path to cut patients from the program. A lawsuit probably will follow any attempt to make such cuts.

In her letter, Sebelius said the cuts would not violate the maintenance-of-effort provision in the Patient Protection and Affordable Care Act, the landmark health care law passed by Congress in 2010, which prohibits states from reducing Medicaid eligibility.

The revelation comes as Brewer was awaiting word from HHS on whether Sebelius would approve the state's request for a waiver to allow the state to drop 280,000 people from AHCCCS. Brewer's budget plan includes a $541 million cut from dropping the AHCCCS patients starting on Oct. 1.

But because Arizona is operating under a waiver that began when voters approved Proposition 204 in 2000, the state does not need a waiver to drop most of those people from AHCCCS. The ballot measure expanded AHCCCS coverage to include all childless adults who make up to 100 percent of the federal poverty level.

"I do want to make you aware that the (maintenance-of-effort) provision in the Affordable Care Act does not require Arizona to renew its demonstration as is, beyond its expiration date on Sept. 30, 2011," Sebelius wrote. "Any reduction in eligibility associated with the expiration of your demonstration … would not constitute an MOE violation."

In a press release, Brewer called the letter "an encouraging development" for the state as it seeks flexibility from the Affordable Care Act.

"Secretary Sebelius' letter clearly indicates that Arizona may take the steps it requires to manage its Medicaid program and balance its budget without violating MOE requirements," Brewer said. "I appreciate the timeliness of the secretary's correspondence, as well as her pledge for continued cooperation as Arizona seeks the best means to serve its citizens while meeting its fiscal obligations. I look forward to meeting with Secretary Sebelius in the near future."

It was not clear why state officials did not realize earlier that a waiver was unnecessary, nor why HHS did not inform the state sooner that the waiver was unnecessary. Brewer submitted her waiver request to HHS on Jan. 25, but she and lawmakers had sought to cut AHCCCS for nearly a year. The budget passed by the Legislature and signed by Brewer in March 2010 cut about 310,000 people from AHCCCS, but the cuts were restored when Congress approved additional temporary funding for state Medicaid programs.

"Our Medicaid folks are aware that this provision was going to expire. But obviously we applied for the waiver request thinking that would be necessary," Brewer spokesman Matthew Benson said.

Sebelius wrote the letter in response to a letter Brewer sent her on Feb. 3. In that letter, Brewer complained that Sebelius' recent suggestions for how states could cut Medicaid costs provided few opportunities for Arizona, which she said had already used every method Sebelius suggested.

Under guidelines set by HHS and the Centers for Medicare and Medicaid Services, Arizona still must establish a phase-out plan in which it provides for people who would face immediate harm from the loss of their coverage. The state must also determine whether the people being cut from AHCCCS are still otherwise eligible for Medicaid coverage.

Arizona will be permitted to cut only 250,000 of the 280,000 people Brewer sought to remove from the AHCCCS. The state will still be required to cover 30,000 parents of children who are on AHCCCS.

Benson did not say whether Brewer would still seek to drop the 30,000 parents from AHCCCS coverage.

"We're going to continue studying this letter and what it means for the state," Benson said. "There are a lot of things yet to be determined."

And when the full Affordable Care Act goes into effect in 2014, Arizona will be required to provide coverage once again to the 250,000 AHCCCS patients who are likely to be cut. The health care act requires all state Medicaid programs to cover anyone who earns up to 133 percent of the federal poverty level.

The state may have a green light from HHS, but it likely will have a court battle on its hands over whether the proposed cuts violate Proposition 204. The ballot measure required the state to cover all people who earn up to 100 percent of the federal poverty level using money from a settlement with tobacco companies and other "available funds."

Brewer and Republican lawmakers argue that no funds are available due to the budget deficit, which is estimated to be $1.2 billion in the fiscal year 2012, and that the state is therefore permitted under Proposition 204 to drop patients from AHCCCS.

“That has been our position,” Benson said.

Sebelius also offered HHS’s assistance in establishing a provider tax on hospitals to help fund Arizona’s Medicaid program. The Arizona Hospital and Healthcare Association was long resistant to the idea, but recently came out in support of a tax to prevent deep cuts to AHCCCS.

“We are also available to work with you on the possibility of adopting a provider fee, as we have done with several other states,” Sebelius wrote. “I realize that the (hospital) association’s proposal is in an early stage, but I want to assure you that the full resources of our department are available to you as you and the association work to structure this fee in a fiscally responsible and permissible manner.”

THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

February 15, 2011

The Honorable Janice Brewer
Governor of Arizona
Phoenix, AZ 85007

Dear Governor Brewer:

Thank you for responding to the February 3, 2011 letter I sent to the nation's governors outlining the commitment of the Department of Health and Human Services (HHS) to partner with states as they confront very difficult fiscal circumstances. I welcome your commitment to work together to help achieve both short-term savings and the long-term sustainability of the Medicaid program while also ensuring high-quality care to the people of Arizona. And I look forward to speaking with you personally to address these and other issues.

Over the recent months, HHS has worked to provide the State of Arizona with flexibility in administering and reducing the costs of your Medicaid and Children's Health Insurance (CHIP) programs. In the past twelve months, the Centers for Medicare & Medicaid Services (CMS) has approved five amendment requests to Arizona's section 1115 Medicaid demonstration and eight state plan amendments, including:

- Eliminating or limiting the following optional Medicaid state plan benefits for adults:
  - Eliminating dental services including preventive dental care, restorations including crowns and fillings, extractions, pulpotomies, root canals and dentures;
  - Eliminating podiatrist services;
  - Eliminating coverage of transplants including pancreas-only transplants; pancreas after kidney transplants; lung transplants; Allogeneic unrelated hemopoetic stem cell transplants; heart transplants for non-ischemic cardiomyopathy, liver transplants for diagnosis of Hepatitis C, and transplants of the intestines;
  - Limiting well visits and physical exams;
  - Limiting prosthetics and orthotics coverage;
  - Limiting dental services prior to organ transplantation and treatment of certain cancers;
  - Limiting hospice services; and
  - Limiting outpatient occupational and speech therapy.

- Revising the Graduate and Indirect Medical Education pool amounts and financing;
- Permitting inpatient and outpatient hospital reimbursement rate freezes;
- Including Community Transition Services as a Home and Community Based Service under the Arizona Long Term Care System;
- Updating the Disproportionate Share Hospital (DSH) protocol to reflect the DSH pool funding amount for FY 2010;

- Aligning the State's section 1115 demonstration benefits with the benefits defined in the Medicaid state plan;
- Allowing the State to directly reimburse the Indian Health Service and 638 facilities; and
- Changing state procedure to allow the Arizona Health Care Cost Containment System to contract directly with a health plan to provide program oversight.

In addition, in May of last year we advised the State that because its CHIP eligibility freeze was in effect as of the date of enactment of the Affordable Care Act, that freeze did not constitute a violation of the Act's maintenance of effort (MOE) requirements. The State has accordingly stopped enrolling children in its CHIP program.

You inquired about denials of Arizona's requests to charge a fee for missed appointments and to terminate coverage of transportation services. I have asked my staff to review these decisions and explore options and alternatives that comply with the law and meet our shared goals.

As I wrote in my February 3 letter, I am committed to working with every state to explore all possible efficiencies in the Medicaid program. You rightly point out in your letter that Arizona is a leader, particularly with respect to its managed care initiatives.

At the same time, there are many ways we can all be pushing ahead to improve the way health care is delivered and financed in this country. For example, like many other states, Arizona has separate systems for providing physical and mental health care. Integrating care has been shown to improve health outcomes and lower costs for this particularly costly group of individuals. The health care costs of people who have even common chronic conditions such as asthma and hypertension in addition to mental illness can be 50 to 75 percent higher than they are for comparable patients with the chronic physical condition alone. The Affordable Care Act provides a temporary 90 percent matching rate to pay for care coordination services for people with multiple chronic conditions. We are eager to help you consider whether this two-year boost in federal payments could relieve Arizona of some costs it is now bearing at a lower matching rate while helping you to establish stronger care models that further reduce costs over the long term.

We are also available to work with you on the possibility of adopting a provider fee, as we have done with several other states. I am aware that the Arizona Hospital and Healthcare Association has recently come forward with a proposal to help the state finance at least some of its shortfall through such a fee. Your waiver request to me specifically mentioned that despite your efforts, such a proposal had not materialized. I realize that the Association's proposal is in an early stage, but I want to assure you that the full resources of our Department are available to you as you and the Association work to structure this fee in a fiscally responsible and permissible manner to help sustain program coverage in difficult economic times.

Finally, I am aware of Arizona's recent request that I use my section 1115 demonstration authority to waive the maintenance of effort requirement in the Affordable Care Act. Since the waiver request was submitted on January 25, CMS leadership has met twice with your staff with respect to the waiver; we very much appreciate your staff's thorough presentations and willingness to quickly provide us with answers to the questions we have posed. We will continue to work with your staff as we consider your proposal and our legal options.

However, I do want to make you aware that the MOE provision in the Affordable Care Act does not require Arizona to renew its demonstration as is, beyond its expiration date of September 30, 2011. Waivers are time-limited commitments – both for a state and for HHS – and neither the Affordable Care Act nor Medicaid law or regulations prior to its enactment require a state to renew a demonstration beyond its expiration. Arizona may choose to terminate its current demonstration on September 30, 2011 and either not pursue a new demonstration or pursue a different demonstration. Any reduction in eligibility associated with the expiration of your demonstration for individuals whose eligibility derives from the demonstration (for example, the childless adult population) would not constitute an MOE violation.

CMS will follow up with your staff to walk through how the expiration of your existing waiver would affect the action you are seeking to take with respect to the temporary rollback of eligibility for various groups of individuals now covered in your program. Should the State elect to let the existing demonstration expire, Arizona would be required, in accordance with its current terms and conditions, to submit a demonstration phase-out plan to HHS by March 31, 2011, to ensure that the adverse impact on beneficiaries is minimized.

Please be assured that I am committed to continuing to work in partnership with you to address the State's fiscal challenges as well as the health coverage needs of Arizona's residents. I look forward to working with you in the days and weeks ahead.

Sincerely,

Kathleen Sebelius

Kathleen Sebelius

cc: Cindy Mann, CMCS
Victoria Wachino, CMCS
Gloria Nagle, ARA, San Francisco Regional Office

Leave the counties alone

Feb. 23, 2011 12:00 AM

The Arizona Republic

The economy used to be the biggest threat to county budgets. Now, it's the Legislature.

Lawmakers are looking at the legal equivalent of an improvised explosive device - a bill that could explode a hole into county budgets.

Senate Bill 1411 would strip away much of county supervisors' authority over the budgets of elected officials. The bill would force Arizona's largest counties to give a lump sum to sheriffs and other elected officials.

This is bad policy and bad finance.

Supervisors would have virtually no say over how money is spent in some of their biggest departments, including the offices of the sheriff, county attorney, assessor and recorder.

In Maricopa County, at least a quarter of the budget would be removed from the Board of Supervisors' oversight. But supervisors would still have the financial responsibility to deal with any problems or shortfalls.

You, the taxpayer would be stuck with the bill. Here are just a few of the ways the measure could wreak expensive havoc in Maricopa, Pima and Pinal counties, which face the most radical changes:

- **Contracts.** Elected officials could unilaterally put the county on the hook for vehicles, technology and other goods and services without having to be sure that the long-term funding was available. Maricopa County Manager David Smith gives the example of a $135 million radio system for the Sheriff's Office, a current project. Suppose a sheriff signed a contract for such a system despite having no money for it. In a breach-of-contract case, a judge could order the supervisors to pay up, triggering a 35-cent increase in the secondary property-tax rate (which is currently zero in Maricopa County because it has no bonded indebtedness).

- **Inefficiency.** If each department does its own procurement, economies of scale are lost.

- **Confusion.** SB 1411 would add justices of the peace to the definition of "elected county officers" in state law. Each one could theoretically demand a lump sum. The bill also has a vague clause that allows a county's JPs to vote on managing their resources systemwide. Either way, this needlessly fragments a county's budget for courts.

In these cash-strapped times, it's not surprising that some elected county officials have battled with some county boards over their budgets.

Sheriff Joe Arpaio has had epic run-ins with Maricopa County supervisors. Sheriff Paul Babeu wants Pinal County to stop meddling with his fleet choices, while the county maintains he bought cars for administrative use with money that was supposed to replace aging patrol vehicles.

These are local issues that should be solved at the local level.

Just ask the officials themselves. The Arizona Association of Counties, which represents all elected positions at the county level, opposes SB 1411.

Frankly, it's scary to see legislators trying to overhaul local finances. They haven't been able to the state on a sound footing, while the counties have managed to stay afloat through the financial crisis.

Lawmakers should not blow up supervisors' ability to control spending.

State of Arizona

Janice K. Brewer
Governor

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FOR IMMEDIATE RELEASE
February 14, 2011

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Governor Jan Brewer Announces Historic Economic Competitiveness Package

Legislation to help re-establish Arizona as a national economic leader

PHOENIX – Governor Jan Brewer today called the Legislature into Special Session for the consideration of a comprehensive plan to put Arizona back to work. Known as the Arizona Competitiveness Package, the proposal includes a mix of targeted business incentives and broad tax reforms designed to rev the Arizona economy.

"The Competitiveness Package will make Arizona a magnet for business expansion, relocation, capital formation and investment," said Governor Brewer. "This is our roadmap for future economic growth."

Improving Arizona's competitiveness in the global marketplace is the first of the governor's Four Cornerstones of Reform that she unveiled earlier this year. The centerpiece of the plan is her creation of an Arizona Commerce Authority. Replacing the Arizona Commerce Department and its hodge-podge of more than 50 mandates and responsibilities, the Commerce Authority will have a single focus: the retention and recruitment of quality jobs for Arizona.

The Commerce Authority will be overseen by a public-private board comprised of Arizona leaders in business and policy. Designed to be nimble and flexible in responding to economic opportunities, the board will be armed with a $25 million deal-closing fund to help land some of the nation's most highly-sought corporations and business ventures for Arizona. No dollars will be awarded prior to performance, and "claw-back provisions" and an independent, 3rd-party economic analysis will ensure that companies awarded public funds meet their promised obligations.

"This package of tax reforms and targeted investments will give Arizona the tools it needs to compete for economic development on the global stage," said Don Cardon, president and CEO of the Arizona Commerce Authority. "Arizona can't afford to wait for economic growth. We're going to aggressively pursue quality jobs and stable industries that will become the bedrock of this state's economic future."

The Arizona Competitiveness Package is focused on both urban and rural job creation, and is intended to make this state a destination for business growth and development. Specific aspects of the plan include:

- The creation of a Quality Jobs Program, with corporate tax credits of up to $9,000 for each qualifying new job. ($3,000 per job, per year, with a 400-job cap)

- An increase in the electable state corporate income-tax sales factor to 100 percent, up from the current 80 percent. This will encourage firms to establish headquarters and manufacturing centers in Arizona.
- Re-authorization of the Arizona Job Training Program, providing job-specific, reimbursable grants to train employees for new careers.
- A four-year, phased-in reduction of the state's corporate income tax to 4.9 percent, beginning in January 2014. This will give Arizona the nation's fifth most competitive corporate income-tax rate.
- A 10 percent increase in the state's Research & Development tax credit, encouraging further collaboration between Arizona's research universities and the private sector.
- A 5 percent acceleration of the depreciation schedule for business personal property, spurring purchases of new equipment and other capital investments.

The Arizona Competitiveness Package is consistent with Governor Brewer's long-held call for corporate tax relief that would be phased-in after Proposition 100 expires and the state's budget is on firmer footing.

"The development of a stable and growing economy is the key to Arizona's future," she said. "It will provide good jobs for our citizens and revenue for the state programs and services everyone enjoys. I urge legislators to act quickly in enacting these reforms and furthering Arizona's economic recovery."

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Arizona Competitiveness Package

Legislative Agenda:

Repeal the 50+ statutory mandates and functions of the Department of Commerce.
Enact the proposed Competitiveness Package below.

1. Arizona Commerce Authority

Focus: Business attraction, retention and expansion in key base industries: aerospace and defense, renewable energy and science-technology.

Governance: 17 private sector voting members and ex-officio members, including the Senate President and the Speaker of the House.

Funding: Growth in payroll withholdings (not a new tax - utilizing existing withholdings). Annual operations ($10M) and Deal Closing Fund ($25M) will be funded from incremental growth of payroll withholdings.

2. Arizona Competes – Deal Closing Fund

Purpose: Make Arizona competitive to attract global high-impact base industry projects that provide stable, high-wage jobs.

Funds for deal closing would only be utilized in highly competitive situations and only for projects with a substantial economic and fiscal impact to a state and community.

Why: Arizona will join the top-third of states with closing funds. Nineteen states including Texas, Florida, Virginia and North Carolina have aggressive programs. This will replace our inactive Commerce and Economic Development Commission (CEDC) deal closing fund

Safeguards: Funds provided to projects must be **performance-based** and result in a **net benefit** to the state; consistent with the statutory gift clause.

An economic impact analysis by an independent third party will be conducted on all projects to determine potential return on investment benefits to the State.

All funds will be awarded with contractual provisions for performance and “claw-back” of funds for non-performing projects.

3. Arizona Job Training Program

Reauthorize the existing Job Training Program, a job-specific reimbursable grant program that supports the design and delivery of customized training plans for employers creating new jobs or increasing the skill and wage levels of current employees. **This program is recognized as one of the best program models in the nation.**

4. Quality Jobs Tax Credit

Replace Arizona's **expiring** Enterprise Zone Program with a new Quality Jobs Tax Credit for new job creation statewide. This tax credit is performance based on **net new** job creation with discreet eligibility qualifications for urban and rural businesses as follows:

Area	Definition	Minimum # of Net New Jobs and Capital Investment	Qualified job
Metro	Counties with a population of 750,000 or more, excluding municipalities of 50,000 or less	25 Jobs $5M	100% of median county wage and 65% of health insurance costs
Rural	Counties with a population of less than 750,000, and municipalities of less than 50,000 within counties of more than 750,000.	5 Jobs $1M	100% of median county wage and 65% of health insurance costs

Tax credit for each new qualified job created is $3,000 per year for three years and is limited to 400 jobs per employer per year. Credits can be carried forward for five years. The program is capped at 10,000 jobs per year.

Currently, 38 States offer job tax credits. This program will increase Arizona's competitiveness ranking from number 9 to number 3 in the Mountain West.

5. 100% Sales Factor

Three factors are currently employed to determine the percentage of corporate income that is subject to taxation in the state of Arizona – payroll, property value, and sales. Companies may elect to employ the 80% Sales Factor formula, which assigns a higher apportionment to the in-state sales factor to calculate state taxes. This reduces taxes for export based companies, while encouraging capital investment and employment growth.

Under proposed legislation, the electable sales factor for multi state corporations would be **increased incrementally from 80% to 100%** between FY 2015 and FY 2018.

This change would make Arizona one of 18 states that have a 100 percent sales factor. **Our competitiveness ranking will jump from 19 to one of the most competitive nationally**.

6. Corporate Income Tax

Reduce the corporate tax rate from 6.97% to 4.9% between FY 2015 and FY 2018.

This change would improve Arizona's national ranking from 24 to number 5 nationally, and from 6 to number 3 in the Mountain West.

7. Property Tax Reform

1) Enhance accelerated depreciation schedules for personal property by an additional 5% for prospective acquisitions of commercial personal property initially placed on the tax rolls on or after 2012.

2) Increase the exemption on personal property using the Employment Cost Index.

3) Reduce the business property tax (class 1) assessment ratio incrementally from 20% to 18% by 2016.

4) Reduce the agricultural (class 2) assessment ratio from 16% to 15% in 2016.

5) Adjust the homeowner rebate to offset the impact on owner-occupied homes (class 3) and reform the homeowner rebate process to ensure that class 3 includes only primary residences.

8. Small Business Capital Investment/Capital Gains

This program encourages investors to investment in Arizona small businesses. The proposed legislation would extend this program for five more years and will include the following:

- **Eliminate** capital gains tax on income derived from investments in qualified small businesses, as certified by the Arizona Commerce Authority.
- **Expand** eligibility criteria to increase the number of qualified small businesses.

This unique program advances Arizona's competitive position in encouraging small business growth.

9. R&D Tax Credit

The state currently provides a tax credit for investments in research and development in excess of expenditures from the previous year. The existing program provides a state tax credit between 15% and 24% of qualified R&D expenses, depending on the level of the increase.

Proposed legislation would enhance the tax credit by 10% if increased R&D expenditures were made in cooperation with an Arizona university. The enhancement to the program is capped at $10 million in tax credits per year, which would represent an increase in $100 million of research conducted in partnership with our public universities.

Arizona would be among the top three states with tax credits to encourage such private sector/public research university collaboration.

Janice K. Brewer
Governor

Office of the Governor

PROCLAMATION
by the
GOVERNOR OF THE STATE OF ARIZONA
Calling a Second Special Session
of the Fiftieth Legislature of the State of Arizona

By the power vested in me by the Arizona Constitution, Article IV, Part 2, Section 3, and Article V, Section 4, respectively, I, Janice K. Brewer, Governor of the State of Arizona, call the 50th Legislature to meet in a second special session at the Capitol on the 14th Day of February, 2011, at 1:45 p.m.

The subject to be considered at the Special Session shall be legislation to make Arizona more economically competitive with other states and stimulate quality job creation in Arizona as follows:

1. Create a modernized state economic development model by replacing the Arizona Department of Commerce with the Arizona Commerce Authority to include a private sector-dominated board, competitive deal closing fund and other organizational changes.

2. Enact the following reforms to take effect in the nearer-term: (a) establishing a quality jobs income tax credit program, (b) reauthorizing the current job training program, (c) enhancing the current research and development tax credit to encourage cooperation between the private sector and public universities, (d) reauthorizing and reforming the current small business capital investment program, (e) increasing the exemption threshold for the commercial personal property tax; and (f) accelerating the depreciation of new commercial personal property.

3. Reform our state tax structure over the longer-term by phasing-in the following changes: (a) lowering the state corporate income tax rate to 4.9 percent, (b) increasing the electable state corporate income tax sales factor for multi-state corporations from the current eighty percent to one hundred percent, and (c) lowering the commercial and agricultural property tax assessment ratios and correspondingly increasing and reforming the rebate on owner-occupied residences to compensate homeowners for the impact of these assessment ratio changes.

IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the State of Arizona.

Janice K. Brewer
GOVERNOR

DONE at the Capitol in Phoenix on this 14th day of February in the year Two Thousand Eleven and of the Independence of the United States of America the Two Hundred and Thirty-Fifth.

ATTEST:

Ken Bennett
SECRETARY OF STATE