



County Supervisors Association



**53rd Legislature, First Regular Session:
Briefing to Cochise County**

September 12, 2017

County Supervisors Association



CSA's Purpose:

- *CSA is a non-partisan forum for Arizona's 61 county supervisors to address important issues facing local constituents, providing a mechanism to share information, and to advance a proactive state and federal policy agenda.*

Core Goals:

- *Protect and enhance county authorities and resources in order to promote efficient, responsive constituent services.*
- *Develop and disseminate information to assist state and local decision-making.*

Intergovernmental Engagement



U.S. Executive,
Congressional & Federal
Agencies



State Legislature



The Executive &
State Agencies



**County Supervisors
Managers/Administrators
Professional Staff**

Other County
Elected Officials



The Courts



Annual Report FY17-18



County Supervisors Association of Arizona
FY 16-17 Association Report

County Supervisors Association of Arizona
FY 2016-17 Annual Report

12th CSA Legisla
• 21 proposa
• 7 CSA bills i
• 4 financial

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CSA's PURPOSE
The CSA is a non-partisan forum for Arizona's 61 county supervisors to address important issues facing local constituents, to provide a mechanism to share information, and to advance a proactive state and federal policy agenda.

EXECUTIVE COMMITTEE MEMBERSHIP

Hon. Tommie Martin, Gila County
President

Hon. Anthony Smith, Pinal County
President Elect

Hon. Russell McCloud, Yuma County
First Vice President

Hon. Rudy Molera, Santa Cruz County
Second Vice President

Hon. Steve Gallardo, Maricopa County
Third Vice President

CSA PROFESSIONAL STAFF

Craig A. Sullivan, Executive Director

Penny Adams, Director of Finance & County Services

Kristin Cipolla, Senior Legislative Liaison

Brandon Nee, Budget & Policy Analyst

Yvonne M. Ortega, Executive Assistant & Special Projects

Angela Ruffalo, Intern

CORE GOALS

- Protect and enhance county authorities an in order to promote efficient, responsive services.
- Develop and disseminate information to ass local decision-making.

CORE CAPABILITIES

CSA capabilities leveraged by:

- County Supervisors
- County Managers
- Legislative Affairs Staff
- Technical Experts
- Affiliate Organizations

STRATEGIES

- Advance a proactive policy agenda
- Leverage statewide county supervisor lobby
- Develop legislative champions statewide
- Support membership via outreach and support
- Identify, prioritize and develop information assist state and local decision-making
- Retain and develop a talented, knowledgeable
- Maintain a fiscally efficient, service-oriented

- Advocacy & Policy Development
- Federal Advocacy & Policy Development
- Research & Information Products
- Media, Communication & Outreach
- NACo Engagement
- Informing County Leaders



Legislative Report



Getting the Message Out



- Counties mobilize to communicate priorities
- Ongoing conversations with lawmakers (bipartisan, rural caucus)
- Engaged appropriators, including subcommittees



County Supervisors Association 2017 Budget Priorities

The following priorities will provide meaningful relief to all counties and promote good and proper stewardship of taxpayer resources.

- Eliminate State Mandate for Counties to Fund ADIC & Reform Arizona Juvenile Justice System**
 - In 2015 the state shifted 25% of Arizona Department of Juvenile Corrections (ADIC) costs to 15 counties costing \$2.2 million.
 - In 2016 the state kept the 25% county payment, but gave a one-time \$8 million appropriation to mitigate these costs, leaving counties \$3.2 million.
 - Counties already pay millions locally for juvenile detention and court costs.
 - More than 80% of juvenile referrals are treated locally and just 1.7% go to ADIC.
 - Eliminate the county cost shift of ADIC.
- Eliminate Shifts of HURF Funds**
 - Since 2009, \$140.4 million of county MRF Revenue Funds (MRF) has been diverted to state obligations.
 - In 2016 counties received a one-time \$5 million MRF restoration.
 - Counties are being told permanent disbursements of MRF resources for purposes of activities.
 - In addition to restoring MRF, counties legislative action to identify and enact enhancements for the MRF distribution.



Counties to state: Pay us back now

Funding sweeps depleted coffers amid recession

REBEKAH L. SANDERS
THE REPUBLIC | AZCENTRAL.COM

County officials across the state are waiting anxiously for the Arizona Legislature to deliver

Sup. Jack R. Smith @JackSmithAZ

Following

Testifying in the Land, Agriculture and Rural Affairs Committee And in support of funding of Lottery revenue for Maricopa County.



County Supervisors Association

FY2018 COUNTY BUDGET PRIORITIES

	ADIC COST SHIFT	HURF FUND REVENUE LOSS (BASELINE)	IN DEBITORY APPROPRIATION
ARIZONA	275,384	275,384	BASELINE
COCHISE	282,379	32,046	BASELINE
COCONINO	286,792	380,884	BASELINE
GILA	84,415	148,884	BASELINE
GRANMA	65,586	76,792	BASELINE
GREENLEE	14,862	16,525	BASELINE
LA PAZ	36,093	158,999	BASELINE
MARICOPA	6,724,128	4,177,246	\$50,000
MARSHAVE	352,862	69,506	\$50,000
NAVARO	189,279	328,567	BASELINE
PINAL	1,726,908	1,761,531	\$50,000
PINAL	662,990	793,242	\$50,000
SANTA CRUZ	83,934	137,750	BASELINE
YAVAPAI	371,750	466,799	\$50,000
TOTAL	364,830	618,897	BASELINE
TOTAL	\$11,260,000	\$9,969,300	\$1,650,150



House Appropriations Subcommittee on Health

County Supervisors Association

FY2018 COUNTY BUDGET PRIORITIES

- Eliminate mandate to fund ADIC - \$11.3M
- Continue county HURF revenue restoration - \$10M
- Provide \$1.65M additional in-lieu lottery revenue for Mohave, Pinal and Yavapai (10 small counties are included in the Baseline)
- Oppose diverting \$6.5M of local government TPT shared revenue for University Capital Investment

NEXT

House Appropriations Subcommittee on Public Safety Infrastructure and Resources

State Budget: County Results



ADJC: Maintains county payment of \$11.26 million for the cost of Arizona Department of Juvenile Corrections (ADJC); however the budget includes a one-time appropriation of **\$8 million** to the Arizona Department of Administration to partially reimburse counties for ADJC costs in FY2018. County impact is **\$3.26 million**.

Lottery: Appropriates **\$7.2 million** to Arizona Department of Administration to distribute to 13 counties under 900,000 persons in lieu of county lottery revenue.

HURF: Provides an ongoing appropriation of **\$30 million** for the Highway User Revenue Fund (HURF), of which, **\$10 million** will be allocated to counties.

Flexibility Language: Allows counties under 250,000 persons to use any source of county revenue to meet any county fiscal obligation up to **\$1.25 million**.

University Bonding: No county impact

CSA Priorities: Results by County



County	FY2018 Maintained In-Lieu Lottery	FY2018 Net New Relief
Apache	\$ 550,050	\$ 362,513
Cochise	\$ 550,050	\$ 487,046
Coconino	\$ 550,050	\$ 559,144
Gila	\$ 550,050	\$ 215,944
Graham	\$ 550,050	\$ 143,308
Greenlee	\$ 550,050	\$ 47,025
La Paz	\$ 550,050	\$ 184,699
Maricopa	\$ 0	\$ 8,950,566
Mohave	\$ 0	\$ 1,294,118
Navajo	\$ 550,050	\$ 463,067
Pima	\$ 0	\$ 2,968,414
Pinal	\$ 0	\$ 1,801,892
Santa Cruz	\$ 550,050	\$ 197,050
Yavapai	\$ 0	\$ 1,280,856
Yuma	\$ 550,050	\$ 663,807
Total*		\$ 19,619,450

Flexibility Language

Any Fiscal Obligation

- Counties with fewer than 250,000 persons may meet any county fiscal obligation up to \$1.25 million

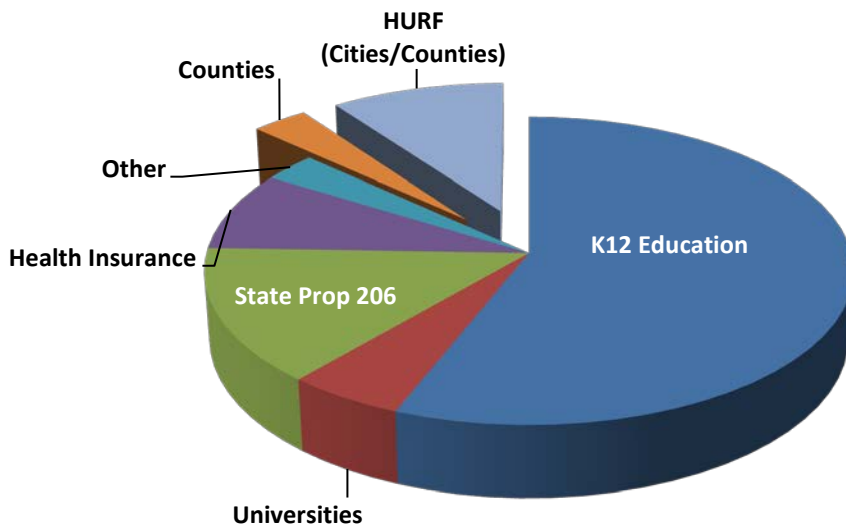
Linked to Shifts

- SVP payments
- RTC payments
- ADJC payments
- ADOR payments

State Budget: New Spending



FY2018 New Spend (One-time & Ongoing)



Major Ongoing Items

- \$30 million Local HURF Offset
 - Begins in FY2018
 - Counties receive \$10 million
- \$27 million University Capital Bonding
 - Begins in FY2019
- Teacher Salary Increase over 2 years
 - \$34 million in FY2018
 - \$68 million in FY2019+

State Budget



In Millions*

	FY17	FY18	FY19	FY20
Ongoing Revenues	\$9,377	\$9,676	\$10,028	\$10,464
Ongoing Expenditures	\$9,373	\$9,655	\$9,943	\$10,320
Structural Balance/ (Deficit)^	\$4	\$21	\$85	144
Carry Forward	\$288	\$192	\$123	\$202
Fund Transfers	\$144	\$8		
One-Time Expenditures	\$261	\$162	\$65	\$45
Ending Balance / (Deficit)	\$171	\$38	\$58	\$157

*Figures may not add due to rounding.

^Excludes one-time revenues and expenditures and does not account for \$460M in "rainy day" fund.

Note: All numbers are taken from the JLBC report on the FY 2018 budget as passed by the Legislature.



CSA Supported Legislation & Reactive Advocacy



CSA Legislative Summary:
Accessible online at www.counysupervisors.org

General effective date for bills: August 9, 2017, 90 days after Sine Die.

County Supervisors ASSOCIATION OF ARIZONA

Bill Summaries available at www.asbcg.gov

2017 CSA LEGISLATIVE SUMMARY

General Effective Date: 90 days after Sine Die, August 9, 2017

CSA Financial Priorities

- \$30 million on HURF Restoration (Counties-\$10, \$20,000-\$1.6 M)
- Direct Appropriation
- Provides approx 10% of cost of 25% of the cost of AZ Dept. of Juvenile Corrections
- Provides one-to-one impact to \$3.3

Flexibility Language

- Allow counties resources to m

General Government

- HB2044 mental health
- HB2065 waste tire d
- HB2152 Arizona em
- HB2158 vehicle imp
- HB2264 jail product
- HB2332 labor omni
- HB2367 public debt
- HB2371 oversize co
- HB2472 private post
- SB1201 med exami
- SB1098 electronic m
- SB1152 personal pr
- SB1184 Arizona pro
- SB1211 ADOT omni
- SB1408 counties; m
- SB1413 municipalit
- SB1473 occupatio

Taxation and Public Personnel

- HB2011 bonds; levy
- HB2213 CPLET refo
- HB2288 twin in taxa
- HB2368 agriculture l
- HB2452 bonding; an
- HB2523 spay & neut
- SB1062 property tax
- SB1155 tax authori
- SB1190 public safet
- SB1328 telecomm; t
- SB1378 misused tra

Public Personnel

Enacted by the 53rd Legislature, First Regular Session

County Supervisors ASSOCIATION OF ARIZONA

2017 Session by Numbers



Bills	
Introduced	1,079 bills
<i>County Relevant</i>	<i>423 bills</i>
Passed	353 bills
Signed	342 bills
Ballot Propositions	1 bill
Vetoed	11 bills
Signed Rate	31.69%
<u>122 day Legislative Session, 5 days longer than last year</u>	
117 day session in 2016	
81 day session in 2015	
101 day session in 2014	
151 day session in 2013	

CSA Priorities: Legislation



Enacted into law:

- HB2065 waste tire disposal; continuation (*Coleman*) Ch.192
- HB2407 appropriation; counties; essential services (*Stringer*) *In Budget*

Did not advance through the process:

- HB2230 intergovernmental public transportation auth.; taxation (*Shooter*)
- HB2258 county contributions; hospitalization; medical; repeal (*Thorpe*)
- HB2332 property tax valuation appeals (*Campbell*)
- HCR2011 motor vehicle fuel taxes (*Campbell*)
- SB1406 contributions; committed youth repeal; committee (*Fann*)

[Please note, bills with a chapter number have become law, bills without a chapter number died in the process.](#)

CSA Priorities: Supporting Legislation



Risk Management

- SB1025 public entities; absolute immunity; defenses (*Burges*) Ch. 253
- SB1332 workers' compensation; settlement; travel expenses (*Fann*) Ch. 287
- SB1407 workers' compensation; employee definition; notice (*Fann*)

County & Affiliates

- SB1316 jail districts; maintenance of effort (*S. Allen*) Ch. 181
- SB1328 election proclamation; board clerk (*S. Allen*) Ch. 271

CSA Concerns: Defeated



Select Defeated Bills

- HB2143 public contracts; procurement (*Leach*)
- HB2179 municipalities; counties; intergov. agreements; reqs (*Ugenti-Rita*)
- HB2212 federal financial assistance; reports (*Leach*)
- HB2325 property tax assessment of greenhouses (*Ugenti-Rita*)
- HB2398 invalid annexation; procedure (*Bowers*)
- HB2419 S/E occupational regulation (*Leach*)
- HB2521 TPT reform; contractors (*Cobb*)
- SB1243 misconduct involving weapons; public places (*Kavanagh*)
- SB1329 fire flow requirements; rural applicability (*S. Allen*)
- SB1371 S/E hotel and motel ownership; prohibition (*Peterson*)
- SB1479 mental health treatment; patient transport (*S. Smith*)

CSA Concerns: Amended & Passed



Select Favorably Amended

- HB2365 NOW: wireless facilities; collocation; rights-of-way (*Weninger*) Ch. 124
- HB2477 civil forfeiture; report information; remedies (*E. Farnsworth*) Ch. 149
- SB1214 NOW: cable affiliates; Wi-Fi equipment (*Fann*) Ch. 205
- SB1442 CORP; modifications (*Lesko*) Ch. 163
- SB1480 revisions; community facilities districts (*S. Smith*) Ch. 208

CSA Concerns: Signed



Problematic Bills Signed

- HB2233 NOW: home-based businesses; regulations (*Weninger*) Ch. 228
- HB2406 counties; municipal land acquisition; limitation (*Leach*) Ch. 296
- SB1152 tax authorization; consolidated election dates (*Lesko*) Ch. 332

2017 Summary: By the numbers



- **\$ 19.6 million** in net new financial relief to counties
- **1** CSA bill signed into law
- **1** CSA policy issue inserted in the budget
- **24** bills defeated or amended that would have harmed counties
- **3** bills of concern signed into law



Post Session Work Plan



County Outreach:

- *Local board briefings May through August*
- *Managers meetings in June and August*
- *Discussion of potential initiatives and strategies*
- *Support county education of local lawmakers*

Legislator, Policy Staff & Stakeholder Outreach

- *Major taxpayer outreach*
- *Leadership/Appropriations Chairs/Staff Briefings*
- *JLBC/OSPB briefings*

Interim research and stakeholder processes:

- *Department of Juvenile Corrections*
- *Transportation Advocacy: Roadway Needs Study (AACE)*
- *EORP Crisis/Pension Reform Implementation*
- *County Financial Analysis*
- *AGC Procurement Issue*
- *TPT Reform*
- *AZ Water Initiative planning process*
- *Monitor legislative study committees*
- *County regulatory processes*



Policy Development Process



**County legislative proposals were due to
CSA August 18, 2017**

CSA Board of Directors meeting:

- September 21, 2017

**CSA Legislative Policy Summit hosted by
Maricopa County**

- *Talking Stick Conference Center, Scottsdale*
October 24-26, 2017