



COUNTY SUPERVISORS ASSOCIATION

BOARD BRIEFING COCHISE COUNTY

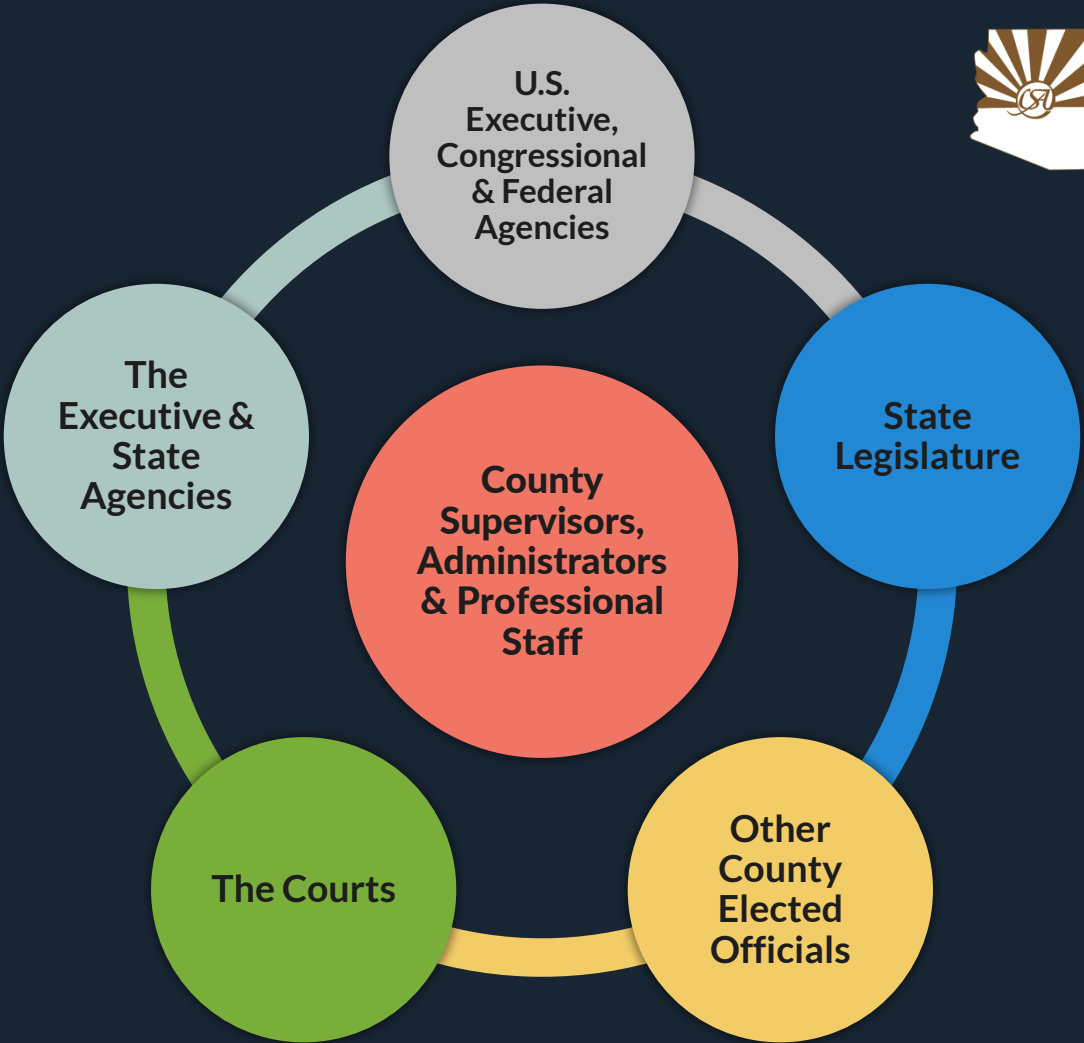
53RD LEGISLATURE, SECOND REGULAR SESSION

08.14.18





Why Intergovernmental Engagement?



Strengthening Counties' Intergovernmental Presence



Appointments on Behalf of Counties FY17-18

- Governor's Water Augmentation Council
- Governor's Water Solutions Process
 - Groundwater workgroup
 - Colorado River workgroup
- Detention Regionalization Taskforce, Arizona Judicial Council
- Statewide Juvenile Justice, Legislative Ad-hoc Committee
- PSPRS Advisory Committee
- Arizona Management System stakeholder groups
 - Arizona Department of Transportation
 - Arizona Department of Revenue
 - Arizona Department of Water Resources
- Arizona Criminal Justice Commission
- AOC Commission on Technology
- Constables Ethics, Standards and Training Board

Using Data to Increase Capacity



COLLECTION

1
CSA and county staff interface to collect data
CSA staff collects data from third part sources

1



DISTRIBUTION

2
Master Database and County Encyclopedia are tools for county and CSA staff to easily access 15 county data from anywhere

2

ADVOCACY

4
CSA legislative team uses individual and all-county data to build narratives that demonstrate the importance of county priorities

4

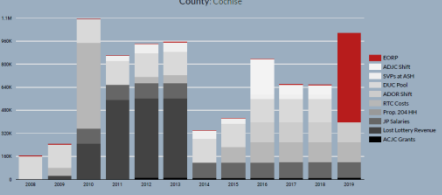
ANALYSIS

3
CSA staff uses revenue, expenditure, demographic and other county data to quantify the impacts of legislation

3

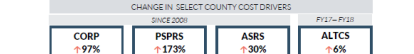
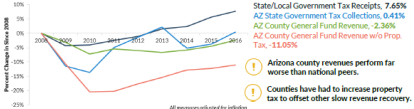
State Impacts to County General Funds

FY 2008 - FY2019 (Absent Legislative Action)



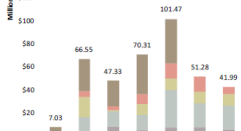
COUNTY CONTEXT

SLUGGISH COUNTY REVENUES ARE BEING OUTPACED BY RAPIDLY GROWING TAX REVENUES

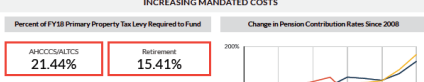
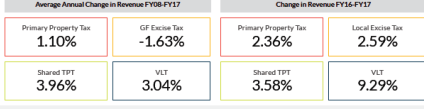


Increasing costs and slow revenue growth have made it challenging for many counties to make necessary investments in their communities. **THE RESSION COUNTIES HAVE BEEN FORCED TO DELAY VITAL SPENDING AND ATTEMPTS TO MANAGE MANDATORY SPENDING HAVE BEEN UNSUCCESSFUL**

FY2008 - FY2019 Budget



Counties are being squeezed by both slow revenue growth and increases in mandated costs



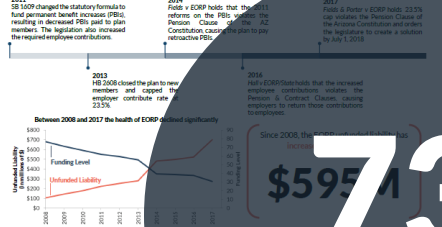
County Encyclopaedia

Secondary Property Tax Rates & Levies

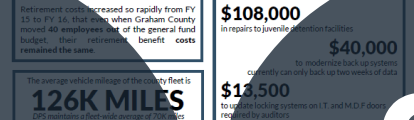
Select Fiscal Year	Liberty District Tax Rate	Liberty District Levy	Public Health Levy	FDAT Rate	FDAT Levy
2018	0.0000	\$0.0000	0.0000	1.0000	\$1.0000
2019	0.0000	\$0.0000	0.0000	1.0000	\$1.0000

EORP | COUNTY BRIEFING

STATE ACTIONS, COURT DECISIONS AND PLAN MECHANICS HAVE CAUSED THE EORP CRISIS



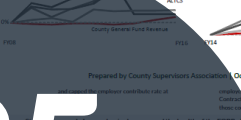
ATTEMPTS TO CONTROL COSTS



FORGONE IMPROVEMENTS



PROPERTY TAX ACCOUNTS FOR REVENUE GROWTH



SAMPLE COUNTY STRUCTURAL DEFICIT AND FUTURE RISKS



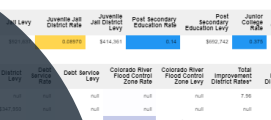
STATE MANDATED PAYMENTS



ADOT MAG PAG



ADOT MAG PAG



ADOT MAG PAG



73

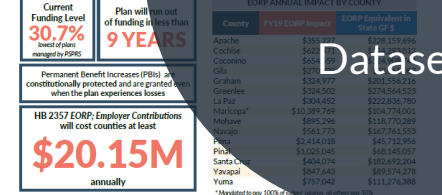
25

55

Interactive County Encyclopaedia Documents

Advocacy Documents

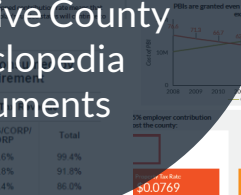
CURRENT EORP PLAN IS NOT SUSTAINABLE



PROPERTY TAX ACCOUNTS FOR REVENUE GROWTH

County	AHCCCS	PSPRS/CORP	EOBP	Total
Apache	42.0%	56.6%	99.4%	
Cochise	32.0%	59.9%	91.9%	
Cocconino	42.9%	42.4%	86.0%	
Graham	36.6%	73.9%	83.3%	
Navajo	36.5%	71.6%	54.1%	
Cochise	31.1%	21.0%	52.1%	

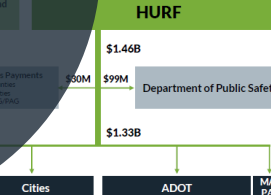
STATE MANDATED PAYMENTS



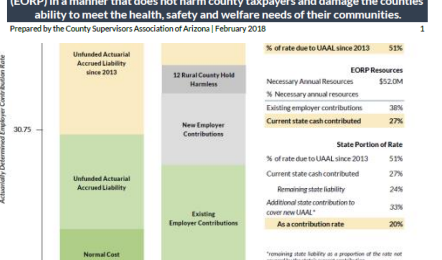
ADOT MAG PAG



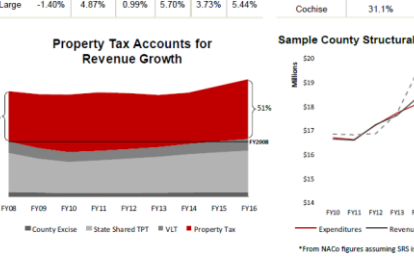
ADOT MAG PAG



UNPAID ACTUARIAL ACCRUED LIABILITY



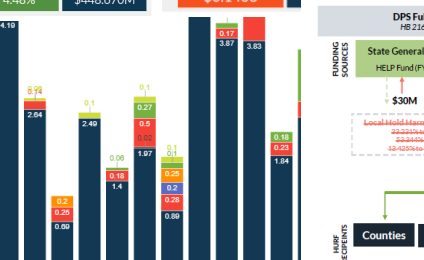
PROPERTY TAX ACCOUNTS FOR REVENUE GROWTH



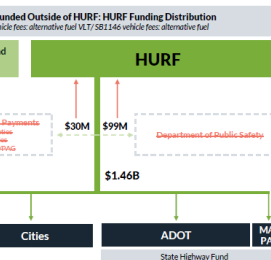
SAMPLE COUNTY STRUCTURAL DEFICIT AND FUTURE RISKS



ADOT MAG PAG



ADOT MAG PAG





Bills

Introduced	1,206
Passed	369
County Relevant	220
Signed	346
Ballot Propositions	2
Vetoed	23
Signed Rate	29%

Legislative Report

2018 SESSION BY NUMBERS

A FIFTEEN COUNTY BUDGET SOLUTION



1 Eliminate recession-era cost shifts including:

- Arizona Department of Juvenile Corrections (ADJC)
- Arizona State Hospital (ASH) - Sexually Violent Persons (SVP)
- Superior Court Judges' Salaries
- Disproportionate Uncompensated Care (DUC) Pool Payments
- Maintain thirteen counties' share of lottery revenues

2 Establish an Elected Officials Retirement Plan (EORP) circuit breaker that protects county taxpayers and the counties' ability to meet the health, safety and welfare needs of their communities

3 Extend county "flexibility language" as a tool to meet county fiscal obligations

Cost Shifts and EORP Solution Set

SOLUTION	KEY BENEFITS
<ul style="list-style-type: none"> • State eliminates county cost shifts • Counties increase contributions to EORP liability • State creates EORP circuit breaker for counties 	<ul style="list-style-type: none"> • Properly aligns costs across government • Creates an actuarially sound solution • Promotes state administrative accountability

Recession-Era Cost Shifts

County	ADJC	ASH—SVP	Judges	DUC Pool	Lottery
Apache	\$125,984	-	-	\$87,300	BASELINE
Cochise	\$231,375	\$32,534	-	\$162,700	BASELINE
Coconino	\$236,792	\$64,512	-	\$160,500	BASELINE
Gila	\$94,415	-	-	\$65,900	BASELINE
Graham	\$65,566	-	-	\$46,800	BASELINE
Greenlee	\$14,862	-	-	\$12,000	BASELINE
La Paz	\$36,093	-	-	\$24,900	BASELINE
Maricopa	\$6,724,128	\$2,167,328	\$ 9,479,049	-	-
Mohave	\$352,642	\$166,506	-	\$187,400	\$550,035
Navajo	\$189,279	\$32,135	-	\$122,800	BASELINE
Pima	\$1,726,804	\$499,275	-	\$1,115,900	-
Pinal	\$661,946	\$115,639	-	\$218,300	\$550,035
Santa Cruz	\$83,534	\$32,927	-	\$51,600	BASELINE
Yavapai	\$371,750	\$158,995	-	\$206,200	\$550,035
Yuma	\$344,830	-	-	\$183,900	BASELINE
Total	\$11,260,000	\$3,269,851	\$ 9,479,049	\$2,646,200	\$1,650,105

State General Fund Impact

Eliminate Recession-Era Cost Shifts	\$28,305,205
EORP County Circuit Breaker*	\$3.6M—\$5.2M

* circuit breaker impact depends on enacted relief

County Priorities

• Eliminate recession-era cost shifts including:

- ADJC
- SVPs at ASH
- Superior Court Judges' Salaries
- DUC Pool Payments
- In-lieu Lottery

• EORP Circuit Breaker for 12 Rural Counties

• Extend county "flexibility language" as a tool to meet county fiscal obligations



State Budget: County Results

General Fund

- ADJC - **\$231,400** in one-time relief
- SVPs at ASH - **\$32,500** in ongoing savings
- DUC Pool - **\$162,700** in ongoing savings
- EORP Hold Harmless - **\$195,900** in one-time relief for eight smallest counties
- EORP Rate Floated - **\$622,500** in ongoing liability

HURF

- FY19 - **\$199,570** in additional transportation funding
- FY20 - **\$298,077** in additional transportation funding



County	FY19 In-Lieu Lottery (now ongoing)	FY19 Above Baseline Relief	FY19 EORP Impact	FY19 Net Impact
Apache	\$0	\$355,200	(\$355,200)	\$0
Cochise	\$0	\$622,500	(\$622,500)	\$0
Coconino	\$0	\$461,800	(\$654,600)	(\$192,800)
Gila	\$0	\$270,700	(\$270,700)	\$0
Graham	\$0	\$325,000	(\$325,000)	\$0
Greenlee	\$0	\$324,500	(\$324,500)	\$0
La Paz	\$0	\$304,500	(\$304,500)	\$0
Maricopa	\$0	\$8,891,500	(\$10,389,800)	(\$1,498,300)
Mohave	\$550,050	\$706,500	(\$895,300)	\$361,250
Navajo	\$0	\$561,800	(\$561,800)	\$0
Pima	\$0	\$3,342,000	(\$2,414,000)	\$928,000
Pinal	\$550,050	\$995,900	(\$1,025,000)	\$520,950
Santa Cruz	\$0	\$404,100	(\$404,100)	\$0
Yavapai	\$550,050	\$737,000	(\$847,600)	\$439,450
Yuma	\$0	\$528,700	(\$757,000)	(\$228,300)
Total	\$1,650,150	\$18,831,700	(\$20,151,600)	

Figures are rounded

Results by County

Additional Budget Tools

FY19

- Flexibility Language
 - Omni-language up to \$1.25M for counties with a population less than 250K
 - ADOR, ADJC & RTC payments

FY20

- HB 2166: Additional VLT GF revenue

HURF Restoration

IMPACT OF NEW HIGHWAY SAFETY FEE

Results by HURF Recipient

Recipient	FY19	FY20
Counties	\$5,969,800	\$8,916,453
Cities	\$9,583,250	\$14,313,404
MAG	(\$3,020,625)	\$2,701,758
PAG	(\$1,006,875)	\$900,586
ADOT	\$--	\$42,566,499

Results by County

County	FY19	FY20
Apache	\$164,122	\$245,131
Cochise	\$199,570	\$298,077
Coconino	\$236,898	\$353,829
Gila	\$89,788	\$134,107
Graham	\$58,258	\$87,014
Greenlee	\$22,048	\$32,930
La Paz	\$96,012	\$143,403
Maricopa	\$2,500,196	\$3,734,275
Mohave	\$294,302	\$439,568
Navajo	\$196,357	\$293,278
Pima	\$1,027,356	\$1,534,452
Pinal	\$469,822	\$701,722
Santa Cruz	\$84,551	\$126,284
Yavapai	\$279,825	\$417,944
Yuma	\$250,696	\$374,438
Total	\$5,969,800	\$8,916,453



State Budget: Structural Balance

	FY18	FY19	FY20	FY21
Ongoing Revenues	\$ 9,749	\$10,305	\$10,742	\$11,221
Ongoing Expenditures	\$ 9,639	\$10,155	\$10,697	\$11,218
Structural Balance (Deficit)	\$ 110	\$ 151	\$ 45	\$ 3
Carry Forward	\$ 341	\$ 355	\$ 281	\$ 191
Fund Transfers	\$ 46	\$ 116	\$ 2	--
One-time Expenditures	\$ 183	\$ 235	\$ 95	\$ 88
Ending Balance (Deficit)	\$ 204	\$ 236	\$ 188	\$ 103



County Legislative Engagement

*General effective date for bills:
August 3, 2018
90 days after Sine Die*

PURPOSE

Protect and enhance the county resources and authorities necessary to promote efficient, responsive county government services to constituents.

CSA Legislative Summary

Available at
www.countysupervisors.org

CSA Initiated Legislation



SIGNED

HB 2190 county improvement districts; repayment agreements **Ch. 80**
HB 2413 public road maintenance; primitive designation **Ch. 16**
HB 2653 expenditure limitation; waiver of penalties **Ch. 325**
SB 1038 state land payments; payment method **Ch. 18**
SB 1113 zoning violations; notice; service **Ch. 213**

BUDGET MESSAGING

HB 2274 county contributions; hospitalization; medical; repeal
HB 2415 juvenile dependency proceedings fund
HB 2439 county contributions; committed youth; repeal

DID NOT ADVANCE

SB 1410 transient lodging tax; rural counties
Super Majority to Levy County Excise Taxes

Select Bills



Please note, approximately 220 county related bills were signed by the Governor and CSA will provide a summary of all the bills organized by policy area by the end of May.

HB 2371 mobile food vendors; state licensure (*Payne*) **Ch. 286**

HB 2502 NOW: traumatic event counseling; public safety (*Boyer*) **Ch. 259**

SB 1001 (1st SS) controlled substances; regulation; appropriation (*Yarbrough*) **Ch. 1**

SB 1043 county recorder; recording fees (*Kavanagh*) **Ch. 143**

SB 1140 NOW: certificates of authority; video service (*Griffin*) **Ch. 331**

HB 2097 pension funding policies; employers (*Livingston*) **Ch. 112**

HCR 2032 public retirement systems (*Livingston*) ***Transmitted to the Secretary of State***

SB 1251 PSPRS; CORP; modifications (*D. Farnsworth*) **Ch. 42**

SB 1478 NOW: employer contributions; EORP (*Fann*) **Ch. 343**

Select Bills



AOC Fair Justice Initiative

HB 2169 driving violations; restricted licenses; penalties (*Boyer*) **Ch. 113**

HB 2259 juvenile court facilities; shelters; use (*Carter*) **Ch. 136**

HB 2312 setting aside conviction; requirements (*E. Farnsworth*) **Ch. 83**

HB 2313 sentencing; monetary obligations; fine mitigation (*E. Farnsworth*) **Ch. 237**

HB 2314 misdemeanor sentence; authorized disposition (*E. Farnsworth*) **Ch. 203**

HB 2315 intensive probation; employment wages; monitoring (*E. Farnsworth*) **Ch. 204**

Other Items

HB 2003 coal mining; TPT; repeal (*Finchem*) **Ch. 263**

HB 2166 vehicle fees; alternative fuel VLT (*Campbell*) **Ch. 265**

HB 2538 U.S. house vacancy; special election (*Coleman*) **Ch. 316**

SB 1147 county excise tax for transportation (*Worsley*)

SB 1287 ADOT revisions (*Worsley*) **Ch. 166**

SB 1507 water program amendments (*Griffin*)

SB 1519 protective orders; schools; approp (*Smith*)

CSA Opposed Legislation



30 Bills Defeated or Favorably Amended

Select Bills: Defeated

HB 2207 public meetings; audiovisual recordings; posting *

HB 2333 home-based businesses; local regulation

HB 2383 authorized emergency vehicles; probation officers*

HB 2386 notice of claim; requirements

HB 2396 property; subdivision; size; requirements

HB 2479 TPT; digital goods & services

HB 2497 county attorney; county sheriff; salaries

HB 2500 real estate signs; cities; counties

HB 2518 prosecution expenses; county reimbursement; repeal*

SB 1153 fire flow requirements; rural applicability

SB 1195 mental health screening; hospitalization

SB 1404 occupational regulation; municipalities; counties

SB 1466 voting centers; board of supervisors

SB 1492 payment in lieu of taxes

SB 1516 central Arizona project; sovereign immunity

Select Bills: Favorably Amended

HB 2003 coal mining; TPT; repeal **Ch. 263**

HB 2371 mobile food vendors; state licensure **Ch. 286**

HB 2502 public safety; traumatic event counseling **Ch. 259**

SB 1140 NOW: certificates of authority; video service **Ch. 331**

SB 1274 public monies; recovery; illegal payments **Ch. 253**

SB 1503 delinquent restitution; monthly report; hearing **Ch. 226**

**Bill had a strike-everything amendment, underlying bill died*

2018 Summary: By the Numbers



County FY19
GF Relief

\$623K

\$200K

New County
FY 19 HURF
Funding

CSA Initiated
Bills Signed

5

30

Bad Bills
Defeated
Or Amended

Policy Development Process

Due : 08.13.18

Legislative Proposals

County legislative proposals should be submitted to be considered by the Board at the CSA Summit.

09.20.18

CSA Board Meeting

June/July/August – Not meeting

10.03.18 – 10.05.18

CSA Legislative Policy Summit

Hosted by Yuma County
Hilton Garden Inn, Yuma Pivot
Point, Yuma