



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

March 11, 2011

Teleconference 1-866-228-9900

Access Code 326208#

[Web link](#)

County Supervisors Association
1905 W. Washington St.
Phoenix, AZ

9:00 a.m. Call to Order ~ *President David Tenney*

- A) Approval of the Minutes of the February 25, 2011, Legislative Policy Committee Meeting
- B) State Budget Report
 - Budget Communication Strategy (*strategy document to follow*)
- C) Legislative Bills for Discussion and Consideration
 - 1) Pension Reform Proposals
 - 2) [SB 1313](#) public health districts; voter approval (*Murphy*)
 - 3) [SB 1411](#) county elected officers; authority (*Smith*)
 - 4) [SB 1609](#) retirement systems; plans; plan design (*Yarbrough*)
 - 5) [HB 2650](#) county employees; merit system exemption (*Burges*)
 - 6) [HB 2103](#) homemade food products; regulation; exception (*Kavanagh*)
 - 7) [HB 2338](#) special districts; secondary levy limits (*Olson*)
- D) 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*)
- E) Other Business
- F) Next Meeting Date and Time (*Thursday, March 17, 10:00 a.m. with CSA Board Meeting; then Friday, March 25, 2011, at 10:00 a.m.*) **PLEASE NOTE THE NEXT LPC WILL BE HELD IN CONJUNCTION WITH THE CSA BOARD OF DIRECTORS MEETING**
- G) Adjourn

March 1, 2011

Representative David M. Gowan, Sr.
Arizona House of Representatives, Capitol Complex
1700 W Washington Street
Phoenix, AZ 85007-2890

Dear Representative Gowan:

My colleagues and I are writing to express our alarm regarding Senate Appropriations Chairman Andy Biggs alternative budget plan. This proposal would include a \$100 million to \$150 million impact to Arizona's counties. Please do not support Senator Biggs budget plan for the following reasons:

- The budget plan being pushed by Senator Biggs would have catastrophic and unsustainable impact on Cochise County. Over the past three years Cochise County has endured over \$3.9 million in state shifted costs.
- There is nothing conservative about putting the state "in the black" by "shifting the red" to the counties
- A shift of state costs to counties does not cut spending, but only shifts those costs to county taxpayers.
- It makes no sense to *oppose* a rollover or loan, but *support* a county cost shift
- The county impact in the proposed GOP budget appears to be nearly equivalent to what counties have absorbed in the previous three years combined.

It is imperative that this plan does not receive your support.

Sincerely,

Patrick G. Call, Chairman
District 1

Ann English, Vice Chairman
District 2

Richard Searle
District 3



Carl Taylor
District 1

Elizabeth C. Archuleta
District 2

Matt Ryan
District 3

Mandy Metzger
District 4

Lena Fowler
District 5

Representative Andy Tobin
Arizona House of Representatives
1700 West Washington
Phoenix, Arizona 85007

March 9, 2011

Please let us know how we can help you with additional information. Thank you for all your help - Andy

Dear Representative Tobin:

On behalf of the Coconino County Board of Supervisors and residents in Coconino County, I am writing to express my concerns with a budget being proposed by Senator Andy Biggs, Chairman of the Senate Appropriations Committee. I am extremely concerned that while this budget is being touted as fiscally conservative, it is not. The Biggs proposed budget will only shift the burden onto local governments and to local taxpayers.

In many of our most rural areas in the state, counties are the main provider of services. Counties plow roads during heavy snow, provide court and election services to remove areas and ensure the public safety of their residents. With a decrease in federal and state revenues, a cap on our property and sales tax and the impact of the recession, we are still providing these services with less.

In Coconino County, we have been forced into a very different role in the last year. The county has the job of protecting more than 1,500 properties from major flooding. The Schultz Fire occurred in June of last year and burned more than 15,000 acres. When the fire was contained, the individuals who lived at the base of the mountain were faced with the reality that their community was in danger of flooding. Eight major flood events have occurred since the Schultz Fire was contained with more flooding predicted during periods of heavy rain. The flooding claimed the life of a young girl.

Coconino County has spent \$3.5 million on the Schultz Fire Flood emergency. While some of these costs have been reimbursed, the County's financial stability is at risk. With the monsoon season months away, Coconino County is concerned that another flooding event could bankrupt the county.

The shift in state costs to counties would further compound our fiscal situation in Coconino County. The proposed budget by Senator Biggs could add an additional \$150 million burden to counties. To date, counties across the state have received more than \$190 million in impacts, including a \$77 million impact of ongoing costs in the fiscal year 11 budget. The proposed impacts, including the

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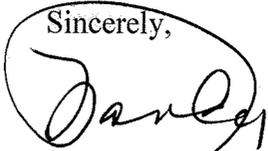
Representative Andy Tobin

shift of state prisoners to county jails, the shift of county VLT funds to pay for the Arizona Department of Motor Vehicles and an increase in payments from counties to the Arizona Long-Term Cost Containment System, or ALTCS, will have a devastating impact on our county and counties across the state. The Biggs' budget proposal does not reduce any expenditures, nor does it increase any revenues, it merely transfers the deficit to local government where the same deficit burden exists for the taxpayers, just at a different level of government.

I ask for your continued assistance and cooperation on any ongoing budget proposals. Any impacts to the county will have a major impact on county services to residents and a shift of the tax burden on local taxpayers. This is the absolute wrong approach.

We know how difficult your job is and we appreciate your service during this difficult time.

Sincerely,

A handwritten signature in black ink, appearing to read "Mandy Metzger", enclosed within a hand-drawn oval.

Mandy Metzger

Chair, Coconino County Board of Supervisors

From: Martin, Tommie
Sent: Monday, March 07, 2011 07:38 PM
To: Sylvia Allen <sallen@azleg.gov>
Subject: Sylvia, I need your help - Proposed Cost Shifts to Counties from the State

Dear Sylvia –

I am being made aware of efforts by some Republican lawmakers, led by Senate Appropriations Chair Andy Biggs, to construct an alternative budget that appears to make spending reductions far greater than those publicly proposed by Governor Jan Brewer.

While I'm all for spending reductions, what I am opposed to are cost shifts spun to look like spending reductions, which is what is going on here.

The details of this budget have not been publicly released, but preliminary conversations point to a dramatic, even unprecedented, **increase** in the number and scale of cost shifts to counties. I am including more recent "intel" at the bottom of this note, but first the context as I/we the Gila County Board Of Supervisors see it -

Proposed Cost Shifts to Counties from the State:

Background:

When Governor Brewer released her proposed FY12 budget, conservative members of the Senate GOP Caucus were dissatisfied with its spending reductions and its reliance on K-12 education rollovers and a loan from First Things First. In response, Appropriations Chairman Andy Biggs has prepared an alternative budget plan that *replaces* the K-12 rollover and First Things First loan *with an additional \$550 million in spending reductions and county cost shifts.*

Chairman Biggs Proposal:

Sources close to the Legislature point to an alarming shift of state responsibilities to counties under this proposal, ***likely totaling between \$100 million and \$150 million.*** Even more disturbing is that some lawmakers have been told that the counties have given their approval to this cost shift. Although the plan originated in the State Senate, sources confirm that Chairman Biggs is actively marketing it in the House in hopes of making this the de facto GOP budget. It is unclear at this point whether House Republicans are responding positively to the Biggs proposal.

Of particular concern to us:

1. The budget plan being pushed by Senator Biggs would have a catastrophic and unsustainable impact on Gila County.

2. There is nothing conservative about putting the state 'in the black' by 'shifting the red' to counties.
3. A shift of state costs to counties does not cut spending, but only shifts those costs to county taxpayers
4. It makes no sense to *oppose* a rollover or loan, but *support* a county cost shift.
5. The county impact in the proposed GOP budget appears to be nearly equivalent to what counties have absorbed in the previous three years combined. To date, counties have absorbed \$193 million in impacts since 2008.

In addition, I'm sure you know this, but if not I am including the bulk of an email I received today from County Supervisors:

CSA has learned that the proposed shift is composed of the following:

\$50 million

Counties would be required to pay approximately 50% of the cost of Department of Corrections inmates sentenced to less than one year in prison. Biggs' proposal would allow counties to pay the state \$30 per inmate, per day, or house the inmate in county jails at full cost to the county.

\$50 million

Biggs' proposal would require cities and counties to pay approximately \$50 million (in forfeited VLT revenue) to keep MVD operating. Cities and counties would be required to forfeit \$29 million and \$18 million respectively.

\$50 million

Senator Biggs does not have a clear plan for making up the remaining \$50 million, but signaled that it may come from county ALTCS payments.

It appears that Senator Biggs will introduce his budget plan next week, which could occur as early as the Senate Appropriations Committee meeting **Tuesday, March 8th (tomorrow)**. Most alarming,, the Senator is indicating that his plan has received positive feedback from members.

1. **Counties have already absorbed \$193 million** in impacts from the state since 2008, including \$77 million in *ongoing costs* from the FY11 budget.
2. In some counties, shifting state responsibilities may force an increase in property taxes. In other counties, the shifts will require deep cuts, which will **jeopardize all county services including criminal justice and public safety**.
3. The Biggs budget **represents a threat to the fiscal solvency of Arizona counties** and is therefore unacceptable.

It is fundamentally unfair and un-conservative for the state to bail itself out by sinking the counties into insolvency.

How can I help you derail this? I will come testify, go “door-to-door”, put on presentations – whatever. I can’t help but think too many of your colleagues have no clue as to the “who and how and what and why and where and when” of county government – and it is critical that they learn before they enact.

Again, lady, how can I help?

Thanks so much, Tommie Martin

From: [REDACTED]
To: sallen@azleg.gov
CC: bbarton@azleg.gov; ccrandell@azleg.gov
Subject: PROPOSED SENATE BILL TO "CUT" STATE SPENDING
Date: Tue, 8 Mar 2011 18:49:52 +0000

Senator Allen:

This is to request your strongest efforts to defeat a bill proposed by Sen. Andy Biggs, chairman of the Senate Appropriations Committee. The proposed legislation masquerades as a cost-cutting measure while it is an overt act to simply shift the cost of numerous governmental activities from the state to Arizona's counties. Such grandstanding under the banner of fiscal responsibility is a farce which would do far more harm than good to our state's residents. Furthermore, it is not an action any clear-thinking conservative would take because it is akin to the federal government enacting unfunded mandates.

Since 2008, our counties have been forced to absorb more than \$190 million in costs previously administered by the state. Although details of Sen. Biggs' bill have not yet been made public, its impact is reported to approach \$150 million. Furthermore, the bill's approach would eliminate consistency in the way the affected programs are financed and administered as the individual counties worked to cope with the new financial burden. This could result in jeopardizing many vital county programs.

Allowing Sen. Biggs to maneuver the financing of programs so he can claim heroic fiscal responsibility while simply ducking the responsibility of serving Arizona's residents in a cohesive manner is unthinkable. Not only would it simply pass along the costs of the designated programs to individual counties, it could actually increase the total costs by forcing duplicative administrative efforts and costs for the programs. We encourage you to put the brakes on this ill-conceived effort as it would do Arizona much more harm than good.

Please help him and other senators to "man up" and take the tougher but more responsible approach of developing a long-term state plan to recognize its responsibilities and develop the programs to pay for them. For example, work within the framework of Gov. Brewer's budget, which is fairly strict, and simultaneously determine what programs our residents want as well as those mandated. Then itemize the costs of each program. Next, identify all possible sources of revenue and how those sources will change as the economy changes. Finally, work at a long-range plan to GRADUALLY make all programs operate on a pay-as-you-go basis, including development of a specific fund to cover future emergencies such as the ones encountered over the past four years.

Thank you for your service. If we can be of help in developing support for your efforts, please let us know.

[REDACTED]
Payson, AZ 85541
[REDACTED]



NAVAJO COUNTY

Administration

James Menlove
Finance Director

James Jayne
County Manager

Gail Calisen
Human Resources Director

"Proudly Serving, Continuously Improving"

March 7, 2011

Senator Sylvia Allen
Arizona State Senate | Capitol Complex
1700 West Washington
Phoenix, AZ 85007-2890

Dear Senator Allen,

Not often will I write a letter to my legislator's, but I have reached a point where I feel that I have to write you about a fairly alarming proposition that I understand may be coming before the Senate this week related to the FY 11-12 State Budget.

Let me begin by saying that I do not believe in anything that resembles a "whining" mentality. Counties have long been, and will continue to be, team players with the State. In the end, counties are subdivisions of the state and we exist to provide state services in our county. With that in mind, the issue for the FY 11-12 budget is how much of those state services do counties have to pay. I want you to understand, in no uncertain terms, that we at Navajo County are at the wall – we have no other place to turn if we are called upon to shoulder the shifts we understand are being proposed by Senator Biggs.

Starting in January 2009, Navajo County began to lay off employees and we have made an overall reduction to our General Fund expenditures in the amount of \$7 million dollars. In FY 07-08 and FY 08-09 our expenditures were at just under \$37 million. In FY 09-10 we cut that figure down to \$31 million. In FY 10-11 our expenditures will be \$30 million.

Please keep in mind that prior to these reductions, we were operating a fiscally responsible budget in each of the previous years to FY 09-10, and our budgets since that time have been our response to the drastic times with which we all cope. All drastic measures that are at our disposal have been taken. Navajo County has a tremendous team of dedicated elected officials and staff, and we have done our part.

In FY 09-10, we helped to educate the public on the 1 cent sales tax increase designed to prevent further cost shifts to the counties, including any proposed prisoner shifts. Now I understand that prisoner shifts are back on the table. I find this somewhat troubling, since we took steps to address this issue less than a year ago.

I have a great deal of respect for our legislative delegation, and thus I feel that I can communicate my views directly to you. Please feel free to contact me if you would like to discuss these issues in more detail, and do not hesitate to express my alarm to your peers in the legislature.

We cannot allow anything to prevent the counties' story from being told. The voice of counties should be recognized in this debate, and each member of the legislature should understand that simply shifting additional cost burdens to counties is not a responsible means to take the state out of the red.

We do understand that we are in this together, but I hope that as the legislature moves forward, we are able to develop fair and common sense solutions in any proposed impacts to counties.

Thank you for your consideration,

James Jayne | Navajo County Manager

YAVAPAI COUNTY BOARD OF SUPERVISORS



CAROL SPRINGER – Chairman
District 1
web.bos.district1@co.yavapai.az.us

THOMAS THURMAN – Vice-Chairman
District 2
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County Administrator/
Clerk of the Board
julie.ayers@co.yavapai.az.us

DAVID S. HUNT
Board Counsel
dave.hunt@co.yavapai.az.us

March 2, 2011

Dear Representative/Senator _____,

Thank you for your service to the residents of Yavapai County. You have a very difficult job and we appreciate the efforts you make on our behalf.

While we can truly appreciate the difficulty of the State’s budget situation, we would like to provide you information on Yavapai County’s budget situation.

1. The annual drop in State-Shared Sales Tax revenue from 2007 - 23% or \$6.2 Million
2. The annual drop in Yavapai County Sales Taxes from 2007 - 30% or \$7.7 Million
3. The annual drop in Vehicle License Taxes from 2007 – 14% or \$1.1 Million
4. The State has already reduced our County Assistance and Highway User Revenue Funds by \$1.2 million per year
5. The State has pushed down costs to us of more than \$1.4 million per year in Restoration to Competency, Sexually Violent Prisoners and Judicial Salary reimbursements
6. The State has swept numerous statutory funds used in our Sheriff, County Attorney, Public Defender, Superior Court, Adult Probation and Juvenile Probation departments
7. The Yavapai County impact of the cost shifts to us in Governor Brewer’s FY2012 budget proposal is an additional \$800,000
8. With the loss of ARRA funds, we expect at least a \$1.5 Million increase in our AHCCCS contributions to the State for FY2012
9. Yavapai County has no mechanism to increase revenues; property tax increases are capped, sales taxes are capped, most fees are statutory, and there is little construction going on.

Our General Fund and Jail District FY2011 budget is \$95 Million. The annual loss of revenue and increased costs listed above total more than \$19 Million or 20% of our budget. We have judiciously coped with these reductions by:

1. Closing a jail
2. Hiring freezes and some layoffs
3. Not replacing vehicles, computers and other office equipment
4. Sweeping other funds
5. Cutting travel and training
6. Reducing departmental costs where possible
7. Greatly reducing road projects and other capital projects

To reach County Offices toll-free from the following areas, call:

Verde Valley.....639-8100

(All other areas call toll-free 1-800-771-2797)

Black Canyon495-8800

While we don't expect to be immune from the state's budget crisis, we do request that you:

1. *Keep these ongoing county impacts in mind as you consider budget adjustments that affect county governments;*
2. *Make us aware of potential county impacts being considered so that we can inform you of their consequences;*
3. *Communicate with us if you have questions or concerns about legislation affecting counties.*

We look forward to working with you on the state budget and other issues affecting counties. Please feel free to contact us at any time.

Sincerely,

Carol Springer, Chairman

LPC Bills for Consideration
CSA Legislative Policy Committee Meeting
March 11, 2011 (9:00 a.m.)

Bill Number	Short Title	Description	Comment
<i>Legislative Bills for Discussion</i>			
SB 1313	PUBLIC HEALTH DISTRICTS; VOTER APPROVAL (Murphy)	Beginning January 1, 2011, the option for a county board of supervisors to establish a public health services district by unanimous vote is eliminated, making an election the only process available to establish a district. Retroactive to January 1, 2011.	Passed by House Ways and Means
SB 1411	COUNTY ELECTED OFFICERS; AUTHORITY (Smith)	Justices of the Peace are added to the statutory list of county officers. Elected county officers in counties with a population of more than 350,000 (currently Maricopa and Pima) have the full authority and discretion to choose the appropriate means to accomplish the statutory duties of the office, including a list of enumerated powers. In these counties, the county board of supervisors must appropriate monies to elected and appointed county officers in a lump sum.	Failed Senate, on motion to Reconsider
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 2650	COUNTY EMPLOYEES; MERIT SYSTEM EXEMPTION (Borges)	In a county of fewer than two million, the board of supervisors shall remove administrative positions from the merit system if requested by an elected county officer. In a county of more than two million, the board of supervisors may remove administrative positions from the merit system if requested by an elected county officer.	Held by Senate Government Reform
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	Referred to Senate Healthcare and Medical Liability Reform

		government inspection. The person preparing the food must obtain a food handler's card from the local county health department.	
HB 2338	SPECIAL DISTRICTS; SECONDARY LEVY LIMITS (Olson)	Beginning in tax year 2011, the maximum property tax rate for county free library districts, county jail districts and public health services districts is the lesser of the current statutory amount or the amount as determined by the tax levy of the previous tax year adjusted by the percentage change in the levy limit for the county in which the district is located. For purposes of this calculation, the levy limit is annually increased to the maximum allowable, regardless of whether the district levied that amount. [This gives districts a reserve taxable capacity.] Currently, the property tax rate for adult jail districts is capped at 20 cents per \$100 of assessed value; juvenile detention at 10 cents; public health services at 15 cents. County library district have no current statutory rate limit.	Referred to Senate Finance

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.	On Senate Consent Calendar
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 Senate 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.	Referred to Senate Finance
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.	Passed by 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.	Approved by House COW
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 Senate Natural Resources and 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, transmitted to House
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 COW with amendment
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.	Referred to House Agriculture and Water
SB 1427	FLOOD CONTROL DIST; CONSTRUCTION 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

Newspaper articles on Senate Bill 1411

February 23 – March 6, 2011

Leave the counties alone

Feb. 23, 2011

The Arizona Republic - Editorial

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.



Yuma, Arizona supervisors speak out against legislation

[FROM STAFF REPORTS](#)

2011-02-25 16:38:05

County supervisors from across Arizona – including Yuma – expressed alarm Thursday over proposed legislation that they say weakens their authority over county budgets, calling it “a dangerous erosion of public oversight over county tax dollars.”

According to a press release from Yuma County, Senate Bill 1411 strips boards of supervisors of their ability to oversee the budgets of county elected officials, including sheriffs, attorneys, assessors, treasurers, recorders, and clerks of the court, and replaces it with limited authority to “approve and appropriate” those budgets. The legislation also requires large counties to appropriate elected officials' budgets via lump sum, removing any supervisor and thus public oversight over how those tax dollars are spent.

In addition to curtailing board authority over county budgets, the legislation would also give elected officers in large counties new authority to enter into contracts, make purchases, and establish salary and personnel policies for their offices – functions that are currently managed by board policies across all county departments to maximize efficiencies and reduce duplication of effort, the press release says.

“At a time when local governments are already strained by declining revenues and unprecedented cost shifts from the state, this legislation would throw county finances into complete confusion by severely limiting a board's ability to manage the county budget,” warned Navajo County Supervisor David Tenney, who serves as president of the County Supervisors

Association (CSA), which opposes the bill. “While the public is demanding greater transparency and accountability over the expenditure of their tax dollars, this legislation undermines both.”

Yuma County Supervisor Lenore Stuart agreed with Tenney's assessment. “Contrary to what some have claimed, this legislation is a significant departure from the way counties have been governed since our state was founded nearly 100 years ago. Although county elected officials and supervisors sometimes have disagreements over funding, those are best settled at the local level based on what's best for the county and its residents.”

Sheriff Ralph Ogden added, “Building strong relationships is the key to successful local government. In Yuma County, we take a lot of pride in the ability of our local elected officials to work together with mutual respect. Our system works well and I can't see any value in changing that.”

Yuma County Supervisor Russell McCloud noted the benefits of streamlined processes.

“The way that things are operating now, we can maximize efficiencies, with things like compatible software in all offices,” McCloud said.

McCloud said that in the end, elected officials in Yuma County have only their constituents in mind.

“It's a matter of saving a maximum numbers of tax dollars. ... It's interesting to note, all of the elected officials in Yuma County are unified in their opposition to the bill. They have the wisdom to see that this works best for the taxpayer.”

SB 1411 was passed by the Senate Government Reform Committee on Feb. 16 and will next be considered by a vote of the full Senate.



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Bill would reduce county control of budgets

By Shar Porier
Herald/Review

BISBEE — The county Board of Supervisors will join with their peers across the state to oppose Senate Bill 1411 which is said to weaken county authority over budgets and to appeal to legislators to consider no further cuts to state revenue sharing.

County supervisors from across Arizona expressed alarm over proposed legislation that weakens their authority over county budgets which could erode public oversight over the spending of county tax dollars, said Supervisor Pat Call.

Senate Bill 1411 would remove the ability of the county boards of supervisors to oversee the budgets of county elected officials, including sheriffs, attorneys, assessors, treasurers, recorders, justices of the peace and clerks of the court, he explained. All the supervisors would be required to do is approve the budgets of those officials.

Call explained that many county departments depend on each other.

For example, the IT Department serves all county departments. If an elected official decided that a new software system would work well for them, it may not mesh with the county's network and costs could be incurred to pay for the system, installation and then maintenance. "It throws efficiency out the window. This is just political maneuvering in the largest counties whose elected officials can't get along. We get along fine in Cochise County. "

The legislation as stated would also require counties with 350,000 or more residents to give elected officials' their budget money via lump sums.

"That's a slippery slope," added Call. "If the state can do that to the most populated counties now, they could do that to all of us."

The county has been striving to be more efficient with fewer employees. "This flies in the face of more efficient government."

Supervisor Richard Searle said, "It makes no sense. There'd be no power for the supervisors to protect the tax payers."

Call continued, "Contrary to what some have claimed, this legislation is a significant departure from the way counties have been governed since our state was founded nearly 100 years ago.

Although county elected officials and supervisors sometimes have disagreements over funding, those are best settled at the local level based on what's best for the county and its residents."

Senate Bill 1411 was passed by the Senate Government Reform Committee on Feb. 16 and will next be considered by a vote of the full Senate.

State legislators may also cut even more revenues to counties as they try to fund the budget deficit, according to CSA's legislative associate Rodney Ross. In an interview, he said state legislators, led by Sen. Andy Biggs (R-District 22), are mulling the possibility of cutting an additional \$100 million to \$150 million to counties. "The county impact in the proposed GOP budget appears to be nearly equivalent to what counties have absorbed in the previous three years combined. To date, counties have absorbed \$193 million in impacts since 2008."

Ross said CSA does not know exactly where the cuts to counties will be made at this point. "We just sent out the alert in response to information we received from lawmakers. Right now, we don't have any specifics."

Ross points out that shifting costs to counties does not reduce spending. It just shifts costs to the county tax payer.

"CSA is extremely concerned that this proposal, including its county impacts, may rapidly gain headway unless state lawmakers are informed of the consequences of shifts on counties. This would have an incredible impact on counties — one they cannot sustain."

Searle believes that ultimately, the tax payers will pay for it one way or the other. This only shifts state responsibility to the county. It'll be on our backs"

There has been much hand-wringing over the proposed elimination of Arizona Health Care Cost Containment System or at least trimming between 250,000 and 280,000 people from the rolls, added Searle. "We pay the state \$8 million for AHCCCS and we get back \$15 million. Who'll make that money up? What services will we have to cut? Do we cut law enforcement, the court system, the jail? Where do we cut?"

Over the past three years, the county has had to deal with several million dollars in cuts from the state that have led to drastic belt-tightening, as has been reported in the Herald/Review. Department budgets have decreased more than 25 percent over the

past three years and staff has been reduced from nearly 1,100 full-time positions to 955.

Arizona lawmakers aim to take some budget control away from supervisors

by Yvonne Wingett and Michael Kiefer - Mar. 6, 2011

The Arizona Republic

For the third year in a row, state lawmakers are discussing a realignment of power in at least some Arizona counties that would take certain authority from boards of supervisors and put it in the hands of other elected county officials.

The latest attempt failed last week for lack of support in the state [Senate](#), but the issue is expected to return as the legislative session continues.

The effort underscores the tension that has long existed between supervisors and elected county attorneys, sheriffs, treasurers, schools superintendents and recorders over political autonomy - especially in terms of how money is spent.

The idea behind recent legislation is to take some budget authority from the supervisors and put it in the hands of other elected county officers, giving them authority over their own budgets. That would mean they no longer would have to ask supervisors for permission to spend money to perform their duties.

The legislation considered this year would apply only to Arizona's larger counties: Maricopa, Pima and Pinal.

This year's effort was driven by some of the state's most visible Republicans - Senate President Russell Pearce, Sheriff Joe Arpaio and Pinal County Sheriff Paul Babeu.

Their push for change is partly driven by years of infighting in Maricopa County, where costly conflicts raged between the Board of Supervisors, Arpaio, former County Attorney Andrew Thomas and certain other county officials. Most revolved around control of money or information.

"The genesis of this was our civil war," said Rick Bohan, director of Maricopa County Government Relations. "But it's taken on a new importance now with Paul Babeu and other new players who are involved" in trying to pass the legislation.

County disputes

A number of recent disputes illustrates the friction that has developed between county supervisors and other elected officials:

- The Maricopa County Board of Supervisors and Arpaio have fought bitterly over the sheriff's purchase of a \$456,000 bus to transport inmates. Arpaio bought it without getting competitive bids and without telling the supervisors, who have since claimed it was illegally purchased and refused to title, register or insure it.

The bus has been used by both sides as an example of why the legislation is or is not needed. Arpaio maintains he should be able to buy a bus if he needs one, saying, "I don't think the public wants the bureaucrats to tell the elected sheriff how to run his office."

- Maricopa supervisors at various times have also battled with Arpaio, Thomas and Treasurer Charles Hoskins over computer systems, a civil legal department, staffing, technology, equipment and other budgetary issues.

- The Pinal County Board of Supervisors and Babeu have clashed over personnel and equipment. Babeu says he was not allowed to transfer overtime from one portion of his budget to another. He says supervisors and their budget officers tried to dictate which vehicles he could buy for his fleet and refused to pay for a needed helicopter.

"You've got these policy setters who manage next to nothing, versus an elected sheriff who is also the full-time manager of the Sheriff's Office," Babeu said. "And I need flexibility to make decisions in my budget. This is a wake-up call to county managers and county supervisors - they're waking up to a frying pan that's hitting them in the face."

- The Greenlee County Board of Supervisors and Sheriff Steve Tucker battled over vehicles. The sheriff says he needed four-wheel-drive vehicles for deputies, but supervisors wouldn't allow it.

"They wanted me to drive patrol cars, but what if I needed to cross the middle of a creek at 2 a.m.?" he asked.

Though he says his relationship with supervisors has improved and he is neutral on such legislation, he noted that supervisors often want "total control."

Such disputes date back more than 15 years. In 1996, for example, a legislative push to establish county charter government failed. It would have permitted the election of supervisors who then appointed the sheriff, county attorney and most other county officials. Since that unsuccessful push, supervisors - especially in Maricopa County - have tried to consolidate authority over other elected officials using the power of the budget.

In 2006, then-Maricopa County Superintendent of Schools Sandra Dowling sued both the Board of Supervisors and the county treasurer over attempts to close down a school for homeless

children. Dowling prevailed in both cases, as judges ruled that while supervisors controlled the amount of money in her budget, they could not tell her how to run her office.

The reasons for the tension lay in how county government operates. [State law](#) gives supervisors the power to oversee the entire county budget, including those of individual elected officials and their offices. But how closely supervisors can manage individual expenditures within those budgets is unclear, leading to more than one court battle.

Supervisors are generally understood to have the power to allocate budgets to other elected county officials, who generally must live within those allocations. But some also complain that the supervisors micromanage how their money is spent and butt into decisions that should be made by each officeholder - everything from staffing and pay to vehicles and technology.

Sen. Steve Smith, R-Maricopa, sponsor of this year's county legislation, said anyone entrusted by voters with a county office should also be entrusted with its money. Instead, supervisors sometimes "muscle other elected officials around."

"You shouldn't have to go on bended knee to a board of supervisors for the resources to do your job," he said. "If we're going to put them in office, the least we can do is trust them to manage their own budgets. This problem has gotten bigger than a beef between two people. It's become more of a widespread problem."

His proposal would require supervisors to hand over lump-sum budgets to other elected county officials, giving each officeholder total control over how that budget is spent. This year's version also would give elected officials authority to sign contracts, make purchases, and establish salary and personnel policies for their offices. Those functions now are managed by policies set by county supervisors.

Opponents including the Arizona Association of Counties and the County Supervisors Association of Arizona argue it would weaken oversight of taxpayer dollars, create inefficiencies through the duplication of procurement and contractual duties, and create inconsistent salary and personnel policies.

Craig Sullivan, executive director of the supervisors association, argued the changes "would create silos in counties, and then you'll have a recipe for inefficiencies. It starts to create significant ambiguities about what another elected official has the freedom to do. Are you able to purchase a new computer system? Are you able to hire whomever you want at any pay grade you want? Are you able to establish other policies related to procurement?"

Nicole Stickler, executive director of the Arizona Association of Counties, acknowledged that some elected officers may have poor relationships with supervisors, but she said it is a local problem that should be addressed locally.

She said the association will put together a group of county officials to study the relationships and help resolve the issues.

Cochise County Sheriff Larry Dever offered another reason for his opposition: "You can't legislate what our relationships should be."

Pinal County Supervisor Pete Rios also opposes the change, saying it will grow government.

"Sheriff Babeu has some friends now in the Legislature," he said. "And Sheriff Babeu has risen in a meteoric way - but that doesn't mean we have to change government because he doesn't get everything he wants."