



County Supervisors  
A S S O C I A T I O N  
o f a r i z o n a

# Report to the Cochise County Board of Supervisors



August 9, 2011



# County Supervisors Association

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## CSA's Purpose:

CSA is a non-partisan forum for Arizona's 55 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



# CSA County Services

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## Advocacy and Policy Development

- Arizona Legislature and Executive Agencies
- U.S. Congress and Federal Agencies

## Research and Informative Products

## Communication and Outreach

*FY10-11 Association Report: Includes select outcomes, information products, and support services*



# County Direction to CSA

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## 2011 County Directives to CSA Staff:

1. State budget #1 priority
  - Minimize and mitigate fiscal damage to counties
2. Advance county-initiated CSA-sponsored legislation
3. Protect county interests before the legislature



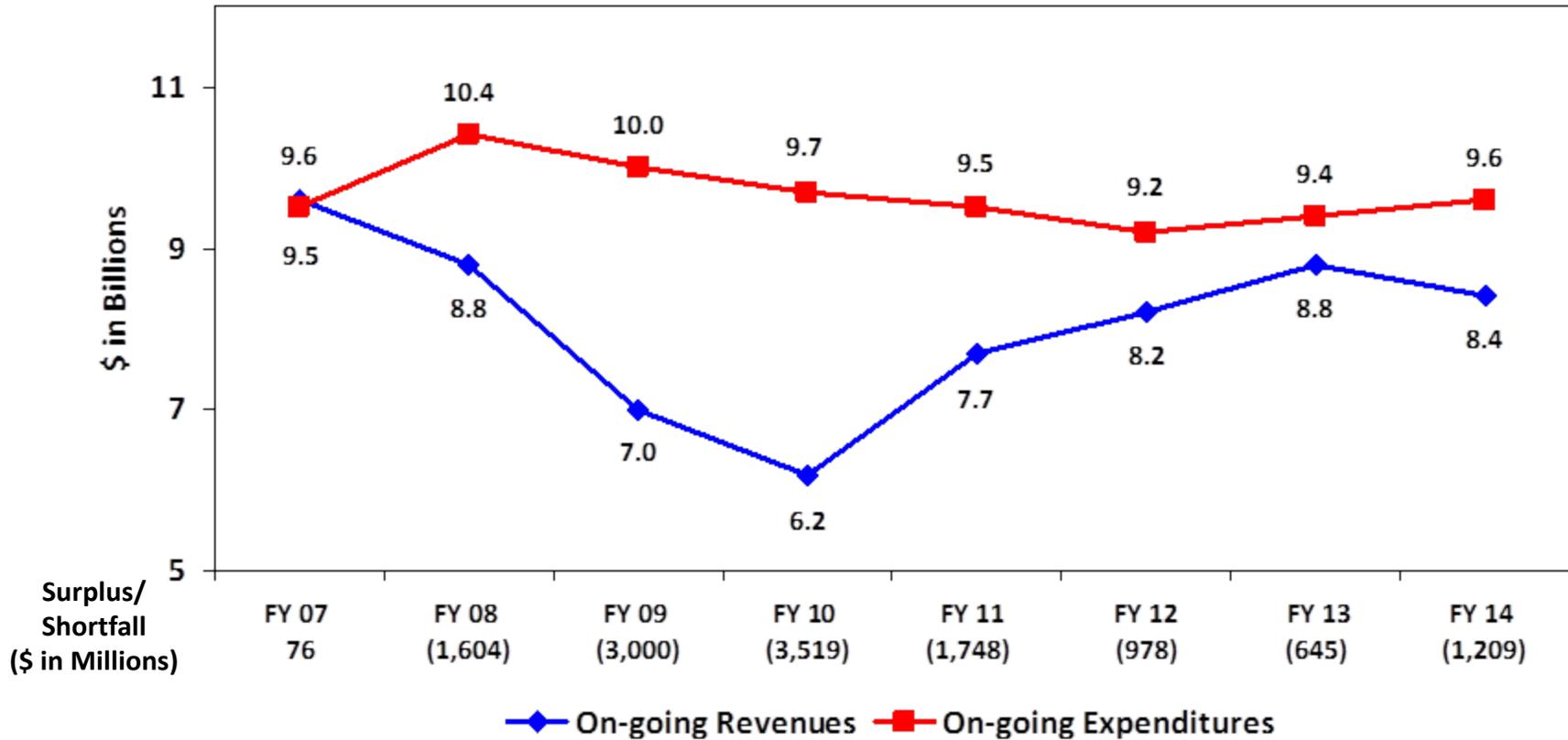
# New Legislature, New Challenges

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- ✓ The largest Republican majority in state history (40 in House, 21 in Senate)
- ✓ 34 freshman legislators (27 members of the House)
- ✓ Budget deficit and educational deficit
  - Significant time spent *educating* lawmakers and responding to harmful legislation
  - Large number of bills impacting county operations



# Lawmakers Focused on “Getting in the Black”



Counts 1 & TPT as on-going in FY11 – FY13



Source:  
JLBC

# Competing Budget Proposals

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In January, Governor Brewer proposed a state budget with **\$65 million** in county impacts, including:

- Additional HURF Shift (\$7.8M), 50% SVP Cost (\$2.3M), ACJC grants (\$2.2M)
- Lower mandated county contributions (\$34M to \$21M)

The State Senate passed an alternative budget with **\$150 million** in county impacts:

- Senate budget included county impacts in Governor's proposal, *plus* the prisoner shift, MVD shift, and higher mandated county "contributions"



# County Officials Respond to Budget Proposals

**Legislative proposals to shift \$150 million to counties drew a sharp response from county elected officials statewide.**

**Maricopa County**  
 March 10, 2011  
 Dear Senators and Representatives:  
 We are writing to all of you on behalf of Maricopa County. We are concerned about the budget proposal being proposed to the Senate. It is our understanding that this would be in addition to the \$3 billion of state costs that have been shifted to the tens of millions of dollars in shifts that we have seen in the past few years. Maricopa County cannot possibly survive if taxpayer has given the State \$100 million in slashed budgets and personnel beginning honor the financial sacrifice of taxpayers. We have cut nearly \$200 million by making cuts. We ask you to not burden the property majority of whom are our common constituents. Over the next few years, Maricopa County is in construction of a 911 Emergency Call Center. Senate will wipe out money saved for the construction of a 911 Emergency Call Center. Additionally, not only would this shift of state costs to counties, but the shift of state costs to counties during difficult economic challenges. Equally disturbing is the request a lifting of the cap on taxes to allow counties to raise taxes, and we won't have to if it is not for the state's benefit. In closing, I ask that you oppose shifts of state costs to counties. It is not fair to pay your State taxes and then also have your state taxes shifted to your county. We are managing through the stewardship of the taxpayer's dollars.

**Yuma County**  
 March 21, 2011  
 Dear State Representatives and Senators:  
 We, the undersigned elected officials of Greenlee County, write to express our unified opposition to the Senate budget that balances the budget by shifting state costs to county governments. The plan resolves the Fiscal Year 2012 state budget by shifting as much as \$150 million in state responsibilities to counties. We find the possibility of additional cost shifts both reckless and unsustainable and urge you to stand up for the taxpayers of Greenlee County who have already sacrificed.

**Gila County**  
 March 16, 2011  
 TO: Senator Sylvia Allan  
 Representative Brenda Barton  
 Representative Chester Crandell  
 We, the undersigned elected officials of Gila County, write to express our unified opposition to proposed legislative efforts to balance the budget by shifting state costs to county governments. Recent reports point to a plan to resolve the Fiscal Year 2012 state budget by shifting as much as \$150 million in state responsibilities to counties. We find the possibility of additional cost shifts both reckless and unsustainable and urge you to stand up for the taxpayers of Gila County who have already sacrificed \$3.1 million to the state since Fiscal Year 2008.

**Coconino County**  
 March 14, 2011  
 County, we are writing to express our concerns with a budget being proposed in our state obligations to counties. We are extremely concerned that while the budget, it is not. The budget will only shift the burden onto local governments and counties are the main provider of services. Counties show much during heavy economic times and ensure the public safety of their residents. With a decrease in property and sales tax and the impact of the recession, we are still providing emergency services throughout the county, including a tornado outside of Flagstaff that will continue to impact the county in the coming years. Any proposal our fiscal situation in Coconino County and create a major impact on the tax burden on local taxpayers.



# Adopted FY12 State Budget

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Legislative leaders and the Governor negotiated and passed a final budget that included **\$94 million** in county impacts and:

- Delayed the prisoner shift until July 1, 2012
- Exempted ten counties from the MVD shift
- Expanded the mandated county “contributions” to the five largest counties
- Maintained flexibility language, allowing a county to meet any fiscal obligation from any source of revenue, including special taxing districts controlled by the board of supervisors

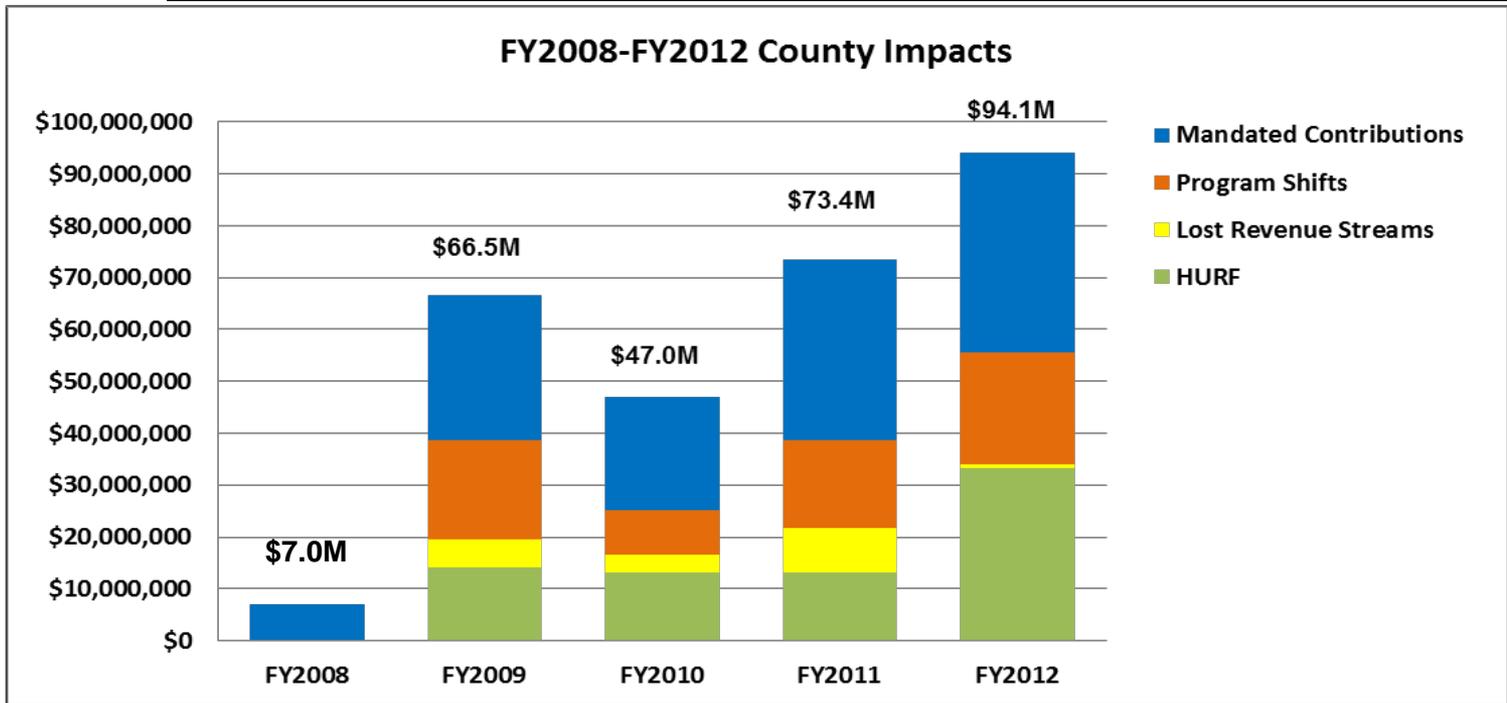


# Adopted FY12 State Budget

<u>Enacted FY12 Budget</u>		<u>Cochise</u>
HURF Shift to DPS	(\$20.8 million)	(\$740,250)
HURF Shift to MVD	(\$12.3 million)	N/A
50% SVP Costs at ASH	(\$6.2 million)	N/A
100% of Rural RTC Costs	(\$5.1 million)	(\$596,519)
Reduce State Share of JP Salaries	(\$1.1 million)	(\$107,463)
Maricopa Superior Court Judge Salaries	(\$9.0 million)	N/A
ACJC Grants to Indigent Defense	(\$700,300)	(\$11,776)
Mandated County Transfers	(\$38.6 million)	N/A
Inmate Shift	Delayed	Triggered FY12-13
<b><i>Estimated Fiscal Impact</i></b>	<b><i>(\$94.1 million)</i></b>	<b><i>(\$1,456,008)</i></b>



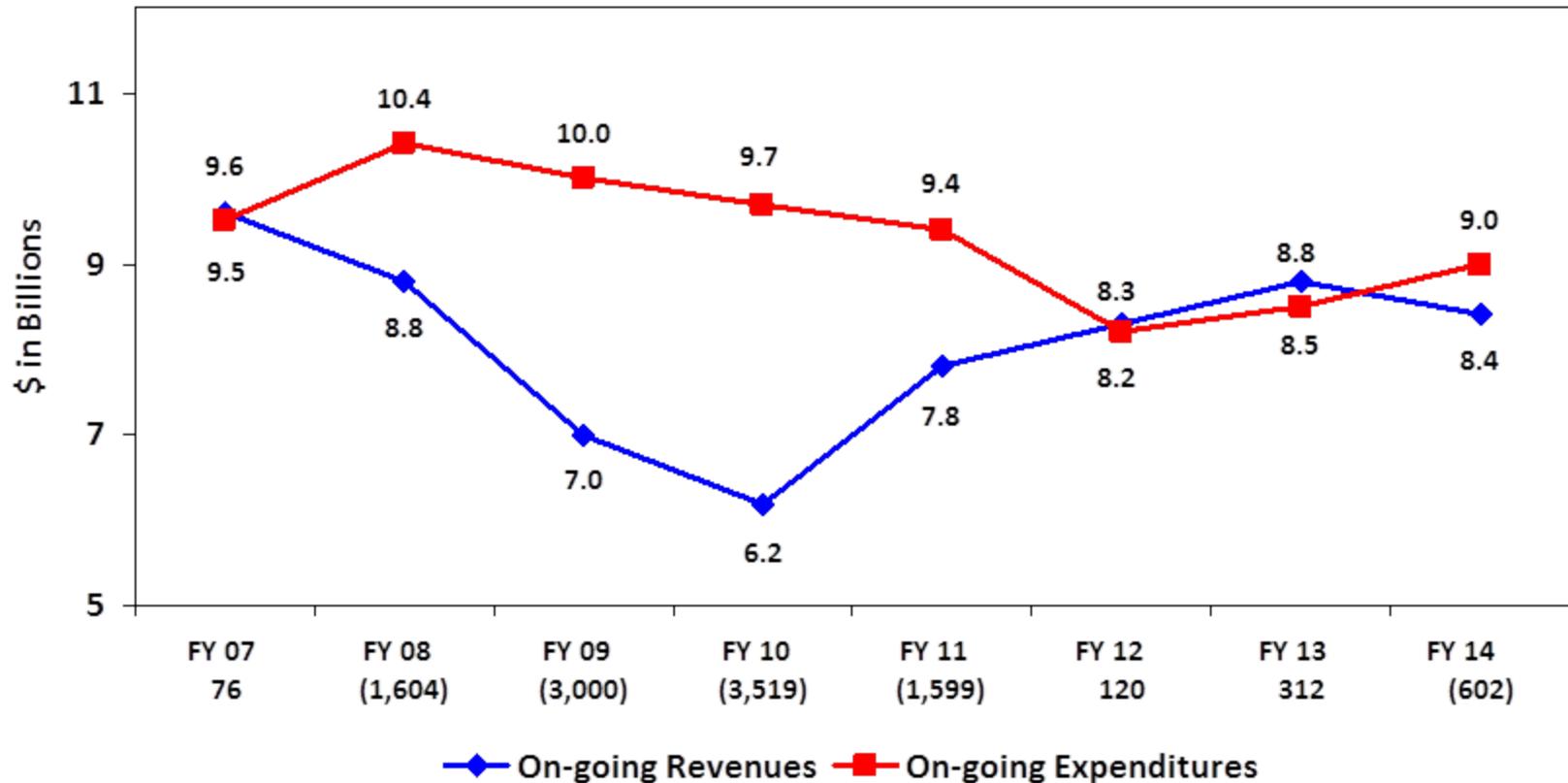
# State Budget Impacts (FY08 – FY12)



ESTIMATED AGGREGATE IMPACTS FY08-FY12	STATEWIDE COUNTY IMPACT	COCHISE COUNTY
HURF Shifts	(\$73.6 million)	(\$2,172,747)
Lost Revenue Streams	(\$17.8 million)	(\$604,197)
Program Shifts	(\$66.5 million)	(\$2,621,742)
Mandated Contributions	(\$130.1 million)	N/A
<b><i>Estimated Fiscal Impact</i></b>	<b><i>(\$288 million)</i></b>	<b><i>(\$5,398,686)</i></b>



# Budget Eliminates Structural Deficit Through FY13



Source:  
JLBC

# CSA Legislative Agenda

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## Seven of eleven CSA-sponsored bills enacted into law

- HB 2197 charter schools; age restricted communities (*Lesko*)
- HB 2372 conservatorships; guardianships; county reimbursement (*Ash*)
- HB 2236 sharing revenue information; political subdivisions (*Goodale*)
- SB 1291 prisoners; credits for fines (*Griffin*)
- HB 2318 regional and public transportation authorities (*Jones*)
- HB 2319 counties; primitive roads; maintenance (*Jones*)
- SB 1362 structures; flood control (*Antenori*)

## Four CSA-sponsored bills held by sponsor, defeated, or vetoed

- SB 1427 flood control district; construction projects (*Nelson*) - **Held**
- SB 1428 counties; employment of contractors; bids (*Nelson*) - **Held**
- SB 1278 county assessor; permanent retrieval fund (*Allen*) - **Defeated**
- SB 1186 2011 tax correction act (*Yarbrough*) - **Vetoed**



# Legislation Amended by CSA

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## Amended multiple bills to address county interests

- HB 2005 subdivisions; acting in concert (*Burges*)
- HB 2103 homemade food products; regulation; exception (*Kavanagh*)
- HB 2424 probate; wards; rights (*Smith*)
- SB 1118 county medical examiner; identification protocol (*Barto*)
- SB 1379 consumer fireworks; regulation (*Antenori*)
- SB 1499 probate proceedings; omnibus (*Driggs*)
- SB 1598 cities; counties; regulatory review (*Klein*)
- SB 1609 retirement systems; plans; plan design (*Yarbrough*)
- HB 2584 workers' compensation; directed care (*Burges*)
- SB 1178 county judgment bonds (*Allen*)



# Legislation Opposed by CSA

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## CSA directly opposed the following bills:

HB 2207 special health care districts; procurement (*Harper*) - **Held**

HB 2501 rules; laws; ordinances; interpretation (*Vogt*)- **Held**

SB 1177 public intoxication; local laws (*Allen*) - **Held**

SB 1215 public meetings; call to public (*Allen*) - **Held**

SB 1411 elected county officers; authority (*Smith*) - **Failed**

SB 1541 sheriff's deputies; overtime pay (*Melvin*) - **Failed**

SB 1286 counties; cities; permits; time limits (*Klein*) - **Held**

**Educated legislators on pension reform, illegal subdivisions, homemade food products, county personnel systems, legislative vacancy process, probate, supervisor authority, public meetings, public intoxication, and many other issues.**



# Legislation Opposed by CSA

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**In spite of CSA opposition, the following bills became law:**

SB 1171 cities; acquisition of wastewater utility (*Antenori*)

SB 1313 public health districts; voter approval (*Murphy*)

SB 1398 moving violations; assessment; equipment; enforcement (*Biggs*)



# Legislation Opposed by Counties

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## Counties worked with Governor Brewer's office on the following vetoes:

HB 2338 special districts; secondary levy limits (*Olson*)

- Capped county health, library, and jail districts

HB 2650 county employees; merit system exemption (*Burges*)

- Required counties to uncover employees

HB 2484 legislative vacancies; precinct committeemen (*Gowan*)

- Eliminated supervisors' role in replacing legislators

SB 2581 STOs; credits; administration (*Mesnard*)

- Threatened county severance tax revenue

SB 1201 firearms omnibus (*Gould*)

- Prohibited restrictions on firearms in county buildings

SB 1041 Arizona quality jobs incentives (*Reagan*)

- Changed tax classifications for new/expanding businesses



# Next Steps

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## **Evaluation of prisoner shift implementation**

- Determine size and scope of shift
- Assessment of mitigation/reform strategies

## **Monitor prospects for special session**

- Unemployment benefit extension
- State personnel reform

## **Monitor state's fiscal situation**

- AHCCCS lawsuit could create a \$200 million deficit

## **Connect with counties, stakeholders, and legislators in preparation for next session**

- CSA county outreach (June – August)
- Managers meetings in June and August
  - Reforms, cost saving measures



# Policy Development Process

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## Next steps:

County legislative proposals due August 15, 2011

- CSA provided template; staff available to assist with evaluation

CSA Board of Directors meeting, September 15, 2011

CSA Legislative Policy Summit:

Hosted by Navajo County

Show Low, Arizona

October 3-5, 2011



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## **CSA Legislative Summary**

Annual summary document will soon be available on the  
CSA website: [www.countysupervisors.org](http://www.countysupervisors.org)





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