



# County Supervisors ASSOCIATION of arizona

**51<sup>st</sup> Legislature, First Regular Session:  
Briefing to Gila County**



**Craig A. Sullivan**  
Executive Director  
June 25, 2013

# 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*



# CSA Leadership

## CSA Board of Directors

- All 61 county supervisors from Arizona's 15 counties

## CSA Executive Committee



**President**  
Hon. Lenore Stuart  
Yuma County



**President Elect**  
Hon. Jim Palmer  
Graham County



**First Vice-President**  
Hon. Mary Rose Wilcox  
Maricopa County



**Second Vice-President**  
Hon. Mandy Metzger  
Coconino County



**Third Vice-President**  
Hon. Tommie Martin  
Gila County



**Immediate Past President**  
*Vacant*  
Large County



# CSA County Services

- **Advocacy and Policy Development**
  - *Arizona Legislature and Executive Agencies*
  - *U.S. Congress and Federal Agencies*
- **Research and Informative Products**
- **Communication and Outreach**

***FY 2012-2013 Association Report:*** Includes select outcomes, information products and support services.

***CSA 2013 Legislative Summary:*** soon to be available at  
[www.countysupervisors.org](http://www.countysupervisors.org)



# 2012 CSA Summit – Sierra Vista, Cochise County

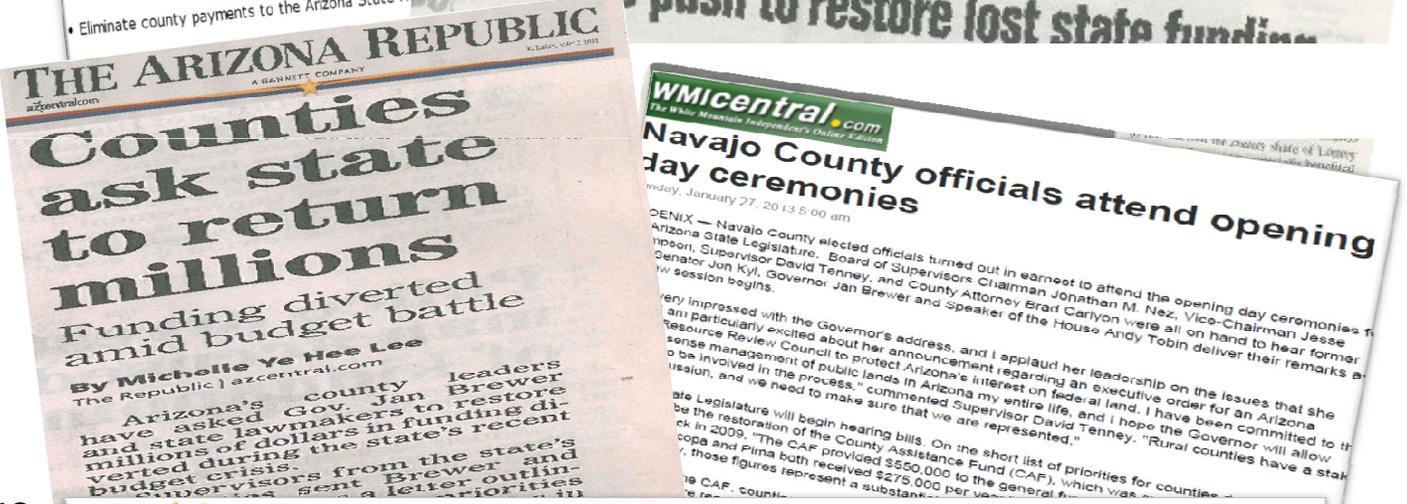
## County Directives to CSA Staff:

- **Budget #1 Priority**
  - Re-establish the share of Lottery revenues for all 15 Arizona counties
  - Eliminate county payments to the Arizona State Hospital for the Sexually Violent Persons (SVP) population
  - Restore the Local Government HURF, the primary revenue source counties have in order to maintain, repair and build roads
- **Advance client-initiated CSA-sponsored legislation**
- **Engage legislation that impacts county resources, services or authorities**



# Getting the Message Out

- Counties mobilize to communicate priorities
- Sustaining ongoing conversations with decision-makers
- Coalition of legislators and stakeholders hear a consistent, resounding message



**Counties ask Legislature to give back diverted funds**  
BY HILLARY DAVIS @YSHillaryDavis  
2013-05-04 17:48:01

Diversions of funds by the state over the past few years have put financial pressure on the counties, who are now calling on the Legislature to return those dollars.

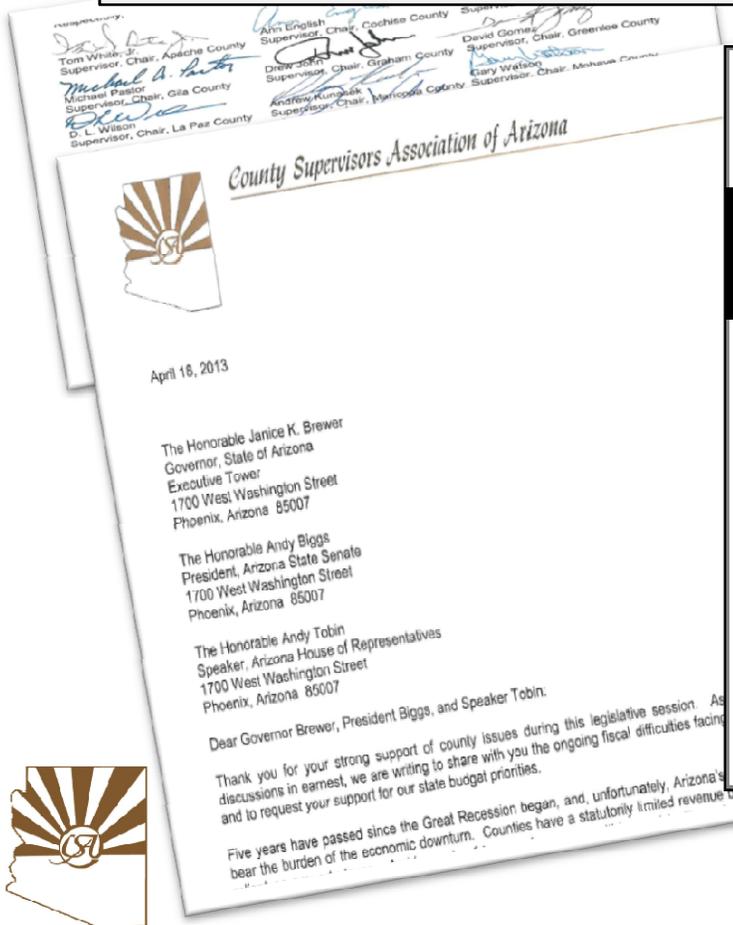
Yuma County's Board of Supervisors signed on to a letter with Arizona's other 14 county boards to make relief for counties a priority as the state lawmakers hash out next year's budget.

"We're getting to that stage where the Legislature is going to start rolling up their sleeves and addressing the budget," said Yuma County Administrator Robert Pickels. "We wanted to continue to reinforce with them, 'Hey, don't forget about us, don't forget what you've done and what the impact is to us, and it's not getting any

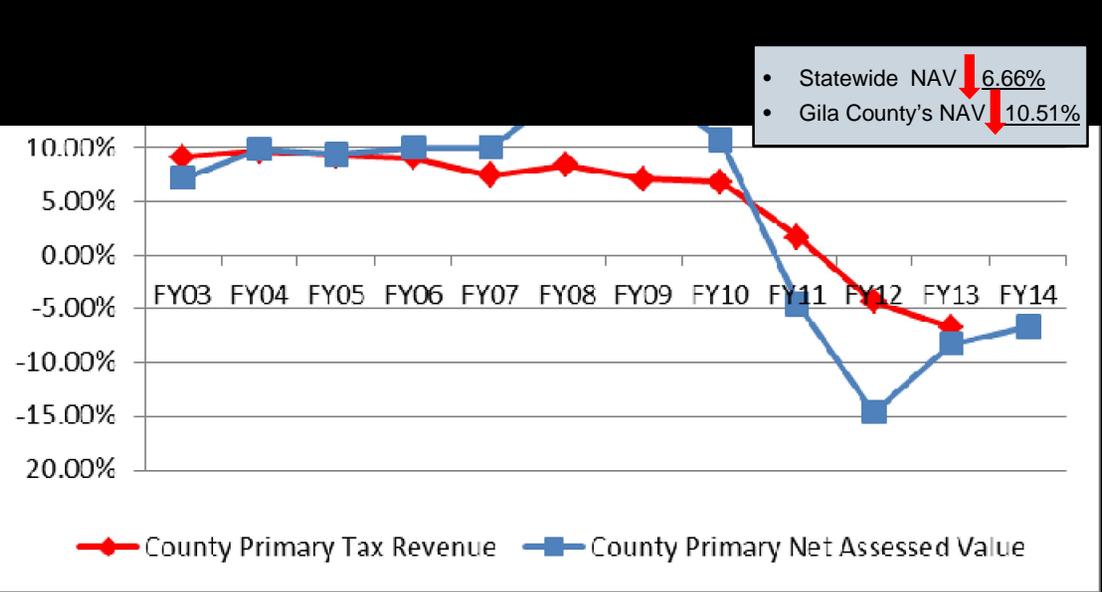


# Lingering Effects of the Recession

**Property values and revenue continue to decline as the state budget impacts counties for a sixth year.**



## Difficult financial times ahead for counties (Statewide net assessed value and primary property tax revenue for counties)



# Final FY 13-14 Budget

On June 14, 2013, the Legislature passed a budget that included one of Governor Brewer's top priorities, Medicaid Expansion.

- **The budget includes the following county-related provisions:**

- **Direct Appropriations to Counties (Lottery Revenue):** Appropriates, from the State general fund, \$7,150,500 to 13 counties under 900,000 persons. Each qualifying county receives \$550,000, [HB 2001: 2013-2014; general appropriations](#) (Pratt)
- **SVP Payments:** Reduces county payments from 50 percent of the SVP population housed at the Arizona State Hospital to an estimated 35 percent, providing \$1.8 million of relief. Includes "flexibility language" allowing counties to pay via any county resource, [HB 2010: health; welfare; budget reconciliation; 2013-2014](#) (Pratt)
- **HURF to DPS:** Continues to transfer \$119 million from HURF to DPS and not-withstand the statutory cap, [HB 2001: 2013-2014; general appropriations](#) (Pratt)
  - Gila County *Estimated* Impact for FY 14: **\$326,148**
  - Gila County *Estimated* Aggregate Impact FY 09-FY 14: **\$1,671,839**
- **County Flexibility Language:** Allows counties with fewer than 200,000 persons to use any source of county revenue, to meet a county fiscal obligation for FY 2014, [HB 2009: revenue; budget reconciliation; 2013-2014](#) (Pratt)



**Approximately \$9 million in relief for FY 14**

# Final FY 13-14 Budget

In Millions

	FY14	FY15	FY16
Ongoing Revenues	\$8,331	\$8,744	\$9,137
Ongoing Expenditures	\$8,776	\$8,951	\$9,136
<b>Structural Balance/ (Deficit)<sup>1</sup></b>	<b>\$(446)</b>	<b>\$(208)</b>	<b>\$1</b>
Carry Forward <sup>2</sup>	\$697	\$304	\$97
One-time Capital Outlay	\$31	\$0	\$0
Ending Balance / (Deficit)	\$304	\$97	\$98

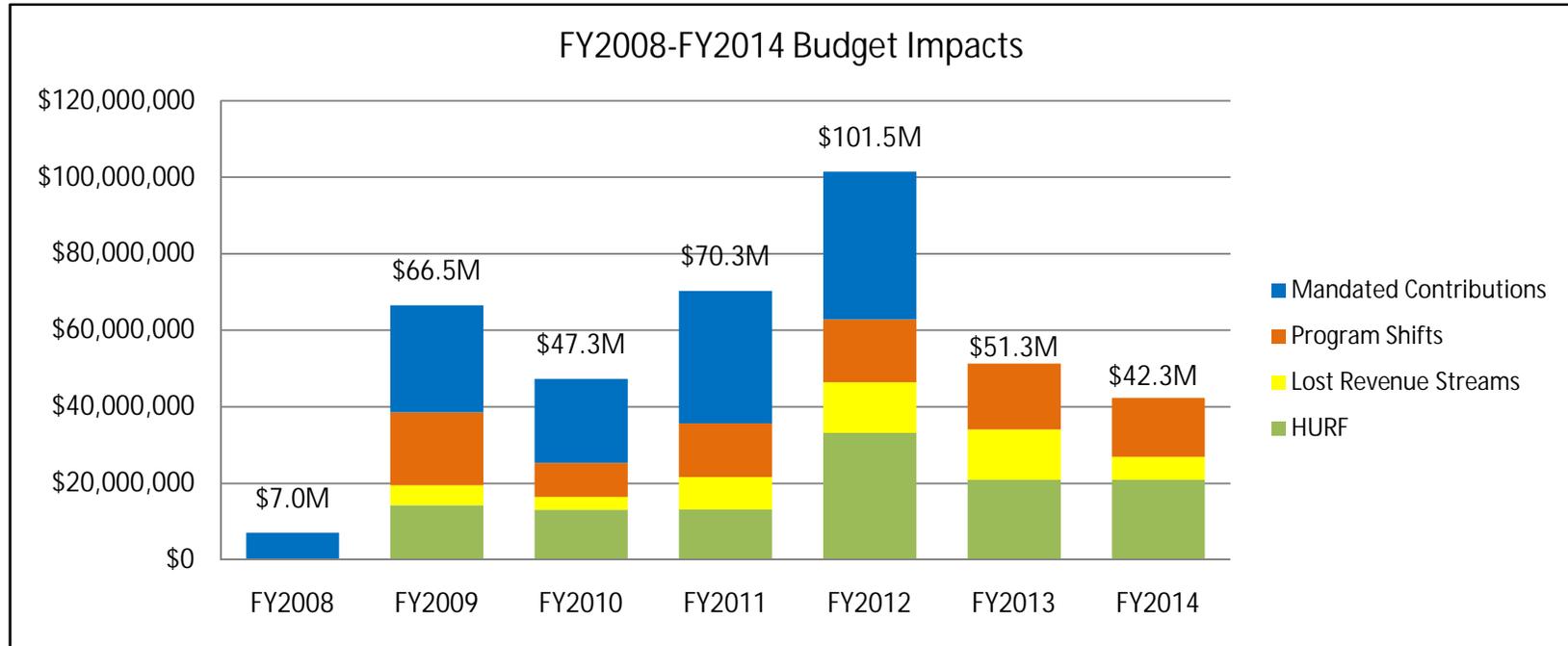


<sup>1</sup> Excludes one-time revenues and expenditures and does not account for \$450M in "rainy day" fund

<sup>2</sup> FY14 Includes \$84 million in fund transfers



# State Budget Impacts FY08 – FY14



FY2008 - FY2014 Budget Impacts	Statewide County Impact	Gila County
HURF Shifts	(\$115,432,270)	(\$1,671,839)
Lost Revenue Streams	(\$49,469,901)	(\$1,714,352)
Program Shifts	(\$91,202,342)	(\$1,074,785)
Mandated Contributions	(\$130,189,600)	\$0
<b>Estimated Fiscal Impact</b>	<b>(\$386,294,113)</b>	<b>(\$4,460,976)</b>





# **CSA Legislative Agenda & County-related Bills**

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# CSA-sponsored Legislation

## Enacted into law:

- **HB 2138: municipalities; rights-of-way; transfer** (*Pratt*) **Ch. 127**
- **HB 2430: local health dept.; immunization; reimburse** (*Brophy McGee*) **Ch. 173**
- **SB 1098: medical marijuana; zoning authority** (*Pierce*) **Ch. 101**

## Did not advance through the process:

- **HB 2124: fire districts reorganization elections** (*Ugenti*)
  - *Held, Senate COW*
- **HB 2175: special districts; use fees** (*Fann*)
  - *Held, Senate Government and Environment*
- **SB 1284: county general excise tax rate** (*Crandell*)
  - *Held, House Ways and Means*



**General effective date: September 13, 2013, 90 days after sine die.**

# AACo's Legislative Agenda

- **HB 2347: tax levy; bond costs** (*Lesko*) **Ch. 188**
- **HB 2499: JTEDs; per pupil funding calculation** (*Goodale*) *Held, COW*
- **HB 2516: peace officers; firearms; court** (*Pierce*) **Ch. 177**
- **SB 1088: constables; prohibited acts** (*Burges*) *Vetoed*
- **SB 1089: arbitration bonds; discharge; application** (*Burges*) **Ch. 32**
- **SB 1216: clerk of court; duties; records** (*Burges*) **Ch. 45**
- **SB 1261: permanent early voting lists; amendments** (*Reagan*) *Held, COW*
  - Portions of this bill were amended into **HB 2305 initiatives; filings; circulators** (*Farnsworth*) *during a conference committee, it passed on reconsideration in the Senate and was signed by the Governor.*
- **SB 1315: property tax roll; corrections** (*Yarbrough*) *Held, COW*
- **SB 1416: new party; initiatives; signature collection** (*Reagan*) *Held, Rules*
- **SCR 1019: initiative, referendum; signature allocation** (*Reagan*) *Held, Rules*



# Other County Initiatives

## CSA engaged other counties' efforts, including:

- **HB 2031: federal patent easements; counties; abandonment** (*Dial*) **Ch. 49**
  - *Maricopa County*
- **HB 2212: legal holiday; counties; courts** (*Brophy McGee*) **Ch. 131**
  - *Maricopa County*
- **HB 2551: OHV; use; authority; enforcement** (*Gowan*) *Signed, Awaiting Ch.*
  - *La Paz, Apache, Navajo, Graham, Greenlee and Gila counties*
- **HB 2594: local transportation assistance fund; restoration** (*Orr*) *Held, Approps.*
  - *Yuma County, Associated General Contractors, cities*
- **SB 1273: alcohol; drug abuse; courts; treatment** (*Crandell*) *Held, Approps.*
  - *Navajo County, Coconino County*
- **SB 1294: grand jury; length of term** (*Crandell*) **Ch. 46**
  - *Navajo County, other stakeholders*



# CSA Reactive Advocacy

## General Government

- HURF diversions & future transportation funding
- County border realignment
- Regulatory reform
- Planning & zoning oversight; planned communities
- Elections & initiative reform

## Criminal Justice

- Municipal law enforcement decertification
- ACJC & State aid to Indigent Defense Fund
- Arizona Office of the Courts & funding increase for probation officer salaries
- Restitution liens on vehicles

## Public Finance

- Transaction Privilege Tax (TPT) reform
- Elected Officials Retirement Plan (EORP) reform
- Secondary district levy & expenditure limits
- Arizona Fire Districts financial responsibility & reporting issues

## Natural Resources

- Regional Water Augmentation Authorities
- County comprehensive plans & forest management
- Illegal dumping penalties

## Public Health

- Childhood immunizations
- Food allergies
- Office of Pest Management oversight
- Public intoxication in border communities



# Legislation Amended by Counties

## Bills favorably amended, to address county concerns:

- **HB 2280: employee benefits; state preemption** (*Forese*) **Ch. 139**
- **HB 2443: cities; counties; regulatory review** (*Olson*) **Ch. 74**
- **HB 2572: financial standards; fire districts** (*Coleman*) *Signed, Awaiting Ch.*
- **SB 1231: public buildings; construction; indemnity** (*Reagan*) *Signed, Awaiting Ch.*
- **SB 1282: countywide FD; study committee** (*Crandell*) **Ch. 104E**
- **SB 1290: office of pest management** (*Griffin*) **Ch. 125**
- **SB 1365: planned communities; zoning; prohibitions** (*Murphy*) *Failed, House Gov.*



# Legislation Opposed by Counties

## CSA opposed the following bills:

- **HB 2311: restitution lien; vehicles; hearing** (*Farnsworth*) **Ch. 19**
- **HB 2331: bonding; taxation; expenditures; district limitations** (*Montenegro*)
  - *Held, House Rules*
- **SB 1214: county treasurer's management fund** (*Burges*)
  - *Held, Senate Appropriations*
- **SB 1383: property tax limits; local districts** (*Melvin*)
  - *Held, Senate Finance*
- **SB 1413: appeals; post-conviction relief** (*Murphy*)
  - *Failed, House Judiciary 3-4-0*
- **SB 1463: counties; flood control districts; rules** (*Griffin*)
  - *Held, House Government*

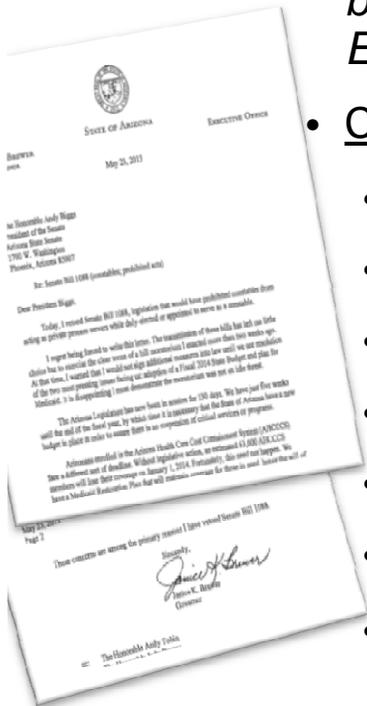


# 2013 Vetoes

(As of 6/24/2013)

## Governor Brewer has vetoed 24 bills this session:

- Five bills were vetoed due to a gubernatorial moratorium on signing any bills before the legislature sent her a budget, including the Medicaid Expansion
- County related vetoes are as follows:
  - **HB 2322:** rule making; restrictions (*Farnsworth*)
  - **HB 2446:** property tax; religious institution; exemption (*Olson*)
  - **HB 2481:** permissible consumer fireworks; penalty (*Stevens*)
  - **HB 2578:** licensing; accountability; penalties; exceeding regulation (*Petersen*)
  - **HB 2591:** governmental reporting; websites; budgets (*Petersen*)
  - **SB 1088:** constables; prohibited acts (*Burges*)
  - **SB 1371:** municipal elections; ballot; disclosure (*Griffin*)



### Gov. Brewer's Vetoes

Year	Veto Count
2009	22 bills
2010	14 bills
2011	29 bills
2012	26 bills
2013	24 bills & counting?

\*Greatest number of vetoes in Arizona occurred in 2005, when 58 bills were vetoed.

# Summary

- **Incremental progress on financial objectives resulted in close to \$9 million in relief for counties in FY 14.**
- **The legislative mix offered an improved environment to address county concerns with legislation.**
- **Intra-chamber/inter-chamber animosity may linger, possibly impacting the culture of the second regular session.**
- **The Governor and her staff continue to be responsive to counties' interests...but she has her priorities, too.**
- **“Divide and Conquer” continues to be a problem.**
  - *“The Big Five”*
  - *Political expedience at the expense of good policy*
  - *“We’re the parent” attitude lingers*



# Next Steps

## **Connect with counties, stakeholders & legislators in preparation for 2014:**

- *CSA county outreach June through August*
- *Managers meetings in June and August*
- *Discuss potential initiatives and strategies*

## **Monitor the State & Federal fiscal situation:**

- *Federal budget cuts impact PILT, SRS, SCAAP and other resources*
- *Potential lawsuits or ballot referenda regarding the Medicaid expansion*

## **Participate in interim stakeholder meetings, including:**

- *HURF sweeps and transportation funding discussions*
- *Ongoing discussions of Transaction Privilege Tax reform*
- *Ambulance service in rural Arizona*
- *AGC amendment to management at risk and design build*
- *Fire district study committee*
- *AG's Post Conviction Relief process study*

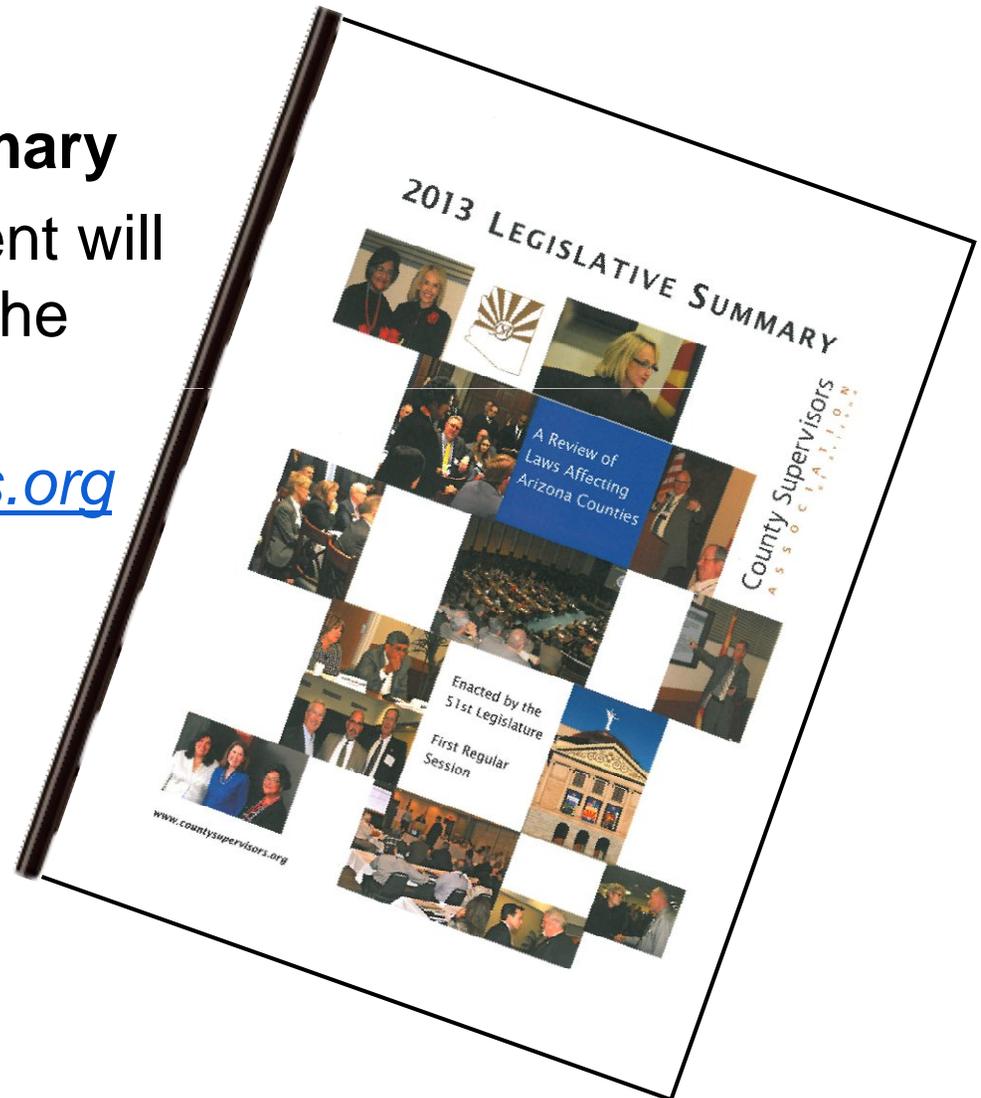


## CSA Legislative Summary

Annual summary document will soon be available on the

CSA website:

[www.countysupervisors.org](http://www.countysupervisors.org)



# Policy Development Process

## Next steps:

- **County legislative proposals due to CSA August 16, 2013**
  - *CSA provided template; staff available to assist with evaluation*
- **CSA Board of Directors meeting, September 19, 2013**
- **CSA Legislative Policy Summit hosted by Gila County**
  - *Payson, October 14-16, 2013*

