

## NAVAJO COUNTY AGENDA ITEM REQUEST FORM

<b>Meeting Date:</b> August 25, 2015	<b>Time Needed:</b> 20 minutes										
<b>Requesting Department:</b> County Supervisors Association	<b>Presenter(s) Name:</b> Craig Sullivan										
<b>Motion before the Board:</b> Presentation in regard to the activities of the County Supervisors Association, including a discussion of the recent legislative session.											
<b>Recommendation:</b> Presentation Only											
<b>Background:</b> (why should it be done, what will happen if not approved, etc. include resolution)											
<b>Fiscal Impact:</b> (what will it cost, where funds will come from, is it budgeted, etc.)											
<b>Reviewed and approved by:</b>	<table style="width: 100%; border: none;"> <tr> <td style="text-align: center;">County Manager</td> <td style="text-align: center;">County Attorney</td> <td style="text-align: center;">Human Resources</td> <td style="text-align: center;">Finance</td> <td style="text-align: center;">IT</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	County Manager	County Attorney	Human Resources	Finance	IT	<input type="checkbox"/>				
County Manager	County Attorney	Human Resources	Finance	IT							
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							
<b>Board Action Taken</b> <table style="width: 100%; border: none;"> <tr> <td style="text-align: center;">Approved</td> <td style="text-align: center;">Denied</td> <td style="text-align: center;">No Action</td> <td style="text-align: center;">Continued</td> <td style="text-align: center;">Continued to:</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;">_____</td> </tr> </table>		Approved	Denied	No Action	Continued	Continued to:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Approved	Denied	No Action	Continued	Continued to:							
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____							
Approved with changes as follows: _____											
<b>Clerk's Notes</b>											
<b>Date:</b>	<b>Initial:</b>										

**REMINDER:** Email this coversheet and all backup documentation to **BOS.Clerk** by **Noon the Tuesday** before the BOS meeting.



# County Supervisors ASSOCIATION of arizona

**52<sup>nd</sup> Legislature, First Regular Session:  
Briefing to Navajo County**



**Craig A. Sullivan**  
Executive Director  
August 25, 2015

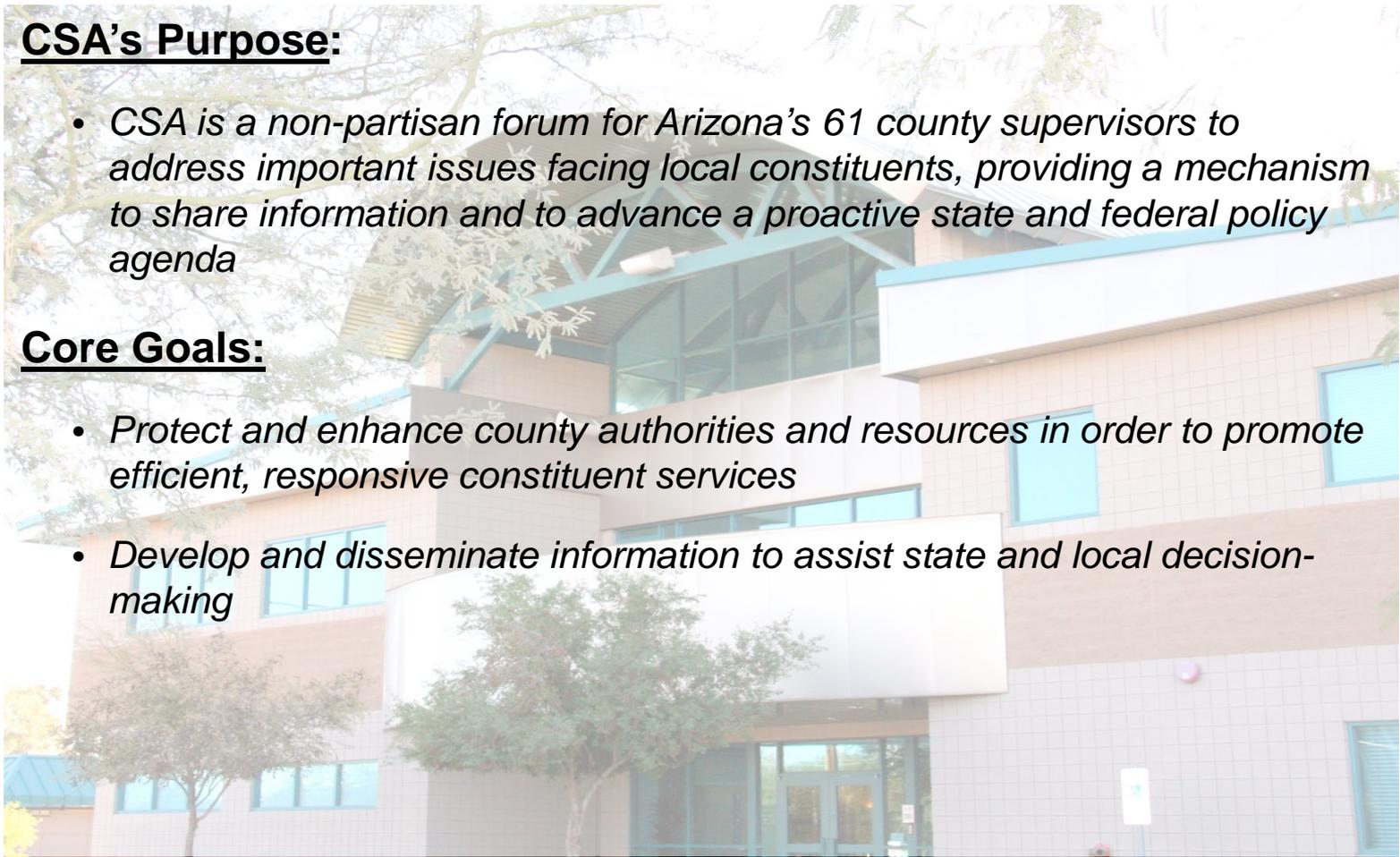
# County Supervisors Association

## 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. Clint Hickman  
Maricopa County



**President Elect**

Hon. Mandy Metzger  
Coconino County



**First Vice-President**

Hon. Tommie Martin  
Gila County



**Second Vice-President**

Hon. Anthony Smith  
Pinal County



**Third Vice-President**

Hon. Russell McCloud  
Yuma County



**Immediate Past President**

Hon. Jim Palmer  
Graham County

## CSA Legislative Policy Committee

Clint Hickman, Maricopa, CSA President

Barry Weller, Apache  
Ann English, Cochise  
Mandy Metzger, Coconino  
Tommie Cline Martin, Gila  
Jim Palmer, Graham  
David Gomez, Greenlee  
D.L. Wilson, La Paz

Gary Watson, Mohave  
Jason Whiting, Navajo  
Ray Carroll, Pima  
Pete Rios, Pinal  
Manny Ruiz, Santa Cruz  
Tom Thurman, Yavapai  
Russell McCloud, Yuma



# CSA County Services



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

## **FY 2014-2015 Association Report**

Includes select outcomes, information products and support services.

## **CSA Legislative Summary**

Annual summary document is now available on the

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

**The general effective for bills was July 3, 2015.**



# 2014 CSA Summit –Yavapai County



## County Directives to CSA Staff

- **Budget #1 Priority**
  - Secure the county lottery revenues to support county operations
  - Fully fund HURF for local governments
  - Eliminate county payments for SVP patients at ASH
  - Advocate the need for enhancing revenues for transportation
  - Secure Payment-in-lieu of Taxes for 2015 and beyond
- **Advance client-initiated CSA-sponsored legislation**
- **Engage legislation that impacts county resources, services or authorities**





# The Executive Budget

"We will limit the growth of government by limiting the spending of government."

-Ducey Campaign Nov. 4, 2014

"[I will] Submit legislation to reduce taxes every year, with the goal of eliminating personal and corporate income taxes in Arizona."

-Ducey Campaign Website/Mailers/TV Ads  
"My Pledge to the People" 2014

"If you see us standing there behind [Governor Ducey], the legislative leadership team...and we're there in a unified mode, then I don't know why we can't solve that budget on a fairly rapid basis."

-Senate President Andy Biggs December 2014



"My budget doesn't just give the appearance of spending discipline. It offers the reality of spending discipline-with decisions that are timely, real and permanent."

-Governor Ducey  
State of the State Jan. 12, 2015

"In the plainest terms, it's not the people are taxed too little; it's that their government is spending unwisely. Raise taxes and you haven't solved anything. All that does is excuse the ineffective spending and invite more of it."

-Governor Ducey Inauguration Jan. 5, 2015

# State Budget: County Impacts

## County Budget Impacts:

- 25% of the cost of ADJC **\$12 million**
- DOR local cost shift **\$6.7 million**
  - Reflects **\$3.1 million reduction**
- 1% constitutional property tax cap liability shift **\$21.4 million**
- Loss of lottery revenue for Mohave, Pinal, & Yavapai **\$1.7 million**
- Presidential Preference Election cost shift **\$3.4 million**
- Additional HURF shift **\$1.4 million**
- Flexibility language

### County Supervisors ASSOCIATION

#### JLBC Baseline Compared to Executive Recom

##### Revenue and Expenditure Projections

Some of the major differences between the Governor's budget recommendations are revenue projections. The total difference between the Executive about \$540 million in revenue difference over the three-year period FY2016-FY2017.

(Values in million dollars not add due to rounding)	FY2016		FY2017	
	Exec.	JLBC	Exec.	JLBC
Beginning Balance	\$1.0	\$0.0	\$136.8	\$0.0
Ongoing Revenues <sup>1</sup>	\$8,309.4	\$8,373.2	\$8,368.2	\$9,093.9
Ongoing Expenditures	\$9,093.3	\$9,446.6	\$9,296.7	\$9,783.9
Ending Balance <sup>2</sup>	\$136.8	(\$678.4)	\$148.9	(\$690.9)
Structural Balance <sup>3</sup>	(\$183.9)	(\$672.3)	\$3.5	(\$690.9)

##### Select Items and Issues Directly Related to Counties

County Specific Issue	JLBC Baseline	Exec. Reco
HURF Funds - In FY2016, the state swept \$80M above the statutory limit from HURF to fund DPS operations, restoring \$50 million to HURF. The state also dedicated that \$30 million restoration to local government funding for FY2016, FY2017, and a \$60 million restoration for FY2017.	JLBC continues the restoration in FY2016 and notes the legislative intent to increase this restoration to \$60 million in FY2017.	The Executive recoms entire revenue from fees to DPS, removes HURF, but decreases the restoration by \$35 million, leaving million restoration to local government under the Executive intent it will be dedicated to local government.
Restoration to Competency (RTC) - Starting in FY2016, counties were required to pay 100 percent for RTC services.	Both budgets continue to require counties pay the cost for RTC services.	

<sup>1</sup> Excludes on-going revenues include \$12.6 million in additional TPF revenues due to FY2016, FY2017, and FY2018. \$13 million from additional bond proceeds offers in FY2016, \$13.8 million from the Department of Financial Services in FY2016 (for an amount of \$3.7 million in FY2017 and FY2018), and also covers \$4.1 million in property or equipment revenues which the JLBC Budget accounts for these changes under the "Other State Funds".  
<sup>2</sup> Excludes JLBC in Executive Budget includes the effects of the B-12 legislation.  
<sup>3</sup> Excludes the difference between on-going revenues and expenditures; does not include



#### Resolution Number 1-15

**A Resolution Of Arizona's Counties Urging The Governor And State Legislature To Reduce And Limit The Duration Of Cost Shifts To Counties And Provide Counties With The Necessary Tools To Manage Any Financial Consequences Of State Action**

WHEREAS, state law makers are currently considering proposals that would shift \$20.7 million of state expenses to county government for FY 2016 and beyond, adding to the more than \$417.2 million of financial impact borne by the counties due to state action since the beginning of the "Great Recession" in 2008; and

WHEREAS, the proposed additional costs shifts to the counties currently before the legislature include charging counties for the costs of two state agencies, the Arizona Department of Revenue and the Arizona Department of Juvenile Corrections (ADJC), eliminating lottery revenue sharing with the five largest counties, and shifting previously state-paid 1 percent constitutional cap liabilities to the county and primary property tax levying jurisdictions in conjunction with capping the Homeowner's Rebate; and

WHEREAS, shifting 25 percent of the costs for children housed, educated and... DDC is of grave concern because the county board of supervisors... DDC as those decisions are made by the... DDC is a major uncontrol...



### Fiscal Year 2016 Continuing and New Executive Recommendation Impacts to Counties

County	HURF Shifts to DPS <sup>1</sup>	SVP Costs at ADJC <sup>2</sup>	100% of RTC Costs at ADJC <sup>3</sup>	Continuing ADJC <sup>4</sup>	ADJC Superior Court Judge Salaries <sup>5</sup>	ADJC Indigent Defense <sup>6</sup>	Elimination of County Lottery Revenues <sup>7</sup>	Elimination of Prop. 404 <sup>8</sup>	25% of Costs for ADJC <sup>9</sup>	1% Property Tax Cap Liability Shift <sup>10</sup>	DOR Appropriation Shift <sup>11</sup>	Additional Loss of Lottery Revenue <sup>12</sup>	Total Impacts on Executive Budget Recommendations	Total Continuing Shifts and Executive Budget Recommendations
Apache	\$ 217,381	\$ -	\$ -	\$ 107,488	\$ -	\$ 13,362	\$ -	\$ -	\$ 987,742	\$ -	\$ 25,473	\$ -	\$ 1,208,663	\$ 1,208,663
Cochise	\$ 383,383	\$ 87,832	\$ 245,094	\$ 65,534	\$ -	\$ 2,285	\$ -	\$ -	\$ 387,257	\$ -	\$ 492,021	\$ -	\$ 1,259,952	\$ 1,259,952
Cook	\$ 426,716	\$ 98,272	\$ -	\$ 37,682	\$ -	\$ 4,972	\$ -	\$ 234,200	\$ 300,877	\$ -	\$ 31,020	\$ -	\$ 1,066,887	\$ 1,066,887
Coconino	\$ 145,900	\$ -	\$ -	\$ 33,466	\$ -	\$ 1,268	\$ -	\$ -	\$ 108,700	\$ -	\$ 8,908,682	\$ -	\$ 9,026,946	\$ 9,026,946
Graham	\$ 110,873	\$ -	\$ -	\$ 22,306	\$ -	\$ 1,001	\$ -	\$ -	\$ 71,484	\$ -	\$ 80,892	\$ -	\$ 173,772	\$ 173,772
Greenlee	\$ 41,985	\$ -	\$ -	\$ 9,429	\$ -	\$ 323	\$ -	\$ -	\$ 18,836	\$ -	\$ 2,200,000	\$ -	\$ 2,389,265	\$ 2,389,265
La Paz	\$ 174,410	\$ 2,108,848	\$ 287,224	\$ 64,206	\$ -	\$ 13,131	\$ -	\$ 243,772	\$ 3,817,800	\$ -	\$ 1,945,151	\$ -	\$ 6,044,036	\$ 6,044,036
Mohave	\$ 4,868,983	\$ 121,530	\$ -	\$ 39,280	\$ -	\$ 28,298	\$ -	\$ -	\$ 1,545,151	\$ 2,200,000	\$ -	\$ 568,000	\$ 4,662,432	\$ 4,662,432
Morongo	\$ 528,105	\$ -	\$ -	\$ 24,910	\$ -	\$ 2,298	\$ -	\$ -	\$ 124,800	\$ -	\$ 368,871	\$ -	\$ 496,074	\$ 496,074
Navajo	\$ 385,174	\$ 23,810	\$ -	\$ 136,187	\$ -	\$ 18,942	\$ -	\$ -	\$ 164,766	\$ -	\$ 444,616	\$ -	\$ 714,484	\$ 714,484
Pima	\$ 1,500,244	\$ -	\$ -	\$ 244,010	\$ -	\$ 4,710	\$ -	\$ -	\$ 2,000,000	\$ -	\$ 1,915,100	\$ -	\$ 5,819,154	\$ 5,819,154
Pinal	\$ 141,801	\$ 38,372	\$ -	\$ 30,111	\$ -	\$ 28,666	\$ -	\$ -	\$ 295,174	\$ -	\$ 150,128	\$ -	\$ 584,276	\$ 584,276
Pima/Coconino	\$ 454,400	\$ -	\$ -	\$ 33,300	\$ -	\$ 12,800	\$ -	\$ -	\$ -	\$ -	\$ 216,367	\$ -	\$ 684,067	\$ 684,067
<b>Total</b>	<b>\$ 10,747,449</b>	<b>\$ 3,305,342</b>	<b>\$ 1,812,328</b>	<b>\$ 1,332,683</b>	<b>\$ 9,012,100</b>	<b>\$ 700,700</b>	<b>\$ 893,541</b>	<b>\$ 4,653,400</b>	<b>\$ 12,000,000</b>	<b>\$ 3,113,120</b>	<b>\$ 3,200,000</b>	<b>\$ 1,608,000</b>	<b>\$ 28,881,132</b>	<b>\$ 60,547,511</b>

<sup>1</sup> Shifts funds from the Highway User Revenue Fund (HURF) to the Department of Public Safety (DPS) and requires HURF revenue through the transfer of the Registration Fee revenue to DPS. Excludes the effects of the local government HURF restoration.  
<sup>2</sup> Continues a provision law provision that requires counties to pay 51 percent of the cost of treatment and confinement for Security Violent Persons (SVP) at the Arizona State Hospital (ASH). Based on actual FY2014 billing.  
<sup>3</sup> Continues a provision law provision that requires counties to pay 100 percent of the cost of Registration To Competency (RTC) treatments at ASH. Based on actual FY2014 billing.  
<sup>4</sup> Continues a provision law provision that requires counties to pay 100 percent of the cost of Superior Court Judge Salaries.  
<sup>5</sup> Continues a provision law provision that requires counties to pay 100 percent of the cost of Superior Court Judge Salaries.  
<sup>6</sup> Continues a provision law provision that requires counties to pay 100 percent of the cost of Superior Court Judge Salaries.  
<sup>7</sup> Continues a provision law provision that requires counties to pay 100 percent of the cost of Superior Court Judge Salaries.  
<sup>8</sup> Continues a provision law provision that requires counties to pay 100 percent of the cost of Superior Court Judge Salaries.  
<sup>9</sup> Continues a provision law provision that requires counties to pay 100 percent of the cost of Superior Court Judge Salaries.  
<sup>10</sup> Continues a provision law provision that requires counties to pay 100 percent of the cost of Superior Court Judge Salaries.  
<sup>11</sup> Continues a provision law provision that requires counties to pay 100 percent of the cost of Superior Court Judge Salaries.  
<sup>12</sup> Continues a provision law provision that requires counties to pay 100 percent of the cost of Superior Court Judge Salaries.



# Transportation Advocacy



- Briefed Executive Staff and legislators
- Participated in multiple public/private stakeholder meetings
- Met with transportation chairs, Senator Worsley and Representative Gray
- Coordinated presentations before committees
- Endorsed VLT (Vehicle License Tax)

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

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# CSA-sponsored Legislation

## Enacted into law:

- HB 2349 flood control districts; administrative enforcement (*Fann*) **Ch. 283**
- SCM 1010 PILT program; SRS; full funding (*Griffin*) – **Transmitted to SOS**

## Administrative Solutions:

- SB 1145 restoration to competency; state costs (*Griffin*)
  - *Vetoed due to an administrative remedy*
- HB \_\_\_\_ court ordered evaluations; reimbursements (*Brophy McGee*)
  - *Not introduced due to an administrative remedy*

## Did not advance through the process:

- HB 2363 county contributions; hospitalization; medical; repeal (*Thorpe*)
  - *Passed House County and Municipal Affairs Committee*
- HB 2490 sexually violent persons; reimbursement; repeal (*Carter*)
  - *Passed House County and Municipal Affairs Committee*



# AACo's Legislative Agenda

## Enacted into law:

- HB 2108 property tax; class nine; conventions (*Mitchell*) **Ch. 233**
- HB 2110 taxing district boundaries; deadline extensions (*Mitchell*) **Ch. 98**
- HB 2236 ATV & motorcycle passengers (*Shope*) **Ch. 173**

## Did not advance through the process:

- HB 2093 ballots; presidential electors (*Coleman*)
- HB 2133 countywide elections; vote by mail (*Shope*)
- HB 2163 intensive probation; community supervision; search (*Borrelli*)
- HB 2187 JTED board; nomination petition signatures (*Shope*)
- HB 2237 vehicle lights; emergency colors prohibited (*Shope*)
- HB 2252 tax; delinquency dates; tax liens (*Mitchell*)
- HB 2253 property tax assessments; one-year cycle (*Mitchell*)
- HB 2391 early ballot mailing dates (*Mesnard*)
- HB 2424 schools; regional service centers (*Coleman*)
- HB 2485 tax lien foreclosures; subdivisions; exemption (*Shope*)



# Other County Partner Initiatives

## CSA supported other partners efforts, including:

- HB 2063 NOW: limited county employee merit system (*Coleman*) **Ch.275**
  - *Maricopa County*
- HB 2095 job-order-contracting; bond; waiver (*Coleman*) **Ch. 203**
  - *Maricopa County*
- HB 2105 inmate medical services; rate structure (*Borrelli*) **Ch. 70**
  - *Mohave County*
- SB 1393 delayed birth certificates; Native Americans (*Begay*) **Ch. 197**  
/HB 2157 Native Americans; delayed birth certificates (*Hale*)
  - *Coconino County*



# CSA Reactive Advocacy

## General Government

- Preemption of local control
- Regulatory reform
- Local lobbying regulation
- County personnel systems
- Transfer of behavioral health from DHS to AHCCCS

## Criminal Justice

- Public building accessibility & weapon possession
- Incompetent and dangerous defendants
- Peace officer body cameras
- Sheriffs' police authority for search & seizure
- Traffic citation quotas and fines
- PTSD and peace officers

## Public Finance & Special Districts

- Secondary taxing districts
- County fee exposures
- Class 9 properties designation
- Greenhouse classification
- County audit deadlines / penalties
- Tribal TPT revenue sharing

## Natural Resources

- State policy on wildfire containment & prevention
- Sustainable water & forest management
- Wildlife management
- Local & state concerns with federal land

## Planning

- Local housing preemptions
- De-annexation process
- Protected development rights
- Animal holding periods
- Flood insurance



# Legislation Amended by Counties

## Bills favorably amended, to address county concerns:



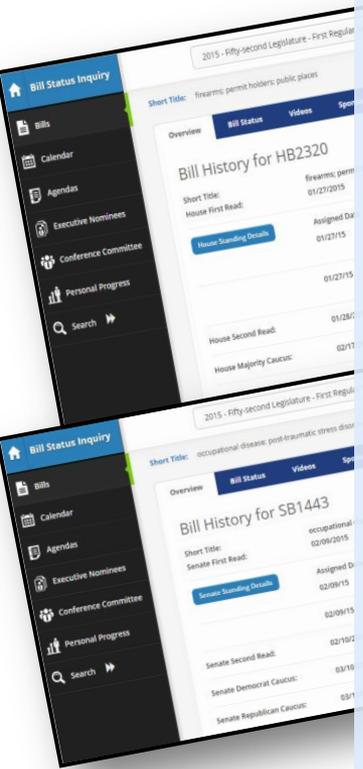
- HB 2617 NOW: counties; municipalities; budgets (*Mesnard*) **Ch. 323**
- HB 2212 licensing; accountability; enforcement; exceeding regulation (*Petersen*) **Ch. 104**
- HB 2131 tax adjudications; attorney fees (*Mitchell*) **Ch. 234**
- HB 2383 NOW: invalid annexation; boundaries; procedures (*Olson*) **Ch. 284**
- HB 2561 unlawful distribution of private images (*Mesnard*)
- HB 2643 sovereign authority; affordable care act (*Olson*) **Ch. 321**
- SB 1066 political subdivisions; financial audit reports (*Pierce*) **Ch. 268**
- SB 1072 local planning; residential housing; prohibitions (*Smith*) **Ch. 140**



# Legislation Opposed by Counties

## 11 major issues: 9 negatively impacted local finances:

- HB 2078 BOS; seven members (*Petersen*)
- HB 2128 leased religious property; class nine (*Mitchell*) **Ch. 49**
- HB 2245 county floodplain regulations; mobile homes (*Ackerly*)
- HB 2320 firearms; permit holders; public places (*Barton*)
- HB 2427 precinct lists; early ballot reports (*Barton*)
- SB 1071 tax lien deeds; aggregate fees (*Smith*)
- SB 1204 property tax; assessment of greenhouses (*Pierce*)
- SB 1298 rules; counties; flood control districts (*Griffin*) **Ch. 86**
- SB 1315 incompetent and dangerous defendants; treatment (*Driggs*)
- SB 1433 utilities; facilities relocation; cost reimbursement (*Lesko*)
- SB 1443 occupational disease; PTSD (*Smith*)



# 2015 Summary

## **Budget process was extremely restricted**

- Rank and file members had little to no influence on the budget
- Budget actions viewed as permanent: *substantial impacts to counties*
- Budget negatively impacted all public stakeholders of the state

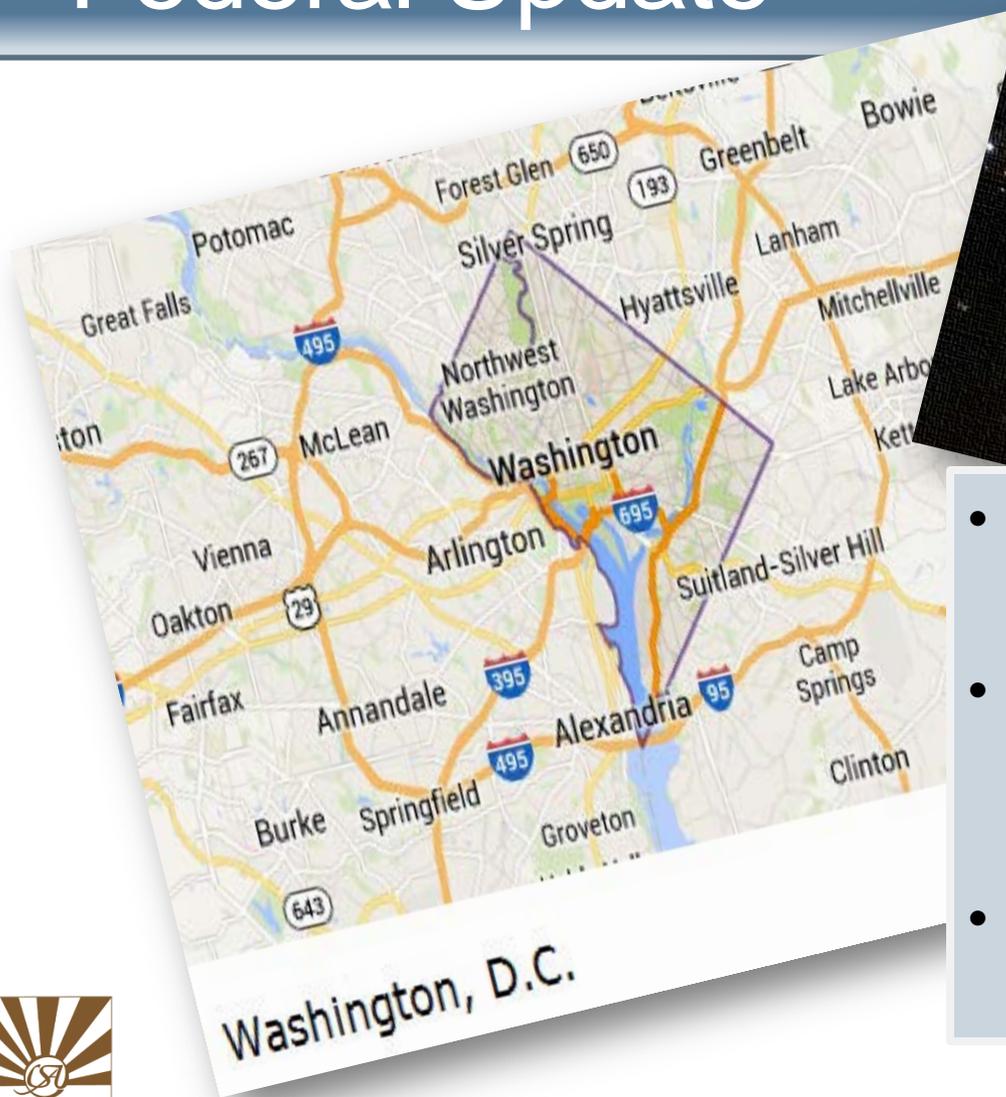
## **Counties successfully blocked or amended most bad bills and made marginal improvements to budget via late session vehicles**

- Positive working relationship with most lawmakers

## **State finances “stabilized”.....for the moment**

- Pending Lawsuits: K-12 and Medicaid Expansion
- Will revenues materialize as projected?
  - *Enacted Budget FY2016 = 3.8% growth*
  - *FAC’s most recent projections = 3.7% growth*

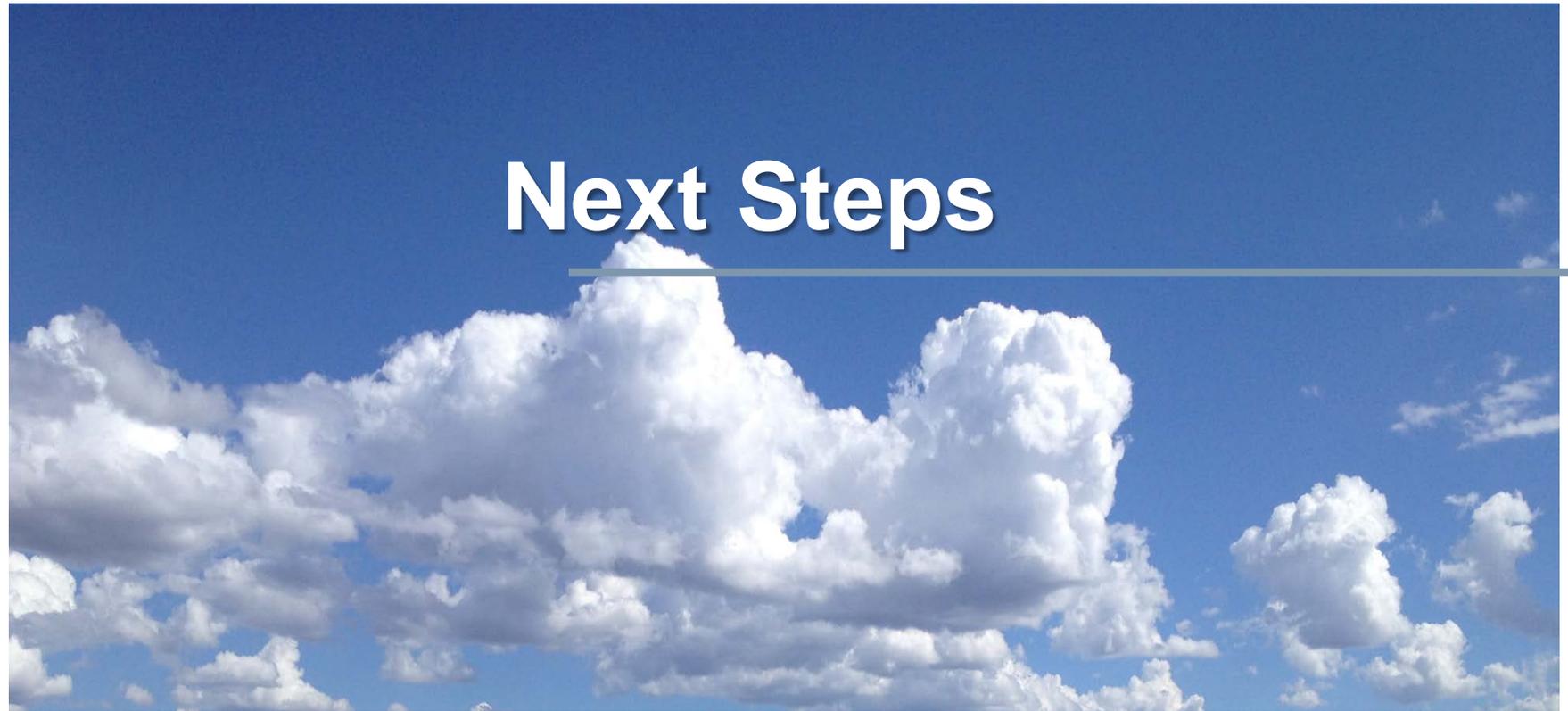
# Federal Update



- **Payment in Lieu of Taxes (PILT)**
- **State Criminal Alien Assistance Program (SCAAP)**
- **Waters of the U.S.**



# Next Steps



# Next Steps

## **Connect with counties, stakeholders & legislators in preparation for 2016:**

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

## **Monitor the state & federal fiscal situation:**

- *Federal appropriations processes (PILT, SRS, SCAAP, etc.)*
- *JLBC/OSPB visits to discuss state budget, identify emerging issues*

## **Conduct interim research and participate in stakeholder activities:**

- County RFP to house state inmates
- 1% cap implementation; modification
- Department of Juvenile Corrections
- Retirement reform: policy position and advocacy materials
- Transportation advocacy
- County finances expenditure limit/resource authorities
- Efficiencies in county criminal justice
- Presidential Preference Election & technology improvement
- Monitor 5 legislative study committees
- County-submitted policy proposals



# Policy Development Process

## Next steps:

- **County legislative proposals due to CSA August 14, 2015**
  - *CSA provided template; staff available to assist with evaluation*
- **CSA Board of Directors meetings:**
  - *June/July/August - Not Meeting*
  - September 17, 2015
- **CSA Legislative Policy Summit hosted by Mohave County**
  - *Lake Havasu City, October 13-15, 2015*





## Policy Development Roadmap

May 1, 2015

- 1) 2015 Legislative Session Wrap-up Briefing (April 16<sup>th</sup>)
  - Final county fiscal impacts reviewed
  - Assessment of 2015 Legislative Priorities
- 2) Identify “Preliminary” County Legislative Issues (May - mid August)
  - CSA to provide policy form & development tips
  - Identify complex issues that may require significant research or due diligence
  - CSA staff is available to assist counties to evaluate proposals
- 3) Post-Legislative Session County Outreach (May - August)
  - Provide legislative report and discuss issues important to supervisors and managers
- 4) County Legislative Proposals and Resolutions Due to CSA (August 15<sup>th</sup>)
- 5) County Managers and Administrators Meeting (September 11<sup>th</sup>)
  - Initial review of the county legislative proposals and Resolutions packet
- 6) CSA Board Pre-Summit Briefing and Board Meeting (September 17<sup>th</sup>)
  - Review county legislative proposals and CSA due diligence
- 7) County Managers and Administrators Pre-Summit Briefing (TBD)
  - Review county legislative proposals and CSA due diligence
  -
- 8) Legislative Summit:

**The Nautical Inn  
Mohave County, Lake Havasu City  
October 13-15, 2015**

- Establish short and long-term legislative resolutions
  - Establish lobbying strategy
- 9) Brief State Leadership (November - December)
    - Governor’s staff
    - Legislative leadership
  - 10) County Supervisors Brief Local Legislators (November - January)
  - 11) Fifty Second Legislature, Second Regular Session Begins (January 11, 2016)



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

**2015 Legislative Policy Statement**  
**11<sup>th</sup> Annual CSA Legislative Summit**  
**Mohave County, Arizona**  
**October 13-15, 2015**

**A. What is the legislative proposal?**

**B. Describe the problem and explain how the proposal solves it.**

**C. What is the fiscal impact to the state or county budgets of the proposal?**

**D. What is the preliminary analysis of the political environment and stakeholders' and affiliates' comments?**

**E. Who is the primary county contact information for the proposal (name, phone, email and other relevant information)?**

**Name:**

**Phone:**

**E-mail:**



## FY 14-15 Association Report

### CSA's PURPOSE

The 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.

### EXECUTIVE COMMITTEE MEMBERSHIP

Hon. Clint Hickman, Maricopa County  
President

Hon. Mandy Metzger, Coconino County  
President Elect

Hon. Tommie Martin, Gila County  
First Vice President

Hon. Antony Smith, Pinal County  
Second Vice President

Hon. Russell McCloud, Yuma County  
Third Vice President

Hon. James Palmer, Graham County  
Immediate Past President

### CSA PROFESSIONAL STAFF

Craig A. Sullivan, Executive Director

Todd Madeksza, Dir. of Legislative Affairs

Penny Adams, Dir. of Finance & County Services

Kristin Cipolla, Legislative Liaison

Dan Bogert, Policy Analyst

Yvonne M. Ortega, Exec. Assistant & Special Projects

### 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.

### CORE CAPABILITIES

#### CSA capabilities leveraged by:

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



### STRATEGIES

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

# FY 14-15 Association Report

## Select Outcomes, Information Products and Support Services

### Advocacy and Policy Development

#### State Advocacy and Policy Development

- 2014 Tenth Legislative Policy Summit, Hosted by Yavapai County
- 22 proposals analyzed for consideration
- Six CSA initiatives: Two approved by lawmakers; two solved administratively; two did not advance
- Coordinated county opposition to Executive proposed cost shifts
  - Drafted joint CSA/AACo resolution
  - Attached flexibility language, expenditure limitation exemption to county issues in state budget
  - Corrected ADOR local cost share, saving \$3.1 million
  - Secured additional flexibility authority for Pinal, Mohave and Yavapai counties
  - Protected \$550,000/county appropriation for 10 counties
- FY 2016 Budget Analysis
  - FY 2016 Baseline and Executive Comparison
  - FY 2016 Budget Analysis (several variations)
  - 1% Liability Analysis
  - Aggregate State Impacts
  - FY 2016 State Impacts to Counties spreadsheet
- CSA Position Paper on Budget Mitigation
- Defeated or favorably amended legislation problematic for county operations, including proposals that:
  - Established excessive penalties for delayed compliance with auditing requirements
  - Impacted county ability to maintain infrastructure
  - Diminished county dog licensing authority
  - Exposed public employees to substantial civil action
  - Preempted local control over firearms policy
  - Arbitrarily capped county title transfer fees
  - Removed statutory constraints on trial attorney fees
  - Impacted county flood control regulation of mobile homes
  - Diminished county property tax base
- Facilitated/prepared content for CSA leadership meetings with the Governor and Senate/House Majority/Minority Leadership
- Regularly communicated with Governor's Office policy staff
- Briefed House/Senate Majority/Minority Leadership and staff
- Regularly briefed members of the legislature
- Hosted "County 101" briefing for legislative research staff
- Provided staff support for supervisors participating in AACo LPC
- AZ Supreme Court's Commission on Technology, Member
- Represented county interests in legislative workgroups and stakeholder processes on the following topics:
  - Impacts of HURF diversions and transportation funding options

- Retirement system (PSPRS/CORP/EORP/ASRS) Pension Reform
- County comprehensive plans and forest management
- Animal licensing and control
- County financial auditing requirements and practices
- Deferred prosecution best practices
- Medicaid implementation
- Arizona Criminal Justice Commission
- Arizona & federal land management practices
- Election officials of Arizona
- Utility relocation costs
- 1% property tax cap liability shift
- Arizona Justice Alliance & American Friends Service Committee
- Jail and prison incarceration, reducing recidivism, reducing healthcare costs
- Arizona's application for State Innovation Models (SIM) award
- Conducted 2015 Training for:
  - 2014 Audit Training with the Auditor General and County Finance Directors

#### Federal Advocacy and Policy Development

- Lobbied AZ Congressional delegation regarding:
  - Support of the Four Forest Restoration Initiative
  - Continuation of Payment in Lieu of Taxes (PILT)
  - Reauthorization of Secure Rural Schools and Community Self-Determination Act
  - Authorization of Surface Transportation Program
  - Support for Public Lands Renewable Energy Development Act
  - Southwest Arizona Land Exchange (Resolution Mine)
  - Opposition to the proposed rule change re: definition of Waters of the U.S. (WOTUS) under the Clean Water Act
  - Support for increased State Criminal Alien Assistance Program (SCAAP) funding
- Coordinated 15-county mobilization urging support of PILT reauthorization
- Provided policy briefings to board on LWCF, SCAAP, WOTUS and the federal budget
- Drafted and disseminated 2015 CSA Federal Priorities
- Conducted county federal issues survey
- U.S. Senators and Supervisors Breakfast, Co-sponsor
- SCM1010: urging Congress; PILT program; funding
- Resolution 3-14: Urging Full Funding for Payment In-lieu of Taxes
- Resolution 4-14: Opposing the Proposed Rule Related to Waters of the U.S.

# FY 14-15 Association Report

## Research and Information Products

- Established CSA County Government Internship Program
- 2015 Legislative Session Preview
- Overview of the State Budget Situation
- Transportation Policy Briefing
  - Analysis of HURF funding model
  - Review of transportation funding options
  - County specific analysis and anecdotes
- County Priorities: 2015 Legislative Session
- 2015 Legislative Summary
- 2015 Session in Review: Briefing to the Board of Directors
- Analyses of FY16 state budget proposals
- County Budget Impacts Survey
- FY16 County Revenue/Expenditure Report
- Public Lands Briefing Book
  - PILT payments and acreage
  - NACo PILT information
  - Public lands research
  - Relevant federal laws and congressional committees
- TPT/Excise Tax Revenue Quarterly Reports
- HURF distribution flow diagram
- TPT revenue sharing flow diagram
- VLT revenue sharing flow diagram
- Distributed Legislative Action Alerts and Updates
- CSA Brochure: "What We Do and Why it Matters"
- "County Government 101" presentation
- CSA Board of Directors Membership Poster
- CSA Board of Directors Contact Sheet
- Legislative Session Progress Report & Tracking
- Executive Transition Manual
  - Top Reasons a County Might Contact the Executive
  - County 101: Roles & Responsibilities of County Gov't
  - Universal County Issues
  - Individual County Issues and Strategic Goals
  - PILT Section
  - SRS Section
  - WOTUS Section
  - Willow Beach Section
  - SCAAP Section
- County Encyclopedia
- 2014 Election documents:
  - Candidate Listings & Results Listings (Primary & General)
  - State and County Ballot Measures
  - Legislative info sheets including committees & contact info
- County Relevant Attorney General Opinions
- AHCCCS Overview
- JP & Constable Report
- Survey of County Jail Capacity
- Effects of "economic competitiveness measures" on County Government
- AHCCCS Overview: County Nexus PowerPoint
- RTC background and Talking Points
- Property Tax Overview and Effects of Prop. 117

## Media, Communication and Outreach

- Provided counties with letters, resolutions, and press releases regarding:
  - County legislative priorities 2015
  - Urging lawmakers to restore HURF and identify options to increase HURF revenues
  - Urging federal action to fund PILT
  - Urging federal action for billing of services provided to Medicaid individuals in county jails
- Provided talking points for board members throughout the year
- Produced/distributed congratulatory letters to congressional and legislative delegation
- Coordinated Arizona State Legislature Web Application System registration for all 61 supervisors
- Established CSA's social media presence, Fall 2014
  - Twitter: 246 tweets, 385 followers
  - Facebook 45 posts, 93 likes
- Coordinated media availability at CSA board meetings and briefed reporters on CSA issues, helping to generate media coverage
- Issued 20 press releases
- *CSA Legislative Update*, weekly e-newsletter
- Weekly LPC Reports, distributed to full membership
- Regular Action Alerts and Session Updates (as needed)
- Web platform: [www.countysupervisors.org](http://www.countysupervisors.org)
- Established sponsorship partnerships with 33 businesses
- Hosted 2015 Legislators and Supervisors Reception, attended by nearly 50 state legislators
- Facilitated "County Government Month" and sought proclamation from Governor

## NACo Engagement

- Facilitated/supported member participation in NACo
- Advocated appointment of 49 members to NACo
- Nominated Supervisor James Palmer (Graham) for NACo County Leadership Institute
- Nominated supervisors for 2015 NACo WIR Dale Sowards Award
- Supported members with NACo credentials process
- Supported members with participation in NACo Steering Committees
- Arizona Caucus Reception, Co-sponsor
- Western Interstate Region, *Ex Officio*



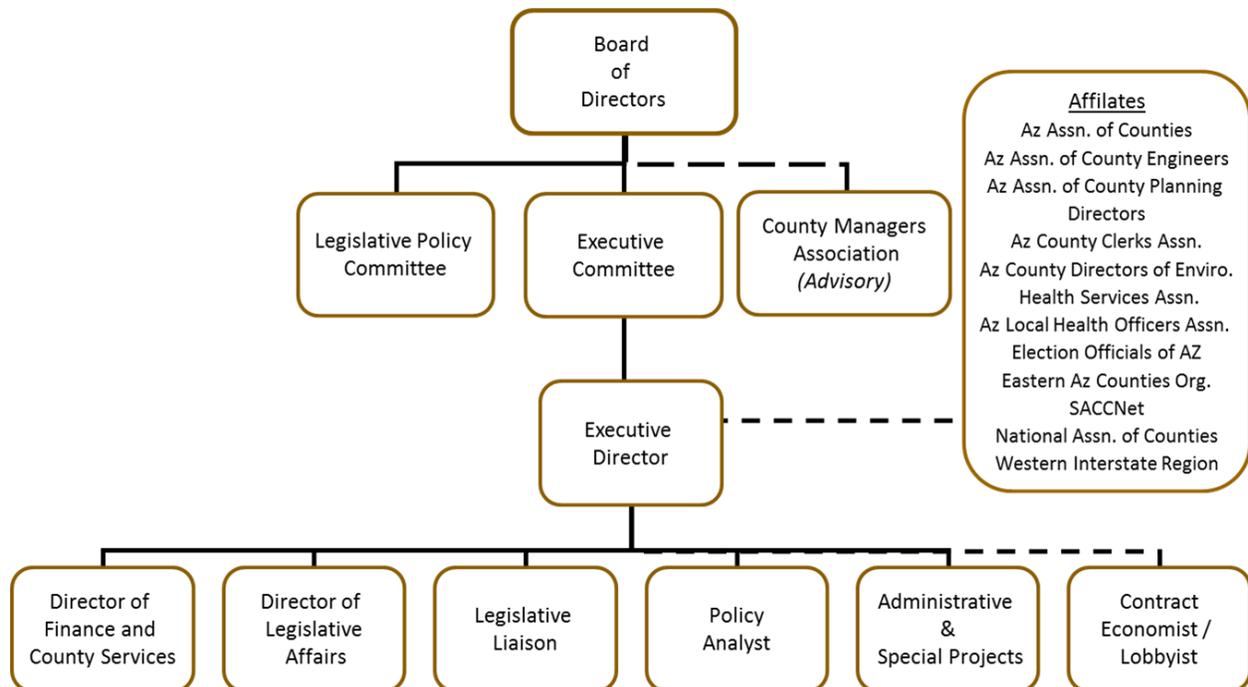
# FY 14-15 Association Report

## Informing County Leaders

- CSA hosted over 100 county meetings to support its membership
- Prepared content/briefing materials for the following:
  - 9 Board of Directors meetings
  - 11 County Managers' Association meetings
  - 9 Legislative Policy Committee meetings
- Guest presentations included:
  - Senate President Andy Biggs
  - Speaker of the House David Gowan
  - Michele Reagan, Arizona Secretary of State
  - Mark Brnovich, Arizona Attorney General
  - Jeff DeWit, Arizona State Treasurer
  - Representative Karen Fann
  - Major General Michael McGuire, Adjutant General, DEMA
  - Wendy Smith-Reeve, Director of ADEM of DEMA
  - David Rousseau, Chairman, Arizona Super Bowl Host Committee
  - John Arnold, Director, OSPB

- Karen Allen, Arizona FirstNet
- Bryan Jeffries, President, Professional Fire Fighters of Arizona -PSPRS
- PSPRS Pension Task Force team
- Bruce Bartholomew, ADOT
- Roz Boxer, Arizona Commerce Authority
- Kimber Lanning, Local First Arizona
- Commander William Weldon, Military Order of the Purple Heart
- Provided legislative briefings to the following:
  - AZ County Planners Association
  - ACIP Public Practice Legal Seminar
  - AZ City/County Management Association
  - AZ Association of County Engineers
  - AZ County Dir. of Environmental Health Services Assn.
  - AZ Civil Deputy Attorneys Association
  - AZ County Clerks Association
  - Election Officials of Arizona
  - Gila Valley Leadership

## 2015 CSA Organizational Chart



**County Supervisors**  
 ASSOCIATION  
 of arizona

1905 W. Washington Street, Suite 100  
 Phoenix, Arizona 85009  
 (602) 252-5521  
[www.countysupervisors.org](http://www.countysupervisors.org)



## 2015 LEGISLATIVE SUMMARY

General Effective Date: July 3, 2015

### Select Bills

#### **New County Budget Impacts FY2016**

##### **25% of the cost of ADJC [Ch.17](#)**

- AZ Dept. of Juvenile Corrections must assess a "committed youth fee", billed proportionally to each county based on county population. County impact is \$12 million.

##### **ADOR local cost shift [Ch. 10](#) & [Ch. 323](#)**

- AZ Dept. of Revenue must assess a fee to every county, city and town, and to MAG and PAG. County share is \$6.7 million, billed based on population.

##### **1% constitutional property tax cap liability shift [Ch. 15](#)**

- Caps the State's liability for property taxes over the 1% constitutional rate cap at \$1 million per county. Remaining liability will be paid proportionally by local primary property tax jurisdictions deemed "qualified payers" by the Property Tax Oversight Committee.

##### **Loss of lottery revenue for Mohave, Pinal, & Yavapai Counties [Ch. 8](#)**

- Cuts the \$550,050 (\$1.65 million) appropriation in lieu of county lottery for these three counties.

##### **Presidential Preference Election (PPE) cost shift [Ch. 12](#)**

- Caps state reimbursement to counties for costs incurred during a PPE at \$1.25 per active registered voter. Est. county impact is \$3.4 million.

##### **Additional HURF shift [Ch. 8](#)**

- Increases HURF shift to Dept. of Public Safety by \$7.6 million. County impact is \$1.4 million.

#### **CSA Legislative Agenda**

[HB 2349](#) FCD; administrative enforcement (*Fann*) [Ch. 283](#)

[SB 1145](#) RTC; state costs (*Griffin*) [Vetoed](#)

[HB 2363](#) county cont.; hospitalization; med; repeal (*Thorpe*) [Held](#)

[HB 2490](#) SVPs; reimbursement; repeal (*Carter*) [Held](#)

[SCM1010](#) PILT program; SRS; full funding (*Griffin*) [Transmitted](#)

#### **Courts and Criminal Justice**

[HB 2089](#) aggravated assault; judicial officers (*Borrelli*) [Ch. 95](#)

[HB 2105](#) inmate med. services; rate structure (*Borrelli*) [Ch. 70](#)

[HB 2164](#) release; bailable offenses; evidence (*Borrelli*) [Ch. 100](#)

[HB 2203](#) postconviction release hearings; recordings (*Boyer*) [Ch. 237](#)

[HB 2204](#) criminal restitution order; courts (*Boyer*) [Ch. 238](#)

[HB 2296](#) adoption petition; county attorney (*Farnsworth, E*) [Vetoed](#)

[HB 2378](#) peace off; unlawful sex conduct (*Borrelli*) [Ch. 214](#)

#### **Federalism**

[HB 2175](#) public rights-of-way; claims (*Finchem*) [Ch. 277](#)

[HB 2176](#) fed land relinquish; payment (*Thorpe*) [Vetoed](#)

[HB 2318](#) transfer of public lands compact (*Barton*) [Vetoed](#)

[HB 2365](#) off-highway vehicles; enforcement (*Thorpe*) [Ch. 305](#)

[HB 2658](#) fed lands; transfer; study committee (*Barton*) [Ch. 248](#)

#### **General Government**

[HB 2008](#) fireworks (*Shope*) [Ch. 274](#)

[HB 2095](#) performance bond waiver; eligibility (*Coleman*) [Ch. 203](#)

[HB 2186](#) county school supervisors; schools; libraries (*Boyer*) [Ch. 103](#)

[HB 2212](#) licensing; accountability; enforce; exc reg (*Petersen*) [Ch. 104](#)

[HB 2213](#) inspections; audits; notice; rights (*Petersen*) [Ch. 192](#)

[HB 2236](#) ATV and motorcycle passengers (*Shope*) [Ch. 173](#)

[HB 2527](#) prohibit laws, rules, ordinances; firearms (*Kern*) [Ch. 126](#)

[SB 1218](#) county recorder; recording fees (*Allen, S*) [Ch. 67](#)

[SB 1241](#) aux containers; regulation; prohibition report (*Barto*) [Ch. 271](#)

[SB 1298](#) rules; counties; FCDs (*Griffin*) [Ch. 86](#)

[SB 1345](#) private land acquis; study committee (*Griffin*) [Ch. 188](#)

[SB 1393](#) delayed birth certs; Native Americans (*Begay*) [Ch. 197](#)

[SB 1466](#) livestock loss board; comp fund (*Allen, S*) [Ch. 172](#)

#### **Planning & Zoning/Land Use**

[HB 2003](#) fire sprinklers; permits; regulation (*Petersen*) [Ch. 191](#)

[HB 2010](#) counties; protected dev rights; extensions (*Shope*) [Ch. 92](#)

[HB 2383](#) invalid annexation; boundaries; procedures (*Olson*) [Ch. 284](#)

[HB 2525](#) board of adjustment; appeals (*Coleman*) [Ch. 125](#)

[SB 1069](#) ordinances; businesses; prohibit; security reqs (*Smith*) [Ch. 139](#)

[SB 1072](#) local plan; res housing; prohibit (*Smith*) [Ch. 140](#)

[SB1079](#) solid waste collections; multifamily housing (*Griffin*) [Ch. 142](#)

[SB 1335](#) fire access roads; limit; enforce (*Farnsworth, D*) [Ch. 88](#)

#### **Public Safety**

[HB 2162](#) rural fire district study committee (*Coleman*) [Ch. 236](#)

[HB 2205](#) emergency service providers; civil liability (*Boyer*) [Ch. 239](#)

[HB 2378](#) peace officers; unlawful sex conduct (*Borrelli*) [Ch. 214](#)

[HB 2410](#) munies; traffic citation quota; prohibit (*Stevens*) [Vetoed](#)

[HB 2438](#) PTSD; public safety (*Livingston*) [Ch. 308](#)

[HB 2550](#) constables; training courses; deadline (*Rivero*) [Ch. 129](#)

[SB 1187](#) services outside munis boundaries; reqs (*Griffin*) [Ch. 153](#)

[SB 1197](#) VLT exempt; fallen emerg personnel (*Kavanagh*) [Ch. 186](#)

[SB 1300](#) law enforcement officers; body cams; com (*Kavanagh*) [Ch. 161](#)

[SB1445](#) public records; peace officer's name (*Smith*) [Vetoed](#)

#### **Taxation and Public Finance**

[HB 2108](#) prop tax; class nine; conventions (*Mitchell*) [Ch. 233](#)

[HB 2109](#) ballot; form; sec property taxes (*Mitchell*) [Ch. 48](#)

[HB 2173](#) escrow agents; legal tender (*Finchem*) [Vetoed](#)

[HB 2128](#) leased religious prop; class nine (*Mitchell*) [Ch. 49](#)

[HB 2131](#) tax adjudications; attorney fees (*Mitchell*) [Ch. 234](#)

[HB 2358](#) TPT; exemption; crop dusters (*Shope*) [Vetoed](#)

[HB 2617](#) counties; municipalities; budgets (*Mesnard*) [Ch. 323](#)

[HB 2653](#) tax liens; delinquency; partial payment (*Olson*) [Ch. 324](#)

[SB 1066](#) political subdiv; financial audit reports (*Pierce*) [Ch. 268](#)

[SB 1135](#) tax liens; delinquency; partial payment (*Smith*) [Ch. 322](#)

[SB 1446](#) TPT reform; contractors (*Lesko*) [Ch. 4](#)

[SB 1449](#) public monies; invest; pooled collateral (*Farnsworth*) [Ch. 89](#)



**Health and Human Services**

- [HB 2098](#) department of Child safety (*Brophy McGee*) [Ch. 79](#)
- [HB 2643](#) sovereign authority; affordable care act (*Olson*) [Ch. 321](#)
- [SB 1194](#) loan repayment; medically underserved areas (*Griffin*) [Ch. 3](#)
- [SB 1257](#) behavioral health; transfer; AHCCCS (*Ward*) [Ch. 195](#)

**Elections**

- [HB 2613](#) political activity; public resources; limit (*Petersen*) [Ch. 296](#)
- [HB 2214](#) majority vote calculations; municipal elects (*Petersen*) [Ch. 105](#)
- [SB 1169](#) fire code requirements; fire watch (*Allen, S*) [Ch. 152](#)
- [SB 1287](#) ballot contents disclosure; prohibition (*Yee*) [Ch. 187](#)

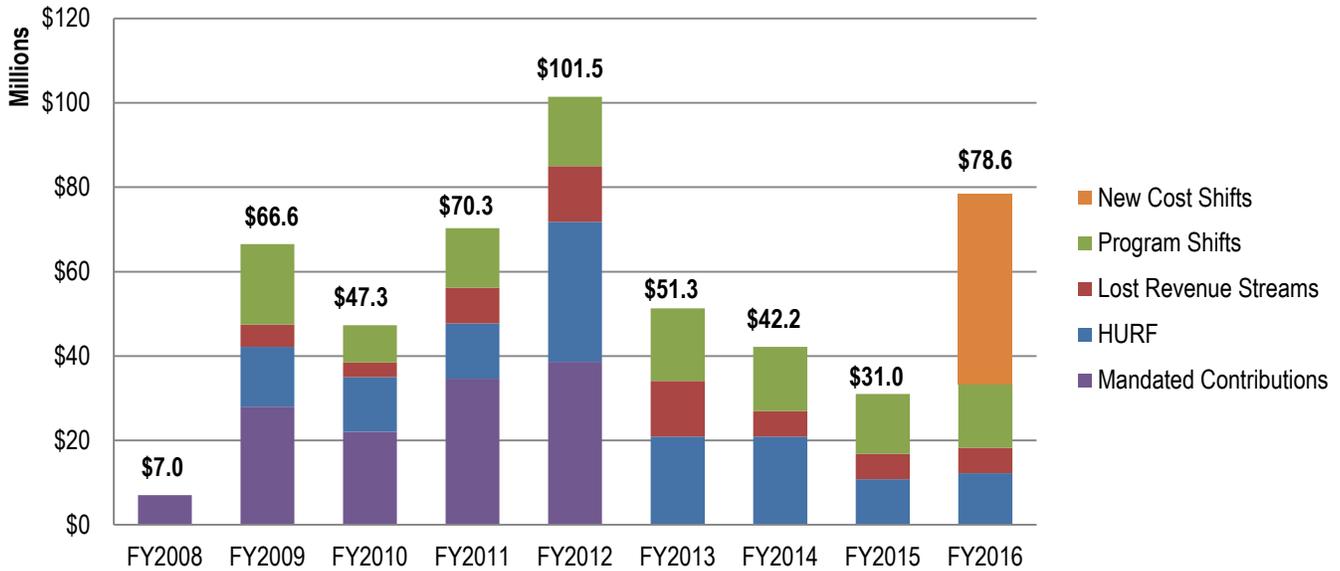
**Public Personnel and Retirement**

- [HB 2063](#) limited county employee merit system (*Coleman*) [Ch. 275](#)
- [HB 2551](#) state; county employees; prec committee (*Weninger*) [Ch.287](#)
- [SB 1119](#) ASRS; purchase of credited service (*Lesko*) [Ch. 142](#)

**Special Districts**

- [HB 2109](#) ballot; form; second prop taxes (*Mitchell*) [Ch. 48](#)
- [HB 2110](#) taxing district boundaries; deadline ext (*Mitchell*) [Ch. 98](#)
- [HB 2142](#) WIFA; prepayment (*Borrelli*) [Ch. 260](#)
- [HB 2414](#) community college tuition finance districts (*Stevens*) [Ch. 306](#)
- [HB 2538](#) special districts; truth in taxation (*Mitchell*) [Ch. 128](#)

**FY2008-FY2016 Budget Impacts**



Estimated Aggregate Continuing Impacts to Counties FY08-FY16	Statewide County Impact
HURF Shifts	(\$138,444,947)
Lost Revenue Streams	(\$61,520,789)
Program Shifts	(\$120,368,952)
Mandated Contributions	(\$130,189,600)
<b>Estimated Aggregate Impact of New Shifts to Counties FY16</b>	
25% of the Costs of the Department of Juvenile Corrections	(\$12,000,000)
Department of Revenue Cost Shift	(\$6,749,337)
1% Property Tax Cap Liability Shift	(\$21,426,571)
Presidential Preference Election Cost Shift	(\$3,422,204)
Loss of County Lottery Revenue	(\$1,650,000)
<b>Estimated Total Fiscal Impact to Counties FY08-FY16</b>	<b>(\$495,772,400)</b>

# 2015 Session by the Numbers

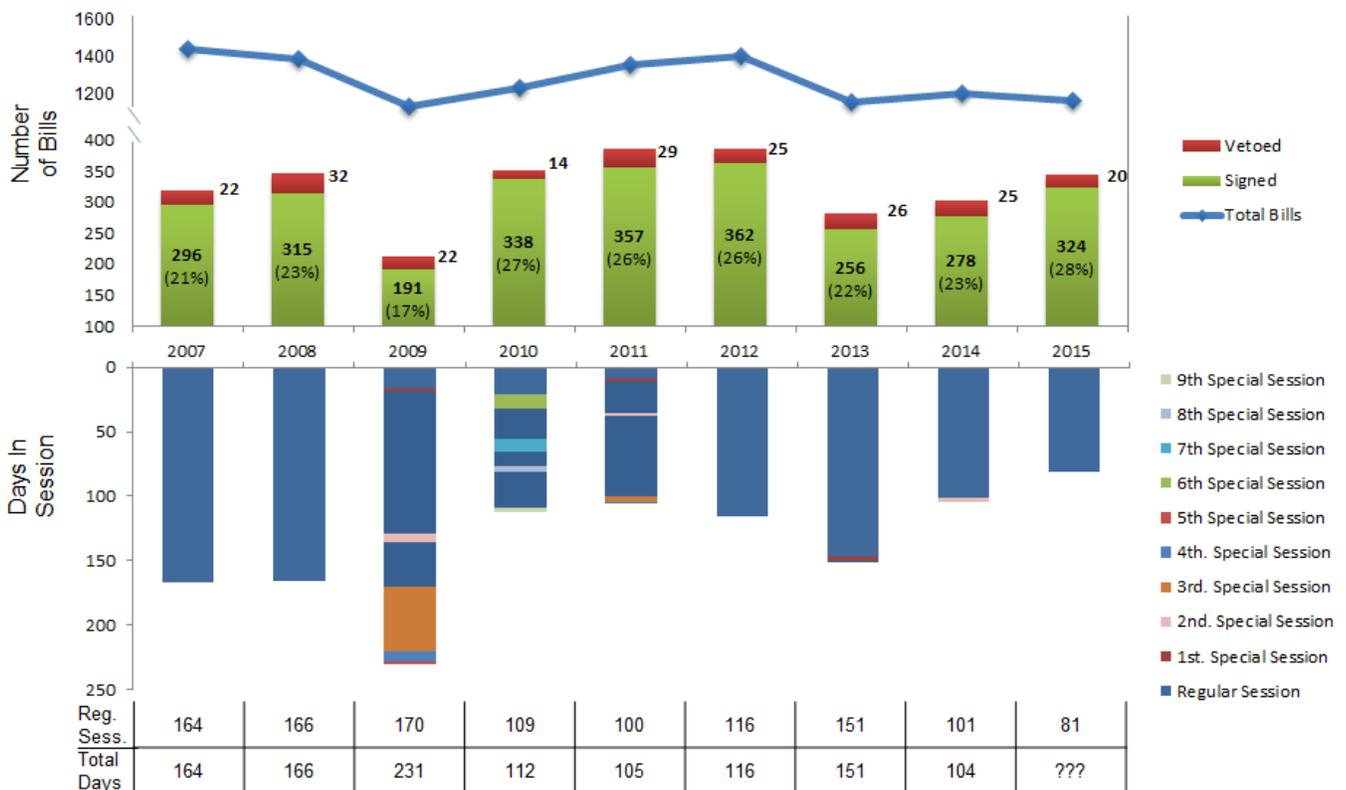
## Bill Count

Bills	
Introduced	1205
Passed	344
Signed	324
Ballot Propositions	1
Vetoed	20
<i>Pass Rate</i>	<i>28%</i>

Veto History	
2014	25
2013	26
2012	25
2011	29
2010	14
2009	22
2008	32
2007	22

**81 day** Legislative Session — shortest session since 1968

## Legislative Session History



## Fiscal Year 2016 State Budget

In Millions

	FY16	FY17	FY18	
Ongoing Revenues	\$8,881	\$9,139	\$9,497	
Ongoing Expenditures	\$9,120	\$9,284	\$9,516	
Structural Balance/ (Deficit) <sup>1</sup>	<b>\$(238)</b>	<b>\$(145)</b>	<b>\$(18)</b>	
Carry Forward	\$12	\$3	\$0	<b>\$(43)</b>
Fund Transfers	\$220	\$100	\$0	
Tax Amnesty	\$15	\$0	\$0	
One-time Capital Outlay	\$6	\$0	\$0	
Ending Balance / (Deficit)	\$3	<b>\$(43)</b>	<b>\$(18)</b>	<b>\$(61)</b>

Note: Figures may not add due to rounding

<sup>1</sup> Excludes one-time revenues and expenditures and does not account for \$460M in "rainy day" fund

**JLBC Baseline projected an FY 2015 deficit of \$(480) and an FY 2016 deficit of \$1 billion**

**How they got from a \$1 billion deficit to a \$1 million ending balance**  
(\$ in millions)

