



*A research and advocacy association, supporting efficient, responsive county government in Arizona.*



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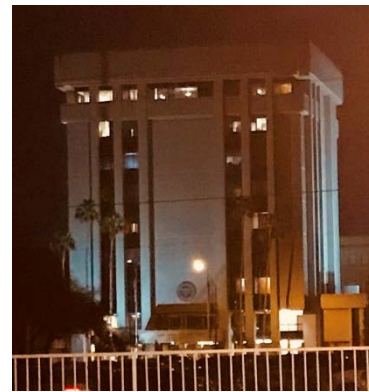
## Lawmakers Include Relief to Counties in FY19 Budget and Session Adjourned Sine Die

Late Wednesday night and early Thursday morning, both the Senate and the House passed out a \$10.4 billion dollar budget package. The bills were then transmitted to the Governor and all bills were signed by Thursday evening. Of the 1,206 bills introduced this year, the legislature passed 369 bills and Governor Ducey has signed 285 of them (so far) and vetoed sixteen. The Senate and House adjourned for a few hours to rest the morning of May 3<sup>rd</sup> only to reconvene later in the afternoon in an effort to reach *sine die*.

On Friday morning at 12:26 a.m. both chambers of the legislature adjourned the 2018 Legislative Session *Sine Die*. Session lasted 116 days, where last year's session lasted 122 days.

CSA's top priority this session was to secure a package of expenditure relief items for counties in the state budget. This relief is critical given recent court rulings regarding the Elected Officials Retirement Plan (EORP) and the need to immediately put the plan on actuarially sound footing, which will lead to increased employer contribution rates. To this end, the following priorities were included in the state budget:

- [The Arizona Department of Juvenile Corrections \(ADJC\)](#): \$11.26 million in relief for FY19.
- [In-Lieu Lottery Appropriations](#): As session law, continues payments for ten rural counties and adds \$550,000 to the JLBC Baseline for Mohave, Pinal and Yavapai counties in FY19 for the purpose of receiving an appropriation in-lieu of county lottery revenue, providing an additional \$1.7 million in ongoing county relief to counties.
- [Elected Officials Retirement Plan \(EORP\) Relief](#): As session law, creates a one-time appropriation of \$1.7 million to offset the increase in EORP liabilities for the smallest eight counties (Apache, Cochise, Gila, Graham, Greenlee, La Paz, Navajo, and Santa Cruz).
- [Disproportionate Uncompensated Care Pool \(DUC Pool\)](#): County payments made to the DUC pool are not continued, a \$2.6 million savings for counties.
  - [Sexually Violent Persons \(SVP\) Payments](#): County reimbursements for 31 percent of the cost of the SVP population housed at the Arizona State Hospital were not continued, a \$3.26 million savings for counties.
  - [Restoration of 50/50 Cost Share of Maricopa Superior Court Judges](#): As permanent law, starting in FY20, the state will contribute 25 percent of the salaries and benefits of Superior Court Judges in Maricopa County. In FY21, this contribution increases to 50 percent of the judges' salaries and benefits which matches the state's contribution for the other fourteen counties' judges, a \$13.1 million in savings to Maricopa County in FY21.



- County Flexibility Language: County flexibility language is again included in the budget, which allows counties with a population below 250,000 persons in the 2010 decennial census to use any source of county revenue to meet a county fiscal obligation for FY 2019, up to \$1.25 million of county revenue for each county. There are also additional flexibility allowances.

Other budget items that have a positive financial benefit to counties, include:

- Highway User Revenue Fund (HURF): The passage of [HB 2166 vehicle fees: alternative fuel VLT \(Campbell\)](#) established an annual highway safety fee for registered vehicles to fund the Highway Patrol Division of the Department of Public Safety (DPS). Reducing the amount of funding DPS needs from HURF from \$99.39 million in the Joint Legislative Budget Committee (JLBC) FY19 Baseline to \$15.5 million. As a result, the full \$60 million in local offset funds set in the FY18 budget is no longer necessary. The budget provides a total of \$30 million in FY19 in HURF Local Distribution monies and sweeps the Highway Extension and Expansion Loan Program (HELP) Fund (which was previously set aside for the local offset) into the state General Fund (GF). The approximate net impact of the decrease in the DPS shift and eliminating the \$30 million HELP local offset is a \$5.9 million increase to counties.

For the Joint Legislative Budget Committee outline of the entire state budget, please [click here](#).

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## CSA Legislative Agenda: Final Status

The final status of CSA's legislative agenda package is as follows:

### *Policy Bills*

- 1) [HB 2190 county improvement districts: repayment agreements \(Mitchell\)](#) - Passed the House 57-0. Passed Senate 29-0, and signed into law, **Chapter 80**.
- 2) [HB 2413 public road maintenance: primitive designation \(Cook\)](#) - Passed the House 58-0, passed the Senate 29-1 and signed into law, **Chapter 16**.
- 3) [HB 2653 expenditure limitation: waiver of penalties \(Cobb\)](#) - Passed the House 31-29, passed the Senate 21-8, **awaiting Governor's signature**.
- 4) [SB 1038 state land payments: payment method \(Griffin\)](#) - Passed the Senate 30-0, passed the House 57-1-2 and was signed into law, **Chapter 18**.
- 5) [SB 1113 zoning violations: notice; service \(Fann\)](#) - Passed the Senate 23-5, passed the House 51-8, passed Senate Final Read 22-6, **Chapter 213**.

### *Budget Related Bills*

- 6) [HB 2274 county contributions: hospitalization: medical: repeal \(Thorpe\)](#) - Passed the House 58-0, transmitted to the Senate. Referred to Senate Health & Human Services and Appropriations. **Included in state budget.**
- 7) [HB 2415 juvenile dependency proceedings fund \(Cobb\)](#) - Passed the House 51-7, transmitted to the Senate. Passed the Senate Judiciary Committee 7-0, passed Senate Appropriations, awaiting Rules.
- 8) [HB 2439 county contributions: committee youth: repeal \(Thorpe\)](#) - Passed the House 55-3, transmitted to the Senate. Passed the Senate Judiciary Committee 6-0-1, passed Senate Appropriations, awaiting Rules. **One time relief included in state budget.**

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## State & Counties Continue to Combat Wildfires

County leaders and resources have deployed to protect public safety in communities threatened by wildfires. There are currently two wildfires and one prescribed fire burning throughout Arizona, which include:

- **Tinder Fire, Coconino County** – The Tinder Fire, started northeast of the Blue Ridge Reservoir and the wildfire has consumed an estimated 12,286 acres and is currently 12 percent contained. The cause is expected to be an abandoned illegal campfire burning timber, grass and understory; some residents in the Blue Ridge area have been evacuated.
- **Rattlesnake Fire, Apache County** – The Rattlesnake Fire, burning 43 miles southeast of Whiteriver, 20 miles southwest of Alpine and over 50 miles northwest of San Carlos, has consumed nearly 26,072 acres as of Thursday and is 90 percent contained.



For up to date information on wildfires, please click on the following links:

[Arizona Interagency Wildfire Prevention](#)

[Arizona State Forestry Division](#)

[Federal: Active Fire Maps](#)

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## NACo Webinar: Understanding TANF & its Importance to Reducing Poverty

On May. 9, 2018 , from 2:00 p.m. – 3:00 p.m., EST, the National Association of Counties (NACo) is hosting a webinar titled [Understanding TANF and its Importance to Reducing Poverty](#). This webinar will explore how our nation's rural counties provide a vast majority of our nation's food and energy, while also being home to important manufacturing and service-sector hubs. Despite this critical role in our nation's economy and well-being, too many individuals and families in rural counties are struggling and not sharing in our nation's economic growth. In fact, a full 85 percent of the country's persistent poverty counties are rural.

The Temporary Assistance for Needy Families (TANF) program is a critical public assistance program that provides assistance to millions of low-income individuals and families. Although TANF is a partnership between the federal government and states, ten states partner with counties to operate the program: California, Colorado, Minnesota, New Jersey, New York, North Carolina, North Dakota, Ohio, Virginia and Wisconsin.

To learn more about TANF's vital role in alleviating poverty in rural counties, which includes key non-cash assistance such as child care, job training and work support programs, please [click here](#) to register for the webinar.

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## New Videos, Webpage Illustrate CORP Changes

The Public Safety Personnel Retirement System (PSPRS) of Arizona has released two of three videos designed to help teach the pending reforms to the corrections and detention community, including all of the human resources, payroll and management employees who help provide these vital services. The [first video](#) covers the basics of the upcoming changes, while the [second video](#) dives deeply into the details of the 401(a) Defined Contribution plan for Tier 3 corrections/detention officers.

Additionally, a new [PSPRS webpage](#) dedicated to the Corrections Officer Retirement Plan (CORP) is now live, and it offers a [how-to-guide](#) for employers, a [matrix](#) that summarizes the benefits among each employee tier and a benefits [brochure](#) for prospective Tier 3 probation and surveillance officers of the AOC.

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