

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



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County Officials Attend Opening Day; Governor Ducey's State of the State



County Supervisors from throughout the state were welcomed by the newly appointed Speaker of the House Rusty Bowers and President Karen Fann this Monday at the state capitol, as the 54th Arizona State Legislature convened. Governor Ducey delivered his fifth state of the state address before a joint session of the House and Senate.

The Governor laid out his priorities for the upcoming year and beyond in his speech, emphasizing the theme "Things That Matter." He began the speech by highlighting the pioneering spirit of Arizonans and how we rise to face our challenges head on, noting that four years ago our state was facing budget shortfalls, education lawsuits and lagging job growth. Governor Ducey notes that "today Arizona is back on its feet with more jobs, more people and a balanced budget" emphasizing that "the state of our state is strong and it is getting stronger."

His speech identified a few specific issues and initiatives, including:

- Making ratification of the Drought Contingency Plan a #1 priority. He noted that the state has 17 days to come together and will need to work in a bipartisan manner to protect Lake Mead and our state's water future.
- Budgeting for a \$1 billion balance in the Budget Stabilization Fund (Rainy Day Fund), holding the line on tax increases and limiting future ongoing spending.
- Streamlining state government, starting with repealing legislative immunity and encouraging lawmakers to "chop stacks of statute down so that the law makes sense and is relevant to the Arizona of today."
- Addressing the need for comprehensive school safety legislation, including enough resources for a "cop on every campus that needs one."
- Granting universal recognition of all occupational licenses to reduce barriers to enter into Arizona's workforce.
- Protecting teacher pay raises and increased funding for career and technological education.
- Expanding reentry programs for prisoners to help prepare them for employment upon release.



[Please click here to watch or read Governor Ducey's State of the State Address.](#)

The Governor will release his proposed budget plan later this afternoon, which will outline his budget recommendations in relation to his proposed legislative priorities. CSA will provide analysis of his budget recommendations and their effects on county fiscal priorities once they become available.

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24th Annual Indian Nations and Tribes Legislative Day



It was a packed house on the Senate floor and in the gallery on Wednesday January 16th, as the Arizona State Capitol hosted the 24th Annual Indian Nations and Tribes Legislative Day. This annual event is held every year in cooperation with representatives from the state's Indian nations, where legislators and other elected officials are invited to pay tribute to the history and culture of American Indian peoples and their contributions to the prosperity and cultural diversity of the state of Arizona.

County supervisors from across the state joined legislators when the Joint Protocol Session kicked off the day. The invocation was provided by Mr. Lawrence Jackson Sr., Vice-Chair, Yavapai Apache Nation, as well as opening remarks from Senate President, Karen Fann, and Speaker of the House, Rusty Bowers.

The State of Tribal Nations Address was given by Ms. Gwendena Lee-Gatewood, Chairwoman, White Mountain Apache Tribe; Dr. Damon Clarke, Chairman, Hualapai Tribe and Mr. Robert Miguel, Chairman, Ak-Chin Indian Community. The afternoon events included an information session on the best practices in historic preservation and on missing and exploited women.

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CSA Exec Committee Meets with President Fann

CSA President Russell McCloud and members of CSA's Executive Committee visited with Senate President Karen Fann this week to share CSA's priorities for the 2019 legislative session. Supervisors Rudy Molera (Santa Cruz), Jack Smith (Yavapai), and Jason Whiting (Navajo) participated in the meeting and shared local perspective about the importance of CSA's financial and legislative priorities. Also during the visit, President McCloud extended CSA's commitment to serve as a resource and partner for state lawmakers during the session.

Our thanks to President Fann for her leadership and for taking the time to learn about county issues!

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Treasurer Yee Provides Insight on State of Arizona Economy

On Tuesday, the Senate Appropriations Committee met to hear presentations about the state of the Arizona economy. The first presentation from newly elected Treasurer Kimberly Yee's office spoke to various options the state may have with a budget surplus. Treasurer Yee urged the committee, amidst budget discussions, to consider long-term implications and focus less on short-term, especially in a year in which the state is experiencing a surplus.

One of the options presented is to deposit additional monies into the Budget Stabilization Fund, also known as the Rainy Day Fund; an idea Governor Ducey called for in his State of the State address. Another option outlined was to pay down the \$930 million debt accrued as part of the K-12 rollover, caused by delaying payments to school districts into the next year during the peak of The Great Recession. Deputy Treasurer Mark Swenson assured the committee that the state is incapable of handling another recession while the rollover debt is as large as it is.

PEW Research Center also provided a presentation, regarding the optimal size of a state Rainy Day Fund. For Arizona in particular, PEW Research Officer Dr. Alexandria Zhang pointed out that, on average, the state takes roughly six years to recover from the shock of an economic downturn. Using the FY 2017 budget as a reference, Dr. Zhang pointed out the state would need 6.97% of the state budget saved in the Rainy Day Fund to get through the six year recovery after a moderate recession. That number jumps to 16.91% if the state were to experience an economic downturn like that of The Great Recession. The state currently has just over 4% of general fund revenues saved in the Rainy Day Fund and current statute caps that number at 7%.

The Senate Appropriations Committee will meet again next Tuesday, January 22nd, to discuss university lease-back financing.

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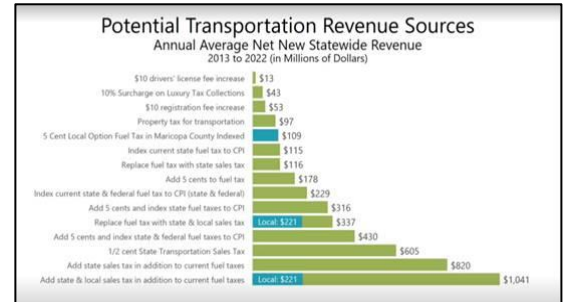


House and Senate Transportation Committees Hear From ADOT and MAG

On Wednesday, Senators and Representatives sitting in their respective chamber's Transportation Committee heard from the Arizona Department of Transportation (ADOT) and the Maricopa Association of Governments (MAG). Both of these presentations covered the state of transportation funding in Arizona, and noted the difficulty of funding the Highway User Revenue Fund (HURF) primarily from a stagnant gas and use fuel tax. The MAG presentation also discussed potential revenue sources that could be leveraged to provide additional revenue to the statewide transportation system. Additionally, ADOT discussed some of their current projects including the status of the expansion of the I-11 and new traffic interchanges along the I-10.

To access the presentations, please click here for the [Senate](#) and here for the [House](#).

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