

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



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CSA 15th Annual Legislative Summit

Thank you, Pinal County, for hosting an outstanding 15th Annual CSA Legislative Summit!

Your leadership and wonderful hospitality created a fantastic forum for you and your colleagues across the state to exchange ideas, build relationships, and forge a focused coalition agenda for next year's legislative session.

We appreciate the extra effort you and your staff put in to make the event a success. Thank you!



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County Supervisors Welcome Arizona's 16th Governor Bruce Babbitt



The County Supervisors Association was honored to welcome former U.S. Secretary of the Interior and 16th Governor of Arizona Bruce Babbitt to deliver the keynote address at the Summit luncheon on Tuesday, October 29.

As Governor, Mr. Babbitt brought environmental and resource management to the forefront in Arizona. He negotiated and steered the passage the Arizona Groundwater Management Act of 1980, which remains the most comprehensive water regulatory system in the nation. He was noted for the conception of the Arizona Department of Water Resources and the Arizona Department of Environmental Quality, as well as initiating a major expansion of the Arizona State Park System.

During his remarks, Governor Babbitt shared his concern with rapid groundwater depletion occurring in certain areas of the state, highlighting Mohave County, La Paz County and Wilcox. He argued that the lack of water management tools for these regions threatens their long-term economic prosperity and quality of life. And, he stated that the state legislature should create a regulatory framework that rural communities could use to better plan for the long-term stewardship of water resources.

Thank you, Governor Babbitt, for visiting with Arizona's County Supervisors!

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CSA Board Adopts Budget Priorities and Legislative Proposals



This week Pinal County hosted the 15th Annual CSA Legislative Summit at the Harrah's Ak-Chin Conference Center near the City of Maricopa. At the event, county supervisors, representing all 15 Arizona counties, established CSA's policy agenda for the 2020 legislative session.

"It was wonderful to visit Pinal County and I'm grateful to the Pinal County Board of Supervisors for hosting such a wonderful event," said CSA President and Yuma County Supervisor Russell McCloud. "Our work sessions were very productive and produced some meaningful legislative policy items focused on saving local county taxpayer dollars and increasing investment in transportation infrastructure. CSA is looking forward to working with the legislature, local elected officials and stakeholders to address these important issues at the capitol in 2020."

At the summit, Arizona county supervisors unanimously agreed to call on lawmakers to permanently eliminate the county payments to the Arizona Department of Juvenile Corrections, to fully fund the Presidential Preference Elections, and to increase investment in state and local transportation systems.

CSA also adopted nine legislative proposals for the 2020 legislative session, including the proposals that would enhance "Good Neighbor" regulatory policies and promote tax parity in the rapidly growing, investor owned short-term vacation rental market; address the creation of county islands during annexation of unincorporated county lands by a city or town; and allowing rural counties to establish a transient lodging bed tax in unincorporated areas of the county to fund economic development and tourism outreach programs.

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County Supervisors Urge Action on Public Safety Pensions

On Wednesday, the CSA Board of Directors adopted Resolution 4-19. The resolution does two main things: 1) it requests that the PSPRS Board of Trustees work with employers to address the systems' faulty assumptions in a way that does not harm taxpayers, and 2), it urges the collaboration of the Legislature and Governor to remove barriers to counties' ability to address this issue.

Supervisors and staff discussed the burgeoning challenges now facing the Public Safety Personnel Retirement System (System), which manages three of Arizona's public sector pension systems. As a result of a vicious combination of factors--poor investments, flawed plan design, failed legislative reforms, and inadequate actuarial assumptions-- the system has accrued more than \$11 billion in unfunded liability, or debt. This has created a significant problem for all employers in the system, including counties.

Already, the System's debt has accumulated so rapidly that county payments currently take up almost 7% of county general fund revenues on average, more than double the resources that these same payments demanded eight years ago. Additionally, formulaic expenditure limit growth has been significantly outpaced by the dramatic rise in pension costs, with the portion of the expenditure limit dedicated to public safety pensions also doubling in the past eight years. This means that changes that need to occur in order to put the PSPRS System on the right path will be incredibly difficult for county governments to deal with without collaboration with state lawmakers.

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CSA Board Calls On State to Increase Investment in Transportation

The CSA Board of Directors unanimously passed Resolution 5-19 requesting that state leaders take action to increase state and local investment in transportation infrastructure.

Supervisors and staff discussed the impact to local communities by not taking action to provide greater funding for transportation, including an insufficient gas tax and a lack of parity between alternative fuel vehicles and traditional vehicles. The weakening ability of existing resources to meet local needs is detrimental to economic development, public safety and quality of life in communities across the state. The consensus of the CSA Board of Directors is that the existing transportation model is inadequately resourced, and will continue to degrade without new funding mechanisms.

The main problem with the existing funding model is that it relies heavily on an 18-cent gas tax, established in 1990 and never indexed for inflation. The effects of inflation, decreased purchasing power, increased vehicle fuel efficiency and other changes in commuting behavior make it clear that the current HURF funding model is not sustainable and will continue to fall short of meeting infrastructure needs. Additionally, the continued influx of alternative fuel vehicles on the road that are not paying gas tax at the same level as those driving traditional vehicles continues to erode HURF revenues year after year.

Recognizing a growing crisis that will impede economic development and threaten public safety on roadways, the CSA Board of Directors adopted a resolution urging state lawmakers to increase ongoing investment in the transportation system by increasing the gas tax and tying it to inflation, and to establish parity between traditional vehicles and alternative fuel vehicles.

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CSA Board Calls on State to Protect County Taxpayers by Controlling ALTCS Costs

County supervisors approved Resolution 6-19, which urged state leaders to critically evaluate the significant recent growth in the Arizona Long Term Care System (ALTCS) and to control the rapidly increasing cost to the county taxpayer.

ALTCS is a state program administered by the Arizona Health Care Cost Containment System (AHCCCS) that provides long term care services to Arizona's elderly and physically disabled population. Previously, counties were mandated to provide some indigent long term care services, but in order to draw down federal funds the state took over the function and created the ALTCS program in 1989. Subsequently, counties have been responsible for funding a majority of the match for the state program, contributing \$290 million to the system in FY 2020, over 55% of the non-federal funding.

The FY 2020 state budget saw an 8% increase in county contributions to the program. Additionally, the AHCCCS budget request for FY 2021 calls for an additional \$49.9 million in county funds, a 17.2% above the FY 2020 enacted contributions. If enacted, this would be one of the largest single-year increases in county contributions since the program's inception, with the total county contribution increasing by almost 27% in just two years, and some counties experiencing a cost increase of over 35%.

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Summit Participants Enjoyed Agricultural and Automotive Tours



Supervisors and staff received an engaging and educational tour of T&K Red River Dairy Farm, and the neighboring biogas plant, Green Gas Partners. The tour explored the plant's automation, precision, and compassion for the 13,000 head of cattle on the dairy. The knowledgeable dairy tour guides provided insights into how the operation runs and answered questions from supervisors and other tour participants. Tour participants also learned about the partnership between the dairy and the Green Gas facilities to extract the methane gas from the waste produced by the dairy and purify it to natural gas that can be used by consumers and businesses. A big thanks to T&K Red River Dairy Farm and Green Gas Partners for the phenomenal tour, and to Union Pacific for sponsoring.

Additionally, Supervisors and staff had the privilege of visiting the Dwarf Car Museum and APEX Motor Club. The Dwarf Car Museum is home to handmade, fully-functional miniature racecars and scaled down replicas of classic cars, dating back to the 1960's. The museum receives guests from all over and was featured on Jay Leno's Garage! Supervisors were also fortunate enough to ride in performance luxury cars on the speedway at APEX Motor Club. APEX is a private car club that allows auto enthusiasts to scratch their racing itch and hit the track, and is the only private motorsports car club in any major metro area in the country. Supervisors received a once in a lifetime opportunity, being guided through the track by the wonderful team of professional drivers at APEX, reaching speeds of over 120 mph. CSA thanks the Dwarf Car Museum and APEX Motor Club for the magnificent afternoon, and Dibble Engineering for sponsoring the tour.

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