



MEMORANDUM

Date: March 7, 2022

To: The Honorable Chair and Members
Pima County Board of Supervisors

From: Jan Leshner 
Acting County Administrator

Re: **State Cost Shift Update**

In my [memorandum](#) dated February 15, 2022, I stated that I would update the Board on State costs shifts as they are identified through the State budget process.

This year, the State's Budget for Fiscal Year 2022/23 and a number of State budget bills, continue to recommend cost shifts to Pima County. If approved, staff have estimated the State could shift approximately \$32 million in costs to Pima County for Fiscal Year 2022/23. The below table shows the estimated cost shifts if the State's Budget is approved and the State budget bills mentioned are passed by the Legislature and approved by the Governor. It also shows a number of bills that we are monitoring, but have not quantified at this time.

Table - Possible State Cost Shifts		
Description	FY 2022/23 Estimated Amount	
Class 1 Property	3,887,303	Enacted last year
Arizona Department of Juvenile Corrections	1,726,899	State Budget
Arizona Long-Term Care System	6,996,400	State Budget
Superior Court - Salary Increase	1,000,000	State Budget
Justice of the Peace - Salary Increase	350,000	State Budget
Budget Neutrality Compliance Fund	89,000	State Budget
Sub-total	14,049,602	
Senate Bill 1003	12,189,548	Property Tax Levy; Calculation; Federal Monies
Senate Bill 1277	1,030,000	Board of Supervisors; Memberships
Senate Bill 1371	130,000	County Salaries; Precinct Officers (Constables)
House Bill 2198	2,300,000	Employee Compensation; Termination; COVID-19 Vaccine
House Bill 2541/Senate Bill 1381	2,000,000	Deputy Sheriff; Detention Officer; Salary
Sub-total	17,649,548	
Total	31,699,150	
Probation Officer Salaries	Unknown	\$1.2 million increase in State Budget
Arizona Department of Revenue Tax System	Unknown	\$61 million in State Budget - \$44 million to be shared with other local governments over a 6 year period
Senate Bill 1093	Over \$5m in Tax Year 2026 & 2027	Property Tax; Class One; Equalization Assistance
Senate Bill 1148	Unknown	Vehicle Sale Price; VLT Calculation
Senate Bill 1161	Unknown	Prescription Drug Coverage; Steering Prohibition
Senate Bill 1349/1354	Unknown	Budget Reduction; Law Enforcement
Election Bills	Unknown	Various

The Honorable Chair and Members, Pima County Board of Supervisors

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Please note that these are only the State cost shifts that we have identified thus far; however, more are expected as we move through the State budget process. We will continue to update you on any additional State cost shifts in our future communications regarding the recommended budget.

JKL

c: Carmine DeBonis, Jr., Deputy County Administrator for Public Works
Francisco García, MD, MPH, Deputy County Administrator & Chief Medical Officer,
Health and Community Services
Michelle Campagne, Director, Finance and Risk Management
Andy Welch, Deputy Director, Finance and Risk Management
Xavier Rendon, Budget Manager, Finance and Risk Management