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# MEMORANDUM

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Date: February 9, 2016

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

From: C.H. Huckelberry  
County Administrator 

Re: **Summary of Fiscal Year 2017 Executive Budget Impacts to Counties**

I previously provided a memorandum to the Board of Supervisors discussing the Governor's Fiscal Year (FY) 2017 Executive Budget impacts on Pima County. Attached is a table prepared by the County Supervisors Association of Arizona reflecting these State agency cost shifts and other cost impacts to each county in Arizona.

Please note this table identifies and highlights the continued Highway User Revenue Fund (HURF) shifts to the Arizona Department of Public Safety (DPS), which have increased. More importantly, the last column shows the total fiscal impact of State cost shifts to counties. The amount shifted to Pima County is nearly the same as Maricopa County.

For per capita cost shift comparison purposes, the table below identifies each county's total cost shift, population, and the per capita cost shift. The per capita cost shift for a Pima County resident is almost four times that of a Maricopa County resident and nearly the highest per capita cost shift in the State.

**Fiscal Year 2017 State Cost Shifts to Counties**

County	Total Cost Shift	Population	Per Capita Cost Shift
Apache	\$511,752	72,215	\$ 7.08
Cochise	929,965	129,112	7.20
Coconino	1,340,384	141,602	9.46
Gila	433,771	54,406	7.97
Graham	464,688	38,475	12.07
Greenlee	307,783	10,555	29.15
La Paz	419,860	21,183	19.82
Maricopa	28,984,493	4,076,438	7.11
Mohave	1,929,100	205,716	9.37
Navajo	862,418	109,671	7.86
Pima	28,548,933	1,009,371	28.28
Pinal	5,792,444	406,468	14.25
Santa Cruz	744,199	50,270	14.80
Yavapai	2,199,457	217,778	10.09
Yuma	1,110,845	214,991	5.16

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Given the order of magnitude of the State cost shifts to Pima County, any hope of property tax relief or providing increased compensation for employees will be extraordinarily difficult, if not impossible.

CHH/lab

Attachment

c: The Honorable Kyle Bryson, Presiding Judge, Superior Court  
Elected Officials  
Appointing Authorities

## Fiscal Year 2017 Executive Budget Impacts to Counties

	State Agency Cost Shifts					Total Impact	
	HURF Shifts to DPS <sup>1</sup>	SVP Costs at ASH <sup>2</sup>	Costs for Juveniles Housed at DJC <sup>3</sup>	DOR Appropriation Shift <sup>4</sup>	Subtotal: State Agency Cost Shift	Other Costs to Counties <sup>5</sup>	Total: All FY 2017 Budget Impacts to Counties
<b>Apache</b>	\$ 237,612	\$ -	\$ 134,264	\$ 75,516	\$ 447,392	\$ 64,360	\$ 511,752
<b>Cochise</b>	\$ 283,043	\$ 35,533	\$ 246,581	\$ 138,688	\$ 703,846	\$ 226,119	\$ 929,965
<b>Coconino</b>	\$ 440,815	\$ 48,114	\$ 252,354	\$ 141,935	\$ 883,218	\$ 457,166	\$ 1,340,384
<b>Gila</b>	\$ 151,429	\$ -	\$ 100,620	\$ 56,593	\$ 308,642	\$ 125,129	\$ 433,771
<b>Graham</b>	\$ 82,839	\$ -	\$ 69,875	\$ 39,301	\$ 192,014	\$ 272,674	\$ 464,688
<b>Greenlee</b>	\$ 25,303	\$ -	\$ 15,839	\$ 8,909	\$ 50,050	\$ 257,733	\$ 307,783
<b>La Paz</b>	\$ 142,565	\$ -	\$ 38,465	\$ 21,634	\$ 202,664	\$ 217,196	\$ 419,860
<b>Maricopa</b>	\$ 5,956,952	\$ 2,121,356	\$ 7,166,033	\$ 4,030,498	\$ 19,274,839	\$ 9,709,654	\$ 28,984,493
<b>Mohave</b>	\$ 533,973	\$ 140,928	\$ 375,818	\$ 211,377	\$ 1,262,096	\$ 667,004	\$ 1,929,100
<b>Navajo</b>	\$ 363,838	\$ 71,186	\$ 201,718	\$ 113,456	\$ 750,198	\$ 112,220	\$ 862,418
<b>Pima</b>	\$ 2,122,191	\$ 540,948	\$ 1,840,289	\$ 1,035,061	\$ 5,538,489	\$23,010,444	\$ 28,548,933
<b>Pinal</b>	\$ 849,807	\$ 140,204	\$ 705,449	\$ 396,776	\$ 2,092,235	\$ 3,700,209	\$ 5,792,444
<b>Santa Cruz</b>	\$ 143,083	\$ 35,653	\$ 89,024	\$ 50,071	\$ 317,831	\$ 426,368	\$ 744,199
<b>Yavapai</b>	\$ 507,158	\$ 237,487	\$ 396,181	\$ 222,830	\$ 1,363,656	\$ 835,801	\$ 2,199,457
<b>Yuma</b>	\$ 456,667	\$ 6,230	\$ 367,492	\$ 206,694	\$ 1,037,082	\$ 73,763	\$ 1,110,845
<b>Total</b>	<b>\$ 12,297,275</b>	<b>\$ 3,377,640</b>	<b>\$ 12,000,000</b>	<b>\$ 6,749,337</b>	<b>\$ 34,424,252</b>	<b>\$40,155,840</b>	<b>\$ 74,580,092</b>

<sup>1</sup>Shifts \$97,192,500 from the Highway User Revenue Fund (HURF) to the Department of Public Safety (DPS). This does include the effects of the \$30 million local government HURF restoration.

<sup>2</sup>Continues a session law provision that requires counties to pay 31 percent of the cost of treatment and confinement for Sexually Violent Persons (SVP) at the Arizona State Hospital (ASH). Based on actual FY2015 billings.

<sup>3</sup>Continues permanent law which requires the director of the Arizona Department of Juvenile Corrections (ADJC) to assess a "committed youth confinement cost sharing fee" to each county. Session law requires the amount raised from the fees to equal \$12,000,000 and directs the director of ADJC to proportionally bill each county based on county population.

<sup>4</sup>Continues Permeant law which requires the Arizona Department of Revenue (ADOR) to assess a fee to every county, city, and town. Session law requires the amount raised from the fees to equal \$20,755,835, of which \$6,749,337 is the aggregate county share, and proportionally allocates each county's share based on county population.

<sup>5</sup> includes costs to counties from paying for 100% of RTC costs as ASH, increased share of county JP salaries, Maricopa County Superior Court judge salaries, and the 1% Property Tax Cap liability shift. This also includes lost revenue from the elimination of ADJC grants for indigent defense, elimination of county lottery revenue for five counties, and the elimination of Prop. 2014 funding.