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# MEMORANDUM

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Date: March 23, 2015

To: Tom Burke, Director  
Finance and Risk Management

From: C.H. Huckelberry  
County Administrator 

Robert Johnson, Budget Manager  
Finance and Risk Management

Re: **Pima County Attorney's Two-Percent Budget Reduction**

Attached is a March 20, 2015 memorandum from County Attorney Barbara LaWall. I have discussed this matter with Ms. LaWall and find her proposal satisfies my request for a two-percent reduction in her General Fund expenses.

Ms. LaWall will be appropriately transferring \$1 million in funding from the State as part of the Arizona Employer Sanctions Law. This transfer is significantly more than the required two-percent General Fund budget reduction. The County will then use these funds to pay a portion of one of the State costs transfers where the County has the flexibility to pay the transfer from any County budget revenue source or account.

I appreciate the County Attorney's efforts in assisting the County in resolving the severe budget dilemma created by unjustified, unscheduled and possibly illegal State budget cost shifts to the County.

CHH/anc

Attachment

c: The Honorable Barbara LaWall, Pima County Attorney  
Amelia Cramer, Chief Deputy County Attorney  
Thomas Weaver, Chief Civil Deputy County Attorney  
David Smutzer, Legal Administrator, Pima County Attorney



**Barbara LaWall**  
Pima County Attorney

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## MEMORANDUM

**TO:** C.H. Huckelberry  
Pima County Administrator

**FROM:** Barbara LaWall *BL*  
Pima County Attorney

**DATE:** March 20, 2015

**RE:** State Budget Cost Shifts and Two Percent Budget Reductions in  
FY 2015/16

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I have read with concern your various memoranda regarding the devastating financial impacts of the numerous state cost shifts to Pima County. In particular, I have directed Tom Weaver, Chief Civil Deputy to aggressively research the legality of the interpretation by the Property Tax Oversight Commission that further disproportionately and unfairly increases Pima County's share of the one percent tax shift. My office will take any and all necessary legal action to challenge their interpretation.

In response to the transfer of approximately \$23 million in State expenses to Pima County, you have directed all departments to develop a two-percent reduction for the FY 2015/16 budgets. The general reduction impact to my department has been determined to be \$449,064. We have also been directed to submit decrement packages for each of our special revenue funds. As Mr. Dave Smutzer of my office has explained most of these are restricted criminal funds and in many cases we are the fiduciary agent, and therefore cannot legally reduce them. We will provide you under a separate memorandum specific justification as to why each special revenue fund cannot be reduced.

Regarding our general fund budget, my office has already eliminated 18 positions office wide over the past two fiscal years. Since 93% of my general fund budget is for personnel related expenses, I have little opportunity to reduce my budget without further reducing my staffing. Further reductions of staffing will only jeopardize the gains we have made in increasing the number of felony dispositions and improving the time to case disposition. In order to meet the two percent reduction, I would need to eliminate up to another 10 positions in addition to the 18 positions already eliminated.

C.H. Huckelberry  
March 20, 2015  
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RE: State Budget Cost Shifts

As you may recall in 2010, I previously provided some of my civil special revenue funds to assist the county in meeting its required payments to the state general fund. I have again reviewed these and have determined that there is funding allocated to my office that I am willing to contribute that have been deposited with the County Treasurer.

Several years ago, this office received a \$500,000 allocation from the state as part of the Arizona Employer Sanctions Law. Since then we receive an annual payment which has been deposited into the Employer Sanctions Special Revenue account. While the number of complaints fluctuates over any given time period, the overall number of complaints has been unexpectedly low to non-existent. Moreover, the evidence presented with these complaints has been insufficient to serve as the basis for an enforcement action, and even after thorough and complete investigations by the detectives in my office, using all the civil legal tools at their disposal under the Employer Sanctions law, it has not been possible to obtain sufficient evidence of violations. Thus, it has not been possible to pursue any enforcement litigation.

The funds appropriated for that enforcement purpose have not been spent. (It should be noted that my Office has referred information to federal Immigration and Customs Enforcement. That agency, with a subpoena power it has under federal law that is unavailable to my Office under state law, has been able to successfully pursue federal enforcement actions.)

The current balance in the Employer Sanctions fund is approximately \$1.097 million. Rather than implementing a two-percent budget reduction of \$449,064 to my general fund, I am willing to contribute to the County \$1.0 million to be used to offset the mandatory state budget shifts to the County by the State. This results in a net savings to the County of \$550,936.

C: Amelia Cramer, Chief Deputy  
Dave Smutzer, Legal Administrator  
Thomas Weaver, Chief Civil Deputy