



01.13.23

Legislative Policy Committee



Agenda

Friday, January 14, 2022

- A. Overview of the Legislative Policy Committee
 - 1. Roster of Committee Members
 - 2. Overview of the LPC
 - 3. Using the Request to Speak System
- B. CSA Legislative Agenda
- C. Legislative Bills for Discussion & Possible Action
- D. Legislative Bills for Information Purposes
- E. Other Legislative Issues
- F. Next Meeting Date & Time (*Thurs, Jan 19th*)
- G. Other Business
- H. Adjourn



CSA Staff Reports

Overview of the Legislative Policy Committee



LPC Purpose & Membership

Established to

implement the legislative program adopted by the Board and to respond to emerging proposals

Membership includes

fifteen members, including six CSA executive committee officers (or designee), and one representative from each county not represented by an officer



2023 CSA Legislative Policy Committee



Apache County

Hon. Alton Shepherd



Cochise County

Hon. Ann English



Coconino County

Hon. Matt Ryan



Gila County

Hon. Steve Christensen



Graham County

Hon. Danny Smith



Greenlee County

Hon. Richard Lunt



La Paz County

Hon. Duce Minor



Maricopa County

Hon. Steve Gallardo



Mohave County

Hon. Hildy Angius



Navajo County

Hon. Jason Whiting



Pima County

Hon. Rex Scott



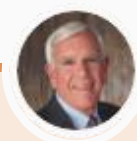
Pinal County

Hon. Stephen Miller



Santa Cruz County

Hon. Rudy Molera



Yavapai County

Hon. Harry Oberg



Yuma County

Hon. Lynne Pancrazi

Alternates



Coconino County

Hon. Patrice
Horstman



Mohave County

Hon. Jean Bishop



Pima County

Hon. Adelita Grijalva



Pinal County

Hon. Mike Goodman



Yavapai County

Hon. Donna
Michaels



Yuma County

Hon. Jonathan
Lines



Voting policy

The LPC may adopt a position on behalf of CSA regarding any issue before the state legislature or U.S. Congress that is not addressed in the Board's legislative program by a **two-thirds vote**



The LPC is critical to the success of CSA’s coalition strategy. Supervisors provide credibility and influence needed to inform state legislators of the needs of local constituencies

———— **LPC Participant Activities** ————

- Evaluate pending legislation to inform CSA positions
- Direct lobbying of state and federal leaders
- Help communicate the coalition’s position
 - Register positions with RTS, as appropriate
- Testify before committees
- Serve as a catalyst to involve board colleagues and other county elected officials in CSA legislative activities



What does a measure mean to county operations, resources and constituent service?

- In order to support the LPC deliberations, staff collects feedback from counties and applies any prior experience with the issue.
- LPC members bring their experience and should seek input from county professional staff.



- How does the measure help/harm the counties' ability to provide public services in a responsive, efficient and cost-effective manner?
- How does the measure impact the ability of the county to finance and manage existing statutory programs?
- Does the measure establish appropriate means to compensate counties for the cost of complying with new state laws?
- Does the measure properly reflect the fiscal and administrative roles of state and local government?
- Is it fair to all counties and their constituents?
- Can it be amended favorably to meet the lawmakers' goals, addressing county concerns?



Motion to take a position of:

- Support
- Oppose
- Neutral
 - Typically used when necessary to document at the Legislature that the Association doesn't have a position one way or another.

CSA staff monitors all legislation in the process.

- May bring items for informational purposes as details are being flushed out.

Note: CSA uses Robert's Rules of Order for parliamentary procedures.



LPC Meetings

Regularly Scheduled LPC Meetings

- Every Friday at 9:00 a.m. during legislative session, except when there is a Board meeting
- All meetings are available via webinar, phone, or in person
- Email report to full membership following each LPC

Using Request to Speak System



Resources on CSA's Website: <http://www.countysupervisors.org/csa-legislative-portal/>

ALIS - Bill Status
Inquiry

Request to Speak

COUNTY LEGISLATIVE AGENDA

Materials to support the agenda adopted by the CSA Board of Directors

County FY 2023 Budget & Legislative Priorities FY 2024 County Budget Priorities

Protect the County Taxpayer

Eliminate the Arizona Department of Juvenile Corrections Fee \$6,994
HB 2023 (Simpson)

- ADJC is an obligation of the state General Fund and was fully funded by the state until FY 2019.
- In FY20 many counties were permanently relieved of the burden, while Yavapai and Pima counties are not.
- For the first time since FY16, the FY23 state budget required counties in Maricopa and Pima counties to foot the bill for this state agency. The FY23 & FY24 budgets continued this impact.
- Along with FY23, Yavapai County taxpayers will pay another \$5.7M and Pima County taxpayers will pay \$5.2M to fund this state obligation.
- This fee unfairly charges taxpayers in two counties to pay for the state's ADJC responsibility.

Protect Taxpayer Investments in Public Safety Personnel

- Over the past decade, most recently in FY23, the legislature worked with stakeholders to reform the underfunded PERS, CSRP and CSRP systems.
- Because pension benefits are constitutionally protected and cannot be reduced, the reform efforts in the previous system only created more sustainable pension reforming forward.
- Counties are taxpayers to critically analyze any proposed changes to the systems created by pension reform to ensure that these plans remain sustainable into the future.

Maintain fiscal "fidelity language" as a tool to meet county obligations in FY24

Continue to Invest in Arizona's Infrastructure

- Transportation Infrastructure**
 - Arizona's transportation system requires additional revenue to properly maintain and expand roadways to support sustained growth in the state.
 - One-time investments are essential but should be distributed equitably across the state.
 - Local governments need the state to continue to contribute the down-side of federal resources including providing grants for local projects.
- Broadband Infrastructure**
 - Federal resources for broadband should be utilized to build and maintain, maintain fiber, mobile and fixed-line infrastructure across Arizona.
 - The state should continue to lead through the ACA's Broadband Office to ensure that federal resources are directed to the most underserved areas to build broadband infrastructure.

Prepared by County Supervisors Association January 2023

ADJC Cost Shift History & Overview

Eliminate A.R.S. § 41-2832

A mandate for taxpayers in Maricopa and Pima Counties to fund the state Department of Juvenile Corrections

Recent repeal of A.R.S. § 41-2832 taxpayers in Maricopa and Pima Counties will pay \$6.5 million to the Arizona Department of Juvenile Corrections (ADJC) in FY 2024.

- ADJC is an obligation of the state General Fund.
- State policy, procedures and judges determine which juveniles are referred to ADJC. The Board of Supervisors has no role in these decisions.
- County taxpayers already invest heavily to treat juveniles at the local level. About 25% of juveniles in the criminal justice system are treated locally and are not referred to ADJC.
- A.R.S. § 41-2832 unfairly charges taxpayers in two counties to pay the state's ADJC responsibility, regardless of where the juveniles originate, regardless of local investments to keep youth out of ADJC, and with no influence on the ability to control agency costs.
- State should fund market adjustment and continue to explore long-term solutions to population trending structure.

ADJC was fully funded by the state - until the downturn of 2015.

FY 1991 ADJC established (split off from AQJ and fully funded by the state General Fund and federal funds).

FY 2016 State faced \$1 billion shortfall, began charging all 15 counties \$2 million to support 25% of ADJC.

FY 2017 & FY 2018 Legislators worked to relieve the county taxpayer of funding the state agency - resulted in \$5 million relief for the \$11.2 million fee.

FY 2019 All 15 counties received full, one-time relief from the \$11.2M ADJC fee - but the fee remained in statute.

FY 2020 Governor recommended eliminating ADJC fee. SB 1240 (the repeal passed Senate 30-0 and House Appropriations 10-0). However, final budget eliminated fee for 13 counties, provided one-time relief to Maricopa and Pima Counties and amended statute to assess the fee entirely on the 2 large county taxpayers in future years.

FY 2023 - FY 2024 Maricopa County taxpayers were charged \$4.7M and Pima County taxpayers had to pay \$1.7M impact to fund a portion of ADJC.

Recent action to eliminate the statutory fee.

Maricopa and Pima taxpayers will see an \$8.2 million impact in FY 2024.

Prepared by County Supervisors Association January 2023

ADOPTED RESOLUTIONS

CSA State-County Partnership Resolution 1-22

CSA Transportation Resolution 2-22

CSA Public Health Resolution 5-22

CSA Broadband Resolution 2-22

CSA PSPRS Resolution 4-22

CSA Court Funding Resolution 6-22

CSA INTRODUCED BILLS

CSA Summaries

HB 2018 counties; committee youth contributions; repeal (Livingston)

HB 2052 counties; advertising contracts; term; notice

Folder 668 (Shope)

Folder 1063 (Bennett)

NAVIGATING THE REQUEST TO SPEAK





CSA Staff Reports

CSA Legislative Agenda

FY 2024 County Budget Priorities

Protect the County Taxpayer

- Eliminate ADJC fee for all 15 counties - **\$8.5M.**
- Address funding for court probation officers.
- Protect taxpayer investments in public safety pensions.
- Reauthorize flexibility language.

Invest in Arizona's Infrastructure

- Increase investment in transportation infrastructure, including providing coordination and matching funds for federal grants.
- Provide leadership in the continued deployment of broadband infrastructure.



Protect the County Taxpayer



Eliminate the Arizona Department of Juvenile Corrections Fee **\$8.5M**

- ADJC is an obligation of the state General Fund and was fully funded by the state until the budget shortfall in 2015.
- In FY20 rural counties were permanently relieved of the burden, while Maricopa and Pima counties only received one-time relief.
- For the first time since FY16, the FY21 state budget required taxpayers in Maricopa and Pima counties to foot the bill for this state agency. The FY22 & FY23 budgets continued the impact.
- Absent action in FY24, Maricopa County taxpayers will pay another **\$6.7M** and Pima County taxpayers will pay **\$1.7M** to fund this state obligation.
- This fee **unjustly charges taxpayers in two counties to pay for the state's ADJC responsibility**.



Address Funding for Court Probation Officers

- Arizona has a unified court system that operates in each county.
- Probation officers (POs) serve a vital public safety function for the criminal justice system and are state employees.
- State has delegated setting salaries for state POs to the county-level for administrative convenience.
- FY22 state budget shifted the future obligation to fund salary increases for state POs to the counties.
- Courts requested a \$17M market adjustment in FY24 for all state & county funded probation employees to address caseload issues.
- State should **fund market adjustment** and continue to **explore long-term solutions to probation funding structure**.



Protect Taxpayer Investments in Public Safety Pensions

- Over the past decade, most recently in '17-'18, the legislature worked with stakeholders to reform the underfunded PSPRS, CORP and EORP systems.
- Because **pension benefits are constitutionally protected** and cannot be reduced, the reforms closed the previous systems and **created more sustainable plans** moving forward.
- Counties urge lawmakers to critically **analyze any proposed changes** to the systems created by pension reform to ensure that these plans remain sustainable into the future.
- In the last 3 years, counties have deposited over **\$825M** into their individual PSPRS & CORP plans to reduced debt from the closed legacy systems.
- Many counties made those deposits using Pension Obligation Bonds, which save the taxpayers millions in interest costs **but remain a burden on the county general fund** that can crowd out other investments.



Maintain financial "flexibility language" as a tool to meet county obligations in FY24

Continue to Invest in Arizona's Infrastructure



Transportation Infrastructure

- **Arizona's transportation systems require additional ongoing revenues** to properly maintain and expand roadways to support continued growth in the state.
- One-time investments are meaningful but should be distributed equitably across the state.
- Local governments need the state to continue to **coordinate the drawn-down of federal resources**, including providing matching funds for local projects.



Broadband Infrastructure

- Federal resources for broadband should be utilized to **build out resilient, redundant first-, middle- and final-mile infrastructure** across Arizona.
- The state should continue to **lead through the ACA's Broadband Office** to ensure that federal resources are brought to Arizona, for ex. the BEAD grant, to assist underserved local communities in developing broadband infrastructure.

2023 CSA Policy Priorities



Mental Health Services

Folder 688 (Shope)

Amend A.R.S. § 36-501 (13) & (27) to clarify that exempt *accredited* jails may perform the functions of a mental health evaluation and treatment agency.

- ✓ Codify the ability for accredited county jails to provide individuals who are incarcerated with mental health treatment and administer medication for detainees under a court order.

Folder TBA

Require **ONE** or more licensed physicians to conduct a professional analysis and report instead of two.

- ✓ A shortage of qualified physicians in rural areas has impacted some counties' ability to provide evaluations locally.



Notice for Printing Contracts

HB 2052: counties; advertising contracts; term; notice (Dunn)

Allows for electronic communication of the county's new advertising/printing contract, permits contracts in line with procurement standards, and appropriately assigns the responsibility within the county.

- ✓ This communication is currently the responsibility of the Clerk of the Board, while all similar responsibilities are with Procurement.
- ✓ Statute currently only allows for one-year contracts. The procurement standard is a one-year term with options for extension.



School District Legal Representation

Folder 1063 (Bennett)

Modify the requirement for the county attorney to provide legal services for school district boards and community college boards permissive based on availability of staff and provided there is not a conflict of interest.

- ✓ County Attorney offices are generalists. Educational law is specialized, and schools frequently use experienced legal counsel from either the Trust or internal legal counsel.
- ✓ The County Attorney offices that provide these services must ensure that there is not a conflict of interest or acknowledge the conflict in writing.



CSA Staff Reports

Legislative Bills for Discussion



CSA Staff Reports

Legislative Bills for Discussion

- 1) Folder 1066 EORP; appropriations; repayment (Livingston)
- 2) HB 2028 PSPRS; contribution rates (Livingston)
- 3) HB 2017 public officers; residency requirements (Dunn)
- 4) HB 2019 licensing; permitting; criteria; clarity (Grantham)
- 5) SB 1020 open meetings; capacity; posting (Kavanagh)
- 6) SB 1031 public employees; employment; termination (Kern)



1) Folder 1066 EORP; appropriations; repayment (Livingston)

- As drafted, the bill would deposit \$609 million into the Elected Officials Retirement Plan (EORP) to eliminate the outstanding unfunded liability. Non-state participating employers would repay the state for their portion of the unfunded liability in equal installments over 10 years. Reduces total cost of unfunded liability repayment from \$1.3 billion to \$609 million over 22 years. Estimated savings to counties approximately \$330 million.

2) HB 2028 PSPRS; contribution rates (Livingston)

- HB 2028 reduces the employee contribution rate for PSPRS members hired between 2012 and 2017 from a variable rate between 7.65% and 11.65%, to 7.65%. Currently the employee contribution rate is set between 7.65% and 11.65% based on the individual employer's contribution rate.
- Currently, employee contributions above 7.65% are separated from the assets of the plan for the purposes of calculating the employer's contribution rate, unless an employer's account reaches 100% funded. HB 2028 would remove that restriction, allowing for all previous employee contributions above 7.65% to be included in the assets of the plan for the purposes of calculating the employer's contribution rate.

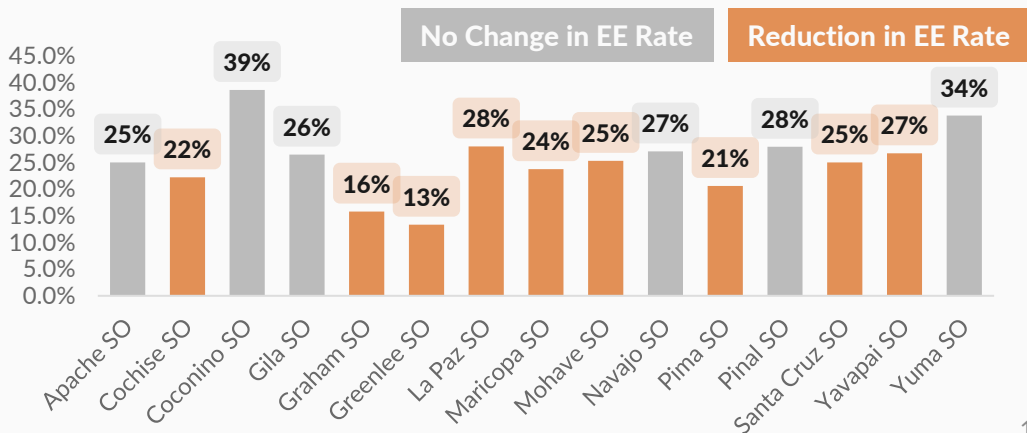
HB 2028 PSPRS; contribution rates

Background

- 2011 reforms changed *employee* contribution rates from a fixed 7.65% to a formula with a range between 7.65%-11.65%.
 - Courts overturned change for existing Tier 1 employees.
 - Increased rates remained for Tier 1 “gap” and Tier 2 employees.
- Assets from amounts above 7.65% are *not* allowed to reduce the employers’ contribution rates.
 - 2022 legislation allowed assets to be included once a plan reached 100% funded.
- Tier 2 employee rates now vary by employer due to PSPRS BOT interpretation of statute.
- Proposed change only impacts PSPRS, not CORP.

Employer	Funded Status	Member Rate	FYE22 "Excess Contribution" Additions	Total "Excess Contribution" Assets	Total % of Plan Liability
Apache SO	100.7%	7.65%	17,373	254,471	1.4%
Cochise SO	48.0%	11.65%	83,021	717,834	1.1%
Coconino SO	108.0%	7.65%	32,792	634,640	1.2%
Gila SO	103.4%	7.65%	27,373	341,340	1.4%
Graham SO	89.3%	9.15%	16,832	163,707	1.5%
Greenlee SO	80.1%	11.65%	13,927	146,847	1.5%
La Paz SO	37.0%	11.65%	9,465	289,998	1.3%
Maricopa SO	54.0%	11.65%	828,078	6,513,939	0.9%
Mohave SO	53.7%	11.65%	60,958	819,982	1.5%
Navajo SO	104.0%	7.65%	19,488	482,657	2.2%
Pima SO	87.7%	11.65%	373,807	4,039,368	0.9%
Pinal SO	101.5%	7.65%	297,307	2,197,781	1.5%
Santa Cruz SO	90.2%	11.65%	18,392	315,743	1.5%
Yavapai SO	66.6%	11.65%	88,058	1,187,759	1.4%
Yuma SO	104.7%	7.65%	63,256	914,066	1.8%
Total/Average			1,950,127	19,020,131	1.4%

% of PSPRS DB Members in Tier 1 gap/Tier 2





3) HB 2017 public officers; residency requirements (Dunn)

- HB 2017 allows for the deputy or assistant of an elected officer to be a resident outside of Arizona. A.R.S. 38-101 defines an "officer" as "the incumbent of any office, member of any board or commission, or his deputy or assistant exercising the powers and duties of the officer, other than clerks or mere employees of the officer." This is an AACo bill brought forward by the County Attorney's due staffing challenges.

4) HB 2019 licensing; permitting; criteria; clarity (Grantham)

- HB 2019 specifies when licensing/permitting "any activity that changes the use, appearance, or density of a structure or land," requires counties to: clearly state the permit/license's criteria; approve/deny within 30 days of submission; and if no action, and the application is complete, automatically approved. Also specifies that in any court proceeding following a denial, requires the court to determine whether the criteria was/is clearly stated.



5) SB 1020 open meetings; capacity; posting (Kavanagh)

- SB 1020 requires a public body to "provide for an amount of seating sufficient to accommodate the reasonably anticipated attendance of all persons desiring to attend, when feasible. Further, requires agendas to note the time the public will have physical access to the meeting place.

6) SB 1031 public employees; employment; termination (Kern)

- SB 1031 prohibits a state agency or political subdivision from terminating an employee based on their vaccination status or political affiliation. Sets the penalty for violation at 10% of the state agency's or political subdivision's budget from the prior fiscal year.



Other Legislative Issues



Other Business



Next Meeting Date

Thursday, January 19, 2023



Adjournment