

County Funding

	FY 2015 ACTUAL	FY 2016 ESTIMATE	FY 2017 APPROVED
FUND SOURCES			
General Fund	7,650,500	6,000,500	14,000,500
SUBTOTAL - Appropriated Funds	7,650,500	6,000,500	14,000,500
TOTAL - ALL SOURCES	7,650,500	6,000,500	14,000,500

AGENCY DESCRIPTION — The Arizona Department of Administration (ADOA) distributes these monies to counties for maintenance of county services and to offset local cost sharing.

Assistance to Counties

The budget includes \$14,000,500 from the General Fund in FY 2017 for assistance to counties. This amount funds the following adjustments:

Local Cost Sharing Offset

The budget includes a one-time increase of \$8,000,000 from the General Fund in FY 2017 for distribution to counties. *Table 1* displays the one-time distribution by county, which was intended to offset the \$11.3 million county contribution for the costs of the Department of Juvenile Corrections (DJC).

equally among all counties with a population of less than 200,000 according to the 2010 Decennial Census (*see Table 2*). This includes all counties except Mohave, Yavapai, Pinal, Pima, and Maricopa. Each county would receive \$550,050. An additional \$500,000 is allocated to Graham County on an ongoing basis. These appropriations are in a separate section of the General Appropriation Act apart from the main ADOA appropriation.

The one-time distribution is appropriated to ADOA in FY 2017 for distribution to counties according to their proportional share of the population as reported by the 2010 Decennial Census. These appropriations are in a separate section of the General Appropriation Act apart from the main ADOA appropriation.

Table 1

County Distributions			
County	Ongoing Distribution	One-Time Distribution	FY 2017 Total
Apache	\$ 550,050	\$ 89,500	\$ 639,550
Cochise	550,050	164,400	714,450
Coconino	550,050	168,300	718,350
Gila	550,050	67,100	617,150
Graham	1,050,050	46,600	1,096,650
Greenlee	550,050	10,500	560,550
La Paz	550,050	25,700	575,750
Maricopa	-	4,777,300	4,777,300
Mohave	-	250,500	250,500
Navajo	550,050	134,500	684,550
Pima	-	1,226,900	1,226,900
Pinal	-	470,300	470,300
Santa Cruz	550,050	59,300	609,350
Yavapai	-	264,100	264,100
Yuma	550,050	245,000	795,050
Total	\$ 6,000,500	\$ 8,000,000	\$ 14,000,500

Table 2

County Population	
County	2010 Decennial Census Population
Maricopa	3,817,117
Pima	980,263
Pinal	375,770
Yavapai	211,033
Mohave	200,186
Yuma	195,751
Coconino	134,421
Cochise	131,346
Navajo	107,449
Apache	71,518
Gila	53,597
Santa Cruz	47,420
Graham	37,220
La Paz	20,489
Greenlee	8,437
Total	6,392,017

The ongoing distribution is appropriated to the Arizona Department of Administration (ADOA) and is allocated

Other Issues

Additional Legislation

County Flexibility

The FY 2017 Revenue Budget Reconciliation Bill (BRB) (Laws 2016, Chapter 125) allows counties with a population of less than 250,000 according to the 2010 Decennial Census to use any source of county revenue, up to \$1,250,000, for purposes other than the purpose of the revenue source to meet a county obligation for FY 2017. Counties using the authority under Chapter 125 are required to report to the Director of the JLBC on the intended amount and sources of funds by October 1, 2016.

In contrast, the FY 2016 Revenue BRB (Laws 2015, Chapter 10) allowed counties with a population of less than 200,000 according to the 2010 Decennial Census to use any source of county revenue for purposes other than the purpose of the revenue source to meet a county fiscal obligation for FY 2016. Laws 2015, Chapter 323 subsequently amended the FY 2016 Revenue BRB to also allow counties with a population of greater than 200,000 but less than 900,000, according to the 2010 Decennial Census, to use up to \$1,000,000 of any source of county revenue for purposes other than the purpose of the revenue source to meet a county fiscal obligation for FY 2016. Counties using the authority under Chapter 10 or Chapter 323 were required to report to the Director of the JLBC on the intended amount and sources of funds by October 1, 2015.

In FY 2016, of the 13 eligible counties, 7 reported using the flexibility:

- Apache County: \$400,000 from the Juvenile Jail Fund to the Sheriff's Office to maintain deputies;
- Cochise County: \$23,000 from the Library District to the Heavy Fleet Management Fund to hire a mechanic;
- Coconino County: \$10,634,800 from the Jail District to the General Fund to cover the following costs: \$500,000 for current Public Safety Personnel Retirement System (PSPRS) costs; \$10,000,000 to pay down PSPRS unfunded liabilities; and \$134,800 for Adult Probation Pre-trial Services;
- La Paz County: \$992,500 from transportation-specific Vehicle License Tax disbursements to the General Fund to cover the structural deficit;
- Navajo County: \$1.2 million from 2 special taxing districts to the General Fund for general expenditures;

- Pinal County: \$1.0 million from the Flood Management District to the General Fund for debt payments; and
- Yuma County: \$10,200 from the Library District for the cleaning and maintenance of the South County facility.

The following 6 eligible counties did not utilize this provision:

Gila, Graham, Greenlee, Mohave, Santa Cruz, and Yavapai Counties.

Local Cost Sharing

The FY 2016 Criminal Justice BRB (Laws 2015, Chapter 17) created the DJC Local Cost Sharing Fund with annual deposits from each county for their proportional cost share of the operational costs of DJC. The FY 2016 Criminal Justice BRB required that each county pay their proportional share of \$12,000,000 according to their population in the 2010 Decennial Census. The FY 2017 Criminal Justice BRB (Laws 2016, Chapter 119) reduced this amount to \$11,260,000 to reflect savings realized from a decline in the DJC population. The FY 2017 budget includes a one-time increase of \$8,000,000 from the General Fund for distribution to counties to offset counties' contributions for the costs of DJC. *(Please see the Local Cost Sharing Offset discussion for more information.)*

(Please see the Department of Juvenile Corrections sections for details regarding these county cost sharing requirements.)

La Paz County Expenditure Limitation

The FY 2017 Revenue BRB waives any penalties to La Paz County for exceeding county expenditure limits in FY 2014, FY 2015, and FY 2016 related to the contract with Los Angeles County to import incinerator ash for disposal during those years.

Elderly Assistance Fund

As permanent law, the FY 2017 Revenue BRB requires the County Board of Supervisors to spend any unspent monies in the Elderly Assistance Fund after December 31, 2015 and any subsequent appropriations to the Elderly Assistance Fund solely on the Elderly Assistance Program. Maricopa County is the only county that has this program, which is used to reduce the property taxes of certain low-income residents over the age of 65.