

Selected State Expenditures on Counties
Program Summary

The state distributes an estimated \$1.91 billion to counties annually. Sizeable distributions to counties include portions of the Vehicle License Tax (\$318 million) and the Highway User Revenue Fund (\$288 million), along with \$234 million of General Fund monies spent on the Arizona Long Term Care System (ALTCS) program in AHCCCS. Also included is the State Shared Transaction Privilege Tax revenues – at more than \$907 million, those revenues accounted for over 47% of total county distributions. Compared to our last report in 2018, total distributions to counties increased by \$130 million, or 7%.

The Treasurer distributes \$914 million to counties, or 48% of the total. In addition, the Department of Transportation (ADOT) allocates \$606 million, or 32% of the total. Other large agency contributions include AHCCCS with \$238 million (12%) and the Judiciary with \$88 million (5%).

Table 1 provides a summary of the amount of monies distributed to each county and the share this number represents.

| <u>County</u> | <u>Amount</u> | <u>Share</u> |
|--|------------------|---------------|
| Apache | \$ 34.7 | 1.8% |
| Cochise | 40.5 | 2.1 |
| Coconino | 59.1 | 3.1 |
| Gila | 22.0 | 1.2 |
| Graham | 14.7 | 0.8 |
| Greenlee | 9.4 | 0.5 |
| La Paz | 11.7 | 0.6 |
| Maricopa | 1,056.0 | 55.3 |
| Mohave | 66.0 | 3.5 |
| Navajo | 47.3 | 2.5 |
| Pima | 283.5 | 14.8 |
| Pinal | 100.4 | 5.3 |
| Santa Cruz | 19.0 | 1.0 |
| Yavapai | 78.0 | 4.1 |
| Yuma | 59.8 | 3.1 |
| Not Yet Determined | <u>8.6</u> | <u>0.5</u> |
| Total Distributions ^{1/} | \$1,910.9 | 100.0% |

^{1/} Numbers do not add due to rounding.

For specific estimates by county and program, please see the attachment.

Program Notes

ADOA

Emergency Telecommunications Fund: These non-appropriated funds are distributed to counties for expanding 9-1-1 service.

AHCCCS

Arizona Long Term Care System (ALTCS): This program is for individuals 65 or older, blind, or disabled and need ongoing services at nursing facility level of care. The General Fund supplements county ALTCS payments thereby lowering the cost to the counties. The state pays for 50% of ALTCS growth. The counties also receive breaks from the state based on: net assessed property value, on-reservation population of at least 20%, and per capita income lower than the statewide per capita income. These are commonly referred to as “circuit breakers.”

Disproportionate Share Hospital Payment (DSH): This program provides additional payments to hospitals in counties that serve a disproportionate number of low-income patients. The amount listed above is distributed to Maricopa Integrated Health Services.

Automobile Theft Authority

Automobile Theft Grants: Appropriated from the Automobile Theft Authority Fund (Other Fund) for local grants in 4 categories: 1) Vertical Prosecution; 2) Law Enforcement; 3) Professional Training; and 4) Public Awareness.

County Funding

County Sheriff Reentry Planning Services: Laws 2018, Chapter 342 appropriates \$500,000 from the State Charitable, Penal and Reformatory Institutions Land Fund (Other Fund) in FY 2020 for the administration of release coordination reentry planning services for persons in custody of the Yavapai County Sheriff.

General Fund County Disbursements: The FY 2020 General Appropriation Act includes \$7,150,650 from the General Fund to be divided equally between all counties except for Maricopa and Pima Counties. An additional \$500,000 is allocated to Graham County on an ongoing basis.

One-Time Partial EORP Cost Offset: The FY 2020 General Appropriation Act includes \$3,000,000 from the General Fund for a one-time distribution to specified counties to offset increased Elected Officials Retirement Plan (EORP) liabilities. In FY 2019, the EORP employer contribution rate increased from 23.5% to 61.5%.

ACJC

Felony Pretrial Intervention Programs: The FY 2020 Appropriation Act includes \$750,000 from the Transition Program Fund in FY 2020 for a one-time distribution to the Yavapai County Sheriff's Office to administer felony pretrial intervention programs, probation surveillance, and case management.

State Aid to County Attorneys: In FY 2020, \$973,700 appropriated from the State Aid to County Attorneys Fund provides funding for various offices of county attorneys throughout Arizona to improve the processing of criminal cases. The Arizona Criminal Justice Commission is required to distribute the monies to each county based on a composite index formula using Superior

DES

Child Support Enforcement: Funds operations for child support programs in Gila, La Paz, and Navajo Counties. The funds provide support services in the following counties: Cochise, Coconino, Greenlee, Maricopa, Mohave, Pima, Pinal, Santa Cruz, Yavapai, and Yuma. These amounts are FY 2019 actuals.

Forestry and Fire Management

Environmental County Grants: In FY 2020, \$250,000 was appropriated from the General Fund to be divided equally between 5 counties (Apache, Gila, Graham, Greenlee, and Yavapai) for environmental projects that impact economic development in those counties.

Gaming

Rural County Fair Racing Fund: Laws 2018, Chapter 318 established the Rural County Fair Racing Fund (RCFRF) and made a one-time transfer of \$200,000 from the Racing Regulation Fund to the RCFRF in FY 2019 for a grant program to support county fair racing in counties with a population less than 800,000. Counties must provide a 50% match of the monies received. The monies are non-lapsing until June 30, 2020. In FY 2019, the department awarded \$80,000 in grants. The department plans to award the remaining \$120,000 in FY 2020.

Governor

Agriculture Promotion Fund: The Governor's Office receives these appropriated funds from the Gaming Department, and then passes them on to counties for fairs.

DHS

Chronic Disease Prevention: This program provides funds for projects designed to reduce the prevalence of the 4 leading disease-related causes of death in Arizona. It receives monies from cigarette tax revenues in the Health Education Account. These amounts are FY 2020 estimates.

Tobacco Education and Prevention Expenditures: Monies provided to counties from the Department Health Services' Health Education Account, funded from tobacco tax dollars. These amounts are FY 2020 estimates.

Housing

State Housing Trust Fund: Funding provides for a wide variety of affordable housing activities statewide, such as assistance for first-time homebuyers, housing counseling, and shelter operations, among other activities.

Judiciary

Adult Intensive Probation Supervision: This type of probation is a sentencing alternative intended to divert serious, non-violent offenders from prison. These resources are distributed from the General Fund and Other Funds directly to the counties.

Adult Standard Probation: These probationers are not considered a serious threat to security. These resources are distributed from the General Fund and Other Funds directly to the counties.

Aid to Courts: These funds provide aid to counties for the payment of judges pro tempore salaries, and for projects designed to improve the processing of criminal cases in the Superior and Justice Courts. These are Other Funds monies and are given directly to Superior Courts and Justice Courts; counties administer these courts. These funds are distributed based on a county's pro-rata share of population and felony filings.

Community Punishment: This program provides behavioral treatment services for adult probationers and provides enhanced supervision. These are Other Funds monies and are given directly to all counties except Maricopa.

Compensation for Judges: Judges Compensation is the state's 50% portion of salary and Employee Related Expenditures of Superior Court judges. These monies are from the General Fund and represent FY 2018 estimates. These funds are distributed directly to counties.

Court Appointed Special Advocate (CASA): This program administers and monitors a community-based volunteer advocacy program for abused and neglected children in the Juvenile Court System. These are Other Funds monies and are given directly to counties.

Drug and Gang Enforcement: This account enhances the courts' ability to process drug offenses and related cases. These are Other Funds monies and are given directly to counties.

Drug Court: Provides the Superior Courts throughout the state with drug courts. These are General Fund monies and are given directly to counties.

Drug Treatment and Education: This fund provides monies to place people on education and treatment for drugs. These are Other Funds monies and are given directly to counties.

Grand Jury/Post-Conviction Relief: These are General Fund monies for county grand jury expenses and for the costs of state-funded representation of indigent defendants.

Interstate Compact: This program provides funding for supervision of, and intervention to, probationers transferring to Arizona. These are General Fund and Other Funds monies and are given directly to counties.

Juvenile Diversion Consequences: This program diverts youths from formal court proceedings in order to reduce court costs and prevent re-offending. These monies are General Fund and are given directly to counties.

Juvenile Diversion Intake: The intake portion of the Juvenile Diversion program which diverts youths from formal court proceedings in order to reduce court costs and prevent re-offending. These are General Fund monies and are given directly to counties.

Juvenile Family Counseling: Provides funding to the Juvenile Division of the Superior Court for prevention of delinquency by strengthening family relationships. These are General Fund monies and are given directly to counties.

Juvenile Intensive Probation: This program diverts serious, non-violent offenders from incarceration or residential care. This program also provides intensive supervision for high-risk offenders already on probation. These resources are distributed from the General Fund directly to the counties.

Juvenile Standard Probation: This program provides community supervision for juveniles. These resources are distributed from the General Fund and Other Funds directly to the counties.

Juvenile Treatment Services: Provides juvenile courts with money to refer delinquent youths to treatment programs. These monies are General Fund and are given directly to counties.

Model Court: These are pass-through funds from the General Fund to the counties. These funds are to improve the processing of dependency cases.

Public Defender Training: This program provides monies for the training of public defenders. These are Other Fund monies and are given directly to counties.

DJC

One-Time DJC Offset: The FY 2020 General Appropriation Act includes \$8,450,900 from the General Fund for distribution to Maricopa and Pima Counties according to their proportional share of the population as reported by the 2010 Decennial Census in order to offset those 2 counties' contributions for the costs of DJC.

DPS

Gang and Immigration Intelligence Team Enforcement Mission Fund (GIITEM): Monies in this fund can be used for employer sanctions, smuggling, gang, and immigration enforcement. The total appropriation from the General Fund for FY 2019 is \$1,403,400.

GIITEM Subaccount: These funds are distributed to county sheriffs. These monies are from the GIITEM Fund Border Security and Law Enforcement Subaccount (Other Funds).

SOS

Election Reimbursements: Reimbursements to counties for costs of administering elections. These are General Fund monies and represent FY 2019 estimates.

ADOT

Highway User Revenue Fund (HURF): The State of Arizona taxes motor fuels and imposes various other fees related to the registration and operation of motor vehicles. These funds are distributed to counties, cities, towns, and the State Highway Fund. These reflect FY 2019 distributions only to counties.

State Aviation Fund: Monies used for planning and developing publicly-owned aviation facilities. These reflect FY 2019 distributions.

Vehicle License Tax: Monies are distributed to county highway and General Funds. These reflect FY 2019 distributions.

Treasurer

Criminal Justice Enhancement Fund (CJEF): In FY 2019, the Treasurer received \$3,826,300 in non-appropriated CJEF monies to pass on to county sheriffs.

Justice of the Peace Salaries: The state pays 19.25% of the Justice of the Peace salaries from the General Fund. These amounts are FY 2020 estimates.

Law Enforcement Boating and Safety Fund (LEBSF): Monies in this fund provide grants to county law enforcement agencies for water and boating safety programs. These monies are from a portion of watercraft licensing taxes and operating a watercraft while under the influence fees and reflect the FY 2019 distribution.

State Shared Transaction Privilege Tax (TPT): TPT is shared with counties and cities along with the General Fund through formulas established in statute. These reflect FY 2019 distributions.