

County Funding

| | FY 2021 ACTUAL | FY 2022 ESTIMATE | FY 2023 BASELINE |
|---|-------------------|---------------------|---------------------|
| SPECIAL LINE ITEMS | | | |
| Coordinated Reentry Planning Services | 0 | 10,000,000 | 7,000,000 |
| County Sheriff Reentry Planning | 500,000 | 0 | 0 |
| Elected Officials Retirement Plan Offset | 3,000,000 | 3,000,000 | 3,000,000 |
| Small County Assistance | 7,650,700 | 7,650,700 | 7,650,700 |
| AGENCY TOTAL | 11,150,700 | 20,650,700 | 17,650,700 |
| FUND SOURCES | | | |
| General Fund | 10,650,700 | 20,650,700 | 17,650,700 |
| <u>Other Appropriated Funds</u> | | | |
| State Charitable, Penal and Reformatory Institutions Land Fund | 500,000 | 0 | 0 |
| SUBTOTAL - Other Appropriated Funds | 500,000 | 0 | 0 |
| SUBTOTAL - Appropriated Funds | 11,150,700 | 20,650,700 | 17,650,700 |
| TOTAL - ALL SOURCES | 11,150,700 | 20,650,700 | 17,650,700 |

AGENCY DESCRIPTION — The Arizona Department of Administration (ADOA) distributes these monies to counties for maintenance of county services and to offset local cost sharing and Elected Officials Retirement Plan liabilities. This section also includes monies for County Sheriff Reentry Planning Services.

Coordinated Reentry Planning Services

The Baseline includes \$7,000,000 from the General Fund in FY 2023 for Coordinated Reentry Planning Services. FY 2023 adjustments are as follows:

Decreased Coordinated Reentry Services Funding

The Baseline includes a decrease of \$(3,000,000) from the General Fund in FY 2023 to reduce the level of funding for counties to establish a coordinated reentry planning services program.

This line item provides funding to the ADOA for distribution to counties to establish a coordinated reentry planning services program. The FY 2022 General Appropriation Act allocated a total of \$10,000,000: \$5,000,000 to Mohave County, \$4,000,000 to Pinal County, and \$1,000,000 to Yavapai County. The FY 2022 3-year budget plan includes \$7,000,000 in both FY 2023 and FY 2024 for this purpose.

Elected Officials Retirement Plan Offset

The Baseline includes \$3,000,000 from the General Fund in FY 2023 for the Elected Officials Retirement Plan (EORP) Offset. This amount is unchanged from FY 2022.

This amount is allocated equally among counties with a population of less than 300,000 according to the 2020

Decennial Census. Each of the 12 smallest counties receives \$250,000. *(Please see the Other Issues – Decennial Census section below for more information.)*

Small County Assistance

The Baseline includes \$7,650,650 from the General Fund in FY 2023 for assistance to small counties. This amount is unchanged from FY 2022.

This line item provides funding for counties with populations less than 900,000 according to the 2020 Decennial Census. With one exception, each county receives \$550,050 *(see Table 1)*. Graham County receives \$1,050,050. *(Please see the Other Issues – Decennial Census section below for more information.)*

Other Issues

Statutory Changes

The Baseline would, as session law, continue to allow counties with a population of less than 250,000 according to the 2020 Decennial Census to use any source of county revenue to meet a county fiscal obligation for FY 2023, up to \$1,250,000 of county revenue for each county. The Baseline would continue to require counties using this authority to report to the Director of the Joint Legislative

Table 1

Distribution and County Population

| <u>County</u> | <u>Ongoing Distribution</u> | <u>2020 Census Population</u> |
|---------------|-----------------------------|-------------------------------|
| Apache | \$ 550,050 | 66,021 |
| Cochise | 550,050 | 125,447 |
| Coconino | 550,050 | 145,101 |
| Gila | 550,050 | 53,272 |
| Graham | 1,050,050 | 38,533 |
| Greenlee | 550,050 | 9,563 |
| La Paz | 550,050 | 16,557 |
| Maricopa | - | 4,420,568 |
| Mohave | 550,050 | 213,267 |
| Navajo | 550,050 | 106,717 |
| Pima | - | 1,043,433 |
| Pinal | 550,050 | 425,264 |
| Santa Cruz | 550,050 | 47,669 |
| Yavapai | 550,050 | 236,209 |
| Yuma | 550,050 | 203,771 |
| Total | \$7,650,650 | 7,151,392 |

Budget Committee (JLBC) on the intended amount and sources of funds by October 1, 2022. (Please see the *Other Issues – Decennial Census* section below for more information.)

County Flexible Revenue Report

The FY 2022 Revenue Budget Reconciliation Bill (BRB) permits counties with a population of less than 250,000 according to the 2010 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 fiscal obligation for FY 2022. Counties using the authority were required to report to the Director of the JLBC on the intended amount and sources of funds by October 1, 2021.

Of the 12 eligible counties, 5 reported using the flexibility in FY 2022:

- Apache County: \$900,000 from the Library District, Junior College District, and Flood Control District to the Jail District for Jail District Operations.
- Coconino County: \$1,250,000 from the Jail District to the General Fund to pay down the Public Safety Personnel Retirement System (PSPRS) debt and pay for information technology needs for the Sheriff's Department.
- La Paz County: \$1,250,000 from the Vehicle License Tax to the General Fund to pay down a General Fund shortfall.

- Mohave County: \$1,250,000 from the Landfill Fund, ERACE Fund, and Motor Pool Fund to the General Fund for capital projects.
- Navajo County: \$300,000 from the Library District and Flood Control District to the General Fund for operating expenses.

The following 7 counties indicated that they are not utilizing this provision: Cochise, Gila, Graham, Greenlee, Santa Cruz, Yavapai, and Yuma.

Table 2 shows the utilization of the county flexibility language in FY 2021 and FY 2022. Please see FY 2022 Appropriations Report for FY 2016 – FY 2020 usage.

Table 2

County Flexibility Language Utilization

| | <u>FY 2021</u> | <u>FY 2022</u> |
|--------------|--------------------|--------------------|
| Apache | NR | \$ 900,000 |
| Cochise | - | - |
| Coconino | \$1,250,000 | 1,250,000 |
| Gila | - | - |
| Graham | - | - |
| Greenlee | - | - |
| La Paz | 600,000 | 1,250,000 |
| Maricopa | - | - |
| Mohave | 1,000,000 | 1,250,000 |
| Navajo | 830,000 | 300,000 |
| Pima | - | - |
| Pinal | - | - |
| Santa Cruz | - | - |
| Yavapai | 1,250,000 | - |
| Yuma | 500,000 | - |
| Total | \$5,430,000 | \$4,950,000 |

NR = County did not respond to the request for information.

Decennial Census

The Baseline revises 2 appropriations for County Funding to use the 2020 Decennial Census as the basis for allocating monies to qualifying counties. In addition, the BRB provision permitting certain counties under a certain population flexibility in using county revenue to meet fiscal obligations has also been revised to use the 2020 Decennial Census. This revision does not change the distribution of the 2 appropriations or affect the counties permitted to use fund flexibility.