



Federal and State Legislative Activity

***County Transportation Citizen Advisory Committee
November 13, 2013***

Joanne Keene, Government Relations Director

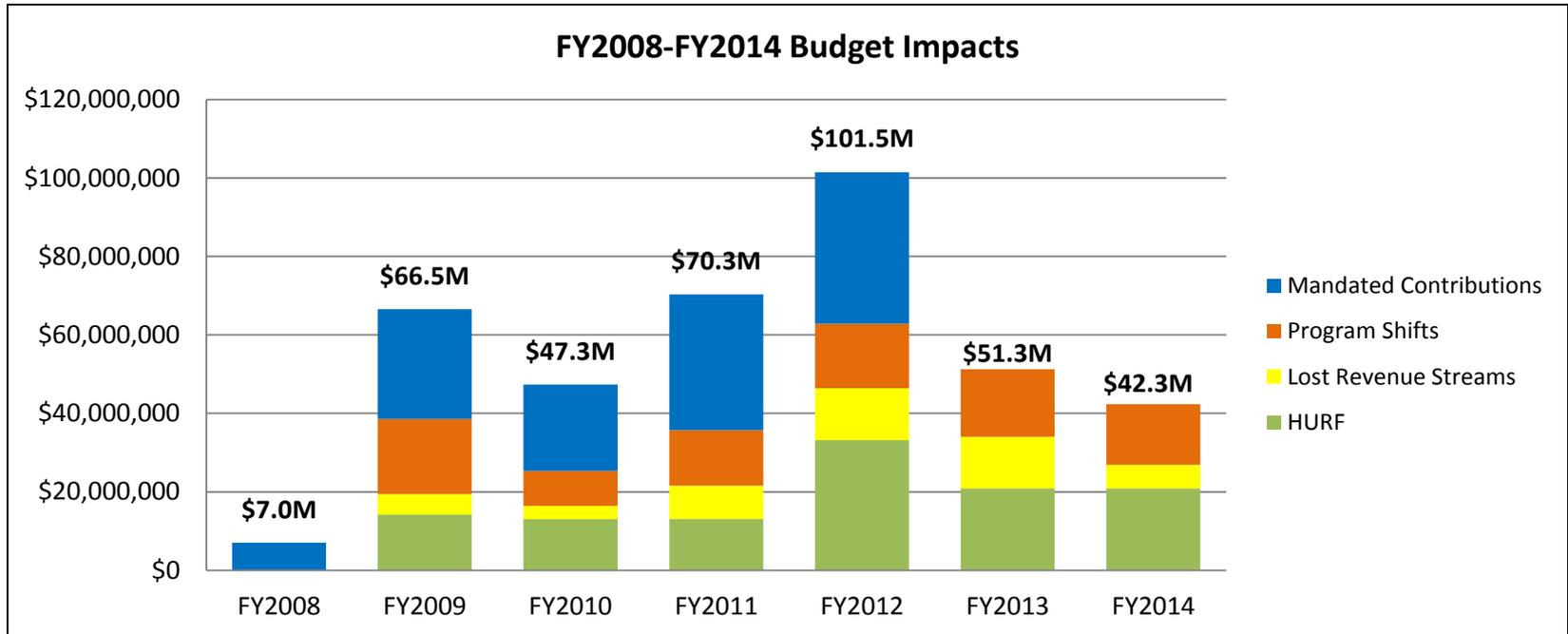
Coconino County Advocacy Efforts

- **State:**
 - **County Supervisors Association (CSA)**
 - Represents 61 Elected Supervisors in 15 Counties
 - **Arizona Association of Counties (AACo)**
 - Represents all County Elected Officials
- **Federal:**
 - **National Association of Counties (NACo)**
 - Represents 3,069 County Governments

Coconino County Advocacy Efforts

- **Since 2008, Primary State Advocacy Focused on:**
 - **Protecting County Fiscal Sustainability by Opposing Revenue Shifts (including HURF)**
 - **Ensuring Local Control**
 - **Limiting Unfunded Mandates**
 - **Continue to Protect the Budget Authority for the County Boards of Supervisors**
 - **Provide Local Authority to Counties to Address Local Needs**

State Budget Impacts: FY08 – FY14



Source: JLBC

Counties have absorbed **nearly \$386 million** in state budget impacts since 2008

Coconino County has absorbed \$7.1 million in impacts since FY08

FY2008 - FY2014 Budget Impacts	Statewide County Impact	Coconino
HURF Shifts	(\$115,432,270)	(\$4,187,035)
Lost Revenue Streams	(\$49,469,901)	(\$1,732,577)
Program Shifts	(\$91,202,342)	(\$1,244,780)
Mandated Contributions	(\$130,189,600)	\$0
<i>Estimated Fiscal Impact</i>	<i>(\$386,294,113)</i>	<i>(\$7,164,391)</i>

2013 State Legislative Session

Coconino County Priorities

- Restoration of Funding Swept from Highway User Revenue Funds (HURF) to Fund the Department of Public Safety (\$4.1 million to date for Coconino County)
- Restoration of County Assistance Fund (CAF)
 - General fund that was swept and removed from statute (\$550,035 for Coconino County)
 - In 2013, counties successful in obtaining a one year, one time restoration

Coconino County Advocacy

PAYING THE FUTURE: Financial Impacts to Coconino County Roads

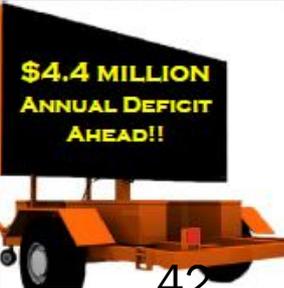


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- Coconino County **FY14** HURF revenue is at a **FY98** level
- They maintain **930 miles** of roadways
- Of county-owned roads, **37%** are paved
- Over **\$2 million** is spent annually on snow removal (**17%** of transportation Budget)
- Delayed maintenance projects will impact tourism, including access to the **Grand Canyon**

**HURF
FUNDING
CUTS**



Without adequate funding, Coconino County projects an average \$4.4 million annual structural budget deficit over the next 10 years.

Outcome of 2013 State Legislative Session

- **HURF Swept to fund the Department of Public Safety (\$4.1 million to date for Coconino County)**
- **Restoration of County Assistance Fund (CAF)**
 - **County General Fund Revenue (\$550,035 for Coconino County)**
 - **One Year, One Time Restoration**

2014 Legislative Session Priorities

- **Restoration of HURF funding to counties and (\$4.1 million to date for Coconino County)**
 - **Pursuing Revenue Enhancements to Fund Existing HURF Distribution System**
- **County Assistance Fund (CAF) Restoration**
 - **Reinstate CAF Payment to Counties (\$533,035 for Coconino County)**

2014 Legislative Session Preview

- Session begins January 13, 2014
- Governor Brewer's sixth and final session as Governor
- Republicans control House and Senate
 - Senate split 17 **R**'s – 13 **D**'s ; House split 36 **R**'s – 24 **D**'s
- Election year for all State offices
- Continued frustration from 2013 Session (Medicaid Expansion)

Governor's Priorities

The Governor will likely focus on the following themes:

- **Strengthening the State's Balance Sheet**
- **Education Reform**
- **Economic Competitiveness**
- **New Federalism**
- **Fine Tuning of Major State Policies Enacted Under her Administration**

Major Issues for 2014 Session

- State Fiscal Situation
- Human Trafficking
- Seasonal Firefighter Benefit Options
- Pension Reform
- State Response to Federal Actions
- Tax Reform
- ***Transportation Infrastructure & Financing***

Arizona Senate Leadership



Senate Majority Leadership



President Andy Biggs

- President – Andy Biggs (R-12; Maricopa, Pinal)
- Majority Leader – John McComish (R-18; Maricopa)
- Majority Whip – Adam Driggs (R-28; Maricopa)
- President Pro Tem – Gail Griffin (R-14; Cochise, Pima, Graham, Greenlee)

Senate Minority Leadership



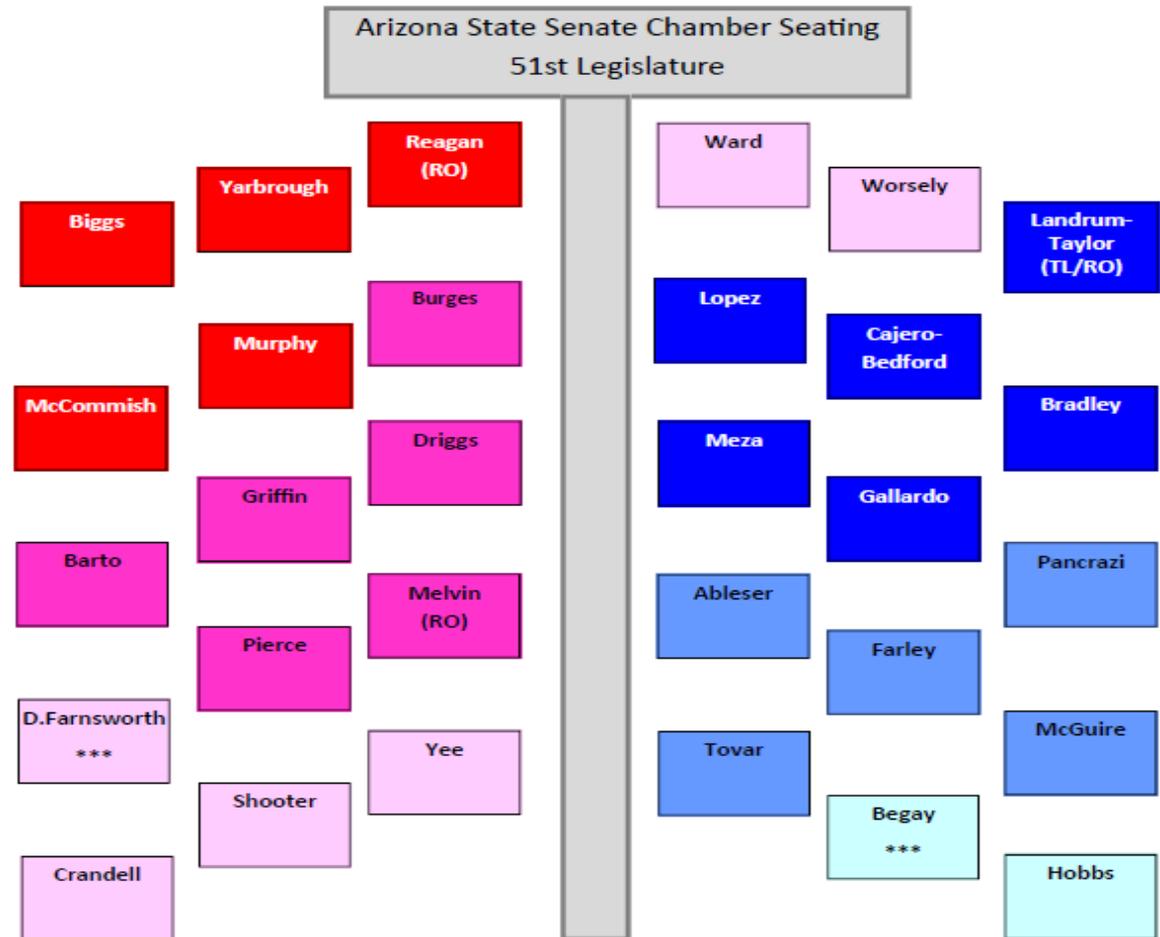
Min. Leader Anna Tovar

- Minority Leader – Anna Tovar (D-17; Maricopa)
- Assistant Minority Leader – Lynne Pancrazi (D-4; Yuma)
- Minority Whip – Steve Gallardo (D-29; Maricopa)

Arizona Senate

State Senate:

- 17 Republicans
- 13 Democrats
- 2 new legislators recently appointed
- 1 term limited (2014)
- 3 likely exploring another office

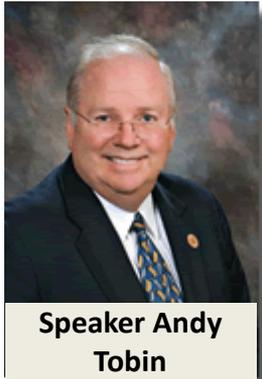


■ ■ = Legislators with more than 9 years of service
■ ■ = Legislators with between 4 and 8 years of service
■ ■ = Legislators with less than 4 years of service
 *** = Legislator appointed since the end of the 2013 session
 (TL) = Legislator serving in their last term in a chamber, due to term limits
 (RO) = Legislator has expressed interest in running for a different office

Arizona House of Representatives



House Majority Leadership



Speaker Andy
Tobin

- House Speaker – Andy Tobin (R-1; Maricopa, Yavapai)
- Majority Leader – David Gowan (R-14; Cochise, Pima, Graham, Greenlee)
- Majority Whip – Rick Gray (R-21; Maricopa)
- Speaker Pro Tem – J.D. Mesnard (R-17; Maricopa)

House Minority Leadership



Min. Leader Chad
Campbell

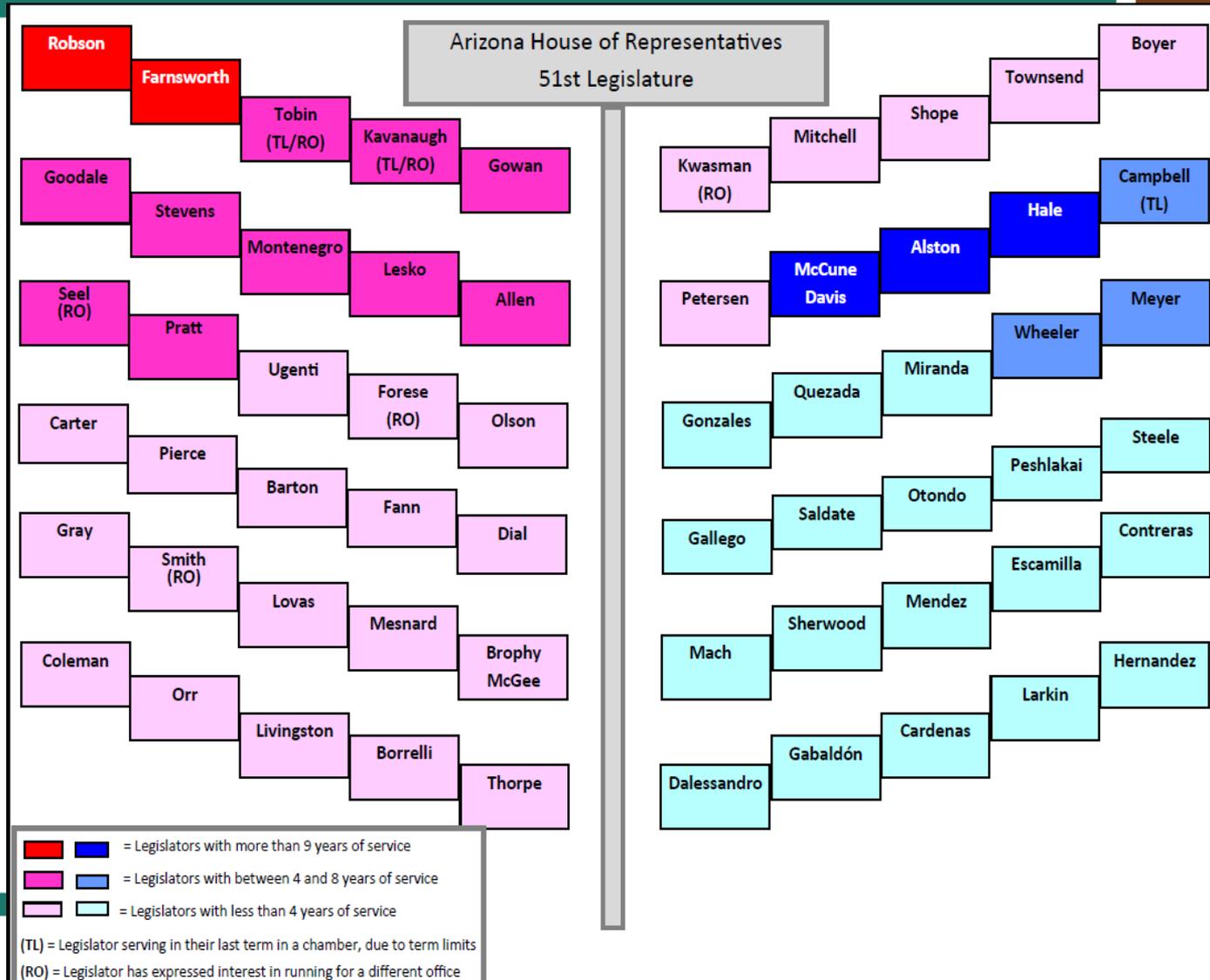
- Minority Leader – Chad Campbell (D-24; Maricopa)
- Assistant Minority Leader – Ruben Gallego (D-27; Maricopa)
- Minority Whip – Bruce Wheeler (D-10; Pima)



Arizona House of Representatives

House of Representatives:

- 36 Republicans
- 24 Democrats
- 24 new legislators from the 2012 election
- 3 term limited (2014)
- 6 likely exploring another office



Emerging Momentum on Transportation



Stakeholders:

- Association of General Contractors
- Maricopa Association of Governments
- Pima Association of Governments
- Other Council of Governments across Arizona
- Tribal Representatives
- League of Arizona Cities and Towns
- Rural Transportation Advisory Council
- Arizona Department of Transportation

Common Themes Emerging:

1. HURF restoration is critical
2. Infrastructure statewide is in critical need of additional resources

ADOT Financial Reality

At the April CSA Board of Directors meeting ADOT Director, John Halikowski, reported that the financial reality for ADOT is bleak. He listed the following reasons:

- **Economic changes**
 - Behavioral changes
 - Vehicle license taxes

- **Decline in gas tax collections**
 - Gas tax set at 18¢ since FY91

- **Federal funding reductions**



What Does it Take to Fix HURF?

Immediate

- Stop the HURF diversions
- Restore statutory cap

Short Term

- Raise revenues from fuel or other taxes

Long Term

- Shift reliance from fuel to alternative mechanisms (a sustainable revenue stream not attached to gas, consideration of alternative fuels, mechanisms to tax new propulsion systems)

Federal Advocacy Efforts

- **Congress Passed Continuing Resolution**
 - Expires January 15, 2014
- **Debt Ceiling Debate On Horizon**
 - Debate suspended until February 7, 2014
- **Impacts on County Revenue Significant**
 - Unknown Impacts on funding for MAP-21 and overall transportation and infrastructure funding

Secure Rural Schools – Forest Fees

- **Current Authorization of SRS Expired September 30, 2013.**
 - **Future Uncertain on Reauthorization. If Reauthorized Funding Levels Will Not Be at Historic Levels (FY 08).**
 - **Working with NACo on new “Modern Formula” to Allocate Revenues Generated from the Management of Federal Lands.**

Payment in Lieu of Taxes

(PILT)

- **PILT Provides Payments to Counties to Offset Losses in Tax Revenues Due to Tax-Exempt Federal Land in Their Jurisdiction**
 - 28 percent of land in the U.S. is Public Land
 - 87 percent of land in Coconino County is Public Land
- **In 2008, PILT became a Mandatory Entitlement Program (Not Subject to Annual Appropriations)**
 - 2008 was the First Year PILT was Fully Funded
 - Full Funding Expired September 30, 2012
 - One additional year of full funding secured until September 30, 2013.

Payment in Lieu of Taxes (PILT)

- **PILT has not been Reauthorized for FY 2014**
 - **Unless Congress Acts, Counties will have received their last fully funded PILT disbursement in June 2013**
- **Coconino County Working with NACo to Advocate for the Reauthorization of PILT at Full Funding Levels**

Other Federal Issues

- **Four Forests Initiative**
 - **Payment for Road Maintenance in Agreement**
- **Stewardship Contracting Authority**
 - **Working with Congressional Delegation to Reauthorize Stewardship Contracting Authority**
 - **Revising Stewardship Contracting Authority to Ensure Funding is Included to Pay for Road Maintenance**



Questions?