



PINAL COUNTY
WIDE OPEN OPPORTUNITY

MEMORANDUM

DATE: July 2, 2020
TO: Board of Supervisors
FROM: Louis Andersen, County Manager *LA*
RE: Pinal County FY 20/21 Projected Mandated Payments

The following information is being provided as the estimated projections for mandated payments required of Pinal County through the state budget process for FY 20/21.

Mandated Healthcare-related Payments

Pinal County is required to assist in the funding of the AHCCCS system, through direct payments to the state as created by statute or the state budget process. In FY 20/21 Pinal County will make the following payments to the state unless the legislature modifies the payments through a revised FY 20/21 budget:

- Budget Neutrality Compensation Fund (BNCF) payment is designed to provide administrative funding for costs associated with Prop. 204 implementation. Total payment is set by statute and adjusted for inflation. Total FY 20/21 Pinal County payment to the BNCF is \$333,100.
- Acute Care (Acute) payment was originally designed to share the burden of state matching requirements for federal funds. Acute payments have been the same for most counties since FY 95/96. The FY 20/21 Acute payment for Pinal County is \$2,715,600.
- Arizona Long Term Care System (ALTCS) payments are transfers made by counties and, when combined with state dollars, are used as the state match to pull down federal Medicaid funds. Growth in the program is split 50/50 between the counties and the state. Allocation among the counties is based on previous utilization. Total FY 20/21 ALTCS contributions for Pinal County is \$14,431,100.

Arizona Department of Revenue (ADOR) Cost Shift

This provision requires ADOR to charge every city, town, county, the Maricopa Association of Governments (MAG) and the Pima Association of Governments (PAG) a service fee for the revenue that is collected on behalf of the jurisdiction. The provision exempts this fee from the county expenditure limitation and includes flexibility language to allow a county to use any source of county revenue for the fiscal obligations. The FY 20/21 amount for Pinal County is \$236,374.

COUNTY MANAGER

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Restoration to Competency (RTC)

FY 20/21 session law continues to require counties to reimburse the Department of Health Services 100 percent of the cost incurred by the state for the inpatient competency restoration treatment of a defendant at the Arizona State Hospital (ASH). The provision exempts the payment from the county expenditure limitation and includes flexibility language to allow a county to use any source of county revenue for the fiscal obligations. The FY 20/21 cost that Pinal County will incur will depend upon the number of defendants treated at ASH.

Supporting documents follow.

	Fiscal Year											Total HURF & GF		
	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019		2019/2020	2020/2021
Pinal County Cost Shifts														
Lost Revenue Streams														
ADIC Grants to Indigent Defense				29,269	29,269	29,269	29,269	29,269	29,269	29,269	29,269	29,269	29,269	292,690
Elimination of the County Lottery Revenue	27,502	245,653	550,035	550,035	550,035	550,035	550,035	550,035	550,035	550,035	550,035	550,035	550,035	3,023,530
Mandated Contributions				2,597,400										2,597,400
Program Shifts														
Increased County Share of JP Salaries		138,167	138,167	138,167	138,167	138,167	138,167	138,167	139,269	140,372	140,372	140,372	140,372	1,667,926
Increased Superior Court Judge Salaries									13,698	27,396				41,094
State Agency Shifts														
100% of Rural RTC Costs	38,582	666,974	378,444	624,701	369,660	760,984	166,796	516,590	303,808	267,190	78,691			4,172,420
25% Cost for Juveniles Housed at ADIC								705,449	191,646	191,646				1,088,741
ADOR Appropriation Shift								396,776	392,097	389,164	299,216	236,491	236,374	1,950,118
SIP Costs at ASH		140,394	152,566	246,899	314,459	190,803	140,204	112,493	112,493	112,493				1,522,804
Total General Fund Cost Shifts	66,084	1,191,188	1,219,212	4,186,471	1,401,590	1,119,223	474,436	2,448,779	1,732,315	1,157,530	547,548	406,132	406,015	16,356,523
HURF Cost Shifts	946,155	866,331	873,772	2,477,225	1,388,137	1,617,709	835,116	946,390	1,70,834	215,363	-	-	-	10,337,032
Total HURF & GF	1,012,239	2,057,519	2,092,984	6,663,696	2,789,727	2,736,932	1,309,552	3,395,169	1,903,149	1,372,893	547,548	406,132	406,015	26,693,555

HURF Sweeps Impact - FY2008 to FY2018

Net HURF Sweeps to DPS & 2012 MVD Shift

Counties	\$143M
Cities & Towns	\$237M
State Highway Fund & Controlled Access	\$531M
Total Impact	\$911M

County-by-County Impact

County	Net HURF Sweeps to DPS & 2012 MVD Shift
Apache	\$3,784,600
Cochise	\$4,532,600
Coconino	\$5,254,200
Gila	\$2,098,000
Graham	\$1,356,100
Greenlee	\$467,900
La Paz	\$2,116,500
Maricopa	\$60,358,000
Mohave	\$7,322,400
Navajo	\$4,547,500
Pima	\$26,582,200
Pinal	\$10,337,000
Santa Cruz	\$1,710,000
Yavapai	\$6,978,200
Yuma	\$5,926,000
Total	\$143,371,200
