



MEMORANDUM

Date: September 25, 2009

To: The Honorable Chairman and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator

A handwritten signature in black ink, appearing to read "CH", is written over the printed name "C.H. Huckelberry".

Re: Public Safety First Initiative – County Fiscal Impact

Background

On November 3, 2009, Proposition 200, an initiative entitled the Public Safety First Initiative, will be before the voters of the City of Tucson. The initiative mandates an increase in the number of law enforcement officers employed by the City of Tucson from their present staffing ratio of approximately 2.0 officers per thousand population to 2.4 officers per thousand population, which means an approximate increase of 350 officers. Tucson presently employs 1,024 police officers. Therefore, to meet the terms of the initiative, as well as fill existing vacancies, means an additional 439 officers over the existing police workforce of 1,024, which is a 43 percent increase. The initiative also mandates certain minimum performance response times by the Tucson Fire Department; however, it does not appear the fire response requirements translate into additional County costs.

Change in Law Enforcement Officers by Jurisdiction as Compared to County Population Growth

Table 1 below lists law enforcement officers per jurisdiction from information compiled by the County Attorney. The table indicates that in 1991, all jurisdictions combined (Tucson, South Tucson, Marana, The University of Arizona, Pima Community College, Oro Valley, Sahuarita, the Sheriff, and the Department of Public Safety) had 1,187 officers. By 2000, this had increased to 1,572; by 2005 to 1,745; and in fiscal year 2008/09 to 2,120. This means that over the period from 1991 to 2008/09, there was a 78 percent increase in the number of sworn law enforcement officers within Pima County, an increase faster than the growth in population.

Table 1. Pima County Commissioned Law Enforcement Officers.

Agency	1991	1995	1999/ 2000	2004/ 2005	2008/ 2009	Percentage Change (91-08)
Tucson	741	834	931	1001	1113	50.1
South Tucson	24	23	29	26	23	- 4.2
Marana	11	33	51	66	81	663.6
University	39	43	52	52	56	35.9
Pima College	19	25	35	29	29	36.8
Oro Valley	0	43	63	87	102	264.3
Sahuarita	0	0	8	24	44	350.0
PC Sheriff	353	385	403	460	528	54.1
Department of Public Safety					144	52.3
Total Officers	1,187	1,386	1,572	1,745	2,120	77.8

Table 2 shows the increase in Pima County's population during the same timeframes shown in Table 1. County population in 1991 was 682,890. By 2000, the population had increased to 866,125 and by 2008 to 1,014,023 – an overall population increase from 1991 to 2008 of 48.5 percent. Nearly all jurisdictions, with the exception of South Tucson, The University of Arizona, and Pima Community College, have dramatically increased the number of law enforcement officers, faster than population growth, some substantially.

Table 2. Pima County Population.

	1991	1995	2000	2005	2008	Percentage Change (91-08)
Population	682,890	758,050	866,125	951,697	1,014,023	48.5

Law-Enforcement Officers Per Thousand Population and Corresponding Reported Crimes Per Thousand

Table 3 below compares a number of cities around the State and for the Pima County Sheriff, the number of law enforcement officers per 1,000 service population in 2007. No law enforcement agencies in the City of Tucson or Pima County, with the exception of Oro Valley and Marana, come close to the initiative requirement of law enforcement officers per 1,000 population. In addition, reported in this table are crimes per 1,000 population pursuant to Federal Bureau of Investigation (FBI) crime reported statistics. (The FBI excluded all property crimes reported by the City of Tucson because the City "did not follow national

Uniform Crime Reporting (UCR) Program guidelines for reporting an offense.”¹) In examining this data, clearly, there is little, if any, correlation between officers per thousand population staffing and reported crimes per 1,000 population. A number of other factors such as income, education, age, and other socioeconomic indicators are better predictors of crime than the number of law enforcement officers.

Table 3. Crimes/Officers Per 1,000 Population.

City/Town	Crimes Per 1,000 Population	Officers Per 1,000 Population
Flagstaff	136.63	1.66
Marana	73.05	2.31
Mesa	97.66	1.83
Oro Valley	39.07	2.35
Phoenix	131.32	2.04
Pima County Sheriff	75.93	1.28
Prescott	71.14	1.73
Sahuarita	26.67	2.00
Scottsdale	73.04	1.84
Tucson	38.30	2.02
Yuma	101.92	1.76

Please note the staffing ratio of the Pima County Sheriff. Based on this statistic alone, it is clear the Sheriff does a superb job of managing his resources.

City of Tucson Estimated Costs of Compliance with Proposition 200²

As drafted, the initiative creates mandates that are entirely unfunded. The fiscal consequences for the City if the initiative is approved are quite serious, particularly since their Fiscal Year 2010 budget was balanced using over \$29 million of one-time (non-recurring revenues and/or expenditure savings, which would need to be addressed in the next fiscal year. The required increase in City operating costs for the first five years are preliminarily projected at almost \$157 million, with recurring, additional annual costs after the fifth year of \$51 million per year. The Initiative also will require the City to build capital improvements preliminarily projected at approximately \$85 million.

¹ Federal Bureau of Investigation. *Crime in the United States 2007, Offenses Known to Law Enforcement, Table 8 (By State, By City), Arizona Cities).*

² This section is derived from a report to the Mayor and Council from Richard Miranda, Deputy City Manager, dated June 26, 2009. The information is currently being reviewed by the Mayor and Council’s Independent Audit and Performance Commission, and their report will become available on September 30, 2009.

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The City has reviewed the potential funding mechanisms for these recurring new expenditures. One option would be for the City to increase the primary property tax rate from \$0.3144 per \$100 of assessed valuation to \$1.75 per \$100 of assessed valuation by the fifth year after the initiative is adopted. Another option would be to raise \$40 million per year by increasing the City's sales tax from 2 to 2.5 percent. Both revenue measures would require voter approval to amend the City's charter.

Capital expenditures of approximately \$85 million would have to be funded by an increase in the City secondary property tax or by Certificates of Participation paid from general fund revenues. The City would need voter approval to change the property tax limitations in the Charter and has not, as yet, identified where the general fund revenues would come from to make payments on potential Certificates of Participation.

Absent a new or expanded funding mechanism to pay for the additional costs, the City would have to significantly reduce existing general fund expenditures from areas other than public safety programs.

Fiscal Impacts of the Initiative to Pima County

This initiative, if approved by City of Tucson voters, will have a significant adverse financial impact in Pima County if it is approved. The crafters of the initiative apparently were unaware or chose to ignore that Pima County government operates and funds most of the criminal justice system. With the exception of municipal police and a few municipal courts, the County provides funding for almost all of the criminal justice system. This includes the Juvenile Detention Center; the Pima County Adult Correction Facility, which is the only jail in Pima County; the prosecution of crime through the County Attorney, the defense of indigent individuals charged with crimes through the Public Defender and Legal Defender; and criminal case adjudication primarily in Superior Court, with its attendant pretrial and probation services. Consequently, any increase in law enforcement officers in any particular jurisdiction has significant fiscal consequences for the County.

It has been argued that these consequences may not be as significant as stated; however, facts indicate otherwise. Data compiled by the County Attorney's office compares the number of Tucson police officers by fiscal year from 1995 to cases issued by the County Attorney for prosecution. Using authorized officers, the number of Tucson police officers in 1995 was 834. In 2008, there were 1,113, which is a difference of 279 officers – an increase of 34 percent between 1995 and 2008. During this same period, the number of cases prosecuted increased from 2,727 in 1995 to 3,875 in 2008 – an increase of 42 percent.

Based on this and other data, the projected annualized cost impacts of the Public Safety First Initiative on the Pima County criminal justice system are as illustrated in Table 4. In addition to this annual recurring and increasing operating cost, it is likely that jail capacity, court capacity, and other physical facilities needing to be constructed will cost nearly \$95 million in the next five years.

Table 4. Annual County Cost, By Agency.

County Agency	Annual Cost (Millions)
Sheriff (Jails and Inmate Transportation)	\$12.5
County Attorney (Prosecution)	3.8
Indigent Defense (Public Defenders)	3.3
Superior Court (Judges and Probation Officers)	6.5
Clerk of Superior Court (Case Processing)	0.4
Juvenile Court (Juvenile Offenders)	1.9
TOTAL	\$28.4

Probable Funding Source of Criminal Justice System Cost Increases

The cost of providing criminal justice services is paid through the County's general fund. Today, the total cost of these services is \$237.7 million, out of a total general fund expenditure of \$494.8 million, or 48 percent of the general fund. The only significant revenue sources available to the general fund are primary property taxes and State shared revenues. State shared revenues have declined by over \$20 million in the last two years; therefore, they will certainly not be available to pay the increased cost of the initiative on the criminal justice system. The only revenue source available for paying this cost is the County primary property tax. An increase of \$28.4 million in property taxes represents an 8.2 percent increase in average taxes, or an annual property tax increase of \$74.50 on a home with a \$200,000 taxable assessed value.

Constitutional Expenditure Limitation

Pima County is, as are all counties in Arizona, under a voter-imposed constitutional expenditure limitation. This constitutional measure control limits the amount of growth in County expenditures and can only be exceeded by a voter override election costing approximately \$3 million, which by statute, can only be held on the third Tuesday in May of each calendar year and is only good for a single year. For an expenditure override to be permanent, the override election must occur at the time of a general election when all members of the Board of Supervisors are up for election, which will not be, in the present case, until November 2012.

Adding \$28.4 million in new expenditures will most likely cause the County to exceed the constitutional expenditure limitation. Absent a voter override, the County would be forced to fund the cost obligations of the Public Safety First Initiative within the existing budget; hence the \$28.4 million in expenditures would have to come from reductions in other County service areas. The County has very few non-mandated services. The largest single departmental expenditure that is non-mandated is the Natural Resources, Parks and Recreation Department, which has an annual budget of \$14.9 million. In addition, all funding for County outside agencies, which is also not mandated, is \$4.66 million. If these two expenditure shifts occur to fund the Public Safety First Initiative, the County would still be required to find another \$8.84 million in expenditure cuts and transfers to meet the unfunded mandate of the initiative. Absent a voter expenditure tax override, funding the impacts of the Public Safety First Initiative would severely impact County services.

Who Pays for the increased County expenditures in the criminal justice system caused by the Public Safety First Initiative?

Pima County property taxes are levied County wide on all taxable property in the County. The City of Tucson assessed value is \$3.6 billion, while the total County primary taxable assessed value is approximately \$9 billion, or approximately 40 percent of the total. Hence 60 percent of the cost of the Public Safety First Initiative will be paid for by property taxpayers living outside the City of Tucson, again an adverse fiscal consequence not anticipated by the drafters of the initiative.

In addition, of the \$28.4 million of additional funding for the County's criminal justice system needed to accommodate the initiative, none is to support the police patrol function of the Sheriff's Department. Consequently, while the City of Tucson will be increasing their police coverage by 43 percent, it is unlikely that any additional funding will be available to fund additional Sheriff's deputies to maintain the current ratio of 1.3 officers per 1,000 as the unincorporated population grows.

Initiative Abandons Innovative Options for Fighting the Causes of Crime

The initiative completely abandons the option of crime reduction through prevention and education. It works only to increase enforcement. Preventing crime is a community responsibility, not just that of law enforcement. To simply give up on prevention in favor of enforcement condemns the community to more and more police without the ability to influence and fund programs that effectively fight the root causes of crime.

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Summary

The Public Safety First Initiative of the City of Tucson, if approved by the voters, will cause significant increased costs for the County in the area of criminal justice: approximately \$28.4 million annually and increasing. In addition, capital expenditures of approximately \$95 million will be required in the near future to expand jail capacity and courts. There are few, if any, options to pay for the Public Safety First Initiative, except through a property tax increase. However, with an increase of that magnitude, the County would likely exceed our constitutional expenditure limitation, hence requiring a voter override. If an override is unsuccessful, the increased cost of funding the criminal justice system will be borne by reductions in non-mandated County functions, which are few and primarily in the area of parks, outside agencies, and general prevention programs. The initiative, while well intentioned, is poorly constructed and will cause tax increases or shift in governmental funding priorities that are not anticipated by the voters.

CHH/mjk