

Arizona State Parks Board

JLBC: Tim Sweeney
 OSPB: Marcel Benberou

Subcommittee: Assets

| DESCRIPTION | FY 2002 ACTUAL | FY 2003 ESTIMATE | FY 2004 | |
|---------------------------------------|-------------------|---------------------|-------------------|-------------------|
| | | | OSPB | JLBC |
| PROGRAM BUDGET | | | | |
| Parks Board | 11,198,500 | 12,172,000 | 12,277,500 | 12,004,300 |
| Growing Smarter SLI | 20,000,000 | 20,000,000 | 20,000,000 | 20,000,000 |
| Kartchner Caverns State Park SLI | 1,167,200 | 2,153,100 | 2,171,800 | 2,255,300 |
| <i>Program Subtotal - Parks Board</i> | 32,365,700 | 34,325,100 | 34,449,300 | 34,259,600 |
| 6th SS Lump Sum Reduction SLI | 0 | (692,100) | (692,100) | (692,100) |
| AGENCY TOTAL | 32,365,700 | 33,633,000 | 33,757,200 | 33,567,500 |

OPERATING BUDGET

| | | | | |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|
| <i>Full Time Equivalent Positions</i> | 235.0 | 245.3 | 245.3 | 245.3 |
| Personal Services | 6,175,500 | 6,523,600 | 6,523,600 | 6,523,600 |
| Employee Related Expenditures | 1,560,000 | 1,974,000 | 1,901,800 | 1,784,100 |
| Professional and Outside Services | 29,900 | 38,400 | 38,400 | 38,400 |
| Travel - In State | 97,900 | 113,500 | 113,500 | 113,500 |
| Travel - Out of State | 2,100 | 0 | 2,100 | 0 |
| Other Operating Expenditures | 3,120,800 | 3,392,500 | 3,568,100 | 3,414,700 |
| Equipment | 212,300 | 130,000 | 130,000 | 130,000 |
| OPERATING SUBTOTAL | 11,198,500 | 12,172,000 | 12,277,500 | 12,004,300 |
| Special Line Items (SLI) | 21,167,200 | 21,461,000 | 21,479,700 | 21,563,200 |
| AGENCY TOTAL | 32,365,700 | 33,633,000 | 33,757,200 | 33,567,500 |

FUND SOURCES

| | | | | |
|---|-------------------|-------------------|-------------------|-------------------|
| General Fund | 27,355,300 | 26,173,400 | 20,000,000 | 22,310,500 |
| <u>Other Appropriated Funds</u> | | | | |
| Land Conservation Fund - Interest | 0 | 0 | 0 | 700,000 |
| Law Enforcement and Boating Safety Fund | 1,061,800 | 1,092,700 | 1,092,700 | 1,092,700 |
| Reservation Surcharge Fund | 175,600 | 289,700 | 294,700 | 293,700 |
| State Parks Enhancement Fund | 3,773,000 | 6,077,200 | 12,369,800 | 9,170,600 |
| SUBTOTAL - Other Appropriated Funds | 5,010,400 | 7,459,600 | 13,757,200 | 11,257,000 |
| SUBTOTAL - Appropriated Funds | 32,365,700 | 33,633,000 | 33,757,200 | 33,567,500 |
| Other Non-Appropriated Funds | 21,570,100 | 17,479,000 | NA | 13,911,000 |
| Federal Funds | 2,060,500 | 4,578,300 | NA | 4,578,300 |
| TOTAL - ALL SOURCES | 55,996,300 | 55,690,300 | NA | 52,056,800 |

CHANGE IN FUNDING SUMMARY

| | FY 2003 to FY 2004 JLBC | |
|--------------------------|-------------------------|----------|
| | \$ Change | % Change |
| General Fund | (3,862,900) | (14.8%) |
| Other Appropriated Funds | 3,797,400 | 50.9% |
| Total Appropriated Funds | (65,500) | (0.2%) |

AGENCY DESCRIPTION — *The Arizona State Parks Board is responsible for managing the state parks system, which includes recreational parks, historical parks, and natural areas. The Parks Board consists of 7 members appointed by the Governor. Major functions of the Parks Board, through its staff, include the maintenance and development of existing parks, new parks acquisitions, statewide recreational planning, historic preservation, the administration of the Heritage Fund grant programs, and the administration of Growing Smarter Grants.*

| PERFORMANCE MEASURES | FY 2002 | FY 2002 | FY 2003 | FY 2004 |
|---|---------------|---------|---------------|------------|
| | Appropriation | Actual | Appropriation | Recommend. |
| • Annual park attendance (in millions) | 2.45 | 2.41 | 2.50 | 2.6 |
| • % of park visitors rating their experience “good” or “excellent”* | 96 | N/A | 96 | 96 |
| • Average cost per state park visitor (in dollars) | 0.22 | 0.67 | 0.17 | 0.17 |
| • New acres of open space and parkland dedicated in Arizona | 7,000 | 14,579 | 7,000 | 7,000 |
| • % of agency staff turnover | 9.2 | 11.5 | 9.2 | 10.0 |
| • Administration as a % of total cost | 5.9 | 4.7 | 5.9 | 4.8 |

* Park visitor ratings surveys are conducted every 5 years. The most recent survey was conducted in FY 2001, and produced a rating for this measure at 95.

RECOMMENDED CHANGES FROM FY 2003

| | | |
|---------------------------------|-----------|--------------------|
| | | FY 2004 |
| Standard Changes | GF | \$(12,900) |
| | OF | (52,600) |
| Appropriate Enhancement | GF | (3,150,000) |
| Fund for Operating Costs | OF | 3,150,000 |

The JLBC recommends a General Fund decrease, and corresponding State Parks Enhancement Fund (SPEF) increase, generated by appropriating all FY 2004 SPEF revenues to the Parks Board for operating costs. Currently, one-half of the fund is set aside for capital acquisitions and development, and one-half is appropriated for the operations of state parks. The increase represents appropriating the capital component of SPEF for operating expenses. This will require statutory changes. (See *JLBC Recommended Statutory Changes.*)

JLBC currently estimates the SPEF will generate approximately \$9,544,800 in revenue in FY 2004. Of this money, approximately \$374,200 is needed to pay the lease-purchase payment for Tonto Natural Bridge State Park.

Growing Smarter **GF 0**
A.R.S. § 41-511.23 appropriates \$20,000,000 annually from the General Fund to the Land Conservation Fund for the Growing Smarter Program through FY 2011. As a result, this amount will not need to be included in the FY 2004 General Appropriation Act, but are included in the JLBC recommendation. The monies are used to provide grants to purchase state trust land for conservation purposes. All grants must be matched by the public or private entity that is applying for the grant. The Conservation Acquisition Board reviews applicants and recommends grants to the State Parks Board.

Since FY 2001, \$60,000,000 has been deposited from the General Fund to the Land Conservation Fund. Pursuant to statute, up to 10% is set aside each year for conservation easements on grazing land, while the remaining monies, totaling \$54,000,000, are available for Growing Smarter grants. As of November 2002, 8 grants have been

awarded, totaling \$22,395,200. Of these 8 grants, 5 have been completed, totaling \$14,320,600, and 3 are awaiting an auction.

| | | |
|-------------------------------------|-----------|------------------|
| Appropriate Growing Smarter | GF | (700,000) |
| Interest for Park Operations | OF | 700,000 |

The JLBC recommends a General Fund decrease and corresponding Land Conservation Fund increase, generated by appropriating Growing Smarter interest to the State Parks Board for agency operating costs. Currently, statute allows the State Parks Board to use a portion of yearly Land Conservation Interest earnings for the administration of the Growing Smarter grant program. The Parks Board is allowed to use \$500,000 or 5% (whichever is smaller) of the yearly deposit into the fund to administer the program. This recommendation would appropriate the remaining monies to the State Parks Board for general agency operating costs. In addition, the JLBC recommendation includes a corresponding reduction in the General Fund appropriation to account for this new funding source. This shift will require statutory changes. (See *JLBC Recommended Statutory Changes.*)

JLBC RECOMMENDED FORMAT — Detailed Line Item by Agency. (In the FY 2003 budget the department had a Lump Sum by Program with Special Line Items format.)

JLBC RECOMMENDED FOOTNOTES

Standard Footnotes

The appropriation for Law Enforcement and Boating Safety Fund Projects is an estimate representing all monies distributed to this fund, including balance forward, revenue and transfers during FY 2004. These monies are appropriated to the Arizona State Parks Board for the purposes established in A.R.S. § 5-383. The appropriation shall be adjusted as necessary to reflect actual final receipts credited to the Law Enforcement and Boating Safety Fund.

All Other Operating Expenditures includes \$26,000 from the State Parks Enhancement Fund for Fool Hollow State Park revenue sharing. If receipts to Fool Hollow exceed \$260,000 in FY 2004, an additional 10% of this increase of Fool Hollow receipts is appropriated from the State Parks Enhancement Fund to meet the revenue sharing agreement with the City of Show Low and the United States Forest Service.

All Reservation Surcharge Revolving Fund receipts received by the Arizona State Parks Board in excess of \$293,700 in FY 2004 are appropriated to the Reservation Surcharge Revolving Fund Special Line Item. Before the expenditure of any Reservation Surcharge Revolving Fund monies in excess of \$293,700 in FY 2004 the Arizona State Parks Board shall submit the intended use of the monies for review by the Joint Legislative Budget Committee.

New Footnotes

During FY 2004, no appropriated or non-appropriated monies may be used for the purposes of out-of-state travel expenses by State Parks Board staff.

The State Parks Board shall submit to the Joint Legislative Budget Committee on a quarterly basis, the operating expenditures of each state park.

JLBC RECOMMENDED STATUTORY CHANGES

The JLBC recommends:

- 1) Amending A.R.S. § 28-1176 to allow the State Parks Board to use \$877,300 from the Off-Highway Vehicle Recreation Fund for agency operating costs.
- 2) Amending State Parks Enhancement Fund statutes (A.R.S. § 41-511.11) to allow appropriation of all revenues, less the lease-purchase payment for the Tonto Natural Bridge State Park, to the State Parks Board for operating costs.
- 3) Amending Land Conservation Fund (LCF) statutes (A.R.S. § 41-511.23) to allow for the appropriation of LCF interest monies to the State Parks Board for operating costs.
- 4) Amending State Lake Improvement Fund (SLIF) statutes (A.R.S. § 5-382) to restrict grants to projects only on waters where motorized boating is permitted.

| SUMMARY OF FUNDS | FY 2002 Actual | FY 2003 Estimate |
|---|-------------------|-------------------------|
| Development Rights Retirement (No Fund Number/A.R.S. § 41-511.15) | | Non-Appropriated |
| Source of Revenue: Legislative appropriations, gifts, grants, and transfers. | | |
| Purpose of Fund: To make grants to public and private entities for the purchase, lease or transfer of development rights on private land in the state. This fund was created by Laws 2000, 4 th Special Session, Chapter 1. There are currently no revenue or expenditure estimates. | | |
| Funds Expended | 0 | 0 |
| Year-End Fund Balance | 0 | 0 |
| Federal (PRA2000/A.R.S. § 41-511.04) | | Non-Appropriated |
| Source of Revenue: Federal grants from the Department of the Interior, National Park Service, and other federal entities. | | |
| Purpose of Fund: To expand and maintain the National Register of Historic Places, and to identify, evaluate and protect other historic properties. Also, to implement the State Comprehensive Outdoor Recreation Plan. | | |
| Funds Expended | 2,060,500 | 4,578,300 |
| Year-End Fund Balance | 1,096,800 | 780,900 |
| Heritage (PRA2296/A.R.S. § 41-502) | | Non-Appropriated |
| Source of Revenue: Annual transfer from the Lottery Fund of up to \$10,000,000, and interest earnings. In FY 2002, the fund received a \$8,768,500 transfer from the Lottery. The FY 2003 expenditures below assume the fund will receive \$8,500,000 from the Lottery for FY 2003. | | |
| Purpose of Fund: To fund acquisition and development of local, regional, and state parks (35%); development of trails (5%); acquisition of natural areas (17%); maintenance and operation of natural areas (4%); environmental education (5%); State Parks acquisition and development (17%); and historic preservation projects (17%). Interest earnings are to be used for program administration. | | |
| Funds Expended - Capital | 2,356,400 | 2,502,500 |
| Funds Expended - Operating | 6,552,700 | 6,630,200 |
| Year-End Fund Balance | 31,465,600 | 31,382,900 |

| SUMMARY OF FUNDS | FY 2002 Actual | FY 2003 Estimate |
|---|-------------------|-------------------------|
| Land Conservation - Administration Account (PRA9502/A.R.S. § 41-511.23) | | Non-Appropriated |
| Source of Revenue: Interest earnings up to \$500,000 from the Public Conservation account. Unobligated amounts at the end of each fiscal year revert to the Public Conservation account. | | |
| Purpose of Fund: To support the Conservation Acquisition Board and administer the Land Conservation Fund. | | |
| Funds Expended | 159,000 | 287,500 |
| Year-End Fund Balance | 0 | 0 |
| Land Conservation - Donation Account (PRA9502/A.R.S. § 41-511.23) | | Non-Appropriated |
| Source of Revenue: Donations from public and private entities. | | |
| Purpose of Fund: To match grants made to purchase state trust lands for conservation purposes. There are currently no estimates of donations that will be deposited to the account. | | |
| Funds Expended | 0 | 0 |
| Year-End Fund Balance | 0 | 0 |
| Land Conservation - Public Conservation Account (PRA9502/A.R.S. § 41-511.23) | | Non-Appropriated |
| Source of Revenue: As approved by Arizona voters in November 1998, the fund receives \$20,000,000 annually from the General Fund in FY 2001 through FY 2011. | | |
| Purpose of Fund: For grants to the state or any of its political subdivisions, non-profit organizations, individual landowners, and agricultural lessees of state or federal land. Grants are made to purchase or lease state trust lands that are classified as suitable for conservation purposes. The Conservation Acquisition Board will recommend appropriate grants to the Arizona State Parks Board. | | |
| Funds Expended from the General Fund | 7,579,100 | 20,287,500 |
| Year-End Fund Balance | 28,452,700 | 29,165,200 |
| Law Enforcement and Boating Safety (PRA2111/A.R.S. § 5-383) | | Appropriated |
| Source of Revenue: A portion of watercraft licensing taxes. | | |
| Purpose of Fund: To provide grants to county law enforcement agencies for water and boating safety programs. The Arizona Outdoor Recreation Coordinating Commission distributes the grants. | | |
| Funds Expended | 1,037,300 | 1,112,000 |
| Year-End Fund Balance | 19,300 | 0 |
| Off-Highway Vehicle Recreation (PRA2253/A.R.S. § 28-1176) | | Non-Appropriated |
| Source of Revenue: Transfer from the Motor Vehicle Fuel Tax, equivalent to 0.55% of the total license taxes on motor vehicle fuel. | | |
| Purpose of Fund: To plan, administer, and enforce off-highway vehicle recreation, and to develop facilities consistent with the off-highway vehicle plan. Seventy percent of the monies collected are to be used by the Arizona State Parks Board for planning, administration, and facilities development; the remainder is transferred to the Arizona Game and Fish Department for enforcement. | | |
| Funds Expended | 2,782,500 | 2,105,000 |
| Year-End Fund Balance | 4,526,400 | 4,386,400 |
| Partnership (PRA2448/A.R.S. § 41-511.04) | | Non-Appropriated |
| Source of Revenue: Revenues received from federal, state, and local government agencies through intergovernmental agreements; reimbursements from local and county recipients of federal Land and Water Conservation grants. | | |
| Purpose of Fund: To provide trails stewardship with funds received from the USDA Forest Service and the Bureau of Land Management; for operating costs of the multi-use water safety center at Lake Havasu State Park with funds received from the U.S. Coast Guard, Lake Havasu City, Mohave County, and the Arizona Game and Fish Department; and to administer federal Land and Water Conservation grants. Grant recipients must provide 10% of the grant amount to the Parks Board for administration. | | |
| Funds Expended | 43,400 | 273,800 |
| Year-End Fund Balance | 482,000 | 468,200 |
| Publications and Souvenir Revolving (PRA4010/A.R.S. § 41-511.21) | | Non-Appropriated |
| Source of Revenue: Sales of books, postcards, posters, and souvenir items at state parks and proceeds from the operation of the lodge and restaurant at Tonto Natural Bridge State Park. | | |
| Purpose of Fund: Production and distribution of agency publications, as well as the purchase of souvenir items for sale at state parks, and the operation of concessions. | | |
| Funds Expended | 251,000 | 512,800 |
| Year-End Fund Balance | 388,800 | 376,000 |

| SUMMARY OF FUNDS | FY 2002 Actual | FY 2003 Estimate |
|---|-------------------|-------------------------------|
| Reservation Surcharge Revolving (PRA1304/A.R.S. § 41-511.24) | | Appropriated |
| Source of Revenue: Surcharges on reservations made using an automated reservation system. Currently only Kartchner Caverns State Park utilizes the system. The surcharge is \$2.00 per reserved ticket. Any amount in excess of \$12,500 at the end of each fiscal year is transferred to the General Fund. | | |
| Purpose of Fund: To staff and manage the reservation system. | | |
| Funds Expended | 175,600 | 289,700 |
| Year-End Fund Balance | 51,600 | 12,500 |
| State Lake Improvement (PRA2105/A.R.S. § 5-382) | | Non-Appropriated |
| Source of Revenue: Primarily a transfer from the Highway Users Revenue Fund, based on a formula that estimates state gasoline taxes paid for boating purposes. Also included is a portion of the watercraft license tax collected by the Arizona Game and Fish Department. | | |
| Purpose of Fund: To fund projects at boating sites, including launching ramps, parking areas, lake improvement and construction, campgrounds, and acquisition of property to provide access to boating sites. Project grant requests are reviewed by the Arizona Outdoor Recreation and Coordinating Commission and approved by the Arizona State Parks Board. Approved projects must be reviewed by the Joint Committee on Capital Review. | | |
| Funds Expended - Capital | 1,187,400 | 0 |
| Funds Expended - Operating | 4,620,000 | 1,399,200 |
| Year-End Fund Balance | 28,622,900 | 27,503,400 |
| State Parks Enhancement (PRA2202/A.R.S. § 41-511.11) | | Partially Appropriated |
| Source of Revenue: State parks user fees and concession sales. | | |
| Purpose of Fund: One-half of this fund is appropriated for parks operations. The other half is used for parks acquisition and development. The acquisition and development portion is earmarked to complete Kartchner Caverns State Park and for lease-purchase payments of Tonto Natural Bridge State Park. Upon completion of the acquisition payments and development of these parks, this portion of the fund will be subject to legislative appropriation. The completion of Kartchner Caverns is currently targeted for November 2003, while Tonto lease-purchase payments will not be finished until FY 2012. | | |
| Funds Expended - Capital (Non-Appropriated) | 3,440,400 | 3,568,000 |
| Funds Expended - Operating (Appropriated) | 3,786,500 | 6,077,200 |
| Year-End Fund Balance | 9,064,200 | 7,419,000 |
| State Parks Fund (PRA3117/A.R.S. § 41-511.11) | | Non-Appropriated |
| Source of Revenue: Private gifts, grants, and donations. The City of Yuma allocates \$150,000 annually for the operation of the Yuma Crossing State Historic Park. | | |
| Purpose of Fund: To meet the objectives of contributors, especially as they relate to acquisition, development, and preservation of the state's natural features. | | |
| Funds Expended | 177,300 | 200,000 |
| Year-End Fund Balance | 295,700 | 295,700 |

[Click here to return to the Table of Contents](#)