

Land Commissioner: Mark Winkleman

JLBC Analyst: Hans Olofsson

	FY 2003 Actual	FY 2004 Estimate	FY 2005 Approved
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	176.4	174.4	188.4 <sup>1/</sup>
Personal Services	6,750,800	6,794,300	6,957,400
Employee Related Expenditures	1,513,000	1,833,200	1,835,000
Professional and Outside Services	1,268,000	1,430,600	1,430,600
Travel - In State	220,300	276,100	276,100
Travel - Out of State	6,400	1,500	1,500
Other Operating Expenditures	2,229,800	1,645,900	1,730,800
Equipment	441,200	226,400	226,400
<b>OPERATING SUBTOTAL</b>	<b>12,429,500</b>	<b>12,208,000</b>	<b>12,457,800</b>
<b>SPECIAL LINE ITEMS</b>			
CAP User Fees	1,221,300	1,221,300	1,026,400 <sup>2/</sup>
Environmental County Grants	125,000	125,000	125,000
Environmental Education Program	110,700	0	0
Fire Equipment	0	0	1,200,000
Fire Suppression	3,663,500	3,000,000	3,000,000 <sup>3/</sup>
Inmate Fire Crews	0	0	782,900
Natural Resource Conservation Districts	490,000	490,000	430,000 <sup>4/</sup>
<b>AGENCY TOTAL</b>	<b>18,040,000</b>	<b>17,044,300</b>	<b>19,022,100<sup>5/</sup></b>
<b>FUND SOURCES</b>			
General Fund	13,775,800	16,554,300	17,502,100
<u>Other Appropriated Funds</u>			
ADOA Risk Management Fund	0	0	1,200,000
Environmental Special Plate Fund	600,700	490,000	320,000
Game and Fish Commission Heritage Fund	3,663,500	0	0
SUBTOTAL - Other Appropriated Funds	4,264,200	490,000	1,520,000
<b>SUBTOTAL - Appropriated Funds</b>	<b>18,040,000</b>	<b>17,044,300</b>	<b>19,022,100</b>
Other Non-Appropriated Funds	24,553,100	20,177,500	12,619,000
Federal Funds	7,200	12,000	12,000
<b>TOTAL - ALL SOURCES</b>	<b>42,600,300</b>	<b>37,233,800</b>	<b>31,653,100</b>

**AGENCY DESCRIPTION** — The agency manages the state's 9.3 million acres of trust land on behalf of its 14 beneficiaries. In order to generate revenue, the agency plans, leases, and sells trust land. The agency also generates revenue by collecting royalties from the operators of 2 copper mines on state land.

<sup>1/</sup> Includes 14 FTE Positions funded from Special Line Items in FY 2005.

<sup>2/</sup> The appropriation includes \$1,026,400 for Central Arizona Project User Fees in FY 2005. For every \$1.00 received as reimbursement to the state in FY 2005, from cities that assume their allocation of Central Arizona Project water for past Central Arizona Water Conservation District payments, \$1.00 reverts to the state General Fund in the year that the reimbursement is collected. (General Appropriation Act footnote)

<sup>3/</sup> These monies may be spent on wildfire suppression pursuant to A.R.S. § 37-623. Because this authorization is in permanent statute, it is not included in the General Appropriation Act.

<sup>4/</sup> Of the amount appropriated for Natural Resource Conservation Districts in FY 2005, \$30,000 shall be used to provide grants to NRCD environmental education centers. (General Appropriation Act footnote)

<sup>5/</sup> General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.

PERFORMANCE MEASURES	FY 2003	FY 2003	FY 2004	FY 2005
	Appropriation	Actual	Appropriation	Appropriation
• Average land sales processing time (application to auction, in months)	14.9	32.0	24.9	23.1
• % of customers giving the department a rating above 4 (5=very satisfied)	NA	89	--	90
• % of fires controlled at 100 acres or less	95	98	98	98
• % of agency staff turnover	12.0	14.9	11.7	13.0
• Administration as a % of total cost	16.4	5.9	5.8	5.8

**Comments:** The percentage in the column *FY 2003 Appropriation* of the last performance measure, *administration as a % of total cost*, was based on appropriated fund expenditures. The percentages in all other columns, however, were based on all fund expenditures, including non-appropriated and Federal Funds.

### Operating Budget

The budget provides \$12,457,800 from the General Fund for the operating budget in FY 2005. This amount includes an increase for statewide salary and other adjustments. (Please see the *Statewide Adjustments section at the end of this Appropriations Report for details.*)

#### Lease Costs

The budget includes a General Fund decrease of \$(16,200) for lease costs.

#### Cost Adjustment

The budget includes a General Fund increase of \$101,100 for general cost adjustments. This amount was paid for from Special Line Item savings (see *CAP User Fees below for more information*).

### Special Line Items

#### CAP User Fees

The budget provides \$1,026,400 from the General Fund for Central Arizona Project (CAP) User Fees in FY 2005. The budget includes a General Fund decrease of \$(194,900) due to a FY 2005 rate reduction from \$43 to \$32 per acre-foot by the Central Arizona Water Conservation District (CAWCD).

Monies in this line item are used to pay the CAWCD for the department's allocation of CAP water used on state trust lands. The CAWCD sets the rates for all CAP subcontractors and applies the capital charges to the repayment of federal construction debt.

#### Environmental County Grants

The budget provides \$125,000 from the General Fund for Environmental County Grants in FY 2005. This amount is unchanged from FY 2004. Monies in this line item are used by Greenlee, Graham, Gila, Navajo, and Apache Counties for environmental projects that impact economic development in those counties. The State Land

Department must approve any project prior to expenditure of the monies.

#### Environmental Education Program

The budget provides no funding for the Environmental Education Program in FY 2005. Prior to FY 2004, monies in this line item were used by the Arizona Advisory Council on Environmental Education (AACEE) for grants that support environmental education centers and for other environmental education grants. However, the AACEE sunset on January 1, 2003.

#### Fire Equipment

The budget provides \$1,200,000 from the Arizona Department of Administration (ADOA) Risk Management Fund for one-time fire equipment in FY 2005. The monies will pay for fuel and fire equipment, personal protective equipment, and vehicles and transportation used by inmate fire-fighting crews.

#### Fire Suppression

The budget provides \$3,000,000 from the General Fund for Fire Suppression in FY 2005. This amount is unchanged from FY 2004. This program funds fire suppression on state trust land and rural private land. A.R.S. § 37-623.02 provides an annual appropriation of up to \$3,000,000 for fire suppression. Because this authorization is in permanent statute, it is not included in the General Appropriation Act.

#### Inmate Fire Crews

The budget provides \$782,900 and 14 FTE positions from the General Fund for Inmate Fire Crews in FY 2005. These monies will provide fire-fighting training for 12 inmate fire crews. The crews will be used for fuel treatment and fire suppression in and around communities at risk.

#### Natural Resource Conservation Districts

The budget provides \$430,000 for Natural Resource Conservation Districts (NRCs) in FY 2005. This amount consists of \$110,000 from the General Fund and \$320,000 from the Environmental Special Plate Fund.

The budget includes a General Fund increase of \$110,000 to partially offset an Environmental Special Plate Fund decrease of \$(170,000) due to declining license plate sales. The General Fund represents only a partial offset and the program overall will have a net reduction of \$(60,000).

Monies in this line item are used to provide for natural resource research, scholarships, and staff at the state's 31 NRCDs. These districts are established to provide local conservation assistance and education and to coordinate the receipt of federal grants. The revenue deposited in the Environmental Special Plate Fund consists of \$17 of the \$25 fee for environmental license plates.

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