

Executive Director: Ken Travous

JLBC Analyst: Tim Sweeney

	FY 2003 Actual	FY 2004 Estimate	FY 2005 Approved
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	245.3	245.3	245.3 <sup>1/</sup>
Personal Services	5,825,100	6,033,200	6,227,500
Employee Related Expenditures	1,795,200	2,772,300	2,916,300
Professional and Outside Services	62,600	38,400	40,300
Travel - In State	92,200	112,700	112,700
Other Operating Expenditures	3,010,100	3,184,000	3,184,000
Equipment	251,900	130,000	130,000
<b>OPERATING SUBTOTAL</b>	<b>11,037,100</b>	<b>12,270,600</b>	<b>12,610,800<sup>2/</sup></b>
<b>SPECIAL LINE ITEMS</b>			
Growing Smarter	20,000,000	20,000,000	20,000,000 <sup>3/</sup>
Kartchner Caverns	1,641,300	2,255,300	1,653,200
<b>AGENCY TOTAL</b>	<b>32,678,400</b>	<b>34,525,900</b>	<b>34,264,000<sup>4/5/6/</sup></b>
<b>FUND SOURCES</b>			
General Fund	20,037,500	22,316,600	22,356,500
<b>Other Appropriated Funds</b>			
Game and Fish Commission Heritage Fund	6,073,000	0	0
Land Conservation Fund - Administration Account	0	700,000	0 <sup>7/</sup>
Law Enforcement and Boating Safety Fund	1,117,000	1,092,700	1,092,700 <sup>8/</sup>
Reservation Surcharge Fund	181,000	298,700	309,000 <sup>9/</sup>
State Parks Enhancement Fund	5,269,900	10,117,900	10,505,800
<b>SUBTOTAL - Other Appropriated Funds</b>	<b>12,640,900</b>	<b>12,209,300</b>	<b>11,907,500</b>
<b>SUBTOTAL - Appropriated Funds</b>	<b>32,678,400</b>	<b>34,525,900</b>	<b>34,264,000</b>
Other Non-Appropriated Funds	19,718,000	27,684,800	27,684,800
Federal Funds	1,790,000	4,446,400	4,446,400
<b>TOTAL - ALL SOURCES</b>	<b>54,186,400</b>	<b>66,657,100</b>	<b>66,395,200</b>

**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.

- 1/ Includes 51 FTE Positions funded from Special Line Items in FY 2005.
- 2/ All Other Operating Expenditures include \$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 2005, 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. (General Appropriation Act footnote)
- 3/ A.R.S. § 41-511.23 annually appropriates \$20,000,000 from the General Fund to the Land Conservation Fund in FY 2001 through FY 2011. Because these appropriations are in permanent statute, they are not included in the General Appropriation Act.
- 4/ General Appropriation Act funds are appropriated as a Operating Lump Sum with Special Line Items by Agency.
- 5/ During FY 2005, no appropriated or nonappropriated monies may be used for the purposes of out-of-state travel expenses by State Parks Board staff. (General Appropriation Act footnote)
- 6/ The State Parks Board shall submit to the Joint Legislative Budget Committee, on a quarterly basis, the operating expenditures of each state park. (General Appropriation Act footnote)
- 7/ The General Appropriation Act, as originally passed, included \$350,000 in FY 2005 from the Land Conservation Fund - Administration Account for operating costs in the Kartchner Caverns Special Line Item. This amount was line-item vetoed by the Governor, thus reducing the total by a corresponding amount.
- 8/ 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 2005. 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. (General Appropriation Act footnote)
- 9/ All Reservation Surcharge Revolving Fund receipts received by the Arizona State Parks Board in excess of \$309,000 in FY 2005 are appropriated to the Reservation Surcharge Revolving Fund Special Line Item. Before the expenditure of any Reservation Surcharge Revolving Fund monies in excess of \$309,000 in FY 2005, the Arizona State Parks Board shall submit the intended use of the monies for review by the Joint Legislative Budget Committee. (General Appropriation Act footnote, as adjusted for statewide allocations.)

PERFORMANCE MEASURES	FY 2003	FY 2003	FY 2004	FY 2005
	Appropriation	Actual	Appropriation	Appropriation
• Annual park attendance (in millions)	2.50	2.2	2.6	2.6
• % of park visitors rating their experience “good” or “excellent”	96	NA	96	96
• Average cost per state park visitor (in dollars)	0.17	0.67	0.17	0.17
• New acres of open space and parkland dedicated in Arizona	7,000	1,081	7,000	1,500
• % of agency staff turnover	9.2	19.6	10.0	10.0
• Administration as a % of total cost	5.9	4.7	4.8	4.8

**Comments:** Park visitor ratings surveys are conducted every 5 years and there is no rating to report for FY 2003, therefore it has been marked as “NA.” The most recent survey was conducted in FY 2001, and produced a rating for this measure at 95. Average cost per state park visitor is calculated by comparing the total park operating costs less total park revenue to the total yearly park attendance.

### **Operating Budget**

The budget provides \$12,609,600 for the operating budget in FY 2005. This amount includes \$2,356,500 from the General Fund, \$8,851,400 from the State Parks Enhancement Fund, \$1,092,700 from the Law Enforcement and Boating Safety Fund, and \$309,000 from the Reservation Surcharge Fund. These amounts include increases for statewide salary and other adjustments. *(Please see the Statewide Adjustments section at the end of this Appropriations Report for details.)*

### **Special Line Items**

#### **Growing Smarter**

The budget provides \$20,000,000 from the General Fund into the Land Conservation Fund in FY 2005, as prescribed by A.R.S. § 41-511.23 and mandated by a voter-passed referendum in 1998. Grant expenditures from the Land Conservation Fund are not subject to appropriation.

These 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. Grant applications are reviewed by the Conservation Acquisition Board, which recommends grants to the State Parks Board.

#### **Kartchner Caverns**

The budget provides \$1,653,200 from the State Parks Enhancement Fund for Kartchner Caverns in FY 2005. This amount includes the following adjustments:

- An increase for salary and other statewide adjustments
- A Land Conservation Fund - Administration Account decrease of \$(700,000) below FY 2004. The budget as enacted by the Legislature included \$350,000 from this fund, however, the Governor line-item vetoed the appropriation. The agency has indicated that it plans to use non-appropriated State Lake Improvement Fund

monies to replace the Land Conservation Fund - Administration Account monies, as the agency did in FY 2004.

This line item funds the operating costs at Kartchner Caverns State Park, which opened in November 1999. This park collects the most revenue of all of the state parks. This line item also includes 51 FTE Positions.

### **Additional Legislation**

#### *Environmental Protection; Budget Reconciliation*

The Environmental Protection Budget Reconciliation Bill (Laws 2004, Chapter 280) includes the following provisions affecting the Parks Department:

- Notwithstands current law to allow the appropriation of all State Parks Enhancement Fund (SPEF) for agency operating costs. Current statute directs 50% of SPEF revenue to park operating cost and 50% to capital improvement projects.
- Allows the use of \$692,100 from the Off-Highway Vehicle Recreation Fund (OHV) for agency operating costs. This continues prior year provisions allowing the agency to offset General Fund reductions taken in FY 2003.

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