State Land Department

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DESCRIPTION	FY 2003 ACTUAL	FY 2004 ESTIMATE	FY 2005 OSPB	FY 2005 JLBC
OPERATING BUDGET				
Full Time Equivalent Positions	176.4	174.4		174.4
Personal Services	6,750,800	6,794,300		6,794,300
Employee Related Expenditures	1,513,000	1,810,500		1,810,500
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		1,670,800
Equipment	441,200	226,400		226,400
OPERATING SUBTOTAL	**12,429,500**	**12,185,300**		**12,210,200**
SPECIAL LINE ITEMS				
CAP User Fees	1,221,300	1,221,300		1,026,400
Environmental County Grants	125,000	125,000		125,000
Environmental Education Program	110,700	0		0
Fire Suppression	3,663,500	3,000,000		3,000,000
Natural Resource Conservation Districts	490,000	490,000		490,000
AGENCY TOTAL	**18,040,000**	**17,021,600**		**16,851,600**
FUND SOURCES				
General Fund	13,775,800	16,531,600		16,531,600
Other Appropriated Funds				
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		320,000
SUBTOTAL - Appropriated Funds	**18,040,000**	**17,021,600**		**16,851,600**
Other Non-Appropriated Funds	24,553,100	20,177,500		12,619,000
Federal Funds	7,200	12,000		12,000
TOTAL - ALL SOURCES	42,600,300	37,211,100		29,482,600

CHANGE IN FUNDING SUMMARY

	FY 2004 to FY 2005 JLBC	
	$ Change	% Change
General Fund	0	0.0%
Other Appropriated Funds	(170,000)	(34.7%)
Total Appropriated Funds	(170,000)	(1.0%)
Non Appropriated Funds	(7,558,500)	(37.4%)
Total - All Sources	(7,728,500)	(20.8%)

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.

PERFORMANCE MEASURES	FY 2003 Appropriation	FY 2003 Actual	FY 2004 Appropriation	FY 2005 Recommend.
• 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) (NEW)	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.

RECOMMENDED CHANGES FROM FY 2004

Operating Budget

The JLBC recommends $12,210,200 from the General Fund for the operating budget in FY 2005. This amount would fund the following adjustments:

Lease Costs GF $(16,200)
The JLBC recommends a decrease of $(16,200) from the General Fund for lease costs.

Cost Adjustment GF 41,100
The JLBC recommends an increase of $41,100 from the General Fund for cost adjustments that when combined with Special Line Item adjustments below result in no General Fund change from FY 2004.

Special Line Items

CAP User Fees
The JLBC recommends $1,026,400 from the General Fund for Central Arizona Project (CAP) User Fees in FY 2005. This amount would fund the following adjustments:

CAP User Fee Reduction GF (194,900)
The JLBC recommends a decrease of $(194,900) from the General Fund 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 JLBC recommends $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 JLBC recommends no funding from the Environmental Special Plate Fund for Environmental Education Program in FY 2005. This amount is unchanged from FY 2004. 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 Suppression
The JLBC recommends $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.

Natural Resource Conservation Districts
The JLBC recommends $490,000 for Natural Resource Conservation Districts (NRCDs) in FY 2005. This amount includes $170,000 from the General Fund and $320,000 from the Environmental Special Plate Fund. These amounts would fund the following adjustments:

Fund Shift GF 170,000
OF (170,000)
The JLBC recommends an increase of $170,000 from the General Fund to offset a commensurate funding reduction for NRCDs from the Environmental Special Plate Fund. The JLBC recommends a decrease of $(170,000) from the Environmental Special Plate Fund due to a projected decline of fund revenues.

In FY 2004, $490,000 was appropriated from the Environmental Special Plate Fund for NRCDs in the General Appropriation Act. The Governor vetoed the

ORB provision permitting the use of these monies for NRCDs, subject to legislative appropriation.

Monies in this line item are used to provide for natural resource research, scholarships, and staff at the state's 31 Natural Resource Conservation Districts. 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.

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JLBC RECOMMENDED FORMAT — Operating Lump Sum with Special Line Items by Agency

JLBC RECOMMENDED FOOTNOTES

Standard Footnotes

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.

The appropriation includes $1,026,400 for Central Arizona Project User Fees in FY 2005. For every dollar 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.

SUMMARY OF FUNDS	FY 2003 Actual	FY 2004 Estimate
CAP Municipal and Industrial Repayment (LDA2129/A.R.S. § 37-526)		**Non-Appropriated**
Source of Revenue: Reimbursements to the state for back water payments when cities assume their allocation of CAP water.		
Purpose of Fund: To make CAP water fee payments for urban state trust land. Monies remaining in the fund revert to the General Fund after the CAP subcontract obligations are met.		
Funds Expended	160,700	109,600
Year-End Fund Balance	109,600	0
Cooperative Forestry (LDA2232/A.R.S. § 37-624)		**Non-Appropriated**
Source of Revenue: Legislative appropriations, reimbursements from organizations, the public, other levels of government, and state agencies.		
Purpose of Fund: To fund the State Forester's activities, including forestry assistance and wild land fire prevention and suppression on state lands.		
Funds Expended	3,581,200	4,767,900
Year-End Fund Balance	471,300	557,000
Environmental Special Plate (LDA2274/A.R.S. § 37-1015)		**Appropriated**
Source of Revenue: $17 of the $25 fee for environmental license plates.		
Purpose of Fund: To provide grants for environmental education projects.		
Funds Expended	600,700	490,000
Year-End Fund Balance	310,200	70,200
Federal (LDA2000/A.R.S. § 37-106)		**Non-Appropriated**
Source of Revenue: Federal grants for urban and rural forestry, resource conservation, development of forest lands, insect and disease control, fire training and protection of forests, and other forestry projects.		
Purpose of Fund: For resource conservation and development, in accordance with the requirements of each grant.		
Funds Expended	7,200	12,000
Year-End Fund Balance	25,200	13,200
Federal Reclamation Trust (LDA2024/A.R.S. § 37-106)		**Non-Appropriated**
Source of Revenue: Reimbursements from lessees and interest.		
Purpose of Fund: To make payments for federal reclamation project assessments when state land lessees are delinquent.		
Funds Expended	4,000	82,500
Year-End Fund Balance	693,500	617,000

SUMMARY OF FUNDS	FY 2003 Actual	FY 2004 Estimate

Fire Suppression (LDA2360/A.R.S. § 37-623) **Non-Appropriated**

Source of Revenue: General Fund appropriations, monies authorized by the Governor's Emergency Council and the Wild Land Fire Emergency Council and other monies.
Purpose of Fund: To cover the costs of fighting fires on public and private lands.

Funds Expended	18,239,000	14,657,800
Year-End Fund Balance	4,713,600	1,138,300

Game and Fish Commission Heritage Fund (LDA9500/A.R.S. § 17-297) **Appropriated**

Source of Revenue: Monies appropriated from the Game and Fish Commission Heritage Fund, which receives revenues from the State Lottery Fund.
Purpose of Fund: To offset FY 2003 General Fund monies for fire suppression.

Funds Expended	3,663,500	0
Year-End Fund Balance	0	0

Interagency Agreements (LDA2212/A.R.S. § 35-148) **Non-Appropriated**

Source of Revenue: Collections from other state agencies for services and products provided by the State Land Department.
Purpose of Fund: To pay for joint projects based upon interagency agreements with other state agencies.

Funds Expended	2,135,900	8,100
Year-End Fund Balance	376,100	308,000

State Land Department (LDA2451/A.R.S. § 37-108) **Non-Appropriated**

Source of Revenue: Reimbursements from successful bidders on state lands for expenses incurred to advertise land sales and for zoning application fees.
Purpose of Fund: To fund expenses incurred from the advertisement of state trust land sales and to pay zoning fees for new projects.

Funds Expended	298,200	356,700
Year-End Fund Balance	363,500	356,800

Military Airport Land Exchange (No Fund Number/A.R.S. § 37-1224) **Non-Appropriated**

Source of Revenue: Legislative appropriations and land exchange proposal-processing fees.
Purpose of Fund: To fund the expenses of the military airport land exchange section for the purpose of facilitating exchanges of federal land for private land near military airports.

Funds Expended	0	0
Year-End Fund Balance	0	0

Resource Analysis Division Revolving (LDA4009/A.R.S. § 37-176) **Non-Appropriated**

Source of Revenue: Receipts from the provision of Geographic Information Systems (GIS) products and services.
Purpose of Fund: To offset the costs of GIS supplies and support.

Funds Expended	123,500	121,000
Year-End Fund Balance	89,500	73,500

Riparian Acquisition Trust (LDA3201/A.R.S. § 37-1156) **Non-Appropriated**

Source of Revenue: Per acre assessments for land quitclaimed under the Streambed Program.
Purpose of Fund: To fund the acquisition of wetland areas in the state. See Quitclaim Deed Revolving Fund for more information.

Funds Expended	0	0
Year-End Fund Balance	2,400	2,400

Universities Timber Land Account (LDA3134/A.R.S. § 37-482) **Non-Appropriated**

Source of Revenue: Proceeds from sales of timber or timber products on state trust land where the University Land Fund is the beneficiary.
Purpose of Fund: To fund expenses incurred by the State Land Department for the conservation, sale, and administration of timber and timber products located on state lands where the University Land Fund is the beneficiary.

Funds Expended	10,600	73,900
Year-End Fund Balance	167,300	93,400

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