

Executive Director: Ken Travous

JLBC Analyst: Lorenzo Martinez

	FY 2004 Actual	FY 2005 Estimate	FY 2006 Approved	FY 2007 Approved
<b>OPERATING BUDGET</b>				
<i>Full Time Equivalent Positions</i>	245.3	249.3	249.3 <sup>1/</sup>	249.3 <sup>1/</sup>
Personal Services	5,796,900	6,360,700	6,491,100	6,360,700
Employee Related Expenditures	2,444,200	2,969,900	2,873,200	2,654,200
Professional and Outside Services	24,200	38,400	46,700	38,400
Travel - In State	95,100	115,200	115,200	115,200
Other Operating Expenditures	3,277,200	3,170,300	3,486,000	3,486,000
Equipment	280,500	130,000	130,000	130,000
<b>OPERATING SUBTOTAL</b>	<b>11,918,100</b>	<b>12,784,500</b>	<b>13,142,200<sup>2/</sup></b>	<b>12,784,500<sup>2/</sup></b>
<b>SPECIAL LINE ITEMS</b>				
Growing Smarter	20,000,000	20,000,000	20,000,000 <sup>3/</sup>	20,000,000 <sup>3/</sup>
Kartchner Caverns State Park	1,525,300	1,654,800	1,747,500	1,654,800
<b>AGENCY TOTAL</b>	<b>33,443,400</b>	<b>34,439,300</b>	<b>34,889,700<sup>4/5/6/</sup></b>	<b>34,439,300<sup>4/5/6/</sup></b>
<b>FUND SOURCES</b>				
General Fund	22,203,300	22,380,500	22,447,600	22,380,500
<b>Other Appropriated Funds</b>				
Law Enforcement and Boating Safety Fund	1,174,600	1,092,700	1,092,700 <sup>7/</sup>	1,092,700 <sup>7/</sup>
Reservation Surcharge Revolving Fund	298,400	460,300	480,800 <sup>8/</sup>	460,300 <sup>8/</sup>
State Parks Enhancement Fund	9,767,100	10,505,800	10,868,600	10,505,800
<b>SUBTOTAL - Other Appropriated Funds</b>	<b>11,240,100</b>	<b>12,058,800</b>	<b>12,442,100</b>	<b>12,058,800</b>
<b>SUBTOTAL - Appropriated Funds</b>	<b>33,443,400</b>	<b>34,439,300</b>	<b>34,889,700</b>	<b>34,439,300</b>
<b>Other Non-Appropriated Funds</b>				
Federal Funds	21,710,900	28,519,800	28,519,800	28,519,800
<b>TOTAL - ALL SOURCES</b>	<b>57,148,100</b>	<b>66,582,800</b>	<b>67,033,200</b>	<b>66,582,800</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.

- <sup>1/</sup> Includes 51 FTE Positions funded from Special Line Items in FY 2006 and FY 2007.
- <sup>2/</sup> 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 2006 and FY 2007, 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)
- <sup>3/</sup> 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.
- <sup>4/</sup> General Appropriation Act funds are appropriated as a Operating Lump Sum with Special Line Items by Agency.
- <sup>5/</sup> During FY 2006 and FY 2007, no more than \$5,000 each year from appropriated or non-appropriated monies may be used for the purposes of out-of-state travel expenses by State Parks Board staff. No appropriated or non-appropriated monies may be used for out-of-country travel expenses. The State Parks Board shall submit by June 30, 2006 and June 30, 2007, a report to the Joint Legislative Budget Committee on out-of-state travel activities and expenditures for that fiscal year. (General Appropriation Act footnote)
- <sup>6/</sup> 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)
- <sup>7/</sup> 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 2006 and FY 2007. 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)
- <sup>8/</sup> All Reservation Surcharge Revolving Fund receipts received by the Arizona State Parks Board in excess of \$480,800 in FY 2006 and \$460,300 in FY 2007 are appropriated to the Reservation Surcharge Revolving Fund. Before the expenditure of any Reservation Surcharge Revolving Fund monies in excess of \$480,800 in FY 2006 and \$460,300 in FY 2007, 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 2004	FY 2006
	Actual	Actual	Approved
• Annual park attendance (in millions)	2.2	2.2	2.5
• % of park visitors rating their experience “good” or “excellent”	NA	NA	96

**Comments:** The opening of the Big Room at Kartchner and improvements made at some parks in recent years may lead to an increase in visitation. Park visitor ratings surveys are conducted every 5 years. The most recent survey conducted in FY 2001 indicated that 95% of park visitors rated their experience as “good” or “excellent.” Because the next survey will not be conducted until FY 2006, FY 2003 and FY 2004 have been marked as “NA.”

### **Operating Budget**

The budget provides \$13,142,200 for the operating budget in FY 2006 and \$12,784,500 in FY 2007. These amounts consist of:

	<b>FY 2006</b>	<b>FY 2007</b>
General Fund	\$2,447,600	\$2,380,500
State Parks Enhancement Fund	9,121,100	8,851,000
Reservation Surcharge Revolving Fund	480,800	460,300
Law Enforcement and Boating Safety Fund	1,092,700	1,092,700

The approved amount includes an increase of \$357,700 in FY 2006 for statewide adjustments. This amount consists of:

General Fund	\$67,100
State Parks Enhancement Fund	270,100
Reservation Surcharge Revolving Fund	20,500

*(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 2006 and FY 2007, 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 State Park**

The budget provides \$1,747,500 and 51 FTE Positions from the State Parks Enhancement Fund for Kartchner Caverns State Park in FY 2006 and \$1,654,800 and 51 FTE Positions in FY 2007.

The approved amount includes an increase of \$92,700 from the State Parks Enhancement Fund in FY 2006 for statewide adjustments. *(Please see the Statewide Adjustments section at the end of this Appropriations Report for details.)*

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. For FY 2006, the Parks Board authorized the agency to expend \$700,000 from the State Lake Improvement Fund for operating costs at Kartchner Caverns State Park.

### **Additional Legislation**

#### **Environmental Protection Budget Reconciliation Bill**

The Environmental Protection Budget Reconciliation Bill (Laws 2005, Chapter 332) includes the following provisions affecting the Parks Department:

- Allows the use of \$692,100 from the Off-Highway Vehicle Recreation Fund for agency operating costs in FY 2006 and FY 2007. This continues prior year provisions allowing the agency to offset General Fund reductions taken in FY 2003.
- Continues to allow legislative appropriation of the entire State Parks Enhancement Fund (SPEF) for agency operating costs in FY 2006 and FY 2007, less an amount sufficient to fund the lease-purchase payment for the Tonto Natural Bridge State Park. Without this provision, statute would allocate half of the fund as non-appropriated for capital purposes.