

# State Land Department

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DESCRIPTION	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 JLBC
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	174.4	188.4	191.4
Personal Services	6,502,600	6,957,400	7,099,700
Employee Related Expenditures	1,755,300	1,925,700	1,954,900
Professional and Outside Services	1,323,400	1,325,600	1,645,200
Travel - In State	224,400	265,300	272,400
Travel - Out of State	6,000	1,500	1,500
Other Operating Expenditures	2,028,400	1,846,600	1,891,000
Equipment	549,000	226,400	365,700
<b>OPERATING SUBTOTAL</b>	<b>12,389,100</b>	<b>12,548,500</b>	<b>13,230,400</b>
<b>SPECIAL LINE ITEMS</b>			
CAP User Fees	1,026,400	1,026,400	1,026,400
Environmental County Grants	125,000	125,000	125,000
Fire Equipment	0	1,200,000	0
Fire Suppression	3,000,000	3,000,000	3,000,000
Inmate Fire Crews	0	790,200	734,500
Natural Resource Conservation Districts	488,500	430,000	376,100
<b>AGENCY TOTAL</b>	<b>17,029,000</b>	<b>19,120,100</b>	<b>18,492,400</b>
<b>FUND SOURCES</b>			
General Fund	16,540,500	17,600,100	17,906,700
<u>Other Appropriated Funds</u>			
ADOA Risk Management Fund	0	1,200,000	319,600
Environmental Special Plate Fund	488,500	320,000	266,100
SUBTOTAL - Other Appropriated Funds	488,500	1,520,000	585,700
<b>SUBTOTAL - Appropriated Funds</b>	<b>17,029,000</b>	<b>19,120,100</b>	<b>18,492,400</b>
Other Non-Appropriated Funds	19,408,400	18,646,600	14,683,100
Federal Funds	300	8,300	8,300
<b>TOTAL - ALL SOURCES</b>	<b>36,437,700</b>	<b>37,775,000</b>	<b>33,183,800</b>

## CHANGE IN FUNDING SUMMARY

	FY 2005 to FY 2006 JLBC	
	\$ Change	% Change
General Fund	306,600	1.7%
Other Appropriated Funds	(934,300)	(61.5%)
Total Appropriated Funds	(627,700)	(3.3%)
Non Appropriated Funds	(3,963,500)	(21.2%)
Total - All Sources	(4,591,200)	(12.2%)

**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	FY 2004	FY 2005	FY 2006
	Actual	Actual	Estimate	JLBC
• Average land sales processing time (application to auction, in months)	32.0	29.3	23.1	23.1
• % of customers giving the department a rating above 4 (5=very satisfied)	89	84	90	90
• Total trust revenue generated (in millions) (NEW)	204.2	232.8	--	333.3
• % of fires controlled at 100 acres or less	98	98	98	--
• % of agency staff turnover	14.9	8.1	13.0	--
• Administration as a % of total cost	5.9	8.0	5.8	--

**Comments:** The average land sales processing time is projected to continue its decrease. Despite the dip in customer service scores, the agency projects higher scores in upcoming years with improvements in data access, enhancements to the Web site and customer service training. The total trust revenue (including permanent fund revenues and expendable earnings) is expected to continue its growth.

## RECOMMENDED CHANGES FROM FY 2005

### Operating Budget

The JLBC recommends \$13,230,400 from the General Fund for the operating budget in FY 2006. This amount would fund the following adjustments:

	<b>FY 2006</b>
<b>Standard Changes</b>	<b>GF \$(7,200)</b>

The JLBC recommends a decrease of \$(7,200) from the General Fund in FY 2006 for standard changes.

<b>Healthy Forest Implementation</b>	<b>GF</b>	<b>369,500</b>
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The JLBC recommends an increase of \$369,500 and 3 FTE Positions from the General Fund in FY 2006 for healthy forest legislation implementation. Laws 2004, Chapter 326 increased the duties of the State Forester and the Geographic Information Systems (GIS) responsibilities of the State Land Department. To implement these changes the department requires 3 additional GIS Specialists and additional GIS equipment. This amount also includes a salary increase of \$12,300 for the State Forester. One-time expenditures for equipment are \$139,300.

<b>Wineglass Ranch Dam Safety</b>	<b>OF</b>	<b>319,600</b>
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The JLBC recommends a one-time increase of \$319,600 from the Arizona Department of Administration (ADOA) Risk Management Fund in FY 2006 for Wineglass Ranch Dam Safety. The dam is located on state trust land in the Chino Valley area of Yavapai County. Because the land is no longer leased, the responsibility for the dam belongs to the State Land Department. The Department of Water Resources has classified the dam as unsafe with "high downstream hazard potential." If the dam fails, it could cause damage to several structures and roads. Partially breaching the dam will increase safety to residents and reduce liability to the State.

### 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 2006. This amount is unchanged from FY 2005. 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 2006. This amount is unchanged from FY 2005. 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.

#### Fire Equipment

The JLBC recommends no funding from the ADOA Risk Management Fund for Fire Equipment in FY 2006. This would require the following adjustment:

<b>Eliminate One-time Equipment</b>	<b>OF</b>	<b>(1,200,000)</b>
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The JLBC recommends a decrease of \$(1,200,000) from the ADOA Risk Management Fund in FY 2006 to eliminate one-time fire equipment. The monies were used for fuel and fire equipment, personal protective equipment, and vehicles and transportation used by inmate fire-fighting crews.

#### Fire Suppression

The JLBC recommends \$3,000,000 from the General Fund for Fire Suppression in FY 2006. This amount is unchanged from FY 2005. 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 JLBC recommends \$734,500 and 14 FTE Positions from the General Fund for Inmate Fire Crews in FY 2006. This amount would fund the following adjustments:

**Eliminate One-time Equipment GF (55,700)**

The JLBC recommends a decrease of \$(55,700) from the General Fund in FY 2006 to eliminate one-time equipment. This funding was for personal protective equipment for inmate fire crews.

These monies provide fire-fighting training for 12 inmate fire crews. The crews are used for fuel treatment and fire suppression in and around communities at risk.

**Natural Resource Conservation Districts**

The JLBC recommends \$376,100 for Natural Resource Conservation Districts (NRCs) in FY 2006. This amount consists of \$110,000 from the General Fund and \$266,100 from the Environmental Special Plate Fund. These amounts would fund the following adjustments:

**Environmental Special Plate Fund Decrease OF (53,900)**

The JLBC recommends a decrease of \$(53,900) from the Environmental Special Plate Funding in FY 2006 in order to align the appropriation with projected revenues. Revenues from this fund are insufficient to continue

funding at the FY 2005 level due to a decline in license plate sales.

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

The appropriation includes \$1,026,400 for Central Arizona Project User Fees in FY 2006. For every dollar received as reimbursement to the state in FY 2006, from cities that assume their allocation of Central Arizona Project water for past Central Arizona Water Conservation District payments, one dollar reverts to the state General Fund in the year that the reimbursement is collected

Of the amount appropriated for Natural Resource Conservation Districts in FY 2006, \$30,000 shall be used to provide grants to NRC environmental education centers.

SUMMARY OF FUNDS	FY 2004 Actual	FY 2005 Estimate
<b>CAP Municipal and Industrial Repayment (LDA2129/A.R.S. § 37-526)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Reimbursements to the state for back water payments when cities assume their allocation of CAP water, legislative appropriation.		
<b>Purpose of Fund:</b> 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.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	114,600	114,600
<b>Cooperative Forestry (LDA2232/A.R.S. § 37-624)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Legislative appropriations, reimbursements from organizations, the public, other levels of government, and state agencies.		
<b>Purpose of Fund:</b> To fund the State Forester's activities, including forestry assistance and wild land fire prevention and suppression on state lands.		
<b>Funds Expended</b>	4,306,400	6,669,800
<b>Year-End Fund Balance</b>	575,000	572,800
<b>Environmental Special Plate (LDA2274/A.R.S. § 37-1015)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> \$17 of the \$25 fee for environmental license plates.		
<b>Purpose of Fund:</b> To provide grants for environmental education projects.		
<b>Funds Expended</b>	488,500	320,000
<b>Year-End Fund Balance</b>	96,100	21,100

SUMMARY OF FUNDS	FY 2004 Actual	FY 2005 Estimate
<b>Federal (LDA2000/A.R.S. § 35-142)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> 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.		
<b>Purpose of Fund:</b> For resource conservation and development, in accordance with the requirements of each grant.		
<b>Funds Expended</b>	300	8,300
<b>Year-End Fund Balance</b>	24,900	16,600
<b>Federal Reclamation Trust (LDA2024/A.R.S. § 37-106)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Reimbursements from lessees and interest.		
<b>Purpose of Fund:</b> To make payments for federal reclamation project assessments when state land lessees are delinquent.		
<b>Funds Expended</b>	12,900	4,000
<b>Year-End Fund Balance</b>	437,100	366,400
<b>Fire Suppression (LDA2360/A.R.S. § 37-623.02)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> General Fund appropriations, monies authorized by the Governor's Emergency Council and the Wild Land Fire Emergency Council and other monies.		
<b>Purpose of Fund:</b> To cover the costs of fighting fires on public and private lands.		
<b>Funds Expended from the General Fund</b>	3,000,000	3,000,000
<b>Other Funds Expended</b>	14,397,500	10,923,200
<b>Year-End Fund Balance</b>	4,371,800	590,800
<b>Interagency Agreements (LDA2212/A.R.S. § 35-148)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Collections from other state agencies for services and products provided by the State Land Department.		
<b>Purpose of Fund:</b> To pay for joint projects based upon interagency agreements with other state agencies.		
<b>Funds Expended</b>	9,800	373,100
<b>Year-End Fund Balance</b>	373,100	0
<b>State Land Department (LDA2451/A.R.S. § 37-108)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Reimbursements from successful bidders on state lands for expenses incurred to advertise land sales and for zoning application fees.		
<b>Purpose of Fund:</b> To fund expenses incurred from the advertisement of state trust land sales and to pay zoning fees for new projects.		
<b>Funds Expended</b>	481,300	423,300
<b>Year-End Fund Balance</b>	275,000	282,100
<b>Military Airport Land Exchange (No Fund Number/A.R.S. § 37-1224)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Legislative appropriations and land exchange proposal-processing fees.		
<b>Purpose of Fund:</b> 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.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	0	0
<b>Resource Analysis Division Revolving (LDA4009/A.R.S. § 37-176)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Receipts from the provision of Geographic Information Systems (GIS) products and services.		
<b>Purpose of Fund:</b> To offset the costs of GIS supplies and support.		
<b>Funds Expended</b>	129,300	252,700
<b>Year-End Fund Balance</b>	111,500	10,800

SUMMARY OF FUNDS	FY 2004 Actual	FY 2005 Estimate
<b>Riparian Trust (LDA3201/A.R.S. § 37-1156)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Receipts from the sale or use of state streambed lands and resources, damages collected due to a federal violation of public trust by the conveyance of state streambeds, and designated donations.		
<b>Purpose of Fund:</b> To fund the acquisition of wetland areas in the state.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	2,400	2,400
<b>ADOA Risk Management Revolving (ADA4216/A.R.S. § 41-622)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> One-time appropriation of Arizona Department of Administration Risk Management Funds.		
<b>Purpose of Fund:</b> One-time equipment purchase for fuel and fire equipment, personal protective equipment, and vehicles and inmate crew transportation.		
<b>Funds Expended</b>	0	1,200,000
<b>Year-End Fund Balance</b>	0	0
<b>Universities Timber Land Account (LDA3134/A.R.S. § 37-482)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Proceeds from sales of timber or timber products on state trust land where the University Land Fund is the beneficiary.		
<b>Purpose of Fund:</b> 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.		
<b>Funds Expended</b>	71,200	500
<b>Year-End Fund Balance</b>	96,100	95,600

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