

# Arizona State Parks Board

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DESCRIPTION	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 JLBC	FY 2007 JLBC
<b>OPERATING BUDGET</b>				
<i>Full Time Equivalent Positions</i>	245.3	249.3	249.3	249.3
Personal Services	5,796,900	6,360,700	6,360,700	6,360,700
Employee Related Expenditures	2,444,200	2,969,900	2,654,200	2,654,200
Professional and Outside Services	24,200	38,400	38,400	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>12,784,500</b>	<b>12,784,500</b>
<b>SPECIAL LINE ITEMS</b>				
Growing Smarter	20,000,000	20,000,000	20,000,000	20,000,000
Kartchner Caverns State Park	1,525,300	1,654,800	1,654,800	1,654,800
<b>AGENCY TOTAL</b>	<b>33,443,400</b>	<b>34,439,300</b>	<b>34,439,300</b>	<b>34,439,300</b>
<b>FUND SOURCES</b>				
General Fund	22,203,300	22,380,500	22,380,500	22,380,500
<u>Other Appropriated Funds</u>				
Law Enforcement and Boating Safety Fund	1,174,600	1,092,700	1,092,700	1,092,700
Reservation Surcharge Revolving Fund	298,400	460,300	460,300	460,300
State Parks Enhancement Fund	9,767,100	10,505,800	10,505,800	10,505,800
SUBTOTAL - Other Appropriated Funds	11,240,100	12,058,800	12,058,800	12,058,800
<b>SUBTOTAL - Appropriated Funds</b>	<b>33,443,400</b>	<b>34,439,300</b>	<b>34,439,300</b>	<b>34,439,300</b>
Other Non-Appropriated Funds	21,710,900	28,519,800	28,519,800	28,519,800
Federal Funds	1,993,800	3,623,700	3,623,700	3,623,700
<b>TOTAL - ALL SOURCES</b>	<b>57,148,100</b>	<b>66,582,800</b>	<b>66,582,800</b>	<b>66,582,800</b>

## CHANGE IN FUNDING SUMMARY

	FY 2005 to FY 2006 JLBC		FY 2005 to FY 2007 JLBC	
	\$ Change	% Change	\$ Change	% Change
General Fund	0	0.0%	0	0.0%
Other Appropriated Funds	0	0.0%	0	0.0%
Total Appropriated Funds	0	0.0%	0	0.0%
Non Appropriated Funds	0	0.0%	0	0.0%
Total - All Sources	0	0.0%	0	0.0%

**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.

PERFORMANCE MEASURES	FY 2003	FY 2004	FY 2005	FY 2006
	Actual	Actual	Estimate	JLBC
• Annual park attendance (in millions)	2.2	2.2	2.6	2.5
• % of park visitors rating their experience “good” or “excellent”	NA	NA	96	96
• Average cost per state park visitor (in dollars)	0.67	0.95	0.17	--
• New acres of open space and parkland dedicated in Arizona	1,081	466	1,500	--
• % of agency staff turnover	19.6	9.7	10.0	--
• Administration as a % of total cost	4.7	4.9	4.8	--

**Comments:** Visitation has remained steady in the last 2 years, the opening of the Big Room at Kartchner and improvements made at some parks in recent years may help to increase visitation. Park visitor ratings surveys are conducted every 5 years and there is no rating to report for FY 2004, 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.

### RECOMMENDED CHANGES FROM FY 2005

#### **Operating Budget**

The JLBC recommends \$12,784,500 for the operating budget in FY 2006 and FY 2007. These amounts consist of:

	<u>FY 2006</u>	<u>FY 2007</u>
General Fund	\$2,380,500	\$2,380,500
State Parks Enhancement Fund	8,851,000	8,851,000
Reservation Surcharge Revolving Fund	460,300	460,300
Law Enforcement and Boating Safety Fund	1,092,700	1,092,700

These amounts are unchanged from FY 2005.

#### **Special Line Items**

##### **Growing Smarter**

The JLBC recommends \$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**

The JLBC recommends \$1,654,800 and 51 FTE Positions from the State Parks Enhancement Fund for Kartchner Caverns in FY 2006 and FY 2007. These amounts are unchanged from FY 2005.

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. Due to the veto of monies appropriated from the Land Conservation Fund - Administration Account, the Parks Board has authorized the agency to expend \$700,000 from the State Lake Improvement Fund for operating costs at Kartchner Caverns State Park.

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

#### **JLBC RECOMMENDED FOOTNOTES**

##### *Standard Footnotes*

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 or FY 2007, an additional 10% of this increase of Fool Hollow receipts is appropriated from the State Parks Enhancement Fund, in that year, to meet the revenue sharing agreement with the City of Show Low and the United States Forest Service.

During FY 2006 and FY 2007, no appropriated or non-appropriated monies may be used for the purposes of out-of-state travel expenses by State Parks Board staff.

The State Parks Board shall submit to the Joint Legislative Budget Committee, on a quarterly basis, the operating expenditures of each state park.

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.

All Reservation Surcharge Revolving Fund receipts received by the Arizona State Parks Board in excess of \$460,300 in FY 2006 and FY 2007 are appropriated to the Reservation Surcharge Revolving Fund. Before the expenditure of any Reservation Surcharge Revolving Fund monies in excess of \$460,300 in FY 2006 and FY 2007, the Arizona State Parks Board shall submit the intended use of the monies for review by the Joint Legislative Budget Committee.

**JLBC RECOMMENDED STATUTORY CHANGES**

The JLBC recommends continuing a FY 2005 session law provision for FY 2006 and FY 2007 allowing the appropriation of all State Parks Enhancement Fund revenues, less an amount to cover the lease-purchase payment for Tonto Natural Bridge State Park, to the State Parks Board for agency operations.

The JLBC recommends continuing a FY 2005 session law provision for FY 2006 and FY 2007 allowing the State Parks Board to use \$692,100 from the Off-Highway Vehicle Recreation Fund for agency operating costs.

**OTHER ISSUES FOR LEGISLATIVE CONSIDERATION**

**State Parks Enhancement Fund Revenue**

Current session law directs that all SPEF monies may be appropriated to the State Parks Department for State Park operations. In addition to appropriation for park operations, the State Parks Department must also make lease-purchase payments on the Tonto Natural Bridge State Park from SPEF. In FY 2005 the SPEF appropriation totaled approximately \$10.5 million, while the Tonto lease-purchase payment totaled nearly \$0.4 million. FY 2005 revenue, however, is not expected to reach \$10.9 million.

Through October, FY 2005 revenue is approximately 3.2% above FY 2004. If revenue collections remain above FY 2004 by 3.2%, FY 2005 revenue would be approximately \$9.1 million, which would be approximately \$1.8 million below the FY 2005 appropriation. In order to make up that difference the agency would either use carry forward balances in SPEF, or reduce spending.

The FY 2006 JLBC recommendation includes approximately \$10.5 million from SPEF. Again, the Tonto lease-purchase payment of nearly \$0.4 million must be made from SPEF, bringing the FY 2006 SPEF expenditure level to approximately \$10.9 million. If revenues do not reach this level, the agency would need to either reduce spending to match actual revenues or use carry-forward SPEF balances.

**Agency Operating Fund Sources**

Due to General Fund reductions in the last 3 years, the State Parks Department currently uses some non-appropriated funding sources, including SLIF and the OHV Fund, to fund park operations. The following table shows how the agency has used these 2 non-appropriated funding sources for State Park operating costs in recent years:

<b>Parks Operating Costs by Fund</b>			
	<b>FY 04 Actual</b>	<b>FY 05 Estimate</b>	<b>FY 06 Estimate</b>
<b>Appropriated</b>			
GF	\$ 2,203,300	\$ 2,380,500	\$ 2,380,500
SPEF	9,767,100	10,505,800	10,505,800
RSF	298,400	460,300	460,300
<b>Non-Appropriated</b>			
SLIF	605,200	700,000	700,000
OHV	<u>551,300</u>	<u>692,100</u>	<u>692,100</u>
<b>Total</b>	<b>\$13,425,300</b>	<b>\$14,738,700</b>	<b>\$14,738,700</b>

<b>SUMMARY OF FUNDS</b>	<b>FY 2004 Actual</b>	<b>FY 2005 Estimate</b>
<b>Development Rights Retirement (No Fund Number/A.R.S. § 41-511.15)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Legislative appropriations, gifts, grants, and transfers.		
<b>Purpose of Fund:</b> To make grants to public and private entities for the purchase, lease or transfer of development rights on private land in the state. This fund was created by Laws 2000, 4 <sup>th</sup> Special Session, Chapter 1. There are currently no revenue or expenditure estimates.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	0	0
<b>Federal (PRA2000/A.R.S. § 41-511.04)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Federal grants from the Department of the Interior, National Park Service, and other federal entities.		
<b>Purpose of Fund:</b> To expand and maintain the National Register of Historic Places, and to identify, evaluate and protect other historic properties. Also, to implement the State Comprehensive Outdoor Recreation Plan.		
<b>Funds Expended</b>	1,993,800	3,623,700
<b>Year-End Fund Balance</b>	1,396,300	1,184,300

SUMMARY OF FUNDS	FY 2004 Actual	FY 2005 Estimate
<b>Heritage (PRA2296/A.R.S. § 41-502)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Annual transfer from the Lottery Fund of up to \$10,000,000, and interest earnings. In FY 2004, the fund received the full \$10,000,000 transfer from the Lottery and \$524,300 in interest earnings. The FY 2005 expenditures below assume the fund will receive \$9,725,000 in revenue from the Lottery and from interest earnings in FY 2005.		
<b>Purpose of Fund:</b> To fund acquisition and development of local, regional, and state parks (35%); development of trails (5%); acquisition of natural areas (17%); maintenance and operation of natural areas (4%); environmental education (5%); State Parks acquisition and development (17%); and historic preservation projects (17%). Interest earnings are to be used for program administration.		
<b>Funds Expended - Capital</b>	6,201,900	12,500,000
<b>Funds Expended - Operating</b>	2,460,400	1,975,000
<b>Year-End Fund Balance</b>	32,190,800	27,440,800
<b>Land Conservation - Administration Account (PRA2432/A.R.S. § 41-511.23)</b>		<b>Partially-Appropriated</b>
<b>Source of Revenue:</b> Interest earnings from the Public Conservation Account. Unobligated amounts at the end of each fiscal year revert to the Public Conservation Account.		
<b>Purpose of Fund:</b> The agency may use up to \$500,000 to support the Conservation Acquisition Board and administer the Land Conservation Fund.		
<b>Funds Expended - Appropriated</b>	0	0
<b>Funds Expended - Non-Appropriated</b>	157,400	400,000
<b>Year-End Fund Balance</b>	0	0
<b>Land Conservation - Donation Account (PRA2432/A.R.S. § 41-511.23)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Donations from public and private entities.		
<b>Purpose of Fund:</b> To match grants made to purchase state trust lands for conservation purposes. There are currently no estimates of donations that will be deposited to the account.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	0	0
<b>Land Conservation - Public Conservation Account (PRA2432/A.R.S. § 41-511.23)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> As approved by Arizona voters in November 1998, the fund receives \$20,000,000 annually from the General Fund in FY 2001 through FY 2011. Beginning in FY 2004, \$2,000,000 of this amount is deposited into the Livestock and Crop Conservation Fund, administered by the Department of Agriculture.		
<b>Purpose of Fund:</b> For grants to the state or any of its political subdivisions, non-profit organizations, individual landowners, and agricultural lessees of state or federal land. Grants are made to purchase or lease state trust lands that are classified as suitable for conservation purposes. The Conservation Acquisition Board will recommend appropriate grants to the Arizona State Parks Board.		
<b>Funds Expended from the General Fund</b>	491,800	900,000
<b>Year-End Fund Balance</b>	59,047,200	76,747,200
<b>Law Enforcement and Boating Safety (PRA2111/A.R.S. § 5-383)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> A portion of watercraft licensing taxes.		
<b>Purpose of Fund:</b> To provide grants to county law enforcement agencies for water and boating safety programs. The Arizona Outdoor Recreation Coordinating Commission distributes the grants.		
<b>Funds Expended</b>	1,174,600	1,092,700
<b>Year-End Fund Balance</b>	0	0
<b>Off-Highway Vehicle Recreation (PRA2253/A.R.S. § 28-1176)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Transfer from the Motor Vehicle Fuel Tax, equivalent to 0.55% of the total license taxes on motor vehicle fuel.		
<b>Purpose of Fund:</b> To plan, administer, and enforce off-highway vehicle recreation, and to develop facilities consistent with the off-highway vehicle plan. Seventy percent of the monies collected are to be used by the Arizona State Parks Board for planning, administration, and facilities development; the remainder is transferred to the Arizona Game and Fish Department for enforcement.		
<b>Funds Expended</b>	1,150,300	2,000,000
<b>Year-End Fund Balance</b>	2,753,200	2,753,200

SUMMARY OF FUNDS	FY 2004 Actual	FY 2005 Estimate
<b>Partnership (PRA2448/A.R.S. § 41-511.04)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Revenues received from federal, state, and local government agencies through intergovernmental agreements; reimbursements from local and county recipients of federal Land and Water Conservation grants.		
<b>Purpose of Fund:</b> To provide trails stewardship with funds received from the USDA Forest Service and the Bureau of Land Management; for operating costs of the multi-use water safety center at Lake Havasu State Park with funds received from the U.S. Coast Guard, Lake Havasu City, Mohave County, and the Arizona Game and Fish Department; and to administer federal Land and Water Conservation grants. Grant recipients must provide 10% of the grant amount to the Parks Board for administration.		
<b>Funds Expended</b>	220,200	310,000
<b>Year-End Fund Balance</b>	528,400	438,400
<b>Publications and Souvenir Revolving (PRA4010/A.R.S. § 41-511.21)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Sales of books, postcards, posters, and souvenir items at state parks and proceeds from the operation of the lodge and restaurant at Tonto Natural Bridge State Park.		
<b>Purpose of Fund:</b> Production and distribution of agency publications, as well as the purchase of souvenir items for sale at state parks, and the operation of concessions.		
<b>Funds Expended</b>	580,800	650,000
<b>Year-End Fund Balance</b>	170,500	170,500
<b>Reservation Surcharge Revolving (PRA1304/A.R.S. § 41-511.24)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Surcharges on reservations made using an automated reservation system. Currently only Kartchner Caverns State Park utilizes the system. The surcharge is \$2.00 per reserved ticket. Any amount in excess of \$12,500 at the end of each fiscal year is transferred to the General Fund.		
<b>Purpose of Fund:</b> To staff and manage the reservation system.		
<b>Funds Expended</b>	298,400	460,300
<b>Year-End Fund Balance</b>	12,500	2,200
<b>State Lake Improvement (PRA2105/A.R.S. § 5-382)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Primarily a transfer from the Highway User Revenue Fund, based on a formula that estimates state gasoline taxes paid for boating purposes. Also included is a portion of the watercraft license tax collected by the Arizona Game and Fish Department.		
<b>Purpose of Fund:</b> To fund projects at boating sites, including launching ramps, parking areas, lake improvement and construction, campgrounds, and acquisition of property to provide access to boating sites. Project grant requests are reviewed by the Arizona Outdoor Recreation Coordinating Commission and approved by the Arizona State Parks Board. Approved projects must be reviewed by the Joint Committee on Capital Review.		
<b>Funds Expended - Capital</b>	6,287,800	6,000,000
<b>Funds Expended - Operating</b>	1,773,600	4,000,000
<b>Year-End Fund Balance</b>	23,309,000	20,809,000
<b>State Parks Enhancement (PRA2202/A.R.S. § 41-511.11)</b>		<b>Partially-Appropriated</b>
<b>Source of Revenue:</b> State parks user fees and concession sales.		
<b>Purpose of Fund:</b> Under permanent law, one-half of this fund is appropriated for parks operations and the other half is used for park acquisition and development (including the lease-purchase payments for the Tonto Natural Bridge State Park). Upon completion of the Tonto lease-purchase payment, expected in FY 2012, the acquisition and development portion of the fund will be subject to legislative appropriation. In both FY 2004 and FY 2005, the entire fund, less an amount for the Tonto lease-purchase payment, has been appropriated for park operations, therefore the non-appropriated capital spending in FY 2004 and FY 2005 represent the Tonto lease-purchase payments and prior year capital development projects.		
<b>Funds Expended - Capital (Non-Appropriated)</b>	2,691,100	434,800
<b>Funds Expended - Operating (Appropriated)</b>	9,767,100	10,505,800
<b>Year-End Fund Balance</b>	4,522,000	4,581,400
<b>State Parks Fund (PRA3117/A.R.S. § 41-511.11)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Private gifts, grants, and donations. The City of Yuma allocates \$150,000 annually for the operation of the Yuma Crossing State Historic Park.		
<b>Purpose of Fund:</b> To meet the objectives of contributors, especially as they relate to acquisition, development, and preservation of the state's natural features.		
<b>Funds Expended</b>	187,400	250,000
<b>Year-End Fund Balance</b>	609,200	609,200

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