

Executive Director: Ken Travous

JLBC Analyst: Leah Ruggieri

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Approved
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	249.3	249.3	249.3 <sup>1/</sup>
Personal Services	5,949,200	6,654,300	7,181,700
Employee Related Expenditures	2,365,100	2,899,300	3,246,300
Professional and Outside Services	69,800	46,700	55,800
Travel - In State	96,700	115,200	115,200
Other Operating Expenditures	3,389,400	3,519,900	3,530,600
Equipment	177,800	130,000	130,000
<b>OPERATING SUBTOTAL</b>	<b>12,048,000</b>	<b>13,365,400</b>	<b>14,259,600<sup>2/</sup></b>
<b>SPECIAL LINE ITEMS</b>			
Ch. 374 Arizona Trail	0	0	250,000
Growing Smarter	20,000,000	20,000,000	20,000,000
Kartchner Caverns State Park	1,629,400	1,747,500	2,539,000 <sup>3/</sup>
<b>AGENCY TOTAL</b>	<b>33,677,400</b>	<b>35,112,900</b>	<b>37,048,600<sup>4/5/6/</sup></b>
<b>FUND SOURCES</b>			
General Fund	22,282,800	22,662,100	27,040,300
<b>Other Appropriated Funds</b>			
Law Enforcement and Boating Safety Fund	1,220,200	1,092,700	1,092,700 <sup>7/</sup>
Reservation Surcharge Revolving Fund	346,600	489,500	522,800 <sup>8/</sup>
State Parks Enhancement Fund	9,827,800	10,868,600	8,392,800
<b>SUBTOTAL - Other Appropriated Funds</b>	<b>11,394,600</b>	<b>12,450,800</b>	<b>10,008,300</b>
<b>SUBTOTAL - Appropriated Funds</b>	<b>33,677,400</b>	<b>35,112,900</b>	<b>37,048,600</b>
<b>Other Non-Appropriated Funds</b>			
Federal Funds	14,742,200	24,150,800	24,095,800
<b>TOTAL - ALL SOURCES</b>	<b>50,838,800</b>	<b>63,121,900</b>	<b>64,940,900</b>

1/ Includes 51 FTE Positions funded from Special Line Items in FY 2007.

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 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)

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 2006 and FY 2007, no more than \$5,000 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)

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 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)

8/ All Reservation Surcharge Revolving Fund receipts received by the Arizona State Parks Board in excess of \$489,500 in FY 2006 and \$522,800 in FY 2007 are appropriated to the Reservation Surcharge Revolving Fund. Before the expenditure of any Reservation Surcharge Revolving Fund monies in excess of \$489,500 in FY 2006 and \$522,800 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.)

**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.

<b>PERFORMANCE MEASURES</b>	FY 2003	FY 2004	FY 2005	FY 2007
	Actual	Actual	Actual	Approved
<ul style="list-style-type: none"> <li>Annual park attendance (in millions) 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.</li> </ul>	2.2	2.2	2.3	2.5
<ul style="list-style-type: none"> <li>% of park visitors rating their experience “good” or “excellent” Comments: 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 through FY 2005 and FY 2007 have been marked “NA.”</li> </ul>	NA	NA	NA	NA

This agency’s budget was originally appropriated in Laws 2005, Chapter 286. For details on this agency’s original FY 2007 budget, please see the *FY 2006 Appropriations Report*. Laws 2006, Chapter 344 made adjustments to the agency’s FY 2007 budget as discussed below.

**Operating Budget**

The budget provides \$14,259,600 for the operating budget in FY 2007. This amount consists of:

	<b>FY 2007</b>
General Fund	\$4,251,300
State Parks Enhancement Fund	8,392,800
Reservation Surcharge Revolving Fund	522,800
Law Enforcement and Boating Safety Fund	1,092,700

These amounts include an increase of \$1,251,900 for statewide adjustments. This amount consists of:

General Fund	661,100
State Parks Enhancement Fund	537,000
Reservation Surcharge Revolving Fund	53,800

*(Please see the Statewide Adjustments section at the end of this Appropriations Report for details.)*

The budget also includes the following adjustment:

**State Parks Enhancement Fund Operating Shift**

The budget provides a decrease of \$(995,200) and (21) FTE Positions from the State Parks Enhancement Fund and a corresponding increase of \$995,200 and 21 FTE Positions from the General Fund in FY 2007 to shift the cost of operating State Parks from the State Parks Enhancement Fund (park fees) to the General Fund. The enacted shift will offset projected shortfalls in park fee revenues in FY 2007. This shift will also permit the Parks Board to expend park fees on capital projects.

Permanent law allocates half of the State Parks Enhancement Fund (SPEF) as non-appropriated for capital purposes, less an amount sufficient to fund the lease-purchase payment for the Tonto Natural Bridge State Park. The Joint Committee on Capital Review (JCCR), however, must approve the capital expenditure plan. The remaining half of SPEF is allocated toward agency operating costs.

From FY 2004 to FY 2006, a series of session laws suspended permanent statute and required the entire fund to be used for agency operating costs, less an amount sufficient to finance the lease-purchase payment. This provision was not continued in FY 2007. Instead, the Environmental Protection Budget Reconciliation Bill (Laws 2006, Chapter 349) gives the State Parks Board discretion to use these monies for capital needs as approved by the JCCR in FY 2007.

At the end of FY 2006, the State Parks Enhancement Fund is estimated to have a cash balance of approximately \$1.5 million. Revenues from park fees in FY 2007 are estimated at \$9.5 million. *Table 1* demonstrates that after taking into account estimated operating expenditures in FY 2007 and the lease-purchase payment for the Tonto Natural Bridge State Park, the total non-lapsing amount available for capital projects is estimated at \$2.1 million.

**Special Line Items**

**Ch. 374 Arizona Trail**

Laws 2006, Chapter 374 appropriates \$250,000 from the General Fund for the Arizona Trail in FY 2007. The Arizona Trail is an approximately 800-mile non-motorized trail that crosses Arizona from the southern border to the northern border. This legislation established the Arizona Trail as a state scenic trail. The appropriation is to be used solely for maintaining and preserving the trail. The legislation also established the Arizona Trail Fund to be administered by the State Parks Board consisting of

**Table 1****State Parks Enhancement Fund  
Availability for Capital Projects**

	<u>FY 2006</u>	<u>FY 2007</u>
<b>Revenues</b>		
Balance Forward Year Prior	\$3,293,100	\$1,451,300
Revenues*	<u>9,000,000</u>	<u>9,500,000</u>
<i>Total Revenue</i>	<i>12,293,100</i>	<i>10,951,300</i>
<b>Spending</b>		
Actual Expenditures	7,602,600	
July 05 - March 06		
Estimated Expenditures	2,811,900	
April - June 06**		
FY 2007 Operating Budget***		8,392,800
Tonto Lease Purchase	<u>427,300</u>	<u>427,300</u>
<i>Total Spending</i>	<i><u>10,841,800</u></i>	<i><u>8,820,100</u></i>
<b>Balance Forward to FY 2007</b>	<b>\$1,451,300</b>	
<b>Total Available Non-Lapsing for Capital Projects</b>		<b>\$2,131,200</b>

\*Revenue estimates were contributed by SPB in their FY 2007 budget submittal.

\*\*Assuming expenditures in the 4th quarter (April - June) will represent 27% of overall expenditures, as they did on average in FY 2004 and FY 2005.

\*\*\*Equal to the FY 2007 appropriation. If the agency expends less than their appropriation, there will be more money available for capital projects.

legislative appropriations and donations to the fund. As of late 2005, more than 720 miles of the Arizona Trail have been opened to the public. In the past, monies from the State Parks Heritage Fund have been used for the development of the Arizona Trail.

**Kartchner Caverns State Park**

The budget provides \$2,539,000 and 51 FTE Positions from the General Fund for Kartchner Caverns State Park in FY 2007. The approved amount includes an increase of \$184,200 from the General Fund in FY 2007 for statewide adjustments. The budget also includes the following adjustments:

**State Parks Enhancement Fund Operating Shift**

The budget provides a decrease of \$(1,654,800) and (51) FTE Positions from the State Park Enhancement Fund and a corresponding increase of \$1,654,800 and 51 FTE Positions from the General Fund in FY 2007 to shift the cost of operating Kartchner Caverns State Park from the State Parks Enhancement Fund (park fees) to the General Fund. The enacted shift will offset projected shortfalls in park fee revenues in FY 2007.

**State Lake Improvement Fund Operating Shift**

The budget provides an increase of \$700,000 from the General Fund in FY 2007 to shift a portion of the cost of operating Kartchner Caverns State Park from the State Lake Improvement Fund to the General Fund. The State

Parks Board has approved the use of \$700,000 from the non-appropriated State Lake Improvement Fund in FY 2004 through FY 2006 for the operating costs of Kartchner Caverns State Park. This shift will free up \$700,000 in the State Lake Improvement Fund to instead allow the money to be used for grants to boating sites where gas-powered boats are permitted.

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.

**Additional Legislation****State Lake Improvement Fund**

The Environmental Protection Budget Reconciliation Bill (Laws 2006, Chapter 349) restricts the use of State Lake Improvement Fund monies to waters where gasoline-powered boats are permitted. The State Lake Improvement Fund collects revenue primarily from a transfer from the Highway User Revenue Fund, based on a formula that estimates state gasoline taxes paid for boating purposes.