

Executive Director: Ken Travous

JLBC Analyst: Matt Busby

	FY 2006 Actual	FY 2007 Estimate	FY 2008 Approved	FY 2009 Approved
OPERATING BUDGET				
<i>Full Time Equivalent Positions</i>	249.3	249.3	249.3 ^{1/}	249.3 ^{1/}
Personal Services	5,867,300	7,181,700	7,408,600	7,181,700
Employee Related Expenditures	2,748,900	3,407,600	3,591,900	3,334,200
Professional and Outside Services	152,200	55,800	58,300	55,800
Travel - In State	89,500	115,200	115,200	115,200
Other Operating Expenditures	4,476,400	3,369,300	3,481,500	3,405,700
Equipment	230,600	130,000	130,000	129,700
OPERATING SUBTOTAL	13,564,900	14,259,600	14,785,500^{2/}	14,222,300^{2/}
SPECIAL LINE ITEMS				
Arizona Trail	0	250,000	125,000	125,000
Growing Smarter	20,000,000	20,000,000	20,000,000 ^{3/}	20,000,000 ^{3/}
Kartchner Caverns State Park	1,747,500	2,539,000	2,637,400	2,535,800
AGENCY TOTAL	35,312,400	37,048,600	37,547,900^{4/5/}	36,883,100^{4/5/}
FUND SOURCES				
General Fund	22,526,600	27,040,300	28,212,200	28,400,000
<u>Other Appropriated Funds</u>				
Law Enforcement and Boating Safety Fund	2,064,000	1,092,700	1,092,700 ^{6/}	1,092,700 ^{6/}
Reservation Surcharge Revolving Fund	324,600	522,800	541,100 ^{7/}	522,100 ^{8/}
State Parks Enhancement Fund	10,397,200	8,392,800	7,701,900	6,868,300
SUBTOTAL - Other Appropriated Funds	12,785,800	10,008,300	9,335,700	8,483,100
SUBTOTAL - Appropriated Funds	35,312,400	37,048,600	37,547,900	36,883,100
Other Non-Appropriated Funds	18,537,400	25,038,900	25,038,900	25,038,900
Federal Funds	4,941,500	3,974,600	3,915,400	3,915,400
TOTAL - ALL SOURCES	58,791,300	66,062,100	66,502,200	65,837,400

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 Arizona State Parks Board Heritage Fund grant programs, and the administration of Growing Smarter Grants.

^{1/} Includes 51 FTE Positions funded from Special Line Items in FY 2008 and FY 2009.

^{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 2008 and FY 2009, 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 2008 and FY 2009, 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, 2008 and June 30, 2009, 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 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 2008 and FY 2009. 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)

^{7/} All Reservation Surcharge Revolving Fund receipts received by the Arizona State Parks Board in excess of \$541,100 in FY 2008 and \$522,100 in FY 2009 are appropriated to the Reservation Surcharge Revolving Fund. Before the expenditure of any Reservation Surcharge Revolving Fund monies in excess of \$541,100 in FY 2008 and \$522,100 in FY 2009, 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 2004	FY 2005	FY 2006	FY 2008
	Actual	Actual	Actual	Approved
• Annual park attendance (in millions)	2.2	2.3	2.2	2.5
• % of park visitors rating their experience “good” or “excellent”	NA	NA	95	95

Operating Budget

The budget provides \$14,785,500 and 198.3 FTE Positions for the operating budget in FY 2008 and \$14,222,300 and 198.3 FTE Positions in FY 2009. These amounts consist of:

	<u>FY 2008</u>	<u>FY 2009</u>
General Fund	\$5,449,800	\$5,739,200
State Parks Enhancement Fund	7,701,900	6,868,300
Reservation Surcharge Revolving Fund	541,100	522,100
Law Enforcement and Boating Safety Fund	1,092,700	1,092,700

These amounts fund the following adjustments:

Statewide Adjustments

The budget provides an increase of \$525,900 in FY 2008 and a decrease of \$(37,300) in FY 2009 for statewide adjustments. These amounts consist of:

General Fund	198,500	(12,100)
State Parks Enhancement Fund	309,100	(24,500)
Reservation Surcharge Revolving Fund	18,300	(700)

(Please see the Statewide Adjustments section at the end of this Appropriations Report for details. The annualization of these adjustments for FY 2009 will be addressed in the 2008 budget process.)

State Parks Enhancement Fund Operating Shift

The budget provides an increase of \$1,000,000 and 14 FTE Positions from the General Fund in FY 2008 and an increase of \$1,500,000 and 21 FTE Positions in FY 2009 with a corresponding decrease of \$(1,000,000) and (14) FTE Positions from the State Parks Enhancement Fund in FY 2008 and a decrease of \$(1,500,000) and (21) FTE Positions in FY 2009 to shift the cost of operating State Parks from the State Parks Enhancement Fund (park fees) to the General Fund. This shift will permit the Parks Board to expend more park fees on capital projects. *(Please see the discussion of the Environment Budget Reconciliation Bill on the next page for additional detail about SPEF.)*

Special Line Items

Arizona Trail

The budget provides \$125,000 from the General Fund in FY 2008 and FY 2009 for the Arizona Trail. This amount funds the following adjustments:

Partial Continuation of Funding

The budget provides a decrease of \$(125,000) from the General Fund in FY 2008 and FY 2009 for the Arizona Trail. Laws 2006, Chapter 374 appropriated \$250,000 and was designated as one-time funding. In the FY 2008 budget, half of this amount was restored.

The Arizona Trail is an approximately 800-mile non-motorized trail that crosses Arizona from the southern border to the northern border. 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 legislative appropriations and donations to the fund. The amounts above will be deposited into the non-appropriated Arizona Trail Fund and is non-lapsing. As of May 2007, approximately 720 miles of the Arizona Trail have been opened to the public. In the past, monies from the Arizona State Parks Board Heritage Fund have been used for the development of the Arizona Trail.

Growing Smarter

The budget provides \$20,000,000 from the General Fund deposited into the Land Conservation Fund in FY 2008 and FY 2009, as prescribed by A.R.S. § 41-511.23 and mandated by a voter-passed referendum in 1998. This amount is unchanged from FY 2007. Grant expenditures from the Land Conservation Fund are not subject to appropriation. Because this appropriation is in permanent statute, it is not included in the General Appropriation Act. Annual appropriations will end in FY 2011.

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 \$2,637,400 and 51 FTE Positions from the General Fund in FY 2008 and \$2,535,800 and 51

FTE Positions in FY 2009 for Kartchner Caverns State Park. These amounts fund the following adjustments:

Statewide Adjustments

The budget provides an increase of \$98,400 from the General Fund in FY 2008 and a decrease of \$(3,200) in FY 2009 for statewide adjustments.

This line item funds the operating costs at Kartchner Caverns State Park. This park collects the most revenue of all of the state parks.

Additional Legislation

Operating Funding

The Environment Budget Reconciliation Bill (BRB) (Laws 2007, Chapter 262) includes the following provisions affecting the State Parks Board:

- As session law, allows the use of \$692,100 from the Off-Highway Vehicle Recreation Fund for agency operating costs in FY 2008 and FY 2009. This continues prior year provisions allowing the agency to offset General Fund reductions taken in FY 2003.
- As session law, continues to allow State Parks Enhancement Fund (SPEF) monies to be used for the operation of state parks as appropriated by the Legislature or for capital needs as approved by the Joint Committee on Capital Review (JCCR) in FY 2008 and FY 2009.

SPEF receives revenue from park user fees and concession sales. Permanent law allocates half of the SPEF as non-appropriated monies for capital purposes, less an amount sufficient to fund the lease-purchase payment for the Tonto Natural Bridge State Park. The JCCR, however, must approve the capital expenditure plan. Under permanent law, the remaining half of SPEF is appropriated and 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 changed for FY 2007 and allowed the use of monies for operational costs or capital needs. The Environment BRB continues the FY 2007 change and gives the State Parks Board discretion to use monies not needed for operations for capital needs as approved by the JCCR in FY 2008 and FY 2009.

If SPEF revenue collections remain at the FY 2006 level of \$9,300,000, approximately \$1,600,000 of SPEF would be available for capital projects in FY 2008 and \$2,400,000 in FY 2009 after accounting for the operating budget appropriation.