

Arizona State Parks Board

JLBC: Matt Busby
 OSPB: Patrick Makin

DESCRIPTION	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 JLBC	FY 2009 JLBC
OPERATING BUDGET				
<i>Full Time Equivalent Positions</i>	249.3	249.3	249.3	249.3
Personal Services	5,867,300	7,181,700	7,181,700	7,181,700
Employee Related Expenditures	2,748,900	3,407,600	3,343,500	3,343,500
Professional and Outside Services	152,200	55,800	55,800	55,800
Travel - In State	89,500	115,200	115,200	115,200
Other Operating Expenditures	4,476,400	3,369,300	3,396,100	3,396,100
Equipment	230,600	130,000	130,000	130,000
OPERATING SUBTOTAL	13,564,900	14,259,600	14,222,300	14,222,300
SPECIAL LINE ITEMS				
Arizona Trail	0	250,000	0	0
Growing Smarter	20,000,000	20,000,000	20,000,000	20,000,000
Kartchner Caverns State Park	1,747,500	2,539,000	2,535,800	2,535,800
AGENCY TOTAL	35,312,400	37,048,600	36,758,100	36,758,100

FUND SOURCES				
General Fund	22,526,600	27,040,300	26,775,000	26,775,000
<u>Other Appropriated Funds</u>				
Law Enforcement and Boating Safety Fund	2,064,000	1,092,700	1,092,700	1,092,700
Reservation Surcharge Revolving Fund	324,600	522,800	522,100	522,100
State Parks Enhancement Fund	10,397,200	8,392,800	8,368,300	8,368,300
SUBTOTAL - Other Appropriated Funds	12,785,800	10,008,300	9,983,100	9,983,100
SUBTOTAL - Appropriated Funds	35,312,400	37,048,600	36,758,100	36,758,100
<u>Other Non-Appropriated Funds</u>				
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	65,712,400	65,712,400

CHANGE IN FUNDING SUMMARY	FY 2007 to FY 2008 JLBC		FY 2007 to FY 2009 JLBC	
	\$ Change	% Change	\$ Change	% Change
General Fund	(265,300)	(1.0%)	(265,300)	(1.0%)
Other Appropriated Funds	(25,200)	(0.3%)	(25,200)	(0.3%)
Total Appropriated Funds	(290,500)	(0.8%)	(290,500)	(0.8%)
Non Appropriated Funds	(59,200)	(0.2%)	(59,200)	(0.2%)
Total - All Sources	(349,700)	(0.5%)	(349,700)	(0.5%)

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.

PERFORMANCE MEASURES	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2008 JLBC
• 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

CHANGES FROM FY 2007

Operating Budget

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

	<u>FY 2008</u>	<u>FY 2009</u>
General Fund	\$4,239,200	\$4,239,200
State Parks Enhancement Fund	8,368,300	8,368,300
Reservation Surcharge Revolving Fund	522,100	522,100
Law Enforcement and Boating Safety Fund	1,092,700	1,092,700

These amounts would fund the following adjustments:

Standard Changes	GF	(6,300)	(6,300)
	OF	24,100	24,100

The JLBC includes an increase of \$17,800 in FY 2008 and FY 2009 for standard changes. This amount consists of:

General Fund	(6,300)	(6,300)
State Parks Enhancement Fund	24,800	24,800
Reservation Surcharge Revolving Fund	(700)	(700)

Rebase Retirement Rates

OF	(49,300)	(49,300)
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The JLBC includes a decrease of \$(49,300) from the State Parks Enhancement Fund in FY 2008 and FY 2009 for rebasing the Public Safety Personnel Retirement System rates at actual FY 2007 levels. The actual rates that will be charged to the agency in FY 2007 are lower than were assumed in the FY 2007 budget; this reduction leaves sufficient funds to pay the actual rates. Increases for FY 2008 changes to rates are funded separately as a statewide item and would be distributed to agencies at a separate time.

One-Time AZNet

Appropriation	GF	(5,800)	(5,800)
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The JLBC includes a decrease of \$(5,800) from the General Fund in FY 2008 and FY 2009 to reflect the one-time appropriation for AZNet telecommunication charges.

Special Line Items

Arizona Trail

The JLBC includes no funding from the General Fund for the Arizona Trail in FY 2008 and FY 2009. This amount would fund the following adjustments:

One-Time Funding	GF	(250,000)	(250,000)
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The JLBC includes a decrease of \$(250,000) from the General Fund in FY 2008 and FY 2009 for the Arizona Trail.

Laws 2006, Chapter 374 appropriated \$250,000 of one-time funding 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. 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 \$250,000 above was deposited into the non-appropriated Arizona Trail Fund and is non-lapsing. As of October 2006, 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 JLBC includes \$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. 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 JLBC includes \$2,535,800 and 51 FTE Positions from the General Fund for Kartchner Caverns State Park in FY 2008 and FY 2009. These amounts would fund the following adjustments:

Standard Changes	GF	(3,200)	(3,200)
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The JLBC includes a decrease of \$(3,200) in FY 2008 and FY 2009 for standard changes.

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

FORMAT — Operating Lump Sum with Special Line Items by Agency

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 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.

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.

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.

All Reservation Surcharge Revolving Fund receipts received by the Arizona State Parks Board in excess of \$522,100 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 \$522,100 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.

Deletion of Prior Year Footnotes

The JLBC deletes the footnote on submitting quarterly reports of operating expenditures at each state park.

STATUTORY CHANGES

The JLBC would continue a FY 2007 session law provision for FY 2008 and FY 2009 allowing the appropriation of all State Parks Enhancement Fund revenues to the State Parks Board for agency operations or for capital needs as determined by the Parks Board with prior approval of the Joint Committee on Capital Review.

The JLBC would continue a FY 2006 and FY 2007 session law provision for FY 2008 and FY 2009 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

In recent years, appropriations from the State Parks Enhancement Fund (SPEF) have outpaced revenues. In FY 2007, the SPEF appropriation was reduced to the current appropriated level of \$8.3 million. In addition, approximately \$380,000 of SPEF monies is earmarked for the Tonto Natural Bridge State Park Lease-Purchase in FY 2008 and FY 2009. If SPEF revenue collections in FY 2008 and FY 2009 stay at the FY 2006 level of \$9.3 million, approximately \$700,000 will be available for use by the Parks Board for additional capital needs. Any capital projects funded through SPEF require prior approval by the State Parks Board and the Joint Committee on Capital Review.

SUMMARY OF FUNDS	FY 2006 Actual	FY 2007 Estimate
Development Rights Retirement Fund (No Fund Number/A.R.S. § 41-511.15)		Non-Appropriated
Source of Revenue: Legislative appropriations, gifts, grants, and transfers.		
Purpose of Fund: 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, 4th Special Session, Chapter 1. There are currently no revenue or expenditure estimates.		
Funds Expended	0	0
Year-End Fund Balance	0	0
Federal Funds (PRA2000/A.R.S. § 41-511.04)		Non-Appropriated
Source of Revenue: Federal grants from the Department of the Interior, National Park Service, and other federal entities.		
Purpose of Fund: 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.		
Funds Expended	4,941,500	3,974,600
Year-End Fund Balance	1,441,200	1,241,000

SUMMARY OF FUNDS	FY 2006 Actual	FY 2007 Estimate
Arizona State Parks Board Heritage Fund (PRA2296/A.R.S. § 41-502)		Non-Appropriated
Source of Revenue: Annual transfer from the Lottery Fund of up to \$10,000,000, and interest earnings. In FY 2006, the fund received the full \$10,000,000 transfer from the Lottery and \$1,353,200 in interest earnings. The FY 2007 expenditures below assume the fund will receive \$10,000,000 in revenue from the Lottery and \$1,500,000 from interest earnings.		
Purpose of Fund: 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.		
Funds Expended - Capital	1,232,900	3,575,000
Funds Expended - Operating (amount includes local grants)	6,406,900	8,457,000
Year-End Fund Balance	39,343,900	20,261,900
Land Conservation Fund - Administration Account (PRA2432/A.R.S. § 41-511.23)		Partially-Appropriated
Source of Revenue: Interest earnings from the Public Conservation Account, which receives \$20,000,000 annually from the General Fund in FY 2001 through FY 2011, as approved by Arizona voters in November 1998. Unobligated amounts at the end of each fiscal year revert to the Public Conservation Account.		
Purpose of Fund: The agency may use up to \$500,000 to support the Conservation Acquisition Board and administer the Land Conservation Fund.		
Funds Expended - Appropriated	0	0
Funds Expended - Non-Appropriated	148,000	400,000
Year-End Fund Balance	0	0
Land Conservation Fund - Donation Account (PRA2432/A.R.S. § 41-511.23)		Non-Appropriated
Source of Revenue: Donations from public and private entities.		
Purpose of Fund: 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.		
Funds Expended	0	0
Year-End Fund Balance	0	0
Land Conservation Fund - Public Conservation Account (PRA2432/A.R.S. § 41-511.23)		Non-Appropriated
Source of Revenue: 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.		
Purpose of Fund: 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.		
Funds Expended from the General Fund	0	0
Year-End Fund Balance	100,309,100	121,909,100
Law Enforcement and Boating Safety Fund (PRA2111/A.R.S. § 5-383)		Appropriated
Source of Revenue: A portion of watercraft licensing taxes.		
Purpose of Fund: To provide grants to county law enforcement agencies for water and boating safety programs. The Arizona Outdoor Recreation Coordinating Commission distributes the grants.		
Funds Expended	2,064,000	1,092,700
Year-End Fund Balance	0	0
Off-Highway Vehicle Recreation Fund (PRA2253/A.R.S. § 28-1176)		Non-Appropriated
Source of Revenue: Transfer from the Motor Vehicle Fuel Tax, equivalent to 0.55% of the total license taxes on motor vehicle fuel.		
Purpose of Fund: 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.		
Funds Expended	1,360,500	1,912,100
Year-End Fund Balance	2,457,900	2,229,200

SUMMARY OF FUNDS	FY 2006 Actual	FY 2007 Estimate
Partnership Fund (PRA2448/A.R.S. § 41-511.04)		Non-Appropriated
Source of Revenue: 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.		
Purpose of Fund: 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.		
Funds Expended	220,200	267,000
Year-End Fund Balance	686,000	569,000
Publications and Souvenir Revolving Fund (PRA4010/A.R.S. § 41-511.21)		Non-Appropriated
Source of Revenue: 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.		
Purpose of Fund: Production and distribution of agency publications, as well as the purchase of souvenir items for sale at state parks, and the operation of concessions.		
Funds Expended	480,900	607,000
Year-End Fund Balance	224,800	217,800
Reservation Surcharge Revolving Fund (PRA1304/A.R.S. § 41-511.24)		Appropriated
Source of Revenue: Surcharges on reservations made using an automated reservation system. Currently only Kartchner Caverns State Park utilizes the system. Prior to FY 2007, the surcharge amount was \$2.00 per reserved ticket and any amount in excess of \$12,500 at the end of each fiscal year was transferred to the General Fund. Laws 2006, Chapter 300 increased the amounts to \$3.00 and \$75,000, respectively, beginning in FY 2007. In FY 2006, \$41,800 reverted to the General Fund.		
Purpose of Fund: To staff and manage the reservation system.		
Funds Expended	324,600	522,800
Year-End Fund Balance	12,500	12,500
State Lake Improvement Fund (PRA2105/A.R.S. § 5-382)		Non-Appropriated
Source of Revenue: 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.		
Purpose of Fund: To fund projects at gasoline powered boating sites, including launching ramps, parking areas, lake improvement and construction, campgrounds, and acquisition of property to provide access to boating sites. Laws 2006, Chapter 349 changed the eligible projects to those on waters where gasoline powered boats are permitted. 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.		
Funds Expended - Capital	1,421,600	250,000
Funds Expended - Operating (amount includes local grants)	6,646,200	8,865,300
Year-End Fund Balance	19,060,000	11,412,700

SUMMARY OF FUNDS

FY 2006 **FY 2007**
Actual **Estimate****State Parks Enhancement Fund (PRA2202/A.R.S. § 41-511.11)****Partially-Appropriated****Source of Revenue:** State parks user fees and concession sales.

Purpose of Fund: Under permanent law, one-half of this fund is appropriated for park 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 FY 2006, the entire fund, less an amount for the Tonto lease-purchase payment, was appropriated for park operations, therefore the non-appropriated capital spending in FY 2006 represents only the Tonto lease-purchase payments and prior year capital development projects. Laws 2006, Chapter 349 provides that all appropriated monies are available to operate State Parks or capital needs if approved by the State Parks Board and the Joint Committee on Capital Review. In FY 2007, the non-appropriated operating expenditures include \$60,000 for the operations of Yuma Crossing State Park pursuant to an Intergovernmental Agreement (IGA) with the City of Yuma. A.R.S. § 41-511.11 allows the Parks Board to enter into an IGA with a political subdivision if that political subdivision provides at least \$150,000 for the operating of a state historic park within its boundaries. As a result, the Parks Board must spend revenues from that park solely for operating that park. In the FY 2007 General Appropriation Act, there was a \$2.65 million decrease in the appropriated funding level to align revenues with expenditures.

Funds Expended - Operating (Appropriated)	10,397,200	8,392,800
Funds Expended - Operating (Non-Appropriated)	0	60,000
Funds Expended - Capital (Non-Appropriated)	378,300	370,500
Year-End Fund Balance	1,851,800	2,587,900

State Parks Fund (PRA3117/A.R.S. § 41-511.11)**Non-Appropriated**

Source of Revenue: Private gifts, grants, and donations. The City of Yuma allocates \$150,000 annually for the operation of the Yuma Crossing State Historic Park.

Purpose of Fund: To meet the objectives of contributors, especially as they relate to acquisition, development, and preservation of the state's natural features.

Funds Expended	241,900	275,000
Year-End Fund Balance	617,100	617,100

Arizona Trail Fund (PRA2525/A.R.S. § 41-511.15)**Non-Appropriated**

Source of Revenue: One-time \$250,000 General Fund appropriation in FY 2007 to establish the Arizona Trail Fund. To avoid double counting, FY 2007 Arizona Trail expenditures are only shown as General Fund expenditures. In future years, the revenue source will be Legislative appropriations and donations.

Purpose of Fund: To maintain and preserve the Arizona trail.

Funds Expended	0	0
Year-End Fund Balance	0	0