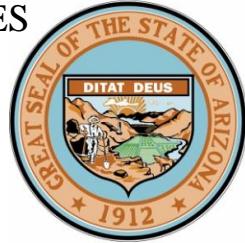


ARIZONA STATE HOUSE OF REPRESENTATIVES

RESEARCH STAFF



TO: JOINT LEGISLATIVE AUDIT COMMITTEE

DATE: January 25, 2023

SUBJECT: Sunset Review of the Arizona State Parks Board

Paul Bergelin
Committee on Land,
Agriculture and Rural
Affairs
Telephone: (602) 926-3458

Attached is the final report of the sunset review of the Arizona State Parks Board which was conducted by the Senate Natural Resources, Energy & Water and House Land, Agriculture & Rural Affairs Joint Committee of Reference.

This report has been distributed to the following individuals and agencies:

Governor of the State of Arizona
The Honorable Katie Hobbs

President of the Senate

Senator Warren Peterson

Speaker of the House of Representatives

Representative Ben Toma

House Members

Representative Lupe Diaz, Co-Chair
Representative Michele Peña
Representative Michael Carbone
Representative David L. Cook
Representative Gail Griffin
Representative Consuelo Hernandez
Representative Lydia Hernandez
Representative Mariana Sandoval
Representative Keith Seamen

Senate Members

Senator Sine Kerr, Co-Chair
Senator Frank Carroll
Senator Brian Fernandez
Senator David Gowan
Senator Juan Mendez
Senator Thomas "T.J." Shope
Senator Priya Sundareshan

Arizona State Parks Board

Arizona State Library, Archives & Public Records
House Republican Staff
House Democratic Staff
House Research Staff

Senate Resource Center

Senate Republican Staff
Senate Democratic Staff
Senate Research Staff
Office of the Auditor General

Senate Natural Resources, Energy & Water and House Land,
Agriculture & Rural Affairs Joint Committee of Reference
Sunset Review of the Arizona State Parks Board



Final Report
January 2023

House Members

Representative Lupe Diaz, Co-Chair
Representative Michele Peña
Representative Michael Carbone
Representative David L. Cook
Representative Gail Griffin
Representative Consuelo Hernandez
Representative Lydia Hernandez
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Senator Juan Mendez
Senator Thomas "T.J." Shope
Senator Priya Sundareshan

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Report 2023

Background

Pursuant to [A.R.S. § 41-2953](#), the Joint Legislative Audit Committee assigned the sunset review of the Arizona State Parks Board (Board) to the Senate Natural Resources, Energy & Water Committee of Reference and the House Land, Agriculture & Rural Affairs Committee of Reference.

The Board was created in 1957 to establish and maintain areas of natural features, scenic beauty, historical and scientific interest and zoos and botanical gardens for the State of Arizona ([A.R.S. § 41-511.03](#) and [Laws 1957, Chapter 99](#)). It is comprised of the State Land Commissioner and six members appointed by the governor to six-year terms. Of these six members, one must be a representative of the livestock industry, one must be professionally involved in general recreation work and one must be professionally involved in the tourism industry ([A.R.S. § 41-511](#)). The governor also appoints a full-time director and a state historic preservation officer ([A.R.S. § 41-511.02](#)). Board members serve without compensation ([A.R.S. § 41-511.01](#)).

The Board's responsibilities include:

- 1) Selecting areas for state parks and national monuments;
- 2) Managing and operating 33 state parks as well as other monuments and trails;
- 3) Coordinating and administering the State Historic Preservation Program;
- 4) Administering the Arizona Register of Historic Places;
- 5) Administering a parks and recreation program;
- 6) Receiving applications for projects to be funded through the Land and Water Conservation Fund and the State Lake Improvement Fund and providing staff support to the Arizona Outdoor Recreation Coordinating Commission as it reviews these applications;
- 7) Maintaining an off-highway vehicle recreation plan; and
- 8) Collaborating with the State Forester on forest management and wildfire issues ([A.R.S. § 41-511.04](#)).

The Board also provides an annual report to the governor detailing finances, goals and accomplishments during the preceding fiscal year ([A.R.S. § 41-511.12](#)).

The Board is statutorily set to terminate on July 1, 2023, unless legislation is enacted for its continuation ([A.R.S. § 41-3023.06](#)).

Summary of Committee Activity

The Senate Natural Resources, Energy & Water Committee of Reference and the House Land, Agriculture & Rural Affairs Committee of Reference jointly met on January 19, 2023, to review the performance audit and sunset review conducted by the Auditor General to evaluate the Board's response to the sunset factors and receive public testimony.

Committee Recommendation

The Senate Natural Resources, Energy & Water Committee of Reference and the House Land, Agriculture & Rural Affairs Committee of Reference jointly recommended that Board be continued for eight years until July 1, 2031.

Appendix A:

January 19, 2023 Senate Natural Resources, Energy & Water Committee of Reference and the House Land, Agriculture & Rural Affairs Committee of Reference Minutes and Reference Materials

ARIZONA STATE LEGISLATURE

Senate Natural Resources, Energy and Water and House Land, Agriculture and Rural Affairs Joint Committee of Reference

Minutes of the Meeting
January 19, 2023
1:30 P.M., HHR1

Members of the public may access a livestream of the meeting here:

<https://www.azleg.gov/videoplayer/?clientID=6361162879&eventID=2023011022>

Members Present:

Senator Sine Kerr, Co-Chair	Representative Lupe Diaz, Co-Chair
Senator Frank Carroll	Representative Michael Carbone
Senator Brian Fernandez	Representative David L Cook
Senator David Gowan	Representative Gail Griffin
Senator Thomas T.J. Shope	Representative Consuelo Hernandez
Senator Priya Sundareshan	Representative Lydia Hernandez
	Representative Michele Peña
	Representative Mariana Sandoval
	Representative Keith Seaman

Members Absent:

Senator Juan Mendez

Staff:

Rachel Andrews, Senate Natural Resources, Energy and Water Research Analyst
Fausto Burruel, Senate Natural Resources, Energy and Water Assistant Research Analyst
Stephanie Freeman, Senate Natural Resources, Energy and Water Research Intern
Paul Bergelin, House Land, Agriculture and Rural Affairs Research Analyst
Abigail Hobson, House Land, Agriculture and Rural Affairs Research Intern

Co-Chair Kerr called the meeting to order at 1:53 p.m. and attendance was taken.

SUNSET REVIEW OF THE ARIZONA GRAIN RESEARCH AND PROMOTION COUNCIL

Presentation by Arizona Grain Research and Promotion Council

David Sharp, Chairman, Arizona Grain Research and Promotion Council, distributed and explained a handout entitled "Arizona Grain Research & Promotion Council, Annual Newsletter, Spring 2022" (Attachment A). Mr. Sharp answered questions posed by the Committee.

Public Testimony

No public testimony took place.

Discussion and Recommendation

No further discussion took place.

Representative Diaz moved that the Senate Natural Resources, Energy and Water Committee of Reference and the House Land, Agriculture and Rural Affairs Committee of Reference recommends that the Arizona Grain Research and Promotion Council be continued for eight years. The motion CARRIED by a voice vote.

SUNSET REVIEW OF THE ARIZONA OUTDOOR RECREATION COORDINATING COMMISSION

Presentation by Arizona Outdoor Recreation Coordinating Commission

Brittany Hudson, Legislative Liaison, Arizona State Parks and Trails, distributed and explained a PowerPoint presentation entitled "Arizona Outdoor Recreation Coordinating Commission (AORCC)" (Attachment B). Ms. Hudson answered questions posed by the Committee.

Representative Griffin distributed and explained handouts entitled "Federal Public Land Surface & Subsurface" (Attachment C) and "Private Lands in Arizona" (Attachment D).

Public Testimony

No public testimony took place.

Discussion and Recommendation

No further discussion took place.

Representative Diaz moved that the Senate Natural Resources, Energy and Water Committee of Reference and the House Land, Agriculture and Rural Affairs Committee of Reference recommends that the Arizona Outdoor Recreation Coordinating Commission be continued for eight years.

Representative Griffin offered an additional recommendation that the Arizona Outdoor Recreation Coordinating update reporting to the Committee on Land acquisition every four years to this Committee.

Representative Diaz moved that the Senate Natural Resources, Energy and Water Committee of Reference and the House Land, Agriculture and Rural Affairs Committee of Reference recommends that the Arizona Outdoor Recreation Coordinating Commission be continued for eight years and they update reporting to the Committee on

Spending and acquisitions in four years to this Committee. The motion CARRIED by a voice vote.

SUNSET REVIEW OF THE ARIZONA STATE PARKS BOARD

Presentation by the Arizona Office of the Auditor General

Lindsey Perry, Auditor General, distributed and explained a PowerPoint presentation entitled "Arizona State Parks Board" (Attachment E).

Jeff Gove, Director, Performance Audit Division, Arizona Office of the Auditor General, continued with the PowerPoint presentation (Attachment E). Mr. Gove answered questions posed by the Committee.

Response by the Arizona State Parks Board

Bob Broscheid, Executive Director, Arizona State Parks Board, expressed the Board's gratitude with the Arizona Office of the Auditor General's Sunset Review.

Public Testimony

No public testimony took place.

Discussion and Recommendation

The Committee offered comments.

Representative Diaz moved that the Senate Natural Resources, Energy and Water Committee of Reference and the House Land, Agriculture and Rural Affairs Committee of Reference recommend that the Arizona State Parks Board be continued for eight years. The motion CARRIED by a voice vote.

There being no further business, the meeting was adjourned at 2:46 p.m.

Respectfully submitted,

Brisa Roman
Committee Secretary

(Audio recordings and attachments are on file in the Secretary of the Senate's Office/Resource Center, Room 115. Audio archives are available at <http://www.azleg.gov>)



Arizona State Parks Board

Presenters: Lindsey Perry and Jeff Gove
Date: January 19, 2023



Who we are



- Legislative agency
- Overseen by the Joint Legislative Audit Committee (JLAC)
 - Approves audit schedule
 - Appoints Auditor General

Who we are



- Independent, nonpartisan audit function to provide unbiased, objective information
- Similar functions to federal GAO

Sunset review process



- Established by Legislature
- Systematic agency and program review
- Generally every 8 years prior to termination date

Sunset reviews assigned by JLAC



- Reviews conducted by
 - Auditor General
 - Committee of Reference
- 2-year audit cycle approved by JLAC
 - Audits generally due by October 1

Sunset reviews we conduct



- Include 1 or more performance audits
- Sunset factor analysis, including:
 - Agency objective and purpose
 - Extent the agency serves the entire State
 - Harm to public if terminated

Committee of Reference hearing



- Committee of Reference must hold hearings to
 - Determine if statutory requirements are necessary and being met
 - Recommend continuation, including time frame, or termination
- Prepare and introduce legislation related to recommendations for termination/continuation

We conduct follow-up work



- Follow-up requirements
 - Time frame: 6 and 18 months, and beyond as needed

Arizona State Parks Board



Performance audit and sunset review

Arizona State Parks Board



- Established in 1967
- Board consists of 7 Governor-appointed members
- Bob Broscheid serves as executive director
- Auditor General conducted Board's 2012 sunset review

Board manages State Parks system

- In FY22, Board managed 33 State Parks
 - 3.1 million State Park visitors
 - \$22 million in State Park revenues
- Other Board responsibilities
 - Grants administration
 - State Historic Preservation Office
 - Capital project management



Sonoita Creek State Natural Area
Board-provided photograph

Board's process for meeting objective and purpose



Board developed:

- Standardized guidance for State Park operations
- Multilevel review process for awarding monies from 15 grant programs it administers

Grant awards complied with statute

Board awarded 39 projects from 2 programs in fiscal year 2022 in accordance with statutory requirements

Program	No. of projects	Amount awarded
State Lake Improvement Fund	10	\$4.3
Heritage Fund	29	\$4.9
Total	39	\$9.2 million

Problem identified



Board had not implemented policies that help prevent and detect the loss and theft of cash:

- Did not lock transactions in its cash receipt system and did not provide receipts to customers who paid in cash
- Did not reconcile cash deposits to detailed receipt logs

Why this matters



- Board collects an estimated \$5 million in cash payments annually
- Board relies on State Park revenues to pay for State Park system operations
- Lack of some controls intended to protect public monies increases risk of loss or theft of cash

Key recommendations

Develop and implement policies that require staff and volunteers to:

- Provide a receipt for all transactions
- Lock transactions in the cash receipt system
- Reconcile cash deposits to detailed receipt logs

Other problems identified



- Did not track grant completion timeliness or ensure grantees submitted close out documents within 90 days
- Lacked comprehensive project management practices

Other recommendations



Develop and implement policies and procedures for:

- Conflict-of-interest
- Complaint handling



Arizona State Parks Board

Presenters: Lindsey Perry and Jeff Gove
Date: January 19, 2023





Arizona House of Representatives Phoenix, Arizona 85007

July 7, 2022

Bob Broscheid, Executive Director
Arizona State Parks & Trails
1110 West Washington Street, Suite 100
Phoenix, Arizona 85007

Dear Executive Director Broscheid:

The sunset review process prescribed in Title 41, Chapter 27, Arizona Revised Statutes, provides a system for the Legislature to evaluate the need to continue the existence of state agencies. During the sunset review process, an agency is reviewed by legislative committees of reference. On completion of the sunset review, the committees of reference recommend to continue, revise, consolidate or terminate the agency.

The Joint Legislative Audit Committee (JLAC) has assigned the sunset review of the Arizona State Parks Board to committees of reference comprised of members of the House of Representatives Land, Agriculture & Rural Affairs Committee and the Senate Natural Resources, Energy and Water Committee. JLAC has directed the Auditor General to conduct a performance audit of the Arizona State Parks Board.

Pursuant to A.R.S. § 41-2954, the committee of reference is required to consider certain sunset factors in deciding whether to recommend continuance, modification or termination of an agency. In addition to the 12 sunset factors, which are addressed in the Auditor General performance audit, please provide your agency's written response to the required factors as listed below:

1. An identification of the problem or the needs that the agency is intended to address.
2. A statement, to the extent practicable, in quantitative and qualitative terms, of the objectives of such agency and its anticipated accomplishments.
3. An identification of any other agencies having similar, conflicting or duplicate objectives, and an explanation of the manner in which the agency avoids duplication or conflict with other such agencies.

4. An assessment of the consequences of eliminating the agency or of consolidating it with another agency.
5. The extent to which the agency potentially creates unexpected negative consequences that might require additional review by the committee of reference, including increasing the price of goods, affecting the availability of services, limiting the abilities of individuals and businesses to operate efficiently and increasing the cost of government.
6. The ability of the agency to timely investigate and resolve complaints within its jurisdiction.

Additionally, Laws 2021, Chapter 176 requires the committees of reference to consider certain factors for each agency that administers an *occupational regulation*, which is defined as: 1) a statute, rule, practice, policy or other state law that allows an individual to use an occupational title or work in a lawful occupation; and 2) a government registration, government certification and occupational or professional license. An *occupational regulation* does not include a business license, facility license, building permit or zoning and land use regulation, except to the extent those state laws regulate an individual's personal qualification to perform a lawful occupation. If your agency falls under this category, please provide written responses to the following:

1. The extent to which the occupational regulation meets the requirements of A.R.S. § 41-3502, as amended, transferred and renumbered by Laws 2021, Chapter 176.
2. The extent to which the failure to regulate a profession or occupation will result in:
 - a. the loss of insurance.
 - b. an impact to the ability to practice in other states or as required by federal law.
 - c. an impact to the required licensure or registration with the federal government.
 - d. the loss of constitutionally afforded practices.

Your response should be received by September 1, so we may proceed with the sunset review and schedule the required public hearing. Please submit the requested information to:

Paul Bergelin
Arizona House of Representatives
1700 West Washington
Phoenix, Arizona 85007

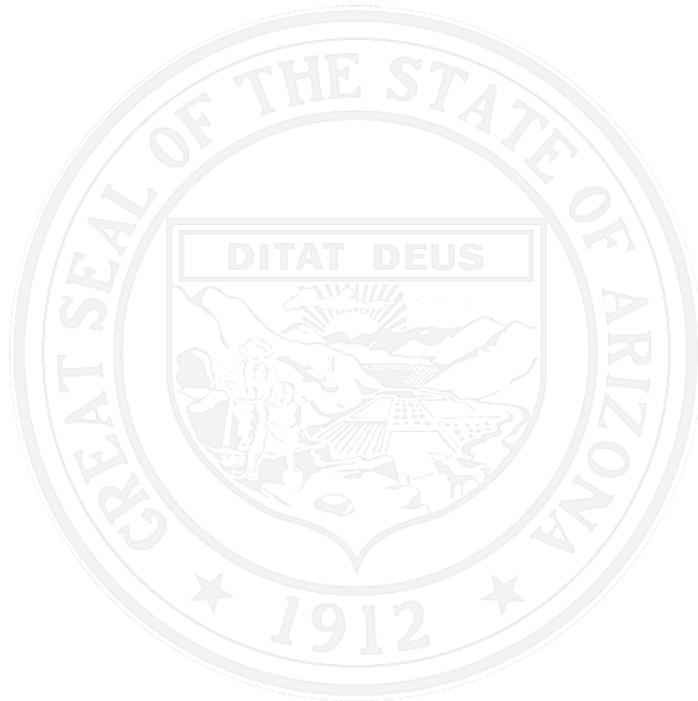
Thank you for your time and cooperation. If you have any questions, please feel free to contact me at (602) 926-4139 or Paul Bergelin, the House Land, Agriculture & Rural Affairs Research Analyst, at (602) 926-3458.

Sincerely,



Representative Tim Dunn
House Land, Agriculture & Rural Affairs Committee, Chair

cc: Senator Sine Kerr, Senate Natural Resources, Energy and Water, Chair
Rachel Caldwell, Senate Natural Resources, Energy and Water, Analyst





Doug Ducey
Governor

ARIZONA STATE PARKS BOARD

Bob Broscheid
Executive Director



August 30, 2022

Paul Bergelin
Arizona House of Representatives
1700 West Washington
Phoenix, Arizona 85007

RE: Sunset Review - Arizona State Parks Board

Dear Mr. Bergelin,

Please find the attached responses to the prescribed agency factors outlined in statute to be considered by the Committee of Reference for the 2022 Arizona State Parks Board.

The Arizona State Parks Board serves the entire State by managing the State Parks system, which has 33 state parks located throughout the State that provide opportunities for environmental education, historic information, exploring natural areas, and recreation, such as hiking, camping, boating, and fishing.

Thank you for the opportunity to respond. For any further questions, please contact Brittany Hudson, Legislative Liaison, at bhudson@azstateparks.gov or (602) 448-3187.

Sincerely,

Bob Broscheid
Executive Director
Arizona State Parks Board

1. An identification of the problem or the needs that the agency is intended to address.



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ARIZONA STATE PARKS BOARD

Bob Broscheid
Executive Director



The Legislature established the Board in 1957. The Board's mission is "managing and conserving Arizona's natural, cultural, and recreational resources for the benefit of the people, both in our parks and through our partners." The Board serves the entire State by managing the State Parks system, which has 33 state parks located throughout the State that provide opportunities for environmental education, historic information, exploring natural areas, and recreation, such as hiking, camping, boating, and fishing. In addition, the Board administers grant programs that help pay for construction, preservation, and other projects that benefit entities such as Arizona communities and agencies around the State. For example, in fiscal year 2021, the Board awarded 54 grants totaling \$17.9 million. Finally, the Board is responsible for evaluating and protecting Arizona's historic resources through the State Historic Preservation Office.

2. A statement, to the extent practicable, in quantitative and qualitative terms, of the objectives of such agency and its anticipated accomplishments.

According to Arizona Revised Statutes (A.R.S.) §41-511.03, the Board's purposes and objectives are to "select, acquire, preserve, establish, and maintain areas of natural features, scenic beauty, historical and scientific interest, and zoos and botanical gardens, for the education, pleasure, recreation, and health of the people, and for such other purposes as may be prescribed by law."

3. An identification of any other agencies having similar, conflicting or duplicate objectives, and an explanation of the manner in which the agency avoids duplication or conflict with other such agencies.

The Board works closely with two agencies with similar objectives, but larger scopes. The Arizona Office of Tourism (AOT) works to promote destinations and attractions throughout the state, including Arizona's state parks. The Board partners with AOT to provide information, images, tours and admission to the parks to take advantage of AOT's larger marketing budget and broader reach. Additionally, the Arizona Game & Fish Department (AZGFD) works with the Board to host events and activities that cross both agencies, such as water safety classes and kayaking groups. AZGFD also provides life jacket loaner stations at the parks, and both agencies work to promote safe and responsible outdoor recreation and wildlife education. A close working relationship with both agencies helps avoid duplication or conflict.

4. An assessment of the consequences of eliminating the agency or of consolidating it with another agency.

Terminating the Board could harm the public health and welfare if its responsibilities were not transferred to another entity. The Board is responsible for managing the State Parks system, comprising 33 State Parks that provide educational and recreational opportunities for members of the public. In addition, a June 2021 University of Arizona study reported that Arizona's State Parks are a key component of the State's outdoor recreation and tourism-based economy. Specifically,



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ARIZONA STATE PARKS BOARD

Bob Broscheid
Executive Director



the study estimated that the State-wide economic impact of Arizona State Parks' visitor spending was \$449 million in sales and that through visitor spending in local economies, Arizona's State Parks supported an estimated 4,200 jobs state-wide.

In addition, eliminating the Board without transferring its responsibilities to another State agency would likely result in the State's noncompliance with federal regulations. For example, A.R.S. §41-511.04(A)(7) requires the Board to plan, coordinate, and administer a State historic preservation program in accordance with federal regulations in the National Historic Preservation Act. Also, the Board administers federal grants that are paid for by LWCF monies, and the completed projects are required to remain open for the public's recreation in perpetuity. To comply with federal LWCF requirements, the Board reported that it annually performs approximately 150 site visits to ensure that the completed LWCF projects remain open to the public for recreational use.

5. The extent to which the agency potentially creates unexpected negative consequences that might require additional review by the committee of reference, including increasing the price of goods, affecting the availability of services, limiting the abilities of individuals and businesses to operate efficiently and increasing the cost of government.

None.

6. The ability of the agency to timely investigate and resolve complaints within its jurisdiction.

Although the Board does not have statutory responsibility for investigating and resolving complaints, it has established some practices for addressing complaints it receives from the public, including (1) complaints received by email and phone calls, (2) complaints and information requests made through the Board's public information officer, and (3) complaints or comments posted on the Board's social media channels.

In fiscal year 2021, the Board received 107 complaints through emails and phone calls that were generally related to State Park operations, such as State Park rules that allow a maximum of only five people per boat; facility complaints, such as restrooms not in working order; and Covid-related restrictions at the State Parks, such as the requirement to wear masks while hiking. The Board has established a goal to respond to complaints from members of the public within 24 hours. The Board staff responded to and resolved 99 of 107 complaints, or 93 percent, within 24 hours. The Board resolved seven of the other eight complaints within three days, and the remaining one complaint took 97 days to resolve.

Finally, Laws 2021, Chapter 176 requires the committees of reference to consider certain factors for each agency that administers an *occupational regulation*, which is defined as: 1) a statute, rule,



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practice, policy or other state law that allows an individual to use an occupational title or work in a lawful occupation; and 2) a government registration, government certification and occupational or professional license. An *occupational regulation* does not include a business license, facility license, building permit or zoning and land use regulation, except to the extent those state laws regulate an individual's personal qualification to perform a lawful occupation. If your agency falls under this category, please provide written responses to the following:

1. The extent to which the occupational regulation meets the requirements of A.R.S. §41-3502, as amended, transferred and renumbered by Laws 2021, Chapter 176.

N/A

2. The extent to which the failure to regulate a profession or occupation will result in:

- a. the loss of insurance. N/A
- b. an impact to the ability to practice in other states or as required by federal law. N/A
- c. an impact to the required licensure or registration with the federal government. N/A
- d. the loss of constitutionally afforded practices. N/A