

Arizona State Parks Board

	FY 2017 ACTUAL	FY 2018 ESTIMATE	FY 2019 BASELINE
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	163.0	163.0	163.0
Personal Services	4,344,000	4,842,800	4,842,800
Employee Related Expenditures	1,975,100	2,517,500	2,400,900
Professional and Outside Services	551,500	53,000	53,000
Travel - In State	1,600	18,300	18,300
Other Operating Expenditures	3,936,700	3,883,600	3,883,600
Equipment	425,200	829,200	829,200
OPERATING SUBTOTAL	11,234,100	12,144,400	12,027,800
SPECIAL LINE ITEMS			
Arizona Trail Fund	150,000	0	0
Federal Contingency Funding	0	0	0
Kartchner Caverns State Park	1,954,300	2,257,100	2,226,300
AGENCY TOTAL	13,338,400	14,401,500	14,254,100
FUND SOURCES			
<u>Other Appropriated Funds</u>			
State Parks Revenue Fund	13,338,400	14,401,500	14,254,100
SUBTOTAL - Other Appropriated Funds	13,338,400	14,401,500	14,254,100
SUBTOTAL - Appropriated Funds	13,338,400	14,401,500	14,254,100
Other Non-Appropriated Funds	10,953,600	14,878,400	14,628,400
Federal Funds	4,322,900	4,827,100	4,827,100
TOTAL - ALL SOURCES	28,614,900	34,107,000	33,709,600

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, and historic preservation.

Operating Budget

The Baseline includes \$12,027,800 and 127.2 FTE Positions from the State Parks Revenue Fund in FY 2019 for the operating budget. FY 2019 adjustments are as follows:

Remove Health Insurance Adjustment

The Baseline includes a decrease of \$(116,600) from the State Parks Revenue Fund in FY 2019 for the removal of a one-time FY 2018 health insurance adjustment. *(Please see the Technical Budget Assumptions section.)*

Federal Contingency Funding

The Baseline includes no funding in FY 2019 for Federal Contingency Funding. This amount is unchanged from FY 2018.

The FY 2017 budget included \$1,500,000 from the State Parks Revenue Fund for contingency funding in case of a significant decrease in federal funding for that fiscal year. To spend the appropriation, the board was required to submit an agency expenditure plan for review by the Joint Legislative Budget Committee that demonstrated that the actual amount of federal funding the board would receive in FY 2017 was less than the actual amount of federal monies received by the board in FY 2016. The amount spent by the board could not exceed the estimated decrease in federal monies from FY 2016 to FY 2017.

The board did not receive a decreased amount of federal funding in FY 2017, and as a result, did not submit an expenditure plan for review. The funds were unexpended and reverted to the State Parks Revenue Fund.

Kartchner Caverns State Park

The Baseline includes \$2,226,300 and 35.8 FTE Positions from the State Parks Revenue Fund in FY 2019 for Kartchner Caverns State Park. FY 2019 adjustments are as follows:

Remove Health Insurance Adjustment

The Baseline includes a decrease of \$(30,800) from the State Parks Revenue Fund in FY 2019 for the removal of a one-time FY 2018 health insurance adjustment.

Kartchner Caverns is located in Benson, Arizona and was discovered in 1974. The State Parks Board acquired the property in 1988 and opened the caverns to the public in 1999.

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FORMAT — Operating Lump Sum with Special Line Items by Agency

FOOTNOTES

Standard Footnotes

All Other Operating Expenditures include \$26,000 from the State Parks Revenue Fund for Fool Hollow State Park revenue sharing. If receipts to Fool Hollow exceed \$260,000 in FY 2019, an additional 10% of this increase of Fool Hollow receipts is appropriated from the State Parks Revenue Fund established by A.R.S. § 41-511.21 to meet the revenue sharing agreement with the City of Show Low and the United States Forest Service.

Deletion of Prior Year Footnotes

The Baseline would delete the footnote concerning the lapsing of the \$1.5 million FY 2017 supplemental from the State Parks Revenue Fund at the end of FY 2019.

STATUTORY CHANGES

The Baseline would, as session law, continue to allow the use of \$692,100 from the Off-Highway Vehicle Recreation Fund for agency operating costs in FY 2019.

Other Issues

Rockin' River Ranch State Park Status

The FY 2018 Capital Outlay Bill (Laws 2017, Chapter 306) included \$4.0 million from the State Parks Revenue Fund in FY 2018 for the construction of Rockin' River Ranch State Park, located in Camp Verde. This amount is available for use through the end of FY 2019. The Joint

Committee on Capital Review favorably reviewed Arizona State Parks Board's (ASPB) expenditure plan for the park's design and construction at its September 2017 meeting. During the FY 2018 budget process, ASPB had estimated a total project cost of \$9,012,600. However, as a result of the master planning process, ASPB will construct the park using only the \$4.0 million appropriated in FY 2018, rather than requesting added funds in FY 2019. ASPB plans to evaluate contractor bids beginning in January 2018, begin construction in March 2018, complete construction in November 2018, and open the park to the public in December 2018.

Status of Parks

As of November 2017, 29 state parks are open to the public:

- Twenty-two open parks use only existing state fund sources (Alamo Lake, Buckskin Mountain, Catalina, Cattail Cove, Dead Horse Ranch, Fool Hollow, Fort Verde, Granite Mountain Hotshot Memorial, Homolovi Ruins, Jerome, Kartchner Caverns, Lake Havasu, Lost Dutchman, Lyman Lake, Oracle, Patagonia Lake, Picacho Peak, Roper Lake, River Island, Slide Rock, Tombstone Courthouse, and Tonto Natural Bridge).
- Six open parks are funded and operated through agreements between the State Parks Board and local governments (Riordan Mansion, Boyce Thompson Arboretum, McFarland, Tubac Presidio, Yuma Territorial Prison, and Colorado River State Historic Park, which was formerly named Yuma Quartermaster Depot). Partnerships originated from instances where a local government operates a state park that may have otherwise stopped operation due to insufficient state resources. Local governments operate and retain revenues from these parks.
- One open park receives minimal funding through agreements to fund part-time staff (Red Rock).

(Please see Table 1 for more information.)

Table 1**Arizona State Parks Visitation and Revenue Growth ^{1/}**

Park	Visitation			Revenue		
	FY 16	FY 17	% Change	FY 16	FY 17	% Change
Alamo Lake	40,300	41,500	3.0%	\$ 305,000	\$ 336,000	10.2%
Boyce Thompson	84,200	93,100	10.6%	11,400	14,300	25.4%
Buckskin Mountain ^{2/}	96,900	100,100	3.3%	713,900	862,300	20.8%
Catalina	181,000	207,300	14.5%	1,190,100	1,311,900	10.2%
Cattail Cove	58,100	93,200	60.4%	573,400	617,800	7.7%
Dead Horse Ranch	162,400	163,700	0.8%	1,022,400	1,138,100	11.3%
Fool Hollow Lake	96,100	110,500	15.0%	653,800	824,000	26.0%
Fort Verde	10,800	9,800	(9.3)%	51,500	51,600	0.2%
Granite Mountain ^{3/}	-	12,100	NA	-	-	-
Homolovi	21,200	24,400	15.1%	112,500	143,000	27.1%
Jerome	47,600	45,000	(5.5)%	268,200	288,200	7.5%
Kartchner	157,800	158,600	0.5%	2,561,400	2,617,500	2.2%
Lake Havasu	440,700	498,100	13.0%	1,499,700	1,786,500	19.1%
Lost Dutchman	159,800	176,300	10.3%	890,500	1,009,100	13.3%
Lyman Lake	10,300	12,900	25.2%	120,300	136,300	13.3%
McFarland	8,900	7,700	(13.5)%	-	-	-
Oracle	6,900	9,500	37.7%	16,700	22,000	31.7%
Park Store	NA	NA	NA	59,100	79,400	34.3%
Patagonia Lake	208,500	221,500	6.2%	1,126,900	1,285,500	14.1%
Picacho Peak	80,100	87,100	8.7%	376,200	418,100	11.1%
Red Rock	59,800	75,600	26.4%	396,900	491,400	23.8%
Riordan Mansion	23,900	25,200	5.4%	-	-	-
Roper Lake	68,200	72,900	6.9%	386,800	453,800	17.3%
Slide Rock	399,000	440,600	10.4%	1,493,900	1,565,600	4.8%
Tombstone	46,600	49,800	7.1%	-	65,900	NA
Tonto Natural Bridge	123,400	115,600	(6.3)%	707,600	747,100	5.6%
Tubac Presidio	10,900	9,100	(16.5)%	-	-	-
Yuma Crossing	15,300	14,600	(4.6)%	-	-	-
Yuma Prison	63,000	65,700	4.5%	-	-	-
Credit Card Fees	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>(254,500)</u>	<u>(314,000)</u>	<u>23.4%</u>
Total	2,681,700	2,941,500	9.7%	\$14,283,700	\$15,951,400	11.7%

^{1/} ASPB does not receive revenues from certain partnership parks, including McFarland, Riordan Mansion, Tubac Presidio, Yuma Quartermaster, and Yuma Prison.

^{2/} Includes visitation and revenue figures for River Island State Park.

^{3/} Granite Mountain Hotshots Memorial State Park opened in FY 2017 and does not charge entrance fees.

SUMMARY OF FUNDS	FY 2017 Actual	FY 2018 Estimate
Arizona Trail Fund (PRA2525/A.R.S. § 41-511.15)		Non-Appropriated
Source of Revenue: Legislative appropriations and donations.		
Purpose of Fund: To maintain and preserve the Arizona trail.		
Funds Expended	72,500	41,800
Year-End Fund Balance	77,500	35,700
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	4,322,900	4,827,100
Year-End Fund Balance	9,000	8,900
Land Conservation Fund - Administration Account (PRA2432/A.R.S. § 41-511.23)		Non-Appropriated
Source of Revenue: Interest earnings from the Public Conservation Account, which received \$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: For operating expenses.		
Funds Expended	0	250,000
Year-End Fund Balance	262,000	12,000
Land Conservation Fund - Donation Account (PRA2432 B/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 C/A.R.S. § 41-511.23)		Non-Appropriated
Source of Revenue: As approved by Arizona voters in November 1998, the fund received \$20,000,000 annually from the General Fund in FY 2001 through 2011. Beginning in FY 2004, \$2,000,000 of this amount was 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	0	0
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. Sixty 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. The FY 2018 Environment Budget Reconciliation Bill (Laws 2017, Chapter 308) continues to allow the use of \$692,100 for agency operating expenses.		
Funds Expended	1,837,000	3,027,500
Year-End Fund Balance	5,659,200	5,659,200

SUMMARY OF FUNDS	FY 2017 Actual	FY 2018 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	551,300	2,696,800
Year-End Fund Balance	460,400	460,500
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 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 (JCCR).		
Funds Expended - Capital	958,900	8,301,400
Funds Expended - Operating (amount includes local grants)	8,382,800	8,322,300
Year-End Fund Balance	8,930,600	971,200
State Parks Fund (PRA3117/A.R.S. § 41-511.11)		Non-Appropriated
Source of Revenue: Private gifts, grants, and donations.		
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	110,000	350,000
Year-End Fund Balance	389,500	119,500
State Parks Revenue Fund (PRA5555/A.R.S. § 41-511.21)		Appropriated
Source of Revenue: State parks user fees and concession sales; sales of park posters, postcards, books and souvenirs; donations and legislative appropriations.		
Purpose of Fund: To fund parks operations, acquisition and development. Capital projects that are funded using these monies are subject to JCCR review. As session law, the FY 2018 Capital Outlay Bill (Laws 2017, Chapter 306) appropriated \$5,300,000 for capital projects. The appropriation for Capital Outlay is reflected below.		
Funds Expended - Operating	13,338,400	14,401,500
Funds Expended - Capital	501,100	5,300,000
Year-End Fund Balance	16,410,200	12,363,800
Sustainable State Parks and Roads Fund (PRA3125/A.R.S. § 41-511.17 and A.R.S. § 43-622)		Non-Appropriated
Source of Revenue: Voluntary contributions from individual income taxpayers via a donation on the individual income tax return form.		
Purpose of Fund: To operate, maintain and make capital improvements to buildings, roads, parking lots, highway entrances and any related structure used to operate state parks.		
Funds Expended	0	190,000
Year-End Fund Balance	194,500	83,300

SUMMARY OF FUNDS	FY 2017 Actual	FY 2018 Estimate
Yarnell Hill Memorial Fund (PRA3124/A.R.S. § 41-519.02)		Non-Appropriated
Source of Revenue: Legislative appropriations and donations to the fund. The FY 2015 Environment Budget Reconciliation Bill included a one-time appropriation of \$500,000 from the General Fund in FY 2015 to establish Yarnell Hill Memorial State Park.		
Purpose of Fund: The park was created to honor 19 Prescott firefighters who were killed fighting a wildfire near Yarnell, Arizona. The FY 2015 Environment Budget Reconciliation Bill established Yarnell Hill Memorial State Park, which opened in November 2016.		
Funds Expended	0	0
Year-End Fund Balance	3,000	3,000