



ARIZONA STATE SENATE
Forty-ninth Legislature, First Regular Session

PROGRAM PRESENTATION
Arizona State Parks Board

Background

The Arizona State Parks Board (Board) was established by the Legislature in 1957. Among its responsibilities, the Board operates and maintains all of Arizona's state parks, natural areas and historic and cultural areas. The Board manages 28 parks through ownership, leases and management agreements and receives both appropriated and nonappropriated monies.

The Board consists of seven members, including six members appointed by the Governor to six-year terms and the State Land Commissioner. A full time director serves at the pleasure of the Board.

The Grants Section of Arizona State Parks manages eight grant programs administered by the Board, including the Heritage Fund and Growing Smarter grants. According to the Arizona State Parks FY 2007-2008 Annual Report, more than \$32 million is available annually to Arizona communities, resource managers and agencies through the grants.

The Board's most recent sunset review was conducted in 2002, and the Board was continued for ten years.

Fiscal Information

The Board expends monies for agency operations; park acquisition, construction, development and maintenance; and awards grants and monies to other entities for park, historic preservation and other statutorily mandated programs. The Legislature appropriates monies to the Board from the state General Fund, the Law Enforcement and Boating Safety Fund, Reservation Surcharge Revolving Fund and the State Parks Enhancement Fund (SPEF). The Board also receives revenues and disburses monies from several nonappropriated funds, including the Arizona Heritage Fund, the State Lake Improvement Fund (SLIF) and the Off-Highway Vehicle Fund (OHVF).

Beginning in FY 2003-2004 and occurring each year since, the Legislature has authorized the Board to expend up to \$692,100 from the OHVF for operating expenses. The OHVF is funded by a portion of the total license taxes on motor vehicle fuel.

The SPEF consists primarily of monies derived from state park user fees, concession fees and other revenue generating activities. The Board reports revenue generated by Arizona State Parks in FY 2007-2008 was more than \$9.9 million, which is deposited into the SPEF.

A.R.S. § 41-511.11 provides that one-half of the SPEF is allocated for park operations and the remaining half is for park acquisition and development. From FY 2003-2004 to FY

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2006-2007, the Legislature allowed monies in the SPEF capital set-aside to be used for Board operation purposes, less an amount sufficient to fund the lease-purchase payment for Tonto National Bridge State Park. In FY 2007-2008 and FY 2008-2009, the Legislature authorized the continued use of SPEF monies for the Board's operating costs, and further stipulated any capital projects were subject to Joint Committee on Capital Review approval.

The SLIF provides funding to state agencies, counties and local governments for capital and land acquisition projects on waters where gasoline-powered boats are permitted. SLIF monies are derived from gasoline taxes for boating and a watercraft license tax. According to the Board, approximately two-thirds of SLIF monies are used for project grants to local communities. In addition, the Board is authorized to use SLIF monies for operating costs.

In FY 2007-2008, the Board was appropriated \$27,784,300 from the state General Fund. As part of its operating expenses, the Board had special line items for the Arizona Trail (\$125,000), Growing Smarter (\$20 million) and Kartchner Caverns State Park (\$2,439,300).

Committee Activity

The Board's presentation to the NRIPD Committee on February 2, 2009, included an overview of Arizona State Parks and the Board's current finances. Among the topics of discussion were:

- History and current condition of Arizona State Parks;
- Possible impact of budget reductions on park operations (e.g. closures);
- Efforts/remedies to lessen impact;
- Forecasted funding needs beyond FY 2008-2009.

There was no public testimony, and the Committee did not make any recommendations.

FY 2008-2009 Budget Action

Laws 2009, First Special Session, Chapter 1 included an agency state General Fund reduction for the Board of \$4,853,000 in FY 2008-2009. Of that amount, \$3,809,800 is offset through other funds. Total EBT, FRAT and other fund transfers totaled \$18,430,300. Specific fund amounts are provided on the next page.

The original FY 2008-2009 state General Fund appropriation for the Board of \$28,463,200 was revised to \$23,610,200.

Attachments

- General Fund Detailed List of Budget Options (Board section only)
- FY 2010 JLBC Baseline Book – Individual Agency (Board section only)
- Board handouts to the NRIPD Committee