

**FY 2010 BUDGET REDUCTIONS - SUMMARY OF ISSUES
DEPARTMENT OF MINES AND MINERAL RESOURCES**

GENERAL FUND

FY 2010 General Fund Budget **888,900**

AGENCY REDUCTION TARGET - GENERAL FUND **\$133,300**

Priority	Issue Title¹	Reductions Amount
1	Suspend Agency Operations	\$133,300
	Issue Total	\$133,300

Fund Total as a Percentage of General Fund Reduction Target 100%

¹ Please complete the attached Description and Impact Statement for each issue.

The target to be met is \$133,300, so it will have been met.
The rent for the DMMR building is \$524,700; 15% of that is \$78,700

**FY 2010 BUDGET REDUCTIONS - SUMMARY OF ISSUES
DEPARTMENT OF MINES AND MINERALS RESOURCES**

MINES AND MINERALS RESOURCES FUND

FY 2010 All Non-General Funds Budget (less Federal Funds)	344,500
AGENCY REDUCTION TARGET - ALL NON-GENERAL FUNDS (w/o Federal Funds)	\$51,700

Priority	Issue Title ¹	Reductions Amount
1	Suspend Agency Operations	\$51,700
	Issue Total	\$51,700

Fund Total as a Percentage of Non-General Fund Reduction Target	100%
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¹ Please complete the attached Description and Impact Statement for each issue.

**STATE OF ARIZONA
FY 2010 BUDGET REDUCTIONS - ISSUE DESCRIPTIONS**

Department of Mines and Minerals

Issue Title: Suspend Agency Operations

Issue Priority: 1

Reduction Amount:

General Fund: \$133,300

Mines and Minerals Fund: \$51,700

Total: \$185,000

Issue Description and Statement of Effects

It is anticipated that the Department of Mines and Minerals will expend \$462,228 or 52% of its total FY 2010 General Fund appropriation by January 1, 2010.

The 52% does not include \$317,650 in rent charges by the Department of Administration that will be collected in the third and fourth quarters. Currently, the Department assumes that \$7,000 of these costs will be absorbed by the Mines and Minerals Resources Fund.

The agency, therefore, has discretion over approximately \$115,022 left to address its proposed reduction of \$133,300.

Therefore, the Department would not be able to achieve its 15% target if it meets its rent obligations. The agency would, on January 1, 2010 suspend operations until the start of the new fiscal year.

Currently the Department of Mines and Mineral Resources hires several part time employees designated as "tour guides" for the Department's museum. There is no statutory requirement under ARS 27-102(B) to have "tour guides."

These part-time positions are paid from receipts from the Mines and Minerals Resources Fund, primarily sales from the museum gift shop. Currently, the Department has budgeted \$158,800 in personal services and employee related expenses from the Fund. Reducing this number in half, (the net effect of an expenditure reduction on January 1st of the fiscal year), would yield a total savings of \$79,400.

However, there is likely to be a decline in concession revenue in the store if half the staff is eliminated. This is because many elementary schools students receive instruction about minerals and help during their viewing of the museum exhibits. It is possible that a certain percentage of teachers will elect not to visit the museum, even though it is free for visitors under the age of 18. If that occurs, it is likely that concession revenue will decline significantly. Many school children purchase souvenirs of minimal value in the gift shop before ending their visit.

This reduction also presumes that the Department's General Fund appropriation is not reduced by 15%. If the Department's General Fund is cut, there would be no personnel to maintain the Department or staff the gift shop.