



# OREGON LEGISLATIVE POLICY & RESEARCH OFFICE

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## Basics on PARK FUNDING STRATEGIES

### OREGON

Total Acreage (lands managed)	Campsites	Visitations Per Year
91,656	3,754	41,943,543

Total Operating Expenditures	Total Capital Expenditures
\$23,708,320	\$3,323,680
General Funds 12%	General Funds 4%
Dedicated Funds 51%	Dedicated Funds 0
Revenues 35% (other 2%)	Revenues 76% (other 20%)

\*Figures are for fiscal year 1994. Source for all tables: National Association of State Park Directors. 1995 Annual Information Exchange. Tallahassee, Florida. December 1995.

The **Oregon Department of Parks and Recreation**, which manages a park system that includes 6,787 acres of federal lands ( 7 percent of the total acreage managed by the Department), is facing a budget shortfall of \$3.6 million for the 1996-97 fiscal year.<sup>i</sup> The department has responded to revenue shortages by reducing expenditures by \$2.3 million for the first fiscal year of the 1995-97 biennium, deferring planned capital purchases and repairs, freezing positions, and by reducing expenditures on services and supplies. The department continued these measures into 1996 and reduced expenditures another \$2.3 million. Planned park closures, authorized by the Oregon Parks and Recreation Commission in June of 1996, were to make up the remainder of the projected budget shortfall. However, the Emergency Board met in early November and allocated funds to avoid park closures in the short term. The parks funding issue is expected to be addressed by the legislature in 1997.

**Contact: Bob Meinen, Director, Oregon Department of Parks and Recreation, (503) 378-5019**

### WASHINGTON

Total Acreage (lands managed)	Campsites	Visitations Per Year
248,717	7,044	45,308,744

Total Operating Expenditures	Total Capital Expenditures
\$26,655,400	\$9,667,233
General Funds 62%	General Funds 87%
Dedicated Funds 38% <sup>ii</sup>	Dedicated Funds 12%
Revenues and other-negligible	Revenues and other-negligible

Parks under the **Washington State Parks and Recreation Commission** (44 percent of park lands managed by the state are federally owned) face pressures from declining revenues, park infrastructures badly in need of repairs, and an increasing number of park visitors every year. The commission has implemented, or is considering several options:

- Park system restructuring and periodic park closures.
- In partnership with Oregon, developing site-specific reservation system.
- Volunteer system expansion.

- Trail leasing to fibre optic companies for underground cable systems.
- Coalitions to acquire parks through bond sales.
- Maintenance deferral.
- Development of a central collection point for park revenues to be reinvested in parks systems.
- Educational programs.
- Creation of an Enterprise Team to develop revenue streams.
- Certificates of Participation (COPs) to renovate park facilities for rental.
- Expansion of visitor services at some parks.
- Possible boat tax to fund special water programs.
- Possible divestiture of some state parks to local governments.

**Contact: Russ Cahill, Deputy Director, Washington State Parks and Recreation Commission (360) 902-8502**

### *IDAHO*

Total Acreage (lands managed)	Campsites	Visitations Per Year
41,848	1,371	2,517,221

Total Operating Expenditures	Total Capital Expenditures
\$5,778,990	\$2,354,301
General Funds 59%	General Funds 11%
Dedicated Funds 7%	Dedicated Funds 42%
Revenues 31% (other 3%)	Revenues 3% (other 44%)

The **Idaho Parks and Recreation Department** is facing revenue shortfalls and increasing numbers of visitors each year. In addition, Idaho's economy is slowing, particularly in the microchip industry, one of the state's largest tax contributors. Approximately 60 percent of Idaho park lands are under federal ownership. Therefore, the state primarily facilitates recreational activities and programs on federal park lands. In addition to restructuring its parks department, Idaho explored the following:

- Partnerships with the federal government.
- Park land banking.<sup>iii</sup>
- Park divestiture to the city of Boise.
- Fee increases.
- Self-supporting professional fund-raiser position to secure funding for capital improvements.
- Federal dam relicensing as a source of revenues for fish and wildlife mitigation.
- Incentives for employees to develop revenue-generating ideas.
- Legislative appropriations from the recreational vehicle fund to supplement visitor's centers.
- Creation of the State Trust for Outdoor Recreation Enhancement (STORE) to replace federal dollars.
- Legislation to dedicate lottery dollars for STORE (Idaho Senate Bill No. 1498, 1996 session, vetoed).
- Legislation to establish Off-road Bicycle Recreational Fund to develop trails and provide trail information (Idaho House Bill No. 186, 1995 session, failed).

**Contact: Franklin E. Boteler, Deputy Director, Idaho Department of Parks and Recreation (208) 334-4199**

### Other Park Systems

#### COLORADO

Total Acreage (lands managed)	Campsites	Visitations Per Year
337,233	2,379	11,997,416

Total Operating Expenditures	Total Capital Expenditures
\$13,521,668	\$3,638,806
General Funds 30%	General Funds 0%
Dedicated Funds 4%	Dedicated Funds 100%
Revenue 63% (other 3%)	Revenues 0

Park lands under the **Colorado Parks and Outdoor Recreation Department** are primarily water recreation oriented. The state also manages recreational activities in eight parks owned by the Federal Bureau of Reclamation and in three parks owned by the Army Corps of Engineers. These activities are funded through the state parks budget. Approximately 36 percent of park lands in the state are federally owned.

Daily entrance and camping fees provide most of Colorado parks operating budget. While most fees are per vehicle, several parks in the state charge per person rates. Lottery proceeds fund the entire capital budget. Fifty percent of lottery revenues are administered through a trust fund, which allocates grant money to state and local parks, nongame wildlife, and to an account for park lands acquisition. Forty percent of lottery revenues go to the Conservation Trust Fund for local parks. Until 1998, the remaining 10 percent of lottery revenues will fund prisons, at which time all lottery proceeds will be dedicated to parks.

**Contact: Dean Winstanley, Assistant Director, Colorado Parks and Recreation Department (303) 866-3437**

#### MONTANA

Total Acreage (lands managed)	Campsites	Visitations Per Year
52,241	1,067	2,100,000

Total Operating Expenditures	Total Capital Expenditures
\$4,371,516	\$751,940
General Funds 7%	General Funds 0
Dedicated Funds 69%	Dedicated Funds 57%
Revenues 18% (other 6%)	Revenues 0 (other 43%)

In 1990, the **Montana Department of Fish, Wildlife and Parks** restructured and divested itself of managing recreation on several federally-owned reservoirs in response to declining revenues and maintenance backlogs. That same year, the State Park Futures Committee was formed to explore new revenue sources for Montana parks. The committee suggested an accommodations (bed) tax, park road improvements, and a sales tax. The legislature appropriated funds for park road improvements for the last two biennia. The sales tax has not been implemented. Currently, the department is focusing available dollars on completing maintenance and yearly projects such as the building of new facilities.

The department's capital budget is fee-based. The system's operating budget has three primary sources: fees, a motor boat fuel tax, and a coal tax. Montana is supplementing revenues by expanding its system of parks volunteers. The state has not pursued bonding, with the exception of one bond issue presently under consideration to allow for the purchase of a privately-owned ghost town. Possible revenue sources for paying off the bonds include a sales tax on carbonated beverages and a tax on rental cars.

**Contact: Doug Monger, Assistant Administrator, Parks Division, Montana Department of Fish, Wildlife and Parks (406) 444-3750**

*UTAH*

Total Acreage (lands managed)	Campsites	Visitations Per Year
97,130	2,021	6,955,443

Total Operating Expenditures	Total Capital Expenditures
\$14,452,321	\$4,845,772
General Funds 48%	General Funds 36%
Dedicated Funds 20%	Dedicated Funds 0
Revenues 30% (other-negligible)	Revenues 7% (other 57%)

Utah's parks system, 64 percent of which is federally owned, also faces revenue shortfalls. The state legislature appropriates funds to the **Utah Division of Parks and Recreation**, on a yearly basis, comprising about half of the agency's budget. Fees are the next largest revenue source, with motor boat fuel taxes, recreational vehicle gas taxes, and federal funds making up the balance of the budget. The department's goal is for 40 to 50 percent of the entire budget to be fee based. Revenue bonds, general obligation bonds, and "modified" bonds have all been issued to supplement the parks budget. Projects developed with bond issues include golf-courses which generate fees which are reinvested in the state's park system. In addition, a partnership with the Federal Bureau of Reclamation provides matching funds of up to \$1 million per year for park enhancements.

A full-time fund raiser is employed by the department in a self-supporting position. However, additional revenue sources are still needed. The following options are being considered at this time:

- Expanding the park volunteers system.
- Divestiture, particularly of parks in urban areas and/or non-revenue-generating parks.
- Diversifying the fee schedule, increasing fees, and renegotiating concessionaire contracts.

**Contact: Bob Morris, Government Relations, Utah Division of Parks and Recreation (801) 538-7334**

*NEVADA*

Total Acreage (lands managed)	Campsites	Visitations Per Year
146,220	1073	2,886,238

Total Operating Expenditures	Total Capital Expenditures
\$4,764,593	\$3,545,296
General Funds 57%	General Funds 5%
Dedicated Funds 24%	Dedicated Funds-negligible
Revenues (other-negligible)	Revenues 0 (other 95%)

The state parks system, administered by the **Nevada Division of State Parks**, is comprised primarily of federally-owned lands (83 percent). The division's operating budget receives most of its revenues from general fund appropriations (40 percent), with the remainder from motor boat fuel taxes (the only dedicated funding source), park fees, and miscellaneous sources such as grazing and concession fees. Until recently, fees comprised only 17 percent of the parks budget, compared to a national average of 34 percent. Nevada's goal is to increase fees to 30 percent of the parks budget. The division's capital budget is funded from federal funds, general fund appropriations, historic preservation funds, and federal scenic byway moneys.

Much of the system's infrastructure was developed in the 1970s with federal Land and Water Conservation Funds and is currently in need of significant repairs. The state legislature is expected to appropriate general funds in the upcoming legislative session to address the repair backlog. The parks division is considering or has implemented a number of options for increasing park revenues:

- Placement of automated collection devices at park entrances.
- A partnership with California or Oregon for camping reservations system.
- Increasing camping fees.

- Employing a business manager for fund raising and concessions management.
- Utilizing private funding to construct recreational facilities and concessions, particularly marinas.
- Issuing general obligation bonds for wetland and wildlife rehabilitation, land acquisitions, maintenance, and new facilities.
- Continuing to expand the volunteer system.
- Developed a partnership with a private parks association for interpretive-related projects modeled after the National Parks Natural Historical Association.

**Contact: Steve Weaver, Chief of Planning and Development, Nevada Division of State Parks (702) 687-1693**

#### SELECTED REFERENCES

Source of Data in Tables: National Association of State Park Directors. 1995 Annual Information Exchange: State Park Statistical Data for the Year Ending June 30, 1994. Tallahassee, Florida. December 1995.

Oregon Legislative Fiscal Office. Parks and Recreation Department Budget Shortfall and Park Closures. August 1996.

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<sup>i</sup> See Legislative Fiscal Office Budget Information Brief, Parks and Recreation Department Budget Shortfall and Park Closures, August 1996 for a more complete discussion.

<sup>ii</sup> These are actually Revenues which are dedicated for park use.

<sup>iii</sup> Land-banking is essentially a temporary park closure.