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Trends in State Funding of Parks & Recreation

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As part of the solution to close recent state budget gaps, lawmakers have reduced or eliminated general fund support for state parks and recreation departments. Park and recreation administrators have been required to make difficult decisions: cut operations, find alternative sources of revenue or do both. In many instances, park officials have been innovative in their approaches.

The nature of budget cuts in Fiscal Year (FY) 2012 affecting state parks do not differ significantly in size or scope from those in FY 2010 or FY 2011. But several years of state funding reductions may have permanently altered how parks are financed and operated in the future.

The Evolving Nature of State Parks Support

While some states have reduced general fund support for parks and recreation, others have eliminated support altogether. Here are examples of recent funding actions:¹

- Arizona eliminated all general fund support for the Arizona Parks Board. In FY 2011, the board received a \$20 million appropriation.² State park operations now will be funded through entrance fees and partnerships with local governments and corporations.
- In May 2011, the California Legislature announced the closure of 70 of the state's 278 parks as part of an overall budget reduction over the next several years.³

¹ These examples come from NCSL's *State Measures to Balance Budgets* online database. The database is a partnership between NCSL's Fiscal Affairs Program and the Pew Center on the States. To access the database, please visit: <http://www.ncsl.org/default.aspx?TabId=20000>.

² The State of Arizona FY 2012 Appropriations Report, see: <http://www.azleg.state.az.us/jlbc.htm>.

³ "California Puts Brakes on Parks," The Wall Street Journal. Accessed June 18, 2011. Please see: <http://online.wsj.com/article/SB10001424052702304665904576383920255484738.html?KEYWORDS=california+puts+brakes+on+parks>.

- In 2010, Colorado reduced the state parks budget by \$3 million. More recently, lawmakers approved a merger between the Colorado Division of Wildlife and Colorado State Parks. Officials predicts the merger will save between \$3 million and \$4 million annually.
- The Georgia legislature cut \$10 million from the state parks budget in its 2010 session.
- In Idaho, 25 state parks agency positions were eliminated in conjunction with a \$4.5 million funding reduction.
- Massachusetts officials cut the state’s parks and recreation budget by \$23 million.
- Seven state parks in Oklahoma are scheduled to close by the end of this summer. Officials anticipate the closures to save \$700,000 annually.
- Lawmakers in Texas reduced the Parks and Wildlife budget by roughly \$145 million (21 percent). Park officials anticipate the cut will lead to shorter visitor hours and employee layoffs.
- In FY 2010, the Utah state parks budget was reduced by 18 percent. It was cut by another \$3 million (10 percent) in FY 2011.
- In Washington, the Parks and Recreation department will no longer receive any state funding for its operating budget. To make up for the lost revenue, the department will impose a \$30 annual vehicle pass and a \$10 visitor day pass.

Alternative Funding Solutions

State budget cuts have prompted park officials to explore creative funding and operating solutions.

Corporate Sponsors and New Partnerships. Some park officials are allowing corporations to advertise in state parks. In Georgia, Verizon Wireless has provided funding for tools and supplies in exchange for park advertising and a spotlight on the Department of Natural Resources website.

Officials in New Hampshire are exploring a potential partnership with Eastern Mountain Sports. Administrators in Idaho are considering whether to allow corporate sponsorships to help keep parks operating. In Arizona, administrators have partnered with local governments to keep state parks open. For example, the McFarland State Historic Park is now operated by the town of Florence and the Florence Main Street Project, a nonprofit economic development organization.⁴

⁴ “Arizona’s State Parks Staying Open Thanks to Partnerships” *Arizona Central*, see: <http://www.azcentral.com/news/election/azelections/articles/2011/03/13/20110313arizona-state-parks-sustained.html>.

Dedicated Revenue Sources. Lawmakers in some states are implementing or raising fees and designating that money for parks. In 2010, Michigan lawmakers enacted the *Recreation Passport* law that allows motorists to pay an additional \$10 fee when they renew their license plates. Those who pay the fee are allowed entry into state parks for the one year that their vehicle registration is valid.⁵

Other states have increased existing fees or reduced discounts. This year Nebraska raised entry fees to state parks. In Colorado, the State Parks Board reduced the senior citizen discount available through the Aspen Leaf Annual Pass program.⁶ Instead of a receiving a 50 percent discount, seniors now get \$10 off the cost of their annual pass.

As previously noted, visitors to Washington's parks will be assessed a \$30 annual pass per vehicle or a \$10 visitor day pass.

In November 2010, California voters rejected Proposition 21. The measure would have allowed an \$18 vehicle license surcharge to fund state parks.⁷

State Land Leases. A couple of states are considering leasing state land and using part of the revenue to support state parks. In Pennsylvania, the budget uses royalties and lease payments from natural gas and oil drilling to maintain the operating budget of the Department of Conservation and Natural Resources (DCNR), which oversees all state parks. Oil and gas drilling revenues now finance 41 percent of the state parks budget and 25 percent of the state forests budget, with the state general fund financing only one-third of these budgets.⁸

Ohio created a commission to oversee the leasing of land for oil and gas drilling. At least 30 percent of the revenue generated from a lease must be allocated to the state park in which the land is leased.⁹ According to agency officials, the department has a \$560 million backlog of repairs, and revenues from leases will help the department address those needs.

⁵ Michigan's Recreation Passport Will Benefit State Parks, State Forests, Campgrounds, Non-Motorized Trails and Local Parks PRESS RELEASE, Michigan Department of Natural Resources, see: http://www.michigan.gov/dnr/0,1607,7-153-10365_55798_57113-234660--,00.html.

⁶ Colorado State Parks Board Approves Changes to Senior Discounts, Press Release, see: <http://www.parks.state.co.us/News/NewsRelease/Pages/NewsReleasePage.aspx>.

⁷ California Legislative Analyst's Office, Proposition 21 text, see: http://www.lao.ca.gov/ballot/2010/21_11_2010.aspx.

⁸ "Conservation Agency Relies on Drilling Revenue," see: <http://standardspeaker.com/news/conservation-agency-relies-on-drilling-revenue-1.1121124>.

⁹ "Ohio Poised to Take Center Stage in Natural Gas Drilling Debate as it Considers Tapping Park Lands" Cleveland.com, see: http://blog.cleveland.com/metro/2011/03/ohio_poised_to_take_center_sta.html.

Private Vendors. In 2010, Kentucky officials hired a consulting firm to evaluate and suggest improvements to strengthen the financial future of state parks.¹⁰ The study recommended that private vendors be allowed to operate concession stands at seven state parks. Park officials recently announced that vendors have applied for liquor licenses at five of these parks. State officials also will privatize all 19 state golf courses in an effort to generate revenue. According to the study, making these changes could save upwards of \$6 million annually.¹¹

In a move to privatize some operations, corporations will be allowed to build and operate campgrounds in some of Florida's 56 state parks.

Conclusion

Recent fiscal challenges have especially strained the resources available for state parks and recreation departments. To make ends meet, many park officials have pursued innovative solutions. These strategies have helped to maintain and preserve state parks funding and, ultimately, state parks themselves.

¹⁰ Kentucky State Parks Financial and Operations Strategic Plan, May 2010.
<http://commerce.ky.gov/NR/rdonlyres/1D659F4B-E43D-44E0-AC24-785D7E5D01D3/0/KYSPSummaryReport60410.pdf>

¹¹ *Kentucky Launches Plan to Revolutionize State Parks System* Press Release, June 2010. Please see:
<http://migration.kentucky.gov/newsroom/commerce/parksplan2010.htm>.