



Don Hoch
Director

STATE OF WASHINGTON
WASHINGTON STATE PARKS AND RECREATION COMMISSION

1111 Israel Road SW - P.O. Box 42650 - Olympia, Washington 98504-2650
(360) 902-8500 - Washington Telecommunications Relay Service at (800) 833-6388
www.parks.wa.gov

September 22, 2011

Mr. Marty Brown
Office of Financial Management
Post Office Box 47600
Olympia, Washington 98504-7600

Dear Mr. ^{MARTY}Brown:

The Washington State Parks and Recreation Commission (State Parks) herein submits its 2012 Supplemental Operating Request. The request is consistent with OFM guidelines, reflecting the Governor's requested five and ten percent General Fund reduction scenarios. That said, State Parks wants to be clear: the attached decision packages represent scenarios requested by the Governor's office. If not for the extraordinary fiscal constraints faced by the State, the agency would be requesting more, not less, money to adequately operate and maintain our state park system. We know the Governor shares our concern, and wishes realities were different than they are.

State Parks is carefully managing its resources during this difficult financial period. We are in the midst of a sea change in budget expectations. Sixty-six percent of our operating program was funded from the General Fund in 2007-09. This compares with 30 percent in 2009-11, and approximately 12 percent in the 2011-13. The Governor and legislature have indicated that the percentage may go down to zero in 2013-15. These General Fund reductions, as well as donations realized at less than projected levels, have taken a toll on our park system. Significant field and headquarters staff reductions (89 positions) have led to real service reductions and facility maintenance deferrals.

Camping and the new Discover Pass fees for entry into and use of the parks, along with citizen donations, now comprise the lion's share of park funding. With the new reality that visitor satisfaction is the prime basis for revenues – we either deliver services people are willing to pay for or we close our system - the agency cannot simply cut costs and expect revenues to remain the same. We must weigh all cost cutting against service level reductions and their corresponding revenue implications.

For the last year, it is not an exaggeration to say that State Parks has been in crisis mode. The brand new Discover Pass program, adopted by the Legislature in April, signed into law by the Governor in May, and effective on July 1 is of existential importance to the agency yet has no measurable record of accomplishment. The session fiscal note and revenue projections were



Mr. Brown
September 22, 2011

developed based on best available data, including a citizen survey that indicated who might buy the pass. Without the new program, or similar revenue replacement, the vast majority of the park system would have closed July 1. Approximately ten parks raise enough revenue to support their operating expenditures. Thus, large portions of the agency's creative energies have been spent in the last three months in getting this essential program off the ground.

State Parks began funding itself from the new fee program the day it started. It is expending money before all revenue is earned and the \$17 million State General Fund is supposed to be a bridge to help keep parks open until full revenue potential from the Discover Pass is achieved. Obviously, the more State Parks' General Fund erodes, the less chance of success the Agency will have in keeping all Parks open. There are several concerns in this area. The attached supplemental budget decision packages result in non-sustainable staffing levels. We are presenting a ten percent reduction without closing parks in the short-term; however, if the reduction is greater than ten percent and/or Discover Pass revenue falls short, the Agency may adopt a strategy that would necessitate park closures or transfers. If the Agency chooses to go in that direction it would be because service levels have dropped to unsatisfactory levels and the public and staff would be confronted with health and safety risks. During the next several months, it may become clear that the Agency will have no choice but to change its strategy from the one presented in the five and ten percent reduction scenarios to a more drastic approach of closing parks.

State Parks has already taken a cut to its General Fund almost equal to the ten percent due to an error in calculation at the end of the last legislative session. Most staffing costs are no longer paid out of the GF-S; however, the 2011-13 enacted budget took the reduction for staff compensation (3 percent salary reduction), based on the 2009-11 biennium when all staff were paid from GF-S rather than 2011-13 biennium with the reduced GF-S. The 3 percent staff compensation reduction of \$1.7 million assumes a General Fund of approximately \$55 million. The agency alerted OFM and the Legislature to this error but nothing could be done at that point. If the State was not experiencing such a fiscal crisis, State Parks would have requested those funds be restored. However, it recognizes and supports the Governor's efforts to balance the State budget and is submitting an operating decision package that outlines options to reduce its general fund by five and ten percent. State Parks still urges that the unwarranted reduction be considered in making your funding recommendations.

In your budget considerations, we also ask your consideration of legislative mandates for subsidized services to selected groups. For example, the agency is still obligated by law to provide access at free or reduced costs to disabled veterans, low-income senior citizens, and foster parent, and persons with disabilities. These worthwhile programs have been funded by the GF-S and cost the agency at least \$3 million a year. Any further GF-S reductions undercut the rationale for these legally mandated services; essentially placing the responsibility for subsidy directly upon non-subsidized park visitors. We do not believe that was the original intent of the legislature nor good public policy.

The capital needs of State Parks are tremendous and we have been functioning with half of the capital budget as the prior biennium. Funds are very tight and several significant health and

Mr. Brown
September 22, 2011

safety projects have emerged since the enacted budget. Again, considering the State's financial situation we are not requesting additional appropriations at this time. We would like it noted that without continued capital support the aging infrastructure of the park system will further decay and cause significant health and safety risk to the public.

The supplemental budget request is supplemented by two pieces of potential agency request legislation decision packages, which are attached. The first deals with the Discover Pass. The three agencies, responsible for administrating the program, are in the midst of analyzing alternatives for program refinement. We all believe the program can and must be successful, and are determined to respond to public concerns and suggestions as to the best way to gain active participation and public support for our recreation programs. The second decision package is a placeholder for work that is currently being carried out by State Parks and our sister agency, Labor and Industries. The two agencies are exploring the potential for transferring a small ski lift regulatory program from State Parks to Labor and Industries. We want OFM to know of this effort, and expect to make a decision on whether to move forward with a formal request in the next two months.

The Agency is working hard to continue to run a sustainable park system and keep as many parks open at adequate service levels as possible. We will work closely with you to provide additional information as needed. If you have any questions, please call Ilene Frisch, Administration, Finance and Technology Director/Acting Deputy Director, at 902-8521.

Sincerely,



Don Hoch, Director

Attachments

cc: Ilene Frisch, Acting Deputy Director
Daniel Farber, Policy and Intergovernmental Affairs Director
Terri Heikkila, Senior Budget Analyst-Operating Budget Manager



Washington State Parks and Recreation Commission

FY 12 Supplemental Operating Budget Request

Recommendation Summary at Agency Level	1
PL – SL Ski Lift and Signage Inspection Program Transfer Placeholder	3
PL – DP Discover Pass Program Refinement Placeholder	5
PL – FP Five Percent General Fund Reduction	9
PL – AP Ten Percent General Fund Reduction	15

State of Washington
Recommendation Summary

(By Agency Priority)

Agency: **465 State Parks and Recreation Comm**

4:06:12PM

9/22/2011

Dollars in Thousands

	Annual Average FTEs	General Fund State	Other Funds	Total Funds
2011-13 Current Biennium Total				
Total Carry Forward Level				
Percent Change from Current Biennium				
Carry Forward plus Workload Changes				
Percent Change from Current Biennium				
Total Maintenance Level				
Percent Change from Current Biennium				
PL SL Ski Lift Inspection Transfer	(0.2)		(60)	(60)
PL DP Discover Pass Program Refinement				
PL FP Five Percent General Fund Reduction	(1.2)	(867)		(867)
PL AP Additional Five Percent Reduction	(6.0)	(866)		(866)
Subtotal - Performance Level Changes	(7.4)	(1,733)	(60)	(1,793)
2011-13 Total Proposed Budget	(7.4)	(1,733)	(60)	(1,793)
Percent Change from Current Biennium				

PL AP Additional Five Percent Reduction

State Parks will implement cost cutting measures to assist the state in reducing its General Fund expenditures by an additional five percent for a total 10 percent equaling \$1,733,000. The reduction will be accomplished by reducing construction and maintenance support, delaying the Custodian 5, supervisory position at Fort Worden State Park, reducing Park Aide support, and not filling a Property and Acquisition Specialist position following retirement of the incumbent.

PL DP Discover Pass Program Refinement

PLACEHOLDER: The Department of Natural Resources (DNR), Washington Department of Fish and Wildlife (WDFW), and Washington State Parks and Recreation Commission (State Parks) are considering co-request legislation to refine 2011 ESSB 5622 - Recreation Access on State Lands. The objective of the legislation is to improve public participation in the new Discover Pass program, thereby generating sufficient revenues to keep parks and recreation lands open, healthy, and safe for the public. Anticipated changes include authorizing Discover Pass transferability and pricing options, making certain technical corrections to increase clarity of purpose, and authorizing the DNR to charge event fees for organized events, consistent with State Parks and WDFW's existing authorities.

PL FP Five Percent General Fund Reduction

State Parks will implement cost cutting measures to assist the state in reducing its General Fund expenditures by five percent for a total of \$867,000. The reduction will be accomplished reducing fund balance generated by agency vacancy savings and delays in hiring vacant positions; amending or canceling leases and contracts; reducing, consolidating and eliminating remote rental storage units; aligning and shifting staff's priorities in support of the capital program.

PL SL Ski Lift Inspection Transfer

PLACEHOLDER Washington State Parks and Recreation Commission (State Parks) and Department of Labor and Industries (L&I) are currently exploring the transfer of the responsibility for inspecting commercial ski lifts and lift signage from the State Parks to L&I. The intent of such transfer is for a more rational and effective alignment of program and agency mission. L&I is better equipped to carry out this regulatory function, as it currently inspects work sites, public conveyances such as elevators and amusement rides, and has as a broad array of regulatory responsibilities. State Parks has no other regulatory enforcement programs.

State of Washington
Decision Package

Agency: 465 State Parks and Recreation Commission
 Decision Package Code/Title: Ski Lift and Signage Inspection Program Transfer
 Budget Period: 2012 Supplemental
 Budget Level: PL - SL

Package Title: Ski Lift and Signage Inspection Program Transfer PLACEHOLDER

Recommendation Summary Text:

PLACEHOLDER Washington State Parks and Recreation Commission (State Parks) and Department of Labor and Industries (L&I) are currently exploring the transfer of the responsibility for inspecting commercial ski lifts and lift signage from the State Parks to L&I. The intent of such transfer is for a more rational and effective alignment of program and agency mission. L&I is better equipped to carry out this regulatory function, as it currently inspects work sites, public conveyances such as elevators and amusement rides, and has as a broad array of regulatory responsibilities. State Parks has no other regulatory enforcement programs.

Fiscal Detail	FY 2012	FY 2013	Total
1. Operating Expenditures:			
Fund > 269-1	0	(60,000)	(60,000)
Total Cost	0	(60,000)	(60,000)
2. Staffing			
FTEs	0.0	-0.25	-0.1
Indirect FTE	0.0	0.0	0.0
TOTAL FTE	0.0	-0.25	-0.1
3. Objects of Expenditures			
A- Salaries	0	(11,000)	(11,000)
B- Benefits	0	(4,400)	(4,400)
C- Personal Service Contracts	0	0	0
E -Goods & Services	0	(43,200)	(43,200)
G -Travel	0	(1,400)	(1,400)
J -Capital Outlay	0	0	0
N -Grants	0	0	0
P -Debt Service	0	0	0
T - Indirect	0	0	0
Total All Objects	0	(60,000)	(60,000)
4. Revenue			
Fund >	0	0	0

Narrative Justification and Impact Statement:

PLACEHOLDER: State Parks and L&I are exploring this possibility and are working to make a decision as to whether agency request legislation is appropriate for the 2012 session.

Answer the following for justification/impact:

What specific performance outcomes does the agency expect?	
Is this decision package essential to implement a strategy identified in the agency's strategic plan? If so, please describe.	
Does this decision package provide essential support to one of the Governor's priorities? If so, please describe. http://www.governor.wa.gov	
Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process? If so, please describe. http://www.ofm.wa.gov/budget/pog	
What are the other important connections or impacts related to this proposal?	
What alternatives were explored by the agency, and why was this alternative chosen?	
What are the consequences of not funding this package?	
What is the relationship, if any, to the state's capital budget?	
What changes would be required to existing statutes, rules, or contracts, in order to implement the change?	
Expenditure and revenue calculations and assumptions.	
Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?	

State of Washington
Decision Package

Agency: 465 State Parks and Recreation Commission

Decision Package Code/Title: Discover Pass Program Refinement

Budget Period: 2012 Supplemental
Budget Level: PL - DP

Package Title: Discover Pass Program Refinement PLACEHOLDER

Recommendation Summary Text:

PLACEHOLDER: The Department of Natural Resources (DNR), Washington Department of Fish and Wildlife (WDFW), and Washington State Parks and Recreation Commission (State Parks) are considering co-request legislation to refine 2011 ESSB 5622 - Recreation Access on State Lands. The objective of the legislation is to improve public participation in the new Discover Pass program, thereby generating sufficient revenues to keep parks and recreation lands open, healthy, and safe for the public. Anticipated changes include authorizing Discover Pass transferability and pricing options, making certain technical corrections to increase clarity of purpose, and authorizing the DNR to charge event fees for organized events, consistent with State Parks and WDFW's existing authorities.

Fiscal Detail	FY 2012	FY 2013	Total
1. Operating Expenditures:			
Fund >	0	0	0
Total Cost	0	0	(0)
2. Staffing			
FTEs	0.0	0.0	0.0
Indirect FTE	0.0	0.0	0.0
TOTAL FTE	0.0	0.0	0.0
3. Objects of Expenditures			
A- Salaries	0	0	0
B- Benefits	0	0	0
C- Personal Service Contracts	0	0	0
E -Goods & Services	0	0	0
G -Travel	0	0	0
J -Capital Outlay	0	0	0
N -Grants	0	0	0
P -Debt Service	0	0	0
T - Indirect	0	0	0
Total All Objects	0	0	0
4. Revenue			
Fund >	0	0	0

Narrative Justification and Impact Statement:

During the first months of the Discover Pass program inception, the most significant topic of legislative and agency constituent concern has revolved around questions of Discover Pass transferability between different people and vehicles. Currently, the Pass is tied to a single motor vehicle license, not to a person or household. Thus, a household with three motor vehicles, each of which its owners intend to use for frequent recreational access on state lands, would need to pay \$90 (\$30 x 3) for three annual Discover Passes. Some initial evidence suggests while people are buying additional passes, many more people are upset with the existing rule of one pass per vehicle, refusing to buy any pass.

The three agencies wish to test one or more alternative transferability and pricing systems to increase public acceptance of the program and maintain or increase program revenue. This will be one of the main subjects of a public opinion survey the agencies intend to conduct in October and November 2011. Agency request legislation for an optimum change to the existing system is likely to be sought after evaluation of survey results occur by the middle of November.

There have been many other issues that have come up during the implementation of the program which have fiscal implications. So far, the agencies have either been able to deal with the issues administratively, or the issues have not continued to be broadly expressed by the public or agency staff. Nevertheless, agency staff is monitoring these issues for response to potential statutory changes. These issues include:

1. Processing/Dealer Fees: Dealer and processing fees can raise the cost of the annual Pass from \$30 up to \$35. Initial public and legislative concern about the extra cost seems to have faded in significance as options for purchase without those fees has increased. Those options include direct sales at State Parks, and the new Department of Licensing option at the time of license renewal. However, in the latter choices, the processing fees and cost of the pass are absorbed, thus reducing net revenue.
2. Hangtags vs. Stickers: Durability, simplicity, and clarity of the Pass hangtags have emerged as issues. Balancing improvement on those issues and minimization of administrative costs is being evaluated now by staff.
3. Event exemptions or fee modifications: The law allows for some contractual arrangements to be exempt from the Pass. For example, State Parks sometimes has construction contractors temporarily working within a park to fix park facilities. Some legislators and staff have interpreted this contract exemption more broadly to include any contract. Since reservation of a picnic shelter is a contract, all people visiting the shelter would thus necessarily be exempt from the Pass. There may need to be clarification in law to identify what contracts do or do not exempt holders from the Pass. Regardless, the issue has brought up a need to review comprehensively agency fees to both capture appropriate compensation for special events (e.g. picnic shelter reservation or weddings) and promote usage of the Pass.
4. Returns: A large number of appropriate reasons for Pass returns or trade-ins have emerged. Specific administrative policies seem to be dealing with this issue, but some statutory clarification may be valuable.
5. Volunteering: There continues to be debate as to the number of hours and type of volunteer activity that should qualify for a Pass exemption.

Answer the following for justification/impact:

<p>What specific performance outcomes does the agency expect?</p>	<p>Program success is based on specific financial performance outcomes. The 2011 program Fiscal Note projected biennial revenues at \$64.2 million with administrative costs of \$1.7 million. The Fiscal Note projected that 30.5 percent of Washington households would purchase a \$30 annual Discover Pass and 19.6 percent would purchase a day pass per year. Revenues would be shared 84 percent by State Parks, and 8 percent each by DFW and DNR.</p> <p>It is too early to conclude that the revenues from the pass will land either above or below those projected from the above participation rates. The initial “soft start” in enforcement in the first month, combined with the lack of public information and the absence of the Department of Licensing program until September and October renewals, makes forecasting based on extrapolation of past results unconvincing. Yet, certain surprising trends are already quite evident. Sales within State Parks are significantly higher than forecast, as are the percentages of daily pass purchases vis-à-vis annual passes.</p> <p>Based on a revised opinion survey, and agency best judgment on effective program administration, any proposed changes to legislation will be for the purpose of increasing the probability that the program will generate net revenues at least as high as those projected in the Fiscal Note.</p>
<p>Is this decision package essential to implement a strategy identified in the agency's strategic plan? If so, please describe.</p>	<p>Discover Pass program success is essential for meeting many strategic plan objectives. (full analysis forthcoming)</p>
<p>Does this decision package provide essential support to one of the Governor's priorities? If so, please describe. http://www.governor.wa.gov</p>	<p>(full analysis forthcoming)</p>
<p>Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process? If so, please describe. http://www.ofm.wa.gov/budget/pog</p>	<p>(full analysis forthcoming)</p>
<p>What are the other important connections or impacts related to this proposal?</p>	<p>(full analysis forthcoming)</p>
<p>What alternatives were explored by the agency, and why was this alternative chosen?</p>	<p>The agencies are in the process now of developing and analyzing alternatives. By mid-November, agencies will be in a better position to identify and recommend any specific amendatory language.</p> <p>(full analysis forthcoming)</p>

<p>What are the consequences of not funding this package?</p>	<p>Projected revenue from the Discover Pass represents approximately 40 percent of State Parks operating budget. Failure to meet revenue targets threatens the viability of size and quality of the system as it has been known for generations. Significant drop off in revenues could result in a cascading mixture of park closures, decreased revenues and further park closures. No more than a dozen of the 116 developed state park areas currently are close to self-sufficient in operation revenues and costs. Total failure of the Discover Pass program without alternative replacement revenues or other funds, could result in the closing or transfer of more than 80 percent of the entire system, a decision to sell public capital and land assets to pay for operating costs, and/or other significant actions.</p> <p>(The consequences of not funding this package for DNR and WDFW are not discussed in this placeholder discussion of the decision package, but will be added later by those agencies in the coming weeks. Full analysis forthcoming.)</p>
<p>What is the relationship, if any, to the state's capital budget?</p>	<p>Failure of the Discover Pass will reduce basic park maintenance. This will result in a significantly increased deferred maintenance backlog which in turn will expand future capital needs. The degree and amount of such impacts will be responsive to the amount of revenue shortfall from Pass sales.</p> <p>(The consequences of not funding this package for DNR and WDFW are not discussed in this placeholder discussion of the decision package, but will be added later by those agencies in the coming weeks. Full analysis forthcoming.)</p>
<p>What changes would be required to existing statutes, rules, or contracts, in order to implement the change?</p>	<p>ESSB 5622 would be amended to reflect an altered policy on transferability and pricing.</p> <p>(full analysis forthcoming)</p>
<p>Expenditure and revenue calculations and assumptions.</p>	<p>(full analysis forthcoming)</p>
<p>Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?</p>	<p>(full analysis forthcoming)</p>

State of Washington
Decision Package

Agency: 465 State Parks and Recreation Commission

Decision Package Code/Title: Five Percent General Fund Reduction

Budget Period: 2012 Supplemental

Budget Level: PL-FP

Package Title: Five Percent General Fund Reduction Priority 1

Recommendation Summary Text:

State Parks will implement cost cutting measures to assist the state in reducing its General Fund expenditures by five percent for a total of \$867,000. The reduction will be accomplished reducing fund balance generated by agency vacancy savings and delays in hiring vacant positions; amending or canceling leases and contracts; reducing, consolidating and eliminating remote rental storage units; aligning and shifting staff's priorities in support of the capital program.

Fiscal Detail	FY 2012	FY 2013	Total
1. Operating Expenditures:			
Fund > 001-1	(576,200)	(290,800)	(867,000)
Total Cost	(576,200)	(290,800)	(867,000)
2. Staffing			
FTEs	(1.2)	(1.2)	(1.2)
Indirect FTE	0.0	0.0	0.0
TOTAL FTE	(1.2)	(1.2)	(1.2)
3. Objects of Expenditures			
A- Salaries	(366,900)	(98,500)	(465,400)
B- Benefits	(122,200)	(32,800)	(155,000)
C- Personal Service Contracts	(60,800)	(121,500)	(182,300)
E -Goods & Services	(26,300)	(38,000)	(64,300)
G -Travel	0	0	0
J -Capital Outlay	0	0	0
N -Grants	0	0	0
P -Debt Service	0	0	0
T - Indirect	0	0	0
Total All Objects	(576,200)	(290,800)	(867,000)
4. Revenue			
Fund >	0	0	0

Narrative Justification and Impact Statement:

At its September 16, 2011 meeting, the Washington State Parks and Recreation Commission (Commission) approved staff to provide the required submittal for meeting the five percent reduction to General Fund – State as requested by the Office of Financial Management. The submittal includes the following:

1. Shifting a portion of management staff's FTE from the operating budget to the capital budget. At the start of the 11-13 biennium, the agency had programmed and funded a capital coordinator position to support implementation of the capital program. After much discussion, it was decided to realign agency management to support this workload and not fill the capital funded position. This more accurately reflects management staff time spent on capital program oversight. This equates to approximately \$160,600 in operating savings.
2. Reduce, consolidate or eliminate remote storages is an efficiency and cost reduction.
3. Reduction of lease costs at the Eastern Region Office in Wenatchee supports the Governor's objective to multi-agency consolidation.
4. Amending the food service lease at Fort Worden State Park will generate additional revenue with no additional operational impacts.
5. Reallocate the Park Ranger 2 to an Interpretive Specialist at Olmstead Place State Park, will change the staff's focus to support educational efforts. The park features a working pioneer farm, with tours and school field trips. Pioneer artifacts are plentiful in the park and many can be seen in action in the work of maintaining the farm. This day-use park has picnic space and walking trails that interweave with the interpretive activities. The loss of a law enforcement presence could have minimal impact on citizen behavior at the park.
6. State Parks has delayed hiring, shortened the duration of Park Aide positions and under-filled positions to increase fund balance as we began implementing the Discover Pass. Because of the uncertainty of a new program with little time to implement, the agency wanted to reduce expenditures allowing time for the pass to be successful. This reduction is not sustainable however, and if revenues are not realized at the level appropriated by the Legislature then a significant number of State Parks will close. The Commission is currently developing criteria to be prepared for this situation.
7. Redirect .5 FTE of the Stewardship Program's Environmental Planner's time to assist with permitting legislatively funded fish passage projects as required by US v Washington. This individual has extensive experience with permitting salmon habitat related projects. Redirection of staff time will result in less capacity to apply for grants and work with stakeholder groups related to environmental restoration and habitat improvement along Hood Canal and in Puget Sound.
8. Cancel the ocean beach law enforcement contract with local sheriff's office will reduce the sheriff's deputy presence on the Seashore Conservation Area (SCA). Local Sheriff's have and still retain primary law enforcement responsibility on ocean beaches. Elimination of funding may result in basic 911 responses only, and represents a change in the historic relationship between the state and local government in funding law enforcement in the SCA.

Without the GF-S that was appropriated to bridge the agency into its new dynamic of a self supporting entity the agency is supported by prospective revenues to earned over the 24 months of the biennium. The Legislature adopted a donation program to allow citizens the opportunity to donate \$5 per vehicle at the time of license registration or annual renewal. The Legislature also adopted a \$30 annual or \$10 one-day permit, Discover Pass, which is now required to enter state lands managed by DNR, WDFW and State Parks. With implementation of the Discover Pass, donation revenue has reduced as expected. As a new program, with no time to prepare to implement, State Parks is being cautious in its spending. Unfortunately, there is no historical data on a program such as this. To date, the projected target is not being achieved. State

Parks is required to have a balanced budget and has relied heavily on the already reduced general fund of \$8,955,000 to maintain the park system status quo. A working capital reserve of \$12.5 million is also being maintained consistent with Commission adopted policy to hold between 2.5 and 4 months of expenses paid from earned revenue in reserve. Additionally, in recognition that revenue may not achieve appropriated level in the current biennium, State Parks did not allocate all of its expenditure authority and only allotted salary, benefits and known or obligated monthly expenditures for 24 months, while other goods and services and travel expenditures were allotted for only the first six months of the biennium. First-year GF-S will be completely expended by the end of September, which provided a small boost to support State Parks continued success in keeping all parks open and operating.

The Commission is currently strategizing how to prepare for a significant potential revenue shortfall. Criteria for possible park closures is being re-evaluated as implementation of the Discover Pass is not park specific in revenue generation.

Reduction of any further General Fund pushes the Commission toward more imminent park closures and/or service reductions, which could in fact reduce revenue that is generated from the Discover Pass Program.

Answer the following for justification/impact:

<p>What specific performance outcomes does the agency expect?</p>	<p>Reduction of the fund balance will likely have an impact on when more significant reductions will need to occur and service level reductions will eventually lead to park closures. These cuts are not sustainable over the long run with all State Parks staying open.</p>
<p>Is this decision package essential to implement a strategy identified in the agency's strategic plan? If so, please describe.</p>	<p>Reduction of any General Fund negatively effects Our Commitment, Public Service-Strengthen public service with versatile and valued employees, volunteers and partners; and Our Commitment, Financial Strategy-Leveraging increased general tax support with earned revenue and donations for park operations.</p>
<p>Does this decision package provide essential support to one of the Governor's priorities? If so, please describe. http://www.governor.wa.gov</p>	<p>Reduction of any General Fund negatively effects Transforming Washington's Budget, paying for the most essential functions by reducing our foundation funding, which could result in reduced services and park closures sooner, rather than giving more time for the Discover Pass to show success, by leaving parks open and maintained. If State Parks show a service level reduction, there can be a public backlash causing the Discover Pass sales to plummet.</p>
<p>Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process? If so, please describe. http://www.ofm.wa.gov/budget/pog</p>	<p>Yes, every General Fund dollar taken from an already reduced agency without a stable funding source, hinders State Parks ability to maintain safe infrastructure and protect natural resources, cultural and recreational facilities and activities.</p>
<p>What are the other important connections or impacts related to this proposal?</p>	<p>Reduction in service could have a negative impact on donations and the success of the Discover Pass.</p>

<p>What alternatives were explored by the agency, and why was this alternative chosen?</p>	<p>The alternative is to close or transfer, if there is a willing acceptor a number of State Parks. This was not chosen at this point because the Legislature and public believe the Discover Pass was enacted to keep State Parks open. If the Commission closes parks without giving the Discover Pass time to be fully implemented, the public will lose faith and not buy the pass causing further park closures and an eventual collapse of the system.</p>
<p>What are the consequences of not funding this package?</p>	<p>Many of the reductions do not directly impact the parks, but ultimately reduce the level of the foundation severely needed to keep the park system intact to meet customer satisfaction on quality available and opened parks.</p>
<p>What is the relationship, if any, to the state's capital budget?</p>	<p>Lack of staff to maintain parks will eventually lead to capital projects from further decay of the infrastructure.</p>
<p>What changes would be required to existing statutes, rules, or contracts, in order to implement the change?</p>	<p>NA</p>
<p>Expenditure and revenue calculations and assumptions.</p>	<p>Attachment reflects cost estimated for each item.</p>
<p>Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?</p>	<p>Eastern Region office lease, vacancy savings and shift of the Environmental Planner would be one-time savings. Reduce/eliminate remote storage, shift management to capital, reallocate Park Ranger 2 to Interpretive Specialist at Olmstead Place, and cancel ocean beach law enforcement contract are all ongoing reductions.</p>

Attachment 1
5% and 10% GENERAL FUND - STATE REDUCTION OPTIONS

Considerations	Reduction Estimates
Shift management staff funding percentages from operating budget to capital budget	160,600
Reduce, consolidate or eliminate remote storage rentals	31,300
Reduce Eastern Region Office lease cost	5,000
Amend Fort Worden State Park food service lease	28,000
Reallocate Ranger 2 to Interpretive Specialist at Olmstead Place State Park	13,100
One-time agency vacancy savings and delays in hiring	360,500
Redistribute Environmental Planner workload in the Stewardship Program to a non-operating fund project	86,200
Cancel ocean beach law enforcement contract	182,300
Proposed 5% Reduction Subtotal	867,000
Realign and reduce Construction and Maintenance (C&M) support - reduction of six C&M's	717,800
Delay in hiring a Custodian 5 at Fort Worden State Park until May 2012	39,100
Reduce Park Aides by average of three days per person Jan 2012- Impacts 32 positions	14,000
Do not fill Property & Acquisition Specialist	95,100
Proposed 10% Reduction Subtotal	1,733,000

Indicates minimal to no impact

Indicates medium program/region impacts

This page intentionally left blank

State of Washington
Decision Package

Agency: 465 State Parks and Recreation Commission

Decision Package Code/Title: Five Percent General Fund Reduction (Totaling Ten Percent Reduction)

Budget Period: 2012 Supplemental
Budget Level: PL-AP

Package Title: Five Percent General Fund Reduction Priority 2 (Totaling Ten Percent GF-S Reduction)

Recommendation Summary Text:

State Parks will implement cost cutting measures to assist the state in reducing its General Fund expenditures by an additional five percent for a total 10 percent equaling \$1,733,000. The reduction will be accomplished by reducing construction and maintenance support, delaying the Custodian 5, supervisory position at Fort Worden State Park, reducing Park Aide support, and not filling a Property and Acquisition Specialist position following retirement of the incumbent.

Fiscal Detail	FY 2012	FY 2013	Total
1. Operating Expenditures:			
Fund > 001-1	(324,000)	(542,000)	(866,000)
Total Cost	(324,000)	(542,000)	(866,000)
2. Staffing			
FTEs	-6.0	-6.0	-6.0
Indirect FTE	0.0	0.0	0.0
TOTAL FTE	-6.0	-6.0	-6.0
3. Objects of Expenditures			
A- Salaries	(243,000)	(406,500)	(649,500)
B- Benefits	(81,000)	(135,500)	(216,500)
C- Personal Service Contracts	0	0	0
E -Goods & Services	0	0	0
G -Travel	0	0	0
J -Capital Outlay	0	0	0
N -Grants	0	0	0
P -Debt Service	0	0	0
T - Indirect	0	0	0
Total All Objects	(324,000)	(542,000)	(866,000)
4. Revenue			
Fund >	0	0	0

Narrative Justification and Impact Statement:

At its September 16, 2011 meeting, the Washington State Parks and Recreation Commission (Commission) approved the submission of a proposal for meeting an additional five percent reduction to General Fund – State as required by the Office of Financial Management, for a total of 10 percent reduction. The submittal includes the following:

1. Realign and reduce Construction and Maintenance (C&M) support, abolishing three C&M Project Supervisors and one C&M Project Lead positions in Northwest Region. This would reduce the capacity of the C&M staff to complete planned maintenance projects throughout the parks, but would more closely model Southwest and Eastern Region's maintenance staff. Abolishment of two C&M leads in Southwest Region would also reduce or delay, particularly larger, more complex park projects, likely resulting in further deterioration of infrastructure. Backflow prevention compliance would also be slowed, the maintenance backlog will continue to grow and the likelihood of an increase of tort claims will occur. This reduction could have a major impact of the service level and condition of some of the state parks.
2. Delay in hiring a Custodian 5 at Fort Worden State Park until May 2012, would place additional responsibility on Fort Worden management staff as this position is the primary custodial supervisor. Reduced custodial capacity will result in slower service for set up and clean up for conference events, resulting in reduced customer satisfaction.
3. Reduce 32 Park Aide positions by an average of three days per person will have an impact to visitors, and to facility maintenance (cleaning, trails, and hazard reduction). The greater the impact to visitors the greater chance that citizens will not buy the Discover Pass and the Commission will have no choice but to transfer or close many State Parks.
4. Upon retirement of incumbent in the Property and Acquisition Specialist 4 position, abolish the position. This will result in the agency's ability to respond to the Seashore Conservation Area issues and process lease and easement requests resulting in delayed income to State Parks.

Additional details concerning the impact on agency provided in the Narrative Justification and Impacts Statements under the Five Percent GF-S Reduction Decision Package.

Answer the following for justification/impact:

<p>What specific performance outcomes does the agency expect?</p>	<p>Services will be negatively impacted. Leases and easement requests will be delayed. Maintenance backlog will continue to grow and possibility of increase in tort claims will occur. Safety hazards will put the public in peril.</p>
<p>Is this decision package essential to implement a strategy identified in the agency's strategic plan? If so, please describe.</p>	<p>Reduction of any services negatively effects Our Commitment to Public Service, Our Commitment to Facilities Improve, the old, well-loved State Park system so that citizens have safe and modern parks, and Our Commitment to Financial Strategy- Leveraging increased general tax support with earned revenue and donations for park operations.</p>
<p>Does this decision package provide essential support to one of the Governor's priorities? If so, please describe. http://www.governor.wa.gov</p>	<p>Reduction of any General Funds negatively effects Transforming Washington's Budget, paying for the most essential functions by reducing our foundation funding, which could result in reduced</p>

	services and park closures sooner, rather than giving more time for the Discover Pass to show success, by leaving parks open and maintained.
Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process? If so, please describe. http://www.ofm.wa.gov/budget/pog	Yes, every General Fund dollar pulled from an already drastic reduction hinders State Parks' ability to maintain safe infrastructure and protect natural resources, cultural and recreational facilities and activities.
What are the other important connections or impacts related to this proposal?	Reduction in service could have a negative impact on donations and the success of the Discover Pass.
What alternatives were explored by the agency, and why was this alternative chosen?	State Parks has genuinely been cut so deep already, there are not many options remaining that don't begin closing parks and significantly reducing the level of service.
What are the consequences of not funding this package?	Making these reductions will result in a lower service level and are not sustainable over the long run. Any additional cuts will require park closures or transfers to allow for services to remain at an adequate level. However, this is a cascading problem and if there are closures, Discover Pass revenue will drop and cause more closures.
What is the relationship, if any, to the state's capital budget?	Delaying maintenance work will likely result in larger and more expensive capital projects that might have been avoided.
What changes would be required to existing statutes, rules, or contracts, in order to implement the change?	NA
Expenditure and revenue calculations and assumptions.	Attachment reflects cost estimated for each item.
Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?	Delay in hiring the Custodian 5 and reduction of 32 Park Aides time by 3 days are considered one-time savings. Realigning and reducing C&M support and not filling the Property and Acquisition Specialist position are on-going reductions.

Attachment 1
5% and 10% GENERAL FUND - STATE REDUCTION OPTIONS

Considerations	Reduction Estimates
Shift management staff funding percentages from operating budget to capital budget	160,600
Reduce, consolidate or eliminate remote storage rentals	31,300
Reduce Eastern Region Office lease cost	5,000
Amend Fort Worden State Park food service lease	28,000
Reallocate Ranger 2 to Interpretive Specialist at Olmstead Place State Park	13,100
One-time agency vacancy savings and delays in hiring	360,500
Redistribute Environmental Planner workload in the Stewardship Program to a non-operating fund project	86,200
Cancel ocean beach law enforcement contract	182,300
Proposed 5% Reduction Subtotal	867,000
Realign and reduce Construction and Maintenance (C&M) support - reduction of six C&M's	717,800
Delay in hiring a Custodian 5 at Fort Worden State Park until May 2012	39,100
Reduce Park Aides by average of three days per person Jan 2012- Impacts 32 positions	14,000
Do not fill Property & Acquisition Specialist	95,100
Proposed 10% Reduction Subtotal	1,733,000

Indicates minimal to no impact

Indicates medium program/region impacts