

Diana Dupuis  
Director



STATE OF WASHINGTON

## WASHINGTON STATE PARKS AND RECREATION COMMISSION

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April 11, 2024

### Item E-3: Financial Update - Report

**EXECUTIVE SUMMARY:** This item reports to the Washington State Parks and Recreation Commission on 1) 2023-25 biennium operating and capital budget expenditures, 2) Parks Renewal and Stewardship Account (PRSA) revenue, 3) 2024 Supplemental Operating and Capital Budgets, and 4) the 2025-27 Budget Development. This item advances the Commission's goal: "Obtain and effectively manage resources needed to create and sustain an exceptional park system".

### CURRENT BIENNIUM FINANCIAL INFORMATION

**2023-25 Biennium Operating Budget and Expenditures:** State Parks' 2023-25 biennial operating budget is \$258.0 million. The amount of budget that funds general operations is \$231.0 million with dedicated program funding at \$27.0 million. Of the \$231.0 million, \$79.2 million is supported by tax dollars from the General Fund (GF-S) and \$3.4 million is from the new climate account funds. The remaining \$148.4 million is supported by earned revenue (PRSA).

As of February 29, the agency spent \$78.1 million; of which \$71.3 million was for general operations. Overall, spending for general operations (GF-S / PRSA) is 30.9 percent of the biennial spending plan.

The February 29, PRSA ending fund balance was \$15.6 million, \$5.8 million less than the December 2023 ending balance of \$21.4 million.

**2023-25 Biennium Capital Budget and Expenditures:** State Parks' 2023-25 capital budget is \$188.1 million. \$138.5 million is from the State Building and Construction Account and is comprised of \$71.3 million for new projects and \$67.2 million for re-appropriated projects. \$2.4 million is from climate account funds. In addition, available grant and other spending authority dollars currently total \$47.2 million.

As of February 29, the agency spent or encumbered a total of \$36.7 million; \$6.0 million on new projects (\$3.0 million spent, \$3.0 million encumbered), \$19.6 million on reappropriated projects (\$12.9 million spent, \$6.7 million encumbered), and \$11.1 million on climate and grant related projects.

**2023-25 Biennium Revenue (PRSA):** PRSA earned revenue includes Discover Pass sales, camping, cabins & other overnight accommodations, “opt-out” donations through the Department of Licensing and other earned revenue.

The 2023-25 earned revenue forecast is currently \$136.4 million. As of February 29, “actual” earned revenue was \$42.2 million, \$278,000 (0.7 percent) above biennium-to-date estimates.

Comparing biennium-to-date revenue collections against estimates by major categories:

- 1) Discover Pass revenue is 3.3 percent (\$480,632) above projection
- 2) Camping revenue is 4.7 percent (\$706,532) below projection
- 3) Cabins and other lodging revenue is 5.9 percent (\$144,118) below projection
- 4) Donations through the DOL “opt out” program is 2.5 percent (\$125,502) below projection
- 5) Other revenue sources are 15.5 percent (\$773,207) above projection

## **2024 SUPPLEMENTAL OPERATING and CAPITAL BUDGETS**

The 2024 Supplemental operating and capital budgets are expected to be signed into law and enacted by March 29. Shortly thereafter the Office of Financial Management (OFM) will release an updated 2023-25 Expenditure Authority Schedule which will allow Parks in turn to submit allotments for the increased spending authority. Once Parks submitted allotments are approved by OFM the agency financial reports will reflect the increased spending authority. The increased spending authority will be reflected in numbers reported at the May Commission meeting.

Summary of increased 2023-25 funding impacts due to the 2024 Supplemental:

- PRSA \$4,685,000
- GF-S \$7,107,000
- Climate \$2,100,000

Accounting for 2024 Supplemental impacts, the revised projected June 2025 PRSA ending fund balance is \$3.5 million. Parks 2-month average “working capital reserve” is now \$12.8 million. As long as earned revenue continues to trend as projected and biennial expenditures are roughly \$2 million below spending authority, Parks is projected to end the 2023-25 biennium with a \$5.5 million fund balance, \$7.3 million below the calculated average working capital “reserve”.

## **2025-27 BUDGET DEVELOPMENT**

Development of the next biennial budget began October 2023 to prioritize agency goals and strategies for 2025-27. The Commission will review the draft budget request in May 2024 and approve the agency’s request in July 2024. The budget for the 2025-27 biennium is due to the Office of Financial Management (OFM) mid-September 2024.

## **SUPPORTING INFORMATION**

Appendix 1: 2023-25 Operating and Capital Budget Financial Report

Appendix 2: 2023-25 Parks Renewal and Stewardship Account (PRSA) Revenue Summary

Appendix 3: 2023-25 Parks Renewal and Stewardship Account (PRSA) “Other” Revenue Summary

Appendix 4: 2025-27 Operating and Capital Budget Development Timeline

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### **Reviewer(s):**

**Laura Holmes, Administrative Services Director**

**Sarah Thirtyacre, SEPA Review:** Pursuant to WAC 197-11-704, staff has determined that this Commission agenda item is a report and therefore is not subject to State Environmental Policy Act (SEPA) review.

**Andy Woo, Assistant Attorney General:** Reviewed as of 3/20/2024.

**Approved for Transmittal to Commission**



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**Diana Dupuis, Director**

**APPENDIX 1**  
**OPERATING AND CAPITAL BUDGET FINANCIAL REPORT**  
**2023-25 BIENNIUM**  
**As of February 29, 2024**

**Operating Budget:**

Fund/Account	Biennial Budget <sup>1</sup>	Expenditures To Date	Balance	Percent Spent
<b>General Operating Funds</b>				
General Fund - State	79,181,000	24,776,154	54,404,846	31.3%
Parks Renewal and Stewardship Acct. (PRSA)	148,388,000	45,222,961	103,165,039	30.5%
Climate Accounts	3,433,000	1,274,269	2,158,731	37.1%
	<b>231,002,000</b>	<b>71,273,384</b>	<b>159,728,616</b>	<b>30.9%</b>
<b>Other Funds</b>				
PRSA/Dedicated Funds <sup>2</sup>	26,960,082	6,863,963	20,096,119	25.5%
	<b>257,962,082</b>	<b>78,137,348</b>	<b>179,824,734</b>	<b>30.3%</b>

(1) Includes 2023-25

(2) Includes Boating and Winter Recreation Programs, ORV, Roads, Private/Local Grants, and No Child Left Inside (NCLI)

**PRSA Fund Balance:**

Date	Balance
July 1, 2023	20,159,679
February 29, 2024	15,590,847
June 30, 2025 (Projected Ending Balance <sup>1</sup> )	8,206,679

(1) Includes 2023-25

**Capital Budget:**

Funding Source	Biennial Budget <sup>1</sup>	Expenditures To Date <sup>2</sup>	Balance	Percent Spent
<b>Fund 057 - State Building Const. Account</b>				
New Projects	71,328,000	5,949,876	65,378,124	8.3%
Reappropriations	67,173,294	19,628,175	47,545,119	29.2%
	<b>138,501,294</b>	<b>25,578,051</b>	<b>112,923,243</b>	<b>18.5%</b>
<b>Climate Accounts</b>				
Fort Worden PDA Geothermal Heating (26C)	1,000,000	0	1,000,000	0.0%
Statewide Fish Barrier Removal Project (26D)	1,375,000	704,506	670,494	51.2%
<b>Grants/Donations/Pass Through Funds</b>				
State Grants/Pass Through Funds <sup>3</sup>	39,369,954	8,496,271	30,873,683	21.6%
Local Grants/Donations/Parkland Acquisition <sup>4</sup>	4,500,000	1,842,267	2,657,733	40.9%
Federal Grants/Pass Through Funds <sup>5</sup>	3,350,000	91,445	3,258,555	2.7%
	<b>188,096,248</b>	<b>36,712,540</b>	<b>151,383,708</b>	<b>19.5%</b>

(1) Includes 2023-25

(2) Includes expenditures and encumbrances

(3) Includes prior biennium grant carry-forward

(4) Includes private/local spending authority for grants including reappropriations

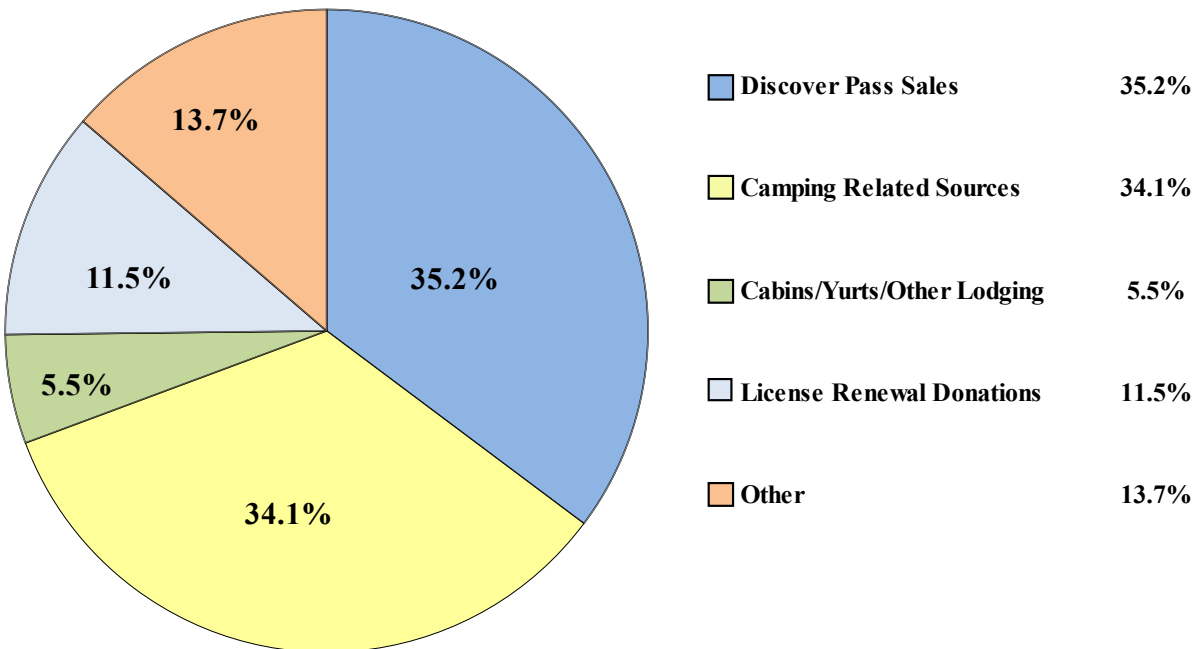
(5) Includes Clean Vessel grants issued to other entities, and spending authority for grants

**APPENDIX 2**  
**PARKS RENEWAL AND STEWARDSHIP ACCOUNT (PRSA) REVENUE SUMMARY**  
**2023-25 Biennium**  
**As of February 29, 2024**

Revenue Category	Biennial Estimate	Estimate To Date	Actuals To Date	Variance To Date	Percent Actuals Over/Under To Date
Discover Pass Sales	50,476,000	14,385,600	14,866,232	480,632	3.3%
Camping	47,707,000	15,096,000	14,389,468	(706,532)	(4.7%)
Other Overnight Lodging	7,667,000	2,459,000	2,314,882	(144,118)	(5.9%)
License Renewal Donations	15,176,000	4,972,600	4,847,098	(125,502)	(2.5%)
Other *	15,409,000	5,002,300	5,775,507	773,207	15.5%
	<b>136,435,000</b>	<b>41,915,500</b>	<b>42,193,187</b>	<b>277,687</b>	<b>0.7%</b>

\* Other revenue sources include leases, reservation fees, retreat centers, boat moorage and watercraft launch fees, day use fees, etc.

## Percent of Revenue Collected by Source

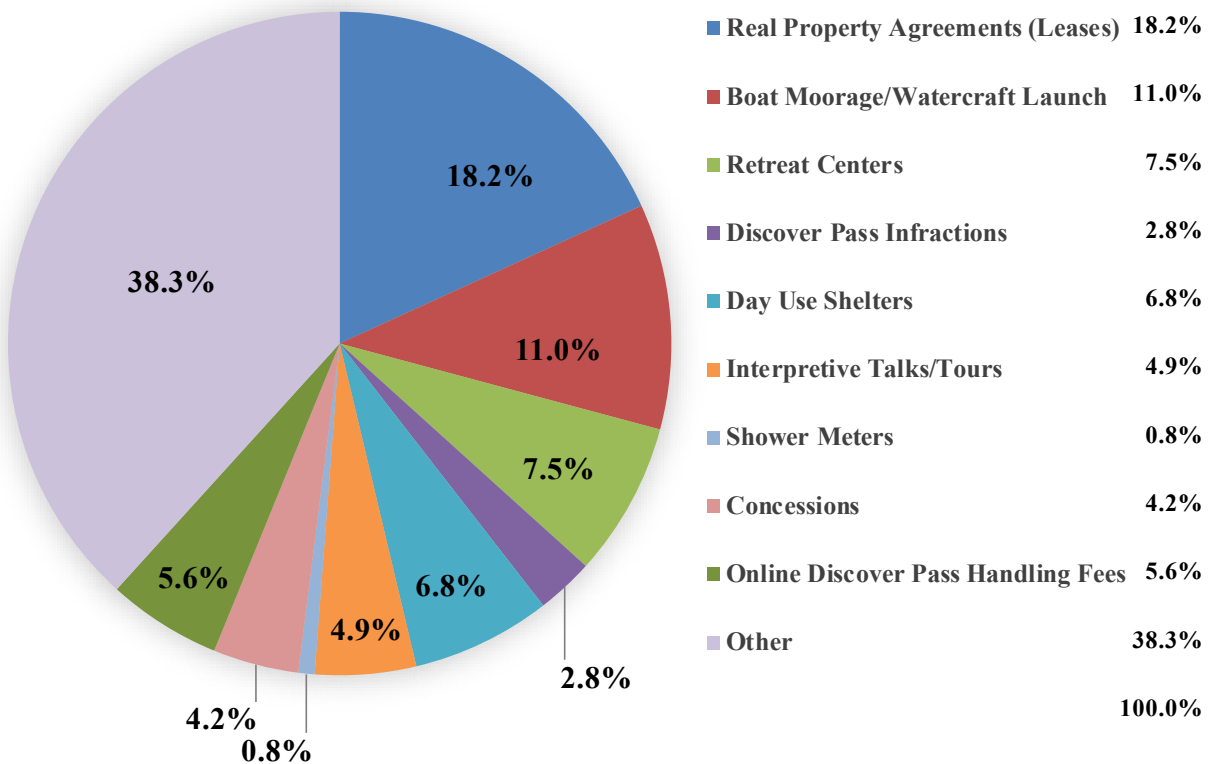


**APPENDIX 3**  
**PARKS RENEWAL AND STEWARDSHIP ACCOUNT (PRSA) “OTHER” REVENUE**  
**SUMMARY**

**2023-25 BIENNIUM**  
**As of February 29, 2024**

Revenue Category	Biennial Estimate	Estimate To Date	Actuals To Date	Variance To Date	Percent Actuals Over/Under To Date
Real Property Agreements (Leases)	2,400,000	864,000	1,050,193	186,193	21.6%
Boat Moorage/Watercraft Launch	2,150,000	580,200	634,955	54,755	9.4%
Retreat Centers	620,000	204,600	434,556	229,956	112.4%
Discover Pass Infractions	504,000	204,100	161,390	(42,710)	(20.9%)
Day Use Shelters	900,000	288,000	392,680	104,680	36.3%
Interpretive Talks/Tours	500,000	162,500	283,982	121,482	74.8%
Shower Meters	600,000	210,000	45,563	(164,437)	(78.3%)
Concessions	520,000	140,400	241,330	100,930	71.9%
Online Discover Pass Handling Fees	1,020,000	265,200	320,757	55,557	20.9%
Other	6,195,000	2,083,300	2,210,100	126,800	6.1%
<b>Total</b>	<b>15,409,000</b>	<b>5,002,300</b>	<b>5,775,507</b>	<b>773,207</b>	<b>15.5%</b>

**Percent of Revenue Collected by Source**



**APPENDIX 4**  
**2025-27 OPERATING AND CAPITAL BUDGET DEVELOPMENT TIMELINE**

