

Diana Dupuis
Director



STATE OF WASHINGTON
WASHINGTON STATE PARKS AND RECREATION COMMISSION

1111 Israel Road S.W. • P.O. Box 42650 • Olympia, WA 98504-2650 • (360) 902-8500
TDD Telecommunications Device for the Deaf: 800 833-6388
www.parks.state.wa.us

July 18, 2024

Item E-8: 2025-27 Operating Budget – Requested Action

EXECUTIVE SUMMARY: This item asks the Washington State Parks and Recreation Commission to 1) approve the 2025-27 operating budget request to submit to the Office of Financial Management (OFM). This item advances the Commission’s strategic goal: “Resource Management – Obtain and effectively manage resources needed to create and sustain an exceptional parks system.”

2025-27 BUDGET DEVELOPMENT:

Budget Instructions and Submittal. OFM issued a memorandum June 3, 2024 regarding 2025-27 budget development (Appendix 1) that includes:

- A reference to the State’s economic forecast will likely support the maintenance of current programs, but not growth
- Initiatives on the November ballot, if passed, could negatively impact revenues that are collected, fund entitlement, and other programs and services
- Proposals should lead to equitable outcomes for Washingtonians and improve access for people who have been historically or are currently excluded from services or are disadvantaged
- Agencies should focus on proposed solutions to address the most essential programs and services

Budget Development Process. Agency leadership, staff and the budget office began work on the 2025-27 biennium budget proposal this past winter. Since that time, efforts have included:

- Review of the draft Strategic Plan to ensure alignment with Commission priorities
- Review of Governor priorities
- Numerous discussions among the agency’s Executive Leadership Team and senior management members to talk about priorities, resource needs and capacity
- Staffing reviews to determine resource needs and ensure optimum use of staff, make investments in priority work, and continue efficient operations
- A review of costs associated with goods, services, travel, and equipment to ensure expenses are appropriate and to identify areas of additional resource needs and savings
- Development of an initial 2025-27 earned revenue forecast.
- Discussion with the OFM regarding questions, issues, and approaches
- Discussions with the Commission’s Budget Committee

Since the May 2024 Commission meeting, work has continued within the agency, with the Budget Committee and with OFM to further refine the budget proposal. This work included continued refinement of expenditure and revenue estimates.

2025-27 OPERATING BUDGET SUBMITTAL

Assumptions

1. State Parks will submit a budget request using OFM's instructions as a guideline.
2. The General Fund will be the funding source for requested decision packages that are not supported, in part or in total, by earned revenue.
3. The proposal has a \$5.1 million targeted earned revenue (PRSA) projected fund balance as of June 30, 2027, including potential 2025-27 compensation impacts:
4. Projected earned revenue for the 2025-27 biennium is \$138.3 million:

In summary, the proposed 2025-27 operating budget request identifies funding needs for additional priority investments to enable forward progress in improving agency efforts to maintain and operate the park system. This proposal considers Commission priorities, Governor priorities, management capacity, and the state's current economic outlook.

STAFF RECOMMENDATION:

Based on the above assumptions and other considerations and the review of funding requests, staff recommends the development of a total 2025-27 operating budget request that is approximately \$282.4 million (which includes all programs and funding sources). Staff also requests authority be given to the Director to make final changes as needed to the 2025-27 operating budget request before final submission to the OFM.

NEXT STEPS:

If this requested action is approved, over the next two months staff will refine expenditure estimates, develop and compile the operating budget request and submit the request to OFM by September 10, 2024.

SUPPORTING INFORMATION:

Appendix 1: Office of Financial Management June 3, 2024, 2025-27 budget instruction memorandum

Appendix 2: 2023-25 Operating Budget Proposal

REQUESTED ACTION FROM COMMISSION:

That the Washington State Parks and Recreation Commission:

- 1) Authorize the Director to submit a 2025-27 operating budget request to the Office of Financial Management (OFM) for approximately \$258.5 million (Appendix 2).
- 2) Authorize the Director to make wording changes, technical corrections, and changes to dollar amounts in the operating budget submittal as needed to finalize the submittal.

Author(s)/Contact: Van A. Church, Operating Budget Manager
van.church@parks.wa.gov (360) 902-8542

Reviewers:

Laura Holmes, Administrative Services Director

Kira Swanson, SEPA Review: Following review, staff has determined that the action proposed for the Commission by staff is exempt from the State Environmental Policy Act (SEPA) pursuant to WAC 197-11-800(14)(c),(g), and (h). The list of projects included in this action item are for planning consideration only. This action does not commit the agency to proceed with any specific proposal. Any future proposals may require additional SEPA review.

Andy Woo, Assistant Attorney General: July 1, 2024

Approved for Transmittal to Commission



Diana Dupuis, Director

APPENDIX 1
OFFICE OF FINANCIAL MANAGEMENT
JUNE 3, 2024 OPERATING AND CAPITAL BUDGET INSTRUCTIONS



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

Insurance Building, PO Box 43113 • Olympia, Washington 98504-3113 • (360) 902-0555

June 3, 2024

TO: Agency Directors

FROM: David Schumacher
Director

A handwritten signature in black ink, appearing to read "D. Schumacher".

SUBJECT: 2025-27 OPERATING, TRANSPORTATION, AND CAPITAL BUDGET INSTRUCTIONS

Recently, state budgets have focused on continuing services that address the basic needs of the people of Washington. While much of this focus must continue, the 2025-27 biennium will face a greater number of people needing services, thereby increasing the costs for these programs.

This year's revenue forecasts will likely support the maintenance of current programs, but not growth. Therefore, operating budget requests should focus on continuing these programs and only addressing caseload increases while not expanding existing programs and services. Agencies should also consider potentially pausing the phase-in of new programs, and the creation of additional programs should be limited to only the highest priorities.

Additionally, the initiatives, if passed in the November election, could negatively impact revenues that are collected, fund entitlement, and other programs and services. Please be cognizant that decisions about funding in the Governor's budget will reflect programs directly paid for with revenue generated by programs that may be affected by the initiatives. Budget requests and prioritization should reflect the possible outcomes.

The Governor continues his commitment to equity. Budget proposals should lead to equitable outcomes for Washingtonians and improve access for people who have been historically or are currently excluded from services or are disadvantaged. Budget requests must analyze the impacts on affected communities and how the budget requests achieve equitable access to opportunities and resources that reduce disparities and improve equitable outcomes statewide.

OFM staff will work with agencies throughout the summer and fall to understand your budget needs and priorities. The Governor knows he will face challenging fiscal choices among the state's needs and policy priorities, and he is confident that agencies will propose solutions to address the most essential programs and services.

The 2025-27 budget instructions are available on OFM's [website](#). Agency operating, transportation, and capital budget requests are due to OFM by Tuesday, September 10, 2024.

Thank you for your assistance. We look forward to working with you and your staff in the months ahead. If you have questions, please contact your agency's assigned [OFM budget advisor](#).

cc: Agency Budget Officers
OFM Budget Advisors

APPENDIX 2
2025-27 OPERATING BUDGET PROPOSAL (Estimates)
July 18, 2024

	<u>FTEs</u>	<u>Dollars</u>
Budget by Fund Source:		
Parks Renewal and Stewardship Account		142,845,000
General Fund - State		105,857,000
Climate		2,846,000
Dedicated & Other Funds		29,679,000
Motor Vehicle Account		1,186,000
Total Budget Proposal	<u>917.4</u>	<u>282,413,000</u>
Budget by Budget Level and Line Item:		
Base Level Budget	885.8	261,750,000
Maintenance Level Items		
▪ Equipment Replacement Costs (MEP) (9S)		2,000,000
▪ Capital Project Operating Costs (9V)		1,000,000
▪ Reservation Fees		537,000
▪ Credit Card Transaction Costs		200,000
▪ Discover Pass Fulfillment		100,000
▪ Utilities		400,000
▪ Computer Lease Increase		457,000
Subtotal Maintenance Level	<u>0.0</u>	<u>4,694,000</u>
Policy Request Items		
1 Balancing Resources		0
2 Advance ADA Compliance and Park Planning	3.0	1,445,000
3 Fort Worden (PDA)		2,000,000
4 Advance Business Strategy	1.0	256,000
5 Improved Condition of Park Infrastructure	2.0	885,000
6 New and Replacement Automated Pay Stations		760,000
7 Enhance Visitor Experience	16.0	2,800,000
8 Strengthen Natural and Cultural Resource Management	3.0	1,569,000
9 Increase Response to Climate Change	2.0	2,846,000
10 Expand Interpretive Opportunities	2.6	666,000
11 Interagency-Tribal State Lands Stewardship	2.0	1,045,000
12 Asses Statewide Bridges and Dams		1,500,000
13 Enhance Online Customer Experience		197,000
Subtotal Policy Request	<u>31.6</u>	<u>15,969,000</u>
Total Maintenance and Policy Request Items	<u>31.6</u>	<u>20,663,000</u>
Total 2025-27 Operating Budget Request	<u>917.4</u>	<u>282,413,000</u>