



2025-27 Budget Outlook

PRESENTED BY LAURA HOLMES

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WASHINGTON STATE PARKS

2025-27 Biennial Budget Overview

- Capital Budget
- Operating Budget
- Revenue Projections



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Capital Budget



2025-27 Capital Budget

Newly Funded Projects in Fund 057 - \$34.4M total

2025-27 State Parks Capital Preservation Pool	5,600
Cama Beach State Park Study	600
Fort Flagler WWI Historic Facilities Preservation	1,230
Fort Worden Beach Campground Electrical Upgrades	2,864
Klickitat Trail Suburbia Bridge Replacement	4,066
Lake Easton - Infrastructure Improvements	780
Millersylvania Retreat Center Road Fish Barrier Removal	245
Moran Campground Renovation	1,275
Moran Staff Housing	567
Mount Spokane Road Improvements	938
Nisqually Day Use Improvements	953
Ocean City Fish Barrier Removal	3,895
Potlatch Day Use Comfort Station Removal	419
Rasar Day Use Upgrades	324
Sun Lakes - Dry Falls Visitor's Center Renovation	6,382
Twanoh State Park Shoreline Restoration	533
Twin Harbors South Beach Area Admin and Maint Facility	1,366
Wallace Falls Parking Expansion	2,386

Fund 057 – State Building Construction Account

- \$34.4 M funded for new projects in parks.
- \$5.6 M was provided in the Capital Preservation Pool. \$3.0 M is for ADA Compliance and \$2.6 M is for Minor Works.
- Statewide projects were not funded. These requests were for projects like 1) facilities and infrastructure, 2) electric and sewer infrastructure, 3) code and regulatory compliance, and 4) restroom replacements.
- Reappropriation is sufficient to complete existing projects.

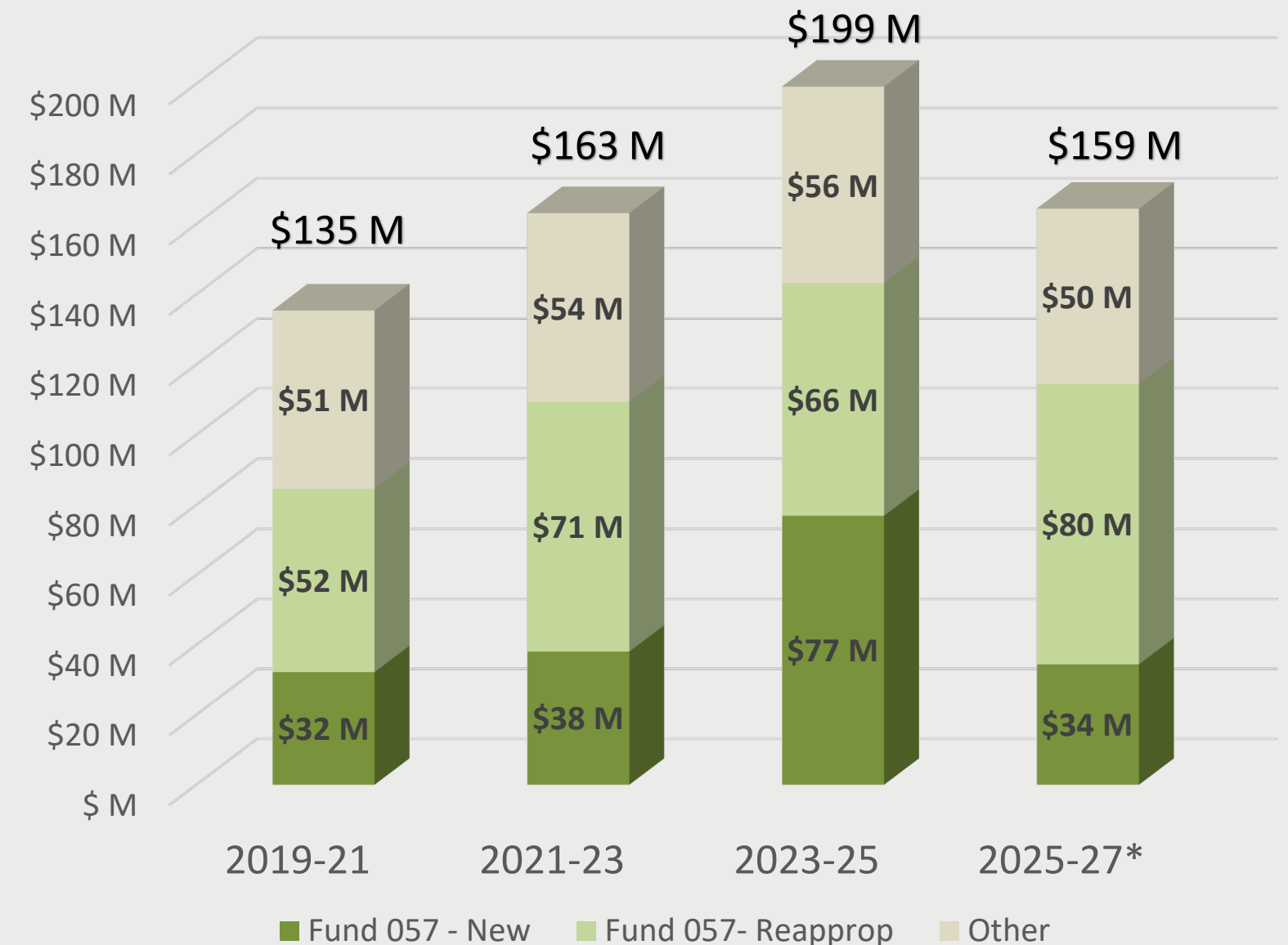
Washington Wildlife and Recreation Program (WWRP)

- \$18.9 M in New Projects funded through this grant program

2025-27 Capital Budget

- New project funding is less than this biennium, however this biennium was unusually high.
- New project funding is more consistent with the last two biennia (2019-21 and 2021-23).
 - Although funding is similar, wages have increased about 14% since 2019 and the value of \$1.00 in 2019 is \$1.25 in 2025.
- Final reappropriation amount will be known in September.
- Other funding is an estimated amount based on anticipated grants. Funding is awarded during the biennium.

Capital Budget Funding History



*Notes on 2025-27:

1. Reappropriation is estimated until end of biennium.
2. Other funding is estimated in grants until awards are received and allotted.

2025-27 Capital Budget

Impact of Funding

- There were 17 new projects funded in Fund 057 along with the preservation pool funding that will provide substantial improvements in several parks.
- ADA work planned for this biennium is funded.
- Statewide projects will continue to accumulate, creating further backlog in maintenance and improvement needs.
- Staff are preparing a 2026 Supplemental for priority projects, which will be provided to the Commission in July.

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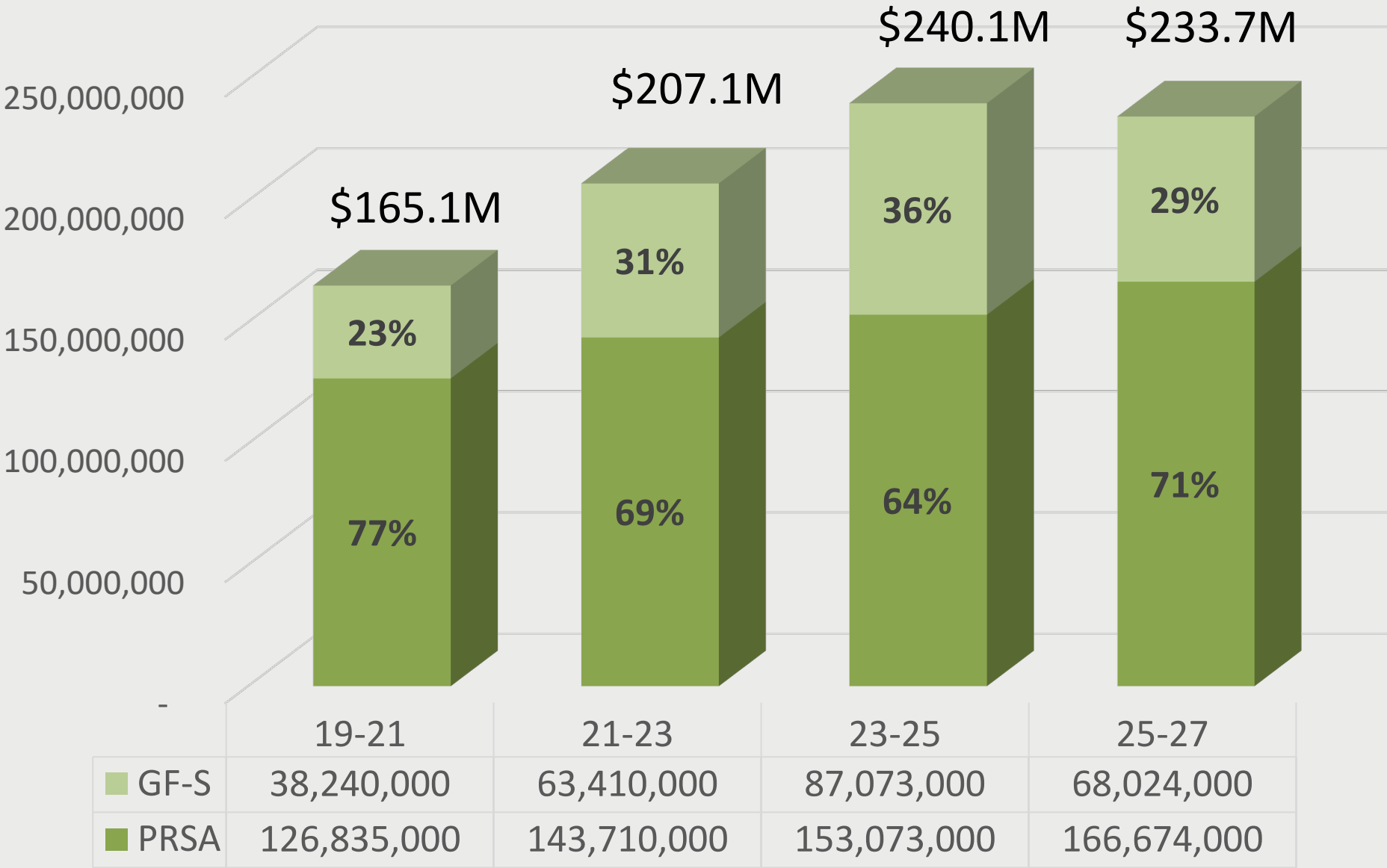
Operating Budget and Projected Revenue



2025-27 Operating Budget

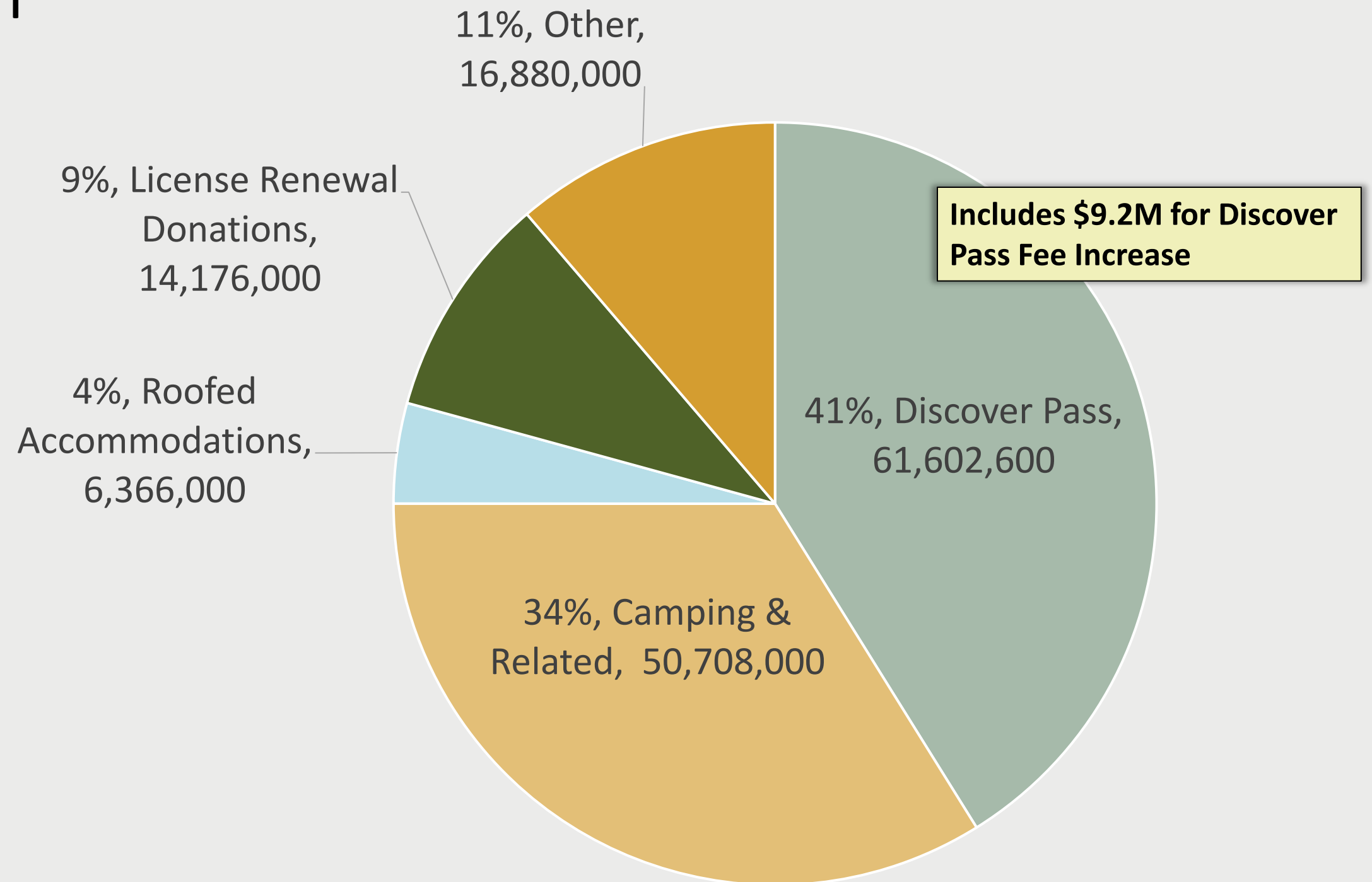
Operating Budget History

- Spending authority is reflected and includes onetime funding.
 - The PRSA/GF percentage split has changed from 64/36 to 71/29.
- General Fund changes:
 - \$5M is a reduction from the 6% assignment from the Governor, ongoing
 - \$9.8 M in expenditures were shifted to PRSA, onetime
 - \$2.3M in other reductions, onetime

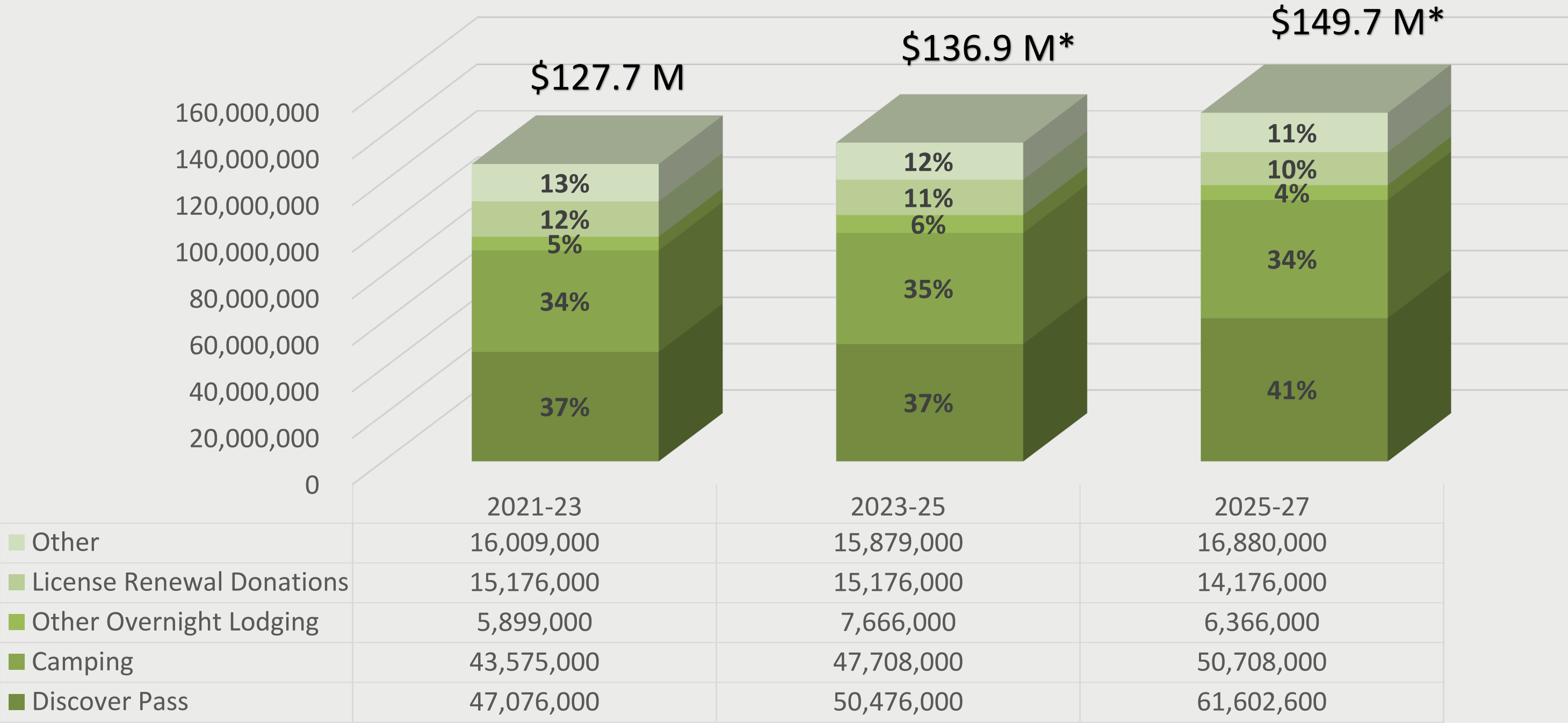


Revenue Projections by Source

\$149.7 million projected in earned revenue 2025-27



Revenue Comparison



*2023-25 and 2025-27 include projected revenue amounts, 2021-23 is actual revenue collected

2025-27 Operating Budget

Impact of General Fund Reductions

- \$68.0 M in GF spending authority.
- Reductions total \$6.0 M; include the 6% assignment by the Governor and an additional \$2.3 M in other reductions

Impact of Forecast and Fund Balance Projections

- \$166.7 M in PRSA spending authority.
 - \$149.7 M projected to be collected in revenue 2025-27. The Discover Pass fee increase includes additional revenue collected; however, the shift of GF expenditures to PRSA utilized those revenues.
 - The ending fund balance this biennium will help supplement the difference. Conservatively, \$12-\$14 M is expected, although it is appearing it could end a few million higher than this.
- Planning for a \$1 M ending fund balance in 2025-27.

2025-27 Operating Budget

PRSA Projected Revenue Shortfall

- Revenues are flat
- Compensation and inflationary costs continue to increase
- Amount of saved revenue this biennium will be known in September
- The 2026 Supplemental funding provided will be known April 2026
- Other Revenue Variables:
 - Discover Pass Fee Increase effective October 1. While the Annual Pass will increase by \$15, it is unknown what impact the increase will have on the demand for the Discover Pass. \$9.2 M projected.
 - Camping Fee Increase effective May 15. This is a moderate fee that covers inflationary costs since the last fee increase in 2019. \$3.0 M projected.
 - Camping and roofed accommodations have been on a slight downward trend that may not be stabilized yet.

2025-27 Operating Budget

Agency Spending Authority

Parks Renewal & Stewardship Account (PRSA)*	\$166.7 M
General Fund	<u>\$ 68.0 M</u>
Subtotal – General Operations	\$234.7 M
Dedicated Funds/Programs	<u>\$ 22.9 M</u>
Total	\$257.6 M

**Revenue must support spending*

2025-27 Operating Budget

Trends to Watch

- Visitation for Calendar Year 2024 (Jan 2024 – Dec 2024) was down -2%. Fiscal Year 2025 to date (Jul 2024 – Mar 2025) is down -3%.
- Overnight Visitation was down -1% FY24 over FY23.
- Overall revenue also down -3% FY24 over FY23.
- Industry Information:
 - RV Industry Association (RVIA) represents RV manufacturers and suppliers responsible for producing 98% of all RVs in the United States. RVIA reports RV shipments are up nearly 14% in the first quarter of 2025.
 - General research shows camping decreased after COVID spike but is projected to stabilize or even increase in 2025.
- Inflationary Data:
 - Consumer Price Index, Seattle show energy costs increasing 3% in last year
 - Notifications from utility companies for some areas of the state increase 5%-7% for FY 2026

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Summary of Budget Outlook



2025-27 Budget Outlook Summary

- **Capital Budget:** There are several projects that improve parks and statewide ADA. System-wide projects are unfunded and a 2026 supplemental is being developed for priority projects.
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→ **Operating Budget:** General Fund is reduced by \$6.0M and the projected PRSA shortfall will be monitored and managed on an ongoing basis, with potential for additional reductions.
- **Revenue:** will be closely monitored with unknown factors around the demand on the Discover Pass and other revenue sources show downward trends we waiting to see if stabilized.



Definition of terms that may be used in this presentation

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- **Appropriations.** Laws passed that provide agencies authority to spend specified amounts for specific time periods and purposes.
- **Reappropriations.** Specific to the capital budget, projects that cross biennia may have authority to spend the remaining balance shifted to the next biennium.
- **Budgets.** Funding provided through the legislative process.
 - **Capital Budget.** Funding received for the construction of facilities and other infrastructure in the park system, and for deferred maintenance projects. This is mostly revenue to [Fund 057](#) from bond proceeds.
 - **Operating Budget.** Funding received for the operation of the park system, and for preventive maintenance projects. This mostly comes from:
 - [General Fund](#) account. This account funds all financial resources for the state's operating budget except those required to be accounted for in another fund. Revenue comes from taxes, federal grants-in-aid, charges, miscellaneous revenue, licenses, permits, fees, and interest income and is to be used to support the operation of the state's services and programs.
 - Authority is given in [RCW 43.79.010](#).
 - [Parks Renewal and Stewardship Account \(PRSA\)](#). Earned revenue comes from Discover Pass, camping, roofed accommodations, and other miscellaneous income. Authority is given in [RCW 79A.05.215](#) and is to be used for operating state parks, developing and renovating park facilities, and other park purposes.



Definition of terms that may be used in this presentation

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- **Biennium/biennial cycle.** The legislative process provides funding on a 2-year basis.
 - **Supplemental budget.** Funding is requested on a 2-year cycle; however, opportunity is provided once each fiscal year to make technical adjustments and/or request additional funds.
- **Calendar Year (CY).** While the state operates on a fiscal year, revenue and visitation trends are reviewed on a calendar and fiscal year.
- **Calendar Year to Date (CYTD).** If the data for a calendar year is less than a full year, data is pulled as of the last month the financial reports were closed for. Comparisons of data will be for this same date range in the previous fiscal year.



Definition of terms that may be used in this presentation

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- **Fiscal Year (FY).** The state budget operates on a fiscal year, which is July 1 – June 30. Two fiscal years create the biennium.
- **Fiscal Year to Date (FYTD).** If the data for the fiscal year is less than a full year, data is pulled as of the last month the financial reports were closed for. Comparisons of data will be for this same date range in the previous fiscal year.
- **Fiscal Month (FM).** There are 24 months in the biennial cycle with each numbered consecutively.
- **Pandemic impacted data.** During FY20, day use was closed for one month and overnight stays were closed for over 2 months due to the Covid-19 pandemic. FY20 revenue and visitation appear much lower than other years due to the closure.



Definition of terms that may be used in this presentation

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- **Capital Project Terms**

- **Completed Project.** This identifies projects that have completed the purpose for the funding specified. This may mean that the project is fully complete, but more often reflects that a project is completed for the phase funded.
- **Deferred Project.** This most often describes a canceled project, or a project expected to be canceled but the funding is retained on the books through the biennium or utilized for another project with approval.
- **Design Phase.** This phase of a project is to develop the plans, schematics, and details regarding the project, and is used to request permitting and/or to post the bid.
- **On Hold project.** This identifies projects that are paused due to varying factors that could impact how the project proceeds; projects may either start again or, if determined they are no longer feasible, become deferred.



Definition of terms that may be used in this presentation

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- **Capital Project Terms**

- **Permitting.** Obtaining official permissions from local authorities before starting construction. This includes environmental, land use and building permits. Federal, State and Local permits, as well as archeology and cultural resources reviews and approvals.
- **Planned project.** These that have been funded and waiting for staff resources to be available to start the project.
- **Predesign Phase.** This specifically refers to projects that the legislature has funded for predesign because the project cost exceeds \$10 million. Predesign develops preliminary costs estimates and scope for the feasibility and timeline of the project that requires final approval for design funding to be released.



GET IN TOUCH

FOR QUESTIONS AND SUGGESTIONS

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