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Joint Committee on Finance

Paper #467

Parks Fee Increases (Natural Resources -- Forestry, Parks, and Recreation)

[LFB 2017-19 Budget Summary: Page 328, #10]

CURRENT LAW

Currently, Department of Natural Resources (DNR) park staff operate 77 recreational properties open to the public, including: 45 state parks; 15 state trails; two national scenic trails; eight southern forests; and seven recreation areas. In addition, some properties are owned by the state and operated by local units of government, such as Copper Culture State Park, or nonprofit organizations, such as Heritage Hill State Park. Also, some parks and other properties have been designated by the Natural Resources Board, but are not developed or are under development, and property operation remains largely unfunded with only limited services provided. Parks and southern forests received an estimated 17 million visits in fiscal year 2015-16.

The state park system properties contain 5,087 campsites, including sites currently being developed and 1,091 southern forest campsites, 1,420 acres of picnic areas and 32 properties with beaches totaling approximately 20 miles in length. The state recreation system also includes an extensive network of trails, some of which are open to multiple uses. This trail system, encompassing all state parks, recreation areas, forests and trails, includes: (a) 2,160 miles of hiking trails; (b) 1,964 miles of snowmobile trails; (c) 1,230 miles of bicycle trails, including 343 miles of mountain bike trails; (d) 524 miles of groomed cross-country ski trails; (e) 827 miles of horse trails; (f) 455 miles of ATV trails; and (g) approximately 90 miles of nature trails.

All state parks operations are funded by the parks account of the segregated (SEG) conservation fund. Parks account revenues are generated primarily by motor vehicle admission fees to state parks and camping site fees. Revenue to the parks account is also derived from other charges, such as camping reservation fees, trail use fees, golf, pool, or facility rental fees at certain parks, and timber harvests. A portion of park and forest admissions are deposited to the forestry account of the conservation fund.

GOVERNOR

Effective January 1, 2018, specify a range of vehicle admission and camping fees for Wisconsin State Parks and forests that the DNR may charge, as determined by the DNR Secretary, as shown in the table. In addition, the bill specifies that the camping fee changes first apply to camping reservations made beginning on January 1, 2018. Table 1 shows fees in place prior to 2015 Act 55 (the 2015-17 budget act), current fees under 2015 Act 55, and those under the bill.

TABLE 1

**State Park and Forest Admission, Trails, and Camping Fees
Under Prior Law, 2015 Act 55, and Governor's Bill**

	<u>Prior Law</u>	<u>2015 Act 55 Current Law</u>	<u>Governor's Bill</u>	<u>Bill Change to Current Law</u>
<u>State Park Vehicle Admissions</u>				
Resident				
Annual	\$25.00	\$28.00	\$28 to \$38	up to \$10
Additional Annual	12.50	15.50	\$15.50	---
Daily Auto	7.00	8.00	\$8 to \$13	up to \$5
Daily Bus	10.00	11.00	\$11 to \$16	up to \$5
Daily Nursing Home Bus	3.50	3.50	\$3.50 to \$8.50	up to \$5
Senior Annual	10.00	13.00	13.00	---
Senior Daily	3.00	3.00	3.00	---
Non-Resident				
Annual	\$35.00	\$38.00	\$38 to \$48	up to \$10
Additional Annual	17.50	20.50	20.50	---
Daily Auto	10.00	11.00	\$11 to \$16	up to \$5
Daily Bus	14.00	15.00	\$15 to \$20	up to \$5
Daily Nursing Home Bus	6.00	6.00	\$6 to \$11	up to \$5
Trail Pass				
Annual	\$20.00	\$25.00	25.00	---
Daily	4.00	5.00	5.00	---
<u>State Park and Forest Camping Fees</u>				
Resident, Per Night	\$12.00 or 15.00*	\$15 to \$20	\$15 to \$30	up to \$10
Non-Resident, Per Night	14.00 or 17.00*	\$19 to \$25	\$19 to \$35	up to \$10
<u>Additional Camping Fees</u>				
Electricity	\$5.00	\$10.00	\$10.00	---
Water View**	3.00	3.00	3.00	---
Reservation Fee	9.70	9.70	9.70	---

* The upper end of these ranges prior to 2015 Act 55 reflect \$3 higher fees for camping at select properties.

** The Department is currently statutorily authorized to waive camping fees, charge additional camping fees, or charge special fees instead of camping fees for certain classes of persons or groups, certain areas, certain types of camping, or times of the year and for admission to special events. Prior to 2015 Act 55, the Department had utilized this authority for several purposes including charging a \$3 fee for water view campsites.

DISCUSSION POINTS

1. 2015 Act 55 removed all general purpose revenue (GPR) support for parks operations beginning in 2015-16, and provided additional expenditure authority from the parks account of the conservation fund to continue base-level funding for state park and trail operations. 2015 Act 55 also increased annual state parks and forests vehicle admission fees effective January 1, 2016, and specified a range of increased camping fees at state parks and forests that the Department may charge, as determined by the DNR Secretary. The bill would create a range of admission fees DNR may charge for vehicle admission to state parks and forests. (Senior annual admission rates would remain the same price as current law.) These fees would be determined by the Secretary. The bill would also increase the range of fees the Department may charge for camping at state parks and forests.

Admission Fees Increase

2. Under current law, an annual vehicle admission fee for a resident is \$28, while an annual non-resident vehicle admission fee is \$38. No admission fee is required for any vehicle that transports a person with a senior citizen recreation card, a disabled veteran recreation card, or a conservation patron license. (The senior citizen recreation card has not been available since 1991; however, it continues to convey lifetime privileges to the holder as long as the holder possesses the card and remains a resident.) An admission fee exemption is also provided for motor vehicles transporting students to an outdoor academic class. Parks fees have risen over the last 20 years as shown in Table 2, but prior to 2015 Act 55 had not been increased since 2006. Under the bill, annual state park admission fees could be increased by up to \$10 and daily admission fees could be increased by up to \$5, including daily bus and daily nursing home bus fees, effective January 1, 2018. As noted, senior annual admission rates would remain the same price as current law. The fees would be determined by the DNR Secretary and could vary by park and by time of year.

TABLE 2

**Wisconsin State Parks Annual and Daily Admission Fees
1992 through Proposed 2018**

	1992 - 1995	1996-2001			2002-2005			2018 Proposed		
		Fee	Change from Prior	Percent Change	Fee	Change from Prior	Percent Change	Fee	Change from Prior	Percent Change
Resident										
Annual	\$15	\$18	\$3	20%	\$20	\$2	11%			
Daily	4	5	1	25	5	0	--			
Nonresident										
Annual	24	25	1	4	30	5	20			
Daily	6	7	1	17	10	3	43			
Resident										
Annual	\$25	\$5	25%	\$28	\$3	12%	\$28 to \$38	up to \$10	up to 35%	
Daily	7	2	40	8	1	14	\$8 to \$13	up to \$5	up to 62.5%	
Nonresident										
Annual	35	5	17	38	\$3	9	\$38 to \$48	up to \$10	up to 26%	
Daily	10	0	--	11	1	10	11 to \$16	up to \$5	up to 45%	

3. With the elimination of GPR support for parks operations and the recognition that the fee increases included in 2015 Act 55 were not likely to generate sufficient revenues to support authorized ongoing expenditures going into the 2017-19 biennium, 2015 Act 55 required DNR to study and prepare a report regarding potential additional sources of revenue for parks operations and maintenance. The Department's report noted that the parks account was expected to have a projected structural imbalance (authorized expenditures exceeding anticipated revenues) of approximately \$1.4 million annually. The report included four short-term revenue options as well as four long-term options. As noted in the report, the short-term recommendations would primarily involve demand-based pricing to align fee structures with local market conditions. The report identified six properties accounting for approximately 33% of the estimated total 17 million parks visitors in fiscal year 2015-16, including Devil's Lake, Governor Dodge, High Cliff, Kohler-Andrae, Peninsula, and Willow River State Parks. Table 3 summarizes the estimates DNR reported for several revenue options.

TABLE 3

DNR Parks Funding Report Summary of Projected Revenue Options

<u>Option</u>	<u>Current Base</u>	<u>Projected Income</u>	<u>Projected Total</u>
Short-Term Recommendations			
A. Demand-Based Campsite Pricing	\$6,800,500	\$1,454,100	\$8,254,600
B. Demand-Based Park Admission Pricing	6,964,900	1,446,000	8,410,900
Additional Short-Term Considerations			
C. Annual and Daily Admission Fee Increase	\$6,964,900	\$1,687,400	\$8,652,300
D. Additional Campsite Electrification	6,800,500	1,810,900	8,611,400
Long-Term Recommendations			
E. Individual State Park Admission Pass*		\$15,585,000	\$15,585,000
F. Indoor Lodging Concessions Contracts		405,000	405,000
G. Intellectual Property Rights and Partnerships (such as trademark protection and licensing)		2,500,000	2,500,000
Additional Long-Term Considerations			
H. Admission Purchase through Annual Vehicle Registrations*		\$14,081,700	\$14,081,700

*These options would replace the current annual park vehicle admission stickers, and potentially the existing trail pass. Therefore, it should be noted that the projected income shown here does not reflect the current income from these fees. Actual projected revenue would be net of the existing revenue.

4. A revenue option required by the Act 55 report was the purchase of a recreational passport when an individual initiates or renews his or her annual vehicle registration. The report found that a \$15 annual admission sticker purchased through annual vehicle registrations could generate approximately \$14.1 million, net of administrative costs, if 24% of the approximately 5.1 million noncommercial automobiles and light trucks that could be considered potential subscribers for a state park admission chose to purchase one.

5. While fees may vary by property, the administration indicates the range of fees provided by the bill is intended to allow the Department flexibility to avoid a structural imbalance in the parks account. Although actual fiscal year 2015-16 revenues to the parks account were higher than expected and significantly exceeded actual expenditures, favorable weather conditions and low gas prices likely contributed to revenues exceeding estimates. In fiscal year 2016-17, it is estimated that authorized expenditures from the parks account would exceed anticipated revenues by approximately \$1.2 million. However, the Department has maintained a number of vacancies in the parks account and the vacancy rate remains at approximately 28% in May, 2017. As a result, fiscal year 2016-17 expenditures are expected to be approximately \$1.25 million less than authorized expenditures, as shown in Table 4.

6. Estimates shown in Table 4 for increased admission fee and camping fee revenues for fiscal year 2017-18 and 2018-19 under the bill reflect a proposed fee structure sent to this office by the Department on March 17, 2017. Under the proposal, effective January 1, 2018, the Department

would increase annual admission fees by \$10 and daily admission fees by \$5 at the following six parks, which the Department identifies as those with the highest attendance: Devil's Lake State Park, Governor Dodge State Park, High Cliff State Park, Kohler-Andrae State Park, Peninsula State Park, and Willow River State Park. Increased revenues from these admission fees are estimated at \$925,000 in 2017-18 and \$1,850,000 annually beginning in 2018-19 (Alternative A1). In combination with higher camping fees that DNR may institute as described in a later section, annual parks account revenues would increase by an estimated \$2.7 million once in full effect by 2018-19. The increases would be similar in principle to the demand-based pricing options (A and B) considered by DNR in its Act 55 report and shown in Table 3.

TABLE 4

Parks Account Condition

	<u>Actual 2015-16</u>	<u>Current Law 2016-17</u>	<u>Bill 2017-18</u>	<u>Bill 2018-19</u>	<u>Staff</u>
Opening Balance	\$7,803,800	\$9,157,500	\$9,243,400	\$9,719,300	
Revenue:					
Park and Trail Admissions	\$10,760,500	\$10,450,000	\$11,375,000	\$12,300,000	
Camping	9,552,500	9,300,000	9,520,000	10,175,000	
All Other Revenue	<u>989,300</u>	<u>715,000</u>	<u>715,000</u>	<u>715,000</u>	
Total Revenue	\$21,302,300	\$20,465,000	\$21,610,000	\$23,190,000	
Total Available	\$29,106,100	\$29,622,500	\$30,853,400	\$32,909,300	
Expenditures:					
Parks and Recreation Program Operations	\$15,390,500	\$17,041,800	\$16,797,700	\$16,797,700	134.25
Campground Reservation Fees	1,109,100	958,600	958,600	958,600	0.00
Administration and Technology Services	1,723,800	1,765,200	1,971,100	1,977,800	11.82
Customer Assistance and Licensing	309,500	311,700	116,700	116,700	0.00
Division Management and Bureau Operations	812,200	811,200	642,400	642,400	5.62
Debt Service, Maintenance and Development	554,500	658,100	665,100	665,100	0.00
Taxes and Assessments	36,000	70,400	70,400	70,400	0.00
Other Agency Appropriations	0	12,100	12,100	12,100	0.00
All Other	<u>13,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00</u>
Authorized Expenditures	\$19,948,600	\$21,629,100	\$21,234,100	\$21,240,800	151.69
Lapses and Reductions Due to Vacancies		-1,250,000	-625,000	0	
2017-19 Compensation Adjustments			<u>525,000</u>	<u>775,000</u>	
Total Expenditures	\$19,948,600	\$20,379,100	\$21,134,100	\$22,015,800	
Cash Balance	\$9,157,500	\$9,243,400	\$9,719,300	\$10,893,500	
Encumbrances/Continuing Balances*	\$800,000	\$800,000	\$800,000	\$800,000	
Available Balance	\$8,357,500	\$8,443,400	\$8,919,300	\$10,093,500	
Revenue Minus Expenditures	\$1,353,700	\$85,900	\$375,900	\$1,174,200	

*Includes amounts encumbered (committed, but not yet paid) as well as continuing balances from certain appropriations (such as rental property maintenance and for camping reservation system payments) that are not available for general appropriation.

7. Under the proposed two-tiered fee structure annual admission fees at the other parks would remain the same as under current law. DNR noted in the Act 55 report this fee structure

would require differentiating stickers between the admissions options. Further, the Department indicates that if this proposed structure were implemented, visitors could "upgrade" from a daily pass to an annual pass during the year. For example, if a resident had paid for two daily admissions at high-tier Wisconsin State Parks already during a calendar year (\$13 each), on their third visit to a high-tier property, they could choose to purchase an "upgrade" to an annual admission for \$12, or the difference between the two daily fees purchased (\$26) and the annual admission fee (\$38). Department staff indicate that this proposed fee structure is currently being considered, but no final determination has been made regarding its implementation. Further, as the bill would allow the Department to charge a range of admission and camping fees at different properties at different times of the year, this fee proposal or a different fee proposal could be instituted or altered at the Secretary's directive.

8. Charging higher fees at the most popular parks could discourage visitors to those parks, particularly as annual admission fees were increased in 2015 Act 55, and prospective visitors may perceive less value in a high-tier admission sticker as compared to other recreational goods or experiences. Some would argue all state residents should have equal access to all parks for one uniform annual cost of admission. On the other hand, if differential pricing were to reduce visits, those persons who continue to perceive the price as a greater value relative to other recreation will remain willing to incur the higher fee. Reduced congestion at popular parks also may reduce strain on parks' capacities to accommodate impacts of high volumes of visitors.

9. Further, visitors might find a two-tiered system confusing. An alternative could be to provide flexibility for the Department to increase only the daily admission fees for certain high-demand state parks, but maintain the statutorily specified rate of the annual fees, which would remain the same at all parks (Alternative A2). This could provide increased revenues to the parks account; increasing the daily fees at the busiest parks may increase the number of annual stickers sold, as it would become more economical to buy an annual sticker if a person intends to visit a park for more than two days over the course of a year. However, it is unclear to what extent this would affect annual park attendance. For lower income residents, maintaining the annual sticker at the current price would continue to provide an economical admission option and allow entry across all parks, eliminating potential confusion.

10. Table 5 compares park admissions fees charged under current law and as proposed under the bill to surrounding states.

TABLE 5

Park Admission Fees in Wisconsin and Surrounding States

	<u>Current Fees</u>					<u>Proposed</u>
	<u>Wisconsin</u>	<u>Minnesota</u>	<u>Michigan</u>	<u>Iowa</u>	<u>Illinois</u>	<u>2018 Fees</u> <u>Wisconsin</u>
Resident:						
Annual	\$28.00	\$25.00	\$11.00	\$0.00	\$0.00	Up to \$38
On-Site			16.00*			
Daily	7.00	5.00	---	---	---	Up to \$13
Senior (65) Annual	13.00	25.00	11.00	---	---	
Non-Resident:						
Annual	38.00	25.00	32.00	0.00	0	Up to \$48
Daily	10.00	5.00	9.00	---	---	Up to \$16

*Beginning January 1, 2018, Michigan will charge an additional \$5 for the annual recreation passport for vehicle purchases made at the parks rather than through vehicle registration.

11. Two neighboring states (Illinois and Iowa) do not charge admissions fees to their state parks. However, Illinois charges a \$1 daily beach use fee. Illinois and Iowa fund state park operations primarily from revenues from camping fees and from the general fund. In addition, in 2012, Illinois passed a \$2 fee increase on all Illinois vehicle registrations, which generates approximately \$20 million annually in dedicated revenues utilized for maintenance and capital projects at state parks. In addition to operations funding, Iowa utilizes funding from a \$3 million tribal gaming infrastructure fund for capital projects. Minnesota funds state park operations from segregated fees, primarily vehicle admission and camping fees, and from the general fund. Minnesota's 2015-17 biennial budget proposal included an increase in admission fees of \$5 annually and \$1 daily; however, this increase was not ultimately adopted. Minnesota currently charges the same park admission fee to residents and nonresidents. State park operations in Minnesota are also funded from a portion of the lottery sales tax. In addition, Minnesota utilizes funding from the state's Legacy Fund, a constitutionally dedicated .375% sales tax, for habitat improvement, capital projects, land acquisition, grants to local communities for regional parks and trail projects, and parks interpretive and outdoor skills programming. The Legacy Fund may not be utilized to replace or supplant operations.

12. Michigan does not utilize general fund revenues for state park operations. In 2010, Michigan created a "recreation passport" for entry into state parks, which replaced the previous vehicle admission window stickers, and which is the model for the Act 55 study provision and the DNR-DOT study the Governor recommended. Most of the revenue generated by the recreation passport is deposited in the Park Improvement Account of the Michigan Conservation and Recreation Legacy Fund (a constitutional fund). The account receives all revenue from camping fees, concessions, leases, contracts, and other fees or permits for activities in state parks and recreation areas, as well as damages paid to the state for illegal activities in state parks. The account is similar to Wisconsin's parks account in that it is utilized for parks operations, but unlike Wisconsin's parks account, it may also be utilized for capital development. Michigan also utilizes funds from the Michigan State Park Endowment Fund for parks operations and capital projects.

This fund receives most of the gas and oil lease and royalty revenue derived from state-owned lands. Each year, half of this revenue is credited to the corpus of the fund until the fund reaches a balance of \$800 million, and half may be appropriated for operations, maintenance, and capital improvements of state parks and for land acquisition in state parks.

13. Some would argue that, as annual parks admission fees and camping fees were increased in the prior biennial budget, it is too soon for any additional fee increases and parks fees should remain the same (Alternative A4 and B3). Given that the parks account would be expected to have a June 30, 2019, available balance of approximately \$6 million under current law, it could be argued that the fees do not need to be increased during the 2017-19 biennium. Additionally, while price resistance did not appear to be a factor after the 2015 Act 55 fee increases, a second fee increase in a four-year span could create some measure of price resistance. Further, Wisconsin's admission fees are already the highest of surrounding states fees for both residents and non-residents, and increasing fees further could discourage nonresidents from visiting Wisconsin State Parks.

14. However, without the expected increased revenue to the parks account generated by the increased admission and camping fees, the account would be expected to have a structural imbalance of over \$1.5 million annually. Providing GPR funding in the amount expected to be generated by the admission fees would alleviate this problem (Alternative A3). Further, it could be argued that the state parks are a statewide resource that increase tourism and provide economic benefits to surrounding communities through visitor spending on gas, food, lodging, recreational equipment and guide services, and that some GPR support should be provided for the parks system. Some might also argue that the bill's allocation of over \$180 million GPR over the biennium for forestry purposes would be substantially similar to committing GPR for the parks system as a natural resources purpose with statewide benefits. On the other hand, the replacement of the state forestation tax with GPR would replace one broadly applicable tax with other broadly applied general fund taxes, while the replacement of GPR with parks admissions and camping fees substitutes general fund monies with fees paid by persons directly consuming the product.

Camping Fee Increases

15. The bill would increase the range of nightly camping fees the Department may charge by up to \$10. A plan currently under consideration by DNR, as described in March, 2017, correspondence, would increase nightly camping fees as follows at five high-demand parks, including Devil's Lake, High Cliff, Kohler-Andrae, Peninsula and Willow River: (a) for electric sites, by \$10 from May 1 to October 31; and (b) for non-electric sites, by \$5 from the Friday preceding Memorial Day to Labor Day. Increased revenues from these camping fees are estimated at \$220,000 in 2017-18 and \$875,000 annually beginning in 2018-19.

TABLE 6

Camping Fees in Wisconsin and Surrounding States

	Wisconsin		Minnesota	Michigan		Illinois	Iowa
	Current	Proposed		Current	Proposed		
Resident							
Regular	\$15 - \$20	\$15 - \$30	\$15 - \$23	\$17 - \$31	\$20 - \$33	\$10 - \$15	\$9 - \$11
Rustic	\$15 - \$20	\$15 - \$30	\$15 - \$19	\$13 - \$18	\$15 - \$20	\$6 - \$8	
Off Season	\$15 - \$20	\$15 - \$30	\$15 - \$17	\$17 - \$29	\$18 - \$25		\$6 - \$8
Non-Resident							
Regular	\$19 - \$25	\$19 - \$35	\$15 - \$23	\$17 - \$31 ^a	\$20 - \$33	\$10 - \$15	\$9 - \$11
Rustic	\$19 - \$25	\$19 - \$35	\$15 - \$19	\$13 - \$18	\$15 - \$20	\$6 - \$8	
Off Season	\$19 - \$25	\$19 - \$35	\$15 - \$17	\$13 - \$17	\$18 - \$25		\$6 - \$8
<u>Additional Fees</u>							
Holiday						\$10	^b
Water View	\$3 ^c	\$3 ^c					
Electric	\$10	\$10	\$8	\$4-\$11 or \$6-\$13 (20/30 or 50 amp)	\$4 (50 amp)		\$5
Water/Sewer Hookup	N.A.		\$6	\$5 ^d	\$4/Water, \$4 Sewer	\$10 ^e	\$3
Reservation Fee	\$9.70	\$9.70	\$8.50 or \$10 (Online or Phone)	\$8	\$8	\$5	\$4 or \$6 (Online or Phone)

^a Most sites are between \$13 to \$20 base fee, but fees for select campgrounds at select parks may reach as much as \$29.

^b Iowa requires a three-day minimum for camping over Memorial Day and Labor Day weekends.

^c While the Department is currently statutorily authorized to charge a \$3 water view fee, DNR is not currently charging this fee.

^d Currently, Michigan fees for full hookup vary by campground and park but are generally \$5 more than the price of a 50-amp site.

^e Illinois charges a \$10 utility fee for water/sewer and electric.

16. As shown in the table, Wisconsin's current fees tend to be in the middle to high end of the range of camping fees charged in surrounding states, although comparisons between fee structures can be difficult. Fees in Illinois and Iowa are generally lower than Wisconsin, while Minnesota and Michigan are generally comparable to somewhat higher than Wisconsin. All four surrounding states generally charge the same fees for residents as non-residents. It could be argued that increasing camping fees above current levels may discourage non-residents from camping in Wisconsin State Parks, and may particularly discourage Illinois and Iowa visitors, as Wisconsin's minimum nightly non-resident camping fee is already more than the maximum nightly camping fee in Iowa or Illinois. Additionally, concerns have been raised regarding the affordability of camping at state parks for Wisconsin residents. As with the admission fee increases, some would argue fees should not be increased because fees were increased in the prior biennium. Without any increased revenue under DNR's proposed fee structure, the parks account would be expected to have a significant available balance on June 30, 2019. Further, on a structural basis, estimated annual revenues would be expected to be balanced with authorized expenditures without \$875,000 annually estimated from increased camping fee revenues, assuming the admission fees were increased or a corresponding amount of GPR were provided (under either Alternative A1, A2, or A3). Therefore,

an alternative could be to maintain existing camping fees (Alternatives B3 or B4).

17. However, while camping fees would increase under the bill, it should be noted that, in most cases, fees charged per night for camping in state parks are currently comparable to or lower than fees typically charged by county parks or private campgrounds. For example, the nightly fee during peak season for a non-electric campsite at a commercial campground near Wisconsin Dells that bills itself as camping "in a state-park like setting," is \$46, while a non-electric site at the two state parks nearby, Mirror Lake State Park and Devil's Lake State Park, currently costs \$20 per night for residents and \$25 per night for non-residents. Under the bill and the Department's proposal, a non-electric site at Devil's Lake would cost \$25 per night for residents and \$30 per night for non-residents, while a non-electric site at Mirror Lake State Park would remain at the current fee of \$20 per night as shown in the following table. Electric site rates would increase from \$30 per night for residents and \$35 per night for non-residents to \$40 per night for residents and \$45 per night for non-residents. As illustrated in Table 7, for a Wisconsin resident camping for two nights during peak season, current camping fees at the two state parks are below current fees at the commercial campground, even including daily admission fees, while camping fees under the proposal would be higher at Devil's Lake State Park than the commercial campground but remain lower than the commercial campground at Mirror Lake State Park.

TABLE 7

Camping Fees for a Wisconsin Resident, Two-Night Stay During Peak Season

	Current Camping					Proposed Camping				
	Non-electric	Electric	Daily Admission (\$8/day)*	Non-electric Total	Electric Total	Non-electric	Electric	Daily Admission (\$8-13/day)*	Non-electric Total	Electric Total
Devil's Lake	\$40	\$60	\$16	\$56	\$76	\$50	\$80	\$26	\$76	\$106
Mirror Lake	40	60	16	56	76	40	60	16	56	76
Wisconsin Dells Area										
Private Campground	92	98	N/A	92	98	92	98	N/A	92	98

*For Wisconsin State Parks, an admission fee is required in addition to a camping fee. Figures in the table assume: (a) \$8 per day for all daily admissions under current law; and (b) \$13 per day for certain high-attendance parks and \$8 per day for all other parks under the bill. However, if a resident planned to camp for more than two nights per season, and purchased an annual admission sticker rather than a daily sticker, total camping costs as averaged could be lower than what is shown in the table.

18. In addition to the range of camping fees specified in the bill, under current law and under the bill, the DNR Secretary may raise or lower nightly camping rates by \$5 above or below the statutorily specified ranges. On the one hand, this additional \$5 gives the Department greater flexibility to respond to market conditions when setting rates. On the other hand, it could be argued the range of fees is too wide; the \$15 range (\$15 to \$30) under the bill would effectively be a \$25 range (\$10 to \$35) if the provision were to be enacted as proposed. If the Governor's request is deleted, the Department will remain able under current law to increase fees by up to \$5 above

current levels at high-attendance parks, generating perhaps half the revenue expected under the bill (\$110,000 in 2017-18 and \$437,500 in 2018-19), depending on when or if DNR would implement such a fee increase. If the Committee wished to ensure that camping fees are not increased beyond the statutorily specified range, an alternative could be to delete the additional \$5 discretionary increase/decrease (Alternative B2 or B4).

Vacancies

19. As noted, the parks account currently has a vacancy rate of 28%. While Department officials indicate they plan to significantly reduce vacancies over the 2017-19 biennium, depending on available revenue, an alternative could be to delete some vacant positions. The Department notes that, with the elimination of GPR support in 2015 Act 55 and the anticipated structural imbalance coming into the 2017-19 biennium, DNR maintained vacancies at a higher rate to maintain a reasonable balance in the account. Of the 37.15 positions vacant as of May, 2017, 11.5 have been vacant since prior to June, 2016. The Committee could consider deleting 11.5 positions and a corresponding \$695,000 parks SEG annually (Alternative C1). However, it should be noted that under this alternative, and without any fee increases or additional sources of revenue to the account, expenditures would be expected to exceed anticipated revenues by approximately \$800,000 annually going into the 2019-21 biennium.

ALTERNATIVES

A. Admission Fees

1. Adopt the Governor's recommendation to increase most state park and forest daily parks admission fees, except senior admission fees, by up to \$5 and annual admission fees by up to \$10 at the DNR Secretary's discretion.

ALT A1	Change to	
	Base	Bill
SEG-REV	\$2,775,000	\$0

2. Adopt the Governor's recommendation to increase most state park and forest daily parks admission fees by up to \$5 at the DNR Secretary's discretion, but maintain current statutory fees for annual admission.

ALT A2	Change to	
	Base	Bill
SEG-REV	\$1,800,000	- \$975,000

3. Maintain current state park and forest admission fees. Create an annual appropriation to transfer a sum-certain amount from the general fund to the conservation fund for state parks operations and facilities. Transfer \$925,000 GPR in 2017-18 and \$1,850,000 in 2018-19 to the parks

account.

ALT A3	Change to Base		Change to Bill	
	Revenue	Funding	Revenue	Funding
GPR	\$0	\$2,775,000	\$0	\$2,775,000
SEG-REV	<u>- 2,775,000</u>	<u>- 2,775,000</u>	<u>- 2,775,000</u>	<u>- 2,775,000</u>
Total	- \$2,775,000	\$0	- 2,775,000	\$0

4. Delete provision. (Current state park and forest admission fees would be maintained.)

ALT A4	Change to	
	Base	Bill
SEG-REV	\$0	-\$2,775,000

B. Camping Fees

1. Adopt the Governor's recommendation to increase the range of nightly camping fees in state parks and forests by up to \$10, at the DNR Secretary's discretion.

ALT B1	Change to	
	Base	Bill
SEG-REV	\$1,095,000	\$0

2. Adopt the Governor's recommendation, but delete the current law provision allowing the Secretary to raise or lower nightly camping fees by \$5 beyond the range specified in statute.

ALT B2	Change to	
	Base	Bill
SEG-REV	\$1,095,000	\$0

3. Delete provision and maintain current law camping fees. (The Secretary would retain the ability to increase or decrease nightly fees by \$5 beyond the statutory range.)

ALT B3	Change to	
	Base	Bill
SEG-REV	\$0	- \$1,095,000

4. Delete provision and delete the additional \$5 discretionary increase/decrease provision.

ALT B4	Change to	
	Base	Bill
SEG-REV	\$0	- \$1,095,000

C. Vacancies

1. Delete \$695,000 annually and 11.5 vacant positions.

ALT C	Change to Base		Change to Bill	
	Funding	Positions	Funding	Positions
SEG	-\$1,390,000	- 11.50	-\$1,390,000	- 11.50

2. Take no action. (Current staffing levels would be maintained.)

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