



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #136

Tribal Gaming Revenue Allocations

Parks Account Funding (Natural Resources)

[LFB 2003-05 Budget Summary: Page 323, #17]

CURRENT LAW

Parks account revenues are generated primarily by motor vehicle admission fees to state parks and by camping fees. Other revenue sources to the account include camping reservation fees, golfing at Peninsula State Park, swimming at Blue Mounds State Park, and a portion of the revenue from the sale of conservation patron licenses (to reflect the parks-related privileges granted to patron license holders). Under 2001 Act 16 (the 2001-03 biennial budget), the parks account also received \$1,000,000 in 2001-02 and \$718,000 in 2002-03 in one-time funding from tribal gaming revenues.

GOVERNOR

Transfer \$1,300,000 each year from tribal gaming revenues to the parks account of the conservation fund. Specify that the transfer would occur in the 2003-05 biennium only.

DISCUSSION POINTS

1. Currently, DNR park staff operate 83 recreational properties open to the public, including 45 state parks, 25 state trails, seven southern forests, and five recreational areas. An estimated 14 million visitors enter the parks and southern forests annually. The recreational properties managed by park staff contain 4,348 campsites, 1,390 acres of picnic areas, and 32 beaches. The state recreation system also includes an extensive network of trails, including: (a) 1,808 miles of hiking trails; (b) 1,579 miles of snowmobile trails; (c) 1,754 miles of bicycle trails

(including 1,120 miles of off road mountain bike trails); (d) 625 miles of groomed cross-country ski trails; (e) 607 miles of bridle trails; and (f) 235 miles of nature trails.

2. In 2002-03, state parks operations are budgeted 62% segregated revenues (SEG) from the parks account, 34% GPR (\$5.8 million), and 4% from tribal gaming revenues. Under the bill, state parks operations in 2004-05 would be budgeted 63% parks account SEG, 29% GPR (\$4.8 million), and 8% from tribal gaming revenues. As shown in the following table, the parks account is anticipated to have a June 30, 2005, balance of over \$1.5 million.

Parks Account Condition Statement

	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
Opening Balance	\$324,000	\$444,300	\$1,107,100
Revenues			
Recreation Admission Fees	6,398,500	6,421,900	6,462,400
Campsite Fees	3,579,600	3,604,600	3,629,900
Other Fees	875,100	786,000	790,600
Rents and Services	314,900	319,000	319,000
Miscellaneous	33,400	29,400	29,400
Native American Gaming Transfer	<u>718,000</u>	<u>1,300,000</u>	<u>1,300,000</u>
Total Revenue	\$11,919,500	\$12,460,900	\$12,531,300
Total Available	\$12,243,500	\$12,905,200	\$13,638,400
Expenditures			
DNR	\$11,414,000	\$11,410,700	\$11,544,400
Tourism	<u>49,100</u>	<u>55,300</u>	<u>55,300</u>
Total Expenditures	\$11,463,100	\$11,466,000	\$11,599,700
Reserves, Carryover, etc.	\$336,100	\$332,100	\$475,900
Closing Balance	\$444,300	\$1,107,100	\$1,562,800

3. Under the base budget reductions included in the bill, GPR general operations support for parks would be reduced by approximately \$1.0 million in 2003-04 and by \$1.2 million in 2004-05 with 6.0 positions. As total park operations are supported by a combination of GPR and parks account SEG, this would have the effect of reducing the general operating budget of the Bureau of Parks and Recreation by over 9% for the 2003-05 biennium. The Committee could choose to increase parks account SEG general operations support by \$750,000 annually and 6.0 positions to offset a portion of the GPR reductions over the biennium. Under this option, parks expenditures would be budgeted 64% parks account SEG, 28% GPR, and 8% from tribal gaming revenues for 2004-05, leaving the account with an estimated balance of \$62,800 on June 30, 2005.

4. Rather than provide general support for operations expenditures, the Committee could choose to allocate a portion of the available balance for increased support of the Centennial State Parks (created on October 31, 2000, in honor of the 100th anniversary of Wisconsin's State Park system). The Tommy G. Thompson Centennial State Park is located on the Caldron Falls flowage in Marinette County, and the Capital Springs Centennial State Park is located on Lake Waubesa in Dane County. For planning and initial operations at the two parks, Capital Springs was provided 1.0 park manager position and \$25,000 annually in operations funding, while the Tommy G. Thompson State Park was provided 2.0 positions (a park manager and a natural resources educator) and \$30,000 annually for operational costs. The Capital Springs location is currently open to the public, and coordinates much of its operational responsibility with the adjacent county park. DNR has expressed some uncertainty as to when the Tommy G. Thompson Centennial State Park may open (due to both the size of the property and its remote location). It could be argued that additional staff assistance and operations support for this property may expedite the process by increasing resources available to address site management issues. Providing \$89,500 annually with 1.0 position would support additional operations at the park. This would include a facility repair worker, LTE assistance, and equipment and maintenance costs. Providing \$60,000 annually with 1.0 natural resources educator position could support ongoing operational needs for the Capital Springs Centennial State Park, such as public education, maintenance, and office support.

5. Alternatively, the Committee could choose to maintain the level of operational support provided under the bill and delete up to \$750,000 of the \$1.3 million provided annually to the parks account from tribal gaming revenues. If \$750,000 annually were deleted (Alternative A2d), the parks account would be expected to have a June 30, 2005 balance of approximately \$62,800. Since parks account revenues are influenced by summer weather, some would argue that a larger balance should be maintained to allow for some fluctuation in revenues should the state experience a season of poor weather conditions for outdoor recreation.

ALTERNATIVES

A. State Parks Revenue

1. Approve the Governor's recommendation to transfer \$1,300,000 each year from tribal gaming revenues to the segregated parks account of the conservation fund. The transfer would occur in the 2003-05 biennium only.

2. Instead of the Governor's recommendation, transfer one of the following amounts annually from tribal gaming revenues to the parks account in the 2003-05 biennium only.

a. \$1,000,000

<u>Alternative A2a</u>	<u>PR</u>	<u>SEG</u>
2003-05 REVENUE (Change to Bill)	\$600,000	- \$600,000

b. \$800,000

<u>Alternative A2b</u>	<u>PR</u>	<u>SEG</u>
2003-05 REVENUE (Change to Bill)	\$1,000,000	- \$1,000,000

c. \$650,000

<u>Alternative A2c</u>	<u>PR</u>	<u>SEG</u>
2003-05 REVENUE (Change to Bill)	\$1,300,000	- \$1,300,000

d. \$550,000

<u>Alternative A2d</u>	<u>PR</u>	<u>SEG</u>
2003-05 REVENUE (Change to Bill)	\$1,500,000	- \$1,500,000

B. State Parks Expenditures

1. Provide the following for parks general operations expenditures.

a. \$750,000 SEG and 6.0 SEG positions annually (to partially restore GPR reductions under the bill).

<u>Alternative B1a</u>	<u>SEG</u>
2003-05 FUNDING (Change to Bill)	\$1,500,000
2004-05 POSITIONS (Change to Bill)	6.00

b. \$500,000 SEG and 4.0 SEG positions annually.

<u>Alternative B1b</u>	<u>SEG</u>
2003-05 FUNDING (Change to Bill)	\$1,000,000
2004-05 POSITIONS (Change to Bill)	6.00

c. \$250,000 SEG and 2.0 SEG positions annually.

<u>Alternative B1c</u>	<u>SEG</u>
2003-05 FUNDING (Change to Bill)	\$500,000
2004-05 POSITIONS (Change to Bill)	6.00

2. Provide \$69,100 in 2003-04 and \$89,500 in 2004-05 with 1.0 SEG facility repair position for operations of the Tommy G. Thompson Centennial State Park. Also, provide \$36,000 in 2003-04 and \$60,000 in 2004-05 and 1.0 SEG natural resources educator position for operations of the Capital Springs Centennial State Park.

<u>Alternative B2</u>	<u>SEG</u>
2003-05 FUNDING (Change to Bill)	\$254,600
2004-05 POSITIONS (Change to Bill)	2.00

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