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Director

STATE OF WASHINGTON
WASHINGTON STATE PARKS AND RECREATION COMMISSION

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Item E-4: Financial Update – Report

EXECUTIVE SUMMARY: This item reports to the Washington State Parks and Recreation Commission on the status of 1) State Parks’ 2019-21 biennium operating and capital budget expenditures, 2) 2019-21 Parks Renewal and Stewardship Account (PRSA) revenue, 3) the 2021 supplemental operating budget, and 4) the 2021-23 budget requests. 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 (2019-21)

2019-21 Biennium Operating Budget and Expenditures: State Parks’ 2019-21 biennial operating budget is \$188.3 million. The amount of budget that funds general operations is \$166.3 million with dedicated program funding at \$22.0 million. Of the \$166.3 million, \$40.7 million is supported by tax dollars from the General Fund, Pension Stabilization Account and Litter Tax revenue. The remainder is supported by earned revenue.

As of February 28, 2021, the agency spent \$134.4 million, of which \$121.8 million was for general operations. Overall, spending is 71.4 percent of the biennial spending plan. This spending level is below pre-COVID-19 planned levels due to cost saving actions that were initiated in March 2020 in reaction to parks being closed. To address increased demand being placed on the park system due to higher attendance and safety and sanitation measures, the agency continues to prioritize and initiate spending across the agency to manage workloads and business needs.

The February 28, 2021 PRSA fund balance is \$14.1 million. The fund balance is expected to decline through the off-season as the normal business cycle results in lower revenue in these months.

2019-21 Biennium Capital Budget and Expenditures: State Parks’ 2019-21 capital budget now totals \$135.0 million. Of this total, \$84.6 million is from the State Building and Construction Account. The \$84.6 million is comprised of \$52.3 million for new projects, and \$32.2 million for re-appropriated projects. In addition, spending authority and grant dollars are available and currently total \$50.4 million.

As of February 28, 2021, the agency spent a total of \$62.5 million; \$28.5 million on new projects, \$17.3 million on re-appropriated projects, and \$16.7 million on grant related projects.

2019-21 Biennium Revenue: No forecast adjustment was made in March 2021, keeping the earned revenue forecast at \$121.1 million. The agency received \$1.3 million in Litter Tax revenue that was deposited into the PRSA account during FY20 bringing expected revenue for the biennium to a total of \$122.4 million.

Collectively, PRSA revenue collections for Discover Pass sales, camping, cabins, and other lodging, “opt-out” donations through the Department of Licensing, and other earned revenue are 0.3 percent above biennium-to-date estimates. This equates to a positive \$336,424 variance.

Comparing biennium-to-date revenue collections against estimates for the five categories shows:

- 1) Discover Pass revenue is 11.0 percent above projection
- 2) Revenue from camping is 9.4 percent below projection
- 3) Cabins and other lodging revenue are 2.1 percent below projection
- 4) Donations through the “opt out” program are 8.7 percent above projection
- 5) Other revenue sources are 8.3 percent below projection

The next update to the earned revenue forecast will be in June 2021.

2021 SUPPLEMENTAL BUDGET REQUEST

The Governor released his 2021 supplemental operating and capital budgets in December 2020. While Parks did submit a supplemental operating request, the Commission did not submit a supplemental capital budget request. The respective committees for the House and Senate released their operating proposals the week of March 22-26. Since it is expected that one or more revised proposals will be released between the time of this report and the Commission meeting, an up-to-date comparison will be provided prior to the presentation.

2021-23 OPERATING AND CAPITAL BUDGET REQUESTS

The Governor released his 2021-23 operating and capital budgets in December 2020. The respective committees for the House and Senate released their operating and capital proposals the week of March 22-26. Since it is expected that one or more revised proposals will be released between the time of this report and the Commission meeting, an up-to-date comparison will be provided prior to the presentation.

If 2021 legislative session goes well, a final compromise operating and capital budget will be adopted and presented to the Governor for signature near the end of April.

SUPPORTING INFORMATION

Appendix 1: 2019-21 Operating and Capital Budget Financial Report

Appendix 2: 2019-21 Parks Renewal and Stewardship Account (PRSA) Revenue Summary

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Reviewers:


Jessica Logan, 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).

Dennis Tate, Fiscal Impact Review: Report only, no fiscal impact.

Andy Woo, Assistant Attorney General: 3/30/2021

Mark Bibeau, Assistant Director – Administrative Services

Approved for Transmittal to Commission



Peter M. Mayer, Director

**APPENDIX 1
OPERATING AND CAPITAL BUDGET FINANCIAL REPORT
2019-21 BIENNIUM
As of February 28, 2021**

Operating Budget:

Fund/Account	Biennial Budget	Expenditures To Date	Balance	Percent Spent
General Operating Funds				
General Fund - State *	37,937,000	29,678,563	8,258,437	78.2%
Parks Renewal and Stewardship Acct. (PRSA)	126,881,000	90,897,385	35,983,615	71.6%
Pension Funding Stabilization Account	1,496,000	1,246,406	249,594	83.3%
Subtotal	166,314,000	121,822,354	44,491,646	73.2%
Other Funds				
PRSA/Dedicated Funds **	21,966,000	12,538,694	9,427,306	57.1%
Total	188,280,000	134,361,048	53,918,952	71.4%

* Includes Avalanche Center, LID Property Assessments and IT Pool Funding (\$761,000)

** Restricted for private/local grants, donations, Boating and Winter Recreation Programs, ORV, Roads, Pension and non-appropriated funds

PRSA Fund Balance:

Date	Balance
July 1, 2019	9,441,452
February 28, 2021	14,083,020

Capital Budget:

Funding Source	Biennial Budget	Expenditures To Date *	Balance	Percent Spent
New Projects - State Bldg. Constr. Acct.	52,343,000	28,478,735	23,864,265	54.4%
Reappropriations - State Bldg. Contstr. Acct.	32,210,002	17,307,306	14,902,696	53.7%
Subtotal	84,553,002	45,786,042	38,766,960	54.2%
Grants/Donations/Pass Through Funds				
State Grants/Pass Through Funds **	41,052,729	15,586,320	25,466,409	38.0%
Local Grants/Donations/Parkland Acquisition ***	5,000,000	541,901	4,458,099	10.8%
Federal Grants/Pass Through Funds ****	4,350,000	579,772	3,770,228	13.3%
Total	134,955,731	62,494,034	72,461,697	46.3%

* Includes expenditures and encumbrances

** Includes prior biennium grant carry-forward; acquisitions; Department of Commerce project (Lake Sylvia Pavilion); and Department of Archaeological and Historic Preservation project (Rehabilitation of the Beverly Bridge)

*** Includes private/local spending authority for grants including reappropriations

**** Includes Clean Vessel grants issued to other entities, and spending authority for grants

APPENDIX 2
PARKS RENEWAL AND STEWARDSHIP ACCOUNT (PRSA) REVENUE SUMMARY
2019-21 BIENNIUM
As of February 28, 2021

Revenue Category	Biennial Estimate	Estimate To Date	Actuals To Date	Variance To Date	Percent Actuals Over/Under To Date
Discover Pass Sales	44,080,000	34,417,100	38,189,255	3,772,155	11.0%
Camping & Related Sources	40,344,000	32,825,840	29,736,414	(3,089,426)	(9.4%)
Cabins/Yurts/Other Lodging	5,438,000	4,399,460	4,304,893	(94,567)	(2.1%)
License Renewal Donations	13,712,000	11,072,900	12,030,796	957,896	8.7%
Other *	17,558,000	14,536,800	13,327,166	(1,209,634)	(8.3%)
Subtotal	121,132,000	97,252,100	97,588,524	336,424	0.3%
Litter Tax	1,250,000	1,250,000	1,250,000	0	0.0%
Total	122,382,000	98,502,100	98,838,524	336,424	0.3%

* 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

