

Financial Sustainability in Parks Budgets



AUGUST 2017

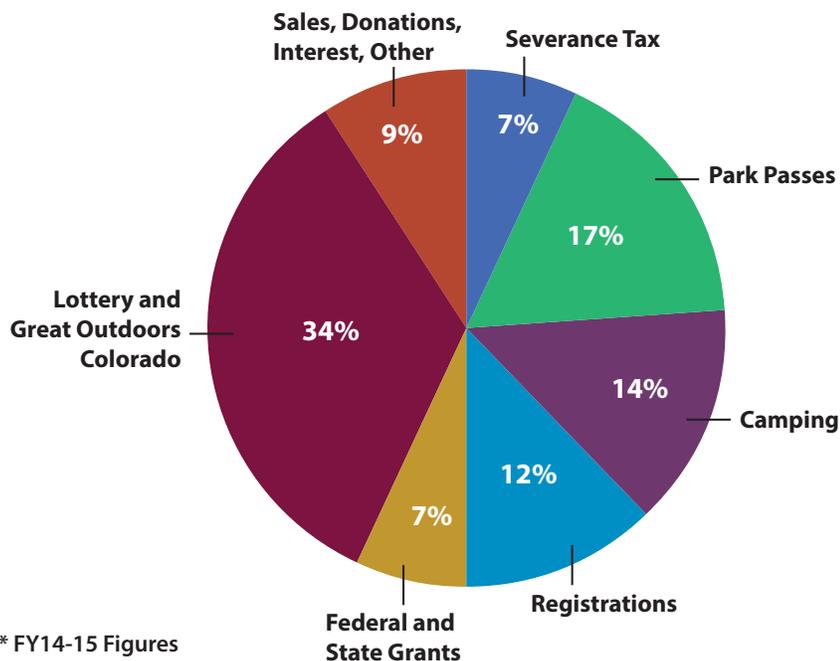
Historically, Colorado's state parks were supported through user fees as well as general tax dollars. However, after the economic downturn of 2008, general tax funding was reallocated to more immediate priorities in the state budget. This change in funding resulted in fee increases for park users and restrictions on spending that are still in place.

Today, Colorado parks and outdoor recreation programs are funded through a variety of mechanisms. Park entrance passes, camping fees and registration fees provide almost half of the CPW park budget on an annual basis; The Colorado Lottery and Great Outdoors Colorado (GOCO) provide an additional third. The remaining funds are administered through project-specific grants from federal and state sources, as well as severance tax revenues and other smaller sources of revenue.

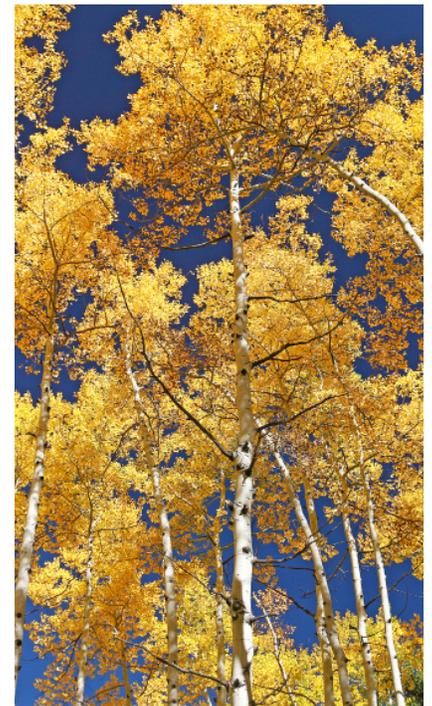
Each of these funding sources have specific requirements that ensure all park fees, grants and funding are spent for parks-related purposes only. Therefore, the funding sources for parks and wildlife remain separate, despite CPW being merged into one agency.

At present, CPW faces significant financial challenges—our revenues are growing more slowly than our costs. Parks budgets suffered multi-million dollar deficits that were addressed through fee increases and budget cuts. Park programs reduced the number of full-time employees by 5% and seasonal employees by 10%. CPW was also forced to close Bonny State Park in 2011.

Parks Funding Sources*



* FY14-15 Figures



VICK SCHENDEL/CPW

Spending where it matters

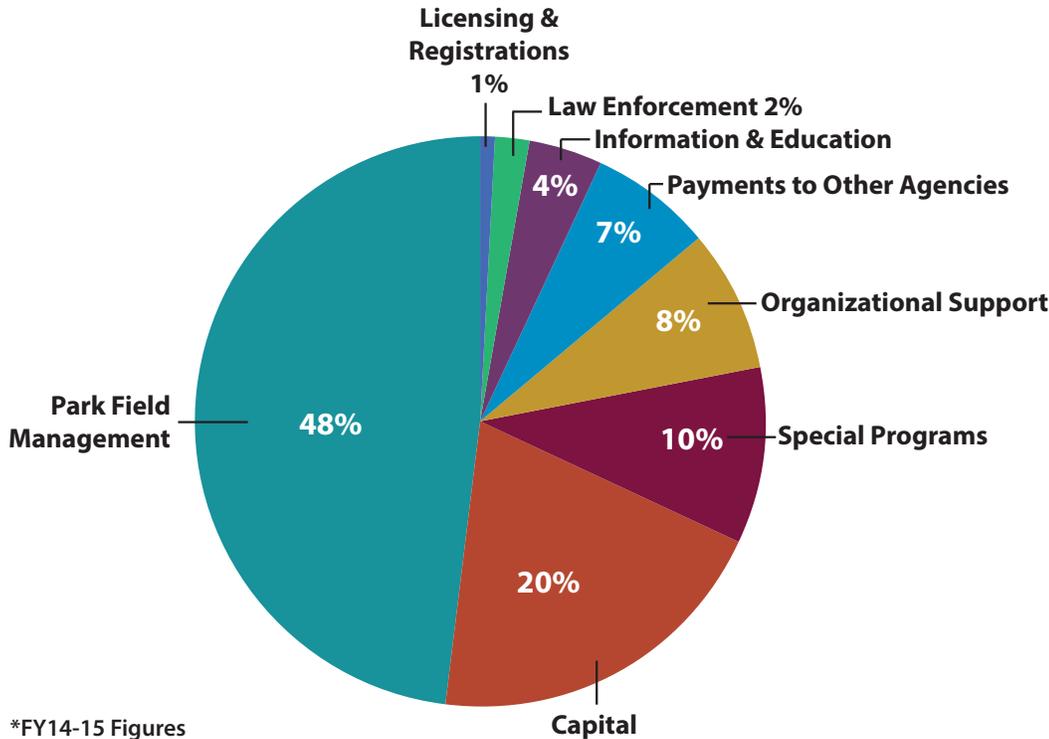
The vast majority of parks funding is spent on the ground for park and natural resource management, including the management of recreation, law enforcement, and maintenance of park facilities. Our visitor centers, trails and campgrounds see over 13 million visitors a year, requiring continuous effort to maintain a high quality parks experience for all. Funding is also spent on special programs, such as the trails, boating and the Aquatic Nuisance Species (ANS) programs, which provide important recreational opportunities.

Significant funds are also spent on capital development, such as the construction of new education centers, roads, and trails throughout the parks system.

Programs such as licensing, registration and law enforcement also help you interact with your park resources safely. Our education and interpretation programs teach Coloradans of every age about the stewardship of Colorado's natural landscapes.

CPW works hard to use your money effectively and is constantly looking for new ways to become more efficient.

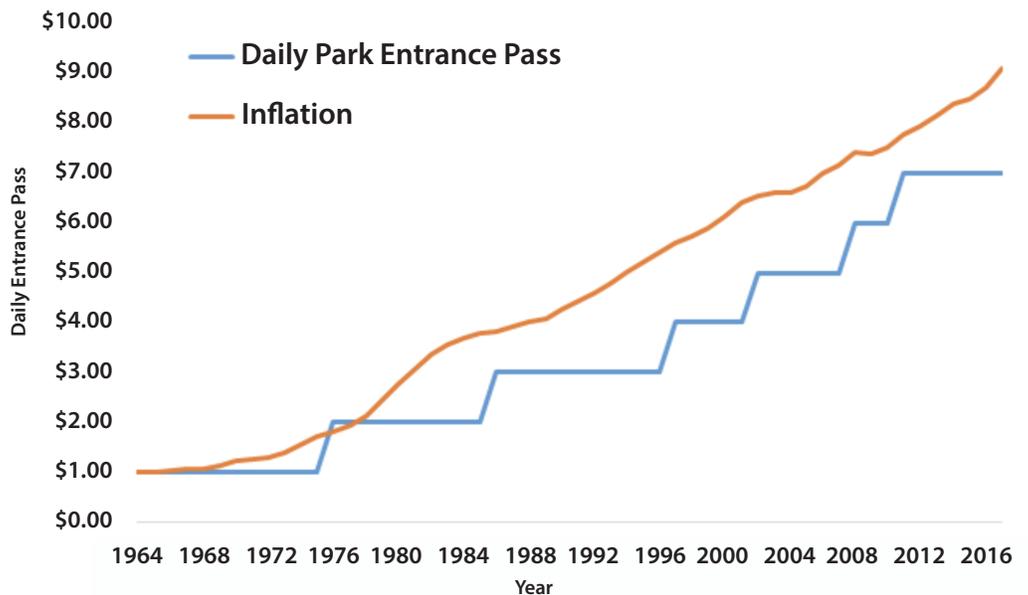
Parks Expenditures*



Park Entrance and Camping Fees

As noted, previously Colorado's state parks received almost 30% of their general operating budget from general tax dollars. As this funding fell to zero, fees have been raised to ensure the continued funding of state parks and outdoor recreation programs. The Colorado Parks and Wildlife Commission currently has the ability to raise park entrance and camping fees. This ability has allowed us to make periodic price increases and not fall too far behind inflation. However, the amount of revenue that CPW can generate through parks is defined in statute. When that limit is hit, parks fees cannot be raised. CPW has hit that cap, not because of price increases but due to high park visitation. As a result, CPW cannot raise park prices to meet rising operational costs.

The Consumer Price Index (CPI) measures the change in costs over time by tracking a specific market basket of goods. Based on the Denver-Boulder-Greeley CPI which started in 1964, overall prices in 2017 are more than 8 times the amount they were in the 1960s.



CPW has identified a number of expenses that will be required in the coming years in order to maintain operations at their current level. These expenses are straining park budgets and may potentially require additional fee increases.

Among the future expenses identified over the next decade are:

- **Increasing Operational Costs:** At our parks and campgrounds, the cost of utilities like power and water, as well as waste disposal, are increasing steadily. Demand for such utilities is also on the rise. Modern RVs and campers are energy and water intensive as they power TVs, computers, lights, air conditioning and heat.
- **Infrastructure O&M:** CPW has deferred maintenance on infrastructure but cannot do so indefinitely. Buildings, roads, campgrounds, and picnic areas must be kept up to a quality standard and the costs of doing so continue to rise with inflation.
- **Wages for Temporary and Seasonal Employees:** Many temporary and seasonal park employees are making just above the minimum wage. A proposal to raise the minimum wage, Amendment 70, was adopted in 2016. As a result, minimum wage for the State of Colorado will be raised to \$12 by 2020. This will have significant impact on CPW's parks budget, requiring an estimated \$3 million more each year.

As we move forward, estimates and projections will be refined, some investments may be pushed back, others may be stretched out over longer periods, and still others may be scaled back. But this preliminary list of items illustrates the breadth and the depth of higher expenses on the horizon that will impact CPW's program budgets and the ability of the agency to meet public demands to maintaining outdoor recreation programs.



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To learn more, visit:
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