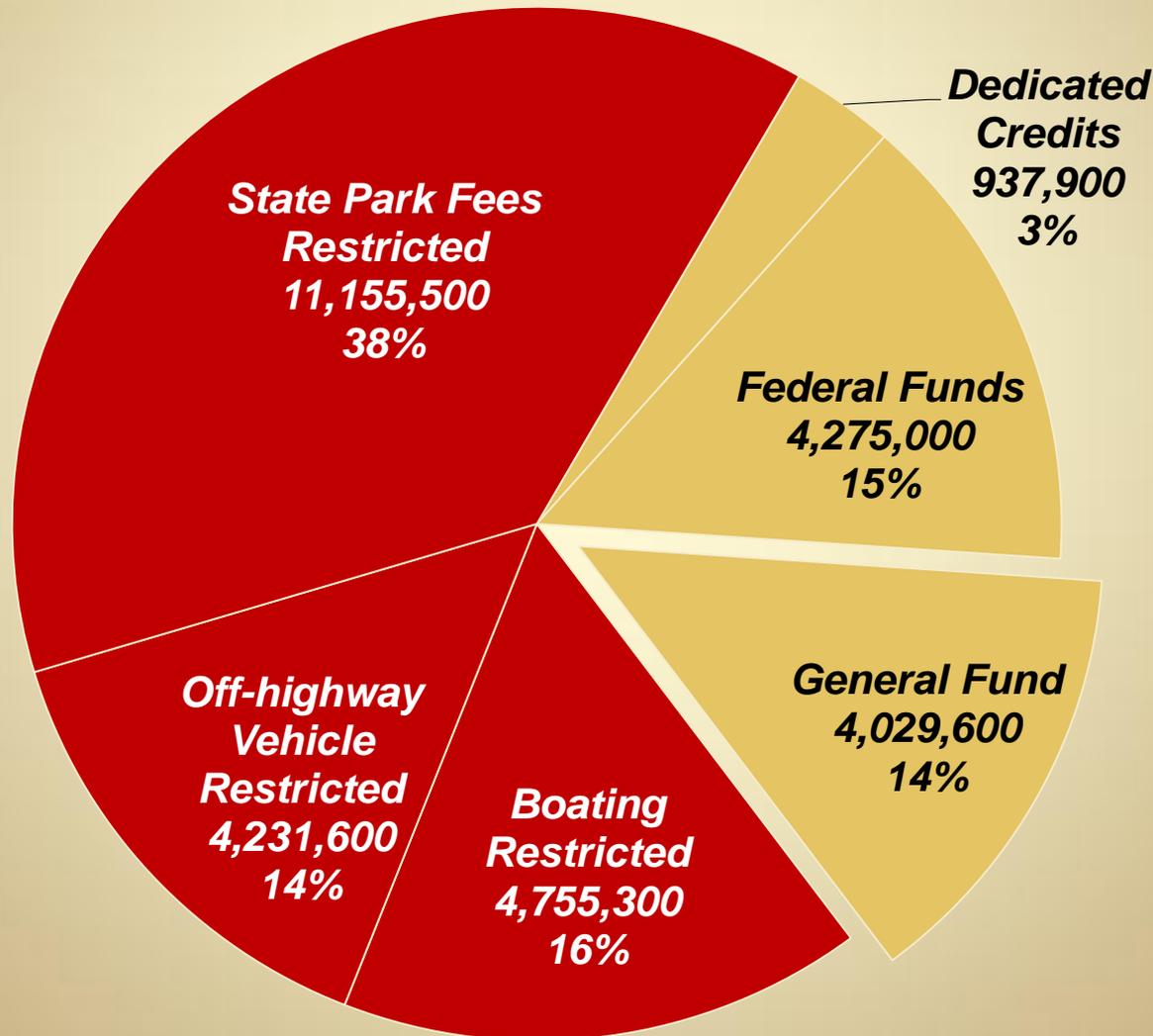


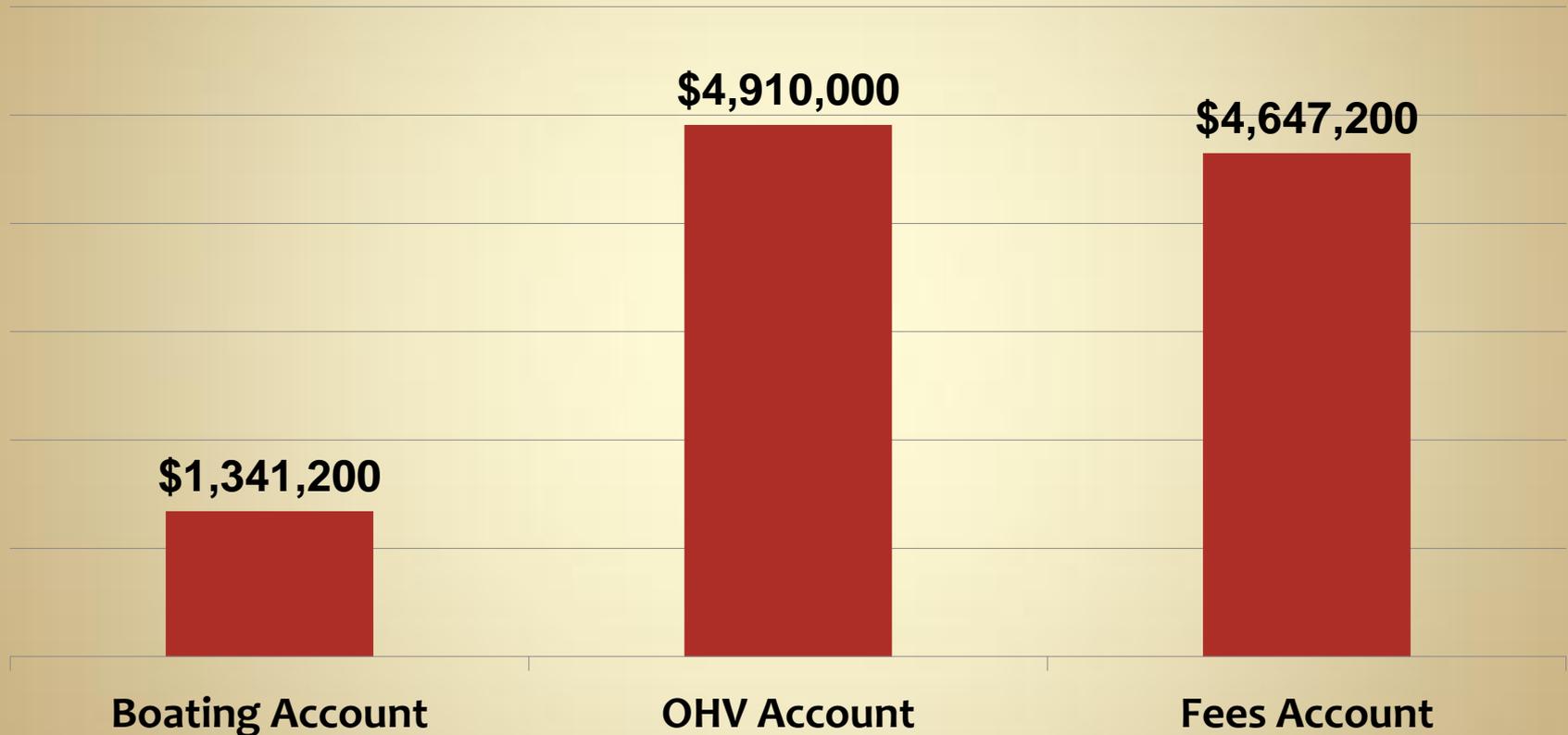
Parks Restricted Account Balances

Parks Funding Mix, Base Budget

Total Restricted Funds Appropriation: \$20.1 million (68%)



How much is in the accounts?



Total account balances at close of FY 2011: \$10.9 Million

What happened with the accounts in FY 2011?

Account Type	Beginning Balance	Revenues	Expenditures	Ending Balance	%
Boating Account	\$2,077,191	\$4,356,702	\$5,092,647	\$1,341,246	-35%
OHV Account	\$5,083,699	\$4,791,301	\$4,964,962	\$4,910,038	-3%
Fees Account	\$4,052,791	\$12,499,488	\$11,905,100	\$4,647,179	15%
<i>Total</i>	\$11,213,681	\$21,647,491	\$21,962,709	\$10,898,463	-3%

The balance in one account grew in FY 2011, while the others shrunk, should you be concerned?

What will happen with these balances in the next 5 years?

- Is there enough to fund the Analyst's recommendations for Parks base budget (\$20.1M) and building blocks (\$4.2M)?
- Is there a need for major fee increases?

Projection Assumptions

On the **Revenue Side**:

- Maintain the same levels of registration of boats and OHVs as in FY 2011
- 4% increase in parks visitation due to population growth
- Approval of fee increases for golf by the 2012 Legislature
- No other fee changes between FY 2013 and FY 2017

Projection Assumptions

On the **Expenditure** Side:

- Approval of base budget (\$20.1 M) and building blocks (\$4.2 M)
- No new building blocks between FY 2013 and FY 2017
- After FY 2014, increase the expenditures from the Park Fees Account by \$400,000 due to the lack of funds in the Boating Account.

Projection Assumptions

Things that **could increase** the fund balances **but are not included** in the assumptions:

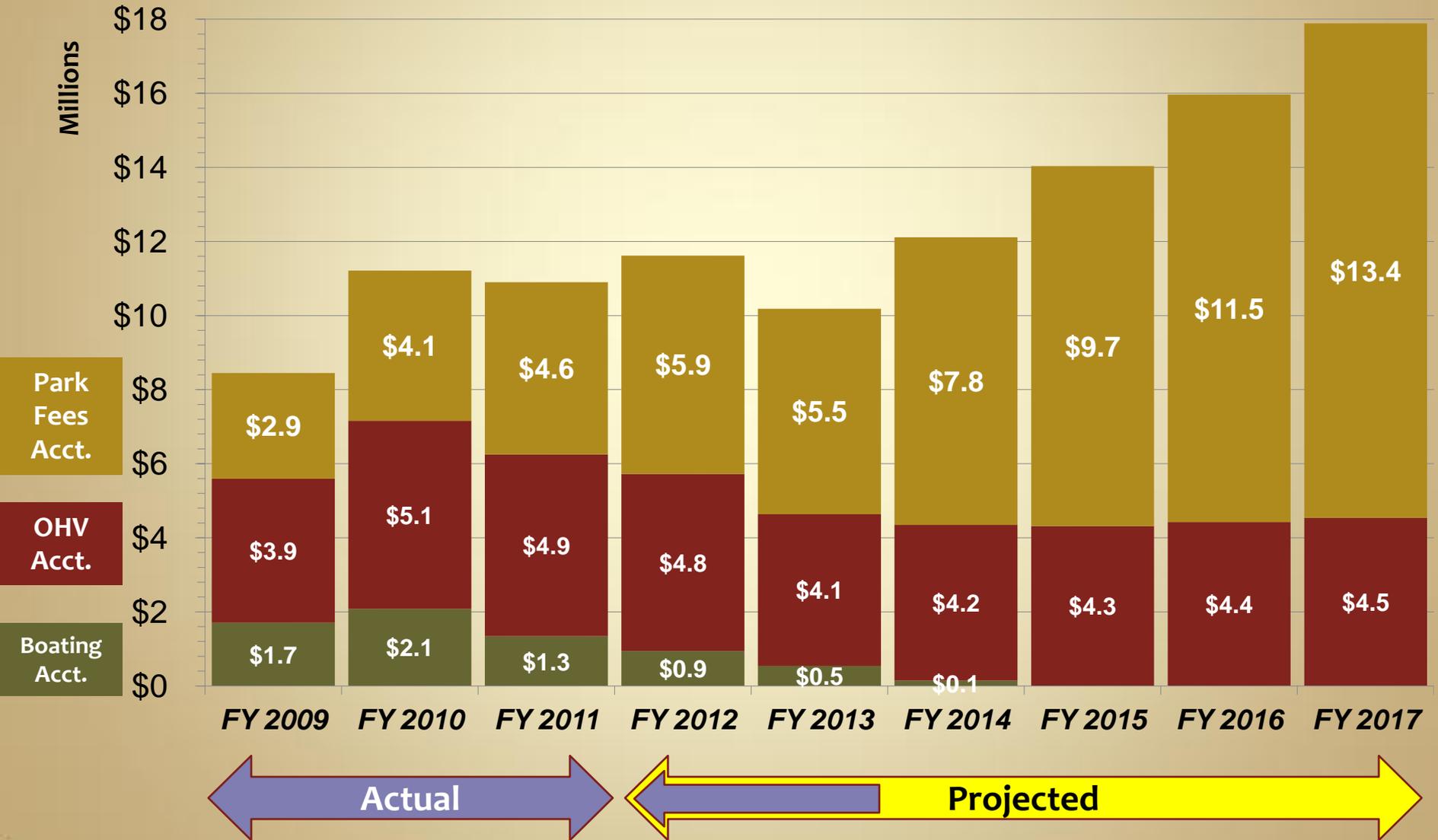
Increase **Revenues**

- Higher visitation to parks (increased marketing efforts)
- More partnerships with private industry (concessions)
- Additional Fee increases (e.g. SB 15, curation fees, etc.)

Reduce **Expenditures**

- More seasonal employees
- Reduce hours in select parks in slow season (early winter through early spring)
- Reduce administration

Ending Balances for Parks' Major Restricted Accounts



Projected Additional Funding

Ongoing Component

- Structural imbalance in the Boating Account of almost \$400,000.
- The OHV and Fees account balances are projected to grow each year by \$1.9 million, starting in FY 2014.

Projected Additional Funding

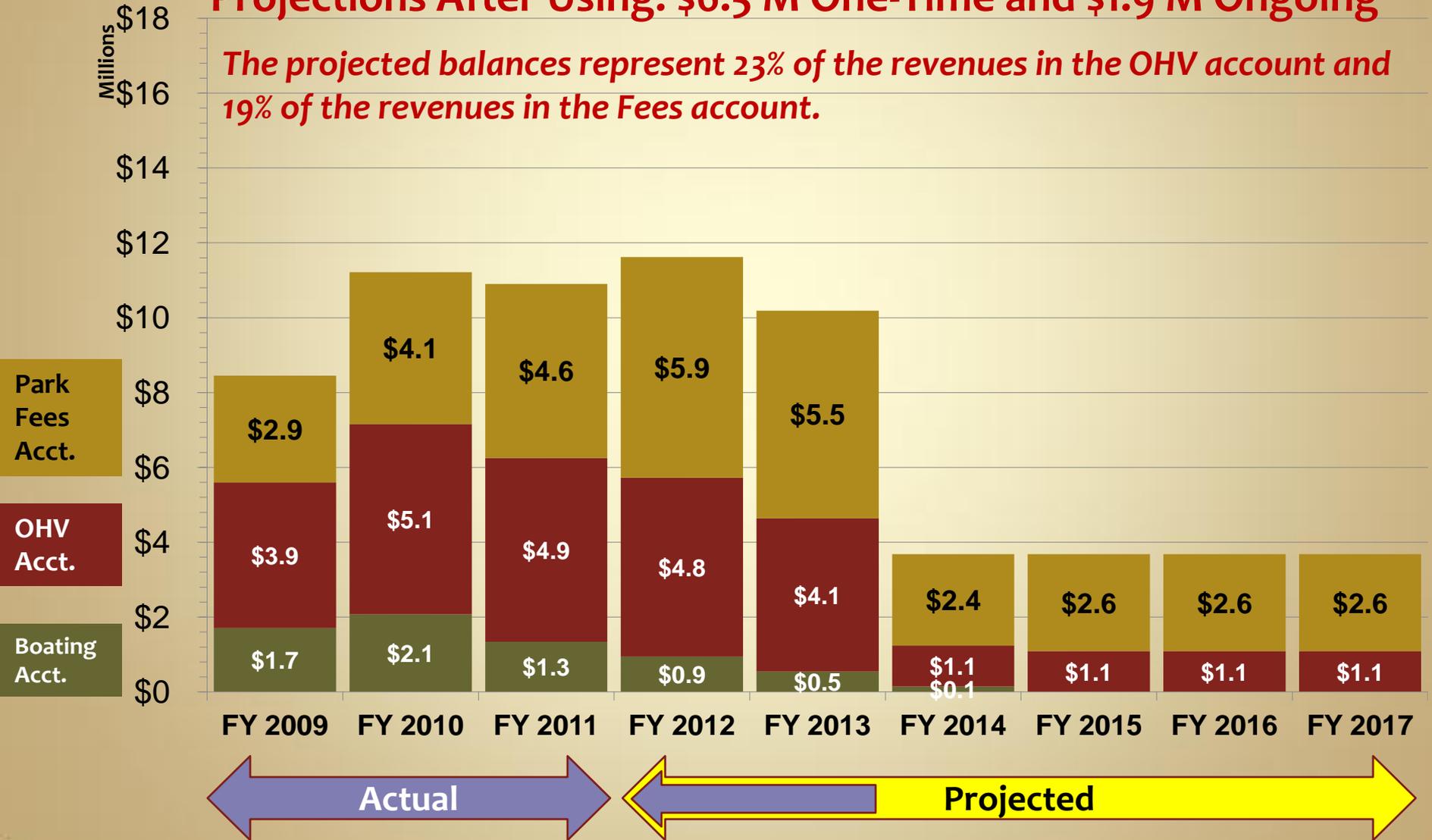
One-Time Component

- The balances of the OHV and Fees accounts may be reduced to minimum balances for emergencies only.
- Depending on the minimum balances, there may be a total of \$3-\$10 million in one-time funding available in FY 2014 for single projects.

Ending Balances for Parks' Major Restricted Accounts

Projections After Using: \$6.5 M One-Time and \$1.9 M Ongoing

The projected balances represent 23% of the revenues in the OHV account and 19% of the revenues in the Fees account.



Potential Areas for the Additional Funding

What is the best way to invest the projected revenue increases?

- Expanding campgrounds
- New cabins, yurts, boat storage
- Providing Wi-Fi to campsites
- Automatic entryways
- New restrooms
- Information kiosks
- Replacing boating docks
- Pipeline replacements
- Pavement projects
- Moving sewers

Potential Areas for the Additional Funding

What is the best way to invest the projected revenue increases?

The Analyst recommends the Legislature invest new funding from the restricted accounts mainly:

- To maintain current infrastructure, and
- For projects with high return-on-investment potential.

Potential Areas for the Additional Funding

What are Parks' greatest needs in the next 5 years?

The division needs to:

- Identify the assets by park.
- Include the maintenance and repairs schedule of current infrastructure in each park's business plan.
- Prepare a prioritized list with the capital needs by park and present it annually to the Legislature for action.