



LEGISLATIVE BUDGET BOARD

Overview of State Park System Funding

**PRESENTED TO HOUSE APPROPRIATIONS SUBCOMMITTEE
ON ARTICLES VI, VIII, AND VIII**

LEGISLATIVE BUDGET BOARD STAFF

MAY 2016

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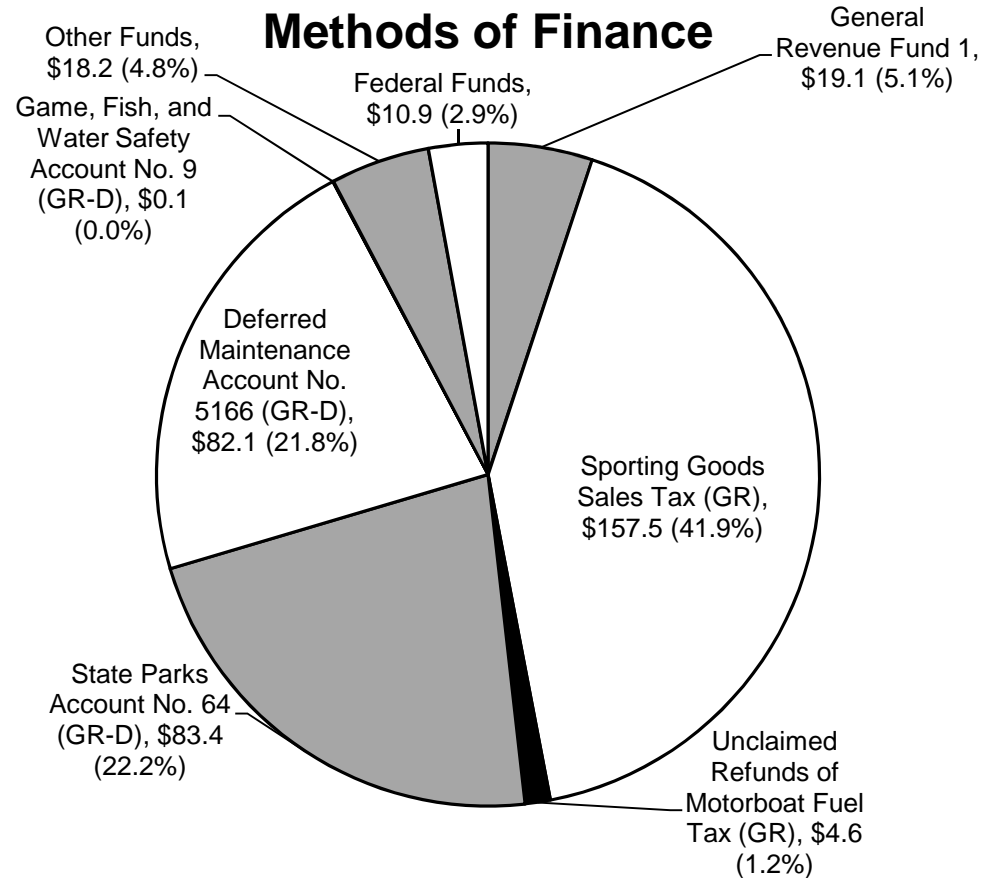
The Parks and Wildlife Department (TPWD) state parks system consists of 95 State Historic Sites, State Natural Areas, and State Parks, of which 91 are open to the public. State park-related appropriations fund operating the sites, the maintenance and capital improvements of state park infrastructure, associated administrative functions, providing grants to local parks and other entities for recreation opportunities, and advertising and publications related to the parks system.

- Total state parks-related appropriations for the 2016-17 biennium totals **\$375.9 million** in All Funds, an **increase of \$83.6 million, or 28.6 percent**, above the 2014-15 actual funding level.
- State parks-related funding represents 53.7 percent of the agency's total appropriations of \$700.3 million. The parks-related funding amount includes Goal B, Access to State and Local Parks, and amounts from other goals estimated to be in support of parks-related activities.
- Remaining TPWD funding of \$324.4 million is for wildlife conservation, fisheries management, law enforcement, and various projects to advance those purposes.

Parks-Related Appropriations in FY 2016-17

In Millions

All Funds = \$375.9 million



Note:
May not sum to total due to rounding

Methods of Financing Parks: Sporting Goods Sales Tax

Sporting Goods Sales Tax (SGST) is revenue within the General Revenue Fund. SGST is not a separate tax, but is the portion of state tax revenue estimated to be generated from the sale, storage, or use of sporting goods by the Comptroller of Public Accounts. Under current law, TPWD is eligible to receive up to 94 percent of the total amount available and the Historical Commission is eligible to receive up to six percent.

In the TPWD budget, SGST may be transferred up to the maximum amount between the four General Revenue-Dedicated accounts as determined by the appropriations process.

Account	Allowable Uses	2016-17 Biennial Allocation (Millions)	Percentage of Allocation
State Parks Account No. 64	State Parks operations and support.	\$122.1	77.5%
Texas Recreation and Parks Account No. 467	Grants to city or county with population under 500,000 for local parks or other recreation opportunities.	\$18.6	11.8%
Large County and Municipality Recreation and Parks Account No. 5150	Grants to cities or counties with populations over 500,000 for local parks or other recreation opportunities.	\$14.2	9.0%
Conservation and Capital Account No. 5004	Acquisition and development, maintenance, and operation of state parks.	\$2.6	1.7%
TOTAL		\$157.5	100.0%

General Revenue-Dedicated Accounts Receiving SGST Transfers

State Parks Account

Uses: The State Parks Account is a General Revenue-Dedicated account used for the operation and maintenance of state parks, including facilities and services at parks, park employee salaries, capital improvements, and administration of the state park system. This account provides funding for state parks peace officers, which are distinct from game wardens.

Revenue Sources:

- SGST transfer, which is tracked as a separate item of appropriation;
- State park entrance fees and passes;
- Grants, gifts, and donations;
- Oil and gas royalties on state parks properties;
- A transfer of 15 percent of boat registration and titling fees from the General Revenue-Dedicated Game, Fish, and Water Safety Account No. 9.

General Revenue-Dedicated Accounts

Appropriations in the 2016-17 biennium total \$83.4 million, an increase of \$14.4 million, or 17.2 percent, above the amount appropriated for the 2014-15 biennium. This amount includes \$39.2 million for park operations and support and \$18.5 million for capital improvements, minor repairs, and infrastructure administration.

Conservation and Capital Account

Uses: The Conservation and Capital Account No. 5004 (GR-D) can be used for the acquisition and development, maintenance, or operation of state parks, fisheries, and wildlife projects.

Revenue Source: The only active revenue source for the account in the 2016-17 biennium is SGST transfers, totaling \$2.6 million after transfers of \$6.6 million to the Deferred Maintenance Account.

General Revenue-Dedicated Accounts

Texas Recreation and Parks Account No. 467 (GR-D)

Uses: To provide assistance grants and direct state matching grants to local governments with populations under 500,000 to acquire and develop parks, recreation opportunities, open spaces, or programs.

Revenue Source: The only active revenue source for the account in the 2016-17 biennium is SGST transfers, totaling \$19.0 million.

Large County and Municipality Recreation and Parks Account No. 5150 (GR-D)

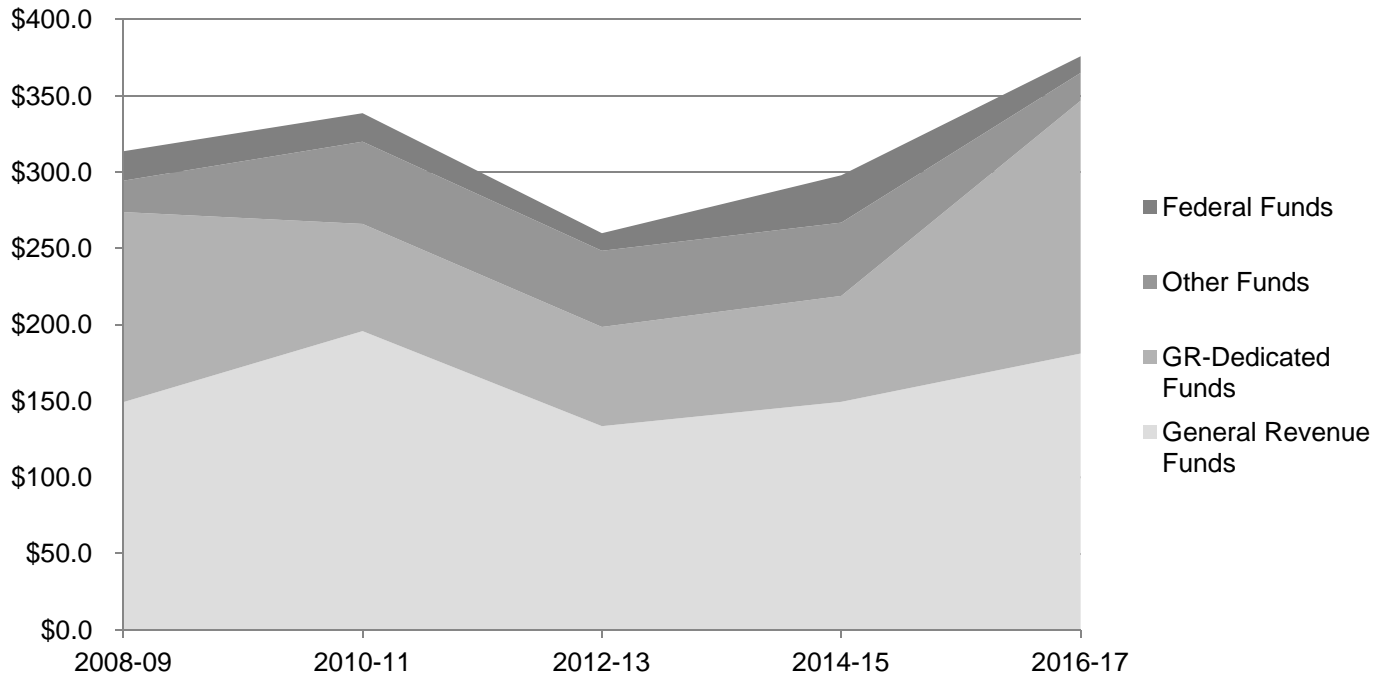
Uses: To provide assistance grants and direct state matching grants to local governments with populations of 500,000 or more to acquire and develop parks, recreation opportunities, open spaces, or programs.

Revenue Source: The only active revenue source for the account in the 2016-17 biennium is SGST transfers, totaling \$14.4 million.

Other Methods of Finance for the State Parks System

Method of Finance	Description	2016-17 Biennial Appropriations (millions)
General Revenue	Used for grants to local parks and other entities for recreation opportunities.	\$19.1
Unclaimed Refunds of Motorboat Fuel Tax (GR)	The portion of gasoline tax revenue eligible for a refund but for which no refund is requested. TPWD receives up to 75 percent, and is primarily used for aquatic invasive species management and border security.	\$4.6
Deferred Maintenance Account No. 5166 (GR-D)	Used to provide funding for repairs to state buildings. Revenue transferred from appropriations from other methods of finance.	\$82.1
Game, Fish, and Water Safety Account No. 9 (GR-D)	Used to provide grants for boating access, trails, and other recreational opportunities. Primarily used for wildlife and fisheries management.	\$0.1
Federal Funds	Various federal sources related to recreational trails, disaster recovery, highway construction, and other purposes.	\$10.9
General Obligation Bond Proceeds (Other Funds)	Bond authority must be approved by two-thirds of both chambers of the Legislature and a majority of the voters. Proceeds from those issuances fund capital improvement projects.	\$16.1
License Plate Trust Fund No. 802 (Other Funds)	Used for state park operations. Revenue is generated from specialty license plate fees.	\$0.5
Appropriated Receipts (Other Funds)	Fees and other revenue collected for services and appropriated to the agency to help recover the cost of the service, including sales of Texas Parks and Wildlife magazine.	\$1.6

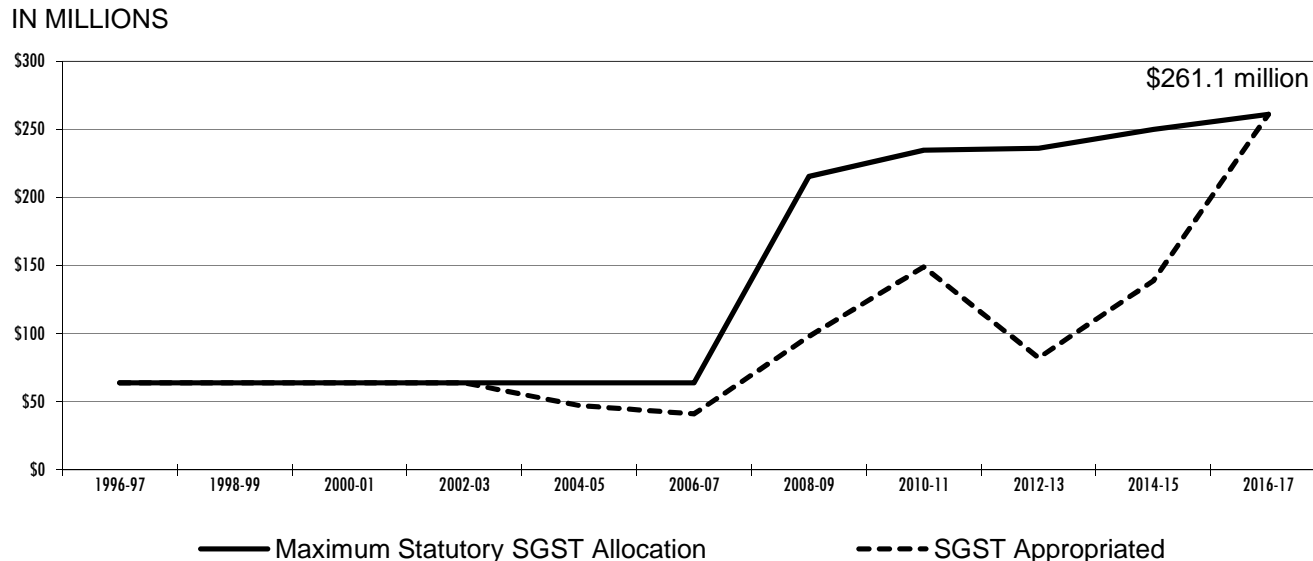
State Parks-Related Funding Since the 2008-09 Biennium



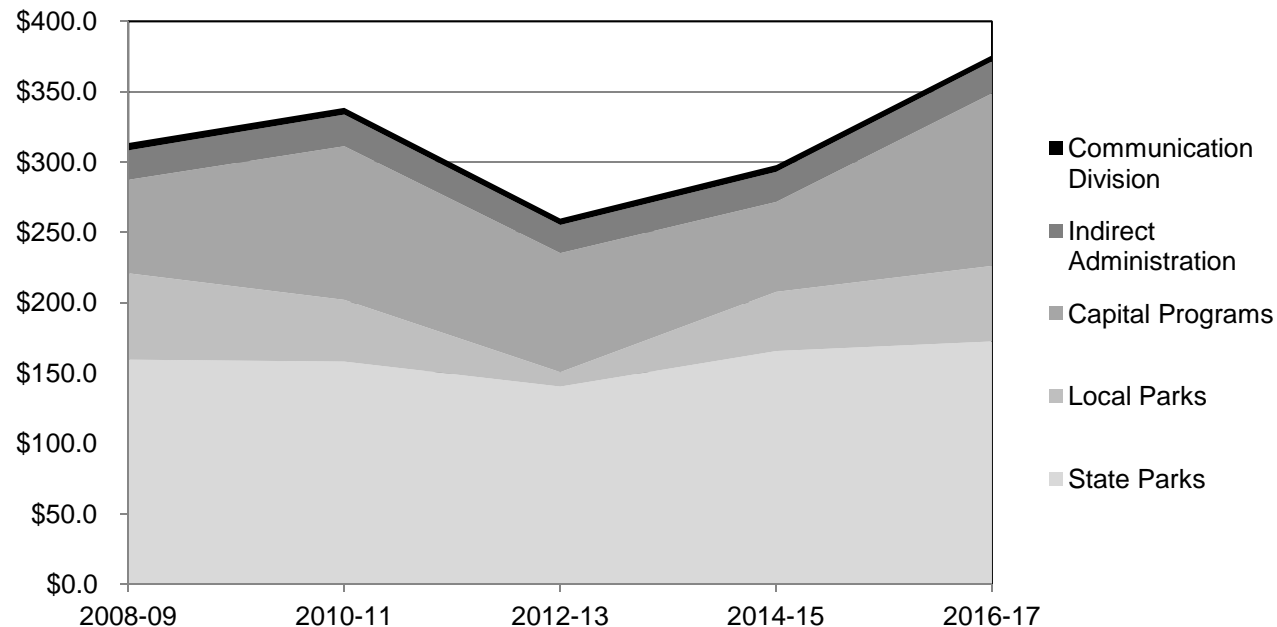
General Revenue-Dedicated funds in 2016-17 include \$82.1 million from the Deferred Maintenance Account No. 5166, which was funded by transfers from General Revenue (\$27.6 million) and General Revenue SGST (\$54.5 million).

TPWD Sporting Goods Sales Tax Appropriations Since the 1996-97 Biennium

The Legislature appropriated the maximum amount of SGST available to TPWD in the 2016-17 biennium. This is the first time the full amount available has been appropriated since the 2002-03 biennium, when the maximum allocation was \$64 million each biennium. In addition to amounts in the agency's bill pattern (\$157.5 million), SGST appropriations also include amounts for debt service on bonds for state parks-related projects and for payroll benefits (\$49.1 million). Portions of the appropriations in the TPWD bill pattern were subsequently transferred to the Deferred Maintenance Account No. 5166 and appropriated back to TPWD from that method of finance (\$54.5 million).



State Parks-Related Funding by Category



2016-17 appropriations for Capital Programs totals \$122.7 million, an increase of \$66.8 million, or 119.3 percent, above the 2014-15 expended amount. Capital program funding will be used for various maintenance and construction projects.

Appropriations for grants to local parks and other recreation opportunities continued to rise after a low point in the 2012-13 biennium. Appropriations in 2016-17 increased by \$5.5 million, or 11.3 percent, above 2014-15 funding levels.

Relevant Legislation Enacted by the Eighty-fourth Legislature

The Eighty-fourth Legislature, Regular Session, 2015, enacted two bills that amended the allocation process of SGST revenue, which increased flexibility allowing all available funds to be used to more effectively meet the priorities identified by the Legislature. The provisions of HB 158 and SB 1366 made the following changes:

- In addition to the allowable uses of the four receiving accounts, statute requires that transfers of SGST revenue be used to (1) acquire, operate, maintain, or make capital improvements to parks; (2) for grants to local units of government and other entities; and (3) for state contributions for employee benefits;
- Removed language from the Tax Code that previously limited the amount of SGST transferred to the four General Revenue-Dedicated accounts and recreated the language in the Parks and Wildlife Code; and
- Granted the Legislature greater discretion over the distribution of SGST to the four TPWD accounts that receive SGST transfers by eliminating statutory maximum allocation percentages to each of the four General Revenue-Dedicated accounts.

Potential Future State Parks System Infrastructure Needs

During the Eighty-fourth Legislative Session, TPWD reported its parks-related infrastructure totaled more than 11,000 assets and approximately 2,300 buildings.

A 2008 study of the state parks system estimated a total asset value of \$808.8 million, excluding the value of land. The same study recommended annual maintenance funding of four to six percent of the total asset value, which would be between \$32.4 million and \$48.5 million each fiscal year.

TPWD also submitted a list of proposed agency-wide deferred maintenance projects in March of 2015. The complete deferred maintenance list totaled \$299.0 million, including \$209.4 million for the State Parks Division. The Legislature appropriated \$82.1 million towards these projects in the 2016-17 biennium. Amounts requested in the future could vary depending upon the emergence of new maintenance needs and agency priorities.



LEGISLATIVE BUDGET BOARD

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