

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1384 HB	<b>Title:</b> Parks pass/veterans	<b>Agency:</b> 465-State Parks and Recreation Commission
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## Part I: Estimates

**No Fiscal Impact**

### Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
Recreation Access Pass Account-State 237-1	(4,902,000)	(4,902,000)	(9,804,000)	(9,804,000)	(9,804,000)
Parks Renewal and Stewardship Account-State 269-1	(11,287,200)	(11,287,200)	(22,574,400)	(22,574,400)	(22,574,400)
<b>Total \$</b>	(16,189,200)	(16,189,200)	(32,378,400)	(32,378,400)	(32,378,400)

### Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	3.0	3.0	3.0	0.0	0.0
<b>Account</b>					
General Fund-State 001-1	2,284,000	2,280,000	4,564,000	4,158,000	4,158,000
<b>Total \$</b>	2,284,000	2,280,000	4,564,000	4,158,000	4,158,000

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Cassie Jones	Phone: 360-786-7303	Date: 01/17/2023
Agency Preparation: Van Church	Phone: (360) 902-8542	Date: 01/24/2023
Agency Approval: Van Church	Phone: (360) 902-8542	Date: 01/24/2023
OFM Review: Matthew Hunter	Phone: (360) 529-7078	Date: 01/24/2023

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

The proposed legislation would remove the 30% or greater service-connected disability requirement for the Washington State Parks Disabled Veterans Pass and convert the program into a "Veteran Pass". The pass would provide free Discover Pass day-use access, free nightly camping, free boat launch, free moorage and free trailer dumping to veteran pass holders in State Parks.

Section 1 (3) would amend RCW 79A.05.065 striking the "service-connected disability of at least thirty percent" language and replacing with making any resident of Washington who is a veteran entitled to a lifetime Veteran Pass at no cost to the holder.

The Veteran Lifetime Pass would not be accepted on lands managed by Washington State Department of Fish and Wildlife or Department of Natural Resources.

The proposed legislation would be effective as of July 1, 2024.

### II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

#### DISCOVER PASS

Parks assumes that 45% of the 546,892 eligible Washington veterans will acquire a lifetime Veterans Pass. Currently approximately 45,000 of 100,000 estimated eligible disabled veterans possess a lifetime pass. The proposed legislation is projected to increase the number of passholders by 201,101 for a total of 246,101 (546,892 x 45%).

The number of annual Discover Passes purchased in FY 2022 was 886,130 (72%) and the number of one-day passes was 346,707 (28%). It is estimated that 201,101 fewer annual and day-use Discover passes would be sold. The projected impact on pass sales is \$4,902,000:

- Annual Pass: 144,546 x \$30 = \$4,336,400
- Day-Use passes: 56,555 x \$10 = \$565,600

The Washington Department of Fish & Wildlife and the Department of Natural Resources would be impacted through the loss of fee revenue, since they receive eight percent of the Discover Pass proceeds. The projected total revenue reduction is \$4.9 million a fiscal year (or \$9.8 million a biennium) in annual and one-day Discover Pass revenue for the three natural resources agencies.

The \$4,902,000 revenue loss per fiscal year is distributed as follows:

- \$4,117,680 Parks 84.0% Parks Renewal and Stewardship 269
- \$392,160 WDFW 8.0% State Wildlife 104
- \$392,160 DNR 8.0% Parkland Trust Revolving 087

#### CAMPING AND OTHER REVENUE SOURCES

In addition, Parks would see a reduction in revenue from camping, boat launch (annual and daily), moorage and trailer dumping.

During FY 2022, 6,277 of 45,000 disabled veteran pass holders actively used their pass for camping, averaging \$400 (3.5 nights) per active passholder in lost revenue for a total FY 2022 impact of \$2.5 million. The projected increase in camping passholder usage for all eligible Washington veterans is 28,154 for a \$11.3 million (28,154 x \$400) reduction in revenue.

- \$11,261,700 Camping
- \$11,000 Boat Launch (annual and daily)
- \$12,000 Moorage
- \$2,500 Trailer Dumping

\$15,404,880 Total Parks Annual Projected Revenue Loss

**II. C - Expenditures**

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

Modifying the Disabled Veterans pass into a Veteran Pass would require an additional 3.0 FTEs for up to two years. The additional FTEs (Customer Service Specialist 2) would be for handling the increased workload to process new passes and to provide customer service to administer the expanded program.

Parks assumes there will be a one-time increase in the number of pass holders applying for waiver during the first year of approximately 201,101 and an on-going number of 1,000 pass holders per year thereafter. Based on current processing assessment 3.0 FTEs.

In addition the agency will be responsible to cover the reservation vendor processing fees. A fee is incurred when a reservations occurs, any subsequent changes and for cancellations. Projected increase in reservation fees is \$2,079,000 each fiscal year.

Costs for rulemaking revisions would be an additional one-time expense of \$4,000 for staff time and Attorney General consultation.

**Part III: Expenditure Detail**

**III. A - Operating Budget Expenditures**

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	2,284,000	2,280,000	4,564,000	4,158,000	4,158,000
<b>Total \$</b>			2,284,000	2,280,000	4,564,000	4,158,000	4,158,000

**III. B - Expenditures by Object Or Purpose**

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	3.0	3.0	3.0		
A-Salaries and Wages	141,000	141,000	282,000		
B-Employee Benefits	60,000	60,000	120,000		
C-Professional Service Contracts					
E-Goods and Other Services	2,083,000	2,079,000	4,162,000	4,158,000	4,158,000
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	2,284,000	2,280,000	4,564,000	4,158,000	4,158,000

**III. C - Operating FTE Detail:** *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Customer Service Specilist 2	46,983	3.0	3.0	3.0		
<b>Total FTEs</b>		3.0	3.0	3.0		0.0

**III. D - Expenditures By Program (optional)**

NONE

**Part IV: Capital Budget Impact**

**IV. A - Capital Budget Expenditures**

NONE

**IV. B - Expenditures by Object Or Purpose**

NONE

**IV. C - Capital Budget Breakout**

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

**IV. D - Capital FTE Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

**Part V: New Rule Making Required**

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*

RCW 79A.05.065 (3) and WAC 352-32-251(3) would need to strike the veteran disability requirement and replace with veteran status for a lifetime pass.

## **HB1384 Parks Veterans Pass Program Supplemental Info:**

State Parks is largely self-funded through earned revenue. Nearly 70 percent of the agency's operating budget is supported by fees and donations. The agency generates approximately \$69.5 million per year to support park operations of which 68% is generated by sales of annual Discover Passes, day-use parking permits, and overnight accommodations (camping, cabins, yurts, and vacation houses).

State Parks does not charge an entrance fee at any of the parks that it manages. However, a parking fee is required for most visitors that choose to bring passenger vehicles to the parks. These parking fees are covered with an annual Discover Pass which costs \$30, or a \$10 day-use permit.

The Discover Pass and day-use parking fees are required at recreational parking areas that are managed by State Parks, the Department of Natural Resources (DNR), and the Department of Fish and Wildlife (DFW). Revenue is divided between the three agencies as follows: State Parks 84%, DNR 8%, and DFW 8%. This statutory distribution was based on the magnitude of the budget reductions applied to the respective agency budgets when the Discover Pass Program was created by the legislature in 2011.

Under current law (RCW 79A.05.065), there are four discount pass programs that apply to fees for services provided by State Parks. It should be noted that these discount pass programs do not apply to lands managed by DNR and DFW.

The discount pass programs are:

- 1) Limited Income Senior Citizen Pass- Must be a state resident 62 years and older with a annual household income \$40,000 or less.

Benefits: 50 percent discount on nightly camping and moorage. Free watercraft launching, trailer dumps, and free day-use parking.

- 2) Disability Pass- People that are disabled or meet the definition of disability by the U.S. Social Security Administration or qualify for a state disability placard pursuant to RCW 46.19.010. These placards are available through the Department of Licensing and are available for one-year (short-term disability) or five-year (permanent disability) periods.

Benefits: 50 percent discount on nightly camping and moorage. Free watercraft launching and trailer dumps, free day-use parking.

- 3) Disabled Veteran Lifetime Pass- State resident veterans with a documented service-connected disability of at least 30 percent.

Benefits: Free camping reservations, camping and moorage, watercraft launching, trailer dumps, and free day-use parking.

- 4) Foster Family Passes- State resident foster parents and registered relative foster care givers who camp with children in their care.

Benefits: Free camping and day-use parking.

**FY2022 Only**

45,000 (estimate) Currently Active Pass Holders

WA Veteran Population 30%> Disabled => 100,000 (estimate)

WA Veteran Population => 546,892 (estimate)

# Projected Passholders Increase (impact on Discover Pass Sales) => 201,101 (546,892 x 45% - 45,000)

6,277 Passholders Used the Program for Camping in FY2022 (62,794 Nights / 18,088 Reservatons => Average 3.5 Nights per Active User)

FY2022 % of Use for Camping by Qualified Disabled => 6.3% (6,277 / 100,000)

Increase # Projected Use for Camping in FY2022 if Pass was Available to All Veterans => 28,154 ((546,892-100,000) x 6.3%)

FY2022 Lost Revenue \$2,510,818 (\$400 (\$2.5M / 6,277) per active user in FY2022)

REVENUE	Notes	# Transactions	Average per Transaction \$	Actual \$	Projected # Impact	Average per Transaction \$	Revenue Loss / Reduction
Discover Pass	Parks 84% Portion						\$3,642,600
Day-Use Pass	Parks 84% Portion						\$475,080
							<b>\$4,117,680</b>
Camping Revenue	Seasonal \$12-50 Range	6,277	\$400.00	\$2,510,818	28,154	\$400.00	<b>\$11,261,700</b>
Boat Launch - Annual	\$80 annual pass	2,562	\$80.00	\$204,992	50	\$80.00	\$4,000
Boat Launch - Daily	\$7 day	32,163	\$7.00	\$225,143	1,000	\$7.00	\$7,000
Moorage	\$12 night	64,912	\$12.00	\$778,948	1,000	\$12.00	\$12,000
Trailer Dumping	\$5 day	18,677	\$5.00	\$93,385	500	\$5.00	\$2,500
							<b>\$25,500</b>
							<b>Decrease in Revenue (Less Discover Pass) =&gt; \$11,287,200</b>
							<b>Decrease in Revenue =&gt; \$15,404,880</b>
<b>EXPENSE</b>							
Reservation Handling Expense	Booking Fees	18,088	\$9.05	\$163,728	81,130	\$9.05	\$734,200
<i>Reservation Handling Expense</i>	<i>Booking Fees / Canceled</i>	16,564	\$9.05	\$149,933	74,294	\$9.05	\$672,400
		<b>34,652</b>		<b>\$313,661</b>	<b>155,424</b>		<b>\$1,406,600</b>
<i>Reservation Handling Expense</i>	<i>Cancelation Fees</i>	16,564	\$9.05	\$149,933	74,294	\$9.05	<b>\$672,400</b>
							<b>Increase in Expenditures per Fiscal Year =&gt; \$2,079,000</b>

**DISCOVER PASS REVENUE****RAPA Inflow** (less infraction revenue)

Discover Pass	RAPA impact	886,130	\$30.00	\$26,583,900	144,546	\$30.00	\$4,336,400
Day-Use Pass	RAPA impact	346,707	\$10.00	\$3,467,100	56,555	\$10.00	\$565,600
		<b>1,232,838</b>		<b>\$30,051,000</b>	<b>201,101</b>		<b>\$4,902,000</b>

**Revenue Split by Agency**

Parks	84%	\$25,242,840	\$4,117,680
DFW	8%	\$2,404,080	\$392,160
DNR	8%	\$2,404,080	\$392,160
			<b>\$4,902,000</b>