



LIFT Perspective

July 28, 2006

State Parks Must Aim for Self-Sufficiency

In order to comply with Governor Perry's request that state agencies cut their budgets by 10% in the 2008-09 biennium, *The Houston Chronicle* (July 15, 2006) reports that officials at the Texas Parks and Wildlife Department (TPWD) are warning that as many as 18 state parks may have to be closed in order to cut costs. Robert Cook, the executive director of TPWD, reportedly warned that in addition to closures, dozens of full-time jobs would also be lost as the Department looks to save \$4 million.

TPWD is responsible for the maintenance, operation, and conservation of Texas' state parks, which cover more than 600,000 acres¹ of land across the state. Many of the parks, such as such as the Guadalupe River State Park situated in the Hill Country, are sites of outstanding natural beauty, while others, such as the San Jacinto Battleground State Historic Site, are of great historical interest and importance.

Over the years, the number of state parks in Texas has grown. In 1941, only 31 state parks had been created². Today, TPWD oversees more than one hundred and twenty sites³, and the strain on the Department's budget has increased accordingly. In July 2006, TPWD's state parks director, Walt Dabney, argued that "with existing funding, we're completely unable to take care of the system."⁴

The TPWD is funded through a state sales tax on sporting goods which yields over \$100 million per year. However, the legislature currently caps annual TPWD funding at \$32 million.⁵ Predictably, there have been calls for this cap to be raised. *The Austin-American Statesman* reported (July 16, 2006), that Representative Harvey Hilderbran (R-

¹ <http://www.tpwd.state.tx.us/publications/parkguide/>

² Texas State Library and Archives Commission; <http://www.lib.utexas.edu/taro/tslac/20136/tsl-20136.html>

³ TPWD; <http://www.tpwd.state.tx.us/spdest/parkinfo/facilities/rv/>

⁴ *Want Better State Parks? Then Speak Up*, Fort Worth Star-Telegram, July 4, 2006; <http://www.dfw.com/ml/dfw/news/columnists/14964137.htm>

⁵ *Texas' 600,000 Acres of Parkland Hungry for Proper Funding*, Austin-American Statesman, July 8, 2006; http://www.statesman.com/opinion/content/editorial/stories/07/8stateparks_edit.html

Kerrville) intends to file a bill that would raise the cap during the 80th legislative session, despite having seen a similar bill⁶ fail during the 79th session. The article’s author contends that “raising the cap on the sporting sales good tax would be the quickest way to remedy the problem.”⁷

Raising the cap would certainly provide more revenue for TPWD, but it would also place the financial burden of maintaining state parks firmly with taxpayers. Although some parks perhaps warrant state oversight due to either their historical significance or their unique or rare natural features, many state parks could be self-sustaining and could exist without being administered by the TPWD.

The table below shows financial data and visitor numbers during the 2004 financial year for five Texas parks and historical sites operated by the TPWD. These are parks have some of the largest and smallest annual visitor numbers of any TPWD sites. All of the parks shown recorded a loss in FY2004, which was typical of the vast majority of state parks; barely ten sites operated by the TPWD recorded a surplus during FY2004.⁸

Park or Site	Revenue(\$)	Budget(\$)	Surplus/ (Loss)(\$)	Visitors
Brazos Bend SP	483,102	594,054	(110,952)	318,004
Casa Navarro SHS	4,068	80,004	(75,936)	1,316
Lyndon B. Johnson SP	224,237	686,660	(462,423)	251,754
Magoffin Home SHS	8,753	119,926	(111,173)	1,612
San Angelo SP	111,629	334,933	(223,304)	7,040

Source: *The Economic Contributions of State Parks, TPWD, January 2005*⁹

Turning to the parks with the highest visitor numbers first, it is evident that the Lyndon B. Johnson State Park, which charges no entry fee¹⁰, could have overturned its loss by charging less than \$2 to each visitor. Similarly, the Brazos Bend State Park, which charges an entry fee of \$4¹¹, could have overturned its loss by simply charging an extra \$0.50 to each visitor. It is also evident that an entry fee as small as \$4 appears to do little to dissuade potential visitors – Brazos Bend State Park, which has the highest entry fee of any of the five parks shown also has by far the highest number of visitors.

Among the parks with few visitors, San Angelo State Park, which attracts fewer than 20 visitors per day, would have to increase its \$2 entrance fee by \$30 dollars to overturn its loss. However, the San Angelo State Park is open 7 days a week all year-round, which

⁶ House Bill 1292, 79R

⁷ *Texas Parks Need Help*, Austin-American Statesman, July 16, 2006;
<http://www.statesman.com/sports/content/sports/stories/outdoors/07/16legcol.html>

⁸ *The Economic Contributions of State Parks, TWPD, January 2005*;
http://www.tpwd.state.tx.us/publications/nonpwdpubs/media/economic_impact_report.pdf

⁹ *The Economic Contributions of State Parks, TWPD, January 2005*;
http://www.tpwd.state.tx.us/publications/nonpwdpubs/media/economic_impact_report.pdf

¹⁰ http://www.tpwd.state.tx.us/spdest/findadest/parks/lyndon_b_johnson/fee.phtml

¹¹ http://www.tpwd.state.tx.us/spdest/findadest/parks/brazos_bend/fee.phtml

represents a significant undertaking by the TPWD, given the low visitor numbers. Likewise, Casa Navarro and Magoffin Home State Historic Sites, which charge \$2 and \$3 per visitor respectively, attract fewer than 7 visitors per day. Both sites are open five-days a week, which is also a considerable undertaking by TPWD. The losses recorded by these two sites mean that Texas taxpayers are effectively paying \$64 for each person who visits either of the sites.

Advocates of increasing the revenue given to the TPWD to solve the state park funding problem will likely be critical of a private sector-based solution on the grounds that the private sector might be overly concerned with ensuring that parks make a profit, and have little regard for the conservation activities that are integral to maintaining our parks and wildlife. However, the existence of private organizations such as the non-profit Texas Wildlife Association (TWA), which seeks to further to conservation of wildlife and natural habitats on private lands statewide, demonstrates that the private sector already plays an important conservation role in Texas. David K. Langford, the Vice-President of TWA points out that:

“Our members, which number more than 5,000 and directly or indirectly control up to 40 million acres of wildlife habitat on private lands...are bound by a respect for our natural resources and a commitment to active resource management, and we are absolutely dedicated to conserving wildlife and wildlife habitat. We believe if fate or fortune places you in a stewardship position for any natural resources, it is your duty to humankind to be the very best steward you can be.”¹²

Indeed, studies conducted in several other states have concluded that the private sector has a role to play in the operation of state parks. The Michigan-based Mackinac Center for Public Policy concluded that private ownership of some state parks would “allow state park managers to focus their limited resources on protecting the state’s truly outstanding natural and historic sites.”¹³ Likewise, a California Department of Parks and Recreation report published in February 2004, suggested that it would be appropriate to launch “a pilot program to selectively expand private sector involvement in state parks into activities that are not currently being partnered with the private sector”. The report also argued that:

“In general, low-use remote campgrounds have not proven successful in other jurisdictions because they are not financially profitable for the concessionaire. The most successful campgrounds operated by concessionaires have been those that are in high-use areas, with high visitor numbers.”¹⁴

¹² Testimony of David K. Langford before the United State House of Representatives Committee on Resources, July 20, 1999;

<http://resourcescommittee.house.gov/archives/106cong/fullcomm/99jul20/langford.htm>

¹³ *Privatization in Michigan State Parks*, Mackinac Center for Public Policy, October 27, 2005;

<http://www.mackinac.org/article.aspx?ID=7399>

¹⁴ California Department of Parks and Recreation, February 2004;

http://www.lao.ca.gov/analysis_2004/resources/res_09_3790_anl04.htm

These findings support the argument made above, that Texas state parks with high visitor numbers could benefit from private ownership, while many of the smaller sites operated by TPWD would most likely benefit from reducing their costs by decreasing their opening hours. The California report also suggests that low-visitor sites could be “bundled” with high visitor sites, in order to create a package that would potentially be profitable in the aggregate to a private owner.

Whether parks are large or small, there is clearly scope for the private sector to deliver significant efficiency savings and improved stewardship of the land than the state is currently able to provide through the TPWD. Sites with few visitors could have their opening hours reduced in order to cut costs, while larger sites could consider introducing small entrance fees, or increasing existing fees by a small amount.

A privatization pilot program is clearly an appropriate initial solution to the state park funding problems in Texas. Having private foundations or companies charge demand-driven fees is an effective way for state parks to generate sufficient revenue to meet the cost of their own maintenance and operation. Clearly, some cultural and natural resources will merit state oversight, but the majority of Texas’ state parks would be better maintained by the private sector. Most importantly, taxpayers will no longer be required to fund the preservation of sites which could easily be sustained by way of a small fee paid by those who actually use the sites and their facilities.