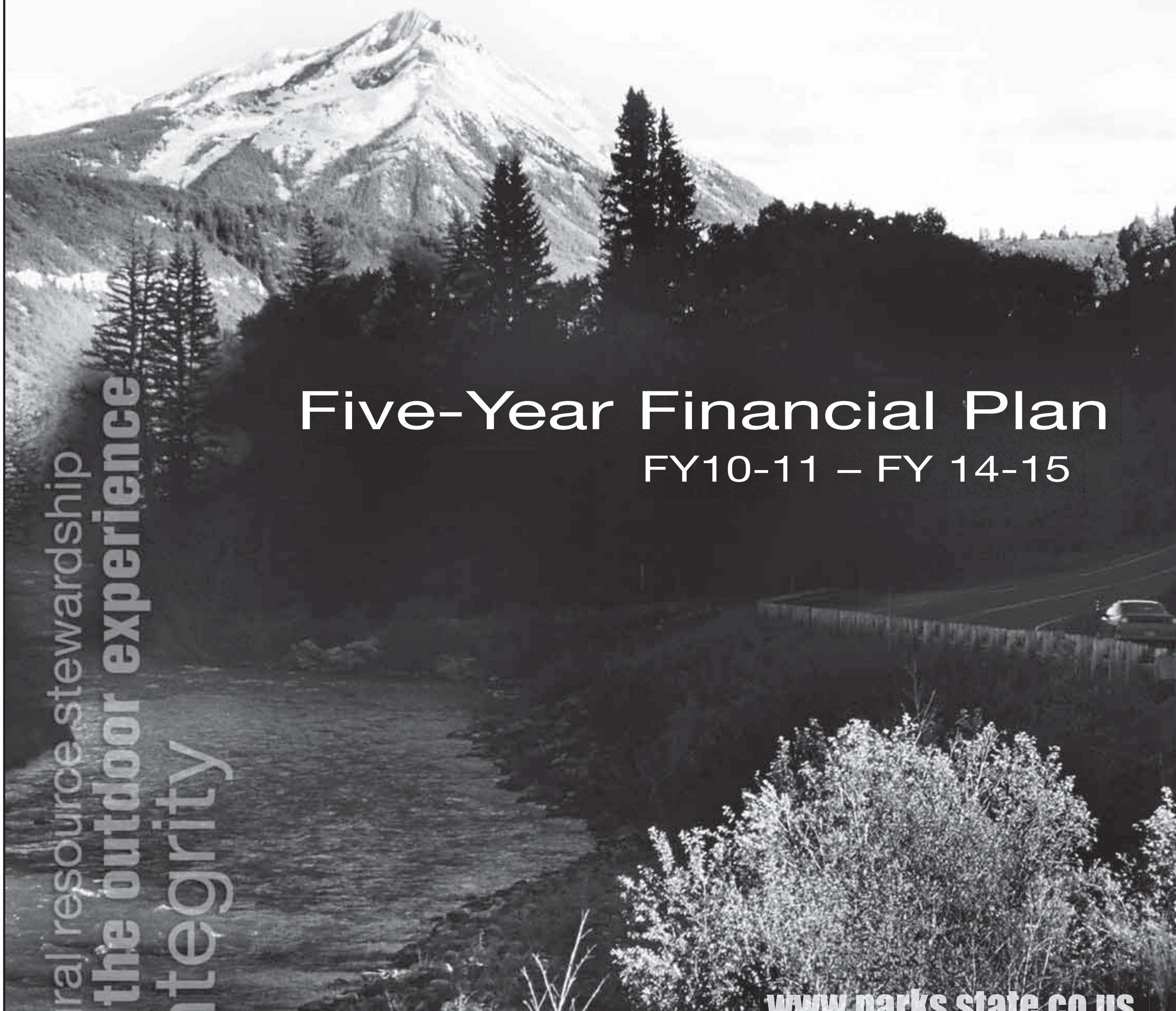
COLORADO DEPARTMENT OF NATURAL RESOURCES

Division of Parks and Outdoor Recreation



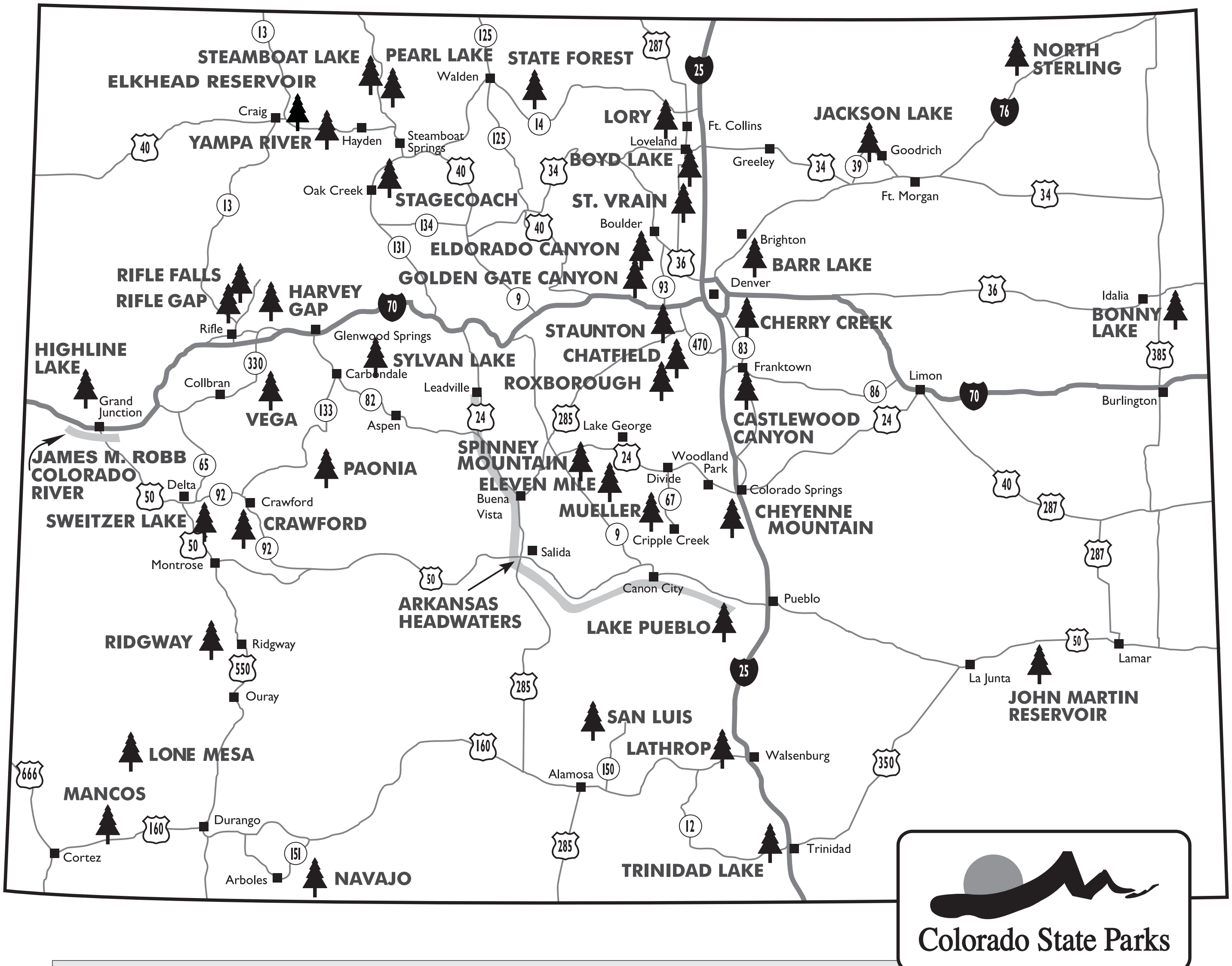
Five-Year Financial Plan

FY10-11 – FY 14-15

www.parks.state.co.us

Colorado State Parks

Colorado State Parks



Mission To be leaders in providing outdoor recreation through the stewardship of Colorado's natural resources for the enjoyment, education and inspiration of present and future generations.

Vision Colorado State Parks offers exceptional settings for renewal of the human spirit. Residents and visitors enjoy healthy, fun-filled interaction with the natural world, creating rich traditions with family and friends that promote stewardship of our natural resources. Parks employees and their partners work together to provide ongoing and outstanding customer service through recreational programs, amenities, and services.

To view our electronic version of the Financial Plan, please visit us: www.parks.state.co.us

ACKNOWLEDGEMENTS

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EXECUTIVE SUMMARY

Over the past 50 years, Colorado has developed one of the finest state park systems in the country. The parks and outdoor recreation programs provided by Colorado State Parks (State Parks) have never been more popular, tallying over 12 million visits in the last fiscal year alone. Investments in the State Parks' system provide many benefits statewide, ranging from significant park visitor expenditures in local economies (over $500 million annually), to connecting our citizens and out-of-state visitors to the natural world that defines Colorado.

To help ensure the long-term viability of the State Park system, the agency and Parks Board have understood for years that new financial strategies would be needed. The 2008 State Parks Performance Audit, the current economic downturn, and ongoing state budget challenges have only reinforced the need to develop sustainable financial strategies for the coming years.

This Five-Year Financial Plan is intended to help ensure a financially sustainable park system over the next five years by quantifying the financial challenges facing the agency and identifying strategies that could be pursued to meet those challenges.

The long-term budget outlook for the State of Colorado continues to be uncertain. Economic recovery remains weak and there is a lag between overall economic conditions and Colorado's General Fund revenues. Together, these indicate it may be some time before the state's General Fund outlook improves.

As recently as FY 08-09, State Parks received $6.7 million in General Funds; by FY 10-11 General Fund support had declined to $2.6 million. State Parks may not receive any General Funds beginning in FY 11-12.

Despite this, State Parks appears positioned to deal with a range of economic conditions in the coming years. To cope with the ongoing budget shortfalls, State Parks has taken the following steps:

1. Reduced the number of full-time employees by 5% (eliminated 12.5 positions).
2. Reduced temporary (seasonal) employees by 10%.
3. Cut salaries across-the-board for permanent positions (mandated for all state employees by the Colorado General Assembly).
4. Significantly reduced administrative costs for travel, cell phones, uniforms, Information Technology (IT) equipment, and training.
5. Drastically reduced services at Bonny Lake State Park from October through April; reduced full-time employees from five to one. Closed campgrounds at two other parks.
6. Raised fees for camping, reservations, and boat registration.
7. Redirected lottery funds from capital projects to cover operating costs.
8. Refinanced (replaced) some of the lost General Funds with Severance Tax funds.

In addition to the steps above, which have already been implemented, further measures are currently in progress. These include increasing fees for annual and daily entrance passes, raising fees for camping at certain parks during the peak season, and refinancing a portion of the anticipated additional loss of General Funds with Severance Tax funds.

Collectively, all of these measures should be sufficient to ensure financial sustainability for at least the next two years.

To address longer-term financial challenges, additional strategies have been identified and will be implemented. Successfully implementing these strategies will be important to ensure the financial sustainability of State Parks over the longer term. In particular, they will be essential to ensure adequate levels of staffing and funding to operate the parks and programs, and to fund capital investments in park facilities that are necessary for continued public use and enjoyment.

These additional strategies were developed over the past year through a variety of initiatives, most importantly the efforts of six different State Parks' employee teams charged with investigating a wide array of financial strategies. The priority strategies, which are identified and described within this Financial Plan, include the following:

1. Expanding cost-share agreements with federal partners who own the land at many of the properties managed by State Parks (most notably the U.S. Bureau of Reclamation (BOR) at Lake Pueblo State Park).
2. Working with other state and local agencies, including the State Land Board and the Colorado Division of Wildlife (DOW), to find ways to reduce costs and share responsibilities for outdoor recreation programs.
3. Ensuring that all costs of self-funded programs (such as Snowmobile and Off Highway Vehicle Registration (OHV)) are paid with funds generated by those programs, and not with parks' cash funds.
4. Streamlining and improving administrative processes.
5. Investing in energy saving retrofits at park facilities.
6. Removing one of the existing 42 parks from the State Parks' system and closely studying three more for potential removal.
7. Expanding private fundraising through the Foundation for State Parks, "Friends" groups, and corporate partners.
8. Increasing park visitation and revenues per visitor through an enhanced State Parks' website presence.
9. Reduce capital costs through better facilities planning and management.
10. Consider others strategies, which collectively could have significant positive impact on State Parks' finances. These include expanding citizen volunteer opportunities, in-sourcing some IT work, implementing a point-of-sale system, constructing additional basic cabins and yurts, developing selective mineral deposits on State Parks' land, selectively implementing market-based pricing for some services, working with Great Outdoors Colorado (GOCO) for assistance in the event that operating deficits trigger potential park closures, developing and implementing park operating and service standards, and developing new dedicated revenue sources.

Most of these strategies take considerable effort to implement and require time to show results. However, if work begins now, they have the potential of contributing to State Parks' finances as early as FY 12-13. The major initiatives identified above cannot all be pursued simultaneously. Some strategies will be pursued immediately, while others may be phased in over the next five years.

This list of additional strategies is not exclusive. As other opportunities arise and other strategies are explored, the list may expand. However, the odds of succeeding will be greater if attention can be focused on the selected strategies identified above.

If these strategies are not successful or if State Parks faces financial shortfalls for other reasons in the future, additional parks may need to be removed from the State Parks' system. To the extent that more park removals (closures, transfers, or reductions) are necessary, corresponding and commensurate reductions will be made in administrative and program functions. Other parks will be selected for removal based on their suitability within the State Parks' system. To assess each park's suitability and to assist the Parks Board in such decisions should they be required, State Parks has developed the Park Evaluation Tool (PET), which evaluates the parks based on 16 key strategic criteria. The PET tool represents the best available method for ranking the parks in the State Parks' system, and was used to develop a list of additional parks that could be removed from the system if State Parks faces financial shortfalls in the future.

Additional park removals are not recommended at this time. However, this strategy remains an option if these recommendations prove insufficient; it also reflects what is at stake as State Parks works to implement this plan.

INTRODUCTION

Purpose of the Plan

The Five-Year Financial Plan is intended to help ensure a financially sustainable park system over the next five years by quantifying the financial challenges facing the agency and identifying strategies that could be pursued to meet those challenges.

The Financial Plan is an important mechanism by which the Parks Board provides overall financial direction and oversight to State Parks. The Parks Board Governance Manual describes the Board's role with respect to the Financial Plan:

> *"provide direction and conduct final review and approval of the Division's Comprehensive Financial Plan. Review and approve annual updates to the plan prior to finalizing the budget request for the upcoming year. Review and monitor the Division's financial performance at each Board meeting." (Board Governance Manual, 2009. p 36)*

Definitions

Financially Sustainable – As used in this report, Financially Sustainable means State Parks has financial resources (revenues and reserves) in sufficient quantity to cover the cost of the following:

1. Operating the parks and statewide programs as planned on an ongoing, long-term basis, which entails that:
   a. a satisfactory level of services, education, and recreation opportunities can be provided to the public;
   b. operations will not need to be curtailed or scaled back;
   c. facilities will remain open and available to the public; and,
   d. the health of the natural resources are maintained and preserved for future generations.
2. Maintaining physical assets such that they reach their planned useful lives, by:
   a. ensuring physical assets (land, buildings, equipment, facilities) are not allowed to deteriorate through inadequate upkeep and maintenance; and,
   b. maintaining a standard of appearance for facilities.
3. Replacing physical assets at the end of their useful lives with like assets.
4. Maintaining sufficient reserves to cover short-term fluctuations in revenues and expenditures without disrupting operations.

Park Removal – Park Removal is a generic term that encompasses a wide variety of measures that could substantially reduce or eliminate ongoing costs at a park. These measures could include transferring ownership of the park to another party, transferring management responsibility to another entity, "mothballing" (ceasing all operations but retaining the park in the system to preserve options for the future), placing in "caretaker status" (operating at minimal levels required to protect the resource and facilities), selling or disposing of the park land, or others. Generally speaking, measures that result in a park being closed to the public would be undertaken only as a last resort.

If it becomes necessary to remove parks from the system, additional due diligence will be required before proceeding. This due diligence may include discussions with partners, local governments, stakeholders, and others to explore all alternatives, developing more detailed estimates of the savings that will result from removing the park, and developing a thorough understanding of the liabilities arising from removing the park, as well as strategies for mitigating these liabilities.

Park Removal Liability – Park Removal Liability is a generic term that refers to a wide variety of costs or risks that might be incurred as a result of removing parks. These costs and risks could arise from existing management agreements, existing concession agreements, existing lease agreements, conditions attached to sources of funding for past investments in capital assets, and others.

Net Operating Income – Net Operating Income is the difference between the operating revenues generated at the park as a direct result of the park operations, and the operating expenditures incurred at the park that are required to support park operations. More specifically, to estimate Net Operating Income, revenues generated at the park are calculated based on the average revenues collected at the park (as reflected in the state's accounting system, COFRS) in the three most recent fiscal years. These park-generated revenues are derived from entrance passes, concessions, special use permits, camping permits, insurance recoveries, retail operations, certain grants, and donations. Operating expenditures incurred at the park are calculated based on the approved FY 10-11 operating budget for each park. A negative Net Operating Income may also be referred to as "Net Operating Loss".

There are many limitations and caveats with respect to these Net Operating Income figures. For example, none of the revenues from passes sold outside the individual state parks are included in the park revenue figures, since they are not collected at the park. Many annual passes are sold outside the state parks, such as at one of the agency administrative offices, online, or through a retail vendor. Visitors who purchase these passes presumably intend to use certain specific parks, and their purchase of the pass may be dependent on specific parks remaining open. As another example, some park operating expenses are paid centrally (such as IT costs, cost of communication lines, and unemployment insurance and worker's compensation cost), are not part of an individual park's operating budget, and are not assigned to a specific park in the state's accounting system. While the figures presented in this report represent the best available data on park Net Operating Income, they are approximations.

The Net Operating Income figures for "complexed" parks, which are defined as separate, non-contiguous parks managed as a unit for efficiency purposes,[1] must be viewed with special care. Numerous costs are incurred on complexed parks that benefit all the parks in the complex.

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[1] State Parks currently managed as complexes include: Rifle Gap/Rifle Falls/Harvey Gap, Crawford/Paonia/Sweitzer, Yampa River/Elkhead, Steamboat Lake/Pearl, Lone Mesa/Mancos, Lathrop/San Luis Lakes.

Examples include equipment that is shared between parks, and personnel that work on parks within the complex. The allocation of these costs to the individual parks within the complex is difficult at best. For such complexes, greater reliance should be placed on the aggregate Net Operating Income figure for all the component parks combined, than on the figures for the individual parks within the complex.

Park Self-Sufficiency – Park Self-Sufficiency refers to the ability of a park to generate sufficient revenues through its operations to cover all costs of operating and maintaining the park. Theoretically, the measure of the economic self-sufficiency of a park is the net present value of expected future cash flows attributable to park operations, including both inflows and outflows, and including all outflows, whether they are operating or capital in nature. There are many practical difficulties in applying this concept for purposes of this report. Park Self-Sufficiency is a qualitative term and is based on the Net Operating Income of the park. The greater the Net Operating Income, the more self-sufficient the park.

Park Removal Savings – Park Removal Savings are presumed to be approximately equal to the Net Operating Income at the park. If a decision is made to consider removing a park from the system, additional due diligence will be required to develop more refined estimates of the savings that will result from taking this measure.

Park Removal Savings estimates for complexed parks must be viewed with special care (see the section above on Net Operating Income). For complexed parks, greater reliance should be placed on the aggregate figure for Park Removal Savings for all the component parks combined, than on the savings figures for the individual parks in the complex.

BACKGROUND

The State Park System – Background and Benefits

Over the past 50 years, Colorado has developed a magnificent portfolio of parks and outdoor recreation programs. The State Park system consists of 42 parks statewide, encompassing 225,000 acres. Of this acreage, State Parks owns only 22%; the other 78% is leased through low- or no-cost agreements with federal, state, or local entities, including water districts. More people than ever are visiting the state parks. In FY 09-10, the parks hosted about 12.3 million visitors, a 3% increase and a new visitation record. About half of all Coloradans visit their state parks. Nine out of 10 park visitors are Colorado residents. Each park has extremely loyal clientele.

Colorado State Parks also provides a wealth of other statewide outdoor recreation programs, including: non-motorized (recreational) and OHV trails, natural areas, snowmobile trails, boat safety, commercial river outfitter licensing, and volunteer programs.

Colorado's state parks have never been more important. During these tough economic times, state parks around the country are experiencing an increase in visitation. Colorado's state parks provide clean, safe, accessible, and affordable outdoor recreation for Coloradans. Colorado's state parks provide a perfect place for "staycations;" more people are vacationing closer to home and state parks are ideally suited to respond to this demand.

According to a recent survey,[2] 97% of Coloradans think state parks are good for Colorado. Additionally, our parks provide real and cost-effective therapy for the body, mind, and spirit. Documented benefits to health and fitness continue to mount; with increasing numbers of obese and overweight Coloradans, getting people outdoors and active are important components of disease prevention. Connecting with nature also reduces stress.

State parks and programs reinforce a "green ethic" and the importance of protecting our finite natural resources. Colorado State Parks' lands act as green buffers, helping to mitigate air pollution, noise, and other environmental stressors.

Colorado state parks give our kids a place to play, connect to nature, and learn about the natural world. We have a responsibility to our children and to future generations of Coloradans. Colorado State Parks will play a primary role in fulfilling the Colorado Kids' Outdoor Bill of Rights[3] and other similar growing efforts statewide.

As Colorado continues to grow, so will the demand for state parks. By 2030 Colorado is expected to grow by another 2.0 million people, almost 45%, to 7.2 million. Continued access

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[2] The Colorado State Parks 2008/2009 Market Assessment Study, produced by Corona Research, Inc. This valuable year-long project was completed in September 2009. For access to the study's Executive Summary and other components, visit our website at: http://parks.state.co.us/News/Publications/Pages/Publications.aspx

[3] http://www.colorado.gov/cs/Satellite?c=Page&cid=1248095306469&pagename=LeftLtGov%2FLLGLayout

to Colorado's state parks, particularly along our growing Front Range, will be essential to maintain the quality of life in Colorado.

Colorado state parks are crucial to local economies.[4] "Non-local" visitors to state parks spend $230 per carload within a 50-mile radius of the park they visit. Statewide, this is $396 million annually in direct expenditures to local economies. Colorado's state parks are major attractions and revenue generators for local communities. More detailed information about this impact on a park-by-park basis is included in Appendix A.

Colorado State Parks is a popular component of the state's outdoor recreation industry and an integral part of the Colorado brand. State parks help attract business to our state. When companies choose to set up a business or relocate, the availability of recreation, parks, and open space is high on the priority list for site selection. Recreation and parks have a significant influence on people's preferred living locations. Many companies have great flexibility in where they locate. For these companies, recreation and outdoor opportunities in natural settings are fundamental to their definition of a community's quality of life. Our superb outdoor recreation opportunities are one of the top draws for conventions in Denver and other Colorado municipalities.

Relevant Statutes

The Colorado Constitution and Colorado Revised Statutes provide specific direction to State Parks and the State Parks Board. These laws set priorities and establish limitations in many areas. Financial strategies adopted by State Parks must conform to these constitutional and statutory requirements.

The major relevant sections of the constitution and statutes are highlighted below.

Statutory Mission

"It is the policy of the state of Colorado that the natural, scenic, scientific, and outdoor recreation areas of this state are to be protected, preserved, enhanced, and managed for the use, benefit, and enjoyment of the people of this state and visitors of this state. It is further declared to be the policy of this state that there shall be provided a comprehensive program of outdoor recreation in order to offer the greatest possible variety of outdoor recreational opportunities to the people of this state and its visitors and that to carry out such program and policy there shall be a continuous operation of acquisition, development, and management of outdoor recreation lands, waters, and facilities." C.R.S. 33-10-101(1).

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[4] Data generated through *Colorado State Parks Marketing Assessment Visitor Spending Analysis 2008/2009, produced by Corona Research, Inc.* "Non-local" is defined as a visitor coming from more than 50 miles away from the park; "Local" is defined as a visitor who lives within a 50-mile radius of the park. A full copy of the report is available on the Colorado State Parks website at http://parks.state.co.us/SiteCollectionImages/parks/News/COStateParksVisitorSpendingFinalReport.pdf

In addition to the 42 state parks and recreation areas, this mission encompasses other programs such as trails (both motorized and non-motorized), natural areas, boat safety, and outdoor education.

Park Passes and User Fees

In implementing the provisions of C.R.S. 33-10-101(1), the state shall *"Charge a fee for required passes or permits for the use of any state park or state recreation area where appropriate supervision and maintenance is required and when certain facilities, as determined by the board of parks and outdoor recreation, are maintained at any such area."* C.R.S. 33-10-101(2)(d).

The Parks Board has the power to: *"Establish by rules pursuant to section 33-10-111(5) the amounts of fees for certificates, permits, licenses, and passes and any other special charges in order to provide for cash revenues necessary for the continuous operation of the state park and recreation system; except that no such fees shall be used for capital construction other than controlled maintenance activities. Except as provided in section33-10-111(1), such fees and charges shall be credited to the division of parks and outdoor recreation cash fund."* C.R.S. 33-10-107(1)(h).

"(a) Subject to the provisions of this subsection (5), the board may set fees by rule for the use of facilities and programs of the division, including discounts for marketing purposes. The board shall: (I) Before adopting any such rule, provide the general assembly's joint budget committee with the proposed rule and the board's analysis of the proposed rule; (II) By November 1 of each year, submit a list of such fees to the general assembly's joint budget committee, the finance committees of the senate and the house of representatives, the house agriculture, livestock, and natural resources committee, and the senate agriculture, natural resources and energy committee. (b)(I) All actions of the board to change fees shall be subject to the requirements of the "State Administrative Procedure Act", article 4 of title 24, C.R.S. Whenever the board desires to change any fee, the board shall conduct rule-making, with timely notice and an opportunity for comment by interested parties; (II) In its annual budget request to the general assembly, the board shall include the amount of any fee changed, proposed, or under consideration by the board." C.R.S. 33-10-111.

"The general assembly hereby finds, determines, and declares that the system of state parks and state recreation areas is vital to the economic health and well-being of the entire state of Colorado and that such system of parks and recreation areas provides an important benefit to the citizens of this state and to the tourists from outside the state who visit and make use of such state parks and recreation areas. Because of the nature and operation of such state parks and recreation areas, the system can be largely self-supporting, and the users of such resources can help to fund the system's operation and maintenance. The general assembly declares and intends that as a matter of state policy the system of state parks and state recreation areas should be financed as much as reasonably possible through revenues derived from the users of such system." C.R.S. 33-12-100.2

Colorado Lottery

In accordance with the Colorado Constitution, 10 percent of net lottery proceeds are distributed directly to State Parks for acquisition, development and improvement of new and existing state parks, recreation areas, and recreational trails. These funds may be used for maintenance and operation of state parks, state recreation areas, or recreational trails, or any portions thereof, that have been acquired or developed with lottery money. These lottery funds cannot be substituted for funds otherwise appropriated by the General Assembly.

"(1) …. all proceeds from all programs, including Lotto and every other state-supervised lottery game operated under the authority of Article XVIII, Section 2 of the Colorado Constitution, …. net of prizes and expenses of the state lottery division ….. (defined hereinafter … as "Net Proceeds") are set aside, allocated, allotted, and continuously appropriated as follows, and the Treasurer shall distribute such proceeds no less frequently than quarterly, as follows ….Ten percent to the Division of Parks and Outdoor Recreation for the acquisition, development and improvement of new and existing state parks, recreation areas and recreational trails." Colorado Constitution, Article XXVII, section 3.

"The lottery money available for appropriation to the division of parks and outdoor recreation pursuant to paragraph (b) of this subsection (4.1) [the 10% direct distribution] shall be appropriated and expended for the acquisition and development of new state parks, new state recreation areas, or new recreational trails, for the expansion of existing state parks, state recreation areas, or recreational trails, or for capital improvements of both new and existing state parks, state recreation areas, or recreational trails. Except as provided in section 33-60-105, C.R.S., in addition to appropriation for the division's capital construction budget, said lottery money may be appropriated for the division's operating budget for expenditures attributable to the maintenance and operation of state parks, state recreation areas, or recreational trails, or any portions thereof, that have been acquired or developed with lottery money." C.R.S. 24-35-210 (4.1)(c).

"The people intend that the allocation of lottery funds required by this article of the constitution be in addition to and not a substitute for funds otherwise appropriated from the General Assembly to the Colorado Department of Natural Resources and its divisions." Colorado Constitution, Article XXVII, section 8.

Great Outdoors Colorado Trust Fund (GOCO)

In accordance with the Colorado Constitution, 50% of net lottery proceeds (subject to cap of $35 million adjusted for inflation since 1992) are distributed to the Trust Board of the GOCO. Twenty-five percent of that distribution is to be expended on investments in outdoor recreation resources of Colorado through State Parks to establish and improve state parks and recreation areas, public information and environmental education programs, trails and river greenways, and water for recreational purposes. These funds cannot be substituted for funds otherwise appropriated by the General Assembly.

"The people of the State of Colorado intend that the net proceeds of every state-supervised lottery game operated under the authority of Article XVIII, Section 2 shall be guaranteed and permanently dedicated to the preservation, protection, enhancement and management of the state's wildlife, park, river, trail and open space heritage, except as specifically provided in this article. Accordingly, there shall be established the Great Outdoors Colorado Program to preserve, protect, enhance and manage the state's wildlife, park, river, trail and open space heritage….The Great Outdoors Colorado Program shall include: …. Outdoor recreation program grants which (I) Establish and improve state parks and recreation areas throughout the State of Colorado; (II) Develop appropriate public information and environmental education resources on Colorado's natural resources at state parks, recreation areas, and other locations throughout the state; (III) Acquire, construct and maintain trails and river greenways; (IV) Provide water for recreational purposes through the acquisition of water rights or through agreements with holders of water rights, all in accord with applicable state water law…" Colorado Constitution, Article XXVII, section 1 paragraph 1, 1(b).

"Expenditures from the [GOCO] Trust Fund shall be made in furtherance of the Great Outdoors Colorado Program ….The Board of the Trust Fund shall have the duty to assure that expenditures are made for the purposes set forth in this section and in section 6, and that the amounts expended for each of the following purposes over a period of years be substantially equal:…. Investments in the outdoor recreation resources of Colorado through the Colorado Division of Parks and Outdoor Recreation, including the State Parks System, trails, public information and environmental education resources, and water for recreational facilities, consistent with the purposes set forth in Section 1(1)(b) of this article." Colorado Constitution, Article XXVII, section 5 paragraph 1(a), 1(a)(II).

"The people intend that the allocation of lottery funds required by this article of the constitution be in addition to and not a substitute for funds otherwise appropriated from the General Assembly to the Colorado Department of Natural Resources and its divisions." Colorado Constitution, Article XXVII, section 8.

How the State Park System is Financed

History of Funding

For the first two decades of State Parks' existence (ignoring the period when State Parks and DOW were merged into a single agency, known as the Colorado Fish, Game, and Parks), the State Parks' system was funded almost entirely with state General Funds, "cash" funds (revenues from parks fees and passes, concessions, and registrations), and federal funds. Federal funds came from grant programs established for specific purposes, and these funds were used mainly to help finance land acquisitions and capital projects. General Funds made up a significant percentage of State Parks' operating budget. For example, the Long Bill for FY 1982-83 appropriated a sum of $6 million for State Parks' operations, with $2.6 million (or 43%) consisting of General Funds, and the balance consisting of cash funds.

Today, State Parks is funded through a combination of cash, federal, lottery, GOCO, Severance Tax, and General Funds (the General Fund appropriation is expected to drop to zero in FY 11-12[5]). These additional funding sources materialized at different points over the past three decades.

In 1980, Colorado voters approved the establishment of state-supervised lottery games, with a portion of the proceeds dedicated for parks and other purposes, unless otherwise provided for by statute. The General Assembly then passed implementing legislation that declared 10% of net proceeds would go to Colorado State Parks. Over the next decade State Parks' funding mix fluctuated markedly. In some years the General Assembly replaced all General Fund appropriations with lottery funds, while in other years the operating budget was funded with a mix of general fund, lottery, and fee revenues. In 1988, the General Assembly amended the lottery statutes to permit the game of Lotto and altered the statutory funding formula, in particular to dedicate a portion of the net proceeds to the construction of correctional facilities. As a result of this altered formula, the relative shares of net proceeds going to State Parks began to decrease.

In 1992, in response to apparent dissatisfaction with the distribution of net proceeds, the voters adopted Article 27 to the Colorado Constitution, which provided that 10% of the net proceeds would go to State Parks. Additionally, 50% of the net proceeds would go to the newly created GOCO Trust Fund, with 25% of these trust funds then to be invested in parks and trails through State Parks. Article 27 also provided that these funds were to be in addition to and not a substitute for funds otherwise appropriated from the General Assembly.

Since Article 27 was adopted by the voters in 1992, GOCO funds have become a major source of funding for both capital and operating expenses at state parks. On average, about $13.5 million is available each year for State Parks through GOCO. For the past several years, about $4.5 million has been used for operating expenses, including environmental education, youth programs, volunteer programs, and habitat management, and the balance has been used for capital construction projects and trails grants.

At the time Article 27 was adopted by the voters, the General Assembly had appropriated $505,806 in lottery funds to pay for a portion of State Parks' operating budget. This sum was carried forward in each subsequent year in the Long Appropriations Bill until FY 09-10, when it was increased by $750,000 as part of State Parks' strategy for addressing the $3 million budget shortfall. However, in the years between 1992 and 2010, the General Assembly included additional lottery funds in the Long Bill in special purpose line items to pay for certain operating expenses. State Parks estimates that in FY 08-09, approximately $4.1 million in lottery funds were used each year to help fund operating expenses in State Parks. The total direct distribution of lottery proceeds amounts to about $12 million per year, and the balance, roughly $8 million, is used to fund capital construction projects and trails grants.

In 1985, the General Assembly modified the State Parks' statutes to provide that revenues from permits, passes, and other fees could not be used for capital construction purposes. Since that

[5] Plans to reduce General Funds in State Parks' budget to zero are reflected in the Governor's FY 11-12 budget to be submitted to the Colorado General Assembly in November 2010.

time, no parks' cash funds have been used for capital construction purposes. For the past two decades, State Parks' capital construction budget has been funded almost exclusively with GOCO, lottery, and federal funds.

Since the early 1990s the percentage of the State Parks' operating budget funded with General Funds has been in a steady decline. As mentioned above, the General Fund appropriation is expected to drop to zero in FY 11-12.

Beginning in FY 08-09, as a result of S.B. 08-13, State Parks began receiving an appropriation from the Operational Account of the Severance Tax Trust Fund. In large part, the Severance Tax funding has been intended to offset the decline in General Funds. Severance Tax revenues are also the source of funding for the State Parks Aquatic Nuisance Species Program, which was initiated in FY 08-09 in response to the discovery of zebra mussels in Pueblo Reservoir (Lake Pueblo State Park). Total appropriations of Severance Tax funds were zero in FY 07-08 and prior years, $4.5 million in FY 08-09, and are expected to reach about $7.7 million in FY 11-12.

Funding Challenges

FY 09-10 Budget Shortfall

The national economic recession hit Colorado's state government budget hard. To address the sharp revenue shortfalls and the constitutional requirement to pass a balanced budget, the Colorado General Assembly began to cut state agency budgets drastically during the 2009 legislative session. This included the largest budget cut in Colorado State Parks' history. Colorado State Parks was hit with a $3 million operating budget reduction for the fiscal year beginning July 1, 2009. These cuts included $2.7 million in General Funds (a 38% reduction) and $300,000 from other sources. Colorado State Parks' appropriation of General Fund dollars was reduced from $7.1 to $4.3 million at the beginning of FY 09-10, and then by another $2.1 million midway through the year. Beginning in FY 11-12, Colorado State Parks' General Fund appropriation will drop to zero.

Under state statutes (33-12-100.2, C.R.S.), revenues generated from the users of the State Parks' system should cover a reasonable portion of the operating costs at the parks. The State Parks' system, however, was never expected to be profitable or totally self-sufficient.

Since the first state park opened 51 years ago in Colorado, some level of General Fund subsidy has been required to operate and maintain the parks to keep entrance fees affordable.

Strategy to Address the $3 Million FY 09-10 Shortfall

After careful consideration and support from the Parks Board and the Governor's Office, Colorado State Parks implemented the following strategy to meet the $3 million shortfall in FY 09-10:

1. Redirected $750,000 in lottery funds from capital improvement projects to help cover the operating budget shortfall.

2. Increased the following fees, starting January 1, 2010, to generate $828,500:

Camping	$258,000
Aspen Leaf Camping	$14,000
Camping Reservation Fee	$75,000
Boat Registration	$481,500

3. Mandated four furlough days for all full-time and temporary employees to save $150,000. This was later increased to eight furlough days. Beginning in FY 10-11, the furlough days were replaced with a 2.5% across-the-board pay cut for all employees.
4. Reduced $1,587,000 permanently from our annual operating budget by taking the actions listed below.

Specific Permanent Budget Cuts

The $1,587,000 that was permanently cut from the FY 09-10 operating budget was achieved by taking the following steps:

1. Reduced full-time employees by 5% (12.5 positions).
2. Reduced temporary employees by 10%.
3. Drastically reduced services at Bonny Lake State Park from October through April; full-time employees were reduced from five to one.
4. Closed campgrounds at two other parks.
5. Significantly reduced additional administrative costs, including travel, meals, phones, uniforms, IT equipment, and training.
6. Held critical positions vacant for extended periods when staff retires or leaves state employment.

All budget cuts were intended to minimize impacts to state park visitors.

Outlook for FY 10-11 and FY 11-12

Based on recent projections for the state's budget shortfall for the next two fiscal years, State Parks expects to receive no General Funds in FY 11-12. State Parks, working closely with the Governor's Office, has developed a plan to offset that loss through a combination of fee increases and additional Severance Tax refinancing. With these two measures, State Parks' finances should be secure at least through FY 11-12 and possibly longer.

The Colorado Constitution requires that the state operate with a balanced budget. As General Fund revenues have declined due to the recession, the state has been required to implement a succession of steps over the past two years to ensure a balanced budget. Both the Governor and the General Assembly are obligated to bring state spending in line with projected revenues, for which forecasts are prepared on a quarterly basis. The unusual volatility in state General Fund revenues has led to a greater than usual focus on the quarterly economic forecasts. As the economy struggles to get back on track, it is conceivable that the quarterly forecasts may trigger a need for further short-term spending cuts.

Current Status – State Parks' Finances

Funds and Funding Sources

State Parks manages 13 separate individual funds, created either by statute or at the direction of the State Controller. In FY 09-10, the combined revenues in these funds, including General Fund transfers to cover expenditures, amounted to $61 million. Combined expenditures totaled $55 million, of which $2.3 million (or 4%) was financed with General Fund dollars.

The thirteen funds managed by State Parks, along with the unobligated year-end fund balances as of June 30, 2010, are identified in the table below. For purposes of this table, "fund balance" is the figure reported as "fund equity" in the Colorado Financial Reporting System (COFRS) report MCR01, "Comparative Balance Sheet by Fund." In that report, fund equity is calculated as the difference between current assets and current liabilities (a quantity sometimes referred to as "working capital"). A portion of this year-end balance may be obligated (i.e., encumbered and/or appropriated) for capital construction projects or trails grants in progress and approved in the FY 10-11 and previous years' Long Bills. These obligated amounts are not available for other purposes and have been subtracted from the fund equity figures to arrive at the unobligated balances shown below.

21H	Parks/Outdoor Recreation Emergency Fund	Held in reserve for emergencies; amount set in statute
210	Off-Highway Vehicles Fund	Trails, education, registrations, law enforcement related to OHVs
22F	Parks Aquatic Nuisance Species Fund	Work to monitor, control, and prevent the spread of Aquatic Nuisance Spp
426	DNR GOCO Distribution Fund	General park operating and capital projects funded by GOCO
427	DNR Lottery Distribution Fund	General park operating and capital projects funded by Lottery
461	Regular Capital Construction Fund	Capital construction projects
462	Special Capital Construction Fund	Park capital construction projects with federal funding partners
750	Natural Resources Foundation Fund	Various projects specified by donors

(1) Of this amount, approximately $3.5 million was encumbered under grant agreements as of 6/30/2010; another $3.1 million was obligated to fund grant awards approved by the Parks Board in March, 2010, and another $4 million was set aside to fund grant awards to be approved by the Parks Board in March, 2011.

(2) Of this amount, essentially all is committed to pay for capital projects already approved and underway at various stages of completion.

The purpose of these funds, along with the major sources of revenue, is summarized below.

1. Fund 100 – General Fund

This fund is used for general operations in State Parks, and specifically for those operations funded in part with General Fund dollars. Revenues in this fund are derived essentially from only two sources: General Fund dollars and transfers from other State Parks' funds. The funds transferred to the General Fund to cover operating expenses come exclusively from the Parks

Cash Fund (fund 172). These two funds together (General Fund and Parks Cash Fund) are used to pay for the majority of general operations at State Parks. Because funds are transferred to the General Fund in amounts necessary to cover expenditures out of the fund, revenues will always exactly equal expenditures and therefore both net income and fund balance will be zero.

2. Fund 16H – Parks' Stores Revolving Fund

This fund was established pursuant to CRS 33-10-111.5:

> *(4) There is hereby created a stores revolving fund in the amount of two hundred thousand dollars, which amount shall be maintained to acquire stock for warehousing and distributing supplies for retail sales to visitors. On July 1, 2003, the state treasurer shall transfer two hundred thousand dollars from the parks and outdoor recreation cash fund to the revolving fund. The moneys in such fund shall under no circumstances be used for the payment of operating expenses but shall be maintained intact as a revolving fund of two hundred thousand dollars, composed of the following assets: Cash, accounts receivable, and inventory supplies. The purpose of the fund is to provide better budgetary control, and nothing contained in this subsection (4) shall authorize the division to make any purchases or acquisitions in any manner except as provided by law. Any surplus in the revolving fund in excess of two hundred thousand dollars shall revert to the parks and outdoor recreation cash fund at the close of each fiscal year.*

This fund is used to pay for goods and supplies purchased for resale to State Parks' customers. These goods and supplies include firewood, publications, camping supplies, and related items. Revenues from the sale of these products are deposited back into the fund, where they are used to purchase replacement goods and supplies to maintain saleable inventory.

3. Fund 172 – Parks' Cash Fund

This fund was established pursuant to CRS 33-10-111:

> *(1) Except as provided in sections 33-14-106, 33-14.5-106, and 33-15-103, all moneys derived from division facilities and fees, and all interest earned on such moneys, shall be credited to the parks and outdoor recreation cash fund, which is hereby created, together with all moneys donated, transferred, or appropriated from whatever source for the use of the division in administering, managing, and supervising the state parks and outdoor recreation system and in the financing of impact assistance grants pursuant to part 3 of article 25 of title 30, C.R.S. All cash receipts from state-owned desert, saline, and internal improvement lands shall be credited to the parks and outdoor recreation cash fund…*

Major sources of revenue in the Parks' Cash Fund are entrance fees, camping permit fees, special use permit fees, federal funds, boat registration fees, Severance Tax funds, and GOCO funds.

4. Fund 173 – Snowmobile Recreation Fund

This fund was established pursuant to CRS 33-14-106:

> *Except as provided in section 33-15-103 (1) when enforcement is by a wildlife officer, all fees from the registration of snowmobiles and one-half of all moneys collected for fines under this article, and all interest earned on such moneys, shall be credited to the snowmobile recreation fund, hereby created, and shall be used for the administration of this article and for the establishment and maintenance of snowmobile trails, vehicle parking areas, and facilities. However, any moneys collected in excess of five dollars per original or renewal registration shall be used exclusively for direct services and not administrative costs. The remaining one-half of all fines collected shall be credited to the state general fund.*

Registration fees were increased in 2007, which has led to an increase in annual revenues. Currently, almost three-fourths of the revenue earned in this fund is used for snowmobile trail grooming grants to third parties, with the balance used for program administration, equipment, education, and supplies.

Grant expenditures typically lag revenues by as much as two years.

5. Fund 175 – River Outfitters Fund

This fund was established pursuant to CRS 33-32-111:

> *All fees collected under this article shall be transmitted to the state treasurer who shall credit the same to the river outfitters cash fund, which fund is hereby created. The general assembly shall make annual appropriations from such fund for the direct and indirect costs of administration of this article.*

And CRS 33-32-104:

> *(1) No person shall act in the capacity of a paid river outfitter or advertise in any newspaper or magazine or any other trade publication or represent himself as a river outfitter in this state without first obtaining a river outfitter's license in accordance with rules and regulations prescribed by the board.*
>
> *(2) An applicant for a river outfitter's license shall meet the minimum qualifications pursuant to section 33-32-105 and shall make application upon a form prescribed by the board. All applicants shall pay a nonrefundable license fee to be determined by the board, which fee shall be adequate to cover the expenses incurred for inspections, licensing, and enforcement required by the provisions of this article, and shall renew such license annually upon payment of said fee.*

Revenues in this fund are exclusively from river outfitter license fees. Revenues have remained fairly flat for a number of years. Expenditures are related largely to seasonal patrol, and monitoring and administration of the program.

6. Fund 21H – Parks/Outdoor Recreation Emergency Fund

This fund was established pursuant to CRS 33-10-111.5:

> *(1) There is hereby created in the state treasury a fund to be known as the parks and outdoor recreation emergency reserve cash fund. Moneys in an amount as specified in subsection (2) of this section from the parks and outdoor recreation cash fund created in section 33-10-111 that are not otherwise expended pursuant to that section shall be credited to the parks and outdoor recreation emergency reserve cash fund. Such fund shall be available to be used if there are insufficient funds in the parks and outdoor recreation cash fund at the end of any fiscal year for appropriations affecting the division made in that fiscal year.*
>
> *(2) For each fiscal year, a portion of the parks and outdoor recreation cash fund year-end balances shall be credited to the parks and outdoor recreation emergency reserve cash fund so that by fiscal year 2007, the balance in the parks and outdoor recreation emergency reserve cash fund shall total one million dollars. For the fiscal year 2008 and for each fiscal year thereafter, the balance in the parks and outdoor recreation emergency reserve cash fund shall increase by one percent of the overall appropriation to the division of parks and outdoor recreation for state park operations; except that the balance in the parks and outdoor recreation emergency reserve cash fund shall not exceed ten percent of the total amount appropriated for state park operations. For fiscal years 1989 to 1996, the general assembly shall specify the amount to be credited to the parks and outdoor recreation emergency reserve cash fund for each fiscal year.*
>
> *3) The parks and outdoor recreation cash fund shall not be unreasonably used to offset any general fund restriction or reduction that is imposed on the department of natural resources.*

The only revenues in this fund consist of transfers from the Parks' Cash fund, pursuant to statute. The only expenditures, if any, consist of transfers back to the Parks' Cash fund as necessary to cover fund balance shortfalls. In FY 09-10, a net of $600,000 was transferred from the Parks Cash Fund to the Emergency Fund.

7. Fund 210 – OHV Fund

This fund was established pursuant to CRS 33-14.5-106:

> *(1) All fees collected from the registration of off-highway vehicles and all fees collected from the sale of off-highway use permits, plus all interest earned on such moneys shall be credited to the off-highway vehicle recreation fund, which*

fund is hereby created, and shall be used for the administration of this article, for information and awareness on the availability of off-highway vehicle recreational opportunities, for the promotion of off-highway vehicle safety, for the establishment and maintenance of off-highway vehicle routes, parking areas, and facilities, and for the purchase or lease of private land for the purposes of access to public land for uses consistent with the provisions of this article; however, any moneys collected in excess of four dollars per original or renewal registration shall be used exclusively for direct services and not administrative costs. The general assembly shall make annual appropriations from the off-highway vehicle recreation fund for the purposes enumerated in this subsection (1).

Registration fees were increased in 2007 and that, coupled with continued high growth rates in the number of OHV registrations, has led to steady increases in revenue into this fund over the past few years. The majority of the revenue (~90%) is allocated for OHV trail grants to third parties. Typically, expenditures on these grants lag revenues by as much as two to three years. Accordingly, in the past few years, revenues have increased faster than expenditures, and the fund balance has grown. However, the majority of the year-end fund balance is committed through grant awards that have been made to third parties, for which the work is underway, but for which State Parks has not yet been billed by the grantees.

8. Fund 22F – Parks Aquatic Nuisance Species Fund

This fund was established pursuant to CRS 33-10.5-108:

(1) (a) There is hereby created in the state treasury the division of parks and outdoor recreation aquatic nuisance species fund, which shall be administered by the division of parks and outdoor recreation in the department of natural resources and shall consist of all moneys transferred by the treasurer as specified in section 39-29-109.3 (2) (m), C.R.S. All moneys in the fund are continuously appropriated to the division of parks and outdoor recreation for the purpose of implementing the provisions of this article. All moneys in the fund at the end of each fiscal year shall remain in the fund and shall not revert to the general fund or any other fund.

(b) In the use of such moneys, priority shall be given to containment and eradication of aquatic nuisance species in the waters of the state in which such species have been detected and prevention of the introduction of nuisance species in areas determined to be most vulnerable to such an introduction.

S.B. 08-226 established this fund and appropriated over $3 million in Severance Tax funds to State Parks for the purpose of initiating and operating an aggressive aquatic nuisance species management program. All revenues in this fund consist of transfers from the Operational Account of the Severance Tax fund. Expenditures to date have been directed towards an intensive inspection/decontamination program at those State Parks with high-risk lakes.

9. Fund 426 – Department of Natural Resources GOCO Distribution Fund

This fund was established pursuant to CRS 33-60-104:

> *1) For the first quarter of fiscal year 1998-99 and for each quarter thereafter, the state treasurer shall distribute net lottery proceeds as follows:*
>
> *(c) All remaining net lottery proceeds in trust to the trust fund board; except that, in any state fiscal year in which the portion of net lottery proceeds which would otherwise be given in trust to the trust fund board exceeds the adjusted amount of thirty-five million dollars as determined by the state treasurer in accordance with subsection (2) of this section, the net lottery proceeds in excess of such adjusted amount shall be allocated to the general fund.*
>
> *(2) Beginning with the first quarter of fiscal year 1998-99 and each fiscal year thereafter, the base amount of thirty-five million dollars shall be adjusted annually based on the decrease or increase, if any, in the consumer price index for the Denver metropolitan area, for the preceding calendar year reported by the United States bureau of labor statistics, or its successor index. Such adjustment shall reflect changes, if any, in such index from the actual consumer price index for the Denver metropolitan area, for the calendar year 1992.*

Revenues in this fund consist of reimbursement from the Board of the GOCO Trust Fund for expenditures incurred by State Parks' programs and projects funded in whole or part with GOCO funds. Because these funds come to State Parks on a reimbursement basis, revenues should always exactly equal expenditures for the year.

Currently, the GOCO Board approves annual funding for State Parks in March for the fiscal year beginning the following July.

10. Fund 427 – Department of Natural Resources Lottery Distribution Fund

This fund was established pursuant to CRS 33-60-104:

> *1) For the first quarter of fiscal year 1998-99 and for each quarter thereafter, the state treasurer shall distribute net lottery proceeds as follows:*
>
> *(b) Ten percent to the division of parks and outdoor recreation for the acquisition, development, and improvement of new and existing state parks, recreation areas, and recreational trails; and*

Lottery expenditures are constrained both by the Constitution and by CRS 24-35-210(4.1):

> *(c) The lottery money available for appropriation to the division of parks and outdoor recreation pursuant to paragraph (b) of this subsection (4.1) shall be appropriated and expended for the acquisition and development of new state*

parks, new state recreation areas, or new recreational trails, for the expansion of existing state parks, state recreation areas, or recreational trails, or for capital improvements of both new and existing state parks, state recreation areas, or recreational trails. Except as provided in section 33-60-105, C.R.S., in addition to appropriation for the division's capital construction budget, said lottery money may be appropriated for the division's operating budget for expenditures attributable to the maintenance and operation of state parks, state recreation areas, or recreational trails, or any portions thereof, that have been acquired or developed with lottery money.

Lottery funds are directly distributed to State Parks pursuant to the Colorado Constitution, in an amount that has remained fairly steady in recent years at around $12 million. About two-thirds are used for capital construction projects and one-third for operating expenses.

11. Fund 461 – Regular Capital Construction Fund

This fund is established by the State Controller for purposes of managing capital construction projects. All revenues come from either transfers from other funds (lottery, GOCO) or from federal sources. No Parks Cash Fund or General Funds are involved. Because funds are transferred from other funds to cover capital construction expenditures as they are made, the revenues and expenditures in this fund should be exactly equal in any given fiscal year.

12. Fund 462 – Special Capital Construction Fund

This fund is established by the State Controller for purposes of managing capital construction projects. This fund and the Regular Capital Construction fund are very similar; based on technical differences in the federal funds involved, the State Controller historically has booked certain projects under one fund and other projects under the other fund. All revenues come from either transfers from other funds (lottery, GOCO, and federal). No Parks' Cash or General Funds are involved. Because funds are transferred from other funds to cover capital construction expenditures as they are made, the revenues and expenditures in this fund should be exactly equal in any given fiscal year.

13. Fund 750 – Natural Resources Foundation Fund

This fund was established pursuant to CRS 24-33-108:

(1) The department of natural resources is authorized to receive or reject gifts and devises of money or property and, subject to the terms of any gift or devise and to the provisions of any applicable law, to hold such funds or property in trust or invest, sell, or exchange the same and use either principal or interest or the proceeds of sale or the exchanged property received for the benefit of the department and the public as specified in this section.

(2) The department of natural resources may cooperate with and assist any donor or foundation or similar organization intending to make gifts and devises of

money and property for donation to or use by the department in the provision and maintenance of parks, recreational areas, or scenic or natural areas and for related uses. The acceptance of any gift or devise shall not commit the state to any expenditure of state funds.

(3) Any moneys received as gifts under this section and any moneys received from the investment of such moneys or property received under this section and any interest therefrom shall be credited to a special fund known as the Colorado natural resources foundation fund. Such fund and any gifts or devises received by the department of natural resources pursuant to this section shall not diminish any appropriations made to the department. Such funds shall not be expended in such a manner as to commit expenditures from the general fund or any cash fund which is designated for regulatory purposes within the division of water resources. The use of gifts and devises shall be subject to audit by the state auditor or the auditor's designee, the cost of which shall be borne by the department.

On occasion, private citizens make donations or gifts of money directly to State Parks (as opposed to the Foundation for Colorado State Parks). Revenues in this fund consist of those donations, plus interest earned on cash balances in the donation account.

FY 09-10 Revenues and Expenses

The tables shown in Appendices B and C present a summary of State Parks' revenues and expenditures for FY 09-10, along with comparative figures for FY 08-09.

Revenue from all sources in FY 09-10 was $61.45 million, up very slightly from $61.38 the year before. Expenditures totaled $55.30 million, up from $54.02 the year before.

FY 09-10 combined revenue from passes, entry fees, permits, and user fees were up about $525,000, or 3%, compared to the previous year. For the first half of FY 09-10, revenues from these sources were up about 10% from the previous year, for the third quarter they were down about 7% from the previous year, and in the fourth quarter they are essentially unchanged. This seems to track with the visitation data for the year. Camping and vessel registration fees were raised effective January 1, 2010. As expected, revenues from direct lottery distribution were down about $600,000, or 5%. Severance Tax revenue was up significantly, while General Fund revenue was down significantly, as a result of the General Fund/Severance Tax refinancing in FY 09-10.

Most operating expenditures remained below prior year levels, reflecting the budget reduction strategies implemented in early FY 09-10 to address the $3 million budget shortfall. Grant expenditures were up, as a result of increased billings from recipients of previously-awarded OHV Fund trails grants.

Expenditures on capital construction projects were slightly below prior year levels, the result of a freeze on State Parks' FY 08-09 capital projects. Spending on this line is expected to grow dramatically in the next two fiscal years, due to the large amount of funding approved for FY 09-10 and FY 10-11 capital projects.

FINANCIAL PROJECTIONS

Baseline Scenario

For purposes of financial projections, the baseline scenario reflects a minimum number of assumptions for changes from the current year. The assumptions are intended to be conservative. There is a reasonable probability that certain costs will go up in the future, and the baseline scenario attempts to reflect that. Just because these cost increases are incorporated in the baseline assumptions does not mean they reflect State Parks' policies, goals, or intent. Their purpose is to forecast future financial needs conservatively.

In the baseline forecast, General Funds drop to zero in FY 11-12 and remain at zero throughout the five-year period. The lost General Funds ($2.6 million) are replaced with $1.3 million in higher fee revenues anticipated from fee increases taking effect November 1, 2010, and $1.3 million in additional Severance Tax funding.

Personal services costs (salaries and benefits for permanent staff and hourly wages for temporary and seasonal employees) will grow based on the following assumptions:

1. No increase in the number of authorized permanent positions;
2. Elimination of the 2.5% PERA refinance in FY 12-13;
3. Increases in permanent salaries based on Consumer Price Index (CPI) beginning in FY 13-14; and,
4. An increase of ten percent in seasonal employee costs, phased in over the period FY 12-13 through FY 14-15.

Operating expenses are expected to increase somewhat, based on (1) higher levels of grant expenditures related to the trails program (both motorized and non-motorized); (2) increased expenditures for maintenance and upkeep of capital assets; and, (3) increases in park operating budgets to maintain high quality customer service and visitor experience.

Capital construction spending is expected to increase dramatically (relative to the immediately preceding years, when spending was at artificially low levels due to a virtual freeze in the program). Capital construction spending is based on the current Five-Year Capital Construction Plan, which was approved by the Parks Board in July 2010, and is attached as Appendix D. The Five-Year Capital Plan identifies the level of investment that will be made in a number of capital construction categories, as well as which sources of funds will be used to finance those investments.

Visitation and park-generated fee revenues are assumed to increase 1% per year (below the recent historical average).[6] Revenues from federal grants and the state Severance Tax are expected to remain unchanged. Lottery direct distributions are assumed to remain unchanged, and GOCO grant awards are assumed to remain unchanged at $13.5 million per year.

The baseline five-year projection is shown in Appendix E.

Other Scenarios

As noted earlier, State Parks has a fairly diverse source of revenues. Some of these sources are more dependable than others.

Severance tax revenues may be the least dependable. Revenues flowing into the Operational Account of the Severance Tax Fund, out of which State Parks receives its severance tax funds, are highly volatile, and fluctuate greatly from year-to-year. Severance tax funds are subject to annual appropriation. There are many recipient agencies and programs. All of these factors combined result in a relatively low level of dependability. On the other hand, under current statutes, the majority of State Parks' Severance Tax funding is "Tier-1" funding, which is largely insulated from the overall volatility of the fund. There is a possibility that Severance Tax funding could decrease in the future, and there is no indication that it will increase (in real, inflation-adjusted terms).

Some federal grant programs through which State Parks receives federal funds are more stable and predictable than others. Among the least dependable, at least for the future, are the federal capital cost share programs (which are currently with the U.S. Army Corps of Engineers {USACE} and the BOR). These programs have funded substantial capital improvements at some state parks. However, these funds are subject to annual Congressional appropriation; in addition, they must be negotiated with the federal agencies. At the other end of the spectrum are federal grant programs such as the Boat Safety grant program. Funds for this grant program are apportioned, as opposed to being appropriated. Apportionments are set by formula and are not subject to the annual appropriation process. Federal funds could either increase or decrease in the future.

Revenues from park passes and camping permits are derived from fees which are set by the Parks Board. There may be some potential for increased revenues in the future, particularly if more selective pricing strategies are pursued. On the other hand, fee increases have become more frequent, and there is real risk that growing numbers of visitors will be deterred by higher prices. Fee revenue associated with visitation to our state parks is subject to market forces, just as any business in the private sector; it is plausible that additional fee increases could discourage visitors, leading to an actual reduction in revenues.

[6] It should be noted that long-term park-generated fee revenue projections are additionally complicated, due to our inability to account for potential weather-related events, some which last for months. Such events include rainstorms on busy summer weekends, late or early season snowstorms, or droughts that significantly drop reservoir water levels and require county-wide fire bans. Other natural events can impact these long-range revenue projections as well, such as mountain pine beetle infestations that necessitate temporary campground and other facility closures.

On the expenditure side, several factors could drive expenditures higher. Foremost among these is the potential for increased (relative to the baseline) capital investment required to maintain and replace facilities on state parks. State Parks is currently conducting a detailed inventory and condition assessment of all physical assets in the park system, and from this will determine the capital project priorities and develop a 20-year capital investment plan. This plan could call for capital investments greater than what is reflected in the current Five-Year Capital Construction Plan.

A rebounding economy could lead to slightly higher rates of inflation. If this happens, State Parks' costs may go up, even if staffing levels remain flat and services provided to the public remain unchanged.

Considering all these factors, it seems prudent to plan for a variety of different financial scenarios, ranging from annual net income of $0.5 million to $2 million less than the baseline.

STRATEGIES FOR FINANCIAL SUSTAINABILITY

Methodology

Over the course of the last year, the Parks Board and State Parks' staff has discussed a three-pronged financial strategy, consisting of (1) efficiency measures to reduce costs, (2) measures to increase revenues, and, (3) strategic restructuring of the park system to eliminate costs. Earlier this year, a number of teams were established within State Parks to pursue each of these in more detail. One team addressed efficiencies. Four teams—the Revenue Team, the Marketing Team, the Financial Partners Team, and the Private Fundraising Team—addressed revenues. Finally, one team addressed strategic restructuring.

Summary of Team Findings

Efficiency Team

The Park Efficiencies team was asked to brainstorm and evaluate a number of cost-saving measures that State Parks could implement in the event of possible future budget reductions, while making park operations more efficient. The goal was to identify viable options to realize cost savings, while minimizing impact on staff, visitors, and the natural resource base of the parks.

There do not appear to be any clear or easy solutions to offset a substantial decrease in funding on a short-term basis. Most cost-saving measures bring challenges that would need to be considered carefully prior to implementation, to ensure that State Park's actions meet legal obligations, while continuing to provide high-quality services and facilities at a reasonable price.

1. **Task One**: Study existing staffing levels and trends, and evaluate legal constraints (if any) to further leverage our full-time staff with temporary workers and volunteers.

Three analyses were conducted to examine different aspects of staffing levels within Colorado State Parks. The first analysis was a yearly comparison of permanent (FTE), seasonal, and total personnel from fiscal year 1990 through 2009. The second analysis was a monthly comparison of permanent, seasonal, and total personnel from July 2003 through June 2009 (FY 2004-2009). Staffing levels were compared to revenue, expense, visitation, overnight visitors (camping), and volunteer hours. Comparisons by fiscal year, as well as by month, were compiled. The third analysis was a monthly comparison of hourly wage rates from July 2003 through June 2009. Since 1990, Colorado State Parks has grown in every key aspect. *Table 1* below summarizes this growth.

	FTE	*Seasonal*	*Total Personnel*	*Revenue*	*Expenses (O&M)*	*Visitation*	*Acreage*	*Volunteer Hours*
% Growth	**40%**	**48%**	**46%**	**68%**	**80%**	**32%**	**26%**	**93%**

Table 1 - 1990-2009 Growth Percentages

The data does not show the business process changes, fee and registration increases, or strategic changes. Conclusions are that although FTE and seasonal staff have increased, they have not increased at the pace of revenues and expenses. Volunteerism has significantly increased since 1990. Five new parks have opened since 1990, including North Sterling (1992), San Luis (1993), Lone Mesa (1999), Cheyenne Mountain (2000), and John Martin (2001).

(a) Recommendations:

1. The Division should commission a new study similar to the KPMG Staffing Study last completed in 2000. Many of our business practices have changed, as have the demands on full-time and seasonal/temporary staff members. Historical staffing trends at the individual park and program level – especially from FY 04 forward – should also be researched. This would give insight into individual park and program staffing levels and changes that have been made. Tracking position titles, as well as the hourly wage rates for each position, would assist in tracking baseline staffing data.

2. **Task Two**: Study the feasibility of managing specific contracted services including trash hauling, sewage pumping, weed spraying, and road maintenance in-house (versus contracting to commercial vendors) to determine if cost-efficiency savings could be realized by performing these activities and functions with temporary or full-time State Park employees.

a. Trash Service – Total average annual cost to agency is $211,000. After compiling the data between FY05-FY09*,* there seems to be little benefit by performing these services in-house on a large scale. There may be some benefit in analyzing the cost/benefit of going in-house to handle trash collection needs at the larger, more remote parks. In many park areas, mandatory or voluntary “pack it in/pack it out” programs may significantly reduce the amount of refuse left for park staff to dispose of.

b. Sewage Pumping – Average annual cost for sewage hauling is $155,000; cost for the two largest metro parks is only $15,000 of that total. After reviewing the amount spent on the statewide, region, and park level, it is not recommended to proceed in reviewing this service for in-house centralization. A comprehensive review on an individual park basis is recommended to see if an investment in “constructed wetland” sewage lagoons at high expense parks could build efficiencies in the long term.

c. Weed Spraying – The average annual expense over the last five fiscal years is $132,000 across the entire Division. Given the seasonal nature of this service, it would not be advisable to manage, ramp up, operate, and ramp down such an operation. It does not appear to warrant additional consideration at this time, since savings would likely be minimal.

d. Road Maintenance (road grading, crack sealing, and striping) – General conclusions related to these tasks are inconclusive and likely merit additional investigation. Further analysis should be completed to determine if the Division could save money centralizing road grading services when parks needing grading are in close proximity to one another. Doing so would reduce the number of graders needed on a regional basis and would give the Division additional control as to when these services could be performed, if the people responsible for the grading services were under the Division's control. Expenses incurred in the High Plains and Rocky Mountain regions indicate that a centralized grading operation may provide some efficiency savings. Further research may be warranted to determine true cost savings if crack sealing and road striping were to be performed in-house, particularly in the Rocky Mountain and High Plains regions.

3. **Task Three**: Study ways to reduce energy and utility costs.

During the summer of 2009, Colorado State Parks contracted with an outside consultant, EMC Engineers, to conduct a Technical Energy Audit (TEA) of buildings in 32 of 42 state parks, including but not limited to: utility meters, lighting systems, heating and cooling systems, Domestic Hot Water (DHW) systems, control systems, water and sewer systems, building envelopes, water treatment lagoons, irrigation systems, boat-washing and inspection stations, and camping hookups.

In addition, the TEA involved the collection and data entry of utility bills for electrical, natural gas, or propane services in the parks for all months back to July 2005. This audit is the first step in the development of an Energy Services Performance Contract (ESPC), under the guidelines of the Colorado Governor's Energy Office (GEO), which EMC Engineers is proposing to Colorado State Parks. The ESPC, if accepted, will lead to the installation of the projects recommended in EMC's report.

The TEA evaluates 30 possible energy-saving measures with economic analysis. Colorado State Parks has a budget for energy efficiency projects of approximately $1,000,000 per year for the next two years. The TEA recommends selecting projects that result in the greatest reduction of utility expenses within this capital budget.

EMC Engineers recommends lighting retrofits and water conservation projects as the highest priority projects for maximum savings in the 28 parks that have the highest utility bills of the 42 parks. The 28 parks account for 95.3% of all the utility costs in the park system, including water/sewer costs. The main focus of the TEA is to reduce utility bills as much as possible to allow State Parks to use more of the Operations Budget for other needs. An important distinction in this report is that the Energy Conservation Measures (ECMs) recommends do not impact the energy used by RV pads (hookups), which account for as much as 50% of the electrical energy cost of some parks.

The proposed projects simple payback is 9.8 years with a Return on Investment (ROI) of 10% in the 28 parks identified as the having the most savings potential. The projects recommended provide an estimated $185,121 in utility bill savings per year when fully implemented. This results in a utility dollar cost savings of approximately 14%, and a 14.2% reduction in energy usage (units) for the 28 parks, plus utility savings of approximately 13.3% for the park system as a whole, and a 9.5% reduction in energy usage (units) across all parks. While further energy savings measures could be implemented, the payback time for these exceeded 10 years and therefore was deleted from the scope of work. State Parks is currently negotiating the contract to implement scope of work recommended in the report. Completion of the project is estimated to be in the spring of 2012.

4. **Task Four**: Study the feasibility of outsourcing/privatizing services and/or facilities within park areas or in entire parks.

The revenue associated with concession and retail sales operations in state parks is substantial. State Parks collects over $2.5 million annually when combining park-managed retail operations with marina, outfitter, and other similar activities involving private interests managed through Special Use Permits, Leases, and other partnerships. The Efficiency Team determined there were no obvious programs or activities that we manage ourselves that might more appropriately be managed by the private sector.

Existing agreements also were analyzed to determine if revenue could be increased by adjusting contract fees. It quickly became obvious that there is a lack of consistency in just about every element of concession management, guide and outfitter permitting, and special use agreements between parks throughout the state. Concession agreements have typically been created and negotiated by park managers and approved by the regions.

Recommendations include:

a. Finalize and distribute the State Parks Concession Manual, which has not been updated since March 1994. This manual is a vital tool for guiding the process in the interest of consistency, efficiency, and maximizing revenue paid to the state for operations under these agreements.
b. Standardize administrative fees and annual fees payable to the state to ensure contract administrators cover expenses used to manage the individual contracts and ensure consistency throughout the state.
c. Increase the overall percentage of gross sales paid to the Division to ensure that the Division is fairly compensated for activities occurring on lands managed by State Parks and to ensure consistency in fee schedules across the state for the various types of agreements.
d. Centralize concession and retail management including solicitation and negotiation of the related contracts. Other agencies, such as the National Park Service and the U.S. Forest Service have determined that centralization and dedicated staff assigned to concession management are necessary, due to the size and complexity of the concessions program, legal issues, lack of specialization in this field among field staff currently responsible for these tasks, and considerable time commitments required of those staff overseeing the operations.

5. **Task Five**: Study transportation needs within Colorado State Parks by analyzing and evaluating the current fleet vehicle program, use of alternative vehicles, bicycle patrol, etc.

The Division leases 336 vehicles. While several other short-term lease vehicles are added to the Division's fleet during the summer months, more are required and requested. Nearly 2.5 million miles were driven using Division fleet vehicles in FY 09. In addition to fleet vehicles, the Division owns approximately 75 utility vehicles, such as Polaris Rangers, Kawasaki Mules, and golf carts, which are used in the special applications somewhat unique to this Division—campground hosts involved in park maintenance; shuttle services near marinas; and other maintenance and visitor services applications. This figure does not include OHVs, motorcycles, or snowmobiles dedicated largely to trails field presence rather than park operations (*Parks Other Vehicles Report 4/20/2010*). Forty-two of these vehicles are eight years old or newer, while 33 are more than eight years old.

Each month, State Parks is charged a variable rate, or per-mile cost, based on each vehicle type and total monthly miles driven. The variable rate is calculated and adjusted annually by State Fleet Management (SFM) to accurately reflect depreciation, fuel, and maintenance costs associated with the given body type. The Division is also charged a monthly fixed rate lease payment for each leased vehicle.

Due to the seasonal nature of parks' work, a large number of leased vehicles sit idle in the off-season, and are heavily utilized during the summer months when the majority of visitors come to the parks. Most vehicles have specialized law enforcement or maintenance equipment in them and cannot be utilized by other agencies during the off-season without removing equipment, emblems, etc., and risking damage to the vehicles when they are not under our control. As a result, the team did not consider options to give up vehicles during certain times of the year.

Recommendations include:

a. Develop and implement education and information-sharing programs for managers making vehicle purchasing and replacement decisions.
b. Develop and implement a fleet driver education program aimed at modifying driving behavior to reduce fuel consumption and maintenance costs; increase awareness among drivers as to how decisions at the pump directly affect park budgets (detail the fleet leasing arrangement and cost calculations); and explain the use of existing Wright Express (WEX) tools for tracking consumption and costs.
c. Ensure that when replacement vehicles are ordered, they meet the needs of the job they are to perform. The Division may wish to set a conservative goal for "right-sizing" vehicles across the Division to see if less expensive alternatives will still enable employees to get the job done.
d. Consider adding bulk fuel tanks. Leverage bulk fuel purchasing by combining bidding processes at multiple parks in close proximity to one another to get volume discounts when possible.

e. Invest in additional utility vehicles, such as Kawasaki Mules, Polaris Rangers, and golf carts, that can be utilized by camp hosts or employees to perform basic maintenance tasks within the campground areas, thereby reducing the overall mileage incurred on fleet vehicles.
f. Invest in bicycles and bicycle safety equipment and train rangers to perform bicycle patrols where appropriate when time and staff permit.
g. Encourage rangers to conduct foot patrols in campground loops and while posting reservations. This saves fleet costs and has been found to improve customer service/interaction with the public in other park agencies.

6. **Task Six**: Study the feasibility of consolidating park operations and evaluate additional opportunities to combine Parks park complexes/satellite park operations.

After briefly researching this topic, it was concluded that the analysis completed by the Parks Complexing Committee in May and June of 2009 adequately addressed this topic. That Committee recommended against creating additional park complexes.

7. **Task Seven**: Study the feasibility of providing IT support in-house rather than contracting it out.

Colorado State Parks currently supports the technology infrastructure at the park and regional locations through a contractor, Istonish. This support model has been in place for some time, but has become too costly and inefficient. The costs associated with outsourcing support are high when compared to an in-house model. Additionally, the loss of knowledge and unfamiliarity with Colorado State Parks' locations and technological infrastructure creates unnecessary inefficiency in providing support and customer service. Application support is limited due to cost constraints and a lack of detailed knowledge of the specific applications. Changing the IT support model in use by Colorado State Parks will save money, improve infrastructure and application support efficiencies, and enhance customer service.

Concerns with providing IT support in-house include potential difficulty in reversing course and trying to contract those same services in the future, if it is later determined that the efficiency savings do not meet expectations. Another concern is that employees hired to provide support to parks and agency programs would still be under the control and supervision of the Governor's Office of Information Technology. As a result, we may not have as much flexibility to use the employee's talents and skills on park projects, since they may get reassigned to carry out job duties for other programs and agencies.

Other potential efficiencies raised by the Efficiency Team but not researched were focused on suggested efficiencies in accounting procedures and consolidation of the two Denver area administrative offices.

Revenue Team

The Revenue Team was asked to examine the potential for increasing existing fees over the coming years, changing the existing fee structure, and implementing new types of user fees. As a secondary goal, the team was asked to make recommendations to increase revenues for the agency through other methods, such as special use permits and concessions.

The team had a number of brainstorming sessions, solicited input from Parks' staff, and generated many ideas. To help with an analysis, the ideas were categorized as entrance fees, camping fees, other field generated fees, concessions, non-recreational land use, retail operations, registrations, special use fees, and fines.

The team looked at the past history of fees and compiled relevant user information from the recently completed Corona Insights' marketing study. As ideas were being evaluated, field input was sought on questions related to practicality, implementation challenges, likely visitor response, and so forth. Each idea was evaluated and initially assigned to one of four categories: pursue, consider, back burner, or do not pursue. More focus was then placed on the ideas in the "pursue" category. Those in the "consider" category were felt to have some potential down the road, but for a variety of reasons they were deemed not ripe for action now. Those in the "back burner" and "do not pursue" categories are not likely to hold much benefit for State Parks or the public.

Ideas in the "pursue" category were further classified into three gradations, consisting of ("P") positioning the Division for financial success, ("E") having internal and customer service benefits and potentially contributing to financial success, or ("N") nice-to-haves, which may have positive impact at some point.

High-level recommendations include the following:

1. Many of the suggestions involved the potential for additional revenue through new sources. But creating new fees would be costly, as well as difficult to administer and enforce. Maximizing the current fee structure, rather than creating new fees, will provide better customer service and public perception that customers are not being inundated with different types of fees.
2. Proposals that improve customer service, are easy to execute with minimal costs, and have a quick implementation time were given the highest consideration. Focus was given to fees that currently generate the highest amount of revenue for the Division. The ROI can vary widely, but the opportunity to standardize and simplify some fees was part of the evaluation process.
3. Some proposals focused mainly on revenue generation and generally have less of an impact on customer service. Some of these concepts are more difficult than others to implement, and may need to be phased in over time to accomplish the final goal of maximizing revenue. Ultimately, these concepts will yield revenue by modifying or creating new fees to reflect the market for similar services, or by the Division managing more functions that are currently outsourced.

Most of the top recommended fee increase or changes to the existing fee structure have been included the fee package the Parks Board approved on September 16, 2010. Once fully implemented in FY 11-12, these increases/new fees will generate an estimated $1.3 million of additional revenue annually.

Other ideas that received favorable review, either a “P” or an “E” by the team, included the following:

1. Explore differential fees to a much larger degree than we have in the past. Although the September 2010 fee package for Board approval includes increasing some fees for popular campsites during the busy season, there are other differential pricing strategies that could be pursued, over time, to increase revenues. Such fees could likely be applied to park entrance, additional campsites, and cabin/yurts within the system.

2. Reduce the minimum campground reservation window, which has been in place since the reservation program was established in 1989. This should improve customer service and increase utilization of campsites.

3. Expand the campground/cabin/yurt reservation system into the off-season.

4. Reduce the Aspen Leaf (senior pass) discount to better match the industry standard. Current discount for entrance and weekday camping is 50%. Using FY 08-09 revenue data, if a 25% discount were applied instead and demand for the pass remained static, the agency would see an additional $82,000 in annual revenue.

5. Charge fees to recoup cost of Aquatic Nuisance Species program expenditures.

6. Increase shower fees to ensure consistency among parks.

7. Increase the Special Activity Permit fee from $20 to $50. This has been the same since 1999 and does not likely even cover the administrative costs of such activities at the parks.

8. Allow individual parks to sell advertising space on their park brochures. Clear guidelines and sideboards would need to be established for many reasons, including the need to strengthen the agency-wide branding and marketing efforts.

Financial Partners Team

The Financial Partners team was asked to look into how increased partnerships with other entities might assist in meeting our long-term financial challenges. More specifically, the team performed the following tasks:

1. Identify existing partnerships with federal partners, other state agencies, local governments, and other important partners (if time allows). Information should include key points about these partnerships, including current and future opportunities for fiscal cooperation.

2. Consider key elements of existing agreements (analysis to be provided by staff to save time) in an effort to determine which elements are most beneficial to State Parks and our financial situation.

3. Recognize the distinction between funding programs, such as grants, that might provide a source of funding for specific applications, and generally broader partnerships related to sharing costs, such as the BOR Management Agreement/cost share or possible partnerships with other entities, such as local governments, to share costs relative to park or program management.

4. As appropriate, review how other states are using partnerships as part of their financial strategy.

5. Review BOR and USACE partnerships for information about important elements with potential cross-over applicability for other partnerships (principally using staff review of agreements).

6. To the extent possible, identify where existing and potential partnerships might benefit the State Parks' financial situation.

7. Beginning with BOR and USACE partnership agreements as top partnership priorities, recommend other priorities for partnerships, based on importance to the State Parks' overall financial situation.

8. Develop recommendations for senior staff to consider regarding near- and long-term strategies for partnerships as a component of financial sustainability.

Colorado State Parks manages over 225,000 acres statewide, but owns only 22% of these assets. The majority is managed under lease with the property owners. These partner agencies are identified in the following table:

Partner Agency	**Park**	**Acres**
BOR	Eleven Parks: Bonny, JM Robb-Colorado River, Crawford, Highline, Jackson, Navajo, Paonia, Lake Pueblo, Ridgway, Rifle Gap, Vega	31,010 acres
USACE	Four Parks: Chatfield, Cherry Creek, John Martin, Trinidad	25,386 acres
BLM/U.S. Forest Service	Two Parks: Arkansas Headwaters, Pearl	5,736 acres
State Land Board	Fourteen Parks: Castlewood, Cheyenne Mountain, Golden Gate, Jackson, Lathrop, Lone Mesa, North Sterling, Roxborough, San Luis Lakes, State Forest, Staunton, Steamboat, Sylvan, Yampa/Elkhead, St. Vrain	79,711 acres
DOW	Four Parks: Barr Lake, Lathrop, Pearl, Steamboat	2,784 acres
Local Government Colorado Springs; City of Boulder; City of Denver (Denver Water); Walsenburg; City of Pueblo; City of Aurora	Eight Parks: Arkansas Headwaters, Cherry Creek, Cheyenne Mountain, Eldorado, Eleven Mile, Lathrop, Lake Pueblo, Spinney	17,609 acres
Irrigation Companies/Private	Eight Parks: Barr, Boyd, Harvey Gap, Jackson, Mancos, North Sterling, Stagecoach, Yampa/Elkhead	14,368 acres

Colorado State Parks should consider taking steps to change certain lease arrangements to partnerships where true cost-sharing is possible. This should include efforts to share costs for both capital costs and for operational costs.

Any effort to pursue changing existing partnerships, however, will require a substantial and carefully planned commitment of staff resources.

Federal Partners – Both the BOR and the USACE have public recreation as part of their mission. Through leases with the state (likely leases originally based on commercial property leases), these federal partners have been able to meet their statutory requirements for public recreation, while substantially avoiding the direct, ongoing operations, and maintenance and rehabilitation (OM&R) costs. Although this model worked reasonably well for decades, with drastically different fiscal demands on all levels of government this model of cost-sharing no longer works. States no longer have the funding available to cover OM&R costs at the partnership properties, while the federal agencies resist using their agency budgets for operations. States may have to close parks and recreation facilities unless the federal partners reconsider and begin to share OM&R costs for those areas where their ownership enables them to claim credit for recreation with the public and Congress.

Federal statute (Public Law 89-72) authorizes the BOR to share costs for OM&R costs with partners, although BOR internal processes specify that they will not share costs for OM&R costs. Thus the laws governing BOR involvement in providing public recreation recognize the need for the federal BOR to share operations, maintenance, and replacement costs.

The land under many of the largest parks in the State Parks' system, particularly the large flatwater recreation parks, is owned by the federal government. State Parks manages the recreation on these lands through lease agreements with the responsible federal agency, which is typically either the USACE or the BOR.

Lake Pueblo State Park has one of the largest operating deficits of any park in the system. Reducing this deficit significantly is crucial to the financial sustainability of the State Parks' system as a whole, and the most logical way to do that is to obtain financial support from the BOR. In addition to financial assistance for park operations, this should include assistance in funding the large capital outlays required in future years to rebuild, renovate, and replace the aging capital infrastructure at Lake Pueblo State Park. These are among the primary goals for this strategy.

The USACE owns the land under three other large flatwater reservoirs – Cherry Creek, Chatfield, and Lake Trinidad. All three parks have existing cost-share agreements with the USACE, which collectively totaled about $20 million over a 10-year period. The USACE is currently about $7 million short of this total contribution. Another key goal for this strategy is to obtain full funding from the USACE under these cost-share agreements.

With less money available for park and recreation agencies at the state and local government levels, the most viable solution may be to share OM&R costs with the federal partner agencies, thereby leveraging multiple funding streams into an adequate cash flow.

Other Partners – If financial pressures on Colorado State Parks cannot be adequately addressed through other strategies over time, and the agency is forced to look at potential downsizing or divestiture of properties (see the PET analysis), financial cost-share agreements with other non-federal partners should be considered. Strategies could include:

1. Negotiations with non-federal land owners of property currently under recreation management by Colorado State Parks.
2. Query potential for financial contributions or joint recreation management assistance from local governments near existing state parks.

The Financial Partners Team recommendations include:

1. Focus efforts on cost-sharing partnerships with the BOR for:
   a. Planning and development at Lake Pueblo; This would include the need to seek administrative and Congressional support for this effort in Washington, DC, as well as preparing briefing papers on:
      (1) Statutory information on PL 89-72 and cost shares

(2) Needs at Lake Pueblo
(3) Benefits to local area and Colorado

b. Handling the operating deficit at Lake Pueblo, by:
(1) Building a case with statutory references, needs and benefits for operating cost share
(2) Referencing existing BOR net operating cost share in the Rocky Mountain region
(3) Addressing BOR issues against similar arrangement at Lake Pueblo
(4) Recognizing significant needs for operating cost share at Lake Pueblo
(5) Recognizing budgetary implications for BOR if funding went to operating cost share (at Lake Pueblo as a potential precedent).

2. Work with Congressional delegations to fully fund USACE obligations for facility rehabilitation cost-share at Chatfield and Cherry Creek. Under existing cost-share agreements, the USACE has yet to fund $7.2 million (original agreement called for USACE match of about $20 million by 2013).
    a. Fully fund existing amounts
    b. Work to amend agreement to cover costs of all development identified in Project Cooperative Agreement.

3. Set time frame for review and action on other needed steps. Examples include:
    a. Share costs with the USACE
    b. Review sharing costs at other BOR owned parks
    c. Share costs with Denver Water at Eleven Mile
    d. Other partnership opportunities

Private Fundraising/Friends Team

The Private Fundraising Team was asked to research and recommend actions to either establish ***or*** reorganize existing entities, in an effort to increase private fundraising for Colorado State Parks.

Based on national fundraising statistics and other research, annual individual giving is approximately $250 billion in the United States. Of available annual foundation grants, park and recreation entities qualify for up to $9.5 billion. However, because these organizations don't have avenues in place to apply for and/or accept these grants, approximately $9 billion remain on the table or are granted to other purposes each year. Organizations such as Colorado State Parks must be prepared to accept donations and grants if they are to succeed, especially in a world that is no longer "business as usual."

Team research also highlighted the fact that core donors and supporters are an organization's strongest funding prospects. In addition, the State Parks should make a more compelling case for giving by: 1) staying focused on the organization's mission, image, and value; 2) building a stronger and more urgent case for giving; 3) documenting best case/worst case scenarios for donors; and, 4) sticking with long-term strategies.

There was a focus on and acknowledgement of the Park Giving/Donor Cultivation Pyramid. This model points out the important fact that donors are initially attracted by their awareness of and quality experience with state parks. This entry point is essential and can ultimately lead along a spectrum of giving opportunity levels.

The team also conducted research and organizational interviews to identify best practices with various fundraising entities. Both reputable in-state and out-of-state organizations were contacted.

1. Colorado State Parks and Fundraising

The *Foundation for Colorado State Parks, Inc.* (FCSP) is an independent, nonprofit 501(c)(3) membership organization made up of one staff person, 13 trustees, and seven emeritus trustees. Founded in 1985, the FCSP raises funds that are placed in an endowment to carry out its current mission, which is to:

- *Enhance Colorado State Parks with annual financial support*
- *Support and advocate for the betterment of Colorado State Parks*
- *Assist the Division of Colorado State Parks in providing pleasure-packed, memorable outdoor experiences for the citizens of Colorado and our visitors*

Since 1986, the FCSP has granted funding ranging from \$4,000-\$75,000 annually to state parks and programs for a diverse mix of small projects. In addition, FCSP has provided advocacy, most recently playing a pivotal role in passing legislation to implement a new State Parks' license plate program.

It is anticipated that the FCSP will continue to grant funds for park/program projects and advocate on behalf of Colorado State Parks as issues arise. And while their role to provide administrative support of local park friends groups was recently diminished, the FCSP has recently expressed a renewed commitment to significantly increase their active fundraising efforts. However, it is too early to tell whether this will result in the major and aggressive fundraising effort that is critical to State Parks' survival under the current and future economic climate. Significant changes in the FCSP governance, organizational structure, and funding, among other things, would need to occur.

Colorado State Parks has collaborated with a small working group to develop the *Friends of Colorado State Parks* (The Friends), a private, independent, nonprofit organization. The certificate of Articles of Incorporation was submitted and approved through the Secretary of State's office, permitting immediate fundraising efforts. In addition, a fiscal agent was officially registered to manage The Friends; a bank account was set up to accommodate local park and program friends groups operating with The Friends serving as their fiscal agent; and an application will soon be submitted with the IRS to obtain 501(c)(3) tax exempt status; this will be retroactive to January 1, 2010.

Since 2003, end-of-year friends group balances administered under the FCSP have ranged from \$197,915 to \$161,138. Many decisions will need to be made to fully define the structure and function of The Friends. While it is assumed that a major role of this organization will be to provide support in various forms for local park friends groups, it is still undetermined as to the fundraising and/or advocacy roles this entity will play. Prior to the recently renewed commitment of the FCSP to actively fundraise, The Friends focused their structure around fundraising. The *Private Funding/Friends Team* recommends that this still be a high priority for The Friends, in the event that the FCSP cannot assume that role.

2. Issues, Recommendations, and Timelines

The work of the team included identifying key issues related to the formation and/or reorganization of a successful private fundraising entity devoted to Colorado State Parks. Many of these issues, listed below, are embodied in the team's recommendations and will require further work.

a. Clarify the roles of the different organizations. It is most desirable for The *Foundation for Colorado State Parks* (FCSP) to serve as the primary private fundraising entity for Colorado State Parks and to act as an advocate as issues arise. As a result of increased fundraising, the FCSP would continue to provide incrementally higher levels of annual funding for State Parks.

b. Specify that the *Friends of Colorado State Parks* (The Friends) primarily would support local park and program friends groups and advocates and actively fundraise only when deemed appropriate to complement local friends' and/or FCSP's efforts.

c. Consider alternatives. For example, if major fundraising efforts fail through the FCSP, the team envisions that The Friends would take the lead to privately raise funds for State Parks, while continuing support for local friends groups. Under this less-desirable approach, the FCSP would serve primarily as an advocate.

d. Implement immediate options to market donation opportunities (e.g., add a link to the State Parks' web page advertising donation opportunities through the FCSP and/or The Friends; explore social media opportunities).

e. Continue a commitment to the statewide Volunteer Program, as well as the park and program volunteer programs, as these entities directly support and promote friends group efforts.

Many of the other team recommendations were focused almost exclusively on the development of The Friends of Colorado State Park as the primary private fundraising arm of Colorado State Parks. Team recommendations addressed desired governance of the entity, fundraising strategies, eligible funding categories for State Parks from funds raised by the new entity, staffing needs, and necessary written agreements between these entities and the Division. Other important recommendations included:

f. Immediately form the messaging around why State Parks needs funding support (i.e., donations help keep parks affordable for everyone). This could be completed through a facilitated work session with key staff, volunteers, and Parks Board Members.

g. Immediately prepare a checklist with priority projects and issues to steer donors and/or volunteers toward when they approach State Parks ***and*** that can be actively marketed as donor/volunteer opportunities. This may involve tiered levels of opportunities to accommodate varying interest levels.

h. Set the target goal for annual fundraising at $2 million, with a first-year goal of $250,000-$500,000, to be increased incrementally each year thereafter. The $2 million level seems to be consistent with other comparable fundraising organizations.

Marketing Team

Marketing is an extremely important part of the Colorado State Parks' plan to address its long-term fiscal stability. Given diminishing General Fund support and other financial challenges, Colorado State Parks should be poised and prepared to embark on an ongoing aggressive marketing campaign.

The direction provided through legislation (Title 33) states that the Division is required to generate revenues through user fees that cover a reasonable portion of the State Parks' operation costs. To retain and attract users, we must increase awareness of the state parks; promote attention to our parks, as well as our website and reservations system; and prompt customers to take action that will generate revenue, through park visits, annual pass purchases, and reservations.

Recommendations of the Marketing Team include:

1. Allocate the largest percentage of the marketing budget to advertising (~40%). This would address low public awareness levels of Colorado State Parks, as identified by Corona (2009). Permanent and temporary staff salaries (1.5 permanent FTE and 0.6 FTE temporary) and printing brochures comprise 54% of the marketing budget. To leverage limited advertising dollars and respond quickly to advertising opportunities, hire a media buyer through the state's RFP process.

2. Continue to invest in printing brochures for the 42 parks, as well as for distribution of brochures through all State Welcome Centers. Designate a portion of these funds to printing some of the brochures in Spanish. To the extent possible, direct visitors to the State Parks' website for information on parks as a cost-effective and timely way to communicate details.

3. Focus efforts on the State Parks' website to continue to develop more user-friendly features. *Note: Success may be limited by the requirement that the Office of Information Technology (OIT), and not State Parks, provides support for the State Parks' web server and compatibility of desired new applications.* As new landing or splash pages are created and tailored by interest and activities, they can be used to

target outreach to specific user groups. Ongoing training should improve staff compliance with posting timely and accurate information on our website. Additional features such as blogs, video, and a mobile version of the web site are a few of the enhancements.

4. Employ social media to increase awareness and attract potential visitors at little to no cost, other than staff time. Contests, photo/video sharing, and posting events are all effective ways to use social media to garner increased visibility and a following.

5. Capture information on our customers to begin building a consolidated customer database. While a comprehensive database management system would require the services of a developer to provide access to all of parks' various databases, it is important to look at all possible ways to collect and use customer data. As a start, annual pass purchases from the Denver office should be targeted with the goal of expanding customer collection to other sites, as feasible.

6. View marketing as a vital component for all staff in securing the Division's future viability, just as customer service is understood to be an inherent responsibility for all Park employees. Any steps taken to have a more integrated approach within all operational facets – parks, reservations, registrations, etc. – can improve marketing efforts. Communication is a challenge in any organization, but one way to facilitate strategic marketing decisions is to develop consistent, timely data sharing of key measurements with all staff.

Park Evaluation Tool (PET)

The ***Park Evaluation Team*** was charged with examining the question of strategic restructuring. That team developed the Park Evaluation Tool, or PET.

The PET was modeled after a similar tool developed by Utah State Parks, but was adapted to specifically meet the needs of Colorado State Parks. Special effort was made to use relevant evaluation criteria from the Utah model. Additional criteria were added to tailor this evaluation tool to unique aspects of Colorado's State Park system. The resulting evaluation tool reflects the best available data. As new and better data become available in the future, the tool can be updated accordingly.

Key committee tasks and objectives included:

1. Ensure the state parks in each category were objectively ranked in the Colorado State Park System;
2. Validate comparisons between parks and recreation areas (i.e., state recreation areas and state parks);
3. Using the best available information, quantify high quality cultural and natural resources in the state parks' system, economic benefits resulting from visitor spending, outdoor recreation opportunities, and other key park evaluation criteria;

4. Provide relevant, accurate, and descriptive information for all decision-making processes;
5. Prepare a thorough, timely report for the Director and Board; and,
6. Update and refine the tools and the information over time.

Process Summary

The Utah model served as a useful starting point. The PET team incorporated additional evaluation criteria that specifically met the PET's objectives. A final list of chosen criteria (by category) are listed below.

Natural & Cultural Resources	Socioeconomics	Park Management
Adequacy of Park Acreage	Visitation	Visitor Satisfaction
Developed to Natural Area Ratio	Park Financial Self Sufficiency	Facility Condition
External Park Buffers	Contribution to Local Economy	Interpretation and Environmental Education
Landform Variety	How well the park meets issues and needs identified by local governments in Colorado's SCORP	Availability of Amenities and Recreation Opportunities
Water Features		
Conservation/Wildlife Habitat Quality		
Vegetation Quality		
Cultural/Paleo Values		

State Park Vs. State Recreation Area

According to Colorado State Parks' enabling legislation (Colorado Revised Statutes - Title 33), the Division has the responsibility for managing two distinct types of parks: state parks and state recreation areas. In total, the PET committee identified 16 state parks and 28 state recreation areas. The designation of most parks is documented and well-established, but for some areas the committee felt that the designation was either unknown or incorrect (in that the original designation did not fit the current characteristics and management of the area). The committee used the Director's suggestions and treated certain areas, such as Lathrop, as a recreation area, rather than a state park.

Ranking and Weighting

The PET committee agreed that all 16 criteria were relevant to state parks and state recreation areas; however, other unique ranking criteria and weighting factors were developed for state parks and state recreation areas. These ranking criteria and weighting factors can be referred to in the attached summary tables.

In some instances, park evaluation criteria may not have been applicable to parks not currently open to the public (such as Staunton State Park and Lone Mesa State Park). For example, park self sufficiency or visitation criteria were not quantifiable. In such cases, an 'average' score was assigned.

Staff Review

Park and program managers were provided two opportunities to review the PET committee's work at key junctures. First, park and program managers were given the opportunity to comment on the 16 park evaluation criteria. Based on this review, criteria were adjusted or added to further strengthen the PET model. Second, park managers were asked to review and comment on park evaluation scoring pertaining to their individual park. Again, park manager comments and suggested changes were considered and incorporated, where the committee judged it was appropriate.

The tables attached as appendices describe the ranking criteria and present the results of the evaluation of each park against these criteria. Appendix F, PET Criteria and Weights, describes the 16 criteria that were used in the PET analysis, how they were evaluated, and the weight assigned to each. Appendix G, PET Overall Ranks and Weights, shows the scoring for each of the 16 criterion for each of the 42 parks. Finally, Appendix H, PET Revenue and Expense Detail by Rank, shows the overall PET score, revenues, and operating expenses for each park.

Summary and Next Steps

The PET provides a useful starting point and powerful tool for comprehensively evaluating Colorado's state parks, based on a variety of factors and issues that are common to all parks. The data for several criteria can and should be updated as better data become available. On a number of measures, having an average over several years would provide more fair measure of parks' performance. Also, further research can be performed on issues outside of this framework related to political concerns or land use and contract constraints, to better inform investment (or potentially divestment) decisions.

This PET is designed to be an adaptive model that can be adjusted and updated to evaluate existing parks. Following formal approval of this PET by the Parks Board and integration into the Division Financial Plan, this model should be updated (every year or every other year) with more recent data and additional park evaluation criteria, as needed. The committee recommends that key data, such as financial and visitation figures, be strengthened as additional information is collected and averaged over multiple years. The PET committee also recommends that a separate evaluation tool for establishing new parks or expanding existing parks be developed that is consistent with the PET.

One of the critical next steps is to investigate and understand the complete range of park removal liabilities at each state park, especially those that may score relatively lower in the PET ranking. This effort is already underway.

Other Strategies

In addition to the ideas the financial plan teams were charged with evaluating, State Parks' staff has evaluated a number of other potential ideas and strategies. These include:

1. Work to enhance Colorado State Parks' profile as an integral part of the Colorado "brand." State Parks is an important ingredient in the mosaic of public land recreation that attracts residents and out-of-state visitors. Work closely with the Governor's Office, the General Assembly, and the state's Tourism Board to enhance the State Parks' profile/presence in state tourism and international trade efforts.

2. Work with GOCO for assistance in the event that operating deficits trigger park removals. The preferred use of GOCO funds is to develop new and expanded park recreational opportunities. However, if existing recreational opportunities cannot be sustained financially and are at risk of disappearing, it may make sense to discuss shifting the priority for Parks Purpose GOCO funds with the GOCO Board.

   Some increase in GOCO funds for operations is already built into this Financial Plan. During the summer and fall of 2010, State Parks and GOCO discussed a tentative five-year plan for the use of future GOCO funds. The intent of those discussions was to ensure that GOCO's Strategic Plan and State Parks Financial Plan were consistent with one another. The resulting Five-Year GOCO Spending Plan, which was adopted by the GOCO Board in October 2010 (as a planning document; it does not commit funds), includes an increase in the level of GOCO funds devoted to operations, primarily to fund increased operating costs associated with Staunton State Park once it is opened to the public.

3. Work with the DOW, State Land Board, and other state agencies to find ways to reduce costs and share responsibilities for outdoor recreation. While the missions of these agencies differ, there are some similarities and areas of potential overlap. It is possible that highly targeted changes in roles and responsibilities, funding, and assets could benefit each agency. Examples might be co-management or transfer of park properties to DOW for management of public access/recreation, management of Aquatic Nuisance Species (ANS), temporary management agreements, law enforcement (including OHV law enforcement), property exchanges, and joint efforts to secure greater federal funding.

4. Develop corporate partnerships. An increasing number of other states have explored the potential for corporate sponsorship to help fund state park systems. The spectrum ranges from corporate investments in major capital projects to land acquisitions to supporting marketing efforts. This strategy can be highly sensitive and would need to be approached carefully.

5. Lease oil, gas, and mineral rights. State Parks owns approximately 50,000 acres of the total of 225,000 under management in the Park system. Only a very small percentage of those 50,000 acres include State Parks mineral rights ownership. Nevertheless, in the very limited areas where State Parks does own mineral rights and there may be interest in extraction, State Parks should consider the potential for new revenues through mineral

leases. These opportunities would need to be carefully evaluated on a case-by-case basis. Any such leasing would need to be consistent with State Parks' responsibility for the integrity of all the natural resources under its stewardship, the quality of the recreation, and overall public health and safety.

6. Increase ability to collect fees at parks by using automated entrance stations, commonly known as "iron rangers." Fee compliance is not 100% and installing automated entrances in some locations could help with customer service and fee compliance. This strategy, which has been implemented in the past on a pilot basis, would likely require a significant allocation/dedication of staff resources, IT/capital investment, and ongoing operating funds.

7. Add additional basic cabins/yurts throughout the park system. Occupancy rates for these amenities outstrip campsites within the park system, and other states see a rapid increase in their use. It appears that the cost/ benefit ratio for investment in these types of facilities (including initial capital investment and ongoing operating costs) is positive and could benefit State Parks financially.

8. Eliminate Aspen Leaf Pass. The discounted rate for the Aspen Leaf Pass is below the cost of providing services to Aspen Leaf holders. In the past this has been viewed as reasonable and appropriate public policy and was feasible in an era of high levels of General Fund support. While this idea was considered, it is not recommended for implementation.

9. Pursue more aggressive reductions to State Parks' fleet costs. This topic continues to surface and in light of expected continued high energy costs, it should be further pursued.

10. Transfer additional lottery revenue from State Parks' capital budget into the operating budget. State Parks receives a fixed level of lottery revenue each year through the direct distribution formula established in Article XXVII of the Colorado Constitution. These lottery funds are used for both operations and capital investments. While additional lottery funds could be used to reduce operating deficits at the parks, using additional lottery funds for operations means decreasing the level of lottery funds available for capital construction projects and replacement of capital facilities. Statutes prohibit State Parks from using parks' cash funds for capital purposes. State Parks anticipates the need for significant capital investments in future years to renovate, replace, and restore its aging infrastructure; we would potentially face a shortage of capital funds if additional lottery dollars are diverted to cover operating costs. Under certain circumstances this may be appropriate as an emergency short-term strategy, but is not a viable long-term strategy.

11. Pursue a new dedicated revenue source through a ballot referendum or initiative. A growing number of other state park systems have successfully secured new dedicated revenue sources to address the rapid decline in general taxpayer-funded support for state park systems during these challenging economic times.

12. Redesign administrative processes to achieve efficiencies, cost reduction, and improve service levels. Periodically all business processes should be reviewed to ensure they are

designed in the most cost-effective manner. It is conceivable that a number of processes in State Parks could be significantly streamlined, and these opportunities should be pursued.

13. Ensure that programs supported by dedicated funding sources (such as OHV, snowmobile, river outfitters) are funded to the greatest extent possible with those dedicated funds, and not with parks' cash funds. These dedicated programs should be operated and funded such that they have the least financial impact on the rest of State Parks" operations.

14. Remove Bonny Reservoir State Park from the State Park System. Operations at this park have already been scaled back dramatically as part of the strategy for addressing the $3 million budget shortfall in FY 09-10. Hydrologic changes in the South Fork of the Republican River and state line water delivery requirements to Kansas have significantly impacted water levels and the recreational experience at Bonny. These trends will continue. Long term, Bonny Reservoir will not provide the kind of flatwater recreation opportunities that it did in the past. One of the first options that should be pursued to accomplish this is to discuss potential arrangements with the Colorado DOW for the management of recreation opportunities at Bonny.

15. Perform due diligence studies to prepare for the possible removal of three other parks from the State Park System—Sweitzer Lake, Harvey Gap, and Paonia. These three are not "typical" state parks. They ranked the lowest of the 42 parks in the PET evaluation. It is not clear that the State Parks' budget (at proposed FY 11-12 levels) is sufficient to continue to operate all 42 parks into the future, even if a number of financial strategies can be successfully implemented. To the extent that additional park removals are undertaken to help address financial shortfalls in the State Parks' system, the parks will be selected based on the PET rankings. These would be the first three selected. Among other things, key components of the due diligence will be to (a) hold discussions with partners, stakeholders, local communities, and others regarding the future of these parks; (b) perform detailed analysis of Park Removal Liabilities and options for addressing these liabilities; (c) conduct a more refined analysis of the exact cost savings that can be achieved – considering both operating and capital costs, as well as revenues – by removing these parks from the system; and, (d) determine the best way to handle the removal of the park from the system, which minimizes impact to the public and the local communities, while still resulting in financial savings for State Parks. Once this due diligence has been completed, a decision can be made as to whether or not to proceed to remove the parks from the system.

16. Reduce capital costs through better facilities planning and management. This was a recommendation in the 2008 Performance Audit of State Parks. The critical foundation for this is the development of an updated inventory of all capital assets in the system and an assessment of the physical and functional condition of those assets. The inventory and condition assessment are currently underway and will be completed in 2011. From this information, State Parks will be able to develop a multiyear plan for the maintenance, refurbishment, replacement, renovation, and remodeling of facilities. This should ensure that facilities investments are made at the proper time in the life cycle of the asset, such that maximum useful life is obtained from the assets at the lowest possible life cycle cost.

Recommended Strategies

As described above, in the recent years and months many different financial strategies have been investigated and analyzed. Some have the potential to generate significant savings or revenues, and some do not. Some have very little probability of success, while others appear more likely to succeed. Some will require significant resources to implement (staff time, capital investments, etc.), while others would require very little. Out of all the ideas considered, only a few appear to have the requisite combination of potential magnitude, cost to implement, and likelihood of success. These selected strategies will be developed and implemented over the next five years. Not all will succeed. However, if pursued collectively, they appear to be capable of providing the financial resources necessary to sustain the park system. These recommended strategies are:

1. ***Expand cost-share agreements with federal partners who own the land at many of the properties managed by State Parks (most notably the BOR at Lake Pueblo State Park).***

2. ***Work with other state and local agencies, including the State Land Board and the DOW, to find ways to reduce costs and share responsibilities for outdoor recreation programs.***

3. ***Ensure that the costs of self-funded programs (such as Snowmobile and OHV registration) are paid with funds generated by those programs, and not with parks' cash funds.***

4. ***Streamline and improve administrative processes.***

5. ***Invest in energy- saving retrofits at park facilities.***

6. ***Remove one of the existing 42 parks from the State Parks' system and closely study three more for potential removal.***

7. ***Expand private fundraising through the Foundation for State Parks, "Friends" groups, and corporate sponsors.***

8. ***Increase park visitation and revenues per visitor through an enhanced State Parks' website presence.***

9. ***Reduce capital costs through better facilities planning and management.***

10. ***As circumstances allow, pursue other strategies which collectively could have significant positive impact on State Parks' finances, including expanded citizen volunteer opportunities, in-sourcing some IT work, implementing a point-of-sale system, constructing additional basic cabins and yurts, developing selective mineral deposits on state park land, selectively implementing market-based pricing for some services, working with GOCO for assistance (in the event that operating deficits trigger potential park closures), developing and implementing park operating and service standards, and developing new dedicated revenue sources.***

Most of the above strategies will take considerable effort to implement and will take time to show results. However, if work begins now, they have the potential of contributing to State Parks' finances as early as FY12-13. There are definite limits to the number of the major initiatives such as those identified above that can be simultaneously pursued. Some strategies will be pursued immediately, while others may be phased in over the next five years.

This list is not necessarily exclusive. As other opportunities arise and other strategies are explored, they may be added to the list. However, the odds of succeeding will be greater if attention can be focused on the few selected strategies identified above.

ALTERNATIVE STRATEGIES – WHAT IS AT STAKE

If these strategies are not successful, or if State Parks faces financial shortfalls for other reasons in the future, additional parks may need to be removed from the state park system. If this becomes necessary, additional parks will be selected for removal based on their suitability within the State Park system. To the extent that additional park removals are necessary, corresponding and commensurate reductions will be made in administrative and program functions. To assess each park's suitability and to assist the Parks Board in such decisions (should they be required), State Parks will use the PET, which evaluates the parks based on 16 key strategic criteria. The PET represents the best available method for ranking the parks in the State Parks' system, and it was used to develop a list of parks for removal from the system if State Parks faces financial shortfalls in the future.

Further due diligence will be required before final decisions are made regarding any additional park removal, which may be necessary if more financial shortfalls become apparent. Key components of the due diligence will be to (a) hold discussions with partners, stakeholders, local communities, and others regarding the future of these parks; (b) perform detailed analysis of park removal liabilities and options for addressing these liabilities; (c) conduct a more refined analysis of the exact cost savings that can be achieved – considering both operating and capital costs, as well as revenues – by removing these parks from the system; and, (d) determine the best way to handle the removal of the park from the system, which minimizes impact to the public and the local communities while still resulting in financial savings for State Parks.

The strategy of park removal will be available as an option in the event the other financial strategies recommended in this report prove insufficient. As a fallback strategy, it reflects what is at stake as State Parks works to implement the recommendations set forth in this plan.

The tables below depict how State Parks might close annual financial shortfalls of $500,000, $1 million, $1.5 million, and $2 million, if removing parks and programs from the system became necessary.

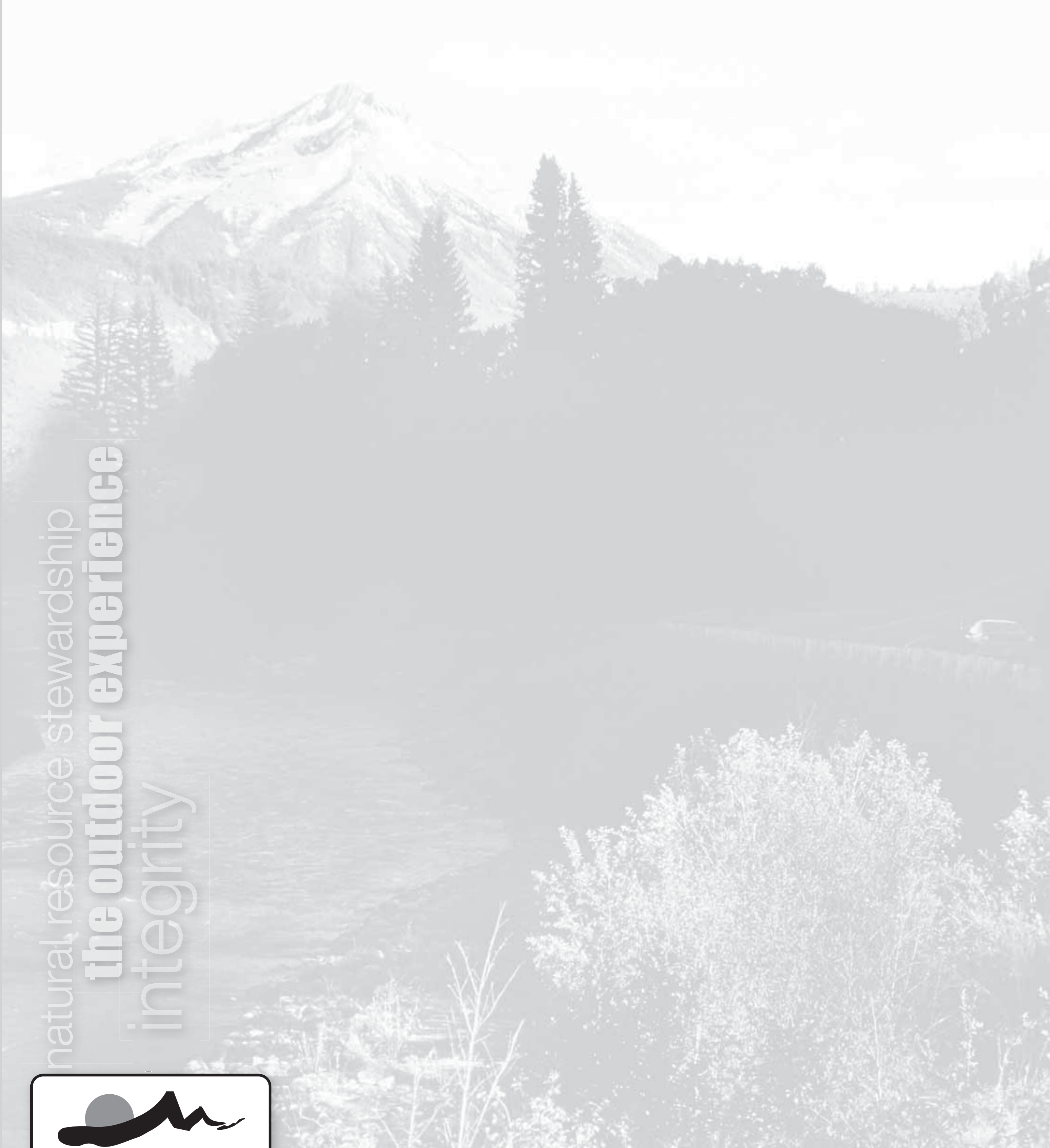
Approximate Savings From Park Removal
To Cover Shortfalls Ranging from $500,000 to $2 Million

Park / Program	Designation	Net Op Income	PET Score	PET Score %	PET Tier	Cumulative Savings
Bonny Lake	Rec Area	-169,234	259	52%	1.0	
Subtotal						$170,000
Sweitzer Lake	Rec Area	-15,245	181	36%	1.0	
Harvey Gap	Rec Area	-1,212	192	38%	1.0	
Paonia	Rec Area	-11,815	224	45%	1.0	
Subtotal						$200,000
Lathrop	Rec Area	-289,425	234	47%	1.0	
St. Vrain	Rec Area	-20,263	241	48%	1.0	
Spinney Mountain	Rec Area	-91,827	245	49%	1.0	
San Luis	Rec Area	39,707	260	52%	1.0	
Subtotal						$560,000
Crawford	Rec Area	-182,017	247	49%	1.0	
Rifle Falls	State Park	83,592	245	49%	1.0	
Pearl Lake	State Park	46,542	260	52%	1.0	
Mancos	State Park	32,719	266	53%	1.0	
Retail Program		-50,000				
Natural Areas Program		-100,000				
Adminstrative Reductions		-50,000				
Subtotal						$780,000
Yampa River	State Park	-344,527	283	57%	1.0	
Barr Lake	State Park	-119,813	297	59%	1.0	
Highline Lake	Rec Area	-118,674	264	53%	2.0	
North Sterling	Rec Area	-195,376	271	54%	2.0	
Elkhead Reservoir	Rec Area	31,264	297	59%	2.0	
Adminstrative Reductions		-100,000				
Subtotal						$1,630,000
Trinidad Lake	Rec Area	-267,794	277	55%	2.0	
John Martin	Rec Area	-146,513	280	56%	2.0	
ANS Reductions		-50,000				
Regional Restructure		-50,000				
Adminstrative Reductions		-50,000				
Subtotal						$2,190,000

Source of Data: "Revenue and Expense Detail for Parks by PET Rank", Appendix H

Please refer to the Five Year Financial Plan discussion on Net Operating Income, pages 7-8, for important qualifiers on the Net Operating Income figures shown above.

APPENDICES A – H



Colorado State Parks

APPENDIX A

Local Economic Impact of State Parks

Direct Spending (Within 50 Miles Radius of State Park) – Non-Local Visitors

Park Name	Counties	Average per Vehicle Expenditure within 50 Miles	Annual Economic Benefit – Visitor Expenditures
Lake Pueblo	Pueblo	$234.28	$67,057,171
Arkansas Headwaters	Chaffee, Fremont, Lake, Pueblo	$231.72	$44,606,505
Steamboat Lake	Routt	$319.65	$38,031,876
James M Robb-Colorado R	Mesa	$312.12	$22,726,296
State Forest	Jackson, Larimer	$190.84	$20,280,756
Ridgway	Ouray	$269.09	$20,013,583
Navajo	Archuleta, La Plata	$329.64	$18,307,128
Golden Gate	Gilpin, Jefferson	$223.17	$17,385,590
Eleven Mile	Park	$201.22	$15,736,956
Rifle Gap	Garfield	$212.20	$10,812,518
Chatfield	Jefferson, Douglas, Arapahoe	$165.52	$9,510,147
Stagecoach	Routt	$247.36	$9,015,879
Mueller	Teller	$248.91	$8,531,564
Vega	Mesa	$176.16	$8,056,945
Sylvan Lake	Eagle	$278.13	$7,789,254
Jackson Lake	Morgan	$179.03	$7,087,248
Lathrop	Huerfano	$195.95	$7,038,359
Yampa River	Routt, Moffat	$270.07	$6,539,781
Crawford	Delta, Montrose	$209.09	$6,089,341
John Martin	Bent	$234.06	$5,853,753
Trinidad Lake	Las Animas	$199.05	$5,438,909
St. Vrain	Weld	$311.11	$4,931,696
North Sterling	Logan	$174.24	$4,706,863
Cherry Creek	Arapahoe	$104.82	$4,390,309
Boyd Lake	Larimer	$180.68	$3,584,711
Rifle Falls	Garfield	$157.15	$3,034,303
Mancos	Montezuma	$205.55	$2,285,259
Spinney Mountain	Park	$146.31	$2,059,314
Eldorado Canyon	Boulder, Jefferson	$141.23	$2,056,203
Pearl Lake	Routt	$286.96	$2,025,407
Bonny Lake	Yuma	$190.47	$1,722,374
Highline Lake	Mesa	$218.37	$1,575,185
Sweitzer Lake	Delta	$429.77	$1,444,078
Paonia	Gunnison	$173.64	$1,286,109
Lone Mesa	Dolores	$703.85	$1,153,999
San Luis	Alamosa	$215.13	$1,077,757
Lory	Larimer	$148.87	$874,619
Harvey Gap	Garfield	$163.68	$566,505
Roxborough	Douglas	$116.80	$425,378
Cheyenne Mountain	El Paso	$113.83	$422,702
Castlewood Canyon	Douglas	$76.22	$397,861
Barr Lake	Adams	$46.73	$117,139
TOTAL			$396,047,331

Source: Corona Insights, Inc. 2009. “Colorado State Parks Marketing Assessment, Visitor Spending Analysis, 2008-2009”. Available: http://parks.state.co.us/News/Publications/ under **Research**, “2009 Visitor Spending Report”

APPENDIX B

FY 09-10 Sources and Uses of Funds

Description	Amount	Per Cent
Sources		
Parks Passes and Entry Fees	9,304,125	15.1%
Permits and User Fees	7,364,829	12.0%
Registration Fees 3)	8,573,643	14.0%
Concession Income	1,177,042	1.9%
Sale of Goods, Services	580,412	0.9%
Federal and State Grants	11,475,279	18.7%
GOCO Grants	7,752,646	12.6%
Lottery 10% Distribution	11,294,157	18.4%
Interest Income	707,619	1.2%
Other Revenues	846,324	1.4%
Subtotal, Earned Revenue	59,076,075	96.1%
General Fund	2,373,023	3.9%
Total Sources	61,449,098	100.0%
Uses		
Personal Services		
Regular FTE	19,750,281	35.7%
Temporary Employee Wages	5,100,150	9.2%
Purchased/Contractual Services	1,226,878	2.2%
Subtotal Personal Services	26,077,309	47.2%
Operating Expenses	14,392,513	26.0%
Transfers	1,950,742	3.5%
Grants / Intergovernmental	5,518,981	10.0%
Capital Construction		
Land, Water Acquisition	1,953,053	3.5%
Improvements	5,366,855	9.7%
Subtotal Capital Construction	7,319,908	13.2%
Total Expenditures	55,259,454	100.0%
Increase in Reserves for Capital Projects (1)	4,892,508	
Total Uses	60,151,962	
Net	*1,297,136*	

(1) Consists of increases in capital grants outstanding for trails projects and lottery funded capital projects in progress.

APPENDIX C

FY 09-10 Revenue Detail

	FY 09		FY 10	
	Revenues	Sales Volume	Revenues	Sales Volume
Parks Passes and Entry Fees				
Attended Daily Pass	$ 3,062,793	510,466	$ 3,200,028	533,338
Regular Annual Pass	$ 3,523,102	58,718	$ 3,569,583	59,493
Self Service Daily Pass	$ 1,210,104	201,684	$ 1,094,990	182,498
Aspen Annual Pass	$ 583,832	19,461	$ 553,134	18,438
Annual Passes Sold through Agents	$ 299,706	5,258	$ 225,879	3,963
Multiple Annual Pass	$ 363,065	14,523	$ 335,950	13,438
Other Parks Passes and Entry Fees	$ 360,360	0	$ 324,561	0
	$ 9,402,961		$ 9,304,125	
Permits and User Fees				
Electric Camping (attended)	$ 2,336,683	129,816	$ 2,558,293	132,993
Deluxe Camping (attended)	$ 1,243,677	56,531	$ 1,411,242	60,713
Basic Camping (attended)	$ 887,230	63,374	$ 998,467	65,635
Camping Reservations	$ 647,238	80,905	$ 789,920	85,008
Electric Camping (dispenser)	$ 247,244	13,736	$ 271,474	14,404
Cabins Standard 1-6	$ 213,318	3,555	$ 204,780	3,413
Basic Camping (dispenser)	$ 206,332	14,738	$ 183,000	12,517
Special Use Permits	$ 114,275	5,714	$ 89,169	4,458
Group Camping Electric	$ 104,910	5,828	$ 118,872	6,072
Unearned Revenue Accounting Accrual	$ (211,305)	0	$ (259,485)	0
Other Permits and User Fees	$ 982,503	0	$ 999,097	0
	$ 6,772,105		$ 7,364,829	
Registration Fees				
Boat Registrations	$ 2,568,204	88,335	$ 3,425,120	83,911
OHV Registrations	$ 4,016,430	127,619	$ 4,041,011	126,861
Snowmobile Registrations	$ 1,074,853	35,614	$ 1,035,687	34,299
River Outfitters Licenses	$ 68,925	0	$ 71,825	0
	$ 7,728,411		$ 8,573,643	
Federal and State Grants				
Severance Tax				
Severance Tax - Refinance (H.B. 10-1326)	$ -		$ 2,147,415	
Aquatic Nuisance Species (S.B. 08-226)	$ 3,289,392		$ 2,701,461	
Parks Severance Tax (S.B. 08-013)	$ 1,234,058		$ 1,421,971	
Indirect Cost Assessment	$ -		$ 90,452	
Subtotal Severance Tax	$ 4,523,450		$ 6,361,299	
Corps Cost Share (Chatfield, Cherry Creek, Lake Pueblo, Trinidad)	$ 1,823,998		$ 873,123	
Boat Safety Grant	$ 909,502		$ 761,998	
RTP - Recreational Trails Program	$ 706,872		$ 1,085,234	
LWCF - Land and Water Conservation Fund	$ 493,479		$ 265,779	
Wallop Breaux (RMRF, Highline Visitor Center)	$ 69,459		$ 580,734	
Other Federal and State Grants	$ 2,156,954		$ 1,547,112	
	$ 10,683,714		$ 11,475,279	

APPENDIX D

COLORADO DEPARTMENT OF NATURAL RESOURCES
DIVISION OF PARKS AND OUTDOOR RECREATION
Five Year Capital Expenditure Plan

	A / B / C	D	F	G	H	I	J	K
1	**Category / Project**	**Approved FY 09-10**	**Approved FY 10-11**	**Proposed FY 11-12**	**FY 12-13**	**FY 13-14**	**FY 14-15**	**FY 15-16**
3	**Acquisitions**	**$ 940,000**	**$ 950,000**	**$ 2,450,000**	**$ 2,450,000**	**$ 2,450,000**	**$ 2,450,000**	**$ 2,450,000**
4	Ongoing Buffer / Inholding Acquisitions	$ 340,000	$ 350,000	$ 350,000	$ 350,000	$ 350,000	$ 350,000	$ 350,000
5	Ongoing Recreation Water Acquisition	$ 600,000	$ 600,000	$ 600,000	$ 600,000	$ 600,000	$ 600,000	$ 600,000
6	Major Inholding / New Park Acquisition			$ 1,500,000	$ 1,500,000	$ 1,500,000	$ 1,500,000	$ 1,500,000
7	Planning Figure - Major Rec Water Needs							
8								
9	**Resource Stewardship**	**$ 1,400,000**	**$ 800,000**	**$ 600,000**	**$ 600,000**	**$ 600,000**	**$ 600,000**	**$ 600,000**
10	Fuels Mitigation / Forest Health	$ 1,200,000	$ 600,000	$ 600,000	$ 600,000	$ 600,000	$ 600,000	$ 600,000
11	ANS Decontamination Pads	$ 200,000	$ 200,000					
12								
13	**New Park Development**	**$ 6,930,000**	**$ 5,500,000**	**$ 300,000**	**$ 2,800,000**	**$ -**	**$ 6,700,000**	**$ -**
14	<u>St. Vrain</u>	$ 5,580,000	$ -	$ -	$ -	$ -	$ -	$ -
15	*Phase 3 Master Plan Implementation*	*$ 2,880,000*						
16	*Blue Heron Reser. Water Delivery System*	*$ 700,000*						
17	*St Vrain Legacy Water Acquisition*	*$ 2,000,000*						
18								
19	<u>Staunton</u>	$ 1,350,000	$ 5,500,000	$ 300,000	$ 2,800,000	$ -	$ 6,700,000	$ -
20	*Phase I Park Development*	*$ -*	*$ 5,000,000*					
21	*Staunton - Davis Dams Renovations*	*$ 1,350,000*		*$ 300,000*				
22	*Staunton - Elk Falls Dam Renovation*	*$ -*	*$ 500,000*					
23	*Phase II Park Development*				*$ 2,800,000*		*$ 6,700,000*	
24								
26	<u>Lone Mesa</u>							
27								
29	Planning Figure, New Park Development							
30								
31	**Existing Park Enhancements**	**$ 23,086,240**	**$ 8,210,000**	**$ 14,323,000**	**$ 16,600,000**	**$ 16,600,000**	**$ 16,600,000**	**$ 16,600,000**
32	<u>Energy Efficiency Retrofits</u>	$ 1,000,000	$ 1,000,000	$ -	$ -	$ -	$ -	$ -
33	*EMC Energy Audit Implementation*	*$ 1,000,000*	*$ 1,000,000*					
34	*Planning Figure, Energy Efficiency Investments*							
35								
36	<u>Dam Maintenance / Safety</u>	$ 280,000	$ 350,000	$ 500,000	$ 850,000	$ 850,000	$ 850,000	$ 850,000
38	*Highline Dam Maintenance*	*$ 90,000*						

APPENDIX D

COLORADO DEPARTMENT OF NATURAL RESOURCES
DIVISION OF PARKS AND OUTDOOR RECREATION
Five Year Capital Expenditure Plan

	A	B	C	D	F	G	H	I	J	K
1	**Category / Project**			**Approved FY 09-10**	**Approved FY 10-11**	**Proposed FY 11-12**	**FY 12-13**	**FY 13-14**	**FY 14-15**	**FY 15-16**
39		*Steamboat Dam Maintenance*		*$ 190,000*						
40		*Rocky Mt. Region - High Hazard Dam Safety Tasks for Highline, Pearl Lake, Steamboat, Sweitzer and Sylvan Lake*		*$ -*	*$ 350,000*					
41		*Planning Figure, Dam Maintenance and Repair*				*$ 500,000*	*$ 850,000*	*$ 850,000*	*$ 850,000*	*$ 850,000*
42										
43		Health & Safety		$ 8,534,240	$ 750,000	$ 3,300,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000
44		*Golden Gate - Rev. Ridge Campground Sewage Treatment Plant*		*$ 1,600,000*	*$ -*					
45		*State Forest - Bockman Campground Domestic Water System*			*$ 150,000*					
46		*Highline - Dredging*		*$ 40,000*	*$ 460,000*					
47		*Stagecoach - WWTF Compliance -*		*$ 40,000*	*$ 30,000*					
48		*Steamboat - WWTF compliance*		*$ 40,000*	*$ 110,000*					
49		*AHRA - Hecla Junction Drainage & Site Repair*		*$ 1,264,982*	*$ -*					
50		*Lake Pueblo - Water System upgrades - S Side*		*$ 1,200,275*	*$ -*					
51		*Lake Pueblo - Water System upgrades - N Side*		*$ 2,605,443*	*$ -*					
52		*Repairs*		*$ 793,540*	*$ -*					
53		*Pueblo Campsite / Picnic Area ADA*		*$ 700,000*						
54		*Dog Area Management Plan Implementation*		*$ 250,000*	*$ -*	*$ 600,000*				
55		*Lake Pueblo Waterline Replacement*				*$ 2,400,000*				
56		*Cherry Creek East Waterline Replacement*				*$ 300,000*				
57										
60		*Planning Figure, Health and Safety*					*$ 1,000,000*	*$ 1,000,000*	*$ 1,000,000*	*$ 1,000,000*
61										
62		Roads		$ 2,525,000	$ 2,460,000	$ 5,790,000	$ 5,250,000	$ 5,250,000	$ 5,250,000	$ 5,250,000
63		*Chatfield ACCS - Phase IV Road Improvements*		*$ 725,000*						
64		*Chatfield ACCS - Phase V Road Improvements*			*$ 1,375,000*					
66		*Jackson Lake - Boat Ramp Parking lot Paving*			*$ 85,000*					
67		*N. Sterling - Spillway Road Replacement*		*$ 800,000*						
68		*Eleven Mile - Road Reconstruction*			*$ 1,000,000*					
69		*Mueller - Road Overlay*		*$ 1,000,000*						
70		*Rocky Mountain Road Refurbishment*				*$ 1,000,000*				
71		*Chatfield Road Improvements*				*$ 2,040,000*				

APPENDIX D

COLORADO DEPARTMENT OF NATURAL RESOURCES
DIVISION OF PARKS AND OUTDOOR RECREATION
Five Year Capital Expenditure Plan

	A / B	C	D	F	G	H	I	J	K
1	**Category / Project**		**Approved FY 09-10**	**Approved FY 10-11**	**Proposed FY 11-12**	**FY 12-13**	**FY 13-14**	**FY 14-15**	**FY 15-16**
72	*Eleven Mile Road and Parking Lot Replacement*				*$ 1,100,000*				
73	*Cherry Creek Asphalt Resurface*				*$ 100,000*				
74	*Cherry Creek Road Improvements*				*$ 1,550,000*				
75	*Planning Figure, Roads*					*$ 5,250,000*	*$ 5,250,000*	*$ 5,250,000*	*$ 5,250,000*
76									
77	Infrastructure		$ 7,657,000	$ 1,350,000	$ 2,533,000	$ 7,000,000	$ 7,000,000	$ 7,000,000	$ 7,000,000
80	*Rock Canyon CXT*		*$ 77,000*						
81	*Chatfield ACCS - Phase II Trail Project*		*$ 400,000*						
82	*Chatfield ACCS - Marcy Gulch Culvert Replace*			*$ 150,000*					
83	*Cherry Creek ACCS - Camper Services Building*		*$ 1,450,000*						
84	*Cherry CreekACCS - Cottonwood Grove CG Imp*		*$ 770,000*						
85	*Trinidad ACCS - Recreation Imp & Dev*		*$ 1,272,000*						
89	*Chatfield - New HQ Office & Shop*		*$ 2,480,000*						
92	*Jackson Lake - Shoreline Stablilization Pelican CG*		*$ 208,000*						
94	*N. Sterling - Marina Bay Restoration*		*$ 1,000,000*						
95	*Highline - Maintenance Complex (Shop & Yard)*			*$ 1,200,000*					
98	*Eleven Mile Vault Toilet Replacement*				*$ 160,000*				
99	*Cherry Creek Swim Beach Trail*				*$ 309,000*				
100	*Chatfield Plum Creek Entrance Station*				*$ 444,000*				
101	*Roxborough Well House*				*$ 150,000*				
102	*Chatfield Phase III Trail Replacement*				*$ 400,000*				
103	*Chatfield Camper Registration Building*				*$ 500,000*				
104	*Highline Dredging*				*$ 570,000*				
105									
106	*Planning Figure, Infrastructure*					*$ 7,000,000*	*$ 7,000,000*	*$ 7,000,000*	*$ 7,000,000*
107									
108	Professional Services		$ 1,090,000	$ 800,000	$ 200,000	$ 500,000	$ 500,000	$ 500,000	$ 500,000
109	*Asset Inventory / Assessment / Tracking*		*$ 500,000*						
110	*Road Inventory / Evaluation*		*$ 375,000*						
111	*GOCO Project Signing*		*$ 15,000*						
112	*Project Cost Est, Engineering & Design*		*$ 200,000*	*$ 200,000*	*$ 200,000*	*$ 200,000*	*$ 200,000*	*$ 200,000*	*$ 200,000*
113	*Master / Development Planning*		*$ -*	*$ 600,000*	*$ -*	*$ 300,000*	*$ 300,000*	*$ 300,000*	*$ 300,000*

APPENDIX D

COLORADO DEPARTMENT OF NATURAL RESOURCES
DIVISION OF PARKS AND OUTDOOR RECREATION
Five Year Capital Expenditure Plan

	A	B	C	D	F	G	H	I	J	K
1	**Category / Project**			**Approved FY 09-10**	**Approved FY 10-11**	**Proposed FY 11-12**	**FY 12-13**	**FY 13-14**	**FY 14-15**	**FY 15-16**
114		*Lake Pueblo Master Plan*		$ -	*$ 600,000*					
115		*Planning Figure, Master Planning*					*$ 300,000*	*$ 300,000*	*$ 300,000*	*$ 300,000*
116										
117		Small Projects (MMC; $50,000 - $150,000)		$ 2,000,000	$ 1,500,000	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 2,000,000
118										
119	**Revenue Enhancement**			**$ -**	**$ 600,000**	**$ 600,000**	**$ 600,000**	**$ 600,000**	**$ 600,000**	**$ 600,000**
127		*Navajo Rental Boat Replacement*			*$ 100,000*					
128		*Navajo Dry Boat Storage*			*$ 200,000*					
129										
130		*Planning Figure, Revenue Enhancement*			*$ 300,000*	*$ 600,000*	*$ 600,000*	*$ 600,000*	*$ 600,000*	*$ 600,000*
131										
132	**Trails**			**$ 4,900,000**	**$ 6,500,000**	**$ 6,700,000**	**$ 6,700,000**	**$ 6,700,000**	**$ 6,700,000**	**$ 6,700,000**
133		Recreation Trail Program Grants		$ 1,900,000	$ 1,900,000	$ 2,100,000	$ 2,100,000	$ 2,100,000	$ 2,100,000	$ 2,100,000
134										
135		Motorized Trails		*$ 3,000,000*	*$ 4,000,000*	*$ 4,000,000*	*$ 4,000,000*	*$ 4,000,000*	*$ 4,000,000*	*$ 4,000,000*
136		*OHV Trail Grants*		*$ 3,000,000*	*$ 4,000,000*	*$ 4,000,000*	*$ 4,000,000*	*$ 4,000,000*	*$ 4,000,000*	*$ 4,000,000*
137		*Snowmobile Trail Grants*								
138										
139		Trails in State Parks		$ -	$ 600,000	$ 600,000	$ 600,000	$ 600,000	$ 600,000	$ 600,000
144										
145	**Subtotal**			**$ 37,256,240**	**$ 22,560,000**	**$ 24,973,000**	**$ 29,750,000**	**$ 26,950,000**	**$ 33,650,000**	**$ 26,950,000**
146		*7.5% Contingency (on Construction projects)*			*$ 1,073,000*	*$ 1,142,000*	*$ 1,500,000*	*$ 1,290,000*	*$ 1,793,000*	*$ 1,290,000*
147										
148	**Major IT Development Projects**									
149										
150										
151	**Grand Total**			**$ 37,256,240**	**$ 23,633,000**	**$ 26,115,000**	**$ 31,250,000**	**$ 28,240,000**	**$ 35,443,000**	**$ 28,240,000**
152										

APPENDIX E

COLORADO DEPARTMENT OF NATURAL RESOURCES
DIVISION OF PARKS AND OUTDOOR RECREATION
BASELINE FINANCIAL PROJECTION
(In Millions of Dollars)

Revenue / Expense Line	**FY 08-09** (Actual)	**FY 09-10** (Actual)	**FY 10-11**	**FY 11-12**	**FY 12-13**	**FY 13-14**	**FY 14-15**
Revenues							
Parks Passes and Entry Fees	9.40	9.30	9.87	10.44	10.74	11.04	11.34
Permits and User Fees	6.77	7.36	7.50	7.53	7.74	7.95	8.18
Registration Fees	7.73	8.57	8.57	8.57	8.57	8.57	8.57
Concession Income	1.15	1.18	1.18	1.18	1.18	1.18	1.18
Sale of Goods, Services	0.55	0.58	0.58	0.58	0.58	0.58	0.58
Federal and State Grants	10.68	11.48	11.39	12.39	13.38	13.83	13.83
GOCO Grants	5.10	7.75	13.91	16.97	13.84	15.19	17.17
Lottery 10% Distribution	11.96	11.29	11.52	11.75	11.99	12.23	12.47
Interest Income	0.71	0.71	0.71	0.71	0.71	0.71	0.71
Other Revenues	0.57	0.85	0.85	0.85	0.85	0.85	0.85
Subtotal, Earned Revenue	54.63	59.08	66.07	70.97	69.56	72.12	74.88
General Fund	6.75	2.37	2.60	0.00	0.00	0.00	0.00
Revenues from Recommended Strategies	0.00	0.00	0.00	0.00	0.25	1.00	2.50
Total Revenues	61.38	61.45	68.68	70.97	69.81	73.12	77.38
Expenditures							
Personal Services	27.52	26.08	26.08	26.08	26.74	27.52	28.33
Operating Expenses	13.67	14.39	14.89	15.39	15.39	15.39	15.39
Transfers	2.01	1.95	2.25	2.55	2.55	2.55	2.55
Grants / Intergovernmental	3.15	5.52	6.12	6.64	7.14	7.22	7.22
Capital Construction	7.67	7.32	19.84	23.81	19.62	22.79	24.06
Total Expenditures	54.02	55.26	69.18	74.47	71.44	75.48	77.56
Revenues minus Expenditures	7.35	6.19	-0.50	-3.50	-1.62	-2.36	-0.17

APPENDIX F

PET Criteria and Weights

Park Evaluation Team (PET)
Weighting & Scoring

Ranking Factor	Legislative Basis for criteria	Ranking a Recreation Area (RA)	Rec Area Wt	Ranking a State Park (SP)	State Park Wt
1. Adequacy of acreage	33-10-101(1) and (23), (24) both parks and recreation areas are defined to be **"relatively spatious"** with **"sufficent land area"**	1-- <800 acres, limited to no expansion possible; 3-- >1600 and <3,000 acres; marginal expansion possible; 5-- >5,000 acres with expansion available in future.	5	1-- <700 acres with conflicting land uses in view shed; 3-- >2,000 and <3000 acres with marginal conflicting land uses in view shed; 5-- >10,000 acres with little or no conflicting land uses in backdrop or view shed.	5
2. Developed to Natural Area Ratio	33-10-101(1) and (23), (24) state parks are to be "**natural, scenic"** and recreation areas are to be "relatively spacious and **scenically attractive land and water area**" 33-10-107(1)(a) parks can be acquired for "the preservation or conservation of **sites, scenes, open space, and vistas** of public interest."	1-- >60% developed to natural land acres 3-- <=40 and >28% 5-- <20% developed	4	1-- >30% developed to natural land acres 3-- <16% and >=13% 5-- <=8% developed	6
3. External park buffers (% of perimeter that is public land or under easement)	33-10-101(1) and (23), (24) state parks are to be "**natural, scenic"** and recreation areas are to be "relatively spacious and **scenically attractive land and water area**" 33-10-107. (1)(a) parks can be acquired for "the preservation or conservation **of sites, scenes, open space, and vistas** of public interest."	1-- <=5% of perimeter within 1 mile is public land or under easement 3-- >15% and <35% 5-- >50% of perimeter within 1 mile is public land or under easement	4	1-- <=20% of perimeter within 1 mile is public land or under easement 3-- >=35% and <50% 5-- >75% of perimeter within 1 mile is public land or under easement	6
4. Landform Variety (elevation range and variety)	33-10-101(1) and (23), (24) state parks are to be "**natural, scenic"** and recreation areas are to be "relatively spacious and **scenically attractive land and water area**" 33-10-107. (1)(a) parks can be acquired for "the preservation or conservation of **sites, scenes, open space, and vistas** of public interest."	1-- minimal elevation range (<75 feet), minimal topographic diversity, minimal water features 3-- moderately varied terrain (>=300 feet and <400 feet) 5-- highly varied elevation (>2000 feet range), and has water features	4	1-- minimal elevation range (<75 feet), minimal topographic diversity, minimal water features 3-- moderately varied terrain (>=300 feet and <400 feet) 5-- highly varied elevation (>2000 feet range), and has water features	5
5. Water features (quality/size/rights/reliability of reservoir and/or streams)	33-10-101(24) State recreation areas are areas with "a relatively spacious and scenically attractive **land and water area"** and "**A relatively spacious water body** with limited land area ...may be classified as a state recreation area if it offers a **full range of water-based recreational activities"** There are no specific requirements for state parks to have water, but in 33-10-106.(1)(h) It states that we should **"Select areas in proximity to lakes, streams, or reservoirs"**	1-- No reservoir and no streams or very small (<260 ac) and unreliable reservoir 3-- Moderate (>500 and <1,000 ac) reservoir or moderate size and reliable river 5-- Large (> 2500 ac) and highly reliable reservoir or large and highly reliable major river	7	1-- No reservoir and no streams or very small (<=1 ac) and unreliable reservoir 3-- Moderate (>20 and <100 ac) reservoir or moderate size and reliable river 5-- Large (> 300 ac) and highly reliable reservoir or large and highly reliable major river	3
6. Conservation Wildlife habitat Quality	33-10-101(1) areas are to be "protected, preserved", 33-10-101(23) State park are to have "outstanding scenic and natural qualities and often containing significant...ecological ... values so as **to make imperative the preservation of the area"** 33-10-106(2)(a) Parks are responsbile for "**Preservation of property, vegetation, wildlife**, .. 33-10-106(1)(f) "Cooperate with the division of wildlife to assure **maximum development and protection of wildlife habitat** consistent with park and outdoor recreation operations"	1-- <5 combined score of general wildlife habitat condition, birds, and rare species 3-- >=6.5 and <8.5 combined score 5-- >=9.5 combined score	3	1-- <5 combined score of general wildlife habitat condition, birds, and rare species 3-- >=7.5 and <8.5 combined score 5-- >=9.5 combined score	6
7. Vegetation Quality	33-10-101(1) areas are to be **"protected, preserved"** 33-10-101(23)State parks are defined as having "outstanding scenic and **natural qualities** and often containing **significant ..ecological... and other scientific values** so as to **make imperative the preservation of the area** by the division" 33-10-106(2)(a) Parks are responsbile for "**Preservation of property, vegetation**, wildlife, .. any object of scientific value or interest"	1-- <5 combined score of vegetation quality, weeds, and amount of rare plants 3-- >=6.5 and <8 combined score 5-- >=11 combined score	4	1-- <5 combined score of vegetation quality, weeds, and amount of rare plants 3-- >=6.5 and <8 combined score 5-- >=11 combined score	6
8. Cultural/Paleo Values	33-10-101(1) areas are to be "protected, preserved" 33-10-101(23)State parks are defined as having "outstanding scenic and natural qualities and **significant archaeological, ... geological, and other scientific values** so as to make imperative the **preservation of the area** by the division" 33-10-106(2)(a) Parks are responsbile for "**Preservation of ... buildings or other structures, any object of scientific value or interest"**	1-- Little to no known cultural or paleontological resources (<1 recorded sites) with combined score of <3 3-- Moderate paleontological resources (cobmined score=4) 5-- Many (>12) cultural or paleontological sites recorded with combined score >=8	2	1-- Little to no known cultural or paleontological resources (<1 recorded sites) with combined score of <3 3-- Moderate paleontological resources (cobmined score=4) 5-- Many (>12) cultural or paleontological sites recorded with combined score >=8	4

PET Criteria and Weights continued

9. Visitation (average of 07, 08)	33-10-101. (1)These areas are to be "enhanced, and managed for the use, benefit, and **enjoyment of the people of this state and visitors of this state**"	1-- <50,000 visitors per year 3-- >130,000 and <200,000 visitors per year 5-- >400,00 visitors per year	10	1-- <80,000 visitors per year 3-- >94,000 and <100,000 visitors per year 5-- >200,000 visitors per year	9
10. Park financial self sufficiency (revenue/expenses)	33-12-100(2) The general assembly declares and intends that as a matter of state policy the system of **state parks and state recreation areas should be financed as much as reasonably possible through revenues derived from the users of such system**.	1-- Park is <55% self sufficient 3-- Park is medium self suffiency (>=72 and <88%) 5-- Park is profitable (>115% self sufficient)	10	1-- Park is <55% self sufficient 3-- Park is medium self suffiency (>=72 and <88%) 5-- Park is profitable (>115% self sufficient)	8
11. Contribution to local economy (total expenditures within 50 miles from all visitors)	33-10-106(1)(d) **Relate the parks and outdoor recreation programs to the populations and economies** of the regions to be served. 33-12-100 (2) The general assembly hereby finds, determines, and declares that **the system of state parks and state recreation areas is vital to the economic health and well-being of the entire state of Colorado** and that such system of parks and recreation areas provides an important benefit to the citizens of this state	1-- <$2.5 million spent within 50 miles of the park 3-- >7.5 million and <12 million spent within 50 miles of the park 5-- >$28 million spent within 50 miles of the park	8	1-- <$1.4 million spent within 50 miles of the park 3-- >$2 million and <$4 million spent within 50 miles of the park 5-- >$10 million spent within 50 miles of the park	6
12. How well does park meet SCORP regional issues and needs	33-10-108(1)(d) To receive and disburse federal moneys to **carry out the purposes of a comprehensive statewide outdoor recreation plan...**	1-- addresses very few (less than 15) SCORP issues/needs 3-- addresses moderate (16) SCORP issues/needs 5-- addresses the majority (18 or more) of SCORP issues/needs	6	1-- addresses very few (10 or less) SCORP issues/needs 3-- addresses moderate (12) SCORP issues/needs 5-- addresses the majority (16 or more) of SCORP issues/needs	6
13. Level of satisfaction (from corona)	33-10-101(1) These areas are to be "enhanced, and managed for the use, benefit, and **enjoyment of the people** of this state and visitors of this state"	1-- not satisfied (<20.38 on survey) 3-- moderately satisifed (>=21.63 and <22.24 on survey) 5-- very satisfied (>=24.11 on survey)	10	1-- not satisfied (<20.38 on survey) 3-- moderately satisifed (>=21.63 and <22.24 on survey) 5-- very satisfied (>=24.11 on survey)	10
14. Facility Condition (based on building and road condition)	33-10-107(1)(h) The Parks board may establish fees for the "continuous operation of the state park and recreation system; except that **no such fees shall be used for capital construction** other than controlled maintenance activities."	1-- Poor roads (based on 2002 study) and major buildings with major needs (majority of buildings > 25 years old) 3-- 5-- Good roads and new major buildings (majority of buildings are less than 5 years old)	6	1-- Poor roads (based on 2002 study) and major buildings with major needs (majority of buildings > 25 years old) 3-- 5-- Good roads and new major buildings (majority of buildings are less than 5 years old)	5
15. Interpretation and Environmental Education (per Faye's tracking)	33-10-101(1) parks and rec areas are to be "natural, scenic, scientific" areas, with (1)(a) **"environmental education"**. State Parks as defined as areas "	1-- no or not very active program and very few amenities 3-- moderate active program and amenities 5-- very active/robust program and many amenities	7	1-- no or not very active program and very few amenities 3-- moderate active program and amenities 5-- very active/robust program and many amenities	7
16. Availability of amenities and recreational opportunities (includes hunting, trails, boating, swimming, climbing, etc. as well as what facilities exist at this park)	33-10-101(1)(a)"Develop **state parks and state recreation areas suitable for such recreational activities** as camping, picnicking, hiking, horseback riding, environmental education, sightseeing, hunting, boating, fishing, swimming, and other water sports, and other recreational activities"	1-- <14 amenities or activities 3-- 18 amenities or activities 5-- >=21 amenities or activates	10	1-- <8 amenities or activities 3-- 12 amenities or activities 5-- >=18 amenities or activates	8

PET Overall Ranks and Weights

Park	Designation	1. Adequacy of acreage	Weight	2. Developed to Natural Area Ratio	Weight	3. External park buffers	Weight	4. Landform Variety	Weight	5. Water features	Weight	6. Conservation Wildlife habitat Quality	Weight	7. Vegetation Quality	Weight	8. Cultural/ Paleo Values	Weight	9. Visitation	Weight	10. Park financial self sufficiency	Weight	11. Contribution to local economy	Weight	12. SCORP statewide issues and needs	Weight	13. Level of satisfaction	Weight	14. Facility Condition	Weight	15. Interpretation & Environmental Education	Weight	16. Amenities and recreational opportunities	Weight	Overall Score	Overall Score %	If rec areas and parks separate Rank (1-3)
State Forest	State Park	5.0	5.0	5.0	6.0	5.0	6.0	5.0	5.0	4.5	3.0	5.0	6.0	4.0	6.0	3.0	4.0	5.0	9.0	4.0	8.0	5.0	6.0	5.0	6.0	3.0	10.0	3.5	5.0	3.0	7.0	5.0	8.0	435.0	87%	3.0
Golden Gate Canyon	State Park	5.0	5.0	3.0	6.0	2.0	6.0	5.0	5.0	3.0	3.0	4.0	6.0	5.0	6.0	4.0	4.0	5.0	9.0	4.0	8.0	5.0	6.0	5.0	6.0	4.0	10.0	3.0	5.0	3.0	7.0	5.0	8.0	412.0	82%	3.0
Mueller	State Park	4.0	5.0	5.0	6.0	2.0	6.0	3.5	5.0	3.0	3.0	5.0	6.0	5.0	6.0	4.0	4.0	4.0	9.0	3.0	8.0	5.0	6.0	4.0	6.0	4.0	10.0	4.0	5.0	4.0	7.0	4.0	8.0	398.5	80%	3.0
Eldorado canyon	State Park	2.0	5.0	4.5	6.0	4.0	6.0	4.5	5.0	2.5	3.0	3.0	6.0	4.0	6.0	4.0	4.0	5.0	9.0	4.0	8.0	4.0	6.0	3.0	6.0	5.0	10.0	3.5	5.0	3.0	7.0	2.0	8.0	372.5	75%	3.0
Sylvan Lake	State Park	2.0	5.0	2.0	6.0	5.0	6.0	4.5	5.0	4.0	3.0	4.0	6.0	5.0	6.0	4.0	4.0	4.0	9.0	3.0	8.0	4.0	6.0	5.0	6.0	1.0	10.0	4.0	5.0	3.0	7.0	5.0	8.0	361.5	72%	3.0
Castlewood Canyon	State Park	3.0	5.0	4.0	6.0	1.0	6.0	3.5	5.0	2.0	3.0	4.0	6.0	5.0	6.0	5.0	4.0	4.0	9.0	5.0	8.0	1.0	6.0	1.0	6.0	5.0	10.0	4.0	5.0	5.0	7.0	1.0	8.0	343.5	69%	3.0
Arkansas Headwaters	Rec Area	5.0	5.0	5.0	4.0	5.0	4.0	4.0	4.0	5.0	7.0	5.0	3.0	4.0	4.0	4.0	2.0	5.0	10.0	5.0	10.0	5.0	8.0	4.0	6.0	4.0	10.0	3.5	6.0	4.0	7.0	3.0	10.0	438.0	88%	3.0
Chatfield	Rec Area	5.0	5.0	4.0	4.0	2.0	4.0	2.0	4.0	4.0	7.0	2.0	3.0	1.0	4.0	5.0	2.0	5.0	10.0	5.0	10.0	5.0	8.0	5.0	6.0	5.0	10.0	3.5	6.0	3.0	7.0	5.0	10.0	417.0	83%	3.0
Cherry Creek	Rec Area	4.0	5.0	3.0	4.0	2.0	4.0	2.0	4.0	4.0	7.0	2.0	3.0	1.0	4.0	4.0	2.0	5.0	10.0	5.0	10.0	4.0	8.0	5.0	6.0	5.0	10.0	3.5	6.0	3.0	7.0	5.0	10.0	398.0	80%	3.0
Ridgway	Rec Area	4.0	5.0	4.5	4.0	3.0	4.0	4.0	4.0	4.0	7.0	4.0	3.0	3.0	4.0	5.0	2.0	4.0	10.0	3.0	10.0	4.0	8.0	5.0	6.0	2.0	10.0	3.0	6.0	5.0	7.0	5.0	10.0	383.0	77%	3.0
Lake Pueblo	Rec Area	5.0	5.0	4.0	4.0	3.0	4.0	3.0	4.0	5.0	7.0	5.0	3.0	3.0	4.0	5.0	2.0	5.0	10.0	2.0	10.0	5.0	8.0	4.0	6.0	1.0	10.0	1.0	6.0	3.0	7.0	5.0	10.0	358.0	72%	3.0
Steamboat Lake	Rec Area	3.0	5.0	4.0	4.0	4.0	4.0	2.5	4.0	4.5	7.0	2.0	3.0	2.0	4.0	3.0	2.0	4.0	10.0	3.0	10.0	5.0	8.0	5.0	6.0	2.0	10.0	4.0	6.0	3.0	7.0	4.0	10.0	353.5	71%	3.0
Eleven Mile	Rec Area	5.0	5.0	5.0	4.0	4.0	4.0	3.0	4.0	4.5	7.0	3.0	3.0	5.0	4.0	2.0	2.0	4.0	10.0	4.0	10.0	4.0	8.0	4.0	6.0	1.0	10.0	2.5	6.0	3.0	7.0	2.5	10.0	344.5	69%	3.0
Colorado River	Rec Area	2.0	5.0	3.0	4.0	3.0	4.0	3.5	4.0	5.0	7.0	4.0	3.0	2.0	4.0	1.0	2.0	5.0	10.0	4.0	10.0	5.0	8.0	3.0	6.0	2.0	10.0	3.5	6.0	3.0	7.0	2.5	10.0	340.0	68%	3.0
Rifle Gap	Rec Area	2.0	5.0	3.0	4.0	5.0	4.0	4.0	4.0	3.0	7.0	2.0	3.0	3.0	4.0	4.0	2.0	4.0	10.0	2.0	10.0	4.0	8.0	4.0	6.0	1.0	10.0	5.0	6.0	3.0	7.0	4.0	10.0	322.0	64%	3.0
Navajo	Rec Area	4.0	5.0	4.0	4.0	1.0	4.0	3.0	4.0	5.0	7.0	4.0	3.0	2.0	4.0	4.0	2.0	4.0	10.0	4.0	10.0	4.0	8.0	2.0	6.0	1.0	10.0	4.0	6.0	3.0	7.0	2.5	10.0	319.0	64%	3.0
Cheyenne Mountain	State Park	3.0	5.0	4.5	6.0	3.0	6.0	4.5	5.0	1.0	3.0	5.0	6.0	5.0	6.0	4.0	4.0	3.0	9.0	3.0	8.0	2.0	6.0	2.0	6.0	5.0	10.0	5.0	5.0	4.0	7.0	2.0	8.0	355.5	71%	2.0
Lone Mesa	State Park	5.0	5.0	3.0	6.0	3.0	6.0	4.5	5.0	2.5	3.0	5.0	6.0	5.0	6.0	4.0	4.0	3.0	9.0	3.0	8.0	2.0	6.0	3.0	6.0	3.0	10.0	3.0	5.0	3.0	7.0	3.0	8.0	338.0	68%	2.0
Roxborough	State Park	4.0	5.0	5.0	6.0	4.0	6.0	4.0	5.0	1.0	3.0	5.0	6.0	5.0	6.0	5.0	4.0	2.0	9.0	2.0	8.0	1.0	6.0	1.0	6.0	5.0	10.0	4.0	5.0	5.0	7.0	1.0	8.0	336.0	67%	2.0
Staunton	State Park	4.0	5.0	3.0	6.0	1.0	6.0	5.0	5.0	3.0	3.0	4.0	6.0	4.0	6.0	3.0	4.0	3.0	9.0	3.0	8.0	3.0	6.0	3.0	6.0	3.0	10.0	3.0	5.0	3.0	7.0	3.0	8.0	315.0	63%	2.0
Lory	State Park	3.0	5.0	4.0	6.0	4.0	6.0	4.5	5.0	1.0	3.0	4.0	6.0	3.0	6.0	2.0	4.0	2.0	9.0	2.0	8.0	1.0	6.0	2.0	6.0	5.0	10.0	4.0	5.0	3.0	7.0	4.0	8.0	313.5	63%	2.0
Stagecoach	Rec Area	2.0	5.0	2.0	4.0	3.0	4.0	4.0	4.0	4.5	7.0	3.0	3.0	3.0	4.0	3.0	2.0	3.0	10.0	3.0	10.0	3.0	8.0	4.0	6.0	1.0	10.0	2.5	6.0	4.0	7.0	5.0	10.0	315.5	63%	2.0
Elkhead	Rec Area	3.0	5.0	4.5	4.0	2.0	4.0	3.0	4.0	3.5	7.0	3.0	3.0	2.0	4.0	4.0	2.0	2.0	10.0	5.0	10.0	3.0	8.0	1.0	6.0	4.0	10.0	4.5	6.0	1.0	7.0	2.0	10.0	296.5	59%	2.0
Boyd lake	Rec Area	3.0	5.0	1.0	4.0	3.0	4.0	1.0	4.0	3.5	7.0	1.0	3.0	1.0	4.0	1.0	2.0	4.0	10.0	3.0	10.0	3.0	8.0	4.0	6.0	3.0	10.0	2.5	6.0	2.0	7.0	5.0	10.0	295.5	59%	2.0
Vega	Rec Area	3.0	5.0	2.0	4.0	1.0	4.0	3.0	4.0	4.0	7.0	4.0	3.0	4.0	4.0	1.0	2.0	3.0	10.0	2.0	10.0	3.0	8.0	4.0	6.0	1.0	10.0	4.5	6.0	3.0	7.0	4.0	10.0	293.0	59%	2.0
Jackson Lake	Rec Area	3.0	5.0	1.0	4.0	3.0	4.0	1.0	4.0	3.0	7.0	2.0	3.0	2.0	4.0	2.0	2.0	3.0	10.0	4.0	10.0	3.0	8.0	2.0	6.0	2.0	10.0	3.5	6.0	3.0	7.0	5.0	10.0	292.0	58%	2.0
John Martin	Rec Area	3.0	5.0	3.0	4.0	5.0	4.0	1.5	4.0	3.5	7.0	5.0	3.0	1.0	4.0	5.0	2.0	2.0	10.0	2.0	10.0	2.0	8.0	4.0	6.0	3.0	10.0	4.0	6.0	2.0	7.0	2.5	10.0	279.5	56%	2.0
Trinidad Lake	Rec Area	4.0	5.0	5.0	4.0	1.0	4.0	2.5	4.0	3.5	7.0	2.0	3.0	2.0	4.0	5.0	2.0	2.0	10.0	1.0	10.0	2.0	8.0	5.0	6.0	2.0	10.0	4.5	6.0	3.0	7.0	3.0	10.0	276.5	55%	2.0
North Sterling	Rec Area	4.0	5.0	5.0	4.0	2.0	4.0	1.5	4.0	4.3	7.0	4.0	3.0	1.0	4.0	5.0	2.0	2.0	10.0	1.0	10.0	2.0	8.0	3.0	6.0	3.0	10.0	3.5	6.0	3.0	7.0	2.5	10.0	270.8	54%	2.0
Highline Lake	Rec Area	1.0	5.0	3.0	4.0	4.0	4.0	2.0	4.0	3.0	7.0	2.0	3.0	2.0	4.0	1.0	2.0	3.0	10.0	2.0	10.0	2.0	8.0	3.0	6.0	2.0	10.0	3.5	6.0	3.0	7.0	4.0	10.0	264.0	53%	2.0
Barr Lake	State Park	3.0	5.0	2.5	6.0	1.0	6.0	1.5	5.0	4.0	3.0	3.0	6.0	1.0	6.0	3.0	4.0	3.0	9.0	2.0	8.0	2.0	6.0	4.0	6.0	5.0	10.0	3.5	5.0	5.0	7.0	3.0	8.0	297.0	59%	1.0
Yampa River	State Park	2.0	5.0	2.0	6.0	3.0	6.0	3.5	5.0	4.5	3.0	3.0	6.0	2.0	6.0	2.0	4.0	2.0	9.0	1.0	8.0	4.0	6.0	3.0	6.0	4.0	10.0	4.0	5.0	2.0	7.0	4.0	8.0	283.0	57%	1.0
Mancos	State Park	1.0	5.0	1.0	6.0	2.0	6.0	3.5	5.0	4.0	3.0	1.0	6.0	4.0	6.0	1.0	4.0	1.0	9.0	5.0	8.0	3.0	6.0	4.0	6.0	2.0	10.0	3.0	5.0	3.0	7.0	4.0	8.0	265.5	53%	1.0
Pearl Lake	State Park	1.0	5.0	1.0	6.0	4.0	6.0	2.5	5.0	4.5	3.0	1.0	6.0	2.0	6.0	1.0	4.0	1.0	9.0	5.0	8.0	3.0	6.0	4.0	6.0	4.0	10.0	3.0	5.0	1.0	7.0	3.0	8.0	260.0	52%	1.0
Rifle Falls	State Park	1.0	5.0	1.0	6.0	5.0	6.0	4.0	5.0	4.0	3.0	1.0	6.0	1.0	6.0	1.0	4.0	1.0	9.0	5.0	8.0	3.0	6.0	2.0	6.0	3.0	10.0	3.5	5.0	3.0	7.0	1.0	8.0	244.5	49%	1.0
San Luis	Rec Area	2.0	5.0	4.5	4.0	5.0	4.0	1.0	4.0	2.0	7.0	5.0	3.0	4.0	4.0	2.0	2.0	1.0	10.0	5.0	10.0	1.0	8.0	2.0	6.0	5.0	10.0	2.0	6.0	1.0	7.0	1.0	10.0	260.0	52%	1.0
Bonny Lake	Rec Area	4.0	5.0	4.0	4.0	4.0	4.0	1.5	4.0	2.0	7.0	3.0	3.0	4.0	4.0	2.0	2.0	1.0	10.0	1.0	10.0	1.0	8.0	2.0	6.0	3.0	10.0	4.0	6.0	2.0	7.0	5.0	10.0	259.0	52%	1.0
Crawford	Rec Area	1.0	5.0	2.0	4.0	2.0	4.0	3.0	4.0	3.0	7.0	1.0	3.0	3.0	4.0	2.0	2.0	3.0	10.0	1.0	10.0	3.0	8.0	3.0	6.0	2.0	10.0	3.5	6.0	3.0	7.0	3.0	10.0	247.0	49%	1.0
Spinney Mountain	Rec Area	5.0	5.0	5.0	4.0	4.0	4.0	3.0	4.0	4.5	7.0	3.0	3.0	5.0	4.0	1.0	2.0	1.0	10.0	1.0	10.0	1.0	8.0	1.0	6.0	4.0	10.0	3.0	6.0	1.0	7.0	1.0	10.0	244.5	49%	1.0
St. Vrain	Rec Area	1.0	5.0	1.0	4.0	1.0	4.0	1.0	4.0	3.5	7.0	3.0	3.0	2.0	4.0	2.0	2.0	2.0	10.0	4.0	10.0	3.0	8.0	1.0	6.0	4.0	10.0	4.0	6.0	2.0	7.0	1.0	10.0	240.5	48%	1.0
Lathrop	Rec Area	2.0	5.0	2.0	4.0	1.0	4.0	2.5	4.0	3.5	7.0	2.0	3.0	2.0	4.0	3.0	2.0	3.0	10.0	1.0	10.0	3.0	8.0	3.0	6.0	1.0	10.0	4.0	6.0	3.0	7.0	2.0	10.0	233.5	47%	1.0
Paonia	Rec Area	2.0	5.0	4.5	4.0	4.0	4.0	4.0	4.0	2.5	7.0	3.0	3.0	4.0	4.0	3.0	2.0	1.0	10.0	1.0	10.0	1.0	8.0	1.0	6.0	4.0	10.0	4.0	6.0	1.0	7.0	1.0	10.0	223.5	45%	1.0
Harvey Gap	Rec Area	1.0	5.0	1.0	4.0	3.0	4.0	2.5	4.0	3.0	7.0	1.0	3.0	3.0	4.0	1.0	2.0	1.0	10.0	4.0	10.0	1.0	8.0	1.0	6.0	3.0	10.0	2.0	6.0	1.0	7.0	1.0	10.0	192.0	38%	1.0
Sweitzer	Rec Area	1.0	5.0	1.0	4.0	2.0	4.0	2.0	4.0	2.5	7.0	1.0	3.0	3.0	4.0	1.0	2.0	2.0	10.0	2.0	10.0	2.0	8.0	1.0	6.0	2.0	10.0	2.0	6.0	1.0	7.0	2.0	10.0	180.5	36%	1.0

APPENDIX H

Revenue and Expense Detail for Parks by PET Rank

Park	Designation	Revenue	Expenses	Rev:Exp	Rev-Exp	PET Score	PET Score %	PET Rank
State Forest	State Park	$ 401,498	$ 455,442	88%	-53,943	435.0	87%	3.0
Golden Gate	State Park	$ 687,598	$ 733,274	94%	-45,676	412.0	82%	3.0
Mueller	State Park	$ 561,446	$ 662,255	85%	-100,809	398.5	80%	3.0
Eldorado Canyon	State Park	$ 329,462	$ 322,984	102%	6,479	372.5	75%	3.0
Sylvan Lake	State Park	$ 317,544	$ 406,396	78%	-88,852	361.5	72%	3.0
Castlewood Canyon	State Park	$ 323,745	$ 279,541	116%	44,204	343.5	69%	3.0
Ark Headwaters	Rec Area	$ 1,108,703	$ 934,934	119%	173,769	438.0	88%	3.0
Chatfield	Rec Area	$ 2,004,761	$ 1,613,219	124%	391,542	417.0	83%	3.0
Cherry Creek	Rec Area	$ 1,961,859	$ 1,578,643	124%	383,216	398.0	80%	3.0
Ridgway	Rec Area	$ 720,301	$ 826,394	87%	-106,093	383.0	77%	3.0
Lake Pueblo	Rec Area	$ 1,502,005	$ 2,116,193	71%	-614,188	358.0	72%	3.0
Steamboat Lake	Rec Area	$ 439,765	$ 505,675	87%	-65,910	353.5	71%	3.0
Eleven Mile	Rec Area	$ 575,082	$ 521,071	110%	54,011	344.5	69%	3.0
Colorado River	Rec Area	$ 824,555	$ 728,218	113%	96,337	340.0	68%	3.0
Rifle Gap	Rec Area	$ 375,965	$ 594,317	63%	-218,351	322.0	64%	3.0
Navajo	Rec Area	$ 893,836	$ 982,175	91%	-88,339	319.0	64%	3.0
Cheyenne Mountain	State Park	$ 392,518	$ 518,295	76%	-125,777	355.5	71%	2.0
Lone Mesa	State Park	$ 71,846	$ 122,150	59%	-50,304	338.0	68%	2.0
Roxborough	State Park	$ 146,840	$ 259,340	57%	-112,500	336.0	67%	2.0
Staunton	State Park	$ 158	$ 135,630	0%	-135,472	315.0	63%	2.0
Lory	State Park	$ 154,456	$ 247,374	62%	-92,918	313.5	63%	2.0
Stagecoach	Rec Area	$ 303,478	$ 365,418	83%	-61,940	315.5	63%	2.0
Elkhead Reservoir	Rec Area	$ 54,088	$ 22,824	237%	31,264	296.5	59%	2.0
Boyd Lake	Rec Area	$ 659,381	$ 810,506	81%	-151,124	295.5	59%	2.0
Vega	Rec Area	$ 212,569	$ 374,825	57%	-162,256	293.0	59%	2.0
Jackson Lake	Rec Area	$ 436,111	$ 493,535	88%	-57,424	292.0	58%	2.0
John Martin	Rec Area	$ 211,950	$ 358,463	59%	-146,513	279.5	56%	2.0
Trinidad Lake	Rec Area	$ 184,082	$ 451,876	41%	-267,794	276.5	55%	2.0
North Sterling	Rec Area	$ 188,271	$ 383,647	49%	-195,376	270.8	54%	2.0
Highline Lake	Rec Area	$ 266,929	$ 385,603	69%	-118,674	264.0	53%	2.0
Barr Lake	State Park	$ 168,772	$ 288,586	58%	-119,813	297.0	59%	1.0
Yampa River	State Park	$ 115,822	$ 460,349	25%	-344,527	283.0	57%	1.0
Mancos	State Park	$ 86,248	$ 53,529	161%	32,719	265.5	53%	1.0
Pearl Lake	State Park	$ 61,775	$ 15,232	406%	46,542	260.0	52%	1.0
Rifle Falls	State Park	$ 122,928	$ 39,335	313%	83,592	244.5	49%	1.0
San Luis	Rec Area	$ 86,605	$ 46,898	185%	39,707	260.0	52%	1.0
Bonny Lake	Rec Area	$ 84,759	$ 253,993	33%	-169,234	259.0	52%	1.0
Crawford	Rec Area	$ 149,559	$ 331,577	45%	-182,017	247.0	49%	1.0
Spinney Mountain	Rec Area	$ 37,555	$ 129,382	29%	-91,827	244.5	49%	1.0
St. Vrain	Rec Area	$ 344,551	$ 364,813	94%	-20,263	240.5	48%	1.0
Lathrop	Rec Area	$ 305,103	$ 594,528	51%	-289,425	233.5	47%	1.0
Paonia	Rec Area	$ 12,719	$ 24,533	52%	-11,815	223.5	45%	1.0
Harvey Gap	Rec Area	$ 26,586	$ 27,797	96%	-1,212	192.0	38%	1.0
Sweitzer Lake	Rec Area	$ 39,284	$ 54,529	72%	-15,245	180.5	36%	1.0

Revenue is average of FY0708, 0809 and 0910 except for Elkhead which is 0809-0910. Expenses are FY0910 operating budget allocations

Please refer to the Five Year Financial Plan discussion on Net Operating Income, pages 7-8, for important qualifiers on the Net Operating Income figures shown above.

Colorado State Parks

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