



**OKLAHOMA**  
**Tourism & Recreation**



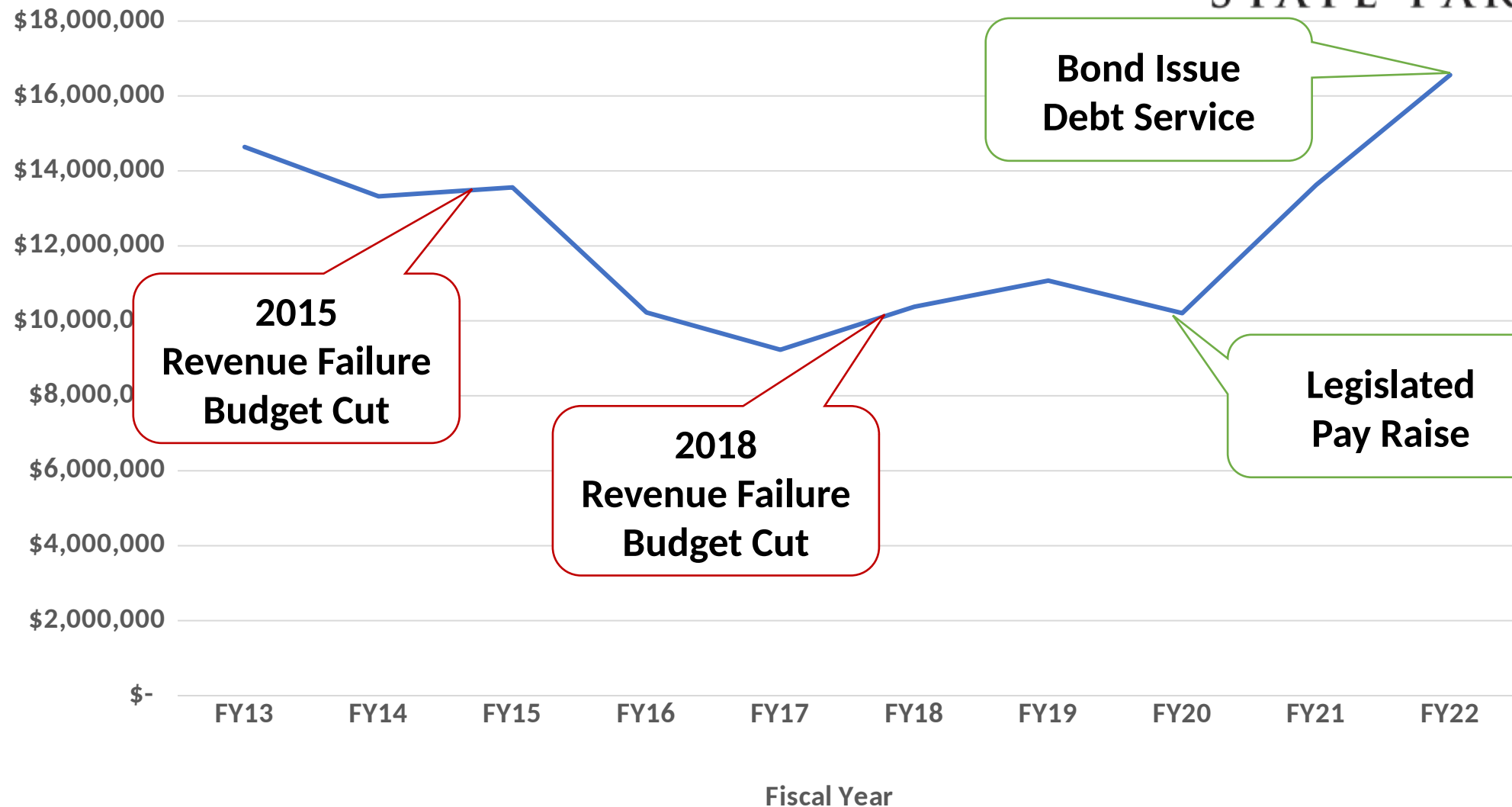
# State Parks: Current and Future Needs

# Objectives



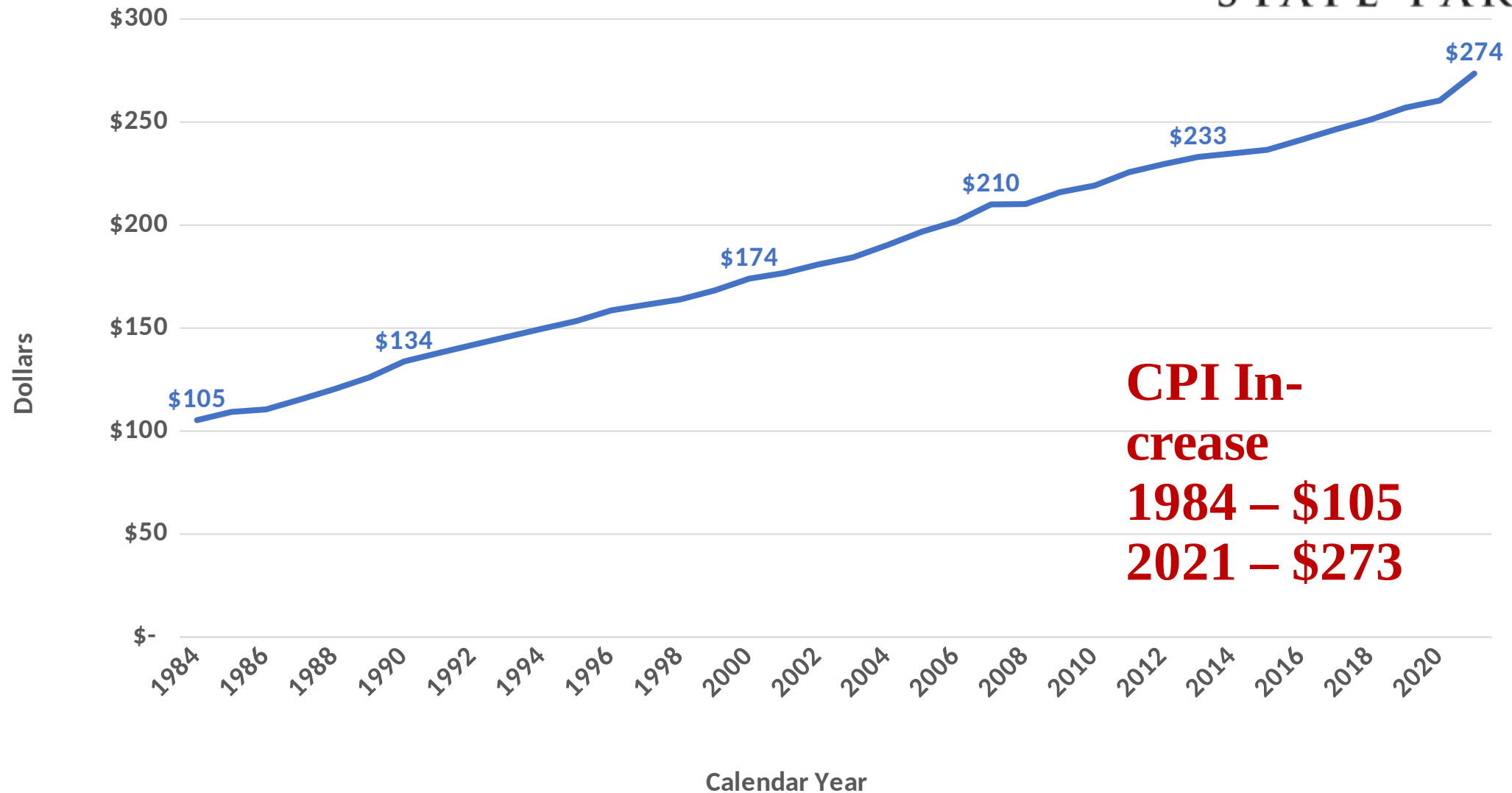
- Review historical and current funding of the system
- Describe current capital requirements and resource shortfalls
- Provide options for closing the funding gap in order to adequately fund system maintenance

# State Parks Appropriation History



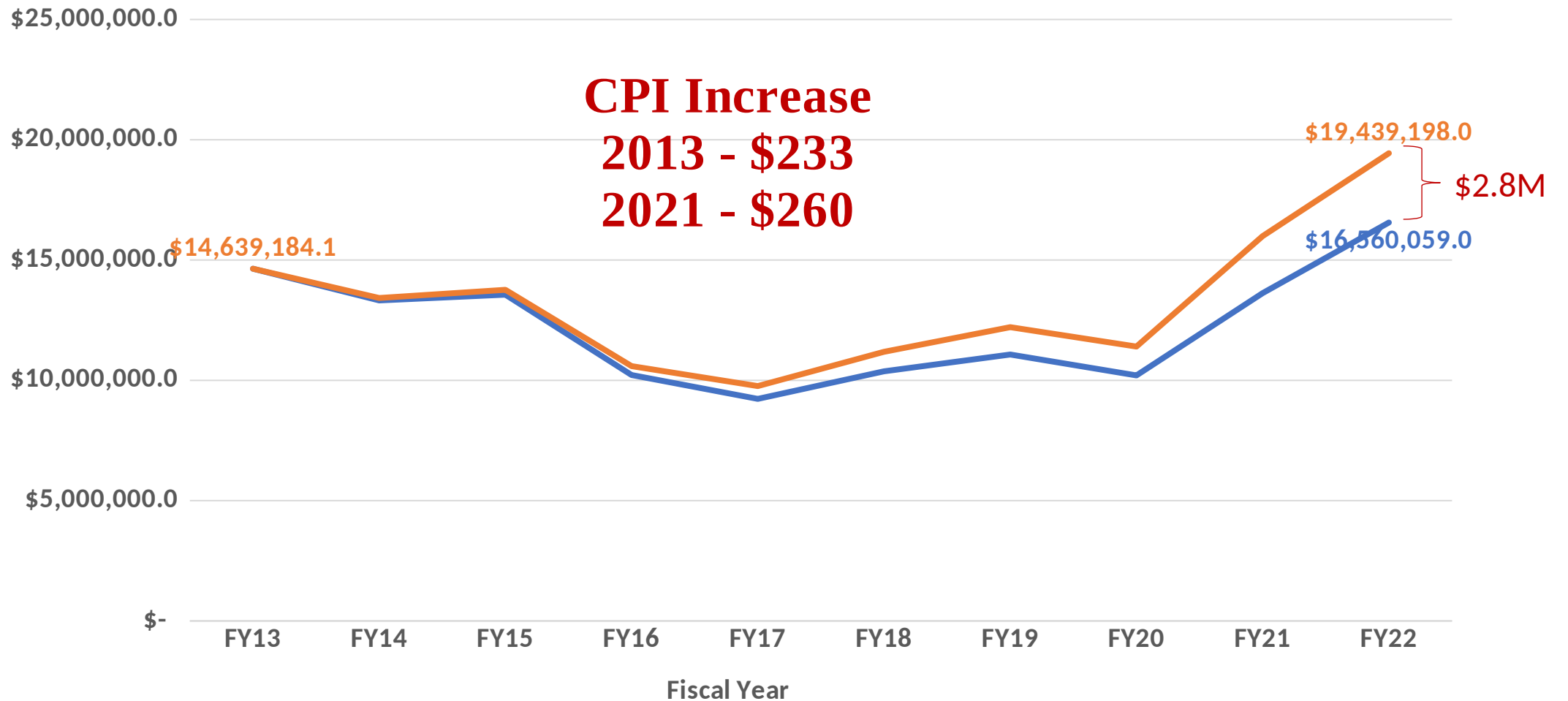


# Consumer Price Index (CPI)



CPI - All items in U.S. city average, all urban consumers, not seasonally adjusted.

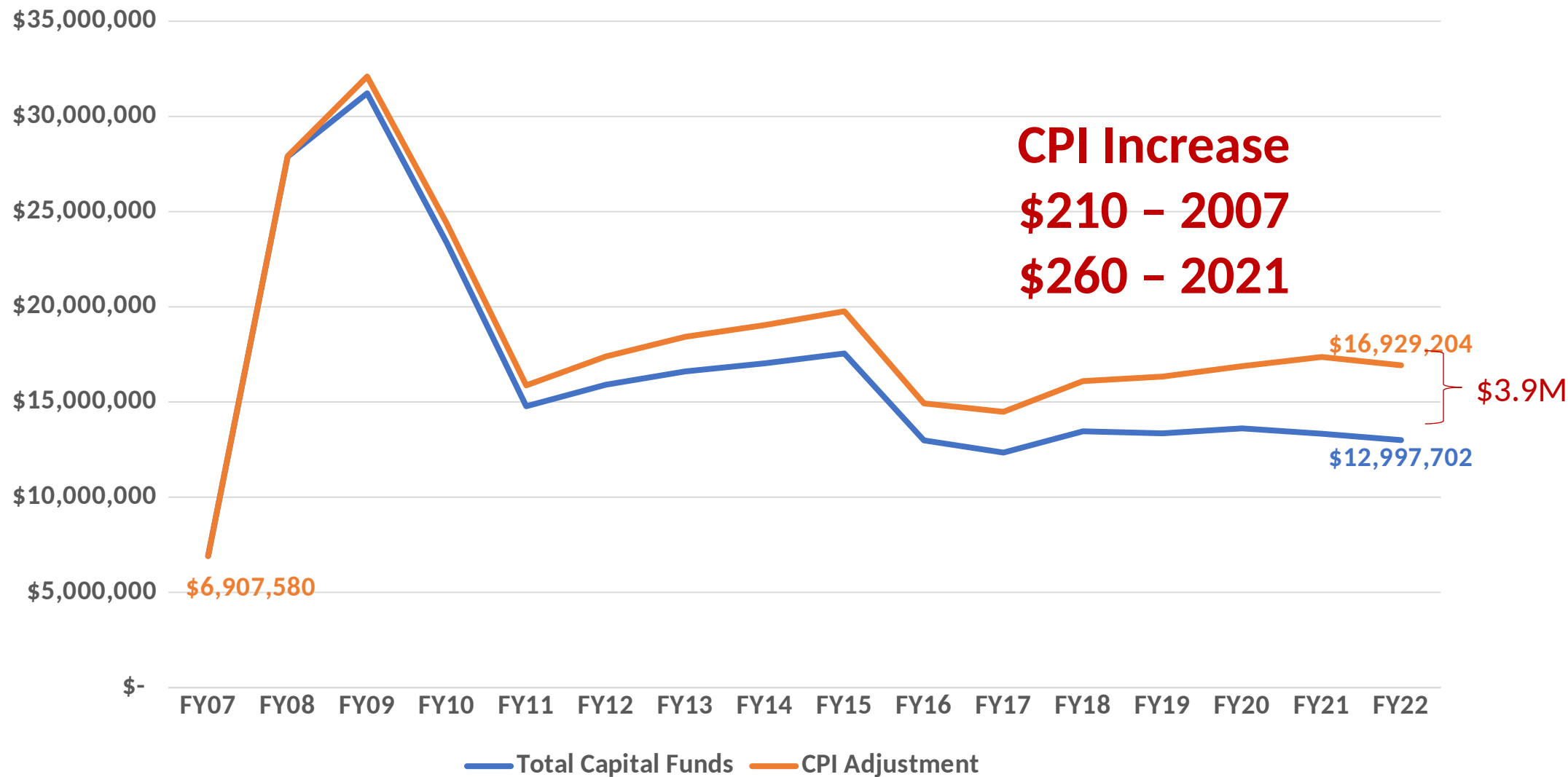
# CPI of Appropriation History



— State Park Appropriations — CPI Adjustment

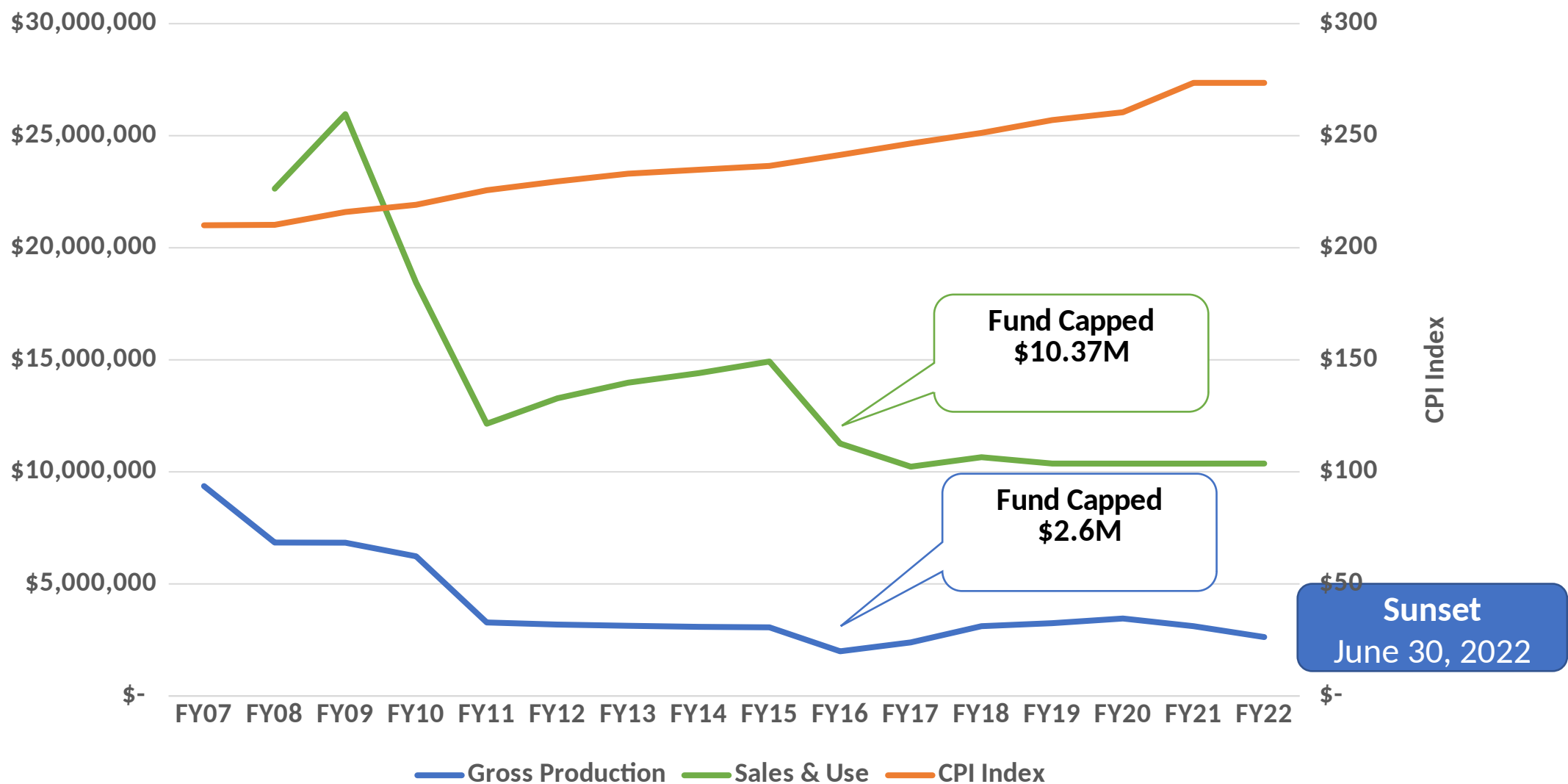
CPI - All items in U.S. city average, all urban consumers, not seasonally adjusted.

# Total Capital Funding History



CPI - All items in U.S. city average, all urban consumers, not seasonally adjusted.

# Capital Funding History



CPI - All items in U.S. city average, all urban consumers, not seasonally adjusted.

# Capital Fund Sunset



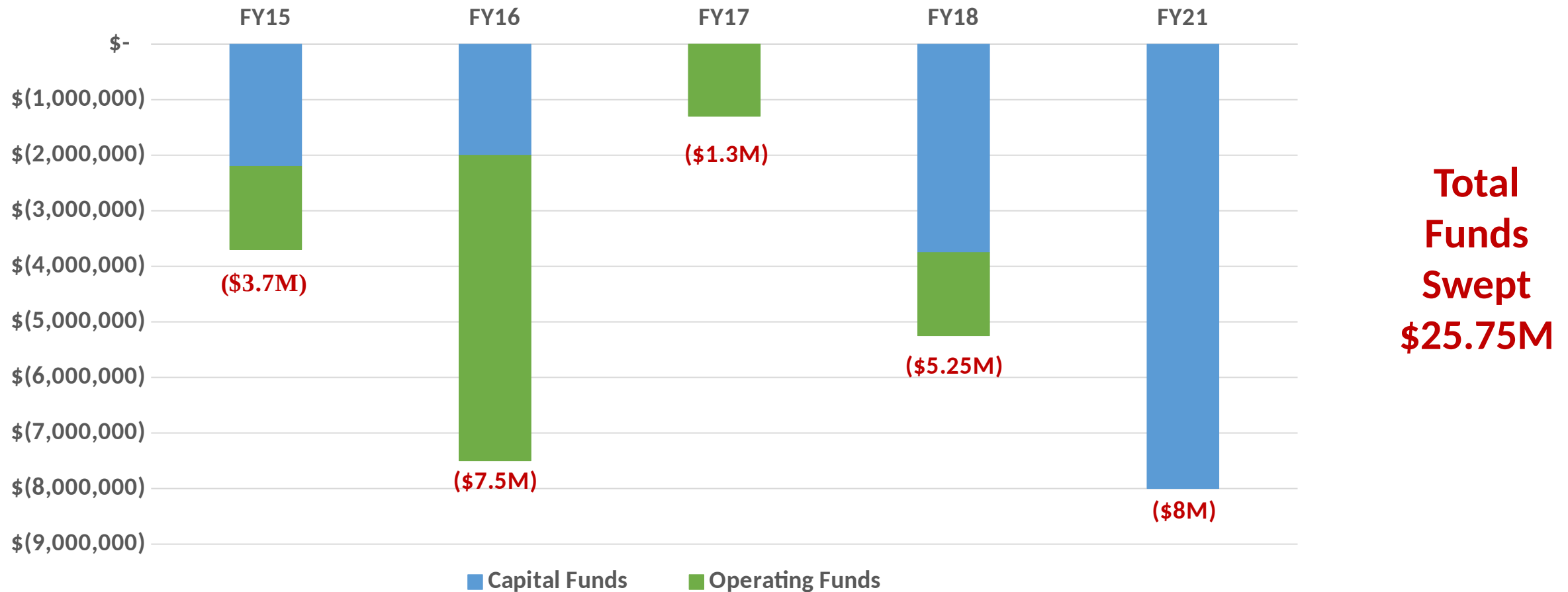
## Apportionment Sunsets June 30, 2022

### Extend Sunset of Gross Production Tax Apportionment

- 7% GPT rate: 33.33% of 4.28% of collections
- 4% GPT rate: 33.33% of 3.75% of collections
- 5% GPT rate: 33.33% of 5.00% of collections

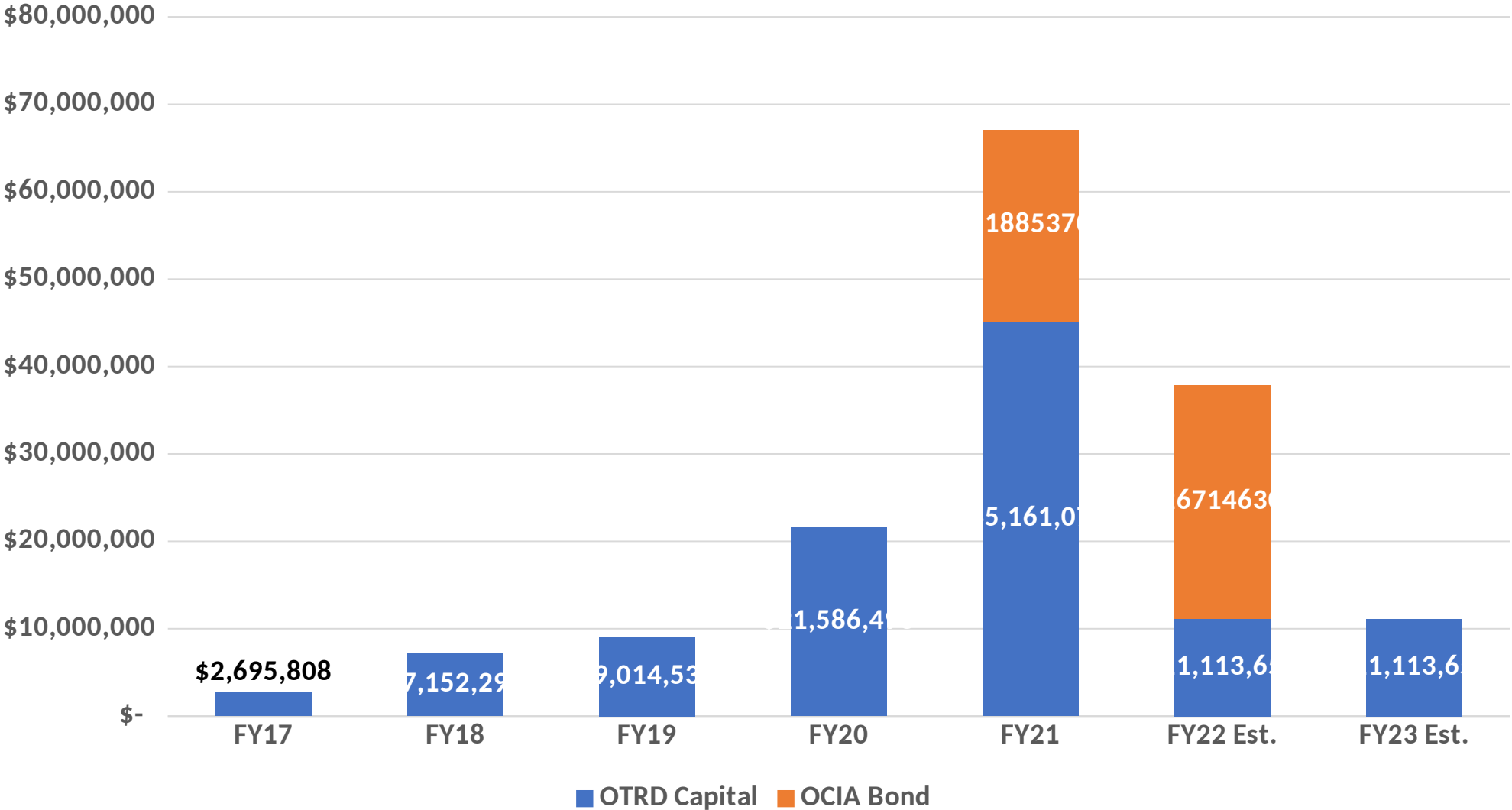
Funds deposited in OTRD's Capital Expenditure Revolving Fund (Fund 266) which generates \$2.6M annually

# Swept Fund History



**Total  
Funds  
Swept  
\$25.75M**

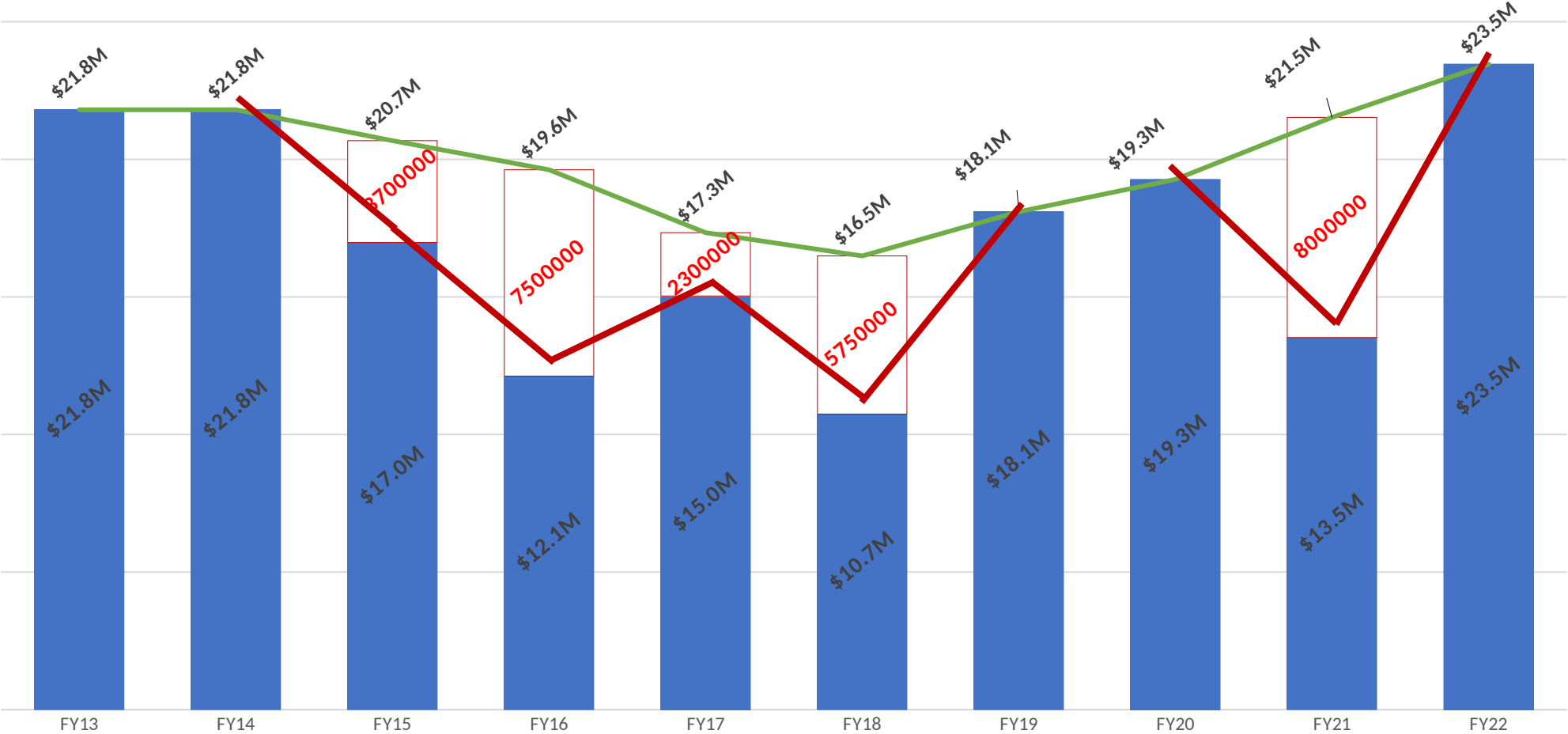
# Capital Spend Velocity



# Net Realized State Park Appropriation History



State Park Appropriation History (FY13-22)



**Total  
Funds  
Swept  
\$27.3M**















































TOILET

OKLAHOMA  
STATE PARKS

TOILET

SHOWER

SHOWER













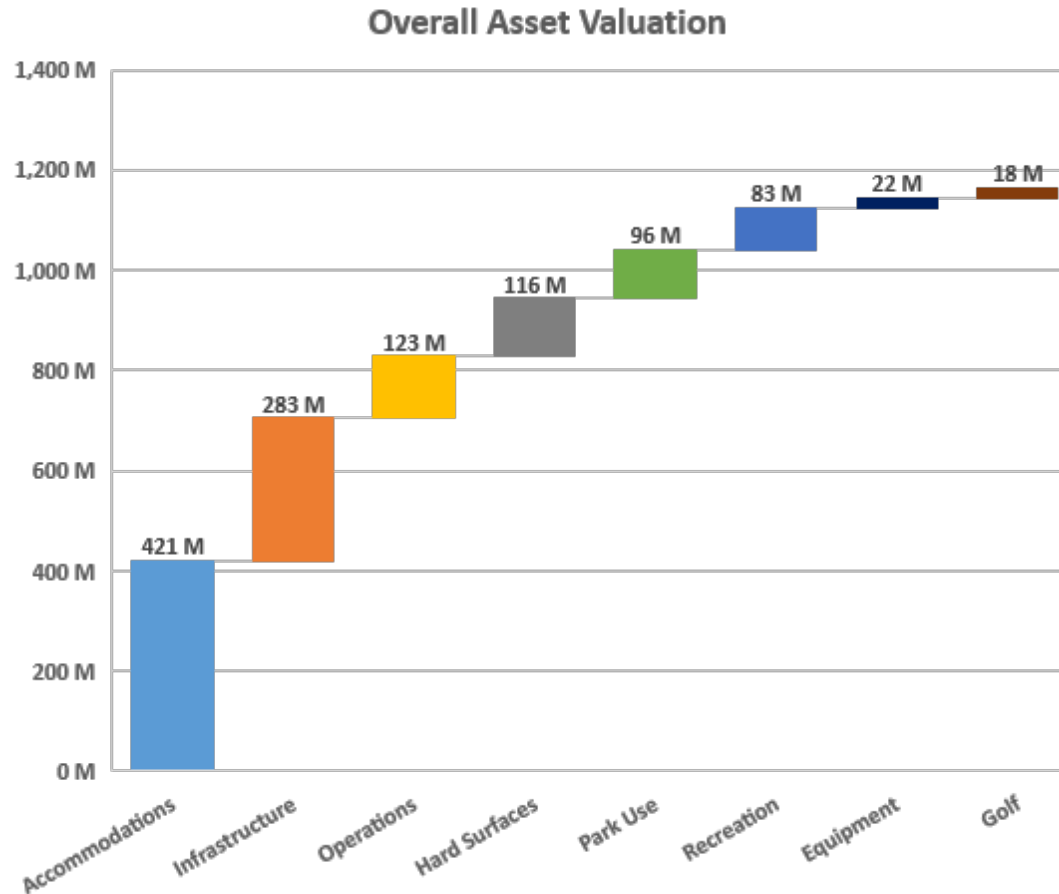


# Current Asset Valuation



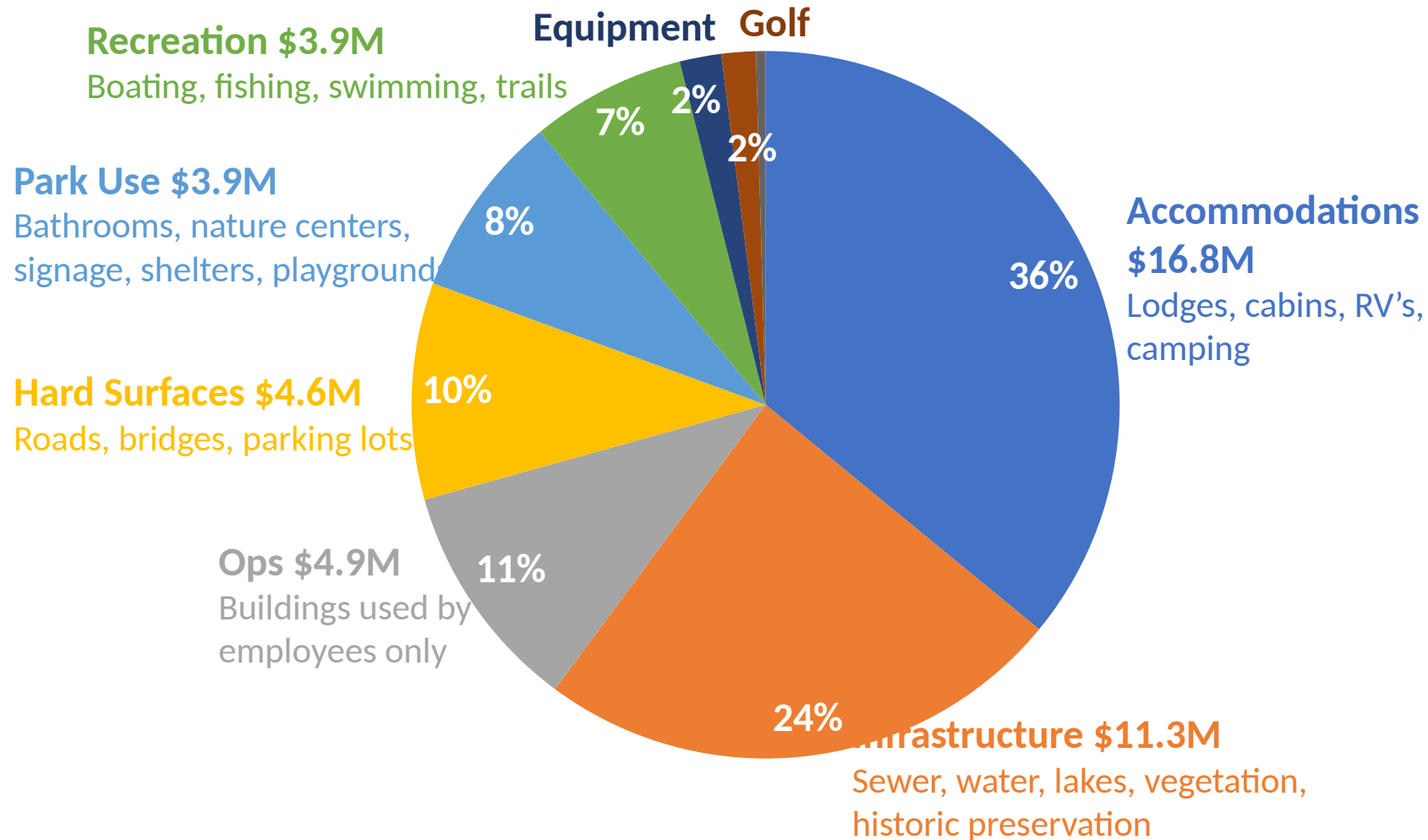
Current Asset  
Valuation: \$1.1B  
Replacement  
Cost

Using 4%  
Maintenance  
Allocation: **\$46M**  
per Year Needed





# Annual Maintenance & Improvement Needs





# How Did We Get Here?



## Basis

- 2-4% of Asset Replacement Value standard for maintenance budgeting<sup>1</sup>
- Historical spend <1% of replacement value

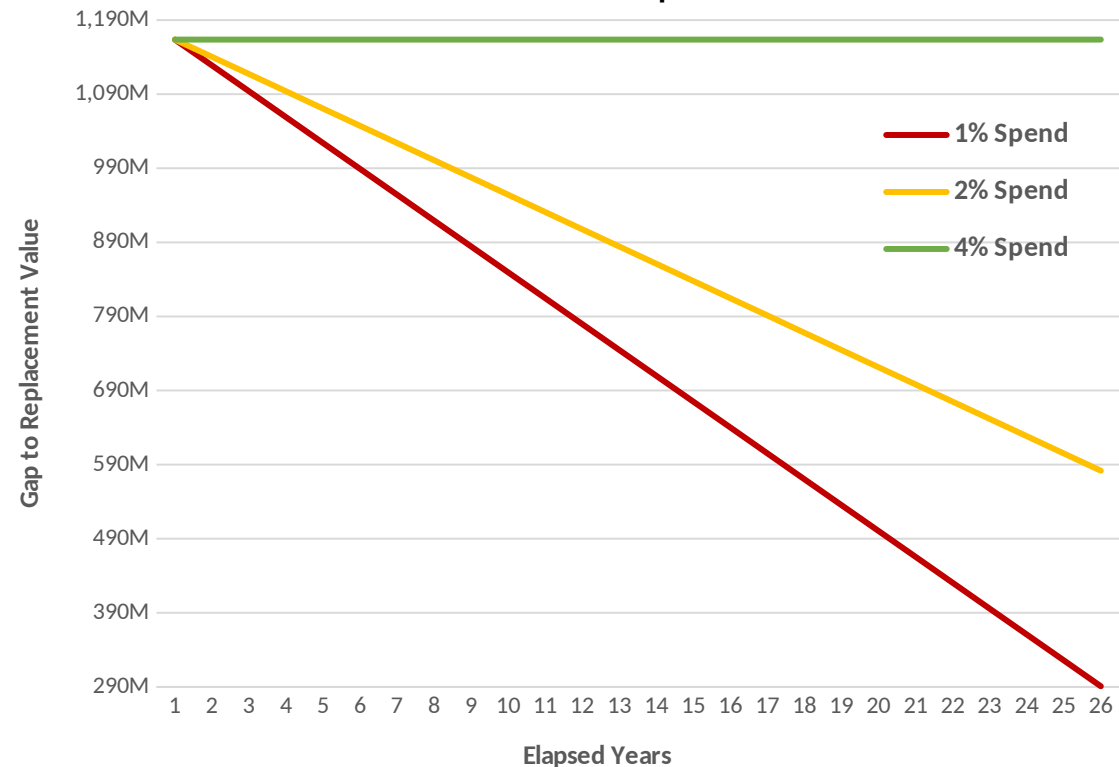
## Result

- Long term funding gap as assets decline yields higher needed reinvestment rate

## OTRD Need

- 2% Maintenance + 2% Recapitalization to bring assets back towards full utility
- 4% of \$1.16B yields \$46M

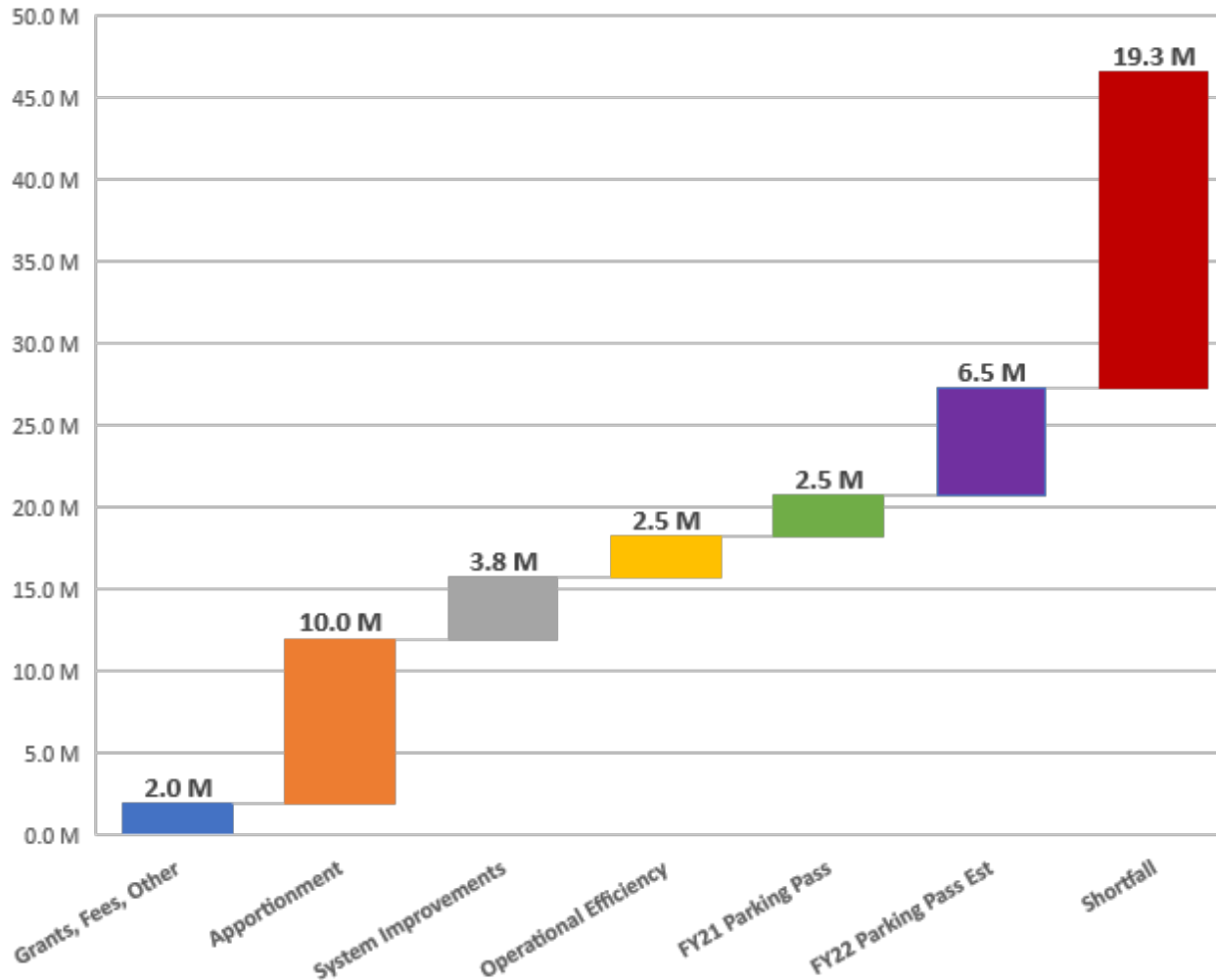
Capital Requirements to Reach Full Asset Utility vs. Maintenance Spend Over Time



1. National Research Council. 1996. *Budgeting for Facilities Maintenance and Repair Activities: Report Number 131*. Washington, DC: The National Academies Press. <https://doi.org/10.17226/9226>.



# Funding Gap



Shortfall: 41%

New Revenue Sources:  
33% of Need

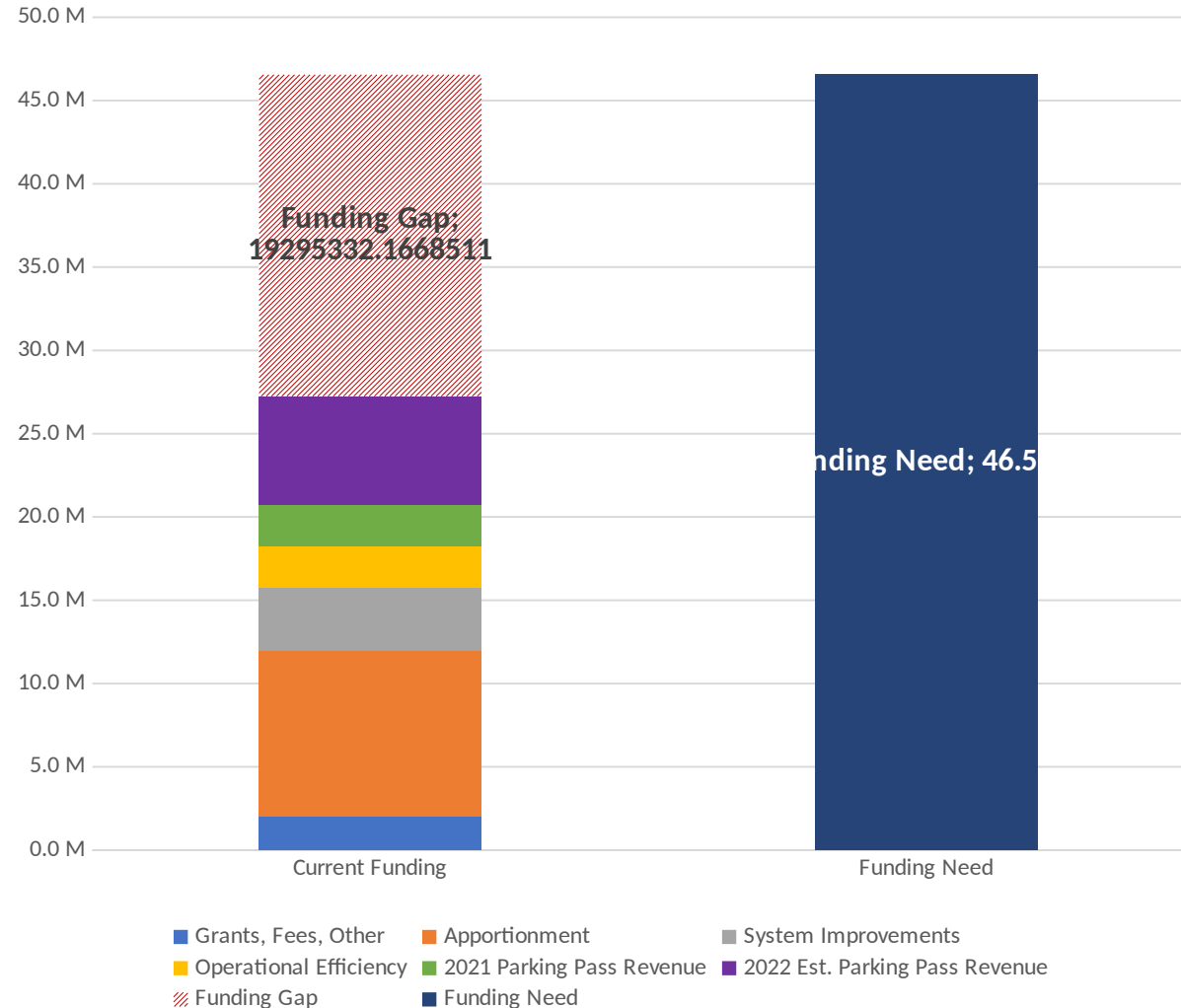
Existing Revenue  
Sources: 26% of Need



# Funding Gap



Funding Vs. Need





# ARPA Capital Requests



Total for state parks: \$104.95 million

- \$91.95 million in capital improvements
- \$10 million in connectivity/broadband improvements
- \$2.5 million in one-time programming improvements
- \$500,000 for business losses



# Neighboring States- Texas



- Sporting Goods Sale Tax
  - Provides 94% of sales tax on sporting goods to parks and historical sites
  - Comptroller determines amount based on percentage of sales that are attributed to sporting goods
- Oklahomans will spend an estimated \$330.5 million on sporting goods in 2021.
- This would generate \$13.98 million annually.
- Texas State Parks charges \$8-\$10 per person for entry



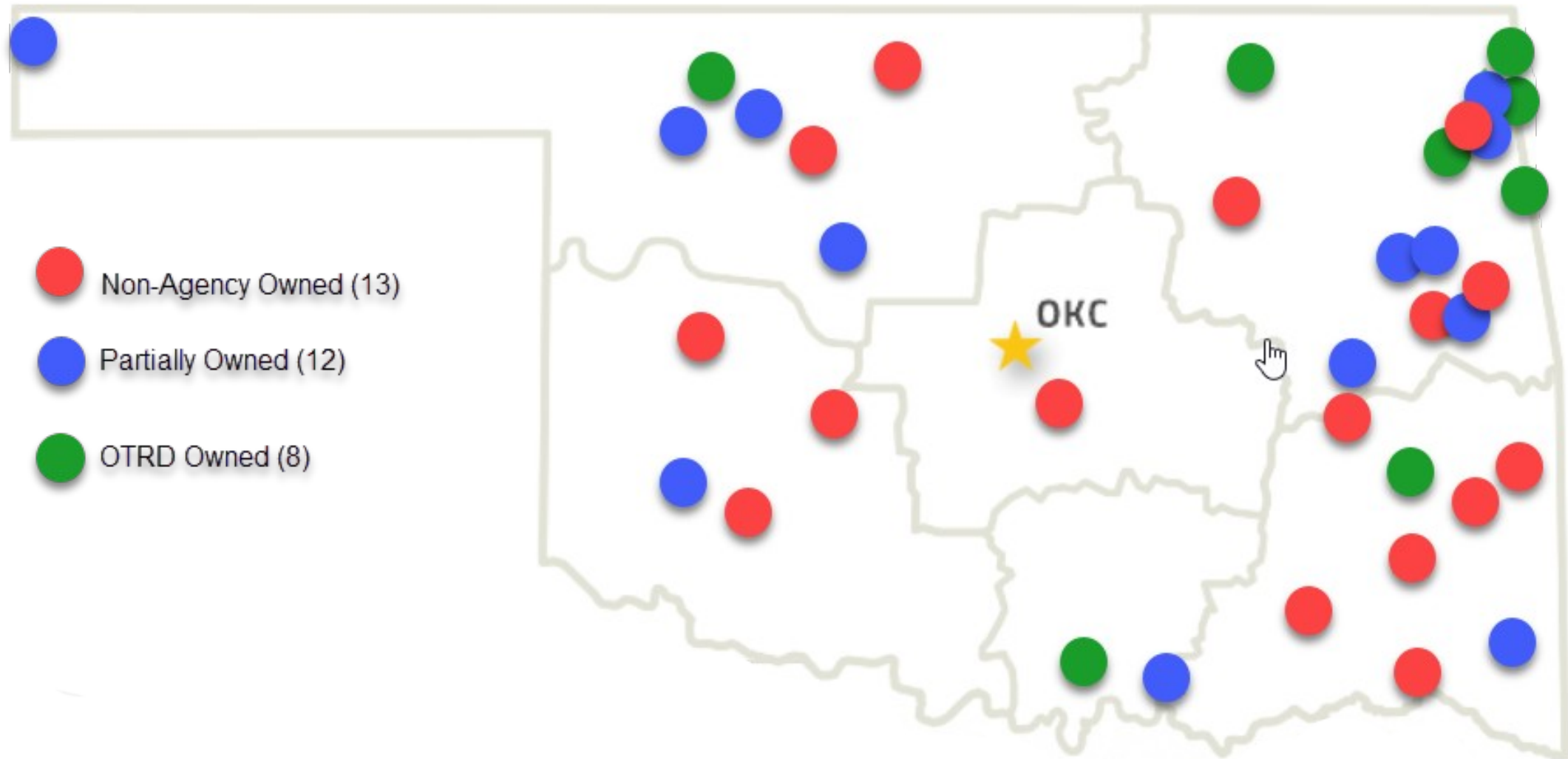
# Neighboring States- Arkansas



- Conservation Sales Tax
  - Provides 1/8th of 1% of general sales tax to support wildlife, parks and historical society
  - State Parks receives 45% of tax
- For Oklahoma, this would generate approximately \$3.1 million annually for State Parks



# State Park Ownership







**Questions?**