



STATE OF NEW HAMPSHIRE
DEPARTMENT of RESOURCES and ECONOMIC DEVELOPMENT
172 Pembroke Road P.O. Box 1856 Concord, New Hampshire 03302-1856

February 14, 2017

The Honorable Gary Daniels, Chair
and the Senate Finance Committee
NH State House, Room 103
Concord, NH 03301

RE: SB 217-FN requiring admission without charge to state parks for children.

Dear Chairman Daniels and Members of the Committee,

Thank you for the opportunity to provide testimony on Senate Bill 217, requiring admission without charge to state parks for children. The Department of Resources and Economic Development, Division of Parks and Recreation (the Division) is very concerned that this bill would have a substantial impact on the parks revenue and is inconsistent with existing statutes and the self-funding model under which New Hampshire's Park system operates.

This bill would provide free admission to day use state parks and recreation areas, including the Flume, midweek Tramway visits, and midweek skiing at Cannon Mountain for NH children under the age of 15 years old. The Division estimates a loss of summer revenue in the amount of \$365K and the loss of winter revenue in the amount of \$160K, for a total estimated reduction in revenue of \$525K. To put this in perspective, only 5 of 93 parks generate this amount of revenue and this is more than the total revenue from the sales of the successful and growing state parks license plate program.

By way of background, the State Park Fund was established in 1991 creating an operationally self-funded parks system. The House Appropriations Committee report that recommended passage wrote: *"This bill establishes the New Hampshire state park and ski areas as an enterprise-type self-funded, accountable business entity to provide improved park and ski recreation facilities and services to New Hampshire citizens and tourists alike."*

The fee approval process through the Joint Legislative Fiscal Committee pursuant to RSA 216-A:3-g, was established *"...to provide the department with the ability to maximize revenues and to adjust fees according to market conditions and trends as is the common practice in private industry."*

In addition: *"II. Fees for the use of campgrounds and ski lifts shall be comparable with the fees for use of similar privately owned facilities. The operation of all enterprise functions....shall be as profitable as possible, within the purposes of the park system."*

Many of the discounts currently in statute pre-existed the establishment of the State Parks Fund. One of the five major challenges set forth in the Division's Ten-Year Strategic Development and Capital Improvement Plan is to: *"Clarify statutory intent and framework*

within which the Division operates to reduce cumbersome, conflicting, and contradictory legislative direction so that operations can achieve the vision.” The Division, with the State Parks System Advisory Council, has attempted in the past to address these discounts to make them consistent with the Parks Fund statutes and self-funding model. This legislation is contrary to that direction.

The opportunity to collect revenue at some parks to support the rest of the park system is also at the foundation of our self-funded parks system. RSA 216-A:3-g states that: *“Fees for the use of park areas shall be designed to recover a reasonable portion of budget expenses consistent with the purposes of RSA 216-A:1 and 216-A:3. The general court does not intend that all park facilities be self-supporting.”* Approximately 25 parks (e.g. Franconia Notch, Pawtuckaway, Monadnock, and Hampton Beach) provide surplus revenue to support the rest of the state parks system. By contrast, the entire North Region loses just over \$400,000 per year.

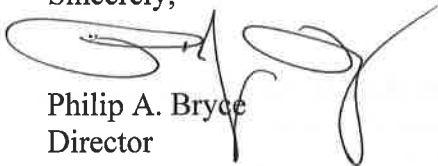
The intent is to make our state parks as affordable as possible to our visitors. We charge fees at approximately half of our parks and have not changed the \$2 rate for youth (age 6-11) since 2008. The day use fee for adults at all of our day use parks has not changed since 2010 except for six of our high-use parks where a \$1.00 increase was implemented in 2012. The Fee Package provides existing discounts for youth. Off-peak NH youth as part of a school group (before June 19 and after Labor Day) for up to age 17 are granted free admission. Bus Passes are available mid-week, non-holiday for \$35/bus during the peak season. Last year, 1400-1600 bus passes were sold. This program is designed to promote recreational opportunities for community recreation programs.

If we charge something to everyone, it helps to make our parks available to all. And, to the extent that we generate a surplus, it allows the Division to continue to re-invest in the Parks System and address the \$100 million in deferred maintenance identified in the 2010 Ten Year Strategic Plan, thus providing more recreational opportunities and a better visitor experience.

We urge you to please consider fully the impact on revenue and the consistency of this legislation with existing statutes and New Hampshire’s self-funding model for the state park system.

Thank you again for the opportunity to provide this testimony. Please let me know if we can provide any additional information.

Sincerely,



Philip A. Bryce
Director

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C: Jeffrey J. Rose, Commissioner