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April 11, 2012

The Honorable Therese Murray

Senate President

State House - Room 332

Boston, MA 02133

The Honorable Robert A. DeLeo

House Speaker

State House - Room 356

Boston, MA 02133

RE: DCR FY13 Budget – Underfunding Operations, Insufficient Short-Term Revenue

Dear President Murray and Speaker DeLeo:

I am writing on behalf of the Massachusetts Stewardship Council, established by the Legislature to oversee a number of the Department of Conservation and Recreation's activities. Over the last few years, we have watched one of the best park and recreation agencies in the country struggle with ever more drastic budget cuts. Despite the dramatic increases in park use and the growing demand for public recreation facilities, the agency has seen its budget reduced by over 30% in four years to a figure which is approximately 45% lower than the number suggested by this Stewardship Council six years ago as necessary for the DCR to operate effectively.

The Council is acutely aware of the Commonwealth's budgetary plight and understands that the legislature has had to make very difficult cuts across all agencies. We know that DCR will have to cope with very tight budgets for the next few years. However, we seek your help to avoid additional cutbacks in the services that DCR provides.

Even if the FY 13 budget is level funded, it is in reality a reduction from FY12. Let me explain. There are several new projects that are coming on line including facilities at Peddock's island, the new Cass rink and two new pools. These will have to be staffed and maintained. In addition, the agency must fund wage increases totaling \$1.1 million due to collective bargaining agreements. These expenditures cannot be avoided and thus will force DCR to make cuts in other parts of the operating budget. These cuts will be additional to the reductions that were made in FY12, which included reductions in the

Department of Conservation and Recreation Stewardship Council

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www.mass.gov/dcr/stewardship_council.htm

operations of six pools, fewer lifeguards, the closing of at least one park and reductions in the campground season. To avoid these additional reductions, DCR's operating budget will have to increase by \$3.57 million, some of which can be offset by the new retained revenue proposal as described below.

The Stewardship Council is a strong proponent of the amendment to allow DCR to collect and retain revenue from its operations. The provision in House bill 2 to permit the agency to retain more of the funds that it collects would be a significant step towards giving the agency the financial tools to manage its long run fiscal problem. It will be good for the agency, but more importantly it will be good for the public and for the state. However, this year there will be a serious timing problem. The agency cannot start to renegotiate with its vendors and develop new plans and programs to generate revenues until this provision becomes law. Realistically many of these new programs could not be implemented in FY13 and an increase in revenue would be gradual throughout FY13, FY14 and FY15.

We believe that it would be unrealistic to expect the agency to increase its retained revenue in FY13 beyond \$2.8 million, leaving it with an actual reduction of \$770,000 from its FY12 budget. Hence we are asking the Legislature to increase DCR's Park Operations account from \$39.7 million to \$40.47 million, or an increase of \$770,000. The retained revenue amendment together with this additional appropriation would make a major difference in the agency's ability to function effectively in FY13.

I and members of the Council are available to answer any questions that you might have and to work with the Legislature to maintain the services that DCR provides to the public.

Sincerely,



Henry Lee
Chairman

cc: House and Senate Members
Governor Deval L. Patrick
Secretary of Administration & Finance Jay Gonzalez
Secretary of Energy & Environmental Affairs Richard K. Sullivan, Jr.
DCR Commissioner Edward M. Lambert, Jr.
DCR Stewardship Council

Department of Conservation and Recreation Stewardship Council

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