

Henry Lee

April 8, 2011

The Honorable Therese Murray
Senate President
State House - Room 332
Boston, MA 02133

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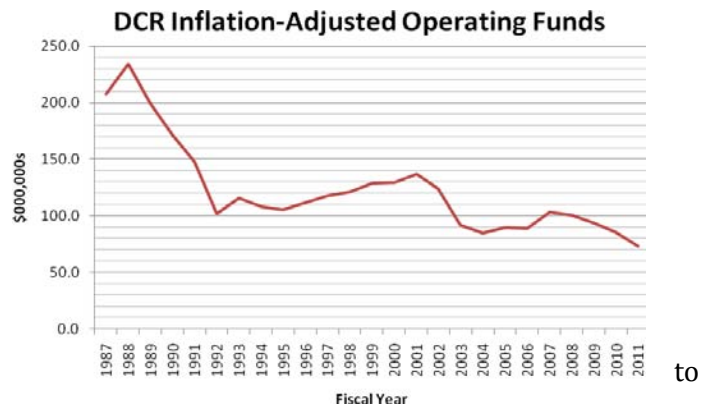
The Honorable Robert A. DeLeo
House Speaker
State House - Room 356
Boston, MA 02133

RE: DCR FY12 Budget – Pools & Parks Closures?

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 (DCR) activities, including the agency's budget. The Council believes that funding at the levels proposed in House 1 will severely devalue the forest and parks system.

As you are aware, DCR is facing enormous budget challenges due to the persistent economic pressures the Commonwealth is facing and will continue to face for a number of years. We strongly believe that the budget levels proposed in HR 1 will place both the services provided by the agency and its assets in serious jeopardy. We fully realize that every agency is affected by these budget cuts. But for DCR, the operational ramifications will be more severe relative to other state agencies, since it *has had its budget slashed by more than 30% over the last two fiscal years*. This decline is even more pronounced when adjusting for inflation over a 25 year period, as the chart to the right attests. This chart is a picture of chronic and persistent disinvestment in our state parks and recreational facilities. That the DCR staff and its leaders have been able to maintain some semblance of quality service across the state in the face of this budgetary tourniquet is remarkable, but this cannot last at the operating budget levels proposed by the Administration under House 1.



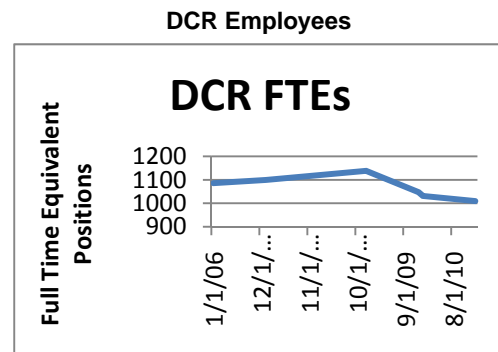
When the Council was established in 2005, we determined that the department needed a budget of at least \$110 million to meet the Governor's goal of providing the citizens of the Commonwealth with a world class park and recreation system. Today, the fiscal circumstance is very different. Instead of providing millions of park users with the system that they expect and deserve, we are desperately trying to maintain a minimum level of service.

In the Council's opinion, the agency will need at least \$75 million in FY 12 to avoid serious and visible shutdowns and service reductions. At the moment, the agency is attempting to complete FY11 without dramatically reducing the number of open parks and facilities. This effort was

enhanced by the legislature’s decision last December to provide \$2.1 million in supplemental funding, bringing DCR’s FY 11 budget up to \$72.9. HR 1 reduces this number to \$71.4 million or \$1.5 million less than FY 11. In order to close out the current fiscal year on budget and operate through FY12, the agency will need to close and/or not staff a number of facilities, reduce up to 10 more FTEs, shorten the summer season for a number of recreational facilities, and reduce the number of lifeguards at a handful of beaches while tapping \$700,000 of the department’s limited trust fund balances to avert even more cuts in service¹.

For several years DCR has been able to substitute seasonal staff for jobs previously performed by FTEs. Now the agency not only faces additional reductions in its regular positions, but also constraints in hiring and deploying seasonal staff throughout the entire recreation season.

The financial constraints facing DCR are even more sharply illustrated by the agency’s inability to implement management improvements identified through the Resource Management Plans which the legislature has required DCR to develop and this Council to approve. Now before the Council is a Resource Management Plan draft for the Blue Hills Reservation, a popular state park by any measure. the 77 *high priority* changes in management practices recommended by DCR staff to improve operations at Blue Hills, the agency estimates it has funding to implement only 21% of these recommendations. And of the 165 *high and medium priority* recommendations proposed by the staff, funding is available to implement only 13% of these recommendations. Conversely, funding is nowhere in sight to implement 56% of these recommendations.



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DCR is arguably one of the State’s most important “value-added” agencies in the services it provides to our citizens at little if any cost. The millions of visitors to DCR’s parks, beaches, pools, and rinks are testimony to this fact. In merging the MDC and the Department of Environmental Management, the legislature aspired to transform DCR into a world-class park and recreation system. DCR now finds itself trying to provide a bare minimum level of protection for these public assets and the outdoor experiences that the public expects and wants. Absent significant adjustments to increase the proposed House 1 funding levels to at least \$75 million, the basic functionality of Massachusetts’ unparalleled park and recreation system will quickly fade. And when funding is eventually restored, the cost to reopen and repair these shuttered facilities will likely exceed the savings of closing them.²

While by themselves, they do not solve DCR’s budgetary problems, the Council would like to offer two suggestions for the legislature’s consideration:

¹ Historically DCR has used 80% of its trust fund balances to support capital improvement and other special services in partnership with towns and volunteer groups.

² Research conducted through my department at the Kennedy School indicates that the cost of re-opening closed state parks is significantly more than the money that was saved by closing the parks in the first place.

First, amend all retained revenue accounts to permit DCR to keep 80% of any revenue derived from its operations while remitting 20% to the general treasury. With the exception of the golf courses, DCR staff has little if any incentive to collect more than the amounts designated in its retained revenue accounts. The legislature should adopt incentives that would remove the caps on retained revenue and adopt in its place a sharing mechanism to allow DCR to keep 80 cents of every dollar generated by its operations. Adopting this change in FY12 would provide DCR with strong incentives to limit staff cutbacks and keep a larger number of its parks open.

FY10 DCR Retained Revenue Accounts (No Leased Rinks)

	Revenue Retained	To General Fund	Total	% Retained	@80% Retention
Rinks	\$1,000,000	\$555,982	\$1,555,982	64%	\$1,244,786
Telecommunications	50,000	1,198,526	1,248,526	4%	998,821
State Parks	5,314,030	3,263,771	8,577,801	62%	6,862,241
Golf Courses:					
Ponkapoag	764,438		764,438	100%	764,438
Leo J Martin	1,075,232		1,075,232	100%	1,075,232
Rangers - Parking Citations	200,000	47,711	247,711	81%	198,169
Total	\$8,403,700	\$5,065,991	\$13,469,690		\$11,143,686
				Current	\$8,403,700
				Additional Retained	\$2,739,987

Second, fully fund the Cost of the State House Rangers. DCR continues to be asked to take on responsibilities for which budgeted funds are insufficient. A case in point is the function of providing security for the State House in the form of DCR rangers. While staffing levels for this function are determined by the legislature, the line item for this purpose falls short by \$700,000. As a result, DCR must take that amount from its parks account to cover the shortfall, further eroding the sustainability of services the agency provides to the public.

The Council is available to answer questions you might have and to work with you to maintain the services that DCR provides to the public.

Sincerely,



Henry Lee
Chairman

Cc: House and Senate Members
Environment & Energy Secretary Rick Sullivan
Commissioner Ed Lambert
DCR Stewardship Council