

## Programs That Work

# Repositioning Texas State Parks

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**ABSTRACT:** In many instances, the original rationale justifying the establishment of state park systems involved their contributions to economic development. In Texas, as in other jurisdictions, this rationale has not been documented and subsequently has been disregarded or forgotten. Consequently, the state parks now are viewed by most elected officials as a discretionary service and, thus, are subjected to disproportionately large funding cuts in times of economic downturns.

This reports the approach used by state park advocates in Texas to re-establish the position in elected officials' minds that state parks are potential economic engines. Three strategies were used. First, the economic impact of visitors to 37 Texas state parks on the counties in which those parks were located was studied. In presenting the results, the State's investment in the parks was positioned as seed money which was highly leveraged to generate substantial gains in income for residents in those counties. It was also pointed out that parks are analogous to retail stores in that providing a facility is no guarantee of economic success. Economic success is dependent on what happens inside the facility. Like a retail store, a park is likely to be economically successful only if the state invests in attractive, popular products and services inside the facility.

The second strategy was to establish the statewide economic contribution of state parks by evaluating their role in attracting tourists to Texas. It was concluded that a strong case could be made for state parks being the primary engine of tourism in Texas. Since tourism is one of the top five industries in the state, and Texas is ranked second only to California among all states in tourism, this role has obvious economic implications.

The final strategy was to estimate the contribution to the state's treasury that accrued from the sales tax levied on recreation and sporting equipment. This recognizes that these sales taxes are to some extent dependent on the availability of park facilities at which the equipment can be used.

**KEYWORDS:** economic impact, state parks, tourism

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### The Context

The Texas Legislature meets for 120 days from January through May every second year. Their main task is to establish a budget for all state agencies for the next two years. The State has no income tax and its primary source of revenue is the sales tax. When the Legislature met in early spring

of 2001, the Texas economy was still strong. The Comptroller's office forecast a \$5 billion revenue surplus which the Legislature could use to expand its budget for the FY 2001/02 and FY 2002/03 biennium.

When the Legislature met in spring 2003, they were confronted with a very different situation. The Comptroller's office announced their projections indicated there would be a shortfall of almost \$10 billion in the FY 2003/04 and FY 2004/05 biennium. In Texas, the Comptroller has exclusive authority to determine how much revenue will be available in a forthcoming biennium and the Legislature is mandated to work within those parameters. The Texas Constitution requires the Legislature to pass a balanced budget.

The Texas State biennium budget total in FY 2002/03 was approximately \$113 billion. However, of the \$113 billion, about \$35 billion was really pass-through money that came from the federal government to operate what were essentially federal programs. In addition, some of the remaining funds were "dedicated" to specific purposes. For example, three-quarters of the money the State collected from gasoline taxes could by statute be used *only* for highways and other transportation. These dedicated monies amounted to \$16 billion, and were essentially "off-book" when it came to resolving the deficit.

After taking out the federal and dedicated monies, the remaining \$62 billion was the effective state budget from which the deficit had to be taken. However, of that \$62 billion, \$22 billion went directly to local school districts. The Legislature was not mandated to allocate those funds, but if it did not, the consequence would be that school districts would have to raise local property taxes to cover the shortfall created by the State. Given that the Governor, Lieutenant Governor (Leader of the Senate) and Leader of the House had all proclaimed that (1) education was the State's highest priority area, and (2) there would be no new taxes, it was likely that these school funds would be considered inviolable.

This meant that the Legislature was faced with having to cut \$10 billion out of the \$40 billion that remained. The implication was that 25% would have to be cut from universities, prisons, health care facilities, regulatory agencies, and other government functions, including state parks.

### **Formulating a Repositioning Strategy**

As 2002 progressed, it became clear to everybody that when the Legislature convened in spring 2003, it would be confronted with a budget crisis of unprecedented magnitude. Given the scenario described in the above paragraphs, senior managers in the Division of State Parks in the Texas Parks and Wildlife Department (TPWD) and their allies in the conservation community across Texas recognized that the state parks' budget of almost \$60 million could be subjected to devastating cuts.

These advocacy groups believed that most of the state legislators perceived state parks to be a relatively discretionary, nonessential service which was nice to have, but in difficult economic times there were more important, essential services that needed to be protected first. This was the

dominant position, or place in the mind, that state parks occupied among elected officials. Hence, one of the strategies the conservation community decided upon in an effort to minimize the magnitude of the inevitable budget cut was to reposition state parks so they would be perceived as positive contributors to the State's economy rather than as a welfare service requiring a large subsidy.

It was believed that any data or analyses emanating from inside the agency would be viewed with suspicion by legislators as being self-serving and biased. Hence, it was recognized that the repositioning effort would have to be led by credible sources from outside the agency. The Texas Coalition for Conservation (TCC) was constituted in 2002 as a new umbrella organization to provide a focus point to bring common concerns of the conservation community to the attention of the Legislature. Its executive director was a highly respected and widely networked individual who had a lifetime's experience of working with Texas political figures at both the federal and state levels. TCC took lead responsibility for funding the data and analyses needed to support the repositioning effort, thus enhancing the perceived legitimacy of the study. The work itself was undertaken by the authors of this paper.

The study focused on developing data that would provide a three-pronged platform foundation for the repositioning effort. First, the challenge was to position state parks as economic engines in their host communities. The intent was to align them with other major businesses in a local community such as a manufacturing plant. If a plant retrenches its labor force or closes, it is liable to have a major negative impact on its host community. Many Texas state parks are located in rural areas which are especially vulnerable to losses and it seemed likely that the impact of budget cuts on an area's economy would be similar to those imposed at a manufacturing plant. The expenditures in the area by visitors (who by definition are tourists) who come to those parks and the budget funds the parks receive from the state are important ingredients in many rural economies.

Whereas the first prong of the study focused on the local economic impacts of state parks, the study's second thrust was to establish the state-wide economic contribution of state parks. This was done by assessing state parks' role in attracting tourists to Texas. The third quest of the study was to estimate the contribution to the state's treasury that accrued from the sales taxes levied on recreational and sport equipment. This recognizes that the economic viability of equipment retailers and manufacturers in the State, upon which those sales tax revenues depend, is somewhat dependent on the availability of park facilities at which the equipment can be used.

### **An Historical Perspective**

The repositioning strategy effectively was an admission that parks' providers and advocates had forgotten the forces that launched the state parks system. They had disregarded the Texas aphorism, "You've got to

dance with the one that brung you” because the initial rationale for the system was based primarily on the potential of state parks to be economic engines for local communities.

The state parks movement in Texas officially began on May 1, 1923 when Governor Pat Neff addressed the legislature and urged his colleagues to pass legislation that would establish parks and camping facilities throughout Texas. In his speech, Neff predicted that parks would make Texas “the Mecca of automobile tourists” thereby making parks a financial asset to the state (Crunk 1994). The subsequent parks bill that was passed in 1923 established a five-member parks board chaired by David E. Colp. Colp had been one of the leaders of the Texas Good Roads Movement which promoted all-weather thoroughfares in the state since the movement’s inception in 1911. By the mid-1920s, the Ford motor plant was producing an automobile every 10 seconds and a profound revolution was occurring. As a result, “America was becoming a nation of nomads, leisure hours could now be spent more pleasurably, as tens of thousands of cooped-up souls responded to the call of the open-road on joy-riding vacations” (Bailey 1971, 853).

Colp was a car dealer from San Antonio. Governor Neff’s announcement that Texas needed a system of accessible state parks in order to draw more tourists to the state reinforced what Colp and other road developers had been preaching for many years. They were drawn to the state parks movement in part because they believed parks would benefit the cities and businesses that the highways connected. They realized that in the context of selling new highway projects, parks meant more tourists, which in turn meant more tourist dollars to local communities and more support for the highways. Others shared his view and a plethora of counties and small towns along major highways offered donations of land for state parks. Typical were the comments of a Brownsville County Judge in the Rio Grande Valley region of Texas:

The tourist crop will be bigger than the citrus fruit and dairy crop if we provide access for hunting and fishing and playing. We should start now and get a system of parks throughout the county [otherwise] we will fail to reap the big benefits of State Highway No. 12 unless we furnish outside earth roads and by providing good roads and parks and tourist camps. This county can soon be made the winter playground of Texas and the North Central States (Crunk 1994, 105).

By the time the legislature convened in 1925, the enthusiasm in local communities for attracting tourists resulted in the deeds to 64 potential park sites being promised to the State of Texas. Far more were offered, but the Park Board was selective in those it accepted. However, political infighting caused the legislature to reject many of the sites, and most of those which were rejected reverted back to their owners, and the movement lost momentum.

The momentum reemerged when President Roosevelt established the Civilian Conservation Corps in 1933 as part of his New Deal program to end the Great Depression and restore prosperity. The availability of substantial federal funds for conservation projects resurrected the state's interest in securing donations of land for parks. Suddenly, by the end of 1935 Texas had 32 state parks. The resurrection was termed, "nothing short of a miracle for Texas state parks" (Steely 1999, 59). Thus, in June 1936 the inaugural issue of *Texas Parade*, a magazine designed for motorists, featured an article on the state's parks bragging, "From 15,000 acre Palo Duro Canyon to 35,000 acre Caddo Lake on the upper Louisiana line, and from little Goose Island Park on the Gulf Coast at Rockport to the 5,700 acre Davis Mountains Park, facilities of astonishing beauty and appropriateness are being built" (Steely 1999, 114). The parks proved their tourism advocates were accurate because a report in September 1936 indicated that almost 500,000 people visited 18 of the parks in the previous three summer months (Steely 1999).

### **Identifying the Economic Impact of 37 State Parks**

The study was conducted in 2002. The 37 state parks included were selected to represent a diverse cross-section of the state park system across Texas. Some consideration in the selection process also was given to including parks that were in the districts of key legislators, who were in positions of leadership or members of the Appropriations Committees. Seven of these 37 parks reported a surplus of revenue generated by the park over direct operating expenditures (Table 1, column 3). However, it should be noted that the direct operating expenditures (column 2) do not include such elements as the cost of support services provided by TPWD's regional, divisional and central offices; capital expenditures; depreciation of capital equipment costs; and debt charges on facilities.

The revenues reported on column 1 of Table 1 include admission fees, concession revenues, facility fees, and donations generated at the parks. State parks do have other sources of revenue but they are not reported as park generated income. For example, sales of annual admission passes generate approximately \$2.5 million. Thus, the data reported in Table 1 do not include those costs and revenues which cannot accurately be attributed to individual parks.

TPWD traditionally has provided the legislature with *financial* reports, such as those shown in the first three columns in Table 1, showing the revenues which accrued and the expenditures that were invested at both the agency-wide level and at the level of individual units within the agency. However, this approach fails to capture the broader economic benefits that accrue to a host community from the expenditures made in that community by visitors from outside that area.

**Table 1**  
**Summary of Findings**  
**(Fiscal Year 2002)**

PARK	FINANCIAL STATUS			ECONOMIC STATUS				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	PARK REVENUE	PARK EXPENDITURES	PARK OPERATING SURPLUS/LOSS	NUMBER OF NON-LOCAL VISITORS	ANNUAL EXPENDITURES OF NON-LOCAL VISITORS	IMPACT ON SALES	IMPACT ON RESIDENTS' INCOME	NUMBER OF JOBS CREATED
Admiral Nimitz	\$480,224	\$651,505	(\$171,281)	49,297	\$2,390,897	\$4,234,981	\$1,687,796	113.3
Bastrop	\$595,137	\$740,449	(\$145,312)	200,880	\$1,526,885	\$2,751,191	\$1,188,545	80.3
Caprock Canyons	\$81,568	\$344,393	(\$262,825)	86,365	\$382,203	\$862,044	\$537,582	31.6
Cedar Hill	\$748,715	\$859,743	(\$111,028)	178,493	\$2,427,306	\$4,906,835	\$1,977,543	80.2
Choke Canyon-Caillham	\$308,758	\$501,445	(\$192,687)	96,838	\$1,318,933	\$2,086,621	\$806,770	74.0
Cleburne	\$180,676	\$314,486	(\$133,810)	127,280	\$901,144	\$1,632,097	\$631,373	38.4
Davis Mountains	\$288,872	\$307,409	(\$18,537)	302,001	\$4,499,819	\$5,641,389	\$2,309,351	142.6
Dinosaur Valley	\$479,551	\$383,732	\$95,819	155,680	\$1,536,565	\$2,230,100	\$955,833	70.9
Eisenhower	\$418,813	\$505,816	(\$87,003)	128,522	\$966,522	\$1,919,976	\$831,456	50.1
Enchanted Rock	\$631,340	\$271,096	\$360,244	200,960	\$5,423,814	\$8,029,331	\$3,242,575	221.4
Fort Richardson	\$83,549	\$402,196	(\$318,647)	80,482	\$528,613	\$1,055,467	\$441,029	35.3
Fullon Mansion	\$39,520	\$257,662	(\$218,142)	29,298	\$1,284,149	\$2,023,009	\$791,238	53.8
Galveston Island	\$715,828	\$713,282	\$2,546	147,014	\$2,693,289	\$4,487,674	\$1,693,650	105.5
Garner	\$1,276,477	\$948,312	\$328,165	240,436	\$2,154,307	\$3,998,266	\$1,702,165	109.5
Goliad	\$107,775	\$503,499	(\$395,724)	80,251	\$1,101,046	\$1,971,414	\$848,057	69.9
Goose Island	\$383,631	\$532,197	(\$148,566)	137,906	\$2,058,942	\$3,252,366	\$1,358,265	91.8
Guadalupe River	\$401,710	\$402,363	(\$653)	148,188	\$1,622,663	\$2,836,890	\$1,138,400	66.5
Huntsville	\$600,975	\$620,196	(\$19,221)	195,066	\$1,170,397	\$2,119,698	\$857,104	59.1
Indian Lodge	\$950,051	\$1,394,877	(\$444,826)	26,793	\$1,418,395	\$3,038,142	\$1,203,080	80.3
Inks Lake	\$1,091,238	\$793,923	\$297,315	215,382	\$1,791,976	\$3,017,949	\$1,174,346	65.9
Lake Bob Sandif	\$190,474	\$234,684	(\$44,190)	78,284	\$1,233,123	\$1,822,524	\$788,187	54.1
Lake Casa Blanca	\$302,487	\$579,442	(\$276,955)	8,176	\$71,046	\$560,744	\$259,039	17.6
Lake Mineral Wells	\$357,216	\$650,225	(\$293,009)	6,172	\$420,667	\$1,372,398	\$512,014	30.2
Lake Somerville-Birch	\$215,559	\$370,939	(\$155,380)	95,129	\$697,071	\$1,527,088	\$653,858	47.8
Lake Somerville-Nails	\$95,009	\$260,784	(\$165,775)	54,763	\$467,848	\$910,787	\$381,158	25.2
Landmark Inn	\$75,140	\$240,015	(\$164,875)	3,081	\$92,180	\$401,910	\$158,943	12.1
Lost Maples	\$312,469	\$287,368	\$25,100	107,692	\$1,373,077	\$2,043,369	\$848,898	63.2
Martin Dies, JR.	\$288,242	\$468,963	(\$180,721)	118,597	\$967,755	\$1,834,478	\$797,186	57.9
McKinney Falls	\$348,350	\$404,937	(\$56,587)	39,235	\$333,501	\$1,021,697	\$414,822	20.2
Palo Duro Canyon	\$627,203	\$641,893	(\$14,690)	138,785	\$3,724,990	\$6,040,701	\$2,410,723	168.7
Pedernales Falls	\$430,473	\$11,483	\$11,483	47,033	\$1,274,174	\$2,095,179	\$808,679	59.1
Possum Kingdom	\$317,663	\$454,806	(\$137,143)	78,050	\$401,960	\$1,068,366	\$442,664	30.9
San Jacinto Battleship	\$774,216	\$1,741,212	(\$966,996)	245,735	\$9,908,447	\$17,040,205	\$5,423,876	282.6
Seminole Canyon	\$116,879	\$271,928	(\$155,049)	29,346	\$672,603	\$1,202,272	\$475,174	33.9
South Llano River	\$170,054	\$288,924	(\$118,870)	42,201	\$249,410	\$614,406	\$240,219	14.4
Texas State Railroad	\$743,625	\$2,477,687	(\$1,734,062)	83,339	\$1,454,266	\$4,694,981	\$1,877,462	124.3
Washington on the Brazos	\$279,806	\$662,115	(\$382,309)	199,746	\$2,357,844	\$3,927,393	\$1,517,461	100.1

Thus, although most state parks show a direct operating loss, many of them, especially in rural areas, are viewed as important economic engines in their host communities because they attract non-resident visitors who spend money in the local community beyond that expended in the park itself. The new money from outside of the community creates income and jobs in the community for residents. The primary purpose of economic impact studies is to assess the amount of income and number of jobs these park visitors create. In this context, a state park budget provides seed revenues which leverage substantial economic gains for the community. If the state resources were not used to financially underwrite the cost of operating these parks, then the consequent economic benefits to the host community would not accrue.

The survey instrument used in this study was similar to that which was used in previous economic impact studies reported in this Journal (Crompton & Lee, 2000). Surveying occurred between May and October 2002 and a total of 5,158 individuals were interviewed at park sites.

Data were derived from convenience samples of visitors, not probability samples, so the representativeness of the sample is not known. From past experience, the authors have found that the accuracy of such samples is improved if "outlying" atypical values are removed, and this was done in the present study. Given the convenience structure of the samples, their small size, and the relatively short timeframe in which data had to be collected, it was emphasized that the results should be viewed as tentative and illustrative, rather than definitive. However, the results did indicate that TPWD facilities were substantial economic development generators, even after taking into account that there could be a large error range around the estimates forthcoming from the study. The parks' economic importance was accentuated in those rural counties where there were few job opportunities beyond those created by tourist activity associated with the parks.

The basic principles associated with economic impact studies were discussed by Crompton and Lee (2002). In accordance with those principles, expenditures by those visitors residing in a park's host county were labeled as "locals" and were omitted from the analysis, as were those visitors labeled as "casuals," i.e., non-local visitors who were attracted to the host community for other reasons (for example, to visit friends or relatives) but who elected to visit the state park while in the area.

For each park, four measures of economic impact were calculated: direct expenditures, impact on sales, impact on personal income, and impact on full-time equivalent number of jobs created. The *direct expenditures* data were collected in the surveys. After local and casual visitors were removed, the direct expenditures were then totaled and extrapolated from the sample to the park's total annual attendance (Table 1, columns 4 and 5).

The total direct expenditure data were then used as inputs to the IMPLAN input-output model for the county of interest to derive estimates of (1) sales (column 6); (2) personal income (column 7); and (3) jobs

(column 8). Crompton and Lee (2000) emphasized that from a policy perspective, impact on *sales* does not have much relevance to policy makers or residents. Their concern is with knowing how much extra income and how many jobs the county's residents will receive from the injection of funds from visitors. They have no interest in the value of sales, per se, because it has no impact on the standard of living in the county. The most meaningful economic impact indicator is that which measures the contribution visitor spending makes to the *personal income* of residents in a county. Finally, with regard to these alternate measures of economic impact, it should be noted that the *number of jobs created* refers to "full-time equivalent" jobs which is different from full-time jobs. A summary of the results of these analyses is given in Table 1.

The data demonstrated the economic importance of state parks to local communities. It was noted earlier that at 7 of the 37 state parks analyzed, there was an operating surplus (column 3). However, in addition to the operating surplus, these parks generated a substantial number of jobs and income to local people. For example, Garner State Park had an operating surplus of \$328,165 and, in addition, generated 109 full-time equivalent jobs and \$1.7 million in income to the residents of Uvalde County. Thus, the state is able to create a substantial economic engine in Uvalde County with little or no cost through its seed investment of operating funds for Garner State Park.

In other situations where there is a net operating loss, the State's investment may still leverage a substantial return. For example, Lake Bob Sandlin reported a direct operating expenditure loss of over \$44,000, but the park generated 54 jobs and almost \$800,000 in income for the residents of Camp County. This equates to a cost to the state of approximately \$800 per job ( $\$44,000 \div 54$ ) and a leverage ratio of 1:18, i.e., each net state dollar invested generated \$18 of income for local residents. It is likely that this level of return on public investment would be widely applauded if it were announced by an economic business development agency in the context of a manufacturing plant or service that the agency had been encouraged to locate in a community. It is recognized that this direct operating loss does not include overhead costs, but even after they were included, the returns to host communities on the state's park investments are likely to be impressive.

In some ways, state parks are analogous to retail stores. The park, like the store, is a facility, but it is only a shell. Merely providing a facility is no guarantee of economic success. Economic success is dependent on what happens inside the facility. If the retail store invests in attractive, popular products or services, then the store is more likely to be economically successful. Similarly, the economic success of parks is reliant on investment in services and amenities inside them: structures, infrastructure, concessions, special events, trails, environmental education centers, interpretation programs, et al. Such investments will likely lead both to more visitors and to higher per capita expenditures per visitor. The result of such investment

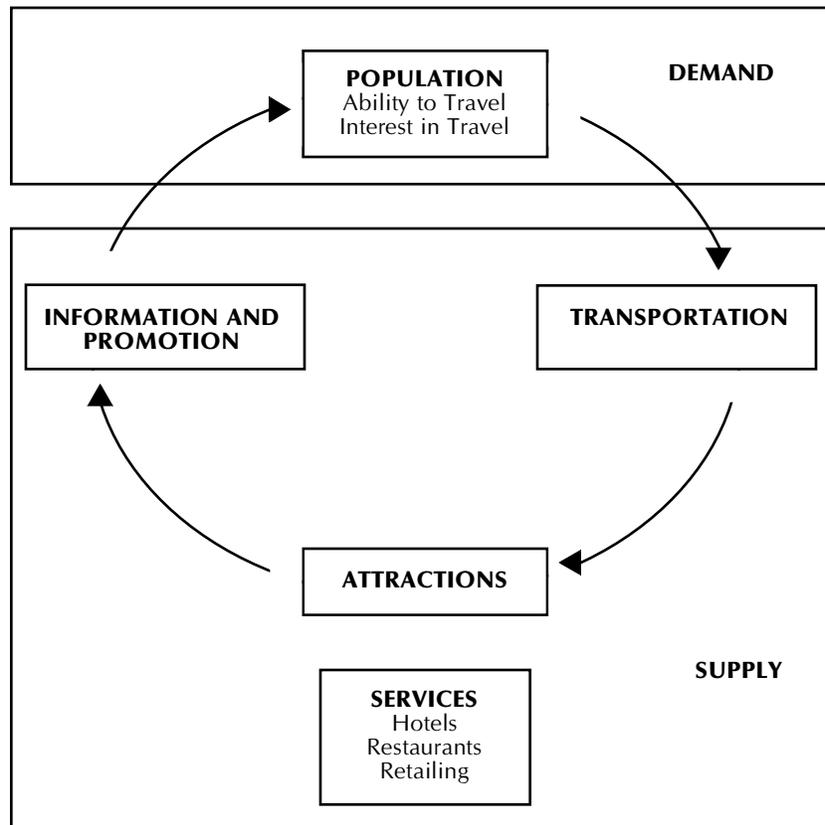
will be higher revenues to the state *and* more jobs and income to residents in the parks' host communities. The converse also is likely to apply. Reduced state investments will likely lead to fewer visitors and reduced revenues both to the state and to the host communities.

### The State-Wide Contribution of State Parks to Tourism

Figure 1 shows a simplified model of the tourism system (Gunn 1988). It indicates that visitors use some mode of transportation (e.g., automobile or airplane) to leave their homes and travel to attractions, which are supported by various kinds of services (e.g., hotels/motels, restaurants, retailing). The attractions and support services provide information and promote their offerings to people whom they have identified as potential visitors.

The tourism system is activated by attractions. Only in rare cases do people leave their home and travel some distance by automobile or airplane

**Figure 1**  
**A Simplified Model of the Tourism System**



Source: Gunn (1988)

because they want to stay in a particular hotel or dine at a particular restaurant in a different locale. Most of the time, the desire to go to a destination on a pleasure trip is stimulated by attractions.

The primary attractions sought by visitors to Texas when they go on a pleasure trip are: parks, lakes, forests, beaches, wildlife areas, historical sites, museums, hunting and fishing opportunities, and sports events (Table 2). TPWD is a, and perhaps the, primary supplier and manager of these opportunities in the State of Texas. Further, through the grant and technical advisory programs which TPWD administers, the agency is a primary contributor to tourism attractions that are supplied and managed

**Table 2**  
**Mean Score Importance Ratings of Leisure Activities of Prospective Tourists to Texas**

SURVEY ITEMS	MEAN SCORE IMPORTANCE RATINGS
<b>Beautiful Beaches</b>	<b>3.8</b>
<i>Variety of Types of Great Food</i>	4.0
<b>State Parks</b>	<b>3.5</b>
<i>Large Cities</i>	2.7
<b>Activities like Golf and Tennis</b>	<b>2.2</b>
Amusements and Theme Parks	3.2
<b>Fresh or Saltwater Fishing</b>	<b>2.7</b>
<b>Good Campgrounds</b>	<b>2.8</b>
<b>Lakes and Boating Activities</b>	<b>3.1</b>
Cultural Events: Ballet, Theater, Symphony	2.6
Dude Ranches	2.3
<b>Festivals or Special Events</b>	<b>3.4</b>
<i>Friendly People</i>	4.4
Getting a lot for your Money	4.6
Good Highways	4.2
<b>Good Hiking Trails</b>	<b>2.9</b>
<b>Historical Sites</b>	<b>3.9</b>
<b>Interesting Wildlife</b>	<b>3.6</b>
<i>Laidback Atmosphere</i>	4.2
<b>Museums</b>	<b>3.5</b>
<b>Opportunities for Adventure</b>	<b>3.6</b>
<b>Pretty Scenery</b>	<b>4.4</b>
Safety	4.5
<i>Shopping Opportunities</i>	3.6
Spectator Sports: Basketball, Baseball, Football	2.8
<i>Tolerant People</i>	4.2
<i>Weather</i>	4.4
<i>Western Image</i>	2.9

SOURCE: Tourism Division, Texas Department of Commerce

Shaded Items: items influenced by TPWD

Italicized Items: Generic items that cannot substantially be influenced by either government actions or by the concerted actions of private tourism suppliers.

by local units of government and the private sector. In short, TPWD is central to Texas' tourism businesses. Indeed, a strong case can be made that it is **the** primary engine of tourism in Texas.

The Tourism Division of the Texas Department of Commerce conducts regular surveys of prospective visitors to Texas who reside outside the state. In the 2002 survey, respondents were asked, "How important is each of the following items to you when you are on a leisure trip." They responded to 28 individual items on a 5-point scale ranging from "not at all important" (scored 1) to "very important" (scored 5). The results are shown in Table 2. There are two things to note about the table:

1. Many of the items cannot be substantially influenced either by government actions or by the concerted actions of private tourism suppliers. Such items include:
  - Variety of Types of Great Food
  - Large Cities
  - Friendly People
  - Laidback Atmosphere
  - Shopping Opportunities
  - Tolerant People
  - Weather
  - Western Image
  
2. In contrast, almost half (13) of the items are subject to influence by TPWD:
  - Beautiful Beaches
  - State Parks
  - Activities like Golf and Tennis
  - Fresh or Saltwater Fishing
  - Good Campgrounds
  - Lakes and Boating Activities
  - Festivals or Special Events
  - Good Hiking Trails
  - Historical Sites
  - Interesting Wildlife
  - Museums
  - Opportunities for Adventure
  - Pretty Scenery

Several of the important items on the list (scoring more than 3 out of 5) reflect the "core business" of TPWD. These include Beautiful Beaches, State Parks, Lakes and Boating Activities, Festivals or Special Events, Historical Sites, Interesting Wildlife, Museums, Opportunities for Adventure, and Pretty Scenery.

Tourism has for some years consistently ranked as one of the top five industries in Texas. Nationally, Texas is ranked second in tourism to

California. A review of the items in Table 2 that the Tourism Division reports to be key to attracting visitors to Texas, confirms that TPWD is probably the largest supplier of the state's tourism product. Hence the expansion of tourism in Texas and retention of Texas' competitive position in this industry is likely to be strongly influenced by the extent to which the state invests in the tourism product supplied and managed by TPWD.

#### *Value of Outdoor Recreation Equipment Sales in Texas*

The National Sporting Goods Association (NSGA) publishes an annual report of recreation equipment sales. Total value of retail recreation equipment sales in Texas in 2001 was \$1,357,392,000. The economic viability of equipment retailers in a community and of manufacturers of all types of recreational equipment relies heavily on the availability of park and recreation facilities at which the equipment can be used. The nexus between equipment sales and facility provision was recognized by the Texas Legislature in 1993 when it passed legislation specified in S151.801 of the Texas Statutes requiring the Comptroller to credit \$32 million in sporting goods tax revenue annually to TPWD. The statute states (clause (e)(2)):

“Sporting goods’ means an item of tangible personal property designed and sold for use in a sport or sporting activity, excluding apparel and footwear except that which is suitable only for use in a sport or sporting activity, and excluding board games, electronic games and similar devices, aircraft and powered vehicles, and replacement parts and accessories for any excluded item.

The only information received by the Comptroller on sales taxes from the retailer outlets that collect them is the retailers' gross receipts which are subject to sales tax. No data are provided regarding the types of goods sold. Hence, the Comptroller has no means of directly measuring how much of the total sales taxes received by the State is derived from sporting goods. In lieu of hard data, the Comptroller's estimates of sales tax revenues are derived from the annual NSGA report. Based on those data, the receipts to the State's treasury were estimated at \$93.0 million.

#### **Discussion**

This study had three objectives: (1) to estimate the economic impact of visitors to 37 Texas state parks on the counties in which those parks were located; (2) to evaluate the contribution of state parks to the Texas tourism industry; and (3) to estimate the value of recreation and sport equipment purchases in Texas. These three dimensions of the economic contributions of state parks represent only part of their economic value because they exclude economic contributions derived from such amenity benefits as air cleansing, groundwater storage and cleansing, flood control, enhancement of real estate values, alleviation of stress, pleasing vistas, and impact on business and retiree relocation decisions. These three dimensions were selected because they were the dimensions to which an economic value could most easily be assigned.

Parks traditionally have not been evaluated in economic terms, because there are many other appealing and rational justifications for acquiring and operating them. Unfortunately, when park providers have to compete for funds with other public services, these traditional justifications do not propel parks to a position of prominence. In the minds of elected officials and taxpayers, state parks are perceived to be a discretionary service whose importance lags far behind such essential state services as grade school education, higher education, highways, health care, prisons, et al. Hence, when state government is forced to allocate large budget cuts among these amenities, parks are likely to be disproportionately adversely impacted.

The only way to avoid this outcome is to change the context of the debate so parks are perceived to be a service that is essential to the material, economic (as opposed to spiritual/psychological) well-being of citizens. This change of context is essential to reflect the pervasive, persuasive rhetoric of elected officials who say, "I am in favor of parks, but we cannot afford them in the present difficult economic situation because there are more pressing priorities." If the debate parameters are changed so the discussion revolves around jobs and incomes, then there is a greater likelihood that adverse budgetary impacts on parks can be ameliorated.

The challenge of park providers and advocates is to achieve widespread recognition of the economic contributions of parks and to measure them, so they are adequately represented in the planning, social, and political calculus of budgetary decisions. In Texas, recognition of the centrality of parks to tourism was key to creating momentum for establishing a state parks system. In recent decades, park providers and advocates disregarded this economic rationale. The economic case for parks was similarly prominent in creating momentum for the National Parks system in its formative years, and probably played a role in many other state park systems.

This paper has demonstrated how to generate data at a relatively low cost to support the economic case for repositioning parks as economic engines in host communities, in state tourism, and in contributions to the state treasury through their role in stimulating sales of equipment. When this report was completed, a day-long forum was convened in the State Capitol building in Austin, Texas, to discuss the results. Legislators and their staffs attended and the event served to sow the seeds of repositioning state parks. The report provided a "selling" document with evidence that advocates could use in subsequent months to lobby legislators and make presentations to groups in their local communities.

When the budget was finally passed in May 2003, the net reduction in the State Parks budget was less than 2%. This was remarkable, given the average agency budget cut was 12%. At hearings on the parks budget in the House Appropriations Committee, several legislators had the report in front of them and indicated they were not going to support budget cuts that would cause economic hardship in their districts. The framework of the debate had been changed! Another short-term indicator of its potential success was a commitment by TCC to commission economic impact studies

at all those parks which were not surveyed in the study reported here. Having been convinced of the utility of this approach, their lobbyists wanted to have data for the next legislative session that they could use to inform all legislators of the economic role of parks in their districts.

Two points should be stressed. First, it is of paramount importance that data are collected and analyzed with integrity. Economic impact studies are notorious for using hyperbole created by false assumptions and faulty analyses. In the authors' view, this becomes self-defeating. If the data and analyses are suspect, then the whole lobbying effort is undermined. Second, evidence of the short-term effectiveness of this approach was dramatic, but it represents only a starting point. Legislators turn-over, so there is an ongoing challenge to repeatedly establish this revised position with new legislators. Repositioning is a difficult task because it involves shifting widely-held, long-established attitudes towards parks. Hence, it is likely to take many years of persistent reiteration of the economic engine role of parks before it becomes widely accepted again as conventional wisdom.

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