
FISCAL ISSUE BRIEF



State Park Campgrounds 1999-2000 Season Closings

Senate Office of Fiscal Policy Analysis

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Questions

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Introduction

On July 13, 1999, the Minnesota Department of Natural Resources announced that overnight camping would not be offered this fall or winter in several State Parks. Due to budget changes within the DNR Parks and Recreation Division, twenty State Parks were scheduled to close their campgrounds after Labor Day (September 6, 1999) this year and not to re-open them until the Memorial Day (May 29, 2000) weekend next year. The campgrounds scheduled to close are located at the following parks: Beaver Creek Valley, Big Stone Lake, Carley, George H. Crosby Manitou, Glacial Lakes, Great River Bluffs, Hayes Lake, Kilen Woods, Lake Louise, Lake Maria, Charles A. Lindbergh, Judge C.R. Magney, Monson Lake, Moose Lake, Old Mill, Rice Lake, Schoolcraft, Split Rock Creek, Upper Sioux Agency and Zippel Bay. (See map, page 3)

Background

Minnesota Rules 6100.1250, which governs camping in State Parks, does not limit the season in which camping may take place. Before this year, camping has been allowed throughout the year. Numbers of people actually using the park campgrounds normally drops off when the fall color season ends in early October and does not pick up again until fishing seasons are open in early- to mid- May.

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One tool the Parks and Recreation Division uses to determine what levels of service should be provided at what locations is called the “Funding Decision Matrix.” In developing this matrix, all state parks are divided into groups based on the amount of activity at each, the types of facilities at each, the revenues derived at each and so forth. Based upon a park classification study, the parks have been divided into the following groups.

| | | | |
|--|--|---|---|
| <p><u>Group A (15)</u> Itasca St. Croix Fort Snelling Soudan Mine Whitewater Sibley Gooseberry Falls Wild River William O’Brien Jay Cooke Tettegouche Forestville Interstate Lake Bemidji Lake Carlos</p> | <p><u>Group B (19)</u> Mille Lacs Kathio Flandreau Blue Mounds Myre-Big Island Lake Shetek Camden Lake Bronson Split Rock Lighthouse Afton Savanna Portage Minnesota Valley Frontenac Scenic Hill Annex Mine Fort Ridgely Father Hennepin Maplewood Minneopa McCarthy Beach</p> | <p><u>Group C (9)</u> Buffalo River Cascade River Bear Head Lake Sakatah Lake Banning Nerstrand Crow Wing Temperance River Lac qui Parle</p> <p><u>Group E (4)</u> Carley Monson Lake Crosby Manitou Schoolcraft</p> | <p><u>Group D (17)</u> Rice Lake Old Mill Zippel Bay Lake Maria Beaver Crk Valley Great River Bluffs Hayes Lake Judge Magney Lindbergh Glacial Lakes Upper Sioux Agcy Split Rock Creek Kilen Woods Lake Louise Big Stone Lake Moose Lake Grand Portage</p> |
|--|--|---|---|

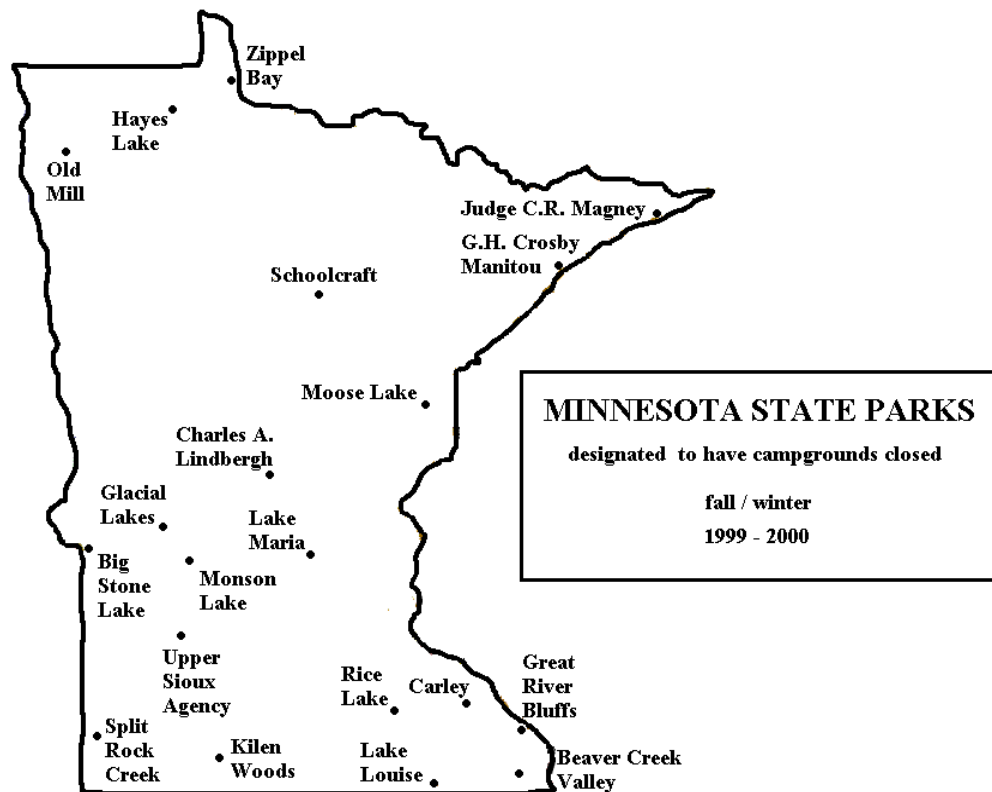
The next step in the funding matrix is to determine funding priorities. These levels have been determined as follows.

| |
|---|
| <p>Funding Level 1: Primary Services (Focus on minimum administration, resource & facility protection)</p> <p>Funding Level 2: Memorial Day to Labor Day Day Use Activities (Add public contact, education, day facility maintenance)</p> <p>Funding Level 3: Memorial Day to Labor Day Overnight Activities (Add overnight facility maintenance, increase education activities)</p> <p>Funding Level 4: Spring and Fall Day Use Facilities (Extend season on public contact activities)</p> <p>Funding Level 5: Spring and Fall Overnight Activities (Extend facility maintenance)</p> <p>Funding Level 6: Winter Activities and Other Services (Add winter maintenance, trail grooming, special activities)</p> |
|---|

Based on park groupings and funding priorities, the Division sets up a matrix to determine which group of parks should get what levels of funding. Fiscal Year 2000 service level priorities were established as follows:

| | Funding Level 1 | Funding Level 2 (summer daytime) | Funding Level 3 (summer overnight) | Funding Level 4 (fall/spring daytime) | Funding Level 5 (fall/spring overnight) | Funding Level 6 (winter, etc.) |
|---------|-----------------|----------------------------------|------------------------------------|---------------------------------------|---|--------------------------------|
| Group A | 1 | 6 | 7 | 10 | 12 | 26 |
| Group B | 2 | 8 | 9 | 13 | 20 | 27 |
| Group C | 3 | 11 | 14 | 18 | 23 | 28 |
| Group D | 4 | 15 | 16 | 21 | 24 | 29 |
| Group E | 5 | 17 | 19 | 22 | 25 | 30 |

Based on the level of funding received by the Division, it was determined that services could only be provided up to box number 23, cutting out fall and spring overnight activities at group D and E parks. As usual, the Division plans to extend funding somewhat beyond this level (for example, to provide some winter activities), but could not continue to extend the money to cover off-season camping to parks in groups D and E as it had in past practice.



State Park Overnight Visitors, 1998-99 Season

| | <u>off</u> <u>season</u> | <u>whole</u> <u>season</u> | <u>off season</u> <u>% of total</u> |
|----------------------|-----------------------------|-------------------------------|--|
| Beaver Creek Valley | 2,058 | 6,945 | 30% |
| Big Stone Lake | 921 | 3,335 | 28% |
| Carley | 406 | 1,636 | 25% |
| Charles A. Lindbergh | 1,282 | 6,086 | 21% |
| G.H. Crosby Manitou | 545 | 1,959 | 28% |
| Glacial Lakes | 1,026 | 8,521 | 12% |
| Great River Bluffs | 1,097 | 4,764 | 23% |
| Hayes Lake | 307 | 3,825 | 8% |
| Judge C.R.Magney | 845 | 7,602 | 11% |
| Kilen Woods | 358 | 2,178 | 16% |
| Lake Louise | 517 | 3,241 | 16% |
| Lake Maria | 1,972 | 4,238 | 47% |
| Monson Lake | 137 | 949 | 14% |
| Moose Lake | 564 | 6,862 | 8% |
| Old Mill | 291 | 1,825 | 16% |
| Rice Lake | 1,593 | 7,030 | 23% |
| Schoolcraft | 437 | 1,680 | 26% |
| Split Rock Creek | 707 | 6,822 | 10% |
| Upper Sioux Agency | 380 | 3,258 | 12% |
| Zippel Bay | 430 | 5,464 | 8% |
| totals | 15,873 | 88,220 | 18% |

For the twenty parks scheduled to close campgrounds this fall and winter, off-season camping last season represented approximately 18% of the combined number of campers at these locations. Actual number of off-season campers at these parks totaled approximately 15,800 people. (See chart)

While the significance of off-season camping was low at some parks (Hayes Lake, Moose Lake and Zippel Bay only experienced approximately 8% of the year's campers in the off-season), Lake Maria experienced approximately 47% of the year's campers and Beaver Creek Valley experienced approximately 30% of the year's campers during the off-season.

Parks and Recreation Division Budget

| | <u>2000</u> | <u>2001</u> |
|---|---------------|---------------|
| Parks and Recreation Division Budget (dollars in thousands) | | |
| <u>Base:</u> | | |
| General Fund (GF)* | \$27,176 | \$27,864 |
| Special Revenue | \$ 3,485 | \$ 3,485 |
| Other Funds | <u>\$ 704</u> | <u>\$ 701</u> |
| | \$31,365 | \$32,050 |
| <u>GF Increases:</u> | | |
| Park Operations | \$ 850 | \$ 850 |
| Metro Parks increase | \$ 1,500 | \$ 1,500 |
| Other | <u>\$ 50</u> | <u>\$ 0</u> |
| | \$33,765 | \$34,400 |
| *note that the base includes a 3% per year increase on salaries and benefits built into the Governor's budget | | |

The Parks and Recreation Division has a budget for fiscal year 2000 of \$33.8 million. Of this amount, \$29.6 million is directly appropriated from the General Fund. Four and a half million dollars is transferred from the General Fund appropriation as a grant to the Metro Park system, leaving \$25.1 million for the State Park and Recreation system.

| | |
|--|------------------|
| Net General Fund Appropriation to the Park and Recreation System, FY 2000 (dollars in thousands) | |
| GF Appropriation | \$29,576 |
| Grant to Metro Parks | -\$ 4,500 |
| GF Revenues | <u>-\$ 7,403</u> |
| | \$17,673 |

Off-setting this amount, the Division deposits non-dedicated revenues into the General Fund from several sources. The two largest sources of revenue to the General Fund are sales of Park Permits, which generate approximately \$3 million annually, and camping fees, which generate approximately \$2.8 million annually. Counting all revenues to the General Fund, the Division earns approximately 30% of its appropriation. Since these revenues are non-dedicated, however, increases or decreases do not change the Division's budget.

FY 2000 Budget Adjustments

The Division's operating budget for fiscal year 2000 includes an increase of \$850,000. This increase is \$238,000 less than the \$1.088 million included in the budget submitted to the legislature by the Governor. According to the Governor's budget, approximately 80% of the \$1.088 million needed (approximately \$870,000) was to go "towards seasonal labor, increasing the Division's staffing by 23.0 FTE." The remaining approximately \$175,000 "would be spent on supplies and miscellaneous park operating expenses." This would be in keeping with the Division's pattern of spending of approximately 75% on personnel.

| Allocation of \$850,000 Operating Budget Increase* | |
|--|-------------------|
| <u>Cost Increases:</u> | |
| Health Insurance | \$350,000 |
| Work Experience Program | \$ 90,000 |
| Unemployment | \$ 60,000 |
| Severance Pay | \$ 50,000 |
| Retiree Work Program | \$ 30,000 |
| Inflation | \$ 30,000 |
| <u>Miscalculations:</u> | |
| Miscounting 98-99 Rollover | \$ 90,000 |
| Additional Leap-Year Hours | \$ 50,000 |
| <u>Operational Changes:</u> | |
| Put Vehicles into | |
| Fleet Management Plan | \$150,000 |
| Add Manager at | |
| Split Rock Creek | \$ 50,000 |
| Increase Training Program | \$ 50,000 |
| Cut Sep-May Camping | |
| at 20 Parks | <u>-\$150,000</u> |
| | \$850,000 |
| *figures provided by DNR Parks | |

The Governor's budget stated that "prior appropriations authorized for the operation of state parks have not provided full funding for the minimum standards of the system. Under funding of the standards coupled with the impact of inflation has eroded the ability of state park managers to provide services necessary to serve the public year around and to maintain park buildings and facilities in a manner to avoid costly repairs and replacement." The budget stated that the initiative would "help offset inflation and allow state parks to better meet visitor, facility, and resource needs than in the 1998 fiscal year." It added that "it will not permit full operations year round."

When the Division finally allocated its budget, inflation and cost increases accounted for an even greater amount of the appropriation than was planned for in the Governor's budget. Including a \$350,000 increase in health insurance costs, unexpected cost-increases for FY 2000 totaled approximately \$610,000.

Normally insignificant miscalculations added another \$140,000, leaving only \$100,000 to spend at the Division's discretion.

In the final allocation, the decision was made to spend \$150,000 on fleet management, \$50,000 to add a manager at Split Rock Creek State Park and \$50,000 to increase training activities.

In order to balance the budget, the decision was made to close camping at 20 parks, thereby reducing the budgets of those parks by a total of \$150,000.

Recent Developments

On September 14, 1999, the DNR announced that camping at two of the 20 parks, Lake Maria and Glacial Lakes, was restored through financial contributions from local organizations, individuals and park support groups.