



OFFICE OF THE LEGISLATIVE AUDITOR
STATE OF MINNESOTA

PROGRAM EVALUATION REPORT

State Park Management



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State Park Management

January 26, 2000

Major Findings:

- Overall, the Parks and Recreation Division of the Department of Natural Resources (DNR) manages Minnesota's state parks reasonably well given the resources available to the division. (p. 26 in the full report)*
- Park visitors have consistently expressed satisfaction with Minnesota's state parks (p. 12) and would accept small increases in park fees. (p. 89)
- DNR uses reasonable standards and a fair process for setting priorities and allocating staff and operating budgets to individual parks based on park activity information. (p. 33)
- DNR has not emphasized resource management and preservation in state parks as much as providing recreational and interpretive services. (p. 53)
- The department's building maintenance database is of limited usefulness for evaluating building conditions and accurately estimating repair costs for state park buildings because data are unreliable, not updated, and inconsistent across DNR regions. (p. 67)
- Although data are limited, most buildings and facilities in Minnesota's state parks appear to be in good to fair condition. Roads and sewer systems in some parks need repair. (p. 69)

- DNR has a well-defined process for identifying capital improvement projects in state parks. The state park 2000-2001 operating budget was increased to fund the operating costs of new buildings funded in the 1998 state bonding bill. (p. 77)

Key Recommendations:

- DNR should continue to analyze the current state park system, develop baseline data using criteria proposed in its Minnesota State Park Land Study, and based on that analysis, examine possible modifications to Minnesota's state park system. (p. 61)
- DNR should ensure that its process of assessing the condition of buildings and estimating repair costs is consistent across regions. Once implemented, the department should report the results to the Legislature. (p. 71)
- The Legislature should require DNR to continue estimating operating and maintenance costs for new building construction projects contained in state bonding bills and including those estimates in the state park operating budget. (p. 80)

DNR does a good job of managing Minnesota's state parks, but there is room for improvement.

*For the full evaluation report, *State Park Management* (#PE00-02), which includes the agency's response, call 651/296-4708 or download from:

www.auditor.leg.state.mn.us/ped/2000/PE0002.htm

Report Summary:

The Department of Natural Resources (DNR) does a reasonably good job of managing Minnesota's state parks, although there is room for improvement.

The Parks and Recreation Division of DNR manages and operates 66 state parks, 4 recreation areas, 1 trail, and 8 waysides. The division employed 235 full-time staff and 550 seasonal and part-time employees and had an operating budget of approximately \$24 million in 1999. The budget increased 13 percent between 1990 and 1999, after being adjusted for inflation. Revenues from park visitors represented 31 percent of the state park budget in 1999.

Park Visitors Are Satisfied with Minnesota's State Parks

There were an estimated 8.6 million total visits to Minnesota state parks in 1998, of which about 914,000 were overnight visits. Total visits to state parks rose 10 percent and overnight visits increased 7 percent between 1990 and 1998. Most park visits (62 percent) occurred during the summer and most (60 percent) occurred on Friday, Saturday, and Sunday. Overnight visits were even more concentrated during the summer (81 percent).

Since 1987, over 90 percent of park visitors surveyed by DNR responded that they were satisfied with their visits to state parks. The most important park features to visitors were clean facilities and grounds, a natural setting, and well-protected natural resources.

DNR Uses a Reasonable and Fair Process to Set Funding Priorities for Individual State Parks

The department uses many reasonable practices to manage Minnesota's state parks. It uses rational standards and a fair process for allocating resources to individual parks, sets priorities for interpretive services based on an assessment of resources, uses a well-defined process to identify and rank capital improvement projects, solicits public input, and fosters positive working relationships with other agencies.

The process used to set priorities, make budget decisions, and allocate staff and operating budgets to individual parks is based on park activity information and is reasonable and fair. The department has not tracked the extent to which park staff accomplish the tasks outlined in its park operating standards since implementation of the statewide accounting system in 1996.

The most heavily used state parks are assigned a high priority and are least affected by budget shortfalls. DNR's decision to close fall through spring camping in the 20 least used state parks because of a fiscal year 2000 budget shortfall affected relatively few park users (16,000) statewide. For some individual parks, however, the impact was more significant because fall through spring camping represents a large share of total camping activity.

The recent reduction of services at state parks and an anticipated future budget shortfall highlight the need to consider alternatives to the current financing of state parks. There are several options for the Legislature and DNR to consider for addressing state park financing including: maintaining the status quo; reducing the size of the park system by

transferring, converting, or mothballing some state parks; cutting administrative costs of the parks division; and increasing funding for state parks.

The department's recent study of the state park system (*Minnesota State Park Land Study*, 1999 public review draft) includes a decision-making framework and criteria for evaluating new park proposals. DNR could use this approach to examine existing state parks and suggest modifications to the current park system.

In many respects, DNR has tried to manage seasonal parks staff efficiently. In 1998, it saved about \$364,000 in seasonal staff costs by using a work training program and it used over 155,000 volunteer hours in 1998. However, the department's ability to reduce the cost of seasonal staff has been limited by the terms of an agreement it negotiated with an employee labor union. Similarly, department guidelines, state law, and bargaining unit contracts limit the use of volunteers in state parks.

Resource Management in State Parks Has Been a Lower Priority for DNR

The department's goals for managing state parks are to provide outdoor recreation and education services and to manage and preserve cultural and natural resources in the parks. There are over 4,300 campsites in 63 state parks that offer camping. Campground occupancy for all parks averaged 72 percent on weekends and 26 percent on weekdays during the summer of 1998, but occupancy varied widely by park and day of the week. It can be difficult to get reservations for campsites at some popular parks on summer weekends.

Priorities for providing interpretive services in state parks are based on an

assessment of natural and cultural resources and park use. Twenty-six parks provided year-round or seasonal interpretive services in 1998, and these programs served nearly 188,000 park visitors. Interpretive staff in 14 parks were not able to meet school groups' demand for environmental education programs or the public's demand for specific naturalist programs.

To help preserve natural resources, DNR has specialized staff, conducts research and resource assessments, funds special projects, and develops park management plans. But DNR has not emphasized resource management and preservation as much as providing recreation and interpretive services. Much work remains to be done on developing baseline resource data and indicators of environmental condition before DNR can adequately monitor the impact of recreational use on natural resources in state parks. According to DNR, resource management has been assigned a lower priority because of public pressure on the department to provide park recreational and educational activities.

Most State Park Buildings Appear to Be in Fair to Good Condition

Minnesota's state parks contain 1,483 buildings (excluding about 300 pit toilets), of which 1,247 are actively maintained by DNR. These buildings range from vault toilets to visitor centers. DNR estimates that state park facilities have over \$13 million in deferred maintenance or needed repairs. Maintenance spending for these buildings totaled \$3.3 million between 1994 and 1998.

DNR's existing building maintenance database contains unreliable condition ratings and repair cost estimates, and inconsistent and out-of-date information. The lack of reliable data makes it

difficult to assess the condition or maintenance of state park buildings and facilities. However, the department is installing a new building maintenance database. The department should ensure that its new process for assessing the condition of buildings and estimating repair costs is consistent across DNR regions and, once implemented, the department should report the results to the Legislature.

Based on existing data, most park facilities appear to be in fair to good condition. Between 79 and 90 percent of buildings were rated in good condition (no significant immediate repair needed) or fair condition (repair conditions exist, no immediate action required) on each of six building components. Park managers gave satisfactory ratings to three-fourths of

park electrical systems, over half of public-use and administrative buildings, and less than 40 percent of park roads. Some park roads and sewer systems need attention.

DNR uses a well-defined process to identify an extensive list of over 1,300 capital improvement projects in state parks estimated at \$81 million (the Legislature has already invested over \$53 million in park-related facilities and land acquisition in the 1990s). The impact of additional operating costs for newly constructed state park buildings was incorporated into the state park 2000-2001 operating budget. The Legislature should require DNR to continue estimating future operating and maintenance costs for new state park buildings and including these costs in its operating budget.

Summary of Agency Response:

In response to the evaluation, DNR Commissioner Allen Garber wrote on January 6, 2000: “We believe that the evaluation was well done and are pleased with the results. . . . We will continue to work to make improvements in the areas you have noted and to seek the financing necessary to accomplish those improvements.”

Commissioner Garber also said, in part, that “DNR believes that the state park system pays its own way. We appreciate your footnote comment [on page 20 of the full report] and understand the ‘substitution effect’ but the fact remains that citizens made the choice to visit parks and not to attend a movie or ball game and therefore their expenditures should be credited to state parks. We also believe that comparisons with other states should contain the notation that Minnesota labor wages are consistently higher than other states and our park managers have additional responsibilities outside park boundaries that do not exist in other states.”

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Introduction

Minnesota has one of the oldest state park systems in the country, beginning with Itasca State Park in 1891. The current state park system consists of 66 state parks, 4 recreation areas, 1 trail, and 8 waysides.¹ The state parks and other areas represent special places that preserve natural landscapes and provide opportunities for people to enjoy nature. The Department of Natural Resources (DNR) estimates that over 8.6 million visits occurred in state parks in 1998 and that state residents accounted for 80 percent of these visits.² Many people have fond memories of their visits to state parks, such as walking across the headwaters of the Mississippi or picnicking at Gooseberry Falls.

The Parks and Recreation Division of DNR is responsible for the operation and maintenance of the state park system. The division uses its \$23.8 million operating budget (1999) to preserve and manage Minnesota's natural and cultural resources in state parks, while providing outdoor recreational and educational opportunities for current and future generations.

On April 21, 1999, the Legislative Audit Commission asked our office to evaluate the management of Minnesota's state parks. Our evaluation addressed the following questions:

- **How well are Minnesota's state parks managed? To what extent are buildings, campgrounds, trails, and roads adequately maintained in Minnesota's state parks?**
- **How does the parks division balance preservation of natural resources with the provision of outdoor recreation?**
- **Does the division have a process to adequately identify maintenance needs and estimate the operating costs of the state park system?**
- **What share of capital improvement expenditures was used to construct new buildings and what was used to rehabilitate or restore existing facilities in state parks?**
- **How does Minnesota's state park system compare with those in other states?**
- **How do neighboring states finance state park operations? What are the advantages and disadvantages of different financing options?**

¹ The Trails and Waterways Unit of the Department of Natural Resources manages most state trails and the Iron Range Off-Highway Vehicle Recreation Area in Virginia.

² The number of visits to state parks reflects the number of people entering the park system each day. When people leave the park and return another day, they are counted again.

Our methods included a survey, interviews, site visits, and analysis of existing data.

To answer these questions, we reviewed state statutes and laws, previous reports and studies about Minnesota state parks, policies and procedures, state park management plans, and DNR surveys of park users. We also examined park operating standards and budget documents and analyzed data on seasonal staff and volunteers, campground occupancy, and enforcement. We interviewed division staff in the central and regional offices and representatives from labor unions and park “friends” groups. To gain an understanding of state park operations, we made formal site visits to 19 parks, interviewed park managers and other staff, observed operations, and toured facilities.³ We informally visited an additional 12 parks. We also conducted a mail survey of park managers.

To assess the condition of state park buildings and facilities, we interviewed staff from DNR’s Bureau of Field Services and analyzed building maintenance data. We also examined the division’s process for identifying and ranking capital improvement projects and reviewed past projects. To compare Minnesota’s state park system with other jurisdictions, we conducted telephone interviews with representatives of state park management agencies in neighboring states and regional park agencies in the Twin Cities.

We did not look at issues related to individual parks. For instance, we did not examine in detail the lease or reuse proposals for the Upper Bluff of Fort Snelling or the swimming pool renovation at Buffalo River.

Chapter 1 reviews the history of Minnesota’s state park system and state laws governing its operation, presents information on park users and attendance, and examines the division’s organization and financing. Chapter 2 analyzes state park operations, including park operating standards and budget process, seasonal staff and volunteers, camping, interpretive services, and resource management. Chapter 3 focuses on facility maintenance and capital improvement procedures. Chapter 4 examines park user fees and options for financing state park operations.

³ We interviewed park staff at Beaver Creek Valley, Charles A. Lindbergh, Crow Wing, Fort Ridgely, Fort Snelling, Hayes Lake, Interstate, Itasca, Kilen Woods, Maplewood, Mille Lacs Kathio, Minnesota Valley Recreation Area, Myre-Big Island, Sakatah Lake, Sibley, Soudan Underground Mine, Split Rock Lighthouse, Tettegouche, and Whitewater. In addition, we informally visited Bear Head Lake, Blue Mounds, Caribou Falls Wayside, Father Hennepin, Flood Bay Wayside, Glendalough, Inspiration Peak Wayside, Lake Carlos, Lake Maria, Minneopa, Monson Lake, Savannah Portage, Scenic, Schoolcraft, and Upper Sioux Agency.

Minnesota's State Park System

SUMMARY

Minnesota has an extensive state park system that provides citizens with recreational and educational opportunities and strives to protect and preserve natural and cultural resources. Park visitors have been consistently satisfied with their experiences in state parks. While park attendance increased in the 1990s, it did not increase as fast as park operating expenditures or revenues from park operations. Revenues from park users represent about one-third of the Parks and Recreation Division's budget.

The Parks and Recreation Division of DNR manages the state parks.

Itasca State Park was established in 1891, making it one of the first state parks in the nation. Over the past 108 years, Minnesota's state park system has grown to encompass 79 state parks, recreation areas, waysides, and trails. State parks contain some of Minnesota's most valued natural and cultural resources, including the headwaters of the Mississippi River, native prairies, stands of old growth pine, and habitat for rare plant and animal species. The Parks and Recreation Division of the Department of Natural Resources (DNR) is responsible for planning, developing, operating, and maintaining Minnesota's state park system.

In this chapter we review the history of Minnesota's state park system and state laws governing its operation. This chapter also addresses the following questions:

- **Who are park users? Are they satisfied with state parks? What facilities and experiences are important to park visitors?**
- **How is the Parks and Recreation Division organized?**
- **How have the division's expenditures and staffing changed over time?**
- **How does Minnesota's state park system compare with those in neighboring states?**

To answer these questions, we reviewed state statutes and laws, previous reports and studies, and DNR surveys of park users. We also analyzed financial data and budget documents, interviewed division staff, and conducted telephone interviews with representatives of state park management agencies in neighboring states.

HISTORY

The history of state parks in Minnesota began in 1885 when the Legislature authorized creation of a state park at Minnehaha Falls.¹ The Legislature did not provide any financing, however, and eventually the City of Minneapolis acquired the land and established a local park. In 1891, as noted, the Legislature established Itasca State Park as the first Minnesota state park. (Table 1.1 lists state parks and recreation areas by the year they were established.) It was not

Table 1.1: History of Minnesota's State Park System

Year Established	Park Name	Year Established	Park Name
1891	Itasca	1957	Cascade River, ² Frontenac, Judge C. R. Magney, Mille Lacs Kathio, Temperance River ²
1895	Interstate	1959	Crow Wing, Lac Qui Parle, ² Schoolcraft, Zippel Bay
1905	Minneopa	1961	Bear Head Lake, Big Stone Lake, Fort Snelling, Savanna Portage
1911	Fort Ridgely	1963	Banning, Forestville, ³ Glacial Lakes, Lake Louise, Lake Maria, ³ Maplewood, Great River Bluffs, Rice Lake, Sakatah Lake, Soudan
1915	Jay Cooke		Underground Mine, Upper Sioux Agency
1919	Sibley, Whitewater	1967	Franz Jevne, Hayes Lake, Split Rock Lighthouse
1921	Scenic	1969	Afton, Minnesota Valley Trail
1923	Lake Bemidji	1969	<i>Department of Natural Resources established</i>
1925	<i>Department of Conservation established</i>	1971	Moose Lake
1931	Charles A. Lindbergh	1973	Wild River
1935	Camden	1979	Tettegouche
1935	<i>Division of State Parks established</i>	1989	Hill Annex Mine, Grand Portage
1937 ¹	Beaver Creek Valley, Blue Mounds, Buffalo River, Flandrau, Goosesberry Falls, Lake Bronson, Lake Carlos, Lake Shetek, Monson Lake, Old Mill, Split Rock Creek	1991	Glendalough
1941	Father Hennepin	1993	Cuyuna Country Recreation Area
1943	St. Croix, St. Croix Island Recreation Area	1994	Minnesota Valley Recreation Area
1945	Kilen Woods, McCarthy Beach, Nerstrand-Big Woods	1995	John Latsch
1947	Myre-Big Island, William O'Brien	1998	Garden Island Recreation Area
1949	Carley		
1955	George Crosby Manitou		

¹Although established formally in 1937, these parks were developed as early as 1933.

²Although established formally in later years, Cascade River, Temperance River, and Lac Qui Parle were all developed in the 1930s.

³Forestville and Lake Maria were first established in 1949 and 1947, respectively. No land was acquired, however, and they were reestablished in 1963. Mystery Cave was added to Forestville in 1987.

SOURCES: Roy W. Meyer, *Everyone's Country Estate: A History of Minnesota's State Parks* (St. Paul: Minnesota Historical Society Press, 1991), xvii-xviii, 297-298; and Parks and Recreation Division of the Minnesota Department of Natural Resources.

¹ For a complete history of Minnesota state parks see: Roy W. Meyer, *Everyone's Country Estate: A History of Minnesota's State Parks* (St. Paul: Minnesota Historical Society Press, 1991).

until 1925 that legislation established the Department of Conservation, the predecessor of the Department of Natural Resources, placing management of state parks under its jurisdiction. In 1935, legislation established the Division of State Parks and defined the duties of the director of parks to include acquiring and managing park lands and operating park facilities.

Eleven new state parks were added to the state park system in 1937, many developed with assistance from federal work relief agencies such as the Civilian Conservation Corps and the Works Progress Administration. A period of slower growth followed in the 1940s and early 1950s, during and after World War II. The 1960s was a decade of major change with new state parks established in 1961, 1963, 1967, and 1969. The Federal Land and Water Conservation Fund Act of 1965 provided a source of financing for park land purchases.² During this period, many existing state parks were expanded, eight state parks were transferred to cities or counties to be managed as local parks, and one wayside was transferred to the Minnesota Historical Society. Since the 1960s, expansion of Minnesota's state park system has slowed; legislation authorized three parks in the 1970s, two in the 1980s, and one park and three recreations areas in the 1990s. In addition, John Latsch Wayside was reclassified as a state park in 1995.

STATE LAWS GOVERNING STATE PARK MANAGEMENT

**Only the
Legislature
can create or
expand state
parks.**

For the most part, two chapters of *Minnesota Statutes* govern the creation and management of the state park system: Chapter 85 and Chapter 86A, also called the Outdoor Recreation Act of 1975. Only the Legislature can create, expand, or change the boundaries of state parks, recreation areas, and waysides.³ Chapter 85 lists state parks and other areas established in state law. It also governs state park permits and fees, special uses of state parks, food and beverage service in certain state parks, special leases, special revolving fund accounts, and other aspects of state park management. In addition, the Commissioner of DNR has promulgated rules that regulate recreational use, personal behavior, and unlawful activities in state parks.⁴ It is the responsibility of park managers and other authorized employees to enforce park rules.

The Outdoor Recreation Act of 1975 identifies state parks and recreation areas as units of Minnesota's outdoor recreation system and designates DNR as the managing agency for these units.⁵ The act describes the purposes of state parks,

² This act requires that land purchased with these funds remain available for recreational use, but it does not specify whether the recreational use needs to be state, regionally, or locally operated.

³ *Minn. Stat.* §§85.01-85.013, and 86A.07. To create a new state park or recreation area or change the boundaries of an existing area, the Legislature must enact a law describing the area and authorizing land acquisition.

⁴ See *Minn. Stat.* §84.03 for rule-making authority; and *Minn. Rules* (1999), ch. 6100.0100 to 6100.2400.

⁵ *Minn. Stat.* §86A. Other units in Minnesota's outdoor recreation system are state trails; scientific and natural areas; wilderness areas; forests; wildlife management areas; water access sites; wild, scenic, and recreational rivers; historic sites; rest areas; and aquatic management areas.

The Outdoor Recreation Act describes the purposes of state parks.

criteria for new parks, and how parks should be managed. According to the act, the purposes of state parks are:

. . . to protect and perpetuate extensive areas of the state possessing those resources which illustrate and exemplify Minnesota's natural phenomena and to provide for the use, enjoyment, and understanding of such resources without impairment for the enjoyment and recreation of future generations.⁶

The act also says that a new state park should not be established "unless its proposed location substantially satisfied the following criteria:"

1. Exemplifies the natural characteristics of the major landscape regions of the state, as shown by accepted classifications, in an essentially unspoiled or restored condition or in a condition that will permit restoration in the foreseeable future; or contains essentially unspoiled natural resources of sufficient extent and importance to meaningfully contribute to the broad illustration of the state's natural phenomena; and
2. Contains natural resources, sufficiently diverse and interesting to attract people from throughout the state; and
3. Is sufficiently large to permit protection of the plant and animal life and other natural resources which give the park its qualities and provide for a broad range of opportunities for human enjoyment of these qualities.⁷

The act directs DNR to manage state parks:

. . . to preserve and perpetuate, and interpret natural features that existed in the area of the park prior to settlement and other significant natural, scenic, scientific, or historical features that are present. . . . to maintain a balance among the plant and animal life of the park and to reestablish desirable plants and animals that were formerly indigenous to the park area but are now missing. Programs to interpret the natural features of the park shall be provided. . . . Park use shall be primarily for aesthetic, cultural, and educational purposes, and shall not be designed to accommodate all forms or unlimited volumes of recreational use. . . .⁸

According to the act, state recreation areas should contain natural or artificial resources that provide a broad selection of outdoor recreation opportunities in a natural setting that may be used by large numbers of people.⁹

The Outdoor Recreation Act requires DNR to prepare a master plan for the administration of state parks, recreation areas, and waysides before construction of new facilities or other development of an authorized unit begins.¹⁰ The law also provides for the general public's review and participation in the process of preparing park management plans.

⁶ *Minn. Stat.* §86A.05, subd. 2 (a).

⁷ *Minn. Stat.* §86A.05, subd. 2 (b).

⁸ *Minn. Stat.* §86A.05, subd. 2 (c).

⁹ *Minn. Stat.* §86A.05, subd. 3.

¹⁰ *Minn. Stat.* §86A.09, subd. 1.

Minnesota state parks vary in size, facilities, and quality of natural resources. Historical documents indicate that as early as 1939 there were discussions about the quality of land suitable for designation as a state park.¹¹ In 1984, the Legislature amended the Outdoor Recreation Act and “grandfathered” into Minnesota’s outdoor recreation system state parks that were in existence on January 1, 1984, but did not meet the resource or site criteria in the act.¹²

MINNESOTA’S CURRENT STATE PARK SYSTEM

**In 1999,
Minnesota
state parks
covered
247,000
acres of
land.**

Minnesota’s state park system, consisting of 66 state parks, 4 recreation areas, 8 waysides, and 1 trail, encompassed over 247,000 acres of land or less than 1 percent of the state’s total land area in 1999. Ninety-five percent of the land was in state parks, which ranged in size from 118 acres at Franz Jevne to nearly 34,000 acres at St. Croix, with an average size of 3,572 acres. Half of the state parks were less than 1,900 acres in size and nine parks were smaller than 500 acres in size. Figure 1.1 shows the location of each unit in Minnesota’s state park system, along with six DNR geographic regions and regional offices.

Of the four state recreation areas, Islands of the St. Croix Recreation Area is located in the St. Croix River and is not actively managed, and Garden Island and Cuyuna Country are under development. The Minnesota Valley Recreation Area includes the Minnesota Valley Trail, which extends from Fort Snelling along the Minnesota River. The eight waysides were set aside for their unique natural or historical values. These waysides are smaller than most state parks, ranging in size from 1 to 240 acres, with an average size of 77 acres.

Minnesota’s state parks contain 4,378 campsites, 68 group camps, 1,255 miles of trail, 332 miles of road, 135 water access sites, over 90 picnic areas with over 6,300 picnic sites, 33 fishing piers, over 1,400 buildings including 25 visitor centers and 595 buildings on the National Register of Historic Places, and 62 historic districts or landmarks.¹³ State parks are open year-round, seven days a week, 365 days a year, although many parks with modern sanitation facilities turn off the water and close those buildings in the late fall through early spring. Appendix A summarizes the overnight facilities, trails, and recreation and visitor services provided in the state parks.

Many of Minnesota’s state parks contain significant natural resources including prairies, rivers, waterfalls, stands of old growth pine, blufflands, habitat for rare and endangered flora and fauna, and countless lakes. There are also historic and prehistoric sites and structures, and sacred American Indian sites within the state park system.

¹¹ Meyer, *Everyone’s County Estate*, 144-145; and Department of Natural Resources and State Planning Agency, *Minnesota Resource Potentials in State Outdoor Recreation: Project 80* (St. Paul, 1971).

¹² *Minn. Stat.* §86A.05, subd. 13.

¹³ Minnesota state park web site, http://www.dnr.state.mn.us/parks_and_recreation/state_parks/; and Minnesota Department of Natural Resources, *A Guide to Minnesota State Parks*, 1999-2000.

State Park Attendance

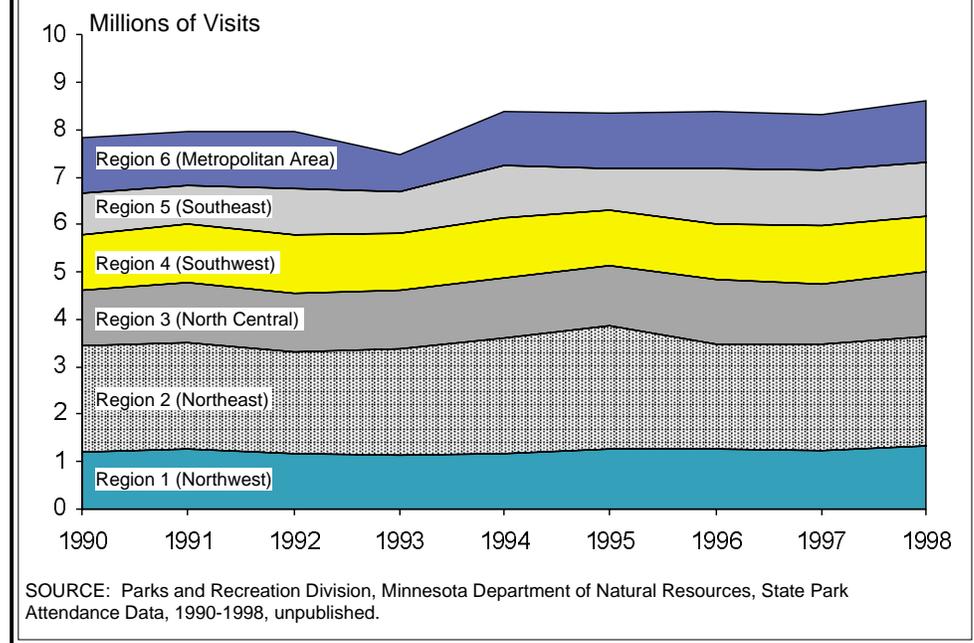
All state parks attract day users and most offer overnight camping.¹⁴ State park attendance data show that:

- **Total visits to Minnesota state parks rose 10 percent between 1990 and 1998.**

According to DNR estimates, there were about 8.6 million total visits to state parks in 1998, of which about 914,000 (11 percent) were overnight visits.¹⁵ This compares with an estimated 7.8 million total visits and 855,000 overnight visits in 1990, reflecting a 10 percent increase in total visits and a 7 percent increase in overnight visits between 1990 and 1998. Figure 1.2 shows total visits to state parks by DNR region from 1990 to 1998. The 1993 decrease in visits was likely caused by flooding at several state parks. During the past nine years, over 25 percent of all visits were to Region 2 (Northeast) parks, while the other regions each accounted for between 10 and 16 percent of the remaining visits.

Parks in Northeast Minnesota accounted for one-quarter of all visits to state parks in the 1990s.

Figure 1.2: State Park Attendance by Region, 1990-98



The division estimates the number of total visits to state parks using a combination of car counters, visual checks, and other procedures. Electronic devices count each car entering a park each day and park staff multiply the count

¹⁴ Fort Snelling, Grand Portage, Hill Annex Mine, and Soudan Underground Mine do not offer overnight camping or lodging, and Cuyuna Country Recreation Area is being developed.

¹⁵ The number of visits to state parks reflects the number of people entering the park system each day. When people leave the park and return another day, they are counted again.

by 3.2, the average number of occupants per car. For instance, a family of five picnicking in a park for one day would be counted as 3.2 visits and a single hiker driving into a park would also be counted as 3.2 visits. Because many parks have multiple entrances or major roads going through them, staff make adjustments to daily car counts to factor out local traffic and park vehicles. Estimates of park visits can be further complicated by people entering a park on bike or snowmobile trails; in some parks, these visitors must be visually counted. In contrast, park staff use camping or lodging registration cards to obtain the actual number of overnight visits. For instance, a party of three camping for two nights is counted as six overnight visits. We determined that:

- **Data on overnight visits to state parks are more reliable than data on total visits.**

Park staff told us that the number of total visits is an estimate and is useful for identifying trends, but it is not as accurate or reliable as the audited number of overnight visits. Park staff use overnight visit and revenue data as the basis for most park management decisions. However, DNR frequently uses data on total visits to state parks when making legislative presentations.

We examined state park daily visit counts for 1998 and found that:

- **The numbers of total and overnight visits varied widely by season, day of the week, and park in 1998.**

In 1998, 62 percent of total visits occurred during the summer season (Memorial Day through Labor Day) and 60 percent of total visits occurred on Friday, Saturday, and Sunday. Fall is the second most popular season, capturing 15 percent of total visits. Overnight visits were even more concentrated than total visits: 81 percent of overnight visits occurred during the summer season and 59 percent of overnight visits occurred on weekends (Friday and Saturday).



Most overnight visits to Minnesota state parks occurred during the summer.

During 1998, total visits per park ranged from a high of about 700,000 at Fort Snelling to fewer than 8,000 at Schoolcraft. Overnight visits ranged from a high of about 101,000 at Itasca to fewer than 1,000 at Monson Lake. Table 1.2 shows that when ranked by number of visits, the top six parks accounted for one-third of all visits in 1998. In contrast, the lowest ranking six parks accounted for approximately 1 percent of all visits.

State Park Visitors

The demographic profile of campers and day users in Minnesota's state parks has been fairly stable since 1987. DNR surveys show that:

- **In 1998, the majority of park users were white, well-educated, with at least moderate incomes, and lived in Minnesota.**

In 1998, 97 percent of park users were white, two-thirds had household incomes of \$40,000 or more, and more than half were college graduates.¹⁶ Generally, park

Table 1.2: Total and Overnight Visits at the Top Six and Bottom Six State Parks, 1998

Total Visits ¹				Overnight Visits ²			
Rank	Park	Number	Percentage of Total	Rank	Park	Number	Percentage of Total
1	Fort Snelling	700,076	8.1%	1	Itasca	101,129	11.1%
2	Gooseberry Falls	580,361	6.7	2	St. Croix	56,833	6.2
3	Itasca	506,340	5.9	3	Whitewater	40,401	4.4
4	Interstate	377,562	4.4	4	Lake Carlos	37,323	4.1
5	Whitewater	366,688	4.3	5	Sibley	36,952	4.0
6	Sibley	325,898	3.8	6	William O'Brien	35,123	3.8
61	Kilen Woods	14,895	0.2	56	Kilen Woods	2,178	0.2
62	John Latsch	14,526	0.2	57	George Crosby Manitou	1,959	0.2
63	George Crosby Manitou	14,376	0.2	58	Old Mill	1,825	0.2
64	Hill Annex Mine	9,537	0.1	59	Schoolcraft	1,680	0.2
65	Monson Lake	9,370	0.1	60	Carley	1,636	0.2
66	Schoolcraft	7,551	0.1	61	Monson Lake	949	0.1

¹Data on total visits were not reported for Franz Jevne State Park or Cuyuna County Recreation Area.

²Fort Snelling, Grand Portage, Hill Annex Mine, and Soudan Underground Mine state parks do not have camping or lodging. Cuyuna County Recreation Area is being developed. Overnight visit data were not reported for John Latsch or Franz Jevne state parks.

SOURCE: Parks and Recreation Division, Minnesota Department of Natural Resources, State Park Attendance Data, 1998, unpublished.

¹⁶ We examined DNR's surveys of park users conducted in 1987, 1994, 1996, and 1998 to gather information on park user characteristics, expectations, and satisfaction with state parks. The surveys were designed to allow comparisons between campers and day users but included too few respondents to make comparisons among individual parks. Although each survey had a slightly different focus, they shared some common questions. DNR's survey methodology was reasonable, with the exception of the 1994 survey which had methodological flaws (such as a low response rate and overrepresentation of campers) that limit its usefulness as a measure of park user attitudes and satisfaction. If data from the 1994 survey are presented carefully they may have some value in reflecting camper opinions.

users were more highly educated, somewhat more affluent, and more white than Minnesota's general population.¹⁷ Approximately 80 percent of park visitors were from Minnesota. Campers as a percentage of total park visitors decreased from about 18 percent in 1987 to about 13 percent in 1997.¹⁸ A 1998 Minnesota Office of Tourism survey of travelers showed that "scenic touring," "visiting state/national parks," and "camping" were the top three spring and summer travel activities for Minnesota residents, while "visiting state/national parks" ranked fifth for non-Minnesotans.¹⁹

DNR surveys also show that:

- **For park users, the most important park features were clean facilities and grounds, a natural setting, and well-protected natural resources.**

Table 1.3 summarizes park user rankings of the most important park features. Over 70 percent of the day users and campers surveyed in 1998 identified cleanliness of grounds and facilities, a natural setting for the park, well-protected natural resources, and beauty of the park as "very important" features.²⁰ Campers also ranked the quality of the campground as important. In contrast, relatively few day users and campers ranked visitor centers, interpretive services, and exhibits as "very important" to their enjoyment of a state park. When asked what features, facilities, and services *should* be in a state park, over 90 percent of park users selected hiking trails, clean waterways, and native plants and animals. Smaller percentages of survey respondents selected visitor/trail centers (79 to 86 percent), naturalist programs (65 to 73 percent), and interpretive displays (63 to 72 percent).

When asked about activities and benefits attained from state park visits, campers reported participating in more activities than day users. Table 1.4 shows that hiking, sightseeing, and observing nature were the most popular activities for both groups in 1998. The most important experiences and benefits attained from visiting state parks included enjoying natural scenery and the smells and sounds of nature, getting away from life's usual demands, and spending leisure time with family.²¹

Responses to survey questions about park users' satisfaction with their visits to state parks shows that:

- **Consistently since 1987, park visitors have expressed high satisfaction with Minnesota's state parks and had few complaints about park facilities or staff.**

Most park users want to experience nature as part of their visit to a state park.

¹⁷ U.S. Census Bureau web site, <http://www.census.gov/population/estimates/state/>

¹⁸ The 13 percent reflect DNR data from August 1997.

¹⁹ Minnesota Office of Tourism, Department of Trade and Economic Development, "1998 Spring-Summer Seasonal Survey," *Travel Partners* (St. Paul, July 1999), 4.

²⁰ Park users surveyed in 1987 identified "beauty of the park," "cleanliness of restrooms," and "trails to walk and hike" as the most important items contributing to their enjoyment of the park. Different wording of the question and different options, however, limit direct comparisons with the responses to the 1998 survey.

²¹ Responses to the 1987 survey were similar, although the question and options were worded differently.

Table 1.3: Park Features Valued by Park Users, 1998

Survey Question	Percentage Rating Each Option As "Very Important"	
	Day Users	Campers
"How important were each of the following to your enjoyment of this state park on this visit?"		
Cleanliness of grounds and facilities	82%	86%
A natural setting for the park	81	78
Well-protected natural resources	79	74
Beauty of the park	79	72
Lakes and rivers in the park	67	58
Trails	66	56
Lack of disturbances by other users	54	66
Informational brochure/maps provided	54	44
Security provided by park staff	47	52
Helpfulness of park staff	47	43
Good facilities in the picnic grounds	38	30
Quality of the campground	34	73
Water recreation opportunities (fishing, boating, swimming, etc.)	32	44
Availability of park staff	31	22
Safe places to swim	30	42
High-quality facilities in campground	26	48
Visitor center	26	12
Campground near lake or river	23	52
Proper appearance of park staff	23	23
Secluded campsites	22	66
Historical/archeological sites to see	21	13
Interpretive program	18	9
Exhibits to see	16	6
Variety of daytime activities	10	12

NOTE: Data are ranked by day-user responses.

SOURCE: Office of Planning, Minnesota Department of Natural Resources, *1998 Minnesota State Park Summer Visitor Survey* (St. Paul, 1998).

Park users have been consistently satisfied with their visits to state parks.

Table 1.5 shows that park users' satisfaction with state parks has been consistently high. Since 1987, more than two-thirds of both day users and campers responded that their visits to state parks "exceeded expectations" or that they were "completely satisfied" with their visits. Satisfaction levels increase to over 90 percent when "mostly satisfied" responses are included. Relatively small percentages of respondents indicated that their experience "could have been better" or that they were "dissatisfied."

When asked to identify factors that detracted from their enjoyment of state parks in 1998, campers and day users differed in their responses. Two-thirds of day users said nothing detracted from their enjoyment, compared with 48 percent of campers. Campers were more likely than day users to identify problems with pets, bathroom odors, noise, and crowding (see Table 1.6). Few park users identified "conflicts with staff" as a distraction from their enjoyment of the park.

The division does not have a centralized system for logging complaints from park users; therefore, we were unable to comprehensively assess the number or nature of complaints. Instead, we examined park-related letters sent to the state parks

Table 1.4: Participation in Park Activities, 1998

Survey Question	Percentage Selecting Specific Activity	
	Day Users	Campers
"Which of the following activities did you participate in while visiting this park on this trip?"		
Hiking	57%	77%
Sightseeing	44	50
Nature observation	40	58
Picnicking	36	32
Looking at visitor center exhibits	35	34
A self-guided nature walk	22	30
Swimming	18	44
Visiting historic sites	14	24
Did nothing/relaxed	14	32
Bird watching	13	32
Boating/canoeing	10	23
Bicycling	5	27
Fishing	5	27
A naturalist-led program	3	12

NOTE: The questionnaire included a list of 17 options. Data are ranked by day-user responses.

SOURCE: Office of Planning, Minnesota Department of Natural Resources, *1998 Minnesota State Park Summer Visitor Survey* (St. Paul, 1998).

director between July 1998 and June 1999 and to the DNR Commissioner between January 1998 and June 1999. Eight of the 49 letters examined involved complaints about the campground reservation system, park rules, overcrowded camping areas and too few bathrooms, lack of deer feeding plots, and poor quality trail maps; 6 letters praised park staff or the appearance of a state park; and the remainder requested information or expressed support for park proposals or projects. The division may want to consider whether a more systematic way of logging and tracking complaints from park users would help the staff identify and resolve problems in the state parks.

Table 1.5: Park User Satisfaction, 1987, 1996, and 1998

Survey Question	1987		1996		1998	
	Day Users	Campers	Day Users	Campers	Day Users	Campers
"Which statement most closely reflects your feelings about this visit?" ¹						
Exceeded expectations; it was a great experience	14%	21%	21%	23%	15%	19%
Completely satisfied	58	48	52	51	54	51
Mostly satisfied	22	24	23	21	26	25
OK—could have been better	5	6	2	4	4	5
Dissatisfied ²	1	1	2	1	1	<1

¹There were minor wording differences on the three questionnaires.

²"Dissatisfied" represents a combination of "somewhat," "very" and "most dissatisfied."

SOURCES: Office of Planning, Minnesota Department of Natural Resources, *1987 Summer User Survey of Minnesota State Park Visitors* (St. Paul, 1987), *Fee Strategy Survey of State Park Visitors* (St. Paul, 1996), and *1998 Minnesota State Park Summer Visitor Survey* (St. Paul, 1998).

Table 1.6: Selected Factors Detracting from Park User Enjoyment of State Parks, 1998

Survey Question	Percentage Selecting Specific Activity	
	Day Users	Campers
"Which of the following detracted from your enjoyment of this park during this visit?"		
Too crowded	6%	9%
Problems with other people's pets	5	12
Unpleasant odors from dumpsters	4	4
Too noisy	3	9
Unpleasant odors from restrooms	3	11
Unfriendly, discourteous behavior by others	2	7
Conflicts with staff	0	1

NOTE: The questionnaire included a list of 20 options. Data are ranked by day-user responses.

SOURCE: Office of Planning, Minnesota Department of Natural Resources, *1998 Minnesota State Park Summer Visitor Survey* (St. Paul, 1998).

In addition to DNR's park user satisfaction data, staff in nearly all parks solicit comments from park visitors using customer comment cards, camper registration cards, and oral communications. Written comments from park users are not routinely summarized or sent to the central office. Park managers told us that visitor comments about problems like broken faucets, trees down over trails, or similar issues are addressed as soon as possible.

ORGANIZATION, STAFFING, AND EXPENDITURES

About three-fourths of the parks division staff work in the parks.

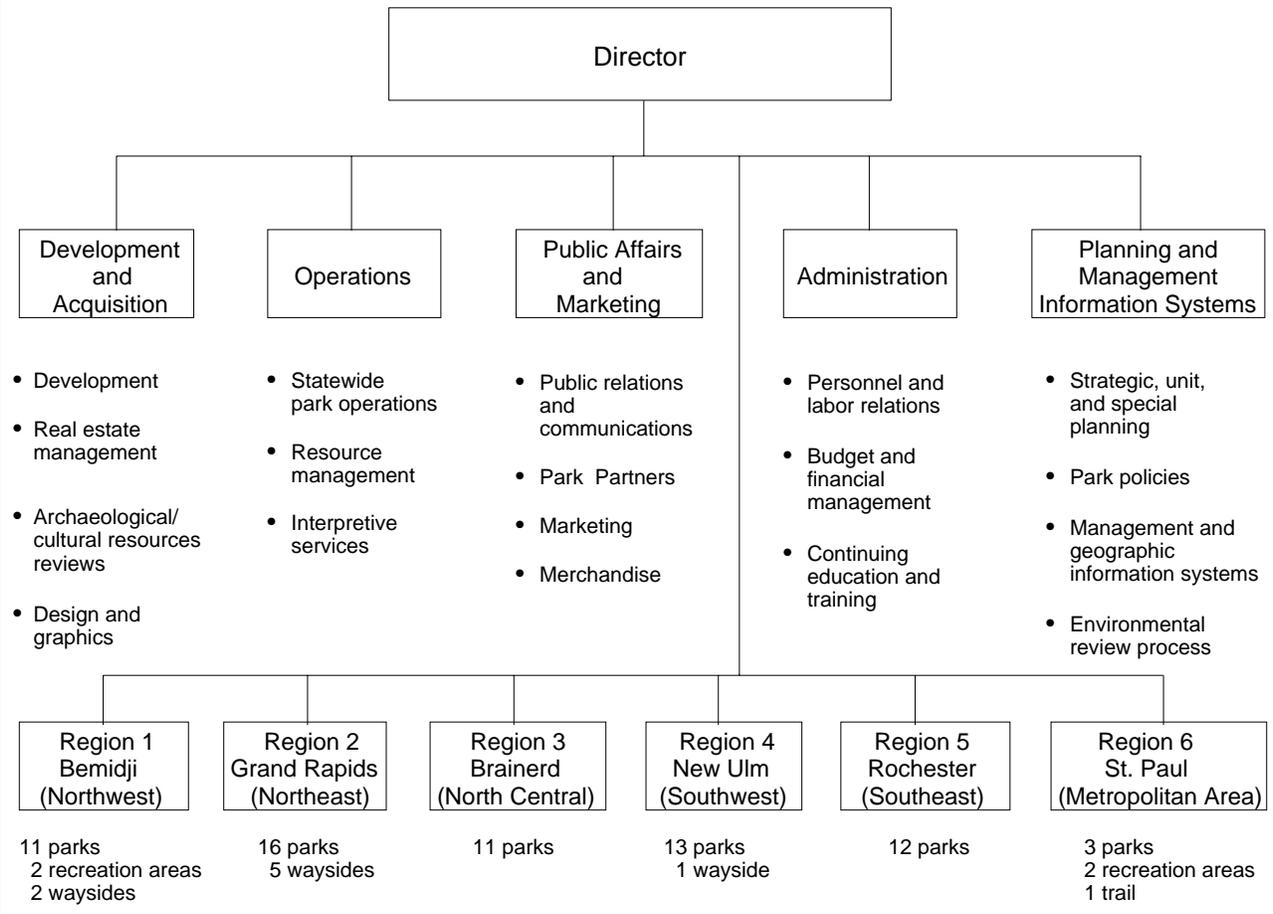
The Parks and Recreation Division relied on about 235 permanent full-time staff and 550 seasonal employees to operate state parks in 1999. About three-fourths of permanent staff and nearly all seasonal staff worked in state parks or recreation areas. Other staff worked out of the central office in St. Paul or one of six regional offices. Figure 1.3 shows the division's organizational structure.

Staff in the St. Paul central office provide leadership, program direction, coordination, budget administration, and general management for the state park system.²² The responsibilities of the five administrative management areas are summarized in Figure 1.3. In 1999, 32 full-time staff worked in the central office.

Each of the six regional offices employ between four and eight full-time staff, generally consisting of a regional parks manager, a regional park operations specialist, a regional resource specialist, a regional naturalist, and a clerk.

²² Parks and Recreation Division, Minnesota Department of Natural Resources, *1992-93 Job Classification Study* (St. Paul, 1993), Director's Overview, 7.

Figure 1.3: Organization of the Parks and Recreation Division



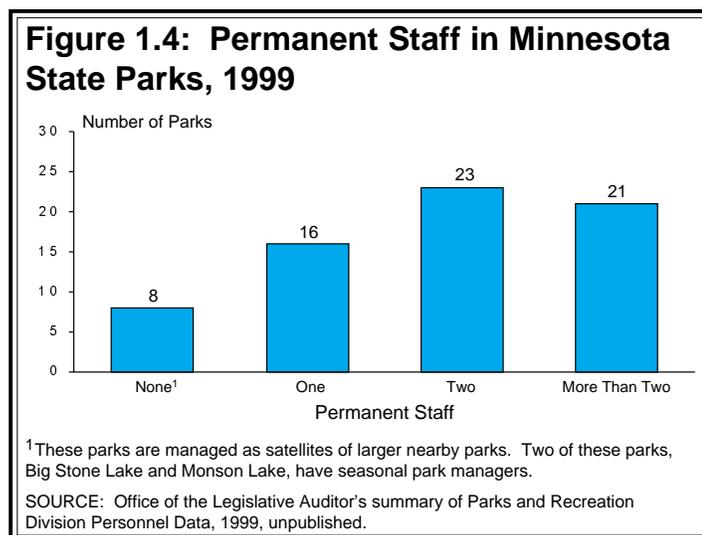
SOURCE: Parks and Recreation Division, Minnesota Department of Natural Resources.

Regional park managers oversee park operations and are responsible for overall policy direction. They also serve as a link between the field and central office, providing a field perspective to the division’s decision-making processes. Regional park operations specialists directly supervise the park managers and oversee administrative and operational activities in a region’s parks. Regional resource specialists direct and coordinate resource management activities in the parks. Regional naturalists provide program direction and assist with interpretive services in parks.

Over the past several years, the division has been evaluating the structure of its regional offices. As a result, the division is currently consolidating the park offices in Regions 5 (Southeast) and 6 (Metropolitan Area) through attrition. Consequently, Region 6 does not have a full-time regional park operations specialist. Instead, the regional manager supervises parks in Region 6, with some help (about 20 percent time) from the regional park operations specialist in Region 5. Similarly, in the past year, one regional naturalist has been working with parks in both Regions 5 and 6.

Nearly two-thirds of all parks have two or more permanent staff.

Of the 79 units in Minnesota's state park system, 66 state parks and 2 recreation areas are managed by professional staff.²³ Park managers are responsible for managing individual parks and are accountable for all day-to-day park operations and programs. Park managers and assistant managers share responsibility for supervising full-time and seasonal staff. The number of permanent staff assigned to a state park or recreation area varies depending on the size, complexity, and use of the unit (see Figure 1.4). Nearly two-thirds of the parks and recreation areas



are assigned two or more permanent staff. Eight parks (12 percent) have no permanent staff and are managed as satellites of larger nearby parks.

In addition to its complement of full-time staff, the division relies on about 180 full-time-equivalent seasonal positions to operate parks.

These positions are

either part-time union represented staff or participants in work training programs. Common positions filled by seasonal employees are buildings and grounds worker, parks worker, and clerk. Issues related to seasonal staffing are discussed further in Chapter 2.

Changes in Staffing

The division experienced modest growth in permanent personnel between 1992 and 1999. We found that:

- **Permanent personnel in the Parks and Recreation Division increased 11 percent, from 211 to 235 positions, between 1992 and 1999.**

Table 1.7 shows that staff in regional parks offices increased the most between 1992 and 1999 (9.5 positions were added for an increase of 38 percent). Several factors explain this increase. First, clerical staff previously funded through DNR regional administration were shifted to the division's budget in 1993. Second, the division added several regional resource management staff who work in multiple parks. Permanent positions in state parks, which accounted for 72 to 74 percent of all positions, increased about 8 percent (or nearly 13 positions) between 1992 and 1999.

²³ Waysides and Islands of the St. Croix Recreation Area are not staffed and Garden Island Recreation Area is under development.

Table 1.7: Full-Time-Equivalent Staff Complement by Unit, 1992-99

	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	Percentage Change <u>1992-99</u>
General Fund Positions:									
Parks	156	158	159	162	164	164	163	167.75	7.5%
Regional offices	25	32	31	31	31	31.5	33	34.5	38.0
Central office	<u>29</u>	<u>29</u>	<u>26</u>	<u>27</u>	<u>27</u>	<u>26</u>	<u>27.5</u>	<u>27.5</u>	-5.2
Subtotal	210	219	216	220	222	221.5	223.5	229.75	9.4
Special Fund Positions:									
Parks				1	1	1	1	1	-
Central office	<u>1</u>	<u>1</u>	<u>1</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4.5</u>	<u>4.5</u>	-
Subtotal	1	1	1	5	5	5	5.5	5.5	-
Combined Positions:									
Parks	156	158	159	163	165	165	164	168.75	8.2%
Regional offices	25	32	31	31	31	31.5	33	34.5	38.0
Central office	<u>30</u>	<u>30</u>	<u>27</u>	<u>31</u>	<u>31</u>	<u>30</u>	<u>32</u>	<u>32.0</u>	6.7
Total	211	220	217	225	227	226.5	229	235.25	11.5%

SOURCE: Parks and Recreation Division, Minnesota Department of Natural Resources, Personnel Data, 1992-1999, unpublished.

Permanent staff in the central office accounted for 12 to 14 percent of division personnel in the period examined and were funded with General Fund and special fund appropriations. While General Fund positions in the central office declined since 1992, the division has used special funds (such as the Water Recreation Account and the Working Capital Account) to increase staffing in the central office.²⁴

Expenditures and Revenues

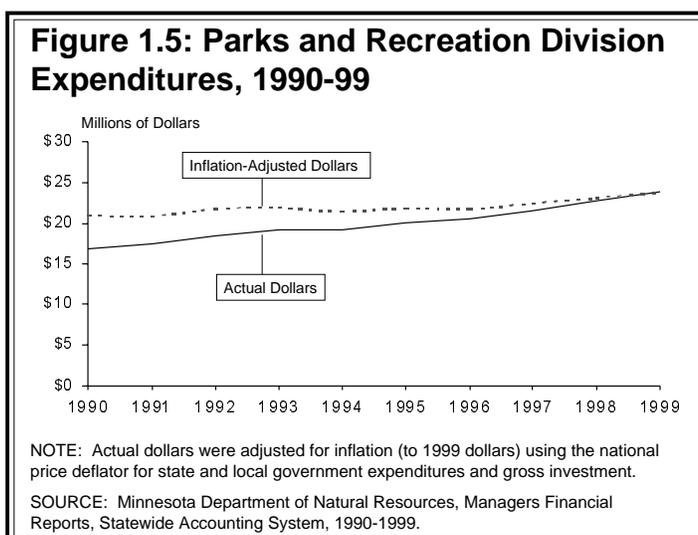
Expenditures for the division totaled about \$23.8 million in 1999. Figure 1.5 shows the division's expenditures in actual and inflation-adjusted dollars. We found that:

- **Even after adjusting for inflation, expenditures for state park operations and maintenance increased faster than park visits during the 1990s.**

Expenditures for state parks increased 41 percent in actual dollars and 13 percent in inflation-adjusted dollars between 1990 and 1999. This compares with a 10 percent increase in total visits and a 7 percent increase in overnight visits to parks between 1990 and 1998. During the same period, the Legislature added new units to the state park system: Glendalough State Park in 1991, Cuyuna Country Recreation Area in 1993, and Garden Island Recreation Area in 1998. In addition, new facilities (such as visitor centers and bathhouses) were constructed in state parks.

²⁴ The Water Recreation Account also funds the contracts of two archaeologists.

Figure 1.6 shows that the cost of operating individual parks represented nearly 80 percent of the division's total expenditures in 1999—73 percent in direct costs and 6 percent for the costs of unemployment, workers compensation, and other park expenses paid out of the central office. Salaries and benefits for full- and part-time staff represented over 73 percent of total expenditures, the division's largest expenditure category in 1999.²⁵



Comparing these expenditures with revenues shows that:

- **Revenues generated from park operations represented between 30 and 33 percent of Parks and Recreation Division expenditures in the 1990s.**

General Fund revenues from state park operations totaled \$7.4 million in 1999, or 31 percent of expenditures; appropriations from the state General Fund financed the remainder of the division's expenditures. Between 1990 and 1999, park revenues increased 41 percent in actual dollars and 13 percent in inflation-adjusted dollars.

State park operations generate revenues from the sale of park permits, camping, and other sources. In 1998, annual and daily permits combined generated 41 percent (or nearly \$3 million) of park General Fund revenues, with annual permits accounting for two-thirds of all permit revenues. Camping fees generated 38 percent (\$2.8 million) of all revenues. Concession fees, sales taxes collected, and other fees accounted for the remaining 21 percent of park revenues. We also found that:

- **Between 1990 and 1998, the sales of annual park permits increased slightly, while sales of daily park permits declined.**

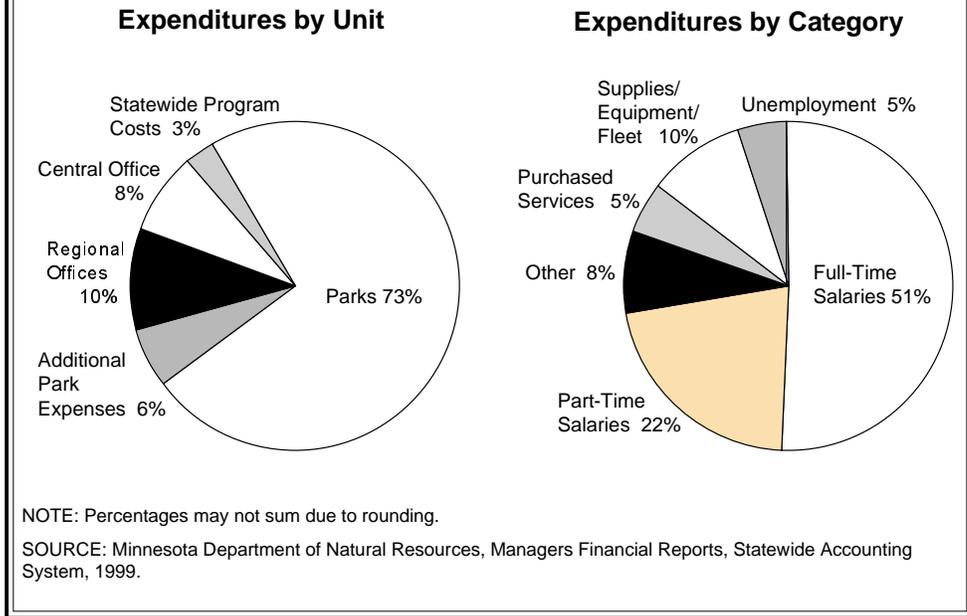
In 1998, the division sold 107,785 annual permits and 271,118 daily permits. Sales of both annual and daily permits fluctuated during the 1990s. For example, sales declined in 1992 and 1993, likely due to increased fees in 1992 and flooding in 1993. The sale of annual permits increased 3 percent and the sale of daily permits declined 4.5 percent between 1990 and 1998.

The sale of annual and daily permits generate most state park revenues.

²⁵ The costs of seasonal staff in work training programs were included in purchased services.

Salaries and benefits represented nearly three-fourths of state park expenditures in 1999.

Figure 1.6: Parks and Recreation Division Operating Expenditures, 1999



Because user fees and other directly earned revenues represent only about 30 percent of state park operating costs, parks are not self-supporting.²⁶ According to the division, the average net cost per state park visit was \$1.02 in 1998. The net cost of operating state parks ranged from a positive \$0.10 per visit at Interstate to a negative \$16.52 per visit at Soudan Underground Mine. Only Interstate had a net gain per visit. These data, however, reflect only direct park costs (full-time and seasonal personnel and supplies and expenses), and do not include park expenses paid out of the central office, such as unemployment or marketing costs. We suggest that future division estimates of net costs per visit be based on total park costs.

In addition to its General Fund account, the division uses many special accounts. We examined the Working Capital and the Douglas Lodge accounts, two special revolving fund accounts that are supposed to be self-supporting.²⁷ The Legislature created the Working Capital Account (WCA) to support resource management and interpretive programs in state parks. Revenues from the sale of merchandise (such as clothing), consumables (such as soda, ice, and firewood), equipment rental, and donations to a friends of the park program are deposited into the WCA. The Legislature created the Douglas Lodge Account in 1994 to support the

²⁶ This analysis is based on General Fund revenues, park operating costs, and total visits per park. The division uses a 1988 economic impact analysis study to argue that state parks could be considered self-supporting if indirect and induced economic impacts of visitor spending in state parks are considered. Examples of indirect economic impacts include spending for lodging, food, and gasoline in communities near state parks. While it is reasonable to think about economic impacts, such research is theoretical and speculative, and usually does not consider that people would spend those dollars on other entertainment if not spent on visits to state parks.

²⁷ *Minn. Stat.* §85.22.



The sale of merchandise accounts for two-thirds of Working Capital Account revenues.

operations of Itasca State Park's historic lodge. Revenues from the operation of Douglas Lodge and two gift shops are deposited into this account. We found that:

- **While the Working Capital Account has generated net revenues to support resource management and interpretive programs, performance of the Douglas Lodge Account has fluctuated.**

In 1999, the WCA made a profit of \$373,000 on revenues of \$1.8 million. Since 1994, when retail activity at Itasca State Park was directed to the Douglas Lodge Account, WCA profits averaged over \$288,000 annually and increased 12 percent a year in inflation-adjusted dollars. In recent years, the sale of merchandise accounted for about two-thirds of WCA revenues, while the sale of consumables generated about one-quarter of revenues. Between 1994 and 1999, approximately \$1.3 million in WCA revenues (an average of about \$214,000 annually) were appropriated for resource management and interpretive service projects. The account had a fund balance of \$843,600 at the end of fiscal year 1999.

In 1998 and 1999, Gooseberry Falls generated the largest share (between 36 and 40 percent) of all WCA revenues, followed by Forestville/Mystery Cave (with about 7 percent). The 15 most heavily used parks accounted for over 70 percent of all WCA revenues, and parks in Region 2 (Northeast) accounted for over 55 percent of WCA revenues.

In contrast, the Douglas Lodge operations experienced net losses of about \$10,000 in 1996 and \$75,000 in 1997. In 1999, this account had \$16,000 in profits on \$1.5 million in revenues. The division's 1999 analysis of lodge operations showed that lodging and souvenir sales were profitable between 1994 and 1997, while food

Fifteen parks accounted for over 70 percent of all revenues to the Working Capital Account in 1999.

services were not.²⁸ The account had a fund balance of \$147,500 at the end of fiscal year 1999.

COMPARISON WITH OTHER STATES

Comparisons with other states can be difficult because park systems differ in their nature and organization. For instance, in addition to managing state parks, Wisconsin's park division manages some state forest land. In a comparison of 10 Midwestern states, Minnesota's park system ranked third in total acres behind Illinois and Michigan, second in acres per 1,000 state residents behind South Dakota, and fifth in proportion of state land dedicated to park use in 1998 (see Table 1.8).

Table 1.8: Size of Midwestern State Park Systems, 1998

State ¹	Number of Parks	Number of Parks and Other Units	Total Acres in		Proportion of State Land in		Acres Per 1,000 Residents	
			All Units	Rank	All Units	Rank	Residents	Rank
Illinois	62	384	411,156	1	1.15%	1	34	3
Indiana	22	33	178,507	5	0.77	3	30	5
Iowa	52	173	63,071	9	0.18	9	22	9
Michigan	64	92	266,251	2	0.73	4	27	6
Minnesota	66	79	241,137	3	0.47	5	51	2
Missouri	45	85	135,738	6	0.31	7	25	7
North Dakota	11	31	20,046	10	0.05	10	31	4
Ohio	73	73	204,852	4	0.78	2	18	10
South Dakota	11	86	96,099	8	0.20	8	130	1
Wisconsin	44	65	127,811	7	0.37	6	24	8

¹The parks systems in most states include other units in addition to state parks. Specifically, the Illinois park system includes recreation, natural, historic, and fish/wildlife areas, and forests; Indiana includes one forest and other areas; Iowa includes recreation, historic, environmental education, and scientific areas; Michigan includes recreation, natural, and historic areas; Minnesota includes recreation areas and waysides; Missouri includes historic and miscellaneous areas; North Dakota includes recreation, natural, historic, and miscellaneous areas; South Dakota includes recreation, natural, historic, and other areas; and Wisconsin includes recreation areas and forests.

SOURCES: National Association of State Park Directors, *The 1999 Annual Information Exchange: A Statistical Report of State Park Operations for the Period July 1, 1997 through June 30, 1998* (Tucson, AZ: NASPD, 1999), 11-14; U.S. Bureau of the Census, "State Population Estimates," WWW Document, <http://www.census.gov/population/estimates/state/st-98-3.txt>; and U.S. Bureau of the Census, *Statistical Abstract of the United States: 1998* (Washington, D.C.: 1998), 236.

Minnesota ranked eighth in spending per acre for state parks with \$94.66 and fourth in spending per capita with \$4.83 in 1998. Minnesota, along with Iowa and North Dakota, received over two-thirds of the state parks operating budget from the state General Fund. In contrast, Wisconsin and three other states receive less than one-third of their state park budgets from the General Fund (see Table 1.9). These differences are examined in Chapter 4.

In terms of full-time and total employees per unit, Minnesota ranked in the middle compared with neighboring states in 1998 (see Table 1.10).

²⁸ The Itasca State Park Douglas Lodge Resort Study Committee, *Future Management Options for Itasca State Park's Douglas Lodge Resort*, March 1999, 4-5.

Table 1.9: Midwestern State Park Systems Operating Costs, 1998

State	Operating Budget (in thousands)	Proportion of Operating Budget from		Operating Costs		Operating Costs	
		General Funds	Rank	Per Acre	Rank	Per Capita	Rank
Illinois	\$41,230	56%	5	\$100.28	7	\$ 3.42	6
Indiana	23,524	44	6	131.78	5	3.99	5
Iowa	9,600	69	2	152.21	3	3.35	8
Michigan	33,600	24	8	126.20	6	3.42	7
Minnesota	22,827	68	3	94.66	8	4.83	4
Missouri	28,463	1	10	209.69	2	5.23	3
North Dakota	1,815	69	1	90.56	10	2.84	10
Ohio	58,748	57	4	286.78	1	5.24	2
South Dakota	8,942	21	9	93.05	9	12.11	1
Wisconsin	16,899	31	7	132.21	4	3.24	9

SOURCE: National Association of State Park Directors, *The 1999 Annual Information Exchange: A Statistical Report of State Park Operations for the Period July 1, 1997 through June 30, 1998* (Tucson, AZ: NASPD, 1999), 14, 29-30; and U.S. Bureau of the Census, "State Population Estimates," WWW Document, <http://www.census.gov/population/estimates/state/st-98-3.txt>.

Table 1.10: Personnel in Midwestern State Park Systems, 1998

Park systems among the states differ, making comparisons difficult.

State	Full-Time Employees		Total Employees	
	Per Unit	Rank	Per Unit ¹	Rank
Illinois	1.6	7	3.0	9
Indiana	11.7	1	52.6	1
Iowa	0.6	10	1.9	10
Michigan	3.5	4	7.0	6
Minnesota	2.9	6	7.8	5
Missouri	7.1	3	9.7	4
North Dakota	1.3	9	4.6	8
Ohio	9.1	2	23.4	2
South Dakota	1.5	8	5.9	7
Wisconsin	2.9	5	14.7	3

¹These numbers include full-time, part-time, and seasonal employees.

SOURCE: National Association of State Park Directors, *The 1999 Annual Information Exchange: A Statistical Report of State Park Operations for the Period July 1, 1997 through June 30, 1998* (Tucson, AZ: NASPD, 1999), 49.

State Park Operations

SUMMARY

Overall, DNR does a good job of managing Minnesota's state parks. The Parks and Recreation Division uses reasonable standards and a fair process for allocating resources to individual parks, sets priorities for interpretive services based on an assessment of resources and use, solicits public input, and fosters positive working relationships with other agencies. But the division has not emphasized the resource management and preservation portion of its mission as much as recreation and interpretive services.

The Parks and Recreation Division has a multi-part mission to provide a state park system which preserves and manages Minnesota's natural, scenic, and cultural resources for present and future generations, while providing outdoor recreational and educational opportunities in natural settings.¹ This chapter examines how the division addresses each part of its mission. We addressed the following questions:

- **How well are Minnesota's state parks managed?**
- **Does the division have a process to adequately identify maintenance needs and estimate the operating costs of state parks?**
- **How are volunteers used in state parks? Are there constraints on the use of volunteers?**
- **Are current camping facilities able to meet demand?**
- **How many state parks have naturalist programs? Do these programs meet public demand?**
- **How does the division balance preservation of natural resources with the provision of outdoor recreation?**
- **How are security and enforcement services provided in state parks?**
- **How does the Department of Natural Resources advertise and market state parks?**

¹ Parks and Recreation Division, Minnesota Department of Natural Resources, *1995-2005 Strategic Plan* (St. Paul, 1995), 6.

To answer these questions we reviewed division policies, procedures, and plans for managing parks, establishing park budgets, using seasonal staff and volunteers, providing interpretive and enforcement services, and promoting parks. We interviewed division staff working in the central and regional offices, made formal site visits to a sample of 19 parks to interview park managers and other staff and observe operations, informally visited an additional 12 parks, and conducted a mail survey of park managers. Finally, we analyzed park operating standards and examined data on volunteers, campground reservations, and enforcement activity.

We conclude that:

- **Overall, the Parks and Recreation Division manages Minnesota's state parks reasonably well given the resources available to the division.**

As discussed in Chapter 1, park users are satisfied with Minnesota's state parks. Since 1987, over 90 percent of both day users and campers surveyed by the Department of Natural Resources (DNR) have responded that they were satisfied with their visits to state parks.

During our formal and informal visits to state parks around the state, we observed clean bathrooms, orderly campgrounds, and well-maintained grounds. On the surface, the state parks presented a pleasing appearance that made the visitor feel comfortable. We also encountered friendly and busy park staff. Through our interviews with over 80 division staff, we met committed people who take pride in their jobs and the parks they manage.

**State parks
appeared
generally well
maintained.**

The division uses many techniques and processes that we would expect to see in a reasonably well-managed agency, including:

- A process for setting priorities, making budget decisions, and allocating staff and operating budgets to individual parks based on park activity information;
- A 1995 *Interpretive Services Plan* that identifies a mission and goals and sets priorities for educational programming in state parks;
- A process to revise individual park management plans;
- Numerous techniques to solicit input from the public, park users, park stakeholders, and local governments;
- Cooperative working relationships with other DNR divisions and state agencies; and
- A variety of mechanisms to facilitate communication between field and administrative offices within the division.

Despite these positive indicators, we found that there is room for improvement in state park operations. We found that the division has not emphasized resource management and preservation as much as providing recreation and interpretive services.

The remainder of this chapter examines state park operations, including the park operating standards and budget process, use of seasonal staff and volunteers, camping, interpretive services, resource management and preservation, enforcement, marketing, and planning.

STATE PARK STANDARDS AND BUDGET PROCESS

As mentioned in Chapter 1, the division incurred expenditures of nearly \$24 million in 1999 to operate state parks. The division uses “minimum operating standards” to allocate a portion of its appropriation to individual parks. This report uses the term “operating standards” when referring to the “minimum operating standards.” This section describes the operating standards and examines how they are used.

Background

The division initially implemented its operating standards in 1989 to provide greater equity and consistency when allocating resources to individual parks.² The standards are the division’s attempt to move away from the prior practice of setting individual park budgets based on historical experience. A division committee developed the standards after researching other park systems and incorporated many features of a standards system used in the Province of Ontario, Canada.³

Park “operating standards” are used to set priorities and allocate resources to parks.

The operating standards serve three purposes. First, the standards describe tasks that must be accomplished in each park. Second, the division uses the standards to estimate budget needs for each park. Third, the division uses the standards to set priorities and allocate available funds to individual parks. These items are discussed in turn.

First, the operating standards describe the tasks that must be accomplished in each park and identify an expected level of performance for each task. For example, the standards indicate that campground sanitation buildings should be cleaned twice a day during periods of peak use. The frequency of tasks ranges from daily to semi-annual procedures. Table 2.1 lists examples of the operating standards. The necessary tasks are assigned to four different operating periods throughout

2 Parks and Recreation Division, Minnesota Department of Natural Resources, *1992-93 Job Classification Study* (St. Paul, 1993); Ron Hains, “Operational Standards: A Case History,” *Park and Grounds Management*, February 1991, 8-9; and Ron Hains, Parks Operations Manager, Minnesota Department of Natural Resources, Interview, May 14, 1999.

3 The committee that developed the standards identified the necessary tasks in state parks. Park worker input, along with time and motion studies, were used to determine how much time was needed to complete each task. In the early 1990s, the division reevaluated the standards and reassessed the time required for tasks. In 1992-93, it also revised park classifications to provide better groupings of parks based on size, attendance, resources, budget, staffing, and services provided.

Table 2.1: Examples of State Park Operating Standards

<u>Category and Objectives</u>	<u>Selected Operating Standards</u>
<p>Administrative and Clerical Support: To provide administrative and clerical support for park operations.</p> <p>Public Contact: To ensure park fees are collected when park is open (gates not locked); provide entry control; receive and process campground reservations; and provide public service.</p> <p>Sanitation and Building Cleaning: To ensure that all public restrooms, including vault and pit toilets, are maintained in a clean and sanitary condition.</p>	<p>Provide parks with administrative support by a park manager 12 months per year.</p> <p>Have contact stations in [Group A and B] parks open 12 hours per day on weekends (Friday-Sunday) and 8 hours per day on weekdays during peak period.</p> <p>Have contact stations open 24 hours total per weekend (Friday-Sunday) and 8 hours on holidays during moderate period.</p> <p>Have contact stations open 16 hours per weekend (Saturday, Sunday) and 8 hours on holidays during winter period.</p> <p>Clean campground sanitation buildings twice daily during peak period and once daily during moderate period. (Allow 10 minutes per toilet stool, shower, urinal, or set of 1 to 3 sinks per day during peak period and 5 minutes per unit per day during moderate period.)</p>

SOURCE: Parks and Recreation Division, Minnesota Department of Natural Resources, *Minnesota State Parks Operating Standards, FY95: Details of Standards* (St. Paul, 1994) 3, 6, 16.

the year that correspond to the level of park operations, the amount of public use, and seasonal conditions:⁴

1. **Peak operating period**, generally from Memorial Day through Labor Day weekends, represents the highest level of operation for all park facilities, services, and programs to meet maximum user demand.
2. **Moderate operating period** (or spring and fall), generally from Labor Day weekend to October 15 and May 15 to Memorial Day weekend, involves the operation of all park facilities and services, although public services may be reduced to reflect lower user demand.
3. **Winter operating period**, from December 15 to March 1, applies when specific winter recreation facilities are provided and maintained, such as groomed cross-country ski trails.
4. **Low-use operating period**, any time not designated as peak, moderate, or winter, involves reduced services to reflect low demand.

Specific operating periods vary in length from park to park, depending on patterns of public use and revenues generated.

⁴ Parks and Recreation Division, Minnesota Department of Natural Resources, *Minimum Operating Standards, FY95: Detail of Standards* (St. Paul, 1995), 1-2.



Some state parks provide opportunities for winter recreation.

To allocate resources, DNR groups parks based on size, attendance, budget, staffing, and other factors.

The division analyzed each park's level of activity based on size, number and types of facilities, number of visitors and staff, revenues raised, and resources managed. Each park was then assigned a score, ranked, and put into groups. Table 2.2 shows the parks in each group, with Group A consisting of the most heavily used parks and Group E containing the least used parks.

The second purpose of the operating standards is to establish budget needs for each park and for park field operations as a whole. The standards are applied to each park and an estimated number of staff hours needed to operate the park are calculated. In fiscal year 1999, DNR estimated that 873,293 hours would be required to accomplish all tasks in all state parks. The hours for individual parks ranged from 73,611 at Itasca to 1,256 at Monson Lake.⁵ Administrative and clerical, public contact, sanitation and building cleaning, and building and facility maintenance services accounted for nearly 60 percent of total hours needed in 1999. The staff hours for each park are divided between permanent full-time and seasonal staff and the costs of salaries and benefits are used to estimate park operating budget needs. These figures represent hours "needed," not the hours funded.

Finally, the division uses the operating standards and an "operational funding decision matrix" to set priorities and allocate available funds to individual parks based on what services will be provided at each park. The division also uses the matrix to identify and communicate to legislators and other decision makers what

⁵ The following state parks and recreation areas are not included in the operating standards: Glendalough, John Latsch, Cuyuna Country, and Garden Island. The DNR Forestry Division managed Franz Jevne state park until June 1999 when it was returned to the parks division management. Consequently, it is not part of the standards. The Legislature has appropriated \$150,000 annually during the last two bienniums for the operation of both Glendalough and Cuyuna Country.

Table 2.2: Park Groups Used for the Operating Standards

Most ←———— Activities, Facilities, and Revenues —————→ Least

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

NOTE: Parks in each group are listed in alphabetical order. John Latsch, Franz Jevne, and Glendalough state parks and Cuyuna Country and Garden Island recreation areas are not included in the operating standards.

SOURCE: Parks and Recreation Division, Minnesota Department of Natural Resources.

tasks can be accomplished with the division's appropriation. Table 2.3 shows the matrix containing the operating standard staff hours for fiscal year 1999. The top part of the matrix consists of seven funding levels and the services provided at each funding level. The funding levels, which are based on the operating periods described earlier, further divide the peak and moderate periods into day-use and overnight activities.

The bottom part of the matrix identifies funding priorities by park group. The division has assigned top priority to primary services for the five groups, as indicated by the number in the upper left corner of these boxes (priorities #1 through #5). The next priorities are summer day-use and overnight activities for Group A parks (which have been assigned priorities #6 and #7). Based on the matrix, the division has assigned summer day-use activities in Group C parks a higher priority (#11) than spring and fall day-use activities in Group B parks (#13). Given the division's priorities, the most heavily used parks are least affected by funding shortfalls.

In fiscal year 1999, the division funded priorities #1 through #21 and partially funded spring and fall camping for parks in Group B (priority #22), but it did not fund other priorities. Specifically, it *did not* fund spring and fall camping for

Table 2.3: State Park Operational Funding Decision Matrix, 1999

Services	Funding Level 1 Primary Services Administration and Clerical at 20% of Annual Cost	Funding Level 2 Memorial-Labor Day Day-Use Activities Administration and Clerical at 45% of Annual Cost	Funding Level 3 Memorial-Labor Day Overnight Activities Administration and Clerical at 75% of Annual Cost	Funding Level 4 Spring and Fall Day-Use Activities Administration and Clerical at 90% of Annual Cost	Funding Level 5 Spring and Fall Overnight Activities Administration and Clerical at 100% of Annual Cost	Funding Level 6 Winter Activities and Other Services	Funding Level 7 Low-Use Period Services
Administrative Clerical		• Public Contact at 50% • Day-Use Facility Custodial Services	• Public Contact at 100% • Overnight Facility Custodial Services	• Public Contact at 50% • Day-Use Facility Custodial Services	• Public Contact at 100% • Overnight Facility Custodial Services	• Public Contact at 100% • Custodial Services • Lifeguards	• Intermittent Public Contact • Intermittent Custodial Services
Public Services		• Public Contact at 50% • Day-Use Facility Custodial Services	• Public Contact at 100% • Overnight Facility Custodial Services	• Public Contact at 50% • Day-Use Facility Custodial Services	• Public Contact at 100% • Overnight Facility Custodial Services	• Public Contact at 100% • Custodial Services • Lifeguards	• Intermittent Public Contact • Intermittent Custodial Services
Interpretive Services		Full-time Naturalists and Tour Guides	Seasonal Naturalists and Tour Guides at 100%	Interpretive Interns, Interpretive Center Hosts and Special Events			
Resource and Facility Protection	Resource and Facility Protection at 25% of Annual Cost		Resource and Facility Protection at 75% of Annual Cost		Resource and Facility Protection at 100% of Annual Cost		
Trails	Trail Maintenance at 25% of Annual Cost	Trail Maintenance at 50% of Annual Cost		Trail Maintenance at 75% of Annual Cost		Trail Maintenance at 100% and Winter Grooming	
STATE PARK STANDARD HOURS							
Group A 15 Parks	#1 68, 141	#6 99, 962	#7 131,440	#10 45,436	#12 33,200	#26 26,999	#31 7,516
Group B 19 Parks	#2 42,301	#8 60,310	#9 84,742	#13 25,579	#22 22,366	#27 21,882	#32 5,495
Group C 9 Parks	#3 14,167	#11 19,380	#14 29,512	#18 8,547	#23 8,562	#28 5,288	#33 2,023
Group D 17 Parks	#4 17,055	#15 23,809	#16 31,777	#20 8,621	#24 7,934	#29 6,344	#34 3,426
Group E 4 Parks	#5 1,204	#17 1,668	#19 2,621	#21 586	#25 509	#30 253	#35 247
							TOTAL 873,293

Parks with
Most
Activity,
Facilities,
and
Revenue

↓
Parks with
Least
Activity,
Facilities,
and
Revenue

SOURCE: Parks and Recreation Division, Minnesota Department of Natural Resources.

The operating standards are reviewed regularly.

parks in Groups C, D, and E, winter activities for all parks, and low-use period services for all parks. According to the division, spring and fall overnight activities for parks in these groups have not been funded for years. In the past, however, parks in Groups C, D, and E have provided spring and fall camping with permanent full-time parks staff even though it was not funded.

The state parks operations manager works with a standards committee to continually review the operating standards.⁶ The operating standard hours are reviewed the second year of each biennium in preparation for the next biennium's budget proposal. The committee also reviews the staff hours distributed to parks and considers park manager requests for changes to the standards. In 1999, the committee examined operating periods for individual parks based on park revenues generated. Any adjustments to standard hours based on this analysis probably would not be implemented until 2002.⁷

Assessment of the Operating Standards

In 1999, the division used the operating standards, the matrix, and an examination of park supply and expense costs, to allocate about \$16 million, or 67 percent of the division's total budget, to state parks. This represented the cost of permanent and seasonal park staff and supplies and equipment for individual parks. It did not include unemployment, workers compensation, and other expenditures paid from the central office.

In 1993, the Financial Audit Division of our office reviewed the state park operating standards and concluded that the division substantially met its objectives of establishing a more equitable budget allocation system.⁸ We asked park managers to assess how adequately the operating standards reflect the work requirements of the parks they manage and found that:

- **Most park managers said that the operating standards adequately reflect the seasonal work requirements of the parks they manage.**

Seventy-two percent of park managers surveyed responded that the operating standards were a moderately or completely adequate assessment of seasonal work requirements.⁹ Park managers told us that they thought the operating standards were fair and allow people to see and understand how park budgets were determined. Park managers emphasized, however, that from their perspective the operating standards should be fully funded. Some park managers had specific complaints about the operating standards including: the hours provided for trail

⁶ The committee consists of the parks operations manager, an operations coordinator, regional park operation specialists, two park managers, and staff from resource management, interpretive, and information services.

⁷ Parks and Recreation Division, *1992-93 Job Classification Study* (St. Paul, 1993); and Ron Hains, Parks Operations Manager, Interview, May 14, 1999.

⁸ Office of the Legislative Auditor, Financial Audit Division, *Department of Natural Resources Selected Scope Financial Audit for the Year Ended June 30, 1992* (St. Paul, 1993), 17.

⁹ The question was: "How adequately would the minimum operating standards reflect the seasonal work requirements of this park if they were fully funded?" Office of the Legislative Auditor, State Park Managers Questionnaire, August 1999.

maintenance, mowing, or other services were not adequate; the standards were not fair to smaller parks; and not enough dollars were provided for equipment.

While some people may disagree with how the operating standards have been used to set priorities or with other aspects of the standards, we conclude that:

- **The Parks and Recreation Division’s use of operating standards to allocate staff and operating budgets to individual parks based on park activity information is a reasonable way to identify and set funding priorities.**

The operating standards are reasonable because they use objective data and criteria to differentiate between operating time periods and levels of park activity, and to allocate staff and operating budgets to individual parks.¹⁰ The standards involve a fair and open process and are regularly reviewed. Analysis indicates that the standards are working as intended; generally, park budgets are based on the level of activity in each park. We compared 1999 park budgets with park revenues and total and overnight visits. Park revenues showed the highest correlation to park budgets, followed by overnight visits.

However, we also found that:

- **The Parks and Recreation Division does not track to what extent the park staff accomplish the tasks outlined in the operating standards.**

We were not able to analyze actual implementation of the operating standards because the division has not tracked employee hours at a level that corresponds with the operating standards since implementation of statewide accounting system (Minnesota Accounting and Procurement System or MAPS) in 1996. Once park managers are given a budget with a specified number of staff hours, they have discretion to operate the park. Some managers told us they may use more hours than allocated for visitor needs or weather-related services (such as mowing or removing trees after a wind storm). DNR staff told us that park regional managers and regional park operations specialists are responsible for tracking how well park managers are accomplishing park management tasks.

Eighty-six percent of staff hours that DNR claims to need for parks were funded in fiscal year 2000.

Fiscal Years 2000-01 Budget Issues

In fiscal year 2000, 86 percent of the 881,088 needed staff hours were funded (see Table 2.4), compared with 87 percent in fiscal years 1998 and 1999. According to division estimates, the operating standards matrix was \$1.8 million short of full funding in fiscal year 1999 and \$2 million short in fiscal year 2000.¹¹

¹⁰ A 1996 Michigan performance audit report recommended that Michigan’s parks division use “state park activity information for allocating staff and other resources to state parks.” Michigan Office of the Auditor General, *Performance Audit of the Parks and Recreation Division, October 1, 1993 through January 31, 1996* (Lansing, MI: 1996), 4-5.

¹¹ The division also refers to “division operating standards” which detail the need for additional central office, park, interpretive, resource management, and other staff. Based on these standards, in 1997 the division estimated its overall operations were underfunded by \$7.7 million. Parks and Recreation Division, Minnesota Department of Natural Resources, *Minnesota State Parks Division Wide Operating Standards* (St. Paul, 1997).

Table 2.4: State Park Operating Standard Needed and Funded Staff Hours, 1998-2000

	<u>FY1998</u>	<u>FY1999</u>	<u>FY2000</u>
Hours needed	868,878	873,293	881,088
Percentage change		0.5%	0.9%
Hours funded	755,189	762,194	761,018
Percentage change		0.9%	-0.2%
Percentage of needed hours funded	86.9%	87.3%	86.4%

NOTE: The increase in base hours and hours funded between 1998 and 1999 reflects a special legislative appropriation to staff the Fort Snelling State Park visitor center.

SOURCE: Office of the Legislative Auditor's analysis of Parks and Recreation Division park operating standards data, 1998-2000, unpublished.

In addition, unanticipated costs due to inflation and other factors resulted in a budget "shortfall" for state parks in 2000.

The Governor's 2000-01 budget recommended an additional \$1.1 million each year of the biennium for state park operations. The budget narrative said that approximately 80 percent of the increase would fund an additional 23 full-time-equivalent positions in seasonal labor, with the remainder used for supplies and equipment.¹² The Legislature approved an additional \$850,000 each year of the biennium. In June and July, division administrative staff realized that unanticipated inflation and other cost increases would total \$1.15 million, resulting in a \$300,000 budget shortfall in fiscal year 2000.¹³ To balance the budget, division management decided to delay filling several vacant positions (saving \$100,000), cancel a park manager training session (saving \$50,000), and close fall and spring camping at 20 of the least used state parks (saving \$150,000). According to the division, the decision to reduce services in this manner was made to affect the fewest park users. The decision to close camping was announced in early July, requiring 44 changes in reservations.

Some community and park support groups reacted strongly to the decision to close fall and spring camping at state parks in their area. Representatives from these groups lobbied legislators and DNR. Some groups raised money and negotiated with DNR to keep camping available. In September 1999, the division announced that camping at two parks, Lake Maria and Glacial Lakes, had been restored through financial contributions from local organizations or individuals. Camping at Upper Sioux Agency, Lake Louise, and Charles A. Lindbergh also was partially restored through donations.

The division used the operating standards and other factors to make the decision to close camping at the 20 parks in Groups D and E. Based on available funding, the division determined that services could be provided up to priority #19 of the matrix in fiscal year 2000; spring and fall day-use activities (priorities #20 and

¹² 2000-01 Minnesota Biennial Budget (St. Paul, 1999), D-171, D-231.

¹³ Examples of fiscal year 2000 unfunded liabilities include: increased health insurance, \$350,000; supplies and equipment inflation, \$190,000; fleet management increase, \$150,000; increase in unemployment, \$60,000; reduced savings from alternative work programs, \$90,000; and miscalculation of leap year salaries, \$50,000.

#21) would not be funded for parks in Groups D and E. This cut in seasonal staff hours left park managers alone to manage the parks during the fall and spring. Division managers asked managers of the affected parks to focus on providing services and security for park day-users and carrying out building maintenance, and resource management responsibilities, instead of providing camping services.

We analyzed fall and spring camping activity for the 20 least used parks in 1998 and found that:

- **The Parks and Recreation Division's decision to close fall and spring camping in the 20 least used parks affected relatively few park users statewide.**

In 1998, there were about 16,000 overnight visits to the 20 least used parks between fall and spring.¹⁴ This figure represented about 18 percent of all overnight visits for the 20 parks (88,220), 9 percent of the fall through spring overnight visits to all state parks (174,500), and fewer than 2 percent of all overnight visits to Minnesota state parks (913,770) in 1998. However, for some individual parks the impact was more significant. For instance, the 1,970 fall through spring campers at Lake Maria represented nearly 47 percent of the park's total overnight visits in 1998. From a system wide perspective, however, these numbers are relatively small. We also found:

- **Differences in the staff hours allocated to the most heavily used and the least used parks have become more pronounced with the recent reduction in hours for the 20 least used parks.**

Fewer staff hours were allocated to lesser used parks in 2000.

In fiscal year 1999, the proportion of standard staff hours funded by park ranged from 98.7 percent for Soudan Underground Mine to 75.3 percent for Afton. In fiscal year 2000, the top percentage remained the same, but the bottom of the range dropped to 67.9 percent for Lake Louise. Table 2.5 compares the number and proportion of staff hours funded by park group and DNR region for 1999 and 2000. Between 1999 and 2000, the average share of staff hours funded decreased 10 percent for the least used parks (Groups D and E), while remaining steady for the more heavily used parks. In addition to a decrease of 1,176 in total hours funded in 2000, funding decisions shifted hours from the lesser used parks to support the more heavily used parks.

Division staff anticipate an additional budget shortfall in fiscal year 2001 because of inflation. If this occurs, the matrix will be used to set priorities and decide what services will be provided in individual parks during the 2000 park season. Division staff emphasized that this decision-making process will keep the integrity of the park system intact and affect the fewest park users.¹⁵

The recent reduction in services at state parks and an anticipated future budget shortfall highlight the need to consider alternatives to the current financing of state parks. A range of options for addressing future state park budget shortfalls

¹⁴ Our analysis used May 22 through September 6, 1998 as the dates for summer camping activity. Grand Portage State Park is the only one of the 20 parks that does not provide camping.

¹⁵ Bill Morrissey, Parks Director, and other administrative staff, Minnesota Department of Natural Resources, Interview, October 8, 1999.

Table 2.5: State Park Operating Standard Staff Hours Funded by Group and Region, 1999-2000

Park Group	Hours Funded		Percentage of Hours Funded		
	FY1999	FY2000	FY1999	FY2000	Difference 1999-2000
Group A	385,311	388,668	92.4%	92.4%	0.0%
Group B	217,903	221,206	83.0	83.5	0.6
Group C	64,469	65,091	82.4	82.3	-0.1
Group D	88,422	80,455	81.7	73.8	-9.7
Group E	6,089	5,598	85.9	77.3	-10.0
DNR Region					
Region 1 (Northwest)	153,265	152,592	87.6	86.4	-1.4
Region 2 (Northeast)	173,526	173,059	90.1	89.3	-0.9
Region 3 (North Central)	138,104	139,572	86.6	86.0	-0.7
Region 4 (Southwest)	119,050	119,169	82.8	82.4	-0.5
Region 5 (Southeast)	105,991	104,284	88.9	86.7	-2.5
Region 6 (Metropolitan Area)	72,258	72,342	86.7	86.7	0.0
Total	762,194	761,018	87.3	86.4	-1.0

SOURCE: Office of the Legislative Auditor's analysis of Parks and Recreation Division park operating standards data, 1999 and 2000, unpublished.

are presented below. Our evaluation did not analyze implementation or cost impacts of these options. Any single option may not provide the cost savings needed to correct a shortfall in total. Therefore, it is anticipated that several options may need to be combined. DNR used this approach in the summer of 1999 when it reduced costs in 20 state parks and administrative costs (salary savings from a vacant position) in the central office. The Legislature and DNR could consider the following options.

1. **Status quo.** Continue to use the division's operating standards at existing funding levels. Maintaining the status quo will not address the financing problems discussed above. This option would reduce the level of visitor services in Minnesota's state parks.
2. **Divest and transfer.** If the least used parks cannot be adequately supported, then the Legislature could divest some of the parks that might not meet the statutory criteria in the Minnesota Outdoor Recreation Act. This could involve working with local units of government to explore transferring smaller parks, or parks with more of a regional clientele, to interested cities or counties. There may be limitations to this option if parks were created or expanded with Federal Land and Water Conservation (LAWCON) funds, which require the land to be used for recreational purposes but does not require the state to manage the recreational unit. Another possibility could involve managing smaller parks in cooperation with cities and counties. This option might involve reducing the number of state parks.

**DNR and the
Legislature have
several possible
strategies for
addressing
park budget
“shortfalls.”**

3. **Land bank or mothball.** Close some of the least used parks to public use for a period of time, but preserve the land for future use and maintain it for resource management purposes only. This is not a feasible option if a park was created or expanded using LAWCON funds.
4. **Convert or transfer.** If a park possesses the features required, consider converting it to other uses such as a scientific and natural area, state wildlife area, or forestry campground. Another possibility could involve working with the Minnesota Historical Society to explore transfer or joint management options for existing parks with significant historical and cultural resources, such as Soudan Underground Mine. This option might involve reducing the number of state parks.
5. **Re-do the operational funding decision matrix.** Currently, the matrix gives the most heavily used parks priority over the least used parks. If this priority were changed, however, the effects of budget shortfalls could be more evenly distributed among all parks. If the operating budgets for more heavily used parks are reduced, it would likely result in a reduction of services that would affect a larger number of park users. However, this option is not consistent with our finding that the division’s process for setting priorities and allocating budgets to state parks is reasonable and fair.
6. **Cut costs in other areas of the Parks and Recreation Division.** In addition to using the operating standards and the matrix to reduce budgets of individual state parks, the division’s budget shortfalls could be partially offset by reducing the budget for administration services provided by the central and regional offices. Administrative budget reductions probably would not be sufficient to balance the division’s budget; therefore, this option likely would need to be combined with an option that reduces park budgets. Since the division’s administrative functions provide support and direction for the operation of state parks, reductions in administrative services could affect the ability of parks to provide consistent, quality services to park users.
7. **Increase funding.** The Legislature could provide more funding for state park operations enabling the division to provide an increased level of service at more parks. While this may be a reasonable option now, when the state budget enjoys large surpluses, it may be difficult to sustain in the future when fiscal conditions are less favorable.

Some of these options have been discussed previously at both the state and federal government levels.¹⁶ The division’s *Minnesota State Park Land Study* (1999—public review draft) suggests a process and criteria for evaluating new state park proposals. These methods also could be used to examine existing parks and suggest modifications to the current park system. (This study is discussed later in this chapter.) Implementing some of these options may not be politically feasible. Local units of government have not been interested in joint ventures unless the state provided remuneration. Local communities have a strong allegiance to the state parks in their areas, as witnessed in reactions to the recent

¹⁶ U.S. Government Accounting Office, *National Parks: Park Service Needs Better Information to Preserve and Protect Resources* (Washington, D.C.: 1997) 7; and Minnesota Department of Administration, *Minnesota State Parks: Management and Operational Costs and Funding System* (St. Paul, 1994), 37-39.

campground closings. In the past, local communities have fought to maintain state park status and level of service.

SEASONAL STAFF AND VOLUNTEERS

In addition to its full-time staff, the division relies on over 550 seasonal and part-time employees, or approximately 180 full-time-equivalent positions, to operate state parks. These positions consist of: 1) part-time union-represented state employees; 2) participants in the Work Experience Program (WEP); and 3) participants in a needy-elderly work program. WEP and needy elderly workers are not state employees. The cost of seasonal, part-time staff represents over 20 percent of the division's budget. We looked at how the division has managed its seasonal labor to reduce costs.

The Parks and Recreation Division has used a worker training program to reduce some labor costs.

The average cost of a part-time employee represented by the American Federation of State, County and Municipal Employees (AFSCME) was \$15.07 per hour in 1999, including salary, health insurance, retirement, and social security benefits.¹⁷ Part-time employees are eligible for unemployment, sick leave, vacation time, and holidays. In 1994, in an attempt to reduce seasonal labor costs, the division started WEP, a worker training program for unemployed and underemployed people. Between 1994 and 1998, the cost of WEP to the division was \$7.25 per hour—\$5.25 per hour for wages and \$2.00 for social security, liability insurance, and administrative costs paid to Greenview, the WEP program's contractor. Hourly costs increased to \$8.75 in 1999 when the pay rate increased to \$6.50 per hour. For the past 25 years, the division has also used low-income or needy-elderly workers in some state parks. The cost to the division for the needy-elderly program was \$8.54 per hour including \$6.50 per hour for wages and \$2.04 for fringe and administrative costs in 1999. The needy-elderly hours were assigned to 35 state parks, while the WEP hours were allocated to 57 state parks.

Full-time park staff consistently represented between 45 and 46 percent of all labor hours funded through the operating standards between 1996 and 2000. Part-time employees accounted for 42 to 44 percent of the hours, with WEP representing between 7 and 9 percent. According to the division, the WEP program saved the division approximately \$364,000 in calendar year 1998. We found that:

- **The Parks and Recreation Division's ability to develop alternatives to reduce the cost of seasonal staff has been limited by the terms of an agreement negotiated with an employee labor union.**

¹⁷ An employee must work 14 hours or more per week (or 35 percent of the normal work week in the employee's bargaining unit) and be employed 67 or more working days in any calendar year to be covered by the AFSCME agreement. Agreement between Minnesota State Employees Union AFSCME, Council No. 6, AFL-CIO and the State of Minnesota, July 1, 1997 through June 30, 1999, 1.

State laws have required the division to negotiate with AFSCME on the structure and implementation of the Work Experience Program.¹⁸ The negotiated agreement contained more restrictions than the division first envisioned, resulting in a more limited worker training program.

DNR and AFSCME negotiated memoranda of understanding regarding WEP for the 1993-95 and the 1995-97 contract periods. In 1997, the parties extended the WEP memorandum of understanding that was in effect through 1997 for the 1998 and 1999 state park operating seasons. The agreements include language on hours, overtime, season length, appointments and terminations, and position descriptions. For example, the agreement says WEP participants cannot be scheduled to work overtime, WEP hours cannot exceed 30 percent of total hours per park, WEP participants cannot work in a state park if union-represented staff are on seasonal layoff, and WEP hours would be reduced before AFSCME bargaining unit employee hours, if layoffs or reductions in hours occur because of budget shortfalls.¹⁹

The worker training program ended in 1999.

In 1998, the Work Experience Program had difficulty recruiting participants at the relatively low hourly wage offered. In early 1999, DNR and AFSCME negotiated an amendment to the WEP agreement to: 1) increase the hourly wage from \$5.25 per hour to \$6.50 per hour for the 1999 season; 2) limit WEP expenditures for the 1999 season to \$554,596 or an amount not to exceed the budgeted amount for the 1998 season; and 3) end WEP after the 1999 season and, beginning with the 2000 season and beyond, use state employees to provide these hours of labor.²⁰ DNR is negotiating with the Department of Employee Relations to create a new state position at a cost per hour comparable to WEP for the 2000 park season.

Volunteers

In 1998, volunteers contributed over 155,000 hours to Minnesota's state parks. The division uses two types of volunteers: 1) the traditional volunteers who offer service for free and 2) participants in work programs who are paid by agencies or programs other than the division, or "paid labor." We looked at how the division uses volunteers and whether there are any limitations on their use. Generally, we found that most parks use volunteers but there are some constraints on when and how volunteers can be used.

DNR solicits volunteers through its Internet web site and quarterly newsletter that advertises a wide range of opportunities, such as campground host, program presenter, and tree seedling monitor. Campground hosts welcome campers, answer park-related questions, explain park rules, pick up litter, and keep the

¹⁸ Laws in 1993 and 1995 stated that the DNR Commissioner may not operate a work training program unless the terms and conditions of employment had been negotiated with the exclusive bargaining representatives of employees. *Minn. Laws* (1993), ch. 172, sec. 5, subd. 5 and *Minn. Laws* (1995), ch. 220, sec. 5, subd. 5.

¹⁹ Memorandum of Understanding, 1996 Work Experience Program, April 2, 1996; Bruce Potthoff, Labor Relations Director, Minnesota Department of Natural Resources, to Bob Buckingham, Business Representative, AFSCME Council No. 6, March 31, 1997, memorandum.

²⁰ Bruce Potthoff, Labor Relations Director, Minnesota Department of Natural Resources, to Bob Buckingham, Business Representative, AFSCME Council No. 6, March 24, 1999, memorandum.

A variety of volunteers are used in state parks.

sanitation buildings stocked between regular cleanings. Park managers may also recruit volunteers through local park “friends” groups, local community or civic groups, scout and school groups, and hiking, horse riding, and other outdoor clubs. About two-thirds of the state parks have an advisory group or park association that may help the park with volunteers, project funding, or advice. Some “friends” groups control how the money they raise is spent, while others may donate it to the division through the gift account. The DNR Park Partners Program provides matching state dollars for locally-supported building or facility improvements, resource management tasks, and interpretive projects.²¹

Crews of young people and adults paid by agencies or programs other than the division also work in state parks. The largest of these programs are the Minnesota Conservation Corps (MCC), a conservation-based program that provides services to various DNR divisions, and Sentencing-to-Service (STS), a court-ordered community service program. Park managers must apply to these programs to request assistance for specific projects. Other “paid labor” programs include Greenthumb, a federally funded program that hires the elderly, and several work experience programs for young people.

Constraints on Volunteer Use

While the division uses thousands of volunteer hours, we found that

- **Department guidelines, state law, and bargaining unit contracts limit the Parks and Recreation Division’s use of volunteers.**

While the division does not have a written policy on the use of volunteers, guidelines include the following:

1. State law prohibits volunteers in the Park Partners Program from displacing public employees in state parks.²²
2. DNR guidelines specify that volunteers may do work that supplements, but does not supplant, paid staff. Supplementary work includes work that creates new projects or services or fills gaps in existing projects or services, would not get done because of funding and/or personnel limitations, and does not cause a layoff or shorten an employee’s work hours.²³

Some “volunteers” are in fact paid.

²¹ *Minn. Stat.* §85.045 created the Park Partner Program to “encourage business and civic groups or individuals to assist, on a volunteer basis, in improving and maintaining” state parks. State law also contains language governing the program. Park Partner projects involve a 50/50 match (50 percent from the community or organization and 50 percent from division appropriations). The community or organization’s match can be in dollars, time, or materials.

²² *Minn. Stat.* §85.045, subd. 4. The law states: “The commissioner may not enter into any agreement that has the purpose or results in the displacement of public employees by volunteers participating in the [park partners] program.”

²³ Minnesota Department of Natural Resources, *Minnesota DNR Volunteer Guidelines* (St. Paul, April 1999).

3. DNR's supplemental agreement to the AFSCME contract restricts the use of STS crews and Institution Community Work Crews (ICWC). DNR volunteer guidelines also apply to STS and ICWC.²⁴
4. The division has adopted additional restrictions that limit the use of ICWC in state parks to remote park areas during the summer season.²⁵

The division does not use volunteers to run state parks, instead it uses volunteers where it can as long as they do not replace state employees. Division staff emphasized that the use of volunteers requires administrative time to plan, coordinate, and supervise. Volunteers are not seen as a solution to a personnel shortage.

Analysis of Volunteer Hours

We asked park managers to verify the number of volunteer hours reported to the central office in 1998. We discovered many discrepancies in the number of volunteer and paid labor hours reported, leading us to question the accuracy of the reported hours and to conclude that these hours were probably underreported.²⁶ Underreporting of volunteer hours may be caused by limited knowledge about the number of hours a crew worked, failure of some park managers to track volunteer hours or report them to the central office, or a reluctance of some park managers to report these hours. Using the 1998 volunteer hours verified by park managers, the only data available, we found that:

- **Most state parks reported using volunteers in 1998, although availability, problems with supervising, and union opposition may limit their use.**

Volunteers work in most state parks but their use varies by park.

Of the over 155,000 volunteer hours worked in state parks in 1998, unpaid volunteers provided over one-third of the hours (56,762), while paid labor crews provided about two-thirds of the hours (98,734). Figure 2.1 shows the type of volunteer and paid labor hours for 1998. Campground hosts accounted for nearly half of the volunteer hours, followed by community groups. STS and MCC crews provided 80 percent of the paid labor hours in 1998.

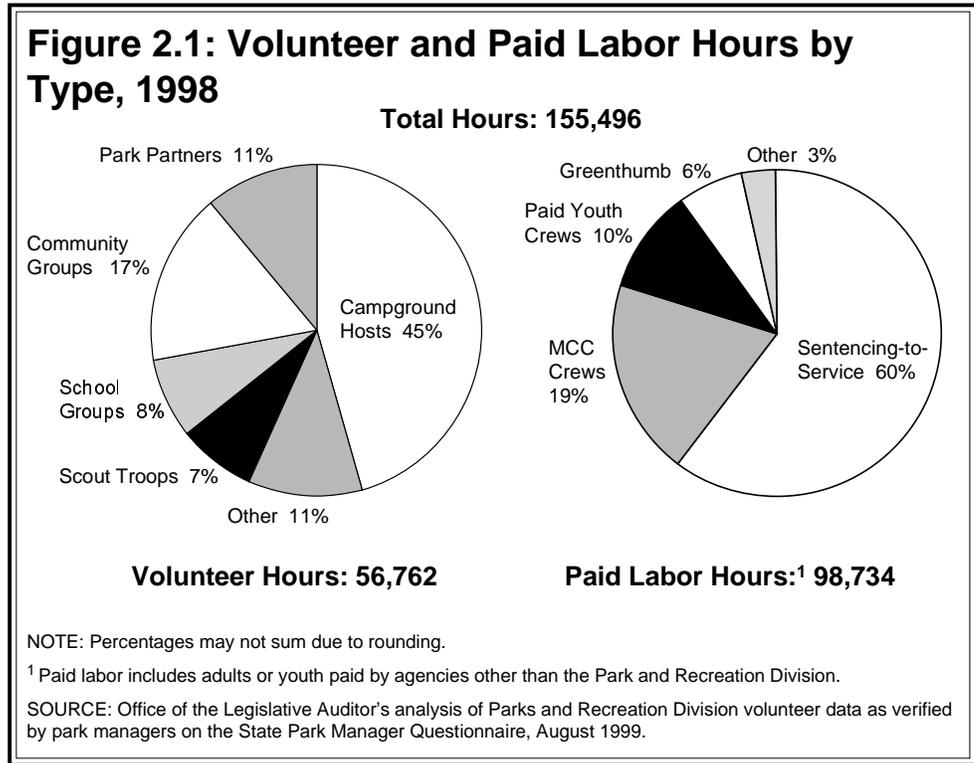
Eighty-five percent of the state parks used volunteers in 1998. Volunteer use varied significantly by park. Table 2.6 shows that ten parks accounted for over 50 percent of the volunteer hours and about 60 percent of the paid labor hours in 1998. Many parks with high numbers of volunteer hours were large and busy (Itasca); however, several smaller parks also used a large number of volunteer

²⁴ The contract requires notifying the union about non-emergency STS projects prior to beginning any work and submitting any ICWC projects to the union for approval. It is also expected that there will be no reduction in hours of AFSCME employees as a result of STS projects. Agreement between Minnesota State Employees Union AFSCME, Council No. 6, AFL-CIO and the State of Minnesota, July 1, 1997 through June 30, 1999, DNR Supplement Article B, 345; and Brad Moore, Field Operations Manager, Minnesota Department of Natural Resources, to DNR Senior, Operations, and Regional Managers, *Reaffirmation of DNR's Procedures for Sentencing to Service and Institutional Community Work Crew Programs*, April 30, 1998, memorandum.

²⁵ Ron Hains, Parks Operation Manager, Minnesota Department of Natural Resources, to regional park managers and others, *Use of the Institutional Community Work Crew (ICWC) Program in State Parks*, August 14, 1998, memorandum.

²⁶ We limited our analysis to 1998 volunteer data because of concerns with data quality.

Paid labor crews provided two-thirds of all volunteer hours in 1998.



hours (Crow Wing, Rice Lake, and Nerstrand-Big Woods). About one-third of all parks reported fewer than 200 volunteer or paid labor hours.

According to our park manager survey, common volunteer tasks included campground host, resource management projects, trail maintenance, and cleaning and litter pick-up. Some parks use volunteers to operate the park's visitor center.²⁷

Table 2.6: Volunteer and Paid Labor Hours for the Top Ten Parks, 1998

Park	Volunteer		Paid Labor		
	Hours	Percentage of Total	Hours	Percentage of Total	
Fort Snelling	5,740	10.1%	Fort Ridgely	10,865	11.0%
William O'Brien	5,072	8.9	Glendalough	9,320	9.4
Myre-Big Island	3,798	6.7	Fort Snelling	7,656	7.8
Nerstrand-Big Woods	2,962	5.2	Itasca	6,141	6.2
Wild River	2,907	5.1	Myre-Big Island	4,989	5.1
Rice Lake	2,775	4.9	Blue Mounds	4,652	4.7
Itasca	2,392	4.2	William O'Brien	4,352	4.4
Crow Wing	1,779	3.1	Lake Maria	4,260	4.3
Frontenac	1,611	2.8	St. Croix	4,248	4.3
St. Croix	1,435	2.5	Tettegouche	4,096	4.1
Total for all parks	56,762			98,734	

SOURCE: Office of the Legislative Auditor's analysis of Parks and Recreation Division volunteer data as verified by park managers on the State Park Manager Questionnaire, August 1999.

²⁷ Blue Mounds, Fort Snelling, and Interstate recently solicited visitor center hosts. Minnesota Department of Natural Resources, *DNR Volunteer Opportunities*, (St. Paul, Summer 1999), 3, 4, 9.

Availability and other factors limit the usefulness of volunteers.

MCC and STS crews assisted with labor-intensive resource management projects, such as prairie restoration, exotic species control, prescribed burns, and trail development.

We asked park managers if they had any problems using volunteers and paid labor crews. Most managers (88 percent) reported that volunteers were helpful in accomplishing tasks. Park managers with fewer paid staff were more likely to find volunteers “very helpful.” Several factors, however, limit volunteer usefulness. Sixty-three percent of park managers reported that supervising volunteers takes too much time, 50 percent said that volunteers lack needed skills, and 44 percent reported that not enough people volunteered. Park managers also cited union opposition as a limitation in using both paid labor (41 percent) and volunteers (31 percent).

The Sentencing-to-Service program contributed nearly 60,000 hours to state parks in 1998. The Department of Corrections and DNR jointly sponsored the STS program in the late 1980s with a goal to devote about half of all hours to state natural resources projects. In 1998, however, DNR received only about one-fifth of the available STS hours (137,184 of 961,493); state parks received 43 percent of the STS hours provided to DNR.²⁸ Some park managers told us that they could use more STS help, but hours were limited because the STS program did not select park projects, some counties do not have STS programs, and STS crews can not be used when seasonal state employees are on layoff.

CAMPING

Sixty-two state parks and one recreation area offer camping opportunities, including tent and recreational vehicle (RV) campgrounds, walk-in and cart-in campsites, camper cabins, and horse camps.²⁹ We looked at the demand for campsites and reservations during the busy summer season and also reviewed the camping reservation system.

Campsite occupancy varied widely by park and day of the week. Campsites in some parks were in high demand and near full occupancy many summer weekends, while others had vacancies on both summer weekends and weekdays. We found that:

- **Occupancy for camping in all state parks averaged 72 percent on weekends and 26 percent on weekdays during the summer of 1998.**

Overall, the most heavily used parks (Group A) had the highest average summer weekend and weekday occupancy, while the least used parks (Group E) had the lowest, as shown in Table 2.7. Occupancy rates for individual parks, however, varied widely. Four North Shore parks—Split Rock Lighthouse, Tettegouche, Temperance River, and Gooseberry Falls—had the highest average total summer

28 John McLagan, Sentencing-to-Service Program Director, Minnesota Department of Corrections, “Annual STS Data Summary F. Y. 1998,” August 17, 1998.

29 Seven parks offer housekeeping cabins or other lodging—Bear Head Lake, Itasca, Savanna Portage, Scenic, St. Croix, Tettegouche, and Wild River.

occupancy in 1998, as shown in Table 2.8. Some of these parks also had high occupancy on summer weekdays, while other parks such as William O'Brien, Whitewater, Frontenac, and Father Hennepin had high weekend occupancy (over 90 percent) but much lower weekday occupancy (about 30 percent). Finally, some parks had low campsite occupancy during summer weekends and weekdays in 1998. For instance, Old Mill, Kilen Woods, Monson Lake, and Upper Sioux

Table 2.7: Average Summer Campsite Occupancy Rates by Group, 1998

Park Group	Summer Occupancy Rates		Total
	Weekday	Weekend	
Group A	37%	86%	52%
Group B	19	64	33
Group C	33	78	47
Group D	15	57	28
Group E	6	35	15
All Parks	26%	72%	41%

NOTE: Occupancy rates are a ratio of all campsites occupied to all campsites available within each park group.

SOURCE: Office of the Legislative Auditor's analysis of Parks and Recreation Division data.

Table 2.8: Summer Campsite Occupancy Rates for Top Ten and Bottom Ten State Parks, 1998

State Park	Summer Occupancy Rates		Total
	Weekday	Weekend	
Split Rock Lighthouse	84%	97%	88%
Tettegouche	80	98	86
Temperance River	79	96	84
Gooseberry Falls	75	91	80
Cascade River	65	89	72
Interstate	61	96	72
Jay Cooke	59	95	70
Bear Head Lake	56	80	64
Judge Magney	56	79	63
Itasca	52	85	62
Fort Ridgely	8	47	20
Glendalough	6	45	19
Big Stone Lake	8	37	17
Lake Bronson	8	34	16
Old Mill	8	33	16
Carley	3	39	15
Kilen Woods	8	25	13
Schoolcraft	5	26	12
Monson Lake	3	29	11
Upper Sioux Agency	2	23	9

NOTE: Data were not available for John Latsch and Franz Jevne state parks.

SOURCE: Office of the Legislative Auditor's analysis of Parks and Recreation Division data.

The most heavily used parks had the highest weekend and weekday campsite use in 1998.

Use of campsites at individual parks varied widely.

Agency filled one-third or fewer of their campsites during summer weekends and fewer than one-tenth of those sites on summer weekdays in 1998.

Up to 70 percent of campsites available at any park may be reserved up to 90 days prior to the scheduled arrival date.³⁰ We examined summer campsite reservation rates and found that:

- **Generally, it can be difficult to get reservations for campsites with electricity at some popular parks on summer weekends.**

Table 2.9 shows that campsites with electricity were more popular and had higher reservation rates on average than sites without electricity in 1998. Park managers told us that generally campsites with electricity were the first reserved and occupied. Other popular, first-reserved campsites were non-electric, cart-in sites, such as those at Split Rock Lighthouse and Tettegouche.

Table 2.9: Summer Reservation Rates for Campsites by Type, 1998

	<u>Recreational Vehicle Sites</u>		<u>Sites Without Electricity</u>
	<u>With Electricity</u>	<u>Without Electricity</u>	
Weekday	23%	15%	20%
Weekend	83	66	70
Total Summer	42	31	36
Number of sites	800	1,815	201

NOTE: Reservation rates are a ratio of number of days reserved divided by the total number of available sites.

SOURCE: Office of the Legislative Auditor's analysis of Parks and Recreation Division data.

For some parks, campsite reservations were filled most summer weekends in 1998.

During the summer, the reservations in some parks were filled most summer weekends in 1998. Over the entire summer, campers reserved 90 percent or more of the weekend sites available for reservation in 18 parks such as Split Rock Lighthouse, Jay Cooke, and Interstate.³¹ In contrast, campers reserved fewer than half of the available sites in 16 parks such as Camden, Carley, and Minneopa.³² Campers reserved sites at popular parks far in advance. On average, campers made reservations at least eight weeks in advance at many parks that averaged more than 90 percent occupancy during summer weekends, including Split Rock Lighthouse, Gooseberry Falls, and Tettegouche.³³ Nearly two-thirds of all camping reservations were made for weekend days.

³⁰ Lodging reservations may be made up to a year prior to the scheduled arrival date.

³¹ Other parks in this group included William O'Brien, Temperance River, Tettegouche, Father Hennepin, Whitewater, Banning, Sibley, Wild River, Frontenac, Itasca, Moose Lake, Lake Carlos, Sakatah Lake, Gooseberry Falls, and Cascade River.

³² Other parks in this group include Lac Qui Parle, Buffalo River, Big Stone Lake, Myre-Big Island, Hayes Lake, Minnesota Valley, Upper Sioux Agency, Zippel Bay, Monson Lake, Kilen Woods, Lake Bronson, Old Mill, and Schoolcraft.

³³ Other parks included Lake Carlos, Jay Cooke, Itasca, Temperance River, Sibley, Whitewater, Interstate, and Father Hennepin.

State Park Camping Reservation System

Park users made about 57,000 campsite and lodging reservations for state parks in 1998. The division has contracted with Data Listing Services (“The Connection”) for reservation services since 1997.³⁴ After problems with a previous contractor the division hired a consultant to analyze reservation system options, including using an in-house reservation system. Based on the consultant’s recommendation, the division has continued using an outside vendor.³⁵ The current contract includes several customer service measures such as maximum average telephone hold time and park-specific training for staff. In 1999, campers were charged a \$6.75 reservation fee.

The current system offers several improvements over the previous system. The division built an extensive information system using consistent definitions for terms such as cart-in or backpack-in campsites and tried to anticipate points of confusion such as Split Rock Creek and Split Rock Lighthouse. Callers can reserve specific types of sites, such as electric hook-ups, RV length, and handicapped accessible. However, we found that:

- **During summer 1999, the Parks and Recreation Division received an increased number of complaints about the state park camping reservation system.**

Complaints resulted from two issues. First, telephone operators taking reservations use extensive menus to access information about individual park features. This can slow the reservation process, especially when someone is making multiple reservations. Second, overflow telephone calls to The Connection rolled over to operators located in South Dakota who were not familiar with Minnesota geography or individual state parks. Division staff are working with The Connection to address these problems through software redesign and additional training.

Campers often call the parks directly for more specific information and some park managers told us that parks should be able to make their own reservations, possibly by using the Internet. Campers can make Internet reservations for state park campsites in California, Massachusetts, New York, Texas, Oregon, and Wisconsin.³⁶ At the present time, The Connection does not have the technical ability to provide Internet reservations. When the reservation contract is rebid for 2001, however, the division would like to add Internet reservations to the specifications for the reservation call center. In the meantime, the division is working with DNR technical support to post information about campsite availability on its Internet web site.

DNR would like to add Internet reservations in the future.

³⁴ Parks and Recreation Division, Minnesota Department of Natural Resources, *Centralized Reservation System Contract Amendment*, 1997. The existing contract is valid through December 31, 2001.

³⁵ Deloitte & Touche, *Final Report: Minnesota State Park Reservation System* (April 30, 1993).

³⁶ These states use the same private vendor, ReserveAmerica. Internet reservation fees range from \$3 to \$6 per reservation in addition to the standard reservation fee.

INTERPRETIVE SERVICES AND EDUCATION

One goal of state parks is to provide a variety of natural and cultural interpretive services.

Interpretive services in state parks are designed to promote increased understanding and enjoyment of natural and cultural resources, protect resources by focusing on resource management, and increase public awareness of critical environment problems. Three types of interpretive services are provided: 1) staff-led presentations and activities such as hikes, tours, and demonstrations; 2) self-guided services such as interpretive trails, exhibits, visitor centers, and publications; and 3) community and environmental education services. In recent years, the emphasis for naturalists in state parks has been shifting toward development of self-guided interpretive services and materials.³⁷



Self-guided trails are one type of interpretive service provided in state parks.

We were asked to examine how many state parks provide interpretive or naturalist programs and whether these programs meet public demand. We found that:

- **Eighteen state parks had permanent, full-time year-round naturalists and eight parks had seasonal naturalists in 1999.**

Table 2.10 summarizes the naturalist programming and staff in state parks. Interpretive services has a total of 37 full-time equivalent staff consisting of a program coordinator in the St. Paul office, 5.5 regional naturalists working in regional offices, and 30.3 naturalists working in 26 state parks. The park

³⁷ Parks and Recreation Division, Minnesota Department of Natural Resources, *Minnesota State Park System Interpretive Services Plan* (St. Paul, 1995), 3-5.

operating standards included about 52,000 hours for interpretive services in 1999, which funded the full-time and seasonal park naturalist positions.

Twenty-six parks have year-round or seasonal naturalists.

The remaining 42 parks did not have naturalist staff. Of these, over two-thirds provided occasional programs using regional naturalists, naturalists from nearby parks, park managers, staff from other DNR divisions or other agencies or organizations, and volunteers. The remaining parks provided self-guided services only, although some parks, such as Monson Lake and Schoolcraft, have few self-guided trails or exhibits.

The above range of interpretive services programming is consistent with the division's 1995 interpretive services plan, which provides a framework for making decisions and setting priorities about what interpretive services will be available in individual parks. The plan analyzed each park's natural and cultural resources and current and potential attendance. Using these criteria, the plan

Table 2.10: Naturalist Programming and Staff in State Parks, 1999

Year-Round Naturalist-Led Programs (Full-Time-Equivalent Staff)	Seasonal Naturalist-Led Programs (Full-Time-Equivalent Staff)	Occasional Naturalist Programs
Blue Mounds (1)	Buffalo River (.25)	Afton
Forestville/Mystery Cave (3.5)	Frontenac (.25)	Banning
Fort Snelling (2)	Hill Annex Mine (1.5)	Bear Head Lake
Gooseberry Falls (1.25)	Interstate (.50)	Beaver Creek Valley
Grand Portage (1)	Lake Bronson (.25)	Camden
Itasca (1.75)	Lake Carlos (.25)	Carley
Jay Cooke (1)	Lake Shetek (.25)	Cascade River
Lake Bemidji (1)	Scenic (.25)	Charles A. Lindbergh
Mille Lacs Kathio (1) ¹		Crow Wing
Nerstrand-Big Woods (1) ²		Father Hennepin
Rice Lake ²		Flandrau
Sakatah Lake ²		Fort Ridgely
St. Croix (1)		Glendalough
Sibley (1.3)		Hayes Lake
Soudan Underground Mine (7)		Judge C.R. Magney
Whitewater (1)		Kilen Woods
Wild River (1)		Lac Qui Parle
William O'Brien (1)		Lake Louise
		Lake Maria
		Maplewood
		McCarthy Beach
		Minneopa
		Moose Lake
		Myre-Big Island
		Old Mill
		Savanna Portage
		Split Rock Creek
		Tettegouche
		Upper Sioux Agency

¹Naturalist also works with Crow Wing and Father Hennepin.

²One area naturalist splits her time between these three parks.

SOURCES: Parks and Recreation Division, Minnesota Department of Natural Resources, *Summer Traveler*, 1999, 14; Joel Stedman, Interpretive Services Coordinator, Telephone interview, October 14, 1999; and Office of the Legislative Auditor, State Park Manager Questionnaire, August 1999.

established interpretive priorities by placing parks in one of five groups representing five levels of interpretive services, from year-round staff and programming with a full-service visitor center to self-guided interpretive services only.³⁸

Interpretive Services Program Activity

Based on activities reported by full-time and seasonal naturalists in 1998, nearly 132,000 park visitors attended over 6,000 scheduled naturalist presentations or tours. An additional 55,800 school children and education professionals participated in over 1,600 requested environmental education programs.³⁹ The parks with the most participation in scheduled programs were Soudan Underground Mine (23 percent of the total), Forestville/Mystery Cave (15 percent), and Itasca (11 percent). Soudan and Forestville run scheduled tours which may be the primary reason for visiting these parks. The parks providing the most school children with environmental education programs were William O'Brien (13 percent of the total), Fort Snelling (11 percent), and Whitewater (11 percent).

In our survey of park managers and interviews with regional and park naturalists we asked how well interpretive programs meet park visitor demand. We found that:

- **Park managers in about half of the state parks with naturalist-led interpretive services told us that programs do not meet demand.**

Park managers are split on whether existing interpretive programs adequately meet public demand.

Responses from parks with interpretive staff were evenly split, with 14 saying some programs do not meet demand, 13 saying programs do meet demand, and 1 saying the programs were rarely full. Given these responses, we asked what programs were not able to meet demand and found that:

- **Some parks were not able to meet school groups' demand for environmental education programs or the public's demand for specific naturalist programs.**

Of the park managers responding to this question, 12 indicated that they were not able to meet the requests of schools and other organizations for environmental education programs. Most of these requests occur in the spring and fall. If park staff are unable to provide naturalist- or park manager-led programs, they work with teachers to encourage the use of self-guided interpretive trails and exhibits, park brochures, and other self-guided interpretive materials. Nine park managers identified specific naturalist programs that are not able to meet demand, such as:

³⁸ The plan identified 20 parks that should have year-round naturalists and full-service visitor centers; 22 parks to have seasonal naturalists and visitor centers open on busy days during peak season; 13 parks to have seasonal or occasional programming provided by naturalists from nearby parks or others; and 11 parks to have self-guided interpretive trails and exhibits only.

³⁹ Joel Stedman, Interpretive Services Coordinator, Minnesota Department of Natural Resources, "Minnesota State Parks Interpretive Services 1998 Annual Summary," March 17, 1999. These numbers reflect actual counts of people attending programs. Information is not collected on the use of self-guided interpretive trails or exhibits.

live animal programs, evening stargazing, bluebird box building, boat tours on Lake Bemidji, and fall and spring cave tours at Forestville/Mystery Cave.

Visitor Centers

Visitor centers are a significant component of providing interpretive services in Minnesota's state parks.

- **Twenty-five state parks had visitor centers in 1999. Of these, 19 visitor centers were open year-round.**

In addition, three parks have visitor centers that are operated by the Minnesota Historical Society—Charles A. Lindbergh, Fort Ridgely, and Split Rock Lighthouse. Visitor centers either have been funded or are under construction at Forestville/Mystery Cave and Itasca; design work has been completed for a Moose Lake visitor center. The division defines a visitor center as a building that has visitor support services, rest rooms, educational exhibits and orientation materials, an area for gathering and presentations, and staff.⁴⁰ Some visitor centers do not meet all elements of this definition. For instance, the centers at Afton and Lake Maria are not staffed and centers at six parks do not include space for naturalist-led activities.

Visitor centers in 19 parks are open year-round.

Nineteen of the visitor centers are open year-round, primarily those with full-time naturalists. Most visitor centers (22) are open some hours every day of the week. Visitor centers are open more hours on weekends than on weekdays. Most visitor centers (21) are open between 7 and 14 hours on weekends. Attendance at state park visitor centers totaled 710,523 in 1998. Whitewater had the highest attendance with about 115,000. Attendance data were not reported for some visitor centers.⁴¹

In response to our survey, 15 park managers indicated that they used seasonal employees to staff visitor centers, 10 used volunteers, and 8 used park staff who work in the park contact station. Multiple use facilities, such as a combined visitor center and contact station, provide opportunities to minimize costs and maximize services. For instance, the combined visitor center and contact station at Whitewater State Park allows the visitor center to be open extended hours (from 8:00 a.m. to 10:00 p.m.), provides more services to the public, provides a core location for park services, and consolidates park staff at one location. Of the 25 existing visitor centers, 8 are part of park contact stations and 4 include other functions such as administrative space.

⁴⁰ There appears to be some misunderstanding about what constitutes a visitor center. Some park managers responding to our survey said their park had a visitor center, although the state park interpretive services coordinator does not consider these parks to have visitor centers for various reasons. Examples include Big Stone Lake, Buffalo River, Minneopa, Myre-Big Island, Split Rock Creek, and Zippel Bay.

⁴¹ Visitor center attendance data are determined using electronic counters, visual counts, or various estimates.

RESOURCE MANAGEMENT AND PRESERVATION

State law charges DNR with protecting and preserving natural and cultural resources in state parks, while providing recreational and education opportunities. We examined how the division balances the preservation of natural resources with the provision of outdoor recreation activities and found that:

- **To balance preservation of natural resources with recreational use, the Parks and Recreation Division uses specialized staff, conducts research and resource assessments, funds special projects, and develops park management plans.**

According to division staff, resource preservation includes protecting existing park resources and restoring what has been lost or damaged, while allowing recreational use and facility development.⁴² DNR uses an “ecosystem-based management” approach to resource management. This involves sustaining broad ecosystems for the long term using scientifically valid methods, partnerships with other agencies, and citizen participation.

DNR uses a variety of techniques to protect and preserve natural and cultural resources.

The resource management program has 13 full-time, professional staff, including a program coordinator in the central office who provides program leadership. In addition, six regional resource coordinators work with managers of parks in their regions to plan and implement resource management strategies. There are three area resource specialists—one each for the prairie parks (Blue Mounds, Camden, Split Rock Creek, and Lake Shetek), North Shore parks, and south-central parks (Nerstrand-Big Woods, Rice Lake, and Sakatah Lake). Finally, there are three resource specialists located at Fort Snelling, Itasca, and St. Croix. Resource specialists frequently work with other park staff, Minnesota Conservation Corps and Sentencing-to-Service crews, interns, contractors, and volunteers.

Both permanent and seasonal staff in individual parks work on resource management projects. The operating standards provided about 30,000 staff hours for resource management activities in 1999, ranging from about 3,500 hours at Itasca to fewer than 40 hours at Monson Lake. According to division staff, this reflects about 30 percent of funding necessary to sustain natural and cultural resources systemwide.⁴³ Since the division does not track employee hours, it is not possible to objectively determine the extent of resource management work undertaken by staff in state parks.

In the early 1990s, DNR provided a series of six two-week training courses to staff from the central and regional offices and state parks. The training covered natural resource topics and was designed to increase the resource management

⁴² Ed Quinn, Resource Management Coordinator, Minnesota Department of Natural Resources, Interview, July 1, 1999.

⁴³ *Ibid.*



Prescribed or controlled burns are used to manage forest resources.

Controlling exotic species and restoring prairies and forests were the most common resource management projects in 1998.

knowledge of division staff and help them integrate resource management into on-going park operations.⁴⁴

We asked park managers to list resource management projects in their parks during the past year. Most park managers reported at least a few resource management projects for 1998, often controlling exotic and nuisance species or restoring prairies and forests.⁴⁵ Of the 322 projects listed by park managers for 1999, about 15 percent involved research or monitoring, sometimes through the County Biological Survey, another DNR program.⁴⁶ In many cases, the division's budget or the Working Capital Account funded the labor and supply costs for these projects, whose expenditures totaled \$297,500 in 1998 and \$1.7 million between 1992 and 1999.

The division also uses park management plans to balance preservation of natural resources with providing recreational opportunities. The plans identify areas within a park that will be designated for recreational use or preservation based on assessments of geological conditions and biological inventories. The early park management plans (late 1970s and early 1980s) limited development to 5 percent of a park's total land area. Some recent plans use "management zoning" to identify areas best suited for intense recreational use or minimal disturbance (such

⁴⁴ Dorothy H. Anderson, David W. Lime, and Bill Morrissey, "A Continuing Education Program to Upgrade Knowledge and Skill Levels of Professional Natural Resources Staff," *Journal of Natural Resources and Life Sciences Education*, 24, no. 2 (Fall 1995).

⁴⁵ Managers in four parks did not report any projects: Father Hennepin, Franz Jevne, John Latsch, and Monson Lake. About half of the park managers reported at least five projects.

⁴⁶ Examples of research and monitoring projects include: campsite impact monitoring at George Crosby Manitou; pine bark beetle trapping, monitoring, and research at Itasca; bluebird and Blanding's turtle monitoring at Lake Maria; and dwarf trout lily monitoring at Nerstrand-Big Woods.

as areas containing habitat of rare species). The Itasca State Park Management Plan is a good example of management zoning. The plan identifies restricted management zones, intensive management zones subject to controlled burns, plantings, or restoration, and development zones containing recreational facilities. The division plans to include these concepts in other park management plans as they are revised, but revision of all existing park plans is likely to take many years.

Division staff evaluate proposed construction projects to determine the likely impact on resources. For instance, resources are assessed when trails are added or moved, electrical lines are installed, and buildings are constructed or expanded. Projects are moved or redesigned to minimize potential damage to natural or cultural resources.

Despite these efforts, we found that:

- **The Parks and Recreation Division has not emphasized its goal of resource management and preservation as much as its goals of providing recreation and interpretive services.**

The division's three goals—resource management, recreation, and education—are derived from state law. Although state law appears to emphasize protection, preservation, and restoration of natural resources, it does not give one function priority over another. Staff hours funded through the operating standards are an indicator of division priorities. In 1999, nearly twice as many hours were allocated to interpretive services (51,000) and six times more hours were funded for public contact, building cleaning, and security (about 198,000) than resource management (30,000). In addition, park managers told us that demands of day users and campers frequently take precedence and divert attention from resource management activities.

Demands of day users and campers may take precedence over resource management activities.

There is no division-wide resource management plan, similar to the interpretive services plan, that analyzes the known or likely resources in each park, establishes priorities, and identifies strategies for preserving resources in Minnesota's state parks. Literature indicates that developing an approach to balance resource protection and visitor needs involves several stages starting with awareness of the problem, identifying specific issues, and selecting strategies and tactics to solve the problems.⁴⁷ The approach, however, assumes the availability of up-to-date park plans, definition of desired visitor experiences, knowledge of what is acceptable compared to what exists, and measuring resource and visitor impacts.

The division's progress in this area has been mixed. On the positive side, the division has demonstrated an awareness of the importance of resource

⁴⁷ U.S. Government Accounting Office, *National Park Service: Activities within Park Borders Have Caused Damage to Resources* (Washington D. C., August 1996); U.S. Government Accounting Office, *National Park Service: Activities Outside Park Borders Have Caused Damage to Resources and Will Likely Cause More* (Washington D.C., January 1994); and Dorothy Anderson, David Lime, and Theresa Wang, *Maintaining the Quality of Park Resources and Visitor Experiences* (St. Paul: University of Minnesota Extension Service, 1998). The last source identifies five primary strategies: modify the character of visitor use; modify resource base by increasing its durability or rehabilitation; increase the supply of recreational opportunities; reduce area use; and, modify visitor expectations. It also identifies 25 tactics in 5 categories: site management, rationing and allocation, regulation, deterrence and enforcement, and visitor education.

management in its strategic plan. In the mid-1990s, the division cooperated with the National Forest Service to study visitor experiences in six state parks and community benefits related to two parks. These studies gathered considerable information about what visitors want from their experience in particular parks and how this relates to existing or future outdoor recreation opportunities. DNR's 1996 performance report contained a performance measure to identify and manage areas in state parks that are heavily impacted by high visitor use. North Shore parks were identified as pilots to develop definitions and survey techniques to measure visitor impacts.⁴⁸ Since 1996, the division has done little work systemwide to quantify the impact of recreational overuse in Minnesota's state parks or identify how to mitigate such damage. The park management plans for Tettegouche and Itasca contain some of these concepts and park staff at several North Shore parks are working on projects to evaluate trail erosion and campsite soil compaction. But much remains to be done in this area.

The lack of baseline data makes it difficult to establish resource management priorities.

Effective resource management and preservation depends on baseline data. Not enough survey and inventory research is being conducted to identify existing resources, establish baselines, determine how the resources should be managed and preserved, and monitor the long-term impacts of new development and recreational use. Some parks, such as those in Region 5 (Southeast), have fairly complete, up-to-date biological inventories while others have little information. The lack of baseline survey data makes it difficult to establish resource management priorities. Surveys are complicated, costly, and must be updated regularly to be accurate. According to the division, it plans to prioritize survey work based on existing natural communities, park development plans, and plans for revising park management plans.

Up-to-date individual park management plans are an important tool in balancing resource protection with recreational use in Minnesota's state parks. Ideally, these plans would identify a park's natural and cultural resources, as well as recreational facilities, along with strategies for managing these resources. Most of the park management plans were originally adopted in the late 1970s and early 1980s and may not accurately reflect current park conditions or resources. Without knowing the condition of existing resources, it is difficult to assess the impact of recreational use on those resources. Division staff have identified the need to develop natural resource inventories, park specific resource management plans, and indicators of environmental condition before they can adequately monitor the impact of recreational use on natural resources in state parks.

ENFORCEMENT

About 50 percent of park users who responded to a 1998 DNR survey said that security provided in state parks was very important to their enjoyment of the parks. The DNR Commissioner has promulgated rules that govern the use and enjoyment of state parks and park managers are responsible for enforcing these rules. We examined how security and enforcement services are provided in state parks and found that:

⁴⁸ Parks and Recreation Division, Minnesota Department of Natural Resources, *1996 Performance Report* (St. Paul, 1997), 97.

- **The Parks and Recreation Division used over 100 certified park officers (Level II) and between 130 and 150 night security staff (Level I) in 1999 to provide proactive and preventive law enforcement services.**

The division has a philosophy of “low key,” personal, proactive, and preventive law enforcement services. This approach relies on the presence of uniformed personnel who assist, inform, and educate park users as a means of pre-empting future problems. Park officers attempt to use the lowest level of enforcement or corrective action necessary to resolve a situation. Officers frequently use verbal warnings to educate people about park rules. When verbal warnings do not produce compliance, park officers issue written warnings or citations.⁴⁹



State park officers provide proactive and preventive law enforcement services.

Some level of night security service is provided at every park.

The division uses two levels of law enforcement personnel: 1) Level I night security, usually seasonal, part-time staff, who are authorized to give verbal warnings; and 2) Certified Level II park officers who are authorized to issue written warnings and citations, and carry and use mace for defensive purposes only. Level II park officers are not licensed peace officers and are not authorized to carry or use fire arms, stun guns, or handcuffs.⁵⁰ All park managers, assistant managers, and operation specialists are park officers, as are some staff in central and regional offices.⁵¹ Park officers' enforcement authority ends at the park boundary. Generally, county sheriff offices are the primary backup for park officers. Depending on a park's location, city police departments and DNR conservation officers may also play key roles in backup for park managers.⁵²

Night security services are provided in every park, although the nature of those services varies depending on the size and use of each park. For instance, in more heavily used parks with high weekday and weekend campground occupancy, night security is provided every evening during peak season. In parks with low

⁴⁹ Parks and Recreation Division, *State Park Law Enforcement Manual*, 1992, 3-4, 19-21.

⁵⁰ Minnesota Department of Natural Resources, “Operational Order No. 94,” January 1991, contains guidelines for Level II Law Enforcement Officers.

⁵¹ Managers in two parks and assistant managers in seven parks, who were hired in 1999, will receive their initial Level II training in late 1999 or early 2000.

⁵² The City of Taylors Falls provides law enforcement services at Interstate. During the 1999 session the Legislature approved a special appropriation to the city for these services. During the summer, the city and county consolidated law enforcement functions.

weekday campground use, security is provided on Friday, Saturday, and Sunday evenings. Similarly, night security is available until 11:00 p.m. in parks with smaller campgrounds but until 2:00 a.m. or later in parks with larger campgrounds.

DNR has specific procedures to deal with weather and other emergencies.

DNR and the division has operational orders and policies related to law enforcement and security, including training requirements, emergency procedures, use of emergency vehicles, and weather emergencies. In cases of severe weather, park staff make reasonable efforts to advise park users of the situation. This can include posting information on park bulletin boards, notifying park visitors using a public address system on a truck, and advising people to move to a secure shelter (usually the park office, visitor center, or sanitation building), if necessary. Weather information is usually posted on park bulletin boards and includes the location of the designated shelter, listing of local radio stations, emergency assistance telephone numbers, directions to the nearest hospital and local law enforcement office, and actions to take in the event of severe weather.

We found that:

- **While park officers deal with many different kinds of enforcement and emergency situations, the most frequent problems involved vehicle permit violations in 1998.**

Table 2.11 lists the frequency of enforcement problems in state parks. Park managers told us that vehicles without permits were the most common daily enforcement problem, excessive noise and pet-related problems were the most common weekly problems, and most vandalism problems occurred once or twice a season.

The level of law enforcement authority needed to protect the parks and park users varies from park to park depending on geographic location, demographics of park users, level of park activity, and other factors. Park enforcement reports for 1998 show that the most common activity was issuing vehicle permit warnings. Enforcement staff in 54 parks issued over 5,500 vehicle permit warnings; the 15 most heavily used parks (those in Group A) accounted for 63 percent of the warnings issued. In contrast, park officers in 20 parks issued 87 written warnings usually for vehicle permit (24) or parking (21) violations. Similarly, park officers in 17 parks issued 87 citations primarily for vehicle permit violations (34) or

Table 2.11: Frequency of Problems in Minnesota State Parks

Problem	Daily	Weekly	Monthly	Once or Twice a Season	Almost Never
Vehicles without permits	65%	25%	3%	1%	1%
Drunkness	0	28	25	34	9
Vandalism	0	16	34	41	9
Excessive noise	12	49	22	10	7
Pet-related problems	15	57	9	13	3

NOTE: Numbers are percentage of park managers. (N=68)

SOURCE: Office of the Legislative Auditor, State Park Manager Questionnaire, August 1999.

alcohol or drug use (14). The 15 most heavily used parks accounted for half of the written warnings and nearly three-fourths of the citations issued in 1998.

Park managers reported that other enforcement agencies, usually the county sheriff's office, responded to situations in state parks 94 times in 1998. These situations most frequently involved disturbances, vandalism, and burglaries. Park staff responded to 329 emergency situations in 1998, 120 of which involved a response from an outside agency such as emergency medical technicians or fire departments. Medical situations, injuries, and deaths accounted for 58 percent of these emergencies and environmental situations (weather or flooding) accounted for 21 percent. Finally, park managers reported using emergency lights and sirens 28 times and firearms to dispatch nuisance or injured animals 100 times in 1998; no one reported using mace.

One half of the park managers said they need more law enforcement resources.

We asked park managers if they had the resources (training, staff, and equipment) necessary to provide law enforcement services. Thirty-six park managers (over 50 percent) said they needed more enforcement resources; most of this group (22) said they needed either more staff or more funding. Some managers (10) said they needed additional self-defense and control equipment, specifically expandable batons and handcuffs, and some (5) wanted Level I night security staff to be certified as Level II park officers. A few managers (2) said they wanted weapons. DNR has determined that handcuffs and expandable batons will not be used in parks because of concerns about escalating enforcement situations, and increased costs and training requirements.

MARKETING

Legislators asked us to examine how DNR advertises and markets state parks. The public affairs and marketing supervisor, in the St. Paul office, is responsible for promoting state parks and works with a division committee to develop a biennial marketing work plan.⁵³ The 1998-99 marketing plan identified goals, strategies, timelines, and budgets.⁵⁴ Marketing efforts have focused on knowing who state park users are, identifying what park users consider a quality state park experience, and building customer loyalty. We found that:

- **DNR uses a variety of techniques to promote state parks, including publications, the Internet, news releases and media relations, trade shows, and cooperative relationships with other agencies and organizations.**

⁵³ The committee is composed of the parks marketing supervisor, one person from each region—either park or regional office staff—and a representative from DNR's Information and Education Bureau. The committee receives input from parks administrative staff at the beginning of the planning process as priorities are being developed and at the end when the plan is reviewed and approved.

⁵⁴ The 1996-97 marketing plan laid the foundation for the current state park marketing efforts and involved an assessment of recreation and park user trends, sources of parks information, and target marketing groups.

DNR uses a variety of techniques to promote state parks.

In 2000, marketing and publications has a budget of \$73,600, excluding salaries and benefits for two staff people.⁵⁵ Specific marketing efforts include:

- Printing and distributing publications—350,000 Minnesota state park guides, annual permits, and the *Traveler* newsletter (which is published three times a year and distributed to 55,000 households, 12 travel information centers, and hotels and motels);⁵⁶
- Providing state park information on the DNR Internet web site;
- Working with DNR's Information and Education Bureau on the department's telephone information line, events such as the state fair, fund raising efforts, media relations, and services such as the design and layout of publications;
- Issuing news releases and working with approximately 700 media outlets (television, radio, and newspapers);
- Working with media outlets to enhance state park media exposure, such as placing a state parks supplement in an issue of *Minnesota Monthly*, a public radio magazine, and working with newspaper journalists on state park articles in travel and outdoor sections;
- Developing relationships with corporations to leverage financial resources. The division is negotiating with a company to sponsor the state park guide in exchange for \$50,000 a year for three years. Last year a poultry producer provided \$20,000 for picnic grills;
- Coordinating with Minnesota's Office of Tourism and the editor of *Minnesota Explorer*, which is mailed to 1.2 million households; and
- Attending outdoor, camping, lodging, recreation trade shows (four in the Twin Cities and one each in Chicago, North Dakota, and South Dakota), in cooperation with the Minnesota Department of Trade and Economic Development and the Office of Tourism.

The marketing budget also provides funding to state parks whose managers want to be members of local tourism boards or chambers of commerce, and want the park listed in local guides and guest service. Seventy-five percent of park managers told us that they worked with local chambers of commerce, business associations, or tourism groups to promote the state parks they managed.

In 1995, state law required the division to implement an electronic system to identify park users by scanning drivers' licenses.⁵⁷ The personal information collected from park users was supposed to be used to send out annual vehicle permit renewal notices, communicate with park users, and conduct research. We found that:

⁵⁵ Major items in the marketing budget include: \$45,000 to print 350,000 park guides; \$15,000 to print annual park permits; \$8,000 for reservation brochures; and \$500 for a parks fact sheet.

⁵⁶ Printing costs for the *Traveler* are included in the electronic drivers' license scanning program.

⁵⁷ *Minn. Laws* (1995), ch. 220, sec. 5, subd. 5.

- **In 1999, the state park electronic database contained information on only about 55,000 of the 113,000 people purchasing annual permits.**

During our visits to state parks, some park managers expressed resistance to scanning drivers' licenses. Many park managers do not see how this program benefits them and complain that it takes too much time to ask for someone's license and explain why it is being scanned. This is particularly burdensome during times when the contact station is busy. Park managers also complained about the financial resources used to support this program, instead of providing park services in the field.

RECOMMENDATION

Parks and Recreation Division administrative staff should work with park managers and park staff to improve implementation of the drivers' license scanning program.

The legislature initiated this program to identify park users and to promote the state parks. Following an initial appropriation in 1996 to purchase equipment and implement the drivers' license scanning system, the program has received regular appropriations of \$86,000 annually to pay for equipment, printing, and mailing costs. The division uses personal information collected from some park visitors to distribute the *Traveler* and to conduct focus groups related to park issues. The *Traveler* includes a mail-in order form for annual permits and other merchandise. The winter 1998/spring 1999 *Traveler* generated about \$22,000 in sales of over 950 state park permits and merchandise. Although the number of permits sold through the *Traveler* has not been extensive these numbers could be increased if more people were on the mailing list. The program is in place and regularly funded and should be fully implemented.

PLANNING

DNR uses a strategic plan and individual park plans to help manage the state park system.

State law requires the division to develop management plans for state parks and recreations areas before land acquisition and development can proceed.⁵⁸ Most of the initial state park management plans were adopted in the late 1970s and early 1980s, following passage of the Outdoor Recreation Act. Since the mid-1990s, the division revised individual park management plans for 11 parks and developed management plans for three new units (Cuyuna Country Recreation Area and Grand Portage and Glendalough state parks). The planning process takes about 2 years and involves the participation of park staff, resource and recreation management professionals, and citizens. At an average of about three plans a year, it could take nearly 20 years to revise all existing park management plans.

In 1995 the division completed a strategic plan that was designed to identify potential areas of improvement for maintaining the state park system. The plan established goals, articulated major policy issues, and identified ways park staff

⁵⁸ *Minn. Stat.* §86A.09.

and stakeholders could address the issues. One of the items identified in the strategic planning process was the division's study of the state park system.

1999 Study of the State Park System

The most recent report related to the composition of the state park system is the Park and Recreation Division's *Minnesota State Park System Land Study*, a draft of which was released for public review in August 1999. Proposed legislation directed the division to prepare a study containing "a long range plan to provide for a state park system which will preserve appropriate representations of Minnesota's landscape regions and meet future demands for state park resources, environmental education, and recreational opportunities . . . The plan shall contain recommendations for additions, deletions, modifications, and classifications for the system."⁵⁹ Although proposed language was eliminated along with funding for the study, the division completed the study to fulfill a commitment to some legislators.

The 1999 report examined future recreational demand and compared biological, geological and cultural resources existing in the state parks with resources that should be protected in the state park system to identify where the system should be expanded to the year 2025.⁶⁰ The draft study focused on adding state parks to the system and contained a decision-making framework for evaluating proposals for new parks and recreation areas using criteria contained in the Outdoor Recreation Act. It also proposed a process for rating and prioritizing proposals from the public for new parks using criteria related to size, ecological features, cultural and educational opportunities, and recreational factors.

We question some of the assumptions and conclusions contained in the draft study, including:

1. Use of a thirty-mile radius. The report recommended establishing additional state parks or recreation areas so that there is one within 30 miles of every Minnesota resident.⁶¹ While the study says the 30-mile radius comes from a 1939 park study, the basis for this recommendation is not explained in the report. It also appears to be inconsistent with the 50-mile radius used in state park management plans. The 1998 park user survey data show that 57 percent of day users and 82 percent of campers traveled more than 50 miles to visit a state park, while 71 percent of day users and 89 percent of campers traveled 30 miles or more to visit a state park.
2. Assessment of other outdoor recreation providers. Based on an assessment of complementary providers of outdoor recreation in Minnesota, the report concludes that state parks have a unique role in providing opportunities for outdoor recreation, resource preservation, and environmental education. While the three-part mission of state parks is unique, it appears that the study underestimates the role played by other units in Minnesota's outdoor

⁵⁹ Minnesota Department of Natural Resources, *Minnesota State Parks Update*, May 19, 1997.

⁶⁰ Parks and Recreation Division, Minnesota Department of Natural Resource, *Minnesota State Park System Land Study: Public Review Draft* (St. Paul, August 1999).

⁶¹ *Ibid.*, 13.

The 1999 state park study could help DNR evaluate the existing state park system.

recreation system (such as state forests, state trails, and scientific and natural areas) and other entities (such as the Minnesota Historical Society and environmental learning centers). While these entities may not have the same three part mission, they are critical components of preserving resources and providing recreational and educational opportunities in Minnesota.

3. Emphasis on cultural resources. While existing state parks contain numerous cultural resources and DNR is charged with protecting and conserving these resources, the criteria in the Minnesota Outdoor Recreation Act of 1975 (*Minn. Stat.* §86A) for creating new parks focuses on protecting and preserving natural resources. While creation of a new state park based on cultural resources is not precluded, the report appears to over emphasize cultural resources as a criterion for creating a new state park.

The study, nevertheless, sets forth a decision-making framework that the division can use to evaluate proposals for new state parks and recreation areas based on criteria contained in state law. The report acknowledges that it would be useful to evaluate existing state parks and develop a baseline with which to compare proposals for new parks.

RECOMMENDATION

The Parks and Recreation Division should continue its analysis of the current state park system, develop baseline data using criteria proposed in its Land Study, and based on that analysis examine possible modifications to Minnesota's state park system.

OTHER

Other examples of management practices that we would expect to see in a reasonably well-managed agency and that we observed while evaluating the division include cooperative working relationships with other DNR divisions and other state agencies, solicitation of public input, and use of a variety of techniques to facilitate communication between field and administrative offices. Each of these is discussed briefly.

Working Relationships

State park managers often work with other DNR divisions and other government agencies to coordinate specific projects and manage natural and cultural resources. Staff in some state parks work with other DNR divisions, sharing staff and equipment, to conduct controlled burns and complete large, labor-intense projects. Occasionally there may be friction due to differences in mission, but generally we were told that the cooperation is good.

Many park managers told us about the positive relationships they had with the Minnesota Department of Transportation. Sometimes a park is able to take advantage of surplus MnDOT materials, such as path work at Shovel Point in Tettegouche. In other cases there are cooperative arrangements to provide

services, such as the shared visitor centers/rest stops at Gooseberry Falls and Tettegouche.

Relationships with the Minnesota Historical Society (MHS) are also positive. Six parks collaborate with MHS—Charles A. Lindberg, Forestville/Mystery Cave, Fort Ridgely, Fort Snelling, Split Rock Lighthouse, and Upper Sioux Agency. Park staff may provide some ground maintenance services at historic sites for a fee and staff may cooperate on interpretive services. Representatives from MHS told us that they have very good day-to-day working relationships with park staff.

Public Input

The division uses surveys of park users and the general public to gather information about user satisfaction and park activities, benefits, and problems. The division conducts public hearings and meetings, works with citizen advisory committees, and uses other techniques to solicit input from the public, park users, park stakeholders, and local government. The division uses this information when developing state park management plans, proposing park boundary changes, considering changes in state park fees, and analyzing the composition of the state park system. These groups and individuals represent a wide range of opinions about how parks should look and what activities they should include. Competing interests from a diversity of stakeholders may make it impossible for the division to incorporate everyone's perspective in the development of a specific policy or park management plan.

Communications Within the Division

The division uses several techniques to foster communication among staff in its geographically dispersed organization. Two- to three-day bimonthly administrative staff meetings of central office and regional managers are held at various locations around the state. Agendas and minutes of these meetings are sent to staff in the parks via mail or electronic mail. These meetings are generally followed by regional staff meetings where decisions are communicated to staff in individual parks and where ideas on park operations from park staff are discussed. The division uses standing committees to obtain program direction and input on issues such as enforcement, marketing, budgeting, and management information services. Generally, committees include staff from central and regional offices and individual parks. In addition, all levels of the division use electronic mail to share information.

We asked park managers how satisfied they were with their working relationships with staff in the central and regional offices. The vast majority of park managers (92 percent) were either “completely” or “somewhat” satisfied with their working relationships with regional office staff. Park managers were somewhat less satisfied with central office staff—78 percent of park managers responded that they were either “completely” or “somewhat” satisfied with their working relationships with central office staff. During our evaluation, a number of park managers expressed frustration with the lack of communication within the division.

SUMMARY

Overall, DNR does a good job of managing Minnesota's state parks. Park users are generally satisfied and the state parks present a pleasing appearance. The department uses a reasonable management practices for allocating resources to individual state parks, a planning process for individual parks and interpretive services, various methods to involve citizens, and cooperative working relationships with other DNR divisions and state agencies. Camping is a key recreational activity for some park visitors and generates substantial income although some parks and geographic areas are more popular, and more crowded, than others.

There are some problems with state park management. Parks depend on a large number of seasonal staff but there are restrictions on the division's ability to reduce staffing costs. While many parks have naturalists, occasionally programs cannot meet demand and some visitor centers are unstaffed. The division uses a variety of techniques, including park management plans, to balance recreational use with resource management and preservation, but it has not done enough to develop baseline information on existing resources or identify critical indicators of recreational impact. There may also be some room for improvement in communications within the division.

DNR has tried to impact the fewest users when reducing public services in state parks. This chapter presents seven options for the Legislature and DNR to consider when addressing issues of state park financing. The options include maintaining the status quo; reducing the size of the park system by transferring or mothballing some parks; cutting the division's administrative costs; and increasing funding. The department's recent study of the state park system, which includes criteria and a decision-making framework, may be useful in reviewing existing state parks as well as evaluating potential, new parks.

Facility Maintenance and Capital Improvement

SUMMARY

The lack of reliable data makes it difficult to assess the maintenance or condition of state park buildings and facilities. However, most park facilities appear to be in fair to good condition. Some park roads and sewer systems need attention. DNR uses a well-defined process to identify capital improvement projects, and the Legislature invested about \$53 million in facilities and land acquisition in the 1990s.

Minnesota's state parks include administrative buildings, visitor centers, recreational facilities, roads, and infrastructure for sewer and other utilities. It is a challenge for the Department of Natural Resources (DNR) to provide adequate support for the large number of park structures and their varied maintenance needs. This chapter addresses the following questions:

- **To what extent are buildings, campgrounds, trails, and roads adequately maintained in Minnesota's state parks?**
- **What share of capital improvement expenditures was used to construct new buildings and what was used to rehabilitate or restore existing facilities in state parks?**

We analyzed the building maintenance database from DNR's Bureau of Field Services that included descriptive information, condition assessments, estimates of needed repair costs, and spending for maintenance projects. We also examined the Parks and Recreation Division's process for identifying capital improvement projects, past projects, and the existing list of projects for state parks. We visited a sample of state parks, toured both public and administrative buildings, and interviewed park managers and staff. Finally, we surveyed state park managers and asked them about the physical condition of park buildings and infrastructure systems.

BUILDING INVENTORY AND CONDITIONS

The Bureau of Field Services maintains an inventory of all DNR buildings, including those in state parks. We assigned each building a high, moderate, or low support status that reflects maintenance needs, use, visitation, and

complexity.¹ For example, intensely used public buildings equipped with utilities received the highest support rating, while storage sheds or vault toilets without utilities received the lowest support rating.

Minnesota's state park system has 1,483 buildings, including 236 buildings that do not have condition ratings because they were not actively maintained and excluding about 300 pit toilets.² We focused our analysis on the 1,247 park buildings with condition ratings. Buildings range from vault toilets, the most common building type, to offices and visitor centers. Table 3.1 summarizes park buildings by type of use and the level of support that they receive from Field Services. Buildings typically used by the public, such as sanitation buildings, cabins, and picnic shelters, account for over half of the total square footage and two-thirds of all buildings.

Table 3.2 shows how buildings are distributed by park group and DNR region. The number of buildings per park ranges from zero (Franz Jevne) to 167 (St. Croix). Itasca has the most square footage, 131,755.³ Three-fourths of all buildings and over 80 percent of the square footage are located in the 34 most heavily used parks (Groups A and B).

Nearly half of the square footage in state park buildings is over 40 years old.

The date of original construction for park buildings ranges from 1866 to 1999.⁴ One-third of the state park buildings were constructed before 1955, accounting for nearly half of the building square footage. Most of these buildings were constructed in 1936 as part of the Civilian Conservation Corps and Works Progress Administration activities. Building age varies across the six DNR regions and much of the square footage in Regions 1 (Northwest) and 2 (Northeast) was built well over 50 years ago. The buildings in Regions 3 (North Central), 5 (Southeast), and 6 (Metropolitan Area) are somewhat newer. Of the 64 buildings in Region 6, about half were constructed since 1980, but many of these are vault toilets.

Condition Ratings

Each year regional Field Services' staff rate the physical condition, performance, and estimated repair costs for six components for most buildings.⁵ We found that:

¹ Field Services assigns each building a weight based on its required maintenance and intensity of use, with '2' being little maintenance and '5' being high maintenance. We classified each building type by use and support status based on the weight most frequently assigned and the nature of public use. For example, sanitation buildings had weights of '5' and were classified as public buildings with high support status.

² The Field Services database contains 1,601 park buildings, of these 118 have been moved or demolished.

³ This *does not* include the 28 historic buildings on the Upper Bluff at Fort Snelling State Park which contain 381,000 square feet.

⁴ Field Services does not update these data to reflect renovations, therefore, the age of buildings is probably overstated. Twenty-nine buildings constructed between 1997 and 1999 did not have condition ratings.

⁵ The six building components include a building's site and its mechanical, interior, roof, electrical, and envelope systems. The database also includes estimated repair costs if repairs are needed to bring each component up to good condition. Mark Wallace, Field Services Coordinator, Minnesota Department of Natural Resources, Interview, June 29, 1999.

Table 3.1: State Park Building Inventory by Building Type and Support Status, 1999

Public use buildings account for most of the state park buildings.

Public Buildings			
<u>Support Status</u>	<u>Building Type</u>	<u>Number of Buildings</u>	<u>Percentage of Total Square Footage</u>
High	Contact stations	48	4.1%
	Visitor centers	36	9.7
	Sanitation buildings	150	11.5
Moderate	Cabins	54	3.9
	Dormitories/lodging	88	7.7
	Trail centers, bathhouses	44	7.0
	Other ¹	25	4.9
Low	Picnic shelters	57	6.4
	Vault toilets	320	1.0
	Other ²	21	0.4
Subtotal		843	56.6
Nonpublic Buildings			
<u>Support Status</u>	<u>Building Type</u>	<u>Number of Buildings</u>	<u>Percentage of Total Square Footage</u>
High	Offices	26	3.5
	Repair shops	65	13.8
	Residences	24	5.4
Moderate	Storage buildings	107	10.1
	Garages	42	4.7
	Other ³	68	2.8
Low	Sheds	31	1.8
	Other ⁴	41	1.3
Subtotal		404	43.4
Total		1,247	1,001,180

¹Other includes concessions, dining halls, and infirmaries.

²Other includes fish cleaning houses and cave entrance buildings.

³Other includes cook's shacks, spring houses, and water towers.

⁴Other includes ore crusher buildings, grainary storage buildings, and boathouses.

SOURCE: Office of the Legislative Auditor's analysis of Minnesota Department of Natural Resources Bureau of Field Services data.

- **The Department of Natural Resources' existing building maintenance database for state parks is of limited usefulness for evaluating building conditions because data are unreliable, inconsistent, and not up-to-date.**

The database is supposed to provide up-to-date information on the number of park buildings and their condition based on information collected and recorded by regional staff. However, we found numerous problems including unreliable condition and repair cost estimates, lack of up-to-date information, and missing data. Until late this year, Field Services' staff have not been trained and criteria have not been developed to help regional staff consistently rate component conditions or estimate repair costs. Data such as building age were not updated

Table 3.2: Number and Square Footage of Buildings by Group and Region, 1999

<u>Park Group</u>	<u>Number of Buildings</u>	<u>Percentage of Total Square Footage</u>
Group A	577	54.0%
Group B	358	28.7
Group C	112	6.1
Group D	178	10.3
Group E	19	0.9
<u>DNR Region</u>		
Region 1 (Northwest)	229	23.7%
Region 2 (Northeast)	221	19.3
Region 3 (North Central)	330	19.4
Region 4 (Southwest)	217	18.5
Region 5 (Southeast)	173	12.0
Region 6 (Metropolitan Area)	77	7.0
Total	1,247	1,001,180

SOURCE: Office of the Legislative Auditor's analysis of Minnesota Department of Natural Resources Bureau of Field Services data.

DNR's building inventory does not provide summary information on facility conditions.

to reflect major rehabilitation projects, and it is not clear whether condition ratings reflect recent rehabilitation projects. Also, many buildings have not been assessed on some factors such as handicapped accessibility and historical significance. Finally, the system was not designed to provide a summary condition rating for a building.

DNR implemented its building inventory and maintenance system several years ago to parallel the Department of Administration's master database of all state-owned buildings.⁶ However, the system is specifically designed for buildings and does not explicitly rate infrastructure, such as sewer or road systems or water and electrical utilities. In a few regions, Field Services' staff have tried to include infrastructure information in the database by artificially assigning estimated infrastructure repair costs to simple buildings.

In our 1998 report on the maintenance of state buildings, DNR building condition ratings ranked near the bottom of state agencies, partly due to DNR's relatively older buildings.⁷ For this report, we analyzed the condition ratings for a building's site, and its mechanical, interior, roof, electrical, and envelope components, weighted by building square footage.⁸ Each year, Field Services' regional staff rate component conditions on a four-point scale and estimate repair

⁶ We reviewed the Department of Administration system in our 1998 report, *State Building Maintenance*.

⁷ Office of the Legislative Auditor, *State Building Maintenance* (St. Paul, 1998), 10. This document may be found at <http://www.auditor.leg.state.mn.us/pe9804.htm>

⁸ There is no obvious method for combining the six component ratings to produce an overall building rating. Therefore, we examined building components separately.

costs. The four point scale includes good (no significant immediate repair required), fair (repair condition exists, no immediate action required), poor (repair condition exists, immediate action required), and substandard (repair condition exists, immediate action required, and use restricted). Over 10 percent of the state park buildings were missing three or more component ratings, usually the mechanical or electrical components.

Condition ratings for state park building components averaged between good and fair. Between 40 and 50 percent of state park buildings were rated in good condition on each component. Ninety percent of buildings had good or fair condition ratings for the electrical component compared with 79 percent for roofs.

We asked park managers to assess the condition of the facilities in their parks. Table 3.3 shows that park managers rated the condition of about three-fourths of park electrical systems and over half of public-use and administrative buildings and sewer and water systems as “satisfactory,” compared with similar ratings for less than 40 percent of park roads.⁹ However, park managers rated half of the park roads as “marginal” and 16 percent of sewer and water systems as “unsatisfactory.” Park managers often told us about the condition of buildings and systems such as sewers and roads. For example, Kilen Woods has water and well problems, and Split Rock Lighthouse and Maplewood have road repair problems.

Park managers rated a small portion of state park buildings and systems as “unsatisfactory.”

Table 3.3: Park Managers’ Condition Ratings of Park Buildings and Systems, 1999

Facility Type	Condition Ratings		
	Satisfactory	Marginal	Unsatisfactory
Public-use buildings	54%	40%	6%
Administrative buildings	54	37	9
Sewer and water systems	51	33	16
Electrical systems	75	16	9
Roads and parking lots	38	50	12

NOTE: Responses from 66 park managers were weighted by the square footage of the park’s buildings.

SOURCE: Office of the Legislative Auditor, State Park Manager Questionnaire, August 1999.

Currently, DNR operates 11 facilities in state parks that require Minnesota Pollution Control Agency (PCA) permits for the treatment and discharge of water or wastewater. In August 1999, PCA initiated discussions with DNR about these permitted systems. PCA and DNR are developing a compliance agreement to address issues with the operation of these systems. The treatment and discharge of wastewater at several parks will be evaluated to determine if the systems are in compliance with PCA rules, system operators will receive more training, and DNR will improve its reporting to PCA. DNR plans to install a discharge water

⁹ The State Park Manager Questionnaire defined “satisfactory” as good to excellent condition, facility is usable with no threatened structural or system component failure; “marginal” as fair condition, building is usable but one or more components are deteriorated or likely to fail; and “unsatisfactory” as one or more components have failed and building use is limited. Information from the park manager survey is not comparable to condition information in the Field Services database; direct comparisons are not possible.

treatment system at Soudan Underground Mine and may need to install new on-site sewer treatment systems at Father Hennepin and Nerstrand-Big Woods.

The state parks we visited appeared to be well maintained with few signs of ongoing maintenance problems. While we saw some instances of deterioration in some parks, frequently these projects could be found on the division's extensive capital improvement project list, although some projects were not a high priority.

Estimated Repair Costs

DNR uses the estimated repair costs provided by regional Field Services' staff as an estimate of its deferred maintenance (the cost to bring all building components up to good condition). We found that:

- **It is difficult to accurately estimate the amount of deferred maintenance for state park buildings using currently available data.**

Repair cost estimates are not consistently assigned or updated. The estimates do not reflect recent rehabilitation projects or inflationary increases for older estimated repair costs. Field Services is currently developing new procedures and training programs designed to provide better information.



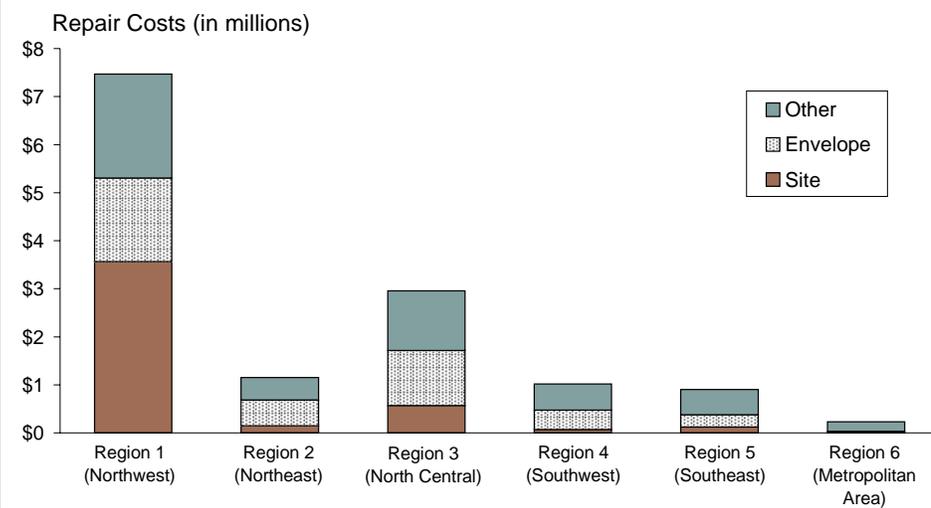
There are some signs of deterioration, such as eroded or flooded trails, in some parks.

Estimated repair costs (deferred maintenance) totaled \$13.7 million for state park buildings in 1998. Figure 3.1 shows estimated repair costs by region. Based on the existing data, Region 1 (Northwest) accounted for \$7.5 million of the total estimated repair costs. However, nearly half of the Region 1 estimated costs were for the site component. As noted above, in some regions Field Service' staff assign an estimated repair cost for park infrastructure (such as roads and utilities) to the site component of a simple building such as a vault toilet. Our analysis shows this practice occurred most often in Region 1 (Northwest). For example, a vault toilet at Itasca had estimated repair costs of \$614,000. Ignoring these site component costs, nearly half of the remaining estimated costs, about \$4 million, were for the building envelope including windows, foundations, and walls.

While buildings in Region 1 (Northwest) are somewhat older than those in other regions, the estimated repair costs for this region seem disproportionately high; Region 1 accounted for about 42 percent of the \$9.2 million estimated non-site

Estimated repair costs for state park buildings are not consistent across DNR regions.

Figure 3.1: Estimated Repair Costs for State Park Buildings, 1999



NOTE: The category of "other" includes mechanical, interior, roof, and electrical repairs.

SOURCE: Office of the Legislative Auditor's analysis of Minnesota Department of Natural Resources, Bureau of Field Services data.

repair costs but less than one-fourth of the building square footage. Itasca alone accounted for about \$2.5 million of the Region 1 estimated non-site repair costs. Itasca also influences costs for the 15 parks in Group A; these heavily used parks accounted for 64 percent (\$5.9 million) of estimated non-site repair costs and just over one-half of the building square footage.

Field Services' staff told us that the current database structure does not meet their needs. They are replacing the database and training regional staff to reliably rate building conditions and estimate repair costs.

RECOMMENDATION

The Department of Natural Resources should ensure that its process of assessing the condition of buildings and facilities is consistent across regions. Once implemented, the department should report to the Legislature on the conditions and estimated repair costs of its buildings.

BUILDING MAINTENANCE AND MAINTENANCE SPENDING

Maintenance should be a part of the usual cost of operating a building, but it is more likely to be shortchanged relative to other operating costs with a "persistent

problem of underfunding of maintenance and repair.”¹⁰ Delays in completing preventive maintenance tasks usually do not cause problems in the short term but may lead to substantial long-term costs.¹¹

Parks and Recreation Division staff are responsible for state park building maintenance and preservation. Staff working in individual parks are responsible for daily custodial requirements and may do some minor repair work. During our visits to state parks, we asked park managers what they did to maintain park facilities. Park staff told us that permanent staff in larger parks may undertake major repair and rehabilitation projects, but staff in smaller parks generally make only minor repairs such as fixing leaky faucets.¹² Many park managers told us that when maintenance or repairs are needed they contact regional Field Services’ staff who may send out a contractor to make a repair or direct the park staff to repair the problem and bill Field Services for the cost of materials.

The Bureau of Field Services provides facility maintenance to all DNR divisions, including parks.

Field Services provides facility maintenance and preservation services to all divisions in DNR. This includes the fiscal management of funds, project quality control, and overseeing private contractors. Maintenance projects are those which preserve initial capital investment during a building’s life cycle, such as painting or repairs and rehabilitation, but do not add to a building’s value. Field Services finances its building maintenance activities with DNR’s general and game and fish funds, asset preservation appropriations, and Department of Administration funds.¹³ Field Services’ and parks development staff work closely together to coordinate funding for projects.

Field Services’ central office staff use a formula weighted by use and building square footage to determine the proportion of available funding that each region receives for scheduled and unscheduled maintenance projects. Regional Field Services’ staff then identify potential maintenance projects, usually 50 to 85 per region per year, based on requests from park managers and regional park staff and their own visual inspections. They give highest priority to health and safety concerns and projects that will remove barriers to a building’s use. Some parks have special needs such as a high proportion of historic buildings or log structures. Other parks face unusual weather, water, or erosion problems that can affect ongoing maintenance and rehabilitation projects.

During our interviews, park managers generally gave Field Services’ staff high marks for helping maintain park buildings. But we were also told by both Field Services’ staff and some park managers that some building needs were not addressed in a timely manner because needs outweigh the available resources.

¹⁰ Building Research Board, *Committing to the Cost of Ownership: Maintenance and Repair of Public Buildings* (Washington D.C.: National Academy Press, 1990), 3.

¹¹ David G. Cotts and Michael Lee, *The Facility Management Handbook* (New York: American Management Association, 1992), 200-201; and Building Research Board, 11.

¹² There is no cost accounting system in place making it difficult to objectively determine the extent of maintenance activities undertaken by staff in state parks.

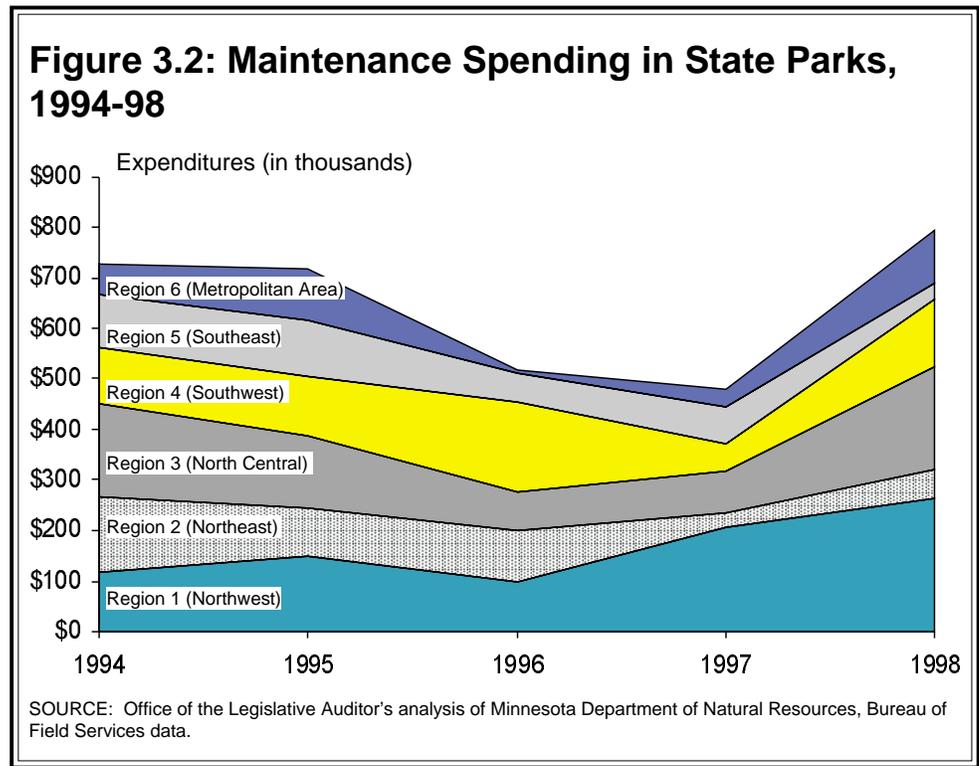
¹³ These funds include the Capital Asset Preservation and Replacement Account (CAPRA) and the Americans with Disabilities Act (ADA). Each fund has certain requirements about the type of project that can be funded.

Field Services' Spending

Field Services spent \$3.3 million on 3,555 maintenance projects in state parks between 1994 and 1998. About 28 percent of the projects cost \$50 or less and one project exceeded \$100,000—a 1994 sanitation building rehabilitation project at Interstate (\$101,000). Projects were reported for 720 buildings including many buildings with multiple projects. For example, there were 63 projects for the Upper Sioux Agency office/interpretive center/sanitation building at a total cost of nearly \$22,000 between 1994 and 1998.

Generally, DNR regions with more buildings received more maintenance dollars.

Figure 3.2 shows how each region's share of maintenance spending fluctuated annually, often due to large nonrecurring projects. Generally, regions with more buildings and square footage received more spending than other regions. For example, Region 1 (Northwest) has about 24 percent of the total building square footage and received about 25 percent of spending between 1994 and 1998. Region 5 (Southeast), with 12 percent of total square footage, received 12 percent of maintenance spending.



CAPITAL IMPROVEMENT AND ACQUISITION

During the 1990s, the Legislature provided over \$53 million in capital improvement funds to DNR for state parks, primarily in state bonding bills as



Painting is needed to protect decks and other wooden structures.

shown in Tables 3.4 and 3.5.¹⁴ In 1998, state parks received \$6.5 million for asset preservation, of which the division managed \$4.3 million along with bond funds and Field Services managed \$2.2 million. Environmental Trust Fund dollars (lottery proceeds), administered by the Legislative Commission on Minnesota

Table 3.4: State Park Capital Improvement Funding, 1990-99

The Legislature invested over \$53 million in capital funding for state parks during the 1990s.

<u>Year</u>	<u>Bonding (in thousands)</u>	<u>Environmental Trust Fund (in thousands)</u>
1990	\$ 3,000	
1991	3,400	\$ 150
1992	3,351	
1993		3,650
1994	6,250	
1995		4,470
1996	7,350	1,000
1997		3,750
1998	14,815	
1999		<u>2,206</u>
Total	\$38,166	\$15,226

NOTE: The bonding amount for 1998 includes \$4.3 million for asset preservation.

SOURCES: Parks and Recreation Division, Minnesota Department of Natural Resources, 1999 Work Program submitted to the Legislative Commission on Minnesota Resources, May 1999.

¹⁴ In addition, the Water Recreation Fund, a dedicated fund for development related to water recreation, provides about \$632,000 annually to the division to supplement state park development.

Table 3.5: State Park Bonding Activities

Building development	To design, construct, furnish, and equip new buildings and associated utilities in the state park system, according to park management plans.
Building rehabilitation	To repair, rehabilitate, construct, or add to state park buildings throughout the state.
Betterment and rehabilitation	To upgrade, repair, or rehabilitate improvements of a capital nature at state park and recreation area facilities throughout the state, including, but not limited to, resource management projects, trail rehabilitation, road and bridge repair.
Acquisition	To acquire private land within state park and recreation area boundaries from willing sellers.
Asset preservation	For repair and renovation of DNR land, buildings, or other improvements of a capital nature throughout the state, and to design, repair, rehabilitate, construct, or add to state park buildings throughout the state, according to park management plans.

NOTE: The Commissioner of the Department of Natural Resources is authorized to determine project priorities based on need.

SOURCES: *Minn. Laws* (1998), ch. 404, sec. 7, subd. 3-6; and *Minn. Laws* (1996), ch. 406, sec. 8, subd. 3(b).

Since 1994, 54 state parks received funds for development, betterment, or rehabilitation.

Resources (LCMR), generally support specific projects such as the development of the Gitchi-Gami Trail through Split Rock Lighthouse (\$550,000 in 1998) and the Fort Snelling Upper Bluff re-use study (\$250,000 in 1997 and \$100,000 in 1998). The division may finance projects with funds from more than one source. For example, a combination of bonding and Environmental Trust Fund dollars financed the design and construction of the Lake Bronson visitor center, and the Working Capital Account financed interpretive exhibits.

By state law, DNR must submit a work program and semi-annual progress reports to LCMR before spending capital appropriations.¹⁵ The division’s May 1999 report summarized capital improvement projects funded since 1994.¹⁶ Fifty-four state parks and recreation areas received some capital funds for building development, betterment, or rehabilitation and 14 parks and recreation areas did not receive any capital funding for these purposes.¹⁷ We found that:

¹⁵ *Minn. Laws* (1994), ch. 643, sec. 23, subd. 30.

¹⁶ Parks and Recreation Division, “LCMR Work Program 1999,” May 25, 1999.

¹⁷ The 14 parks and recreation areas included: Beaver Creek Valley, Big Stone Lake, Carley, Garden Island, Great River Bluffs, Grand Portage, George Crosby Manitou, Hill Annex Mine, John Latsch, Kilen Woods, Lac Qui Parle, Lake Louise, Schoolcraft, and Temperance River. Some of these units received funding for land acquisition.

New construction accounted for over half of the state park capital improvement spending since 1994.

- **Since 1994, construction of new buildings accounted for half of the state park capital improvement dollars and rehabilitation or restoration activities accounted for the other half.**

Over \$26 million in capital improvement expenditures funded 222 projects between 1994 and 1999. Forty-four projects (costing \$13.6 million) involved construction of new buildings, campgrounds, and trails and 162 projects (costing \$13 million) involved rehabilitation of existing buildings, utilities, and trails, and restoration of natural resources.¹⁸ More capital improvement dollars were invested in Itasca State Park than any other park (approximately \$7.7 million) for projects including a new visitor center, Douglas Lodge restoration, utility work, and historic building rehabilitation.

State park capital improvement projects included large and small projects of different types, ranging from a \$4.5 million visitor center at Itasca to resource management projects costing \$5,000 to \$6,000 at numerous parks. Examples of different types of capital improvement projects include:

- Design and construction of new facilities, such as visitor centers at Gooseberry Falls, Forestville/Mystery Cave, Fort Snelling, Itasca, and Lake Bronson that cost from \$1 to \$4.5 million; new sanitation buildings that average \$200,000 to \$250,000 each; campgrounds; and contact stations;
- Replacement of major systems, such as sewer systems at Gooseberry Falls, Lake Shetek, and William O'Brien that cost between \$300,000 and \$500,000; road rehabilitation at Mille Lacs Kathio (\$350,000); and water, electric, and phone utility projects at Itasca (\$2.8 million);



The new contact station at Bear Head Lake was one of 44 new construction projects since 1994.

¹⁸ We were unable to classify 16 projects.

- Restoration of historic buildings, such as the campground sanitation building at Sibley (\$100,000);
- Development and rehabilitation of recreation facilities such as trails;
- Rehabilitation and/or expansion of park contact stations and offices, sanitation buildings, visitor centers, and shop buildings ranging in cost from \$20,000 to \$250,000; and
- Investment in smaller resource management and interpretive services projects, such as prairie, oak savanna, forest, and wetland restoration; tree and prairie plantings; and rehabilitation of exhibits.

Capital improvement funds also supported statewide projects.

Approximately \$200,000 funded the division's match for Park Partners projects for picnic shelters and tables, tree planting, playgrounds, trail and campground improvements, interpretive exhibits, and other improvements. Finally, the division used about \$1.6 million for statewide projects such as the purchase of vault toilets, utility rehabilitation, historic building rehabilitation, purchase of picnic tables, and resource management projects.

We found that:

- **Some projects involving public health and safety issues were funded immediately by reallocating funds from other projects.**

In recent years, the division has confronted several emergencies related to inadequate sewer systems in state parks. In these situations, the division has amended its capital improvement workplan, shifting funds from planned projects to address the emergency situations. For instance, funds designated for planned sewer system projects at Banning and Father Hennepin were reallocated to finance a more urgent sewer replacement project at William O'Brien in 1997.

Capital Project Evaluation Process

The division uses a project evaluation process (PEP) to compile a comprehensive list of capital improvement projects. As of April 1999, this list consisted of 1,312 projects with an estimated cost of over \$81 million. Projects on this list may be funded from capital bonding, the Working Capital Account (for resource management and interpretive services projects), or Field Services' capital asset preservation and rehabilitation funds. We found that:

- **The Parks and Recreation Division has a well defined process for identifying capital investment projects within the park system.**

The process of identifying and ranking capital projects occurs every winter in preparation for possible bonding or LCMR funding in June. Development of the PEP list begins in January when park managers submit project proposals to the regional parks office with an assessment of the natural and cultural resource impacts. Projects are submitted based on priorities in park management plans and conditions of existing facilities. In February, regional park staff review and

Park managers and regional and central office staff develop the state park capital improvement project list.

discuss the projects with park managers and submit a list of proposed projects for each park to the central office.¹⁹

In March, park and regional managers rate each project by objective and urgency and the projects are ranked.²⁰ In April, regional park managers review the PEP list. Each regional manager has an opportunity to adjust the list to reflect emergency situations, leverage of private or federal funds, or other special circumstances. According to division staff, the real priority setting is done by regional managers when they adjust the list. In May, division administrative staff review and may make changes to the PEP list. Examples of items that have been given higher priority in the past include the work on the Minnesota Valley Trail, which will receive federal financing and requires a state match, and the Moose Lake visitor center, which received funding for design work in 1998.



Replacement of the low-water crossing at Beaver Creek Valley is number 22 on the park capital improvement project list.

As the division develops its bonding priority list, the division development manager may add statewide projects, such as picnic tables, vault toilets, or historic building rehabilitation. The division director, along with the division

¹⁹ There is variation among the regions. Based on our interviews and field trips, we found that regional park managers and staff generally meet as a team to review project proposals, but this does not happen in all regions.

²⁰ The eight objectives include: public health and safety; resource protection and restoration; facility protection; improve visitor service; enhance visitor understanding through interpretations; research; special population accessibility; and maintain/improve support service. Each objective has urgency ratings. For instance, under public health and safety an urgency rating of "0" means there is no risk to the public, all code and regulations are met. An urgency rating of "6" means conditions are very hazardous, serious injury or sickness has occurred, or the facility is closed. The resource and facility protection objectives are also rated by significance, with "1" meaning a facility has local significance only and "4" meaning it has national significance.

administrative staff, approves the final PEP list and projects in the division’s bonding proposal.

About 58 percent of the estimated costs for PEP list projects are for new construction and 42 percent are for rehabilitation projects. Table 3.6 shows that new building construction accounts for the largest share of total costs (34 percent), followed by roads and parking lots, interpretive services, and trails. About 40 percent of the capital improvement costs are for the 15 most heavily used parks in Group A, followed by Group B parks with 28 percent, and Group D parks with 15 percent. For individual parks, Itasca accounts for the largest share (16 percent) of capital improvement needs, followed by Glendalough (5 percent) and Soudan Underground Mine (4 percent).

Table 3.6: Proposed State Park Capital Improvement Projects by Type, 1999

The parks division compiles a comprehensive list of capital improvement projects.

Project Type	Number of Projects	Percentage of Estimated Costs
Building – new	188	33.5%
Roads and parking	132	13.5
Interpretive services	168	9.4
Trails	139	9.2
Natural resource management	205	8.0
Campgrounds	87	6.2
Building – historic	80	5.7
Day use areas ¹	62	3.7
Utilities ²	85	3.4
General facilities	65	3.0
Cultural resources	23	1.8
Erosion control	26	1.3
Research	33	1.0
Hazard reduction	19	0.3
Total	1,312	\$81,227,756

NOTE: Information represents the Parks and Recreation Division’s comprehensive inventory of proposed capital improvement projects.

¹This category includes picnic areas, swimming areas, and water access/fishing piers.

²This category includes sewer, water, electric, and telephone utilities.

SOURCE: Office of the Legislative Auditor’s analysis of Parks and Recreation Division data.

In 1998, there was some controversy involving the new Fort Snelling visitor center. We found that:

- **In the past, the impact of additional operating costs for new state park buildings was not incorporated into the state park operating budget in a timely manner.**

This issue was particularly evident when large new buildings requiring additional staff were constructed. For example, operating funds were not available when the

New buildings may require increased operating costs that should be added to the state park budget.

new \$2.5 million Fort Snelling visitor center opened in early 1998, which restricted the center's operating hours.²¹ During the 1998 session, the Legislature made a special \$430,000 appropriation to the division for operations at Fort Snelling and for statewide natural resource protection; \$200,000 of the appropriation was included in division's base budget.²² Over 7,000 staff hours were added to Fort Snelling's budget to operate the visitor center in fiscal year 1999.

For the past two capital budget requests (1998-2003 and 2001-2005), the Department of Finance has instructed state agencies to estimate the impact of new building projects on agency operating budgets for the current and future bienniums. These estimates include staffing costs, program costs, increased building operation and utility expenses, and anticipated repair and maintenance costs.²³ For instance, the Parks and Recreation Division's 1998-2003 bonding request for four buildings, including the Itasca visitor center, estimated that \$360,000 would be needed to operate the new park facilities.

Estimates of additional operating costs for new buildings were included in the state's 2000-2001 budget. If a prior capital budget request included a recommendation for additional operating costs, then the Department of Finance adjusted an agency's base budget for the fiscal year that construction of a new building would be complete. As a result, \$55,000 was added to the Parks and Recreation Division's fiscal year 2000 base budget and \$125,000 was added to its fiscal year 2001 base budget. These adjustments reflect the additional operating costs of a new sanitation building, new camper cabins, and the Itasca and Forestville/Mystery Cave visitor centers.

RECOMMENDATION

The Legislature should require the Department of Natural Resources to continue estimating future operating and maintenance costs for new or expanded state park buildings and including these cost estimates in the state parks operating budget.

Increases in the division's operating budget for new buildings and facilities are not allocated directly to the parks with the new buildings. Instead, the division uses its operating standards and funding matrix (discussed in Chapter 2) to allocate operating budgets to individual parks. If the estimated operating costs are less than \$10,000, then the division includes the increased operating costs for new or expanded facilities in a park's budget at the beginning of the fiscal year (July 1) *after* the facility is constructed and operating. If the estimated operating costs are over \$10,000, then additional funding is provided when construction is completed.

²¹ The Fort Snelling visitor center was funded with a combination of fiscal year 1995 bonding money and LCMR funding. During our evaluation, we became aware of some problems with the construction quality of the Fort Snelling visitor center (such as poor quality cedar shingles and problems with the building's heating and cooling systems) that will require repair. The evaluation did not examine DNR's construction process.

²² *Minn. Laws* (1998), ch. 401, sec. 4.

²³ Minnesota Department of Finance, *F.Y. 2000-2005 Strategic Capital Budget Plan Policy Manual* (St. Paul, 1999), 35.

Real Estate Management

This section examines two functions of state park real estate management: 1) changes in state park statutory boundaries approved by the Legislature; and 2) acquisition of land within state parks that is not currently administered by the division. The boundaries of state parks, recreation areas, and waysides, established by law, encompassed over 247,000 acres in 1999. DNR administers about 203,000 acres, or about 82 percent, of the land within the state park system. The remainder of the land is either administered or owned by local governments (3,256 acres), other state agencies (7,769 acres, 78 percent of which is school trust land), the federal government (6,167 acres), and private land owners (26,876 acres).²⁴

DNR acquires land within state park boundaries from willing sellers only.

Only the Legislature can change the official boundaries of state parks and recreation areas. State law also requires the Commissioner of DNR to publish a notice and description of proposed changes and mail a copy of the notice to the chair of the affected county board or boards and to each affected landowner.²⁵ DNR requires a letter from landowners expressing support for being included in a park boundary before it considers proposing a boundary change. Since 1990, the area contained in the statutory boundaries of state parks and recreation areas increased nearly 20,000 acres (or about 9 percent), as shown in Table 3.7.

The division has a goal to acquire the privately-owned land within the statutory boundaries of state parks.²⁶ Funding for state park land acquisition from state park bonding bills and LCMR appropriations totaled over \$11 million (about one-fourth of total capital improvement funding) between 1990 and 1999. Once appropriated, these funds are usually expended over several years as the acquisition process can be complex and time consuming. Between 1990 and 1999, the division acquired approximately 15,500 acres, of which approximately 6,000 acres were acquired through donations or government transfer.

The “Landowners’ Bill of Rights” governs DNR’s purchase of land from private land owners, including the appraisal process and purchase procedures.²⁷ The department is only authorized to acquire land within the statutory boundaries of parks and other units and it only acquires land from willing sellers.

The division uses the same guidelines to set priorities for boundary changes and land acquisitions. Specifically, land containing high quality natural resources and land subject to high development pressure are given high priorities. Land identified in a park management plan may also be given a high priority. Other priorities include land that: is needed for development of recreation facilities or trails, contains riparian and shore frontage, provides increased access to the park,

²⁴ Parks and Recreation Division land management data as of August 1999. A 1998 report on DNR’s management of school trust land by our office found that DNR had not given a high priority to compensating the Permanent School Trust Fund for trust land in state parks. Office of the Legislative Auditor, *School Trust Land* (St. Paul, 1998), 42-46. This document may be found at <http://www.auditor.leg.state.mn.us/ped9805.htm>

²⁵ *Minn. Stat.* §85.0115.

²⁶ *2000-01 Biennial Budget* (St. Paul, 1999), D-168.

²⁷ *Minn. Stat.* §84.0274; Minnesota Department of Natural Resources, “Landowners’ Bill of Rights,” April, 1999.

Table 3.7: State Park Boundary Changes, 1990-99

Year	Net Acres Added	Affected Parks and Recreation Areas
1990	0	
1991	3,960	Banning, Father Hennepin, St. Croix, Sakatah Lake, Tettegouche (Palisade Valley addition)
1992	1,638	Cascade River, Father Hennepin, McCarthy Beach, Nerstrand-Big Woods
1993	4,502	Cuyuna Country Recreation Area established, Charles A. Lindbergh
1994	1,179	G. Crosby Manitou, Old Mill, Temperance River, Tettegouche, William O'Brien, St. Croix
1995	504	Forestville, Gooseberry Falls, William O'Brien
1996	1,143	Lake Carlos, Charles A. Lindbergh, Savanna Portage, Split Rock Creek, William O'Brien, Lac Qui Parle
1997	408	Bear Head Lake, Forestville, John Latsch, Split Rock Lighthouse (Gold Rock Point addition)
1998	2,687	Crow Wing, Glendalough, Kilen Woods, Lake Bemidji, Minneopa, Savanna Portage, Tettegouche, Garden Island Recreation Area established
1999	3,946	Banning, Blue Mounds, Camden, Cascade River, Charles A. Lindbergh, Forestville, Judge C.R. Magney, Lake Bronson, St. Croix, Scenic, Temperance River, Whitewater, William O'Brien
Total	19,967	

SOURCE: Parks and Recreation Division, Minnesota Department of Natural Resources.

has interpretive potential or scenic value, contains unique features, addresses visitor safety concerns, or leverages private dollars. According to division staff, privately-owned land located on the periphery of a park would be a lower priority than a parcel in the interior and land developed with houses would be a lower priority than undeveloped land containing natural resources.

SUMMARY

We found it difficult to assess the condition of state park facilities or to accurately estimate the cost of deferred maintenance because of data limitations. Given these limitations, condition ratings for building components averaged fair to good with somewhat better ratings for electrical systems and worse ratings for roofs. DNR estimates that park facilities have over \$13 million in deferred maintenance or needed repairs. But there are problems with the reliability of these numbers and the department is changing its procedures to improve the quality of both building condition and deferred maintenance data. Park managers rated the

condition of half of the public use and administrative buildings as satisfactory, but rated roads and sewer systems lower.

During site visits to state parks of all sizes, we observed well-maintained facilities and orderly campgrounds. But we also observed some building and road maintenance problems, and we were told about problems with sewer and water systems. In past years, there have been several emergency situations requiring the replacement of sewer systems in a few state parks. The division has a capital improvement project list with more than 1,300 projects valued at over \$81 million dollars. Therefore, there are some older buildings or facilities in need of rehabilitation, some signs of deterioration, such as eroded or flooded trails, and other projects requiring future investment of capital dollars.

Fees and Financing Options

SUMMARY

Despite several increases in annual permit and camping fees in the 1990s, Minnesota's state park fees are similar to those in some neighboring Midwestern states. Also, DNR surveys indicate that park users would accept additional small increases in park fees. The Parks and Recreation Division has made some use of donations and private sector partnerships and has a dedicated fund in its Working Capital Account.

Through the early 1950s, Minnesota state parks were “preserved and maintained for the free use and enjoyment of the general public” and fees were not charged for camping.¹ The Legislature modified these provisions in 1953 when it required a \$1 annual permit fee for motor vehicles entering state parks, recreation areas, or waysides.² Today annual vehicle permits cost \$20, daily permits cost \$4, and camping fees for semi-modern campsites are \$12. Revenues generated from park operations totaled \$7.4 million in 1999, representing about 31 percent of the Parks and Recreation Division’s budget. In this chapter we addressed the following questions:

- **How do Minnesota’s state park user fees compare with those in other jurisdictions?**
- **How do neighboring states finance state park operations? What are the advantages and disadvantages of different financing options?**

To answer these questions we reviewed public financing and park literature, a 1998 Department of Natural Resources (DNR) state park fee study, and state park data compiled by a national association. We also conducted telephone interviews with representatives of state park management agencies in neighboring states and some Twin Cities regional park agencies.

PARK USER FEES

Minnesota state parks rely on a variety of fees to collect revenue from park users, including annual and daily vehicle permits, camping and lodging fees, and fees for other services. Since 1953, when legislation first required a vehicle permit, the

¹ Roy W. Meyer, *Everyone’s Country Estate: A History of Minnesota’s State Parks* (St. Paul: Minnesota Historical Society Press, 1991), 83. Quotation is in reference to a law passed in 1923.

² *Ibid.*, 177.

annual permit fees have increased seven times. In 1953, the division also initiated camping fees. Table 4.1 shows changes in annual and daily vehicle permit and camping fees since 1973. The largest percentage increase came in 1981, when the annual vehicle permit fee doubled to \$10 and the daily permit fee increased to \$3. The Legislature last increased annual and daily permit fees in 1996.³

Table 4.1: History of Minnesota State Park Fees

	1973	1981	1985	1991	1997	1999
Entrance Fees¹						
Annual vehicle permit	\$5.00	\$10.00	\$15.00	\$18.00	\$20.00	\$20.00
Second vehicle permit			7.50	12.00	15.00	15.00
Handicapped annual permit		5.00	7.50	12.00	12.00	12.00
Daily vehicle permit	1.50	3.00	3.00	4.00	4.00	4.00
Daily group permit					2.00	2.00
Camping Fees²						
Semi-modern site	2.00	5.00	6.00	9.00	12.00	12.00
Rustic site	2.00	4.00	5.00	7.00	8.00	8.00
Backpack site		3.00	4.00	5.00	7.00	7.00
Electric hook-up	0.50	1.00	1.50	2.00	2.50	2.50
Reservation fee				5.00	6.00	6.75

¹The years shown are the years in which the annual vehicle permit fees increased, except for 1999.

²Camping fees increased more frequently than the annual and daily permit fees. Camping fees did not necessarily change in each of the years listed here and did change in other years.

SOURCES: Parks and Recreation Division, Minnesota Department of Natural Resources, *Minnesota State Parks Fee Strategy* (St. Paul, 1996), Appendix G: "History of Fees in Minnesota State Parks"; *Minn. Stat.* §85.055; Minnesota Department of Natural Resources, *Fees and Charges Order No. 45* (St. Paul; March 10, 1999), 1.

The last increase in Minnesota's annual and daily state park permit fees was in 1996.

In addition to changes in the amount of fees, the types of fees have also changed several times. For instance, in 1996 the Legislature eliminated reduced-rate entrance permits for people over 65 years of age. Reduced-rate annual permits for second vehicles were added in 1985 and a special daily handicapped permit was eliminated in 1994.

State law authorizes the Commissioner of DNR to set reasonable fees and charges for using Minnesota parks.⁴ Each year the department sets rates for camping and lodging and other services.⁵ DNR has increased camping fees more frequently than entrance fees; since 1953, camping fees have increased ten times, with most of these increases occurring during the 1980s and 1990s. Half-priced camping at semi-modern and rustic sites is available Sunday through Thursday for Minnesota resident seniors and handicapped campers.

³ *Minn. Laws* (1996), ch. 407, sec. 38.

⁴ See *Minn. Stat.* §84.03 for fee setting authority. Legislation passed in 1999 states that executive branch agencies "may not impose new or increase an existing fee" unless approved by law. *Minn. Laws* (1999), ch. 250, art. 1, sec. 49.

⁵ Minnesota Department of Natural Resources, *Fees and Charges Order No. 45* (St. Paul, March 10, 1999). Among other things, this order sets golf course and tour fees and rental rates for chapels, conference rooms, and equipment.

COMPARISON WITH OTHER JURISDICTIONS

To compare Minnesota's state park fees with other states we reviewed information in the National Association of State Park Directors' *1999 Annual Information Exchange*. We also conducted telephone interviews with state park officials in Illinois, Indiana, Iowa, Michigan, Missouri, North Dakota, Ohio, South Dakota, and Wisconsin and collected information on current fees from state Internet web sites. We found that:

- **There is wide variation in state park fee structures and rates across the country; however, Minnesota's annual permit fees are similar to those in twelve other states.**

Entrance fees in some states may vary by park, type of vehicle, or other factors.

Park entrance fees range from no fees in 11 states to \$75 annual permits in California and Vermont.⁶ Twelve states, including Minnesota, have annual permit rates of \$20 to \$25.⁷ Three states have annual permit fees that range from \$25 to \$75 dollars based on the park, type of permit, or type of vehicle.⁸ Some states charge a parking fee or a fee per person—in addition to or instead of annual permit fees. A few states charge higher annual permit rates for non-residents. The wide range of differences in fee structures and rates, and the differences among the park systems themselves, make it difficult to compare state park fees.

Daily permit fees also vary from state to state. Where they are necessary for entrance to the park, daily permit fees range from \$1.00 at state parks in several states to \$8.00 at certain parks in New Hampshire. At least 21 states charge different daily entrance fees for different parks, based on location, park amenities, park popularity, or other factors. Similarly, camping fees in state park systems across the country vary depending on the type of campground and campsite, services available, and discounts offered.

While there is wide variation in park fees charged in the nine Midwestern states we examined, we found that:

- **Although four Midwestern states do not charge fees, Minnesota's 1999 state park entrance fees were similar to those in the five Midwestern states that collect fees. Minnesota's basic camping fees were similar to those in other states.**

Table 4.2 shows the variation in annual and daily permit fees for state parks in the Midwest. Four states do not charge entrance fees—Illinois, Iowa, Missouri, and Ohio. Minnesota and five other states charge from \$18 to \$25 for annual permits,

⁶ The following states provide free entrance to all state parks: Hawaii, Illinois, Iowa, Kentucky, Missouri, Ohio, Oklahoma, Pennsylvania, Rhode Island, Tennessee, and Washington.

⁷ These states include Alaska, Delaware, Georgia, Michigan, Mississippi, Montana, New Mexico, North Dakota, Oregon, South Dakota, and Wyoming.

⁸ Florida, Nevada, and Utah. For instance, Nevada sells separate annual permits for each state park, and Utah issues a \$60 multiple park permit or single park permits that range from \$40-50 depending on the park.

Table 4.2: Midwestern State Park Vehicle Permit Fees, 1999

State	Annual Permit (Residents)	Annual Permit (Non-Residents)	Daily Permit (Residents)	Daily Permit (Non-Residents)
Illinois	\$ 0	\$ 0	\$0	\$0
Indiana	18	25	2	5
Iowa	0	0	0	0
Michigan	20	20	4	4
Minnesota	20	20	4	4
Missouri	0	0	0	0
North Dakota ¹	20	20	3	3
Ohio	0	0	0	0
South Dakota	20	20	5	5
Wisconsin	18	25	5	7

¹North Dakota's annual permit fee will increase from \$20 to \$25 in 2000.

SOURCES: Office of the Legislative Auditor telephone interviews with state park officials in each state, September 1999; State Internet web pages on file at the Office of the Legislative Auditor.

and Indiana and Wisconsin charge non-residents higher rates for annual and daily permits.

Table 4.3 contains information on camping fees for Midwestern states, all of which offer a range of campsites at their state parks that vary in price according to amenities and access. Some states, like Michigan, charge different camping fees by park, and others, like Ohio, charge “slightly higher rates” for “select premium sites” in some parks. South Dakota charges a campsite reservation fee for non-residents only.

To compare state park fees with other jurisdictions in Minnesota, we contacted several regional park agencies in the Twin Cities area. Although the state and regional park systems are not comparable, we found that state park entrance and camping fees are similar to fees charged at the regional parks. Of the regional parks that collect entrance fees, the annual permit prices range from \$16 at Carver County parks to \$25 at Hennepin County parks. Daily permit prices range from \$3 to \$5. Several regional park agencies have reciprocity agreements.⁹ For instance, people with permits for Anoka, Carver, or Washington counties receive a 40 percent discount at Hennepin County parks, and vice versa. Anoka County provides free admission to people with a Washington County park permit, and vice versa.

Camping fees at the regional parks range from \$9 for primitive sites in Hennepin County to \$20 for “full-service” sites in Dakota County. The rates for camp sites without electricity range from \$10 to \$15 a night. Fees at campsites with

State park fees are similar to fees charged in some Twin Cities regional parks.

⁹ The only reciprocity arrangement in state parks involves Interstate state parks in Minnesota and Wisconsin. On weekdays, except for holidays, a Minnesota state park permit is not required at Interstate if a vehicle has a valid, current Wisconsin state park permit or sticker, and vice versa. *Minn. Stat.* §85.054.

Table 4.3: Midwestern State Park Camping Fees, 1999

State	Range of Camping Fees ¹	Electric Hook-up Fee ²	Senior Discounts	Disability Discounts	Reservation Fee ³
Illinois	\$6.00 - 8.00	\$3.00	Yes	Yes	\$5.00
Indiana ⁴	3.00 - 13.00	—	No	No	1.00
Iowa	7.00 - 9.00	3.00	No	No	—
Michigan	6.00 - 15.00	—	No	No	5.00
Minnesota	7.00 - 12.00	2.50	Yes	Yes	6.75
Missouri	6.00 - 15.00	—	No	No	5.00
North Dakota	5.00 - 14.00	—	No	No	5.00
Ohio	8.00 - 20.00	—	Yes	Yes	—
South Dakota ⁵	6.00 - 13.00	3.00	No	No	0.00
Wisconsin ⁶	7.00 - 10.00	3.00	No	No	9.50

¹These rates represent the lowest price and the highest price for camping during the summer. This range does not include off-season, group, or discounted prices, non-resident differentials, utility fees, or extra fees.

²Most states also charge separate fees for water and sewer hook-ups, but those extra fees are not included here. The dashes indicate states that do not list electric hook-up as an item for which there is a separate fee.

³Dashes indicate states that do not offer reservations.

⁴Indiana does not accept reservations by phone. All reservations must be made in person or by mail.

⁵South Dakota charges a \$5.00 reservation fee to non-residents.

⁶Wisconsin charges non-residents \$9.00-12.00 for camping fees.

SOURCES: Office of the Legislative Auditor telephone interviews with state park officials in each state, Summer 1999; and State Internet web pages on file at the Office of the Legislative Auditor.

electricity in Minnesota state parks (\$14.50) are between \$0.50 and \$2.50 less expensive than similar types of rates in four of the five metropolitan area park agencies we examined, but the reservation fees for the regional parks are lower (\$3 to \$5) than the state park reservation fee (\$6.50).

1998 State Park Fee Study

Between 1996 and 1998, the division reviewed the state park annual and daily permit fees and recommended a revised fee schedule for 1999 through 2002. As part of this effort, DNR surveyed park visitors and members of the general population in 1996. DNR survey results show that:

- **Park users generally viewed small fee increases as acceptable, especially if they considered the park services a good value.**

Most park users rated state park fees as a good value.

The majority of park users (85 percent of annual permit buyers and 68 percent of both daily permit buyers and campers) said that the 1996 fees were a “good value.” Furthermore, 79 percent of annual permit buyers said that they would purchase an annual permit after a \$3.00 increase. The same percentage of daily permit buyers (79 percent) said that they would “come just as often” to state parks after a \$1.00 increase in the daily permit fee. The majority of campers

(90 percent) also said that they would “camp just as often” after a \$1.00 increase in the camping fee. The portion of respondents who supported fee increases dropped as the size of the fee increases exceeded \$1.00 for daily permits and camping and \$3.00 for annual permits.

Based on these results and other analyses, the division’s Fee Strategy Committee recommended that “the annual permit, daily permit, and camping fees be increased at a modest rate over time” and included in its report a four-year fee schedule with incremental, staggered fee increases.¹⁰ The committee also made 18 other recommendations, such as (1) converting from the current calendar year permit to a “12-month-from-date-of-sale permit” and (2) adding a nominal charge for camping at more popular parks and campgrounds within a park (called differential pricing). It considered, but did not recommend, many fee options, including permits issued to individuals instead of vehicles, non-resident differentials, park-specific annual permits, and per person camping fees.¹¹

Minnesota’s state park annual and daily permit fees and camping fees have not changed since 1996. However, the Legislature and DNR have implemented other recommendations in the fee study. In 1997, the Legislature approved a special patron permit.¹² The department, through its fee setting authority, has set rental rates for camper cabins at twice the rate of semi-modern camping.

STATE PARK FINANCING

The division’s 1999 operating budget of \$23.8 million was financed primarily through a General Fund appropriation, with park user fees representing 31 percent of the budget. Revenues from state park operations are deposited in the state’s General Fund and are appropriated to park operations. Other funding sources have included appropriations from the Natural Resources Water Recreation Account (\$632,000 for development), the Working Capital Account (\$300,000 for resource management and interpretive services), and the state park gift account (\$50,000 for various items).

We identified several options for financing park and recreation operations, including park user fees, donations and gifts, partnerships with the private sector, and dedicated funds. The division currently receives varying amounts of financial support from these financing sources, which are discussed below.

User Fees

User fees are often implemented to defray the cost of park operations. The following types of fees are frequently used in park systems: 1) park entrance fees; 2) admission fees to enter buildings, such as a visitor center; 3) rental fees for the use of canoes, bicycles, or other equipment; 4) fees for exclusive use of a facility

State park user fees finance about one-third of the state park budget.

¹⁰ Parks and Recreation Division, Minnesota Department of Natural Resources, *Minnesota State Parks Fee Strategy* (St. Paul, 1998), 25.

¹¹ *Ibid.*, Appendix F.

¹² *Minn. Laws* (1997), ch. 217, sec. 67.



Camping fees in Minnesota state parks are similar to those in neighboring states.

or participation in an activity, such as camping, lodging, or tours; and 5) revenues from concessions or sales of merchandise.¹³

Minnesota's state park system collects entrance fees, camping and lodging rentals, and concession fees. Revenues from merchandise sales and equipment rentals are deposited in the Working Capital Account, a special revolving fund used to support resource management and interpretive service projects. To increase revenues generated from park operations, existing fees would have to be increased or new fees would have to be added. The division's 1998 state park fee study considered additional revenue generating options. As mentioned earlier, the study proposed a four-year strategy to increase park permit and camping fees. In addition, the study recommended exploring ways for interpretive services to "provide enhanced fee-charging activities, in addition to maintaining the current level of free services." It also recommended that "individual fees for specific activities within a state park such as biking, hiking and horseback riding not be implemented at this time."¹⁴

Donations and Gifts

Contributions from private individuals and nonprofit organizations are another revenue source for state parks. Examples of such organizations include statewide

¹³ James R. Waters, "Fees and Charges: Underutilized Revenues" in *Current Issues in Leisure Services: Looking Ahead in a Time of Transition*, Joseph J. Bannon, ed. (Washington D.C.: International City Management Association, 1987), 89; Roger Warren and Phillip Rea, "Fee-Supported Parks: Promoting Success," *Parks and Recreation* 33, no. 1 (January 1998): 80-88.

¹⁴ Parks and Recreation Division, *Minnesota State Parks Fee Strategy*, 23-25.

park advocacy groups, such as “friends” groups, foundations or fund-raising organizations whose activities are solely directed to the benefit of state parks, and private foundations. Examples of projects supported by these groups include land acquisition, development of visitor centers, and interpretive programs.¹⁵ The operation of a large-scale fundraising effort might require fund-raising personnel.¹⁶

The Minnesota Parks and Trails Council advocates on behalf of state parks and trails. The Council has provided considerable support to state parks. While the statewide organization has focused primarily on land acquisition, advocacy, and lobbying, local “friends” groups have sponsored Park Partners and other projects. The Council has said it is committed to working with DNR, the Legislature, and the Governor’s office in developing longer-term solutions to the division’s budget issues.¹⁷ About two-thirds of Minnesota’s state parks have a local “friends” group that provides volunteers, money, and advice. Whether these organizations could increase their level of support or direct support to operations in addition to capital development are issues that would need to be explored.

Partnerships With the Private Sector

Private sector support of state parks can take many forms. For example, private companies in some states have paid for outdoor recreation guides, park brochures, or other materials. Similarly, manufacturers or wholesalers of mountain bikes could finance trail maps or safety brochures.¹⁸ One example of a company partnership is New Hampshire’s agreement with PepsiCo, Inc., which has an exclusive five-year right to beverage sales in state parks. As part of its proposal, the company promised to fund an education and awareness program for state parks.¹⁹

While the division has not used this option extensively, it does work with corporations to leverage financial resources. A poultry producer provided \$20,000 for picnic grills in 1998 and the division is negotiating with a company to sponsor the state park guide in exchange for \$50,000 a year for three years. If this arrangement is finalized it would represent the largest contribution of its kind to date for Minnesota state parks.

Dedicated Funds

A dedicated fund designates some or all of the revenues collected from a specific tax for a specific expenditure, with the intention that the designation will continue

The parks division has occasionally worked with businesses to obtain private funds.

¹⁵ Phyllis Meyers, *State Parks in a New Era: Volume 2 - Future Directions in Funding* (Washington, D.C.: The Conservation Foundation, 1989), 24.

¹⁶ Grant W. Sharpe, Charles H. Odegaard, and Wenonah F. Sharpe, *A Comprehensive Introduction to Park Management* (Champaign, IL: Sagamore Publishing, 1994), 115.

¹⁷ Minnesota Parks and Trails Council, *Newsletter*, Fall 1999, 4.

¹⁸ Sharpe, Odegaard, and Sharpe, *A Comprehensive Introduction*, 114.

¹⁹ Donald R. Leal and Holly Lippke Fretwell, “Users Must Pay to Save Our National Parks,” *Consumers’ Research Magazine* 80, no. 8 (August 1977): 18-19.

into the future.²⁰ Dedicated funds may benefit a specific use or a specific agency, using proceeds from lotteries, sales taxes, or fees. For example, gasoline taxes help support Minnesota's highways and revenues from motor boat gasoline taxes support acquisition, development, and maintenance of public water access sites. Revolving funds, such as the division's Working Capital Account, are a type of dedicated fund.²¹

Some arguments in favor of dedicated funds include:²²

1. Dedicated funds help ensure continuity by removing the financing of certain functions from the ordinary budgeting and appropriations process, assuming that the revenue source is not subject to serious fluctuations.
2. Dedication of revenues to specific functions can remove budgeting and appropriations decisions from the political arena. Technical decisions or sensitive policy decisions can be made less susceptible to political influences if they are not part of biennial appropriations.
3. If the dedication relies on a new or increased tax, then people may be more accepting of the new or increased tax if they know exactly how the money is going to be used.
4. The recent surpluses in the General Fund give the state the luxury of dedicating some of its funds to ensure minimum expenditures for some functions without having to worry about hurting the General Fund.
5. Dedicated funds provide certain agencies or programs with an independent source of revenue.

Some criticisms of dedicated funds include:²³

1. Dedication of revenues introduces rigidity into state operations. This can present problems in the long run as conditions or preferences affecting the state budget change. A dedication could continue to fund programs at levels not determined by need but by available funds and prevent the use of state funds where they are most needed.
2. Dedicated funds remove portions of the state budget from periodic review and prevent the use of comprehensive budgeting.

²⁰ Sharpe, Odegaard, and Sharpe, *A Comprehensive Introduction*, 112; Minnesota House Research Department, "Use of Dedicated Funds for Government Operation" (June 10, 1970); and Arturo Perez and Ronald Snell, *Earmarking State Taxes* (Washington, D.C.: National Conference of State Legislatures, 1995): 1.

²¹ Sharpe, Odegaard, and Sharpe, *A Comprehensive Introduction*, 112.

²² Ronald C. Fisher, *State and Local Public Finance* (Chicago, IL: Irwin, 1996), 282-283; Perez and Snell, *Earmarking State Taxes*, 10; Minnesota House Research Department, 8; and John Bartle, "Earmarking State Revenues" (Discussion paper prepared for the Minnesota Tax Study Commission, August 8, 1984), 8.

²³ Fisher, *State and Local Public Finance*, 283-284; Perez and Snell, *Earmarking State Taxes*, 10; Minnesota House Research Department, 3; Bartle, 8; Michael J. Ross, *State and Local Politics and Policy: Change and Reform* (Englewood Cliffs, NJ: Prentice-Hall, Inc., 1987), 219; Thomas R. Dye, *Politics in States and Communities* (Englewood Cliffs, NJ: Prentice-Hall, Inc., 1991), 206; U.S. General Accounting Office, "Performance Budgeting: State Experiences and Implications for the Federal Government" (February 1993): 6.

There are advantages and disadvantages to using dedicated revenues to fund public services.

3. Dedicated funds weaken the policy-making powers of the legislature and reduce the governor's control over operations.
4. Depending on the tax used, dedicated funds can make the supported program or agency vulnerable to fluctuations in revenues from the dedicated tax. Revenues from some sources may fluctuate sharply.
5. Dedicated funds do not guarantee that more of a specific service will be funded than if it received a General Fund appropriation because sometimes dedicated funds simply replace regularly appropriated funds.

A dedicated fund could be designed or structured to avoid some of the above disadvantages. For instance, legislation creating a dedicated fund could require that the fund be subject to legislative review each biennium. Dedicated revenues could be allocated on a biennial basis as a direct legislative appropriation. Similarly, appropriations from a dedicated fund could be indexed to inflation.

DISCUSSION

During our evaluation, division staff and supporters expressed interest in the use of a dedicated source of revenue to fund state park operations. Both the division's 1995-2005 strategic plan and its 1998 fee study identified securing a dedicated funding source as a goal.²⁴ As discussed in Chapter 1, Minnesota, along with Iowa and North Dakota, receives over two-thirds of the state park operating budget from the state General Fund. Of the neighboring states we contacted, Wisconsin, Michigan, South Dakota, and Missouri receive about one-third of state park operating budgets from state general funds, relying predominantly on a combination of park user fees and revenues from dedicated accounts.

In Wisconsin, state parks receive nearly 40 percent of their operating funds from park user fees and one-quarter from a dedicated account (the Forestry Segregated Account) consisting of revenue from recreation fees collected in the state forests.²⁵ In Michigan, 45 percent of the state park operating budget is generated from park user fees and revenues. Funding is also provided from a dedicated fund with revenues from harbor fees and gasoline taxes, and interest from an endowment fund that supports state park operations.²⁶ By law, Michigan's General Fund appropriations for state parks are capped at the amount appropriated in 1993-94. Therefore, increases in the budget must be generated from park fee revenues, which also require legislative approval. In South Dakota, park attendance and camping fees account for about 44 percent of the state park operating budget and a proportion of dedicated revenues from a motor boat fuel tax and other taxes account for 23 percent.²⁷

²⁴ Parks and Recreation Division, Minnesota Department of Natural Resource, *1995-2005 Strategic Plan* (St. Paul, 1995), 17 and *Minnesota State Parks Fee Strategy*, 23.

²⁵ Steve Petersen, Wisconsin Department of Natural Resources, Telephone interview, September 8, 1999.

²⁶ Jim Ribbens, Michigan Department of Natural Resources, Telephone interview, September 23, 1999.

²⁷ Rick Collignon, South Dakota Department of Game, Fish and Parks, Telephone interview, September 7, 1999.

In Missouri, a portion of the state sales tax is dedicated to state park operations, making up approximately 85 percent the state park operations budget. Park earnings (license sales, fees, and concession contracts) account for the remaining 15 percent.²⁸ Only a small amount of General Fund revenues are used to support a historic preservation fund for state parks. Missouri's state park dedicated fund was implemented in 1984 following passage of a constitutional amendment to increase the state sales tax by 1/10 of a cent and dedicate a portion of the tax to state parks and soil conservation.

Since one goal of Minnesota's state parks is to protect and preserve natural resources within the parks for current and future generations, it could be argued that parks deserve some support from the state General Fund. It could also be argued that recreational users receive benefits from the parks and should pay an additional charge for that use. Park user fees and charges help give park users a sense of value and ownership in the state parks. Deciding what proportion of the state park operating budget should be financed from the state's General Fund and whether a dedicated fund should be used to finance park operations are policy issues for the Legislature.

²⁸ Glen Gessley, Missouri Department of Natural Resources, Telephone interview, September 8, 1999.

Appendix A: Minnesota State Park Facilities and Services

	Afton	Banning	Bear Head Lake	Bear Creek Valley	Big Stone Lake	Blue Mounds	Buffalo River	Candeen	Carley	Cascade River	Charles A. Lindbergh	Crow Wing	Cuyuna County	Father Hennepin	Flanrau	Forestville/Mystery Cave	Fort Ridgely
Overnight Facilities	33	73	42	37	73	44	80(7)	20	40(3)	38	61	61	103	90(2)	73	39(1)	
Drive-in Sites (# Pull-Through)	11	16	10	40	8	29	50'	30'	35'	50'	45'	12	41	35	23	8	
Electric Sites	50'	60'	55'	48'	50'	50'	50'	30'	35'	50'	45'	12	60'	66'	50'	60'	
RV Length Limit	24	1	5						5	1							
Backpack Sites	1CI	4CI	1BI	6WI	14WI	2	2			1CI	1CI					3WI	
Other Site Types			1		2	2	12(50)				2		4			20(80)	
Handicapped Accessible Sites																	
Horse Camp Sites (Capacity)																	
Shower																	
Flush Toilets																	
Dump Station																	
Group Camp (# of camps)	2	1	1	1	1	1	1	1	2	1	1	1	1	1	2	1	
Group Center (#)																	
Camper Cabins	1(S)	1(Y)									1(S)						
Lodging		GH															
Trails	0.75	1.8	17	8	1.5	13	12	1	1	6	0.5	0.5	4	8	0.1	11	
Self-Guided Trail Miles	20	17						5	18	6	18	18	4	8	17		
Hiking Trail Miles	4	1															
Surfaced Bike Trail Miles							4.25										
Mountain Bike Trail Miles	5	2	0.4				10				0.3	0.25			15	10	
Horse Trail Miles																	
Handicapped Access Miles																	
Summer Recreation																	
Picnic Area																	
Picnic Shelter																	
Swimming Beach																	
Fishing																	
Fish Pier																	
Boat Access																	
Volleyball																	
Horseshoes																	
Playground																	
Winter Recreation	18	12	9			6	5	5	17	5.5	6	6		8	11	4	
Cross Country Ski Trail Miles							1.3		2		6	6			5.5	9	
Skate-Ski Trail Miles	6	1		7			7.6										
Snowmobile Trail Miles																	
Sliding Hill/Skating Rink																	
Warming House																	
Visitor Services																	
Visitor Center																	
Naturalist Programming																	
Interpretive Exhibits																	
Historic Site																	
Tours (Additional Fee)																	
Rentals																	
Firewood/Ice Sales																	

KEY:

Overnight Facilities
 CT - Cart In
 GH - Guest House
 K - Kayak
 LO - Lodge
 ⚡ - Accessible Facility

Recreation and Visitor Services
 B - Boat
 BK - Bike
 C - Canoe
 M - Motor Rental
 N - Near Park
 S - Seasonal
 SK - Skis
 SS - Snowshoe
 Y - Year-round
 • - In Park
 ⚡ - Accessible Facility

Appendix A, continued

	Lac Qui Parle	Lake Bendler	Lake Bronson	Lake Carlos	Lake Louise	Lake Maria	Lake Sheak	Maplewood	McCarthy Beach	Millie Lakes Kathio	Minnesota Valley	Monson Lake	Moose Lake	Mre-Big Island	Nerstrand- Big Woods	Old Mill
Drive-in Sites (# Pull-Through)	41	194	124	22	98(1)	59	86	70(3)	61	25	20	33	98	53(1)	26	
Electric Sites	21	43	81	11	67	32	18	22	6	6	60'	60'	32	28	10	
RV Length Limit	50'	50'	50'	60'	60'	35'	50'	60'	60'	50'	60'	60'	60'	60'	67'	
Backpack Sites				16		3							4			
Other Site Types	11WI	2CI	2WI		10WI		3WI	3WI		8WI		2WI		13WI		
Handicapped Accessible Sites																
Horse Camp Sites (Capacity)	5(50)		7(30)	6(50)		20(200)		10(40)								
Showers	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Flush Toilets	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Dump Station	S	S	S	S	S	Y	S	S	S	S	S	S	S	S	S	S
Group Camp (# of camps)	1	2	2	1	2	1	1	1	1	1	1	1	1	1	1	1
Group Center (#)	1	1	1		3(Y)	1(Y)	1(S)	5(Y)	1(S)				1(S)			
Camper Cabins																
Lodging																
Self-Guided Trail Miles	1	1	3	1	1	2.2	0.8		4.5	4.5	1	5	16	14	7	1
Hiking Trail Miles	6	15	13	11.6	14	25	18	35	4.5	4.5	6	7	7	7	7	7
Surface Bike Trail Miles	6	5	1													
Mountain Bike Trail Miles	5	5	8	9.7	6	20	12	25	35	35						
Horse Trail Miles	5	6	6													
Handicapped Access Miles	6	6	6													0.5
Picnic Area	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Picnic Shelter	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Swimming Beach	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Fishing	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Fish Pier	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Boat Access	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Volleyball	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Horseshoes	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Playground	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Cross Country Ski Trail Miles	5	11	7	5	2.2	14	9	19.6	4	5	7	8	8	8	6.5	
Skate-Ski Trail Miles				2												
Snowmobile Trail Miles		3	3	9.3	5	15	12	19		35		2	7	5	1.5	
Sliding Hill/Skating Rink				/•				•/							•/•	
Warming House	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Visitor Center	N	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Naturalist Programming		Y	S	Y	S	•	•	Y	•	•	•	•	•	•	•	•
Interpretive Exhibits	N	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Historic Site	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Tours (Additional Fee)																
Rentals		B/SS	B/C/SS	SS	B/C/SS	B/C	B/C/M	B/C/SS/SK				B/C	C		SS/SK	
Firewood/ice Sales	•/	•/•	•/•	•/	•/	•/•	•/	•/•	•/	•/	•/	•/	•/•	•/	•/•	•/•

KEY:

Overnight Facilities
 CT - Cart In
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Recreation and Visitor Services
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Appendix A, continued

	Rice Lake	St. Croix	Sakatah Lake	Savanna Forage	Scenic	Schoolcraft	Shiley	Soudan Underground Mine	Spile Rock Creek Lighthouse	Temperance River	Tetongue	Upper Sioux Agency	Whitewater	Wild River	William Ormen	Zippel Bay	
Overnight Facilities	Drive-in Sites (# Pull-Through)	42	211	62	64(2)	107(20)	28	134(3)	28	55(2)	28	20	106(5)	96(2)	124	57	
	Electric Sites	16	42	14	18	20	19	53	18	18	14	14	17	61	61		
	RV Length Limit	45'	60'	55'	45'	50'	52'	60'	50'	50'	60'	45'	50'	60'	60'	30'	
	Backpack Sites	2			7	6			4					8			
	Other Site Types	4CT/5CI/5WI	10C/4WI	4BK1	1CI	4BI	2CI	6WI	20CT	3CT	13CT/6WI	3WI	4WI	8CI	2WI		
	Handicapped Accessible Sites																
	Horse Camp Sites (Capacity)		5(100)				2	2	2	2		45	32	1	7		
	Showers	♣	♣	♣	♣	♣	♣	♣	♣	♣	♣	♣	♣	♣	♣	♣	♣
	Flush Toilets	♣	♣	♣	♣	♣	♣	♣	♣	♣	♣	♣	♣	♣	♣	♣	♣
	Dump Station		S	S	S	S	S	Y					S	S	S	S	
Group Camp (# of camps)	1	1	2	1	1	1	1					1	1	4	1		
Group Center (#)		3				1						1					
Camper Cabins		1(S)	1(S)	GH	GH							1(S)	2(Y)	1(S)			
Lodging		CB/GH								CB			GH				
Trails	Self-Guided Trail Miles	1.5		4	1	0.5	1.8	0.3	4.5	6	0.5	2	2	2.7	1.5		
	Hiking Trail Miles	4.3	127	5	17	14	18	5	4.5	12	22	18	10	35	12	6	
	Surfaced Bike Trail Miles		5.5	3			5							2.5	1.5		
	Mountain Bike Trail Miles		21		10				6								
	Horse Trail Miles		75			9					1.5						
	Handicapped Access Miles	0.5	1.5			2			0.5					18	2	12	
														2.5			
Summer Recreation	Picnic Area	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	
	Picnic Shelter	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	
	Swimming Beach	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	
	Fishing	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	
	Fish Pier	•	♣	•	•	♣	•	•	♣	•	•	•	♣	•	♣	•	
	Boat Access	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	
	Volleyball	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	
Horseshoes	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•		
Playground	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•		
Winter Recreation	Cross Country Ski Trail Miles	3	11	5	16	4	10		8	17	15.5	2	10	35	11.5	9	
	Skate-Ski Trail Miles						2				4				10		
	Snowmobile Trail Miles	2.5	80	3	40	12	6	3	1.5	7	12	14				5	
	Sliding Hill/Skating Rink						•/		•/			•/					
	Warming House	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	
Visitor Services	Visitor Center	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	
	Naturalist Programming	Y	Y	Y		S	Y	S	Y				Y	Y	Y	•	
	Interpretive Exhibits				•	•	•	•	•	•	•	•	•	•	•	•	
	Historic Site				•	•	•	•	•	•	•	•	•	•	•	•	
	Tours (Additional Fee)																
	Rentals	C	C/BK/SS	B/C	B/C/M	B/C	B/C/BK	B/C/SS					SS	C/SK/SS	C		
	Firewood/Ice Sales	•/•	•/•	•/•	•/•	•/	•/•	•/	•/•	•/•	•/•	•/	•/•	•/•	•/•	•/•	•/

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Summary of Recommendations

- Parks and Recreation Division administrative staff should work with park managers and park staff to improve implementation of the drivers' license scanning program.
- The Parks and Recreation Division should continue its analysis of the current state park system, develop baseline data using criteria proposed in its Land Study, and based on that analysis examine possible modifications to Minnesota's state park system.
- The Department of Natural Resources should ensure that its process of assessing the condition of buildings and facilities is consistent across regions. Once implemented, the department should report to the Legislature on the conditions and estimated repair costs of its buildings.
- The Legislature should require the Department of Natural Resources to continue estimating future operating and maintenance costs for new or expanded state park buildings and including these cost estimates in the state parks operating budget.

Further Reading

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Minnesota Department of Natural Resources

OFFICE OF THE COMMISSIONER
500 Lafayette Road
St. Paul, Minnesota 55155-4037

January 6, 2000

Mr. Roger Brooks
Deputy Legislative Auditor
Office of the Legislative Auditor
1st Floor South, Centennial Building
658 Cedar Street
Saint Paul, Minnesota 55155

Dear Deputy Legislative Auditor Brooks:

This letter will serve as our final response to your evaluation of state park management by the Department of Natural Resources. We believe that the evaluation was well done and are pleased with the results. This document will be useful to us in the management of state parks and we hope that it will also be valuable to the legislature.

We appreciate having the operation of the state park system evaluated by an independent auditor with experience in state program management analysis. The document supports the processes that we have used to prepare budget requests and to make management decisions. We will continue to work to make improvements in the areas you have noted and to seek the financing necessary to accomplish those improvements.

There are a few comments that we would like to add that we think will enhance the users' understanding of the Minnesota state park system. In Chapter 1 under "ORGANIZATION, STAFFING AND EXPENDITURES," DNR believes that the state park system pays its own way. We appreciate your footnote comment and understand the "substitution effect" but the fact remains that citizens made the choice to visit parks and not to attend a movie or ball game and therefore their expenditures should be credited to state parks. We also believe that comparisons with other states should contain the notation that Minnesota labor wages are consistently higher than other states and our park managers have additional responsibilities outside park boundaries that do not always exist in other states.

In Chapter 2 under "1999 STUDY OF MINNESOTA STATE PARK SYSTEM," it should be noted that MS 85 requires that state parks be established for among other things, "historic objects." Under "COMMUNICATIONS WITHIN THE DIVISION" it should be noted that this has not been an issue within the division and no examples were given.

Finally in Chapter 3 under "BUILDING INVENTORY AND CONDITIONS" it should be noted that Fort Snelling State Park contains about 400,000 square feet of building space.

DNR personnel who were involved in the evaluation reported that the auditors who performed the evaluation were courteous, professional and thorough. Thank you for an excellent job and we look forward to working with you in the future.

Sincerely,

/s/Steven J. Morse for

Allen Garber
Commissioner

DNR INFORMATION: 651-296-6157, 1-888-646-6367 (TTY: 651-296-5484, 1-800-657-3929) FAX: 651-296-4799

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<i>Regional Transit Planning</i> , March 1992	92-05	<i>Nursing Home Rates in the Upper Midwest</i> , January 1997	97-02
<i>University of Minnesota Supercomputing Services</i> , October 1992	92-06	<i>Special Education</i> , January 1997	97-03
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<i>Higher Education Programs</i> , February 1993	93-03	<i>Highway Spending</i> , March 1997	97-06
<i>Administrative Rulemaking</i> , March 1993	93-04	<i>Non-Felony Prosecution, A Best Practices Review</i> , April 1997	97-07
<i>Truck Safety Regulation, Update</i> , June 1993	93-05	<i>Social Service Mandates Reform</i> , July 1997	97-08
<i>School District Financial Reporting, Update</i> , June 1993	93-06	<i>Child Protective Services</i> , January 1998	98-01
<i>Public Defender System, Update</i> , December 1993	93-07	<i>Remedial Education</i> , January 1998	98-02
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<i>Higher Education Tuition and State Grants</i> , February 1994	94-04	<i>9-1-1 Dispatching: A Best Practices Review</i> , March 1998	98-06
<i>Motor Vehicle Deputy Registrars</i> , March 1994	94-05	<i>Minnesota State High School League</i> , June 1998	98-07
<i>Minnesota Supercomputer Center</i> , June 1994	94-06	<i>State Building Code</i> , January 1999	99-01
<i>Sex Offender Treatment Programs</i> , July 1994	94-07	<i>Juvenile Out-of-Home Placement</i> , January 1999	99-02
<i>Residential Facilities for Juvenile Offenders</i> , February 1995	95-01	<i>Metropolitan Mosquito Control District</i> , January 1999	99-03
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<i>Guardians Ad Litem</i> , February 1995	95-03	<i>Occupational Regulation</i> , February 1999	99-05
<i>Early Retirement Incentives</i> , March 1995	95-04	<i>Directory of Regulated Occupations in Minnesota</i> , February 1999	99-05b
<i>State Employee Training: A Best Practices Review</i> , April 1995	95-05	<i>Counties' Use of Administrative Penalties for Violations of Solid and Hazardous Waste Ordinances</i> , February 1999	99-06
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<i>Pollution Control Agency's Use of Administrative Penalty Orders, Update</i> July 1995	95-07	<i>State Mandates on Local Governments</i> , January 2000	00-01
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<i>State Agency Use of Customer Satisfaction Surveys</i> , October 1995	PR95-23	<i>Welfare Reform</i> , January 2000	00-03
<i>Funding for Probation Services</i> , January 1996	96-01	<i>School District Finances</i> , February 2000	00-04
<i>Department of Human Rights</i> , January 1996	96-02	<i>State Employee Compensation</i> , February 2000	00-05
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