

SB2019 2023-2025 APPROPRIATION BILL

NORTH DAKOTA PARKS AND RECREATION DEPARTMENT

Senate Appropriations Committee

Roughrider Room, 1:00 PM

Thursday, January 5, 2023

Cody Schulz, Director

Written Testimony

Chairman Bekkedahl and members of the committee,

North Dakota Parks and Recreation Department (NDPRD) is charged by Century Code to plan and coordinate government programs encouraging the full development and preservation of existing and future parks, outdoor recreation areas, and nature preserves (NDCC 55-08-01.1) and to serve as a focal point in the state for activities related to parks (NDCC 55-08-01.2).

Purpose

Empower People • Improve Lives • Inspire Success

Mission

Enrich generations through experiences that connect people and places

Values

Curiosity • Courage • Collaboration • Communication • Conservation

VALUE OF RECREATION

In a study by the National Recreation and Park Association, \$1.4 billion was added to North Dakota's economy in 2021 from outdoor recreation. North Dakota State University reports that \$154 million is directly attributable to North Dakota Parks & Recreation Department operations. In addition to the fiscal benefits of recreation, there are significant benefits to visitors' mental, physical and spiritual health and well-being. The National Recreation & Parks Association reports that 93% of US adults say parks and recreation services improve their mental health. In a post-pandemic world where workers can choose where they wish to live and work, a healthy system of local and state parks and recreational programs is part of the basket of quality-of-life attributes that are now necessary to retain and attract workforce.

DEPARTMENT OVERVIEW

The Department manages 21,287 acres, including 15 destination properties, with 57.75 full-time, 21-year-round temporary, and 244 seasonal employees. 2022 had the third-highest visitation, with 1.1 million visitors and 88,777 camping nights. The destination properties have a total of 1,353 designated camping sites, 331 buildings, 125 restroom facilities, and 130 miles of roadway. There are 56 overnight rental accommodations (cabins, yurts, wagons, etc.), however only 11 are open year-round and offer full-service amenities. Our state parks also have spaces that can be rented for a variety of event or meeting purposes as well as various types of recreational equipment available for rent.

Throughout the 2022 season, the Department hosted 93 special events across our destination properties. These include historical, recreational, and educational based events. Several of the lake parks are staging points for fishing tournaments such as the annual Governor's Cup hosted at Fort Stevenson State Park on Lake Sakakawea.

NDPRD also manages statewide Snowmobile and Off-Highway Vehicle (OHV) programs. These programs, funded through OHV and snowmobile registrations and gas taxes, contribute to the development and management of 47.5 miles of designated OHV trails and 2,344.8 miles of snowmobile trails, (with 2,800 miles authorized). In the 2021-2023 biennium, 9,629 snowmobiles and 46,105 OHVs were registered as of November 30, 2022. The Department operates a small fleet of tracked snow machines, including snowcats, for trail grooming that are also used for search and rescue.

The Department also manages the safety programs associated with motorized recreation, of which 602 youth have received their certifications this past biennium. As we continue to build the safety program, the Department has joined forces with the North Dakota Department of Transportation (NDDOT) Vision Zero to strengthen outreach and amplify messaging. In addition, the Department has partnered with several local law enforcement agencies to conduct joint courses and continued partnerships with Farm Safety for Kids, the Jake Star Foundation, and Market Place for Kids.

North Dakota Parks and Recreation also partners with the International Peace Garden, participating in planning and coordinating strategic initiatives as well as acting as the administrator for any funding approved by the Legislature for the Gardens.

ORGANIZATIONAL STRUCTURE

The Department is comprised of eight divisions:

- Field Operations (east and west), which includes law enforcement (26 team members), manages all 13 of North Dakota's state parks and the Pembina Gorge State Recreation Area.

- Communications handles all internal and external communications and marketing initiatives.
- Education and Programs manages statewide education and activity programming efforts for the Department and each state park.
- Recreation oversees the snowmobile, off-highway vehicle (OHV), statewide trails programs, as well as administration of grants.
- Planning and Projects is responsible for planning, designing, constructing, and maintaining the Department's infrastructure.
- Business Services handles the administrative duties for the Department, including finance, personnel, and functional inventory areas.
- Outreach and Engagement engages with external partners and sources additional funding opportunities.
- Natural Resources oversees noxious weed control, restorations, tree management, nature preserves across the Department, and environmental reviews.

(Organizational Chart: Attachment 1)

STRATEGIC ACCOMPLISHMENTS

During the last biennium, we secured significant alternative funding to support our initiatives. We were awarded a Transportation Alternative grant for \$463,535 for a trail bridge at Cross Ranch State Park for the 2024-25 construction season and a North Dakota Historic Preservation Grant for \$16,890 at Icelandic State Park for repairs at the historic Gunlogson Farmstead.

In partnership with Snowmobile North Dakota, the agency launched a Snowmobile App. The app allows users to enjoy North Dakota's 13 state snowmobile trails totaling 2,800 miles. Additionally, this year in partnership with the North Dakota Council on the Arts, the pieces created by our artist and residency program will be a part of a traveling art exhibit.

Additional successes include expanding our solar panel program, engineering equipment to work more effectively, and pulling together to support our remote team members and statewide first responders during the winter storms.

Our partnerships have continued to strengthen in the last biennium. With funding from the Department of Public Instruction, we were able to host 10 outdoor education field days and numerous field trips in 2022. As a result, 3,300 students were hosted across the state with funding for at least 14 more field days in the next two years. The Turtle Mountain Band of Chippewa has received a Land & Water Conservation Fund Grant through our agency to put a splash pad in Belcourt. Additionally, we have strengthened our cooperation with the MHA Nation to manage the Crows Flies High State Recreation Area near New Town. We continue to lead a partnership with the North Dakota Highway Patrol and local law enforcement to conduct OHV safety courses across the state.

During 2022, we also successfully administered the Park District Facility Renovation Grant Program. In total, the program was able to grant \$5 million to park districts across North Dakota.

Ensuring that our resources are available to the next generation is essential, and we continue to learn from input from our stakeholders and guests through our Statewide Comprehensive Outdoor Recreation Planning (SCORP) process. It is incredibly important to us that we balance all interests with conservation as a cornerstone. We have also reorganized and strategically aligned our divisions and communication strategies to better serve the citizens of North Dakota and our stakeholders.

CHALLENGES

While we have had another great biennium, it has been challenging. Maintaining adequate staffing levels continues to be a significant hurdle. With our remote locations, a very competitive labor market, and chronically low pools of applicants, hiring has required considerable additional resources with hiring goals often unmet. In 2022, 40 seasonal positions were left unfilled, about 17% of our needs. Additionally, we have 21 year-round temporary employees who, in most cases, have the same responsibilities as our FTE staff but do not enjoy the same benefits. Turnover for year-round temporary employees has thus averaged about 20% per year over the last three years. Finding ways to be competitive in the market is imperative as we move into the next biennium. The total rewards package proposed in the Governor's recommendation would help give NDPRD the competitive edge to bring in the workforce we need to provide the services our visitors expect.

Drought in 2021 and storms in 2022 created additional and unbudgeted challenges for our team. Low precipitation in 2021 resulted in wildfires and low water levels that affected operations on Lake Sakakawea, including marinas. The April 2022 blizzard left some parks without power for as long as eight days. As the snow melted, high water levels caused flooding and erosion across our eastern properties. Significant trail erosion shut down the Pembina Gorge State Recreation Area for months, with repairs taking most of the summer. Additionally, our properties located along Lake Sakakawea had issues with quickly fluctuating water levels. Lewis & Clark State Park had to close marina and boat access for the first few months of summer operations. Early November 2022 snowstorms also impacted operations and attendance. These factors kept people out of many parks for weeks, reducing our season's visitation and overnight stay numbers by thousands.

Much of the infrastructure within our park system was built in the 1930-1970s. With a large amount of infrastructure nearing the end of its life cycle and with many needed investments deferred due to past budgetary constraints, our deferred maintenance backlog continues to be a challenge. We have been able to start tackling the estimated \$74 million (2020 dollars) backlog with funds appropriated in the fall 2021 special session; however, additional needs still exist. In addition, the last three years of record-breaking visitation have put even more wear on

both new and old infrastructure. Due to our remote locations, we provide some on-location housing options for our seasonal staff. At most parks, however, much of our seasonal housing is in serious need of upgrading which is directly tied to our ability to recruit and retain the seasonal positions critical to operating our parks.

We are also facing some challenges with the state procurement process, specifically in the area of “public improvement” (Century Code CHAPTER 48-01.2). For procuring items like prefabricated cabins, picnic shelters, playground equipment, and comfort stations, we have to go through a process that duplicates engineering design efforts and eliminates companies that provide more affordable options. We are working with the Attorney General’s office and OMB on potential solutions and may be asking for changes to current law to ensure competition and lower prices.

OPPORTUNITIES

Advances in software applications as well as hardware offer the opportunity for offsetting labor needs or enhancing business practices and the user experience. For our agency, it is important to focus on technologies that add value to the customer experience. These opportunities include a more robust reservation system, automated registration kiosks and cabins with keyless entry.

We’ve identified mobile staffing and amenities as two solutions to supplement our field team members for addressing infrastructure issues and to enhance the visitor experience. Starting this upcoming season, we hope to add two temporary carpenters to supplement a mobile team of skilled trades to address deferred maintenance on-site. We also intend to pilot a mobile concession trailer that will be prioritized to parks hosting large events.

We are working with the gateway communities near our properties on what we are referring to as the “Last Mile Initiative” to connect parks and communities by trails. This is another way we are partnering with our communities to strengthen local economies and expand opportunities to North Dakotans.

Through our extensive surveying and observing national trends, we know that a large shift is happening within our field. Customers are looking for upgraded amenities. Power at campsites is no longer an amenity but a necessity – and not just power, but 50-amp service. Customers are looking for larger camping pads, paved roads, and full hook-ups, including water, power, and sewer at each site. Larger RV units and heavier boat trailers have greater wear on park roads and parking lots. Additionally, they are looking for more year-round access and full-service facilities. Providing modern facilities and amenities will positively position North Dakota state parks as desirable destinations with a wide range of visitors from North Dakota, Midwest states and Canada.

BUDGET RECOMMENDATIONS

The executive budget recommendation for the 2023-2025 biennium is \$56,456,600 with \$14,635,735 in General Funds, \$16,218,466 in Federal Funds, and \$45,936,498 in Special Funds. One-time funding is \$37,125,000. Funding is outlined in Figure 1 below.

Figure 1: Budget Fiscal Recommendations

Description	Current Biennium	Request
Park Cabins	\$0	\$9,515,116
Deferred Maintenance	\$17,900,000	\$10,000,000
Pembina Gorge Campground Construction	\$234,189	\$8,000,000
State Park Matching Grant Program	\$1,632,800	\$3,000,000
City, County, Tribal, Park System Grant	\$5,000,000	\$6,000,000
Increase Special Fund Spending Authority	\$17,332,784	\$19,082,784
Lake Metigoshe Reimagined	\$0	\$750,000
Equipment Life Cycle Replacement	\$0	\$858,700
TOTAL		\$56,456,600

Park Cabins: The first recommendation is for just over \$9.5 million to expand our overnight rental options – specifically adding 25-30 cabins to our system. Most of these would be full-service, four-season cabins equipped with a kitchen, bedrooms, and restrooms.

Deferred Maintenance: This continues to be a significant challenge for us. After the construction utilizing the \$17.9 million appropriated during the 67th Legislative Assembly Special Session in 2021, we estimate we will still have over \$56 million in deferred maintenance. The \$10 million recommended would help us continue to reduce our backlog, ensuring that state parks are appealing, safe and are around for future generations.

Full-Time Employees: We currently have 21 year-round temporary employees with the same workload as our FTE staff but receiving different benefits. This ask is to bring 6.25 of those employees to full-time status. No funding is associated with 6.25 positions in this ask, just the positions – the positions will continue to be funded by special funds, specifically our operations fund derived from revenue from charged fees. This conversion will help reduce our turnover and allow us to retain the excellent team we already have. The other two FTEs in the ask would be financed by general funds and come on line 7-1-2024 to aid in servicing the cabins in that initiative.

Pembina Gorge State Recreation Area: The recommended \$8M would allow us to build access roads, grade and service the site with water, electricity, and septic, provide 30 or more serviced campgrounds and six or more full-service cabins, vault toilets, and a combined maintenance shop and seasonal housing complex converting this property from a state recreation area to a

state park. Future development is envisioned to include a visitors center with offices and showers, educational displays, playground, tree plantings, new trail connections, ranger accommodation and additional cabins with an estimated cost of \$7 million.

State Park Matching Grant Program: We are asking for \$3 million for internal State Park matching grants. Of this \$3 million, only \$1.5 million is in cash, and the other \$1.5 million is authority for funds that we would have to procure through non-state sources.

City, County & Tribal Park System Grant: \$5 million was appropriated through SB 2345 for facility renovations grants during the 67th Legislative Assembly Special Session, but only city park districts were eligible to apply. We received nearly \$35 million worth of grant requests for the \$5 million available. If we expand this opportunity to counties and tribes, we anticipate that number will only grow. This ask is for \$6 million to facilitate a 50/50 external grant program to address infrastructure shortcomings for city, county, and tribal park systems.

Increase Special Fund Sending Authority: We are requesting an increase of \$1.75 million in our special fund authority. This is for the authority to spend the revenue we generate through record visitation.

Lake Metigoshe Reimagined: We are requesting \$750,000 for planning improvements at Lake Metigoshe State Park. Nearly all the infrastructure in the park is of the same vintage, the 1930s to 1950s. Larger RV units and high demand has placed stress on park infrastructure not designed for it. Acquisition in a previous biennium of a small parcel near the front of the park also gives us the opportunity to redesign the park entry to improve the visitor experience and reduce congestion on Lake Loop Road. The park needs significant upgrades, and this funding would go towards redesign work for the site, circulation and architectural elements of the park.

Equipment life Cycle Replacement: We request just over \$850,000 in special fund authority specifically for equipment. The Department's roll of equipment includes those for both summer and winter grounds maintenance, light construction and transportation of team members and materials.

2021 SPECIAL SESSION AMERICAN RESCUE PLAN ACT (ARPA) FUNDING

During the 67th Legislative Assembly Special Session, we received \$17,900,000 of ARPA funding for deferred maintenance and capital projects. We went through a robust process to identify projects to complete. This process brought together information from the parks, cyclic maintenance information from our asset management database, citizen input, public and stakeholder survey information, and industry trends. We broke the types of projects into five (5) categories. Those categories are cyclic maintenance (\$1,603,258), roads (\$1,175,000), buildings (\$8,172,000), utilities (\$3,506,092), and miscellaneous (\$495,907). We also have a reserve (\$2,947,743) as a contingency to offset cost increases caused by inflation and supply chain issues.

The individual parks drive cyclic maintenance projects. These small projects are being undertaken to keep our parks operational and prevent further deterioration of our assets. Projects are wide ranging in nature and can include initiatives such as window replacements, painting and staining, flooring replacements or shingling. Road projects are being done to improve our parks' access and support the added weight of modern RV units. The building category is being used to repair our buildings or upgrade and/or replace our current facilities to meet changing visitor demand. The utility categories, while underground and out of sight, are being done to meet visitor demand and the requirements of new RV units. The miscellaneous bucket is utilized for planning and engineering projects.

The ARPA funds require that all funds be obligated by December 31, 2024, and spent by December 31, 2026. We reviewed all the projects and prioritized them to ensure we would use all the funds within the prescribed time limits. We plan to have all the projects completed by the end of 2025. This will give us a year buffer to accommodate any delays resulting from permitting requirements (local, state, and Army Corps of Engineers), supply chain issues, contractor availability, and our state procurement process.

We have spread the funding among our 13 state parks and Pembina Gorge State Recreation Area. Each park has at least \$100,000 for cyclic maintenance projects allocated to them. The map in Figure 4 also shows how we plan to upgrade utilities, provide new camping experiences and maintain our buildings.

Figure 2: ARPA Dollars by Project Type

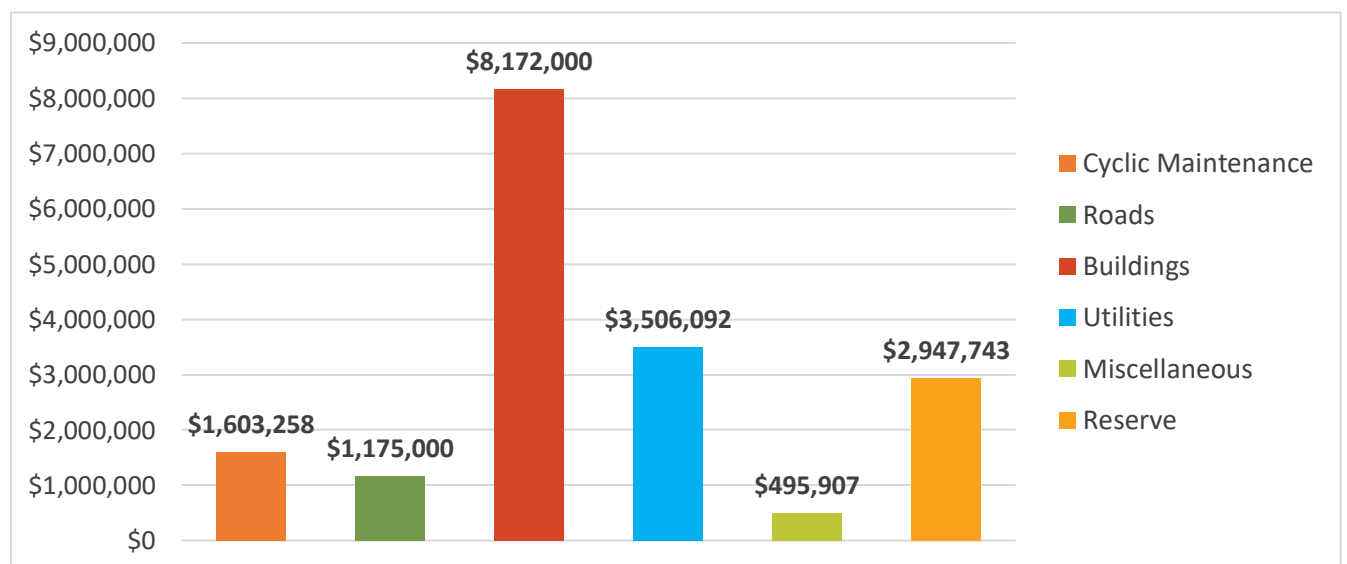
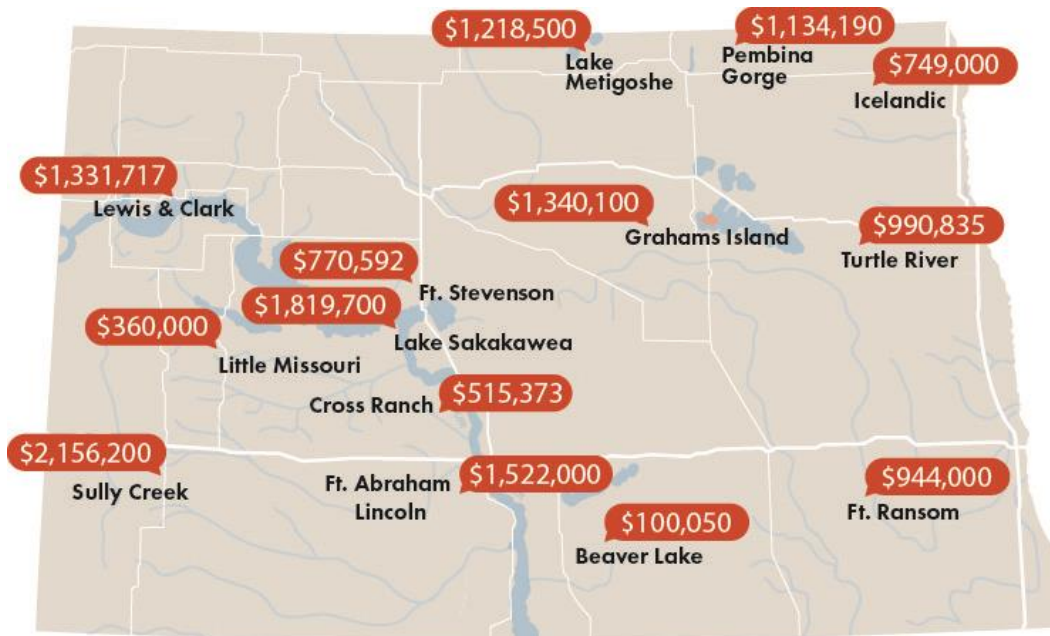


Figure 3: Estimated Completion of ARPA Projects by Year



Figure 4: ARPA Dollar Commitment by Park



CONCLUSION

In conclusion, people are at the core of our purpose and mission. North Dakota Parks and Recreation not only produces a significant monetary return on investment through the fees we generate, and the \$154 million contribution to the economy as noted at the beginning of this testimony, but we create value in so many other ways. The State’s economy, health, environment, and communities all see both direct and indirect benefits from what North Dakota Parks and Recreation does. The past three years have had the highest visitation in the history of North Dakota Parks. The trend of increased recreational demand echoes what we’ve seen in other states and national parks. It is evident that the public sees the value in what we do and provide.