

Department 750 - Parks and Recreation Department
Senate Bill No. 2019

Executive Budget Comparison to Base Level

| | General Fund | Other Funds | Total |
|--------------------------|---------------------|--------------------|--------------|
| 2023-25 Executive Budget | \$14,635,735 | \$62,154,933 | \$76,790,668 |
| 2023-25 Base Level | 13,323,491 | 22,599,593 | 35,923,084 |
| Increase (Decrease) | \$1,312,244 | \$39,555,340 | \$40,867,584 |

Selected Budget Changes Recommended in the Executive Budget

| | General Fund | Other Funds | Total |
|---|---------------------|--------------------|--------------|
| 1. Adds funding for state employee salary and benefit increases, of which \$790,210 is for salary increases and \$279,894 is for health insurance increases | \$1,008,124 | \$61,980 | \$1,070,104 |
| 2. Adds 2 FTE positions for a cabin construction project, but the salary funding is for only for the 2 nd year of the biennium | \$130,350 | \$0 | \$130,350 |
| 3. Adds funding from special funds for operating fees and services, to provide a total of \$2,082,600 | \$0 | \$1,750,000 | \$1,750,000 |
| 4. Adds funding for a new Capitol space rent model | \$125,674 | \$0 | \$125,674 |
| 5. Adds one-time funding for Pembina Gorge campground construction from the legacy earnings fund | \$0 | \$8,000,000 | \$8,000,000 |
| 6. Adds one-time funding for construction of 100 cabins from the legacy earnings fund | \$0 | \$9,375,000 | \$9,375,000 |
| 7. Adds one-time funding for deferred maintenance and capital projects, of which \$5 million is from federal funds and \$5 million is from the strategic investment and improvements fund | \$0 | \$10,000,000 | \$10,000,000 |
| 8. Adds one-time funding for city, county, and tribal park systems grants from the strategic investment and improvements fund | \$0 | \$6,000,000 | \$6,000,000 |
| 9. Adds one-time funding state park matching grant program, of which \$1.5 million is from special funds and \$1.5 million is from the strategic investment and improvements fund | \$0 | \$3,000,000 | \$3,000,000 |
| 10. Adds one-time funding for Lake Metigoshe reimagined project from the strategic investment and improvements fund | \$0 | \$750,000 | \$750,000 |

A summary of the executive budget changes to the agency's base level appropriations is attached as an appendix.

A copy of the draft appropriations bill containing the executive budget recommendations is attached as an appendix.

Selected Bill Sections Recommended in the Executive Budget

Game and fish operating fund - Transfer for boat ramp maintenance - Section 3 would transfer \$122,000 from the game and fish operating fund, or federal or other funds available to the Game and Fish Department to the Parks and Recreation Department for maintenance, operating, and extraordinary repair expenses relating to boat ramps at state parks for the 2023-25 biennium.

Appropriation - Additional federal funds or other funds - Section 4 would appropriate any additional income from federal or other funds that may become available to the Parks and Recreation Department for the 2023-25 biennium.

Estimated income - Legacy earnings fund - Section 5 would identify \$17,375,000 from the legacy earnings fund for building cabins and campground construction at Pembina Gorge for the 2023-25 biennium.

Estimated income - Strategic investment and improvements fund - Section 6 would identify \$13.25 million from the strategic investment and improvements fund for deferred maintenance, capital projects, and parks grants for the 2023-25 biennium.

Exemption - International Peace Garden - Section 7 would allow 2013-15 biennium appropriation authority for repair of the Peace Tower to continue to be available in the 2023-25 biennium. The section would also require the Parks and Recreation Department to review and accept engineering proposals and specifications before committing additional funds to the project and to assist with bidding and construction of any work associated with this section.

Exemption - Trail lease renewals - Section 8 would allow 2021-23 biennium appropriation authority for trail lease renewals and construction or purchasing trail easements to continue to be available in the 2023-25 biennium.

Exemption - Extraordinary repairs - Section 9 would allow 2019-21 biennium appropriation authority for extraordinary repairs to continue to be available in the 2023-25 biennium.

Exemption - Capital projects - Section 10 would allow 2019-21 biennium appropriation authority for parks capital projects and International Peace Garden capital projects to continue to be available in the 2023-25 biennium.

City, county, and tribal grant program - Section 11 would identify up to \$6 million from the strategic investment and improvements fund for city, county, and tribal programs with a limit of \$750,000 per entity.

Continuing Appropriations

There are no continuing appropriations for this agency.

Deficiency Appropriations

There are no deficiency appropriations for this agency.

Significant Audit Findings

The State Auditor's office operational audit of the Parks and Recreation Department for the period ending June 30, 2021, identified four deficiencies relating to lack of biennial fraud risk assessment, lack of annual inventory of assets, failure to properly capitalize equipment over \$5,000, and potential noncompliance with legislative intent regarding equipment purchases.

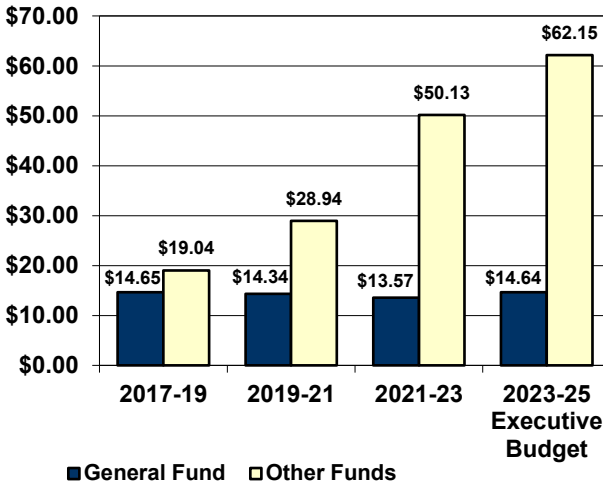
Major Related Legislation

At this time, no major legislation has been introduced affecting this agency.

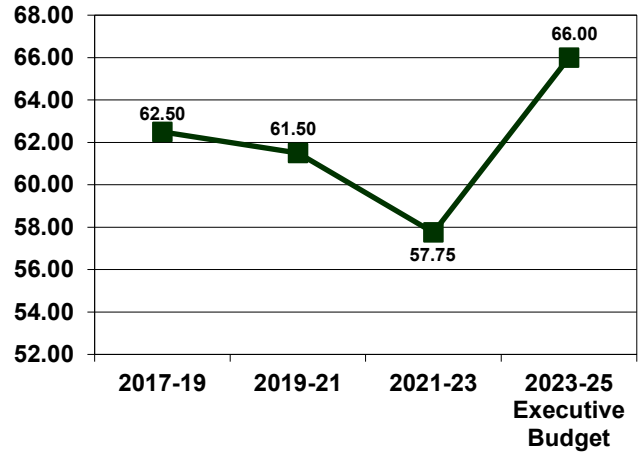
Historical Appropriations Information

Agency Appropriations and FTE Positions

Agency Funding (Millions)



FTE Positions



Ongoing General Fund Appropriations

| | 2015-17 | 2017-19 | 2019-21 | 2021-23 | 2023-25 Executive Budget |
|---|--------------|---------------|--------------|---------------|--------------------------|
| Ongoing general fund appropriations | \$16,702,916 | \$14,654,276 | \$14,343,129 | \$13,323,491 | \$14,635,735 |
| Increase (decrease) from previous biennium | N/A | (\$2,048,640) | (\$311,147) | (\$1,019,638) | \$1,312,244 |
| Percentage increase (decrease) from previous biennium | N/A | (12.3%) | (2.1%) | (7.1%) | 9.8% |
| Cumulative percentage increase (decrease) from 2015-17 biennium | N/A | (12.3%) | (14.1%) | (20.2%) | (12.4%) |

Major Increases (Decreases) in Ongoing General Fund Appropriations

2017-19 Biennium

- Removed 2.5 unspecified FTE positions (\$292,187) and 1 FTE administrative assistant position (\$116,875) (\$409,062)
- Reduced funding for salaries and wages in anticipation of savings from vacant positions and employee turnover (\$239,959)
- Adjusted seasonal salaries and benefits (\$586,406)
- Reduced funding for operating expenses for state parks from the general fund (\$215,320)
- Reduced funding for extraordinary repairs (\$150,760)
- Reduced funding for equipment from the general fund (\$350,000)

2019-21 Biennium

- Transferred 1 FTE information technology position and related funding to the Information Technology Department (\$177,868) and added funding of \$191,314 for payments to the Information Technology Department for the information technology unification initiative \$13,466
- Adjusted funding for salaries and wages (\$105,086)
- Adjusted funding for extraordinary repairs by reducing funding from the general fund (\$947,794) and increasing other funds (\$947,794) to provide a total of \$1,141,920 from the state parks fund (\$947,794)
- Adjusted funding for operating expenses by adding funding for Microsoft Office 365 licensing, reducing other operating expenses, and reducing funding for bond payments \$61,370
- Added funding for Lewis and Clark Interpretive Center operations \$49,484

2021-23 Biennium

- 1. Adjusted funding for the Lewis and Clark Interpretive Center by increasing the base budget from other funds by \$173,554 and then transferring the operations and 3.75 FTE positions to the State Historical Society (\$840,596)
- 2. Increased funding for data processing to provide a total of \$1,295,981 \$410,250

2023-25 Biennium (Executive Budget Recommendation)

- 1. Adds 2 FTE positions for a cabin construction project, but the salary funding is for only for the 2nd year of the biennium \$130,350
- 2. Adds funding for a new Capitol space rent model \$125,674

One-Time General Fund Appropriations

| | 2015-17 | 2017-19 | 2019-21 | 2021-23 | 2023-25 Executive Budget |
|--------------------------------------|--------------|---------|---------|-----------|--------------------------|
| One-time general fund appropriations | \$14,410,526 | \$0 | \$0 | \$250,000 | \$0 |

Major One-Time General Fund Appropriations

2017-19 Biennium

- 1. No one-time general fund appropriations \$0

2019-21 Biennium

- 1. No one-time general fund appropriations \$0

2021-23 Biennium

- 1. Trail lease renewals in the Little Missouri River area \$200,000
- 2. Fort Abraham Lincoln viewshed lease payments \$50,000

2023-25 Biennium (Executive Budget Recommendation)

- 1. No one-time general fund appropriations \$0

Parks and Recreation Department - Budget No. 750
Senate Bill No. 2019
Base Level Funding Changes

| | Executive Budget Recommendation | | | |
|--|--|-------------------------|------------------------|--------------|
| | FTE Positions | General Fund | Other Funds | Total |
| 2023-25 Biennium Base Level | 57.75 | \$13,323,491 | \$22,599,593 | \$35,923,084 |
| 2023-25 Ongoing Funding Changes | | | | |
| Cost to continue salary increase | | \$81,704 | \$4,209 | \$85,913 |
| Salary increase | | 743,730 | 46,480 | 790,210 |
| Health insurance increase | | 264,394 | 15,500 | 279,894 |
| Adds 2 FTE positions for cabin construction project (2nd-year only) | 2.00 | 130,350 | | 130,350 |
| Adds 6.25 FTE for converting temporary seasonal positions to FTE positions | 6.25 | | 131,928 | 131,928 |
| Adds funding for a new Capitol space rent model | | 125,674 | | 125,674 |
| Adds funding for IT rate increase | | 1,607 | 3,663 | 5,270 |
| Adjusts funding for bond payments | | (35,215) | | (35,215) |
| Decreases funding for park operations and maintenance | | | (635,933) | (635,933) |
| Adds funding for operating fees and services | | | 1,750,000 | 1,750,000 |
| Adds funding for equipment life cycle replacement | | | 858,700 | 858,700 |
| Adds funding for recreation | | | 255,793 | 255,793 |
| Total ongoing funding changes | 8.25 | \$1,312,244 | \$2,430,340 | \$3,742,584 |
| One-time funding items | | | | |
| Adds one-time funding for deferred maintenance and capital projects | | | \$10,000,000 | \$10,000,000 |
| Adds one-time funding for Pembina Gorge campground construction | | | 8,000,000 | 8,000,000 |
| Adds one-time funding for construction of 100 cabins | | | 9,375,000 | 9,375,000 |
| Adds one-time funding for Lake Metigoshe reimagined project | | | 750,000 | 750,000 |
| Adds one-time funding for state park matching grant program | | | 3,000,000 | 3,000,000 |
| Adds one-time funding for city, county, and tribal park system grants | | | 6,000,000 | 6,000,000 |
| Total one-time funding changes | 0.00 | \$0 | \$37,125,000 | \$37,125,000 |
| Total Changes to Base Level Funding | 8.25 | \$1,312,244 | \$39,555,340 | \$40,867,584 |
| 2023-25 Total Funding | 66.00 | \$14,635,735 | \$62,154,933 | \$76,790,668 |
| <i>Federal funds included in other funds</i> | | | \$14,515,730 | |
| <i>Total ongoing changes as a percentage of base level</i> | 14.3% | 9.8% | 10.8% | 10.4% |
| <i>Total changes as a percentage of base level</i> | 14.3% | 9.8% | 175.0% | 113.8% |

Other Sections in Parks and Recreation Department - Budget No. 750

| | Executive Budget Recommendation |
|---|--|
| Game and fish operating fund - Transfer for boat ramp maintenance | Section 3 would transfer \$122,000 from the game and fish operating fund, or federal or other funds available to the Game and Fish Department to the Parks and Recreation Department for maintenance, operating, and extraordinary repair expenses relating to boat ramps at state parks for the 2023-25 biennium. |
| Appropriation - Additional federal funds or other funds | Section 4 would appropriate any additional income from federal or other funds that may become available to the Parks and Recreation Department for the 2023-25 biennium. |
| Estimated income - Legacy earnings fund | Section 5 would identify \$17,375,000 from the legacy earnings fund for building cabins and campground construction at Pembina Gorge for the 2023-25 biennium. |
| Estimated income - Strategic investment and improvements fund | Section 6 would identify \$13,250,000 from the strategic investment and improvements fund for deferred maintenance, capital projects, and parks grants for the 2023-25 biennium. |
| Exemption - International Peace Garden | Section 7 would allow 2013-15 biennium appropriation authority for repair of the Peace Tower to continue to be available in the 2023-25 biennium. The section would also require the Parks and Recreation Department to review and accept engineering proposals and specifications before committing additional funds to the project and to assist with bidding and construction of any work associated with this section. |
| Exemption - Trail lease renewals | Section 8 would allow 2021-23 biennium appropriation authority for trail lease renewals and construction or purchasing trail easements to continue to be available in the 2023-25 biennium. |

Other Sections in Parks and Recreation Department - Budget No. 750

Executive Budget Recommendation

Exemption - Extraordinary repairs

Section 9 would allow 2019-21 biennium appropriation authority for extraordinary repairs to continue to be available in the 2023-25 biennium.

Exemption - Capital projects

Section 10 would allow 2019-2021 biennium appropriation authority for parks capital projects and International Peace Garden capital projects to continue to be available in the 2023-25 biennium.

City, County, and Tribal Grant Program

Section 11 would identify up to \$6 million from the strategic investment and improvements fund for city, county, and tribal programs with a limit of \$750,000 per entity.

**SENATE BILL NO. 2019
(Governor's Recommendation)**

Introduced by

Appropriations Committee

(At the request of the Governor)

A bill for an Act to provide an appropriation for defraying the expenses of the parks and recreation department; provide a grant to the International Peace Garden; and to provide an exemption.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the parks and recreation department for the purpose of defraying the expenses of the parks and recreation department and for providing a grant to the International Peace Garden, for the biennium beginning July 1, 2023 and ending June 30, 2025, as follows:

Subdivision 1.

PARKS AND RECREATION DEPARTMENT

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|----------------------------------|-------------------|--|----------------------|
| Administration | \$ 2,765,070 | \$ 266,324 | \$ 3,031,394 |
| Parks Operations and Maintenance | 21,155,523 | 30,493,922 | 51,649,445 |
| Recreation | <u>11,126,162</u> | <u>10,107,338</u> | <u>21,233,500</u> |
| Total All Funds | \$35,046,755 | \$40,867,584 | \$75,914,340 |
| Less Estimated Income | <u>22,599,593</u> | <u>39,555,340</u> | <u>62,154,933</u> |
| Total General Fund | \$12,447,162 | \$1,312,244 | \$13,759,406 |
| Full-Time Equivalent Positions | 57.75 | 8.25 | 66.00 |

Subdivision 2.

INTERNATIONAL PEACE GARDEN

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|-----------------------|-------------------|--|----------------------|
| Peace Garden | \$876,329 | \$0 | \$876,329 |
| Total All Funds | <u>\$876,329</u> | <u>0</u> | <u>876,329</u> |
| Less Estimated Income | 0 | 0 | 0 |
| Total General Fund | \$876,329 | \$0 | \$876,329 |

BILL TOTAL

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|-----------------------|-------------------|--|----------------------|
| Grand Total All Fund | \$35,923,084 | \$40,867,585 | \$76,790,669 |
| Less Estimated Income | <u>22,599,593</u> | <u>39,555,340</u> | <u>62,154,933</u> |
| Total General Funds | \$13,323,491 | \$1,312,244 | \$14,635,735 |

SECTION 2. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-2 biennium one-time funding items included in the appropriation in section 1 of this Act:

| <u>One-Time Funding Description</u> | <u>2021-23</u> | <u>2021-23</u> |
|--|---------------------|---------------------|
| Deferred Maintenance and Capital Projects | \$7,900,000 | \$10,000,000 |
| IPG Capital Projects | 3,000,000 | 0 |
| Parks Matching Grants | 1,632,800 | 3,000,000 |
| Trail Lease Renewals | 200,000 | 0 |
| Fort Lincoln Viewshed Lease | 50,000 | 0 |
| Park Cabins | 0 | 9,375,000 |
| Pembina Gorge Campground Construction | 0 | 8,000,000 |
| City, County and Tribal Park System Grants | 0 | 6,000,000 |
| Lake Metigoshe | <u>0</u> | <u>750,000</u> |
| Total All Funds | \$12,782,800 | \$37,125,000 |
| Less Estimated Income | <u>\$12,532,800</u> | <u>\$37,125,000</u> |
| Total General Fund | \$ 250,000 | \$ 0 |

The 2023-25 one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The parks and recreation department shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 3. GAME AND FISH OPERATING FUND - TRANSFER - BOAT RAMP OPERATION AND MAINTENANCE. The sum of \$122,000 or so much of the sum as may be necessary, included in the park operations and maintenance line item in subdivision 1 of section 1 of this Act, is from the game and fish operating fund, or federal or other funds available to the game and fish department, and must be transferred to the parks and recreation department for maintenance, operating, and extraordinary repairs expenses relating to boat ramps at state parks for the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 4. ADDITIONAL INCOME - APPROPRIATION. In addition to the amounts appropriated in section 1 of this Act, any additional federal or other funds that become available are appropriated to the parks and recreation department for the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 5. ESTIMATED INCOME - LEGACY EARNINGS FUND. The estimated income line item in subdivision 1 of section 1 of this Act includes the sum of \$9,375,000 from the legacy earnings fund for defraying expenses for building cabins.

SECTION 6. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENT FUND. The estimated income line item in subdivision 1 of section 1 of this Act includes the sum of \$21,250,000 from the strategic investment and improvement fund for defraying expenses for deferred maintenance, capital projects and parks grants.

SECTION 7. EXEMPTION. Any funds remaining in the international peace garden line for repair of the peace tower at the International Peace Garden, in subdivision 2 of section 30 of chapter 15 of the 2013 Session Laws is not subject to section 54-44.1-11 and any unexpended funds are available for capital projects and equipment during the biennium beginning July 1, 2023 and ending June 30, 2025. Funding available for use by the International Peace Garden in this section will be subject to the International Peace Garden raising one to one matching funds from non-state of North Dakota sources consistent with the 2013 North Dakota legislative language. The parks and recreation department shall review and accept engineering proposals and specifications before committing additional funds to the project and shall assist with bidding and construction of any work associated with this section.

SECTION 8. EXEMPTION. Any funds remaining for trail lease renewals and construction or purchasing trail easements in subdivision 1 of chapter 19 of 2021 Session Laws is not subject to section 54-44.1-11 and any unexpended funds are available for trail lease renewals during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 9. EXEMPTION. Any funds remaining for extraordinary repairs in subdivision 1 of section 1 of chapter 44 of 2019 Session Laws is not subject to section 54-44.1-11 and any unexpended funds are available for extraordinary repairs during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 10. EXEMPTION. Any funds remaining for parks capital projects and International Peace Garden capital projects in subdivision 1 of section 1 chapter 44 of 2019 Session Laws is not subject to section 54-44.1-11 and any unexpended funds are available for capital projects during the biennium beginning July 1, 2023 and ending June 30, 2025.

SECTION 11. CITY, COUNTY AND TRIBAL GRANT PROGRAM. The department of parks and recreation is authorized to use up to \$6,000,000, or however much is available, from the strategic investment and improvements fund for city, county and tribal grant program. No entity can receive more than \$750,000.