

# **HB1019 2025-2027 APPROPRIATION BILL**

## **NORTH DAKOTA PARKS AND RECREATION DEPARTMENT**

House Appropriations Committee

Prairie Room, 2:00 PM

Tuesday, January 14, 2025

Cody Schulz, Director

Written Testimony

Chairman Nathe 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, \$1.6 billion was added to North Dakota's economy in 2023 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 84 year-round team members, and 373 seasonal employees. 2024 had the third-highest camping year on record with 1.2 million visitors and 95,181 camping nights. The destination properties have a total of 1,370 campsites, 331 buildings, 125 restroom facilities, and 130 miles of roadway. There are 59 overnight rental accommodations (cabins, yurts, wagons, etc.), however only 12 are open year-round and offer full-service amenities. Three of our parks operate marinas with a total of 238 slips. Our state parks also have indoor and outdoor spaces that can be rented for a variety of event or meeting purposes, as well as a wide range of recreational equipment available for rent from snowshoes to pontoon boats.

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), manages all 14 of North Dakota's state parks, including law enforcement (26 team members).
- 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**

In the last biennium, our agency achieved several key milestones. We launched the ND State Park App, a dynamic tool for exploring park features, engaging in challenges, and staying informed about events and updates. We also established a State Park Foundation, enhancing our ability to foster partnerships and secure support for park sustainability. Additionally, we pursued alternative funding opportunities, obtaining grant funding for small equipment from Stihl Inc. and USDA grant funding in conjunction with Utah State University for research on maple sugar production, ensuring continued growth and high-quality services.

We are dedicated to growth and adaptability, expanding our offerings to meet emerging needs. For example, we've increased rentals and pontoons to enhance visitors' experience of our parks and introduced a concession trailer to provide food and refreshments at events statewide. These initiatives highlight our ability to innovate and lead in managing North Dakota's outdoor spaces.

Our partnerships have continued to strengthen in the last biennium. In May 2024, former Governor Doug Burgum signed an executive order establishing the Office of Outdoor Recreation within ND Parks and Recreation, aiming to enhance planning and collaboration with the private sector. Key state agencies involved include Parks & Rec, Game & Fish, and Commerce (Tourism).

We partnered with the North Dakota Department of Public Instruction (DPI) to expand outdoor learning for students through September 2024. This initiative provided funding and support for outdoor field days, individualized field trips, and transportation assistance. Over three years, the program hosted 10,776 students on 261 field trips and 4,611 students through 30 field days.

We have also worked closely with tribal partners, including the Turtle Mountain Band of Chippewa, who received a Land & Water Conservation Fund grant for a splash pad in Belcourt. Additionally, we've further integrated operations with MHA Nation for managing the Crows Flies High State Recreation Area near New Town and working with them on the interrelationship between the new MHA Nation Tribal Park and Little Missouri State Park.

Our ongoing partnership with the North Dakota Highway Patrol and local law enforcement ensures OHV safety courses statewide. We also celebrated the 50th anniversaries of two parks and hosted numerous special events, collaborating with gateway communities, volunteers, and financial supporters.

Effective communication is key to our mission. Over the past two years, we've refined our messaging across press, email, and social media to reach the right stakeholders. Recognizing the power of video, we launched a successful video series on YouTube and Facebook to highlight our state parks. The new Outreach and Engagement Division enhances collaboration with private sector partners and local parks.

Conservation is integral to our values. We again received funding from the US Dept of the Interior for an inventory of the threatened Western Prairie Fringed Orchid. We are committed to preserving resources for future generations and continue to gather insights from stakeholders through our Statewide Comprehensive Outdoor Recreation Planning (SCORP) process, ensuring a balance between conservation and diverse interests.

Finally, we are proud to report that we have achieved a clean audit of the 2021-2023 biennium. All findings from the previous audit were successfully addressed and verified as resolved, demonstrating our commitment to transparency, accountability, and continuous improvement in our operations.

## **CHALLENGES**

While we have had another great biennium, it hasn't been without its challenges. The weather is can often be unpredictable and can have large impacts on our operations. The dry weather this past year created additional and unbudgeted challenges for our team. Burn/fire bans during dry weather conditions keeps many overnight campers at home as part of the camping experience is the ability to have a campfire. Extended high temperatures reduce day attendance and discourages campers who don't have access to air conditioning. Additionally, our properties located along Lake Sakakawea had challenges with low water. Taken all together, the weather reduced our 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 and every year assets age out. In addition, the last five 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.

One of the biggest challenges is the federal government. Specifically, the amount of bureaucracy and rigidity of process around permitting for projects and activities on USACE properties that we lease around Lake Sakakawea. Reviews and approvals for even simple initiatives can take months, even years and involve what in our opinion are higher than necessary expenditures on third party consultants.

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 2024, 51 seasonal positions were left unfilled, about 14% of our needs. In addition, it seems that every year we face student employees leaving earlier as we compete with travel, athletic camps and changing academic demands.

Additionally, we have 20 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 30% 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.

To date in this biennium, we are experiencing a 15.4% turnover rate for full-time equivalent (FTE) positions and a 30% turnover rate for year-round temporary positions. Despite these changes, the turnover has not resulted in any budgetary savings. In fact, we are currently showing a loss of \$11,363, as all funds freed up from vacancies have been used to cover the salaries and mandated benefits of existing employees.

The funding pool allocated to our budget initially removed \$396,001 in general funds and \$140,638 in special funds. To meet our salary and benefit obligations for the remainder of the biennium, we plan to request the remaining funds from the pool—\$307,061 in general funds and \$118,650 in special funds—when they become available in March 2025.

## **OPPORTUNITIES**

Advances in software applications as well as hardware offer the opportunity for supplementing 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 maintenance work orders 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 are large shifts happening within our field. Customers are looking for upgraded amenities. 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 exert 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 Midwest states and Canada.

## **STAFFING**

During the 2023 legislative session, Parks and Recreation was allocated one new full-time equivalent (FTE) position and six year-round temporary conversions. The FTE position has not been filled yet, as the associated infrastructure is still under development. Among the six year-round temporary conversions, five positions were successfully filled on the first day of the new biennium, while the sixth position was filled after three months. To help cover the increased salary and retirement benefits for these roles, we transferred \$88,940 in general funds and \$21,988 in special funds.

The total cost for these positions over the biennium is \$495,560 in general funds and \$765,712 in special funds. The new FTE position, approved only for the second year of the biennium, is projected to cost \$80,819 and remains unfilled.

## **AGENCY FEES**

Parks and Recreation generates revenue through fees for campsite and cabin rentals, park entry, and equipment rentals. These funds are deposited into our park operating fund, which plays a crucial role in supporting our operations. The Parks and Recreation fund is used to cover the wages of our 373 summer seasonal employees and to maintain and operate our parks. At this time, we do not anticipate making any changes to our fee structure. Agency Revenue's are outlined in Table 1 below.

**Table 1: Agency Revenue**

FUND	AMOUNT	SOURCE
Parks and Recreation Fund	\$7,228,231	Campsites, cabins, vehicle passes, rental equipment
Snowmobile Fund	\$1,019,473	Snowmobile sales, registration, & 40 gallons of fuel
Trail Tax Transfer Fund	\$922,654	Off Highway Vehicle registrations
State Parks Concession Fund	\$2,011,595	Concession operations sales

**ONE TIME FUNDING 2021-2023**

For the 2023-2025 biennium, Parks and Recreation received SIIF Funds for several one-time funding allocations to support various projects. One time funding project are outline in Table 2 below.

**Table 2: One Time Funding 2023-2025**

PROJECT	AMOUNT	DESCRIPTION
Capital Projects/Deferred Maintenance	\$10,000,000	Address deferred maintenance in state parks.
Park Matching Grant	\$3,000,000	Create internal matching grant program.
Cabin Construction	\$2,400,000	Construction of year-round cabins
Lake Metigoshe Reimagined	\$250,000	Improve Lake Metigoshe State Park.
City, County, and Tribal Park System Grants	\$6,000,000	Provides dollar-for-dollar matching grants to political subdivisions.
Pembina Gorge Campground Construction	\$6,000,000	Construct campground at Pembina Gorge State Park.
International Peace Garden Pavillon Construction	\$800,000	Repair and upgrade the Willis Pavilion.
Theodore Roosevelt Presidential Library	\$70,000,000	Provide a line of credit for Theodore Roosevelt Library construction.
Sovereign Land Grants	\$2,000,000	A Compleitive grant to expand recreational opportunities on sovereign lands in ND.

**Capital Projects/Deferred Maintenance:** \$10,000,000 to address the deferred maintenance backlog, replace worn-out structures, and construct new facilities to meet evolving visitor needs.

**Park Matching Grant Program:** \$3,000,000, which includes \$1,500,000 in cash and an additional \$1,500,000 in authority for the non-state match, to support a matching grant program with state and non-state funds.

**Cabin Construction:** \$2,400,000 for the construction of year-round cabins for guests, with ongoing approvals through the Army Corps of Engineers for cabins at Ft. Stevenson State Park on Lake Sakakawea.

**Lake Metigoshe Reimagined:** \$250,000 for conducting visitor and stakeholder outreach and planning to improve park flows and enhance the visitor experience at Lake Metigoshe State Park.

**City, County, and Tribal Park System Grants:** \$6,000,000 to provide dollar-for-dollar matching grants to political subdivisions for the repair, upgrade, or expansion of outdoor offerings through a competitive grant process.

**Pembina Gorge Campground Construction:** \$6,000,000 to construct the initial campground at Pembina Gorge State Park. This funding will cover the development of water, electric, and sewer connections at sites, a road network, and other essential structures to support the park.

**International Peace Garden Pavilion Construction:** \$800,000, which the State of North Dakota matched to the \$875,000 Canadian dollars provided by the Province of Manitoba. This funding will be used to repair and upgrade the Willis Pavilion at the International Peace Garden.

**Theodore Roosevelt Presidential Library:** \$70,000,000 in the form of a line of credit to assist the Theodore Roosevelt Presidential Library Foundation with construction. The line of credit serves as a backstop in case pledged funds are not received in time, although, to date, no money has been drawn from it.

**Sovereign Land Grants:** \$2,000,000 allocated through a competitive grant process to expand recreational opportunities on sovereign lands in North Dakota.

## **2021 SPECIAL SESSION AMERICAN RESCUE PLAN ACT (ARPA) FUNDING & SIIF DOLLARS**

We have remained committed to addressing our deferred maintenance and investing in capital improvement projects. Figure 1 below illustrates how the \$27.9 million of which \$17.9 million is ARPA from the 2021 Special Session and \$10 million in SIIF funding from the 2023 Session, is being allocated across various projects to support these efforts. The figure shows the types of projects into five (5) categories. Those categories are Cyclic Maintenance (\$2,600,000), Roads (\$419,077), Buildings (\$9,480,908), Utilities (\$8,283,200), and Miscellaneous (\$3,359,200). We also have a Reserve (\$3,757,615) to offset cost increases caused by inflation and supply chain



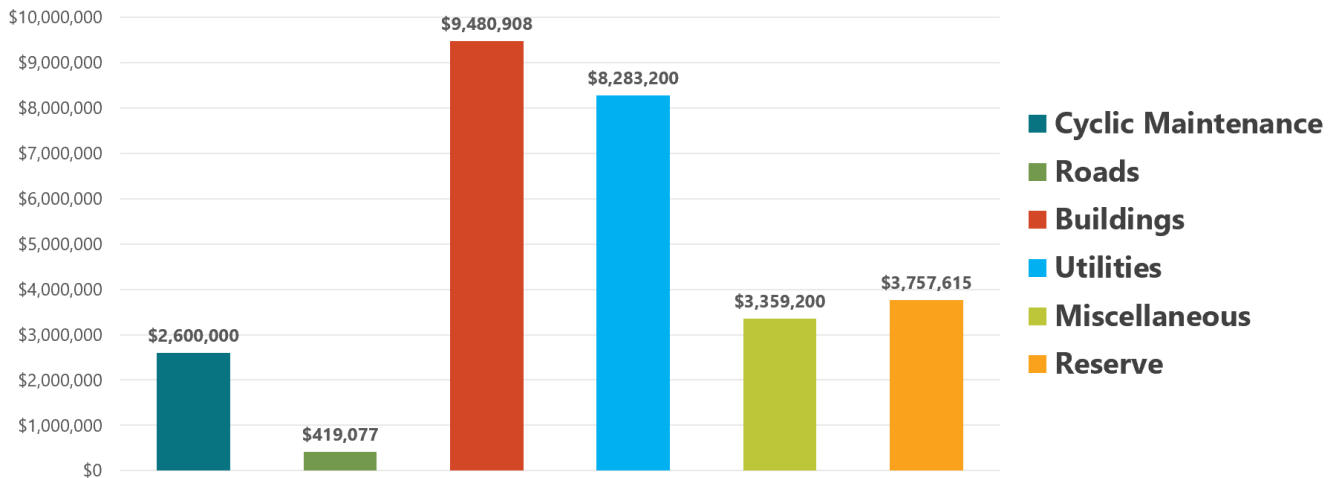
issues, provide construction contingencies to cover unforeseen conditions or other challenges or opportunities. Figure 2 below shows the ARPA& SIIF dollars committed by location.

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. We have spread the funding for Cyclic Maintenance among our 14 state parks, with each park assigned at least \$100,000 for these smaller projects. 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 Utilities category, while underground and out of sight, are being done to replace degraded pipes and wiring, meet visitor demand and the greater power requirements of new RV units. The Miscellaneous bucket is utilized for planning and engineering projects.

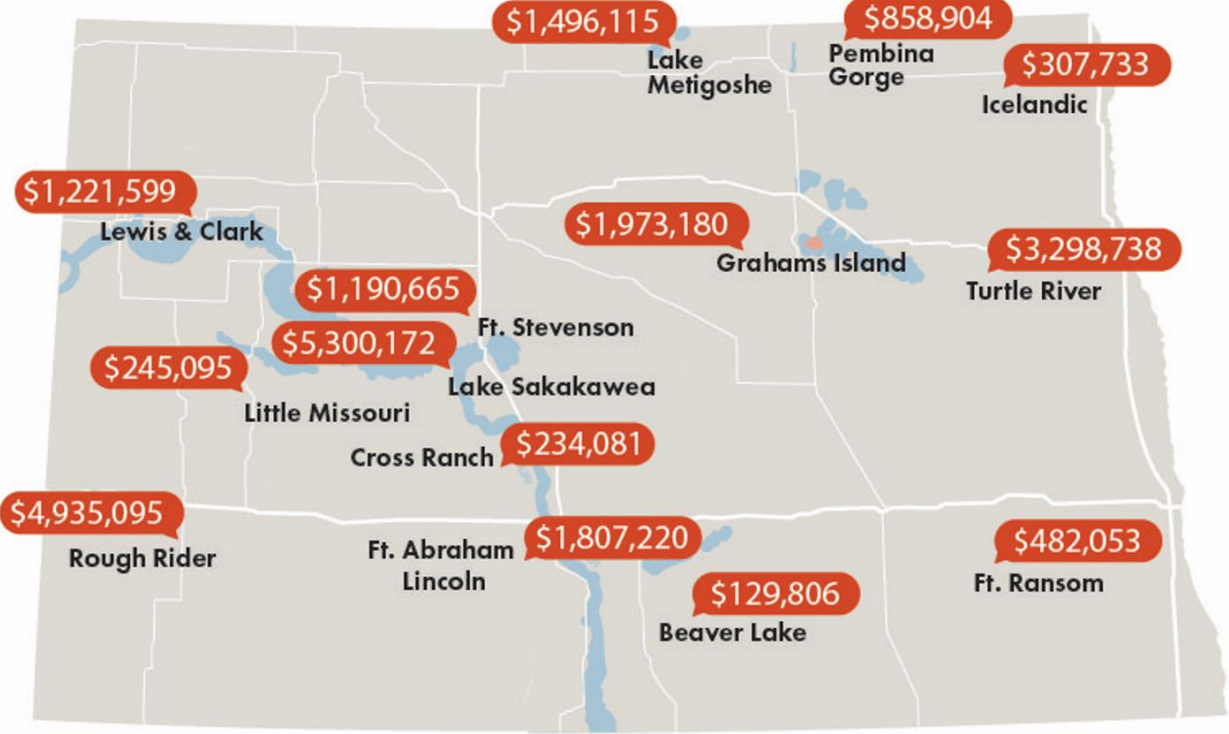
The map in Figure 4 also shows how we plan to upgrade utilities, provide new camping experiences and maintain our buildings.

**Figure 1: ARPA & SIIF Dollars by Project Type**

### ARPA & SIIF Dollars by Project Type

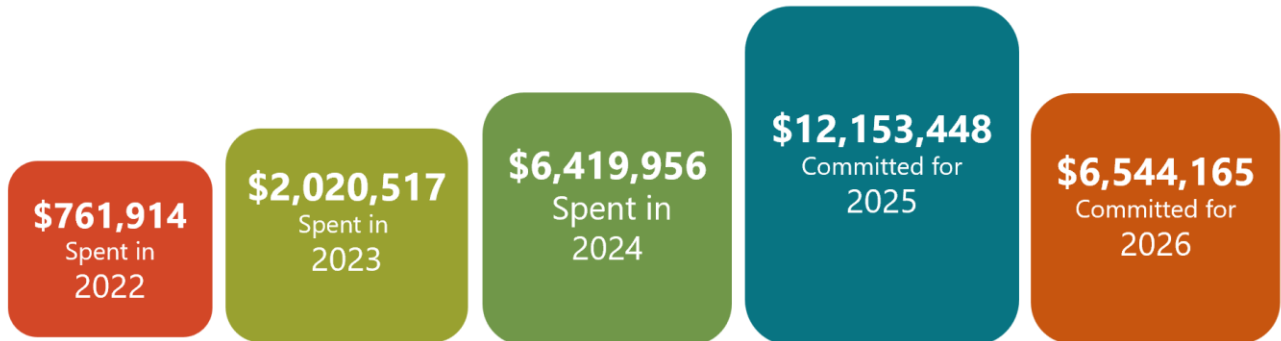


**Figure 2:** ARPA& SIIF Dollar Commitment by Park



**Figure 3:** Estimated Completion of ARPA & SIIF Projects by Year

## Estimated Completion of ARPA & SIF Projects by Year



### FEDERAL STATE FISCAL RELIEF FUNDING

Our agency has several federal and state fiscal relief funds remaining to be spent by December 2026:

- **Park District Matching Grant Program**, we have a total appropriation of \$5 million, with \$353,058 still remaining to be spent. We anticipate these funds will be fully expended by June 30, 2025.
- **The Matching Grant Program (internal)** has an appropriation of \$816,400, of which \$750,762 remains to be spent. These funds are expected to be used by December 31, 2025.
- **Deferred Maintenance and Capitol Projects**, we have an appropriation of \$17.9 million, with \$9,588,087 remaining to be spent. We plan to expend these funds by December 31, 2025.

### ADDITIONAL SECTIONS TO BILL

In addition to the budget recommendations, the agency has a few language additions as well as funds carryover that need to be included. First, adding language for the North Dakota Game & Fish Department fund transfer NDPRD for boat ramp operations and maintenance (Section 4, \$122,000). Second, "Additional Income – Appropriation – Reporting". Currently, 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. The department shall report any additional income under this section to the office of management and budget and the legislative council (Section 5). We will be updating this wording to cover the upcoming biennium. In addition to these language additions, the agency will also have a carryover fund request.

## **PEMBINA GORGE STATE PARK**

The Pembina Gorge State Park is making great strides with its development, starting with the official groundbreaking that took place on May 31, 2024. Construction of the campground has been underway since early summer, by LinnCo Inc., with an estimated completion date of mid-2025. This exciting project has been made possible thanks to the strong support of the 2023 Legislature, which approved \$6 million in funding. Once completed, the park's campground will enhance outdoor recreation opportunities and boost tourism in North Dakota, while also contributing to the region's economic development and workforce recruitment efforts. We noted when seeking funding for this new State Park that there are over 1 million people that live within a 2-hour drive of the park. The groundbreaking ceremony on May 31<sup>st</sup> of 2024 focused on the next generation as children from the region turned shovels of earth under a bright North Dakota sky. Pembina Gorge State Park is poised to become a premier destination park and a cornerstone for recreation, economic growth, and community engagement in the state.

## **2025 SESSION FOCUS AREAS**

As we prepare for Governor Armstrong's formal budget announcement tomorrow, we want to highlight key focus areas for our agency. First, our team remains at the heart of our operations. Their expertise and dedication ensure the effective execution of our mission, directly enhancing guest experiences, advancing conservation initiatives, and making North Dakota a desirable place to live, work, and play. Second, we are committed to addressing our deferred maintenance backlog and investing in state park infrastructure. These efforts will improve facilities and thereby the visitor experience and ensure long-term sustainability for our parks. Third, technology continues to be a focal point. We strive to stay ahead of recreation trends and improve operational efficiencies by integrating innovative solutions. Finally, we are dedicated to supporting local communities, counties, and tribal nations through recreation grants. These programs have demonstrated significant impacts, enhancing the quality of life for citizens and driving economic growth through recreation across the state.

## **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.

**Attachment 1: Organizational Chart**

