

HB1019 2021-2023 APPROPRIATION BILL

ND PARKS AND RECREATION DEPARTMENT

Senate Appropriations Committee
 Roughrider Room, 8:30 AM
 Tuesday, March 4, 2021
 Dr. Andrea Travnicek, Director

Chairman Holmberg 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).

A financial audit was conducted in 2020 for the Department. No findings of concern were found.

The Department’s budget is comprised of six lines. The International Peace Garden budget is a pass-through; however, the Department is a collaborating partner assisting with the review of bidding and construction documents for capital projects (Table 1).

Table 1 NDPRD Budget Divisions and Areas of Responsibility

Division/Line	Current FTE	Areas of Responsibility
Administration Division	7	Office of the Director Accounting Payroll Human Resources Information Technology Public Relations/Marketing
Recreation, Planning, Grants Planning Division (Recreation Line)	5	Planning State Snowmobile & OHV Program State Trails Program Land and Water Conservation Fund Grants Recreation Trails Program Grants
Field Operations Division (Natural Resources Line)	45.75	State Park Management Law Enforcement Program Natural Resources Program Capital Development and Extraordinary Repairs
Carryover	0	Previous biennium capital and extraordinary repairs
Lewis and Clark Interpretive Center	3.75	Operations and maintenance of the Lewis and Clark Interpretive Center and Fort Mandan
Peace Garden	0	Pass-through funding for the International Peace Garden.

STATE PARK VISITATION

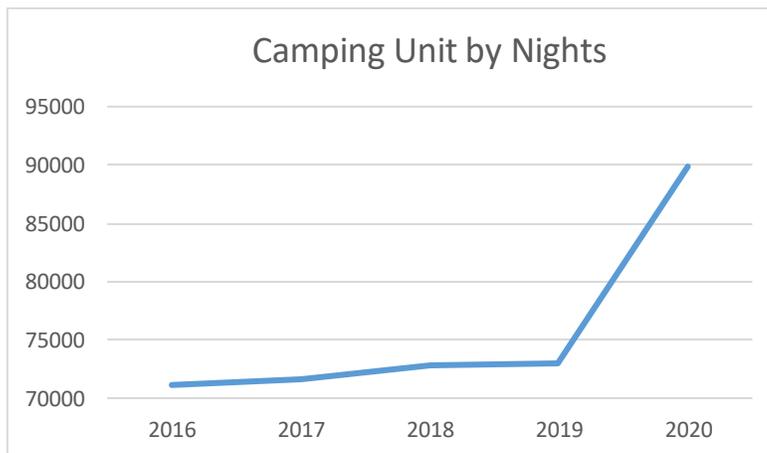
State park visitation continued a positive trend in the current biennium. State parks had 1.29 million visits in 2020, which was 17% higher than in 2019 and 16% higher than the previous five-year average (Figure 1). Camping unit nights were similarly up from 2019 with 89,859 camper nights. This represents a 23% increase over 2019 numbers and a 24% increase over the previous five-year average (Figure 2). There was a 35% increase in 2020 from 2019 from May through October.

In addition to the state park visitation, 88,075 people utilized facilities at the Lewis & Clark Interpretive Center and Fort Mandan in 2020 with 5,886 paid admissions.

Figure 1 State Park Visitation by Calendar Year

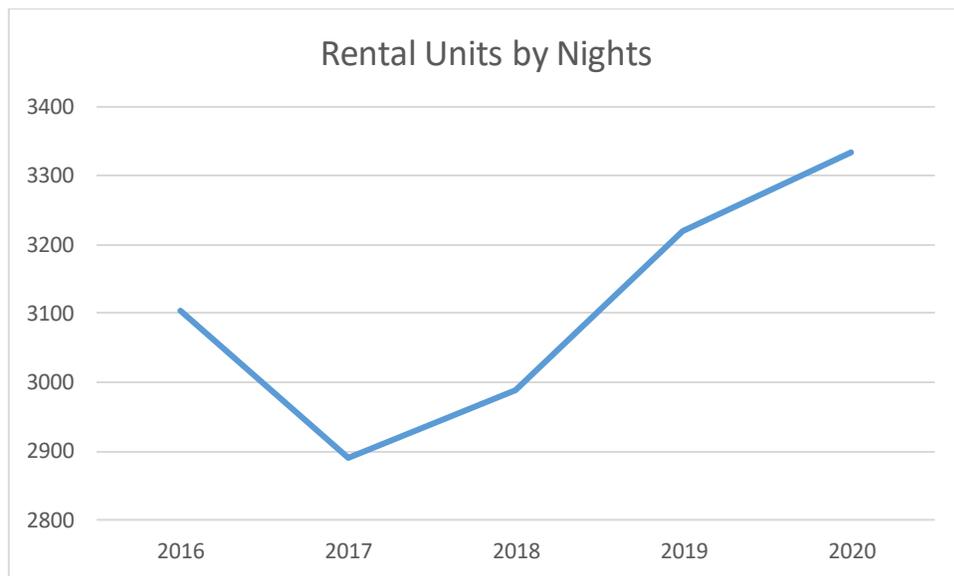


Figure 2 Camping Unit Nights by Calendar Year



In general, the Department has seen an overall increase in overnight rental accommodations since 2017 (Figure 3). In part, this is due to the investment the Department has made in higher-end and unique overnight rental accommodations. These accommodations include the York cabin at Cross Ranch and the Bjone house and Percheron Wagon at Fort Ransom. Overnight accommodation rentals at these two parks increased from 702 in 2017 to 1,300 in 2020, representing an overall increase of 81%. The new and refurbished units are winterized and have higher-end furnishings than similar units in the rest of the system. Additional upgrades to several overnight facilities have been made including, gas fireplaces, updated HVAC systems, and WiFi accessibility. The Department is currently developing new camper cabins at Grahams Island State Park and updating cabins at Turtle River State Park to make year-round accommodations. This funding was allocated to the Department in the last legislative session.

Figure 3 Overnight Rental Unit Nights by Calendar Year



During the 2020 season, as has been consistent over the last five years, Grahams Island, Lake Sakakawea, and Fort Stevenson State Parks have seen the most unit nights system-wide (Table 2). This is primarily due to the park's location, services available to customers, and the number of campsites available at those locations. In 2020 all our parks saw growth in overnight camping nights, but Little Missouri, Sully Creek, and Cross Ranch State Park had the most considerable variance in units from 2019 to 2020. The Department's largest increase was at Little Missouri State Park, with a 54% increase in unit nights.

Table 2 NDPRD campsite unit night by property

State Park Location	2020 Unit Nights	Number of Campsites	2019-2020 Unit Nights Variance
Grahams Island	14,487	149	+24.30%
Lake Sakakawea	13,415	201	+25.30%
Fort Stevenson	9,582	146	+8.00%
Fort Abraham Lincoln	8,096	101	+18.90%
Lake Metigoshe	7,977	127	+46.20%
Icelandic	7,964	157	+2.90%
Lewis & Clark	7,451	101	+14.50%
Turtle River	5,295	94	+21.60%
Sully Creek	4,940	40	+48.00%
Cross Ranch	3,659	76	+46.60%
Fort Ransom	3,580	70	+39.20%
Little Missouri	1,796	35	+54.40%
Beaver Lake	1,753	33	+29.90%

RECREATION PROGRAMS

The Department manages the Snowmobile and Off-Highway Vehicle (OHV) programs. These programs, which are 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 2019-2021 biennium, 9,979 snowmobiles and 41,999 OHVs were registered as of December 1, 2020. The Department also manages the safety programs associated with motorized recreation in which 923 youth received their certifications this past biennium to date. We provided 19 OHV and 14 snowmobile in-person safety courses with 326 student certifications issued. The Department also sponsors an online certification process in which 597 youth received their safety certifications. Our safety programs continue to prove important as youth operator deaths remain a concern. 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.

In addition to motorized recreation, over 200 miles of non-motorized trails are managed by the Department. In the 2019-2021 biennium, one new trail was added, and 16 trail counters were installed at five state parks and three recreation areas. These trail opportunities exist to provide recreation opportunities for equestrian, biking, hiking, or just getting out to explore nature in our legendary state.

Resources related to trail maintenance remain important in the upcoming biennium as trail counts increase on both motorized and non-motorized trails. In the 2019-2021 biennium,

two seasonal staff were hired to provide trail maintenance and repair throughout the state parks and recreation systems.

GRANT PROGRAMS

The Department administers two federal grant programs: the Land and Water Conservation Fund Program (LWCF) through the U.S. National Park Service and the Recreational Trails Program (RTP) through the U.S. Federal Highway Administration. Between the two programs (LWCF and RTP), over \$59 million in grants have been awarded to 1,539 projects since program inception statewide. Grants have been awarded in every county in the state.

Demand for grant dollars has increased through the years in both grant programs. In the last Federal fiscal year, the RTP had approximately 48% of the grant requests that remained unfunded. While the LWCF, had approximately 5% of grant requests that remained unfunded.

In 2020 the Great American Outdoors Act, passed by Congress and signed by President Trump, included permanent authorization of \$900 million annually for the LWCF. On average, North Dakota has received \$1.8 million per year, and with the passage of the Act, the state is estimated to receive \$2.4 million annually starting in the federal fiscal year 2021.

NATURAL RESOURCES

The Department's Natural Resources Division is responsible for the Nature Preserve and Natural Heritage Programs, noxious weed management, native prairie restorations, tree and shrub planting, and hazard tree management throughout the park system.

From 2019-2020, the program treated 2,374 acres of noxious weeds with over \$20,738 in associated chemical costs, planted over 1,320 trees and shrubs, conducted 11- Level 1 Visual Tree Risk Assessments accounting for over 244 corrective mitigation actions, and maintains over 202 acres of prairie restorations.

The program is also responsible for environmental reviews relating to agency lands owned, leased, or managed, the Natural Heritage Inventory, and compliance with the Land and Water Conservation Fund's protections. Between 2019-2020, 445 environmental reviews were completed.

DEPARTMENT INFRASTRUCTURE

The Department has responsibility for the management of 15 destination areas (13 state parks, the Pembina Gorge State Recreation Area, and the Lewis and Clark Interpretive Center) with an additional seven recreation areas and eight natural areas/preserves.

Table 3 NDPRD Visitor Facilities

Number of Facilities	Facility Type
1330	Campsites
331	Buildings
56	Rental Overnight Accommodations
16	Rental Meeting Spaces
205	Trail Miles
234	Marina Slips
14	Concession Stores

CAPITAL PROJECTS AND EXTRAORDINARY REPAIR PROJECTS

The 2019-2021 biennium included appropriations for capital projects and extraordinary repairs. Seven capital projects were funding with Strategic Investment and Improvements Fund (SIIF) funds totaling \$1.755 million. Six projects are in-progress, and one project is complete. Sully Creek State Park received a new 30/50 amp electrical service to 38 campsites and was operational in September 2020.

A continued commitment by the legislature to fund capital improvements and extraordinary repairs is key to managing deferred maintenance. Extraordinary repairs were funded with an appropriation of \$1.14 million, plus a one-time appropriation of approximately \$634,000. The sum of \$1.78 million has been obligated to over 50 projects in the Department.

Projects included storage building securing trusses, ADA (Americans with Disability Act) showers, multiple cabins being shingled, window replacements system-wide, marina gangway improvements, trail repairs, capping of old water wells, replacement of multiple firewood sales storage sheds, multiple roof repairs, flooring replacement in rental cabins, replacement and upgrades to four fish cleaning stations, replacement of siding, retrofit of vault toilets, lift station replacement, sewage line replacement and breakwater marina repairs.

Not all funding from the 19-21 biennium for these items will be expended by the end of the biennium, and the Department will work with OMB and the construction carryover committee to determine the final carryover amount.

CONSTRUCTION CARRYOVER AND EXEMPTION FUNDS

The 2019-2021 NDPRD budget included approximately \$958,000 in Construction Carryover funds from the 2017-2019 biennium. The funds were applied to 24 projects across the state. As of January 2021, 13 are complete, nine are in-progress, one has not been initiated, and one has been canceled.

The Department would like to request an amendment to the executive budget recommendation and initial bill in Section 6 “Exemptions” to the following: “Any funds remaining for parks enhancements in subdivision 1 of section 1 of chapter 53 of the 2015 Session Laws and in subdivision 1 section 1 of chapter 18 of the 2017 Session Laws are not subject to section 54-44.1-11, and any unexpended funds are available for park enhancement projects during the biennium beginning July 1, 2021 and ending June 30, 2023.

SB2019 of the 66th Legislative Assembly provided an exemption for the use of construction carryover funds from the 15-17 biennium. Current HB1019 includes an exemption for those funds in Section 6. At the start of the biennium, the appropriated amount with \$1.05 million was allocated to 22 projects. Currently, nine are complete, 11 are in-progress, and one is pending. By the end of the biennium, we estimate 17 projects will be completed and only three projects will be in-progress, with the largest project being the construction of a new campground at Fort Stevenson State Park. This project has been delayed due to state and federal regulatory reviews and the funding is leveraged with a Land and Water Conservation Fund grant.

INTERNATIONAL PEACE GARDENS

The International Peace Gardens is managed by a non-profit 501(c)(3) organization and is not property in the Department’s portfolio. Funding for operations, capital, and repairs are passed through the Department’s budget and authority in a dedicated funding line. The Department has minimal oversight in the operations and execution of the funds, which Executive Director Tim Chapman will explain. Funding is often jointly submitted with the Province of Manitoba.

The Department’s 2019-2021 biennium budget included \$876,329 for operations. The proposed 2021-2023 biennium appropriation includes a 15% budget cut of \$744,880.

Section 6 of SB2019 of the 66th Legislative Assembly included an exemption clause for prior biennium capital funding and required a one-to-one non-state funding match. The amount for this exemption was \$1.078 million of general funds. Any remaining funds would be made available through Section 5 of HB1019 in the next biennium. The Department has been involved in assisting with the guidance of project management as per legislative intent.

The Department's 2019-2021 included \$2 million in SIIF funds that were appropriated as well as authority for the Parks and Recreation Department to borrow from the Bank of North Dakota \$3 million, or so much as may be necessary, for matching non-state funds that may become available. On December 11, 2020, the Department received a letter from the International Peace Gardens stating that Manitoba had matched the funds. On December 13, 2020, the Department sent a letter of certification to OMB stating the matching funds were in place and OMB responded by e-mail December 14, 2020, that the certified letter and the related documentation meets the requirements of Section 12 of Senate Bill 2019 and that funds may be borrowed from the Bank of North Dakota. OMB adjusted the 2019-2021 appropriation to reflect the addition of the loan. On December 30, 2020 the Bank of North Dakota \$3 million line of credit loan was approved. The executive budget recommendation did not have the repayment of the loan included at the time of budget development. The Department would like to include an amendment for an appropriation for the repayment of the loan with interest as stated in Section 12 of SB2019.

ECONOMIC IMPACT

In 2012, the Department commissioned an economic impact study through North Dakota State University (NDSU). The study determined North Dakota state parks' economic impact to be \$233 million (in 2012 dollars) with \$99 million in direct economic contribution and \$134 million in secondary economic contribution. In the one-time funding special projects below, a new economic impact study is outlined and currently in progress.

ONE-TIME FUNDING SPECIAL PROJECTS

The 2019-2021 appropriation included \$150,000 for a visitor survey and economic impact study. In October 2020, the Department put the project out for bid. Resource System Group (RSG) partnering, with North Dakota State University (NDSU), was selected to conduct a customer survey, community survey, and economic impact study. All surveys were completed in February. Survey efforts will yield a robust data set to better understand impacts on local communities and how park properties can be maintained or improved to enhance the visitor experience. Survey results and a finalized report should be completed by May 2021.

The 2019-2021 appropriation included \$75,000 for the start of a new traffic counter system, which is the primary method of establishing a visitor count for 15 destination properties. Three parks will be used as a pilot including Fort Stevenson, Icelandic and Fort Abraham Lincoln State Parks. The current technology at most properties is outdated and requires manual collection of data. The bid was awarded in February.

Section 8 of SB2019 of the 66th Legislative Assembly included an exemption of remaining funds related to recreation opportunities on sovereign lands. Section 9 of the same bill outlined the requirements for grants. The first grant in the amount of \$250,000 was awarded

to the Fort Abraham Lincoln Foundation Missouri Valley Heritage Alliance for the Heritage River Landing project in Bismarck. The funds were expended by January 2020. The second grant for \$250,000 was awarded to the Bismarck Parks and Recreation District for access to sovereign lands in Sertoma Park in Bismarck. These funds were expended by October 2020.

The 2019-2021 appropriation included \$75,000 for the recreation asset mapping project. The project was completed in February and has gone live to the public. The agency utilizes global positioning systems technology to geo-locate fixed assets at state park properties and allow for metadata tags. The outcome of the project includes an online viewer accessible by the public. The data collection component provides readily accessible quantity data for fixed asset management and repairs.

The 2019-2021 appropriation included \$622,000 in special funds for the replacement of aged equipment that has met or exceeded the life cycle replacement. Some of the funds have been used to modernize law enforcement vehicles to be compliant with the statewide interoperable radio network (SIRN). Three utility tractors were purchased to replace 25 – 50 plus year old tractors. One older tractor and a utility vehicle were replaced with a Bobcat Toolcat. This piece of equipment will allow for a more versatile function for one of our equestrian properties. Our 36-year-old sewage pumper unit was replaced, five all-terrain vehicles, some as old as 30 years, were replaced, and 13 utility vehicles were replaced, 11 were older than 20 years. The remaining funding was allocated for purchasing 25 law enforcement Motorola APX 8500 vehicle radios and five-light bar packages. These vehicle radios are SIRN 2020 compliant with encryption, GPS trackability, emergency location, and open microphone functions for the safety of our officers.

DEPARTMENT REVENUE

The Department has seen growth in revenues over the past three biennia. Revenues in the 2015-2017 biennium were \$14,138,248. The 2017-2019 biennium saw revenue grow to \$14,846,526, a 5% increase. Current biennium revenue is \$12,945,273 through November 30, 2020, which is 20% more than the previous biennium over the same time period. Revenue has grown, in the current biennium, through the sale of annual vehicle entry permits. Vehicle entry permit fees were raised from \$25 to \$35 by the 65th Legislative Assembly. 2020 saw an increase of 20% in the sale of annual permits, which equated to a revenue increase of \$119,153. Park usage increased as more residents spent time in the North Dakota State Park system. This increase was a result of the COVID pandemic, which led people to stay closer to home and take advantage of local amenities. The continued upgrades to our accommodations/amenities has led to a 14% increase in overnight stays at our properties compared to 2017-2019. A large portion of the growth in revenues between the 2015-2017 biennium and the 2017-2019 biennium is attributable to mineral royalties from leases signed in 2011. The current biennium has seen the income from oil royalties decline by 74%, which equates to \$1.3 million less when compared to the 2017-2019 biennium over the same time period.

FEDERAL FUNDING

The majority of the federal funding in the Department's budget comes from two federal grant programs: the Recreation Trails Program (RTP) through U.S. Federal Highways Administration and the Land and Water Conservation Fund (LWCF) grant program through the U.S. Department of Interior. The Department makes these funds available through grant programs to government agencies, political subdivisions, and, in the case of the Recreation Trails Program, to qualifying non-profit organizations.

The Department has projected funding levels from the Recreation Trails Program to be the same in the 2021-2023 biennium. The LWCF has been a part of North Dakota's recreation investments since 1965. Projected funding levels in the Land and Water Conservation Fund are expected to increase by 52% from FY20 due to the changes in the recently passed Great American Outdoors Act (GAOA). The program is also alternatively funded through the Gulf of Mexico Energy Security Act (GOMESA), which was passed in 2006. Between the two sources for the LWCF program, the proposed budget includes an annual appropriation of \$1.8 million to \$2.8 million of federal funds.

2019-2021 BUDGET OVERVIEW

The Department's 2019-2021 biennium original appropriation was \$43,034,982. Currently the appropriation is \$49,877,611. The change in the appropriation is due to the following: Capital Construction \$958,037; Carryover \$2,633,607; Peace Garden loan \$3,000,000; and COVID federal funds \$250,985. The removal of one-time funding shows that the department budget appropriation is comprised of 39.8% General Funds, 38.6% Special Funds, and 21.6% Federal Funds. This is a 2% reduction in General Funds from the previous biennium, and the continued growth of the Department's reliance on Special and Federal Funds.

The Department is on track to expend all base budget funds during the 2019-2021 biennium. The majority of capital carryover projects will be complete by the end of the biennium. We will need carryover to complete the final projects. For example the repair of the breakwater at the Fort Stevenson Marina is the largest project for the carryover and will need additional appropriation in the 2021-2023 biennium. The breakwater suffered catastrophic failure in 2019.

BUDGET REQUEST

The executive budget recommendation for the 2021-2023 biennium is \$74,465,700 with \$13,069,337 in General Funds, \$8,600,485 in Federal Funds, and \$52,795,878 in Special Funds. One-time funding is \$40,485,000.

The executive budget recommendation for the Administration line shows an increase of \$13,454 or (0.5%) to \$2,618,453. This request reflects the enhancements for salary and

benefit adjustments for state employees of 2% salary increase per year and increase both employer and employee by 1% for retirement starting January 1, 2022.

The executive budget recommendation for the Park Operations and Maintenance (Natural Resources) line reflects an increase of \$19,864,435 or (96.4%) to \$40,479,028. Proposed bonding packages for \$9.88 million and \$10 million are included in this line. The Parks Infrastructure Bond (Table 4) and the Park Deferred Maintenance through Legacy Fund Earnings would be used to modernize, repair, and maintain state park infrastructure. This will increase the visiting public’s positive experience when visiting our properties and maintain facilities. The specific information supporting this request is discussed below.

The Recreation line, which includes the Department’s federal grants programs, increases by \$21,285,397 or (228.3%) to \$30,608,957. This includes a 17.5% or \$1,278,609 increase in federal funding. A proposed bonding package of \$20.6 million for the Park District Infrastructure Grants is included in this line. Previously, a community grant program was administered by the Department where park districts could apply for grants for recreation projects.

The executive budget recommendation for the International Peace Garden operating budget is reduced by \$131,449 or 15%. Carryover is requested to complete capital projects at the International Peace Garden since this process may take longer due to ensuring all applicable North Dakota, United States, and Canadian statues are met on a project. We also request loan repayment of \$3,000,000 plus interest for the funds approved in the last biennium.

The executive budget recommendation for the Lewis and Clark Interpretive Center line includes an overall reduction of \$955,873 or (98.9%). This is due to the executive budget recommendation of transferring the Lewis and Clark Interpretive Center and associated properties to the State Historical Society. This also results in a reduction of 3.75 FTEs from the budget.

Table 4 Parks Infrastructure for Bonding Package

Description	Request
Seasonal and Park Ranger Housing	\$2,200,000
Shoreline Repairs	\$500,000
Marina Repairs/Enhancements	\$500,000
Electric Service Upgrades	\$1,660,000
Lake Metigoshe Dining Hall Conversion	\$775,000
Water Service Upgrades	\$1,100,000
Fiber Upgrades	\$1,500,000

Lagoon Studies and Repair/Enhancement	\$1,300,000
Road/Camping Pad Repairs	\$350,000
Total	\$9,885,000

Seasonal and Park Ranger Housing: Housing is outdated, and many of the parks lack permanent seasonal housing altogether. Seasonal employees are housed most often in aged campers or trailers. Due to the remote nature of the state parks, housing is critical to properly staff state parks. If housing is not available, we will need additional funding to pay higher wages to entice people to commute, or we risk not being able to fully staff operations. Full-time rangers and managers are required to live on-site for the safety of visitors and security of the properties. Aged foundations, other extraordinary repairs, and life expectancy of mobile homes have reached their replacement cycle. Funding is needed to provide proper housing for employees to reside on-site year-round. The estimated \$2.2 million would allow for investment in proper and needed housing for 3-5 ranger residences and seasonal residences to be constructed at 3-5 parks.

Shoreline Repairs: Many of NDPRD's properties encompass dynamic riverine systems. Recent flooding, ice jams, and geomorphic activities affect streambanks, causing erosion, steep or unstable banks, which leads to public safety concerns. Each riverine system is unique. Funds will be utilized to hire an engineer specializing in bioengineering of streambank stabilization techniques for each affected park and provide options for implementing solutions. The remaining funds would be used to address the highest priority needs that result from the studies.

Marina Engineering Studies and Repairs/Enhancements: NDPRD operates four marinas in three state parks: Lewis & Clark, Lake Sakakawea, and Fort Stevenson. The marinas were designed and constructed by non-state entities prior to NDPRD's acquisition. The dynamic lake and river levels require the need for modern marina infrastructure. The demand for marina slips are increasing along with slip amenities. This project includes hiring a marine engineer to evaluate our marina infrastructure and associated marina layouts, considering changing wind, current, and icing conditions. The engineer will identify infrastructure solutions to meet changing customer and environmental demands.

Electrical Service Upgrades: The estimate of \$1,660,000 is to upgrade existing 20/30-amp campsites to 50-amp capability. Currently, there are 414 sites that require 50-amp RV campers to utilize a 30-amp pedestal. This creates overloads in the system, tripping breakers and/or causing electrical outages. The electrical feeds are co-linked with critical infrastructures, such as sanitary lift stations, causing catastrophic outages due to peak customer demand on the system.

Lake Metigoshe Boy Scout Dining Hall Conversion: The Lake Metigoshe State Park Boy Scout Dining Hall has a 60'x 60' kitchen and dining area with a 12'x 24' office area. The building has not been used as a dining hall for many years. The building is not weather-tight and has deteriorating windows, roofing, and is suffering structural damage. NDPRD seeks to

maximize its potential to convert the use from a dining hall to a facility that can generate more revenues and serve visitor demand. The project will evaluate the need for reconstruction or renovation. If the building is structurally sound for renovation, the project could include amenities such as energy savings, modern restroom facilities or sleeping quarters. The scope of work will include architecture/engineering services and construction.

Water Service Upgrades: Campground customer's preferences include full-service amenities, including potable water availability at the site. The request of \$1,100,000 will be utilized to upgrade the water services at modern campsites (those with power) that do not currently have their own water hydrant. In many locations, the potable water 35 to 40 years old, and campers share water hydrants (some up to 75 feet away). The age of these systems leads to water leaks and lines breaking, causing higher continuous repair costs and water outages for our visitors. There are an estimated 324 campsites that can benefit from the water upgrades.

Fiber Upgrades: Parks lack high-speed internet capability within many of our facilities. Numerous maintenance buildings and other support facilities run off aged copper lines with router services. High-speed connectivity will increase the production of asset management, computer-based tools and staff efficiencies. Fiber will also speed up the ability to process reservations and retail operations in many of our parks.

Cost estimates to begin expanding high-speed internet at our destination properties would be \$1,500,000 with approximately \$125,000 of ongoing operating costs per year. The total final cost of infrastructure required would vary based on site, scope and demand. By installing high-speed capability, we will enable visitors and staff to utilize smartphones for recreation or work purposes where cellular service is not available. This return on investment allows for marketing, visitor engagement with social media and online interpretive interactive programming. One of the factors for increased cabin stays at Lake Metigoshe State Park is WiFi capability. This has allowed for visitors to stay connected with friends and relatives. This a twofold investment for the visitor and our employees. High-speed connectivity will increase staff efficiencies while providing for greater opportunities for visitors.

Lagoon Studies and Repairs/Enhancements: Many of NDPRD's destination properties include campgrounds and support facilities with full-service infrastructure, including sanitary sewer. The agency has been renovating existing facilities and adding amenities, which led to increased demands on existing sanitary sewer systems. When a renovation or addition occurs, it prompts reviews by the local county and/or the North Dakota Department of Environmental Quality. The results may include the need for septic system upgrades, including lagoons and drain fields. This project will include an engineering study of NDPRD's properties to identify the difference between existing conditions and future compliance needs. The engineering report will provide the agency with options of probable costs for future infrastructure projects. The remaining funds will be utilized for immediate repairs, possible expansions, and new sanitary systems, with the understanding that certain needs may be immediate.

Road/Camping Pad Repairs: NDPRD is responsible for the upkeep of 130 miles of roadways. This optional request includes \$350,000 for road repairs and camping pad repairs. Camping pads are associated with the majority of our campsites.

Park Deferred Maintenance (\$10,000,000): With a large amount of infrastructure associated with park properties, deferred maintenance remains a concern for the Department. Currently, the Department estimates \$74 million of deferred maintenance system-wide. Approximately \$6.5 million is associated with park buildings, \$52.3 million associated with paved roads, \$4.3 million for gravel roads, and \$10.7 for shoreline repairs. Shoreline repairs cost estimate does not include marina deferred maintenance estimates. With the proposed \$10 million for deferred maintenance, priority would be given to repair buildings, marinas and roadways.

Examples of projects include: stabilizing the administration building, repairing the Central Barracks, and repairing the Trolley Line at Fort Abraham Lincoln State Park; new foundation for the dormitory at Lake Metigoshe State Park; replacing windows and siding at the Heritage Center at Icelandic State Park; and painting and shingling of buildings across the park system.

Park District Infrastructure Grant: The \$20.6 million appropriation would be utilized to revive a program similar to the Outdoor Recreation Grant Program, also known as the Community Grants Program, that was last funded in the 2013-2015 biennium. The prior program funded two areas: Recreation Leadership and the Outdoor Recreation Facilities.

The Park District Infrastructure Grant could be available to municipal, county and regional park districts to improve, renovate or construct outdoor recreation facilities. Eligible applicants would apply during a grant funding cycle. The project ranking criteria would include, but not be limited to, alignment with the State-wide Comprehensive Outdoor Recreation Plan (SCORP), demonstrated need through a local planning document and evidence of public input towards the project.

Management of the program would be completed through NDPRD's grants program. The Department would request that partial funding from this appropriation can be used to offset administrative, salary and IT costs. The grant selection committee would consist of representatives from the Department and the North Dakota Recreation and Parks Association, at a minimum.

ADDITIONAL REQUESTS

The Department also requests the following:

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, 2021, and ending June 30, 2023.

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, 2021 and ending June 30, 2023.

SECTION 5. 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 during the biennium beginning July 1, 2021 and ending June 30, 2023. 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 6. EXEMPTION. Any funds remaining for parks enhancements in subdivision 1 of section 1 of chapter 53 of the 2015 Session Laws is not subject to section 54-44.1-11 and in subdivision 1 section 1 of chapter 18 of the 2017 Session Laws and any unexpended funds are available for park enhancement projects during the biennium beginning July 1, 2021 and ending June 30, 2023.

SECTION 7. CONVEYANCE OF LAND AND BUILDINGS – LEWIS AND CLARK INTERPRETIVE CENTER – EXEMPTION. The State of North Dakota, by and through the North Dakota parks and recreation department shall convey ownership of the Lewis and Clark interpretive center and surrounding real property to the state historical society. Sections 54-01-05.2 and 54-01-05.5 do not apply to this conveyance.

SECTION 8. Section 55-08-20 of the North Dakota Century Code is created and enacted as follows:

Section 55-08-20 Parks Matching Grant Program – Continuing Appropriation. Subject to legislative appropriations, each biennium during the period beginning July first of odd-numbered year and ending December thirty-first of each even-number year, North Dakota parks and recreation shall utilize one dollar in matching funds for every one dollar raised by a non-state entity for the purpose of capital projects dedicated to the improvement of North Dakota State parks and recreation managed properties. Any funds utilized pursuant to this section are appropriated on a continuing basis to the North Dakota parks and recreation for capital projects.

SECTION 9. STATE PARKS MATCHING. The Department of parks and recreation is authorized to use up to \$10,000,000, or however much is available, of the amount transferred to the park gift fund from Legacy fund earnings at the end of the 2019-21 biennium, pursuant to

2021 House Bill 1015 to establish a state parks matching grant program as provided in section 8 of this Act.

PROPOSED BUDGET REDUCTIONS TO MEET EXECUTIVE RECOMMENDATION

The North Dakota Parks and Recreation Department was asked to develop a budget proposal with a 10% reduction in base budget and reprioritize 5% of the 2019-2021 special fund adjusted legislative base. The following is a list of proposed reductions to meet the executive budget request limit (Table 5).

Table 5 Proposed reductions to meet limit requests.

Description	General Fund	Federal Funds	Special Funds
Transfer of Lewis and Clark Interpretive Center to State Historical Society (Optional)	\$823,110		\$587,999
Reduce Funding for International Peace Garden	\$131,449		
Shift repair funding from general to special	\$265,000		
Fees, Professional Services	\$285,000		
Professional Development	\$75,000		

The general fund reductions were driven by the transfer of Lewis and Clark Interpretive Center and surrounding real property to the State Historical Society. Additional general fund reductions were achieved by moving costs to special funds. Special funds reprioritization and reduction occurred.

COMPARISON OF OPTIONAL ADJUSTMENTS

The North Dakota Parks and Recreation Department provided optional packages for consideration for the 2021-2023 biennium (Table 6). The executive budget proposal included several of the options requested.

Table 6 Optional package comparison

Request	Agency Request		Executive Recommendation	
	General	Other	General	Other
Restore 10% general	\$1,427,625			
Restore general for NDIT	\$750,000		\$372,250	
Infrastructure Enhancement (see Table 4)	\$9,960,000			\$9,885,000

Restore general for Extraordinary Repairs	\$1,141,920			
Equipment over \$5,000	\$497,100			
Pembina Gorge Campground	\$4,500,000			
Park deferred maintenance funding				\$10,000,000
Park District Infrastructure Grants				\$20,600,000
State Parks Matching Grants Program				\$10,000,000

FEDERAL FUNDING AVAILABLE RELATED TO COVID-19

The North Dakota Parks and Recreation Department requested federal funding related to COVID-19 related needs (Table 7).

Table 7 Federal funding related to COVID-19

Request	Spent	Remaining
Supplies	\$87,438	\$35,548
Wi-fi	\$28,000	\$0
Mobile Units	\$100,000	\$0
Total	\$215,438	\$35,548

DEPARTMENT BILLS WITH POTENTIAL BUDGETARY IMPACT

House Bill 1097 relates to the state parks gift fund and provides for a continuing appropriation. The gift fund associated with the Department has been in place since the 1980s. With more discussions related to larger projects and various donors, the Department is looking for clarity of the authority associated with the fund as well as having the fund available on a continuing basis.

REQUESTS FOR ADJUSTMENT TO THE EXECUTIVE RECOMMENDATION

The Department would like to request adjustments related to the International Peace Gardens loan, funding for Little Missouri State Park lease renewals, and an exemption for the 17-19 extraordinary repair projects.

On December 30, 2020, the Bank of North Dakota approved the \$3,000,000 loan plus interest for the International Peace Garden per Section 12 of the 2019-2021 budget appropriation.

Little Missouri State Park encompasses 45 miles of equine and walking trails across state land and leased private properties. These leases encompass 4333 acres and expire November 1, 2021. Total costs of leased lands would be \$190,652 for a 5-year period ending 2026.

As discussed previously, include exemption language to complete 17-19 projects that have been started but may need the full construction season of 2021. The Department would like to request an amendment to the executive budget recommendation and initial bill in Section 6 “Exemptions” to the following: “Any funds remaining for parks enhancements in subdivision 1 of section 1 of chapter 53 of the 2015 Session Laws and in subdivision 1 section 1 of chapter 18 of the 2017 Session Laws is not subject to section 54-44.1-11, and any unexpended funds are available for park enhancement projects during the biennium beginning July 1, 2021, and ending June 30, 2023.